



Making a difference...together

Capital Regional District **2018 Annual Report**



Territorial Acknowledgement

Coast Salish and Nuuchahnulth peoples have lived on this territory since time immemorial. The CRD acknowledges these Nations along with the many Indigenous peoples who now find their homes here.

Photo Acknowledgment

The photos in this document were taken within the boundaries of the Capital Regional District. Thank you to the many wonderful local professional and staff photographers that contributed photos to this report.

- ▶ Jessica **CHAMPAGNE**
- ▶ Derek **FORD**
- ▶ Jean **PAKVIS**
- ▶ Leanna **RATHKELLY**
- ▶ Mary **SANSEVERINO**
- ▶ Sandi **WALMSLEY**
- ▶ Sophie **WOOD**

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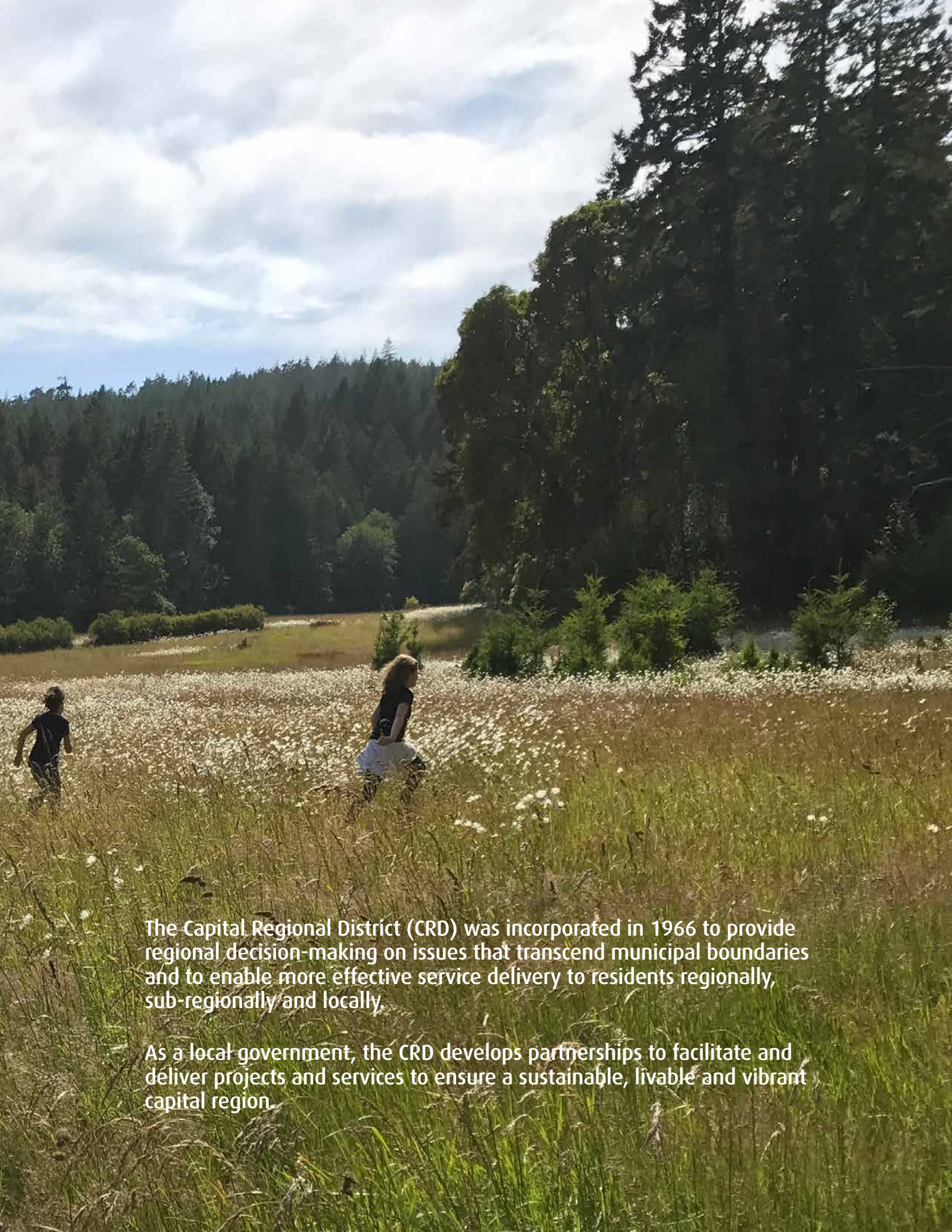
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Introduction



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

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

Message from the Board Chair

I am honoured to serve as Board Chair for the CRD and the people who live, work, create and play here. In 2018, as a result of local government elections, we saw a new Board come to the table. I would like to thank the previous Board for their hard work and dedication over the past four years, the first four year term of the Board.

My thanks as well to the Board Chairs of the past term, Oak Bay Mayor Nils Jensen, Esquimalt Mayor Barbara Desjardins, and Sidney Mayor Steve Price. I would also like to acknowledge the contributions of the late Nils Jensen, whose recent passing after a short battle with cancer is a great loss to our community.

Many key accomplishments were made over the past four years. Advances in First Nations relations, progress on wastewater treatment for the core area, as well as finalizing a regional growth strategy. As we transition to the new Board, new strategic priorities have been developed, as well as more formalized reporting and a new corporate plan to support our priorities.

As we embark upon a new term, I would like to look ahead to the priorities that we have set for the region. The continued growth of our region presents new opportunities and responsibilities for our Board. We must work together to address the most pressing issues for our region – community wellbeing & livability, environmental stewardship & climate action, First Nations relations and governance – while also celebrating success.



This Board will continue to advance the organizational mission by investing in the future and ensuring the ongoing stewardship of our assets and responding to climate change. I promise to advocate and ask for additional support from senior levels of government for regional priorities and will do my best to foster a culture of respect focused on shared values and priorities.

I am passionate about doing what is right for the region and am grateful for the privilege to serve as your Chair. I look forward to the year ahead, and remain committed to working together to benefit the entire region.

A stylized, handwritten signature in black ink, appearing to read 'Colin Plant'.

Colin **PLANT**
Chair
Capital Regional District Board

Message from the Chief Administrative Officer

It is my pleasure to report on the 2018 activity and initiatives of the Capital Regional District (CRD) and highlight some of the accomplishments of our organization.

Over the past four year term we made significant progress, succeeding in achieving almost all of the last Board's priorities with many major corporate and operational accomplishments in 2018. This annual report doesn't just provide facts and figures, it showcases our diverse service areas, illustrates our contributions to the region and highlights our financial sustainability.

Our Organizational Development Plan (ODP) continues to build organizational resilience through the corporate planning framework, with a focus on strengthening internal systems and processes and enhancing resources for employees. As we build on goals and supporting actions that align with our service delivery mandate, each year we undertake actions to continue our work in this area. In addition, our Priorities Dashboard tracks progress on strategic priorities as part of enhanced quarterly reporting to the Board. It provides regular updates on activities and initiatives, capital projects and human resources trends as well as next steps the organization will take to continue to deliver quality services.

The CRD has been recognized for a second year in a row as one of BC's Top Employers and one of Canada's Greenest Employers. This speaks to our leadership and progressive programs and highlights our environmental accomplishments as an organization.



The Board completed their strategic planning process following the Inaugural meeting in November 2018. The Corporate Plan development process followed, outlining how the organization will advance Board priorities, along with Corporate and Service Level initiatives. Our capable and responsive work force continues to implement professional best practices and policy development aligned with the organization's mission, vision and values. The Corporate Plan strategically aligns resources with our service planning and financial planning processes, while also outlining key performance indicators to be monitored and reported on a quarterly basis.

As we look to the future, we can build upon our many accomplishments to further enhance the important work ahead of us as we support the priorities of our Board as they embark on their new four year term. I am proud of the progress we made in 2018 and thank our Board and staff for their dedication to making 2018 a successful year.

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

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

Governance Framework

The CRD is governed by a 24-member Board of Directors, which serves as a political forum and a vehicle for advancing the interests of the region as a whole. The Board is composed of one or more elected officials from each of the local governments within the CRD's boundaries:

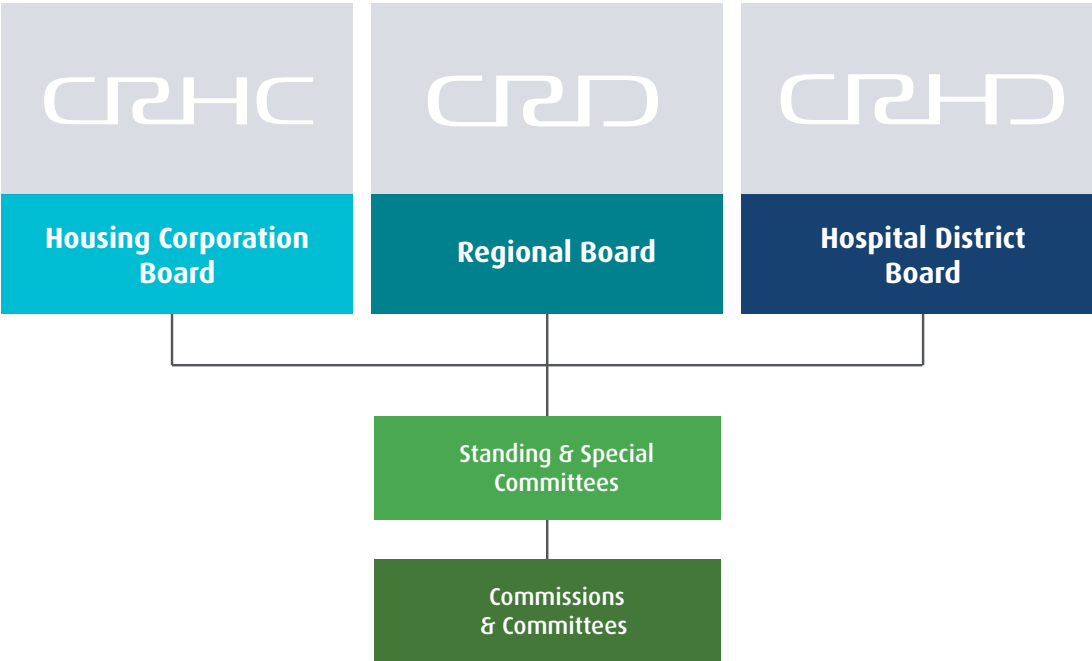
- ▶ For areas outside municipal boundaries (electoral areas), citizens elect one director to the Board during general local elections.
- ▶ Each municipal council appoints one or more elected officials to the Board. The formula is one director for every 25,000 population (or portion thereof).

All members also sit on the Capital Regional Hospital District (CRHD) Board and the Capital Region Housing Corporation (CRHC) Board. Board meetings are held once a month and are open to the public.

Collectively, these Boards establish the CRD vision, set priorities and provide direction on service delivery, collaboration and partnerships. Various committees and commissions oversee delivery of services and report to the CRD, CRHD and CRHC Boards.

The chair and vice-chair of each regional board are elected from among the directors at an inaugural meeting held each November. Next, the regional board chairs define various committees and their membership.

To make decisions, directors must vote. The CRD uses special voting rules based on population and the combination of participants in each service. Some votes are unweighted (one vote per director) and others are weighted based on population (one vote per 5,000 population or portion thereof).



Board of Directors

The Capital Regional District is governed by a 24 member Board of Directors, supported by more than 75 committees and commissions. The Board is composed of one or more elected officials from each of the municipalities and three electoral areas within the CRD's boundaries. Each municipality has one director for every 25,000 people (or portion thereof). Each electoral area (EA) is represented by one director.

The directors also serve as the Capital Regional Hospital District Board and the Capital Region Housing Corporation Board.

Chair

- ▶ Colin **PLANT**, Saanich

Vice-Chair

- ▶ Denise **BLACKWELL**, Langford

Directors

- ▶ Susan **BRICE**, Saanich
- ▶ Barbara **DESJARDINS**, Esquimalt
- ▶ Fred **HAYNES**, Saanich
- ▶ Gary **HOLMAN**, Salt Spring Island EA
- ▶ Lisa **HELPS**, Victoria
- ▶ Mike **HICKS**, Juan de Fuca EA
- ▶ Dave **HOWE**, Southern Gulf Islands EA
- ▶ Ben **ISITT**, Victoria
- ▶ Jeremy **LOVEDAY**, Victoria
- ▶ Rob **MARTIN**, Colwood
- ▶ Cliff **MCNEIL-SMITH**, Sidney
- ▶ Rebecca **MERSEREAU**, Saanich
- ▶ Kevin **MURDOCH**, Oak Bay
- ▶ Geoff **ORR**, North Saanich
- ▶ John **RANNS**, Metchosin
- ▶ David **SCREECH**, View Royal
- ▶ Lanny **SEATON**, Langford
- ▶ Maja **TAIT**, Sooke
- ▶ Ned **TAYLOR**, Saanich
- ▶ Ken **WILLIAMS**, Highlands
- ▶ Ryan **WINDSOR**, Central Saanich
- ▶ Geoff **YOUNG**, Victoria



Executive Leadership Team

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

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

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

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

Executive Leadership Team

- ▶ Robert **LAPHAM**,
Chief Administrative Officer
- ▶ Nelson **CHAN**,
Chief Financial Officer
- ▶ Larisa **HUTCHESON**, General Manager,
Parks & Environmental Services
- ▶ Kevin **LORETTE**, General Manager,
Planning & Protective Services
- ▶ Kristen **MORLEY**, General Manager,
Corporate Services & Corporate Officer
- ▶ Ted **ROBBINS**, General Manager,
Integrated Water Services





The Capital Region

The Capital Regional District (CRD) is the regional government for 13 municipalities and three electoral areas on southern Vancouver Island and the Gulf Islands, serving more than 413,000 citizens. The traditional territories of 22 First Nations span portions of the region, and 11 of those hold reserve lands throughout the capital region.

Profile of a Growing Region

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

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

Tourism, technology, health care and government services are key industries in the region, a place where residents and tourists can enjoy the Pacific Ocean, old-growth rainforests, outdoor adventure, and a vibrant arts and culture scene.

The region has seen a steady increase in population and a multi-year, double-digit growth rate in housing starts and property values. The CRD will continue to work with local residents, community groups, businesses, First Nations, major institutions, municipalities and other stakeholders to ensure our services continue to meet the needs of this growing region through major infrastructural development and services.



The region is growing...

413,000

residents
up 12.4%
since 2011

4,273

of Housing Starts
in the Victoria CMA*

\$1.4B

Building Permits

2.4%

Inflation Rate
in Victoria vs.
2.3% nationally

132M

Litres of
water
delivered
every day on
average in Greater Victoria

\$908,727

Avg price of a single family detached dwelling
in the capital region,

a 5.7% increase
over 2017**

100km

regional trails

7.6M

park visitors
in 2018

13,000

hectares of regional parks

CRD

A stylized map of the Capital Regional District (CRD) area, showing the coastline of British Columbia and the surrounding water. The land is colored in a light teal/green, and the water is a darker teal. The map is partially obscured by text blocks.

Profile of the Capital Regional District

The CRD plays a key role in providing services that can be delivered efficiently and effectively through region-wide or shared service delivery models. These include the regional water supply, solid waste, wastewater treatment, regional parks, housing, 911 call answer, and recreation facilities.

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

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

The CRD works collaboratively with First Nations and other levels of governments and has direct relationships with individuals, businesses, organizations, institutions and communities that access regional utilities and services.

The CRD owns and operates the Capital Region Housing Corporation (CRHC), a non-profit provider of 1,286 affordable rental units throughout the region, and administers the Capital Regional Hospital District (CRHD). The CRHD invests in traditional health care services and provides capital funding for health care infrastructure, such as health facilities and hospital equipment.

The Capital Regional District



Canada

United
States



Our Services



BOX
OFFICE

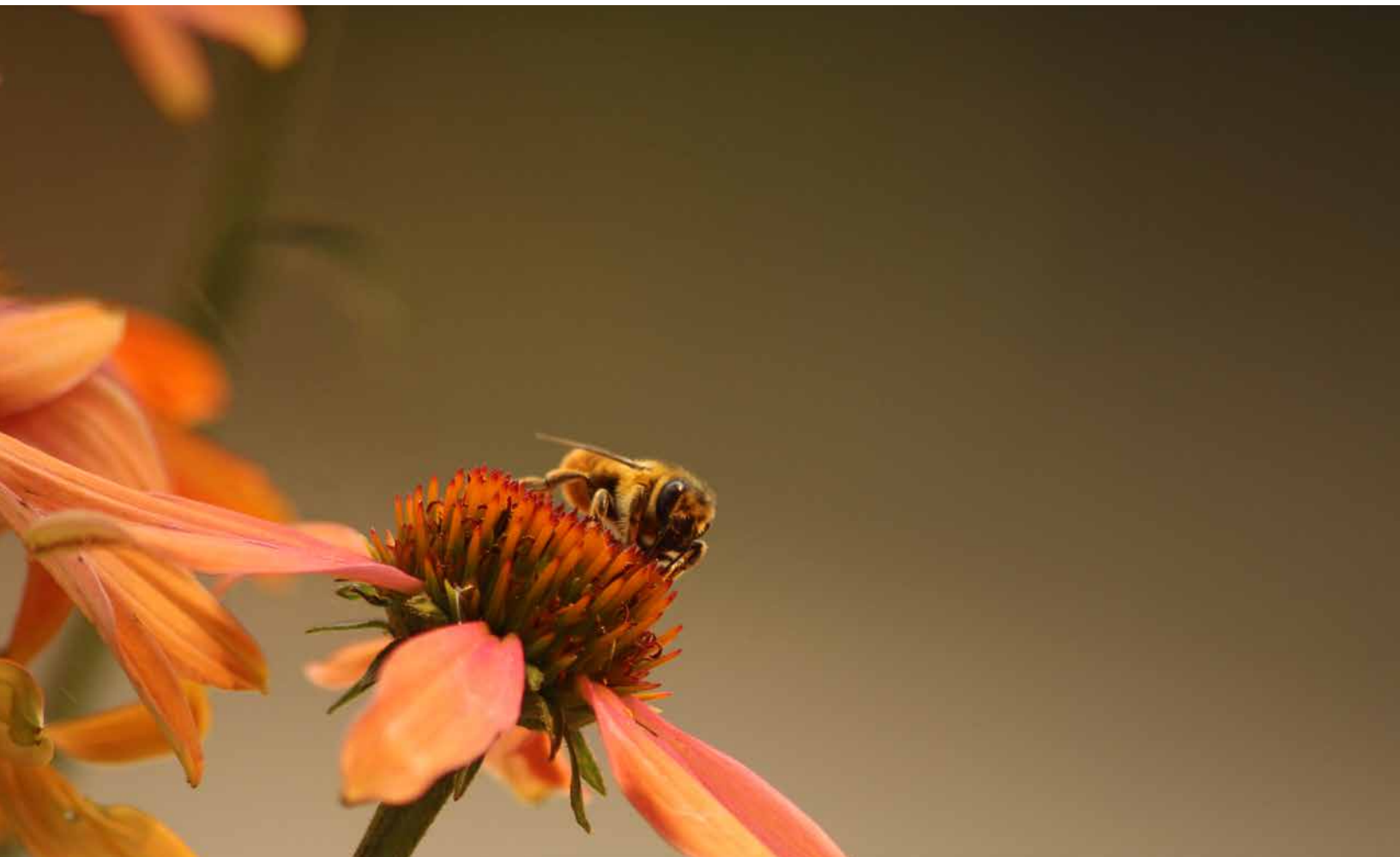


Capital Regional District Services

The CRD has a skilled workforce of more than 1,100 employees and works with service contractors and a network of registered volunteers, making it a significant employer in the region.

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

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



Affordable Housing

Affordable housing is the cornerstone of a healthy and economically strong community. The Capital Region Housing Corporation (CRHC) provides 1,286 units of affordable housing to low and moderate income households, including families, seniors, and people living on government disability pensions. The CRD's Regional Housing Trust Fund has provided over \$11 million in grants to help build 959 units of affordable rental housing in the region. Through the CRD-initiated Regional Housing First Program partnership, the CRD, BC Housing and Canada Mortgage and Housing Corporation committed \$30 million each to build up to 2,000 units of affordable housing. Projects will include 300 units to meet the needs of people experiencing homelessness.

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

www.crd.bc.ca/crhc

4,000+

people housed in
CRHC communities



Corporate & Financial Services

The CRD is a leader in occupational health and safety in the workplace, thanks to the continued dedication and safety awareness of all staff and the hard work of our Joint Occupational Health and Safety committees. Our WorkSafeBC Estimated Injury Rate is 25% better than industry average. Since 2005, we have received 37 safety awards, including the North American Occupational Safety and Health Award for Best Overall Program in BC and Canadian Society of Safety Engineering Award for Most Innovative Program in Canada.

www.crd.bc.ca/careers



37

safety awards and
recognitions received
over the last 15 years

Ensuring excellent service delivery is at the core of our central services. The CRD demonstrates leadership in organizational performance by applying best practices and following effective financial and audit reporting practices. We strive for continual improvement through ongoing workforce education, training, and development; fostering exceptional customer service; and investing in systems that increase efficiency in our operations as well as ensuring public access to CRD records and information.



Drinking Water

Our integrated water service delivery model closely aligns and integrates our water and wastewater infrastructure operating and engineering responsibilities for our regional, sub-regional, and local community water and wastewater systems.

Areas of focus include:

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

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

48.8M m³ 
of drinking water delivered
in 2018 through the regional
water supply system

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



Education, Outreach & Information

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

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

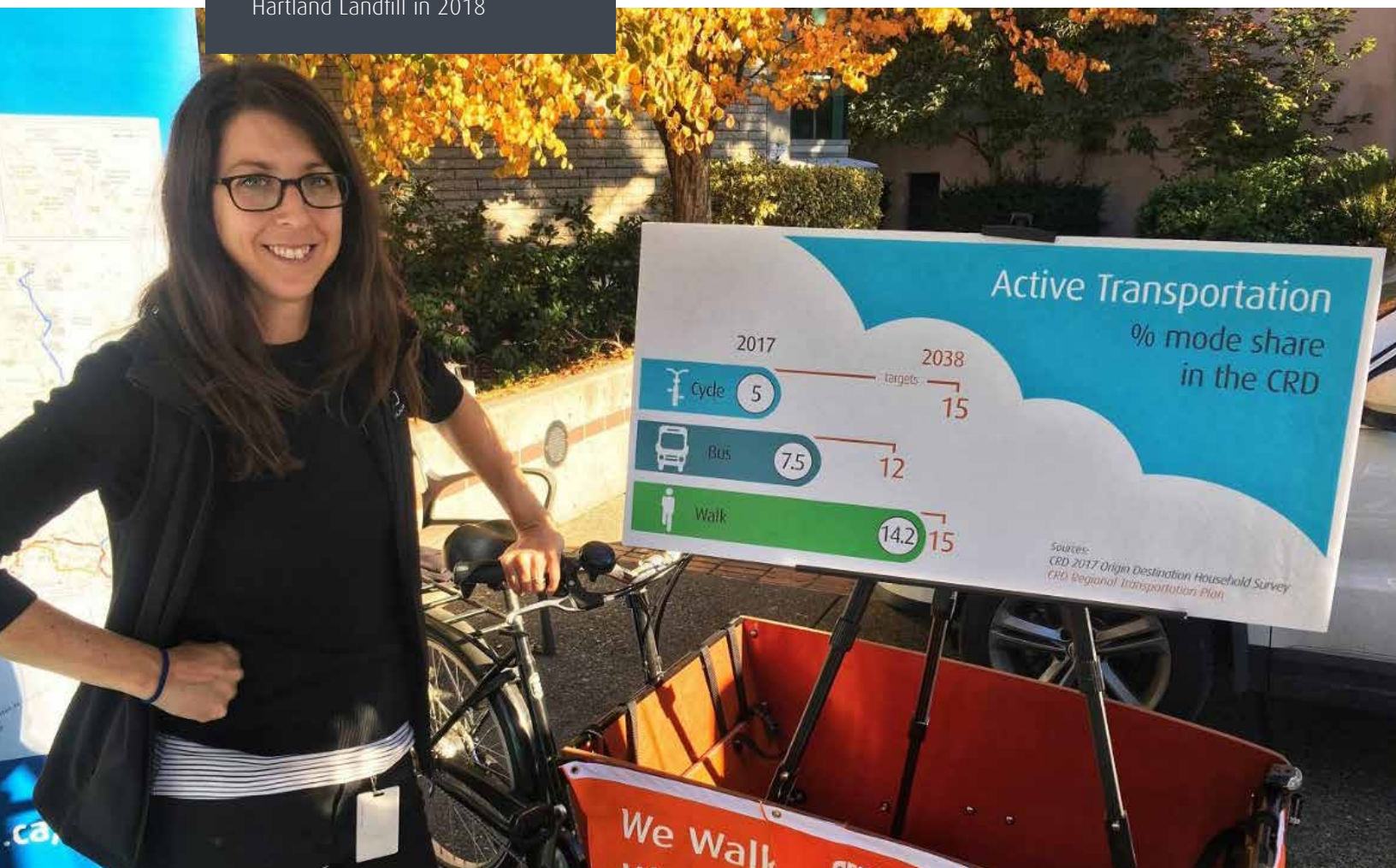
www.crd.bc.ca/about/data

2,150

visitors toured the
Hartland Landfill in 2018



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



Environmental Protection

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

- ▶ ecosystems
- ▶ harbours
- ▶ watersheds
- ▶ wildlife & plants

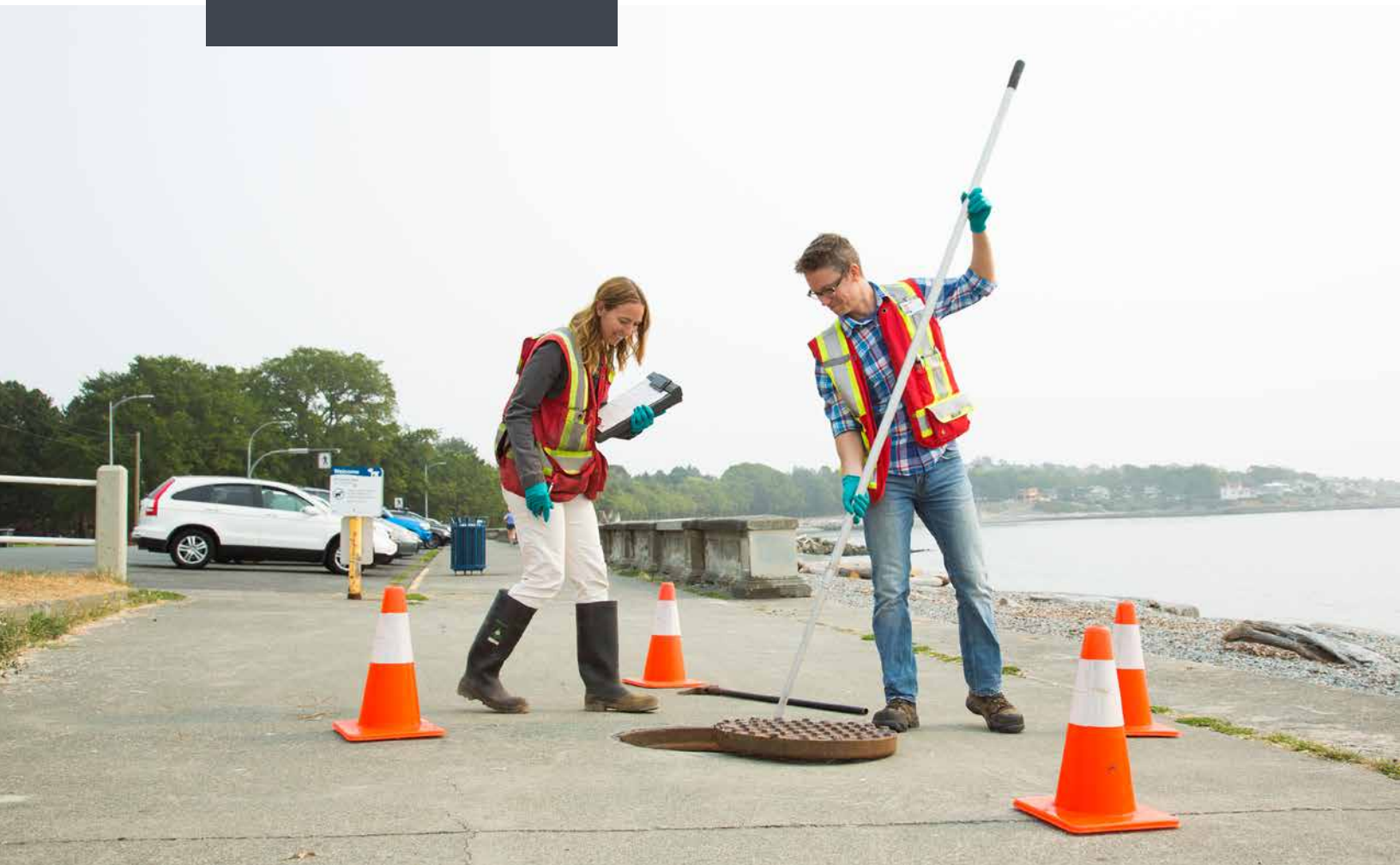
www.crd.bc.ca/education/our-environment



4,400

environmental samples
collected for analysis in 2018

Restoring, protecting and enhancing the natural environment is an important foundation for building resilient communities. The CRD provides scientific and technical expertise within the organization and to municipalities and electoral areas to protect the region's environmental resources and functions through collaboration, service provision and support. Services provided by the CRD include monitoring and assessment of the environment, climate change mitigation and adaptation, environmental reporting and coordination of multi-stakeholder stewardship programs.



Environmental Resource Management

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

Learn more about sorting your waste by playing the game below:

<https://crd.recycle.game>

80+

items accepted at the
Hartland recycling facility



Environmental resource management in our region consists of a complex and mature solid waste management system that is constantly evolving, with a mandate to minimize waste and maximize resource recovery. Instead of viewing solid waste as garbage, the CRD sees waste as a commodity and seeks the highest and best use for these resources, as demonstrated by initiatives, such as methane gas capture and the ban on kitchen scraps disposal in the landfill.



Health & Capital Planning

The CRD supports and administers funding in the following areas:

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

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



\$37.2M

invested in health capital infrastructure in 2018

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



Protective Services

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

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

www.crd.bc.ca/prepare-yourself

5,800

residents registered for Public Alert Notification System (PANS) in 2018



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



Recreation, Arts & Culture

A diverse range of arts, culture and recreation activities and opportunities in the capital region ensures a high quality of life for residents and visitors alike. The CRD owns performing arts venues; owns, operates, and funds libraries and museums in electoral areas; and develops, operates and maintains numerous local amenities, including parkland, trails, playgrounds and recreation centres. The CRD provides local arts funding on Salt Spring Island and supports, promotes and celebrates the arts through the Arts Development Service. The investment in arts organizations gives residents access to thousands of affordable arts events that foster civic engagement and social inclusion and helps build a healthy economy.

The CRD participants in the arts service provide funding to arts organizations on behalf of eight municipalities in the capital region through operating and project grants and supports public art in the region through landmarkspublicart.ca

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



\$2.4M

of arts funding distributed to 83 organizations in 2018



Regional Infrastructure

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

- ▶ rights of way
- ▶ bridges, dams & other structures
- ▶ pipe systems
- ▶ recreation centres
- ▶ housing developments

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

\$187.5M 
invested in capital projects in 2018

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



Regional Parks

The CRD protects and manages more than 13,000 hectares of spectacular natural areas in 34 regional parks and trails on southern Vancouver Island and the Gulf Islands. Our parks and trails provide opportunities for outdoor experiences and activities that improve personal health and well-being while fostering appreciation, enjoyment and respect for the region's natural environments. The CRD develops and maintains park facilities, plans for future acquisitions, restores and conserves natural resources and offers interpretive programs for the continued stewardship of regional parks and trails.

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

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



7M visitors to
parks & trails in 2018



Regional Planning

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

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

13,159 people, in 34 schools, interacted directly with the People Power program in 2018



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



Wastewater Management

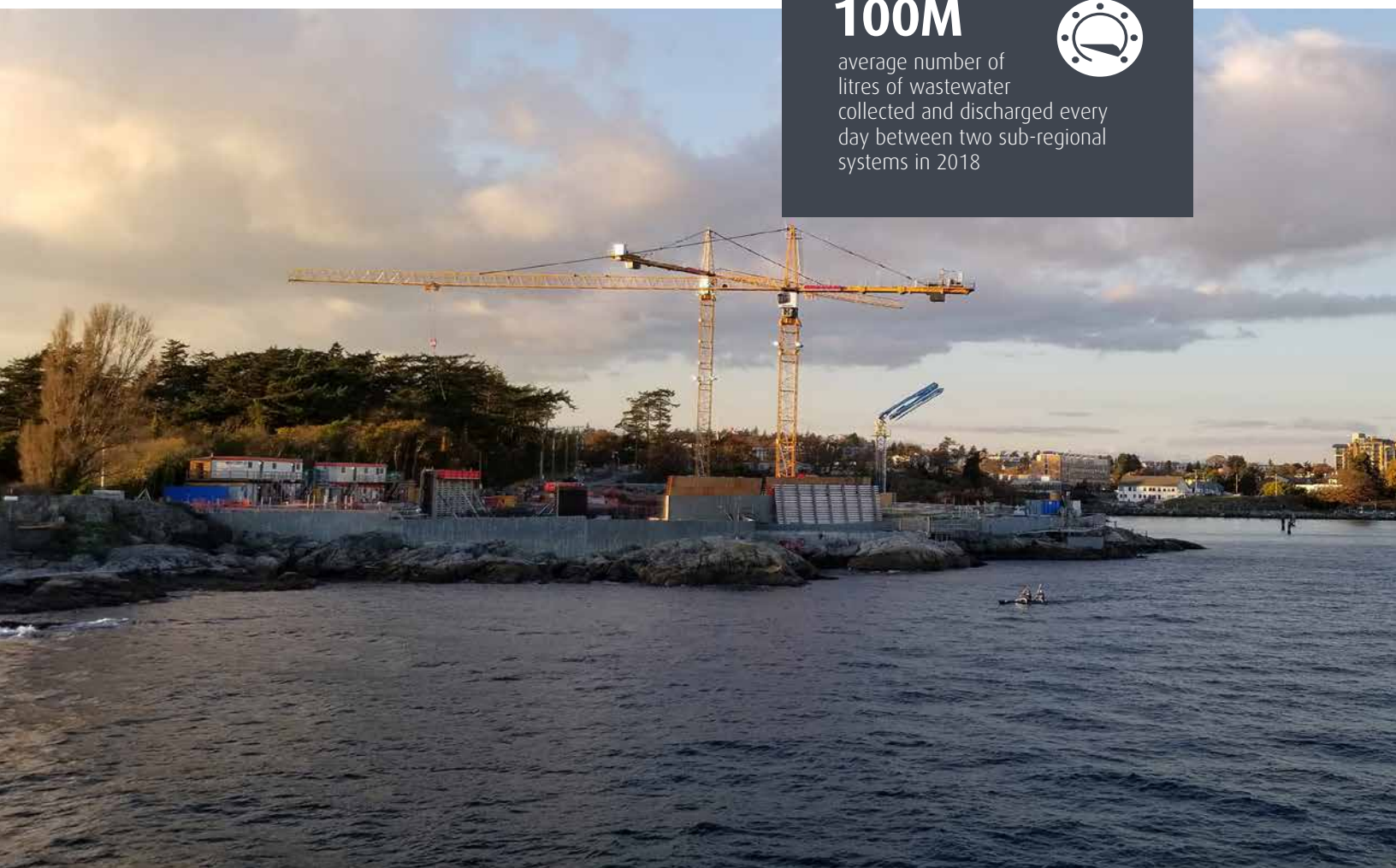
Protecting the health of residents and our local environment is at the forefront of regional wastewater management. The CRD works with municipalities, electoral areas and industry to ensure a consistent approach to stewardship and sustainability in wastewater management services. Our services help protect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

Residential, commercial, industrial and institutional wastewater is collected from municipal or CRD systems, treated and discharged daily through seven CRD wastewater systems. Although the majority of the region is connected to a wastewater system, some residents still rely on septic systems for wastewater disposal. There are an estimated 28,000 septic systems within the region. The CRD provides educational resources to the majority of these septic system owners and monitors maintenance compliance in four municipalities.

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

100M

average number of litres of wastewater collected and discharged every day between two sub-regional systems in 2018



2018 Progress







Delivering on Priorities

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

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

In 2018, we completed or operationalized 65 of the total 68 priorities. This section highlights the key accomplishments made during the year that led to this success.

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

Board priority areas

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

Corporate priority areas

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



CRD Electric Vehicles

ZERO EMISSIONS FLEET: TRANSITIONING TO A ZERO EMISSIONS VEHICLE

FLEET | The CRD vehicle fleet includes over 300 vehicles and accounts for approximately half of all of CRD's operational GHG emissions. In 2018, in partnership with the Institute for Integrated Energy Systems at the University of Victoria, and with funding from the Green Municipal Fund, CRD launched the Zero Emissions Fleet Initiative. Over a 3-year period, the CRD will work to reduce GHG emissions in our fleet by:

- ▶ conducting analysis and developing tools for fleet optimization
- ▶ conducting a field trial of six fuel cell electric vehicles (FCEVs)
- ▶ testing and comparing the use of other zero emissions alternatives, including battery electric vehicles (BEV) and electric bikes (E-Bikes) where operationally appropriate
- ▶ investigating opportunities to use electric vehicles as an emergency power source

In addition to tangible GHG reductions from the CRD fleet, outcomes of the project will include comparative data on zero emissions vehicles in a fleet context; knowledge mobilization and experience for successful transition to zero emissions fleets; and new applied research findings for optimizing Smart Fleets. In September 2018, CRD won the Public Sector Collaboration Climate 7 Energy Action Award from the Community Energy Association for the Zero Emissions Fleet Initiative, presented by the Honourable George Heyman, Minister of Environment and Climate Change Strategy at the Union of BC Municipalities Convention.



Climate Change



Corporate Development



Sue Hallatt and Florence Dick hold the First Nation's Task Force Final Report.

CRD BOARD APPROVES RECOMMENDATIONS IN THE FIRST NATIONS TASK FORCE FINAL REPORT |

In 2018, the CRD Board took an important step forward by approving a set of recommendations put forth in the Final Report of the Special Task Force on First Nations Relations, thus reaffirming its commitment to building trust and greater collaboration with First Nations governments.

The final report provides a summary of activities and some lessons learned over the course of the Task Force's four-year term, providing eight recommendations considering engagement formats that bring upper levels of government to the table and introducing the idea of "Reconciliation through Economic Development" as a mutually beneficial framework for building partnerships with First Nations governments. The recommendations capture the Task Force's view of optimal next steps to guide the CRD's path towards a more inclusive governance model for the region, and a new relationship with First Nations.



First Nations



Economic Development

The report guides the CRD's path towards a more inclusive governance model for the region.



CRD Staff created comprehensive annual financial reports which received three awards by the Government Finance Officers Association.

GOVERNMENT FINANCE OFFICERS ASSOCIATION AWARDS |

The Government Finance Officers Association (GFOA), a professional association of public sector finance officers in the United States and Canada, recognized the CRD with three awards in 2018.



The Popular Annual Financial Reporting Award recognizes local government financial reports specifically designed to be readily accessible and easily understandable to the general public and other interested parties without a background in public finance.

The Distinguished Budget Presentation Award recognizes local government budget documents of the very highest quality that reflect both the guidelines established by the National Advisory Council on State and Local Budgeting and the GFOA's best practices on budgeting.

The Canadian Award for Financial Reporting recognizes local government going beyond the minimum requirements of generally accepted accounting principles, as set by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants, to prepare comprehensive annual financial reports that evidence the spirit of transparency and full disclosure.

The CRD is very proud to have been recognized for our work in this area and would like to thank staff for their hard work to produce these documents at an award winning level.



TOP EMPLOYER & GREEN AWARD WINNERS

| In 2018 the CRD was recognized as both one of BC's Top Employers and one of Canada's Greenest Employers. Eluta, an independent commercial publication, issues the annual Canada's Top 100 Employers rankings and selects the award winners. In the comprehensive submission requirements,

questions targeted various criteria, including leadership, organizational structure, culture, benefits, salaries, and tactics towards sustainability.

To be considered a BC's Top Employer, organizations must excel in a number of ways, from progressive human resources programs to professional development of employees to committed community involvement – all while continuing to excel at their business. The CRD was selected as one of the Greenest employers due to our innovative green initiatives that extend beyond the organization and into the region. Winning these awards has helped build awareness that the CRD is a diverse and sustainable employer and has fostered staff pride in being recognized.



Climate Change



Corporate Development

REGIONAL GROWTH STRATEGY | In early 2018, the CRD Board adopted the Regional Growth Strategy (RGS) as Bylaw No.4017, following unanimous municipal acceptance and endorsement by the Juan de Fuca Electoral Area Director at the Board. Local governments have until November 15, 2019 to submit an updated Regional Context Statement (RCS) to meet the deadline set out in the Local Government Act (LGA). Staff developed RGS indicators to measure progress towards achieving RGS targets and objectives. The intent is to update the RGS indicators report on an annual basis, in fulfillment of LGA requirements. Following receipt by the Board, the results will be posted on the CRD website.



Land Use Planning



Public Engagement & Communications



Climate Change

JUAN DE FUCA, SALT SPRING ISLAND & SOUTHERN GULF ISLANDS ELECTIONS

| The CRD conducts local general elections for the directors of the Juan De Fuca, Salt Spring Island and Southern Gulf Islands electoral areas. The CRD also conducts elections on behalf of the Islands Trust and school districts to elect local trustees, as well as two referendums within the Southern Gulf Islands. In addition, staff confirmed the appointment of municipal members to the regional Board, arranged and conducted Board orientation sessions and brought forward required appointments to various committees, commissions and partner agencies.



Governance



REGIONAL HOUSING FIRST PROGRAM | The \$90-million Regional Housing First Program is an equal partnership agreement between the CRD, the BC government through BC Housing, and the federal government through the Canada Mortgage and Housing Corporation (CMHC). The program was initiated to create more affordable rental housing and address the needs of people experiencing homelessness in the capital region.

The program aims to meet a broad range of housing needs while moving at-risk individuals into long-term, tenant-based, supported housing to enable recovery and integration into society. It avoids the need for dedicated support programs in specific locations. Instead, where required, flexible, mobile services will be delivered within the housing units located throughout the region.

In 2018, the program announced four affordable housing projects that will provide 494 new homes to people in need of affordable rental housing in Langford and Sooke. Two projects in the City of Langford will have units ready for tenancy in late 2020 and two projects in the District of Sooke will be developed with units ready in 2021. The projects will provide housing for a range of people in need, including families with low and middle incomes, and people who are experiencing homelessness.



Housing



Regional Infrastructure

WESTVIEW GROUNDBREAKING | Westview is a 73-unit, multi-housing community and new development on the Mount View Heights site in Saanich. The Westview apartment complex will offer affordable units for seniors, adults with disabilities, working singles and families. The site is adjacent to local and regional transit, the Galloping Goose Regional Trail, Mount View Heights Neighbourhood Park and Uptown Centre.



Housing

JAPAN GULCH DISINFECTION FACILITY UPGRADE | Located near the Goldstream River in the south-east portion of the Greater Victoria Water Supply Area, the Japan Gulch Disinfection Facility is the primary water treatment plant for the Regional Water Supply System.

In 2012, prior to initiating the capital reinvestment program, a study was undertaken to evaluate upgrade alternatives for the existing facility. Gaseous chlorine and ammonia dosing infrastructure had been utilized for the treatment process for over 30 years. It was determined that replacing the existing gaseous dosing with a liquid dosing system would provide the most benefits. Full transition to the new liquid dosing system was complete by Fall 2018.



Drinking Water



Regional Infrastructure

CRD ACQUIRES LAND FOR MOUNT WORK | In July 2018, the CRD purchased a 28-hectare property through the Land Acquisition Fund in the District of Highlands as parkland for \$1,050,000. The property is located adjacent to Mount Work Regional Park which receives more than 195,000 visits annually and is one of the largest regional parks.

This addition brings the park size to approximately 730 hectares and will provide an additional area protecting the coastal Douglas fir ecosystem, including mature stands of Douglas fir, cedar and grand fir and a rare ecological community and habitat for species-at-risk. The property helps complete the western boundary of the park and provides valuable greenspace for residents of the region. The regional park system has grown from just over 8,400 hectares in 2000 to over 13,000 hectares in 2018.



Environmental Protection



Health & Well-Being



Regional Parks

Mount Work



SEAPARC LEISURE CENTRE EXPANSION | The design phase of the SEAPARC Leisure Complex expansion was completed in 2018. The expansion will address the need for a fitness gym facility and additional multi-purpose space, as current space is at capacity. In 2019, the construction of the facility will enhance the diversity of programs and recreation opportunities the complex offers with its current ice arena (built in 1976), two pools, one multi-purpose room and a meeting room (built in 2000). The expansion will increase the 4,739 square metre (51,020 square foot) footprint of the complex by 10%, or approximately 478 square metres (5,150 square feet). The addition includes a 144 square metre (1,550 square foot) Movement Studio and Multi-Use Room and a 334 square metre (3,600 square foot) Fitness Gym.

This project was made possible with the assistance of a \$1.24 million grant from the Strategic Priorities Federal Gas Tax Fund.



Recreation, Arts
& Culture



Health & Well-Being

SEAPARC Expansion Artist Rendering



SSI BIKE PARK OPENING | The Salt Spring Island Parks and Recreation Commission (PARC) and Salt Spring Island Lions Club opened the Lions Club Commemorative Bike Park in August 2018. An event was held in the park that included a prize draw for new bikes, professional bike trials demonstration by Beshano Trials Club and food served by the Salt Spring Lions Club. The opening of the park provides another opportunity for youth to recreate in a safe and fun environment.

Planning for the Bike Park project included extensive site analysis, environmental review and community consultation. PARC is responsible for providing and maintaining community parks, trails, water access points and facilities, and provides recreation programs and services to the communities of Salt Spring Island.



Recreation, Arts
& Culture



Health & Well-Being

WASTEWATER TREATMENT PROJECT | The Wastewater Treatment Project made significant progress in 2018 towards its goal to treat the Core Area's wastewater by December 31, 2020. Construction is well underway on all of the major components of the Project, with activities ongoing in Esquimalt, Victoria and Saanich.

Four construction contracts were awarded in 2018. In February the contract for the Macaulay Point Pump Station and Forcemain was awarded to Kenaidan Contracting Ltd. with construction beginning in the spring. Also in February the CRD entered into a contract with Hartland Resource Management Group to design, build, finance, operate and maintain the Residuals Treatment Facility at Hartland Landfill. The Clover Forcemain contract was awarded to Windley Contracting Ltd. in September and Don Mann Excavating Ltd. was awarded the contract for the Residual Solids Conveyance Line in November.

A key milestone was accomplished in 2018: the cross-harbour undersea pipe was completed ahead of schedule. Niagara Street in James Bay was closed for 6 weeks as the 940m-long pipe was assembled and then pulled under the harbour over a three-day period.

Nine community information open houses were held during the year in Victoria, Esquimalt and Saanich to provide information to the public about construction plans, impacts and timing and to provide an opportunity for people to meet and ask questions of the Project Team. The Project Team maintains a 24/7 phone line and email to respond to public inquiries.



Integrated Resource
Management



Regional Infrastructure

Youth enjoying the SSI Bike Park





GULF ISLANDS REGIONAL TRAILS PLAN APPROVED BY CRD BOARD |

The Gulf Islands Regional Trails Plan outlines a conceptual regional trail route for Galiano, Mayne, North and South Pender, Salt Spring and Saturna Islands. The plan provides guidance on how the trails will be prioritized, developed, managed and operated.

Highlights of the plan include:

- ▶ 5 new regional trails for pedestrians and cyclists, totaling 50 km
- ▶ regional trails that connect ferry terminals to key destinations such as parks or commercial hubs
- ▶ regional trails as main routes to which other trails can connect, creating a wider network
- ▶ guidance for trail development priorities and management
- ▶ a phased approach for trail development, with initial sections totaling approximately 20 km



Regional Parks



Health & Well-Being



Recreation, Arts
& Culture

GANGES SEWER PLANT UPGRADES COMPLETED | The ganges sewer treatment plant was constructed in the early 1980s. Many components of the treatment plant, the collection system and the pump stations were at or near end of life. The facility required upgrades to the fine screen, Membrane Bioreactors (MBR), chemical clean system, permeate pumps, influent/effluent pumps, sludge thickening system, standby generator, the Motor Control Centre (MCC), collection system requires upgrades to Harbour House and Manson pump stations, and sewer cleaning/repairs to reduce inflow and infiltration. These upgrades ensure that effluent quality continues to meet the Ministry of Environment discharge requirements.



Regional Infrastructure

The Gulf Islands Regional Trails Plan highlights five new trails totalling 50 km

SENĆOTEN DICTIONARY LAUNCH EVENT | In 2018, the CRD held a special public event to celebrate the publication of the **SENĆOTEN** Dictionary and the remembrance of Residential Schools.



First Nations

A symbol of the revitalization of the **SENĆOTEN** language, the dictionary publication was the result of decades of work to preserve and translate an Indigenous language in a newly created alphabet. The **SENĆOTEN** language is the language of the Saanich Peninsula – of place names and intimate understanding of the lands and water, plants and animals. The dictionary marks the achievement of the **WSÁNEĆ** peoples on 40 years of hard work with Tsawout, Tsartlip, Tseycum and Pauguachin Elders, the community, and Dr. Timothy Montler on the documentation of over 12,000 words in 1,500 pages. The dictionary will be used as a tool for people working to learn the language.

Attendees at the event were also encouraged to wear orange to recognize those who have suffered due to Residential Schools in an opportunity to create meaningful discussion about the effects of Residential Schools and the legacy they have left behind: The identities, lives and cultures of Indigenous peoples have been immeasurably affected by the forced removal of their languages at Residential Schools.

SENĆOTEN dictionary and Orange Shirt Day artwork highlighting “every child matters”





The Summit at Quadra Village

THE SUMMIT | The Summit at Quadra Village will be a 320-unit residential care facility for seniors who need dementia and complex care. The site continues to be a hub of construction activity and is anticipated to be completed near the end of 2019.

On May 30, the Capital Regional Hospital District received a Financial Innovation award for The Summit at Quadra Village. Presented by the Government Finance Officers Association of BC, this award recognizes the originality and creativity of the project, its innovative financing model and our partnership with Island Health, as future operators of the facility.

With the tendering and award of the civil and landscaping contracts in place, approximately 98% of the construction budget has now been committed and The Summit remains on budget.

A mock-up of a resident room was constructed to review function configuration, equipment placement and aesthetic finishes. The mock-up was well received by Island Health and resident family advisors.



Regional Infrastructure



Health & Well-Being

ELECTRIC VEHICLE AND E-BIKE INFRASTRUCTURE PLANNING PROJECT |

In 2018, the CRD Climate Action Program completed the Capital Region Electric Vehicle (EV) and Electric Bicycle (E-Bike) Infrastructure Planning Project. Working with a multi-municipal project team, this work identified opportunities that local governments in the region can take to advance EV and E-Bike charging infrastructure in public and private locations throughout the capital region. Key project deliverables included best practices research to understand local government opportunities to accelerate the uptake of EVs, collection of feedback from the development industry and general public to better understand the barriers and opportunities for EV and E-Bike charging and the development of an EV infrastructure gap analysis to identify priority locations for new charging stations. In addition to hosting capacity-building events for industry, local government and residents, this initiative also included the creation of a planning guide to support future local government policies and programs in the capital region. This planning project developed and delivered regionally-focused analysis, education and guidance to support consistent regional EV and E-Bike planning activities that will complement future municipal efforts.



Active & Multi-Modal Transportation



Regional Infrastructure



Climate Change

CRD ENCOURAGES RESIDENTS TO LOVE FOOD TO REDUCE WASTE |

The CRD joined Canada's Love Food Hate Waste campaign in the fall of 2018 to decrease the amount of avoidable food waste that residents in our region produce. Although kitchen scraps were banned from Hartland Landfill in 2015, reducing food waste in our region continues to be a priority area for pollution prevention—especially as it relates to both the '3R' hierarchy (reduce first, reuse second and recycle or compost third). It's estimated that over 18,000 tonnes of food waste from the region is sent to composting facilities each year and, according to the CRD's 2016 waste stream composition study, avoidable food waste (e.g. wilted lettuce, stale bread, meal leftovers) makes up about 10% of our overall waste stream. To that end, the CRD's participation in the Love Food Hate Waste project will increase local awareness about the volume of avoidable food waste produced each year and reduce this waste stream with seasonal and locally-relevant education about food expiry dates, food storage and preservation and nutritional uses for past-prime fruits and vegetables.



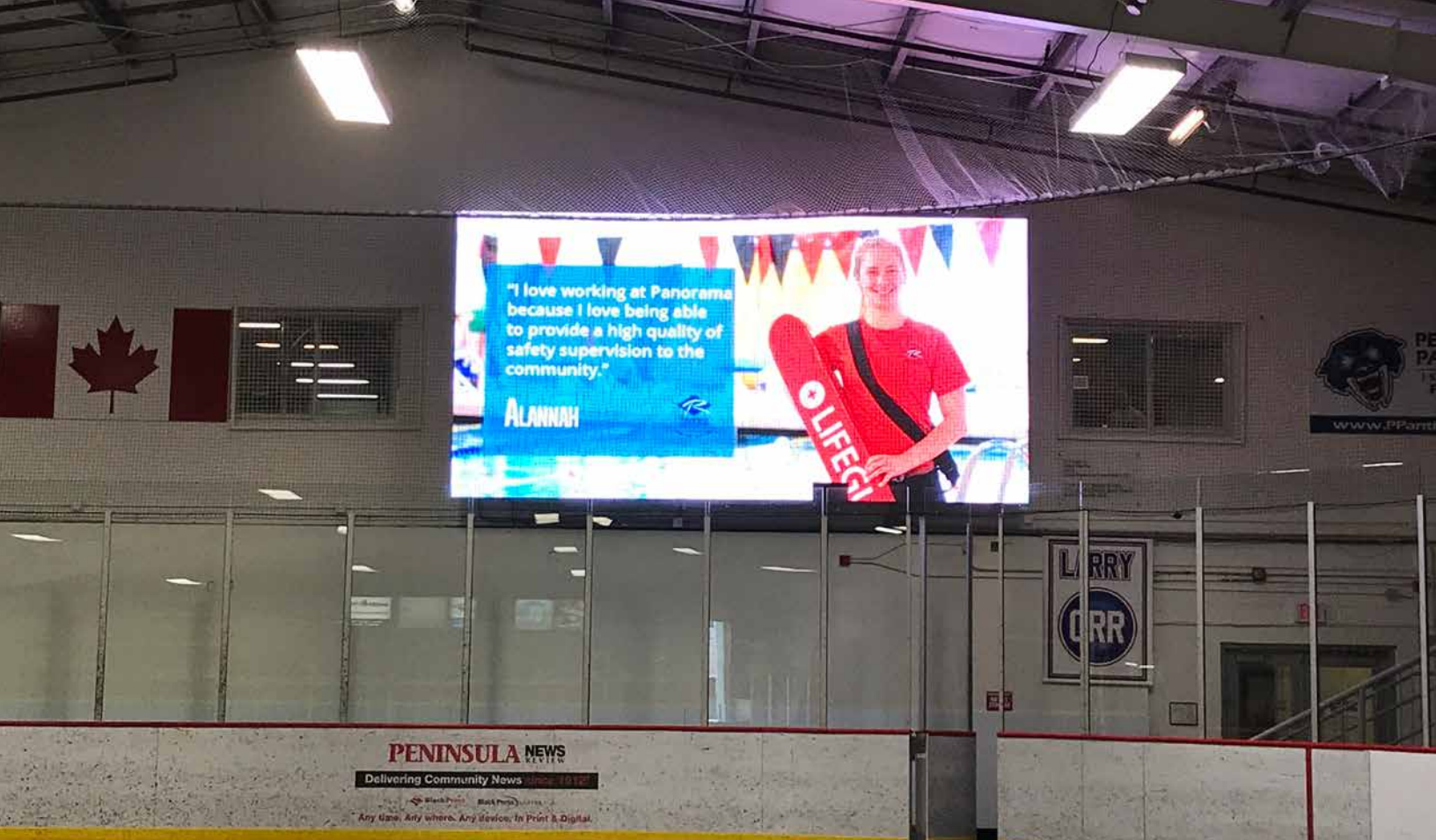
Education, Outreach & Information



Health & Well-Being

Supporting the Electric Transportation Transition





New LED screen at Panorama Recreation

PANORAMA RECREATION LED SCREEN INSTALLATION | In 2015, with the support of our community, Panorama Recreation won the Kraft Hockeyville contest. As the winning recipient, Panorama was awarded \$100,000.00 towards facility upgrades. A portion of the funding was used in 2018 for the purchase and installation of a 16'x20' digital LED screen in Arena B. The screen is the largest of its kind in the region.



DON'T WALK BY SAFETY CAMPAIGN | In the Spring of 2018, a safety campaign called "Don't Walk By" was developed and outlines the basic everyday safety rules to keep team members safe while in the office and on work sites. The goal of the "Don't Walk By" campaign is simple: If you see someone not following the safety rules, take action. If you see someone at risk, speak to them or a supervisor. Don't Walk By! Do not allow team members to work in an unsafe manner. The CRD is committed to providing a safe and healthy working environment where dedicated, talented people can thrive. This campaign is one way we hope to make the workplace a safer place.



Health & Well-Being

GREATER VIC POINT IN TIME | The CRD, in partnership with the Community Social Planning Council (CSPC) and the Greater Victoria Coalition to End Homelessness, conducted the Everyone Counts: 2018 Greater Victoria Point-in-Time (PiT) Count. The count provides a minimum estimate of the number of people experiencing homelessness on a single night, which provides valuable information for service planning and delivery in the region. The count was restricted to the Census Metropolitan Area, with a separate count completed on Salt Spring Island. Both this and the 2016 count were funded by the Government of Canada's Homelessness Partnering Strategy.



Health & Well-Being

Key findings in the 2018 count included:

- ▶ fewer people were unsheltered and sleeping outdoors on the night of the count
- ▶ new interventions to help people experiencing homelessness are in place
- ▶ the voices of more people experiencing homelessness were heard this time around
- ▶ the experience of youth who are part of the "hidden homelessness" were better captured in this count
- ▶ youth, Indigenous people and seniors have unique experiences of homelessness

FEDERAL PUBLIC DOCK DIVESTURE TO CRD | In 2018, the CRD Board approved two agreements to transfer the Horton Bay Dock (Mayne Island) and the Spanish Hills Dock (Galiano Island) from the Federal Government to the CRD, adding to the public dock infrastructure under the SGI Harbours Service.



Regional Infrastructure

This year's count better captured the voice of homeless youth, part of the "hidden homeless".

SOUTH ISLAND 911/POLICE DISPATCH CENTRE | The project was initiated in 2016 to provide a facility that meets post-disaster standards and fosters collaboration between partners for emergency response and management. The project also aimed to create opportunities for improved efficiencies and modernized equipment.



Construction of the \$13.1-million facility began in October 2017, and was completed in late fall 2018 on time and under budget. The new two-storey, 1,200-square-metre, post-disaster facility, built and owned by the CRD and operated by E-Comm, consolidates 9-1-1 call-answer, police call-taking and dispatch services for the Central Saanich, Oak Bay, Saanich and Victoria police departments and 11 RCMP detachments in the central and southern Vancouver Island region.

The CRD provided funding and managed the construction of this facility, in partnership with the South Island 9-1-1/Police Dispatch Steering Committee, composed of police chiefs from Central Saanich, Oak Bay, Saanich, and Victoria, and representatives of the RCMP, the Province of British Columbia, CRD and E-Comm, Emergency Communications for British Columbia.

South Island 911/Police Dispatch Centre



E&N RAIL TRAIL CONSTRUCTION COMPLETE | This cycling and pedestrian trail is being constructed largely within the E&N rail corridor. The E&N Rail Trail-Humpback Connector is being built in phases over a number of years and will be 17 kilometres in length when complete. This newest addition to the regional trail system provides an important non-motorized transportation and recreation link between Victoria and the Western communities. To date, 12 km of the trail is open for public use.

In Fall 2018, a new section of trail was substantially completed. It extends between Maplebank Road and the Admirals Road/Hallowell Road intersection and along Hallowell Road, back to the rail corridor. The CRD worked with the Island Corridor Foundation, the Town of View Royal, Esquimalt and Songhees Nations, and the Ministry of Transportation and Infrastructure on this 1 km section of trail.



Regional Parks

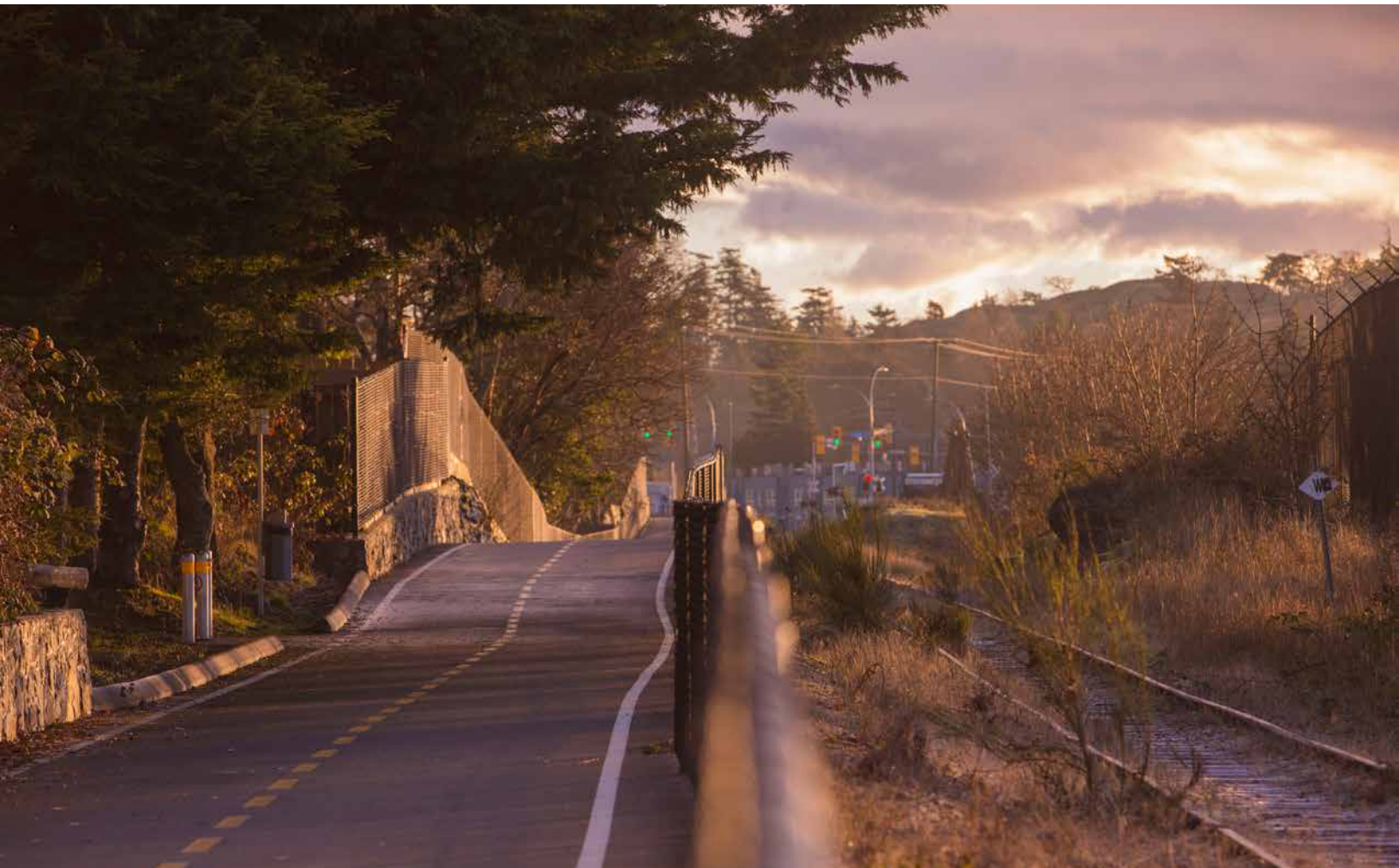


Recreation, Arts
& Culture



Active & Multi-Modal
Transportation

E&N Rail Trail



ARTS FUNDING | In 2018, the CRD invested \$2.4 million in support of 83 arts organizations across the region.



This past year the Arts & Culture Support Service added two new funding programs: Equity and Incubator grants in addition to Project and Operating grants. These new grant programs helped more arts organizations access funding and increased the diversity of arts in the region.

- ▶ Equity grants supported 11 arts initiatives by applicants from communities that are at-risk of exclusion or have difficulty accessing support for systemic reasons.
- ▶ An Incubator grant was awarded to enhance the sustainability and resiliency of one not-for-profit organization.
- ▶ Operating Grants were awarded to 29 organizations demonstrating excellence and sustainability in three main areas: fulfillment of artistic mandate, administrative competence and community impact. For every dollar the CRD invested through operating grants, funded organizations generated an additional \$10.60.
- ▶ Project grants were awarded to 42 emerging or established arts organizations that produced or presented one-time, recurring, unique or developmental projects.

COMMUNITY OUTREACH | Throughout 2018, the CRD attended 28 community outreach events, including home shows, community fairs and festivals, and brought the mobile drinking water station to 11 events across the capital region. At these events, the CRD provides information about services, such as recycling and pollution prevention, offers education and tips on environmentally friendly, and sustainable practices, such as conserving water and cleaning with natural products, and introduces new initiatives and awareness campaigns. These venues allow the CRD to directly engage with residents and businesses and participate in two-way conversations that not only disseminate information but also encourage behaviours that will ensure the continued health and sustainability of the region.



Fringe Tango Ballet, funded in part by the CRD Arts Grants





Resilient Water Supply Hydrant Construction

PREPARING FOR EMERGENCY AND POST-DISASTER WATER SUPPLY |

In 2016, the Regional Water Supply Commission (RWSC) approved the Post Disaster – Emergency Water Supply and Distribution Planning initiative, which included two phases, an initial assessment and plan development phase, followed by an implementation phase that would include emergency water supply and distribution equipment purchase, training and deployment plan. The initiative was supported by the Juan de Fuca Water Distribution Commission and the Saanich Peninsula Water Commission. Work on this initiative is progressing. In 2018, five resilient emergency water supply hydrants were installed across the region, with more planned next year.



Protective Services

SOLID WASTE MANAGEMENT PLAN | In January 2018 the Board directed staff to resume work on revising the CRD's Solid Waste Management Plan (SWMP), a community-informed strategy that sets goals, targets and strategies to reduce and manage solid waste in the capital region. New or continuing strategies may include, among others, education programs, advocacy, policy development, recycling programs, organics programs, construction and demolition material management and energy recovery. The CRD's current SWMP has been in place since 1995 and, after several amendments over the intervening years, this plan is due for a comprehensive update given the changing landscape of solid waste management that includes emerging technologies, new Extended Producer Responsibility programs, evolving world markets for recycling and other waste streams and the desire to extend the life of Hartland Landfill. Work on the capital region's new SWMP began in Spring 2018 and is anticipated to proceed to public consultation in Fall 2019.



Integrated Resource Management

Auditor General for Local Government Audit Report



Report Cover

AGLG EMERGENCY MANAGEMENT PROGRAM AUDIT | In December 2018, the CRD received the final results of an audit of its emergency management program by British Columbia's Auditor General for Local Government (AGLG). The audit began in 2017 and reviewed emergency management processes and practices at the corporate and electoral area levels.



Protective Services

Being prepared for all types of emergencies is a high priority for the CRD. While the audit confirmed that there are a number of good systems and practices in place, a number of recommendations in the report will be pursued to strengthen current business continuity strategies.

The report includes nine detailed recommendations—many of which are already underway. The greatest focus is on business continuity, which is an area where most local and provincial governments across Canada are needing to adjust to meet rapidly evolving emergency management standards and expectations with respect to business continuity and the increasing impacts of climate change.

ACTIVE TRANSPORTATION & HEALTHY COMMUNITIES PROGRAM |

The 2-year pilot program successfully concluded in early 2018 followed by program evaluation and lessons learned in a final report. People Power: The Active Transportation and Healthy Communities Program received the Gold award for Excellence in Planning Practice - City & Urban Areas from the Planning Institute of BC (PIBC).



Active & Multi-Modal
Transportation

People Power projects were designed to have a continued impact long after the funding period. This sustainable approach included continuing and expanded programs, making equipment available, undertaking research, and producing documents and maps for ongoing use. The most significant outcome of the program is the collective impact of creating long-term collaborations between people and organizations related to active transportation

The active school travel planning component of the program was identified and approved for ongoing funding starting in 2019. The new 'Ready Step Roll' program will be delivered to five schools per year.

Active transportation program

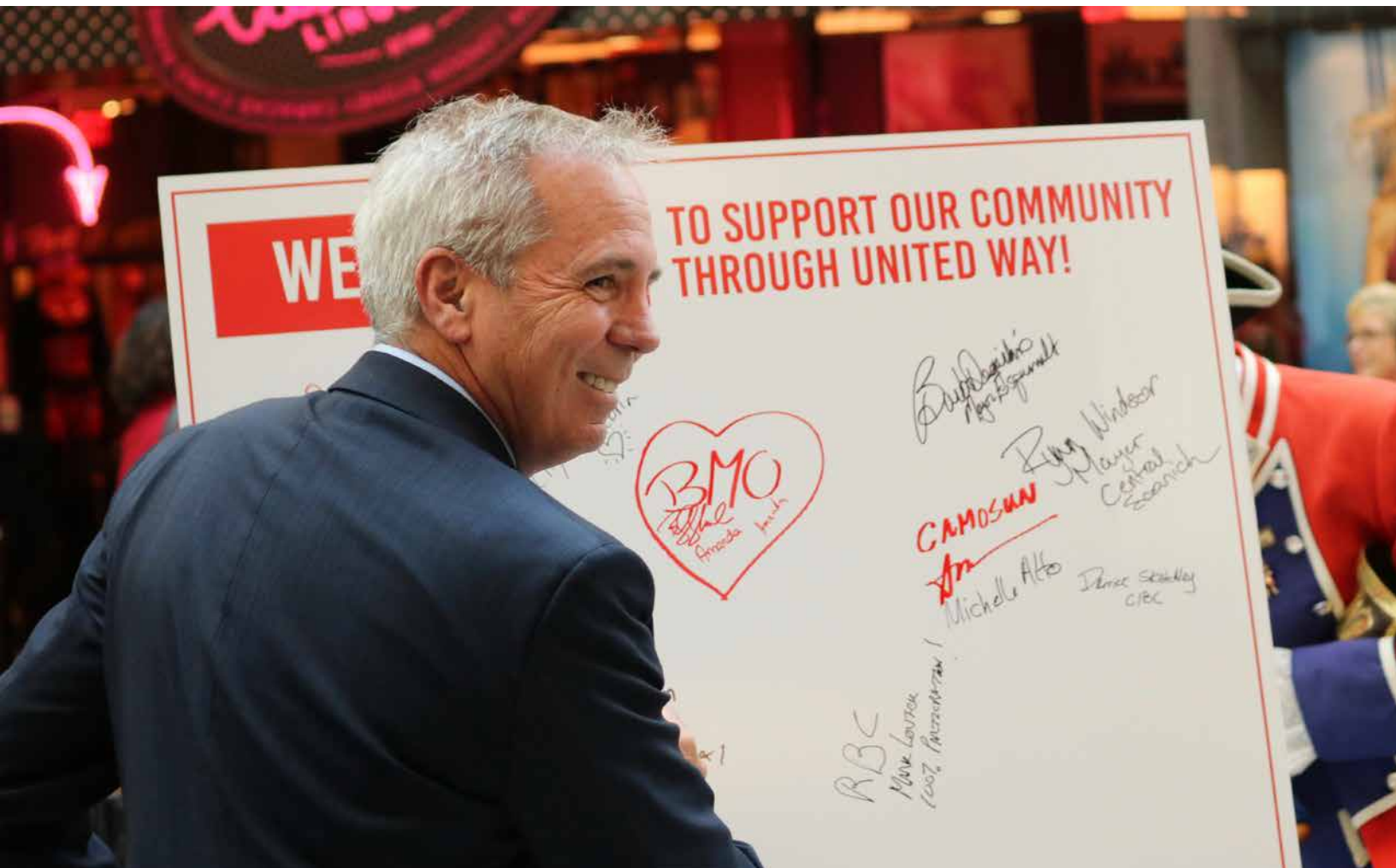


CRD UNITED WAY CAMPAIGN | In 2018, the CRD continued its support of the United Way of Greater Victoria (UWGV) for its 23rd consecutive year. The CRD United Way Campaign is entirely led by employees, and involves internal staff fundraising events such as a trivia night, bake sale, silent auction and more. Staff are proud to have raised \$40,966, helping to address the immediate needs of our region's most vulnerable people. The 2018 campaign was pleased to be nominated as part of the United Way's Municipal Challenge at the Spirit Awards in early 2019.



Health & Well-Being

2018 CRD United Way Campaign Launch



Awards





Community Energy Association Award Recognition

Awards

Organization

BC Water and Waste Association

2018 Outstanding Contribution to the BCWWA: Group or Organization Award

Community Energy Association

Climate and Energy Award

Zero Emissions Fleet Initiative

Canadian Association of Municipal Administrators

Professional Development Award for Municipalities with a Population over 100,000 for the project "Improving the Success of Corporate Planning through an Organizational Development Plan"

Canada's Top Employers

BC's Top Employers Award

Canada's Greenest Employers Award

Government Finance Officers Association

2018 Innovative Idea Award in recognition of the Summit at Quadra Village project

Distinguished Budget Presentation Award 2018

Canadian Award for Financial Reporting Achievement for Fiscal year ended 2017

Popular Annual Financial Reporting Award for Fiscal year ended 2017

Union of British Columbia Municipalities

Community Excellence Award

Excellence in Service Delivery: People Power: the Active Transportation and Healthy Communities Program

United Way

Spirit Award - Municipal Challenge Cup



2018 Financial Highlights

In 2018, the Capital Regional District delivered on Board and corporate priorities by:

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



Financial Reporting Overview

The Capital Regional District (CRD) is pleased to provide this consolidated financial overview for 2018, another busy year of economic growth and activity in the region.

A Growing Economy

Population growth continues to be a key driver of the regional economy. Since 2011, the population has increased more than 12%, continuing to outpace Metro Vancouver and the province as a whole. In 2018, double-digit growth in property assessments continued at more than 16%, surpassing the \$100 billion threshold for the first time. Building permit values for the second year in a row totaled \$1.4 billion, with an increase in dwellings year over year of 34%. Where building permits signal construction intentions, housing starts indicate construction activity. In 2018, housing starts were up 11%, reaching the highest level in 40 years.

This regional growth and demand drives key CRD infrastructure projects and optimization of services that align with long-term corporate and strategic planning as developed by the CRD Board.

Our Process

This report includes the CRD's consolidated statement of financial position and the consolidated statement of operations, which form the basis of the audited financial statements.

Each year, the CRD prepares audited financial statements in accordance with legislative requirements and presents them at a public Board meeting for approval. The 2018 financial statements were prepared by management in accordance with Canadian Public Sector Accounting Board (PSAB) standards and were audited by KPMG LLP.

413,000
residents
Up 12.4%
since 2011

4%
Unemployment
third lowest in Canada



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

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

The CRD also includes a number of schedules for additional reference. The consolidated financial statements include all CRD divisions and departments.

Capital Region Housing Corporation

The Capital Region Housing Corporation (CRHC) is a non-profit organization wholly owned by the CRD. It is governed by the same twenty four-member Board of Directors as the CRD.

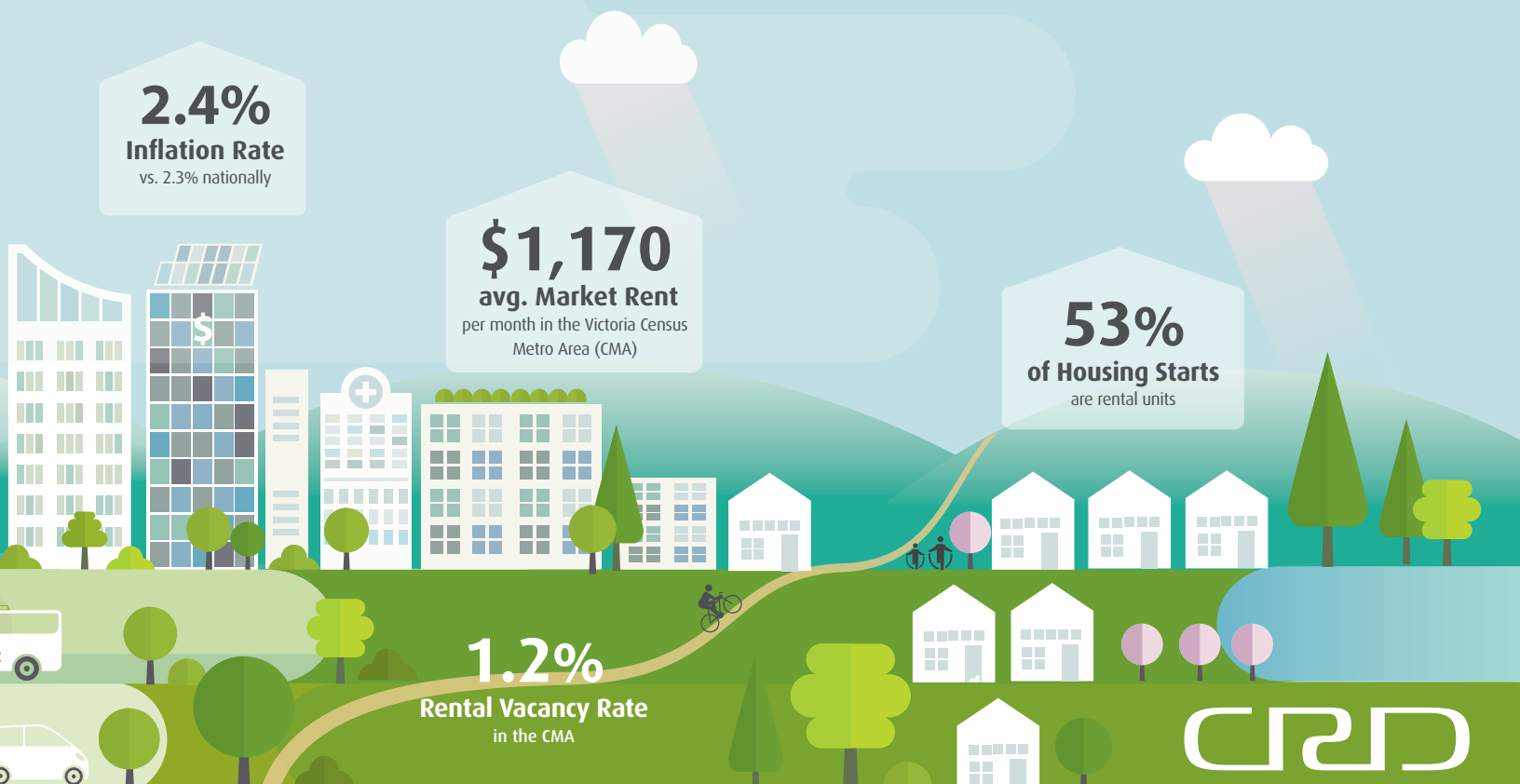
As an entity of the CRD, the CRHC's financial statements are consolidated within the audited CRD financial statements as required by PSAB standards.

Capital Regional Hospital District

The Capital Regional Hospital District (CRHD) operates under the authority of the Hospital District Act and shares the same boundaries, directors and administrative staff as the CRD. It partners with Island Health and community agencies to develop and improve health-related facilities in the region. The CRHD prepares a set of audited financial statements independent from the CRD. Page 74 features a brief summary of the CRHD's financial highlights for 2018.

More Information

The complete 2018 Statement of Financial Information and related documents are located on the CRD website at www.crd.bc.ca/about/financial-accountability.



2018 Operating Budget

Consolidated



Capital Regional District
\$248.4M



Capital Region Housing Corporation
\$15.6M



Capital Regional Hospital District
\$31.9M

Total

\$296M

2018 Capital Budget

Consolidated



Capital Regional District
\$213.7M



Capital Region Housing Corporation
\$7.5M



Capital Regional Hospital District
\$51.7M

Total

\$273M

CRD Consolidated Statement of Financial Position

This statement presents the organization's assets, liabilities, net debt position and accumulated surplus or equity position. The net debt position increased by \$26.9 million, in which \$187.5 million of the increase was a result of acquired and contributed capital assets. This was offset by an annual surplus of \$129.4 million and amortization of \$31.2 million. The increased net debt position, combined with investments in tangible capital assets, result in an increase in accumulated surplus of \$129.0 million.

	2018	2017
	(in millions)	(in millions)
Financial assets		
Cash and investments	\$238.3	\$194.6
Accounts receivable	\$25.0	\$24.3
Member municipality debt	\$150.8	\$161.8
Restricted cash – MFA Debt Reserve Fund	\$3.2	\$3.1
Land for resale	\$19.1	\$19.1
	\$436.4	\$402.9
Financial liabilities		
Accounts payable and accrued liabilities	\$94.5	\$64.7
Deferred revenue	\$16.4	\$13.4
Long-term debt – CRD	\$384.5	\$356.2
Landfill closure liability	\$10.1	\$9.5
Other long-term liabilities	\$2.8	\$4.1
	\$508.3	\$447.9
Net debt	(\$71.9)	(\$45.0)
Non-financial assets		
Tangible capital assets	\$1,246.4	\$1,090.1
Inventory of supplies and expenses	\$1.4	\$1.8
	\$1,247.8	\$1,091.9
Accumulated surplus	\$1,175.9	\$1,046.9

CRD Consolidated Statement of Operations

This statement identifies the results of the organization's financial activities for the year by presenting revenues less expenses, resulting in the organization's annual surplus on a PSAB basis. The overall 2018 revenue increased by \$60.8 million. This increase was driven primarily by an increase of \$48.0 million from federal grants to fund the Wastewater Treatment Project. The change in expenses for 2018 relates primarily to an increase in salaries, wages and benefits, offset by a decrease in interest on debt. Financial surpluses generated from operations are generally carried forward and used to make principal debt repayments and reduce the appropriate service requisitions or funding requirements.

	2018	2017
	(in millions)	(in millions)
Revenue		
Requisition – CRD	\$63.7	\$60.9
Sale of services	\$105.0	\$95.5
Other revenue	\$109.9	\$62.2
Requisition – municipal debt	\$15.4	\$14.6
	\$294.0	\$233.2
Expenses		
General government services	\$14.6	\$16.0
Protective services	\$10.8	\$10.3
Sewer, water and garbage services	\$76.4	\$73.9
Planning and development services	\$2.4	\$2.7
Affordable housing – rental expenses	\$14.7	\$14.7
Recreation and cultural services	\$28.0	\$27.8
Other	\$2.2	\$2.6
Municipal debt servicing	\$15.5	\$14.6
	\$164.6	\$162.6
Annual surplus	\$129.4	\$70.6

CRD Consolidated Financial Health

Current Ratio

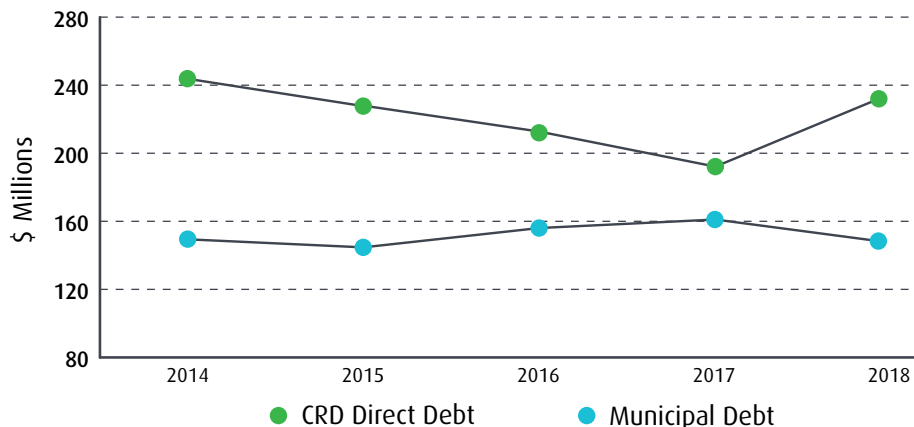
The current ratio is a measure of the liquidity of an organization, meaning the CRD's ability to meet current obligations through current assets. A high ratio indicates a greater ability to meet budgeted and unexpected expenditures. Generally, a current ratio greater than one is considered healthy for a government entity.

CURRENT RATIO

3.8

Debt

Debt increased by \$28.3 million to \$384.5 million in 2018. Debt includes debt for CRD, CRHC and member municipalities. While member municipality debt decreased by \$11.0 million, CRD and CRHC debt increased by a combined \$39.3 million in 2018. This is predominately due to \$32.0 million borrowed from the Municipal Finance Authority (MFA) for the Wastewater Treatment Project.



Net debt encompasses the difference between financial assets and financial liabilities for the current year. In 2018, the CRD's net debt was \$71.9 million, which is an increase of \$26.8 million over 2017. Net debt is an indicator towards the financial flexibility of the CRD to acquire capital.

Assets Funded by Debt

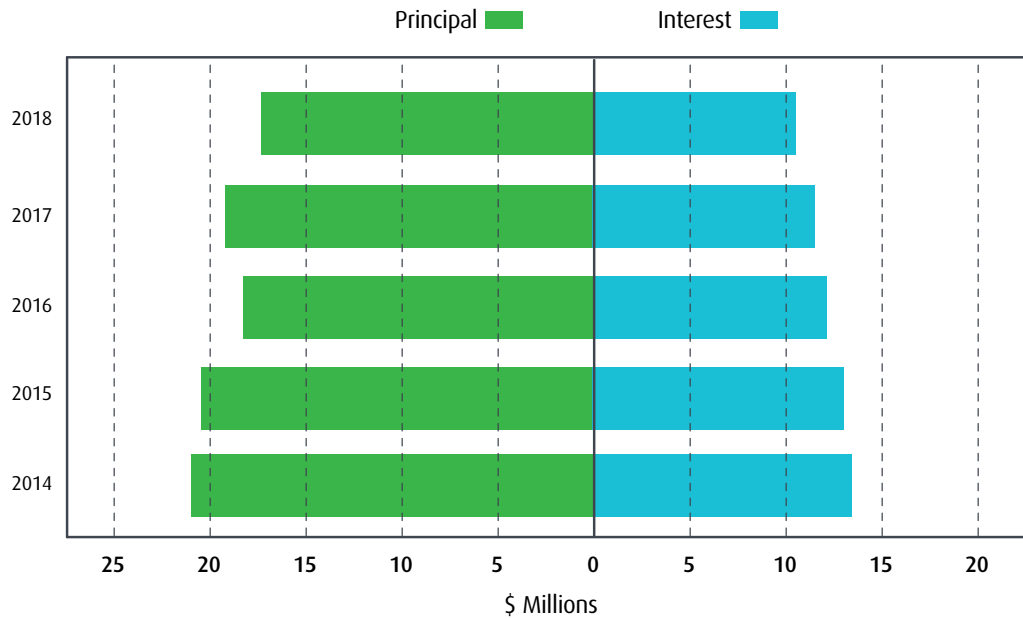
The Capital Investment Funded by New Debt ratio measures the current year acquisition of capital assets that are funded by new debt. In 2018, excluding \$129.7 million investment towards the Wastewater Treatment Project, new debt funded \$14.3 million out of the CRD's capital investment balance of \$57.8 million.

CAPITAL INVESTMENT
FUNDED BY NEW DEBT

24.8%

Payments on Debt

The table below shows the split between principal and interest of total debt payments in the last five years. The portion of debt payments going to pay interest is trending lower as a result of lower rates and reduced principal.

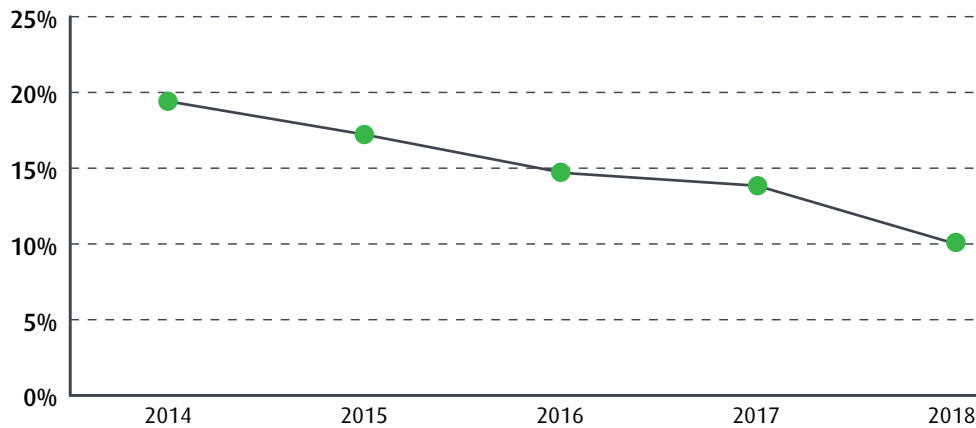


Debt Servicing Costs

The Debt Service Costs to Total Revenue ratio is the percentage of revenue committed to the payment of interest and principal on temporary and long-term debt. A high percentage indicates greater use of revenue for the repayment of debt and less ability to adjust to unplanned events and changing circumstances. The CRD's debt servicing costs (excluding member municipality debt servicing costs) have been trending down year over year. In 2018, debt servicing costs were \$28.1 million and total revenue was \$278.6 million.

DEBT SERVICE COSTS
TO TOTAL REVENUE¹

10.1%



¹Does not include member municipal debt

CRD Consolidated Capital Investment

The CRD's capital assets continue to grow as the organization invests in infrastructure projects to support Board-approved service levels, as well as corporate and strategic priorities.

Additions to Capital Assets in 2018

Capital Regional District

\$182.8M



Other (includes vehicles & works in progress)
\$159.3M



Engineered structures
\$13.4M



Land
\$5.7M



Machinery
& equipment
\$3.1M



Buildings
\$1.3M

Capital Region Housing Corporation

\$4.7M



Machinery
& equipment
\$2.1M



Buildings
\$2.6M

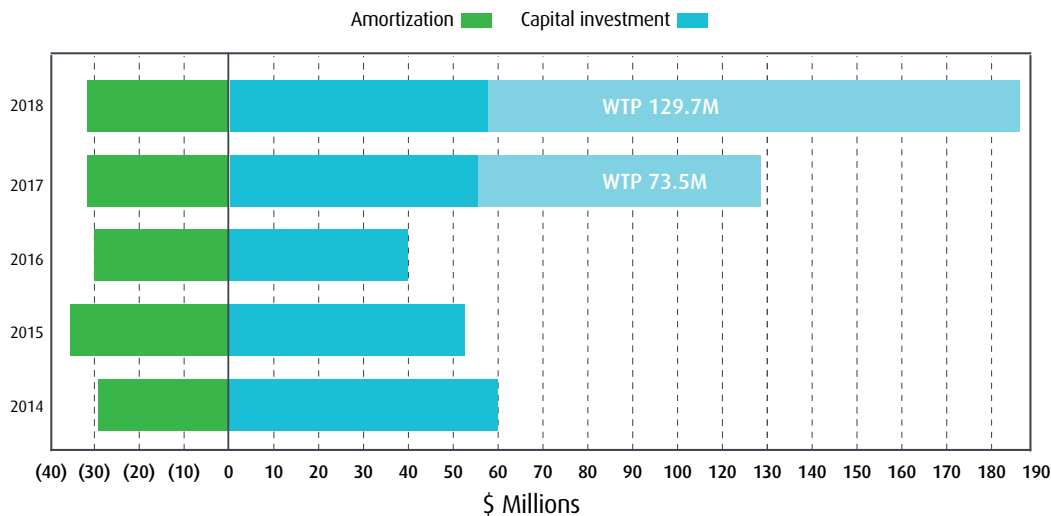
The information above is the net additions of tangible capital assets during 2018.

Capital Investment & Amortization

This ratio is the amount of capital invested in infrastructure for every dollar that assets depreciate each year. In 2018, investment in capital was \$187.5 million, which includes \$129.7 million in acquisitions for the Wastewater Treatment Project (WTP). Excluding the impact of WTP, the investment in capital was \$57.8 million compared to amortization of \$31.2 million.

INVESTMENT IN
CAPITAL OVER
AMORTIZATION

6x

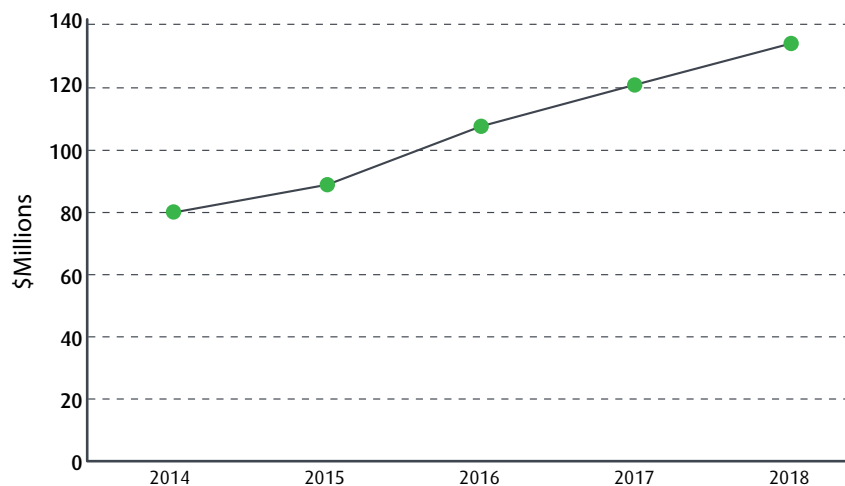


Contributions to Reserves

Contributions to reserves are needed to reduce costs of borrowing for asset renewal, replacement and to mitigate risk of asset failure. Reserves are essentially savings supporting sustainable service delivery while balancing fluctuations in requisition and user fees. Transfers to operating and capital reserves increased the total reserve to \$134.0 million in 2018, an increase of \$13.9 million.

RESERVE BALANCE

\$134M



CRHD Statement of Financial Position

This statement presents the Capital Regional Hospital District's assets, liabilities, tangible capital assets and accumulated deficit. The accumulated deficit for 2018, also represented as total assets minus total liabilities, is \$68.3 million.

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

	2018	2017
	(in millions)	(in millions)
Financial assets		
Cash and cash equivalents	\$26.5	\$33.7
Investments	\$26.0	\$40.0
Accounts receivable	\$0.8	\$1.0
Prepaid expenses	\$0.1	-
Restricted cash – MFA Debt Reserve Fund	\$4.1	\$4.0
Land for resale*	\$0.0	\$0.0
	\$57.5	\$78.7
Financial liabilities		
Accounts payable and other liabilities	\$8.9	\$5.5
Due to Capital Regional District	\$0.1	\$0.1
Long-term debt	\$175.3	\$192.4
	\$184.3	\$198.0
Net debt	(\$126.8)	(\$119.3)
Non-financial assets		
Tangible capital assets	\$58.5	\$31.8
	\$58.5	\$31.8
Accumulated deficit	(\$68.3)	(\$87.5)

*Land for resale was \$38,137 in 2017 & 2018

CRHD Statement of Operations

This summary identifies the result of the CRHD's financial activities for the year by presenting revenues less expenses, resulting in the organization's annual surplus on a PSAB basis. The annual surplus for 2018 is \$19.2 million, decreasing the accumulated deficit on the Statement of Financial Position from \$87.5 million to \$68.3 million.

	2018	2017
	(in millions)	(in millions)
Revenue		
Requisition	\$30.4	\$29.7
Other revenue	\$7.7	\$12.0
	\$38.1	\$41.7
Expenses		
Grants to district hospitals	\$7.4	\$9.0
Interest and operating expenses	\$11.5	\$11.7
	\$18.9	\$20.7
Annual surplus	\$19.2	\$21.0

CRHD Financial Health

Current Ratio

The current ratio is a measure of the liquidity of an organization, meaning the CRHD's ability to meet current obligations through current assets. A high ratio indicates a greater ability to meet budgeted and unexpected expenditures. Generally, a current ratio greater than one is considered healthy for a government entity.

CURRENT RATIO

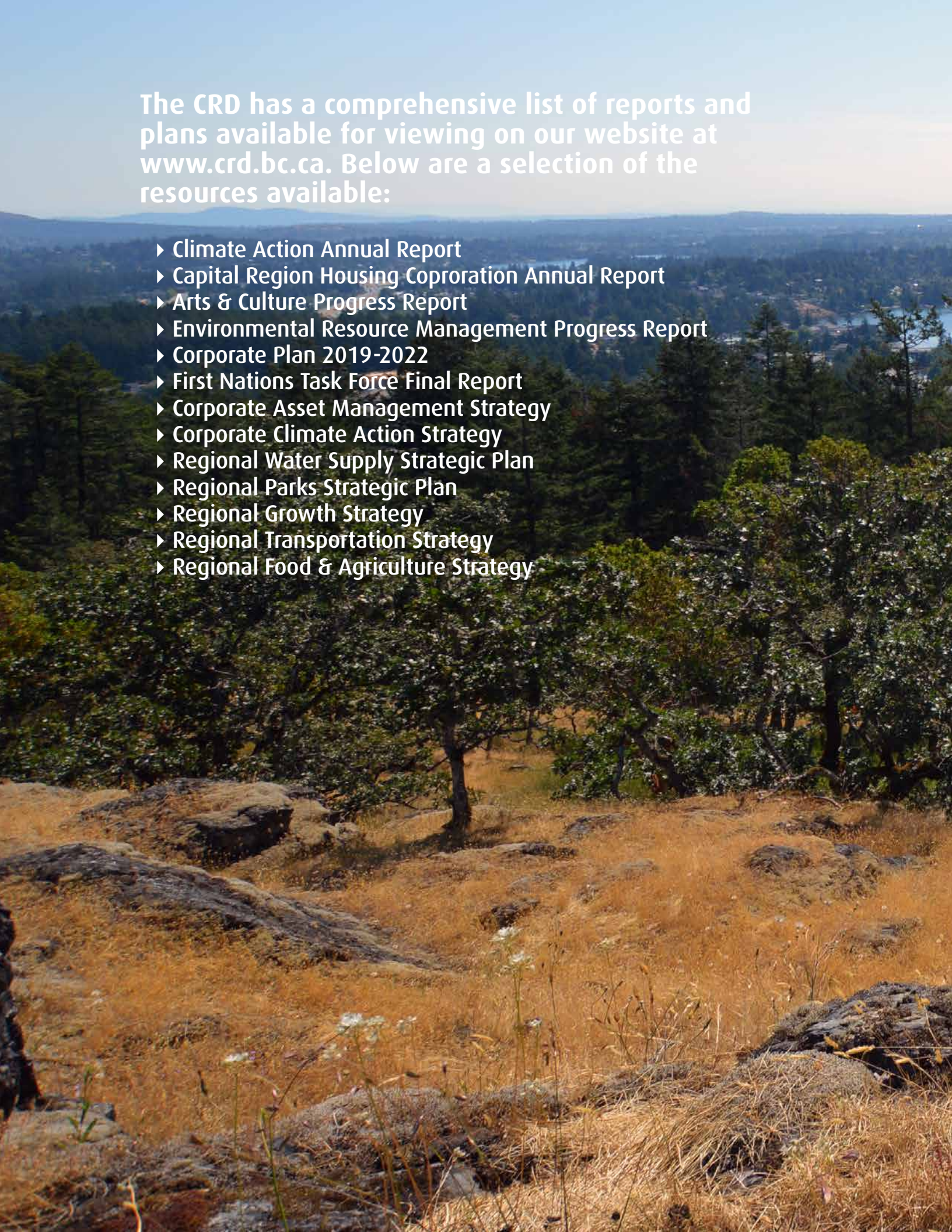
5.9

Interest Coverage Ratio

This ratio is an indicator of the percentage of revenue committed to the payment of interest on temporary and long-term debt. A high percentage indicates greater use of revenues for servicing interest on outstanding debt. The CRHD's interest coverage ratio at December 31, 2018 is 3.6, meaning the CRHD's revenue is sufficient to repay interest expense 3.6 times over.

CURRENT RATIO

3.6



The CRD has a comprehensive list of reports and plans available for viewing on our website at www.crd.bc.ca. Below are a selection of the resources available:

- ▶ Climate Action Annual Report
- ▶ Capital Region Housing Corporation Annual Report
- ▶ Arts & Culture Progress Report
- ▶ Environmental Resource Management Progress Report
- ▶ Corporate Plan 2019-2022
- ▶ First Nations Task Force Final Report
- ▶ Corporate Asset Management Strategy
- ▶ Corporate Climate Action Strategy
- ▶ Regional Water Supply Strategic Plan
- ▶ Regional Parks Strategic Plan
- ▶ Regional Growth Strategy
- ▶ Regional Transportation Strategy
- ▶ Regional Food & Agriculture Strategy





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