

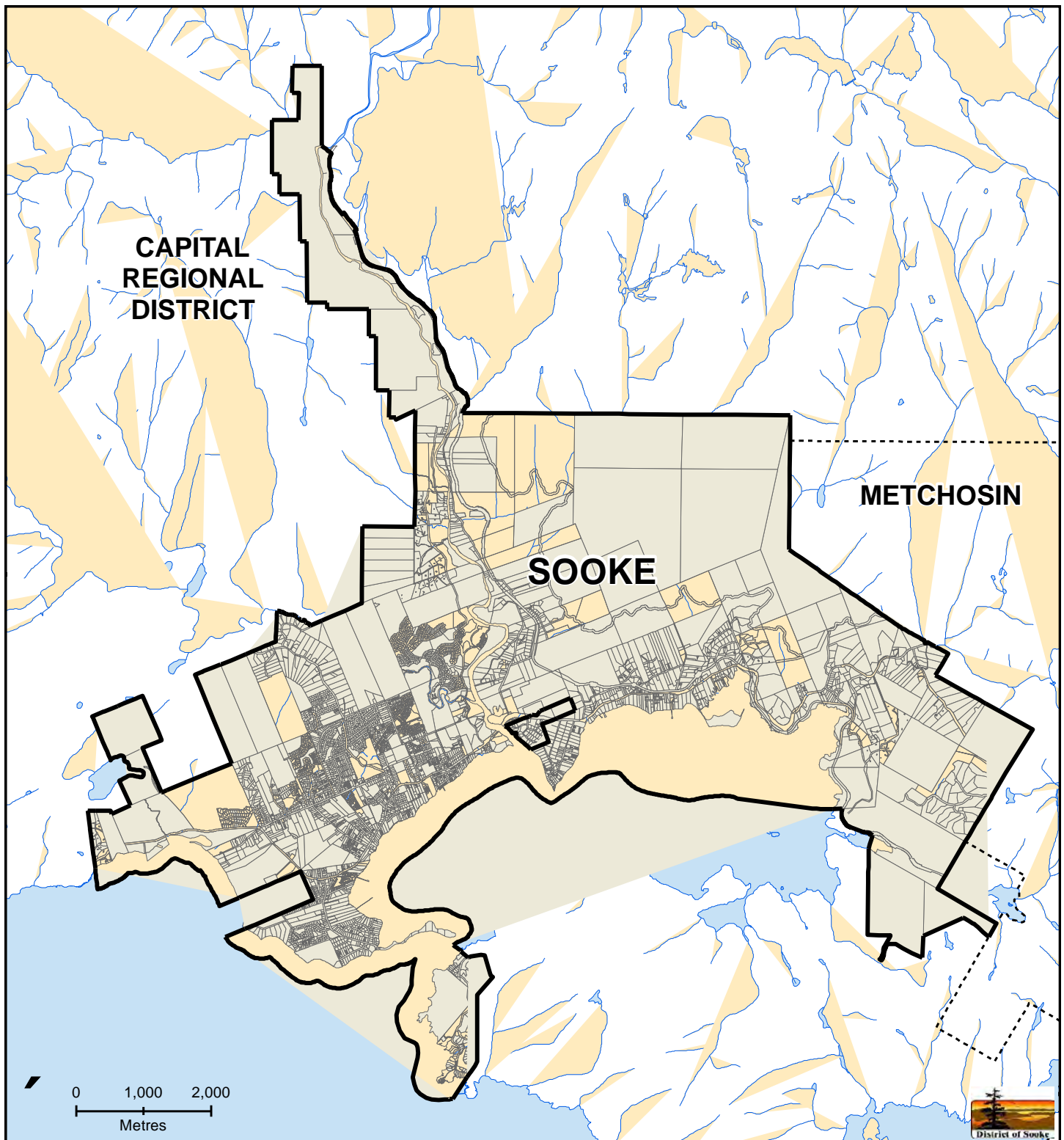


ANNUAL REPORT
2017

DRAFT

FISCAL YEAR ENDING DECEMBER 31, 2017

DISTRICT OF SOOKE 2017 ANNUAL REPORT



The Municipal border is outlined above.

Year ended December 31, 2017

Prepared by: Corporate Services

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MESSAGE FROM THE MAYOR



“ The ongoing collaboration with residents, Council, and staff to create a thriving community we are all proud to call home, is the key element of success for Sooke’s future .”



On behalf of the District of Sooke, it is my pleasure to introduce the 2017 Annual Report. The Annual Report is an opportunity to reflect upon the success of the past and look forward to achieving our goals in the years to come.

Highlights of 2017 include:

- Continued investment in infrastructure and asset management, with road improvements and pedestrian connectivity at the top of Council’s priority list. A comprehensive road condition assessment was completed in 2017 and work will begin on a five-year road rehabilitation program in 2018.
- The District is committed to maintaining and improving parks and trails infrastructure; several were expanded and refreshed in 2017 with more projects planned for the coming year.
- Acquisition of playground equipment in our popular Broom Hill Park.
- Refurbishment of the stairway between Sooke River and the Sunriver Trail system and initiation of the Murray Road Staircase refurbishment project to provide Harbour access , to be completed in 2018.
- Ongoing review of department staffing levels from the fire department to the parks department, ensuring we keep pace with our rapid growth, calls for service and development applications.
- Continued support of community events and initiatives through the provision of grants and letters of support.

We enjoy the collaborative efforts with other community stakeholders to bring the new Library to our Town Centre and look forward to this project breaking ground in 2018. An expansion of the SEAPARC facility is underway, discussions regarding a Senior’s Activity Centre are moving forward and advocacy work continued throughout 2017 for improved access to health care, increased transit service, environmental stewardship, and Highway 14 upgrades.

A handwritten signature in black ink that reads "Maja Tait".

Maja Tait

Mayor, District of Sooke

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VISION - LIVE, WORK, PLAY

VALUES

- 1 **THRIVEABILITY**
- 2 **SUSTAINABILITY**
- 3 **ENVIRONMENTAL STEWARDSHIP**
- 4 **ECONOMIC DIVERSIFICATION**
- 5 **SOOKE SMART GROWTH**
- 6 **A CULTURE OF THE ARTS, LEISURE AND RECREATION**
- 7 **COMMUNITY INCLUSION**
- 8 **REGIONAL COLLABORATION**
- 9 **PRESERVING SOOKE'S CHARACTER**



MAYOR & COUNCIL

MAYOR

Maja Tait

COUNCILLOR

Bev Berger

COUNCILLOR

Rick Kasper

COUNCILLOR

Ebony Logins

COUNCILLOR

Brenda Parkinson

COUNCILLOR

Kevin Pearson

COUNCILLOR

Kerry Reay

SENIOR LEADERSHIP

CHIEF ADMINISTRATIVE OFFICER DIRECTOR OF FINANCE

Brent Blackhall

DIRECTOR OF COMMUNITY SAFETY

Kenn Mount

DIRECTOR OF DEVELOPMENT

Rob Howat

CORPORATE OFFICER

Carolyn Mushata

District of Sooke
2205 Otter Point Road
Sooke, BC V9Z 1J2
P (250) 642-1634
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INTRODUCTION

Welcome to our 2017 Annual Report. This year's report profiles the municipalities successes, progress over the past year and plans for the future.

Within in this report you will find an overview of the Municipality, information about elected officials, Council's strategic priorities implementation, a through overview of each department and the fiscal year financial statements.

If you have comments please direct your inquiries to Corporate Services in person, by phone (250-642-1634) or by email corp@sooke.ca,

Statistics	2011	2017
Population	11,435	13,001
Population Change	17.9%	13.7%
Average Age	40.8	42.9
Children under 18	2,215	2,325
65 years & over	1,460	2,150
Density	201.6 per km ²	229.6 per km ²
Total Private Dwellings	4,986	5,599

Note: Information sourced from the 2011 & 2016 census, which are updated every 5 years.



RECREATION



The municipality has a number of areas supported with assistance through the Capital Regional District (CRD). The recreation facility, many parks & trails, and the par-3 golf course, are owned and operated by the CRD, as the Sooke Electoral Area Parks and Recreation Commission SEAPARC.

LIBRARY



library.
with

The District of Sooke has been working diligently with the Vancouver Island Regional Library Board to build a new facility in Sooke. In 2017 the District-owned property on Wadam's Way was rezoned to accommodate a new library. The municipality hopes to see the progress continue construction in the coming year.

SOOKE COMMUNITY ASSOCIATION



This volunteer non-profit association owns, runs and maintains assets throughout the community which are available to a variety of user groups. These include the Sooke Soccer Field, Art Morris baseball park and tennis courts, Sooke Community Hall and the Sooke River Campsite.

TOURISM & ECONOMIC DEVELOPMENT

Sooke is part of a premier year-round destination region, that stretches from Sooke to Port Renfrew. The District has provided funding to the Sooke Region Tourism Association to operate the *Sooke to Port Renfrew-Wild by Nature* program, attracting people from all over the world to enjoy the splendors of our small rural areas. Supporting economic diversity and regional collaboration are key values of Sooke.

The District of Sooke provides funding to the Vancouver Island South Film & Media Commission, which supports our community by promoting the best location in our area. This past year Hollywood utilized various locations in Sooke to film the indie drama "Elsewhere". We boast unique locations with a variety of services, which generate substantial economic development for our community.



ABOUT SOOKE

Sooke is a small Southern Vancouver Island community on the shores of the Pacific Ocean where the rainforest meets the sea, situated on the traditional lands of the T'Sou-ke Nation. There is natural beauty at every turn from the Sooke Basin, to the Sooke hills and along the Strait of Juan de Fuca.

The rural nature of the area brings a wide variety of amenities to our residents, tourists and the entertainment industry. With a casual, relaxed, environment where everyone is welcomed, many residents are able to live, work and play in their own community.



The District of Sooke's Mayor and Council were elected to office in the 2014 Municipal Election. Each member of Council represented their Community on Municipal and/ or Regional committees in 2017, which are listed below next to their photo.

Mayor Maja Tait

Elected as Mayor 2014 and Councillor in 2008 & 2011



- Primary Health Working Group, Chair & Sooke Planning & Steering Committee
- Union of BC Municipalities, 2nd Vice President, Health & Social Development and Presidents Committees, Joint Provincial/Local Government Committee on Cannabis Regulation and the Community Paramedicine Provincial Advisory Committees
- Capital Regional District Board & Hospital Board, Director, Integrated Resource Management Advisory & Environmental Services Committee, Seaparc and Finance Committee, Regional Parks Transportation & Special Task Force on First Nation Relations
- Victoria Regional Transit Commission

Councillor Bev Berger

Elected as Councillor in 2008 , 2011 & 2014



- Sooke and Electoral Area Parks & Rec. Commission
- Juan de Fuca Water Distribution Commission, Alternate

Councillor Rick Kasper

Elected as Councillor in 2005 , 2011 & 2014



- Capital Regional District Board, Alternate
- Capital Regional District Hospital Board, Alternate
- Capital Regional Water Supply Commission, Commissioner
- Age-Friendly Working Group, Council Liaison

Councillor Ebony Logins

Elected as Councillor in 2014



- Capital Regional District Climate Action Steering Committee
- District of Sooke & T'Sou-ke Nation MOU Working Group
- Sooke Region Tourism Association, Liaison
- Vancouver Island Regional Library Board, Alternate

Councillor Brenda Parkinson

Elected as Councillor in 2005 & 2014



- Capital Regional District Regional Housing Trust Fund Commission
- Capital Regional Water Supply Commission, Alternate
- Capital Regional District Climate Action Steering Committee, Alternate
- CRD MOU Working Group
- District of Sooke & T'Sou-ke Nation MOU Working Group
- Sooke Regional Historical Society, Liaison
- Te'mexw Treaty Advisory Committee, Alternate

Councillor Kevin Pearson

Elected as Councillor in 2011 & 2014



- Juan de Fuca Water Distribution Commission

Councillor Kerrie Reay

Elected as Councillor in 2011 & 2014



- Vancouver Island Regional Library Board, Trustee
- Sooke Community Association, Liaison
- Capital Region Emergency Services Telecommunication, Director



The five key priorities of this Council's Strategic Plan are used in the implementation and maintenance of Municipal operations . These foundations provide a framework that assists the District of Sooke to maintain it's core values, ensuring the vision, values and goals of the community are achieved.

Each priority aligns with municipal objectives and has a measurable achievement and indicator to assess the success.



FISCAL RESPONSIBILITY

The District will work towards long-term financial sustainability. It will prepare for the future by ensuring adequate contributions are made towards required long-term capital infrastructure needs, while living within our means.



EXCELLENCE IN MANAGEMENT AND GOVERNANCE

The District will use best practices to ensure excellence in management and governance.



COMMUNITY PLANNING

The District will work towards streamlining planning processes to encourage investment and job growth in the community.



ECONOMIC PROSPERITY

The District will work towards developing appropriate mechanisms to facilitate and promote long-term community economic prosperity.



ENHANCING COMMUNITY LIVABILITY

The District will work towards making Sooke a vibrant and accessible community.



- Proactive plan for replacement of our infrastructure.
- Determine levels of service and properly fund.
- Build capacity in our community by supporting initiative that support sustainability.

	Municipal Objective	Goal	Status	Benchmark
Asset Management	Parallel systems ready to operate for financial statements	2017	Complete	Auditors worked from the new system for audit.
	Development of asset management plan	2017-2018	In Progress	Council adopts policy and program implemented.
	Fire apparatus replacement plan	2019	In Progress	Fire apparatus replacement Plan approved by Council.
Finance	Affordable sustainability must take into account infrastructure maintenance, safety services, operations as well as funding community programs.	Ongoing	Ongoing	Council approves Five Year Financial plan annually. Staff have developed longer term plans as part of asset management plan.
Fire Service	Fire Services Commission to review Fire Department resources.	Ongoing	Complete	Fire commission concluded.
Service Contracts	Ensure all contracts provide value for money Review fee for service agreements Evaluation of performance indicators	2017	Complete	Service agreements renewed for a 4-year term.
Sewer	Explore opportunities with neighbours on sewer expansion: Support in principle, municipal sewer for T'Sou-ke First Nation (IR2 in conjunction with Whiffin Spit)	2019	In Progress	Council motion to support, in principle.
Facilities	Prepare a building maintenance schedule	2018	In Progress	Building maintenance schedule developed

EXCELLENCE IN MANAGEMENT & GOVERNANCE



- Focus on good governance.
- Enhance our communication with our residents.
- Ensure we are properly structured and resourced to meet the community's needs.

	Municipal Objective	Goal	Status	Benchmark
Community Engagement	Use of select/task force committees and specific outcomes	2016-2018	Ongoing	Establishment of committee, as required.
	Develop internal and external communication strategy	2016-2019	On Hold	Communication plan presented and approved by Council.
	Ongoing website improvements.	Ongoing	In Progress	Launch new website.
	Public mapping showing infrastructure and public space information	2019	In Progress	Greenspace, parks, trails, and infrastructure mapping publicly available.
	Digitally share information used for open houses and public information meetings	Ongoing	Ongoing	Open house and meeting information made available at sooke.ca.
	Continue public information meetings twice per year	Ongoing	Ongoing	Mayor & Council open house and Talktober.
Records	Management of records: upgrade electronic devices/tools to enhance service	2018	In Progress	Records management software updated and staff trained.
Staffing Review	Develop organization succession plan	2019	On Hold	Development of succession/training plan.
	Ensure adequate staffing levels to provide desired service level	Ongoing	Ongoing	Staffing levels identified and funded through budget process.
	Enhance individual performance improvement program	2019	In Progress	Develop and initiate performance review process.
Performance Measures	Strategic Plan	Ongoing	Ongoing	Performance review each year through annual report.
	Financial Plan	Ongoing	Ongoing	Updated through annual budget process and bylaw.
Risk	Review policies to minimize liability	Ongoing	Ongoing	Risk analysis assessments complete, as policies are reviewed.



- Our Official Community Plan is critical to our community vision and we will ensure it stays current.
- Ensure our Bylaws reflect community needs and values .

	Municipal Objective	Goal	Status	Benchmark
OCP	Official Community Plan 'Refresh'	2019	In Progress	First draft of OCP to be presented in mid-2019.
Bylaw Review	Ongoing review and amendment of bylaws and policies with priority to regulatory bylaws	Ongoing	Ongoing	Bylaws and policies amended or re-written and presented for Council approval.
	Building Regulation Bylaw	Ongoing	In progress	Council adopts new bylaw.
	Zoning Bylaw	In Progress	In Progress	To follow Official Community Plan review.
	Development Cost Charges Bylaw review and amendment for sanitary sewer and roads	In Progress	In Progress	To follow after sewer expansion area determined in Official Community Plan.



- Proactively pursue economic opportunities.
- Focus on being consistent in our decision making.
- Ensure our criteria are reflective of our community's needs.
- Improve our customer service focus.

Municipal Objective		Goal	Status	Benchmark
Growth	Continue to support Municipal and Regional District Tax (MRDT) application for destination marketing	2019	In Progress	District support of application to the Province and implementation of MRDT tax.
	Review economic development initiatives - proposed regional model	2016-2017	Complete	Initiatives reviewed.



- Focus on making the town centre vibrant and accessible.
- Improve opportunities for residents to gather and connect.
- Take steps to protect Sooke's natural beauty.

	Municipal Objective	Goal	Status	Benchmark
Town Core	Explore and implement development of Goodmere Road	2016-2018	In Progress	Engineering drawings of final alignment expected to be completed in Fall 2018.
	Development west side Town Centre from Otter Point	2016-2019	In Progress	Working with the MOTI on Engineering Implementation for sidewalk/ trail connection— West from Otter Point Road. Summer 2018
Community Space	Locate community gathering spaces in Town centre and incorporate wayfinding signs, benches, public art	Ongoing	Ongoing	Transit stops with public art installed. Initiated master park wayfinding plan.
Town Centre Access & Servicing Plan	Road access and connectivity	2017	Completed	Town centre roundabout construction completed in 2016. Engineering drawings to be completed in 2017.
	Servicing (sanitary sewer & drainage)	Ongoing	Ongoing	Will be established as development occurs.
	Waterfront Access: explore and implement ways to improve waterfront access for residents and visitors & identify and maintain	Ongoing	Ongoing	Will occur through private development. Design Cains Park waterfront access for construction in 2018.
	Investigate programs for Town Centre beautification: Improving existing buildings and link to Town Centre Design Guidelines	2016-2018	Ongoing	Town Core Improvements.
	Murray Road Improvements including drainage.	2018	In Progress	Expected to proceed with construction and drainage improvements in 2017.

Municipal Objective		Goal	Status	Benchmark
Community Facilities	Library			Library constructed and operational.
	Continue to support Vancouver Island Regional Library for the construction of a new library in Town Centre	2019	In Progress	
	Finalize plans for community facilities	2019	Not Started	Committee recommendations received by Council.
	Encourage community gardens	Ongoing	Ongoing	Encouraged through private development in the Official Community Plan.
Trail Network	Enhance community public space profiles: <ul style="list-style-type: none"> • Enhance connectivity • Public safety and maintenance • Park naming and appropriate signage • Wayfinding signage • Public space brochures • Public awareness campaign 	Ongoing	Ongoing	Connectivity trails constructed in 2017. Wayfinding signage program initiated in 2017. Regular updated of park and trails information.
Bylaw	Develop policy for consistency of bylaw enforcement. <ul style="list-style-type: none"> • Business licences • Unsightly premises • signs 	2016-2018	In Progress	Policy adopted by Council.
Environment	Liquid Waste Management Plan requires bylaws and policies; implement actions in accordance with Provincial requirements	2019	Ongoing	Bylaws and policies adopted by Council.
	Reduce illegal dumping	2018	In Progress	Removal of garbage cans at key transit stops.
Health Care	Support primary health care initiatives	2018	In Progress	Regional health care facility in Sooke.

District of Sooke

↑ *Municipal Hall*

← *Fire Department - 2nd floor*

← *Council Chamber - 3rd floor*

← *Building Department*

– 2205 Otter Point Road –

I am proud to present our 2017 Annual Report highlighting achievements over the past fiscal year and projections for the future. Sooke has experienced significant growth as developers, builders and new residents continue to discover the beauty and benefits of this community. This growth impacts all levels of the organization and is evident throughout the 2017 Annual Report.

The District had its first full year of in-house Wastewater and Parks operations in 2017; both have increased the service level to the community. This had a significant impact on the daily operations of the organization which, coupled with the development growth, has required additional efforts by all District staff. Initiating a sewer capacity study will assist Council in decisions regarding expansion to the sewer service area and provide assurances that the collection system is operating as efficiently as possible. Council increased the sewer connection fees in 2017 to help provide funds for expansion.

Significant strides were made on the Official Community Plan (OCP) in 2017 however, growth pressures limited the amount of dedicated staff time available. Alongside the OCP refresh, the District also requires updates to of its Traffic Master Plan and Parks & Trails Master Plan.

Asset management and system improvements are key priorities for the organization. Condition assessments are essential to help plan for future capital replacement and additions. During 2017 a Road Condition Assessment study was completed, and a Five-Year Road Program developed which has been integrated into our Financial Plan.

During 2017 successful negotiations with the Fire Department (IAFF) were completed that address staffing shortages and help ensure the safety of the community. In the coming year negotiations are set to begin with CUPE staff and will ensure community needs are addressed.

The past year was a very busy one and I want to sincerely thank staff and the contracted community service organizations that deliver our services.

Sincerely,



Interim Chief Administrative Officer



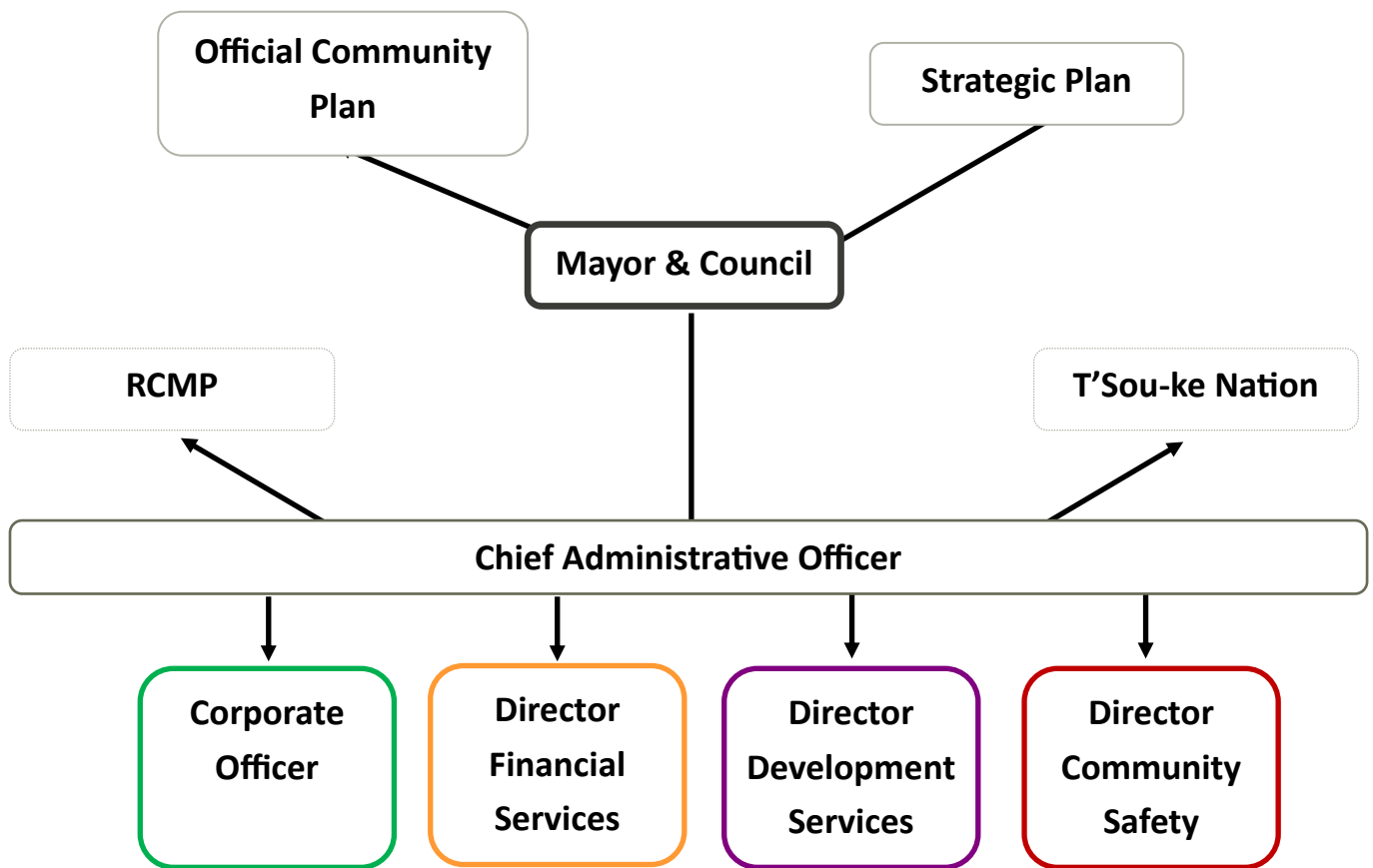
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MUNICIPAL SERVICES & OPERATIONS



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ORGANIZATIONAL FRAMEWORK

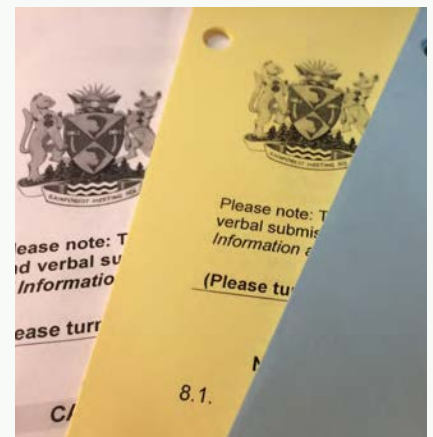






The Corporate Services department provides support to Council, the Chief Administrative Officer, staff and members of the community. This includes meeting management, bylaw, policy and legislative advice, public relations, District events, records management, freedom of information requests, corporate communications and human resource services.

Key Activities	2015	2016	2017
Freedom of Information Requests	22	22	17
Meetings <i>(Regular, Special, Committee)</i>	48	39	40
Bylaws <i>(created/ amended/ rescinded/ adopted)</i>	20	31	30



2017 Highlights

- Coordinated and hosted Talktober, volunteer recognition ceremony and Mayor & Council open house.
- Training for staff with online iCompass software.
- Execution of Council's Development & Engagement Workshop.

Initiatives Planned

- Plan and execute the 2018 Election.
- Preparations for CUPE contract renewal (expires the end of 2018).
- Prepare and conduct elected officials orientations.





The Financial Services Department is responsible for financial administration, information technology, mapping and land record systems and front desk reception.

Financial administration services include: accounting and reporting, revenue collection, payroll, invoicing and payments. Information Technology and Geographic Information Services which are discussed on the following pages.

2017 Statistics

Property Taxes Collected = \$18,487,665.51

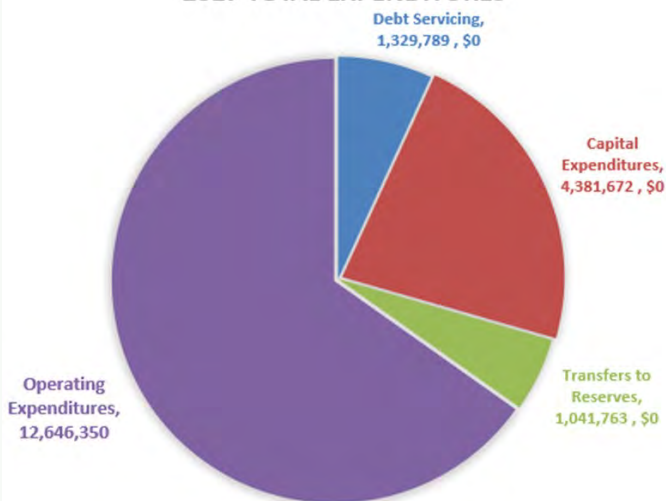
Tax Notices Prepared = 6,215

Home Owner Grants Claimed = 2,647 (Basic) & 1,336 (Senior) = 3,983

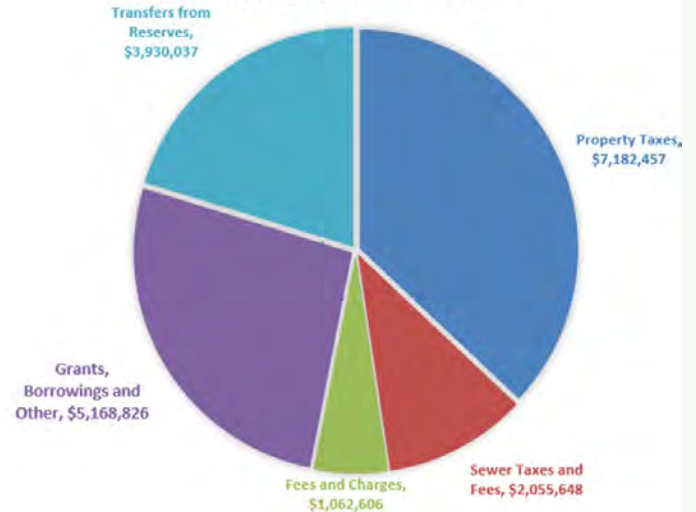
Pre-Authorized Withdrawal Users = 330

Invoices Processed = 3,660 (25% increase over 2016)

2017 TOTAL EXPENDITURES



2017 TOTAL FUNDING SOURCES



2017 Highlights

- Budget to actual reporting aligned to financial plan
- Clean audit opinion
- Asset Management report improved

Initiatives Planned

- Address staffing shortages (Deputy Director, Finance Clerk)
- Asset Management strategy and policy
- Continued roll-out of Tempest eApplication and MyCity modules





2017 saw continual upgrades of server infrastructure and retiring of legacy operating systems. Also land, records management and financial systems had major upgrades. In the summer a second IT position was added to address redundancy and increased workload from the onboarding of WWTP and Parks departments. In the fall web services for our land management system were improved and eInspections was added at the end of the year to allow mobile building inspection booking.

Web services currently available to the public are; live and archived council video, home owner grant applications, property inquiry showing assessments and taxes, mobile building inspection bookings and up to date web maps showing zoning and property data.

Looking forward to 2018 the district website was refreshed and more mobile services will be added throughout the year to allow online transactions that citizens currently need to visit in person for. The District phone system and network hardware are also due for a refresh which is expected in the summer of 2018. At the same time GIS and asset management systems will be upgraded to the latest versions. Lastly the waste water treatment plant SCADA system will need a refresh in 2019 so requirements will need to be determined this year. Operators increasingly use mobile access and much can be done on a phone that 5 years ago required a call out to a remote site.

The District IT department provides the base layer for most departments to do their work. Constant patching, upgrades and hardware replacement ensure our systems are secure and available to staff and the public. This is a never ending cycle.



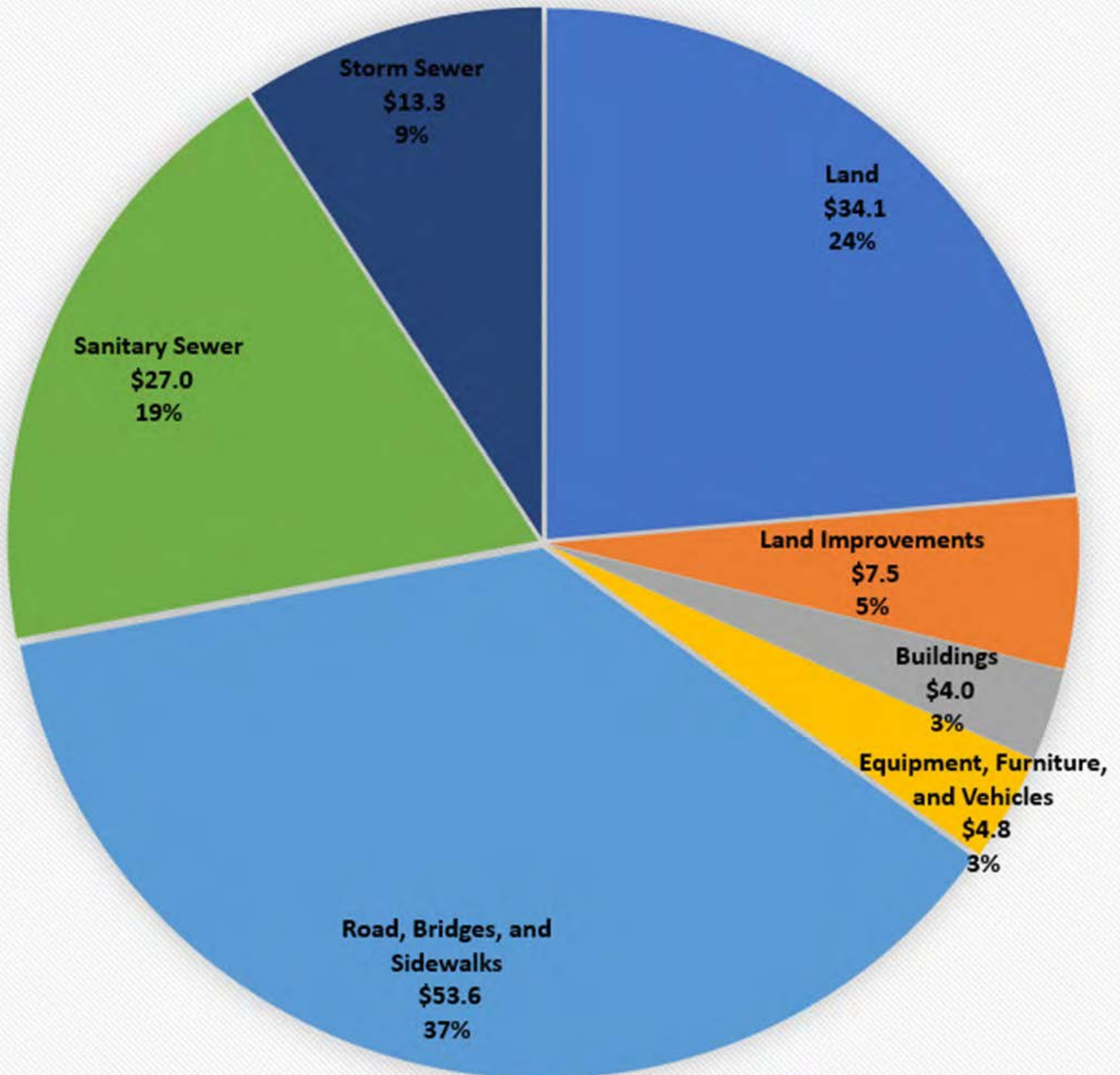
2017 Highlight

- Brought the Wasterwater Treatment Plant and new Parks office online .

Initiatives Planned

- Enhanced internal telephone communication services .
- New website design unveiling.

**Current Infrastructure Value
(\$ Millions)**





The District of Sooke municipal Geographic Information System (GIS) provides the digital mapping information to District of Sooke staff and to the public. The GIS database includes parcel information, addresses, buildings, infrastructure, environmental features, zoning boundaries, administrative boundaries, parks, watercourses, survey plans, and aerial photography. The GIS software is integrated with the Asset Management database, the Tempest Land Records database, and the financial databases to produce maps and reports.

The Asset Management database stores the location of municipal infrastructure and records its historic purchase cost, current condition, expected useful life, and an estimate of its current replacement cost.



Infrastructure conditions are monitored and recorded in the field by District staff using GIS field mapping tools and the Asset Management System.

In addition, the GIS and the Asset Management System are used by the Sooke Fire Department to monitor fire hydrants locations. This enables the Fire Department to assist with public inquiries regarding fire hydrant locations and with the Superior Tanker Shuttle Service accreditation coverage in proximity to dwellings.

2017 Highlights

- Asset Management System expansion to staff for reporting and recording.
- Mobile mapping deployed for monitoring & collection of external data.
- Participation in LTSA ParcelMap BC Case Study.

Initiatives Planned

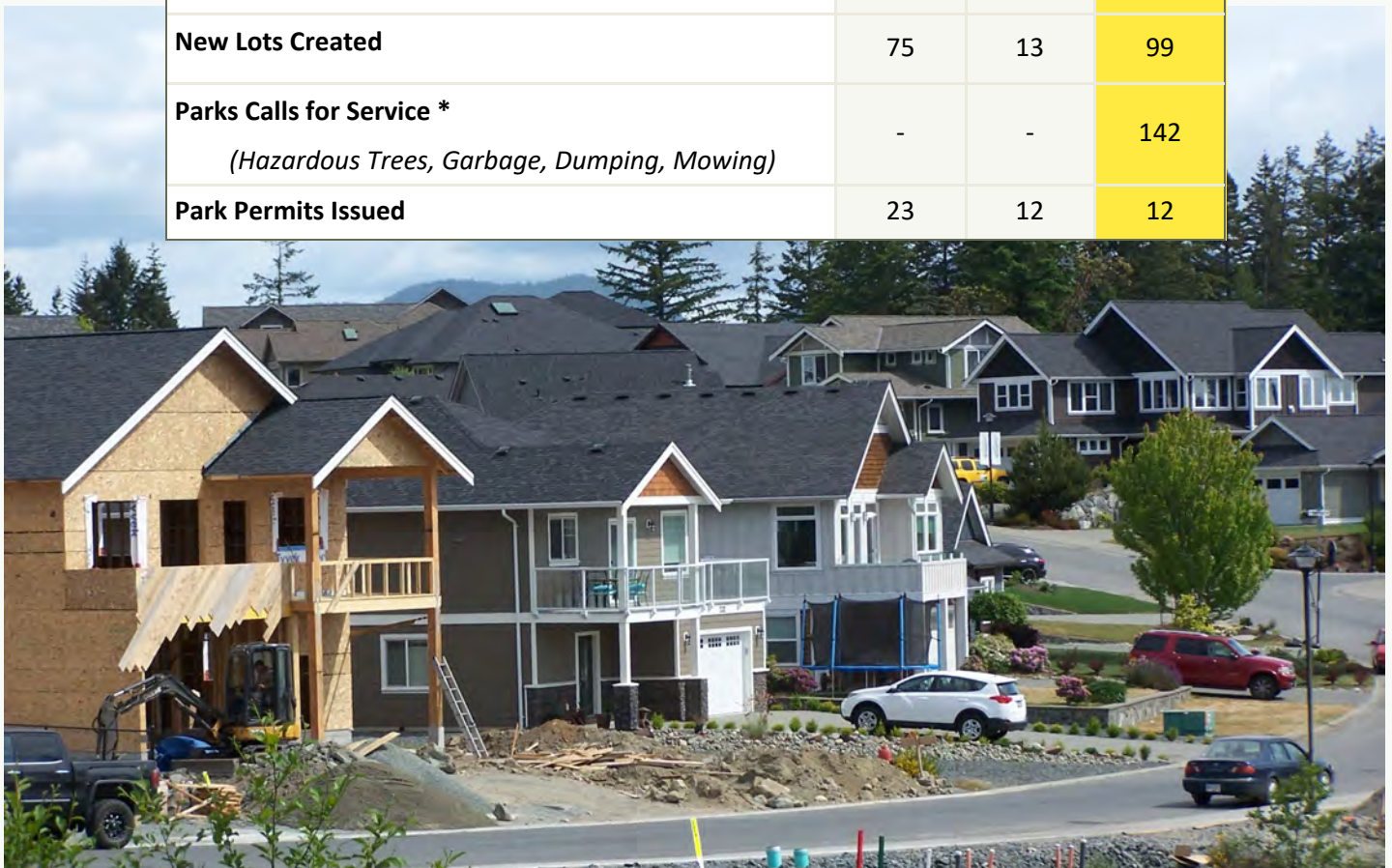
- Upgrades to ArcGIS version 10.6 & Asset Management version 4 software systems.
- Upgrades to internal & public web maps.
- Drafting of preliminary asset management plans.





The Development Services department encompasses several areas of operations within the municipality, which are responsible for a broad range of economic, environmental, engineering, planning and development in the community. This department supports quality development, economic prosperity, capital projects and maintenance of roads and storm water systems.

Key Activities	2015	2016	2017
Property Information / Comfort Letters Requests	258	209	211
Engineering Applications Received (Subdivision, Highway Use, Blasting)	206	297	297
Engineering Calls for Service * (Dumping, potholes, streetlights)	679	651	389
Planning Applications Received (Zoning, Development, Variance & Sign Permits)	63	49	49
Subdivision Plans Registered	13	10	20
New Lots Created	75	13	99
Parks Calls for Service * (Hazardous Trees, Garbage, Dumping, Mowing)	-	-	142
Park Permits Issued	23	12	12



* Parks and Engineering Calls for Service were combined in 2015 & 2016





The Engineering department is responsible for the planning, design, construction and maintenance of the District's infrastructure. From the street lights and road maintenance to line painting and sidewalks, this department ensures vehicle and pedestrian access within the community. The District works in cooperation with the Ministry of Transportation (MOTI) to enhance the sidewalk and roadways along the highways in the community.



2017 Highlights

- Road Improvement Assessment Completion
- Commenced Electric Vehicle Charging Station Program
- Cross walk & Line Painting Improvements
- Church Road, Gatewood Road & Gollege Road Improvements

Initiatives Planned

- Sooke River Road Drainage Improvements
- Road Improvement Program
- Installation of Electric Vehicle Charging Stations
- Drainage upgrades on Kennedy Road
- Continuation of Transit Stop Enhancement Project





In collaboration with various community stakeholders, the Planning Department develops and recommends policy that promotes effective land use strategies that improve the quality of life for District of Sooke residents. Creating and promoting a livable, vibrant and efficient built environment while ensuring the protection and enhancement of important environmental and agricultural resources are key tenets for the Planning Department.

District Council has endorsed policies contained within the Official Community Plan and other strategic planning documents, thereby providing guiding principles for work undertaken by the department. Through the use of these Planning documents, the Planning Department strives to balance social, environmental and economic interests, in order to achieve a built form that will benefit both the present and future residents of the community.

Services & Responsibilities

- Policy Planning
- Development Proposal review
- Zoning By-law and Official Plan Interpretation
- Urban Design
- Official Plan and Zoning Bylaw Amendments
- Site plan control approval
- Plan of Subdivision/ Condominium
- Development agreements & Covenants



2017 Highlights

- Initiated review of the Official Community Plan and hosted community interaction events.

Initiatives Planned

- Continue review of the Official Community Plan bylaw.
- Refresh of the Traffic Master Plan, in cooperation with the Engineering Department.



Welcome
to
ooke

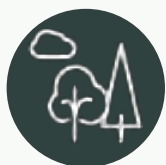
Where the Rainforest
Meets the Sea

Communities in Bloom
Participant

Volunteer Capital of
Canada



PARKS & ENVIRONMENTAL SERVICES



This year Parks enhanced their operating services with the completion in-house staffing to maintain the growing demands of District assets. The areas maintained by this department range from garbage collection to playground and green space maintenance.

Key 2017 Updates

Acquired Public Land 2017 = 6.74 hectares

Trails Developed = 676m

Ornamental Area Maintained = 574 m²

Rainwater Ponds Monitored = .234 ha

Street & Parkland Trees Planted = 53



Parks and trails owned and operated by the District of Sooke are established to provide local, publicly accessible green spaces for the people of Sooke. These sites often have a variety of purposes: sports or passive recreation, environmental protection, access to shoreline or preservation of unique landscapes or historical features.

2017 Highlights

- Horne Road / Goodmere Trail Connection
- John Phillips Park Bench & Trail Extension
- Sunriver Nature Trail & Staircase Completion
- Seasonal Adornment Improvements
- Established in-house Parks Department
- Enhanced Parks Maintenance Equipment

Initiatives Planned

- Whiffen Spit Improvements
- DeMamiel Creek Pedestrian Crossing Design
- Playground Replacements—Broomhill & Brooks Parks
- Parks & Trails Master Plan

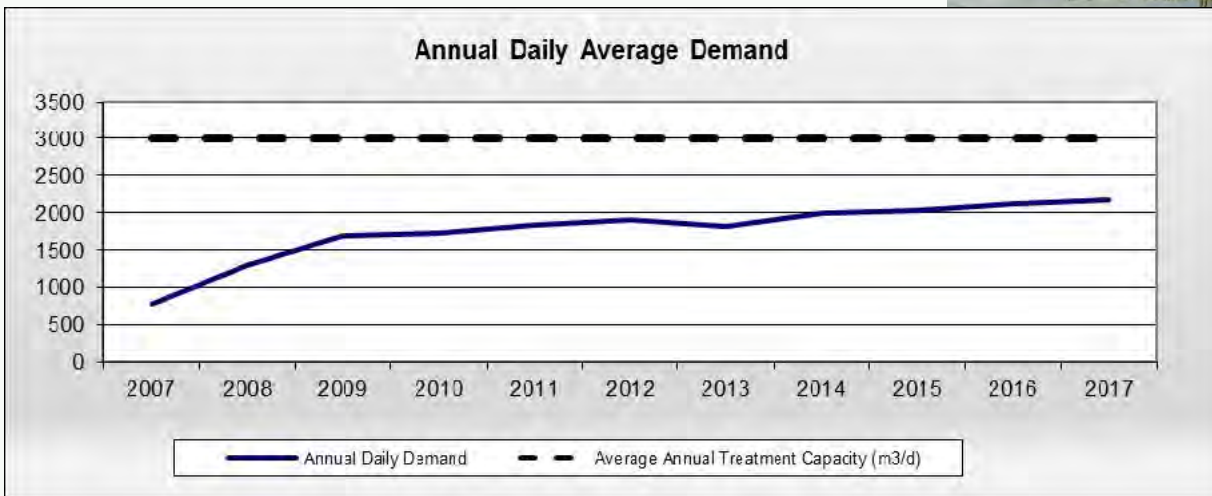




The Wastewater collection and treatment system services the core area of Sooke. Our treatment facility removes over 95% of contaminants, providing significant environmental benefits to the receiving waters.

Current System

- 58km of collection system piping
- 587 manholes
- 6 lift stations



2017 Highlights

- Life extension of centrifuge
- Site safety enhancements
- Security update completed for SCADA system
- Facility improvements (office & plant)

Initiatives Planned

- Critical Parts Inventory.
- Pump Install & Wet Well Expansion
- Storm Water Management Flow Monitoring.
- Enhanced Biosolids Handling.





Community safety comes in many forms and with the support of Bylaw, Building and the Fire Department, alongside numerous volunteers, the District of Sooke is able to provide a variety of opportunities for public education. These are held both on site, with restrictions, permit requirements, proper car seat installation, first aid training, and school tours, as well as off-site involvement at community events and discussion with our development community through the building department, as well as visitor and resident education from our Bylaw Officer.



This past year, fire prevention focused on station tours and fire safety talks for pre-school, elementary and middle school students, which occurred on a regular basis. Over 500 kids were brought through the fire hall doors for fire safety talks in 2017.

Emergency Support Services (ESS) volunteers meet and train on an ongoing basis to meet their mission to provide planning, support, education, and leadership for any emergency where food, lodging and other necessities, due to disasters impacting the District of Sooke, are required. This year our Emergency Support Services team led and participated in the Great BC Shakeout and planned several Emergency Preparedness Open Houses for residents of Sooke.

Other key events that members supported include: Talktober, the Rotary Auction and the Juan de Fuca Emergency Preparedness Fair. SFRD's capstone event, the Annual Christmas Drive in support of the Sooke Christmas Bureau once again provided much needed food and hampers through the holidays. Over \$100,000 in cash and food donations were provided by the generous residents of Sooke. Sincere appreciation to all who supported this worthwhile endeavor.

The District of Sooke contracts with the RCMP for policing services and to enforce municipal bylaws. The District also provides funding for several organizations such as:

- Mobile Youth Services Team
- Community Liaison Officer
- Integrated Domestic Violence Unit
- RCMP Victim Services
- Park Watch





The District's bylaws are enforced by the Bylaw Department, with the purpose of educating residents and visitors on compliance of municipal bylaws. This department manages all business licenses for the community, which are mandated to promote safe and legitimate business premises and operations within the District of Sooke.

BYLAW Key Activities	2015	2016	2017
Bylaw Investigations <i>(Unsightly Premises, Zoning Non-Compliance, Noise)</i>	222	233	342
Parking Investigations <i>(Illegal Parking & Uninsured Vehicles)</i>	88	97	94
Business Licence Investigations	718	663	592



The Building Department is responsible for the approval of residential, commercial and industrial construction with the Municipality. Requests for building, demolition, highway use and plumbing permit are submitted for review and approval through this department.

BUILDING Key Activities	2015	2016	2017
Residential Permits <i>(Single & Multi Family)</i>	124	163	159
Other Permits Issues <i>(Demolition, plumbing, sewer, suites, woodstoves, decks)</i>	58	61	67

2017 Highlights

- Electronic inspection booking pilot project

Initiatives Planned

- Increased customer service, with additional staff planned for both Bylaw & Building departments.
- Implementation of online applications and progress updates.



FIRE DANGER **L**
Open Burning NOT PERMITTED from: June

WJ STEPHENSON
SOOKE FIRE
2225 OTTER PO



Emergency response calls continue to rise at the District of Sooke Fire Rescue Department (SFRD). Regional growth and development have substantially influenced an increase in the emergency and non-emergency services that SFRD provides. The Department's dedication to providing effective service to the growing community remains steadfast. There is continued reliance, and appreciation for, the career and volunteer membership who strive to ensure that SFRD can meet the increasing – and evolving – needs of the residents of Sooke.



Key Activities	2015	2016	2017
Fires—All Types	82	75	68
MVA & Rescue	91	98	83
Complaints	122	107	100
Hazardous Condition	57	42	27
Medical Aid	498	540	589
Alarms	71	55	60
Other (public service calls)	31	62	95

APPARATUS, EQUIPMENT & OPERATIONS

In 2017, the department began testing new Canvas software for equipment checks. A new SCBA air compressor was selected and purchased through a public RFQ process. SFRD is now utilizing Asset Management integration into long term apparatus planning. GIS is being used for tactical planning and improvements are being made to responding software and gathering and recording local hydrant information. Upgrades to the MSA G1's was also undertaken in 2017.

FIRE PREVENTION

There are approximately 700 inspectable properties in Sooke, including schools, businesses, care homes and public gathering spaces, with differing inspection schedules depending on the type of business. In adherence with the Fire Services Act, as mandated by the British Columbia Provincial Government and the Office of the Fire Commissioner, fire inspections remain a top priority. The Department is ramping up both fire inspections and developing pre-incident plans (PIP's) for applicable properties.

2017 Highlights

- Interior wildfire support & deployment.
- Superior Tanker Shuttle Service Accreditation—through Fire Underwriters Survey
- Recruited & selected 2 career Firefighters

Initiatives Planned

- Host the 2018 BC Fire Training Officers Association Conference.
- New Water Tender apparatus added to the Fleet.





Sooke RCMP provide policing services to the District of Sooke, East Sooke, Otter Point, Shirley, Jordan River and Port Renfrew. The Detachment consists of 17 RCMP officers, 13 of which are funded by the District of Sooke, and 4 funded by the Province. The Detachment has 4 support staff, one Victim Service worker and 4 part-time "on-call" guards.

Sooke Detachment members provide response for calls to service ranging from provincial statutes, and traffic accidents to serious criminal offences. Each member carries a significant case load of criminal and other Federal Statute investigations. The detachment also conducts patrols and traffic enforcement as well as Community Policing initiatives within the District of Sooke and rural

Key Activities	2015	2016	2017
Assaults	85	76	112
Sexual Assaults	9	11	12
Break & Enter (Business)	25	14	10
Break & Enter (Residence)	31	29	17
Break & Enter (other)	10	15	13
Theft from vehicle	16	23	77
Theft over \$5000	10	7	4
Theft under \$5000	125	124	138
Dangerous Motor Vehicle Operation	n/a	n/a	5
Impaired Motor Vehicle Operation	n/a	n/a	92



2017 Highlights

- Record number of impaired drivers charged criminally or by immediate roadside prohibition.
- Detachment strength increased to 17, adjusting schedule to police 22 hours a day (previously 20hrs).
- Cst. From & Cst. Ingeberg awarded by Lieutenant Governor for making "Alexa's Team (each processing 12

Initiatives Planned

- Improve internal and external communication, through timely & effective reporting .
- Enhance road safety—Increased road checks and processing impaired driver's .
- Target prolific property offenders.
- Build, improve and encourage positive relations with our community partners.
- Increased services to victims of crime.

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FISCAL YEAR REVIEW

Based on the fiscal year end of December 31, 2017, the following sections will provide a financial review of the District's financial statements.

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COMMUNITY GRANTS

The Community Grants program assists organization with project, special activities and events that serve the well-being of the community. With the financial support of the District's the well-being of the community is enhanced through sport, culture, fire arts, heritage, public safety, volunteerism, and beautification projects. These grants are an important source of funding to local community organization which help to provide a variety of services in the community.

Category A—Annual Operating Grants 2017	
Sooke Food Bank Society	10,000
Citizens on Patrol Sooke	2,800
EMCS Society for the Sooke Youth Council	3,500
JDF Regional Park Watch Society	5,000
Sooke Community Arts Council	4,000
Sooke Residents in Need Society-Crisis Centre	6,120
Sooke Lions Club	5,000
Sooke Family Resource Society	2,000
Sooke Region Food CHI	7,000
Sooke Fine Art's Society	7,000
Vancouver Island South Film & Media	500
Sooke Transition Town Society- Wild Wise	2,925
NEED 2- Suicide Prevention & Education	1,592
TOTAL	\$54,437

Category B—Project Grants 2017	
Journey Middle School PAC-Youth Summit	525
Harmony Project Society of BC	7,000
Juan de Fuca Ground Search & Rescue	3,500
Juan de Fuca Marine Rescue Society	500
Meals on Wheels	2,700
Royal Canadian Legion- Branch #54	10,000
EMCS Arts Dept- Bus Shelter Project	1,211
Sooke Elderly Citizen's Housing Society	4,000
Sooke Philharmonic Society	2,375
Sooke Fall Fair	2,000
Sooke Music Festival	3,000
Sooke Baptist Church	6,000
Sooke Community Choir Society	2,000
Sooke Harbour Players Society	4,500
Sooke Transition Town Society- Zero Waste	750
TOTAL	\$50,061

Other—Line Item Budget	
Sooke Region Community Health Initiatives	17,500
Sooke Community Association	28,000
Sooke Region Tourism Association	23,000
Sooke Region Museum-Visitor Information Centre	21,225
Sooke Food Bank Society	15,000
TOTAL	\$104,725

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PROPERTY TAX EXEMPTIONS

The District of Sooke considers granting Permissive Tax Exemptions under section 24 of the *Community Charter* to agencies within the District who financially require such exemptions in order to provide a service to the community, whose services result in improved quality of life within the community.

Organization	Civic Address	Value of Exemption
PUBLIC WORSHIP EXEMPTIONS		
Sooke Baptist Church	7110 West Coast Rd	\$16,682.10
Pentecostal Assemblies of Canada	6851 West Coast Rd	\$2,586.29
Anglican Synod Diocese of BC	1952 Murray Rd	\$7,966.48
Presbyterian Church in Canada	2110 Church Rd	\$3,439.85
Seventh-Day Adventist Church	6251 Sooke Rd	\$936.53
Seventh-Day Adventist Church	6255 Sooke Rd	\$1,245.72
Sooke Congregation of Jehovah Witnesses	2207 Church Rd	\$8,249.53
Bishop of Victoria	2191 Townsend Rd	\$9,646.11
RECREATIONAL EXEMPTIONS		
Sooke Community Association	2039 Shields Rd	\$9,339.82
Sooke Community Association	6441 Throup Rd	\$7,017.77
Sooke Community Association	6521 Throup Rd	\$5,139.10
Sooke Community Association	6521 Throup Rd	\$1,620.63
Sooke Community Association	6521 Throup Rd	\$1,635.57
Sooke Community Association	2249 Sooke River Rd	\$6,421.77
Sooke Community Association	2259 Phillips Rd	\$14,737.75
Sooke Community Association	2259 Phillips Rd	\$4,403.30
Sooke Lions Club	2008 Murray Rd	\$1,747.41
CDN Council of the Girl Guides	2292 Sooke River Rd	\$5,210.66
Camp Thunderbird Society YMCA	Glinz Lake Rd	\$10,403.40
Camp Thunderbird Society YMCA	Glinz Lake Rd	\$4,899.23
Camp Thunderbird Society YMCA	Glinz Lake Rd	\$4,421.26
NON PROFIT EXEMPTIONS		
St Vincent de Paul Society of Victoria	6750 West Coast Rd	\$9,976.24
St Vincent de Paul Society of Victoria	6750 West Coast Rd	\$2,667.78
St Vincent de Paul Society of Victoria	6750 West Coast Rd	\$4,047.26
St Vincent de Paul Society of Victoria	6750 West Coast Rd	\$4,027.26
Children's Health Foundation of Vancouver Island	6672 Wadams Way	\$39,543.74
Sooke Harbour Authority (Water Lot 193)	Maple Ave South	\$12,741.03
Crown - Federal	1800 Maple Ave South	\$594.48
Sooke Pacific Royal Can Legion #54	6726 Eustace Rd	\$11,045.29
Sooke Region Historical Society	2070 Phillips Rd	\$20,107.28
Sooke Elderly Citizens' Housing Society	6744 Ayre Rd	\$62,614.89
Sooke - Mount Shepherd Masonic Assoc.	6544 Throup Rd	\$4,958.88
Sooke Hospice Society	6669 Goodmere Rd	\$5,865.34
Juan de Fuca Salmon Restoration Society	2895 Sooke River Rd	\$11,943.45
TOTAL		\$317,833.20

Financial Statements of

DISTRICT OF SOOKE

Year ended December 31, 2017

DISTRICT OF SOOKE

Financial Statements

Year ended December 31, 2017

Financial Statements

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MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The accompanying financial statements of District of Sooke (the "District") are the responsibility of management and have been prepared in compliance with applicable legislation, and in accordance with public sector accounting standards for governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. A summary of the significant accounting policies are described in note 1 to the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's 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 Finance



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

INDEPENDENT AUDITORS' REPORT

To the Mayor and Councillors of District of Sooke

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

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

Chartered Professional Accountants

Victoria, Canada
May 9, 2018

DISTRICT OF SOOKE

Statement of Financial Position

December 31, 2017, with comparative information for 2016

	2017	2016
Financial assets:		
Cash and cash equivalents (note 2)	\$ 11,042,579	\$ 10,101,784
Property taxes receivable	884,335	869,596
Accounts receivable	155,712	231,856
Other assets (note 10(a))	135,336	132,747
	12,217,962	11,335,983
Financial liabilities:		
Accounts payable and accrued liabilities	1,601,098	2,024,997
Deposits	607,622	395,551
Deferred revenue (note 3)	3,688,308	3,617,878
Employee benefit obligations (note 4)	255,126	389,335
Long-term liabilities (note 5)	6,136,960	6,972,901
	12,289,114	13,400,662
Net debt	(71,152)	(2,064,679)
Non-financial assets:		
Tangible capital assets (note 6)	106,124,711	104,774,456
Prepaid expenses	222,045	268,006
	106,346,756	105,042,462
Accumulated surplus (note 7)	\$ 106,275,604	\$ 102,977,783

Commitments and contingent liabilities (note 10)

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

On behalf of the District:



Director of Finance

DISTRICT OF SOOKE

Statement of Operations

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

	Financial Plan (note 11)	2017	2016
Revenue:			
Net taxes available for municipal purposes (note 8)	\$ 7,430,019	\$ 7,385,794	\$ 6,867,316
Sales and user fees	77,750	301,508	151,586
Government transfers (note 9)	1,048,300	1,019,907	1,394,769
Investment income	60,000	315,504	252,812
Penalties and fines	185,000	157,768	181,298
Licenses and permits	566,392	667,909	579,567
Lease and rental	33,464	32,076	50,222
Donations and contributions	-	4,117,939	2,784,840
Developer cost charges	450,577	450,577	510,841
Sewer operating revenue	2,055,648	2,081,068	1,996,012
Casino revenue sharing	250,000	251,957	253,721
Total revenue	12,157,150	16,782,007	15,022,984
Expenses:			
General government	3,009,391	2,508,128	2,951,646
Protective services	3,882,387	3,924,664	3,407,165
Development service	3,819,283	4,950,220	4,076,253
Sewer	2,036,454	2,101,174	2,349,515
Total expenses	12,747,515	13,484,186	12,784,579
Annual surplus	(590,365)	3,297,821	2,238,405
Accumulated surplus, beginning of year	102,977,783	102,977,783	100,739,378
Accumulated surplus, end of year	\$ 102,387,418	\$ 106,275,604	\$ 102,977,783

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

DISTRICT OF SOOKE

Statement of Change in Net Debt

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

	Financial Plan (note 11)	2017	2016
Annual surplus	\$ (590,365)	\$ 3,297,821	\$ 2,238,405
Acquisition of tangible capital assets	(4,381,672)	(623,446)	(3,852,533)
Developer contributions of tangible capital assets	-	(4,077,554)	(2,521,038)
Amortization of tangible capital assets	2,563,026	3,349,321	2,823,583
Loss on disposal of tangible capital assets	-	1,424	-
	(1,818,646)	(1,350,255)	(3,549,988)
Acquisition of prepaid expenses	-	45,961	260,778
Change in net debt	(2,409,011)	1,993,527	(1,050,805)
Net debt, beginning of year	(2,064,679)	(2,064,679)	(1,013,874)
Net debt, end of year	\$ (4,473,690)	\$ (71,152)	\$ (2,064,679)

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

DISTRICT OF SOOKE

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	\$ 3,297,821	\$ 2,238,405
Items not involving cash:		
Developer contributions of tangible capital assets	(4,077,554)	(2,521,038)
Amortization of tangible capital assets	3,349,321	2,823,583
Loss on disposal of tangible capital assets	1,424	-
Actuarial adjustment on debt	(155,047)	(137,004)
Changes in non-cash operating assets and liabilities:		
Property taxes receivable	(14,739)	555,101
Accounts receivable	76,144	88,139
Other assets	(2,589)	(3,609)
Accounts payable and accrued liabilities	(423,899)	(2,309,371)
Deposits	212,071	(178,779)
Employee benefit obligations	(134,209)	112,394
Deferred revenue	70,430	(220,686)
Prepaid expenses	45,961	260,778
	2,245,135	707,913
Capital activities:		
Acquisition of tangible capital assets	(623,446)	(3,852,533)
	(623,446)	(3,852,533)
Financing activities:		
Debt issued and assumed	-	1,420,000
Debt payments	(680,894)	(534,568)
	(680,894)	885,432
Increase (decrease) in cash and cash equivalents	940,795	(2,259,188)
Cash and cash equivalents, beginning of year	10,101,784	12,360,972
Cash and cash equivalents, end of year	\$ 11,042,579	\$ 10,101,784
Supplemental cash flow information:		
Cash paid for interest	\$ 205,553	\$ 441,280
Cash received from interest	210,278	126,716

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

DISTRICT OF SOOKE

Notes to Financial Statements

Year ended December 31, 2017

District of Sooke (the "District") is a municipality in the Province of British Columbia and operates under the provisions of the Local Government Act and the Community Charter of British Columbia.

The District provides municipal services such as fire, public works, engineering, planning, parks, recreation, community development, and other general government operations.

1. Significant accounting policies:

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

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

(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) Government transfers:

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

DISTRICT OF SOOKE

Notes to Financial Statements (continued)

Year ended December 31, 2017

1. Significant accounting policies (continued):

(d) Deferred revenue:

Deferred revenue includes grants, contributions and other amounts received from third parties pursuant to legislation, regulation and agreement which may only be used in certain programs, in the completion of specific work, or for the purchase of tangible capital assets. In addition, prepaid property taxes and 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, thereby extinguishing the related liability.

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

(e) Property tax revenue:

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

(f) Investment income:

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

(g) Deposits:

Receipts restricted by third parties are deferred and reported as deposits under certain circumstances. Deposits are returned when the third party meets their obligations or the deposits are recognized as revenue when qualifying expenditures are incurred.

(h) Cash and cash equivalents:

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

(i) Long-term debt:

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

DISTRICT OF SOOKE

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 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 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	10 - 50
Buildings	25 - 40
Equipment, furniture and vehicles	4 - 25
Roads and sidewalks	25 - 75
Storm sewer	60
Sanitary sewer	25 - 60

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.

DISTRICT OF SOOKE

Notes to Financial Statements (continued)

Year ended December 31, 2017

1. Significant accounting policies (continued):

(k) Non-financial assets (continued):

(ii) Contributions of tangible capital assets:

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

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

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

(iv) Interest capitalization:

The 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.

(l) Contaminated sites:

The District records a liability in its financial statements when contamination on non-active property exceeds an accepted environmental standard and the District is directly responsible, or accepts responsibility for, the damage. The liability is measured at the District's best estimate of the costs directly attributable to remediation of the contamination. No contaminated sites liabilities have been recorded in these financial statements.

(m) Use of estimates:

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

DISTRICT OF SOOKE

Notes to Financial Statements (continued)

Year ended December 31, 2017

2. Cash and cash equivalents:

	2017	2016
Bank deposits	\$ 1,497,176	\$ 1,671,008
Municipal Finance Authority Pooled Investment Funds	9,545,403	8,430,776
	<u>\$ 11,042,579</u>	<u>\$ 10,101,784</u>

3. Deferred revenue:

	2017	2016
Prepaid property taxes	\$ 881,784	\$ 957,082
Development cost charges	2,756,217	2,615,510
Other deferred revenue	50,307	45,286
Total deferred revenue	<u>\$ 3,688,308</u>	<u>\$ 3,617,878</u>

Included in other deferred revenue are business licenses and building permits.

Development Cost Charges

	2017	2016
Opening balance of unspent funds	\$ 2,615,510	\$ 2,986,428
Add:		
Development cost charges during the year	559,791	124,967
Interest earned	31,493	14,956
	<u>591,284</u>	<u>139,923</u>
	3,206,794	3,126,351
Less amount recorded as revenue	450,577	510,841
Closing balance of unspent funds	<u>\$ 2,756,217</u>	<u>\$ 2,615,510</u>

DISTRICT OF SOOKE

Notes to Financial Statements (continued)

Year ended December 31, 2017

4. Employee benefit obligations:

	2017	2016
Accrued vacation	\$ 52,018	\$ 32,852
Other contract obligations	203,108	356,483
	<u>\$ 255,126</u>	<u>\$ 389,335</u>

Employee benefit obligations represent accrued benefits as at December 31, 2017. Accrued vacation is the amount of vacation entitlement carried forward into the next year. Other contract obligations include banked overtime payable to the District's employees, accumulated sick leave banks and retirement benefits for possible drawdown at future dates. Sick leave entitlements may only be used while employed by the District and are not paid out upon retirement or termination of employment.

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 governments.

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

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

The District paid \$246,674 (2016 - \$253,931) for employer contributions to the Plan in fiscal 2017, while employees contributed \$211,993 (2016 - \$210,837) to the plan in fiscal 2017.

DISTRICT OF SOOKE

Notes to Financial Statements (continued)

Year ended December 31, 2017

5. Long-term liabilities:

	2017	2016
Tax supported debt bearing interest at 6.75% and matures in 2017 (municipal hall and fire hall)	\$ -	\$ 80,651
Tax supported debt bearing interest at 4.52% and matures in 2027 (ladder truck)	360,322	390,671
Debenture debt for sewer capital project bearing interest at 4.43% and matures in 2026	4,782,638	5,223,579
MFA Loan (property purchase) bearing annual variable interest and matures in 2021	994,000	1,278,000
Long-term liabilities	\$ 6,136,960	\$ 6,972,901

(a) Debenture debt:

The loan agreements with the Capital Regional District ("CRD") 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, whereby the MFA invests the District's principal 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 and 2016 is \$9,417,101.

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

	Total
2018	\$ 600,243
2019	600,243
2020	600,243
2021	458,243
2022	316,243

(c) Total interest expense on long-term debt for the year ending December 31, 2017 amounted to \$205,553 (2016 - \$441,280).

DISTRICT OF SOOKE

Notes to Financial Statements (continued)

Year ended December 31, 2017

6. Tangible capital assets:

	Land	Land improvements	Buildings	Equipment, furniture and vehicles	Roads and sidewalks	Storm sewer	Sanitary sewer	Work in progress	Total 2017	Total 2016
Cost:										
Balance, beginning of year	\$31,842,897	7,301,324	3,970,293	4,476,427	52,960,121	12,568,707	26,535,338	272,375	\$139,927,482	\$133,553,911
Additions	2,231,170	207,167	54,496	283,963	637,368	720,611	503,151	61,395	4,699,321	9,171,506
Transfers	-	-	-	-	-	-	-	-	-	(2,797,935)
Balance, end of year	34,074,067	7,508,491	4,024,789	4,760,390	53,597,489	13,289,318	27,038,489	333,770	144,626,803	139,927,482
Accumulated amortization:										
Balance, beginning of year	-	2,397,756	2,308,242	2,737,148	21,598,127	1,333,454	4,778,299	-	35,153,026	32,329,443
Disposals	-	-	-	-	(255)	-	-	-	(255)	-
Amortization	-	343,568	140,126	325,518	1,795,249	208,799	535,805	-	3,349,321	2,823,583
Balance, end of year	-	2,741,324	2,448,368	3,062,666	23,393,121	1,542,253	5,314,104	-	38,502,092	35,153,026
Net book value, end of year	\$34,074,067	4,767,167	1,576,421	1,697,724	30,204,368	11,747,065	21,724,385	333,770	\$106,124,711	\$104,774,456

DISTRICT OF SOOKE

Notes to Financial Statements (continued)

Year ended December 31, 2017

6. Tangible capital assets (continued):

(a) Work in progress:

Work in progress having a value of \$333,770 (2016 - \$272,375) has not been amortized. Amortization of these assets will commence when the asset is available for service.

(b) Contributed tangible capital assets:

Contributed tangible capital assets have been recognized at fair market value at the date of contribution. The value of contributed capital assets received during the year is \$4,077,554 (2016 - \$2,521,038) comprised of land \$2,231,169, land improvements \$95,000, roads and sidewalks (\$639,045), storm sewer \$419,135 and sanitary sewer \$639,205.

(c) Tangible capital assets disclosed at nominal values:

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

(d) 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:

No write-down of tangible capital assets occurred during the year.

DISTRICT OF SOOKE

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	\$ 99,987,751	\$ 97,801,555
Operating Fund	1,668,628	1,171,698
Total surplus	101,656,379	98,973,253
Reserve Funds:		
Gas Tax Reserve	403,218	807,718
Fire Equipment Reserve	191,571	113,995
Parkland Reserve	209,386	206,778
Land (Non-park) Reserve	73,269	73,422
Casino Revenue Reserve	490,489	347,405
Capital Improvement Financing Reserve	108,968	54,894
SPA Revenue Reserve	61,012	58,257
Capital Works Reserve	56,123	62,966
Emergency Road Repair / Snow Removal Reserve	179,372	177,138
Carbon Tax Rebate Reserve	7,144	5,327
Community Amenities Reserve	127,292	122,720
Risk Management Reserve	30,870	30,870
Property Tax Stabilization Reserve	51,000	51,000
Revenue Smoothing Reserve	71,000	71,000
Capital Asset Replacement Reserve	609,023	634,336
Future Sewer Expenditures Reserve	915,771	306,108
Seniors/Youth Centre Reserve	202,578	150,677
Playing Field Reserve	408,101	403,017
Future Policing Costs Reserve	173,615	88,615
Future Road Liabilities Reserve	182,594	171,458
Harbour Park Reserve	19,198	19,198
Marine Boardwalk Reserve	5,520	5,520
Banner Contributions Reserve	500	500
Knott / Demamiel Watershed Reserve	6,700	6,700
Street Lighting Reserve	4,000	4,000
Frontage Improvements Reserve	30,911	30,911
Total reserve funds	4,619,225	4,004,530
	\$106,275,604	\$102,977,783

DISTRICT OF SOOKE

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	\$ 16,437,477	\$ 16,163,251
Payments in lieu of taxes	39,987	32,778
1% Utility tax	168,117	146,393
	16,645,581	16,342,422
Less taxes levied on behalf of:		
Provincial government - school taxes	4,414,026	4,601,783
Capital Regional District	2,922,359	2,879,798
Capital Regional Hospital District	645,044	663,809
Municipal Finance Authority	501	458
BC Assessment Authority	115,089	129,606
BC Transit Authority	581,545	637,429
Vancouver Island Regional Library	581,223	562,223
	9,259,787	9,475,106
Net taxes available for municipal purposes	\$ 7,385,794	\$ 6,867,316

9. Government transfers:

The Government transfers reported on the statement of operations and accumulated surplus are:

	2017	2016
Provincial Small Community Protection	\$ 351,259	\$ 341,965
Provincial Traffic Fine Revenue	69,450	85,240
Multi-use Trail Grants	-	72,786
Gas Tax Agreement Funds	541,585	534,881
Ministry of Transportation and Infrastructure	-	320,000
Other	57,613	39,897
Total revenue	\$ 1,019,907	\$ 1,394,769

DISTRICT OF SOOKE

Notes to Financial Statements (continued)

Year ended December 31, 2017

10. 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) Municipal Finance Authority 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 totaling \$135,336 (2016 - \$132,747) are included in the District's financial assets as other assets 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 \$272,296 (2016 - \$272,296) which are not included in the financial statements of the District.

(b) The 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) As part of the normal course of business, the District has entered into various agreements and contracts for services with periods ranging up to five years. These amounts will be recorded in the accounts in the period that the goods and services are received.

(e) The District entered into a long-term contract with the Royal Canadian Mounted Police for the provision of police services effective April 1, 2002. Under the terms of this contract, the District is responsible for 70% of policing costs. The 2018 estimated cost of this contract is \$2,003,896.

DISTRICT OF SOOKE

Notes to Financial Statements (continued)

Year ended December 31, 2017

10. Commitments and contingent liabilities (continued):

- (f) The District is a defendant in various lawsuits. The District records an accrual in respect of legal claims that are likely to be successful and for which a liability amount is reasonably determinable. The remaining claims, should they be successful as a result of litigation, will be recorded when a liability is likely and determinable. The District is covered through an independent insurance program against certain claims.

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.

11. Financial plan data:

The financial plan data presented in these financial statements is based upon the 2016 operating and capital financial plans approved by Council on April 10, 2017. The following reconciles the approved financial plan to the figures reported in these financial statements.

	Financial plan amount
Revenues:	
Financial plan, as approved by Council	\$ 19,399,635
Less:	
Transfers from other funds	3,679,459
Proceeds from borrowing	1,000,000
Amortization offset	2,563,026
Total revenue	12,157,150
Expenses:	
Financial plan, as approved by Council	19,399,635
Less:	
Capital expenditures	4,381,672
Transfer to other reserves	1,377,603
Debt principal payments	892,845
Total expenses	12,747,515
Annual surplus	\$ (590,365)

DISTRICT OF SOOKE

Notes to Financial Statements (continued)

Year ended December 31, 2017

11. Financial plan data (continued):

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

12. Segmented information:

The District 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:

(a) General Government:

General government is comprised of Corporate Services, Finance, Human Resources and Information Technology. This segment also includes any other functions categorized as non-departmental.

(b) Protective services:

Protective services is comprised of three different functions, including the District's emergency management, fire, and police services. The emergency management agency prepares the District to be more prepared and able to respond to, recover from, and be aware of, the devastating effects of a disaster or major catastrophic event that will impact the community. The fire department is responsible for providing critical, life-saving services in preventing or minimizing the loss of life and property from fire and natural or man-made emergencies. Policing services are provided to the District under a long term agreement with the Royal Canadian Mounted Police.

DISTRICT OF SOOKE

Notes to Financial Statements (continued)

Year ended December 31, 2017

12. Segmented information (continued):

(c) Development Services:

Development Services includes Engineering, Community Spaces, Building Inspection, Planning and Development and Geographic Information Services.

Engineering is responsible for the planning, design and construction of the District's infrastructure. This department, working closely with the Planning Department, ensures that the District is developed in a fashion consistent with the Official Community Plan while at the same time making sure that good engineering practices are maintained.

Community Spaces is responsible for the construction and maintenance of the District's parks and greenspaces. This includes formal parks such as Ed Macgregor Park and the Marine Boardwalk, local play parks and numerous natural areas such as Whiffin Spit Park.

Planning and development is responsible for the District's community planning goals and economic development through the official community plan, and other policy initiatives.

Geographic Information Services provides asset management, mapping and property information to District of Sooke staff and to the public.

(d) Sewer:

The sewer protects the environment and human health from the impacts of liquid wastes generated as a result of human occupation and development in the District.

Certain allocation methodologies have been employed in the preparation of the segmented financial information. The General Fund reports on municipal services that are funded primarily by taxation such as property taxes and other tax revenues. The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements as disclosed in note 1.

DISTRICT OF SOOKE

Notes to Financial Statements (continued)

Year ended December 31, 2017

12. Segmented information (continued):

	General Government		Protective Services	Development	Sewer	Total
2017						
Revenue:						
Taxation	\$ 7,385,794	\$ -	\$ -	\$ -	\$ -	\$ 7,385,794
User charges	290,674	254,252	647,587	2,081,068	-	3,273,581
Government transfers	277,169	420,709	573,985	-	-	1,271,863
Investment income	315,504	-	-	-	-	315,504
Other	-	-	4,239,746	295,519	-	4,535,265
Total revenue	8,269,141	674,961	5,461,318	2,376,587	-	16,782,007
Expenses:						
Salaries and wages	1,185,097	1,089,037	1,410,602	552,269	-	4,237,005
Contracted and general services	594,163	1,931,479	340,562	413,547	-	3,279,751
Supplies and materials	559,071	551,124	1,059,984	236,753	-	2,406,932
Interest and bank charges	29,671	27,506	-	154,000	-	211,177
Amortization	140,126	325,518	2,139,072	744,605	-	3,349,321
Total expenses	2,508,128	3,924,664	4,950,220	2,101,174	-	13,484,186
Annual surplus (deficit)	\$ 5,761,013	\$ (3,249,703)	\$ 511,098	\$ 275,413	\$ -	\$ 3,297,821

	General Government		Protective Services	Development	Sewer	Total
2016						
Revenue:						
Taxation	\$ 6,867,316	\$ -	\$ -	\$ -	\$ -	\$ 6,867,316
User charges	329,522	41,762	591,388	1,996,012	-	2,958,684
Government transfers	256,951	427,205	964,334	-	-	1,648,490
Investment income	252,812	-	-	-	-	252,812
Other	-	-	3,000,162	295,520	-	3,295,682
Total revenue	7,706,601	468,967	4,555,884	2,291,532	-	15,022,984
Expenses:						
Salaries and wages	1,539,073	971,311	1,160,075	120,947	-	3,791,406
Contracted and general services	490,343	1,913,163	644,834	1,039,656	-	4,087,996
Supplies and materials	760,813	269,452	439,762	210,257	-	1,680,284
Interest and bank charges	22,751	35,887	-	342,672	-	401,310
Amortization	138,666	217,352	1,831,582	635,983	-	2,823,583
Total expenses	2,951,646	3,407,165	4,076,253	2,349,515	-	12,784,579
Annual surplus (deficit)	\$ 4,754,955	\$ (2,938,198)	\$ 479,631	\$ (57,983)	\$ -	\$ 2,238,405