



# District of North Saanich 2010 Annual Report





# Table of Contents

|   |    |
|---|----|
| History of North Saanich.....                       | 4  |
| District of North Saanich Distinction .....         | 5  |
| Mayor’s Message .....                               | 6  |
| Mayor and Council .....                             | 7  |
| Our Focus .....                                     | 8  |
| Committees, Boards and Commissions .....            | 9  |
| Organizational Structure.....                       | 10 |
| Financial Information .....                         | 11 |
| Department Overviews.....                           | 15 |
| Corporate Services .....                            | 16 |
| Financial Services .....                            | 18 |
| Information Technology Services .....               | 20 |
| Infrastructure Services .....                       | 22 |
| Planning and Community Services .....               | 24 |
| Emergency and Fire Services .....                   | 26 |
| Police Services .....                               | 28 |
| Strategic Priorities .....                          | 29 |
| Message from the Director, Financial Services ..... | 36 |
| Financial Statements .....                          | 37 |
| 2010 Council Disclosures .....                      | 61 |
| Property Tax Exemptions .....                       | 62 |

# History of North Saanich

The District of North Saanich is located at the north end of the Saanich Peninsula approximately 25 kilometres north of Victoria, British Columbia along the southeast corner of Vancouver Island. The District is surrounded on three sides by 40 kilometres of ocean shoreline on each side, and is home to the Victoria International Airport and the Swartz Bay Ferry Terminal.

The District is part of the traditional territory of the Wsanec (Saanich) First Nation, who sold it to Governor James Douglas in 1852. Settlement began in the 1860's, and farmers were attracted by the mild climate, good soil and gentle topography. In 1894, the Victoria and Sidney Railway (V&S) began running up the middle of the peninsula, giving farmers a way to get their produce to market. The community was thriving and in July, 1905, then including the townsite of Sidney, was incorporated.

The original Municipal Hall was located in Sidney. Lacking population and a firm tax base, the municipality was dissolved in 1911, but continued as a successful farming community. From 1913 to 1924, the BC Electric Railway Company (BCER) ran an interurban train from Victoria to the north end of the peninsula at Deep Bay (now Deep Cove).

A third railway, Canadian Northern Pacific Railway (C.N.P.R.), operated from 1917 to 1919 as a passenger service, then as a freight service until 1935. The name of this railway (Ca-No-Ra) is preserved in the name of the road ("Canora Road") that now runs along its old route just

southeast of the airport. In 1940, the site of the present Victoria International Airport was selected as a military forces base and the area boomed with the influx of 10,000 military personnel, leading to incorporation of the Village of Sidney in 1952. Four years later, the residents of the North Saanich unorganized area, numbering 2,865, requested that letters patent be issued to form the "North Saanich Fire Prevention District" with power to own property, to tax and to borrow. In 1965, after a favourable public vote, the letters patent were withdrawn and the North Saanich Municipal District was established with offices at the present location on Mills Road.

The peninsula is now divided into North Saanich, Sidney, Central Saanich and Saanich. Today, the community neighbourhoods in North Saanich, which include the South-East Quadrant/Dean Park, Ardmore, Lands End/Curteis Point and Deep Cove, are on the periphery of a rich agriculture interior, which is protected by the Provincial Agricultural Land Reserve. Agriculture is very important to the municipality, as evidenced in the number of farms and road-side produce and flower stands. The District has two First Nations communities, the Tseycum and the Pauquachin, adjacent to the municipal boundaries.

Several institutional based industries are located in North Saanich including the Institute of Ocean Sciences, the Marine Technology Centre, the Centre for Plant Health and the Saanich Peninsula Wastewater Treatment Plant.

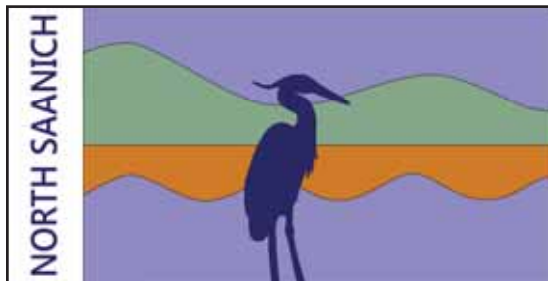


William Towner - Hop Grower

# District of North Saanich Distinction

## District of North Saanich Coat of Arms

The Coat of Arms was developed in 1968 through the efforts of the municipality's first Mayor, Mr. J. B. Cumming, and Professor Arthur Atkinson, an expert in heraldry who was a resident of the municipality. The thunderbird in the center of the shield denotes the First Nations heritage while the alternating coniferous and deciduous trees above it indicate the importance of the environment. Our interest in the ocean is represented by the wavy lines around the shield and the sail at the top. The flower on the sail is the Dogwood, which was and is prevalent throughout the area while the wings on either side of the sail indicate the airport. The motto, expressed in the Saanich language, is loosely translated to mean "the land where it is good to be".



In 2006 the District of North Saanich Spirit Committee held a District wide contest encouraging residents to submit design ideas for a new Municipal Hall flag. Rhonda LePoidevin was the winner of the contest with her design conveying all aspects of North Saanich's character – rolling green hills, golden fields, and the blue ocean, all of which form a backdrop for a silhouette of the District's official municipal bird, the Great Blue Heron.



# Mayor's Message



My efforts as Mayor over the past two and a half years have been focused on providing leadership on several fronts. One of great significance has been improved communication with residents, beginning with the procedures bylaw to remove the need to register to speak to Council at meetings and further to return the Committee of the Whole to a working discussion forum with direct interaction with

residents. Next, we improved the newsletter, to effectively increase community awareness of Council activities and direction.

Our most recent initiative is implementing webcasting of Council and COW meetings beginning in May. We are breaking new ground with this electronic viewing which provides easier direct access to specific agenda items for the public.

I have pursued an emphasis on community involvement with public consultations implemented early in the process of various initiatives.

As a Council we have worked toward the protection of ALR land while promoting and encouraging production and distribution of high quality food, pursuing a main goal of our OCP. We have created new parkland, improved trails and existing parks, extended bicycle lanes.

Families continue to move here because of the wonderful lifestyle we have to offer our residents. The stability and appeal of this municipality results from our maintaining a balanced approach to growth in accordance with our OCP.

We have consciously focused on the economic health and activity of our community. One indicator of this is the number of building permits issued. In 2009, North Saanich issued 128 for a total construction value of \$16 Million. It is encouraging to note the increase in 2010 with 211 permits valued at \$33 Million, which is significantly higher than in 2008, before the global fiscal crisis.

Even with the economic downturn the number of business licenses issued in North Saanich has steadily increased: 2007- 389, 2008 - 429, 2009 -439, 2010 - 447. We are seeing major business and government investment on the airport lands, which brings jobs and increased tax revenue to the community.

North Saanich has the lowest residential tax rate in the CRD but like any municipality, faces ongoing cost pressures. As a Council, we must continue to adopt policies to address those pressures, without burdening our residents with onerous tax increases.

With the excellent, thoughtful and hardworking council members I have been privileged to work with, we have completed a number of exciting initiatives and begun others.

I thank the residents of this community for the support and encouragement I have received through this term, which has made serving as your Mayor a personally rewarding experience for me.

# Mayor and Council

The Mayor and six Councillors were elected to office on November 15, 2008, for a three-year term. Following the resignation of Councillor Robert Shaw and Sheilah Fea, a by-election was held November 20, 2010 where Councillors Craig Mearns and Dunstan Browne were elected. Members of Council are elected at large by the voters of North Saanich. Mayor and Council serve on many committees, boards, and commissions,

listening to input and providing direction on areas ranging from agriculture and parks, environmental and community issues. Currently, there are two North Saanich Standing Committees: the Committee of the Whole and the Budget Committee which are comprised of all members of Council. Most North Saanich committees, commissions and boards act in an advisory capacity to Council.



Left to right: Councillor Dunstan Browne, Councillor Cairine Green, Councillor Anny Scoones, Mayor Alice Finall, Councillor Peter Chandler, Councillor Ruby Commandeur, Councillor Greg Mearns

# Our Focus

## Vision

Council and staff of the District of North Saanich are guided by vision elements that have emerged from significant community review and discussion. The future will ensure:

1. that rural, marine and cultural characteristics are valued and maintained;
2. the agricultural community is preserved and enhanced;
3. the needs and priorities of our community are supported;
4. the community is inclusive, accessible and culturally vibrant;
5. selected suitable, appropriately located economic activity;
6. perceived efficient levels of service commensurate with appropriate taxation;
7. protected natural environments and a demonstrated commitment to the preservation and enhancement of regionally significant green and blue spaces;
8. a sustainable community that plans for the potential impacts of climate change.

## Mission

Leadership that protects the sustainability of our rural, marine, agricultural, cultural and environmental characteristics and promotes and enhances the quality of life for current and future generations.

## Our Core Services

We are committed to meet or exceed public expectations in each of the following service areas:

1. governance leadership supported by volunteer Commissions/Committees and public consultation;
2. heritage, community planning and development;
3. fire protection, emergency services, public works and engineering;
4. parks, trails and environmental stewardship and protection;
5. joint recreation services with Peninsula Recreation Commission;
6. accountable financial and administrative services with a focus on performance management across all functions;
7. clear communication.

## Values and Operating Philosophy

The District of North Saanich, its Council and staff will:

1. be ethical, open, honest and fair;
2. provide customer service excellence;
3. collaborate as a strong team, supporting community initiatives and constructive relationships at the local and regional level;
4. make decisions that reflect the overall will of our community;
5. be consistent in application of policy, bylaws and regulations;
6. be flexible, innovative and progressive in our efforts to improve results;
7. ensure outstanding stewardship of public assets and the environment;
8. be fully supportive of the community's strong volunteer ethic.

# Committees and Commissions

## **Advisory Planning Commission**

E.A. (Ted) Izard - Chair  
Richard Nordlund - Vice Chair  
Al Burgoyne  
Bruce Tutt  
Ron Townshend  
Spring Harrison  
Tom Watkins  
Peter Chandler (Council Liaison)  
Adam Fitch (Staff Liaison)  
Jackie Gretchen (Commission Secretary)

## **Agricultural Advisory Commission**

Brian Hughes - Vice Chair  
Barbara Brennan - Chair  
Bernadette Greene  
Normand Schafer  
Carolyn Kwan  
Diana Chown  
Irfane Fancey  
Rob Kline  
Jan Fellenius - EAC Liaison  
Ron Townshend - APC Liaison  
Anny Scoones (Council Liaison)  
Adam Fitch (Staff Liaison)  
Jackie Gretchen (Commission Secretary)

## **Board of Variance**

Clarence Bolt (Chair)  
Rick Senkler  
Sheila Irving  
John Post (Staff Liaison)  
Kelly Albuca (Recording Secretary)

## **DNS Mountain Bike Jump Park Committee**

Cliff Halliday (Chair)  
Denis Paquette  
Greg Parish  
Ray Sibbald  
Peter Chandler (Council Liaison)  
Brian Robinson (Staff Liaison)  
Kelly Albuca (Committee Secretary)

## **Environmental Advisory Commission**

Richard Bailey (Chair)  
Claire Shaw  
Ian Norie  
John Thorp  
Ray LeNoury  
Ron Barnhart  
Jan Fellenius  
Jack Thornburgh

David Searle  
Adam Fitch - Staff Liaison  
Bob Shaw (Council Liaison)  
Anny Scoones (Alternate Council Liaison)  
Jackie Gretchen (Commission Secretary)

## **Heritage Advisory Commission**

Susan Banas (Chair)  
Ann Aylard (Vice Chair)  
Colette Thompson  
Graham Debling  
Hugh French  
Cairine Green (Council Liaison)  
Anny Scoones (Alternate Council Liaison)  
Adam Fitch (Staff Liaison)  
Jackie Gretchen (Staff Liaison)

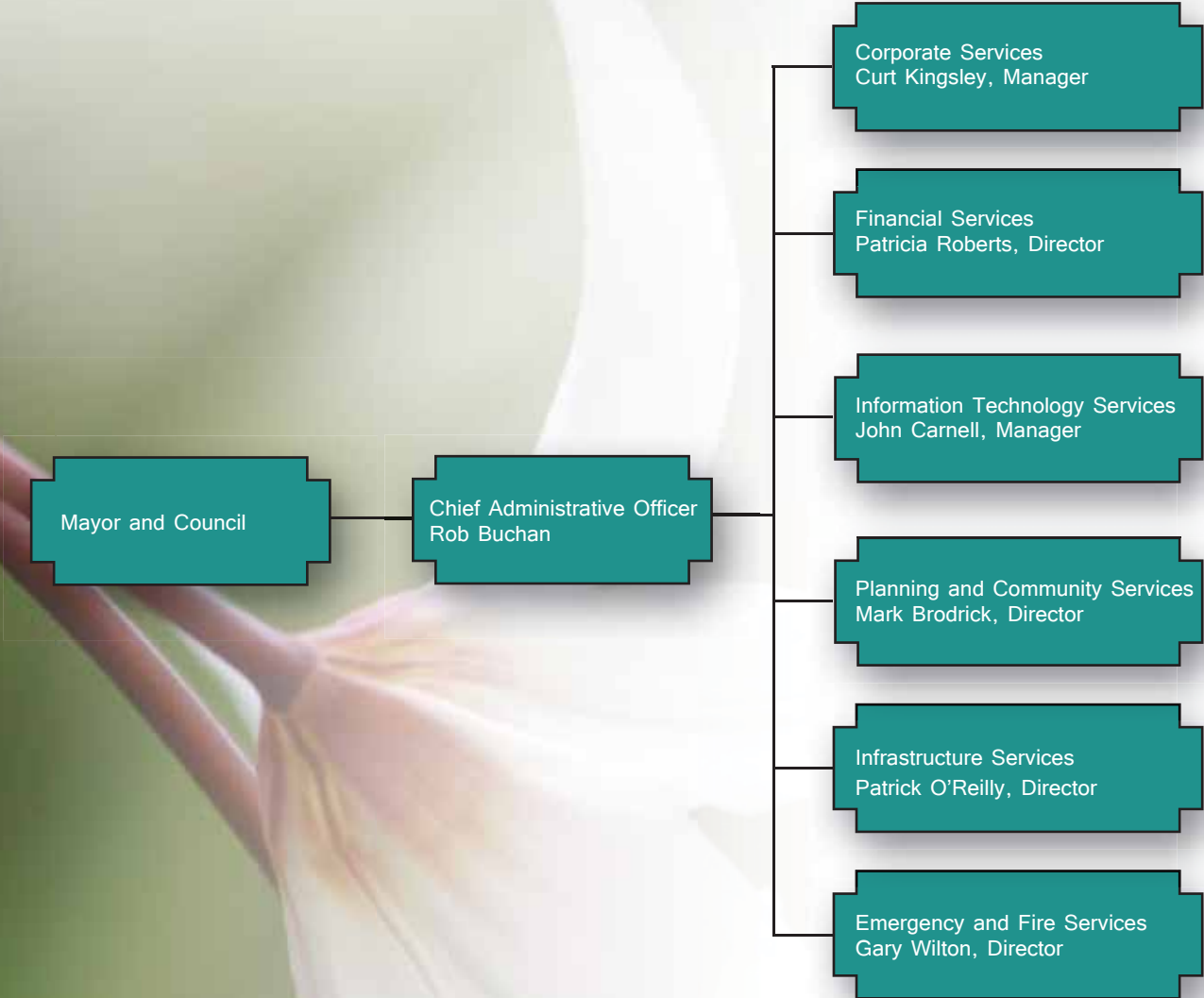
## **McTavish Road Interchange Community Liaison Task Force Committee**

Peter Chandler - Councillor District of North Saanich (Chair)  
Patrick O'Reilly - District of North Saanich Infrastructure Services  
Gary Wilton - District of North Saanich Emergency Services  
Floyd Mailhot - Cycling Sub-Committee  
Bob Williamson - Community Representative.  
Heather Gartshore - Community Representative  
Larry Cross - Mayor, Town of Sidney  
Mervyn Lougher-Goodey - Councillor, Town of Sidney  
Steve Price - Alternate  
Terry Stewart - Victoria Airport Authority  
Vern Jacks - Chief, Tseycum Band  
Danny Henry- Pauquachin Band  
Allan Claxton - Chief, Tsawout Band  
Dennis O'Gorman - S. Sgt. RCMP  
Wayne Conley - Sgt. RCMP  
Levi Timmermans - Ministry of Transportation & Highways  
Jack Stuempel - Consultant  
Kelly Albuca (Committee Secretary)

## **Parks Commission**

Farrell Boyce (Chair)  
Floyd Mailhot (Vice-Chair)  
Joyce Nordlund  
Barry Wills  
Bruno Roti  
Jamie Cox  
John Enright  
Rick Fell  
Anny Scoones (Council Liaison)  
Brian Robinson (Staff Liaison)  
Kelly Albuca (Commission Secretary)

# Organizational Structure



# Financial Information

## Sound Fiscal Management

Council and staff are committed to sound fiscal management and financial sustainability. They are also committed to excellence in financial management. During 2010, Financial Services staff demonstrated strength in their innovative approach to creating system efficiencies and resilience in implementing and adapting to change. As well, the Director of Financial Services, Patricia Roberts, again participated in the Distinguished Financial Reporting Award program for Canadian municipalities as a reviewer of the Financial Statements for a major Canadian municipality.

## Financial Results in Support of Strategic Priorities

The financial results for 2010 reflect a commitment to sound fiscal management. The Statement of Financial Position for the year ended December 31, 2010 reflects accumulated surplus of \$66.4 million, an increase of \$1.2 million from 2009 (Restated due to the change in Public Sector reporting requirements).

For 2010, net debt reported is \$2.4 million, a decrease from \$2.6 million reported for 2009 (Restated). Net debt is the difference between Financial Assets and Financial Liabilities and refers to those current assets that have a life of one year or less and are available to discharge liabilities including long term debt. A decrease in the amount of Net Debt is considered positive in that a greater amount of Financial Assets is available to meet Financial Liabilities as they become due.

## Collection of Taxes for Other Local and Regional Governments

The District is a member of the Capital Regional District (CRD) with one member on the CRD Board of Directors (the Mayor). The CRD provides water treatment and supply services and sanitary sewer treatment facilities for the District as well as the Town of Sidney and District of Central Saanich. The Panorama Recreation facility, although managed by the CRD, is located on District owned land. Also provided by the CRD are 911 emergency services, liquid waste management regional source control, regional parks, regional planning, Victoria family court, Victoria victim services, regional growth strategy and traffic safety. The District also contracts with the CRD for the provision of animal control bylaw enforcement.

The District also is a member of the Capital Regional Hospital District (CRHD) with the same membership by the District as that on the CRD board. The CRHD is responsible for the capital financing needs of the region's hospitals.

The CRD and CRHD are separate entities from the District however, the District is responsible for a share of the operating and capital costs of the two Boards. This is determined by calculating a proportionate share of the converted assessed value of the participating members for the various regional services. The Regional District determines the total amount, which includes debt servicing costs for related capital projects, to be requisitioned from each municipality which is then raised through property taxation.

Other jurisdictions for which the District is required to collect taxes and then forward on are: School District No. 63, Vancouver Island Regional Library, British Columbia Assessment Authority, Victoria Transit Authority and Municipal Finance Authority.



# Financial Information

Of the \$22.8 million in taxation revenues reported by the District for 2010, the total taxes required to be collected for and paid to other jurisdictions amounted to \$12.9 million (\$12.2 million - 2009). This is \$3.0 million or 30% more than the \$9.9 million in taxes available for municipal purposes. This also represents a 6% increase in those required to be levied for others in 2009. (\$2.3 or 24% more than net taxes available for municipal purposes in 2009 ).

## District Reserves

Maintenance of adequate levels of reserves continues to play a significant role in achieving a level of financial stability for the District and ratepayers. Reserves fall into two categories, the most significant of which is capital reserves to ensure that existing District equipment and infrastructure can be maintained and new capital can be acquired to meet growing or changing needs. The second category is operating reserves to ensure that unusual and unforeseen operating conditions can be met without the need for extraordinary tax increases. The total set aside in reserves at year ended December 31, 2010 is \$6.7 million (\$5.4 million in 2009).

## District Debt

The District has historically relied on the use of debt financing along with reserves and grants available for major infrastructure. In 2010, long term debt (net of Sinking Fund Asset) is \$10.2 million, a decrease of \$0.6 million from the 2009 year end balance. This consists of debt financing provided through the Municipal Finance Authority of BC for construction of water and sewer infrastructure. As the majority of long term debt relating to water infrastructure has now been repaid, the majority of the long term debt balance pertains to sewer infrastructure.

## Cost Shared Cultural Programs

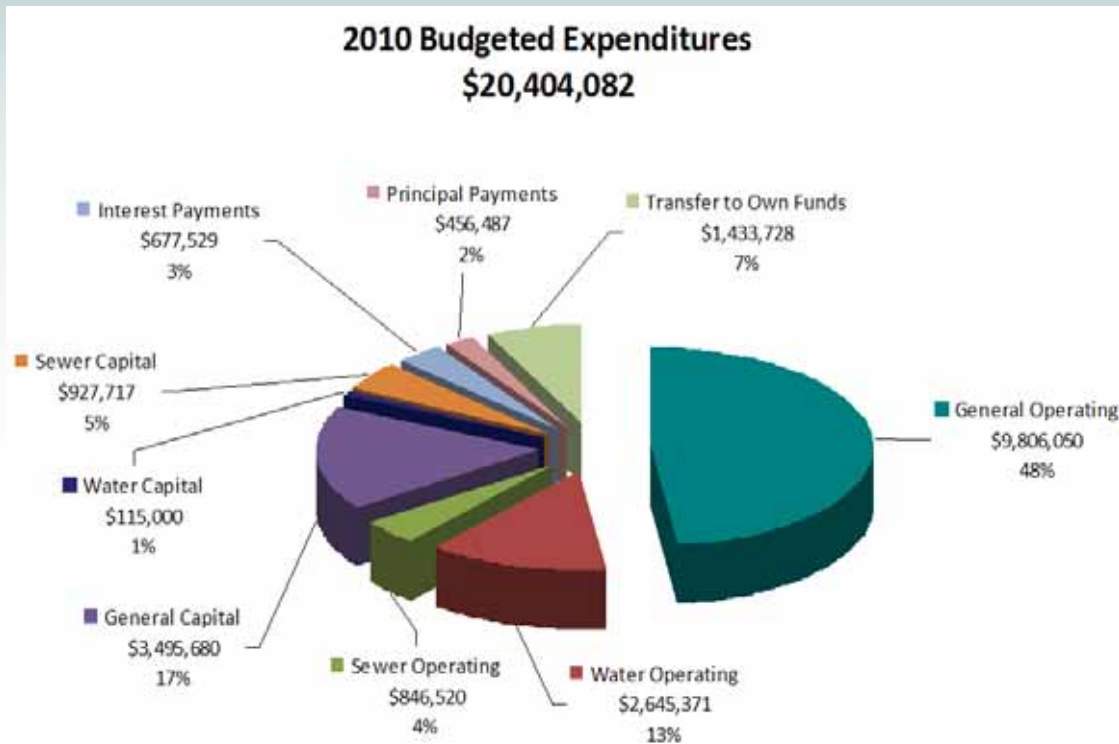
The District cost shares in the operation and facilities for the Library and Shoal Centre located nearby in the Town of Sidney. The District also provides grant funding for the Mary Winspear Centre through the Sidney / North Saanich Memorial Park Society.

The 2010 Audited Financial Statements for the District of North Saanich can be found on pages 36-58 of this Report to the Community, available at the Municipal Hall in hard copy or on the District website at [www.northsaanich.ca/Municipal\\_Hall/Reports\\_and\\_Publications](http://www.northsaanich.ca/Municipal_Hall/Reports_and_Publications) link. The key indicators summarized in the table below demonstrate the District is in sound financial position.

## Key Indicators of Financial Health

| Key Indicator                                       | 2010                     | 2009                     | 2008                   |
|---|--------------------------|--------------------------|------------------------|
| Revenue per Capita                                  | \$1,531                  | \$1,390                  | \$1,297                |
| Expenditures per Capita                             | \$1,415                  | \$1,315                  | \$1,309                |
| Liquidity   | 2.87                     | 2.25                     | 2.56                   |
| Current Liabilities as a % of Net Operating Revenue | 21.65%                   | 25.67%                   | 23.43%                 |
| Statutory Reserve Funds                             | \$3,010,974              | \$2,544,111              | \$3,318,218            |
| Cash and Short Term Investments - Year End          | \$10,311,551             | \$8,697,092              | \$8,426,934            |
| % of Tax Revenues from Non-Residential Sources      | 28.00%                   | 28.08%                   | 28.29%                 |
| General Municipal Tax Revenues from Airport Land    | \$1,127,308<br>67 Folios | \$1,012,694<br>65 Folios | \$921,836<br>63 Folios |

# Financial Information - Expenditures



This table summarizes capital expenditures for both 2010 (actual) and 2011 (planned). In 2010, 32% or \$409,439 of capital expenditures came from Government Transfers

(Grants), with 50% or \$619,237 funded from reserve funds and the balance from general taxation. No new long term debt was entered into during 2010.

| In 2010, actual capital expenditures of \$1,279,109 were invested in: |                     | Capital Budget for 2011 totals \$2,563,179 for the following planned expenditures: |                     |
|---|---------------------|--|---------------------|
| General Government  | \$ 205,126          | Fire Hall building improvement (Phase 1)   | \$ 938,479          |
| Protective Services   | 443,602             | Municipal Hall building repairs and upgrades                                       | 398,200             |
| Planning and Community Services                                       | 15,332              | West Saanich Road Bike Lane project  | 200,000             |
| Transportation Services   | 446,487             | Vehicles and accessories replacements  | 172,000             |
| Parks   | 162,499             | Storm drain capital cost   | 90,000              |
| Recreation and Cultural Services                                      | 1,651               | Parks capital cost   | 58,000              |
| Water Utility   | 4,412               | RCMP and VIR Library cost share for 2011   | 30,300              |
|   |                     | General software & equipment replacements  | 233,200             |
|   |                     | Watermain replacement at McTavish Road   | 200,000             |
|   |                     | Water equipment replacements   | 25,000              |
|   |                     | Sewer lift station SCADA upgrades  | 120,000             |
|   |                     | Sewer equipment replacements   | 98,000              |
| <b>Total</b>  | <b>\$ 1,279,109</b> | <b>Total</b>   | <b>\$ 2,563,179</b> |



# Department Overviews

**Corporate  
Services**

**Financial  
Services**

**Information  
Technology  
Services**

**Planning and  
Community  
Services**

**Infrastructure  
Services**

**Emergency  
and  
Fire Services**

# Corporate Services

## *Our Mission*

*To support effective and accountable governance - to facilitate fair and compassionate human resource management practice.*

## Department Overview

The Chief Administrative Officer is appointed by, and reports to the District of North Saanich Council. The CAO directs and manages the daily administration of the District, with a support staff of three, by providing clear leadership and direction to departments and ensures the delivery of high quality services in a timely, responsible and cost effective manner.

The Corporate Services Department is responsible for processing all business as it relates to the North Saanich Council as well as performing all statutory requirements of Corporate Administration as required by the Local Government Act and the Community Charter. The Corporate Services Department encourages open communication with the community to create a better understanding and appreciation of Council's role, its policies and its statutory responsibilities. Corporate Services continues to foster positive and mutually respectful relationships with all of the District's stakeholders.

## Responsibilities:

1. Co-ordinate all local government elections and other voting opportunities;
2. Provide advice with respect to Council procedures, policies, and functions;
3. Administer and process all requests to access information through the Freedom of Information and Protection of Privacy Act;
4. Store and maintain all vital records of the municipality such as agreements and bylaws;
5. Execute legal documents on behalf of the District;
6. Provide administrative support to Council and Committee of the Whole and recording secretary and administrative support for all advisory bodies;
7. Process applications for the Liquor Control and Licensing Branch, Ministry of Housing and Social Development.
8. Human resource functions for the District.
9. Manage all safety programs.

## 2010 Highlights

1. Processed 32 Bylaws for final adoption.
2. Managed the 2010 Municipal By-Election.
3. Continued to implement Council's Strategic Plan.
4. Continued with corporate branding process.
5. Developed a Corporate standard template for PowerPoint presentations.
6. Implemented Youth Member Program on the District's Advisory Commissions.
7. Implemented Occupational Health and Safety program.



## 2011 Plans/Initiatives

| <b>Protect and Enhance Rural, Agricultural, Marine and Environmental Assets</b> |   |
|---|---|
| 1)  | Ongoing support for Agricultural Advisory Commission.   |
| 2)  | Support the implementation of the Whole Community Agricultural Strategy.  |
| 3)  | Investigate options for a permanent farmers' market.  |
| <b>Create a Safe and Healthy Community</b>                                      |   |
| 1)  | Prepare for Firehall tender process.  |
| <b>Selective Economic Development to Diversify Tax Base</b>                     |   |
| 1)  | Assist in developing terms of reference for a 10 year economic development strategy.  |
| <b>Support Community Identity and Cohesiveness</b>                              |   |
| 1)  | Continue with corporate branding initiative.  |
| 2)  | Continue recruitment of volunteers for District Commissions.  |
| 3)  | Assist IT/GIS to enhance the DNS web site to provide links to virtually all community information and activities.             |
| <b>Integrated Planning Toward Improved Municipal Performance</b>                |   |
| 1)  | Support Council commitment to policy governance and its code of conduct through effective orientation, advice and evaluation. |
| 2)  | Further development of policies to guide public participation and involvement in municipal decisionmaking.                    |
| 3)  | Develop a comprehensive Communication Strategy.   |



# Financial Services

## *Our Mission*

*To facilitate sound fiscal and economic management in the District of North Saanich.*

## Department Overview

The Financial Services Department is responsible for the overall management of the financial affairs of the District, financial system software application support, risk management and the District Annual Report.

## Responsibilities

1. Manages the budgeting, accounting, and financial reporting of \$21 million in annual revenues and expenditures and \$94.8 million in Tangible Capital Assets;
2. Manages the billing and collection process of all District revenues including property taxes, utility bills, dog licenses and business licenses;
3. On behalf of the Province of BC, processes the Home Owner Grant and Deferred Taxes program applications;
4. Manages the collection and disbursement of \$12 million in taxes for other jurisdictions including School taxes, CRD and Capital Region Hospital District, Vancouver Island Regional Library, BC Assessment Authority; Victoria Transit Authority and Municipal Financial Authority;
5. Cash management of \$10.2 million in cash and investments;
6. Debt management of \$10.2 million in long term debt;
7. Manages \$3 million in Statutory Reserves and \$3.6 million in Reserves for Future Expenditures;
8. Handles accounts payable, payments to suppliers, surety and damage deposits and accounting for District inventory system;
9. Administers the District's payroll and employee benefits for 65 permanent and auxiliary staff;
10. Manages and provides technical support for District financial systems software applications and liaises with the Information Technology Department;
11. Manages risk to ensure the financial stability of the District is protected against the effects of accidental loss, by developing and maintaining information related to losses, claims, insurance premiums and other risk-related costs;
12. Manages financial management provisions of cost sharing arrangements with the Town of Sidney and Province of BC for RCMP, Library, Shoal Centre and Mary Winspear Centre;
13. Manages the District internal audit function including special project reviews;
14. Coordinates interim and year end audits; and
15. Provides day to day advice and recommendations to other departments and Council on financial matters

## 2010 Highlights

1. Completion of the 2009 District Annual report.
2. Completion of 2009 Financial Statements and external audit.
3. Filed 2009 Local Government Data Entry forms as required by the province.
4. Completed Tangible Capital Asset audit to comply with new requirements for financial reporting.
5. Review of the business and light industry tax rates.
6. Ongoing work to enhance the District's Tangible Capital Asset program.
7. Completed upgrade of District Financial and Tangible Capital Asset systems software.
8. Commenced work on Statutory Reserves review.
9. Completed inventory of District grant applications and funding received.
10. External Audit RFP issued and contract signed.
11. Review and implemented new Utility billing frequency to improve process efficiencies, reporting and analysis.
12. Implemented electronic fund transfer payments for some account payable vendors.
13. Commenced review of fees and charges initiated by Financial Services.
14. Completed inventory of greenhouse gas emissions from municipal owned assets.
15. Started and finished the first phase in the cross-training strategy.

## 2011 Plans/Initiatives

| Protect and Enhance Rural, Agricultural, Marine and Environmental Assets |  |
|--|--|
| 1)   | Update 2011 greenhouse gas emission inventory.   |
| Create a Safe and Healthy Community                                      |  |
| 1)   | Arrange for interim financing for Wain Road Firehall renovation/expansion project as required by Project Schedule.   |
| 2)   | Complete negotiation of RCMP contract for civilian staff and premises.   |
| Selective Economic Development to Diversify Tax Base                     |  |
| 1)   | In collaboration with Director of Planning & Community Services, draft Terms of Reference for a 10 year economic development strategy.   |
| Integrated Planning Toward Improved Municipal Performance                |  |
| 1)   | Meet all financial reporting deadlines.  |
| 2)   | Work on District wide Asset Management strategy with other departments.  |
| 3)   | Complete implementation of Citywide CPA for long term capital asset planning.  |
| 4)   | Complete review and update of Statutory Reserve Bylaws.  |
| 5)   | Complete revision of the Chart of Accounts, Budget and Financial Statement systems.  |
| 6)   | Set up system for regular reporting of reserve balances.   |
| 7)   | Complete Sewer Project review.   |
| 8)   | Implement emergency response/business continuity plan for Financial Services.  |
| 9)   | Complete review of fees and charges initiated by Financial Services.   |
| 10)  | Complete Tangible Capital Asset policy.  |
| 11)  | Complete review of adequacy of District risk management policy.  |
| 12)  | Develop internal audit five year plan of financial policies and systems.   |
| 13)  | Citizen/Customer Satisfaction <ol style="list-style-type: none"> <li>1. Implement BC On-line tax certificate service.</li> <li>2. Continue to convert to electronic funds transfer payments.</li> <li>3. Review all forms used by the department and develop a plan to convert to electronic data entry where possible.</li> </ol> |



# Information Technology Services

## *Our Mission*

*To implement and maintain optimal information technology systems, in support of a high performance District team, effectively networked internally and with external stakeholders.*

## Department Overview

The Information Technology Services Department is responsible for the management of all activity related to the District's integrated network of computers, the Geographic Information System (GIS), and the municipal website. The primary goal of the IT Department is to deliver innovative and cost-effective technology solutions that enable the District to meet its business and corporate objectives.

## Responsibilities

1. Plan, implement and optimize the use of technology for all District departments;
2. Manage the District's computer network;
3. Maintain and upgrade the District's geographic information system (GIS);
4. Manage the District website;
5. Provide technical support for network software, hardware and printing devices;
6. Provide support for the District's phone system.

## 2010 Highlights

1. Installed new Audio equipment in council chambers.
2. Upgraded desktop software to Windows 7 operating system and Microsoft Office 2010.
3. Upgrade computer network hardware and software applications.
4. Coordinated Document Management Needs Analysis.



## 2011 Plans/Initiatives

| <b>Protect and Enhance Rural, Agricultural, Marine and Environmental Assets</b> |  |
|---|--|
| 1)  | Collaborate with the Infrastructure Services Department to integrate underground infrastructure data into the internal GIS.                                    |
| 2)  | Maintain the internal GIS to provide access to new geographic data and improve functionality.  |
| 3)  | Share Geographic data with environmental organizations such as Department of Fisheries and Oceans, and others as required.                                     |
| <b>Create a Safe and Healthy Community</b>                                      |  |
| 1)  | Upgrade the District's telephone and voicemail server to ensure reliability and improve functionality.   |
| 2)  | Enhance the District's internal GIS in order to meet the needs of the Emergency Services Department.   |
| 3)  | Provide access to geographic information to the RCMP for emergency and investigation purposes.   |
| <b>Selective Economic Development to Diversify Tax Base</b>                     |  |
| 1)  | Provide geographic information, aerial photography and analysis to consultants as required.  |
| <b>Support Community Identity and Cohesiveness</b>                              |  |
| 1)  | Implement webcasting of Council Meeting to improve the delivery of information to the public.  |
| 2)  | Update the District website to maintain effective communication with the public.   |
| 3)  | Maintain the external GIS site in order to provide parks and trails (and other geographic) information to the public via the District website.                 |
| <b>Integrated Planning Toward Improved Municipal Performance</b>                |  |
| 1)  | Collaborate with other departments in the planning process and implementation of major software applications such as document management and asset management. |
| 2)  | Communicate with other jurisdictions in an effort to find proven processes and solutions that provide benefits for the District.                               |
| 3)  | Complete the implementation of the District Intranet site.   |
| 4)  | Oversee the installation of new video equipment within Council Chambers to improve presentation capabilities at Council meetings.                              |
| 5)  | Provide upgraded external GIS to the public and upgrade user interface of internal GIS.  |
| 6)  | Implement help desk software to improve and track IT support for staff.  |
| 7)  | Improve District policies related to usage of technology related devices and applications.   |



# Infrastructure Services

## *Our Mission*

*Through public works, parks and engineering services, to protect both public and environmental health and to ensure efficient management of District infrastructure.*

## Department Overview

The Infrastructure Services Department is responsible for the planning, construction, maintenance and records management of the District's infrastructure. This includes issuing permits to the public and Public Utilities for any works proposed on District roads or property. This department administers and approves all new subdivision activities within the District and manages the design and construction of all new infrastructure projects.

## Responsibilities

1. Plan and design the District of North Saanich's basic infrastructure for roads, watermains, sanitary sewers, and drainage;
2. Provide information such as plans of existing infrastructure, design specifications and standards, and survey information;
3. Process requests for service, municipal service information, soil permits and permits for work on municipal property;
4. Review the engineering servicing of development applications and approve subdivisions;
5. Management of parks, trails, beach access and bike lanes within the District;
6. Provide residents with the ability to drop-off burnable material and green waste;
7. Responsible for Tree related issues on public land.

---

## 2010 Highlights

1. Design and construction completed for bicycle lanes on Wain Road to Littlewood Road.
2. Construction of bicycle lanes on East Saanich Road.
3. Demonstration hedgerow planted at the Municipal Hall.
4. Completed repair to southern portion of Scoter Trail.
5. Additions to Bike Jump Park.
6. 88 Residents attended the June Parks Plan open house.



## 2011 Plans/Initiatives

| Protect and Enhance Rural, Agricultural, Marine and Environmental Assets |   |
|--|---|
| 1)   | Take Inventory of significant environmental areas and sensitive ecosystems – develop protection plan.   |
| 2)   | Initiate work on stream and watershed protection action plan.   |
| 3)   | Develop a strategy for enhancing public access to the shoreline surrounding the District – a provincial resource under the jurisdiction and control of Land and Water BC Inc. |
| 4)   | In context of revised OCP, recommend Bylaw and procedure improvements to better protect the environment.  |
| 5)   | Initiate Edible Landscape program on the Municipal Hall grounds.  |
| 6)   | Continue work on invasive plant removal.  |
| 7)   | Implement integrated pest management policy.  |
| Create a Safe and Healthy Community                                      |   |
| 1)   | Continue to work with the CRD in reviewing their Storm Water Quality reports. Identify catchments of concern and establish if source is human or animal activity.             |
| 2)   | Improve traffic safety with installation of improvements at identified locations.   |
| Selective Economic Development to Diversify Tax Base                     |   |
| 1)   | Review servicing plans for VAA lands to ensure adequate infrastructure support for anticipated development.   |
| Support Community Identity and Cohesiveness                              |   |
| 1)   | Design and construct bike lanes on McTavish from new interchange to East Saanich Road.  |
| 2)   | Intersection upgrade at Mills Road and McDonald Park Road.  |
| 3)   | Finalize Parks Master Plan.   |



# Planning and Community Services

## *Our Mission*

*To help the District of North Saanich achieve its vision through effective planning, development control and bylaw enforcement.*

## Department Overview

The Planning and Community Services Department takes the lead in land use planning and many of the inspection and permitting processes for the District of North Saanich.

The principal functions of the Planning and Community Services Department are:

Planning;  
Bylaw enforcement;  
Building Inspection; and  
Permitting Process.

## Responsibilities

1. Administration of the development application process and current planning;
2. Provide Council with advice on planning matters;
3. Develop policies pertaining to land use;
4. Official Community Plan;
5. Investigate complaints about possible violations of municipal bylaws and enforce these bylaws;
6. Administer the BC Building Code and ensure that all buildings in North Saanich are constructed to the standards of the National Building Code;
7. Process development permit and development variance permit applications, rezoning and Official Community Plan Amendment applications, temporary use permit applications, Agricultural Land applications, strata-title conversions and blasting permits;
8. Process all building, plumbing and electrical permits;
9. Manage Municipal Hall repair and maintenance.

---

## 2010 Highlights

1. Sustainability checklist completed and implemented.
2. Secondary Suite Pilot initiated.
3. Development application fees revised and updated.
4. Facilitated the Agricultural Workshop/Ideas Fair.
5. Designated two new heritage recipients.
6. Developed Whole Community Agricultural Strategy.

## 2011 Plans/Initiatives

### Protect and Enhance Rural, Agricultural, Marine and Environmental Assets

- 1) Assist in implementing the Agricultural Area Plan, and prepare a Community Agricultural Strategy.
- 2) Implement the Green House Gas bylaw.
- 3) Improve Environmental Protection in processes and bylaws with reference to the new Building Code.
- 4) Complete the Tree Protection Bylaw review.
- 5) Implement the Marine Task Force recommendations No 9, 12 a) to e), 13 d) and 19 b).

### Create a Safe and Healthy Community

- 1) Initiate a Community Fire Protection Plan (CFPP).
- 2) Initiate a Community Agricultural Strategy.

### Selective Economic Development to Diversify Tax Base

- 1) Collaborate on a terms of reference for a 10 year economic development strategy.
- 2) Ongoing collaboration with the Victoria Airport Authority and implementation of VAA land use plan.
- 3) Prepare a terms of reference for an OCP update including assessment of opportunities and location for marina and related support industries.
- 4) Prepare assessment of Secondary Suite pilot project.
- 5) Encourage improved services to existing commercial & industrial businesses.

### Support Community Identity and Cohesiveness

- 1) Assess secondary suite pilot and consider expansion of the pilot.
- 2) Assist in developing community branding.
- 3) Develop a community agricultural strategy.

### Integrated Planning Toward Improved Municipal Performance

- 1) Continue the phased implementation of new application fees.
- 2) Ensure staff are appropriately trained.
- 3) Review application procedures.
- 4) Complete zoning bylaw update.
- 5) Initiate upgrades to the Municipal Hall.



# Emergency and Fire Services

*Our Mission*  
*Our Family helping your family.*

## Department Overview

The North Saanich Fire Department is a composite career / volunteer department consisting of 4 career and approximately 38 volunteers operating out of two Fire Halls.

North Saanich's emergency program, the Peninsula Emergency Measures Program (PEMO) is a joint operation of Central Saanich, Sidney, and North Saanich. The Fire Chiefs of each area hold the position of the Emergency Program Coordinator for their district. PEMO consists of four volunteer groups being Search and Rescue, Emergency Social Services, Communications and the Neighbourhood Emergency Preparedness Program.

Emergency medical services to North Saanich are provided by the British Columbia Ambulance Service (BCAS) which operates out of Station 106 located in the Town of Sidney. The station is operational 24 hours a day, 7 days a week. Policing is provided by the Royal Canadian Mounted Police (RCMP) operating out of facilities located in the Town of Sidney.

## Responsibilities

1. Provide medical first responder service to North Saanich residents and the BCAS;
2. Perform fire prevention, inspections and fire investigations;
3. Provincial Forestry backup;
4. Joint marine rescue in the North Saanich area;
5. Suppression, rescue, mutual aid, haz mat awareness response, first responder, disaster planning, fire prevention, public information;
6. Weekly training sessions for volunteer fire fighters;
7. Follow incident command procedures;
8. Work with Sidney and Central Saanich Fire Chiefs to jointly manager PEMO;
9. Maintain Fire and Emergency vehicles equipment and fire facilities;
10. Provide backup, exposure coverage for shipboard fires;
11. Respond when needed to aircraft within airport authority.

## 2010 Highlights

1. Signed a five year mutual aid agreement with the Victoria Airport Authority.
2. Final design of new firefighting facility completed.
3. An emergency operations centre exercise was held with senior staff participating.
4. A new air compressor fill station was installed for the breathing apparatus.
5. A recruitment and retention study was completed and committees have been established to deal with the recommendations.
6. Responded to 118 non-emergency calls, 183 fire incidents, 164 medical calls and, with training included, 14,187 volunteer hours were used.
7. Issued 656 burning permits and completed 73 appliance inspections.

## 2011 Plans/Initiatives

### Create a Safe and Healthy Community

|    |   |
|----|---|
| 1) | Provincial funding is to be applied for to assist in completion of the fire hall expansion project (\$375,000).         |
| 2) | Final design of the existing hall renovation is to be completed and the tender request will include the entire project. |
| 3) | Fire Hall construction to begin in the fall.  |
| 4) | Update OCP Wildfire/ Urban Interface Criteria.  |
| 5) | Establish written fire responses to commercial buildings to compliment fire safety plans.                               |

### Integrated Planning Toward Improved Municipal Performance

|    |  |
|----|--|
| 1) | Emergency response training will be conducted for Emergency Operations Centre staff followed by an emergency exercise. |
| 2) | Replace inspection van.  |
| 3) | Replace two pumper truck computers.  |



# Police Services

The Sidney/North Saanich RCMP provides police services to the District of North Saanich and the Town of Sidney through a federal/provincial contract. This detachment also provides policing services to the four First Nation communities on the Saanich Peninsula. Its detachment area also includes the Willis Point region, 52 islands and the waters extending to the United States boundary.

Under a separate Memorandum of Understanding with Victoria Airport Authority and the RCMP, the District also budgets and pays for the member and reservist located at the Victoria International Airport and related costs for which there is reimbursement from the Victoria Airport Authority.

Through discussions each year with the RCMP "E" Division located in Vancouver, the District 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.

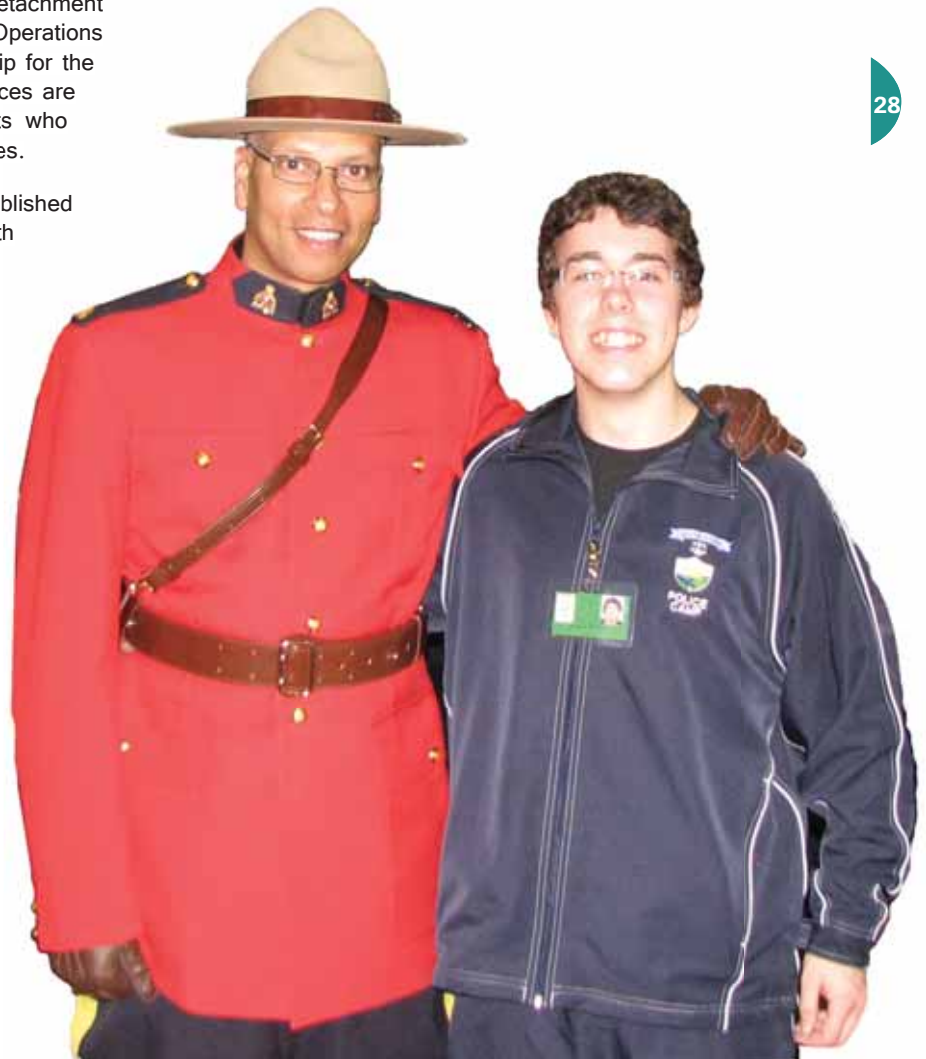
The Sidney/North Saanich detachment is comprised of 33 police officers and 8 civilian support staff. A Detachment Commander, Operations Commander and Operations Support NCO provide management and leadership for the delivery of policing services. Detachment resources are assigned to general duties and specialized units who carry out a number of policing functions and duties.

The detachment policing priorities have been established through local consultation and in alignment with National, Provincial and District priorities. The priorities for 2009 and 2010 include Traffic Enforcement, Property Crime Reduction, First Nation Policing, and Drug Trafficking. A number of specific objectives and strategies have been developed for each policing priority. For more detailed information, please visit the detachment website at [www.sidney.rcmp.ca](http://www.sidney.rcmp.ca). All detachment members contribute towards the achievement of these objectives and work with our community partners to reduce crime in the community.

The District of North Saanich enjoys one of the lowest crime rates in British Columbia. The support of the community in reporting and assisting in solving crime has contributed to North Saanich being recognized as a safe community in which to live. The community policing officers are actively involved in the delivery of crime prevention programs and working closely with the youth through a school

liaison program. The D.A.R.E. Program (Drug Awareness Resistance Program) is taught to students in each of the elementary schools within North Saanich and Sidney.

The detachment is complimented by a number of volunteers who donate their time to help make North Saanich a desirable community in which to live. Ten Auxiliary Police officers assist the detachment in the delivery of Crime Prevention Programs and assist regular members while on patrol. Victim Services, Restorative Justice and Speedwatch are other programs citizens can volunteer for which enhance the police service to the community.



# 2010 Strategic Priorities

**PROTECT &  
ENHANCE RURAL,  
AGRICULTURAL,  
HERITAGE,  
MARINE and  
ENVIRONMENTAL  
RESOURCES**

**MAINTAIN  
A SAFE  
COMMUNITY**

**BUILD A STRONG  
& VIBRANT  
COMMUNITY**

**ENCOURAGE  
COMPATIBLE  
COMMERCIAL  
and LOCAL  
BUSINESS  
DEVELOPMENT**

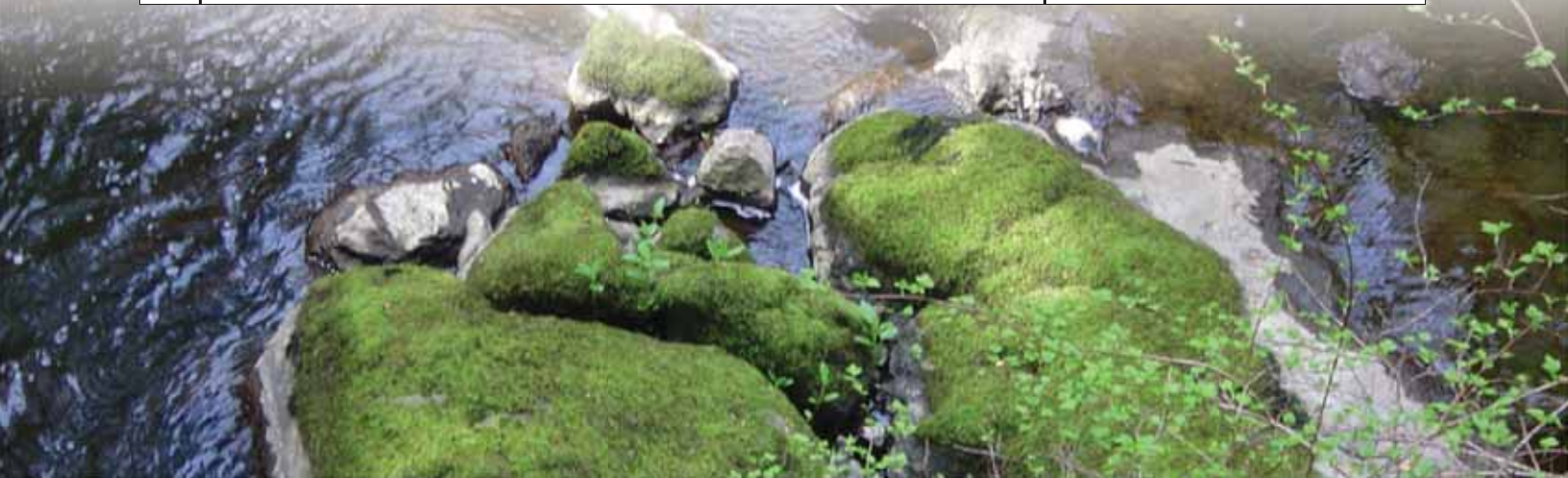
**ENSURE STRONG  
LEADERSHIP,  
FISCAL  
RESPONSIBILITY,  
and  
TRANSPARENT  
GOVERNMENT**

# Protect & Enhance Rural, Agricultural, Heritage, Marine And Environmental Resources

North Saanich residents are proud and protective of their special place and unique environments. This strategic priority is clearly #1 for both Council and community. Through the Regional Growth Strategy, we join with the CRD and our local government neighbours to commit to the 'conservation challenge.' Over and above the green/blue strategies to

protect sensitive and significant land and marine environments, North Saanich is also determined to protect and enhance its rural, agricultural and heritage foundations and lifestyle. The District is committed to reducing greenhouse gas emissions to address the climate change issue and will undertake necessary initiatives to achieve this goal.

|     | 2010 Plans/Initiatives   | 2010 Progress   |
|-----|--|---|
| 1)  | Construct Munro Road storm water detention pond to enhance Tseycum Creek drainage catchment.   | Pond was constructed.   |
| 2)  | Continue working with the CRD using their Storm Water Quality Annual Report to identify and remedy outfalls and drainage catchments that require improvement.  | Identification and source control ongoing.  |
| 3)  | Continue developing an invasive plant strategy for the District.   | District's Invasive plant strategy is ongoing.                                      |
| 4)  | Implement the Agricultural Area Plan.  | Developed implementation strategy within the Whole Community Agricultural Strategy. |
| 5)  | Improve Environmental Protection Development Permit processes.   | In progress.  |
| 6)  | Complete Tree Protection Bylaw.  | A Draft Tree Protection Bylaw was composed. To be completed 2011.                   |
| 7)  | Complete Zoning Bylaw review.  | The Zoning Bylaw is in preparation to be presented to Council.                      |
| 8)  | Implement Marine Task Force Recommendations.   | Recommendations have been received.   |
| 9)  | Assist with the implementation of the Agricultural Area Plan.  | Developed implementation strategy within the Whole Community Agricultural Strategy. |
| 10) | Compile baseline inventory of energy sources and computation of the total greenhouse gas emissions generated by municipal wholly owned assets for compliance with the Climate Action Charter and for claiming of carbon tax rebates. | Complete.   |
| 11) | Improve internal GIS site prior to completion of new external GIS (for use by the public).   | Complete.   |



# Maintain a Safe Community

North Saanich residents expect their municipal government to take steps to ensure that public and environmental safety and health issues are addressed through provision of appropriate infrastructure and services – water quality, liquid and solid waste management, safe roads, police, fire and emergency medical services. The key challenge in a smaller municipality with extensive rural areas is to determine the appropriate

balance between owner provision of services (e.g. septic systems), partnership provision with neighbouring jurisdictions (Saanich Peninsula Unified Sewer Treatment, RCMP, Peninsula Emergency Measures Organization, Panorama Recreation), or direct municipal provision (North Saanich Volunteer Fire Department).

|     | 2010 Plans/Initiatives   | 2010 Progress                             |
|-----|--|---|
| 1)  | Complete construction of bike lanes and sidewalk on East Saanich Road.   | Bike Lanes completed.                     |
| 2)  | Analyze data related to traffic accident rates identifying high incident accident locations for traffic safety improvements. | Ongoing                                   |
| 3)  | Continue construction of bike lanes on Wain Road to completion.  | Bike lanes completed.                     |
| 4)  | Arrange for interim financing for Wain Road Firehall renovation/expansion project as required by Project Schedule.           | Project delayed to 2011.                  |
| 5)  | Active involvement in RCMP contract renewal negotiations for police services and premises.                                   | Near completion.                          |
| 6)  | Continue implementation and support of District's new occupational health and safety program.                                | Ongoing.                                  |
| 7)  | Coordinate and work with the Emergency Services Department to upgrade the Fire Department Database Application.              | Ongoing.                                  |
| 8)  | Brief Council on their roles and responsibilities in the event of an emergency.  | Completed.                                |
| 9)  | Oversee the building of the expansion of the Wain Road Fire Hall.  | Ongoing, construction will begin in 2011. |
| 10) | Manage the delivery of a new rescue truck.   | Completed.                                |
| 11) | Administer training for the new rescue truck operation and equipment.  | Completed.                                |
| 12) | Renovate existing Wain Road fire hall design to accommodate new office space.  | Ongoing.                                  |



# Encourage Compatible Commercial and Local Business Development

Local government has been given the mandate to foster the economic, social and environmental well-being of its community. The vision that guides this strategic plan makes it clear that North Saanich is only interested in economic development that complements our rural and marine characteristics and our commitment to protection of the

natural environment. Our motivators are: to support our agricultural economy, ensure that development at the Airport is appropriate, and facilitate limited commercial development desired by our neighbourhoods. In addition, we must ensure the economic viability of the District through a balanced, sustainable tax base.

|    | 2010 Plans/Initiatives   | 2010 Progress                               |
|----|--|---|
| 1) | Review directional signage policy for tourist services facilities and attractions.   | Completed.                                  |
| 2) | Review the commercial and light industrial tax rates for their competitiveness taking into consideration the financial forecast of the District.   | Ongoing. To be completed in 2011.           |
| 3) | Collaborate with the Director of Planning and Community Services on the development of the terms of reference for a 10 Year Economic Development Strategy which includes business attraction and retention strategies. | In progress.                                |
| 4) | Examine financial options to support the Agricultural Commission to foster an agricultural economy that enhances local food production, security and marketing.  | In progress.                                |
| 5) | Commence review of fees and charges initiated by the Financial Services Department for consideration by Council during the 2011 budget preparation process.  | Commenced in 2010. To be completed in 2011. |
| 6) | Present a Volunteer Recruitment & Retention Report to Council.   | To be completed in 2011.                    |
| 7) | Implement Bizpal in North Saanich.   | In progress.                                |
| 8) | Collaborate with Director of Financial Services on the development of the terms of reference for a 10-year Economic Development Strategy which includes business attraction and retention strategies.                  | To be completed in 2011.                    |
| 9) | Pursue funding for an Agricultural Economic Development Strategy.  | Funding application submitted March 2011.   |



# Build a Strong and Vibrant Community

North Saanich is comprised of established neighbourhoods: the South-East Quadrant/Dean Park, Ardmore, Lands End/Curteis Point and Deep Cove. We need to develop a sense of pride and purpose in the community that includes respect for diversity, support for the unique requirements of each neighbourhood, and celebration of the quality of life we share together.

|     | 2010 Plans/Initiatives   | 2010 Progress  |
|-----|--|--|
| 1)  | Engage community in consultation process during Parks Plan review.   | Draft Parks Plan completed.                          |
| 2)  | Continue with the corporate branding initiative.   | Branding initiative is in progress.                  |
| 3)  | Begin to develop communications strategy.  | Business case for Communication Assistant developed. |
| 4)  | Continue to promote and enhance District newsletter, website and customer service.   | Communications enhancements are ongoing.             |
| 5)  | Develop a corporate standard template for PowerPoint presentations.  | Complete.  |
| 6)  | Facilitate and Initiate Youth Commissions Program.   | Complete.  |
| 7)  | Communicate through the District Annual Report, newsletters and website to provide financial and other useful information relating to the stewardship of public funds including property tax and utility programs. | Ongoing.   |
| 8)  | Continue to maintain and enhance website functionality for use by the public.  | Ongoing.   |
| 9)  | Build a Life Membership Commemorative Park.  | Opened with ceremony.                                |
| 10) | Present a Volunteer Recruitment & Retention Report to Council.   | To be completed in 2011.                             |
| 11) | Complete and implement Secondary Suite Pilot.  | Completed. Assessment scheduled for fall of 2011.    |



# Ensure Strong Leadership, Fiscal Responsibility and Transparent Government

Our municipal mission and operating philosophy statements call for progressive leadership, service excellence, and outstanding stewardship of public assets.

|     | 2010 Plans/Initiatives  | 2010 Progress                                       |
|-----|---|---|
| 1)  | Review Corporate document management.   | Complete.   |
| 2)  | Coordinate with Information Technology Services with completion of a document management needs analysis.  | Document Management Analysis has been drafted.      |
| 3)  | Improve process for Backup and Disaster Recovery Preparedness.  | Complete.   |
| 4)  | Upgrade Council Chambers Audio System.  | Complete.   |
| 5)  | Upgrade computer network hardware and software applications.  | Complete.   |
| 6)  | Implement an Intranet site to improve internal communication between municipal staff.   | Ongoing.  |
| 7)  | Implement a fire response management system database update.  | Ongoing and will be completed in 2011.              |
| 8)  | With the information now available through the Tangible Capital Asset project, commence development of District asset management and long term capital planning process with the objective to provide Council with information useful for decision making in the use of debt, reserves, taxation, government transfers and other revenue sources. | In progress.  |
| 9)  | For Tangible Capital Assets, convert to Version II Citywide TCA software, ongoing updating, maintaining and reconciling of TCA accounting, reporting and policy; develop and implement internal procedures and training of users; continue to work on systems interface with Vadim and GIS.   | Conversion has been completed, the rest is ongoing. |
| 10) | Review and update existing Statutory Reserve Bylaws and develop new related Bylaws for consideration by Council.  | In progress.  |
| 11) | Improve 5 year Financial Plan preparation process and scheduling for system efficiencies and earlier completion.  | In progress.  |
| 12) | Continue work on the enhancement to streamline the District's Chart of Accounts.  | Delayed to 2011.                                    |
| 13) | Continual professional development, training, performance evaluation, coaching, mentoring and succession planning for staff.  | Ongoing. First Phase of cross training is complete. |
| 14) | Implement conversion of Vadim ICity District financial system software to Version II Enterprise including District wide training of users.  | Complete.   |
| 15) | Complete inventory of District grant applications and funding received.   | Complete.   |

# Ensure Strong Leadership, Fiscal Responsibility and Transparent Government (Continued)

|     | 2010 Plans/Initiatives   | 2010 Progress                             |
|-----|--|---|
| 16) | HST implementation in compliance with legislation.   | Complete.                                 |
| 17) | Review sewer project source and use of funds.  | In progress. Will be completed July 2011. |
| 18) | Participate in regional group Request for Proposal process for audit services.   | Complete and contract awarded.            |
| 19) | Separate Parks from Recreation and Culture for financial reporting.  | Complete.                                 |
| 20) | Review utility billing frequency for improved customer service and work process efficiencies.  | Review complete and frequency modified.   |
| 21) | Commence participation in other departmental staff meetings periodically to communicate relevant information such as new employee benefit programs.  | Ongoing.                                  |
| 22) | Work with other departments to develop a plan to dispose of surplus tangible capital assets that are taking up much needed workspace.  | Complete.                                 |
| 23) | Commence development of emergency preparedness plan for Financial Services role in District Emergency Operations Centre and disaster recovery and business continuity for Financial Services Department. | In progress.                              |
| 24) | Prepare and adopt Greenhouse Gas policy, actions and targets.  | OCP policies adopted.                     |
| 25) | Complete and implement Sustainability checklist.   | Complete.                                 |
| 26) | Review and update application and permit fees to ensure cost recovery.   | Fees Bylaw revised and adopted.           |
| 27) | Minor upgrades to the Municipal Hall including upgrades to Council Chambers and the front entrance.  | Complete.                                 |
| 28) | Implement quarterly reporting.   | Complete.                                 |



# Message from the Director, Financial Services

May, 2011

The Mayor and Council  
District of North Saanich

Your Worship and Members of Council:

I am pleased to present the 2010 Annual Report for the District of North Saanich as required by Section 167 of the Community Charter. The report includes the audited financial statements and supplementary information for the District for the year ended December 31, 2010.

The Annual Report also contains Permissive Tax Exemptions granted by Council during 2010, a report respecting municipal services and operations, a 2010 progress report and 2011 municipal objectives. It also contains a section for any declarations of disqualification under Section 111 of the Community Charter and other information that Council has considered useful.

The District maintains a system of internal budgetary, accounting and financial controls designed to provide reasonable assurances to safeguard District owned assets, provide reliable financial information, and enable compliance with legislative requirements.

The financial statements are the responsibility of the District's management and have been prepared in accordance with generally accepted accounting principles for local governments, as recommended by the Public Sector Accounting Board (PSAB). The financial statements have been audited by KPMG LLP, who have expressed in their opinion, that these statements present fairly, in all material aspects, the financial position of the District as at December 31, 2010. The audit was planned and performed to obtain reasonable assurance as to whether the financial statements were free of material error or misstatement. The Audit Findings Report, management letter and audited Financial Statements were presented to Council for their review and information.

## Results of Operations

At December 31, 2010, the District had an accumulated surplus of \$66.4 million, primarily comprised of investment in capital assets (\$58.4 million) and reserves (\$6.7 million). Net debt was reduced by \$2.6 million.

The District's revenues increased by \$1.5 million mainly from increased sale of general service revenue (\$0.3million),

increased water revenues (\$0.2 million), increased sewer revenues (\$0.4 million), increased other contributions (\$0.8 million) and increased net gain in sale of assets (\$0.1 million) while government transfers decreased (\$0.5 million). The largest expense increases were in General Government (\$0.3 million) principally due to retirement and salary adjustments and in transportation (\$0.5 million) mainly due to road maintenance.

## Highlights

The annual surplus for the year was \$1.2 million. Reserves increased by \$1.3 million and the year end cash and investments grew by \$1.6 million.

The District's financial statements continue to comply with all aspects of PSAB and CICA standards for accounting and financial reporting.

In closing, I would like to acknowledge Council, Directors and staff in all departments for their hard work and dedication to balancing the needs of the residents with fiscal responsibility. I would also like to thank the staff of the Financial Services Department for their professionalism and tireless efforts in implementing change to improve organizational efficiencies and customer service.

Respectfully submitted,



Patricia H. Roberts, CMA, CIA, CFE  
Director, Financial Services

Financial Statements of

**DISTRICT OF NORTH SAANICH**

Year ended December 31, 2010

# DISTRICT OF NORTH SAANICH

Year ended December 31, 2010

## Mayor

A. E. Finall

## Councillors

H.D. Browne  
P. C. Chandler  
R. A. Commandeur  
S. M. Fea  
C. J. Green  
C. C. Mearns  
A. M. Scoones  
R. A. Shaw

## **MUNICIPAL OFFICERS**

|   |                    |
|---|--------------------|
| A/Chief Administrative Officer            | R. Buchan          |
| Manager of Corporate Services             | C. Kingsley        |
| Director of Financial Services            | P. H. Roberts      |
| Manager of Financial Operations           | T. Flynn           |
| Director of Infrastructure Services       | P. J. O'Reilly     |
| Director of Planning & Community Services | M. Brodrick        |
| Director of Emergency Services            | G. R. Wilton       |
| Auditors                                  | KPMG LLP           |
| Bankers                                   | T. D. Canada Trust |

# DISTRICT OF NORTH SAANICH

## Financial Statements

Year ended December 31, 2010

|                                      | <u>Page</u> |
|--------------------------------------|-------------|
| Financial Reporting Responsibility   | 1           |
| Independent Auditors' Report         | 2           |
| Statements                           |             |
| A    Statement of Financial Position | 3           |
| B    Statement of Operations         | 4           |
| C    Statement of Change in Net Debt | 5           |
| D    Statement of Cash Flows         | 6           |
| Notes to Financial Statements        | 7           |

## Management's Responsibility for the Financial Statements

The accompanying financial statements of the District of North Saanich (the "District") are the responsibility of the District's management and have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards for local governments as recommended by the Public Sector Accounting Board of The Canadian Institute of Chartered Accountants. A summary of the significant accounting policies are described in Note 1 to the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgement, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The District'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 Mayor and Council meet with management and the external auditors to review the financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the financial statements.

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



Chief Administrative Officer



Director of Financial Services



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

Telephone (250) 480-3500  
Telefax (250) 480-3539  
Internet [www.kpmg.ca](http://www.kpmg.ca)

## INDEPENDENT AUDITORS' REPORT

*To the Mayor and Councillors of the District of North Saanich*

We have audited the accompanying financial statements of the District of North Saanich, which comprise the statement of financial position as at December 31, 2010, the statements of operations, change in net debt 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 District of North Saanich as at December 31, 2010, and its results of operations and its changes in net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Accountants

May 11, 2011  
Victoria, Canada



District of North Saanich

Statement of Financial Position

December 31, 2010 with comparative figures for 2009

STATEMENT A

|  | 2010                 | 2009                 |
|--|----------------------|----------------------|
| <b>Financial assets</b>                      |                      |                      |
| Cash and cash equivalents (note 2)           | \$ 9,244,539         | \$ 7,630,080         |
| Term deposit                                 | 1,067,012            | 1,067,012            |
| Accounts receivable                          |                      |                      |
| Taxes  | 433,775              | 406,165              |
| Other  | 1,016,831            | 794,450              |
| Other assets (note 8)                        | 151,228              | 146,470              |
|  | <u>11,913,385</u>    | <u>10,044,177</u>    |
| <b>Financial liabilities</b>                 |                      |                      |
| Accounts payable and accrued liabilities     | 2,049,606            | 2,068,412            |
| Prepaid property tax                         | 289,263              | 266,177              |
| Deferred revenue (note 13)                   | 882,739              | 1,139,430            |
| Deposits                                     | 366,485              | 388,307              |
| Employee future benefit obligations (note 3) | 460,485              | 324,400              |
| Capital lease obligations (note 4)           | 44,623               | 66,871               |
| Long-term debt (note 5)                      | 10,248,501           | 10,805,996           |
|  | <u>14,341,702</u>    | <u>15,059,593</u>    |
| Net debt                                     | (2,428,317)          | (5,015,416)          |
| <b>Non-financial assets</b>                  |                      |                      |
| Tangible capital assets (note 6)             | 68,655,450           | 69,849,819           |
| Materials and supplies                       | 123,003              | 152,151              |
| Prepaid expenses                             | 85,249               | 195,086              |
|  | <u>68,863,702</u>    | <u>70,197,056</u>    |
| <b>Accumulated surplus (note 7)</b>          | <b>\$ 66,435,385</b> | <b>\$ 65,181,640</b> |

Contingencies and commitments (notes 8 and 12)

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

Director of Financial Services



District of North Saanich

Statement of Operations

STATEMENT B

Year ended December 31, 2010 with comparative figures for 2009

|   | Budget<br>(Unaudited -<br>note 15) | 2010                 | 2009                 |
|---|------------------------------------|----------------------|----------------------|
| <b>Revenues:</b>                                    |                                    |                      |                      |
| Net taxes available for municipal purposes (note 9) | \$ 10,215,239                      | \$ 9,878,760         | \$ 9,831,643         |
| Sales of services                                   |                                    |                      |                      |
| General   | 693,388                            | 836,890              | 515,226              |
| Water utility fees and charges                      | 2,443,875                          | 2,421,576            | 2,266,942            |
| Sewer utility fees and charges                      | 752,765                            | 997,557              | 595,797              |
| Other revenue                                       | 484,620                            | 301,947              | 209,834              |
| Investment earnings                                 | 114,342                            | 114,342              | 123,149              |
| Government transfers (note 10)                      | 1,002,553                          | 785,339              | 1,248,225            |
| Other contributions                                 | 965,060                            | 965,060              | 136,471              |
| MFA actuarial adjustments on debt                   | -                                  | 121,053              | 109,406              |
| Net gain on disposal of tangible capital assets     | -                                  | 148,037              | 8,002                |
|   | <b>16,671,842</b>                  | <b>16,570,561</b>    | <b>15,044,695</b>    |
| <b>Expenses:</b>                                    |                                    |                      |                      |
| General government                                  | 2,610,851                          | 2,530,632            | 2,201,532            |
| Protective  | 2,825,882                          | 2,641,901            | 2,598,535            |
| Solid waste management and environment              | 133,880                            | 54,109               | 86,144               |
| Planning and community                              | 866,089                            | 691,895              | 573,247              |
| Transportation                                      | 2,390,025                          | 2,314,453            | 1,827,677            |
| Parks   | 247,484                            | 275,323              | 228,724              |
| Recreational and cultural                           | 697,429                            | 697,894              | 685,111              |
| Other fiscal  | 48,900                             | 10,956               | 12,614               |
| Water utility                                       | 2,692,246                          | 2,496,096            | 2,497,728            |
| Sewer utility                                       | 1,448,639                          | 1,381,042            | 1,417,805            |
| Amortization  | 2,118,180                          | 2,222,515            | 2,108,004            |
|   | <b>16,079,605</b>                  | <b>15,316,816</b>    | <b>14,237,121</b>    |
| Annual surplus                                      | 592,237                            | 1,253,745            | 807,574              |
| Accumulated surplus, beginning of year              | 65,181,640                         | 65,181,640           | 64,374,066           |
| Accumulated surplus, end of year                    | <b>\$ 65,773,877</b>               | <b>\$ 66,435,385</b> | <b>\$ 65,181,640</b> |

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



District of North Saanich  
**Statement of Change in Net Debt**

STATEMENT C

Year ended December 31, 2010 with comparative figures for 2009

|   | Budget<br>(Unaudited -<br>note 15) | 2010           | 2009           |
|---|------------------------------------|----------------|----------------|
| Annual surplus                          | \$ 592,237                         | \$ 1,253,745   | \$ 807,574     |
| Acquisition of tangible capital assets  | (4,538,397)                        | (1,279,109)    | (2,223,585)    |
| Amortization of tangible capital assets | -                                  | 2,222,515      | 2,108,004      |
| Disposal of tangible capital assets     |                                    |                |                |
| Net gain                                | -                                  | (148,037)      | (8,002)        |
| Proceeds                                | -                                  | 399,000        | 24,800         |
|   | (3,946,160)                        | 2,448,114      | 708,791        |
| Acquisition of materials and supplies   | -                                  | (66,538)       | (97,873)       |
| Consumption of materials and supplies   |                                    | 95,686         | 77,619         |
| Acquisition of prepaid expenses         | -                                  | (98,700)       | (195,487)      |
| Use of prepaid expenses                 |                                    | 208,537        | 34,246         |
| Change in net debt                      | (3,946,160)                        | 2,587,099      | 527,296        |
| Net debt, beginning of year             | (5,015,416)                        | (5,015,416)    | (5,542,712)    |
| Net debt, end of year                   | \$ (8,961,576)                     | \$ (2,428,317) | \$ (5,015,416) |

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



District of North Saanich

Statement of Cash Flows

STATEMENT D

Year ended December 31, 2010 with comparative figures for 2009

|  | 2010                | 2009                |
|--|---------------------|---------------------|
| Cash provided by (used in):                                      |                     |                     |
| Operating activities   |                     |                     |
| Excess (deficiency) of revenues over expenses:                   | \$ 1,253,745        | \$ 807,574          |
| Items not involving cash:  |                     |                     |
| Net gain on disposal of tangible capital assets                  | (148,037)           | (8,002)             |
| Amortization of tangible capital assets                          | 2,222,515           | 2,108,004           |
| Actuarial adjustment on debt                                     | (121,053)           | (109,406)           |
|  | <u>3,207,170</u>    | <u>2,798,170</u>    |
| Change in non-cash operating assets and liabilities              |                     |                     |
| Decrease (increase) in term deposit                              | -                   | (56,353)            |
| Decrease (increase) in accounts receivable - taxes               | (27,610)            | (55,529)            |
| Decrease (increase) in accounts receivable - other               | (222,381)           | (186,024)           |
| Decrease (increase) in other assets                              | (4,758)             | -                   |
| Decrease(increase) in prepaid expenses                           | 109,837             | (161,241)           |
| Increase (decrease) in accounts payable and accrued liabilities  | (18,806)            | 165,322             |
| Increase (decrease) in prepaid property tax and deferred revenue | (233,605)           | 303,488             |
| Increase (decrease) in deposits                                  | (21,822)            | 105,063             |
| Increase (decrease) in employee future benefit obligations       | 136,085             | 16,400              |
| Decrease (increase) in materials and supplies                    | 29,148              | (20,254)            |
|  | <u>2,953,258</u>    | <u>2,909,042</u>    |
| Capital activities:  |                     |                     |
| Acquisition of tangible capital assets                           | (1,279,109)         | (2,223,585)         |
| Proceeds on disposal of tangible capital assets                  | 399,000             | 24,800              |
|  | <u>(880,109)</u>    | <u>(2,198,785)</u>  |
| Financing activities:  |                     |                     |
| Repayment of long-term debt and capital lease obligations        | (465,234)           | (515,691)           |
| Proceeds from capital lease                                      | 6,544               | 19,239              |
|  | <u>(458,690)</u>    | <u>(496,452)</u>    |
| Increase in cash and cash equivalents                            | 1,614,459           | 213,805             |
| Cash and cash equivalents, beginning of year                     | 7,630,080           | 7,416,275           |
| Cash and cash equivalents, end of year                           | <u>\$ 9,244,539</u> | <u>\$ 7,630,080</u> |
| Cash paid for interest   | <u>\$ 633,011</u>   | <u>\$ 656,146</u>   |
| Cash received from interest                                      | <u>\$ 92,761</u>    | <u>\$ 123,149</u>   |

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



The District of North Saanich (the "District") is a municipality in the Province of British Columbia that was created on August 19, 1965 pursuant to the Local Government Act of British Columbia and Community Charter of British Columbia. The District provides municipal services such as fire, public works, planning, parks and recreation, general government operations and cost shares with the Town of Sidney in RCMP police services and the library, Shoal Centre and the Mary Winspear Centre.

**1. Significant accounting policies:**

The financial statements of the District 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 Canadian Institute of Chartered Accountants. Significant accounting policies adopted by the District are as follows:

(a) Basis of presentation

The financial statements reflect the assets, liabilities, revenues and expenses of the District and its commissions, committees and cost sharing arrangements.

Cost sharing arrangements with the Town of Sidney include:

RCMP police services  
Library  
Shoal Centre  
Mary Winspear Centre

Interdepartmental and inter-fund transactions have been eliminated.

(b) Basis of accounting:

The District 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 a legal obligation to pay.

(c) Government transfers:

Government transfers received relate to government grants. Transfers are recognized in the financial statements as revenues in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

(d) Deferred revenue:

Deferred revenues represent amounts which have been collected, but for which the related services have yet to be performed or, transactions completed. These amounts will be recognized as revenues in the fiscal year the services are performed. Note 13 below details of the types of payments received in 2010 and recorded as Deferred Revenue.

(e) Cash equivalents

Cash equivalents include short-term highly liquid investments with a term to maturity of 90 days or less at acquisition.



**1. Significant accounting policies (continued)**

(f) Investments

Investments consist of bonds and debentures and are recorded at amortized cost. Discounts and premiums arising on the purchase of these investments are amortized over the term of the investments. When there has been a loss in value that is other than a temporary decline in value, the respective investment is written down to recognize the loss.

(g) Long-term debt:

Long-term debt is recorded net of related sinking fund balances.

(h) Employee future benefits:

The District 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 District's employees. The costs of these benefits are actuarially determined based on service and best estimates of retirement ages and expected future salary and wage increases. The obligation under this benefit plan is accrued based on projected benefits as the employees render services necessary to earn the future benefits.

(i) 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 cost, less residual value, of the tangible capital assets, excluding land and those tangible capital assets that are not further categorized into segments and/or components, are amortized on a straight line basis over their estimated useful lives.

For tangible capital assets such as Buildings, Engineering Structures and Trails within Land Improvements, where cost data is available at the segment and/or component level, cost less residual value, is amortized on a straight line basis over their estimated useful lives. Where this cost data is not available at the segment and/or component level, the weighted average is used to calculate amortization. Once the cost data is available then relevant costs are assigned to the relevant segments and/or components and the useful life is applied straight line to calculate the amortization and an adjustment is made to the computed amortization where material.

Capital grants are not netted against the cost of the related tangible capital assets.

Estimated useful life for tangible capital assets is as follows with a useful life range provided for those further categorized into segments and/or components:



**1. Significant accounting policies (continued)**

| Asset                             | Useful life range<br>in years |
|-----------------------------------|-------------------------------|
| Buildings                         | 25 to 50                      |
| Land improvements                 | 10 to 40                      |
| Vehicles, machinery and equipment | 5 to 25                       |
| Engineering Structures:           |                               |
| Roads                             | 10 to 75                      |
| Drainage                          | 25 to 80                      |
| Water                             | 20 to 80                      |
| Sewer                             | 20 to 80                      |
| Other                             | 10 to 80                      |
| Other                             | 5 to 80                       |

Land has an infinite life and is not amortized.

Work in progress is not amortized until the project is substantially completed and put into use.

(ii) Contributions of tangible capital assets

Tangible capital assets received as contributions including a tangible capital asset in lieu of a developer cost charge, is considered to be equal to its fair value at the date of receipt and also are recorded as revenue.

(iii) Natural resources

Natural resources that have not been purchased are not recognized as assets in the financial statements.

(iv) 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.

(v) Interest capitalization

The District does not capitalize interest costs associated with the acquisition or construction of a tangible capital asset.

(vi) Leased tangible capital assets

Leases which transfer substantially all of 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.

(vii) Intangible capital assets

Intangible capital assets are recognized as expense in the period they are acquired.

(viii) Inventories of supplies

Inventories of supplies are recorded at the lower of cost and replacement cost.



**1. Significant accounting policies (continued)**

(j) Use of estimates:

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

**2. Cash and cash equivalents:**

|                              | 2010                | 2009                |
|------------------------------|---------------------|---------------------|
| Cash                         | \$ 7,457,729        | \$ 5,897,687        |
| Bonds and money market funds | 1,786,810           | 1,732,393           |
|                              | <u>\$ 9,244,539</u> | <u>\$ 7,630,080</u> |

**3. Employee future benefit obligations:**

The District provides sick leave and certain other benefits to its employees. These amounts and other employee-related liabilities will require funding in future periods and are set out below:

|   | 2010              | 2009              |
|---|-------------------|-------------------|
| Employee future benefits obligations:             |                   |                   |
| Accumulated sick leave                            | \$ 144,800        | \$ 93,400         |
| Retirement benefit payment                        | 129,900           | 123,800           |
| Vacation pay                                      | 185,785           | 107,200           |
| <b>Total employee future benefits obligations</b> | <u>\$ 460,485</u> | <u>\$ 324,400</u> |

Information about the District's benefit plans is as follows:

|   | 2010              | 2009              |
|---|-------------------|-------------------|
| Accrued benefit obligation:                       |                   |                   |
| Balance, beginning of year                        | \$ 324,400        | \$ 308,000        |
| Current benefit cost                              | 99,485            | 33,100            |
| Interest cost                                     | 11,000            | 16,100            |
| Benefits Paid                                     | <u>(23,700)</u>   | <u>(51,200)</u>   |
|   | 411,185           | 306,000           |
| Unamortized actuarial (gain)/loss                 | 49,300            | 18,400            |
| <b>Total employee future benefits obligations</b> | <u>\$ 460,485</u> | <u>\$ 324,400</u> |

In 2010, there was a net actuarial loss of \$49,300 (2009 - \$18,400 loss). As a result, there was no amortization of the actuarial loss in 2009. Commencing in 2010, the estimated amortization of net actuarial loss is expected to be \$1,800 per year over the expected average remaining service life of 10 years.

**Accumulated sick leave**

Accumulated sick leave represents the liability for sick leave banks accumulated for possible draw down at future dates.



**3. Employee future benefit obligations (continued):**

**Retiree benefits**

Retiree benefit payments represent the District's share of the cost to provide employees with various benefits upon retirement including lump sum retirement payments and death benefits.

The amount recorded for these benefits is based on a projected benefit actuarial valuation. The actuarial valuation and assumptions upon which it is based will be reviewed on a periodic basis.

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

|                                    | 2010  | 2009  |
|------------------------------------|-------|-------|
| Discount rates                     | 4.25% | 4.75% |
| Expected wage and salary increases | 2.50% | 2.50% |
| Expected inflation rate            | 2.50% | 2.50% |

**4. Capital lease obligations:**

|  |           |           |
|--|-----------|-----------|
| 2010   | \$ -      | \$ 28,137 |
| 2011   | 26,508    | 23,276    |
| 2012   | 14,679    | 12,508    |
| 2013   | 4,324     | 4,115     |
| Total minimum lease payments                       | 45,511    | 68,036    |
| Less amount representing interest (1.25% to 5.25%) | 888       | 1,165     |
| Lease obligation at December 31, 2010              | \$ 44,623 | \$ 66,871 |

**5. Long-term debt:**

|                    | Gross<br>Debt | Sinking<br>fund asset | Net debt<br>2010 | Net debt<br>2009 |
|--------------------|---------------|-----------------------|------------------|------------------|
| MFA debenture debt | 14,000,907    | 3,752,406             | 10,248,501       | 10,805,996       |
|                    | \$ 14,000,907 | \$ 3,752,406          | \$ 10,248,501    | \$ 10,805,996    |

MFA debenture debt:

The District issues debt instruments through the MFA, pursuant to security issuing bylaws under authority of the Local Government Act, to finance certain capital expenditures. Sinking fund balances, managed by the MFA, are netted against related long-term debt.

Existing MFA debenture debt matures in annual amounts to the year 2032 and debenture interest is payable at rates ranging from 4.75% to 5.50% per annum.

The loan agreements with the Capital Regional District and the MFA provide that if, at any time, the scheduled payments provided for in the agreements are not sufficient to meet the MFA's obligations in respect of such borrowings, the resulting deficiency becomes a liability of the District.



**5. Long-term debt (continued):**

Principal payments on long-term debt for the next five years are estimated as follows:

|      |    |           |
|------|----|-----------|
| 2011 | \$ | 433,373   |
| 2012 |    | 433,373   |
| 2013 |    | 412,519   |
| 2014 |    | 412,519   |
| 2015 |    | 412,519   |
|      | \$ | 2,104,303 |

---

**6. Tangible Capital Assets:**

The net book value of tangible capital assets not being amortized, under construction or have been removed from service is \$46,331 (2009 - \$407,156).

No capital assets were contributed from developers in 2010 nor 2009. No tangible capital assets were acquired at nominal cost during 2010 nor, 2009.

There are no significant art nor historic treasures owned and held by the District.



**6. Tangible Capital Assets (continued)**

| 2010   | Land                 | Land Improvements | Buildings           | Vehicles, Machinery & Equipment | Engineering Structures |                     |                     |                      |                  | Work in Progress | Total                |
|--|----------------------|-------------------|---------------------|---------------------------------|------------------------|---------------------|---------------------|----------------------|------------------|------------------|----------------------|
|  |                      |                   |                     |                                 | Roads                  | Drainage            | Water               | Sewer                | Other            |                  |                      |
| <b>Cost</b>  |                      |                   |                     |                                 |                        |                     |                     |                      |                  |                  |                      |
| Opening balance  | \$ 13,245,018        | \$ 724,792        | \$ 3,968,641        | \$ 4,367,774                    | \$ 29,975,668          | \$ 4,666,674        | \$ 9,974,094        | \$ 26,764,884        | \$ 58,766        | \$ 407,156       | \$ 94,153,467        |
| Add: Additions   | -                    | 182,135           | 103,646             | 561,291                         | 792,862                | -                   | -                   | -                    | -                | 29,403           | 1,669,337            |
| Less: Disposals  | (250,963)            | -                 | -                   | (310,904)                       | -                      | -                   | -                   | -                    | -                | -                | (561,867)            |
| Less: Work completed in 2010                           | -                    | -                 | -                   | -                               | -                      | -                   | -                   | -                    | -                | (390,228)        | (390,228)            |
| <b>Closing balance</b>                                 | <b>12,994,055</b>    | <b>906,927</b>    | <b>4,072,287</b>    | <b>4,618,161</b>                | <b>30,768,530</b>      | <b>4,666,674</b>    | <b>9,974,094</b>    | <b>26,764,884</b>    | <b>58,766</b>    | <b>46,331</b>    | <b>94,870,709</b>    |
| <b>Accumulated Amortization</b>                        |                      |                   |                     |                                 |                        |                     |                     |                      |                  |                  |                      |
| Opening balance  | -                    | 363,862           | 1,446,093           | 2,437,011                       | 12,524,560             | 1,104,753           | 4,026,407           | 2,364,172            | 36,790           | -                | 24,303,648           |
| Add: Additions   | -                    | 36,467            | 91,474              | 385,812                         | 978,672                | 58,581              | 142,918             | 527,565              | 1,026            | -                | 2,222,515            |
| Less: Disposals  | -                    | -                 | -                   | (310,904)                       | -                      | -                   | -                   | -                    | -                | -                | (310,904)            |
| <b>Closing balance</b>                                 | <b>-</b>             | <b>400,329</b>    | <b>1,537,567</b>    | <b>2,511,919</b>                | <b>13,503,232</b>      | <b>1,163,334</b>    | <b>4,169,325</b>    | <b>2,891,737</b>     | <b>37,816</b>    | <b>-</b>         | <b>26,215,259</b>    |
| <b>Net Book Value for year ended December 31, 2010</b> | <b>\$ 12,994,055</b> | <b>\$ 506,598</b> | <b>\$ 2,534,720</b> | <b>\$ 2,106,242</b>             | <b>\$ 17,265,298</b>   | <b>\$ 3,503,340</b> | <b>\$ 5,804,769</b> | <b>\$ 23,873,147</b> | <b>\$ 20,950</b> | <b>\$ 46,331</b> | <b>\$ 68,655,450</b> |

| 2009   | Land                 | Land Improvements | Buildings           | Vehicles, Machinery & Equipment | Engineering Structures |                     |                     |                      |                  | Work in Progress  | Total                |
|--|----------------------|-------------------|---------------------|---------------------------------|------------------------|---------------------|---------------------|----------------------|------------------|-------------------|----------------------|
|  |                      |                   |                     |                                 | Roads                  | Drainage            | Water               | Sewer                | Other            |                   |                      |
| <b>Cost</b>  |                      |                   |                     |                                 |                        |                     |                     |                      |                  |                   |                      |
| Opening balance  | \$ 13,245,018        | \$ 642,407        | \$ 3,913,275        | \$ 3,885,754                    | \$ 29,975,668          | \$ 3,646,708        | \$ 9,974,094        | \$ 26,764,884        | \$ 36,790        | \$ -              | \$ 92,084,598        |
| Add: Additions   | -                    | 82,385            | 55,366              | 636,736                         | -                      | 1,019,966           | -                   | -                    | 21,976           | 407,156           | 2,223,585            |
| Less: Disposals  | -                    | -                 | -                   | (154,716)                       | -                      | -                   | -                   | -                    | -                | -                 | (154,716)            |
| <b>Closing balance</b>                                 | <b>13,245,018</b>    | <b>724,792</b>    | <b>3,968,641</b>    | <b>4,367,774</b>                | <b>29,975,668</b>      | <b>4,666,674</b>    | <b>9,974,094</b>    | <b>26,764,884</b>    | <b>58,766</b>    | <b>407,156</b>    | <b>94,153,467</b>    |
| <b>Accumulated Amortization</b>                        |                      |                   |                     |                                 |                        |                     |                     |                      |                  |                   |                      |
| Opening balance  | -                    | 333,324           | 1,356,113           | 2,284,989                       | 11,546,459             | 1,056,879           | 3,882,402           | 1,836,606            | 36,790           | -                 | 22,333,562           |
| Add: Additions   | -                    | 30,538            | 89,980              | 289,940                         | 978,101                | 47,874              | 144,005             | 527,566              | -                | -                 | 2,108,004            |
| Less: Disposals  | -                    | -                 | -                   | (137,918)                       | -                      | -                   | -                   | -                    | -                | -                 | (137,918)            |
| <b>Closing balance</b>                                 | <b>-</b>             | <b>363,862</b>    | <b>1,446,093</b>    | <b>2,437,011</b>                | <b>12,524,560</b>      | <b>1,104,753</b>    | <b>4,026,407</b>    | <b>2,364,172</b>     | <b>36,790</b>    | <b>-</b>          | <b>24,303,648</b>    |
| <b>Net Book Value for year ended December 31, 2009</b> | <b>\$ 13,245,018</b> | <b>\$ 360,930</b> | <b>\$ 2,522,548</b> | <b>\$ 1,930,763</b>             | <b>\$ 17,451,108</b>   | <b>\$ 3,561,921</b> | <b>\$ 5,947,687</b> | <b>\$ 24,400,712</b> | <b>\$ 21,976</b> | <b>\$ 407,156</b> | <b>\$ 69,849,819</b> |



## 7. Accumulated Surplus:

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

|   | 2010                 | 2009                 |
|---|----------------------|----------------------|
| Surplus:  |                      |                      |
| Invested in tangible capital assets                       | \$ 58,362,326        | \$ 58,976,952        |
| Other   | 1,351,980            | 811,139              |
| <b>Total surplus</b>                                      | <b>59,714,306</b>    | <b>59,788,091</b>    |
| Reserves set aside by Council:                            |                      |                      |
| Working funds   | 3,710,103            | 2,849,438            |
| <b>Total reserves</b>                                     | <b>3,710,103</b>     | <b>2,849,438</b>     |
| Reserve funds set aside for specific purposes by Council: |                      |                      |
| Replacement reserves                                      | 1,248,832            | 1,386,873            |
| Growth and opportunity reserves                           | 547,022              | 326,834              |
| Parks and local improvement reserves                      | 1,215,122            | 830,404              |
| <b>Total reserve funds</b>                                | <b>3,010,976</b>     | <b>2,544,111</b>     |
|   | <b>\$ 66,435,385</b> | <b>\$ 65,181,640</b> |

## 8. Municipal Finance Authority debt reserve fund:

Under borrowing arrangements with the Municipal Finance Authority ("MFA"), the District is required to lodge security by means of demand notes and interest bearing cash deposits based on the amount of borrowing. As debt principal is retired, demand notes are released and the cash deposits are refunded.

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 to act as security against the possibility of debt repayments default. If the debt is returned without default, the deposits are refunded to the District. At December 31, 2010 deposits of \$151,228 (2009 - \$146,470) are recorded as Other assets.

At December 31, 2010 there were contingent demand notes of \$402,821 (2009 - \$413,007) which are not included in the financial statements of the District.



#### 9. Net taxes available for municipal purposes

|  | 2010          | 2009          |
|--|---------------|---------------|
| Taxes:                                     |               |               |
| Property and business taxes                | \$ 21,846,855 | \$ 21,141,184 |
| Local improvement levies                   | -             | 16,483        |
| Grants in lieu of taxes                    | 922,264       | 828,982       |
|  | 22,769,119    | 21,986,649    |
| Less transfers to other governments:       |               |               |
| School authorities                         | 8,154,132     | 7,969,076     |
| Regional Hospital District                 | 1,233,722     | 961,393       |
| Municipal Finance Authority                | 842           | 824           |
| British Columbia Assessment Authority      | 289,781       | 275,165       |
| BC Transit                                 | 852,815       | 767,938       |
| Regional District                          | 2,359,067     | 2,180,610     |
|  | 12,890,359    | 12,155,006    |
| Net taxes available for municipal purposes | \$ 9,878,760  | \$ 9,831,643  |

#### 10. Government transfers:

The following government transfers have been included in revenues:

|                      | 2010       | 2009         |
|----------------------|------------|--------------|
| Operating transfers: |            |              |
| Provincial           | \$ 156,385 | \$ 792,523   |
| Federal              | 219,515    | 116,658      |
| Regional and other   | -          | 1,260        |
|                      | 375,900    | 910,441      |
| Capital transfers:   |            |              |
| Provincial           | 43,308     | 337,784      |
| Federal              | 366,131    | -            |
|                      | \$ 785,339 | \$ 1,248,225 |



## 11. Capital expenditures:

|  | Budget                   | Actual       | Actual       |
|--|--------------------------|--------------|--------------|
|  | 2010                     | 2010         | 2009         |
|  | (Unaudited -<br>note 15) |              |              |
| General government                     | \$ 352,120               | \$ 205,126   | \$ 110,660   |
| Protective                             | 2,165,520                | 443,602      | 308,154      |
| Solid waste management and environment | -                        | -            | -            |
| Planning and community                 | 28,405                   | 15,332       | -            |
| Transportation                         | 553,012                  | 446,487      | 1,590,714    |
| Parks                                  | 376,373                  | 162,499      | 54,305       |
| Recreational and cultural              | 20,250                   | 1,651        | 4,674        |
| Water utility                          | 115,000                  | 4,412        | 69,633       |
| Sewer utility                          | 927,717                  | -            | 85,445       |
|  | \$ 4,538,397             | \$ 1,279,109 | \$ 2,223,585 |

## 12. Contingencies and commitments:

### (a) Regional District debt:

Regional District debt is, under the provisions of the Local Government Act, a direct, joint and several liability of the Regional District and each member municipality within the Regional District, including the District.

### (b) CREST:

The District is a shareholder and member of the 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.

### (c) Insurance:

The District is self-insured for general liability claims through membership in the Municipal Insurance Association of British Columbia, a reciprocal insurance exchange. Under this program, deductibles for member municipalities range from \$2,500 to \$1 million with the largest selected for 2010 being \$500,000. Member municipalities share jointly for claims in excess of individual deductibles up to the policy limit of \$35 million. The District's deductible is \$10,000 per occurrence.

### (d) Pension liability:

The District and its employees contribute to the Municipal Pension Plan (the plan), a jointly trusted pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of the assets and administration of benefits. The pension plan is a multi-employer contributory pension plan. Basic pension benefits provided are defined. The plan has about 163,000 active members and approximately 60,000 retired members. Active members include approximately 35,000 contributors from local governments.



## 12. Contingencies and commitments: (continued)

Every three years an actuarial valuation is performed to assess the financial position of the Plan and the adequacy of Plan funding. The most recent valuation as at December 31, 2009 indicated an unfunded liability of \$1,024 million for basic pension benefits. The actuary does not attribute portions of the unfunded liability to individual employers. The District of North Saanich paid \$263,305 for employer contributions to the plan in fiscal 2010. (2009 - \$239,014).

### (e) Commitment:

i) The District has entered into a five-year renewable agreement with the Town of Sidney, effective December 31, 2006, for the use of the RCMP facilities located in the Town of Sidney. This agreement requires that the District reimburse the Town of Sidney for a share of facility, equipment and staffing costs, based upon the ratio of staff assigned to the District and the total number of staff assigned to the detachment under the Policy Agreement.

ii) The District has entered into a five-year renewable Memorandum of Understanding (MOU) between the Victoria Airport Authority (VAA) and Royal Canadian Mounted Police "E" Division (RCMP), effective April 1, 2006, for the provision of three police officers to be added to the District's detachment for assignment to the Victoria International Airport. This MOU requires that the District pay the RCMP for the cost of these services and requires the VAA to reimburse the District for all costs paid by the District to the RCMP for the Airport Community Policing Office.

### (f) Risk to the 2010 Assessment Roll:

As of the date of the statements there were two 2010 assessment appeals outstanding. The risk to the District's portion of property tax revenue if those appeals are successful is \$53,945. No allowance for these appeals have been made as the outcome is still uncertain.

## 13. Deferred revenue:

|  | 2010       | 2009         |
|--|------------|--------------|
| Miscellaneous  | \$ -       | \$ 9,873     |
| Coalition of Canadian Trails                                   | 4,064      |              |
| Prepaid water billings   | 11,591     | -            |
| Prepaid building permits                                       | 27,803     | -            |
| Unearned provincial grants                                     | -          | 61,699       |
| Deep Cove/Pat Bay/McDonald Park prepaid specified area charges | 482,905    | 482,905      |
| Victoria Airport Authority trail sign contribution             | 5,000      | 5,000        |
| Land sale deposit  | -          | 15,000       |
| Federal Gas Tax Agreement Funds (below)                        | 351,376    | 564,953      |
|  | \$ 882,739 | \$ 1,139,430 |

### Receipts and Disbursements of Federal Gas Tax Agreement Funds

Gas Tax funding is provided by the Government of Canada. The use of the funding is established by a funding agreement between the Municipality and the Union of British Columbia Municipalities. Gas Tax funding may be used towards designated public transit, community energy, water, wastewater, solid waste and capacity building projects, as specified in the funding agreements.

In 2010, grant funding in the amount of \$340,896 was provided to the District for the Community Works program under the Federal Gas Tax Agreement.



**13. Deferred revenue (continued):**

| <b>Federal Gas Tax Agreement Funds</b> | 2010       | 2009       |
|--|------------|------------|
| Opening balance of unspent funds       | \$ 564,953 | \$ 333,349 |
| Add: Amount received during the year   | 340,896    | 345,425    |
| Interest earned                        | 5,103      | 2,836      |
| Less: Amount spent                     | (559,576)  | (116,658)  |
| Amount spent on administration         | -          | -          |
| Closing balance of unspent funds       | \$ 351,376 | \$ 564,952 |

**14. Segmented Information**

The District is a diversified government organization that provides a wide range of services to its citizens, including Protective Services; Parks, Recreation and Culture Services; General Government Services; Transportation Services; Solid Waste Management/Recycling; Development Services; Environmental Services; Water Services and Sewer Services.

For management reporting purposes the Government's operations and activities are organized and reported by Service Areas. Service Areas were created for the purpose of recording specific activities to attain certain objectives in accordance with regulations, restrictions or limitations .

District Services are provided by departments or programs or through contracted services or cost sharing arrangements with other municipalities or the Capital Regional District. Their activities are reported in the following Service Areas.

**Protective Services - RCMP, Fire Department and Animal Control**

The District cost shares with the Town of Sidney to provide policing services through the Royal Canadian Mounted Police (RCMP).

The mandates of the RCMP and Fire Departments are to enforce laws, prevent crime and maintain peace, order and security by protecting life, property and the environment through the provision of emergency response thus, ensuring safe homes and community.

District animal control services are provided under contract by the Capital Regional District.

**Parks, Recreation and Cultural Services - Parks, Mary Winspear Centre, Shoal Centre and Library**

The Parks division of the Infrastructure Services Department is responsible for providing and facilitating high quality parks and recreational facilities.

The District cost shares with the Town of Sidney to provide access to information through the library facility and recreation and cultural services through the Mary Winspear Centre and Shoal Centre located nearby in the Town of Sidney.

**General Government Services - Legislative Department; Corporate Services Department; Financial Services Department and IT/GIS Department**

The Departments within General Government Services are responsible for adopting bylaws; adopting administrative policy; levying taxes; acquiring, disposing and managing District assets; ensuring effective financial and human resource management; monitoring performance and ensuring that high quality District service standards are met.

**Transportation Services - Engineering and Public Works; Roads; Drainage**

The Infrastructure Services Department is responsible for the delivery of municipal transportation and storm drainage systems and services and for approving subdivision plans.



**14. Segmented Information (continued):**

**Solid Waste Management/Recycling - Garbage Pickup**

The management of garbage pickup on municipal public property is the responsibility of the Infrastructure Services Department.

**Environmental Services - Commissions and Committees**

Council, through the establishment of Commission and Committees of the District, are provided with feedback and advice to assist in providing policy direction to protect and enhance rural, agricultural, heritage and environmental characteristics.

**Planning Services - Planning and Community Services**

The Planning and Community Services Department is responsible for preparing land use plans, bylaws and policies for sustainable development of the District; and conducting building inspections and bylaw enforcement.

**Water Utility - Infrastructure Services, Utilities**

The Utilities Division of the Infrastructure Services Department installs and maintains the water mains and pump stations and oversees the distribution of water purchased from the Capital Regional District.

**Sewer Utility - Infrastructure Services, Utilities**

The Utilities Division of the Infrastructure Services Department installs and maintains the sewer mains and pump stations of the District.

The following provides additional information for the foregoing segments.



**14. Segmented Information (continued):**

|   | General<br>Government | Protective            | Solid Waste<br>Management &<br>Environment | Planning and<br>Community | Transportation        | Parks,<br>Recreation and<br>Cultural | Water Utility | Sewer Utility     | 2010                | 2009              |
|---|-----------------------|-----------------------|--|---------------------------|-----------------------|--------------------------------------|---------------|-------------------|---------------------|-------------------|
| <b>Revenues:</b>                                    |                       |                       |  |                           |                       |                                      |               |                   |                     |                   |
| Net taxes available for municipal purposes (note 9) | \$ 8,643,466          | \$ -                  | \$ -                                       | \$ -                      | \$ -                  | \$ -                                 | \$ 181,502    | \$ 1,053,792      | \$ 9,878,760        | \$ 9,831,643      |
| Sales of services                                   | 136,021               | 85,257                | 35,012                                     | 468,841                   | 45,304                | 66,455                               | 2,421,576     | 997,557           | 4,256,023           | 3,377,965         |
| Other revenue                                       | 252,063               | -                     | -  | -                         | -                     | -                                    | 45,126        | 4,758             | 301,947             | 209,834           |
| Investment earnings                                 | 92,209                | -                     | -  | -                         | -                     | -                                    | 12,296        | 9,837             | 114,342             | 123,149           |
| Government transfers (Note 10)                      | 711,451               | -                     | -  | -                         | 44,391                | 29,497                               | -             | -                 | 785,339             | 1,248,225         |
| Other contributions                                 | 965,060               | -                     | -  | -                         | -                     | -                                    | -             | -                 | 965,060             | 136,471           |
| MFA actuarial adjustments on debt                   | -                     | -                     | -  | -                         | -                     | -                                    | 24,324        | 96,729            | 121,053             | 109,406           |
| Net gain on disposal of tangible capital assets     | -                     | 148,037               | -  | -                         | -                     | -                                    | -             | -                 | 148,037             | 8,002             |
|   | 10,800,270            | 233,294               | 35,012                                     | 468,841                   | 89,695                | 95,952                               | 2,684,824     | 2,162,673         | 16,570,561          | 15,044,695        |
| <b>Expenses:</b>                                    |                       |                       |  |                           |                       |                                      |               |                   |                     |                   |
| Salaries, wages and employee benefits               | 1,517,369             | 543,823               | 27,389                                     | 629,666                   | 956,040               | 193,516                              | 332,733       | 107,023           | 4,307,559           | 3,984,219         |
| Contracted services                                 | 634,267               | 1,875,991             | 26,500                                     | 36,040                    | 885,217               | 736,047                              | 1,887,870     | 441,513           | 6,523,445           | 6,186,887         |
| Supplies and materials                              | 378,996               | 222,087               | 220  | 26,189                    | 473,196               | 43,654                               | 246,248       | 138,640           | 1,529,230           | 1,307,984         |
| Interest and bank charges                           | 10,956                | -                     | -  | -                         | -                     | -                                    | 29,245        | 693,866           | 734,067             | 650,027           |
| Amortization  | 147,908               | 151,861               | -  | 5,350                     | 1,128,835             | 63,797                               | 188,237       | 536,527           | 2,222,515           | 2,108,004         |
|   | 2,689,496             | 2,793,762             | 54,109                                     | 697,245                   | 3,443,288             | 1,037,014                            | 2,684,333     | 1,917,569         | 15,316,816          | 14,237,121        |
| <b>Annual surplus (deficit)</b>                     | <b>\$ 8,110,774</b>   | <b>\$ (2,560,468)</b> | <b>\$ (19,097)</b>                         | <b>\$ (228,404)</b>       | <b>\$ (3,353,593)</b> | <b>\$ (941,062)</b>                  | <b>\$ 491</b> | <b>\$ 245,104</b> | <b>\$ 1,253,745</b> | <b>\$ 807,574</b> |



## 15. Budget data:

The unaudited budget data presented in these financial statements is based upon the 2010 budget in Financial Plan Bylaw #1232, Schedule C passed by Council on May 10, 2010.

|                                  | Budget Amount     |
|----------------------------------|-------------------|
| Revenues:                        |                   |
| Tax Revenue                      | \$ 10,377,582     |
| Water User charge                | 2,443,875         |
| Sewer User charge                | 1,555,482         |
| Sale of Service                  | 807,730           |
| Other Revenue                    | 484,620           |
| Transfers from other Governments | 1,002,553         |
| <b>Total revenue</b>             | <b>16,671,842</b> |
| Expenses:                        |                   |
| Interest payments on debt        | 679,677           |
| Amortization expense             | 2,118,180         |
| General operating fund           | 9,789,857         |
| Water operating fund             | 2,645,371         |
| Sewer operating fund             | 846,520           |
| <b>Total expenses</b>            | <b>16,079,605</b> |
| Annual surplus                   | 592,237           |
| Allocations:                     |                   |
| Add                              |                   |
| Amortization expenses            | 2,118,180         |
| Long term debt proceeds          | 1,650,600         |
| Transfers from own funds         | 2,081,640         |
| <b>Subtotal additions</b>        | <b>5,850,420</b>  |
| Deduct                           |                   |
| Principal payments on debt       | 470,532           |
| Capital expenditures             | 4,538,397         |
| Transfers to own funds           | 1,433,728         |
|                                  | <b>6,442,657</b>  |
| <b>Financial Plan balance</b>    | <b>\$ -</b>       |

## 16. Comparative figures:

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year.

# 2010 Council Disclosures

## Declaration of Disqualification of Council members

There were no declarations of Disqualification of Council members in 2010.

## 2010 Council Remuneration and Expense Report

Following is a schedule reporting Council remuneration and expenses for 2010 in accordance with Section 168 (1) (a) & (b) of the Community Charter

| COUNCIL MEMBER             | REMUNERATION     | EXPENSES        |
|----------------------------|------------------|-----------------|
| Mayor Alice Finall         | \$ 26,070        | \$ 1,393        |
| Councillor Peter Chandler  | 13,035           | -               |
| Councillor Dunstan Browne  | 1,086            | -               |
| Councillor Cairine Green   | 13,035           | 712             |
| Councillor Anny Scoones    | 13,035           | 1,596           |
| Councillor Craig Mearns    | 1,086            | -               |
| Councillor Ruby Commandeur | 13,035           | -               |
| Councillor Robert Shaw     | 9,776            | 502             |
| Councillor Sheilah Fea     | 9,776            | -               |
| <b>Total</b>               | <b>\$ 99,934</b> | <b>\$ 4,204</b> |

## Insurance Policy (Section 168 (1)(c) of the Community Charter)

2010 Personal Accident Insurance - coverage for Mayor and Councilors while on District business through Citadel General Assurance Company, Policy #9224102

Principal Sum - \$100,000/Weekly Indemnity - \$500/Accident Reimbursement Expense - \$5,000.

Aggregate Limit of Indemnity - \$700,000

## Disclosure of contracts with Council members (Section 168 (1) (d) of the Community Charter)

There were no contracts in 2010 with Council members relevant to the requirements set out under Section 168 (1) (d) of the Community Charter.

# 2010 Property Tax Exemptions

Council has granted permissive tax exemptions to properties owned by churches, several non-profit organizations and other municipalities. Some of the exemptions have been with the assent of the electorate and are for a period of 10 years.

Others are reviewed annually by Council and provide an exemption for that year.

Following is a list of the properties that received tax exemptions for 2010:

|     | Property Owner                        | Civic Address           | Legal Description  | Bylaw No | Term   | Expires | Municipal Taxes |
|-----|---------------------------------------|-------------------------|--|----------|--------|---------|-----------------|
| 1)  | Memorial Parks Society                | McDonald Park Rd        | Lot 1, Section 16, Range 2E, Plan 20832 Folio 20007.000                    | 1185     | 3 yrs  | 2011    | \$ 3,661        |
| 2)  | Memorial Parks Society                | 10714 McDonald Park Rd  | Lot A, Section 17, Range 2E, Plan 43067                                    | 1185     | 3 yrs  | 2011    | \$ 4,376        |
| 3)  | Saanich Peninsula Chamber of Commerce | Pat Bay Hwy 17          | Portion of Lot 3, Plan 13825, Pat Bay Visitor Info Centre                  | 1185     | 3 yrs  | 2011    | \$ 2,114        |
| 4)  | BC Aviation Museum                    | 1910 Norseman Rd.       | Part Lot A, Plan 38759 Comprising 5.56 acres VAA Lease #PR3212             | 921      | 10 yrs | 2010    | \$11,769        |
| 5)  | Sea Cadets & Navy League              | 6595 B Hurricane Rd.    | Comprising 2569.8 sq meters VAA lease #YYJLB110                            | 926      | 10 yrs | 2010    | \$ 1,326        |
| 6)  | Air Cadets                            | 1979 Anson Dr.          | Comprising 2200 sq. meters VAA lease #PR7077                               | 927      | 10 yrs | 2010    | \$ 1,567        |
| 7)  | St. John's United Church              | 10990 W. Saanich Rd.    | Northerly 175 ft of Block 1, Sect 19, Range 2W, Plan 1211                  | 1131     | 5 yr   | 2011    | \$ 3,280        |
| 8)  | Holy Trinity Anglican Church          | 1319 Mills Rd.          | Sect. 12 & 13, Range 1W, and Lot A, Sect. 12, Range 1E, and 1W, Plan 38698 | 1131     | 5 yr   | 2011    | \$ 5,660        |
| 9)  | Sidney Pentecostal Church             | 10364 McDonald Park Rd. | Lot A, Sect. 15, Range 2E, Plan 16395                                      | 1131     | 5 yr   | 2011    | \$ 5,115        |
| 10) | Saanich Peninsula Presbyterian Church | 9296 E. Saanich Rd.     | Lot F, Sect. 7, Range 2E, Plan 42734                                       | 1131     | 5 yr   | 2011    | \$ 9,206        |
| 11) | Seventh Day Adventist Church          | 9300 Willingdon Rd.     | Lot B, Sect. 7, Range 2E, Plan 2822  | 1131     | 5 yr   | 2011    | \$10,097        |
| 12) | Kiwanis Elderly Citizens Village      | 10585 McDonald Pk. Rd.  | Lot 1, Sect. 16 & 17, Range 2E,  | 1131     | 5 yr   | 2011    | 9,206           |
| 13) | Town of Sidney                        | 1665 McTavish Rd.       | Lot 1, Sect. 5, Range 2E, Plan 38864                                       | 1131     | 5 yr   | 2011    | \$ 8,849        |
| 14) | Town of Sidney                        | 1717 McTavish Rd.       | Remainder Lot E, Sect. 5, Range 2E, Composite Plan 2989, except Plan 38864 | 1131     | 5 yr   | 2011    | \$16,532        |