



Capital Regional District 2016 Annual Report

Photo acknowledgment

The photos in this document were taken within the boundaries of the Capital Regional District, and we wish to acknowledge the many photographers whose work is featured here, including:

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Table of Contents

Introduction

Message from the Board Chair	4
Message from the Chief Administrative Officer	5
Board of Directors	6
Executive Leadership Team	7

The Capital Region

Profile of a Growing Region	10
Profile of the Capital Regional District	12
Corporate & Financial Services	13
Drinking Water	14
Education, Outreach & Information	15
Environmental Protection	16
Environmental Resource Management	17
Health & Well-Being	18
Protective Services	19
Recreation, Arts & Culture	20
Regional Infrastructure	21
Regional Parks	22
Regional Planning	23
Social Housing	24
Wastewater Management	25

2016 Progress

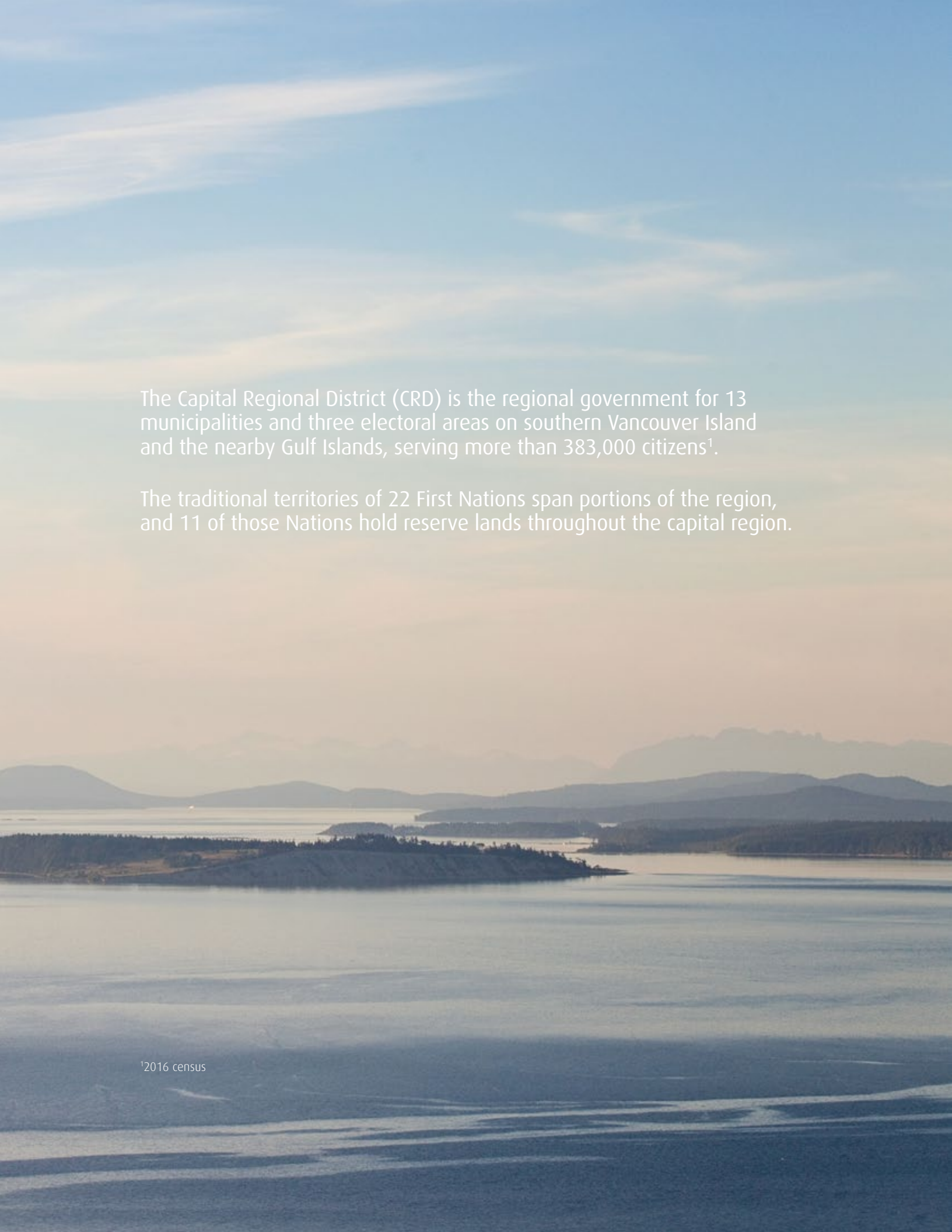
Delivering on Priorities	27
Sustainable	28
Livable	32
Vibrant	36
Collaborate	40
Serve	44

2016 Financial Highlights

Financial Reporting Overview	50
Consolidated Financial Position	51
Statement of Operations	52
Financing	54
Capital Investment	56
CRHD Statement of Financial Position	58
CRHD Statement of Operations	59

Introduction





The Capital Regional District (CRD) is the regional government for 13 municipalities and three electoral areas on southern Vancouver Island and the nearby Gulf Islands, serving more than 383,000 citizens¹.

The traditional territories of 22 First Nations span portions of the region, and 11 of those Nations hold reserve lands throughout the capital region.

¹2016 census

Message from the Board Chair

I wish to extend my appreciation to our past and current Board members for their passion and commitment to their roles as both Board members and committee members.

The commitment and enthusiasm of directors made 2016 a year of progress as the CRD delivered on the strategic priorities that benefit the region while continuing to provide cost-effective core services. It is important to acknowledge the work of the Capital Region Housing Corporation and Capital Regional Hospital District boards, as well as our many committees and commissions that do great work in meeting the needs of residents.

Significant progress was made in many Board priority areas. Climate Change and First Nations forums of all councils were held in 2016, which provided an opportunity for local government and First Nations leaders from across the region to come together to discuss important regional topics and engage face-to-face to drive and inform decision-making in these areas.

Sadly, in early 2017, Director Vic Derman, a valuable and committed Board member, passed away. For over 12 years, he served the residents of the region on the CRD Board as a representative of the District of Saanich. As we mourn his loss, we are grateful for his many contributions and enduring legacy.

2016 marked the CRD's 50th anniversary, and I would like to thank all those who celebrated with us. Activities delivered throughout the year — including a community event in Centennial Square, geocaching events, community engagement activities and a commemorative coffee table book — showcased the collaboration that built this



region and enhanced our sense of connection and inclusiveness.

As part of our 50th anniversary celebration activities, we engaged with the quilting community, who worked to create a regional quilt that is now proudly on display in the CRD boardroom. The quilt is composed of individual squares that represent each one of our diverse communities.

The quilters have done, by stitching, what we at the CRD board do: work together, representing our diverse local governments but ultimately creating something great for the region as a unified whole.

As we move forward into the next 50 years, it is our task to honour the past by approaching each day with a common effort and purpose for the benefit of our region.

A handwritten signature in black ink that reads "Barbara Desjardins". The script is fluid and cursive.

Barbara **DESJARDINS**
Chair
Capital Regional District Board of Directors

Message from the Chief Administrative Officer

It is my pleasure to report on the 2016 activities and initiatives of the Capital Regional District and highlight accomplishments of our organization over the past year as we worked towards both Board and corporate priorities.

This report provides a profile and overview of our achievements in service delivery, a summary of our organizational performance, and consolidated financial information, including the work of our other corporate entities — the Capital Regional Hospital District and Capital Region Housing Corporation — and the many CRD-appointed commissions.

We made great progress in 2016, our 50th anniversary year, engaging in new partnerships and approving a number of new plans and strategies, including the Regional Food & Agriculture Strategy, the Corporate Climate Action Strategy and the Regional Trails Management Plan. We hosted two forums of all councils (Indigenous cultural training and climate action) and launched the Housing First Program, putting out a call for expressions of interest for the construction of new affordable housing units. We established a new regional emergency management partnership, broke ground on The Summit and began implementing the Active Transportation & Healthy Communities program.

The work and expertise of our professional staff is supported by the dedication of more than 1,700 volunteers and the active participation of residents in the region. I would like to acknowledge the skill and capability of our staff, who provide innovative ideas and opportunities for the



CRD to be the best at what we do and demonstrate leadership in environmental, social and economic initiatives. Many of the initiatives outlined in this report are the result of the hard work of individuals and teams throughout the organization striving to accomplish projects while still meeting ongoing service requirements.

I look forward to working closely with the Board of Directors and staff as we continue on our ambitious path. We have made significant progress in achieving the priorities of the CRD Board and have contributed to the efficient and effective delivery of services across the region. Thank you to our Board of Directors and staff for a milestone 50th year in 2016.

A handwritten signature in black ink, appearing to read 'R. Lapham', written in a cursive style.

Robert **LAPHAM**
Chief Administrative Officer
Capital Regional District

Board of Directors

The Capital Regional District is governed by a 24-member Board of Directors that is supported by more than 75 committees and commissions. The Board is composed of one or more elected officials from each of the local governments within the CRD's boundaries. Each local government has one director position on the Board for every 25,000 people (or portion thereof).

The directors also sit as members of the Capital Regional Hospital District Board, and four directors are appointed to the Capital Region Housing Corporation Board.

In 2017, the Board mourned the loss of Vic Derman, who had served as a CRD director for 12 years.

Chair

- ▶ Barbara **DESJARDINS**, Esquimalt

Vice-Chair

- ▶ Dave **HOWE**, Southern Gulf Islands Electoral Area

Directors

- ▶ Marianne **ALTO**, Victoria
- ▶ Richard **ATWELL**, Saanich
- ▶ Denise **BLACKWELL**, Langford
- ▶ Susan **BRICE**, Saanich
- ▶ Judy **BROWNOFF**, Saanich
- ▶ Vic **DERMAN**, Saanich
- ▶ Alice **FINALL**, North Saanich
- ▶ Carol **HAMILTON**, Colwood
- ▶ Lisa **HELPS**, Victoria
- ▶ Mike **HICKS**, Juan de Fuca Electoral Area
- ▶ Ben **ISITT**, Victoria
- ▶ Nils **JENSEN**, Oak Bay
- ▶ Wayne **MCINTYRE**, Salt Spring Island Electoral Area
- ▶ Colin **PLANT**, Saanich
- ▶ Steve **PRICE**, Sidney
- ▶ John **RANNS**, Metchosin
- ▶ David **SCREECH**, View Royal
- ▶ Lanny **SEATON**, Langford
- ▶ Maja **TAIT**, Sooke
- ▶ Ken **WILLIAMS**, Highlands
- ▶ Ryan **WINDSOR**, Central Saanich
- ▶ Geoff **YOUNG**, Victoria



Executive Leadership Team

The Executive Leadership Team (ELT) consists of the Chief Administrative Officer, Chief Financial Officer, Corporate Officer and the General Managers who are also officers of the corporation. These officers direct the departments and divisions of the CRD and work collaboratively to:

- ▶ consider strategic issues related to corporate decision-making
- ▶ discuss solutions to organizational challenges
- ▶ provide direction on corporate-wide policies, systems, projects and initiatives
- ▶ ensure employees are supported and empowered to achieve organizational goals

The ELT ensures that corporate policies are clear and appropriate and that there are effective management actions to meet statutory obligations, mitigate risks, and monitor and report on progress, outcomes and concerns.

The ELT has the administrative responsibility and delegated authority to manage and coordinate various programs, projects and initiatives and makes decisions to support overarching corporate goals that are in the best interests of the organization as a whole.

Executive Leadership Team

- ▶ Robert **LAPHAM**, Chief Administrative Officer
- ▶ Nelson **CHAN**, Chief Financial Officer
- ▶ Larisa **HUTCHESON**, General Manager, Parks & Environmental Services
- ▶ Diana **LOKKEN**, General Manager, Technology & Initiatives
- ▶ Kevin **LORETTE**, General Manager, Planning & Protective Services
- ▶ Ted **ROBBINS**, General Manager, Integrated Water Services
- ▶ Brent **REEMS** (*Corporate Officer*), Senior Manager, Legislative & Information Services





A scenic view of a lake with a forested background and a small building reflected in the water. The foreground is filled with tall green grass. The background shows a dense forest of evergreen trees. A small building with a brown roof is visible on the right side of the lake, reflected in the water. The overall scene is peaceful and natural.

The Capital Regional District (CRD) was incorporated in 1966 to provide regional decision-making on issues that transcend municipal boundaries and to enable more effective service delivery to residents regionally, sub-regionally and locally.

As a local government, the CRD develops partnerships to facilitate and deliver projects and services that will ensure a sustainable, livable and vibrant capital region.

The Capital Region

Profile of a Growing Region

Encompassing 237,000 hectares, including 70 Gulf Islands, the capital region is a sought-after destination, renowned for its mild climate, beautiful coastlines and natural ecosystems.

The region offers a balance between rural and urban lifestyles, from the farming communities in North Saanich to the evergreen hills of Sooke, from the artisan networks on the Gulf Islands to the government and business hub of the City of Victoria, the province's capital. It is home to the Canadian Pacific Naval Fleet and multiple educational institutions, including Camosun College, Royal Roads University and the University of Victoria.

Tourism, technology, health care and government services are key industries in the region, a place where residents and tourists can enjoy the Pacific Ocean, old-growth

rainforests, outdoor adventure, world-class culinary experiences and a vibrant arts and culture scene.

Over the past several years, the region has seen a steady increase in population, a dramatic increase in the number of businesses and, most recently, an exceedingly high cost of accommodation.

The CRD will continue to work with local residents, community groups, businesses, First Nations, major institutions, municipalities and other stakeholders to ensure our services continue to meet the needs of this growing region now and for the next 50 years.



The CRD is the second-largest regional district by population in B.C., with more than



383,000
residents

This represents an increase of

6.5%

since 2011



The total value of building permits broke the billion dollar mark for the first time ever in the CRD in 2016, reaching



\$1.06B

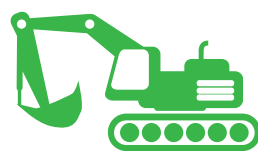


The fastest-growing segment of the population, which **increased by 22%** since 2011, are those

65+ years

The 15-64 years demographic increased by only **2.0%** in the same time.

The total number of building permits issued in 2016 **rose 10%** over the previous year to



4,115

The biggest increase was in the **residential** category, at **12%**.

The average sale price of a single-family dwelling, **jumped 15%** over 2015 to



\$742,148

The number of businesses has been growing steadily, reaching **89,220** in 2016, an increase of



54% since 2011

Sources: Statistics Canada, CRD's Regional Planning division, BC Stats, Victoria Real Estate Board MLS

Profile of the Capital Regional District

The CRD plays a key role in providing services that can be delivered efficiently and effectively through region-wide or shared service delivery models for the regional water supply, solid waste, wastewater treatment, regional parks and recreation facilities.

The CRD has more than 200 service, infrastructure and financing agreements with municipalities and electoral areas to deliver services in the following categories:

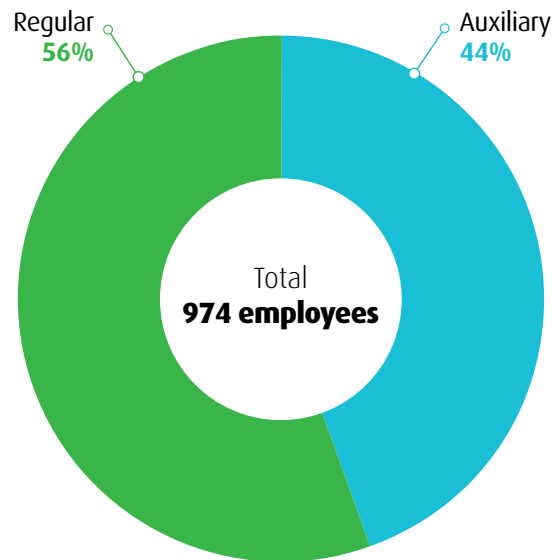
- ▶ **regional**, where all municipalities and electoral areas are served
- ▶ **sub-regional**, where two or more jurisdictions are served
- ▶ **local**, in the electoral areas where the CRD is the local government

The CRD works collaboratively with First Nations and other levels of governments and has a direct relationship with individuals, businesses, organizations and institutions that access regional utilities and services and with communities that collaborate for regional services on behalf of their residents.

The CRD owns and operates the Capital Region Housing Corporation (CRHC), a non-profit provider of more than 1,200 affordable rental units in the region, and administers the Capital Regional Hospital District (CRHD). The CRHD invests in traditional health care services and provides capital funding for health care infrastructure such as health facilities and hospital equipment.

The CRD has a skilled workforce of more than 950 employees and works with service contractors and a network of more than 1,700 registered volunteers, making it a significant employer in the region.

Total regular & auxiliary positions in 2016



The following pages summarize the core services provided by the CRD:

- ▶ Corporate & Financial Services
- ▶ Drinking Water
- ▶ Education, Outreach & Information
- ▶ Environmental Protection
- ▶ Environmental Resource Management
- ▶ Health & Well-Being
- ▶ Protective Services
- ▶ Recreation, Arts & Culture
- ▶ Regional Infrastructure
- ▶ Regional Parks
- ▶ Regional Planning
- ▶ Social Housing
- ▶ Wastewater Management

Corporate & Financial Services

The CRD is a leader in occupational health and safety in the workplace, thanks to the continued dedication and safety awareness of all staff and the hard work of our Joint Occupational Health and Safety committees. Our WorkSafeBC Estimated Injury Rate is 25% better than industry average, and in 2016, we received two awards from the North American Occupational Safety and Health Steering Committee and the Canadian Society of Safety Engineering.

www.crd.bc.ca/careers



35

safety awards and
recognitions received
over the last 14 years

Ensuring effective service delivery is at the core of our central services. The CRD demonstrates leadership in organizational performance based on a foundation of applying best practices throughout our corporate services and ensuring effective financial and audit reporting practices. We strive for continued advancement through ongoing workforce education, training and development; fostering exceptional customer service; and investing in systems that increase efficiency in our operations. We have been carbon neutral in our operations since 2012.



Drinking Water

Our integrated water service delivery model closely aligns and integrates water and wastewater infrastructure operating and engineering responsibilities, whether these are for our large regional water disinfection and transmission systems, for our sub-regional water distribution systems, or for wastewater collection and treatment systems for our many smaller local community systems.

Areas of focus include:

- ▶ operations
- ▶ watershed protection
- ▶ infrastructure engineering
- ▶ customer & technical services

www.crd.bc.ca/service/drinking-water/watershed-protection

47.6M m³ 
of drinking water delivered
in 2016 through the regional
water supply system

Stewardship of our drinking water supply means careful management of the systems that bring the water from the source to your tap, ensuring safe and sustainable drinking water for today and into the future. The CRD is responsible for the supply of regional water across Greater Victoria and for distributing water directly to customers in several municipalities and electoral areas. Delivering safe drinking water requires more than a reliable network of water pipes. It also includes protecting the source, disinfecting the water and monitoring water quality, operating and maintaining transmission systems and investing in infrastructure replacement.



Education, Outreach & Information

The CRD delivers programming designed to encourage behaviours that will ensure the continued health and sustainability of our region. This includes environmental education, in-person outreach at community events, regulatory enforcement and information provision for businesses and institutions, and partnerships within the community to further common goals. In addition, we have interpretive programs, nature centres and guided activities as part of our regional parks system. The CRD also provides relevant, timely and usable data and information through sub-regional profiles and fact sheets to ensure the accessibility of regional data.

The CRD shares information to support sustainability objectives and enhanced quality of life for current and future residents. Many resources are available on our website, including:

- ▶ fact sheets
- ▶ maps
- ▶ development statistics
- ▶ indicators
- ▶ publications
- ▶ and more

www.crd.bc.ca/about/data

2.7M

unique page visits
to CRD websites in 2016



Environmental Protection

Through advocating, partnerships, restoration and monitoring, protection of our environment focuses on optimal health in areas such as:

- ▶ ecosystems
- ▶ harbours
- ▶ watersheds
- ▶ wildlife & plants
- ▶ and many more

www.crd.bc.ca/education/our-environment



3,500

environmental samples
collected for analysis in 2016

Protecting and preserving for the benefit of both our natural environment and local residents requires the development and management of strategies, processes and guidelines. The CRD provides scientific and technical expertise within the organization and to municipalities and electoral areas to protect the region's environmental resources and functions through collaboration, service provision and support. Services provided by the CRD include monitoring and assessment of the environment, climate change mitigation and adaptation, environmental reporting and coordination of multi-stakeholder stewardship programs.



Environmental Resource Management

The CRD plans, develops and applies systems that will ensure integrated and beneficial use and reuse of our resources. Instead of viewing solid waste as garbage, the CRD sees waste as a commodity and seeks the highest and best use for these resources as demonstrated by initiatives such as methane gas capture and the ban on kitchen scraps from the landfill.

The management of regional solid waste requires a strong citizen understanding of what is waste, what isn't and how to best deal with their items. Through education initiatives and outreach activities, the CRD provides a vast amount of information on the five Rs:

- ▶ reduce
- ▶ reuse
- ▶ recycle
- ▶ recover
- ▶ residuals management

www.myrecyclopedia.ca

1,560 tonnes



of segregated glass containers
collected and recycled in 2016



Health & Well-Being

The CRD supports and administers funding in the following areas:

- ▶ upgrading and renewing existing health facilities and medical equipment
- ▶ replacing existing buildings that have reached the end of their economic and functional life
- ▶ starting new projects and expanding existing facilities
- ▶ providing oversight and review of facility projects and expenditures for capital projects and health care equipment
- ▶ providing funding to Island Health for education and enforcement of public health bylaws
- ▶ providing funding to the Greater Victoria Coalition to End Homelessness

www.crd.bc.ca/about/what-we-do/capital-regional-hospital-district



\$19.8M

invested in health capital infrastructure in 2016

The Capital Regional Hospital District works to create a healthy region by investing in traditional health care services, developing health care facilities and providing capital funding for infrastructure such as acute care, residential care and hospital equipment. The CRHD and the CRD share the same Board of Directors and Officers.



Protective Services

Emergency management services are in place to respond to multiple hazards in our region, including:

- ▶ earthquakes
- ▶ tsunamis
- ▶ severe weather
- ▶ wildland fires
- ▶ pandemics
- ▶ hazmat incidents
- ▶ flooding
- ▶ and more

www.crd.bc.ca/prepare-yourself

4,000

emergency preparedness
workbooks distributed in 2016



To ensure continued public safety, the CRD offers protective services such as bylaw enforcement, animal control services and emergency management. Community education, mediation, fines and injunctions are tools that aid the enforcement of bylaws that maintain good order, public health and safety. The CRD works in conjunction with other agencies to provide information, support and oversight to ensure a coordinated response to regional emergencies.



Recreation, Arts & Culture

Culture and recreation in the capital region ensure a high quality of life for citizens while providing a wide range of participatory and audience opportunities for residents and visitors alike. The CRD owns and administers local performing arts theatres; owns and operates libraries and funds museums in electoral areas; and develops, operates and maintains multiple local amenities, including parkland, trails, children's playgrounds and recreation centres. The CRD supports new and ongoing arts activity in the region through sub-regional arts development funding and local arts funding on Salt Spring Island. This investment supports local arts organizations that provide employment and entertainment and bring provincial and national recognition to our region.

The CRD participants of the art service provide funding to arts organizations on behalf of eight municipalities in the capital region through three funding programs:

- ▶ operating grants
- ▶ project grants
- ▶ IDEA (innovate, develop, experiment, access) grants

www.crd.bc.ca/service/arts-funding



\$2.3M

of arts funding
distributed to 80
organizations in 2016



Regional Infrastructure

The CRD's infrastructure includes a broad and intricate network of:

- ▶ fee simple parcels of land
- ▶ rights of way
- ▶ bridges, dams & other structures
- ▶ pipe systems
- ▶ recreation centres
- ▶ housing developments
- ▶ and much more

www.crd.bc.ca/project/capital-projects

\$40.0M



invested in capital in 2016

The well-being of our residents, the development of our communities and the economic growth of our region relies on integrated systems. The CRD operates, manages and maintains regional public infrastructure — including recreation and regional parks facilities, housing and health care complexes, fire halls and libraries, pump stations and pipe systems — to ensure our systems are sustainable and meet the needs of residents, member municipalities and electoral areas. The CRD receives significant support for the replacement and development of infrastructure from senior government through grants programs.



Regional Parks

The CRD protects and manages more than 13,000 hectares of spectacular and accessible natural areas in 33 regional parks and trails on southern Vancouver Island and the Gulf Islands. Our parks and trails provide opportunities for outdoor experiences and activities that improve personal health and well-being while fostering appreciation, enjoyment and respect for the region's natural environments. The CRD develops and maintains park facilities, plans for future acquisitions, restores and conserves natural resources and offers interpretive programs for the continued stewardship of regional parks and trails.

The regional parks and trails system makes up more than 5% of the regional district. Responsible growth of these natural areas is made possible by the CRD's Land Acquisition Fund. Residents and visitors alike can participate in self-guided exploration or the 500+ programs offered annually.

www.crd.bc.ca/parks-recreation-culture/parks-trails



8,528 visitors
to nature centres in 2016



Regional Planning

The CRD maintains a regional information base and provides value-added analysis of the region's population, development, land use, transportation, housing and employment trends. By engaging in transportation planning — as well as developing, implementing, maintaining and updating a regional growth strategy — the CRD supports regional sustainability and the continued quality of life for current and future citizens.

The CRD prepares and monitors plans, policies and strategies to fulfil legislative requirements and to address emerging regional issues such as land use, transportation and food and agriculture. The CRD also supports municipalities and electoral areas in achieving multi-modal transportation goals and establishing partnerships to accelerate investments to address regional mobility needs.

www.crd.bc.ca/project/regional-transportation

7,902 students served,
across 20 schools, through Active &
Safe Routes to School project in 2016



Social Housing

Affordable housing is the cornerstone of a healthy and economically strong community. The Capital Region Housing Corporation, a wholly owned subsidiary of the CRD, provides low- and moderate-income families with safe, suitable homes that remain affordable as their lives and families change and grow. The CRHC also provides affordable housing for low-income seniors and for people living on government disability pensions. Additionally, the CRD's Regional Housing Trust Fund, a capital grant allocation program, assists non-profit and private housing providers in the new development of affordable housing units in the region. The CRHC Board of Directors includes four CRD Board representatives and three community members.

The primary activity of the CRHC is the day-to-day management of housing buildings, property management services and providing services to the residents living in 45 housing complexes within seven municipalities. To support community efforts to end homelessness in the region, the CRD administers the federal Homelessness Partnering Strategy and participates in and provides funding to the Greater Victoria Coalition to End Homelessness.

www.crd.bc.ca/crhc

≈4,000

people housed
through regional
social housing in 2016



Wastewater Management

Residential, commercial, industrial and institutional wastewater is collected from municipal or CRD systems, treated in various ways and discharged daily through seven CRD wastewater systems across the region. Many residents not connected to a community wastewater system rely on an estimated 26,000 on-site (or septic) systems within the regional boundaries for wastewater disposal.

www.crd.bc.ca/service/sewers-wastewater-septic

100M

average number of litres of wastewater collected and discharged every day between two sub-regional systems in 2016



Protecting the health of our local environment and the residents who call it home is at the forefront of regional wastewater management. The CRD works in co-operation with local municipalities, electoral areas and industry to ensure a consistent approach to stewardship and sustainability in the development of services to manage liquid wastes, septic systems and wastewater collection, treatment and disposal infrastructure across the region. Our services help protect the local urban and rural watersheds and surrounding marine environment. The CRD currently operates six secondary wastewater treatment plants, five of which are located in the electoral areas.



2016 Progress



Delivering on Priorities

The 2015 Board of Directors established 51 strategic priorities within 12 areas to guide the direction and major activities of the Capital Regional District (CRD). In addition, the CRD identified 17 corporate and core service priorities in nine areas that would ensure continued improvement in the effectiveness, efficiency and delivery of services.

The priority areas were grouped into five themes derived from the CRD's mission statement — **sustainable, livable, vibrant, collaborate and serve** — that summarize our overall commitment to the region and its residents.

The *2015-2018 Corporate Plan* and divisional service plans detailed the actions and strategies the CRD would undertake in response to these Board, corporate and core service priorities.

In 2016, we completed or operationalized 48 of the total 68 priorities. This section highlights the key accomplishments made during the year that led to this success.

Because many initiatives and projects span multiple years and involve other organizations, the achievements described here capture only a snapshot of our organization's work.

Board priority areas

<i>Climate Change</i>	
<i>Integrated Waste Management</i>	
<i>Active & Multi-Modal Transportation</i>	
<i>Agricultural Land & Food Security</i>	
<i>Changing Demographics</i>	
<i>First Nations</i>	
<i>Governance</i>	
<i>Public Engagement & Communications</i>	
<i>Housing</i>	
<i>Land Use Planning</i>	
<i>Economic Development</i>	
<i>Biodiversity & Ecosystem Health</i>	

Corporate priority areas

<i>Corporate Development</i>	
<i>Drinking Water</i>	
<i>Education, Outreach & Information</i>	
<i>Environmental Protection</i>	
<i>Health & Well-Being</i>	
<i>Protective Services</i>	
<i>Recreation, Arts & Culture</i>	
<i>Regional Infrastructure</i>	
<i>Regional Parks</i>	

Sustainable

CORPORATE CLIMATE ACTION | The CRD developed the Corporate Climate Action Strategy to demonstrate its commitment to climate action. The strategy establishes a framework that will ensure the integration of climate action into everyday business throughout the CRD and achieve the CRD Board's strategic priorities relating to corporate climate action. The CRD has been carbon neutral since 2012 and has reduced operational greenhouse gas emissions 17% below 2007 levels, which is on track to meet the 2020 target of reducing emissions 33% below 2007 levels.



Climate Change



Corporate Development

In addition to releasing the Corporate Climate Action Strategy, the CRD also took action on climate through the following activities:

- ▶ Began a boiler and lighting retrofit at SEAPARC, which will result in an annual greenhouse gas emissions savings of 62 tonnes of carbon dioxide equivalent and electricity savings of 150,000 kilowatt hours/year.
- ▶ Installed a real-time utility monitoring system for all electricity, natural gas, oil and water accounts.
- ▶ Signed the West Coast Electric Fleets Pledge and began acquiring electric vehicles within the fleet.
- ▶ Initiated a pilot of telematics devices, which record information about driving habits, within the fleet.
- ▶ Developed a climate lens for decision-making to be used on all new capital projects.



SEAPARC Leisure Centre ice rink



Architectural rendering of McLoughlin Point treatment plant

WASTEWATER TREATMENT | The CRD made progress toward the construction of a wastewater treatment plant that will provide tertiary treatment for wastewater from the Core Area municipalities and the Esquimalt and Songhees nations.

In January and February, the CRD held public consultations on multiple options for wastewater treatment. In May, at the recommendation of the provincial Minister of Community, Sport & Cultural Development, the CRD Board adopted a project board approach to managing the wastewater treatment project, giving the Wastewater Treatment Project Board delegated authority to undertake all aspects of business case planning, site acquisition, project management and expenditures.

For several months, the Project Board reviewed past technical work and related public comment and input, and, in September, made a recommendation to the CRD Board for a single treatment plant at McLoughlin Point.

This recommendation was accepted by the CRD Board and was used to form Amendment 11 of the Core Area Liquid Waste Management Plan, which was approved by the B.C. Ministry of Environment on the condition that a definitive plan for the beneficial reuse of biosolids be submitted to the minister by June 30, 2019. In the fall, following these approvals, the Project Board launched into the next steps toward building the McLoughlin plant.

SMART DRIVE CHALLENGE | The CRD collaborated with Scout Environmental to encourage more efficient driving practices through the Smart Drive Challenge Pilot Program. Across the region, 50 participants participated in the pilot, resulting in a 16% reduction in their fuel and greenhouse gas emissions. The initiative was a data-driven program designed to engage, educate, challenge and motivate drivers to drive better (more efficiently) and drive less (reduced distance).



Integrated Resource Management



Regional Infrastructure



Climate Change

WATER AND ENERGY SAVINGS FIXTURES PROGRAM | In partnership with FortisBC, and with support from the City of Victoria, the CRD helped local businesses save water and energy costs while reducing their carbon footprint. Through a new water, energy and greenhouse gas savings initiative, eligible businesses were given the opportunity to receive a free installation of pre-rinse spray valves and high-efficiency faucet aerators, together with a complementary water, energy and waste reduction opportunities assessment. By using the program, businesses saved anywhere from \$50 to \$7,000 per year. On average, the program reduces water consumption by over 232,000 litres per business per year and reduces greenhouse gas emissions by three tonnes per year. The program is delivered by the local non-profit City Green Solutions.



Climate Change



Education, Outreach
& Information



Integrated Resource
Management

WASTE COMPOSITION STUDY | A 2016 solid waste composition study confirmed that per capita waste generation in the region has decreased significantly since 2010, especially for kitchen scraps, pointing to the successful implementation of the kitchen scraps ban. Since 1990, the CRD has commissioned six studies to assess the composition of waste being landfilled at Hartland. These studies provide valuable benchmark data and analysis for evaluating the success of existing solid waste programs and planning future initiatives. Objectives of the studies include: determining the overall waste composition by material type, characterizing the waste by source sector (residential, industrial/commercial/institutional and demolition/land clearing) and reviewing trends from different material types. In 2017, staff will increase education to divert additional kitchen scraps, with a focus on compostable, soiled paper products.



Waste composition study workers



Electric heat pump

OIL TO HEAT PUMP PROGRAM | The CRD provided 185 top-up incentives, worth \$150 each, for home energy assessments to CRD residents participating in the Province's Oil to Heat Pump Incentive Program. The program encourages homeowners to replace oil tanks with electric heat pumps, one of the most impactful ways to reduce home heating greenhouse gas emissions and protect our waterways. The program is funded by the provincial Innovative Clean Energy Fund and is administered by City Green Solutions, a non-profit, energy-efficiency organization.

REGIONAL GROWTH STRATEGY | The Regional Growth Strategy (RGS), in the process of a provincially mandated update, met several milestones on its way to adoption as bylaw. The CRD Board gave first and second readings to the 2016 RGS, held a public hearing and referred the document for municipal acceptance. The referral period extended into early 2017, and the document did not get unanimous acceptance. Given the requirement for unanimity, provincial legislation provides the CRD Board and local municipalities several options for moving forward.

In a separate process, in response to a request from the District of Metchosin, the City of Langford and the Beecher Bay First Nation, an amendment was made to the existing 2003 RGS to extend the Regional Urban Containment & Servicing Policy Area boundary. The amendment was adopted as Bylaw 4124.

REGIONAL CLIMATE ACTION FORUM OF ALL COUNCILS | In November, the CRD hosted a forum of all councils to discuss the urgency of climate change. Leaders from across the region gathered to learn about the science of climate change and projected impacts to the region and to provide input on the draft CRD Regional Climate Action Strategy. The Regional Climate Action Strategy is broader in scope than the Corporate Climate Action Strategy and provides a vision, goals and strategic direction to support climate action across the capital region. Feedback from the forum was incorporated into the document, which was approved in early 2017.



Climate Change



Education, Outreach
& Information



Land Use Planning



Public Engagement
& Communications



Climate Change



Public Engagement
& Communications

Livable

REGIONAL HOUSING TRUST FUND GRANTS | The Regional Housing Trust Fund (RHTF) awarded three grants totalling over \$1 million to assist the Victoria Native Friendship Centre Society, the Greater Victoria Housing Society and the Greater Victoria Rental Development Society in the development of new supportive and affordable rental housing in the region. The RHTF is a key implementation initiative of the Regional Housing Affordability Strategy. It was established by the CRD Board in 2005 in recognition that housing affordability is a regional priority and a key issue in the capital region. The fund provides capital grants for “bricks and mortar” in the acquisition, development and retention of housing that is affordable to those with low or moderate incomes in the capital region.



Housing



Economic Development



Rosalie's Village, a project funded in part by a Regional Housing Trust Fund grant and the Homelessness Partnering Strategy

REGIONAL HOUSING FIRST PROGRAM | Through an innovative partnership, the Regional Housing First Program (RHFP) will create at least 268 supported and affordable housing units at provincial shelter rates and at least 175 housing units affordable to low- and moderate-income households in the region. The CRD is contributing up to \$30 million toward the capital costs, and the Province has committed to contribute a matching \$30 million.

In May, the CRD entered into a partnering agreement with the BC Housing Management Commission and with Island Health. Island Health has agreed to align its existing mental health and substance services with new housing opportunities developed through the RHFP. This program is an investment in the capital region's long-term vision of a responsive, equitable and coordinated supportive housing system.

The implementation plan, approved in September, provides a planned approach to support the development of affordable housing units in mixed-market projects that address the needs of those experiencing chronic homelessness and of low- to moderate-income households.

FUNDING TO PREVENT AND REDUCE HOMELESSNESS | The CRD accessed increased funding to prevent and reduce homelessness in the region.

In July, the CRD amended its agreement with the Government of Canada to receive nearly \$800,000 in additional funding through the federal Homelessness Partnering Strategy (HPS), bringing the total agreement amount to almost \$4 million over a five-year term ending in 2019. The HPS is a community-based program aimed at preventing and reducing homelessness by providing direct support and funding to 61 designated communities and to organizations that address Aboriginal homelessness across Canada. The CRD administers the HPS on behalf of the federal government.

Additionally, the CRD received a \$44,000 grant from the federal government to participate in the first coordinated Point-in-Time (PiT) Count in Canada. The CRD contracted the Community Social Planning Council to coordinate the count and is working in partnership with the Greater Victoria Coalition to End Homelessness, BC Housing and Island Health to map out the supportive and supported housing programs in the region, with an eye to identifying gaps and bottlenecks in service delivery. The results of the PiT Count and the mapping initiative will be used to inform efforts to improve existing and/or add new programs and services that meet the needs of people experiencing homelessness in the region.



Housing



Regional Infrastructure



Housing



Economic Development



Japan Gulch Water Treatment Plant

JAPAN GULCH WATER TREATMENT PLANT | The CRD began construction to update the Japan Gulch Water Treatment Plant, the primary treatment plant for the regional water supply system, which provides clean, safe, high-quality drinking water to the residents of Greater Victoria. The Japan Gulch facility treats and disinfects water through a combination of ultraviolet disinfection and the addition of chlorine and ammonia. When the existing chlorine and ammonia gas treatment systems reached the end of their service life, the Regional Water Supply Commission decided to replace them with a bulk liquid chlorine and ammonia treatment system to reduce health and safety risks.

The project is being delivered using a design-build procurement strategy, increasing the opportunity for innovation and reduced risks to the CRD with respect to project budget and schedule. The approach provided the CRD with several designs to choose from and established the project cost and schedule earlier in the process than through the traditional design-bid-build procurement strategy. Final commissioning of the new plant will begin summer 2017.

REGIONAL DRINKING WATER QUALITY SYMPOSIUM | On March 3, the CRD hosted the first annual Regional Drinking Water Quality Symposium. The event pulled together representatives from municipal, private and First Nations water suppliers throughout the region to discuss drinking water quality topics with CRD staff and representatives from Island Health and the BC First Nations Health Authority. The main discussion centred on a review of current water quality monitoring requirements and potential changes and responsibility shifts in the future. The event was successful as the first of its kind in engaging the region's key water suppliers in discussions with a common goal: good quality drinking water supplied to residents.



Drinking Water



Regional Infrastructure



Drinking Water



Education, Outreach
& Information

THE SUMMIT | In June, the Capital Regional Hospital District (CRHD) broke ground on The Summit at Quadra Village, marking the beginning of the construction phase for the multi-year project. The CRHD is partnering with Island Health to develop The Summit, a 320-unit residential care facility for seniors who need complex and dementia care, which is anticipated to open in 2019.



Health & Well-Being



Regional Infrastructure

Project milestones in 2016 included:

- ▶ completing the integrated design of an on-budget schematic design package
- ▶ conducting public consultations regarding potential community use of grounds
- ▶ completing the integrated design of an on-budget design development package
- ▶ awarding early contracts for excavation, foundation pilings, pile caps and elevators
- ▶ preparing the site and foundation systems
- ▶ preparing blueprints and specifications for tendering the main scope of the building in spring 2017
- ▶ conducting value analysis processes to control costs of the evolving detailed design



The Summit groundbreaking

Vibrant

ACTIVE TRANSPORTATION & HEALTHY COMMUNITIES PROGRAM | The CRD launched a program focused on motivating, supporting, encouraging and enabling residents to safely walk, roll, cycle and use public transit more often. People Power, the Active Transportation & Healthy Communities program, will deliver 16 projects over the course of two years with the support of multiple funding partners and in partnership with community organizations.



Active & Multi-Modal
Transportation

Key projects in 2016 included:

- ▶ StoryWalks, a project that combines early childhood literacy, immersion in nature and active travel.
- ▶ Active & Safe Routes to School, a project that provides a strategic approach to address infrastructure, behaviours, safety and education needs for schools, districts and local governments.
- ▶ New Routes, a project that supports active travel among newcomers by providing information and opportunities to engage in active and healthy activities.

People Power is led by the CRD with funding support from the Victoria Foundation and the Real Estate Foundation. It furthers the aim of both the Regional Transportation Plan and the Pedestrian & Cycling Master Plan to create an integrated, multi-modal transportation system and uses a collective impact model to build on community-led infrastructure investments and data collection.



Active & Safe Routes to School project on Galiano Island



DeMamiel Creek Golf Course

DEMAMIEL CREEK GOLF COURSE | With the support of local residents, the CRD purchased the DeMamiel Creek Golf Course and reopened it to the public. The Sooke & Electoral Area Parks & Recreation Commission had identified the acquisition of additional lands for long-term growth and expansion through its strategic planning process, and, in April, residents of the District of Sooke and the Juan de Fuca Electoral Area voted in favour of purchasing land for the future development and enhancement of recreation services.



Located in Sooke, the DeMamiel Creek Golf Course is a nine-hole Executive Par 3 Course for all skills and abilities. Situated in a quiet, tree-lined setting, the course provides a challenge for beginners and more experienced golfers. The course is part of the SEAPARC Leisure Complex and complements existing facilities that include a three-pool aquatic centre, ice rink, multi-purpose/fitness space, boardroom, sports field, bike park and skate park.

ARTS GRANTS | The CRD provided close to \$2.3 million in funding to 80 arts organizations across the region. Operating Grants were awarded to 31 organizations that were in operation for at least two years and demonstrated competence and sustainability in three main areas: fulfilment of artistic mandate, administrative competence and community impact. Project and IDEA grants were awarded to 49 emerging or established arts organizations that produced or presented one-time, recurring, unique or developmental projects.



REGIONAL FOOD & AGRICULTURE STRATEGY | The CRD developed the Regional Food & Agriculture Strategy, which identifies the top issues facing the food and agriculture sector, makes recommendations to address challenges and provides in-depth guidance to increase awareness of local food systems and food production in the region. Work began on the strategy after the CRD learned that food and agriculture was a topic of growing concern in the region during the public engagement phase of updating the Regional Growth Strategy. The Regional Food & Agriculture Strategy and its implementation is a multi-stakeholder undertaking that includes the Capital Regional Food and Agriculture Roundtable (CRFAIR) and local, provincial and First Nations governments and community organizations.



Agricultural Land
& Food Security



McTavish farm



Galloping Goose Regional Trail

REGIONAL TRAILS MANAGEMENT PLAN | In November, a Regional Trails Management Plan was approved by the CRD Board after a two-year planning process that included involvement from First Nations, municipalities and electoral areas, and the public. The management plan provides overarching guidance and policies for the development, operations and decision-making of the three existing regional trails — the Galloping Goose, Lochside and E&N Rail Trail-Humpback Connector — and any future regional trails for the next decade and beyond. These trails are an important part of the walking and cycling network and provide recreation and transportation opportunities for residents and visitors alike. The CRD’s nearly 100 kilometres of regional trails receive more than three million visits annually.

SEA TO SEA REGIONAL PARK | The CRD added 39 hectares of land to the Sea to Sea Regional Park. Two lots near Ayum Creek in Sooke were purchased for \$475,000 through the Regional Parks Land Acquisition Fund, which is generated from a levy set at \$20 per average residential household. The properties contain mature second-growth forest in the coastal western hemlock ecosystem and are a potential habitat for a species at risk, the sharp-tailed snake, which is provincially red-listed (extirpated, endangered or threatened). These lands also contribute to carbon sequestration. The Sea to Sea Regional Park is a large wilderness area in the Juan de Fuca Electoral Area that lies within the traditional territories of the T’Sou-ke and Scia’new (Beecher Bay) First Nations. It provides habitat for bears, wolves and cougars and forms part of the Sea to Sea Green Blue Belt, a corridor of protected green space linking the Saanich Inlet in the east to the Juan de Fuca Strait in the west.



Regional Parks



Public Engagement
& Communications



Regional Parks



Biodiversity &
Ecosystem Health

Collaborate

FIRST NATIONS FORUM OF ALL COUNCILS | In June, over 70 local government leaders gathered at the First Peoples' House at the University of Victoria for a day-long cultural training event. The forum of all councils was organized by the CRD as part of its commitment to provide education and training on First Nations' traditions, culture, history and approaches and is a critical step along the path of reconciliation and building strong, enduring relationships with First Nations.



First Nations



Governance

Young Gracie Underwood opened the day with a SENCOTEN song and prayer, and Dr. Robina Thomas (Qwul' sih' yah' math) delivered a powerful lesson in the history of colonization and its lasting legacy on Indigenous peoples. A former municipal councillor, Adam Olsen, shared his insights as an Indigenous man who "walks in both worlds." Chiefs and councils from neighbouring First Nations joined the group to bear witness to the teachings; each leader addressed the room and acknowledged the commitment by local leaders to undertake cultural training, an integral part of relationship-building. The event set the stage for the CRD Board's decision to extend invitations to First Nations to attend future forum of all councils events.



First Nations Forum of All Councils

LEECH WATER SUPPLY AREA TRADITIONAL USE AGREEMENT | In March, the CRD Board unanimously supported an agreement with the T'Sou-ke First Nation to access the Leech Water Supply Area for traditional use activities. The CRD purchased the Leech Water Supply Area lands in 2007 and 2010 and is in the midst of an extensive, 17-year rehabilitation program to prepare the land to supply the region's future drinking water.



First Nations



Drinking Water

The Leech River Watershed is a critically important part of the T'Sou-ke Nation's territory, providing habitat for hunting, trapping, harvesting and gathering medicines and encompassing sacred sites to hold ceremonies, share knowledge and teach the T'Sou-ke language to young people. Indigenous cultural resurgence and resilience is inextricably tied to the land, and the T'Sou-ke people have a vested interest in supporting the effective restoration of their traditional territory.

With shared values and interests in view, the CRD and T'Sou-ke First Nation established a working agreement that balances cultural access needs with public safety and fire protection and also improves the region's environmental stewardship approach by respecting and integrating Indigenous knowledge of the land.

The access agreement, developed over the course of a year by working with and learning from the T-Sou-ke First Nation, provides a template for agreements with neighbouring First Nations who have historic and current attachments to the lands. A formal signing ceremony is planned for 2017.



Jarvis Lake in the Leech Water Supply Area

50th ANNIVERSARY | Over the past 50 years, the CRD has worked with municipal, provincial and First Nations partners to serve the public and build the region. Throughout 2016, the CRD celebrated its 50th anniversary with educational activities and collaborative projects and engaged with residents through:

- ▶ a trivia campaign on social media channels
- ▶ an outreach quiz at community events
- ▶ an online photo sharing tool
- ▶ geocaching adventures in parks

Major legacy activities included a community celebration event, a commemorative book and a regional quilt.



Public Engagement
& Communications



Education, Outreach
& Information



The official 50th celebration welcomed dignitaries, First Nations, local performers and the public to participate in festivities and learn about CRD programs and services.



Community celebration event

The official 50th celebration, held in September, saw the public, Board members, dignitaries, First Nations and past and present staff come together to honour the past, celebrate the present and embrace the future. The event was held in Centennial Square and opened with a First Nations blessing and a traditional welcome dance from the Lekwungen Dance Troupe. The event also featured performances from two local artists, the Broken Rhythms dance troupe and musician Mike Edel. Staff engaged with residents at booths showcasing CRD programs and services.

Commemorative book

The commemorative book takes the reader on a journey from the Capital Regional District's incorporation in 1966 to its 50th anniversary in 2016. The book provides a historical record of key milestones that defined the role of the CRD and showcases the positive contribution the CRD has made to the quality of life for residents.

Regional quilt

For eight months, quilters from across the capital region developed a regional quilt that symbolizes the collaboration that has built the region. First Nations, the CRD's 13 member municipalities and the CRD's three electoral areas are each represented by a unique block in the quilt. This quilt demonstrates that the capital region is made up of interconnected communities who work together for the common good of residents.

The CRD's 50th anniversary commemorative book is available by donation at the CRD's headquarters, located at 625 Fisgard.

The quilt is proudly displayed and available for viewing in the boardroom at the CRD's headquarters.

To learn more and watch the anniversary video, visit www.crd.bc.ca/anniversary.



Serve

FIRST NATIONS TASK FORCE | The CRD Board unanimously passed recommendations made by the Special Task Force on First Nations Engagement in its year-end report, the culmination of two years of engagement with First Nations. Among the short-term recommendations was a directive for the CRD's Aboriginal Initiatives division to assist other divisions throughout the CRD in their respective responses to the federal Truth & Reconciliation Commission's (TRC) Calls to Action.

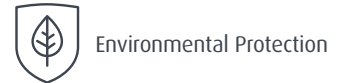
Positive responses from chiefs and councils encouraged the Task Force in its goal to "make the region whole" but also signaled that more time would be required to build relationships and undergo deeper engagement. The Task Force delivered on an ambitious two-year work plan for itself and the CRD, focusing on further exploration of options for more inclusive decision-making with First Nations governments as well as thoughtful responses to the TRC's Calls to Action.



First Nations Task Force engagement

CANADIAN WASTE & WASTEWATER ASSOCIATION FILM AWARD | The CRD's three-part video series, *Ollie the Otter's Guide to Watershed Stewardship*, was awarded "Best Short Educational Film or Video Series" at the 2016 Canadian Water & Wastewater Association's annual national conference. The series inspires viewers to appreciate and care for the region's water resources and systems.

Available online, the CRD's watershed stewardship video series is part of a comprehensive online educational resource for children, families and educators about watersheds that encourages children to become active stewards and earn a CRD Watershed Warden badge. Another four-part CRD watershed stewardship video series for the public and businesses complements the Ollie the Otter video series and explains how everyone can get involved to protect and enhance watersheds within the capital region.



Ollie the Otter and the Canadian Waste & Wastewater Association film award

REGIONAL EMERGENCY MANAGEMENT PARTNERSHIP | In March, the Regional Emergency Management Partnership (REMP) was established through a Memorandum of Understanding between the CRD and the Province of BC (Emergency Management BC) to enhance regional emergency management planning activities for the capital region.



The REMP will promote increased coordination, co-operation, collaboration, capacity and integration between all levels of government, First Nations and relevant stakeholders for all phases of emergency management:

- ▶ preparedness
- ▶ response
- ▶ recovery and mitigation
- ▶ enhancement of emergency preparedness
- ▶ public education and common public messaging to strengthen regional information sharing
- ▶ communications
- ▶ joint planning
- ▶ training and exercises

Member municipalities and electoral areas are responsible for developing and implementing emergency management plans, including preparation for, response to and recovery from emergencies and disasters as outlined in the Emergency Program Act or jointly through municipal bylaws and other agreements.

WATER CONSERVATION BYLAW | In May, the CRD updated Water Conservation Bylaw No. 3061, which has been in effect for 16 years and has remained largely unchanged since its adoption in 2001. The bylaw focuses on reducing discretionary water use, primarily outdoor water use, during the summer months to maximize the amount of water available in the supply reservoirs for indoor, non-discretionary use.



The new water conservation bylaw, Bylaw No. 4099, clarifies the intent and meaning of the bylaw, includes recommended amendments to water use restrictions that apply to public authorities, and updates definitions and revisions to the factors used to determine water use restriction stages. The Water Conservation Bylaw – Stage 1 is in effect annually from May 1 through September 30 unless more stringent water conservation measures are needed.

COMMUNITY OUTREACH | Throughout 2016, the CRD attended 16 community outreach events — including home shows, community fairs and festivals — and brought the mobile drinking water station to 15 events across the capital region. At these events, the CRD provides information about services such as recycling and pollution prevention, offers education and tips on environmentally friendly and sustainable practices such as conserving water and cleaning with natural products, and introduces new initiatives and awareness campaigns.



Education, Outreach
& Information

These venues allow the CRD to directly engage with residents and businesses and participate in two-way conversations that not only disseminate information but also encourage behaviours that will ensure the continued health and sustainability of the region.



West Shore Parks & Recreation Centre Home Expo

2016 Financial Highlights





In 2016, the Capital Regional District (CRD) focused on supporting Board and corporate priorities through:

- ▶ investing in the future,
- ▶ managing the cost of debt, and
- ▶ diversifying revenue streams.

Financial Reporting Overview

This section provides information on the Capital Regional District's consolidated statement of financial position and the consolidated statement of operations, which form the basis of the audited financial statements and are similar to the balance sheet and income statement, respectively, in private organizations.

Each year, the CRD prepares audited financial statements in accordance with legislative requirements and presents them at a public Board meeting. The 2016 financial statements were prepared by management in accordance with Canadian Public Sector Accounting Board (PSAB) standards and were audited by KPMG LLP and submitted to the Board for approval.

Under PSAB regulations, governments are required to present five statements with explanatory notes:

- ▶ Statement of Financial Position
- ▶ Statement of Operations
- ▶ Statement of Change in Net Debt
- ▶ Statement of Remeasurement Gains and Losses
- ▶ Statement of Cash Flows

The CRD also includes a number of schedules for additional reference. The consolidated financial statements are composed of all divisions and departments that make up the CRD¹.

Capital Regional Hospital District

The Capital Regional Hospital District (CRHD) operates under the authority of the Hospital District Act and shares the same boundaries, directors and administrative staff as the CRD. It partners with Island Health and community agencies to develop and improve health-related facilities in the region.

The CRHD prepares a set of audited financial statements independent from the CRD. Pages 58 and 59 feature a brief summary of the CRHD's financial highlights for 2016.

More information

The complete package of 2016 Statement of Financial Information and related information are located on the CRD website at www.crd.bc.ca/about/financial-accountability.

¹Performance and ratios in this section may vary by service.

Consolidated Financial Position

This statement presents the organization's assets, liabilities, net debt position and accumulated surplus or equity position. The accumulated surplus has increased by \$59.4 million, which is mainly due to an increase in tangible capital assets of \$40.0 million and an increase in reserve equity of \$19.0 million.

	2016	2015
	(in millions)	(in millions)
Financial assets		
Cash and investments	\$209.6	\$175.3
Accounts receivable	\$12.6	\$11.9
Debt recoverable from member municipalities	\$153.4	\$144.5
Restricted cash – MFA Debt Reserve Fund	\$3.6	\$3.6
	\$379.2	\$335.3
Financial liabilities		
Accounts payable and accrued liabilities	\$21.1	\$19.3
Deferred revenue	\$12.2	\$15.1
Long-term debt – CRD	\$215.0	\$232.7
Long-term debt – member municipalities	\$153.3	\$144.5
Other long-term liabilities	\$13.1	\$12.7
	\$414.7	\$424.3
Net debt	(\$35.5)	(\$89.1)
Non-financial assets		
Tangible capital assets	\$1,011.5	\$1,005.2
Inventory of supplies and expenses	\$1.2	\$1.6
	\$1,012.7	\$1,006.8
Accumulated surplus (net assets)	\$977.2	\$917.8

Current ratio

The current ratio is a measure of the liquidity of an organization, meaning the CRD's ability to meet current obligations (accounts payable) through current assets (cash and accounts receivable) of the organization. A high ratio indicates a greater ability to meet budgeted and unexpected expenditures.

A decrease in liabilities and an increase in cash has resulted in an improvement of the current ratio. Generally a current ratio greater than one is considered healthy for a government entity.

CURRENT RATIO

4.86:1

Statement of Operations

This statement identifies the results of the organization's financial activities for the year by presenting revenues less expenses, resulting in the organization's annual surplus on a PSAB basis. This statement consolidates the financial activities (revenues and expenses) of the CRD and CRHC.

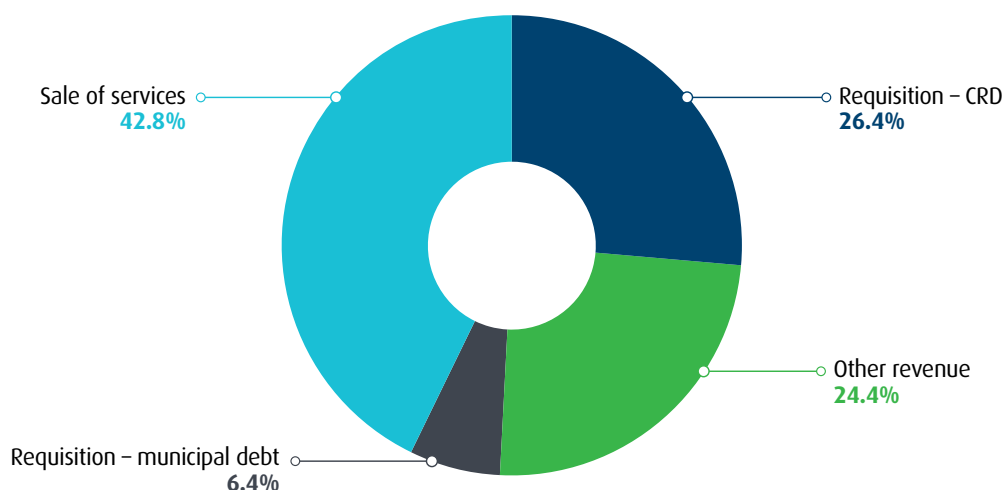
The overall 2016 revenue increased by \$11.7 million. This increase was driven primarily through increases in sale of services and requisitions. The change in expenses for 2016 relates primarily to a decrease in affordable housing rental expenses due to a one-time higher amortization for CRHC in 2015, offset by an increase in expenses for sewer, water and garbage services.

Financial surpluses generated from operations are generally carried forward and used to make principal debt repayments and reduce the appropriate service requisitions or funding requirements.

Statement of operations

	2016	2015
	(in millions)	(in millions)
Revenue		
Requisition – CRD	\$58.3	\$55.4
Sale of services and invoicing by agreement	\$94.5	\$85.2
Other revenue	\$53.9	\$53.8
Requisition – municipal debt	\$14.1	\$14.7
	\$220.8	\$209.1
Expenses		
General government services	\$14.7	\$14.1
Protective services	\$9.8	\$9.4
Sewer, water and garbage services	\$77.2	\$70.3
Planning and development services	\$2.8	\$2.8
Affordable housing – rental expenses	\$14.5	\$20.0
Recreation and cultural services	\$25.6	\$26.2
Other	\$2.3	\$4.2
Municipal debt servicing	\$14.1	\$14.7
	\$161.0	\$161.7
Annual surplus	\$59.8	\$47.4

Revenue breakdown



Financing

Net debt

The long-term debt related to member municipalities increased \$8.8 million to \$153.4 million in 2016 while the CRD's long-term debt decreased by \$17.7 million to \$215.0 million in 2016, resulting in a net decrease in long-term debt of \$8.9 million.

Net debt encompasses the difference between financial assets and financial liabilities for the current year. In 2016, the CRD's net debt was \$35.5 million, which is an improvement of \$53.5 million over 2015. Net debt is an indicator towards the financial flexibility of the CRD to acquire capital.

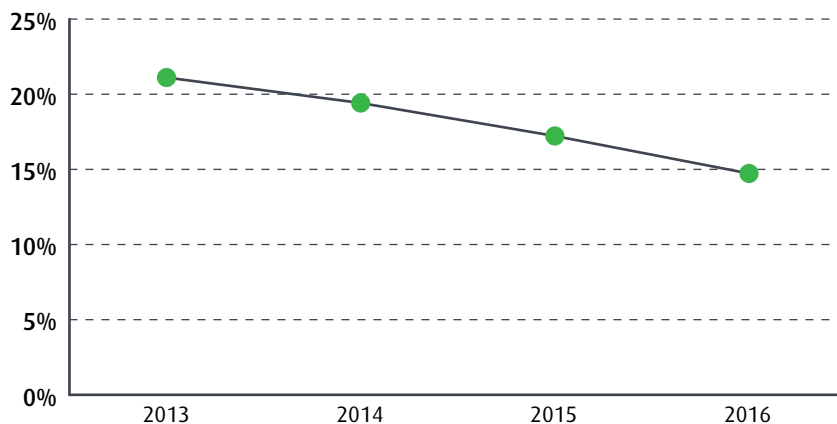
Debt servicing costs

The Debt Service Costs to Total Revenue ratio is the percentage of revenue committed to the payment of interest and principal on temporary and long-term debt. A high percentage indicates greater use of revenue for the repayment of debt and less ability to adjust to unplanned events and changing circumstances.

The CRD's debt servicing costs (excluding member municipality debt servicing costs) have been trending down year over year. In 2016, debt servicing costs were \$30.4 million and total revenue was \$206.6 million.

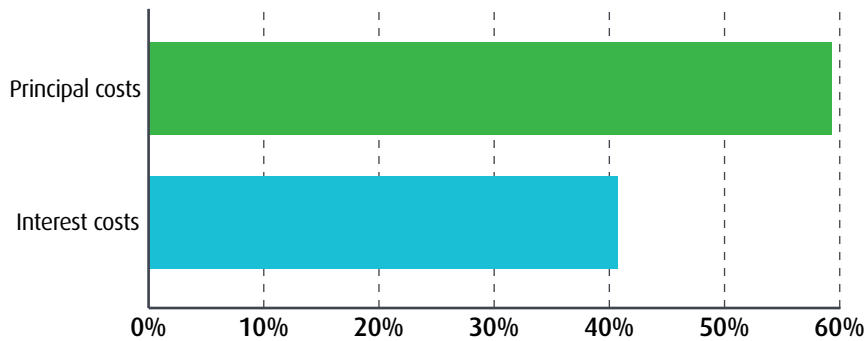
DEBT SERVICE COSTS
TO TOTAL REVENUE²

14.7%



²Does not include member municipal debt

Breakdown of principal vs. interest costs³



Assets funded by debt

The Capital Investment Funded by New Debt ratio measures the current year acquisition of capital assets that are funded by new debt. In 2016, new debt funded \$5.5 million out of a total capital investment of \$40.0 million.

**CAPITAL INVESTMENT
FUNDED BY NEW DEBT**

13.7%

³Does not include member municipal debt

Capital Investment

The CRD's capital assets continue to grow at a steady pace with the CRD investing \$40.0 million in capital assets in 2016.

Additions to capital assets in 2016

Capital Regional District

\$36.9M



Other (includes vehicles & works in progress)

\$20.0M



Engineered structures

\$10.0M



Land

\$2.9M



Machinery
& equipment

\$2.9M



Buildings

\$1.1M

Capital Region Housing Corporation

\$3.1M



Machinery
& equipment

\$1.1M



Buildings

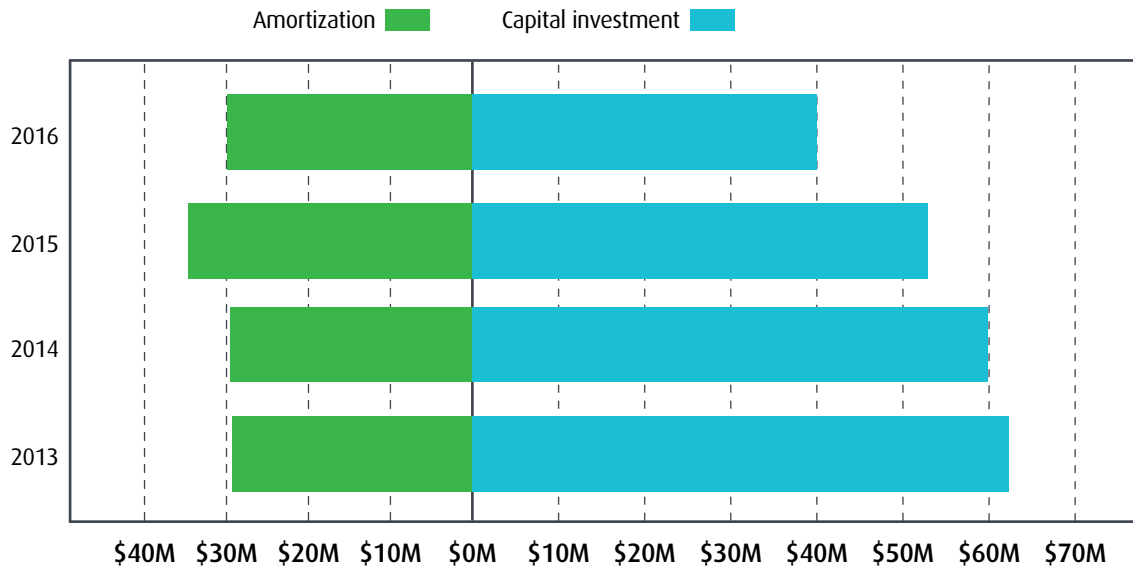
\$2.0M

Capital & amortization

The Investment in Capital Over Amortization ratio is the amount of capital invested in infrastructure for every dollar that assets amortize each year. In 2016, the investment in capital was \$40.0 million compared to amortization of \$29.9 million.

INVESTMENT IN
CAPITAL OVER
AMORTIZATION

1.3x

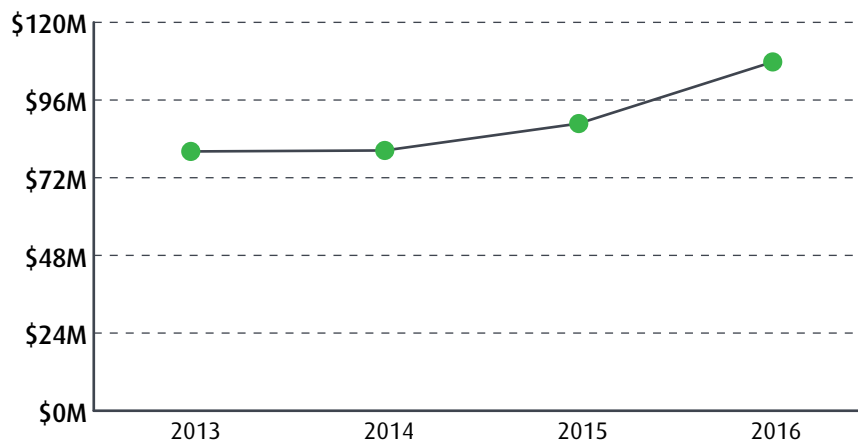


Reserve balance

Capital projects are funded by annual contributions from operating transfers, grants or reserves or by debt financing. In 2016, capital was invested in areas such as water utilities, parks and recreation and local services. The CRD transferred \$19.0 million to operating and capital reserves, resulting in reserve balances totalling \$107.8 million.

RESERVE BALANCE

\$107.8M



CRHD Statement of Financial Position

This statement presents the Capital Regional Hospital District's assets, liabilities, tangible capital assets and accumulated surplus/deficit. The accumulated deficit for 2016, also represented as total assets minus total liabilities, is \$108.6 million.

The overall position is in a deficit since the CRHD borrows funds and in turn pays capital grants to the region's hospitals. These grants are recorded as expenses rather than assets of the CRHD.

	2016	2015
	(in millions)	(in millions)
Financial assets		
Cash and cash equivalents	\$18.3	\$13.8
Accounts receivable	\$0.2	\$0.2
Investments	\$0	\$0
Restricted cash – MFA Debt Reserve Fund	\$3.4	\$3.2
Land for resale	\$0.9	\$0.9
	\$22.8	\$18.1
Financial liabilities		
Accounts payable and other liabilities	\$3.9	\$2.7
Due to Capital Regional District	\$0	\$0
Temporary borrowings	\$0.7	\$0.1
Long-term debt	\$146.2	\$148.1
	\$150.8	\$150.9
Non-financial assets		
Tangible capital assets	\$19.4	\$9.2
	\$19.4	\$9.2
Accumulated deficit	(\$108.6)	(\$123.6)

CRHD Statement of Operations

This summary identifies the result of the CRHD's financial activities for the year by presenting revenues less expenses, resulting in the organization's annual surplus/deficit on a PSAB basis.

The annual surplus for 2016 is \$15.1 million, decreasing the accumulated deficit on the Statement of Financial Position from \$123.6 million to \$108.6 million.

	2016	2015
	(in millions)	(in millions)
Revenue		
Requisition	\$28.7	\$28.4
Other revenue	\$5.6	\$5.3
	\$34.3	\$33.7
Expenses		
Grants to district hospitals	\$9.5	\$8.5
Interest and operating expenses	\$9.7	\$9.9
	\$19.2	\$18.4
Annual surplus	\$15.1	\$15.3





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