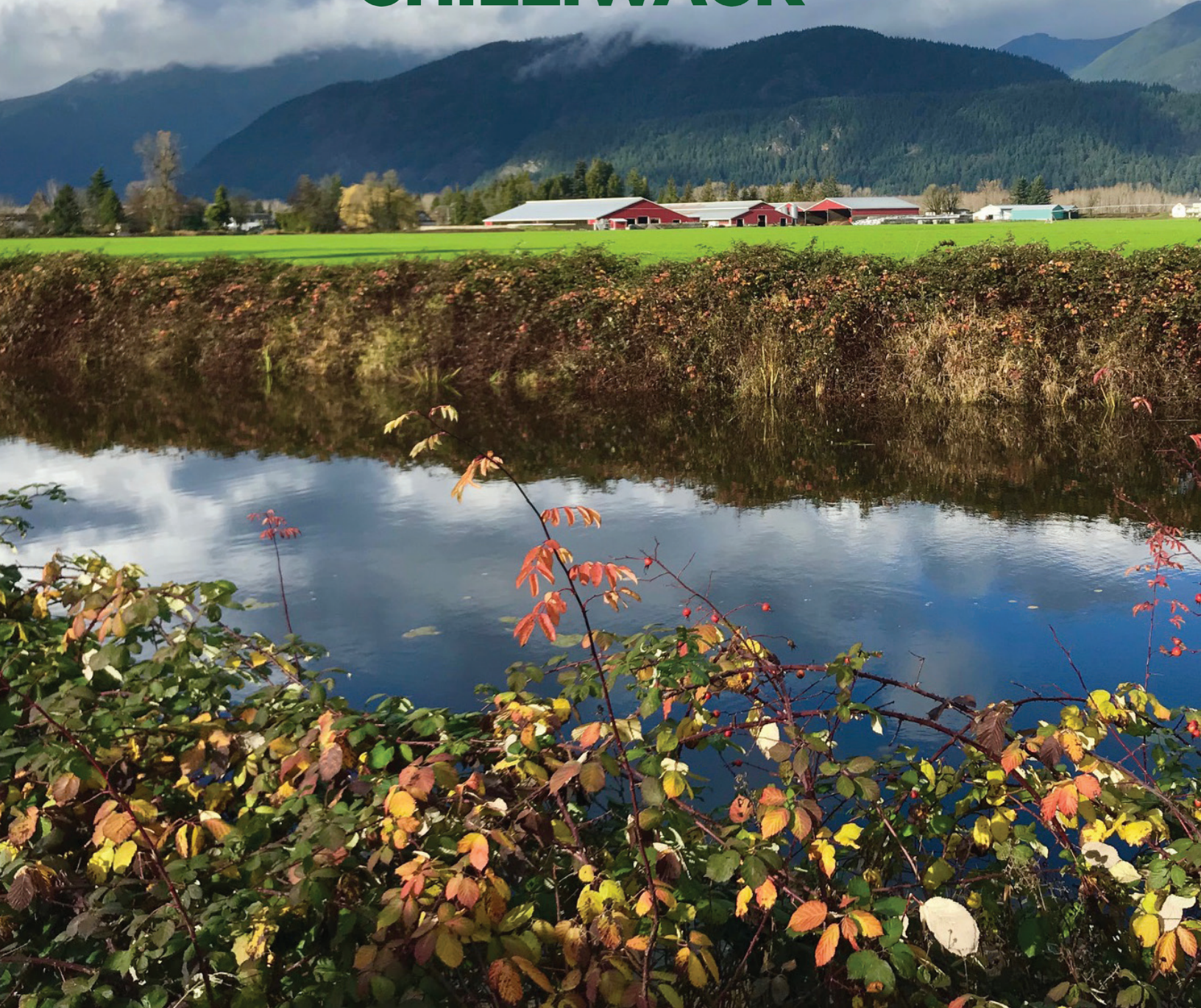




CITY OF
CHILLIWACK



2018 ANNUAL REPORT
for the fiscal year ended December 31, 2018

Cover photo courtesy of Councillor Chris Kloot



2018

annual report

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

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The City of Chilliwack would like to thank the photographers whose images brought life to the pages of our 2018 Annual Report




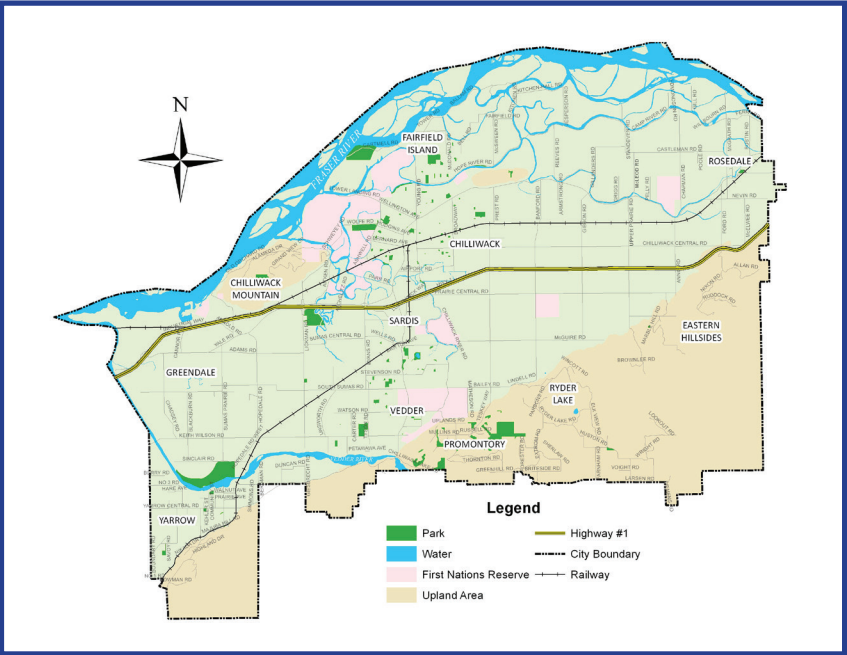
Introduction



City Snapshot



Located in the heart of the Fraser Valley, British Columbia

2018 At a Glance

 <p>91,797 <i>Population</i></p>	 <p>839 <i>Housing Starts</i></p>	 <p>8,200 <i>Metric tonnes of compostables diverted from landfill</i></p>	 <p><i>City of Chilliwack</i></p> <p>City Council 2018 Meetings</p> <p>COUNCIL MEETINGS 23</p> <p>PUBLIC HEARING MEETINGS 23</p> <p>COMMITTEE MEETINGS 43</p>
 <p>\$585,000* <i>Average House Price</i></p>	 <p>4,691 <i>Business Licences</i></p>	 <p>\$273 Million <i>Value of Building Permits</i></p>	

★Chilliwack & District Real Estate Board (CADREB)

Message from the Mayor



On behalf of Council, it is my pleasure to present the 2018 Annual Report for the City of Chilliwack. In this report you will find important information about City operations, including a financial overview, accomplishments from the past year, and progress made on Council's strategic goals in 2018. The successes highlighted in this report wouldn't have been possible without the dedication of our former Mayor and Council and I look forward to continuing that legacy.

In 2018, the revitalization of the downtown core remained a high priority for the City. Council awarded the contract for the redevelopment of a 3.75 acre downtown site to Algra Bros Developments Ltd. and construction began late in the year. The new and innovative redevelopment will see a combination of retail, commercial, residential and mixed-use developments as part of the multi-year, multi-phase project to provide a balance of jobs, amenities and housing.

We continue to work together with stakeholders to complete steps outlined in our Homelessness Action Plan. As a result, we have seen several successes, including funding from the Province for two modular housing projects totalling 92 units which began construction in 2018. The need for affordable housing was also identified in the Homelessness Action Plan, and low rental vacancy rates and rising house prices have increased this need across BC. In order to preserve and increase the supply of available and affordable housing, the City of Chilliwack changed its zoning regulations to permit the rental of secondary suites within the R1-A (One Family Residential) Zone.

2018 also included an expansion to our cycling network. The Valley Rail extension from Luckakuck Way north over the Trans-Canada Highway and Chilliwack Creek to Airport Road was completed thanks, in part, to funding support from the Ministry of Transportation and Infrastructure. This extension provides cyclists of all abilities with a protected cycling trail that connects the north and south sides of the highway.

More recreational opportunities were added to Chilliwack's amenity list in 2018. Crossing Park was established on the south side of the Vedder River near the Vedder Bridge and Lexw Qwò:m Park opened in the Eastern Hillside. Outdoor fitness equipment was added to Crossing, Fairfield and Sardis Parks, bringing the number of parks with 'green gyms' in Chilliwack up to six, and the brand new Chilliwack Curling and Community Centre opened its doors.

Our team accomplished many goals in 2018, and these successes would not have been possible without the hard work and dedication of Council, advisory committee members, volunteers, residents and our City staff. You have all helped to keep Chilliwack a great place to work, live and play, and I thank you. I hope you will think of this report as a summary of your achievements, in addition to an outline for what we plan to do next.

Enjoy the read!

Mayor Ken Popove



Mayor & Council



Mayor Ken Popove first served on Chilliwack City Council as Councillor in December 2011 and then as Mayor beginning November 2018. Mayor Popove represents his community as a member of:

- Chilliwack Healthier Community (Chair)
- Emergency Executive Committee (Chair)
- Fraser Valley Aboriginal Relations Committee (Chair)
- Fraser Valley Regional District Board
- Fraser Valley Regional Hospital Board
- Chilliwack Economic Partners Corporation Board (Ex-Officio)



Councillor Sue Attrill has served on Chilliwack City Council as Councillor since December 2008. Councillor Attrill represents the community as a member of the:

- Chilliwack Business Improvement Association (BIA)
- Chilliwack Public Art Advisory Committee (Chair)
- Emergency Executive Committee
- Fraser Valley Regional District Board (Second Alternate)
- Fraser Valley Regional Hospital Board (Second Alternate)
- Fraser Valley Regional Library
- Heritage Advisory Committee (Chair)



Councillor Chris Kloot has served on Chilliwack City Council as Councillor since December 2014. Councillor Kloot represents the community as a member of the:

- Agricultural and Rural Advisory Committee (Chair)
- Design Review Advisory Committee (Chair)
- Emergency Executive Committee
- Fraser Valley Regional District Board
- Fraser Valley Regional Hospital Board



Councillor Jason Lum has served on Chilliwack City Council as Councillor since December 2011. Councillor Lum represents the community as a member of the:

- Chilliwack Creative Commission
- Chilliwack Healthier Community
- Fraser Valley Regional District Board
- Fraser Valley Regional Hospital Board
- Parks and Trails Committee (Vice Chair)
- Public Safety Advisory Committee (Chair)
- Transportation Advisory Committee (Vice Chair)



Councillor Bud Mercer has served on Chilliwack City Council as Councillor since November 2018. Councillor Mercer represents the community as a member of the:

- Affordable Housing and Development Advisory Committee (Vice Chair)
- Design Review Advisory Committee (Vice Chair)
- Fraser Valley Regional District Board
- Fraser Valley Regional Hospital Board
- Heritage Advisory Committee (Vice Chair)
- Parcel Tax Roll Review Panel
- Parks and Trails Committee (Chair)
- Public Safety Advisory Committee (Vice Chair)



Councillor Jeff Shields has served on Chilliwack City Council as Councillor since November 2018. Councillor Shields represents the community as a member of the:

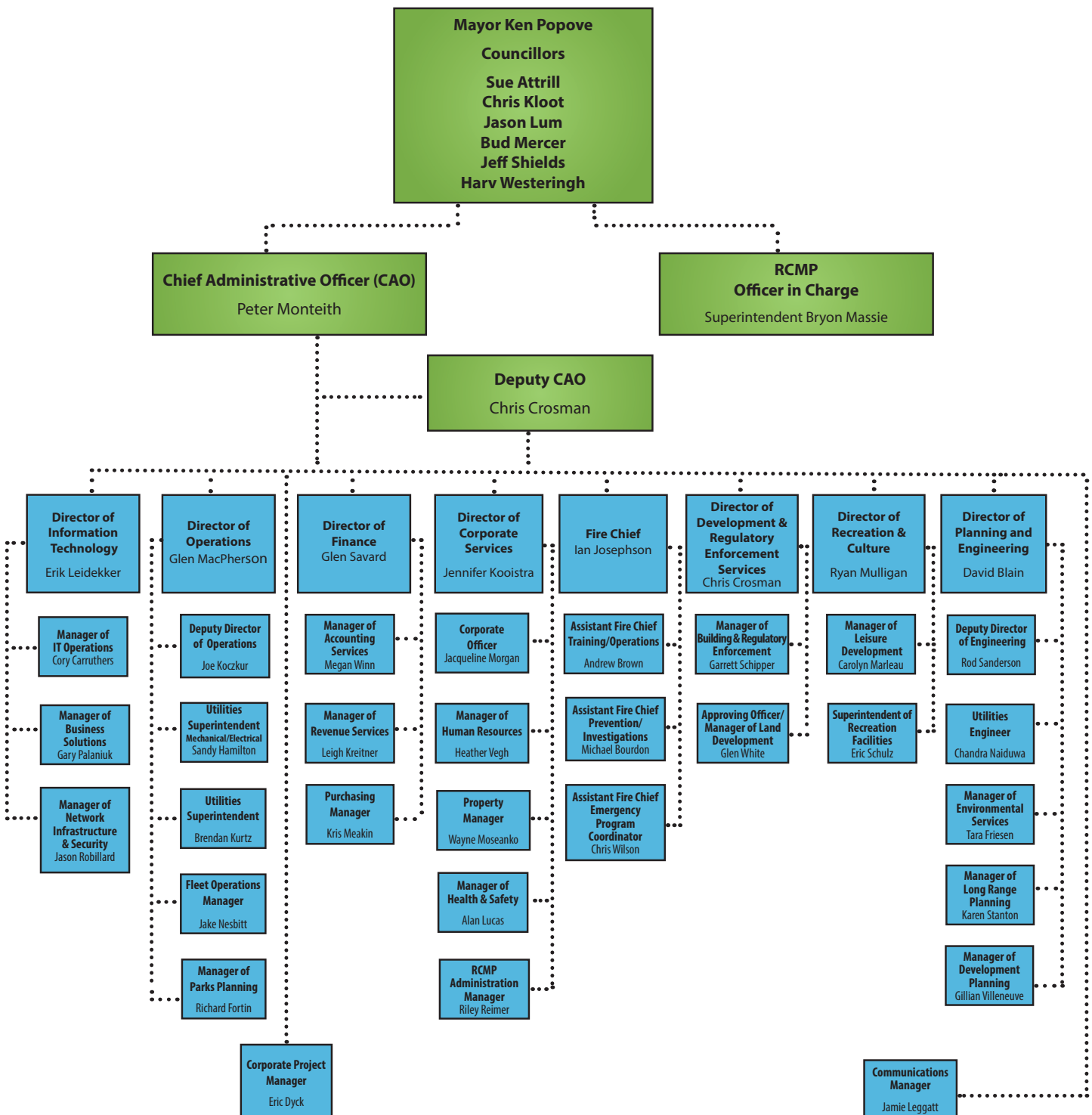
- Chilliwack Arts and Cultural Centre Society Board
- Chilliwack Economic Partners Corporation Board
- Fraser Valley Aboriginal Relations Committee
- Fraser Valley Regional District Board (First Alternate)
- Fraser Valley Regional Hospital Board (First Alternate)
- Parcel Tax Roll Review Panel
- Transportation Advisory Committee (Chair)



Councillor Harv Westeringh has served on Chilliwack City Council as Councillor since November 2018. Councillor Westeringh represents the community as a member of the:

- Affordable Housing and Development Advisory Committee (Chair)
- Agricultural and Rural Advisory Committee (Vice Chair)
- Chilliwack Public Art Advisory Committee (Vice Chair)
- Fraser Valley Regional District Board (Third Alternate)
- Fraser Valley Regional Hospital Board (Third Alternate)
- Parcel Tax Roll Review Panel
- Tourism Chilliwack Board

Organizational Chart



Department Overviews



Administration

The Chief Administrative Officer (CAO) is appointed by Chilliwack City Council and is accountable to Council for the policies and programs delivered by the City of Chilliwack. As the most senior official in the City's administrative structure, the CAO provides guidance and advice to Council and provides direction to all City departments.

Administration provides support for Council, Committees of Council and department operations. By providing guidance to the City's departments, Administration ensures a coordinated and balanced implementation of Council's policies. This division of local government is responsible for ensuring:

- The most cost-effective delivery of services to the public
- Corporate fiscal responsibility and accountability
- The provision of efficient, timely and friendly customer service
- Responsive action to community needs

The Communications function of Administration works collaboratively across the organization to ensure that information is thorough, factual and timely. Communications activities include disseminating timely and accurate information, boosting awareness and understanding of local government processes and priorities, developing website content, communication through social media, coordinating advertising and supporting a consistent identity for communications.



Corporate Services

The Corporate Services Department provides the statutory function of the Corporate Officer, which facilitates Council business by:

- Preparing minutes and agendas
- Composing, reviewing and providing advice on municipal bylaws
- Initiating the follow-up action to Council meetings
- Providing adjudication services for bylaw offences

Corporate Services also provides a wide variety of internal services to Council and other City departments. Some of these include:

- Access to information
- Human resources
- Labour relations
- Liquor licensing
- Occupational health and safety
- Property management
- Law enforcement support services
- Bylaw Adjudication system
- Records management

Information Technology

The Information Technology (IT) Department provides computer related technical support services to all City departments. These include:

- Website development and maintenance
- Programming services for in-house applications
- Technical help-desk support
- Network administration
- PC support
- Telecommunications
- Administration of all security systems
- Monitoring of Systems Control and Data Acquisition (SCADA) programs which maintain flows and controls of the water and sewer systems
- Technical support and tips

The Geographic Information Systems (GIS) function of IT maintains detailed cadastral mapping information that tracks exact lot lines, properties, right of ways, setbacks, zonings and the location of sewer and water utilities, manholes and fire hydrants.



Finance

The Finance Department is responsible for the financial management functions of the City. Finance staff liaise with all City departments and various external organizations, including the RCMP and the Fraser Valley Regional Library, to coordinate the City's financial activities. The Finance Department is responsible for the development of the City's annual Financial Plan (Budget), the annual financial statements, the annual review of the Development Cost Charge (DCC) Bylaw and the preparation of the Annual Report. Finance is also responsible for the external annual reporting of financial activities to the Province.

This department's functions include:

- Accounts receivable
- Accounts payable
- Payroll
- Collection of property taxes, water, sewer, curbside waste and recycling fees
- Safekeeping of all financial instruments
- Investment management
- Municipal government grant research
- Risk management

Recreation & Culture

The Recreation & Culture Department takes a community development approach to providing recreational, cultural and leisure services to Chilliwack. This department works with various cultural groups, sports organizations, community associations, businesses, not-for-profit societies and service clubs to offer residents a wide variety of leisure opportunities.

This department coordinates the delivery of cultural and leisure services in Chilliwack and operates a number of facilities which include:

- Evergreen Hall
- The Landing Sports Centre
- Sardis Sports Complex
- 3 synthetic turf fields
- 58 grass sports fields
- 69 ball diamonds

Funding for many of Chilliwack's cultural programs is provided within the Recreation & Culture Department budget. These include:

- Chilliwack Museum & Archives
- Community schools
- Senior resources
- Youth services

Recreation & Culture also coordinates the contracted operations of:

- Chilliwack Landing Leisure Centre
- Cheam Leisure Centre
- Chilliwack Cultural Centre
- Chilliwack Heritage Park
- Chilliwack, Sardis and Yarrow Libraries
- Rotary Outdoor Pool
- Great Blue Heron Nature Reserve



The newly completed Chilliwack Curling & Community Centre opened its doors to the public in the fall of 2018. This facility is designed to accommodate eight sheets of curling ice, a commercial kitchen for catered events and several community meeting spaces.



The groundbreaking of the third sheet of ice at the newly named Sardis Sports Complex (formerly Twin Rinks) took place in the spring of 2018. When completed the third ice sheet will allow existing and new user groups access to additional ice and dry floor opportunities.



The tennis courts at Watson Glen Park were successfully relocated to the west side of the park and made available to the public in early June.



The Celebration and Activity Grant supported a total of 52 events serving 4,234 community members with \$12,285 in funding support.

Block Parties

- **44** events
- **2,869** people in attendance
- **10** events held in winter months



Community Celebration Events

- **8** events
- **1,365** people in attendance



The Engineering Department is comprised of various divisions including Transportation, Drainage, Utilities, Environmental Services and Flood Protection. These groups work closely with the Planning, Development and Operations departments to collaborate on services and infrastructure required to meet the needs of the growing community.

Transportation

- Public transit system
- Road networks for all users; motorists, pedestrians and cyclists
- Road improvements and urbanization including bridges, asphalt, sidewalks, bike lanes, street lighting and drainage
- Traffic signals, roundabouts and traffic control devices
- Traffic and transportation safety including Safer City programs

Utilities

- Potable water systems including reservoirs
- Groundwater management and water conservation
- Sanitary sewer and wastewater treatment systems

Environmental Services

- Solid waste management; garbage, recycling and compostable waste
- Groundwater and surface water protection
- Air quality
- Climate change and energy management
- Biodiversity

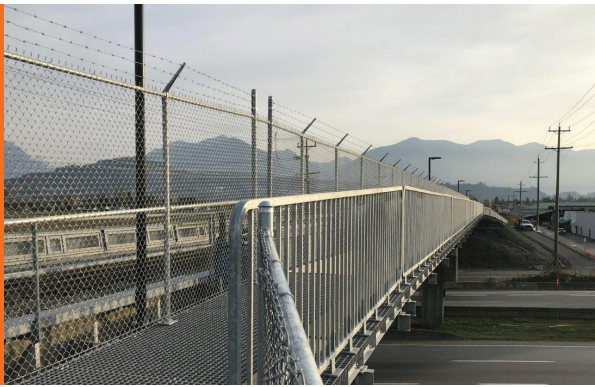
Flood Protection

- Snow pack and stream flow monitoring for the Fraser and Vedder Rivers
- Flood protection studies and planning
- Maintenance of flood response plans for the Fraser and Vedder Rivers
- Infrastructure upgrades to improve overall community flood protection
- Sediment removal from the Vedder River floodway to maintain flow capacity

Drainage

- Storm drainage system improvements including storm sewers, ditches and pump stations
- Drainage channel improvements





Valley Rail Trail

The Valley Rail Trail from Luckakuck Way, north over the Trans-Canada Highway and Chilliwack Creek, to Airport Road was opened to the public on November 24, 2018.

This work included construction of a cantilevered pedestrian/cyclist pathway connected to the west side of the existing rail bridge over the Trans-Canada Highway, plus signage, traffic signals at Airport Road and approximately 900m of trail construction. This project was funded, in part, by the Ministry of Transportation & Infrastructure.

Cultus Lake / Vedder Mountain Roundabout

The new Cultus Lake / Vedder Mountain Roundabout Project reached substantial completion in December 2018. Bicycle railing along the north barrier wall and painting of the roundabout truck apron will be completed in 2019.



Road Improvements – Asphalt

In the 2018 Asphalt Rehabilitation program, 10.3km were re-paved on the following roads:

- Promontory Rd.
- Elk View Rd.
- Gibson Rd.
- Portage Ave.
- Yale Rd.
- Hack-Brown Rd.
- Broadway
- Peach Rd.
- Teskey Way
- Camp River Rd.

Bike Lane Network

A total of 8.2km of paved bike lane improvements were completed in 2018, including:

- 1.4km of “new” paved bike lane (incl. Valley Rail Trail)
- Rehabilitation of 2.7km of existing marked bike lanes
- Bike route signage along 4.1km of paved roadways
- Stevenson Road at Wiltshire Street lane additions

Green bicycle crossing markings were installed at:

- Promontory Road at Teskey Way
- South Sumas Road and Wiltshire Street
- Watson Road at Garrison Boulevard and Miller Drive
- Stevenson Road at Wiltshire Street



Traffic Signals

Pedestrian activated signals were added at Evans Road and Commercial Court. New traffic signals at Evans Road and Stevenson Road were installed to accommodate growth in the area.

Pedestrian Improvements

New crosswalks were installed on School Street, Cedar Creek Drive and Carter Road at Monte Vista Drive.

New sidewalk and street lighting projects installed at the following locations provided children with safer walking routes to schools:

- Portage Ave. east of Menzies to Little Mountain Elementary
- Selkirk Ave. to Tyson Elementary

Rapid Rectangular Flashing Beacons were installed at:

- South Sumas Rd. and Wiltshire St.
- Watson Rd. at Garrison Blvd. and Miller Dr.
- Stevenson Rd. at Wiltshire St.



School Zone Enforcement

This fall the Safer City team initiated a pilot project focusing on an expansion to the annual Back To School Enforcement and Education project. Initial efforts had the team working one-week of enforcement in a variety of school zones in the morning and afternoon with the first project occurring in 15 school zones in October and November. The project focuses on all activity within a school zone (parking, speed, and pedestrian safety).



Roundabout Education

The fall roundabout education session welcomed just over 70 visitors.

Chilliwack Safety Fair

The Chilliwack Safety Fair, co-hosted by Safer City and the Chilliwack Fire Department, was held in October. The event was held simultaneously at the Home Depot and Canadian Tire parking lots, with the Yarrow Fire Hall hosting their annual Open House on the same day. Multiple vendors provided booths to showcase their safety expertise all in an effort to expand public safety knowledge throughout the community.

Scooter Road-eo

Safer City, in partnership with Speed Watch, ICBC, Chilliwack and District Seniors' Resources Society, RCMP, Discount Mediequip, Lions Club and First Transit Canada, hosted an interactive open house on safe scooter use. A slalom course, operator speed alley, bus access, ramp, sidewalk and door practice were part of the interactive activities. Indoor informational booths were also showcased.



Seniors' Driver Licensing Information Session

Safer City, in partnership with ICBC, hosted an information session for senior drivers. City Hall Council Chambers was full of residents interested in learning more about driving today, self-assessments, assessing medical fitness, Enhanced Road Assessment (ERA), pedestrian safety, distracted driving, staying mobile and tips for seniors with refreshers on rules of the road.

Wastewater Treatment Plant: High-Strength Wastewater Pre-treatment Facility Project

The project included the construction of a high-strength wastewater pre-treatment facility (HSWWTF) at the City's Wastewater Treatment Plant (WWTP) to accept and manage high-strength wastewater. The overall project is scheduled to be completed in the spring of 2019.



Yarrow Reservoir "A" Replacement Project

A new 1,500 cubic metre capacity glass-lined, bolted steel circular tanks and the associated pumping project were completed in November 2018. This \$2,000,000 project was funded by Yarrow Waterworks District and a grant from the Provincial-Federal Clean Water and Wastewater Fund.

McGillivray Pump Station Upgrade

The upgrades are being carried out to increase capacity to handle a 1:100 year return period rainfall flood event and will benefit over 750 hectares of agricultural land plus associated homes and outbuildings. The project is fully funded by the Province of BC and substantial project completion is scheduled for early 2019.



Biodiversity

City staff worked with school groups, non-profit environmental organizations, and other community volunteers on a variety of projects to improve habitat values and biodiversity in the community, including:

- Riparian planting projects;
- Invasive plant removals; and
- Bat and bird box installations.



Environmental Services worked with an environmental contractor to treat 110 Japanese Knotweed patches on City property

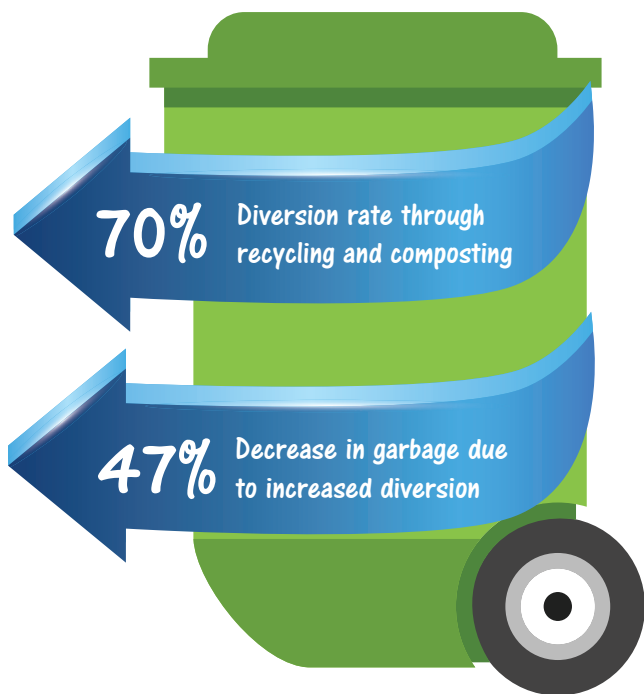


Annual and Ongoing Environmental Programs

Environmental Services undertook numerous projects over the course of the year to reduce waste and promote sustainability. Many of the projects were carried out through collaborations with environmental groups and other community volunteers.

2018 Events

- Semi-annual Adopt a River Cleanups – **7.5 tonnes** of refuse collected by the Chilliwack Vedder River Cleanup Society and other volunteers
- Community Cleanups – **20 tonnes** of refuse collected by Adopt a Road participants, Fraser Valley Illegal Dumping Alliance members and other volunteers
- Green Commuter Challenge
- Household Hazardous Waste Day – **20 tonnes** of waste collected
- Pumpkin and Christmas Tree Composting
- School Presentations – **380 students** participated
- Semi-annual Scrap Metal Recycling Events – **120 tonnes** collected
- Semi-annual City-Wide Garage Sales – **320 residences** participated
- Semi-annual Shred-a-Thon and Food Drives - **\$14,400** cash donations plus **\$5,500** worth of food items collected for the Salvation Army Food Bank by residents dropping off documents for shredding



Operations

The Operations Department is responsible for the operation and maintenance of the City's:

- Wastewater Treatment Plant
- Sanitary sewer systems
- Potable water system
- Road networks
- Open drainage
- Storm sewer system
- Dyke infrastructure
- Parks (100+)
- Sports fields
- Recreational trail networks

The Parks section maintains over 100 parks and natural areas, which together make up over 400 hectares of green space. Most community parks provide a variety of facilities suitable for a day visit, while smaller parks provide playgrounds and often sports courts and picnic tables. The Parks section also maintains a network of over 100km of developed trails in both urban and natural areas throughout the City.

The Utilities Electrical/Mechanical and Underground sections operate and maintain:

- 51 sanitary pump stations
- 10 drinking water production wells
- 14 water booster pump stations
- 750+km of water and sewer pipe systems
- 18 reservoirs

The Fleet Maintenance section is responsible for maintaining the City's 258 unit vehicle and equipment fleet, which includes grass mowers, dump trucks, excavators, graders and street sweepers. This section also maintains the Chilliwack Fire Department's fleet vehicles and firefighting apparatus trucks.

The Wastewater Treatment Plant (WWTP) processes and treats over 7.5 million litres of wastewater per year. The plant is continually upgraded to handle increased volumes as the City grows and population increases.



Highlights

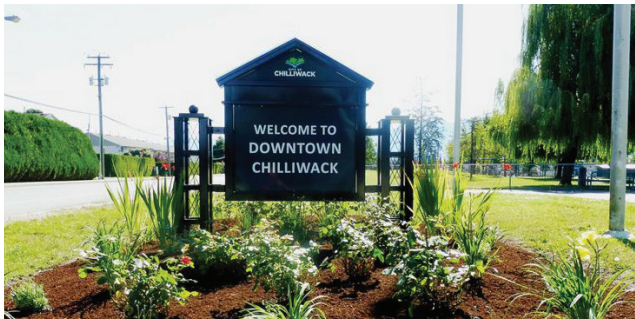


KIOSK WRAPPING PROGRAM

Twenty four hydro and traffic style kiosks were wrapped in 2018. The program has proven to not only reduce graffiti but has greatly improved the streetscapes around town.

WELCOME SIGNAGE FOR DOWNTOWN

Operations installed three new gateway signs for downtown Chilliwack. These signs were installed to supplement the two 'Welcome to Chilliwack' signs along Highway 1 and the existing downtown gateway signs. These signs were installed on Young Road, Ashwell Road and Wolfe Road.



Playground Upgrades

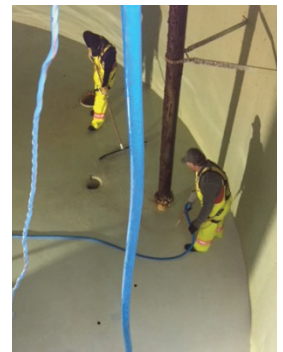
- **Mitchell Park** - received equipment to provide play opportunities for kids of all ages and the new paved pathway allows for ease of mobility
- **Hilton Park** - received a new play structure with different types of climbing apparatus and slides of different heights
- **Bonny Park** - received a variety of spinning and bouncing play toys to complement the existing slide and swing set
- **Townsend Park** - a new playground was built and features nets, slides, belts and climbers to provide children aged 5 - 12 with fun challenges to promote physical development and strategic thinking

Jinkerson Sanitary Pump Station

The sanitary pump station located on Jinkerson Road in Promontory received an electrical upgrade. The upgrade included the installation of (2) new Variable Frequency Drives (VFD) and a complete control panel rebuild, designed and built by Operations staff.

ANNUAL RESERVOIR CLEANING PROGRAM

The Operations Department completed reservoir cleaning of all reservoir tanks in the Chilliwack Mountain area. Although the reservoir tanks must be completely emptied for cleaning, inspection staff were able to clean the tanks while avoiding any disruption to customer service by utilizing the system of water booster pumps on Chilliwack Mountain. No structural defects were noted on any of the tanks and all were returned to service with minimal delay.



Park Improvements

Vedder Park Expansion

The park's gravel parking lot was paved and now boasts 175 paved parking stalls and upgraded pedestrian pathways for easy access to the Vedder Rotary Trail. Expansion works included a second dog off-leash area and a large playground complete with two separate play zones. Additional added amenities included permanent washroom facilities, outdoor exercise equipment (green gym) and a new food truck parking and retail area.



Peach Park Development

Located at the south end of Peach Road, Peach Park is a strategic access point and recreational node along the Vedder Rotary Trail. 2018 works included a renovated, paved parking lot, permanent washroom facilities, a picnic area and a brand new playground for all ages.



Outdoor Fitness Equipment (Green Gym)

Outdoor fitness equipment was installed in Fairfield Park, Sardis Park and Crossing Park in order to continue to encourage health and wellness for all ages in the community.



TRAILS

VEDDER ROTARY TRAIL WAYFINDING SIGNAGE

The Vedder Rotary Trail saw wayfinding markers such as kiosks with maps and kilometre signs added. Other wayfinding signage was added in the form of informative, yet attractive, blade style wayfinding signage near the Vedder Bridge.

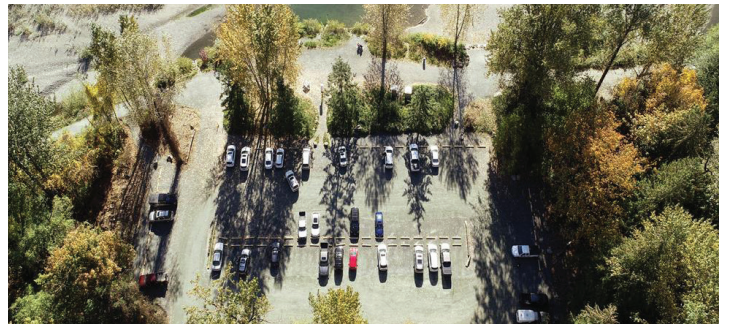


COMMUNITY FOREST TRAILHEAD UPGRADES

A new day use / educational area was constructed, as well as an enlarged parking area to allow an additional 70 vehicles to park on busy weekends.

LICKMAN PARKING LOT UPGRADES

The parking lot at the Lickman Road access to the Vedder Rotary Trail was redeveloped in order to increase the number of available parking spaces along the Vedder Greenway. By defining each stall with concrete tire stops this parking lot can now accommodate 85 vehicles as opposed to the previous 45 vehicle capacity.



ALLAN CREEK TRAIL COMPLETION

A new trail was completed, now extending 200 metres from Veronika Place to Rowanna Crescent within Allan Creek Park. This trail will eventually connect Nixon Road Park to Forest Gate Park and a temporary bridge crossing has been installed to facilitate its use by local residents.

BC WILDFIRE SERVICE BUILD TRAIL IN COMMUNITY FOREST

In the spring, the BC Wildfire Service brought a group of 10 firefighters into the Community Forest to practice their chainsaw and tree assessment skills. After two 10 hour intense training days, the firefighters had also constructed over 1km of new trail. This trail link has now been officially opened and named the "Fireline Trail".

1945 VEDDER BRIDGE CONCRETE ABUTMENT VIEWING AREA

As part of the Vedder Rotary Trail connection on the north side of the river, the old bridge abutment from the previous Vedder Bridge was retained and developed as a viewing area. Interpretative information about the history of the Vedder River crossing was established to highlight each of the previous bridges that previously spanned the crossing. Local First Nations were invited to create an interpretive panel and the Halq'eméylem word “Ts’elxwéyeqw” seen on the panel represents the traditional territory of the Ts’elxwéyeqw People. Refurbished sections of bridge railing from the original 1945 bridge were installed to provide support for the signage and to create a safe barrier for viewpoint users.



CAMP SLOUGH CHANNEL MAINTENANCE

Channel maintenance works were undertaken in the Camp Slough due to highly compromised flow conveyance and habitat conditions as a result of the dense in-stream colonization of Reed Canary Grass and other vegetative blockages. Several thousand cubic metres of grasses and fine sediment were excavated from the channel. Works were undertaken during the Department of Fisheries and Oceans work window and through a Provincial Section 11 Water Act Approval/Notification.



Chilliwack Creek Pump Station Upgrades

The drainage station located on Schweyey Road was upgraded. This facility hosts three - 350 horse power pumps that draw water from Chilliwack Creek, primarily during the freshet, with each capable of pumping 48,000 gallons per minute.



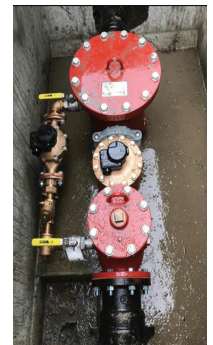
Water Leak Detection

Operations procured advanced technology leak detection equipment that enables staff to identify underground leaks. This leak detection equipment is a non-invasive approach to leak detection which uses a patented acoustic technology to pinpoint the location of a leak.



BULK WATER METER REPLACEMENT PROGRAM

A number of aging bulk water meters were replaced. The technology of the new, modern style meter has advanced and now includes multiple automated system checks that alert staff of water leaks, high usage or potential backflow conditions.



Fire Protection

Chilliwack's six fire halls protect an area over 250 square kilometres and are staffed as needed by paid on-call firefighters, providing services of fire suppression, rescue, and emergency medical aid. Fire engines staffed with career firefighters operate out of downtown Fire Hall 1 and Sardis Fire Hall 4 on a 24 hour basis.

The Fire Department employs 34 career and 124 paid on-call firefighters and fire officers who are managed and supported by:

- 1 Fire Chief
- 3 Assistant Chiefs
- 2 Training Officers
- 2 Fire Prevention Officers
- 2 Administrative Support Staff

The Fire Department delivers the following services:

- Fire prevention including public education, fire inspections and fire investigations
- Public service hazard assessment and mitigation
- Fire suppression
- Rescues
- Motor vehicle incident mitigation
- Emergency medical aid
- Emergency management programs

Fire Prevention

The Fire Department has a very proactive fire prevention program. Fire prevention services delivered to the community include fire and life safety inspections of public buildings and public education to schools, seniors, community groups, and local employers. Thorough fire investigations are completed for all fire losses.

Fire prevention and community awareness activities include:

- Fire Prevention Week
- Burn Awareness Week
- Emergency Preparedness Week
- Safety Village education program
- Youth fire setter program
- Home smoke alarm program
- Seniors fire safety program
- Health and safety inspections
- Fire alarm upgrade program
- Home Safe program
- Fire-Smart - Wildfire awareness program
- Home fire sprinkler program

Emergency Management

The Fire Department plans and prepares for disaster emergency response, emergency preparedness and prevention and recovery planning. The Fire Department works closely with local volunteer groups, community organizations, neighbouring fire departments and other levels of government that include:

- Emergency Social Services
- Amateur Radio Club
- Search and Rescue
- School District 33
- Fraser Health Authority
- Provincial Government
- First Nations
- Other local governments



Highlights

2018 Number of Calls for Service: **2,836**

344 Fire Responses	578 Alarms Activated	289 Motor Vehicle Incidents	148 Medical Calls	253 Burning Complaints
1,052 Public Service Calls	91 Public Hazard Calls	28 Rescues	44 Hazardous Materials	9 Mutual Aid Calls

Community Involvement

- Collected over 18,000 food donations for the Salvation Army's Food Drive
- Raised and donated over \$25,000 to the BC Burn Fund and local charities
- Partnered with Chilliwack Bowls of Hope to serve hot soup to school age children
- Chilliwack Firefighters Education Fund awarded 7 post-secondary financial awards
- Chilliwack Firefighters Charitable Society awarded 3 scholarships to Chilliwack high school graduates
- Chilliwack Fire Department Honour Guard participated in various community events



Training

- Infrastructure and building construction improvements continue at the Fire Training Centre. The Fire Training Centre was utilized to support the local firefighters and military personnel for deployment to the interior wildfires
- Delivered competency based training to 166 firefighters and fire officers in all aspects of fire and rescue services
- Delivered training to and graduated 12 new paid on-call firefighter recruits in a five month training program
- Paid on-call firefighters contributed over 26,000 hours of community service to training and emergency responses



Emergency Management

- Provided suppression resources for the BC Interior wildfire efforts
- Provided training and support for local Emergency Social Services and Amateur Radio volunteers
- Emergency Social Services volunteers provided support and assistance to evacuees as a result of residential fires
- Delivered emergency preparedness presentations

The Chilliwack Detachment provides a wide range of policing services from patrol and investigations to proactive services. Operational support is enhanced by support staff (municipal employees, public servants and regular members) fulfilling roles as prisoner guards, records management clerks, court liaisons, information officers, administrative clerks and other administrative assistance.

Crime Reduction Strategies

Intelligence led policing is a key element to crime reduction as it ensures policing resources are used in a way that will have the greatest impact on reducing crime in the community. The crime reduction initiative focuses on three main tenets:

- prolific/priority offender management
- identifying crime hotspots
- identifying crime causation factors

As crime reduction strategies move forward, police will focus on developing more proactive approaches to reducing criminal activity.

Prolific Offender Management Program

The Upper Fraser Valley Regional Detachment RCMP Prolific Offender Management Program was launched in Chilliwack in February 2009. It is now a regional program which expands to Agassiz, Harrison Hot Springs, Hope and Boston Bar.

Social Chronic Offender Management Program

Hand in hand with the Prolific Offender Program is the Social Chronic Offenders Program. The coordinator is a constable working under the supervision of the Corporal managing the Prolific Offender Program. The Constable works closely with the Community Mental Health counsellor in assessing and providing services for those clients with mental health issues. This partnership has successfully resolved issues with repeat clients and has reduced calls for service.

Road Safety/Traffic Enforcement

The RCMP traffic services unit continues to be proactive, concentrating their efforts on school zones, impaired and distracted driving. Traffic safety is a top priority in the region and traffic members, as well as general duty members, will continue to ensure safety on Chilliwack roads.

Public & Internal Education & Training

Public education is a key component of the overall crime reduction strategy. As crime trends in the community are identified, real time information and education can be provided to community members to help prevent the crime occurrence. In 2018, the RCMP also focused on the education of members to provide them with additional training and development of skills and tools needed to fulfill crime reduction goals.

First Nations Policing

Community partnerships have continued to be maintained and strengthened to help address crime issues in First Nations communities. The UFVRD RCMP First Nations Police Unit was selected to conduct a pilot project for the Aboriginal Shield program. This program is similar to the DARE program, including First Nations content and involvement.

Crime Prevention Services

Another key area of support comes from the staff and over 130 volunteers of the Chilliwack Crime Prevention Society who operate out of the downtown Wellington Community Policing and Operational Support Office (CPOS) which offers the following programs:

- Victim Services
- Block Watch
- City Watch
- Speed Watch
- Crime Free Multi-Housing Program

The Chilliwack Crime Prevention Society, a separate non-profit organization, receives operational funding from the City of Chilliwack. The Society would not be able to function adequately without the dedication of its many volunteers. All of its employees and volunteers are committed to making Chilliwack a safe place to live and work. The RCMP is very proud of the dedication and hard work these individuals devote towards the safety of the community.

Police Visibility, Non-Vehicle Patrols and Seasonal Policing

Key police visibility and community relations initiatives include:

- Non-vehicle patrols (foot/bike/boat/ATV) to allow for greater interaction with the public while promoting public safety
- Seasonal policing enforcement and education
- Road safety and traffic enforcement
- Auxiliary Constable recruitment and training



Highlights



On June 5, RCMP officers, together with Law Enforcement personnel in communities throughout the Lower Mainland, took part in the Law Enforcement Torch Run (LETR). The LETR is a means for police to raise funds and awareness for Special Olympics worldwide.

Cops for Cancer

Cops for Cancer Tour de Valley challenged participants on an 800km journey from Tsawwassen to Boston Bar to raise funds for pediatric cancer research and caring support programs.



Pink Shirt Day
RCMP officers and employees of the Upper Fraser Valley Region



RCMP from across the Upper Fraser Valley took part in the tenth annual Stuff the Cruiser event. A total of almost 14,000 pounds of groceries and \$9,900 were generously stuffed into police cruisers throughout the valley, surpassing organizers' expectations and previous year's numbers.

Chilliwack Economic Partners Corp.

Chilliwack Economic Partners Corporation (CEPCO) is a wholly owned subsidiary of the City of Chilliwack, with its own volunteer Board of Directors representing local businesses and community stakeholders.

CEPCO's efforts seek to improve the economic well-being and quality of life for the community. This is accomplished through business attraction, retention and expansion, workforce attraction and promotion, site selection assistance, immigration investment and other related supports and services.

CEPCO maintains strategic community and government stakeholder partnerships as well as other committees. The Chilliwack Agricultural Commission, Chilliwack Creative Commission and Chilliwack Innovation Network provide outlets for community economic growth.

CEPCO continues to be the lead agency involved in the award winning development of Canada Education Park that includes: University of the Fraser Valley, Justice Institute of British Columbia, RCMP Pacific Region Training Centre and Canada Border Services Agency.

Highlights

MOLSON *Coors*

CEPCO continued working with Molson Coors as the project moved forward through the construction stage.



17th Annual Agriculture Tour



Downtown Revitalization

Work started in December on the downtown redevelopment of the Five Corners properties.



Chilliwack Economic Partners Business Centre



Health Care

- Continued recruitment of physicians and health care professionals with community tours and information packages
- Continued support of Chilliwack Hospital foundation



AdvanTec Global Innovations
Manufacturing company
relocated to Chilliwack creating
155 new jobs



Chilliwack Innovation Network

Supports innovation, entrepreneurship and education for business growth and job creation.



Hackathon winners of the "Build a tech company in 24-hours" event



The Chilliwack Creative Commission liaised with the film industry on several Hallmark and Lifetime movie productions in downtown Chilliwack.



The City's Municipal Development functions operate as two departments within the organization: Planning and Strategic Initiatives and Development and Regulatory Services.

Planning and Strategic Initiatives

Development Planning

- Rezoning (including Official Community Plan amendments)
- Development Variance Permits
- Development Permits (Form & Character)
- Temporary Use Permits
- Agricultural Land Reserve Applications

STATS

- 521 new Business Licences
- 210 Rezoning Applications
- 16 Temporary Use Permits
- 126 Development Variance Permits
- 140 Form & Character Development Permits
- 22 Agricultural Land Reserve Permits

Long-Range Planning

- Official Community Plan
- Neighbourhood Plans
- Growth Projections
- Policy Development

'One Stop' Business Registration and Licencing

- General and Inter-municipal Business Licencing

Development and Regulatory Enforcement Services

Land Development

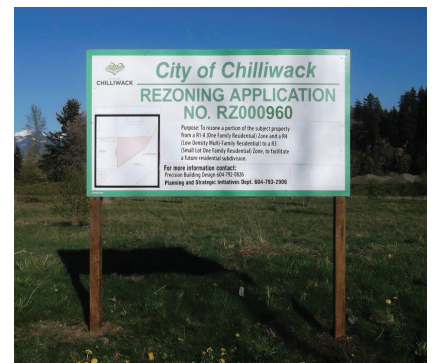
- Subdivision
- Development Permits
 - » Geotechnical/Environmental
 - » Riparian
- Property Records Maintenance

STATS

- 326 new single-family dwellings constructed
- 513 other dwelling units (including multi-family)
- 13,285 building inspections
- 50 Health & Safety inspections carried out
- 35 Development Permit Applications (Geotechnical, Riparian)

Building Permits and Inspections

Bylaw Enforcement



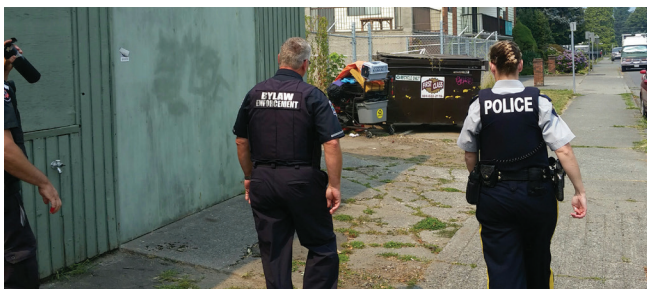
Highlights



Bylaw Enforcement

In May, Bylaw Enforcement welcomed back the Bike Patrol Unit. The two officers proactively patrolled neighbourhoods, parks and trails both on foot and bicycle to address and prevent bylaw infractions related to parking and parks and trails use. This includes the regulation of camping in City parks, facilities and other land. The seasonal spring and summer positions were converted to full-time permanent positions, allowing the Department to provide year-round evening and weekend Bylaw Enforcement coverage.

The Bylaw Department continued its partnership with RCMP and the City's contracted security patrols, to conduct daily foot patrols in the downtown, in parks and other hotspot areas, to present a unified enforcement front to address and prevent bylaw infractions and crime. The issues addressed during these patrols include camping in prohibited areas or during prohibited times, smoking in parks, consuming alcohol and illicit substances in prohibited areas or other nuisance issues.



Chilliwack's Homelessness Action Plan

The City continued to work with community partners to leverage investment from senior levels of government to address homelessness, increase the supply of affordable housing and improve services to those in need. This year, the City saw:

- An increase in emergency shelter beds from 60 to 108 year-round beds (48 bed Salvation Army modular shelter) and 69 additional seasonal emergency shelter beds (Ruth & Naomi's, Cyrus Centre)
- Approval for 92 modular housing units with wrap around services on Yale Road and Trethewey Avenue (RainCity Housing) to open in 2019
- Approval for a 20 bed youth addiction centre on Yale Road (Pacific Community Resources Society) to open in 2020
- Establishment of an Intensive Case Management (ICM) Team to provide outreach services to those who have, or are experiencing, homelessness, substance use and mental illness (Fraser Health Authority, First Nations Health Authority, and the Province)
- Development of a local tracking database to capture shelter vacancies on a nightly basis to help direct potential clients to access shelter beds and additional services as needed
- Establishment of the Chilliwack Interagency Response Table, with support from the RCMP and the Province, where various service providers meet weekly to assess clients at imminent risk of crisis and plan rapid interventions to avoid further harm with connection to services
- Implementation of the Housing Hub pilot project (Pacific Community Resources Society) which helped 20 people access services to obtain, and retain, affordable housing

Chilliwack Proper & Fairfield Island Neighbourhoods Plan

The City adopted the Chilliwack Proper and Fairfield Island Neighbourhoods Plan for areas east, west and north of the Downtown, where a population increase of 4,000 is anticipated by 2040. The plan provides policy to support new infill development in the form of small lots, duplexes, secondary suites, coach houses, townhouses, and in select locations, low rise apartments.

Secondary Suites

In May, following a comprehensive secondary suites study, the City's Zoning Bylaw was amended to allow secondary suites, coach houses and garden suites for rental use and to permit coach houses and garden suites in the R1-A zone, subject to design guidelines and a streamlined development permit process. Council also adopted a policy to not seek out or respond to complaints about secondary suites existing prior to May 15, 2018, if they are in a zone that permits suites.

Led by a private sector Board of Directors, Tourism Chilliwack was incorporated in December 2006 with the City of Chilliwack as the sole shareholder. Tourism Chilliwack was originally established in 1998 as a subsidiary of the Chilliwack Economic Partners Corporation (CEPCO).

The tourism industry in Chilliwack continues to play a significant role in the provincial economy in terms of revenue earned by tourism businesses, value added to the economy by tourism activities and creation of employment opportunities.

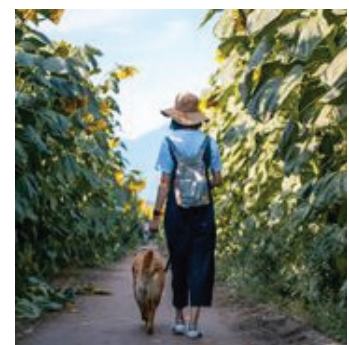
Tourism Chilliwack is based at the Chilliwack Visitor Centre and is a leading Community Destination Marketing Organization in British Columbia, with a vision “to create a WOW destination” by strengthening the tourism industry in the City of Chilliwack and in partnership with surrounding communities.

The mission of Tourism Chilliwack is simple, “To grow Chilliwack’s tourism economy”. This captures the partnership approach necessary to increase the economic benefits derived from the tourism industry for the community. Since January 2012, Tourism Chilliwack has been the facility manager of Chilliwack Heritage Park. This important community owned trade and exhibition facility is home to a wide range of events and activities throughout the year. As managers, Tourism Chilliwack works to ensure that the operation remains financially sustainable so as to continue to be an economic driver in the community.

The Chilliwack Visitor Centre is open year-round and benefits from a highly visible and accessible location alongside Highway #1. It receives many positive comments on the amount and quality of information available for both local residents and visitors. Tourism Chilliwack is proactive in exploring new ways to provide visitor services and takes advantage of highway signage, social media, blogging and other online technology to accomplish this objective.

Tourism Chilliwack also provides the materials necessary to properly market Chilliwack as a visitor destination. An extensive library of quality high definition video footage and photographs of Chilliwack and the surrounding area has been compiled. The community marketing materials include a Visitor’s Guide, maps and sector/activity focused initiatives that promote agri-tourism, arts and culture, hiking and fishing.

The business minded approach of Tourism Chilliwack provides expanded revenue opportunities not dependent upon government funding. Since 2007, Tourism Chilliwack has been the owner/operator of the Chilliwack Flag Shop franchise, one of twelve locations across Canada. This business initiative better utilizes the high profile nature of the Visitor Centre by attracting people year-round.



Highlights



RBC Cup

Tourism Chilliwack met their goal of “hosting the best-ever RBC Cup Junior A National Championships” resulting in positive social and economic impact in the community, plus created a memorable experience for the players, coaches, families, volunteers and spectators. The economic impact on the local economy was \$2,547,000 and \$3,693,000 nationally. Over 220 volunteers were involved with this successful event.

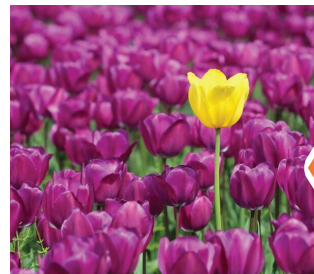


- 20,000 people served at the Chilliwack Visitor Centre in 2018
- The #ShareChilliwack campaign has been used over 65,000 times making it one of the most successful hashtag campaigns for a community this size in all of Canada. The Instagram account now has over 11,000 followers sharing and engaging in the #ShareChilliwack movement
- Worked with Tourism Abbotsford, Tourism Harrison and Tourism Hope to continue to develop awareness of the Fraser Valley as a region. This is done through a Destination BC supported cooperative marketing campaign as well as a joint experience guide
- Implemented niche cooperative marketing campaigns: Cultus Lake, Fish Chilliwack, Regional Circle Farm Tour Group, Outdoor Adventure
- Enhanced all sizes of sporting events in Chilliwack by providing welcome packages and other related resources
- In November of 2018, Tourism Chilliwack proudly launched a new brand and vision



The new brand took a full year of consultation and planning. The brand is more than a logo, it tells the story of Chilliwack through visual language, photography and video

The Chilliwack Tulip Festival and the Chilliwack Sunflower Festival attracted over 66,000 visitors.



HERITAGE PARK

- Welcomed 74 large scale shows, 42 smaller shows and a wide range of local and evening rentals that attracted approximately 198,900 visitors
- Replaced aging metal halide lights with new, versatile and efficient LED lighting on three of the four floors
- Began working on the preliminary aspects required to facilitate the building upgrades that include dedicated entrances, washrooms and other amenities on the first and second floors

Supplementary Information



Objectives, Measures and Progress

OBJECTIVE	STRATEGY	MEASURE	PROGRESS
Financial Stability	Plan for anticipate community needs	Long-term Comprehensive Municipal Plan (CMP) updated annually	2018 CMP to Council in December 2017.
	Fund planned capital expenditures.	Balance CMP without long-term borrowing.	All capital expenditures funded without long-term debt in 2018 CMP.
	Build reserves for anticipated and unanticipated community needs.	Maintain Unrestricted General Reserve Fund balance for unanticipated future.	2017 closing balance of \$16 million. CMP includes an annual allocation to the Unrestricted Reserve.
	Maintain a reasonable tax burden for taxpayers.	Annual tax rate increase similar to rate increase of other local governments.	Chilliwack's 2018 tax increase was 2.62%, Abbotsford was 2.47%, Maple Ridge 2.98%, and Township of Langley 2.47%.
		To have Chilliwack maintain lower municipal taxation levies on a representative home when compared to similar communities in the Lower Mainland.	Chilliwack has the lowest general municipal taxation levy, on a representative home, of the 19 Lower Mainland communities surveyed. With the inclusion of water, sewer and garbage collection fees, Chilliwack is lower by a substantially greater margin.
		To have Chilliwack maintain lower business taxation levies when compared to similar communities in the Lower Mainland in an effort to attract business to the area.	Chilliwack continues to have the lowest business class multiplier of the 19 Lower Mainland communities surveyed.
		Explore opportunities for other sources of capital and operational funding.	Available government grants successfully applied for include \$2 million grant from Ministry of Transportation and Infrastructure (MOTI) for the Lickman Interchange project and a \$600,000 grant from MOTI toward the Valley Rail Trail project. In addition, we have received a \$600,000 grant from the FVRD toward the Cultus Lake Road roundabout project.
		Identify priority projects that can be eligible for future infrastructure grants and save for the municipal funding portion.	Incorporated a savings plan into the 10 Year CMP to fund the City's 1/3 funding portion for various projects that could be eligible for future grants. This will ensure projects proceed should an application receive funding.
Good Stewardship of Municipal Infrastructure		New growth pays for itself.	DCC Bylaw annual review completed and rates amended accordingly.
	Maintain the road system.	Average pavement quality index goals set at: Arterial 6.5, Collector 6.0, Local 5.5.	Investment into the annual road rehabilitation program of \$3.3 million in 2018 to allow surface condition maintenance. Incrementally increasing annually to \$3.4 million in 2019 and rising to 3.7 million by 2023.
	Maintain the utility systems.	Service delivery interruptions minimized.	Flushed 120% of water system, and replaced over 300 life expired water meters. Over 2,250 backflow prevention devices tested. Dismantled, serviced and rebuilt over 1,100 fire hydrants. Installed 441 metres of new watermain and replaced 312 metres of aging cast iron water pipes. Installed 1,602 metres of sanitary sewer lines and replaced 3,213 metres of existing AC sewer pipes. Flushed 160 km of sewer lines.
	Maintain civic facilities.	Extend the life of buildings and reduce unplanned costly repairs.	Maintain regular major maintenance program and roof inspection program for all civic facilities. Upgraded 3 civic building roofs. Shut down the Chilliwack Landing Leisure Centre for three weeks for repairs on the moveable floor, tile work in the pool basins and changing natatorium lights to LED.

OBJECTIVE	STRATEGY	MEASURE	PROGRESS
	Maintain municipal fleet.	Repair and replacement program planned and funded.	Vehicle Maintenance Management System in use. Equipment Replacement Reserve Fund in balance. Replaced aged items as required. Used 36 retreaded tires. 105 heavy duty vehicles / equipment serviced and inspected quarterly in 2018 and 96 light vehicles serviced. 6 high efficiency diesel trucks, 5 hybrid cars and 1 electric car in service. 100% bio-degradable oil in 3 Parks mowers, 2 backhoes, 2 graders and 1 dump truck in Operations. Replacing standard mineral based oils with long-life synthetics oils. Completed over 3,100 repairs and preventative maintenance work orders in 2018.
	Manage airport lease.	Manage airport lease.	The airport operator presented Council with a 5 year business plan covering the period of 2017 - 2022. At this time, the focus is to extend the runway, as this is a necessary component to further the 5 year plan. This will take approximately 3 years to complete due to the cost and approvals required. Meanwhile, the airport operator has added new hangars and is in discussion with CEPCO about land needs for additional expansion.
	Protect the community from flood risk.	Remove 230,000 cubic metres of gravel from the Fraser River annually and 100,000 cubic metres of gravel from the Vedder River every second year.	No gravel removed by the Province from the Fraser River in 2018. Provincial Government reviewing Fraser River gravel management program. No gravel removed from the Vedder River in 2018 due to limited sediment accumulation between 2016 and 2018.
		Existing funding opportunities for flood studies and dyke upgrades maximized. Senior levels of government lobbied for additional monies.	Received funding through the Province of BC for the \$4.2 million McGillivray Pump Station upgrades; the design-build project is well under way with completion scheduled for early 2019. Applied for and received funding through the National Disaster Mitigation Program for \$341,850 for updated floodplain mapping; work on the project commenced in 2018. Applied for and received \$750,000 through UBCM (funded by EMBC) for Fraser River bank erosion protection and downstream CHIP location and Orchard Slough Check Dam location; work to take place in 2019. Applied for funding in the amount of \$1,920,000 through the National Disaster Mitigation Program (NDMP) for raising the West Dyke (Right Bank) between Sumas Prairie Road and the Vedder Canal. EMBC has accepted the application and forwarded it to Public Safety Canada for federal consideration. Collaborated with Skwah First Nation and Shxwhá:y Village to review flood protection options in response to Indigenous and Northern Affairs Canada committing \$5 million in funding for the two First Nations communities. Continued support for the development of a regional approach to flood management to maximize lobby efforts to secure senior government funding opportunities.
		Open drainage watercourses and ditches in the floodplain cleaned on a 3 - 7 year cycle to maintain drainage integrity.	The 2018 drainage maintenance program saw 90,000 linear channel metres being cleaned with DFO approval.
		Drainage pumping stations to be operable at all times.	McGillivray, Collinson and Wolfe Road drainage stations inspected and operational during 2018 freshet. Transformer oil testing, infrared scanning of major electrical components, fire suppression system verification and control panel upgrades have all been completed in 2018.

OBJECTIVE	STRATEGY	MEASURE	PROGRESS
Good Stewardship of the Environment		Dykes maintained to Provincial standards.	All dykes inspected and maintained in 2018 prior to freshet. West Dykes and Vedder Dykes inspected in fall 2018 prior to high winter stream flows.
	Maximize utilization of existing infrastructure.	Development directed to serviced areas.	Infill development.
	Ensure adequate water supply.	Amount of water produced meeting daily demand.	Demand met. Stage 2 lawn watering restrictions program implemented during summer. Issued 146 rebates under the toilet rebate program. A comprehensive water conservation plan is being designed and implemented.
	Ensure quality drinking water.	Meets drinking water standards.	Comprehensive and extensive drinking water quality testing program undertaken in 2018, with 1,750 water samples tested. Full-time drinking water chlorination in operation maintaining a min. 0.2ppm chlorine residual throughout the system. Key maintenance activities such as semi-annual flushing, reservoir cleaning and production well repairs have been conducted. Drinking water quality has been maintained to meet drinking water quality guidelines throughout 2018.
	Protect the waterways.	Effluent meets or exceeds Provincial standards.	Continues to meet Provincial standards. Biological Treatment Systems at WWTP continue to improve water quality in 2018. Preliminary design to upgrade the Inlet Works to meet demand and to improve water quality is completed and design-build procurement process to construct work in progress. Completed High Strength Wastewater Pre-Treatment Facility at the WWTP to treat high strength wastewater to meet discharge water quality requirements.
		Enhancement of fish habitat.	Undertook several mitigative measures in order to preserve and enhance habitat during the annual open channel drainage maintenance program, with the support and approval of DFO. Collaborated with the Fraser Valley Conservancy and Provincial staff to remove invasive species and replant the banks of Semiault Creek with native vegetation. Worked with DFO and the Fraser Valley Watersheds Coalition to construct additional spawning and rearing habitat adjacent to the Vedder River in Peach and Salwein Creeks. Organized five salmon habitat enhancement projects in 2018, with volunteers planting hundreds of native trees and shrubs to improve riparian habitat along Stewart Creek, Dunville Creek and the Browne Creek Wetlands
	Protect water course riparian areas.	Consider scientifically determined stream setbacks in all new development applications.	Continued to protect riparian areas by maintaining RAR standards and enforcing Development Permit Area #3 rules.
	Encourage waste diversion.	Increase Curbside Program waste diversion rate from 34% in 2014 to 65% by 2018.	Curbside waste diversion rate 70% in 2018, exceeding the target. Diversion is achieved through successful recycling and compostables collection programs.
	Protect the air shed.	Work with the Province to assess agricultural air quality impacts.	BC Ministry of Environment reviewing Agricultural Waste Control Regulation, with a goal of "enhancing and improving water and air quality by ensuring that good agricultural practices are followed". Proposed changes include emission standards, testing and monitoring requirements for biogas-fueled boilers and heaters, as well as composting and nutrient management requirements to protect air and water quality.

OBJECTIVE	STRATEGY	MEASURE	PROGRESS
		Explore economically viable methane extraction opportunities. Install a gas extraction system at the Bailey Landfill.	Continued to utilize methane produced at WWTP to run biogas boiler heat digesters. Continued with gas extraction at the Bailey Landfill in 2018. Completed Biogas Feasibility Study at the Wastewater Treatment Plant with funding assistance from FCM. Explored options to convert excess biogas at the WWTP to biomethane and subsequent retailing to FORTIS BC.
		Reduced reliance on automobiles.	2018 transit service expansion included an additional 2,800 annual service hours applied to additional early morning service on the #1 Vedder, #2 Evans, #3 Chilliwack, #4 Promontory, #7 Broadway and the #8 Tyson. In addition, the #4 Promontory route was extended east to better serve the whole neighbourhood of Promontory. On board passenger counts completed in February and October 2018 indicate that ridership on the Chilliwack transit system is growing at approximately 10% over 2017.
		Measure air shed greenhouse gas emissions and foster the community to become more energy efficient.	Continued to facilitate sustainable transportation and encourage greater density and more efficient developments. Adopted and implemented the Chilliwack Proper and Fairfield Island Neighbourhoods Plan. Amended the Zoning Bylaw to permit secondary rental suites in all single family homes and coach houses in the R1-A zone. Continued converting existing street lights to LED and requiring LED street lights for new developments .The City was recognized by the joint Provincial-Union of British Columbia Municipalities Green Communities Committee for our successful efforts to measure and reduce corporate greenhouse gas emissions for 2018. The Level 3 Measurement recognition demonstrates strong climate leadership and sets the stage for broader climate action in our community.
		Minimize burning.	Burning restrictions continue to be enforced through the Open Air Burning Regulation Bylaw. Over the last 2 burning seasons the online test that requires property owners to answer a questionnaire related to the open air burning bylaw prior to receiving their permit has proven to be successful. Fire Department staff continues to gain compliance through public education and increased enforcement by issuing tickets to bylaw violators. A public education campaign was also developed regarding best practices for indoor wood burning to minimize smoke.
		Reduction in energy consumption.	Continued energy efficiency upgrades at municipal facilities in 2018. These include continued LED lighting conversions at Heritage Park, Evergreen Hall and the Chilliwack Landing Leisure Centre pool. Completion of a stand-alone biogas heating system to run the industrial high strength pre-treatment facility at the WWTP.
	Promote a "zero waste" philosophy to minimize the generation of solid waste in the City, while maximizing reuse and recycling initiatives.	Reduce the annual amount of residential garbage being generated per household and increase the diversion rate. Implement 2010 Waste Audit recommendations.	In 2018 the estimated annual Curbside Program waste generated was 260 kilograms per household; a significant decrease (22%) from 2017 since this was the first full year that compostables collection was in place. Zero waste initiatives included curbside recycling, compostables diversion, Waste Reduction Month programs and outreach and City Wide Garage Sales.

OBJECTIVE	STRATEGY	MEASURE	PROGRESS
	Ensure a Financial Plan is in place for long-term sustainability of the landfill.	Financial Plan projects a positive reserve fund balance, along with a plan to fund closure and post-closure costs.	Landfill Financial Plan reviewed in 2018 to ensure the economic sustainability of the Bailey Landfill.
Facilitate a High Quality of Life	Provide quality parks and recreational opportunities.	Comparison to other communities. Taxpayer feedback.	<p>Chilliwack continues to provide a variety of excellent, high quality, local recreational opportunities in over 100 parks and over 100km of trails. The Greenspace Plan and the Trail Network Plan were updated in 2018 and continue to guide the vision for Chilliwack's parks and trails in the coming decade. Kensington Park in the Eastern Hillside was created alongside new development in the area. Strategic work continues along the Vedder Greenway to complete the looping of the Vedder Rotary Trail. The main nodal points along the Vedder Rotary Trail, Peach and Vedder Parks, were developed. The new Crossing Park on the south side of the river at the Vedder Bridge is now open. Parking lot upgrades at the Lickman Road and Hopedale Road parking lots increased parking by 30 and 40 stalls, respectively.</p> <p>Property adjacent to Victoria Park was acquired for the park's expansion, adding to overall park space downtown. New playground equipment and other amenities were installed in Hilton Park, Mitchell Park, Bonny Park and Carmel Park and larger play structures in Townsend Park and Kinsmen Park on Portage.</p> <p>Walden Park disc golf course was expanded to 18 holes. Three dedicated pickleball courts were installed in Kinsmen Park on Portage and pickleball lines were painted on tennis courts in Wells Landing Park and Mountview Park. Outdoor fitness equipment was added to Sardis Park, Fairfield Park and Crossing Park with 30% of this equipment being wheelchair accessible. Trail work in 2018 included Allan Creek Trail, the Kensington trail from the Old Marble Hill Road to Kensington Park and additions to the Community Forest. A Grass Roots Grant application was approved in 2018 for the installation of a small community garden in Parker Park.</p>
	Enhance the connectivity between the City's recreational trail network and regional trails adjacent to City boundaries.	Feedback from FVRD, taxpayers and trail user groups.	Regional trail strategic planning was adopted in the 2018 Trail Network Plan update. We continue to seek opportunities for new trail links between the Community Forest and Elk/Thurston trail. Work continues with the FVMB to plan and construct regional trail connections to Vedder Mountain.
	Facilitate the attraction of community events.	Events held in local recreational facilities.	Heritage Park, Prospera Centre, and the Chilliwack Cultural Centre booked year-round, including large scale events. Partnership with the Active Communities Committee and Tourism Chilliwack for hosting health and wellness events and sport tourism opportunities. Assisted with Canada Day, Santa Parade, Terry Fox Run and Party in the Park. The 2018 Royal Bank Cup was hosted at Prospera Centre.
	Support cultural groups.	Facility and funding assistance.	The Chilliwack Cultural Centre hosts many large scale shows and events attracting patrons from throughout the region as well as providing an important venue for developing and showcasing local artists and performers.

OBJECTIVE	STRATEGY	MEASURE	PROGRESS
	Foster community spirit.	Support public art.	The Chilliwack Public Art Advisory Committee (PAAC) continues to support public art in the community, including the Evans Road roundabout art feature, Canada 150 Mosaic and the temporary mural at Five Corners
		Recognize volunteers.	Recognized sport achievement and legacy through Chilliwack Sports Hall of Fame.
		Support community organizations.	Funded a number of organizations and initiatives through the Community Development Initiatives policy in 2017.
	Maintain, enhance and promote the natural beauty of Chilliwack.	Promote tourism.	Contract with Tourism Chilliwack.
		Portray a visually appealing image.	Three gateway signs to welcome visitors entering downtown Chilliwack were installed on Young Road at Prairie Central, Ashwell Road at Hodgins Avenue and on Wolfe Road at Townsend Park. The Vedder Rotary Trail has become a popular destination for local residents and visitors alike. Wayfinding items such as kiosks with maps and kilometer markers have been added at strategic points along the Vedder Rotary Trail. As part of the Vedder Rotary Trail connection on the north side of the river, the existing bridge abutment from the previous Vedder Bridge was retained as a viewing area off of the Vedder Rotary Trail. Interpretative information about the history of the Vedder River crossing bridges is displayed. Local First Nations created an interpretive sign board and selected the Halq'eméylem word "Ts'elxwéyeqw" to represent the traditional territory of the Ts'elxwéyeqw Tribe whose villages were around the area now referred to as the Chilliwack River Valley.
		Provide a pedestrian-friendly community.	Enhancements along the Vedder Greenway to achieve the looping of the Vedder Rotary Trail continue. Land acquisition is complete and an additional 1.3km of trail on the south side has been completed. In the Eastern Hillside, the first section of the Allan Creek Trail from Veronika Place to Rowanna Crescent was completed and Kensington Trail from the Old Marble Hill Road to the new Kensington Park was installed in 2018. Work continues in the Community Forest with the addition of the Fireline Trail (530m), Spotlem Trail (510m) and Slug Trail (800m). The City continues to maintain over 100km of trails. Over 300 wooden steps on the Salmon Ridge Trail were replaced with composite material steps to increase the life span of this section of trail. Neighbourhood trail links were installed to connect Fairfield Park to Bryce Road and to connect James Street Park to Walden Park.
Attract & Maintain Business Growth	Contract with CEPCO for economic development.	Through innovation and flexibility, establish standards to successfully integrate hillside development within its unique natural context.	Zoning Bylaw Amendment applications on sites that have natural slopes of 20% or more are accompanied by additional development approval information to illustrate conformance with the Hillside Development Standards Policy.
		New businesses locating in Chilliwack.	Non-market business/industry assessment increased in 2018 as a result of new business attraction.
		Work cooperatively with CEPCO in setting mutual priorities.	CEPCO contract renewed in 2014 for a 5 year term.

OBJECTIVE	STRATEGY	MEASURE	PROGRESS
	Encourage redevelopment in the downtown area.	Provide revitalization tax exemptions (RTE) through the Revitalization Tax Exemption Bylaw.	One application for RTE within the downtown area for a commercial renovation on Alexander Avenue in 2018.
		Facilitating an environment for downtown revitalization.	In September 2017 the City of Chilliwack and CEPCO issued an RFP for the purchase and development of a 3.75 acre development site in downtown Chilliwack. The contract was awarded in May 2018 to Algra Bros. Developments for their innovative multi-phase proposal. The project will retain some buildings and upgrade their historic facades while creating a sustainable, walkable and vibrant city centre.
	Create an environment that is positive to business creation.	Comparison of taxes and fees, and timing of service delivery.	Chilliwack provides low business taxes and fees in comparison to other Lower Mainland communities.
			Through the Industrial Revitalization Tax Exemption Bylaw (2011), the City had 2 applications in 2018 for Luster Products and Level Fab.
			NAIOP: Survey results for 2018 have not yet been made available, however, it's expected that the City will continue to have the lowest commercial to residential property tax burden and be one of the best for development application and permit turnaround times.
Engage the Community	Ensure plans are in place to facilitate regional growth predictions.	Regional growth accommodated in OCP and CMP.	The 2040 Official Community Plan was adopted in 2014, the Regional Growth Strategy goals were incorporated into the OCP. In 2018 the City undertook neighbourhood planning for Chilliwack Proper/Fairfield Island to guide decision making/ensure OCP and RGS growth management goals are met.
	Provide community forum venues on major issues under consideration.	Public Meetings.	Held Open House on Zoning Regulations for Retail Cannabis in advance of the implementation of the federal Cannabis Act. City staff engaged the community on a wide variety of subjects, including the new curbside collection program, playground replacement, transit expansion, updates to the Building Act, roundabout safety, wildfire preparedness, road safety, neighbourhood planning and more. Parks Operations hosted public engagement sessions in Cottonwood Mall and at the Chilliwack Fair on a wide variety of subjects including outdoor exercise equipment, the looping of the Vedder Rotary Trail, the Experience the Fraser Trail and updates to the City's Greenspace and Trail Network Plans. Park meetings were held in community parks to receive feedback from local residents on future park designs at Parker Park, Kensington Park, Emerald Park, Balmoral Park and Mountview Park.
			Staff continue to attend Canadian Homebuilders Association functions regularly; liaised and continued to build relationships with members of our development community.
	Provide relevant information through the City website, newspaper and radio ads and the Leisure Guide.	Leisure Guide, Annual Report, Tax Insert made available. Updated website regularly.	All done to satisfaction. Met statutory deadline for presentation of Annual Report. Departments regularly place newspaper and radio ads. Each department regularly updates the website in order to ensure the information remains current and timely. The tax insert is mailed out annually with property tax notices; this includes an interactive PDF version for residents that prefer not to receive a paper notice in the mail.

OBJECTIVE	STRATEGY	MEASURE	PROGRESS
	Work closely with Committees of Council.	Committees meet regularly, have Council representation and provide feedback to Council.	All Committees active during year.
	Work cooperatively with senior government elected officials.	Meet regularly with MLA's and MP to review mutual issues.	Individual meetings have occurred as needed to discuss specific issues. These meetings will continue and joint group meetings will be scheduled.
	Ensure timely and accurate information to the community.	Information provided.	A social media presence was established on Facebook and Twitter in 2011, on Instagram in 2018 and timely updates are provided on a regular basis. A social media policy is in place and staff regularly answer questions and concerns posted on social media. The City has 7,064 followers on Facebook, 5,673 followers on Twitter and 1,028 followers on Instagram.
Develop and Maintain a First Rate Work Force	Have recruiting strategies that attract the brightest and the best.	Qualified applicants.	To date in 2018, there have been 102 job postings for 160 positions. As of November 9, 2018, 50 new employees have started with our organization.
	Undertake on-site training for employee development, as well as encourage employee professional development.	Employees taking relevant professional training, approved by manager prior to training event.	Various training took place throughout the year, focusing on professional development, skills-based operational and certification training and Health and Safety.
	Provide opportunity for internal advancement.	Employee movement and turnover.	53 employees have changed positions within the organization to date in 2018. In each move, the employee obtained a new position within the organization to advance their careers.
	Offer a fair compensation package and employee programs.	Periodic reviews of compensation in consideration of job content and internal equity.	Collective agreements for CUPE and IAFF, which address unionized employees' compensation packages, are in place until 2019. Exempt staff packages are reviewed annually as per our Municipal Officers and Employees Bylaw.
	Workplace safety.	Number of workdays lost per year due to injury.	136 workdays lost due to injury up to September 30, 2018. A comparison to the number of days lost in previous years is as follows; 16.5 (2017) 81 (2016), 177 (2015), 49 (2014), 41 (2013), 197 (2012) and 267 (2011).
Provide Excellent Customer Service	Provide customer service training to employees.	Training provided.	Provided group training for all employees.
	Seek taxpayer/customer feedback.	Customer feedback system in place and followed up on.	Concerns and issues followed up on promptly.
	Provide fast and efficient service.	Timeliness of customer service.	Volume of building permit applications for 2018 similar to 2016 levels, remaining historically very strong. In order to manage turn around times, additional plan review/inspection staff remain. Premium plan reviews remain suspended to allow staff to work on regular applications during non-regular work hours. Customer service by staff at the counter and in the field remains exceptional.
		Building Inspection report efficiency improvement.	All building inspection reports are now recorded electronically and field reports are sent directly by email to property owners, applicants and builders.

OBJECTIVE	STRATEGY	MEASURE	PROGRESS
	Provide enhanced and proactive bylaw enforcement.	Expand proactive enforcement to early mornings, evenings and weekends on a seasonal and as-needed basis.	Two seasonal Bylaw Enforcement Officers were again hired in the spring of 2018 to provide support to the full-time Bylaw staff and evening and weekend services. These officers proactively patrol neighbourhoods, parks and trails on foot and bicycle with voluntary compliance and education as their primary mandate. The seasonal officers had over 2,000 interactions with the public in the first five months of their employment.
Provide a Safe Community	Provide the community with effective fire and life safety education to prevent and reduce the loss of life and property.	Provide fire safety and emergency preparedness education to businesses, community groups and the public. Revise the existing community risk assessment (CRA) and continue to develop community risk reduction programs (CRR).	Delivered 165 fire safety and emergency preparedness education sessions to over 3,800 persons, including education for school children, seniors, community groups, local businesses, First Nations and gated communities. Fire Department developed and implemented our new Home Safe Fire Prevention Program. Fire Department staff replaced 18 smoke alarms. The community risk assessment (CRA) is being updated and revised and is 40% complete.
	Increase fire and life safety in multi-family residential buildings and gated communities.	Continue to work with building owners to upgrade their fire and life safety protection in older apartment buildings.	116 multi-family residential buildings are currently on our fire and life safety upgrade program with 89 (76%) of the upgrades completed.
	Plan for the response and recovery of the City and community in times of disaster. Work with First Nations to integrate emergency plans.	Complete individual City department business continuity plans and attach to City's response and recovery plan.	Researched and reviewed business continuity planning methodology and employee engagement best practices. Through the 2018 freshet event, staff engaged 2 First Nations on emergency plan integration and joint planning opportunities. Work continues to re-focus the business continuity planning process through increased engagement with City staff.
	Develop a sustainable and comprehensive emergency management training program.	Exercise the City's Emergency Preparedness (EP) Plan.	Delivered one exercise on emergency management situational awareness and emergency operations centre (EOC) structure. Completed section specific training for each EOC function. Several staff completed various emergency management training courses from the JIBC.
	Increase the number of on-duty firefighters to reduce response times and provide safe and effective firefighting operations.	Increase staffing levels to 4 firefighters on both Engines 1 and 4 on a 24/7/365 basis.	Two (2) "flex" firefighters will be hired in 2018. The staff increase will provide an "in-service" time for Engine 4 (Sardis) of 97% and will provide for a safer, effective and faster response to incidents south of the freeway.
	Increase the quality and quantity of firefighter training, education and preparedness.	Expand training programs to include leadership and health and wellness education for all career and paid-on-call firefighters. Continue to work on the fire training centre site. Meet or exceed the competency requirements outlined in the BC Fire Service Minimum Training Standards Playbook.	Continue to develop more career staff as instructors and increased the use of contract trainers. Twenty one (21) POC firefighters completed the Team Leader program and eight (8) career firefighters completed the Fire Officer 1 program. On-site work continues on the fire training centre, located west of Townsend Park, with 2 new structures and various firefighting props constructed on the site. Continue to adopt and implement best practices and industry standards for firefighter training. Continue to implement competency requirements outlined in the BC Fire Service Minimum Training Standards Playbook.
	Support RCMP initiatives regarding drugs and drug-related crime.	Health & Safety Team (Fire, Bylaw and RCMP) work together to close and clean up residential properties. Bylaw tickets issued.	In 2017, the Health & Safety Inspection Team (RCMP, Bylaw, Fire Department & Technical Safety BC) shut down 6 controlled substance and marijuana grow operations, conducted 6 medicinal grow operation inspections and conducted 82 health and safety inspections. 2018 to-date, the Team has shut down 5 controlled substance and marijuana grow operations, conducted 1 medicinal grow operation inspection and conducted 35 health and safety inspections.

OBJECTIVE	STRATEGY	MEASURE	PROGRESS
	Increase the health, life and fire safety in buildings that have been used for the purpose of marijuana grow operations.	Health & Safety Team (Fire, Bylaw and RCMP) provide enforcement of Regulatory Bylaws, including remediation, in buildings that may have or have had either licenced or unlicenced marijuana grow operations.	Implemented enforcement strategies including the issuance of fines, building permits and notices on title.
	Address homeless issues.	Develop a Homelessness Action Plan	<p>In 2018 implementation of the Homelessness Action Plan included:</p> <ul style="list-style-type: none"> - expedited zoning for 92 "Housing First" units with high supports and a 20 bed youth treatment centre. Capital and operational funding for the 92 units is provided through the Province's Rapid Response to Homelessness Initiative. Contributed \$700,000 plus fee waivers (approximately \$1 million in fees). The 20 bed youth treatment centre will be operated by PCRS with funding from Fraser Health. These projects open in 2018. - establishment of an Integrated Case Management (ICM) Team to support Housing First, funded by the Province and operated by Fraser Health in conjunction with Rain City Housing. - \$109,400 in development fee waivers for Chilliwack Society for Community Living and the Salvation Army Modular Shelter, providing affordable housing for adults with developmental disabilities and increasing the number of year round emergency shelter beds from 11 to 68. - \$30,000 contribution to the Housing Hub pilot project, to help people acquire and retain affordable rental housing. - expedited zoning for the Paramount Project proposed by Chilliwack Community Services. The City and CEPCO have committed contribution of two sites in the downtown, contingent on provincial funding. - continued work with local service providers to develop second stage housing for youth. - ongoing support of Chilliwack Healthier Community has resulted in increased coordination of outreach services, continued landlord engagement, development of a mental wellness guide, work towards a poverty reduction action plan, a seniors services expo, increased collaboration with First Nations service providers.
	Support RCMP activities in the downtown area.	Co-ordinate efforts with the RCMP and the downtown RCMP station.	Have worked co-operatively on trouble buildings and hotspots. Addressing homeless issues. Bylaw Enforcement, private security and RCMP conduct proactive daily foot patrols to promote a visible presence in the downtown business areas and parks.
	Maintain an adequate number of police officers, consistent with provincial averages.	Police to population.	Funded 5 new members for 2018. Increased funding towards the RCMP Integrated Teams, and maintained a population to member ratio of under 800.
	Support RCMP initiatives regarding prolific offenders.	Crime trends.	Chilliwack does have higher case loads per member and has funded 5 additional members for 2018 and 19 members over the past 4 years.
	Improve traffic education.	Fund and support the Safer City initiative working in cooperation with RCMP and ICBC.	Public Safety Specialist created and managed initiatives with Safer City partners focusing on motorists, pedestrians and cyclists in an effort to reduce local crash statistics and broaden road safety knowledge.

OBJECTIVE	STRATEGY	MEASURE	PROGRESS
	Improve the safety of parks and public places.	Crime Prevention through Environmental Design (CPTED) principles are applied in park and public space upgrades.	Mobile security patrols continue - 3 patrol vehicles working overnight and 1 additional patrol working during daytime hours to provide 24hr coverage. Patrols concentrate on downtown core - Central Park, Salish Park, Library. Night patrols ensure any temporary shelters in parks are removed at the prescribed time. Patrols prevent the set up of shelters in prohibited locations. High visibility patrols were conducted throughout the year with RMCP, Bylaw and contracted security firms in the downtown core and various commercial areas. Parks are being assessed using CPTED principles and visually obstructive vegetation is being removed to allow for clearer lines of sight.
	Support improved coordination between social agencies in the community.	Support the Chilliwack Healthier Community partnership.	The City continued to provide funding, meeting space and in-kind staff support for the Chilliwack Healthier Community Partnership. Active initiatives include Housing First project development, community awareness and landlord strategies, mental health in the workplace, First Nations Cultural Awareness training. Monthly partner events support increased awareness of programs and networking and coordination amongst agencies.



Permissive Tax Exemptions

Organization Name	Community Charter Section	2018 Municipal Taxes
Adult and Teen Challenge	Section 224(2)(a)	3,722
Ann Davis Transition Society	Section 224(2)(a)	9,629
Ann Davis Transition Society	Section 224(2)(a)	2,575
Atchelitz Farmers' Institute	Section 224(2)(a)	5,525
Bethesda Christian Association	Section 224(2)(a)	2,047
Bethesda Christian Association	Section 224(2)(a)	7,795
BCSPCA	Section 224(2)(a)	2,052
Camp River Community Hall Society	Section 224(2)(i)	3,824
Canadian Hard of Hearing Association	Section 224(2)(a)	547
Canadian Red Cross Society	Section 224(2)(a)	2,425
Chilliwack Activity Centre (50 Plus) Society	Section 224(2)(i)	3,218
Chilliwack Alano Club	Section 224(2)(a)	2,075
Chilliwack Alliance Church	Section 224(2)(f)	12,990
Chilliwack Animal Safe Haven Society	Section 224(2)(a)	4,116
Chilliwack Community Arts Council	Section 224(2)(i)	2,954
Chilliwack Crime Prevention Society	Section 224(2)(a)	4,303
Chilliwack Community Services	Section 224(2)(a)	6,639
Chilliwack Community Services	Section 224(2)(a)	8,102
Chilliwack Community Services	Section 224(2)(a)	10,744
Chilliwack Community Services	Section 224(2)(a)	814
Chilliwack Family YMCA	Section 224(2)(i)	5,697
Chilliwack Family YMCA	Section 224(2)(i)	9,446
Chilliwack Family YMCA	Section 224(2)(i)	5,373
Chilliwack Hospice Society	Section 224(2)(a)	9,004
Chilliwack Housing for Homeless Foundation	Section 224(2)(a)	422
Chilliwack Housing for Homeless Foundation	Section 224(2)(a)	327
Chilliwack Housing for Homeless Foundation	Section 224(2)(a)	426
Chilliwack Keystone Church	Section 224(2)(g)	4,090
Chilliwack Lawn Bowling Society	Section 224(2)(i)	2,656
Chilliwack Opportunity Society	Section 224(2)(a)	4,121
Chilliwack Seniors Social Society	Section 224(2)(i)	1,963
Chilliwack Senior Veterans Society	Section 224(2)(i)	2,357
Chilliwack Society for Community Living	Section 224(2)(a)	4,333
Chilliwack Society for Community Living	Section 224(2)(a)	4,414
Chilliwack Society for Community Living	Section 224(2)(a)	7,071
Chilliwack Society for Community Living	Section 224(2)(a)	8,681
Chilliwack Society for Community Living	Section 224(2)(a)	677
Chilliwack Society for Community Living	Section 224(2)(a)	2,421
Chilliwack Society for Community Living	Section 224(2)(a)	2,191
Chilliwack Society for Community Living	Section 224(2)(a)	19,145
Chilliwack Society for Community Living	Section 224(2)(a)	2,858
Chilliwack Society for Community Living	Section 224(2)(a)	1,914
Chilliwack Society for Community Living	Section 224(2)(a)	1,944
Chilliwack Society for Community Living	Section 224(2)(a)	1,991
Chilliwack Society for Community Living	Section 224(2)(a)	1,998
Chilliwack Society for Community Living	Section 224(2)(a)	2,443
Chilliwack Society for Community Living	Section 224(2)(a)	2,701
Chilliwack Society for Community Living	Section 224(2)(a)	3,613
Chilliwack Society for Community Living	Section 224(2)(a)	1,287

Chilliwack Society for Community Living	Section 224(2)(a)	1,873
Chilliwack Society for Community Living	Section 224(2)(a)	2,309
Chilliwack Society for Community Living	Section 224(2)(a)	2,331
Chilliwack Supportive Housing Society	Section 224(2)(a)	331
Chilliwack Supportive Housing Society	Section 224(2)(a)	338
Chilliwack Supportive Housing Society	Section 224(2)(a)	340
Chilliwack Supportive Housing Society	Section 224(2)(a)	330
Chilliwack Supportive Housing Society	Section 224(2)(a)	402
Chilliwack Supportive Housing Society	Section 224(2)(a)	412
Chilliwack Supportive Housing Society	Section 224(2)(a)	324
Chilliwack Supportive Housing Society	Section 224(2)(a)	330
Chilliwack Supportive Housing Society	Section 224(2)(a)	330
Chilliwack Supportive Housing Society	Section 224(2)(a)	331
Chilliwack Supportive Housing Society	Section 224(2)(a)	421
Chilliwack Victory Church	Section 224(2)(g)	1,210
Chilliwack Victory Church	Section 224(2)(f)	2,009
Chilliwack Victory Church	Section 224(2)(g)	3,133
Church of God	Section 224(2)(f)	5,915
Communitas Supportive Care Society	Section 224(2)(a)	377
Communitas Supportive Care Society	Section 224(2)(a)	377
Communitas Supportive Care Society	Section 224(2)(a)	485
Communitas Supportive Care Society	Section 224(2)(a)	485
Communitas Supportive Care Society	Section 224(2)(a)	409
Communitas Supportive Care Society	Section 224(2)(a)	409
Communitas Supportive Care Society	Section 224(2)(a)	480
Communitas Supportive Care Society	Section 224(2)(a)	480
Coqualeetza Cultural Education Centre	Section 224(2)(a)	370
Creative Centre Society	Section 224(2)(a)	2,060
Crossroads Community Church	Section 224(2)(a)	1,780
Elizabeth Fry Society of Greater Vancouver	Section 224(2)(a)	3,526
Evangelical Missionary Church Canada West District	Section 224(2)(g)	5,054
Evangelical Missionary Church Canada West District	Section 224(2)(g)	4,443
Evangelical Missionary Church Canada West District	Section 224(2)(g)	3,209
Kay Cee Society	Section 224(2)(a)	3,140
Main Street Church	Section 224(2)(f)	2,467
Main Street Church	Section 224(2)(g)	3,655
Main Street Church	Section 224(2)(g)	1,287
Main Street Church	Section 224(2)(g)	1,890
Mountain View Church	Section 224(2)(g)	2,047
Pacific Community Resources Society	Section 224(2)(a)	0
Pentecostal Senior Citizens Society	Section 224(2)(a)	2,269
Reformed Congregation in North America	Section 224(2)(g)	4,031
Ruth & Naomi's Street Mission	Section 224(2)(a)	0
Ruth & Naomi's Street Mission	Section 224(2)(a)	1,455
Ruth & Naomi's Street Mission	Section 224(2)(a)	607
Ryder Lake Farmers' and Women's Institute	Section 224(2)(a)	2,505
Seventh-Day Adventist Church	Section 224(2)(g)	1,694
Southside Church	Section 224(2)(f)	6,318
Nature Trust of BC	Section 224(2)(i)	2,979
Nature Trust of BC	Section 224(2)(i)	7,117
Nature Trust of BC	Section 224(2)(i)	60

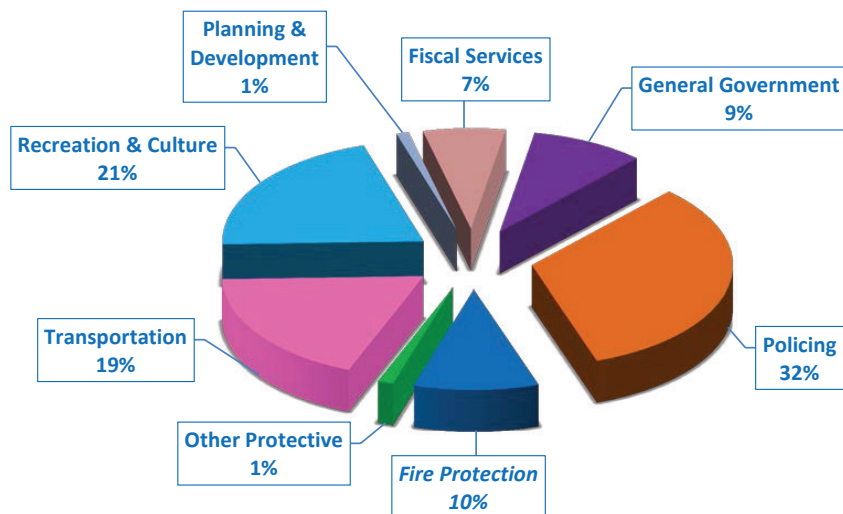
Nature Trust of BC	Section 224(2)(i)	4,481
Nature Trust of BC	Section 224(2)(i)	2,198
Nature Trust of BC	Section 224(2)(i)	474
Nature Trust of BC	Section 224(2)(i)	1,184
Nature Trust of BC	Section 224(2)(i)	1,734
Nature Trust of BC	Section 224(2)(i)	21,396
Salvation Army	Section 224(2)(a)	15,103
Salvation Army	Section 224(2)(a)	6,076
Trinitarian Bible Society	Section 224(2)(g)	3,473
Vineyard Christian Fellowship	Section 224(2)(g)	848
Vineyard Christian Fellowship	Section 224(2)(g)	11,689
Xolhemet Society	Section 224(2)(a)	2,101
Yarrow Alliance Church	Section 224(2)(g)	4,070
TOTAL		\$ 376,620



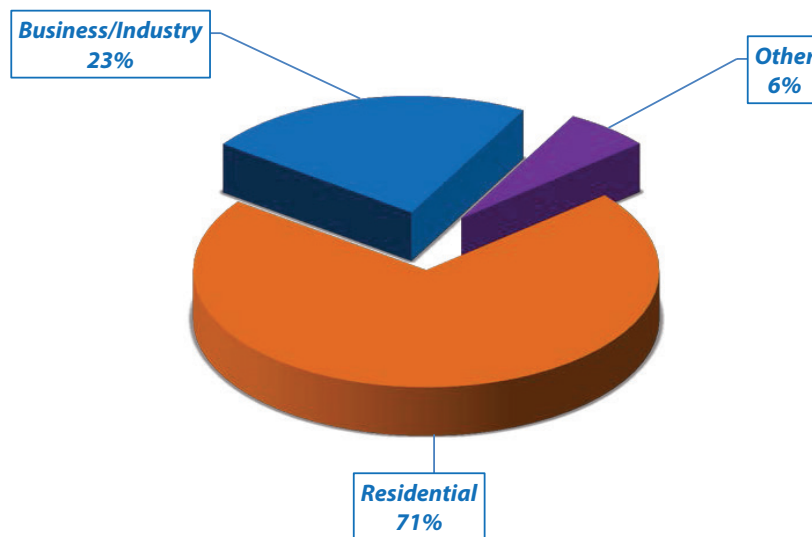
Statistical Information



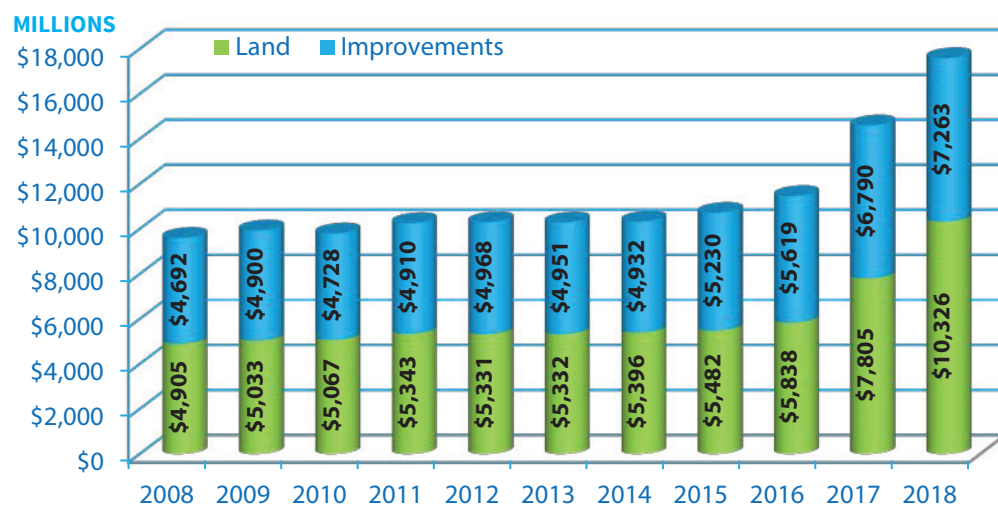
Municipal Property Tax Distribution



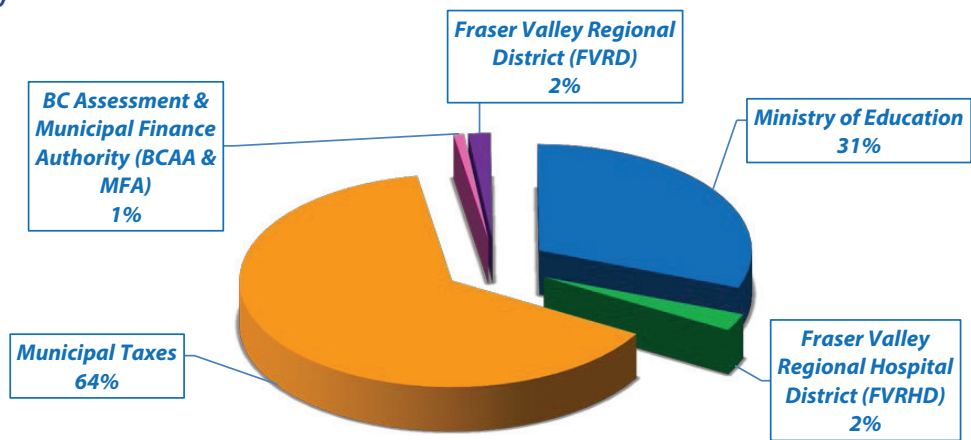
Assessment by Property Class



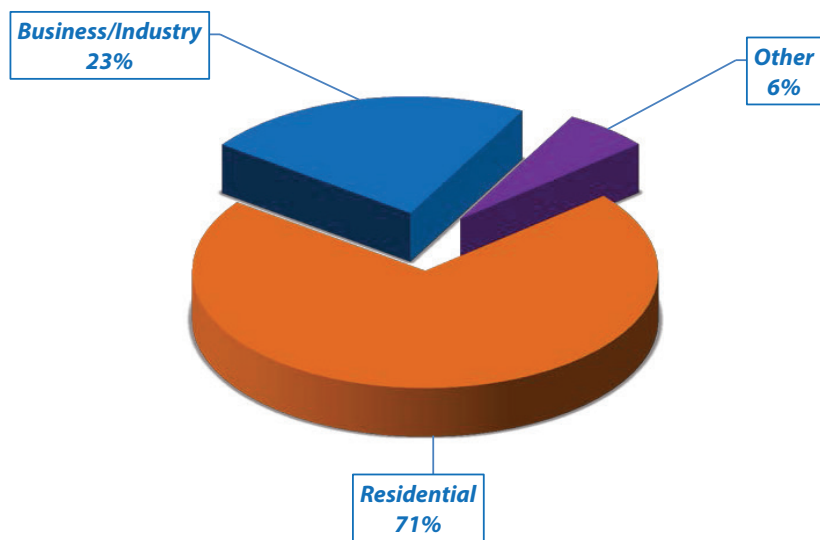
Total Chilliwack Property Assessments



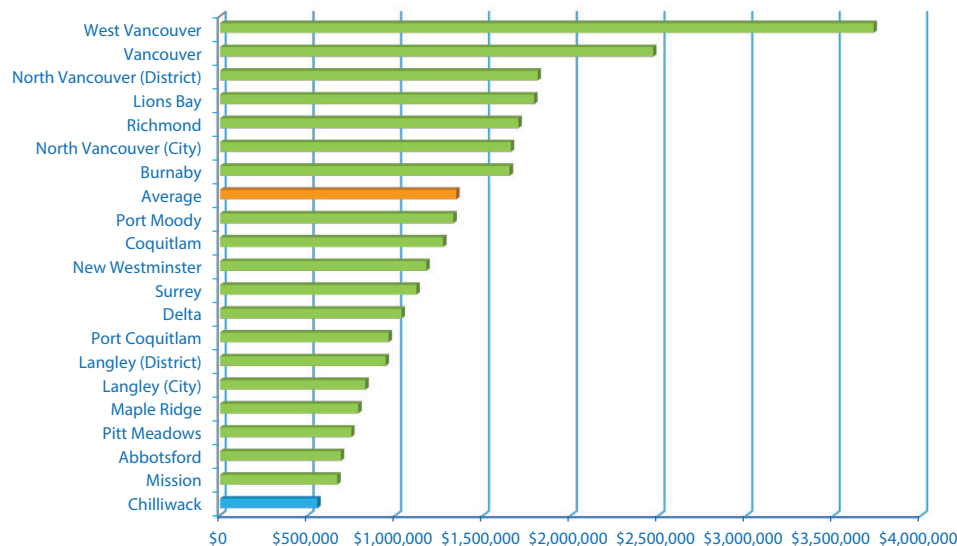
Total Property Tax Distribution



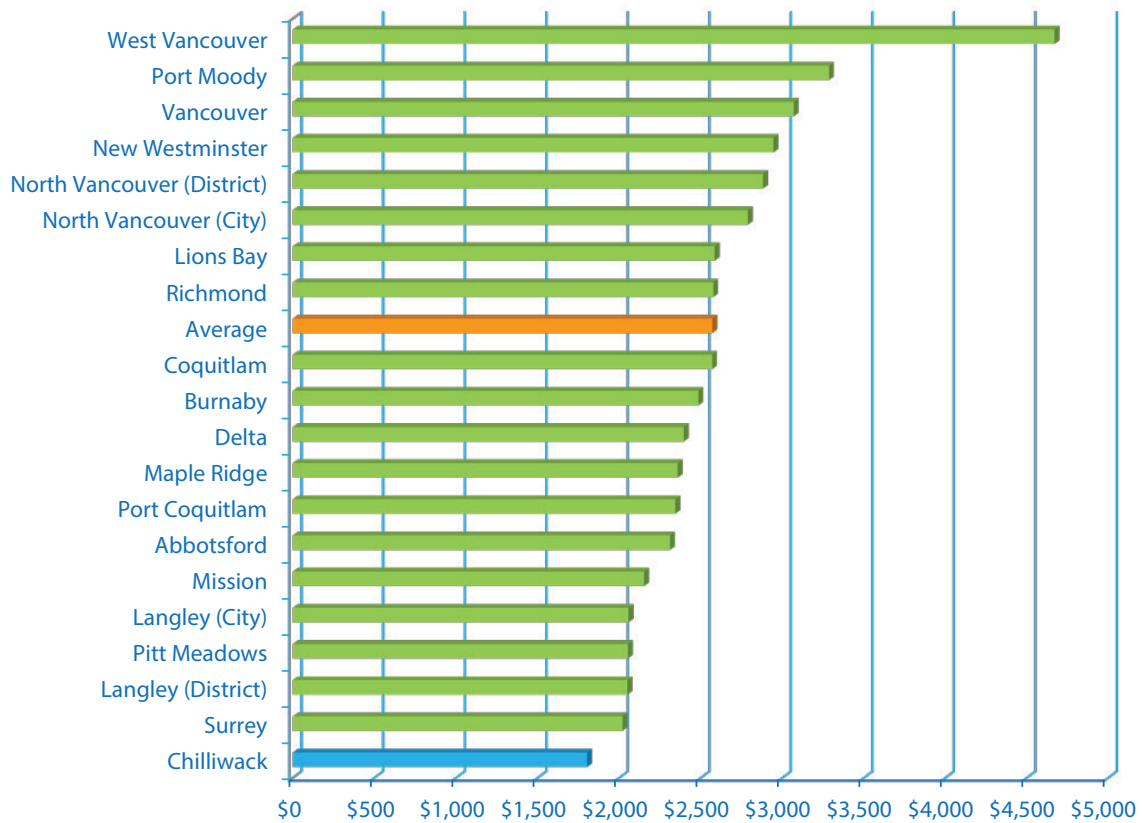
Taxation by Property Class



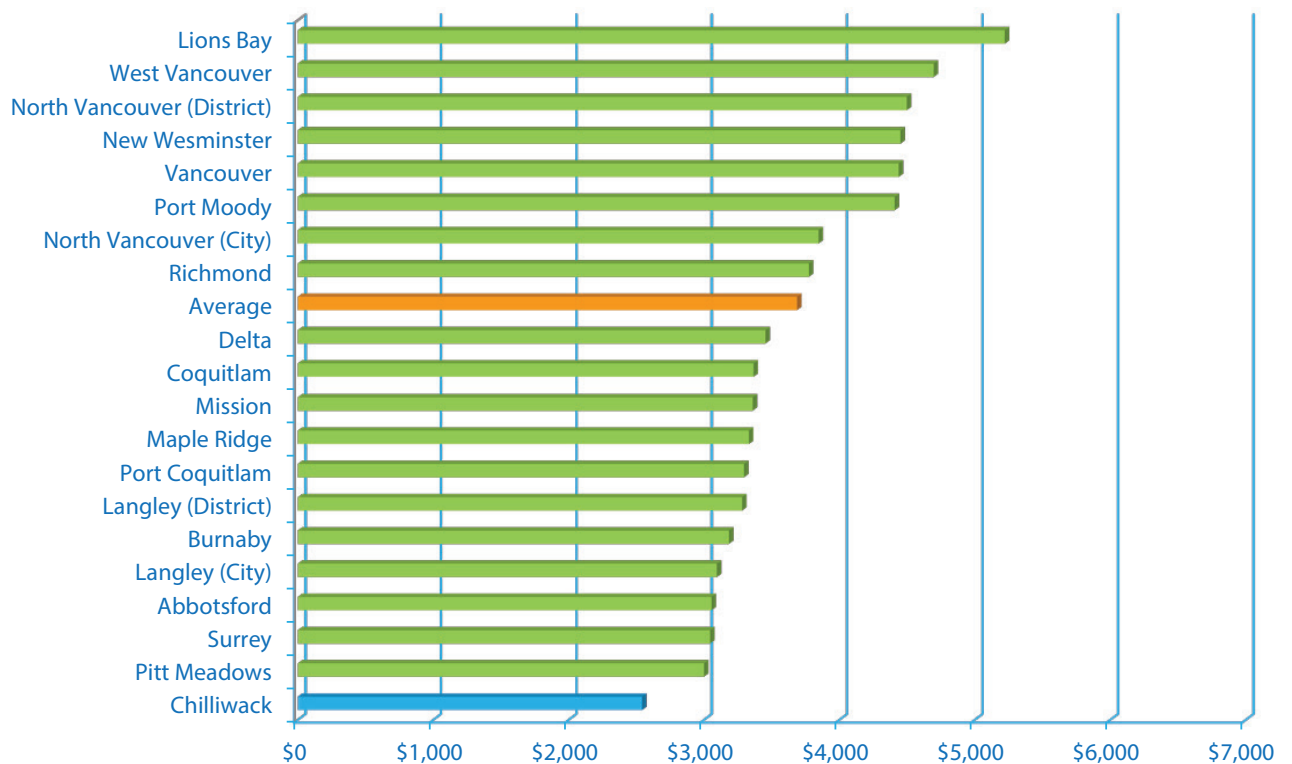
Lower Mainland Representative House Value Comparatives



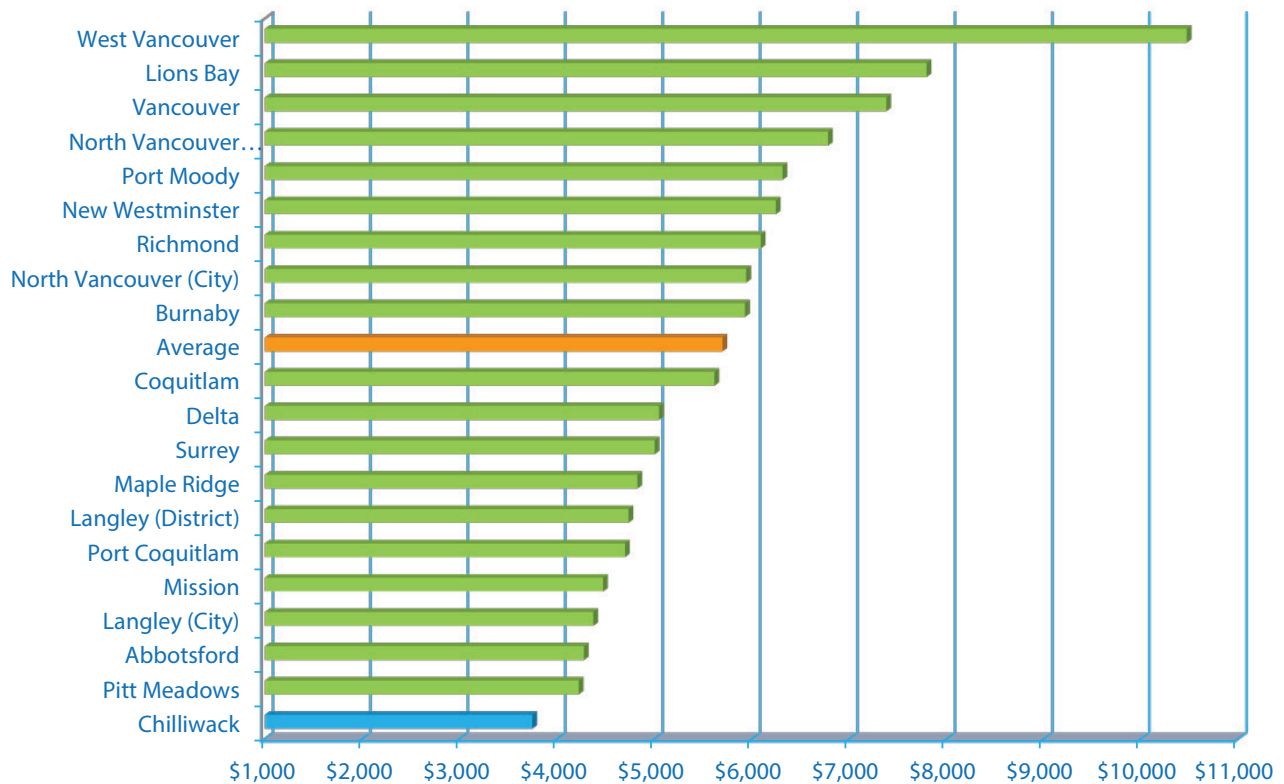
Lower Mainland Municipal Taxes (per Representative House)



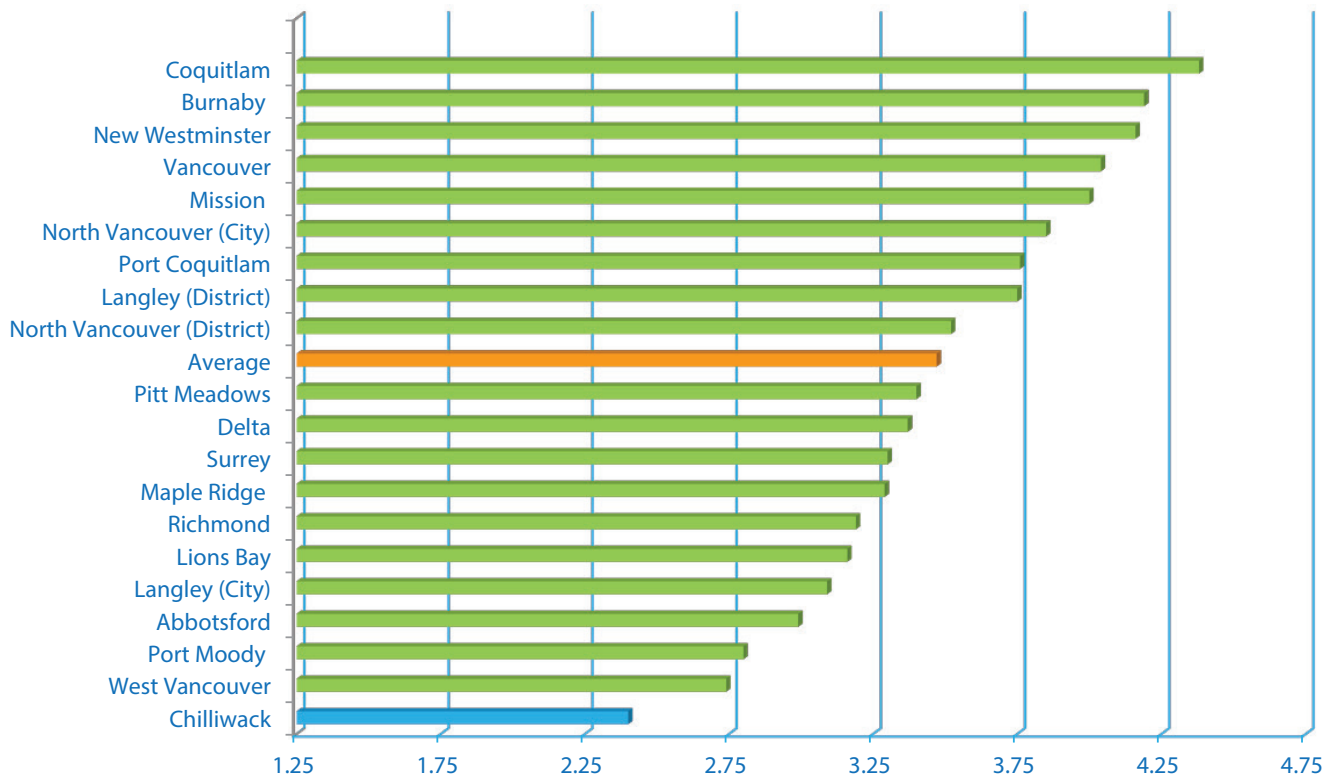
Lower Mainland Municipal Taxes & Utility Charges (per Representative House)



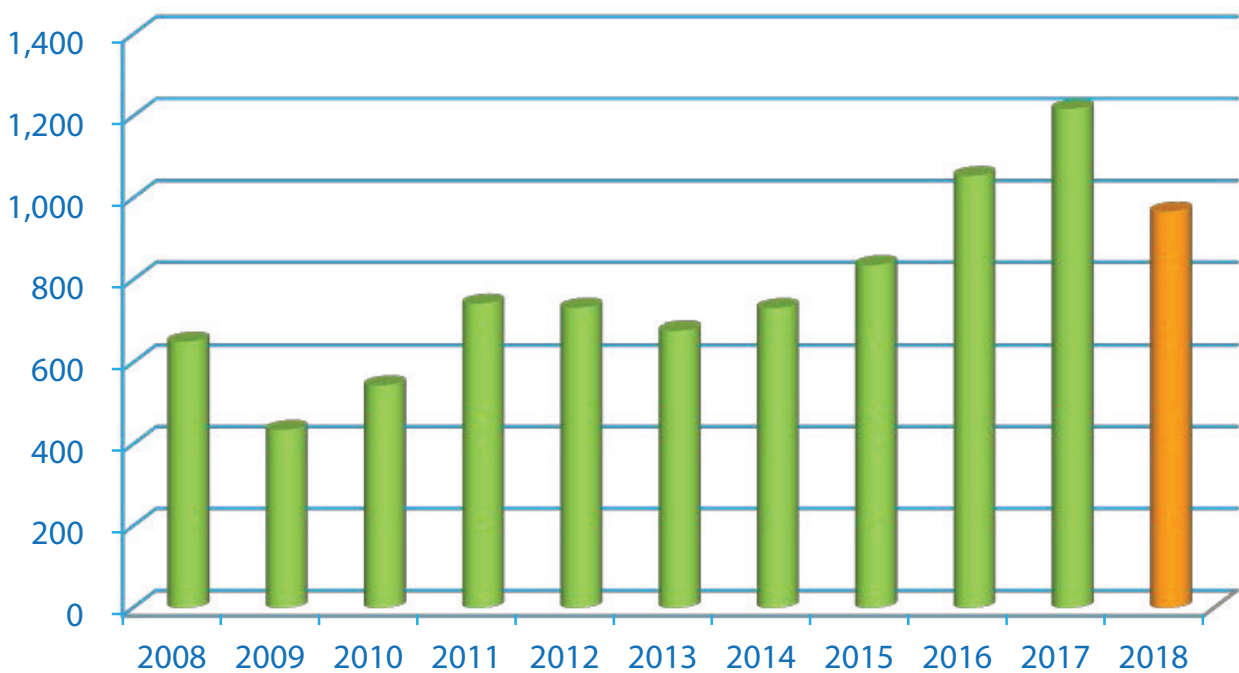
Lower Mainland Total Taxes & Charges (per Representative House)



Lower Mainland - Business Class Taxation Multiplier

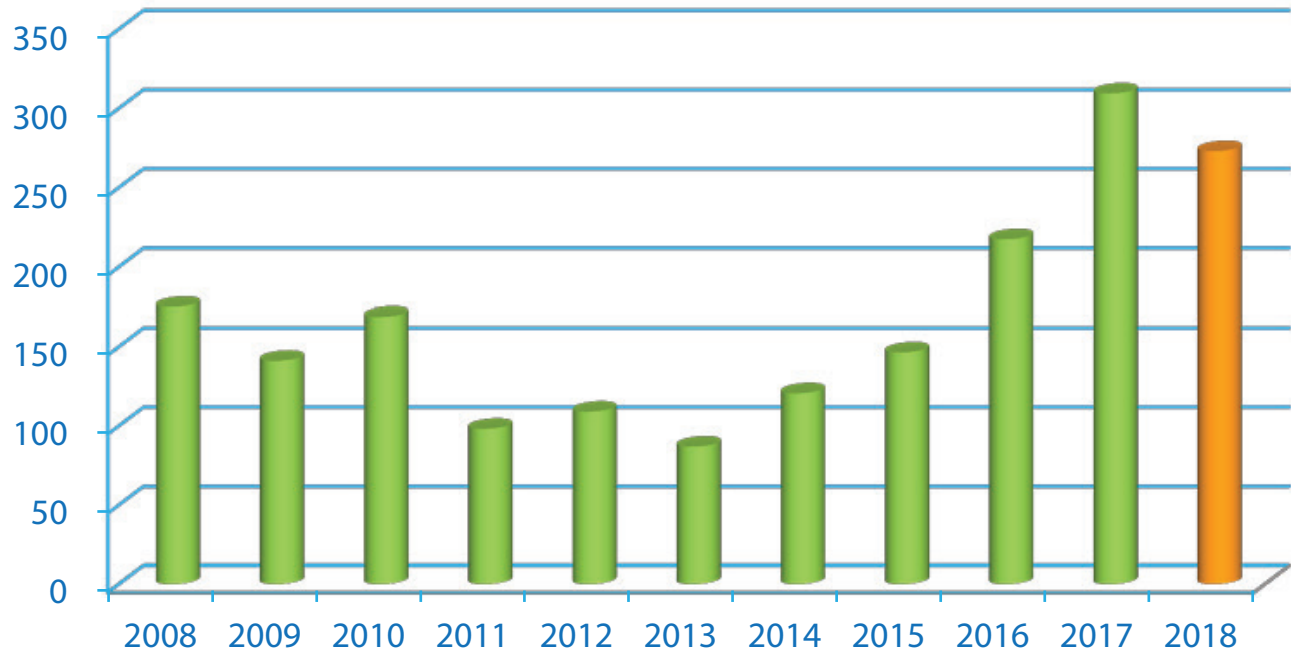


Building Permits

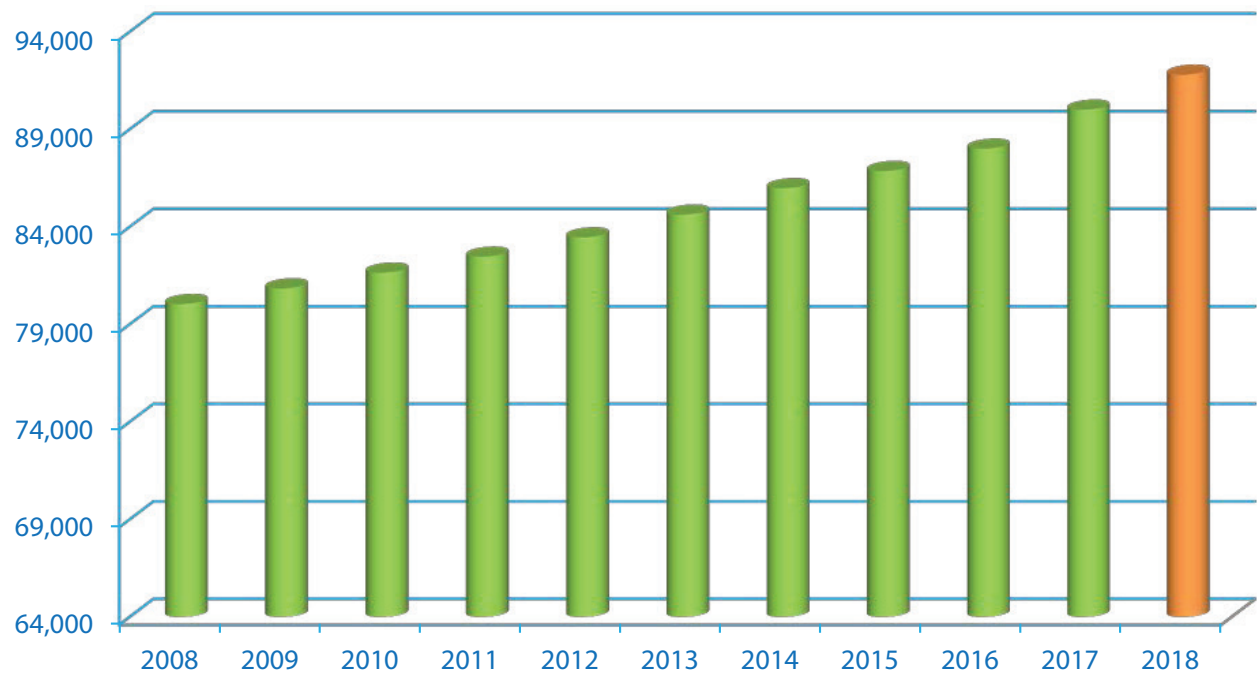


Building Permit Construction Value

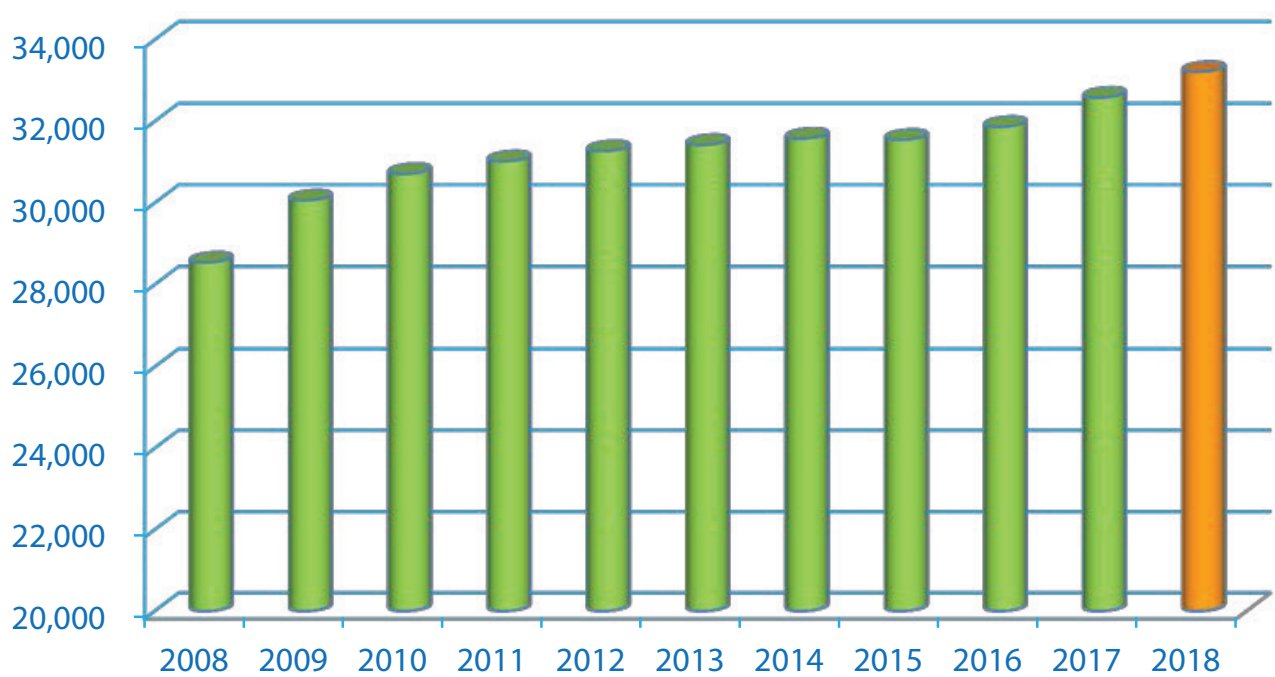
Millions



Population



Residential Properties



Financial Statements





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Fax (604) 793-4747

INDEPENDENT AUDITORS' REPORT

To the Mayor and Council of the City of Chilliwack

Opinion

We have audited the consolidated financial statements of City of Chilliwack (the "City"), which comprise:

- the consolidated statement of financial position as at December 31, 2018
- the consolidated statement of operations for the year then ended
- the consolidated statement of changes in net financial assets for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the City as at December 31, 2018, and its results of operations, its changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "**Auditors' Responsibilities for the Audit of the Financial Statements**" section of our auditors' report.

We are independent of the City in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other responsibilities in accordance with these requirements.

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the City's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the City or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the City's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the City's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the City's to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants

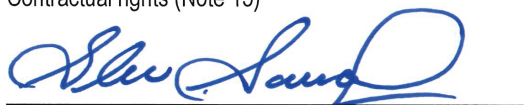
Chilliwack, Canada

April 16, 2019

City of Chilliwack
Consolidated Statement of Financial Position
Year Ended December 31, 2018

	2018	2017
Financial Assets		
Cash (Note 2)	\$ 40,124,957	\$ 79,543,982
Portfolio investments (Note 2)	154,338,010	114,390,167
Accounts receivable (Note 3)	31,812,693	28,860,830
	226,275,660	222,794,979
Liabilities		
Accounts payable and accrued liabilities (Note 4)	27,913,754	22,513,331
Development cost charges (Note 5)	55,851,498	52,002,736
Unearned revenue	13,211,681	15,302,488
Refundable deposits	25,137,919	18,112,530
Capital partnership obligation (Note 6)	2,153,345	3,287,593
	124,268,197	111,218,678
Net Financial Assets	102,007,463	111,576,301
Non-Financial Assets		
Property under development (Note 7)	3,681,960	6,058,189
Tangible capital assets (Note 8)	775,426,041	732,558,139
Inventories	1,468,122	1,241,174
Prepaid expenses	3,175,739	1,970,890
	783,751,862	741,828,392
Accumulated Surplus (Note 10)	\$ 885,759,325	\$ 853,404,693

Contingent liabilities (Note 12)
Commitment (Note 14)
Contractual rights (Note 15)



Glen Savard, CPA, CGA
Director of Finance

See accompanying notes to consolidated financial statements

City of Chilliwack
Consolidated Statement of Operations and Accumulated Surplus
Year Ended December 31, 2018 with comparative information for 2017

	2018 Actual	2018 Budget (Note 15)	2017 Actual
Revenues			
Municipal taxation and grants-in-lieu of taxes	\$ 80,459,466	\$ 80,865,400	\$ 77,397,011
Government grants and transfers (Note 9)	12,985,148	21,657,826	12,804,224
Sale of services	41,161,170	37,002,701	39,166,811
Licences, permits, penalties and fines	3,999,845	3,629,000	4,646,700
Return on investments	2,848,372	1,009,602	1,985,652
Development cost charges	13,478,114	42,747,250	8,699,313
Developer contributions (Note 8)	4,618,530	12,238,000	6,587,910
Other revenue	11,595,673	1,162,000	2,612,503
	171,146,318	200,311,779	153,900,124
Expenses			
General government services	10,094,871	10,701,300	9,212,419
Protective services	34,785,834	37,395,000	34,284,682
Transportation services	23,686,974	25,428,800	24,078,393
Environmental health services	12,154,866	11,175,500	9,355,035
Water and sewer services	20,482,729	19,990,900	19,815,772
Recreation and cultural services	22,493,666	23,785,650	21,542,173
Planning and development	6,717,627	8,216,330	6,639,584
Interest and other	2,700,274	253,000	347,243
	133,116,841	136,946,480	125,275,301
Annual Surplus Before Other Revenue (loss)	38,029,477	63,365,299	28,624,823
Other revenue (loss)			
Loss on sale of tangible capital assets	(5,674,845)	-	(130,527)
Annual Surplus	32,354,632	63,365,299	28,494,296
Accumulated Surplus, beginning of year	853,404,693	853,404,693	824,910,397
Accumulated Surplus, End of Year	\$ 885,759,325	\$ 916,769,992	\$ 853,404,693

See accompanying notes to consolidated financial statements

City of Chilliwack

Consolidated Statement of Change in Net Financial Assets

Year Ended December 31, 2018 with comparative information for 2017

	2018 Actual	2018 Budget (Note 15)	2017 Actual
Annual surplus	\$ 32,354,632	\$ 63,365,299	\$ 28,494,296
Acquisition of tangible capital assets	(66,859,192)	(134,945,200)	(35,926,735)
Decrease in property under development	2,376,229	-	-
Developer contributions	(4,618,530)	(12,238,000)	(6,587,910)
Amortization of tangible capital assets	21,418,723	17,538,377	20,349,007
Loss on sale of tangible capital assets	5,674,845	-	130,527
Proceeds on sale of tangible capital assets	1,516,252	-	563,766
	(8,137,041)	(66,279,524)	7,022,951
Change in inventories	(226,948)	-	(223,622)
Change in prepaid expenses	(1,204,849)	-	12,790
Change in net financial assets	(9,568,838)	(66,279,524)	6,812,119
Net financial assets, beginning of year	111,576,301	111,576,301	104,764,182
Net financial assets, end of year	\$ 102,007,463	\$ 45,296,777	\$ 111,576,301

See accompanying notes to consolidated financial statements

City of Chilliwack
Consolidated Statement of Cash Flows

Year Ended December 31, 2018 with comparative information for 2017

	2018	2017
Cash provided by (used for):		
Operating Activities:		
Annual surplus	\$ 32,354,632	\$ 28,494,296
Non-cash items:		
Amortization of tangible capital assets	21,418,723	20,349,007
Developer contributions	(4,618,530)	(6,587,910)
Loss on sale of tangible capital assets	5,674,845	130,527
Change in non-cash assets and liabilities:		
Accounts receivable	(2,951,863)	1,461,238
Inventories	(226,948)	(223,622)
Prepaid expenses	(1,204,849)	12,790
Accounts payable and accrued liabilities	5,400,423	1,018,073
Development cost charges	3,848,762	7,026,364
Unearned revenue	(2,090,807)	5,192,163
Refundable deposits	7,025,389	4,262,233
	64,629,777	61,135,159
Capital Activities:		
Proceeds on sale of tangible capital assets	1,516,252	563,766
Acquisition of tangible capital assets	(66,859,192)	(35,926,735)
	(62,966,711)	(35,362,969)
Investing Activities:		
Change in portfolio investments	(39,947,843)	(30,008,445)
	(39,947,843)	(30,008,445)
Financing Activities:		
Repayment of capital partnership obligation	(1,134,248)	(1,112,008)
	(1,134,248)	(1,112,008)
Decrease in cash	(39,419,025)	(5,348,263)
Cash, beginning of year	79,543,982	84,892,245
Cash, end of year	\$ 40,124,957	\$ 79,543,982

See accompanying notes to consolidated financial statements

General:

The Municipality was reincorporated as a City in 1999 by way of Letters Patent under the Municipal Act, now the Local Government Act, a statute of the Province of British Columbia. Its principal activities include the provision of local government services to the residents of the incorporated area. These services include administrative, protective, transportation, recreational, water, sewer and fiscal services.

1 Significant accounting policies:

(a) Basis of presentation:

It is the City's policy to follow accounting principles generally accepted for British Columbia local governments and to apply such principles consistently. These consolidated financial statements include the operations of the General, Water, Sewer and Reserve Funds and the City's wholly owned subsidiaries, Chilliwack Economic Partners Corporation and Tourism Chilliwack Inc. These consolidated statements have been prepared using standards issued by the CPA Canada Public Sector Accounting Handbook. All material interfund and intercompany accounts and transactions have been eliminated.

(b) Portfolio investments:

Portfolio investments are carried at amortized cost. If it is determined that there is a permanent impairment in the value of an investment, it is written down to net realizable value.

(c) Property under development:

Property under development is recorded at the lower of cost or net realizable value and includes direct costs attributable to the project plus any capitalized interest if incurred. The properties are tangible capital assets under development.

(d) Tangible capital assets:

Tangible capital assets are recorded on the basis of cost less accumulated amortization. Cost includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost is amortized on a straight line basis over their estimated useful lives as follows:

Asset	Useful Life - Years
Land	n/a
Land Improvements	0-40
Buildings	40-50
Equipment	4-20
Vehicles	7-25
Engineering Structures	10-100

Annual amortization is charged in the year of acquisition. Assets under construction are not amortized until the asset is available for productive use. Infrastructure related tangible capital assets that are contributed from developers as part of a development project, are recorded at fair market value at the date of contribution and recorded in revenue as developer contributions. Works of art and cultural and historic assets are not recorded as assets in these financial statements.

(e) Inventories:

Inventories of supplies are valued at the lower of cost and net realizable value, on a weighted average basis.

(f) Revenue recognition:

Revenues from municipal taxation, grants in lieu of taxes and utility charges are recognized when the levies are billed or billable to the property owner. Revenue from sales of services is recognized when the services are provided. Government grants are recognized when they are approved by senior governments and the conditions required to earn the grants have been completed. Development cost charges are recognized as revenue in the period the funds are expended on an eligible development project. Development cost charges collected, but not yet expended, are reported as an unearned revenue.

(g) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and reported amounts of revenues and expenses as at the date of the financial statements. Significant estimates include assumptions used in estimating provisions for accrued liabilities, landfill post-closure liability, contingent liabilities, estimated useful lives of tangible capital assets and the value of assets contributed to the City.

Actual results could differ from these estimates.

(h) Contaminated sites:

A liability for contaminated sites is recognized when a site is not in productive use and the following criteria are met:

- (i) An environmental standard exists;
- (ii) Contamination exceeds the environmental standard;
- (iii) The City is directly responsible or accepts responsibility;
- (iv) It is expected that future economic benefits will be given up; and
- (v) A reasonable estimate of the amount can be made.

The liability is recognized as management's estimate of the cost of post-remediation including operation, maintenance and monitoring that are an integral part of the remediation strategy for a contaminated site.

2 Restricted Assets:

The City has restrictions on the portfolio investments and cash available for operational use as follows:

	2018	2017
Cash	\$ 40,124,957	\$ 79,543,982
Portfolio Investments	154,338,010	114,390,167
	194,462,967	193,934,149
Less restricted for:		
Statutory Reserve Funds	26,099,512	29,379,335
Restricted Revenue	51,406,819	47,754,175
	77,506,331	77,133,510
Funds available for operational use	\$ 116,956,636	\$ 116,800,639

The investment portfolio includes bonds of chartered banks, the Government of Canada and provincial governments; deposits and notes of chartered banks, credit unions, the Government of Canada and provincial governments; and deposits in the Municipal Finance Authority short term investment pools.

3 Accounts receivable:

	2018	2017
Taxes	\$ 4,329,339	\$ 7,468,838
Province of British Columbia	2,222,041	2,696,940
Government of Canada	1,122,431	2,815,875
Regional and local governments	1,472,206	120,943
Trade receivables	10,778,606	4,159,088
Accrued interest	1,146,383	961,078
Tax sale properties subject to redemption	-	48,459
Water trade receivables	2,552,684	2,486,276
Sewer trade receivables	3,744,324	3,854,772
Development cost charges	4,444,679	4,248,561
	\$ 31,812,693	\$ 28,860,830

4 Accounts payable and accrued liabilities:

	2018	2017
Trade payables	\$ 14,586,805	\$ 10,961,733
Province of British Columbia	2,302,891	2,208,406
Government of Canada	6,436,491	5,770,664
Regional and local governments	679,567	689,528
Landfill closure and post-closure costs	3,908,000	2,883,000
	\$ 27,913,754	\$ 22,513,331

Landfill closure and post-closure costs:

The City has the responsibility for closure and post-closure care of the Bailey Landfill site. Potential costs related to closure activities at this site include drainage control, leachate monitoring, gas monitoring and recovery, and final ground cover. The landfill site is expected to require post-closure care for thirty years after its estimated closure in 2036. The liability amount of \$3,908,000 has been recorded by multiplying the estimated net present value of total remaining costs related to closure and post-closure care (\$10,319,500) by the cumulative capacity used (37.9%). This liability reduces as landfill restoration costs are incurred.

In addition, the City has appropriated a portion of accumulated surplus as a landfill reserve. The balance of \$6,286,180 (2017 - \$6,576,004) is appropriated for other landfill related costs and unforeseen closure and post-closure costs.

5 Development cost charges:

The development cost charge liability, reported as unearned revenue, represents funds received from developers for capital infrastructure expenditures required as a result of their development projects. As these funds are expended on eligible projects, the liability is reduced and the amount expended reported as revenue.

Developers are entitled to pay development cost charges (DCCs) in equal installments over two years if the total amount payable is equal to or greater than \$50,000. Installments due for the next two years are included in accounts receivable and are guaranteed by the developer by providing an irrevocable letter of credit payable to the City of Chilliwack for the remaining amount of DCCs owing. As at December 31, 2018, the amount of the DCCs due over the next two years is \$4,444,679 (2017 - \$4,248,561).

Assets are not physically segregated to meet the requirements of the restricted revenues. As related expenditures are incurred, revenue is recognized.

6 Capital partnership obligation:

In 2004, the City of Chilliwack entered into a 25 year agreement with the Chilliwack Chiefs Development Group Ltd. (CDG) for the provision of community priority time in the Prospera Centre. As part of the agreement, the City pays \$400,000 annually to CDG for the operation of the facility and \$175,000 as a reimbursement for revenues collected directly by the City. In addition, the City is required to make annual capital payments of \$1.2 million which is applied towards CDG's term loan associated with the facility, until the loan is fully repaid. CDG's term debt is a fixed rate operating loan at the Financial Institution's Cost of Funds (COF) plus 0.45%. At the end of the term of the agreement, the City obtains legal ownership of the facility.

The City's capital partnership obligations under this agreement are as follows:

2019	1,200,000
2020	1,016,340
	2,216,340
Less amounts representing interest at 2.0%	(62,995)
	\$ 2,153,345

7 Property under development:

The property under development relates to projects of Chilliwack Economic Partners Corporation as follows:

	2018	2017
Canada Education Park	\$ 3,258,792	\$ 3,764,916
Downtown Redevelopment	423,168	2,293,273
	\$ 3,681,960	\$ 6,058,189

8 Tangible capital assets:

		2018			
	Opening Cost	Additions	Disposals	Change - Under Construction	Closing Cost
General					
Land	\$ 130,515,989	\$11,539,939	(\$5,446,326)		\$ 136,609,602
Buildings	123,638,686	11,916,206	(2,080,948)		133,473,944
Equipment	36,142,337	2,678,038	(660,611)		38,159,764
Engineering Structures	348,633,145	18,960,937	(65,953)		367,528,129
Under Construction	10,095,244			2,907,775	13,003,019
	649,025,400	45,095,120	(8,253,838)	2,907,775	688,774,457
Water					
Land	2,026,328				2,026,328
Buildings	256,694				256,694
Equipment	1,403,588	624,324			2,027,912
Engineering Structures	187,913,959	4,213,591	(225,229)		191,902,321
Under Construction	1,104,121			426,572	1,530,693
	192,704,690	4,837,915	(225,229)	426,572	197,743,948
Sewer					
Land	1,643,155				1,643,155
Equipment	2,494,964	89,615			2,584,579
Engineering Structures	240,483,719	1,027,377			241,511,096
Under Construction	2,603,862			16,346,351	18,950,213
	247,225,700	1,116,992	-	16,346,351	264,689,043
CEPCO					
Land	196,196				196,196
Buildings	5,965,667	146,663			6,112,330
Equipment	377,499	76,024			453,523
	6,070,088	222,687	-	-	6,762,049
Tourism Chilliwack					
Goodwill	6,120				6,120
Buildings	122,252	5,661			127,913
Equipment	193,816	12,524			206,340
	322,188	18,185	-	-	340,373
	\$ 1,095,348,066	\$ 51,290,899	\$ (8,479,067)	\$ 19,680,698	\$ 1,158,309,870

8 Tangible capital assets (continued):

	Opening Accum. Amort.	2018 Amortization	Disposals	Ending Accum. Amort	NBV 2018	NBV 2017
General						
Land	\$ -			\$ -	\$ 136,609,602	\$ 130,515,989
Buildings	45,321,729	3,904,744	(417,646)	48,808,827	84,665,116	78,316,956
Equipment	20,371,130	2,223,488	(594,947)	21,999,671	16,160,094	15,771,208
Engineering Structures	147,524,971	7,293,142	(50,148)	154,767,965	212,760,163	201,108,173
Under Construction	-			-	13,003,019	10,095,244
	213,217,830	13,421,374	(1,062,741)	225,576,463	463,197,994	435,807,570
Water						
Land	-			-	2,026,328	2,026,328
Buildings	96,262	12,835		109,097	147,597	160,432
Equipment	572,519	107,001		679,520	1,348,392	831,069
Engineering Structures	60,971,237	3,120,919	(225,229)	63,866,927	128,035,394	126,942,722
Under Construction	-			-	1,530,693	1,104,121
	61,640,018	3,240,755	(225,229)	64,655,544	133,088,404	131,064,672
Sewer						
Land	-			-	1,643,155	1,643,155
Equipment	1,006,355	133,568		1,139,923	1,444,656	1,488,609
Engineering Structures	84,781,061	4,343,857		89,124,918	152,386,178	155,702,658
Under Construction	-			-	18,950,213	2,603,862
	85,787,416	4,477,425	-	90,264,841	174,424,202	161,438,284
CEPCO						
Land	-			-	196,196	196,196
Buildings	1,508,695	232,675		1,741,370	4,370,960	3,950,847
Equipment	324,041	28,466		352,507	101,016	53,458
	1,869,587	261,141	-	2,093,877	4,668,172	4,200,501
Tourism Chilliwack						
Goodwill	-			-	6,120	6,120
Buildings	112,488	4,032		116,520	11,393	9,764
Equipment	162,588	13,996		176,584	29,756	31,228
	275,076	18,028	-	293,104	47,269	47,112
	\$ 362,789,927	\$ 21,418,723	\$ (1,287,970)	\$ 382,883,829	\$ 775,426,041	\$ 732,558,139

The fair value of tangible capital assets contributed to the City during the year is as follows:

	2018	2017
Roads	\$ 2,128,140	\$ 2,886,879
Water	578,533	1,072,939
Sewer	390,278	935,516
Drainage	1,297,409	1,330,491
Other	224,170	362,085
	\$ 4,618,530	\$ 6,587,910

9 Government Grants and Transfers

Included in government grants and transfers are Federal Gas Tax Agreement Funds of \$3,498,795 (2017 - \$3,385,894).

Gas Tax funding is provided by the Government of Canada. The use of the funding is established through a funding agreement between the Municipality and the Union of British Columbia Municipalities. Gas Tax funding may be used towards designated public transit, local roads and bridges, community energy, water, wastewater, solid waste, disaster mitigation, amateur sport and recreation, culture, tourism and capacity building projects as specified in the funding agreement.

10 Accumulated Surplus:

Accumulated surplus consists of individual fund surplus, statutory reserves and surplus invested in tangible capital assets as follows:

	2018	2017
Operating Funds		
Unrestricted:		
General	\$ 16,305,009	\$ 16,044,268
CEPCO	5,285,433	4,455,012
Tourism	1,274,596	1,118,538
Water Fund	2,950,000	2,850,000
Sewer Fund	3,110,000	2,960,000
Building - Protective Services	4,376,662	3,753,861
Landfill	6,286,180	6,576,004
Sewer future works	11,557,371	16,289,964
Water future works	11,174,874	9,999,738
Work-in-progress	5,776,000	6,131,700
Soil Removal	791,150	836,983
Future property acquisition	2,575,000	4,700,000
Federal Gas Tax Agreement Funds	3,798,536	6,369,570
Other	7,444,348	6,610,983
	82,705,159	88,696,621
Statutory Reserve Funds		
General Capital	19,792,845	22,688,130
Equipment Replacement	5,351,498	5,752,948
Subdivision Control	955,169	938,257
	26,099,512	29,379,335
Investment in Tangible Capital Assets & Property Under Development		
General	461,136,319	432,519,977
Water	133,088,403	131,064,673
Sewer	174,424,202	161,438,284
CEPCO	8,258,461	10,258,690
Tourism	47,269	47,113
	776,954,654	735,328,737
	\$ 885,759,325	\$ 853,404,693

11 Collections for other governments:

The City collects and remits taxes on behalf of other government jurisdictions as follows:

	2018	2017
B.C. Assessment Authority	\$ 926,244	\$ 847,236
Fraser Valley Regional Hospital District	3,080,843	2,975,465
Municipal Finance Authority	4,235	3,548
Ministry of Education	36,355,868	34,623,503
Fraser Valley Regional District	1,983,467	1,962,183
	\$ 42,350,657	\$ 40,411,935

These taxes are not included in the Consolidated Statement of Operations of the City.

12 Contingent liabilities:

- (a) The City, as a member of the Fraser Valley Regional District, is responsible for its proportion of any operating deficits or long term debt related to functions in which it participates. Any liability which may arise as a result will be accounted for in the period in which the required payment is made.
- (b) The City is currently engaged in certain legal actions. Of the claims the City is defending, certain claims are covered by the City's insurers and/or other parties. The City has accrued for claims for which the amounts are known or can be reasonably estimated. The outcome of other claims is undeterminable at this time and, accordingly, no provision has been made for these actions.
- (c) The City and its employees contribute to the Municipal Pension Plan (a jointly trustee pension plan). The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2017, the plan has about 197,000 active members and approximately 95,000 retired members. Active members include approximately 39,000 contributors from local governments.

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

The most recent valuation for the Municipal Pension Plan as of December 31, 2015, indicated a \$2,224 million funding surplus for basic pension benefits on a going concern basis. As a result of the 2015 basic account actuarial valuation surplus and pursuant to the joint trustee agreement, \$1,927 million was transferred to the rate stabilization account and \$297 million of the surplus ensured the required contribution rates remained unchanged.

The City paid \$2,502,160.55 (2017 - \$2,386,285.60) for employer contributions to the Plan in fiscal 2018.

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

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

13 Fair value of financial assets and financial liabilities:

The fair value of the City's cash, accounts receivable, accounts payable, accrued liabilities and refundable deposits approximate their carrying amounts due to the immediate or short term maturity of these financial instruments.

The fair value of portfolio investments at December 31, 2018 was \$154,940,908 (2017 - \$113,939,224). Included in the fair market estimate is accrued interest of \$1,146,383 (2017 - \$961,078), which is reported within accounts receivable.

The fair value of the capital partnership obligation approximates the book value as the interest rate represents borrowing rates for loans under similar terms and maturities.

14 Commitment:

The City is committed to the acquisition of 3 properties with an estimated acquisition cost of \$2,524,480.

15 Contractual Rights:

The City has entered into contracts for various property rentals and leases, and is scheduled to receive the following amounts under those contracts:

Year	Amount
2019	\$ 352,295
2020	214,296
2021	210,328
2022	164,504
2023	84,500
Thereafter	530,542
	\$ 1,556,465

15 Budget figures:

The operating and capital budget figures, presented on a basis consistent with that used for actual results, were approved by Council as the Financial Plan Bylaw 2017, No. 4183. The chart below reconciles the approved budget to the budget figures reported in these financial statements.

	2018 Budget
Revenues	
Operating budget	\$ 151,976,900
Capital budget	
Development cost charges	42,005,250
Developer contributions	12,238,000
Statutory reserve funds	22,603,200
Operating reserves	36,408,750
Current operations	6,662,500
Government grants	15,027,500
Total revenue per approved budget	286,922,100
Add:	
CEPCO	2,004,527
Tourism	1,851,102
Less:	
Transfers from other funds	(89,485,950)
Inter-entity eliminations	(980,000)
Total budgeted revenue as reported	200,311,779
Expenses	
Operating budget	151,976,900
Capital budget	134,945,200
	286,922,100
Add:	
CEPCO	1,594,660
Tourism	1,728,970
Less:	
Transfers to other funds	(152,319,250)
Inter-entity eliminations	(980,000)
Total budgeted expenses as reported	136,946,480
Budgeted surplus as reported	\$ 63,365,299

16 Segmented Information:

The City is a diversified municipal government institution that provides a wide range of services to its citizens, including Protective Services; Transportation Services; Landfill Operations; Water and Sewer Services; Recreation and Cultural Services and Environmental Development Services. For management reporting purposes, the Government's operations and activities are organized and reported by Service Areas. Service Areas were created for the purpose of recording specific activities to attain certain objectives in accordance with regulations, restrictions or limitations.

General Government Services

General government services include all activities associated with adopting bylaws, mayor and council support, financial management, municipal facilities and the cost effective delivery of services. Items included are Mayor and Council, administration, clerks, purchasing, management information systems, graphical information systems, corporate services, finance, municipal facilities, museum, and community grants.

Protective Services

Protective services includes all activities associated with protection including the enforcement of laws and the prevention of crime. Items included are fire protection, bylaw enforcement, emergency services, building inspection, and all costs associated with policing.

Transportation Services

Transportation services include all activities associated with transportation including roads and drainage networks. Items included are services of the engineering department, traffic services, street lighting, transit, winter, maintenance and enhancements to roads, shoulders, open drainage, storm sewers, and dykes.

Landfill Operations

Landfill operations include all activities associated with solid waste and environmental health. Items included are landfill operations, special waste programs, clean up campaigns, operation of the Green Depot, and the curbside collection and recycling program.

Water and Sewer Services

Water and sewer services include all activities associated with water and sanitary sewer operations. Items included are maintenance and enhancements of the water supply system, water pumps stations, water distribution system, water meters, hydrants, sanitary sewer collection system, sewer lift stations, and sewer treatment and disposal.

Recreation and Cultural Services

Recreation and cultural services include all activities associated with parks, recreation and cultural activities and operations. Items included are costs associated with Evergreen Hall, Landing Sports Centre, Rotary Pool, Cheam Centre, Leisure Centre, Prospera Centre, Heritage Park, Great Blue Heron Nature Reserve, Grandstands, Cultural Centre, community grants, parks and trails, urban trees and plantings, sports fields, and libraries.

Environmental Development Services

Environmental development services include all activities associated with community planning and economic development. Items included are costs associated with community planning, development, economic development and tourism.

The following table outlines the City's revenues and expenses by operating segment:

City of Chilliwack
Notes to Consolidated Financial Statements
Year Ended December 31, 2018

Table of Segmented Information:

	General Government	Protective Services	Trans. Services	Landfill Operations	Water & Sewer	Parks Recreation & Culture	Planning & Development	Interest & Other	2018	2017
Revenues										
Municipal taxation and grants-in lieu of taxes	\$ 80,431,093	\$ -	\$ -	\$ -	\$ 28,373	\$ -	\$ -	\$ -	\$ 80,459,466	\$ 77,397,011
Government grants & transfers	3,627,051	1,017,379	3,333,197		8,108,000	1,040,255	2,556,266		19,682,148	12,804,224
Sales of services	1,460,804	24,087	1,195,407	11,906,138	20,539,971	3,911,682	2,123,081		41,161,170	39,166,811
Licences, permits, penalties and fines	583,505	36,700					3,379,640		3,999,845	4,646,700
Return on investments	1,633,044				600,944		106,530	507,854	2,848,372	1,985,652
Development cost charges			8,581,012		1,541,566	3,355,536			13,478,114	8,699,313
Developer and other contributions			3,649,719		968,811				4,618,530	6,587,910
Other revenue	74,708	225,639	1,715,979		683,804	1,154,451	1,007,329	36,763	4,898,673	2,612,503
	87,810,205	1,303,805	18,475,314	11,906,138	32,471,469	9,461,924	9,172,846	544,617	171,146,318	153,900,124
Expenses										
Salaries and benefits	6,223,131	12,050,034	4,571,232	487,601	4,302,813	3,771,488	3,368,155		34,774,454	33,104,685
Goods and services	5,081,272	22,048,049	11,669,475	11,315,721	6,471,736	15,465,115	2,172,022		74,223,390	71,165,054
Administration allocation	(1,990,000)				1,990,000				-	-
Interest and other								2,700,274	2,700,274	347,243
Amortization of tangible capital assets	780,468	687,751	7,446,267	351,544	7,718,180	3,257,063	1,177,450		21,418,723	20,349,007
Transfer of collections									-	309,312
	10,094,871	34,785,834	23,686,974	12,154,866	20,482,729	22,493,666	6,717,627	2,700,274	133,116,841	125,275,301
Annual Surplus Before Other	77,715,334	(33,482,029)	(5,211,660)	(248,728)	11,988,740	(13,031,742)	2,455,219	(2,155,657)	38,029,477	28,624,823
Other revenues (expenses)										
Loss on sale of tangible capital assets	(5,674,845)								(5,674,845)	(130,527)
	(5,674,845)	-	-	-	-	-	-	-	(5,674,845)	(130,527)
Annual Surplus	\$ 72,040,489	\$ (33,482,029)	\$ (5,211,660)	\$ (248,728)	\$ 11,988,740	\$ (13,031,742)	\$ 2,455,219	\$ (2,155,657)	\$ 32,354,632	\$ 28,494,296

Financial Statements of
Chilliwack Economic Partners Corporation
Fiscal Year Ended December 31, 2018



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Canada
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INDEPENDENT AUDITORS' REPORT

To the Board of Chilliwack Economic Partners Corporation

Opinion

We have audited the accompanying financial statements of Chilliwack Economic Partners Corporation (the "Corporation"), which comprise:

- the statement of financial position as at end of December 31, 2018
- the statement of operations and accumulated surplus for the year then ended
- the statement of change in net financial assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 2018, and its results of operations, its changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the **"Auditors' Responsibilities for the Audit of the Financial Statements"** section of our auditors' report.

We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

Auditors' Responsibility

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Chartered Professional Accountants

February 20, 2019
Chilliwack, Canada

CHILLIWACK ECONOMIC PARTNERS CORPORATION

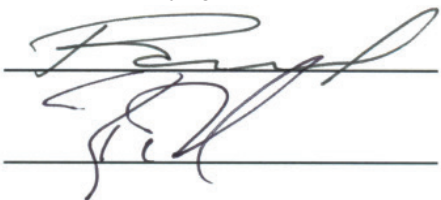
Statement of Financial Position

December 31, 2018 with comparative information for 2017

	2018	2017
Financial assets:		
Cash	\$ 277,732	\$ 386,932
Accounts receivable	69,991	35,896
Investments	3,508,115	2,429,068
Financing lease receivable (note 3)	962,264	1,486,275
	<u>4,818,102</u>	<u>4,338,171</u>
Financial liabilities:		
Accounts payable and accrued liabilities	94,644	124,347
Unearned revenue	402,506	371,446
	<u>497,150</u>	<u>495,793</u>
Net financial assets	4,320,952	3,842,378
Non-financial assets:		
Prepaid expenses	964,481	12,634
Property under development (note 4)	3,681,960	5,552,065
Tangible capital assets (note 5)	4,668,171	4,706,625
	<u>9,314,612</u>	<u>10,271,324</u>
Accumulated surplus (note 6)	\$ 13,635,564	\$ 14,113,702

Commitments (note 11)

See accompanying notes to financial statements.



Director

Director

CHILLIWACK ECONOMIC PARTNERS CORPORATION

Statement of Operations and Accumulated Surplus

Year ended December 31, 2018, with comparative information for 2017

	2018 Budget	2018 Actual	2017 Actual
Revenues:			
Rent	\$ 681,860	\$ 678,385	\$ 675,909
Contracted services	620,500	502,889	497,048
Economic development (note 8)	550,000	550,000	550,000
Interest	73,667	102,320	90,117
Property development and construction	54,000	6,532	14,821
Government programs	20,000	7,500	5,000
Other revenue	4,500	10,500	4,500
Premises cost recovery	-	1,000,000	-
	2,004,527	2,858,126	1,837,395
Expenses:			
Wages and benefits	420,600	424,870	422,128
Contracted services	405,000	393,154	395,344
Amortization of tangible capital assets	225,000	261,141	240,690
Marketing	160,760	96,822	123,355
Downtown redevelopment	81,500	1,796	55,683
Rent	64,285	71,957	63,306
Common area costs	60,000	56,542	69,285
Office and administration	41,200	42,577	39,126
Professional fees	41,000	19,835	48,711
Insurance	35,000	33,492	30,920
Premise operating costs	31,715	23,994	15,964
Repairs and maintenance	15,600	20,558	12,165
Utilities	10,000	17,173	8,797
Interest and bank charges	3,000	2,248	2,759
Special economic projects	-	-	9,951
	1,594,660	1,466,159	1,538,184
Annual surplus before distribution	409,867	1,391,967	299,211
Distribution to City of Chilliwack (note 8)	-	(1,870,105)	(350,000)
Annual surplus (deficit)	409,867	(478,138)	(50,789)
Accumulated surplus, beginning of year	14,113,702	14,113,702	14,164,491
Accumulated surplus, end of year	\$ 14,523,569	\$ 13,635,564	\$ 14,113,702

See accompanying notes to financial statements.

CHILLIWACK ECONOMIC PARTNERS CORPORATION

Statement of Change in Net Financial Assets

Year ended December 31, 2018, with comparative information for 2017

	2018 Budget	2018 Actual	2017 Actual
Annual surplus (deficit)	\$ 409,867	\$ (478,138)	\$ (50,789)
Acquisition of tangible capital assets	-	(222,687)	(22,149)
Amortization of tangible capital assets	225,000	261,141	240,690
Decrease in property under development	-	1,870,105	-
Change in prepaid expenses	-	(951,847)	432
	225,000	956,712	218,973
Change in net financial assets	634,867	478,574	168,184
Net financial assets, beginning of year	3,842,378	3,842,378	3,674,194
Net financial assets, end of year	\$ 4,477,245	\$ 4,320,952	\$ 3,842,378

See accompanying notes to financial statements.

CHILLIWACK ECONOMIC PARTNERS CORPORATION

Statement of Cash Flows

Year ended December 31, 2018, with comparative information for 2017

	2018	2017
Cash provided by (used in):		
Operating activities:		
Annual deficit	\$ (478,138)	\$ (50,789)
Items not involving cash:		
Amortization of tangible capital assets	261,141	240,690
Distribution to City of Chilliwack	1,870,105	-
Downtown redevelopment cost recovery	(1,000,000)	-
	653,108	189,901
Changes in non-cash operating working capital:		
Accounts receivable	(34,095)	106,203
Prepaid expenses	48,153	433
Accounts payable and accrued liabilities	(29,704)	(18,333)
Unearned revenue	31,061	338,168
	668,523	616,372
Capital activities:		
Acquisition of tangible capital assets	(222,687)	(22,149)
Investing activities:		
Change in investments	(1,079,047)	(915,331)
Repayment of financing lease receivable	524,011	506,013
	(555,036)	(409,318)
Increase (decrease) in cash	(109,200)	184,905
Cash, beginning of year	386,932	202,027
Cash, end of year	\$ 277,732	\$ 386,932

See accompanying notes to financial statements.

CHILLIWACK ECONOMIC PARTNERS CORPORATION

Notes to Financial Statements

Year ended December 31, 2018

Basis of presentation:

Chilliwack Economic Partners Corporation (the "Corporation") is wholly owned by the City of Chilliwack (the "City") and is responsible for economic development activity within the City's boundaries.

1. Significant accounting policies:

These financial statements are prepared in accordance with the CPA Canada Public Sector Accounting Handbook. The Corporation's significant accounting policies are as follows:

(a) Property under development:

Property under development is recorded at the lower of cost and net realizable value and includes direct costs and capitalized interest.

(b) Tangible capital assets:

Tangible capital assets are recorded at cost. Website costs include hardware and software costs, graphics designs and major enhancements. Website maintenance and ancillary costs are expensed. Amortization commences in the year that the asset is put into use and is provided for using the following methods and annual rates:

Asset	Basis	Rate
Buildings	Declining balance	4%
Computer and office equipment	Declining balance	20% - 30%
Telecommunication equipment	Declining balance	20%

Leasehold improvements are amortized on the straight-line basis over the term of the lease plus one renewal period if it is anticipated that the lease will be renewed.

Website costs are amortized on the straight-line basis over three years.

CHILLIWACK ECONOMIC PARTNERS CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2018

1. Significant accounting policies (continued):

(c) Revenue recognition:

Revenues are recognized on the accrual basis according to the terms of the contractual agreements.

(d) Investments:

Investments are recorded at amortized cost plus accrued interest. If it is determined that there is a permanent impairment in the value of an investment, it is written down to net realizable value.

(e) Budget figures:

Budget figures represent the budget approved by the Board of Directors on December 13, 2017.

(f) Use of estimates:

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates.

2. Bank operating line:

The Corporation has an operating line of credit for a maximum of \$1,000,000 (2017 - \$1,000,000) that is due on demand, bears interest at prime plus 2.00% and is secured by a general security agreement. No funds were drawn on the line of credit at December 31, 2018.

CHILLIWACK ECONOMIC PARTNERS CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2018

3. Financing lease receivable:

The Corporation has entered into a series of agreements with the RCMP including a Ground Lease, Lease and Firing Range Development Agreement all related to the development and construction of the RCMP Firing Range at Canada Education Park. As a result of these agreements, the Corporation was responsible for the development of the project including the construction of the Firing Range on behalf of the RCMP. The construction of the project was completed in 2015.

As part of the agreements, any costs of construction in excess of an agreed amount was to be carried by the Corporation and financed over five years commencing January 1, 2016. The resulting financing lease receivable is being repaid in monthly installments of \$47,306 including interest at 3.5% and is secured by a lease agreement over the RCMP Firing Range.

4. Property under development:

	2018	2017
Canada Education Park:		
Land	\$ 1,353,755	\$ 1,353,755
Roads, water, and sewer	1,709,289	1,709,289
Other improvements	195,748	195,748
	3,258,792	3,258,792
Downtown Redevelopment:		
Land	627,068	2,497,173
Less provision for impairment	(203,900)	(203,900)
	423,168	2,293,273
	\$ 3,681,960	\$ 5,552,065

Included in property under development is \$321,421 (2017 - \$321,421) in capitalized interest.

CHILLIWACK ECONOMIC PARTNERS CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2018

5. Tangible capital assets:

	2018 Opening cost	Additions	Disposals	2018 Closing cost
Buildings	\$ 5,204,643	\$ -	\$ -	\$ 5,204,643
Leasehold improvements	761,024	146,663	-	907,687
Computer and office equipment	242,321	68,425	-	310,746
Website	111,887	2,300	-	114,187
Telecommunication equipment	23,291	5,299	-	28,590
Land	196,196	-	-	196,196
	\$ 6,539,362	\$ 222,687	\$ -	\$ 6,762,049

	2018 Opening accumulated amortization	Disposals	Amortization expense	2018 Closing accumulated amortization
Buildings	\$ 921,337	\$ -	\$ 176,845	\$ 1,098,182
Leasehold improvements	587,358	-	55,830	643,188
Computer and office equipment	218,389	-	9,764	228,153
Website	82,362	-	15,035	97,397
Telecommunication equipment	23,291	-	3,667	26,958
	\$ 1,832,737	\$ -	\$ 261,141	\$ 2,093,878

	2018 Opening net book value	2018 Closing net book value
Buildings	\$ 4,283,306	\$ 4,106,461
Leasehold improvements	173,666	264,499
Computer and office equipment	23,932	82,593
Website	29,525	16,790
Telecommunication equipment	-	1,632
Land	196,196	196,196
	\$ 4,706,625	\$ 4,668,171

CHILLIWACK ECONOMIC PARTNERS CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2018

6. Accumulated surplus:

Accumulated surplus consists of the following:

	2018	2017
Share capital (note 7)	\$ 100	\$ 100
Equity in tangible capital assets and property under development	8,350,131	10,258,690
Unrestricted equity	5,285,333	3,854,912
	<u>\$ 13,635,564</u>	<u>\$ 14,113,702</u>

7. Share capital:

	2018	2017
Issued and authorized with no par value:		
100 Common shares	\$ 100	\$ 100

8. Related party transactions and economic dependence:

During the year, the City of Chilliwack (the "City") provided \$550,000 (2017 - \$550,000) in revenue for economic development purposes.

No property taxes were paid on any land owned by the Corporation as it is exempt as a result of the indirect land ownership by the City.

During the year, the Corporation transferred property with a net book value of \$1,870,105 to the City for no consideration (2017 - cash transfer of \$350,000).

A member of the Corporation's Board is a partner in a legal firm to which the Corporation paid \$535 (2017 - \$29,009) in legal fees during the year.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the parties.

The Corporation is wholly-owned by the City.

CHILLIWACK ECONOMIC PARTNERS CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2018

9. Financial instruments:

The Corporation is exposed to market risks from its use of financial instruments. Management does not believe that the Corporation's financial instruments are exposed to significant credit risk or liquidity risk.

Market risk is the risk that changes in market prices, such as interest rates, will affect the Corporation's income. The Corporation's cash and investments include amounts on deposit with financial institutions that earn interest at market rates. The Corporation manages its cash by maximizing the interest income earned on excess funds while maintaining the liquidity necessary to conduct operations on a day-to-day basis. Fluctuations in market rates of interest would not have a significant effect on the Corporation's cash and investments.

The fair value of the Corporation's cash, accounts receivable, accounts payable and accrued liabilities and unearned revenue approximate their carrying amounts due to the relatively short periods to maturity of these items. The fair value of the investments and loan receivable approximate their carrying amounts based on their market based interest rates.

10. Income taxes:

The Corporation is exempt from income taxes under Section 149 of the Income Tax Act, Canada.

11. Commitments:

The Corporation has committed to lease office equipment until January 2023 for minimum annual lease payments of \$2,520.

12. Comparative information:

Certain comparative information has been reclassified to conform to the financial statement presentation adopted in the current year. These reclassifications do not impact 2017 operations.

CHILLIWACK ECONOMIC PARTNERS CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2018

13. Employee future benefits:

The Corporation and its employees contribute to the Municipal Pension Plan (a jointly trustee pension plan). The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2017, the plan has about 197,000 active members and approximately 95,000 retired members. Active members include approximately 39,000 contributors from local governments.

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

The most recent valuation for the Municipal Pension Plan as at December 31, 2015, indicated a \$2,224 million funding surplus for basic pension benefits on a going concern basis. As a result of the 2015 basic account actuarial valuation surplus and pursuant to the joint trustee agreement, \$1,927 million was transferred to the rate stabilization account and \$297 million of the surplus ensured the required contribution rates remained unchanged.

The Corporation paid \$36,015 (2017 - \$31,003) for employer contributions to the plan in fiscal 2018.

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

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

CHILLIWACK ECONOMIC PARTNERS CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2018

14. Contractual rights:

The Corporation is entitled to the following receipts under financial lease receivables, grants and rental agreements over the next five years:

2019	\$ 1,861,529
2020	1,582,018
2021	1,132,667
2022	966,000
2023	966,000
Thereafter	793,000
	<hr/>
	\$ 7,301,214

15. Segmented information:

The Corporation is a diversified other government organization that provides a wide range of services, including:

Property sales and construction

Property sales and construction includes the proceeds and costs related to the development, sales of commercial industrial or institutional buildings and lots in Chilliwack and the construction or construction management of projects for other parties.

Rent and contracted services

Rent includes all activities associated with the rental of buildings and land owned by the Corporation. Contracted services includes all activities related to property management services.

Economic development

Economic development includes all activities associated with economic development activity in Chilliwack.

CHILLIWACK ECONOMIC PARTNERS CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2018

15. Segmented information (continued):

The following table outlines the Corporation's revenues and expenses by operating segments:

	Property sales and construction	Rent and contracted services	Economic development	2018	2017
Revenues:					
Rent	\$	\$ 678,385	\$ -	\$ 678,385	\$ 675,909
Contracted services	-	502,889	-	502,889	497,048
Economic development	-	-	550,000	550,000	550,000
Interest	-	-	102,320	102,320	90,117
Property development and construction	6,532	-	-	6,532	14,821
Other	-	-	18,000	18,000	9,500
Cost recovery and other receipts	-	-	1,000,000	1,000,000	-
	6,532	1,181,274	1,670,320	2,858,126	1,837,395
Expenses:					
Wages and benefits		84,975		424,870	422,128
Contracted services	38,238	393,154	301,657	393,154	395,344
Amortization	-	252,381	8,760	261,141	240,690
Marketing	-	-	96,822	96,822	123,355
Downtown redevelopment	-	-	1,796	1,796	55,683
Rent	6,476	14,391	51,090	71,957	63,306
Other	21,553	21,553	21,554	64,660	90,597
Insurance and utilities	-	50,665	-	50,665	39,717
Premise operating costs	2,159	4,799	17,036	23,994	15,964
Repairs and maintenance	-	20,558	-	20,558	12,165
Common area costs	-	56,542	-	56,542	69,284
Special economic projects	-	-	-	-	9,951
	68,426	899,018	498,715	1,466,159	1,538,184
Annual surplus before distributions	\$ (61,894)	\$ 282,256	\$ 1,171,605	\$ 1,391,967	\$ 299,211



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INDEPENDENT AUDITORS' REPORT

To the Shareholder of Tourism Chilliwack Inc.

Opinion

We have audited the accompanying consolidated financial statements of Tourism Chilliwack Inc. (the "Company") which comprise:

- the consolidated statement of financial position as at end of December 31, 2018
- the consolidated statement of operations and accumulated surplus for the year then ended
- the consolidated statement of change in net assets for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Tourism Chilliwack Inc. as at December 31, 2018 and the results of its operations, its changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis of Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the **"Auditors' Responsibilities for the Audit of the Financial Statements"** section of our auditors' report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibility

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

Auditors' Responsibilities for the Audit of the Financial Statements'

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Chartered Professional Accountants
Chilliwack, Canada

March 12, 2019

TOURISM CHILLIWACK INC.

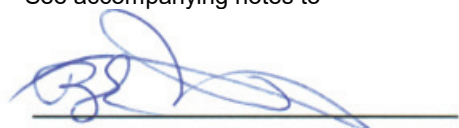
Consolidated Statement of Financial Position

December 31, 2018, with comparative information for 2017

	2018	2017
Financial assets:		
Cash	\$ 497,707	\$ 446,530
Accounts receivable	152,091	135,000
Long-term investments (note 2)	226,463	225,000
	876,261	806,530
Financial liabilities:		
Accounts payable and accrued liabilities	93,546	95,080
Due to City of Chilliwack (note 11)	167,560	163,187
Deferred revenue	57,775	53,113
	\$ 318,881	\$ 311,380
Net financial assets	557,380	495,150
Non-financial assets:		
Inventories (note 3)	\$ 12,627	\$ 14,814
Prepaid expenses and deposits	12,426	17,344
Tangible capital assets (note 4)	41,150	40,993
Goodwill	6,120	6,120
	72,323	79,271
Accumulated surplus	\$ 629,703	\$ 574,421
Represented by:		
Share capital (note 5)	\$ 1	\$ 1
Unrestricted equity	588,552	533,427
Equity in tangible capital assets	41,150	40,993
	\$ 629,703	\$ 574,421

Contingency (note 10)

See accompanying notes to



Director



Director

TOURISM CHILLIWACK INC.

Consolidated Statement of Operations and Accumulated Surplus

Year ended December 31, 2018, with comparative information for 2017

	2018 Budget	2018 Actual	2017 Actual
Revenues:			
Sales, rental and other income	\$ 690,775	\$ 758,892	\$ 781,382
Operating agreements (note 6)	486,411	486,411	480,411
Hotel tax	366,415	366,616	357,596
Advertising revenues	301,566	154,690	186,612
Interest income	5,935	4,210	8,634
Fundraising revenues	-	-	30,495
	1,851,102	1,770,819	1,845,130
Expenditures:			
Staffing costs	754,524	686,722	631,802
Advertising and business development	516,569	409,289	513,037
Operations	233,890	233,165	263,970
Administration	107,200	119,163	120,039
Utilities	103,410	81,610	94,226
Amortization of tangible capital assets	13,377	18,028	16,892
	1,728,970	1,547,977	1,639,966
Annual surplus before distribution	122,132	222,842	205,164
Distribution to City of Chilliwack (note 11)	(140,176)	(167,560)	(163,187)
Annual surplus (deficit)	(18,044)	55,282	41,977
Accumulated surplus, beginning of year	574,421	574,421	532,444
Accumulated surplus, end of year	\$ 556,377	\$ 629,703	\$ 574,421

See accompanying notes to financial statements.

TOURISM CHILLIWACK INC.

Consolidated Statement of Change in Net Financial Assets

Year ended December 31, 2018, with comparative information for 2017

	2018 Budget	2018 Actual	2017 Actual
Annual surplus (deficit)	\$ (18,044)	\$ 55,282	\$ 41,977
Acquisition of tangible capital assets	-	(18,185)	(18,429)
Amortization of tangible capital assets	13,377	18,028	16,892
	13,377	(157)	(1,537)
Change in inventories	-	2,187	(2,674)
Change in prepaid expenses and deposits	-	4,918	188
	-	7,105	(2,486)
Change in net financial assets	(4,667)	62,230	37,954
Net financial assets, beginning of year	495,150	495,150	457,196
Net financial assets, end of year	\$ 490,483	\$ 557,380	\$ 495,150

See accompanying notes to financial statements.

TOURISM CHILLIWACK INC.

Consolidated Statement of Cash Flows

Year ended December 31, 2018, with comparative information for 2017

	2018	2017
Cash provided by (used in):		
Operating activities:		
Annual surplus (deficit)	\$ 55,282	\$ 41,977
Item not involving cash:		
Amortization of tangible capital assets	18,028	16,892
	73,310	58,869
Changes in non-cash operating assets and liabilities:		
Accounts receivable	(17,091)	(38,725)
Inventories	2,187	(2,674)
Prepaid expenses and deposits	4,918	188
Accounts payable and accrued liabilities	(1,534)	(28,158)
Due to City of Chilliwack	4,373	38,427
Deferred revenue	4,662	17,817
	70,825	45,744
Capital activities:		
Acquisition of tangible capital assets	(18,185)	(18,429)
Investing activities:		
Change in long-term investments	(1,463)	(8,241)
Increase in cash	51,177	19,074
Cash, beginning of year	446,530	427,456
Cash, end of year	\$ 497,707	\$ 446,530

See accompanying notes to financial statements.

TOURISM CHILLIWACK INC.

Notes to Consolidated Financial Statements

Year ended December 31, 2018

Basis of presentation:

Tourism Chilliwack Inc. (the "Company") was incorporated on December 16, 2006 and began operations on January 1, 2007. The Company is wholly-owned by the City of Chilliwack. The mandate of the Company is to develop and promote the tourism industry as well as provide economic development programs and services aimed at growing the tourism industry in the City of Chilliwack.

1. Significant accounting policies:

These financial statements are prepared in accordance with the CPA Canada Public Sector Accounting Handbook. The Company's significant accounting policies are as follows:

(a) Basis of consolidation:

The consolidated financial statements include all of the funds of the Company. Inter-fund transactions, fund balances and activities have been eliminated on consolidation. The funds of the Company include Facility Management, Tourism Services and Retail Services.

(b) Inventories:

Inventories are measured at the lower of cost and net realizable value by using first-in, first-out costing methodology. The Company uses the same cost formula for all the inventories having a similar nature and use to the entity. When circumstances which previously caused inventories to be written down no longer exist the previous impairment is reversed.

(c) Tangible capital assets:

Tangible capital assets are stated at cost, less accumulated amortization. Amortization is provided using the following methods and annual rates:

Asset	Basis	Rate
Furniture and fixtures	Declining balance	30%
Leasehold improvements	Declining balance	30%
Website	Declining balance	45%
Computer	Declining balance	30%

Works of art and cultural and historical assets are not recorded as assets in these financial statements. Purchased works of art are expensed in year acquired.

TOURISM CHILLIWACK INC.

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2018

1. Significant accounting policies (continued):

(d) Revenue recognition:

Grant revenues are recognized when the grants have been approved and the conditions required to earn the grants have been completed.

Revenue from the sale of goods is recorded at time of sale.

Advertising commission revenue is recognized when the related advertisement or commercial appears before the public.

(e) Long-term investments:

Long-term investments are recorded at amortized cost plus accrued interest. If it is determined that there is a permanent impairment in the value of an investment, it is written down to net realizable value.

(f) Budget figures:

Budget figures represent the budget approved by board of directors on September 20, 2017.

(g) Use of estimates:

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates.

2. Long-term investments:

	2018	2017
Term deposit with interest at 0.65%, maturing on December 29, 2020	\$ 125,813	\$ 125,000
Term deposit with interest at 0.65%, maturing on December 30, 2020	100,650	100,000
	<u>\$ 226,463</u>	<u>\$ 225,000</u>

TOURISM CHILLIWACK INC.

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2018

3. Inventories:

	2018	2017
Flag shop inventory	\$ 9,264	\$ 10,462
Maps, apparels and books	3,363	4,352
	\$ 12,627	\$ 14,814

4. Tangible capital assets:

	2018 Opening Cost	Additions	Disposals	2018 Closing Cost
Furniture and fixtures	\$ 60,685	\$ 4,516	\$ -	\$ 65,201
Website	73,990	7,232	-	81,222
Computer	59,141	776	-	59,917
Leasehold improvements	122,254	5,661	-	127,915
	\$ 316,070	\$ 18,185	\$ -	\$ 334,255

	2018 Opening Accumulated Amortization	Disposals	Amortization expense	2018 Closing Accumulated Amortization
Furniture and fixtures	\$ 44,377	\$ -	\$ 4,915	\$ 49,292
Website	70,509	-	4,821	75,330
Computer	45,711	-	4,260	49,971
Leasehold improvements	114,480	-	4,032	118,512
	\$ 275,077	\$ -	\$ 18,028	\$ 293,105

	2018 Opening Net book value	2018 Closing Net book value
Furniture and fixtures	\$ 16,308	\$ 15,909
Website	3,481	5,892
Computer	13,430	9,946
Leasehold improvements	7,774	9,403
	\$ 40,993	\$ 41,150

Not included in tangible capital assets is \$68,143 (2017 - \$68,143) of works of art and cultural assets. During fiscal 2017, when these were purchased they were included in advertising and business development expenses on the statement of operations.

TOURISM CHILLIWACK INC.

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2018

5. Share capital:

	2018	2017
Authorized:		
Unlimited Common shares		
Issued with no par value:		
100 Common shares	\$ 1	\$ 1

6. Related party transactions and economic dependence:

During the year, the City of Chilliwack (the "City") provided funds under operating agreements totalling \$466,000 (2017 - \$460,000) to the Company. The City has agreed to provide future annual operating funds based on a pre-determined formula.

The Company is a wholly-owned subsidiary of the City. See also note 11.

7. Financial instruments:

The Company is exposed to financial risks from its use of financial instruments. Management does not believe that the Company's financial instruments are exposed to significant liquidity risk.

Market risk is the risk that changes in market prices, such as interest rates, will affect the Company's income. The Company's cash and term deposits include amounts on deposit with financial institutions that earn interest at market rates. The Company manages its cash by maximizing the interest income earned on excess funds while maintaining the liquidity necessary to conduct operations on a day-to-day basis. Fluctuations in market rates of interest would not have a significant effect on the Company's income.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company is exposed to credit risk due to the potential non-collection of accounts receivable.

The carrying value of cash, accounts receivable, accounts payable and accrued liabilities and deferred revenue approximate their fair value due to the relatively short periods to maturity of these items. The carrying value of long-term investments approximate their fair value based on their market-based interest rates.

TOURISM CHILLIWACK INC.

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2018

8. Income taxes:

The Company is exempt from income taxes under Section 149 of the Income Tax Act, Canada.

9. Employee future benefits:

The Company and its employees contribute to the Municipal Pension Plan (a jointly trustee pension plan). The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2017, the plan has about 197,000 active members and approximately 95,000 retired members. Active members include approximately 39,000 contributors from local governments.

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

The most recent valuation for the Municipal Pension Plan as at December 31, 2015, indicated a \$2,224 million funding surplus for basic pension benefits on a going concern basis. As a result of the 2015 basic account actuarial valuation surplus and pursuant to the joint trustee agreement, \$1,927 million was transferred to the rate stabilization account and \$297 million of the surplus ensured the required contribution rates remained unchanged.

The Company paid \$11,125 (2017 - \$7,864) for employer contributions to the plan in fiscal 2018.

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

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

TOURISM CHILLIWACK INC.

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2018

10. Contingency:

The Company entered into an agreement in 2011 with the City of Chilliwack which took into effect on January 1, 2012. The agreement has been renewed for an additional five years starting January 1, 2017. The agreement outlines the management and operation of Chilliwack Heritage Park.

As a condition of the agreement with the City, the Company issued a non-revocable Letter of Credit in the amount of \$50,000 as a guarantee for the due and faithful performance of the agreement.

11. Distribution to City of Chilliwack:

In accordance with an agreement between the Company and the City of Chilliwack, a distribution of funds derived from the operation of Chilliwack Heritage Park is returned to the City and put into a building reserve fund, specifically for future use at Chilliwack Heritage Park.

12. Contractual rights:

The Company has entered into contracts for various operating agreements. The Company is scheduled to receive the following amounts under those contracts:

2019	\$	470,000
2020		471,000
2021		471,000
		<hr/>
		\$ 1,412,000

TOURISM CHILLIWACK INC.

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2018

13. Segmented information:

The Company is a diversified other government organization that provides a range of services, including:

Facility Management

Facility Management includes all activities associated with the operation of Chilliwack Heritage Park including renting the facility for various events.

Tourism Services

Tourism Services includes all activities associated with the operation of the Chilliwack Visitor Centre including co-coordinating and delivering tourism marketing programs aimed at promoting Chilliwack as a tourist destination.

Retail Services

Retail Services includes all activities associated with operation of the Flag Shop including selling various national and international flags and other souvenir items.

TOURISM CHILLIWACK INC.

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2018

13. Segmented information (continued):

The following table outlines the Company's revenues and expenditures by operating segments:

	Facility Management	Tourism services	Retail services	Eliminations	2018	2017
Revenues:						
Sales, rental and other income	\$ 577,081	\$ 68,467	\$ 113,344	\$ -	\$ 758,892	\$ 781,382
Operating agreements	336,000	150,411	-	-	486,411	480,411
Hotel tax	-	366,616	-	-	366,616	357,596
Advertising revenues	-	219,690	-	(65,000)	154,690	186,612
Interest income	1,303	2,907	-	-	4,210	8,634
Fundraising revenues	-	-	-	-	-	30,495
	914,384	808,091	113,344	(65,000)	1,770,819	1,845,130
Expenditures:						
Staffing costs	410,422	255,352	20,948	-	686,722	631,802
Advertising and business development	65,000	395,342	13,947	(65,000)	409,289	513,037
Operations	146,320	9,353	77,493	-	233,165	263,970
Administration	47,611	66,307	5,244	-	119,163	120,039
Utilities	75,422	6,187	-	-	81,610	94,226
Amortization	2,047	15,981	-	-	18,028	16,892
	746,822	748,521	117,632	(65,000)	1,547,977	1,639,966
Annual surplus (deficit) before distribution	\$ 167,560	\$ 59,570	\$ (4,288)	\$ -	\$ 222,842	\$ 205,164





CITY OF
CHILLIWACK

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