

Sidney
by the sea

2019

ANNUAL REPORT

TOWN OF SIDNEY
BRITISH COLUMBIA

Year ended December 31, 2019



Town of Sidney Annual Report for the
year ended December 31, 2019.

This report was prepared by the
Administration and Corporate Services
Departments, with contributions from
throughout the organization.

- Sidney, British Columbia, Canada



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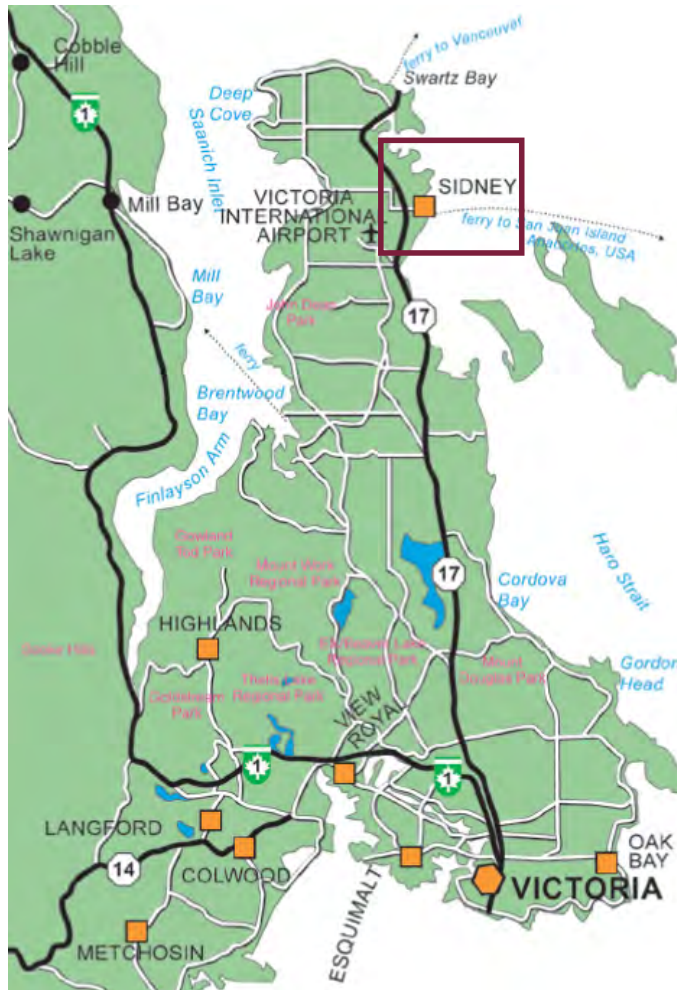


COMMUNITY PROFILE & ANNUAL HIGHLIGHTS



SIDNEY AT A GLANCE

The Town of Sidney is located 26 kilometres north of Victoria, the capital city of British Columbia, and is one of 13 municipalities and three electoral areas that comprise the Capital Regional District (CRD). Sidney is situated on the Saanich Peninsula, which extends north from Victoria. The Town of Sidney's south, west, and north boundaries are shared with the District of North Saanich. To the east, Sidney overlooks Haro Strait, the Southern Gulf Islands, and the Northern San Juan Islands (USA) in the Salish Sea.



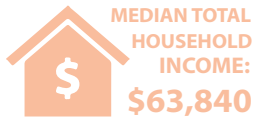
Sidney lies within an area that has become one of the world's premier places to live, work and visit. Endowed with a temperate climate, rich ecology, stunning landscapes, and proud histories, Sidney is a livable, vibrant community, with a strong focus on environmental stewardship, and a prosperous and sustainable economy.

Sidney's geographic area is only 5.02 square kilometres (1.94 square miles), which is a factor in Sidney's high population density (2,290.7 people per square kilometre). Data from Statistics Canada indicates that Sidney's population grew by 4.4% between 2011 and 2016.

Regionally, the Town of Sidney is a key transport hub and offers a variety of transportation options. The Sidney International Ferry Terminal (Sidney/Anacortes ferry route), operated by Washington State Ferries, provides a valuable service which is enjoyed by residents and visitors from all over the world. Sidney is also minutes away from the Victoria International Airport and the Swartz Bay Ferry Terminal (BC Ferries), which connect Southern Vancouver Island to the BC Mainland and beyond.

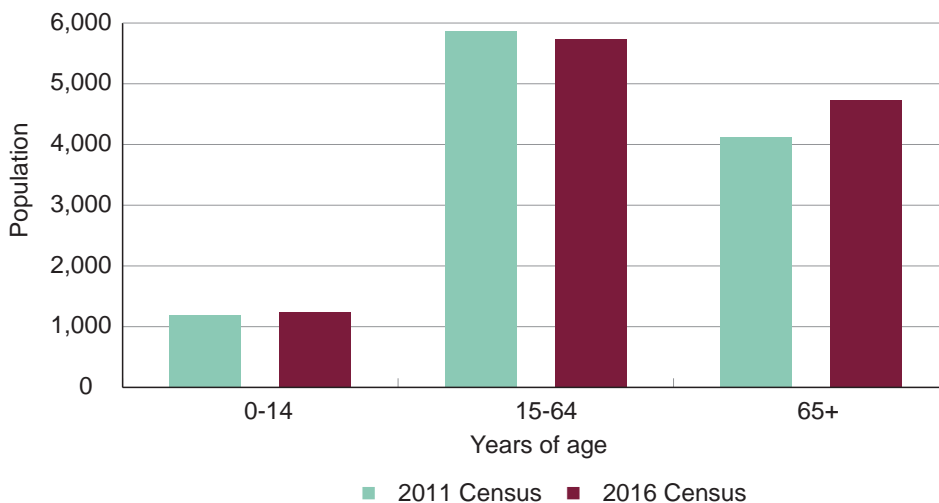
The Town of Sidney's small geographic area provides for a dense mix of businesses, housing, employment, services, and recreation in close proximity to each other. In addition, Sidney is pedestrian and cyclist friendly, transit focused, safe, and socially diverse. Sidney's employment sector is generally made up of industrial, retail and healthcare services. The climate is one of the mildest in Canada, with moderate rainfall and only occasional snowfall in the winter.

DEMOGRAPHIC INFORMATION

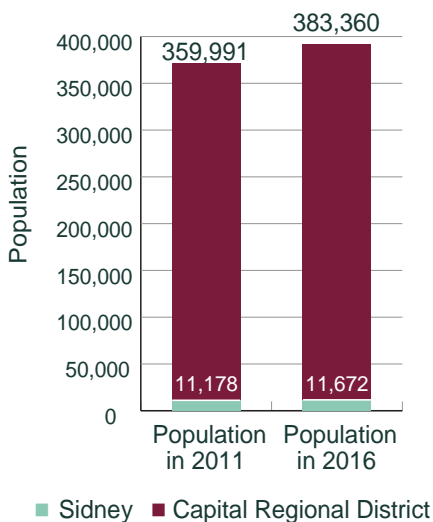


Source: Census 2016

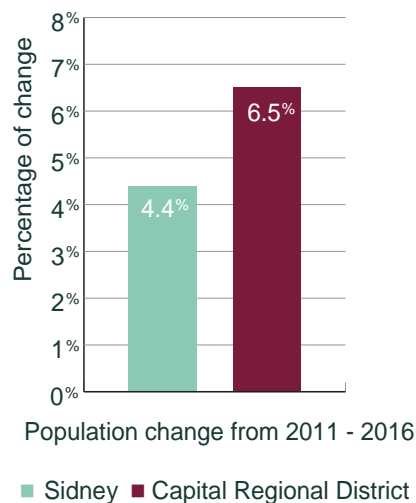
Sidney's age distribution



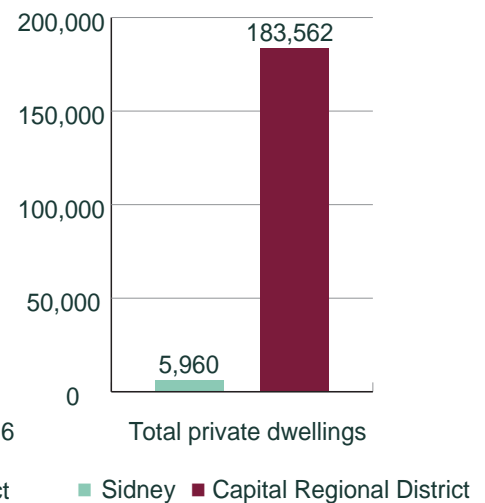
Population in 2011 and 2016



% change in population



Total private dwellings



Source: Census 2016



MESSAGE FROM THE MAYOR

On behalf of Sidney Council and the Town of Sidney, I am pleased to present our 2019 Annual Report.

A Municipal Annual Report is a requirement under the Provincial Community Charter. Our report provides the community with a comprehensive review of Council and Town staff accomplishments in 2019, along with many of the initiatives planned for 2020.

The report reviews the outcomes from priorities set in our 2019-2022 Strategic Plan, which Council developed upon taking office in 2018, and which Council reviews and updates annually. Our Strategic Plan Mission Statement shows the breadth of our responsibilities to the community:

“The Town of Sidney provides good governance, services, and stewardship of public assets, and fosters the social, economic and environmental well-being of our community for current and future generations.”

Good governance includes engagement and transparency. I want to thank staff for their informative reports to Council, and I want to thank Council for their commitment to meeting preparation, listening to community views, and deliberating fully on the wide-ranging business that comes before Council.

On behalf of Council, I want to acknowledge the dedication and commitment of our Town employees, volunteer firefighters and RCMP Members in providing high quality services to residents, businesses and community organizations. The COVID-19 pandemic is bringing unique challenges to our community and to municipal operations. Council acknowledges the remarkable efforts of employees, volunteer firefighters and RCMP Members in the Town’s response and recovery measures, while maintaining essential and day-to-day Town services.

We have tremendous energy, enthusiasm and community spirit in Sidney. Council is pleased to provide financial support to several community organizations, and we extend our thanks to the hundreds of volunteers with these organizations, whose activities enhance our quality of life.

Please browse the report and review the broad range of accomplishments for 2019 and key initiatives for 2020. Council and staff remain committed to our vision for Sidney - to be a balanced, safe, healthy and vibrant waterfront community, with engaging cultural and recreational activities, prosperous and resilient businesses, and with dependable Town services.

A handwritten signature in black ink that reads "Cliff McNeil-Smith". The signature is written in a cursive, slightly slanted style.

Cliff McNeil-Smith
Mayor
July 15, 2020

COUNCIL PORTFOLIO

Mayor Cliff McNeil-Smith

Ball Facility Liaison Committee

Capital Regional District (CRD) Board

Capital Regional Hospital District Board

Capital Region Housing Corporation
Board

CRD Hospitals and Housing Committee

CRD Planning and Protective Services
Committee

CRD Transportation Committee

CRD Traffic Safety Commission

Greater Victoria Labour Relations
Association

Municipal Insurance Association of BC

Peninsula Recreation Commission

Saanich Peninsula Water Commission
and Wastewater Commission

South Island Prosperity Partnership
Partners Committee

SIDNEY COUNCIL 2018-2022



(Left to right) Councillor Terri O'Keeffe, Councillor Barbara Fallot, Councillor Scott Garnett, Mayor Cliff McNeil-Smith, Councillor Chad Rintoul, Councillor Sara Duncan, and Councillor Peter Wainwright

COUNCIL PORTFOLIOS

Councillor Sara Duncan

CRD Climate Action Inter-Municipal Task Force
CRD Regional Water Supply Commission
Peninsula Streams Society

Councillor Barbara Fallot

ArtSea Community Arts Council
CRD Regional Housing Trust Fund Commission
Vancouver Island Regional Library
Victoria Family Court & Youth Justice Committee

Councillor Scott Garnett

Ball Facility Liaison Committee
RCMP - Police Community Consultative Committee
Society of Saanich Peninsula Museums

Councillor Terri O'Keeffe

New Marine Centre Society (Shaw Centre for the Salish Sea)
Peninsula Chamber of Commerce
Sidney Business Improvement Area
Victoria Airport Authority - Noise Management Committee
Victoria Urban Reconciliation Dialogue

Councillor Chad Rintoul

Capital Region Emergency Services Telecommunications (CREST)
Economic Advisory Committee
Memorial Park Society
Peninsula Recreation Commission
Victoria Airport Authority Consultative Committee

Councillor Peter Wainwright

Advisory Planning Commission
Emergency Planning Committee
Saanich Peninsula Water Commission and Wastewater Commission



MESSAGE FROM THE CHIEF ADMINISTRATIVE OFFICER

It is with a sense of accomplishment, pride and optimism that I present the Town of Sidney's 2019 Annual Report. The Town's Annual Report is an opportunity to reflect on the excellent work that has been completed in the past year to support and carry out Council's Strategic Plan and individual Department Work Plans.

Throughout the year, Council and staff focused on delivering the key initiatives outlined in the 2019-2022 Strategic Plan that was developed in early 2019 by Council. Completed projects included the Community Safety Building, the largest capital project ever undertaken in the Town's history. We also began the Official Community Plan Review, a major initiative that will have a significant long-term impression on the community.

We also welcomed new staff members to the Town – due to retirements and departures – and I am confident in saying that we have a strong Management Team ready to move forward with the challenges and opportunities that lay ahead.

The Town's exceptional fiscal management has and will continue to ensure we can deliver excellent services to the citizens of Sidney while keeping taxes stable. The sale of the old Fire Hall site, which has been the largest single land sale in Sidney's history, contributed to our sound financial situation.

The Town continued to experience an unprecedented level of development and growth, a sign that Sidney remains a desirable place to live and do business.

Although no one could anticipate the impact of COVID-19 when it first became known in late 2019, it has changed, and will likely continue to change, our organization and community for the foreseeable future. As an organization, we are committed to adapting to the "new normal" and will commit to working towards recovery.

In closing, I would like to extend my thanks to everyone who played a role in another successful year for the Town of Sidney. This includes the dedication of excellent staff, as well as the contributions of passionate citizens, business leaders, volunteers, and community organizations.

A handwritten signature in black ink, appearing to read "Randy Humble". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Randy Humble
Chief Administrative Officer
July 15, 2020



MESSAGE FROM THE CHIEF FINANCIAL OFFICER

As Chief Financial Officer for the Town, I am pleased to present the Town of Sidney's audited financial statements for the year ending December 31, 2019. The financial statements are the responsibility of the Town's management. The statements have been prepared in compliance with Section 167 of the Community Charter, and in accordance with generally accepted accounting principles approved by the Public Sector Accounting Board (PSAB). The financial statements have been audited by KPMG LLP, who have expressed their opinion that the statements present fairly, in all material aspects, the financial position of the Town as at December 31, 2019. The Town maintains a system of internal accounting controls designed to safeguard the assets of the Town and provide reliable financial information.

For most people, financial statements are hard to read, and they don't provide the concise and relevant information that the average reader is looking for. We are continually striving to make them simpler, but national accounting standards require us to present our financial results in a specific manner and format. To assist the average reader in better understanding our financial statements, a Management Discussion and Analysis report has been included to support the financial statements.

Executive Summary of Financial Results

As detailed in the 2019 Financial Statements, the Town's financial results were mainly in line with budgeted expectations. The Town continues to have reasonable levels of debt and reserves, and remains committed to renewing its infrastructure. Even with the borrowing for the new Community Safety Building (CSB), the Town remains well below authorized debt limits. CSB borrowing came in on the lower end of initial projections, as the sale of the old fire hall site more than offset the increased cost of construction.

It is important to note that any debt held by the Town is for the purposes of capital construction, and bears no relation to the type of debt associated with senior governments. Senior governments incur deficits and debt to finance their operations as a whole; Sidney is only allowed to incur debt for capital purposes, and must maintain an operating surplus. The Town's consolidated operating surplus now stands at \$5,103,227. This healthy balance – with minimum levels dictated by long-standing policy – allows the Town a degree of flexibility in dealing with unforeseen events, such as the COVID-19 pandemic in early 2020.

While Sidney continues to be well managed financially, improvements are always possible; staff and Council are constantly looking to enhance our financial and asset management planning processes to ensure the Town's long-term financial sustainability. Facing new challenges each day, the Town is evolving to find innovative ways of providing the highest possible level of service, while controlling costs. I would like to acknowledge Town Council, senior management, and staff in all departments for their commitment to innovation, continuous improvement and service to the community.

A handwritten signature in black ink that reads "Andrew Hicik".

Andrew Hicik
Director of Corporate Services
July 15, 2020

STRATEGIC PLAN & PROGRESS REPORT

Annual Planning Framework

Sidney's annual planning framework is comprised of three separate but complementary planning processes:

- Strategic planning - occurs in September/October
- Business planning/establishing Departmental Work Plans - occurs October - December
- Financial planning - occurs throughout the year, culminating in January/February with budget deliberations.

These processes result in a set of integrated plans that support the overall vision and mission of the Town, and align activities and resources to achieve the strategic goals and annual business priorities set by Council.

The Strategic Plan is the highest-level statement of the Town's aspirations for the future, and is updated every year by Council. It articulates the vision, mission, values and broad strategic priorities and goals. Progress of the plan is monitored through an annual review of key performance indicators.

The Business Plan translates the high level strategic goals into Departmental Work Plan priorities. The priorities and associated objectives and measures are established annually by staff.

Lastly, the Financial Plan provides the resourcing strategy to support the strategic and business plans. Updated annually, it is a five-year plan that includes both operating and capital components.

Each year's Annual Report reflects upon the previous year, and evaluates whether the Town successfully accomplished the goals and strategic direction set out in the annual planning framework.

2019 Strategic Plan & Progress Report

Strategic planning is an important step for the Town of Sidney to set priorities, allocate limited financial and staff resources, guide the work of staff and decisions of Council, and communicate to citizens.

In early 2019, Town of Sidney Council undertook a comprehensive strategic planning session with a goal to develop key strategies for Council's term. The outcome of Council's efforts was the 2019-2022 Town of Sidney Strategic Plan. This strategic plan was reviewed at the end of 2019 and updated to reflect new and modified priorities. The updated strategic plan identifies seven overarching goals for the Town of Sidney:



Complete
Community



Environmental
Stewardship



Economic
Vibrancy



Community
Engagement



Organizational
Excellence



Community
Infrastructure



Community Safety,
Health & Wellbeing

Pages 11-13 review the progress we have made and the ways in which we will continue to work towards accomplishing these goals throughout 2019-2022.



COMPLETE COMMUNITY

The Town will strive to be a complete community with a mix of amenities and a quality living environment.

- **ONGOING - AFFORDABLE HOUSING**
 - 2019: Continued to look for opportunities to collaborate with partners (eg. Capital Regional District, Provincial and Federal Governments, housing societies and developers)
 - 2019: Completed a Housing Needs Assessment to better understand current and future housing needs and to identify existing and projected gaps in housing supply
 - 2020/2021: Consider ways to implement recommendations from 2019 Housing Needs Assessment
 - 2021: Review Short Term Vacation Rentals
- **UNDERWAY - COMPREHENSIVE REVIEW AND UPDATE OF THE OFFICIAL COMMUNITY PLAN**
 - 2019: Completed Housing Needs Assessment
 - 2019: Developed Proposed Approach to the Official Community Plan Review
 - 2020: Select consultant to lead OCP Review Process through an RFP process
 - 2020/2021: Establish Steering Committee, develop Community Engagement Strategy, completion of OCP review by 2021
- **2020/2021 INITIATIVE - VEHICLE PARKING**
 - Complete review of parking requirements for multi-family condos
 - Review payment in lieu
 - Review allocation of parking spaces within mixed-use buildings
 - Review impacts of residential parking requirements in downtown on on-street parking availability in downtown
 - Initiate a “residential parking only” pilot project
 - Review parking requirements for persons with disabilities
- **2020 INITIATIVE - REVIEW AND DISCUSS DOWNTOWN STREETScape DESIGN STANDARDS DOCUMENT**
- **2022 INITIATIVE - REVIEW ZONING BYLAW UPON COMPLETION OF OCP REVIEW**



ENVIRONMENTAL STEWARDSHIP

The Town will be stewards of our environment.

- **ONGOING - ENVIRONMENTAL PROTECTION**
 - 2019: Completed Urban Forest Strategy
 - 2019: Continued work with Transport Canada on the completion of Reay Creek Pond remediation
 - 2020/2021: Work with the District of North Saanich and other government agencies and stakeholders to address Tsehum Harbour concerns
 - 2022: Prepare a State of the Environment Report
- **2020/2021 INITIATIVE - CLIMATE ACTION MITIGATION INITIATIVES**
 - Update Climate Action Plan and Emissions Reduction Strategy
 - Invest in tree planting program and set specific targets for desired future tree canopy
 - Work with community organizations on annual tree appreciation day
 - Review single-use plastic items
- **2020/2021 INITIATIVE - APPLY CLIMATE ACTION ADAPTATION LENS TO ALL CAPITAL PROJECTS**



ECONOMIC VIBRANCY

The Town will continue to adapt and prosper as a diverse commercial centre for business and employment.

- **UNDERWAY - REVIEW TOWN'S ROLE & RESOURCES CURRENTLY DEDICATED TO FOSTERING ECONOMIC VIBRANCY**
 - 2019: Created Economic Advisory Committee to support the Town of Sidney in matters relating to Sidney's economy
 - 2019: Opened new Downtown Employee & Public Parking Lot, freeing up parking in the downtown core for customers, shoppers & visitors



COMMUNITY ENGAGEMENT

The Town will strive to engage the public in its decision-making processes.

- **ONGOING - BUILD MEANINGFUL PUBLIC ENGAGEMENT INTO ALL KEY TOWN INITIATIVES**
 - 2019: The approach report developed for the Official Community Plan review project identified a public consultation process that is significant, ongoing and meaningful as a fundamental part of the project
 - 2019: Public engagement built into Rathdown, Resthaven and Brethour Park Concept Plans project, with pop-up events, online surveys, and an open house
 - 2019: Development of the Town's Urban Forest Strategy involved a variety of public engagement, including two public open houses and two online surveys throughout 2018 & 2019
 - 2020: Expand public participation at Committee of the Whole Meetings for Development Permit Major applications featuring a Development Variance component
 - 2020: Implement Town Hall meetings
- **ONGOING - COLLABORATION WITH NEIGHBOURING LOCAL GOVERNMENTS**
 - 2019: Regular meetings and communication between the Mayors and staff persons
 - 2020: Partnership with District of North Saanich regarding West Sidney Traffic Area study
- **2021 INITIATIVE - BC 150TH CELEBRATIONS**
Work with other local governments and community partners on BC 150th celebrations



ORGANIZATIONAL EXCELLENCE

The Town of Sidney will remain a leading organization in the provision of governance and quality services.

- **UNDERWAY - TAXATION POLICY REVIEW**
2019: Initiated review of taxation policy
- **ONGOING - SUCCESSION PLANNING**
2019: Initiated succession planning
- **ONGOING - COUNCIL & COMMITTEES**
 - 2019: Examined Council appointments to clarify role and value
 - 2019: Reviewed citizen appointments, looking at roles and responsibilities
- **2021 INITIATIVE - REVIEW AND UPDATE DEVELOPMENT COST CHARGE BYLAW**
- **2021 INITIATIVE - APPLY FOR UN "ROLE MODEL CITY" ACCREDITATION - DISASTER RISK REDUCTION**



COMMUNITY INFRASTRUCTURE

The Town will be a leader in the management of its assets.

- **COMPLETED 2019 - PORT SIDNEY MARINA LEASE EXTENSION**
- **UNDERWAY - BEACON WHARF ASSESSMENT AND EXPLORATION OF OPTIONS**
 - 2019: Issued Request for Proposals for Beacon Wharf Surveys & Feasibility Study
- **UNDERWAY - FERRY TERMINAL CROSS BORDER PRE-CLEARANCE PLANNING**
 - 2019: Initiated Ferry Terminal Cross Border Pre-Clearance Planning
- **2020 INITIATIVE - MAINTENANCE ON BEVAN FISHING PIER**
- **2020 INITIATIVE - UNDERTAKE VIABLE INITIATIVES TO ENCOURAGE MULTI-MODAL AND ACTIVE TRANSPORTATION**
 - Consider covered bike storage in downtown core
 - Undertake a dedicated bike lane feasibility study and community engagement
- **2020 INITIATIVE - DEVELOP FACILITIES ASSET MANAGEMENT PLAN**
- **2022 INITIATIVE - REVIEW OPTIONS FOR LIBRARY SERVICES**

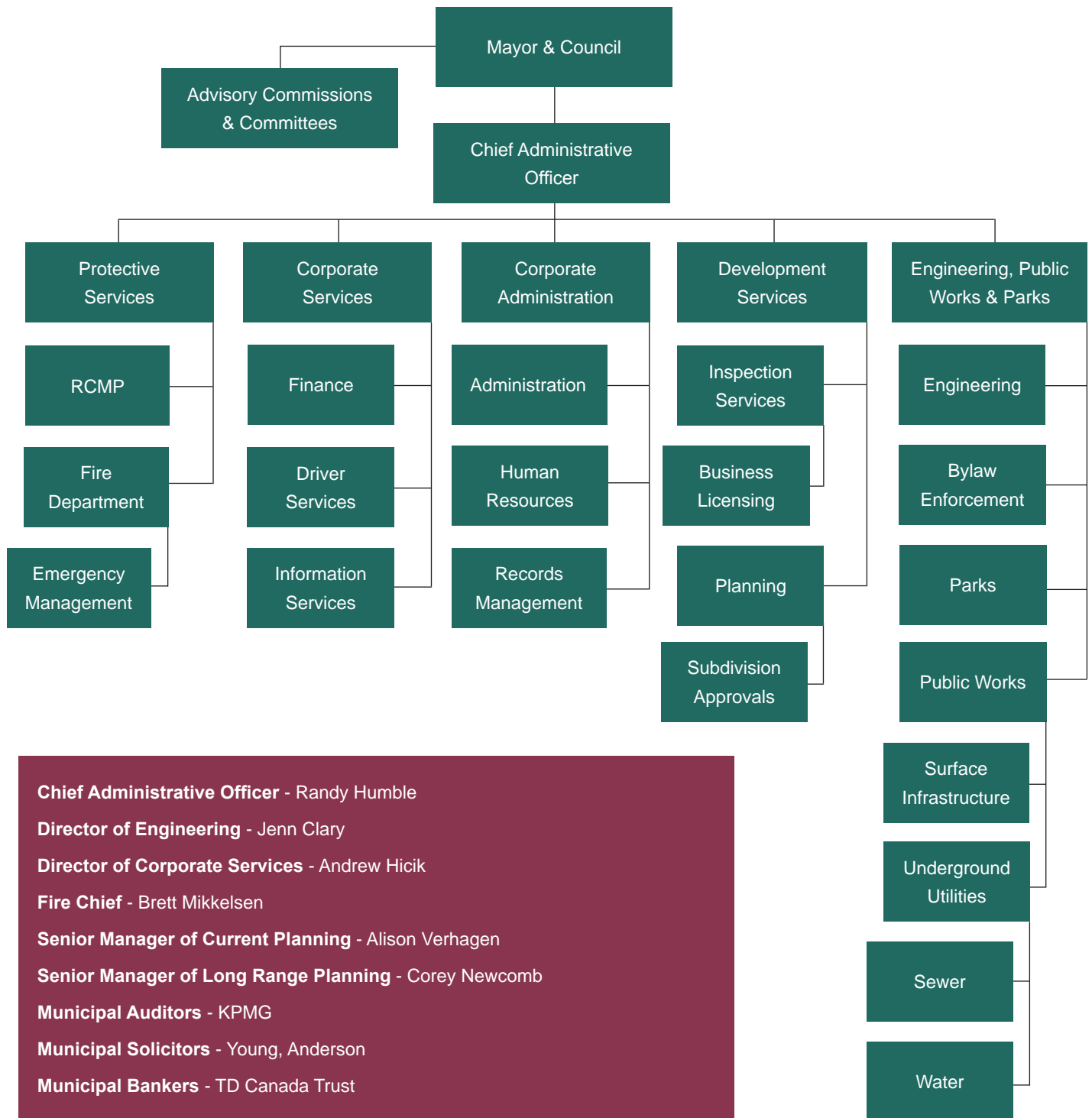


COMMUNITY SAFETY, HEALTH & WELLBEING

The Town will work with its emergency and health services to promote community safety and well-being, while capitalizing on our community assets to foster an environment that promotes a health and active lifestyle for all.

- **ONGOING - ADVOCATE FOR INCREASED ACCESS TO HEALTH CARE WITH THE PROVINCIAL GOVERNMENT AND REGISTERED HEALTH ORGANIZATIONS**
 - 2019: Granted permissive tax exemption to Shoreline Medical
- **ONGOING - EMERGENCY PREPAREDNESS MANAGEMENT**
 - 2019: Opened new seismically "post disaster" rated Community Safety Building
 - 2019: Initiated a review of Emergency Business Continuity Plan
 - 2020: Analyze potential options for provision of post disaster potable water distribution system to Sidney residents, with consideration also given to water for firefighting
 - 2020: Conduct a multi-jurisdictional facilitated disaster response exercise
- **2020 INITIATIVE - RECOGNITION OF PRIDE WEEK**
- **2020 INITIATIVE - ADOPT CONSTRUCTION MANAGEMENT POLICY**
- **2020/2021 INITIATIVE - PEDESTRIAN SAFETY**
 - Undertake a collaborative initiative between RCMP and Engineering Department to enhance pedestrian traffic safety planning at crosswalk and intersection crossings

ORGANIZATIONAL CHART & APPOINTED OFFICERS



DEPARTMENT UPDATES



2019 Municipal Operations at a Glance



ADMINISTRATION

The Administration Department, under the leadership of the Chief Administrative Officer, is responsible for overseeing all municipal operations. The Department is responsible for corporate administration under the Community Charter and the Local Government Act, providing legislative and administrative support to Mayor and Council, for public communications and human resources for the organization.

Key functions include:

- Organizing all meetings of Council, including preparation of agendas and minutes;
- Administering the review and update of the Town's Annual Strategic Planning process;
- Providing support services to Council appointed Committees / Commissions / Boards;
- Processing and coordinating all business relating to Town Council;
- Providing advice with respect to Council procedures, policies and functions;
- Coordinating internal and external communications (i.e. Town's website, intranet, social media, print publications and media releases);
- Safekeeping of minutes of Council and Committees, bylaws, and other official documents on behalf of the Town;
- Administering oaths and taking affirmations, affidavits and declarations required to be taken under the Community Charter or any other Act relating to municipalities;
- Administering the corporate records management program;
- Processing requests for access to information under the Freedom of Information & Protection of Privacy Act;
- Administering leases/agreements for Town operations and facilities;
- Coordinating human resources services for the organization;
- Organizing Town hosted events and liaison with other event organizers;
- Conducting local government and school trustee elections.

2019 Highlights

- Reviewed Council appointments to clarify role and value, and reviewed citizen appointments
- Establishment of new Economic Advisory Committee
- Establishment of new OCP Review Advisory Committee to assist with the review and update of the Town's Official Community Plan
- Reviewed and updated Council's three year Strategic Plan
- Reviewed and updated the Advisory Planning Commission Bylaw
- Reviewed and updated the Town's Council & Committees Procedure Bylaw
- Held opening ceremonies for the new Employee & Public Parking Lot and the new Community Safety Building
- Continued working with Transport Canada on the remediation of Reay Creek Pond
- Established agreement for new public parking lot at Third Street and Sidney Avenue (old Fire Hall / Public Parking Lot lands)
- Obtained approval from Province for new lease for the Port Sidney Marina breakwater
- Established agreement with ArtSea for administration of the Sidney Sculpture Walk
- Completed interior renovations to Town Hall Council Chambers
- Commissioned First Nations carving for Council Chambers

2020 Initiatives

- Implement more Town Hall meetings
- Expand public participation at Committee of the Whole Meetings for Development Permit Major Applications accompanied by a Development Variance Application
- Establish new Committee to review options for the future of Beacon Wharf
- To continue to work with US agencies on cross-border pre-clearance planning at ferry terminal
- Continue working with other local governments to address Tsehum Harbour concerns
- Initiate civic site analysis for Town Precinct (Town Hall, Driver Services/Courthouse, etc.)
- Support the installation of one of two new portable public washroom facilities along waterfront
- Work with the Engineering Department on proceeding with Transport Canada's remediation of Reay Creek Pond and Dam project

	COUNCIL MEETINGS	COMMISSIONS/COMMITTEES MEETINGS
 MEETINGS	<p>30 Regular/Special Council Meetings</p> <hr/> <p>15 Council In Camera (closed) Meetings</p> <hr/> <p>14 Committee of the Whole Meetings</p>	<p>7 Advisory Planning Commission</p> <hr/> <p>0 Board of Variance</p> <hr/> <p>2 Economic Advisory Committee</p> <hr/> <p>3 Emergency Planning Committee</p>
 BYLAWS & POLICIES	<p>10 New Bylaws</p> <hr/> <p>8 Amended Bylaws</p> <hr/> <p>3 Repealed Bylaws</p>	<p>3 New Policies</p> <hr/> <p>4 Amended Policies</p>
 FOIPP REQUESTS	<p>6 Freedom of Information and Protection of Privacy Requests</p>	 HUMAN RESOURCES
		<p>11 Job Postings</p> <hr/> <p>3 Retirements</p>



CORPORATE SERVICES

As a service department, Corporate Services' main focus is on assisting the public, and helping other departments accomplish their goals and tasks. Whether our interaction with the public is through telephone, at the front counter, or through the information on our website, we strive to provide excellent, timely and friendly customer service. Corporate Services includes the following functional areas:

- Finance;
- Driver Services;
- Information Technology;
- Risk Management (jointly with Engineering & Works); and
- Human Resources (jointly with Administration).

Finance

From a corporate perspective, the department strategy is to support the administrative and financial needs of the Municipality, thereby enhancing the quality of service to the public. Our objective is to provide timely and accurate financial information to facilitate the decision-making needs of Council, senior management, and external stakeholders, and to provide analysis and business advice to the various municipal departments. Responsibility and authority for financial operations is derived from legislation mandated by the British Columbia Community Charter, Local Government Act, Provincial and Federal Statutes, and Municipal bylaws.

Driver Services

The Driver Services section of Corporate Services provides local services for residents of the Peninsula and beyond. As appointed agents, staff at the 9884 Third Street office provide a wide variety of driver licencing and ICBC Autoplan services, products and information. Since February 2013, the department has also been issuing the joint Driver's Licence/BC Services Card.

Information Services

Information Services provides technical leadership, solutions, service and support for all the Town's integrated hardware, software, GIS, EOC, wireless and VoIP telephone systems at five locations; the Town Hall, Driver Services, Community Safety Building, the Public Works Yard, and the RCMP Detachment.

Risk Management

Risk Management ensures that the financial stability of the Town is protected against the effects of accidental loss, by developing and maintaining information related to losses, claims, insurance premiums and other risk-related costs. Accordingly, Corporate Services works closely with operational departments to ensure the Town's risks are minimized.

Human Resources

Human Resources is responsible for the attraction, selection, training, assessment and retention of employees, while also overseeing organizational leadership and culture, and ensuring compliance with employment and labour laws.

2019 Highlights

While most of the work of the Corporate Services Division involves routine processing and annual, ongoing tasks, we still find time each year to fit in some special projects. Some of our non-routine accomplishments over the past year include:

- Completed the accounting and financing for the new Community Safety Building (CSB), the Town's largest ever capital project;
- Undertook a thorough financial orientation of new Council members;
- Reviewed and streamlined the Town's Reserve Funds, and amended the policy for the Amenity Reserve;
- Ongoing review of the Town's Utility Fees structure and Taxation policy;
- Completed cost-sharing arrangements related to the occupancy of a portion of the CSB by BC Emergency Health Services;
- Processed new tax exemption applications for a Health Society and an affordable rental housing development;
- Received Canadian Award for Financial Reporting for the Town's Annual Report for sixth consecutive year;
- Supported network changes and hardware relocation associated with the move to the CSB.

- 2019 municipal taxes per average residence: \$127/month (2018: \$120/month)
- Total municipal taxes collected in 2019: \$11.96 million (2018: \$11.35 million)
- Total municipal expenditures in 2019: \$21.9 million (2018: \$20.5 million)

Over the next two years, we will be focusing on the following objectives:

- Evaluate the financial impacts of the COVID-19 pandemic on municipal operations, and re-align budgets as necessary;
- Support the Beacon Wharf Select Committee in the evaluation of replacement options for the wharf;
- Continue the enhancement of asset and work management software, adding more functionality each year;
- Collaborate with Engineering & Works on enhanced Asset Management practices;
- Review funding levels and capacity for long term infrastructure replacement;
- Continue enhancements to financial reporting to make financial information more accessible to the public;
- Continually review the Town's financial policies and practices for maximum efficiency;
- Refine the Town's taxation policies;
- Complete the review the the Town's Utility Fees structure;
- Complete sub-lease transfer and extension related to Port Sidney Marina, to enhance economic impact of key waterfront asset;
- Work with Washington State Ferries on response to pending changes to border pre-clearance regulations;
- Follow up on financial planning required following completion of three key Town projects: Downtown Waterfront Vision, West Sidney Local Area Plan, and Downtown Streetscape & Urban Design Standards;
- Work with Engineering to review and update the Town's Development Cost Charges;
- Continue enhancements to Town's GIS capabilities, including implementation of Community Map for developer and public use;
- Continue to identify efficiencies in the Town's computer network infrastructure;
- Assist with improvements to the Town's Business Continuity Plan;
- Support the Town's Document Management planning;
- Review the Town's Risk Management policies.

DEVELOPMENT SERVICES

2019 New Dwelling Units Constructed



Multi-family - New	158
Two-family - New	6
Single-family - New	18
Single-family to two-family (adding a legal suite)	4
Total new units	186

2019 Permits Issued



Building permits issued (with construction value)	96
Plumbing permits	106
Demolition permits	9
Fire Department & solid fuel permits	25
Total permits issued	236
Total construction value	\$50,233,299

The Development Services Department provides service in the areas of municipal planning, building permits and inspections, and business licensing. The Department is committed to the delivery of a broad range of high quality services to residents, businesses, and the development community by responding to all inquiries quickly, efficiently, and accurately. Under normal circumstances, the department staff have an open door policy and welcome face-to-face meetings to further communicate the goals, policies, and guidelines contained within the Official Community Plan (OCP), Zoning Bylaw, BC Building Code, and other applicable bylaws and policies.

Planning

Planning combines the functions of current planning, long-range policy planning, and project management. Administration of the Zoning Bylaw through land use development review serves to implement the OCP, ensuring an integrated approach to community growth and sustainability in Sidney.

Building Permits and Inspections

Building Permits and Inspections is responsible for monitoring building construction by ensuring compliance with the BC Building, Plumbing and Fire Codes. To promote health, life-safety and fire prevention throughout the community, Building Inspection personnel work closely with property owners, developers, other agencies, and the Fire Department. Functions include plan review, issuance of permits for new construction and renovations, and inspection of premises for code compliance prior to the issuance of occupancy. Staff also work with developers to implement Construction Management Plans to facilitate project efficiency and public safety while minimizing disruption to the surrounding neighbourhood. Building Officials are available to assist the public with a broad range of queries at the counter and on the phone. In 2019, 236 permits were issued by Building Officials, with a combined total construction value of \$50,233,299, over double the 20 year average (\$24,702,446) since 1999.

Business Licences

Businesses operating within the Town of Sidney, including home occupations, are required to hold a valid Business Licence, as per Business Licence Bylaw No. 2119. In 2019, the Town issued 769 Business Licences, including 78 to new businesses, for a total revenue of \$84,175.

2019 Highlights - Department Projects

The following initiatives were completed in 2019:

West Sidney Local Area Plan - Village Master Plan:

Following the conclusion of the West Side Local Area Plan, the Town contracted with Barefoot Planning to undertake a more detailed process for the “Mixed Use Village” component of the plan. This involves an analysis of the appropriate building heights, setbacks and other spatial elements of new development in the area, as well as a plan for the improvement of streets, trails and parks in the study area.

Utility Box Beautification Project:

In 2019, the Town of Sidney funded the beautification of 8 BC Hydro transformers with graffiti-resistant vinyl wrap to enhance the look of Sidney’s streets. The beautification effort featured local artists as an initiative to bring local art to utility boxes located in Downtown Sidney as well as several pump station locations around town. In addition to assisting beautification efforts, the program seeks to promote and celebrate established and emerging artists from the Saanich Peninsula.

Housing Needs Assessment:

In 2018 the Provincial Government amended the Local Government Act to make the preparation and consideration of a Housing Needs Assessment (HNA) mandatory prior to the development of an OCP. With Sidney in the initial planning stages of a comprehensive OCP review, Council directed staff to proceed with the preparation of a HNA in May 2019. HNAs are a way for communities to better understand their current and future housing needs. These studies can help identify existing and projected gaps in housing supply by collecting and analyzing quantitative and qualitative information about local demographics, economics, housing stock, and other factors. Sidney’s HNA was completed in October 2019.

Multi-Family Residential Parking Study:

Council included funding for a “Multi-Family Residential Parking Study” in the Town’s 2019 budget. The purpose of the study was to measure the number of parking spaces in apartment buildings (rental and condominium) in different areas of Sidney and study how that parking is used by residents. The findings of the study suggest that Sidney’s Parking Bylaw (which requires one parking space per dwelling unit for apartment buildings) is generally meeting the demand for parking spaces.

Other 2019 Department Initiatives:

Development Services staff also provided planning assistance and support on a number of other inter-departmental projects, including park improvements, public works projects, transportation studies and policy development.

2019 Highlights - Planning and Building Applications

With the continuation of strong residential construction trends throughout 2019, much of the Development Services department’s time continued to be spent reviewing and processing the high volume of building permit applications for new residential and commercial development in the Town. The Town continued to see record numbers of new residential units under construction in 2019, following on the high volume of development applications in 2017 and 2018. As noted above, Building Permits issued for those projects represented a total of 186 new dwelling units breaking ground in 2019, a significant increase from previous years.

2019 also saw a significant increase in new rental housing units in Sidney. These include the 30 unit “Painted Ladies” market rental project at 2211-2215 James White Boulevard breaking ground, the conversion of the 29 unit “Cortile Verde” condominium project at 9762 Third Street to a registered BC Housing rental project, a development application for “Oslo”, a 73 unit rental building at 10129 Fifth Street, and the issuance of the final occupancy permit for “Aranza” a 56 unit affordable rental building at 9830 Fourth Street.

The following are some of the major development proposals approved by Council in 2019:

- **2369-2373 Malaview Ave:**
Development Permit application for a 2 storey 8 unit multi-family townhouse development.
- **2319 & 2325 Brethour Ave & 9927 Seventh Street:**
Development Permit application for a 4 storey 34 unit multi-family residential development, and Sidney’s first “co-housing” style development.
- **2311 & 2315 Mills Road:**
Development Permit application for an addition to an existing 3 storey assisted living facility.

2020 Initiatives

- Official Community Plan Review project
- Saanich Peninsula Child Care Inventory and Action Plan
- Utility Box Beautification – First Nations artwork
- Updates to the Off-Street Parking and Loading Bylaw
- Updates to the Tree Preservation Bylaw



ENGINEERING, PUBLIC WORKS & PARKS

The Engineering, Public Works, and Parks Department is responsible for all municipal infrastructure, including roads, sidewalks, water mains, sanitary sewers, storm drains, street and traffic lights, solid waste collection, parks upgrades and maintenance, street trees, and all municipal buildings and facilities.

The Engineering Division

Engineering provides technical expertise with respect to road design, water systems, sanitary sewer and storm sewer systems, traffic and parking management, asset management, and of specialized services such as asphalt paving and video pipe inspection. The Engineering Division also administers contracts for the collection of garbage, kitchen organics, and yard waste. In addition to this, the Engineering Division seeks out and makes applications for grant funding on numerous proposals. In cases where in-house expertise or resources are not available, Engineering is responsible for the procurement of professional consulting and construction services through a competitive process.

The Public Works Division

Public Works is responsible for the maintenance and repair of all roads, traffic signals, streetlights, street signs, curbs and sidewalks, bus shelters, storm drainage, wastewater collection (including pump stations), water mains, service connections and meters, fire hydrants, and water main valves. Public Works is also responsible for the procurement and maintenance of fleet vehicles, operations and maintenance of municipal buildings, and collection of garbage from public waste receptacles. Public Works is constantly supporting other Town departments and divisions and they keep the Town running smoothly.

The Parks Division

Parks is responsible for the upgrade and maintenance of all 28 Town parks, including the Rotary Park located in North Saanich on airport lands through a cost sharing agreement with the District of North Saanich. The Parks Division also maintains 17 beach access points, as well as administering the downtown beautification and banner programs, and annual Christmas light displays throughout the Town. They are responsible for planting and maintaining trees, gardens, plantings and grass throughout the Town, inspecting playground equipment and installing and maintaining irrigation systems.

Bylaw Enforcement

Bylaw Enforcement is responsible for day-to-day bylaw enforcement activities. This includes enforcement action, ongoing consultation, and coordination with other departments in the review and modification of bylaws as required.

2019 Highlights

- Completed Ferry Terminal dock metal painting;
- Completed first phase of bike path on west side of Highway 17;
- Completed construction of the Downtown Employee Parking Lot south of Mary Winspear Centre;
- Repaved Epco Drive;
- Responded to 'Snowmageddon 2019' – a snowfall event that lasted approximately 5 days;
- Rebuilt base and repaved Seventh St from Beacon to Bevan;
- Completed Beacon Wharf feasibility studies;
- Completed Malaview sidewalk;
- Completed improvements to path beside Dairy Queen;
- Completed Orchard Ave bike path to Lochside Trail;
- Completed Sidney By The Sea Sign rehabilitation;
- Completed RCMP building boiler replacement; and
- Completed Public Works compound extension.

2020 Initiatives

- Bevan Fishing Pier recoating;
- Town Hall and RCMP building roof replacements;
- Pump Station condition assessment;
- Beacon Wharf repairs;
- Iroquois path repaving;
- Patricia Place storm and sanitary sewer replacement;
- Third Street at Sidney Avenue BC Hydro undergrounding project;
- Fifth Street BC Hydro undergrounding project;
- Beacon West traffic study;
- Rathdown Park playground replacement;
- Water main replacement, curb and gutter replacement and paving on Vallis Place;
- Base repair and paving part of Ardwell Avenue;
- Oakville watermain replacement;
- Paving Griffith Rd, Lane 4 between Ocean and Orchard, and Lane 5 between Orchard and Oakville;
- Repair or build sidewalks on Ocean Ave from Fifth to Third, Third St from Mt. Baker to Henry, Bevan Ave behind Save-On-Foods, and Brethourpark Way west of Epco Dr;
- Reay Creek Dam renovation and Reay Creek Pond remediation coordination; and
- Install new washrooms downtown.



Bevan Avenue Repaving



Snowmageddon 2019



Brethour Avenue Watermain



FIRE SERVICES

The Sidney Volunteer Fire Department provides fire suppression, rescue, first responder emergency medical care, and specialized marina firefighting services to the residents and businesses of the Town of Sidney. Supplementing our established emergency response capabilities is an ever increasing emphasis on risk reduction initiatives in the form of public education, fire & life safety inspections, and enforcement of Town of Sidney bylaws and BC Fire Code regulations. This full spectrum of services is provided utilizing a composite model of seven career and thirty-five volunteer firefighters. In addition to fire & rescue specific services, the Sidney Volunteer Fire Department is responsible for emergency management and preparedness in Sidney in conjunction with the Peninsula Emergency Measures Organization (PEMO).

Calls for Service

In 2019, the Sidney Fire Department responded to 687 calls for service.

Fire Prevention Initiatives

As Sidney continues to develop with many new construction projects, Fire Prevention staff have been involved in the examination of building plans and the review of construction and demolition fire safety plans. Staff have also worked with many strata groups as they update or create fire safety plans for existing buildings.

In 2019, Sidney Fire Department completed 844 fire and life safety inspections as part of the annual inspection program mandated by the BC Fire Services Act. 119 visits were made to assist residents with the Smoke Alarm Program, resulting in 35 installs and 227 battery changes.

Public Education Initiatives

Fire Department Staff in partnership with PEMO Neighborhood Emergency Preparedness Program delivered numerous Fire Safety and Emergency Preparedness presentations to various strata groups throughout Sidney.

Fire extinguisher training was delivered to the senior care home staff as well as staff from local businesses and industry.

In October, over 600 grade 5 students from School District 63 and 4 fire departments attended the Sidney Community Safety Building to provide and receive education regarding various aspects of fire safety.

Fire Department Staff delivered and certified 27 members from Public Works and Parks with Emergency First Aid. Staff also attended the Peninsula Babies group to educate new parents on infant CPR and choking procedures.

Training Initiatives

Regular Thursday night training accounted for 4,236 hours in 2019. In addition, 2,637 extra training hours were completed for a total of 6,873 hours.

Eight people were trained and certified to the NFPA 1002 Standard for Operation of an Apparatus Equipped With a Fire Pump – a certification not previously held by Sidney Fire Department members.

Four sessions of live fire training took place at the Otter Point training facility to maintain and enhance firefighting skills. Several members completed various levels of the Fire Officer Program as well as Blue Card Incident Command training. The eight newest recruits completed the exterior program for their NFPA 1001 certification and have approximately two months of training until they are fully certified.

Community Safety Building

On June 21, 2019, the Sidney Fire Department moved from 9837 Third Street for the first time since its inception in 1914. Many hours were dedicated to sorting and moving all of the items into their new space. The Community Safety Building (CSB) is built to a post-disaster standard that is seismically stable in the event of an earthquake. It is designed with clean zones on separate ventilation systems to ensure the safety of firefighters by eliminating the spread of carcinogens beyond the apparatus bays and turnout gear rooms. The upstairs training rooms can be opened up into a larger space to house the Emergency Operations Centre for the Town of Sidney. It has a training tower that simulates many multi-story buildings as well as additional space to practice firefighting skills.

Confined Space Rescue Team

The Sidney Fire Department along with North Saanich and Central Saanich Fire Departments established a confined space rescue team. A group of members received training to the Operations level, and the team has started to acquire the necessary equipment including a trailer being housed at the Sidney Community Safety Building.

Squad 1 Replacement

In September a Squad from Howard, Wisconsin was purchased, re-decaled and put into service to replace an aging apparatus. It is the primary unit used for Motor Vehicle and Rescue incidents but has the full capabilities of a fire engine. The previous Squad was sold to Piers Island and will be a significant upgrade for them as well.

Emergency Planning for Senior Care Home Facilities

The Fire Department continues to work with the Assisted, Extended, and Nursing Home Working Group, consisting of the directors of senior care home facilities that are deemed a “higher risk” in an emergency due to the age and mobility of their residents. They work together to eliminate risks and develop working relationships in the event that mutual aid is necessary between the residences. The group continues to meet on a quarterly basis and, in 2019, they conducted a tabletop exercise with facilities and emergency agencies.





POLICE SERVICES

Policing services are provided to the municipalities of Sidney and North Saanich by the RCMP-GRC through a Federal/Provincial/Municipal contract. A detachment centrally located at 9895 Fourth Street in Sidney provides diverse policing services to the surrounding Northern Saanich Peninsula and First Nation communities as well as the Willis Point region and fifty-two islands and coastal waters extending to the USA boundary. Within the detachment boundaries policing services are also provided to the Victoria International Airport, and the Swartz Bay and Anacortes ferry terminals.

Detachment Resources

Sidney/North Saanich Detachment is comprised of thirty-two police officers and nine civilian support staff. Uniform officers are divided into four Watches providing a twenty-four hour, seven day a week on-duty response to emergencies and calls for service. Specialized units within the detachment are organized into a four officer Major Crime Unit, two officer Traffic Unit, one Community Policing officer and two First Nations Policing officers. On average the detachment responds to 7,000 calls for service annually, many involving extensive investigation.

A management team is responsible for administration, planning, budget and operations for the detachment. Business hours for inquiries, assistance and service is Monday to Friday from 8:30 am – 4:15 pm.

Strategic Policing Priorities

Detachment policing priorities are established through consultation with key partners within the community and in alignment with regional, provincial and national public safety initiatives. In 2019, annual policing priorities for traffic enforcement, property crime reduction, crime prevention and First Nation policing were implemented. Specific initiatives for each priority have been developed to focus the delivery of policing services. Impaired and distracted driving enforcement is given priority to enhance road safety and support the prevention of motor vehicle accidents. Strategies have been engaged to reduce shoplifting from local businesses and theft from vehicle offences through targeting of prolific offenders who repeat crimes. Initiatives to provide a frequent policing presence in public spaces which include parks, waterfront and the business sector have been implemented to enforce bylaw, liquor and controlled substance regulations.

A quarterly policing report provides details on crime trends and statistical comparison over a five year period. The Detachment Commander provides a review of these reports to Mayor and Council with details on how the detachment is managing crime and meeting the objectives of the policing priorities. Under the leadership of the Detachment Commander, officers participate in crime prevention, investigation and proactive policing objectives while working closely with volunteers and policing partners to reduce crime and harm in the community.

Community Policing & Volunteer Programs

The detachment is complimented by a number of dedicated volunteers who donate many hours of their time each month to help make Sidney a safe and desirable community to live and work. Programs which citizens can volunteer to enhance policing services in the community include Victim Services, Restorative Justice, Citizens on Patrol, Speed Watch and the Auxiliary Constable Program. The Community Policing officer and Auxiliary Constables are actively involved in the delivery of crime prevention and education programs to help prevent community members from becoming victims of theft and fraud crimes. The Detachment currently has four Auxiliary Constables, some of whom are bike trained and may be observed in the community on foot or bike patrol. During the past year the Community Policing officer, Media Liaison and Auxiliary Constables have assisted in the delivery of programs which enhance safety and the prevention of crime.

The Block Watch program has been expanded to include new neighbourhoods. The Auxiliary Constable Coordinator forwards safety alerts, tips, and recent crime incidents to Block Watch Captains who utilize email to distribute the information to neighbouring residents.

A new initiative to build a partnership in prevention for theft from vehicle crimes provides “All Valuables Removed” stickers to vehicle owners. Theft from vehicles is a preventable crime and this initiative serves a dual purpose. The stickers remind vehicle owners to remove valuables and this action results in extinguishing a theft opportunity from thieves. The stickers can be obtained at Sidney/North Saanich Detachment, Sidney Driver Services and Save-On Foods.

An enhanced police engagement initiative was implemented by the Detachment to identify multiple locations to be given priority for regular police patrols. These locations were identified as public spaces where a policing presence provides enhanced safety to the community where they enjoy parks, walking trails, recreation and the waterfront.

Each summer both locals and tourists frequent the popular Sidney Street Market on Thursday evenings from June to the end of August. The Community Policing officer assisted by Auxiliary Constables participate in the market where they greet the community offering crime prevention advice and information on safety programs for adults and children. Stop by the RCMP booth to meet our Community Policing officer.

As a new initiative, the detachment has adopted a modern technology bike registration program called Project 529. Using an app, bike owners can self register their bikes in a matter of minutes. Once bike owners have registered their bike they contact the detachment to receive a Project 529 adhesive shield which is affixed to the bike and assists police in returning found and recovered bikes to the owners. When a bike is stolen the Project 529 system sends an alert providing a bike description to others with registered bikes. More information is available through the Sidney/North Saanich Detachment.

Our Community Policing officer participates in a school liaison program with our five local elementary, middle and secondary schools. The program assists in establishing a connection with local youth and provides some greater safety awareness and education. This messaging to youth includes awareness regarding the safe use of social media and practices which prevent becoming victims of fraud or sexual predators. A partnership with local schools provides many opportunities for positive interaction and delivery of messages pertaining to safe driving, pedestrian and cycling safety and important choices regarding substance use.

Crime Rates/Crime Prevention

Both Sidney and North Saanich enjoy a relatively low crime rate in comparison to many other communities in British Columbia. The support of the community in preventing and reporting criminal activity has been instrumental in solving criminal offences quickly, contributing to safe streets and safe homes. To continue this trend, the RCMP-GRC encourage community members to take measures to protect themselves from crime, not leaving valuables in vehicles, securing their homes and immediately reporting suspicious activity to police.





FINANCIAL INFORMATION



MANAGEMENT DISCUSSION & ANALYSIS

The financial statements are the responsibility of the Town's management and have been prepared in compliance with the Community Charter and generally accepted accounting principles. The annual financial statements are composed of two primary statements – the *Statement of Financial Position* (page 39) and the *Statement of Operations and Accumulated Surplus* (page 40). These primary statements are supplemented by extensive notes and tables that serve to better explain the Town's financial results and nature of operations. The notes are an integral part of the financial statements, as they provide additional details on the consolidated numbers found on the two primary statements. The statements and supporting notes are discussed in more detail below.

Statement of Financial Position

The *Statement of Financial Position* outlines the Town's financial health by providing a snapshot of the total Assets, Liabilities, and Accumulated Surplus as at December 31, 2019. Financial Assets include cash, as well as items that can or will be converted to cash within a short timeframe, such as investments and receivables. Financial Assets represent amounts that can be used to satisfy Liabilities and finance future services.

Financial Assets had a year ending balance of \$25,862,365, as compared to \$21,306,036 in 2018. The total combined cash and investments balance increased by roughly \$5 million over 2018, and was directly linked to an increase in the Town's reserve funds; this large increase was made possible through the sale of the old Fire Hall site, which was classified as *assets held for sale* in 2018.

Liabilities is the next section in the Statement of Financial Position, and represents cash and services owing by the Town to third parties. The large decrease in Accounts Payable relates to a reduction in major capital projects being undertaken by the Town over the end of the fiscal year, and the associated monthly billings. The largest contributing factor for the increase in Deferred Revenue and Deposits was the volume of deposits held for offsite services related to developments.

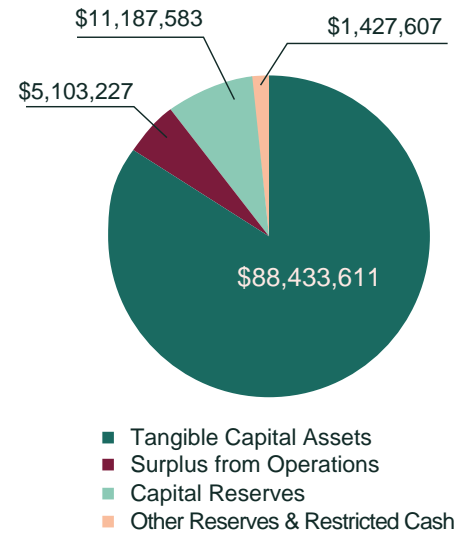
The Town's largest liability is its debt, totaling \$12.3 million, which was entirely issued through the Municipal Finance Authority. It is important to note that any debt held by the Town must be for capital purposes, and not to fund operating deficits. During 2019, the Town converted \$2.5 million of interim borrowing for the Community Safety Building into a 30 year debenture; this conversion of debt will not increase the Town's total debt, but will only replace temporary borrowing with long-term debt. In 2019, there was a decrease in debt of \$240,000, due to the retirement of existing debt through annual principal payments. The average interest rate of current outstanding debt is 3.23%, with rates of individual debt issues ranging from 2.66% to 4.65%.

Next on the Statement of Financial Position is Net Financial Assets / Net Debt, which is the difference between the Town's financial assets and its liabilities. Following a one-year slip into a Net Debt position in 2018 – due to borrowings for the CSB and the timing of the associated property sale – the Town moved back into a positive balance of Net Financial Assets following completion of a very successful sale of the old fire hall lands. A positive Net Financial Assets balance presents a favourable indication of the Town's ability to satisfy its liabilities and future commitments. Net Debt would indicate that we would have more future obligations than financial assets to satisfy those debts, meaning that future revenues would be required to offset commitments. A Net Debt position is fairly common for local governments, as they undertake investments in capital assets (i.e. turning financial assets into non-financial assets) or incur debt that requires future revenues to repay. There is no "right" level for Net Financial Assets / Net Debt; it depends largely on the growth plans and infrastructure health of each local government.

Non-financial Assets is the next section of the *Statement of Financial Position*. This category is made up almost entirely of the net value of tangible capital assets (TCA), but also of smaller amounts for inventories of supplies and prepaid expenses, all of which are held for the provision of future services. The TCA amount represents the remaining value (cost less depreciation) of past investment in infrastructure, buildings, facilities, structures, vehicles, equipment and other long lasting items that provide services to residents over the useful lives of the assets. Inventories and prepaid expenses are assets that will likely be consumed as part of operations in the upcoming year, but cannot be easily converted to cash to meet financial obligations.

The “bottom line” on the Statement of Financial Position is the Accumulated Surplus, which is the total of Net Financial Assets / (Net Debt) and Non-financial Assets; this amount represents the sum of all economic resources available to the Town to meet future financial and service obligations. The Accumulated Surplus balance of \$106,152,028 is broken down into various components in Note 6 (page 50) of the statements (as illustrated in the pie chart), and is discussed in more detail in the following section. It is important to clarify that the Accumulated Surplus has been building over many years; since it is comprised of both Financial and Non-financial Assets, it does not represent an available pool of funding. *Net Financial Assets* represents the amount available to satisfy *financial* obligations and *Non-financial Assets* represents the amount available to meet future *service* obligations.

Accumulated Surplus



Statement of Operations & Accumulated Surplus

The *Statement of Operations & Accumulated Surplus* presents the operational results by comparing revenues and expenses for the operating year, with the net difference being the “Annual Surplus”. The Annual Surplus essentially represents the increase in the Town’s ability to fund future services.

Total revenues of \$32,648,432 were much higher than 2018 due to the sale of the old fire hall site to help finance the new Community Safety Building (CSB); this transaction resulted in a net gain of \$7,942,489.

The 2019 *Statement of Operations and Accumulated Surplus* indicates an Annual Surplus of \$10,709,900, which is broken down into the following components:

Net investment in Capital Assets	\$ 4,444,289
Net increase in Reserves & Restricted Cash	4,930,881
Net increase in Surplus from Operations	1,334,730
Annual Surplus	\$ 10,709,900

The *Annual Surplus* figure should not be considered as pure financial gain for the Town, nor an indication that we are collecting too much in taxes and fees. It is important to acknowledge that much of the money being collected as tax revenue is earmarked for capital asset additions, for transfer to reserves for future use, or for repayment of debt. None of these legitimate and traditional uses of funds qualify as *expenses* for purposes of financial reporting; therefore, they are not reflected in the *Annual Surplus* amount, which may, as a result, appear to be inflated. The *Surplus from Operations* figure, which is the smallest component of the *Annual Surplus*, provides the most accurate indication of true operating results; the rest of the *Annual Surplus* has either been used to acquire capital, or set aside for future use.

Most of the net increase in *Surplus from Operations* relates to the repayment of funds temporarily borrowed from Surplus as funding for the CSB; an amount of \$974,526 was repaid when the other funding sources for this large capital project were realized. The actual operating surplus for 2019 was \$360,204.

The Annual Surplus is the net difference between the Town’s actual *revenues* and its *expenses* for the year, and is independent of any variance from the *budget* for the year. A budget column is included in the *Statement of Operations & Accumulated Surplus* to provide the reader with an indication of operating plans for the year and demonstrate public accountability; however, variances from budget are not discussed in the financial statements.

A comparison of budget to actuals would indicate that the Town realized an Annual Surplus \$622,625 higher than what was expected (budgeted). \$297,212 of this variance is due to higher than budgeted revenues (mostly developer-constructed assets provided to the Town) while \$325,413 resulted from savings on the expense side.

Net Increase in Reserves

In the breakdown of the Annual Surplus above, another contributing factor is the net increase of \$4,930,881 in the Town's reserves. Reserves are funds set aside to finance works (usually capital) in future years.

There are two classes of reserves. The more formal of these is indicated in Note 6 as "*Reserve funds set aside for specific purposes by Council*". These are known as Statutory Reserves, in that they are created by bylaw, as allowed under provincial legislation. The establishing bylaws set out the purposes of the funds, and these purposes cannot be changed without a bylaw amendment. In other words, the funds must be used for the purposes for which the reserves were established.

The second subset of reserves is labeled "*Reserves set aside by Council*". While less formal, these funds are also usually earmarked for specific purposes, but it is possible to redirect these funds for other uses, through the annual budget process. However, as most of the balance in this second subset of reserves is made up of funds carried forward for completion of specific projects or initiatives, redirection is generally not recommended, unless it has been established that the funds are no longer required for their original purpose.

Statutory Reserves increased by just over \$4.9 million, as more funds were transferred into these reserves during the year than were transferred out to fund capital projects. Most notably, there was a net increase of just under \$3 million in the Land Sale Reserve, primarily from the net proceeds of the sale of the old fire hall property. Some will be used in 2020 to repay temporary borrowing for the CSB, but a large portion will remain for future use. An additional \$966,821 was added to the reserves through development, in the form of Amenity contributions and payments in lieu of parking. Most of the remaining balance of the increase was a result of certain equipment and infrastructure replacement projects being delayed.

The Town's total Statutory Reserves at year end amounted to \$11,187,583. Of this total, 25% is made up of reserves to replace Town vehicles, equipment and the ferry terminal, while a further 16% represents the Town's Infrastructure Replacement reserves. The primary purpose of maintaining these reserves is to set money aside in a systematic, evenly-distributed manner for the eventual replacement of existing Town assets when they reach the end of their useful lives; this practice helps to ensure financial sustainability. An additional 10% of the total Statutory Reserve balance represents Federal Gas Tax funds being held for future eligible use. The largest component of the Statutory Reserve balance, as at the end of 2019, was the Land Sale Reserve, at 28%. Most of this amount is available to fund a wide range of future capital projects.

The chart below shows the Town's total Statutory Reserve balances over the last seven years, and projected balances for the next five years. It illustrates the cyclical nature of the reserve balances, based on the timing of expenditures for which the reserves were created.

Statutory Reserve balances



Based on the current 5 year financial plan, the trend is for a diminishing reserve balance. This is due to the projected use of accumulated Gas Tax funds, as well as an ambitious replacement timeline for the Town’s infrastructure; this latter plan will have to be reviewed carefully over the next several years to ensure that enough funds are being set aside for ongoing future needs. The ideal level of reserves depends on the Town’s future needs and wants, and decisions around how to fund them.

Having a net reserve surplus or deficit in any given year is strictly a reflection of the Town’s plans and spending patterns, and must be considered in conjunction with those plans for a full understanding of the impact. For example, in years where the Town is putting aside money for a future purchase, there will be a reserve surplus. When those funds are actually used, an annual reserve deficit may occur. All of these events would fit within the Town’s overall financial planning, despite the different year-by-year financial impacts. While renewal of Town infrastructure is a positive direction, the diminishing balance projections for reserves is a trend that needs to be addressed through long term asset management strategies, which are in progress. The amount of annual funding transferred into the Town’s reserves may have to be increased.

Increase in Restricted Cash

This small balance (increase of \$27,328) represents the amount of cash the Town has paid into a sinking fund as security against its long term debt. When the debt is fully repaid, the restriction is removed, and the funds are returned to the Town for other purposes. Generally, they are put into a reserve.

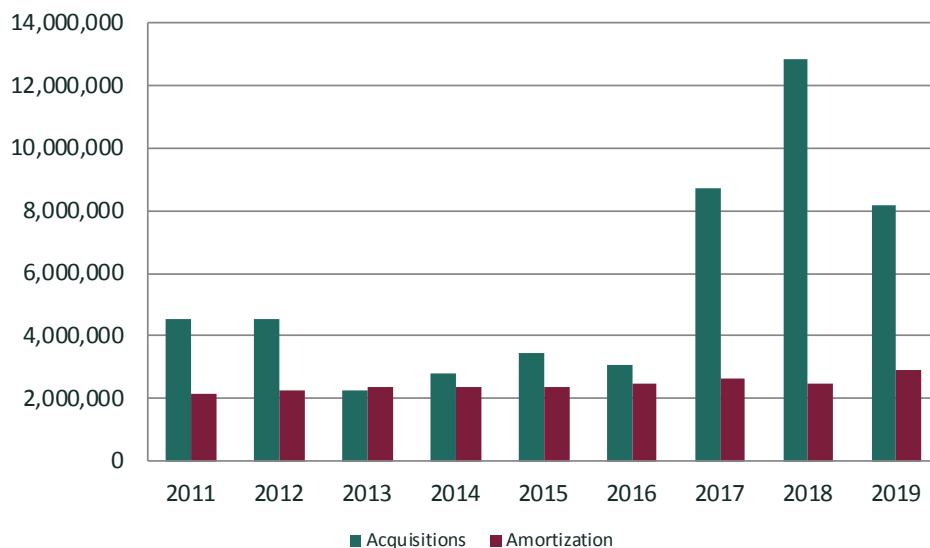
Net Investment in Capital Assets

A large contributing factor to the Annual Surplus is an increase of \$4,444,289 in *net investment in capital assets*. This increase in value means that the Town added more in TCA than it consumed. TCA are consumed through amortization (also known as depreciation); the cost of the asset is divided by its useful life, and expensed annually over that lifespan. This method of accounting spreads the value of the asset over its ability to provide services to residents.

The *net investment in capital assets* is made up of \$7,139,102 in net acquisitions, reduced by \$2,933,102 in amortization; this was accompanied by a slight reduction in long-term debt of \$238,289. The most significant capital additions during the year were the final phase of construction of the Community Safety Building (CSB), as well as several Town infrastructure replacement projects. The CSB is the largest capital project ever undertaken by the Town, and is largely responsible for the dramatic increase in the acquisition of TCA over the past three years.

The chart below shows the Town’s TCA additions and amortization over the past 9 years. It demonstrates that in most years, there is a positive net investment in capital. 2013 was an exception, as the Town consumed more than it added, but this is not something to be concerned with, as it simply reflects the Towns financial and asset management plans for that particular year; only a longer-term pattern in this direction may indicate a cause for some concern.

TCA additions and amortization



Generally, it is good to have a positive net investment in capital each year, as this would indicate that you are renewing your assets more quickly than you are consuming them. The simple act of renewal would likely lead to a net increase in TCA, as the assets you are renewing are in current dollars, while the assets you are consuming are at historical (and therefore lower) costs. However, that is a bit of a simplification, and the sufficiency of asset renewal must be considered in the full context of the Town’s asset management plans. These plans are continually being developed and refined as we move forward with the Town’s asset management strategy.

Net Increase in Surplus from Operations

The *net increase in surplus from operations* is perhaps the most important contributing factor to the Annual Surplus. The Surplus (or Deficit) from Operations provides the best indication of the most recent year’s operating results. The previously discussed contributing factors to the Annual Surplus, which may result in a surplus or deficit in any given year depending on the Town’s financial or asset management plans, are not true indicators of the current year’s operating performance. The Surplus (or Deficit) from Operations in a given year represents the true increase (or decrease) in the Town’s “disposable income” for future spending. 2019 operations realized a surplus of \$360,204. In addition, an amount of \$974,526 was repaid to surplus, following the sale of the fire hall lands; this amount had been used in the previous year as temporary funding for expenditures related to the Community Safety Building. The table below shows the breakdown of the most current year’s net increase in Surplus from Operations:

General Operating Fund	\$ 449,592
Garbage Utility	21,872
Water Utility	(84,876)
Sewer Utility	(26,384)
Total Surplus from Operations	360,204
Repayment of Surplus	974,526
Net Increase in Accumulated Surplus from Operations	\$ 1,334,730

The largest contributors to the net surplus in the General Operating fund were savings from temporary staff vacancies and the RCMP contract, as well as investments realizing higher than expected returns. The 2019 Financial Plan included a budgeted transfer of \$350,000 from surplus to fund general operating expenses; however, as expected, the resulting year’s operations meant that this transfer was not required, and in fact a surplus was achieved.

The Garbage Utility, which operates on a cost recovery basis, realized a small surplus of \$21,872, which was expected as part of a plan to ensure garbage collection rates for residents and businesses remain unchanged for the duration of the Town’s five-year garbage collection contract. The contract includes cost increases to the Town in each year; rates were set to produce budgeted surpluses in the first couple of years, which offset expected deficits in the latter years.

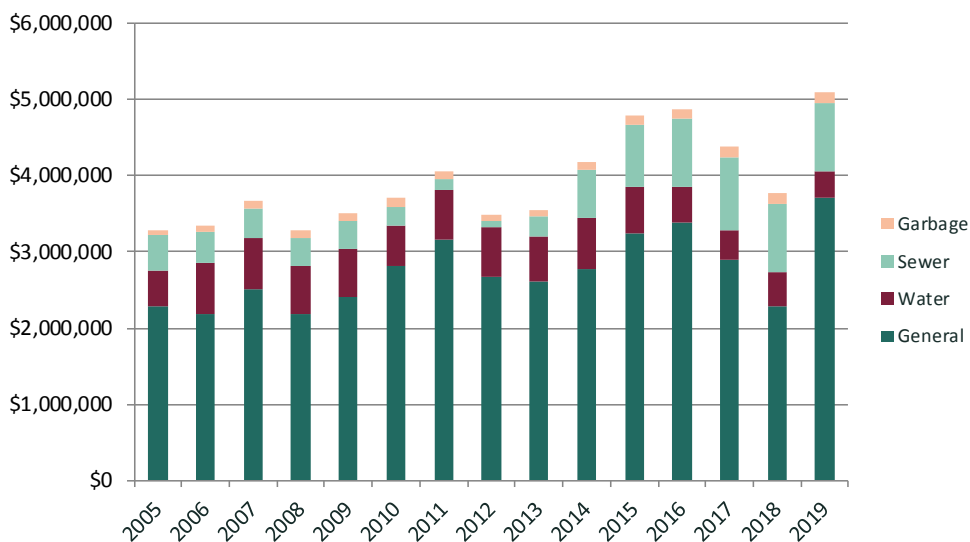
The Water and Sewer Utilities both realized deficits in 2019, albeit lower than anticipated, and lower than in the previous year. The accumulated surplus balance (from prior years’ operations) of the Water Utility is not as healthy as it had been for many years; this accumulated surplus has been used in recent years to ensure user rates remained unchanged, even in light of regular increases in bulk water costs. The Town had been reluctant to increase water and sewer rates until a thorough review of the utility rate structure could be completed; however, the deficits of the past few years made it necessary to institute minor increases to both the parcel tax and water user fee for 2019 – the first increase in many years for both components of the water revenue structure. Only a parcel tax increase was instituted for sewer. Completion of the rate structure review is expected in late 2020.

The Town has a policy to determine the adequate level of Accumulated Surpluses from Operations. This policy ensures that we maintain sufficient funds for the following purposes:

- To provide an adequate reserve for major disasters or contingencies;
- To provide adequate working capital to reduce or eliminate the need for temporary borrowing throughout the year;
- Revenue stabilization: available funds to cover any revenue shortfalls and to prevent tax revenue fluctuations by funding non-recurring expenditure items.

The chart below illustrates the Town's *Accumulated Surplus from Operations* balances over the past 15 years, and the contribution from each of the Town's significant operational areas. When the 2019 net increase in *Surplus from Operations* is combined with surpluses from prior years, the year ending *Accumulated Surplus from Operations* balance increases to \$5,103,227, with all operational areas maintaining surplus levels that meet or exceed policy requirements.

Accumulated surplus from operations



Notes to Financial Statements

As indicated previously, the notes are an integral part of the financial statements. Firstly, they explain the nature of the organization, and its significant accounting policies. The individual notes also provide additional details to support the numbers on the two primary statements. Reference is made on the statements to a note number; users wishing to gain a better understanding of Town financial results should be referencing these notes as they read through the statements.

The notes also serve to identify potential commitments and liabilities not captured in the statements themselves. These exclusions can be for various reasons, but generally they represent events that do not fit the accounting definition of a liability, or cannot be reliably measured. Disclosing these items in the notes (Note 14) provides readers with some additional information to assist in their interpretation of the Town's financial position, and any potential risks. Users may then make their own decision as to the level of risk implicit with each item disclosed.

A new note (Note 15) has been added for the 2019 statements for Subsequent Events. The purpose of this note is to make users aware of the COVID-19 pandemic outbreak, which occurred shortly after year-end, and the unknown impacts on the economy as at the reporting date.

Financial Summary

The Financial Statements are a primary way for the Town to communicate financial information. It is our goal to make them accessible and informative to the reader. The 2019 financial statements reflect a continued dedication to sound financial management. The Town's equity in capital assets increased during the past year, demonstrating a commitment from the Town to fund its infrastructure renewal. Furthermore, the Town continues to maintain low levels of debt, even with the borrowing for the Community Safety Building, and will continue to do so going forward. This will allow flexibility in providing future services. The level of reserves increased in 2019, but the longer-term outlook requires careful planning to ensure services and infrastructure renewal remain financially sustainable.

Director of Corporate Services
May 12, 2020

CONSOLIDATED FINANCIAL STATEMENTS

Financial Reporting Responsibility

The accompanying financial statements of the Town of Sidney (the “Town”) are the responsibility of management and have been prepared in compliance with legislation, and in accordance with public sector accounting standards for local governments, as established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. A summary of the significant accounting policies are described in note 1 to the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management’s judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

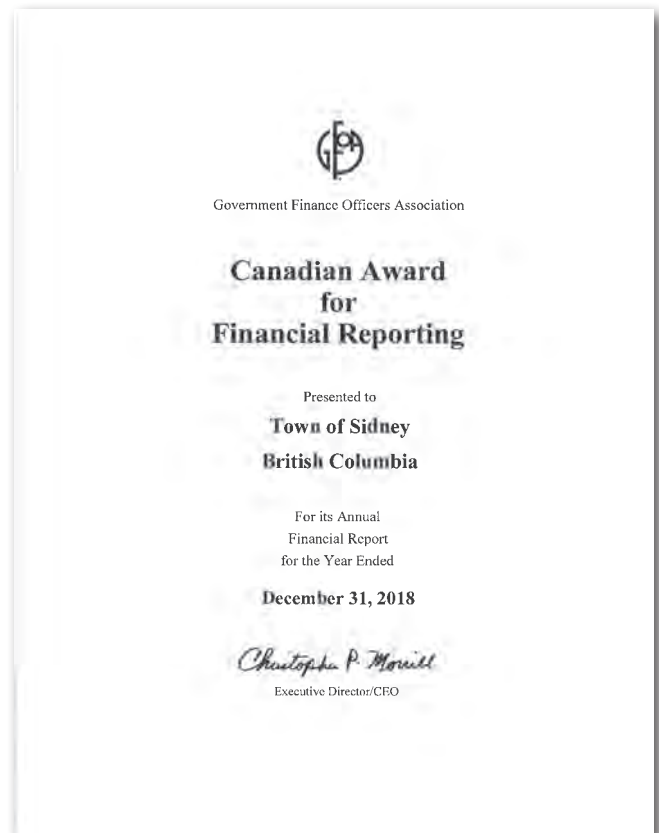
The Town’s management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the financial statements. These systems are monitored and evaluated by management.

The Municipal Council meets with management and the external auditors to review the financial statements and discuss any significant reporting or internal control matters prior to their acceptance of the financial statements.

The financial statements have been audited by KPMG LLP, independent external auditors appointed by the Town. The accompanying Independent Auditors’ Report outlines their responsibilities, the scope of their examination, and their opinion on the Town’s financial statements.



Director of Corporate Services
May 12, 2020





KPMG LLP
St. Andrew's Square II
800-730 View Street
Victoria BC V8W 3Y7
Canada
Telephone 250-480-3500
Fax 250-480-3539

INDEPENDENT AUDITORS' REPORT

To the Mayor and Councillors of the Town of Sidney

Opinion

We have audited the financial statements of Town of Sidney (the "Town"), which comprise:

- the statement of financial position as at December 31, 2019
- the statement of operations and accumulated surplus for the year then ended
- the statement of changes 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 Town as at December 31, 2019, 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 Town 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 Town'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 Town or to cease operations, or has no realistic alternative but to do so.

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

KPMG LLP is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. KPMG Canada provides services to KPMG LLP.



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 Town'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 Town'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 Town 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

Victoria, Canada
May 11, 2020

STATEMENT OF FINANCIAL POSITION

Year ended December 31, 2019 with comparative figures for 2018

	2019	2018
Financial assets:		
Cash	\$ 13,871,052	\$ 9,856,903
Investments	9,055,997	8,144,697
Property taxes receivable	312,219	450,398
Accounts receivable	2,514,668	1,732,162
Assets held for sale	-	1,040,775
MFA Debt Reserve Fund cash	108,429	81,101
	<u>25,862,365</u>	<u>21,306,036</u>
Liabilities:		
Accounts payable and accrued liabilities	1,958,758	3,778,487
Deferred revenue and deposits (note 2)	5,591,965	4,509,242
Employee future benefit liability (note 3)	841,100	744,800
Debt (note 4)	12,306,949	12,545,238
	<u>20,698,772</u>	<u>21,577,767</u>
Net financial assets (net debt)	5,163,593	(271,731)
Non-financial assets:		
Tangible capital assets (note 5)	100,740,560	95,493,785
Inventory of supplies	162,615	145,209
Prepaid expenses	85,260	74,865
	<u>100,988,435</u>	<u>95,713,859</u>
Accumulated surplus (note 6)	\$ 106,152,028	\$ 95,442,128
Contractual rights (note 13)		
Commitments and contingent liabilities (note 14)		

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

STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

Year ended December 31, 2019 with comparative figures for 2018

	<i>Budget</i>	Actual	Actual
	2019	2019	2018
	<i>(note 11)</i>		
Revenue:			
Net taxes available for municipal purposes (note 7)	\$ 13,974,003	\$ 13,979,584	\$ 13,254,413
Fees, rates and service charges	6,313,127	6,504,441	6,074,276
Government transfers (note 8)	1,968,570	2,104,138	1,510,640
Investment earnings	230,000	413,017	310,075
Gifts and contributions	756,020	1,290,474	526,704
Penalties and interest	101,000	117,229	102,371
Actuarial adjustment on debt	-	54,353	46,106
MFA Debt Reserve Fund surplus	-	-	550
Other (note 9)	9,008,500	8,185,196	180,589
Total revenue	32,351,220	32,648,432	22,005,724
Expenses:			
General government	2,515,373	2,431,663	2,438,537
Protective services	5,689,247	5,605,209	5,139,635
Transportation	4,247,637	4,328,865	3,631,746
Environmental health services	866,148	776,740	795,101
Environmental development	594,400	523,236	423,294
Leisure, parks and cultural	3,036,085	3,055,850	2,965,187
Water utility	2,193,550	2,139,798	2,120,634
Sewer utility	2,203,332	2,065,729	2,144,100
Other (note 10)	918,173	1,011,442	837,284
Total expenses	22,263,945	21,938,532	20,495,518
Annual surplus	10,087,275	10,709,900	1,510,206
Accumulated surplus, beginning of year	95,442,128	95,442,128	93,931,922
Accumulated surplus, end of year	\$ 105,529,403	\$ 106,152,028	\$ 95,442,128

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

STATEMENT OF CHANGES IN NET FINANCIAL ASSETS (NET DEBT)

Year ended December 31, 2019 with comparative figures for 2018

	Budget 2019	Actual 2019	Actual 2018
	<i>(note 11)</i>		
Annual surplus	\$ 10,087,275	\$ 10,709,900	\$ 1,510,206
Acquisition of tangible capital assets	(12,765,687)	(8,272,217)	(12,850,086)
Amortization of tangible capital assets	2,880,000	2,933,102	2,493,639
Gain on disposal of tangible capital assets	-	(150,895)	(5,043)
Gain on disposal of asset held for sale	-	(7,942,489)	-
Disposal of asset held for sale	-	(1,040,775)	-
Reclassify tangible capital assets to assets held for sale	-	-	1,040,775
Proceeds on disposal of tangible capital assets	-	243,235	-
Proceeds on disposal of asset held for sale	-	8,983,264	64,042
	201,588	5,463,125	(7,746,467)
Acquisition of inventory of supplies	-	(162,615)	(145,209)
Acquisition of prepaid expense	-	(85,260)	(74,865)
Consumption of inventory of supplies	-	145,209	127,411
Use of prepaid expenses	-	74,865	92,357
Change in net financial assets	201,588	5,435,324	(7,746,773)
Net financial assets (Net debt), beginning of year	(271,731)	(271,731)	7,475,042
Net financial assets (Net debt), end of year	\$ (70,143)	\$ 5,163,593	\$ (271,731)

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

STATEMENT OF CASH FLOWS

Year ended December 31, 2019 with comparative figures for 2018

	2019	2018
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 10,709,900	\$ 1,510,206
Items not involving cash:		
Amortization	2,933,102	2,493,639
Gain on disposal of tangible capital assets	(150,895)	(5,043)
Gain on disposal of assets held for sale	(7,942,489)	-
Developer contribution of tangible capital assets	(158,866)	(111,478)
Change in employee future benefit liability	96,300	60,900
Actuarial adjustment on debt	(54,353)	(46,106)
Changes in non-cash assets and liabilities:		
Property taxes receivable	138,179	129
Accounts receivable	(782,506)	42,109
Accounts payable and accrued liabilities	(1,819,729)	1,459,560
Deferred revenue	1,082,723	988,330
Inventory of supplies	(17,406)	(17,798)
Prepaid expenses	(10,395)	17,492
Net change in cash from operating activities	4,023,565	6,391,940
Capital activities:		
Proceeds on disposal of tangible capital assets	243,235	64,042
Proceeds on disposal of asset held for sale	8,983,264	-
Cash used to acquire tangible capital assets	(8,113,351)	(12,738,608)
Net change in cash from capital activities	1,113,148	(12,674,566)
Investment activities:		
Investments	(911,300)	5,964,978
Net change in cash from investing activities	(911,300)	5,964,978
Financing activities		
Municipal Finance Authority debt reserve adjustment	(27,328)	(1,727)
Debt issued and assumed	2,500,000	7,000,000
Long-term debt repaid	(2,683,936)	(188,042)
Net change in cash from financing activities	(211,264)	6,810,231
Net change in cash and cash equivalents	4,014,149	6,492,583
Cash and cash equivalents, beginning of year	9,856,903	3,364,320
Cash and cash equivalents, end of year	\$ 13,871,052	\$ 9,856,903
Cash paid for interest	\$ 393,003	\$ 232,297
Cash received from interest	530,246	412,446

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

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2019

The Town of Sidney (the "Town") is a municipality in the Province of British Columbia and operates under the provisions of the Local Government Act and Community Charter. Its principal activities are the provision of local government services to residents of the Town. These services include administrative, protective, transportation, environmental, recreational, water, sewer and fiscal services.

1. Significant accounting policies:

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

(a) Reporting entity:

The financial statements include a combination of the assets, liabilities, accumulated surplus, revenues and expenses of all of the Town's activities and funds. Inter-departmental balances and organizational transactions have been eliminated.

(b) Basis of accounting:

The Town follows the accrual method of accounting for revenues and expenses. Revenues are normally recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay.

(c) Government transfers:

Government transfers are recognized in the financial statements as revenue in the period the transfers are authorized and any eligibility criteria have been met, except when, and to the extent that, the transfer gives rise to an obligation that meets the definition of a liability for the recipient government. Transfers received which meet the definition of a liability are included in deferred revenue.

(d) Property tax revenue:

Property tax revenue is recognized on an accrual basis using property assessment values established by BC Assessment for the current year and the tax rates established annually by Council. Tax revenues are recorded at the date property taxes are due. Assessments are subject to appeal and tax adjustments are recorded when the results of the appeals are known, and if required. An allowance for unresolved assessment appeals is also recorded.

(e) Deferred revenue:

Deferred revenue includes grants, contributions and other amounts received from third parties pursuant to legislation, regulation or agreement, which may only be used in certain programs, in the completion of specific work, or for the purchase of tangible capital assets. In addition, certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred, services are performed, or the tangible capital assets are acquired.

(f) Investments:

Investments are recorded at cost and are comprised of guaranteed investment certificates.

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

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2019

1. Significant accounting policies (continued):

(g) Employee future benefits:

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

Leave benefits such as banked sick, discretionary, or vacation, along with retirement allowance benefits, are also available to the Town's employees. The costs of these benefits are actuarially determined based on service and best estimates of retirement ages and expected future salary and benefit increases. The obligation under this benefit plan is accrued based on projected benefits as the employees render services necessary to earn the future benefits.

(h) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities, and are held for use in the provision of services. They have useful lives extending beyond the current year, and are not intended for sale in the ordinary course of operations.

(i) Tangible capital assets

Tangible capital assets are recorded at cost, which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The costs, less residual value, of the tangible capital assets, excluding land, are amortized on a straight line basis over their estimated useful lives as follows:

Assets	Useful Life - Years
Land improvements	10 - 75
Buildings and building improvements	15 - 100
Vehicle, machinery and equipment	3 - 50
Water and wastewater infrastructure	12 - 75
Road infrastructure	25 - 100

Amortization is charged annually. Assets under construction are not amortized until the asset is available for productive use. Tangible capital assets are written down when conditions indicate that they no longer contribute to the Town's ability to provide services, or when the value of future economic benefits associated with the asset is less than the book value.

(ii) Contribution of tangible capital assets

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt, with the value of the contribution recorded as revenue.

(iii) Works of art and cultural and historic assets

Works of art and cultural and historic assets are not recorded as assets in these financial statements.

(iv) Interest capitalization

The Town does not capitalize interest costs associated with the acquisition or construction of tangible capital assets.

(v) Leased tangible capital assets

Leased assets which transfer substantially all the benefits and risks incidental to ownership of property are accounted for as leased tangible capital assets. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2019

1. Significant accounting policies (continued):

(i) Foreign currency:

Monetary items denominated in foreign currency are translated to Canadian dollars at exchange rates in effect at the reporting date, and non-monetary items are translated at rates of exchange in effect when the assets were acquired or obligations incurred. Revenues and expenses are translated at rates in effect at the time of the transactions. Gains or losses on foreign currency translations are included as revenues or expenses.

(j) Use of estimates:

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Significant estimates include assumptions used in estimating historical cost and useful lives of tangible capital assets, and estimating provisions for accrued liabilities, including employee future benefits, contaminated sites and contingent liabilities. Actual results could differ from these estimates.

(k) 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 Town 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. Management has not identified any Town sites that meet the criteria of a contaminated site.

2. Deferred revenue and deposits:

The deferred revenues and deposits reported on the statement of financial position are comprised of the following:

	Balance at Dec 31, 2018	Recognized as revenue	Interest earned	Current year deferred	Balance at Dec 31, 2019
Prepaid property taxes	\$ 1,500,809	\$ (1,500,809)	\$ -	\$ 1,535,925	\$ 1,535,925
Prepaid fees and charges	338,955	(273,990)	-	480,345	545,310
Deferred developer contributions & deposits	1,502,976	(1,029,220)	2,200	1,813,412	2,289,368
Deposits on hold	1,166,502	(850,998)	-	905,858	1,221,362
	\$ 4,509,242	\$ (3,655,017)	\$ 2,200	\$ 4,735,540	\$ 5,591,965

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2019

3. Employee future benefit liability:

The Town provides sick leave and certain other benefits to its employees. Some employees of the Town are entitled to payments related to unused vacation, sick leave and other allowances upon resignation or retirement. These amounts and other employee related liabilities will require funding in future periods.

Information regarding the Town's obligation for employee future benefits is as follows:

	2019	2018
Accrued employee benefit obligations:		
Balance, beginning of year	\$ 879,200	\$ 854,300
Current service cost	89,700	91,400
Interest cost	30,800	26,500
Benefits paid	(49,300)	(83,100)
Actuarial adjustment	(149,700)	(9,900)
Balance, end of year	800,700	879,200
Unamortized net actuarial gain (loss)	40,400	(134,400)
Accrued employee benefit liability	\$ 841,100	\$ 744,800

Any actuarial gain or loss is amortized over a period equal to the employees' average remaining service lifetime, estimated to be 11 years (2018 - 11 years).

The amount recorded for these benefits is based on an actuarial valuation performed by an independent firm using a projected benefit actuarial valuation method pro-rated on services.

The liabilities are based on an actuarial valuation of the Town's employee future benefits completed as at December 31, 2019.

The significant actuarial assumptions adopted in measuring the Town's accrued benefit obligation are as follows:

	2019	2018
Discount rates	2.60%	3.30%
Expected wage and salary increases	2.50%	2.50%

The Town funds the employee future benefits with tax revenues from the general operating fund. The total expense recorded in the financial statements in respect of obligations under this plan amounts to \$145,600 (2018 - \$144,000).

Municipal pension plan:

The Town and its employees contribute to the Municipal Pension Plan (the Plan), a jointly trustee pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the Plan, including investment of the assets and administration of benefits. The Plan is a multi-employer contributory pension plan. Basic pension benefits provided are based on a formula. As at December 31, 2019, the Plan had about 205,000 active members and approximately 101,000 retired members. Active members include approximately 40,000 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. The rate may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2019

3. Employee future benefit liability (continued):

Municipal pension plan (continued):

The most recent valuation, as at December 31, 2018, indicated a \$2,866 million funding surplus for basic pension benefits on a going concern basis.

The next valuation will be as at December 31, 2021, with results available in 2022.

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, with the result that there is no consistent and reliable basis for allocating the obligation, assets and costs to the individual employers participating in the Plan.

The Town paid \$613,455 for employer contributions (2018 - \$612,464) and Town employees paid \$528,187 for employee contributions (2018 - \$521,141) to the plan in fiscal 2019.

GVLRA – CUPE Long-Term Disability Trust

The Trust was established January 1, 1987 and its sole purpose is to provide a long-term disability income benefit plan for municipal employees in the Capital Region. The Town and its employees (CUPE & Exempt) each contribute equal amounts into the Trust. The total plan provision for approved and unreported claims was actuarially determined as of December 31, 2017. The next valuation will be as at December 31, 2020, with results available in 2021. At December 31, 2018, the total plan provision for approved and unreported claims was \$18,160,100 with a net surplus of \$3,016,917. The actuary does not attribute portions of the unfunded liability to individual employers.

The Town paid \$71,824 for employer contributions (2018 - \$76,849) and Town employees paid \$71,772 for employee contributions (2018 - \$77,120) to the plan in 2019.

4. Debt:

(a) The Town issues debt instruments through the Municipal Finance Authority (MFA), pursuant to loan authorization bylaws under authority of the Community Charter and the Local Government Act, to finance certain capital expenditures. Sinking fund contributions, managed by the MFA, are made annually. The related actuarial allocations in respect of the repayment structure are reflected as a reduction of the related long-term debt.

(b) Gross amount of debt and the amount of the actuarial allocation of assets available to retire the debt are as follows:

	Gross debt	Actuarial allocation	Net debt 2019	Net debt 2018
Short-Term and Other debt	\$ 4,503,762	\$ -	\$ 4,503,762	\$ 7,010,154
Long-Term Debt	9,350,000	1,546,813	7,803,187	5,535,084
	\$ 13,853,762	\$ 1,546,813	\$ 12,306,949	\$ 12,545,238

Under borrowing arrangements with the MFA, the Town is required to lodge security by means of demand notes and interest-bearing cash deposits based on the amount of the borrowing. As a condition of these borrowings, a portion of the debenture proceeds is withheld by the MFA as a debt reserve fund. These deposits are held by the MFA as security against the possibility of debt repayment default. If the debt is repaid without default, the deposits are refunded to the Town. At December 31, 2019 there were contingent demand notes of \$179,008 (2018 - \$144,484) and cash deposits of \$108,429 (2018 - \$81,101). The demand notes are not included in the financial statements of the Town; however, the cash deposits are included in the financial statements as MFA Debt Reserve Fund Cash.

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2019

4. Debt (continued):

(c) Current long-term debt estimated principal repayments over the next five years and thereafter:

2020	\$ 230,092
2021	230,092
2022	191,637
2023	187,642
2024	187,642
2025-2049	6,776,082
	\$ 7,803,187

(d) Scheduled debt repayments may be suspended should sinking fund accumulations exceed original estimates.

(e) Total interest paid on long-term and short-term debt during the year was \$393,003 (2018 - \$232,296).

(f) Existing long-term debt matures in annual amounts to the year 2049, and interest rates range from 2.66% to 4.65%. The weighted average interest rate for 2019 was 3.23% (2018 - 3.44%).

(g) During 2016 the Town adopted Community Safety Building Loan Authorization Bylaw No. 2111 which was approved by the Inspector of Municipalities and authorized the Town to borrow \$10,000,000 through the MFA for construction of a new Community Safety Building. At December 31, 2019, the Town has drawn upon \$5,500,000 of these funds as long term debt and received another \$4,500,000 by interim financing. The Town will borrow an additional \$3,000,000 in spring 2020; this will be the final borrowing under this Loan Authorization Bylaw.

(h) Included in other debt is an Equipment Financing Loan Agreement with the Municipal Finance Authority totaling \$3,762 (2018 - \$10,154) to finance the purchase of a tangible capital asset.

The loan is repaid in monthly payments of \$435 with maturity in mid-2020. The loan is repayable on demand upon occurrence of any event of default. Interest is charged on a daily floating rate basis and compounded monthly. At year end, the current floating rate was 1.88% per annum. Interest paid during the year was \$171 (2018 - \$347) and has been included in expenses on the statement of operations. As a condition of borrowing, the Town has issued promissory notes in the value of \$25,300 to the MFA.

5. Tangible capital assets:

Cost	Balance at Dec 31, 2018	Additions	Disposals / Transfers	Balance at Dec 31, 2019
Land	\$ 14,295,634	\$ -	\$ (3,780)	\$ 14,291,854
Land improvements	13,685,760	404,125	999,609	15,089,494
Building and building improvements	14,120,876	5,534,607	9,920,419	29,575,902
Vehicles, machinery and equipment	11,203,803	464,876	990	11,669,669
Water and wastewater infrastructure	41,334,027	295,499	2,991,869	44,621,395
Roads infrastructure	29,998,553	756,455	438,243	31,193,251
Assets under construction	15,361,108	816,655	(15,029,132)	1,148,631
Total	\$ 139,999,761	\$ 8,272,217	\$ (681,782)	\$ 147,590,196

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2019

5. Tangible capital assets (continued):

Accumulated Amortization	Balance at Dec 31, 2018	Amortization Expense	Disposals / Transfers	Balance at Dec 31, 2019
Land	\$ -	\$ -	\$ -	\$ -
Land improvements	5,358,874	434,968	-	5,793,842
Building and building improvements	6,706,226	687,136	-	7,393,362
Vehicles, machinery and equipment	5,892,351	632,081	(381,527)	6,142,905
Water and wastewater infrastructure	15,957,090	620,562	-	16,577,652
Roads infrastructure	10,591,435	558,355	(207,915)	10,941,875
Assets under construction	-	-	-	-
Total	\$ 44,505,976	\$ 2,933,102	\$ (589,442)	\$ 46,849,636

Net Book Value	Balance at Dec 31, 2018	Balance at Dec 31, 2019
Land	\$ 14,295,634	\$ 14,291,854
Land improvements	8,326,886	9,295,652
Building and building improvements	7,414,650	22,182,540
Vehicles, machinery and equipment	5,311,452	5,526,764
Water and wastewater infrastructure	25,376,937	28,043,743
Roads infrastructure	19,407,118	20,251,376
Assets under construction	15,361,108	1,148,631
Total	\$ 95,493,785	\$ 100,740,560

(a) Assets under construction

Assets under construction having a value of \$1,148,631 (2018 - \$15,361,108) have not been amortized. Amortization of these assets will commence when the assets are available for service. The large decrease is due to completion of the Town's Community Safety Building in 2019 and the transfer of these in progress assets to Building and Building Improvements.

(b) Contributed tangible capital assets

Contributed capital assets are recognized at fair market value at the date of contribution and consist of water, wastewater and roads infrastructure. The value of contributed assets received during the year is \$158,866 (2018 - \$111,478).

(c) Works of art and historical cultural assets

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

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2019

6. Accumulated surplus:

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

	2019	2018
Surplus:		
Invested in tangible capital assets	\$ 88,433,611	\$ 83,989,322
Surplus from operations	5,103,227	3,768,497
Total surplus	93,536,838	87,757,819
Reserves set aside by Council:		
Miscellaneous operating purposes	374,458	312,415
Miscellaneous capital purposes	944,720	1,022,893
Total reserves	1,319,178	1,335,308
Reserves funds set aside for specific purposes by Council:		
Land sale proceeds	3,130,542	164,485
Parkland acquisition	218,744	132,194
Off-street parking	587,385	133,145
Computer replacement	374,466	370,179
General equipment replacement	1,390,895	1,123,496
Fire equipment replacement	296,153	338,436
Water capital	301,955	297,778
Sewer capital	24,916	24,316
Infrastructure replacement	1,780,666	895,347
Water rates stabilization	104,547	173,387
Amenities	371,622	213,314
Affordable housing	513,528	160,255
Ferry terminal	746,827	917,802
Contingency	88,233	86,033
Agreements	172,426	171,259
Gas Tax - Community Works Fund	1,084,678	1,066,474
Total reserve funds	11,187,583	6,267,900
MFA Debt Reserve Fund cash	108,429	81,101
	\$ 106,152,028	\$ 95,442,128

The Town periodically receives Gas Tax Agreement funds from the federal government. These funds, along with interest earned on the funds, are recorded as revenues and transferred to reserves until they are used to fund eligible expenditures under the Agreement.

	2019	2018
Federal gas tax agreement funds		
Gas tax agreement funds, beginning of year	\$ 1,066,474	\$ 1,845,598
Amounts received during the year	1,095,470	549,035
Interest earned restricted for projects	26,700	36,900
Expenditures	(1,103,966)	(1,365,059)
Gas tax agreements funds, end of year	\$ 1,084,678	\$ 1,066,474

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2019

7. Net taxes available for municipal purposes:

	2019	2018
Taxes:		
Property taxes	\$ 24,891,877	\$ 23,672,011
Revenue in lieu of taxes	280,250	278,913
Other	949,715	867,180
	<u>26,121,842</u>	<u>24,818,104</u>
Less taxes on behalf of:		
Provincial Government School Authorities	6,810,313	6,472,692
Capital Regional District	2,520,303	2,445,806
Capital Regional Hospital District	1,112,745	1,079,704
BC Transit	1,179,715	1,062,958
BC Assessment Authority	212,723	203,740
Municipal Finance Authority	1,060	951
Business Improvement Area	305,399	297,840
	<u>12,142,258</u>	<u>11,563,691</u>
Net taxes available for municipal purposes	\$ 13,979,584	\$ 13,254,413

8. Government transfers:

Government transfers are recognized in the financial statements as revenue in the period the transfers are authorized and any eligibility criteria have been met. The government transfers reported on the statement of operations are:

	2019	2018
Federal grants:		
Gas Tax - Community Works Funding	\$ 1,095,470	\$ 549,035
Provincial grants:		
Federal / provincial capital grant programs	31,428	53,082
Small community protection grant	336,784	345,702
Traffic fine revenue sharing	92,813	91,436
Other provincial grants	52,308	120
	<u>513,333</u>	<u>490,340</u>
Regional and other local governments:		
Policing	410,456	330,339
Recreation	64,591	64,595
Other	20,288	76,331
	<u>495,335</u>	<u>471,265</u>
Total government transfer revenue	\$ 2,104,138	\$ 1,510,639

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2019

9. Other revenue:

The Town sold its Fire Department Building and neighboring parking lot at a purchase price of \$9,000,000; completion of the purchase was August 1, 2019. These tangible capital assets were included in the 2018 Statement of Financial Position under assets held for sale. The net gain resulting from this sale is \$7,942,489 and is included in Other Revenue on the Statement of Operations and Accumulated Surplus.

10. Other expenses:

	2019	2018
Grants to non-government organizations:		
Sidney and North Saanich Memorial Park Society	\$ 340,608	\$ 330,300
Shaw Centre for the Salish Sea	125,000	135,000
Sidney Business Improvement Area Society	122,426	123,966
ArtSea Community Arts Council	28,000	15,000
South Island Prosperity Project	26,722	26,722
Saanich Peninsula Chamber of Commerce	20,000	-
Peninsula Celebrations Society	12,000	12,000
Other	37,779	40,823
	712,535	683,811
Interest on prepaid taxes	23,667	15,864
Amortization and net loss on miscellaneous assets	153,268	31,070
Other	121,972	106,539
	\$ 1,011,442	\$ 837,284

11. Budget data:

The budget data presented in these financial statements is based upon the 2019-2023 Financial Plan adopted by Council on April 23, 2019. The table below reconciles the approved budget to the budget figures reported in these financial statements.

	Budget Amount
Revenues:	
Financial Plan	\$ 31,868,964
Add:	
Vancouver Island Regional Library Levy	787,655
Sidney Business Improvement Area Levy	(305,399)
Total revenue	32,351,220
Expenses:	
Financial Plan	21,781,689
Add:	
Vancouver Island Regional Library Levy	787,655
Less:	
Sidney Business Improvement Area Levy	(305,399)
Total expenses	22,263,945
Annual surplus	\$ 10,087,275

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2019

12. Segmented information:

The Town of Sidney is a diversified organization that provides a wide range of services. These services have been captured in specific functions that have been separately disclosed in the segmented information as follows:

(a) General Government:

The General Government function is comprised of Legislative Services (Council and Committees) and General Administration, which includes Financial Management, Driver Services, Computer Services, Common Services, and other administrative activities related to the management of the Town.

(b) Protective Services:

The Protective Services function is comprised of five core services: Emergency Measures, Fire Protection, Police Protection, Court House, and Building & Bylaw Enforcement.

Emergency Measures captures the Town's emergency preparedness programs that ensure the Town is prepared and able to respond to the devastating effects of a disaster or major catastrophic event.

Fire Protection services are carried out by the Town's Fire Department, whose mandate is to provide critical, life-saving services in preventing or minimizing the loss of life and property from fire and natural or man-made emergencies.

Police Protection services are performed under contract by the RCMP, who ensure the safety of lives and property in the Town through law enforcement, the maintenance of law and order, and the prevention of crime.

Building and Bylaw Enforcement promotes, facilitates and enforces general compliance with the provisions of bylaws that pertain to the health, safety and welfare of the community.

(c) Transportation Services:

The Transportation Services function is responsible for a wide variety of transportation and engineering services including Roads, Storm Drainage, Dock & Port Facilities, and Hydrants.

The Roads function's principal activity is the development and maintenance of the Town's roadway systems through the Public Works department. The main services include Traffic Services consisting of street sign, street painting and traffic light control maintenance; Street Lighting; Road, Curb, Sidewalk and Cul-de-sac repairs and maintenance; Boulevard Trees; and Street Sweeping.

The Storm Drains service performs preventative maintenance and repairs to the Town's storm drain system, maintains and repairs storm drain ditches, and cleans catch basins.

Dock & Ports Facilities captures maintenance of the Town's docks and port infrastructure.

Hydrant services pertain to the maintenance of existing and installation of new fire hydrants.

(d) Environmental Health Services:

Environmental Health Services provides garbage, organics and compost collection and disposal services to residents and businesses through the Town's designated contractors.

(e) Environmental Development Services:

Environmental Development Services administers zoning and related bylaws, and provides long range planning and policy services, as well as providing administrative support to Building and Bylaw Enforcement functions, and undertaking miscellaneous environmental projects and initiatives.

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2019

12. Segmented information (continued):

(f) Leisure, Parks and Cultural Services:

Leisure, Parks & Cultural Services is comprised of four different functions: Parks, Library, Senior's Centre and Museums.

Parks is responsible for the maintenance, planning and development of Town park facilities such as ornamental gardens, natural ecosystems, and playgrounds for recreational and cultural enjoyment in a beautiful and safe environment. It also preserves and enhances green spaces on public lands.

Library services are specific to maintenance of the Town owned library building, and funding to the Vancouver Island Regional Library service to operate and manage the library.

The Town owned Shoal Activity Centre is operated by Beacon Community Services, who receive funding from the Town to provide senior related programs.

Museum services include providing space and funding to the Saanich Peninsula Museum Society to manage and operate the Town's Historical Museum and Archives. The Town also provides space to the New Marine Centre Society for the operation of the Shaw Centre for the Salish Sea.

(g) Sewer and Water Utilities:

The Sewer Utility protects the environment and human health from the impacts of liquid waste generated as a result of human occupation and development in the Town. The Town operates a collection system, which transfers wastewater to a sub-regional treatment facility.

The Water Utility delivers clean, safe and aesthetically pleasing potable water, in accordance with the Provincial Drinking Water Protection Act, to the residents and businesses of the Town. The water is for the purposes of domestic and commercial consumption, irrigation and firefighting. The Town operates a water distribution system only, using treated water purchased in bulk from the Regional District.

(h) Other:

Other includes all revenues and expenses not captured in the above-named segmentation categories.

Other revenues include municipal taxes, provincial and federal government grants, traffic fine revenues, investment income, developer contributions, and other miscellaneous sources of revenue.

Other expenses include community support funding and grants, economic development, contingencies, and other miscellaneous expenses.

The resulting annual surplus is primarily used for budgeted transfers to reserves, and debt principal repayments.

Certain allocation methodologies have been employed in the preparation of the segmented financial information. Property taxation and revenue in-lieu of taxes are apportioned to the functions based on year end operating results and funding of capital expenditures.

The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements, as disclosed in note 1.

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2019

12. Segmented information (continued):

	General Government	Protective Services	Transportation	Environmental Health Services	Environmental Development Services	Leisure, Parks and Cultural	Water Utility	Sewer Utility	Other	2019
Revenue:										
Taxes for municipal purposes	\$ 1,826,885	\$ 3,933,549	\$ 1,800,963	\$ 208,798	\$ 529,936	\$ 2,342,128	\$ 392,665	\$ 557,050	\$ 2,387,610	\$ 13,979,584
Fees, rates and service charges	451,463	831,789	1,052,236	574,188	30,088	104,586	1,719,938	1,663,246	76,907	6,504,441
Government transfers	-	483,320	160	-	20,000	75,591	-	-	1,525,067	2,104,138
Investment earnings	-	-	-	-	-	-	-	-	413,017	413,017
Gifts and contributions	1,000	960,559	-	-	-	10,800	-	-	318,115	1,290,474
Penalties and interest	-	-	-	1,993	10,000	-	5,544	5,674	94,018	117,229
Actuarial adjustment on debt	-	-	-	-	-	-	-	-	54,353	54,353
MFA Debt Reserve Fund surplus	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	8,185,196	8,185,196
Total revenue	2,279,348	6,209,217	2,853,359	784,979	590,024	2,533,105	2,118,147	2,225,970	13,054,283	32,648,432
Expenses:										
Salaries, wages and benefits	1,590,255	2,167,745	1,582,915	129,031	448,197	1,006,629	306,237	242,945	5,359	7,479,313
Contracted services	579,025	2,376,680	540,432	613,160	74,636	1,145,129	39,364	1,483,301	708,702	7,560,429
Supplies and equipment	72,538	211,059	286,611	34,549	403	343,836	1,556,311	159,506	-	2,664,813
Debt interest	167	261,239	51,159	-	-	80,439	-	-	15,121	408,125
Other	15,649	2,829	574,809	-	-	10,497	16,351	-	272,615	892,750
Amortization	174,029	585,657	1,292,939	-	-	469,320	221,535	179,977	9,645	2,933,102
Total expenses	2,431,663	5,605,209	4,328,865	776,740	523,236	3,055,850	2,139,798	2,065,729	1,011,442	21,938,532
Annual surplus (deficit)	\$ (152,315)	\$ 604,008	\$ (1,475,506)	\$ 8,239	\$ 66,788	\$ (522,745)	\$ (21,651)	\$ 160,241	\$ 12,042,841	\$ 10,709,900

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2019

12. Segmented information (continued):

	General Government	Protective Services	Transportation	Environmental Health Services	Environmental Development	Leisure, Parks and Cultural	Water Utility	Sewer Utility	Other	2018
Revenue:										
Taxes for municipal purposes	\$ 1,837,216	\$ 3,816,108	\$ 1,869,468	\$ 181,128	\$ 384,498	\$ 2,161,009	\$ 357,420	\$ 509,760	\$ 2,137,806	\$ 13,254,413
Fees, rates and service charges	429,350	613,264	801,830	587,359	41,086	168,656	1,700,433	1,680,953	51,345	6,074,276
Government transfers	-	400,428	26,300	-	-	60,992	-	-	1,022,920	1,510,640
Investment earnings	-	-	-	-	-	-	-	-	310,075	310,075
Gifts and contributions	-	740	111,678	-	-	20,097	-	-	394,189	526,704
Penalties and interest	-	-	-	2,023	-	-	4,948	5,494	89,906	102,371
Actuarial adjustment on debt	-	-	-	-	-	-	-	-	46,106	46,106
MFA Debt Reserve Fund surplus	-	-	-	-	-	-	-	-	550	550
Other	-	-	-	-	-	-	-	-	180,589	180,589
Total revenue	2,266,566	4,830,540	2,809,276	770,510	425,584	2,410,754	2,062,801	2,196,207	4,233,486	22,005,724
Expenses:										
Salaries, wages and benefits	1,544,014	1,973,023	1,500,216	127,096	361,146	973,009	310,281	268,083	9,703	7,066,571
Contracted services	648,422	2,509,911	454,602	618,743	54,635	1,109,534	40,578	1,507,556	688,502	7,632,483
Supplies and equipment	69,878	193,105	291,584	49,262	7,513	290,884	1,559,538	181,974	-	2,643,738
Debt interest	319	100,356	51,163	-	-	80,458	-	-	-	232,296
Other	6,445	183,237	54,892	-	-	42,189	269	10,325	129,434	426,791
Amortization	169,459	180,003	1,279,289	-	-	469,113	209,968	176,162	9,645	2,493,639
Total expenses	2,438,537	5,139,635	3,631,746	795,101	423,294	2,965,187	2,120,634	2,144,100	837,284	20,495,518
Annual surplus (deficit)	\$ (171,971)	\$ (309,095)	\$ (822,470)	\$ (24,591)	\$ 2,290	\$ (554,433)	\$ (57,833)	\$ 52,107	\$ 3,396,202	\$ 1,510,206

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2019

13. Contractual rights:

The Town holds contractual rights arising from contracts and agreements that have been entered into with various parties that provide the Town with enforceable future payments. The estimated contractual rights under these contracts, for the years ending December 31, are as follows:

2020	\$	593,292
2021		596,699
2022		575,774
	\$	1,765,765

In addition to these contractual rights, the Town has agreements with several parties that provide for the recovery of costs and payment of annual fees and commissions based on annual results.

14. Commitments and contingent liabilities:

- (a) Under Section 412 of the Local Government Act, all member municipalities are jointly and severally liable for the indebtedness of the Capital Regional District in the event of default by the Regional District.
- (b) The Town is a participant in the Municipal Insurance Association of British Columbia (MIABC). Should the MIABC pay out claims in excess of premiums received, it is possible that the Town, along with other participants, would be required to contribute towards the deficit. Management does not consider external payment under this contingency to be likely and therefore, no amounts have been accrued.
- (c) The Town is a shareholder and member of Capital Regional Emergency Service Telecommunications (CREST) Incorporated, which provides centralized emergency communications and related public safety information services to municipalities, regional districts, the provincial and federal governments and their agencies, and emergency service organizations throughout the Greater Victoria region and the Gulf Islands. Members' obligations to share in funding ongoing operations and any additional costs relating to capital assets are to be contributed pursuant to a Members' Agreement.
- (d) The Town has an RCMP Premises Agreement with the District of North Saanich for the provision of accommodations for a joint RCMP detachment. The parties jointly own the building occupied by the policing detachment, in proportion to their relative contributions to the principal repayment of the debt incurred in order to construct the building. North Saanich's proportionate share is approximately 36%. The Agreement requires the Town to pay to North Saanich their proportionate share of the fair market value of the building should the parties eventually decide to terminate their agreement to provide joint accommodations.

A market value study commissioned in 2011 places North Saanich's share at approximately \$615,000, and the RCMP Premises Agreement caps the maximum payout at \$715,000. However, there is no intention at this time to contemplate termination of the agreement.

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2019

14. Commitments and contingent liabilities (continued):

(e) The Town has entered into an Easement Agreement and Parking Agreement with the Saanich Memorial Park Society (MPS) for the use of part of their lands for two specific purposes: the Easement Agreement is to provide easement access to the Town's Community Safety Building just south of MPS lands; and the Parking Agreement is for the location of a parking lot for employees working in the downtown core. The agreements commit the Town to two separate payment streams, neither of which is considered a liability at Dec 31, 2019. Under the terms of the agreements, the Town will make payments to MPS as follows:

For the Easement Agreement: a total of \$400,000, payable over a five-year term. The payment shall be \$80,000 per calendar year. The first payment in 2017 was pro-rated to \$46,667 to reflect the actual start date of May 23, 2017, and the final payment in 2022 will be \$33,333.

For the Parking Agreement: the Town shall pay the equivalent of 0.5% of the previous year's municipal property tax revenues, for as long as the parking agreement continues to be in place. The first payment in 2017 was pro-rated to \$31,396 to reflect the actual start date of May 23, 2017. The 2019 payment was \$56,768 and the 2020 payment will be \$59,812; future year payments are estimated to increase by 2.5% annually.

The Town has also committed to assuming responsibility for grounds maintenance at the Mary Winspear Centre (the local theatre and conference facility owned and operated by MPS), beginning in 2017, at a maximum cost of \$25,000 per year, with an annual inflation factor being applied starting in the sixth year. This commitment is included in the Town's annual operating budget, under Leisure, Parks and Cultural Services.

15. Subsequent events:

Subsequent to December 31, 2019, the COVID-19 outbreak was declared a pandemic by the World Health Organization. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and Town are not known at this time.



**STATISTICAL
INFORMATION**

TAXABLE ASSESSMENT OF LAND AND IMPROVEMENTS

(in thousands)

	2019	2018	2017	2016	2015
Residential	\$ 3,874,967	\$ 3,421,344	\$ 2,827,820	\$ 2,399,073	\$ 2,283,466
Utilities	1,558	1,419	1,290	1,131	1,100
Light Industrial	54,727	50,068	39,716	38,278	38,604
Business / Other	465,196	436,029	405,436	388,014	380,423
Recreation / Non-profit	38,528	34,897	34,075	31,496	27,272
Farm	115	115	116	112	116
	\$ 4,435,092	\$ 3,943,872	\$ 3,308,453	\$ 2,858,104	\$ 2,730,981

Source: BC Assessment Revised Roll

NEW CONSTRUCTION

	2019	2018	2017	2016	2015
Residential *					
# of Permits	67	72	110	117	90
Permit Value	\$ 47,755,099	\$ 35,923,507	\$ 32,680,496	\$ 43,810,346	\$ 24,675,005
Net # of Units Added	186	88	114	136	93
Commercial *					
# of Permits	18	20	23	31	17
Permit Value	\$ 2,145,700	\$ 3,780,500	\$ 1,747,275	\$ 1,787,600	\$ 677,000
Total					
# of Permits	85	92	133	148	107
Permit Value	\$ 49,900,799	\$ 39,704,007	\$ 34,427,771	\$ 45,597,946	\$ 25,352,005
Taxes Generated from New Growth ^	\$ 161,823	\$ 110,243	\$ 135,125	\$ 157,992	\$ 49,955

* Residential construction includes new construction, additions and alterations. Commercial construction includes new construction and tenant improvements.

^ Growth in the tax base occurs as construction projects are completed, whereas permit values are reported when issued. As such, there is usually a lag between the time permit values are reported and the time related tax revenues are realized.

Source: Town of Sidney Finance Department

PROPERTY TAX RATES & REVENUE

	2019	2018	2017	2016	2015
Municipal (per '000 of assessment)					
Residential	2.188	2.327	2.708	3.122	3.187
Utilities	15.891	16.569	17.693	18.269	18.839
Light Industrial	6.356	6.627	7.077	7.308	6.769
Business / Other	6.356	6.627	7.077	7.308	7.536
Recreation / Non-profit	3.975	4.222	4.222	4.407	4.684
Farm	4.451	4.222	4.122	4.095	4.062
Total - including School, Regional, Transit, etc (per '000 of assessment)					
Residential	4.412	4.665	5.321	6.192	6.398
Utilities	35.650	36.825	38.422	39.510	40.375
Light Industrial	13.582	14.479	15.880	17.072	16.859
Business / Other	13.382	14.261	15.634	16.795	17.548
Recreation / Non-profit	7.798	8.364	8.605	9.312	9.877
Farm	13.203	12.863	12.677	12.713	12.686
Municipal Property Tax Billings by Class					
Residential	\$ 8,478,699	\$ 7,960,680	\$ 7,659,092	\$ 7,489,234	\$ 7,272,378
Utilities	24,765	23,511	22,815	20,660	20,731
Light Industrial	347,866	331,821	281,072	279,723	261,321
Business / Other	2,956,983	2,889,761	2,869,327	2,826,375	2,866,859
Recreation / Non-profit	153,140	147,349	143,853	138,818	127,885
Farm	513	487	478	461	471
	\$ 11,961,965	\$ 11,353,608	\$ 10,976,638	\$ 10,755,271	\$ 10,549,644

Source: Town of Sidney Finance Department

PROPERTY TAX LEVIED AND COLLECTED

	2019	2018	2017	2016	2015
Municipal	\$ 11,961,965	\$ 11,353,608	\$ 10,976,638	\$ 10,755,271	\$ 10,549,644
Parcel Taxes	948,935	866,460	861,900	852,000	845,460
School	6,810,452	6,473,186	6,171,860	6,404,119	6,581,187
Regional District	2,520,356	2,446,114	2,337,917	2,272,451	2,206,380
BC Transit	1,179,735	1,063,056	1,064,652	1,132,125	1,136,257
Hospital District	1,112,769	1,079,852	1,042,604	1,029,207	1,022,555
Regional Library	787,672	754,764	703,345	677,145	661,068
BC Assessment	212,727	203,754	189,681	202,865	211,814
Municipal Finance Authority	1,060	951	808	712	684
Business Improvement Area Society	305,399	297,950	275,952	269,222	262,656
Total Tax Levied	\$ 25,841,070	\$ 24,539,694	\$ 23,625,357	\$ 23,595,116	\$ 23,477,706
Total Current Taxes Levied	\$ 25,841,070	\$ 24,539,694	\$ 23,625,357	\$ 23,595,116	\$ 23,477,706
Current Taxes Collected	25,616,691	24,276,229	23,313,232	23,262,820	23,162,189
Percentage	99.13%	98.93%	98.68%	98.59%	98.66%
Arrears Taxes Outstanding, Beginning of Year	383,537	441,430	436,713	415,834	418,702
Arrears Taxes Collected	324,821	317,113	335,728	281,644	298,502
Percentage	84.69%	71.84%	76.88%	67.73%	71.29%
Total Tax Collections*	\$ 25,941,513	\$ 24,593,342	\$ 23,648,959	\$ 23,544,464	\$ 23,460,691

* Tax collections are inclusive of both current and prior year levies.

Source: Town of Sidney Finance Department

PRINCIPAL CORPORATE TAX PAYERS

Registered Owner	Primary Use	2019 Municipal Tax Levied	2019 Total Tax Levied
Sidney Marina Co Ltd	Marina / Boat Storage / Charters	\$ 143,136	\$ 291,243
Jim Pattison Developments Ltd	Retail	106,417	240,194
Damka Lumber & Development Ltd	Retail	105,534	238,197
Slegg Developments Ltd	Manufacturing / Retail	104,258	218,963
0928818 BC Ltd	Hotel	89,418	201,247
P & L Holdings Ltd	Hotel / Office / Retail	79,420	178,574
J R Estates Inc	Senior Care Facility	78,613	143,573
Ko & Shew Ltd	Office / Retail	78,008	175,761
Washington State Department of Transportation	Ferry Terminal	74,627	156,673
Sidney Pier Properties Ltd	Hotel	72,808	151,651
West Sidney Business Park Ltd	Manufacturing / Office / Retail	68,190	143,310
HOBO Holdings Ltd	Office / Retail	67,329	150,454
Emerald Isle Motor Inn Ltd	Hotel	64,166	144,731
Port Sidney Marina Inc	Marina	61,861	125,141
Slegg Holdings Ltd	Office / Retail	59,570	134,348
R & M Scott Properties Inc	Manufacturing	55,471	118,307
Wendon Manufacturing Ltd	Manufacturing	50,570	107,835
360204 BC Ltd	Office / Retail	47,580	105,210
Beacon Community Association	Retail / Senior Care Facility	46,636	99,529
Tait Bros Enterprises Ltd	Hotel	46,321	104,114
Pacific Island Holdings Ltd/Primeland Properties Limited	Office / Retail	40,781	85,808
Albion Properties Ltd	Office / Retail	39,098	86,946
BC Telephone Co	Telecommunications	24,159	88,355
Total		\$ 1,603,971	\$ 3,490,163

Source: Town of Sidney Finance Department

DEBT

(in thousands, except per capita data)

	2019	2018	2017	2016	2015
Gross Outstanding Debt*	\$ 13,854	\$ 13,860	\$ 6,871	\$ 3,925	\$ 3,960
Less: Actuarial Allocation	1,547	1,315	1,091	937	811
Net Debt	\$ 12,307	\$ 12,545	\$ 5,779	\$ 2,988	\$ 3,148
Debt Servicing Cost **					
Property Tax Supported Specified Area	\$ 3,077	\$ 426	\$ 303	\$ 320	\$ 315
	-	-	-	-	-
Total Debt Servicing Cost	\$ 3,077	\$ 426	\$ 303	\$ 320	\$ 315
Gross Debt Servicing Limit	\$ 5,392	\$ 5,206	\$ 5,020	\$ 4,841	\$ 4,812
Debt Capacity Available	\$ 2,300	\$ 4,155	\$ 4,695	\$ 4,518	\$ 4,482
Population	11,672	11,672	11,672	11,672	11,178
# of Households	5,603	5,603	5,603	5,603	5,328
Net Debt per Capita	\$ 1,054	\$ 1,075	\$ 495	\$ 256	\$ 282
Net Debt per Household	2,196	2,239	1,031	533	591
Debt Servicing per Capita	\$ 264	\$ 37	\$ 26	\$ 27	\$ 28
Debt Servicing per Household	549	76	54	57	59

* Included in 2019 Gross Outstanding Debt is \$4.5 million of interim financing that will be partially converted to debenture debt

** Debt servicing cost includes principal and interest payments made during the year.

Source: Town of Sidney Finance Department
& Statistics Canada

STATEMENT OF FINANCIAL POSITION

(in thousands)

	2019	2018	2017	2016	2015
Financial Assets	\$ 25,862	\$ 21,306	\$ 19,778	\$ 18,141	\$ 16,540
Financial Liabilities	20,699	21,578	12,303	7,892	7,491
Net Financial Assets (Net Debt)	\$ 5,163	\$ (272)	\$ 7,475	\$ 10,249	\$ 9,049

CONSOLIDATED STATEMENT OF OPERATIONS

(in thousands)

	2019	2018	2017	2016	2015
Revenue	\$ 32,648	\$ 22,006	\$ 22,789	\$ 20,991	\$ 20,436
Expenses	21,938	20,496	19,621	19,092	18,393
Annual Surplus	10,710	1,510	3,168	1,899	2,043
Accumulated Surplus, Beginning of Year	95,442	93,932	90,764	88,864	86,821
Accumulated Surplus, End of Year	\$ 106,152	\$ 95,442	\$ 93,932	\$ 90,764	\$ 88,864

Source: Town of Sidney Finance Department

REVENUES AND EXPENSES

(in thousands)

	2019	2018	2017	2016	2015
Revenue					
Property Taxes	\$ 13,980	\$ 13,254	\$ 12,815	\$ 12,493	\$ 12,275
Fees, Rates and Service Charges	6,504	6,074	6,133	6,077	5,766
Government Transfers	2,104	1,511	1,471	1,448	1,368
Investment Earnings	413	310	242	224	208
Gifts and Contributions	1,290	527	1,892	315	480
Penalties and Interest	117	102	107	95	103
Actuarial Adjustments on Debt	54	46	39	12	25
MFA Debt Reserve Fund Surplus	1	1	58	-	-
Other	8,185	181	32	328	212
	\$ 32,648	\$ 22,006	\$ 22,789	\$ 20,991	\$ 20,436
Expenses by Function					
General Government	\$ 2,432	\$ 2,439	\$ 2,423	\$ 2,397	\$ 2,196
Protective Services	5,605	5,140	4,701	4,386	4,171
Transportation	4,329	3,632	3,399	3,643	3,575
Environmental Health Services	777	795	736	716	692
Environmental Development	523	423	423	504	375
Leisure, Parks and Cultural	3,056	2,965	3,029	2,847	2,767
Water Utility	2,140	2,121	2,113	2,034	2,049
Sewer Utility	2,066	2,144	2,067	1,995	1,939
Other	1,011	837	731	569	629
	\$ 21,939	\$ 20,496	\$ 19,621	\$ 19,092	\$ 18,393
Expenses by Object					
Salaries, Wages and Benefits	\$ 7,479	\$ 7,067	\$ 7,169	\$ 6,991	\$ 7,079
Contracted Services	7,561	7,632	6,770	6,713	6,464
Supplies and Equipment	2,665	2,644	2,388	2,598	2,010
Debt Interest	408	232	156	151	156
Amortization	893	427	527	170	293
Other	2,933	2,494	2,612	2,468	2,391
	\$ 21,939	\$ 20,496	\$ 19,621	\$ 19,092	\$ 18,393

Source: Town of Sidney Finance Department

RESERVE FUNDS

	2019	2018	2017	2016	2015
Reserves Set Aside by Council					
Miscellaneous Operating Purposes	\$ 374,458	\$ 312,415	\$ 521,765	\$ 497,510	\$ 504,780
Miscellaneous Capital Purposes	944,720	1,022,893	997,962	867,049	612,122
	1,319,178	1,335,308	1,519,727	1,364,559	1,116,902
Reserve Funds Set Aside for Specific Purposes by Council					
Land Sale Proceeds	3,130,542	164,485	239,685	281,752	16,452
Parkland Acquisition	218,744	132,194	129,594	127,494	125,494
Off-Street Parking	587,385	133,145	37,125	86,686	80,586
Computer Replacement	374,466	370,179	377,902	451,907	436,427
General Equipment Replacement	1,390,895	1,123,496	957,626	886,236	715,225
Fire Equipment Replacement	296,153	338,436	246,178	134,672	478,205
Water Capital	301,955	297,778	394,843	351,975	346,475
Sewer Capital	24,916	24,316	23,816	23,416	23,016
Infrastructure	1,780,666	895,347	1,808,845	1,818,925	1,566,553
Water Rates Stabilization	104,547	173,387	228,558	247,955	244,055
Amenities	371,622	213,314	152,814	41,733	20,076
Affordable Housing	513,528	160,255	3,329	-	-
Ferry Terminal	746,827	917,802	790,791	626,475	467,725
Contingency	88,233	86,033	84,333	77,033	69,933
Agreements	172,426	171,259	162,040	165,857	143,428
Gas Tax - Community Works Fund	1,084,678	1,066,474	1,845,598	1,841,491	1,659,315
	11,187,583	6,267,900	7,483,077	7,163,607	6,392,965
Restricted Cash	108,429	81,101	79,374	48,281	46,968
Total Reserves	\$ 12,615,190	\$ 7,684,309	\$ 9,082,178	\$ 8,576,446	\$ 7,556,835

Source: Town of Sidney Finance Department

CAPITAL EXPENDITURES & FUNDING SOURCES

	2019	2018	2017	2016	2015
Expenditures					
General Government	\$ 123,889	\$ 112,255	\$ 247,915	\$ 111,579	\$ 363,938
Protective Services	5,815,618	7,945,527	3,791,279	685,423	208,375
Transportation	1,991,679	3,144,773	1,084,670	708,847	1,741,595
Environmental Development	10,479	-	-	-	-
Leisure, Parks and Cultural	174,303	280,840	642,504	367,565	98,856
Water Utility	106,129	507,599	522,508	351,125	568,116
Sewer Utility	21,493	482,123	417,391	348,049	391,786
	\$ 8,243,590	\$ 12,473,117	\$ 6,706,266	\$ 2,572,587	\$ 3,372,666
Funding Sources					
Property Taxes	\$ 195,267	\$ 87,973	\$ 111,336	\$ 138,858	\$ 331,695
Grants	-	25,000	23,400	-	20,605
Gifts & Donations	217,609	1,250	6,870	-	-
Gas Tax	1,090,334	1,347,463	522,954	288,831	52,000
Debt	-	7,000,000	2,970,000	87,833	25,300
Surplus from Operations	-	764,359	704,987	124,250	61,074
Agreements Reserve	24,561	15,291	27,827	2,003	-
Amenity Reserve	19,022	19,843	16,259	8,643	95,000
Computer Equipment Reserve	95,014	105,223	171,305	81,420	180,334
Contingency Reserve	-	-	-	-	-
Ferry Terminal Reserve	361,074	52,721	6,750	6,750	188,379
Water Capital Reserve	3,223	104,965	-	-	-
General Capital Reserve	60,701	-	30,000	-	-
Infrastructure Reserve	756,281	2,473,998	1,511,479	1,136,029	1,988,136
Land Reserve	4,726,782	80,000	46,667	-	-
Off-Street Parking Reserve	-	-	55,761	-	-
Vehicle Reserve	203,283	183,273	224,536	567,721	323,032
Water Rate Stabilization Reserve	73,140	59,772	23,396	-	-
Reserves Set Aside by Council - Capital	331,300	76,972	179,320	99,565	44,278
Offsite & Development Cost Charges	-	63,269	60,000	-	-
Other	86,000	11,746	13,419	30,683	62,832
	\$ 8,243,590	\$ 12,473,117	\$ 6,706,266	\$ 2,572,587	\$ 3,372,666

Source: Town of Sidney Finance Department

AMENITY CONTRIBUTION

	Streetscape	Public Art	General	Housing	Total	2017	2016	2015
Balance, Beginning of Year	\$ 126,141	\$ 16,371	\$ 70,802	\$ 160,255	\$ 373,569	\$ 41,733	\$ 20,076	\$ 39,476
Amounts Received	-	-	172,030	349,273	521,303	129,968	30,000	75,000
Expenditures	(8,862)	-	(10,160)	-	(19,022)	(16,259)	(8,643)	(95,000)
Interest Earned	3,134	407	1,759	4,000	9,300	700	300	600
Balance, End of Year	\$ 120,413	\$ 16,778	\$ 234,431	\$ 513,528	\$ 885,150	\$ 156,142	\$ 41,733	\$ 20,076

DEVELOPMENT COST CHARGES

	Drainage	Water	Sewer	Parkland	Total	2017	2016	2015
Balance, Beginning of Year	\$ 35,043	\$ -	\$ 21,758	\$ 30,075	\$ 86,876	\$ 155,447	\$ 147,033	\$ 129,092
Amounts Received	-	9,779	-	37,730	47,509	14,647	6,114	15,841
Expenditures	-	-	-	-	-	(60,000)	-	-
Interest Earned	900	-	500	800	2,200	2,500	2,300	2,100
Waivers / Reductions	-	-	-	-	-	-	-	-
Balance, End of Year	\$ 35,943	\$ 9,779	\$ 22,258	\$ 68,605	\$ 136,585	\$ 112,594	\$ 155,447	\$ 147,033

PAYMENTS IN LIEU OF PARKING

	2019	2018	2017	2016	2015	2014
Balance, Beginning of Year	\$ 133,145	\$ 37,125	\$ 86,686	\$ 80,586	\$ 74,586	\$ 68,686
Amounts Received Through Development	457,088	90,600	-	-	-	-
Other Contributions	3,852	4,720	4,800	4,800	4,800	4,800
Expenditures	(10,000)	-	(55,761)	-	-	-
Interest Earned	3,300	700	1,400	1,300	1,200	1,100
Balance, End of Year	\$ 587,385	\$ 133,145	\$ 37,125	\$ 86,686	\$ 80,586	\$ 74,586

Source: Town of Sidney Finance Department

COMMUNITY SUPPORT PAYMENTS & PROPERTY TAX EXEMPTIONS

	Community Support Payments	Municipal Property Tax Exemption	2019 Total	2018 Total
676 Kittyhawk Air Cadets Squadron	\$ 750	\$ -	\$ 750	\$ 750
Army, Navy and Air Force Veterans of Canada	-	21,985	21,985	21,277
ArtSea Community Arts Council	28,000	-	28,000	-
Boy Scouts & Girl Guide Hall	-	3,788	3,788	3,640
Broadmead Care Society	-	15,669	15,669	-
Church of Jesus Christ of Latter Day Saints	-	10,500	10,500	11,087
Community Arts Council of the Saanich Peninsula	-	605	605	15,637
Crisis Intervention & Public Information Society	600	-	600	600
Cycling Without Age Society	1,000	-	1,000	-
Folk 'n Fiddle	1,000	-	1,000	-
Geronimo Canoe Club	500	-	500	-
Greater Victoria Bike to Work Society	500	-	500	500
Memorial Park Society / Mary Winspear Centre	340,608	92,016	432,624	415,038
Mount Newton Centre Society	-	-	-	500
Navy League of Canada	750	-	750	750
O.R.C.C.A.	2,000	-	2,000	2,500
Open Aviron Rowing Coastal Association	-	-	-	5,000
Peace Lutheran Church	500	6,474	6,974	7,369
Peninsula Celebrations Society	12,000	-	12,000	12,000
Peninsula Dry Grad Society	1,000	-	1,000	1,500
Peninsula Figure Skating Club	500	-	500	500
Peninsula Streams Society	1,500	-	1,500	500
Saanich Marine Rescue Society	1,900	-	1,900	1,500
Saanich Peninsula Chamber of Commerce	20,000	-	20,000	-
Saanich Peninsula Christadelphians	-	2,854	2,854	2,987
Saanich Peninsula Pipe Band	500	-	500	500
Saanich Peninsula Piranha Swim Club	500	-	500	500
School District #63	12,779	-	12,779	11,873
Shaw Centre for the Salish Sea	125,000	19,038	144,038	153,504
Shoal Centre / Beacon Community Services	7,000	54,804	61,804	64,434
Sidney & Peninsula Literary Festival	500	-	500	-
Sidney Business Improvement Area Society	122,426	3,441	125,867	127,389
Sidney Concert Society	1,500	-	1,500	500
Sidney Guide & Scout Hall Society	500	-	500	500
Sidney Historical Museum	-	5,581	5,581	5,760
Sidney Lion's Food Bank	-	3,763	3,763	3,619
South Island Prosperity Project	26,722	-	26,722	26,722
St. Andrews Anglican Church / Abbeyfield Housing Society	500	8,795	9,295	9,124
St. Elizabeth Church	500	7,186	7,686	8,184
St. Paul's United Church	-	4,009	4,009	4,077
Tides Canada Initiatives - IYILS	-	-	-	750
Vancouver Island South Film & Media Commission	1,000	-	1,000	500
Wounded Warrior Run BC	-	-	-	1,000
	\$ 712,535	\$ 260,506	\$ 973,041	\$ 922,570

Source: Town of Sidney Finance Department

STRATEGIC COMMUNITY INVESTMENT FUNDS PLAN & PROGRESS REPORT

SMALL COMMUNITY PORTION OF SCI FUNDS		
Intended Use	Performance Targets	Progress made in reporting period
Use funding to support local government services to minimize tax rates increases.	Minimize tax rate increases.	\$336,784 in Small Community Grants was received in 2019. These funds were used to fund general municipal services in 2019. A tax increase of 2.82% would have been required to generate the level of funding used in 2019.

TRAFFIC FINE REVENUE PORTION OF SCI FUNDS		
Intended Use	Performance Targets	Progress made in reporting period
Use funding to support police enforcement.	100% of funds are used to support police enforcement over the term of the SCI agreement.	\$92,813 in Traffic Fine Revenue was received in 2019. These funds were used towards the police operating budget in 2019.

Source: Town of Sidney Finance Department








**NO
SWIMMING
OR
DIVING
FROM THIS
STRUCTURE**



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