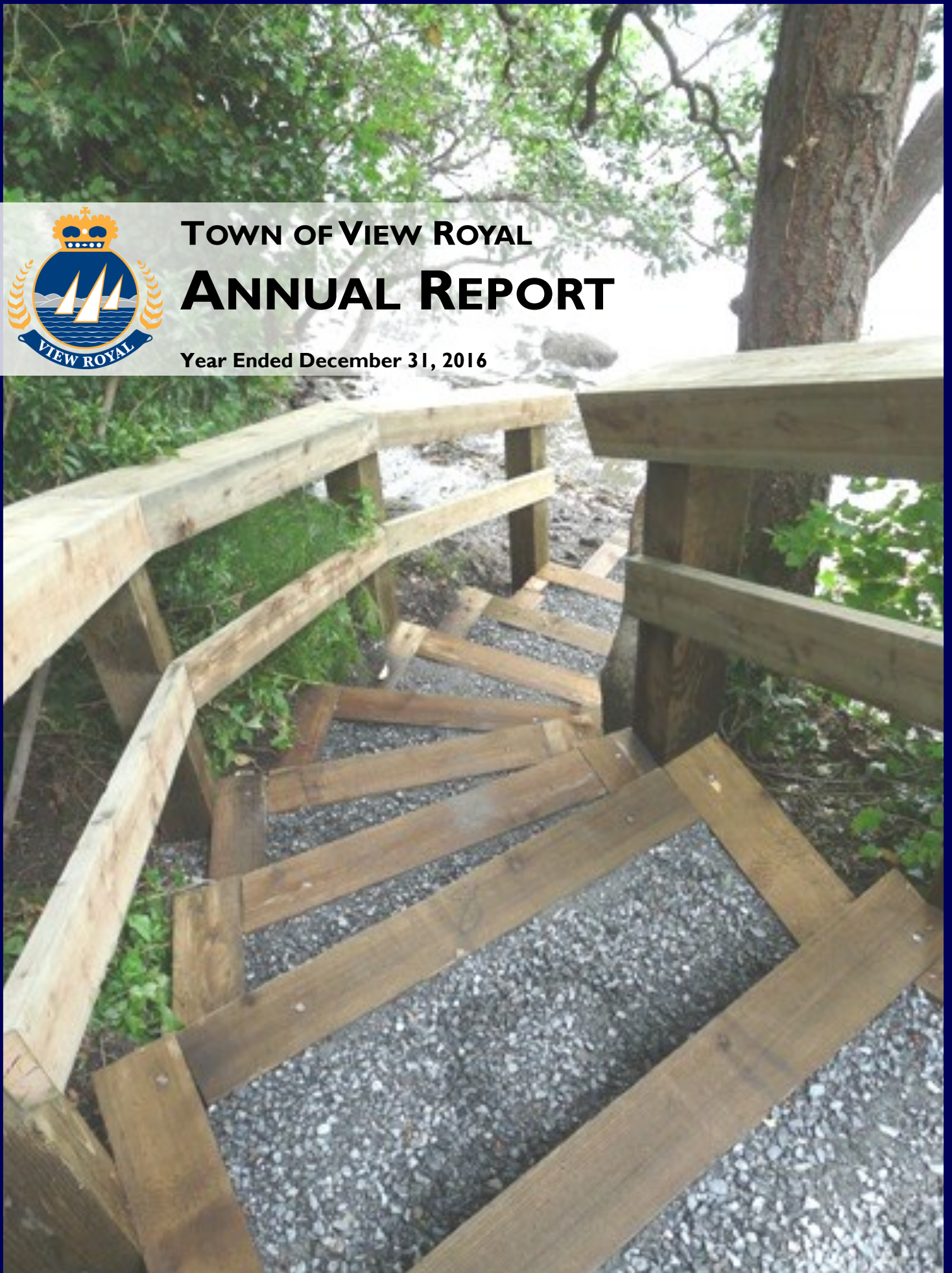




# **TOWN OF VIEW ROYAL ANNUAL REPORT**

**Year Ended December 31, 2016**





# TOWN OF VIEW ROYAL - ANNUAL REPORT

## TABLE OF CONTENTS

COMMUNITY PROFILE.....	2
MESSAGE FROM THE MAYOR.....	5
MAYOR & COUNCIL .....	6
ORGANIZATIONAL CHART .....	8
MISSION, VISION & VALUES.....	9
SUMMARY OF SERVICES & OPERATIONS.....	11
2016 MUNICIPAL HIGHLIGHTS.....	13
ADMINISTRATION DEPARTMENT .....	13
ENGINEERING & PARKS DEPARTMENT.....	14
FINANCE DEPARTMENT.....	15
DEVELOPMENT SERVICES DEPARTMENT .....	16
PROTECTIVE SERVICES DEPARTMENT .....	17
2016 MUNICIPAL GOALS & OBJECTIVES .....	18
FINANCIAL SUSTAINABILITY & SERVICE EXCELLENCE .....	19
ENHANCE LIVABILITY IN VIEW ROYAL.....	22
COMMUNITY & ECONOMIC GROWTH.....	25
MAINTAIN STRONG RELATIONSHIPS WITH OUR NEIGHBOURS .....	28
LOOKING AHEAD.....	29
FINANCIAL INFORMATION .....	32



# COMMUNITY PROFILE

A gateway between Victoria's urban core and the growing West Shore municipalities, View Royal is a vibrant community. This year's Annual Report outlines the Town's achievements and major projects for 2016. It shows the progress on our 2016 municipal goals and objectives, highlights financial reporting, and gives insight into plans for the future.



➡ INCORPORATED **DECEMBER 5, 1988**

➡ **10,408 POPULATION\***

➡ **1,436 HECTARES LAND AREA**

➡ **30.5KM BIKE LANES**

➡ **71 MUNICIPAL PARKS & 734 HECTARES PARKLAND**

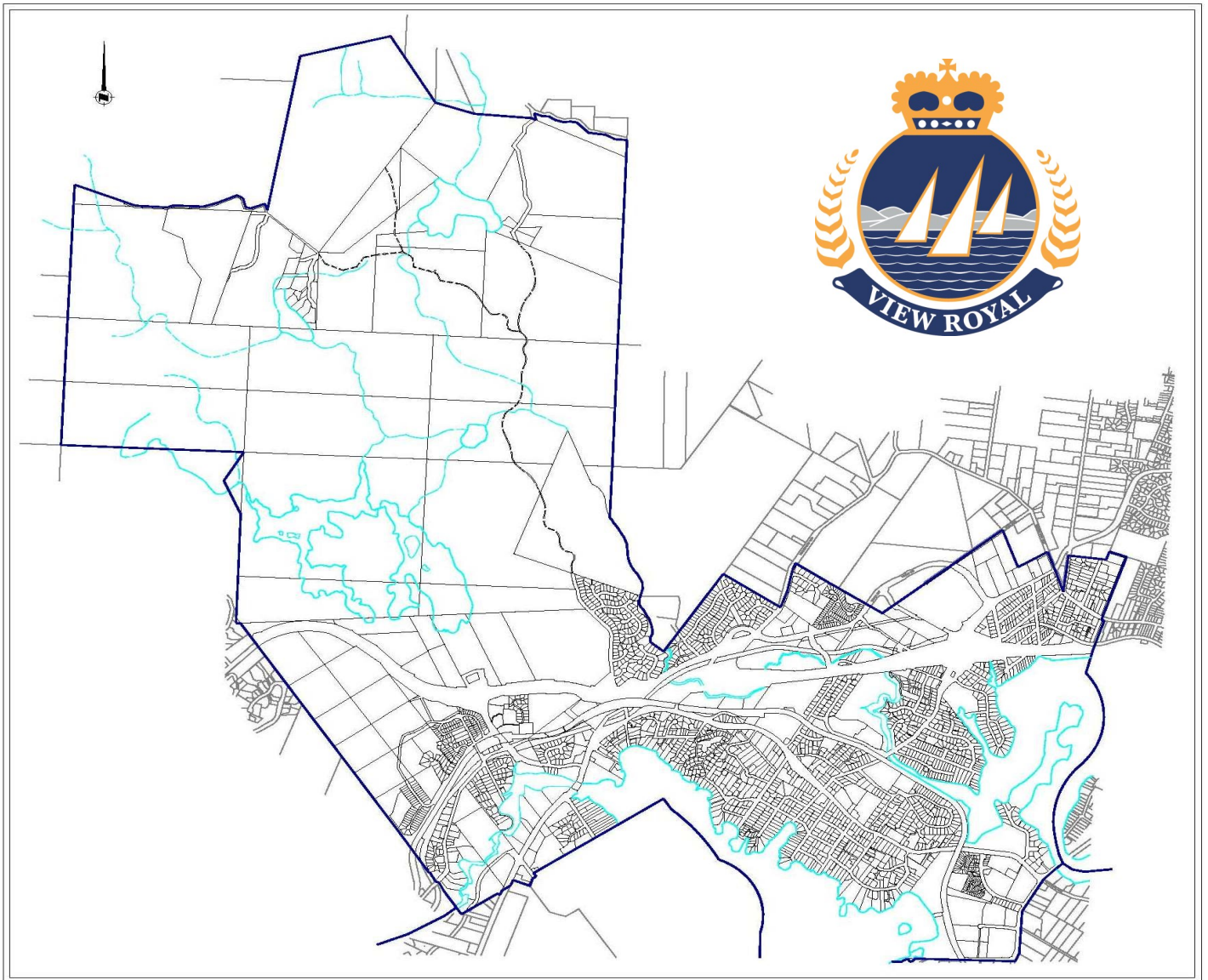
➡ **\$162,128 BUILDING PERMITS**

➡ **27.3KM TRAILS**

➡ **266 BUSINESS LICENSES**

\*est. as per 2016 BCStats





View Royal is divided into eight distinct precincts based on such factors as topography, major transportation corridors, natural environment and the age of housing stock. These precincts are:

- Craigflower
- Hospital
- Atkins
- Harbour
- Thetis
- Wilfert
- Helmcken
- Burnside

The municipality encompasses McKenzie, Pike, Prior and Thetis Lakes and portions of Esquimalt Harbour and Portage Inlet and is situated adjacent to the established jurisdictions of the Township of Esquimalt, the District of Saanich and the City of Colwood.



Residents and Mayor Screech participate in the “20 Minute Makeover” as part of Pitch-In-Week, April 2016.



View Royal’s quilt square for the Capital Regional District’s 50th Anniversary Quilt Project.



# MESSAGE FROM THE MAYOR

On behalf of View Royal Council and staff I am pleased to share this annual report.

This report highlights the key accomplishments and initiatives of our Town in 2016. Through the work of Council, staff, advisory committees, Volunteer View Royal, and others, we continue our work towards implementing View Royal's Strategic Plan.

The pride we all feel for View Royal has not happened by chance. The quality of life that we experience in our community comes as a direct result of Council, staff, and engaged citizens working to inform policies and land use decisions that have established and maintained View Royal's unique and desirable character.

2016 was a busy year for the Town with many projects underway. In June we saw the grand opening of the new Eagle Creek Village in north View Royal. This new complex goes a long way in fulfilling View Royal's vision of commercial nodes and walkable access to services for residents. It also helps to ensure the Town's long term fiscal sustainability with the significant addition to our commercial tax base.

We also saw in 2016 a milestone agreement negotiated with BC Lotteries regarding the View Royal Casino. This agreement will see our Casino remain the premier gaming destination in the region. Given that seven municipalities and two First Nations benefit from the Casino revenue, this was welcome news for all.

Other highlights include:

- The Town held its first ever open Town Hall meeting. Residents were invited to attend and address Council on topics and questions that were a concern to them.
- Town Hall was renovated for the first time since the original construction. These renovations have helped to improve customer service.
- Installation of sidewalks and bike lanes along Burnett Road to facilitate safe access to the E & N Rail Trail.
- Approval of over 250 units of purpose built rental housing to be built in the coming years.
- Participation in the agreement that will see our region have sewage treatment in place during the coming years.
- Pedestrian safety improvements on both Six Mile Road and Burnside Road with the installation of flashing pedestrian crossings.

I hope you will take the time to browse these pages and review our achievements for 2016. View Royal Council and staff are very proud of our Town and the accomplishments achieved.

We are committed to keeping our values and continuing to build and sustain View Royal as one of the best places to call home.

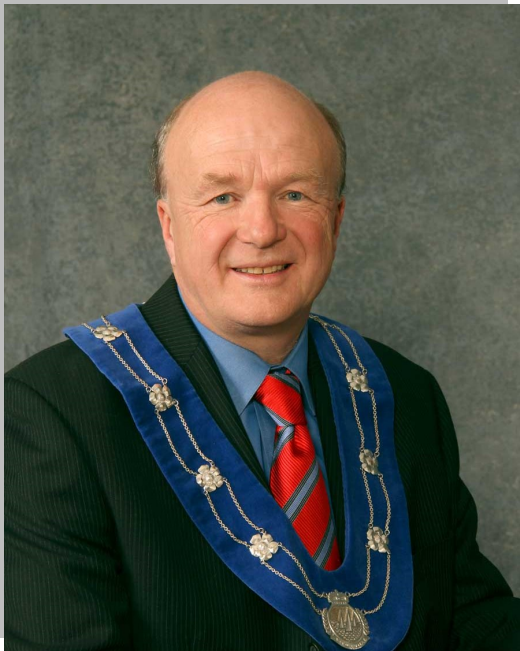
Best Regards,



# MAYOR & COUNCIL

Mayor and Council of the Town of View Royal were elected for a four-year term in the municipal election held in November 2014.

Each member is also appointed to various Town and Regional committees.



## **Mayor David Screech** (December 2, 2014 - present)

- Finance & Administration - Chair
- CRD Board/Committee of the Whole
- CRD Hospital Board
- CRD Core Area Liquid Waste Management
- CRD Planning, Transportation & Protective Services
- CRD Regional Parks - Vice-Chair
- CRD Transportation Select
- CRD West Side Wastewater Treatment
- Capital Region Housing Corporation - Chair
- Greater Victoria Harbour Authority
- Te'Mexw Treaty Advisory Committee
- View Royal Reading Centre





**Councillor Ron Mattson** (December 6, 2011 - present)

- Public Works & Transportation - Chair
- CRD Housing Trust Fund Commission
- Esquimalt Harbour Advisory Committee
- Victoria Family Court & Youth Justice Committee
- West Shore Parks & Recreation Society



**Councillor Heidi Rast** (December 2, 2008 - present)

- Protective Services & Community Services - Chair
- CRD Climate Action Steering Committee
- Capital Region Emergency Service Telecommunications (CREST)
- Community Policing
- Police Building Liaison Committee



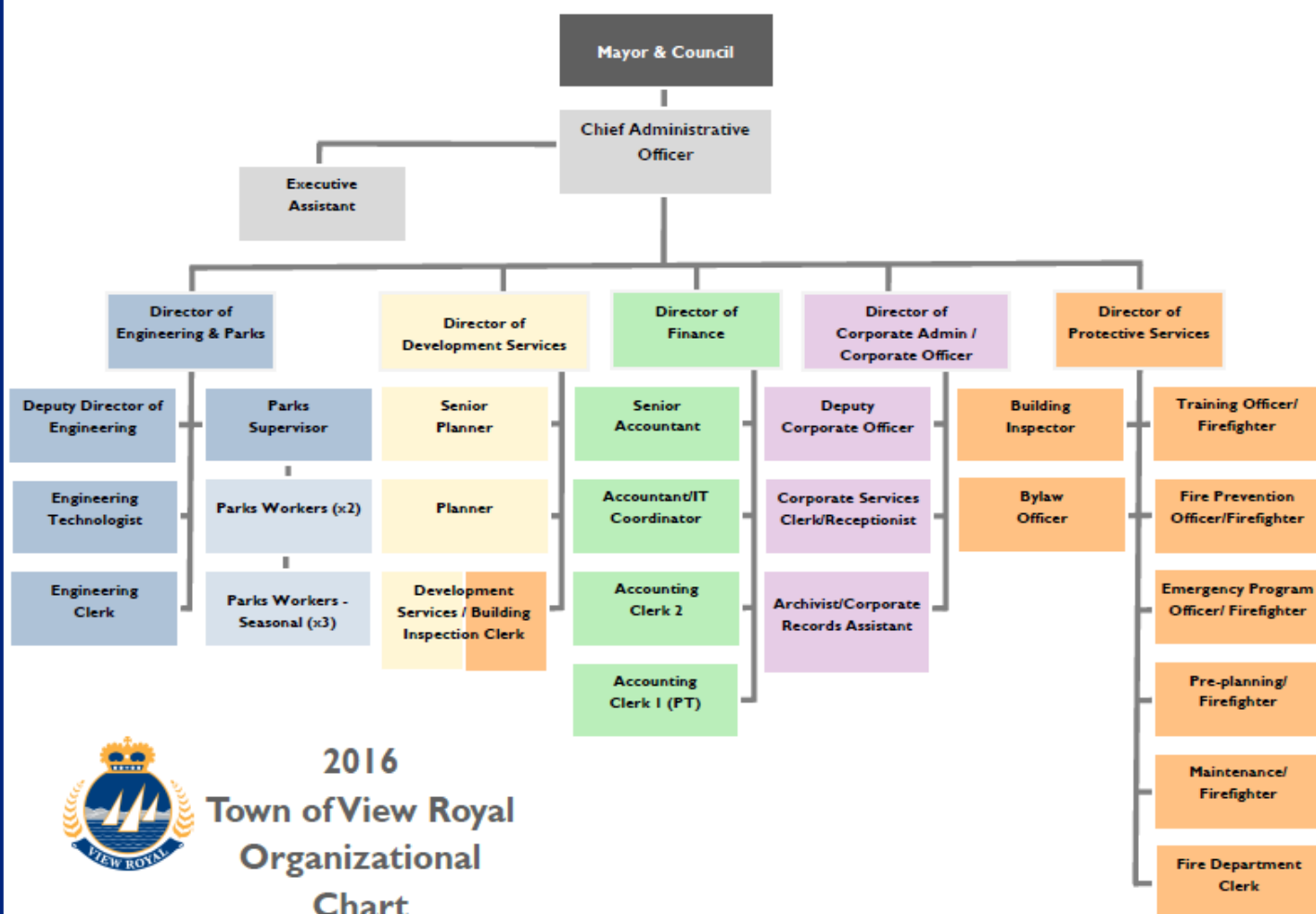
**Councillor John Rogers** (December 2, 1996 - present)

- Parks, Recreation & Environment - Chair
- CRD Water Supply Commission
- CRD Arts Committee
- Friends of Cole Island Society
- Greater Victoria Public Library
- Juan de Fuca Water Distribution Commission



**Councillor Aaron Weisgerber** (December 2, 2014 - present)

- Planning & Development - Chair
- Joint School District/Municipal Committee
- Parent Advisory Committee
- Westshore Chamber of Commerce







## **MISSION - WHY WE EXIST**

To build a resilient, vibrant community that fosters and balances social, environmental and economic well-being.

## **VISION - THE FUTURE WE STRIVE TO CREATE**

Liveable View Royal – simply the best place to call home.

## **VALUES - OUR GUIDEPOSTS**

The Town of View Royal pursues good community through a corporate culture that is:

- Accountable,
- Collaborative,
- Efficient, and
- Respectful,
- Innovative,
- Effective.
- Ethical,
- Proactive,

## **COMMITTEMENT TO ORGANIZATIONAL EXCELLENCE**

The Town of View Royal is committed to providing the best possible local government for our residents and business community. This commitment drives constant improvement, with particular emphasis on:

- providing strong, strategic policy-based governance,
- demonstrating collaborative leadership and effective shared decision-making within the community, with our regional partners, including First Nations,
- nurturing productive working relationships at the legislative and executive level,
- pursuing excellence founded on core values, approved plans, policies and our commitment to innovation,
- decision-making processes to be transparent and responsive,
- integrating strategic planning, business planning, budgeting and performance management systems,
- embracing evidence-based best practices for professionalism,
- enhancing customer service and related communications capacity, and
- positioning sustainability as the foundation of our municipal culture.







# SUMMARY OF SERVICES & OPERATIONS

The **TOWN OF VIEW ROYAL** is responsible for the provision of a wide variety of local services and programs. These include:

- Transportation network (e.g. roads, bridges, street cleaning, sidewalks)\*
- Stormwater management
- Garbage/household food waste collection
- Sanitary sewer collection system
- Parks, recreation and cultural facilities
- West Shore Royal Canadian Mounted Police (RCMP)
- Fire protection and inspection
- Emergency preparedness planning
- Land use planning
- Building permits
- Business licensing
- Bylaw establishment and enforcement
- Economic development
- Heritage and revitalization

\*excludes Admirals Road, Six Mile Road and the Trans Canada Highway (Highway 1) which are controlled by the Ministry of Transportation & Infrastructure.

Town Services provided by **OTHER** organizations include:

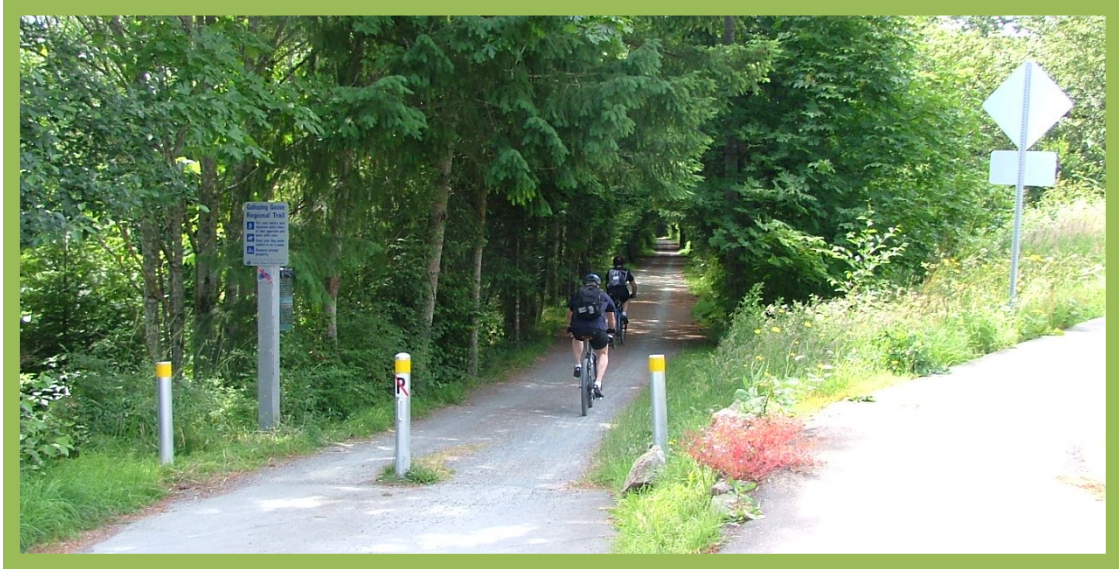
- School system (Provincial Government and Local School Boards)
- Social and health programs (Provincial Government)
- Hospital care system (Provincial Government)
- Real property assessments (B.C. Assessment)
- Library collection and distribution system (Greater Victoria Public Library; Town is a part owner of the Downtown Branch)
- View Royal Reading Centre (Town provides partial support through a grant-in-aid)
- Planning and the management of public transit (Victoria Regional Transit System)

Town Services provided by the **CAPITAL REGIONAL DISTRICT**:

- Animal control
- Sewer system management
- Water management
- Recycling

The Town is represented on the following **BOARDS AND COMMITTEES**, which provide a variety of services to the residents of View Royal:

- Capital Regional District
- Capital Regional District Hospital
- Capital Regional District Housing Trust Fund Commission
- West Shore Parks & Recreation Society
- Greater Victoria Public Library
- Community Policing





# 2016 MUNICIPAL HIGHLIGHTS

## ADMINISTRATION DEPARTMENT

- 2016 saw the creation of the Town's Community Development Advisory Committee from the joining of the former Planning and Development and Transportation Advisory Committees. This shift in focus recognizes the move towards community resiliency, sustainability and increased neighbourhood networking.
- In April, the Town participated in the national Pitch-In-Week initiative. Several activities were held during this week including "20 Minute Makeovers", electronics recycling at Centennial Park, organized eco tour/walks in two parks, and a Repair Café.
- The Town's IT Strategic Plan implementation has been initiated in the Administration Department with the move to increase time spent by the Archivist/Corporate Records Assistant on data governance and corporate records. As well, an electronic agenda system was launched in early December making agendas and minutes more user friendly for the public via the website and reducing the use of paper-based documents. With the optical character recognition feature, agendas and minutes are now fully searchable by specific items, topics or reports.
- In addition to the day-to-day business activities, Town Hall was the venue for an open "Town Hall" meeting in April, providing an opportunity for residents and business owners to come and share ideas with Council. As well, a community Winter Reception was held in early December to celebrate the impending holiday season and mark the half-way point in Council's four-year term.
- Late in 2016, physical changes took place in Town Hall that included flooring replacement, painting and a realignment of the front counter to increase customer service and improve staff safety.
- Continuing activities in 2016 included elementary school tours; digitization of the Archives' collection; the annual volunteer appreciation dinner; and staffing competitions for Town-wide auxiliary, seasonal and permanent positions.
- This Annual Report is an opportunity to also highlight the spirit of View Royal staff. While many residents coming into Town Hall will see and appreciate the seasonal décor of Hallowe'en and Christmas that staff undertakes, many may not be aware of the staff's generosity and kindness. Since 2011, staff have been thrilled to contribute over \$25,000 to the United Way of Greater Victoria through payroll deductions. In 2016 alone, staff donated \$4,966 to help the United Way support 111 programs that serve children, families and the broader community within the region.

### ORAL HISTORY INTERVIEWS

View Royal Archives took time in 2016 to conduct approximately twelve oral history interviews with long-time residents of the community, capturing the stories that shaped the Town's identity.

Archives' donations were received from the View Royal Garden Club and several generous residents, highlighting community activities from our past. Pictured: (L. Baur, Archives volunteer, and J. Roach, oral history interviewee)



## 2016 MUNICIPAL HIGHLIGHTS (con't)

### ENGINEERING & PARKS DEPARTMENT

- The Town's invasive species removal, restoration, stewardship and conservation programs have expanded to include restoration of Burnside/Watkiss Park, as well as other small parks in View Royal.
- The Portage Park Restoration and Invasive Species Removal Program saw a shift in 2016 with the participation of the Shoreline Community Middle School Outreach Program. The program was structured to take place in both the classrooms at Shoreline Community Middle School and Portage Park to provide both a lecture based educational experience as well as a hands-on learning field experience for the students.
- Engineering staff began the review of the Streets and Traffic Bylaw and the Subdivision and Development Servicing Bylaw.
- Engineering staff participated with the Administration Department in coordinating and hosting Pitch-In-Week. Engineering played a key role in securing a grant to support the "20 Minute Makeovers" community clean-up and led the eco tour / walks in Portage Park and Welland Legacy Park.
- Based on recommendations in the View Royal Park Master Plan, the following projects were completed in 2016 in that Park:
  - ◇ paving of parking lot;
  - ◇ planting of "signature" trees; and
  - ◇ installation of outdoor fitness equipment
- Engineering Department staff have been working toward an historic agreement with the Esquimalt Nation on the use of Hallowell Road, while at the same time co-ordinating with the Capital Regional District on the E & N Rail Trail extension along Hallowell Road, and the Ministry of Transportation and Infrastructure on the Admirals Road safety improvements from Maple Bank Road to Hallowell Road.
- To enhance access to the E&N Rail Trail, the Town installed a sidewalk on Burnett Road, linking Island Highway to this Capital Regional District trail.

#### • **INVASIVE SPECIES REMOVAL EVENT IN EDWARDS PARK**

In collaboration with Volunteer View Royal, Coast Capital Insurance, Quality Foods and Smartway Restoration Limited, View Royal Parks Department and the Town's restoration consultant, undertook an invasive species removal event in Edwards Park. This event saw a total of 34 volunteers contribute 200 hours to remove 30m<sup>3</sup> (2 dump truck loads) of Scotch Broom.



## 2016 MUNICIPAL HIGHLIGHTS (con't)

### NEW AIR PHOTO OF VIEW ROYAL

A new air photo of the Town was installed in the Council Chambers after the Town's renovations and painting were completed. It is a draw for members of the public when attending meetings, and in the event of an emergency, has the added functionality of being dry erase marker compatible for use in the Emergency Operations Centre.



## FINANCE DEPARTMENT

- 2016 encompassed a year of progress for the Finance Department . Through a focus on fiscal sustainability emphasized by Council's Strategic Plan, the Department updated the Reserve Funds and Surplus Policy; developed operational plans to implement its information technology strategy, including renewal of technology capital assets; and worked towards asset management planning.
- The renewed Reserve Funds and Surplus Policy is all about sustainability – maintaining sufficient funds on hand to meet obligations as they come due, to smooth out the variability in demands on taxpayers and to reduce the negative impact of unforeseen emergencies.
- 2016 also saw the implementation of an electronic agenda system as a further step toward carbon neutrality and reducing waste, all the while improving access for Council, staff and members of the public.



## 2016 MUNICIPAL HIGHLIGHTS (con't)

### DEVELOPMENT SERVICES DEPARTMENT

- Throughout 2016 staff were active with the Capital Regional District on their review of the Regional Growth Strategy. While there are ongoing concerns about the extension of water service to rural areas, it is anticipated that these and other issues will be resolved in 2017 through a dispute resolution process.
- Housekeeping amendments to the Sign Bylaw, Fees and Charges Bylaw and Business License Bylaw were concluded in 2016. The amendments to the Business License Bylaw bring that Bylaw into alignment with the Zoning Bylaw and were intended to streamline the process of applying for a business license.
- It was a busy year for Development Services with fourteen development permit applications, seventeen development variance permit applications, five subdivision applications, six rezoning applications, forty eight sign permits and nine Board of Variance applications.
- An application was submitted for a provincial lease to facilitate a canoe and kayak launch off of Shoreline Drive. The Province has indicated that review and approval of the application will take twelve to fifteen months.
- The second phase of the Hart Road Lime Kiln restoration was completed and a report was presented to Council. The masonry base of the kiln has been stabilized. Future phases of work are funding dependant and will see the brick chimney reconstructed, additional tree roots removed from the base and interpretation placed on the site.

### VIEW ROYAL PARKS MASTER PLAN

- With the assistance of students and faculty at Vancouver Island University, the Town was able to have a rich program of public engagement leading up to the preparation of the first draft of a new Parks Master Plan.
- Between full to capacity events at Town Hall, visits to parks and an online survey, we heard from many residents about what kind of a parks system they wanted for the future, what they valued about existing parks, and what might make them even better. It is expected that a final version of the Plan will be adopted in 2017.



## 2016 MUNICIPAL HIGHLIGHTS (con't)

### DISASTER AND EMERGENCY MANAGEMENT

In 2016 Master of Arts students in Disaster and Emergency Management at Royal Roads University partnered with the Town of View Royal and the District of Metchosin to change the level of awareness when it comes to planning for a natural disaster. According to local emergency management personnel, many local residents, including seniors, are unaware of how to successfully prepare themselves for an emergency.

After speaking with sixty-five senior residents at six different neighbourhood workshops,

ten areas were identified by students as areas where View Royal could better prepare and engage with senior populations and where emergency program resources and efforts could be focused.

“This project has helped pave the way for future engagement between our Emergency Program and residents of our municipality,” says View Royal Firefighter and Emergency Program Officer.



### PROTECTIVE SERVICES DEPARTMENT

- View Royal firefighters responded to 965 calls for service and spent 5013 hours managing emergencies and assistance calls. With recent legislation from the Province outlining minimum training standards for fire departments in British Columbia, View Royal firefighters dedicated almost 6991 hours towards regulatory training.
- View Royal Fire conducted 289 fire inspections with an average compliance rate of 97.3%.
- Partnering with the BCAA Child Passenger Safety Program, View Royal Fire delivered 101 individual car seat education sessions to provide resources and training to parents to ensure their children are safe while travelling in vehicles.
- View Royal Fire gave twenty-six school and community group tours of the Public Safety Building (totalling 344 children and 146 adult/care givers). Tours provide fire safety information, truck and equipment familiarization and fun activities.
- View Royal Fire participated in four sessions of the Prevent Alcohol and Risk-Related Trauma in Youth program at Victoria General Hospital for Grade 10 students who tour the hospital to learn about real life physical trauma from those who witness it first-hand. Students learn the consequences of not wearing a seat belt, operating a motor vehicle under the influence of drugs or alcohol, speeding, and distracted driving—consequences such as permanent brain or spinal cord injury, burns, paralysis and death.
- The Town issued 351 secondary suite permits in 2016.
- The Building Department conducted 293 residential inspections, as well as ninety-three commercial site reviews. We answered 874 inquiries or building related concerns via telephone or in-office meetings. The Building Official also assisted the Bylaw Officer on eighty-six bylaw enforcement files. Twenty-two special projects were undertaken, including the renovation of Town Hall.



# 2016 MUNICIPAL GOALS & OBJECTIVES

The 2015 - 2018 Strategic Plan provides an opportunity to step back, look at the bigger picture and identify a few key areas or opportunities that require special attention or emphasis. Four strategic priorities have been identified for 2015 - 2018:

- FINANCIAL SUSTAINABILITY AND SERVICE EXCELLENCE,
- ENHANCE LIVABILITY IN VIEW ROYAL,
- COMMUNITY AND ECONOMIC GROWTH, and
- MAINTAIN STRONG RELATIONSHIPS WITH OUR NEIGHBOURS.



## - FINANCIAL SUSTAINABILITY & SERVICE EXCELLENCE -

### STRATEGIC PRIORITY:

- Ensure we are providing quality services to our residents on a cost effective basis
- Focus on Capital Asset Management Program

### DESIRED OUTCOMES:

- Optimized corporate efficiencies
- Confidence in the fiscal health and financial sustainability of the Town
- Diversified revenue base
- Predictable property tax and user fee increases

### 2016 INITIATIVES:

PROJECTS & INITIATIVES	OUTCOME
Complete service review to define service levels and resource requirements for each municipal function.	<ul style="list-style-type: none"> <li>• Bylaw enforcement complete; other components deferred to 2017/18 and also reduced in scope.</li> </ul>
Complete Fees & Charges Bylaw review to ensure alignment with selected service levels.	<ul style="list-style-type: none"> <li>• Fees &amp; Charges Bylaw review was completed.</li> </ul>
Complete the update/revisions to master plans: <ul style="list-style-type: none"> <li>• Transportation;</li> <li>• Drainage;</li> <li>• Parks.</li> <li>• Sanitary Sewer Systems</li> </ul>	<ul style="list-style-type: none"> <li>• Transportation: A draft consultant report was received and will be reviewed by staff in Spring 2017.</li> <li>• Drainage Master Plan will go through the Request for Proposal (RFP) process to be completed Summer 2017.</li> <li>• Parks: Joint project with Vancouver Island University (VIU) students; final report to be received in Spring 2017. Adoption expected for early Summer 2017.</li> <li>• Anticipated as a Fall 2017 project.</li> </ul>
Establish a Capital Asset Management System that examines all tangible capital assets, including parks, land improvements, municipal buildings, vehicles, machinery and equipment, and engineering structures.	<ul style="list-style-type: none"> <li>• A capital asset inventory is complete. Remaining to be capital asset assessments and a maintenance reconstruction program.</li> </ul>
Develop a Long Term Financial Plan and decision making framework for capital projects; complete the DCC Bylaw review.	<ul style="list-style-type: none"> <li>• To be completed upon the conclusion of master plan studies.</li> </ul>
Develop a Surplus Policy.	<ul style="list-style-type: none"> <li>• Hired a consultant who completed a draft Surplus Policy and reviewed reserve funds; a draft policy is complete.</li> </ul>
Reserve funds review.	



## - FINANCIAL SUSTAINABILITY & SERVICE EXCELLENCE -

### STRATEGIC PRIORITY:

- Ensure we are providing quality services to our residents on a cost effective basis
- Focus on Capital Asset Management Program

### DESIRED OUTCOMES:

- Optimized corporate efficiencies
- Confidence in the fiscal health and financial sustainability of the Town
- Diversified revenue base

### 2016 INITIATIVES CONTINUED:

PROJECTS & INITIATIVES	OUTCOME
Financial Sustainability Review to project future finance requirements and determine optimum reserve levels and annual contributions.	Scheduled to begin upon conclusion of master plan studies; capital asset management program development.



## - ENHANCE LIVABILITY IN VIEW ROYAL -

### STRATEGIC PRIORITY:

- Proceed with parks improvements in accordance with the Parks Master Plan
- Ensure key bylaws and policies reflect community's needs
- Increase community connectivity and engagement

### DESIRED OUTCOMES:

- Stewardship of valued parkland
- Alignment of community values with enforcement tools
- Build relationships and engagement through community events
- A strong and growing volunteer corps, investing in View Royal

### 2016 INITIATIVES:

PROJECTS & INITIATIVES	OUTCOME
Update Parks Master Plan and explore partnerships with post-secondary institutions in this update work.	<ul style="list-style-type: none"> <li>• Joint project with Vancouver Island University (VIU) students; final report to be received in Spring 2017. Adoption expected for early Summer 2017.</li> </ul>
Establish an Invasive Species Management Program.	<ul style="list-style-type: none"> <li>• Funds allocated for part-time consultant to lead Program.</li> </ul>
Review key public safety related bylaws: A) Streets & Traffic; B) Business License Regulation Bylaw C) Public Places D) Noise E) Sign	A) The review of the Streets & Traffic Bylaw is in progress. B) Complete C) Rescheduled for 2017 D) Rescheduled for 2018 E) Portions completed; additional amendments to be completed.
Review Subdivision & Development Servicing Bylaw.	<ul style="list-style-type: none"> <li>• Draft of the Subdivision &amp; Development Servicing Bylaw prepared and under legal review.</li> </ul>
Develop tree canopy and urban forestry policy	<ul style="list-style-type: none"> <li>• Some tree preservation measures taken; policy not completed.</li> </ul>



## - ENHANCE LIVABILITY IN VIEW ROYAL -

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### 2016 INITIATIVES CONTINUED:

PROJECTS & INITIATIVES	OUTCOME
Identify events to enhance neighbourhood and community connections (e.g. Neighbourhood Nights by WSPRS; Music in the Park; Pitch-in Week; Community Celebration Day).	<ul style="list-style-type: none"> <li>• Community Development Advisory Committee was established.</li> <li>• The Town participated in the national Pitch-In-Week initiative. Several activities were held during this week including "20 Minute Makeovers", electronics recycling at Centennial Park, organized eco tour/walks in two parks, and a Repair Café.</li> </ul>
Recognize and support the volunteer sector in View Royal	<ul style="list-style-type: none"> <li>• This is an ongoing initiative in the Town of View Royal.</li> </ul>
Explore the development of a heritage policy	<ul style="list-style-type: none"> <li>• Deferred to 2017 and refined to a heritage workshop.</li> </ul>



## - COMMUNITY & ECONOMIC GROWTH -

### STRATEGIC PRIORITY:

- Explore creative new ways to encourage redevelopment of existing lands
- Lead by example through investing in a high quality public realm
- Support opportunities for local services and employment

### DESIRED OUTCOMES:

- Private investment in the redevelopment of strategic sites on significant community corridors and at gateways to View Royal because Town seen as desirable place to be
- Engagement with business community to understand how the Town can support economic development
- Diversified revenue base
- Strategic municipal investment in the public realm
- Continued implementation of the Official Community Plan (2011)

### 2016 INITIATIVES

PROJECTS & INITIATIVES	OUTCOME
Engage a consultant to research current land economics based on possible OCP densities Identify development barriers for key redevelopment sites. Identify possible “carrots” and “sticks” to encourage redevelopment of key sites. Identify missing local services in neighbourhoods and significant lands where new business might consider locating.	Deferred to 2017/2018
Meet with key property owners.	Completed in 2016 with one development site moving toward redevelopment.
Work toward completion of Island Highway Project including the establishment of a timeline for Island Highway redevelopment.	Design work for some sections of Island Highway undertaken.



## - COMMUNITY & ECONOMIC GROWTH -

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- Explore creative new ways to encourage redevelopment of existing lands
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- Support opportunities for local services and employment

### DESIRED OUTCOMES:

- Private investment in the redevelopment of strategic sites on significant community corridors and at gateways to View Royal because Town seen as desirable place to be
- Engagement with business community to understand how the Town can support economic development
- Diversified revenue base
- Strategic municipal investment in the public realm

### 2016 INITIATIVES CONTINUED:

PROJECTS & INITIATIVES	OUTCOME
Upon completion of review of Subdivision and Development services Standards Bylaw, develop urban design standards to support municipal investment in the public realm	<ul style="list-style-type: none"> <li>• Draft of the Subdivision &amp; Development Servicing Bylaw prepared and under legal review.</li> </ul>
Focus on business retention and explore ways to make doing business in View Royal easier.	<ul style="list-style-type: none"> <li>• In 2016 the Business License Regulation Bylaw review was completed and staff worked on forms, website administration and brochure development.</li> </ul>
Develop an Economic Development Strategy, including tourism opportunities	<ul style="list-style-type: none"> <li>• Further work on projects for community and economic growth will continue in 2017/2018.</li> </ul>



## - MAINTAIN STRONG RELATIONSHIPS WITH OUR NEIGHBOURS -

### STRATEGIC PRIORITY:

- Work with others to identify cost effective sewage solutions
- Participate in discussions about improving regional governance
- Upgrade regional transportation system and infrastructure to meet growing needs

### DESIRED OUTCOMES:

- Continue to be a “bridge” between the “core” and “western” communities
- Respected participant in the region
- Recognized as a progressive and innovative municipality

### 2016 INITIATIVES:

PROJECTS & INITIATIVES	OUTCOME
Complete Westside/Eastside Solutions program for sewage treatment.	<ul style="list-style-type: none"> <li>• The Province become involved and the process is now complete with the CRD engaged in a development program for the Wastewater Treatment Plant.</li> </ul>
Educate our residents on our existing successful shared services; establish View Royal's role/ participation in governance studies.	<ul style="list-style-type: none"> <li>• Continued to participate in shared services and explored opportunities.</li> </ul>
Ensure the CRD's Regional Sustainability Strategy meets View Royal's and Region's needs.	<ul style="list-style-type: none"> <li>• Staff involved in review of CRD's Regional Growth Strategy.</li> </ul>
Strengthen our relationship with Capital Regional District and First Nations through: <ul style="list-style-type: none"> <li>• MOU for Hollowell Road with Esquimalt Nation;</li> <li>• Develop relationship protocol agreements.</li> </ul>	<ul style="list-style-type: none"> <li>• A draft agreement for Hollowell Road with the Esquimalt Nation is complete.</li> <li>• Relationship building with the Esquimalt and Songhees Nations is ongoing.</li> </ul>
Advocate for improvements to regional transportation: <ul style="list-style-type: none"> <li>• Formation of regional transportation authority;</li> <li>• Focus on transit park and ride;</li> <li>• McKenzie interchange;</li> <li>• Participate in an update to the CRD's Regional Transportation Plan.</li> </ul>	<ul style="list-style-type: none"> <li>• Letters of request sent for regional transportation authority.</li> <li>• Input provided on park and ride; McKenzie Interchange; and CRD's Transportation Master Plan.</li> </ul>



# LOOKING AHEAD: 2017 - 2018

View Royal Council and senior staff have worked together to develop a strategic plan, setting the course for Council's term which completes in the fall of 2018. While it is valuable to reflect on what we accomplished in 2016, it is also important to keep moving ahead on a strategic path. Accordingly, the strategic plan priorities were reviewed in early 2017 and the four themes of Enhance Liveability in View Royal, Financial Sustainability and Service Excellence, Community and Economic Growth, and Maintain Strong Relationships With Our Neighbours were considered with a view to projects/initiatives that can be undertaken in 2017 and beyond.



## ENHANCE LIVEABILITY IN VIEW ROYAL

- proceed with parks improvements in accordance with Parks Master Plan;
- ensure key bylaws reflect community needs;
- increase community connectivity and engagement.

Project/Initiative:	Timing:
Update the Parks Master Plan and explore partnerships with post-secondary institutions in this update work	2015/2017
Plan trails in parks	2017/2018
Review key bylaws: Streets & Traffic; Public Places; Noise; Sign and Voting	2017
Review the Subdivision & Development Services Standards Bylaw.	2015/2017
Amend Tree Protection Bylaw and develop related policy	2017/2018
Canada 150– annual event	2017
Explore the development of a heritage policy	2017

## FINANCIAL SUSTAINABILITY AND SERVICE EXCELLENCE

- ensure we are providing quality services to our residents on a cost effective basis;
- focus on a Capital Asset Management program.

Project/Initiative:	Timing:
Complete service review to define service levels and resource requirements for each municipal function.	2017/2018
Complete Fees and Charges Bylaw review to ensure alignment with selected service levels	2017
Complete a comprehensive Capital Asset Management plan	2017

## COMMUNITY AND ECONOMIC GROWTH

- explore creative ways to encourage redevelopment of existing lands;
- pursue investment in a high quality public realm within the Town;
- support opportunities for local services and employment.

Project/Initiative:	Timing:
Research current land economics based on possible OCP densities	2017/18
Identify development barriers for key redevelopment sites	2017/18
Identify possible “carrots” and “sticks” to encourage redevelopment of key sites	2017/18
Meet with key property owners	2017
Work toward completion of the Island Hwy Project including the establishment of a timeline for the Island Hwy redevelopment	2018
Upon completion of review of Subdivision and Development Services Standards Bylaw, develop urban design standards to support municipal investment in the public realm	2017
Focus on business retention and explore ways to make doing business in View Royal easier	2017
Identify missing local services in neighbourhoods and significant lands where new business might consider locating	2017/18
Develop an Economic Development Strategy, including tourism opportunities	2017

## MAINTAIN STRONG RELATIONSHIPS WITH OUR NEIGHBOURS

- work with others to identify cost effective sewage solutions;
- participate in discussion about improving regional government;
- upgrade regional. Transportation system and infrastructure to meet growing needs.

Project/Initiative:	Timing:
Complete Westside/Eastside Solutions program for sewage treatment	2017
Educate our residents on our existing successful shared services and establish View Royal's role/participation in regional studies	2017
Ensure CRD's Regional Growth Strategy meets View Royal's needs	2017
Strengthen our relationship with Capital Regional District and First Nations	2017
Advocate for improvements to regional transportation	2017







**TOWN OF VIEW ROYAL**

## **FINANCIAL INFORMATION**

**Fiscal Year Ended December 31, 2016**



# Financial Information

## Table of Contents

Statement of Financial Information Approval .....	36
Consolidated Financial Statements .....	37
Managements Responsibility for the Consolidated Financial Statements .....	38
Independent Auditors' Report .....	39
Consolidated Statement of Financial Position.....	40
Consolidated Statement of Operations .....	41
Consolidated Statement of Change in Net Financial Assets .....	42
Consolidated Statement of Cash Flows .....	43
Notes to the Consolidated Financial Statements.....	44
Schedule of Payments for Goods and Services .....	67
Statement of Remuneration and Expenses .....	69
Statement of Guarantee and Indemnity Agreements .....	70
Statement of Severance Agreements .....	71
Statement of Permissive Tax Exemptions .....	72
Statement of Development Cost Charges .....	73
5 Year Assessment and Property Tax Information .....	74
Long Term Debt and Capital Lease Obligations .....	76
Principal Taxpayers .....	77





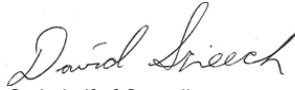
## Statement of Financial Information Approval

For the year ended December 31, 2016

The undersigned, as authorized by the Financial Information Regulation, Schedule 1, subsection 9(2), approves all the statements and schedules included in this Statement of Financial Information, produced under the *Financial Information Act*.



Dawn Christenson, BAccS, CPA, CGA  
Director of Finance  
date



On behalf of Council,  
David Screech, Mayor  
date

Prepared pursuant to the Financial Information Regulation, Schedule 1, subsection 9



Consolidated Financial Statements of

## **TOWN OF VIEW ROYAL**

Year ended December 31, 2016



# TOWN OF VIEW ROYAL

Consolidated Financial Statements

Year ended December 31, 2016

## Financial Statements

Management's Responsibility for the Consolidated Financial Statements

Independent Auditors' Report

Consolidated Statement of Financial Position

Consolidated Statement of Operations

Consolidated Statement of Change in Net Financial Assets

Consolidated Statement of Cash Flows

Notes to Consolidated Financial Statements

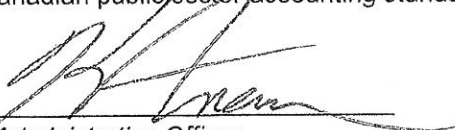
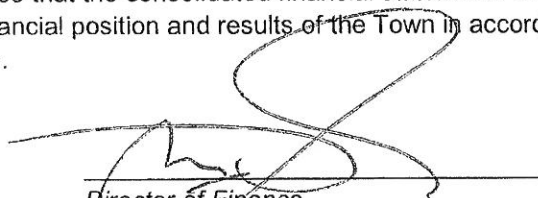
## MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

The Town'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 consolidated financial statements. These systems are monitored and evaluated by management.

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

The consolidated financial statements have been audited by Grant Thornton LLP, independent external auditors appointed by the Town. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the Town's consolidated financial statements. Their opinion is based upon an examination conducted in accordance with Canadian generally accepted auditing standards, performing such tests and other procedures as they consider necessary to obtain reasonable assurance that the consolidated financial statements are free of material misstatement and present fairly the financial position and results of the Town in accordance with Canadian public sector accounting standards.

  
Chief Administrative Officer  
Director of Finance



Grant Thornton

An instinct for growth™

## INDEPENDENT AUDITORS' REPORT

To the Mayor and Councillors of  
THE TOWN OF VIEW ROYAL

Grant Thornton LLP  
823 Canada Avenue  
Duncan, BC  
V9L 1V2

### *Report on Consolidated Financial Statements*

We have audited the accompanying consolidated financial statements of the Town of View Royal, which comprise the consolidated statement of financial position as at December 31, 2016, the consolidated statement of operations, change in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. These standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to fraud or error.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated 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 evaluation of the overall presentation of the consolidated financial statements, whether due to fraud or error.

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 consolidated financial statements present fairly, in all material respects, the consolidated financial position of The Town of View Royal as at December 31, 2016, and its consolidated results of operations, its consolidated changes in net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### *Other Matter*

The financial statements of the Town of View Royal for the year ended December 31, 2015, were audited by Hayes Stewart Little & Co. The partners and staff of Hayes Stewart Little & Co joined Grant Thornton LLP subsequent to October 1, 2016.

*Grant Thornton LLP*

Victoria, BC  
May 2, 2017

Chartered Professional Accountants



# TOWN OF VIEW ROYAL

## Consolidated Statement of Financial Position

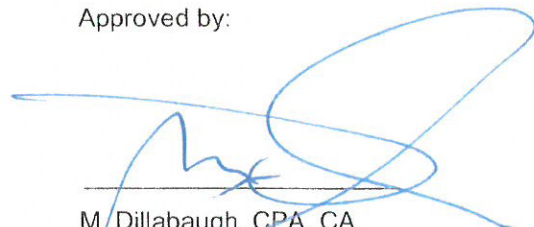
December 31, 2016, with comparative information for 2015

	2016	2015 (restated note 17)
<b>Financial assets:</b>		
Cash and temporary investments (note 4)	\$ 15,675,883	\$ 16,186,579
Taxes receivable	139,599	147,801
Accounts receivable	1,564,941	1,580,690
Inventory held for sale	9,328	6,112
Assets held for sale (note 5)	327,940	272,315
	17,717,691	18,193,497
<b>Financial liabilities:</b>		
Accounts payable and accrued liabilities	3,326,108	3,456,688
Deposits	1,145,450	1,951,220
Deferred revenue (note 6)	5,030,249	5,093,629
Prepaid property taxes	438,236	382,085
Long-term debt (note 7)	6,897,532	7,232,118
Employee future benefit obligations (note 8)	190,109	182,279
	17,027,684	18,298,019
<b>Net financial assets</b>	690,007	(104,522)
<b>Non-financial assets:</b>		
Tangible capital assets (note 9)	127,848,055	121,817,790
Prepaid expenses	109,245	252,553
	127,957,300	122,070,343
<b>Accumulated surplus (note 10)</b>	\$ 128,647,307	\$ 121,965,821

### Commitments and contingencies (note 13)

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

Approved by:



M. Dillabaugh, CPA, CA  
Director of Finance

# TOWN OF VIEW ROYAL

## Consolidated Statement of Operations

Year ended December 31, 2016, with comparative information for 2015

	Financial plan	2016	2015
	(note 15)		(restated note 17)
<b>Revenues:</b>			
Taxation, net (note 11)	\$ 7,403,364	\$ 7,473,433	\$ 6,909,917
User charges	2,772,223	3,015,988	2,832,289
Government transfers:			
Provincial (note 12)	2,513,506	2,900,181	2,608,814
Federal	805,312	455,980	436,557
Municipal and other	24,148	100,158	33,756
Investment income	115,000	138,480	194,000
Actuarial adjustment to debt	-	35,026	21,838
Penalties and fines	58,300	54,351	56,988
Development charges earned	218,861	122,493	106,116
Contributions from developers and others	-	6,462,342	19,562
Other revenue from own sources	94,760	143,850	132,470
<b>Total revenues</b>	<b>14,005,474</b>	<b>20,902,282</b>	<b>13,352,307</b>
<b>Expenses:</b>			
General government	2,358,233	2,052,668	1,958,043
Protective services	3,892,493	3,856,711	3,185,435
Transportation services	4,216,410	4,276,453	4,057,260
Environmental health services	1,174,324	846,821	887,400
Planning and development	449,607	398,861	385,596
Recreation and cultural	2,753,145	2,789,282	2,751,226
<b>Total expenses</b>	<b>14,844,212</b>	<b>14,220,796</b>	<b>13,224,960</b>
<b>Annual (deficit) surplus</b>	<b>(838,738)</b>	<b>6,681,486</b>	<b>127,347</b>
<b>Accumulated surplus, beginning of year</b>	<b>121,965,821</b>	<b>\$ 121,965,821</b>	<b>121,838,474</b>
<b>Accumulated surplus, end of year (note 10)</b>	<b>\$ 121,127,083</b>	<b>\$ 128,647,307</b>	<b>\$ 121,965,821</b>

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

# TOWN OF VIEW ROYAL

## Consolidated Statement of Change in Net Financial Assets

Year ended December 31, 2016, with comparative information for 2015

	Financial plan (note 15)	2016	2015 (restated note 17)
<b>Annual (deficit) surplus</b>	\$ (838,738)	\$ 6,681,486	\$ 127,347
Acquisition of tangible capital assets	(2,643,298)	(1,952,888)	(1,514,160)
Contributions of tangible capital assets	-	(6,967,376)	(283,000)
Amortization of tangible capital assets	2,746,500	2,891,625	2,630,706
Loss (Gain) on disposal and write-down of tangible capital assets		6,464	(593)
Proceeds on sale of tangible capital assets	-	-	30,000
Write-downs of tangible capital assets	-	-	4,502
Change in proportionate share of West Shore	-	(8,090)	(149,128)
	103,202	(6,030,265)	718,327
Acquisition and consumption of prepaid expenses	-	143,308	98,036
<b>Change in net financial assets</b>	(735,536)	794,529	943,710
<b>Net financial assets, beginning of year</b>	(110,634)	(104,522)	(1,048,232)
<b>Net financial assets, end of year</b>	\$ (846,170)	\$ 690,007	\$ (104,522)

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



# TOWN OF VIEW ROYAL

## Consolidated Statement of Cash Flows

Year ended December 31, 2016, with comparative information for 2015

	2016	2015
Cash provided by (used in):		
<b>Operating activities:</b>		
Annual surplus	\$ 6,681,486	\$ 127,347
Items not involving cash:		
Amortization of tangible capital assets	2,891,625	2,630,706
Loss on disposal and write-down of tangible capital assets	6,465	3,907
Contributions of tangible capital assets	(6,967,376)	(283,000)
Change in employee benefits obligations	7,830	(6,889)
Change in proportionate share of West Shore	(8,090)	(149,128)
Actuarial adjustment on debt	(35,026)	(21,838)
Changes in non-cash operating assets and liabilities:		
Assets held for resale	(55,625)	(172,315)
Inventory held for sale	(3,216)	3,751
Accounts receivable	15,749	333,217
Taxes receivable	8,202	66,304
Accounts payable and accrued liabilities	(130,578)	(417,359)
Deposits	(805,770)	476,995
Deferred revenue	(63,381)	204,254
Prepaid property taxes	56,151	35,423
Prepaid expenses	143,308	98,036
	1,741,754	2,929,411
<b>Capital activities:</b>		
Proceeds on sale of tangible capital assets	-	30,000
Acquisition of tangible capital assets	(1,952,891)	(1,514,160)
	(1,952,891)	(1,484,160)
<b>Financing activities:</b>		
Debt issued	-	-
Debt repaid	(299,559)	(310,449)
	(299,559)	(310,449)
<b>(Decrease) Increase in cash and cash equivalents</b>	<b>(510,696)</b>	<b>1,134,802</b>
<b>Cash and temporary investments, beginning of year</b>	<b>16,186,579</b>	<b>15,051,777</b>
<b>Cash and temporary investments, end of year</b>	<b>\$ 15,675,883</b>	<b>\$ 16,186,579</b>

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

# TOWN OF VIEW ROYAL

## Notes to Consolidated Financial Statements

Year ended December 31, 2016

---

Town of View Royal (the "Town") is a municipality in the Province of British Columbia and operates under the provisions of the Local Government Act and the Community Charter of British Columbia. The Town's principal activities include the provision of local government services to residents of the incorporated area.

### 1. Significant accounting policies:

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

#### (a) Reporting entity:

The consolidated financial statements reflect the combination of all the assets, liabilities, revenues, expenses, and changes in fund balances and in financial position of the Town. The consolidated financial statements of the Town include the Town's proportionate interest in West Shore Parks and Recreation Society ("West Shore"), an organization jointly controlled by the Town. The Town does not administer any trust activities on behalf of external parties other than the disbursement of casino revenues to other municipal partners as described in note 12.

#### (b) Basis of accounting:

The Town 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. Expenses paid in the current period and attributable to a future period are recorded as prepaid.

#### (c) Revenue recognition:

- (i) Taxation revenues are recognized at the time of issuing the property tax notices for the fiscal year.
- (ii) Sale of services and user fee revenues are recognized when the service or product is rendered by the Town and the amounts are received or become receivable.
- (iii) Grant revenues are recognized when the funding becomes receivable.
- (iv) Revenue unearned in the current period is recorded as deferred revenue.

# TOWN OF VIEW ROYAL

## Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2016

---

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

Development cost charges are amounts which are restricted by government legislation or agreement with external parties. When qualifying expenses are incurred development cost charges are recognized as revenue in amounts which equal the associated expenses.

#### (e) Cash and temporary investments:

Cash and temporary investments include investments in the Municipal Finance Authority of British Columbia ("MFA") Money Market, Intermediate, and Short-Term Bond that are recorded at cost plus earnings reinvested in the funds, which at December 31, 2016 would approximate market value. These temporary investments consist of cash on deposit in the MFA investment funds that are highly liquid, readily convertible to cash, and are subject to an insignificant risk of change in value.

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.

#### (f) Deposits:

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

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

Long-term debt is recorded net of related actuarial adjustments and principal repayments.

# TOWN OF VIEW ROYAL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2016

## 1. Significant accounting policies (continued):

### (h) Employee future benefits:

The Town and its employees make contributions to the Municipal Pension Plan. The Town's contributions are expensed as incurred and are included within the Statement of Operations.

Sick leave and other retirement benefits are also available to the Town'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.

### (i) 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. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the change in net financial assets for the year.

### (i) Tangible capital assets:

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

Asset	Useful life - years
Land	Indefinite
Land improvements	10 - 25
Buildings	20 - 70
Vehicles, machinery and equipment	3 - 20
Engineering structures	10 - 100

Amortization is calculated monthly, 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 Town'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.



# TOWN OF VIEW ROYAL

## Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2016

---

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

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

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and also are recorded as revenue.

#### (iii) Works of art, and historical treasures:

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

#### (iv) Interest capitalization:

The Town 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) Inventory:

Inventory is recorded at the lower of cost and replacement cost.

#### (k) Government transfers:

Government transfers received are recognized in the consolidated financial statements as revenue when the transfers are authorized and all eligibility criteria have been met except when there is a stipulation that gives rise to an obligation that meets the definition of a liability. In that case, the transfer is recorded as a liability and recognized as revenue as the stipulations are met.

Government transfers to individuals and other entities are recognized as an expense when the transfers are authorized and all eligibility criteria have been met.

# TOWN OF VIEW ROYAL

## Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2016

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

#### (j) 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 areas requiring the use of management estimates relate to the determination of accrued sick benefits liability, collectability of accounts receivable, amortization of capital assets, determination of liability for contaminated sites, deferred charges and provisions for contingencies. Actual results could differ from those estimates. Adjustments, if any, will be reflected in operations in the period of settlement.

### 2. Change in accounting treatment:

Due to the broad scope of eligible expenditures, presentation comparability within regional local government, and agreement and repayment criteria changes, the Town has adjusted the accounting treatment related to the receipt and expenditure of the Gas Tax Agreement Funds and Gaming revenue. Previously unspent amounts were considered a liability and were deferred until specific eligible expenditures were incurred. Under the new treatment amounts are recognized as revenue when received. As outlined in note 17 the prior period has been adjusted to reflect this change.

### 3. Financial instruments:

The Town's financial instruments consist of cash and temporary investments, accounts receivable, accounts payable and accrued liabilities, deposits, and long-term debt. The carrying amount of these financial instruments approximates their fair value because they are short-term in nature or because they bear interest at market rates.

Unless otherwise noted, it is management's opinion that the Town is not exposed to significant interest or credit risks arising from these financial instruments.

### 4. Cash and temporary investments:

	2016	2015
Bank deposits	\$ 4,552,003	\$ 1,216,300
Municipal Finance Authority – Money Market	910,363	3,899,293
Municipal Finance Authority – Intermediate	1,921,541	2,896,659
Municipal Finance Authority – Short-Term Bond	8,291,976	8,174,327
	<u>\$ 15,675,883</u>	<u>\$ 16,186,579</u>

# TOWN OF VIEW ROYAL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2016

## 4. Cash and temporary investments (continued):

Temporary investments consist of short-term investments in the MFA money market, intermediate, and short-term bond funds. The market value is equal to the carrying value. Temporary investments have yields ranging from 0.81% to 1.43%.

Included in cash and temporary investments are the following restricted amounts:

	2016	2015
Restricted cash – MFA	\$ 88,131	\$ 85,734
Restricted cash – West Shore reserve funds	287,828	276,852
Restricted investments – reserve funds	3,346,143	3,164,815
Restricted investments – development cost charges	4,516,979	4,486,734
	<b>\$ 8,239,081</b>	<b>\$ 8,014,135</b>

The Town has an operating line of credit with the Toronto Dominion Bank an authorized amount of \$1,000,000, bearing interest at bank prime rate less 0.50% per annum. At December 31, 2016 the balance outstanding was \$nil (2015 - \$nil).

## 5. Assets held for sale:

Total assets held for sale of the year was \$327,940 (2015 - \$272,315). Assets held for sale consist of a parcel of land that is no longer in use and has been placed for sale. The asset has been reclassified from a tangible capital asset to an asset held for sale.

## 6. Deferred revenue:

	2016	2015
Development cost charges:		
Deferred development cost charges, beginning of year	4,486,734	4,269,564
Amounts received during the year	95,201	228,261
Interest earned	57,537	95,024
Eligible expenses	(122,493)	(106,116)
Deferred development cost charges, end of year	4,516,979	4,486,733
Deferred revenue - other	513,270	606,896
Total deferred revenue	<b>\$ 5,030,249</b>	<b>\$ 5,093,629</b>

# TOWN OF VIEW ROYAL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2016

## 7. Long-term debt:

### (a) Debt outstanding:

MFA Issue Number	Interest rate	Maturity date	Originally Approved	Net debt 2016	Net debt 2015
117	3.25%	Oct 12, 2026	\$2,445,000	\$1,783,634	\$1,926,482
127	3.30%	Apr 7, 2034	5,490,000	5,113,898	5,305,636
				\$7,935,000	\$6,897,532
					\$7,232,118

### (b) Debenture debt:

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

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

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

	Total
2017	\$ 306,470
2018	306,470
2019	306,470
2020	306,470
2021	306,470

### (c) Interest expense:

Total interest expense during the year was \$260,633 (2015 - \$260,633).



# TOWN OF VIEW ROYAL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2016

## 8. Employee future benefit obligations:

Employee benefit obligations represent accrued benefits as follows:

	2016	2015
Vacation payable	\$36,763	\$39,388
Accrued overtime	14,996	14,563
Sick leave entitlements	81,900	73,100
West Shore employee future benefit obligations	56,450	55,228
	<u>\$190,109</u>	<u>\$182,279</u>

Accrued vacation is the amount of unused vacation entitlement carried forward into the next year. Accrued sick leave is the estimated liability for sick leave for all employees. Sick leave entitlements can only be used while employed by the Town and are not paid out upon retirement or termination of employment. The accrued sick leave cost was estimated by an actuarial valuation completed effective for December 31, 2016.

Information about liabilities for accrued sick leave is as follows:

	2016	2015
Accrued benefit liability, beginning of year	\$73,100	\$64,400
Current service cost	7,800	7,600
Interest cost	2,300	2,000
Benefits paid	(800)	(400)
Amortization of actuarial (gain)	(500)	(500)
Accrued benefit liability, end of year	<u>\$81,900</u>	<u>\$73,100</u>
	2016	2015
Accrued benefit liability, end of year	81,900	73,100
Unamortized gain	(9,200)	(7,400)
Accrued benefit obligation, end of year	<u>\$72,700</u>	<u>\$65,700</u>

The accrued benefit liability is included as part of employee benefit obligations on the Statement of Financial Position. The actuarial gain is amortized over a period equal to the employees' average remaining service lifetime of 13 years.

The significant actuarial assumptions adopted in measuring the Town's accrued benefit obligations are as follows:

	2016	2015
Discount rates	3.50%	3.20%
Expected future inflation rates	2.50%	2.50%
Expected wage and salary increases	2.58 to 4.50%	2.58 to 4.50%

# TOWN OF VIEW ROYAL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2016

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## 8. Employee future benefit obligations (continued):

### **Municipal Pension Plan:**

The Town and its employees contribute to the Municipal Pension Plan (the Plan), a jointly trustee pension plan. The board of trustees, representing plan members and employers, is responsible for administering the Plan, including investment of assets and administration of benefits. The Plan is a multi-employer defined benefit pension plan. Basic pension benefits provided are based on a formula. As at December 31, 2015 the plan has about 189,000 active members and approximately 85,000 retired members. Active members include approximately 37,000 contributors from local government and 31 contributors from the Town.

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

The most recent actuarial valuation of the Municipal Pension Plan as of December 31, 2015, indicated a \$2,224 million funding surplus for basic pension benefits on a going concern basis.

The Town paid \$240,117 (2015 - \$233,545) for employer contributions while Town employees contributed \$207,513 (2015 - \$203,733) to the plan in fiscal 2016.

The next valuation will be as at December 31, 2018 with results available in 2019.

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

# TOWN OF VIEW ROYAL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2016

## 9. Tangible capital assets:

	Cost (Dec 31, 2015)	Additions	Disposals/ Write-downs/ Change in West Shore ownership	Cost (Dec 31, 2016)	Accumulated Amortization (Dec 31, 2015)	Disposals/ Change in West Shore ownership	Amortization	Accumulated Amortization (Dec 31, 2016)	Net Book Value (Dec 31, 2015)	Net Book Value (Dec 31, 2016)
Land	\$ 39,013,252	\$ 3,257,602	\$ -	\$ 42,270,854	\$ -	\$ -	\$ -	\$ -	\$ 39,013,252	\$ 42,270,854
Land										
Improvements	3,497,208	669,877	-	4,167,085	1,775,547	-	148,576	1,924,123	1,721,661	2,242,962
Buildings	10,163,978	229,885	-	10,393,863	2,044,348	-	224,573	2,268,921	8,119,630	8,124,942
Vehicles,										
Machinery and	5,718,628	181,199	190,592	5,709,235	2,940,277	185,362	262,508	3,017,423	2,778,351	2,691,812
Equipment										
Engineering	77,647,089	3,854,489	-	81,501,578	23,825,337	-	1,898,041	25,723,378	53,821,752	55,778,200
Structures -										
General										
Engineering	12,111,723	374,507	-	12,486,230	2,734,573	-	182,823	2,917,396	9,377,150	9,568,834
Structures -										
Sewer										
Work In Progress	186,701	441,080	135,961	491,820	-	-	-	-	186,701	491,820
West Shore	9,246,131	47,588	(5,831)	9,299,550	2,446,838	1,023	175,104	2,620,919	6,799,293	6,678,631
	\$ 157,584,710	\$ 9,056,227	\$ 320,722	\$ 166,320,215	\$ 35,766,920	\$ 186,385	\$ 2,891,625	\$ 38,472,160	\$ 121,817,790	\$ 127,848,055

# TOWN OF VIEW ROYAL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2016

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## 9. Tangible capital assets (continued):

- (a) Assets under construction and completed assets not yet in service:

Assets under construction totaling \$491,820 (2015 - \$186,701) 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 have been recognized at fair market value at the date of contribution. The value of contributed capital assets received during the year is \$6,967,376 (2015 - \$283,000).

- (c) Tangible capital assets disclosed at nominal values:

Where an estimate of fair value could not be made, the tangible capital asset has been recognized at a nominal value.

- (d) Write-down of tangible capital assets:

The write-down of tangible capital assets during the year was \$nil (2015 - \$nil).



# TOWN OF VIEW ROYAL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2016

## 10. Accumulated surplus:

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

	2016	2015
		(note 17)
<b>Surplus:</b>		
Equity in tangible capital assets	\$ 120,967,366	\$ 114,595,605
Unrestricted general fund surplus	2,985,252	2,974,824
Unrestricted sewer fund surplus	1,060,718	953,726
<b>Total surplus</b>	<b>125,013,336</b>	<b>118,524,155</b>
<b>Reserve funds set aside for specific purposes by Council:</b>		
Capital Works and Land Acquisition	295,040	232,368
Fire Department Equipment	105,926	165,193
Machinery and Equipment Depreciation	107,038	85,910
Municipal Roads Capital	28,612	28,250
Parks and Open Space	379,615	355,038
Parks and Recreation Equipment	193,004	165,845
Police Equipment, Property and Contract	637,936	627,888
Police Operation and Maintenance	729,906	720,672
Road Trust	123,894	122,326
Sewer System Capital	685,503	692,297
Sewer System Equipment Replacement	129,760	118,231
Tax Sale Land	8,909	8,796
Internal borrowing	(79,000)	(158,000)
West Shore reserves	287,828	276,852
<b>Total reserve funds</b>	<b>3,633,971</b>	<b>3,441,666</b>
	<b>\$ 128,647,307</b>	<b>\$ 121,965,821</b>

Interest on internal borrowing is calculated and funded annually by the general fund. As a result the internal borrowing has no impact on the annual investment interest allocated to the reserves.

# TOWN OF VIEW ROYAL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2016

## 11. Net taxes available for municipal purposes:

The Town is required to collect taxes on behalf of and transfer these amounts to the government agencies noted below. Taxes levied over or under the amounts requisitioned are recorded as accounts payable or receivable.

	2016	2015
Taxes:		
Property taxes	\$ 14,268,254	\$ 13,689,268
Revenues in lieu of taxes	203,644	197,908
1% utility taxes	121,229	127,398
	14,593,127	14,014,574
Less taxes levied for other authorities:		
School authorities	4,179,333	4,211,152
Capital Regional District	1,468,667	1,443,009
Capital Regional Hospital District	658,817	648,464
BC Transit	683,112	667,775
BC Assessment Authority	129,310	133,824
Municipal Finance Authority	455	433
	7,119,694	7,104,657
Net taxes available for municipal purposes	\$ 7,473,433	\$ 6,909,917

## 12. Gaming revenue:

The Town has entered into an agreement with the Province whereby 10% of the net gaming revenue from community casinos is to be paid to local governments. The Town has also entered into a casino revenue sharing agreement with neighbouring municipalities whereby 55% of the revenue received from the Province in respect of the gaming facility situated within the Town is to be disbursed to these governments. The disbursement of the 55% is netted against the revenue in the financial statements for the Town and is disclosed below as a disbursement to other municipal partners.

	2016	2015
Gaming revenue:		
Amounts received during the year	4,241,679	4,085,166
Disbursements:		
Other municipal partners	(2,332,923)	(2,246,841)
Net gaming revenue included in Provincial transfer	1,908,756	1,838,325

# TOWN OF VIEW ROYAL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2016

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## 13. Commitments and contingencies:

- (a) The Capital Regional District ("CRD") debt, under provisions of the Local Government Act, is a direct, joint and several liability of the CRD and each member municipality within the CRD, including the Town.
- (b) The Town is a shareholder and member of the Capital Region Emergency Service Telecommunications ("CREST") Incorporated which provides centralized emergency communications, and related public safety information services to municipalities, regional districts, the provincial and federal governments and their agencies, and emergency service organizations throughout the Greater Victoria region and the Gulf Islands. Members' obligations to share in funding ongoing operations and any additional costs relating to capital assets are to be contributed pursuant to a Members' Agreement.
- (c) The Town is a defendant in various lawsuits. The Town records an accrual 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 Town 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 Town, along with the other participants, would be required to contribute towards the deficit.

A delay claim has been initiated against the Town alleging significant financial losses by the claimant as a result of alleged construction delays caused by the Town. No litigation has commenced regarding this matter. The Town has denied this claim and is vigorously defending the claim. As a final outcome of the claim and the potential financial impact to the Town is not determinable, the Town has not recorded any provision for this matter in the financial statements as at December 31, 2016.

- (d) Under borrowing arrangements with the MFA, the Town 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 are included in the Town's financial assets as restricted cash and are held by the MFA as security against the possibility of debt repayment default. If the debt is repaid without default, the deposits are refunded to the Town. At December 31, 2016 there were contingent demand notes of \$204,201 (2015 - \$204,201).

# TOWN OF VIEW ROYAL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2016

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## 13. Commitments and contingencies (continued):

- (e) The Town entered into a long-term contract with the Federal Government and the Royal Canadian Mounted Police for the provision of police services. Under the terms of this contract, the Town is responsible for 70% of policing costs. The 2017 estimated cost of this contract is \$1,359,003. The total 2017 estimated cost of the police services is \$1,745,003. RCMP members and the federal government are currently in legal proceedings regarding pay raises for 2009 and 2010 that were retracted for RCMP members. As the final outcome of the legal action and the potential financial impact to the Town is not determinable, the Town has not recorded any provision for this matter in the financial statements as at December 31, 2016.
- (f) The Town has purchase orders in the amount of \$115,624 open as at December 31, 2016 which have not been recorded. These amounts have been taken account in the budget and will be recorded in the period the goods and services, to which they relate, are received.

## 14. Contaminated site:

The Town owns one property not in productive use with levels of contamination exceeding current environmental standards. Testing of the contamination in 2003 found no known threats to human health or safety. The property is surrounded by the ocean and undeveloped privately owned land with no current development applications. The property and surrounding privately owned land were historically occupied by a plywood mill. Due to uncertainty regarding the future development of the surrounding private property, the Town is unable to reasonably estimate what, if any, loss of future economic benefits will occur. As such no liability has been recorded in the financial statements for the year ending December 31, 2016.

## 15. Financial plan data:

The budget data presented in these consolidated financial statements is based upon the 2016 operating and capital budgets approved by Council on May 10, 2016, adjusted to reflect West Shore proportionately consolidated budgeted revenues and expenses. The chart below reconciles the approved budget to the budget figures reported in these consolidated financial statements.



# TOWN OF VIEW ROYAL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2016

## 15. Financial plan data (continued):

	Financial plan amount
Revenues:	
Financial plan	\$13,091,373
West Shore	914,101
Total revenues	14,005,474
Expenses:	
Financial plan	13,930,112
West Shore	914,101
Total expenses	14,844,213
Annual deficit	\$(838,739)

The annual deficit represents the planned results of operations prior to budgeted transfers between reserve funds, debt repayments and capital expenditures. Interdepartmental revenues and expenses, having no net impact on the annual surplus, have been removed from the financial plan balances to conform to the presentation required.

## 16. West Shore Parks and Recreation Society:

### (a) Capital asset transfer:

The lands and facilities comprising the Juan de Fuca Recreation Centre are owned by the member municipalities (the "Municipalities") in their proportionate share, as specified in the Co-Owners' Agreement. The Town became party to the agreement effective January 1, 2007. Future improvements are allocated among the partners as per the cost sharing formula in effect each year for each service or facility, as outlined in a Members' Agreement. For 2016, the Town's share of improvements purchased by the Society on its behalf is \$nil (2015 - \$nil).

Because the cost sharing formula in the Members' Agreement produces different cost shares for the members from year-to-year, there is a gain or loss on the opening fund balances. In 2016, the Town recorded a gain of \$8,090 (2015 - a gain of \$149,128).

The participating Municipalities have each become members in the Society, which was incorporated to provide parks, recreation and community services to the Municipalities under contract. Under terms of an Operating, Maintenance and Management Agreement, the Society is responsible to equip, maintain, manage and operate the facilities located at the recreation centre.

# TOWN OF VIEW ROYAL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2016

## 16. West Shore Parks and Recreation Society (continued):

### (b) Consolidation:

Financial results and budget for the Society are consolidated into the Town's financial statements proportionately, based on the cost sharing formula outlined in the Members' Agreement. In 2016, the Town's proportion for consolidation purposes was 14.608% (2015 - 14.591%). Condensed financial information for the Society is as follows:

	2016	2015
Financial assets	\$ 3,356,046	\$ 3,414,023
Financial liabilities	2,065,793	2,422,204
Net financial assets	1,290,253	991,819
Non-financial assets	996,842	905,600
Accumulated surplus	\$ 2,287,095	\$ 1,897,419
Revenues	\$ 6,210,461	\$ 6,433,559
Requisition for members	4,968,945	4,844,916
	11,179,406	11,278,475
Expenses	10,789,730	11,445,282
Annual surplus (deficit)	\$ 389,676	\$ (166,807)

## 17. Comparative figures:

Certain comparative figures have been adjusted to record the change in accounting treatment described in note 2. Opening accumulated surplus for 2015 has increased by the previously recorded opening deferred balance for both the Gaming revenue and Gas Tax Agreement funds (\$790,641 and \$175,795 respectively). Gaming and Gas Tax Agreement funds 2015 revenue recorded has increased \$12,498 and \$429,455 respectively. Prior period investment revenue recognized has increased by \$3,739. The 2015 statement of cash flows, annual surplus, and change in net financial assets have been adjusted to reflect these changes. Certain comparative figures have been reclassified to conform to the current year financial statement presentation.

# TOWN OF VIEW ROYAL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2016

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## 18. Segmented information:

The Town is a diversified municipal organization that provides a wide range of services to its citizens. Town services are provided by departments and their activities reported separately. Certain functions that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

### **General government**

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

### **Protective services**

Protective Services includes the View Royal Fire Rescue which is a paid / composite fire department responsible to provide fire suppression service, fire inspections of public buildings, and training and education of volunteer firemen as well as the citizens of View Royal. In addition, it also includes policing provided by the RCMP, emergency planning, animal control and the maintenance and enforcement of building and construction bylaws as well as all other municipal bylaws.

Fire protection services are provided to the Songhees and Esquimalt First Nation communities under contract.

### **Transportation services**

Transportation services is comprised of a wide variety of services such as the annual maintenance of all municipally owned roads and bridges, sidewalks, street signage, boulevards, bus shelters, street lighting and traffic signals. Transportation also includes the design, inspection, and maintenance of the storm drain collection systems.

### **Environmental health services**

Environmental health services are comprised of the following services:

- Solid Waste Management – providing the service of solid waste collection and disposal to the citizens of View Royal.
- Liquid Waste Management (Sewer) Services – providing the removal of the Town's waste water (sewage).

### **Planning and development services**

Environmental development services include all land use, planning and zoning issues in the Town.

### **Recreation and cultural services**

Recreation and culture is comprised of services meant to improve the health and development of the citizens of View Royal.

This segment includes maintenance and development of all parks and green space within the Town as well as the Town's financial contribution to the services provided by the Greater Victoria Public Library and the Town's portion of West Shore Parks and Recreation Society.

# TOWN OF VIEW ROYAL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2016

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## 18. Segmented information (continued):

### **Statement of segmented information**

The following statement provides additional financial information for the foregoing functions. Certain allocation methodologies have been employed in the preparation of the segmented financial information. Taxation is apportioned based on budgeted taxation revenue as presented in the consolidated financial plan.

The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements as disclosed in Note 1.



# TOWN OF VIEW ROYAL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2016

## 18. Segmented information (continued):

2016	General Government	Protective Services	Transportation Services	Environmental Health Services	Planning and Development Services	Recreation and Cultural Services	Total
<b>Revenues:</b>							
Taxation	\$ 1,084,763	\$ 2,985,222	\$ 2,608,614	\$ -	\$ 412,767	\$ 382,067	\$ 7,473,433
User charges	36,791	329,630	73,337	1,272,601	452,690	850,939	3,015,988
Developer charges earned	-	-	122,493	-	-	-	122,493
Contributions from developers and others	5,076	-	3,620,690	314,576	-	2,522,000	6,462,342
Other revenue from own sources	25,727	67,935	-	-	-	50,188	143,850
Investment income	86,684	17,559	6,116	21,273	-	6,848	138,480
Penalties and fines	54,351	-	-	-	-	-	54,351
Actuarial adjustment to debt	-	35,026	-	-	-	-	35,026
Government transfers	564,254	283,307	1,001,999	-	-	1,606,759	3,456,319
<b>Total revenues</b>	<b>1,857,646</b>	<b>3,718,679</b>	<b>7,433,249</b>	<b>1,608,450</b>	<b>865,457</b>	<b>5,418,801</b>	<b>20,902,282</b>
<b>Expenses:</b>							
Salaries, wages, and benefits	1,131,114	1,361,231	379,613	51,093	375,284	1,329,750	4,628,085
Contracted and general services	341,389	1,594,589	1,703,273	518,939	7,051	633,695	4,798,936
Materials, supplies, and utilities	64,182	114,637	236,057	45,102	2,080	164,184	626,242
Other	436,251	169,237	20,981	10,844	11,789	374,263	1,023,365
Amortization	79,732	356,384	1,936,529	220,843	2,657	295,480	2,891,625
Change in proportionate share of West Shore	-	-	-	-	-	(8,090)	(8,090)
Debt services	-	260,633	-	-	-	-	260,633
<b>Total expenses</b>	<b>2,052,668</b>	<b>3,856,711</b>	<b>4,276,453</b>	<b>846,821</b>	<b>398,861</b>	<b>2,789,282</b>	<b>14,220,796</b>
<b>Annual surplus (deficit)</b>	<b>\$ (195,022)</b>	<b>\$ (138,032)</b>	<b>\$ 3,156,796</b>	<b>\$ 761,629</b>	<b>\$ 466,596</b>	<b>\$ 2,629,519</b>	<b>\$ 6,681,486</b>

# TOWN OF VIEW ROYAL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2016

## 18. Segmented information (continued):

2015	General Government	Protective Services	Transportation Services	Environmental Health Services	Planning and Development Services	Recreation and Cultural Services	Total
<b>Revenues:</b>							
Taxation	\$ 966,389	\$ 2,788,311	\$ 2,437,220	\$ -	\$ 394,276	\$ 323,721	\$ 6,909,917
User charges	9,818	308,348	85,525	1,213,166	351,589	863,843	2,832,289
Developer charges earned	-	-	106,116	-	-	-	106,116
Contributions from developers and others	9,562	-	-	-	-	10,000	19,562
Other revenue from own sources	16,268	66,135	-	-	-	50,067	132,470
Investment income	103,318	23,298	8,986	47,832	-	10,566	194,000
Penalties and fines	56,988	-	-	-	-	-	56,988
Actuarial adjustment to debt	-	21,838	-	-	-	-	21,838
Government transfers	1,123,176	308,968	362,726	-	-	1,284,257	3,079,127
<b>Total revenues</b>	<b>2,285,519</b>	<b>3,516,898</b>	<b>3,000,573</b>	<b>1,260,998</b>	<b>745,865</b>	<b>2,542,454</b>	<b>13,352,307</b>
<b>Expenses:</b>							
Salaries, wages, and benefits	1,026,833	1,304,295	357,269	50,366	355,873	1,302,258	4,396,894
Contracted and general services	368,488	1,214,455	1,634,019	571,301	10,268	621,983	4,420,514
Materials, supplies, and utilities	61,917	101,409	202,010	40,544	1,813	181,566	589,259
Other	376,393	146,803	18,368	12,355	14,985	507,178	1,076,082
Amortization	124,412	157,840	1,845,594	212,834	2,657	287,369	2,630,706
Change in proportionate share of West Shore	-	-	-	-	-	(149,128)	(149,128)
Debt services	-	260,633	-	-	-	-	260,633
<b>Total expenses</b>	<b>1,958,043</b>	<b>3,185,435</b>	<b>4,057,260</b>	<b>887,400</b>	<b>385,596</b>	<b>2,751,226</b>	<b>13,224,960</b>
<b>Annual surplus (deficit)</b>	<b>\$ 327,476</b>	<b>\$ 331,463</b>	<b>\$ (1,056,687)</b>	<b>\$ 373,598</b>	<b>\$ 360,269</b>	<b>\$ (208,772)</b>	<b>\$ 127,347</b>

# TOWN OF VIEW ROYAL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2016

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**Schedule of Payments Made for the Provision of Goods and Services (Unaudited)**

Year ended December 31, 2016

<b>Supplier Name</b>	<b>Aggregated amount paid to supplier</b>
599510 BC LTD	\$ 235,157
AON REED STENHOUSE	36,196
ARGUS EXCAVATING LTD.	42,067
BC ASSESSMENT	128,484
BC HYDRO	176,847
BC TRANSIT	687,652
BROOMFIELD DEAN T	40,285
CAPITAL CITY PAVING LTD	55,132
CAPITAL REGIONAL DISTRICT- ACCOUNTS	2,216,875
CAPITAL REGIONAL DISTRICT WATER DEPARTMENT	139,469
CAPITAL REGIONAL HOSPITAL DISTRICT	655,005
CITY OF LANGFORD	943,612
CITY OF LANGFORD - IN TRUST	1,700,653
CORPORATION OF THE TOWNSHIP OF ESQUIMALT	107,150
CRD BYLAW ENFORCEMENT & ANIMAL CONTROL	42,150
CREST	36,639
DISTRICT OF SAANICH	76,103
DUNCAN ELECTRIC MOTOR LTD	64,546
E.H. EMERY ELECTRIC LTD	58,822
EAGLE CREEK VILLAGE I GP	481,237
EAGLE PACIFIC DEVELOPMENTS INC	98,893
FIVE STAR PAVING CO LTD	551,155
GREATER VICTORIA PUBLIC LIBRARY	536,443
HARRIS & COMPANY	40,035
IPI TECH INC	28,151
ISLAND ASPHALT COMPANY	48,573
ISLAND LAND SURVEYING LTD	32,779
JOHN MOONEN AND ASSOCIATES LTD	48,694
LIMONA CONSTRUCTION LTD	25,574
MINISTER OF FINANCE	2,200,605
MUNICIPAL INSURANCE ASSOCIATION OF BRITISH	103,692
MUNICIPAL PENSION PLAN	445,475
NORTHRIDGE EXCAVATING LTD	29,895
NOVUS CONSULTING INC	70,957
PACIFIC BLUE CROSS	144,842
PBX ENGINEERING LTD	42,381
PHILLIPS STEVEN	25,120
PHOENIX LAW CORPORATION	29,909
RANDALL & MURRELL LLP IN TRUST	50,000
RAYLEC POWER LTD	203,577
RECEIVER GENERAL FOR CANADA	794,612
RECEIVER GENERAL FOR CANADA - RCMP POLICING	1,224,927
RECEIVER GENERAL FOR CANADA-RCMP E DIVISION HQ	43,536
RECTEC INDUSTRIES INC.	49,006
REVENUE SERVICES OF BRITISH COLUMBIA	25,170
SCHO'S LINE PAINTING LTD	53,996
SIGMA SAFETY CORP	27,680
SOFTCHOICE LP	33,857
STANTEC CONSULTING LTD	46,030
SUBURBAN MOTORS	81,554
TOMAHAWK TREE SERVICE (2006) LTD	29,558
VADIM COMPUTER MANAGEMENT GROUP LTD	28,409
VICTORIA CONTRACTING & MUNICIPAL MTC CORP	1,263,060
WASTE MANAGEMENT OF CANADA CORP.	439,446

**Schedule of Payments Made for the Provision of Goods and Services (Unaudited)**

Year ended December 31, 2016

<b>Supplier Name</b>	<b>Aggregated amount paid to supplier</b>
WATKISS RISE DEVELOPMENT LTD	567,670
WEST SHORE PARKS & REC. SOCIETY	549,108
WORKERS' COMPENSATION BOARD OF BC	32,365
X.W. SUNRISE DEVELOPMENTS	202,070
<b>Total aggregate payments to suppliers exceeding \$25,000</b>	<b>\$ 18,172,885</b>
<b>Consolidated total of payments of \$25,000 or less</b>	<b>1,445,611</b>
<b>Total aggregate payments to suppliers</b>	<b>\$ 19,618,496</b>
 <b>Grants and contributions exceeding \$25,000</b>	
SHORELINE COMMUNITY SCHOOL ASSOCIATION	\$ 30,000
VIEW ROYAL READING CENTRE	28,000
VIEW ROYAL FIREFIGHTERS ASSOCIATION	49,100
<b>Consolidated total of all grants and contributions exceeding \$25,000</b>	<b>\$ 107,100</b>
<b>Consolidated total of all grants and contributions \$25,000 or less</b>	<b>40,075</b>
<b>Total aggregate grants and contributions</b>	<b>\$ 147,175</b>
 Total aggregate payments exceeding \$25,000 paid to suppliers	\$ 18,172,885
Consolidated total of payments of \$25,000 or less paid to suppliers	1,445,611
Total aggregate grants and contributions	147,175
Total per Notes to Consolidated Financial Statements (Note 18. Segmented Information: Total Expenses)	14,220,796
<b>Variance *</b>	<b>\$ 5,544,875</b>

\* The variance comprises differences between cash and accrual based accounting and non-expensed items such as payments for capital, debt, taxes collected for other governments and sharing of revenue under agreements.



**Statement of Remuneration and Expenses (Unaudited)**

Year ended December 31, 2016

<b>Elected Officials</b>		Remuneration		Expenses	Total
Screech, David	Mayor	\$	25,813	\$ 5,752	\$ 31,565
Rast, Heidi	Councillor		12,376	847	13,223
Rogers, John	Councillor		12,376	3,827	16,203
Mattson, Ron	Councillor		12,376	1,692	14,068
Weisgerber, Aaron	Councillor		12,376	2,813	15,189
		<b>\$</b>	<b>75,317</b>	<b>\$ 14,931</b>	<b>\$ 90,248</b>
<b>Employees</b>		Remuneration		Expenses	Total
Anema, Kim	Chief Administrative Officer	\$	152,718	\$ 7,379	\$ 160,097
Becelaere, Deb	Deputy Director of Engineering		99,533	1,401	100,934
Bevan, Heath	Firefighter		99,618	1,605	101,223
Brown, David	Firefighter		98,395	1,920	100,315
Calla, Enzo	Bylaw Officer		82,926	1,189	84,115
Chase, Lindsay	Director of Development Services		116,027	5,769	121,796
Chow, Jeffrey	Senior Planner		86,096	2,998	89,094
Davison, James	Planner		76,908	1,954	78,862
Dillabaugh, Michael	Director of Finance		106,487		106,487
Faykes, Gary	Building Inspector		75,482	4,006	79,488
Hurst, Paul	Fire Chief		129,118	1,450	130,568
Jones, Sarah	Director of Corporate Administration		124,984	2,570	127,554
Marshall, Rob	Firefighter		97,534	2,289	99,823
Mollin, Troy	Firefighter		98,133	3,037	101,170
Pitre, Geoffrey	Firefighter		88,529	1,009	89,538
Podmoroff, David	Parks Supervisor		90,006	2,181	92,187
Rosenberg, John	Director of Engineering		114,132	8,959	123,091
Watson, Monique	Senior Accountant		84,304		84,304
Woodley, Darryl	Engineering Technologist		86,185	63	86,248
	Other Employees (under \$75,000)		844,176		844,176
		<b>\$</b>	<b>2,751,291</b>	<b>\$ 49,779</b>	<b>\$ 2,801,070</b>
<b>Reconciliation of Remuneration</b>					
1. Elected Officials			\$	75,317	
2. Employees					2,751,291
3. Receiver General for Canada (Employer portion CPP & EI)					131,895
4. Health and Pension Benefits					417,577
5. RCMP (West Shore Detachment) Civilian Staff Wages and benefits paid to City of Langford					245,427
6. Overtime Banked as of December 31, 2016					14,996
7. Other reconciling items, including adjustments for accrual-based accounting, wages & benefits not included in the statement of operations ie. capital and West Shore Parks and Recreation Society					991,582
<b>Total per Notes to Consolidated Financial Statements (Note 18. Segmented Information: Salaries, wages, and benefits)</b>				<b>\$</b>	<b>4,628,085</b>

Prepared under the Financial Information Regulation, Schedule 1, section 6(2), (3), (4), (5) and (6)

**Statement of Guarantee and Indemnity Agreements**

Year ended December 31, 2016

The Town of View Royal has not provided any guarantees or indemnities under the Guarantee and Indemnities Regulation.

Prepared under the Financial Information Regulation, Schedule 1, subsection 5(3) and 5(4)

## **Statement of Severance Agreements**

Year ended December 31, 2016

There were no severance agreements under which payments commenced between the Town of View Royal and an employee during the fiscal year 2016.

Prepared under the Financial Information Regulation, Schedule 1, subsection 6(8)

**Statement of Permissive Tax Exemptions (Unaudited)**

Year ended December 31, 2016

<b>Organization</b>	<b>Folio</b>	<b>Municipal Property Tax</b>
<b>Places of public worship</b>		
All Saints Church - 287 Pallisier Ave	401-04412.018	\$ 4,716
St. Columba Church - 40 High Street	401-07654.010	2,933
<b>Community activity centres</b>		
Strawberry Vale Community Hall - 11 High Street	401-07647.010	5,092
View Royal Community Hall - 279 Island Highway	401-04399.010	4,567
<b>Not for profit organizations</b>		
Island Corridor Foundation		
PID 023-005-459; Sections 6, 97, and 103: Plan VIP60330	401-18806.000	6,252
PID 011-825-871;014-980-258;024-036-021;024-039-209;024-839-957	401-18807.000	10,484
PID 011-825-871;014-980-258;024-036-021;024-039-209;024-839-957	401-18807.000	7
PID 024-635-987; Lot 1, Sections 8 & 27; Plan VIP69799	401-18807.002	336
<b>Recreational property</b>		
Victoria Bowmen Association		
PID 000-345-644; Part of Section 6 Plan VIP7133; Area of 1,940 m2	401-07684.041	2,016
		<b>\$ 36,403</b>

**Statement of Development Cost Charges (DCC)**

Year ended December 31, 2016

	<b>Balance January 1</b>	<b>Transfer to Projects</b>	<b>DCC's Received</b>	<b>Interest Earned</b>	<b>Balance December 31</b>
Drainage DCC	\$ 774,458	\$ -	\$ 9,910	\$ 9,928	\$ 794,296
Highways DCC	1,754,445	122,493	58,992	22,510	1,713,454
Park Improvement DCC	93,564	-	4,832	1,201	99,597
Park Land DCC	587,284	-	12,071	7,531	606,886
Sewer DCC	1,276,983	-	9,396	16,367	1,302,746
	<b>\$ 4,486,734</b>	<b>\$ 122,493</b>	<b>\$ 95,201</b>	<b>\$ 57,537</b>	<b>\$ 4,516,979</b>



## Statistical Information

(Unaudited)

### Taxable Assessments of Land and Improvements - Final Roll Totals

	2012	2013	2014	2015	2016
Residential	1,703,860,702	1,688,392,103	1,688,507,203	1,705,971,703	1,755,744,103
Utilities	379,500	376,200	377,200	304,600	304,700
Light Industry	-	2,074,000	2,298,000	2,712,000	2,711,000
Business	154,482,400	155,824,400	165,285,450	168,958,950	191,493,350
Rec/Non Profit	6,529,000	6,526,000	6,221,000	6,222,000	6,401,000
Farm	71,218	71,218	60,496	60,496	60,496
	1,865,322,820	1,853,263,921	1,862,749,349	1,884,229,749	1,956,714,649

### Property Tax Rates - Municipal (\$ per \$1,000 assessment)

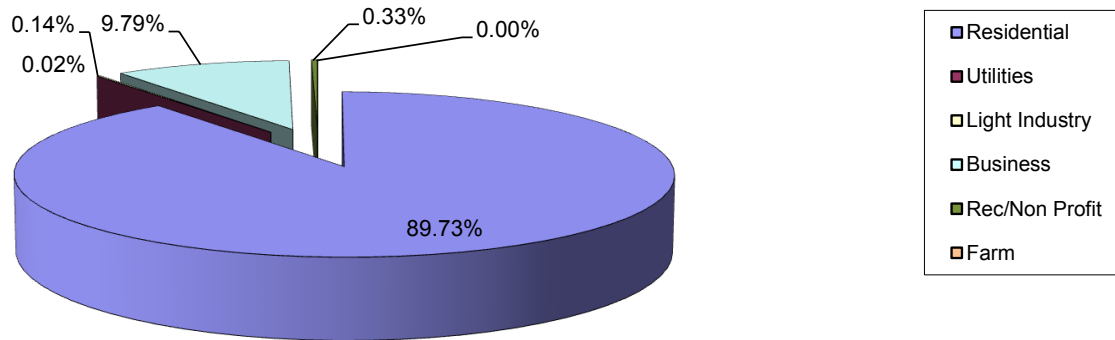
	2012	2013	2014	2015	2016
Residential	2.35161	2.52342	2.66124	2.82883	2.93375
Utilities	30.23178	31.70102	33.05331	40.00000	40.00000
Light Industry	-	8.81447	8.31667	8.87083	9.22077
Business	8.55460	8.81447	9.18848	9.82487	9.90580
Rec/Non Profit	8.49933	8.83896	9.08049	9.68820	9.78435
Farm	19.46739	20.23598	21.15469	22.57408	23.45532

### Municipal Property Tax Billings by Property Class

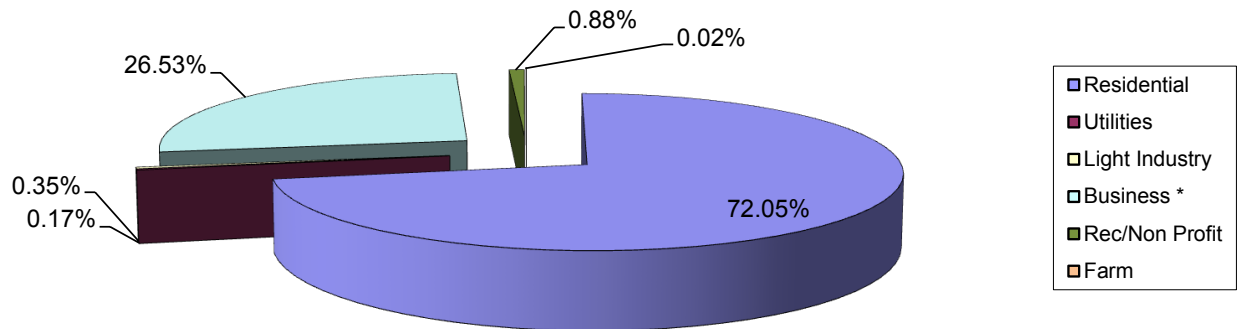
	2012	2013	2014	2015	2016
Residential	4,006,816	4,260,522	4,493,523	4,825,904	5,150,916
Utilities	11,473	11,926	12,468	12,184	12,188
Light Industry	-	18,281	19,112	24,058	24,998
Business *	1,321,535	1,373,509	1,518,722	1,660,000	1,896,895
Rec/Non Profit	55,492	57,683	56,490	60,280	62,630
Farm	1,386	1,441	1,280	1,366	1,419
	\$ 5,396,702	\$ 5,723,362	\$ 6,101,595	\$ 6,583,792	\$ 7,149,046

Statistical Information (continued)

2016 Assessments by Property Class



2016 Municipal Property Tax by Property Class



## Statistical Information (continued)

### Long Term Debt and Capital Lease Obligations (Unaudited)

	2016	2015	2014	2013	2012
<b>Long-term debt</b>					
General	\$ 6,897,532	\$ 7,232,118	\$ 7,553,834	\$ 2,195,904	\$ 2,536,117
Consolidated entity debt			10,571	23,796	36,076
	6,897,532	7,232,118	7,564,405	2,219,700	2,572,193
<b>Capital lease obligation</b>					
General - protective services	-	-	-	-	-
<b>Total Long Term Debt and Capital Lease Obligations</b>	6,897,532	7,232,118	7,564,405	2,219,700	2,572,193
Population	10,408	10,834	10,714	10,858	9,838
<b>Debt per capita</b>	<b>\$ 663</b>	<b>\$ 668</b>	<b>\$ 706</b>	<b>\$ 204</b>	<b>\$ 261</b>

Source: Population: Statistics Canada

**Statistical Information (continued)**
**Principal Corporate Taxpayers (Unaudited)**

Registered Owner	Primary Property	Total 2016 General Municipal Taxes Levied
Admirals Walk Properties Ltd Inc	Admirals Walk	\$ 275,926
Eagle Creek Village Property Ltd	Eagle Creek Village	223,319
Great Canadian Casinos Inc	View Royal Casino	164,793
Canadian Tire Real Estate Ltd	Canadian Tire	143,377
Natural Properties Ltd	Reliable Controls	104,438
Christie Point Apartments Ltd	Christie Point Apartments	93,634
West Shore U-Lock Mini Storage Ltd	U-Lock Mini Storage	87,765
Goodwill Investments Ltd	Fort Victoria	85,879
Adams Storage Village Ltd	Adams Storage	80,567
Mojack Holdings Ltd	Jenner Chevrolet	65,458
<b>Total Tax Contributions from Top 10 Corporate Taxpayers</b>		<b>\$ 1,325,156</b>
<b>Total General Municipal Tax</b>		<b>\$ 7,149,045</b>
<b>Proportion of municipal tax paid by top ten corporate taxpayers</b>		<b>18.54%</b>