

Sidney
by the sea

2021

ANNUAL REPORT



TOWN OF SIDNEY
BRITISH COLUMBIA

Year ended December 31, 2021

The Town of Sidney Annual Report for the 2021 year was prepared by Administration and Corporate Services Departments, with contributions from staff throughout the organization.

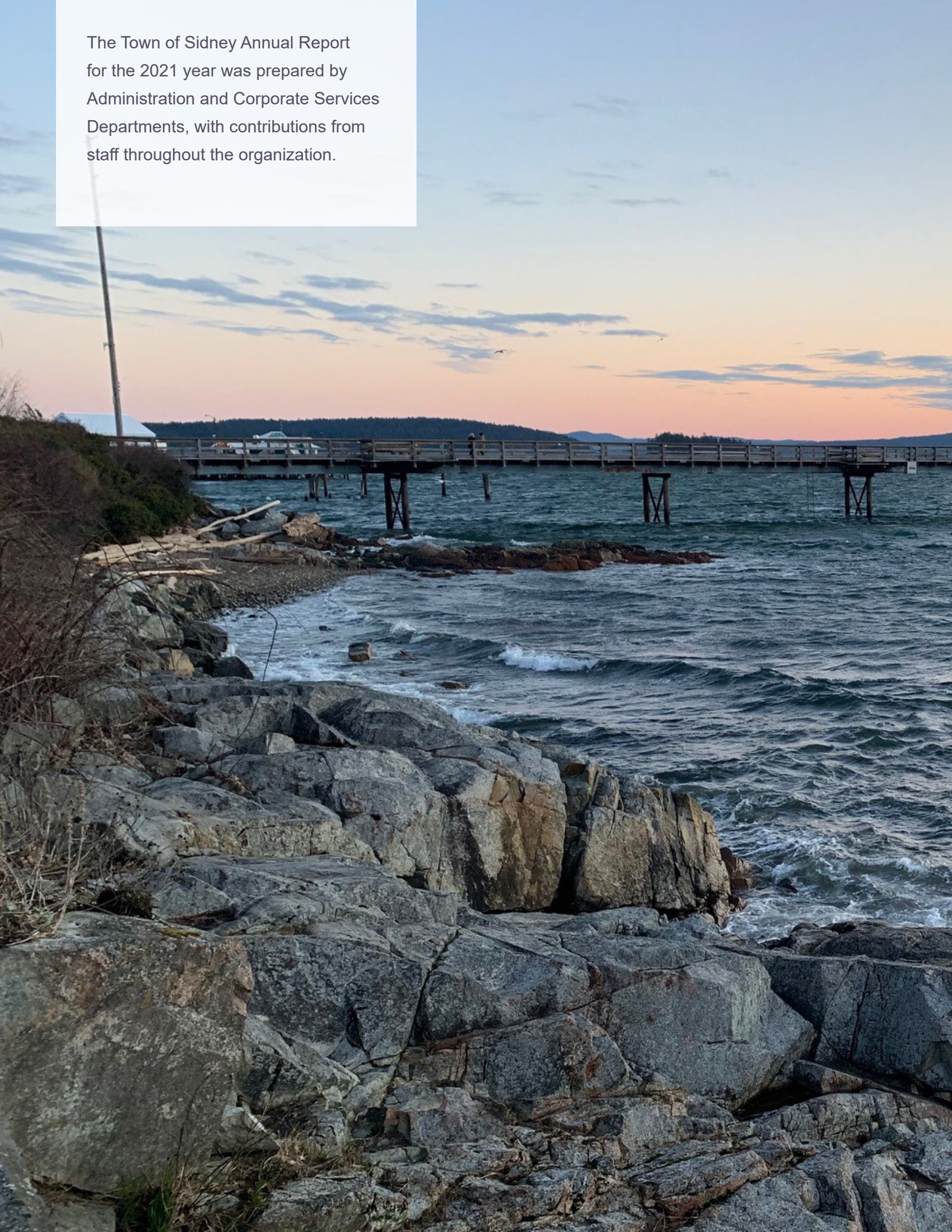


TABLE OF CONTENTS

Community Profile & Annual Highlights	2
Sidney at a Glance	4
Demographic Information	5
Mayor's Message	6
Council Portfolios	7
Message from the Chief Administrative Officer	8
Message from the Chief Financial Officer	9
Strategic Plan & Progress Report	10
Organizational Chart & Appointed Officers	17
Department Updates	18
Administration	18
Corporate Services	20
Development Services	22
Engineering, Public Works & Parks	24
Fire Services	26
Police Services	28
Financial Information	30
Management Discussion & Analysis	32
Consolidated Financial Statements	38
Financial Reporting Responsibility	38
Independent Auditor's Report	39
Statement of Financial Position	41
Statement of Operations and Accumulated Surplus	42
Statement of Changes in Net Financial Assets	43
Statement of Cash Flows	45
Notes to Financial Statements	45
Canada-BC Safe Restart Grant Schedule	61
Statistical Information	62
Taxable Assessments of Land & Improvements	64
New Construction	64
Property Tax Rates & Revenue	65
Property Tax Levied and Collected	66
Principal Corporate Tax Payers	67
Debt	68
Statement of Financial Position	69
Consolidated Statement of Operations	69
Revenues and Expenses	70
Reserve Funds	71
Capital Expenditures & Funding Sources	72
Amenity Contributions	73
Development Cost Charges	73
Payment in Lieu of Parking	73
Community Support Payments & Property Tax Exemptions	74
Strategic Community Investment Funds Plan and Progress Report	75
Number of Full Time Equivalent Municipal Employees	75

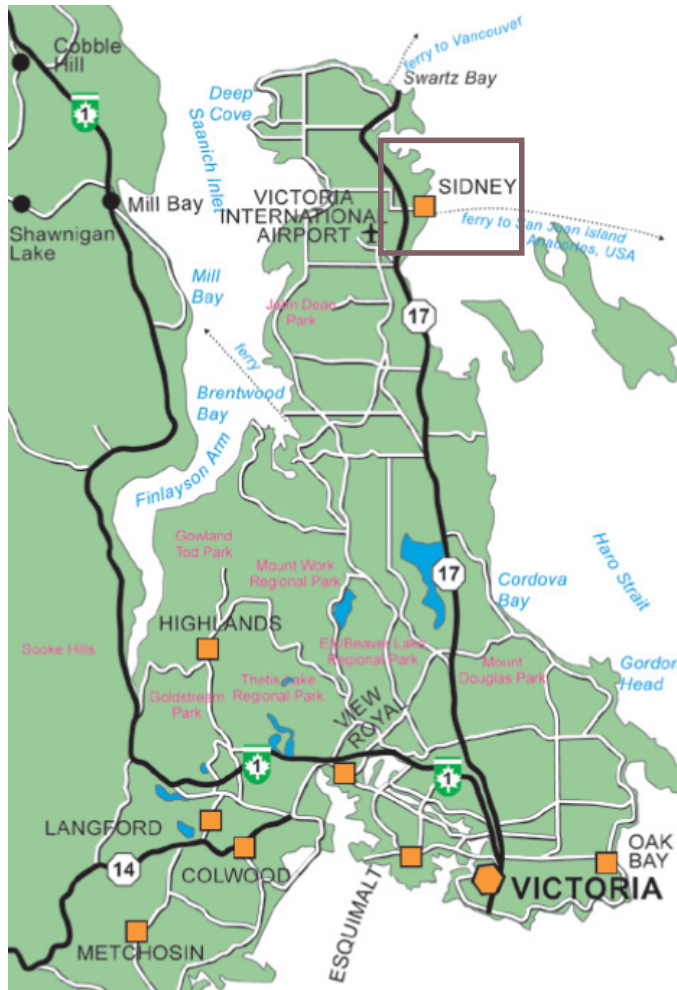




COMMUNITY PROFILE & ANNUAL HIGHLIGHTS

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.



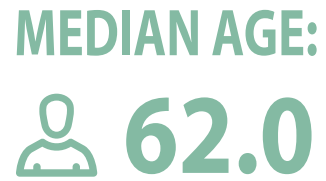
Sidney lies within an area that has become one of the world's premier places to live, work, and visit. Endowed with a temperate climate, rich ecology, stunning landscapes, and proud histories, Sidney is a livable, vibrant community, with a strong focus on environmental stewardship, and a prosperous and 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 5.5% between 2016 and 2021.

Regionally, the Town of Sidney is a key transport hub and offers a variety of transportation options. Sidney is 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 is also home to the international Sidney/Anacortes ferry route, operated by Washington State Ferries. The ferry service is expected to resume in 2023 following a pandemic-related closure.

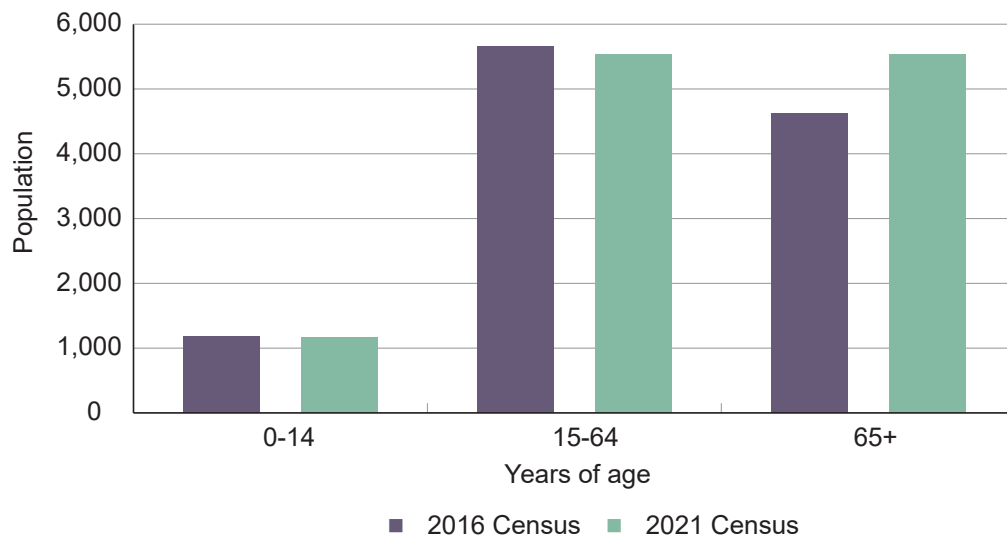
The Town of Sidney's small geographic area provides for a dense mix of businesses, housing, employment, services, and recreation in close proximity to each other. Sidney's employment sector is generally made up of industrial, retail and healthcare services. The climate is one of the mildest in Canada,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

DEMOGRAPHIC INFORMATION



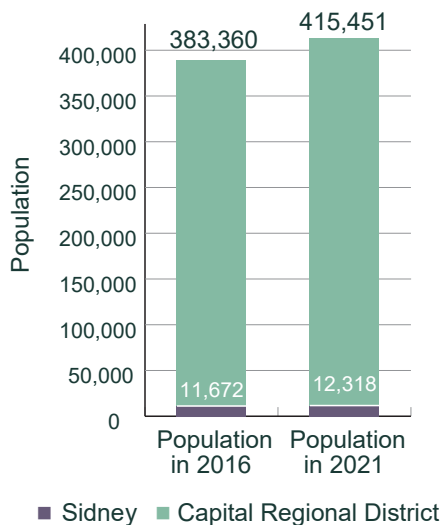
Source: Census 2021

Sidney's age distribution

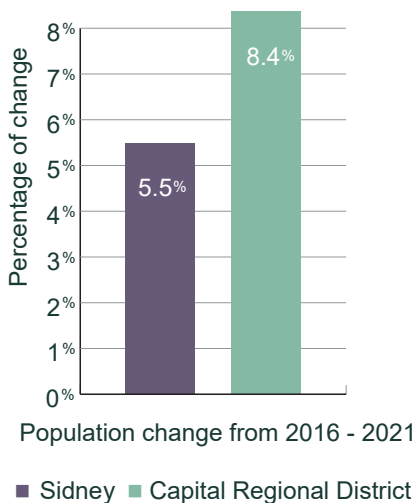


Source: Census 2021

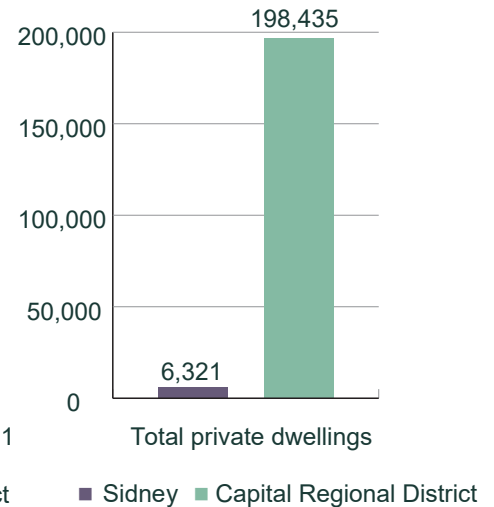
Population in 2016 and 2021



% change in population



Total private dwellings



Source: Census 2021



MESSAGE FROM THE MAYOR

On behalf of Sidney Council and the Town of Sidney, I am pleased to present our 2021 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 2021, along with many of the initiatives planned for 2022.

Our 2019-2022 Strategic Plan, which Council developed upon taking office in 2018 and updates annually, is important in setting priorities for the community, while acknowledging the Town's limited staff and financial resources. 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, transparency, and accountability. 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 range of business that comes before Council.

During 2021, the COVID-19 pandemic continued to bring unique challenges to our community and to municipal operations. 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.

We have tremendous community spirit in Sidney. Council is pleased to provide financial support to community organizations, including the Mary Winspear Centre, SHOAL Center for Seniors, Sidney Museum and Archives, ArtSea Community Arts Council, Shaw Centre for the Salish Sea, and several others. 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 2021 and key initiatives for 2022. Council and staff remain committed to our shared vision for Sidney - to be a balanced, safe, and vibrant seaside community, with engaging cultural and recreational activities, prosperous and resilient businesses, and dependable Town services.

Cliff McNeil-Smith
Mayor
June 1, 2022

COUNCIL PORTFOLIO

Mayor Cliff McNeil-Smith

- Capital Regional District (CRD) Board
- Capital Regional Hospital District Board
- Capital Region Housing Corporation Board
- CRD Governance Committee
- CRD Planning and Protective Services Committee (Chair)
- CRD Performing Arts Facilities Select Committee
- CRD Transportation Committee
- Greater Victoria Labour Relations Association
- Municipal Insurance Association of BC
- OCP Review Advisory Committee
- CRD Peninsula Recreation Commission
- CRD Saanich Peninsula Water Commission and Wastewater Commission

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
Saanich Peninsula Water Commission and Wastewater Commission
Peninsula Streams Society
Sidney Business Improvement Area

Councillor Barbara Fallot

ArtSea Community Arts Council
Saanich Peninsula Water Commission and Wastewater Commission
Victoria Family Court & Youth Justice Committee

Councillor Scott Garnett

Memorial Park Society
New Marine Centre Society (Shaw Centre for the Salish Sea)
Sidney Museum & Archives Society
Sidney/North Saanich Ball Facility Liaison Committee

Councillor Terri O'Keeffe

Emergency Planning Committee
CRD Regional Housing Trust Fund Commission
Peninsula Chamber of Commerce
South Island Prosperity Partnership (Partners Committee)
Victoria Airport Authority - Noise Management Committee

Councillor Chad Rintoul

Advisory Planning Commission
Capital Region Emergency Services Telecommunications (CREST)
CRD Peninsula Recreation Commission
Victoria Airport Authority Consultative Committee
Sidney/North Saanich Ball Facility Liaison Committee

Councillor Peter Wainwright

Economic Advisory Committee
OCP Review Advisory Committee
Vancouver Island Regional Library



MESSAGE FROM THE CHIEF ADMINISTRATIVE OFFICER

It is a pleasure to present the Town of Sidney's 2021 Annual Report and reflect on all that has been accomplished this past year. This report captures the work undertaken by the Town in 2021 to progressively deliver on Council's 2019-2022 Strategic Plan, reach goals outlined in our Departmental Work Plans, and meet the day-to-day needs of the community.

The COVID-19 pandemic continued to impact the community throughout 2021. Though we all felt the absence of major events, it was inspiring to see just how much community life and Town operations continued through adaptation and commitment.

Engagement on the updated Official Community Plan (OCP) was in full swing with workshops, surveys, meetings, and a community design exercise. Thanks to more than 1,000 interactions with the members of the public, staff were offered a clear view of what community members value about Sidney and want to see for the future.

As part of the OCP process, we also connected in new ways with representatives of WSÁNEĆ First Nations. Through listening and learning at meetings, we were able to get a sense of how the Town can take tangible steps toward strengthening these relationships.

I am proud to say that in 2021, the Town ramped up its efforts to address climate change. We hired a Climate Action Coordinator, joined a rebate program for clean energy upgrades, brought forward a bylaw to create a Climate Action Fund, and installed solar lights along key pathways, among many other steps large and small. We will now turn our attention to updating the Climate Action Plan with the community so we build on this momentum in a strategic and supported way.

A difficult question we faced in 2021 was how to plan for the future of Beacon Wharf. Last fall, after the Beacon Wharf Selection Committee put forward some potential options for community consideration, a number of people reached out to share how much Beacon Wharf means to them in its current form. As directed by Council, the Town will continue maintaining Beacon Wharf for as long as we reasonably can.

I want to acknowledge the leadership of Mayor and Council who have risen to the challenges of this past year. I would also like to extend my thanks to everyone who helped keep the Town of Sidney strong and vibrant through the ongoing pandemic. 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', with a long horizontal flourish extending to the right.

Randy Humble
Chief Administrative Officer
June 1, 2022



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, 2021. 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 of December 31, 2021.

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.

Council meets with management and the external auditors to review the financial statements and discuss any significant reporting or internal control matters prior to accepting the statements. Significant accounting policies are discussed in Note 1 of the attached financial statements.

Executive Summary of Financial Results

As detailed in the 2021 Financial Statements, the Town's financial results were positive, having weathered the impacts of COVID-19 fairly well, with minimal impacts on our operations and finances. While total revenue and the annual surplus decreased from the previous year, this was purely a factor of the one-time Canada-BC Safe Restart Grant that was received in 2020 as a COVID relief measure.

The Town continues to have reasonable levels of debt and reserves, and remains committed to renewing its infrastructure. 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. The Town must maintain a surplus from operations, and must operate with a balanced budget.

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". The signature is written in a cursive, slightly slanted style.

Andrew Hicik
Director of Corporate Services
June 1, 2022

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 a high-level statement of the Town's aspirations for the future, and is updated every year by Council. It articulates the Town's vision, mission, values, and broad strategic priorities and goals.

The Business Plan translates the 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, outlining goals accomplished based on strategic direction set out in the annual planning framework.

2021 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 2021 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 11-16 review the progress we made in 2021 and the ways in which we will continue to work towards accomplishing these goals.



COMPLETE COMMUNITY

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

AFFORDABLE HOUSING

2021 Progress:

- Began review of Short-Term Vacation Rentals.
- Recommendations from 2019 Housing Needs: Assessments were used to form the basis for new policies in the updated Official Community Plan (OCP) and included in the Strategic Directions Report for the OCP. These policies will guide the Town’s response to facilitating a greater supply of affordable housing in the community.

Planned Priorities & Actions:

- 2022: Continue working with non-profit housing providers and the development community to encourage new affordable housing supply in Sidney.
- Once the OCP has been finalized, implement the updated policies and recommendations on an ongoing basis.
- Complete review of Short-Term Vacation Rentals.

VEHICLE PARKING

2021 Progress:

- Re-opened Lot B at corner of Third Street and Sidney Avenue with 35 public parking spaces.

Planned Priorities & Actions:

- 2022: Complete comprehensive downtown Sidney parking study, including a review of impacts of residential parking requirements downtown on on-street parking availability.

COMPREHENSIVE REVIEW AND UPDATE OF THE OFFICIAL COMMUNITY PLAN

2021 Progress:

Through 2021, we marked the second year of this important project for Sidney, which is likely to conclude with the adoption of an updated OCP in 2022. Progress made in 2021 includes:

- Undertook multiple community engagement activities, including a community design survey with more than 700 responses and an OCPizza night encouraging neighbours to share perspectives with one another and submit ideas.
- Met with members of the W̱SÁNEĆ Leadership Council Technical Advisory Committee to discuss policies, and also took part in Indigenous Peoples Forum for Peninsula First Nations and municipal governments.
- Held several meetings of the OCP Review Advisory Committee to help guide the project.
- Released a Strategic Directions Report for the OCP and invited public input.

Planned Priorities & Actions:

- 2022: Continue exploration of options and public engagement, begin drafting the plan, and finalize the plan.



Entrance to newly re-opened Public Parking Lot B



ENVIRONMENTAL STEWARDSHIP

The Town will be stewards of our environment.

ENVIRONMENTAL PROTECTION

2021 Progress:

- **KELSET (Reay Creek) Dam Renovation:** Following the completion of the Reay Creek Dam Renovation and Fish Ladder project, sediment sampling was undertaken by Transport Canada.
- **Tsehum Harbour concern:** Joined Saanich Peninsula Harbour Initiative including the Capital Regional District, Central Saanich, North Saanich, and local First Nations to work in coordination with other government agencies and stakeholders to address environmental risks associated with near-shore waters, including contaminant runoff, bilge discharges from boats, habitat alteration, and illegal moorage.

Planned Priorities & Actions:

- 2022: Propose Single Use Plastics Bylaw.
- 2022-2023: Prepare a State of the Environment Report.

CLIMATE ACTION MITIGATION INITIATIVES

2021 Progress:

- Climate Action Coordinator hired.
- Committed up to \$50,000 as a municipal partner in the CleanBC Better Homes rebate program. Approximately \$12,000 of the funds were used, which supported 28 retrofit projects in Sidney, including 15 homes that transitioned to air source heat pumps.
- The Town partnered with Greater Victoria Green Team to host its second annual Tree Appreciation Day, along with a tree giveaway event. The event was held at Melville Park.

Planned Priorities & Actions:

- 2022: Finalize Climate Action Plan and begin implementation.
- 2022: Continue CleanBC Better Homes municipal top-up rebate.
- 2022: Partner with Capital Regional District to raise awareness about electric vehicles.
- 2022/2023: Undertake planning for adaptation to sea level rise.
- 2022: Hold Third Annual Tree Appreciation Day.



2021 Tree Appreciation Day at Melville Park



ECONOMIC VIBRANCY

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

SUPPORT BUSINESS COMMUNITY THROUGH THE COVID-19 PANDEMIC

2021 Progress:

- Waived Business Licence Fees to reduce operating costs for local businesses.
- Two bylaw amendments introduced in 2020 to offer restaurants, cafes and pubs the option to create more outdoor seating in privately-owned and public on-street parking spaces continued through the summer of 2021.

Planned Priorities & Actions:

- 2022: Waive business licence fees for a second year and explore perpetual renewal with a one-time licence fee.

STRENGTHEN RELATIONSHIP WITH THE BUSINESS COMMUNITY INCLUDING THE SIDNEY BUSINESS IMPROVEMENT (BIA) AREA SOCIETY AND SAANICH PENINSULA CHAMBER OF COMMERCE

2021 Progress:

- Provided funding to the BIA to continue and expand business development function.

WORK WITH SERVICE PROVIDERS TO IMPROVE INTERNET AND CELLULAR SERVICES THROUGHOUT THE COMMUNITY

2021 Progress:

- Completed agreement with TELUS to connect Sidney with its gigabit-enabled fibre optic network (TELUS PureFibre™). This will significantly increase wireless and Internet speeds, helping the community attract and retain local businesses. Installation to begin in 2022.

FUTURE PRIORITIES & ACTIONS FOR ECONOMIC VIBRANCY

- 2022: Develop an Economic Development Strategy.





COMMUNITY ENGAGEMENT

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

BUILD MEANINGFUL PUBLIC ENGAGEMENT INTO ALL KEY TOWN INITIATIVES

2021 Progress:

- Expanded public participation at Committee of the Whole Meetings for Major Development Permit applications that also include a Development Variance application.
- Hired a Manager of Communications.
- Began issuing Council Highlights news release following regular council meetings.
- Redesigned Town Talk newsletter to increase readability.
- Shared approximately 400 social media posts on Town Facebook page to keep community members informed of community projects, events, and news.
- Undertook community engagement for multiple projects including:
 - Future of Beacon Wharf
 - OCP Update Project
 - Proposed Resthaven Dog Park
 - Reay Creek Park Improvements
 - Climate Action Plan: Identifying barriers

Planned Priorities & Actions:

- 2022: Engage public in review of draft updated OCP.
- 2022: Engage public in review of draft updated Climate Action Plan.
- 2022: Engage public in developing Active Transportation Plan
- 2022: Engage business community and residents on formation of Economic Development Strategy.
- 2022: Expand on-site signage requirements for development permits.



Community members gather at an open house to learn about potential options for the future of Beacon Wharf

COLLABORATION WITH NEIGHBOURING LOCAL GOVERNMENTS

2021 Progress:

- Regular meetings and communication between the mayors of neighbouring local governments and between staff members from neighbouring local governments occurred throughout 2021.

Planned Priorities & Actions:

- 2022: Develop a Memorandum of Understanding and cost-sharing agreement with North Saanich and Victoria Airport Authority for roundabout at Beacon Avenue West and Galaran Road.

IMPROVE RELATIONSHIP WITH WSÁNEĆ FIRST NATIONS

2021 Progress:

- Town staff met throughout the year with members of the WSÁNEĆ Leadership Council Technical Advisory Committee to discuss policies in the draft Official Community Plan.
- Planning staff attended and learned from an Indigenous Peoples Forum involving representatives of WSÁNEĆ First Nations to guide development of Official Community Plans for Sidney, North Saanich, and Central Saanich.

Planned Priorities & Actions:

- 2022: Begin development of a Memorandum of Understanding and/or Reconciliation Strategy with WSÁNEĆ Leadership Council to guide government-to-government relationship as outlined in the OCP.
- 2022: Follow WSÁNEĆ Art Protocols in commissioning public art.
- 2022: Ensure respectful maintenance is undertaken for house posts and totems in Sidney.



ORGANIZATIONAL EXCELLENCE

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

2021 Progress:

- Initiated development of Peninsula Accessibility Advisory Committee with District of Central Saanich and District of North Saanich to provide comments and recommendations to Saanich Peninsula local governments on policies, programs, services, built environments, infrastructure, and outdoor spaces.



FUTURE PRIORITIES & ACTIONS FOR ORGANIZATIONAL EXCELLENCE

- 2022: Hire a Manager of Human Resources.
- 2022: Conduct tax policy review to consider distribution of property taxes between business and residential properties.
- 2022: Explore alternative formats of communication for persons with disabilities.
- 2022: Renew website for improved accessibility, mobile compatibility and information-finding.
- 2023: Conduct Citizen Satisfaction Survey.
- 2023: Review and update of Development Cost Charge bylaw.



COMMUNITY INFRASTRUCTURE

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

BEACON WHARF ASSESSMENT AND EXPLORATION OF OPTIONS

2021 Progress:

- Beacon Wharf Select Committee completed an analysis of wharf replacement options. These options were shared with the community for feedback. Council resolved to maintain Beacon Wharf for as long as is reasonable.

Planned Priorities/Actions:

- 2023: Undertake condition assessment of Beacon Wharf and plan next steps for maintenance.

MAINTENANCE ON BEVAN FISHING PIER

2021 Progress:

- Selected maintenance plan for Bevan Fishing Pier as recommended in 2020 Condition Assessment.



Bevan Fishing Pier

FUTURE PRIORITIES & ACTIONS FOR COMMUNITY INFRASTRUCTURE

- 2022: Prepare Approach Report for planning upgrades or replacement of Town Precinct (Town Hall, RCMP Detachment, Driver Services/Courthouse) and Public Works Yard, and also review secondary municipal facilities.
- 2022: Find available and suitable replacement option for Fourth Street washrooms.
- 2022: Complete design and begin construction of washrooms in downtown waterfront area.
- 2022: Develop an Active Transportation Plan and start design of north/south cycling corridor with community engagement.
- 2022: Review options for Library Services.
- 2023: Initiate Mermaid Creek Storm Water Management Plan.
- 2022: Complete recoating of Bevan Fishing Pier.



COMMUNITY SAFETY, HEALTH & WELL-BEING

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 healthy and active lifestyle for all.

EMERGENCY PREPAREDNESS MANAGEMENT

2021 Progress:

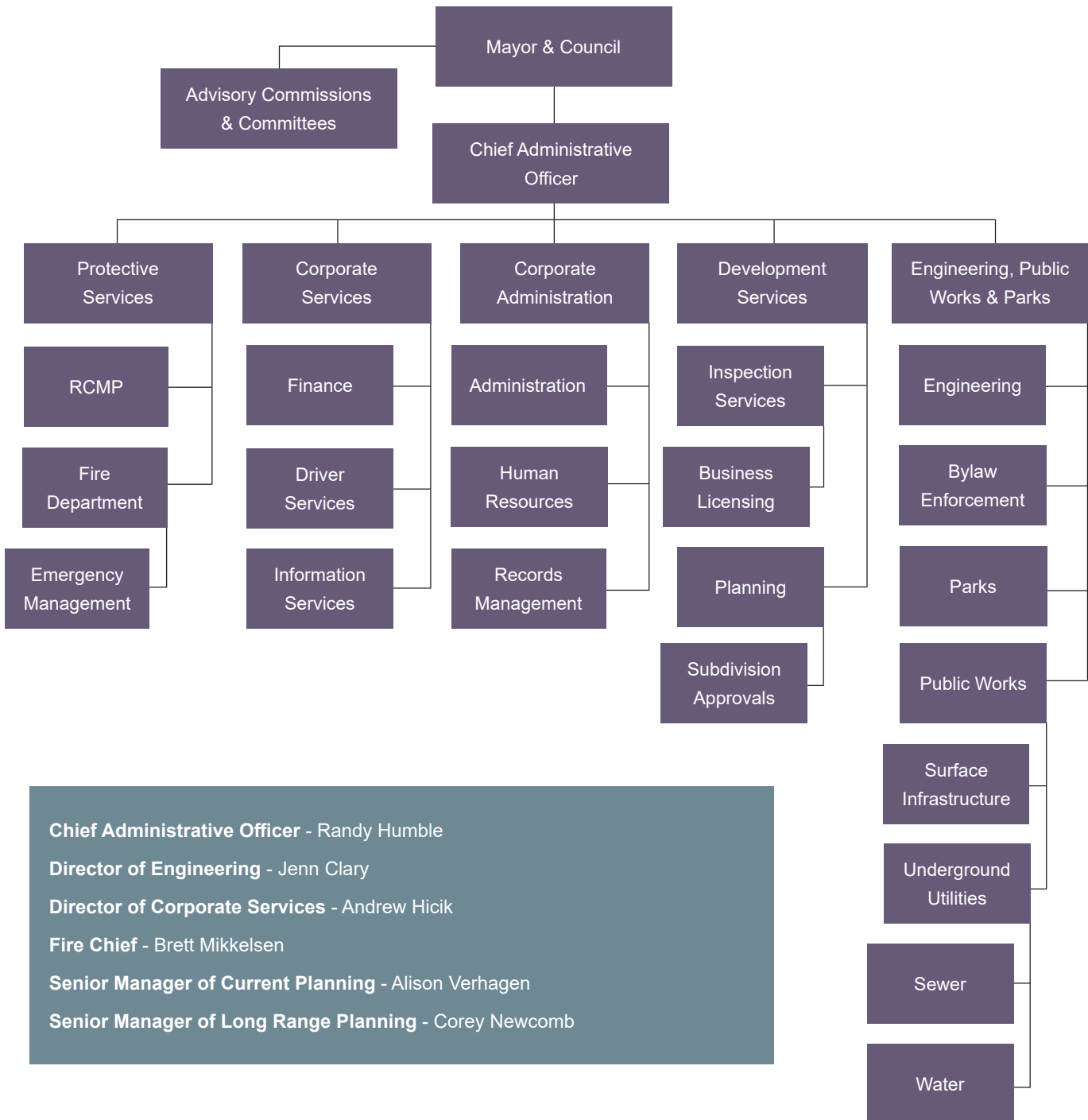
- Sidney Fire Department continued 24/7 staffing of Fire Hall for the second year with help of Volunteer Firefighters, decreasing response time;
- Sidney Fire Department and Emergency Planning Committee received and reviewed an after-action report conducted by a contractor to review Town response to pandemic;
- Sidney Fire Department successfully procured two UBCM grants that (a) provide Emergency Operations Centre technology and equipment for community preparedness and emergency centre training, and (b) update hazard mapping, neighbourhood zone mapping, and a Town of Sidney evacuation plan.

FUTURE PRIORITIES & ACTIONS FOR COMMUNITY SAFETY, HEALTH & WELLBEING

- 2022: Analyze potential options for provision of post-disaster potable water distribution system to Sidney residents, with consideration also given to water for firefighting;
- 2022: Conduct a multi-jurisdictional facilitated disaster response exercise;
- 2022: Increase Sidney Fire Department staffing to enable ongoing 24/7 staffing of the Fire Hall.



ORGANIZATIONAL CHART & APPOINTED OFFICERS





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, as well as public communications and human resources for the organization.

Key Functions

- 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.

2021 Highlights

- Implemented new digital Council Meeting Management Program.
- Updated Council Procedure Bylaw to expand public participation at Committee of the Whole Meetings for Development Applications and to allow electronic participation at Council and committee meetings on a regular basis.
- Completed International Association of Fire Fighters (IAFF) negotiations for career firefighters.
- Continued to liaise with Chamber of Commerce and Sidney Business Improvement Area to support business community through COVID-19 pandemic.
- Collaborated with neighbouring municipalities and the CRD on the establishment of the Saanich Peninsula Harbours & Waterways Initiative.
- Established and filled new Manager of Communications position.
- Established new external communications and media outreach protocol.
- Initiated Economic Development Strategy;
- Initiated electronic documents records management system readiness assessment.
- Established an agreement with TELUS to connect Sidney to their gigabit-enabled fibre optic network.

Administration at a Glance - 2021



2022 Initiatives

- Conduct the 2022 Local Government Election;
- Undertake review and update of Town’s website;
- Initiate review of options for library services;
- Complete Economic Development Strategy;
- Continue implementation of Electronic Documents Records Management System;
- Initiate civic site analysis for Town Precinct (Town Hall, Driver Services/Courthouse, etc.);
- Establish and fill new HR Manager position;
- Establish new tri-municipal accessibility advisory committee.



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

Driver 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. The department also issues joint Driver's Licence/BC Services Cards.

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.

2021 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:

- Continued monitoring the financial and operational impacts of the COVID-19 pandemic on the Town, and re-aligned processes as necessary;
- Implemented new Water Utility Fee structure and monitored effectiveness;
- Received Canadian Award for Financial Reporting for the Town's Annual Report for eighth consecutive year;
- Continued expansion of field technology for inspection staff;

- Continued expansion of online services for Town customers;
- Completed the evaluation of replacement options for Beacon Wharf, assisted in undertaking and reporting on results of community consultation, and made final recommendations to Council.

- 2021 municipal taxes per average residence: \$130/month (2020: \$127/month)
- Total municipal taxes collected in 2021: \$12.19 million (2020: \$11.73 million)
- Total municipal expenditures in 2020: \$23.3 million (2020: \$23.0 million)

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

- Complete the review of the Town's property tax distribution policies;
- Undertake the renewal process for the downtown Sidney Business Improvement Area for an additional 5-year term;
- Complete an agreement with the Victoria Airport Authority and District of North Saanich to build road improvements in West Sidney, and arrange for project funding;
- Report to Council on the potential for a perpetual business licence program, to make renewal fee waiver permanent;
- Assist in the development of an Economic Development Strategy for the Town;
- Assist with the renewal and upgrade of the Town's website;
- 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;
- Continually review the Town's financial policies and practices for maximum efficiency;
- Complete the review of the Town's Utility Fees structure by focusing on the Sewer Utility;
- Prepare for changes to financial reporting standards, as prescribed by the Public Sector Accounting Board;
- Work with Washington State Ferries on response to pending changes to border pre-clearance regulations;
- Renew a series of cost-sharing agreements with the District of North Saanich for shared services;
- Work with Engineering to review and update the Town's Development Cost Charges;
- Assist with an evaluation of the lifecycle of major Town facilities;
- 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 implementation of the Town's Electronic Document Management system;
- Prepare for financial orientation of the incoming Council, following the October 2022 election;
- Review the Town's Risk Management policies.



DEVELOPMENT SERVICES

New Dwelling Units Constructed in 2021



Multi-family	79
Two-family	8
Single-family	3
Single-family to two-family (including adding a legal suite)	9
Total new units	99

The Development Services Department provides service in the areas of municipal planning, building permits and inspections, and business licencing. 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. Department staff have an open door policy and welcome face-to-face or virtual 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. Implementing the OCP through the Zoning Bylaw, guides 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 permits. 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 2021, 196 permits were issued by Building Officials, with a combined total construction value of \$33,531,556.

Permits Issued in 2021



Building permits issued (with construction value)	104
Plumbing permits	82
Fire Department & solid fuel permits	10
Demolition Permits	16
Blasting Permits	0
Excavation Permits	0
Total permits issued	196
Total construction value	\$33,531,556

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 2021, the Town issued 883 Business Licences, including 103 to new businesses. Council waived business licence fees for 2021 as a pandemic response initiative to support the business community.

2021 Highlights - Department Projects

The following initiatives were undertaken in 2021:

Official Community Plan (OCP) Update:

One of Council's primary strategic priorities for their term is a review and update of the Town of Sidney's OCP. An OCP is a Town bylaw that sets out the broad objectives and policies that guide decisions on planning, land use, and provision of municipal services in the community. It also establishes a degree of certainty about the location and nature of community change to residents and landowners while providing a framework for guiding and managing future development and growth. The process to update Sidney's OCP entered its second year in 2021 and focused on a wide range of community engagement events and plan development. The project is expected to wrap up in 2022.

Utility Box Beautification Project:

In 2021, the Town of Sidney beautified six BC Hydro transformers with original local artwork and poetry on graffiti-resistant vinyl wrap. This annual program is intended to beautify Sidney's streets and bring local art to utility boxes located downtown 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. Sidney acknowledges the support of the BC Hydro Beautification Program for this initiative.

Development of a new Climate Action Plan:

One of Council's strategic priorities is to update the Climate Action Plan (CAP) following its climate emergency declaration in 2019. A Climate Action Plan is a strategic plan to reduce energy consumption and greenhouse gas (GHG) emissions throughout the community (including from Town operations) and to guide the Town in how it can adapt to local climate change risks. The process to update the CAP began in June 2021 and a draft has been brought forward for community review. The plan is expected to be finalized in 2022.

Other 2021 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,

2021 Highlights - Planning and Building Applications

With the continuation of strong residential construction trends throughout 2021, much of the Development Services Department's time continued to be spent reviewing and processing building permit applications for new residential and commercial development in the Town. The Town saw somewhat reduced numbers of new residential units approved for construction in 2021, following a spike in development applications from 2017 - 2020 with ensuing construction underway in 2019-2021.

The following are some of the major development proposals approved by Council in 2021:

- 9566, 9570 & 9574 Fifth Street: A revised Development Permit for the construction of a four-storey 36-unit apartment building with underground parking, previously considered and approved by Council in 2020 as a smaller-scale development on 9570 and 9574 Fifth Street;
- 10480 Resthaven Drive: A Development Permit for the construction of an eight-unit townhouse complex;
- 10474 Resthaven Drive: A Development Permit for the construction of an eight-unit townhouse complex;

2022 Initiatives

- Initiate comprehensive update to the Zoning Bylaw;
- Draft Active Transportation Plan with community input.



Climate Action Plan Pop Up



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 municipal buildings and facilities.

The Engineering Division

The Engineering Division provides technical expertise with respect to road design, water systems, sanitary sewer and storm sewer systems, traffic and parking management, asset management, and project management of specialized services such as asphalt paving and pipeline video 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

The Public Works Division 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, operation 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

The Parks Division is responsible for the upgrade and maintenance of all 28 municipal parks, including 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, and administers the downtown beautification and banner programs, and annual Christmas light display. 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 and coordinating with the Town's parking enforcement contractor. This includes education, enforcement action, ongoing consultation, and coordination with other departments in the review and modification of bylaws as required. Bylaws in Sidney are typically enforced on a complaint basis.

2021 Highlights

- Responded to 100-year rainfall event in November 2021;
- Held the Town's Tree Appreciation Day in Melville Park and completed tree planting on Buddleia Berm;
- Completed Patricia Place storm and sanitary sewer replacement;
- Completed Allbay storm drain replacement;
- Completed Tulista Park sidewalk improvements and tree planting;
- Installed picnic tables at Rose Garden and Tulista Park;
- Completed base repair and paving on Bevan Avenue between Beacon and Seventh;
- Investigated inflow and infiltration in sanitary sewer mains;
- Installed a new sidewalk on Bevan Avenue;
- Completed phase two of the bike path west of Highway 17, including constructing a portion of the path and installation of solar lighting;
- Completed Rotary Park chainlink fence improvements;
- Launched temporary bike parking pilot project on Beacon Avenue;
- Coordinated with Telus on the implementation of Fibre Optic internet connection throughout Sidney;
- Completed dive and structural inspection of the Bevan Fishing Pier;
- Installed sidewalks and curbs on Bowerbank to improve access to bus stops.



Tulista Sidewalk improvements

2022 Initiatives

- Complete Bevan Fishing Pier recoating;
- Complete path resurfacing at Melville Park;
- Ardwell storm drain outfall replacement and associated surface works;
- Pump station improvements;
- Install a new downtown bike shelter;
- Work with VAA and District of North Saanich on the design of the Beacon Ave West Roundabout and Stirling Way realignment to be constructed in 2023;
- Complete Tulista Boat Launch float replacement;
- Complete the Eighth St sidewalk extension and tree planting;
- Improve sidewalk at Eastview Dr and Bevan Ave;
- Replace watermain on Amelia Ave, Henry Ave, Harbour Rd and Galaran Rd;
- Improve safety of Town Hall electrical service;
- Complete design and start construction of new public washrooms downtown, including a Changing Places washroom on the waterfront;
- Complete RCMP security fencing;
- Initiate the Active Transportation and Asset Management planning processes;
- Replace the material in the Fifth St medians;
- Complete Rotary Park irrigation improvements;
- Continue reducing inflow and infiltration in sanitary sewer mains;
- Replace the roof on the Tourist Info Centre building;
- Install sidewalk on Orchard Ave between Second and Third St;
- Complete design and start construction of Lochside watermain replacement;
- Install sidewalk on Brethourpark Way to complete pedestrian link;
- Pave Parking Lot C at Fourth St and Sidney Ave;
- Complete Downtown Parking study;
- Complete stormwater alternatives study ; and
- If grant application is successful, complete Wellness Park resurfacing.



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. Established emergency response capabilities are supplemented with an ever-increasing emphasis on risk reduction initiatives, such as public education, fire and safety inspections, and enforcement of Town bylaws and BC Fire Code regulations. Additionally, the department is responsible for emergency management and preparedness in Sidney, and collaboration with the Peninsula Emergency Measures Organization (PEMO). This full spectrum of services is provided by utilizing a composite model of six career and 33 volunteer firefighters. The Fire Department also works closely with neighbouring jurisdictions. Mutual aid agreements are in place with Central Saanich and North Saanich.

Pandemic Response

This past year saw the pandemic continue into other variants such as Delta and Omicron. The Fire Department staff continued to support the community while assuming additional roles and responsibilities in response to the new variants. Despite another challenging year, the Fire Department retained a high level of service in response to calls, fire and safety inspections, public education initiatives, and training activities both in person and online.

Calls for Service

In 2021, the Sidney Fire Department responded to 886 calls for service which includes structure fires, medical emergencies, motor vehicle accidents, and assists to the public. Even with the continued effect of the COVID-19 pandemic, our primary goal is still fire safety and fire prevention. The Fire Department continued to offer its smoke alarm program.

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 2021, fire inspectors made 253 visits to review the fire safety of local businesses and properties.

Staffing

In response to the pandemic, the Fire Department introduced 24/7 coverage through staffing with volunteers. Eliminating the need for all members to respond to all calls helped to minimize the risk of transmitting COVID-19. Having staff at the hall 24/7 has also helped to decrease the response time to calls.

Public Education Initiatives

Face-to-face fire safety presentation for the Neighbourhood Emergency Preparedness Program returned in 2021 in partnership with the Peninsula Emergency Measures Organization after being put on hold in 2020 due to the pandemic.

Training Initiatives

Due to the ongoing pandemic, training was divided into smaller in person session on Tuesdays, Thursdays and Saturdays - as well as virtually - to maintain the safety of both the career staff and the volunteers. Training accounted for 4,008 hours in 2021. In addition, there were 1,598 hours of training outside the weekly training schedule for a total of 5,606 hours.

The Training Division continued to provide new methods to ensure training was sustained throughout the year. In addition to in-house online training and face-to-face training, several members participated in online training through the Justice Institute of BC in courses such as varying levels of the Fire Officer program. Some members of the department took additional training courses that qualified them to administer COVID-19 vaccines. The Sidney Fire Department also led Blue Card Certification Labs for Sidney and other departments.

Three live-fire training sessions occurred in 2021 at the Otter Point training facility to maintain and enhance firefighting skills. The new recruits successfully completed their Interior and Full Service Firefighter training. Six members completed their initial First Responder Licensing and three members recertified this qualification.

Confined Space Rescue Team

In 2019, the Sidney Fire Department, along with North Saanich and Central Saanich Fire Departments, established a confined space rescue team. While training plans were temporarily suspended due to the pandemic, the three municipalities continued to communicate and plan for the team throughout 2021. Two members of the Sidney Fire Department joined the other municipalities in technical confined space training.

Emergency Planning for Senior Care Home Facilities

The Fire Department continues to work with the Assisted, Extended, and Nursing Home Working Group. In an effort to retain annual fire extinguisher training for staff from the senior care home working group, a presentation and video demonstration was delivered virtually to the senior care home staff. This initiative was also made available to staff from local businesses and industry.

Grants

In 2021, the Town of Sidney procured a UBCM Emergency Operation Centre grant that provided EOC technology and equipment for community preparedness and emergency centre training. Due to the ongoing pandemic, training did not happen due to limitations on class sizes and keeping safe.

The Town of Sidney was also successful in procuring a second UBCM Community Emergency Preparedness grant undertaken by the Town of Sidney staff and Smart Risk Consulting. The following work was completed through this grant, hazard mapping, neighbourhood zone mapping, and a Town of Sidney evacuation plan.



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 52 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

The Sidney/North Saanich Detachment is comprised of 32 police officers and nine civilian support staff. Uniform officers are divided into four watches providing a 24-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 are Monday to Friday from 8:30 am – 4:15 pm.

Strategic Policing Priorities

The detachment policing priorities are established through an analysis of crime statistics, consultation with community partners and in alignment with local, provincial, and national public safety initiatives.

Both Sidney and North Saanich enjoy a relatively low crime rate in comparison to many other communities in British Columbia. While decreases in property crime were experienced in 2021, fraud, disturbances, mental health, and by-law calls for service all increased.

In 2021 annual policing priorities for traffic safety, property crime reduction, policing presence and community engagement ,and enhanced services to Indigenous communities were implemented. Impaired driving and speed enforcement were specifically identified as community traffic safety issues and enforcement in these areas support the prevention of motor vehicle accidents and increased safety for pedestrians and cyclists. The focused efforts on traffic safety resulted in a significant increase in impaired driving enforcement in 2021. Investigations of both alcohol and drug impairment while driving will remain a policing priority in 2022 as a result of the trend local police are seeing.

The strategies engaged during 2021 to reduce shoplifting from local businesses has produced results. Fewer shoplifting offences have been reported and businesses routinely report and engage police to investigate and recommend theft charges.

Strategic Policing Priorities (continued)

In 2021, there was a significant increase in the number of fraud offences and marine thefts being reported. A media and public awareness campaign about fraud was launched to bring community attention to the issue and offer residents practical prevention steps. These efforts will continue in partnership with the Town of Sidney and District of North Saanich through 2022. The vast majority of these crimes are preventable and the public is encouraged not to respond to urgent requests for funds or to purchase gifts cards without confirming with a trusted family member, their bank, or local police service.

During the winter months of 2021 a pattern of dinghy and boat motor thefts emerged as occurring in local marinas but was associated to similar thefts occurring along the south coast of Vancouver Island. The owners of dinghys and boat motors are reminded to record the make and serial numbers but also use an identifiable marking that would assist in identification of their property if the serial number was removed. Police investigation of these thefts is ongoing and owner efforts to secure and mark their property assists police as they recover possible stolen property.

In 2021 a growing trend of graffiti and defacing property was seen in the core sector and parks in the community. Community members are encouraged to immediately report any incidents of vandalism and graffiti to police. Over the summer months of 2022 police foot patrols and bike patrols will be directed to include these locations in the community.

Community Policing & Volunteer Programs

The detachment is supported by dedicated volunteers who donate their time to help make Sidney a safe and desirable community to live and work. Programs which enhance policing services to our communities include Restorative Justice, Victim Services, Speed Watch, and the Block Watch program.

The Block Watch program continues to be expanded to include new neighbourhoods in Sidney and North Saanich. The Block Watch coordinator receives information and provides direction on the program. The coordinator forwards safety alerts, tips, recent crime incidents, and general location 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.

The detachment has recently 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. When a bike is stolen, the Project 529 system sends an alert providing a bike description to others with registered bikes. Sidney/North Saanich RCMP invite the owners of cyclists in our community to participate in this bike registration service. During 2022 local RCMP will be supporting bike registration Project 529 opportunities.

Our Community Policing officer participates in a school liaison program with our five local elementary, middle, and secondary schools. 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. This messaging to youth includes awareness regarding the safe use of social media and practices which prevent becoming victims of fraud or sexual predators.





**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 41) and the *Statement of Operations and Accumulated Surplus* (page 42). 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, 2021. 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 \$28,857,950, compared to \$32,881,081 in 2020. This decrease of \$4,023,131 is primarily attributable to two factors: at year-end 2020, we were holding an unusually large balance (\$2.6 million) of funds due to the Province for school taxes collected during 2020; this is typically paid prior to year-end, but due to COVID, the Province permitted a later payment, at the beginning of 2021, to assist local governments with cash flow. The remaining decrease in the cash balance relates to the release in 2021 of an unusually high level of deposits taken for several large development projects; several multi-family construction projects were completed during 2021. These reductions in the cash balance correspond with decreases in related liabilities, as discussed below.

Liabilities is the next section in the *Statement of Financial Position*; this represents cash and services owing by the Town to third parties. The decreases in Accounts Payable and Deferred Revenue are directly linked to the factors described above under Financial Assets (the Provincial school tax remittance and refund of deposits held for development projects).

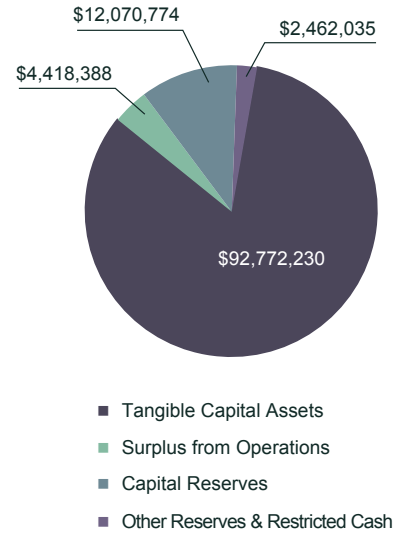
The Town's largest liability is its debt, totaling \$10.4 million, which was entirely issued through the Municipal Finance Authority. It is important to note that any debt held by the Town must be for capital purposes, and not to fund operating deficits. The total debt balance decreased by about \$141,000 during the year, due to principal repayments, partially offset by a new equipment financing loan. The average interest rate of current outstanding debt is 2.40%, with rates of individual debt issues ranging from 1.28% to 3.40%.

Next on the *Statement of Financial Position* is Net Financial Assets, which is the difference between the Town's financial assets and its liabilities. A Net Financial Asset position indicates that we have more financial assets than future obligations, which presents a favourable indication of the Town's ability to satisfy its liabilities and future spending. The Town increased its position by \$466,224 over 2020. While the Town has a Net Asset position, it is not uncommon for local governments to have a Net Debt position, where liabilities exceed financial assets; this occurs when local governments 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; 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 2021 year ending TCA balance was \$103.2 million, an increase of \$1.1 million over 2020. This resulted from net investments in TCA of \$4.1 million, less \$3 million of amortization.

The “bottom line” on the Statement of Financial Position is the Accumulated Surplus, which is the total of Net Financial Assets 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 \$111,723,427 is broken down into various components in Note 6 (page 52) 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 since the Accumulated Surplus 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 operating results by comparing revenues and expenses for the 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 \$24,920,671 were less than the previous year, as anticipated, due to an extraordinary transaction (receipt of a one-time Safe Restart Grant) that occurred in 2020.

The 2021 *Statement of Operations and Accumulated Surplus* indicates an Annual Surplus of \$1,621,870, which is broken down into the following components:

Net investment in Capital Assets	\$ 1,265,944
Net increase in Reserves & Restricted Cash	195,771
Net increase in Surplus from Operations	160,155
Annual Surplus	\$ 1,621,870

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 necessary 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, repay debt, or set aside for future use.

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 nearly \$2.9 million higher than what was expected (actual surplus of \$1,621,870 versus budgeted *deficit* of \$1,265,125). This difference is made up of several factors: the Town received an additional \$546,000 in government transfers above what was expected; under Gifts and contributions, \$586,000 was received in contributed capital assets, and \$441,000 in amenity and other contributions through development (neither of which is typically included in the budget); expenses were \$1.1 million under budget.

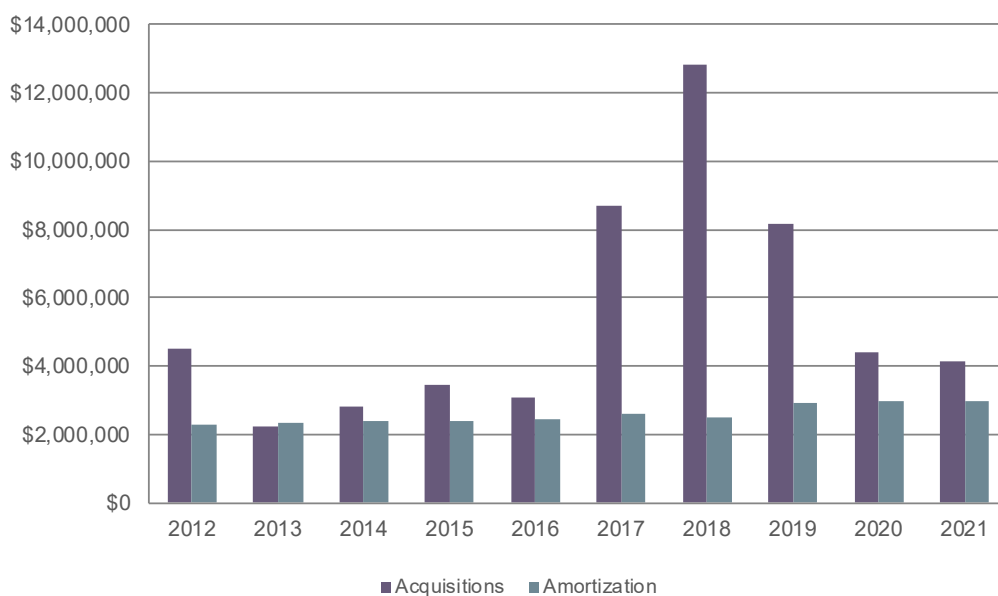
Net Investment in Capital Assets

A large contributing factor to the Annual Surplus is an increase of \$1,265,944 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 2021 *net investment in capital assets* is made up of \$4,122,093 in net acquisitions, reduced by \$2,993,238 in amortization; this was accompanied by a net reduction in long-term debt of \$140,538. The most significant capital additions during the year were through Town infrastructure projects totaling \$2.2 million.

The chart below shows the Town's TCA additions and amortization over the past 10 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 Town's 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 Reserves

In the breakdown of the Annual Surplus above, another contributing factor is the net increase of \$195,771 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.

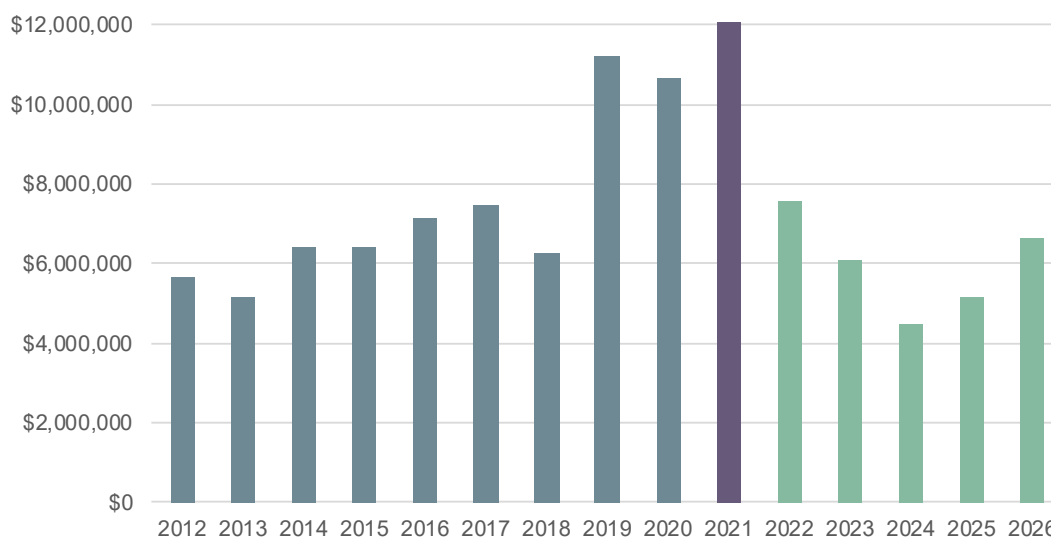
Statutory Reserves had a net increase of \$1,409,605 during 2021; transfers into the Reserves equaled \$4.0 million, while transfers out to fund capital projects equaled \$2.6 million. Budgeted transfers to reserve totaled \$3.2 million. This was supplemented through the receipt of additional Gas Tax grant revenue, and development contributions. The level of funding drawn from the reserves fluctuates from year to year, depending on the Town’s capital program for each year. The reserve balances are therefore cyclical, with the Town’s capital renewal patterns having a significant impact.

The Town’s total Statutory Reserves at year end amounted to \$12,070,774. Of this total, 27% is made up of reserves to replace Town vehicles, equipment and the ferry terminal, while a further 25% 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 17% of the total Statutory Reserve balance represents Federal Gas Tax funds (officially called Canada Community-Building Fund) being held for future eligible use.

The second subset of reserves is labeled “Capital & Operating Appropriations”. While less formal, these funds are also usually earmarked for specific purposes, and made up of funds carried forward for completion of specific projects or initiatives. The decrease of \$1.2 million in these funds is mostly related to the use of the COVID-19 Safe Restart Grant (a large portion was set aside at the end of 2020) to maintain a 2020 tax reduction and fund COVID recovery initiatives.

The chart below shows the Town’s total Statutory Reserve balances over the last ten 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 for the next three years and then an increasing reserve balance for the following two years. This is due to the projected use of accumulated Gas Tax funds, but also an ambitious replacement timeline for the Town’s infrastructure over the next couple of years; this latter plan will be reviewed carefully over the next several years – as part of a formal asset management plan – 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.

Decrease in Restricted Cash

This small balance (decrease of \$9,623) 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 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 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 from Operations in a given year represents the true increase in the Town's "disposable income" for future spending. The table below shows the breakdown of the most current year's net increase in Surplus from Operations:

General Operating Fund	\$ 23,426
Garbage Utility	(8,655)
Water Utility	217,222
Sewer Utility	(66,395)
<hr/> Total Surplus from Operations	<hr/> 165,598
Use of Surplus for Sewer Capital funding	(5,443)
<hr/> Net Increase in Accumulated Surplus from Operations	<hr/> \$ 160,155

2021 operations realized a net increase in Accumulated Surplus from Operations of \$160,155. General Operating realized an operating surplus of \$23,426. The 2021 budget was originally balanced with \$500,000 of surplus funding. Not only was this funding not required to fund operation, but a small surplus was realized through operational savings. The primary source of savings was from the RCMP policing contract, which was approximately \$300,000 under budget due to staffing shortages.

The Garbage Utility, which operates on a cost recovery basis, realized a deficit from Operations of \$8,655, which was slightly better than anticipated. The level of accumulated surplus in this utility will ensure garbage collection rates for residents and businesses remain unchanged for the duration of the 5-year garbage collection contract.

In early 2021, Council approved a new rate structure for the Water Utility that better reflects the fixed and operating costs of the Utility; as such, large annual fluctuations from budget were no longer anticipated to occur. The new structure also provides a more equitable distribution of costs and ensures the financial stability of the Water Utility; full annual cost recovery should now result. The first year under this structure proved to be successful in achieving these goals, and the Utility realized an operating surplus of \$217,222.

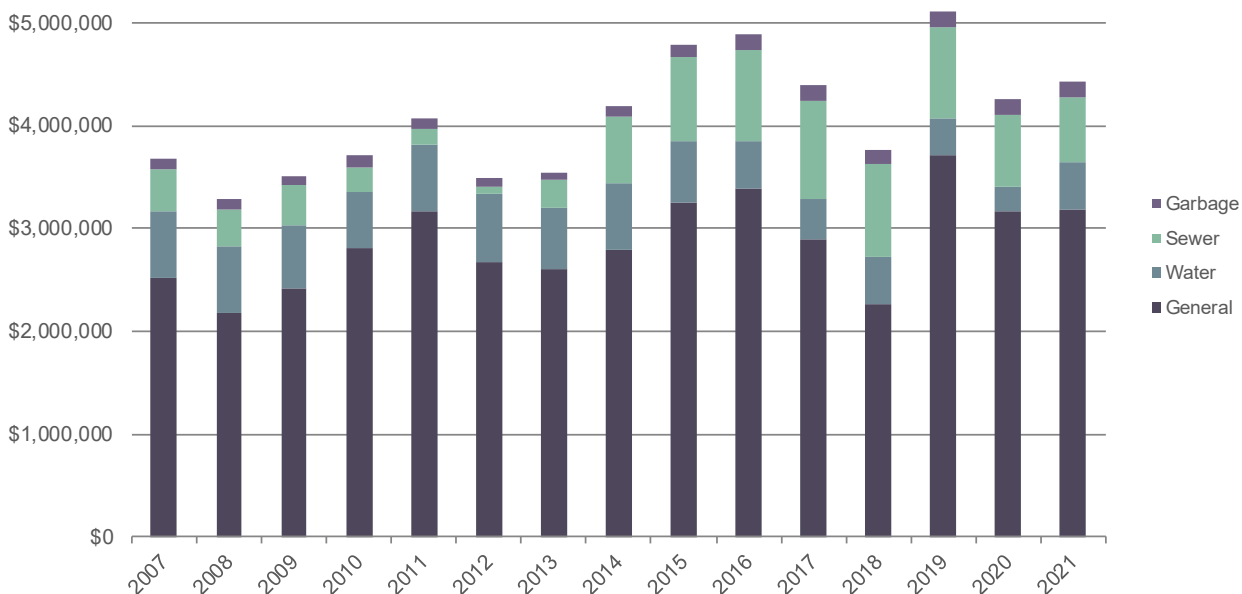
The Sewer Utility realized a deficit of \$66,395, which was less than the budgeted deficit (use of surplus) of \$200,000. The less than budgeted deficit resulted from \$100,000 in additional revenue, combined with \$36,000 in operational savings. A review of the Sewer Utility rate structure will likely occur in 2022 or 2023 to ensure this Utility is also sustainable going forward.

The Town has a policy to determine the adequate level of Accumulated Surpluses from Operations. The adequate levels are calculated as percentages of the previous year's revenues. 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 operational areas. When the 2021 net increase in Surplus from Operations is combined with surpluses from prior years, the year ending Accumulated Surplus from Operations balance increases to \$4,418,388, 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 13) 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.

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 2021 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 recent borrowing for the Community Safety Building, and will continue to do so going forward. This will allow flexibility in providing future services. The overall balance of reserves increased in 2021, but the longer-term outlook requires careful planning to ensure services and infrastructure renewal remain financially sustainable.

Director of Corporate Services
June 1, 2022

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 is included 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.

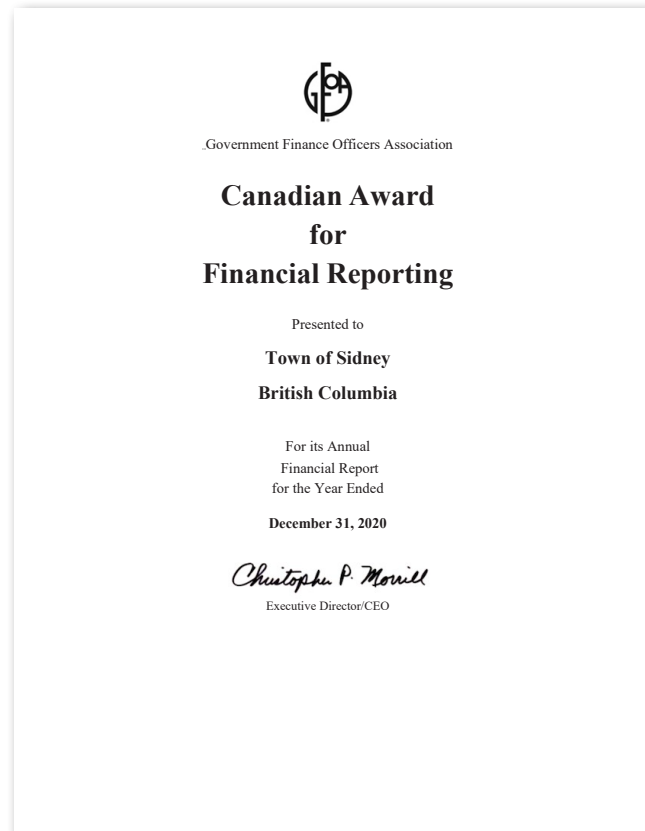
The Town's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely 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
June 1, 2022





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, 2021
- 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, 2021, 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, an Ontario limited liability partnership and member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. 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 the 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 the 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 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
April 25, 2022

STATEMENT OF FINANCIAL POSITION

Year ended December 31, 2021 with comparative figures for 2020

	2021	2020
Financial assets:		
Cash	\$ 15,653,175	\$ 20,553,605
Investments	10,519,475	9,500,000
Property taxes receivable	379,777	445,856
Accounts receivable	2,174,050	2,240,523
MFA Debt Reserve Fund cash	131,473	141,097
	<u>28,857,950</u>	<u>32,881,081</u>
Liabilities:		
Accounts payable and accrued liabilities	3,314,338	5,484,967
Deferred revenue and deposits (note 2)	6,018,422	8,271,511
Employee future benefit liability (note 3)	1,022,800	947,900
Debt (note 4)	10,407,608	10,548,145
	<u>20,763,168</u>	<u>25,252,523</u>
Net financial assets	8,094,782	7,628,558
Non-financial assets:		
Tangible capital assets (note 5)	103,179,838	102,054,431
Inventory of supplies	317,320	221,731
Prepaid expenses	131,487	196,837
	<u>103,628,645</u>	<u>102,472,999</u>
Accumulated surplus (note 6)	<u>\$ 111,723,427</u>	<u>\$ 110,101,557</u>

Contractual rights (note 12)

Commitments and contingent liabilities (note 13)

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



Director of Corporate Services
June 1, 2022

STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

Year ended December 31, 2021 with comparative figures for 2020

	<i>Budget</i>	Actual	Actual
	2021	2021	2020
	<i>(note 10)</i>		
Revenue:			
Net taxes available for municipal purposes (note 7)	\$ 14,329,778	\$ 14,322,161	\$ 13,790,704
Fees, rates and service charges	6,799,027	6,845,194	6,671,431
Government transfers (note 8)	1,732,303	2,306,440	4,654,693
Investment earnings	200,000	209,787	292,571
Gifts and contributions	8,908	1,048,971	1,409,740
Penalties and interest	106,725	110,804	65,970
Actuarial adjustment on debt	-	67,103	62,727
Other	8,000	10,211	25,322
Total revenue	23,184,741	24,920,671	26,973,158
Expenses:			
General government	2,791,162	2,616,403	2,486,146
Protective services	6,472,583	6,180,808	6,311,467
Transportation	4,574,678	3,992,286	4,298,791
Environmental health services	925,428	857,307	770,050
Environmental development	709,700	631,048	570,821
Leisure, parks and cultural	3,162,108	3,367,175	3,179,621
Water utility	2,319,352	2,302,248	2,189,187
Sewer utility	2,425,840	2,357,977	2,209,428
Other (note 9)	1,069,015	993,549	1,008,118
Total expenses	24,449,866	23,298,801	23,023,629
Annual (deficit) / surplus	(1,265,125)	1,621,870	3,949,529
Accumulated surplus, beginning of year	110,101,557	110,101,557	106,152,028
Accumulated surplus, end of year	\$ 108,836,432	\$ 111,723,427	\$ 110,101,557

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

STATEMENT OF CHANGES IN NET FINANCIAL ASSETS (NET DEBT)

Year ended December 31, 2021 with comparative figures for 2020

	<i>Budget</i>	Actual	Actual
	<i>2021</i>	2021	2020
	<i>(note 10)</i>		
Annual (deficit) / surplus	\$ (1,265,125)	\$ 1,621,870	\$ 3,949,529
Acquisition of tangible capital assets	(10,024,020)	(4,122,093)	(4,401,164)
Amortization of tangible capital assets	3,050,000	2,993,238	2,995,929
Loss on disposal of tangible capital assets	-	2,848	42,580
Proceeds on disposal of tangible capital assets	-	600	48,784
	(8,239,145)	496,463	2,635,658
Acquisition of inventory of supplies	-	(317,320)	(221,731)
Acquisition of prepaid expense	-	(131,487)	(196,837)
Consumption of inventory of supplies	-	221,731	162,615
Use of prepaid expenses	-	196,837	85,260
Change in net financial assets	(8,239,145)	466,224	2,464,965
Net financial assets, beginning of year	7,628,558	7,628,558	5,163,593
(Net debt) / Net financial assets , end of year	\$ (610,587)	\$ 8,094,782	\$ 7,628,558

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

STATEMENT OF CASH FLOWS

Year ended December 31, 2021 with comparative figures for 2020

	2021	2020
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 1,621,870	\$ 3,949,529
Items not involving cash:		
Amortization	2,993,238	2,995,929
Loss on disposal of tangible capital assets	2,848	42,580
Developer contribution of tangible capital assets	(586,526)	(29,246)
Change in employee future benefit liability	74,900	106,800
Actuarial adjustment on debt	(67,103)	(62,727)
Changes in non-cash assets and liabilities:		
Property taxes receivable	66,079	(133,637)
Accounts receivable	66,473	274,145
Accounts payable and accrued liabilities	(2,170,629)	3,526,209
Deferred revenue	(2,253,089)	2,679,546
Inventory of supplies	(95,589)	(59,116)
Prepaid expenses	65,350	(111,577)
Net change in cash from operating activities	(282,178)	13,178,435
Capital activities:		
Proceeds on disposal of tangible capital assets	600	48,784
Cash used to acquire tangible capital assets	(3,535,567)	(4,371,917)
Net change in cash from capital activities	(3,534,967)	(4,323,133)
Investment activities:		
Investments	(1,019,475)	(444,003)
Net change in cash from investing activities	(1,019,475)	(444,003)
Financing activities		
Municipal Finance Authority debt reserve adjustment	9,624	(32,668)
Debt issued and assumed	265,000	3,043,437
Long-term debt repaid	(338,434)	(4,739,515)
Net change in cash from financing activities	(63,810)	(1,728,746)
Net change in cash and cash equivalents	(4,900,430)	6,682,553
Cash and cash equivalents, beginning of year	20,553,605	13,871,052
Cash and cash equivalents, end of year	\$ 15,653,175	\$ 20,553,605
Cash paid for interest	\$ 307,199	\$ 328,937
Cash received from interest	320,591	358,541

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

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2021

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, 2021

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, 2021

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) Measurement uncertainty:

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. 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, 2020	Recognized as revenue or refunded	Interest earned	Current year deferred	Balance at Dec 31, 2021
Prepaid property taxes	\$ 1,595,097	\$ (1,595,097)	\$ -	\$ 1,676,795	\$ 1,676,795
Prepaid fees and charges	947,409	(903,621)	-	408,151	451,939
Deferred developer contributions & deposits	3,637,867	(1,337,392)	1,600	297,460	2,599,535
Deposits on hold	2,091,138	(1,083,593)	-	282,608	1,290,153
	\$ 8,271,511	\$ (4,919,703)	\$ 1,600	\$ 2,665,014	\$ 6,018,422

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2021

3. Employee future benefit liability:

Sick leave and retirement benefits are available to Town employees that will require funding in future periods. The amounts recorded for these benefits are actuarially determined based on years of service and best estimates of retirement ages and expected future salary and wage increases. The obligations are accrued based on projected benefits as the employees render services necessary to earn the future benefits.

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

	2021	2020
Accrued employee benefit obligations:		
Balance, beginning of year	\$ 901,000	\$ 800,700
Current service cost	100,500	90,200
Interest cost	19,300	22,300
Benefits paid	(45,000)	(17,200)
Actuarial adjustment	(71,600)	5,000
Balance, end of year	904,200	901,000
Unamortized net actuarial gain (loss)	118,600	46,900
Accrued employee benefit liability	\$ 1,022,800	\$ 947,900

Any actuarial gain or loss is amortized over a period equal to the employees' average remaining service lifetime, estimated to be 11 years (2020 - 11 years).

The liabilities are based on an actuarial valuation of the Town's employee future benefits completed as at October 1, 2019 and extrapolated to December 31, 2021.

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

	2021	2020
Discount rates	2.50%	2.00%
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 \$119,000 (2020 - \$124,000).

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2021

3. Employee future benefit liability (continued):

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 assets and administration of benefits. The Plan is a multi-employer, defined benefit pension plan. Basic pension benefits provided are based on a formula. As at December 31, 2020, the Plan had about 220,000 active members and approximately 112,000 retired members. Active members include approximately 42,000 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.

The most recent actuarial valuation for the Municipal Pension Plan, 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, resulting in no consistent and reliable basis for allocating the obligation, assets and costs to the individual employers participating in the Plan.

The Town paid \$675,860 for employer contributions (2020 - \$629,925) and Town employees paid \$581,386 for employee contributions (2020 - \$543,949) to the plan in fiscal 2021.

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, 2020. At December 31, 2020, the total plan provision for approved and unreported claims was \$21,661,600 with a net surplus of \$4,450,361. The actuary does not attribute any portions of the net surplus to individual employers.

The Town paid \$78,682 for employer contributions (2020 - \$73,080) and Town employees paid \$78,353 for employee contributions (2019 - \$73,067) to the plan in 2021.

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 actuarial allocations under the repayment structure are reflected as a reduction of the related long-term debt.

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2021

4. Debt (continued):

(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 2021	Net debt 2020
Short-Term and Other debt	\$ 272,413	\$ -	\$ 272,413	\$ 37,776
Long-Term Debt	12,350,000	2,214,805	10,135,195	10,510,369
	\$ 12,622,413	\$ 2,214,805	\$ 10,407,608	\$ 10,548,145

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, 2021 there were contingent demand notes of \$187,311 (2020 - \$215,833) and cash deposits of \$131,473 (2020 - \$141,097). 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.

(c) Principal repayments for current long-term debt are estimated as follows over the next five years and thereafter:

2022	\$ 272,601
2023	268,606
2024	268,606
2025	268,606
2026	268,606
2027-2050	8,788,170
	\$ 10,135,195

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

(e) Total interest paid on debt during the year was \$307,199 (2020 - \$328,937).

(f) Existing long-term debt matures in annual amounts to the year 2050, and interest rates range from 1.28% to 3.40%. The weighted average interest rate for 2021 was 2.40% (2020 - 2.53%).

(g) Included in other debt are Equipment Financing Loan Agreements with the Municipal Finance Authority totaling \$272,413 (2020 - \$37,776) to finance the purchase of a tangible capital asset.

The loans are repaid in monthly payments of \$5,279 with maturity dates in 2025 and 2026. The loans are 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 0.90 % per annum. Interest paid during the year was \$1,531 (2020 - \$422) 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 \$308,437 to the MFA.

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2021

5. Tangible capital assets:

Cost	Balance at Dec 31, 2020	Additions	Disposals / Transfers	Balance at Dec 31, 2021
Land	\$ 14,291,854	\$ -	\$ -	\$ 14,291,854
Land improvements	16,220,914	141,715	269,744	16,632,373
Building and building improvements	30,060,933	108,653	1,169	30,170,755
Vehicles, machinery and equipment	11,944,195	613,032	(662,648)	11,894,579
Water and wastewater infrastructure	44,997,088	402,857	317,734	45,717,679
Roads infrastructure	31,956,714	569,174	116,928	32,642,816
Assets under construction	1,791,019	2,286,662	(822,701)	3,254,980
Total	\$ 151,262,717	\$ 4,122,093	\$ (779,774)	\$ 154,605,036

Accumulated Amortization	Balance at Dec 31, 2020	Amortization Expense	Disposals	Balance at Dec 31, 2021
Land	\$ -	\$ -	\$ -	\$ -
Land improvements	6,236,591	439,657	-	6,676,248
Building and building improvements	7,927,857	718,037	-	8,645,894
Vehicles, machinery and equipment	6,419,445	621,701	(662,648)	6,378,498
Water and wastewater infrastructure	17,202,356	634,519	-	17,836,875
Roads infrastructure	11,422,037	579,324	(113,678)	11,887,683
Assets under construction	-	-	-	-
Total	\$ 49,208,286	\$ 2,993,238	\$ (776,326)	\$ 51,425,198

Net Book Value	Balance at Dec 31, 2020	Balance at Dec 31, 2021
Land	\$ 14,291,854	\$ 14,291,854
Land improvements	9,984,323	9,956,125
Building and building improvements	22,133,076	21,524,861
Vehicles, machinery and equipment	5,524,750	5,516,081
Water and wastewater infrastructure	27,794,732	27,880,804
Roads infrastructure	20,534,677	20,755,133
Assets under construction	1,791,019	3,254,980
Total	\$ 102,054,431	\$ 103,179,838

(a) Assets under construction

Assets under construction in the amount of \$3,254,980 (2020 - \$1,791,019) have not been amortized. Amortization of these assets will commence when the assets are available for service.

(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 \$586,526 (2020 - \$29,246).

(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.

(d) Write-downs

The Town did not write-down any tangible capital asset values during 2021 or 2020.

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2021

6. Accumulated surplus:

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

	2021	2020
Surplus:		
Invested in tangible capital assets	\$ 92,772,231	\$ 91,506,286
Surplus from operations	4,418,387	4,258,233
Total surplus	97,190,618	95,764,519
Reserves set aside by Council:		
Miscellaneous operating purposes	1,728,984	2,777,352
Miscellaneous capital purposes	601,578	757,422
Total reserves	2,330,562	3,534,774
Reserves funds set aside for specific purposes by Council:		
Land sale proceeds	634,912	1,060,663
Parkland acquisition	223,344	221,344
Off-street parking	854,725	886,525
Computer replacement	493,599	420,805
General equipment replacement	1,166,610	1,004,356
Fire equipment replacement	613,853	449,753
Water capital	186,127	187,055
Sewer capital	25,416	25,216
Infrastructure replacement	3,035,180	2,465,155
Water rates stabilization	-	66,667
Amenities	1,627,757	1,320,279
Ferry terminal	982,940	975,618
Agreements	199,227	185,143
Gas Tax - Community Works Fund	2,027,084	1,392,588
Total reserve funds	12,070,774	10,661,167
MFA Debt Reserve Fund cash	131,473	141,097
	\$ 111,723,427	\$ 110,101,557

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 future eligible expenditures under the Agreement.

	2021	2020
Federal gas tax agreement funds		
Gas tax agreement funds, beginning of year	\$ 1,392,588	\$ 1,088,964
Amounts received during the year	1,118,244	546,656
Interest earned restricted for projects	12,800	13,100
Expenditures	(496,548)	(256,132)
Gas tax agreements funds, end of year	\$ 2,027,084	\$ 1,392,588

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2021

7. Net taxes available for municipal purposes:

	2021	2020
Taxes:		
Property taxes	\$ 25,852,942	\$ 23,938,373
Revenue in lieu of taxes	292,583	276,154
Other	1,025,600	956,280
	27,171,125	25,170,807
Less taxes on behalf of:		
Provincial Government School Authorities	7,296,566	5,794,650
Capital Regional District	2,729,302	2,675,642
Capital Regional Hospital District	1,000,391	1,066,493
BC Transit	1,267,100	1,294,928
BC Assessment Authority	233,638	235,083
Municipal Finance Authority	1,107	1,093
Business Improvement Area	320,860	312,214
	12,848,964	11,380,103
Net taxes available for municipal purposes	\$ 14,322,161	\$ 13,790,704

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:

	2021	2020
Federal grants:		
Gas Tax - Community Works Funding	\$ 1,118,244	\$ 546,656
Provincial grants:		
COVID-19 Restart Grant	-	2,758,000
COVID-19 Emergency Operations Center	4,663	326,343
Federal / provincial capital grant programs	24,430	50,989
Small community protection grant	318,000	331,056
Traffic fine revenue sharing	106,769	112,620
Other provincial grants	161,186	12,234
	615,048	3,591,242
Regional and other local governments:		
Policing	428,660	459,146
Recreation	93,107	57,649
Other	51,381	-
	573,148	516,795
Total government transfer revenue	\$ 2,306,440	\$ 4,654,693

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2021

9. Other expenses:

	2021	2020
Grants to non-government organizations:		
Sidney and North Saanich Memorial Park Society	\$ 351,904	\$ 359,860
Shaw Centre for the Salish Sea	205,000	205,000
Sidney Business Improvement Area Society	167,140	102,208
ArtSea Community Arts Council	44,800	28,000
South Island Prosperity Project	26,129	26,722
Peninsula Celebrations Society	-	12,000
Other	70,261	35,309
	865,234	769,099
Interest on prepaid taxes	-	6,722
Amortization and net loss on miscellaneous assets	13,309	112,362
Other	115,006	119,935
	\$ 993,549	\$ 1,008,118

10. Budget data:

The budget data presented in these financial statements is based upon the 2021-2025 Financial Plan adopted by Council on April 12, 2021. The table below reconciles the approved budget to the budget figures reported in these financial statements.

	Budget Amount
Revenues:	
Financial Plan	\$ 22,683,267
Add:	
Vancouver Island Regional Library Levy	822,334
Sidney Business Improvement Area Levy	(320,860)
Total revenue	23,184,741
Expenses:	
Financial Plan	23,948,392
Add:	
Vancouver Island Regional Library Levy	822,334
Less:	
Sidney Business Improvement Area Levy	(320,860)
Total expenses	24,449,866
Annual surplus	\$ (1,265,125)

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2021

11. 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 by 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 & Port Facilities captures maintenance of the Town's waterfront 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, as well as any programs, services or projects having an environmental focus.

(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 the Building Inspection function.

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2021

11. 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 Sidney Museum and Archives 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, 2021

11. Segmented information (continued):

	General Government	Protective Services	Transportation	Environmental Health Services	Environmental Development Services	Leisure, Parks and Cultural	Water Utility	Sewer Utility	Other	2021
Revenue:										
Taxes for municipal purposes	\$ 1,993,939	\$ 4,138,120	\$ 2,115,720	\$ 261,211	\$ 527,675	\$ 2,606,784	\$ 461,400	\$ 564,200	\$ 1,653,112	\$ 14,322,161
Fees, rates and service charges	445,494	603,654	810,656	585,524	33,130	153,436	2,118,849	1,915,314	179,137	6,845,194
Government transfers	-	623,028	31,540	-	8,825	100,034	-	-	1,543,013	2,306,440
Investment earnings	-	-	-	-	-	-	-	-	209,787	209,787
Gifts and contributions	-	-	464,095	-	-	32,367	58,180	53,190	441,139	1,048,971
Penalties and interest	-	-	-	1,917	-	-	6,133	6,570	96,184	110,804
Actuarial adjustment on debt	-	-	-	-	-	-	-	-	67,103	67,103
Other	-	-	-	-	-	-	-	-	10,211	10,211
Total revenue	2,439,433	5,364,802	3,422,011	848,652	569,630	2,892,621	2,644,562	2,539,274	4,199,686	24,920,671
Expenses:										
Salaries, wages and benefits	1,722,066	2,700,298	1,459,745	193,333	491,520	1,191,478	306,172	259,847	5,675	8,330,134
Contracted services	634,366	2,381,599	504,374	613,344	137,505	1,218,541	45,957	1,762,864	738,171	8,036,721
Supplies and equipment	61,900	186,776	547,154	41,879	2,023	356,528	1,718,157	172,222	-	3,086,639
Debt interest	-	206,795	47,287	-	-	31,114	-	-	-	285,196
Other	25,344	83,548	97,878	8,751	-	105,136	52	5,442	240,722	566,873
Amortization	172,727	621,792	1,335,848	-	-	464,378	231,910	157,602	8,981	2,993,238
Total expenses	2,616,403	6,180,808	3,992,286	857,307	631,048	3,367,175	2,302,248	2,357,977	993,549	23,298,801
Annual surplus (deficit)	\$ (176,970)	\$ (816,006)	\$ (570,275)	\$ (8,655)	\$ (61,418)	\$ (474,554)	\$ 342,314	\$ 181,297	\$ 3,206,137	\$ 1,621,870

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2021

11. Segmented information (continued):

	General Government	Protective Services	Transportation	Environmental Health Services	Environmental Development Services	Leisure, Parks and Cultural	Water Utility	Sewer Utility	Other	2020
Revenue:										
Taxes for municipal purposes	\$ 1,874,168	\$ 4,191,104	\$ 1,818,859	\$ 179,889	\$ 555,361	\$ 2,365,703	\$ 395,850	\$ 560,430	\$ 1,849,340	\$ 13,790,704
Fees, rates and service charges	475,615	837,766	1,000,659	584,089	11,459	128,701	1,776,536	1,677,974	178,632	6,671,431
Government transfers	-	850,710	200	-	4,000	51,449	-	-	3,748,334	4,654,693
Investment earnings	-	-	-	-	-	-	-	-	292,571	292,571
Gifts and contributions	-	-	130,724	-	-	16,214	-	-	1,262,802	1,409,740
Penalties and interest	-	-	-	1,102	-	-	3,114	3,232	58,522	65,970
Actuarial adjustment on debt	-	-	-	-	-	-	-	-	62,727	62,727
Other	-	-	-	-	-	-	-	-	25,322	25,322
Total revenue	2,349,783	5,879,580	2,950,442	765,080	570,820	2,562,067	2,175,500	2,241,636	7,478,250	26,973,158
Expenses:										
Salaries, wages and benefits	1,596,665	2,442,260	1,264,397	129,401	489,696	1,051,567	280,583	277,722	5,138	7,537,429
Contracted services	612,383	2,619,033	534,817	598,023	80,349	1,201,646	43,291	1,510,976	736,131	7,936,649
Supplies and equipment	71,494	324,061	435,963	42,626	776	277,404	1,631,721	187,163	-	2,971,208
Debt interest	32	220,234	51,549	-	-	57,122	-	-	17,967	346,904
Other	5,607	97,201	662,832	-	-	145,614	5,629	78,726	239,902	1,235,511
Amortization	199,965	608,679	1,349,233	-	-	446,268	227,963	154,841	8,980	2,995,929
Total expenses	2,486,146	6,311,467	4,298,791	770,050	570,821	3,179,621	2,189,187	2,209,428	1,008,118	23,023,629
Annual surplus (deficit)	\$ (136,363)	\$ (431,887)	\$ (1,348,349)	\$ (4,970)	\$ (1)	\$ (617,554)	\$ (13,687)	\$ 32,208	\$ 6,470,132	\$ 3,949,529

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2021

12. 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:

2022	\$	579,988
2023		579,822
2024		583,438
	\$	1,743,248

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.

13. 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, 2021

13. 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 December 31, 2021. 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 2021 payment was \$58,652 and the 2022 payment will be \$60,932; 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.

CANADA-BC SAFE RESTART GRANT SCHEDULE

Year ended December 31, 2021
(Unaudited)

On November 19, 2020, the Town received a Canada-BC Safe Restart Grant through the BC Government to help address the fiscal impacts of COVID-19. The grant was recognized as revenue when received and transferred to an operating reserve to fund future eligible expenditures.

	2021	2020
COVID-19 Safe Restart Grant, beginning of year	\$ 2,108,000	\$ -
COVID-19 Safe Restart Grant received	-	2,758,000
Eligible costs incurred:		
Revenue shortfalls	\$ (735,000)	\$ (550,000)
Protective services	(68,000)	(50,000)
Engineering and public works	(23,559)	(50,000)
Community support	(89,100)	-
COVID-19 Safe Restart Grant, end of year	\$ 1,192,341	\$ 2,108,000



A photograph of a forest stream. The water flows over dark, mossy rocks. Large tree roots are visible in the foreground and middle ground, extending into the water. The background shows a dense forest with sunlight filtering through the trees. A dark red banner is overlaid on the top right of the image, containing the text "STATISTICAL INFORMATION" in white, bold, serif font.

**STATISTICAL
INFORMATION**

TAXABLE ASSESSMENT OF LAND & IMPROVEMENTS

(in thousands)

	2021	2020	2019	2018	2017
Residential	\$ 4,024,970	\$ 3,946,941	\$ 3,874,967	\$ 3,421,344	\$ 2,827,820
Utilities	1,705	10,845	1,558	1,419	1,290
Light Industrial	66,826	63,620	54,727	50,068	39,716
Business / Other	482,939	621,550	465,196	436,029	405,436
Recreation / Non-profit	40,207	99,019	38,528	34,897	34,075
Farm	110	110	115	115	116
	\$ 4,616,757	\$ 4,742,085	\$ 4,435,092	\$ 3,943,872	\$ 3,308,453

Source: BC Assessment Revised Roll

NEW CONSTRUCTION

	2021	2020	2019	2018	2017
Residential *					
# of Permits	66	56	67	72	110
Permit Value	\$ 25,119,352	\$ 72,080,130	\$ 47,755,099	\$ 35,923,507	\$ 32,680,496
Net # of Units Added	83	222	186	88	114
Commercial *					
# of Permits	22	14	18	20	23
Permit Value	\$ 8,412,205	\$ 1,418,115	\$ 2,145,700	\$ 3,780,500	\$ 1,747,275
Total					
# of Permits	88	70	85	92	133
Permit Value	\$ 33,531,557	\$ 73,498,245	\$ 49,900,799	\$ 39,704,007	\$ 34,427,771
Taxes Generated from New Growth ^	\$ 146,000	\$ 100,632	\$ 161,823	\$ 110,243	\$ 135,125

* Residential construction includes new construction, additions and alterations. Commercial construction includes new construction and tenant improvements. Values reflect permits issued during the year.

^ 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

	2021	2020	2019	2018	2017
Municipal (per '000 of assessment)					
Residential	2.217	2.180	2.188	2.327	2.708
Utilities	13.999	13.336	15.891	16.569	17.693
Light Industrial	5.600	5.334	6.356	6.627	7.077
Business / Other	5.600	5.334	6.356	6.627	7.077
Recreation / Non-profit	3.984	3.760	3.975	4.222	4.222
Farm	4.571	4.451	4.451	4.222	4.122
Total - including School, Regional, Transit, etc (per '000 of assessment)					
Residential	4.490	4.518	4.412	4.665	5.321
Utilities	33.022	32.513	35.650	36.825	38.422
Light Industrial	12.794	9.756	13.582	14.479	15.880
Business / Other	12.622	9.620	13.382	14.261	15.634
Recreation / Non-profit	7.879	6.092	7.798	8.364	8.605
Farm	13.217	13.254	13.203	12.863	12.677
Municipal Property Tax Billings by Class					
Residential	\$ 8,923,640	\$ 8,561,184	\$ 8,478,699	\$ 7,960,680	\$ 7,659,092
Utilities	23,866	22,734	24,765	23,511	22,815
Light Industrial	374,200	338,523	347,866	331,821	281,072
Business / Other	2,704,272	2,651,057	2,956,983	2,889,761	2,869,327
Recreation / Non-profit	160,190	156,095	153,140	147,349	143,853
Farm	501	488	513	487	478
	\$ 12,186,669	\$ 11,730,081	\$ 11,961,965	\$ 11,353,608	\$ 10,976,638

Source: Town of Sidney Finance Department

PROPERTY TAX LEVIED AND COLLECTED

	2021	2020	2019	2018	2017
Municipal	\$ 12,186,669	\$ 11,730,081	\$ 11,961,965	\$ 11,353,608	\$ 10,976,638
Parcel Taxes	1,024,370	955,500	948,935	866,460	861,900
School	7,318,355	5,805,993	6,810,452	6,473,186	6,171,860
Regional District	2,731,932	2,676,782	2,520,356	2,446,114	2,337,917
BC Transit	1,271,967	1,296,553	1,179,735	1,063,056	1,064,652
Hospital District	1,001,260	1,066,984	1,112,769	1,079,852	1,042,604
Regional Library	824,402	830,450	787,672	754,764	703,345
BC Assessment	234,211	235,273	212,727	203,754	189,681
Municipal Finance Authority	1,110	1,094	1,060	951	808
Business Improvement Area Society	320,861	313,033	305,399	297,950	275,952
Total Tax Levied	\$ 26,915,137	\$ 24,911,743	\$ 25,841,070	\$ 24,539,694	\$ 23,625,357
Total Current Taxes Levied	\$ 26,915,137	\$ 24,911,743	\$ 25,841,070	\$ 24,539,694	\$ 23,625,357
Current Taxes Collected	26,657,517	24,628,480	25,616,691	24,276,229	23,313,232
Percentage	99.04%	98.86%	99.13%	98.93%	98.68%
Arrears Taxes Outstanding, Beginning of Year	397,860	333,265	383,537	441,430	436,713
Arrears Taxes Collected	302,978	230,672	324,821	317,113	335,728
Percentage	76.15%	69.22%	84.69%	71.84%	76.88%
Total Tax Collections*	\$ 26,960,495	\$ 24,859,152	\$ 25,941,513	\$ 24,593,342	\$ 23,648,959

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

Source: Town of Sidney Finance Department

PRINCIPAL CORPORATE PROPERTY TAX PAYERS

Registered Owner	Primary Use	2021 Municipal Tax Levied	2021 Total Tax Levied
Sidney Marina Co Ltd	Marina / Boat Storage / Charters	\$ 135,055	\$ 230,740
Slegg Developments Ltd	Manufacturing / Retail	117,103	210,892
Jim Pattison Developments Ltd	Retail	86,101	170,787
0928818 BC Ltd	Hotel	84,874	168,350
Damka Lumber & Development Ltd	Retail	83,902	166,624
Nicholson Manufacturing Ltd	Industrial / Electrical	79,441	148,873
P & L Holdings Ltd	Hotel / Office / Retail	71,944	142,202
Sidney Pier Properties Ltd	Hotel	71,693	130,956
Trillium (Sidney) Holdings Ltd	Senior Care Facility	63,721	114,604
HOBO Holdings Ltd	Office / Retail	60,127	118,579
Washington State Department Of Transportation	Ferry Terminal	59,832	109,010
West Sidney Business Park Ltd	Manufacturing / Office / Retail	59,115	99,931
Emerald Isle Motor Inn Ltd	Hotel	58,929	106,215
Sherringham Holdings Ltd	Warehousing / Storage	56,047	111,105
Port Sidney Marina Inc	Marina	51,448	101,974
R & M Scott Properties Inc	Manufacturing	50,552	92,292
Slegg Holdings Ltd	Office / Retail	48,488	88,517
Ko & Shew Ltd	Office / Retail	47,384	93,902
Tait Bros Enterprises Ltd	Hotel	46,448	90,301
FHD Nominee Ltd	Residential Rental / Retail	44,846	92,724
360204 BC Ltd	Office / Retail	42,731	84,777
Beacon Community Association	Retail / Senior Care Facility	42,273	77,151
Megison Investments Ltd	Manufacturing	41,410	80,437
Pacific Island Holdings Ltd/Primeland Properties Ltd	Office / Retail	39,458	76,472
Amica Mature Lifestyles Inc	Senior Care Facility	36,984	66,701
BC Telephone Co	Telecommunications	34,858	62,811
Albion Properties Ltd	Office / Retail	32,196	58,570
CST Nominee Inc	Warehousing / Storage	30,849	60,363
Sidney Terminal Holdings Ltd	Transportation / Freight	30,698	63,407
Total		\$ 1,708,507	\$ 3,219,267

Source: Town of Sidney Finance Department

DEBT

(in thousands, except per capita data)

	2021	2020	2019	2018	2017
Gross Outstanding Debt	\$ 12,622	\$ 12,388	\$ 13,854	\$ 13,860	\$ 6,871
Less: Actuarial Allocation	2,215	1,840	1,547	1,315	1,091
Net Debt	\$ 10,407	\$ 10,548	\$ 12,307	\$ 12,545	\$ 5,779
Debt Servicing Cost	\$ 646	\$ 568	\$ 577	\$ 426	\$ 303
Population*	12,318	11,672	11,672	11,672	11,672
# of Households*	6,321	5,603	5,603	5,603	5,603
Net Debt per Capita	\$ 845	\$ 904	\$ 1,054	\$ 1,075	\$ 495
Net Debt per Household	1,646	1,883	2,196	2,239	1,031
Debt Servicing per Capita	\$ 52	\$ 49	\$ 49	\$ 36	\$ 26
Debt Servicing per Household	102	101	103	76	54

* Based on 2016 and 2021 census.

Source: Town of Sidney Finance Department
& Statistics Canada

STATEMENT OF FINANCIAL POSITION

(in thousands)

	2021	2020	2019	2018	2017
Financial Assets	\$ 28,858	\$ 32,881	\$ 25,862	\$ 21,306	\$ 19,778
Financial Liabilities	20,763	25,252	20,699	21,578	12,303
Net Financial Assets (Net Debt)	\$ 8,095	\$ 7,629	\$ 5,163	\$ (272)	\$ 7,475

CONSOLIDATED STATEMENT OF OPERATIONS

(in thousands)

	2021	2020	2019	2018	2017
Revenue	\$ 24,920	\$ 26,973	\$ 32,648	\$ 22,006	\$ 22,789
Expenses	23,299	23,024	21,938	20,496	19,621
Annual Surplus	1,621	3,950	10,710	1,510	3,168
Accumulated Surplus, Beginning of Year	110,102	106,152	95,442	93,932	90,764
Accumulated Surplus, End of Year	\$ 111,723	\$ 110,102	\$ 106,152	\$ 95,442	\$ 93,932

Source: Town of Sidney Finance Department

REVENUES AND EXPENSES

(in thousands)

	2021	2020	2019	2018	2017
Revenue					
Property Taxes	\$ 14,322	\$ 13,791	\$ 13,980	\$ 13,254	\$ 12,815
Fees, Rates and Service Charges	6,845	6,671	6,504	6,074	6,133
Government Transfers	2,306	4,655	2,104	1,511	1,471
Investment Earnings	210	293	413	310	242
Gifts and Contributions	1,049	1,410	1,290	527	1,892
Penalties and Interest	111	66	117	102	107
Actuarial Adjustments on Debt	67	63	54	46	39
MFA Debt Reserve Fund Surplus	-	-	1	1	58
Other	10	25	8,185	181	32
	\$ 24,920	\$ 26,973	\$ 32,648	\$ 22,006	\$ 22,789
Expenses by Function					
General Government	\$ 2,616	\$ 2,486	\$ 2,432	\$ 2,439	\$ 2,423
Protective Services	6,181	6,311	5,605	5,140	4,701
Transportation	3,992	4,299	4,329	3,632	3,399
Environmental Health Services	857	770	777	795	736
Environmental Development	631	571	523	423	423
Leisure, Parks and Cultural	3,367	3,180	3,056	2,965	3,029
Water Utility	2,302	2,189	2,140	2,121	2,113
Sewer Utility	2,358	2,209	2,066	2,144	2,067
Other	995	1,008	1,011	837	731
	\$ 23,299	\$ 23,024	\$ 21,939	\$ 20,496	\$ 19,621
Expenses by Object					
Salaries, Wages and Benefits	\$ 8,330	\$ 7,537	\$ 7,479	\$ 7,067	\$ 7,169
Contracted Services	8,037	7,937	7,561	7,632	6,770
Supplies and Equipment	3,087	2,971	2,665	2,644	2,388
Debt Interest	285	347	408	232	156
Amortization	2,993	2,996	2,933	2,494	2,612
Other	567	1,236	893	427	527
	\$ 23,299	\$ 23,024	\$ 21,939	\$ 20,496	\$ 19,621

Source: Town of Sidney Finance Department

RESERVE FUNDS

	2021	2020	2019	2018	2017
Reserves Set Aside by Council					
Miscellaneous Operating Purposes	\$ 1,728,984	\$ 2,777,352	\$ 374,458	\$ 312,415	\$ 521,765
Miscellaneous Capital Purposes	601,578	757,422	944,720	1,022,893	997,962
	2,330,562	3,534,775	1,319,178	1,335,308	1,519,727
Reserve Funds Set Aside for Specific Purposes by Council					
Land Sale Proceeds	634,912	1,060,663	3,130,542	164,485	239,685
Parkland Acquisition	223,344	221,344	218,744	132,194	129,594
Off-Street Parking	854,725	886,525	587,385	133,145	37,125
Computer Replacement	493,599	420,805	374,466	370,179	377,902
General Equipment Replacement	1,166,610	1,004,356	1,386,609	1,123,496	957,626
Fire Equipment Replacement	613,853	449,753	296,153	338,436	246,178
Water Capital	186,127	187,055	301,955	297,778	394,843
Sewer Capital	25,416	25,216	24,916	24,316	23,816
Infrastructure	3,035,180	2,465,155	1,780,666	895,347	1,808,845
Water Rates Stabilization	-	66,667	104,547	173,387	228,558
Amenities	1,627,757	1,320,279	371,622	213,314	152,814
Affordable Housing	-	-	513,528	160,255	3,329
Ferry Terminal	982,940	975,618	746,827	917,802	790,791
Contingency	-	-	88,233	86,033	84,333
Agreements	199,227	185,143	172,426	171,259	162,040
Gax Tax - Community Works Fund	2,027,084	1,392,588	1,088,964	1,066,474	1,845,598
	12,070,774	10,661,167	11,187,582	6,267,900	7,483,077
Restricted Cash	131,473	141,097	108,429	81,101	79,374
Total Reserves	\$ 14,532,809	\$ 14,337,038	\$ 12,615,189	\$ 7,684,309	\$ 9,082,178

Source: Town of Sidney Finance Department

CAPITAL EXPENDITURES & FUNDING SOURCES

	2021	2020	2019	2018	2017
Expenditures					
General Government	\$ 64,392	\$ 467,892	\$ 123,889	\$ 112,255	\$ 247,915
Protective Services	555,240	420,628	5,815,618	7,945,527	3,791,279
Transportation	1,745,864	2,067,748	1,991,679	3,144,773	1,084,670
Environmental Development	-	13,082	10,479	-	-
Leisure, Parks and Cultural	635,595	1,361,661	174,303	280,840	642,504
Water Utility	152,042	187,794	106,129	507,599	522,508
Sewer Utility	257,851	285,931	21,493	482,123	417,391
	\$ 3,410,984	\$ 4,804,736	\$ 8,243,590	\$ 12,473,117	\$ 6,706,266
Funding Sources					
Property Taxes	\$ 196,086	\$ 125,278	\$ 195,267	\$ 87,973	\$ 111,336
Grants	31,357	54,664	-	25,000	23,400
Gifts & Donations	15,000	532,304	217,609	1,250	6,870
Gas Tax	496,548	241,756	1,090,334	1,347,463	522,954
Debt	265,000	43,437	-	7,000,000	2,970,000
Surplus from Operations	71,178	78,726	-	764,359	704,987
Agreements Reserve	-	11,083	24,561	15,291	27,827
Amenity Reserve	105,760	143,594	19,022	19,843	16,259
Computer Equipment Reserve	21,107	48,160	95,014	105,223	171,305
Ferry Terminal Reserve	1,678	2,209	361,074	52,721	6,750
Water Capital Reserve	2,628	118,500	3,223	104,965	-
General Capital Reserve	20,762	371,851	60,701	-	30,000
Infrastructure Reserve	1,194,376	1,017,211	756,281	2,473,998	1,511,479
Land Reserve	416,800	1,107,479	4,726,782	80,000	46,667
Off-Street Parking Reserve	80,000	-	-	-	55,761
Vehicle Reserve	151,184	416,335	203,283	183,273	224,536
Water Rate Stabilization Reserve	67,267	39,179	73,140	59,772	23,396
Reserves Set Aside by Council - Capital	190,163	271,394	331,300	76,972	179,320
Offsite & Development Cost Charges	5,022	514	-	63,269	60,000
Other	79,068	181,062	86,000	11,746	13,419
	\$ 3,410,984	\$ 4,804,736	\$ 8,243,590	\$ 12,473,117	\$ 6,706,266

Source: Town of Sidney Finance Department

AMENITY CONTRIBUTIONS

	2021	2020	2019	2018	2017
Balance, Beginning of Year	\$ 1,320,278	\$ 885,150	\$ 373,569	\$ 156,142	\$ 41,733
Amounts Received	401,139	568,123	521,303	234,070	129,968
Expenditures	(105,760)	(143,594)	(19,022)	(19,843)	(16,259)
Interest Earned	12,100	10,600	9,300	3,200	700
Balance, End of Year	\$ 1,627,757	\$ 1,320,278	\$ 885,150	\$ 373,569	\$ 156,142

DEVELOPMENT COST CHARGES

	Drainage	Water	Sewer	Parkland	Total	2019	2018	2017
Balance, Beginning of Year	\$ 36,343	\$ 19,659	\$ 23,748	\$ 102,714	\$ 182,464	\$ 86,876	\$ 112,594	\$ 155,447
Amounts Received	-	-	-	19,110	19,110	47,509	15,190	14,647
Expenditures	-	-	-	(3,153)	(3,153)	-	(42,308)	(60,000)
Interest Earned	300	200	200	900	1,600	2,200	1,400	2,500
Balance, End of Year	\$ 36,643	\$ 19,859	\$ 23,948	\$ 119,571	\$ 200,021	\$ 136,585	\$ 86,876	\$ 112,594

PAYMENTS IN LIEU OF PARKING

	2021	2020	2019	2018	2017
Balance, Beginning of Year	\$ 886,525	\$ 587,385	\$ 133,145	\$ 37,125	\$ 86,686
Amounts Received Through Development	40,000	288,300	457,100	90,600	-
Other Contributions	-	3,840	3,840	4,720	4,800
Expenditures	(80,000)	-	(10,000)	-	(55,761)
Interest Earned	8,200	7,000	3,300	700	1,400
Balance, End of Year	\$ 854,725	\$ 886,525	\$ 587,385	\$ 133,145	\$ 37,125

Source: Town of Sidney Finance Department

COMMUNITY SUPPORT PAYMENTS & PROPERTY TAX EXEMPTIONS

	Community Support Payments	Municipal Property Tax Exemption	2021 Total	2020 Total
676 Kittyhawk Air Cadets Squadron	\$ 750	\$ -	\$ 750	\$ 750
Army, Navy and Air Force Veterans of Canada	-	21,218	21,218	20,241
ArtSea Community Arts Council	44,800	596	45,396	28,562
BC Aviation Museum	-	-	-	500
Beacon Community Services	7,000	-	7,000	7,000
Bike Victoria Society	1,300	-	1,300	-
Broadmead Care Society	-	16,123	16,123	16,988
Capital Regional District	10,000	-	10,000	-
Church of Jesus Christ of Latter Day Saints	-	11,636	11,636	10,977
Crisis Intervention & Public Information Society	700	-	700	700
Cycling Without Age Society	2,000	-	2,000	1,000
Farmlands Trust Society	5,000	-	5,000	-
FED Urban Agriculture Society	1,000	-	1,000	-
Greater Victoria Bike to Work Society	-	-	-	500
Greater Victoria Rental Development Society	-	13,682	13,682	13,932
KidSport Greater Victoria	3,000	-	3,000	-
Memorial Park Society / Mary Winspear Centre	351,904	87,385	439,289	443,041
Navy League of Canada	750	-	750	750
New Marine Centre Society	-	15,903	15,903	16,702
Peace Lutheran Church	500	7,183	7,683	7,206
Peninsula Celebrations Society	-	-	-	12,000
Peninsula Dry Grad Society	1,000	-	1,000	1,000
Peninsula Streams Society	5,000	-	5,000	2,500
Saanich Marine Rescue Society	5,000	-	5,000	2,800
Saanich Peninsula Chamber of Commerce	2,400	-	2,400	-
Saanich Peninsula Christadelphians	-	3,214	3,214	2,984
Saanich Peninsula Lions Food Bank	5,000	-	5,000	-
Saanich Peninsula Pipe Band	-	-	-	500
School District #63	11,861	-	11,861	13,309
Shaw Centre for the Salish Sea	205,000	-	205,000	205,000
Shoal Centre / Beacon Community Services	-	53,471	53,471	49,824
Shoreline Medical Society	-	25,993	25,993	13,096
Sidney & Peninsula Literary Festival	500	-	500	500
Sidney Business Improvement Area Society	167,140	3,723	170,863	105,643
Sidney Guide & Scout Hall Society	1,000	4,156	5,156	4,922
Sidney Lawn Bowling Club	3,000	-	3,000	-
Sidney Lion's Food Bank	-	2,996	2,996	3,163
Sidney Museum and Archives Society	-	5,011	5,011	4,740
South Island Prosperity Project	26,129	-	26,129	26,722
St. Andrews Anglican Church / Abbeyfield Housing Society	500	10,260	10,760	10,276
St. Elizabeth Church	500	7,640	8,140	7,791
St. Paul's United Church	-	4,867	4,867	4,447
Vancouver Island South Film & Media Commission	2,500	-	2,500	1,000
	\$ 865,234	\$ 295,057	\$ 1,160,291	\$ 1,041,066

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 rate increases.	Minimize tax rate increases	\$318,000 in Small Community Grants was received in 2021. These funds were used to fund general municipal services in 2021. A tax increase of 2.61% would have been required to generate the level of funding used in 2021.

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.	\$106,769 in Traffic Fine Revenue was received in 2021. These funds were used towards the police operating budget in 2021.

Source: Town of Sidney Finance Department

NUMBER OF FULL TIME EQUIVALENT MUNICIPAL EMPLOYEES

2021	93
2020	86
2019	86
2018	87
2017	86

Source: Town of Sidney Finance Department







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