

COLWOOD 2016



ANNUAL REPORT

FISCAL YEAR ENDING DECEMBER 31, 2016



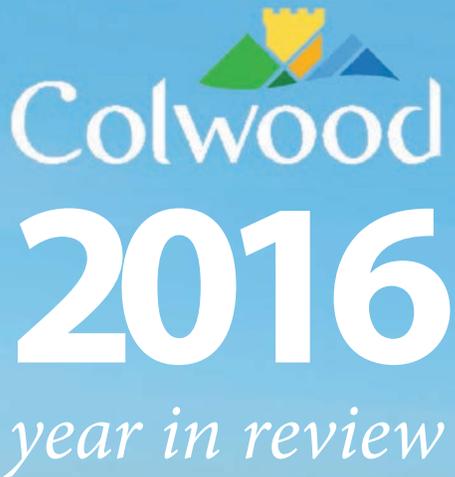
Colwood Fast Facts

LAND & FEATURES

- 17.66 square km
- 7.6 km of pristine ocean waterfront
- 52 parks featuring old growth forest
- 3 National Historic Sites: Hatley Castle, Fisgard Lighthouse & Fort Rodd Hill
- 1 National Migratory Bird Sanctuary

PEOPLE & BUSINESS

- 16,093 residents and growing
- Projected population growth to 33,533 by 2038
- 12% Children 0–9
- 7% Youth 10–19
- 63% Adults 20–64
- 13% Seniors 65+
- 6,095 total households
- 500+ licensed businesses

The logo features a stylized graphic of three mountains in green, yellow, and blue above the word "Colwood" in a white sans-serif font. Below "Colwood" is the year "2016" in a large, bold, white sans-serif font. At the bottom, the phrase "year in review" is written in a white, italicized serif font.

Colwood
2016
year in review



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City of Colwood
2016 Annual Report for fiscal year
ending December 31, 2016

Prepared by the City of Colwood
Communications Department

Approved by Colwood Council
in accordance with Section 99,
Community Charter





Mayor & Council

Colwood Mayor and Council 2014-2018



Carol Hamilton
Mayor

Message from the Mayor

In 2016 the City got started creating a bold new plan for our community through the Making Waves Official Community Plan Update. Thousands of Colwood residents have joined the conversation through sounding boards, speakers nights, events, mobile booths and online surveys. We have enjoyed hearing from you about how you envision town centres, neighbourhoods, transportation choices, the waterfront and natural areas. In 2017 we'll continue the conversation and finalize the plan together.

The transformation continued at Royal Bay with the construction of new homes, streets, parks and trails. with plans for a commercial centre in the commons and along the waterfront. Plans were also received for a renewed centre at Colwood Corners. These along with record numbers of exciting new projects will bring thoughtful housing, businesses and amenities over the coming years and set the stage for ongoing success.

I am very proud of the way every initiative strives to create more opportunities for our community to enjoy a high quality of life and to celebrate together. Whether you are hiking a forest trail, visiting one of our national historic sites, enjoying the waterfront, attending festivals or staying active at the recreation centre - Colwood is bursting with energy.

Carol Hamilton, Mayor

Your City Council

Colwood's Mayor and six councillors were elected in November 2014 for a four year term.

The role of Council is to govern the City of Colwood and its municipal corporation, to ensure it provides the civic services Colwood residents need and want. In carrying out its many duties, City Council must respond to citizens' concerns, as well as anticipate emerging opportunities and plan for the community's long-term development and growth.

Council meets regularly to make decisions about City policies and directions that will be carried out by Colwood staff in the day to day business of the community. We encourage you to attend meetings, share your views and learn more about decisions that affect you.

Mayor and Council also serve on many committees, boards and commissions on areas ranging from parks and recreation to economic development and regional issues.

Colwood Council 2014-2018



Lilja Chong



Cynthia Day



Gordie Logan



Jason Nault



Rob Martin



Terry Trace



Recognizing volunteers and community builders
Councillor Rob Martin presents a certificate to volunteer Geoff Amy at the Volunteer Appreciation dinner.



Connecting with the community
The City hosted a record number of community events in 2016, where people were getting out, connecting and enjoying all that Colwood offers.



Support for local businesses
Receiving the 'Order of the Bear' from the Canadian Federation of Independent Business for eliminating annual business license fees.



Involving youth and fostering community pride
Mayor Hamilton with students from Ecole John Stubbs who helped make Colwood the Bloomingest Community for three years in a row.



Vision Mission and Values

2016 Vision, Mission & Values

2020 Vision

The City of Colwood is a vibrant seaside community that offers an exceptional lifestyle, a strong economy and a beautiful natural environment.

Mission

As stewards of the quality of life cherished by those who work, live and play in Colwood, we provide excellent service that respects the uniqueness and diversity of the community. We work to continually improve our services and build positive relationships with citizens and partners.

Values

Accountability

We serve the needs of the community, consulting with residents & stakeholders regularly and providing timely reports on progress.

Collaboration

We focus on partnerships and on informing and involving residents and stakeholders to ensure excellence.

Innovation

We embrace creative ideas and have the courage to lead with innovation.

Flexibility

We are responsive to the needs of our community and continually evaluate and strive to improve our service.

Integrity

We honour the public trust by being transparent in decision making and using local knowledge and industry best practice to protect our environment and quality of life for residents.



Colwood's breathtaking natural surroundings make it the perfect place for an active, healthy lifestyle.



City staff are committed to excellent service and to fostering a respectful and inclusive community.



The City hosts engagement events, workshops, and open houses to involve residents in decision making.



Every member of our community is encouraged to learn more about their local government and get involved in making Colwood a great place to live.



Strategic Goals and Priorities

Strategic Priorities 2014-2018

Each year, Council reviews existing priorities to determine which items have been completed, incorporated into operations or updated according to new information or changing conditions. The following items give an overview of the priorities that guided City projects in 2017.

Focus on Community Well Being

We promote a safe, attractive and active community. We inform and involve residents in decisions that affect them, promoting shared responsibility and strong connected neighbourhoods. We advocate for the availability and affordability of housing and public services.

Projects aligned with this goal:

- Citizen Survey
- Bylaw Reviews
- OCP Engagement
- Community events

Focus on Community Planning

Our city is planned and designed to maximize livability while maintaining affordability and protecting air, land, water, green spaces and forests. The City's Official Community Plan, Land Use and Development Bylaws and Transportation Master Plan work together to create a vibrant, master planned community.

- Official Community Plan update
- Land Use Bylaw Update
- Subdivision & Development Bylaw

Focus on Economic Diversity

Colwood provides a strong, sustainable economy with a wide range of business and investment opportunities. Careful management and active promotion create the environment for businesses to succeed. We proactively invest in economic growth and take steps to enhance Colwood's quality of place.

- Economic Development Officer
- End annual business license fees
- Develop online business renewal

Focus on Infrastructure Management

We focus on building resilience and long term stability by ensuring our natural and man made infrastructure and assets are maintained and funded over the long term. We prepare for future expenditures by planning proactively.

- Central Sewer Expansion
- Capital Asset Management Plans
- Waterfront Asset Protection

Focus on Sound Governance

We build community capacity to prevent future problems and expenditures. Careful management, fiscal responsibility, innovation, monitoring and community involvement create the environment, infrastructure, services and workforce required to succeed.

- Succession Planning
- IT Coordination
- Financial Systems & Resources



Making Waves Big Ideas Fair - drawing out ideas

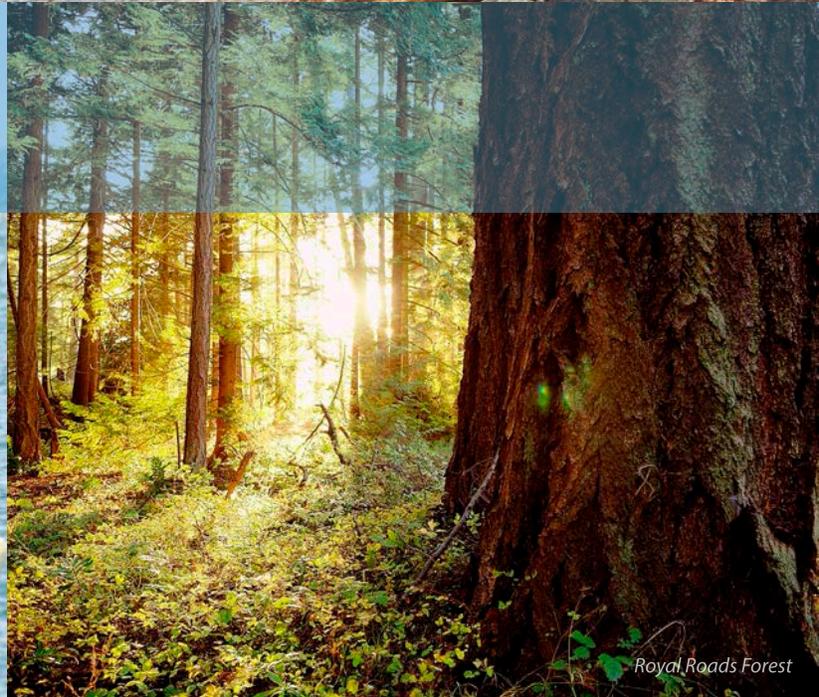


Eats & Beats 2016

2016 in Pictures



Kayaking from the Royal Bay Beachpark



Royal Roads Forest



Colwood Firehall Open House



Colwood Seaside Festival at Fort Rodd Hill



Colwood's Waterfront & Lagoon neighbourhood



Rock the Shores 2016



Public Works staff drive the 'last spike' in the Painter Trail



Colwood Waterfront Sign



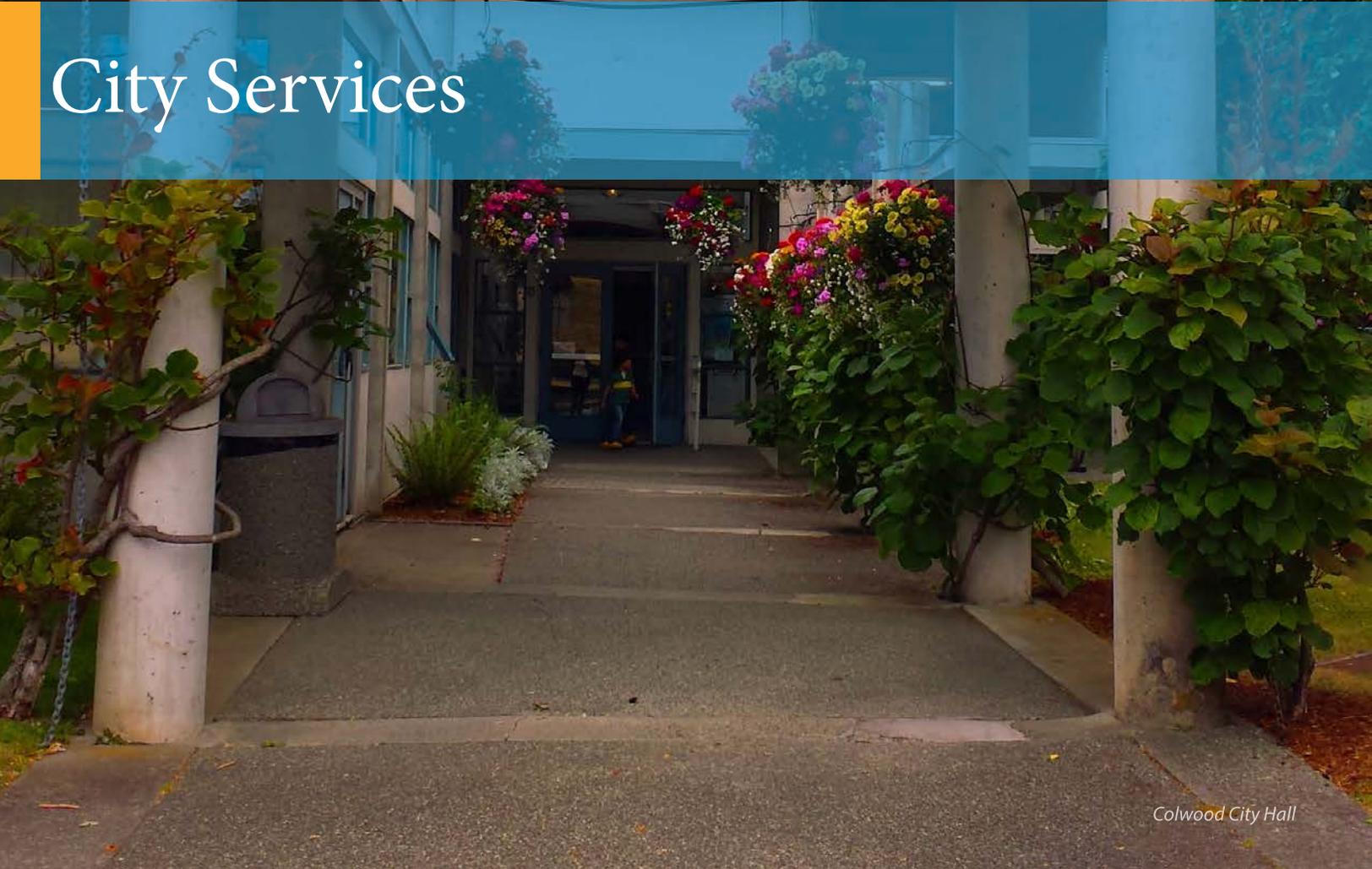
Beach Food Fridays



Students plant the food forest along the Painter Trail



City Services



Management Team



Planning



Colwood Making Waves Big Ideas Fair

127

development-
related
planning
approvals
processed
in 2016

City Services: Planning

The Planning Department provides professional community planning services, including development planning and policy development. Between ongoing development administration and a variety of studies and special projects, the Department remained exceptionally busy throughout 2016. The Planning Department guides development in Colwood through the implementation of Colwood's Official Community Plan combined with land use, urban design, and environmental regulations. The Department also reviews and approves various permits, such as sign permits, and provides timely review of applications for upcoming and ongoing development projects.

2016 Key Accomplishments

- Initiated Official Community Plan and Land Use Bylaw Review and carried out Phase 1 – Community Engagement through an online survey, three public Speaker's Nights, staff and Council workshops, and creation of a Steering Committee.
- Adopted new retaining wall regulations and dust control and rock crushing regulations.

- Delivered a presentation highlighting successful development within the City of Colwood at the annual Planning Institute of British Columbia conference in Kelowna.
- Adopted new Development Application Fees and streamlined Development Application Forms.
- Continued to provide effective development services support to current development projects and support proposed projects in an environment of increasing development activity.
- Strengthened internal working relationships and organization to optimize service delivery and departmental function.
- Continued to be deeply engaged in the review of the Regional Growth Strategy with the Capital Regional District throughout 2016.
- Continued quarterly reporting of development applications and projects for Planning and Land Use Committee and for Council.
- Staff coordinated 41 Development Review Meetings to provide preliminary comments to land owners and developers considering projects in respect to the Official Community Plan, Developer Permit Areas/Guidelines, zoning, and anticipated off-site upgrades.
- Provided planning guidance on significant developments including Royal Bay, Ocean Grove, Colwood Corners, Brookes School and more.
- Processed 25 Development Permit applications, 21 Development Variance Permit applications, 2 Official Community Plan amendments, 11 Zoning amendments, 38 Secondary Suite Permits, 21 Sign Permit applications, and 9 Subdivision applications.

459
business
applications
processed

**Work toward adoption
of City's updated
Official Community Plan**

2017 Goals and Priorities

- Continue toward adoption of an updated Official Community Plan, continuing to engage the community on critical issues.
- Initiate the review and update of the Land Use Bylaw and Sign Bylaw.
- Continue to provide effective services support to development projects in an environment of increasing development activity.
- Continue to strengthen internal working relationships and organization to optimize service delivery and departmental function.
- Encourage citizen participation in the planning decision-making.
- Work with Royal Roads University to create learning opportunities for students on projects that support the City's sustainability goals.
- Continue to work with the Capital Regional District on the Regional Growth Strategy.

Engineering & Public Works



Latvia Boulevard Streetscape - Photo Credit: Mimi Rates Real Estate Services Ltd.

City Services: Engineering & Public Works

The Engineering & Public Works team ensures the safety and effectiveness of Colwood's infrastructure by planning, constructing and maintaining its parks, roads, sidewalks, drains, sewers, streetlights, traffic signals, bridges and city owned buildings. Along with Planning and Building, staff work closely with homeowners, businesses and developers to ensure projects enhance the livability of Colwood in accordance with the City's Official Community Plan.

Maintain and enhance
Colwood's
60
parks & green spaces,
as well as trails,
boulevards and
hanging baskets.

2016 Key Accomplishments

- Maintained the nearly 100 kilometers of road network to ensure safety, extend the life of roads, beautify, manage surface drainage and keep roads clear of snow and ice in winter weather.
- Maintained the City's parks and trails, inspected playgrounds, trails, walkways and sidewalks to ensure safety and community enjoyment.
- Improved access to the Royal Bay neighbourhood by designing and constructing the multi-use Painter Trail from Painter Road to

Ryder Hesjedal Way at Royal Bay Secondary School with advanced landscaping for the future park section.

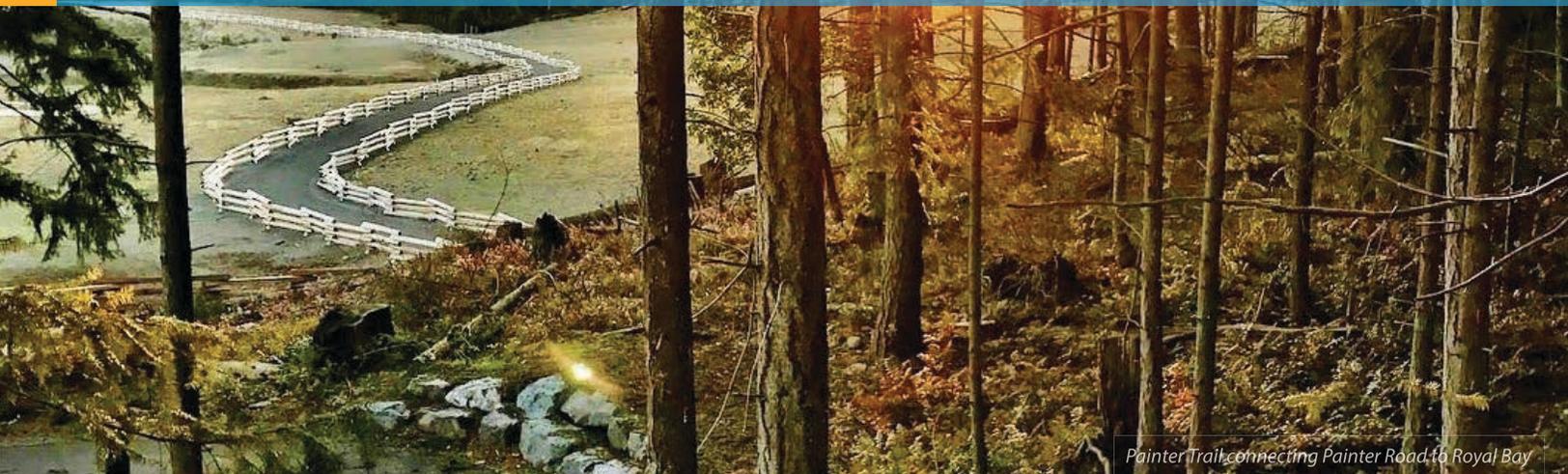
- Performed annual Colwood Creek clean-up of garbage to maintain the flow of the creek.
- Maintained Colwood beaches, keeping pathways clear, managing invasive species, removing litter and servicing washrooms daily.
- Installed a portable washroom and replaced pea-gravel with engineered wood chips in Herm Williams Park.
- Installed a portable washroom midway along the Coburg Peninsula between Lagoon Road and the Esquimalt Lagoon Bridge.
- Ran the annual Spring Residential Clean-Up program for Colwood residents to keep their homes and yards neat and free of clutter.
- Continued to provide the City's popular free Branch Drop-Off service on the first and third Saturday of every month to keep our city looking great.
- Continued updating the City's maintenance equipment and vehicle fleet to maintain service and prevent future expense.
- Made recommended repairs to the Esquimalt Lagoon Bridge and performed regular maintenance on the Esquimalt Lagoon Bridge and pedestrian bridges.
- Regularly inspected Lookout Brook Dam for public safety in accordance with provincial regulations. Undertook a spillway capacity review, dam stability analysis, recommendation of water level monitoring and estimation of replacement cost for asset management purposes.
- Completed the design and tender process for sewers along Metchosin and Sooke Roads, and the preliminary design for the pump station to complete the Central LAS.
- Waterproofed components of the Ocean Boulevard pump station building and raised the lock block wall beside it to protect and ensure the safety of the facility while a new location for the pump station is planned for.
- Designed bike lanes on Metchosin Road between Sooke Road and Wishart Road; and on Wishart Road between Metchosin Road and Owens Road, including upgraded traffic signals at Metchosin and Wishart for construction in 2017.

Maintain & repair
90 km of roads
9 bridges and
1000+ catchbasins

Received
15,953
vehicles at the
Branch Drop Off
program in 2016

Creating a long term
plan for protecting our
shoreline and
waterfront assets.

Engineering & Public Works *continued*



Painter Trail connecting Painter Road to Royal Bay

Making it enjoyable to get around with improvements to sidewalks, bike lanes, trail connections, transit options and road networks

- Designed a sidewalk, bike lanes, and traffic calming along Metchosin Road between Daniel Place and Lagoon Road, including a flashing amber signalized crosswalk at Dunsmuir Middle School for construction in 2017.
- Designed a signalized crosswalk on Veterans Memorial Parkway connecting the east and west sides of Havenwood Park.
- Worked with School District 62 and developers on frontage works to match plans for Painter Road sidewalks, bike lanes, the new Painter Trail to Royal Bay and enhanced drop off area at Dunsmuir School.
- Worked with developer to create buffered bicycle lanes on Latoria Rd west of Wishart Rd.
- Initiated the revision of the Development Cost Charge (DCC) Bylaw to reflect new projects planned and remove projects completed.
- Initiated revision of the Subdivision & Development Servicing Bylaw.
- Replaced 157 High Pressure Sodium streetlights with LED to save money, reduce energy and reduce greenhouse gas production.

Completed Age Friendly Plan for approval by Council.

2017 Goals and Priorities

- Install a Spray Park and drainage improvements at Colwood Creek Park.
- Add concrete borders around playgrounds and replace pea gravel with wood chips at Colwood Creek and Ocean View parks.
- Complete shoulder work on Ocean Boulevard along the lagoon.
- Install memorial benches available for purchase by the public.
- Construct drainage and trail upgrades to trails in Latoria Creek Park.
- Complete construction of sewers along Metchosin and Sooke Roads, followed by pump station construction to complete the Central LAS.
- Prepare alternatives with estimates for relocating the Ocean Boulevard pump station and present to the public.
- Initiate integrated asset management processes for City owned assets such as roads, sidewalks, traffic signals, street lighting, and sewers, drainage, trails, natural assets and parks infrastructure.
- Perform a pavement condition survey on Colwood's roads.
- Construct bike lanes on Metchosin Road between Sooke and Wishart Roads; and on Wishart Road between Metchosin and Owens Roads, including upgraded traffic signals at Metchosin and Wishart.
- Construct a sidewalk, bike lanes, and traffic calming along Metchosin Road between Daniel Place and Lagoon Road, including a flashing amber signalized crosswalk at Dunsmuir Middle School.
- Construct a signalized crosswalk on Veterans Memorial Parkway connecting the east and west sides of Havenwood Park, construct improvements to the trail and access across the creek.
- Complete revised Development Cost Charge (DCC) Bylaw with current projects, add Rainwater DCC.
- Complete a revised Subdivision and Development Servicing Bylaw.
- Continue to replace High Pressure Sodium streetlights with LED to save money, reduce energy and reduce greenhouse gas production.
- Continue with repairs to the Esquimalt Lagoon Bridge and pedestrian bridges.
- Complete report on Lookout Brook Dam and install water level monitoring equipment.

Continuing to expand sewer service throughout Colwood

Working collaboratively with development project teams on high quality infrastructure improvements in Colwood

Building Inspections



New homes in Royal Bay

City Services: Building Inspections

The City of Colwood Building Inspection Department is committed to providing excellent service to those in the building construction sector, including homeowners, designers, contractors and professional consultants. We work to protect people and property by ensuring that newly constructed and renovated buildings conform to safety codes and regulations. Our goal is to help avoid costly and time consuming pitfalls by providing building permits and inspection services as well as advice on the City of Colwood Building Bylaw, BC Building Code, numerous Federal and Provincial standards and regulations, and the City of Colwood Land Use Bylaw.

Colwood continued to deliver building permits with a respectable turnaround time in an increasingly busy market:

- *Building permits for single family dwellings, renovations or additions* are typically issued within a two week period.
- *Plumbing permits* are generally ready for issuance in two days.
- Complex larger commercial, institutional and residential building permits are expedited as quickly as possible and involve ongoing

439
building permits
issued
(up from 320 in 2015)

dialogue with the proponents and input from Engineering regarding roads and utilities, Planning for conformance to Land Use Bylaw provisions, and the Fire Department on life safety systems.

- *Complex part 3 building permits* are typically reviewed concurrently with the Development Permit or Development Variance Permit and are usually ready within a couple of weeks of the Development Permit or Development Variance Permit.

\$321,557
collected through
building permits

2016 Key Accomplishments

- Inspections and issuance of building and plumbing permits for the first phase of Pacific Landing on Heatherbell Road.
- The first phase of the Royal Bay subdivision single family dwellings began an aggressive construction schedule with 49 housing units.
- Brought major projects to completion, including: 12-unit condominium at 590 Bezanton Way, 32-unit condominium at Belmont Road, 63-unit condominium and 80-room hotel on Wale Road, and temporary portable classrooms to house students during the Dunsmuir Middle School seismic upgrade.
- Inspections for the Sooke School District seismic upgrading program including significant structural upgrades at Dunsmuir Middle School.

2017 Goals and Priorities

- Work with IT group to launch new software to manage daily workflows and streamline records management, allowing for quick retrieval of records, and implement an on-line portal allowing permit holders to have real time access to inspection records.
- Aggressive single family residential construction in Royal Bay, as well as a move into the multiple family marketplace.
- Housing starts on the Latoria Road / Bezanton Way subdivisions promise to be very active with strong demand for the developer's product.
- Single family dwelling construction in the Wishart Gardens subdivision is strong as it offers exceptional City and Ocean view.
- The new owners of the former City Centre project are moving forward with design plans to resume construction on this development in the second quarter of 2017. We look forward to collaborating with them to assist them in achieving their goals.

\$63.1 million
construction value
added to the Colwood
tax roll

Fire Rescue



Colwood Fire Hall



City Services: Fire Rescue

Colwood Fire Rescue celebrated their 70th Anniversary in 2016 and remain the West Shore’s longest serving fire department. The community is well-served by 36 dedicated and experienced firefighters all of whom are Colwood residents who care passionately about their community. All of our 7 career and 29 volunteer firefighters are dedicated fire suppression and rescue professionals trained and certified under the British Columbia firefighter training program.

2016 Key Accomplishments

- Responded to 466 emergency calls, 72 non-emergency calls and 46 calls for assistance, totalling 584 responses. (3.1% increase over 2015)
- Investigated 11 fires that resulted in \$282,789 in loss of property, protecting a combined property value of \$1,778,489.
- Recruited four new firefighters in 2016 with recruitment to continue in 2017 to bring on new members.

584 the number of calls attended by Colwood firefighters in 2016

- Firefighters participated in 5,761 hours of training in Drills, Justice Institute Live Fire Training, Medical First Responder Training, Driver Training and more. Average attendance at drills was 98%.
- Completed a total of 798 fire inspections. Compliance is increasing, with more fire inspections achieving compliance on the first inspection, negating the need for a re-inspection.
- Hosted 550 community members at the Colwood Fire Department open house to raise public awareness about fire prevention, safety and services provided by the department and volunteers.
- Foam Trailer - Rebuilt 1973 Foam Trailer to modernize it and increase its capabilities for suppression of bulk fuel fires.
- Gator Unit - A donated gator unit was repurposed with a skid mount suppression unit to assist with fires on trails and along the beach.
- Reduced our carbon footprint by achieving 29 actions for green business practices for Vancouver Island Green Business Certification.
- Colwood Volunteer Firefighters Association provided scholarships to grade 12 students to support their post secondary education.
- Participated in the first annual Colwood Seaside Festival at Fort Rodd Hill with the 'spray house' for kids to try out the fire hoses.
- Continued the popular Santa-Go-Round tradition, with staff and volunteer firefighters visiting Colwood neighbourhoods on the fire truck during the holiday season to hand out treats and collect donations to the local food bank.

2017 Goals and Priorities

- Shift service delivery model to allow for the response of a medical engine. This allows for greater depth in response due to increase in multiple simultaneous requests for service.
- Restructure fire department organizational chart to allow for staff development and to meet the changing needs of our community.
- Work with our area partner fire departments in updating our mutual aid agreements.
- Continue to work with CREST in the implementation of the technology upgrade to our area emergency radio network.

798
fire inspections
completed on Colwood
homes and businesses

7003
people attended **72**
Fire Prevention & Public
Safety Education events

Firefighters
participated in
5,761
hours of training

11 fires caused
\$282,789
in insurable losses
in Colwood in 2016

Bylaw Enforcement & Emergency Planning



Bylaw Enforcement vehicle at City Hall

City Services: Bylaw Enforcement

Bylaw Enforcement Officers protect the safety and quality of life of residents by ensuring residents and business understand and comply with the City's bylaws, and by being a watchful presence in our community. They receive and investigate complaints, monitor issues and work with individuals to encourage voluntary compliance through education and mediation. When enforcement is required, Bylaw Officers issue municipal tickets and fines and may seek legal recourse. The Officers work closely with West Shore RCMP to address traffic safety issues. Bylaw Enforcement Officers also assist Fire Rescue and Public Works services as required.

1397
complaints received,
responded to and
followed up

2016 Key Accomplishments

- Responded to 1,397 issues in 2016, an increase of 45% since 2012. Liaised with residents to gain voluntary compliance on 833 concerns, issuing 171 written warnings and limiting municipal tickets to 32.
- Officers performed 734 patrols of our community in 2016, monitoring ongoing issues, providing support services during emergencies and raising awareness about City bylaws.

- Assisted Colwood Fire Department on 116 calls related to burning regulations, beach fires and assisting with traffic and site safety.
- Maintained a strong working relationship with West Shore RCMP, responding to 96 calls for service to assist.
- Assisted the general public with 39 care and concern issues.
- Administered the City Watch Program, which resulted in City staff locating lost children, assisting residents in distress, helping to resolve criminal activity and improving public safety.
- Oversaw the removal of 100% of all newly recorded graffiti damage.
- Played an active role in the Colwood Emergency Program by participating in the Regional Emergency Preparedness Fair and Emergency Operations Centre training and exercises.
- Addressed 38 animal concerns in cooperation with CRD Animal Svcs.
- Awarded the Kuo Cup from the License Inspectors and Bylaw Officers Association of British Columbia. (LIBOA)

2017 Goals and Priorities

- Continue to review and update regulatory bylaws to ensure they meet the changing needs of our community.
- Continue with graffiti education, prevention, tracking & removal.
- Participate in upcoming community events.
- Continue to participate in planning, training and support for the Emergency Program.

City Services: Emergency Planning

The City of Colwood Emergency Planning Coordinator and Committee prepare the City for a wide range of emergency situations such as fires, floods, earthquakes, severe weather, landslides, and other crises. They develop contingency plans and provide training to prepare the municipality to respond effectively, and raise awareness through events like the annual Regional Emergency Preparedness Fair.

The mandate of the program is to help people to help themselves by being prepared to be self sufficient and assist neighbours for at least 72 hours. Even with dedicated professional responders (Fire, Police, Medical, Municipal Engineering and Public Works), Colwood will need to rely on volunteers in an emergency.

**Worked with residents
to achieve voluntary
compliance on**

**833
concerns**

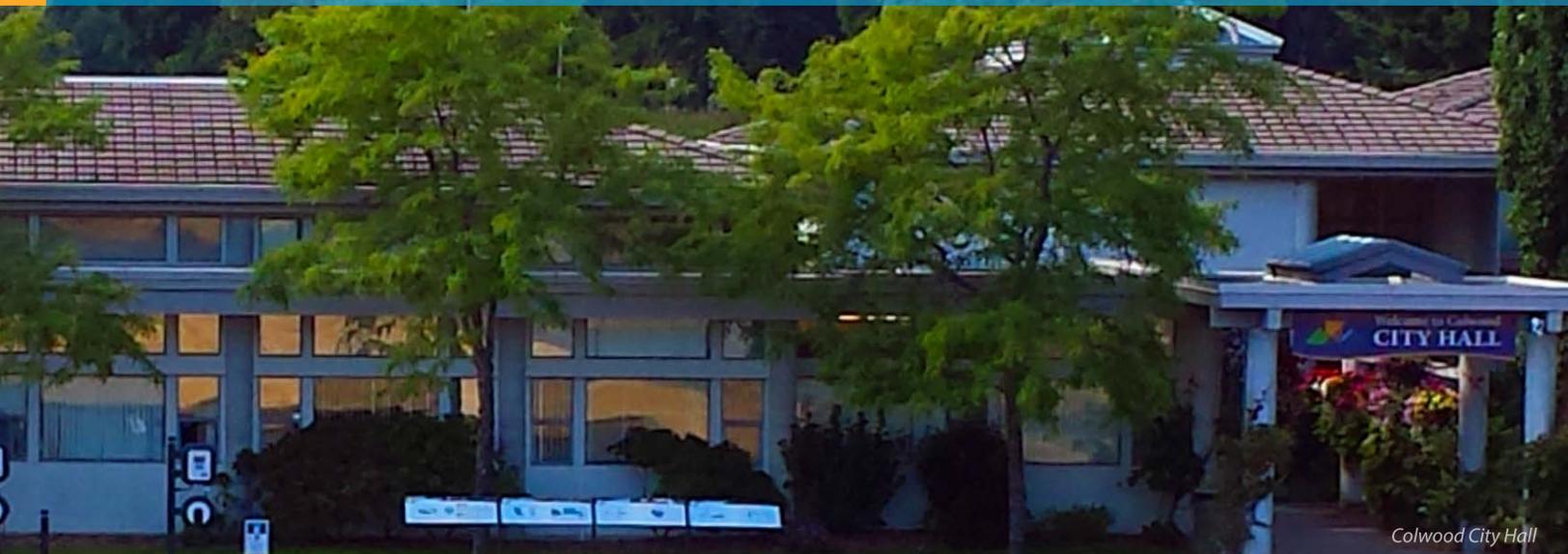
**Oversaw the
removal of**

**100%
of newly
reported
graffiti tags**

Hosted approximately

**1500
people at the Regional
Emergency
Preparedness Fair**

Administration



Colwood City Hall

City Services: Administration

The Chief Administrative Officer and Administration team work closely with Council to oversee corporate services, including records management, meeting management, information and privacy compliance, bylaw enforcement, emergency preparedness, health and safety, communications, community engagement, web and social media, heritage and archives, and the election process. Administrative staff strive to provide exceptional customer service and work hard to manage city services while being responsive to the needs of the community.

Committed to excellent customer service and keeping our community informed & involved

2016 Key Accomplishments

- Continued to promote a high quality of life by hosting events that celebrate our community, such as Beach Food Fridays, Eats & Beats, the Seaside Festival, the Christmas Light Up and more.
- Continued to encourage citizen input, including coordinating significant community engagement into the update of the Official Community Plan.
- Eliminated business license fees and developed an online renewal system for business owners that provides enhanced data and

statistics about businesses in Colwood.

- Designed and installed new Colwood street banners in collaboration with the Island Illustrators Society and Coast Collective Art Centre.
- Implemented a heritage artifact archival process, register and collection list, as well as procedures for accepting archival donations.
- Updated the Corporate Strategic Priorities plan to include the goals and objectives Council.
- Continue to develop an Administration Department succession plan, including steps to develop and enhance staff skills and resources.
- Completed updates to the records management software and initiated a city-wide records management system review.
- Updated nine regulatory bylaws to ensure they meet the City's changing needs and comply with legislation.
- Finalized, distributed and oriented staff to the new Freedom of Information and Protection of Privacy Staff Manual.
- Finalized the "New Employee Orientation Program" package to ensure employees have a clear understanding and written overview of City policies, procedures and health and safety information.
- Continue to negotiate a new collective agreement with CUPE Local 374 (current agreement expires Dec 31, 2016).
- Implemented a new telephone system to replace the City's antiquated equipment and enhance customer service experiences.

2017 Goals and Priorities

- Complete recruitment process for a new City Engineer and Manager of Development and Subdivision.
- Undertake a review of the City's committee structure.
- Continue to create a strong sense of place in Colwood through community events, signage, banners, and other public art.
- Continue to encourage citizen input through meetings, events, newsletters, surveys, social media and excellent customer service.
- Coordinate consistent and coherent capital asset management plans.
- Finalize negotiation of the CUPE Local 374 collective agreement.
- Update the Corporate Strategic Priorities plan to include the goals and objectives Council over the next four years.
- Continue efforts to foster a highly productive, safe and respectful working environment, with ongoing efforts to reduce absenteeism.
- Implement an enhanced corporate records management system that encompasses the needs of all departments.
- Identify strategies that would allow for the archives/museum to have a small space open to the community.
- Continue to build strong working relationships with First Nations.

Coordinated agendas,
minutes & logistics for
more than
139
city meetings

Engaged thousands of
Colwood citizens in the
Making Waves
Official Community Plan
Update

More than
1500
people attended
Eats & Beats at the Beach
to celebrate our
beautiful seaside
community.

Finance



City Services: Finance

The Finance Department is responsible for the financial well-being of the City, providing financial advice, services and information to Council, staff and the public. Over \$30 million is collected annually from property taxes, utility payments, user charges, development contributions and government grants. This Department coordinates expenditures through the annual budget process, completes the annual financial statements, and administers accounts payable, receivables, payroll, benefits, insurance and risk management. Cash flow is managed to ensure funds are available to fulfill the strategic plan and initiatives undertaken by the City. Finance works in collaboration with other departments to ensure fiscal responsibility and stewardship of the City's operations and assets.

**Total Financial Assets
now exceed Financial
Liabilities by
\$1 million**

2016 Key Accomplishments

- Increased Financial Strength: Net debt was reduced by \$2.7 million in fiscal 2016. For the first time in well over a decade, the City's financial assets exceed its financial liabilities.
- New construction in Colwood contributed \$1 million to the City's reserve funds in 2016, to be set aside for specific purposes such as community amenities and replacing equipment and infrastructure.

- Commenced implementation of a Capital Asset Management Plan In collaboration with the Engineering Department.
- Completely revised the City’s Chart of Accounts which has significantly improved financial budgeting and reporting processes.
- Upgraded budget software to incorporate the new chart of accounts.
- Assisted in the implementation of Colwood Central Local Area Sewer Service, including securing long term debt financing.
- Prepared the 2016 annual financial statements on time, on budget, with an unqualified audit opinion.
- Submitted the annual financial plan, bylaws and other government reports to the Province in accordance with statutory deadlines.
- Levied and successfully collected \$26.7 million in property tax payments on behalf of the City and other agencies such as the Capital Regional District, Hospital District and School District.

**Increased the City's
reserve funds by
\$1 million**

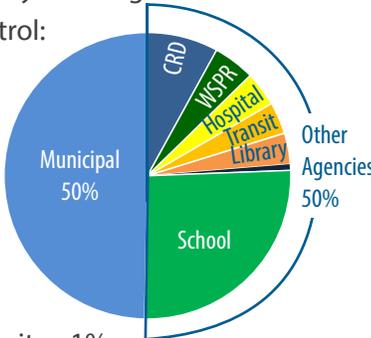
2017 Goals and Priorities

- Continue to coordinate and implement asset management plans in collaboration with the Engineering and Development departments.
- Manage financial aspects of budgeted \$5.1 million in capital projects and equipment acquisitions.
- Create a new parcel tax to repay the debt incurred to complete the Colwood Central Local Area (sewer) Service.
- Create and revise a number of policies including reserve funds and purchasing policies.
- Enhance Information Technology services with the hiring of an IT coordinator and improved online information portals.

Where Colwood Property Tax Dollars Go

50% of the average Colwood residential property tax bill goes to other agencies over which the city has no direct control:

- Provincial School Taxes - 26%
- Capital Regional District - 8%
- West Shore Parks & Rec - 5%
- Hospital District - 4%
- BC Transit - 3%
- Library - 3%
- BC Assessment & Municipal Finance Authority - 1%



The municipal portion of property tax collected (50%) goes toward funding the services and amenities that help make Colwood a great place to live, work and play. The bar chart on the right shows how each municipal tax dollar breaks down.

**Breakdown of Each
Municipal Tax Dollar**

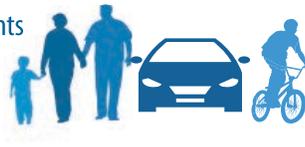


2017 Budget Highlights: Community Building Projects

Holding taxes to the rate of inflation (2%) while factoring in budget increases for external services RCMP, Library, BC Hydro

Transportation Improvements

- Completion of bike lanes, sidewalks, crosswalk on Metchosin Road
- Signal upgrades, traffic calming and speed readers
- Explore traffic calming options for Ocean Boulevard
- Waterfront trail improvements
- Havenwood Park Crosswalk
- Wayfinding signs
- LED street lighting



Park Upgrades & Beautification

- Complete Water Park at Colwood Creek Park
- Water fountain at Herm Williams Park
- Improved park signs, banners, art
- New gardens and hanging baskets
- Stair and handrail improvements



Safety Services

- Recruitment of new volunteer firefighters
- West Shore RCMP Building Improvements
- Additional West Shore RCMP Stationing
- Complete Backup Power for Emergency Operations at City Hall



Asset and Infrastructure Upgrade

- Over \$1m reserve funding for long term infrastructure
- Replace 3 aging vehicles with electric to reduce emissions
- Lagoon Bridge Repairs, Pump Station Protection Study
- Completion of Central Sewer Expansion
- Lookout Brook Dam Safety Assessment

Increased Online Services & Open Government Initiatives

- Continue Making Waves OCP project
- Online NO FEE annual business license renewal
- Citizen Survey, feedback tools and forums
- Increased newsletters and notifications
- Electronic filing for better workflow and public access to information



Recreation, Arts, Events & Heritage

- West Shore Parks & Recreation & Juan de Fuca Library
- Beach Food Fridays & Saturdays
- Eats & Beats at the Beach
- Colwood Seaside Festival
- Canada 150 Events & Activities
- Music and Movies in the Park Events



Maintain:



Projects

and Labour Contracts.

on



Grades

decisions



Heritage



g clean up
in 2017

9
pedestrian and
vehicle bridges

35
km of
storm drains

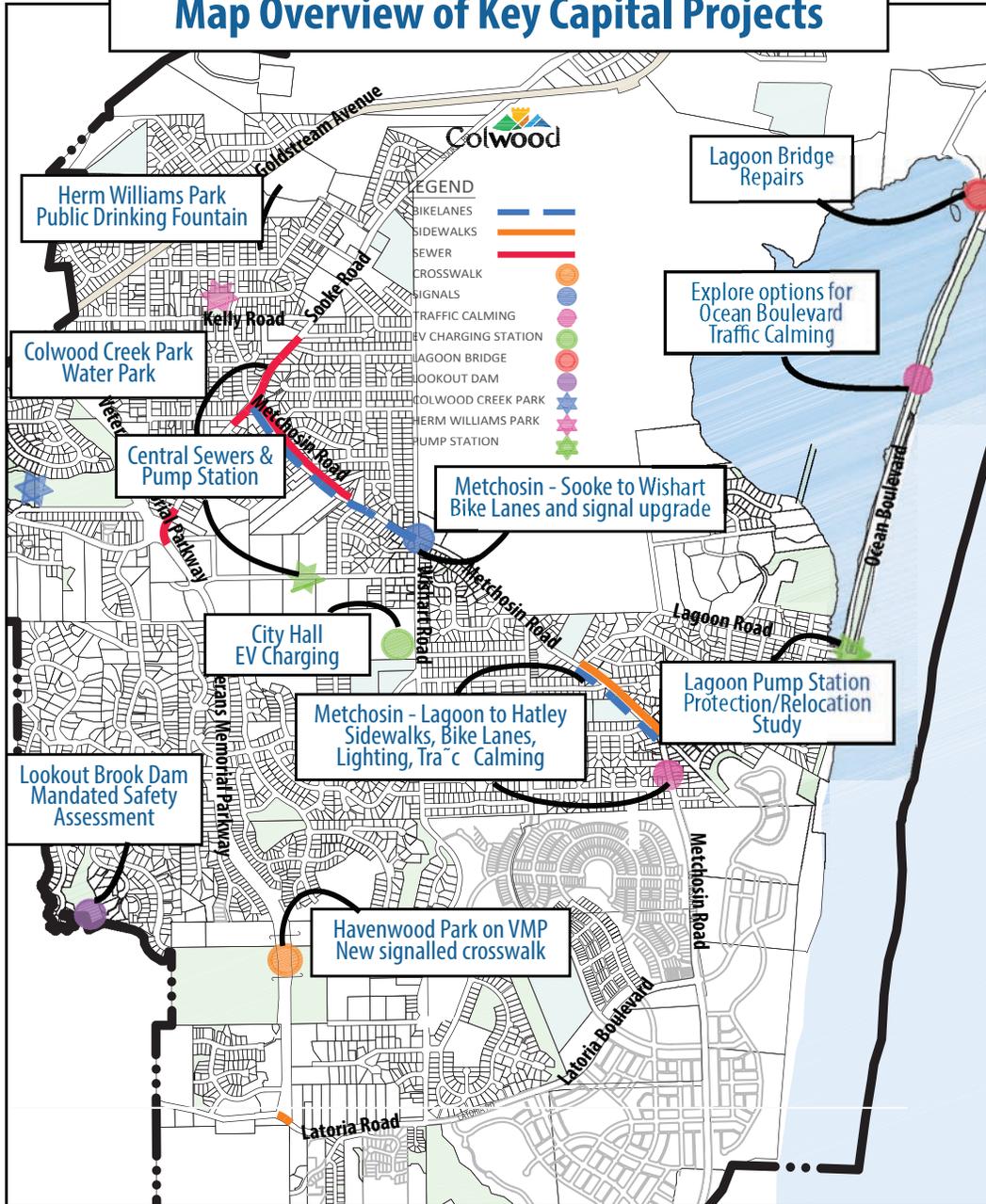
1320+
catch
basins

9
sanitary sewer
pump stations

74
emergency vehicles,
heavy equipment, and
fleet vehicles



Map Overview of Key Capital Projects



Partnerships and Programs



West Shore RCMP

West Shore RCMP is responsible for policing Colwood, as well as Highlands, Langford, Metchosin, View Royal, Songhees First Nation, and Esquimalt First Nation. This combined population of approximately 71,000 people is well served by the detachment's 71 officers and 23 civilian personnel. In 2016, 18% of the files handled by the West Shore RCMP were in Colwood, 54% in Langford and 16% in View Royal.

The City of Colwood funds 16.6 full time equivalent regular RCMP members and employs 4 RCMP Watch Clerks and 2 Court Liaison Officers as well as 9 auxiliary casual watch clerks to cover administrative needs, allowing members to focus their time on the job in the community. In 2016 the City increased overtime funding for RCMP staff.

Key services provided by West Shore RCMP include policing, forensic identification, investigation, fraud unit, police dog service, traffic service and administrative support. In addition, more than 70 dedicated volunteers provide services like the Auxiliary Constable Program, Keep in Touch Program (KIT) for seniors living alone, Speed Watch, Restorative Justice, the Community Policing Advisory Committee and Greater Victoria Police Victim Services.



School District 62

The City of Colwood continues to work collaboratively with School District 62, focusing new schools in Royal Bay. Royal Bay Secondary School opened in September 2015 to 800 students, with future capacity for 1200 students. It is a state of the art learning facility with a theatre, teaching kitchens, a running track, playing fields and a neighbourhood centre. A new elementary school is envisioned for Royal Bay as well.

In 2016 City staff worked with School District 62 to involve students in the construction of the Painter Trail that connects the existing Wishart neighbourhood to Royal Bay Secondary School. The City also supported the completion of the seismic upgrade of Dunsmuir Middle School.

West Shore Parks & Recreation

West Shore Parks & Recreation provides our community with diverse and accessible recreational opportunities, including community events and active and educational programming for all ages from Preschool, School Age and Youth to Adults and Seniors. The Society offers world class facilities at the Q Centre, Juan de Fuca Arena, Juan de Fuca Swimming Pool, the Seniors Activity Centre, weight room and fitness studios, a golf course, playing fields, walking trails and more.

West Shore Parks & Recreation is home to the Victoria Grizzlies BCHL Junior Hockey team and Victoria Shamrocks Senior A Lacrosse team. Their facilities are also a venue of choice for international sporting events like the Pinty's Grand Slam of Curling, which they hosted in 2015.

It is also home to major events like the three day Rock the Shores music festival attended by an estimated 10,000 people per day each year on the fields at West Shore Parks & Recreation. Events reach out into the community as well, with programs like Neighbourhood Nights and StoryWalks in local parks, as well as outdoor Movies on the Hill.

Coast Collective Art Centre

Located in Colwood's city centre, Coast Collective features the work of hundreds of talented local artisans, offering a never-ending list of enticing gallery shows, house concerts, art classes, programs and special community events. It is the perfect place to pick up a unique and beautiful gift crafted by local artisans.

The members of Coast Collective are also instrumental in raising awareness about the many benefits arts and culture bring to a community, including enhanced wellness and quality of life, connectedness, local identity and pure pleasure.

In 2016, the City collaborated with Coast Collective on new street banners and the roaming art gallery. Coast Collective was also instrumental in helping bring arts and cultural activities to events like the Eats & Beats Driftwood Art Competition and the Colwood Seaside Festival Paint In at the Fort.





Financial Reports

Financial Reports

The following pages contain the 2016 City of Colwood Consolidated Financial Statements as well as the 2016 Permissive Tax Exemptions, in accordance with the Community Charter Section 98 requirements.



Consolidated Financial Statements of
CITY OF COLWOOD

Year Ended December 31, 2016

Statement of Management Responsibility	
Independent Auditor's Report	
Consolidated Statement of Financial Position	1
Consolidated Statement of Operations.....	2
Consolidated Statement of Change in Net Financial Assets (Net Debt)	3
Consolidated Statement of Cash Flows	4
Notes to the Consolidated Financial Statements	5

STATEMENT OF MANAGEMENT'S RESPONSIBILITY

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian Public Sector Accounting Standards. This responsibility includes selecting appropriate accounting principles and methods, and decisions affecting the measurement of transactions in which objective judgement is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.

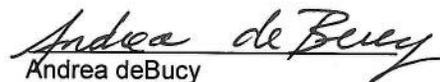
The Council of the City of Colwood met with management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

MNP LLP, as the City's appointed external auditors, have audited the consolidated financial statements. The Auditor's report is addressed to the Mayor and members of Council and appears on the following page. Their opinion is based upon an examination conducted in accordance with Canadian generally accepted auditing standards, performing such tests and other procedures as they consider necessary to obtain reasonable assurance that the consolidated financial statements are free of material misstatement and present fairly the financial position and results of the City in accordance with Canadian Public Sector Accounting Standards.

April 24, 2017



Ian Howat
Chief Administrative Officer



Andrea deBucy
Director of Finance

Independent Auditor's Report

To the Mayor and Council of City of Colwood:

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

Management's Responsibility for Consolidated Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the City of Colwood as at December 31, 2016 and the results of its operations, changes in its net financial assets (net debt) and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Nanaimo, British Columbia

April 24, 2017

MNP LLP

Chartered Professional Accountants

CITY OF COLWOOD
Consolidated Statement of Financial Position

Statement A

As at December 31, 2016

	2016	2015
		(Restated - Note 15)
Financial Assets:		
Cash and cash equivalents (Note 3)	\$ 27,237,943	\$ 20,433,353
Property taxes receivable	562,416	754,615
Accounts receivable	1,224,172	1,387,581
	29,024,531	22,575,549
Financial Liabilities:		
Accounts payable and accrued liabilities (Note 4)	4,193,438	4,501,943
Prepaid property taxes	279,600	218,999
Deferred revenue (Note 5)	6,715,635	5,353,707
Refundable deposits	2,944,830	1,707,218
Capital leases	-	2,114,724
Short-term debt (Note 6)	-	2,100,816
Long-term debt (Note 6)	11,900,560	8,307,221
Equipment financing (Note 6)	2,017,866	-
	28,051,929	24,304,628
Net Financial Assets (Net Debt)	972,602	(1,729,079)
Commitments and Contingencies (Note 11)		
Non-financial assets:		
Tangible capital assets (Note 7)	141,309,769	142,300,692
Inventory of supplies	850,065	864,180
Prepaid expenses	109,210	355,866
	142,269,044	143,520,738
Accumulated surplus (Note 8)	\$ 143,241,646	\$ 141,791,659

Approved on behalf of the City


 Chief Administrative Officer


 Director of Finance

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

CITY OF COLWOOD
Consolidated Statement of Operations

Statement B

As at December 31, 2016

	Budget		2016		2015
	(Note 12)			(Restated - Note 15)	
Revenue					
Taxation (Note 9)	\$ 15,639,495	\$	15,525,765	\$	15,035,365
User charges	3,157,471		3,244,275		3,268,310
Fines and penalties	51,199		128,230		158,520
Investment earnings	40,000		350,611		282,379
Unconditional government transfers (Note 10)	679,442		722,738		708,152
Conditional government transfers (Note 10)	1,627,388		590,032		737,558
Developer contributions	599,868		1,388,022		6,382,505
Other	33,142		87,121		216,500
	21,828,005		22,036,794		26,789,289
Expenses					
General government	\$ 2,827,194	\$	2,690,774	\$	2,929,318
Protective services	6,241,546		6,410,975		5,768,378
Engineering and transportation services	3,661,848		5,021,358		4,794,976
Solid waste management	202,310		184,941		198,942
Planning and development services	889,313		770,432		685,129
Recreation, parks and culture	4,027,767		4,203,135		4,036,041
Sewer services	762,735		1,148,091		1,091,146
	18,612,713		20,429,706		19,503,930
Annual surplus from City operations	3,215,292		1,607,088		7,285,359
Loss on change in proportionate share of Westshore Parks and Recreation Society	-		(157,101)		(49,578)
Annual surplus	3,215,292		1,449,987		7,235,781
Accumulated surplus, beginning of year	141,791,659		141,791,659		134,555,878
Accumulated surplus, end of year	\$ 145,006,951	\$	143,241,646	\$	141,791,659

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

CITY OF COLWOOD

Consolidated Statement of Change in Net Financial Assets (Net Debt)

Statement C

As at December 31, 2016

	Budget (Note 12)	2,016	2015 (Restated - Note 15)
Annual surplus	\$ 3,215,292	\$ 1,449,987	\$ 7,235,781
Acquisition of tangible capital assets (purchased)	(4,683,285)	(1,187,947)	(811,095)
Acquisition of tangible capital assets (leased)	-	-	(1,350,000)
Acquisition of tangible capital assets (contributed)	-	(558,215)	(6,134,193)
Amortization of tangible capital assets	-	2,555,835	2,029,063
Loss (Gain) on disposal of tangible capital assets	-	49	(45,695)
Proceeds on disposal of tangible capital assets	-	24,101	48,530
Loss on change in proportionate share of Westshore Parks and Recreation Society	-	157,101	49,578
	<u>(1,467,993)</u>	<u>2,440,911</u>	<u>1,021,969</u>
Consumption of inventory of supplies	-	14,114	12,105
Use (acquisition) of prepaid expenses	-	246,656	(7,854)
	<u>-</u>	<u>260,770</u>	<u>4,251</u>
Change in net financial assets (net debt)	(1,467,993)	2,701,681	1,026,220
Net debt, beginning of year	(1,729,079)	(1,729,079)	(2,755,299)
Net financial assets (Net debt), end of year	\$ (3,197,072)	\$ 972,602	\$ (1,729,079)

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

CITY OF COLWOOD
Consolidated Statement of Cash Flows

Statement D

As at December 31, 2016

	2016	2015
	(Restated - Note 15)	
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 1,449,987	\$ 7,235,781
Items not involving cash:		
Amortization of tangible capital assets	2,555,835	2,029,063
Loss/(Gain) on disposal of tangible capital assets	49	(45,695)
Actuarial adjustment on debt	(200,689)	(152,602)
Loss on change in proportionate share of Westshore Parks and Recreation Society	157,101	49,578
Developer contributions	(558,215)	(6,134,193)
Change in non-cash operating assets and liabilities		
Property taxes receivables	192,199	297,131
Accounts receivable	163,409	33,819
Accounts payable and accrued liabilities	(308,504)	404,152
Prepaid property taxes	60,601	(67,989)
Deferred revenue	1,361,929	679,767
Refundable deposits	1,237,612	(20,515)
Inventory of supplies	14,114	12,104
Prepaid expenses	246,656	(7,854)
	6,372,084	4,312,547
Investing activities:		
Acquisition of tangible capital assets (purchased)	(1,187,947)	(811,095)
Proceeds on disposal of tangible capital assets	24,101	48,530
	(1,163,846)	(762,565)
Financing activities:		
Debt proceeds	2,400,184	-
Capital lease payments	(96,858)	(310,032)
Debt Payments	(706,974)	(739,894)
	1,596,352	(1,049,926)
Increase in cash and cash equivalents	6,804,590	2,500,056
Cash and cash equivalents, beginning of year	20,433,353	17,933,297
Cash and cash equivalents, end of year	\$ 27,237,943	\$ 20,433,353
Supplemental cash flow information		
Cash paid for interest	\$ 573,107	\$ 545,801
Cash received from interest	\$ 149,921	\$ 129,778

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

1. General

City of Colwood (the "City") is a municipality in the Province of British Columbia incorporated on June 24, 1985 and operates under the provisions of the Local Government Act and the Community Charter of British Columbia. The City provides municipal services such as police, fire, public works, engineering, planning, parks, recreation, community development, conference facilities and other general government operations.

2. Significant Accounting Policies

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

Reporting entity

The financial statements reflect the assets, liabilities, revenues and expenses of the reporting entity. The financial statements also include the proportionate consolidation of the City's share of the West Shore Parks and Recreation Society.

Basis of accounting

The City 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.

Government transfers

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Deferred revenue

Deferred revenue includes non-government grants, contributions and other amounts received from third parties pursuant to legislation, regulation and agreement which may only be used in certain programs, in the completion of specific work, or for the purchase of tangible capital assets. In addition, certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred, services performed, or the tangible capital assets are acquired. Development cost charges are amounts which are restricted by government legislation or agreement with external parties. When qualifying expenditures are incurred development cost charges are recognized as revenue in amounts which equal the associated expenses.

Investment income

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

2. Significant Accounting Policies (continued from previous page)

Cash equivalents

Cash equivalents include short-term highly liquid investments that are cashable on demand or have a term to maturity of 90 days or less at acquisition.

Investments

Investments in the Municipal Finance Authority of British Columbia ("MFA") Money Market Funds are recorded at cost plus earnings reinvested in the funds. Market value for investments is the same as book value.

Long-term debt

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

Employee future benefits

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

Sick leave and other benefits are also available to the City's employees. The costs of these benefits are determined based on length of 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.

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
Building and building improvements	25 - 70
Vehicles, machinery and equipment	5 - 25
Water and wastewater infrastructure	75 - 100
Parks and land improvements	15 - 40
Roads infrastructure	10 - 75

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.

2. Significant Accounting Policies *(continued from previous page)*

Non-financial assets *(continued from previous page)*

- 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. Natural resources
Natural resources that have not been purchased are not recognized as assets in the financial statements.
- IV. 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.
- V. Interest capitalization
The City does not capitalize interest costs associated with tangible capital assets.
- VI. 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.
- VII. Inventory of supplies
Inventory of supplies held for consumption is recorded at the lower of cost and replacement cost, using the first in, first out method.

Use of estimates

The preparation of financial statements 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 provisions for accrued liabilities, performing calculations of employee future benefits and estimating the useful lives of tangible capital assets. Liabilities for contaminated sites are estimated based on the best information available regarding potentially contaminated sites that the City is responsible for. Developer contributions of tangible capital assets are recorded at the City's best estimate of fair value on the date of contribution, calculated using engineering plans and standardized item cost estimates. Actual results could differ from these estimates.

Refundable deposits

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

2. Significant Accounting Policies *(continued from previous page)*
Liability for contaminated sites

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the City is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at December 31, 2016.

At each financial reporting date, the City reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The City continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

Recent accounting pronouncements

PS 2200 Related Party Disclosures

In March 2015, as part of the CPA Canada Public Sector Accounting Handbook Revisions Release No. 42, the Public Sector Accounting Board (PSAB) issued a new standard, PS 2200 Related Party Disclosures.

This new Section defines related party and established disclosures required for related party transactions. Disclosure of information about related party transactions and the relationship underlying them is required when they have occurred at a value different from that which would have been arrived at if the parties were unrelated, and they have, or could have, a material financial effect on the financial statements.

This section is effective for fiscal years beginning on or after April 1, 2017. Early adoption is permitted.

The City does not expect application of the new Standard to have a material effect on the consolidated financial statements.

PS 3210 Assets

In June 2015, new PS 3210 Assets was included in the CPA Canada Public Sector Accounting Handbook (PSA HB). The new Section provides guidance for applying the definition of assets set out in PS 1000 Financial Statement Concepts. The main features of this standard are as follows:

Assets are defined as economic resources controlled by a government as a result of past transactions or events and from which future economic benefits are expected to be obtained.

Economic resources can arise from such events as agreements, contracts, other government's legislation, the government's own legislation, and voluntary contributions.

The public is often the beneficiary of goods and services provided by a public sector entity. Such assets benefit public sector entities as they assist in achieving the entity's primary objective of providing public goods and services.

A public sector entity's ability to regulate an economic resource does not, in and of itself, constitute control of an asset, if the interest extends only to the regulatory use of the economic resource and does not include the ability to control access to future economic benefits.

A public sector entity acting as a trustee on behalf of beneficiaries specified in an agreement or statute is merely administering the assets, and does not control the assets, as future economic benefits flow to the beneficiaries.

2. Significant Accounting Policies *(continued from previous page)*
PS 3210 Assets *(continued from previous page)*

An economic resource may meet the definition of an asset, but would not be recognized if there is no appropriate basis for measurement and a reasonable estimate cannot be made, or if another Handbook Section prohibits its recognition. Information about assets not recognized should be disclosed in the notes.

The standard is effective for fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted.

The City does not expect application of the new Standard to have a material effect on the consolidated financial statements.

PS 3320 Contingent Assets

In June 2015, new PS 3320 Contingent Assets was included in the CPA Canada Public Sector Accounting Handbook (PSA HB). The new Section establishes disclosure standards on contingent assets. The main features of this Standard are as follows:

Contingent assets are possible assets arising from existing conditions or situations involving uncertainty. That uncertainty will ultimately be resolved when one or more future events not wholly within the public sector entity's control occurs or fails to occur. Resolution of the uncertainty will confirm the existence or non-existence of an asset.

Passing legislation that has retroactive application after the financial statement date cannot create an existing condition or situation at the financial statement date.

Elected or public sector entity officials announcing public sector entity intentions after the financial statement date cannot create an existing condition or situation at the financial statement date.

Disclosures should include existence, nature, and extent of contingent assets, as well as the reasons for any non-disclosure of extent, and the bases for any estimates of extent made.

When a reasonable estimate can be made, disclosure should include a best estimate and a range of possible amounts (or a narrower range of more likely amounts), unless such a disclosure would have an adverse impact on the outcome.

The standard is effective for fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted.

The City does not expect application of the new Standard to have a material effect on the consolidated financial statements.

PS 3380 Contractual Rights

In June 2015, new PS 3380 Contractual Rights was included in the CPA Canada Public Sector Accounting Handbook (PSA HB). This new Section establishes disclosure standards on contractual rights, and does not include contractual rights to exchange assets where revenue does not arise. The main features of this Standard are as follows:

Contractual rights are rights to economic resources arising from contracts or agreements that will result in both an asset and revenue in the future.

Until a transaction or event occurs under a contract or agreement, an entity only has a contractual right to an economic resource. Once the entity has received an asset, it no longer has a contractual right.

Contractual rights are distinct from contingent assets as there is no uncertainty related to the existence of the contractual right.

Disclosures should include descriptions about nature, extent, and timing.

Significant Accounting Policies (continued from previous page)

PS 3380 Contractual Rights (continued from previous page)

The standard is effective for fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted.

The City does not expect application of the new Standard to have a material effect on the consolidated financial statements.

PS 3430 Restructuring Transactions

In June 2015, new PS 3430 Restructuring Transactions was included in the CPA Canada Public Sector Accounting Handbook (PSA HB). The new Section establishes disclosure standards on contingent assets. The main features of this Standard are as follows:

A restructuring transaction is defined separately from an acquisition. The key distinction between the two is the absence of an exchange of consideration in a restructuring transaction.

A restructuring transaction is defined as a transfer of an integrated set of assets and/or liabilities, together with related program or operating responsibilities that does not involve an exchange of consideration.

Individual assets and liabilities transferred in a restructuring transaction are derecognized by the transferor at their carrying amount and recognized by the recipient at their carrying amount with applicable adjustments.

The increase in net assets or net liabilities resulting from recognition and derecognition of individual assets and liabilities received from all transferors, and transferred to all recipients in a restructuring transaction, is recognized as revenue or as an expense.

Restructuring-related costs are recognized as expenses when incurred.

Individual assets and liabilities received in a restructuring transaction are initially classified based on the accounting policies and circumstances of the recipient at the restructuring date.

The financial position and results of operations prior to the restructuring date are not restated.

Disclosure of information about the transferred assets, liabilities and related operations prior to the restructuring date by the recipient is encouraged but not required.

The Section is effective for new restructuring transactions that occur in fiscal periods beginning on or after April 1, 2018. Earlier application is encouraged.

The City does not expect application of the new Standard to have a material effect on the consolidated financial statements.

3. Cash and cash equivalents

	2016	2015
Bank Deposits	\$ 23,036,580	\$ 16,265,116
MFA - Money Market Fund	4,201,363	4,168,237
	\$ 27,237,943	\$ 20,433,353

4. Accounts payable and accrued liabilities

		2016		2015
Trade accounts payable	\$	564,289	\$	371,442
Government accounts payable		2,351,936		1,572,962
Wages payable		111,707		65,412
Employee future benefits		575,500		548,200
Termination benefits		133,575		-
Other accruals		245,068		1,670,728
West Shore Parks and Recreation Society		211,363		273,199
	\$	4,193,438	\$	4,501,943

Employee Future Benefits

		2016		2015
Accrued sick leave	\$	296,400	\$	281,300
Retirement benefit payments		279,100		266,900
	\$	575,500	\$	548,200

		2016		2015
Accrued benefit obligation:				
Balance, beginning of year	\$	548,200	\$	506,800
Current service cost		57,800		56,300
Interest cost		18,300		17,000
Benefits paid		(60,300)		(13,500)
Actuarial		11,500		(18,400)
Balance, end of year	\$	575,500	\$	548,200

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

	2016	2015
Discount rates	3.4%	3.1%
Expected future inflation rates	2.50%	2.50%
Expected wage and salary increases	2.58%-4.63%	2.58%-4.63%

4. Accounts payable and accrued liabilities *(continued from previous page)*

Municipal Pension Plan

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

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

The most recent valuation for the Municipal Pension Plan as at December 31, 2015, indicated a \$2.224 billion funding surplus for basic pension benefits on a going concern basis.

The City of Colwood paid \$597,401 (2015 - \$586,540) for employer contributions while employees contributed \$499,593 (2015 - \$486,039) to the plan in fiscal 2016.

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

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

GVLRA - CUPE Long-Term Disability Trust

The Trust was established January 1, 1987 as a result of negotiations between the Greater Victoria Labour Relationship Association representing a number of employers and the Canadian Union of Public Employees representing a number of CUPE locals. The Trust's sole purpose is to provide a long term disability income benefit plan. The City and its employees each contribute equal amounts into the Trust. The total plan provision for approved and unreported claims was actuarially determined as of December 31, 2011. As of December 31, 2013, the total plan provision for approved and unreported claims was \$18,615,400 with a net deficit of \$5,484,632. The City paid \$53,438 (2015 - \$52,553) for employer contributions and City employees paid \$57,551 (2015 - \$54,781) to the plan in fiscal 2015.

5. Deferred revenue

	2016	2015
Building permit fees	\$ 128,500	\$ 101,050
Federal Gas Tax funds	2,441,555	2,182,474
Development cost charges	2,628,170	1,608,595
Cash in lieu of parklands	406,535	387,600
Provincial government grants	-	7,017
Sidewalk fund	226,233	221,133
Frontage	519,776	481,776
Other	114,732	88,148
West Shore Parks and Recreation	250,134	275,914
	\$ 6,715,635	\$ 5,353,707

Federal Gas Tax funds

	2016	2015
Opening balance of unspent funds	\$ 2,182,474	\$ 1,855,133
Add:		
Amounts received during the year	731,357	707,550
Interest income restricted for projects	28,172	19,452
	2,942,003	2,582,135
Less: amount spent on projects and recorded as revenue	(500,448)	(399,661)
	\$ 2,441,555	\$ 2,182,474

6. Debt

a) Long-term debt:

The City issues long-term debt instruments through the Municipal Finance Authority (the "MFA") and the amount payable is \$11,900,560 (2015 - \$8,307,221). Long-term debt matures from 2017 to 2028 and carries an interest rate of 2.89%.

b) Equipment finance loan:

The City exercised the "purchase option" under the remaining capital lease arrangements (2015 lease obligation - \$2,114,724) and secured short-term equipment financing loans bearing interest at 1.39%. The balance of the equipment financing loans at December 31, 2016 was \$2,017,866 (2015 – nil).

c) Short-term debt:

The City retired all outstanding short-term debt via the MFA's Spring 2016 Long-term Issue (2015 - \$2,100,816).

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

	Long-term Debt	Equipment Financing	Total
2017	\$ 754,632	\$ 261,153	\$ 1,015,784
2018	754,632	255,374	1,010,006
2019	503,960	203,003	706,964
2020	481,888	175,121	657,009
2021	481,888	118,184	600,072

d) Interest expense:

Total interest expense during the year was \$726,787 (2014 - \$506,661)

7. Tangible capital assets

	Work in Progress	Land	Building and Building Improvements	Vehicles, Machinery and Equipment	Water and Wastewater Infrastructure	Park and Land Improvement	Road Infrastructure	West Shore	Total 2016	Total 2015
2016										
<u>Cost</u>										
Balance, beginning of year	249,585	58,515,575	5,821,069	9,383,008	32,668,134	2,378,837	69,752,596	14,955,038	193,723,842	185,605,302
Additions	410,563	-	-	566,236	153,900	414,908	397,894	-	1,943,501	8,583,446
Disposals	(197,339)	-	-	(903,574)	-	-	-	-	(1,100,913)	(414,288)
Change in Westshore Share	-	-	-	-	-	-	-	(178,831)	(178,831)	(50,612)
Balance, end of year	462,809	58,515,575	5,821,069	9,045,670	32,822,034	2,793,745	70,150,490	14,776,207	194,387,599	193,723,848
<u>Accumulated Amortization</u>										
Balance, beginning of year	-	-	(2,756,459)	(4,458,767)	(5,232,138)	(935,606)	(34,353,350)	(3,686,828)	(51,423,148)	(49,518,414)
Disposals	-	-	-	857,775	-	-	-	-	857,775	113,845
Amortization expense	-	-	(147,761)	(459,481)	(355,735)	(98,080)	(1,279,811)	(214,968)	(2,555,836)	(2,029,063)
Change in Westshore Share	-	-	-	-	-	-	-	43,379	43,379	10,476
Balance, end of year	-	-	(2,904,220)	(4,060,473)	(5,587,873)	(1,033,686)	(35,633,161)	(3,858,417)	(53,077,830)	(51,423,156)
Net book value, end of year	462,809	58,515,575	2,916,849	4,985,197	27,234,161	1,760,059	34,517,329	10,917,790	141,309,769	142,300,692

7. Tangible capital assets *(continued from previous page)*

a) Assets under construction:

As at December 31, 2016 there was \$462,809 of assets under construction (2015 - \$249,585). No amortization has been recorded on these assets as they are not yet in productive use.

b) Contributed tangible capital assets:

Total contributed tangible capital assets for 2016 was \$558,215 (2015 - \$6,228,751). During 2016, the City acquired infrastructure from developers as part of subdivision installations, including roads, sidewalks, sewer systems, storm drains, bike lanes, and street lighting. These contributed assets were recognized at an estimate of the fair value of the cost of the materials and installation.

c) Works of art and historical treasures:

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

d) Write-down of tangible capital assets:

No write-down of tangible capital assets occurred during the year (2015 - \$0).

e) Gain/loss on disposal of tangible capital assets:

During the year, the City recognized a \$49 loss on disposal of tangible capital assets (2015 - \$45,695 gain). This amount is included in Other revenue on the Consolidated Statement of Operations.

f) West Shore:

The City's proportionate share of West Shore assets includes land, building and equipment which are subject to amortization policies consistent with those of the City.

8. Accumulated surplus

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

	2016	2015
Fund Surplus:		
Invested in tangible capital assets (General Capital and Sewer Capital)	\$ 129,791,525	\$ 129,777,928
Operating Fund accumulated surplus (General Operating and Sewer Operating)	5,779,183	5,194,279
Internal Financing (Sewer Debt - Central LAS) - to be recovered	(302,692)	(235,590)
West Shore Parks and Recreation Society	(79,163)	(9,115)
Total fund surplus	<u>135,188,853</u>	<u>134,727,502</u>
Reserve funds set aside for specific purposes by Council:		
Future operating expenditures	2,251,519	2,127,547
Capital projects	579,229	590,295
Sewer capital projects	901,824	961,140
General fleet replacement	584,569	677,931
Fire fleet replacement	712,126	525,189
Sewer fleet replacement	172,562	171,075
Equipment replacement	1,038	1,029
Community amenities	1,177,088	646,167
Affordable housing	586,392	429,000
RCMP surplus	244,588	242,481
Police building	148,337	147,059
New Fire Hall	154,929	153,594
St. John's Heritage Church	79,854	63,637
Infrastructure Deficit	432,648	302,149
Public Art	26,089	25,864
Total reserve funds	<u>8,052,792</u>	<u>7,064,157</u>
	<u>\$ 143,241,646</u>	<u>\$ 141,791,659</u>

9. Taxation

	2016	2015
General	\$ 22,455,770	\$ 21,531,306
Payments in lieu of taxes	3,569,190	4,014,602
Parcel taxes	540,192	535,255
1% utility taxes	182,263	184,540
	<u>26,747,414</u>	<u>26,265,752</u>
Less taxes on behalf of:		
Capital Regional District - General Operating	(1,893,984)	(1,817,203)
Capital Regional District - Septic Operating	(67,238)	(65,891)
Capital Regional Hospital District	(1,010,004)	(995,671)
School authorities	(6,993,261)	(7,089,841)
British Columbia Assessment Authority	(204,733)	(208,704)
Municipal Finance Authority	(699)	(673)
Victoria Regional Transit Authority	(1,051,730)	(1,052,405)
	<u>(11,221,649)</u>	<u>(11,230,388)</u>
	<u>\$ 15,525,765</u>	<u>\$ 15,035,365</u>

10. Government transfers

	2016	2015
Conditional government transfers:		
Federal:		
Gas Tax	\$ 500,448	\$ 399,661
Natural Resources Canada	-	116,550
Provincial:		
Trees for Tomorrow	7,017	-
Climate Action	6,705	6,351
Other	725	55,853
Infrastructure Plan	-	50,000
Other:		
Q Arena Debt Subsidy	75,138	75,138
West Shore Parks & Recreation	-	34,005
	<u>590,032</u>	<u>737,558</u>
Unconditional government transfers:		
Provincial:		
Small Communities	232,881	240,629
Traffic Fines	155,795	147,248
Casino revenue sharing	324,573	313,983
Other	164	1,746
West Shore Parks & Recreation	9,325	4,564
	<u>722,738</u>	<u>708,152</u>
Total Government Transfers	\$ 1,312,770	\$ 1,445,710

11. Commitments and Contingencies:

a) Contingent liabilities:

The Capital Regional District (the "CRD") debt, under provisions of the Local Government Act, is a direct, joint, and several liability of the CRD and each member municipality within the CRD, including the City of Colwood.

The City is a shareholder and member of the Capital Region Emergency Service Telecommunications Incorporated (CREST) who provides centralized emergency communications, and related public safety information services to municipalities, regional districts, the provincial and federal governments and their agencies, and emergency service obligations to share in funding ongoing operations any additional costs relating to capital assets are to be contributed pursuant to a Members' Agreement.

The City may be subject to potential repayment or non-collection of property taxes received or receivable pending resolution of property assessments appealed by taxpayers. The outcome of the appeals is not reasonably estimable and repayments or non-collections, if any, will be recorded in the period that they occur.

b) Municipal Finance Authority contingent demand notes:

Under borrowing arrangements with the MFA, the City is required to lodge security by means of demand notes and interest bearing cash deposits based on the amount of the borrowing. As a condition of these borrowings a portion of the debenture proceeds is withheld by the MFA as a debt reserve fund. These deposits are included in the City's financial assets as restricted receivables 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 City. At December 31, 2016 there were contingent demand notes of \$497,718 (2015 - \$490,890) which are not included in the financial statements of the City.

c) Litigation liability:

The City has been named a defendant in various lawsuits. The City records an accrual in respect of legal claims that are likely to be successful and for which a liability amount is reasonably determinable. Remaining claims, should they be successful as a result of litigation, will be recorded when a liability is likely and determinable.

d) Commitments:

The City entered into a long-term contract with the Royal Canadian Mounted Police for the provision of police services effective April 1, 1992. Under the terms of this contract, the City is responsible for 90% of policing costs. The 2017 estimated cost of this contract is \$2,800,000 (2016 - \$2,687,000).

12. Budget

The budget data presented in these consolidated financial statements includes both operating and capital budgets. The City of Colwood budget was approved by Council on April 25, 2016 with the adoption of the 2016 - 2020 Financial Plan Bylaw No 1618, 2016. Amortization was not contemplated on development of the budget and, as such, has not been included. The chart below reconciles the approved budget per the Financial Plan to the budget reported in these consolidated financial statements.

	<u>2016 Budget</u>
Consolidated Budgeted Surplus, per City of Colwood Financial Plan Bylaw No. 1618	\$ -
Add	
Capital expenditures	4,683,285
Debt principal repayments	1,011,644
Transfers to reserves	971,320
Less	
Proceeds of borrowing	(2,400,000)
Transfers from reserves	<u>(1,050,957)</u>
Budgeted surplus for the year, per Consolidated Statement of Operations	<u>\$ 3,215,292</u>

13. West Shore Parks and Recreation Society

a) Capital asset transfer:

The CRD transferred the lands and facilities comprising the Juan de Fuca Recreation Centre to the following municipal members (the "Municipalities") effective January 2, 2002. City of Langford, City of Colwood, District of Highlands, District of Metchosin and the CRD (on behalf of a portion of the Juan de Fuca electoral Area). Effective January 1, 2007, the Town of View Royal became a member of the Society.

In 2002, the lands and facilities were transferred to the Municipalities in their proportionate share, as specified in the Co-Owners' Agreement. The lands and facilities were reallocated amongst the members in January 1, 2007, when the Town of View Royal became a member. Future improvements are allocated among the members as per the cost sharing formula in effect each year for each service or facility, as outlined in a Members' Agreement.

The cost sharing formula in the Members' Agreement produces different cost shares for the members from year-to-year resulting in a gain or loss on the opening fund balances. In 2016, the City recorded a loss of \$157,101 (2015 - loss of \$49,578).

13. West Shore Parks and Recreation Society (continued from previous page)

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

Consolidation:

Financial results and budget for the Society are consolidated into the City's financial statements proportionately, based on the cost sharing formula outlined in the Members' Agreement. In 2016, the City's proportion for consolidation purposes was 22.34% (2015 - 22.67%).

c) Condensed financial information for the Society as follows, prior to consolidation:

		2016	2015
Financial assets	\$	3,356,046	3,414,023
Financial liabilities		2,065,793	2,422,204
Net financial assets		1,290,253	991,819
Non-financial assets		996,842	879,243
Accumulated surplus		2,287,095	1,897,419
Invested in tangible capital assets		974,690	892,651
Reserve funds		1,970,345	1,718,043
Other		(657,940)	(713,275)
		2,287,095	1,897,419
Revenues		6,210,461	6,433,559
Requisition from members		4,968,945	4,844,916
		11,179,406	11,278,475
Expenses		5,820,785	6,600,366
Requisition from members		4,968,945	4,844,916
		10,789,730	11,445,282
Annual surplus (deficit)	\$	389,676	(166,807)

14. Comparative figures

Certain comparative figures have been restated to conform with the current year's presentation.

15. Restatement of prior period amounts

During the year, the City discovered that contributed tangible capital assets from developers had not been recorded from 2013 to 2015. The City has restated these consolidated financial statements to record contributed tangible capital assets relating to subdivision construction projects, including roads, storm drains, sewer, sidewalk and street lighting that were received by the City in 2013, 2014 and 2015. The effect of the restatement on the comparative figures for the year ending December 31, 2015 was to increase the following accounts by the amounts described below.

Accumulated surplus, beginning of year (for 2013 and 2014 contributed tangible capital assets, net of accumulated amortization)	\$1,036,160
Tangible capital assets	7,071,906
Developer contributions revenue	6,134,193
Sewer utility and enterprise services expense (for amortization)	91,611
Engineering and transportation services expense (for amortization)	6,836
Annual surplus	6,035,746
Accumulated surplus, end of year	7,071,906

16. Segmented information:

The City is a diversified municipal organization that provides a wide range of services to its disclosed in the segmented information, along with the services they provide, which are as follows:

General Government

The General Government operations provide the functions of Corporate Administration, Finance, Information Technology, Human Resources, Legislative Services and any other functions categorized as non-departmental.

Protective Services

Protective Services is comprised of different functions, including Police Protection, Fire Protection, Emergency Preparedness and Regulatory services. The Royal Canadian Mounted Police (RCMP) provides policing services to the City. The RCMP ensures the safety of the lives and property of Colwood citizens through the enforcement of criminal laws and the laws of British Columbia, the maintenance of law and order, and the prevention of crime. The Fire Department is responsible for providing critical, life-saving services in preventing or minimizing the loss of life and property from fire and natural or man-made emergencies. The Emergency Preparedness program ensures that the City is both prepared and able to respond to, and recover from, the effects of a disaster or major catastrophic event. The mandate of the Regulatory Service is to promote, facilitate and enforce general compliance with the provisions of the bylaws that pertain to the health, safety and welfare of the community.

Engineering and Transportation Services

Engineering and Transportation Services is responsible for a wide variety of transportation functions such as parking, engineering operations and streets. As well as providing services around infrastructure, traffic control, transportation planning, review of land development impacts on transportation, traffic management, and pedestrian and cycling issues, on-street parking regulations, including street signs and painting as well as traffic signal timing.

16. Segmented information: *(continued from previous page)*

Solid Waste Management

The Solid Waste Management Services provide the functions of Health and Welfare services, as well as various community environmental services, including the branch drop-off program, the Spring Clean-Up program, and City Park garbage collection.

Planning and Development Services

Planning and Development Services co-ordinates and leads efforts to enhance the City's neighbourhoods, foster arts and culture and work to create a vibrant and dynamic City. Development services provide a full range of planning services related to zoning, development permits, variance permits and current regulatory issues.

Recreation, Parks and Culture

Recreation services facilitates the provision of recreation and wellness programs and services throughout the City. Parks is responsible for the maintenance, planning and development of all park facilities such as natural ecosystems, sport and entertainment venues and playgrounds for recreational and cultural enjoyment in a safe environment. Parks is also responsible for preserving and enhancing green spaces on public lands.

Sewer Services

The sewer utility protects the environment and human health from the impact of liquid waste generated as a result of human occupation and development in the City.

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. Taxation and payments-in-lieu of taxes are apportioned to the General Fund services based on budgeted taxation revenue as presented in the 2016 - 2020 Financial Plan Bylaw No 1618, 2016.

The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements. The following schedule provides additional financial information for the foregoing segments.

16. Segmented information (continued from previous page)

2016	General Government	Protective Services	Engineering and Transportation Services	Solid Waste Management	Planning and Development Services	Recreation, Parks and Culture	Sewer Services	TOTAL 2016
Revenue:								
Taxation	2,118,827	5,048,268	3,819,746	145,630	606,670	3,309,723	476,903	15,525,765
User Charges	62,418	678,733	164,570	13,863	322,457	1,326,501	675,733	3,244,275
Government Transfers	1,303,445	-	-	-	-	9,325	-	1,312,770
Other	439,376	5,440	441,004	-	827,867	76,752	163,545	1,953,984
Total revenue	3,924,066	5,732,441	4,425,320	159,493	1,756,994	4,722,301	1,316,181	22,036,794
Expenses:								
Salaries and wages	1,585,079	2,588,725	2,389,207	91,568	648,695	365,499	225,094	7,893,867
Materials, supplies and services	1,053,297	3,405,182	864,914	93,372	121,737	3,395,974	472,419	9,406,895
Interest and other	(16,093)	80,965	132,212	-	-	166,404	209,618	573,106
Amortization	68,490	336,103	1,635,025	-	-	275,258	240,962	2,555,838
Total Expenses	2,690,773	6,410,975	5,021,358	184,940	770,432	4,203,135	1,148,093	20,429,706
Annual surplus (deficit)	1,233,293	(678,534)	(596,038)	(25,447)	986,562	519,166	168,088	1,607,088

16. Segmented information (continued from previous page)

2015	General Government	Protective Services	Engineering and Transportation Services	Solid Waste Management	Planning and Development Services	Recreation, Parks and Culture	Sewer Services	TOTAL 2015
Revenue:								
Taxation	2,327,709	4,583,698	3,737,412	158,084	544,420	3,207,139	476,903	15,035,365
User Charges	36,861	545,607	180,511	13,311	199,604	1,369,065	923,351	3,268,310
Government Transfers	1,407,159	-	-	1,314	-	38,551	-	1,447,024
Other	488,946	12,459	5,631,601	-	240,300	77,787	587,497	7,038,590
Total revenue	4,260,675	5,141,764	9,549,524	172,709	984,324	4,692,542	1,987,751	26,789,289
Expenses:								
Salaries and wages	1,668,297	2,219,622	2,132,273	89,307	575,705	316,239	233,911	7,235,354
Materials, supplies and services	1,162,958	3,294,658	849,376	109,635	109,424	3,500,165	570,225	9,596,441
Interest and other	84,826	50,396	335,561	-	-	-	172,288	643,071
Amortization	13,237	203,702	1,477,766	-	-	219,637	114,722	2,029,064
Total Expenses	2,929,318	5,768,378	4,794,976	198,942	685,129	4,036,041	1,091,146	19,503,930
Annual surplus (deficit)	1,331,357	(626,614)	4,754,548	(26,233)	299,195	656,501	896,605	7,285,359

STATEMENT OF 2016 PROPERTY TAX EXEMPTIONS
In accordance with Section 98(2) of the Community Charter

The following properties were provided a permissive property tax exemption by City Council for the year 2016

Property Tax Permissive Exemption Recipient	Folio Number	Address	2016 Assessment (Permissive Exemption Portion)	Tax Rate Class	2016 Mill Rate	2016 Municipal Tax Exempted
Colwood Pentecostal Church	05462.010	2250 Sooke Road	\$ 1,272,000.00	08	13.7647	\$ 17,508.70
Anglican Synod Diocese of BC	05522.100	510 Mount View Avenue	\$ 1,297,600.00	08	13.7647	\$ 17,861.07
West Side Bible Church	05169.510	3307 Wishart Road	\$ 457,100.00	08	13.7647	\$ 6,291.84
Colwood Women's Institute	05531.001	2225 Sooke Road				\$ 16,057.14
Children's Health Foundation of Vancouver Island (Queen Alexandra Foundation for Children Inc)	03545.020	345 Wale Road	\$ 2,464,000.00	06	14.7964	\$ 36,458.33
Westridge Lodging Ltd	03517.268	318 Wale Road	\$ 6,634,000.00	06	14.7964	\$ 98,159.32



CITY OF COLWOOD

3300 Wishart Road | Colwood, BC | V9C 1R1

www.Colwood.ca    CityofColwood

250-478-5999

