

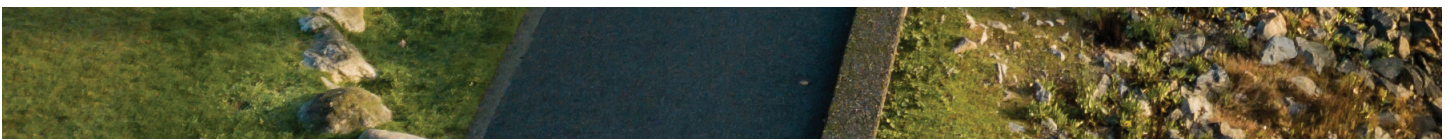
2018 Annual Report



visitgibsons.ca

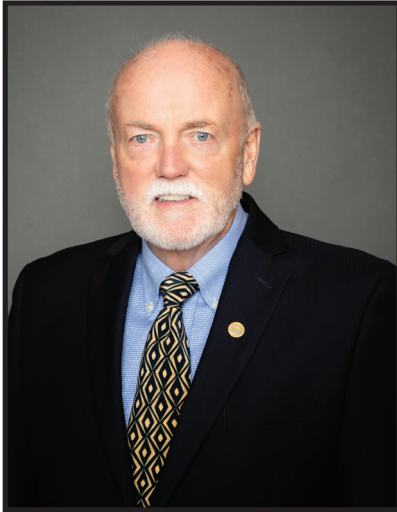


The Town of Gibsons was established in 1886 by George Gibson and his sons. In 1929, the Town was incorporated as “Gibsons Landing” and in 1947, the Town’s name was changed to “Gibsons” at the request of its citizens. In 1951, a car ferry service, Black Ball Ferries (later to become BC Ferries) began, resulting in relative ease of travel from the Lower Mainland by car. Since then, the Town of Gibsons has steadily grown, as its small-town vibe, vibrant arts and culture scene and increasing number of amenities has attracted new residents from Vancouver and around the world.



MAYOR’S MESSAGE	4
MAYOR AND COUNCIL	5
MESSAGE FROM THE CAO	6
OUR ORGANIZATION AT A GLANCE	7
2018 FINANCIAL HIGHLIGHTS	8
2018 PROJECTS AND HIGHLIGHTS	10
CORPORATE SERVICES	10
FINANCIAL SERVICES	11
INFRASTRUCTURE SERVICES	12
NATURAL ASSET MANAGEMENT	16
PUBLIC WORKS	17
PARKS & COMMUNITY SERVICES	18
PLANNING AND DEVELOPMENT	19
BUILDING INSPECTION SERVICES	22
BYLAW ENFORCEMENT	22
GIBSONS & DIST. VOL. FIRE DEPT.	23
2014-2018 STRATEGIC PLAN & PROGRESS REPORT	24
2018-2022 COUNCIL PRIORITIES	28
FINANCIAL STATEMENTS	29
GRANTS OF ASSISTANCE	60
PERMISSIVE TAX EXEMPTIONS	61
ENGAGE WITH US	63

MAYOR'S MESSAGE



On behalf of my colleagues on Town Council, I am pleased to present the Town of Gibsons' 2018 Annual Report. It provides an overview of each of the Town's seven departments, some of their accomplishments during the past year and a look at major projects planned for 2019. It also presents Gibsons' audited 2018 Financial Statements and the Town's Five-Year Financial Plan.

I encourage readers to take some time to go through this document, if only as a reminder of the evolution of our Town, in terms of both civil programs and physical spaces.

Of course, one of last year's significant changes was the election of a new Council in the fall. On November 6, 2018, I, along with incumbent Councillor Stafford Lumley and first-term Councillors Aleria Ladwig, David Croal, and Ann Marie De Andrade were officially inaugurated at Gibsons Public Market.

That evening, I spoke about the new Council's key priorities (please see page 28 for more detail.) I also talked at some length about our shared commitment to consult with and inform residents about projects happening within Gibsons. Planned initiatives included: adding inquiry opportunities at Council and committee meetings; convening forums and dialogues on community issues; reviewing the Council procedure bylaw, in order to provide additional opportunities for the public to have input into Council decision-making; providing an opportunity for youth to have a voice on Council; and, using technology to post both audio and video of Council meetings on the town website for those who are unable to get to meetings.

I'm pleased to say that approximately six months later, we have already implemented several of these initiatives and made good headway on the balance. Most recently, we announced the launch of monthly community dialogue sessions, which will provide residents with the opportunity to meet with Council and staff on a regular basis to discuss issues or concerns. The first dialogue has been scheduled for Tuesday, July 30, 2019 at 7pm in Council Chambers, and a regular meeting schedule will be established this fall. Please join us if you can.

In closing, I will echo one more sentiment from our inauguration ceremony - the idea that we cannot achieve any of our objectives without broad support from the residents we represent. Good governance must be a partnership between Council and the community.

For that reason, I strongly encourage you to get informed and get engaged. Attend meetings, read agendas and minutes, ask questions early in a project so that you understand the outcomes, and by all means challenge us.

One coda: let's please be respectful of one another, and of Town staff. We are only human and we are all doing our best.

A handwritten signature in black ink, appearing to read 'Bill Beamish'.

Bill Beamish
Mayor, Town of Gibsons
June 15, 2019

An elected Council comprised of a Mayor and four Councillors governs the Town of Gibsons. Council members are elected for four-year terms to represent the Town at large. The *Community Charter* gives Council the authority to set budgets, levy taxes, and establish policies to guide the growth, development and operation of the community for the benefit and protection of its citizens.

2014 - 2018



Councillors (left to right) Jeremy Valeriote, Stafford Lumley, Silas White and Charlene SanJenko with Mayor Wayne Rowe.

2018 - 2022



Councillors (left to right) Ann Marie De Andrade, Stafford Lumley, Mayor Bill Beamish, Aleria Ladwig and David Croal.

MESSAGE FROM THE CAO



On behalf of the Town's staff, I am pleased to present the Town of Gibsons' Annual Report for 2018 – a key communications document which is extremely useful for reminding both residents and our staff of the recent progress that's been made in our community.

In 2018, annual highlights included the successful launch of the organics curbside collection program, a major facelift at Armours Beach, and the completion of a multi-use pathway connecting Lower and Upper Gibsons. You can read more about these projects in the following pages.

During 2018, we also laid the groundwork for some major capital projects, including the much-needed retrofit of the Prowse Road Lift Station, an upgrade

at our Wastewater Treatment Plant and the expansion of service from the Gibsons Aquifer to water-users in Zone 3. Ongoing investment in our Town is the key to keeping it operating at safe, acceptable levels of service and each of these projects represents a critical step in ensuring that Gibsons' infrastructure continues to serve residents and visitors as reliably in the future as it does today.

I'd also like to take this opportunity to thank every member of our dedicated staff, who all take great pride in their daily work. 2018 was a busy year and each person consistently went above and beyond in performing the myriad projects and duties that keep this Town looking so beautiful and running so smoothly.

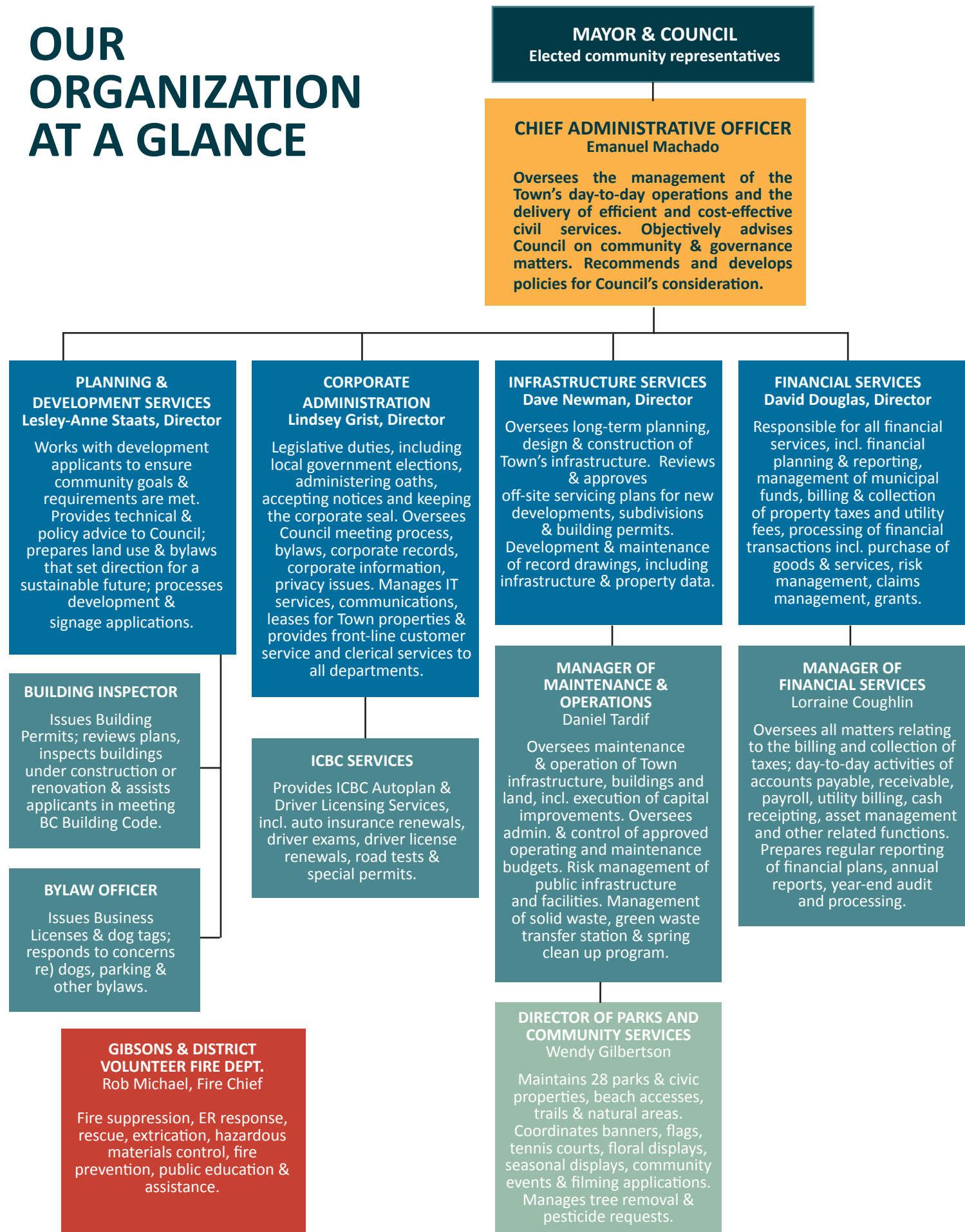
It is my pleasure to work with all of you.

Sincerely,

A handwritten signature in black ink, appearing to read "Emanuel Machado".

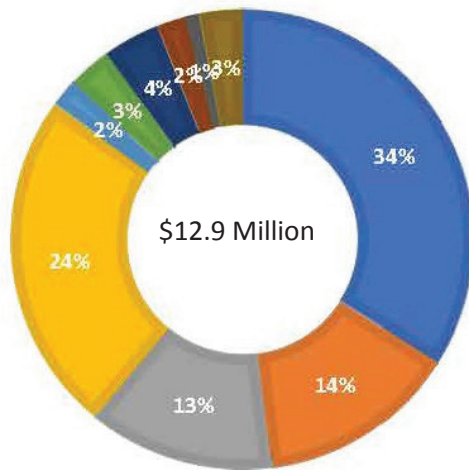
Emanuel Machado
Chief Administrative Officer
Town of Gibsons

OUR ORGANIZATION AT A GLANCE



2018 FINANCIAL HIGHLIGHTS

WHERE THE MONEY CAME FROM: 2018 GROSS REVENUE



- Taxation 34%
- Utility User Rates and Connection Fees 14%
- Government Transfers 13%
- Developer Contributions 24%
- Rental Income 2%
- Motor Vehicle Licensing 3%
- Sales of Service 4%
- Licenses and Permits 2%
- Penalties and Interest 1%
- Other Revenue 3%

Taxation is the net municipal portion of all property taxes, 1% utility tax, grants in lieu of taxes levied or collected and fees & charges.

Utility User Rates and Connection Fees are revenues generated from the water & sewer funds.

Government Transfers are essentially grants from senior levels of government.

Developer Contributions are tangible capital assets recorded at their fair market value that have been transferred to the Town. These contributions are from privately developed subdivisions and include assets such as water systems, wastewater systems, storm systems, roads and parks.

Rental Income is income generated through the rental fees for use of properties and facilities owned by the Town.

Motor Vehicle Licence revenues are commissions raised from the sale of vehicle insurance, driver examinations, driver license renewals and special permits.

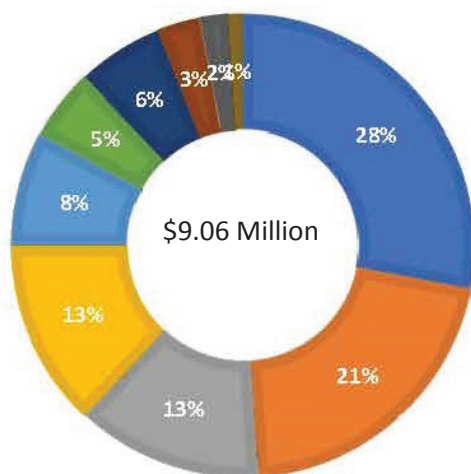
Sales of Services is the revenue from the sales of goods and services to individuals, organizations or other governments. This includes utility service charges and user fees.

Licenses and Permits include revenue collected from municipal licenses. It also includes revenue collected from permits such as building, construction, demolition and plumbing.

Penalties and Interest are revenues generated from taxpayers who have not paid their taxes or utility bills by the due date.

Other Revenue includes revenues which are not included in the revenue categories defined above. This includes Planning & Transportation revenues.

WHAT THE MONEY WAS USED FOR: 2018 EXPENSES BY FUNCTION



- General Departmental Expenditures 28%
- Infrastructure Services 21%
- Wastewater 13%
- Water 13%
- Parks and Culture 8%
- Planning 5%
- Debt Interest & Other 6%
- Motor Vehicle License Agency 3%
- Protective Services 2%
- Building Maintenance 1%

General Departmental Expenditures includes Council, legislative and general administration.

Infrastructure Services includes engineering services, asset management, GIS and project management.

Wastewater includes the collection system, sewer lift stations and wastewater treatment plant.

Water includes the water distribution system, wells, pumps and reservoirs.

Parks and Culture includes parks maintenance and cultural programs offered by the Town.

Planning The Planning Department is responsible for managing the Town's growth and development. Assistance and inquiries from residents, property owners and developers on land use, and development matters are provided.

Debt Interest and Other includes the interest the Town pays for long-term debt borrowing and bank charges.

Motor Vehicle License Agency refers to operation of I.C.B.C. Driver Services, including insurance, driver examinations, driver license renewals and special permits.

Protective Services includes the Building Inspections and Bylaw department. Services include building inspections, review of plans, inspection of construction and answering enquiries from residents, property owners, architects, engineers, builders and developers on matters related to building construction, renovation, the BC Building and Plumbing Code and applicable Provincial and Federal regulations. Bylaw Enforcement monitors and seeks compliance with the bylaws enacted by Mayor and Council to regulate the affairs of the Town of Gibsons.

Building Maintenance includes the maintenance of Town-owned buildings.

2018 PROJECTS & HIGHLIGHTS

CORPORATE SERVICES

The Corporate Services Department (CSD) keeps the Town organized and running smoothly, from managing our Council Meetings to staffing the customer service counter to providing behind-the-scenes clerical support to all departments. The team also manages Town Hall's IT needs and produces all of its external communications, including its press releases, social media, advertising and website content.

During 2018, the CSD was kept busy, overseeing 32 Regular Council, 7 Special Council, 11 In-Camera Council and 18 Committee of the Whole meetings, tracking progress on 329 resolutions of Council, and hosting 6 Public Hearings. The team also responded to 16 formal Requests for Information, produced the 2017 Annual Report, and created a steady stream of print, radio and digital communications to help keep residents informed about Town of Gibsons' issues and projects.

ICBC Driver Services

The Corporate Services Department provides ICBC Autoplan and Driver Licensing Services as an appointed agent under contract to ICBC. Services provided include auto insurance application and renewal, driver license/BC Identification application and renewal, and driver testing.

ICBC: THREE-YEAR STATISTICS

	2018	2017	2016
Customer Transactions	13,550	13,360	13,371
Gross Commissions (\$)	338,148	316,862	311,588



2018 Municipal Election

During October 2018, a municipal general election was held under Chief Election Officer, Wendy Lee. Voter turnout for the Town of Gibsons was 47.59% compared to a provincial average of 36%.

The new Council was inaugurated at Gibsons Public Market on November 6, 2018.

FINANCIAL SERVICES

The Finance Department is responsible for the overall financial services of the Town, including financial planning and reporting, monitoring and reporting of government grants, processing of financial transactions including the purchase of goods and services, management of all municipal funds and the maintenance of a system of internal controls, billing and collection of property taxes and utility user fees, and monitoring risk management practices and processing/evaluation of claims. The Finance Department is also responsible for producing accurate and timely financial reports in accordance with statutory requirements set forth in the *Community Charter*, including developing a *Five-Year Financial Plan* and *Annual Tax Rates Bylaw* each year.

FINANCIAL SERVICES PROVIDED

	2018	2017	2016
Homeowner grants processed	1,539	1,534	1,511
Value of homeowner grants (<i>in \$ millions</i>)	1.41	1.40	1.38
Residential tax deferrals administered	223	203	180
Property tax notices issued (<i>annual</i>)	2,410	2,378	2,342
Utility bills issued (<i>semi-annual</i>)	4,442	4,406	4,340
Payments processed (<i>to suppliers & other taxing agencies</i>)	1,691	1,480	1,425

2018 Budget and Five-Year Financial Plan

On May 11, 2018, Gibsons' Council adopted the 2018 Budget and 5-Year Financial Plan.

The budget included a 4.5% increase in tax revenue collected from all tax classes, which funded a 1.5% cost of living increase, one supplementary staff member, and a portion of the launch of the Organics Curbside Collection Program (*see box at right for more information*).

Increases in water rates in part supported the \$175,000 cost for a water system supply design. The design costs are related to the planned expansion of the Gibsons Aquifer service to Zone 3 users, who are currently connected to the Sunshine Coast Regional District's Chapman Creek water supply.

Working Toward Financial Sustainability

Each year, 1% of total property taxes collected is placed into a Reserve Fund for asset renewal.

For the Town, true sustainability will be achieved when our annual revenues cover our operational need AND the costs required to replace and renew our assets as they age.

Thanks to several water and sewer rate increases, and resident efforts to reduce water consumption, we are getting closer to that goal.



Organics Curbside Collection Launched

The organic curbside collection program was launched on April 1, 2018.

Town of Gibsons residents quickly embraced the program and by the end of the year, had diverted more than 169.98 tonnes of organic waste from the Sechelt Landfill to Salish Soils, where it will become nutrient-rich compost.

Taking organic waste out of the landfill also reduces the release of methane gas and a toxic liquid known as "leachate", which forms as organic materials breakdown. The cost to residents for the new program is approximately \$1.35/week.

INFRASTRUCTURE SERVICES

The Infrastructure Services department (IS) is responsible for oversight of the Town's capital works projects; long-term infrastructure planning; Parks and Public Works operations and maintenance; operating and maintaining the Town's Geographical Information System (GIS); and asset management. IS was also responsible for subdivision approval and aquifer protection until October 2018. Subsequently, it became the responsibility of the Planning & Development department.



Armours Beach Revitalization - Phase 1

During 2018, Armours Beach underwent a significant facelift, which included terracing at the site to increase accessibility, construction of a new washroom facility, landscaping and the installation of new park furnishings.

Budgeted at \$150,000, this component of the multi-phase project was a joint effort between the Town of Gibsons, the Rotary Club of Gibsons (which contributed \$30,000) and Longman Developments, (which donated \$10,000).

In December 2018, a winter storm toppled two of the six pilings which provide anchors for the swim float and swimming area markers at the beach. Subsequently, it was found that the other pilings also require replacement or repair.

Moving forward, Council has budgeted for a redesign of the swimming area and replacement of the pilings. The design would also include potential improvements to the swim float to accommodate kayak launching, the possible additional of a second float and a renewal of the logs which delineate the swim area.

A construction budget for further improvement to the swimming area has been proposed for 2020.

Gibsons Way Multi-Use Pathway

In tandem with other Gibsons Way upgrades, a low-gradient multi-use path for cyclists and pedestrians was constructed from Seaview Lane to Bals Lane (*see Before and After photos below*).

Later in 2018, the Town received grant funding for further pedestrian and cyclist improvements to Gibsons Way, which is being used to create a downhill cycle lane between School Road and North Fletcher Road.



Gibsons Way - BEFORE multi-use path



Gibsons Way - AFTER multi-use path



High-flow culverts save money

In spring 2018, high-flow culverts like the one shown at left were installed along Gibsons Way, along with drainage channel upgrades to increase drainage capacity.

The Town has retained and improved the open channel along Gibsons Way to slow the flow of water and allow infiltration. This, in turn, protects the receiving waters of Gibsons Creek.

Integrated Stormwater Management Plan (ISMP) Revised

Integrated Stormwater Management is the management of rainwater runoff in order to protect people, natural and built assets. A solid Integrated Stormwater Management Plan (ISMP):

- Helps to plan for minor and major storm scenarios, while protecting the natural and built environment;
- Helps to determine what above-ground and below-ground infrastructure is required to manage the stormwater runoff that results from these storms; and
- Works with land-use planning to anticipate the types of stormwater systems that will be needed as a result of changing land uses and development.

In 2017, the Town successfully applied for and was awarded a \$249,000 grant to complete an extensive update of its 2010 ISMP.

In 2018, the revised ISMP was largely completed, with the new document drawing heavily on the Town's natural asset management philosophy, and relying on a chain of both natural assets and constructed assets that mimic natural features to address the Town's stormwater needs.

Moving forward, staff will begin to implement the new plan, which includes detailed design for a communal detention pond as an extension to Whitetower Park; distributed local detention ponds which would be maintained by the Town; improvements to Goosebird Creek to reduce flooding and improve natural habitat; and permitting and bylaw updates.



The creeks and ponds in Whitetower Park help manage Gibsons' stormwater at a fraction of the cost of built infrastructure. Council has approved a plan to expand the park into a vacant area behind the Gibsons' Aquatic facility.

Wastewater Treatment Plant Upgrade

Gibsons' Wastewater Treatment Plant (WWTP) was commissioned in 2005 and is a complex system which requires highly trained personnel to operate and manage it.

In order to be sure the WWTP continues to meet its permitting requirements (as set by the Province of BC) and operates at maximum efficiency, a number of upgrades are needed.

During 2018, design of these upgrades was begun, with construction of the planned improvements set for 2019 and 2020. This project is partially funded by grant monies.

Bio-solids Contract Awarded Locally

In October 2018, the Town awarded Salish Soils a five-year contract to dispose of the bio-solids produced at Gibsons' Wastewater Treatment Plant. Prior to that, the Town had been sending its bio-solids to various locations around BC, as no local site was available to receive them.

Sending the bio-solids to Sechelt-based Salish Soils, where it will be processed into usable soil, instead of sending it off-Coast, is anticipated to cost \$124,800 in 2019, compared \$200,000 in 2018.

Prowse Road Lift Station - Retrofit Design Commissioned

The Prowse Road Lift Station is a significant infrastructure component of the Town's sanitary collection system, providing service for roughly 40% of Gibsons' sanitary flows.



Sewage from the eastern portion of the Town, which cannot drain by gravity directly to the wastewater treatment plant, drains to the Prowse Road Lift Station, and is then pumped via a force main to the

wastewater plant for treatment.

Built in 1972, the lift station is in urgent need of upgrades to address its deteriorating condition. During 2018, the Town began the retrofit process by commissioning the design of the proposed upgrades.

Construction of the upgrades are scheduled for fall 2019.



Holland Lands Improvements

In early 2018, Town staff implemented a number of improvements at the Holland Lands (behind Town Hall). These included removing trees whose roots were causing damage to nearby sidewalks, planting eight replacement trees, repairing broken sidewalk panels, and installing an Electric Vehicle (EV) charging station. The EV charging station will help promote the use of electric vehicles, while also supporting the Town's goal to reduce community-wide GHG emissions.

Looking ahead, the Town has planned the phased removal of other landscaping trees that are causing infrastructure damage and replacement of the sidewalk panels damaged by roots.



An excavator at Dougall Park prepares the ground for the drilling of a new monitoring well and a new production well.

Aquifer Expansion Project

Work is underway to expand service from the Gibsons Aquifer to Zone 3, which covers most of Upper Gibsons.

The Town of Gibsons is divided into three Water Zones. Currently, Zones 1 and 2 are supplied by water from the Gibsons Aquifer and Zone 3 is supplied by the SCRD through a bulk water agreement.

Conservative estimates, based on regular reports from the Town's existing monitoring wells, show that the aquifer is healthy and able to supply the required water volume for the build out of the Town.

Expanding the Town's water supply system is projected to cost approximately \$3 million, with the cost savings from reduced water purchases from the SCRD offsetting these capital costs

over time. Expenditures include the design and construction of a new pump station, drilling of a new production well, and drilling of two new monitoring wells. The new monitoring wells will enable the Town to monitor the impact of the increased draw on the aquifer, as well as for saltwater intrusion due to climate change and sea level rise.

In 2018, the detailed design of the new pump station and well to expand the aquifer supply into pressure Zone 3 was begun. The aquifer service expansion project is anticipated to take about 18 months to complete, with connection of Zone 3 expected to occur in mid-2020.

The new system is expected to reduce the Town's reliance on the SCRD water supply by 95% to 98%.

Asset Management

A key issue facing local governments across Canada is managing aging assets and resources effectively, while maintaining acceptable levels of service. To help achieve this goal, the Town of Gibsons employs a formalized asset management program.

During 2018, the Town's Asset Management Coordinator advanced numerous projects, including:

- An asset management policy update outlining roles, commitments and long-term goals;
- An asset management program overview outlining the process of formalizing an asset management program;

- A water asset management plan which includes operation and maintenance management planning, long-term financial planning, defining service levels, and risk management;
- Annual groundwater monitoring, which includes well testing, site visits and analysis of aquifer changes and trends;
- A fleet and equipment asset management plan;
- Process, documentation and data improvements; and
- Form digitizing to improve field processes, data accessibility and ongoing analysis.

Natural Asset Management

The Town of Gibsons is internationally recognized for its work in pioneering an Eco-Asset Strategy, which recognizes and quantifies the role that natural assets such as our foreshore, the Gibsons Aquifer, and Whitetower Park ponds play in delivering core municipal services.

During 2018, we continued to apply traditional asset management and financial tools to our natural assets, with the goals of: increasing the Town's natural resilience to climate change; providing core services to residents at a reasonable cost; and reducing the risks and costs associated with maintaining a suite of engineered assets.

We also continued working to help other municipalities and asset management organizations to translate their enthusiastic interest in our asset management approach into real-world practice.

New Guide Released

In January 2018, the Town of Gibsons officially released "*Advancing Municipal Natural Asset Management*", a free, easy-to-read financial guide which aims to show relevant parties, such as municipal asset managers and financial and accounting staff how easy it is to start incorporating natural assets into their asset management plan. The guide was

created with strong support from the *Municipal Natural Asset Initiative*, an organization that aims to refine, replicate and scale up Gibsons' innovative work in other communities. The guide is available for download at gibsons.ca.



Roy Brooke (MNAI), Emanuel Machado (Town of Gibsons) and Stephanie Cairns (Smart Prosperity Institute) accept award at the 2018 Land Awards.

Gibsons Recognized at Land Awards

In October 2018, the Town and its co-partners in the *Municipal Natural Asset Initiative* were recognized by the Real Estate Foundation of BC when they were declared the winner of the Land Awards' *Land Use and Conservation* category. The Land Awards celebrate "big ideas and bold leadership in land use, sustainability and real estate."

Gibsons Co-Hosts "Meeting of the Minds" Roundtable Session

In October 2018, the Town of Gibsons, together with *the Partnership for water sustainability in BC* co-hosted a "sharing and learning session" which brought together a range of different, but complementary, professions, organizations, and government bodies. This created a unique opportunity for people who often work on different phases of the same project to, first, share the specific challenges they face in implementing innovative water management practices and to, second, gain a better understanding of the challenges their colleagues face.

As one of the key impediments to implementing a 'whole-systems' (or fully integrated) approach to water management is the many policies, practices and ideas the various players within a particular watershed bring to their work, meetings like these, which foster both understanding and collaboration between decision-makers, are a positive step toward better ecologic health and increased resiliency to climate change.

PUBLIC WORKS



January and February 2018 were very snowy, keeping the Public Works crew working around the clock many nights.

The Public Works Department is responsible for ensuring the continuous and safe operation of the Town's infrastructure and facilities, including our wastewater collection and treatment system, water supply system, drainage system and municipal buildings, as well as 32km of paved roads, 2km of gravel lanes, 16km of sidewalks, street signage, and streetlights. (It is not responsible for maintaining Highway 101, which is serviced by the Province of BC.)

The department is also responsible for brush cutting, line painting, vehicle purchasing and solid waste management, including the spring cleanup program and operation of the green waste transfer facility.

During 2018, the Public Works crew performed multiple operations and maintenance-related duties, including snow clearing and salting, regular water sampling, well inspections, catch basin cleaning, fire hydrant inspections, dust control, street sweeping, and flushing of the Town's watermains, as well responding to an average of 183 service requests each quarter. Importantly, they also operated and maintained Gibsons' Wastewater Treatment Plant, ensuring that it consistently met all four effluent permit parameters established by the Province of BC.

Crack-Sealing Completed



During the first and second quarter of 2018, crews completed the Town's annual crack-sealing program. As part of this program, the majority of roads that are less than 15 years old were

inspected, with hot tar sealant applied to all cracks observed. This is designed to add several years to the pavement life, by preventing water ingress and softening of pavement underlayers.



In 2018, a new electric KIA Soul was purchased for use by the Public Works department. The switch to an electric vehicle supports the Town's commitment to reducing our greenhouse gas emissions.

Gibsons District Energy Utility (GDEU)

The GDEU is a sustainable utility that employs renewable energy in the form of heat from the earth. The system consists of infrastructure that is owned and operated by the Town (pumphouse, distribution lines, geo-energy fields, service connections) and privately owned heat pumps.

During 2018, the GDEU required attention to repair two leaks at strata connections in the Parkland development, as well as chronic leaks within the geothermal pumphouse. During the pumphouse repair, geothermal fluid was replenished and the ethanol solution concentration was raised from 8% to 9%, in order to improve the efficiency of the system.

By year end, the geothermal facility was operating more regularly, with some minor boiler maintenance issues and ethanol solutions leaks still to be addressed.

Moving forward, funds have been budgeted to develop an updated Master Plan for the geo-exchange utility and whether it is viable to expand its service beyond the Parkland area.

PARKS & COMMUNITY SERVICES

The Parks and Community Services Department is responsible for maintaining 28 parks and civic properties, beach accesses, trails, playing fields, playgrounds, tennis courts and natural areas for the use and enjoyment of the public. The team also manages the Town's banner program, special flag ceremonies, floral and seasonal displays, and processes filming, tree removal and pesticide applications.

Community events are managed by the team in coordination with event organizers and organizations. During 2018, 24 events were held in Gibsons, including Sea Cavalcade, Jazz Fest, Music in the Landing, and Light the Landing. The Sunday Farmers Market also returned to the foot of Holland Park in Lower Gibsons.



New Street Banners Selected

In the first quarter of 2018, a call was put out to artists to submit designs for banners to be placed in Upper and Lower Gibsons.

In total, 74 designs were received, with eight selected for display. The banners were hung in May 2018 and are screen-printed, which should help them retain their colour for an extended period.



George Marks the Occasion

Thanks to our creative Parks crew, George is always finely dressed, no matter the occasion. Here, he is dressed to celebrate Up Helly AA.



The Town's hanging flower baskets now contain a piece of felt in the drip trays. This soaks up any excess water, then wicks it back to the plants, dramatically reducing the basket's sprinkling needs.

Creating Gardens That Thrive

During the summer of 2018, drought conditions had the Parks crew fighting to keep vegetation alive.

In recent years, several steps have been taken to reduce the Town's watering needs, including planting more drought-tolerant species, such as succulents, and replacing 50% of our hanging baskets with colourful wooden birdhouses.

At the revitalized Armours Beach, new landscaping integrates native plants that thrive naturally in our region and a butterfly garden, which is planted with flowers that are attractive to these beautiful insects. Searching for nectar, the butterflies help pollinate plants, ensuring seeds for future generations.

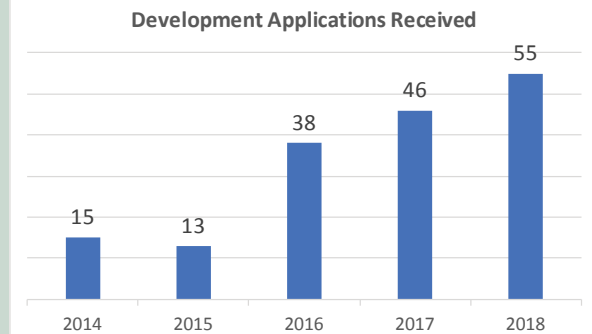
PLANNING & DEVELOPMENT

The Planning, Building and Bylaw Enforcement Department works to promote and enhance Gibsons' social, environmental and economic well-being by working with developers, builders, owners and the public to ensure that community goals and requirements are met, and by following up on complaints and concerns raised. In October 2018, the Planning & Development department also became responsible for subdivision approval and aquifer protection. These had previously been overseen by Infrastructure Services.

There are two main types of work handled by the Planning Department; long-term planning, which includes work with the community on initiatives with a long-range focus, and short-term planning, which includes the processing of subdivision and development applications.

Applications Hit New High

Planning staff received 55 development applications in 2018, which is the highest number ever for a single year. These included a variety of applications, including development permits, temporary use permits, a cannabis licence referral, comfort letters and subdivision applications.



Short-Term Rentals Bylaw Amended

As with many communities across North America, Gibsons continues to grapple with short-term rentals (STRs), such as Airbnb. For their operators, STRs provide a financial benefit and may help pay their mortgage. STRs also have a positive effect on the local economy, as they provide visitor accommodation and support the tourist trade. On the other hand, STRs may reduce the availability of long-term rentals, impact residential neighbourhood character, and inflate real estate prices.

In May 2018, an analytic report on STRs was provided to the Committee of the Whole. Subsequently, Council directed staff to amend the Town's bylaws to regulate STRs and include language to restrict the number of guests; increase fines; increase licence fees; and require a local contact.

In the first quarter of 2019, Council directed staff to further regulate STRs, by only permitting them in principal residences and with an on-site operator; only allowing them in strata developments with strata Council approval; limiting guests to 2 adults per bedroom; providing on-site parking; and excluding accommodations specifically developed for affordable housing, such as garden suites. The zoning amendments will be brought forward in 2019 for the Council's decision.

Bike to School Project Launched

In fall 2018, an Active Transportation Advisory Committee was established to identify barriers to active travel routes to school. To do that, parental surveys were distributed at Gibsons Elementary, teachers did class hand-counts for one-week to collect data on how kids are travelling to school and student surveys were conducted at Elphinstone Secondary.

Subsequently, all information was reviewed, with the project ultimately generating solid data and a set of overall recommendations for how the Town and School District 46 can increase active transportation in future. The final report was endorsed by Council in December 2018.



Affordable Housing

The Town of Gibsons has been actively pursuing an Affordable Housing strategy for several years. In 2018, this work continued, as the Town collaborated with the Sunshine Coast Affordable Housing Society (SCAHS) and BC Housing to advance three projects.

Charman Creek/Shaw Road Project



Through most of 2018, the Town, SCAHS, and development partners New Commons Society and Urban Matters, worked on a concept plan for a 40-unit mixed-market housing project to be located on approximately 10% of the Charman Creek lands property at the south end of Shaw Road.

A three-phase consultation process was completed, which included:

- A World Cafe meeting;
- A design charette; and
- A public open house.

At the end of 2018, staff compiled the feedback received at the open house and via a survey conducted during and following the open house. Based on that feedback, which indicated support for a housing initiative but significant concern about the proposed tree-cutting at the Charman Creek site, Council resolved to move the project to 571 Shaw Road.

In spring 2019, the SCAHS, together with New Commons Development, presented a concept for 70 units of affordable housing in 4-storey apartment buildings at the new site (see *Phased view, above*). In May 2019, a zoning amendment and OCP amendment application was received, with staff expected to process the application by the end of the year.

application this year.

Harmony Lane at Franklin Road

In 2017, Council authorized a partnership with the SCAHS to develop the Harmony Lane road end at Franklin Road as the site for three affordable housing units - one single family dwelling with a secondary suite and a garden suite. In summer 2018, a Public Information Meeting about the project was held, with all comments received supportive.

Subsequently, a Development Permit for form and character was reviewed by the Advisory Planning Committee in October and authorized for issuance by Council in December, subject to closing the road and finalizing the Lease Agreement with the Town. Site servicing commenced in spring 2019.

Supportive Housing Project: 749 School Road

In Q2 2018, in partnership with BC Housing, the Town submitted an application to the *Surplus Federal Real Property for Homelessness Initiative* for the purpose of acquiring 739/749 School Road (the former RCMP site) to provide supportive housing to Gibsons residents who require it.

By the end of the year, the federal government had confirmed it was preparing the paperwork to transfer the site to Town ownership; a formal announcement of the property transfer was made in March 2019 and an application for a 40-unit supportive housing rental unit was received in June 2019.

This plan recognizes the increase in number of people without homes or precariously housed in our community. The site requires a Zoning bylaw amendment and Official Community Plan amendment before supportive housing may be developed.



Artist's rendering of proposed building plan for the 40-unit supportive housing project at 749 School Road.

Development Projects

During 2018, the Town's Planning Department worked on three large development projects.

These include:

409-385 Gower Point Road (The George)



Klaus Fuerniss Enterprises Inc. is proposing a mixed-use development on this 1.3 acre site. The development is envisioned as comprising: 39 residential units; 116 hotel rooms; a conference centre, including spa, pools, lounge/café; a waterfront restaurant on a proposed pier in the Gibsons Harbour; underground parking stalls; a new waterfront public walkway; and a public plaza which will retain public access to the waterfront.

In 2018, demolition permits were issued for the removal of the remaining structures on the site. The safety of the aquifer continues to be the key focus for staff and other professionals working on this project and planned excavation at the site will not encroach into the glacial till layer that protects the aquifer.

Next steps include commencement of site remediation and 'deep soil mixing' which mixes a cementitious grout with existing soils to improve the bearing capacity of the soil. The building permit is being processed, but will not be issued until all terms of a previously negotiated Land Exchange Agreement and civil design for off-site improvements have been finalized with staff.

Block 7 (Gospel Rock)

Greenlane Homes is proposing a mixture of commercial, multi-family and single-family zones on this 47-acre site in order to create distinct areas within the neighbourhood. The proposal allows for up to 360 residential units, and protects approximately 46% of Block 7 from development through park and greenspace.

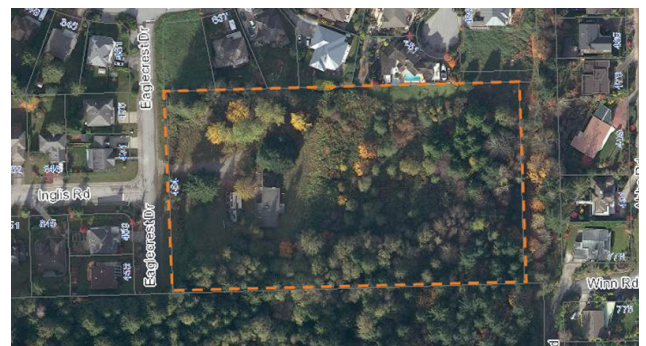
In May 2018, a Public Hearing was held regarding the rezoning application for the site; the bylaw subsequently was adopted by Council.

Since then, staff have been working with the developer on a subdivision plan for the lot. Tree removal for roadwork commenced in Q1 2019 and the form and character development permits will be considered later this year.

464 Eaglecrest Drive (Eagleview)

TCD Developments (Gibsons) Ltd. is proposing to build 87 residential units on this 5-acre site. The development would comprise four rows of two- and three-storey apartments, with a considerable portion of the site retained as green space. A Public Hearing to consider the rezoning application was held in May 2018 and the application was approved in June 2018.

Subsequently, the developer began work on its submission for a building permit for the upper segment of the development, and the developer installed a sediment control and stormwater system for the lot.



Cannabis Bylaw Amendments

In October 2018, Council adopted a bylaw that prohibits cannabis stores and cannabis consumption lounges in the Town of Gibsons. Owners of existing cannabis dispensaries applied for Temporary Use Permits (TUP) which were approved by Council.

Any new cannabis store rezoning or TUP applications will be reviewed by Council on a case-by-case basis. Requiring cannabis dispensaries to apply for a TUP enables Council to assess the compatibility of a dispensary in an area, before committing to allow the use by rezoning the site.

In 2019, staff expects to update Council Policy 1.26 (Liquor Control and Licencing Applications) to include cannabis retail store licencing application referrals and will be reviewing further bylaw amendments.

Building Inspection Services

Building Inspection Services works ensure our citizens' quality of life is maintained by regulating all construction within the Town. This is achieved through the use of the *Building and Plumbing Bylaw*, the *British Columbia Building Code*, the *British Columbia Fire Code*, and other related bylaws and enactments within the Town of Gibsons.

BUILDING PERMITS ISSUED	2018	2017	2016
Single-family:	50	39	24
Two-family:	0	5	12
Multi-family:	3	7	2
Commercial, industrial, institutional:	21	19	18
Other:	7	9	17
Total number of permits issued	81	79	73
Total value of permits issued (\$ millions)	13.4	13.3	13.8

Bylaw Enforcement

Staff deal with bylaw complaints on a daily basis. These include calls about noise, animal control, zoning, parking, unsightly property, sidewalk encroachment and signage uses.



The general operating philosophy of the Town's Bylaw Enforcement Officer is one of education and voluntary compliance first, which generates a high success rate. After that, municipal ticketing, adjudication or remedial action may be used to achieve compliance.

During 2018, the Town's bylaw enforcement statistics were similar to the prior year. The exception was Enforcement Notices, which fell by 31% compared to 2017. The change was related to the introduction of a new Snow and Ice Policy in 2017 and increased enforcement of that bylaw that year, which generated approximately 150 additional enforcement notices being issued. As residents became aware of their responsibility to clear ice and snow from sidewalks abutting their property, the enforcement notices declined.

In early 2019, Council adopted a Bylaw Enforcement Policy intended to obtain compliance through consistent, education-based and fair enforcement.

BYLAW ENFORCEMENT STATISTICS	2018	2017	2016
Dog tags issued:	370	363	359
Complaints received:	295	292	300
New business licenses:	89	96	76
Renewed business licenses:	475	450	433
Enforcement Notices:	264	382	270

GIBSONS AND DISTRICT VOLUNTEER FIRE DEPARTMENT



The Gibsons and District Volunteer Fire Department (GDVFD) has been providing life and property protection to the West Howe Sound Fire Protection District since 1937. The Fire Department is a Sunshine Coast Regional District function, which serves a population of about 10,000 and covers a fire protection district of roughly 22.7 km².

Fire Crew

At December 31, 2018, the GDVFD consisted of 38 active volunteer members and eight new recruits. Operational support to the volunteer members comprises four paid full-time staff; one Fire Chief, one training officer and two fire prevention officers.

Duties of the volunteers and staff include 24/7 response to fire and rescue operations, and maintaining the readiness of all apparatus and equipment.

The new recruits started their positions in November 2018 and are currently enrolled in the Justice Institute of BC's exterior firefighting program. They are expected to be trained and ready to respond to calls by the third quarter of 2019.

2018 Callouts

During 2018, the GDVFD responded to 228 callouts, compared to 267 callouts in 2017. In total, the callouts required over 2,500 person hours, compared to 2,805 hours the previous year. The 11% decrease in time spent on callouts during 2018 was mainly due to the lower call volume.

Pre-Incident Planning Underway

In an effort to better familiarize fire department personnel with the features of public buildings, such as the location of utility and fire suppression equipment and potential hazards to personnel, pre-incident plans are being created for 204 properties in the GDVFD's fire protection district. In 2018, pre-incident plans were created for the Gibsons Landing Harbour Authority, Cedar Grove Elementary, Gibsons Elementary, Elphinstone Secondary and the Gibsons & Area Community Centre.

Lower Insurance Rates Ahead

In 1999, a comprehensive review of the SCRD fire services was conducted by the Fire Underwriters Survey (FUS). The resulting report contained many recommendations for long-term improvements, which have largely been completed over the past two decades. In Q1 2018, the SCRD fire departments submitted a comprehensive joint package, which reflected these improvements, to the FUS. As a result, the Public Fire Protection Classification for the GDVFD was increased from a grade of "4" to a grade of "6", which is expected to trigger fire insurance savings of approximately 20% for multi-family residential, commercial, industrial and institutional buildings. The Dwelling Protection Grade, which is used to determine fire insurance rates for one and two-family dwellings, remains unchanged at 3A. This is the best rating that can be attained for these structures in areas served by a volunteer fire department.

Asset Management

Advancing our Eco-Asset Strategy

Targeting zero waste and climate change

Ensuring resilience of our engineered infrastructure

Completing a Town Land Inventory and Parks Master Plan

Expanding safe pedestrian and cycling networks



Community Development

Building the Gibsons Public Market as a community hub

Promoting regional and local economic development

Collaborating on affordable housing initiatives

Supporting education, culture and inter-generational engagement

Advocating for improved ferry and transit service



Harbour Enhancement

Developing a Gibsons Harbour Economic Strategic Plan

Enhancing the harbour seawalk

Helping to secure a reliable passenger ferry service

Making Armours Beach a family-friendly recreation site

Restoring fish habitat in our creeks and harbour



The Town of Gibsons' Strategic Plan was developed by the past Council to help establish their goals and guide their decision-making for the balance of their term. The Plan was organized around three core pillars (Asset Management, Community Development and Harbour Enhancement), which were then subdivided into five key objectives.

Next, a series of key Action Items was proposed for each objective. These pages outline the progress made against each of those Action Items, as at December 31, 2018.

STRATEGIC PLAN: ASSET MANAGEMENT

Advancing Eco-Asset Strategy*

Action Items:	Complete	Ongoing	Started	Planned
Partner with Art Farm on Community Engagement Initiative	X			
Obtain Valuation of Whitetower Park Ponds	X			
Establish/support "Municipal Natural Asset Initiative"		X		
Produce/promote Advancing Natural Asset Management financial document		X		
Cross-Canada Natural Asset Presentations by Council and Staff		X		
Update Environmentally Sensitive Areas Development Permit Area (DPA #2)				X

Targeting Zero Waste and Climate Change

Action Items:	Complete	Ongoing	Started	Planned
Upgrade Green Waste Facility	X			
Form Zero Waste Committee; Receive Committee Report	X			
Renew Garbage Contract	X			
Geo-Utility Operations Plan	X			
Foreshore Project: Phase 1: Conceptual Design - Wharf to Armours Beach	X			
Renew Bio Solids Contract	X			
Establish Curbside Organics Program	X			
Trail & Cycle Network Strategy		X		
Geo-Utility Parkland Business Plan			X	
Update Community Greenhouse Gas Inventory (Community Energy & Emissions Plan)				X
Develop Carbon Neutral Operations Plan				X
Develop Home Energy Retrofit Initiative				X
Urban Forest Plan (Establish as Eco-Asset)				X
Update Geo-Technical Hazards - Development Permit Area				X

Ensuring Resilience of our Engineered Infrastructure

Action Items:	Complete	Ongoing	Started	Planned
Shoreline Manhole Rehabilitation	X			
Chipseal Program	X			
Pavement Rehabilitation and Patching Program		X		
Integrated Stormwater Management Plan		X		
Wastewater Treatment Plant - Optimization and Upgrades		X		

Completing a Town Land Inventory & Parks Master Plan

Action Items:	Complete	Ongoing	Started	Planned
Review Options for use of Holland Lands	X			
Land Inventory and Market-Based Valuation		X		
Complete Inventory of All Park Assets		X		
Establish Town Park Standards; Signage, Furniture, Layout, Staffing Capacity				X
Natural Capital Valuation of Gibsons' Green Space				X
Explore Parks Development Cost Charges				X

Expanding Safe Pedestrian and Cycling Networks

Action Items:	Complete	Ongoing	Started	Planned
Trail/Bike Network Connection: Stewart Road to Shaw Road	X			
Improve Safety of School Road Intersection	X			
Gibsons Way Multi-Use Bike Path	X			
Expand Trail and Cycle Network/Identify Priorities		X		
Regional Bike Network Integration and Alignment		X		
Develop Safe Routes to School (SD#46 Partnership)		X		

STRATEGIC PLAN: COMMUNITY DEVELOPMENT
Building the Gibsons Public Market as a Community Hub

Action Items:	Complete	Ongoing	Started	Planned
Support Renovation of Gibsons Public Market	X			
Facilitate Shared Parking Agreement with Marina	X			

Promoting Regional and Local Economic Development

Action Items:	Complete	Ongoing	Started	Planned
Launch/Support Regional Economic Development Board	X			
Support Sunshine Coast Tourism Application for MRDT (Hotel Tax)	X			
Maintain Visitor Information Centre/Travel Ambassador Programs through 2017	X			
Establish Harbour Economic Development Strategy	X			

Collaborating on Affordable Housing Initiatives

Action Items:	Complete	Ongoing	Started	Planned
Update Affordable Housing Policy	X			
Acquire Site of old RCMP Station for Affordable Housing	X			
Partner with Sunshine Coast Affordable Housing Society		X		
Identify Zoning Bylaw Changes that Support Affordable Housing		X		

Supporting Education, Culture and Inter-Generational Engagement

Action Items:	Complete	Ongoing	Started	Planned
Council to determine				X

Advocating for Improved Ferry & Transit Service

Action Items:	Complete	Ongoing	Started	Planned
Council to determine				X

STRATEGIC PLAN: HARBOUR ENHANCEMENT

Developing a Gibsons Harbour Economic Strategic Plan

Action Items:	Complete	Ongoing	Started	Planned
Harbour	X			
Phase II: Identify Strategies/Actions				X
Phase III: Implement Plan (Dependent on Grant)				X
Update Recreation Water Lease Byway & Schedule A in Response to Concerns/Competing Interests in Gibsons' Recreational Water Lease Area			X	

Enhancing the Harbour Seawalk

Action Items:	Complete	Ongoing	Started	Planned
Foreshore Project: Phase II - Develop Winegarden Park Master Plan	X			
Foreshore Project: Phase III - Shoal Bay to Headlands Conceptual Design				X

Helping to Secure A Reliable Passenger Ferry Service

Action Items:	Complete	Ongoing	Started	Planned
Support Passenger Ferry Services		X		

Making Armours Beach A Family-Friendly Recreation Site

Action Items:	Complete	Ongoing	Started	Planned
Explore Viability of Construction of Sandy Beach (Marine Portion of Park)	X			
Finalize Park Design and Costing of Land Portion of Park	X			
Construct Land Portion		X		

Restoring Fish Habitat In Our Creeks and Harbour

Action Items:	Complete	Ongoing	Started	Planned
Restore Fish Habitat: Charman Creek (at Marina)	X			
Create Fish Friendly Culvert & Channel Improvements: LaBonte Park			X	
Partner with Third Parties to Improve Fish Habitat in Gibsons Creek			X	
Update Mapping of Eel Grass Beds				X

2018 - 2022 Council Priorities



Newly inaugurated Council with Judge Steven Merrick, November 6, 2018.

In spring 2019, the Town of Gibsons' Council retained a consultant to help them develop a comprehensive and detailed Strategic Vision for their four-year term. The Council also intends to seek input on the Strategic Vision from the community, before adopting it as their official plan.

In future Annual Reports, that Strategic Vision will act as a benchmark for readers, defining both the goals of Council, and the progress made against them.

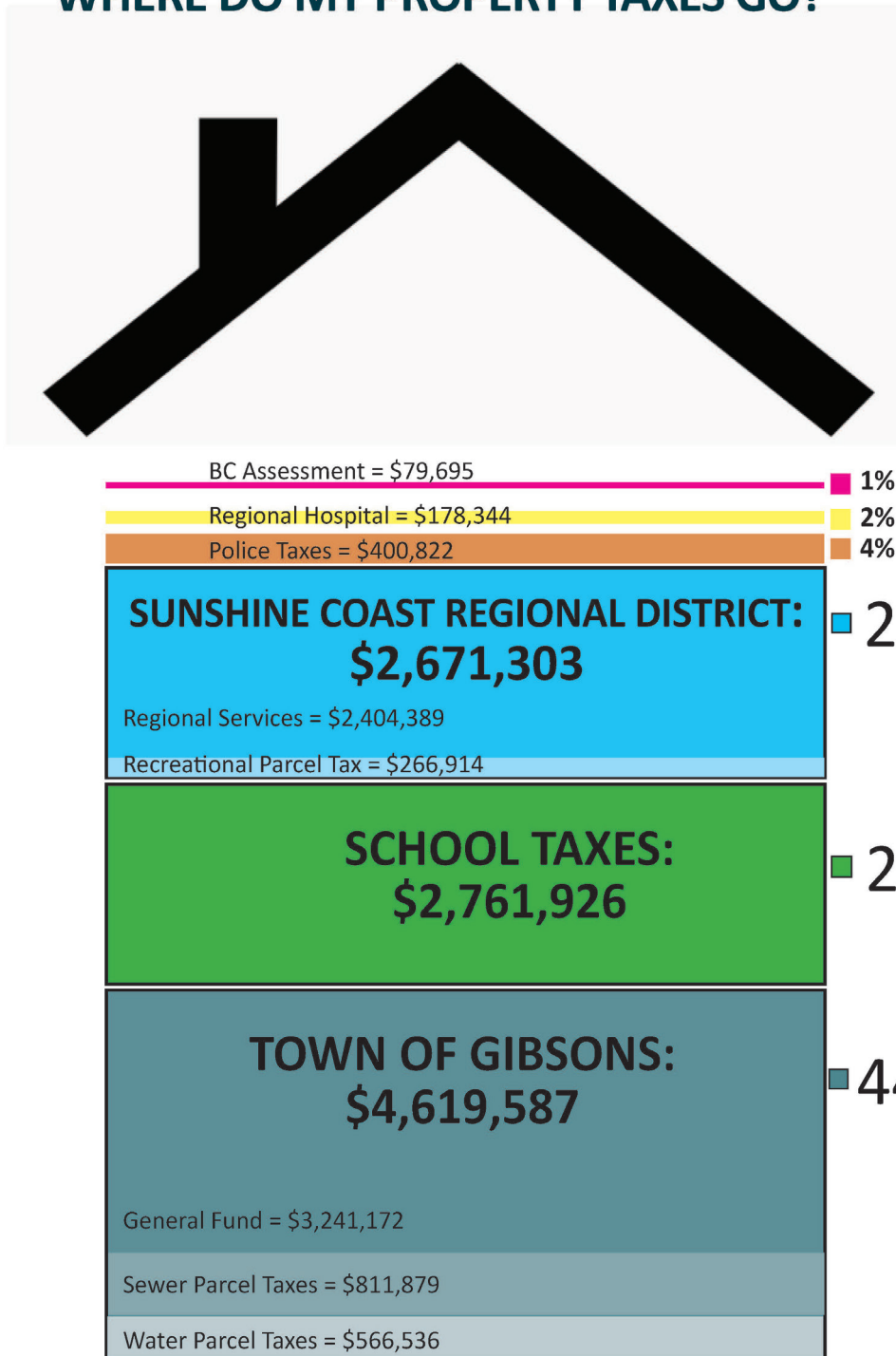
This year, we present a high-level view of Council's joint priorities, as outlined by Mayor Bill Beamish at the Council's inauguration on November 6, 2018, so that readers may start to get familiar with Council's long-term objectives.

- Continuing to work with the Sunshine Coast Affordable Housing Society and with BC Housing to complete currently planned affordable housing projects and to identify new opportunities within the community for affordable rental housing and shelter beds;
- Reaffirming our commitment to protect the Gibsons aquifer and recharge area;
- Working with the Gibsons' Chamber of Commerce, the Sunshine Coast Regional Economic Development Organization and others to ensure that existing businesses are supported and that new business investment is welcomed into the community;
- Appointing a committee to work with Council and the RCMP to consider the options and costs of policing our community once we reach the population threshold of 5,000 people;
- Establishing student youth representatives on Council;
- Developing a climate-change mitigation and adaptation strategy that a) reaffirms a commitment to carbon neutrality in our operations and for new developments, and b) identifies opportunities to reduce community energy use and emissions from 2007 levels by 33% by 2030;
- Working with the Sunshine Coast Regional District (SCRD) on priority issues such as solid waste planning, water, transportation, economic development, emergency planning and consideration of a regional growth strategy; and,
- Initiating a series of community dialogues with the goal of creating a revised community vision, mission and guiding principles that will enable us to develop and implement an integrated strategic plan.



Town of Gibsons Financial Information

2019 COLLECTION OF TAXES: WHERE DO MY PROPERTY TAXES GO?



The Town of Gibsons retains just 44% of the total property taxes it collects. The balance is distributed to five other governmental agencies, which each set their own tax rates.

TOWN OF GIBSONS FINANCIAL STATEMENTS

As at December 31, 2018

UNDERSTANDING AND INTERPRETING THE TOWN OF GIBSONS' FINANCIAL STATEMENTS

On an annual basis, the Town of Gibson's Financial Statements are prepared in accordance with provisions set out in the Community Charter and must comply with the Canadian public sector accounting standards, which provides guidance for financial and other information reported by public sectors.

There are four main components to the Town's Financial Statements:

1. Statement of Financial Position

The Statement of Financial Position reports on the Town's assets, liabilities and accumulated surplus at the end of each year. This statement will give readers an indication whether or not the Town has the necessary assets to provide services to its citizens in the future and meet its current financial commitments.

2. Statement of Operations

The Statement of Operations reports on revenues, expenses and results of operations for the entire year.

3. Statement of Changes in Net Debt

The Statement of Changes in Net Debt reconciles the annual surplus to the net debt. This reports the extent to which revenue met expenditures during the year and includes information about the acquisition and disposal of tangible assets which do not show in the Statement of Operations. A net debt position indicates that future revenues will be required to pay for past transactions and events.

4. Statement of Cashflows

The Statement of Cashflows identifies where the Town's cash came from and how it was used. This statement explains the change in cash and cash equivalents since the previous reporting period.

Notes to the Financial Statements

The notes to the Financial Statements contain important information and explanations, some of which are required by legislation and regulation. The notes highlight various aspects and provide background information on the impacts of specific values in the Financial Statements.

Additional Details

The financial statements of The Town of Gibson (the "Town") are the responsibility of management and have been prepared in accordance with Canadian public sector accounting standards as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

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

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 BDO Canada LLP, independent external auditors appointed by the Town. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Town's financial statements.

WHO USES THE TOWN OF GIBSONS FINANCIAL STATEMENTS AND WHY?

Town Residents:

Town of Gibson residents use the Town's Financial Statements to help them understand how financial resources have been used to provide services to their community.

Town Council:

The Town's Financial Statements provide information to Council on its financial position. This information has been validated by a professional, independent auditor.

Governments:

Senior levels of government use the Town's Financial Statements to determine if funds were used in accordance with the funding requirements.

Town of Gibsons
Financial Statements
For the Year Ended December 31, 2018

Contents

Management's Responsibility for the Financial Statements	1
Independent Auditor's Report	2-3
Financial Statements	
Statement of Financial Position	4
Statement of Operations	5
Statement of Changes in Net Debt	6
Statement of Cash Flows	7
Notes to the Financial Statements	8-22
Schedule 1 - Long-Term Debt	23
Schedule 2 - Government Transfers and Other Contributions	24
Schedule 3 - Statement of Operations by Segment - 2018	25
Schedule 4 - Statement of Operations by Segment - 2017	26

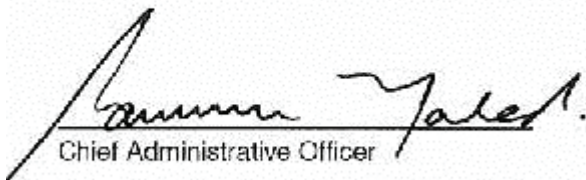
Management's Responsibility for the Financial Statements

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

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

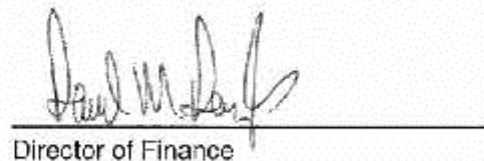
Mayor and Council meet with management and the external auditors to review the financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the financial statements.

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



Chief Administrative Officer

May 7, 2019



Director of Finance



Tel: 604 688 5421
Fax: 604 688 5132
vancouver@bdo.ca
www.bdo.ca

BDO Canada LLP
600 Cathedral Place
925 West Georgia Street
Vancouver BC V6C 3L2 Canada

Independent Auditor's Report

To the Mayor and Council of the Town of Gibsons

Opinion

We have audited the financial statements of the Town of Gibsons (the "Town") which comprise the Statement of Financial Position as at December 31, 2018 and the Statements Operations, Changes in Net Debt, and Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

We conducted our audit in accordance with Canadian generally-accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of this report. We are independent of the Town in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

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



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally-accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally-accepted auditing standards we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. But not for the purpose of expressing an opinion on the effectiveness of the Town's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Town's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However future events or conditions may cause the Town to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

BDO Canada LLP

Chartered Professional Accountants

Vancouver, British Columbia
May 6, 2019

Town of Gibsons
Statement of Financial Position

December 31	2018	2017
Assets		
Financial Assets		
Cash	\$ 320,369	\$ 113,034
Portfolio investments (Note 2)	4,778,732	5,358,284
Taxes receivable	399,494	307,722
Accounts receivable	2,255,613	1,315,061
	<u>7,754,208</u>	<u>7,094,101</u>
Liabilities		
Accounts payable and accrued liabilities	1,506,505	1,966,987
Deferred revenue (Note 3)	259,517	222,540
Long-term debt (Note 4) (Schedule 1)	7,591,007	6,434,145
Development cost charges (Note 5)	1,098,555	1,125,984
	<u>10,455,584</u>	<u>9,749,656</u>
Net Debt	<u>(2,701,376)</u>	<u>(2,655,555)</u>
Non-Financial Assets		
Tangible capital assets (Note 9)	54,412,953	50,514,890
Prepaid expenses	22,895	8,390
	<u>54,435,848</u>	<u>50,523,280</u>
Accumulated Surplus (Note 6)	<u>\$ 51,734,472</u>	<u>\$ 47,867,725</u>



Mayor



Director of Finance

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

Town of Gibsons Statement of Operations			
For the Year Ended December 31	Fiscal Plan 2018	2018	2017
Revenue (Schedules 3 and 4)			
Taxation (Note 10)	\$ 4,393,781	\$ 4,421,003	\$ 4,188,250
Utility user rates and connection fees	1,681,333	1,755,235	1,715,044
Government transfers (Schedule 2)	1,677,774	1,674,221	1,710,018
Sales of services	874,914	556,748	559,735
Other revenue	1,332,064	1,429,745	1,456,290
Contributions from developers	376,489	3,092,600	493,884
	10,336,355	12,929,552	10,123,221
Expenses (Schedules 3 and 4)			
General departmental expenditures	6,668,371	6,149,023	5,813,277
Water system	1,169,535	1,262,351	1,209,544
Sewer system	1,239,712	1,249,434	1,216,402
Motor vehicle license agency	275,472	269,946	259,023
Loss on disposal of tangible capital assets	-	132,051	31,741
	9,353,090	9,062,805	8,529,987
Annual Surplus	983,265	3,866,747	1,593,234
Accumulated Surplus, beginning of year	47,867,725	47,867,725	46,274,491
Accumulated Surplus, end of year	\$ 48,850,990	\$ 51,734,472	\$ 47,867,725

Fiscal Plan (Note 14)

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

Town of Gibsons
Statement of Changes in Net Debt

For the Year Ended December 31	Fiscal Plan 2018	2018	2017
Annual Surplus	\$ 983,265	\$ 3,866,747	\$ 1,593,234
Acquisition of tangible capital assets	(4,417,500)	(5,537,010)	(2,013,524)
Amortization of tangible capital assets	1,355,750	1,506,891	1,386,811
Loss on disposal of tangible capital assets	-	132,051	31,741
	(3,061,750)	(3,898,068)	(594,972)
Net acquisition of prepaid expenses	-	(14,500)	(1,428)
Change in net debt for the year	(2,078,485)	(45,821)	996,834
Net debt, beginning of year	(2,655,555)	(2,655,555)	(3,652,389)
Net debt, end of year	\$ (4,734,040)	\$ (2,701,376)	\$ (2,655,555)

Fiscal Plan (Note 14)

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

Town of Gibsons		
Statement of Cash Flows		
For the Year Ended December 31	2018	2017
Cash provided by (used in)		
Operating transactions		
Annual surplus	\$ 3,866,747	\$ 1,593,234
Items not involving cash		
Development cost charges recognized	(250,575)	(367,621)
Contributed tangible capital assets	(2,416,745)	(23,600)
Loss on disposal of tangible capital assets	132,051	31,741
Amortization	1,506,891	1,386,811
	2,838,369	2,620,565
Changes in non-cash operating balances		
Accounts and taxes receivable	(1,032,324)	(423,820)
Accounts payable and accrued liabilities	(460,482)	685,181
Prepaid expenses	(14,500)	(1,428)
Deferred revenue	36,977	(27,380)
	1,368,040	2,853,118
Capital transaction		
Acquisition of tangible capital assets	(3,120,265)	(1,989,924)
Investing transactions		
Change in portfolio investments, net	579,552	(746,333)
Financing transactions		
Issuance of long-term debt	1,784,000	550,000
Development cost charges and contributions	196,995	172,535
Interest on development cost charges	26,151	3,498
Repayment of debt	(627,138)	(945,628)
	1,380,008	(219,595)
Increase(decrease) in cash during year	207,335	(102,734)
Cash, beginning of year	113,034	215,768
Cash, end of year	\$ 320,369	\$ 113,034

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

Town of Gibsons
Notes to the Financial Statements
December 31, 2018

The Town of Gibsons (the "Town") is a municipality in the Province of British Columbia and operates under the provisions of the Local Government Act and Community Charter. The Town provides municipal services such as public works, planning, parks, garbage collection and other general government services.

These financial statements are prepared by management in accordance with Canadian public sector accounting standards using guidelines developed by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada.

1. Significant Accounting Policies

(a) Tangible Capital Assets

Tangible capital assets are recorded at cost less accumulated amortization and are classified according to their functional use. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Amortization is recorded on a straight-line basis over the estimated life of the tangible capital asset commencing once the asset is put into use. Contributed tangible capital assets are recorded at fair value at the time of the contribution.

Estimate useful lives of tangible capital assets are as follows:

Buildings	50 to 60 years
Equipment and Furniture	5 to 25 years
Vehicles	10 to 15 years
Roads	15 to 80 years
Drainage	30 to 80 years
Geo Utility	10 to 80 years
Other Tangible Capital Assets	15 to 40 years
Sewer Infrastructure	3 to 80 years
Water Infrastructure	10 to 80 years
Work in Progress	Not amortized until put into use

The Town is fortunate to have many natural assets that reduce the need for engineered infrastructure that would otherwise be required. This includes the Gibsons aquifer (water storage and filtration), creeks, ditches and wetlands (rain water management) and the foreshore area (natural seawall). Canadian public sector accounting standards do not allow for the valuation and recording of such assets into the financial statements of the Town. As such, these natural assets are not reported in these financial statements. Nevertheless, the Town acknowledges the importance of these assets and the need to manage them in conjunction with engineered infrastructure. For example, on July 19, 2016, the Town adopted a revision to the Development Cost Charges Bylaw 1218 which included a \$3.2 million valuation for an increase in the Whitetower storm retention pond volumes. This pond system is a natural storage and retention system that would replace, in part, a traditional pipe system. The valuation recognizes the service this natural asset will provide.

1. Significant Accounting Policies (Continued)

(b) Revenue Recognition

Taxes are recorded at estimated amounts when they meet the definition of an asset, have been authorized and the taxable event occurs. Annual levies for non-optional municipal services and general administrative services are recorded as taxes for municipal services in the year they are levied. Taxes receivable are recognized net of an allowance for anticipated uncollectable amounts. Levies imposed by other taxing authorities are not included as taxes for municipal purposes.

Through the British Columbia Assessments appeal process, taxes may be adjusted by way of supplementary roll adjustments. The effects of these adjustments on taxes are recognized at the time they are awarded.

Sales of service and other revenue is recognized on an accrual basis as services are rendered.

Charges for sewer and water usage are recorded as user fees. Connection fee revenues are recognized when the connection has been established.

Receipts which are restricted by legislation of senior governments or by agreement with external parties are reported as deferred contributions from developers and others for capital at the time they are received. When the qualifying expenditures are incurred the related contributions from developers and others for capital are brought into revenue.

(c) Government Transfers

Government transfers, which include legislative grants, are recognized as revenue in the financial statements when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

(d) Cash

Management considers all highly liquid investments with maturity of three months or less at acquisition to be cash equivalents.

(e) Portfolio Investments

Portfolio investments represent pooled investment funds and term deposits and are recorded at market values which approximate cost.

1. Significant Accounting Policies (Continued)

(f) Collection of Taxes on Behalf of Other Taxation Agencies

The Town collects taxation revenue on behalf of other entities. Such levies, other revenues, expenses, assets and liabilities with respect to the operations of entities are not reflected in these financial statements.

(g) Deferred Revenue

Funds received for specific purposes which are externally restricted by legislation, regulation or agreement and are not available for general municipal purposes are accounted for as deferred revenue on the statement of financial position. The revenue is recognized in the statement of operations in the year in which it is used for the specified purpose.

Revenues from the sale of business licenses, dog tags and rental revenues pertaining to the subsequent year have been deferred. These amounts will be recognized as revenue in the period services are provided.

(h) Liability for Contaminated Sites

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. Liabilities are recorded net of any expected recoveries.

A liability for remediation of contaminated sites is recognized when all the following criteria are met:

- an environmental standard exists;
- contamination exceeds the environmental standard;
- the Town is directly responsible or accepts responsibility;
- it is expected that future economic benefits will be given up; and
- a reasonable estimate of the amount can be made.

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

As at December 31, 2018 and 2017, the Town has reported no amounts as liability for contaminated sites.

Town of Gibsons
Notes to the Financial Statements
December 31, 2018

1. Significant Accounting Policies (Continued)

(i) Use of Estimates

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future. Areas requiring the greatest degree of estimation include useful lives of tangible capital assets and collectability of receivables.

2. Portfolio Investments

Portfolio investments include CIBC high interest savings, BC Credit Union term deposits and Municipal Finance Authority Pooled Investments. CIBC high interest savings and BC Credit Union term deposits yielded an effective interest rate of 1.75% - 2.25% (2017 - 1.75% - 2.00%) and are redeemable at any time. MFA bond and money market funds include securities issued by federal and provincial governments, Canadian banks and highly rated corporations. The bond fund yielded an annualized interest rate of 1.76% (2017 - 0.25%) and its investments have maturities ranging from 2019 to 2026. The money market fund yielded an annualized interest rate of 1.65% (2017 - 0.97%) and its investments are redeemable at any time.

Not included in portfolio investments are \$558,240 (2017 - \$468,000) related to developer deposits that are refundable should the developer meet certain conditions.

3. Deferred Revenue

Deferred revenue represents funds received, which are held for various restricted purposes. These funds are recognized as revenue in the period when the eligible related expenditures or restrictions have been met.

	2017	Receipts	Revenue Recognized	2018
Donations	\$ 28,820	\$ -	\$ (11,152)	\$ 17,668
Prepaid rent	139,883	-	(7,288)	132,595
Prepaid services	53,837	109,254	(53,837)	109,254
	<u>\$ 222,540</u>	<u>\$ 109,254</u>	<u>\$ (72,277)</u>	<u>\$ 259,517</u>

Town of Gibsons
Notes to the Financial Statements
December 31, 2018

1. Significant Accounting Policies (Continued)

(i) Use of Estimates

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future. Areas requiring the greatest degree of estimation include useful lives of tangible capital assets and collectability of receivables.

2. Portfolio Investments

Portfolio investments include CIBC high interest savings, BC Credit Union term deposits and Municipal Finance Authority Pooled Investments. CIBC high interest savings and BC Credit Union term deposits yielded an effective interest rate of 1.75% - 2.25% (2017 - 1.75% - 2.00%) and are redeemable at any time. MFA bond and money market funds include securities issued by federal and provincial governments, Canadian banks and highly rated corporations. The bond fund yielded an annualized interest rate of 1.76% (2017 - 0.25%) and its investments have maturities ranging from 2019 to 2026. The money market fund yielded an annualized interest rate of 1.65% (2017 - 0.97%) and its investments are redeemable at any time.

Not included in portfolio investments are \$558,240 (2017 - \$468,000) related to developer deposits that are refundable should the developer meet certain conditions.

3. Deferred Revenue

Deferred revenue represents funds received, which are held for various restricted purposes. These funds are recognized as revenue in the period when the eligible related expenditures or restrictions have been met.

	2017	Receipts	Revenue Recognized	2018
Donations	\$ 28,820	\$ -	\$ (11,152)	\$ 17,668
Prepaid rent	139,883	-	(7,288)	132,595
Prepaid services	53,837	109,254	(53,837)	109,254
	<u>\$ 222,540</u>	<u>\$ 109,254</u>	<u>\$ (72,277)</u>	<u>\$ 259,517</u>

Town of Gibsons
Notes to the Financial Statements
December 31, 2018

4. Debt

(a) Future principal requirements on existing long-term debt:

2019	\$ 611,153
2020	547,346
2021	531,066
2022	528,981
2023	452,824
2024 and onwards	4,919,637
	<u>\$ 7,591,007</u>

(b) Unissued Debt

The following approved debt remained unissued as at December 31, 2018:

Loan Authorization	Expiry	Gross Amount Approved	Unissued Amount	Temporary Borrowings
1234 General Capital Improvements	2021	125,000	59,000	-

5. Development Cost Charges

	Roads	Drainage	Water	Sewer	Total
Balance, January 1, 2017	\$ 175,591	\$ 822,305	\$ 32,244	\$ 287,432	\$ 1,317,572
Interest received	459	2,167	83	789	3,498
Developer contributions	23,828	87,167	5,272	56,268	172,535
Expenditures	-	(326,441)	(37,599)	(3,581)	(367,621)
Balance, December 31, 2017	199,878	585,198	-	340,908	1,125,984
Interest received	4,991	13,289	91	7,780	26,151
Developer contributions	111,234	34,696	23,958	27,107	196,995
Expenditures	-	(159,142)	(23,957)	(67,476)	(250,575)
Balance, December 31, 2018	\$ 316,103	\$ 474,041	\$ 92	\$ 308,319	\$ 1,098,555

Town of Gibsons
Notes to the Financial Statements
December 31, 2018

6. Accumulated Surplus

The Town segregates its accumulated surplus in the following categories:

	2018	2017
Total Operating Fund (a)	\$ 3,366,800	\$ 3,061,272
Reserve Fund (b)	1,545,726	725,708
Investment in tangible capital assets (c)	46,821,946	44,080,745
	<u>\$ 51,734,472</u>	<u>\$ 47,867,725</u>

- (a) Included in the total are funds externally restricted related to the Estate of Muriel Haynes of \$199,794 (2017 - \$195,398). These funds are to be spent on capital improvements at the Gibsons Pool for the general benefit of the community of Gibsons as a whole.
- (b) Reserve funds represent funds set aside bylaw or council resolution for specific purposes and are comprised of the following:

	Capital Works	Community Works	Public Parking	Park Aquisition	Affordable Housing	Community Ammenity	Total
Balance, January 1, 2017	\$ 367,279	\$ -	\$ 117,228	\$ 28,671	\$ 255,092	\$ -	\$ 768,270
Interest Received	918	-	293	72	669	-	1,952
Developer contributions	-	-	-	-	60,000	-	60,000
Operating fund transfers	118,419	-	-	-	-	-	118,419
Expenditures	(222,933)	-	-	-	-	-	(222,933)
Balance, December 31, 2017	263,683	-	117,521	28,743	315,761	-	725,708
Interest received	5,933	9,839	2,644	647	7,105	1,664	27,832
Developer contributions	-	-	-	-	270,000	150,000	420,000
Operating fund transfers	145,143	630,322	-	-	-	-	775,465
Expenditures	(62,159)	(306,605)	-	-	(7,002)	(27,513)	(403,279)
Balance, December 31, 2018	\$ 352,600	\$ 333,556	\$ 120,165	\$ 29,390	\$ 585,864	\$ 124,151	\$1,545,726

Town of Gibsons
Notes to the Financial Statements
December 31, 2018

6. Accumulated Surplus (Continued)

- (c) The investment in tangible capital assets represents amounts already spent and invested in infrastructure.

	2018	2017
Tangible capital assets	\$54,412,953	\$50,514,890
Amounts financed by:		
Long-term debt	(7,591,007)	(6,434,145)
Investment in TCA	\$46,821,946	\$44,080,745

7. Commitments

(a) Integration of Regional District and Town Water Supply

The Town has entered into a Bulk Water Supply Agreement with the Sunshine Coast Regional District to provide water supply to Zone 3 residents. In 2018, the Town purchased 214,569 m³ of water (2017 – 219,757 m³) at a cost of \$285,372 (2017 - \$250,701). The twenty-five year agreement commenced June 3, 2013 and expires June 2, 2038.

(b) Residential Garbage Services

Subsequent to year end, the Town entered into an agreement for residential garbage pickup and disposal, at an approximate annual cost of \$159,000. The five-year agreement commenced March 1, 2019 and expires February 28, 2024.

(c) Residential Organics Services

Subsequent to year end, the Town entered into an agreement for residential organics pickup and disposal services at an approximate annual cost of \$242,000. The five-year agreement commenced on April 1, 2019 and expires on March 31, 2024.

8. Pension Plan

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

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

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

The Town paid \$253,923 (2017 - \$249,228) for employer contributions while employee contributions totaled \$216,845 (2017 - \$208,449) to the Plan in fiscal 2018.

The next valuation will be as at December 31, 2018, with results available in 2019. Employers participating in the plan record their pension expense at the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the plan records accrued liabilities and accrued assets for the plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the plan.

Town of Gibsons
Notes to the Financial Statements
December 31

9. Tangible Capital Assets

	Land	Buildings	Furn. and Equip.	Vehicles	Roads	Drainage	Geo Utility	Other Tangible Capital Assets	Sewer Utility	Water Utility	Work In Progr.	2018	2017
Cost, beginning of year	\$ 9,264,055	\$ 7,214,118	\$ 513,360	\$ 1,489,764	\$ 15,148,299	\$ 5,958,424	\$ 1,250,867	\$ 2,821,923	\$ 13,954,687	\$ 13,972,989	\$ 1,074,409	\$72,662,895	\$ 70,743,399
Additions	1,062,837	34,504	4,081	62,159	2,052,306	510,189	-	151,189	138,455	893,428	627,862	5,537,010	2,013,524
Disposals	-	(24,250)	(8,283)	(79,430)	(302,063)	(18,509)	-	-	-	(59,718)	-	(492,253)	(94,028)
Transfers	-	-	-	-	109,058	390,725	-	-	-	535,504	(1,035,287)	-	-
Cost, end of year	10,326,892	7,224,372	509,158	1,472,493	17,007,600	6,840,829	1,250,867	2,973,112	14,093,142	15,342,203	666,984	77,707,652	72,662,895
Accumulated amortization, beginning of year	-	3,121,982	421,009	835,406	6,667,125	1,527,626	145,458	1,284,851	4,675,809	3,468,739	-	22,148,005	20,823,481
Amortization	-	174,794	27,773	107,943	440,042	88,820	26,926	92,733	255,004	292,856	-	1,506,891	1,386,811
Disposals	-	(8,730)	(6,903)	(70,895)	(209,934)	(5,321)	-	-	-	(58,414)	-	(360,197)	(62,287)
Accumulated amortization, end of year	-	3,288,046	441,879	872,454	6,897,233	1,611,125	172,384	1,377,584	4,930,813	3,703,181	-	23,294,699	22,148,005
Net carrying amount, end of year	\$10,326,892	\$ 3,936,326	\$ 67,279	\$ 600,039	\$10,110,367	\$ 5,229,704	\$ 1,078,483	\$ 1,595,528	\$ 9,162,329	\$11,639,022	\$ 666,984	\$54,412,953	\$50,514,890

During the year, \$2,416,745 of asset contributions were received related to various developments within the Town. The fair market value of these assets is shown as contributions from developers as well as tangible capital asset additions. This was comprised of land \$1,062,837; roads \$513,746; drainage \$381,010; sewer \$138,455; water \$184,965; other \$135,732. During 2017, \$23,600 of asset contributions were received relating to water infrastructure.

Town of Gibsons
Notes to the Financial Statements
December 31, 2018

10. Taxation

	Fiscal Plan 2018	2018	2017
General municipal purposes	\$ 3,072,889	\$ 3,071,603	\$ 2,913,597
Specified area requisitions	40,192	40,298	40,205
Collections for other governments			
Province of British Columbia - School	-	2,572,611	2,462,282
Regional District Hospital	-	174,365	219,368
Municipal Finance Authority	-	336	289
British Columbia Assessment Authority	-	73,334	68,963
Regional District	-	2,564,726	2,446,578
Police Tax	-	373,691	342,704
	3,113,081	8,870,964	8,493,986
Transfers to other governments			
Province of British Columbia - School	-	(2,572,539)	(2,462,398)
Regional Hospital District	-	(174,626)	(218,995)
Municipal Finance Authority	-	(336)	(288)
British Columbia Assessment Authority	-	(73,451)	(68,948)
Regional District	-	(2,567,513)	(2,443,100)
Police Tax	-	(373,763)	(342,589)
	-	(5,762,228)	(5,536,318)
Total general municipal taxes	3,113,081	3,108,736	2,957,668
Frontage, local improvement and parcel taxes			
Water system	518,475	541,453	508,239
Sewer system	762,225	770,814	722,343
	1,280,700	1,312,267	1,230,582
	\$ 4,393,781	\$ 4,421,003	\$ 4,188,250

Town of Gibsons
Notes to the Financial Statements
December 31, 2018

11. Gibsons Landing Harbour Authority

The Gibsons Landing Harbour Authority (the "GLHA") is an independently operated organization of which the Town of Gibsons is the sole member. The Town controls the board appointments of the GLHA. However, its bylaws require that upon dissolution or wind-up, its net assets will revert to the Department of Fisheries - Government of Canada. As such, the GLHA is not accounted for on a consolidated or equity basis and the transactions and balances of the Harbour Authority are not disclosed elsewhere in these financial statements.

The following summarizes the transactions and balances of the Gibsons Landing Harbour Authority as of its latest fiscal year ended March 31, 2018 as presented in their annual unaudited financial statements:

	2018	2017
Assets		
Cash	\$ 110,527	\$ 119,924
Other assets	142,921	88,354
Property and equipment	735,614	812,011
	<u>989,062</u>	<u>1,020,289</u>
Liabilities	48,780	25,288
Deferred capital contributions	508,398	564,887
Net assets	431,884	430,114
	<u>989,062</u>	<u>1,020,289</u>
Revenues for the year		
Moorage	255,624	238,155
Other revenues	178,862	182,933
Project revenue	-	8,375
	<u>434,486</u>	<u>429,463</u>
Expenses for the year		
Wages	162,713	165,883
Other expenses	270,003	269,549
	<u>432,716</u>	<u>435,432</u>
Excess(deficiency) of revenues over expenses for the year	<u>\$ 1,770</u>	<u>\$ (5,969)</u>

12. Contingent Liabilities

- (a) As a member of the Sunshine Coast Regional District, the Town is responsible for its portion of any operating deficit or long-term debt related to functions in which it participates.
- (b) The Sunshine Coast Regional District has requested and has been provided with demand notes drawn in its favour totaling \$318,637 (2017 - \$289,186) to provide for additional funds, should the need arise, to service its debt in which the Town shares.
- (c) The Town is partially self-insured through the Municipal Insurance Association of British Columbia. Should the Association pay out claims in excess of premiums received, it is possible that the Town, along with the other participants, would be required to contribute towards the deficit.

13. Contractual Rights

(a) Contributed Tangible Capital Assets

Subdivision developers are required to provide subdivision infrastructure such as streets, lighting, sidewalks, and drainage. Upon completion these assets are turned over to the Town. Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and are also recorded as revenue.

(b) RCMP Funding

The Town has entered into an agreement with the Royal Canadian Mounted Police for the occupancy of the RCMP station on Sunnycrest Road for the provision of policing services for the Town. In return, the Town has received a commitment to receive annual lease revenue of \$159,000. This agreement will be reviewed once the Town's population exceeds 5,000.

(c) Marina Lease

The Town has entered into a Marina Lease Agreement with Gibsons Marina Hotel Incorporated (GMHI) for a 30 year term, expiring February 28, 2042. In return, the Town has received a commitment to receive annual lease revenue which is based on a portion of annual gross revenue earned by GMHI.

14. Fiscal Plan

Fiscal plan amounts represent the Financial Plan Bylaw adopted by Council on May 8, 2018 with estimates for amortization of tangible capital assets.

The Financial Plan Bylaw included certain revenues and expenses that the Town administers on behalf of the Gibsons Public Market. As these amounts do not relate to the Town's operations they are excluded from the budget amounts disclosed in the statement of operations and statement of changes in net debt.

15. Segmented Information

The Town is a diversified municipal government institution that provides a wide range of services to its citizens such as roads, water, sewer and drainage infrastructure, garbage collection and parks. The Town also contributes to the costs of fire protection and transit which are under the jurisdiction of the Sunshine Coast Regional District. Distinguishable functional segments have been separately disclosed in the segmented information. The nature of the segments and the activities they encompass are as follows:

Corporate Services

The Corporate Services Department is the communications link between Council and other Municipal Departments and the general public, providing assistance and advice to citizens with respect to Council/Committee processes, reporting procedures and decisions.

Finance

The Finance Department is responsible for the overall financial and risk management of the Town. A segment of this department is the ICBC Autoplan and Driver Licensing Agency.

ICBC Autoplan and Driver Licensing Agency

This department, under an agency agreement, provides ICBC Autoplan and Driver Licensing services. Autoplan services consist of vehicle registration and insurance renewals and Driver Licensing services include driver licence renewals, road tests and the processing of motor vehicle fines.

Parks and Cultural Services

The Parks and Cultural Services Department contributes to the quality of life and personal wellness of the community through the provision of a variety of special events, programs, services and facilities.

15. Segmented Information (Continued)

Planning

This department provides short-term and long-term planning services.

- Short-Term Planning includes the processing of subdivision and development applications.
- Long-Term Planning includes work with the community on reviewing the Town's Official Community Plan, developing new Neighbourhood Plans, the Trail and Bicycle Network Plans and the review of relevant bylaws.

Protective Services

Protection is comprised of bylaw enforcement and building inspection.

- Bylaw enforcement administers, monitors, and seeks compliance with the bylaws enacted by the Mayor and Council to regulate the conduct of affairs in the Town of Gibsons.
- The Town of Gibsons Building Department maintains the quality of life for Gibsons' citizens by regulating all construction within the Town. This is achieved through the use of the Town of Gibsons Building and Plumbing Bylaw, the British Columbia Building Code, the British Columbia Fire Code and other related bylaws and enactments within the Town of Gibsons.

Public Works

Public works is responsible for the essential services of the Town:

- ensuring clean and safe water to our Town, supplied through underground pipes, wells and reservoirs;
 - maintaining a separate system of underground pipes to collect sewer or waste water for proper treatment prior to discharging it;
 - providing and maintaining the Town's roads, sidewalks, street lights, signage and line markings, storm drainage and hydrants; and
 - providing other key services including street cleaning and the coordination of residential garbage collection services.
-

Town of Gibsons
Notes to the Financial Statements
December 31, 2018

16. Expenditures by Function

	Operations	Capital Acquisitions	2018 Total	2017 Total
Goods and Services	\$ 3,577,660	\$ 2,900,945	\$ 6,478,605	\$ 5,048,872
Labour	3,438,760	-	3,259,213	3,259,213
Contributed tangible capital assets	-	2,636,065	2,636,065	408,537
Debt interest and other	407,443	-	407,443	359,446
Loss on disposal of tangible capital assets	132,051	-	132,051	31,741
Total expenditures	7,555,914	5,537,010	12,913,377	9,107,809
Amortization of tangible capital assets	1,506,891	-	1,506,891	1,386,811
Total expenditures and expenses	\$ 9,062,805	\$ 5,537,010	\$ 14,420,268	\$ 10,494,620

17. Comparative Information

Certain comparative information has been reclassified to conform with the financial statement presentation adopted in the current year.

Town of Gibsons
Schedule 1 - Long-Term Debt

For the Year Ended December 31

Loan Authorization Bylaw	Purpose	Year of Maturity	Rate	Balance 2018	Outstanding 2017
General					
881	Local improvement	2018	4.65%	\$ -	\$ 32,556
890	Downtown revitalization	2019	2.10%	83,035	162,476
1057	Road improvement	2022	2.90%	208,103	255,224
1093	Road improvements	2029	4.13%	54,804	58,694
1105	Capital improvements	2020	4.50%	68,366	100,590
1126	RCMP Building	2031	3.56%	1,689,951	1,787,682
1231	Road improvement	2027	2.80%	357,806	392,000
Temp.	Capital improvements**	2018	*	-	70,000
1234	Road improvements	2021	*	66,000	88,000
1246	Road improvements***	2038	3.15%	1,784,000	-
				4,312,065	2,947,222
Water					
1093	Cross connection control and water meter	2029	4.13%	558,221	598,037
1057	Water mains	2022	2.90%	138,735	170,150
1134	Zone 2 Reservoir	2032	2.90%	772,279	812,874
686	Water mains	2034	3.30%	617,325	644,524
				2,086,560	2,225,585
Sewer					
576	Waste Water Treatment Plant upgrade	2031	4.85%	1,192,382	1,261,338
				\$ 7,591,007	\$ 6,434,145

* This financing bears interest at the 30-day Banker's Acceptance rate, is calculated daily and is payable monthly.

** This temporary capital improvement debt was converted to long-term debt in April 2018 (Bylaw 1246).

*** As at December 31, 2018, \$430,049 remains unspent (Note 6c).

Town of Gibsons

Schedule 2 - Government Transfers and Other Contributions

For the Year Ended December 31	Fiscal Plan 2018	2018	2017
Government Transfers			
Federal Government			
In lieu of taxes - general	\$ 11,787	\$ 14,670	\$ 13,319
In lieu of taxes - sewer	1,030	-	-
Canada 150	-	-	23,000
	<u>12,817</u>	<u>14,670</u>	<u>36,319</u>
Provincial Government			
Small Communities	480,000	488,515	485,950
Planning	-	-	11,500
Street lighting	1,340	989	1,648
Other	270,428	333,032	39,770
Community Works	251,000	251,178	242,275
Clean Water and Waste Water Fund	487,331	436,821	742,457
New Build Canada Fund*	174,858	149,016	14,911
	<u>1,664,957</u>	<u>1,659,551</u>	<u>1,538,511</u>
	<u>\$ 1,677,774</u>	<u>\$ 1,674,221</u>	<u>\$ 1,574,830</u>

Other contributions

* This grant is provided under the New Build Canada - Small Communities Fund. The program is administered by the Province and includes matching Federal funding.

Town of Gibsons
Schedule 3 - Statement of Operations by Segment

For the Year Ended December 31, 2018	General Government Services	ICBC Autoplan Licence Agency	Protective Services	Planning and Economic Devel. Services	Public Works	Park Services	Unallocated	Water Utility	Sewer Utility	Total 2018 Actual	Total 2018 Fiscal Plan
Revenues											
Taxation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,108,736	\$ 541,453	\$ 770,814	\$ 4,421,003	\$ 4,393,781
Utility user rates and connection fees	-	-	-	-	-	-	-	1,026,857	728,378	1,755,235	1,681,333
Government transfers	403,879	-	-	-	334,021	-	503,185	284,120	149,016	1,674,221	1,677,774
Sales of services	26,086	-	19,750	-	510,912	-	-	-	-	556,748	874,914
Other revenue	236,965	338,149	279,118	-	151,754	2,214	335,280	40,501	45,764	1,429,745	1,332,064
Contributions from developers	31,255	-	-	270,000	2,226,491	150,000	-	208,923	205,931	3,092,600	376,489
Total Revenues	698,185	338,149	298,868	270,000	3,223,178	152,214	3,947,201	2,101,854	1,899,903	12,929,552	10,336,355
Expenses											
Operating											
Goods and Services	815,258	7,129	34,969	238,507	1,104,933	201,347	-	582,292	593,225	3,577,660	4,107,791
Labour	884,675	262,817	172,507	191,617	809,724	516,815	-	289,873	310,732	3,438,760	3,503,409
Debt interest and other	219,640	-	-	-	-	-	-	97,330	90,473	407,443	386,140
Amortization of tangible capital assets	959,031	-	-	-	-	-	-	292,856	255,004	1,506,891	1,355,750
Loss on disposal of tangible capital assets	2,878,604	269,946	207,476	430,124	1,914,657	718,162	-	1,262,351	1,249,434	8,930,754	9,353,090
	130,747	-	-	-	-	-	-	1,304	-	132,051	-
Total Expenses	3,009,351	269,946	207,476	430,124	1,914,657	718,162	-	1,263,655	1,249,434	9,062,805	9,353,090
Excess (deficiency) in revenues over expenses	\$ (2,311,166)	\$ 68,203	\$ 91,392	\$ (160,124)	\$ 1,308,521	\$ (565,948)	\$ 3,947,201	\$ 838,199	\$ 650,469	\$ 3,866,747	\$ 983,265

Town of Gibsons
Schedule 4 - Statement of Operations by Segment

For the Year Ended December 31, 2017	General Government Services	ICBC Autoplan Licence Agency	Protective Services	Planning and Economic Devel. Services	Public Works	Park Services	Unallocated	Water Utility	Sewer Utility	Total 2017 Actual	Total 2017 Fiscal Plan
Revenues											
Taxation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,957,668	\$ 508,239	\$ 722,343	\$ 4,188,250	\$ 4,175,942
Utility user rates and connection fees	-	-	-	-	-	-	-	1,024,178	690,865	1,715,044	1,681,560
Government transfers	197,959	-	-	11,500	1,648	-	499,269	984,731	14,911	1,710,018	2,017,318
Other contributions	-	-	-	-	-	-	-	-	-	-	202,500
Sales of services	4,799	-	17,250	-	537,686	-	-	-	-	559,735	414,450
Other revenue	325,679	316,862	287,006	-	-	-	471,305	29,399	26,039	1,456,290	1,206,289
Contributions from developers	40,383	-	-	60,000	328,721	-	-	61,200	3,581	493,884	626,589
Total Revenues	568,820	316,862	304,256	71,500	868,055	-	3,928,242	2,607,747	1,457,739	10,123,221	10,324,648
Expenses											
Operating											
Goods and Services	959,714	16,653	31,253	315,824	828,314	215,697	-	548,194	577,127	3,492,776	3,261,615
Labour	818,672	242,370	213,255	191,129	748,460	465,749	-	284,338	295,240	3,259,213	3,265,110
Debt interest and other	171,643	-	-	-	-	-	-	97,330	90,473	359,446	368,255
Amortization of tangible capital assets	853,567	-	-	-	-	-	-	279,682	253,562	1,386,811	1,330,080
Loss on disposal of tangible capital assets	2,803,596	259,023	244,508	506,953	1,576,774	681,446	-	1,209,544	1,216,402	8,498,246	8,225,060
	13,553	-	-	-	-	-	-	18,188	-	31,741	-
Total Expenses	2,817,149	259,023	244,508	506,953	1,576,774	681,446	-	1,227,732	1,216,402	8,529,987	8,225,030
Excess (deficiency) in revenues over expenses	\$ (2,248,329)	\$ 57,839	\$ 59,748	\$ (435,453)	\$ (708,719)	\$ (681,446)	\$ 3,928,242	\$ 1,380,015	\$ 241,337	\$ 1,593,234	\$ 2,099,618

CONTRIBUTIONS TO THE COMMUNITY: GRANTS OF ASSISTANCE

Organization	2018	2017
Coast Cultural Alliance (Arts Calendar, Arts Crawl)	1,800	1,800
Deer Crossing Art Farm	2,500	850
Gibsons & District Chamber of Commerce (Travel Ambassador Program)	0	2,500
Gibsons / Elphinstone Community School Youth Worker	13,047	12,200
Gibsons Marine Rescue Society	1,000	0
Gibsons Outrigger Race	1,000	0
Gibsons Public Art Gallery	4,300	5,000
Gooberville Multimedia	500	0
Huckleberry Coast Childcare Society	1,000	750
Restorative Justice Program of the Sunshine Coast	500	600
Salvation Army - Sunshine Coast	0	3,000
School District No. 46 (Student Bursary)	1,000	1,000
Sea Cavalcade Committee	15,110	20,108
Sunday in the Park with Pride Society	1,000	1,000
Sunshine Coast Community Services Society (Crisis Support Worker)	400	500
Sunshine Coast Community Services Society (Parent & Tot Summer Prog.)	800	1,500
Sunshine Coast Hospice Society	600	1,000
Sunshine Coast Jazz Society	0	2,000
Sunshine Coast Tourism	7,200	7,200
Tetrahedron Outdoor Club	750	0
Tides Canada Initiative	1,000	0
Transportation Choices Sunshine Coast	1,000	1,000
	54,507	62,008

PERMISSIVE TAX EXEMPTIONS

Name of Property Owner/Occupier	Total Property Value	Tax Class	Tax Exemption*
Good Samaritan Canada (Christenson Village)	\$ 20,208,000	1	\$25,129
Gibsons Community Fellowship Society	422,000	8	\$611
Gibsons Community Fellowship Society	475,900	8	\$689
01987152 BC Ltd. (Gibsons Public Market)	909,000	6	\$4,965
Pentacostal Assemblies of Canada (Christian Life Assembly)	1,012,700	8	\$1,466
Royal Canadian Legion Branch #109	429,000	8	\$621
Royal Canadian Legion Branch #109	1,111,000	1	\$1,608
Gibsons Public Art Gallery	810,300	6	\$4,426
Gibsons Public Art Gallery	104,000	6	\$568
S.C. Community Services Society (Community Treasures Thrift Shop)	625,000	6	\$3,414
Parish of St. Aidan and St. Bartholomew Anglican Church	1,865,000	8	\$2,699
Sunshine Coast Kiwanis Village (Village Apartments)	1,892,000	1	\$3,137
Gibsons Congregation of Jehovah's Witnesses	352,500	8	\$510
Calvary Baptist Church	779,400	8	\$1,128
Roman Catholic Archbishop of Vancouver (St. Mary's Catholic Church)	1,530,200	8	\$2,215
	\$ 32,526,000		\$53,185
*Includes Statutory Exemption if applicable			



ENGAGE WITH US (IT'S EASY!)

There are many ways to learn about what's happening in your Town, whether you prefer to attend Council meetings, have information sent directly to your inbox, or follow us on Facebook.

Newsletter

Have all the latest news from Town Hall sent directly to your inbox. Sign up for our digital newsletter at gibsons.ca or by sending an email with "sign me up" in the subject line to info@gibsons.ca. It's the easiest way to stay informed about what's happening in your Town!

Council Meetings

The powers of Mayor and Council are exercised through the adoption of resolutions or the enactment of bylaws at regularly scheduled Council meetings. Council holds two regular meetings each month on the first and third Tuesdays at 7:00pm. Meetings are open to the public and agendas are available at Town Hall and on the Town's CivicWeb Portal at <https://gibsons.civicweb.net/portal/>.

Town Website

Your guide to Town services, Council Meetings, reports, mapping, special projects, events and more. Find it all at www.gibsons.ca.

CivicWeb Portal

Access agendas for upcoming meetings, review minutes from past meetings, view staff reports, research bylaws – every detail about past, present and future activities at Town Hall can be found at: <https://gibsons.civicweb.net/portal/>

Social Media

Follow us on Facebook, Instagram, LinkedIn or Twitter by clicking on the icons at www.gibsons.ca.

Muni Memo

For reminders about upcoming events, civic payments coming due, new Town Hall services and more, look for the "Muni Memo" bulletin in the Coast Reporter, on the first and third Friday of each month.

Mayor's Message

For insight directly from the Mayor (or other Councillor) on Gibsons' happenings, look for the "Talk of the Town" column every second Thursday in The Local newspaper.

Public Information Meetings

Held on an "as-needed" basis, Public Information Meetings provide residents with key information about important topics such as the Town's current budget and major capital projects.

Annual Report

As required under the Community Charter, the Annual Report is a means for local government to report on financial and operational information, progress made on the previous year's objectives and to set out current and future strategic goals and objectives. A new report is produced and made available to the public each year by June 30.



visit gibsons.ca

TOWN OF GIBSONS
474 South Fletcher Road
Gibsons, BC V0N 1V0

604.886.2274
info@gibsons.ca
www.gibsons.ca

