



Township of Esquimalt, British Columbia, Canada

# 2015 Annual Report

For the year ended December 31, 2015



**DRAFT**

# Mission Statement

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

# Corporate Values

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

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

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

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



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# Esquimalt 2015: Year in Review



## A Quality Location

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

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

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

## Esquimalt at a Glance

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

# Mayor's Message



## On behalf of Esquimalt Council, I am proud to share our 2015 highlights.

Looking back on the year, 2015 was a year of seizing opportunities and taking innovative steps forward in revitalization and economic development. As a local news editorial put it in July of 2015, the Township is definitely not “resting on its laurels.”

A Revitalization Tax Exemption initiative for Esquimalt Road was introduced during the year to promote economic growth through façade improvements and enhancements along the corridor. An open house was held in March to gather community input on the initiative and a bylaw was established in August as an incentive for business and property owners to beautify the corridor.

An Economic Development Select Committee was established to review the strategies identified in our 2014 Economic Development Strategy and to make recommendations to Council to assist us in prioritizing action items. Later in 2015, Council voted to support the new South Vancouver Island Economic Development Association. This is an initiative aligned with our own strategy and will provide leverage to the Township – by participating in a regional model - to attract investors, businesses, and young workers.

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

Another project that will revitalize and energize our community is the Esquimalt Village Project. Staff moved the project forward during 2015 by marketing the project and preparing the lands for development. We set the stage for choosing a development partner in 2016 by issuing a Request for Expressions of Interest and a Request for Proposals, and continuing with our remediation plan on the site.

Additional highlights included:

- Completion of the Admirals Road Corridor Improvement Project, which improves overall access and safety along the corridor for all users;
- Presenting a budget with a modest 2.15% increase that focused on long term sustainability to ensure continued provision of high quality services expected by the community;
- A \$170,000 playground upgrade in four of our popular parks: Lugin, Paradise, Memorial and Gorge Parks.
- Launching our Official Community Plan Review in October with an online survey.

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

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

Barbara Desjardins  
Mayor of the Township of Esquimalt

# Mayor and Council



## **Barb Desjardins - Mayor**

### *2015 Appointments*

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

### *2015 Internal Appointments*

Department of National Defence Liaison



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

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



**Meagan Brame - Councillor**

*2015 Appointments*

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

*2015 Internal Appointments*

Celebration of Lights Committee  
Environmental Advisory Committee  
School Liaison



**Beth Burton-Krahn - Councillor**

*2015 Appointments*

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

*2015 Internal Appointments*

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



**Lynda Hundleby - Councillor**

*2015 Appointments*

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

*2015 Internal Appointments*

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



**Olga Liberchuk - Councillor**

*2015 Appointments*

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

*2015 Internal Appointments*

Heritage Advisory Committee  
Local Grant Committee  
Parks and Recreation Advisory Committee



**Susan Low - Councillor**

*2015 Appointments*

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

*2015 Internal Appointments*

Advisory Planning Commission Liaison



**Tim Morrison - Councillor**

*2015 Appointments*

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

*2015 Internal Appointments*

Advisory Planning Commission Liaison  
Parks and Recreation Advisory Committee

# Message from the Chief Administrative Officer



**It is my pleasure to present the Township of Esquimalt's 2015 Annual Report on behalf of Corporate Administration.**

In 2015 strategic priorities and operational strategies were developed by Council to enhance the health and liveability of the community, build stronger relationships with other governments, encourage a resilient and diverse economic environment, and address municipal infrastructure.

Following last year's adoption of a comprehensive Economic Development Strategy, resources were allocated in 2015 to develop or enhance tools to promote economic development. These efforts resulted in the adoption of a Revitalization Tax Exemption Bylaw, an updated Zoning Bylaw, launching the review process for our Official Community Plan and the development of the Westbay Neighbourhood Design Guidelines. Council also voted to join and support the South Vancouver Island Economic Development Association to gain additional leverage to attract investors and businesses to the region.

In further support of the strategic direction set by Council, resources were allocated to enhance the health and liveability of the community. Major progress in this area included: 1) additional focus by bylaw enforcement on addressing unsightly properties; 2) adoption of both parking management and boulevard maintenance strategies; and, 3) completion of the Admirals Road Corridor Improvement project.

Other accomplishments of note in 2015 included the issuance of the request for proposals for Esquimalt Village Project, the securing of the 2017 Canadian Junior Curling Championships, receiving the Community Excellence Award for Partnerships from the Union of BC Municipalities and the reduction of both energy consumption and greenhouse gas emissions in municipal operations for the third year in a row.

The Township was able to make significant progress in all strategic areas with a modest increase of 2.15% in tax revenues while maintaining core municipal services, replenishing reserve funds, and completing approximately \$7 million in capital and infrastructure improvements.

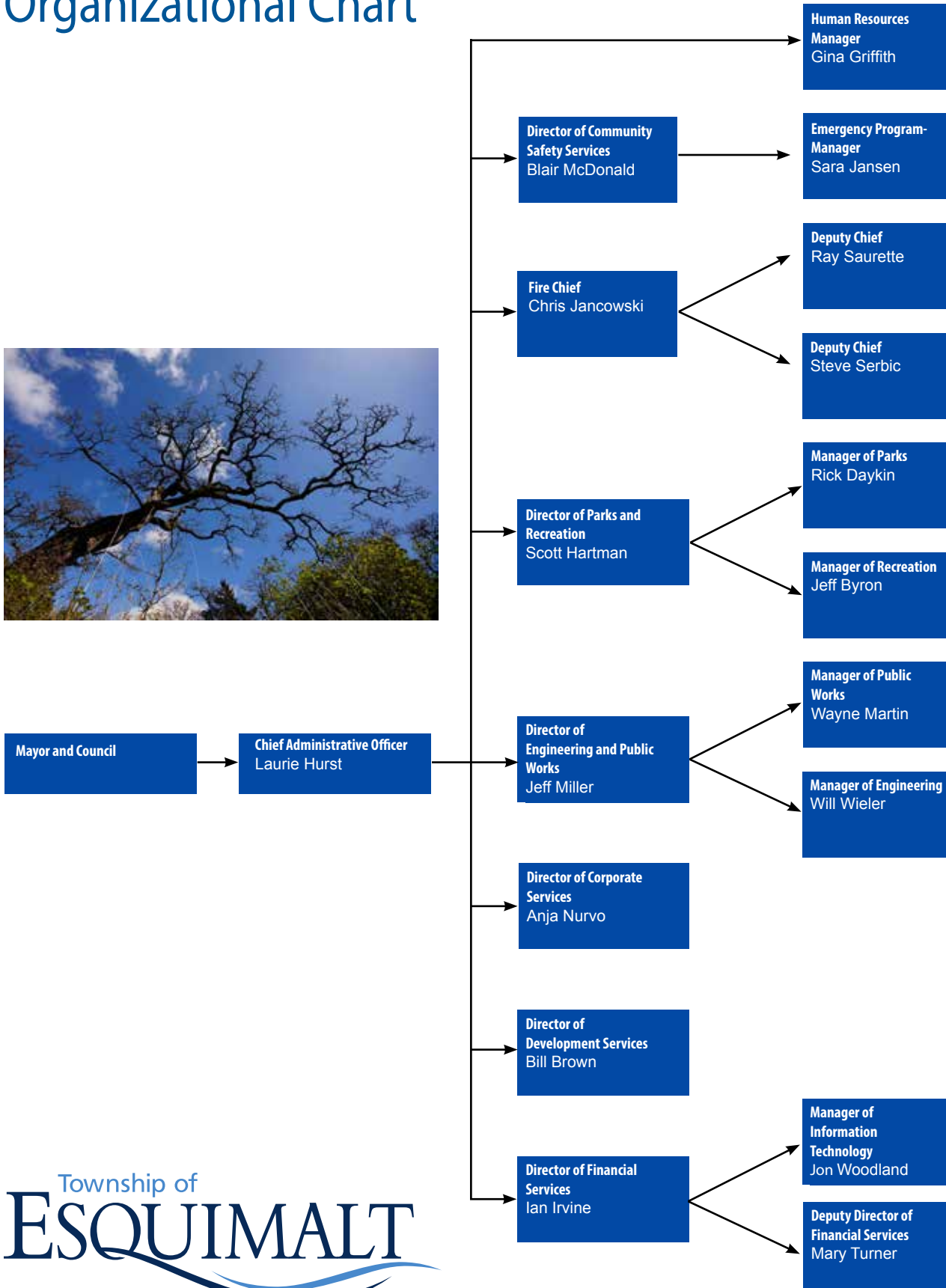
All Township staff can take pride in their contributions to the achievements of 2015. I invite everyone to review this annual report, which highlights these achievements as we move forward.

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

**Laurie Hurst**  
Chief Administrative Officer



# Organizational Chart



# Township Strategic Priorities

In January 2015, Council held a strategic planning workshop. At the regular meeting of Council March 2 and Special Committee of the Whole meetings on March 16 and 30, Council reviewed and discussed the Draft 2015 Strategic Plan. As a result of the direction given from Council, staff updated the plan including detailed tasks and actions and a draft was sent to advisory committees for input. The document was also posted to the corporate website for public input. At the regular Council meeting of April 13, 2015, Council provided direction to incorporate specific recommendations from committees and to update the strategic priorities accordingly. The 2015 – 2019 Strategic Priorities Report was adopted by Council on April 27, 2015. See [www.esquimalt.ca](http://www.esquimalt.ca) for a copy of the report.



The 2015 - 2019 Strategic Priorities Report is a “living document” that will be regularly reviewed and updated by Council during its term. Members of the public or of any Township advisory committee may at any time submit comments to Council on the document. Any input received will be brought forward to Council by staff on a regular basis when the report is reviewed and updated.

## Strategic Priorities Chart

The preparation of a ‘Strategic Priorities Chart’ is an important part of the strategic planning process to translate plans into action and to provide a handy reference for Council, staff and the public. The supporting Operational Strategies lists the various actions to be undertaken by the Township in order to implement the direction set out by Council in the Report, and assigns responsibility for priorities to staff with regular monitoring, updating and reporting progress to Council and the public.

The Chart and Operational Strategies are used by staff to prepare a draft budget and financial plan for Council’s consideration, and to develop departmental work programs. It is also intended that Council’s advisory committees will ensure that their work plans are focused on assisting Council and staff achieve these strategic priorities. The Strategic Priorities Chart will be reviewed regularly to make adjustments, update priorities and celebrate achievements.



## Strategic Priorities 2015 – 2019



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

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



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

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



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

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



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

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

# We Value our Environment

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

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

## Climate Action

In 2015, the Township produced 1,037 tonnes of greenhouse gas (GHG) emissions from its municipal operations. This is a reduction of 21% compared to the first year data was collected in 2012, when GHG emissions totalled 1,312 tonnes. Two-thirds of GHG emissions come from the operation of municipal facilities and one-third from the use of municipal fleet vehicles and equipment. The Township received a Carbon Tax Grant of \$28,935 in 2015 which is deposited to the Sustainability Reserve Fund used to help fund future GHG emission reduction projects.



## 2015 Earth Day

On April 22nd students from Rock Heights Middle School, Macaulay Elementary School and Esquimalt High School participated in the Third Annual Earth Day restoration of Highrock Park. Local residents also pitched in for the day to help restore the park's Garry oak ecosystem.

Volunteers assisted with the removal of invasive species, planted 400 native plants, resurfaced a trail, and planted 10 Garry oak trees. An innovative new part of the event was the use of goats to assist with the removal of invasive species. Over the course of two days over 1000 students and residents participated and made a commitment to the environment.



## Admirals Road Corridor Improvement Project

The Admirals Road Corridor Improvement Project was completed during 2015.

The Township is committed to multi-modal transportation that reduces the impact of transportation on the environment, and the Admirals project is an expression of this commitment.

The project included the addition of bike lanes and improvements to sidewalks to ensure safe and efficient travel for all modes of transportation. Underground stormwater devices were also installed to help keep the waters of Esquimalt Harbour free of roadway contamination.

### Reference to Strategic Priorities

**Admirals Road Corridor** - Council Priority (Multi-Modal Traffic Strategy)

## Waste Management/ Kitchen Scraps Program

Organic material from kitchen scraps diversion can be converted into compost or fertilizer, supporting waste reduction and a decrease in greenhouse gas emissions. In 2015, the first full year of its Kitchen Scraps Program, the Township diverted almost 500 tonnes of organics from the Hartland Landfill.

## Watershed Map

The Development Services Department, working with the Capital Regional District Integrated Watershed Management Program, developed a Neighbourhood Watersheds Map. The map illustrates in a user-friendly format how water runoff from Esquimalt neighbourhoods travels to our surrounding waterways, and how and where this can affect our local marine environment. The map encourages residents to consider how their actions at home – including the use of paint, soap, fertilizers and pesticides - can be harmful to the oceans and marine habitats that surround our community.

## Additional Initiatives

The Engineering and Public Works Department continued with the implementation of the Sidewalk Continuity Plan, constructing sidewalk ramps in four locations and installing two additional BC Transit shelters, enhancing the community's capacity for multi-modal transportation.

The Parks and Recreation Department also assisted with hosting the 2015 Bike Fest, held in the curling centre and the Archie Browning Sports Centre parking lot on May 24th.





## Arts and Culture

Throughout the year at the Recreation Centre, there were 1,433 registrants in 63 arts and cultural programs. These programs included music, dance, photography and digital arts.

During the summer of 2015, a “Music in the Park” series was held in Memorial Park, promoted and coordinated by the Township Community Arts Council, and sponsored by the Township through its Local Grants Program. Six outdoor concerts featuring local musicians were held on Tuesday evenings during June and July. In addition a Township Classics concert series was held at the English Inn featuring magnificent classical works.

The second annual “Sculpture Splash” at Macaulay Point Park – also organized by the Township Community Arts Council and sponsored by the Township—was held on September 19 and 20. The event—which included classes and demonstrations—brought together 18

artists from across the Island and beyond to display over 70 sculptures throughout the park.

The Esquimalt Recreation Centre atrium was again the site of a local photography exhibit displaying works from the Esquimalt Photography Club. The exhibit kicked off with an evening open house on March 3rd with local photographers. The photographic exhibit was on display throughout the month of March.

The Fourth Annual Bloomin’ Beautiful Home and Garden contest drew record breaking participation with 140 residents and businesses participating. Voting in the People’s Choice categories doubled with 604 votes casts on Township social media pages.

The Esquimalt Farmers Market was launched in 2015, setting up shop throughout the summer months in Esquimalt Town Square behind Municipal Hall. The market features vendors with high quality, locally grown produce, food products and a variety of arts and crafts.



## Esquimalt Village Project

In May 2015 the Township launched a Request for Expressions of Interest for the Esquimalt Village Project to confirm market interest in developing the project lands, located adjacent to Municipal Hall. Following this, the Township issued a Request for Proposals for the project in October, 2015 to find a development partner for the project that best responded to the needs of the community. The Esquimalt Village Project location at 1235 Esquimalt Road was once the site of the Township’s public works yard and municipal hall. It is envisioned to be a lively and sustainable town centre, incorporating a mix of uses and community recreation needs, amenities and services. Construction is expected to commence in the spring of 2017 and be completed within two years.

### Reference to Strategic Priorities

**Arts, Culture & Heritage** - Council Strategic Priority (Build a vibrant and sustainable arts, culture and heritage community)

**Esquimalt Village Project** - Council Strategic Priority (Continue to actively market opportunities in the Esquimalt Village Project)

**Community Events** - Operational Strategy (Promote and encourage a diverse range of community events)



# Township Operations: A Commitment to Service Excellence

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





# Corporate Services



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

Staff obtained approval for electronic registration of documents at Land Title Office, resulting in expediting registrations, saving staff time and reducing costs. The Tempest business licensing module was upgraded.

In 2015, the department's initiatives in support of Council priorities included:

- Conducting review of Committee governance to ensure alignment with strategic priorities.
- Reviewing, updating or replacing several regulatory bylaws and policies to ensure efficient processes; amend and update as necessary.
- Refreshing content on the corporate website and adding tools and features to enhance public engagement.
- Engaging with local service entities to ensure input is considered to support strategic priorities.
- Developing additional social media connections to promote communications with stakeholders.
- Promoting and encouraging a diverse range of community events.
- Supporting community groups through Township communications resources.

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



Municipal Archives staff and volunteers were busy with new acquisitions of historical materials, as well as with continuing to assist the media, Township staff and residents with research and providing background information on request. Archives completed a Digitization Project ["Capturing Our History"] with the assistance of a grant from the Irving K. Barber Learning Centre of the University of British Columbia. As a result, over 2,000 historical images are now available to the public through our website, and the Township was presented with an award by Hallmark Heritage Society in recognition of this project.

The communications program continued to promote public engagement and resident involvement in Township initiatives through corporate social media pages and other digital tools. Internal communications was enhanced with further development of the corporate intranet, which provides news, updates and internal communications for staff members, reducing the use of internal e-mails. A visual identity initiative was rolled out to staff during the year aimed at creating consistent document design across all departments. In addition, preliminary work was completed in 2015 on the redesign of the corporate website.

## Reference to Strategic Priorities

**Bylaw and Policy Review** – Operational Strategy

**Committee Governance Review** – Operational Strategy

**Website Refresh** – Operational Strategy

**Enhanced Public Engagement** – Operational Strategy

**Support and Promote Community Events and Groups**  
– Operational Strategy

# Community Safety Services



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

## Bylaw Enforcement

Esquimalt bylaw enforcement monitors and enforces municipal bylaws, and takes a proactive approach to encouraging voluntary compliance through public education and awareness of municipal regulations. During 2015, bylaw officers investigated 690 occurrences and wrote nearly 700 bylaw enforcement tickets for various offences. The department is also responsible for animal management and the administration of our contract with Victoria Animal Control Services.

## Building Inspection

Building Inspection is responsible for the regulation of construction, alteration, repair or demolition of buildings and structures within the Township and helps ensure the safety and integrity of buildings and structures in the municipality. Building Inspectors conduct inspections at various stages of construction, and keep records on file for future reference. The department issued 85 building permits in 2015 representing just under 10 million dollars in value of construction.

## Emergency Program

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

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

The Emergency Social Service volunteer team assists residents that are displaced from their homes by coordinating the provision of food, clothing, and shelter. In 2015, the team participated in municipal and regional exercises and was activated three times to provide support to residents.

The volunteer Emergency Radio Communications Team provides a vital communications link to the Province and other municipalities in the event of the loss of traditional communications. The team continues to participate in weekly tests and yearly exercises to ensure systems are operating correctly.

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

### Reference to Strategic Priorities

**Emergency Program Activities** – Operational Strategy: Promote emergency preparedness through shared initiatives and training

**Community Safety Working Group\*** – Operational Strategy

*\*Chaired by the Director of Community Safety Services, the group consists of Township staff, Esquimalt Fire, Victoria Police Department, and Military Police. The purpose is to examine safety complaints at the holistic level that may or may not include enforcement options. A complaint that is reviewed by this group may be solved by environmental design or structural changes.*

# Development Services



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

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

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

In 2015 the Development Services Department coordinated the release of both a “request for expressions of interest” and a subsequent “request for proposals” for the Esquimalt Village Project. This represents a major milestone in advancing this vital project.

Another major initiative in 2015 was the commencement of the review of the Official Community Plan with Council’s adoption of the project charter in August. This launched a two-year review process that will include numerous opportunities for the public to provide their vision for the future of Esquimalt. The first step in this engagement process was a survey that gathered information about what residents were interested in discuss-

ing and how they wished to be engaged in the review process.

2015 saw the conclusion of the West Bay Design Guidelines process when Council adopted the Guidelines at their November 16, 2015 meeting. The West Bay Design Guidelines will provide Council and the residents of West Bay with a comprehensive design framework that will guide the future development of the neighbourhood. The guidelines will also inform the Official Community Plan review.

Finally, the department won an award from the Union of British Columbia Municipalities for its Small Business Training Program that gave vulnerable women the necessary skills to set up their own small business.

## Reference to Strategic Priorities

**Esquimalt Village Project Advancement** – Operational Strategy: Continue to actively market opportunities in the Esquimalt Village Project

**Official Community Plan** - Operational Strategy: Support community growth and development consistent with our Official Community Plan

**Revitalization** - Operational Strategy: Support revitalization and beautification initiatives along Esquimalt Road

**Relationships** - Operational Strategy: Work with First Nations and Esquimalt community to support economic, cultural, and social opportunities



# Engineering and Public Works



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

## Engineering Department Highlights:

- Funding was received for additional detailed site investigation of the Esquimalt Village Project lands. This work involved the drilling and installation of monitoring wells and sampling soil.
- The Admirals Road Corridor Improvement Project was initiated and completed during the year. The project included a new road surface, the installation of new underground mains, services, oil/water/grit separators, sidewalk replacement, road base rebuild, and the construction of bike lanes.
- The department supported the Westside Solutions Wastewater Treatment Project in locating potential sites for wastewater treatment facilities throughout the region.
- Development of designs for various infrastructure projects such as the Sidewalk Continuity Plan on Arcadia Street and the Sidewalk Upgrade Program on Head Street.
- In partnership with ICBC, carried out survey and analysis of signage throughout the Township.
- 18 Traffic Orders were issued.
- An inventory of all Township-owned retaining walls was completed.
- Staff members prepared policy guides on parking restrictions and boulevard modification for posting to the corporate website.

## Public Works Department Highlights:

- The manhole separation project entered the final year of a five-year program; 12 manholes were separated during the year.
- Surface projects included the installation of new concrete sidewalks (Arcadia Street) and the replacement of existing sidewalks and removal of tripping hazards (Head Street).
- Additional maintenance activities included storm water catch basin replacement (26), crack sealing of roads, pump station maintenance, street sweeping, catch basin cleaning, and oil/water/grit cleaning.
- Staff responded to several spills that occurred in the storm water collection system.
- Crews collected 990 tonnes of garbage, 500 tonnes of kitchen scraps, and 2,185 tonnes of yard and garden materials.



### Reference to Strategic Priorities

**Support of Westside Solutions Committee** – Operational Strategy:  
Integrated Waste Strategies

**Esquimalt Village Project Land Remediation** - Operational Strategy:  
Market Opportunities for EVP

**Admirals Road Corridor Improvement Project** - Operational Strategy:  
Multi-Modal Strategies

**Public Works Infrastructure Maintenance** - Operational Strategy:  
Identify Infrastructure Repair

# Financial Services and Information Technology



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

## Financial Services

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

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

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

## Information Technology

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



# Fire Rescue



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

In 2015, Esquimalt Fire Rescue responded to 1414 incidents compared to 1243 in 2014. This included four structural fires, the most significant of which occurred on July 1st in a single family dwelling that resulted in the rescue of two occupants.

In December, two members of the Esquimalt Fire Department were recognized with the 20 year Federal Exemplary Service Medal. These medals were presented by Mayor Barbara Desjardins and Fire Commissioner Gord Anderson.

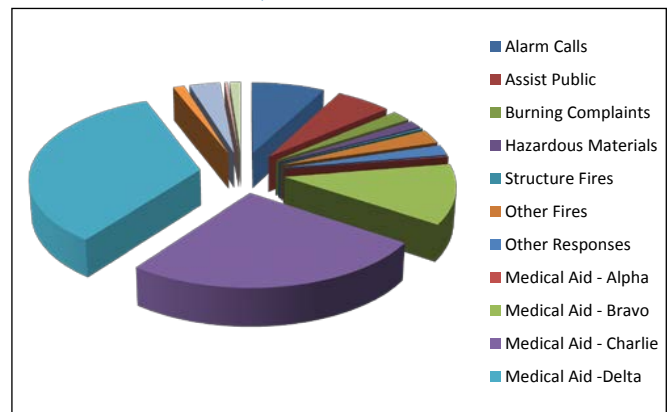
In July, the department received the newest addition to the fleet: a 2015 Rosenbauer Type 1 Fire Engine. This new engine combines several safety and efficiency features that include backup cameras, remote control monitors and multiplexed electronic control systems. In addition the apparatus is equipped with an auxiliary engine that can serve as an on-site generator along with

providing power to the apparatus while shutting down the main engine to prevent long periods of idling. This engine will serve the Township for several decades.

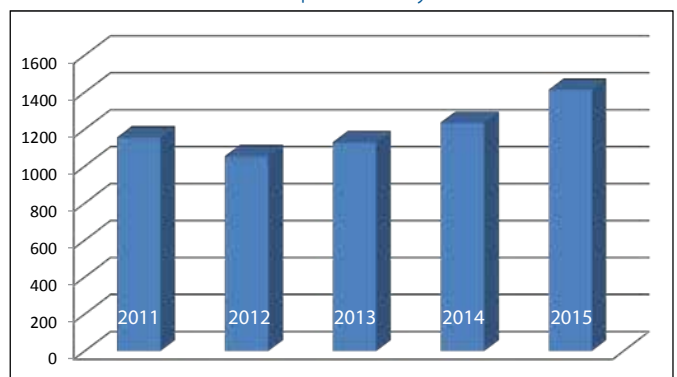
The department completed a restructuring of fire suppression crews; each company is now led by a captain and five firefighters. The department has also created two administrative portfolios that are assigned to the assistant chiefs. The community services portfolio includes public education, inspections, plan reviews and pre-incident planning. The second portfolio, departmental services, includes equipment purchases, repairs, and internal and external training co-ordination.



2015 Types of Responses



Total Responses by Year



# Parks and Recreation



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

In 2015 there were 259,127 visits to Parks and Recreation Department services and programs.

## Parks

Parks staff is responsible for the maintenance and conservation of Esquimalt's stunning parks, trails and beaches. While maintaining Township parks to a high standard, staff members follow principles of sustainability and ecology, ensuring that future generations will continue to enjoy our coastal and upland parks and greenways. Throughout 2015 parks staff — working alongside volunteers, community organizations, First Nations, and youth groups — also provided support for a variety of Township events.

## Highlights and Upgrades

Playgrounds were replaced in four Township parks during the year, including Esquimalt's Gorge Park, Memorial Park, Lugin Park and Paradise Park. A new backstop was also installed at Lampson Park.

Parks nursery upgrades included the installation of a new electrical panel and plumbing, new flooring for upstairs, the construction of locker rooms, the conversion

of the old locker rooms to a clothes drying area and, two new work stations for staff access.

Further upgrades within Parks included the implementation of the Davey TreeKeeper software, a tree inventory program which allows tracking of location and characteristics of trees in the Township. Using the software, staff can collect and track information on location, mapping coordinates, species, trunk diameter, condition of tree, risk assessment, maintenance requirements, and overhead utility conflicts. Using the new system, 5,282 street and park trees were inventoried and classified, and an urban forest management plan was developed utilizing the inventory that was collected.

The Branch Out Program was launched to support the community in caring for and protecting its urban forest through the development of educational materials and community events. Branch Out community events provided a hands on opportunity for residents and visitors to work together to restore park lands. Four Branch Out events were held in 2015 at Macaulay Point Park, Saxe Point Park, Highrock Park and Esquimalt Gorge Park.

The Annual Earth Day Celebration expanded this year to over 1,500 participants including students from Macaulay Elementary, Rockheights, Esquimalt High and

l'ecole Victor-Brodeur, all working to restore Highrock Park. A highlight for many at the 2015 event was the addition of four-legged friends – goats were brought in to help with the removal of invasive species.

The Fourth Annual Bloomin' Beautiful Home and Garden contest drew record breaking participation with 140 residents and businesses participating. Voting in the People's Choice categories doubled with 604 votes casts on the Esquimalt Parks & Recreation social media pages.



## Parks and Recreation continued...

### Recreation

At Esquimalt Recreation, some 9,745 registrants participated in 284 registered programs. Several new and innovative programs were added in 2015, including Zumba, Art-Tastic Summer Camp and Water Polo.

A 2015 program highlight was the introduction of “Park Play.” Once a week throughout the summer, families enjoyed this free community program which took place at a different local park each week. Recreation staff hosted a variety of activities including bouncy castle, crafts, sandcastle building, baseball and nature walks. “Park Play” was enjoyed by nearly 1,000 people in its inaugural year.

### Special Events:

The Recreation Department hosts many special events and provides support to several community events. In 2015, some 35 events were hosted, including the community 5K, Earth Day at Highrock, Neighbourhood Block Party, Buccaneer Days, the Outdoor Cinema Series, the Gorge SwimFest, RibFest and Celebration of Lights.

Esquimalt’s Christmas Tree Village has become a regional holiday experience with 40 local businesses and community groups participating at both the Esquimalt Recreation and Archie Browning Sports Centre. An estimated 28,000 people enjoyed the village in 2015.

In 2015 two new community events were launched in Esquimalt: the Esquimalt Farmer’s Market, which drew hundreds of attendees each week, and the Color Vibe 5K which drew some 3,500 runners from all over Vancouver Island to Esquimalt.

### Facility Upgrades/ Infrastructure Renewal

Two major infrastructure projects were completed in 2015. The Archie Browning Sports Centre renovation included the construction of a new lobby and boardroom, and the conversion of the former kitchen to an open concept office space. A centralized outdoor plaza was also constructed, which was the venue for hundreds of residents to welcome the 2015 Tour de Rock riders to the Township. At the Recreation Centre, the former administrative offices were renovated to create a 1000 square foot space for children and youth.

A number of additional upgrades were also completed in both facilities including upgrades to flooring, exterior painting, replacement of hot water lines and conversion of exterior lighting to energy efficient LED lighting at the Sports Centre.



Reference to Strategic Priorities

**Enhancements and Strategic Parkland Acquisition and Expansion**  
- Operational Strategy

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

**Infrastructure Renewal Strategy** - Operational Strategy



# Victoria Police Department - Esquimalt Division

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

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

2015 was the first official year of the new policing agreement for Victoria and Esquimalt. The Esquimalt Division now includes three School Resource Officers (one dedicated to Esquimalt and Vic West), one at-risk youth investigator (with the Mobile Youth Services Team), and two dedicated Community Resource Officers that provide services to the community of Esquimalt and the neighbourhood of Vic West. The Division also houses the police department's K9 Unit, which is comprised of four general duty German Shepherds and two Labradoradors trained for explosives and drug detection. The Esquimalt Division is supervised by one Inspector and one Sergeant and assisted by two civilian staff.

The introduction of VicPD's new Strategic Plan in 2015 saw a greater move to intelligence-led policing and enhanced communication. Every 28 days, VicPD analyzes calls for service and community concerns. Patrol, volunteers, and Community Resource Officers focus on specific areas for special attention to address identified issues. This information is shared with the public on the VicPD Esquimalt Division Facebook page and the updates provide information to the community on how they can assist VicPD on issues of community safety. These updates have been well received and often solicit messages or questions from the community either in the public forum, or via private messages or phone calls.

Division members work very hard at being visible in the community. Officers and volunteers attended many community events in 2015 including Buccaneer Days, the Esquimalt Block Party, Christmas Light parade, Esquimalt Seniors Lunch, and Earth Day at Highrock Park.



# Township Operations by the Numbers in 2015



## Corporate Services:

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

**42** staff reports on various topics

**692** business licences issued or renewed

**36** Freedom of Information request responses

**264** Municipal Archives requests for research/information

**24** media releases issued to regional media

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

**242,155** visits to corporate website

**1,347,619** page views on corporate website

**552** new followers on municipal Twitter account

**212** new likes on municipal Facebook account

## Applications to Development Services:

**3** Board of Variance

**18** Development Permit

**11** Development Variance Permit

**5** Rezoning applications

**4** Subdivision applications

**41 Total applications**

## Engineering and Public Works oversees:

**47** kilometres of roads

**9** kilometres of boulevard

**11** pump stations

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

## Parks and Recreation:

**259,127** visits to services and programs

**1,500** participants in 2015 Earth Day Celebration

**140** entries in Fourth Annual Bloomin' Beautiful contest

**1433** registrations in arts and culture programs

**35** events hosted or supported

## Fire Rescue:

**1,414** total responses to incidents

**4** structure fire responses

**1030** medical aid responses

**492** inspections

# Financial Section

Financial Reporting Responsibility

Auditors' Report

Financial Statements

Statistical Information

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# Management's Responsibility for Financial Statements

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

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

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

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



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Chief Administrative Officer



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Director of Financial Services

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



**KPMG LLP**  
**Chartered Professional Accountants**  
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800-730 View Street  
Victoria BC V8W 3Y7  
Canada

Telephone (250) 480-3500  
Telefax (250) 480-3539  
Internet www.kpmg.ca

## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the Corporation of the Township of Esquimalt which comprise the statement of financial position as at December 31, 2015, the statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

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

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

### *Auditors' Responsibility*

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

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

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

### *Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Corporation of the Township of Esquimalt as at December 31, 2015, and its results of operations, its change in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Professional Accountants

May 2, 2016  
Victoria, Canada

# The Corporation of the Township of Esquimalt

## Statement of Financial Position

December 31, 2015, with comparative information for 2014

	2015	2014
<b>Financial assets:</b>		
Cash and cash equivalents (note 2)	\$ 22,639,027	\$ 23,325,093
Property taxes receivable	1,251,441	687,951
Accounts receivable	1,295,385	1,689,697
MFA debt reserve cash (note 12(b))	217,393	211,965
	<u>25,403,246</u>	<u>25,914,706</u>
<b>Liabilities:</b>		
Accounts payable and accrued liabilities	8,171,489	9,007,671
Deferred revenue and deposits (note 3)	2,343,561	1,929,099
Debt (note 4)	9,069,991	9,420,230
Obligations under capital leases (note 5)	68,350	10,925
Employee benefit and retirement obligations (note 6)	1,034,639	1,026,953
	<u>20,688,030</u>	<u>21,394,878</u>
<b>Net financial assets</b>	<u>4,715,216</u>	<u>4,519,828</u>
<b>Non-financial assets:</b>		
Tangible capital assets (note 7)	82,366,241	78,291,313
Inventory of supplies	110,681	123,071
Prepaid expenses	204,557	51,147
	<u>82,681,479</u>	<u>78,465,531</u>
Commitments and contingencies (note 12)		
<b>Accumulated surplus (note 8)</b>	<u>\$ 87,396,695</u>	<u>\$ 82,985,359</u>

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



Director of Financial Services

# The Corporation of the Township of Esquimalt

## Statement of Operations and Accumulated Surplus

Year ended December 31, 2015, with comparative information for 2014

	Financial plan (note 13)	2015	2014
<b>Revenues:</b>			
Taxes for municipal purposes (note 9)	\$ 14,883,373	\$ 14,886,294	\$ 14,361,965
Payments in place of taxes (note 10)	11,771,435	11,776,021	11,500,408
Sale of services	3,214,864	3,199,598	3,192,990
Other revenue from own sources	764,460	1,502,314	1,486,100
Conditional transfers from other governments (note 11)	4,113,687	3,767,767	2,348,211
Unconditional transfers from other governments (note 11)	641,380	641,380	399,455
<b>Total revenue</b>	<b>35,389,199</b>	<b>35,773,374</b>	<b>33,289,129</b>
<b>Expenses:</b>			
General government	5,031,268	3,829,666	3,523,853
Protective services	11,319,550	11,591,642	11,866,531
Transportation	2,987,904	4,140,798	4,051,865
Environmental health	1,179,692	1,677,345	1,545,558
Environmental development	881,264	761,131	579,855
Recreation, parks and culture	8,420,269	9,361,456	8,659,085
<b>Total expenses</b>	<b>29,819,947</b>	<b>31,362,038</b>	<b>30,226,747</b>
<b>Annual surplus</b>	<b>5,569,252</b>	<b>4,411,336</b>	<b>3,062,382</b>
<b>Accumulated surplus, beginning of year</b>	<b>82,985,359</b>	<b>82,985,359</b>	<b>79,922,977</b>
<b>Accumulated surplus, end of year</b>	<b>\$ 88,554,611</b>	<b>\$ 87,396,695</b>	<b>\$ 82,985,359</b>

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

# The Corporation of the Township of Esquimalt

## Statement of Change in Net Financial Assets

Year ended December 31, 2015, with comparative information for 2014

	Financial plan (note 13)	2015	2014
Annual surplus	\$ 5,569,252	\$ 4,411,336	\$ 3,062,382
Contributed tangible capital assets	-	(224,694)	(60,350)
Acquisition of tangible capital assets	(6,535,715)	(7,302,208)	(3,999,955)
Acquisition of capital lease	-	(74,706)	-
Adjustment of tangible capital assets	-	(252,715)	-
Amortization of tangible capital assets	-	3,436,707	3,059,172
Proceeds on sale of tangible capital assets	-	5,350	18,961
Loss on disposal of tangible capital assets	-	337,338	71,781
	(6,535,715)	(4,074,928)	(910,391)
Acquisition of inventory supplies	-	(110,681)	(123,071)
Consumption of inventory supplies	-	123,071	107,641
Acquisition of prepaid expenses	-	(204,557)	(51,147)
Consumption of prepaid expenses	-	51,147	55,302
		(141,020)	(11,275)
Change in net financial assets (debt)	(966,463)	195,388	2,140,716
Net financial assets, beginning of year	4,519,828	4,519,828	2,379,112
Net financial assets, end of year	\$ 3,553,365	\$ 4,715,216	\$ 4,519,828

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



# The Corporation of the Township of Esquimalt

## Statement of Cash Flows

Year ended December 31, 2015, with comparative information for 2014

	2015	2014
Cash provided by (used in):		
<b>Operating activities</b>		
Annual surplus	\$ 4,411,336	\$ 3,062,382
Items not involving cash:		
Contributed tangible capital assets	(224,694)	(60,350)
Adjustment of tangible capital assets	(252,715)	-
Amortization of tangible capital assets	3,436,707	3,059,172
Change in employee benefits and other liabilities	7,686	(181,027)
Actuarial adjustment on debt	(252,157)	(222,211)
Loss on disposal of tangible capital assets	337,338	71,781
Change in non-cash operating assets and liabilities:		
Property taxes receivable	(563,490)	(28,851)
Accounts receivable	394,312	(704,888)
Government grant receivable	-	-
MFA debt reserve fund cash	(5,428)	(17,713)
Accounts payable and accrued liabilities	(836,182)	(112,229)
Deferred revenue and deposits	414,462	(723,605)
Inventory of supplies	12,390	(15,430)
Prepaid expenses and deposits	(153,410)	4,155
	6,726,155	4,131,186
<b>Capital activities:</b>		
Acquisition of tangible capital assets	(7,302,208)	(3,999,955)
Proceeds on disposal of tangible capital assets	5,350	18,961
	(7,296,858)	(3,980,994)
<b>Financing activities:</b>		
Capital lease obligation repaid	(17,281)	(8,009)
Debt issued	550,000	1,200,000
Debt principal repaid	(648,082)	(428,132)
	(115,363)	763,859
Increase (decrease) in cash and cash equivalents	(686,066)	914,051
Cash and cash equivalents, beginning of year	23,325,093	22,411,042
Cash and cash equivalents, end of year	\$ 22,639,027	\$ 23,325,093
<b>Supplemental cash flow information:</b>		
Cash paid for interest	\$ 456,904	\$ 467,468
Cash received from interest	454,586	586,385
Assets acquired under capital lease	74,706	-

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

# The Corporation of the Township of Esquimalt

## Notes to Financial Statements

Year ended December 31, 2015

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

### 1. Significant accounting policies:

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

#### (a) Reporting entity:

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

#### (b) Basis of accounting:

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

#### (c) Government transfers:

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

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

# The Corporation of the Township of Esquimalt

## Notes to Financial Statements

Year ended December 31, 2015

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

#### (d) Deferred revenue:

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

#### (e) Property tax revenue:

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

#### (f) Investment income:

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

#### (g) Cash and cash equivalents:

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

#### (h) Long-term debt:

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

#### (i) Employee future benefits:

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

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

# The Corporation of the Township of Esquimalt

## Notes to Financial Statements

Year ended December 31, 2015

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

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

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

#### (i) Tangible capital assets

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

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

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

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

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

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

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

# The Corporation of the Township of Esquimalt

## Notes to Financial Statements

Year ended December 31, 2015

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

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

##### (iv) Interest capitalization

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

##### (v) Leased tangible capital assets

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

##### (vi) Inventories of supplies

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

#### (k) Use of estimates:

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

#### (l) Adoption of new accounting policy:

The Township adopted Public Sector Accounting Board Standard PS 3260 Liability for Contaminated Sites effective January 1, 2015. Under PS 3260, contaminated sites are defined as the result of contamination being introduced in air, soil, water or sediment of a chemical, organic, or radioactive material or live organism that exceeds an environmental standard. This Standard relates to sites that are not in productive use and sites in productive use where an unexpected event resulted in contamination. The Township adopted this standard on a retroactive basis and there were no adjustments as a result of the adoption of this standard.

# The Corporation of the Township of Esquimalt

## Notes to Financial Statements

Year ended December 31, 2015

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

(m) Comparative figures:

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

### 2. Cash and cash equivalents:

	2015	2014
Cash and bank deposits	\$ 2,850,776	\$ 2,496,245
Municipal Finance Authority Money Market Funds	19,788,251	20,828,848
	\$ 22,639,027	\$ 23,325,093

### 3. Deferred revenue and deposits:

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

	2015	2014
Trust and deposit liabilities	\$ 382,575	\$ 676,309
Unearned recreation fees	340,757	324,269
Property tax instalments	1,382,155	728,447
Miscellaneous	238,074	200,074
	\$ 2,343,561	\$ 1,929,099

# The Corporation of the Township of Esquimalt

## Notes to Financial Statements

Year ended December 31, 2015

### 4. Debt:

Bylaw	Purpose	Matures	Rate	Original Amount	Sinking Fund*	Net Balance	
						2015	2014
<b>General Capital</b>							
2492	Recreation Centre	2023-03-10	4.775%	\$ 2,800,000	\$ 1,364,238	\$ 1,435,762	\$ 1,582,313
2492	Recreation Centre	2022-03-12	5.370%	4,000,000	2,150,942	1,849,058	2,067,114
2834	Roads and Streets	2024-10-14	3.000%	1,200,000	100,801	1,099,199	1,200,000
				<u>8,000,000</u>	<u>3,615,981</u>	<u>4,384,019</u>	<u>4,849,427</u>
<b>Sewer Capital</b>							
2565	Sanitary Sewers	2027-12-01	4.820%	2,353,000	730,476	1,622,524	1,726,842
2565	Sanitary Sewers	2026-10-19	4.430%	1,129,000	404,435	724,565	776,859
2565	Sanitary Sewers	2025-10-13	4.170%	2,012,000	817,339	1,194,661	1,290,767
2565	Sanitary Sewers	2024-02-12	4.975%	1,256,000	541,778	714,222	776,335
				<u>6,750,000</u>	<u>2,494,028</u>	<u>4,255,972</u>	<u>4,570,803</u>
<b>General Capital Short Term</b>							
LUA-Oct 27/14	Recreation Centre	2020-03-25	1.380%	550,000	-	430,000	-
				<u>550,000</u>	<u>-</u>	<u>430,000</u>	<u>-</u>
				<u>\$ 15,300,000</u>	<u>\$ 6,110,009</u>	<u>\$ 9,069,991</u>	<u>\$ 9,420,230</u>

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

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

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

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

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

Total interest on debt for the year was \$465,201, including accrued interest of \$59,682 (2014 - \$461,016, including accrued interest of \$70,024).

# The Corporation of the Township of Esquimalt

## Notes to Financial Statements

Year ended December 31, 2015

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#### 4. Debt (continued):

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

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

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2016	\$	644,480
2017		634,480
2018		644,480
2019		644,480
2020		534,480

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#### 5. Obligations under capital leases:

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

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2016	\$	19,275
2017		18,363
2018		16,496
2019		15,713
2020		818
Total minimum payments		70,665
Less: Amounts representing interest (at prime plus 1%)		(2,315)
Present value of net minimum capital lease payments	\$	68,350

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Total interest on leases for the year was \$1,339 (2014 - \$296).



# The Corporation of the Township of Esquimalt

## Notes to Financial Statements

Year ended December 31, 2015

### 6. Employee benefit and retirement obligations:

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

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

Information about liabilities for employee benefit plans is as follows:

	2015	2014
Accrued benefit obligation, beginning of year	\$ 1,026,953	\$ 1,207,980
Service cost	97,600	89,000
Interest cost	33,900	42,800
Benefits payments	(125,900)	(284,800)
Past agreement refund accrual	2,086	(28,027)
Accrued benefit liability, end of year	\$ 1,034,639	\$ 1,026,953

The actuarially accrued benefit obligation set out in the actuarial valuation is \$998,100 (2014 - \$985,100), resulting in a variance of \$36,539 between the obligation and the accrued benefit liability of \$1,034,639 (2014 - \$1,026,953). The variance is composed of the following two amounts: an actuarial net gain of \$17,400 (2014 - \$31,900) and the special agreement refund accrual of \$19,139 (2014 - \$9,953). This actuarial gain is being amortized over a period equal to the employees' average remaining service lifetime of 11 years. The total expense recorded in the financial statements in respect of obligations under this plan amounts to \$124,400 (2014 - \$111,700).

The accrued benefit obligations and the net periodic benefit cost were estimated by actuarial valuation as of December 31, 2015. At December 31, 2015, the valuation was updated to reflect specific changes in the assumptions adopted in measuring the Township's accrued employee benefit obligations. The significant assumptions adopted in measuring the Township's accrued benefit obligations are as follows:

	2015	2014
Discount rates	3.30%	3.20%
Expected inflation rate	2.50%	2.50%
Expected wage and salary increase, based on age and gender	2.58% - 4.63%	2.58% - 4.63%

# The Corporation of the Township of Esquimalt

## Notes to Financial Statements

Year ended December 31, 2015

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

#### Municipal Pension Plan

The Township and its employees contribute to the Municipal Pension Plan (the "Plan"), a jointly trustee pension plan. The Board of Trustees, representing plan members and employers, is responsible for administering the Plan, including investment of 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, 2014, the Plan has about 185,000 active members and approximately 80,000 retired members. Active members include approximately 37,000 contributors from local government.

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

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

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

The Township paid \$1,007,820 (2014 - \$908,830) for employer contributions while employees contributed \$885,945 (2014 - \$763,878) to the plan in fiscal 2015.

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

The Trust was established January 1, 1987 as a result of negotiations between the Greater Victoria Labour Relations Association representing a number of employers and the Canadian Union of Public Employee locals. The Trust's sole purpose is to provide a long-term disability income benefit plan. The Township and its employees each contribute equal amounts into the Trust. The total plan provision for approved and unreported claims was actuarially determined as of December 31, 2014. At December 31, 2015, the total plan provision for approved and unreported claims was \$19,101,700 with a net deficit of \$1,519,599. The actuary does not attribute portions of the unfunded liability to individual employers. The Township paid \$70,031 (2014 - \$67,016) for employer contributions in fiscal 2015.

# The Corporation of the Township of Esquimalt

## Notes to Financial Statements

Year ended December 31, 2015

### 7. Tangible capital assets:

Cost	Balance December 31, 2014	Additions	Disposals/ transfers	Balance December 31, 2015
Land and land improvements	\$ 41,091,184	\$ 644,550	\$ (167,162)	\$ 41,568,572
Building and building improvements	22,491,254	1,320,654	(6,268)	23,805,640
Vehicles, machinery and equipment	9,437,000	1,127,224	(168,417)	10,395,807
Water and wastewater infrastructure	22,370,035	2,335,695	(183,640)	24,522,090
Roads infrastructure	35,013,661	3,431,465	(1,535,571)	36,909,555
Work in progress	1,496,284	137,637	(1,142,902)	491,019
<b>Total</b>	<b>\$ 131,899,418</b>	<b>\$ 8,997,225</b>	<b>\$ (3,203,960)</b>	<b>\$ 137,692,683</b>

Accumulated amortization	Balance December 31, 2014	Disposals	Amortization expense	Balance December 31, 2015
Land and land improvements	\$ 9,987,802	\$ (153,160)	\$ 246,657	\$ 10,081,299
Building and building improvements	9,433,305	(6,266)	799,979	10,227,018
Vehicles, machinery and equipment	5,095,055	(169,190)	576,405	5,502,270
Water and wastewater infrastructure	11,131,264	(100,977)	575,242	11,605,529
Roads infrastructure	17,960,679	(1,288,777)	1,238,424	17,910,326
<b>Total</b>	<b>\$ 53,608,105</b>	<b>\$ (1,718,370)</b>	<b>\$ 3,436,707</b>	<b>\$ 55,326,442</b>

Net book value	Balance December 31, 2014	Balance December 31, 2015
Land and land improvements	\$ 31,103,382	\$ 31,487,273
Building and building improvements	13,057,949	13,578,622
Vehicles, machinery and equipment	4,341,945	4,893,537
Water and wastewater infrastructure	11,238,771	12,916,561
Roads infrastructure	17,052,982	18,999,229
Work in progress	1,496,284	491,019
<b>Total</b>	<b>\$ 78,291,313</b>	<b>\$ 82,366,241</b>

# The Corporation of the Township of Esquimalt

## Notes to Financial Statements

Year ended December 31, 2015

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

(a) Assets under construction

Assets under construction having a value of \$491,019 (2014 - \$1,496,284) have not been amortized. Amortization of these assets will commence when the asset is put into service.

(b) Contributed tangible capital assets

Contributed tangible capital assets are recognized at fair market value at the date of contribution. There were contributed tangible capital assets having a value of \$224,694 during the year (2014 - \$60,350).

(c) Tangible capital assets disclosed at nominal values

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

(d) Works of art and historical treasures

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

(e) Write-down of tangible capital assets

There were no write-downs of tangible capital assets during the year (2014 - \$nil).

(f) Adjustment of tangible capital assets

In the current year, the tangible capital asset sanitary sewers was adjusted for estimates consisting of gross cost - \$252,715; amortization - \$179,004; and net cost - \$73,711.

# The Corporation of the Township of Esquimalt

## Notes to Financial Statements

Year ended December 31, 2015

### 8. Accumulated surplus:

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

	2015	2014
<b>Surplus:</b>		
Equity in tangible capital assets	\$ 73,227,900	\$ 68,860,158
Unappropriated operating funds	3,393,428	4,269,327
	<u>76,621,328</u>	<u>73,129,485</u>
<b>Appropriated operating funds:</b>		
Future expenditures	893,597	496,592
Casino revenue	200,731	157,224
Community Works Fund	1,781,042	1,206,960
Uncollected taxes	100,000	100,000
Working capital	400,000	400,000
	<u>3,375,370</u>	<u>2,360,776</u>
<b>Reserve funds set aside for specific purposes by Council:</b>		
Capital Projects	1,701,786	1,921,257
Local Improvement	152,189	136,934
Machinery and Equipment	1,924,834	2,121,643
Municipal Archives Trust	2,972	2,628
Parkland Acquisition	83,698	82,988
Tax Sale Lands	114,273	113,302
Sustainability	196,123	165,673
Eva Chafe	33,032	34,460
Infrastructure and Revitalization	3,191,090	2,916,213
	<u>7,399,997</u>	<u>7,495,098</u>
	<u>\$ 87,396,695</u>	<u>\$ 82,985,359</u>

# The Corporation of the Township of Esquimalt

## Notes to Financial Statements

Year ended December 31, 2015

### 9. Taxes:

	2015	2014
Taxes for municipal purposes:		
Property tax	\$ 14,626,924	\$ 14,108,109
Local Improvement	4,686	4,686
1% Utility tax	254,684	249,170
	<b>\$ 14,886,294</b>	<b>\$ 14,361,965</b>

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

	2015	2014
Taxes, requisitions and levies collected on behalf of the following agencies are not included in these statements:		
Province of British Columbia - school purposes	\$ 5,421,471	\$ 5,423,794
Capital Regional District - requisition	1,757,464	2,196,311
Capital Regional District - 9-1-1 call answer levy	49,004	50,723
Capital Regional Hospital District - requisition	856,844	863,289
British Columbia Assessment Authority	183,854	185,162
British Columbia Transit - Victoria Regional Transit Commission	866,368	856,673
Municipal Finance Authority	572	560
	<b>\$ 9,135,577</b>	<b>\$ 9,576,512</b>

# The Corporation of the Township of Esquimalt

## Notes to Financial Statements

Year ended December 31, 2015

### 10. Payments in place of taxes:

	2015	2014
<b>Payments in place of taxes received for municipal purposes:</b>		
Federal government	\$ 11,676,582	\$ 11,382,604
British Columbia Hydro & Power Authority	96,148	98,773
Canada Mortgage and Housing Corporation	768	-
Songhees Nation Investment Corporation	-	16,546
Provincial Rental Housing Corporation	2,523	2,485
	<b>\$ 11,776,021</b>	<b>\$ 11,500,408</b>
<b>Payments in place of taxes collected on behalf of the following agencies are not included in these statements:</b>		
Province of British Columbia - school purposes	\$ 3,115,077	\$ 3,138,089
Capital Regional District	1,458,549	1,726,695
Capital Regional Hospital District	546,509	544,724
British Columbia Assessment Authority	173,191	167,266
British Columbia Transit - Victoria Regional Transit Commission	764,027	755,006
Municipal Finance Authority	371	359
	<b>\$ 6,057,724</b>	<b>\$ 6,332,139</b>

### 11. Transfers from other governments:

	2015	2014
<b>Conditional transfers from other governments:</b>		
Federal	\$ 877,302	\$ 1,347,817
Provincial	2,890,465	980,969
Other agencies	-	19,425
	<b>3,767,767</b>	<b>2,348,211</b>
<b>Unconditional transfers from other governments:</b>		
Small communities protection	243,333	137,293
Traffic fine revenue sharing	398,047	262,162
	<b>641,380</b>	<b>399,455</b>
<b>Total transfers from other governments</b>	<b>\$ 4,409,147</b>	<b>\$ 2,747,666</b>

# The Corporation of the Township of Esquimalt

## Notes to Financial Statements

Year ended December 31, 2015

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### 12. Commitments and contingencies:

(a) Contractual commitments:

There were no contractual commitments at December 31, 2015.

(b) MFA debt reserve fund deposits:

Under borrowing arrangements with the MFA, the Township is required to lodge security by means of demand notes and interest-bearing cash deposits based on the amount of the borrowing. As a condition of these borrowings, a portion of the debenture proceeds is withheld by the MFA as a debt reserve fund. These deposits totalling \$217,393 (2014 - \$211,965) are included in the Township's financial assets as restricted cash and are held by the MFA as security against the possibility of debt repayment default. At December 31, 2015, there were contingent demand notes of \$464,917 (2014 - \$464,917), which are not recorded in the financial statements of the Township. If the debt is repaid without default, the deposits are refunded to the Township and demand notes are cancelled.

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

(d) The Township is a shareholder and member of the Capital Regional Emergency Service Telecommunications (CREST) Incorporated whose services provide centralized emergency communications, and related public safety information services to municipalities, regional districts, the provincial and federal governments and their agencies, and emergency service organizations throughout the Greater Victoria region and the Gulf Islands. Members' obligations to share in funding ongoing operations and any additional costs relating to capital assets are to be contributed pursuant to a Members' Agreement.

(e) The Township entered into a long-term contract with the City of Victoria and the Victoria and Esquimalt Police Board (the "Police Board") effective January 1, 2014 and extending until December 31, 2023. Under the terms of this contract, the Township is responsible to fund a percentage of the annual police budget. The 2016 required contributions on behalf of the Township are \$7,400,627 (14.7% of the Police Board budget). Further contributions may be required by the Township in respect to the settlement of claims and insurance deductibles, or in the event that insufficient funds are available to the Police Board in the event of a deficit. The extent of any further contributions will be recorded when a liability is likely and determinable.



# The Corporation of the Township of Esquimalt

## Notes to Financial Statements

Year ended December 31, 2015

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

- (f) The Township is a defendant in various lawsuits. An accrual is recorded in respect of legal claims that are likely to be successful and for which a liability amount is reasonably determinable. The remaining claims, should they be successful as a result of litigation, will be recorded when a liability is likely and determinable. The Township is self-insured through membership in the Municipal Insurance Association of British Columbia. Under this program, member municipalities are to share jointly for general liability claims against any member in excess of \$10,000. Should the Association pay out claims in excess of premiums received, it is possible that the Township, along with the other participants, would be required to contribute towards the deficit.

### 13. Financial plan data:

The financial plan data presented in these financial statements is based upon the 2015 operating and capital financial plan approved by Council on May 11, 2015. Amortization, a non-cash item, was not included in the development of the financial plan and, as such, has not been budgeted. The chart below reconciles the approved financial plan to the financial plan figures reported in these financial statements.

	Financial plan amount
Revenues:	
Operating budget	\$ 38,807,444
Less:	
Transfer from other funds	(3,183,683)
Proceeds on debt issue	(234,562)
Total revenue	35,389,199
Expenses:	
Operating budget	38,807,444
Less:	
Capital expenditures	(6,535,715)
Transfer to other funds	(1,817,021)
Debt principal payments	(634,761)
Total expenses	29,819,947
Annual surplus	\$ 5,569,252

# The Corporation of the Township of Esquimalt

## Notes to Financial Statements

Year ended December 31, 2015

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### 14. Segmented information:

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

(a) General Government:

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

(b) Protective Services:

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

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

(c) Transportation:

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

# The Corporation of the Township of Esquimalt

## Notes to Financial Statements

Year ended December 31, 2015

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### 14. Segmented information (continued):

(d) Environmental Health:

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

(e) Environmental Development:

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

(f) Recreation, Parks and Culture:

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

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

# The Corporation of the Township of Esquimalt

## Notes to Financial Statements

Year ended December 31, 2015

### 14. Segmented information (continued):

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

# The Corporation of the Township of Esquimalt

## Notes to Financial Statements

Year ended December 31, 2015

### 14. Segmented information (continued):

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

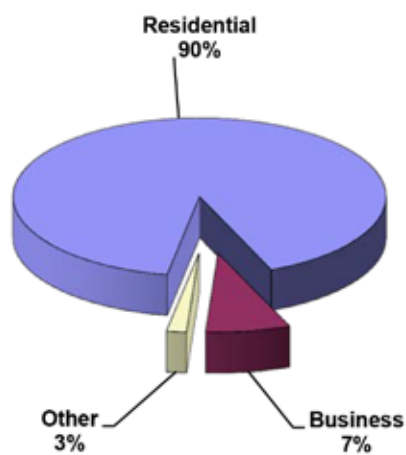
# Statistical Information

As per BC Assessment Roll Tax Base Report

Taxable Assessments of Land and Improvements 2011 - 2015

Property Class	2015	2014	2013	2012	2011
Residential	\$2,251,694,305	\$2,196,096,305	\$2,267,102,604	\$2,342,337,304	\$2,382,432,704
Utilities	1,113,200	1,172,500	1,147,600	1,000,800	975,800
Major Industry	42,718,800	20,834,900	18,150,000	17,644,500	15,225,900
Light Industry	8,244,300	8,443,500	13,843,400	14,354,700	14,560,500
Business	179,736,202	176,944,602	178,257,552	178,165,002	170,037,002
Recreation Non-Profit	11,603,700	11,268,900	10,457,000	11,100,500	11,173,800
	<b>\$2,495,110,507</b>	<b>\$2,414,760,707</b>	<b>\$2,488,958,156</b>	<b>\$2,564,602,806</b>	<b>\$2,594,405,706</b>

2015 Assessment by Type



Source: BC Assessment

# Statistical Information

## Property Tax Rates 2011 - 2015

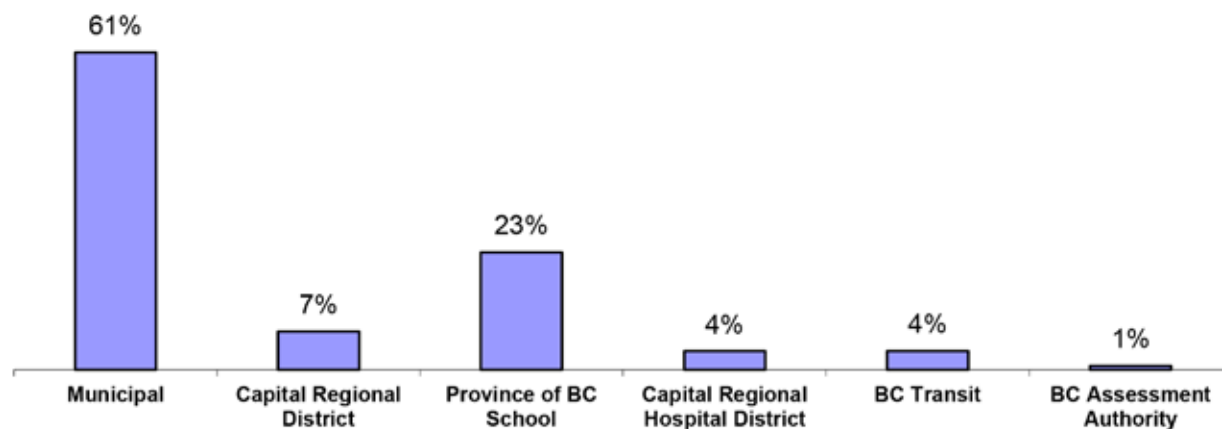
	2015	2014	2013	2012	2011
<b>Municipal (\$ per 1000 assessment)</b>					
Residential	5.01609	5.01920	4.85510	4.63258	4.53135
Utilities	22.69072	21.08975	21.54743	21.78865	22.34697
Major Industry	32.91671	32.20362	31.45665	30.86207	31.26056
Light Industry	17.41464	16.64594	16.52340	17.14811	17.91502
Business & Other	12.50032	12.39388	12.45060	13.05235	12.94204
Recreation/Non-profit	4.92856	4.91043	5.44052	5.07909	5.04938
<b>Total (\$ per 1000 assessment)</b>					
Residential	7.99558	8.22219	7.88723	7.42522	7.31825
Utilities	41.85162	40.82699	41.26040	40.94194	41.52335
Major Industry	45.48500	46.02978	44.69310	43.16752	43.89641
Light Industry	27.77191	27.72844	31.97989	27.64361	28.74974
Business & Other	21.97694	22.52334	22.46523	22.82946	22.95371
Recreation/Non-profit	9.44506	9.70568	10.19192	9.59901	9.57460
<b>Municipal Tax Billings by Property Class</b>					
Residential	\$11,294,701	\$11,022,647	\$11,007,009	\$10,851,065	\$10,795,636
Utilities	25,259	24,728	24,728	21,806	21,806
Major Industry	859,442	671,819	570,938	544,546	475,970
Light Industry	143,572	140,550	228,740	246,156	260,852
Business & Other	2,246,760	2,193,030	2,212,363	2,325,472	2,200,626
Recreation/Non-profit	57,190	55,335	56,892	56,380	56,421
	<b>\$14,626,924</b>	<b>\$14,108,109</b>	<b>\$14,100,670</b>	<b>\$14,045,425</b>	<b>\$13,811,311</b>

# Statistical Information

## Property Tax Levied and Collected 2011- 2015

	2015	2014	2013	2012	2011
Municipal	\$ 14,626,924	\$ 14,108,109	\$ 14,100,670	\$ 14,045,425	\$ 13,811,311
Capital Regional District	1,757,464	2,196,311	1,927,436	1,528,918	1,541,363
Province of BC School	5,421,471	5,423,794	5,533,182	5,590,526	5,629,749
Capital Regional Hospital District	856,844	863,289	857,377	848,605	841,022
BC Transit	866,368	856,673	824,355	753,754	746,555
BC Assessment Authority	183,854	185,162	187,733	189,767	195,789
Municipal Finance Authority	572	560	573	588	591
	<b>\$ 23,713,497</b>	<b>\$ 23,633,898</b>	<b>\$ 23,431,326</b>	<b>\$ 22,957,583</b>	<b>\$ 22,766,380</b>
Total Current Taxes Levied	23,713,497	23,633,898	23,431,326	22,957,583	22,766,380
Current Taxes Collected	22,807,970	23,264,304	23,082,089	22,645,228	22,342,793
Percentage	96.18%	98.44%	98.51%	98.64%	98.14%

### 2015 Taxes by Jurisdiction



Source: Corporation of the Township of Esquimalt Finance Department

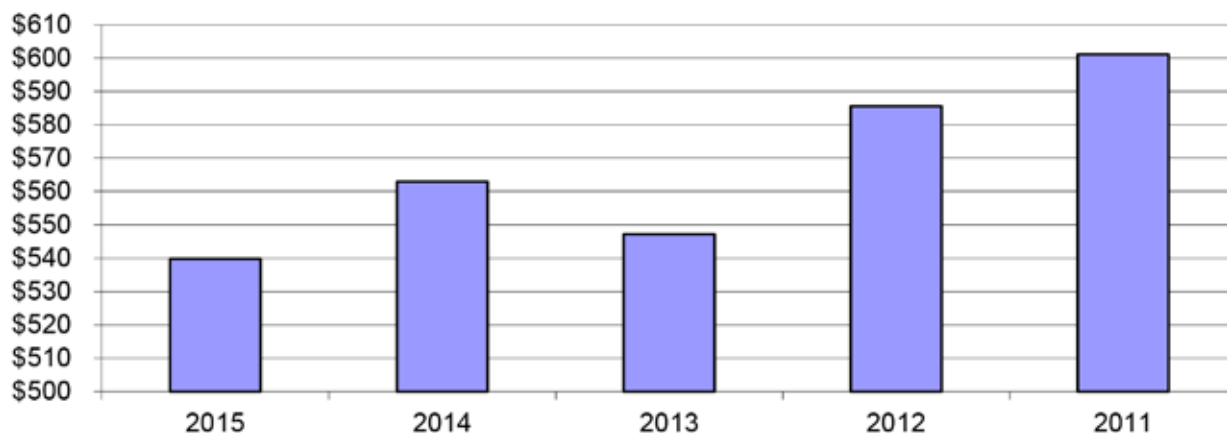


# Statistical Information

## Debenture Debt 2011 - 2015

	2015	2014	2013	2012	2011
Gross Outstanding Debt	\$15,300,000	\$14,750,000	\$13,550,000	\$13,975,000	\$13,975,000
Less: Sinking Fund Payments	6,110,009	5,329,770	4,679,427	4,482,820	3,852,561
Short-term Debt Payment	120,000	-	-	-	-
<b>Net Debt</b>	<b>\$ 9,069,991</b>	<b>\$ 9,420,230</b>	<b>\$ 8,870,573</b>	<b>\$ 9,492,180</b>	<b>\$10,122,439</b>
General	\$ 4,814,019	\$ 4,849,427	\$ 3,996,736	\$ 4,327,507	\$ 4,642,567
Sewer	4,255,972	4,570,803	4,873,837	5,164,673	5,479,872
	\$ 9,069,991	\$ 9,420,230	\$ 8,870,573	\$ 9,492,180	\$10,122,439
Debt Servicing Costs					
Property Tax Supported	\$ 847,267	\$ 957,884	\$ 888,112	\$ 851,629	\$ 851,629
Casino	275,000	275,000	275,000	275,000	275,000
<b>Total Debt Servicing Costs</b>	<b>\$ 1,122,267</b>	<b>\$ 1,232,884</b>	<b>\$ 1,163,112</b>	<b>\$ 1,126,629</b>	<b>\$ 1,126,629</b>
Population	16,800	16,734	16,209	16,209	16,840
Net Debt per Capita	\$ 540	\$ 563	\$ 547	\$ 586	\$ 601
Debt Servicing per Capita	\$ 67	\$ 74	\$ 72	\$ 70	\$ 67
Debt Service as % of Expenditures	3.58%	4.08%	3.95%	3.98%	4.11%
# of Households	8,309	8,309	8,038	8,038	8,038
Gross Debt Servicing Limit	\$ 8,069,309	\$ 7,758,796	\$ 7,240,032	\$ 7,210,376	\$ 6,581,601
Debt Capacity Available	\$ 6,947,042	\$ 6,855,187	\$ 6,548,219	\$ 6,083,747	\$ 5,312,139

Per Capita Net Debt



Source: Municipal Finance Authority

Source: Population: Statistics Canada

# Statistical Information

## Revenue and Expenses 2011 - 2015

<b>Revenue</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
Property taxes	\$ 14,886,294	\$ 14,361,965	\$ 14,355,732	\$ 14,294,912	\$ 14,057,224
Payments in place of taxes	11,776,021	11,500,408	10,578,629	8,979,202	9,126,457
Sale of services	3,199,598	3,192,990	3,248,302	3,273,914	3,085,378
Other revenue from own sources	1,502,314	1,486,100	1,629,734	1,894,117	2,227,366
Unconditional transfers from other governments	641,380	399,455	399,323	830,320	806,811
Conditional transfers from other governments	3,767,767	2,348,211	922,627	1,617,418	1,036,409
	<b>\$ 35,773,374</b>	<b>\$ 33,289,129</b>	<b>\$ 31,134,347</b>	<b>\$ 30,889,883</b>	<b>\$ 30,339,645</b>
<b>Expenses by Function</b>					
General government	\$ 3,829,666	\$ 3,523,853	\$ 3,419,071	\$ 3,142,752	\$ 3,108,758
Protective services	11,591,642	11,866,531	11,300,118	11,135,571	10,909,700
Transportation	4,140,798	4,051,865	3,755,113	3,490,019	3,262,687
Environmental health	1,677,345	1,545,558	1,534,056	1,511,999	1,510,825
Environmental development	761,131	579,855	533,187	672,967	460,351
Recreation, parks and culture	9,361,456	8,659,085	8,917,810	8,330,839	8,142,206
	<b>\$ 31,362,038</b>	<b>\$ 30,226,747</b>	<b>\$ 29,459,355</b>	<b>\$ 28,284,147</b>	<b>\$ 27,394,527</b>
<b>Expenses by object</b>					
Salary, wages & benefits	\$ 13,598,751	\$ 13,503,865	\$ 12,865,130	\$ 12,220,107	\$ 11,917,350
Materials, supplies and services	13,869,676	13,189,042	13,106,999	12,521,747	12,004,192
Interest and other	456,904	474,668	512,852	667,023	750,635
Amortization	3,436,707	3,059,172	2,974,374	2,875,270	2,722,350
	<b>\$ 31,362,038</b>	<b>\$ 30,226,747</b>	<b>\$ 29,459,355</b>	<b>\$ 28,284,147</b>	<b>\$ 27,394,527</b>

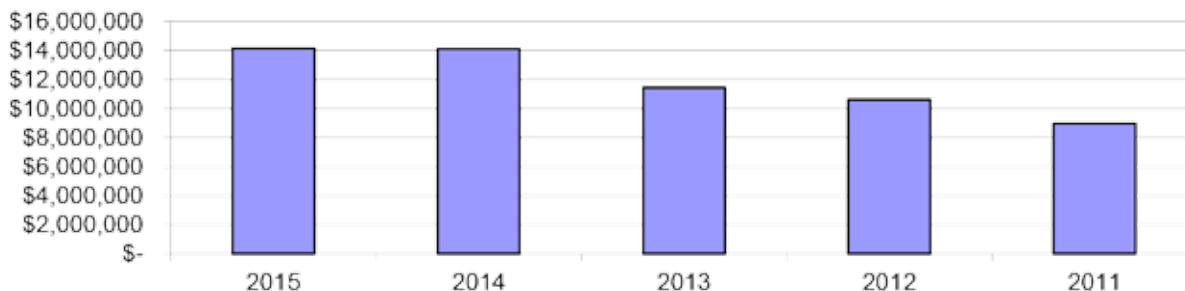
Source: Corporation of the Township of Esquimalt Finance Department

# Statistical Information

## Reserve Funds and Appropriated and Unappropriated Operating Funds 2011- 2015

Description	2015	2014	2013	2012	2011
<b>Reserve Funds</b>					
Capital Projects	\$ 1,701,786	\$ 1,921,257	\$ 2,240,990	\$ 3,130,446	\$ 2,683,943
Local Improvement	152,189	136,934	135,438	133,906	127,860
Machinery and Equipment	1,924,834	2,121,643	2,871,814	2,627,538	2,460,723
Municipal Archives Trust	2,972	2,628	5,671	5,562	5,444
Parkland Acquisition	83,698	82,988	82,082	81,154	38,496
Tax Sale Lands	114,273	113,302	113,489	146,589	145,044
Sustainability	196,123	165,673	185,700	141,721	89,125
Eva Chafe	33,032	34,460	34,083	38,720	38,154
Infrastructure & Revitalization	3,191,090	2,916,213	-	-	-
	<b>7,399,997</b>	<b>7,495,098</b>	<b>5,669,267</b>	<b>6,305,636</b>	<b>5,588,789</b>
<b>Appropriated Operating Funds</b>					
Celebrations Rainy Day	-	-	-	8,000	8,000
Future expenditures	893,597	496,592	156,301	212,349	226,874
Casino revenue	200,731	157,224	174,281	-	-
Community Works Fund	1,781,042	1,206,960	-	-	-
Uncollected taxes	100,000	100,000	100,000	100,000	100,000
Working capital	400,000	400,000	400,000	400,000	400,000
	<b>3,375,370</b>	<b>2,360,776</b>	<b>830,582</b>	<b>720,349</b>	<b>734,874</b>
<b>Unappropriated Operating Funds</b>	<b>3,393,428</b>	<b>4,269,327</b>	<b>4,931,713</b>	<b>3,599,026</b>	<b>2,667,772</b>
<b>Total</b>	<b>\$ 14,168,795</b>	<b>\$ 14,125,201</b>	<b>\$ 11,431,562</b>	<b>\$ 10,625,011</b>	<b>\$ 8,991,435</b>

Total Reserve Funds, Appropriated and Unappropriated Operating Funds



Source: Corporation of the Township of Esquimalt Finance Department

# Statistical Information

## 2015 Grants

Organization	Exemption From Property Taxes	Grants	Total
2483 PPCLI Army Cadet Corps - Parents Sponsoring Committee	\$ 5,026	\$ -	\$ 5,026
Aboriginal Tourism Association of BC	-	1,000	1,000
BC Aboriginal Network on Disability Society	-	200	200
BC Francophone Youth Council	-	1,000	1,000
Big Brothers Big Sisters of Victoria	-	1,000	1,000
Bipolar Disorder Society of BC	-	2,000	2,000
Boys and Girls Club Services of Greater Victoria	27,009	-	27,009
City of Victoria - Canada Day Celebrations	-	1,000	1,000
Corporation of the City of Victoria - Portion of Barnard Park off Sea Terrace	1,171	-	1,171
Creatively United For The Planet	-	5,500	5,500
Esquimalt Anglers' Association	2,316	-	2,316
Esquimalt Farmers Market	-	8,000	8,000
Esquimalt High School	-	1,300	1,300
Esquimalt High School - Athletic Team Funding	-	2,750	2,750
Esquimalt High School - Terry Fox Scholarship	-	500	500
Esquimalt High School - Township of Esquimalt Scholarship	-	250	250
Esquimalt High School - Alumni Association	-	750	750
Esquimalt Lantern Festival Society	-	6,000	6,000
Esquimalt Neighbourhood House Society	10,413	500	10,913
Esquimalt Residents Association	-	2,000	2,000
Greater Victoria Bike to Work Society	-	1,000	1,000
Habitat Acquisition Trust	10,634	-	10,634
Help Fill A Dream Foundation	-	1,000	1,000
Herework Program Society	-	5,433	5,433
Inter-Cultural Association	-	5,000	5,000
Island Community Mental Health Association	27,416	-	27,416
Island Corridor Foundation	5,998	-	5,998
L'Ecole Victor Brodeur	-	750	750
L'Ecole Victor Brodeur – Athletic Team Funding	-	1,750	1,750
Macaulay Elementary School Parents' Advisory Council - Crossing Guard	-	12,750	12,750
Michael Dunahee Keep the Hope Alive Drive	-	1,000	1,000
Need2 Suicide Prevention Education & Support	-	1,500	1,500
Prostitutes Empowerment Education & Resource Society	9,117	-	9,117
Rock Solid Foundation	3,684	-	3,684
Rockheights Middle School	-	2,000	2,000
Royal Canadian Legion Esquimalt Dockyard Branch 172	20,273	-	20,273
Salish Sea Productions	-	1,000	1,000
Society of St. Vincent de Paul Vancouver Island	17,309	-	17,309
St. John Ambulance Association	-	1,000	1,000
The Compassionate Resource Warehouse Society	17,691	-	17,691
Township of Esquimalt Community Arts Council	-	25,000	25,000
Vancouver Island South Film & Media Commission	-	1,000	1,000
Victoria Association For Community Living	2,260	-	2,260
Victoria Nikkei Cultural Society	-	1,000	1,000
Victoria Operatic Society	12,175	-	12,175
Victoria Rainbow Kitchen Society	-	10,000	10,000
Victoria Restorative Justice Society	-	4,000	4,000
World Fisheries Trust	-	2,000	2,000
	<u>\$ 172,492</u>	<u>\$ 110,933</u>	<u>\$ 283,425</u>



Township of  
**ESQUIMALT**

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