



Annual Report

Year Ended December 31, 2015



Sidney, British Columbia
Canada

**Town of Sidney Annual Report
for the year ended December 31, 2015.**



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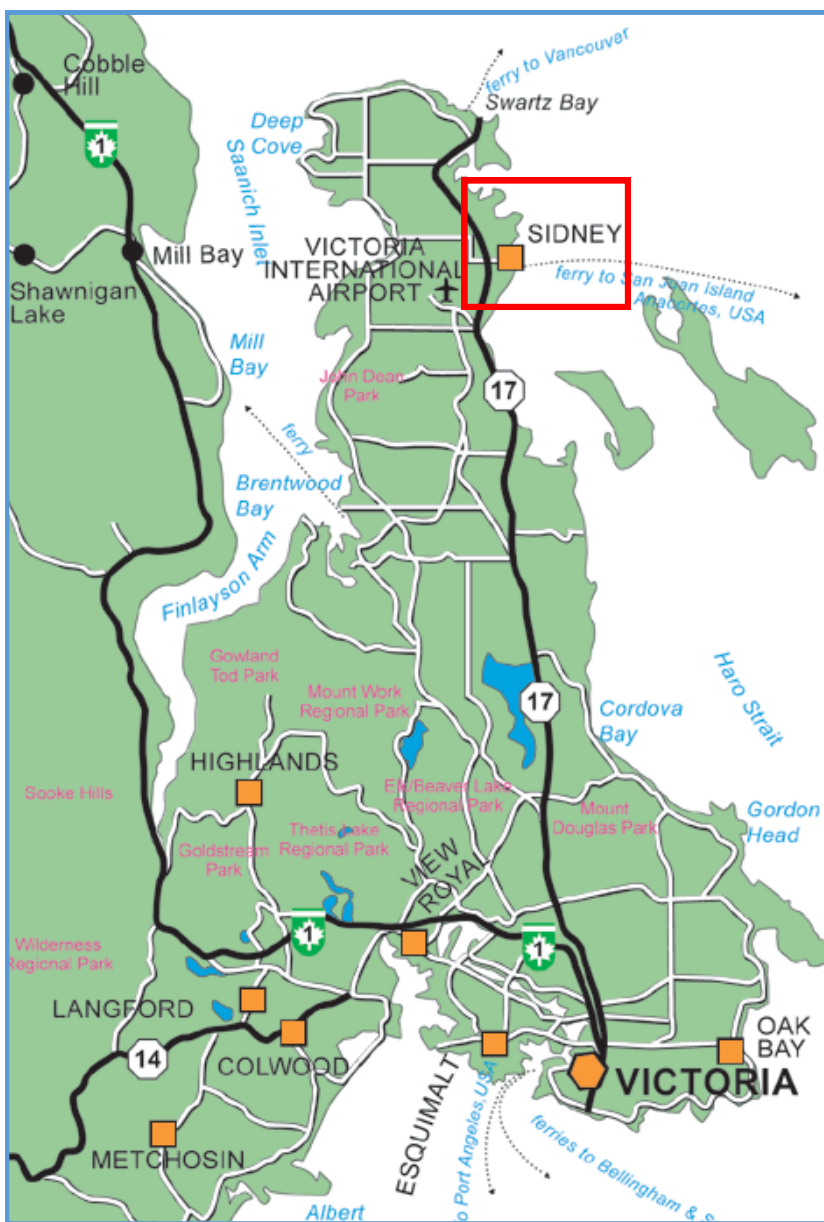
Sidney & the Region



The Town of Sidney is located 26 kilometres north of Victoria, British Columbia's capital city, 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.

Sidney's geographic area is only 5.04 square kilometres (1.94 square miles), which explains Sidney's high population density (2,183.6 people per square kilometre, whereas the population density for the entire CRD is 153.8 people per square kilometre). Data from Statistics Canada indicates that Sidney's population grew by 3.5% between 2001 and 2006, yet dropped by 1.2% between 2006 and 2011, whereas the total population of the CRD saw consistent growth of 4.3% between 2006 and 2011. BC Stats estimates indicate that Sidney saw a modest increase in population of 0.3%* from 2013 to 2014.

Sidney's current population of 11,178 residents is largely made up of people over the age of 50 (59.3% in 2011), which makes Sidney quite unique in terms of population structure when compared to other municipalities across the Province. An aging population and the challenges of retaining youth and young families are just a few of the issues the Town of Sidney needs to consider to ensure a balanced community.



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

Sidney lies within an area that is quickly becoming one of the world's premier places to live, work and visit. Endowed with a temperate climate, rich ecology, stunning landscapes, and proud histories, the member communities of the Capital Regional District offer livable, vibrant communities, practice exemplary environmental stewardship, and encompass a prosperous and sustainable economy.

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

* Source: BC Stats website



*Our Vision...
Sidney will be the best
seaside town in Canada -
vibrant, unique, welcoming.*

On behalf of Sidney Council, I am pleased to provide our residents and stakeholders with our 2015 Annual Report.

2015 was a milestone year for Sidney that brought about many positive changes for our community. After seven years of a stagnant economy and very little new development or growth, we experienced a resilience in the economy that we have not seen since prior to the economic downturn of 2008. Local merchants reported having one of the best years in a long time with up to 40% increase in sales. The Town won a Provincial "Open for Business Award" which acknowledges that the Town has established excellent direction and undertaken progressive, business friendly initiatives.

The past year marked significant new development in the community. At the close of 2015, a total of 294 Building Permits were issued compared to 225 in 2014 and the total construction value doubled to over 25 million compared to 11.5 million. This new development saw the creation of 93 new residential dwellings compared to only 26 in 2014. These numbers provide a clear indication that Sidney is alive and well.

I would like to acknowledge the hard work of Council and staff who work to ensure Sidney is the best place to live on Vancouver Island and the best seaside community in Canada.

A handwritten signature in black ink that reads "Steve Price". The signature is written in a cursive, flowing style.

Steve Price

Mayor



Sitting: Councillor Barbara Fallot, Councillor Mervyn Lougher-Goodey, Mayor Steve Price, Councillor Cam McLennan, and Councillor Erin Bremner
Standing: Councillor Tim Chad, Town Crier Kenny Podmore, and Councillor Peter Wainwright

Mayor Steve Price

Capital Regional District Board
 Economic Development Commission
 Greater Victoria Labour Relations
 MPS Joint Finance Steering Committee
 Municipal Insurance Association of BC
 Peninsula Recreation Commission
 Ports & Waterfront Infrastructure Committee

Councillor Erin Bremner

Beacon Community Services
 School District No. 63
 Sister Cities Association
 Vancouver Island Regional Library

Councillor Barbara Fallot

Arts Council of the Saanich Peninsula
 CRD Arts Committee
 CRD Solid Waste Advisory Committee
 CRD Climate Action Steering Committee
 CRD Housing Trust Fund
 Shaw Ocean Discovery Centre
 The SHOAL Centre

Councillor Tim Chad

Ball Facility Liaison Committee
 CREST
 Emergency Measures Executive
 Emergency Planning Committee
 Memorial Park Society
 MPS Joint Finance Steering Committee
 Peninsula Recreation Commission
 Victoria Family Court

Councillor Mervyn Lougher-Goodey

Advisory Planning Commission
 CRD Water Supply Commission
 Peninsula Chamber of Commerce
 Ports & Waterfront Infrastructure Committee
 Saanich Peninsula Water Commission
 Saanich Peninsula Wastewater Committee

Councillor Peter Wainwright

First Nations
 Ports & Waterfront Infrastructure Committee
 Saanich Peninsula Water Commission
 Saanich Peninsula Wastewater Committee
 Society of Saanich Peninsula Museums

Councillor Cam McLennan

Ball Facility Liaison Committee
 Peninsula Agricultural Commission
 Peninsula Celebrations Society
 Victoria Airport Authority (VAA)
 VAA - Noise Management Committee



Our Mission...

The Town of Sidney fosters the well-being of our people and our community - responding to local priorities, serving the public interest.

As Chief Administrative Officer (CAO) for the Town of Sidney, it is my duty to work with Council to ensure their plans are carried out. The Annual Report provides an opportunity to showcase examples of how Council direction has been put into action by Town staff. Within these pages you will find details of the many projects undertaken by staff that focus on Council's key priorities in 2015. These include:

1. Involvement with Reay Creek cleanup
2. Implementing the use of social media
3. Exploring an employee/overflow parking lot at the Winspear Centre
4. A new Community Safety Building
5. Revitalization of Beacon Wharf
6. Establishing a more balanced demographic
7. Improved gateway and way finding signage
8. A West Sidney Local Area Plan
9. Economic Development

Throughout the year, Town staff completed over 51 initiatives to meet the goals of the nine priorities laid out by Council while maintaining the regular business and services of each department.

I would like to take this opportunity to commend Mayor and Council and Town of Sidney staff for the great work they do on behalf of the residents of Sidney.

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

Randy Humble

Chief Administrative Officer

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, 2015. The financial statements are the responsibility of the Town's management. The statements have been prepared in compliance with Section 167 of the Community Charter, and in accordance with generally accepted accounting principles approved by the Public Sector Accounting Board (PSAB). The financial statements have been audited by KPMG LLP, who have expressed their opinion that the statements present fairly, in all material aspects, the financial position of the Town as at December 31, 2015. The Town maintains a system of internal accounting controls designed to safeguard the assets of the Town and provide reliable financial information.



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

Executive Summary of Financial Results

As detailed in the 2015 Financial Statements, the Town's financial results reflect an improved financial position and a continued commitment to sound financial management. Operating results for last year were slightly better than budgeted expectations, the Town's net investment in capital assets increased by \$1,257,363, and reserves grew by \$182,956.

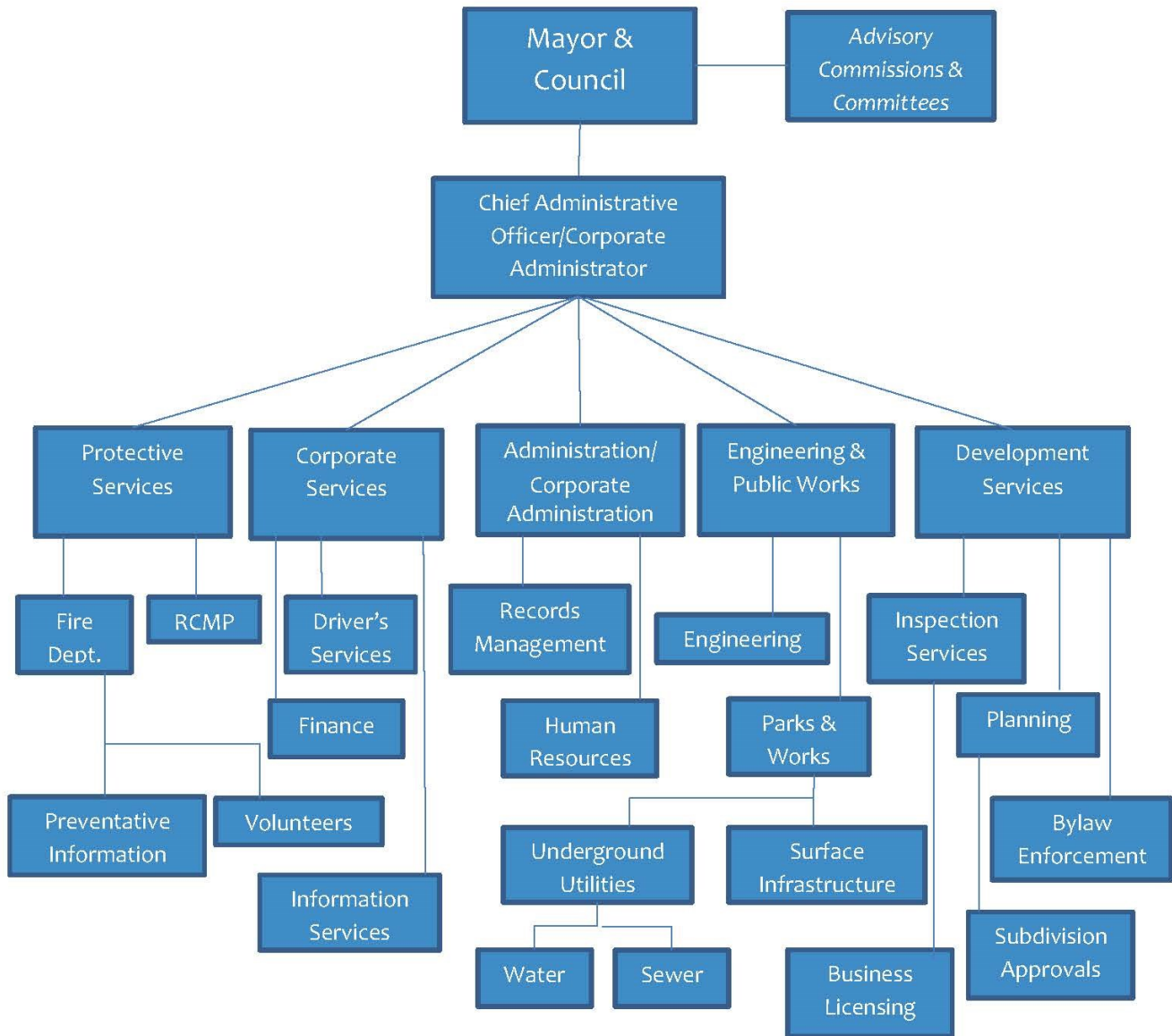
The Town continues to have low levels of debt and a reasonable level of reserves, and remains committed to renewing its infrastructure. It is important to note that any debt held by the Town is for the purposes of capital construction, and bears no relation to the type of debt associated with senior governments. Senior governments incur deficits and debt to finance their operations as a whole. Sidney is only allowed to incur debt for capital purposes, and must maintain an operating surplus; the Town's consolidated operating surplus increased during the year to just under \$4.8 million.

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

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

Andrew Hicik

Director of Corporate Services



Randy Humble
 Tim Tanton
 Andrew Hicik
 Brett Mikkelsen
 Anna Marie Mallard

Chief Administrative Officer / Corporate Administrator
 Director of Development Services, Engineering, Parks & Works
 Director of Corporate Services
 Fire Chief
 RCMP Staff Sergeant

Municipal Auditors
 KPMG

Municipal Solicitors
 Young, Anderson

Municipal Bankers
 TD Canada Trust

Standing Committees of Council

Audit & Finance Committee
Committee of the Whole
Ports & Waterfront Infrastructure Committee

Select Committees of Council

Committee to Explore Economic Development Function Options

Other Committees / Commissions / Boards

Advisory Planning Commission
Board of Variance



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

- Organizing all meetings of Council, including the preparation of agendas and minutes;
- Providing support services for its advisory Committees and the Board of Variance;
- Processing and coordinating all business relative to Town Council;
- Providing advice with respect to Council procedures, policies and functions;
- Safekeeping of minutes of Council and its Committees, Bylaws, agreements/leases 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;
- Administering the *Freedom of Information and Protection of Privacy Act* (FOIPPA) and processing requests to access records under FOI;
- Coordinating internal and external communications (i.e. Town's website, intranet, social media, print publications, mediate releases, etc.);
- Administering human resources services (i.e. recruitment, job evaluation, employee recognition, labour relations, succession planning, etc.); and
- Administering local government elections and referenda.

2015 Highlights

- Launched social media (Facebook and Twitter);
- Amended the Town's Council and Committees Procedure Bylaw to add public participation opportunities at Committee of the Whole Meetings for OCP and Zoning Amendment applications;
- Approved webcasting of Council meetings;
- Created the Town's Economic Development Commission and confirmed participation in the new South Vancouver Island Regional Economic Development Model; and
- Conducted public survey respecting the future of the Town's library services.

2016 Initiatives

- Continue to improve public consultation and communications with the public (including establishing regular Council "Meet and Greet" sessions); and
- Prepare for Canada's 150th and Sidney's 50th anniversary celebrations in 2017.

2015

Council Meetings:

Regular/Special Council Meetings	23
Council In-Camera (closed) Meetings	20
Committee of the Whole Meetings	14

Commissions/Committees Meetings:

Audit and Finance Committee	5
Advisory Planning Commission	10
Ports & Waterfront Infrastructure Committee	2

Bylaws/Policies

New Bylaws	3
Amended Bylaws	14
Repealed Bylaws	0
New Policies	2
Amended Policies	4

FOIPP Requests: 9

Human Resources:

Job Postings	10
Retirements	5



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

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

Finance

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

Driver Services

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

Information Services

Information Services provides technical leadership, solutions, service and support for all the Town's integrated hardware, software, GIS, EOC, wireless and telephone systems at five locations: Town Hall, Driver Services, Fire Department, Public Works, and Parks.

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.

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

- Received Canadian Award for Financial Reporting for the Town's Annual Report for second consecutive year;
- Completed multi-year initiation of new corporate asset and work management software system. This is the culmination of several years of work to implement a key software system that will benefit Town operations for decades;
- Played a key role in the detailed planning for a new Community Safety Building;
- Participated in the establishment of a new Economic Development Commission;
- Assisted with impact analysis of affordable workforce housing proposal;
- Updated the Town's Tax Exemption Policy;
- Reviewed operations at the Shoal Centre to identify and implement efficiencies;
- Reviewed property insurance options to ensure the Town is receiving the best value;

- Driver Services earned a Broker Customer Experience Award, along with the associated financial reward to the Town, for a fourth consecutive year;
- Carried on with enhancements to the Town's GIS capabilities;
- Upgraded all the Town's key enterprise software systems;
- Implemented Social Media to support the Town's website and improve communications;
- Implemented eBilling for utility statements;
- Initiated webcasting functionality for Council meetings; and
- Evaluated the Town's liability relating to new Contaminated Sites accounting standard.

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

- Continue the enhancement of asset and work management software, adding more functionality each year;
- Collaborate with Engineering & Works on enhanced Asset Management practices;
- Review funding levels and capacity for long term infrastructure replacement;
- Continue enhancements to financial reporting to make financial information more accessible to the public;
- Continue to maintain the standard required to achieve the Canadian Award for Financial Reporting;
- Implement eBilling for property taxes;
- Continually review the Town's financial policies and practices for maximum efficiency;
- Refine the Town's taxation policies;
- Review the Town's Utility Fees structure;
- Work with Development Services on a Revitalization Tax Exemption program;
- Continue support for new Economic Development Commission;
- Continue with planning for new Community Safety Building, including financing;
- 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;
- Implement email archiving system to improve file management;
- Undertake security audit of Town's computer systems;
- Work with corporate partner to replace and expand the Town's downtown wireless network, in order to relieve the Town of the cost of equipment replacement;
- Work with the Fire Department to enhance Fire Pre-Planning and Emergency Operations readiness;
- Assist with review of Town's parking enforcement contract to ensure it is meeting stated goals, and is cost effective;
- Implement webcasting functionality for Council meetings;
- Work with the Sidney Business Improvement Area Society to renew the BIA in 2017; and
- Review the Town's Risk Management policies.

2015 municipal taxes per average residence: \$113 / month
Total municipal taxes collected in 2015: \$10.55 million
Total municipal expenditures in 2015: \$18.4 million

The Development Services Department provides service in the areas of municipal planning, building permits and inspections, business licensing and bylaw enforcement. 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 meetings to further communicate the goals, policies and guidelines contained within the Official Community Plan (OCP), the Downtown/Downtown Waterfront Local Area Plan (LAP), Zoning Bylaw, the Building Code, and other applicable bylaws and policies.

Planning

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

Building Permits and Inspections

Building Permits and Inspections are responsible for monitoring building construction in the Town of Sidney by ensuring compliance with the BC Building and Fire Codes. To promote health, life-safety and fire prevention throughout the community, Building Permit and Inspection personnel work closely with property owners, developers, other agencies, and the Fire Department. Functions include plan review, issuance of permits for new construction and renovations, and inspection of premises for code compliance prior to the issuance of occupancy. Staff also work with developers to implement Construction Management Plans to facilitate project efficiency with an emphasis on public safety to ensure minimal 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. Additional duties include Bylaw Enforcement, issuance of Business Licences, and assisting in preparing bylaws and policies. In 2015, 294 permits were issued by Building Officials, with a combined total construction value of \$25,357,205.

2015 – New Dwelling Units Constructed

Multi-Family – NEW	59
Two-Family – NEW	16
Single-Family – NEW	34
Single-Family and Two-Family (including adding a legal suite)	7
Total new units =	116

2015 – Permits Issued

Building Permits Issued (with construction value)	136
Plumbing Permits (no construction value associated)	141
Fire Dept & Solid Fuel Permits (no construction value associated)	17
Total Permits Issued =	294
Total Construction Value	\$25,357,205

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 1668. In 2015, the Town issued 776 Business Licences, including 91 to new businesses, for a total revenue of \$87,650.

Bylaw Enforcement

Bylaw Enforcement Services are currently staffed by one part-time Senior Bylaw Enforcement Officer. Bylaw Enforcement is responsible for the administration and day-to-day operations of bylaw enforcement, which includes supporting other departments in carrying out enforcement action, ongoing consultation and coordination with Town staff in the review and modification of bylaws to meet community needs, and to ensure integration with Town policies.

Bylaw Enforcement works closely with the local RCMP Detachment to implement and enforce the Streets and Traffic Bylaw governing traffic related matters. The Senior Bylaw Enforcement Officer oversees and administers parking enforcement through a contracted service with the Commissionaires. Commissionaires conduct routine patrol to ensure compliance with downtown parking restrictions and provide response to all areas of Sidney by request.

Animal Control issues are also overseen and administered by the Senior Bylaw Enforcement Officer through a contracted service with CRD Bylaw Enforcement. CRD Bylaw Enforcement Officers conduct regular patrols of Sidney and also respond to specific requests for service.

2015 Highlights

Planning and Building Applications

Much of the Development Services department's time in 2015 was spent reviewing and processing the high volume of development applications for new residential and commercial development in the Town. A total of 93 new dwelling units were constructed in 2015, representing more than twice the number of new dwelling units constructed in the previous year (40 new units in 2014). The following are some of the major development proposals approved by Council in 2015:

9818 Third Street

Zoning Amendment, Development Permit and Development Variance Permit to permit the construction of a 5 storey building with one ground floor live/work unit and 25 residential units in Sidney's downtown core.

9667 First Street

Zoning Amendment and Development Permit to permit the construction of a 2.5 storey 14 unit multi-family residential development.

9733 & 9741 Fifth Street (now 2409 Bevan Avenue)

Zoning Amendment, Development Permit, and Development Variance Permit to permit the construction of a 4 storey mixed use commercial/residential development in the downtown core consisting of 24 residential units and 264 square meters of commercial floor space.



2060 White Birch Road

Development Permit to permit the construction of two four-storey buildings containing a total of 33 residential units, a new marina office, and a redesign of the existing surface parking lot.

Department Projects

The following project initiatives were commenced in 2015:

Downtown Mixed-Use and Multi-Family Residential Density Study

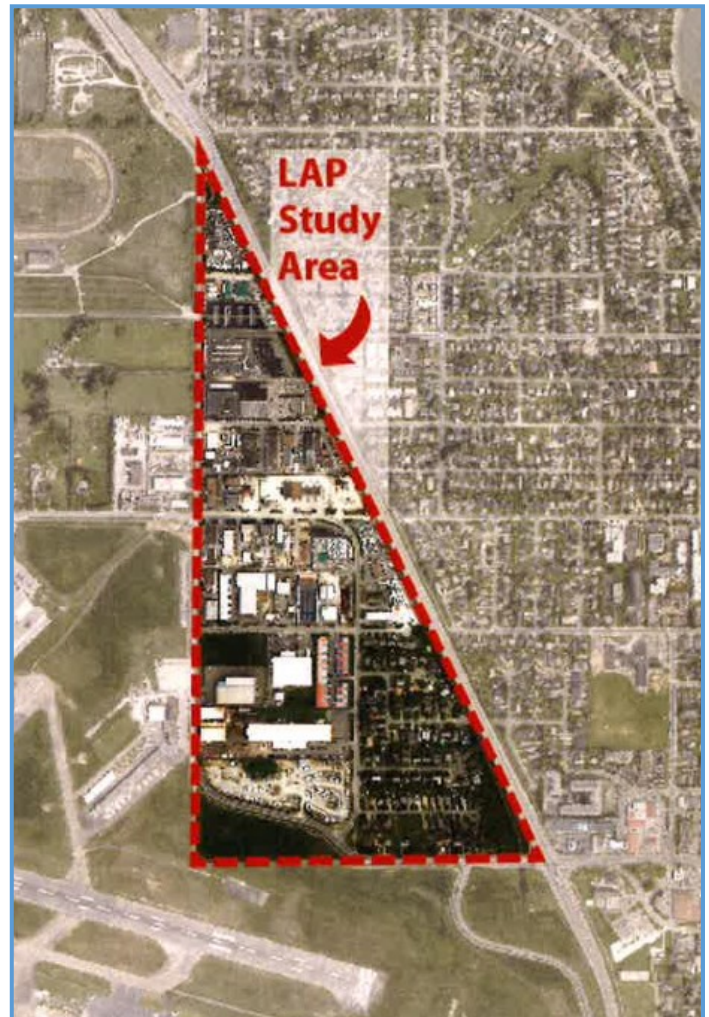
The purpose of this study is to review how the Town of Sidney regulates downtown commercial mixed use and multi-family residential density in the Official Community Plan and Zoning Bylaw and recommend a new approach for determining density in a manner that is suitable to Sidney's unique environment.

West Sidney Local Area Plan

The purpose of this Local Area Plan is to evaluate existing land use and transportation conditions and provide a "road map" forward to establish a foundation that will help direct future change and investment in the area. The LAP would provide a framework that will assist the Town in making capital infrastructure investment decisions and assessing major development proposals to ensure that both private and public investment works to achieve the vision established by the community.

2016 Initiatives

- Phase 2 of the Downtown Mixed-Use and Multi-Family Residential Density Study;
- West Sidney Local Area Plan;
- Downtown Waterfront Vision;
- Downtown streetscape and urban design standards;
- Comprehensive review of Business License Bylaw; and
- Comprehensive review of Off-Street Parking and Loading Bylaw.



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

The engineering division provides technical expertise in respect to road design, water systems, sanitary sewer and storm sewer systems, traffic and parking management, asset management, and the procurement of fleet vehicles and of specialized services such as asphaltic paving and video camera pipe inspection. The engineering division also administers contracts for the collection of garbage, kitchen organics, and yard waste. In addition to this, the engineering division seeks out and makes applications for grant funding on numerous proposals. Any areas where engineering is lacking the expertise, or does not have the resources to complete, engineering is responsible for the procurement of professional services through a proposal process.

The public works division is responsible for the maintenance and repair of all roads, traffic signals, streetlights, street signs, sidewalks, bus shelters, roadside litter collection, storm drainage, wastewater collection including sewer pump stations, water mains, service connections and meters, fire hydrants, and water main valves. Public works also maintains the municipal fleet as well as municipal buildings.

The parks division is responsible for the upgrade and maintenance of all 24 Town parks, including the Rotary Park “Field of Dreams” located in North Saanich on airport lands through a cost sharing agreement with the District of North Saanich. In addition to this, the parks department maintains numerous beach access points as well as administering the downtown beautification and banner programs, and annual Christmas light displays throughout the Town.

2015 Highlights

- Allbay Road, Jocelyn Place, and Lyme Grove reconstruction. This project included the replacement of storm sewers, sanitary sewers, water mains, and repaving the road;
- Replaced the Toll Booth at the Anacortes Ferry Terminal;
- Completed drainage improvements, including a storm water pumping station, at the Ocean Avenue and Fourth Street subdivision;
- Replaced the roof top air conditioning units at the Driver Services/RCMP building;
- Repaved Northbrook Drive and Weiler Avenue West;
- Installed a new gateway sidewalk along First Street between the Anacortes Ferry Terminal and Bevan Avenue;
- Upgraded the parkette adjacent to the Anacortes Ferry Terminal entrance, recently named Ocean Spray Park;
- Resurfaced the tennis courts in Iroquois Park; and
- Completed a Utility Study and acquired the appropriate modelling software.



2016 Initiatives

- Tulista Boat Launch Ramp Repairs;
- Replacement of the Skateboard Park;
- Resthaven Drive sanitary sewer main replacement;
- Ardwell Avenue storm sewer replacement;
- Resthaven Drive storm sewer replacement;
- Gail Place water main replacement;
- Colinwood Road water main replacement;
- Bessredge Place curb construction;
- Eastbrook Drive curb replacement and repaving;
- Resthaven Drive repaving (Malaview Avenue to Ardwell Avenue);
- New sidewalk on south side of Henry Avenue (Third Street to Fourth Street);
- Waterfront Walkway upgrades (Eastview Park to First Street);
- Traffic signal lights upgrades; and
- Upgrade to key irrigation systems to vastly improve water management and comply with CRD watering guidelines.



Sidney Fire Department is a direct provider of emergency and non-emergency services to the following customers:

- The citizens of the Town of Sidney;
- The businesses, employees and customers located with the Town of Sidney;
- Persons attending and working at the Washington State Anacortes Ferry Terminal;
- Other Municipal Departments (e.g. Police, Public Works, Parks, Administration); and
- Mutual Aid Partners – North Saanich Fire Department, Central Saanich Fire Department, Victoria Airport Authority, and the CRD Haz-mat Response Team.



Fire Department Services

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

Significant Issues & Trends

First Responder Medical Services

Despite Sidney firefighters only being dispatched to medical calls deemed serious and/or life threatening, this service represented 320 of our 671 total responses in 2015. In 35% (or 112) of our responses, we arrived before the British Columbia Ambulance Service (BCAS) and rendered initial patient care to Sidney residents. Two Sidney fire members, Hank Michno and Rick Toogood, were awarded the BCAS Vital Link Award for successfully resuscitating a cardiac patient on Mother's Day. As Sidney's population increases and provincial ambulance resources are stretched thin, it can be anticipated that the requirement for first responder medical services will only increase.



In recognition of this, the Sidney Volunteer Fire Department has adopted the Canadian Red Cross as its first responder training provider. With this change comes an increase in required training hours for our volunteers, but also an expanded scope of practice including automatic external defibrillation (AED), spinal immobilization, and administration of Naloxone Hydrochloride (NARCAN) by Intramuscular Injection (IM) to reverse opioid overdoses. At present, Sidney has three certified Red Cross instructor / examiners, and six licensed paramedics instructing and mentoring our first responder crews.

Firefighter Fitness Initiatives

Sidney Firefighters have access to gym facilities located in Town Hall, and annual passes are provided to utilize the Panorama Recreation Center. All Sidney firefighters tasked with structural firefighting must be screened by a physician and pass our physical ability test on an annual basis to be considered a frontline firefighter. Our firefighters understand that the primary causes of firefighter fatalities are exertional / cardiac related incidents, and maintaining good physical health is the best preventative medicine.

Marina Firefighting capabilities upgrade

The marina firefighting pump, put into service in 1995 with a pumping capacity of 250 US GPM, was replaced by a new pump that is not only smaller, lighter, and safer, but boasts a pumping capacity of over 540 US GPM. This added firefighting capacity is required to combat the ever increasing fire loads on larger vessels now commonly moored in our marinas. Lastly, the PSI and GMP rating of this new pump permits the use of firefighting foam to be added in order to blanket fuel fires on the water, which was not possible with our older pump.

Firefighting in multi-story buildings (with and without standpipes)

Much of Sidney's existing built form and a large percentage of new construction is 3+ story wood frame multi-unit occupancies. In 2015 our training matrix shifted to include numerous evolutions focusing on fire suppression in 3-5 story "walk – ups". 2016 will see a continued and on-going emphasis on these structures, as they represent complex life safety challenges within our response area.

Community Safety Building

Much work has been invested in scoping and vetting best practices to incorporate into Sidney's proposed new Community Safety Building. This process has validated and emphasized the requirement for a post-disaster rated building with sufficient space for firefighters to safely drill.

Public Preventative Measures

Hiring an additional staff member in 2015 allowed the department to place a greater emphasis on educating residents. In 2015, 40 prevention education presentations were delivered, totaling in excess of 90 hours in presentations. A variety of audiences participated in these presentations, including businesses, stratas, schools, community organizations, and neighbourhoods. The smoke alarm program was promoted through the Town Talk newsletter, social media, the Sidney Market, the website, and print media. The Fire Department visited 74 homes to provide residents with working smoke alarms. Three staff members obtained their Child Passenger Safety Educator II Course and offer car seat installation assistance to residents.

Training

"Structure Firefighters Competency and Training Playbook" is established as the new Minimum Fire Training Standard for the Province of British Columbia, pursuant to section 3 of the Fire Services Act. In 2015 Sidney Fire Department members worked tirelessly to complete modules for their NFPA 1001 certification. Members who had not yet attained the NFPA 1001 spent additional hours outside of their regular scheduled training on Thursday night to work as a group to learn and write module exams, totaling 28 completed modules in 2015. Members trained 6015.5 hours through regular drill on Thursday evenings, extra practices and coursework. Officers of the Sidney Fire Department accomplished the minimum standards for Fire Officer Certification, and continued to further their Fire Officer studies. Three staff members diligently worked towards their Emergency Management Certification.

Acquired Structures for Training Use

Development services, developers and the Fire Department put in place a program that enabled reduced demolition permit rates in exchange for allowing the Fire Department access to train in the building prior to tear down. This program gave members the opportunity to train in 5 different structures in 2015, with structure use already slated for 2016. These structures varied from single family dwellings to multi-storey commercial buildings. Training ranged from search, rescue, advanced skills with charged hose lines, ventilation, ladder practice, pump operator and Incident Command training.



The Sidney/North Saanich RCMP provides police services to the Town of Sidney and to the District of North Saanich through a federal/provincial/municipal contract. This detachment also provides diverse policing services to the four First Nations communities on the periphery of the Saanich Peninsula, the Willis Point region, 52 islands and the surrounding waters extending to the United States boundary. The detachment is also responsible for police service to the Victoria International Airport and the Swartz Bay Ferry Terminal.



Through discussion each year with the RCMP "E" Division Headquarters located in Vancouver, the Town budgets its share of the costs of the members and operations at the detachment located in the Town of Sidney. The District of North Saanich also cost shares with the Town of Sidney for the RCMP premises and civilian staff.

The Sidney/North Saanich detachment is comprised of 32 police officers and 9 civilian support staff. There are 4 General Duty Watches, a 2 member Traffic Unit, a 4 member General Investigation Section, and 2 First Nations Policing members included.

The management team is responsible for providing leadership and management of policing services to the Town of Sidney, the District of North Saanich, the four First Nations and the Provincial area within the detachment boundaries. Detachment resources are assigned to general duties and specialized units who carry out a number of policing functions and duties. The Detachment is supported by Island District Headquarters, which is located in Victoria.

The detachment policing priorities have been established through local consultation, and in alignment with National, Provincial and Town priorities. The priorities for 2015 and 2016 include Traffic Enforcement, Impaired Driving, First Nations Policing, Property Crime, Organized Crime / Prolific Offenders and Community Policing. A number of specific objectives and strategies have been developed for each policing priority. The Detachment Commander provides feedback to the Mayors and Councils through a quarterly policing report and presentation on how the detachment is progressing towards reaching its defined goals for the year. All detachment members contribute towards the achievement of these objectives and work with our community partners to reduce crime in the community.

The detachment is complimented by a number of dedicated volunteers who donate their time to help make Sidney a desirable community in which to live. Victim Services, Restorative Justice, Speed Watch, Citizens on Patrol and Auxiliary Constables are programs with which citizens can volunteer and enhance the police service to the community. A Community Consultative Group was established, and includes interested community members from North Saanich and Sidney.

The community policing Auxiliary Constables are actively involved in the delivery of crime prevention and education programs and work closely with the youth through our school liaison program. The detachment has 9 Auxiliary Constables, many of whom are Mountain Bike trained and may be observed around our communities on Bike Patrol along with a Regular Member of the RCMP. These officers were included in Crime Prevention initiatives in 2015. The D.A.R.E. (Drug Awareness Resistance Education) program is also delivered to students in each of the elementary schools within Sidney and North Saanich.

Sidney and North Saanich enjoy one of the lowest crime rates in British Columbia. The support of the community in reporting and assisting in solving crime has contributed to the communities being recognized as safe communities in which to live. Often, police officers can be seen conducting foot patrols of the downtown areas and, when duties allow, on bikes promoting safe cycling.

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 February with budget deliberations

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

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

The **Business Plan** translates the high level strategic goals into Departmental Work Plan priorities. The priorities and associated objectives and measures are established annually by staff. Operational performance measures are reviewed annually to monitor success of the business plan.

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

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



Section 98 of the *Community Charter* outlines municipal progress reporting requirements. The following report provides feedback on the progress we are making toward the established objectives set by Council in 2015.

Beacon Wharf Study

Status - Underway

Based upon direction from the Ports and Infrastructure Committee, staff issued an RFP in 2015 to seek a consultant that could provide a detailed process for how to best advance possible options for Beacon Wharf. Unfortunately, there was no response to the RFP. In October Council directed staff to increase the project budget and contact and pre-meet with possible consultants. The focus of the successful consultant would be to develop and implement a community engagement process for the purpose of determining a long-term plan or vision for Beacon Wharf and the surrounding waterfront assets.

Establishing a More Balanced Demographic

Status - Ongoing

This strategic priority is wide-reaching throughout the organization as a variety of projects will work to assist in encouraging a balanced demographic. The Density review that is currently underway (reviewing the way residential density is calculated in the downtown core and multi-family residential areas) may result in an increased number of dwelling units permitted in these areas, which would likely result in a wider range of unit sizes and types, and in turn a more balanced demographic of residents represented. The recently-awarded RFP for the design of a new skatepark has already garnered much public interest, and staff have had discussions about other possible types of active recreational opportunities to include in Town parks and public open space.

Gateway Signage

Status - Underway

Currently, plans are being finalized for a gateway sign in the newly developed park just outside of the Sidney International Ferry Terminal. A wind-loading analysis is underway by WSP Engineering consultants, whereby Finlayson Bonet Architects would be tasked with revising structural elements as necessary. When final plans are ready, staff will report back to Council with an updated cost estimate.

Wayfinding Signage

Status - Completed

Black wayfinding “finger” signs have been installed on Beacon Avenue at key locations. In the future, staff will look at design and possible options for information kiosks throughout the Town.



West Sidney Local Area Plan

Status - Underway

Staff have undertaken a preliminary review of the study area to identify locations of existing surface infrastructure, such as curb and gutter, sidewalk, bike lane, street trees, etc. as well as paved vs. unpaved on-street vehicle parking areas. Staff are currently developing a plan for initial public consultation and starting to review underground utility capacity as determined by the recently completed Utility Study. An RFP has been issued to assist with the completion of this Local Area Plan.

Explore and Pursue Revitalization Tax Exemptions

Status - Underway

A staff working group has done considerable research and analysis of similar bylaws in other communities, and has undertaken a survey of developers and property owners (with poor response). We still expect to bring forward a report for discussion of potential options in the summer of 2016.

Employee / Overflow Parking Lot on VAA / MPS Lands

Status - Underway

In 2015, Council approved moving forward with a grant application to the Federal Gas Tax Strategic Priorities Fund to allocate funding for the creation of an Employee / Overflow Parking Lot on the VAA / MPS lands to the south of the MWC. In conjunction with the grant application, staff developed a conceptual design which shows as many as 300 parking spaces being provided in a surface parking facility. Unfortunately, the grant application was not successful. As a result, staff are now looking at a phased approach, with internal funding sources.

Establish Social Media

Status - Completed

A staff working group was established to develop parameters and policies for the development and use of social media. Both Facebook and Twitter have been established to supplement the Town of Sidney Website, and are being regularly used, updated and monitored as an important communication tool for the Town.

Community Safety Building

Status - Underway

Schematic design and project costing are now complete, and the Town is close to finalizing a long-term lease agreement with the Memorial Park Society for the location of the building on the lands adjacent to the Mary Winspear Centre. A formal approach has been made to the BC Ambulance Service regarding the relocation of their service to the same site, in a purpose-built facility. Staff will be bringing forward a borrowing bylaw in the summer of 2016, which will be supported by an information package that will be made available to all residents to fully explain the project and the borrowing process.

Economic Development Model / Strategy

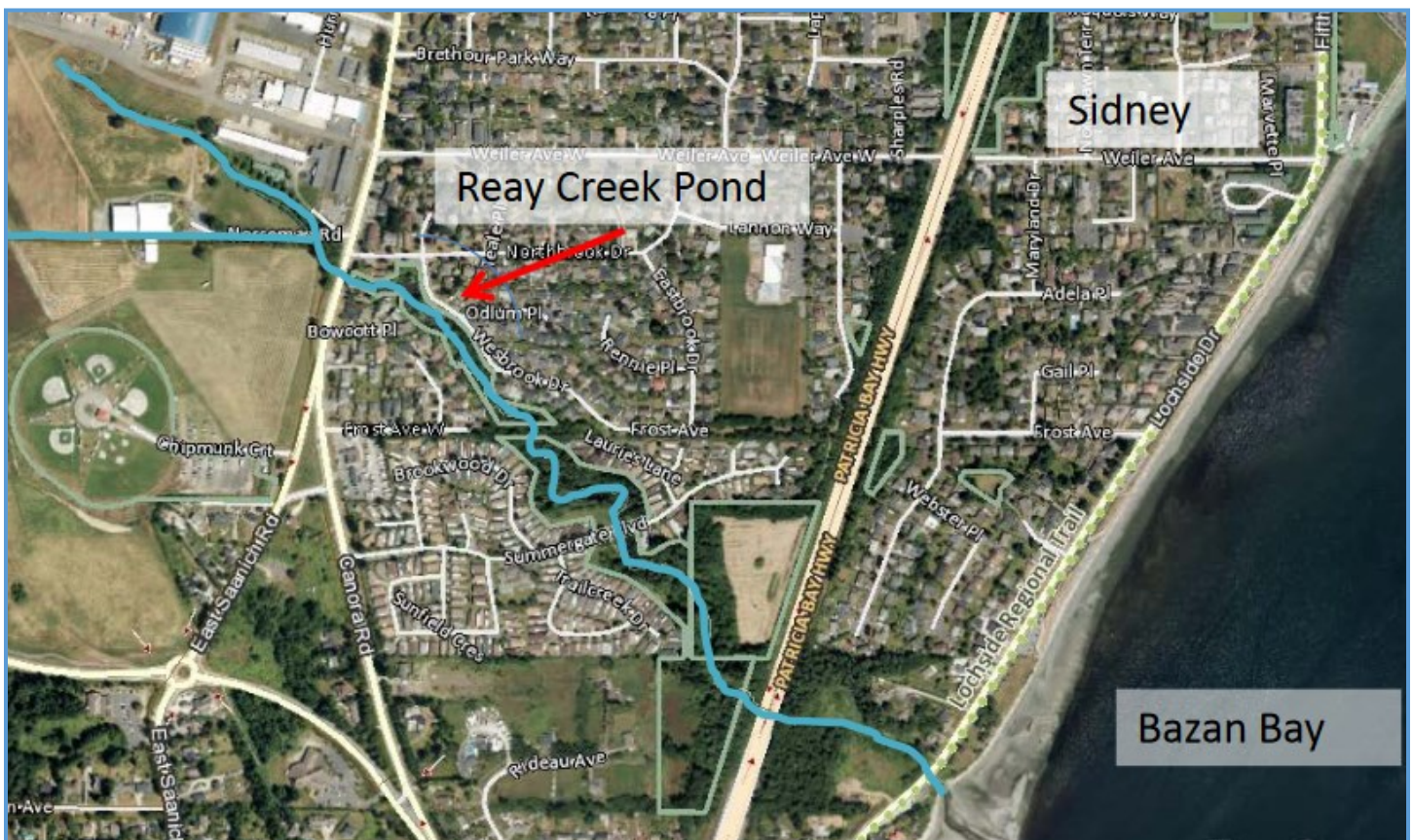
Status - Completed

Following the recommendations of the Final Report on the Mayor's Task Force on Downtown Revitalization, Council approved moving forward with the Town of Sidney taking on a more formalized role in Economic Development. Following that, a Select Committee was formed to determine the most appropriate economic development model moving forward. This resulted in the formation of the newly established Economic Development Commission. This Commission had its first meeting on October 30th. In addition to the EDC, Council has confirmed the Town's participation in a regional economic initiative – the "South Island Prosperity Project".

Reay Creek

Status - Underway

Local residents have expressed ongoing concerns about contaminants and water levels in the pond. Several studies have confirmed the presence of heavy metals in the pond sediment, most likely originating from historical industries located on federally owned Victoria Airport land. In 2015, the Reay Creek Technical Working Group was formed to oversee a formal study of the contamination and water level issues, then develop an action plan based on the study results. The group decided to have SLR Consulting conduct a 'summary study' to review all existing data from the various studies and identify and gaps that need to be filled. This report has recommended further study which will be completed in 2016.



In November of 2015, Town of Sidney Council undertook a comprehensive strategic planning session with a goal to develop key strategies for 2016 and the remainder of Council's term.

Prior to the full-day session, Council undertook a number of public consultation initiatives in order to garner feedback and insight into the wants and needs of the residents of Sidney. These included public feedback opportunities through a Council / Public "meet and greet", social media, the Town's website, and Town Talk newsletter. The outcome of Council's efforts is a three-year strategic plan that focuses on three overarching goals – establishing a resilient economy, a balanced demographic, and a quality living environment. In order to attain these goals, a number of key initiatives have been developed, several of which were first initiated in 2015 and have subsequently been carried over to this strategic plan. It is important to note that the highest priority initiatives will start or continue on in 2016, and will likely take several years to be fully realized. Other important initiatives will begin in 2017 or 2018.

Resilient Economy

2016 Initiatives

Beacon Wharf Redevelopment

- Community visioning process leading to preferred design selection
- Detailed engineering design (to follow)
- Funding and construction (2017-2018)

Revitalization Tax Exemptions to Promote Downtown Revitalization

- Establishment of tax exemption bylaw
- Education and ongoing implementation

Significant Development Proposals

- Given that the Town is anticipating proposals for significant development projects, it has given priority to ensuring that sufficient resources are provided for public engagement and planning/engineering to review and process these proposals

Downtown Employee Parking

- Phased approach
- To initiate regardless of whether or not grant funding is attained





Balanced Demographic

2016 Initiatives

Development of Attainable Workforce Housing

- Externally driven by the development community (possibly a housing society)
- These projects will involve significant staff time and resources
- Projects may require a Housing Agreement, potential “bonus density” or residential tax exemption for a fixed term

Skateboard Park

- North end of Tulista Park is the selected site
- Design consultant to lead much of the initial work, including community engagement and design
- Town will look for opportunities for grant funding

Market and Promote the Community for Families and Youth

- Council led initiative
- Undertake key initiatives to attract and retain a younger demographic

2017 Initiatives

Parks Master Plan

- Will involve community engagement and consultation
- Result in a long term plan for future park improvements

Library Services and Facilities

- Engage the community on library facilities and servicing opportunities
- Ultimately leading to a new or improved library facility within Sidney

2018 Initiatives

OCP Review (Minor Update)

- Intended to be a focused review on key areas within the OCP
- Does not preclude the potential for considering OCP amendments involving development proposals or minor housekeeping

Quality Living Environment

2016 Initiatives

West Sidney Local Area Plan

- Will involve community engagement
- Will result in a long term plan for future infrastructure improvements
- Incorporated into the Official Community Plan

Community Safety Building

- Long term lease of lands with Memorial Park Society (south of MWC)
- Several administrative steps required, including borrowing for necessary funds
- Will be a major construction project

Downtown Public Realm Design Standards

- A critical project for the downtown area – focus on public realm, including streets, sidewalks, underground infrastructure, plaza space
- Significant use of consultants
- Will prepare the Town for future private development projects – ensuring consistent off-site design standards

Reay Creek Remediation

- Town to take a leadership role
- Involves many stakeholders and external organizations
- Includes design for park improvements following remediation of duck pond

2018 Initiatives

Active Transportation Plan

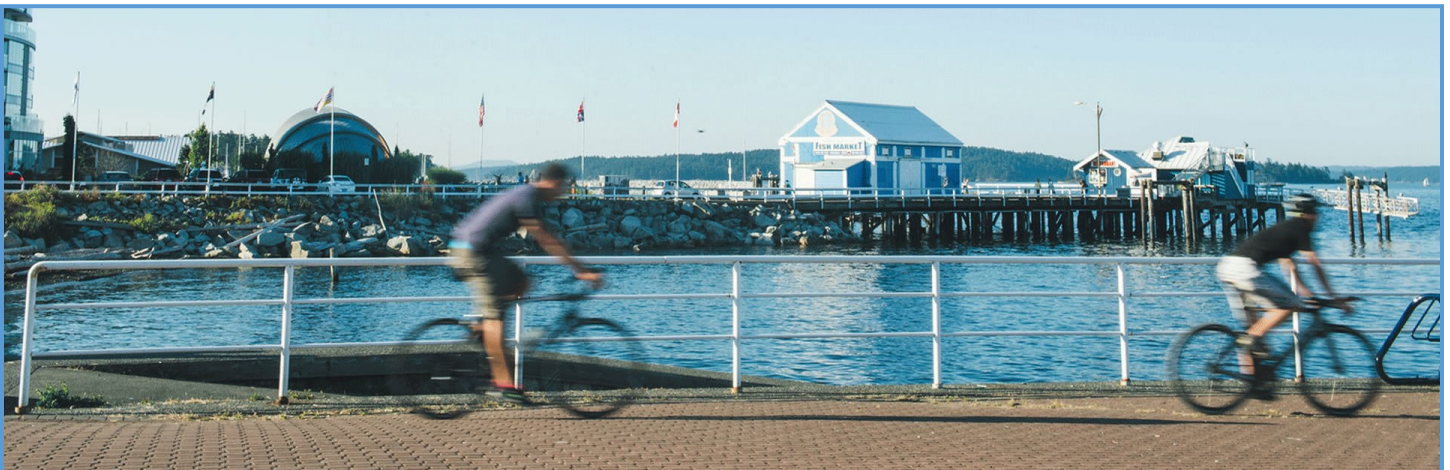
- Development of a long term plan for sidewalks, transit, bicycle network through Sidney

Sea Level Rise Plan

- Development of a long term plan intended to mitigate the impacts of sea level rise as a result of global warming

Environmental Sustainability Strategy

- Development of an action oriented plan focused on achievable strategies



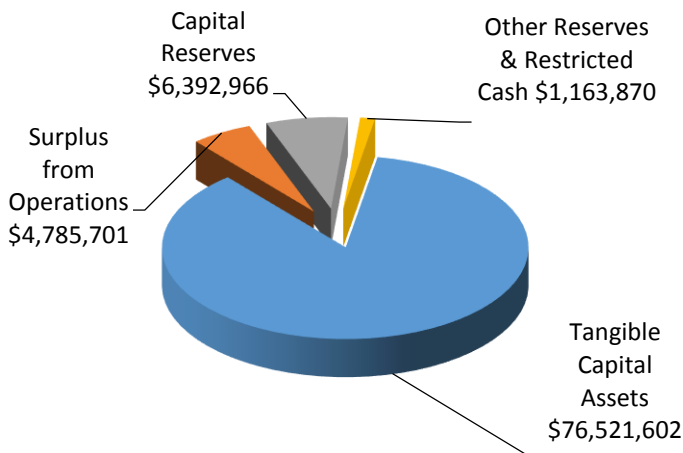


The financial statements are the responsibility of the Town’s management and have been prepared in compliance with the Community Charter and generally accepted accounting principles. The annual financial statements are composed of two primary statements – the *Statement of Financial Position* (page 38) and the *Statement of Operations and Accumulated Surplus* (page 39). 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 two primary statements, as well as the supporting notes and tables, are discussed in more detail below.

Statement of Financial Position

The *Statement of Financial Position* provides a snapshot of the Town’s total Assets, Liabilities, and Accumulated Surplus as at December 31, 2015. 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 provide future services. All Liabilities of the Town are considered Financial Liabilities, as cash is required to settle them.

The net result of comparing Financial Assets to Financial Liabilities is called Net Financial Assets. The Town maintains a positive Net Financial Asset position thanks to a relatively low level of debt, and a healthy balance of cash and investments, which reflects our level of reserves and accumulated surplus. This position improved further by \$1,014,608 in 2015, largely due to reductions in long-term debt, and an increase in both cash and investments; these were partially offset by a rise in deferred revenue, which resulted from an increase in developer deposits as a result of more robust development activity. The positive balance in Net Financial Assets affords the Town a degree of financial flexibility.



Non-financial Assets are 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. The TCA amount represents the remaining value (cost less depreciation) of past investment in infrastructure, buildings, facilities, structures, vehicles, equipment and other long lasting assets that provide services to residents over the useful lives of the assets. Inventories and prepaid expenses are assets that will likely be consumed as part of operations in the upcoming year, but cannot be easily converted to cash to meet financial obligations.

The bottom line on this statement is the Accumulated Surplus, which is the total of Net Financial Assets and Non-financial Assets, and represents the sum of all economic resources available to the Town to meet future financial and service obligations. The pie chart above shows the breakdown of the year ending Accumulated Surplus balance of \$88,864,138 into its various components. It is important to clarify that the Accumulated Surplus has been building over many years. Since it is comprised of both Financial and Non-financial Assets, it does not represent an available pool of funding. *Net Financial Assets* represent the amount available to satisfy financial obligations and *Non-financial Assets* represent the amount available to meet future service obligations. The Accumulated Surplus, which is broken down into various components in Note 9 (page 50) of the statements, is discussed in more detail in the following section.

Statement of Financial Operations & Accumulated Surplus

The *Statement of Operations & Accumulated Surplus* compares revenues and expenses for the operating year, with the net difference being the “Annual Surplus”. The Annual Surplus essentially represents the increase in the Town’s ability to fund and provide future services. Total revenues of \$20,436,456 were slightly higher than 2014, mostly due to increased municipal property taxes, water and sewer user fees, and development related permit fees. Total expenses of \$18,392,981 were also higher than 2014, with inflationary and contracted increases being offset by administrative and operational savings.

The 2015 *Statement of Operations and Accumulated Surplus* indicates an Annual Surplus of \$2,043,475 which is broken down into the following components:

Net increase in Reserves	\$ 182,956
Net investment in Capital Assets	1,257,363
Net increase in Surplus from Operations	601,983
Increase in Restricted Cash	1,173
Annual Surplus	\$ 2,043,475

The *Annual Surplus*, which is added to *Accumulated Surplus* on the bottom of the *Statement of Operations & Accumulated Surplus*, is a measure of the difference between the inflow and outflow of funds to and from the Town. 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 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 *Annual Surplus* figure should not be considered as pure financial gain for the Town, nor an indication that we are collecting too much taxes and fees. The *Surplus from Operations* figure provides the most accurate indication of a true operating surplus; the rest of the *Annual Surplus* has either been used to acquire capital, or set aside for future use.

The Annual Surplus is the net difference between the Town’s *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, but 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 \$1,334,611 better than expected. \$986,205 of this variance is due to higher than budgeted revenues (higher than expected Water, Sewer and development fee revenues; developer-constructed assets turned over to the Town; exchange rate gain on U.S. funds held by the Town) while \$348,406 represents savings on the expense side (the Policing contract being the biggest factor).

Net Increase in Reserves

In the breakdown of the Annual Surplus above, one of the contributing factors is the net increase of \$182,956 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 9 as “*Reserve funds set aside for specific purposes by Council*”. These are known as Statutory Reserves, in that they are created by bylaw, as allowed under provincial legislation. The establishing bylaws set out the purposes of the funds, and these purposes cannot be changed without a bylaw amendment. In other words, the funds must be used for the purposes for which the reserves were established.

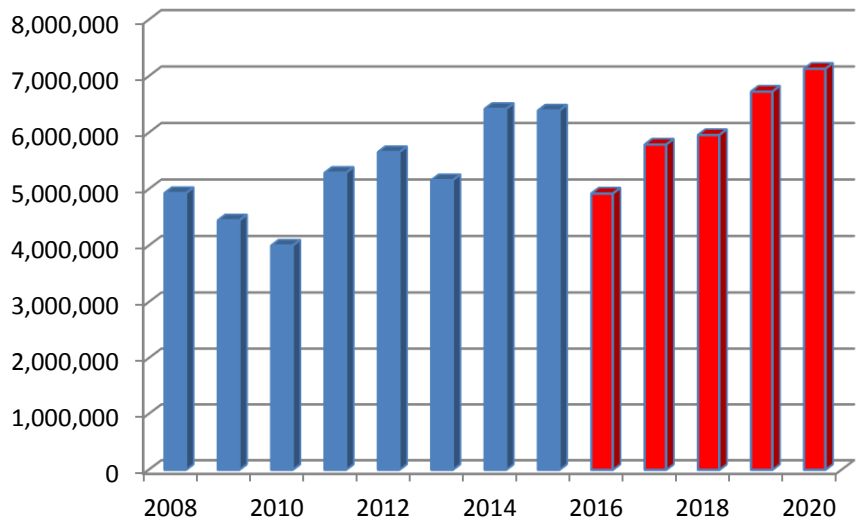
The second subset of reserves is labeled “*Reserves set aside by Council*”. While less formal, these funds are also usually earmarked for specific purposes, but it is possible to redirect these funds for other uses, through the annual budget process. However, as most of the balances in these reserves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

The Town’s total Statutory Reserves at year end amounted to \$6,392,966. 25% of this total represents the Town’s Infrastructure Replacement reserves, while a further 33% is made up of reserves to replace Town vehicles, equipment and the ferry terminal. 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 26% of the total Statutory Reserve balance represents Federal Gas Tax Funds being held for future eligible use.

The chart below shows the Town’s total Statutory Reserve balances over the last eight 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. The drop downwards in 2016 is due to the budgeted infrastructure projects to be funded from reserves.

Based on the current 5 year financial plan, the overall trend is for a growing reserve balance. This is mostly due to the roughly \$500,000 of Gas Tax funds being deposited into reserves each year. It is very likely that capital projects will be identified that will utilize Gas Tax funding, so the projected balance may look different after the next financial plan. 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 generally neither good nor bad; it 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.

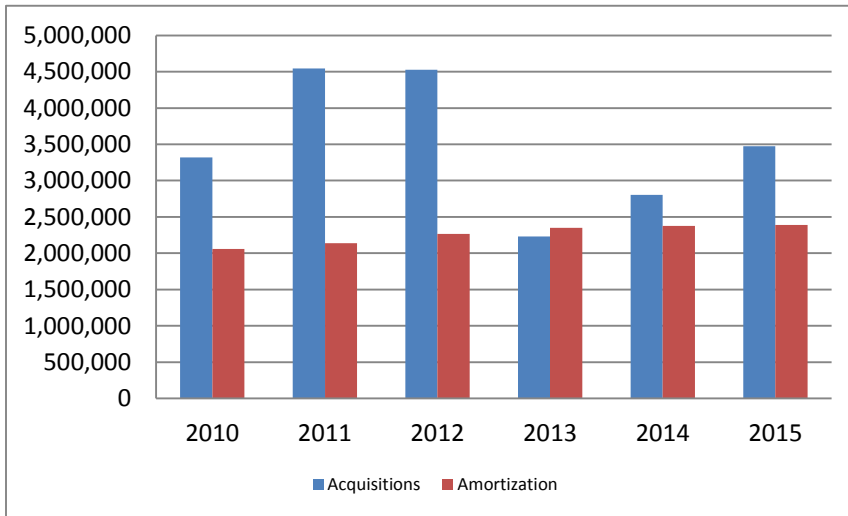


Net Investment in Capital Assets

The largest contributing factor to the Annual Surplus is an increase in *net investment in capital assets* of \$1,257,363. This was due to a net decrease of \$174,808 in debt and leases attributed to capital assets, and a \$1,082,555 increase in the net book value of TCA. 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 most significant capital additions during the year were annual infrastructure replacement works, including the repaving and replacement of sewer, water and drainage on Allbay Road, repaving of sections of Weiler Avenue, completion of the new Ferry Terminal Toll Both, and replacement of several key components of the Town’s computer network. It also included the initial expenditures related to procuring a new fire engine, and the preliminary design costs for a future Community Safety Building.

The chart below shows the Town's TCA additions and amortization over the past 6 years. It demonstrates that in most years, there is a positive net investment in capital, with the exception of 2013 when the Town consumed more than it added. 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.



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

Net Increase in Surplus from Operations

The *net increase in surplus from operations* is perhaps the most important contributing factor to the Annual Surplus. The Surplus (or Deficit) from Operations provides the best indication of the current year's operating results. The previously discussed contributing factors to the Annual Surplus may result in a surplus or deficit in any given year depending on the Town's financial or asset management plans, and as such, are not true indicators of the current year's operating performance. The Surplus (or Deficit) from Operations in a given year represents the true increase (or decrease) in the Town's "disposable income" for future spending. The 2015 operations realized a surplus of \$686,983, but when netted against the use of \$85,000 of prior years' surplus, for initial expenditures of the Community Safety Building, the net increase in Surplus from Operations was \$601,983. When the net increase is combined with surpluses from prior years, the year ending Accumulated Surplus from Operations balance is \$4,785,701.

The table below shows the breakdown of the current year's net increase of Surplus from Operations:

General Operating Fund	\$ 550,782
Garbage Utility	22,107
Water Utility	(56,411)
Sewer Utility	170,505
Total Surplus from Operations	686,983
Use of Prior Years' Surplus	(85,000)
Net Increase in Accumulated Surplus from Operations	\$ 601,983

The largest contributor to this surplus was the General Operating fund, which realized a surplus of almost \$550,782; this resulted from better than expected revenues, and operational savings. During 2015, the town recognized a significant foreign exchange gain, and greater than anticipated development activity that resulted in better than expected permit fee revenues.

Operational savings were notably realized within the RCMP policing contract due to temporary vacancies, and within Public Works, where savings were achieved as various maintenance programs were deferred in order to focus on the Allbay Road project, and on cost-recoverable work. The 2015 Financial Plan included a budgeted transfer of \$200,000 from surplus to fund general operating expenses; however, as expected, the resulting year's operations did not necessitate this transfer.

The Garbage Utility, which operates on a cost recovery basis, realized a surplus of \$22,107. This surplus was expected and in fact budgeted, as part of a plan to ensure garbage collection rates for residents and businesses remain unchanged for the duration of the Town's five-year contract with its garbage collection service provider. The contract includes cost increases to the Town in each year, so the budgeted surpluses in the first couple of years will offset expected deficits in the latter years, thus allowing user rates to remain constant throughout the contract.

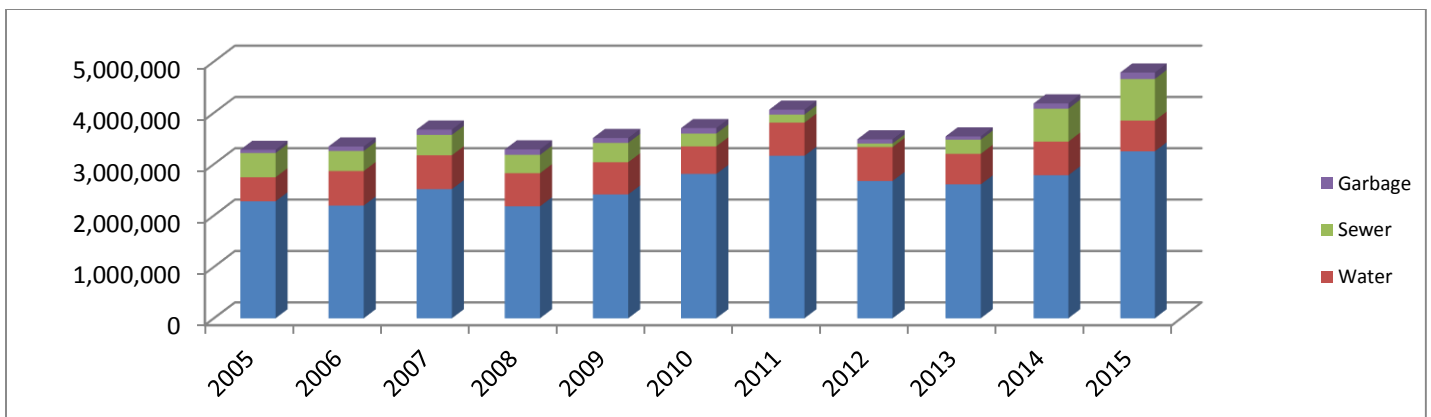
The Water Utility realized a deficit of \$56,411, as compared to a surplus of \$59,151 in 2014 and a deficit of \$67,047 in 2013. Each year, water revenues and expenses are budgeted to balance the utility using trends from previous years. In some years we realize surpluses and other years, deficits; this almost always depends on the volume of water consumption in any given year. It is important to note that the Water Utility has a healthy surplus accumulation from prior years' operations, which has ensured user rates have remained unchanged, even in light of recent increases in bulk water costs.

The Sewer Utility realized a surplus of \$170,505 as sewer user fees collected, which are based on water usage, were better than budget. The Sewer Utility budget is also based on trends from previous years, but in some years actual results deviate from those trends, and this was the case in 2015 as higher water usage resulted from the dry spring and summer weather conditions. Over the past several years, the Sewer Utility has realized budgeted surpluses, which has allowed the accumulated balance to grow to acceptable policy levels after several years of deficits. As a result, the healthy accumulated surplus balance permitted 2015 Sewer Parcel Tax and Sewer User Rates to be reduced; rates will be maintained into 2016.

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

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

The chart below illustrates the Town's Accumulated Surplus from Operations balances over the past decade, and the contribution from each of the Town's significant operational areas. The 2015 year ending Accumulated Surplus from Operations balance is \$4,785,701, with all operational areas maintaining surplus levels that are healthy and meeting policy requirements.



Increase in Restricted Cash

This small increase 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.

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. Then, the individual notes 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.

Note 13 in the Town's statements provides a reconciliation of the Town's financial plan to the budget figures used in the statements. The format of the Town's financial plan bylaw has improved significantly in recent years, to a point where the comparability requires the addition and subtraction of only a couple of items.

The Segmented Information note (Note 14) further assists readers of the statements in understanding the types of revenues and expenses attributable to specific Town functions for the unique services performed by each.

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 15) 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 useful tool in understanding the past performance of the Town and assessing some of its financial challenges and strengths. The 2015 statements reflect an improved financial position, both in Net Financial Assets and Accumulated Surplus, signaling a continued dedication to sound financial management. The operating results were roughly in line with budgeted expectations, with both the General Operating and Sewer Utility sections generating operating surpluses greater than expected. The Town displayed a commitment to renewing its infrastructure by improving its balance of reserves and realizing a net investment in capital assets from the retirement of debt and adding more assets than it consumed.

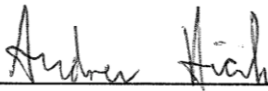
Financial Reporting Responsibility

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. Significant accounting policies are described in note 1 to the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management’s judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

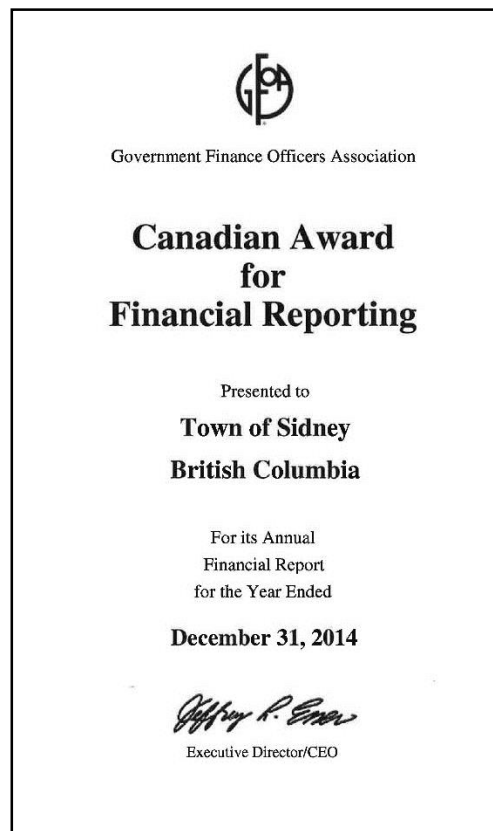
The Town’s management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely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

The Municipal Council, acting through its Standing Committees, 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



Independent Auditor's Report

To the Mayor and Councilors of the Town of Sidney

We have audited the accompanying financial statements of the Town of Sidney, which comprise the statement of financial position as at December 31, 2015, the statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Town of Sidney as at December 31, 2015, 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.

A stylized, handwritten signature of "KPMG LLP" in black ink, with a horizontal line underneath.

Chartered Accountants
May 9, 2016
Victoria, Canada

KPMG LLP
Chartered
Accountants
St. Andrew's Square II
800 - 730 View Street
Victoria BC V8W 3Y7

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Internet www.kpmg.ca



Consolidated Financial Statements

Statement of Financial Position

Year ended December 31, 2015 with comparative figures for 2014

	2015	2014
Financial assets:		
Cash and cash equivalents (note 3)	\$ 4,009,671	\$ 3,439,118
Investments	10,542,038	9,537,090
Property taxes receivable	491,790	499,171
Accounts receivable	1,449,475	1,605,135
Restricted cash	46,968	45,795
	<u>16,539,942</u>	<u>15,126,309</u>
Liabilities:		
Accounts payable and accrued liabilities	1,449,801	1,408,557
Deferred revenue and deposits (note 4)	2,247,426	1,656,537
Employee future benefit obligations (note 5)	624,100	682,400
Lease obligations (note 6)	20,917	36,410
Long-term debt (note 7)	3,148,384	3,307,699
	<u>7,490,628</u>	<u>7,091,603</u>
Net financial assets	9,049,314	8,034,706
Non-financial assets:		
Tangible capital assets (note 8)	79,608,895	78,567,620
Inventory of supplies	122,766	104,271
Prepaid expenses	83,163	114,066
	<u>80,814,824</u>	<u>79,785,957</u>
Accumulated surplus (note 9)	<u>\$ 88,864,138</u>	<u>\$ 86,820,663</u>

Commitments and contingent liabilities (note 15)

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

Statement of Operations and Accumulated Surplus

Year ended December 31, 2015 with comparative figures for 2014

	<i>Budget 2015</i>	Actual 2015	Actual 2014
	<i>(note 13)</i>		
Revenue:			
Net taxes available for municipal purposes (note 10)	\$ 12,264,223	\$ 12,274,566	\$ 11,989,745
Fees, rates and service charges	5,328,874	5,765,649	5,403,264
Government transfers (note 11)	1,533,801	1,367,563	1,959,624
Investment earnings	195,000	207,978	215,141
Gifts and contributions	18,500	479,969	291,602
Penalties and interest	93,052	102,915	89,836
Actuarial adjustment on debt	-	25,497	21,460
Other	16,800	212,319	154,106
Total revenue	19,450,250	20,436,456	20,124,778
Expenses:			
General government	2,301,885	2,195,906	2,245,787
Protective services	4,453,631	4,170,584	4,069,891
Transportation	3,606,722	3,575,292	3,433,521
Environmental health services	700,260	692,105	676,363
Environmental development	388,365	375,017	365,953
Leisure, parks and cultural	2,736,193	2,767,498	2,776,883
Water utility	1,919,923	2,048,836	1,823,469
Sewer utility	1,997,117	1,938,618	1,920,935
Other (note 12)	637,290	629,125	581,518
Total expenses	18,741,386	18,392,981	17,894,320
Annual surplus	708,864	2,043,475	2,230,458
Accumulated surplus, beginning of year	86,820,663	86,820,663	84,590,205
Accumulated surplus, end of year	\$ 87,529,527	\$ 88,864,138	\$ 86,820,663

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

Statement of Changes in Net Financial Assets

Year ended December 31, 2015 with comparative figures for 2014

	<i>Budget</i> 2015 <i>(note 13)</i>	Actual 2015	Actual 2014
Annual surplus	\$ 708,864	\$ 2,043,475	\$ 2,230,458
Acquisition of tangible capital assets	(4,879,460)	(3,473,284)	(2,881,301)
Amortization of tangible capital assets	2,450,000	2,390,729	2,377,616
Loss on disposal of tangible capital assets	-	23,437	101,675
Proceeds on disposal of tangible capital assets	-	17,843	10,552
	(1,720,596)	1,002,200	1,839,000
Acquisition of inventory of supplies	-	(122,766)	(104,271)
Acquisition of prepaid expense	-	(83,163)	(114,066)
Consumption of inventory of supplies	-	104,271	80,864
Use of prepaid expenses	-	114,066	39,112
Change in net financial assets	(1,720,596)	1,014,608	1,740,639
Net financial assets, beginning of year	8,034,706	8,034,706	6,294,067
Net financial assets, end of year	\$ 6,314,110	\$ 9,049,314	\$ 8,034,706

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

Statement of Cash Flows

Year ended December 31, 2015 with comparative figures for 2014

	2015	2014
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 2,043,475	\$ 2,230,458
Items not involving cash:		
Amortization	2,390,729	2,377,616
Developer contribution of tangible capital assets	(273,334)	(171,464)
Change in employee benefits and other liabilities	(58,300)	1,000
Loss on disposal of tangible capital assets	23,437	101,675
Loss (gain) on leases	25	(5,656)
Actuarial adjustment on debt	(25,497)	(21,460)
Change in non-cash assets and liabilities:		
Property taxes receivable	7,381	(52,084)
Accounts receivable	155,660	(408,754)
Accounts payable and accrued liabilities	41,244	274,234
Deferred revenue	590,889	(848,068)
Inventory of supplies	(18,495)	(23,407)
Prepaid expenses	30,903	(74,955)
Net change in cash from operating activities	4,908,117	3,379,135
Capital activities:		
Proceeds on disposal of tangible capital assets	17,843	10,552
Cash used to acquire tangible capital assets	(3,199,950)	(2,691,120)
Net change in cash from capital activities	(3,182,107)	(2,680,568)
Investment activities:		
Investments	(1,004,948)	(3,527,034)
Net change in cash from investing activities	(1,004,948)	(3,527,034)
Financing activities		
Municipal Finance Authority debt reserve adjustment	(1,173)	(729)
Debt issued and assumed	25,300	-
Long-term debt repaid	(157,486)	(160,589)
Lease obligations repaid	(17,150)	(36,731)
Net change in cash from financing activities	(150,509)	(198,049)
Net change in cash and cash equivalents	570,553	(3,026,516)
Cash and cash equivalents, beginning of year	3,439,118	6,465,634
Cash and cash equivalents, end of year	\$ 4,009,671	\$ 3,439,118
Cash paid for interest	\$ 155,941	\$ 157,911
Cash received from interest	310,893	304,977
Assets acquired under capital lease	-	18,713

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

Notes to Financial Statements

Year ended December 31, 2015

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) Investment income:

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, 2015

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.

Sick leave benefits and other retirement 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.

Notes to Financial Statements

Year ended December 31, 2015

1. Significant accounting policies (continued):

(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.

(i) Cash and cash equivalents:

Cash and cash equivalents are comprised of cash on hand, demand deposits and short-term, highly liquid investments with a term to maturity of 90 days or less at acquisition. Cash equivalents may also include investments in the Municipal Finance Authority of British Columbia ("MFA") Money Market Funds, which are recorded at cost plus earnings reinvested in the funds.

(j) 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.

(k) Use of estimates:

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

2. Adoption of new accounting policy:

The Town of Sidney adopted Public Sector Accounting Board Standard *PS 3260 Liability for Contaminated Sites* effective January 1, 2015. Under PS 3260, contaminated sites are defined as the result of contamination being introduced in air, soil, water or sediment of a chemical, organic, or radioactive material or live organism that exceeds an environmental standard. This Standard relates to sites that are not in productive use and sites in productive use when an unexpected event resulted in contamination. The Town of Sidney adopted this standard on a retroactive basis and there were no adjustments as a result of the adoption of this standard.

3. Cash and cash equivalents:

The cash and cash equivalents reported on the statement of financial position are comprised of the following:

	2015	2014
Cash	\$ 4,009,671	\$ 2,668,135
Municipal Finance Authority money market fund	-	770,983
	<u>\$ 4,009,671</u>	<u>\$ 3,439,118</u>

Notes to Financial Statements

Year ended December 31, 2015

4. 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, 2014	Recognized as revenue	Interest earned	Current year deferred	Balance at Dec 31, 2015
Prepaid property taxes	\$ 1,112,154	\$(1,112,154)	\$ -	\$ 1,242,846	\$ 1,242,846
Prepaid fees and charges	96,511	(81,704)	-	167,124	181,931
Deferred developer contributions & deposits	335,572	(255,110)	2,100	419,815	502,377
Deposits on hold	112,300	(77,200)	-	285,172	320,272
	<u>\$ 1,656,537</u>	<u>\$(1,526,168)</u>	<u>\$ 2,100</u>	<u>\$ 2,114,957</u>	<u>\$ 2,247,426</u>

5. Employee future benefit obligations:

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

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

	2015	2014
Accrued employee benefit obligations:		
Balance, beginning of year	\$ 758,600	\$ 694,600
Current service cost	86,900	70,400
Past service cost	-	39,100
Interest cost	24,900	28,100
Benefits paid	(182,300)	(142,500)
Actuarial adjustment	97,200	68,900
Balance, end of year	785,300	758,600
Unamortized net actuarial loss	(161,200)	(76,200)
Accrued employee benefit obligations	<u>\$ 624,100</u>	<u>\$ 682,400</u>

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

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

This valuation is reviewed on a periodic basis. The most recent actuarial valuation of the Town's employee future benefits was completed as at December 31, 2013.

Notes to Financial Statements

Year ended December 31, 2015

5. Employee future benefit obligations (continued):

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

	2015	2014
Discount rates	3.10%	3.10%
Expected wage and salary increases	2.50%	2.50%

The Town funds the employee future benefits with the tax revenues from the general operating fund and from surplus amounts appropriated for this purpose. The total expense recorded in the financial statements in respect of obligations under this plan amounts to \$124,000 (2014 - \$143,500).

Other pension plan:

The Town and its employees contribute to the Municipal Pension Plan (the Plan), a jointly trustee pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the Plan, including investment of the assets and administration of benefits. The Plan is a multi-employer contributory pension plan. Basic pension benefits provided are based on a formula. As at December 31, 2015, the Plan has about 185,000 active members and approximately 80,000 retired members. Active members include approximately 37,000 contributors from local governments.

The most recent valuation, as at December 31, 2012, indicated a \$1,370 million funding deficit for basic pension benefits. The next valuation will be as at December 31, 2015, with results available in 2016. Employers participating in the Plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the Plan records accrued liabilities and accrued assets for the Plan in aggregate, with the result that there is no consistent and reliable basis for allocating the obligation, assets and costs to the individual employers participating in the Plan.

The Town paid \$574,537 for employer contributions (2014 - \$510,151) and Town employees paid \$492,060 for employee contributions (2014 - \$440,840) to the plan in fiscal 2015.

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, 2014. At December 31, 2015, the total plan provision for approved and unreported claims was \$19,101,700 with a net deficit of \$1,519,599. The actuary does not attribute portions of the unfunded liability to individual employers. The Town paid \$79,959 (2014 - \$77,662) for employer contributions and Town employees paid \$80,369 (2014 - \$78,461) for employee contributions to the plan in 2015.

Notes to Financial Statements

Year ended December 31, 2015

6. Lease obligations:

The Town has entered into capital lease agreements, for various office equipment, for terms ranging to five years, expiring in 2019. The future minimum annual lease payments are as follows:

	2015	2014
2015	\$ -	\$ 15,412
2016	8,145	8,271
2017	6,915	6,915
2018	5,696	5,696
2019	1,335	1,335
Total minimum lease payments	22,091	37,628
Less: amount representing interest (at prime less 1%)	(1,174)	(1,219)
Present value of net minimum capital lease payments	\$ 20,917	\$ 36,410

Interest expense incurred during 2015 on the above leases amounted to \$549 (2014 - \$1,014).

7. Long-term debt:

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

	Gross debt	Actuarial allocation	Net debt 2015	Net debt 2014
Other debt	\$ 109,668	\$ -	\$ 109,668	\$ 129,000
General capital fund	3,850,000	811,284	3,038,716	3,178,699
	\$ 3,959,668	\$ 811,284	\$ 3,148,384	\$ 3,307,699

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, 2015 there were contingent demand notes of \$95,705 (2014 - \$95,705) and cash deposits of \$46,968 (2014 - \$45,795). The demand notes are not included in the financial statements of the Town; however, the cash deposits are included in the financial statements as restricted cash.

Notes to Financial Statements

Year ended December 31, 2015

7. Long-term debt (continued):

(c) Long-term debt estimated principal repayments over the next five years:

2016	\$ 162,413
2017	162,482
2018	119,551
2019	119,620
2020	118,032

Scheduled debt repayments may be suspended due to excess sinking fund accumulations.

(d) Total interest paid during the year was \$155,394 (2014 - \$157,261).

(e) Existing long-term debt matures in annual amounts to the year 2037, and interest rates range from 2.4% to 4.65%. The weighted average interest rate for 2015 was 3.82% (2014 – 3.83%).

(f) Included in other debt is an Equipment Financing Loan Agreement with the Municipal Finance Authority. The Town borrowed proceeds of \$25,300 to finance the purchase of tangible capital assets. The loan is repaid in monthly payments of \$435 with a maturity date of August 31, 2020. The loan is repayable on demand upon occurrence of any events of default. Interest is charged on a daily floating rate basis and compounded monthly. At year end, the current floating rate was 1.38% per annum. Interest paid during the year was \$127 (2014 - \$nil) and has been included in expenses on the statement of operations. As a condition of borrowing, the Town has issued a promissory note in the value of \$25,300 to the MFA.

8. Tangible capital assets:

Cost	Balance at Dec 31, 2014	Additions / Transfers	Disposals	Balance at Dec 31, 2015
Land	\$ 15,143,104	\$ -	\$ -	\$ 15,143,104
Land improvements	4,054,896	91,539	-	4,146,435
Building and building improvements	23,311,724	553,359	(13,048)	23,852,035
Vehicles, machinery and equipment	10,211,026	572,757	(431,661)	10,352,122
Water and wastewater infrastructure	35,464,815	1,453,238	-	36,918,053
Roads infrastructure	27,004,436	649,198	(155,935)	27,497,699
Assets under construction	558,281	153,193	-	711,474
Total	\$ 115,748,282	\$ 3,473,284	\$ (600,644)	\$ 118,620,922

Notes to Financial Statements

Year ended December 31, 2015

8. Tangible capital assets (continued):

Accumulated Amortization	Balance at Dec 31, 2014	Disposals	Amortization Expense	Balance at Dec 31, 2015
Land	\$ -	\$ -	\$ -	\$ -
Land improvements	1,418,090	-	152,138	1,570,228
Building and building improvements	8,569,991	(14,911)	614,344	9,169,424
Vehicles, machinery and equipment	4,905,994	(420,864)	632,276	5,117,406
Water and wastewater infrastructure	13,395,064	-	489,610	13,884,674
Roads infrastructure	8,891,523	(123,589)	502,361	9,270,295
Assets under construction	-	-	-	-
Total	\$ 37,180,662	\$ (559,364)	\$ 2,390,729	\$ 39,012,027

Net Book Value	Balance at Dec 31, 2014	Balance at Dec 31, 2015
Land	\$ 15,143,104	\$ 15,143,104
Land improvements	2,636,806	2,576,207
Building and building improvements	14,741,733	14,682,611
Vehicles, machinery and equipment	5,305,032	5,234,716
Water and wastewater infrastructure	22,069,751	23,033,379
Roads infrastructure	18,112,913	18,227,404
Assets under construction	558,281	711,474
Total	\$ 78,567,620	\$ 79,608,895

(a) Assets under construction

Assets under construction having a value of \$711,474 (2014 - \$558,281) 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 \$273,334 (2014 - \$171,464).

(c) Works of art and historical cultural assets

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

Notes to Financial Statements

Year ended December 31, 2015

9. Accumulated surplus:

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

	2015	2014
Surplus:		
Invested in tangible capital assets	\$ 76,521,602	\$ 75,264,240
Surplus from operations	4,785,701	4,183,717
Total surplus	81,307,303	79,447,957
Reserves set aside by Council:		
Miscellaneous operating purposes	504,780	412,640
Miscellaneous capital purposes	612,122	493,320
Total reserves	1,116,902	905,960
Reserves funds set aside for specific purposes by Council:		
Land sale proceeds	16,452	16,152
Parkland acquisition	125,494	619
Off-street parking	80,586	74,586
Computer replacement	436,427	504,561
General equipment replacement	715,225	671,082
Fire equipment replacement	478,205	450,779
Water capital	346,475	340,875
Sewer capital	23,016	22,616
Infrastructure replacement	1,566,553	2,201,990
Water rates stabilization	244,055	240,155
Amenities	20,076	39,476
Ferry terminal	467,725	490,005
Contingency	69,933	62,933
Agreements	143,428	120,078
Gas Tax - Community Works Fund	1,659,315	1,185,044
Total reserve funds	6,392,965	6,420,951
Restricted cash	46,968	45,795
	\$ 88,864,138	\$ 86,820,663

Notes to Financial Statements

Year ended December 31, 2015

9. Accumulated surplus (continued):

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

	2015	2014
Federal gas tax agreement funds		
Gas tax agreement funds, beginning of year	\$ 1,185,044	\$ 701,827
Amounts received during the year	506,971	506,967
Interest earned restricted for projects	(52,000)	11,700
Expenditures	19,300	(35,450)
Gas tax agreements funds, end of year	\$ 1,659,315	\$ 1,185,044

10. Net taxes available for municipal purposes:

	2015	2014
Taxes:		
Property taxes	\$ 22,369,590	\$ 22,054,881
Revenue in lieu of taxes	217,674	212,198
Other	1,108,837	1,179,366
	23,696,101	23,446,445
Less taxes on behalf of:		
Provincial Government School Authorities	6,581,187	6,660,279
Capital Regional District	2,206,380	2,134,275
Capital Regional Hospital District	1,022,555	1,044,756
BC Transit	1,136,257	1,142,336
BC Assessment Authority	211,814	218,127
Municipal Finance Authority	685	677
Business Improvement Association	262,656	256,250
	11,421,534	11,456,700
Net taxes available for municipal purposes	\$ 12,274,567	\$ 11,989,745

Notes to Financial Statements

Year ended December 31, 2015

11. 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:

	2015	2014
Federal grants:		
Gas Tax - Community Works Funding	\$ 506,971	\$ 1,208,794
Gas Tax - Regionally Significant Project Funding	-	58,412
	<u>506,971</u>	<u>1,267,206</u>
Provincial grants:		
Federal / provincial capital grant programs	15,518	20,500
Small community protection grant	349,363	214,743
Traffic fine revenue sharing	130,384	96,960
Other provincial grants	120	195
	<u>495,385</u>	<u>332,398</u>
Regional and other local government transfers:		
Policing	279,653	284,912
Recreation	64,441	65,108
Other	21,113	10,000
	<u>365,207</u>	<u>360,020</u>
Total government transfer revenue	\$ 1,367,563	\$ 1,959,624

12. Other expenses:

	2015	2014
Grants to non-government organizations:		
Sidney and North Saanich Memorial Park Society	\$ 255,527	\$ 208,852
Saanich Peninsula Chamber of Commerce	60,000	60,000
New Marine Centre Society	65,000	42,600
Sidney Business Improvement Area Society	24,000	35,500
Peninsula Celebrations Society	12,000	12,000
Other	32,303	30,909
	<u>448,830</u>	<u>389,861</u>
Interest on prepaid taxes	3,908	5,644
Amortization and net loss on miscellaneous assets	69,997	130,556
Other	106,390	55,457
	<u>\$ 629,125</u>	<u>\$ 581,518</u>

Notes to Financial Statements

Year ended December 31, 2015

13. Budget data:

The budget data presented in these financial statements is based upon the 2015-2019 Financial Plan adopted by Council on April 27, 2015. The table below reconciles the approved budget to the budget figures reported in these financial statements.

	Budget Amount
Revenues:	
Financial Plan	\$ 19,051,838
Add:	
Vancouver Island Regional Library Levy	661,068
Less:	
Sidney Business Improvement Area Levy	(262,656)
Total revenue	19,450,250
Expenses:	
Financial Plan	18,342,974
Add:	
Vancouver Island Regional Library Levy	661,068
Less:	
Sidney Business Improvement Area Levy	(262,656)
Total Expenses	18,741,386
Annual surplus	\$ 708,864

14. 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:

(i) 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.

(ii) 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.

Notes to Financial Statements

Year ended December 31, 2015

14. Segmented information (continued):

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.

(iii) Transportation Services:

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

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

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

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

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

(iv) 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.

(v) Environmental Development Services:

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

(vi) 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, 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 Vancouver Island Regional Library to operate and manage the library.

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

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

(vii) 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.

Notes to Financial Statements

Year ended December 31, 2015

14. Segmented information (continued):

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

(viii) Other:

Other includes all revenues and expenses not captured in the other 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 payments 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.

Consolidated Financial Statements



Notes to Financial Statements

Year ended December 31, 2015

14. Segmented information (continued):

	General Government	Protective Services	Transportation	Environmental Health Services	Environmental Development	Leisure, Parks and Cultural	Water Utility	Sewer Utility	Other	2015
Revenue:										
Taxes for municipal purposes	\$ 1,669,495	\$ 3,412,764	\$ 1,695,252	\$ 142,471	\$ 332,059	\$ 2,058,427	\$ 356,141	\$ 501,000	\$ 2,106,957	\$ 12,274,566
Fees, rates and service charges	383,987	493,148	694,444	569,566	42,958	186,192	1,689,236	1,702,701	3,417	5,765,649
Government transfers	-	303,700	12,707	-	-	64,441	-	-	986,715	1,367,563
Investment earnings	-	-	-	-	-	-	-	-	207,978	207,978
Gifts and contributions	-	1,760	149,984	-	-	5,000	33,000	90,350	199,875	479,969
Penalties and interest	-	-	-	2,175	-	-	5,354	6,169	89,217	102,915
Actuarial adjustment on debt	-	-	-	-	-	-	-	-	25,497	25,497
MFA debt reserve fund surplus	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	212,319	212,319
Total revenue	2,053,482	4,211,372	2,552,387	714,212	375,017	2,314,060	2,083,731	2,300,220	3,831,975	20,436,456
Expenses:										
Salaries, wages and benefits	1,710,815	1,650,965	1,661,080	104,408	342,463	916,421	411,682	265,526	15,186	7,078,546
Contracted services	557,569	2,147,357	350,159	546,881	26,469	1,073,764	36,857	1,370,205	355,102	6,464,363
Supplies and equipment	(254,414)	125,149	353,197	40,816	6,085	224,290	1,373,169	141,604	55	2,009,951
Debt interest	407	14	36,222	-	-	119,299	-	-	-	155,942
Other	4,590	9,256	7,750	-	-	-	31,803	-	240,051	293,450
Amortization	176,939	237,843	1,166,884	-	-	433,724	195,325	161,283	18,731	2,390,729
Total expenses	2,195,906	4,170,584	3,575,292	692,105	375,017	2,767,498	2,048,836	1,938,618	629,125	18,392,981
Annual surplus	\$ (142,424)	\$ 40,788	\$ (1,022,905)	\$ 22,107	\$ -	\$ (453,438)	\$ 34,895	\$ 361,602	\$ 3,202,850	\$ 2,043,475

Notes to Financial Statements

Year ended December 31, 2015

14. Segmented information (continued):

	General Government	Protective Services	Transportation	Environmental Health Services	Environmental Development	Leisure, Parks and Cultural	Water Utility	Sewer Utility	Other	2014
Revenue:										
Taxes for municipal purposes	\$ 1,789,039	\$ 3,426,915	\$ 1,856,057	\$ 144,042	\$ 346,940	\$ 2,033,411	\$ 360,390	\$ 583,717	\$ 1,449,234	\$ 11,989,745
Fees, rates and service charges	381,691	340,527	531,304	571,081	29,190	175,977	1,604,011	1,765,908	3,575	5,403,264
Government transfers	-	282,727	195	-	-	54,249	-	-	1,622,453	1,959,624
Investment earnings	9,216	-	-	-	-	-	-	-	205,925	215,141
Gifts and contributions	300	1,810	-	-	250	-	-	-	289,242	291,602
Penalties and interest	-	-	-	1,834	-	-	4,587	5,515	77,900	89,836
Actuarial adjustment on debt	-	-	-	-	-	-	-	-	21,460	21,460
MFA debt reserve fund surplus	-	-	-	-	-	-	-	-	126	126
Other	-	-	-	-	-	-	-	-	153,980	153,980
Total revenue	2,180,246	4,051,979	2,387,556	716,957	376,380	2,263,637	1,968,988	2,355,140	3,823,895	20,124,778
Expenses:										
Salaries, wages and benefits	1,717,811	1,632,889	1,493,467	106,773	323,116	985,304	289,507	240,034	5,971	6,794,872
Contracted services	573,847	2,048,460	425,153	525,873	39,707	1,022,096	27,042	1,362,736	380,212	6,405,126
Supplies and equipment	(238,639)	153,871	327,483	43,717	3,130	208,841	1,317,510	157,826	-	1,973,739
Debt interest	365	69	37,464	-	-	119,311	-	-	702	157,911
Other	4,451	7,102	-	-	-	-	(2,398)	-	175,902	185,057
Amortization	187,952	227,500	1,149,954	-	-	441,331	191,808	160,339	18,731	2,377,615
Total expenses	2,245,787	4,069,891	3,433,521	676,363	365,953	2,776,883	1,823,469	1,920,935	581,518	17,894,320
Annual surplus	\$ (65,541)	\$ (17,912)	\$ (1,045,965)	\$ 40,594	\$ 10,427	\$ (513,246)	\$ 145,519	\$ 434,205	\$ 3,242,377	\$ 2,230,458

Notes to Financial Statements

Year ended December 31, 2015

15. Commitments and contingent liabilities:

- (a) Under Section 836 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. The Town has in place a temporary borrowing bylaw to cover any potential payout should the agreement be terminated; however, there is no intention at this time to contemplate termination of the agreement.



Taxable Assessment of Land & Improvements

(in thousands)

	2015	2014	2013	2012	2011
Residential	\$ 2,283,466	\$ 2,244,663	\$ 2,256,892	\$ 2,391,910	\$ 2,425,153
Utilities	1,100	1,153	1,132	1,132	1,078
Light Industrial	38,604	37,346	37,912	36,322	30,907
Business / Other	380,423	382,777	368,405	363,459	361,889
Recreation / Non-profit	27,272	26,883	27,486	26,949	22,306
Farm	116	116	118	118	118
	\$ 2,730,981	\$ 2,692,938	\$ 2,691,945	\$ 2,819,890	\$ 2,841,451

Source: BC Assessment Revised Roll

New Construction

	2015	2014	2013	2012	2011
Construction Permits	138	112	126	116	137
Construction Value	\$ 23,357,205	\$ 11,910,980	\$ 9,279,985	\$ 7,628,000	\$ 21,555,463
Taxes Generated from New Growth	\$ 49,955	\$ 84,020	\$ 39,537	\$ 44,176	\$ 60,716

Source: Town of Sidney Finance Department

Property Tax Rates & Revenue

	2015	2014	2013	2012	2011
Municipal (per '000 of assessment)					
Residential	3.18658	3.13700	3.02379	2.74853	2.61399
Utilities	18.83945	18.38083	17.14415	16.66567	17.03017
Light Industrial	6.76922	5.87377	5.63886	5.12819	5.86397
Business / Other	7.53578	7.35233	7.36702	7.31739	7.24077
Recreation / Non-profit	4.68413	4.62168	4.38581	4.34597	4.32354
Farm	4.06177	3.96193	3.78459	3.67642	3.57725
Total - including School, Regional, Transit, etc (per '000 of assessment)					
Residential	6.39772	6.36982	6.16581	5.73564	5.54683
Utilities	40.37523	39.82376	38.54170	37.96911	38.26406
Light Industrial	16.85907	15.96915	20.36017	15.15622	16.27759
Business / Other	17.54801	17.55195	17.66947	17.66173	17.74730
Recreation / Non-profit	9.87741	9.90659	9.57793	9.49179	9.44045
Farm	12.68589	12.56851	12.31440	12.14122	11.89567
Municipal Property Tax Billings by Class					
Residential	\$ 7,272,378	\$ 7,041,509	\$ 6,824,368	\$ 6,575,960	\$ 6,339,327
Utilities	20,731	21,199	19,412	18,859	18,350
Light Industrial	261,321	219,360	213,780	186,266	181,238
Business / Other	2,866,859	2,819,306	2,719,050	2,655,058	2,616,663
Recreation / Non-profit	127,885	126,140	120,548	122,136	104,715
Farm	471	459	448	2,617	423
	\$ 10,549,644	\$ 10,227,973	\$ 9,897,606	\$ 9,560,896	\$ 9,260,716

Source: Town of Sidney Finance Department

Property Tax Levied and Collected

	2015	2014	2013	2012	2011
Municipal	\$ 10,549,644	\$ 10,227,973	\$ 9,897,607	\$ 9,560,896	\$ 9,260,716
Parcel Taxes	845,460	922,443	915,506	908,328	932,816
School	6,581,187	6,660,279	6,544,831	6,638,686	6,712,728
Regional District	2,206,380	2,134,275	2,073,310	2,017,745	1,932,301
BC Transit	1,136,257	1,142,336	1,058,799	969,881	965,626
Hospital District	1,022,555	1,044,756	1,003,443	1,002,650	995,389
Regional Library	661,068	628,350	597,327	565,295	527,107
BC Assessment	211,814	218,127	216,888	222,402	230,153
Municipal Finance Authority	684	677	673	696	697
Business Improvement Area Association	262,656	256,251	250,000	-	-
Total Tax Levied	\$ 23,477,705	\$ 23,235,467	\$ 22,558,384	\$ 21,886,579	\$ 21,557,533
Total Current Taxes Levied	\$ 23,477,705	\$ 23,235,467	\$ 22,558,384	\$ 21,886,579	\$ 21,557,533
Current Taxes Collected	23,162,188	22,917,057	22,249,616	21,633,638	21,200,655
Percentage	98.66%	98.63%	98.63%	98.84%	98.34%
Arrears Taxes Outstanding, Beginning of Year	418,702	437,162	376,969	484,216	470,239
Arrears Taxes Collected	298,502	335,865	276,458	409,226	338,656
Percentage	71.29%	76.83%	73.34%	84.51%	72.02%
Total Tax Collections*	\$ 23,460,690	\$ 23,252,922	\$ 22,526,074	\$ 22,042,864	\$ 21,539,311

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

Source: Town of Sidney Finance Department

Principal Corporate Tax Payers

Registered Owner	Primary Use	2015 Municipal Tax Levied	2015 Total Tax Levied
Sidney Marina Co Ltd	Marina / Boat Storage / Charters	\$ 145,058	\$ 321,401
Malaview Development Ltd	Manufacturing / Retail	104,030	241,052
Jim Pattison Developments Ltd	Retail	99,464	245,219
Damka Lumber & Development Ltd	Retail	99,034	244,159
0928818 BC Ltd	Hotel	82,096	201,153
Washington State Department Of Transportation	Ferry Terminal	79,998	185,807
JR Estates Inc	Senior Care Facility	70,320	127,517
West Sidney Business Park Ltd	Manufacturing / Office / Retail	66,010	153,254
Ko & Shew Ltd	Office / Retail	64,972	159,826
Sidney Pier Properties Ltd	Hotel	64,681	146,112
Sidney Centre Holdings Ltd	Office / Retail	60,760	149,696
Hobo Holdings Ltd	Office / Retail	59,961	145,707
P & L Holdings Ltd	Hotel / Office / Retail	58,930	145,191
Nicholson Manufacturing Ltd	Industrial / Electrical	58,382	145,134
Sidney Pier Holdings	Office / Retail	56,532	138,379
Port Sidney Development Corp	Marina	54,418	121,397
Amica Mature Lifestyles Inc	Senior Care Facility	51,497	103,209
360204 BC Ltd	Office / Retail	48,677	117,666
Fario Capital Properties Ltd	Residential	48,071	89,326
Emerald Isle Motor Inn Ltd	Hotel	47,349	116,597
Scottplast Engineering Ltd	Manufacturing	46,069	114,468
Wendon Manufacturing Ltd	Manufacturing	42,907	106,594
Albion Properties Ltd	Office / Retail	42,736	103,537
Tait Bros Enterprises Ltd	Hotel	38,913	95,196
0806289 BC Ltd	Office / Retail	38,268	88,433
Milwest Holdings Ltd	Storage Facility	35,978	83,540
Tudor Estates Ltd	Retail	33,978	83,596
Beacon Community Association	Retail / Senior Care Facility	33,632	76,923
Ralmax Properties Ltd	Manufacturing	31,772	78,861
BC Telephone Co	Telephone Pole	20,112	82,704
Total		\$ 1,784,606	\$ 4,211,653

Source: Town of Sidney Finance Department

Debenture Debt

(in thousands, except per capita data)

	2015	2014	2013	2012	2011
Gross Outstanding Debt	\$ 3,960	\$ 4,018	\$ 7,188	\$ 7,238	\$ 6,597
Less: Actuarial Allocation	811	710	3,698	3,527	3,259
Net Debt	\$ 3,148	\$ 3,308	\$ 3,490	\$ 3,712	\$ 3,339
Debt Servicing Cost *					
Property Tax Supported	\$ 315	\$ 314	\$ 332	\$ 475	\$ 474
Specified Area	-	4	5	7	13
Total Debt Servicing Cost	\$ 315	\$ 318	\$ 337	\$ 483	\$ 487
Gross Debt Servicing Limit	\$ 4,812	\$ 4,570	\$ 4,322	\$ 4,316	\$ 4,423
Debt Capacity Available	\$ 4,482	\$ 4,214	\$ 3,911	\$ 3,753	\$ 3,728
Population	11,178	11,178	11,178	11,178	11,315
# of Households	5,328	5,328	5,328	5,328	5,195
Net Debt per Capita	\$ 282	\$ 296	\$ 312	\$ 332	\$ 295
Net Debt per Household	591	621	655	697	643
Debt Servicing per Capita	\$ 28	\$ 28	\$ 30	\$ 43	\$ 43
Debt Servicing per Household	59	60	63	91	94

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

Source: Town of Sidney Finance Department
& Statistics Canada

Statement of Financial Position

(in thousands)

	2015	2014	2013	2012	2011
Financial Assets	\$ 16,540	\$ 15,126	\$ 14,164	\$ 14,302	\$ 15,861
Financial Liabilities	7,491	7,092	7,870	9,019	9,723
Net Financial Assets (Net Debt)	\$ 9,049	\$ 8,035	\$ 6,294	\$ 5,283	\$ 6,138

Consolidated Statement of Operations

(in thousands)

	2015	2014	2013	2012	2011
Revenue	\$ 20,436	\$ 20,125	\$ 18,770	\$ 19,266	\$ 19,655
Expenses	18,393	17,894	17,913	18,045	16,811
Annual Surplus	2,043	2,230	857	1,221	2,844
Accumulated Surplus, Beginning of Year	86,821	84,590	83,733	82,512	79,668
Accumulated Surplus, End of Year	\$ 88,864	\$ 86,821	\$ 84,590	\$ 83,733	\$ 82,512

Source: Town of Sidney Finance Department

Revenues and Expenses

(in thousands)

	2015	2014	2013	2012	2011
Revenue					
Property Taxes	\$ 12,275	\$ 11,990	\$ 11,629	\$ 11,247	\$ 10,920
Fees, Rates and Service Charges	5,766	5,403	5,006	5,131	5,658
Government Transfers	1,368	1,960	1,684	2,382	2,107
Investment Earnings	208	215	180	183	164
Gifts and Contributions	480	292	74	144	249
Penalties and Interest	103	90	91	100	101
Actuarial Adjustments on Debt	25	21	48	62	148
Other	212	154	58	18	307
	\$ 20,436	\$ 20,125	\$ 18,770	\$ 19,266	\$ 19,655
Expenses by Function					
General Government	\$ 2,196	\$ 2,246	\$ 2,306	\$ 2,255	\$ 2,111
Protective Services	4,171	4,070	3,955	3,847	3,624
Transportation	3,575	3,434	3,627	3,645	3,211
Environmental Health Services	692	676	514	502	486
Environmental Development	375	366	343	297	327
Leisure, Parks and Cultural	2,767	2,777	2,683	2,550	2,319
Water Utility	2,049	1,823	1,869	1,825	1,893
Sewer Utility	1,939	1,921	2,097	2,404	2,346
Other	629	582	519	720	495
	\$ 18,393	\$ 17,894	\$ 17,913	\$ 18,045	\$ 16,811
Expenses by Object					
Salaries, Wages and Benefits	\$ 7,079	\$ 6,795	\$ 6,648	\$ 6,194	\$ 6,101
Contracted Services	6,464	6,405	6,261	6,721	5,992
Supplies and Equipment	2,010	1,974	2,297	2,042	1,900
Debt Interest	156	158	165	207	267
Amortization	293	185	192	2,264	2,141
Other	2,391	2,378	2,350	616	410
	\$ 18,393	\$ 17,894	\$ 17,913	\$ 18,045	\$ 16,811

Source: Town of Sidney Finance Department

Reserve Funds

	2015	2014	2013	2012	2011
Reserves Set Aside by Council					
Miscellaneous Operating Purposes	\$ 504,780	\$ 412,640	\$ 568,576	\$ 825,448	\$ 657,703
Miscellaneous Capital Purposes	612,122	493,321	601,861	494,769	911,271
	1,116,902	905,961	1,170,437	1,320,217	1,568,974
Reserve Funds Set Aside for Specific Purposes by Council					
Land Sale Proceeds	16,452	16,152	15,852	15,675	97,764
Parkland Acquisition	125,494	619	619	612	606
Off-Street Parking	80,586	74,586	68,686	72,577	100,012
Computer Replacement	436,427	504,561	396,537	381,771	346,538
Vehicle & Equipment Replacement	562,223	569,781	441,240	398,516	295,089
Fire Equipment Replacement	478,205	450,779	325,379	249,524	124,427
General Capital	153,002	101,302	50,502	-	-
Water Capital	346,475	340,875	335,275	267,541	143,805
Sewer Capital	23,016	22,616	22,216	21,927	21,535
Infrastructure	1,566,553	2,201,990	2,326,558	1,745,147	1,520,756
Water Rates Stabilization	244,055	240,155	236,255	233,183	229,012
Amenities	20,076	39,476	97,549	107,029	130,159
Ferry Terminal	467,725	490,005	553,377	549,894	431,020
Contingency	69,933	62,933	201,133	218,257	214,353
Agreements	143,428	120,078	88,318	74,550	66,331
Gax Tax - Community Works Fund	1,659,315	1,185,044	-	-	-
	6,392,965	6,420,951	5,159,496	4,336,203	3,721,407
Restricted Cash	46,968	45,795	45,067	45,022	100,132
Total Reserves	\$ 7,556,835	\$ 7,372,707	\$ 6,375,000	\$ 5,701,442	\$ 5,390,513

Source: Town of Sidney Finance Department

Capital Expenditures & Funding Sources

	2015	2014	2013	2012	2011
Expenditures					
General Government	\$ 363,938	\$ 71,170	\$ 158,832	\$ 96,377	\$ 56,861
Protective Services	208,375	58,751	63,576	10,241	81,843
Transportation	1,741,595	1,660,070	1,845,228	2,923,337	1,026,669
Environmental Development	-	-	33,974	-	-
Leisure, Parks and Cultural	98,856	377,217	128,481	1,436,521	2,254,661
Water Utility	568,116	298,200	19,661	183,619	5,271
Sewer Utility	391,786	155,726	98,012	59,714	28,277
	\$ 3,372,666	\$ 2,621,135	\$ 2,347,763	\$ 4,709,810	\$ 3,453,580
Funding Sources					
Property Taxes	\$ 331,695	\$ 227,360	\$ 259,889	\$ 188,209	\$ 103,090
Grants	20,605	20,500	20,000	722,754	1,053,915
Gifts & Donations	-	47,150	4,014	23,703	80,590
Gas Tax	52,000	93,862	807,669	540,787	-
Debt	25,300	-	-	1,097,763	1,725,576
Agreements Reserve	-	-	13,974	-	-
Amenity Reserve	95,000	82,124	10,685	25,000	-
Computer Equipment Reserve	180,334	576	95,607	58,503	10,802
Contingency Reserve	-	124,500	-	-	-
Ferry Terminal Reserve	188,379	227,572	114,122	-	-
Fire Equipment Reserve	-	-	50,867	-	-
Infrastructure Reserve	1,988,136	1,435,069	576,688	932,184	170,845
Land Reserve	-	-	-	83,145	-
Off-Street Parking Reserve	-	-	9,524	33,315	-
Vehicle Reserve	323,032	67,759	147,796	79,605	91,895
Reserves Set Aside by Council - Capital	44,278	163,717	195,806	351,204	52,126
Surplus from Operations	61,074	85,000	-	471,008	151,966
Other	62,832	45,945	41,121	102,628	12,776
	\$ 3,372,666	\$ 2,621,135	\$ 2,347,763	\$ 4,709,810	\$ 3,453,580

Source: Town of Sidney Finance Department

Community Support Payments & Property Tax Exemptions

	Community Support Payments	Municipal Property Tax Exemption	2015 Total	2014 Total
676 Kittyhawk Air Cadets Squadron	\$ 1,000	\$ -	\$ 1,000	\$ 1,000
Army, Navy and Air Force Veterans of Canada	-	19,965	19,965	17,702
BC Aviation Museum	500	-	500	500
Bethel Fellowship Baptist Church	-	-	-	10,981
Boy Scouts & Girl Guide Hall	500	3,124	3,624	3,297
Church of Jesus Christ of Latter Day Saints	-	12,191	12,191	10,362
Community Arts Council of the Saanich Peninsula	4,500	664	5,164	5,245
Creatures of Habitat	500	-	500	500
Crisis Intervention and Public Information	500	-	500	500
Greater Victoria Bike to Work Society	500	-	500	500
Memorial Park Society / Mary Winspear Centre	255,527	84,937	340,464	242,222
Navy League of Canada	-	-	-	1,000
New Marine Centre Society	65,000	18,056	83,056	60,452
O.R.C.C.A.	1,000	-	1,000	-
Peace Lutheran Church	-	7,570	7,570	6,912
Peninsula Baseball & Softball Association	500	-	500	500
Peninsula Celebrations Society	12,000	-	12,000	12,000
Peninsula Dry Grad Society	1,000	-	1,000	1,000
Peninsula Figure Skating Club	500	-	500	-
Peninsula Soccer Association	-	-	-	500
Peninsula Streams Society	500	-	500	500
Saanich Marine Rescue Society	1,500	-	1,500	1,000
Saanich Peninsula Chamber of Commerce	60,000	3,619	63,619	63,770
Saanich Peninsula Christadelphians	-	3,163	3,163	2,909
Saanich Peninsula Pipe Band	-	-	-	500
Saanich Peninsula Piranha Swim Club	500	-	500	500
School District #63	9,803	-	9,803	10,409
Shoal Centre / Beacon Community Services	7,000	59,811	66,811	70,582
Sidney Business Improvement Area Society	24,000	-	24,000	32,000
Sidney Historical Museum	-	6,141	6,141	6,032
Sidney Lion's Food Bank	-	3,473	3,473	3,596
St. Andrew's Anglican Church	-	5,010	5,010	4,503
St. Elizabeth Church	-	8,616	8,616	6,235
St. Paul's United Church	-	4,135	4,135	3,884
Vancouver Island South Film & Media Commission	500	-	500	500
Victoria Human Exchange Society	1,500	-	1,500	1,500
	\$ 448,830	\$ 240,475	\$ 689,306	\$ 583,594

Source: Town of Sidney Finance Department

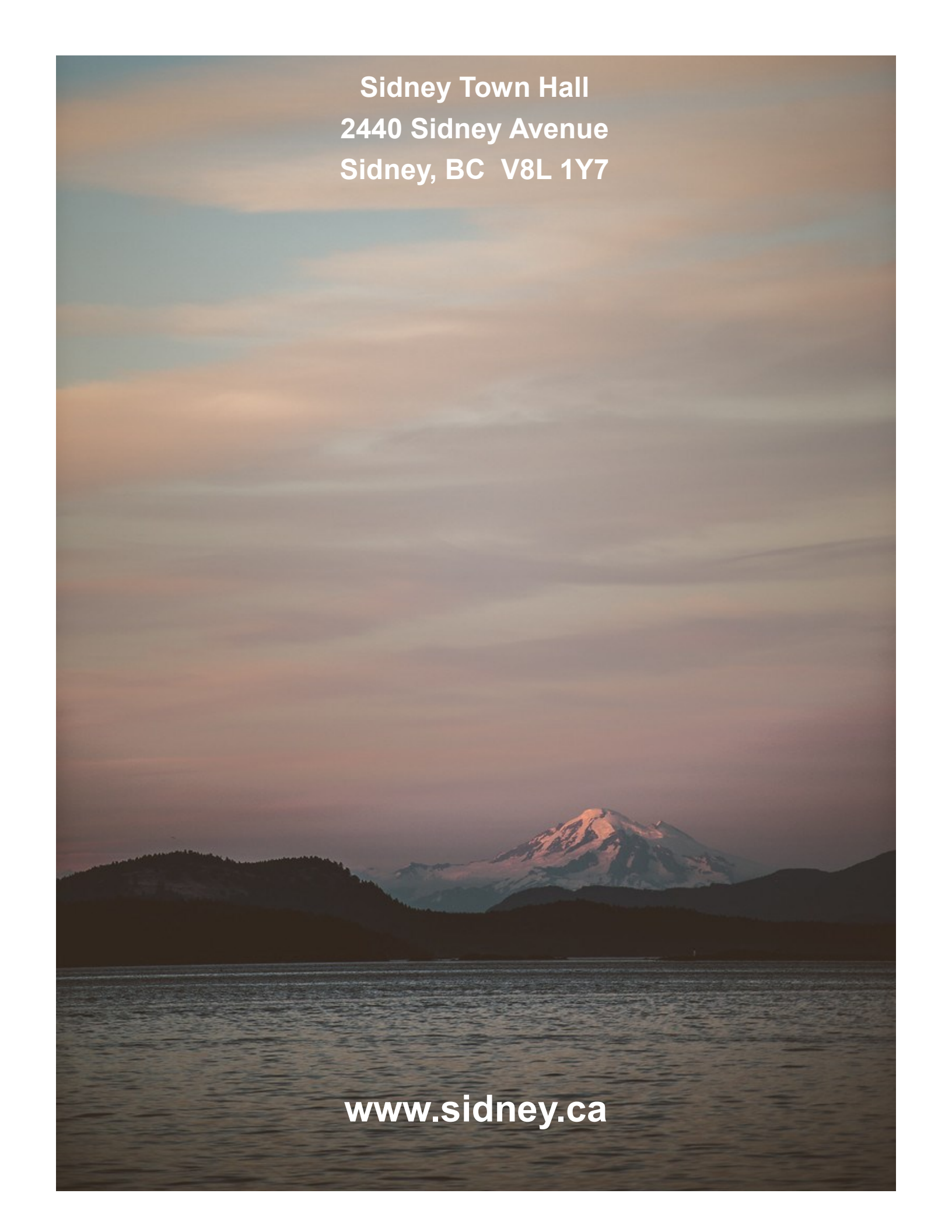
Strategic Community Investment Funds Plan and Progress Report

Small Community Portion of SCI Funds		
Intended Use	Performance Targets	Progress made in reporting period
Use funding to support local government services to minimize tax rates increases.	Minimize tax rate increases	\$349,363 in Small Community Grants were received in 2015. These funds were used to fund general municipal services in 2015. A tax increase of 3.23% would have been required to generate the level of funding used in 2015.

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.	\$130,384 in Traffic Fine Revenue were received in 2015. These funds were used to towards the police operating budget in 2015.

Source: Town of Sidney Finance Department





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