



Capital Regional District **2019 ANNUAL REPORT**

Greater Victoria,
British Columbia, Canada
Year ended December 31, 2019



Making a difference...together

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.

- ▶ Monique **BOOTH**
- ▶ Derek **FORD**
- ▶ Jean **PAKVIS**
- ▶ Leanna **RATHKELLY**
- ▶ Sophie **WOOD**

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The Capital Regional District

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 418,000 people.

The capital region spans the Territories of approximately 20 First Nations, of which 11 have Reserve lands and 9 have settlement populations made up of 4,142 members.

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 government 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 1,418 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.

A map of the Capital Regional District (CRD) area, showing the coastline of southern Vancouver Island and the Gulf Islands. The CRD's jurisdiction is highlighted in a light teal color, while surrounding areas are in a darker teal. The text "The Capital Regional District" is overlaid on the map in a bold, teal font.

The Capital Regional District



OUR ORGANIZATION

Message from the Board Chair

I continue to be honoured to serve as Board Chair for the CRD and the people who live, work, create and play here for a second term.

Our important work continues to serve all those in our great region, despite the difficult times we currently face during the COVID-19 pandemic. We will face challenges. We will be tested. We will continue to deliver these essential services because we are prepared to adapt to these changing circumstances and to implement contingency plans across our network to keep serving our region.

In 2019, the CRD Board created and adopted a Strategic Plan to guide us for the rest of our term. We unanimously declared a Climate Emergency and asked staff to bring forward measures to help us increase our response to this important issue.

Throughout 2019, I enjoyed the task of talking to our residents and the media about the CRD. When residents understand what we do and how we operate, there is often a clear recognition of the value we provide to the region. We held a Forum of All Councils to advance work in our First Nations Relations program and adopted a formal Territorial Acknowledgement.

Last December, we added two new transparency tools to the public website as part of our commitment to accountability. Together, these tools offer residents and stakeholders a quick and easy way to stay up-to-date on the Board's latest decisions and activities. I encourage everyone to sign up for the monthly Board Highlights e-newsletter to keep informed and stay connected with us.



I hope 2020 will see significant progress in our First Nations Relations objectives and look forward to the Wastewater Treatment Project becoming operational. Thank you to my colleagues and staff for their tremendous efforts in 2019 and I continue to be inspired by the ambitious work we have ahead of us in 2020.

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

Colin **PLANT**
Chair
Capital Regional District Board

Message from the Chief Administrative Officer

As this report goes out, we are experiencing unprecedented times. The COVID-19 pandemic has tested our ability to perform under extremely challenging circumstances and I am pleased to report that our Capital Regional District (CRD) Board and staff have met this challenge head on.

In the midst of these times, it is still important to reflect back on the progress we have made on major projects and initiatives in 2019. We are an essential and critical service provider. Delivering over 200 services to more than 418,000 residents and businesses large and small is no easy task, but every day we deliver programs and services that protect and enhance our social and local environment and contribute to crucial infrastructure development in the region.

2019 highlights include developing a new advocacy dashboard, advancing the important work we do for making affordable housing more accessible and improving our relationships with the many First Nations across our region. We have made significant strides in our Organizational Health, Safety and Wellness programs. We continue to successfully manage complex budgets and adapt to changes in markets and trends. Leveraging our six cultural traits, we embarked on a comprehensive Diversity and Inclusion framework, which will build a foundation and the capacity for the successful development of a comprehensive multi-year plan working with staff and organizational partners. The Wastewater Treatment Project made significant construction progress last year and is on schedule to meet regulatory requirements in 2020. This is the largest capital project for the CRD and we are excited to bring wastewater treatment to the core area municipalities.



In 2019, the CRD continued its support of the United Way of Greater Victoria for its 24th consecutive year. The CRD United Way campaign is entirely led by employees and raised over \$50,000 to show their local love for those that need help the most in our region.

Thank you to our Board and staff for their dedication to making 2019 a successful year and rising up to the challenge that the current year brings and meeting it with determination, commitment and ingenuity.

A handwritten signature in black ink, appearing to read 'R. Lapham', with a stylized flourish at the end.

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

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
- ▶ Lisa **HELPS**, Victoria
- ▶ Mike **HICKS**, Juan de Fuca EA
- ▶ Gary **HOLMAN**, Salt Spring Island 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



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:

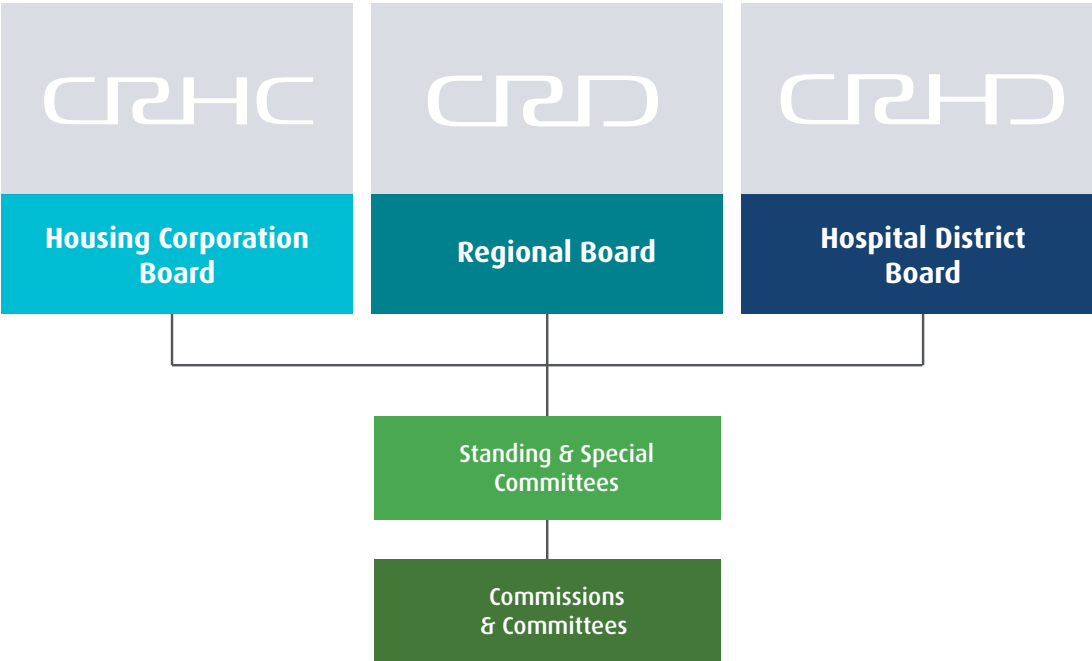
- ▶ For areas outside municipal boundaries (electoral areas), citizens elect one director to the Board during general local elections.
- ▶ Each municipal council appoints one or more elected officials to the Board. The formula is one director for every 25,000 population (or portion thereof).

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).





OUR PROFILE

The CRD has more than 200 service, infrastructure and financing agreements with municipalities and electoral areas to deliver services.

A Changing 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.



Meeting the Needs of a Changing Region

418,511

Residents
up **14%** since 2011

\$1.2B

Building Permits

3,499

Housing Starts
in the Victoria CMA

2.5%

Inflation Rate
vs **1.9%** nationally

\$878,411

**Avg price of single
family dwelling in CRD**
down **3%** over 2018



Supporting & Responding to Community Needs

In hearing and responding to the concerns of constituents, the CRD Board identified 15 community needs to focus and drive work. Through strategic and corporate planning, the strategic course for the CRD is set over a four-year mandate to respond to community needs and to deliver on the Board's mission, vision and priorities and the organization's ongoing service mandates and approved plans.

The CRD budget cycle ensures that we respond to changes in our external and internal environments. The Executive Leadership Team identifies projects that enhance our corporate capacity to ensure we are well-positioned to meet evolving Board and community needs. Each Spring, the corporate annual report is presented to demonstrate progress, capture major accomplishments and summarize financial highlights.

The following 15 community needs have been identified to guide the work the organization delivers.

- | | | |
|--------------------------------|--|----------------------------|
| 1. Affordable Housing | 6. Parks & Natural Resource Protection | 11. Planning & Development |
| 2. Transportation | 7. Protective Services | 12. Art & Culture |
| 3. First Nations Relations | 8. Wastewater | 13. Recreation |
| 4. Economic Development | 9. Landfill & Recycling | 14. Health Facilities |
| 5. Climate Action & Adaptation | 10. Water | 15. Accountability |





COMMUNITY NEEDS

For each community need identified in our Corporate Plan, the CRD Board approved an outcome statement to capture what we envision our work will accomplish.



We envision being leaders in accountability, through transparency, organizational performance and service delivery.

ACCOUNTABILITY

The CRD leads organizational accountability through corporate best practices and effective financial and audit reporting. Guided by our Organizational Development Plan, we continually strengthen the organization and engage employees by investing in operational efficiency and transparency systems to ensure public access to CRD information and through ongoing workforce training and development. Our Corporate Plan and Board Strategic Priorities inform service and financial planning to best serve our communities. Exceptional customer service and service delivery are central to our operations.



We envision residents having access to affordable housing that enhances wellbeing and reduces homelessness in the community.

AFFORDABLE HOUSING

Affordable housing is key to a strong economy and healthy region. The Capital Region Housing Corporation (CRHC) provides 1,418 units of affordable housing, and the CRD Regional Housing Trust Fund provided over \$11 million to build 959 affordable rental housing units. The CRD-initiated Regional Housing First Program partnered the CRD, BC Housing and Canada Mortgage and Housing Corporation, each committing \$30 million to build 1,500 affordable housing units.

ARTS & CULTURE

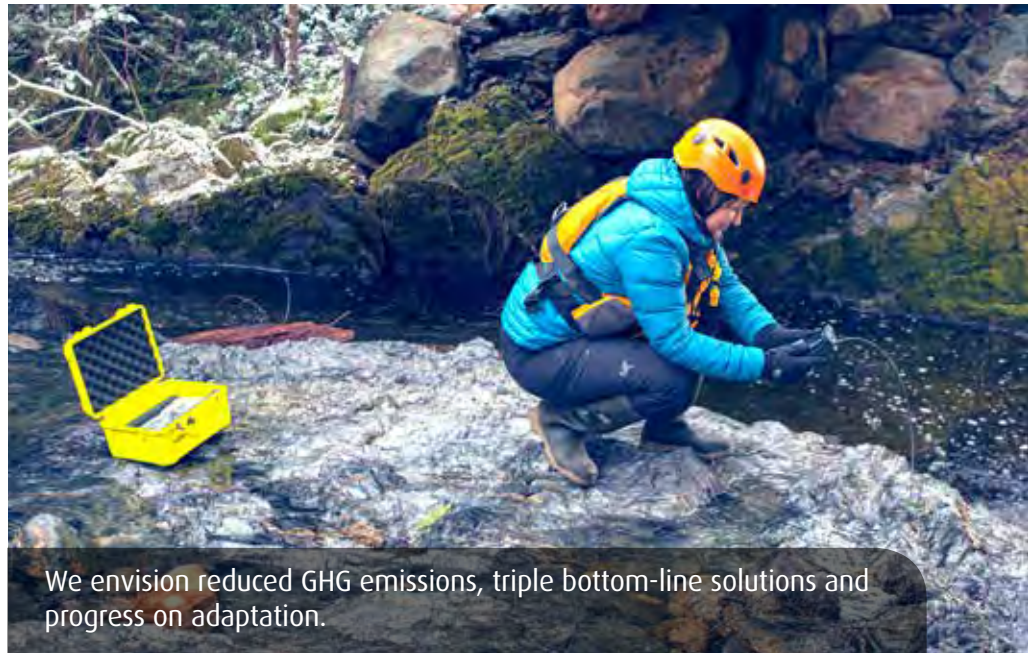
The CRD Arts & Culture Support Service funds regional arts initiatives by not-for-profit organizations. By supporting, promoting and celebrating the arts, the CRD contributes to the development of a healthy, livable and vibrant community and fosters collaboration between arts organizations, funders and audiences. The CRD also owns performing arts venues; owns, operates and funds libraries and museums in electoral areas; and develops, operates and maintains numerous local amenities. The Service is guided by the CRD Arts & Culture Support Service Strategic Plan.



We envision strategic investment to maximize the artistic, social and economic contribution that arts organizations make to the quality of life of our residents.

CLIMATE ACTION & ADAPTATION

The CRD Climate Action Service develops both corporate and community-focused mitigation and adaptation strategies. To help the region become climate neutral by 2030, we support local governments in achieving their climate goals and are striving to be Green House Gas emission neutral corporately. At the community level, the Regional Climate Action Strategy guides climate mitigation and adaptation actions for the 200 services the CRD delivers, with some services requiring comprehensive strategies to best respond.



We envision reduced GHG emissions, triple bottom-line solutions and progress on adaptation.

ECONOMIC DEVELOPMENT

As the local government for the Salt Spring Island, Southern Gulf Islands and Juan de Fuca electoral areas, the CRD advances committee and commission-directed projects and provides data and recommendations from the CRD Regional Information Service. The Salt Spring Island Community Economic Development Commission and the Southern Gulf Islands Community Economic Sustainability Commission develop strategies to foster resilient and sustainable local economies.



We envision increasing economic development potential in the region, with a special emphasis on sustainable, resilient local economies for all the communities in the capital region.



We envision strong relationships with First Nations based on trust and mutual respect, partnerships and working together on shared goals.

FIRST NATIONS RELATIONS

The First Nations Relations Service supports the CRD and its Board to build strong and enduring relationships with neighbouring First Nations governments. We are committed to respectfully and appropriately engaging those First Nations communities in regional strategies, decision-making and shared interests. Priorities include implementing the actions and recommendations outlined in the First Nations Task Force Final Report. Underpinning the report is a Statement of Reconciliation, which will guide the organization's initiatives at the Board, leadership and staff level.



We envision effectively contributing to improved community health and wellbeing.

HEALTH FACILITIES

The Capital Regional Hospital District (CRHD) fosters a healthy region by investing in traditional health care services, developing and improving health care facilities and providing capital funding for infrastructure such as acute care, residential care and hospital equipment. The CRHD strategically acquires property, plans and delivers capital projects, and partners with Island Health on public health bylaws and capacity-building through a Community Health Network. The CRHD and the CRD share the same Board of Directors and Officers.



We envision minimizing waste disposal and maximizing waste diversion.

LANDFILL & RECYCLING

The CRD's comprehensive and ever-evolving solid waste management system minimizes waste and maximizes resource recovery. The Environmental Resource Management Service operates the landfill; oversees solid waste planning; explores opportunities for resource recovery; and identifies best practices to further reduce waste, increase recycling and mitigate climate change. The CRD seeks the best use for waste resources through initiatives such as methane gas capture and the diversion of kitchen scraps from the landfill.



We envision additional land acquisitions and increased access to parks and recreational trails for residents.

PARKS & NATURAL RESOURCE PROTECTION

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, providing outdoor experiences and activities that improve personal health and foster appreciation and respect for the region's natural environments. Guided by the Regional Parks Strategic Plan, the CRD develops and maintains park facilities, offers interpretive programs for continued park stewardship, and plans for future land acquisitions focused on parcels with a high potential for conserving and restoring our natural resources.



We envision keeping approved plans current and monitoring for effectiveness to ensure we achieve our goals and to remain accountable to CRD residents.

PLANNING & DEVELOPMENT

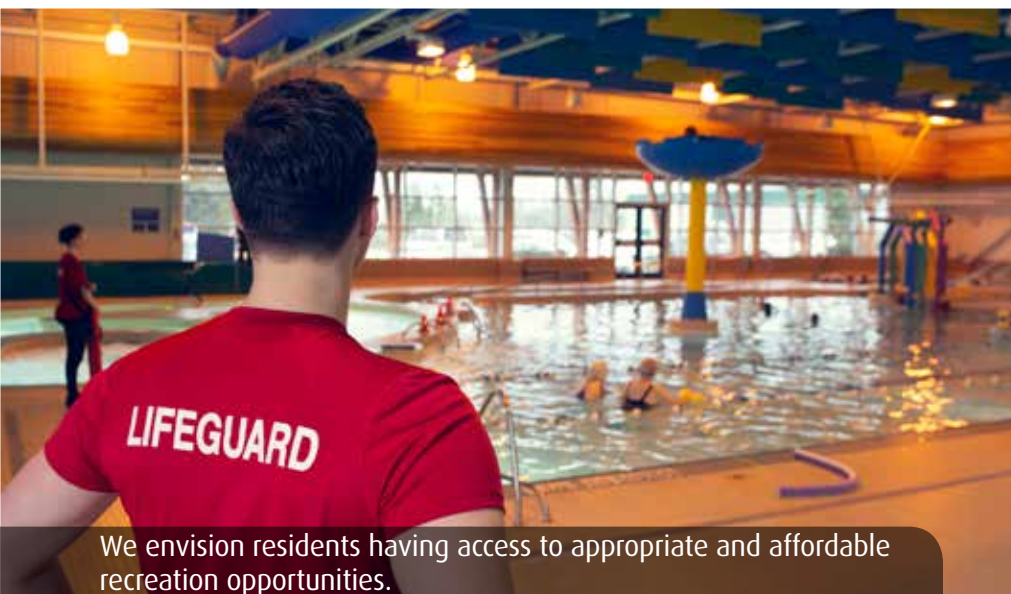
The CRD provides information and analysis of the region's population, development, land use, transportation, housing and employment trends. Transportation planning and developing, implementing, maintaining and updating a regional growth strategy supports regional sustainability and quality of life. Building Inspection is responsible for overseeing the construction, alteration, repair or demolition of buildings within the capital region's three electoral areas (Juan de Fuca, Salt Spring Island and the Southern Gulf Islands).



We envision effective regional cooperation in protecting public safety and preparing for, responding to and recovering from emergencies.

PROTECTIVE SERVICES

CRD Protective Services continue to maintain good order, public health and safety through emergency management, animal control and by enforcing bylaws using education, mediation, fines and injunctions. Collaborating with other agencies and partners ensures a coordinated and effective response to regional emergencies and bylaw enforcement, and furthers involvement in the Public Alerts Notification System and the Regional Emergency Management Partnership. As the local government for three electoral areas, the CRD supports volunteer fire departments and local-level emergency services.



We envision residents having access to appropriate and affordable recreation opportunities.

RECREATION

A diverse range of recreation opportunities in the capital region ensures a healthy, high quality of life for residents and visitors who can enjoy both indoor activities such as swimming, skating and fitness to outdoor activities like golf, skateboard and tennis. The CRD owns and operates three recreation centres across the region: Panorama Recreation, SEAPARC Leisure Complex and Salt Spring Island Recreation.

TRANSPORTATION

The CRD supports local governments and partner agencies to implement a multi-modal transportation system, enabling residents to access activities and the natural wonders of our region. Our Regional Information and Planning Service coordinates with regional and provincial stakeholders, collects and analyzes data, conducts research and analysis and enables partners to advance active transportation programming. Our work supports inter-jurisdictional transportation projects and initiatives that benefit the region as a whole.



We envision residents having access to convenient, green and affordable multi-modal transportation systems that enhance community wellbeing.

WASTEWATER

The CRD wastewater management services prioritize the health of residents and the environment. We work with municipalities, electoral areas and industry to ensure consistent wastewater management, while protecting urban and rural watersheds and the marine environment. These services manage liquid waste, septic systems, and wastewater collection, treatment and disposal infrastructure across the region. Five of the six secondary wastewater treatment plants we operate are in the electoral areas. The Core Area Liquid Waste Management Plan applies to Colwood, Esquimalt, Langford, Oak Bay, Saanich, Victoria, and View Royal. The Saanich Peninsula Liquid Waste Management Plan applies to North Saanich, Central Saanich and the Town of Sidney.



We envision efficient and effective management of the region's wastewater, through advanced management of wastewater & stormwater.

WATER

The CRD carefully manages the supply and delivery of safe and sustainable drinking water through the Regional Water Supply System serving Greater Victoria and distributes water directly to customers in several municipalities and electoral areas. Delivering safe drinking water from source to tap includes protecting the source, disinfecting the water and monitoring water quality, operating and maintaining transmission and distribution systems and investing in infrastructure renewal.



We envision a sustainable and resilient water supply for CRD residents.

Delivering on Priorities & Projects

Board Priorities

To guide the direction and major activities of the Capital Regional District for the 2019–2022 mandate, the Board of Directors agreed to focus on four regional priorities:



COMMUNITY WELLBEING – TRANSPORTATION & HOUSING

The CRD Board will advocate, collaborate and form partnerships to address the affordable housing and transportation needs of the region's diverse and growing population.



CLIMATE ACTION & ENVIRONMENTAL STEWARDSHIP

The CRD Board will encourage and implement bold action on climate change by enhancing its natural and built assets to achieve environmental resilience, food security and continued wellbeing of our current and future residents.



FIRST NATIONS RECONCILIATION

The CRD Board will take measurable steps toward strengthening government-to-government relationships with First Nations to foster shared prosperity for all.



ADVOCACY, GOVERNANCE & ACCOUNTABILITY

The CRD Board will advocate for infrastructure, regulatory, legislative, financial and operational support, focus its governance and Committees/Commissions on advancing regional, sub-regional and local priorities, and work to resolve issues that the CRD does not have the direct mandate to address.

Corporate Priorities, Projects & Awards

To guide the effective development, coordination and delivery of services the Executive Leadership Team identified key priorities and projects to enhance corporate capacity and delivery of services.



CORPORATE PRIORITIES

With a focus on Accountability, Corporate Priorities include: Business Capacity & Continuity, Fiscal Responsibility, Transparency, Efficiency & Collaboration and Customer Service.



MAJOR PROJECTS

As an essential and critical infrastructure service provider, a number of capital projects were progressed and completed in 2019.



AWARDS

The CRD was the recipient of a number of awards in 2019.

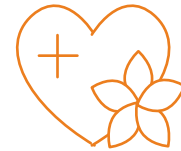
As many initiatives and projects span multiple years and involve other organizations, the achievements described here capture only a snapshot of our organization's work.



2019 PROGRESS

Board Priorities

Community Wellbeing



REACHING HOME STRATEGY TACKLES HOMELESSNESS

The CRD entered into two new agreements with the Government of Canada to administer Reaching Home: Canada's Homelessness Strategy. Officially launched April 1, 2019, the redesigned federal homelessness program will support the most vulnerable people in the capital region by improving access to safe, stable and affordable housing. Within this community-based initiative, the CRD will administer two programs: a five-year agreement under the Designated Communities Program for \$4.3 million and a second under the Indigenous Communities Program for \$337,256.

WALK AND WHEEL TO SCHOOL WEEK

From October 7-11, 2019, students from 40 schools in the capital region celebrated their active travel trips to and from school during the CRD's third annual Walk and Wheel to School Week. The program is designed to encourage sustained behaviour change and promote active travel throughout the school year. Participating schools represent more than 12,900 students, with all mobility ranges and abilities, who will be finding active ways to get to school, including (but not only) walking and cycling. Each school receives a toolkit to help students track their trips, raise awareness about safety and learn more about the health and environmental benefits of active travel (including prizes for participation), which also reduces traffic congestion and improves safety around schools. Walk and Wheel to School Week is hosted annually by the CRD with support from both Island Health and the CRD's Traffic and Safety Commission.

CRD TRAFFIC SAFETY COMMISSION AWARDS THIRD ANNUAL CONSTABLE SARAH BECKETT SCHOLARSHIP

The CRD Traffic Safety Commission (TSC) and West Shore RCMP awarded the third annual Cst. Sarah Beckett Memorial Scholarship to two recipients in 2019. Cst. Beckett was killed in the line of duty in 2016 and the scholarship was created to raise awareness of traffic safety issues and highlight the community service provided by police. The Commission awards the \$2,000 scholarship annually to a post-secondary student based on demonstrated academic achievement, financial need, community service record, and an expressed interest in pursuing a career in law enforcement. Two scholarships were awarded in 2019 in recognition of a \$20,000 donation received that was raised through the Sarah Beckett Memorial Run & Walk held earlier in the year. In addition to enabling the TSC to provide two awards this year, this generous donation will sustain the scholarship into the future.



Millstream Ridge

REGIONAL HOUSING FIRST PROGRAM

The RHFP 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 announced three affordable housing developments with over 300 new rental units in 2019.

- ▶ Millstream Ridge is a 132-unit development located in Langford for families and single people with low to moderate incomes, with occupancy starting in March 2019.
- ▶ West Park Lane is a 152-unit mixed-income housing project in View Royal with an anticipated opening date in September 2021.
- ▶ Phase 2 of the Croftonbrook development on Salt Spring Island will provide 22 new affordable rental units for seniors as part of the project's expansion.

The Housing First program has over 900 units of affordable rental homes completed or under construction to date, and aims to create rental properties with a total value of over \$500 million.



E&N FUNDERS AND PARTNERS RECOGNITION EVENT

The CRD held a celebratory event on July 23, 2019 to mark completion of Phases 1 and 2 of the E&N Rail Trail-Humpback Connector and recognize those who were foundational to its construction. Built in phases over a number of years, the E&N is a bike and pedestrian trail being constructed largely within the rail corridor and will be 17 km in length when complete. Providing both active transportation and recreation opportunities, to date 12 km of the trail is complete and open for public use, expanding the CRD's regional trail network to nearly 100 km. In May 2019, the Ministry of Transportation and Infrastructure announced a \$1 million grant to the CRD, through the BikeBC program, toward development of Phase 3 of the E&N Rail Trail.

Climate Action & Environmental Stewardship



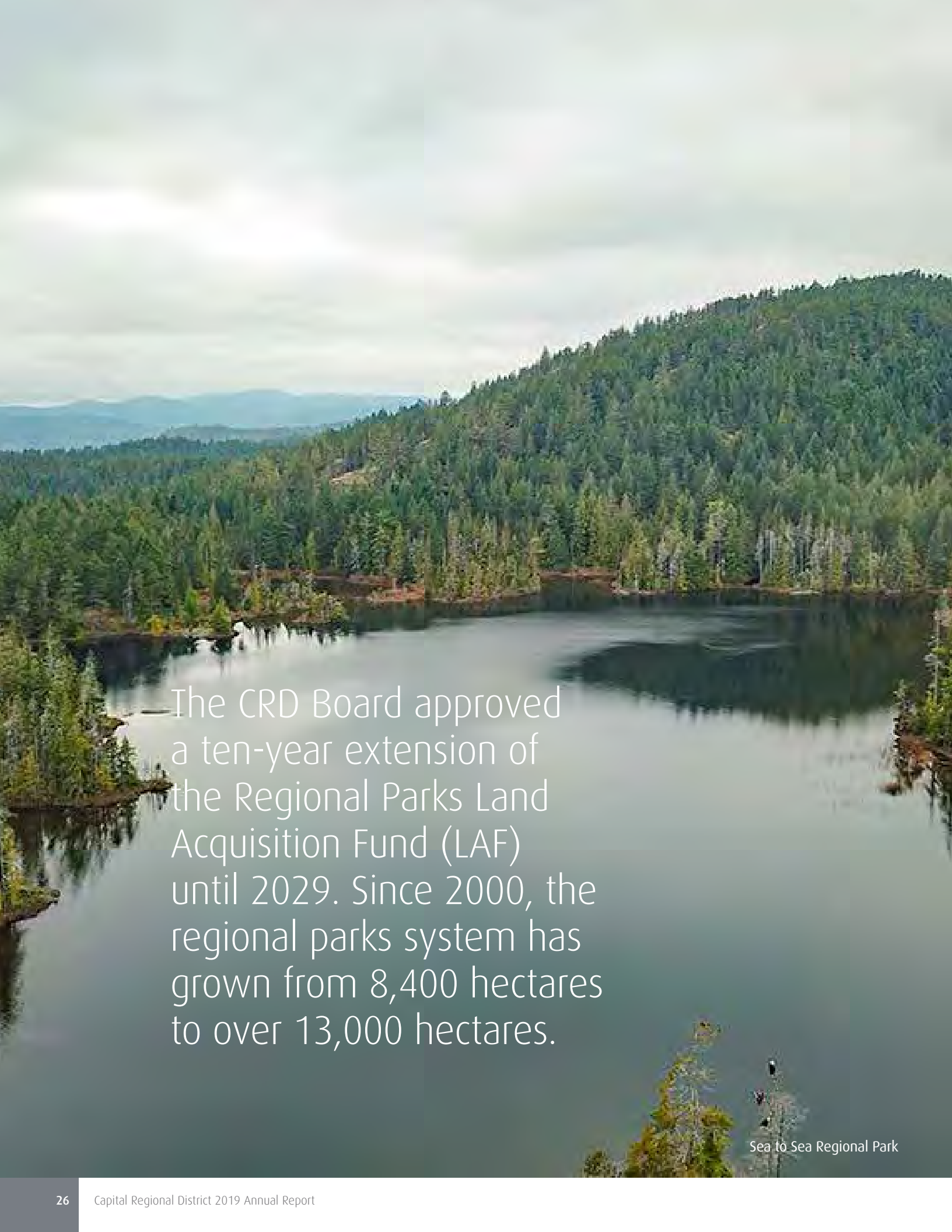
CLIMATE EMERGENCY DECLARATION

On February 13, 2019, the CRD Board unanimously approved a motion to declare a climate emergency. The motion includes recommendations for the CRD to take a leadership role towards achieving carbon neutrality in the region by 2030 and requests that all local governments in the region also declare climate emergencies. Climate change is a high priority for the CRD and we are developing plans, policies and strategies to address this issue. The CRD is a signatory to the BC Climate Action Charter and has been carbon neutral in its carbon operations since 2012.

SOLID WASTE MANAGEMENT PLAN UPDATE

The CRD is developing a new Solid Waste Management Plan to reduce and manage solid waste in the capital region. During the fall of 2019, the CRD held several public open houses and an online survey for feedback on 15 proposed strategies ahead of developing a draft plan. The plan will guide how the region manages solid waste in the coming years, including recyclables, compostable material and garbage from homes, businesses, and institutions, as well as construction and demolition sites. The plan will look at ways to extend the life of the Hartland Landfill, through future landfill design options, significantly reducing waste and reusing and/or recycling materials as much as possible. The goal is to reduce waste from 380 kg per capita (2018 levels) to 250 kg per capita by 2030. Following initial public engagement, a draft of the plan will be developed and made public, followed by a second phase of public engagement, expected to take place in 2020.

The CRD Board unanimously approved a declaration of a climate emergency and for the CRD to take a leadership role towards achieving carbon neutrality in the region by 2030.



The CRD Board approved a ten-year extension of the Regional Parks Land Acquisition Fund (LAF) until 2029. Since 2000, the regional parks system has grown from 8,400 hectares to over 13,000 hectares.

Sea to Sea Regional Park

LAND ACQUISITION FUND EXTENSION & 2019 PURCHASES

In November 2019, the CRD Board approved a ten-year extension of the Regional Parks Land Acquisition Fund (LAF) until 2029. The fund helps the CRD acquire and conserve significant areas for regional park purposes. The fund has a successful history of working with community partners to purchase parkland. The CRD will continue to seek opportunities for future partnerships to leverage funding and increase acquisitions. Since the fund was established in 2000, the regional parks system has grown from just over 8,400 hectares to over 13,000 hectares in 2019.

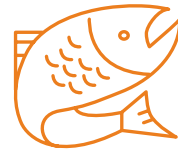
In 2019, two large parcels of property through the Land Acquisition Fund. A large 81-hectare forested property comprised of five lots adjacent to Thetis Lake and Francis/King Regional Parks in the Pike Lake area was acquired for \$5.5 million. The property increases landscape connectivity between the parks and has riparian and wetland habitats and significant patches of old-growth and mature second-growth forest. A 68-hectare property, surrounded by Sea to Sea and Sooke Hills Wilderness Regional Parks, was also acquired for \$1 million. This forested property completes a contiguous protected area between Crabapple Lake and Jack Lake – an important area for wildlife.

ELK/BEAVER LAKE WATERSHED MANAGEMENT PLAN

The CRD is developing a Watershed Management Plan to improve the water quality of Elk/Beaver Lake and protect the environmental health of the lake system. High nutrient levels have contributed to algae blooms, increased invasive aquatic plant growth, low dissolved oxygen levels, and decreasing water clarity. Many levels of government are involved in the lake and are working collaboratively to address the water quality issues. Following initial public engagement during the fall of 2019, a draft Watershed Management Plan was made public in early 2020 along with the opportunity to provide feedback on the draft plan through an online survey. Feedback received will be shared with the CRD Board to inform decisions about a final Watershed Management Plan.

SUPPORT FOR STUDENT CLIMATE LEADERS

The CRD was proud to sponsor 19 classrooms as part of the Cool It! Climate Leadership Training program, which recognizes students for being climate sustainability champions. Through the program, which aims to develop and empower young sustainability champions in BC schools, grade 4-7 classes participated in interactive workshops to build on students' knowledge of climate change, followed by a four-week challenge to reduce their energy consumption and carbon footprint at home with their families. After four weeks, the reported actions are converted into measurable greenhouse gas (GHG) reductions. Since its launch in 2017, more than 90 classes in the region have participated in the program, with support from the CRD and member municipalities. In that time, participating students have reported taking more than 17,000 actions.



First Nations Reconciliation

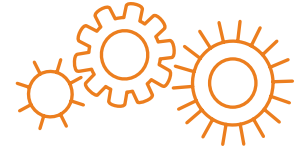
FORUM OF ALL COUNCILS SESSION

In November 2019, the CRD hosted a Forum of All Councils with 74 participants, including representation from six First Nations, 13 municipalities and two electoral areas. Informed by the CRD's Statement of Reconciliation, topics included governance, shared prosperity and relationship to land and water. Participants were provided the opportunity for enhanced collaboration to build relationships with regional colleagues and work together in meaningful, respectful ways on issues of common interest. The Forum of All Councils will be held on an annual basis moving forward.

TERRITORIAL ACKNOWLEDGEMENT

In early 2019, the CRD Board amended the Procedures Bylaw to add the Territorial Acknowledgement and developed a guide for CRD Directors. This document provides guidance to CRD Directors on how they may personalize, contextualize and provide a territorial acknowledgment when chairing or leading a meeting.





Advocacy, Governance & Accountability

CRD BOARD ENDORSES 2019-2022 BOARD PRIORITIES

Early in the first year of its four-year term, the CRD Board identified and approved priorities that will guide CRD operations over their 2019–2022 mandate. Acknowledging existing plans and strategies that guide the CRD, the Board identified four priorities:

- ▶ Community Well-being – Transportation & Housing;
- ▶ Climate Action & Environmental Stewardship;
- ▶ First Nations Reconciliation; and
- ▶ Advocacy, Governance & Accountability.

These priorities and related initiatives will be implemented over the Board’s four-year term. To remain responsive to the needs of the region, the Board has committed to annual reviews. Following endorsement of the Board priorities, CRD staff work to develop an accompanying Corporate Plan, which aligns CRD programs and projects with Board priorities and informs operational plans and budgets for the coming years.

TRANSPARENCY INITIATIVES LAUNCH

As part of the CRD’s commitment to transparency and accountability, the CRD launched two more ways residents can find information on the latest Board decisions, priorities and outcomes. The Board Highlights monthly e-newsletter sends a summary of key agenda items and Board decisions directly to subscribers, with links to related materials and webcasts for in-depth review. The rise and report section of the CRD website publishes decisions that were made in-camera once they are ready for public release. These new tools offer additional ways for residents to quickly and easily find more information about decisions made by the CRD Board.

SALT SPRING ISLAND WATER STUDY PROVINCIAL SUPPORT

The CRD and North Salt Spring Waterworks District are working together to conduct a water service optimization study on Salt Spring Island. With grant funding from the Province of BC, and in consultation with Islands Trust, the study will gather feedback from stakeholders, develop shared goals and explore improvement options for integrating and coordinating water service delivery on the island.

SALT SPRING ISLAND PARKS AND RECREATION COMMISSION RELEASES 10-YEAR STRATEGIC PLAN

The Salt Spring Island Parks and Recreation Commission (PARC) released the Salt Spring Island Parks and Recreation 2019-2029 Strategic Plan in 2019. The Plan outlines strategies, actions and priorities that guide opportunities for parks and recreation, seek community and stakeholder input and explore the long-term program and facility needs for the community. The mission of PARC is to provide access to quality, safe, diverse, year-round, and inclusive parks, recreation and sport facilities, trails and water access, and to deliver recreational programs that enhance quality of life, promote healthy lifestyles, strengthen the sense of community, and connect all residents and visitors with nature, while following environmental best practices.

INTERNET CONNECTIVITY PLAN FOR THE SOUTHERN GULF ISLANDS

The CRD is developing a community-based Internet Connectivity Plan that will support internet investment in the Southern Gulf Islands Electoral Area, which includes Galiano, Mayne, North Pender, South Pender and Saturna Islands. Throughout the fall of 2019, residents and business owners were engaged through community workshops, as well as online surveys, to gather input on internet connectivity issues and opportunities on the islands. This process documented how greater connectivity can advance each island's common goals of sustainable economic development, community health and resilience. Next steps involve seeking partnerships for consideration of infrastructure design options and implementation.

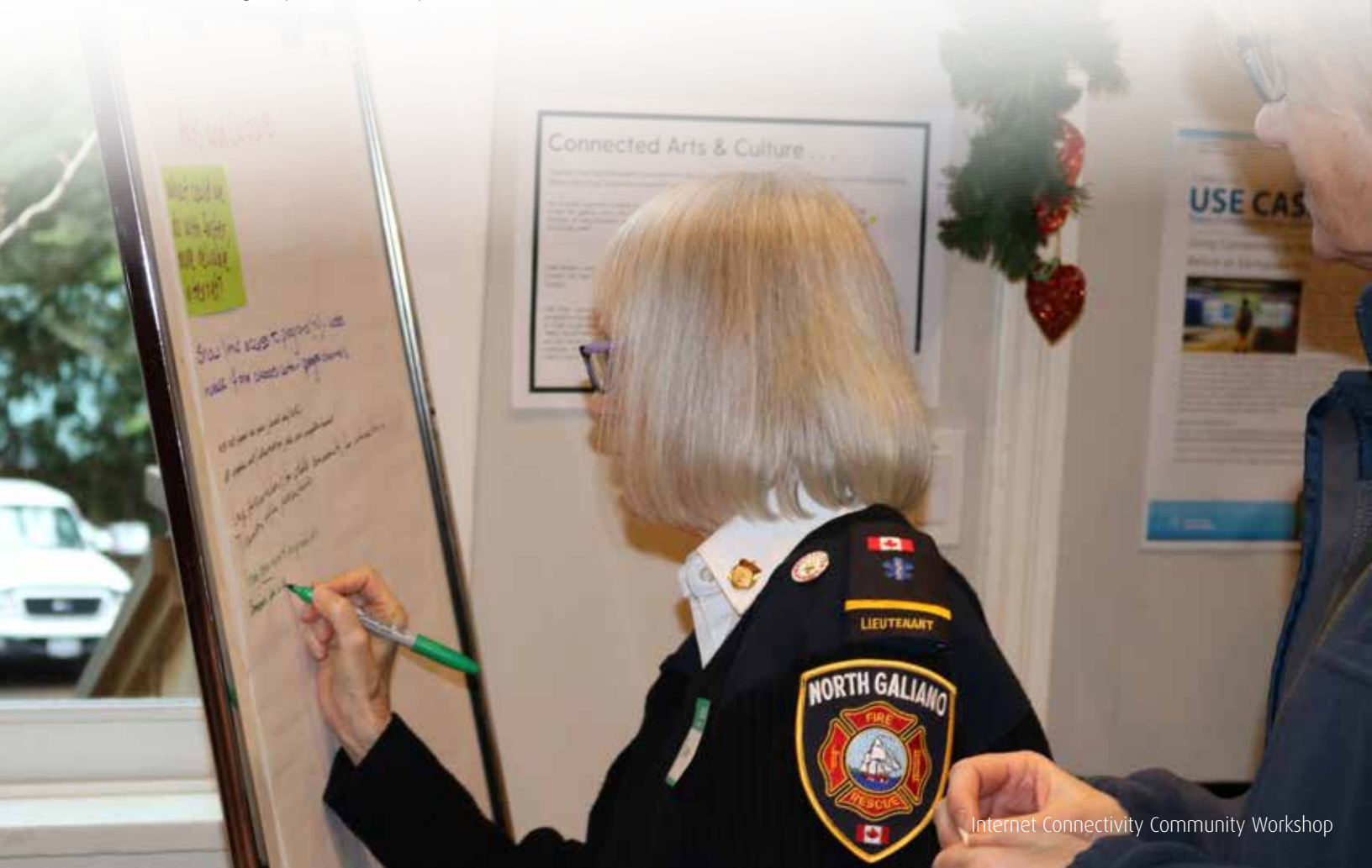




Photo courtesy of Victoria Jazz Society
Photo: Vaughn Lewis

2019 ARTS DEVELOPMENT OPERATING GRANTS, PROJECTS AND FUNDING

In 2019, the CRD Arts Commission approved \$2,456,295 in funding for 94 local not-for-profit arts organizations through the Arts & Culture Support Service for five funding programs. Operating, Project, Equity, Incubator and IDEA grants invested in a wide range of emerging and established organizations and artistic practices representing a diverse regional arts-ecology. Funded activities include festivals, theatre, music, visual arts and dance as well as outreach and capacity-building programs that develop and strengthen the sector.

Organizations that receive grants create an inspiring and accessible arts and culture scene and a unique community identity that contributes to social wellbeing and brings profile to the region. Funded organizations also create employment, generate business activity and boost the local economy. The Arts Commission recognizes the positive impact these organizations have on the quality of life for residents and the unique contributions that a vibrant arts and culture sector brings to the region.

To advance a regional discussion on arts facilities, the Governance and Finance Committee supported two recommendations: to establish a Select Committee to facilitate a discussion of regional arts facilities; and to have the Arts Commission and Royal & McPherson Theatres Services Advisory Committee report on the potential for full participation in their respective Services.

Corporate Priorities



ORGANIZATIONAL DEVELOPMENT PLAN UPDATE

In 2017, the CRD created our Organizational Development Plan (ODP) which was established on two key foundational strategies: Strengthening Our Foundational Core and Engaging Our Employees to continue to move our organization forward on its path of success. A number of key initiatives and accomplishments advanced the work outlined in the plan throughout 2019, including enhancing our recruitment strategies and customer service protocols, as well as systems and practices related to procurement. Leveraging our six cultural traits, we started work on a comprehensive Diversity and Inclusion framework.

PARTNERSHIPS DIRECTORY

In 2019, Partnerships guidelines and a tracking directory were developed. These tools aim to better coordinate internally, convert informal partnerships to formal, leverage existing partnerships and identify where potential partnership opportunities could be pursued to advocate and advance board and corporate priorities.

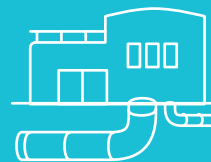
CRD BOARD APPROVES CORPORATE ASSET MANAGEMENT POLICY AND STRATEGY

The CRD has developed a Corporate Asset Management Policy and Strategy in alignment with industry standards, best practices and organizational values. The policy and strategy ensure the CRD continues to manage investments responsibly while maximizing the lifespan and value of critical assets, enabling more effective service delivery to residents of the capital region. The Asset Management Policy outlines key asset management objectives, principles and governance to promote sustainable service delivery, while the strategy sets out the improvement action plan to achieve the objectives of the policy.



Panorama Recreation reception

Major Projects



WASTEWATER TREATMENT CONSTRUCTION UPDATE

In its third year of construction, the Wastewater Treatment Project continues to make significant progress to treat the core area's wastewater by December 31, 2020. Over 500 people are working across 23 active construction sites in Esquimalt, Victoria and Saanich.

In the summer, two key milestones were reached for the Project. A 1.9 km outfall for the McLoughlin Point Wastewater Treatment Plant was installed on the ocean floor in July and the Clover Forcemain along Dallas Road was completed in August.

Two more construction contracts were awarded in 2019. In April, Knappett Projects Inc. was awarded the contract to construct three small pump stations and bridge crossings along the Residual Solids Conveyance Line. In May, NAC Constructors Ltd. was awarded the contract to construct the Arbutus Attenuation Tank.



McLoughlin Point



The Summit

SUMMIT LONG-TERM CARE HOME PROJECT UPDATE

The Summit at Quadra Village is a 320-unit long-term care home where residents will receive 24-hour care and support. The \$86 million project will replace Oak Bay Lodge and Mt Tolmie Hospital, and will be a state-of-the-art long-term care facility serving seniors who have dementia or complex care needs. The building design facilitates mobility with walking loops, socialization and recreation through carefully selected furnishings and finishing touches, ample natural light and green spaces. Outdoor spaces are available for spending time with visitors, walking and getting fresh air, including patios on every floor, a secure central courtyard on the main floor and a walking path around the property. To promote socialization and independence, there are many common spaces, activity rooms and lounges where residents can build relationships, spend time with visitors and enjoy activities. Construction continued throughout 2019 and the facility is expected to open in the Spring of 2020.

SOUTH ISLAND 911/POLICE DISPATCH CENTRE GRAND OPENING

The new South Island 911/Police Dispatch Centre became operational in late January, following the successful transition of all police agency call-taking and dispatch operations and held an official grand opening in March. The two-storey, 1,200-square-metre, post-disaster facility, built and owned by the CRD and operated by E-Comm, amalgamates 911 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. Construction of the \$13.1-million facility began in October 2017, and was completed in late fall 2018 on time and under budget.

PORT BROWNING DOCK, PENDER ISLAND

Under the Southern Gulf Islands Harbours Service (SGIHS), there are 12 dock facilities on 6 islands that are owned and maintained by the CRD. These facilities provide a vital link to island community residents and visitors by providing moorage, access points for supplies and mail delivery, water taxi points, ambulance service, Royal Canadian Search and Rescue, and refuge in case of inclement weather or emergency.

In 2019, the SGIHS capital projects included upgrades to the Port Browning dock on Pender Island, including timber decking and bull rails, and pile and gangway repairs, to extend the service life of the facility.

JUAN DE FUCA ASBESTOS CEMENT (AC) PIPE REPLACEMENT PROGRAM

The Juan de Fuca Water Distribution Service has been investing in infrastructure renewal annually to ensure the system remains reliable. The asbestos cement water main replacement program has been part of the capital program since 1999 and continues to be a comprehensive program to replace water mains and service infrastructure across the West Shore communities. Two projects were completed under the asbestos cement water main replacement program during 2019, investing \$1.37 million renewing over 1,500 metres of water main along Metchosin Road in the District of Metchosin and on Strathmore Road in the City of Langford.

LUBBE DAM NO. 4 REMEDIATION

The CRD owns and operates numerous dams within the Regional Water Supply Areas that provide drinking water for Greater Victoria. One of the dams is located at Lubbe Reservoir, which holds approximately three million cubic metres of storage at full capacity of the ten million cubic metres of total storage available in the Goldstream Water Supply System. Lubbe Dam No. 4, a 45 metre wide earthen dam on Lubbe Reservoir, was originally constructed in the late 1800's, and a recent assessment determined the dam was experiencing internal erosion and required remediation. The original dam was removed, and a new dam was designed and constructed in 2019 at a cost of \$2.9 million.

Awards



BC MUNICIPAL SAFETY ASSOCIATION AWARDS

The CRD received two safety awards from the BC Municipal Safety Association for best safety practices in 2019: the 2019 Safety Improvement Award for safety activities that improved our WorkSafeBC experience rating by significantly reducing workplace injuries, illness and disease; and the 2019 City of Excellence (Gold Standard) Award, which recognizes local governments for activities that improve ground disturbance, safe excavation techniques, and best practices related to underground infrastructure. This year, the award was presented to the CRD for our exceptional work within our Integrated Water Services operations.

GOVERNMENT FINANCE OFFICERS ASSOCIATION AWARDS

The Government Finance Officers Association of US & Canada recognized the CRD with three awards for best practices in financial management and reporting. These awards reflect the CRD's commitment to meeting the highest principles of financial reporting in both the United States and Canada.

- ▶ Distinguished Budget Award (best practices in budgeting)
- ▶ Canadian Award for Excellence in Financial Reporting (going beyond minimum requirements in the spirit of transparency & full disclosure)
- ▶ 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)

BC TOP EMPLOYER & GREEN EMPLOYER AWARDS

For the second year in a row, the CRD was recognized as one of Canada's Greenest Employers and BC's Top Employers. We received these awards and recognition as a result of our progressive human resources policies and programs, our commitment to continued employee professional development and our impactful environmental programs and Earth-friendly policies.



Award recipients: Integrated Water Services operations crew



2019 FINANCIAL HIGHLIGHTS

Financial Reporting Overview

The Capital Regional District (CRD) is pleased to provide this consolidated financial overview for 2019, highlighting economic growth and capital investment in the first year of a new corporate plan.

A Growing Economy

While some indicators signalled a moderation and slowing of economic growth into 2020, housing starts, regional demand and service utilization trends remained positive. Cost escalation pressures, such as inflation combined with low unemployment rates, continued to be significant factors in service delivery costs across the organization.

The Consumer Price Index (CPI) for greater Victoria was 2.5%, compared to Vancouver at 2.4% and British Columbia at 2.3%; significantly higher than the national average of 1.9%.¹ The average price of a single family home grew by 3.5% to \$868,100.² As of December 2019,

the region had the lowest unemployment rate across Canada of 3.4%, compared to 4.8% in BC, and 5.6% nationally.³ BC also experienced the highest average hourly wage growth across Canada with a 5.8% year-over-year increase (\$1.55 increase to \$28.35/hour).⁴

Property assessment values were down from recent annual gains of 10%, 16% and 18% in 2019, 2018 and 2017 respectively, gaining only 2.4% in 2020.⁵ New building permit values dropped (14%) to \$1.2 billion in 2019,⁶ with CMHC housing starts for the region through November 2019 showing a year-over-year decline of (7%) or 3,242 new units.⁷

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.

418,511
Residents
up 14% since 2011

3.4%
Unemployment
Lowest in Canada
(3.4%) & BC (4.8%)

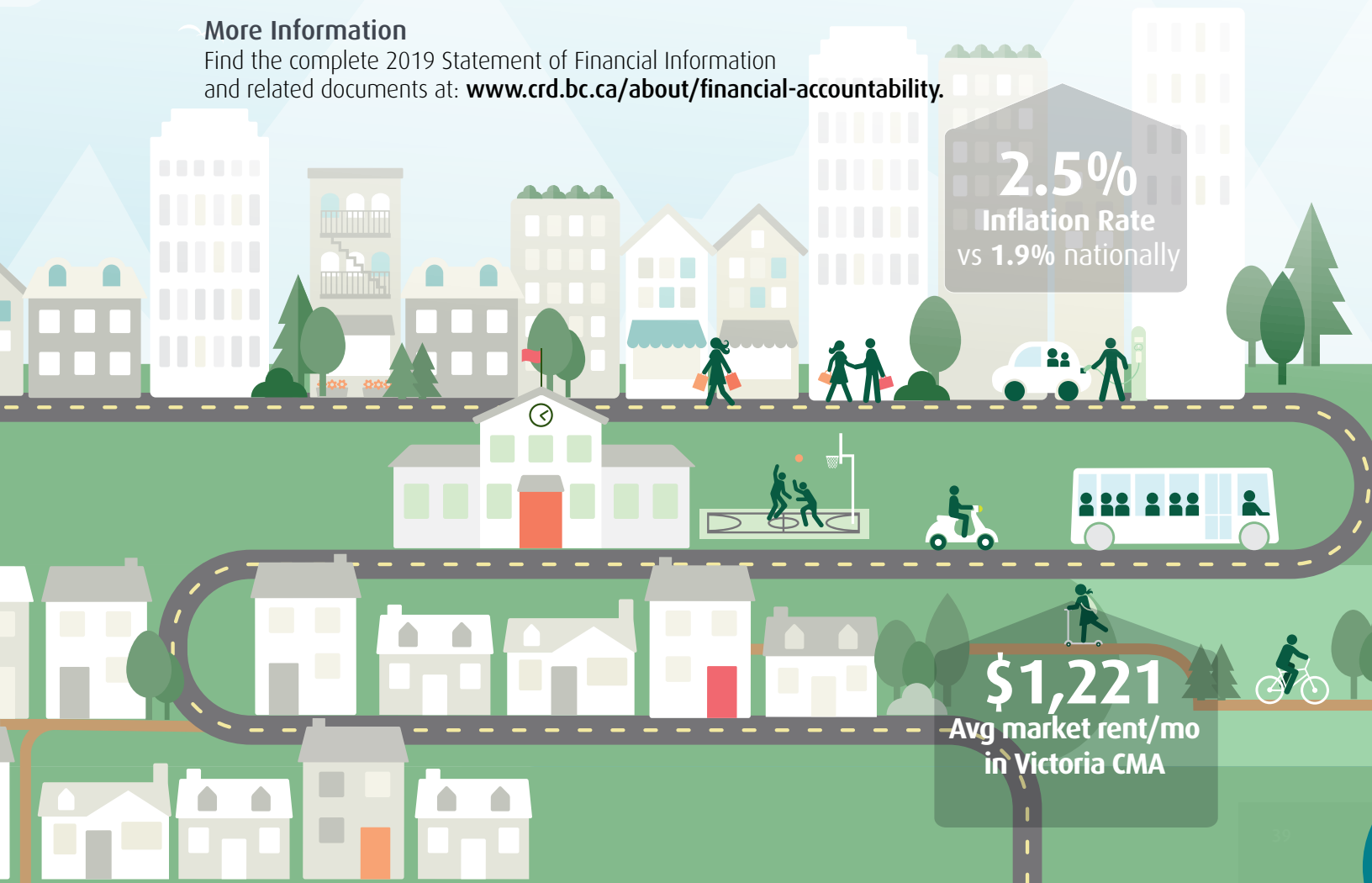
800
New Jobs
Impact of CRD
Capital Investment

¹ www2.gov.bc.ca/assets/gov/data/statistics/economy/cpi/cpi_annual_averages.pdf
² www.vreb.org/media/attachments/view/doc/statsrelease2020_02/pdf/statsrelease2020_02.pdf

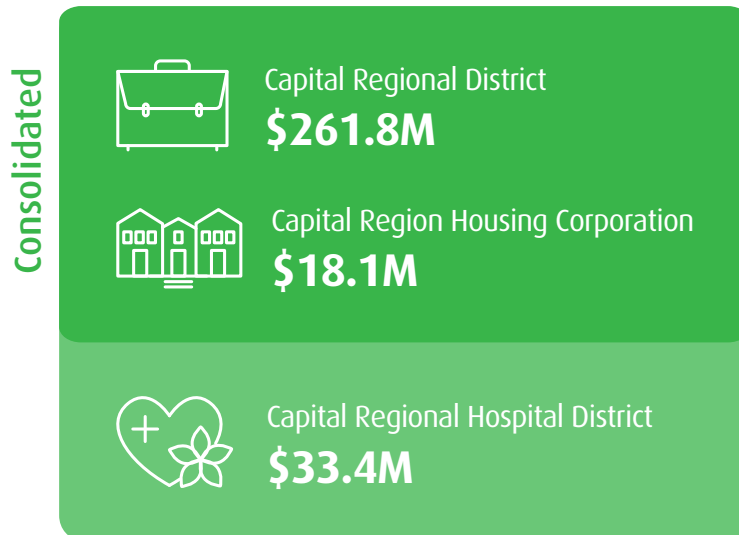
³ www.timescolonist.com/business/unemployment-rate-in-greater-victoria-is-canada-s-lowest-1.24050652
⁴ www150.statcan.gc.ca/n1/daily-quotidien/200110/dq200110a-eng.htm

⁵ https://archive.news.gov.bc.ca/releases/news_releases_2017-2021/2019JIT0047-002143.htm
⁶ BC Assessment Values 2020

⁷ CRD Regional Planning Division Stats
⁷ www.vrba.ca/blog/colwood-housing-up-128-while-saanich-declines-57

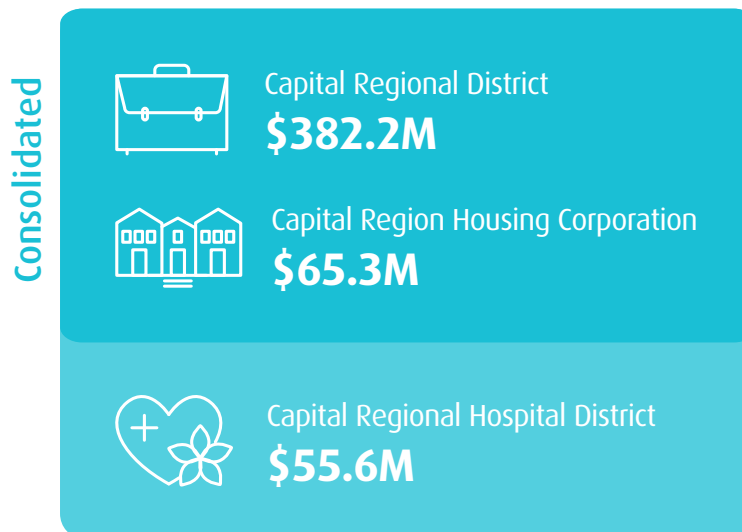


2019 Operating Budget



Total
\$313.3M

2019 Capital Budget



Total
\$503.1M

CRD Statement of Financial Position (Consolidated)

This statement presents the organization's assets, liabilities, net debt position and accumulated surplus or equity position. The net debt position increased by \$28.5 million due primarily to an increase in long-term debt for capital investment. Amounts invested in capital assets in 2019 totalled \$283.2 million contributing to the net increase in accumulated surplus of \$255.0 million.

	2019	2018	2017
	(in millions)	(in millions)	(in millions)
Financial assets			
Cash and investments	\$298.7	\$238.3	\$194.6
Accounts receivable	\$23.2	\$25.0	\$24.3
Member municipality debt	\$153.0	\$150.8	\$161.8
Restricted cash – MFA Debt Reserve Fund	\$4.0	\$3.2	\$3.1
Land for resale	\$8.3	\$19.1	\$19.1
	\$487.2	\$436.4	\$402.9
Financial liabilities			
Accounts payable and accrued liabilities	\$111.3	\$94.5	\$64.7
Deferred revenue	\$16.0	\$16.4	\$13.4
Long-term debt – CRD	\$447.3	\$384.5	\$356.2
Landfill closure liability	\$10.7	\$10.1	\$9.5
Other long-term liabilities	\$2.3	\$2.8	\$4.1
	\$587.6	\$508.3	\$447.9
Net debt	(\$100.4)	(\$71.9)	(\$45.0)
Non-financial assets*			
Tangible capital assets	\$1,529.6	\$1,246.4	\$1,090.1
Inventory of supplies and expenses	\$1.7	\$1.4	\$1.8
	\$1,531.3	\$1,247.8	\$1,091.9
Accumulated surplus	\$1,430.9	\$1,175.9	\$1,046.9

*Non-financial assets are resources that are normally held for service provision over one or more future periods.

CRD Statement of Operations (Consolidated)

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. Overall, in 2019, revenue increased by \$137.4 million. This increase was driven primarily by an increase of \$89.9 million from federal and provincial grants to fund the Wastewater Treatment Project (WTP) and \$30.0 million in federal grants for the Regional Housing First Program. The change in expenses for 2019 relates primarily to an increase in salaries, wages and benefits, and to an increase in other expenses.

	2019	2018	2017
	(in millions)	(in millions)	(in millions)
Revenue			
Requisition – CRD	\$67.6	\$63.7	\$60.9
Sale of services	\$109.5	\$105.0	\$95.5
Other revenue	\$239.4	\$109.9	\$62.2
Requisition – municipal debt	\$14.9	\$15.4	\$14.6
	\$431.4	\$294.0	\$233.2
Expenses			
General government services	\$20.4	\$14.6	\$16.0
Protective services	\$10.5	\$10.8	\$10.3
Sewer, water and garbage services	\$81.4	\$76.4	\$73.9
Planning and development services	\$2.5	\$2.4	\$2.7
Affordable housing – rental expenses	\$16.5	\$14.7	\$14.7
Recreation and cultural services	\$28.6	\$28.0	\$27.8
Other	\$2.3	\$2.2	\$2.6
Municipal debt servicing	\$15.0	\$15.5	\$14.6
	\$177.2	\$164.6	\$162.6
Annual surplus	\$254.2	\$129.4	\$70.6

CRD Financial Health (Consolidated)

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.

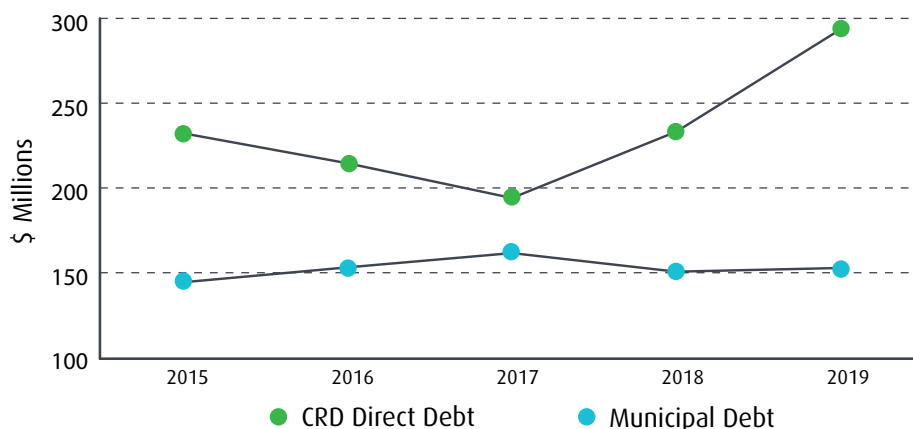
CURRENT RATIO

6.9

Debt

Debt increased by \$62.8 million to \$447.3 million in 2019. Debt includes debt for CRD, CRHC and member municipalities. The majority of the increase is for CRD and CRHC of \$60.7 million, while the remaining increase is a result of member municipality debt of \$2.1 million. The issuance of new debt for the CRD is funding for the WTP and, for the CRHC, funding for the Regional Housing First Program.

Net debt encompasses the difference between financial assets and financial liabilities for the current year. In 2019, the CRD's net debt was \$100.4 million, which is an increase of \$28.5 million over 2018. Net debt is an indicator towards the financial flexibility of the CRD to acquire capital.



Assets Funded by Debt

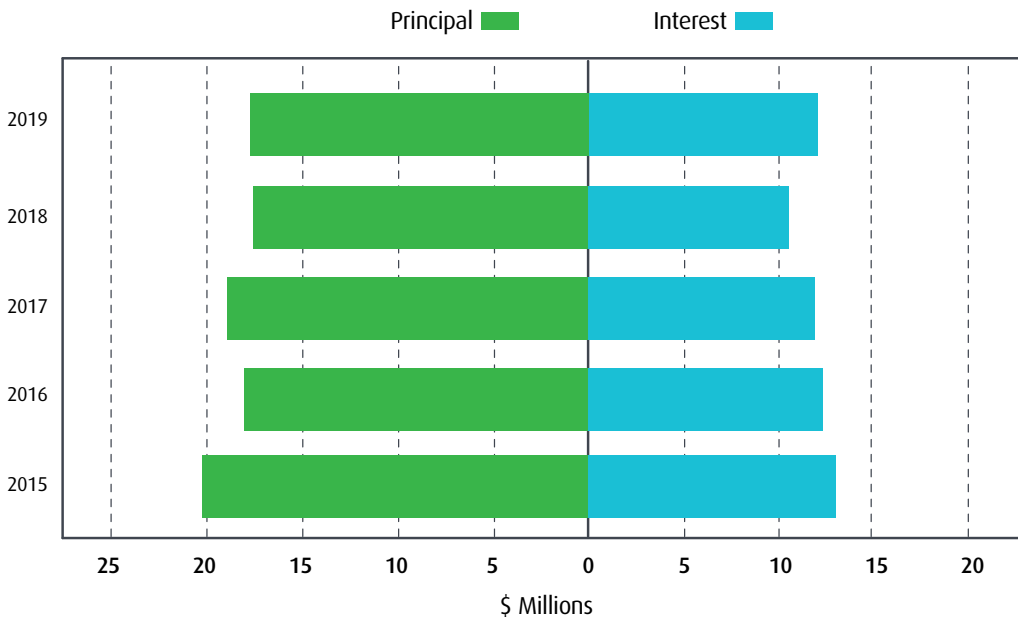
The Capital Investment Funded by New Debt ratio measures the current year acquisition of capital assets that are funded by new debt. In 2019, excluding \$218.5 million investment towards the WTP, new debt funded \$52.5 million out of the CRD's capital investment balance of \$97.9 million.

CAPITAL INVESTMENT
FUNDED BY NEW DEBT

53.6%

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.

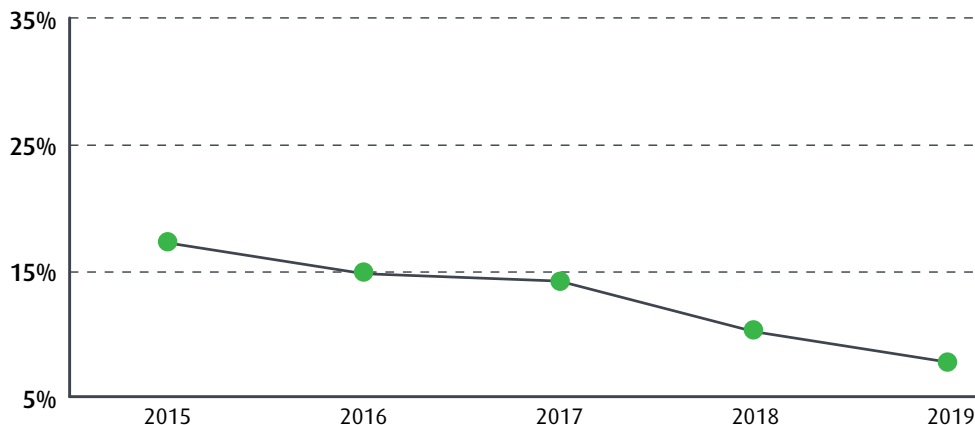


Debt Servicing Costs

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 2019, debt servicing costs were \$29.8 million and total revenue was \$416.5 million.

**DEBT SERVICE COSTS
TO TOTAL REVENUE**

7.2%



CRD Capital Investment (Consolidated)

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 2019

Capital Regional District

\$302.2M



Other (includes vehicles & works in progress)
\$236.6M



Engineered structures
\$11.7M



Land
\$10.7M



Machinery
& equipment
\$4.1M



Buildings
\$39.1M

Capital Region Housing Corporation

\$14.2M



Machinery
& equipment
\$2.9M



Buildings
\$9.1M



Land under
pre-paid lease
\$2.2M

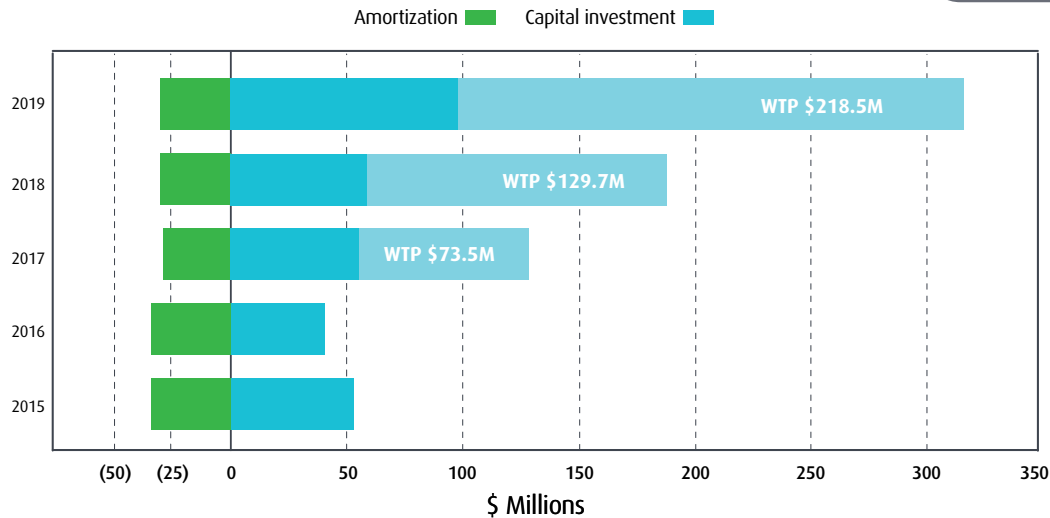
The information above is the net additions of tangible capital assets during 2019.

Capital Investment & Amortization

This ratio is the amount of capital invested in infrastructure for every dollar that assets depreciate each year. In 2019, investment in capital was \$316.4 million, which includes \$218.5 million in acquisitions for the WTP. Excluding the impact of the WTP, the investment in capital was \$97.9 million compared to amortization of \$31.6 million.

INVESTMENT IN
CAPITAL OVER
AMORTIZATION

10.0x

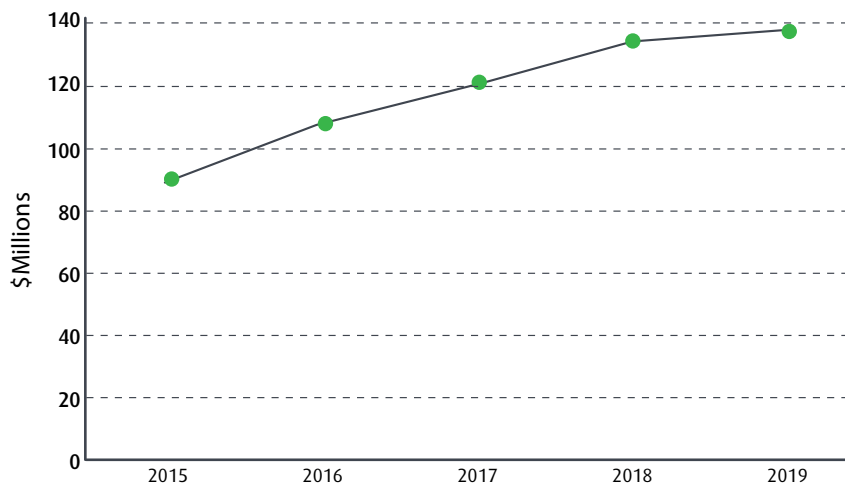


Contributions to Reserves

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 users fees. Transfers to operating and capital reserves increased the total reserve to \$137.8 million in 2019, an increase of \$3.8 million.

RESERVE BALANCE

\$137.8M



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 2019, also represented as total assets minus total liabilities, is \$46.6 million. The overall position is a deficit, since the CRHD primarily borrows funds to distribute capital grants to the region's hospitals to purchase equipment and invest in infrastructure. These grants are recorded as expenses rather than assets owned by the CRHD.

The accumulated deficit decreased by \$21.8 million, as a result of capital investment in the Summit at Quadra Village; capital assets where the CRHD retains ownership.

	2019	2018	2017
	(in millions)	(in millions)	(in millions)
Financial assets			
Cash and cash equivalents	\$30.4	\$26.5	\$33.7
Investments	-	\$26.0	\$40.0
Accounts receivable	\$0.3	\$0.8	\$1.0
Prepaid expenses	-	\$0.1	-
Restricted cash – MFA Debt Reserve Fund	\$4.1	\$4.1	\$4.0
Land for resale*	-	\$0.0	\$0.0
	34.8	\$57.5	\$78.7
Financial liabilities			
Accounts payable and other liabilities	\$8.5	\$8.9	\$5.5
Due to Capital Regional District	\$0.1	\$0.1	\$0.1
Long-term debt	\$161.7	\$175.3	\$192.4
	\$170.3	\$184.3	\$198.0
Net debt	(\$135.5)	(\$126.8)	(\$119.3)
Non-financial assets*			
Tangible capital assets	\$89.0	\$58.5	\$31.8
	\$89.0	\$58.5	\$31.8
Accumulated deficit	(\$46.6)	(\$68.3)	(\$87.5)

*Non-financial assets are resources that are normally held for service provision over one or more future periods.

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 of \$21.8 million was an increase of \$2.6 million over 2018. The increase was due to an increase of \$0.4 million in requisition and decreases in expenses of \$1.0 million in capital grants to district hospitals and \$1.1 million in lower interest on long term debt.

	2019	2018	2017
	(in millions)	(in millions)	(in millions)
Revenue			
Requisition	\$30.6	\$30.4	\$29.7
Other revenue	\$8.0	\$7.7	\$12.0
	\$38.6	\$38.1	\$41.7
Expenses			
Grants to district hospitals	\$6.4	\$7.4	\$9.0
Interest and operating expenses	\$10.4	\$11.5	\$11.7
	\$16.8	\$18.9	\$20.7
Annual surplus	\$21.8	\$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

3.6

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, 2019 is 4.1, meaning the CRHD's revenue is sufficient to repay interest expense 4.1 times over.

INTEREST COVERAGE RATIO

4.1

Key Documents

We have a comprehensive list of reports and plans available on the CRD website at www.crd.bc.ca/plans.

Below are a selection of the resources available:

COMMUNITY WELLBEING – TRANSPORTATION & HOUSING

- Capital Region Housing Corporation (CRHC) Strategic Plan
- Regional Housing Affordability Strategy (RHAS)
- Regional Growth Strategy (RGS)
- Regional Transportation Strategy (RTP)

CLIMATE ACTION & ENVIRONMENTAL STEWARDSHIP

- Corporate Climate Action Strategy (CCAS)
- Regional Climate Action Strategy (RCAS)
- Regional Food & Agricultural Strategy (RFAS)
- Regional Parks Strategic Plan
- Solid Waste & Resource Management Plan (SWMP)

FIRST NATIONS RECONCILIATION

- First Nations Task Force Final Report
- Statement of Reconciliation

ADVOCACY, GOVERNANCE & ACCOUNTABILITY

- Regional Water Supply Strategic Plan
- Advocacy Strategy
- CRD Arts & Culture Support Service Strategic Plan

OTHER

- Organizational Development Plan (ODP)
- Corporate Asset Management Strategy (CAMS)
- Board Priorities
- Corporate Plan



| **Capital Regional District**

625 Fisgard Street
Victoria, BC V8W 2S6
250.360.3000

www.crd.bc.ca
Twitter: @crd_bc
Facebook: Capital Regional District