



DISTRICT OF HIGHLANDS

2005 ANNUAL REPORT



Presented to Council:
June 05, 2006

Message from the Chief Administrative Officer/Treasurer

Welcome to the District of Highlands 2005 Annual Report. This report is based on an overview of the 2005 District's objectives and achievements, along with a look ahead into 2006/2007.

As Chief Administrative Officer for the District of Highlands, my role is to provide leadership in the administration and execution of the objectives formulated by Council. Staff also develops and recommends alternative solutions to community problems for Council's consideration and to ensure that the planning and development of new programs will meet the future needs of the District. Among some of the issues addressed in 2005 was the acceptance of the Regional Context Statement by the Capital Regional District. Through the approval of our subdivision process, the District also improved some of its trails and added more property to its land bank.

My responsibilities also include that the day-to-day activities of the District are carried out efficiently and effectively in order to provide affordable services to the taxpayer. Providing clear staff reports to Council, reflecting an acceptable process, is a priority as well.



As Treasurer for the District I am pleased to present the annual audited financial statements for the District for the year ended December 31, 2005. The report provides a summary of the consolidated financial position and results of operations of the District and is prepared in accordance with generally accepted accounting principals and recommendations of Public Sector Accounting and Auditing Board (PSAAB). This audit was completed May 15, 2005 and presented to Council June 5, 2006.

The independent audit firm of KPMG was retained to complete an audit of the financial results and express an opinion with respect to the statements. The opinion presented indicates that the consolidated financial statements and results of operations present fairly the financial position of the District as of December 31, 2005. The financial statements are attached as an appended document to this report.

This Annual Report is our formal report to the community and is one of the methods in which staff and Council can encourage better community relations. To find more about the ongoing work of the District, I encourage you to visit our website at www.highlands.bc.ca.

Heinz Burki
Chief Administrative Officer/Treasurer



DISTRICT OF HIGHLANDS 2005 ANNUAL REPORT **As presented to Municipal Council on June 05, 2006**

1. INTRODUCTION

Recent changes to Provincial legislation, specifically the implementation of the new *Community Charter* in January 2004 is the culmination of a number of years of legislative reform designed to provide greater transparency in local government decision making, recognize local government as an independent form of government; provide broader corporate powers to local governments and make the local governments more accountable. At the centre of the accountability provisions are the new requirements for the preparation of an annual municipal report and a public meeting to present the report.

The purpose of the annual report is to provide financial and operational information for the previous year to the public. Under the provisions of the *Community Charter* standard financial information such as the audited financial statements and disclosure of the value of permissive tax exemptions must be provided. As well, the municipality must include a *progress* report in relation to set objectives. The report must also set out future years objectives and the measures that will be used in determining progress towards those objectives.

2. COUNCIL

The current Mayor and Council were elected at the general election in November 2005. The Council assignments for 2005-2006 are as follows:

Mayor Mark Cardinal



Mayor Cardinal is in his first term as Mayor and previously served three terms as Councillor. He currently serves as the Council representative on the Juan De Fuca Parks and Recreation Board, the Director to the Capital Regional District Board and the District's representative on CREST.

Councillor Ken Brotherston



Councillor K. Brotherston is in his second term as a Councillor. He currently serves as the Council's representative to the Advisory Planning Commission.

Councillor Andrew Fall



Councillor Fall is in his first term as a Councillor. He currently serves as the alternate Council representative to the CRD Solid Waste Advisory Committee and as alternate to the Western Communities Policing Advisory Committee. Councillor Fall also serves as Council representative on the CRD Arts Committee.

Councillor Joe Kadar



Councillor Kadar is in his second term as Councillor. He currently serves as the Council representative on the Inter-Municipal Committee on Disability Issues and as Council representative to the Greater Victoria Public Library and the CRD Solid Waste Advisory Committee.

Councillor Michelle Mahovlich



Councillor Mahovlich is in her first term as a Councillor. She currently serves as the Council representative on the Greater Victoria Family Court. She also serves as the alternate to CREST.

Councillor Jane Mendum



Councillor Mendum is in her third term as a Councillor. She currently serves as the Council representative for the Western Communities Policing Advisory Committee and CRD Environment Committee. She also serves as the alternate Council representative for the District of Highlands' Emergency Planning Committee and as alternate director on the CRD Board.

Councillor Ken Williams



Councillor Williams is in his first term as a Councillor. He currently serves as the Council representative to the Community Energy Planning Steering Committee. He also serves as Council alternate to the Advisory Planning Commission and the Inter-Municipal Committee on Disability Issues.

3. SERVICES

Fire Protection

The District has a Fire Specified Area that now covers most of the municipality and the service is paid for by a *separate* property tax levy. There are a number of large undeveloped provincial and regional park lands that are outside of the fire protection area, as well as a few large vacant privately owned parcels of land. There are only a couple of occupied properties not in the fire protection area. Our fire department is a volunteer department with about 30 members. The Fire Chief and Deputy Chief are each provided with an annual stipend of \$8,000 and \$4,000 respectively. Individual firefighters receive no payment. The Firefighters Association is provided with an annual grant of \$9,500, a significant portion of which is spent by the Association on fire equipment. We have two fire halls and six fire vehicles (two main pumpers, two mini pumpers, one tanker and one pickup).



Municipal Fire Taxes levied in 2005 for the above services was \$207,708.

Under the Municipal levy on taxes, the District of Highlands provides the following services to its residents:

Animal Control

The District contracts its animal control services to the Capital Regional District (CRD). The service includes dog licencing and control as well as any other animal related matters. The contract is for a 5 year term and expires December 2006. The contract provides that the District shares in the total cost for the animal control service with other participating areas and municipalities, as if we were a participant in a regional service. Therefore, the CRD collects and keeps any dog licence fees and fines.

Bylaw Enforcement

The District has a fee for service contract with the CRD for Bylaw Enforcement Services. The current 5-year contract expires December 2006. Under the provisions of the contract, we can call upon CRD Bylaw Enforcement staff at an hourly rate of \$68 to undertake any bylaw enforcement activity. Our use of CRD Bylaw Enforcement staff has decreased significantly since we have engaged our own Building Inspector/Bylaw Enforcement Officer. As development increases throughout the District of Highlands, more time will be spent in his role as Building Inspector.

Municipal Emergency Program

The District has a small volunteer emergency program. The primary responsibility is emergency planning, as well as some on site support for major fire events or search and rescue. The District has, over the last couple of years, acquired two emergency program vehicles. A used mini bus was purchased for \$3,000 in 2001 to be used as an on site support vehicle and a van was donated in 2003 to be used as a command post. Our Emergency Co-ordinator is hoping to complete the final emergency evacuation plan in 2006 along with a proposed Wildfire Assessment report.

Library

The District participates, along with most of the local municipalities, in the Greater Victoria Public Library system. The local branch is located at the Juan de Fuca recreation site in Colwood and is paid for jointly by Colwood, Highlands, Langford, and Metchosin. We also pay a portion of the central branch costs for the administration of all of the branches. District of Highland residents may access any branch of the Greater Victoria Public Library within the Capital Region. The Greater Victoria Public Library Board is presently discussing a new operating agreement with all of its members. This agreement is due to be signed in January 2006.

Recreation

Juan de Fuca Recreation Centre

The main recreation facility is located at the Juan de Fuca Recreation site in Colwood and consists of two arenas, an indoor pool, veladrome, playing fields, 9 hole golf course, seniors centre, etc. The facility is jointly owned by Colwood, Highlands, Langford and Metchosin and the CRD, on behalf of a portion of the Juan de Fuca Electoral Area. The facility is operated by a jointly owned Society. The Society has a joint Board of Directors and engages all of the recreation staff. Given the large geographical area of the Highlands, a number of our residents also use facilities in other municipalities, such as the District of Saanich, that are closer to their homes than the Juan de Fuca facilities.



Municipal Parks – Twinflower and others

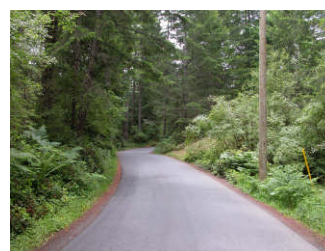
The District has a management agreement with the Highlands Parks and Recreation Association whereby they manage and maintain our active use municipal parks. The primary municipal park is Twinflower Park, which has a tot lot playground, a non-regulation size ball field, a bicycle jump and a horse-riding ring. The other primary active recreation park is Eagles Lake Park, which has a very small swimming beach and picnic area. The District pays for any capital cost or operating cost items.

Caleb Pike Homestead

The District has a management agreement with the Highlands Heritage Parks Society, whereby they operate and maintain the municipally owned Caleb Pike homestead. The homestead consists of Caleb Pike House, the Little Red Schoolhouse, a heritage orchard and the Gregory House which is used as a caretaker's residence.

Road Maintenance

The maintenance of the District's 43.7 kilometers of paved roads is contracted out to Victoria Contracting and Municipal Maintenance Corporation. This five year contract expired in November 2005. A new five year contract was signed with Victoria Highways and Maintenance.



Municipal taxes levied in 2005 to cover the cost of municipal services, including the above services, was \$785,013.

In addition to the services listed above a number of organizations requisition the District annually and the District collects taxes on their behalf. These organizations, along with their 2005 requisition, are as follows:

School District (61, 62 & 63)	\$ 914,420
Capital Regional Hospital	\$ 77,709
Municipal Finance Authority	\$ 87
BC Assessment Authority	\$ 27,617
BC Transit	\$ 41,345
Capital Regional District	<u>\$ 122,523</u>
	<u>\$ 1,183,701</u>

4. AUDITED FINANCIAL STATEMENTS for 2005

See Appendix A

5. STATEMENT OF PROPERTY TAX EXEMPTIONS for 2005

Nil

6. DECLARATION AND IDENTIFICATION OF DISQUALIFIED COUNCIL MEMBERS

Nil

7. VOLUNTEERS

Citizen involvement is an important element of maintaining a successful community as no community can succeed without the active participation of its volunteers. Many of the District's functions would not be possible without the collective efforts of the District, volunteers and residents.

Special recognition must be given to Chief Barry Ford and the members of the Highlands Fire Department for their continued and extraordinary efforts in making the Highlands a safer place to live.

DISTRICT OF HIGHLANDS VOLUNTEER FIRE DEPARTMENT

Barry Ford, Chief
Guy Brisebois, Deputy Chief
Peter Schuttinga, Captain
Peter Talavs, Lieutenant (Safety)
Mandy Schuttinga, Lieutenant
Ken Leason, Lieutenant
Mark Montgomery, Lieutenant
Dwayne Brideaux, Lieutenant
Andrea Barale, Firefighter
T.J. Barkley, Firefighter
Max Bates, Junior Firefighter
Joshua Baur, Firefighter
Stew Bender, Firefighter
Bob Brown, Firefighter
Meara Fletcher, Junior Firefighter
Gregg Fletcher, Firefighter
Dean Ford, Firefighter
Diane Gill, Lieutenant
Regine Klein, Firefighter
Stephen Lester, Firefighter
Trevor Newnham, Firefighter
Bryce Patey, Firefighter
Paul Reynolds, Firefighter
Glen Ridout, Firefighter

Ray Schuttinga, Junior Firefighter
Garry Shade, Firefighter
Andy Stewart, Firefighter
Robert Tuit, Firefighter
Richard Warrington, Firefighter



COMMITTEE STRUCTURE:

The following two new Select Committees were established as of January 1, 2005. These committees are a combination of all our previous committees. This change was a result of a recommendation from our corporate review carried out by George Cuff.

► **Community Infrastructure and Services Select Committee for 2005**



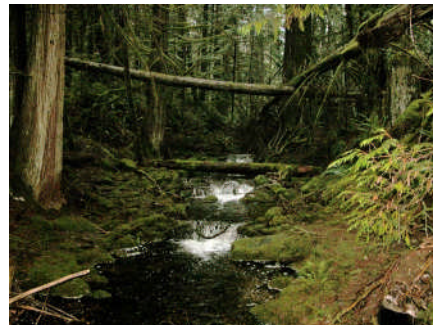
Membership:

Lyle Ferguson
Bob Flitton
Verna Ford
Frank Hiebert
Elaine Limbrick
Tara Parkinson
Alan Philip
Evelyn Samuel
Pete Talavs

► **Fiscal & Environmental Select Committee for 2005**

Membership:

Karen Burns
Rob Jirucha
Warren Lee
Michelle Mahovich
Bob McMinn
Hans Waelti
Paul Weyer
Bev York
Adam Sullivan



The following two groups are mandatory requirements and their membership for 2005 were:

► **Advisory Planning Commission for 2005**

Pursuant to Section 898, of the *Local Government Act*, a Council May, by bylaw, establish an Advisory Planning Commission to advise Council on all matters respecting land use, community planning or proposed bylaws and permits. Accordingly, Pursuant to "Advisory Planning Commission Bylaw No. 209, 2003" the following are members of the District's Advisory Planning Commission:

Council Liaison, Councillor Joe Kadar

Membership:

Michael Bocking
Eric Bonham
Rod Glover
Eleanor Rayner, Chair
Colleen Robertson, Vice Chair
Sheila Taylor
Kent Willner



► **Board of Variance for 2005**



Pursuant to Section 899, of the *Local Government Act*, if a local government has adopted a zoning bylaw it **must**, by bylaw, establish a Board of Variance. Pursuant to "Board of Variance Bylaw No. 248, 2005", the following are members of the Board of Variance:

Membership:

Will Carrilho
Paul Henry
Job Kuijt

Secretary, Laura Beckett, Municipal Planner

8. STAFF

Heinz Burki, Administrator
Terry Trace, Clerk
Don Kitchen, Building Inspector
Laura Beckett, Planner
Sandi Chesley, Administrative Assistant
Brigitte Lapierre, Accounting Clerk
June Parker, Secretary/Receptionist/Cashier



Val Fletcher, Volunteer Emergency Preparedness Coordinator

9. PROGRESS REPORT ON 2005 OBJECTIVES

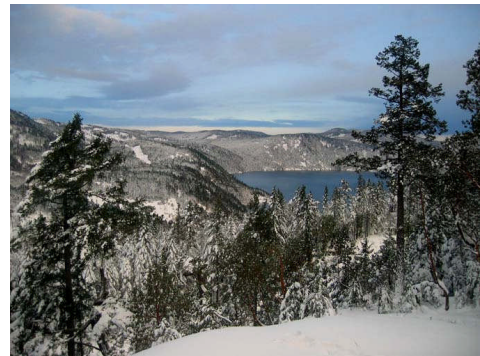
Council set the following objectives which it hoped to accomplish in 2005.

A. Completion of implementation of recommendations from Corporate Review report

During the period of April and May 2004 a corporate review was conducted by G.B. Cuff & Associates. The purpose of the review was to provide Council and senior management with recommendations on the most effective organizational structure, council decision-making processes, advisory committee structure, and organizational and system requirements. Shortly after the writing of the first annual report, the Report was received by Council. Within the report there were 38 recommendations which related to all functions of the Municipality. Presently Council and Staff are vigorously working to implement all of the recommendations.

A follow-up review was carried out by G. Cuff on August 5, 2005 and 17 recommendations were presented to Council. Of these 17 recommendations, 11 have been completed or are in progress. Due to the recent turnover of staff, all of the recommendations will not be completed in 2006.

The G.B. Cuff Report complete with recommendation is available on the District's web site.



B. Review of Council compensation

Currently the Mayor receives an annual indemnity of \$5500.00 and each Councillor receives \$3500.00. These amounts have not changed since 1993 when the District was incorporated.

A review of Council compensation was conducted in 2005 with annual indemnity for the Mayor increased to \$10,000 and \$6,000 for Councillors.

C. Review of regulatory bylaws related to new OCP

At the time of the writing of this annual report it is anticipated the new OCP will be adopted prior to the end of 2005. Once it is adopted a review of the District's regulatory bylaws (i.e. Zoning and Subdivision) should be done so that these bylaws are in compliance with the OCP.

Unfortunately our OCP was not completed in 2005; it is planned to be adopted in 2006.

D. Community Facilities review including community hall, recreation facilities, Council Chambers and East Fire hall renovations

The need for a community hall has been identified as a priority by Council for a number of years. Renovations to the east firehall and a need for a council chamber have been identified. Council has established that community facilities be looked at as one issue with the specific needs and types identified and prioritized so that a plan can be established. At the time of the writing of this report, Bylaw 262 "District of Highlands Zoning Bylaw Amendment Bylaw No. 262 (Bear Mountain), 2005" has been approved. Upon approval of piped water and sewer and upon Issuance of building permits, the District of Highlands will receive amenity funds from Bear Mountain in the amount of \$250,000 per year for the next 10 years.

The Bear Mountain development requires an extension of the Urban Containment Boundary. Until this process is completed we will not receive any of the aforementioned amenity funds. Presently the District of Highlands, through a volunteer group, has formed a Community Hall Task Force. The goals of this committee are to review all options for a future multi use facility.

E. Lobby for cleanup of polluted lands owned by the Crown and CRD

While it is outside the jurisdiction of the District to demand that the CRD cleanup their contaminated lands on Millstream Road, the Council will continue their lobbying of the CRD and the Province in order to get the problem rectified. During 2005, the Council continued to lobby for this cleanup at numerous meetings held between the CRD and the Province.

Several meetings did take place in 2005 and it appears that the Provincial Government and the Capital Regional District have come to an agreement over the ownership of the property. The CRD are now looking at options for remediation of the site.

F. Establish policy for piped services and create regulatory bylaws and agreements related to piped services.

Since August 2003, the industrial lands along the south east portion of Millstream Road have been included within the Regional Urban Containment and Servicing Boundary. This is reflected in the District of Highland's Official Community Plan.

As of early 2005, the rezoning of 195 hectares of land (commonly known as "Bear Mountain") to the south west of Millstream Road was adopted. The rezoning allowed densities and uses that would ultimately require piped services to that area. Amendments to the Regional Growth Strategy, especially the Regional Urban Containment and Servicing Boundary, is the next step in this process.

In 2005 the Capital Regional District did accept the Regional Context Statement and will now look at preparing an amendment bylaw to the Regional Growth Strategy. If approved, this would permit piped water and sewer servicing into the expanded area including the Bear Mountain Development lands.

10. STATEMENT OF OBJECTIVES FOR 2006 AND 2007



A. Establishment of a Community Hall Task Force

Council has created a new Task Force Committee to carry out the preliminary work to establish some guidelines and needs for a new community hall. The task force has prepared a time line for their proposed objectives. It appears that they will have gathered all pertinent information so that Council could make a knowledgeable decision for a proposed new community hall by the end of 2007.

Volunteer members of this committee are:

Community Hall Task Force Committee

Membership:

Michael Bocking
Bob Flitton
Verna Ford
Frank Hiebert
Elaine Limbrick
Marcie Mclean
Bob McMinn
Muriel Sibley
Kent Willner

B. Completion of our Official Community Plan Review

Our Official Community Plan process needs to be completed. The proposal of a major development in the South Highlands has caused some controversy in our community and needs to be resolved. This development would require the expansion of the regional Urban Containment Boundary and this process will require unanimous approval of the 13 CRD municipalities and in the event this fails, an arbitration process prescribed by the Provincial Government would follow. It is estimated that this process could take between 18 and 24 months.

C. Well Monitoring Program

With the increase development pressure in our municipality, Council is concerned as to availability of groundwater for the use of potable water. Expression of interest has gone out to several Hydrologists, but it appears with their workload this may not happen for 6 months. Once Council selects a firm to carry out our well monitoring program, the preparation, testing and collection of data is expected to be on going for several years.

D. Review of Future Tax Increase Implications

The District of Highlands has not had a tax increase for the past 8 years. It has become apparent that a fiscal strategy review is required in the very near future. Council will be looking at various options for a possible tax increase over the coming years. Council has approved the engagement of KPMG Financial Consultants to carry out a financial analysis for the District and expects to commence the review in the fall of 2006.

E. Review and Possible Restructure of our Committees

Council policy was to review our new committee structure after the first year. The structure of these new committees seems a little more cumbersome than the previous smaller committees and needs to be reviewed. Council recognizes that volunteer groups such as our committees need clear and precise direction and deserve to be recognized for their valued work.

F. Piped Water to our Industrial Park

The District has taken another step toward achieving this goal, and has made a request to the CRD Water Board to become a member of the Juan De Fuca Water Commission, as required by the Board.

G. Engage in the Services of a New Administrator

The present Administrator is due to retire in July of 2006, therefore opening the door for recruitment

H. Enhance Development in our Industrial Park

Sewer and Water are the key components for the future re-development of the industrial park. Sewer is being proposed in the summer of 2006 and water should follow shortly. With the provision of these services major improvements to the industrial park will enhance future development and increase the industrial tax base for the District.

I. Long Range Review of our Fire Protection Services

Council has engaged the services of a consultant to carry out a long range plan for the delivery of fire protection for the District. This plan should be completed in the fall of 2006.

J. Improvements to our Trails Network

The District of Highlands is forever trying to improve our trails network. Through subdivision approval we will be able to complete some new roadside trails in the District. Development of a roadside trail along our major roads is a long range goal for the District.

H. Financial Analysis of the District

With major development knocking at our door the District needs to create a financial plan for now and the future. Council has engaged the services of a consulting firm to carry out this task and it should be completed in the fall of 2006.



APPENDIX 'A'

AUDITED FINANCIAL STATEMENTS FOR 2005

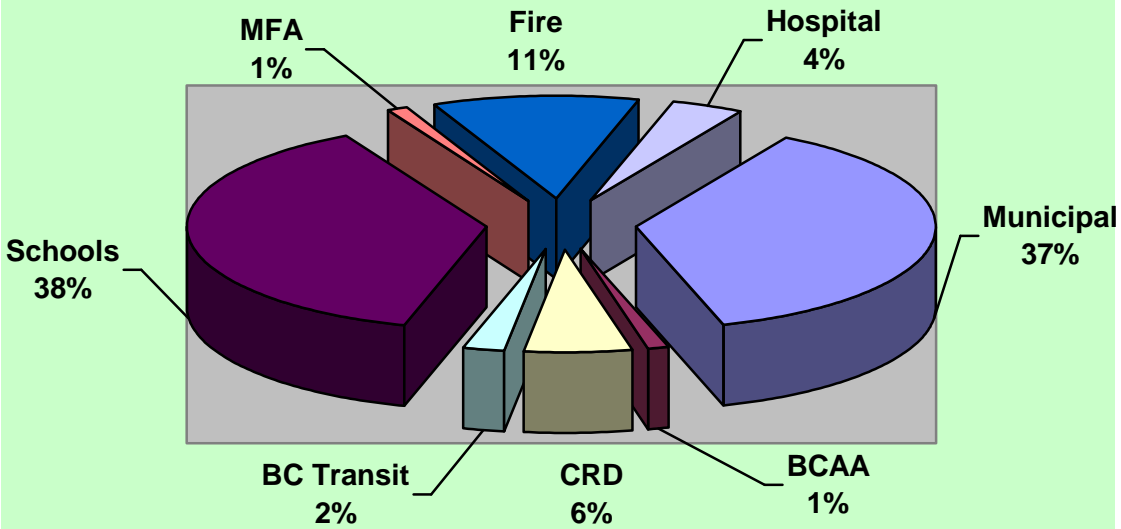


APPENDIX ‘B’

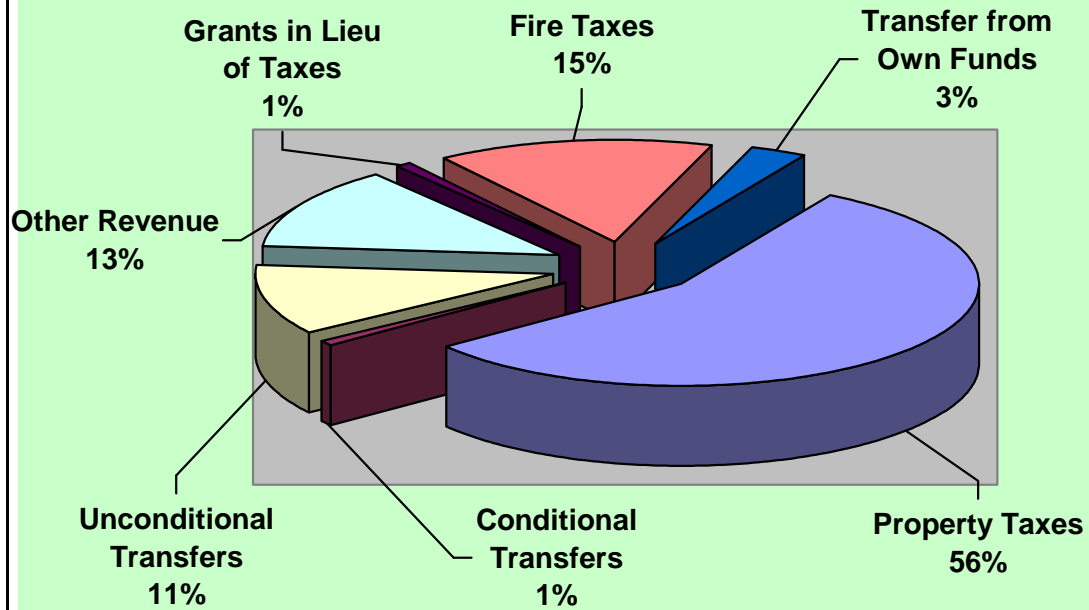


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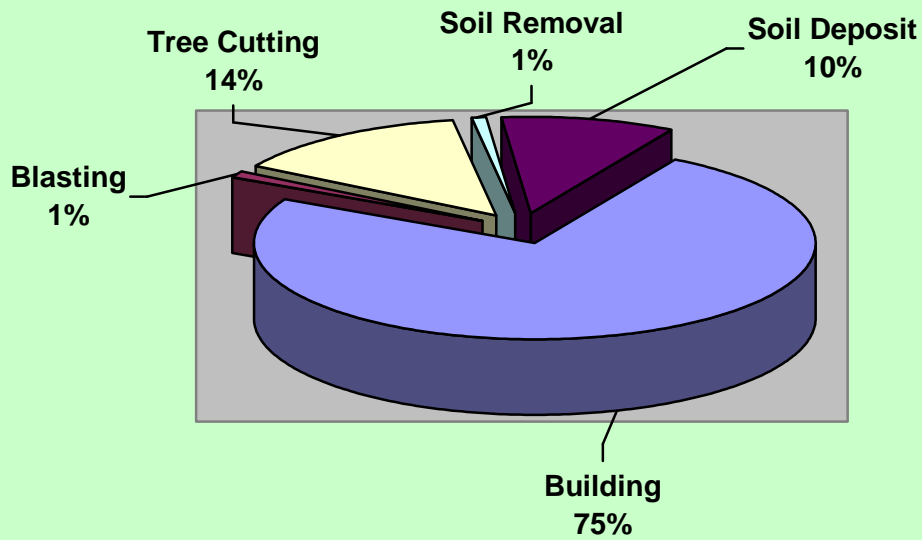
2005 Property Taxes



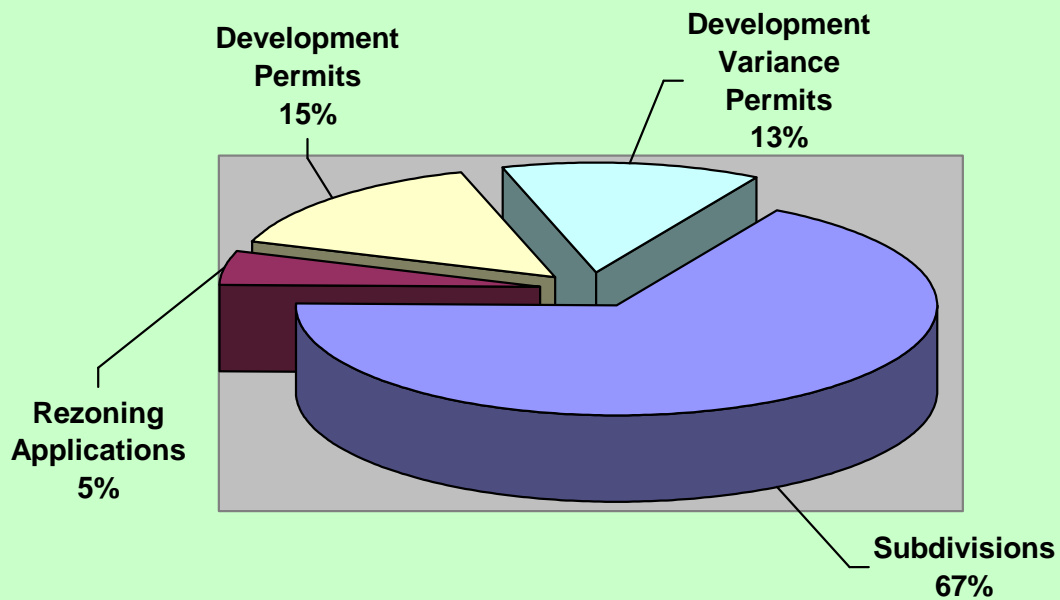
2005 Municipal Revenue



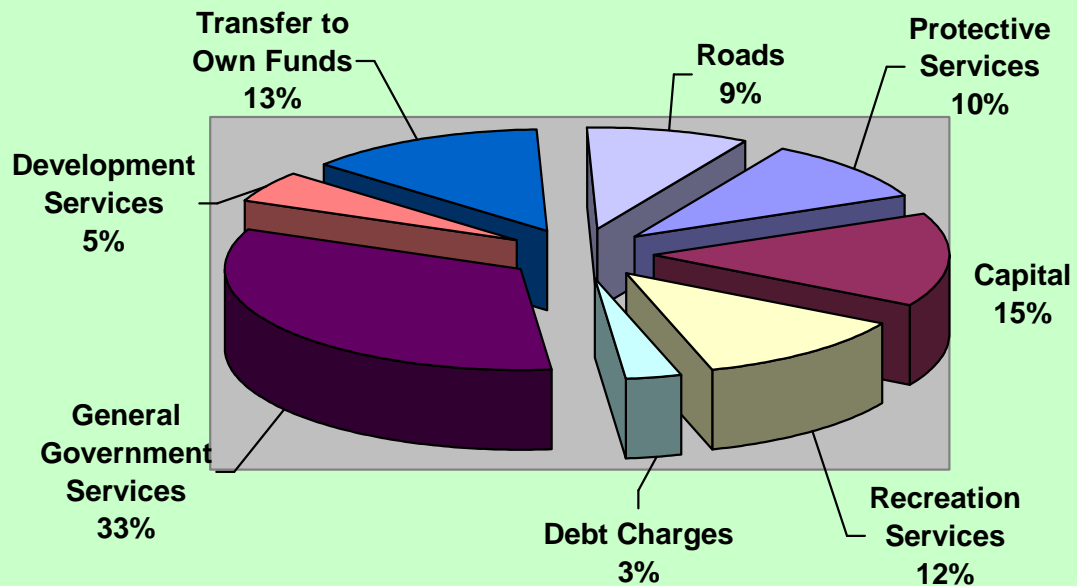
2005 Permit Revenue



2005 Development Fees



2005 Municipal Expenditures



2005 Property Taxes by Property Type

