



District of Sooke



ANNUAL REPORT 2018

Fiscal Year Ending December 31, 2018

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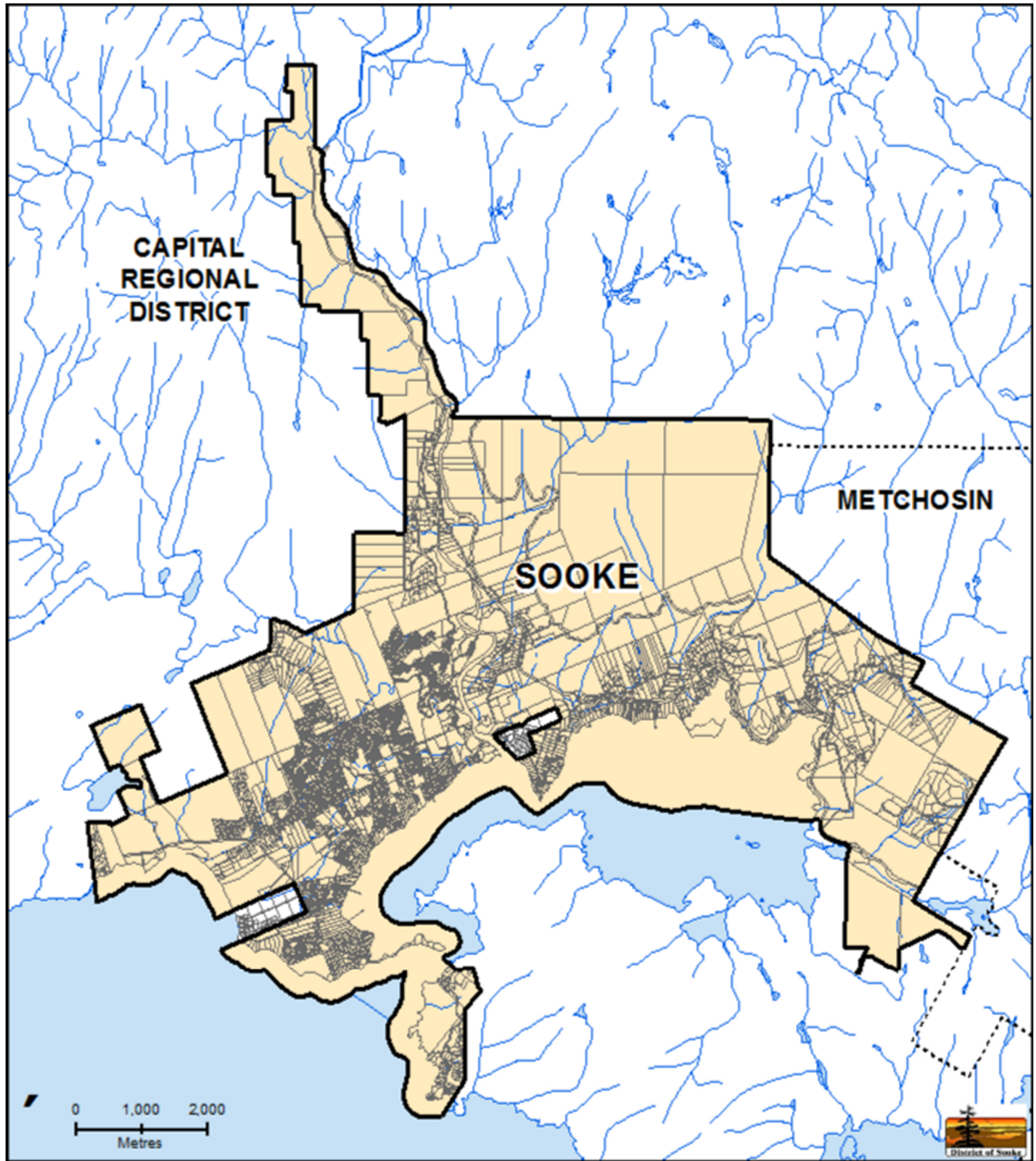
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Sooke, BC V9Z 1J2

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Cover photo provided by: Rachel Grigg



Municipal boundary is shown outlined above.

WELCOME

The District of Sooke **2018 Annual Report** features the progress over the past year, highlighting important achievements and plans for the future.

Within in this report you will find an overview of the municipality, information about elected officials, a through overview of each department's **goals and actions plans**, and the fiscal year audited financial statements.

If you have any comments in respects to the report, please direct your inquiries to Corporate Services by phone or email:

250-642-1634 corp@sooke.ca



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, there is something for **everyone**.

The **rural nature** of the area brings a variety of opportunity to its residents, visitors and businesses. With a casual, relaxed, environment where everyone is welcomed, many residents enjoy the **live, work, and play** vibe of the community.

Volunteerism also plays an important role to this community, offering many unique events each year and in keeping that **small-town friendly feel**.



MESSAGE FROM THE MAYOR

Welcome to the 2018 Annual Report! What a fabulous year we have had in respect to achievement of goals for our community, ending with a new Council term.

I wish to acknowledge former Council members Bev Berger, Rick Kasper, Kevin Pearson, and Kerrie Reay for their years of service to the District; while welcoming back Councillors Ebony Logins and Brenda Parkinson. I also welcome Councillors Jeff Bateman, Al Beddows, and Tony St-Pierre to Council!

It is my pleasure to be able to lead the District of Sooke into a new term as your Mayor and continue with important efforts underway for this wonderful seaside town. These include advocacy work with other levels of government for improved access to health care, environmental stewardship, increased transit service, and highway 14 upgrades to name a few.

Highlights for 2018 include:

- Ongoing review of departmental staffing levels to ensure customer service expectations are being met;
- Continuing support of community events and initiatives through the provision of grants and budget processes;
- Working with stakeholders like SEAPARC and the Vancouver Island Library Board to facilitate expansion of much needed amenities for our community;
- Completing infrastructure upgrades like our road rehabilitation program, park amenities, planning for Electric Vehicle (EV) charging stations;
- Progressing a grant application for an outdoor multi-purpose sport box to enable sports such as lacrosse to be established in Sooke;
- Planning for an essential trail/bridge connection over Little River (Demamiel Creek) to establish a safe connection from Sunriver to the Ecole Poirier neighbourhoods.

Council is looking forward to implementing a new platform through development of a new Strategic Plan for the next four-year term, in addition to developing a solid foundation for Sooke with a new Official Community Plan (OCP), Parks and Trails, and Transportation Master Plans.

Infrastructure projects are on the horizon for our community with the expansion of the wastewater treatment plant and road improvements. We wish to realize the planning initiatives that were started in 2018. Many of these projects will be achieved through established partnerships with community stakeholders.

The District of Sooke Council and staff look forward to continuing work with our residents to realize Sooke's incredible potential and further create unique opportunities for generations to come.

Sincerely yours,

Maja Tait





2018 HIGHLIGHTS

With 2018 being an election year, the Council Strategic Plan, established and adopted in 2016, will be refreshed by the newly elected Council later in 2019. The Strategic Plan is developed by elected officials determining their priorities to which the Chief Administration Officer implements along with staff, to achieve set goals for municipal operations. More information on the 2016-2018 Strategic Plan foundations and its achievements can be found on pages 13 to 18.

Financial Highlights

Once again, the District of Sooke has obtained an independent audited financial statement report that was clean with no significant issues. To view the audited 2018 Financial Statements in full, please refer to Appendix A.

Operating Highlights

The District of Sooke continues to grow and along with this, the staff are also growing in number. They are always motivated to discover and create new ways to meet the expectations of the growing community. This year marked the second year of working together as an organization with Parks and Environmental Services and the Wastewater Treatment Plant on board. In 2018, a Deputy Financial Officer and a Bylaw Enforcement Officer I have been welcomed to the District of Sooke.

*Sooke Council and staff are
committed to working together
to create a fabulous community
for its residents, businesses and visitors
to enjoy.*

Looking Ahead

Four newly elected officials were voted in by you in October 2018, along with an incumbent Mayor and two former Councillors. The incumbents bring over 21 years of experience on Council and the new faces at the table are strongly established volunteers of the community. Together, they are eager to serve the District of Sooke in making it the place to be on Vancouver Island! The timing is perfect, as 2019 marks the District of Sooke's 20th year of operation as a municipality.



2018-2022 District of Sooke Council - Inaugural Meeting November 5, 2018


Back Row: Councillors Jeff Bateman, Megan McMath, Al Beddows, Tony St-Pierre


Front Row: Councillor Brenda Parkinson, Mayor Maja Tait, Councillor Ebony Logins


MEMBERS OF COUNCIL


District of Sooke's Mayor and Council were elected to office in the 2018 Municipal Election held in October. Each member of Council has the opportunity to represent their community through various municipal and/ or regional committees. These are listed beside each member's picture below (listed in no particular order).




Mayor Maja Tait	<i>Elected as Mayor since 2014 (Councillor since 2008)</i>
	<ul style="list-style-type: none"> • Sooke Region Primary Health Care Services Working Group, Chair • Capital Regional District (CRD) Board Director (four-year term) • Member of the CRD Hospital Board (four-year term) • Member of the CRD Housing Corporation Board (four-year term) • Member of the CRD Parks & Environment Committee (four-year term) • Member of the CRD First Nations Relations Committee (four-year term) • Member of the CRD Governance and Finance Committee (four-year term) • Member of the Regional Water Supply Commission (four-year term) • Alternate to the Regional Representative to the Treaty Table (four-year term) • Union of BC Municipalities (UBCM): First Vice President; President's Committees; Health & Social Development Committee (Chair); Joint Provincial/Local Government Committee on Cannabis Regulation; Access 2 Justice Leadership Council • Federation of Canadian Municipalities (FCM): BC Caucus; Rural Forum; Increasing Women's Participation in Local Government; Community Safety and Crime Prevention; Social Economic Development • Towards Party Initiative: FCM-UBCM Cambodia Mission 2019 • Victoria Regional Transit Commission • Te'mexw Treaty Advisory Committee (alternate; one-year term)


Councillor Jeff Bateman	<i>Elected as Councillor in 2018</i>
	<ul style="list-style-type: none"> • Vancouver Island Regional Library (VIRL) Board • Liaison to Victoria Family Court and Youth Justice Committee (one-year term) • Liaison to Sooke Region Communities Health Network, Age-Friendly Committee (one-year term) • Co-Liaison to Sooke Economic Development Group (2019) • Temporary Alternate Director to the Capital Regional District (CRD) Board (2019)

Councillor Al Beddows	<i>Elected as Councillor in 2018</i>
	<ul style="list-style-type: none"> • Representative to the Sooke and Electoral Area Parks and Recreation Commission (SEAPARC) (four-year term) • Liaison to Edward Milne Community School (EMCS) Society (one-year term) • Co-Liaison for District to SEAPARC, Sooke Community Association, and Sooke Museum regarding discussions on adjoining lands • Liaison for 20th Anniversary Picnic and Movie in the Park event

Councillor Ebony Logins	<i>Elected as Councillor in 2014</i>
	<ul style="list-style-type: none"> • Representative to the Capital Regional District (CRD) Regional Housing Trust Fund Commission (two-year term) • Alternate to the Juan de Fuca Water Distribution Commission (four-year term) • Liaison to Rotary Kiosk Redesign Committee • Temporary Alternate to Te'mexw Treaty Advisory Committee (2019) • Temporary Alternate Representative to the Juan de Fuca Water Distribution Commission (2019) • Sooke Affordable Housing Committee, Chair • Alternate to Vancouver Island Regional Library (VIRL) Board

Councillor Megan McMath	<i>Elected as Councillor in 2018</i>
	<ul style="list-style-type: none"> • Representative to the Capital Regional Emergency Services Telecommunications (CREST) (four-year term) • Liaison to Ministry of Transportation & Infrastructure (MoTI) • Liaison to Sooke Region Tourism Association (one-year term) • Co-Liaison to Sooke Economic Development Group (2019) • Liaison to the Sooke Community Association • Co-Liaison for District to SEAPARC, Sooke Community Association, and Sooke Museum regarding discussions on adjoining lands

Councillor Brenda Parkinson	<i>Elected as Councillor in 2005; 2014 & 2018</i>
	<ul style="list-style-type: none"> • Alternate Director to the Capital Regional District Board (four-year term) • Representative to the Capital Regional District (CRD) Arts Committee (four-year term) • Director to the Capital Regional Water Supply Commission (four-year term) • Representative to the Juan de Fuca Water Distribution Commission (four-year term) • Alternate Representative to the Sooke and Electoral Area Parks and Recreation Commission (SEAPARC) (four-year term) • Te'mexw Treaty Advisory Committee (one-year term) • Sooke Program for the Arts Committee (SPA)

Councillor Tony St-Pierre	<i>Elected as Councillor in 2018</i>
	<ul style="list-style-type: none"> • Alternate Director to the Capital Regional Water Supply Commission (four-year term) • Representative to the Capital Regional District (CRD) Climate Action Inter-Municipal Task Force (four-year term) • Liaison to Sooke Regional Historical Society (one-year term) • Sooke Climate Change Action Committee, Chair • Co-Liaison for District to SEAPARC, Sooke Community Association, and Sooke Museum regarding discussions on adjoining lands



2016 - 2018 STRATEGIC PLAN

The five key priorities of the 2016 - 2018 Council Strategic Plan were used in the implementation and maintenance of municipal operations. These foundations provided a framework that assisted the District of Sooke to maintain its core values, ensuring the vision, values, and goals of the community were achieved. This is the last time that Council and staff will report out on these priorities, as the newly elected Council will develop its own Strategic Plan for the term 2019-2022. As part of this process, more “*Municipal Objectives*” will be identified.

Each priority aligned with municipal objectives and had a measurable achievement and indicator to evaluate the success. Based on the outcome of the new Strategic Plan, some objectives will remain in place until they have been implemented by staff.



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.

FISCAL RESPONSIBILITY



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

	Municipal Objective	Goal	Status	Benchmark
Asset Management	Development of asset management plan	2020	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 the asset management plan
Sewer	Explore opportunities with neighbours on sewer expansion: <ul style="list-style-type: none"> • <i>Support in principle, municipal sewer for T'Sou-ke First Nation (IR2 in conjunction with Whiffin Spit)</i> 	2020	In Progress	Council motion to support, in principle
Facilities	Prepare a building maintenance schedule	2020	In Progress	Building maintenance schedule developed New software implemented for building access

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	Annually	Ongoing	Establishment of committee(s), as required
	Develop internal and external communication strategy	2020	On Hold	Communication plan presented and approved by Council
	Ongoing website improvements.	2018	Complete	New website platform went live in 2018
	Public mapping showing infrastructure and public space information	2018 2019	Complete In Progress	Greenspace and parks Trails and infrastructure
	Digitally share information used for open houses and public information meetings	Annually	Complete/ Ongoing	Open house and meeting information made available on website (sooke.ca)
Records	Continue public information meetings <u>twice</u> per year	Annually	Complete/ Ongoing	Mayor's New Year's Levee, Talktober
	Management of records: upgrade electronic devices/tools to enhance service	2018-2019	In Progress	Records management software updated and staff trained (software updated in 2018; training continues)
Staffing Review	Develop organization succession plan	2020	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 Updated	Annually	Complete/ Ongoing	Performance review each year through annual report
	Financial Plan	Annually	Complete/ Ongoing	Updated through annual budget process and Five-Year Financial Plan Bylaw adoption process
Risk	Review policies to minimize liability	Annually	Complete/ Ongoing	Risk analysis assessments completed annually; policies continue to be reviewed

COMMUNITY PLANNING



- 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	2021	In Progress	First draft of OCP to be presented mid-2020
Bylaw Review	Review and amend bylaws and policies as needed, with priority to regulatory bylaws	Ongoing	Ongoing	Bylaws and policies amended or revised and presented for Council approval
	Building Regulation Bylaw	2019	In Progress	Council adopts new bylaw
	Zoning Bylaw	Post OCP Draft	On Hold	Council adopts new bylaw
	Development Cost Charges Bylaw review and amendment for sanitary sewer and roads	2020	In Progress	Council adopts new bylaw

ECONOMIC PROSPERITY



- 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	2020	In Progress	District support of application to the Province and implementation of MRDT tax

ENHANCING COMMUNITY LIVABILITY



- 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	Complete	Engineering drawings of final alignment completed in Fall 2018
	Development west side Town Centre from Otter Point	2020	In Progress	Working with MoTI on engineering design for sidewalk/ trail connection—west from Otter Point Road
Community Space	Locate community gathering spaces in Town centre and incorporate wayfinding signs, benches, public art	2018	Complete	Transit stops with public art installed
Town Centre Access Servicing Plan	Waterfront Access: explore and implement ways to improve waterfront access for residents and visitors & identify and maintain water access points and pocket parks	Ongoing 2018	Ongoing Complete	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	2021	In progress	To be included as part of OCP
	Murray Road Improvements including drainage.	2018	Complete	Construction and drainage improvements completed
Transportation	Install Electric Vehicle (EV) charging stations	2018	Complete	Initiated Parks Master Plan
	Advocate for Highway 14 improvements with province	2018	Complete	Transit Pullouts and Sidewalks
	Improve roads and connectivity	2018	Complete	Initiated Transportation Master Plan

	Municipal Objective	Goal	Status	Benchmark
Community Facilities	Continue to support Vancouver Island Regional Library for the construction of a new library in Town Centre	2021	In Progress	Library constructed and operational.
	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:			
	· Enhance connectivity	Ongoing	Ongoing	Connectivity trails constructed in 2017
	· Public safety and maintenance			Wayfinding signage program initiated in 2017
	· Park naming and appropriate signage	Ongoing	Ongoing	Regular updated of park and trails information
	· Wayfinding signage			
	· Public space brochures	2018	Complete	Initiated Parks & Trails Master Plan
Bylaw	Develop policy for consistency of bylaw enforcement.	2019	In Progress	Policy adopted by Council
	· Business licences			
	· Unsightly premises	2018	Complete	Hired New FT Bylaw Enforcement Officer in 2018, expanding hours & days of coverage
Environment	Liquid Waste Management Plan requires bylaws and policies; implement actions in accordance with Provincial requirements	2019	Ongoing	Bylaws and policies adopted by Council (post OCP Bylaw adoption)
	Reduce illegal dumping	2018	Complete	Removal of garbage cans at key transit stops
Health Care	Support primary health care initiatives	2018	In Progress	Regional health care facility in Sooke



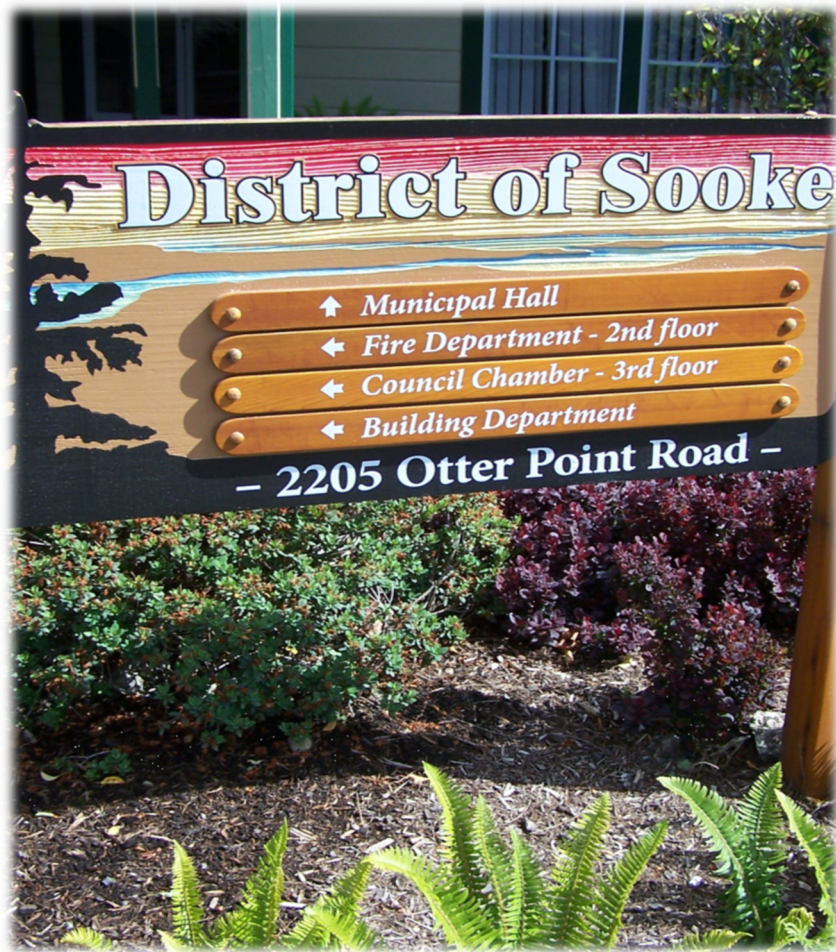
ORGANIZATIONAL FRAMEWORK



Community Partners include other levels of Government, First Nations, RCMP, School District, Health Authorities, Vancouver Island Regional Library, Tourism and Economic Development, etc.

MUNICIPAL SERVICES & OPERATIONS

The District of Sooke provides municipal services such as fire, policing, engineering, planning, parks maintenance, environmental services, development, and other general government operations in accordance to legislation under the *Local Government Act* and the *Community Charter* of British Columbia.



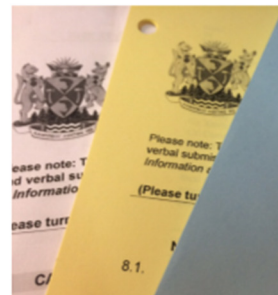
CORPORATE SERVICES



The Corporate Services department provides support to Council, the Chief Administrative Officer (CAO), staff and members of the community.

This includes meeting management (agendas and minutes); bylaw, policy and legislative advice; corporate communications and public relations, including District events; records management and freedom of information requests; overseeing Human Resources and Planning Services. The latter two initiatives are described further along in this report.

Key Activities	2015	2016	2017	2018
Freedom of Information Requests	22	22	17	36
Meetings				
<i>Regular, Special, Committee of the Whole</i>	48	39	40	34
<i>Council Committees</i>				25
Bylaws				
<i>(created/ amended/ rescinded/ adopted)</i>	20	31	30	37



2018 Highlights

- Successfully planned and executed the 2018 Sooke municipal election
- Successfully prepared and conducted elected officials' departmental orientations, including development of a manual with legislative guidelines
- Coordinated District's participation in Communities in Bloom and Rotary Auction

Initiatives Planned for 2019 & 2020

- Modernize and update District-wide records management system
- Implement policy framework and update all policies
- Update or implement bylaws in collaboration with other departments

HUMAN RESOURCES

Human Resources involves training and development; job evaluation and performance management; recruitment, selection, onboarding and retention; organizational development; disability and workplace injury management and return to work processes; collective agreement compliance; policy recommendation; and administering the Health, Safety, and Wellness meetings and programs for the District's employees. Currently, this role has also been overseeing municipal building maintenance and renovations.



Key Activities	2018
<u>Employment:</u>	
Number of Job Positions	19
Number of Job Postings	15
Number of Interviews	56
Number of Positions filled	17
<u>Meetings:</u>	
Number of Joint Health & Safety Committee	8



2018 Highlights

- Began preparations for CUPE contract negotiations
- Research conducted for implementation of an Occupational Health and Safety program
- Completed hiring of Deputy Director of Financial Services & Bylaw Enforcement I positions

Initiatives Planned for 2019 & 2020

- Update Exempt Employee Handbook including wage grid
- Prepare and implement a performance management system
- Assist with conducting an organizational review
- Complete CUPE contract renewal and obtain new staff positions under agreement

PLANNING SERVICES

In collaboration with various community stakeholders, Planning develops and recommends policy that promotes effective land use strategies that improve the quality of life for the District's 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 principles.



Council has endorsed policies contained within the Official Community Plan (OCP) and other strategic planning documents, thereby providing guiding principles for work undertaken by the planners. Through the use of these planning documents, the planners strive 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.

Key Activities	2015	2016	2017	2018
Planning Applications Received (Zoning, Development, Variance & Sign Permits)	63	49	49	62
Number of Public Hearings for Rezoning or OCP Bylaws	-	13	20	17
Development and Land Use Committee Meetings	-	-	-	10



2018 Highlights

- Continued review of the Official Community Plan Bylaw
- Conducted Lot A Charette engagement
- Assisted with implementation of the Traffic Master Plan, in cooperation with the Engineering Department
- Assisted with implementation of the Parks and Trails Master Plan, in cooperation with Parks and Development Services

Initiatives Planned for 2019 & 2020

- Initiate review process of the Official Community Plan
- Update Planning Application fees (Fees Bylaw)
- Continue work on Traffic Master Plan and Parks and Trails Master Plan in cooperation with Development Services
- Complete Lot A Master Plan and initiate rezoning and due diligence work in cooperation with Development Services
- Undertake Housekeeping amendments to Sooke Zoning Bylaw
- Update the Flood Regulation Bylaw



Lot A Charette

FINANCIAL SERVICES



The Financial Services department is responsible for financial administration, front desk reception, information technology (IT), and Geographic Information Systems (GIS), more commonly known as mapping and land records.

Financial Services includes accounting and reporting, revenue collection, payroll and benefit administration, invoicing and payments. IT and GIS initiatives are described in subsequent pages.

Key Statistics	2015	2016	2017	2018
Property Taxes Collected	\$16,164,799	\$16,342,422	\$16,645,581	\$17,422,135
Tax Notices Prepared	6,062	6,162	6,215	6,376
Home Owner Grants (HOG) Claimed <i>(Basic/Senior)</i>	3,697	3,729	2,647 / 1,336 (3,983)	2,672 / 1,459 (4,131)
Pre-authorized Payment Plan Users	324	336	330	350
Invoices Processed	2,576	2,921	3,660	4,500

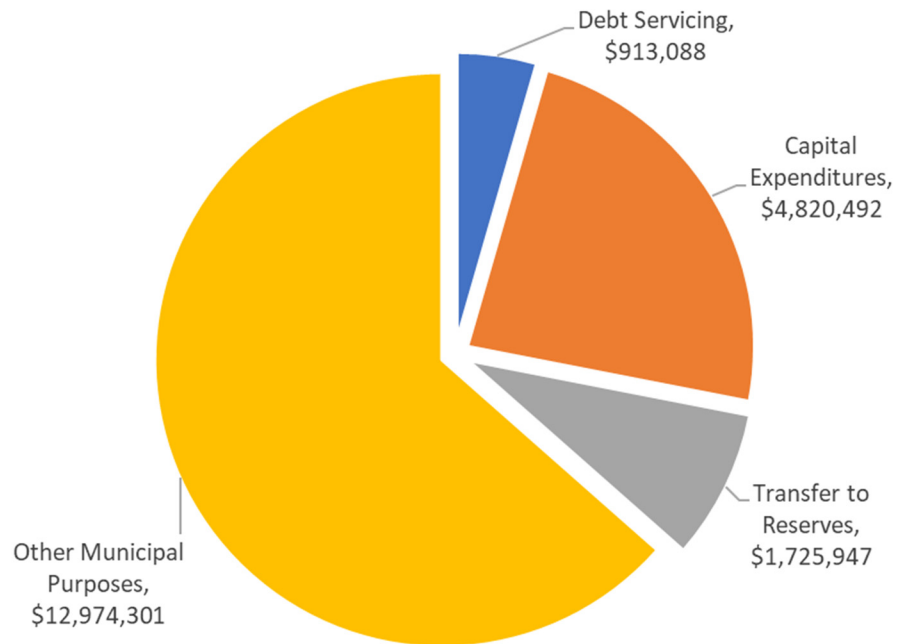
2018 Highlights

- Clean financial audit opinion report received
- Asset Management report improvements
- Deputy Director of Financial Services (Deputy Financial Officer) position filled

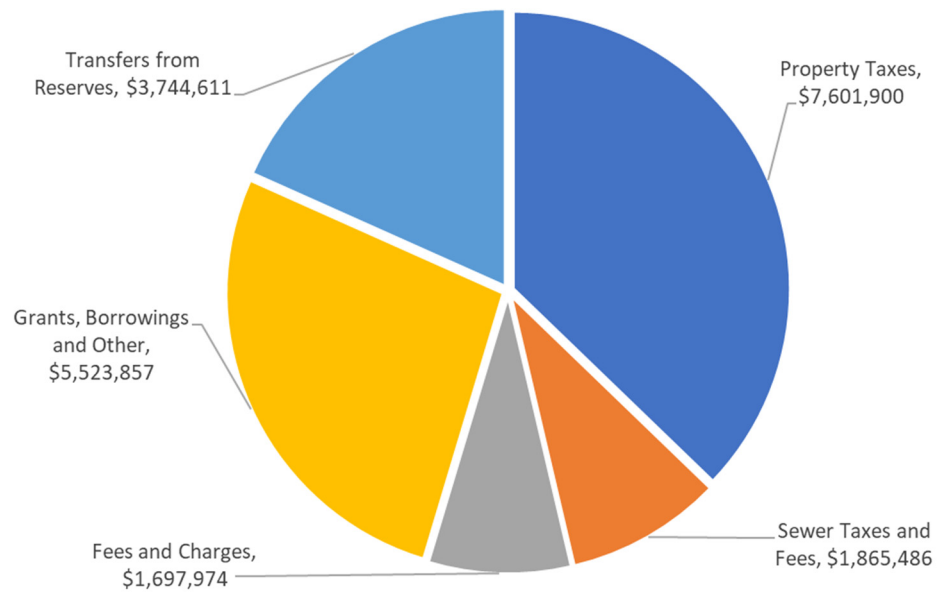
Initiatives Planned for 2019 & 2020

- Asset Management strategy and policy
- Complete roll-out of Tempest e-application and MyCity modules
- Streamline financial procedures and improve reporting process

2018 Total Expenditures



2018 Total Funding Sources



INFORMATION TECHNOLOGY

The District Information Technology (IT) department provides the backbone for most departments to conduct their work. Upgrades to pertinent software, patching, and hardware replacement, ensure systems are secure and available to staff and the public (website).



2018 Highlights

- Unveiled new website design
- Enhanced internal telephone communication services
- Continued to add online transactions for citizens

Initiatives Planned for 2019 & 2020

- Improve Tempest web services for public online access to applications/ forms
- Upgrade District Electronic Records Management System (ERMS)
- Upgrade network wiring throughout the District office
- Upgrade video streaming system for council meetings
- Install power and networking in-floor in Council Chambers to improve accessibility and remove tripping hazards
- Server hardware refresh near end of year



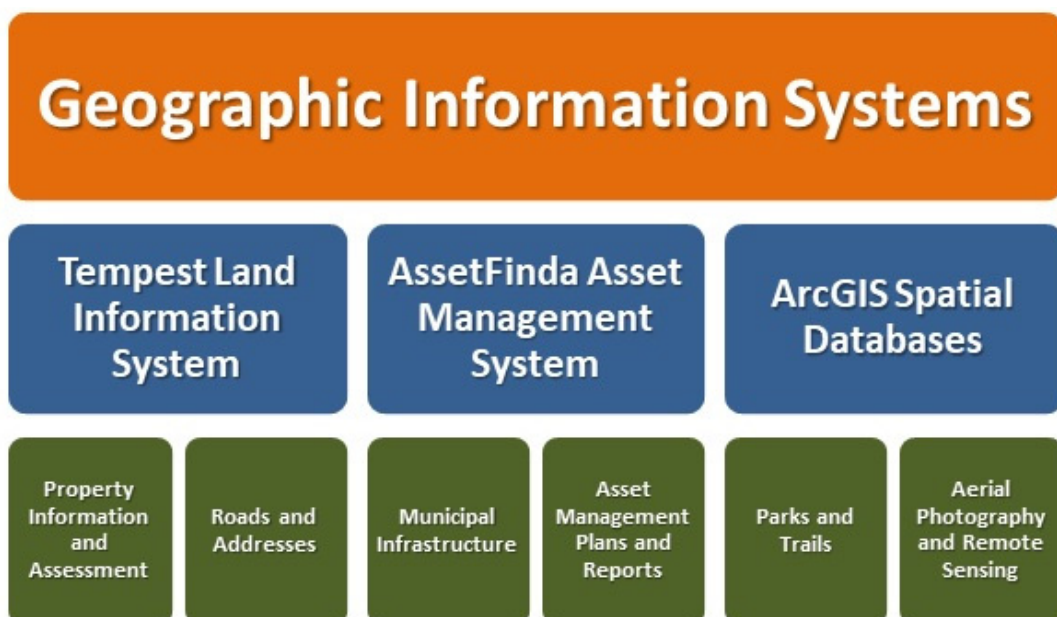
GEOGRAPHIC INFORMATION SYSTEMS

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, trails, watercourses, survey plans, and aerial photography.



The GIS software is integrated with the Asset Management System, the Tempest Land Information System, 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, including the monitoring of fire hydrant locations by the Sooke Fire Department.

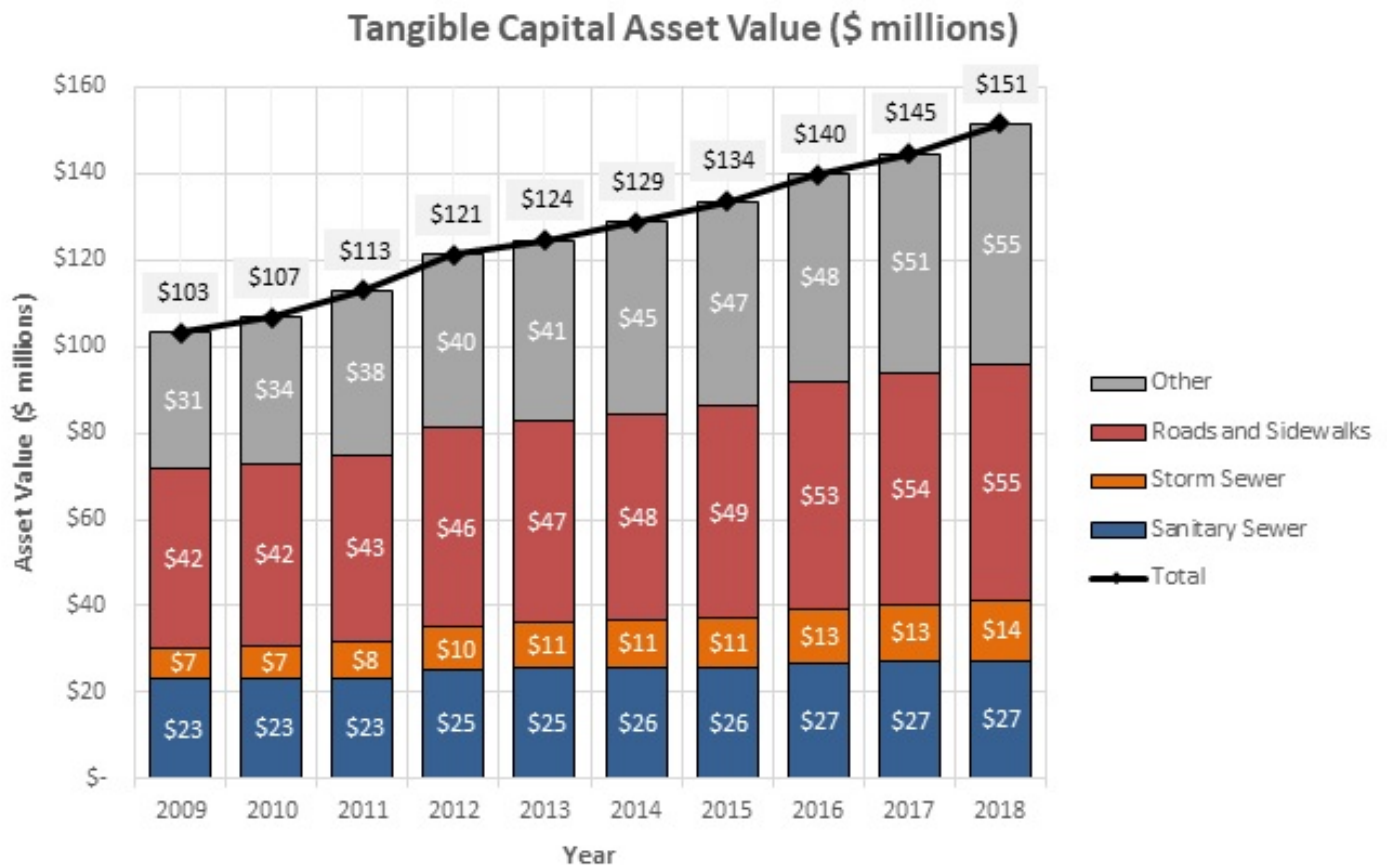


2018 Highlights

- Asset Management System accessed by staff in Engineering, Parks, Fire, and Finance to record and report on infrastructure information
- Upgrade of internal web maps to integrate with Tempest Land system and with Asset Management System
- Public web maps updated to show greenspace, parks, and trails

Initiatives Planned for 2019 & 2020

- Compilation and preparation of draft asset management plans for priority asset classes
- Upgrades to public web maps
- Continued participation in the LTSA ParcelMapBC Adoption Working Group
- Participation in the 2019 aerial photography project in partnership with the Capital Regional District



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DEVELOPMENT SERVICES



The Development Services department is responsible for a broad range of environmental, engineering, and development projects within the community. This department consists of Subdivision, Engineering, Parks & Environmental Services, and the Wastewater Treatment Plant (WWTP). These employees support quality development, economic and parks prosperity, capital projects, maintenance of roads, wastewater and storm water systems.

Key Activities	2015	2016	2017	2018
Property Information / Comfort Letters Requests	258	209	211	207
Engineering Applications Received (Subdivision, Highway Use, Blasting)	206	297	297	447
Engineering Calls for Service * (Dumping, potholes, streetlights)	679	651	389	477
Subdivision Plans Registered	13	10	20	18
New Lots Created	75	13	99	126
Parks Calls for Service * (Hazardous Trees, Garbage, Dumping, Mowing)	-	-	142	152
Park Permits Issued	23	12	12	11

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



ENGINEERING

Engineering is responsible for the planning, design, construction, and maintenance of the District's infrastructure. This includes streetlighting, road maintenance, line painting, and sidewalks, to name a few. Most of the tasks listed here are performed by contractors, while relying on the overall vision of engineering. For example, for the tasks mentioned above, it would be vehicle and pedestrian access within the community.



The District works in cooperation with the Ministry of Transportation and Infrastructure (MoTI) to enhance the sidewalk and roadways along provincial highways in the community, and collaborates with various contractors for other roadway improvements and maintenance.



2018 Highlights

- Completed first year of five-year road rehabilitation program and initiated Hwy 14 sidewalk and transit stop enhancements with MoTI
- Initiated the Transportation and Parks & Trails Master Plans with other key staff members and proponent
- Continuation of the Electric Vehicle (EV) charger stations (completed two in 2018)

Initiatives Planned for 2019 & 2020

- Completion of Cains Park staircase replacement
- Finalization of the Transportation and the Parks & Trails Master Plans
- Completion of EV charger installations (six, total)
- Initiate School Traffic Action Plan

PARKS & ENVIRONMENTAL SERVICES

Parks & Environmental Services maintains the growing demands of the District's parks assets including land, benches, picnic tables, staircases, tools, etc. Operations by employees in this division include garbage collection, playground and green space maintenance, banner and seasonal adornment implementation.



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.

Key Statistics	2017	2018
Acquired Public Land for Parks	6.74 ha	3.97 ha
Trails Developed	676 m	*
Ornamental Area Maintained	574 m2	*
Rainwater Ponds Monitored	.234 ha	*
Streets & Parkland Trees Planted	53	*

*data not available at time of publication



2018 Highlights

- Completed Murray Road staircase replacement and Whiffin Spit improvements
- Broomhill and Brooks Parks playground equipment replacements completed
- Derelict Vessel Program initiated with CRD, and Rotary Pier float repair conducted
- Initiated Demamiel Creek pedestrian crossing design with Engineering

Initiatives Planned for 2019 & 2020

- Improvements to Kaltasin Street water access (Billings Spit)
- Finalization of Parks and Trails Master Plan
- Memorial Plaque Policy and Memorial Wall installation at Whiffin Spit
- Sooke Bluff staircase replacement
- Installation of Parks washrooms for John Phillip Memorial Park and Whiffin Spit (Quimper Park)
- Completion of Ponds Park Trail extension



Brooks Park opening

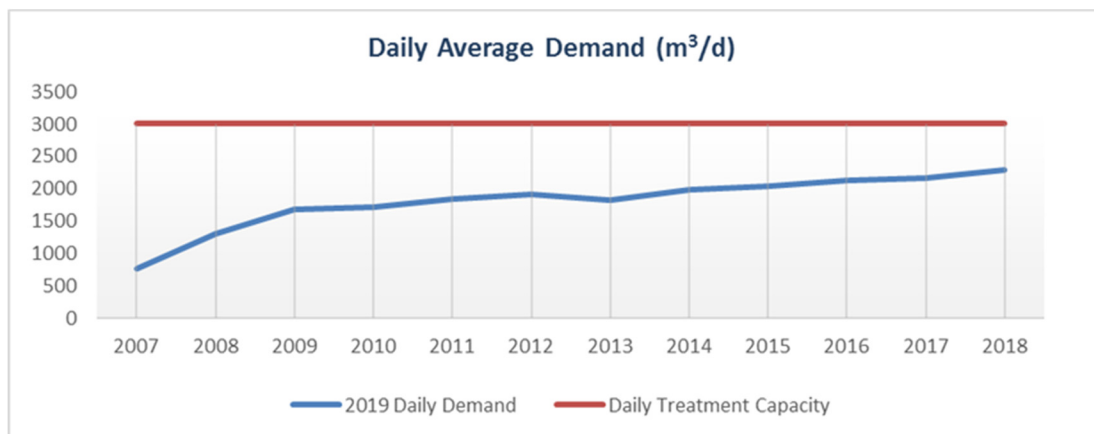
WASTEWATER TREATMENT PLANT

The wastewater collection and treatment system is owned by the District of Sooke and services the core area of Sooke. The treatment facility removes over 95% of the total suspended solids and high levels of contaminants, providing significant environmental benefits to the District and to the receiving waters.



Current System:

- approximately 60 km of collection system piping
- 587 manholes
- 8 lift stations



The annual average daily effluent flow treated in the plant during 2018 was 2292 m³.

2018 Highlights

- Completed 5-year Outfall Dive Inspection and Environmental Monitoring Reports
- Final inspection of new sanitary system addition in Sunriver and Knox development tie-in completed
- Engineering assessment review of biosolids handling completed
- Improvements to the Critical Parts Inventory

Initiatives Planned for 2019 & 2020

- Rebuild of Centrifuge until new one can be purchased
- RFP for new centrifuge, pumps and polymere system/ biosolids upgrade
- Bel Vista lift station improvements
- Hire additional Operator for plant
- Reinvigorate the Liquid Waste Management Plan (for rainwater and sanitary)

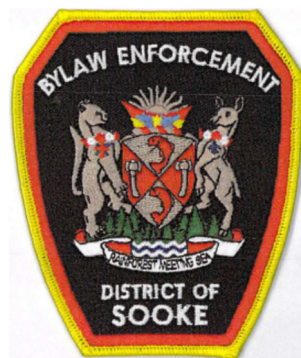


COMMUNITY SAFETY



In 2018, Community Safety encompassed Bylaw, Building, and Fire Services (including Emergency Support) and is led by the Fire Chief who is the Director of Community Safety.

Alongside numerous volunteers, this department provides a variety of opportunities for public education, both on and off site. These vary from permit requirements, proper car seat installation, first aid training, and school tours, to community events and discussions with our development community through Building Services, as well as visitor and resident education from Bylaw Enforcement Officers (BEOs).



FIRE RESCUE in #'S

- 6** CAREER FIREFIGHTERS
- 1** FIRE / EMERGENCY PROGRAM ASSISTANT
- 29** VOLUNTEER FIREFIGHTERS
- 30** EMERGENCY SUPPORT SERVICES VOLUNTEERS
- 7** FIRE INCIDENT SUPPORT TEAM VOLUNTEERS
- 7** EMERGENCY RADIO GROUP VOLUNTEERS

BYLAW AND BUILDING

- 2** BUILDING INSPECTORS
- 1** BUILDING INSPECTION CLERK
- 2** BYLAW ENFORCEMENT

FIRE RESCUE SERVICES

Sooke Fire Rescue is committed to creating a safe and resilient community.



The Sooke Fire Rescue Department (SFRD) continues to provide the highest level of professional service to the residents of Sooke through the protection of lives, property and the environment. The dedication of the membership to the community's wellbeing is unwavering. The District is grateful to SFRD volunteers for their ongoing commitment to fostering a safe and resilient community in key service areas:



These diverse service areas are heavily reliant on a robust recruitment and training program; a comprehensive equipment and apparatus maintenance regime; ongoing fire prevention education; community engagement; and, quick response times. The SFRD membership carries out work every day, with heart, compassion and a commitment to one another's safety and wellbeing.

SFRD membership has effectively adapted to ongoing growth in a changing environment. Members are proud to work with valued community partners, such as BC Ambulance Service, Juan de Fuca Search and Rescue, Juan de Fuca Emergency Program and mutual aid partner fire departments (Otter Point, Metchosin, East Sooke and Shirley) to enhance fire protection services and safety in the District. Emergency response calls were stable throughout the year, with a reduction in the number of Medical Aid calls due to dispatch of BC Ambulance Services (BCAS).

Key Activities	2015	2016	2017	2018
Fires—All Types	82	75	68	56
MVA & Rescue	91	98	83	73
Complaints	122	107	100	104
Hazardous Condition	57	42	27	35
Medical Aid	498	540	589	480
Alarms	71	55	60	57
Other (public service calls)	31	62	95	88
TOTALS	952	979	1022	893

APPARATUS, EQUIPMENT AND OPERATIONS

The responsibility of ensuring that SFRD apparatus and equipment are maintained and ready to respond to a variety of incidents on a moment's notice is a big job. Conducting weekly and monthly checks on gear, equipment, and apparatuses, and recording and repairing deficiencies is time-consuming, but critical to ensure that responders can focus on the incident, to save lives and property.

A new water tender truck was purchased through a public Request For Proposal (RFP) process and the old tender was retired and sold on the BC Auction site in accordance to policy. A cost/benefit analysis indicated that continuing to repair and rely on an aging apparatus to provide water during a fire situation was high risk.

A new utility truck was purchased to replace another aging vehicle that had ongoing maintenance and reliability issues. These two new additions to the fleet have increased confidence and enhanced the department's ability to respond efficiently and effectively. In addition, an all-terrain vehicle (ATV) was purchased with revenues from wildland firefighting efforts in the interior, to improve response times to incidents (rescues and wildland fires) that have limited road access.



COMMUNITY ENGAGEMENT AND PUBLIC EDUCATION

Station tours and fire safety talks for pre-school, elementary and middle school students, as well as homeschool and Girl Guides groups were conducted year-round, engaging young residents in a culture of preparedness. These efforts provided 500+ kids with fire prevention education in 2018 and inspired them to be proactive about fire safety.

The two-day Western Communities Fire and Life Safety Expo in 2018 provided over one thousand grade four and five students with valuable life safety skills in a hands-on environment. Sooke Fire focused on STOP, DROP and ROLL training. Other key events that members supported included the Juan de Fuca Emergency Preparedness Fair, which is a joint event hosted by the SFRD and the Sooke ESS team.

The Sooke Firefighters Association's annual Christmas Santa Run drive, which supports the Sooke Christmas Bureau, once again provided much needed food and hampers through the holiday season. Over \$100,000.00 in cash and food donations were donated by the Association thanks to the generous residents of Sooke. Sincere appreciation to all who come together to support this annual event.

SOOKE EMERGENCY PROGRAM

Emergency Radio Group - Sooke Radio Group volunteers meet every Wednesday night to train and exercise the communications plan. Under the leadership of Ed Gorse, the group offers expertise, experience, equipment and, most importantly - time to provide emergency communications when normal means of communication are inoperative, unavailable or overloaded when disaster strikes.

Emergency Support Services (ESS) - Sooke ESS volunteers meet the fourth Tuesday of the month. The group has increased training efforts 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. Under the leadership of Rick McLeod as the ESS Director, the team led and participated in the Great BC Shakeout at all Sooke elementary schools and planned three successful emergency preparedness openhouse events.

2018 WILDFIRES

British Columbia had another epic wildfire season as hundreds of wildfires raged across the province, forcing a province-wide state of emergency for a second consecutive year. The issue of climate change and its impact on forests seems to be the new norm and SFRD has increased efforts in training and equipment procurement to respond accordingly. Several members and a Sooke engine were deployed to support BC interior efforts, with revenues going back to the SFRD.

TRAINING

In 2018, 5511 hours of training were completed, 3010 (55%) of which were completed by volunteers. All active members of the department achieved the minimum training requirements. Every Thursday night throughout the year, career and volunteer members train together (in addition to many weekends) to ensure that members are prepared for the various types of incidents that they are called upon to support. New recruits trained every second weekend from January to April before becoming probationary members.



A new Wildland Firefighter Training program has been designed to increase skills and abilities. Five members of the Department achieved the National Fire Protection Association (NFPA) 1001 Level 2 seal for Professional Qualifications for fire fighters. Seven members achieved certification to meet the requirements of NFPA 1002 Standard on Fire Apparatus Driver/Operator Professional Qualifications.

The Department was selected to host the BC Fire Training Officers Association Conference from May 25th to 31st where Sooke's own Captain Norris-Jones was awarded BC Fire Training Officer of the year. This is a significant accomplishment and Sooke Fire is fortunate to have strong leadership in its training program. One of the perks of hosting the conference was that SFRD members received free training valued at more than \$15,000.

The June 28, 2018 Sooke Emergency Program (SEP) live annual training exercise - *Wildland Fire at Erinan Estates*, involved a full agency participatory response to an exercise that simulated a wildfire encroaching the municipality of Sooke. This scenario achieved full agency participation in the exercise to ensure that multiple agencies and stakeholders were provided the opportunity to practice readiness and response, while collaborating and communicating effectively and efficiently. Teams involved included: SFRD; SEP; Emergency Support Services (Sooke and Juan de Fuca); the Fire Incident Support Team (FIST); District of Sooke staff (Development, IT, GIS, Building, Bylaw, Engineering and Planning); Mayor and Council; the Sooke Emergency Radio Comms Group; and other emergency response partners (Otter Point Fire, BCAS, and Langford Fire).

FIRE PREVENTION

There are approximately 500 properties in Sooke that require onsite fire inspections, in accordance with the Sooke Fire Protection Services Bylaw. These include schools, businesses, care homes and public gathering spaces, with differing inspection schedules depending on the type of business. Fire inspections remain a top priority for the SFRD and are conducted in compliance with the *Fire Services Act*, the BC Provincial Government and the Office of the Fire Commissioner,. The Department is working on increasing both fire inspections and developing pre-incident plans (PIP's) for applicable properties.

SIGNIFICANT EVENTS IN 2018

- January 23rd tsunami alert as a result of an earthquake off the coast of Alaska
- February 20th Emergency Preparedness and Tsunami Open House in Council Chamber
- May 25th to 31st hosted the BC Fire Training Officers Association Conference - welcomed 250 delegates from across BC
- June 28th live fire training scenario (Estates Wildfire) with multiple-agency participation
- July 2nd to 9th Tugwell Fire - just outside of the District's western boundary - Sooke supported with communications and provision of a water tender and crew
- July and August - Interior Wildland Fire Support

2018 Highlights
<ul style="list-style-type: none"> • Purchase and delivery of new water tender apparatus through a public RFP process and new utility truck purchased, both to replace aging equipment
<ul style="list-style-type: none"> • Some residents received reduced insurance rates due to Superior Tanker Shuttle Service Accreditation
<ul style="list-style-type: none"> • BC Fire Training Officers Association Conference welcomed 250 delegates from across BC to train and explore Sooke
<ul style="list-style-type: none"> • Captain Norris-Jones named as BC Fire Training Officer of the Year at BCTOA Conference
<ul style="list-style-type: none"> • Awarded \$25,000 UBCM grant for Emergency Social Services function

Initiatives Planned for 2019 & 2020
<ul style="list-style-type: none"> • Implement a Paid On-Call service model for volunteer firefighters
<ul style="list-style-type: none"> • Implement more security at Fire Hall Station One compound (Stephenson Station)
<ul style="list-style-type: none"> • Update and streamline records management system for training and create opportunity for correspondence-based training

BYLAW SERVICES

The District's bylaws are enforced by Bylaw Enforcement Officers (BEOs), with the purpose of educating residents and visitors on compliance of municipal bylaws.



This department also manages all business licences for the community, which are mandated to promote safe and legitimate business premises and operations within the District of Sooke.

Key Activities	2015	2016	2017	2018
Bylaw Investigations <i>(Unsightly Premises, Zoning Non-Compliance, Noise)</i>	222	233	342	311
Parking Investigations <i>(Illegal Parking & Uninsured Vehicles)</i>	88	97	94	87
Business Licences Issued	718	663	592	726

Note: 63 warning notices were issued in 2018 as part of a new educational direction for the department.

The Bylaw Enforcement department staff was increased with the hire of a BEO Level I. This addition to the staffing level has reduced response time to complaints and enhanced the visibility of the Bylaw department within the District. This also allows more opportunity for the BEOs to be involved in more education opportunities for the District of Sooke's bylaws. Coverage has increased to seven days a week with the new officer.

The Bylaw department is mostly complaint driven and the District's preferred practice of enforcement is to obtain voluntary compliance through conversation and explanation regarding a particular bylaw.



Business Licences

There are 726 registered businesses in Sooke. Many notifications are sent to known (ie: reported) unlicensed businesses, advising them that they require licensing to conduct business within the District.

2018 Highlights

- Increased customer service, with addition of a Bylaw Enforcement Officer
- Increased educational opportunities regarding municipal bylaws

Initiatives Planned for 2019 & 2020

- Update the Business Licence Bylaw and Policy
- Implement a Check-Out Bag Bylaw and create an educational component for businesses on the bylaw requirements
- Prepare and conduct in partnership with the Building and Planning departments, an educational session(s) for real estate agents and property management professionals on zoning issues, secondary suites, erecting directional signs, parking for suites, unsightly premises, etc.

Animal Control

The District of Sooke contracts animal control services to the Capital Regional District. Officers are on duty seven days a week, including most statutory holidays.

BUILDING SERVICES

The Building Department is responsible for the approval of residential, commercial, and industrial construction within the municipality. Requests for building, demolition, highway use, and plumbing permits are submitted for review and approval through this department consisting of two inspectors and one clerk.



Key Activities	2015	2016	2017	2018
Residential Permits (Single, Duplex, Suites & Multi Family)	124	163	159	156
Other Permits Issues (Commercial, demolition, plumbing, woodstoves, & decks)	58	61	67	36*



2018 Highlights

- Initiated online applications and progress updates
- Building Officials attended BCBOA Conference, including seminar regarding BC Building Code changes. Initiated task of incorporating these changes into District bylaws

Initiatives Planned for 2019 & 2020

- Update the Building Bylaw and Policy, and the building permit process.
- Increase customer service, with additional hire of a Chief Building Inspector
- Prepare and conduct in partnership with the Bylaw and Planning departments, an educational session(s) for real estate agents and property management professionals on zoning issues, secondary suites, erecting directional signs, parking for suites, unsightly premises, etc.

POLICE SERVICES



The Royal Canadian Mounted Police (RCMP) provide policing services to the District of Sooke, East Sooke, Otter Point, Shirley, Jordan River, and Port Renfrew. The “Sooke” Detachment consists of 17 RCMP officers, 13 of which are funded by the District of Sooke, and four funded by the Province. The Detachment has four support staff, one Victim Services worker and four 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 areas.

Key Activities	2015	2016	2017	2018
Assaults	85	76	112	116
Sexual Assaults	9	11	12	24
Break & Enter (Business)	25	14	10	15
Break & Enter (Residence)	31	29	17	34
Break & Enter (other)	10	15	13	20
Theft from vehicle	16	23	77	57
Theft over \$5000	10	7	4	7
Theft under \$5000	125	124	138	169
Mischief/Property Damage	195	193	164	228
Incidents under the Mental Health Act	197	213	186	228
Dangerous Motor Vehicle Operation	n/a	n/a	5	2
Impaired Motor Vehicle Operation	n/a	n/a	92	150
Total Calls for Service - Sooke	4403	4802	4616	4563
Total Calls for Service – Detachment	5795	6015	5777	5963

2018 Highlights

- Arrival of Sgt. Clayton Wiebe into the operations role - one of two new positions added to Sooke Detachment by the District of Sooke
- Lieutenant Governor awards Cst. From and Cst. Devine receive "Alexa's Team" award for impaired driving enforcement
- Expansion of Block Watch Program, a neighborhood crime prevention initiative headed by Cst. Haldane
- Strong performance from citizens' groups for Speed Watch and Citizens' Patrol

Initiatives Planned for 2019 & 2020

- Retirement of S/Sgt. McArthur in June, followed by arrival of new Detachment Commander S/Sgt. Brett Sinden
- Target prolific offenders, increase road safety, improve relations with our community partners, and increase services for victims of crime



2018 FISCAL SUMMARY

Based on the fiscal year end of **December 31, 2018**, the following sections provide a financial summary and review of the District's financial statements, including:

- Permissive Property Tax Exemptions
- Community Grants Awarded
- Financial Statements (contents of are listed separately below)



PERMISSIVE 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.

Owner/Occupant	Civic Address	2018 Tax Value
Non-Profit Exemptions		
Society of St. Vincent De Paul	6750 West Coast Road	\$19,291.55
M'akola Housing Society*	6750 West Coast Road	\$13,204.09
Children's Health Foundation of Vancouver Island	6672 Wadams Way	\$39,763.52
Sooke Family Resource Society	6715 West Coast Road	\$4,641.74
Sooke Harbour Authority	Maple Avenue South	\$12,409.51
Sooke Royal Canadian Legion Branch 54	6726 Eustace Road	\$9,984.68
Sooke Regional Historical Society (Museum)	2070 Phillips Road	\$18,986.04
Sooke Elderly Citizen's Housing Society	6744 Ayre Road	\$18,090.21
Sooke Mount Shepherd Masonic Association	6544 Throup Road	\$5,139.19
Sooke Hospice Society	6669 Goodmere Road	\$6,174.06
Juan de Fuca Salmon Restoration Society	2895 Sooke River Road	\$11,286.41
	SUBTOTAL	\$158,971.00
Church Halls and Church Land		
Sooke Baptist Church	7110 West Coast Road	\$15,236.78
Pentecostal Assemblies of Canada	6851 West Coast Road	\$2,358.27
Anglican Synod Diocese of BC	1952 Murray Road	\$7,149.69
Knox Presbyterian Church	2110 Church Road	\$3,193.23
Seventh Day Adventist Church	6251 Sooke Road	\$928.47
Seventh Day Adventist Church	6255 Sooke Road	\$1,242.64
Sooke Congregation of Jehovah's Witnesses	2207 Church Road	\$7,448.48
St. Rose of Lima Catholic Church	2191 Townsend Road	\$8,601.55
	SUBTOTAL	\$46,159.11

*The estimated tax value for M'akola Housing is the 2015 rate which is the most recent data available.

Owner/Occupant	Civic Address	2018 Tax Value
Public Parks and Recreation Grounds		
Sooke Community Association	2039 Shields Road	\$8,877.21
Sooke Community Association	6441 Throup Road	\$8,541.32
Sooke Community Association	6521 Throup Road	\$5,596.60
Sooke Community Association	6521 Throup Road	\$1,898.38
Sooke Community Association	6521 Throup Road	\$1,704.53
Sooke Community Association	2249 Sooke River Road	\$3,026.22
Sooke Community Association	2259 Phillips Road	\$20,069.31
Sooke Community Association	2259 Phillips Road	\$4,366.63
Sooke Lions Club	2008 Murray Road	\$1,637.45
Canadian Council of the Girl Guides Association	2292 Sooke River Road	\$4,946.49
Camp Thunderbird Society of YMCA	Glinz Lake Road	\$10,220.52
Camp Thunderbird Society of YMCA	Glinz Lake Road	\$4,826.17
Camp Thunderbird Society of YMCA	Glinz Lake Road	\$4,338.21
	SUBTOTAL	\$80,049.04
Community Care Facility		
Steps to the Future Childcare Society	6038 Sooke Road	\$6,175.76
	SUBTOTAL	\$6,175.76
TOTAL TAX EXEMPTIONS		\$291,354.91

COMMUNITY GRANTS AWARDED

The Community Grants Program assists organizations with projects, special activities and events that serve the well-being of the community. With the financial support of the District, the well-being of the community is enhanced through sport, culture, fine arts, heritage, public safety, volunteerism, and beautification projects. These grants are an important source of funding to local community organizations which help to provide a variety of services in the community. In 2018, the total amount awarded through the grant process was **\$241,087**.

Community Grants	
Amber Academy Youth Fine Arts Society	\$ 7,000
Caravan Stage Society	\$ 5,000
J Mayers Group- Productions	\$ 4,500
NEED 2- Suicide Prevention	\$ 1,650
Sooke Canada Day Society	\$ 6,000
Sooke Community Arts Council	\$ 7,000
Sooke River Bluegrass Festival Society	\$ 1,527
Vancouver Island South Film & Media	\$ 1,500
Sooke Crisis Centre Association	\$ 6,120
Sooke Philharmonic Society	\$ 5,275
Total	\$ 45,572

Annual Grants- Category A	
EMCS Arts Department	\$ 1,493
Fred Milne Park Society	\$ 10,000
Intermunicipal Advisory Committee on Disability	\$ 200
Sooke Shelter	\$ 1,688
Sooke Tennis & Pickleball Group	\$ 6,984
Sooke Music Festival	\$ 5,000
Steps to the Future Childcare Society	\$ 7,000
Sooke Baptist Church	\$ 4,000
Sooke Horseshoe Club	\$ 4,000
Sooke Harbour Players Society	\$ 6,000
Sooke Food Bank	\$ 10,000
Sooke Fine Arts Society	\$ 7,000
Sooke Christmas Bureau	\$ 15,000
Total	\$ 78,365

The amounts below are paid annually in accordance to a service agreement signed with the District.

Community Service Agreements - 2018	
Sooke Regional Community Health Initiative	\$ 22,500
Sooke Community Health Network	\$ 20,000
Sooke Community Association	\$ 28,000
Sooke Region Tourist Association	\$ 23,000
Sooke Museum- Visitor Information Centre	\$ 23,650
Total	\$ 117,150

APPENDIX A: FINANCIAL STATEMENTS*

Year ending December 31, 2018

CONTENTS:

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• Management's Responsibility for the Financial Statements	1
• Independent Auditor's Report	2
• Statement of Financial Position	5
• Statement of Operations	6
• Statement of Change in Net Debt	7
• Statement of Cash Flows	8
• Notes to Financial Statements	9

** As provided by the Independent Auditors of KPMG, Victoria, BC.*


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.



Acting 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 the District of Sooke

Opinion

We have audited the financial statements of the District of Sooke (the "Entity"), which comprise:

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

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

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

Basis for Opinion

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

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

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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



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

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, stylized font. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P'.

Chartered Professional Accountants

Victoria, Canada
May 13, 2019

DISTRICT OF SOOKE

Statement of Financial Position

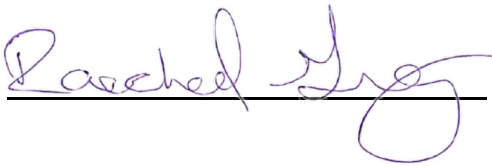
December 31, 2018, with comparative information for 2017

	2018	2017
Financial assets:		
Cash and cash equivalents (note 2)	\$ 13,563,470	\$ 11,042,579
Property taxes receivable	935,434	884,335
Accounts receivable	186,731	155,712
Other assets (note 10(a))	138,179	135,336
	14,823,814	12,217,962
Financial liabilities:		
Accounts payable and accrued liabilities	1,654,746	1,601,098
Deposits	1,597,826	607,622
Deferred revenue (note 3)	4,536,322	3,688,308
Employee benefit obligations (note 4)	314,203	255,126
Long-term liabilities (note 5)	5,363,593	6,136,960
	13,466,690	12,289,114
Net financial assets (debt)	1,357,124	(71,152)
Non-financial assets:		
Tangible capital assets (note 6)	109,835,364	106,124,711
Prepaid expenses	194,943	222,045
	110,030,307	106,346,756
Accumulated surplus (note 7)	\$ 111,387,431	\$ 106,275,604

Commitments and contingent liabilities (note 10)

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

On behalf of the District:



Acting Director of Finance

DISTRICT OF SOOKE

Statement of Operations

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

	Financial Plan (note 11)	2018	2017
Revenue:			
Net taxes available for municipal purposes (note 8)	\$ 7,854,400	\$ 7,890,048	\$ 7,385,794
Sales and user fees	92,750	217,099	301,508
Government transfers (note 9)	1,139,886	1,301,822	1,019,907
Investment income	60,000	322,709	315,504
Penalties and fines	160,000	152,200	157,768
Licenses and permits	661,043	727,045	667,909
Lease and rental	-	3,543	32,076
Donations and contributions	-	5,154,973	4,117,939
Developer cost charges	200,000	295,519	450,577
Sewer operating revenue	2,269,667	2,251,301	2,081,068
Casino revenue sharing	260,000	285,354	251,957
Total revenue	12,697,746	18,601,613	16,782,007
Expenses:			
General government	2,782,055	2,836,605	2,508,128
Protective services	3,890,740	3,935,237	3,924,664
Development service	4,194,231	4,669,303	4,950,220
Sewer	2,337,145	2,048,641	2,101,174
Total expenses	13,204,171	13,489,786	13,484,186
Annual surplus	(506,425)	5,111,827	3,297,821
Accumulated surplus, beginning of year	106,275,604	106,275,604	102,977,783
Accumulated surplus, end of year	\$ 105,769,179	\$ 111,387,431	\$ 106,275,604

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

DISTRICT OF SOOKE

Statement of Change in Net Debt

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

	Financial Plan (note 11)	2018	2017
Annual surplus	\$ (506,425)	\$ 5,111,827	\$ 3,297,821
Acquisition of tangible capital assets	(4,820,492)	(1,680,373)	(623,446)
Developer contributions of tangible capital assets	-	(5,153,299)	(4,077,554)
Amortization of tangible capital assets	2,601,471	3,123,019	3,349,321
Loss on disposal of tangible capital assets	-	-	1,424
	(2,219,021)	(3,710,653)	(1,350,255)
Acquisition of prepaid expenses	-	27,102	45,961
Change in net debt	(2,725,446)	1,428,276	1,993,527
Net debt, beginning of year	(71,152)	(71,152)	(2,064,679)
Net financial assets (debt), end of year	\$ (2,796,598)	\$ 1,357,124	\$ (71,152)

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

DISTRICT OF SOOKE

Statement of Cash Flows

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

	2018	2017
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 5,111,827	\$ 3,297,821
Items not involving cash:		
Developer contributions of tangible capital assets	(5,153,299)	(4,077,554)
Amortization of tangible capital assets	3,123,019	3,349,321
Loss on disposal of tangible capital assets	-	1,424
Actuarial adjustment on debt	(173,898)	(155,047)
Changes in non-cash operating assets and liabilities:		
Property taxes receivable	(51,099)	(14,739)
Accounts receivable	(31,019)	76,144
Other assets	(2,843)	(2,589)
Accounts payable and accrued liabilities	53,648	(423,899)
Deposits	990,204	212,071
Employee benefit obligations	59,077	(134,209)
Deferred revenue	848,014	70,430
Prepaid expenses	27,102	45,961
	4,800,733	2,245,135
Capital activities:		
Acquisition of tangible capital assets	(1,680,373)	(623,446)
	(1,680,373)	(623,446)
Financing activities:		
Debt payments	(599,469)	(680,894)
	(599,469)	(680,894)
Increase in cash and cash equivalents	2,520,891	940,795
Cash and cash equivalents, beginning of year	11,042,579	10,101,784
Cash and cash equivalents, end of year	\$ 13,563,470	\$ 11,042,579

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

DISTRICT OF SOOKE

Notes to Financial Statements

Year ended December 31, 2018

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, 2018

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, 2018

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, 2018

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, 2018

2. Cash and cash equivalents:

	2018	2017
Bank deposits	\$ 2,073,033	\$ 1,497,176
Municipal Finance Authority Pooled Investment Funds	11,490,437	9,545,403
	<u>\$ 13,563,470</u>	<u>\$ 11,042,579</u>

3. Deferred revenue:

	2018	2017
Prepaid property taxes	\$ 880,843	\$ 881,784
Development cost charges	3,616,447	2,756,217
Other deferred revenue	39,032	50,307
Total deferred revenue	<u>\$ 4,536,322</u>	<u>\$ 3,688,308</u>

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

Development Cost Charges

	2018	2017
Opening balance of unspent funds	\$ 2,756,217	\$ 2,615,510
Add:		
Development cost charges during the year	1,123,936	559,791
Interest earned	31,813	31,493
	<u>1,155,749</u>	<u>591,284</u>
	3,911,966	3,206,794
Less amount recorded as revenue	295,519	450,577
Closing balance of unspent funds	<u>\$ 3,616,447</u>	<u>\$ 2,756,217</u>

DISTRICT OF SOOKE

Notes to Financial Statements (continued)

Year ended December 31, 2018

4. Employee benefit obligations:

	2018	2017
Accrued vacation	\$ 55,573	\$ 52,018
Other contract obligations	258,630	203,108
	<u>\$ 314,203</u>	<u>\$ 255,126</u>

Employee benefit obligations represent accrued benefits as at December 31, 2018. 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 (the "Plan"), a jointly trustee pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the Plan, including investment of the assets and administration of benefits. The pension plan is a multiemployer contributory pension plan. Basic pension benefits provided are based on a formula. As at December 31, 2017, the Plan has about 197,000 active members and approximately 95,000 retired members. Active members include approximately 39,000 contributors from local government.

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 \$354,549 (2017 - \$337,233) for employer contributions to the Plan in fiscal 2018, while employees contributed \$293,102 (2017 - \$274,520) to the plan in fiscal 2018.

DISTRICT OF SOOKE

Notes to Financial Statements (continued)

Year ended December 31, 2018

5. Long-term liabilities:

	2018	2017
Tax supported debt bearing interest at 4.52% and matures in 2027 (ladder truck)	\$ 329,533	\$ 360,322
Debenture debt for sewer capital project bearing interest at 4.43% and matures in 2026	4,324,060	4,782,638
MFA Loan (property purchase) bearing annual variable interest and matures in 2021	710,000	994,000
Long-term liabilities	\$ 5,363,593	\$ 6,136,960

(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, 2018 and 2017 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
2019	\$ 600,243
2020	600,243
2021	458,243
2022	316,243
2023	316,243

(c) Total interest expense on long-term debt for the year ending December 31, 2018 amounted to \$170,966 (2017 - \$205,553).

DISTRICT OF SOOKE

Notes to Financial Statements (continued)

Year ended December 31, 2018

6. Tangible capital assets:

	Land	Land improvements	Buildings	Equipment, furniture and vehicles	Roads and sidewalks	Storm sewer	Sanitary sewer	Work in progress	Total 2018	Total 2017
Cost:										
Balance, beginning 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
Additions	4,408,569	232,464	46,298	364,654	1,128,455	582,014	235,621	49,923	7,047,998	4,699,321
Transfers	-	-	-	-	119,444	-	-	(119,444)	-	-
Write Offs	-	-	-	-	-	-	-	(214,580)	(214,580)	-
Balance, end of year	38,482,636	7,740,955	4,071,087	5,125,044	54,845,388	13,871,332	27,274,110	49,669	151,460,221	144,626,803
Accumulated amortization:										
Balance, beginning of year	-	2,741,324	2,448,368	3,062,666	23,393,121	1,542,253	5,314,104	-	38,501,836	35,152,771
Amortization	-	326,337	141,828	241,543	1,733,311	171,360	508,642	-	3,123,021	3,349,321
Balance, end of year	-	3,067,661	2,590,196	3,304,209	25,126,432	1,713,613	5,822,746	-	41,624,857	38,501,836
Net book value, end of year	\$38,482,636	4,673,294	1,480,891	1,820,835	29,718,956	12,157,719	21,451,364	49,669	\$109,835,364	\$106,124,967

DISTRICT OF SOOKE

Notes to Financial Statements (continued)

Year ended December 31, 2018

6. Tangible capital assets (continued):

(a) Work in progress:

Work in progress having a value of \$49,669 (2017 - \$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 \$5,153,299 (2017 - \$4,077,554) comprised of land (\$4,408,569), land improvements (\$45,000), roads and sidewalks (\$430,830), storm sewer (\$150,150) and sanitary sewer (\$118,750).

(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, 2018

7. Accumulated surplus:

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

	2018	2017
Surplus:		
Equity in tangible capital assets	\$104,471,771	\$ 99,987,751
Operating Fund	2,088,978	1,668,628
Total surplus	106,560,749	101,656,379
Reserve Funds:		
Gas Tax Reserve	584,223	403,218
Fire Equipment Reserve	116,399	191,571
Parkland Reserve	290,025	209,386
Land (Non-park) Reserve	99,533	73,269
Casino Revenue Reserve	263,961	490,489
Capital Improvement Financing Reserve	122,226	108,968
SPA Revenue Reserve	72,493	61,012
Capital Works Reserve	25,737	56,123
Emergency Road Repair / Snow Removal Reserve	181,443	179,372
Carbon Tax Rebate Reserve	9,918	7,144
Community Amenities Reserve	57,599	127,292
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	570,735	609,023
Future Sewer Expenditures Reserve	1,087,754	915,771
Seniors/Youth Centre Reserve	254,916	202,578
Playing Field Reserve	401,562	408,101
Future Policing Costs Reserve	252,920	173,615
Future Road Liabilities Reserve	215,539	182,594
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	4,826,682	4,619,225
	\$111,387,431	\$106,275,604

DISTRICT OF SOOKE

Notes to Financial Statements (continued)

Year ended December 31, 2018

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.

	2018	2017
Taxes:		
Property tax	\$ 17,200,438	\$ 16,437,477
Payments in lieu of taxes	41,180	39,987
1% Utility tax	180,517	168,117
	17,422,135	16,645,581
Less taxes levied on behalf of:		
Provincial government - school taxes	4,654,474	4,414,026
Capital Regional District	2,869,187	2,922,359
Capital Regional Hospital District	673,827	645,044
Municipal Finance Authority	593	501
BC Assessment Authority	125,720	115,089
BC Transit Authority	590,278	581,545
Vancouver Island Regional Library	618,008	581,223
	9,532,087	9,259,787
Net taxes available for municipal purposes	\$ 7,890,048	\$ 7,385,794

9. Government transfers:

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

	2018	2017
Provincial Small Community Protection	\$ 347,484	\$ 351,259
Provincial Traffic Fine Revenue	77,301	69,450
Gas Tax Agreement Funds	560,390	541,585
Ministry of Transportation and Infrastructure	313,002	-
Other	3,645	57,613
Total revenue	\$ 1,301,822	\$ 1,019,907

DISTRICT OF SOOKE

Notes to Financial Statements (continued)

Year ended December 31, 2018

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 \$138,179 (2017 - \$135,336) 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, 2018 there were contingent demand notes of \$272,296 (2017 - \$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 2019 estimated cost of this contract is \$2,003,896.

DISTRICT OF SOOKE

Notes to Financial Statements (continued)

Year ended December 31, 2018

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 2018 operating and capital financial plans approved by Council on April 23, 2018 (and amended on August 13 and September 17, 2018). The following reconciles the approved financial plan to the figures reported in these financial statements.

	Financial plan amount
Revenues:	
	\$ 20,338,163
Amendments approved by Council	95,666
Financial plan, as approved by Council	20,433,829
Less:	
Transfers from other funds	3,924,612
Proceeds from borrowing	1,210,000
Amortization offset	2,601,471
Total revenue	12,697,746
Expenses:	
Financial plan, as approved by Council	20,338,163
Amendments approved by Council	95,666
Financial plan, as approved by Council	20,433,829
Less:	
Capital expenditures	4,820,492
Transfer to other reserves	1,744,993
Debt principal payments	664,173
Total expenses	13,204,171
Annual surplus	\$ (506,425)

DISTRICT OF SOOKE

Notes to Financial Statements (continued)

Year ended December 31, 2018

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, 2018

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, 2018

12. Segmented information (continued):

	General	Protective			
	Government	Services	Development	Sewer	Total
2018					
Revenue:					
Taxation	\$ 7,890,048	\$ -	\$ -	\$ -	\$ 7,890,048
User charges	238,085	142,890	718,912	2,251,301	3,351,188
Government transfers	3,645	424,785	873,393	-	1,301,823
Investment income	322,709	-	-	-	322,709
Other	285,354	-	5,154,973	295,519	5,735,846
Total revenue	8,739,841	567,675	6,747,278	2,546,820	18,601,614
Expenses:					
Salaries and wages	1,292,706	1,052,119	1,718,943	534,872	4,598,640
Contracted and general services	538,735	2,121,196	375,061	486,731	3,521,723
Supplies and materials	831,392	503,413	515,652	193,037	2,043,494
Interest and bank charges	31,944	16,966	-	154,000	202,910
Amortization	141,828	241,543	2,059,647	680,001	3,123,019
Total expenses	2,836,605	3,935,237	4,669,303	2,048,641	13,489,786
Annual surplus (deficit)	\$ 5,903,236	\$ (3,367,562)	\$ 2,077,975	\$ 498,179	\$ 5,111,828

	General	Protective			
	Government	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	25,212	420,709	573,985	-	1,019,906
Investment income	315,504	-	-	-	315,504
Other	251,957	-	4,239,746	295,519	4,787,222
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