

Town of Oakville

Annual Report 2019/2020





For the fiscal years January 1 – December 31, 2019 and
January 1 – December 31, 2020, Oakville, Ontario, Canada

*Cover photo: Ignazio Colt Nicastro, "An Echo of Oakville"
Part of The Town of Oakville's ConNextions Art Project.*

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**Our greatest strength
is our community
engagement. That's why
I view the future with
optimism.**



Message from the Mayor



Oakville's motto is "Avancez" (go forward). I'm proud of how our community, staff, and Council have responded to the challenges and opportunities we faced in 2020.

The COVID-19 pandemic tested all of us. Sixty-seven of our community died from the pandemic.

Our businesses faced challenges ranging from shut downs to new ways to grow. In the face of that adversity, the Town of Oakville advanced.

At Town Hall, we launched initiatives such as the Mayor's Economic Recovery Task Force to support struggling businesses and residents. We reached out to vulnerable residents. And when provincial and federal measures weren't working, we advocated for and got necessary changes.

We worked to ensure Oakville comes through the pandemic stronger than ever. We are focused on the priorities laid out in our strategic plan: community engagement, government accountability, the environment, mobility and, above all, livability.

We pulled back recreation activities under Provincial regulations and guidance, and found ways to improve and speed up other things, such as permits. Projects completed on time during the pandemic or still moving forward without delay include: Oakville Trafalgar Community Centre, Bronte Outer Harbour acquisition, Downtown Oakville Lakeshore Road Streetscape renewal, Wycroft Road Bridge, Burloak and Kerr grade separations, Electrification of our transit fleet and building electric vehicle charging stations.

Good news arrived for our local Ford Assembly Plant in September 2020 when

the Provincial and Federal governments announced investments to upgrade the plant to make electric vehicles. This move will strengthen our auto sector and supply chain and help make us leaders in electric vehicle production while keeping jobs in Oakville, which I've long advocated for as founder and chair of the Ontario Auto-Mayors Caucus.

In 2020 our long-serving Chief Administrative Office (CAO) Ray Green retired. Council chose Jane Clohecy as our new CAO. CAO Clohecy has kept town objectives on track through the pandemic.

Council also welcomed Nancy Sully as our new Commissioner of Corporate Services – another seasoned staffer with almost three decades of experience serving Oakville. Council filled two other vacancies with seasoned professionals: Phoebe Fu, Commissioner of Community Infrastructure, and Neil Garbe, Commissioner of Community Development.

2020 saw the passing of former Ward 1 Town Councillor Ralph Robinson. Councillor Robinson served 11 consecutive terms and was a valued and tireless advocate for residents.

It takes a great team to lead a great town. I extend my appreciation for everything our staff and Council do for the residents of Oakville, particularly in the face of adversity.

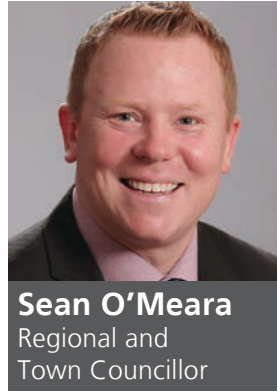
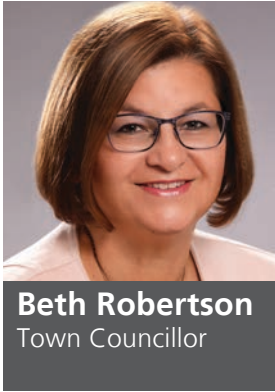
Our greatest strength is our community engagement. That's why I view the future with optimism. When we work together for our common goals, we can succeed in the face of adversity and continue to achieve progress toward our goal of making Oakville Canada's most livable town.

Mayor Rob Burton, BA, MS
Head of Council and CEO

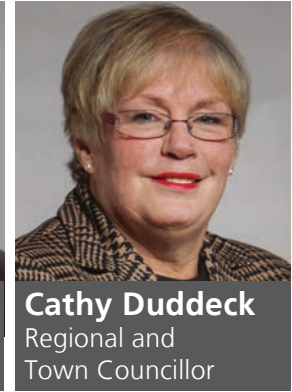
2018–2022 Town Council

Council’s current term began on December 1, 2018, and will end November 30, 2022

Ward 1



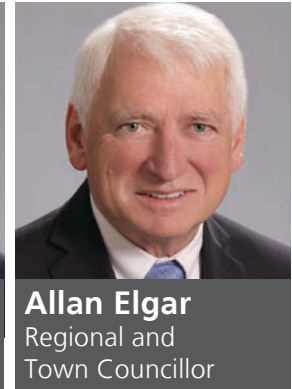
Ward 2



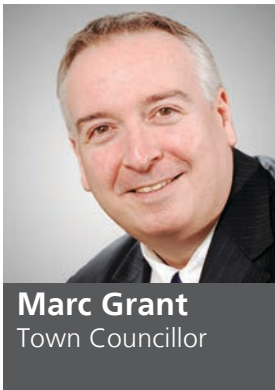
Ward 3



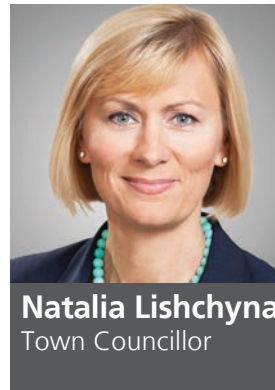
Ward 4



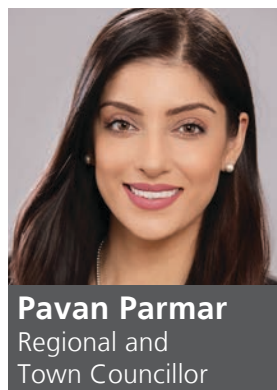
Ward 5



Ward 6



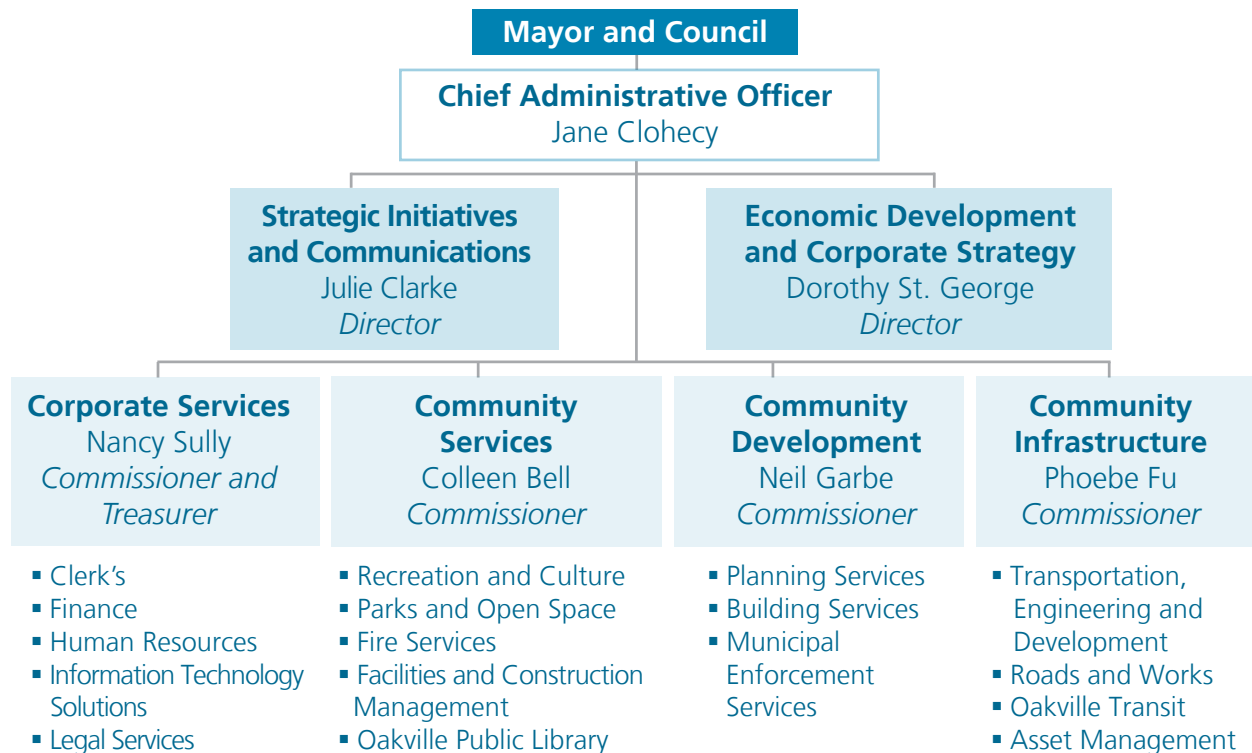
Ward 7



For an interactive ward map of Oakville visit oakville.ca/maps.html

Organizational Chart

as of June 2021



The CAO's office leads the administration and management of the Town of Oakville, and is responsible for establishing and overseeing corporate priorities and projects based on Council's Livable Oakville Plan, Council's Strategic Plan and the annual budget process, including climate change, customer experience, innovation and inclusion.

The Community Development Commission defines and protects the vision of the town's community in the areas of planning, building and municipal enforcement.

The Corporate Services Commission is responsible for the effective and efficient use of town resources including: legal, clerk's, human resources, finance, and information technology solutions.

The Community Services Commission is responsible for the delivery of services and programs to improve the daily life of town residents in the areas of recreation and culture, libraries, parks and open space, fire services and facilities management.

The Community Infrastructure Commission is responsible for providing safe and sustainable infrastructure and transportation services for the Town of Oakville in the area of transportation and development engineering, roads and works, transit, and corporate asset management.

“

Our team and our track record will stand us in good stead as we pull together to address the current challenges — and continue to build a bright future for Oakville.



Message from the CAO



Like every municipality across the country, Oakville was thrown into crisis mode in 2020 by COVID-19. Since then, we have been doing everything within our power to keep our residents safe and our local economy strong — from shifting in-person services online to extending patio season

at restaurants to enforcing gathering limits at our parks.

Undoubtedly this is the biggest challenge our community has faced in recent memory, and the repercussions will be felt for many years to come. However, as I saw countless times over the past two years, the Town of Oakville has the capacity and the drive to take on big challenges.

For example, we've updated Council's Strategic Plan which is focused on livability, environment, engaged community, accountable government and mobility.

We've undertaken bold infrastructure projects like the reconstruction of Lakeshore Road to revitalize Downtown Oakville. We held our ground against Bill 108, advocating for greater control over development decisions — one of the top priorities you identified in our 2019 Citizen Survey.

Council declared a climate emergency in June 2019. Even as our COVID-19 response and recovery demand our attention right now, we also need to continue to do our part to mitigate the impacts of climate change by reducing greenhouse gas emissions, as well as prepare for rising temperatures and more extreme weather that will put further pressure on Oakville. In 2020, we made an historic leap forward in taking action on climate change by supporting the Oakville Energy Task Force's Community Energy Strategy which provides clear and achievable goals to significantly lower community greenhouse gas emissions and improve our overall energy efficiency while strengthening the local economy.

None of this would be possible without our staff, who have shown tremendous resilience and adaptability as COVID-19 upended "business as usual" in every imaginable way. I want to thank them for their exemplary performance.

Our team and our track record will stand us in good stead as we pull together to address the current challenges — and continue to build a bright future for Oakville.

A handwritten signature in black ink that reads "J. Clohecy".

Jane Clohecy, MCIP, RPP
Chief Administrative Officer



2019–2022 Strategic Plan

**Vision: to be the most
livable town in Canada.**



Mission

We create and preserve Canada's most livable community that enhances the natural, cultural, social and economic environments.

We achieve this by continuously improving programs and services that are both accessible and environmentally and fiscally sustainable.

We are highly valued and widely celebrated due to the innovative and outstanding way we satisfy the needs of our residents, businesses and employees. As a result, the process is as fulfilling as the outcome.

We ensure our staff receives the same level of respect, commitment and caring that they are expected to deliver to the community.



Values

Accountability – We deliver what we promised. We are accountable of our own actions and results. We are accountable for the efficient and effective use of public funds.

Dedication – We willingly take on responsibility. We are committed to serving our community. We take initiative and we take on our share of the work.

Honesty – Each of us demonstrates personal integrity, truthfulness and honesty in how we do our job. We inspire public confidence and trust in our government.

Innovation – We pursue innovation by being creative, showing initiative and taking risks. We encourage employees to exercise judgment in meeting customer needs.

Respect – We value open, respectful and inclusive governance. We value the cultural and social diversity of our community. We make it possible for every resident to participate in our community, and in our government.

Teamwork – We act as a team. We demonstrate high levels of trust and cooperation. We collaborate across departments to achieve our goals. We work in partnership with our community.



Strategic Plan

For our mission, vision and values to have significant impact, they must be accompanied by a deliberate plan of action.

The town's Strategic Plan for 2019–2022 details clear objectives and key measures of success within Council's five areas of focus:

1. Livability — Be the most livable town in Canada
2. Engaged Community — Foster a community environment that engages residents of all ages, abilities and backgrounds
3. Accountable Government — Inspire public confidence through open, accountable and efficient delivery of government services
4. Mobility — Improve town's multi-modal transportation network to support effective movement of people and goods
5. Environment — Protect greenspace and promote environmentally sustainable practices

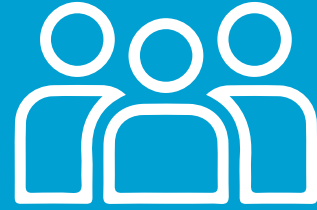
Our residents



215,700
people



36%
immigrated to Canada



32%
are visible minorities

Our town



**Over 300
kilometres**
of active
recreational trails



5
major community
centres



3
business
improvement areas

This Is Oakville

What makes a great community? Natural amenities, friendly neighbours, thriving businesses, cultural and recreational amenities, and transportation options that work no matter how you choose to get around.

Oakville has it all.



COVID-19 Impact

COVID-19 has had a profound impact on our community. Over the course of this pandemic, many Oakville residents lost loved ones, local businesses closed down, programs and services were disrupted, and our children had to adapt to virtual learning.

As the pandemic started to spread around the world in January 2020, town staff were paying attention. The town's Emergency Operations Committee (EOC) began monitoring the international situation as a result of media reports on emerging risks arising from COVID-19 cases in January 2020. Behind the scenes preparation for a potential pandemic began in early February. The Emergency Control Group (ECG) was formally activated on March 9, 2020 when it became apparent that a COVID-19 pandemic could have significant impact on town operations.

The town actively responded to the health crisis through our emergency and recovery plans, ensuring public safety while maintaining municipal operations. We've implemented safety protocols to keep both staff and residents safe, including developing our own Recovery Playbook.

We've also tackled the economic crisis. To support community members facing financial challenges, we extended our property tax installment due dates and waived penalties and interest on all outstanding balances for the remainder of the 2020 tax year.

We've supported the business community through several measures, including the Mayor's Economic Task Force, rent relief, tax deferrals, a "Welcome Back Oakville" marketing campaign and a new outdoor patio program.

COVID-19 created financial challenges for the town as well. In response, we implemented temporary layoffs of part-time and contract employees who were able to access federal and provincial government financial aid. We also deferred hiring seasonal workers and summer students and delayed filling vacant positions. By focusing on critical services and deferring capital projects, we were also able to reduce our operating costs.

In fall 2020, the Town of Oakville received \$7.5 million in financial assistance from the Province of Ontario and the federal government to help with COVID-19 operating costs. This funding helped mitigate the more than \$10 million net impact due to COVID created primarily from lower program revenues and allowed us to continue to provide the high-quality facilities and services residents expect without dipping into our reserves.

Throughout these upheavals, our employees have shown remarkable resilience and the ability to pivot quickly to deliver programs and services in new and innovative ways.



That included offering a true one-window approach at ServiceOakville, taking requests by phone, email and online and moving to cashless payments. We launched a new digital intake process for business licences, permits and development applications. We expanded our virtual library offerings and reached out to isolated seniors and youth. We ran modified summer camp programs and created our first-ever strategy to keep community members engaged and active throughout the winter.

Looking ahead, we'll continue to respond to COVID-19 in a variety of ways. This includes advocating for further federal and provincial support, implementing tax deferral programs, and gradually reinstating services as permitted by the

province. We'll also restart projects that we were forced to defer, such as the annual Road Resurfacing program and our 2021 Citizen Survey.

As the pandemic wanes, we'll shift our focus from response to recovery. Our Pandemic Recovery Plan will focus on several key strategic objectives, including:

- Ensuring financial sustainability
- Providing support for businesses
- Adapting how we deliver programs and services
- Enforcing public health measures
- Optimizing our workforce needs

Areas of Focus

Livability

Goal: Be the most livable town in Canada

A livable community is a community that offers the best amenities possible, boasts a thriving local economy, protects its greenspaces and preserves its distinctive character. Most importantly, it's a community for all residents — where everyone feels safe, welcome and supported.

Taking a stand against racism

In June 2020, the murder of George Floyd ignited protests against anti-Black racism in the U.S. and around the world. Oakville was among them. On June 4 — as hundreds of demonstrators marched peacefully through downtown — Town Council released their official statement in solidarity with the ongoing calls for racial justice. In it, we recognize that as important as it is to condemn violence and racism, it will take an abiding commitment to living with each other in mutual respect and cooperation to end racism and violence. We are working through our 2021 Diversity and Inclusion Action Plan to build on our ongoing commitment to initiatives that embrace diversity, and ensure equity and inclusion for all. This work will support the development of a town-wide Multi-Year Inclusion Plan in 2022.

Strengthening First Nation connections

Oakville lies within the traditional territory of the Mississaugas of the Credit First Nation. A new flagpole at town hall now flies their flag, acknowledging the traditional custodians of the land we inhabit. In March 2019, we also marked the 200th anniversary of the signing of Treaty 22. Mayor Burton and Mississaugas of the Credit First Nation Chief Stacey LaForme exchanged wampum belts to acknowledge the treaty, which encompasses the lands at 12 Mile Creek and 16 Mile Creek.

Protecting cultural heritage assets

In November 2019 we unveiled a heritage plaque in Burnet Park that tells the story of Samuel Adams, a freed slave from Baltimore who settled here in the early 1850s. As an official port of entry into Canada, Oakville was a major destination

for many freed and escaped African-American slaves. Adams became a prominent member of Oakville's Black community and helped many former American slaves move to Upper Canada.

Recognizing community contributions

Recently, the town named a park after a late founder and longtime leader of the Canadian Caribbean Association of Halton (CCAH), Veronica Tyrrell. Tyrrell is remembered for her efforts to deepen the community's knowledge of local Black history, particularly Oakville's role in the Underground Railroad. Tyrrell worked tirelessly to make Oakville and Halton Region a more inclusive community by working with disadvantaged youth, promoting Caribbean culture and performing arts and helping new citizens from the Caribbean settle in Canada. This park naming is an important way to recognize her contributions to our community and to continue creating a more equitable future.

Maintaining a resilient local economy

Even before the pandemic struck, we were working to strengthen and diversify the local economy. In July 2019, Council approved a new Economic Development Strategy. This updated five-year plan — created in close consultation with the business community — focuses on attracting new investment and jobs, growing the local economy and supporting vibrant commercial districts through a variety of initiatives.

In March 2020, when COVID-19 lockdowns hit local businesses hard, Mayor Rob Burton convened a special economic task force to provide immediate relief comprising of the Oakville Chamber of Commerce, BIAs, Visit Oakville, and Economic Development staff. Their ten-point plan included providing property tax assistance, waiving parking fees, and temporarily suspending by-laws to support modified business operations.

Helping main street pivot during the pandemic

The pandemic has made digital tools and services more important than ever. In 2020, the Town of Oakville — together with the Downtown Oakville BIA, Kerr Village BIA and Bronte Village BIA — received a \$50,000 grant from Digital Main Street Ontario to help those businesses adapt to this rapidly changing environment.

This new funding allowed us to expand our Digital Service Squad program, which has already helped hundreds of Oakville's entrepreneurs enhance their social media presence, set up e-commerce capabilities and maintain their competitive edge. And thanks to the program, dozens of companies have each secured a \$2,500 provincial grant to put their digital plans into action.

Expanding a pandemic-friendly patio season

As part of our commitment to supporting local restaurants and bars impacted by COVID-19, the town extended Oakville's 2020 patio season into the winter months, allowing patrons to enjoy a meal while maintaining physical distancing measures. The temporary program allowed patios to be set up in unconventional locations, including private lands and parking spaces, as well as town lands like sidewalks, on-street parking spaces, parking lots, Towne Square and a section of Marine Drive in Bronte Village.

Revitalizing downtown

In April 2018, the Town of Oakville officially broke ground on the much-anticipated Lakeshore Road Reconstruction and Streetscape Project. This \$26 million investment to revitalize Downtown Oakville includes enhanced roadways, tree-lined boulevards, plenty of seating and improved pedestrian and cycle paths. A comprehensive mitigation strategy was developed and implemented to support the local business community

during construction. After two phases of reconstruction, we celebrated the transformation of Lakeshore Road East in downtown Oakville with a ribbon-cutting ceremony last November.

The flexible design accommodates special events and festivals, while a two-metre zone in front of each storefront enables restaurants and retailers to make use of street space, creating a vibrant atmosphere. Meanwhile, pedestrian counters and electric vehicle charging stations add smart technology to the downtown's historic charm. The new streetscape positions downtown Oakville as the cultural, social and economic heart of the community for generations to come.

Growing thoughtfully

In 2019 and 2020, the town completed several important planning studies, allowing key development projects to move forward. These included the updated North Oakville Secondary Plans for the lands north of Dundas Street and south of Highway 407 between Ninth Line in the east and Tremaine Road in the west. The Scenic Corridors study for parts of Lakeshore Road and Trafalgar Road also wrapped up, identifying roadway and streetscape elements that contribute to their scenic value. Numerous land use and design studies are underway as part of the town's Official Plan Review Program, and will be presented to Council throughout 2021. These studies are focussed on implementing the Growth Plan direction to build complete communities.

Expanding recreational opportunities

Building a better Oakville means creating more opportunities to bring people together. In November 2019, we officially reopened Tannery and Waterworks Park at Oakville Harbour — the town's most extensive park and shoreline redevelopment to date. New features include gardens for migratory birds and butterflies, a rehabilitated shoreline and two peninsulas providing panoramic views of Lake Ontario. To pay tribute to Oakville's original inhabitants, the park now honours a First Nations history wall and gathering circle.

We also continue to preserve key sites identified in the town's Cultural Heritage Landscape Strategy. That includes the Erchless Estate, once home to Oakville's founding family, which was designated in 2019 as a site of historical and architectural significance.

Protecting residents (and their furry family members) from wildlife

Coyotes are commonly found in urban areas like Oakville. However, their presence in residential neighbourhoods can spark understandable concerns from community members. To help residents feel safe and understand the appropriate responses to wildlife encounters, we produced a Coyote Education and Response Procedure and Coyote Response Strategy in 2020. The new procedures provide a clear strategy for how the town and community partners will respond to situations involving the animals, as well as best practices to deter coyotes, such as removing food attractants, reducing risk to pets and more.



Did you know? In 2018, MoneySense ranked Oakville as Canada's best place to live. In 2019, Maclean's put our community in the top five nationwide. And our residents give us top marks as well: according to our latest Citizen Survey, the majority feel Oakville is a great place to call home.





Engaged Community

Goal: Foster a community environment that engages residents of all ages, abilities and backgrounds

A tight-knit community is a strong community. That's why the Town of Oakville believes in developing an environment that engages everyone. As a municipality, our duty is to help create a sense of belonging, provide accessible opportunities for recreational activities and ensure everyone has a chance to be included and heard on issues that affect them.

Celebrating Oakville's top-ranked art and culture scene

In September 2019, Culture Days returned to Oakville for its tenth year. The slew of family-friendly activities, performances and exhibitions around town made this one of the top ten Culture Days in the country, featuring Caribbean steel pan demonstrations, outdoor art workshops, pasta-making classes and more.

Hosting family-friendly fun

Our annual Family Day event in 2019 included free swims, skates and plenty of other activities for kids and adults alike. Meanwhile, the Oakville Children's Festival returned that August with a stellar lineup of





family-friendly performers, including five-time Juno Award winner Splash N'Boots. Participants were also treated to story times at the library, a scavenger hunt, face painting and many of the GTA's most popular food trucks.

Local hockey fans got a treat in December 2019 when the country's top junior talent converged at Oakville's state-of-the-art Sixteen Mile Sports Complex. The four-day selection camp included two exciting exhibition games. At the end, 24 players were chosen to compete at the 2020 World Junior Ice Hockey Championship in the Czech Republic — and bring home the gold!

Celebrating together, while safely apart

Although the pandemic made many in-person celebrations impossible in 2020, that didn't stop us from finding ways to celebrate as a community. For example, our Canada Day festivities featured a full day of local entertainment and family-friendly activities that community members could enjoy from the comfort of home via Facebook. The event included musical performances, a town-wide singing of O Canada, virtual fireworks and more.

Meanwhile, COVID-19 gathering restrictions prevented our usual Oakville Santa Claus parade from happening. But that didn't stop the Man in Red from

coming to town for a physically distanced fireside chat with Mayor Rob Burton. The Oakville Professional Firefighters Association also got creative with their annual holiday drive, collecting gift cards in lieu of toys and food items and organizing a successful drive-thru option for contactless donations.

Implementing Oakville's new Municipal Enforcement Strategy

The Municipal Enforcement Strategy continues to be operationalized and has entered its final phases with an expected completion date of 2022. We also hired additional staff to help keep Oakville residents safe by making sure people gathering in our waterfront parks during the pandemic were following public health guidelines.

Engaging community in local government

In 2019, we found ways to improve how we connect with residents, including launching an Instagram account (@townofOakville) that has attracted thousands of followers. Meanwhile, we continued to make all Council reports and minutes available online and provide livestreamed coverage of meetings on the town's YouTube channel.

We also made it easier to participate in those meetings in person by making Council Chambers more accessible. The renovations that wrapped up in 2019 included installing accessible seating at the front and back of the public gallery, a fully accessible public podium, assistive listening devices and a closed captioning text board. There's also better sound quality, thanks to a new digital audio-visual system and acoustical wall and ceiling treatments. When COVID-19 hit in 2020, we made our meetings virtual so that everyone could safely attend.

Creating welcoming spaces to gather as a community

Oakville's community centres provide important venues where residents can meet, work out and have fun. In September 2020, we added another one to the list: the Oakville Trafalgar Community Centre. Located on the former site of Oakville Trafalgar Memorial Hospital, this state-of-the-art facility features two separate pools, an NBA-size basketball court, a group fitness studio and the town's largest indoor walking track, as well as meeting rooms and a café in the lobby. Meanwhile, an adjoining 0.6 hectare neighbourhood park offers plenty of opportunities for outdoor activities.

Opened library services at Palermo and Sixteen Mile

Book lovers rejoice! To serve our growing community, Oakville Public Library (OPL) expanded its services to two new locations in 2019. In May, a new branch on the property of the Sixteen Mile Sports Complex opened its doors. The new facility offers reading spaces, laptops, a children's area and more, as well as plenty of room for drop-in youth programs. The following month, we established another OPL Express location. Now, residents in northwest Oakville can conveniently pick up and return library items at St. Luke's Community Centre in Palermo.

Expanding services with new, state-of-the-art fire station

In 2020, we improved services to residents in north Oakville with the opening of new Fire Station 8. Located near the intersection of Bronte Road and Pine Glen Road in Palermo, 10,000 square-foot LEED Silver certified facility accommodates two full fire crews and boasts several eco-friendly design features — including solar panels, low-flow plumbing and reduced air infiltration.



Did you know? The Facilities and Construction Management department has removed over \$4 million worth of physical barriers from town facilities in the past five years.





Accountable Government

Goal: Inspire public confidence through open, accountable and efficient delivery of government services to enhance our social environment

Every two years, we conduct a survey to find out if the town's leadership and service delivery hit the mark. In 2019, 81 per cent of Oakville residents surveyed expressed overall satisfaction with our municipal government. Meanwhile, 96 per cent said they were satisfied with our programs and services. Here's how we raised the bar even further in 2019/2020.

Streamlining Council meetings

In 2019, we simplified the Council meeting process. In the past, staff and public delegations first had to attend either the Administrative Services Committee meeting or the Community Services Committee meeting to present their case. Then they'd have to come back a second time to make a presentation to Council. Now, all matters go directly to Council, saving time and speeding up the decision-making process.

Launching the Camps Oakville tool

We've expanded our digital offerings by launching Camps Oakville: a new online tool that offers fast and easy access to summer camp information.



Now, parents and caregivers can conveniently search programs online by location, week, camp type and more at camps.oakville.ca. It's the latest addition to our suite of online services that already allow residents to report problems, register for recreational programs, get temporary on-street parking permits and more.

Making the permit process simpler

We're making it easier to navigate the town's permits, reviews and approvals processes — whether you're building a backyard pool, a subdivision or anything in between. We're creating clearer procedures, new phone and online options and a one-stop destination for homeowners and developers.

This became especially important in 2020, when COVID-19 made face-to-face interactions riskier. In response, we introduced comprehensive online options to electronically submit applications for building permits, site plans and other requirements,

allowing projects to move forward during the pandemic while protecting the health and safety of residents and employees. In 2021, through the town's Digital Oakville plan, key projects and activities will be rolled in the areas of Online Services, Partnerships and Data Management, Digital Infrastructure and Continuous Improvement.

Producing a new Strategic Asset Management Plan

Oakville's latest Strategic Asset Management Plan was approved in June 2021. This comprehensive document guides the town's decisions around building, operating, and maintaining our capital assets. Good asset management means making decisions based on the lowest long-term cost over the entire lifecycle of the asset and managing assets in a way that balances service levels, risk and costs in a sustainable manner.



Did you know? Established in 2018, Oakville's Municipal Development Corporation plays the role of "Master Developer" on behalf of the town. The stand-alone entity manages land and infrastructure investments, ensuring the development of any surplus municipal land we sell aligns with our broader planning objectives, maximizes financial returns and improves community well-being.



Stewarding your tax dollars

In December 2019 and December 2020, Town Council unanimously approved operating budgets for the year ahead, investing in the infrastructure and services that residents and businesses value and that ensure Oakville's long-term fiscal sustainability. In both years, the combined operating and capital budgets resulted in overall property tax increases in line with inflation.

In 2019, Town Council also approved of a mandatory four per cent Municipal Accommodation Tax. The four per cent fee will be applied to hotels, bed and breakfasts and other accommodations of less than 30 consecutive days, generating revenue to support important tourism-related infrastructure and initiatives.

Meanwhile, we continued to identify alternative financing options to fund new programs and to advocate for a fair share of federal and provincial infrastructure funding.

	2020 approved budget	2021 approved budget
Operating budget	\$345.5 million	\$348.3 million
Capital budget	\$119.4 million	\$80.9 million
Property tax increase	2% \$14.73 per \$100,000 of assessment (e.g., for the owner of a home assessed at \$800,000, that translates to an additional \$2.27 per week)	1.63% \$11.57 per \$100,000 of assessment (e.g., for the owner of a home assessed at \$800,000, that translates to an additional \$1.78 per week)

Protecting community members

Under current provincial legislation, municipalities have little input regarding location, zoning and licensing of cannabis stores. That's why the town decided in January 2019 not to allow privately operated cannabis retail stores in Oakville for the time being. Instead, we're taking a wait-and-see approach, reflecting what we've heard throughout our community.

We also approved a new tow truck licensing by-law in 2019 that ensures only licensed tow truck companies and vehicle storage yards operate in town. The by-law will also prevent companies from charging excessive fees for towing illegally parked vehicles, and it requires signage on lots where towing might occur.

Environment

Goal: Protect greenspace and promote environmentally sustainable practices.

As the effects of a changing climate intensify, the Town of Oakville is taking bold steps to reduce our carbon footprint and enhance our resiliency.

Responding to a climate emergency

Since 2005, the Town of Oakville has been implementing climate change policies and programs. This includes everything from putting energy-efficient LED bulbs in our streetlights to ensuring our facilities meet the highest environmental standards.

But we need to do more. That's why Council unanimously passed a motion in June 2019 declaring a climate emergency in Oakville to signal the importance of scaling up our efforts. With it, we've joined a growing number of municipalities around the world that are advancing low-carbon solutions. In 2020, we strengthened our commitment by laying the groundwork for the development of a corporate 'climate lens tool' that will ensure we integrate climate change impacts into all our decisions.

Showcasing climate action to the world

In November 2019, Oakville was selected as one of 25 Canadian "showcase" municipalities to participate in an intensive

pilot led by the Global Covenant of Mayors for Climate and Energy. Through the program, we received technical support, training and access to tools and resources to better respond to flooding, high winds and other extreme weather.

Greening our infrastructure

Trafalgar Park — home to the Trafalgar Community Centre and Fire Station 3 — has earned silver-level Leadership in Energy and Environmental Design (LEED) certification. This is Oakville's fifth municipal site to achieve this international mark of excellence. Both buildings include a number of planet-friendly features, such as energy-efficient lighting, on-site bicycle storage and a stormwater management system designed to capture and treat 90 per cent of rainfall runoff.

Meanwhile, Oakville is creating a community-wide network of electric vehicle (EV) charging stations. Oakville has one of the highest EV ownership rates per capita in Ontario.

However, “range anxiety” — the concern of where to find chargers — remains a key barrier for people to make the switch. Now, with support from \$220,000 in funding from the Government of Canada’s Zero Emission Vehicle Infrastructure Program, the town will have 46 new EV charging stations installed by the end of 2021.

Shrinking our energy footprint

In February 2020, Council unanimously endorsed Oakville’s Community Energy Strategy. This new plan is the culmination of a two-year collaboration between the town, Sheridan College and an energy task force that brought together leaders from local businesses, government, utilities, schools and community groups.

The plan targets homes and buildings, industrial efficiency, local supply and distribution, and transportation efficiency. It sets ambitious but achievable goals: to increase energy efficiency by at least 40 per cent, reduce greenhouse gas emissions by at least 50 per cent and return at least \$7 billion in cumulative energy cost savings to the community, all by 2041.

Boosting flood resiliency

More extreme rainfall is putting pressure on Oakville’s aging sewers and making flooding a serious concern. That’s where our Stormwater Master Plan — Be Rain Ready — comes in. In October 2019, Council finalized the plan, approving funding for three initial projects in older parts of town. To reduce the risk of basement flooding, we’ll be installing inlet control devices, increasing the inflow capacity of storm sewers, and improving grates to blockages.

Through the OakvilleReady pilot project, we also established “extreme weather resiliency hubs” in seven neighbourhoods, using faith-based organizations to support the community in extreme weather or other high-risk events. Meanwhile, to

guide how we manage the trees that absorb runoff, reduce erosion and help cool our town, we implemented our Urban Forest Strategic Master Plan. The 20-year plan covers everything from managing invasive pests to achieving a 40 per cent canopy cover south of Dundas by 2057.

Empowering community action

Households have a big role to play in shrinking Oakville’s carbon footprint. That’s why we’ve published key actions residents can take to cut the town’s emissions, from driving less to buying local and avoiding single-use plastics. In May 2019, we also hosted climateXchange. This series of free, family-friendly activities to boost climate awareness included tree-planting, a repair café and electric vehicle test drives.

Reopening South Shell Park

On August 1, 2020, South Shell Park reopened to the public following four weeks of construction work to enhance the safety of the seawall and restore and expand the shoreline. Now, residents and visitors can enjoy a new lookout area and benches, as well as formal beach access, pathways and stairs. A naturalization and tree planting plan is also being implemented to increase canopy cover, add shade and improve biodiversity and habitat for migratory birds. The upgrades reflect our ongoing commitment to investing in Oakville’s open and green spaces to create a livable Oakville for everyone to enjoy.

Mobility

Goal: Improve the town's multi-modal transportation network to support effective movement of people and goods.

Where to? As Oakville grows, so does the need to improve our transportation network, ensuring residents and visitors can get around easily, safely and sustainably. In 2019 and 2020, we invested in a number of infrastructure projects to help us meet Oakville's current and future transportation needs.

Leveraging historic investments in transit

In July 2020, we announced that we had secured the biggest investment in transit in the town's history — including \$22.1 million from the province and \$26.5 million through the federal Canada Infrastructure Plan. The Town of Oakville will contribute another \$17.7 million, allowing us to add 16 new electric buses to our fleet, replace 57 diesel buses over the next seven years with zero-emission battery-electric buses upgrade and acquire technology to improve the overall customer experience and efficiency of operations.

The funding will also enable Wi-Fi on more than 120 conventional and para-transit buses and support the development of a new app that lets people track their bus's location and arrival time. In addition, upgrades to hundreds of bus stops will ensure full accessibility for riders. As a result of the historic investment, Oakville

Transit will lower its operational costs, while shrinking the fleet's environmental footprint.

Improving traffic conditions and enhancing safety

In 2019, we wrapped up the environmental assessment for improvements to Wyecroft Road between Bronte Road and Kerr Street, moving the project ahead. These improvements will help meet the needs of our growing community over the next 20 years. They include providing safe and accessible infrastructure for pedestrians,



cyclists and public transit, as well as enhancing the flow of movement for trucks and general traffic.

The town is also finding ways to improve vehicle, bicycle and pedestrian accessibility and safety along Lakeshore Road West. Our staff and experts are considering a wide range of options, such as continuous sidewalks, multi-use paths, on-road bike lanes, separated turn lanes and improvements to pavement and drainage conditions. These options will be further examined in detail design to minimize trees and property impacts while providing continuous infrastructure for all users to enjoy the scenic character of Lakeshore Road.

We also initiated other traffic safety improvements, such as radar speed display signs in school zones and additional pedestrian crossovers, and we lowered speed limits adjacent to 23 active parks across town. We look forward to your feedback on these projects as we work together to make our streets safer.

Optimizing our fleet

From buses to waste collection trucks, the town operates and maintains a wide variety of vehicles. As Oakville grows, we need to ensure our fleet can effectively deliver municipal services across the community. In 2020, we completed a fleet utilization study to improve how we manage our existing assets, develop standards for selecting future vehicles and explore possible efficiencies from “green” mobility options and shared economy business models.

Keeping residents safe

Recent updates to the Highway Traffic Act allow municipalities to set speed limits below 50 kilometres per hour. In June 2019, the town teamed up with the West River Residents Association on a pilot project to test a Neighbourhood 40 kilometre per hour zone. Later that year,

Council approved a similar pilot project within the Heritage Way area.

Addressing parking issues

Beginning in June 2019, the town launched a two-year paid parking pilot in Bronte Village’s commercial shopping district. The goal is to promote turnover and ensure spaces come available more often for customers of the nearby businesses. Fees collected from the program will help fund future parking resources.

We also worked to alleviate downtown parking challenges during the reconstruction of Lakeshore Road. The town provided free parking in the area on Saturdays and Sundays, created additional spaces and offered the first hour of parking for free to Honk app users.

Meanwhile, to ensure we meet current and future needs of residents and businesses, we are undertaking a town-wide parking study.

Greening our network

Gasoline and diesel account for nearly half of the energy used in Oakville. That’s why investing in green transportation is so important.

Our community already benefits from roughly 200 kilometres of on-road and off-road cycling paths and over 240 kilometres of trails. In 2019 and 2020, Council approved several more capital projects through our Active Transportation Master Plan. These include bike lanes along Bristol Circle and Winston Park Boulevard, a four-metre-wide asphalt multi-use trail along the existing Crosstown Trail, a new bicycle shelter at the north transit hub and more.

Looking Ahead: 2021 Key Initiatives



Livability

Growth Management:

- Defend town's cultural heritage landscape designations, including Glen Abbey Golf Course
- Develop Midtown implementation strategy
- Complete OPA for Hospital District, Palermo growth area, Bronte GO MTSA, Midtown Oakville Uptown growth area, North Oakville East and West Secondary Plans conformity
- Lakeshore Road West EA
- Advocacy to expand the Greenbelt
- Represent the town's urban structure through the Region's Municipal Comprehensive Review

Studies and Reviews:

- Business licensing by-law review, including a new pay day loan category
- Parks by-law review and enforcement consolidation
- North Park – detailed design for recreational facilities and sports fields
- Issue RFP for a waterfront restaurant on the existing TOWARF site

Implementation:

- Create outdoor space at Glen Abbey Branch Library
- Proactive enforcement of unlicensed short-term rentals
- Fall 2021 rollout of Leafing App



Historic Glen Abbey property saved from redevelopment

On July 9, 2021, the town received great news that ClubLink has withdrawn its appeals to the Ontario Land Tribunal of applications to demolish the Glen Abbey Golf Course and replace it with a high-density residential development. Glen Abbey Golf Course has been an important part of Oakville's history for more than half a century. Today, it is one of the most famous courses in Canada and an iconic landmark in Oakville and the surrounding Glen Abbey community. Demolition of Glen Abbey would irreversibly remove its cultural heritage value. Heritage policy and legislation in Ontario was developed to prevent this from happening, particularly in cases such as Glen Abbey where the heritage value is so significant.

- 2021 Auto Mayors Action Plan
- Business stream pilot for non-residential building permits
- New registration system for recreation and senior programs
- New skatepark at Cornwall Park
- Rainbow crosswalks on Lakeshore Road in the three BIAs
- Acquisition of the former Trafalgar Reservoir for a new public park
- Additional pickleball courts, through expansion or conversion
- Relocate the basketball court from Valleybrook to Iroquois Ridge
- Increase litter pickup/maintenance in parks and on trails



Engaged Community

Growth Management:

- Advance the Official Plan Review

Studies and Reviews:

- North Park master plan and detailed design
- Parks & Open Space strategy
- Urban Mobility strategy
- Internal survey and external consultation re: Diversity & Inclusion
- New online property tax information



Accountable Government

Growth Management:

- Complete 10-year capital plan, including changes identified through library strategic update

Studies and Reviews:

- Fire master plan review
- Parks & Open Space strategy
- Urban Forest strategic management plan
- Private tree by-law review
- Harbours master plan
- Design the accommodation of TOWARF facilities in Bronte Harbour
- Community Benefits Charge strategy
- Development Charges By-law update
- Municipal Enforcement master plan
- Finalization of disposal of Brantwood Public School lands
- Digital Oakville 2021 Plan
- Work cooperatively with the province to establish a courthouse in Oakville

Implementation:

- Tax increase in line with inflation
- Online applications, permits and licenses for planning, development, building, parking and community-related permits
- New Council agenda management system
- Consolidation of by-laws with priority for those frequently used



Environment

Studies and Reviews:

- Develop climate action roadmap
- Renewable Energy Generation strategy
- Participate in Danish District Energy Feasibility study with the Consulate of Denmark in Toronto
- Initiate activities related to electrification of buses
- Explore a climate action lens for departments, including processes and performance measures
- Complete a climate change risk assessment on the town's infrastructure
- Explore with Conservation Halton and Halton Region initiating the implementation of the Glenorchy Management Plan and any interim steps to limit access to the preserve

Implementation:

- Establish Future Energy Oakville Office
- Formalize partnerships with community environmental organizations
- LED lighting conversion at select facilities
- Office lighting pilot at Townhall to test the functionality and benefits of a lighting system that learns from its environment
- Green Fleet infrastructure – shift to low carbon alternatives through fleet evergreening program
- Town-wide expansion of electric vehicle charging stations with 46 stations
- Begin Stormwater Master Plan implementation – install high capacity inlets



Mobility

Growth Management:

- Finalize agreements for Kerr St. and Burloak underpasses and begin utility relocation for Kerr St. grade separation
- Commence design of Khalsa Gate improvements
- Complete Phase 1 reconstruction of Sixth Line, north of Dundas Street

Studies and Reviews:

- Commence Chartwell Road grade separation study
- Complete West harbor and West River neighbourhood traffic studies
- Initiate a parking study for residential and commercial areas across the town
- Develop Neighborhood Traffic Safety Program

Implementation:

- Parking Management System for downtown commercial parking spaces
- Traffic Safety Program
- Road resurfacing program
- Pilot of Transit Ride Hailing app
- Add 30 km of active transportation infrastructure





Seating

Awards

2019/2020 awards and recognition

Oakville takes top spot for 2019 Culture Days celebration

- Oakville's celebration of arts and culture held September 27 to 29, 2019 was among the best Culture Days events in the country according to the Top Ten Cities and Towns listings released by the Culture Days non-profit organization. The town ranked first (tied with Richmond, B.C.) for communities with populations between 50,000 and 499,999 and took the fourth spot in the overall ranking of all participating communities across Canada.

Town of Oakville receives Excellence in Economic Development Awards

- The Town of Oakville received a 2020 Excellence in Economic Development award for its Downtown Mitigation Strategy from the Economic Developers Council of Ontario. The project has been recognized as a best practice example for construction mitigation projects and has been showcased nationally at industry conferences.

Parks and rec get recognition

- In 2019, Oakville attracted plenty of kudos from Parks and Recreation Ontario. Trafalgar Park Community Centre earned an honourable mention in the Awards of Excellence category, while Anna Rookyard — Event Program Coordinator with the Town's Recreation and Culture Department — took home the year's Emerging Leader Award.





Financial section

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Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements of The Corporation of the Town of Oakville (the "Town") are the responsibility of the Town's management and have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards. A summary of the significant accounting policies are described in Note 1 to the consolidated 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 consolidated financial statements. These systems are monitored and evaluated by management.

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

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



Nancy Sully
Commissioner, Corporate Services and
Treasurer



Jonathan van der Heiden
Deputy Treasurer and
Director of Finance

May 25, 2021



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INDEPENDENT AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers of The Corporation of the Town of Oakville

Opinion

We have audited the accompanying financial statements of The Corporation of the Town of Oakville (the "Entity"), which comprise:

- the consolidated statement of financial position as at December 31, 2020,
- the consolidated statement of operations for the year ended,
- the consolidated statement of change in net financial assets for the year then ended,
- the consolidated statement of cash flows for the year then ended,
- and notes, including a summary of significant accounting policies and other explanatory information.

(Hereinafter referred to as the "financial statements")

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2020, and its consolidated results of operations, its consolidated changes in net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "Auditors' Responsibilities for the Audit of the Financial Statements" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity'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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusion is based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants
Hamilton, Ontario, May 25, 2021

Consolidated Statement of Financial Position

December 31, 2020, with comparative information for 2019 (In thousands of dollars)

	2020	2019
Financial assets		
Cash	\$ 56,797	\$ 56,066
Accounts receivable (note 2):		
Taxes receivable	33,462	21,461
Other	44,369	30,125
Investments (note 3)	427,352	386,878
Investment in Municipal Development Corporation (note 4)	(253)	76
Investment in Oakville Enterprises Corporation (note 5)	241,410	228,187
	<u>803,137</u>	<u>722,793</u>
Liabilities		
Accounts payable and accrued liabilities	35,048	47,162
Other current liabilities	30,679	26,763
Deferred revenue – obligatory reserve funds (note 6)	173,488	137,003
Deferred revenue (note 7)	39,499	41,168
Long-term liabilities (note 8)	107,782	109,562
Contaminated sites (note 9)	347	334
Post-employment benefit liability (note 10(b))	32,637	32,369
WSIB liability (note 10(c))	4,262	3,908
	<u>423,742</u>	<u>398,269</u>
Net financial assets	379,395	324,524
Non-financial assets		
Tangible capital assets (note 11)	1,829,705	1,753,801
Prepaid expenses and inventory	4,306	3,940
	<u>1,834,011</u>	<u>1,757,741</u>
Contingent liabilities and guarantees (note 15)		
Accumulated surplus (note 12)	<u>\$ 2,213,406</u>	<u>\$ 2,082,265</u>

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

Consolidated Statement of Operations

Year ended December 31, 2020, with comparative information for 2019
(In thousands of dollars)

	Budget (note 18)	2020	2019
Revenue:			
Taxation revenue	\$ 214,369	\$ 215,507	\$ 208,181
User fees and charges (note 13)	60,063	39,908	58,164
Government transfers:			
Government of Canada (note 16)	297	890	956
Province of Ontario (note 16)	471	8,272	826
Gas tax revenue (note 16)	18,953	5,097	7,558
Other Municipalities	4,080	12,554	9,211
Investment income	11,925	9,152	9,529
Revaluation Gain on Hydro Lease (note 5 (a))	-	8,409	875
Interest on promissory notes from Oakville			
Enterprises Corporation (note 5 (b))	4,622	4,622	4,622
Penalties and interest	3,000	1,074	3,756
Developer contributions and charges earned	27,147	93,474	78,486
Other	6,447	937	1,185
Equity in income of Municipal			
Development Corporation (note 4)	-	(329)	(324)
Equity in income of Oakville Enterprises Corporation (note 5)	6,100	11,504	9,412
Total revenue (note 17)	357,474	411,071	392,437
Expenses:			
General government	32,330	36,779	45,756
Protection to persons and property	47,949	50,590	47,829
Transportation services	58,511	92,354	93,510
Environmental services	1,557	10,077	9,480
Health services	3,931	4,041	3,916
Recreation and cultural services	63,466	66,577	80,857
Planning and development	19,333	19,512	23,801
Total expenses (note 17)	227,077	279,930	305,149
Annual surplus	130,397	131,141	87,288
Accumulated surplus, beginning of year	2,082,265	2,082,265	1,994,977
Accumulated surplus, end of year (note 12)	\$ 2,212,662	\$ 2,213,406	\$ 2,082,265

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

Consolidated Statement of Change in Net Financial Assets

Year ended December 31, 2020, with comparative information for 2019
(In thousands of dollars)

	Budget (note 18)	2020	2019
Annual surplus	\$ 130,397	\$ 131,141	\$ 87,288
Acquisition of tangible capital assets	-	(124,789)	(125,874)
Amortization of tangible capital assets	-	48,232	42,968
(Gain) loss on disposal of assets	-	(3,891)	4,215
Proceeds of disposition on tangible capital assets	-	4,544	536
	130,397	55,237	9,133
Acquisition of prepaid expenses and inventory	-	(4,306)	(3,940)
Use of prepaid expenses and consumption of inventory	-	3,940	3,946
	-	(366)	6
Change in net financial assets	130,397	54,871	9,139
Net financial assets, beginning of year	324,524	324,524	315,385
Net financial assets, end of year	\$ 454,921	\$ 379,395	\$ 324,524

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

Consolidated Statement of Cash Flows

Year ended December 31, 2020, with comparative information for 2019
(In thousands of dollars)

	2020	2019
Cash provided by (used in):		
Operating Activities:		
Annual surplus	\$ 131,141	\$ 87,288
Items not involving cash:		
Amortization of tangible capital assets	48,232	42,968
(Gain) loss on disposal of assets	(3,891)	4,215
Developer contributions of tangible capital assets	(60,825)	(44,617)
Change in contaminated sites liability	13	(282)
Change in post-employment benefit liability	268	1,803
Change in WSIB liability	354	1,265
Equity in income of Municipal Development Corporation	329	324
Equity in income of Oakville Enterprises Corporation	(11,504)	(9,412)
Gain on revaluation of Oakville Enterprises Corporation direct financing lease	(8,409)	(875)
Change in non-cash assets and liabilities:		
Taxes receivable	(12,001)	(1,693)
Other accounts receivable	(14,244)	2,398
Accounts payable and accrued liabilities	(12,114)	1,686
Other current liabilities	3,916	73
Deferred revenue – obligatory reserve funds	36,485	36,640
Deferred revenue	(1,669)	3,302
Prepaid expenses and inventory	(366)	6
Net change in cash from operating activities	95,715	125,089
Capital Activities:		
Cash used to acquire tangible capital assets	(63,964)	(81,257)
Proceeds of disposition on tangible capital assets	4,544	536
Net change in cash from capital activities	(59,420)	(80,721)
Investing Activities:		
Net change in investments	(40,474)	1,343
Increase in shareholder loan to Municipal Development Corporation	-	(400)
Repayment of direct financing lease receivable from Oakville Enterprises Corporation	590	594
Dividend from Oakville Enterprises Corporation	6,100	6,100
Net change in cash from investing activities	(33,784)	7,637
Financing Activities:		
Debt issued	6,678	-
Debt principal repayment	(8,458)	(8,226)
Net change in cash from financing activities	(1,780)	(8,226)
Net change in cash	731	43,779
Cash, beginning of year	56,066	12,287
Cash, end of year	\$ 56,797	\$ 56,066

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

Notes to Consolidated Financial Statements

Year ended December 31, 2020, with comparative information for 2019
(In thousands of dollars)

The Corporation of the Town of Oakville (the “Town”) is a municipality that provides municipal services such as fire, public works, planning, parks and recreation, library and other general government operations.

1. Significant accounting policies:

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

(a) Basis of consolidation:

(i) Consolidated entities

The consolidated financial statements reflect the assets, liabilities, revenues and expenses of the reporting entity. The reporting entity is comprised of all organizations, committees and local boards accountable for the administration of their financial affairs and resources to the Town and which are owned or controlled by the Town except for the Town’s government business enterprises (Oakville Municipal Development Corporation and Oakville Enterprises Corporation).

These entities and organizations include:

- The Oakville Public Library Board
- Downtown Oakville Business Improvement Area
- Bronte Business Improvement Area
- Kerr Village Business Improvement Area

Interdepartmental and inter-organizational transactions and balances between these entities and organizations have been eliminated.

(ii) Oakville Municipal Development Corporation

The Town’s investment in Oakville Municipal Development Corporation (“MDC”) is accounted for on a modified equity basis, consistent with Canadian public sector accounting standards as recommended by PSAB for government business enterprises. Under the modified equity basis, MDC’s accounting policies are not adjusted to conform with those of the Town and inter-organizational transactions and balances are not eliminated. The Town recognizes its equity interest in the annual income or loss of MDC in its consolidated statement of operations with a corresponding increase or decrease in its investment asset account. Any dividends that the Town may receive from MDC will be reflected as reductions in the investment asset account.

Notes to Consolidated Financial Statements

Year ended December 31, 2020 (In thousands of dollars)

1. Significant accounting policies (continued):

(a) Basis of consolidation (continued):

(iii) Investment in Oakville Enterprises Corporation

The Town's investment in Oakville Enterprises Corporation ("OEC") is accounted for on a modified equity basis, consistent with Canadian public sector accounting standards as recommended by PSAB for government business enterprises. Under the modified equity basis, OEC accounting policies are not adjusted to conform with those of the Town and inter-organizational transactions and balances are not eliminated. The Town recognizes its equity interest in the annual income or loss of OEC in its consolidated statement of operations with a corresponding increase or decrease in its investment asset account. Any dividends that the Town may receive from OEC will be reflected as reductions in the investment asset account.

(iv) Accounting for Region and School Board transactions

The taxation, other revenues, expenses, assets and liabilities with respect to the operations of Halton Region and the school boards are not reflected in these consolidated financial statements.

(v) Trust funds

Trust funds and their related operations administered by the Town are not included in these consolidated financial statements.

(b) Basis of accounting:

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

(c) Government transfers:

Government transfers are recognized as revenue in the financial statements when the transfer is authorized, any eligibility criteria are met and a reasonable estimate of the amount can be made except when, and to the extent that, stipulations by the transferor give rise to an obligation that meet the definition of a liability. Government transfers that meet the definition of a liability are recognized as revenue as the liability is extinguished.

(d) Deferred revenue – obligatory reserve funds:

Deferred revenue – obligatory reserve funds represents development charge contributions, payments in lieu of parkland and gas tax, levied or received under the authority of federal and provincial legislation and Town by-laws. These amounts have been collected but the related services have yet to be performed. These amounts will be recognized as revenue in the fiscal year the services are performed.

Notes to Consolidated Financial Statements

Year ended December 31, 2020 (In thousands of dollars)

1. Significant accounting policies (continued):

(e) Deferred revenue:

Deferred revenue represents licenses, permits, grants and other fees which have been collected, but for which the related services or inspections have yet to be performed. These amounts will be recognized as revenue in the fiscal year the services are performed.

(f) Investment income:

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

(g) Taxation revenue:

Taxes receivable and tax revenue are recognized when they meet the definition of an asset, the tax is authorized, and the taxable event has occurred.

(h) User fees:

User fees are recognized as revenue when the service is performed.

(i) Investments:

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

(j) Net investment in direct financing leases receivable:

Investment income related to the Town's net investment in direct financing leases is recognized in a manner that produces a constant rate of return on investment. The investment in the leases is composed of net minimum remaining lease payments net of unearned investment income.

(k) Post-employment benefits:

(i) The Town provides certain employee benefits which will require funding in future periods. These benefits include long-term disability benefits under the Workplace Safety and Insurance Board ("WSIB") Act, and extended health and dental benefits for early retirees.

The costs of long-term disability, benefits under the Workplace Safety and Insurance Board Act and extended health and dental benefits are actuarially determined using management's best estimate of salary escalation, earned days accumulated for certain employees payable at retirement, health care cost trends, long term inflation rates and discount rates.

Notes to Consolidated Financial Statements

Year ended December 31, 2020 (In thousands of dollars)

1. Significant accounting policies (continued):

(k) Post-employment benefits (continued):

For self-insured retirement and other employee future benefits that vest or accumulate over the periods of service provided by employees, such as service payments and health and dental benefits for retirees, the cost is actuarially determined using the projected benefits method prorated on service. Under this method, the benefit costs are recognized over the expected average service life of the employee group. Any actuarial gains and losses related to the past service of employees are amortized over the expected average remaining service life of the employee group.

For those self-insured benefit obligations that arise from specific events that occur from time to time, such as obligations for workers' compensation and life insurance and health care benefits for those on disability leave, the cost is recognized immediately in the period the events occur. Any actuarial gains and losses that are related to these benefits are recognized immediately in the period they arise.

(ii) The costs of multi-employer defined benefit pension plan benefits, such as the Ontario Municipal Employees Retirement System ("OMERS") pensions, are the employer's contributions due to the plan in the period. OMERS has been accounted for as a defined contribution plan since it is a multi-employer plan.

(l) Non-financial assets:

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

(i) Tangible capital assets:

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

Asset	Useful Life - Years
Land improvements	3 - 100
Buildings	10 - 75
Equipment	3 - 19
Vehicles	3 - 18
Roads Network	10 - 100
Environmental Network	10 - 100
Communications and Technology Services	3 - 8

Annual amortization is charged in the year of acquisition and in the year of disposal. Work-in-progress assets are not amortized until the asset is available for productive use.

Notes to Consolidated Financial Statements

Year ended December 31, 2020 (In thousands of dollars)

1. Significant accounting policies (continued):

(l) Non-Financial assets (continued):

(ii) Contributions of tangible capital assets:

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and recognized as revenue.

(iii) Natural resources:

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

(iv) Works of art and cultural and historic assets:

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

(v) Interest capitalization:

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

(vi) Leased tangible capital assets:

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

(vii) Inventories of supplies:

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

(m) Sinking funds:

Sinking funds and their related operations are administered by Halton Region and, as such, are not included in these consolidated financial statements.

Notes to Consolidated Financial Statements

Year ended December 31, 2020 (In thousands of dollars)

1. Significant accounting policies (continued):

(n) Contaminated sites:

Contamination is 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. The liability is estimated based upon information that is available when the financial statements are prepared. It is based upon the costs directly attributable to the remediation activities required using a present value measurement technique. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when all the following criteria are met:

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

(o) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Significant estimates include assumptions used in estimating provisions for accrued liabilities and the contaminated sites liability and in performing actuarial valuations of post-employment benefits liability and WSIB liability.

In addition, the Town's implementation of the Public Sector Accounting Handbook PS3150 has required management to make estimates of historical cost and useful lives of tangible capital assets.

Actual results could differ from these estimates.

2. Accounts receivable:

Taxes receivable are reported net of a valuation allowance of \$2,815 (2019 - \$2,815). There is also a valuation allowance for general accounts receivable of \$90 (2019 - \$57).

3. Investments:

Investments reported on the consolidated statement of financial position have market values of \$456,864 (2019 - \$395,372).

Notes to Consolidated Financial Statements

Year ended December 31, 2020 (In thousands of dollars)

4. Investment in Oakville Municipal Development Corporation:

Oakville Municipal Development Corporation (“MDC”) is owned and controlled by the Town and as a government business enterprise is accounted for on the modified equity basis in these consolidated financial statements. MDC serves to develop properties within the boundaries of the Town.

The following tables provide condensed supplementary consolidated financial information for MDC for the year ended December 31:

Financial Position:

	2020	2019
Assets:		
Current	\$ 73	\$ 91
Total assets	\$ 73	\$ 91
Liabilities:		
Current	\$ 326	\$ 15
Shareholder loan	700	700
Total liabilities	1,026	715
Equity:		
Deficit	(953)	(624)
Total liabilities and equity	\$ 73	\$ 91

Operations:

	2020	2019
Revenue	\$ -	\$ -
Expenses (including income tax provision)	(329)	(324)
Net income and change in equity	\$ (329)	(324)
Town of Oakville investment represented by:		
Shareholder loan	\$ 700	\$ 700
Accumulated net income, net of dividends received	(953)	(624)
Total investments in MDC	\$ (253)	\$ 76

Notes to Consolidated Financial Statements

Year ended December 31, 2020 (In thousands of dollars)

4. Investment in Oakville Municipal Development Corporation (continued):

The Town has provided a shareholder loan to MDC. This shareholder loan is non-interest bearing, has no fixed terms or repayment date and is due upon demand.

(a) Related party transaction and balances:

The following summarizes the Town's related party transactions and balances with MDC for the years ended December 31:

	2020	2019
Balances:		
Amounts due from MDC		
Accounts receivable	\$ 305	\$ 1

This balance is non-interest bearing and carries no fixed terms of repayment.

Subsequent to year-end, the Town authorized the provision of an additional \$500 loan the MDC, for which payment terms have not yet been determined.

5. Investment in Oakville Enterprises Corporation:

Oakville Enterprises Corporation and its wholly owned subsidiaries (collectively "OEC") is owned and controlled by the Town and as a government business enterprise is accounted for on the modified equity basis in these consolidated financial statements. OEC serves as the electrical distribution utility for Oakville's residents and businesses. Other activities of OEC, and its subsidiaries, are to provide energy services, energy efficient home comfort equipment and services, billing services, street lighting maintenance services, retro-fit multi-residential buildings to individually metered units and utility related construction and power generation.

Notes to Consolidated Financial Statements

Year ended December 31, 2020 (In thousands of dollars)

5. Investment in Oakville Enterprises Corporation (continued):

The following tables provide condensed supplementary consolidated financial information for OEC and its subsidiaries for the year ended December 31:

Financial Position:

	2020	2019
Assets:		
Current	\$ 97,678	\$ 95,891
Capital	363,984	337,166
Regulatory balances	8,190	7,522
Total assets and regulatory balances	\$ 469,852	\$ 440,579
Liabilities:		
Current	\$ 78,769	\$ 75,913
Capital lease obligations	20,265	12,640
Promissory notes payable to Town of Oakville	77,029	77,029
Long-term debt	54,739	55,318
Other	81,200	67,562
Regulatory balances	11,109	10,780
Total liabilities and regulatory balances	\$ 323,111	299,242
Equity:		
Share capital	\$ 63,024	\$ 63,024
Retained earnings	86,819	81,001
Accumulated other comprehensive income	(3,102)	(2,688)
Total equity	146,741	141,337
Total liabilities, regulatory balances and equity	\$ 469,852	\$ 440,579

Operations:

	2020	2019
Revenue	\$ 398,691	\$ 350,513
Expenses (including income tax provision)	(387,112)	(341,320)
Net movement in regulatory balances (net of tax)	339	966
Net income and net movement in regulatory balances	11,918	10,159
Other comprehensive loss	(414)	(747)
Change in equity	11,504	9,412
Dividend paid to Town of Oakville	(6,100)	(6,100)
	5,404	3,312
Direct financing lease receivable repayment	(590)	(594)
Revaluation of direct financing lease	8,409	875
Change in investment in Oakville Enterprises Corporation	\$ 13,223	\$ 3,593

Notes to Consolidated Financial Statements

Year ended December 31, 2020 (In thousands of dollars)

5. Investment in Oakville Enterprises Corporation (continued):

Town of Oakville investment represented by:

	2020	2019
Direct financing leases receivable – note 5 (a)	\$ 17,640	\$ 9,821
Promissory notes receivable – note 5 (b)	77,029	77,029
Investment in shares of OEC	63,024	63,024
Accumulated net income, net of dividends received	83,717	78,313
Total investment in Oakville Enterprises Corporation	\$ 241,410	\$ 228,187

(a) Net investment in direct financing receivable:

The Town has provided direct financing leases to OEC for the municipal property known as 861 Redwood Square. The lease was renegotiated in 2020 and the corresponding change in value has been reflected as a gain. The lease expires in December of 2039.

Minimum payments under these lease agreements are as follows:

2021	\$ 1,498
2022	1,498
2023	1,566
2024	1,498
2025	1,498
Thereafter	20,979
	28,537
Less amount representing interest, imputed at 5.54%	(10,897)
	\$ 17,640

(b) Promissory notes:

The Corporation issued promissory notes to the Town, effective February 1, 2020, with principal repayment due on February 1, 2030. The Town has the option on one year's prior written notice to the Corporation to revise the maturity date and any of the terms of the promissory notes. At December 31, 2020, the interest rate in effect on the promissory notes was 6% (2019 - blended rate equivalent to 6%). Interest revenue earned from these notes totaled \$4,622 (2019 – \$4,622).

Notes to Consolidated Financial Statements

Year ended December 31, 2020 (In thousands of dollars)

5. Investment in Oakville Enterprises Corporation (continued):

(c) Related party transaction and balances:

The following summarizes the Town's related party transactions and balances with OEC for the years ended December 31:

	2020	2019
Transactions:		
Revenue:		
Interest on promissory notes	\$ 4,622	\$ 4,622
Interest on direct financing leases	910	874
Garage services	333	313
Property taxes	549	507
Tree trimming services	323	363
Other	43	72
Expenses:		
Energy purchases (at commercial rates)	7,425	7,257
Construction/locating	2,070	1,900
Streetlight conversion and maintenance	211	819
Rent	147	147
Balances:		
Amounts due from OEC:		
Promissory note receivable	77,029	77,029
Direct financing leases receivables	17,640	9,821
Interest on promissory note	4,622	4,622
Accounts receivable	61	77
Amounts due to OEC:		
Accounts payable and accrued liabilities	973	513
Capital lease	1,403	-

(d) Contingencies and guarantees of Oakville Enterprises Corporation:

Short term credit facilities disclosed in their financial statements

The Corporation has an uncommitted line of credit facility available for \$37,500. As at December 31, 2020, no amount was drawn on this facility.

In 2020, the Corporation negotiated access to an additional \$25,000 credit facility secured during the pandemic as a mitigation against potential depletion of cash reserves. The temporary facility expires July 31, 2021. As at December 31, 2020, \$nil had been drawn under the Corporation's temporary credit facility.

The Corporation has a letter of credit facility available of \$16,000, of which \$14,921 has been assigned to secure its primary source of electricity as required by the Independent Electricity System Operator ("IESO") Settlements Manual.

Notes to Consolidated Financial Statements

Year ended December 31, 2020 (In thousands of dollars)

6. Deferred revenue – obligatory reserve funds:

The deferred revenue – obligatory reserve funds, reported on the consolidated statement of financial position, are made up of the following:

	2020				2019	
	Development Charges	Parkland	Gas Tax	Commuter Cycling	Total	Total
Balance, beginning of year	\$ 80,473	\$ 35,596	\$ 20,270	\$ 664	\$ 137,003	\$ 100,363
Developer and other contributions	48,705	10,841	-	-	59,546	61,502
Interest earned	2,043	971	496	14	3,524	3,424
Provincial and Federal funding	-	-	10,702	-	10,702	12,478
	50,748	11,812	11,198	14	73,772	77,404
Less:						
Contributions used in operating and capital funds	30,295	1,831	5,096	65	37,287	40,764
Balance, end of year	\$ 100,926	\$ 45,577	\$ 26,372	\$ 613	\$ 173,488	\$ 137,003

7. Deferred revenue:

The deferred revenue, reported on the consolidated statement of financial position, is made up of the following:

	2020			2019	
	Deferred revenues capital	Pre-authorized payments	Deferred tax revenues operations	Total	Total
Balance, beginning of year	\$ 4,740	\$ 19,321	\$ 17,107	\$ 41,168	\$ 37,866
Development Fees	1,605	-	15,505	17,110	14,313
User fees	-	-	10,304	10,304	18,734
Other	-	19,128	-	19,128	19,321
	1,605	19,128	25,809	46,542	52,368
Less:					
Amounts recognized as revenue	1,758	19,321	27,132	48,211	49,066
Balance, end of year	\$ 4,587	\$ 19,128	\$ 15,784	\$ 39,499	\$ 41,168

Notes to Consolidated Financial Statements

Year ended December 31, 2020 (In thousands of dollars)

8. Long-term liabilities:

- (a) The balance of long-term liabilities reported on the consolidated statement of financial position is made up of the following:

	2020	2019
The Town has assumed responsibility for the payment of the principal and interest charges on certain long-term serial debentures issued by Halton Region on behalf of the Town. Maturity dates vary from 2021 to 2030 and interest rates range from 0.65% to 4.35%.	\$ 19,807	\$ 20,713
The Town has assumed responsibility for the payment of the principal and interest charges on certain long-term liabilities issued by Halton Region under the Ontario Strategic Infrastructure Financing Authority (OSIFA) for Pine Glen. This debt is being recovered from the Oakville Soccer Club. The debt matures in 2030 and the interest rate is 4.80%	5,654	6,114
The Town has assumed responsibility for the payment of annual sinking fund deposits on long-term debentures issued by Halton Region on behalf of the Town with a maturity date of April 6, 2045. Annual sinking fund deposit requirements are \$1,816. The interest rate on the debentures is 3.15% and is payable in semi-annual instalments of \$1,418. The Town's share of the interest earned to date on the sinking fund deposits held by the Region are \$938.	80,918	82,735
The Town has entered into a capital lease agreement for the provision of a Geothermal Energy System at one of the Town's community centers. The agreement is with OEC Geo-Exchange Inc., a subsidiary of Oakville Enterprises Corporation. The agreement calls for quarterly payments of \$26, has an implicit interest rate of 1.90%, and expires in 2029.		
The corresponding asset and accumulated amortization are included in Note 11.	1,403	-
	\$ 107,782	\$ 109,562

Notes to Consolidated Financial Statements

Year ended December 31, 2020 (In thousands of dollars)

8. Long-term liabilities (continued):

(b) Principal repayments due over the next five years and thereafter are as follows:

2021	\$	8,367
2022		4,437
2023		4,502
2024		4,290
2025		4,359
Thereafter		81,827
		<u>\$ 107,782</u>

The principal repayments include the annual sinking fund deposit requirement of \$1,816.

- (c) The long-term liabilities in (a) issued in the name of the Town have been approved by by-law. The annual principal and interest payments required to service these liabilities are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing.
- (d) Total interest on long-term liabilities which are reported on the consolidated statement of operations amounted to \$3,671 (2019 – \$3,877). The long-term liabilities bear interest at rates ranging from 0.65% to 4.80% (2019 – 1.60% - 4.80%).
- (e) The balance of long-term liabilities reported on the consolidated statement of financial position is funded from the following sources:

	2020	2019
Tax levy supported	\$ 96,960	\$ 94,162
Development supported	3,842	7,552
Oakville Soccer Club	5,654	6,114
Harbours supported	1,326	1,734
	<u>\$ 107,782</u>	<u>\$ 109,562</u>

9. Contaminated sites:

- (a) The Town has recognized a liability of \$347 (2019 - \$334) for remediation of various contaminated sites for which the Town has assumed responsibility from other organizations.
- (b) The future remediation costs and any post-remediation costs have an estimated undiscounted cost of \$368 and have been present valued using a discount rate of 2.50%. Estimates for these costs are based upon quotes provided by experts, the Town's history with similar remediation efforts and/or management's best estimates.
- (c) The amount of estimated recoveries is \$nil (2019 - \$nil).

Notes to Consolidated Financial Statements

Year ended December 31, 2020 (In thousands of dollars)

10. Employment benefits and other liabilities:

(a) Post-employment benefit liability:

The Town pays extended health and dental benefits for early retirees to age 65 as well as for inactive employees. The Town recognizes these post-employment costs in the period in which the employees rendered the services. The accrued benefit liability and the expense for the 12 months ended December 31, 2020 were determined by an actuarial valuation as at December 31, 2020.

(b) Post-employment benefit liability (continued):

The main actuarial assumptions employed for the valuations are as follows:

(i) Interest (discount rate):

The obligation as at December 31, 2020, of the present value of future liabilities, and the expense for the 12 months ended December 31, 2020, were determined using a discount rate of 2.50% (2019 – 3.00%).

(ii) Medical costs:

Medical costs were assumed to increase at the rate of 6.5% (2019 – 6.5%) in the first year after the valuation date, reducing linearly to 4.0% after 8 years.

(iii) Dental costs:

Dental costs were assumed to increase at the rate of 4.0% per year.

Information about the Town's post-employment benefit liability is as follows:

	2020	2019
Accrued benefit obligation, beginning of year	\$ 21,890	\$ 30,764
Current service costs	1,089	1,518
Actuarial loss (gain)	1,168	(10,662)
Interest on accrued benefit obligation	822	1,165
Benefits paid during the period	(839)	(895)
Accrued benefit obligation, end of year	24,130	21,890
Unamortized actuarial gain	8,507	10,479
Accrued benefit liability, end of year	\$ 32,637	\$ 32,369

Included in current year costs is \$804 (2019 - \$15) for amortization of the actuarial loss. The unamortized actuarial gain is amortized over the expected average remaining service life of the employee group which ranges between 12.3 to 13.0 years.

Notes to Consolidated Financial Statements

Year ended December 31, 2020 (In thousands of dollars)

10. Employment benefits and other liabilities (continued):

(c) WSIB:

With respect to responsibilities under provisions of the Workplace Safety and Insurance Board (“WSIB”) Act the Town has elected to be treated as a Schedule 2 employer and remits payments to the WSIB as required to fund disability payments. An actuarial estimate of future liabilities has been completed and forms the basis for the estimated liability reported in these financial statements. The most recent actuarial valuation was performed as at December 31, 2019, which includes an estimation of expected costs and payments for 2020, 2021 and 2022, as well as a calculation of the actuarial updates to December 31, 2020, 2021 and 2022.

The main actuarial assumptions employed for the valuation are as follows:

(i) Interest (discount rate):

The obligation as at December 31, 2020, of the present value of future liabilities, and the expense for the 12 months ended December 31, 2020, were determined using a discount rate of 3.50% (2019 - 3.50%).

(ii) Administration costs:

Administration costs were assumed to be 28% (2019 - 28%) of the compensation expense.

(iii) Compensation expense:

Compensation costs, which include loss of earnings benefits, health care costs and non-economic loss awards, were assumed to increase at rates ranging from (0.25)% to 1.75% (2019 - (0.25%) - 1.75%) depending on the benefit type.

Information about the Town’s WSIB liability is as follows:

	2020	2019
Accrued WSIB obligation, beginning of year	\$ 5,933	\$ 2,965
Actuarial loss	-	1,644
Current service costs	723	1,570
Interest on accrued benefit obligation	209	112
Benefits paid during the period	(657)	(358)
Accrued WSIB obligation, end of year	6,208	5,933
Unamortized actuarial loss	(1,946)	(2,025)
Accrued WSIB liability, end of year	\$ 4,262	\$ 3,908

Included in current service costs is \$80 (2019 - \$58) for amortization of the actuarial gain. The unamortized actuarial loss on future payments required to WSIB is amortized over the expected period of the liability which is 12 years.

Notes to Consolidated Financial Statements

Year ended December 31, 2020 (In thousands of dollars)

10. Employment benefits and other liabilities (continued):

(d) Other pension plans:

The Town makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of 1,340 members of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. OMERS is reporting a funding deficit of \$3,200,000 (2019 - \$3,400,000) in 2020.

Contributions for employees with a normal retirement age of 65 were being made at a rate of 9.0% for earnings up to the yearly maximum pensionable earnings of \$58.7 and at a rate of 14.6% for earnings greater than the yearly maximum pensionable earnings.

The amount contributed to OMERS by the Town of Oakville for 2020 was \$11,638 (2019 - \$11,977). Employee contributions to OMERS for 2020 totaled \$11,638 (2019 - \$11,977).

Notes to Consolidated Financial Statements

Year ended December 31, 2020 (In thousands of dollars)

11. Tangible capital assets

	2020									
	Land	Land Improve- ments	Buildings	Equipment	Vehicles	Roads Network	Environ- mental Network	Comm & Tech Services	Work in Progress	Total
Asset Cost										
Balance, beginning of year	\$782,375	\$270,488	\$343,947	\$36,157	\$89,680	\$589,343	\$329,033	\$32,584	\$58,158	\$2,531,765
Add: Additions during the year	39,972	9,942	49,602	7,240	2,753	20,372	14,703	2,665	63,621	210,870
Less: Disposals during the year	(350)	(2,130)	(420)	(2,187)	(3,627)	(916)	-	(204)	(86,081)	(95,915)
Balance, end of year	821,997	278,300	393,129	41,210	88,806	608,799	343,736	35,045	35,698	2,646,720
Accumulated Amortization										
Balance, beginning of year	-	205,764	112,094	17,868	47,741	275,117	99,178	20,202	-	777,964
Add: Amortization	-	6,190	7,960	3,210	7,193	15,071	4,886	3,722	-	48,232
Less: Accumulated amortization on disposals	-	(2,054)	(417)	(2,156)	(3,622)	(728)	-	(204)	-	(9,181)
Balance, end of year	-	209,900	119,637	18,922	51,312	289,460	104,064	23,720	-	817,015
Net book value, end of year	\$821,997	\$ 68,400	\$273,492	\$22,288	\$37,494	\$319,339	\$239,672	\$11,325	\$35,698	\$1,829,705

Notes to Consolidated Financial Statements

Year ended December 31, 2020 (In thousands of dollars)

11. Tangible capital assets (continued):

	2019									
	Land	Land Improve- ments	Buildings	Equipment	Vehicles	Roads Network	Environ- mental Network	Comm & Tech Services	Work in Progress	Total
Asset Cost										
Balance, beginning of year	\$758,831	\$263,171	\$341,693	\$34,288	\$84,847	\$598,840	\$310,223	\$32,685	\$32,701	\$2,457,279
Add: Additions during the year	23,651	8,922	2,962	4,441	9,749	27,376	20,061	3,255	81,013	181,430
Less: Disposals during the year	(107)	(1,605)	(708)	(2,572)	(4,916)	(36,873)	1,251	(3,356)	(55,556)	(106,944)
Balance, end of year	782,375	270,488	343,947	36,157	89,680	589,343	329,033	32,584	58,158	2,531,765
Accumulated Amortization										
Balance, beginning of year	-	201,446	106,167	17,286	45,341	296,808	94,822	19,763	-	781,633
Add: Amortization	-	5,740	6,548	3,108	7,188	11,925	4,664	3,795	-	42,968
Less: Accumulated amortization on disposals	-	(1,422)	(621)	(2,526)	4,788)	(33,616)	(308)	(3,356)	-	(46,637)
Balance, end of year	-	205,764	112,094	17,868	47,741	275,117	99,178	20,202	-	777,964
Net book value, end of year	\$782,375	\$ 64,724	\$231,853	\$18,289	\$41,939	\$314,226	\$229,855	\$12,382	\$58,158	\$1,753,801

Notes to Consolidated Financial Statements

Year ended December 31, 2020 (In thousands of dollars)

11. Tangible capital assets (continued):

(a) Work-in-process assets:

Work-in-process assets having a value of \$35,698 (2019 - \$58,158) have not been amortized. Amortization of these assets will commence when the asset is put into service.

(b) Contributed tangible capital assets:

Contributed tangible capital assets have been recognized at fair value at the date of contribution. The value of contributed assets received during the year is comprised of:

	2020	2019
Land	\$ 34,576	\$ 21,307
Land Improvements	257	119
Equipment	-	8
Road Network	14,844	10,610
Environmental Network	11,148	12,573
Accrued Benefit Liability, end of year	\$ 60,825	\$ 44,617

Leased Assets:

The Town has capital leases included in tangible capital assets as follows:

	Cost	Accumulated Amortization	Net Book Value
Buildings	\$ 1,690	\$ 15	\$ 1,675

(c) Tangible capital assets disclosed at nominal values:

Where an estimate of fair value could not be made, the tangible capital asset was recognized at a nominal value. Land under roads, cemetery lands and buildings slated for demolition are the only assets where nominal values were assigned.

(d) Works of art and historical treasures:

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

(e) Write-down of tangible capital assets:

No tangible capital assets were written down during the year.

Notes to Consolidated Financial Statements

Year ended December 31, 2020 (In thousands of dollars)

12. Accumulated surplus:

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

	2020	2019
Surplus:		
Invested in tangible capital assets	\$ 1,829,705	\$ 1,753,801
Equity in Oakville Enterprises Corporation	241,410	228,187
Unexpended capital	45,973	65,202
BIA reserves	256	326
Other	5,637	5,129
Unfunded:		
Contaminated sites	(347)	(334)
Post-employment benefits and WSIB	(36,899)	(36,277)
Long-term liabilities	(107,782)	(109,562)
	1,977,953	1,906,472
Reserves set aside for specific purposes by Council for:		
Tax rate stabilization	59,480	47,328
Capital financing	70,551	33,038
Acquisition of tangible capital assets	20,821	20,290
Working capital	46,260	41,507
Insurance	1,123	1,123
	198,235	143,286
Reserve funds set aside for specific purposes by Council:		
Post-employment benefits and WSIB	22,776	21,630
Street trees	50	43
Conservation purposes	165	160
Harbors	(6,239)	(6,351)
Library development	963	937
Building, ground maintenance and replacement	14,001	10,279
Parking	2,623	2,969
Bonus zoning	2,879	2,840
	37,218	32,507
	\$ 2,213,406	\$ 2,082,265

Notes to Consolidated Financial Statements

Year ended December 31, 2020 (In thousands of dollars)

13. User fees and charges:

User fees and charges include the following:

	2020	2019
Development fees and miscellaneous	\$ 8,757	\$ 8,582
Transit revenues	3,647	9,113
Parking, Provincial Offences Act and other fines	3,162	4,482
Town facilities rental and usage fees	7,023	11,267
Recreation and cultural program revenues	2,826	11,890
Cemeteries	1,190	646
Licenses and permits	13,303	12,184
	\$ 39,908	\$ 58,164

14. Trust funds:

Trust funds administered by the Town amounting to \$6,357 (2019 - \$6,026) have not been included in the consolidated statement of financial position nor have their operations been included in the consolidated statement of operations.

15. Contingent liabilities and guarantees:

(a) Litigation:

The Town has been named as defendant in certain legal actions in which damages have been sought. The exact outcome of these actions is not determinable, as at the date of reporting, however, provisions have been made for those legal actions where it is likely the Town may at some future date be held liable.

(b) Cemeteries Act:

The Cemeteries Act (Revised), R.S.O., 1990, requires the Town to assume ownership and responsibility for the continuing care of pioneer and abandoned cemeteries. However, the Cemeteries Act does not address the issue of funding for this obligation, other than to provide that any assets, funds and trust accounts, if they exist, become the property of the municipality at the time the ownership is assumed. This potential liability cannot be quantified at this time and no provision has been included in these financial statements.

Notes to Consolidated Financial Statements

Year ended December 31, 2020 (In thousands of dollars)

15. Contingent liabilities and guarantees (continued):

(c) Guarantees:

- (i) The Town, on occasion, has provided indemnities under lease agreements for the use of various operating facilities. Under the terms of these agreements the Town agrees to indemnify the counterparties for various items including, but not limited to, all liabilities, loss, suits, and damages arising during, on or after the term of the agreement. The maximum amount of any potential future payment cannot be reasonably estimated.
- (ii) The Town has purchased errors and omissions insurance to mitigate the costs of any potential future suits or actions. The term of the indemnification is not explicitly defined, but is limited to the period over which the indemnified party served as an officer, an employee, a volunteer or member of Council, Board, Commission or Committee of the Town. The maximum amount of any potential future payment cannot be reasonably estimated.
- (iii) In the normal course of business, the Town, on occasion, has entered into agreements that include indemnities in favour of third parties, such as purchase and sale agreements, confidentiality agreements, engagement letters with advisors and consultants, outsourcing agreements, leasing contracts, information technology agreements and service agreements. These indemnification agreements may require the Town to compensate counterparties for losses incurred by the counterparties as a result of breaches in representation and regulations or as a result of litigation claims or statutory sanctions that may be suffered by the counterparty as a consequence of the transaction. The terms of these indemnities are not explicitly defined and the maximum amount of any potential reimbursement cannot be reasonably estimated.

The nature of these indemnification agreements prevents the Town from making a reasonable estimate of the maximum exposure due to the difficulties in assessing the amount of liability which stems from the unpredictability of future events and the unlimited coverage offered to counterparties. Historically, the Town has not made any significant payments under such or similar indemnification agreements and therefore no amount has been accrued in the financial statements with respect to these agreements.

- (iv) The Town has a credit facility for \$99 for the purpose of issuing letters of credit mainly to support requirements of the Department of Fisheries and Oceans Canada, of which \$nil (2019 - \$nil) has been drawn.

Notes to Consolidated Financial Statements

Year ended December 31, 2020 (In thousands of dollars)

16. Government and external transfers:

The government transfers reported on the Consolidated Statement of Operations are:

	2020	2019
Revenue:		
Federal grants:		
Federal gas tax	\$ 1,684	\$ 4,370
Clean Water and Wastewater Fund	397	439
Young Canada Works, Summer Jobs	217	155
Investing in Canada Infrastructure Program:		
Public Transit Stream	160	-
Canadian Heritage Grant	93	73
Seniors New Horizons	19	-
Canada 150 Community Infrastructure Program	4	4
Canada Council	-	233
Public Transit Infrastructure Fund	-	40
Library	-	12
	2,574	5,326
Ontario grants:		
Safe Restart Agreement- General	4,460	-
Ontario gas tax	3,413	3,188
Safe Restart Agreement- Transit	2,997	-
Clean Water and Wastewater Fund	201	219
Library – operating grant	182	183
Investing in Canada Infrastructure Program: Public Transit Stream	133	-
Elderly Person's Centres	125	125
Municipal Transit Enhanced Cleaning	109	-
Museum – operating grant	58	58
Recreation programs	7	13
Ontario Arts Council	-	131
Audit and accountability fund	-	67
Celebrate Ontario	-	25
Cannabis funding	-	5
	11,685	4,014
Total revenue	\$ 14,259	\$ 9,340

Notes to Consolidated Financial Statements

Year ended December 31, 2020 (In thousands of dollars)

16. Government and external transfers (continued):

The external transfers reported on the Consolidated Statement of Operations are:

	2020	2019
Expenses:		
Recreational & cultural grants:		
Oakville Galleries Operating Grant	\$ 363	\$ 356
Theatre groups subsidization	172	161
Oakville Arts Council	88	86
Recreational program subsidization	8	351
Historical Society	8	8
Sport development grants	3	16
Oakville Lawn Bowling	3	3
	645	981
Other:		
Oakville Tourism Partnership	171	676
Heritage grants	72	86
Community Assistance Fee Waiver	51	40
T.O.W.A.R.F.	33	33
Accessibility costs	3	5
Election rebates	-	100
Brownfield study costs	-	17
	330	957
Total external transfers	\$ 975	\$ 1,938

Notes to Consolidated Financial Statements

Year ended December 31, 2020 (In thousands of dollars)

17. Segment information:

The Town is a diversified lower tier municipal government that provides a wide range of services to its citizens, including fire, public transit, roads and works operations, engineering and construction, parks, recreation, culture, planning, development and building services. Segmented information has been identified based on lines of service provided by the Town. These lines of service have been separately disclosed in the segmented information, along with the services they provide, are as follows:

(i) Governance and Corporate Services:

Reported in the General Government functional area, it covers those departments responsible for Political Governance (Council, Clerks), Administrative Executive Management (CAO, Internal Audit, Strategy, Policy and Communications), Corporate Services (Financial Services, Human Resources, Legal Services, Information Systems, Facilities & Construction Management) and those expenses and revenues which are truly corporate in nature and cannot be easily apportioned to one department over another, such as investment income and penalties and interest on overdue taxes. Also, any tax revenue required to cover debt principal repayments, transfers to capital and reserves/reserve funds, has been allocated to this area.

(ii) Fire:

The mandate of Fire is to provide emergency services through a range of services to protect the lives and property of the inhabitants of Oakville from the adverse effects of fires, sudden medical and non-medical emergencies including, but not limited to, exposure to dangerous conditions brought on by natural, technological or human-caused events. The main objectives are to prevent fires, educate the public with regards to fire related risks, to enforce fire safety standards, fight and suppress fires and to plan and respond to all emergencies throughout the Town.

(iii) Building Services:

The mandate of Building Services is to inform and assist customers to ensure safe and orderly development and provide efficient delivery of building approvals, inspections and management systems. The Building Services department is for the most part, an enforcement agency, enforcing both Provincial and Municipal regulations. Provincially, the department enforces the Ontario Building Code to ensure that all construction within the municipality meets the minimum standard required ensuring life safety for all residents, businesses and workers that choose to live and/or work in Oakville. Municipally, the department enforces the local zoning regulations which are designed to ensure that development within the municipality conforms to the regulations designed to create the most livable town in Canada.

Notes to Consolidated Financial Statements

Year ended December 31, 2020 (In thousands of dollars)

17. Segment information (continued):

(iv) Parks, Recreation and Culture:

The mandate for Parks is a commitment to ensuring a diverse range of open space opportunities that preserves and enhances the quality of life for present and future generations. This will be accomplished by protecting and enhancing the Town's heritage and environment, facilitating community partnerships and providing effective efficient services through a dedicated and professional staff. This service is responsible for the provision of the parks and open space program, which provides the residents with day-to-day maintenance for the Town's parks and open space system, as well as undertaking the planning and construction of new parkland and open space. Parks & Open Spaces is also responsible for the operation of the Oakville Harbours, Forestry Operations and Cemeteries.

The mandate of Recreation and Culture is to provide a diverse range of recreational opportunities that preserve and enhance the quality of life for present and future generations which are innovative and accessible to all residents and meet the diverse needs of a changing community. They are responsible for the effective delivery of the recreation services program, including direct program delivery, the provision of facilities and internal departmental and corporate support as well as the support of groups and organizations throughout the Town in the delivery of services to their members. This program is provided through the provision of administration, recreation programs, support services and facilities. The Recreation and Cultural Department also provides management and programming of the Oakville Museum and the Oakville Centre for Performing Arts.

Included in this area is also Oakville Public Library Board operations.

(v) Roads and Works and Engineering:

The mandate of Roads and Works is to provide quality road, traffic and water resource systems maintenance and operations to the residents and businesses of the Town. This program is responsible for the maintenance and operation of the Town's transportation and water resources system. This area is also responsible for winter control for the Town and Halton Region.

The Engineering section manages the infrastructure planning and improvements program which provides for the detailed planning, design and construction of the Town's transportation and water resources infrastructure programs. Through cost effective and responsible means, it involves environmental assessments, studies, public and agency consultations, engineering designs and approvals, tendering and administration for projects and services including roads and traffic, bridges and culverts, sidewalks and cycle ways, storm drainage, storm water management, creek channels and shoreline protection. This department is also responsible for the provision of parking and parking enforcement.

Notes to Consolidated Financial Statements

Year ended December 31, 2020 (In thousands of dollars)

17. Segment information (continued):

(vi) Transit:

The mandate of Transit is to provide safe, reliable, convenient and efficient public transit services within the urban area. This program is responsible for designing and delivering a range of transit services within the urban boundaries of the Town.

(vii) Planning, Development and Economic Development:

The mandate of Planning Services area is to strive for excellence in creating a livable community for present and future generations. This program creates the policy framework and implementation tools required to shape the future of the community.

The mandate of Development Services is to ensure that new urban public infrastructure, built through the development processes, meets or exceeds the Town's standards and requirements. They are responsible for ensuring that the Town's land development standards are achieved on all development applications.

The mandate of Economic Development area is to create a balanced environment that fosters economic growth, job creation and live/work opportunities. This program has a number of functions that involve the local business community as well as other stakeholders within and outside of Oakville. Collectively, these functions work to build a positive economic environment that result in business retention, expansion and attraction, which will drive assessment and job growth in the Town. This segment also includes the results of the local business improvement areas.

Certain allocation methodologies are employed in the preparation of segmented financial information. Taxation and payments-in-lieu of taxes are allocated to the segments based on the segment's budgeted net expenditure. User charges and other revenue have been allocated to the segments based upon the segment that generated the revenue. Government transfers have been allocated to the segment based upon the purpose for which the transfer was made. Development charges earned and developer contributions received were allocated to the segment for which the charge was collected.

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

Notes to Consolidated Financial Statements

Year ended December 31, 2020 (In thousands of dollars)

17. Segmented information (continued):

	2020							Total
	Governance Corporate Services	Fire	Building Services	Parks, Recreation & Culture	Roads & Works Engineering	Transit	Planning, Development & Economic Development	
Revenue:								
Taxation	\$ 42,700	\$ 39,057	\$ -	\$ 55,094	\$ 46,157	\$ 25,479	\$ 7,020	\$ 215,507
User fees and service charges	4,458	223	-	11,333	2,850	3,648	6,887	39,908
Canada grants	-	-	-	311	402	159	18	890
Ontario grants	4,460	-	-	373	199	3,240	-	8,272
Gas tax revenues	-	-	-	122	1,562	3,413	-	5,097
Other Municipalities	294	1	-	431	11,654	12	162	12,554
Investment income	8,866	-	-	284	1	-	1	9,152
Revaluation gain on Hydro lease	8,409	-	-	-	-	-	-	8,409
Oakville Enterprises	4,622	-	-	-	-	-	-	4,622
Penalties and interest	1,074	-	-	-	-	-	-	1,074
Developer contributions and development charges earned	34,576	11,982	-	9,940	36,820	42	114	93,474
Other	38	56	8	450	385	-	-	937
Equity in Income in MDC	(329)	-	10,509	-	-	-	-	(329)
Equity in Income in OEC	11,504	-	-	-	-	-	-	11,504
	120,672	51,319	10,517	78,338	100,030	35,993	14,202	411,071
Expenses:								
Salaries, wages and benefits	29,267	34,722	5,066	34,108	15,865	18,942	9,008	146,978
Debt expense	2,849	-	-	532	264	26	-	3,671
Materials	369	532	(5)	5,391	5,101	3,721	(10)	15,099
Contracted services	8,904	3,118	2,281	19,594	23,254	4,897	4,700	66,748
Rents and financial expenses	392	-	-	258	54	1	98	803
External transfers	258	37	-	778	342	632	243	2,290
Amortization	4,107	1,962	-	12,862	23,435	5,782	84	48,232
Loss/(gain) on disposal of assets	(3,650)	(19)	-	(350)	121	(6)	13	(3,891)
	42,496	40,352	7,342	73,173	68,436	33,995	14,136	279,930
Annual surplus	\$ 78,176	\$ 10,967	\$ 3,175	\$ 5,165	\$ 31,594	\$ 1,998	\$ 66	\$ 131,141

Notes to Consolidated Financial Statements

Year ended December 31, 2020 (In thousands of dollars)

17. Segmented information (continued):

	2019							
	Governance Corporate Services	Fire	Building Services	Parks, Recreation & Culture	Roads & Works Engineering	Transit	Planning, Development & Economic Development	Total
Revenue:								
Taxation	\$ 40,038	\$ 37,004	\$ -	\$ 53,885	\$ 45,147	\$ 24,199	\$ 7,908	\$ 208,181
User fees and service charges	4,912	231	8,572	24,043	4,727	9,113	6,566	58,164
Canada grants	7	-	-	457	429	47	16	956
Ontario grants	72	-	-	510	219	-	25	826
Gas tax revenues	-	-	-	84	4,286	3,188	-	7,558
Other Municipalities	111	-	-	659	8,416	17	8	9,211
Investment income	9,950	-	-	311	5	-	3	9,950
Revaluation gain on Hydro lease	875	-	-	-	-	-	-	875
Oakville Enterprises	4,622	-	-	-	-	-	-	4,622
Penalties and interest	3,756	-	-	-	-	-	-	3,756
Developer contributions and development charges earned	21,661	3,330	-	22,445	29,695	222	1,133	78,486
Other	68	-	-	564	553	-	-	1,185
Equity in Income in MDC	(324)	-	-	-	-	-	-	(324)
Equity in Income in OEC	9,412	-	-	-	-	-	-	9,412
	94,420	40,565	8,572	102,958	93,477	36,786	15,659	392,437
Expenses:								
Salaries, wages and benefits	31,750	33,205	5,159	42,499	16,703	21,054	9,304	159,674
Debt expense	2,849	-	-	729	252	47	-	3,877
Materials	(98)	288	9	6,710	5,940	5,020	27	17,896
Contracted services	11,645	2,607	2,168	26,982	18,788	4,451	5,694	72,335
Rents and financial expenses	365	-	-	468	86	4	100	1,023
External transfers	331	46	-	712	449	845	778	3,161
Amortization	4,081	1,855	-	11,505	20,166	5,282	79	42,968
Loss/(gain) on disposal of assets	195	(25)	-	142	3,802	101	-	4,215
	51,118	37,976	7,336	89,747	66,186	36,804	15,982	305,149
Annual surplus	\$ 43,302	\$ 2,589	\$ 1,236	\$ 13,211	\$ 27,291	\$ (18)	\$ (323)	\$ 87,288

Notes to Consolidated Financial Statements

Year ended December 31, 2020 (In thousands of dollars)

18. Budget data:

The audited budget data presented in these consolidated financial statements is based upon the 2020 operating and capital budgets approved by Council on December 16, 2020. Amortization and post-employment liabilities were not contemplated on development of the budget and, as such, have not been included. The chart below reconciles the approved budget to the budget figures reported in these consolidated financial statements.

	Budget Amount
Revenue:	
Operating budget	\$ 345,535
Capital budget	119,413
BIAs	1,714
Less:	
Internal revenues and recoveries	(27,592)
Transfers from other funds	(81,596)
Total revenue	357,474
Expenses:	
Operating budget	345,535
Capital budget	119,413
BIA's	1,615
Less:	
Internal expenses	(27,592)
Transfers to other funds	(83,804)
Capital expenses	(120,092)
Debt principal payments	(7,998)
Total expenses	227,077
Annual surplus	\$ 130,397

Notes to Consolidated Financial Statements

Year ended December 31, 2020 (In thousands of dollars)

19. COVID-19:

In 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. As a result, the Town has experienced, and is continuing to experience, impacts on various services, including the closure of various park, recreation, and library facilities and administrative buildings for non-essential personnel, the cancellation of various programming, and a reduction in transit services/usage. These closures and cancellations have a direct impact on the Town's finances, primarily in relation to user fee revenues. In addition, Town Council has provided various measures to assist residents, including the provision of property tax deferrals. The Province of Ontario has provided emergency funding to assist the Town in addressing the financial impacts of the pandemic. As the pandemic continues there may be further financial implications to the Town.

Five Year Review (unaudited)

	2020	2019	2018	2017	2016
Demographics					
Population at the end of the year	215,710 ^{***}	214,160 ^{***}	211,000 ^{***}	201,200 ^{***}	194,000 ^{**}
Number of Households	73,870 [♦]	72,893 [♦]	73,164 [♦]	70,701 [♦]	66,269 ^{**}
Staff Complement (including Library)					
Approved Continuous Full-time	1,246	1,215	1,211	1,198	1,192
Approved Part-time (FTE)	435	427	418	401	403
Building Permits — Issued					
New residential units	1224	913	752	1,843	955
Total residential construction value	\$846 M	\$422 M	\$450 M	\$871 M	\$545 M
Total construction value — all types of permits	\$1,146 M	\$755 M	\$697 M	\$1,234 M	\$913 M
Taxable weighted assessment (000's)					
Residential, multi-residential and farm	57,264,157	52,917,669	48,586,278	44,342,608	40,751,656
Commercial — all classes	6,767,900	6,534,129	6,143,103	5,709,774	5,432,645
Industrial — all classes	1,087,229	1,036,047	1,012,658	977,971	944,134
Pipeline & Managed Forests	71,331	71,267	69,138	63,983	61,113
	65,190,617	60,559,112	55,811,177	51,094,336	47,189,548
Commercial and industrial as a percentage of taxable assessment	12.05%	12.50%	12.82%	13.09%	13.51%
Exempt Assessment	3,569,167	3,247,153	3,115,700	2,508,859	2,544,989
Taxes levied on behalf of (000's)[†]					
Town of Oakville — includes Business Improvement Areas	209,021	199,543	191,650	182,228	173,867
Region of Halton	186,051	179,191	171,904	164,509	158,843
School Boards (Public & Separate)	152,239	149,491	145,424	140,224	136,126
	547,311	528,225	508,978	486,961	168,836
Taxes collected	537,611	535,953	518,831	492,157	473,210
Annual % budgeted tax change — residential only					
Town of Oakville	3.02%	1.83%	2.51%	3.63%	2.36%
Region of Halton	2.00%	1.96%	1.90%	2.47%	1.85%
School Boards (Public & Separate)	0.00%	0.00%	0.21%	0.20%	0.00%
Overall % Budgeted Tax Increase	2.00%	1.47%	1.78%	2.42%	1.60%

* Adjusted for end of year calculation, ** 2016 Census, *** Town of Oakville Growth Tracking Model, updated semi-annually, prepared by Watson and Associates Ltd., [♦] Municipal Property Assessment Corporation, [•] not including supplementary taxes.

Operations Expenses & Revenues

	2020 (000's)	2019 (000's)	2018 (000's)	2017 (000's)	2016 (000's)
Expenses by Function					
General Government	36,779	45,756	51,588	37,365	40,148
Protection to Persons & Property	50,590	47,829	47,219	46,952	44,468
Transportation Services	92,354	93,510	99,647	100,420	93,966
Environmental Services	10,077	9,480	8,078	6,086	8,952
Health Services	4,041	3,916	4,124	4,127	4,032
Recreation and Cultural Services	66,577	80,857	81,253	74,289	72,213
Planning and Development	19,512	23,801	21,040	21,852	21,322
	279,930	305,149	312,949	291,091	285,101
Expenses by Object					
Salaries, wages & employee benefits	146,978	159,674	158,987	151,591	147,242
Interest on Long-Term Debt	3,671	3,877	4,065	4,194	4,355
Materials, Services & Financial Expenses	82,650	91,254	101,967	94,473	89,643
Transfers to Others	2,290	3,161	2,703	2,197	2,321
Amortization Expense	48,232	42,968	46,656	44,074	42,799
(Gain)/Loss on disposal of tangible capital assets	(3,891)	4,215	(1,429)	(5,438)	(1,259)
	279,930	305,149	312,949	291,091	285,101
Revenues by Source					
Taxation (includes Supplementary & Payments in Lieu)	215,507	208,181	200,225	188,307	178,952
Fees and service charges	39,908	58,164	57,686	60,300	55,749
Province of Ontario - Grants/Subsidies	11,685	4,014	4,857	3,676	4,463
Other Grants i.e. Canada	2,574	5,326	8,660	6,572	5,228
Other Municipalities	12,554	9,211	7,731	5,733	4,514
Investment Income	9,152	9,529	11,143	11,023	10,241
Revaluation Gain on Hydro Lease	8,409	875	-	-	-
Oakville Hydro - Interest on Promissory Notes	4,622	4,622	4,624	4,624	4,624
Penalty & Interest on taxes	1,074	3,756	3,325	3,234	3,337
Developer contributions, development charges earned & miscellaneous	94,411	79,671	59,415	97,143	77,949
Equity in income of Oakville Municipal Development Corporation	(329)	(324)	-	-	-
Equity in income of Oakville Enterprises Corporation	11,504	9,412	15,443	11,288	13,433
	411,071	392,437	373,109	391,900	358,490
Annual Surplus/(Deficit)	131,141	87,288	60,160	100,809	73,389
Accumulated Surplus, end of the year	2,213,406	2,082,265	1,994,977	1,934,817	1,834,008
Net Financial Assets	379,395	324,524	315,385	306,755	295,039

Tangible Capital Assets By Class

	2020 (000's)	2019 (000's)	2018 (000's)	2017 (000's)	2016 (000's)
Net Book Value					
Land	821,997	782,375	758,831	736,659	684,016
Land Improvements	68,400	64,724	61,725	58,756	57,084
Buildings	273,492	231,853	235,526	201,749	208,381
Equipment	22,288	18,289	17,002	17,499	15,155
Vehicles	37,494	41,939	39,506	35,631	36,898
Roads Networks	319,339	314,226	302,032	308,555	293,722
Environmental Network	239,672	229,855	215,401	215,577	206,669
Communication & Technical Services	11,325	12,382	12,922	12,991	10,587
Capital Works in Progress	35,698	58,158	32,701	36,926	22,973
	1,829,705	1,753,801	1,675,646	1,624,343	1,535,485
Additions and Disposals					
TCA Assets - beginning of year	2,531,765	2,457,279	2,368,240	2,246,147	2,168,177
Additions	210,870	181,430	186,320	179,061	129,912
Disposals	(95,915)	(106,944)	(97,281)	(56,968)	(51,942)
TCA Assets - end of year	2,646,720	2,531,765	2,457,279	2,368,240	2,246,147
Accumulated Amortization					
Accumulated Amortization - beginning of year	777,964	781,633	743,897	710,662	678,057
Current year expense	48,232	42,968	46,656	44,074	42,799
Accumulated amortization on disposals	(9,181)	(46,637)	(8,920)	(10,839)	(10,194)
Accumulated Amortization - end of year	817,015	777,964	781,633	743,897	710,662
Net Book Value	1,829,705	1,753,801	1,675,646	1,624,343	1,535,485

Capital Costs and Financing

	2020 (000's)	2019 (000's)	2018 (000's)	2017 (000's)	2016 (000's)
Expenses by Function					
General Government	9,543	11,430	17,153	12,978	17,268
Protection to Persons & Property	13,626	4,315	2,498	1,178	630
Transportation Services	40,372	45,817	35,202	43,422	38,434
Environmental Services	5,182	3,970	5,786	1,258	659
Health Services	1	106	57	151	130
Recreation and Cultural Services	29,125	46,733	59,468	35,039	18,060
Planning and Development	2,818	5,824	21,171	6,023	5,410
	100,667	118,195	141,335	100,049	80,591
Financing by Source					
Transfers from Own Funds	91,817	119,476	146,124	107,296	85,413
Long-term Debt/Internal Borrowing	6,678	Nil	6,100	6,693	Nil
Grants/Subsidies - Federal/Provincial	944	825	4,544	2,266	29
Other	8,884	973	1,317	599	2,258
	108,323	121,274	158,085	116,854	87,700

Note: The Town of Oakville has implemented Public Sector Accounting Board ("PSAB") section 3150 which requires governments to record and amortize their tangible capital assets in their financial statements. In prior years, tangible capital asset additions were expensed in the year of acquisition or construction. We still track all capital related expenses in the Capital Fund, however we do not report by fund accounting on the statements.

Discretionary Reserves and Reserve Funds and Obligatory Reserve Funds

Discretionary Reserves *	198,235	143,286	146,278	156,288	162,732
Discretionary Reserve Funds *	37,218	32,507	35,528	39,915	38,026
Obligatory Reserve Funds **					
Development Charges	100,926	80,473	66,311	63,255	38,828
Parkland	45,577	35,596	18,464	39,564	39,647
Gas Tax	26,372	20,270	14,932	14,085	12,376
Commuter Cycling	613	664	656	-	-
Total - Reserves & Reserve Funds	408,941	312,796	282,169	313,077	291,609

* Reference - Note 11 in the Financial Statements for more details. ** Reported on the Consolidated Statement of Financial Position as "Deferred Revenue - obligatory reserve funds" in compliance with PSAB requirements.

Long-Term Debt

	2020 (000's)	2019 (000's)	2018 (000's)	2017 (000's)	2016 (000's)
Long-Term Liabilities (Debt)					
Tax Levy Supported Debt	16,042	11,427	13,418	9,098	6,055
Tax Levy Supported Hospital Debt	80,918	82,735	84,551	86,367	88,184
Self Supported Debt					
Development Charges Supported Debt	3,842	7,552	11,135	14,595	18,919
Oakville Harbours Supported Debt	1,326	1,734	2,131	2,518	1,088
Oakville Soccer Club Supported Debt	5,654	6,114	6,553	6,971	7,370
	107,782	109,562	117,788	119,549	121,616
Annual Repayment Charges for Long-Term Liabilities - Principal & Interest					
Tax Levy Supported Debt Annual Repayment	7,031	6,973	6,777	6,728	7,139
Self Supported Debt Annual Repayment	5,098	5,130	5,149	6,227	6,259
Total Annual Debt Repayment	12,129	12,103	11,926	12,955	13,398
Tax Levy Supported Debt Annual Repayment – Per Capita	\$32.59	\$32.56	\$32.12	\$33.44	\$36.80
Total Debt - Per Capita	\$500	\$512	\$558	\$594	\$627
Debt Repayment Policy % Limits– As a % of Revenue Fund Revenues *					
Ministry of Municipal Affairs & Housing's Policy	25%	25%	25%	25%	25%
Town of Oakville's Policy % Limits					
Total Annual Debt Repayment	12%	12%	12%	12%	12%
Tax Levy Support Debt Repayment	6.25%	6.25%	6.25%	6.25%	6.25%
Actual %					
Total Annual Debt Repayment	4.17%	4.27%	4.35%	5.09%	5.50%
Tax Levy Supported Debt Repayment	2.42%	2.46%	2.47%	2.65%	2.93%

* "Revenue Fund Revenues" - Ministry calculation requires that all grant funding and revenue from other municipalities be excluded.

Principal Corporate Tax Payers

- Riocan Holdings (Oakville Place Inc)
- Ford Motor Company of Canada
- Silgold Developments Inc
- 2121049 Ontario Limited
- Oakville Entertainment Holdings Inc
- Dorval Crossing West Holdings Inc
- Suncor Energy Inc
- Upper Oakville Shopping Centre Limited
- Soneil Dorval Inc
- The Canada Life Assurance Company

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