



DISTRICT OF
OAK BAY



ANNUAL REPORT 2017

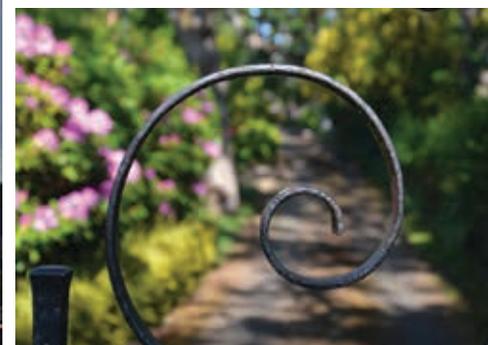




TABLE OF CONTENTS

Your Oak Bay	2
Oak Bay Municipal Council	4
Message from the Mayor	5
Message from the Acting Chief Administrative Officer	7
District of Oak Bay Organizational Structure	8
Strategic Priorities 2015–2018	9
Monitoring Success and District Performance by Strategic Goals	10
District of Oak Bay Departments	14
ADMINISTRATION	16
PARKS, RECREATION and CULTURE	18
BUILDING and PLANNING	20
ENGINEERING and PUBLIC WORKS	24
POLICE SERVICES	26
FIRE SERVICES	29
EMERGENCY PROGRAMS	31
Volunteer Advisory Bodies	32
Appendix A – Report On 2017 Parking Reserve Funds	36
Appendix B – Report on Permissive Tax Exemptions	37
Appendix C – Financial Information Act Reports	38
• Remuneration/Expenses of Elected Officials	38
• Remuneration/Expenses of Other Employees	39
• Reconciliation of Remuneration	40
• Schedule of Debts	41
• Guarantee and Indemnity Agreements	42
• Severance Agreements	43
• Payments for the Provision of Goods or Services	44
Appendix D – Audited Financial Statements	48

YOUR OAK BAY



Oak Bay is a beautiful seaside community that is defined by its residential neighbourhoods, village centres with local businesses, historic character, mature tree canopy, accessible shorelines and abundance of green space. All of these features make Oak Bay one of the world's most desirable communities in which to live.

The District is located on the southern tip of Vancouver Island in British Columbia, and is adjacent to and east of Victoria, the provincial capital. Oak Bay is one of 13 member municipalities comprising the Capital Regional District.

OAK BAY COMMUNITY SATISFACTION SURVEY

In 2016, the District undertook its first Community Satisfaction Survey to help guide Council's future priorities, corporate plans and budget. The next survey is planned for 2019.

Citizens identified the following as the most important issues facing the District of Oak Bay:

- Sewage treatment and sewer services
- Over-densification and infill strategy
- Effective control of the deer population

94% of residents say they are very or somewhat satisfied with the overall level and quality of municipal services

63% of residents report that future priorities for Oak Bay include walking and biking infrastructure and preservation of heritage houses

72% of residents say they are satisfied with the opportunity to engage with the District of Oak Bay

65% of residents report that they visit the municipal website to find District related information

80% of residents were satisfied with services received from Oak Bay staff citing staff courteousness, ease of reaching staff, knowledge, speed and timeliness and helpfulness

OAK BAY COMMUNITY PROFILE

Incorporated on July 2, 1906	Total Population 18,094*	Average Citizen Age 49.2 years*
Total Land Area 10.5 km²	Roads 105 km Sidewalks 142 km	Properties included in the Heritage Register 98
Total Park Space 76 Ha	Total Recreation Facilities 5 & 1 Golf Course	Urban Forest over 10,000 trees
Total Business Licences 516 Commercial Licences 289	Total Building Permit Revenue \$872,024	Total Construction Values \$79 Million

* Statistics from 2016 Canada Census

CONNECT WITH US

In Person	2167 Oak Bay Avenue, Victoria, BC V8R 1G2		
Website	oakbay.ca Subscribe to RSS feeds, send us feedback, or report a problem at oakbay.ca/feedback		
Phone & Social Media	Municipal Hall General Inquiries:	250-598-3311	DistrictOfOakBay
	Public Works:	250-598-4501	
	Emergency Program:	250-592-9121	@DistrictOakBay
	Fire – Non-emergency:	250-592-9121	
	Police – Non-emergency:	250-592-2424	
Recreation Programs & Services:	250-595-7946	RecOakBay	@OakBayFireDept @OakBayPolice @RecOakBay



OAK BAY MUNICIPAL COUNCIL



Top row left to right: Councillor Michelle Kirby, Councillor Tom Croft, Councillor Hazel Braithwaite, Councillor Kevin Murdoch

Bottom row left to right: Councillor Tara Ney, Mayor Nils Jensen, Councillor Eric Zhelka

Oak Bay Council consists of a Mayor and six Councillors who are elected for four-year terms. Members of the current Council were elected in November 2014.

Council is responsible for local government leadership. Responsibilities include establishing priorities and policies, and making decisions that reflect the best interests of Oak Bay citizens and the community today and for the future. Each member of Council represents the District of Oak Bay at large. Council members may also serve on both District and Capital Regional District committees, boards and advisory groups where their function is to provide strategic input and direction on District initiatives, establish budget priorities and to provide advice on regional issues.

Council generally meets the second and fourth Monday of each month, and sits as Committee of the Whole the third Monday of each month. Both meetings start at 7 pm in Council Chambers unless otherwise noted. Meeting information is available at www.oakbay.ca

General Local Elections
are held every four years to elect:

1 Mayor

6 Councillors

9 School District No. 61 Trustees

**The 2018 Election will be held on
Saturday, October 20, 2018 at:**

Monterey Centre –
1442 Monterey Ave

Monterey Middle School –
851 Monterey Ave

Emmanuel Baptist Church –
2121 Cedar Hill Cross Rd

Advance Voting Opportunities
will be held October 10 & 17, 2018
at the Oak Bay Municipal Hall –
2167 Oak Bay Ave

DID YOU KNOW?

35 Council
Meetings

8 Committee of the
Whole Meetings

4 Public
Hearings

3 Budget Estimates
Meetings

12 Police Board
Meetings

9 Additional Volunteer
Advisory Bodies

MESSAGE FROM THE MAYOR

I am honoured to serve the citizens of Oak Bay as Mayor and pleased to introduce the 2017 Annual Report, a review of the District's responsibilities and many accomplishments.

We are fortunate to call Oak Bay home and Council takes seriously its role as trusted stewards of our beautiful community. In 2017, Oak Bay was recognized as the 'best place to live in British Columbia' in the Annual Best Places to Live in Canada report*; In fact, Oak Bay ranked the third most desirable community in which to live in Canada. Not a surprise for those of us who live here – and not a surprise either that Council's primary mandate is to protect and enhance the prized quality of life that our residents enjoy and expect through good governance and the consistent delivery of quality municipal services and programs.



At the end of 2016 Council directed staff to undertake Oak Bay's first Community Satisfaction Survey inviting residents to provide feedback to Council and staff on what was working well, where we need to improve, and what initiatives and concerns are priorities for residents. Of those who participated in the survey, 99% rated the quality of life in Oak Bay as good or very good, and 8 out of 10 participants felt that they are getting good value for the tax dollars. The survey also identified priorities most important to residents.

Preserving our natural environment, our parks and trails, and the safety of our streets and neighbourhoods were among the highlighted priorities in the survey, as was the importance of addressing our aging infrastructure including sewage treatment and sewer services. This feedback was taken to heart and reflected in the District's priorities throughout 2017 and will continue next year.

In 2017 Council endorsed a 20-year Urban Forest Management Plan as part of the Urban Forest Strategy, a community-informed initiative that will ensure the long-term health and retention of trees in our community. The goal is to integrate urban forest considerations into land-use planning and decision-making in order to preserve and maintain this important aspect of our community identity.

To ensure we also continue to preserve the unique charm and heritage character of Oak Bay neighbourhoods, Council established a Working Group of citizen volunteers to explore the establishment of Oak Bay's first Heritage Conservation Area in the Prospect neighbourhood. The Prospect neighbourhood was selected as a pilot project for other neighbourhoods to consider. Following community input, the Working Group will present proposed guidelines and planning tools to Council for consideration in 2018.

Council's ongoing commitment to sound fiscal management was evident throughout 2017 as the District moved forward with the necessary renewal and maintenance of roads, parks, facilities and sewer and water systems. To inform and guide a sustainable renewal response, Council directed staff to initiate an Asset Management plan in 2017 and to undertake a review of capital reserves and grant funding opportunities. Staff successfully secured \$1.6-million in grant funding in 2017 which helped advance the Henderson Water Main construction project and the design phase of the Uplands Combined Sewer Separation Project, which was approved by the Ministry of Environment during the year. Over the past two years, the District has had unprecedented success raising almost \$3-million in grant funding to leverage the District's resources. Access to federal and provincial grant funding will continue as a priority in 2018 and beyond.

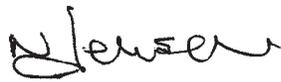
To ensure Council and staff continue to be responsive and are well-informed on the wishes of our citizens, the Mayor's Task Force on Public Engagement was established in 2017. Whether considering investments in roads and parks, land-use decisions, or taxation and budgeting, the District remains committed to engaging residents and to strengthening the District's public accountability in decision-making. A series of engagement activities are planned in 2018.

Oak Bay's arts and culture scene continued to play an important role in shaping vibrant and interesting neighbourhoods in 2017. To the delight of everyone, ArtsAlive expanded to a year-round initiative with art installations popping up throughout the community. Our summer concert series also grew in popularity, and residents from across the region flocked to Oak Bay Recreation Centre throughout the year for amazing musical performances that were regularly sold out.

Oak Bay is indeed a very special place to call home and Council joins me in recognizing our management team and staff for their continued professionalism and commitment to the daily delivery of services and programs essential to the quality of life we all value and enjoy. Looking ahead, it is clear that we must spend more on infrastructure in order to maintain our high quality of life. The Municipal Finance Authority recently confirmed the District's strong financial position and low debt. These positive fiscal attributes provide opportunities and capacity for the District to respond to infrastructure demands in a coordinated, professional and sustainable manner. In addition to pursuing grant opportunities, in 2018 staff will review the District's development policies and consider the implementation of Development Cost Charges (DCCs) and a Community Amenity Policy (CAPs) to support future infrastructure needs.

2017 was a busy, productive and enjoyable year, and 2018 will see the continuation of this important groundwork.

* <http://www.moneysense.ca>



Nils Jensen
Mayor



MESSAGE FROM THE ACTING CHIEF ADMINISTRATIVE OFFICER

I am pleased to present the District of Oak Bay's 2017 Annual Report which details the District's achievements in administration, service delivery, planning and innovation, as well as the District's financial position. The District's Annual Report provides Oak Bay citizens with a greater understanding of municipal responsibilities and priorities, and provides Council with an annual prescribed opportunity to measure its progress against the objectives set out in its 2015-2018 Strategic Plan. Under the direction of Council, District staff are charged with the daily delivery of high-quality municipal services and programs, and the successful implementation of Council's priorities. District staff take their responsibilities seriously and are committed to the professional delivery of the essential services and programs that underly the quality of life that our citizens expect and enjoy.

2017 was a very productive year for the Council and your municipal staff. The District delivered value for citizens by:

- Continuing to implement the Official Community Plan
- Partnering with local associations, other municipalities and volunteer groups to maintain a healthy, dynamic community
- Infusing our neighbourhoods with arts and culture
- Managing our programs efficiently and effectively, and
- Managing infrastructure projects strategically optimizing value and fiscal responsibility.

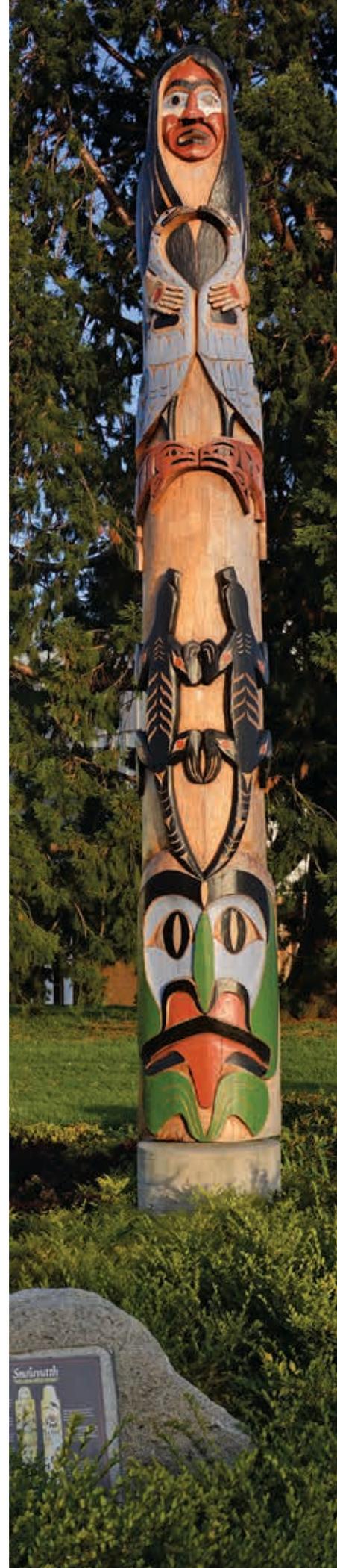
Council has placed a priority on addressing its aging infrastructure and staff are initiating an Asset Management Plan that will prioritize and direct renewal projects across the community over the coming years.

Municipal services and decisions affect the daily lives of residents and business owners. It is important local government decisions are informed by the people they affect. To ensure that our residents are engaged in Council's decision-making in a meaningful way, the Mayor's Task Force on Public Engagement will be "popping-up" at various locations around Oak Bay in 2018 to hear from residents what topics are of greatest interest to them, how they would like to receive information and how they would like to provide input to the District. This initiative is part of Council's on-going goal of improving transparency and creating pathways for meaningful public engagement that will ensure citizen-informed decision-making.

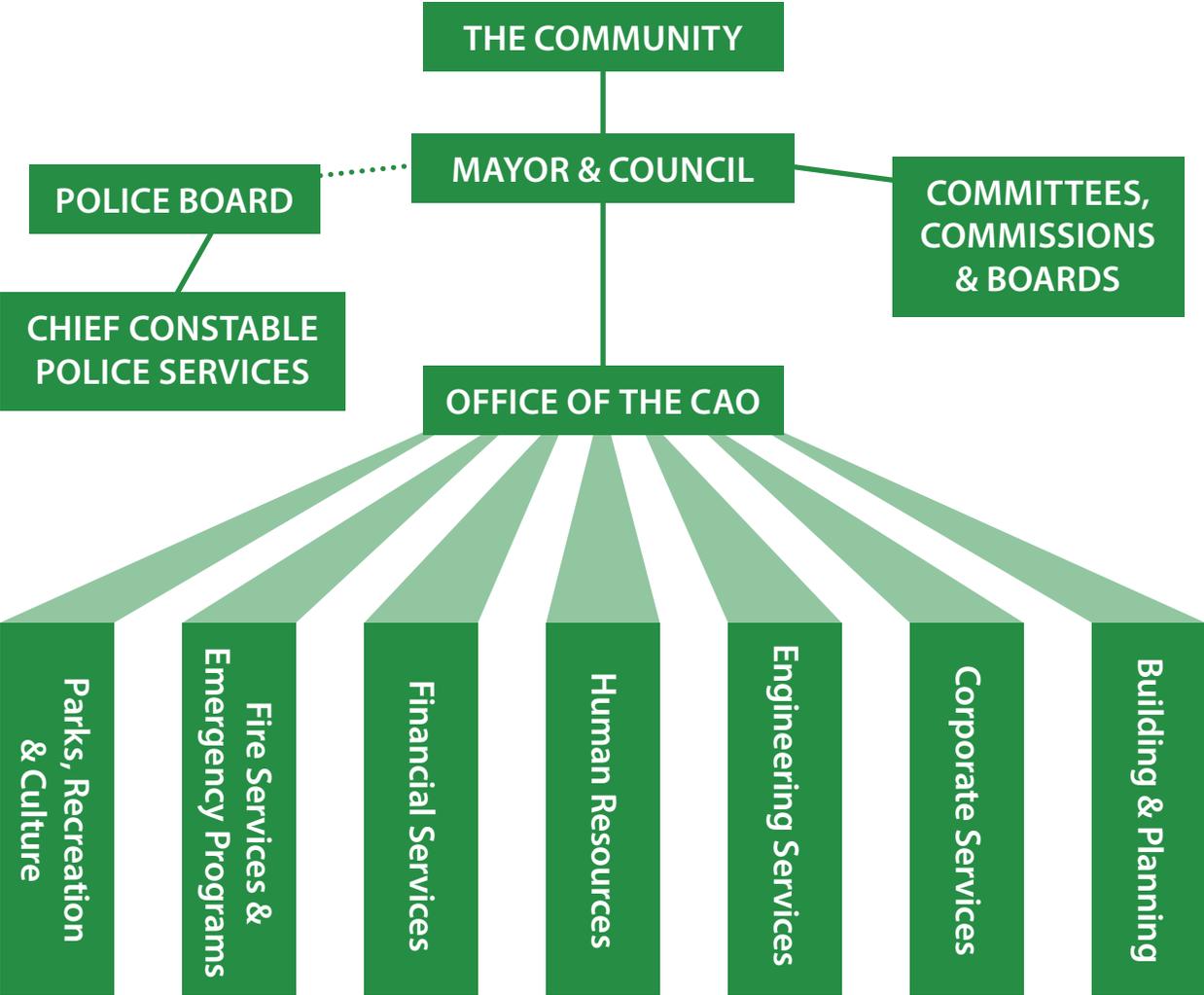
Highlights of District Department's operational and strategic priority accomplishments are provided in the pages that follow. I wish to acknowledge my appreciation to all District staff who come to work each day to proudly serve Council and the residents of Oak Bay, one of Canada's most desirable communities.



Debbie Carter
Acting Chief Administrative Officer and Director of Finance



DISTRICT OF OAK BAY ORGANIZATIONAL STRUCTURE



Helen Koning
Chief Administrative Officer

Deborah Jensen
Acting Director of
Building and Planning

Bonnie Donnelly
Manager of
Human Resources

Andy Brinton
Chief Constable

Dan Horan
Director of
Engineering Services

Ray Herman
Director of Parks,
Recreation and Culture

Warren Jones
Director of
Corporate Services

Debbie Carter
Director of
Financial Services

Dave Cockle
Fire Chief

STRATEGIC PRIORITIES 2015–2018



Planning for the future plays a key role in your Council's considerations. In 2016, Council began a comprehensive review of its strategic priorities. The result was the adoption of the *Strategic Priorities 2017–2018 Plan*.

The Plan established Council's priorities based on community input and need and identifies the District's highest priorities ensuring that resources are directed to the most important projects. These priorities reflect a long-term view and implementation of the Plan is monitored through quarterly reviews required by Council. This Plan served as a road map for Council in 2017 and will continue to guide corporate activities in 2018.

MONITORING SUCCESS AND DISTRICT PERFORMANCE BY STRATEGIC GOALS



Planning for the future has played a key role in your Council’s considerations. In April 2015 the District of Oak Bay developed long-term strategic objectives to guide Council’s decisions. The four-year (2015-2018) Strategic Plan is the road map guiding the District for the future. Implementation of these Strategic Priorities are monitored through quarterly reviews conducted by Council. The results you see reported in our 2017 Annual Report reflect Council’s commitment to provide reliable high-quality public services and infrastructure.

Strategic Goal 1: Proactively support reasoned community growth

What Was Achieved

- Continued implementation of the Official Community Plan (OCP)
- Commenced process to consider a Heritage Conservation Area for the Prospect Place neighbourhood
- Added 3 properties to the Oak Bay Community Heritage Register
- Enhanced customer service in response to increased demands

Strategic Goal 2: Focus on being well managed and well governed to serve our residents

What Was Achieved

- Implemented the Council Code of Conduct
- Continued to streamline application and notification processes for land use, heritage and building applications to be more cost effective and customer oriented
- Continued expansion of electronic database to enhance management of departmental records and track OCP indicators
- Implemented a publicly accessible application to view Geographic Information System (GIS) data related to parcels, assets and infrastructure
- Strengthened accountability and improved transparency through enhanced quarterly reporting on Council’s strategic priorities

Urban Forest Strategy

Oak Bay’s urban forest is a legacy of stewardship demonstrated early in Oak Bay’s history. Oak Bay has the largest population of Garry oaks in Canada and a mature canopy of over 33%. Urban forests include all of the trees and associated resources such as understory plants, water, soil, air, micro-organisms and wildlife in urban areas on both publicly and privately-owned urban land. Oak Bay’s first Urban Forest Strategy is the culmination of several years of collaborative engagement with the community, District staff, the Parks, Recreation and Culture Commission and Council. This proactive plan serves to guide the future of Oak Bay’s urban forest.

The Urban Forest Management Plan (UFMP) was finalized and submitted to Council for approval in early 2017. It establishes a shared vision for the community’s urban forest with goals, objectives and measurable targets. The objective of the UFMP is to increase the benefits produced by the urban forest for the community and to complement Oak Bay’s broader community goals for climate change, the natural environment, built environments, parks, open space and transportation.

The Urban Forest Strategy recognizes that changes in the urban forest are inevitable as trees age, climate shifts and as urban renewal and development continue. The Urban Forest Management Plan serves to protect and enhance Oak Bay’s green character and to ensure that natural areas continue for the enjoyment of future generations.

Regional Canopy Cover Comparison ¹		Campbell River’s undeveloped forest land accounts for almost half of its 33% canopy, while Oak Bay’s canopy has been intentionally retained and planted.
Oak Bay	33%	
Victoria	18%	
Duncan	26%	
Nanaimo	28%	
Campbell River	33%	

¹ Oak Bay Urban Forest Management Plan

Oak Bay Archives and Community Partnerships

Vimy 100 Commemoration



April 2017 marked the 100th Anniversary of the Battle of Vimy Ridge and the Canadian Scottish Regiment (Princess Mary's) and the 5th (British Columbia) Field Artillery Regiment, RCA hosted an open house and commemoration event featuring over 30 military units, veterans' organizations, museums, archives and community and history groups. Oak Bay participated with an exhibit featuring the history of the Willows Camp, photographs and letters of Oak Bay's WWI Veterans and recently donated medals and artifacts relating to Vimy.

continued page 13

Strategic Goal 3: Take an active role in building a safe, liveable community

What Was Achieved

- The Police Department continued to take an active role in building a safe and liveable community by ensuring public safety through proactive enforcement, public education and quality investigations. Break and Enter (B&E) offences continued on the decline with a combined total of 33 offences in 2017 compared to 59 in 2016 and 70 in 2015
- Formed partnerships with the Urban Wildlife Stewardship Society and the Provincial Government to help fund and implement deer management decisions
- Purchased a new fire truck replacing an 11-year-old truck
- Invested in technology through our dispatch provider and CREST radio system to enhance protection of life and fire fighter safety
- Played an active role in building a safe community by ensuring the protection of life, property and the environment
- Enforced regulations including building and municipal bylaws, and the Fire Code ensuring that our community is liveable and safe
- Endorsed and funded the Urban Forest Management Plan
- Implemented energy conservation initiatives including installation of LED lights in the tennis bubbles and the Garry Oak Room at the Monterey Centre
- Introduced 500 new LED street lights in partnership with BC Hydro
- Adopted a revised Public Art Policy and a new Terms of Reference for a Public Art Committee
- Recognized artist and long-time Oak Bay resident, Pat Martin-Bates, through the inaugural Acorn Arts Award
- Inducted Oak Bay citizen, Margaret Isabel Craig, into Oak Bay's Wall of Fame

Strategic Goal 4: Develop, maintain and protect our infrastructure

What Was Achieved

- Used a Clean Water Wastewater Fund grant of \$1.38M in order to support the final phases of the Henderson Road water main project
- Supported the next phase of the Uplands Sewer Separation Project, detailed design contract, by a Clean Water Wastewater Fund grant of \$324,958

Strategic Goal 5: Recognize the importance of diverse transportation options to building our community

What Was Achieved

- A detailed design option for separated bicycle lanes on Cadboro Bay Road between Foul Bay Road and Bowker Avenue was endorsed by Council in fall 2017. Construction of the new lanes is set for summer of 2018
- Sidewalk improvements to promote pedestrian safety and utilization at Thompson and Cadboro Bay intersection

Strategic Goal 6: Work closely and collaboratively with our regional neighbours

What Was Achieved

- Worked closely and collaboratively with our regional neighbours by taking part in the area's integrated policing teams and maintaining strong relationships with the other police agencies throughout the CRD
- Worked with citizen bodies, CRD, regional partners and businesses to address derelict and abandoned vessels
- Participated in meetings with Songhees Nations to strengthen relationships between communities
- Assisted with 250 archives research inquiries including the Prospect Place Heritage Conservation Area, First Nations settlement and land use, and Oak Bay Cenotaph design and construction history
- Continued to build partnerships with the Province and regional and local governments through participation on numerous primary committees including: Local Government Emergency Program Advisory Commission (LGEPAC), Regional Emergency Management Partnership (REMP) and the Emergency Management BC Water Supply Chain Committee (WSCC)

continued from page 12

The Resilience of the People Exhibit – Songhees Nation and Robert Bateman Centre

During August 2017, the District of Oak Bay partnered with the Songhees Nation and the Robert Bateman Centre to bring the exhibit Resilience of the People: A Visual History of the Traditional Territory



of the Lekwungen/Songhees People to the Oak Bay Municipal Hall. The exhibit featured historical photographs taken in Oak Bay in 1916 as well as contemporary images showing the Songhees' ongoing relationship to their ancestral lands. Professionally installed in the Council Chambers by the Bateman Centre, the exhibit was staffed by Oak Bay Archives and the Community Association of Oak Bay volunteers and was visited by more than 300 residents and visitors.

Local History Talks – Greater Victoria Public Library

Oak Bay Archives and the Greater Victoria Public Library worked together to deliver a series of local history talks and events at the Oak Bay library branch including:

- Peter Grant: Along the Way in Oak Bay's Early History
- Jean Sparks: Oak Bay Then & Now
- Grant Keddie: Oak Bay The Last 22,000 Years
- Yvonne Van Ruskenveld: They Also Served – Animals in the Great War
- Stuart Stark: BC Agricultural Association Exhibition Building at the Willows (book launch)

DISTRICT OF OAK BAY DEPARTMENTS



ADMINISTRATION

District of Oak Bay Administration includes the Office of the Chief Administrative Officer, Financial Services, Human Resources and Corporate Services. These departments are largely responsible for providing support services to the Mayor and Council, the Corporation and for ensuring that Council priorities are implemented.

The Chief Administrative Officer is Council's one employee and is ultimately responsible for implementing Council's priorities and policies through the support of all other staff. The Chief Administrative Officer provides advice to Council and is responsible for implementing Council's decisions. Financial Services oversees long-term financial planning, develops the District's annual budget and collects property taxes and utility charges.



PARKS, RECREATION AND CULTURE

The Parks, Recreation and Culture Department operates under the auspices of the Parks, Recreation and Culture Commission, a body appointed by Council and established by bylaw. The department provides a wide array of programs and services, including the operation of the Oak Bay Recreation Centre, Henderson Recreation Centre, Monterey Recreation Centre, the Windsor Pavilion and the Neighbourhood Learning Centre in Oak Bay High School.



BUILDING AND PLANNING

The Building and Planning Department works with residents, stakeholders, the development community and Council to manage change and guide the District's sustainable growth. The department is responsible for processing applications for building permits, land use changes and development proposals. The department works with the community to create long-range plans and policies that support our economic, environmental and social goals in order to ensure a safe, healthy and sustainable lifestyle for the residents of Oak Bay.

ENGINEERING AND PUBLIC WORKS

The Engineering and Public Works Department is responsible for the District's key infrastructure services including water distribution, wastewater services, solid waste collection, and transportation. The Department is committed to developing and renewing Oak Bay's municipal infrastructure and utilities in sustainable ways to meet the community's present and future needs.



FIRE SERVICES

The mission of the Fire Department is to provide exceptional fire protection and public safety services stressing prevention, early intervention and emergency pre-planning to ensure the protection of life, property and the environment.

EMERGENCY PROGRAMS

The mission of the Emergency Services Program is to create and maintain a collaborative organization to assist the District of Oak Bay to mitigate/prevent, prepare for, respond to and recover from major emergencies and disasters that may affect the municipality and its residents.

POLICE SERVICES

The Police Department is responsible for law enforcement. The Department plays an active role building a safe and liveable community by ensuring public safety through the delivery of crime prevention programs and quality investigations, proactive enforcement, public education and community outreach. The Department works closely and collaboratively with our regional neighbours and participates in the region's integrated policing teams.



ADMINISTRATION

District of Oak Bay Administration includes the Office of the Chief Administrative Officer, Financial Services, Human Resources and Corporate Services. These departments are largely responsible for providing support services to the Mayor and Council, the Corporation and for ensuring that Council priorities are implemented.

The Chief Administrative Officer is Council's employee and is ultimately responsible for implementing Council's priorities and policies through the support of all other staff. The Chief Administrative Officer provides advice to Council and is responsible for implementing Council's decisions. Financial Services oversees long-term financial planning, develops the District's annual budget and calculates and collects property taxes and utility charges.

The Administration staff play an important role in advancing municipal priorities and activities by leading the following functions and activities:

- Assisting in the preparation of Council's Strategic Priorities
- Preparing the five-year Financial Plan and Annual Report
- Producing agendas and providing meeting management for Council and Committee of the Whole
- Overseeing records management
- Ensuring compliance with Freedom of Information and Protection of Privacy policies and completing access to records requests
- Administering payroll and benefits management
- Supporting information technology
- Providing corporate financial administration and management
- Delivering human resource services including recruitment and selection, workforce planning, training and development, employee and labour relations, disability management, job evaluation and health and safety
- Coordinating corporate communications
- Facilitating archives services
- Monitoring parking enforcement
- Implementing animal control



ARCHIVES SERVICES DID YOU KNOW?

Photo collections
are available
online 24/7

1,150 volunteer
hours were
contributed

400 program participants
in school programs,
history talks, exhibits
and special events

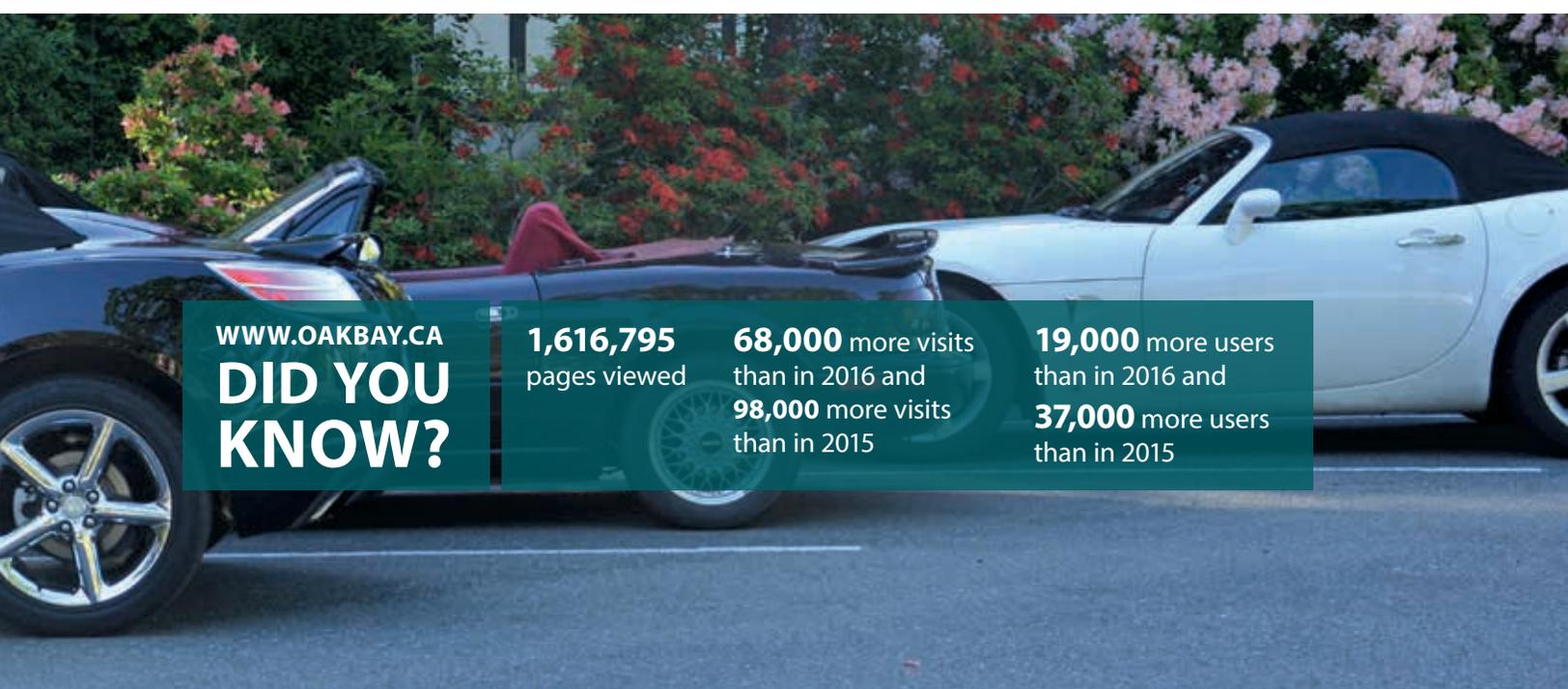
35,652 website
visits – over **7,000**
more visits than
in 2016

2017 ACCOMPLISHMENTS TO SUPPORT COUNCIL PRIORITIES

- Formed partnerships with the Urban Wildlife Stewardship Society and the Provincial Government to help fund and inform deer management decisions
- Worked with CRD and regional partners to address derelict and abandoned vessels
- Participated in meetings with First Nation Councils to strengthen relationships between communities and applied for funding to support ongoing partnership building opportunities
- Implemented the Council Code of Conduct
- Assisted with 250 archives research inquiries including the Prospect Place Heritage Conservation Area; First Nations settlement and land use; and Oak Bay Cenotaph design and construction history

2017 OPERATIONAL ACCOMPLISHMENTS

- Coordinated preparation of the Five Year Financial Plan and successful audit of the Financial Statements
- Partnered with Oak Bay Marine Group, Royal Victoria Yacht Club and Dead Boats Society for the removal of derelict vessels in Cadboro Bay
- Hosted the Resilience of the People: A Visual History of the Traditional Territory of the Lekwungen/Songhees People exhibit at the Oak Bay Municipal Hall
- Participated in the commemoration event of the 100th Anniversary of the Battle of Vimy Ridge with an exhibit featuring the history of Willows Camp, photographs and letters of Oak Bay's WWI Veterans, and related medals and artifacts
- Coordinated preparation of agendas and minutes for 35 Council meetings, 8 Committee of the Whole meetings, 4 Public Hearings and 3 Estimates Committee meetings
- Coordinated preparation of the Five-Year Financial Plan and 2016 Annual Report
- Provided Respectful Workplace and Conflict Resolution training sessions completed by 240 employees
- Strengthened accountability and improved transparency through enhanced reporting process on Council's Strategic Priorities



WWW.OAKBAY.CA
**DID YOU
KNOW?**

1,616,795
pages viewed

68,000 more visits
than in 2016 and
98,000 more visits
than in 2015

19,000 more users
than in 2016 and
37,000 more users
than in 2015

Canada 150

2017 marked Canada's sesquicentennial year, or more simply, its 150th birthday. Diverse celebrations were held across the country in a variety of ways. Oak Bay participated in sponsoring the Spirit of 150 celebrations. These celebrations included 11 days of free community musical and family events between June 21 and July 1, 2017 that culminated in a spectacular fireworks display in the downtown Victoria inner harbour.

In addition, the Government of Canada and Rogers Communications partnered with Skate Canada and the Oak Bay Figure Skating Club to host Canada 150 Skating Day on December 10 at the Oak Bay Recreation Centre. The Oak Bay Figure Skating Club was one of 17 national flagship locations selected to host this sponsored event and bid farewell to a memorable Canada 150 year. The event aimed to offer a unique opportunity for Canadians to unite and celebrate a beloved Canadian pastime that has shaped the nation's culture and heritage. Canada 150 Skating Day included on ice activities, an exhibition by local skaters and access to free instruction by Skate Canada coaches.

PARKS, RECREATION AND CULTURE

The Parks, Recreation & Culture Department operates under the auspices of the Parks, Recreation & Culture Commission, a body appointed by Council and established by bylaw. The Department provides a wide array of programs and services including the operation of the Oak Bay Recreation Centre, Henderson Recreation Centre, Monterey Recreation Centre, Windsor Pavilion and the Neighborhood Learning Centre in Oak Bay High School. The Department maintains over 76 hectares of park spaces which include playing fields, natural areas, lawns and gardens and the Henderson Par 3 golf course. The Parks Division also maintains 27 kilometers of public boulevards and beach accesses and an urban forest with over 10,000 trees. The Culture Division, introduced in 2016, supports a wide variety of arts and culture initiatives in the community including public art displays, concerts in the park and numerous special events.

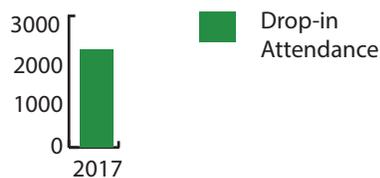
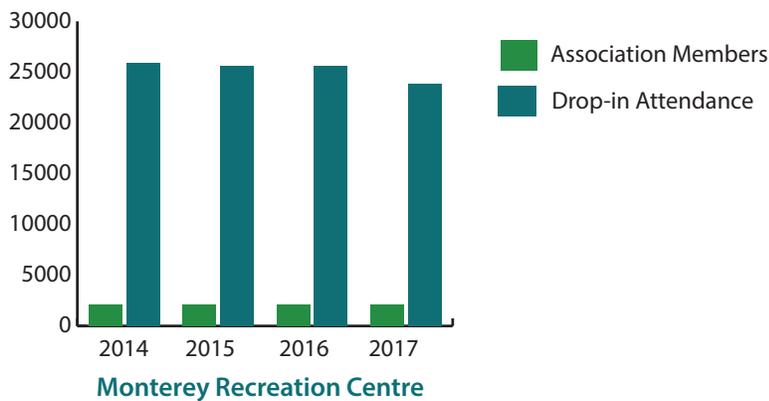
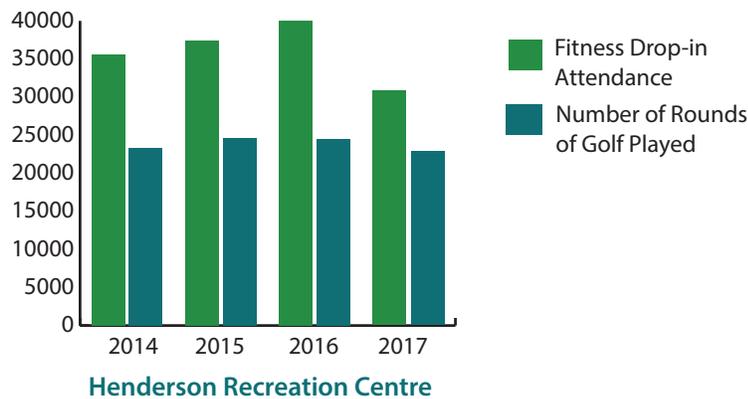
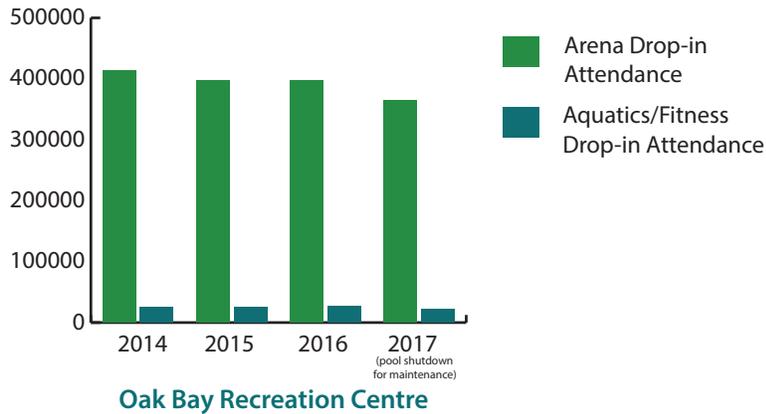
2017 ACCOMPLISHMENTS WHICH SUPPORT COUNCIL PRIORITIES

- Completed a thorough public consultation process for the community's first Urban Forest Management Plan which was adopted by Council
- Continued energy conservation initiatives including installation of LED lights in the tennis bubbles and the Garry Oak Room at Monterey Centre
- Drafted a revised Public Art Policy and a new Terms of Reference for a Public Art Committee
- Recognized artist and long-time Oak Bay resident, Pat Martin Bates, through the inaugural Acorn Arts Award

2017 OPERATIONAL ACCOMPLISHMENTS

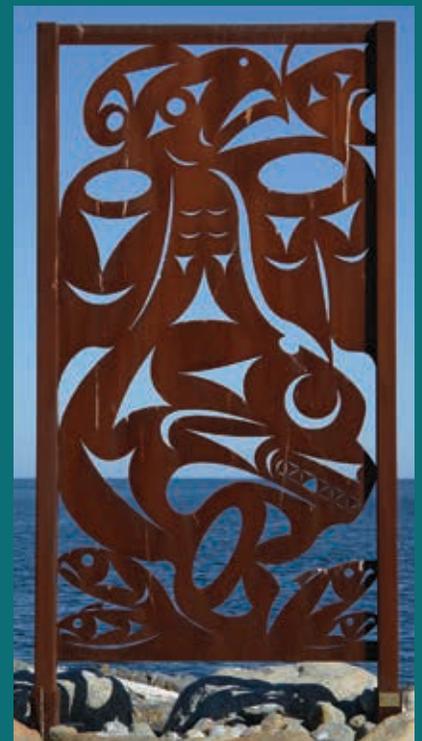
- Inducted Oak Bay citizen, Margaret Isabel Craig, into Oak Bay's Wall of Fame
- Completed installation of a kiosk at Cattle Point to provide information on local marine life
- Purchased the sculpture "Sleeping Giants" from the 2016 ArtsAlive program which is permanently displayed in front of the Municipal Hall
- Implemented new recreation registration software
- Supported the work of community volunteers who contributed over 3,900 hours in 2017 to maintain and improve parks and environmentally sensitive areas

RECREATION OAK BAY ATTENDANCE



DID YOU KNOW?

- **133** trees were planted on municipal property including 32 Garry oaks
- **250** cubic yards of invasive plant material was removed from Oak Bay parks
- **150** children attend Oak Bay daily after school care programs
- The Young Exceptional Stars (YES) Awards celebrated their 10th year in 2017
- Oak Bay has **6** permanent pieces of municipal art, through purchase and donation since the ArtsAlive initiative was launched in late 2015
- **28** Concerts were held in the Upstairs Lounge at the Oak Bay Recreation Centre
- **12** film productions took place in the community



BUILDING AND PLANNING

The Building and Planning Department works with residents, stakeholders, the development community and Council to manage change and guide the District's sustainable growth. The Department is responsible for long range planning and special projects, and for processing land use applications and Building Permits. The Department works with the community to create long range plans and policies that support our economic, environmental, heritage and social goals in order to ensure a safe, healthy and sustainable lifestyle for the residents of Oak Bay through:

- Developing policies and programs that support the vision of the Official Community Plan
- Managing and processing the following applications: Board of Variance submissions; Building Permits; Development Permits; Development Variance Permits; heritage additions; Heritage Alteration Permits; Heritage Revitalization Agreements; Official Community Plan Amendments; rezoning proposals; siting and design submissions; and subdivision proposals
- Providing stewardship of the Official Community Plan, Zoning Bylaw and Building Bylaw
- Ensuring planning and zoning compliance when considering land use applications and building permits
- Providing planning and zoning information to residents, builders, developers, real estate agents and Council
- Providing technical and administrative support to the Advisory Design Panel, Advisory Planning Commission, Board of Variance and Heritage Commission
- Consulting with property owners, developers and members of the building industry regarding proposed developments
- Ensuring health and safety standards compliance while processing Building Permit applications and monitoring during development
- Providing Building Code related information to residents, professionals and other members of the building industry
- Providing bylaw information to residents
- Investigating bylaw complaints and taking appropriate action to achieve bylaw compliance
- Reviewing and issuing business licences for businesses operating within the District of Oak Bay
- Providing stewardship of records and files for land use applications, Building Permits, bylaw complaint files and Business Licences



2017 ACCOMPLISHMENTS TO SUPPORT COUNCIL PRIORITIES

- Continued implementation of the Official Community Plan (OCP)
- Commenced process to consider a Heritage Conservation Area for the Prospect Place neighbourhood
- Added 3 properties to the Oak Bay Community Heritage Register
- Continued to streamline application and notification processes for land use, heritage and building applications to be more cost effective and customer oriented
- Continued expansion of electronic database to enhance management of departmental records and track OCP indicators

2017 OPERATIONAL ACCOMPLISHMENTS

- Awarded the 2017 Alan Cassidy awards for three outstanding properties in the categories of new home construction, home renovation and commercial/multi-family/institutional
- Updated informational materials to support the Oak Bay heritage program
- Received 1,071 Building Permit applications and 66 land use applications including Development Permits, Development Variance Permits, zoning amendments, covenant amendments, Board of Variance submissions and Official Community Plan Amendments
- Conducted 2,880 inspections related to Building and Plumbing Permits



DID YOU KNOW?

98 properties are on the Oak Bay Community Heritage Register

2 multi-family units built in 2017

1 passive house and **1** district energy plant

9 licensed daycares

516 business licences issued

289 commercial licences issued

There are **203** home-based businesses in Oak Bay

780 Building and Plumbing Permits issued

Conducted **2,880** Building and Plumbing Permit inspections

Energy Conservation in Oak Bay

Oak Bay continues its commitment to reduce total Green House Gas emissions by 33% by 2020 to achieve a more sustainable future. The Strategic Energy Management Plan is the foundation of the energy management program and outlines planned and future energy conservation initiatives.

Recent upgrades and projects completed at the Oak Bay Recreation Centre have netted significant gains in the District's energy conservation. Presently, all of Oak Bay uses less electricity to power the municipality's entire electrical needs than what the recreation centre used 20 years ago. These energy savings help to decrease costs and contribute to the reduction of Green House Gas (GHG) emissions.

In 2017, energy conservation initiatives included the installation of LED lights in the tennis bubbles and at the Garry Oak Room in the Monterey Centre. LED lights lower energy consumption and improve light quality. Existing fluorescent tubes in the Garry Oak room were retrofitted with wirelessly controlled dimmable LED lights.

2017 LAND USE APPLICATIONS

As part of the ongoing effort to increase efficiencies, the tracking information system for monitoring land use applications was enhanced in 2016.

2016 was the base year from which the number of applications was noted.

Application type	Number Received	
	2016	2017
Board of Variance	1	4
Building Permit	1,070	1,071
Covenant Amendment	1	0
Development Permit	5	3
Development Variance Permit	26	18
Land Use Contract	0	0
Heritage Addition	2	4
Heritage Alteration Permit	2	1
Heritage Revitalization Agreement	2	1
OCP Amendment	0	1
Siting and Design	24	23
Subdivision	7	6
Zoning	6	5
TOTAL	1,146	1,137

2017 BUILDING AND BUSINESS LICENCE REVENUES

Activity	2014	2015	2016	2017
Building Permit	\$813,355	\$514,218	\$606,740	\$872,024
Business Licence	\$ 92,440	\$ 92,771	\$ 97,837	\$ 97,860
OCP and Zoning Amendment				\$ 5,000
Development and Development Variance Permit	\$ 22,725	\$ 14,700	\$ 36,000	\$ 21,000
Other Permit	\$ 22,725	\$ 14,700	\$ 36,000	\$ 6,750
Subdivision	\$ 3,650	\$ 6,150	\$ 5,500	\$ 5,050

2017 CONSTRUCTION VALUES: \$-MILLIONS

Construction Type	2014	2015	2016	2017
Residential	\$34.5	\$40.6	\$47.8	\$54.2
Commercial	\$46.9	\$ 1.4	\$ 1.3	\$ 8.5
Other	\$ 2.3	\$ 1.8	\$ 2.6	\$16.3
Year-end Total	\$83.7	\$43.8	\$51.7	\$79.0



Heritage Conservation Area (HCA)

A Heritage Conservation Area (HCA) is a neighbourhood or area identified in the Official Community Plan as holding distinct heritage character or value. A Heritage Conservation Area is intended to provide long-term protection to a cluster of homes, blocks or larger areas and is not appropriate to protect a single building, structure or landscape. Based on significant public feedback, the Prospect Neighbourhood was selected for the potential establishment of a heritage conservation area. The Prospect Neighbourhood, bordered by Oak Bay Avenue, Beach Drive, Prospect Place, San Carlos Place and York Place, was proposed for HCA consideration because of its significant cultural landscape with a sloped topography, narrow scenic roads, significant architecturally designed houses and a location fronting the Oak Bay beachfront.

In late 2017 a ten-person Heritage Conservation Area Working Group was formed. The HCA Working Group is a volunteer citizen body appointed by Council. The purpose of the group is to help inform and guide community discussions to explore options, policies and regulations for formal heritage designation in Oak Bay. The HCA Working Group is establishing a work plan for Council approval in 2018 outlining the recommended scope, timeline and overall process. This initiative endeavours to explore the community's shared values and local identity and to consider strategic and thoughtful principles and tools to use in the preservation of the unique heritage characteristics of Oak Bay's neighbourhoods. Informing and engaging the community is a key priority for the HCA Working group as it continues to consider the Prospect Neighbourhood and to further establish a process for future HCA applications.

ENGINEERING AND PUBLIC WORKS

The Engineering Services Department is responsible for the District's key infrastructure services including water distribution, wastewater collection, solid waste collection and transportation. Under the guidance of Council the Department is committed to developing and renewing Oak Bay's municipal infrastructure and utilities in sustainable ways to meet the community's present and future needs. The team accomplishes this via the following major functions:

- Planning and design of municipal engineering services
- Monitoring infrastructure asset management through asset data collection, analysis, planning and prioritization
- Managing and supporting capital projects
- Coordinating construction projects to install, rehabilitate or renew storm drains, sanitary sewers and water mains
- Completing construction projects to resurface or replace sidewalks and roads
- Implementing construction projects that deliver safer streets for traffic, cyclists and pedestrians
- Providing daily operations and maintenance of infrastructure such as sewers, roads, sidewalks, water distribution, traffic control and street lighting

2017 ACCOMPLISHMENTS TO SUPPORT COUNCIL PRIORITIES

- The District used a Clean Water Wastewater Fund grant of \$1.38M in order to support the final phases of the Henderson Road water main project
 - The project will provide an additional water distribution route to South Oak Bay, increasing resiliency and supporting the District's goal of providing safe drinking water and reliable firefighting capability for residents
 - The final phase of the project began in September 2017 and is set for completion in spring 2018
- The next phase of the Uplands Sewer Separation Project was supported by a Clean Water Wastewater Fund grant of \$324,958
 - This grant will fund 83% of a detailed design project for a new storm drain system in the Humber Catchment
 - The detailed design contract was awarded to McElhanney Consulting Services Limited in summer of 2017, with project completion set for spring 2018
- A detailed design option for separated bicycle lanes on Cadboro Bay Road between Foul Bay Road and Bowker Avenue was endorsed by Council in fall 2017. Construction of the new lanes is set for summer of 2018
- The District rolled out a publicly accessible application to view Geographic Information System (GIS) data related to parcels, assets and infrastructure



2017 OPERATIONAL ACCOMPLISHMENTS

Infrastructure Improvements

- Replaced 82 metres of storm main on Dunlevy Alley
- Replaced 75 metres of storm main on Thompson Avenue
- Replaced 52 metres of storm main on Cadboro Bay Road
- Replaced 7 catch basins, 3 storm drain manholes and 3 sewer manholes in various locations
- Using trenchless technologies, significantly increased the output of the sanitary sewer rehabilitation program, upgrading 1.4 km of sanitary sewer mainlines using cured-in-place techniques
- As part of the annual pavement management strategy, the District replaced asphalt in various locations, including approximately 4,270 square metres on Elgin Road, 3,763 square metres on Beach Drive between Newport Avenue and Margate Avenue and 590 square metres on Woodlawn Crescent
- 135 metres of sidewalk on Thompson Road was replaced
- 10 curb drops were installed in various locations
- 5 hydrants were installed in various locations
- Installed 2 new bus shelters (Cadboro Bay Road near Eastdowne, Foul Bay Road near University Woods)
- Completed 2017 CCTV Pipe Condition Assessment Work (11 km of storm main and 17 km of sewer main assessed)
- Completed 126 Storm/Sanitary/Water service connections for residents
- Demand for service connections in 2017 was similar to 2016 levels, which represents almost two times the demand experienced in 2013
- Replaced 500 LED lights in partnership with BC Hydro

DISTRICT OF OAK BAY RECYCLING

Recycled Materials Collected	2015	2016	2017
Organics	2,800 tonnes	2,900 tonnes	3,257 tonnes
Solid Waste – Yard	900 tonnes	890 tonnes	747 tonnes
Solid Waste – Curb	1,073 tonnes	1,057 tonnes	1,167 tonnes
Steel Recycling	222 tonnes	216 tonnes	210 tonnes
Mixed Recycling	300 tonnes	310 tonnes	282 tonnes

DID YOU KNOW?

OAK BAY MAINTAINS:

99.6 km
of sanitary
sewer mains

115 km
of water mains

140 km
of storm
sewer mains

105 km
of roads

142 km
of sidewalks

POLICE SERVICES

The members of the Oak Bay Police Department are committed to the promotion of partnerships with the community, leading to sharing in the delivery of police services. We pledge to: treat all people equally and with respect, uphold the Canadian Charter of Rights and Freedoms, serve, protect and work with the community and other agencies to prevent and resolve problems that affect the community's safety and quality of life. The Police Department is responsible for law enforcement, conducts investigations and provides prevention programs and community outreach and communication to maintain order.

2017 ACCOMPLISHMENTS TO SUPPORT COUNCIL PRIORITIES

- The Police Department continued to take an active role in building a safe and liveable community by ensuring public safety through proactive enforcement, public education and quality investigations
- Break and Enter (B&E) offences continued on the decline with a combined total of 33 offences in 2017 compared to 59 in 2016 and 70 in 2015
- Worked closely and collaboratively with our regional neighbours by taking part in the region's integrated policing teams and maintaining strong relationships with the other police agencies throughout the CRD



2017 OPERATIONAL STATISTICS

Offence	2015 Total	2016 Total	2017 Total
Robbery	1	0	0
Assaults/Sex Assaults	26	24	28
Utter Threats	10	8	13
B&E – business	8	5	5
B&E – residence	45	43	23
B&E – other	17	11	5
Theft of Motor Vehicle	3	7	4
Theft from Motor Vehicle	88	95	107
Theft under \$5,000	89	85	66
Fraud	38	46	45
Mischief	127	122	109
Cause Disturbance	8	11	13
Counterfeit Currency	2	14	2
Trespass at Night	3	2	1
Breach/Bail violations	10	4	8
Drug Possession	34	20	29
Impaired Drivers (CC and 90 day IRP)	35	17	33
Fail to Stop (Provincial)	19	14	15

NON-REPORTABLE TO STATISTICS CANADA

Category	2015	2016	2017
Bylaw Infractions	198	245	186
Parking Violations	133	127	141
Collisions	189	149	143
Assist Public	620	682	649
Lost and Found	297	340	309
Suspicious Persons	522	416	414
False Alarms	458	436	345
Liquor Offences	57	28	38
Property Check Program	245	211	221
Violation Tickets/Warnings Issued	1,205	1,043	1,391
PRIME FILE COUNT	4,671	4,590	4,400

2017 ACTIVITIES

- On-going Service Agreement with the Saanich Police Department
- Enhanced safety in the schools such as Safe Transportation to School as well as continued work on the SAFE Plans (School Action for Emergencies) for area schools
- Promoted safety among high school aged youth through the PARTY (Prevent Alcohol and Risk Related Trauma in Youth) program to Grade 10 students
- Promoted road safety through the implementation of provincial enforcement campaigns such as Speed Watch
- Continued the relationship with the business community and supporting events such as the Night Markets
- Maintained a proactive and high visibility presence in the community through bicycle and foot patrols, marine patrols and general enforcement initiatives
- Improved external communications and strengthened social media presence
- Continued staff development through in-service training and the development of a Crisis Incident Stress Management (CISM) process
- Contributed to policing education by providing instructors for impaired driving investigational training to other jurisdictions
- Increased the Reserve Constable Program to five active volunteer members
- Continued regional participation in the Mobile Youth Services Team, the Special Combined Forces Enforcement Unit, the Integrated Road Safety Unit, Vancouver Island Integrated Major Crime Unit, the Greater Victoria Emergency Response Team, Domestic Violence Unit and the Crowd Management Team
- Continued community event support: traffic control and public safety presence for events throughout the year including parades, cycling events, marathons, Remembrance Day Service, Summer Night Markets, Oak Bay Tea Party and the Christmas Light Up
- Provided community presence support throughout the year (block parties and vacant home checks)
- Maintained a presence on National and Provincial committees such as the Victims of Crime Committee, the Police Ethics Committee and the Mental Health Response Committee



FIRE SERVICES

The mission of the Fire Department is to provide exceptional fire protection and public safety services to prevent the loss of life and property through:

- Stressing prevention, early intervention and emergency pre-planning to ensure the protection of life, property and the environment
- Delivering prompt and effective fire prevention, emergency preparedness and intervention services
- Delivering fire and emergency management services that are community based by ensuring that our programs and priorities align with the needs of the residents and businesses in the District of Oak Bay
- Taking an integrated, systematic approach to emergency and public safety issues and services
- Providing support to both team members and victims after trauma and crisis

2017 ACCOMPLISHMENTS TO SUPPORT COUNCIL PRIORITIES

- Played an active role in building a safe community by ensuring the protection of life, property and the environment
- Enforced regulations including building and municipal bylaws and the Fire Code to ensure that our community is liveable and safe
- Worked collaboratively with our neighbouring municipalities and partners to provide services to our residents
- Invested in technology through our dispatch provider and CREST radio system to enhance protection of life and fire fighter safety
- Purchased a new fire truck for Battalion One to replace an 11-year-old truck. The new fire truck is a light rescue designed to be more functional for the department



2017 OPERATIONAL ACCOMPLISHMENTS

- Responded to 1,524 requests for assistance (858 Medical responses and 666 Fire Rescue assistance responses)
- Responded to 19 significant fires in Oak Bay for 2017 equating to 4 million dollars in fire loss
- Attended to 387 Fire Prevention Inspections
- Inspected 18 new business applications
- Fire suppression crews completed 127 company inspections and pre-plan updates
- Fire Department Smoke Alarm Program had the fire crews attend to 28 calls to smoke alarm installs/battery replacement and inspections
- Completed 71 significant life-safety building upgrades with 11 active upgrades at various stages of completion, this includes new construction sites
- Reviewed 181 building plan requests and Code research requirements
- Provided 45 public education sessions including fire extinguisher training, school fire drills, school fire safety education, fire station tours, senior fire safety, apartment and condo fire safety, municipal staff fire safety
- Responded to 88 requests for assistance at the University of Victoria along with 34 fire prevention inspections and meetings related to construction and fire safety
- Fire Prevention Division investigated 13 residential complaints of bylaw infractions relating to District Fire Service bylaws and worked with residents to achieve compliance
- Provided inspection services for the removal of 121 abandoned underground oil storage tanks of which 10 of the sites were contaminated sites registered with the Ministry of the Environment
- Continued to participate in the Provincial First Responder Program and the Capital Regional District Hazardous Materials Response Team as well as the Resuscitation Outcomes Consortium (ROC) program for pre-hospital cardiac care CPR research
- Deployed members to assist the Province with the interior summer Wildfires
- The Voluntary Fire/Life Safety Upgrade Program for private buildings continues to progress as a systematic way for the department to work with property owners to enhance fire safety for residents
- Continued to participate actively in community events such as the Remembrance Day Service, Halloween Bonfire, Christmas Light up, Christmas Sail-Past, Victoria Day Parade, Oak Bay Summer Markets, Oak Bay Tea Party Parade and community block parties which enhances our service commitment with the community

FIRE SERVICES DID YOU KNOW?

We responded to **1,524** requests for assistance
858 medical responses and **666** Fire Rescue responses

Provided inspection services for the removal of **121** abandoned underground oil storage tanks of which **10** were contaminated sites registered with the Ministry of the Environment

Deployed command support through the Office of the Fire Commissioner for the central interior wildfires and to Emergency Management BC in support of the Provincial Regional Emergency Operations Centre (PREOC) and Emergency Operations Centre (EOC) for spring flooding and wildfires



EMERGENCY PROGRAMS

The mission of the Emergency Services Program is to create and maintain a collaborative organization to assist the District of Oak Bay to mitigate/prevent, prepare for, respond to and recover from major emergencies and disasters that may affect the municipality and its residents.

2017 ACCOMPLISHMENTS TO SUPPORT COUNCIL PRIORITIES

- Played an active role in increasing the District’s ability to meet its legislative responsibilities outlined in the BC *Emergency Program Act* and the District of Oak Bay Emergency Program Bylaw
- Continued to build partnerships with the Province, regional and local governments through participation on numerous primary committees including the Local Government Emergency Program Advisory Commission (LGEPAC), the Regional Emergency Management Partnership (REMP) and the Emergency Management BC Water Supply Chain Committee (WSSCC)
- Continued to explore all opportunities to improve the effectiveness and efficiency of the Emergency Services Program

2017 OPERATIONAL ACCOMPLISHMENTS

- Promoted and advocated for Emergency Preparedness through displays, the distribution of emergency preparedness materials and presentations at numerous community events including the Wednesday Night Markets, the Tea Party Parade and block parties, plus participation in three Quake Cottage and several ShakeOutBC events
- Continued to enhance community emergency resources through building robust partnerships with the University of Victoria, local government mutual aid partners and local and regional suppliers
- Tripled the number of volunteers (60) in the Oak Bay Emergency Program who participate in Emergency Support Services, Emergency Preparedness and Recovery Education, Radio Communications, Level One Response and the Planning Working Group
- Provided more than 25 staff and volunteer training opportunities
- Participated in province-wide Emergency Response to the central interior flooding and wildfires, providing staff for the Provincial Regional Emergency Operations Centre (PREOC) and Emergency Operations Centre (EOC)
- Represented local government on the Regional Emergency Management Partnership Committee
- Provided Emergency Preparedness training and awareness to residents and community groups including Block Watch, churches and almost 200 Grade 3 students

VOLUNTEER ADVISORY BODIES

DISTRICT OF OAK BAY'S VOLUNTEER ADVISORY BODIES

Volunteerism is one of Oak Bay's most distinguished characteristics and our community is blessed with many vibrant community hubs, passionate organizations and citizen-leaders, young and old, who are dedicated to enriching our community in meaningful ways. The municipality relies on volunteers to help provide research and advice on community issues; these volunteers serve on standing committees as well as project-specific working groups. Volunteers are an integral part of Oak Bay's unique character providing valuable services to the community and strengthening our sense of belonging and well-being. These advisory bodies are highly valued and allow connections over shared causes and interests. On behalf of Council, thank you to all our municipal volunteers and residents who are engaged across our community. We are grateful to all those who provide time, wisdom and energy to help inform, nurture and celebrate our community.

DID YOU KNOW?

1,150 volunteer hours were dedicated to Oak Bay Archives

There are over **25** active community organizations in Oak Bay

The Friends of Uplands Park conducted **90** work parties involving weeding and planting that contributed over **2,825** volunteer hours, equivalent to almost **118** full days!

Advisory Design Panel

- John Armitage
- Frans Compeer
- Cassie Kangas
- James Kerr
- Will King
- Kim Milburn
- Bronwyn Taylor
- David Wilkinson

Advisory Planning Commission

- Andrew Appleton
- Rus Collins
- Pam Copley
- Virginia Holden
- Kristina Leach
- Michael Low
- Kris Nichols
- Tim Taddy

Board of Variance

- Robert Pertson
- James Murtagh
- Tim Wait

Heritage Commission

- Heather Cochran
- Marion Cumming
- Cairine Green
- M. Jane Hall
- Joan Heagle
- Margaret Palmer
- Susan Ross
- Cora Smith
- Bronwyn Taylor
- Robert Taylor
- Monica Walter

Police Board

- Mary Kelly
- Blair Littler
- Brian Rendell
- Sandra Waddington

Heritage Foundation

- Phebe Chartrand
- Marion Cumming
- M. Jane Hall
- Brita Harrison Brooke
- Joan Heagle
- Cassie Kangas
- Jane Nielsen
- Margaret Palmer
- Susan Ross
- Bronwyn Taylor
- Robert Taylor
- Patricia Wilson

Oak Bay Tourism

- Ken Agate
- Brian Dolsen
- Steve Earnshaw
- Sue Hayes
- Heidi Marshall
- Angus Matthews
- Duncan Murphy
- Kris Morash
- Joan Peggs
- Steve Sinclair

Parks, Recreation & Culture Commission

- Stuart Culbertson
- Janet Donald
- Matt Fairbarns
- James Hoffman
- Monty Holding
- Will Moore
- Darlene Therrien
- Suzanne Weckend
- Ann Wilmot

Public Arts Committee

- Barb Adams, Arts Laureate
- Robert Amos
- Sebastian Brotherton
- James Hoffman
- Patricia Lortie
- Jennifer McIntyre
- Teresa Pryce

Margaret 'Isabel' Craig Inducted to the Oak Bay Wall of Fame

The Oak Bay Parks, Recreation and Culture Wall of Fame was established in 2010 to honour individuals who have exercised extraordinary commitment to the community through their involvement in the development of Oak Bay parks, facilities and programs, or who have performed voluntary services deemed to be of significant importance to the community. The Wall of Fame is a permanent tribute displayed in the Isabel Craig Lounge of the Oak Bay Recreation Centre.

In May 2017, the District was pleased to induct Ms. Margaret 'Isabel' Craig to the Oak Bay Wall of Fame. She is the ninth person to be recognized for her outstanding contributions. Her work in recreation commenced in 1952 as a volunteer Block Mother at Willows Beach and she became Oak Bay's first full time Director of Recreation in 1967. Isabel was instrumental in the development of the parks and facilities that the community enjoys today including Windsor and Henderson Parks, Oak Bay Recreation Centre and the Monterey Centre. In addition, Isabel served as an "Alderman" on municipal Council for 11 years. When she retired in 1985, the Social Lounge at Oak Bay Recreation Centre was renamed to the Isabel Craig Lounge.

Derelict and Abandoned Boats

Derelict boats are problematic for British Columbia's coastal communities, and Oak Bay is no exception. Abandoned and derelict boats wash up on shores after wind events and can have deleterious environmental impacts from discharge of sewage effluent, garbage, plastics, fuels and bilge water causing damage to shoreline and seabed ecosystems. Wreckages are occurring more frequently as a result of changing weather patterns and more seasonal storms. Determining who is responsible for derelict boats is complicated because of the overlapping federal, provincial and municipal jurisdictions, the mix of provincial ownership of land and federal jurisdiction over navigation.

In 2017, Oak Bay municipal staff joined a citizen-led, cross jurisdictional effort that included a large contingent of volunteers and support from community groups and local businesses to clear a number of abandoned boats from Cadboro Bay Beach. This collaborative approach included manual labour, funding and in-kind lending of removal equipment to clear the derelict vessels and minimize the impacts on the surrounding environment through garbage removal and shoreline restoration. Oak Bay continues to meet with and work with key provincial, federal and community stakeholders on this matter.



Deer Management

In 2017 the District partnered with the Victoria-based Urban Wildlife Stewardship Society (UWSS), a citizen-led organization focused on supporting sustainable, non-lethal solutions to urban deer issues. A matching grant of \$20,000 was received under the provincial urban deer program which supports community projects that include research into population control methods such as relocation and chemical contraception.

Managed by the UWSS, the funding allowed the project to successfully capture, radio-collar and release 20 does within the municipality in the spring of 2018. This is the first phase of the program and will provide important information on the ecology of urban deer along with an understanding of movement patterns, density and population size.

The UWSS, powered by a team of scientists, wildlife veterinarians, biologists, graduate students, animal behaviourists and community volunteers, hopes to begin testing the effectiveness of contraceptives to manage urban deer populations later in 2018.



APPENDICES

Financial Statements of

THE CORPORATION OF THE DISTRICT OF OAK BAY

Year ended December 31, 2017



APPENDIX A

THE CORPORATION OF THE DISTRICT OF OAK BAY
Report On 2017 Parking Reserve Funds
(In Accordance With Local Government Act S. 525)

	Parking Reserve Fund	Alternative Transportation Infrastructure Reserve Fund
Balance, beginning of year	\$905,657.91	\$15,474.46
Payment received in lieu of off-street parking		
Interest Earned	\$7,724.02	\$66.08
Expenditures during the year		
Transfers made during the year		\$(1,499.26)
Balance, end of year	<u>\$913,381.93</u>	<u>\$14,041.28</u>

Budgeted expenditures during 2017 and 2018 from this Fund are:

	2017	2018
Bike shelters	\$ -	\$ -
Bus shelters	\$ -	\$ -
	<u>\$ -</u>	<u>\$ -</u>

APPENDIX B

THE DISTRICT OF THE CORPORATION OF OAK BAY

2017 Permissive Property Tax Exemptions

<u>Name</u>	<u>Municipal Tax Relief</u>
Emmanuel Baptist Church	\$13,450.57
Guide Hall	\$1,031.49
Kiwanis Manor	\$5,465.21
Kiwanis Tea Room	\$440.90
Oak Bay Lawn Bowling Club	\$6,770.62
Oak Bay United Church	\$7,793.80
Queenswood Montessori School	\$2,831.03
St. Mary's Church	\$8,960.97
St. Patrick's Church	\$26,844.55
St. Phillip's Church	\$3,463.47
Scout Hall	\$1,566.24
	<hr/>
	<u>\$78,618.84</u>

APPENDIX C

**THE CORPORATION OF THE DISTRICT OF OAK BAY
SCHEDULE SHOWING THE REMUNERATION AND EXPENSES PAID
TO OR ON BEHALF OF EACH EMPLOYEE
FOR THE YEAR 2017**

1. ELECTED OFFICIALS

	<u>Remuneration</u>	<u>Expenses</u>	<u>Allowances</u>	<u>Total</u>
Braithwaite, H.	\$8,307.12	\$2,720.24	\$ 4,153.92	\$15,181.28
Croft, T. H.	\$8,307.12	\$2,515.49	\$ 4,153.92	\$14,976.53
Jensen, N. B.	\$19,575.12	\$7,249.55	\$ 9,787.92	\$36,612.59
Kirby, M. W.	\$8,307.12	\$1,691.19	\$ 4,153.92	\$14,152.23
Murdoch, K.	\$8,307.12	\$2,671.37	\$ 4,153.92	\$15,132.41
Ney, T.	\$8,307.12	\$3,817.70	\$ 4,153.92	\$16,278.74
Zhelka, E.	\$8,307.12	\$3,535.47	\$ 4,153.92	\$15,996.51
	<u>\$69,417.84</u>	<u>\$24,201.01</u>	<u>\$34,711.44</u>	<u>\$128,330.29</u>

**THE CORPORATION OF THE DISTRICT OF OAK BAY
SCHEDULE SHOWING THE REMUNERATION AND EXPENSES PAID
TO OR ON BEHALF OF EACH EMPLOYEE
FOR THE YEAR 2017**

2. OTHER EMPLOYEES

Name	Department	Remuneration	Expenses
Adam, Daniel	Fire	\$ 103,443	\$ 194
Adsett, Duane	Fire	\$ 122,081	\$ 552
Ahokas, Jason	Fire	\$ 109,770	\$ 200
Ballantyne, John	Fire	\$ 123,051	\$ 255
Barclay, Janet	Recreation	\$ 110,517	\$ 52
Beaumont, Kyle	Fire	\$ 95,530	\$ 1,400
Brown, Cody	Fire	\$ 100,999	\$ 223
Brown, Grant	Recreation	\$ 81,946	\$ 23
Brozuk, David	Public Works	\$ 112,034	\$ 29
Buser, Rene	Building & Planning	\$ 77,880	\$ 263
Carter, Debbie	Finance	\$ 133,565	\$ 1,427
Cockle, David	Fire	\$ 140,414	\$ 3,147
Costin, Donna	Finance	\$ 108,723	\$ 2,163
Currie, John	Public Works	\$ 87,142	\$ -
Ding, K. Richard	Engineering	\$ 93,956	\$ 466
Donnelly, Bonnie	Human Resources	\$ 101,518	\$ 220
Frenkel, Trent	Fire	\$ 86,163	\$ 649
Herman, Ray	Recreation	\$ 142,266	\$ 526
Hodge, Jason	Fire	\$ 103,691	\$ 718
Horan, Daniel	Engineering	\$ 129,322	\$ 2,383
Hughes, Darren	Fire	\$ 136,544	\$ 1,792
Hyde-lay, Christopher	Parks	\$ 99,870	\$ 75
Ireland, Riley	Fire	\$ 107,193	\$ 768
Jensen, Deborah	Building & Planning	\$ 89,171	\$ 4,601
Johnson, Terry	Public Works	\$ 106,606	\$ 75
Jones, Maura	Administration	\$ 87,345	\$ 2,253
Jones, Warren	Administration	\$ 123,985	\$ 35
Josephson, Michael	Fire	\$ 101,533	\$ 211
Joynson, Jason	Fire	\$ 117,498	\$ 3,083
Kivell, Robert	Fire	\$ 114,617	\$ 1,032
Koning, Helen	Administration	\$ 183,963	\$ 3,727
Malinosky, Kris	Fire	\$ 115,569	\$ 412
Marshall, R. Gordon	Fire	\$ 132,153	\$ 751
Nielsen, Peter	Public Works	\$ 75,598	\$ -
Pearson, James	Recreation	\$ 80,286	\$ -
Popham, Jonathan	Fire	\$ 124,004	\$ 220
Roberts, Tim	Parks	\$ 76,867	\$ -
Roskelley, Donald	Fire	\$ 132,901	\$ 2,103
Rushton, Eric	Fire	\$ 82,593	\$ 3,038
Scott, Brad	Fire	\$ 111,201	\$ 3,022
Stewart, C. Roger	Fire	\$ 124,908	\$ 599
Swan, Gregory	Fire	\$ 109,272	\$ 262
Thomassen, Roy	Building & Planning	\$ 121,982	\$ -
Thomson, Cameron	Fire	\$ 131,826	\$ 113
Thorneloe, Adam	Fire	\$ 114,620	\$ 2,196
Trenholm, Bradley	Fire	\$ 107,946	\$ 261
Trumble, Douglas	Fire	\$ 111,444	\$ 749
Wooster, Wayne	Public Works	\$ 80,591	\$ -
Total of Employees > \$75,000		\$ 5,266,100	
Others, Police or less than \$75,000		\$ 13,259,107	
TOTAL EARNINGS -OTHER EMPLOYEES		\$ 18,525,207	

THE CORPORATION OF THE DISTRICT OF OAK BAY

SCHEDULE OF DEBTS

YEAR ENDING DECEMBER 31, 2017

Long Term Debt

Information on the long term debt of this organization is shown in Note 5 of the Financial Statements.

Debts covered by sinking funds or reserves

As shown in Notes 5 and 9(a) to the Financial Statements, long term debt of \$4,715,000 has been borrowed through the Municipal Finance Authority. The debentures are issued on a sinking fund basis. At December 31, 2017 the debt total was \$2,135,845

THE CORPORATION OF THE DISTRICT OF OAK BAY
SCHEDULE OF GUARANTEE AND INDEMNITY AGREEMENTS
YEAR ENDING DECEMBER 31, 2017

This organization has not given any guarantees or indemnities under the Guarantees and Indemnities Regulation.

THE CORPORATION OF THE DISTRICT OF OAK BAY
STATEMENT OF SEVERANCE AGREEMENTS
YEAR ENDING DECEMBER 31, 2017

There were no severance agreements made between The Corporation of the District of Oak Bay and its non-unionized employees during 2017.

THE CORPORATION OF THE DISTRICT OF OAK BAY

SCHEDULE SHOWING PAYMENTS MADE FOR THE PROVISION OF
GOODS OR SERVICES

YEAR ENDING DECEMBER 31, 2017

Suppliers who received aggregate payments exceeding \$25,000

ACME SUPPLIES LTD	\$	78,352.40
ALPHA ROOFING AND SHEET METAL INC.	\$	89,163.11
ANDREW SHERET LTD	\$	281,598.96
AON REED STENHOUSE	\$	143,046.00
AQUASHINE BUILDING SERVICES	\$	45,898.46
B&C FOODS	\$	28,188.88
B.C. HYDRO AND POWER AUTHORITY	\$	421,330.25
BEACON RIDGE PRODUCTIONS	\$	26,003.68
BERKS INTERTRUCK LTD	\$	62,398.19
BLACK PRESS	\$	36,974.90
BLACK PRESS GROUP LTD	\$	43,734.97
BLOOM YOGA	\$	36,827.98
CAPITAL CITY PAVING	\$	58,810.47
CAPITAL REGIONAL DISTRICT	\$	2,169,832.15
CHEVRON CANADA R & M ULC	\$	188,853.99
CITY OF VICTORIA	\$	59,590.74
COMMISSIONAIRES THE	\$	39,244.45
COMPUGEN INC	\$	28,968.95
CORIX WATER PRODUCTS LIMITED PARTNERSHIP	\$	77,932.50
CUBEX	\$	76,178.89
DAMS FORD LINCOLN SALES LTD	\$	145,660.48
E.B. HORSMAN & SON	\$	116,973.73
ELLS KATHRYN	\$	55,846.64
EMCO CORPORATION	\$	75,859.26
EMTERRA ENVIRONMENTAL	\$	535,354.99
FINELINE ROAD MARKING LTD	\$	41,996.23
FORTIS BC NATURAL GAS	\$	88,419.54
GREATER VICTORIA LABOUR RELATIONS ASSOCIATION	\$	41,351.68
GREATER VICTORIA SCHOOL BOARD (Rentals Dept)	\$	91,571.23
GVLRA - CUPE LTD TRUST	\$	100,195.35
HARRIS KIRA	\$	41,912.18
HILLSIDE PRINTING	\$	27,455.45
H2X CONTRACTING LTD	\$	47,638.19
IGI RESOURCES INC.	\$	40,695.99
INSURANCE CORPORATION OF BC	\$	146,096.01
INTERCONTINENTAL TRUCK BODY (BC) INC.	\$	108,903.59
ISLAND ASPHALT COMPANY	\$	491,164.83
KERR WOOD LEIDAL ASSOCIATES LTD	\$	42,119.85
LEHIGH MATERIALS V8261	\$	262,628.32
LOPETER TRUCKING LTD	\$	138,852.47
LORDCO PARTS LTD	\$	36,476.43
LOTEK WIRELESS	\$	30,947.20
MAINROAD MAINTENANCE PRODUCTS	\$	30,643.54
MCELHANNEY CONSULTING SERVICES LTD	\$	127,825.81
MICHELL BROTHERS FARM COMPOSTING	\$	146,873.80
MONK OFFICE SUPPLY LTD	\$	55,481.32
MUNICIPAL INSURANCE ASSOCIATION OF BC	\$	152,088.18
MUSIC TOGETHER VICTORIA	\$	64,966.96
PACIFIC BLUE CROSS	\$	564,201.18
PARKLAND REFINING (B.C.) LTD.	\$	32,439.29

PERFECTMIND INC	\$	141,033.20
PRIMECORP	\$	29,269.66
QELENSEN CONTRACTING LTD	\$	109,114.51
RECEIVER GENERAL (Employer's EI & CPP contributions only)	\$	908,199.00
RICHLOCK RENTALS LTD.	\$	37,989.37
ROPER GREYELL LLP	\$	35,343.93
ROYAL ROOTER PLUMBING & DRAIN CLEANING LTD	\$	63,297.29
SAANICH, THE CORPORATION OF THE DISTRICT OF	\$	428,229.16
SOUTH ISLAND PROSPERITY PROJECT	\$	44,331.00
SPRINGER KATHI	\$	36,424.31
STANTEC CONSULTING LTD	\$	52,772.79
SUBURBAN MOTORS	\$	40,804.22
SYSCO VICTORIA INC.	\$	143,797.81
TELUS COMMUNICATIONS (BC) INC	\$	39,113.97
TELUS MOBILITY	\$	46,788.03
THINK COMMUNICATIONS	\$	46,075.58
TRIO READY-MIX (1971) LTD	\$	90,248.08
VICTORIA ANIMAL CONTROL SERVICES	\$	37,966.55
VICTORIA LANDSCAPE GRAVEL MART LTD	\$	75,506.27
WALKER PATRICIA	\$	25,334.00
WESTERRA EQUIPMENT LP	\$	91,661.72
WESTERN TRAFFIC LTD	\$	37,935.05
WILSON & PROCTOR LTD.	\$	39,091.65
XEROX CANADA LTD	\$	61,971.39
		<hr/>
Total Suppliers Equal and Over \$25,000	\$	10,537,868
Other Suppliers Less Than \$25,000	\$	3,339,040
		<hr/>
	\$	<u>13,876,908</u>

Payment to suppliers for grants and contributions exceeding \$25,000

Oak Bay Business Improvement Association	\$	80,000
Oak Bay Volunteer Services	\$	30,000
		<u>110,000</u>

Reconciliation

Total of suppliers receiving > \$25,000	\$	10,537,868
Total of suppliers receiving < \$25,000	\$	3,339,040
Total grants and contributions > \$25,000	\$	110,000
Less: Expenses relating to employee benefits and expenses	\$	(1,422,303)
Less: Accruals	\$	(346,563)
		<u>12,218,043</u>
Total per Note 12 of financial statements	\$	<u>12,218,043</u>
Variance	\$	<u>(0)</u>

Expenditures in the financial statements are on an accrual basis, whereas the above amounts paid are on a cash basis. It is important to note that not all payments are expenditures, and that not all expenditures are payments.

THE CORPORATION OF THE DISTRICT OF OAK BAY

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.



Debbie Carter
Director of Financial Services
June 5, 2018

APPENDIX D

THE CORPORATION OF THE DISTRICT OF OAK BAY

Financial Statements

Year ended December 31, 2017

Financial Statements

Management's Responsibility for the Financial Statements	1
Independent Auditors' Report	2
Statement of Financial Position	3
Statement of Operations and Accumulated Surplus	4
Statement of Change in Net Financial Assets	5
Statement of Cash Flows	6
Notes to Financial Statements	7

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The accompanying financial statements of The Corporation of the District of Oak Bay (the "District") are the responsibility of management and have been prepared in compliance with legislation, and in accordance with public sector accounting principles established by The Chartered Professional Accountants of Canada. A summary of the significant accounting policies are described in Note 1 to the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

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

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

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



Director of Financial Services



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

INDEPENDENT AUDITORS' REPORT

To the Mayor and Councillors of The Corporation of the District of Oak Bay

We have audited the accompanying financial statements of The Corporation of the District of Oak Bay which comprise the statement of financial position as at December 31, 2017, the statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of The Corporation of the District of Oak Bay as at December 31, 2017, and its results of operations, its change in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Professional Accountants

Victoria, Canada

April 23, 2018

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

THE CORPORATION OF THE DISTRICT OF OAK BAY

Statement of Financial Position

December 31, 2017, with comparative information for 2016

	2017	2016
Financial assets:		
Cash and cash equivalents	\$ 1,353,569	\$ 1,735,114
Investments (note 2)	45,140,151	39,287,256
Taxes receivable	519,732	436,704
Other accounts receivable	1,657,789	1,614,741
	<u>48,671,241</u>	<u>43,073,815</u>
Financial liabilities:		
Accounts payable and accrued liabilities	3,742,329	2,386,097
Deposits	2,612,421	2,326,500
Prepaid property taxes	1,646,374	1,654,946
Deferred revenue (note 3)	8,065,342	7,522,487
Employee future benefit obligations (note 4)	1,723,600	1,715,200
Long-term debt (note 5)	2,135,845	2,523,810
	<u>19,925,911</u>	<u>18,129,040</u>
Net financial assets	28,745,330	24,944,775
Non-financial assets:		
Tangible capital assets (note 6)	57,557,482	56,718,164
Inventory of supplies	488,376	510,263
Prepaid expenses	480,410	512,324
	<u>58,526,268</u>	<u>57,740,751</u>
Accumulated surplus (note 7)	\$ 87,271,598	\$ 82,685,526

Commitments and contingent liabilities (note 9)

See accompanying notes to financial statements.



Director of Financial Services

THE CORPORATION OF THE DISTRICT OF OAK BAY

Statement of Change in Net Financial Assets

Year ended December 31, 2017, with comparative information for 2016

	Financial plan (note 11)	2017	2016
Annual surplus	\$ 5,133,820	\$ 4,586,072	\$ 3,830,204
Acquisition of tangible capital assets	(6,514,295)	(3,277,359)	(5,193,003)
Amortization of tangible capital assets	-	2,372,406	1,745,979
Loss on disposal of tangible capital assets	-	22,950	88,586
Proceeds on disposal of tangible capital assets	-	42,685	50,500
	(6,514,295)	(839,318)	(3,307,938)
Use (acquisition) of inventory of supplies	-	21,887	(9,559)
Use (acquisition) of prepaid expenses	-	31,914	(35,401)
	-	53,801	(44,960)
Change in net financial assets	(1,380,475)	3,800,555	477,306
Net financial assets, beginning of year	24,944,775	24,944,775	24,467,469
Net financial assets, end of year	\$ 23,564,300	\$ 28,745,330	\$ 24,944,775

See accompanying notes to financial statements.

THE CORPORATION OF THE DISTRICT OF OAK BAY

Statement of Cash Flows

Year ended December 31, 2017, with comparative information for 2016

	2017	2016
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 4,586,072	\$ 3,830,204
Items not involving cash:		
Amortization of tangible capital assets	2,372,406	1,745,979
Loss on disposal of tangible capital assets	22,950	88,586
Actuarial adjustment on debt	(126,288)	(113,484)
Changes in non-cash operating assets and liabilities:		
Taxes receivable	(83,028)	113,844
Other accounts receivable	(43,048)	170,560
Accounts payable and accrued liabilities	1,356,232	(570,539)
Deposits	285,921	1,142,318
Prepaid property taxes	(8,572)	128,385
Deferred revenue	542,855	820,444
Employee future benefit obligations	8,400	(32,100)
Inventory of supplies	21,887	(9,559)
Prepaid expenses	31,914	(35,401)
	8,967,701	7,279,237
Capital activities:		
Acquisition of tangible capital assets	(3,277,359)	(5,193,003)
Proceeds on disposal of tangible capital assets	42,685	50,500
	(3,234,674)	(5,142,503)
Investing activities:		
Investments	(5,852,895)	(1,525,241)
Financing activities:		
Long-term debt issued	-	142,792
Long-term debt repaid	(261,677)	(291,978)
	(261,677)	(149,186)
Increase (decrease) in cash and cash equivalents	(381,545)	462,307
Cash and cash equivalents, beginning of year	1,735,114	1,272,807
Cash and cash equivalents, end of year	\$ 1,353,569	\$ 1,735,114

See accompanying notes to financial statements.

THE CORPORATION OF THE DISTRICT OF OAK BAY

Notes to Financial Statements

Year ended December 31, 2017

The Corporation of the District of Oak Bay (the "District") was incorporated on July 2, 1906 under the Municipal Act, a statute of the Province of British Columbia. Its principal activities are the provision of local government services to residents of the incorporated area. These include administrative, protective, transportation, environmental, recreational, water, sewer and fiscal services.

1. Significant accounting policies:

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

(a) Reporting entity:

The financial statements include a combination of all the assets, liabilities, accumulated surplus, revenues and expenses of all of the District's activities and funds. Inter-departmental balances and organizational transactions have been eliminated.

(i) Consolidated entities:

The District does not control any significant external entities and accordingly no entities have been consolidated with the financial statements.

(ii) Funds held in trust:

The financial statements exclude trust assets that are administered for the benefit of external parties (note 10).

(b) Basis of accounting:

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

(c) Cash and cash equivalents:

Cash and cash equivalents are defined as cash on hand, demand deposits, and short-term highly liquid investments with a maturity date of less than 3 months at acquisition that are readily converted to known amounts of cash and which are subject to an insignificant risk of change in value.

THE CORPORATION OF THE DISTRICT OF OAK BAY

Notes to Financial Statements (continued)

Year ended December 31, 2017

1. Significant accounting policies (continued):

(d) Investments:

Investments are recorded at cost. Investments in the Municipal Finance Authority of British Columbia ("MFA") Bond, Intermediate and Money Market Funds are recorded at cost plus earnings reinvested in the funds.

(e) Government transfers:

Government transfers are recognized in the financial statements as revenue in the period the transfers are authorized and any eligibility criteria have been met, except when, and to the extent that, the transfer gives rise to an obligation that meets the definition of a liability for the recipient government. Transfers received which meet the definition of a liability are included in deferred revenue.

(f) 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.

(g) Property tax revenue:

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

(h) Investment income:

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

(i) Long-term debt:

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

THE CORPORATION OF THE DISTRICT OF OAK BAY

Notes to Financial Statements (continued)

Year ended December 31, 2017

1. Significant accounting policies (continued):

(j) Employee future benefits:

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

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

(k) Non-financial capital assets:

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

(i) Tangible capital assets:

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

Asset	Useful life - years
Land improvements	15 - 50
Building and building improvements	25 - 100
Machinery and equipment	3 - 30
IT equipment	5 - 8
Vehicles	10 - 20
Roads and drainage	25 - 100

Amortization is charged annually, including in the year of acquisition and disposal. Assets under construction are not amortized until the asset is available for productive use.

Tangible capital assets are written down when conditions indicate that they no longer contribute to the District's ability to provide goods and services, or when the value of the future economic benefits associated with the asset are less than the book value of the asset.

THE CORPORATION OF THE DISTRICT OF OAK BAY

Notes to Financial Statements (continued)

Year ended December 31, 2017

1. Significant accounting policies (continued):

(k) Non-financial capital assets (continued):

(ii) Contributions of tangible capital assets:

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

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

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

(iv) Interest capitalization:

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

(v) Leased tangible capital assets:

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

(vi) Inventories of supplies:

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

(l) Liability for contaminated sites:

Contaminated sites are defined as the result of contamination being introduced in air, soil, water or sediment of a chemical, organic, or radioactive material or live organism that exceeds an environmental standard. A liability for remediation of contaminated sites is recognized, net of any expected recoveries, when all of the following criteria are met:

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

THE CORPORATION OF THE DISTRICT OF OAK BAY

Notes to Financial Statements (continued)

Year ended December 31, 2017

1. Significant accounting policies (continued):

(m) Use of estimates:

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

2. Investments:

	2017	2016
MFA Money Market Fund	\$ 35,200,459	\$ 29,423,730
MFA Bond Fund	224,670	224,111
MFA Intermediate Fund	9,715,022	9,639,415
	<u>\$ 45,140,151</u>	<u>\$ 39,287,256</u>

The fair value of the Funds approximates the recorded value.

3. Deferred revenue:

Deferred revenue, reported on the statement of financial position, is made up of the following:

	2017	2016
Gas Tax Agreement Funds balance	\$ 6,001,314	\$ 5,957,207
Unearned revenues	2,064,028	1,565,280
Total deferred revenue	<u>\$ 8,065,342</u>	<u>\$ 7,522,487</u>

THE CORPORATION OF THE DISTRICT OF OAK BAY

Notes to Financial Statements (continued)

Year ended December 31, 2017

3. Deferred revenue (continued):

Gas Tax Agreement funding is provided by the Government of Canada. The use of the funding is established by a funding agreement between the local government and the Union of British Columbia Municipalities. Gas Tax Agreement funding may be used towards designated public transit, community energy, water, wastewater, solid waste and capacity building projects, as specified in the funding agreements. Certain funds received under the Gas Tax Agreement have been publicly committed by Council for use towards a specific sewer infrastructure project, and as such, have met the definition of a liability. Amounts will be recognized in revenue as expenditures are incurred on the project.

Schedule of Gas Tax Agreement Funds

	2017	2016
Opening balance of unspent funds	\$ 5,957,207	\$ 5,102,639
Add:		
Amounts received during the year and committed to sewer infrastructure	-	812,456
Interest earned	44,107	42,112
	44,107	854,568
Closing balance of unspent funds	\$ 6,001,314	\$ 5,957,207

4. Employee future benefit obligations:

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

Accumulated sick leave represents the liability for sick leave banks accumulated for estimated draw downs at future dates. Retirement benefit payments represent the District's share of the cost to provide employees with various benefits upon retirement including lump sum retirement payments, death benefits, certain vacation entitlements in the year of retirement, and pension buyback arrangements for qualified employees. The accrued employee benefit obligations and the net periodic benefit cost were estimated by an actuarial valuation completed effective for December 31, 2016 and extrapolated to December 31, 2017.

THE CORPORATION OF THE DISTRICT OF OAK BAY

Notes to Financial Statements (continued)

Year ended December 31, 2017

4. Employee future benefit obligations (continued):

Information about liabilities for employee benefit plans is as follows:

	2017	2016
Accrued benefit liability, beginning of year	\$ 1,715,200	\$ 1,747,300
Service cost	122,800	126,700
Interest cost	54,700	50,000
Long-term disability expense	61,900	(63,100)
Actuarial adjustment	(9,700)	(5,800)
Benefit payments	(221,300)	(139,900)
Accrued benefit liability, end of year	\$ 1,723,600	\$ 1,715,200

The difference between the actuarially accrued benefit obligation of \$1,842,400 (2016 - \$1,724,500) and the accrued benefit liability of \$1,723,600 (2016 - \$1,715,200) is an actuarial net loss of \$118,800 (2016 - \$9,300). This actuarial loss is being amortized over a period equal to the employees' average remaining service period of 10 years.

The total expense recorded in the financial statements in respect of obligations under this plan amounts to \$229,700 (2016 - \$107,800).

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

	2017	2016
Discount rates	2.90 %	3.30 %
Expected future inflation rates	2.50 %	2.50 %
Expected wage and salary increases	2.59 to 4.63 %	2.59 to 4.63 %

Municipal Pension Plan

The District and its employees contribute to the Municipal Pension Plan (a jointly trustee pension plan). The Board of Trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2016, the plan has about 193,000 active members and approximately 90,000 retired members. Active members include approximately 38,000 contributors from local government.

THE CORPORATION OF THE DISTRICT OF OAK BAY

Notes to Financial Statements (continued)

Year ended December 31, 2017

4. Employee future benefit obligations (continued):

Every three years, an actuarial valuation is performed to assess the financial position of the plans and adequacy of plan funding. The most recent valuation for the Municipal Pension Plan as at December 31, 2015, indicated a \$2,224 million funding surplus for basic pension benefits on a going concern basis. The next valuation for the Municipal Pension Plan will be 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 individual employers participating in the plan.

The District paid \$1,892,816 (2016 - \$1,887,814) for employer contributions while employees contributed \$1,473,844 (2016 - \$1,469,949) to the plan in fiscal 2017.

GVLRA – CUPE Long-Term Disability Trust

The Trust was established January 1, 1987 as a result of negotiations between the Greater Victoria Labour Relations Association representing a number of employers and the Canadian Union of Public Employees representing a number of CUPE locals. The Trust's sole purpose is to provide a long-term disability income benefit plan. The District and its employees each contribute equal amounts into the Trust. The total plan provision for approved and unreported claims was actuarially determined at December 31, 2014. At December 31, 2016, the total plan provision for approved and unreported claims was \$18,937,267 with a net surplus of \$392,313. The actuary does not attribute portions of the unfunded liability to individual employers. The District paid \$95,427 (2016 - \$104,750) for employer contributions and District employees paid \$100,191 (2016 - \$101,601) for employee contributions to the plan in fiscal 2017.

THE CORPORATION OF THE DISTRICT OF OAK BAY

Notes to Financial Statements (continued)

Year ended December 31, 2017

5. Long-term debt:

	2017	2016
Debenture debt - MFA Issue 80 payable at \$142,594 annually; fixed interest payments 4.775% paid semi-annually (\$113,160). Final payment October 3, 2023.	\$ 1,920,357	\$ 2,189,238
Capital leases - MFA, payable monthly; payments include interest between 1.36% -2.00%; terms from 2010 to 2021.	-	334,572
Capital loans - MFA, payable monthly; payments include interest between 1.36% -2.00%; maturity dates from 2018 to 2020.	215,488	-
Total long-term debt	\$ 2,135,845	\$ 2,523,810

(a) 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 District.

The District issues its debentures through the MFA. Debentures are issued on a sinking fund basis, where the MFA invests the District's sinking fund payments so that the payments, plus investment income, will equal the original outstanding debt amount at the end of the repayment period. The gross value of debenture debt at December 31, 2017 is \$4,715,000. Actuarial benefits from the re-investments of principal payments is estimated at \$1,863,124.

THE CORPORATION OF THE DISTRICT OF OAK BAY

Notes to Financial Statements (continued)

Year ended December 31, 2017

5. Long-term debt (continued):

- (b) The aggregate amount of payments required on the District's long-term debt during each of the next five years is as follows:

	Minimum loan payments	Estimated principal payments	Total
2018	\$ 86,670	\$ 142,594	\$ 229,264
2019	80,599	142,594	223,193
2020	48,219	142,594	190,813
2021	-	142,594	142,594
2022	-	142,594	142,594
	\$ 215,488	\$ 712,970	\$ 928,458

- (c) Total interest expense on long-term debt for the year ending December 31, 2017 amounted to \$117,401 (2016 - \$118,224).

THE CORPORATION OF THE DISTRICT OF OAK BAY

Notes to Financial Statements (continued)

Year ended December 31, 2017

6. Tangible capital assets:

Cost	Balance December 31, 2016	Additions	Disposals/ Transfers	Balance December 31, 2017
Buildings	\$ 2,852,877	\$ -	\$ -	\$ 2,852,877
Land improvements	1,622,689	29,466	-	1,652,155
Building and building improvements	25,550,527	302,486	-	25,853,013
Machinery and equipment	3,182,158	221,665	(104,803)	3,299,020
IT equipment	882,169	262,825	72,426	1,217,420
Vehicles	5,908,467	377,640	(157,628)	6,128,479
Roads, drains, sewer and water	57,439,592	1,243,918	(136,479)	58,547,031
Assets under construction	767,926	839,359	(104,421)	1,502,864
Total	\$ 98,206,405	\$ 3,277,359	\$ (430,905)	\$ 101,052,859

Accumulated amortization	Balance December 31, 2016	Disposals	Amortization expense	Balance December 31, 2017
Land improvements	\$ 250,356	\$ -	\$ 136,468	\$ 386,824
Building and building improvements	8,429,303	-	484,523	8,913,827
Machinery and equipment	1,489,737	(36,230)	339,326	1,792,833
IT equipment	617,927	(31,995)	171,769	757,701
Vehicles	2,858,975	(127,246)	343,181	3,074,910
Roads, drains, sewer and water	27,841,943	(169,799)	897,139	28,569,282
Total	\$ 41,488,241	\$ (365,270)	\$ 2,372,406	\$ 43,495,377

Net book value	December 31, 2016	December 31, 2017
Land	\$ 2,852,877	\$ 2,852,877
Land improvements	1,372,333	1,265,334
Building and building improvements	17,121,224	16,939,187
Machinery and equipment	1,692,421	1,506,186
IT equipment	264,242	459,720
Vehicles	3,049,492	3,053,568
Roads, drains, sewer and water	29,597,649	29,977,746
Assets under construction	767,926	1,502,864
Total	\$ 56,718,164	\$ 57,557,482

THE CORPORATION OF THE DISTRICT OF OAK BAY

Notes to Financial Statements (continued)

Year ended December 31, 2017

6. Tangible capital assets (continued):

(a) Assets under construction:

Assets under construction having a value of \$1,502,864 (2016 - \$767,926) have not been amortized. Amortization of these assets will commence when the asset is available for service.

(b) Contributed tangible capital assets:

There were no contributed assets recognized during 2016 or 2017.

(c) Tangible capital assets disclosed at nominal values:

Where an estimate of fair value could not be made, tangible capital assets are recognized at a nominal value. Land is the only category where nominal values have been assigned.

(d) Works of art and historical treasures:

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

(e) Write-down of tangible capital assets:

There were no write-downs of tangible capital assets during 2016 or 2017.

THE CORPORATION OF THE DISTRICT OF OAK BAY

Notes to Financial Statements (continued)

Year ended December 31, 2017

7. Accumulated surplus:

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

	2017	2016
Surplus:		
Equity in tangible capital assets	\$ 55,421,637	\$ 54,194,354
Operating Fund	4,743,791	2,788,094
Total surplus	60,165,428	56,982,448
Reserve Funds:		
Village Parking	913,382	905,658
Fire Equipment	1,132,669	1,080,489
Land Sale	33,259	39,626
Machinery and Equipment	1,957,271	1,893,980
Heritage	2,163,911	2,159,532
Tax Sale Property	1,769	1,762
Parks Acquisition	275,487	273,105
Capital Works	19,965,242	19,334,951
Alternative Transportation Infrastructure	14,041	13,975
Infrastructure Renewal	649,139	-
Total reserve funds	27,106,170	25,703,078
	\$ 87,271,598	\$ 82,685,526

THE CORPORATION OF THE DISTRICT OF OAK BAY

Notes to Financial Statements (continued)

Year ended December 31, 2017

8. Taxation:

As well as taxes for its own purposes, the District 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.

	2017	2016
Taxes		
Property tax	\$ 40,278,465	\$ 38,455,590
Grants in lieu of taxes	181,028	177,955
Special assessments and local improvements	272,820	264,493
1% Utility tax	102,216	127,258
Waste disposal fees	1,542,300	1,487,616
Penalties and interest	157,492	147,279
	<u>42,534,321</u>	<u>40,660,191</u>
Less taxes levied on behalf of:		
Provincial government - school taxes	10,431,685	9,753,351
Capital Regional District	3,068,910	2,872,946
Telus (CREST) - CRD	64,922	62,639
Provincial Government - Non-residential school	1,004,463	1,036,310
Capital Regional Hospital District	2,094,992	1,835,763
Municipal Finance Authority	1,621	1,262
BC Assessment Authority	357,853	349,277
BC Transit Authority	1,784,515	1,664,531
Business Improvement Area	80,000	80,570
	<u>18,888,961</u>	<u>17,656,649</u>
Net taxes available for municipal purposes	\$ 23,645,360	\$ 23,003,542

THE CORPORATION OF THE DISTRICT OF OAK BAY

Notes to Financial Statements (continued)

Year ended December 31, 2017

9. Commitments and contingent liabilities:

In the normal course of business, the District enters into commitments for both capital and operational expenses. These commitments have been budgeted for within the appropriate annual financial plan and have been approved by Council.

(a) MFA debt reserve fund deposits:

Under borrowing arrangements with the MFA, the District 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 District's financial assets as 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 District. At December 31, 2017 there were contingent demand notes of \$136,718 (2016 - \$136,718) which are not included in the financial statements of the District.

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

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

(d) In the normal course of business, the District is a defendant in various lawsuits for which no liability is reasonably determinable at this time. Should the claims be successful as a result of litigation, amounts will be recorded when a liability is likely and determinable.

The District is self-insured for general liability claims through membership in the Municipal Insurance Association of British Columbia, a reciprocal insurance exchange. Under this program, member municipalities jointly share claims against any member in excess of their deductible. Should the Association pay out claims in excess of premiums received, it is possible that the District, along with the other participants, would be required to contribute towards the deficit. The District's deductible is \$10,000.

THE CORPORATION OF THE DISTRICT OF OAK BAY

Notes to Financial Statements (continued)

Year ended December 31, 2017

9. Commitments and contingent liabilities (continued):

- (e) During 2008 the Province of BC gave its share (50%) of the heritage property known as Tod House to the District. The value of this transaction was recorded as \$395,000. Concurrently the Province registered a "Possibility of Reverter" against the property. This states that the Province has granted its interest to the District "for so long as the land is used for the specific purpose of managing the Tod House Heritage Site". Previous correspondence with the Province suggests that if the property use is changed the District will pay to the Province 50% of the market value of the property at the time that its use changed. The District has no plans to change the use of Tod House.
- (f) During 2015, the District entered into a lease agreement with the Board of Education of School District No. 61 (Greater Victoria) to lease the Neighbourhood Learning Centre, located in the Oak Bay High School. The lease commenced on September 1, 2015 and requires annual lease payments of \$89,984 for a term of 25 years.

10. Trust funds:

Trust funds administered by the District have not been included in the statement of financial position nor have their operations been included in the statement of operations.

	Heritage House Trust	Legacy Trusts	2017	2016
Financial assets:				
Cash	\$ 669	\$ 75,752	\$ 76,421	\$ 76,118
Investments	301,633	297,083	598,716	648,044
Due from operating fund	15,494	31,295	46,789	15,323
	\$ 317,796	\$ 404,130	\$ 721,926	\$ 739,485

Since the use of Trust Funds is restricted, their assets and liabilities are not recorded in the financial statements.

The District has received bequests that are to be used for various purposes. These are maintained in the Legacy Trusts, with authorized expenditures being funded from it, and earnings on investments being added to the Trust.

THE CORPORATION OF THE DISTRICT OF OAK BAY

Notes to Financial Statements (continued)

Year ended December 31, 2017

11. Financial plan data:

The financial plan data presented in these financial statements is based upon the 2017 operating and capital financial plans approved by Council on May 11, 2017 and subsequent amendments. Amortization was not contemplated in the development of the financial plan and, as such, has not been included. The following reconciles the approved financial plan to the financial plan figures reported in these financial statements.

	Financial plan amount
Revenues:	
Financial plan	\$ 45,796,768
Less:	
Transfers from reserves	2,228,655
Transfers from own funds	2,090,244
Total revenue	41,477,869
Expenses:	
Financial plan	45,796,768
Less:	
Capital expenses	6,514,295
Transfers to reserves	1,761,368
Debt principal payments	142,594
Transfers to own funds	1,034,462
Total expenses	36,344,049
Annual surplus	\$ 5,133,820

The annual surplus above represents the planned results of operations prior to the budgeted transfers between reserve funds, debt repayments and capital expenditures.

12. Segmented information:

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

THE CORPORATION OF THE DISTRICT OF OAK BAY

Notes to Financial Statements (continued)

Year ended December 31, 2017

12. Segmented information (continued):

(a) General Government:

The departments within General Government are Corporate Administration, Building and Planning, Finance, and Information Technology. These departments are responsible for adopting bylaws, adopting administrative policy, levying taxes, ensuring effective financial management, monitoring performance and ensuring that high quality municipal service standards are met.

(b) Protective Services:

Protective Services is made up of Police, Fire, Building and Planning and Animal Control. The Police Department ensures the safety of the lives and property of Oak Bay citizens through the enforcement of municipal bylaws and criminal law, the maintenance of law and order, and the prevention of crime. The Fire Department is responsible for providing critical, life-saving services in preventing or minimizing the loss of life and property from fire emergencies. The Fire Department also coordinates the District's emergency program. The Building and Planning department provides a full range of building services related to permits and current regulatory issues and through its Bylaw Enforcement division promotes, facilitates and enforces general compliance with bylaws. Animal Control services enforce the animal control bylaws and operate the pound and adoption centre for animals.

(c) Transportation Services:

Transportation Services is responsible for the construction and maintenance of roads and sidewalks throughout Oak Bay. Other duties include street cleaning, leaf pickup, snow removal and street lighting. This department is also responsible for the construction and maintenance of the storm drain collection systems.

(d) Environmental Health Services:

The Environmental Health Services is responsible for the collection and disposal of household garbage.

(e) Recreation Services:

Recreation Services is responsible for providing, facilitating the development of, and maintaining the high quality of parks, recreation facilities, and cultural services.

THE CORPORATION OF THE DISTRICT OF OAK BAY

Notes to Financial Statements (continued)

Year ended December 31, 2017

12. Segmented information (continued):

(f) Water Utilities and Sewer Collection System:

The Water Utilities and Sewer Collection System Departments operate and distribute the water and sewer networks. They are responsible for the construction and maintenance of the water and sewer distribution systems, including mains and pump stations.

Certain allocation methodologies have been employed in the preparation of the segmented financial information. Taxation and payments-in-lieu of taxes are apportioned to General Government, Protective, Transportation, and Recreation Services based on current year expenditures. The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements as disclosed in note 1.

THE CORPORATION OF THE DISTRICT OF OAK BAY

Notes to Financial Statements (continued)

Year ended December 31, 2017

12. Segmented information (continued):

2017	General Government	Protective Services	Transportation Services	Environmental Health	Recreation Services	Water Utility	Sewer Collection System		Total
							Water Utility	Sewer Collection System	
Revenue:									
Taxation	\$ 2,926,294	\$ 9,830,084	\$ 4,079,301	\$ 1,542,300	\$ 5,267,381	\$ -	\$ -	\$ -	\$ 23,645,360
Sales and service	114,070	-	-	6,905	7,993,782	3,583,748	2,597,704	-	14,296,209
Government transfers	1,289,695	207,759	-	-	-	472,078	-	-	1,969,532
Other revenues	479,908	1,087,901	27,740	-	-	-	-	-	1,595,549
Investment income	483,431	-	-	-	-	-	-	-	483,431
Total revenue	5,293,398	11,125,744	4,107,041	1,549,205	13,261,163	4,055,826	2,597,704	2,597,704	41,990,081
Expenses:									
Salaries and wages	2,711,271	8,312,148	1,884,807	331,344	8,419,094	587,523	454,213	-	22,700,400
Materials, supplies and services	1,954,811	1,163,961	936,630	828,389	3,079,422	2,295,280	1,959,550	-	12,218,043
Interest and other	-	-	-	-	113,160	-	-	-	113,160
Amortization	167,259	159,911	667,397	164,015	851,229	237,783	124,812	-	2,372,406
Total expenses	4,833,341	9,636,020	3,488,834	1,323,748	12,462,905	3,120,586	2,538,575	2,538,575	37,404,009
Annual surplus	\$ 460,057	\$ 1,489,724	\$ 618,207	\$ 225,457	\$ 798,258	\$ 935,240	\$ 59,129	\$ 59,129	\$ 4,586,072

THE CORPORATION OF THE DISTRICT OF OAK BAY

Notes to Financial Statements (continued)

Year ended December 31, 2017

12. Segmented information (continued):

2016	General Government	Protective Services	Transportation Services	Environmental Health	Recreation Services	Water Utility	Sewer Collection System		Total
							Collection	System	
Revenue:									
Taxation	\$ 3,081,371	\$ 9,861,512	\$ 3,536,061	\$ 1,487,616	\$ 5,036,982	\$ -	\$ -	\$ -	\$ 23,003,542
Sales and service	135,779	136	-	8,002	7,910,338	3,763,905	2,329,555	-	14,147,715
Government transfers	345,328	258,882	-	-	-	-	-	-	604,210
Other revenues	622,447	841,456	42,237	-	-	-	-	-	1,506,140
Investment income	418,239	-	-	-	-	-	-	-	418,239
Total revenue	4,603,164	10,961,986	3,578,298	1,495,618	12,947,320	3,763,905	2,329,555	-	39,679,846
Expenses:									
Salaries and wages	1,633,948	8,348,124	1,837,608	341,706	8,406,682	628,733	484,181	-	21,680,982
Materials, supplies and services	2,434,565	1,051,930	699,057	895,165	3,191,485	2,442,909	1,594,410	-	12,309,521
Interest and other	-	-	-	-	113,160	-	-	-	113,160
Amortization	88,152	132,971	529,248	169,272	506,121	227,271	92,944	-	1,745,979
Total expenses	4,156,665	9,533,025	3,065,913	1,406,143	12,217,448	3,298,913	2,171,535	-	35,849,642
Annual surplus	\$ 446,499	\$ 1,428,961	\$ 512,385	\$ 89,475	\$ 729,872	\$ 464,992	\$ 158,020	\$ -	\$ 3,830,204



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

INDEPENDENT AUDITORS' REPORT

To The Corporation of the District of Oak Bay and the Ministry of Municipal Affairs and Housing

We have audited the accompanying financial information in the Form C2 - Home Owner Grant: Treasurer/Auditor Certificate comprised of total Home Owner Grants of \$3,458,547, total reimbursement by Province of \$3,458,547 and balance due from Province of nil for The Corporation of the District of Oak Bay, for the year ended December 31, 2017 and notes, comprising a summary of significant accounting policies (together "the Certificate"). The Certificate has been prepared by management in accordance with the financial reporting provisions of Section 12(1) of the Home Owner Grant Act.

Management's Responsibility for the Certificate

Management is responsible for the preparation of the Certificate in accordance with the financial reporting provisions of Section 12(1) of the Home Owner Grant Act, and for such internal control as management determines is necessary to enable the preparation of the Certificate that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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



Opinion

In our opinion, the financial information in the Form C2 - Home Owner Grant: Treasurer/Auditor Certificate comprised of total Home Owner Grants of \$3,458,547, total reimbursement by Province of \$3,458,547 and balance due from Province of nil for the Corporation of the District of Oak Bay, for the year ended December 31, 2017, is prepared, in all material respects, in accordance with the financial reporting provisions of Section 12(1) of the Home Owner Grant Act.

Basis of Accounting and Restriction on Use

Without modifying our opinion, we draw attention to note 1 to the Certificate, which describes the basis of accounting. The Certificate is prepared to meet the requirements of Section 12(1) of the Home Owner Grant Act. As a result, the Certificate may not be suitable for another purpose. Our report is intended solely for The Corporation of the District of Oak Bay and the Ministry of Municipal Affairs and Housing and should not be used by parties other than The Corporation of the District of Oak Bay and the Ministry of Municipal Affairs and Housing.

KPMG LLP

Chartered Professional Accountants

Victoria, Canada
April 23, 2018

Note 1 to C2 – Home Owner Grant: Treasurer/Auditor Certificate

(a) Basis of accounting:

The C2 – Home Owner Grant: Treasurer/Auditor Certificate has been prepared in accordance with the financial provisions of Section 12(1) of the Home Owner Grant Act.

(b) Significant accounting policy:

Total home owner grants represent grants applied by home owners.



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

AUDITORS' REPORT ON SUBSECTIONS 2 AND 3 OF SECTION 124 OF PART 8 OF THE SCHOOL ACT

To the Ministry of Municipal Affairs and Housing

We have audited The Corporation of the District of Oak Bay's (the "District") compliance with subsections 2 and 3 of section 124 of Part 8 of the School Act for the year ended December 31, 2017. Compliance with subsections 2 and 3 of section 124 of Part 8 of the School Act is the responsibility of the District's management. Our responsibility is to express an opinion on this compliance based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the District complied with subsections 2 and 3 of section 124 of Part 8 of the School Act. Such an audit includes examining, on a test basis, evidence supporting compliance, evaluating the overall compliance with subsections 2 and 3 of section 124 of Part 8 of the School Act and, where applicable, assessing the accounting principles used and significant estimates made by management.

In our opinion, the District has complied, in all material respects, with subsections 2 and 3 of section 124 of Part 8 of the School Act for the year ended December 31, 2017.

Our report is intended solely for the District and the Ministry of Municipal Affairs and Housing and should not be used by parties other than the District or the Ministry of Municipal Affairs and Housing.

Chartered Professional Accountants

Victoria, Canada
April 23, 2018

Henderson
Park



71 yds / 65m



