

# City of Nanaimo



## 2012 Annual Municipal Report





# Table of Contents

## INTRODUCTION

Mayor's Remarks .....	6
City of Nanaimo Council .....	7

## DEPARTMENTS

City Manager's Office .....	8
Engineering & Public Works Department .....	11
Parks, Recreation & Culture Department .....	24
Planning Department .....	29
Development Department.....	36
Fire Rescue Department.....	42
Police Support Services .....	48
Legislative Services Department .....	55
Human Resources & Organizational Planning Department .....	60
Information Technology Department.....	68
Finance Department .....	72

## SCHEDULES AND STATISTICS

2012 Permissive Tax Exemptions .....	91
2012 Debt Graphs .....	94
Where Your 2012 Tax Dollars Go .....	95
Property Owners with Gross Taxes Exceeding \$250,000 in 2012 .....	96
2012 Property Tax Assessment Information .....	97
Financial Comparative Statistics .....	98
Operational Comparative Statistics .....	99
Operating Revenues and Expenses .....	100
2013 - 2017 Fiscal Summary .....	101

## FINANCIAL STATEMENTS

Auditor's Report & Consolidated Financial Statements .....	103
Notes for Consolidated Financial Statements .....	109







## City Wins Provincial “TechGREEN” ASTTBC Award

The City of Nanaimo has earned a provincial **TechGREEN Award** for excellence in sustainable initiatives from the Applied Science Technologists and Technicians of BC.

City Energy Manager, Bruce Joiner, and Bill Sims, Manager, Water Resources, both professional technologists, accepted the **TechGREEN Organization Award** at the ASTTBC’S 24th annual Technology Awards and Recognition Celebration in Vancouver November 3, 2012.

“In the late 1800’s, the booming City of San Francisco was lit and powered by BC coal - shipped from the gritty Vancouver Island town of Nanaimo. How times have changed!” commented the awards presentation host, ASTTBC Executive Director John Leech. “Nanaimo gains this award for recognizing and seizing opportunities to add value to municipal operations”.

“Nanaimo’s new water system includes turbine energy-generation capaCity. Not only does the City now power its own water supply operations, it produces surplus hydro to send back to the grid. Nanaimo has also built one of very few gravity-driven water treatment plant filtration systems in the world, eliminating the substantial energy costs of running filtration pumps.”

In recent years, Nanaimo has installed LED street lighting, ultraviolet water treatment, implemented solar power generation and begun conversion to hybrid service vehicles.

Numbering 10,000 certified technology professionals, ASTTBC confers just three TechGREEN awards annually, to “recognize an individual, a corporation or business and an organization, taking a lead role or having substantial positive impacts on green living, sustainable best practices, energy conservation and environmental benefit”.







Nanaimo's area is comprised of 88.19 square kilometres.

There were 523 residential housing starts in 2012.

6,057 businesses operated within the City of Nanaimo in 2012.

Nanaimo is a short 15 minute flight to downtown Vancouver or a 95 minute ferry ride.

Nanaimo boasts the largest artificial upright scuba diving reef in the world!

The only remaining (and recently restored) Hudson's Bay Company bastion in North America is situated in Nanaimo's downtown core.

Nanaimo is home to the Great International World Championship Bathtub Race.



*'Boat Basin' - Photo submitted by Leigh Sheppard*



*Photo submitted by Rebecca Kirk*



## Mayor's Remarks



City Council and Staff are pleased to share with the citizens of Nanaimo the 2012 Annual Report.

The year 2012 marked a milestone for the City of Nanaimo as we completed and adopted our first ever Corporate Strategic Plan. The plan is intended to provide a clear picture of where the City is going, a coherent framework for decision making and an assurance that Council and staff are moving in the same direction. The plan also outlines six strategic priorities that will hold Council's attention for the next three years - Asset Management, Community Building Partnerships, Taking Responsibility, Transportation and Mobility, Water and Waterfront Enhancement. The City remains committed to working closely with non-profit groups, the private sector and our institutional partners in a collective and cooperative effort to make Nanaimo one of the most desirable places to live, work and play.

The spirit of working in partnership was well demonstrated in 2012 with the signing of a Collaboration Agreement with School District 68 and the subsequent land exchange deal that saw ownership of several parcels of land swapped in a positive effort to better align current land ownership with future community and business needs. The outcome of the deal is a fine example of how two organizations working closely together can achieve favourable outcomes that support the goals of each other's strategic plan. The new lands that the City of Nanaimo has acquired will allow us to explore park creation and development opportunities that were previously unavailable.

Future redevelopment of our City's waterfront also took an important step forward in 2012 with the successful purchase of 26 acres of the Wellcox Rail Yard property belonging to Canadian Pacific. The sale agreement gives the City a long-term hold on an important piece of property, the future development of which can be aligned with the community's vision of how our downtown waterfront should continue to take shape. The purchase of the land also supports a number of goals outlined in the City's Strategic Plan, including securing property to expand the City's waterfront trail network and obtaining land that facilitates the creation of a future transit hub.

Transportation remained a priority throughout 2012 with the successful launch of the City's first comprehensive Transportation Master Plan. This important initiative will guide transportation decision-making in the City of Nanaimo over the next 25 years and will recommend improvements for all modes of transportation including, walking, cycling, public transportation, goods movement and vehicles. Throughout the development of the plan, the City will ask to hear what the public and stakeholders think are the important transportation issues and priorities facing Nanaimo. As public input on transportation is vital to creating an effective and reliable system, I encourage everyone to provide their feedback at the public information gatherings that will continue throughout 2013.

As with previous years, the successes achieved through 2012 were made possible thanks to the hard work of Council, Staff and the Citizens of Nanaimo who chose to participate in the many public process opportunities available to them. There is still much work to be done so I encourage everyone to step forward and get involved. And finally, with effective communication and relationship building top of mind, be assured my office is always open to our residents and businesses to discuss our community and how we can work together to continuously improve the City services, amenities and programs that we value and enjoy.





## 25th Council of the City of Nanaimo



*From left to right: Councillor Fred Pattje, Councillor Bill Bestwick, Councillor Diana Johnstone, Councillor Ted Greves, Mayor John Ruttan, Councillor Bill McKay, Councillor Diane Brennan, Councillor Jim Kipp and Councillor George Anderson*

An elected Council comprised of a Mayor and eight Councillors governs the City of Nanaimo. Councillors are elected for three-year terms and each member of Council represents the City at large. The Community Charter gives Council the authority to set budgets, levy taxes, and establish policies to guide the growth, development and operation of the City for the benefit and protection of its citizens.

The powers of the Mayor and Council are exercised through the adoption of resolutions or the enacting of bylaws at regularly scheduled Council meetings.

### **DECLARATIONS OF DISQUALIFIED COUNCIL MEMBERS:**

No members of Council were disqualified in 2012.



## City Manager's Office

The City Manager's Office serves Council in its implementation of community priorities so that the City is continuously improving the services to our citizens.

The City Manager's Office serves Council directly and acts as the primary liaison between staff, the Mayor's Office and City Council. This office provides direction for staff recommendations to Council that reflect relevant facts, options and professional opinion pertaining to issues considered by Council and developing in society.

The City Manager's Office takes the lead role in managing the implementation of the policy direction which has been established by Council. The City Manager is the senior staff leader and accordingly provides managerial leadership, control and direction to all City departments and operations.

A primary objective for 2013 is assisting Council in implementing its strategic plan. This plan outlines the strategic priorities for the City for the 2012 to 2015 period. A focus of the City Manager's Office and staff will be on implementation of the related strategic priorities, keeping in mind the mission, values and operating philosophy defined in the strategic plan. Council's strategic plan will supersede the City Manager's "Building Trust" initiative that had been a focus for the past two years and was intended to improve relationships and prepare the City for its new strategic plan.



*Moonlit Glow - Photo submitted by Trevor McLeod*





CHURCH & CHAPEL HILL

GREAT NATIONAL LAND BLD

Coast Realty Group

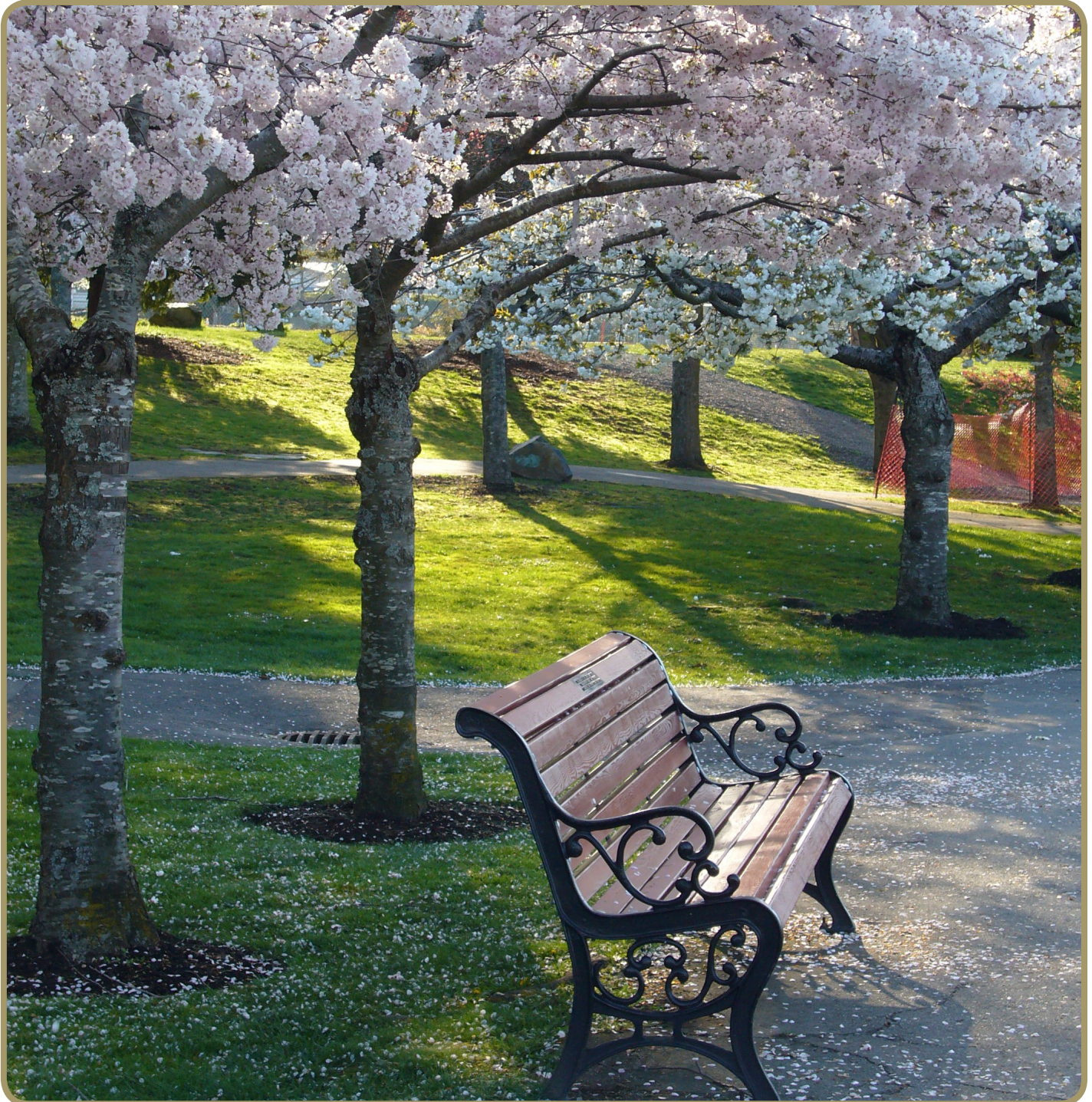
ocean STATE NATION





## Community Services Division

Community Services is responsible for the well being and safety of all residents. There are three departments within the Community Services Division. These are Engineering & Public Works Department; Parks, Recreation & Culture Department; and the Strategic Relations Department.







## Engineering & Public Works Department

The Engineering & Public Works Department is responsible for the planning, design, construction, operation and maintenance of the City's water, sanitary sewer, storm drainage and transportation infrastructure. Department operations also include fleet maintenance, cemeteries, solid waste collection and recycling.

### PUBLIC WORKS UTILITIES DIVISION HIGHLIGHTS

#### Waterworks:

- Provided 3.491 billion gallons of water.
- Checked and maintained 640 air valves.
- Maintained and flushed over 619.5 kms of supply and distribution water mains.

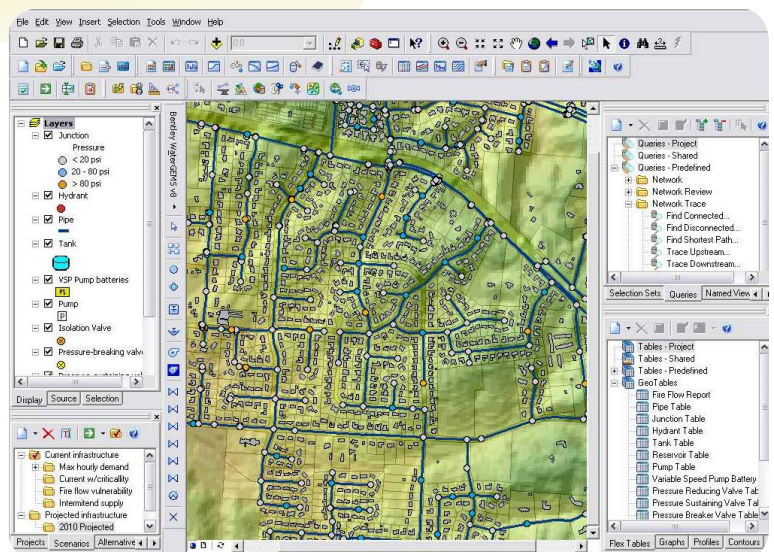
#### Wastewater - Storm Sewer:

- Cleaned and maintained over 11,310 catchbasins.
- Maintained over 478 kms of storm sewer and over 350 kms of open ditches.
- Maintained over 3,641 storm sewer manholes and cleanouts.
- Flushed and cleaned 3.8 kms of storm sewers and service connections.
- Video inspected 11.95 kms of storm sewers and storm service connections.
- 1,285.4 mm of precipitation measured and recorded at 2020 Labieux Road.

#### Wastewater - Sanitary Sewer:

- Maintained 565 kms of gravity and pressure sanitary sewer mains and over 6,500 sanitary sewer manholes.
- Flushed and cleaned 97.5 kms of sanitary sewer mains and service connections.
- Video inspected 41.8 kms of sanitary sewer mains and service connections.

### Computerized Water Modelling





## Engineering - 2012 Performance

Sustain, improve, construct and maintain, in a cost-effective and efficient manner, all municipal infrastructures to meet the future needs of the community.

STRATEGY	MEASURE	RESULTS
Conduct Infrastructure Investigation and Condition Assessment Programs to evaluate infrastructure for condition and needs.	Number of kms covered in Annual Condition Assessment Survey of critical sanitary sewer pipes.  TARGET: 12 kms.	Completed Condition Assessment Survey for 11.5 kms of sanitary sewer and 3.7 km of storm drainage.
Replace aging infrastructure in concert with annual Road Rehab Program for efficiency and maximum benefit for investment.	Underground works completed ahead of resurfacing in association with annual Road Rehab Program.  TARGET: Complete all works.	All works completed in advance of road rehabilitation except for the Green Lake area. The low pressure sewer was installed in the fall, so planned roads will be paved in 2013.

Design all municipal infrastructure needs considering input from all stakeholders.

STRATEGY	MEASURE	RESULTS
Design infrastructure replacements, expansions and new works well in advance of construction to give sufficient time to consider all timely input.	Designs of capital utilities and road projects completed two years in advance of construction.  TARGET: Complete design for all Capital Projects scheduled in the following two years by the end of the current year.	During 2012, approximately 115 individual projects were underway, of which about 30 were completed during the year.
Utilize CAD and GIS technology to improve the accuracy of underground infrastructure location information. This will allow for increased public safety and better underground management.	Review CAD Standards to enhance CAD-GIS interoperability and efficiency. Alter CAD Standards accordingly.	CAD-GIS project underway to address automated process for inputting CAD data into the GIS.





## Engineering - 2012 Performance

Maintain and improve a transportation network that enhances the safety, livability and sustainability of the community.

STRATEGY	MEASURE	RESULTS
Plan and design the transportation network for the longer term to enhance safety, livability and sustainability.	Maintain traffic/transportation programs to support technically based decision making in the planning of the transportation network.  TARGET: Update one of the programs annually.	Updated Road Classification Plan.
Facilitate neighbourhood safety initiatives to improve the inherent safety of the road infrastructure.	Facilitate neighbourhood safety plans and implement solutions.  TARGET: Implement one neighbourhood safety project annually.	Completed 4-way stop installations at Dover/McGirr to address neighbourhood safety.
Construct and maintain the infrastructure associated with major and local roads through replacement and rehabilitation.	Complete 95% of the roads within the annual Road Rehab Program and complete all roads projects in the Capital Plan under the Annual Construction Program.	4 of 6 (66%) of the road capital projects are complete. Waddington rail crossing was deferred to 2013 as per Southern Rail request. Hammond Bay road work was deferred pending RDN force main alignment study.
Construct sidewalks focusing on walking routes close to schools and along major pedestrian corridors.	Length of new sidewalks constructed.  TARGET: 2 kms.	Constructed 1.1 km of sidewalk. Norwell Drive sidewalk was started and will be completed in 2013.





## Engineering - 2012 Performance

Sustain and improve the service life of utilities infrastructure to meet the current and future needs of the community.

STRATEGY	MEASURE	RESULTS
Plan for long-term development, upgrading and maintenance of the sanitary sewer system.	Update Sanitary Sewer Studies for all sewer catchment areas.  TARGET: One study per year.	Completed Millstone Trunk and Laterals Sanitary Sewer Study.
Upgrade, improve and maintain the water distribution system level of service and strengthen the grid through extension, replacement and rehabilitation.	Complete all watermain projects in the Annual Capital Plan - subject to adjustment for other priorities.	14 of 16 projects (88%) of Water Distribution capital projects were completed. Hammond Bay was deferred pending RDN force main alignment study; DCCW47 requires development to proceed to complete.
Upgrade, improve and maintain the sanitary sewer collection system through extension, replacement and rehabilitation.	Complete all sanitary sewer projects in the Annual Capital Plan - subject to adjustment for other priorities.	6.5 of 8 projects (81%) of Sanitary Sewer projects were completed. Open cut sewers (50%) were completed in Cilaire, remaining sewers (50%) to be relined in 2013. Sewer Main Relining and Point Repairs deferred to 2013.
Upgrade, improve and maintain the storm sewer collection system through extension, replacement and rehabilitation.	Complete all storm sewer projects in the Annual Construction Program within the Annual Capital Plan - subject to adjustment for other priorities.	3 of 4 (75%) of Storm Sewer projects were completed. Beach Drive Storm Outfall was over budget, so will be redesigned and constructed in 2013.

Utilize GIS and GIS-based technologies to improve information, analysis and subsequent decisions aimed at improving internal and public services and products.

STRATEGY	MEASURE	RESULTS
Provide accurate and efficient information that contributes to a stable and effective GIS program.	Provide new data set for waterways and publish via MapGuide.  2013 TARGET: Publish waterways data set - update MapGuide. Acquire 2013 Orthophoto with updated DEM/Lidar to support design, modelling and analysis.	New Waterways data set acquired November 2012.  2012 Orthophoto acquired and distributed externally and internally.
Provide an accurate and efficient digital geospatial infrastructure information system that allows for the management and analysis of all infrastructure services.	Utilities Correction Program.  TARGET: Complete 20% each year.	On hold pending filling of vacant positions.





## Engineering - 2012 Performance

Utilize GIS and GIS-based technologies to improve information, analysis and subsequent decisions, aimed at improving internal and public services and products - CONTINUED

STRATEGY	MEASURE	RESULTS
Provide applications that give value to the department in the management and visualization of information.	<p>Continue to work with field crews to build a complete inventory of assets.</p> <p>Continue to develop conditional assessment tools and methods.</p> <p>Support the management of maintenance requirements.</p> <p>Continue and expand on the current reporting of asset inventory and condition.</p> <p>TARGET: Complete rollout of mobile applications for water crew.</p>	<p>Water valve isolation application completed and rolled out to field crews.</p> <p>As-built viewer completed and rolled out to field crews.</p>
Proactively provide technology and staff to support, distribute and maintain geographic information for a variety of City needs.	<p>Implement new GIS server model.</p> <p>TARGET: Complete new data models for update.</p>	On hold pending filling of vacant GIS position.
Provide education in the development and use of geographically referenced databases GIS systems.	<p>Continue to provide a current, educational and informative internal GIS SharePoint site.</p> <p>TARGET: Check and update all published information.</p>	Complete - facilitated data views for variety of staff, i.e. Public Works pavement management group, Infrastructure Planning CPMS reporting.

Manage traffic effectively to support road user safety in the community.

STRATEGY	MEASURE	RESULTS
<p>Facilitate traffic calming and road safety reviews.</p> <p>Address resident concerns.</p> <p>Install appropriate traffic control signage.</p> <p>Work with Road Safety Authorities to identify problems and jointly create solutions.</p> <p>Maintain GIS system to view, report and manage signage control.</p>	<p>Maintain a database of current speed and volume data for all roads.</p> <p>Respond to all resident complaints in a timely fashion.</p> <p>Deploy speed trailers throughout the City on a regular basis, targeting high speed areas and complaints.</p> <p>Hold 3 annual Road Safety Working Group Meetings.</p>	<p>Undertook 13 traffic calming reviews.</p> <p>Undertook 14 pedestrian crosswalk reviews.</p> <p>Reviewed 90 public complaints.</p> <p>Completed 71 traffic speed and volume counts.</p> <p>Deployed speed trailer at 16 locations throughout the City.</p>





## Engineering - 2012 Performance

Provide communication and support to the public, City staff, and other governmental agencies.

STRATEGY	MEASURE	RESULTS
Provide 24/7 support services information and emergency response coverage.	Number of work orders generated annually.	7,586 work orders were generated in 2012, up from 7,319 in 2011 and 6,024 in 2010. 614 work orders remain active.

Provide sanitation and solid waste services to maintain a healthy and clean City.

STRATEGY	MEASURE	RESULTS
Maintain City roadways and public lands through regularly scheduled sanitation services.	Percentage of City streets swept a minimum of 2 times per year. (High use streets swept on a more frequent basis).  TARGET: 100%	Estimated 97% of the standard program completed twice. Staff, weather and equipment issues resulted in the shortfall. Spring SNIC cleanup - complete. Fall leaf sweeping program for curb and gutter related to draining complete. Downtown sweeping of sidewalks produced good results and positive feedback.
Provide an efficient system to handle the regularly scheduled collection of household refuse and recyclables.	Total tonnes of recyclable waste collected and diverted from the landfill compared to prior year (excludes food waste).	2012 Programs and services diverted 6,577 tonnes of recyclable waste and 3,256.3 tonnes of food waste from the landfill.  2012 curbside programs provided a total diversion of 64.12% compared to approximately 46.98% in 2011 (food waste implementation phasing impacted).
	Total tonnes of organic waste collected through Green Bin Program and diverted from the landfill.	City wide program - October 2011.  Monthly diversion from residential garbage of 10.7 kg/month/residence to composting. 45.7% of what was garbage sent for composting.  Total organics collected - 3,256.3 tonnes which is 29.5% of overall residential waste collected.
	Average number of kgs of garbage collected per household per month compared to prior year.	Average Kg per residence, per month: 2012: 13.00 garbage, 11.01 recyclables and 10.96 food waste.  2011: Comparisons not valid as food waste program not City wide until last quarter of 2011.
Educate the public regarding alternative waste disposal methods by providing recycling information on the City website and through the biannual recycling newsletter.	Change in number of households served by the programs and services.  Number of biannual recycling newsletters distributed.  Target: 2	Yearend 2012 total of 25,527 residences, an increase of 215 households. Twice the increase of the previous two years and more normal growth overall.  Two newsletters were produced and delivered on schedule. A total of 72,463 newsletters were mailed.



## Engineering - 2012 Performance

Provide and maintain an effective sanitary sewer collection system that provides public health and safety, with minimal service disruption and impact to the environment and property (storm and sanitary sewer) collection system.

STRATEGY	MEASURE	RESULTS
Respond 24/7 to all emergency sewer back up calls from the public.	Number of sanitary sewer emergency sewer back up calls responded to within one hour and completed.	Responded to 16 emergency sewer back up calls. 100% within one hour and completed.
Respond to all inquiries from the public within 24 hours.	Number of sanitary sewer non emergency inquiries received and % responded to within 24 hours and completed.  Target: 100%	964 non emergency sanitary sewer calls for service responded to. 100% responded within 24 hours and 92% completed. (Remaining scheduled for early 2013).

Provide and maintain an effective stormwater collection system that minimizes impact to property and environment.

STRATEGY	MEASURE	RESULTS
Respond 24/7 to all emergency flooding calls from the public.	Number of storm emergency flooding calls received and responded to within one hour and completed.	35 emergency storm sewer flooding calls responded to 100% within one hour.
Respond to all inquiries from the public within 24 hours.	Number of storm sewer inquiries received and % responded to within 24 hours.  Target: 100%	754 non emergency storm sewer calls for service responded to. 100% responded to and 97% completed.

Maintain and improve a transportation network that enhances the safety, livability and sustainability of the community.

STRATEGY	MEASURE	RESULTS
Develop and implement a 5-year plan for the resurfacing of local and major roads.	Percentage of roads paved within the annual Road Rehabilitation Program.	48% completed and the remainder carried over to 2013. Couldn't complete due to development; capital project (Green Lake) not going forward.
Develop and prioritize locations through consultation with the CNIB to install audible signals at one priority intersection per year.	Number of audible signal installations.	Two systems installed: <ul style="list-style-type: none"> <li>• Bowen/Pryde</li> <li>• Bowen/Buttertubs.</li> </ul>





## Engineering - 2012 Performance

Manage and maintain a waterworks system that provides clean and safe potable water with minimal service disruption, to satisfy all anticipated consumption and fire protection.

STRATEGY	MEASURE	RESULTS
Conduct a rigorous water sample testing program to ensure the City of Nanaimo's water quality meets the Canadian Drinking Water Guidelines.	Percentage of water sample tests that meet the Canadian Drinking Water Guidelines.  Target: 100%	100% of water samples taken met the Canadian Drinking Water Guidelines.
Respond 24/7 to all emergency watermain breaks within one hour.  Respond to all inquiries from the public within 24 hours.	Number of emergency watermain breaks per 100 kms of watermain.  Number of non emergency inquiries received and % responded to within 24 hours and completed.  Target: 100%	2.0 emergency watermain breaks per 100 kms of watermain (11 breaks) responded to within one hour.  1,833 non emergency water calls for service. 100% within 24 hours and 98% completed.
Provide educational sessions at City schools to educate the public on water supply and promote water conservation.	Number of educational sessions held.  2013 TARGET: 5 Sessions	Held 4 educational sessions.

Maintain and provide cemetery services and cemetery grounds in a safe and aesthetic manner.

STRATEGY	MEASURE	RESULTS
Manage cemetery grounds, services and maintenance contract to ensure specified standards are met and the cemeteries are well maintained in an aesthetic manner.	Condition of cemetery grounds throughout the year maintained per contract specifications and services are provided on time and on schedule.	Contract service consistently met service levels and required standards. Reduced pesticide use implemented in 2011 per City requirements and does impact aesthetics to some extent and increases cost as more hand weeding required.  Annual re-leveling program took place as planned.
Provide cemetery security to minimize incidents of vandalism.	Number of incidents of vandalism and estimated associated repair cost.	Two minor vandalism incidents recorded and some complaints of stolen flowers noted. Total cost estimated at \$600.
Provide burial site services in consort with needs of clients and Funeral Service Providers.	Number of burials. Number of cremations. Number of headstone marker installations.	13 burials. 42 cremations. 3 disinterment's. 51 marker installations.



## Engineering - 2012 Performance

Maintain a safe and cost effective fleet of vehicles for City of Nanaimo staff.

STRATEGY	MEASURE	RESULTS
Complete provincially mandated commercial vehicle inspections by due date each year.	Percentage of commercial vehicles inspected by due date.	100% of vehicles were inspected and passed before due date.
Repair fleet vehicles in an effective manner.	Number of vehicles put out of service due to failed inspection.	No vehicles were required to be taken out of service or failed inspection.

Improve fleet fuel efficiency and reduce fleet GHG emissions.

STRATEGY	MEASURE	RESULTS
Through right sizing, alternate fuels, hybrid and electric vehicles, where possible for replacement fleet vehicles.	Annual E3 fleet review.	<p>Annual E3 fleet review was completed as planned showing that the median fuel efficiency has improved for the 3rd year in a row.</p> <p>Replaced 4 full size V8 gas powered PU trucks with 4 mid size 4cyl PU trucks.</p> <p>Replaced 2 full size V8 powered utility trucks with 2 full size CNG powered utility trucks.</p> <p>Replaced 1 full size V8 powered truck with a full size V6 powered truck.</p> <p>Replaced a full size V8 powered van with a mid size 4cyl van.</p> <p>Replaced a mid size V6 powered van with a mid size 4cyl van.</p>

Adopt a demand-side management approach to water conservation.

STRATEGY	MEASURE	RESULTS
Use rebate programs to encourage water conservations (currently budgeted at \$50k per year).	<p>Percentage of toilet rebate funds disbursed.</p> <p>2013 TARGET: \$50,000</p>	<p>Toilet rebate program commenced January 2012, but was not advertised.</p> <p>85.2% or \$42,600 of funding was disbursed.</p>
Measure water demands and trends by conducting a water audit, to better understand where water is used and to determine unaccounted for water use.	Complete water audit study in 2012.	Desk top study (part 1) of water audit completed June 2012. Field work on meter testing (part 2) commenced August 2012 and was completed by early December 2012. Draft of final report received on 2012-DEC-21.





## Engineering - 2012 Performance

### Adopt a demand-side management approach to water conservation - CONTINUED

STRATEGY	MEASURE	RESULTS
Participate in the region-wide Team Water Smart program.	Funds transferred to Regional District of Nanaimo.  TARGET: \$30k/year	Provide the RDN with technical assistance throughout 2012 to assist in the Team Water Smart educational water conservation projects. Funding provided under DWWP (below).

### Adopt a multi-barrier approach to water quality management.

STRATEGY	MEASURE	RESULTS
Continue the design of the South Fork Water Treatment Plant, and begin construction activities in 2012.	Percentage design complete; tenders for construction released.  2013 TARGET: Construction complete to 50%.	<p>New Reservoir #1 pipeline and tank design 100% complete.</p> <p>New Reservoir #1 pipeline contract tendered and awarded to Knappett Industries in August 2012.</p> <p>New Reservoir #1 pipeline construction by Knappett Industries commenced in October 2012. Scheduled completion February 2013.</p> <p>New Reservoir #1 tank construction tendered in November 2012 and won by Knappett Projects. Construction to commence March 2013.</p> <p>WTP site cleared and grubbed April and May 2012.</p> <p>WTP Pipeline design 100% complete.</p> <p>Pipeline manufacturer and supply awarded August 2012.</p> <p>GE membrane demonstration testing commenced 2012-JAN-03 and completed 2012-OCT-04.</p> <p>Pipeline installation contract awarded and commenced September 2012.</p> <p>WTP detailed design 100% completed November 2012.</p> <p>WTP contractors and sub-contractors pre-qualified in advance November 2012.</p> <p>WTP construction tender issued 2012-NOV-22.</p>



## Engineering - 2012 Performance

### Adopt a multi-barrier approach to water quality management - CONTINUED

STRATEGY	MEASURE	RESULTS
Prepare and publish annual Water Quality Report in accordance with VIHA regulations.	Publish by June 30 each year.	2011 Water Quality Report data compiled and completed and sent to VIHA and published on the City's web page on 2012-JUN-18.

### Water Source Development.

STRATEGY	MEASURE	RESULTS
Evaluate both expansion of the surface water supply and water sharing with Nanaimo Forest Products.	Initial feasibility of either option determined this year.  2013 TARGET: Develop business case to support decision.	Feasibility Study carried out regarding the expansion of the existing surface water supply commenced February 2012 and draft of final report completed November 2012.  Feasibility studies carried out regarding the water sharing with Nanaimo Forest Products.

### Continue to recognize water as a shared resource.

STRATEGY	MEASURE	RESULTS
Participate in Regional Drinking Water & Watershed Protection (DWWP) program.	Action items from DWWP Technical Advisory Committee responded to; level of funding provided.  2013 TARGET: To continue participation.	Participated in DWWP Advisory Committee meetings with regional partners. Provided funding for DWWP program.

### Manage the finances of the water utility on a sustainable basis.

STRATEGY	MEASURE	RESULTS
Update Water Supply Long Range Capital Plan on an annual basis, to ensure funding levels remain sustainable; develop asset management strategy for existing water supply assets.	Annual budget reflects Long Range Capital Plan.  2013 TARGET: Update LRC Plan.	Prepared budget for water supply projects for inclusion in the 2012 - 2016 capital plan and long range capital plan.  Identified and costed for replacement water supply infrastructure for asset management plan.





## Engineering - Future Issues & Trends

The ongoing challenge for the Engineering and Public Works Department is to manage the City's assets in an efficient, effective and sustainable manner while maintaining a level of service that meets the community's expectations.

Key issues and trends include:

- Maintain civic infrastructure at current or better levels.
- Transition to more sustainable operations, including a focus on energy and productivity efficiencies and energy production where opportunities exist.
- Work with employee groups to continuously improve City services.

### TRANSPORTATION:

- Develop strategies and plans to support a safe and sustainable transportation network.
- Completion of Transportation Master Plan (Winter 2013).
- Improve transportation infrastructure asset management data and strategy.
- Revision of budget and 5 year capital plan projects to reflect priorities of Transportation Master Plan.

### DRAINAGE:

- Respond to climate change.
- Continue condition assessment of drainage infrastructure network.
- Assess risk for all piping in drainage infrastructure network.
- Develop City wide rainwater management practices for flood control, flow volume/ base flow control (ground water recharge) and water quality control.

### SANITARY SEWER:

- Respond to climate change.
- Continue condition assessment of sanitary sewer infrastructure network.
- Model sanitary sewer system to predict future demand and determine improvements required for future development and OCP densification objectives.
- Identify and reduce Inflow and Infiltration (I&I) in sanitary sewer infrastructure network.
- Continue risk assessment for all piping in sanitary sewer infrastructure network.

### WATER DISTRIBUTION:

- Create a program for condition assessment of water distribution infrastructure network.
- Model water distribution system to predict future demand and determine improvements.
- Assess risk for all piping in water distribution infrastructure network.



## Engineering - Future Issues & Trends - continued

### WATER SUPPLY:

- Improve water supply system to ensure adequate supply of high quality drinking water.
- Water Audit to be completed in 2013 - better understanding of unaccounted water and various sector uses.
- Decreasing water consumption/capita - 530 litres/person day (2006 - 571 litres/person/day).
- Development of additional sources of water to support population growth.
- Supply to others in terms of becoming a regional supply.
- Participation in region-wide functions: Drinking Water & Watershed Protection Program.
- Water Treatment Plant
  - In service 2015
  - Annual operating budget \$1.7M, additional staffing.

### SANITATION & SOLID WASTE:

- Continue with solid waste reduction strategies - i.e. kitchen waste program.
- Lower costs by increase diversion from landfill.
- Manage growth demand and efficiencies in routing.
- Increase education opportunities.

### GEOGRAPHIC INFORMATION SYSTEM (GIS):

- Meeting the continued demand for accurate and timely digital data.
- Ensuring “data readiness” for Asset Management initiatives.
- Supporting increase demand for mobile solutions to increase field to office efficiencies.
- Implementing a corporate GIS server to improve efficiencies to users.
- Maximizing efficiencies by enabling staff to work more efficiently and make better use of the GIS data and system.
- Reducing costs in software licencing and data maintenance.

### TRAFFIC MANAGEMENT:

- Encouraging safe driving by slowing the speed.
- Maintaining current data on speed and volumes.
- Monitoring truck traffic.
- Managing increase demand for complex road closures.

### FLEET:

- Sustainability Initiatives, including:
  - Right sizing vehicles.
  - Electric and hybrid vehicles; higher purchase cost and projected lower operating cost.





## Parks, Recreation & Culture Department

The Parks, Recreation and Culture Department manages, facilitates and maintains a system of services, facilities, parks and open spaces and works to enhance the quality of life for the citizens of Nanaimo.

### PARKS, RECREATION & CULTURE DEPARTMENT HIGHLIGHTS

The City of Nanaimo Parks, Recreation and Culture Department achieved some notable successes in 2012, some of the key achievements were:

- 34,704 program registrations which represents approximately 40% of our current population.
- Completed renovations of the Cliff McNabb Arena facility.
- Purchased new fitness equipment and are now providing a higher level of service in fitness gyms by way of increased on site staff and training.
- Installed two public electric car charging stations at Beban Park.
- Developed a revised Camping In Parks policy.
- Completed the first phase of a new Community Culture Plan.
- Formed a partnership with Lions Club of Nanaimo to host 26 free Sunday afternoon public skate sessions with an average attendance of 200 participants.
- 2012 marked the 30th year anniversary of the successful “Leaders in Training” youth program.
- Jointly purchased 63 acres of wetlands west of Buttertubs Marsh with Ducks Unlimited Canada.
- The successful reestablishment of Departure Bay Creek as a salmon spawning waterway in partnership with Department of Fisheries and local volunteer group Harbour City River Stewards.
- Best summer to date for Bowen Explorer’s Camp registration with 141 full week registrations.
- Attendance at the annual Canada Day Event estimated to be 10,000.
- Two new corporate pass program partners, School District 68 and Coastal Community Credit Union.
- Installed bleachers to the pool deck at the Nanaimo Aquatic Centre to accommodate aquatic events.
- Revival of the Junior B Buccaneers franchise to the Nanaimo Ice Centre.
- Added an electronic Zamboni to the ice resurfacing fleet.
- The opening of the Northfield Tourism Kiosk which includes a new dog off leash park and additional trails.
- Extensive upgrades including a new roof and ventilation system to what is now the new home of the Military Museum building.
- Completed a proposed Nanaimo Field User guidelines document, currently out for public review.
- Rebuilt Bowen West Sports field to industry standards.
- New parkland acquired through exchanges with School District 68, adjacent to May Richards Bennett Park and Harewood Fields.
- Seven new pieces of temporary public art were installed in May 2012 to animate our outdoor parks and facilities.
- Three artistic gateways were installed at the Oliver Woods tree house village to demarcate playground entrances and reinforce the forested setting.
- Dedication of Sherry Fields at Harewood Centennial Park.
- Developed a wildfire management plan in partnership with Nanaimo Fire Services.



In the next few years, the redevelopment of some of our signature parks and outdoor sport venues will be the focus for the park services section. In 2013, Phase One of the Harewood Centennial Park will be completed which will include the addition of a covered multisport hard court surface. The new amenity will allow for new practice space for groups, such as lacrosse, roller hockey and roller derby. Caledonia Park in central Nanaimo will also be the focus of some redevelopment, including improved spectator seating and change room facilities. The upgrades will enhance the inventory of spectator seating that will benefit the local football club but also provide an alternative venue to host larger outdoor ticketed events. The results of the Maffeo Sutton Park improvement survey will also be formulated into an actionable plan leading to the enhancement of this already impressive public gathering space.

As with most communities in the province, the City of Nanaimo continues to face the challenge of maintaining aging recreation facilities and planning for new facilities to come on stream. In recent years, the department has focused on renovating and retrofitting existing facilities with the assistance of economic stimulus grants and environmental initiative credits. While this approach has served the community well, the simple fact is that as the population base continues to grow and shift our need for a new multipurpose public recreation facility increases. Funding sources and possible partnership options will be explored closely over the next few years.

In early 2012, it was identified that the existing community cultural plan needed updating. Department staff will continue to work with local culture partners and the community as a whole on the development of a comprehensive plan. The Cultural Plan will serve as a guiding document providing the department, and the community as a whole, direction on how to meet the varied cultural needs of our community. Areas of focus will include cultural infrastructure and amenities, cultural programming, education and training, recognition programs for cultural contributors, the preservation of assets and how to foster an ongoing cultural conversation.

The Nanaimo Parks, Recreation and Culture Department is an established community influencer with hundreds of community contacts. In 2011, the management team drafted a nine-year work plan focused on building those contacts into effective relationships. As an industry, community recreation needs to become flexible in the way we provide programs and work with potential partners to reduce duplication and increase relevance. One key area of focus is the partnership with local sport groups. Provincial Sport Organizations are more often now requiring local sport groups to adhere to the 'Sport for Life' model in their delivering of community level sports programs. Recreation departments are essential partners in delivering these programs and supporting this shift on a broader community level. Strengthening these relationships will also assist in the development of Nanaimo's presence in the sport tourism sector.

An immediate focus for the department in the coming year will be preparing for the 2014 BC Summer Games. The 2014 Games will include 21 different sports taking place across the community at 19 different venues. A board of directors made up of representatives from the community will guide the process with assistance from both parks and recreation staff.



Each Parks, Recreation & Culture service area strives to achieve as many of the following Department goals as possible:

- To be aware of the developing leisure requirements of the community.
- To be innovative and responsive in leading or facilitating the delivery of services that meet the needs of the community.
- To provide services and facilities that are safe, accessible and fun.
- To be active in fostering Nanaimo as a healthy community.
- To market our services, facilities, parks and open spaces to Nanaimo residents and then to visitors.
- To seek efficiencies that maximize taxpayer benefit and to maintain a net operating cost that meets the City's 5-Year Financial Plan.



*'Brannen Lake' - photo submitted by Joep Olthuis*





## Parks, Recreation & Culture - 2012 Performance

STRATEGY	MEASURE	RESULTS
Provide arena services that encourage strong community participation.	Number of admissions to public skating sessions. TARGET: 38,500 2013 TARGET: 39,900	40,443
	Number of hours allocated to City arena facilities. TARGET: 13,000 2013 TARGET: 13,000	9,311.75
	Number of registrations in arena programs. TARGET: 5,500 2013 TARGET: 5,000	4,611
Provide aquatic services that encourage strong community participation.	Number of admissions to swim and fitness facilities. TARGET: 500,000 2013 TARGET: 500,000	492,500
	Number of hours allocated to City aquatic facilities. TARGET: 9,500 2013 TARGET: 9,500	9,500
	Number of registrations in aquatic programs. TARGET: 3,800 2013 TARGET: 5,600	5,960
Provide recreation and culture services that encourage strong community participation.	Number of registrations in recreation and cultural programs. TARGET: 38,000 2013 TARGET: 38,000	34,704
	Number of hours allocated to Beban Social Centre. TARGET: 19,000 2013 TARGET: 19,000	18,737
	Number of hours allocated to Bowen Social Centre. TARGET: <30,000	20,424
	Number of hours allocated to Oliver Woods Community Centre. TARGET: 14,500 2013 TARGET: 15,000	14,593
Maintain a system of parks, trails and open spaces that encourage strong community participation.	Cost per kilometre to maintain the trail system. TARGET: <\$3,000/km.	\$3,010
	Cost per hectare to maintain City park areas. TARGET: <\$6,000/hectare.	\$3,724
	Number of hours allocated to community sports fields. TARGET: 28,000 2013 TARGET: 28,000	17,574



## Community Safety & Development Division

There are four departments within the Community Safety and Development Division. These include:

**Planning Department:** Community Planning, Planning & Design, Bylaw Services and Real Estate sections all form the Planning Department.

**Development Department:** Building Inspection, Permit Centre and Engineering & Subdivision sections are all contained within this Department.

**Fire Rescue Department**

**Police Support Services Department**



*'Paradise of Flowers' - photo submitted by Linda*



## Planning Department

The Planning Department is responsible for the development of policies and programs that support the achievement of the vision identified by the community in planNanaimo, the Official Community Plan. The Department administers the Zoning Bylaw and the Development Permit process. The Department is also responsible for land and real estate transactions in support of City functions and for enforcing the City's bylaws. The Department includes the following four sections:

**Community Planning** is responsible for the Official Community Plan and its implementation through the City's neighbourhood, heritage, social and environmental planning functions.

**Planning & Design** focuses on changes to land use, design review of new development and the administration of the Zoning Bylaw.

**Bylaw Services** administers and enforces bylaws related to unsightly and nuisance properties, handling complaints relative to all bylaws and providing support for other departments in carrying out any required enforcement action. The Department also coordinates and manages parking matters, together with the City's parking coordinator.

**The Real Estate Section** represents the City in property negotiations and ensures that all property transactions are completed in accordance with relevant statutes, regulations and policies.

### DEPARTMENT HIGHLIGHTS

#### Community Planning:

- Continued support to: Advisory Planning Committee, Nanaimo Neighbourhood Network, Nanaimo Community Heritage Commission, Social Planning Advisory Committee, and Advisory Committee on Environmental Sustainability.
- Restoration and rehabilitation of significant heritage buildings in the community, including Council approval for two Heritage Facade Improvement Grants (167 Irwin Street and 750 Franklyn Street) and a Tax Exemption Bylaw for the E&N Railway Station Rehabilitation project.
- Hosted BC Heritage Commission Network Conference and Nanaimo Heritage Summit.
- Completed first two phases of the Harewood Neighbourhood Plan, including significant neighbourhood participation in open houses, workshops and a design charrette.
- Assisted with securing 13ha of ecologically significant Garry Oak and Associated Ecosystems with nine provincially Red and Blue listed plant species of which two are also registered under the *Federal Species at Risk Act*.
- Community Sustainability Action Plan adopted by Council.
- Completed affordable housing project at Bowen and Meredith roads.
- Completed supported housing project at 437 Wesley Street with 40 people now housed in the facility; initiated Good Neighbour Agreement process with nearby residents and businesses.





## Community Planning - 2012 Performance

Provide opportunities for community involvement in developing Neighbourhood Plans that respond to the needs of the neighbourhood and the greater community.

STRATEGY	MEASURE	RESULTS
Identify options for neighbourhood participation in the planning process.	Initiate Neighbourhood Plan in 2012 and complete in 2013.	Completed first two phases of the Harewood Neighbourhood Plan, including significant neighbourhood participation in two open houses, one workshop and one design charrette.

Facilitate and pursue the revitalization of Downtown Nanaimo.

STRATEGY	MEASURE	RESULTS
Complete projects to enhance Downtown Nanaimo through municipal funding programs and ongoing support to the Downtown Nanaimo Business Improvement Association (DNBIA).	Coordinate with the DNBIA on recommendations for capital funding.	<p>Approved two Heritage Facade Improvement Grants totalling \$20,000. Both projects completed.</p> <p>Approved two Heritage Home Grants totalling \$5,000. Both projects completed.</p> <p>DNBIA was advanced funds in order to facilitate a study for the Terminal Trench area.</p>

Ensure the community is working together to develop policies and programs to respond to changing social needs in a cooperative, responsible, flexible and innovative manner.

STRATEGY	MEASURE	RESULTS
Engage community partners in the development of policies and strategies to assist Nanaimo's disadvantaged population.	<p>Coordinate the construction of CHBA Affordable Housing project in association with BC Housing.</p> <p>Monitor community social conditions and coordinate the appropriate response with community partners.</p>	<p>CHBA affordable housing project at Bowen and Meredith roads completed and occupied, post occupancy survey of neighbourhood conducted and completed.</p> <p>Update of Social Status report completed allowing for review of community social conditions.</p>

Ensure that the City's goals and objectives are consistent with the Regional Growth Strategy (RGS) and that the RGS meets the community's needs.

STRATEGY	MEASURE	RESULTS
Articulate the needs of the City in relation to growth management and servicing in a regional context through input into the RGS and amendments to the Official Community Plan (OCP).	Participate in both the RDN Review of Regional Growth Strategy and the RDN Intergovernmental Agency Committee.	Ongoing participation and support provided.



## Community Planning - 2012 Performance

Develop policies and strategies to ensure the conservation and management of Nanaimo's heritage resources.

STRATEGY	MEASURE	RESULTS
Identify and interpret heritage resources and provide initiatives to assist property owners with heritage conservation.	Successful delivery of the Heritage Conservation Program including incentives, promotion and interpretation.	Heritage Action Plan review completed. Two Heritage Facade and two Heritage Home Grant projects completed. Ten year tax exemption bylaw adopted for the completed E&N Railway Station Rehab project. Continued heritage promotion and interpretation initiatives including completion of Departure Bay Ship's Wheel project and hosting of annual Heritage Summit.

Ensure the development of Nanaimo is carried out in an orderly and cost-effective manner consistent with City Council and community goals.

STRATEGY	MEASURE	RESULTS
Ensure the Official Community Plan (OCP) continues to reflect City Council and community goals.	Continue implementation strategy for the new OCP. Coordination of the review of applications to amend the OCP.	Processed two OCP Amendment applications and one round of general amendments.  Initiated the first phase of a Food Strategy for the City.

Develop policy to ensure long-term management and protection of the environment.

STRATEGY	MEASURE	RESULTS
Identify opportunities to minimize environmental impact of corporate operations and community development.	Implement Corporate Energy Emissions Plan.  Monitor community environmental conditions to coordinate the appropriate response.	Corporate Energy Emissions Plan Implemented. Energy Manager hired to implement actions. Regular reporting on energy use and greenhouse gas emissions through City Balanced Scorecard and provincial CARIP reporting.  Community Sustainability Action Plan adopted with implementation to begin in 2013.



## Planning & Design - 2012 Performance

### Updating and maintenance of the Zoning Bylaw.

STRATEGY	MEASURE	RESULTS
The continued maintenance of the Zoning Bylaw through general amendments will ensure it remains relevant, user friendly and continues to reflect the goals and objectives of the OCP.	Continue review of the Zoning Bylaw and bring forward amendment bylaws where applicable.	Reviewed Zoning Bylaw in collaboration with the Chamber of Commerce to address “unintended consequences” of the new bylaw.  General amendments approved by Council.

### Continue to provide excellence in customer service by improving the way in which planning information is communicated to the public.

STRATEGY	MEASURE	RESULTS
Work with the City’s Information Technology Department to develop tools to help us better inform the public about the various Planning processes.	Implement a “What’s Building in My Neighbourhood?” notification system to allow residents the opportunity to go online and view development applications.  Include “QR” codes on rezoning application signage and notices to allow individuals to scan the code with a ‘smart’ phone to access online information regarding a proposal.  Develop a more user friendly web-based version of Zoning Bylaw 4500.	Launched “What’s Building in My Neighbourhood?” website with assistance of City Information Technology staff.  Improved Public Hearing notices including implementing ‘QR’ codes in notices.

## DEPARTMENT HIGHLIGHTS

### Planning & Design:

- Zoning Bylaw 4500, adopted on 2011-AUG-08, won the Planning Institute of BC Award of Excellence.
- Undertook a review of the Zoning Bylaw in collaboration with the Greater Nanaimo Chamber of Commerce to address “unintended consequences” of the new bylaw.
- Launched the *What’s Building In My Neighbourhood?* website with assistance of the staff from Information Technology.
- Rezoned two properties to allow for fee-simple row housing, a new type of housing in the City.
- Improved the wording and layout of Public Hearing Notices including the use of QR codes.
- Processed the following applications:
  - Rezoning applications: 21 received plus 9 carried forward from 2011; 18 applications approved. Year-over-year this represents two more applications than the 19 received in 2011 but less than the record 27 applications received in 2010. In addition, the department processed five general amendments to address specific issues, errors or omissions in the new bylaw.
  - Development Permit applications: 65 received plus 30 carried forward from prior years; 53 applications approved.
  - Development Variance Permit applications: 21 received, 17 applications approved.
  - Board of Variance applications: 26 received, 17 approved, 6 denied, 3 cancelled.
  - Liquor License applications: 21 received, 19 approved, 1 denied, 1 cancelled.





## Planning & Design - 2012 Performance

### Develop new Design Guidelines.

STRATEGY	MEASURE	RESULTS
Develop set of design guidelines to promote sustainable building development in Nanaimo.	Complete development of Green Building Design Guidelines.	Prepared draft elements of sustainable design guidelines for inclusion in update of general design guidelines.
Clarify the City's overall objectives for development within those areas designed as Corridor.	Begin development of guidelines to establish a development permit area for lands within the Corridor OCP designation.	Review of Corridor OCP intent and the inclusion of Corridor zones in the new Zoning Bylaw.
Work with the Nanaimo Old City Association in creating design guidelines for in-fill development within the R1 zoned portion of the Old City Neighbourhood Area.	Develop "intensive residential" design guidelines that would apply to the low density portion of the Old City Neighbourhood and designate this area as an intensive development permit area within the OCP.	Not commenced. Adoption of R1b zone does not permit "intensive residential" in a portion of Old City Neighbourhood.
Assist multi-disciplinary team of staff in the development and implementation of an urban wildfire protection plan.	Prepare all base mapping and establish new Development Permit Area(s).	Not commenced.

### Development Application Fees Update.

STRATEGY	MEASURE	RESULTS
Review application fees to other comparable BC municipalities and suggest necessary amendments.	Draft new Fees and Charges Bylaw.	Continued review process in preparation for 2013 consideration of fees update.

### Update Parking Regulation Bylaw.

STRATEGY	MEASURE	RESULTS
Begin in-house review of the City's Off-Street Parking Bylaw to reflect the OCP and the new Zoning Bylaw.	Draft new Off-Street Parking Bylaw.	Not commenced.



## Bylaw Services - 2012 Performance

Enhance public information availability on bylaw matters.

STRATEGY	MEASURE	RESULTS
Examine best practices with regard to providing the public with information on bylaw matters.	<p>Examine improved use of City website and local media to communicate information of value to the community.</p> <p>Topics include: Bylaws, Animal Control and Parking.</p> <p>Implement measures where viable.</p>	Researched and implemented online payment for bylaw tickets. Simpler, faster way to pay fines. Outcome to go online March 2013. Ongoing effort to find other areas for improvement in public information regarding bylaw matters to continue in 2013.

Administer parking functions and assets in a fair and cost-effective manner in accordance with the City's bylaws, policies and long-range planning objectives.

STRATEGY	MEASURE	RESULTS
A Parking Study has been received that recommends actions to improve parking management within the City of Nanaimo.	Implement approved recommendations arising from the Parking Strategy Study.	Implemented plan and actions to bring parking in-house. Ongoing actions to achieve. Hiring of patrollers and bringing parking services in-house to be completed Spring 2013. Hiring of a Parking Manager in 2012 to continue improving parking management.

### DEPARTMENT HIGHLIGHTS

#### Bylaw Services:

- Investigated 1,200 bylaw complaints, of which 35 came before Council as unsightly properties and 3 as grow-ops.
- Administered 1,800 bylaw violation tickets for all City enforcement units: 788 under the Traffic and Highways Bylaw, 634 under the Nuisance and Disturbance Bylaw, 192 under the Parks Bylaw, and 122 under the Animal Control Bylaw.
- Established system for moving the parking enforcement function in-house, including the development of job descriptions, the hiring of a Parking Manager and the issuance of a "Request for Proposals" for a parking contractor to provide ancillary parking services.
- Established a bylaw adjudication process for bylaw violations in collaboration with the City of Parksville to begin in 2013, including the design of a new violation notice.
- Provided staff support for the Safer Nanaimo Advisory Committee.
- Worked in conjunction with the RCMP and Provincial government agencies on monitoring and taking action on nuisance properties in the City.
- Assisted with Good Neighbourhood Agreements for social service agencies and housing projects.



## DEPARTMENT HIGHLIGHTS

### Real Estate:

- Worked on 19 potential land acquisition purchases.
- Acquired 5775 Vanderneuk Road as a site for a future water reservoir.
- Acquired 175 Pryde Avenue (West Marsh) for parks purposes in partnership with Ducks Unlimited Canada.
- Formalized a land acquisition with CP Rail to purchase 26.7 acres of waterfront property in the downtown core.
- Developed a land exchange agreement with School District 68 to trade surplus properties between each party.
- Negotiated a sale agreement for the former City Hall Annex at 238 Franklyn Street to Tectonica Management Inc.
- Formalized a sale agreement for 1 acre of City owned land at 1621 Dufferin Crescent to Canadian Cache Development Corporation.
- Completed 2 Road Closures.
- Completed lease negotiations for two supportive housing projects.
- Acquired 6 leases for City projects on private land and renewed 14 leases and 9 licences.
- Obtained 15 permanent rights of way and 47 temporary rights of way for various projects such as road widening and utility upgrades.
- Hosted an interdepartmental workshop relating to the development of a Land Management Strategy which will guide City land acquisitions, dispositions, leases and licences in the future.





## Development Department

The Development Department is comprised of the following sections:

**Building Inspection** focuses on the health, safety and protection of persons and property as related to land developments, ensuring that building developments conform to all relevant bylaws and codes.

**The Engineering & Subdivision** sections review and coordinate development requirements and design specifications for new subdivisions with respect to lot configuration, road networking and pedestrian features, park and trail connections, and utilities.

**The Permit Centre** is designed to be a 'one-stop' shopping concept for all applications, licences and inquiries related to the development and business in Nanaimo (on 2013-JAN-01 the Permit Centre was relocated to 411 Dunsmuir Street and now functions as a combined service in the Service Centre with the Revenue Services Section).



*'Old Quarter' - photo submitted by Gary Barbero*



## Building Inspection - 2012 Performance

Regulate construction within the City to protect the health and safety of persons and property.

STRATEGY	MEASURE	RESULTS
Continuous process review to provide more efficient Building Inspection services.	<p>Monthly and yearly statistics on construction volume, permit processing time and field review methods.</p> <p>Encourage building industry to adopt good construction and environmentally conscientious practices.</p> <p>Develop City-wide disaster response program.</p> <p>Implement retaining wall guidelines and policies.</p> <p>Provide more efficient Building Inspection Services.</p>	<p>Statistics are analyzed monthly and yearly.</p> <p>Participated in Industry consultations and building forums.</p> <p>Staff have been trained in Rapid Damage Assessment, program development ongoing.</p> <p>Stakeholder review complete, final draft underway. Ongoing review of inspection services.</p>
The use of technology to enhance the level of Building Inspection services to the community.	<p>Develop an online building permit application process.</p> <p>Encourage submission of electronic plans and conduct electronic review to decrease amount of paper use and storage.</p>	<p>Ongoing.</p> <p>Active digitizing of historic files underway. Planning for electronic submissions ongoing.</p>

### DEPARTMENT HIGHLIGHTS

#### Building Inspection:

- 927 permits were issued in 2012 with a construction value of \$162M. This included 523 new residential units.
- The Department completed a total of 8,171 inspections.
- Staff managed another year of the Toilet Rebate Program that saw the replacement of 852 toilets for a savings of approximately 34,500,000 litres of water per year.



## Engineering & Subdivision - 2012 Performance

The Engineering & Subdivision Section works to evaluate and process development applications through efficient coordinated review with City staff, applicants, developers and the community to create a functional and liveable Nanaimo.

### ENGINEERING HIGHLIGHTS:

Watermains	3,170 m
Fire Hydrants	25 hydrants
Sanitary Sewer	4,220 m
Storm Sewer	3,983 m
Roads	3,108 m
Sidewalk	5,330 m
Curb/Gutter	7,559 m
Streetlights	79 streetlights

City-owned works installed: \$7,029,126.94

Privately owned infrastructure constructed: \$2,142,655.60

---

### SUBDIVISION HIGHLIGHTS:

- DCCs collected in 2012: **\$2,410,205.51**
- Cash-in-lieu of park in 2012: **\$247,800.00**
- 245 fee simple lots and 257 strata lots were created in 2012.
- There were 6 new parks dedicated through subdivision in 2012, for a total area of park dedication of 16.523 hectares.
- Secured a 13.14 Ha portion of the “Harewood Plains” as City owned property and protected an additional 10.70 Ha by way of covenant, through the cooperative efforts of the Planning Department, Real Estate, Parks, Recreation and Culture, the Property Owner, the Developer and the Ministry of Transportation & Infrastructure, in consultation with Environment Canada, the Ministry of Environment, and conservation agencies. The “Harewood Plains” ESAs are known to contain at least nine species of rare plants that are either red-listed (endangered) or blue-listed (special concern). One species, known as bog bird’s foot trefoil (*Lotus pinnatus*) is the official City of Nanaimo flower and is found in Canada only on the Harewood Plains and one other site near Duncan, BC.





## Engineering & Subdivision - 2012 Performance

Continue to provide excellence in customer service by improving the way in which our information is communicated.

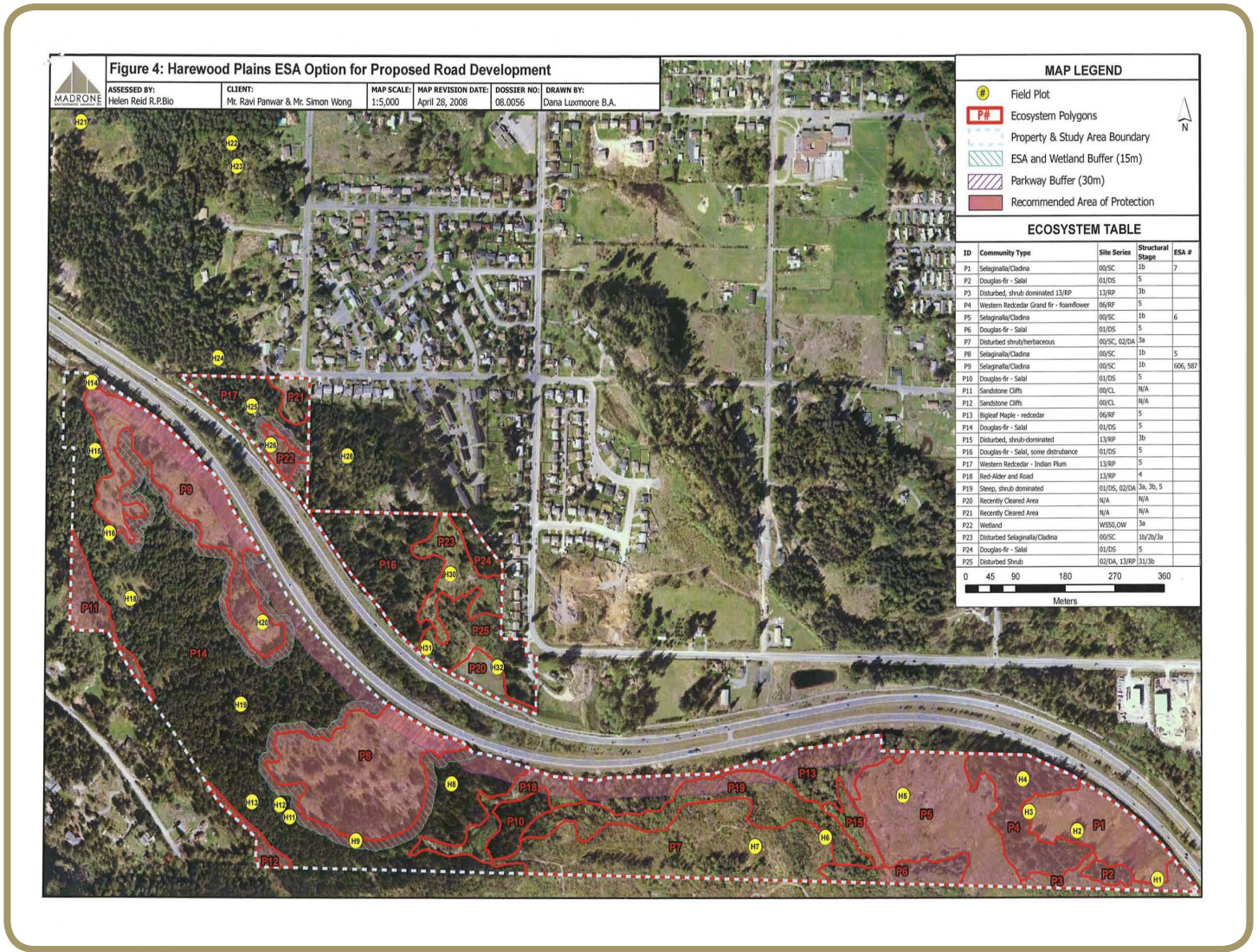
STRATEGY	MEASURE	RESULTS
Ongoing process review.	Implementation of mandatory pre-application meetings with applicants.	Enhanced customer service with up-front information, improved communication and expedited processing times.
	Addition of comprehensive letters for all subdivision applications outlining status of application, estimated processing times, and additional items required through formal review.	Ongoing.  Active digitizing of historic files underway. Planning for electronic submissions ongoing.
	Review and re-write of bylaws and policies regarding land development.	New Panhandle Policy. Increased incentive for infill development. Aligning subdivision with OCP and Zoning Bylaw 4500.
Enhanced level of services to the community through technology.	Developing new streamlined statistical queries through Prospero Land Management System.	Quarterly and yearly subdivision statistics available to internal and external agencies.
	Improved online information available to the community.	Inclusion of subdivision information on City website under "What's Building" tab.

Encourage a cooperative approach to the development of land that enhances the functionality, livability, sustainability, health and safety of the community.

STRATEGY	MEASURE	RESULTS
Protect taxpayer's long-term interests.	Review Engineering design of works required to support development to ensure compliance with City standards and Good Engineering Practices.	Planning, design and construction of infrastructure that can be efficiently and cost effectively maintained by Public Works.
Encourage the development industry to adopt good construction and environmentally conscientious practices.	Construction of innovative works to service new developments.	Installation of bio-swales, rain gardens, rock infiltration facilities for numerous developments.
		Installation of the City's first modern roundabout.



# Engineering & Subdivision



Bog Bird's-Foot Trefoil (*Lotus Pinnatus*)



## Permit Centre - 2012 Performance

(On 2013-JAN-01 the Permit Centre was relocated to 411 Dunsmuir Street and now functions as a combined service in the Service Centre with the Revenue Services Section.)

STRATEGY	MEASURE
Enhance service delivery for all Planning & Development enquiries and applications.	Informative, streamlined application processes implemented.
Ensure that experienced and knowledgeable Staff are working in the Service Centre in the new Service and Resource Centre (SARC).	Enhanced customer service, improved communications and accurate information relayed through counter enquiries.
Establish strong working relationship between Finance Department Staff and Community Safety & Development Staff working in the Service Centre.	Experience and knowledgeable Staff providing excellent customer service.

### DEPARTMENT HIGHLIGHTS

#### Permit Centre:

- 1,192 building permit applications received.
- 927 Building Permits issued.
- 65 Development Permits applied for.
- 21 Development Variance Permits applied for.
- 10 Rezoning Applications applied for.
- 51 Works in City Streets permits issued.
- 26 Board of Variance appeals applied for.
- 6,057 Business Licences issued.
- 69 Street Entertainer permits issued.
- 71,000 estimated calls transferred throughout the City received by the switchboard.





## Fire Rescue Department

The City's Fire Rescue Department has the responsibility to protect the citizens of Nanaimo from fire and other emergencies. It provides quick and high quality response to fire, medical and other emergency incidents in the most effective and responsive manner possible. It reduces the number of potential fires, loss of life, injuries and property damage through effective fire code enforcement, fire cause determination and public education programs. The department also oversees and coordinates the delivery of an emergency management program designed to prepare and protect the community from man-made and natural catastrophes.

Key to the provision of service is people who serve their community. It takes a team of well-trained and qualified individuals to control a structure fire or to determine its cause. The performance outlined in this report is a direct result of the efforts from all individuals within the Department, specifically the 200 men and women that make up Nanaimo Fire Rescue.

### ***Motto:***

*Innovating with Tradition*

### ***Mission Statement:***

*The Nanaimo Fire Rescue Department exists to enhance the quality of life within our community by providing innovative protection and safety to life, property and the environment.*

*We are a professional organization that accomplishes our mission through prevention, emergency response services, education and training.*





## Fire Rescue Department Highlights

### “INNOVATING WITH TRADITION”

Nanaimo Fire Rescue’s motto exemplifies the Department’s continued work in becoming a public safety leader in providing service to the citizens of Nanaimo. An array of initiatives were implemented or expanded in 2012 with several associated with industry innovations and shifting the delivery model from response focus to prevention focus. The Department has adopted an “all hazard approach” through integrating what was once viewed as only emergency management functions, into Department operations. While the Department always responded to major incidents or natural and man-made disasters, the new approach is viewing all risks in the community and looking for opportunities to mitigate the impact prior to any response.

As an example, the Department coordinated activities to establish a Community Wildfire Protection Plan (CWPP). The CWPP assesses the risk of wildfire in the community, offers recommendations for fuel management and other mitigation opportunities including implementation of BC’s FireSmart Program. Striving to achieve the CWPP goals will assist in making Nanaimo a safer community particularly within wildland and interface areas. The Department has also adopted innovative wildfire firefighting tactics to be more proficient. Most ‘structural based’ fire departments use structural tactics but Nanaimo Fire Rescue now uses numerous wildfire methods in fire responses.

The Department has been very active in response to the studies on the Colliery Dams that establish a failure risk in extreme rainfall or seismic events. An Emergency Action Plan outlining pre-determined key objectives, strategies, tactics and resource assignments was developed to evacuate residents from the area using prescribed routing and establishes designated reception centres. The approach expedites an evacuation if required.

With an aging population and growing risk of medical incidents in the community, the Department has expanded its emergency medical service (EMS) profile. Having greater distribution of response resources, the Department can intervene faster and provide basic life support prior to arrival of an ambulance. Improved training and procedures will positively impact patient outcomes. The new “all hazards” approach will also take advantage of safety education in the future to minimize injuries to citizens.

With considerable emphasis placed on other risks and hazards that might impact public safety in the community, the Department still keeps firefighting strategies and tactics in the forefront. The commitment in testing and mastering technologies such as Compressed Air Foam Systems (CAFS) advanced in 2012 with the purchase of new engines. Two training workshops followed. CAFS has a number of advantages including faster fire knockdown, less water application, and improved firefighter safety. The program will be expanded in 2013.

#### OTHER HIGHLIGHTS INCLUDED:

- 94 structure fires (down from 126 in 2011).
- 4,428 medical responses (up from 4,230 in 2011)
- 672 motor vehicle incident responses (up from 649 in 2011)



## Fire Rescue - 2012 Performance

Provide quick, effective and high quality response to fire, medical and other emergency incidents.

STRATEGY	MEASURE	RESULTS
Fire Rescue responds to fire and non-fire related emergencies.	Number of incident responses.	6,628 - an increase of 134 calls from 2011.
Alarms are answered and dispatched effectively.	Percent of time alarms are answered and dispatched within 60 seconds.  TARGET: 90%	89.68%
Rapid turnout of members after alert to respond.	Percent of time turnout of career members is within 60 seconds for medical incidents or 80 seconds for fire and other incidents.  TARGET: 90%	Career staff: Medical: 59.30% Fire & Other: 60.80%  On-Call Staff: 25.40%
Ensure the first-due engine is on scene within 6 minutes.	Percent of time arrival of the first-due engine is within six minutes (360 seconds).  TARGET: 90%	74.15%
Ensure full assignment of apparatus is on scene within 10 minutes.	Percent of time arrival of full engine assignment is within ten minutes (600 seconds).  TARGET: 90%	96.18%
Control structure fires and confine them to the room of origin.	Percent of time structure fires are controlled and confined to the room of origin.  TARGET: 75%	77%
Control structure fires and confine them to the building of origin.	Percent of time structure fires are controlled and confined to the building of origin.  TARGET: 100%	97.87%
Maintain four members to staff on-duty companies.	Percent of time four member (or greater) engine staffing.  TARGET: 100%	98.49%







## Fire Rescue - 2012 Performance

Reduce the number of fires, loss of life, injuries and damage through effective code enforcement, public education and fire cause determination.

STRATEGY	MEASURE	RESULTS
Use effective prevention efforts to minimize overall fire damage.	Total cost of fire damage.	\$2,326,000
Perform life safety activities to minimize civilian deaths and injuries.	Number of lives lost to fire.	0 lives lost and 2 injuries.
Perform fire inspections for all public buildings directed toward life safety, reduction of hazards, exiting and fire control.	Total number of fire inspections performed.	3,042
Provide fire safety education presentations directed to public safety.	Total number of educational sessions presented.	18
Identify the causes and origin of all fires, explosions and other emergency situations that endanger life and property.	Total number of fire investigations.	323

Ensure financial stability and efficiency in service delivery.

STRATEGY	MEASURE	RESULTS
Manage costs in an effective and efficient manner.	Operating cost per \$1,000 of residential property protected.	\$1.10
	Operating expenditures per capita.	\$159.15
	Fire services as a percentage of total City operations.	11.95%
	Fire as a percentage of municipal taxes.	14.16%



## Fire Rescue - 2012 Performance

Deliver an Emergency Management Program to prepare and protect the community from man-made and natural catastrophes.

STRATEGY	MEASURE	RESULTS
Ensure there is an up-to-date published response and recovery plan that defines roles and responsibilities.	Review performed to ensure response plan is in place and up-to-date.	Updated and expanded in 2012.
Perform Personal and Neighbourhood Preparedness presentations directed to public safety.	Total public education sessions held.	25 sessions held for 1,425 residents.
Deliver Community Preparedness presentations and exercises to City staff and assisting agencies.	Total workshops/training sessions held.	41
Activate Emergency Coordination Centre (ECC) for Level 2 and 3 emergency incidents.	Number of ECC Activations.	0
Provide Disaster Assistance to citizens affected by emergencies.	Number of Disaster Assistance requests.	13 requests from 539 residents.







## Fire Rescue - Future Issues & Trends

To meet tomorrow's service demands in the City of Nanaimo, the Fire Rescue Department is committed to planning to provide prevention and response services well into the future. In doing so, community physical and demographic changes as well as historical response trends were analyzed. Recognizing the changing environment within the City, Council has approved the update of Fire Plan originally adopted in 2005. Work started late in 2012 and will be complete in 2013. The primary challenge is to assemble an effective service delivery system that meets the response performance targets, yet provides financial stability.

With the focus shift in 2012 toward prevention, the future holds a significant increase in providing citizen groups with information to reduce the number and severity of incidents. Currently on the design table is a Smoke Alarm and Home Safety Inspection Program to coincide with the provincial government's smoke alarm initiative. In the United Kingdom, where such aggressive programs have been implemented, incidents have been reduced by approximately 40 percent.

This is particularly critical in today's 'fire environment'. With the extensive use of petroleum products in furnishings fire growth is much more rapid. Research now indicates that the chances of a firefighter successfully rescuing an occupant is minimal and the most effective life safety strategy is to have a well maintained smoke alarm and home escape plan. Early evacuation cannot be overstated and universal adoption of smoke alarms and escape plans will, by far, be the most effective approach to saving lives!



Pink Shirt Campaign





## Police Support Services

The City of Nanaimo is policed by the Royal Canadian Mounted Police under a Municipal Police Unit Agreement with the BC Minister of Justice. City Council ratified a new 20-year agreement with the Minister for continuation of the RCMP on April 16, 2012.

The new agreement strengthens the relationship between the City and the RCMP and focuses on three primary areas of concern:

- Building a strong **partnership** between the three orders of government and the RCMP for delivery of policing services by the RCMP.
- Building a strong accountability framework within which the RCMP and their funding partners would operate.
- Building a basis for **cost containment** of expenditures associated with the delivery of policy services.

For the Nanaimo Detachment, City-specific policing functions include:

- General duty patrols (uniformed members)
- Bicycle Patrol Unit
- Municipal Traffic Enforcement Unit
- General Investigation Section (non-uniformed members)
- Serious Crime Unit
- Police Dog Service Unit
- Forensic Identification Unit
- Community Policing Unit
- Auxiliary Constable Program (volunteer)
- Reserve Constable Program
- Neighbourhood, Marine and Block Watch Programs (volunteer)
- Citizens on Patrol Program (volunteer)
- Marine Patrol (seasonal)



The RCMP, in partnership with the Nanaimo branch of the ***John Howard Society***, continued a Restorative Justice Program in the community. Nanaimo's "RJ" program is still recognized as a best practice in North America. The City provides core funding toward this initiative.

The City also provides core funding to the ***Nanaimo Police-based Victim Services Society*** for the provision of police-based victim services in Nanaimo.



## Police Support Services

The RCMP has made “**Safe Homes, Safe Communities**” its national objective, and in conjunction with City Council, determined four (4) strategic priorities for 2012:

1. Crime Reduction
  - a. Prolific Offender Management
  - b. Liquor Control Strategy
  - c. Violence in Relationships
  - d. Drug Enforcement
  
2. Youth
  - a. School Liaison program
  - b. Lifestyle education for youth
  - c. Community partnerships
  
3. Traffic
  - a. Drinking & driving enforcement
  - b. Vehicle Operational Safety
  - c. Marine Patrols
  
4. Downtown Safety
  - a. Liquor Control Strategy
  - b. Nuisance Property Committee



## Crime Reduction Initiatives:

Many community partnerships and programs throughout Nanaimo continued to operate as part of a common Crime Reduction Strategy. The strategy is a “three-prong” initiative that targets high-volume offenders, known crime “hot spots” and the underlying causes of crime.

Included in these initiatives are the **Safer Downtown Working Group (SDWG)** and the **Prolific Offender Management (POM) Programs**.

The POM program is a collaborative effort between the RCMP and local social/health agencies and groups and, together with the SDWG, continues to reduce crime and improve the downtown core area. Taken together, the SDWG and POM programs are key elements in crime reduction by providing additional focus on individuals that cause a significant number of offences in the downtown area and overall community. This collaborative approach contributes to reducing negative prolific offender contacts by thwarting their antisocial activity, having them remove themselves from the community or by having them convicted of crime and in long-term custody.

## Youth Initiatives:

The Detachment’s Community Policing section continued dedicating members to a School Liaison Program. These members, supported by the efforts of all Detachment members, provided a visible presence in secondary schools throughout Nanaimo. As well, Nanaimo Detachment members worked with youth to deliver the DARE and PARTY programs at various schools and provided education sessions focusing on the dangers of illicit drugs including crack cocaine and crystal methamphetamine. The results of these efforts were noticeable, ranging from an impact on school violence to seizures of illicit drugs and conditions for not attending school property.

## Traffic Initiatives:

The Municipal Traffic Unit, in consultation with the **Nanaimo Road Safety Working Group**, continued to work on initiatives to reduce the number of motor vehicle collisions resulting in injury or fatality.

The Municipal Traffic Unit also maintained the Report Impaired Drivers (RID) 9-1-1 Project which encourages motorists and pedestrians to report impaired drivers by way of the existing 9-1-1 call system. Signage was placed throughout the City to remind drivers to pull over and report impaired drivers they encountered on City streets. Detachment members from General Duty and the Municipal Traffic Unit are dispatched to follow up on these complaints as a priority investigation, with the registered owner of the reported motor vehicle receiving a formal letter if the vehicle is not located.

A marine patrol pilot project was conducted throughout the spring and summer of 2012. An RCMP boat was acquired from another detachment and was used to patrol City lakes and the Port of Nanaimo to detect impaired boat operators, ensure that operators were properly licensed and those boats were equipped with all required safety equipment. The project was partially funded by seasonal policing funds provided by “E” Division and proved to be quite successful.

Following the BC Supreme Court overturn of the provincial Immediate Roadside Prohibition (IRP) law in 2011, the Province repaired the legislation and it began operating again successfully in 2012.





## **Downtown Core Initiatives:**

Downtown crime and disorder issues were a strategic priority of the Nanaimo Detachment in 2012, as these issues are a key factor in supporting the City's vision for public safety and an improved and stable economy in the downtown area. A further keystone supporting the downtown area economy is a safe and vibrant arts and entertainment district, both day and night.

During daytime hours the downtown core is patrolled primarily by the Nanaimo Detachment Bike Patrol Unit, with additional support from General Duty members. The strategy in use by RCMP members is to know their downtown core intimately and to displace individuals demonstrating antisocial behaviour.

In addition to downtown patrols, the Liquor Control Strategy continues to be an important initiative in promoting a revitalized downtown nightlife. Also known as the Bar Watch Program, the Strategy has helped reduce violence, disorder and nuisance activities in and around the nightclub district.

Secondly, the program has virtually eliminated the overt presence of organized crime groups. These results are possible because of a collaborative effort - all of the downtown liquor-primary establishments are participating in conjunction with the RCMP, Downtown Nanaimo Business Improvement Association, City of Nanaimo and provincial Liquor Control and Licensing Branch.

## **Other activities:**

- City and RCMP staff participated in the BC Provincial Roundtable on Policing which was created to gather community input into BC Provincial Policing Plan.
- The Detachment implemented a new Chauffeur permit system. Departing from the former typewritten permit, a new electronic system was installed which produces wallet-sized permits that incorporate picture identification of permit holders for added safety and security to the general public.
- Implemented an improved police volunteer identification system to comply with RCMP policy. Similar to the Chauffeur permit system, the volunteer ID program incorporates the volunteer's photo for added safety and security to the general public.
- Nanaimo Detachment became a test site for new Criminal Records Check forms. The new forms offer a more comprehensive police records check than in the past.
- Nanaimo Detachment created a pilot project headed by a Non-Commissioned Officer (NCO) to deal with the social side of policing. This includes dealing with and managing people who dominate a significant amount of police time for non-criminal issues. Generally speaking, this includes working with the Ministry of Children and Families for family and youth related issues and with the Vancouver Island Health Authority and other social agencies on health related issues (including mental health).
- Began working on a program to provide public internet access to "crime mapping". This will enable the public to see the general locales of specific crimes and other offences (such as traffic and liquor violations) over the internet. A pilot project is the next step and may be implemented in late 2013.
- Updated and expanded electronic fingerprinting systems. There are now two "state of the art" electronic fingerprint machines in service at Nanaimo Detachment.



- Began working on a police strategic plan for Nanaimo Detachment including a facilitated public consultation process with stakeholders in the greater Nanaimo area. The completed plan is due for release in early 2013.
- The Nanaimo Municipal Traffic Unit and the Community Policing Unit collaborated and developed the “Lite up the Night” program to promote and improve safety while walking and cycling in the dark. Community sponsors provided visibility products for pedestrians and cyclists that are distributed as needed by RCMP members who encounter unsafe practices during their regular patrols.
- Nanaimo Detachment took over operational support of Nanaimo Crime Stoppers Program. Previously this was administered by Greater Victoria Crime Stoppers; however, changes to that program initiated a transfer of administrative duties to Nanaimo.

## Future Issues & Trends

- The designs of the Detachment cell block renovation were completed and construction began in early 2013.
- Homelessness in Nanaimo is still an issue, and mental health and substance addicted clients continue to populate the streets of Nanaimo.
- Organized criminal groups/gangs and their involvement in Nanaimo’s downtown core – all units and general duty will continue to move forward with various short and long-term projects, such as the Liquor Control Strategy, to reduce and eliminate the impact of organized crime within the downtown core.
- *A Human Resource Needs Analysis* by “E” Division was completed and presented to Council in 2009. From this, a plan to acquire twenty four (24) new police officers over a five (5) year period to address Nanaimo’s RCMP resourcing shortage was developed. To date, fifteen (15) additional members are in place under this plan with the balance forthcoming in future years. Additional support staff will also be introduced to assist the members with their work.
- The marine patrol pilot project initiated in 2011 will become a permanent aspect of the Detachment in the summer of 2012. An RCMP boat has been acquired from another detachment and is permanently located with Nanaimo Detachment. It is expected to be crewed by qualified and trained Reserve Constables each weekend throughout the summer months from May to September annually.
- Technology crime continues to be an issue. This includes the use of technology for theft and fraud as well as cyber-bullying, child exploitation, etc. Nanaimo is not immune from this global threat.
- A lack of adequate provincial resourcing for police is having a negative impact on Nanaimo Detachment. Strategies to deal with this operational shortfall and to recover costs for municipal resources assisting the rural areas are being investigated.

Detachment staff and police officers, in conjunction with community agencies and the City of Nanaimo, are committed to ensuring that Nanaimo is a safe community to live in and visit. We continue to strive to make Nanaimo one of the safest communities within British Columbia - “**Safe Homes, Safe Communities**”.









## Police Support Services - 2012 Performance

Provide effective policing service to safeguard the community.

STRATEGY	MEASURE	RESULTS
Maintain a minimum 1:700 police to population ratio.	Police to population ratio.	1:630.4
Maintain Auxiliary Constable Program.	Number of Auxiliary Members.	37
	Cost per Auxiliary Member.	\$912.76

Maintain a Community Police Profile.

STRATEGY	MEASURE	RESULTS
Operate community programs such as SpeedWatch, Neighbourhood Watch, Block Parent, etc.*  *Includes Victim Services, Restorative Justice, Crime Prevention, Community Stations	Cost per capita for community policing programs.*	\$1.58 (2011: \$2.17)
Operate community policing offices.	Number of community policing offices.	1



## Legislative Services Department

Legislative Services ensures Council is provided with relevant information from City Staff, committees and the general public. It provides the public with information related to activities of Council, ensures meeting and agenda material is complete and provides the necessary information for decision making. Legislative Services oversees the statutory record keeping, processes requests to the City under the *Freedom of Information and Protection of Privacy Act*, and is responsible for conducting elections and elector approval processes, including referendums. Legislative Services also oversees claims coordination for the City.

### DEPARTMENT HIGHLIGHTS

- Conducted the Downtown Nanaimo Business Improvement Association (DNBIA) 2012 Board Election.
- Conducted an Alternative Approval Process to receive the approval of the electors for the adoption of “CENTENNIAL MUSEUM BUILDING (PIPER PARK) VANCOUVER ISLAND MILITARY MUSEUM SOCIETY LEASE AGREEMENT BYLAW 2012 NO. 7138”.
- Conducted an Alternative Approval Process to receive the approval of the electors for the adoption of “CENTENNIAL MUSEUM BUILDING (PIPER PARK) NANAIMO AND DISTRICT MUSEUM SOCIETY LEASE AGREEMENT BYLAW 2012 NO. 7158”.



## Legislative Services Department - Future Issues & Trends

eSCRIBE was selected to implement a paperless agenda system for the City of Nanaimo. Initial training for Legislative Services staff took place in July of 2011. Due to other priorities, this project was deferred until 2013. Implementation will be a staged process, initially using the system to assist Legislative Services with the compilation of the agenda in an improved electronic format, then improving the method of submission of reports and scheduling items for meetings.

The number of claims processed by the City (Legislative Services Department) has remained relatively consistent for the past few years: 18 in 2008, 10 in 2009, 19 in 2010 and 18 in 2011 and 16 in 2012. Legislative Services staff have initiated discussions with other departments to establish policies regarding liability requirements for contractors to the City (deferred from 2011).

Requests under the *Freedom of Information and Protection of Privacy Act* continue to require considerable staffing resources. The number of requests over the past few years have remained relatively consistent but there has been an upward trend in numbers over the last couple of years: 57 in 2008, 77 in 2009, 73 in 2010, 76 in 2011 and 87 in 2012. There are indications that this increase in numbers of requests will continue.

Legislative Services participation in the Strategic Planning Project related to Governance may trigger a new report format, amendments to the Council Procedure Bylaw and other, yet to be identified, policy and procedure changes.

Legislative Services will continue to assist other departments with their records management needs. Whether the goal is to scan records and deem the electronic copy to be the original, to box and store the paper records or to proceed with destruction of records no longer required under the City Records Management System, the Legislative Services Department will provide guidance in determining the most appropriate disposition of records. It is anticipated that the selection process for a Records Management software package will be taken in 2013 with ongoing implementation scheduled for 2014.

Council has resolved to review options for the release of "In Camera" minutes with specific direction related to the release of "In Camera" minutes for the years 2010, 2011 and 2012. Council also approved the release of "In Camera" information as part of the terms of reference for the Governance Review. Staff will present reports to Council in response to that direction in Spring 2013.





## Legislative Services - 2012 Performance

Fill vacant position in Legislative Services.

STRATEGY	MEASURE	RESULTS
Define job description to ensure maximum benefit.	Employee hired, trained and actively participating in Legislative Services Department work.	Position filled and within 3 months vacated.

Implement Records Management System.

STRATEGY	MEASURE	RESULTS
Investigate options for replacing current DOS program to track records storage information and records due for destruction.	Selection of product completed by 2012 year-end. Implementation 2013.	On hold, due to vacancy for Manager of Legislative Services and 2 Steno Positions.

Assist with move of records to new building.

STRATEGY	MEASURE	RESULTS
Assist with evaluation of records to be stored in new building or elsewhere or scanned and destroyed.	Records located to new building or alternate site or scanned and destroyed.	In progress.

Establish policies regarding liability requirements for contractors to the City.

STRATEGY	MEASURE	RESULTS
Ensure the City's records are retained and destroyed as per the Records Retention Bylaw.	Ensure all yearly records that are due for destruction are destroyed by March 31st of each year.	Completed for 2012.

Provide timely and accurate information to Council, the public and City staff.

STRATEGY	MEASURE	RESULTS
Prepare agendas for regular and "In Camera" Council and Committee of the Whole meetings.	Percentage of time to have agendas ready by 4:00 p.m. on Thursdays prior to Monday's meeting.  TARGET: 100%	95% completed on time, due to late reports.
Prepare Action Report.	Percentage of time to have Action Report finalized and distributed by noon on the Wednesday following Monday's Council/Committee of the Whole meetings.  TARGET: 100%	100% completed on time.
Transcribe and distribute minutes of Council and Committee of the Whole.	Percentage of time to ensure accurate minutes are prepared and distributed prior to the following meeting.  TARGET: 100%	100% completed on time.



## Legislative Services - 2012 Performance

Provide timely and accurate information to Council, the public and City staff - CONTINUED.

STRATEGY	MEASURE	RESULTS
Work with Information Technology to implement SharePoint Electronic Document Management system to manage the City's electronic records.  2011 - Identify Stage 2 module(s)	Number of City departments to be trained and utilize the system.  TARGET: Implementation of Stage 2 module(s).	On hold, due to vacancy with Manager of Legislative Services and 2 Steno positions.
Ensure the City's records are retained and destroyed as per the Records Retention Bylaw.	Ensure all yearly records that are due for destruction are destroyed by March 31st of each year.	Completed for 2012.

Strive for excellence in Customer Service.

STRATEGY	MEASURE	RESULTS
Administer Oaths and Take Affirmations, Affidavits and Declarations.	Percentage of time to ensure applicable staff are available between 8:30 a.m. - 4:30 p.m. to sign legal documents on behalf of the City and certify out-of-Canada pensions for members of the public.  TARGET: 100%	100% available.
Respond to all citizen queries and Freedom of Information (FOI) research requests within an acceptable time frame.	Percentage of time FOI requests are processed within 30 business days.  TARGET: 100%	100% processed within time limits including permitted extensions.

New Records Retention Bylaw.

STRATEGY	MEASURE	RESULTS
Draft new Records Retention Bylaw for Council's consideration.	Adoption of new Records Retention Bylaw.	Completed, implementation in progress.

Review current report format.

STRATEGY	MEASURE	RESULTS
Establish a design group to review current report format and recommend new format that better meets the needs of Council.	New report format implemented.	Completed.



## Legislative Services - 2012 Performance

### Implement Paperless Agendas.

STRATEGY	MEASURE	RESULTS
Investigate potential products for compatibility with current and future City processes and seek support of Council.	Implementation completed. Reduced amount of copying of agendas.	In progress.

### Update Policy Manual.

STRATEGY	MEASURE	RESULTS
Review existing policies. Present recommendation to Council to repeal, amend or replace policies not currently up-to-date.	Updated Policy Manual published on City website.	In progress.

### Implement Wiki.

STRATEGY	MEASURE	RESULTS
Investigate use of Intranet Wiki to store departmental procedures.	Initial implementation completed, ongoing updates continuing.	In progress.

### Update Council Procedures Bylaw.

STRATEGY	MEASURE	RESULTS
Review Council Procedures Bylaw in order to identify improvements. Present to Council for consideration.	New bylaw adopted or deemed appropriate by Council.	In progress.

### Streamline specific Council processes through adoption of an updated Delegation Bylaw.

STRATEGY	MEASURE	RESULTS
Review current and potential delegation of Council authority to staff and benefits. Present to Council for consideration.	New bylaw adopted or current bylaw deemed appropriate by Council. Processes streamlined if new bylaw adopted.	On hold awaiting information from Solicitor.

### Integrate Claims Management processes into Department Work Plan.

STRATEGY	MEASURE	RESULTS
Review current process for claims management. Cross train staff on claims management.	Claims management processes fully integrated.	Completed.

### Completion of Mandate & Objectives documents for all City Advisory Committees.

STRATEGY	MEASURE	RESULTS
Draft Mandate & Objectives documents for staff and Council review.	Adoption of Mandate & Objectives documents for all City Advisory Committees.	In progress.





## Human Resources & Organizational Planning Department

The purpose of the Human Resources and Organizational Planning Department is to provide professional human resources services and guide strategic and organizational planning initiatives to fulfill the needs of the municipality. Core business areas include: strategic and organizational planning; human resources planning; recruitment and selection; training, development and performance management; compensation and benefits; service and retirement recognition; corporate safety, health, wellness and return to work management; employee and labour relations; human resources policies; and human resources information management.

### DEPARTMENT HIGHLIGHTS

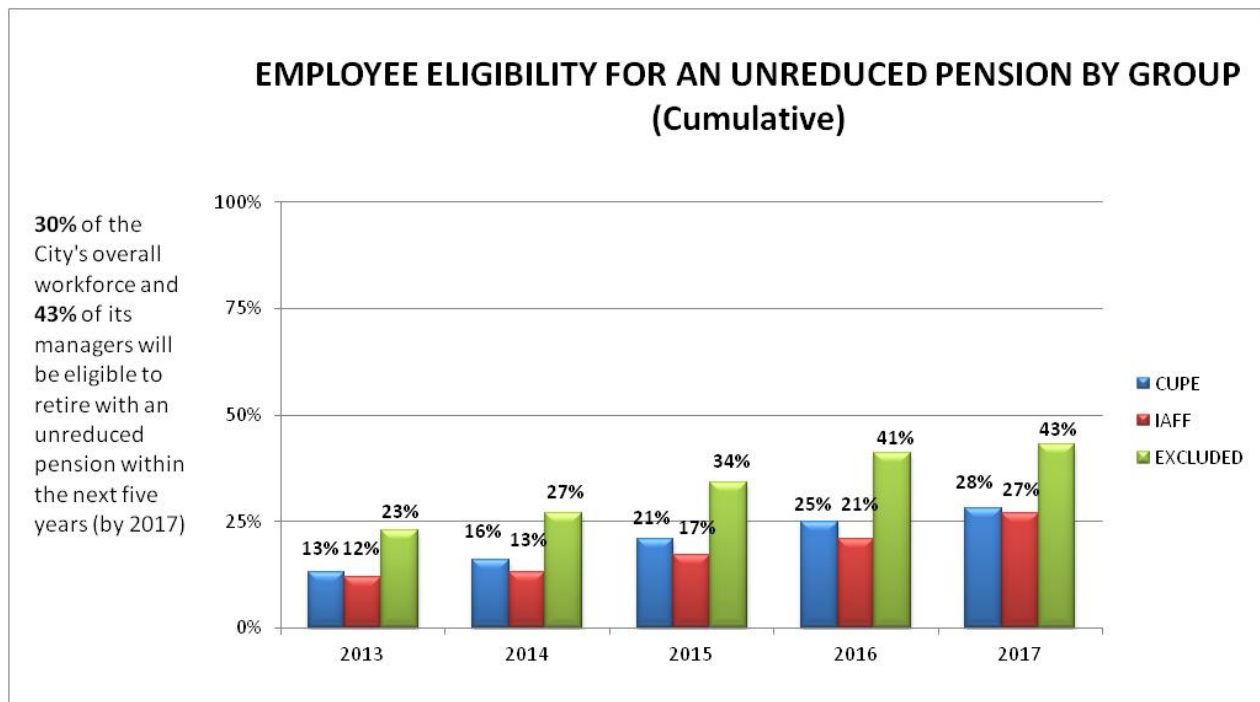
- Developed succession planning process and guidelines for senior management positions.
- Posted 98 jobs resulting in 150 people being awarded positions (new hires and promotions).
- Permanent employee turnover rate was 5%, which is down from 6.8% in 2011.
- Conducted second employee engagement survey. Determined that employees continue to have a high level of engagement.
- Retained consultant and worked with Council, Senior Management, community members and employees to develop an in-depth Corporate Strategic Plan.
- Prepared presentation and participated in 25 meetings with approximately 400 employees to report on progress of “Building Trust” and to present new Corporate Strategic Plan.
- Created Joint Steering Committee to develop a new CUPE job evaluation plan.
- Created new Attendance Management Policy and Program including attendance reporting and a brochure and handbook for management.
- Recognized 45 permanent employees who had perfect attendance records. The average number of short term sick leave hours per employee was 91.23, a reduction from 98.74 in 2011.
- WorkSafe claims costs were \$160,623, a reduction from \$224,809 in 2011, and the number of days lost due to injury were reduced from 1,468 in 2011 to 896 in 2012.
- Successfully completed COR Maintenance Audit.
- A new CUPE Collective Agreement (2011-2013) was ratified by Council and CUPE. Worked to resolve IAFF Collective Agreement (2010-2011) through face-to-face bargaining and mediation.
- Negotiated Letter of Understanding with CUPE to bring parking function in-house.
- Worked to resolve union issues without formal grievances. 21 grievances filed (1 from IAFF and 20 from CUPE).
- Updated and implemented Service & Retirement Recognition Policy and Program. Developed Request for Proposal and selected new provider for Service & Retirement program gifts.
- Offered 47 professional development courses and 28 safety courses, involving 710 attendees. In addition, coordinated online WHMIS training that was completed by 224 employees.
- Co-ordinated Access Control & ID Card Program, arranging for card access within the new Service & Resource Centre building.



Workforce sustainability continues to be one of the corporation's biggest challenges. Thirty percent of our overall workforce and forty-three percent of our managers will be eligible to retire with an unreduced pension by the end of 2017. These demographic challenges are not unique to the City of Nanaimo.

The Conference Board of Canada has reported that the Province of B.C. will be facing a shortage of 160,000 skilled workers by 2015. Nationally and across the developed world, an aging population and declining birthrates will result in lower labour force participation rates. We will not be able to rely on either inter-provincial migration or immigration to solve the labour shortage.

While the economic downturn has reduced the stresses of a high demand for labour, as the economy is recovering, concerns are again being expressed about severe and chronic labour shortages in the coming years. It is therefore critical that we position the organization well for future economic growth, the City's impending retirements and the impacts of the global labour shortage. Accordingly, our objectives include strategies to attract, engage and retain our workforce.





# Human Resources & Organizational Planning Department - 2012 Performance

Provide human resources services and programs that are responsive, effective and efficient.

STRATEGY	MEASURE	RESULTS
Improve resume collection process, communication to public, and competition file management system for external recruitments.	Develop and implement electronic competition file management system for external recruitment of permanent employees (2013).	Completed preliminary work on recruitment management system for external competitions. Created on-line status of competitions document to provide information to external job applicants on the stage of competition (i.e. screening, filled). Updated frequently asked questions about working for the City on the Internet.
		Created on-line status of competitions document to provide information to external job applicants on the stage of competition (i.e. screening, filled).
		Updated frequently asked questions about working for the City on the Internet.
Improve CUPE job evaluation plan and process.	Establish joint committee and meet to resolve outstanding JE issues as per new Collective Agreement (2012).	Completed. Successfully resolved ratings for 7 CUPE positions. Facilitated meetings with committee to improve working relationships and establish shared understanding of processes and procedures.
	Prepare to arbitrate unresolved job evaluations (2012).	Created Joint Steering Committee and worked with Committee and job evaluation consultant to design framework for new plan (i.e. identified evaluation factors and levels within each factor).
	Research and identify new JE plan with Steering Committee (2012).	Implementation scheduled for 2013.
	Begin implementing new CUPE JE plan (2013).	Implementation scheduled for 2013.
Review CUPE positions to determine relevance and consistency of qualifications.	Conduct review to ensure consistency of qualifications in clerical positions (2012).	To be completed in 2013.
	Highlight inconsistencies and make changes as needed (2012).	To be completed in 2013.
Develop quarterly staffing reports.	Prepare draft template of staffing reports to identify vacancies. Gather feedback (2012).	Completed framework for quarterly staffing reports to identify vacant positions and their status.
	Work with HRA Systems and SAP Group to arrange for new report (2012).	To be completed in 2013.
	Issue first set of reports (2012).	To be completed in 2013.



# Human Resources & Organizational Planning Department - 2012 Performance

Provide human resources services and programs that are responsive, effective and efficient -  
CONTINUED

STRATEGY	MEASURE	RESULTS
Review and consolidate Recruitment & Selection policies.	Review Recruitment & Selection policies 2.1 - 2.16 (2012).	To be completed in 2013.
	Delete policies no longer required (2012).	To be completed in 2013.
	Consolidate remaining policies into one document (2012).	To be completed in 2013.
Revise Training & Development policy.	Review samples of Training & Development policies (2012).	Research best practices for training and development policies related to the provision of funding for employees to attend external programs.
	Prepare draft and consult with others (2012)	Joint Union-Management Training Committee held meetings and finalized recommendations to be incorporated into the Training & Development Policy.
	Review new language in Collective Agreement to ensure consistency (2012) and finalize draft.	To be completed in 2013.
Review the Alternate Work Schedule policy and program.	Survey staff involved in Alternative Work Schedule program for experiences and suggestions for improvement (2012).	Established cross-departmental committee to review Alternative Work Schedule program.
	Review current practices and procedures to simplify process (2012).	Researched best practices and conducted internal survey on program.
	Create discussion points for Senior Leadership Team (2012).	To be completed in 2013.
	Amend policy as required (2012).	To be completed in 2013.
Streamline HR records.	Review records management system and make changes to ensure it is current, comprehensive and easy to use (2012-2013).	Restructured electronic management file system for department and implemented change.
Implement an HR brand/marketing plan and incorporate into recruitment-related communications.	Work with internal marketing staff to design HR brand (2012).	Designed recruiting brand.
	Incorporate plan into HR communications and career fair materials (2012).	Incorporated brand into new career fair banner and table top.
	Consolidate remaining policies into one document (2012).	To be completed in 2013.





## Human Resources & Organizational Planning Department - 2012 Performance

Attract and retain talented people.

STRATEGY	MEASURE	RESULTS
Create competency checklists for excluded recruitments (Levels 1-4).	Create interview questions aligned with core competencies (2012)	Develop an inventory of behavioural descriptive interview questions that align with competency checklists for management positions.
	Outline competency checklists for levels 1-4 (2012)	Created checklists for hiring managers to use to identify "soft skill" competencies required by successful candidates for positions that are being recruited.
	Implement checklists and interview questions for excluded recruitment (2012).	To be implemented in 2013.
Develop succession plan to Manager level.	Retain consultant and create cross-functional committee (2012).	Retained consultant and established cross-departmental Succession Planning Committee.
	Identify positions critical to organizational success and assess bench strength (2012).	Created position profile summaries and updated job descriptions for 18 senior management positions.
	Assist supervisors in creating employee development plans (2012-2013).	Held individual coaching sessions with managers who supervise exempt staff to ensure success of the succession planning initiative.  Established succession planning guidelines on knowledge transfer, development planning, recruitment.
	Facilitate roll-out of development plans, review progress of plans and programs (2012-2013).	Process has begun and will continue in 2013.

Promote and support a safe, healthy, harmonious and high performance workplace.

STRATEGY	MEASURE	RESULTS
Successfully complete COR maintenance audit.	Act as internal project lead with internal audit team (2012).	Recruited internal Certificate of Recognition ("COR") Audit Team and successfully completed COR Maintenance Audit.
	Prepare City documents for COR audit (2012).	
	Complete COR audit and submit to WorkSafe BC ("WSBC") (2012).	
Finalize Return to Work program.	Gather HR staff input and complete documentation of program (2012).	Developed Request for Proposal and selected consultant to review and make recommendations for Disability Management and Return to Work program.
	Develop and deliver training for City staff (2012).	Review is in progress.



# Human Resources & Organizational Planning Department - 2012 Performance

Promote and support a safe, healthy, harmonious and high performance workplace - CONTINUED.

STRATEGY	MEASURE	RESULTS
Finalize Return to Work program - CONTINUED	Implement Return to Work ("RTW") program City-wide (2012).	Review is in progress.
	Create database and record keeping process (2012).	
	Complete COR audit of RTW program via external auditor (2013).	
Develop RTW project using Public Works Group to develop and implement strategies to reduce injury rate and wage loss time.	Invite WorkSafe BC ("WSBC") to review 2011 injuries and wage loss stats (2012).	To be completed in 2013.
	Develop Committee with WSBC, OH&S, and Public Works to create strategies on injury reduction and RTW plan (2012).	
	Implement strategies (2012).	
	Follow up on implementation (2013).	
Explore opportunities to expand performance management program to include union employees.	Conduct research on pros and cons of different performance management systems in unionized environments (2012).	Collected Union performance management examples from 13 local governments.
	Collect feedback from management staff on usefulness and applicability of existing system for union employees (2012).	Surveyed exempt employees to gather feedback on pilot performance planning and development program and on how it might apply to Union performance management.
	Prepare performance management system for CUPE employees in consultation with CUPE (2013).	
Align training program with the strategic direction by identifying opportunities to incorporate core and municipal competencies.	Offer training programs targeted at core and municipal competency skill development (2011-2012).	Offered 9 courses aligned to one or more of the core competencies. Offered 7 courses with content/skill development related to components of the municipal competencies. Sponsored 8 employees for Local Government education opportunities.
	Incorporate municipal competencies into resource guide (2012).	To be completed in 2013.
Market benefits consulting services contract.	Develop RFP to market benefits consulting services (2012).	Selected benefits consultant and resulted in savings of approximately \$30,000 per year.



# Human Resources & Organizational Planning Department - 2012 Performance

Promote and support a safe, healthy, harmonious and high performance workplace - CONTINUED.

STRATEGY	MEASURE	RESULTS
Market benefits consulting services contract - CONTINUED.	Identify benefits consulting providers and provide RFP (2012).	Implemented change to new benefits provider (Sun Life), resulting in savings of \$120,000 per year (for at least two years). Received additional credit of \$30,000.
	Review proposals, select a provider and develop contract with new provider (2012).	Implementation included review of booklets, and resolving transitional issues with previous benefits provider.
Review claims management process.	Review Claims Management policies and procedures for short term illness and injury (2012).	Developed request for Proposal and selected consultant to review and make recommendations for Disability Management and Return to Work program.
	Research practices and guidelines in place in other municipalities (2012).	Review is in progress.
	Review information with OH&S Manager for Claims Management & RTW Handbook (2012).	
Refine and rollout Attendance Management program.	Refine and finalize Attendance Management program ("AMP") handbook using input from HR staff (2011).	Created new Attendance Management Policy and Program. Created Attendance Management brochure and distributed to all employees.
	Create AMP module with SAP Group for attendance reports (2012).	Attendance reporting developed to support the program.
	Prepare AMP training for excluded supervisors (2012).	Created Supervisor's Handbook for Attendance management.
	Present AMP training (2012).	Provided training to Managers.
Review Respectful Workplace policy and program.	Research existing programs and obtain best practices (2012).	To be completed in 2013.
	Develop Respectful Workplace policy, incorporating current harassment policy and procedures (2012).	
	Provide training on respectful work practices (2012).	



## Human Resources & Organizational Planning Department - 2012 Performance

Promote and support a safe, healthy, harmonious and high performance workplace - CONTINUED.

STRATEGY	MEASURE	RESULTS
Improve grievance processes.	Develop Step 1 and 2 process as problem solving mechanisms and revamp current Step 3 process (2012).	Worked to resolve union issues without filing of grievances.
		Review of Step 3 process to be completed in 2013.
Improve Union Management relationships by reviewing and renewing formal labour management process with CUPE.	Update terms of reference for Labour Management Committee in consultation with CUPE and departments (2012).	Held session with CUPE and provincial mediation service to establish renewed terms of reference for Joint Labour-Management Committee.
		Re-established Joint Labour-Management Committee.
Improve Union relationships by establishing standards/protocols for Management Union interaction.	Develop Union and Management meeting protocol (2012).	Discontinued.

Contribute to the success of the corporate strategic plan.

STRATEGY	MEASURE	RESULTS
Support Council for strategic planning.	Work with Council Steering Committee to select qualified consultant and structure strategic planning process (2012).	Worked with committee to select consultant for strategic planning process.
	Work with Steering Committee, consultant, Council and Senior Management to develop Strategic Plan (2012).	Assisted consultant in coordinating Council community and staff workshops.
		Corporate Strategic Plan was approved by City Council on 2012-JUL-09.
Lead/facilitate the execution of the organizational strategic plan ("Building Trust").	Engage Department Head Steering Committee and Cross-Functional Advisory group in the organizational planning process.	Worked with department heads to coordinate action plans and monitor progress.
	Provide regular communication on progress to employees.	Prepared presentation and participated in 25 meetings with approximately 400 employees to report on progress of "Building Trust" and to present new Corporate Strategic Plan. Conducted employee engagement survey.
	Work with Steering Committee members to complete steps in all action plans (2012).	Completed action steps.





## Information Technology Department

The Information Technology Department (ITD) mandate is to support technology services for City operations. ITD provides the IM (Information Management) and IT (Information Technology) infrastructures, manages technology projects, and develops systems. The overriding objective is to implement solutions that provide value to City Departments in meeting their goals and objectives, as well as delivering service to the community.

As a strategy partner to the organization, the ITD strategy is based upon four principles:

- *Client Focus* ensures that solutions are always directed to meeting City needs;
- *Driven* ensures solutions are effective and provide a real return;
- *Knowledge Management* ensures that solutions are developed in a professional and informed manner;
- *Technology Platform* ensures that the most reliable and effective tools are deployed.

The Department's Service Catalogue includes 140 business applications, along with 500 workstations and 145 physical and virtual servers. These reside at 12 major sites, all connected with a Municipal Area Network consisting of both wired and wireless connections. In addition, the Department supports voice communications consisting of 900 fixed and mobile devices connected through four large telephone switches and the public cellular networks. All the services are managed through the three ITD program areas of Applications Support, Technical Support, and Client Support (Help Desk).





## Information Technology Department

### DEPARTMENT HIGHLIGHTS

This past year has been one of steady progress in maintaining and improving the technical infrastructure and business applications. ITD completed 60 projects in support of the growing and changing requirements of the City's operating departments. The redevelopment of the City's public-facing services continued as a key initiative. These projects include enhancements to the City website, Open Data initiatives, social media services, and public search capabilities.

Efficiencies in the day-to-day services were the focus for many projects. Key IT infrastructure improvements for 2012 were centered on disk storage capacity and business continuity. Migration from physical to virtual servers continued as part of the City's green initiatives. Restoration of virtual servers is now easier and faster, thereby improving uptime for operating departments. System availability continued to exceed the 99.5 percent target.

An initiative to improve network reliability and reduce costs was continued with City-owned fibre optic cable now in place between all major facilities. Expansion to other sites and installation of a redundant loop will continue in the future. Expansion of the public wireless projects continued in 2012. Improved public wireless service in several of the City's buildings along with streaming video of City construction projects were requests from the public.

The IT Help Desk handled approximately 4,120 support requests during the year. Eighty-one percent of problem requests were resolved immediately by HD staff. The remaining calls were directed to applications or technical staff for tier II support.

Delivery of technology training courses to support staff and Council is important for the effective operation of the City and ITD has equipped a training classroom with workstations and equipment for this purpose. The courses are offered through the City Training Program and cover a variety of topics to improve staff productivity and efficiency including: Microsoft Word, Excel and Access, Adobe Acrobat, Blackberry, Illustrator, InDesign, mapping and document management.

The major focus for applications development in 2012 has been on online services and SAP financial system. In addition to these two focus areas, staff spends approximately 25 percent of their time on maintenance and upgrades to existing applications. The online services included several new web applications, redesign of Nanaimo Map, along with adoption of the OpenID standard for easier public access to City services. The SAP system additions included the Budget module for improved budget forecasting and presentation, along with reporting enhancements to HR component and financial information.



## Information Technology Department - Future Issues & Trends

Information technology continues to be an increasingly key component in providing City services to the public and internal departments. Integrated Government Service to citizens through online transformation has received much attention and ITD provides leadership to the internal departments as the City moves forward in this arena.

IT projects that assist in providing these services have been identified and planned for the next three to five years. These projects generally fall into one of the following five areas:

**Online Services** - moving traditional counter-based services to the new Internet-based electronic counter;

**Mapping** - building Geographic Information Systems (GIS) applications that relate to property services and utilities infrastructure, as well as interfaces for other services such as Parks, vehicle movement and business locations;

**Mobile Services** - providing wireless communications for staff so that services and business support can be accommodated away from the traditional City counter;

**Electronic Document Management** - provide an effective way to manage the explosive growth of electronic documents, ensuring that they can be stored, secured and accessed in a timely and reliable manner; and

**IT Infrastructure** - continue to update and improve the network and systems to handle more data at faster speeds throughout the service area. In addition, the IT infrastructure will have to become increasingly reliable and more robust to be available in emergency scenarios.

2013 will be a challenging year for the City, and the IT Department will be an integral part of the solutions developed. The corporate work goals will focus on strategic planning and providing Council with more comprehensive decision-making information. We have identified Business Applications and Technical projects that will assist departments in improving services while reducing costs. These will be reviewed with the clients and those providing the greatest value will proceed.



## Information Technology - 2012 Performance

Provide an efficient computing and telecommunication system environment with a high degree of reliability.

STRATEGY	MEASURE	RESULTS
Maintain system access for network and mission critical applications at 99% availability.	Average number of network downtime hours per month during 8:00 a.m. - 5:00 p.m. core business hours.	This past year has been one of steady progress in maintaining and improving the technical infrastructure and business applications. ITD completed 60 projects in support of the growing and changing requirements of the City's operating departments.
		Overall system reliability and redundancy is high as many applications and services are distributed across 3 separate Server rooms. Citrix services continue to expand and play an important role in Business Continuity.

Develop technical expertise within all City staff.

STRATEGY	MEASURE	RESULTS
Provide technology training for City staff on IT-related products.	Number of training courses provided in the year.  TARGET: 15	Target met. In-house training courses supplemented by additional offsite and webinars has been effective and allowed the year's target to be exceeded.

Encourage use of the City's website and continually aim for improvement of the site.

STRATEGY	MEASURE	RESULTS
Develop interactive mapping services to assist the public and City staff. Specific initiatives include: <ul style="list-style-type: none"> <li>interactive maps providing information on Parks, Recreation &amp; Culture facilities and services.</li> <li>interactive maps providing development-related information (ie. location of infrastructure, zoning, etc).</li> </ul>	Percentage of interactive map creation project completed.	Target met. This year has continued to see a tremendous growth in use of Social Media by the public. The City is a leader in utilizing this media for communications and information sharing. Furthermore, the City's Open Data Catalogue continues to expand and is now at 34 data sets ensuring access and transparency in City operations.

Implement innovative technical solutions to increase efficiencies and/or achieve greater cost effectiveness.

STRATEGY	MEASURE	RESULTS
Increase the City's wireless capabilities and lower costs by increasing City owned wireless service infrastructure.	Percentage saved over the cost of basic cellular service compared to 2006.  TARGET: 15% savings each year.	Target met. Mobility services for staff and public have again been a focus for 2012. Public wi-fi at City facilities has been upgraded. New mobile applications have been developed for field staff. Changes in mobility service plans have resulted in 20% cost savings.





## Finance Department

The role of the Finance Department is to provide financial stewardship of the City's financial assets. The Department provides financial reporting and control and is responsible for the implementation of financial management policies that ensure the City is able to meet Council's future service expectations. Financial information is provided to the public, Council, media and other City departments. There are five Divisions within the Finance Department.

**Accounting Services** is responsible for the expenditures of the City. The Division processes over 30,000 invoices annually, resulting in the issuance of 12,000 accounts payable cheques. The Division prepares monthly financial reports for internal review, along with an annual financial statement that is available on the City's website.

This Division is also responsible for ensuring that the financial records accurately reflect the financial position of the City and for monitoring cash flow and investments, all the while working within the guidelines as outlined in the *Community Charter*.

The **Payroll** section provides bi-weekly paycheques for approximately 850 employees (including full-time, part-time and casual employees).

**Financial Planning's** role is to prepare the City's financial plan annually for review and adoption by Council. This is done by collecting information from all departments and working with senior management to prepare a draft budget in accordance with the principles that have been established by Council. The budget is modified during a public input and discussion period and finally adopted by bylaw.

The Division also provides financial analysis and works on special projects such as the three-year development Cost Charge review, and maintains Balanced Scorecard information.

**Purchasing & Stores** manages the City purchasing function in addition to stores inventory, contract management and general insurance.

**Revenue Services** is responsible for billing, collecting money and maintaining records for properties, business licences and dog licences. There are approximately 35,000 properties in the City of Nanaimo. This Division maintains records of assessment, ownership, legal description and tax accounts. Tax notices and reminders are mailed annually and an annual tax sale is held for properties where property taxes are unpaid for three years.

This Division also bills for water, sewer and garbage services, known as User Rates. There are 22,000 property accounts that are billed three times a year. Approximately 5,500 dog licences are issued annually.

Revenue Services is responsible for ensuring that these bills are collected, the money is deposited promptly in the bank and that the transactions are appropriately recorded in the City's financial records.



## Finance Department

### DEPARTMENT HIGHLIGHTS

- Implemented a new Budgeting module in SAP financial system.
- Implemented the 'balanced scorecard' with 50+ performance measures. Measure covers six perspectives (financial, environmental, social, customer, employee and service & program delivery).
- Implemented an electronic billing (e-bills) system in MyCity. This allows citizens to receive their tax Notice and Utility bills electronically.
- Worked on the development of the long term funding plan for Asset Management.
- Created a system to track and report greenhouse gas (GHG) emissions in accordance with the 'Methodology for Reporting B.C. Local Government Greenhouse Gas Emissions' for 2012.
- Reported 2,888 tonnes of GHG emissions in 2012.
- Conducted a municipal Dog licence survey and recommended fee changes for 2013 year.
- Conducted a utility survey of comparable municipalities in anticipation of a water and sewer rate review.





## Finance - 2012 Performance

Provide timely and accurate information to Council, the public and City staff.

STRATEGY	MEASURE	RESULTS
Produce accurate and timely financial reports in accordance with the legal requirements set forth in the <i>Community Charter</i> .	Five Year Financial Plan and Annual Financial Statements prepared by dates specified in the <i>Community Charter</i> .	Both documents were prepared by the dates specified in the <i>Community Charter</i> .
Through the quarterly report process, estimate the annual surplus within 1% of the net operating budget.	Comparison of the September projection to the year end results.	The projected surplus was \$1,994,600 compared to actual results of \$3,740, 674. The variance is 1.8%.

Provide financial stewardship.

STRATEGY	MEASURE	RESULTS
Provide residents with an effective and efficient electronic payment option for property taxes.	Percentage of customers using electronic payments for property taxes.  TARGET: Increase of 5% over 2011.	5% target was met.
Increase the number of users of MyCity, a web-based program that provides customers with up-to-date information for tax, user rate, dog and business licence accounts.	Increase number of customers using MyCity by 5% every year over the next two years.	2012 saw a 57% increase in the number of customers using MyCity (7,101 users).



## Finance Department Future Issues & Trends

Working on implementing technology to reduce the risk of cheque fraud.

Working on a document management system to reduce the amount of paper storage.

The Finance Department is committed to ongoing process review in order to become more effective and efficient.

Reviewing and updating the Balance Scorecard measures.



*'Modern Cafe' photo submitted by Shayd Johnson*





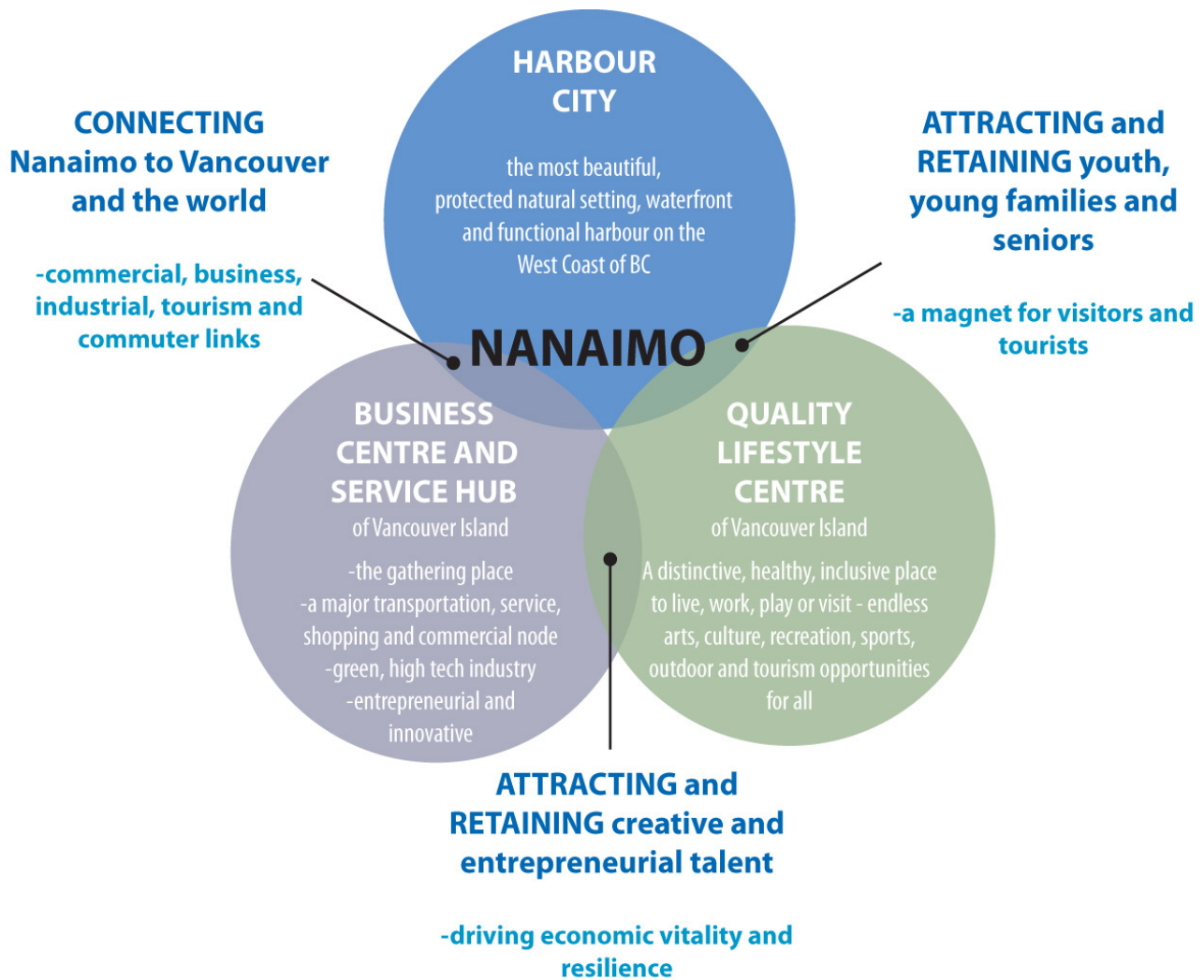
# MOVING FORWARD





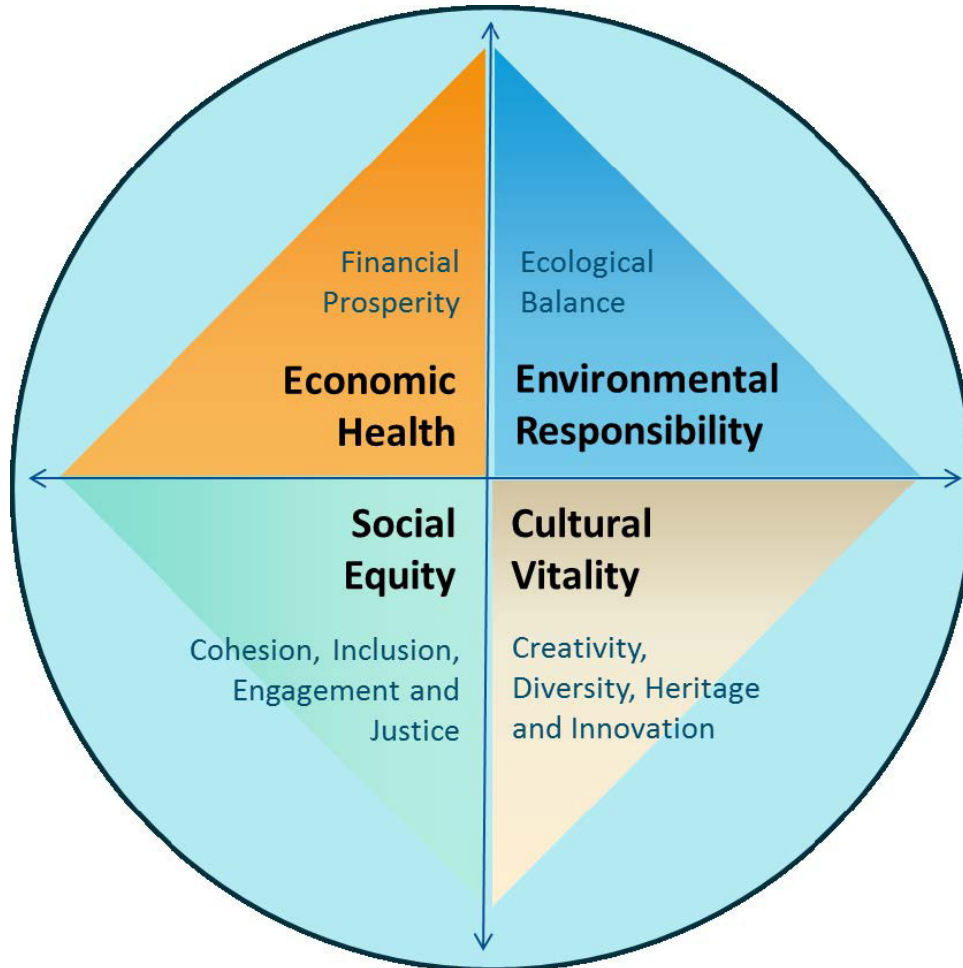
# OUR FUTURE

By 2025, the City of Nanaimo will proudly feature its harbour and inclusive quality lifestyle; excelling as both the business centre and transportation/service hub for Vancouver Island.





# Four Pillars of Sustainability



Following an extensive community engagement process, “Your Voice, Our Nanaimo”, Council adopted the 2012 to 2015 Strategic Plan.

The plan restates commitment to the four pillars of sustainability: economic health, environmental responsibility, social equity and cultural vitality.



# Economic Health

Promotes a thriving economy. Grow and diversify the local economy from the current tax base, affording new opportunities for residents and businesses, while staying within the capacity of the natural environment.

## STRATEGIES

Support Nanaimo Economic Development Corporation objectives:

- establish an effective and sustainable economic development program;
- expand and diversify employment opportunities;
- establish Nanaimo as a leading investment destination; and,
- increase Nanaimo's image as a destination for opportunities.

## MEASURES

- Debt per capita
- Debt servicing costs as % of revenue
- Reserves as % of expenditures
- Average value of a single family dwelling
- Delegate days at Vancouver Island Conference Centre
- Economic benefits from sports tourism
- Property taxes from new construction
- Hotel occupancy





# Environmental Responsibility

Protect and enhance our environment and build a more sustainable community.

## STRATEGIES

Update the Corporate Climate Change Plan.

Continue to update and refine the Community Sustainability Action Plan.

Execute the Urban Forest Management Strategy.

Review and update the Water Conservation Plan.

## MEASURES

- Waste diverted from landfill
- Corporate greenhouse gas emissions
- Protection of environmentally sensitive areas
- Urban forests
- Air Quality Index
- Fuel efficiency of fleet
- Facility energy consumption
- Community greenhouse gas emissions



# Social Equity

Encourage social enrichment, which means Nanaimo is considered a socially sustainable community that nurtures a caring, healthy, inclusive and safe environment.

## STRATEGIES

Update of the Social Development Strategy contained in the Official Community Plan.

Implement initiatives and opportunities consistent with Nanaimo's Community Plan to Reduce Homelessness and the Housing First Action Plan.

## MEASURES

- Response to Homelessness - housing units
- Unemployment rate
- Criminal Code offenses
- Youth crime rate



# Cultural Vitality

Ensure that Nanaimo will have a strong and vibrant culture which involves a coordinated and collaborative effort leading to greater popularity as a place to visit, live, work and play.

## STRATEGIES

Develop an updated Cultural Strategy.

Update the Parks, Recreation and Culture Master Plan.

Continue to implement the Heritage Action Plan.

## MEASURES

- Hectares of open space
- Kilometres of trails
- Funding for cultural activities
- Number of pieces of public art
- Participant hours in recreation and culture programs
- Square metres of recreation facilities
- Child fitness (enrollment in recreation programs)



# Strategic Priorities



The Strategic Priorities are all important and there is no ranked priority of the six selected by City Council. Given the significance of these priorities, it is anticipated that they will endure through the 3-5 year term of the 2012 Strategic Plan. The strategies and initiatives for each priority will be reviewed on an annual basis with the intent of updating them based on progress, experience and learnings.





# Asset Management

Stewardship of current infrastructure and facilities.

## STRATEGIES

Develop an Asset Management Policy that defines level of service, risk tolerance, and long term funding strategies.

Ensure the financial plan term (# years) is sufficient to encompass the major growth/ expansion periods in Nanaimo's history - to address spikes in infrastructure and facility development that inevitably lead to spikes in replacement costs.

## MEASURES

- Pavement Quality Index
- Average age of water mains



# Community Building Partnerships

Building action partnerships around complex issues that demand a cooperative and coordinated response from several levels of government, the business community, the non-profit sector, Snuneymuxw First Nations, Vancouver Island University and other related institutions.

## STRATEGIES

Support and facilitate the development of a Nanaimo Social and Health Network.

Participate in the Successful Cities workshops and collaborate with the Chamber of Commerce to evaluate, and where appropriate, to monitor existing and future actions.

Review and clearly define the municipal role in the facilitation and maintenance of a vibrant, non-profit or 'community benefit' sector in Nanaimo.

## MEASURES

- Number of not-for-profit agencies operating in the City of Nanaimo
- Number of Successful Cities strategies implemented



# Taking Responsibility

To be an excellent municipal government.

## STRATEGIES

Commission an external Governance Policy, Structure and Processes Review and Audit.

Establish a coordinated and consistent Current Service Summary across all departments.

Continue development of the Balanced Scorecard.

Develop a comprehensive Communications Policy and Strategy.

Explore options for “Town Hall Council Meetings”.

Continue to facilitate change and overall development, and take action steps to be a catalyst for investment in the City’s future.

## MEASURES

- Employee engagement survey
- Citizen satisfaction with City services



# Transportation and Mobility

Committed to comprehensive transportation/mobility planning and management that furthers planNANAIMO goals related to mobility options, reduced dependency on the car, and integration of land use and mobility planning.

## STRATEGIES

Complete comprehensive Sustainable Transportation Master Plan.

Continue efforts to integrate land use and mobility planning through the Official Community Plan processes.

Review Development Cost Charges rates to better reflect cost to service different parts of City and encourage development within currently serviced areas to reduce infrastructure costs.

Work with other organizations (e.g. Nanaimo Economic Development Corporation, BC Ferries Corporation, Airport Authority, Nanaimo Port Authority, Regional District of Nanaimo) to advocate for and support improvement of external connections.

Work with the Island Corridor Foundation to increase the viability of the E&N Rail line.

## MEASURES

- Urban density
- Commuter trips using alternate transportation





# Water

Ensuring an adequate supply of safe drinking water is one of the City's highest priorities and a significant challenge. Response to this challenge will include new/increased supply and a commitment to water conservation.

## STRATEGIES

Confirm preferred water supply option with detailed plans, designs and agreements.

Update of Water Conservation Strategy.

Implement initiatives and opportunities consistent with the Blue Community designation.

Continued commitment to full-cost water pricing.

Enhance water billing information to encourage awareness and wise use of water.

## MEASURES

- Water consumption
- Water quality



# Waterfront Enhancement

Nanaimo values its waterfront from four perspectives: the iconic distinctiveness it brings to the City, public enjoyment, maritime employment, and habitat protection.

## STRATEGIES

Create a Waterfront Interdepartmental Staff Team mandated to build partnerships and to identify and act on opportunities to create an uninterrupted waterfront trail and other priority outcomes.

Update Maffeo Sutton Park Improvement Plan.

Assess and address concerns related to aging infrastructure at Georgia Park.

Upgrade and improve existing Departure Bay section of the Waterfront Trail from Kin Hut to Hammond Bay Road.

Work with Snuneymuxw First Nations and BC Parks to explore options for improving access to Newcastle Island.

## MEASURES

- Kilometres of waterfront trail
- Number of waterfront businesses



# Statistics





# Permissive Tax Exemptions

A permissive tax exemption (PTE) is an exemption from the payment of municipal tax. Each year Council grants various permissive tax exemptions to help support organizations that provide services considered to be an extension of municipal services and that are deemed to contribute to the well being of the community.

When granting a PTE, Council ensures that the exemption will not provide an unfair competitive advantage and that the resulting tax burden is a justifiable expense. To strike a balance, Council considers requests for exemptions in concert with the various other needs of the community.

To be considered for a PTE an organization must: submit an application; have goals, policies and general operating principles that reflect those of the municipality; provide services that are an extension of municipal services and programs; be primarily used by residents of the City of Nanaimo; allow all Nanaimo residents to participate and adhere to all City of Nanaimo bylaws and policies.

Following is a listing of organizations granted a permissive tax exemption in 2012, along with the amount of municipal taxes that would have been imposed on the property if it were not considered exempt.

Organization	Exemption
Anglican Synod of the Diocese of BC	13,794
Assembly of BC Arts Councils	268
BC Conference of the Mennonite Brethren, The	11,482
BC Corp Seventh Day Adventist	2,908
BC Muslim Association	1,525
BC SPCA	6,027
Benedictines of Nanaimo, The	3,270
Bishop of Victoria	8,611
Bishop of Victoria/Trustees Trinity United Pastoral	13,769
Boys & Girls Club of Central Vancouver Island	10,752
Canadian Mental Health Association	5,306
Centennial Museum	39,943
Central Vancouver Island Centre for the Arts	4,155
Central Vancouver Island Multicultural Society	13,721
Christ Community Church	8,451
Christian & Missionary Alliance Canadian Pacific District	3,481
Christian Science Society of Nanaimo	472
Columbian Centre Society	7,112
Crimson Coast Dance Society	338
Crisis Pregnancy Centre of Nanaimo Society	3,758
Departure Bay Congregation of Jehovah's Witnesses Trustees	4,348
First Baptist Church Nanaimo BC	3,642
Foursquare Gospel Church of Canada	6,851
G S M P D Sikh Temple Inc.	899





# Permissive Tax Exemptions

Organization	Exemption
George R. Pearkes Senior Citizen Housing Society	17,151
Good Samaritan Canada (A Lutheran Social Service Organization)	102,491
Governing Council of the Salvation Army	16,771
Hammond Bay Baptist Church	1,910
Hope Lutheran Church	4,094
Island Corridor Foundation	71,036
Island Crisis Care Society	5,175
Kings Temple Missionary Society	1,374
Loaves & Fishes Foodbank Foundation	3,064
McGirr Sports Society	47,909
Mid-Island Intergroup Society	392
Mid Island Metis Nation Association	354
Mid-Island Science, Technology & Innovation Council	3,452
Mt. Benson (PAC Branch 256) Royal Canadian Legion	7,520
Mt. Benson Senior Citizens Housing Society	28,101
Nanaimo & District Equestrian Association/V.I.E.X.	9,688
Nanaimo & District Surfside Society	1,996
Nanaimo 7-10 Club Society	3,359
Nanaimo Art Gallery	7,388
Nanaimo Association for Community Living	20,439
Nanaimo BMX Association	2,456
Nanaimo Brain Injury Society	3,638
Nanaimo Branch of the Red Cross Society	4,521
Nanaimo Branch Royal Canadian Legion (Branch 10)	2,550
Nanaimo Canoe & Kayak Club/Nanaimo Rowing Club	533
Nanaimo Child Development Centre Society	28,055
Nanaimo Christian School (1988) Society	8,387
Nanaimo Church of Christ	1,158
Nanaimo Citizen Advocacy Association	1,971
Nanaimo Community Archives	4,523
Nanaimo Community Hospice Society	1,640
Nanaimo Conservatory of Music	7,402
Nanaimo Curling Club	11,268
Nanaimo District Senior Citizens Housing Development Society	120,109
Nanaimo F O S Housing Society	11,450
Nanaimo Family Life Association	3,313
Nanaimo Foodshare Network Society	3,723
Nanaimo Full Gospel Assembly	2,268
Nanaimo Marine Rescue Society	1,053
Nanaimo Minor Hockey Association	3,577
Nanaimo Recycling Exchange	11,964



# Permissive Tax Exemptions

Organization	Exemption
Nanaimo Region John Howard Society	3,488
Nanaimo Search & Rescue Society	1,409
Nanaimo Theatre Group	3,529
Nanaimo Tourism & Convention Bureau	4,864
Nanaimo Travellers Lodge Society	22,365
Nanaimo Women's Resource Society	3,233
Nanaimo Youth Services Association	10,226
Nature Trust of BC	152,651
Navy League of Canada Nanaimo Branch	4,578
Options for Sexual Health	2,459
Pentecostal Assemblies of Canada	14,230
Pleasant Valley Social Centre	5,054
Port Theatre Society	272,719
President of the Lethbridge Stake	3,002
Priestly Society of St. Pius	1,412
Protection Island Lions Club	12,951
Protection Island Ratepayers Association	1,983
Royal Canadian Airforce Assoc 808 (Thunderbird) Wing	3,793
St. John's Ambulance	15,989
St. Paul's Lutheran Church of Nanaimo	2,974
Theatre One	1,150
Tillicum Haus Society	12,152
Tillicum Lelum Aboriginal Society	22,427
Trustees of St. Andrews Presbyterian Church	3,953
Trustees of the Congregation of Brechin United Church	2,588
Trustees of the Congregation of Departure Bay Baptist Church	2,419
Trustees of the Congregation of St. Andrew's United Church	5,684
Trustees of the Nanaimo Christadelphians	1,506
Trustees of the Woodgrove Congregation of Jehovah's Witnesses	1,562
Ukrainian Catholic Eparchy of New Westminster	1,863
Unitarian Foundation of Nanaimo	2,015
United Way Central & Northern Vancouver Island	1,600
Vancouver Island Aids Society	889
Vancouver Island Haven Society	20,432
Vancouver Island Khalsa Diwan Society	3,714
Vancouver Island Symphony	1,028
Wakesiah Gospel Chapel	2,580
Wellington Community Association	6,910

## Total 2012 Permissive Tax Exemptions

\$1,401,487

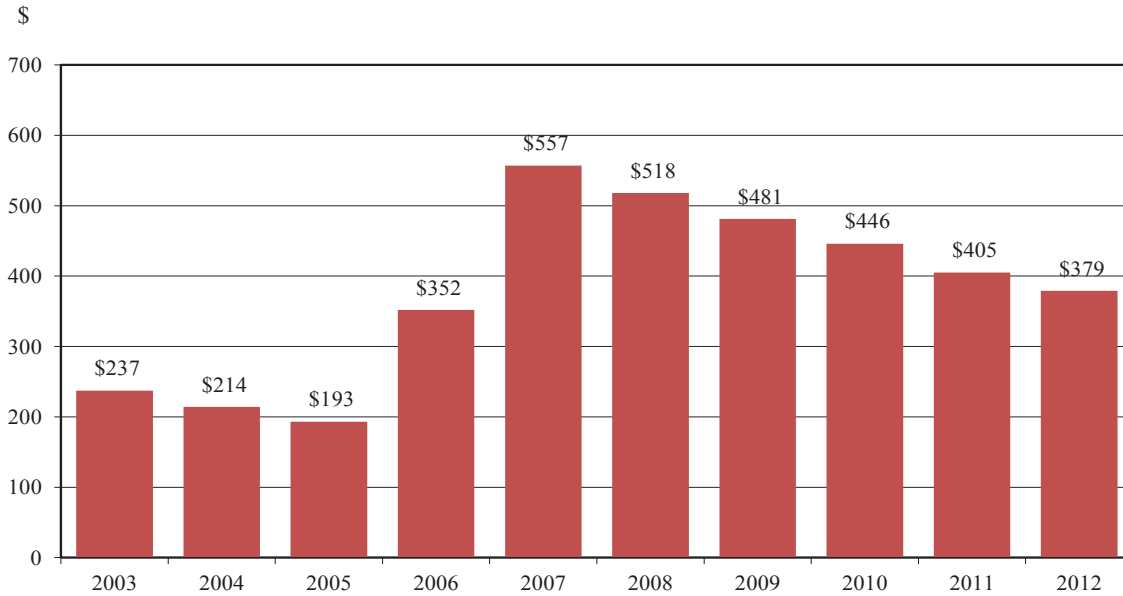
NOTE: Churches are granted a statutory exemption under the *Community Charter*. The exemptions granted under this legislation provide tax exemption for the main building and the land upon which it stands, leaving the remainder of the property as taxable. The City's PTE Policy permits an additional permissive tax exemption for additional land and buildings not covered by the statutory exemption, to a maximum of 2.0 acres.



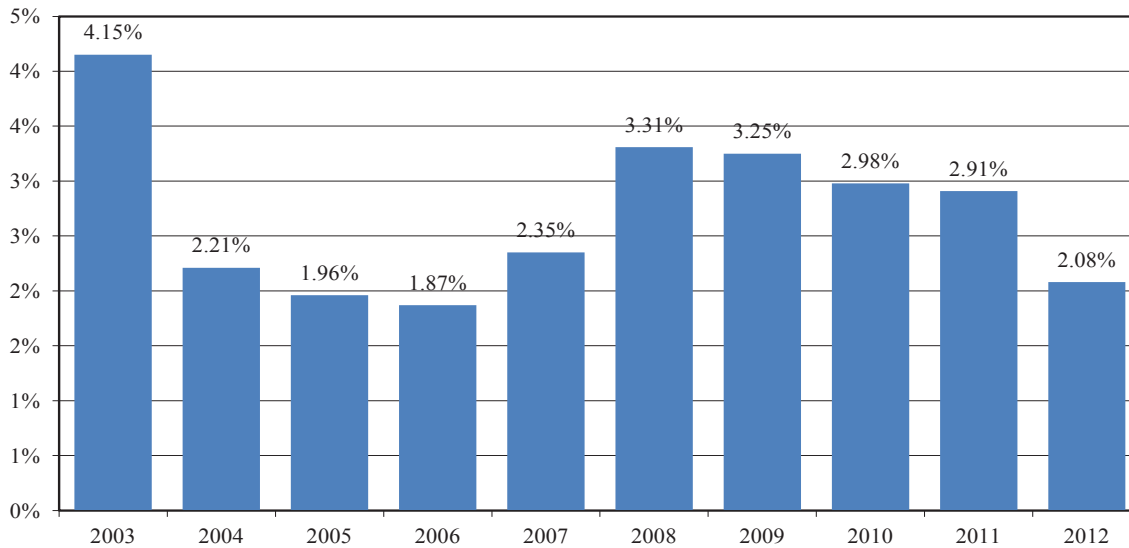
# Statistics

UNAUDITED

## OUTSTANDING DEBT PER CAPITA



## DEBT SERVICING AS A PERCENTAGE OF EXPENDITURES \*



\* Includes operating and capital expenses but excludes amortization



# Statistics

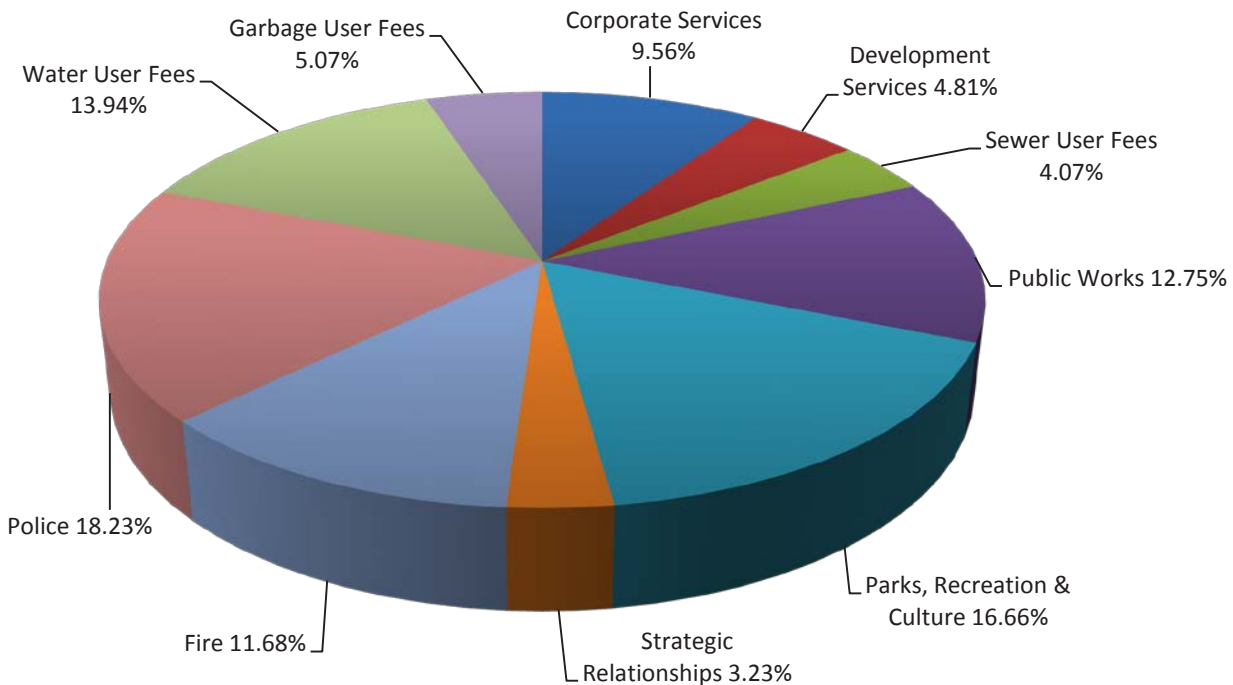
**Where your 2012 tax dollars go.....**  
*(For a residential property with an assessed value of \$340,000)*

## Municipal Taxes & User Rates

Corporate Services	\$ 228.03
Development Services	114.65
Fire	278.56
Police	434.87
Parks, Recreation & Culture	397.43
Public Works	303.98
Strategic Relationships	77.02
Sewer User Fees	96.99
Water User Fees	332.46
Garbage User Fees	121.00
<b>Total Municipal Taxes and User Fees</b>	<b>\$ <u>2,384.99</u></b>

*NOTE: School taxes, regional levies and the Home Owner Grant are not included in the above*

**2012 Municipal Taxes & User Fees for a residential property with an assessed value of \$340,000**







# Property Owners with Gross Taxes Exceeding \$250,000 in 2012

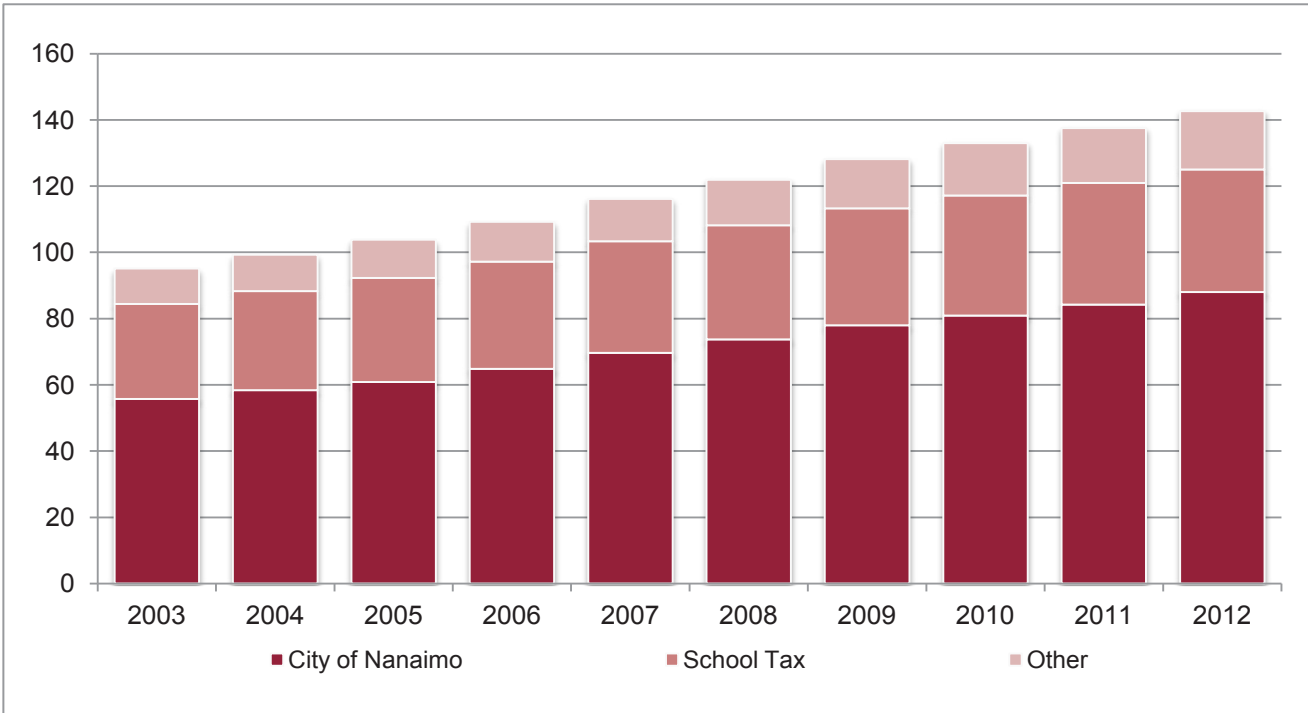
Rank	Property Owner	Primary Property	Total Taxes Levied (all agencies)	% of current tax levy
1	IVANHOE CAMBRIDGE I INC	Woodgrove Mall	4,201,350.69	2.96%
2	NANAIMO FOREST PRODUCTS LTD	Harmac Pulp Mill	1,717,087.91	1.21%
3	COUNTRY CLUB CENTRE LTD	Country Club Mall	1,275,664.59	0.90%
4	FIRST CAPITAL CORPORATION	Longwood Station / Port Place / VICC	1,271,111.72	0.90%
5	BRITISH COLUMBIA FERRY SERVICES INC	BC Ferries (become taxable in 2004)	1,165,400.62	0.82%
6	1854 HOLDINGS LTD	Nanaimo North Town Centre	1,105,772.19	0.78%
7	TELUS COMMUNICATIONS & BC TELEPHONE CO	Excludes 1% Grant	709,272.54	0.50%
8	NORED DEVELOPMENTS INC	Nored Plaza / Applecross Home Centre / Other Strip Malls / Vacant Residential	673,833.56	0.47%
9	LOBLAW PROPERTIES WEST INC	Real Canadian Superstore	658,714.39	0.46%
10	416382 BC LTD	Dickinson Crossing	622,230.45	0.44%
11	ARTIS AULDS CORNER NANAIMO LTD	Milano's / Valhalla / Island Natural / HSBC	619,847.84	0.44%
12	TERASEN GAS VANCOUVER ISLAND INC	Excludes 1% Grant	612,156.46	0.43%
13	BRITISH COLUMBIA HYDRO & POWER AUTHORITY	Excludes 1% Grant	595,808.16	0.42%
14	FERNCO DEV LTD / LENCO DEV LTD / NORCO DEV LTD	Terminal Park (part) / Mostar Strip Mall	575,020.69	0.40%
15	BROOKS LANDING CENTRE INC	Brooks Landing Shopping Centre	566,310.72	0.40%
16	WESTERN FOREST PRODUCTS INC	Duke Point Mill / Mill @ Nanaimo Wart	512,405.83	0.36%
17	INSIGHT HOLDINGS LTD	Vacant Residential	496,095.99	0.35%
18	COSTCO WHOLESALE CORP	Costco	492,733.30	0.35%
19	HOME DEPOT HOLDINGS INC	Home Depot	488,284.02	0.34%
20	DUKE POINT PROPERTY COMPANY ULC	Duke Point	425,236.21	0.30%
21	SOPHIE INVESTMENTS INC	Rock City Centre / 3 Apartment Buildings / Glen Eagle	404,118.20	0.28%
22	NANAIMO SENIORS VILLAGE HOLDINGS LTD	Nanaimo Seniors Village	386,652.03	0.27%
23	SHAW CABLESYSTEMS (BC) LTD	Excludes 1% Grant	382,237.59	0.27%
24	DOVER POINTE CENTRE LTD	Home Outfitters / Home Sense / PetSmart	381,220.60	0.27%
25	WTF INVESTMENTS CO LTD	Metral Place Shopping Centre (Staples, etc)	376,420.69	0.27%
26	SPIRE LP (WOODGROVE CROSSING) LTD	Woodgrove Crossing	365,788.67	0.26%
27	MALAVIEW DEVELOPMENT LTD	Slegg Lumber	356,352.13	0.25%
28	HAREWOOD INVESTMENTS LTD	University Village	341,915.12	0.24%
29	B-250 HOLDINGS INC	Hammond Bay Plaza	314,739.17	0.22%
30	NANAIMO BASTION HOTEL CORP	Coast Bastion Hotel	304,225.74	0.21%
31	MAPLE GLEN HOLDINGS LTD	Southgate Mall	280,362.73	0.20%
32	ISLAND TIMBERLANDS GP LTD	Various Properties	272,253.93	0.19%
			<b>22,950,624.48</b>	
Total Tax Levy			<b>142,015,514.38</b>	



# Statistics

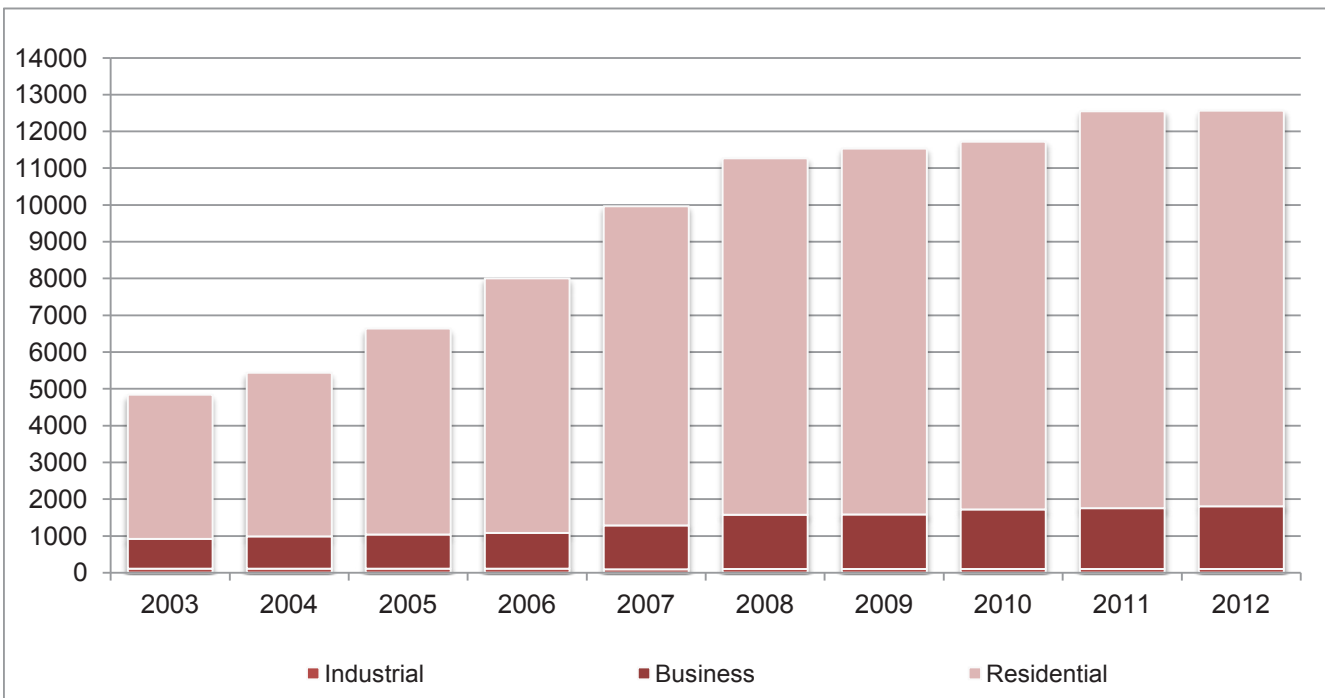
\$  
Millions

## PROPERTY TAX DISTRIBUTION



## ASSESSMENT VALUES

\$  
Millions





# Statistics

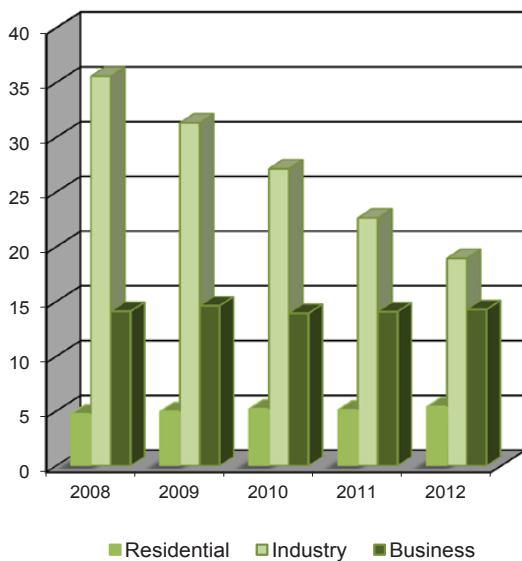
## FINANCIAL COMPARATIVE STATISTICS

UNAUDITED

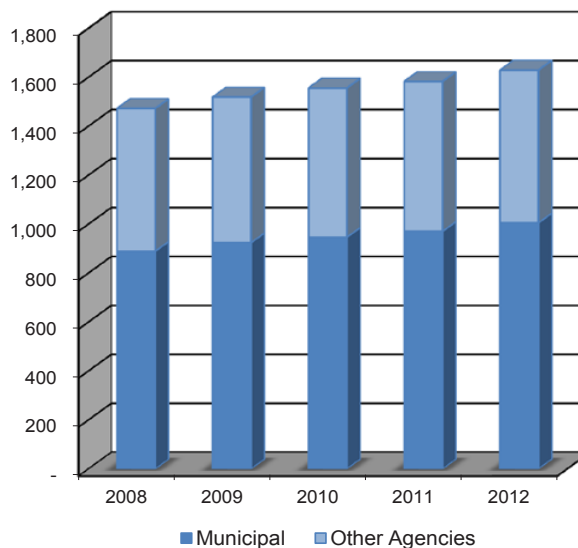
	<u>2012</u>	<u>2011</u> Restated	<u>2010</u> Restated	<u>2009</u> Restated	<u>2008</u> Restated
Reserve Fund Balances	\$19,317,632	\$18,345,353	\$17,188,546	\$16,756,431	\$13,900,756
Reserve Account Balances	60,634,208	65,971,063	61,545,525	57,845,384	57,365,883
Accumulated Operating Surplus **	11,999,637	14,956,663	15,014,614	15,429,713	13,933,625
Debt	33,152,899	35,193,419	38,139,909	40,528,535	42,909,539
Debt per capita	378.83	404.70	446.15	480.59	518.46
Assessed Values - Land	6,159,451,074	6,120,397,571	5,678,361,945	5,835,198,632	5,756,218,004
Assessed Values - Improvements	6,505,849,928	6,524,569,455	6,138,044,049	5,783,893,468	5,595,821,633
Current Tax Levy and Penalties	142,598,247	137,698,645	133,022,916	128,126,610	121,906,464
Taxes Collected					
- Current	139,369,884	134,641,326	130,307,785	122,669,018	119,952,372
- Arrears	2,830,001	2,610,700	5,976,678	2,386,382	2,656,108
- Delinquent	1,361,948	996,011	922,780	568,462	473,539
% of Current Taxes Collected	97.74%	97.78%	97.96%	95.74%	98.40%
Taxes Outstanding and Redeemable Tax Sale Properties	4,899,757	4,188,254	3,679,409	6,357,643	2,506,145
Utility Arrears Carried to Taxes	1,240,259	1,081,701	1,064,824	1,321,658	1,176,512

\*\* Not reportable for years prior to 2008 due to different PSAB reporting requirements

\$ **PROPERTY TAX RATES**



\$ **TAX LEVY & PENALTIES PER CAPITA**





# Statistics

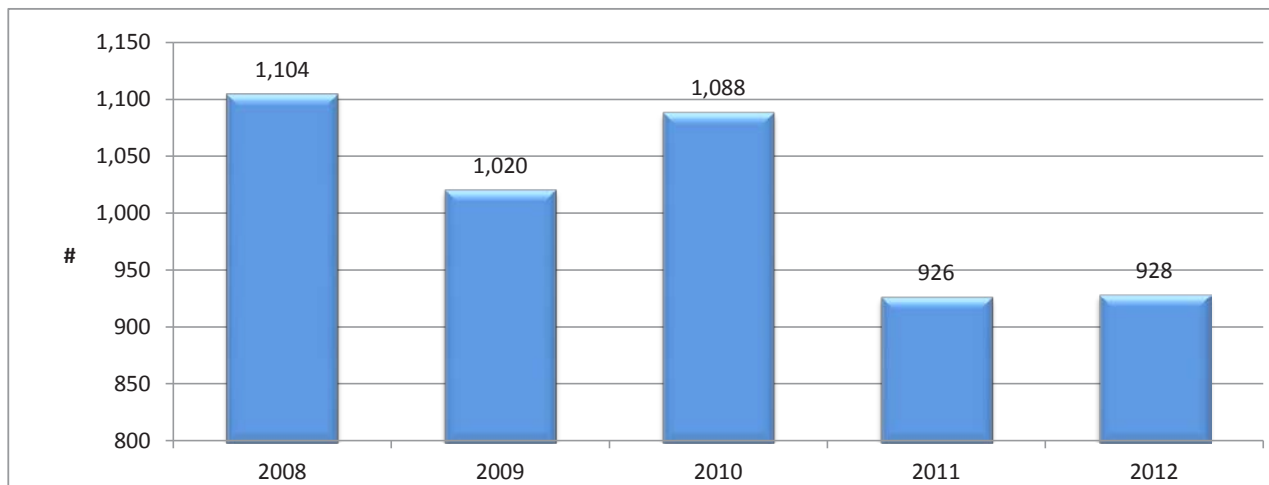
## OPERATIONAL COMPARATIVE STATISTICS

UNAUDITED

Municipal Government Form:  
Mayor and 8 Council Members  
Incorporated December 24, 1874

	<u>2012</u>	<u>2011</u> Restated	<u>2010</u> Restated	<u>2009</u> Restated	<u>2008</u> Restated
Population *	87,515	86,961	85,487	84,331	82,763
Registered Voters	63,383	63,383	62,687	61,860	61,860
No. of Properties (Folios)	35,333	35,010	34,698	34,025	33,344
Paved Roads in Km. **	608	605	603	598	596
Sanitary Sewer Lines in Km.	659	656	652	646	550
Storm Sewer Lines in Km.	536	532	528	521	408
Water Lines in Km.	629	624	620	613	602
Municipal Full-Time Employees	604	603	590	583	586
<b>Police Protection</b>					
Number of Stations	1	1	1	2	2
Number of Police Officers	140	135	135	124	122
Number of Criminal Code Offences	12,784	13,124	14,299	15,837	15,124
<b>Fire Protection</b>					
Number of Stations	5	6	6	6	6
Number of Full-Time Personnel	105	105	105	95	94
Paid on Call Firefighters	75	75	100	75	85
Number of Calls Received	6,628	6,494	6,297	6,095	5,679
Number of Fire Hydrants	2,952	2,933	2,881	2,837	2,731
Value of Building Permits Issued	\$162,471,519	\$188,222,526	\$175,406,152	\$157,999,398	\$209,414,621

### BUILDING PERMITS ISSUED



\* All population data is estimated



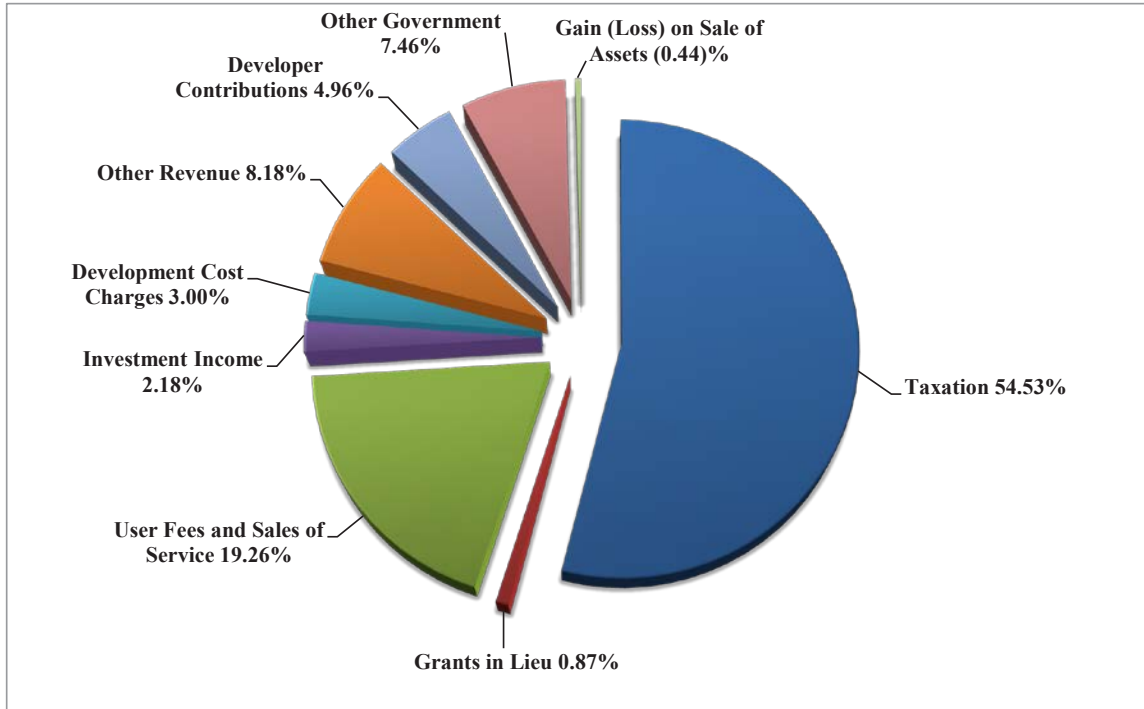


# Statistics

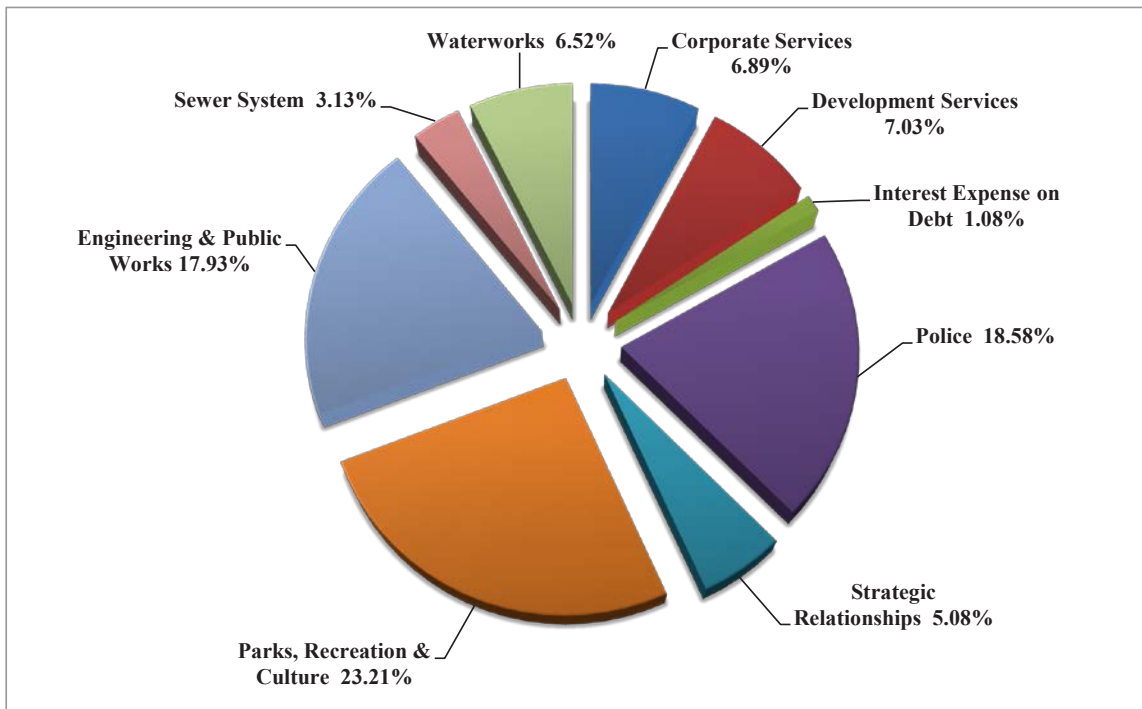
## OPERATING REVENUES AND EXPENSES

UNAUDITED

### REVENUES



### EXPENSES





# Statistics

## FIVE YEAR CAPITAL PLAN AND FUNDING 2013 to 2017

UNAUDITED

							Source of Funds				
	2013	2014	2015	2016	2017	Total	General Revenue	Statutory Reserves	General Reserves	Other Sources *	Total
<b>General Capital</b>											
Corporate services	\$ 2,504,062	\$ 752,000	\$ 200,000	\$ 123,000	\$ 229,000	\$ 3,808,062	\$ 200,000	\$ -	\$ 3,532,637	\$ 75,425	\$ 3,808,062
Community safety and development	5,669,224	3,747,000	1,763,750	8,085,000	630,000	19,894,974	3,000,000	2,043,938	3,912,286	10,938,750	19,894,974
Engineering & public works	10,556,402	5,842,811	4,333,000	9,554,461	4,885,000	35,171,674	16,725,504	13,491,245	2,491,401	2,463,524	35,171,674
Parks, recreation and culture	10,931,695	1,730,000	2,077,176	2,170,000	1,725,000	18,633,871	3,879,000	5,210,440	3,580,202	5,964,229	18,633,871
Strategic relationships	50,000	-	-	-	-	50,000	-	-	35,848	14,152	50,000
	<u>29,711,383</u>	<u>12,071,811</u>	<u>8,373,926</u>	<u>19,932,461</u>	<u>7,469,000</u>	<u>77,558,581</u>	<u>23,804,504</u>	<u>20,745,623</u>	<u>13,552,374</u>	<u>19,456,080</u>	<u>77,558,581</u>
<b>Sanitary sewer system</b>	4,777,962	3,479,000	7,518,924	2,759,000	3,131,500	21,666,386	6,081,000	6,679,000	8,906,386	-	21,666,386
<b>Waterworks system</b>	37,728,172	36,639,000	13,097,700	11,162,000	9,226,862	107,853,734	22,956,366	28,156,577	16,041,762	40,699,029	107,853,734
<b>Total</b>	<u>\$ 72,217,517</u>	<u>\$ 52,189,811</u>	<u>\$ 28,990,550</u>	<u>\$ 33,853,461</u>	<u>\$ 19,827,362</u>	<u>\$ 207,078,701</u>	<u>\$ 52,841,870</u>	<u>\$ 55,581,200</u>	<u>\$ 38,500,522</u>	<u>\$ 60,155,109</u>	<u>\$ 207,078,701</u>

\* Other sources include borrowing, private contributions and federal and provincial grants.



# Financial Statements

The City's Audited Financial Statements are presented on the following pages. They are also available on the City's website at: [www.nanaimo.ca](http://www.nanaimo.ca)

## City of Nanaimo



*Swy-A-Lana Lagoon*

ANNUAL FINANCIAL STATEMENTS

2012



# Financial Statements



**KPMG Enterprise™**  
Metrotower II 2400 – 4720 Kingsway  
Burnaby BC V5H 4N2  
Canada

Telephone (604) 527-3600  
Fax (604) 527-3636  
Internet [www.kpmg.ca/enterprise](http://www.kpmg.ca/enterprise)

## INDEPENDENT AUDITORS' REPORT

To the Mayor and Council

We have audited the accompanying consolidated financial statements of the City of Nanaimo, which comprise the consolidated statement of financial position as at December 31, 2012 and the consolidated statements of operations, changes in net financial assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Consolidated Financial Statements*

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

### *Auditors' Responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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





# Financial Statements



## *Opinion*

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the City of Nanaimo as at December 31, 2012, and its consolidated results of operations, its changes in net consolidated financial assets, and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Accountants

April 15, 2013

Burnaby, Canada



# Financial Statements

## CITY OF NANAIMO

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at December 31, 2012, with comparative figures for 2011

	2012 Actual	2011 Actual Recast (Note 2)
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents	\$ 57,700,182	\$ 39,954,398
Accounts receivable and other assets (Note 3)	24,344,242	19,409,797
Development cost charges receivable (Note 4)	880,015	1,046,537
Portfolio investments (Note 5)	93,401,796	113,928,279
	<b>176,326,235</b>	<b>174,339,011</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 6)	31,992,980	22,195,046
Post-employment benefits payable (Note 7)	6,241,975	5,954,564
Deferred revenue and other liabilities (Note 8)	12,990,787	13,766,134
Deferred development cost charges (Note 9)	34,468,404	34,239,271
Due to Cemetery Care fund (Note 10)	509,488	503,140
Debt (Note 11)	33,152,899	35,193,419
	<b>119,356,533</b>	<b>111,851,574</b>
<b>NET FINANCIAL ASSETS</b>	<b>56,969,702</b>	<b>62,487,437</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Note 12)	586,111,331	556,477,111
Prepaid expenses	1,250,174	870,433
Inventories of supplies	578,702	721,790
	<b>587,940,207</b>	<b>558,069,334</b>
<b>ACCUMULATED SURPLUS</b> (Note 2 and 13)	<b>\$ 644,909,909</b>	<b>\$ 620,556,771</b>

Commitments and contingencies (Note 14)

**B. E. Clemens, CMA**  
Director of Finance

**J. R. Ruttan**  
Mayor



# Financial Statements

## CITY OF NANAIMO

### CONSOLIDATED STATEMENT OF OPERATIONS

for the year ended December 31, 2012, with comparative figures for 2011

	2012 Budget (Unaudited Note 14)	2012 Actual	2011 Actual Recast (Note 2)
<b>REVENUES</b>			
Taxes	\$ 87,524,673	\$ 87,386,690	\$ 83,876,786
Payments in lieu of taxes	1,256,940	1,398,588	1,204,333
Taxation and payments in lieu (Note 16)	88,781,613	88,785,278	85,081,119
User fees and sales of services (Note 17)	30,473,622	30,871,190	28,840,649
Investment income	2,943,493	3,498,620	3,756,821
Other revenue	8,468,242	9,473,103	9,068,202
Development cost charges (Note 9)	7,684,653	4,810,065	7,707,703
Donations and contributions - capital	1,288,420	1,214,965	1,257,965
Transfers from other governments - capital (Note 18)	8,344,685	8,518,460	925,600
Transfers from other governments - operating (Note 18)	5,524,327	5,739,599	5,478,365
Municipal Finance Authority refunds and debt forgiven	-	119,159	685,729
Developer assets provided (Note 12)	-	7,948,337	4,037,351
Gain (loss) on sale of assets	-	(705,491)	558,189
	153,509,055	160,273,285	147,397,693
<b>EXPENSES</b>			
Corporate services	11,421,135	9,371,524	9,217,202
Development services	9,971,458	9,625,776	9,277,772
Community safety	40,003,110	39,754,798	37,528,146
Strategic relationships	8,351,711	8,035,616	7,428,497
Parks, recreation and culture	29,662,338	31,653,640	28,791,355
Engineering and public works	24,955,880	24,371,693	23,621,619
Sewer system	4,916,872	4,251,970	4,024,334
Waterworks	8,911,764	8,855,130	8,205,732
	138,194,268	135,920,147	128,094,657
<b>ANNUAL SURPLUS</b>	15,314,787	24,353,138	19,303,036
<b>ACCUMULATED SURPLUS - BEGINNING OF YEAR</b>	620,556,771	620,556,771	601,253,735
<b>ACCUMULATED SURPLUS - END OF YEAR</b>	\$ 635,871,558	\$ 644,909,909	\$ 620,556,771



# Financial Statements

## CITY OF NANAIMO

### CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

for the year ended December 31, 2012, with comparative figures for 2011

	2012 Budget (Unaudited Note 15)	2012 Actual	2011 Actual Recast (Note 2)
<b>ANNUAL SURPLUS</b>	\$ 15,314,787	\$ 24,353,138	\$ 19,303,036
Acquisition of tangible capital assets	(62,834,073)	(42,050,726)	(25,696,611)
Developer contributed capital assets	-	(7,948,337)	(4,037,351)
	(62,834,073)	(49,999,063)	(29,733,962)
Amortization of tangible capital assets	19,059,483	19,424,028	19,160,655
(Gain) loss on sale of tangible capital assets	-	705,491	(558,189)
Proceeds on sale of tangible capital assets	-	235,324	792,144
	(43,774,590)	(29,634,220)	(10,339,352)
Acquisition of inventories of supplies	-	(3,633,420)	(3,525,168)
Acquisition of prepaid expenses	-	(1,227,710)	(839,182)
Consumption of inventories of supplies	-	3,776,508	3,480,566
Use of prepaid expenses	-	847,969	520,017
	-	(236,653)	(363,767)
<b>CHANGE IN NET FINANCIAL ASSETS</b>	(28,459,803)	(5,517,735)	8,599,917
<b>NET FINANCIAL ASSETS - BEGINNING OF YEAR</b>	62,487,437	62,487,437	53,887,520
<b>NET FINANCIAL ASSETS - END OF YEAR</b>	\$ 34,027,634	\$ 56,969,702	\$ 62,487,437





# Financial Statements

## CITY OF NANAIMO

### CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended December 31, 2012, with comparative figures for 2011

	2012 Actual	2011 Actual Recast (Note 2)
<b>CASH PROVIDED BY (USED FOR)</b>		
<b>OPERATING TRANSACTIONS</b>		
Annual surplus	\$ 24,353,138	\$ 19,303,036
Non-cash items		
Amortization	19,424,028	19,160,655
Developer assets provided	(7,948,337)	(4,037,351)
(Gain) loss on sale of tangible capital assets	705,491	(558,189)
Development cost charges recognized as revenue	(4,810,065)	(7,707,703)
Debt forgiven	-	(492,038)
Actuarial adjustments	(449,267)	(659,588)
Change in non-cash operating assets and liabilities		
Accounts receivable	(4,767,923)	(2,187,362)
Accounts payable	10,085,345	4,569,519
Deferred revenue	(775,347)	1,336,464
Due to Cemetery Care Fund	6,348	10,340
Inventories of supplies	143,088	(44,602)
Prepaid expenses	(379,741)	(319,165)
<b>Net change in cash from operating transactions</b>	<b>35,586,758</b>	<b>28,374,016</b>
<b>CAPITAL TRANSACTIONS</b>		
Cash used to acquire tangible capital assets	(42,050,726)	(25,696,611)
Proceeds from the sale of tangible capital assets	235,324	792,144
<b>Net change in cash from capital transactions</b>	<b>(41,815,402)</b>	<b>(24,904,467)</b>
<b>INVESTING TRANSACTIONS</b>		
Change in investments	20,526,483	4,576,426
<b>FINANCING TRANSACTIONS</b>		
Debt repayment	(1,591,253)	(1,794,864)
Deferred development cost charges	5,039,198	5,628,914
<b>Net change in cash from financing transactions</b>	<b>3,447,945</b>	<b>3,834,050</b>
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>17,745,784</b>	<b>11,880,025</b>
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<b>39,954,398</b>	<b>28,074,373</b>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b>\$ 57,700,182</b>	<b>\$ 39,954,398</b>



# Financial Statements

## CITY OF NANAIMO

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended December 31, 2012

---

The City of Nanaimo (the City) was incorporated December 24, 1874 under a statute of the Province of British Columbia now known as the *Community Charter*. The principal activities of the City are preservation, protection and enhancement of the quality of life in Nanaimo through the facilitation of municipal services in an equitable, efficient and effective manner.

#### NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

The City prepares its consolidated financial statements in accordance with Canadian public sector accounting standards as prescribed by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants. The following include significant policies that have been adopted by the City:

##### (a) Basis of Consolidation

The City's resources and operations are segregated into general, water, sewer, capital and reserve funds. The consolidated financial statements reflect the assets, liabilities, revenues and expenses of these funds.

##### (i) Consolidated Entities

The reporting entity is comprised of all organizations accountable for the administration of their financial affairs and resources to the City and which are owned or controlled by the City. These organizations include the Nanaimo Economic Development Corporation and the Vancouver Island Conference Centre.

##### (b) Basis of Accounting

The City follows the accrual method of accounting for revenues and expenses. Revenues are normally recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of the delivery of goods or services and/or upon the creation of a legal obligation to pay. Expenses paid in the current period and attributable to a future period are recorded as prepaid.

##### (c) Government Transfers

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



# Financial Statements

## **CITY OF NANAIMO** **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** **for the year ended December 31, 2012**

---

### **NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

#### **(d) Cash and Cash Equivalents**

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

#### **(e) Portfolio Investments**

Portfolio investments consist of term deposits and debentures which are expected to be held for a term exceeding 90 days. Investments are recorded at cost. When, in the opinion of management, there is a decline in value, other than a temporary decline, investments are written down to their net realizable value.

#### **(f) Accounts Receivable**

Accounts receivable are net of an allowance for doubtful accounts and therefore represent amounts expected to be collected.

#### **(g) Development Cost Charges**

Deferred development cost charges are restricted by legislation to expenditures on capital infrastructure and related debt servicing costs and operating projects. These amounts are deferred upon receipt and recognized as revenue when the expenditures are incurred in accordance with the restrictions.

#### **(h) Deferred Revenue**

The City defers a portion of the revenue collected from permits, licenses and other fees and recognizes this revenue in the year in which related inspections are performed or other related expenditures are incurred.

#### **(i) Post-Employment Benefits**

The City and its employees make contributions to the Municipal Pension Plan. As this plan is a multi-employer plan, contributions are expensed as incurred. Post-employment benefits also accrue to the City's employees. The liabilities related to these termination benefits and earned sick leave are actuarially determined based on service and best estimates of retirement ages and expected future salary and wage increases. The liabilities under these benefit plans are accrued based on projected benefits prorated as employees render services necessary to earn the future benefits. Actuarial gains and losses on the accrued benefit obligation arise from differences between actual and expected experience and from changes in the actuarial assumptions used to determine the accrued benefit obligation.



# Financial Statements

## CITY OF NANAIMO NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2012

### NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (i) Post-Employment Benefits (Continued)

The net accumulated actuarial gains and losses are amortized over the average remaining service period of the active employees. The average remaining service period of the active employees covered by the post-employment plan is 13 years for sick leave benefits and 14 years for retirement allowance benefits.

#### (j) Debt

Debt is recorded net of related sinking fund balances.

#### (k) Non-Financial Assets

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

##### (i) Tangible Capital Assets

Tangible capital assets are comprised of capital assets and capital works in progress, and are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the assets. The cost of the tangible capital assets, excluding land, are amortized on a straight-line basis over the estimated useful lives of the assets, commencing at the time the assets are available for use.

Estimated useful lives are as follows:

Asset	Useful Life - Years
Land Improvements	10 – 60
Leasehold Improvements	10 – 30
Marine Structures	15 – 35
Buildings	10 – 40
Vehicles and Equipment	2 – 25
IT Infrastructure	4 – 10
Drainage	25 – 75
Transportation – Linear Infrastructure, Lighting and Signals	10 – 80
Sewer – Linear Infrastructure and Equipment	8 – 60
Water – Linear Infrastructure and Equipment	8 – 80





# Financial Statements

**CITY OF NANAIMO**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
for the year ended December 31, 2012

---

**NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(i) Tangible Capital Assets (Continued)**

Tangible capital assets are written down when conditions indicate that they no longer contribute to the City's ability to provide goods and services, or when the value of the future economic benefits associated with the asset are less than the book value of the asset.

**(ii) Contribution of Tangible Capital Assets**

Subdivision streets, lighting, sidewalks, drainage and other infrastructure assets are required to be provided by subdivision developers. Tangible capital assets received from developers are recorded at their fair value at the date of receipt and also recorded as revenue. The City is not involved in the construction and does not budget for assets received from developers.

**(iii) Natural Resources**

Natural resources are not recognized as assets in the financial statements.

**(iv) Works of Art and Cultural and Historical Assets**

Works of art and cultural and historical assets are not recognized as assets in the financial statements.

**(v) Interest Capitalization**

The City 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 are recorded at cost, net of an allowance for obsolete stock. Cost is determined on a weighted average basis.



# Financial Statements

## CITY OF NANAIMO NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2012

### NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (l) 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 disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Significant areas requiring the use of management estimates relate to the determination of post-employment benefits, collectability of accounts receivable, useful lives of tangible assets for calculation of amortization and provisions for contingencies. Actual results could differ from those estimates. Adjustments, if any, will be reflected in operations in the period of settlement.

### NOTE 2 – RECAST OF PRIOR PERIOD BALANCES

The City operates the cemetery and maintains a cemetery perpetual care fund in accordance with the *Cremation, Interment and Funeral Services Act*. The City retroactively recast the comparative 2011 financial statements to remove the cemetery trust fund assets and liabilities in accordance with Public Sector Accounting Standards, Section 1300. The impact of this immaterial adjustment is as follows:

#### 2011 Accumulated Surplus

January 1, 2011 Accumulated Surplus – as previously reported	\$ 601,746,535
Less: Cemetery Care Fund Reserve Balance at January 1, 2011	<u>(492,800)</u>
January 1, 2011 Accumulated Surplus – as recast	<u>\$ 601,253,735</u>

#### 2011 Annual Surplus

Annual Surplus as Previously Reported	\$ 19,313,376
Less: Cemetery Revenue	<u>(10,340)</u>
Annual Surplus – as recast	<u>\$ 19,303,036</u>

### NOTE 3 – ACCOUNTS RECEIVABLE

	<u>2012</u>	<u>2011</u>
Property Taxes	\$ 4,899,757	\$ 4,188,254
Other Governments	9,725,534	4,859,588
Trade and Other	<u>9,718,951</u>	<u>10,361,955</u>
	<u>\$ 24,344,242</u>	<u>\$ 19,409,797</u>



# Financial Statements

## CITY OF NANAIMO NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2012

### NOTE 4 – DEVELOPMENT COST CHARGES RECEIVABLE

	<u>2012</u>	<u>2011</u>
Installments Receivable:		
2012	\$ -	\$ 632,578
2013	637,307	413,959
2014	<u>242,708</u>	<u>-</u>
	<u>\$ 880,015</u>	<u>\$ 1,046,537</u>

Development cost charges are collected on the approval of a subdivision or the issuance of a building permit. These funds assist the City in the cost of development including constructing capital improvements, operating projects and the related debt servicing costs. Installments receivable represent funds due from developers within two years and are secured by irrevocable standby letters of credit and/or cash on deposit. No interest is charged on these outstanding installments.

### NOTE 5 – PORTFOLIO INVESTMENTS

	<u>2012</u>		<u>2011</u>	
	<u>Cost</u>	<u>Market</u>	<u>Cost</u>	<u>Market</u>
Term Deposits	\$ 71,343,123	\$ 71,343,123	\$ 84,751,792	\$ 84,751,792
Debentures	<u>22,058,673</u>	<u>22,158,550</u>	<u>29,176,487</u>	<u>29,655,250</u>
	<u>\$ 93,401,796</u>	<u>\$ 93,501,673</u>	<u>\$ 113,928,279</u>	<u>\$ 114,407,042</u>

### NOTE 6 – ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2012</u>	<u>2011</u>
Trade and Other	\$ 13,590,937	\$ 9,805,798
RCMP Contract	5,441,182	4,520,459
Deposits	4,531,549	3,491,073
Accrued Wages and Benefits	4,121,843	3,350,226
Colliery Dam Remediation	3,140,000	-
Other Governments	<u>1,167,469</u>	<u>1,027,490</u>
	<u>\$ 31,992,980</u>	<u>\$ 22,195,046</u>



# Financial Statements

## CITY OF NANAIMO

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended December 31, 2012

#### NOTE 7 – POST EMPLOYMENT BENEFITS PAYABLE

The City provides certain post-employment benefits, non-vested sick leave, compensated absences and termination benefits to its employees. An actuarial valuation for these benefits was performed to determine the City's accrued benefit obligation as at December 31, 2010 and the results are extrapolated to December 31, 2012. Significant assumptions used in the valuation include a discount rate of 4.75%, inflation of 2% and compensation increases, excluding merit and promotion, of 3%. There are unamortized actuarial losses of \$336,529 (2011 – \$367,346).

	<u>2012</u>	<u>2011</u>
Actuarial Benefit Obligation, beginning of year	\$ 6,321,910	\$ 6,142,205
Unamortized Actuarial Losses, beginning of year	<u>(367,346)</u>	<u>(398,163)</u>
	5,954,564	5,744,042
Current Service Cost	529,835	494,710
Interest Cost	299,277	289,155
Benefits Paid	(572,518)	(604,160)
Amortization of Actuarial Loss	<u>30,817</u>	<u>30,817</u>
	<u>\$ 6,241,975</u>	<u>\$ 5,954,564</u>
Actuarial Benefit Obligation, end of year	\$ 6,578,504	\$ 6,321,910
Unamortized Actuarial Losses, end of year	<u>(336,529)</u>	<u>(367,346)</u>
Accrued Benefit Obligation, end of year	<u>\$ 6,241,975</u>	<u>\$ 5,954,564</u>

Actuarial gains and losses are amortized over 13 – 14 years, being the expected average remaining service period of the related employee group, commencing the year after the gain or loss arises.

#### NOTE 8 – DEFERRED REVENUE AND OTHER LIABILITIES

	<u>2012</u>	<u>2011</u>
Tax Prepayments	\$ 9,421,128	\$ 9,325,871
Other Prepayments	3,562,253	3,139,559
Other Liabilities	<u>7,406</u>	<u>1,300,704</u>
	<u>\$ 12,990,787</u>	<u>\$ 13,766,134</u>



# Financial Statements

## CITY OF NANAIMO

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended December 31, 2012

#### NOTE 9 – DEFERRED DEVELOPMENT COST CHARGES

	<u>2012</u>	<u>2011</u>
Deferred Development Cost Charges – beginning of year	\$ 34,239,271	\$ 36,318,060
Additions	4,280,067	4,741,921
Interest Earned	759,131	886,993
Revenue Recognized	<u>(4,810,065)</u>	<u>(7,707,703)</u>
Deferred Development Cost Charges – end of year	<u>\$ 34,468,404</u>	<u>\$ 34,239,271</u>

#### NOTE 10 – CEMETERY CARE FUND

The City operates the cemetery and maintains a cemetery perpetual care fund in accordance with the *Cremation, Interment and Funeral Services Act*. The trust fund assets and liabilities are not included in the consolidated financial statements. At December 31, 2012, the balance of funds held in trust was \$509,488 (2011 – \$503,140).

#### NOTE 11 – DEBT, NET OF MUNICIPAL FINANCE AUTHORITY (MFA) SINKING FUND DEPOSITS

The City issues debt instruments through the MFA pursuant to security issuing bylaws under authority of the *Community Charter* to finance certain capital expenditures.

\$31,854,254 (2011 – \$33,783,922) of debt is with the MFA. Payments of \$12,383,274 on the amount borrowed of \$44,237,528 are held in a sinking fund by the MFA. The remaining \$1,298,645 (2011 – \$1,409,497) is with the Royal Bank. The rates of interest on the principal amount of the MFA debentures vary between 3.00% and 4.82% per annum. The rate of interest on the Royal Bank debt is 5.48%.

	<u>2012</u>	<u>2011</u>
Total Outstanding Debt – beginning of the year	\$ 35,193,419	\$ 38,139,909
Reduction of Long-term Debt	2,040,520	2,454,452
Debt Forgiven	<u>-</u>	<u>492,038</u>
Total Outstanding Debt – end of year	<u>\$ 33,152,899</u>	<u>\$ 35,193,419</u>





# Financial Statements

**CITY OF NANAIMO**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
for the year ended December 31, 2012

**NOTE 11 – DEBT, NET OF MUNICIPAL FINANCE AUTHORITY (MFA) SINKING FUND DEPOSITS (CONTINUED)**

Future payments on net outstanding debt over the next five years and thereafter are as follows:

<u>Year</u>	<u>General</u>	<u>Water</u>	<u>Total</u>
2013	\$ 2,014,176	\$ 113,650	\$ 2,127,826
2014	2,099,137	119,333	2,218,470
2015	2,187,691	125,299	2,312,990
2016	2,256,364	-	2,256,364
2017	2,351,685	-	2,351,685
Thereafter	<u>21,885,564</u>	<u>-</u>	<u>21,885,564</u>
	<u>\$ 32,794,617</u>	<u>\$ 358,282</u>	<u>\$ 33,152,899</u>

The \$1,298,645 (2011 – \$1,409,497) loan from the Royal Bank has been secured by a collateral mortgage in the amount of \$4,000,000 covering the Harbourfront Parkade and lot located on the Gordon Street site.

Bylaw #	MFA Issue #		Interest Rate %	Year Matures	Balance Outstanding 2012	Balance Outstanding 2011
<u>General Fund</u>						
5456	73	Local Improvement, 2000	3.15	2015	\$ 64,621	\$ 84,333
5425	72	Leisure and Aquatic Centre	3.15	2020	2,319,585	2,556,226
5457	73	Leisure and Aquatic Centre	3.15	2020	2,113,400	2,329,006
Royal Bank		Harbourfront Parkade	5.48	2021	1,298,645	1,409,497
5750	99	Port of Nanaimo Centre	4.43	2026	11,658,796	12,271,656
5750	101	Port of Nanaimo Centre	4.52	2027	12,271,656	12,860,945
7050	102	Fire Station #4	4.82	2027	<u>3,067,914</u>	<u>3,215,236</u>
					32,794,617	34,726,899
<u>Waterworks Fund</u>						
50	61	North Nanaimo Reservoir	3.00	2015	<u>358,282</u>	<u>466,520</u>
<b>Total Outstanding Debt</b>					<b>33,152,899</b>	<b>35,193,419</b>
<u>Authorized and Unissued Debt</u>						
7127		Water Treatment Plant			<u>22,500,000</u>	<u>22,500,000</u>
<b>Total</b>					<b>\$ 55,652,899</b>	<b>\$ 57,693,419</b>



# Financial Statements

## CITY OF NANAIMO

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended December 31, 2012

---

#### NOTE 12 – TANGIBLE CAPITAL ASSETS

<u>Net Book Value</u>	<u>2012</u>	<u>2011</u>
Land	\$ 65,986,378	\$ 61,860,187
Land Improvements	14,560,624	14,489,655
Leasehold Improvements	478,596	578,869
Marine Structures	257,755	298,115
Buildings	133,749,917	122,313,666
Vehicles and Equipment	13,602,322	12,373,236
IT Infrastructure	2,150,586	1,537,446
Drainage	71,999,328	70,592,574
Transportation	146,020,815	142,550,181
Sewer	16,751,735	15,909,164
Water	<u>102,231,369</u>	<u>96,251,462</u>
	567,789,425	538,754,555
Work In Progress	<u>18,321,906</u>	<u>17,722,556</u>
	<u>\$ 586,111,331</u>	<u>\$ 556,477,111</u>

See schedule of tangible capital assets (page 29) for more information. There were no write downs of tangible capital assets for 2012 and 2011. Developer contributed assets recognized in 2012 were \$7,948,337 (2011 - \$4,037,351) recorded at fair market value at the end of the maintenance period. These include transportation, drainage, sewer and water infrastructure, trailways and the land under these assets.



# Financial Statements

## CITY OF NANAIMO NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2012

### NOTE 13 – ACCUMULATED SURPLUS

	<u>2012</u>	<u>2011</u> Recast (Note 2)
Reserve Accounts – Note 23	\$ 60,634,208	\$ 65,971,063
Surplus (Deficit) – General	(62,184)	3,012,677
Surplus – Sewer System	6,567,284	6,495,681
Surplus – Waterworks	5,494,537	5,448,305
Investment in Tangible Capital Assets – Note 19	552,958,432	521,283,692
Community Works Reserve Fund (Gas Tax Agreement)	11,488,367	9,127,944
Equipment Depreciation Reserve	2,363,153	2,963,831
Facility Development (Recreation) Reserve	280,557	1,135,908
Property Sales Reserve	2,791,286	2,610,280
Local Improvement Reserve	1,520,661	1,484,889
Knowles Estate Reserve	443,276	437,132
Parkland Dedication Reserve	349,549	506,416
Old City Neighborhood Parking Reserve	<u>80,783</u>	<u>78,953</u>
	<u>\$ 644,909,909</u>	<u>\$ 620,556,771</u>

### NOTE 14 – COMMITMENTS AND CONTINGENCIES

#### (a) Liability Claims

In the ordinary course of business, various claims and lawsuits are brought against the City. It is the opinion of management that the settlement of these actions will not result in any material liabilities beyond any amounts already accrued. The City accrues the best estimate of costs to settle claims and any subsequent adjustments will be recorded in the period the claim is settled. Liability insurance is carried by the City, subject to a deductible of \$25,000 per claim. Effective January 1, 2002, the City no longer has insurance coverage for claims filed after that date resulting from construction deficiencies related to building envelope failure.

#### (b) BC Assessment Authority Appeals

As at December 31, 2012, there were various assessment appeals pending with respect to properties. The outcome of those appeals may result in adjustments to property taxes receivable for the current and prior years. The City makes a provision against property taxes receivable for the impact of appeals where the losses are likely and the amounts are reasonably determinable.



# Financial Statements

## CITY OF NANAIMO

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended December 31, 2012

---

#### NOTE 14 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

##### (c) Joint and Several Liabilities

The City has a contingent liability with respect to debentures of the Regional District of Nanaimo and the Regional Hospital District of Nanaimo, to the extent provided for in their respective Acts of Incorporation. Management does not consider payment under this contingency to be likely and therefore no amounts have been accrued.

The City issues its debt instruments through the MFA. Demand notes are executed in connection with each debenture whereby the City may be required to pay certain amounts to the Regional District of Nanaimo. These demand notes of \$1,396,271 (2011 – \$1,396,271) are contingent in nature and are not reflected in the accounts.

The City is a participant in the Municipal Insurance Association of British Columbia (the Association). Should the Association pay out claims in excess of premiums received, it is possible that the City, along with other participants, would be required to contribute towards the deficit.

##### (d) Site Restoration

Due to the past use of the former site of the Nanaimo foundry, should this property be developed, restoration work would be required to address environmental concerns. In 2011, Council rezoned this property as park land. There is no further intention for remediation and the cost has not been determined.

##### (e) Royal Canadian Mounted Police (RCMP)

The City has a contract with the federal government whereby the federal government provides RCMP policing services. RCMP members and the federal government are currently in legal proceedings regarding pay raises for 2009 and 2010 that were retracted for RCMP members. As the final outcome of the legal action and the potential financial impact to the City is not determinable, the City has not recorded any provision for this matter in the financial statements as at December 31, 2012.

##### (f) Credit Facilities

The City has adopted a revenue anticipation borrowing bylaw to support a credit facility in the amount of \$2,000,000 with an interest rate of Royal Bank Prime Rate less .5%. This facility creates a floating charge on certain assets and undertakings of the City. At December 31, 2012, no amounts were drawn against this facility.



# Financial Statements

## CITY OF NANAIMO

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended December 31, 2012

---

#### NOTE 14 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

##### (g) Commitments

The City has \$28.5 million in open purchase orders at year end which have not been recorded in the financial statements. The funding for the majority of these obligations has been set aside in reserves for future expenditures. These amounts will be recorded in the period that the goods and services, to which they relate, are received. Since the beginning of 2013 and prior to the preparation of these financial statements, an additional \$1.3 million in contracts have been awarded.

The City has entered into an operating lease for the purposes of acquiring gym equipment for the Nanaimo Aquatic Centre. The minimum lease payments to the end of the lease term in September 2015 are \$119,270 (2011 – \$31,693).

#### NOTE 15 – ANNUAL BUDGET

The financial statements have included the Annual Budget as approved by Council on May 14, 2012. No amendments subsequent to this date have been included. The following is a reconciliation of the budget presentation required for the financial statements and the annual financial plan bylaw:

Annual Budgeted Surplus - Statement of Operations	\$ 15,314,787
Cemetery Care Fund – not in reporting entity	7,500
Development Cost Charges – change from restricted revenue presentation	<u>(3,266,809)</u>
Annual Surplus from the 2012 Financial Plan	12,055,478
Amortization, not funded	19,059,483
Capital Expenditures	(62,834,073)
Proceeds from Borrowing	480,000
Principal Repayment of Debt	(2,532,798)
Transfers from Accumulated Surplus	<u>33,771,910</u>
Net Annual Budget - as approved	<u>\$ -</u>





# Financial Statements

**CITY OF NANAIMO**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**for the year ended December 31, 2012**

**NOTE 16 – TAXATION AND PAYMENTS IN LIEU**

	<u>Municipal</u>	<u>Other</u>	<u>2012</u> <u>Total</u>	<u>2011</u> <u>Total</u>
Property Taxes	\$ 85,859,203	\$ 54,594,332	\$ 140,453,535	\$ 135,621,192
Local Improvement Frontage Fees	20,627	-	20,627	25,807
Business Improvement Area Levies	218,545	-	218,545	211,664
Taxes in Lieu of Licences	1,288,315	-	1,288,315	1,242,498
Payments in Lieu of Taxes	<u>1,398,588</u>	<u>484,037</u>	<u>1,882,625</u>	<u>1,665,590</u>
	<u>\$ 88,785,278</u>	<u>\$ 55,078,369</u>	<u>143,863,647</u>	<u>138,766,751</u>
Less Collections for Other Governments:				
Province of British Columbia (School Tax)			37,278,598	36,988,206
Regional District of Nanaimo			13,291,992	12,266,276
Nanaimo Regional Hospital District			3,444,669	3,346,856
Other Agencies			<u>1,063,110</u>	<u>1,084,294</u>
			<u>55,078,369</u>	<u>53,685,632</u>
Taxes Available for Municipal Purposes			<u>\$ 88,785,278</u>	<u>\$ 85,081,119</u>

**NOTE 17 – USER FEES AND SALES OF SERVICES**

	<u>2012</u>	<u>2011</u> Recast (Note 2)
Waterworks	\$ 11,932,673	\$ 11,252,876
Recreation Programs	5,849,978	5,780,201
Sewer System	5,006,930	4,719,216
Garbage Collection	3,228,844	2,920,319
Vancouver Island Conference Centre	2,087,020	1,740,769
Public Works	1,104,650	911,998
Parking	1,057,688	1,044,370
Other	435,768	276,128
Community Safety	<u>167,639</u>	<u>194,772</u>
	<u>\$ 30,871,190</u>	<u>\$ 28,840,649</u>



# Financial Statements

## CITY OF NANAIMO NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2012

### NOTE 18 – TRANSFERS FROM OTHER GOVERNMENTS

	<u>2012</u>	<u>2011</u>
<u>Federal</u>		
Capital	\$ 3,389,574	\$ 41,550
Other	<u>10,301</u>	<u>13,799</u>
	<u>3,399,875</u>	<u>55,349</u>
<u>Provincial</u>		
Capital	5,128,886	884,050
Casino Gaming	2,301,777	2,479,871
Revenue Sharing	1,834,285	1,711,541
Other	<u>212,486</u>	<u>210,707</u>
	<u>9,477,434</u>	<u>5,286,169</u>
<u>Regional District of Nanaimo</u>		
Recreation Services, Sports Fields and Other	<u>1,380,750</u>	<u>1,062,447</u>
Total Transfers from Other Governments	<u>\$ 14,258,059</u>	<u>\$ 6,403,965</u>
Capital Transfers from Other Governments	\$ 8,518,460	\$ 925,600
Operating Transfers from Other Governments	<u>5,739,599</u>	<u>5,478,365</u>
Total Transfers from Other Governments	<u>\$ 14,258,059</u>	<u>\$ 6,403,965</u>

### NOTE 19 – INVESTMENT IN TANGIBLE CAPITAL ASSETS

	<u>2012</u>	<u>2011</u>
Investment in Tangible Capital Assets – beginning of year	\$ 521,283,692	\$ 507,997,850
Add: Capital Additions	49,999,063	29,733,962
Reduction in Long-term Debt	2,040,520	2,454,452
Debt Forgiven	-	492,038
Less: Amortization	(19,424,028)	(19,160,655)
Net Book Value of Asset Disposals	<u>(940,815)</u>	<u>(233,955)</u>
Investment in Tangible Capital Assets – end of year	<u>\$ 552,958,432</u>	<u>\$ 521,283,692</u>

### NOTE 20 – MUNICIPAL PENSION PLAN

The City and its employees contribute to the Municipal Pension Plan (the Plan), a jointly trusted pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the Plan, including investment of the assets and administration of benefits. The Plan is a multi-employer contributory pension plan. Basic pension benefits provided are based on a formula. The plan has about 176,000 active



# Financial Statements

## CITY OF NANAIMO NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2012

### NOTE 20 – MUNICIPAL PENSION PLAN (CONTINUED)

members and approximately 67,000 retired members. Active members include approximately 35,000 contributors from local governments.

Every three years an actuarial valuation is performed to assess the financial position of the Plan and the adequacy of Plan funding. The most recent actuarial valuation as at December 31, 2009 indicated a \$1.024 billion funding deficit for basic pension benefits. The next valuation will be at December 31, 2012 with results available later in 2013. The actuary does not attribute portions of the unfunded liability to individual employers. Contributions to the plan were:

	<u>2012</u>	<u>2011</u>
Employer Portion	\$ 3,957,247	\$ 3,735,812
Employee Portion	<u>3,294,410</u>	<u>3,053,118</u>
	<u>\$ 7,251,657</u>	<u>\$ 6,788,930</u>

### NOTE 21 – FINANCIAL INSTRUMENTS

#### Financial risk and fair market values

The City's financial instruments consist of cash, investments, development cost charges receivable, accounts receivable and other assets, accounts payable and accrued liabilities and debt. The City does not hold any asset-backed commercial paper or hedge funds. The financial risk is the risk to the City's earnings that arises from fluctuations in interest rates, foreign exchange rates, and the degree of volatility of these rates. The City does not use derivative instruments to reduce its exposure to interest rate risk nor foreign exchange risk as management does not consider the risks material. Based on available market information, the carrying value of the City's financial instruments approximates their fair value due to their short period to maturity, except with respect to investments as indicated in Note 5 and long-term debt, as indicated in Note 11.

#### Credit risk

The City is not exposed to significant risk from its receivables. The City's tax base has a significant number of diverse receivables which reduces the concentration of credit risk. Credit risk is further minimized as the City has the ability to appropriate land in the event of non-payment of property tax receivables.

### NOTE 22 – COMPARATIVE FIGURES

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



# Financial Statements

**CITY OF NANAIMO**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
for the year ended December 31, 2012

**NOTE 23 – RESERVES**

	Work in progress	Available for future commitments	2012	2011
<b>General Revenue Fund Reserve Accounts</b>				
Corporate Services	\$ 505,416	\$ 118,912	\$ 624,328	\$ 889,987
Community Safety	613,547	735,232	1,348,779	954,059
Development Services	183,442	35,309	218,751	214,239
Parks, Recreation and Culture	651,186	450,267	1,101,453	1,233,839
Engineering and Public Works	2,729,364	725,000	3,454,364	2,574,658
Strategic Relationships	35,848	185,870	221,718	726,932
General Capital	937,116	2,622,297	3,559,413	5,383,372
Uncollected Taxes	-	2,882,653	2,882,653	2,865,648
Housing Legacy	309,000	2,565,822	2,874,822	2,854,719
Property Acquisition	-	2,693,298	2,693,298	2,093,298
Uninsured Claims	-	2,363,995	2,363,995	1,990,179
Computer Upgrade	1,390,518	271,950	1,662,468	2,297,910
RCMP Contract	-	1,507,115	1,507,115	1,257,115
Sustainability Initiatives	378,085	726,615	1,104,700	1,046,504
Priority Capital	890,395	-	890,395	5,806,661
Parking – General	-	660,626	660,626	454,674
Emergency 911	70,200	418,024	488,224	486,653
Port of Nanaimo Centre Projects	-	453,682	453,682	353,682
Snow Removal	-	400,000	400,000	400,000
Firehall Improvements	300,000	96,414	396,414	396,414
Other	10,000	356,641	366,641	336,827
Photocopier Replacement	172,000	15,123	187,123	90,601
Local Improvement Projects	-	181,260	181,260	181,260
Casino Funds	25,458	-	25,458	195,977
Parkland Acquisition	-	-	-	21,357
	<u>9,201,575</u>	<u>20,466,105</u>	<u>29,667,680</u>	<u>35,106,565</u>
<b>Sewer Revenue Reserve Accounts</b>				
General Capital	4,445,674	6,936,191	11,381,865	12,200,168
Growth Related Projects	-	850,000	850,000	850,000
	<u>4,445,674</u>	<u>7,786,191</u>	<u>12,231,865</u>	<u>13,050,168</u>
<b>Waterworks Revenue Fund Reserve Accounts</b>				
General Capital	5,679,153	12,305,849	17,985,002	17,064,669
Growth Related Projects	-	400,000	400,000	400,000
User Rate Leveling	-	250,000	250,000	250,000
Local Improvement Projects	-	99,661	99,661	99,661
	<u>5,679,153</u>	<u>13,055,510</u>	<u>18,734,663</u>	<u>17,814,330</u>
<b>Total Reserve Accounts</b>	<u>\$ 19,326,402</u>	<u>\$ 41,307,806</u>	<u>\$ 60,634,208</u>	<u>\$ 65,971,063</u>



# Financial Statements

## **CITY OF NANAIMO NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2012**

---

### **NOTE 24 – SEGMENT REPORTING**

The City's operations and activities are organized and reported by Fund. City services are provided by departments and their activities are reported in these funds.

#### **GENERAL REVENUE FUND**

Certain departments have been separately disclosed in the segmented information, along with the services they provide as follows:

##### **Corporate Services**

Consists of the City Manager's Office and the Corporate Services Department. The City Manager's Office assists Council to establish its strategic direction for the City and takes the lead role in managing the implementation of policy direction established by Council. The Office also provides managerial leadership and direction to all City departments and operations.

Providing service to both the internal organization and the community, the Corporate Services Department is responsible for four key areas – Legislative Services, Human Resources and Organizational Planning, Information Technology and Financial Services.

##### **Community Safety and Development – three segments**

###### **Development Services**

Development Services is responsible for a variety of tasks relating to planning and development. This includes processing development applications and developing related policies and regulations.

###### **Fire**

The Fire Department has the responsibility of protecting the City's citizens and infrastructure from fire and other emergencies through quick and high quality response to fire, medical and other emergency incidents in the most effective and responsive manner possible.

###### **Police**

The City hires the Royal Canadian Mounted Police on contract to provide top quality policing services in Nanaimo. With administrative support services provided by City employees, the detachment provides all standard policing services, including response to emergency and non-emergency calls, criminal investigations and traffic safety measures.





# Financial Statements

## **CITY OF NANAIMO NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2012**

---

### **NOTE 24 – SEGMENT REPORTING (CONTINUED)**

#### **Strategic Relationships**

The Strategic Relationships Department acts as a facilitator between community stakeholders and the City to build stronger relationships. This includes being the liaison to the Nanaimo Economic Development Corporation, the Vancouver Island Conference Centre, the Nanaimo Port Authority and Snuneymuxw First Nation.

#### **Parks, Recreation and Culture**

The Parks, Recreation and Culture department manages, facilitates and maintains a system of services, facilities, parks and open spaces and works to enhance the quality of life for the citizens of Nanaimo.

#### **Engineering and Public Works**

Engineering and Public Works is responsible for the planning, design, construction, operation and maintenance of the City's infrastructure including the City's water, sanitary sewer, drainage and transportation infrastructure. Department operations also include maintenance of the City's fleet, cemeteries, solid waste collection and recycling.

#### **SEWER SYSTEM**

The City Sanitary Sewer Utility is a self-funded entity that operates and maintains a sewer collection system that serves the City.

#### **WATERWORKS**

The City Waterworks Utility is a self-funded entity that delivers water to residential, commercial and industrial premises in Nanaimo. The Utility operates and maintains a supply system consisting of dams, transmission mains, reservoirs and treatment facilities as well as a distribution system.

#### **RESERVE FUNDS**

These funds have been created to hold assets for specific future requirements pursuant to the *Community Charter*.

For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Taxes, grants in lieu of taxes and any revenues not directly attributable to a segment are apportioned to the General Revenue Fund services based on the net annual budget.



# Financial Statements

## CITY OF NANAIMO SCHEDULE OF OPERATIONS BY SEGMENT for the year ended December 31, 2012

	Corporate Services	Development Services	Fire	Police	Strategic Relationships	Parks, Recreation and Culture
<b>Revenues</b>						
Taxes*	\$ 10,865,120	\$ 5,461,016	\$ 13,268,621	\$ 20,713,646	\$ 3,668,606	\$ 18,930,289
Payments in lieu of taxes*	170,862	87,641	212,942	332,422	58,876	303,803
User fees and sales of services	135,779	1,256,390	84,173	83,466	2,188,309	5,849,977
Investment income	279,926	143,584	348,865	544,614	96,457	497,725
Other - general revenue*	100,500	51,550	125,251	195,529	34,630	178,695
Other revenue	212,398	3,330,446	654,687	1,393,958	164,375	675,316
Development cost charges	-	-	-	-	-	241,012
Donations and contributions - capital	121,078	-	-	-	-	327,524
Transfers from other governments - capital	-	-	-	-	102,310	-
Transfers from other governments - operating	27,691	199,645	15,000	1,718,360	179,871	1,270,425
Casino revenue sharing**	103,194	136,629	128,609	518,902	988,516	140,145
Municipal Finance Authority refunds and debt forgiven	-	-	-	-	-	-
Developer assets provided	-	-	-	-	-	3,084,100
Gain (Loss) on disposal of assets	103	1,680	(12,616)	-	-	(159,715)
	12,016,651	10,668,581	14,825,532	25,500,897	7,481,950	31,339,296
<b>Expenses</b>						
Wages and salaries	7,737,732	5,832,321	12,248,896	4,856,377	771,356	12,314,005
Services and supply contracts***	2,429,653	1,853,788	856,712	19,855,290	3,586,421	8,717,398
Amortization	389,356	402,631	553,502	334,336	2,262,801	3,796,190
Material and supplies	602,370	251,942	571,620	87,277	246,126	1,485,328
Other	538,192	1,210,187	719,202	121,890	32,448	5,238,154
Interest payments on debt	-	74,907	158,775	-	1,136,464	102,565
	11,697,303	9,625,776	15,108,707	25,255,170	8,035,616	31,653,640
Interprogram credits	(2,325,779)	-	(609,079)	-	-	-
	9,371,524	9,625,776	14,499,628	25,255,170	8,035,616	31,653,640
<b>Excess (Deficiency) of revenues over expenses</b>	\$ 2,645,127	\$ 1,042,805	\$ 325,904	\$ 245,727	\$ (553,666)	\$ (314,344)
<b>Expenditures on capital projects</b>	\$ 12,695,418	\$ 103,049	\$ 773,498	\$ 278,072	\$ 447,197	\$ 7,269,844

## for the year ended December 31, 2011 recast

	Corporate Services	Development Services	Fire	Police	Strategic Relationships	Parks, Recreation and Culture
<b>Revenues</b>						
Taxes*	\$ 10,840,798	\$ 5,302,771	\$ 12,648,638	\$ 18,811,457	\$ 3,750,674	\$ 17,936,539
Payments in lieu of taxes*	153,003	76,332	182,072	270,785	53,990	258,191
User fees and sales of services	123,117	1,196,286	79,635	115,137	1,741,864	5,780,201
Investment income	304,101	151,713	361,879	538,199	107,421	430,046
Other - general revenue*	100,531	50,154	119,631	177,920	35,474	169,645
Other revenue	182,388	3,354,914	584,325	1,452,562	112,068	588,724
Development cost charges	-	-	-	-	-	1,350,067
Donations and contributions - capital	-	-	-	-	10,100	697,599
Transfers from other governments - capital	-	50,750	-	-	97,301	41,550
Transfers from other governments - operating	24,242	63,628	-	1,711,541	1,405	1,196,640
Casino revenue sharing**	108,542	136,664	126,758	505,985	1,174,162	281,834
Municipal Finance Authority refunds and debt forgiven	-	147,416	-	-	-	-
Developer assets provided	-	-	-	-	-	619,000
Gain (Loss) on disposal of assets	(21,375)	696,058	(30,607)	-	-	(30,666)
	11,815,347	11,226,686	14,072,331	23,583,586	7,084,459	29,319,370
<b>Expenses</b>						
Wages and salaries	7,502,423	5,591,282	11,555,225	4,780,030	528,741	12,078,919
Services and supply contracts***	2,485,317	1,960,625	1,015,966	18,070,170	2,979,263	6,159,057
Amortization	293,689	392,190	580,904	323,355	2,263,039	3,784,687
Material and supplies	655,426	247,190	660,595	66,077	118,398	1,720,178
Other	552,382	981,689	792,725	123,252	355,920	4,926,424
Interest payments on debt	-	104,796	164,465	-	1,183,136	122,090
	11,489,237	9,277,772	14,769,880	23,362,884	7,428,497	28,791,355
Interprogram credits	(2,272,035)	-	(604,618)	-	-	-
	9,217,202	9,277,772	14,165,262	23,362,884	7,428,497	28,791,355
<b>Excess (Deficiency) of revenues over expenses</b>	\$ 2,598,145	\$ 1,948,914	\$ (92,931)	\$ 220,702	\$ (344,038)	\$ 528,015
<b>Expenditures on capital projects</b>	\$ 2,790,800	\$ 329,875	\$ 582,684	\$ -	\$ 1,229,990	\$ 4,264,144

\*Prorated based on net annual budget

\*\*Prorated based on casino revenue allocation

\*\*\*Parks, Recreation and Culture includes an accrual for Colliery Dam remediation



# Financial Statements

**CITY OF NANAIMO**  
**SCHEDULE OF OPERATIONS BY SEGMENT**  
for the year ended December 31, 2012

Engineering and Public Works	Sewer System	Waterworks	Reserve Funds	Consolidated	
\$ 14,479,392	\$ -	\$ -	\$ -	\$ 87,386,690	<b>Revenues</b>
232,042	-	-	-	1,398,588	Taxes*
4,333,493	5,006,930	11,932,673	-	30,871,190	Grants in lieu of taxes*
391,917	-	1,214	1,194,318	3,498,620	User fees and sales of services
136,485	-	-	-	822,640	Investment income
536,871	-	28,937	1,653,475	8,650,463	Other - general revenue*
1,787,953	376,566	2,404,534	-	4,810,065	Other revenue
103,622	-	662,741	-	1,214,965	Development cost charges
37,011	-	8,379,139	-	8,518,460	Donations and contributions - capital
26,830	-	-	-	3,437,822	Transfers from other governments - capital
285,782	-	-	-	2,301,777	Transfers from other governments - operating
98,289	-	20,870	-	119,159	Casino revenue sharing**
3,687,929	511,324	664,984	-	7,948,337	Municipal Finance Authority refunds and debt forgiven
(474,008)	(31,350)	(29,585)	-	(705,491)	Developer contribution at subdivision
25,663,608	5,863,470	24,065,507	2,847,793	160,273,285	Gain (Loss) on disposal of assets
8,915,247	1,017,632	1,877,097	-	55,570,663	<b>Expenses</b>
6,780,799	721,636	1,079,337	-	45,881,034	Wages and salaries
8,436,674	544,164	2,704,374	-	19,424,028	Services and supply contracts***
2,799,324	270,811	456,866	-	6,771,664	Amortization
1,808,093	1,697,727	2,747,189	-	14,113,082	Material and supplies
397	-	(9,733)	-	1,463,375	Other
28,740,534	4,251,970	8,855,130	-	143,223,846	Interest payments on debt
(4,368,841)	-	-	-	(7,303,699)	Interprogram credits
24,371,693	4,251,970	8,855,130	-	135,920,147	
\$ 1,291,915	\$ 1,611,500	\$ 15,210,377	\$ 2,847,793	\$ 24,353,138	Excess (Deficiency) of revenues over expenses
\$ 8,599,792	\$ 2,288,440	\$ 17,543,753	\$ -	\$ 49,999,063	Expenditures on capital projects

for the year ended December 31, 2011  
recast

Engineering and Public Works	Sewer Revenue Fund	Waterworks Revenue Fund	Reserve Funds	Consolidated	
\$ 14,585,909	\$ -	\$ -	\$ -	\$ 83,876,786	<b>Revenues</b>
209,960	-	-	-	1,204,333	Taxes*
3,832,317	4,719,216	11,252,876	-	28,840,649	Grants in lieu of taxes*
513,167	-	5,988	1,344,307	3,756,821	User fees and sales of services
137,954	-	-	-	791,309	Investment income
357,959	-	45,499	1,598,454	8,276,893	Other - general revenue*
4,105,889	428,393	1,823,354	-	7,707,703	Other revenue
114,630	-	435,636	-	1,257,965	Development cost charges
-	-	735,999	-	925,600	Donations and contributions - capital
1,038	-	-	-	2,998,494	Transfers from other governments - capital
145,926	-	-	-	2,479,871	Transfers from other governments - operating
19,459	-	518,854	-	685,729	Casino revenue sharing**
2,678,594	361,338	378,419	-	4,037,351	Municipal Finance Authority refunds and debt forgiven
(24,919)	(354)	(29,948)	-	558,189	Developer contribution at subdivision
26,677,883	5,508,593	15,166,677	2,942,761	147,397,693	Gain (Loss) on disposal of assets
8,967,868	891,823	1,801,350	-	53,697,661	<b>Expenses</b>
5,882,270	666,737	749,239	-	39,968,644	Wages and salaries
8,362,274	534,469	2,626,048	-	19,160,655	Services and supply contracts***
2,910,954	282,643	404,274	-	7,065,735	Amortization
1,629,320	1,648,662	2,547,591	-	13,557,965	Material and supplies
125	-	77,230	-	1,651,842	Other
27,752,811	4,024,334	8,205,732	-	135,102,502	Interest payments on debt
(4,131,192)	-	-	-	(7,007,845)	Interprogram credits
23,621,619	4,024,334	8,205,732	-	128,094,657	
\$ 3,056,264	\$ 1,484,259	\$ 6,960,945	\$ 2,942,761	\$ 19,303,036	Excess (Deficiency) of revenues over expenses
\$ 12,381,287	\$ 1,465,253	\$ 6,689,929	\$ -	\$ 29,733,962	Expenditures on capital projects



# Financial Statements

**CITY OF NANAIMO**  
**SCHEDULE OF TANGIBLE CAPITAL ASSETS**  
for the year ended December 31, 2012

	ASSETS				ACCUMULATED AMORTIZATION				NET BOOK VALUE	
	Balance December 31, 2011	Additions	Disposals	Transfers	Balance December 31, 2012	Balance December 31, 2011	Additions	Disposals		Balance December 31, 2012
Land	\$ 61,860,187	\$ 4,107,536	\$ 145	\$ 18,800	\$ 65,986,378	\$ -	\$ -	\$ -	\$ -	\$ 65,986,378
Land improvements	24,404,154	1,135,788	193,500	(20,741)	25,325,701	9,914,499	1,017,361	166,783	10,765,077	14,560,624
Leasehold improvements	2,106,458	-	-	-	2,106,458	1,527,589	100,273	-	1,627,862	478,596
Marine	867,490	-	-	-	867,490	569,375	40,360	-	609,735	257,755
Buildings	171,298,504	14,231,287	551,362	1,960,861	186,939,290	48,984,838	4,582,834	378,299	53,189,373	133,749,917
Vehicles and equipment	29,110,946	2,399,941	2,633,723	1,058,337	29,935,501	16,737,710	2,080,311	2,484,842	16,333,179	13,602,322
Computer	7,082,299	843,623	80,000	477,446	8,323,368	5,544,853	707,929	80,000	6,172,782	2,150,586
Storm	92,598,749	1,968,779	348,425	1,131,116	95,350,219	22,006,175	1,458,015	113,299	23,350,891	71,999,328
Transportation	278,601,146	4,936,636	1,344,503	5,185,175	287,378,454	136,050,965	6,360,497	1,053,823	141,357,639	146,020,815
Sewer	25,869,110	860,290	168,200	497,972	27,059,172	9,959,946	484,180	136,689	10,307,437	16,751,735
Water	147,163,715	5,401,698	363,561	3,205,169	155,407,021	50,912,253	2,592,268	328,869	53,175,652	102,231,369
Work in progress	17,722,556	14,113,485	-	(13,514,135)	18,321,906	-	-	-	-	18,321,906
	\$ 858,685,314	\$ 49,999,063	\$ 5,683,419	\$ -	\$ 903,000,958	\$ 302,208,203	\$ 19,424,028	\$ 4,742,604	\$ 316,889,627	\$ 586,111,331

for the year ended December 31, 2011

	ASSETS				ACCUMULATED AMORTIZATION				NET BOOK VALUE	
	Balance December 31, 2010	Additions	Disposals	Transfers	Balance December 31, 2011	Balance December 31, 2010	Additions	Disposals		Balance December 31, 2011
Land	\$ 58,858,024	\$ 2,981,831	\$ 2,175	\$ 22,507	\$ 61,860,187	\$ -	\$ -	\$ -	\$ -	\$ 61,860,187
Land improvements	22,216,548	2,029,155	129,400	287,851	24,404,154	9,036,359	979,164	101,024	9,914,499	14,489,655
Leasehold improvements	2,106,458	-	-	-	2,106,458	1,427,320	100,269	-	1,527,589	578,869
Marine	867,490	-	-	-	867,490	519,716	49,659	-	569,375	298,115
Buildings	171,072,996	261,603	254,111	218,016	171,298,504	44,687,097	4,534,696	236,955	48,984,838	122,313,666
Vehicles and equipment	28,854,030	1,812,656	1,615,953	60,213	29,110,946	16,111,121	2,081,827	1,455,238	16,737,710	12,373,236
Computer	7,082,343	15,081	30,200	15,075	7,082,299	4,948,590	626,463	30,200	5,544,853	1,537,446
Storm	91,359,419	1,078,921	27,900	188,309	92,598,749	20,592,257	1,439,572	25,654	22,006,175	70,592,574
Transportation	275,738,339	3,197,660	435,769	100,916	278,601,146	130,116,133	6,363,924	429,092	136,050,965	142,550,181
Sewer	24,853,425	868,082	-	147,603	25,869,110	9,484,394	475,552	-	9,959,946	15,909,164
Water	145,231,977	1,987,051	78,265	22,952	147,163,715	48,464,379	2,509,529	61,655	50,912,253	96,251,462
Work in progress	3,284,076	15,501,922	-	(1,063,442)	17,722,556	-	-	-	-	17,722,556
	\$ 831,525,125	\$ 29,733,962	\$ 2,573,773	\$ -	\$ 858,685,314	\$ 285,387,366	\$ 19,160,655	\$ 2,339,818	\$ 302,208,203	\$ 556,477,111