

# CITY OF NANAIMO

## BRITISH COLUMBIA

### Annual Municipal Report 2017



RonKirk  
Photography

for the year ending December 31, 2017



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### Annual Municipal Report 2017

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for the year ending December 31, 2017

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Auditors: KPMG LLP

Bank: Scotiabank

Prepared by:  
The Finance and IT Departments with support from  
management and staff of the City of Nanaimo.

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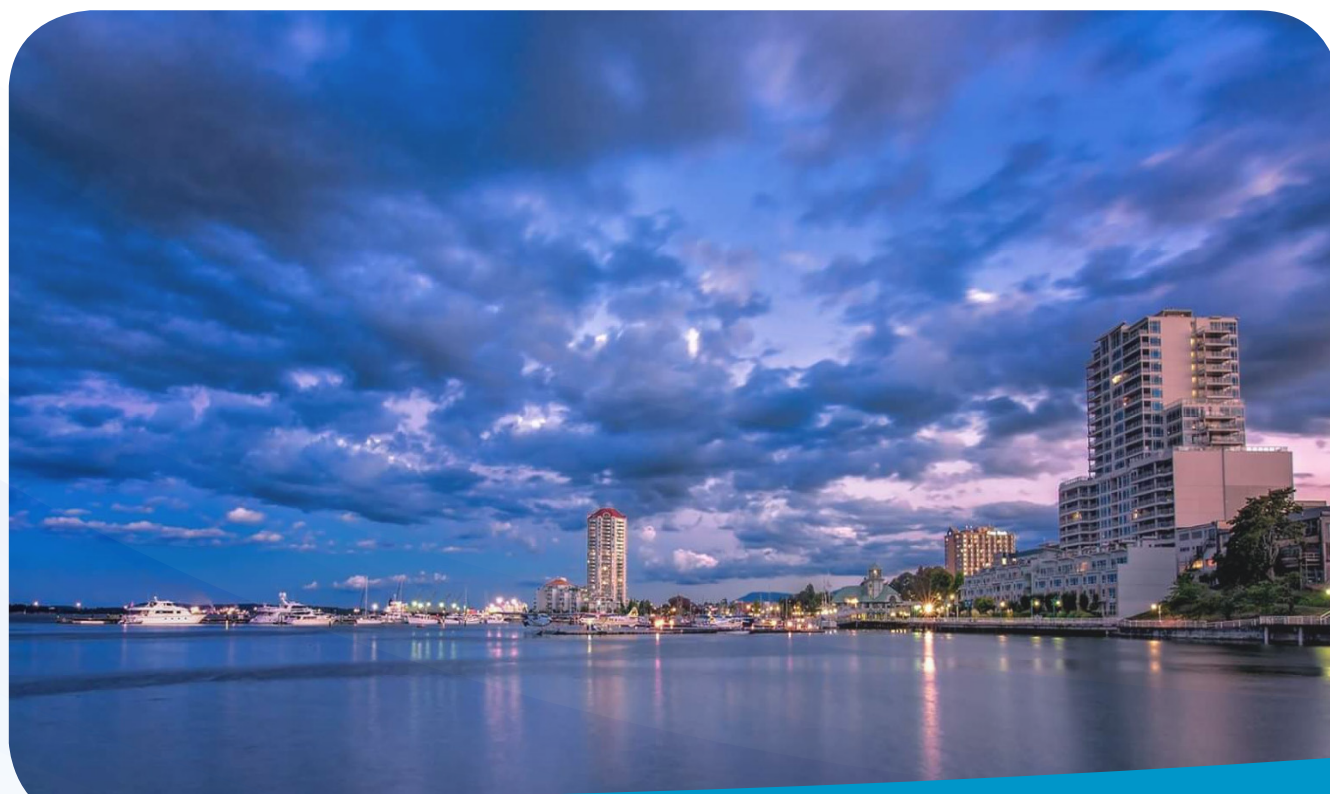
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# Introductory Section

## Poet Laureates



The purpose of Nanaimo's Poet Laureate program is to raise awareness of poetry, the literary arts and the positive impact literature and poetry can have on community life.

On January 16, 2017, Council appointed Ms. Tina Biello as Nanaimo's next Poet Laureate and Ms. Kailey DeFehr as Nanaimo Inaugural Youth Poet Laureate.

Ms. Biello was chosen for her involvement in the poetry community, her impressive published work, as well as her experience in other artistic disciplines. She is very keen to engage the mainstream community in poetry-related initiatives. Ms. Biello reads and represents the City of Nanaimo at most municipal and community events, such as the City of Nanaimo's Culture and Heritage Awards, Canada Day celebrations and the Immigrant Welcome Ceremony to name only a few.

## What Does a Poem Do?

This poem will not keep you warm,  
it will not project your skin from the sun.  
You cannot carry anything inside this poem.  
It is not there for you to use as a purse, backpack,  
briefcase or moving box.

It will not make your breakfast, or drive you to work  
and park your car.  
It will not hand you the nails as you hammer on the roof  
or pour you the cement  
when you fill the potholes from last winter.

But this poem will make you something  
you will never forget.  
It will take you to your mother's dying bed,  
your first born's smile  
and your soon to be last breath.

It will remind you to feel that wind on your cheek  
and water on your feet  
and listen for the susurraton,  
the whisper inside that takes you home.

-Tina Biello



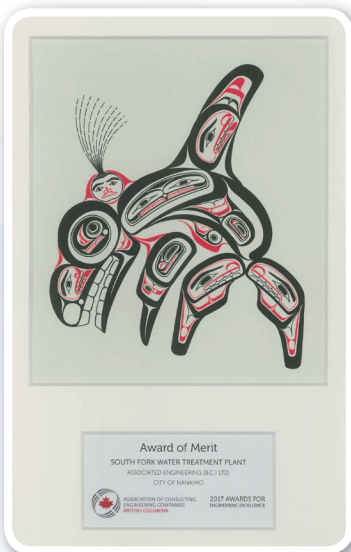
# Awards

The City of Nanaimo was awarded the **Best Practices, Excellence in Financial Stewardship Award** at the 2017 Union of British Columbia Municipalities (UBCM) annual conference in October. The award highlighted significant accomplishments, including the City's new procurement process, creation of an asset management reserve fund and a strategic infrastructure fund, along with the adoption of a 20-year infrastructure plan and a 5-year capital plan. Additional recognition was given for the adoption of a business continuity plan and review of development cost charges and user fees and charges.



The City of Nanaimo received the Government of Finance Officers Association (GFOA) **Distinguished Budget Presentation Award for the 2017-2021 Financial Plan**. This award is the highest form of recognition in governmental budgeting and represents "best practices" in the field. This is the fourth consecutive year that the City of Nanaimo has received this award.

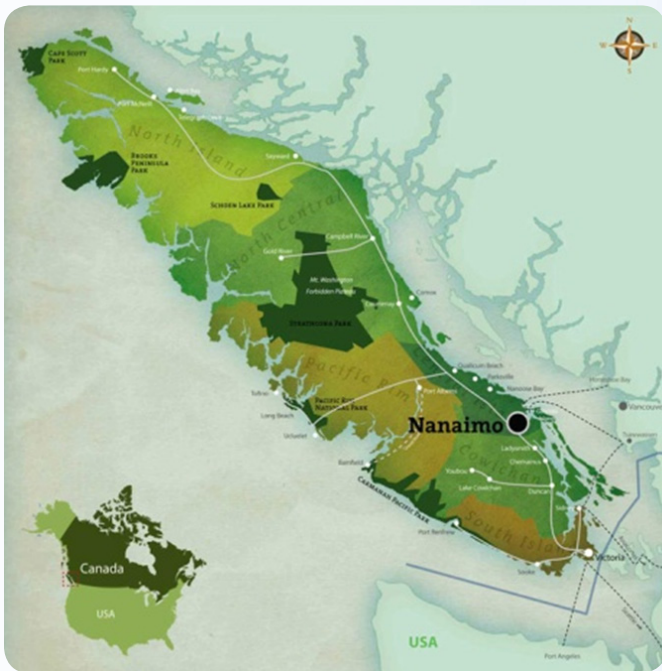
**Charlotte Davis**, Manager of Sanitation, Recycling and Public Works Administration for the City of Nanaimo received the **2017 Women's Ambassador Award** by the Public Works Association of BC (PWABC) at their annual conference. Each year, PWABC recognizes individuals who have demonstrated their passion, skills, experience and dedication to the public works industry.



**Award of Merit for the South Fork Water Treatment Plant** awarded by the Association of Consulting Engineering Companies, British Columbia for the **2017 Awards for Engineering Excellence**.

# City of Nanaimo at a Glance

Source: Statistics Canada, 2016 Census



Nanaimo, BC is located on the east coast of Vancouver Island, 113 km north of Victoria, and 55 km across the Salish Sea (Strait of Georgia) from Vancouver. Nanaimo is referred to as the Harbour City due to its large protected natural harbour which has led to the City becoming a key transportation hub for Vancouver Island.



**POPULATION:** 90,504 (City of Nanaimo)



## DEMOGRAPHICS BY AGE & GENDER



15.2%	0 to 14 years	13.7%
63.7%	15 to 64 years	62.9%
21.1%	65 years and over	23.4%



**ASSESSED PROPERTIES:** 37,322



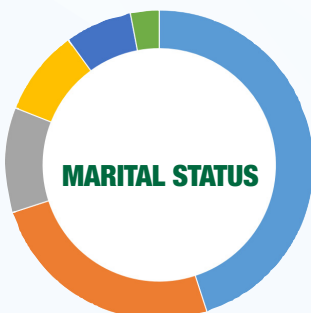
**HOUSEHOLD INCOME:**  
\$74,817 (average) \$61,094 (median)



**AVERAGE HOUSEHOLD SIZE:** 2.2



**IN LABOUR FORCE**



45% married  
25% never married  
11% common law  
9% divorced  
7% widowed  
3% separated

# Community Overview

## City Profile

The City of Nanaimo is a vibrant and growing regional centre on the east coast of Vancouver Island with a population of approximately **90,000** residents. Forming one of two major gateways to Vancouver Island, the City is an important service centre for a regional population of **360,000** people throughout Central and Northern Vancouver Island.

The City's early development patterns were centred on the harbour and downtown with the current City boundaries being established only in 1975 through amalgamation with a number of surrounding improvement districts. Through the 1980s and 90s, Nanaimo rapidly expanded northward resulting in development of lower density neighbourhoods, commercial, retail and employment centres stretching along the Island Highway corridor.

Recent growth patterns have re-focused development within the City's existing urban growth boundary resulting in higher levels of infill throughout the City. Looking forward over the next thirty years, the City's population is projected to increase by nearly 40,000 residents and 25,000 jobs for a total of 130,000 residents and 75,000 jobs.

Providing a vision and policy framework to accommodate future growth, the City's Official Community Plan *planNanaimo* supports a more sustainable, compact Nanaimo where people can work, shop, socialize and recreate in close proximity to where they live.



## Nanaimo at a Glance

Nanaimo boasts over 100 parks, an extensive trail system, public beaches, picnic areas and several recreation areas, including Beban Park that houses Beban Pool and Frank Crane and Cliff McNabb Arenas, Nanaimo Aquatic Centre with its three pools, Nanaimo Ice Centre with two ice rinks and three golf courses found within the City's boundaries.

Residents can enjoy a leisurely stroll along the waterfront seawall or a vigorous hike up Mount Benson. Newcastle Island, a charming provincial park just off the shores of downtown Nanaimo, is a popular summertime picnic and camping area. Buttertubs Marsh, in the heart of the City, is a wonderful place to view waterfowl and learn about our delicate ecosystems. Neck Point Park is a 14.5 hectare waterfront park known for its views and natural features. The park has a vast trail system of varying lengths and difficulty and offers a number of amenities, including picnic areas,

viewpoints and lookouts. The Linley Valley is a 156 hectare mainly undeveloped park. The park's trees, bluffs, creeks, wildlife and Cottle Lake contribute to the park's recreational appeal.

Nanaimo's arts and culture community is thriving. There are a wide variety of art galleries. The Nanaimo Museum can be found in the Port of Nanaimo Centre, and the Nanaimo Military Museum is located downtown near the waterfront. You can also take in a Vancouver Island Symphony performance in the Port Theatre, an 800-seat facility on the waterfront where more than 270 shows take place annually. You can even combine the arts with the outdoors and take in the annual Symphony in the Harbour, Concerts in the Park or the annual Blues Festival. Nanaimo is also a festival city. Annual events include the Maple Sugar Festival, the Children's Festival, the Marine Festival, the Dragonboat Festival and everything in between.





*Nanaimo...beautiful scenery at every turn.*



# Nanaimo City Council

Nanaimo City Council includes the Mayor and eight Councillors who are elected for a four-year term. Members of the current City Council were elected on November 15, 2014.

City Council is responsible for local government leadership and decision-making, and their responsibilities include establishing and implementing the priorities of the City of Nanaimo and for overseeing the overall administration of civic business.

The Mayor and Councillors also serve on many committees, boards and advisory groups on which they provide strategic input

and direction on City initiatives, set budget priorities and advise on regional issues.

Members of the public are welcome and encouraged to attend open Council meetings. Open Council meetings are generally held on the first and third Mondays of each month at 7 pm in the Shaw Auditorium of the Vancouver Island Conference Centre on Commercial Street in downtown Nanaimo.

## Councillors serve on various boards, including:

- Regional District of Nanaimo
- Vancouver Island Library Board
- Nanaimo Airport Commission
- Snuneymuxw First Nation Liaison Committee

## Council's Select Committees include:

- Community Planning & Design
- Community Vitality
- Design Advisory Panel
- Finance & Audit
- Nanaimo Youth Advisory
- Parks, Recreation & Wellness
- Public Safety
- Public Works & Engineering

*NOTE: Councillor Wendy Pratt resigned in 2017. A by-election was held on Saturday, July 8 where Councillor Sheryl Armstrong won her seat.*



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## Message from Mayor Bill McKay – May 2018

On behalf of Council, it is my pleasure to present the 2017 Annual Report for the City of Nanaimo. In 2017 we continued work towards achieving the City's Strategic Plan vision: The City of Nanaimo proudly features its harbour and natural environment, its inclusive quality of life and its location as a business centre and hub for Vancouver Island, connecting its residents regionally and nationally by land, sea and air. The 2017 Annual Report provides key information on the City's activities and accomplishments.

During 2017 many strategic projects and initiatives moved ahead including consultation for development of the downtown waterfront, construction of the Harewood Centennial Park Multiuse Court and the Stevie Smith Bike Park, approval of the new 10-15 Year Fire Plan, implementation of a new Public Engagement program and purchase of the Rotary Bowl and Serauxmen Stadium land. These activities will provide important and valued benefits to the community for years to come.

The City continues to improve processes and practices that deliver efficient and effective services, maintain infrastructure and contribute to the health and well being of the community. Implementation of automated solid waste collection was started in 2017 and will be fully implemented in 2018. Council was presented with a business case for replacement of Fire Station 1 and approved proceeding with this important project.

City staff continue to bring a high level of professionalism, engagement and experience to deliver on Council's priorities. I'd like to express appreciation and gratitude to them. It has been a pleasure to work alongside staff and the community in 2017 to continue to achieve the objectives of the City's Strategic Plan and to continue to deliver quality services to the community.

Yours sincerely,

Bill McKay  
MAYOR

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# Message from Senior Leadership

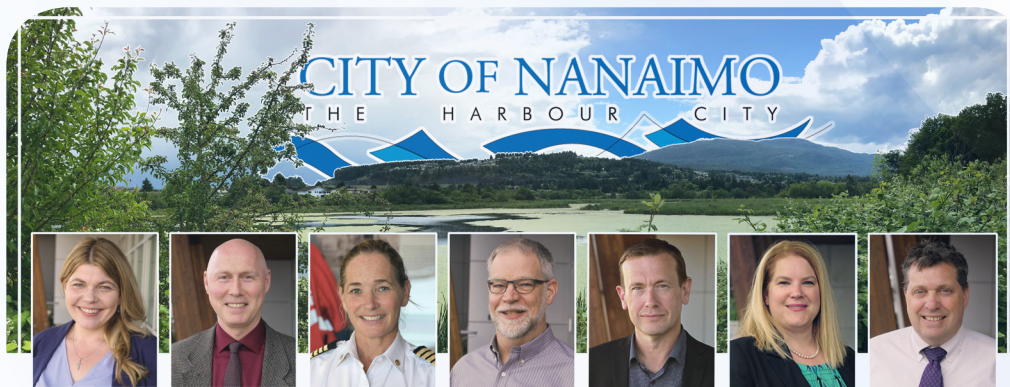
The Annual Report provides an opportunity to review our accomplishments last year and progress made towards Council's Strategic Plan objectives. We hope you will take some time to read the report to learn about the work staff, Council and the community have been engaged in.

Council and staff's attention has focused on priorities identified in the Strategic Plan. Public engagement sessions regarding development for the downtown waterfront and development of a walkway were undertaken. These sessions provided important input and direction for these key initiatives.

It was a busy year for development in the City with 1,059 construction permits issued for a total value of \$204 million. The City's continued growth supports the affordability of its housing and services.

The City owns approximately \$3 billion in infrastructure that support delivery of needed and valued services to the community. City departments continue to collaborate on many initiatives to support continuous improvement in the efficiency and effectiveness of services and programs. Asset management drives many initiatives, and for 2017 included the completion of the Development Cost Charges review, participation in national initiatives to develop asset management best practices and the review of the City's capital project planning and management.

This year will be another busy year as we begin work on the Boundary/Northfield intersection upgrade, the Georgia Greenway amenities project, final implementation of automated solid waste collection, the design phase for replacement of Fire Station 1, the pilot phase for LED street lighting and many projects to renew the City's infrastructure and facilities.



L-R: Sheila Gurrie, John Van Horne, Karen Fry, Bill Sims, Dale Lindsay, Laura Mercer, Richard Harding

## **Senior Leadership Team:**

Laura Mercer, Deputy Financial Officer

Sheila Gurrie, City Clerk and Corporate Officer

John Van Horne, Director of Human Resources

Dale Lindsay, Director of Community Development

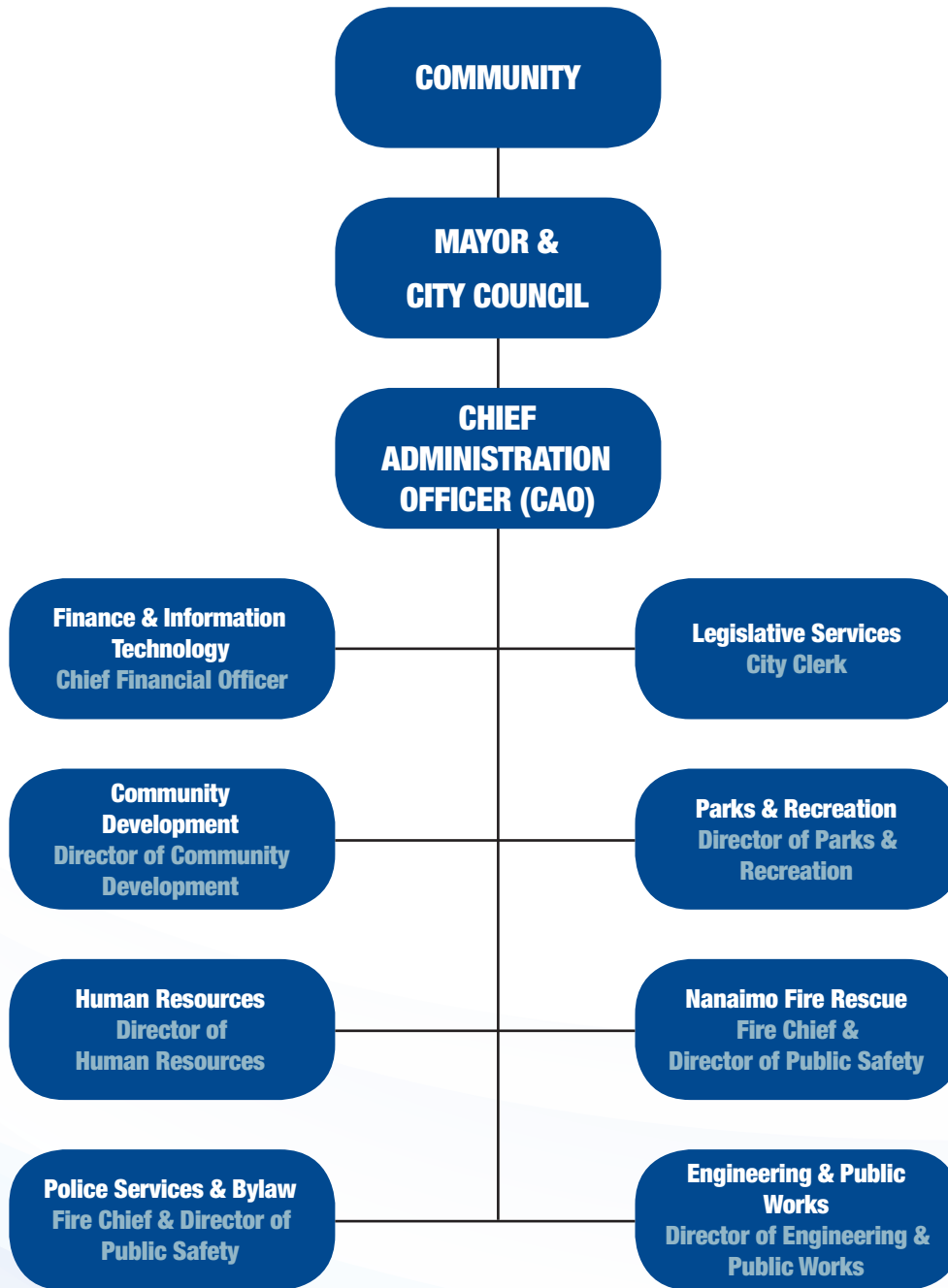
Bill Sims, Acting Director of Engineering and Public Works

Richard Harding, Director of Parks and Recreation

Karen Fry, Fire Chief and Director of Public Safety

# 2017 Organizational Chart

City of Nanaimo - as of December 31, 2017



# Strategic Plan Update

Council completed a Strategic Plan Update in 2016. The *Strategic Plan Update 2016 – 2019* built upon the community vision, values and commitments made under the City's previous *2012 – 2015 Strategic Plan*. The update restates the City's commitment to the four values of sustainability: **economic health, environmental responsibility, social equity and cultural vitality**, as well as adds a fifth value for **healthy lifestyle**.



## VISION

**The City of Nanaimo proudly features its harbour and natural environment, its inclusive quality of life and its location as a business centre and hub for Vancouver Island connecting its residents regionally and nationally by land, sea and air.**

## NANAIMO'S COMMUNITY VALUES

The *Strategic Plan Update 2016-2019* identified five community values to guide planning and decision making:

**Economic Health:** Creating a vibrant culture of innovation, stewardship and partnership to encourage a healthy economy, now and into the future.

**Environmental Responsibility:** Protecting and enhancing Nanaimo's natural environment by looking after the community's biological diversity in the course of land use and development.

**Social Equity:** Creating a sustainable community that reduces the effects of poverty overall, increases citizen safety and nurtures health and inclusivity.

**Cultural Vitality:** Supporting culture as an integral part of everyday life in Nanaimo

**Active Lifestyle:** Improving Nanaimo's community infrastructure and resources to enable residents to support one another in achieving an active and healthy place to live.

# Priorities

The *Strategic Plan Update 2016-2019* identified five priorities and two initiatives to be integrated in annual operating plans and five-year investment plans.

- Phased Development of South Downtown Waterfront
- Recreation, Culture, Sports and Tourism
- Public Safety
- Governance Renewal
- Community Wellness



The two initiatives are Affordable Housing and Property Acquisition.

## Phased Development of South Downtown Waterfront

This priority supports the creation of a complete community along Nanaimo's south downtown waterfront that will be a catalyst for our community's future health, be a key economic driver for downtown revitalization and be a destination to access attractions, services and amenities.

### PROPOSED INITIATIVES:

Key initiatives identified included completion of the Port Drive Waterfront Master Plan, adopting a strategic development plan and construction of an access route for the South Downtown Waterfront lands and support for the establishment of a foot passenger ferry between Nanaimo and Vancouver.

### 2017 ACCOMPLISHMENTS:

- South Downtown Waterfront Lands
  - The City continued negotiations with Seaspan Ferries Corporation to advance the redevelopment of 1 Port Drive.
  - The City led a Secondary Access Study to identify a future connection from the South Downtown Waterfront to the South End Neighbourhood Association.
  - Functional design for the Front Street Extension was completed which will provide a new primary access to the South Downtown Waterfront.
- Port Drive Waterfront Master Plan
  - The Port Drive Waterfront Master Plan has proceeded through a series of phases for plan preparation, including public consultation for options review and a draft plan followed by submission of a final plan for Council's consideration and commencement of the formal approvals process.
- Foot Passenger Ferry Service
  - In collaboration with Snuneymuxw First Nation (SFN) and the Nanaimo Port Authority continued the process for passenger ferry service between Nanaimo and Vancouver.

## Recreation, Culture, Sports and Tourism

This priority supports a healthy, active, thriving community for the benefit and enjoyment of residents and visitors alike and will appeal to investors, tourists, residents and newcomers of all ages seeking a vibrant West Coast lifestyle.



### PROPOSED INITIATIVES:

Key initiatives identified include: creation of a new sports and entertainment centre, support for a Community Performing Arts Centre located at Port Theatre, increasing public art/space, creating an inclusive approach to culture, promoting natural heritage and green space/parks stewardship and connecting walkways along our waterfront.

### 2017 ACCOMPLISHMENTS:

- Harewood Centennial Park Multiuse Court and Lacrosse Box.
- Stevie Smith Bike Park located in Beban Park, including a dirt jump and return trail and pump track.
- New Beaufort multi-purpose courts, including six pickle ball courts to provide opportunity to learn new sport.
- In partnership with the Nanaimo Ladysmith Public Schools, constructed a new artificial turf field.
- Rogers Hometown Hockey event held in February at Maffeo Sutton Park. A series of events celebrating sports in the community also took place, including an outdoor ice rink and zipline.
- Implementation of Colliery Dam Park Improvement Action Plan, including artwork in the spillway area and locating a new fishing float and picnic shelter.
- Nanaimo's Poetry Walk, a set of paving stones each bearing a poem by a Nanaimo Poet Laureate, is created outside the main entrances of the Port Theatre.
- Public Art Week held in May. Seven new pieces of temporary art are installed throughout the City.
- "Search for the Golden Bucket" competition returns where residents follow clues that explore parks and trails in the community.
- Tourism Engagement meeting held to seek public input on suitable business models for guiding the governance and management of tourism in Nanaimo.



## Public Safety

This priority supports the collective well-being of our community by protecting the lives of all our residents.



### PROPOSED INITIATIVES:

Key initiatives include promoting community-wide emergency planning and providing public safety through fire and police protection.

### 2017 ACCOMPLISHMENTS:

- Council approved new *10-15 Year Fire Plan*. The plan will see an updated integrated risk management approach to fire planning, three-year service delivery plans and will engage the Public Safety Committee to develop goals and priorities for service delivery plans.
- A business case was completed with options for rehabilitation/replacement of Fire Station 1. Council approved replacement of Fire Station 1 at its current location.
- With the Island Health Authority, established a temporary Overdose Prevention Service (OPS) downtown.



## Governance Renewal

This priority guides Council and staff in renewing the City's capacity to effectively and efficiently serve the residents of our community.



### PROPOSED INITIATIVES:

Key initiatives include implement Core Service Review recommendations, adopt a new public meeting parliamentary procedures bylaw, implement new committee structure and support a healthy corporate culture through adoption of various organizational tools and initiatives.

### 2017 ACCOMPLISHMENTS:

- Referendum was held March 11, 2017 and Nanaimo voters decided against borrowing \$80 million for the development and construction of an event centre.
- New City website developed with public consultation. The new website launched July 2017.
- New service provider for the Vancouver Island Conference Centre secured.
- Held inaugural event to teach students the importance of Public Works. Over 200 grade four and five students took over the City's Public Works Department as part of National Public Works Week celebrations. National Public Works Week is an initiative to bring awareness to the essential role Public Works plays in the quality of life for a community. Students had the opportunity to visit various interactive stations to learn about the many services the department performs for Nanaimo's residents.
- Public Engagement Program to be implemented through establishment of a Community Engagement Task Force. Public Feedback sessions and an online survey were used to provide opportunities for public input. A Public Engagement Pilot Program is established with its first engagement session held in November.
- Council approved joining the Coastal Douglas-fir and Associated Ecosystems Conservation Partnership (CDFCP). The CDFCP is a multi-agency partnership created to allow for a collaborative approach among stakeholders with an interest in the conservation of Coastal Douglas-fir (CDF) ecosystems.
- Working with Vancouver Island University's Mount Arrowsmith Biosphere Region Research Institute (MABRRI), the City undertook a public consultation process for Linley Valley Park to identify the current use of the park and opportunities to improve recreational use and access while respecting environmentally sensitive areas in the park.
- Completed review of the City's capital project planning and management.

## Community Wellness

This priority recognizes that healthy communities directly reflect the wellness of their individual members and supports investment in infrastructure, including bike routes, parks and trails and through decisions that address poverty reduction, accessibility and climate change.



### PROPOSED INITIATIVES:

Key initiatives include investment in walkways and bike routes, improvements to existing parks and trails, facilitate discussions on topics of community interest, and through community partnerships, develop a poverty reduction strategy.

### 2017 ACCOMPLISHMENTS:

- Design phase for Georgia Avenue Greenway Pedestrian and Cycling amenity started.
- In partnership with the Island Health Authority and the Regional District of Nanaimo, the "Live 5-2-1-0 Nanaimo" program was delivered to a range of audiences through a series of workshops, classroom session and events. The message of this program is to empower people to follow four easy steps to improve overall health and wellness. (PR May 29)
- "Bike to Work and School Week" held with daily Celebration Stations and a wrap-up party.
- Council approved a portion of the Greater Nanaimo Water District Lands located along Nanaimo Lakes Road to be designated as Parks and Open Space.
- Council endorsed the Waterfront Walkway Implementation Plan to create a continuous 13-kilometre trail from Departure Bay to the Nanaimo River Estuary. The plan involved extensive public consultation and stakeholder feedback to help identify design and funding priorities.



## Affordable Housing Initiatives

### 2017 ACCOMPLISHMENTS:

- Information booths and an online survey used to gather public input on a new Affordable Housing Strategy.
- Work undertaken towards a discussion paper which will include a data and policy review, engagement summary and policy options.



## Property Acquisition Initiatives

### 2017 ACCOMPLISHMENTS:

- Purchase of Rotary Bowl and Serauxmen Stadium land from the Nanaimo Ladysmith Public Schools.



# City Departments

City Departments deliver a wide range of services to the community. The following section provides an overview of each department, including performance measures, 2017 accomplishments and 2018 initiatives. Also noted are specific links to implementation to key plans endorsed by Council.

## CAO Office

City Administration includes the offices of the Chief Administrative Officer (CAO) and the Chief Operating Officer (COO).

The CAO's office serves Council directly and acts as the primary connection between staff and City Council. This office provides direction for staff recommendations that reflect relevant facts, options and professional opinion pertaining to issues considered by Council.

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

## Community Development

The Community Development Department serves Council and its committees, residents, businesses, property owners, builders, design professionals, other departments, senior levels of government and community groups.

The department is organized into seven sections:

- Administration
- Permit Centre and Business Licensing
- Building Inspections
- Community and Cultural Planning
- Real Estate and Business Development
- Current Planning and Subdivision
- Engineering and Environment



## Administration

- Directs and supports the activities of the department
- Provides advice to Council on all matters related to the planning and development of the community
- Ensures that the department's goals and objectives are consistent with Council policy, plans and direction
- Monitors and establishes department policies, procedures and practices with a focus on customer service
- Supports the work of Council committees

## Permit Centre and Business Licensing

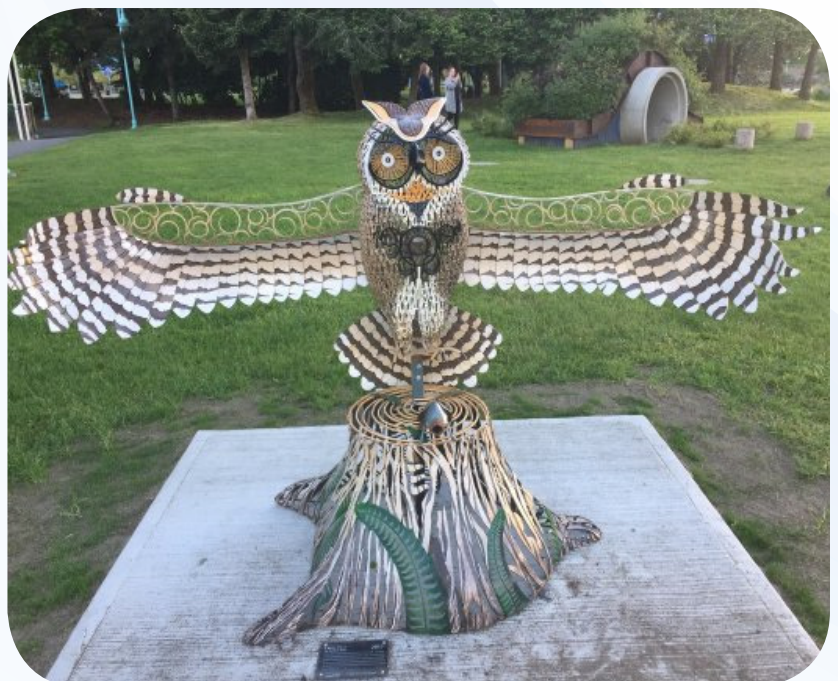
- Operates the customer service centre for development, permit and licence related enquiries
- Administration of bylaws and collection of related fees
- Responsible for the review and issuance of business licenses
- Provide advice to customers on the regulations, processes and requirements related to development within Nanaimo

## Building Inspections

- Promotes livability, fire, health and life-safety standards in the community
- Reviews permit applications and conducts inspections within a framework of municipal policies and land use regulations and the BC Building Code
- Administers collection of Development Cost Charges for commercial, industrial and multi-family projects

## Community and Cultural Planning

- Implements policy and programs identified in the City's Official Community Plan (OCP) "*planNanaimo*" for growth management, sustainability and strategic priorities
- Reviews and provides advice to Council on OCP amendments
- Supports Community Planning & Development Committee
- Grants – social, culture and heritage, downtown events
- Arts and Culture and Heritage programs, services and facilities
- Public Art
- Community (OCP) and neighbourhood planning
- Social Planning
- Committee support for Community Planning and Development Committee, Cultural Vitality Committee and Nanaimo Youth Advisory Council



## **Real Estate and Business Development**

- Develops strategies and policies for land acquisition and dispositions
- Guides decisions related to sale and acquisition of municipally-owned lands
- Represents the City in property negotiations
- Ensures property transactions comply with relevant statutes, regulations and policies
- Economic Development – promotes the attraction, retention and formation of new businesses

## **Current Planning and Subdivision**

- Reviews and provides recommendations to Council on OCP amendments, rezonings, temporary use permits, development permits, development variance permits, liquor applications
- Reviews business licence and sign permit applications
- Responds to public information requests through the Permit Centre
- Supports the Design Advisory Panel and Board of Variance
- Administers and updates Zoning Bylaw and related land use and development bylaws
- Establishes subdivision requirements and approve applications
- Administers collection of Development Cost Charges for fee simple subdivisions

## **Engineering and Environment**

- Reviews development applications, including construction of both private infrastructure and developer contributed City infrastructure
- Urban Forestry, includes the implementation of the Urban Trust Strategy and administration of the Tree Protection Bylaw.
- Environment ensures that development complies with Citys bylaws and polices with respect to environmental protection.



## Community Development - Performance Measures

Measure	2016	2017
New single dwellings	332	309
Total new dwelling units	1027	856
Total annual construction value	\$212,743,993	\$204,126,491
Permit processing time for single dwelling	4.3 weeks	4.52 weeks
Processing time for rezoning	37.8 weeks	31.7 weeks
Total annual construction value - civil infrastructure	\$10,722,874	\$5,736,826
Permits issued (works in City streets + fill permits)	49	75
DSA processing time	5.96 weeks	4.80 weeks
Tree removal permits	76	122
Tree vouchers (program funded by tree replacement cash-in-lieu payments)	0	600
New business licence applications received	545	709

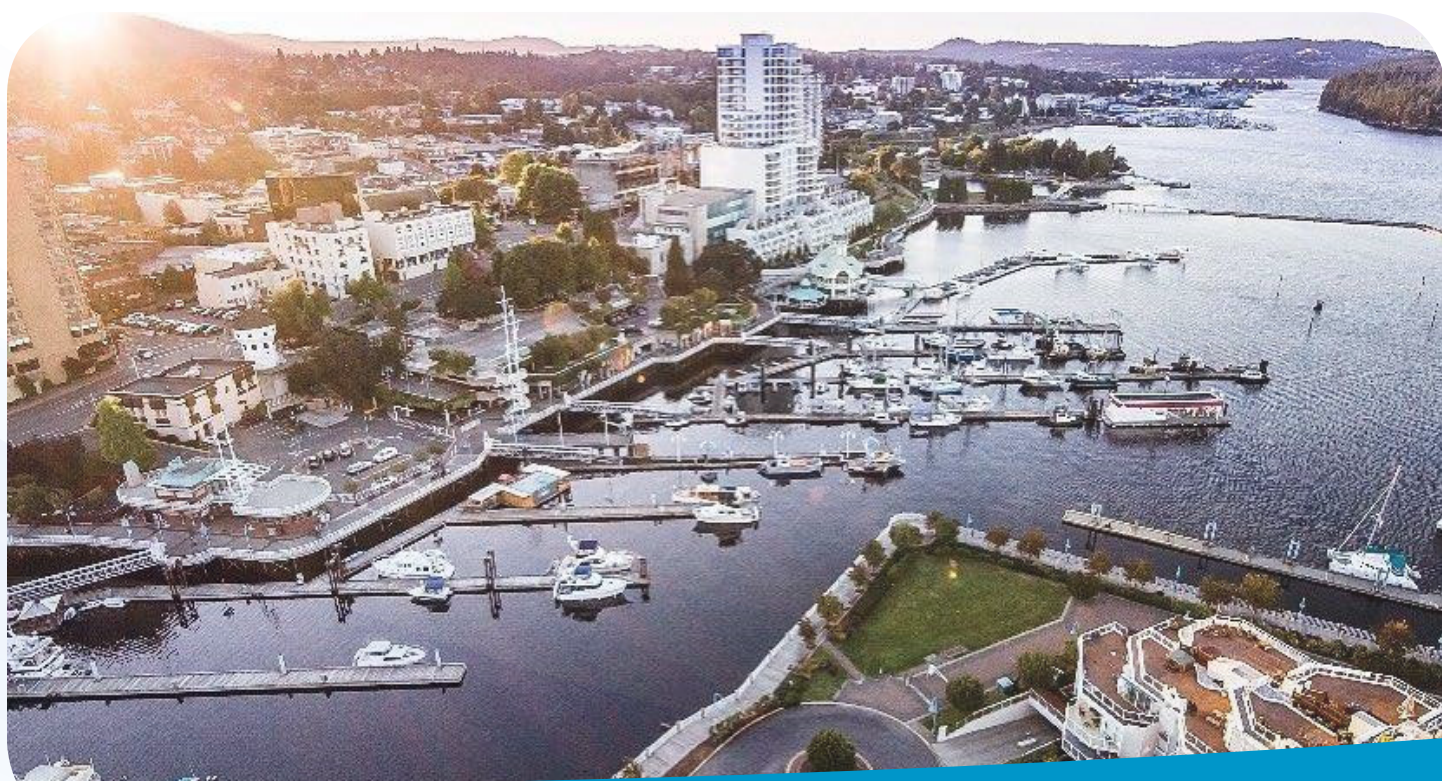
## Community Development - 2017 Accomplishments

Accomplishments	Linked To	Additional Information
Affordable Housing Strategy	Strategic Plan	Public consultation process undertaken - draft discussion paper.
Waterfront Walkway Implementation Plan	Strategic Plan	Series of open houses and a design workshop to provide residents with opportunities to review the material and to provide feedback on plans for a continuous walkway from Departure Bay to the Nanaimo River Estuary - Plan endorsed by Council.
Port Drive Waterfront Master Plan	Strategic Plan	Public consultation process undertaken for input on future land uses of a key part of Nanaimo's waterfront - Draft Plan completed.
Public Art Week	Strategic Plan	Installation of new pieces of temporary art throughout the City.
Culture and Heritage Awards Program		Each year, the City recognizes individuals and groups that make Nanaimo a more culturally vibrant city.
Development Cost Charges Review	Strategic Plan and Core Services Review	Introduction of a new DCC framework and bylaw to Council.
Hospital Area Plan	Strategic Plan and Core Services Review	Commence plan process.
Property Acquisitions	Strategic Plan	Serauxman Stadium and Rotary Bowl.
Seniors Connect	Strategic Plan	Living History and City Builders Program.
Secondary Access (South Downtown Waterfont)	Strategic Plan	
Parking Bylaw	Transportation Master Plan & OCP	
Social Disorder/Harm Reduction Responses		Engagement sessions and development of priority actions.



## Community Development - 2017 Accomplishments (continued)

Accomplishments	Linked To	Additional Information
Archaeological Overview Assessment		Update and expansion of assessment area.
Conversion of Microfiche records to digital format		Historic building permit information stored on microfiche was converted to a digital format and uploaded to Tempest in order to increase accessibility and efficiency.
Initiated a Tree Voucher Program	Urban Forestry Management Strategy	With full implementation of the Management and Protection of Trees Bylaw development is now providing funding to support tree planting programs.
Awarded grant to develop a Climate Change Adaption Strategy	Community Sustainability Action Plan	Awarded \$175,000 from the Federation of Canadian Municipalities (FCM) for the Municipalities for Climate Innovation Program (MCIP).
Developed a STEP Code Implementation Strategy	Community Sustainability Action Plan	Strategy to go to Council for endorsement in 2018.
Formed a STEP Code Implementation Group with other communities	Community Sustainability Action Plan	Initially the group included RDN and Northern Island communities but now includes communities from all of the Island.
Economic Development	Strategic Plan	Brought Economic Development function back in house, entered into contract with Tourism Association of Vancouver Island (TAVI) to promote tourism function.
100 Gordon Street	Strategic Plan	Completed sale of 100 Gordon Street to PEG Development for 155-room Courtyard by Marriott Hotel.



## Community Development - 2018 Initiatives

Initiative	Linked To	Additional Information
Woodgrove Town Centre Plan	OCP	Development of a local area plan for this urban node.
Social Disorder/Harm Reduction	Strategic Plan	Continue actions on response.
Modular Housing Initiative	Strategic Plan	Work with BC Housing to delivery supportive housing.
Cannabis Retail		Review and recommend amendments to existing bylaws to reflect pending legalization of cannabis.
Animal Management Plan(s)		Consider plans for management of geese and rabbits.
10-Year Official Community Plan Review	Strategic Plan	Initiation of plan review to begin in 2018.
Heritage Building Guidelines	OCP	Update existing guidelines.
Affordable Housing Strategy	Strategic Plan	Discussion paper and development of Housing Strategy implementation.
Archaeological Overview Assessment	OCP	To better identify lands with potential archaeological value.
Downtown Tax Revitalization Bylaw	Strategic Plan, OCP	Create a new tax incentive program to entice residential and commercial development in the downtown core.
Building Bylaw amendments		Review Bylaw and make necessary amendments to bring into alignment with Building Act.
Expand Tree Voucher Program	Urban Forestry Management Strategy	With full implementation of the Management and Protection of Trees Bylaw development is now providing funding to support tree planting programs.
Develop a Street Tree Program	Urban Forestry Management Strategy	With full implementation of the Management and Protection of Trees Bylaw development is now providing funding to support tree planting programs.
Develop a comprehensive Soils Bylaw	Environmental Sustainability	The intent is to develop a comprehensive bylaw to cover fill and removal, erosion, placement and retention of soils for stormwater management, blasting notification / pre-blast surveys / blast monitoring.
Review of Home-Based Business Bylaw		Review this bylaw to ensure regulations are current.
Waterfront Walkway	Strategic Plan, OCP	Complete design and prepare tender packages for waterfront walkway of Departure Bay – Northfield Creek and 1 Port Drive.
1 Port Drive	Strategic Plan, OCP	Complete acquisition of right-of-way from Seaspan.
100 Gordon Street		Work with developers to commence construction of hotel by the end of 2018.

# Engineering and Public Works

Engineering and Public Works is responsible for managing approximately \$2.6 billion in built assets and infrastructure. The department provides City services relating to engineering services, transportation systems, garbage, recycling, water, sewer and drainage and has responsibility for the following sections:

## Engineering Services

Engineering Services plans, designs and constructs new and upgraded infrastructure, including roads, drainage, sewer and water. This section is responsible for long-term planning for transportation and utility infrastructure to meet the future needs of the community.

## Transportation

Transportation manages all aspects of road maintenance, such as signage, sidewalks, traffic signals and lighting and snow and ice control.

## Garbage and Recycling

Garbage and Recycling manages the solid waste, recycling and organic collections for City residences.

## Water

The City's water treatment plant, dams, reservoirs, supply and distribution mains are managed by the Water section. This section is responsible for operations and maintenance of infrastructure that supplies adequate and safe water to the community.

## Sewer

The Sewer section is responsible for the operation and maintenance of the City's sanitary collection system. The Regional District of Nanaimo operates the liquid waste treatment facility.

## Drainage

The City's storm drainage collection system is operated and maintained by this section. This section is also responsible for the infrastructure, including storm sewer pipes, ditches, outfalls and detention facilities.



## Engineering and Public Works - Performance Measures

Measure	2016	2017
Number of water quality complaints	44	25
Daily water consumption per capita	428.93 litres	429.48 litres
Solid waster (kg per household)		
-Garbage	-Garbage: 147kg/hh	-Garbage: 140 kg/hh
-Recycling	-Recycling: 121 kg/hh	-Recycling: 118 kg/hh
-Kitchen Waste	-Kitchen Waste: 125 kg/hh	-Kitchen Waste: 133 kg/hh
Garbage diversion	63%	64%
Drainage mains renewed - km	1.7 km	0.5 km
New cycling routes - km	6.0 km	6.0 km
New sidewalks - km	0.3 km plus 2.5 km through development	1.5 km plus 4.9 km through development
Sanitary sewer mains renewed - km	2.7 km	2.8 km
Sanitary sewer mains condition assessment - km	54.2 km	16.1 km
Water mains renewed - km	4.4 km	4.1 km
Watermain breaks	10	8
Private sanitary sewer backup reports completed	3	0
Private storm sewer flooding reports completed	9	0
Work orders completed by Public Works crew	10,242	9,291



## Engineering and Public Works - 2017 Accomplishments

Accomplishments	Linked To	Additional Information
2017 Women's Ambassador Award from the Public Works Association of BC		Award recognized individuals who have demonstrated their passion, skills, experiences and dedication to the public works industry.
Water Treatment Plant received Award of Merit from the Association of Consulting Engineering Companies of British Columbia (ACEC-BC)		Award recognized technical innovation and engineering excellence.
20-Year Investment Plan and Asset Management Update	Core Services Review	Presented to Council on March 23, 2017. The report provided Council with an overview of the City's long term investment plans and funding strategies and will support review and decision making.
Leadership in Asset Management Program	Asset Management	Participated in national initiative to develop asset management capacity. Working with other selected municipalities across Canada to develop asset management governance framework.
Transportation Survey	Community Sustainability Action Plan	Completed comprehensive transportation survey for the Nanaimo region. The survey collected information on how people are moving through the region's key corridors and intersections on foot, bicycle, transit and other vehicles. The survey results will be used in developing transportation plans and priorities.
Bike to Work and School Week	Strategic Plan	Celebration stations were set up around the City to offer snacks, drinks and encouragement for challenge participants.
Phase 1 implementation of automated solid waste collection	Core Services Review	The service delivery change from manual to automated collection includes the City now responsible for recycling collection, the addition of yard waste collection and the provision of carts for recycling, organics and waste. Automated collection is expected to significantly reduce worker injury.
Rutherford Roundabout Project	Strategic Plan	Constructed a roundabout at Rutherford Road and Nelson Road.
Public Works Day		The City hosted the first Nanaimo Public Works Day for students in grades four and five. The event was very popular with many students exclaiming "This was the best field trip ever".
Pedestrian Safety Day		The City, in partnership with the RCMP and ICBC, hosted a Pedestrian Safety Day in the fall to bring awareness of pedestrians and provide safety information.



## Engineering and Public Works - 2018 Initiatives

Initiative	Linked To	Additional Information
Automated solid waste collection	Core Services Review	Phase 1 implemented late 2017; second and final phase in 2018.
Waterfront Walkway	Strategic Plan Update	Planning and design for the phased construction of the Waterfront Walkway.
1 Port Place access	Strategic Plan Update, Asset Management	Construction of an access to 1 Port Drive and Wellcox properties.
Water System Condition Assessment Program	Asset Management	
Northfield Boundary / Highway 19A intersection upgrade	Asset Management, Community Wellness	Construction of safety related intersection upgrades to the Northfield/Boundary/Highway 19A intersections.
Chase River trunk sewer diversion - pump station	Asset Management	Construction of a pump station and one km forcemain to divert flow from the Chase River Trunk to avoid 3.4 km of trunk sewer upgrades.
Project Management framework	Core Services Review	To establish policy and procedures around corporate project management.



# Finance and Information Technology

The Finance and Information Technology Department provides financial support and stewardship that supports City departments delivering current and future service levels as directed by Council.

The department is organized into the following:

## Administration

- Provides leadership and coordination of department activities
- Provides financial support and advice to all City departments and Council
- Ensures implementation of policies, programs and other directions of Council and management team

## Revenue Services

- Billings and collections
- Accounts receivables
- Maintains property information

## Accounting Services

- Reporting and accounting functions, including accounts payable
- Cash management
- Annual financial statements

## Financial Planning

- Preparation of Five-Year Financial Plan
- Long-term financial planning and analysis
- Business cases
- Grants administration (application and management of senior government grants)

## Payroll

- Process bi-weekly payroll
- Reporting requirements

## Purchasing

- Facilitates purchasing process
- Maintains appropriate and security inventory
- Property insurance



## Information Technology

- Implements and maintain information management infrastructure, including the City's Enterprise Resource Planning (ERP) system
- Facilitates development and implementation of new technology infrastructure
- Responsible for security of systems and information
- Manages asset renewal program for replacement of software, storage, networking and backup infrastructure

## Finance and Information Technology - Performance Measures

Measure	Linked To	2016	2017
Number of invoices processed by Accounts Payable		22,256	22,452
Number of Homeowner Grants claimed on line		57.38%	59.08%

## Finance and Information Technology - 2017 Accomplishments

Accomplishments	Linked To	Additional Information
Excellence in Financial Stewardship	Strategic Plan, Core Review	Award recognized the City's accomplishments, including new procurement process, creation of asset management reserves, development of a 20-year infrastructure plan, development of a business continuity plan and development cost charges review.
20-Year Investment Plan and Asset Management Plan	Strategic Plan, Core Review	The City's first 20-Year Investment Plan brings together three key planning initiatives: the Asset Management Update, the Development Cost Charges review and the Five-Year Financial Plan.
New City of Nanaimo website		
GFOA Distinguished Budget Presentation Award	Strategic Plan	This award is the highest form of recognition in governmental budgeting and represents "best practices" in the field. This is the fourth consecutive year that the City of Nanaimo has received this award.

## Finance and Information Technology - 2018 Initiatives

Initiative	Linked To	Additional Information
Finance Policies development	Strategic Plan, Core Review	Develop and present new financial policies to Council, including a Reserve Policy, Debt Policy.
Leadership in Asset Management	Strategic Plan, Asset Management	Complete draft Asset Management Policy and Strategy.
Implementation of new recreation software		



# Human Resources

The Human Resources Department provides professional human resources services, specialized advice and support to the organization.

The department:

- Provides specialized advice, assistance and support in all areas related to employee and/or labour relations, including matters related to performance, collective agreement interpretations, recruitment and selection.
- Plays an integral role in the collective bargaining process, including reviewing terms of the collective agreement, developing proposals and research function.
- Responsible for the benefits administration for the City.
- The Health and Safety section oversees the City's health and safety programs and ensures the City's compliance with legislation and regulations (e.g. Worksafe BC, Motor Vehicle Act). Also provides specialized advice and assists with the development and implementation of the City's occupational health and safety policy and programs, conducts incident investigations, coordinates first aid attendants and facilitates training for City staff.



## Human Resources - Performance Measures

Measure	2016	2017
Employee turnover rate	7.5%	5.8%
Number of job postings	97	109

## Human Resources - 2017 Accomplishments

Accomplishments	Linked To	Additional Information
Core Services Review implementation	Core Services Review	Work with CUPE on Collective Agreement issues.
External safety audit		Achieved 87% score on audit under Worksafe BC's Certificate of Recognition (COR ) Program.

## Human Resources - 2018 Initiatives

Initiative	Linked To	Additional Information
Exempt Salary Administration Policy Review and Management Bylaw 7000		Support Council in review of policy and bylaw.
CUPE contract	Strategic Plan Update	Contract expired December 31, 2016. Begin formal collective agreement negotiations with CUPE Local 401 which will include review of remaining Core Services Review recommendations.

## Legislative and Communication Services

The Legislative Services Department provides legislative, policy and administrative expertise and services to Council and City departments to ensure the City conducts its business in a manner consistent with Provincial legislation and City bylaws. The unit also coordinates communications, records management services and public records access requests.

The department's responsibilities include:

- Provides Corporate Office functions, including Freedom of Information, Protection of Privacy and claim functions.
- Provides Council, staff and public with agenda and meeting materials.
- Maintains records in compliance with statutory requirements.
- Provides administrative support for Mayor and Council.
- Facilitates municipal elections, referendums and elector approval processes.
- Provides Nanaimo residents with current and timely knowledge of Council decisions, City announcements and community events by using a variety of channels and outreach opportunities. Work is guided by the Council adopted *Communication Plan* which promotes taking responsibility, informing citizens and active listening, measuring and improving as core principles by which Council and staff acquire public feedback and share information.



## Legislative Services and Communication Services - Performance Measures

Measure	Linked To	2016	2017
Number of Freedom of Information requests		263	229
Public engagement sessions			16
News releases	Corporate Communications Plan	246	229
Videos	Corporate Communications Plan	0	43
Newsletters	Corporate Communications Plan	0	2
Liability claims closed		73	71
Number of Committee Meetings		N/A	116
Number of Council/Committee of the Whole Meetings		49	56

## Legislative Services and Communication Services - 2017 Accomplishments

Accomplishments	Linked To	Additional Information
Event Centre Referendum	Strategic Plan	
By-Election		
Records Management (ECM) initiated	Strategic Plan - Governance Renewal	Phase 1 completed in 2017.
FOI Employee Education		Improved employee awareness of FOI processes through increasing training opportunities by attending various departmental staff meetings.

## Legislative Services and Communication Services - 2018 Initiatives

Initiative	Linked To	Additional Information
Municipal Election		
Council Procedure Bylaw	Strategic Plan - Governance Renewal	Phase 2 and 3 of 8 phases planned for 2018 with full implementation planned for 2019.
FOI Employee Education		Continue to improve employee awareness of FOI processes through increasing training opportunities by attending various departmental staff meetings.

# Parks and Recreation

The Parks and Recreation Department provides a range of services to the community through community facilities and venues, parkland, trails and community programming. The department maintains recreation facilities, including three aquatic facilities, three arenas, five community centres and other smaller activity centres. The department also maintains parkland throughout Nanaimo through urban park space, protected space, trail systems and amenities. The department works with community groups and organizations to provide additional community and recreation services through over 200 leases, licences and co-management agreements. Nanaimo's citizens and visitors utilize these parks and recreation assets for recreation, wellness and community events.



The department is organized into the following sections:

## Administration

- Develops policies and programs that support achievement of the vision, goals and objectives identified by the community in the City's Parks, Recreation and Culture Master Plan (2005), park improvement strategies and through other planning processes
- Planning, budgeting and new initiatives
- Oversees and develops leases, licences, and co-management agreements with community groups and organizations

## Aquatic Operations

- Aquatic Services are provided at Beban Pool, Nanaimo Aquatic Centre and seasonally at Westwood Lake Park and Kinsmen Outdoor Pool
- Provides drop-in programs, including, public swimming, aquafit classes and therapy sessions
- Provides programming for swimming lessons, aquatic courses and wellness programs
- Provides aquatic and facility rental space to user groups, organizations and individuals
- Hosts swimming competitions of different types from local to national levels
- Provides custodial and maintenance for aquatic facilities and two weight room facilities

## Arena Operations

- Arena Services are provided at Frank Crane Arena, Cliff McNabb Arena and the Nanaimo Ice Centre (four ice surfaces in total)
- Provides drop-in programs, including public skating, scrub hockey and parent and tot session
- Provides programming for skating lessons for all ages, hockey programs and inclusive programs for people with different abilities
- Provides ice and facility rental space year-round to user groups, organizations and individuals
- Hosts tournaments and competitions of different types from local to national levels
- Provides dry floor space seasonally for lacrosse and other sports to user groups, organizations and individuals
- Provides custodial and maintenance for arena facilities

## Facilities Planning and Operations

- Responsible for managing and developing asset management for all City facilities. In addition, project planning, budget planning, and preventative maintenance plans for civic facilities, including, but not limited to, all parks and recreation facilities
- Responsible for Energy Management for the organization, including meeting energy saving targets and the reduction of greenhouse gas emissions
- Responsible for operations, maintenance and repairs of civic facilities throughout the organization
- Responsible for managing conditions assessments for City-owned facilities and building components such as building envelope, electrical systems, mechanical systems (including plumbing and HVAC), as well as structural and seismic reviews
- Responsible for managing any studies or pre-design requirements as a result of findings in previously completed condition assessments
- Provides project management and project support for Parks and Recreation, Bylaw, Nanaimo Fire Rescue, Public Works, Police Services and other civic facilities

## Parks

- Acquires, maintains and develops parkland divided into:
  - 13 City destination parks and over 90 neighbourhood parks
  - 26 sports fields, including 3 artificial turf fields
  - approximately 170 kilometres of trails
  - 975 hectares of parkland
  - 74 playgrounds
  - 12 dog off leash parks
- Sport and activity venues including, but not limited to, box lacrosse, tennis, pickleball, disc golf, basketball, skateboarding, mountain biking, road biking and sand volleyball
- Provides space to community groups for community gardens, greenhouses, lawn bowling green and a golf course
- Maintains horticulture areas, including plantings beds, planters, trees and naturalized areas
- Develops parks and open space plans, including consultation with users and the community
- Provides facility maintenance to all park outbuildings and picnic shelters
- Natural area management and working with volunteer groups to steward parks



## Recreation Services

- Services are provided at Beban Park, Bowen Complex and Oliver Woods Community Centre, other smaller activity centres, as well as in conjunction with aquatic and arena facilities
- Provides staffing for drop-in programs at all five major centres
- Provides programming services for recreation, wellness, fitness, culture and other activities for all ages
- Works with user groups and organizations to develop leases and shared use agreements for various community amenities
- Provides rental and programming space for user groups, organizations and individuals
- Provides in-house graphic design, promotions and marketing for the department
- Provides custodial and minor maintenance at all recreation facilities



## Parks and Recreation - 2017 Accomplishments

Accomplishments	Linked To	Additional Information
20-Year Investment Plan and Asset Management Update	Core Services Review, Asset Management	Presented to Council on March 23, 2017. The report provided Council with an overview of the City's long term investment plans and funding strategies and will support review and decision making.
Buttertubs Marsh Conservation Area Management Plan	Strategic Plan	Update to the 2004 plan, expanded to include West Marsh, outlines 5 year targets for restoration. Adopted by Council on August 28, 2017. Working with partners to conserve and manage natural areas.
Canada 150 celebrations and branding		
Rogers Hometown Hockey event	Strategic Plan	Held in February 2017 at Maffeo Sutton Park.
REALice system installed at Nanaimo Ice Centre	Energy Management Plan	REALice system utilizes cold water for ice-making, as opposed to the traditional method of using hot water, and will enable the City to reduce natural gas consumption, electricity and greenhouse gas emissions.
Purchase of Rotary Bowl and Serausmen Stadium	Strategic Plan	Purchased from School District #68. Confirms the future of these community sport venues.
NDSS Community Field	Strategic Plan	In partnership with School District 68, construction of new artificial turf field at Nanaimo District Secondary School as part of the purchase package agreement.
Steve Smith Bike Park	Strategic Plan	Opened in August 2017. In partnership with Steve Smith Legacy Foundation and the Gyro Club construction of a bike park, including a pump track and dirt jump park.
Beaufort Multi-Purpose Courts	Strategic Plan, Core Services Review	Replaced two existing tennis courts with six pickleball courts and areas for basketball and other uses. Opened in August 2017.
Water District Lands designated as parkland	Strategic Plan	Portion of the former Greater Nanaimo Water District Lands designated as parkland through Council motion. Will be additional parkland for Colliery Dam Park.
Harewood Centennial Park Phase 2 Improvements	Strategic Plan, Core Services Review, Harewood Centennial Park Improvement Plan	Construction began Phase 2 improvements at Harewood Centennial Park for a new multipurpose covered court and replacement of the existing lacrosse box, and other infrastructure improvements.
Public consultation process for Linley Valley Park	Strategic Plan	Working with Vancouver Island University's Mount Arrowsmith Biosphere Region Research Institute (MABRRI) to develop a public consultation strategy for Linley Valley Park.
Swim to Survive Program	Strategic Plan	Program in partnership with Lifesaving Society and SD68 for grades 3 and 7 with 1,800 participants in 2017.
Condenser replacement at Nanaimo Curling Centre	Asset Management Plan	Assisted the club with the replacement of the condenser.

## Parks and Recreation - 2018 Initiatives

Initiative	Linked To	Additional Information
Implementation of new recreation software	Core Services Review	CLASS is being phased out across the province after 21 years. New software, PerfectMind, was chosen in partnership with 21 other BC communities.
Leadership in Asset Management	Asset Management Plan	Participated in national initiative to develop asset management capacity.
Maffeo Sutton Park Master Plan update	Adopted park master plan	Playground is slated for replacement in Fall 2018 as part of the next phase of improvements.
Westwood Lake Park Improvement Plan		Improvement planning is focused on First Beach to improve parking and improve pedestrian and traffic flow.
Condition assessment of the Rotary Bowl and Serauxmen Stadium	Asset Management Plan	The assessment will allow for future project planning and criteria for the Asset Management Plan.
Facilities Asset Management Plan	Asset Management Plan	Continuing work that began in 2017.
Swim to Survive Program	Strategic Plan	Continuing in 2018, this partnership with Lifesaving Society and SD68 focuses on basic swim skills at no cost for grades 3 and 7.
Nanaimo Aquatic Centre roof replacement	Asset Management Plan	Phase 1 of this large roofing project is scheduled for 2018.





## Public Safety

Public Safety includes Bylaw, Regulation and Security, Fire Services, Emergency Services and 911 and Police Services.

### Bylaw, Regulation and Security

- Bylaw enforcement that includes property maintenance, noise, traffic and highways, signs
- Liaises with RCMP
- Animal control
- Maintains parking facilities and parking enforcement
- Monitors downtown and parkade security and assists other departments on security issues

### Public Safety, Bylaw Regulation and Security - Performance Measures

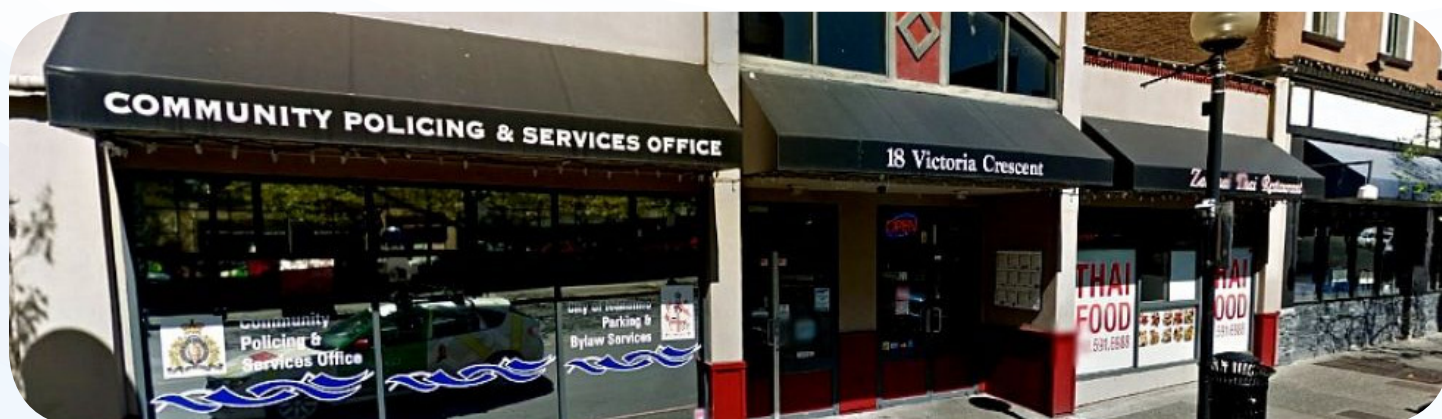
Measure	2016	2017
Number of complaints	1,862	2,245

### Public Safety, Bylaw Regulation and Security - 2017 Accomplishments

Accomplishments	Linked To	Additional Information
Increase in downtown security patrols		
New property maintenance bylaw	Strategic Plan	

### Public Safety, Bylaw Regulation and Security - 2018 Initiatives

Initiative	Linked To	Additional Information
CPSO Office	Core Review	
Increase in downtown security patrols	Financial Plan	



# Fire Services

Nanaimo Fire Rescue (NFR) provides response to fires, medical, rescue incidents and natural disasters. Additionally, community risk reduction is achieved through fire prevention programs and public education.

The department has four fire stations that are operated 24/7 by career firefighters supported by on-call firefighters. An additional fire station on Protection Island is staffed by on-call firefighters.

Fire Station #1, located at 666 Fitzwilliam Street, is the busiest fire station responding to over 40 percent of the incidents in the City. This fire station has a full-time fire crew but is also home the Central Island 911 FireComm partnership (FireComm) and the Emergency Coordination Centre (ECC).

FireComm manages 911 services for the City of Nanaimo, the Regional District of Nanaimo and the Cowichan Valley Regional District (27 fire departments in all).

The ECC is a vital part of the Emergency Program. Contained within the ECC is multiple layers of communications, infrastructure information, mapping systems and the tools required to assist in an emergency. Numerous City staff are trained to support mid- to large-scale emergencies in our community.

Public education is important to Nanaimo Fire Rescue. The Fire Plan identified the benefits of educating our citizens in the importance of working smoke alarms, bystander CPR and emergency preparedness. To that end, NFR has begun new programs to promote these initiatives. The goal is to prevent an incident from occurring, but if that's not possible, we are attempting to mitigate the damage caused by that incident through early warning, training and readiness.

## New Fire Plan

In 2016, NFR prepared a new 10-15 Year Fire Plan. The plan includes an updated integrated risk management approach to fire planning, three-year service delivery plans and will engage the Public Safety Committee to develop goals and priorities for service delivery plans.

The first three-year delivery plan for 2016 – 2018 will use existing staff and resources to deliver three risk-focused prevention programs. The programs will address reducing structure fires in high frequency areas through risk focused prevention and public education programs, improving survivability rates for cardiac arrest through training citizens on CPR and using public automated external defibrillators (AED) and improving public preparedness for major disasters by delivering public education programs.

The Fire Plan will continue with Council's policy on four member engine staffing and Council's direction to pursue a 90 percent performance rate for arrival of the first response unit and full assignment within the next ten to fifteen years.



## Fire Services - Performance Measures

Measure	Linked To	2016	2017
Response time targets are -first apparatus within 6 minutes 90% -multiple apparatus within 10 minutes 90%			First apparatus 77.38%; multiple apparatus 96.21%
Number of emergency incidents		8,641	9,509
Number of external and Emergency Coordination Centre staff exercises			20
Number of business continuity sessions supported			200+

## Fire Services - 2017 Accomplishments

Accomplishments	Linked To	Additional Information
New fire plan	Strategic Plan	Council approved a new 10-15 Year Fire Plan and Three-Year Service Delivery Plan. The plan will see an updated integrated risk management approach to fire planning, three-year service delivery plans and will engage the Public Safety Committee to develop goals and priorities for service delivery plans.
Fire Station #1 Replacement	Asset Management	Business case developed and presented to Council. Council approved option to build a new fire station at same location.
Implemented smoke alarm door-to-door campaign	Three-Year Service Delivery Plan	920 addresses, 361 residents spoken to, 130 smoke alarms installed, 49 batteries replaced.
Implement bystander CPR program	Three-Year Service Delivery Plan	Implemented for City staff and Camp Courage attendees.

## Fire Services - 2018 Initiatives

Initiative	Linked To	Additional Information
Fire Station 1 replacement	Asset Management	Complete RFP.
Implement smoke alarm door-to-door campaign	Three-Year Service Delivery Plan	Snuneymuxw First Nation.
Service Delivery Plan review and development of Service Delivery Plan for 2019-2021		Present updated Service Delivery Plan to Council.

# Police Services

The City contracts with the RCMP for policing services and the current contract is for 145 members. RCMP provide 24/7/365 patrol and criminal investigations, as well as community-based education and crime prevention programs.

The City provides the building and support staff for the RCMP. Support staff provides administrative, financial, reception, clerical, custodial and guarding functions.

## **Core Services (RCMP Nanaimo Detachment municipal units):**

- Bike unit
- General investigations section
- Municipal traffic unit
- Youth/school liaison
- Community policing
- General duty patrols/investigations
- Serious crime
- Police dog service
- Forensic identification services

## **Core Services (Police Support Services department)**

- Police facility operation
- Police support staff
- Crime prevention program
- RCMP Auxiliary program
- Victim Services
- Restorative justice program

During 2017, Nanaimo and all of British Columbia saw a continuation in Fentanyl overdose deaths taxing police resources, as well as our partners in health care. The RCMP are working with community agencies to respond to this health crisis.

There were five traffic fatalities on Nanaimo roads in 2017(down from eleven the year before). The RCMP are continuing their vigilance regarding enforcement of impaired and distracted driving incidents to dramatically reduce this situation.

Homelessness continues to be an issue that police are called to deal with. Through working with our community partners, the Nanaimo RCMP strives to find long-term solutions when dealing with all members of our community.

Programs aimed at youth continue to be a priority for the RCMP. Within the community, police officers are dedicated to each high school and the feeder schools in the community to enhance the bond between youth and police.



## Police Services - Performance Measures

Measure	Linked To	2016	2017
Calls for service		39,624	40,587
Criminal Code offences		10,573	10,355

## Police Services - 2017 Accomplishments

Accomplishments	Linked To	Additional Information
Public Safety and Community Wellness initiatives	Strategic Plan	<p><b>Crime Prevention</b></p> <ul style="list-style-type: none"> <li>-worked with community partners to deal with mental health issues</li> <li>-managed prolific offenders to reduce/eliminate their impact on the community</li> <li>-dedicated resources to reduce/eliminate violence in relationships</li> <li>-worked with local establishments to maintain the Liquor Control Strategy</li> <li>-focused investigative efforts on sex offences and child pornography incidents</li> <li>-continued drug enforcement of marijuana dispensaries and Fentanyl trafficking</li> </ul> <p><b>Utilized a dedicated team to work with youth</b></p> <ul style="list-style-type: none"> <li>-provided interventions and diversion for at-risk youth</li> <li>-fostered community partnerships for empowerment of youth</li> <li>-continued the School Liaison Program</li> </ul> <p><b>Emphasized traffic and water safety</b></p> <ul style="list-style-type: none"> <li>-dedicated resources toward the detection and prevention of impaired driving</li> <li>-continued emphasis on vehicle operational safety</li> <li>-provided marine patrols to ensure waterfront and marine safety</li> </ul>



## Public Safety - Police Services - 2018 Initiatives

Initiative	Linked To	Additional Information
Public Safety and Community Wellness initiatives	Strategic Plan	<p><b>Crime Prevention</b></p> <ul style="list-style-type: none"> <li>-work with community partners to deal with mental health issues</li> <li>-manage prolific offenders to reduce/eliminate their impact on the community</li> <li>-dedicate resources to reduce/eliminate violence in relationships</li> <li>-work with local establishments to maintain the Liquor Control Strategy</li> <li>-focus investigative efforts on sex offences and child pornography incidents</li> <li>-continue drug enforcement of marijuana dispensaries and Fentanyl trafficking</li> </ul> <p><b>Utilized a dedicated team to work with youth</b></p> <ul style="list-style-type: none"> <li>-provide interventions and diversion for at-risk youth</li> <li>-foster community partnerships for empowerment of youth</li> <li>-continue the School Liaison Program</li> </ul> <p><b>Emphasized traffic and water safety</b></p> <ul style="list-style-type: none"> <li>-dedicate resources toward the detection and prevention of impaired driving</li> <li>-continue emphasis on vehicle operational safety</li> <li>-provide marine patrols to ensure waterfront and marine safety</li> </ul>

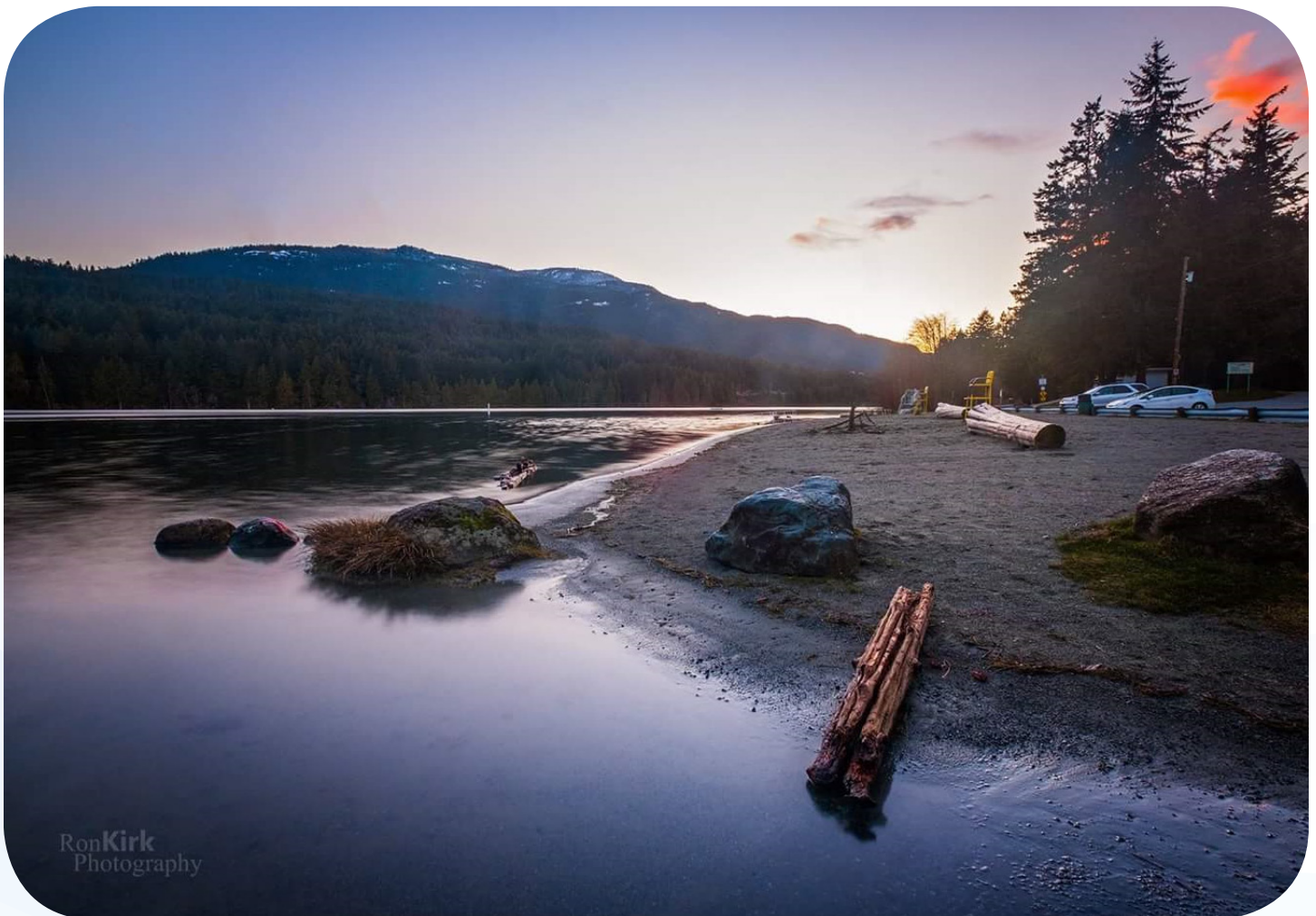


# Looking Forward: 2018-2022 Financial Plan

The City's Annual Report reviews the past year and progress made towards strategic goals and initiatives. The City's Five-Year Financial Plan provide a look forward and outlines the plans and resources needed to deliver City services and to continue to implement important City priorities each year. These two annual reports provide the community with important feedback and information on Council's management and priorities.



**The City of Nanaimo's 2018-2022 Financial Plan can be found on our website at [www.nanaimo.ca](http://www.nanaimo.ca) or by clicking here from an online version of this 2017 Annual Report.**



RonKirk  
Photography

# Financial Section

## Consolidated Financial Statements

### City of Nanaimo



ANNUAL FINANCIAL STATEMENTS

2017



# Letter of Transmittal

2018-MAY-21

Mayor and Council  
City of Nanaimo

Your Worship and Members of Council:

I am pleased to present the Annual Report for the fiscal year ending December 31, 2017. The purpose of this report is to publish the Consolidated Financial Statements and Auditors' Report for the City of Nanaimo pursuant to Section 167 of the Community Charter. The preparation and presentation of the financial statements and related information in the 2017 Annual Report is the responsibility of the management of the City. These statements have been prepared in accordance with generally accepted accounting principles for Local Governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada and the Provincial Ministry of Community, Sport and Cultural Development. The City of Nanaimo maintains a system of internal accounting controls designed to safeguard the assets of the corporation and provide reliable financial information.

The audit firm of KPMG LLP was appointed by Council and is responsible for expressing an opinion as to whether the Consolidated Financial Statements, prepared by management, fairly present the financial position of the City of Nanaimo and the results of its 2017 operations. The auditors have given an unqualified audit opinion on the City's financial statements and these 2017 Audited Financial Statements were presented to and approved by the Finance and Audit Committee of Council.

## **Financial Overview**

### **2017 Operating Results**

The Consolidated Financial Statements presented include the 2017 results of the City's General Revenue Fund, Sewer Utility, Waterworks Utility and Reserve Funds. From a financial perspective, 2017 resulted in a surplus on a consolidated basis.

During the year, the City's tangible capital assets increased by \$5 million from \$681 million to \$686 million. The City's debt decreased from \$43.9 million to \$42.3 million. The City ended the year with a cash position of \$51 million.

## Letter of Transmittal - continued

As a result of a 1.5% property tax increase and continuing growth in the community that produces additional development-related revenues, consolidated revenues for the year totaled \$177 million and represent an increase over 2016. City revenues combined with additional funding from City reserves covered operating costs of \$156 million and capital additions of \$29.7 million. Expenses increased over last year mainly due to wage increases, the School District 68 artificial turf field cost share project and lower expenses for the Vancouver Island Conference Centre due to a change in contractors in 2017.

### General Fund

The City's General Revenue Fund is the primary fund for most municipal services including Police, Fire, Parks and Recreation, Engineering and Public Works, and Community Development. The City's General Revenue Fund ended the year with a surplus of \$2.7 million, primarily as a result of staff vacancies, higher than anticipated revenues and operating and capital projects that were canceled or came in under budget.

General Revenue Fund revenues for the year totaled \$148 million, which combined with additional funding from City Reserves, covered operating costs of \$137 million and capital additions of \$21 million. The key projects for the year included:

Project	Amount
Land purchase - 355 Wakesiah Avenue (Rotary Bowl)	\$4,134,448.44
Harewood Centennial Park	\$2,789,173.56
Linley Valley DCC Project	\$2,076,279.03
NDSS Artificial Turf Field	\$1,599,742.67
Automated Garbage Project	\$1,246,492.00

### Utilities

The City operates two major utilities, which are funded from user fees.

The Sewer Utility includes over 672 kilometres of pipes for the collection and transmission of sewerage to the Greater Nanaimo Pollution Control Centre (GNPCC). During 2017, the utility collected and conveyed sewerage from approximately 27,665 households and commercial customers.

The Sewer Utility Fund ended the year with an operating surplus of \$469,000. During 2017, sewer revenues of \$8.6 million supported operations at a cost of \$4.8 million and a transfer of \$400,000 to sewer reserves to fund future investment in sewer infrastructure. Capital additions in the amount of \$4.5 million were funded from sewer reserves. The largest project of the year was:

Project	Amount
Terminal South Utility Project	\$1,073,492.03

## Letter of Transmittal - continued

The Water Utility includes over 657 kilometres of pipes to deliver water from the City owned and operated Water Treatment Plant. During 2017, the Utility provided water to approximately 25,852 households and commercial customers.

The Water Utility Fund ended the year with an operating surplus of \$1 million. During 2017, water revenues of \$20.8 million funded water operations at a cost of \$14.6 million and a transfer of \$900,000 to water reserve to fund future investment in water infrastructure. Capital additions in the amount of \$4 million were funded from water reserves. The largest project of the year was:

Project	Amount
Duplicate Supply Main #1 Reservoir	\$2,763,511.24

### Investment Portfolio

It is the policy of the City of Nanaimo to invest City funds in a manner that will provide the optimal blend of investment security and return while meeting the daily cash flow demands of the City and complying with the statutory requirements of the Community Charter. Investment income increased in 2017, from \$3.01 million to \$3.40 million. The average balance held in external investments for 2017 was \$133.8 million which produced a rate of return on the investment of 2.08%. When blended with the cash held on hand, the average rate of return on investments was 2.01%.

### Trusts and Reserves

The City holds a number of trust funds that represent monies on deposit for particular purposes. During 2017, the trust fund balances increased from \$26.4 million to \$34.0 million. The City also has a number of reserve funds including the Property Sales Reserve and the Fleet Replacement Reserve. During 2017, the City's Reserve Fund balances increased to \$65.3 million. These funds will support the City's Capital Program and fund growth-related infrastructure projects necessitated by increased development and the resulting population growth in the community.

### Debt

Outstanding long-term debt at the end of 2017 was \$42.3 million of approximately \$446 per capita which is a decrease of \$25 per capita from 2016.

## **Financial Sustainability**

The following improvements in the City's Balance Sheet are the result of a number of long-range financial strategies adopted by City Council aimed at ensuring the City's financial sustainability:

- In 2013, Council approved annual property tax and user fee increases to asset management reserves for five years. In 2017, Council approved continuing the annual increase for another five years. The asset management reserves provide a key sustainable funding source for replacement of the City's infrastructure.
- In 2017, Council approved the creation of a Strategic Infrastructure Reserve to provide a sustainable funding source for Council's strategic priorities and initiatives.

The City continues to work towards improving its financial policies, processes and procedures to deliver high quality services for its current and future residents and businesses.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'L Mercer', with a long horizontal line extending to the right.

Laura Mercer, CPA, CGA

**CITY OF NANAIMO, BRITISH COLUMBIA, CANADA  
FINANCIAL REPORT**

for the year ended December 31, 2017

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## CITY OF NANAIMO MANAGEMENT REPORT

For the Year Ended December 31, 2017

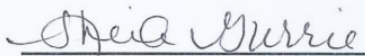
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The Council of the City of Nanaimo has delegated the responsibility for the integrity and objectivity of the financial information contained in the financial statements to the management of the City of Nanaimo. The financial statements which, in part, are based on informed judgments and estimates, have been prepared by management in accordance with Canadian public sector accounting standards, which have been applied on a basis consistent with that of the preceding year.

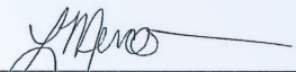
To assist in carrying out their responsibility, management maintains an accounting system and internal controls to provide reasonable assurance that transactions are properly authorized and recorded in compliance with legislative and regulatory requirements and that financial records are reliable for preparation of financial statements. These systems are monitored and evaluated by management.

The City of Nanaimo's independent auditors, KPMG LLP, are engaged to express an opinion as to whether these financial statements present fairly the City of Nanaimo's financial position and operating results in accordance with Canadian public sector accounting standards. Their opinion is based on procedures they consider sufficient to support such an opinion.

The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and in accordance with Canadian public sector accounting standards. These statements present, in all significant respects, the financial position of the City of Nanaimo as at December 31, 2017.



**Sheila Gurrie**  
Corporate Officer



**Laura Mercer, CPA, CGA**  
Deputy Financial Officer



KPMG LLP  
PO Box 10426 777 Dunsmuir Street  
Vancouver BC V7Y 1K3  
Canada  
Telephone 604-691-3000  
Fax 604-691-3031

## 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, 2017 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, including the schedules of operations by segment and tangible capital assets.

### *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.

### *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, 2017, 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 Professional Accountants

Vancouver, Canada  
May 14, 2018

KPMG LLP is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. KPMG Canada provides services to KPMG LLP.

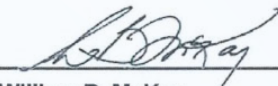
**CITY OF NANAIMO  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

as at December 31, 2017, with comparative figures for 2016

	2017	2016
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents	\$ 51,082,470	\$ 69,589,008
Accounts receivable (Note 2)	20,190,612	15,712,240
Development cost charges receivable (Note 3)	563,650	312,517
Temporary investments (Note 4)	140,151,672	112,666,810
	<b>211,988,404</b>	<b>198,280,575</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 5)	29,881,200	31,198,247
Compensated absences and termination benefits (Note 6)	7,364,676	6,989,480
Deferred revenue (Note 7)	17,210,247	16,980,784
Deferred development cost charges (Note 8)	42,617,685	42,228,902
Debt (Note 9)	42,335,511	43,925,300
	<b>139,409,319</b>	<b>141,322,713</b>
<b>NET FINANCIAL ASSETS</b>	<b>72,579,085</b>	<b>56,957,862</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Note 10)	686,215,676	681,128,718
Prepaid expenses	1,213,866	1,185,506
Inventories of supplies	1,062,170	818,664
	<b>688,491,712</b>	<b>683,132,888</b>
<b>ACCUMULATED SURPLUS (Note 11)</b>	<b>\$ 761,070,797</b>	<b>\$ 740,090,750</b>

Commitments and contingencies (Note 12)

Approved on behalf of the Council

  
 \_\_\_\_\_  
 William B. McKay  
 Mayor

  
 \_\_\_\_\_  
 Bill Bestwick  
 Councillor, Chair Finance & Audit Committee



# CITY OF NANAIMO

## CONSOLIDATED STATEMENT OF OPERATIONS

for the year ended December 31, 2017, with comparative figures for 2016

	2017 Budget (Note 14)	2017	2016
<b>REVENUES</b>			
Taxes	\$ 101,610,817	\$ 101,772,627	\$ 98,006,106
Payments in lieu of taxes	1,795,482	1,858,365	1,459,260
Taxation and payments in lieu (Note 15)	103,406,299	103,630,992	99,465,366
User fees and sales of services (Note 16)	38,242,851	39,794,704	38,348,292
Other revenue	4,914,262	6,511,918	5,881,915
Development cost charges (Note 8)	10,772,486	6,802,341	5,390,435
Transfers from other governments-operating (Note 17)	4,173,312	4,629,890	4,331,607
Transfers from other governments-capital (Note 17)	7,283,481	3,745,004	3,679,418
Developer assets received (Note 10)	-	3,724,488	8,126,066
Investment income	2,784,053	3,403,150	3,010,006
Building permits	1,250,000	1,885,202	1,619,320
Regional recreation sharing	1,113,566	1,113,566	1,091,640
Donations and contributions-capital	4,136,953	972,902	1,018,653
Property rentals	961,438	961,546	1,021,916
Municipal Finance Authority refunds and debt forgiven	-	-	4,449
	179,038,701	177,175,703	172,989,083
<b>EXPENSES</b>			
Police	28,576,553	28,580,462	29,399,255
Parks and recreation	27,991,375	27,838,680	25,581,174
Engineering and public works	27,427,521	27,046,043	25,933,296
Fire	17,685,195	17,458,206	16,915,612
Waterworks	16,285,726	14,600,044	14,312,684
Corporate services	14,387,864	12,328,650	12,485,893
Development services	12,305,401	11,023,615	11,776,206
City administration	9,043,194	8,683,228	7,866,458
Sewer System	5,560,959	4,755,490	4,751,084
Port of Nanaimo Centre	4,900,072	3,881,238	5,507,047
	164,163,860	156,195,656	154,528,709
<b>ANNUAL SURPLUS</b>	14,874,841	20,980,047	18,460,374
<b>ACCUMULATED SURPLUS - BEGINNING OF YEAR</b>	740,090,750	740,090,750	721,630,376
<b>ACCUMULATED SURPLUS - END OF YEAR</b>	\$ 754,965,591	\$ 761,070,797	\$ 740,090,750

**CITY OF NANAIMO**  
**CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS**

for the year ended December 31 2017 with comparative figures for 2016

	2017 Budget (Note 14)	2017	2016
<b>ANNUAL SURPLUS</b>	\$ 14,874,841	\$ 20,980,047	\$ 8,460,374
Acquisition of tangible capital assets	(58,597,556)	(25,748,499)	(27,932,015)
In kind donations of capital assets		(227,079)	
Developer contributed capital assets		3,724,488)	(8,126,066)
	(58,597,556)	(29,700,066)	(36,058,081)
Amortization of tangible capital assets	23,527,325	23,319,708	22,926,296
Loss on disposal of tangible capital assets		(852,358)	,533,200
Proceeds on sale of tangible capital assets		2,145,758	51,774
	(35,070,231)	5,086,958)	(1,546,801)
Acquisition of inventories of supplies		(4,551,869)	(3,539,706)
Acquisition of prepaid expenses		1,190,316)	145,403)
Consumption of inventories of supplies		4,308,363)	3,386,788)
Use of prepaid expenses		1,161,956)	,940,719)
		(271,866)	642,398)
<b>CHANGE IN NET FINANCIAL ASSETS</b>	(20,957,390)	15,621,223)	7,555,97)
<b>NET FINANCIAL ASSETS BEGINNING OF YEAR</b>	56,957,862	56,957,862	49,401,89)
<b>NET FINANCIAL ASSETS END OF YEAR</b>	\$ 36,762,472	\$ 72,579,085	\$ 56,957,862

**CITY OF NANAIMO**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**

for the year ended December 31, 2017, with comparative figures for 2016

	2017	2016
<b>CASH PROVIDED BY (USED FOR)</b>		
<b>OPERATING TRANSACTIONS</b>		
Annual Surplus	\$ 20,980,047	\$ 18,460,374
Non-cash items		
Amortization of tangible capital assets	23,319,708	22,926,296
Developer assets received	(3,724,488)	(8,126,066)
In kind donations of capital assets	(227,079)	-
(Gain) loss on disposal of tangible capital assets	(852,358)	1,533,210
Development cost charges recognized as revenue	(6,802,341)	(5,390,435)
Actuarial adjustment on long term debt	(867,932)	(748,340)
Change in non-cash operating assets and liabilities		
Accounts Receivable	(4,729,505)	2,809,965
Accounts payable	(941,851)	4,782,042
Deferred revenue	229,463	454,781
Inventories of supplies	(243,506)	(152,918)
Prepaid expenses	(28,360)	795,316
Net change in cash from operating transactions	26,111,798	37,344,225
<b>CAPITAL TRANSACTIONS</b>		
Cash used to acquire tangible capital assets	(25,748,499)	(27,932,015)
Proceeds from the sale of tangible capital assets	2,145,758	51,774
Net change in cash from capital transactions	(23,602,741)	(27,880,241)
<b>INVESTING TRANSACTIONS</b>		
Change in investments	(27,484,862)	(11,940,588)
<b>FINANCING TRANSACTIONS</b>		
Debt repayment	(2,221,857)	(3,099,953)
Deferred development cost charges	7,191,124	8,960,449
Proceeds from long term borrowing	1,500,000	-
Net change in cash from financing transactions	6,469,267	5,860,496
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(18,506,538)</b>	<b>3,383,892</b>
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<b>69,589,008</b>	<b>66,205,116</b>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b>\$ 51,082,470</b>	<b>\$ 69,589,008</b>

# CITY OF NANAIMO

## SCHEDULE OF OPERATIONS BY SEGMENT

for the year ended December 31, 2017

	City Admin	Corporate Services	Development Services	Fire	Police	Port of Nanaimo Centre	Parks and Recreation	Engineering and Public Works	Sewer System	Waterworks	Consolidated
<b>Revenues</b>											
Taxes	\$ 6,336,701	\$ 13,203,377	\$ 7,246,517	\$ 16,278,694	\$ 26,190,233	\$ 1,833,485	\$ 16,228,719	\$ 14,454,901	\$ -	\$ -	\$ 101,772,627
Payments in lieu of taxes	121,418	161,284	138,851	311,917	501,833	35,132	310,959	276,971	-	-	1,858,365
User fees	1,614,870	124,213	160,192	112,178	114,399	799,523	6,639,352	5,046,516	7,085,084	18,098,377	39,794,704
Developer assets	-	-	-	-	-	-	1,280,700	1,952,764	253,608	237,416	3,724,488
Other revenue	608,351	879,619	1,659,407	1,692,045	443,561	13,026	440,524	666,981	3,497	104,907	6,511,918
DCC revenue	-	-	-	-	-	-	1,249,298	2,061,472	1,158,852	2,332,719	6,802,341
Gov't operating transfers	105,224	172,133	357,212	270,311	1,628,162	1,149,168	600,053	257,627	90,000	-	4,629,890
Gov't capital transfers	-	3,637,130	-	-	-	-	-	107,874	-	-	3,745,004
Investment income	129,533	1,561,286	148,130	332,763	535,370	37,479	331,740	317,219	-	9,630	3,403,150
Building permits	-	-	1,885,202	-	-	-	-	-	-	-	1,885,202
Regional recreation sharing	-	-	-	-	-	-	1,113,566	-	-	-	1,113,566
Property rentals	30,000	-	328,481	17,850	281,213	-	251,444	31,558	-	21,000	961,546
Donations - capital	-	-	-	-	-	-	669,445	295,000	-	8,457	972,902
	8,946,097	19,739,042	11,923,992	19,015,758	29,694,771	3,867,813	29,115,800	25,468,883	8,591,041	20,812,506	177,175,703
<b>Expenses</b>											
Wages and salaries	4,837,998	6,315,874	5,851,974	14,630,512	4,976,016	1,652	13,591,921	9,308,918	1,036,921	3,240,844	63,792,630
Contracted services	2,477,697	3,325,669	2,325,460	1,285,686	22,936,251	1,725,315	8,135,172	7,980,076	688,066	1,104,419	51,983,811
Amortization	385,189	1,052,646	570,322	601,407	328,584	1,623,555	3,244,668	9,150,128	755,019	5,608,190	23,319,708
Other	532,499	2,709,831	2,121,032	78,764	170,413	24,120	1,025,958	(2,687,265)	1,983,516	3,044,024	9,002,892
Materials and supplies	451,545	214,583	203,562	726,724	101,760	76,139	1,944,578	2,969,849	228,973	843,825	7,761,538
Interest payments on debt	-	-	-	122,005	-	430,457	(98,763)	6,720	-	727,016	1,187,435
(Gain) loss on disposal of assets	(1,700)	(1,289,953)	(48,735)	13,108	67,438	-	(4,854)	317,617	62,995	31,726	(852,358)
	8,683,228	12,328,650	11,023,615	17,458,206	28,580,462	3,881,238	27,838,680	27,046,043	4,755,490	14,600,044	156,195,656
<b>ANNUAL SURPLUS (DEFICIT)</b>	262,869	7,410,392	900,377	1,557,552	1,114,309	(13,425)	1,277,120	(1,577,160)	3,835,551	6,212,462	20,980,047
Capital projects	\$ 14,475	\$ 406,818	\$ -	\$ 150,606	\$ 366,279	\$ 51,844	\$ 10,276,316	\$ 9,871,534	\$ 4,520,230	\$ 4,041,964	\$ 29,700,066

# CITY OF NANAIMO SCHEDULE OF OPERATIONS BY SEGMENT

for the year ended December 31, 2016

	City Admin	Corporate Services	Development Services	Fire	Police	Port of Nanaimo Centre	Parks and Recreation	Engineering and Public Works	Sewer System	Waterworks	Consolidated
<b>Revenues</b>											
Taxes	\$ 5,295,440	\$ 10,881,034	\$ 8,017,066	\$ 15,683,358	\$ 25,137,578	\$ 2,551,060	\$ 15,165,931	\$ 15,274,639	\$ -	\$ -	\$ 98,006,106
Payments in lieu of taxes	82,131	108,001	124,343	243,246	389,879	39,566	235,220	236,874	-	-	1,459,260
User fees	1,479,305	143,773	456,739	106,850	104,369	2,043,538	6,664,001	4,499,119	6,291,738	16,558,860	38,348,292
Developer assets	-	-	-	-	-	-	2,708,146	4,206,303	779,385	432,232	8,126,066
Other revenue	545,852	743,379	1,674,497	1,483,337	413,105	19,460	412,217	503,473	97	86,498	5,881,915
DCC revenue	-	-	-	-	-	-	4,878	178,666	4,327,736	879,155	5,390,435
Gov't operating transfers	55,907	105,107	406,074	180,576	1,959,568	1,036,015	401,782	186,578	-	-	4,331,607
Gov't capital transfers	-	3,587,994	-	-	-	-	64,025	27,399	-	-	3,679,418
Investment income	103,656	1,287,828	156,931	306,994	492,056	49,935	296,866	309,027	-	6,713	3,010,006
Building permits	-	-	1,619,320	-	-	-	-	-	-	-	1,619,320
Regional recreation sharing	-	-	-	-	-	-	1,091,640	-	-	-	1,091,640
Property rentals	30,000	-	344,231	21,450	295,627	-	280,726	28,882	-	21,000	1,021,916
Donations - capital	-	-	337,600	-	-	-	211,598	417,260	1,000	51,195	1,018,653
MFA refunds	-	-	-	-	-	-	-	4,449	-	-	4,449
	7,592,291	16,857,116	13,136,801	18,025,811	28,792,182	5,739,574	27,537,030	25,872,669	11,399,956	18,035,653	172,989,083
<b>Expenses</b>											
Wages and salaries	4,196,929	5,881,887	6,346,373	14,138,523	5,327,685	671	13,429,260	8,972,073	1,018,293	3,014,076	62,325,770
Contracted services	2,216,834	3,043,556	2,224,944	1,273,856	23,476,187	2,896,935	5,921,727	6,789,216	838,345	1,232,046	49,913,646
Amortization	454,236	701,368	816,487	605,087	323,435	1,623,554	3,118,984	9,122,369	657,189	5,503,587	22,926,296
Other	481,002	2,664,033	2,091,583	81,607	170,978	48,089	997,249	(2,631,838)	1,921,874	2,935,573	8,760,150
Materials and supplies	477,402	195,049	296,819	647,590	100,970	55,440	1,932,432	2,548,002	265,340	809,498	7,328,542
Interest payments on debt	40,055	-	-	133,653	-	882,358	(74,456)	-	-	759,485	1,741,095
Loss on disposal of assets	-	-	-	35,296	-	-	255,978	1,133,474	50,043	58,419	1,533,210
	7,866,458	12,485,893	11,776,206	16,915,612	29,399,255	5,507,047	25,581,174	25,933,296	4,751,084	14,312,684	154,528,709
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>(274,167)</b>	<b>4,371,223</b>	<b>1,360,595</b>	<b>1,110,199</b>	<b>(607,073)</b>	<b>232,527</b>	<b>1,955,856</b>	<b>(60,627)</b>	<b>6,648,872</b>	<b>3,722,969</b>	<b>18,460,374</b>
Capital projects	\$ 211,701	\$ 291,057	\$ 373,842	\$ 227,274	\$ 3,114	\$ 22,167	\$ 6,418,290	\$ 10,510,522	\$ 7,086,442	\$ 10,913,672	\$ 36,058,081

**CITY OF NANAIMO**  
**SCHEDULE OF TANGIBLE CAPITAL ASSETS**  
for the year ended December 31, 2017

	ASSETS				ACCUMULATED AMORTIZATION					NET BOOK VALUE
	Balance December 31, 2016	Additions	Disposals	Transfers	Balance December 31, 2017	Balance December 31, 2016	Additions	Disposals	Balance December 31, 2017	
Land	\$ 87,649,479	\$ 5,258,995	\$ 584,355	\$ -	\$ 92,324,119	\$ -	\$ -	\$ -	\$ -	\$ 92,324,119
Land improvements	35,166,074	1,518,227	171,091	208,726	36,721,936	14,368,433	1,290,592	171,091	15,487,934	21,234,002
Leasehold improvements	2,133,740	-	27,492	-	2,106,248	1,818,213	41,497	16,244	1,843,466	262,782
Marine structures	867,490	240,734	279,000	-	829,224	731,002	26,450	279,000	478,452	350,772
Buildings	193,020,392	621,254	216,500	3,113	193,428,259	70,762,670	5,228,190	149,062	75,841,798	117,586,461
Vehicles and equipment	31,647,962	2,664,168	1,615,714	158,177	32,854,593	19,005,607	1,972,711	1,267,249	19,711,069	13,143,524
IT Infrastructure	9,055,311	277,120	45,428	213,941	9,500,944	8,268,803	438,767	44,945	8,662,625	838,319
Drainage	104,061,927	1,221,556	400,450	397,982	105,281,015	29,351,384	1,615,924	393,267	30,574,041	74,706,974
Transportation	301,897,321	2,892,099	942,101	282,456	304,129,775	165,462,950	6,655,070	764,630	171,353,390	132,776,385
Sewer	41,847,292	2,097,348	201,300	1,547,731	45,291,071	12,025,825	749,686	138,305	12,637,206	32,653,865
Water	251,253,107	2,886,453	296,741	3,640,168	257,482,987	65,106,910	5,300,821	262,979	70,144,752	187,338,235
Work In Progress	9,430,420	10,022,112	-	(6,452,294)	13,000,238	-	-	-	-	13,000,238
	\$1,068,030,515	\$ 29,700,066	\$ 4,780,172	\$ -	\$1,092,950,409	\$ 386,901,797	\$23,319,708	\$ 3,486,772	\$ 406,734,733	\$ 686,215,676

**CITY OF NANAIMO**  
**SCHEDULE OF TANGIBLE CAPITAL ASSETS**  
for the year ended December 31, 2016

	ASSETS				ACCUMULATED AMORTIZATION					NET BOOK VALUE
	Balance December 31, 2015	Additions	Disposals	Transfers	Balance December 31, 2016	Balance December 31, 2015	Additions	Disposals	Balance December 31, 2016	
Land	\$ 85,701,341	\$ 3,071,774	\$ 1,123,636	\$ -	\$ 87,649,479	\$ -	\$ -	\$ -	\$ -	\$ 87,649,479
Land improvements	28,963,652	3,625,590	446,158	3,022,990	35,166,074	13,604,535	1,206,898	443,000	14,368,433	20,797,641
Leasehold improvements	2,174,294	30,738	111,891	40,599	2,133,740	1,865,382	64,722	111,891	1,818,213	315,527
Marine structures	867,490	-	-	-	867,490	702,915	28,087	-	731,002	136,488
Buildings	192,493,386	937,702	517,724	107,028	193,020,392	65,780,144	5,211,712	229,186	70,762,670	122,257,722
Vehicles and equipment	30,813,100	2,249,255	1,483,428	69,035	31,647,962	18,622,072	1,833,819	1,450,284	19,005,607	12,642,355
IT Infrastructure	9,092,424	27,188	106,182	41,881	9,055,311	7,867,886	507,099	106,182	8,268,803	786,508
Drainage	101,499,787	2,549,881	36,057	48,316	104,061,927	27,773,662	1,596,438	18,716	29,351,384	74,710,543
Transportation	297,826,583	4,133,400	555,562	492,900	301,897,321	159,371,904	6,643,004	551,958	165,462,950	136,434,371
Sewer	36,200,686	5,487,692	289,700	448,614	41,847,292	11,613,626	651,856	239,657	12,025,825	29,821,467
Water	242,097,287	9,072,681	385,364	468,503	251,253,107	60,244,093	5,182,661	319,844	65,106,910	186,146,197
Work In Progress	9,298,106	4,872,180	-	(4,739,866)	9,430,420	-	-	-	-	9,430,420
	\$ 1,037,028,136	\$ 36,058,081	\$ 5,055,702	\$ -	\$ 1,068,030,515	\$ 367,446,219	\$ 22,926,296	\$ 3,470,718	\$ 386,901,797	\$ 681,128,718

# CITY OF NANAIMO

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended December 31, 2017

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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 Chartered Professional Accountants of Canada. The following include significant policies that have been adopted by the City:

#### (a) Basis of Presentation

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

#### Consolidated Entities

The reporting entity is comprised of all organizations controlled by the City. These organizations include the Nanaimo Economic Development Corporation.

#### (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) 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.



**CITY OF NANAIMO**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
for the year ended December 31, 2017

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

**(d) Accounts Receivable**

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

**(e) 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.

**(f) Temporary Investments**

Temporary 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.

**(g) Compensated Absences and Termination 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. Compensated absences and termination 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. The net accumulated actuarial gains and losses are amortized over the average remaining service period of the active employees.

**(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.

**CITY OF NANAIMO**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
for the year ended December 31, 2017

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

**(i) Debt**

Debt is presented net of repayments and actuarial adjustments.

**(j) 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, is 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 in years are as follows:

<b>Asset</b>	
Land Improvements	2-80
Leasehold Improvements	15-30
Marine Structures	15-35
Buildings	10-40
Vehicles and Equipment	2-25
IT Infrastructure	2-10
Drainage	2-75
Transportation - Linear Infrastructure, Lighting and Signals	10-80
Sewer - Linear Infrastructure and Equipment	25-60
Water - Linear Infrastructure and Equipment	8-80

Tangible capital assets are written down to their residual value 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 is less than the book value of the asset.

**CITY OF NANAIMO**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
for the year ended December 31, 2017

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

**(j) Non-Financial Assets (continued)**

**(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 values 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, Works of Art and Cultural and Historical Assets**

Natural Resources, works of art, and cultural and historical assets are not recognized as assets in the financial statements.

**(iv) Interest Capitalization**

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

**(v) 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 with a corresponding lease liability. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

**(vi) 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.

**CITY OF NANAIMO**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
for the year ended December 31, 2017

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

**(k) Contaminated Sites**

A liability for contaminated sites is recognized when a site is not in productive use and the following criteria are met:

- i. An environmental standard exists;
- ii. Contamination exceeds the environmental standard;
- iii. The City is directly responsible or accepts responsibility;
- iv. It is expected that future economic benefits will be given up; and
- v. A reasonable estimate of the amount can be made.

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

**(l) Revenue Recognition**

**(i) Taxation Revenue**

Annual levies for non-optional municipal services and general administrative services are recorded as taxes for municipal purposes. Levies imposed by other taxing authorities are not included as taxes for municipal purposes. Taxes are recognized as revenue in the year they are levied.

Through the BC Assessment appeal process, taxes may be adjusted by way of supplementary roll adjustments. The impacts of these adjustments on taxes are recognized at the time they are awarded.

**(ii) Development Cost Charges**

Development cost charges are recognized as revenue during the period in which the related costs are incurred.

**(iii) Government Transfers**

Government transfers without stipulations restricting their use are recognized in the financial statements as revenue in the period in which the transfers are authorized. Government transfers with stipulations restricting their use are recognized in the financial statements as revenues in the period in which eligible expenses are incurred provided they are authorized and meet eligible criteria.

**CITY OF NANAIMO**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
for the year ended December 31, 2017

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

**(m) 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 compensated absences and termination 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 - ACCOUNTS RECEIVABLE**

	<u>2017</u>	<u>2016</u>
Utilities	\$ 11,246,646	\$ 6,788,646
Property Taxes	3,302,159	3,720,173
Trade and Other	1,734,615	1,492,159
Due from Provincial Government	1,261,738	1,166,388
Municipal Finance Authority Debt Reserve	902,317	885,056
Due from Federal Government	534,496	784,213
Interest on Investments	991,960	723,596
Due from Regional Government	216,681	152,009
	<u>\$ 20,190,612</u>	<u>\$ 15,712,240</u>

**CITY OF NANAIMO**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
for the year ended December 31, 2017

**NOTE 3 - DEVELOPMENT COST CHARGES RECEIVABLE**

	<u>Water Distribution</u>	<u>Roads</u>	<u>Drainage</u>	<u>Sewer</u>	<u>Parks</u>	<u>Water Supply</u>	<u>2017</u>	<u>2016</u>
Installments:								
2016	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	156,258
2017	8,516	112,183	16,369	23,777	45,605	153,504	359,954	156,259
2018	4,801	63,832	9,222	13,394	25,947	86,500	203,696	-
	<u>\$ 13,317</u>	<u>\$ 176,015</u>	<u>\$ 25,591</u>	<u>\$ 37,171</u>	<u>\$ 71,552</u>	<u>\$ 240,004</u>	<u>\$ 563,650</u>	<u>\$ 312,517</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 4 - TEMPORARY INVESTMENTS**

	<u>2017</u>		<u>2016</u>	
	<u>Cost</u>	<u>Market</u>	<u>Cost</u>	<u>Market</u>
Temporary Investments	\$ 121,196,872	\$ 121,196,872	\$ 93,731,114	\$ 93,912,139
Debentures	18,954,800	18,669,441	18,935,696	18,889,165
	<u>\$ 140,151,672</u>	<u>\$ 139,866,313</u>	<u>\$ 112,666,810</u>	<u>\$ 112,801,304</u>

**NOTE 5 - ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<u>2017</u>	<u>2016</u>
Trade and Other	\$ 9,814,046	\$ 13,295,218
RCMP Contract	7,666,262	8,404,290
Deposits	6,703,412	5,072,714
Accrued wages and benefits	4,388,820	3,746,383
Contaminated sites	225,750	110,000
Other governments	1,082,910	569,642
	<u>\$ 29,881,200</u>	<u>\$ 31,198,247</u>

**CITY OF NANAIMO**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
for the year ended December 31, 2017

**NOTE 6 - COMPENSATED ABSENCES AND TERMINATION BENEFITS**

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, 2016 and the results are extrapolated to December 31, 2017. The current valuation was completed in 2017. Significant assumptions used in the valuation include a discount rate of 4% (2016 - 4.75%), inflation of 1.75% (2016 - 2%) and compensation increases, excluding merit and promotion, of 2.75% (2016 - 3%). There is an unamortized actuarial loss of \$677,856 (2016 – gain of \$146,513).

	<u>2017</u>	<u>2016</u>
Actuarial Benefit Obligation, beginning of year	\$ 6,842,967	\$ 6,671,260
Unamortized Actuarial Gain, beginning of year	146,513	153,663
	<hr/>	<hr/>
Current Service Cost	6,989,480	6,824,923
Interest Costs	737,565	488,406
Benefits Paid	309,023	313,517
Amortization of Actuarial (Gain) / Loss	(732,344)	(630,216)
	60,952	(7,150)
	<hr/>	<hr/>
	7,364,676	6,989,480
	<hr/>	<hr/>
Actuarial Benefit Obligation, end of year	8,042,532	6,842,967
Unamortized Actuarial Gain / (Loss), end of year	(677,856)	146,513
	<hr/>	<hr/>
Accrued Benefit Liability, end of year	\$ 7,364,676	\$ 6,989,480

Actuarial gains and losses are amortized over 12 – 14 years, being the expected average remaining service period of the related employee groups, commencing the year after the gain or loss arises. The total expense recorded in the financial statements in respect of obligations under this plan amounts to \$1,107,540 (2016 - \$794,773).

**CITY OF NANAIMO**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
for the year ended December 31, 2017

**NOTE 7 - DEFERRED REVENUE AND OTHER LIABILITIES**

	<u>2017</u>	<u>2016</u>
Tax Prepayments	\$ 11,825,590	\$ 11,577,802
Other Prepayments	5,384,657	5,402,982
	<u>\$ 17,210,247</u>	<u>\$ 16,980,784</u>

**NOTE 8 - DEFERRED DEVELOPMENT COST CHARGES**

	<u>2017</u>	<u>2016</u>
Deferred Development Cost Charges - beginning of year	\$ 42,228,902	\$ 38,658,888
Additions	6,396,603	8,224,116
Interest Earned	794,521	736,333
Revenue Recognized	(6,802,341)	(5,390,435)
Deferred Development Cost Charges - end of year	<u>\$ 42,617,685</u>	<u>\$ 42,228,902</u>

**NOTE 9 - 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.

\$42,335,511 (2016 – \$43,925,300) of debt is with the MFA. Payments of \$23,966,689 on the gross amount borrowed of \$66,350,000 are held in a sinking fund by the MFA. The rates of interest on the principal amount of the MFA debentures vary between 1.6% and 3.85% per annum.

	<u>2017</u>	<u>2016</u>
Total Outstanding Debt - beginning of year	\$ 43,925,300	\$ 47,773,593
Reduction of Long-term Debt	(3,089,789)	(3,848,293)
Proceeds from long-term borrowing	1,500,000	-
Total Outstanding Debt - end of year	<u>\$ 42,335,511</u>	<u>\$ 43,925,300</u>

The City of Nanaimo is subject to 'Liability Servicing Limits' as outlined in Section 174 of the *Community Charter*. The maximum value of liability servicing cost for a given year is 25% of a municipality's controllable and sustainable revenues for the previous year. The calculated liability servicing limit for the City of Nanaimo for 2017 at December 31, 2016 was \$38,379,597. The actual liability servicing cost was \$6,075,618, leaving \$32,303,979 of liability servicing capacity available.



**CITY OF NANAIMO**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
for the year ended December 31, 2017

**NOTE 9 - 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>
2018	\$ 2,586,747	\$ 870,032	\$ 3,456,779
2019	2,686,848	904,833	3,591,681
2020	2,790,928	941,026	3,731,954
2021	2,227,194	978,667	3,205,861
2022	2,256,386	1,017,814	3,274,200
Thereafter	10,148,462	14,926,574	25,075,036
	<u>\$ 22,696,565</u>	<u>\$ 19,638,946</u>	<u>\$ 42,335,511</u>

Bylaw #	MFA Issue #	Interest Rate %	Year Matures	Balance Outstanding		
				2017	2016	
<u>General Fund - Tax Supported</u>						
5425	72	Leisure and Aquatic Centre	2.10	2020	\$ 966,732	\$ 1,261,630
5457	73	Leisure and Aquatic Centre	1.60	2020	880,801	1,149,486
5750	99	Port of Nanaimo Centre	1.75	2026	8,206,571	8,952,209
5750	101	Port of Nanaimo Centre	2.25	2027	8,952,209	9,669,168
7050	102	Fire Station #4	2.25	2027	2,238,052	2,417,292
N/A	N/A	Garbage Trucks Equipment	1.81	2022	1,452,200	-
					<u>22,696,565</u>	<u>23,449,785</u>
<u>Waterworks Fund - User Fee Supported</u>						
7127	126	Water Treatment Plant	3.85	2033	11,403,371	11,905,777
7127	127	Water Treatment Plant	3.30	2034	8,235,575	8,569,738
					<u>19,638,946</u>	<u>20,475,515</u>
					<u>\$ 42,335,511</u>	<u>\$ 43,925,300</u>

Asset Management planning session

**CITY OF NANAIMO**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
for the year ended December 31, 2017

**NOTE 10 - TANGIBLE CAPITAL ASSETS**

<u>Net Book Value</u>	<u>2017</u>	<u>2016</u>
Land	\$ 92,324,119	\$ 87,649,479
Land Improvements	21,234,002	20,797,641
Leasehold Improvements	262,782	315,527
Marine Structures	350,772	136,488
Buildings	117,586,461	122,257,722
Vehicles and Equipment	13,143,524	12,642,355
IT Infrastructure	838,319	786,508
Drainage	74,706,974	74,710,543
Transportation	132,776,385	136,434,371
Sewer	32,653,865	29,821,467
Water	187,338,235	186,146,197
	<hr/>	<hr/>
	673,215,438	671,698,298
Work In Progress	13,000,238	9,430,420
	<hr/>	<hr/>
	<u>\$ 686,215,676</u>	<u>\$ 681,128,718</u>

See schedule of tangible capital assets (page 9) for more information. There were no write downs of tangible capital assets for 2016 and 2017. Developer contributed assets recognized in 2017 were \$3,724,488 (2016 - \$8,126,066) recorded at fair value at the time of receipt. These include transportation, drainage, sewer and water infrastructure and the land under these assets.

**CITY OF NANAIMO**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
for the year ended December 31, 2017

**NOTE 11 - ACCUMULATED SURPLUS**

	<u>2017</u>	<u>2016</u>
Reserve Accounts (Note 22)	\$ 65,325,545	\$ 59,153,370
Surplus - General	5,499,908	5,139,416
Surplus - Sewer System	6,834,001	6,765,372
Surplus - Waterworks	5,545,156	5,430,316
Investment in Tangible Capital Assets (Note18)	643,880,165	637,203,418
Community Works Reserve Fund (Gas Tax Agreement)	5,450,615	6,136,926
Equipment Depreciation Reserve	7,516,016	6,148,706
Facility Development (Recreation) Reserve	3,125,384	2,133,321
Property Sales Reserve	2,325,949	1,183,092
Knowles Estate Reserve	420,076	435,516
Parkland Dedication Reserve	638,458	375,527
Old City Neighborhood Parking Reserve	88,896	87,227
General Asset Management Reserve	10,148,379	7,551,309
Sewer Asset Management Reserve	1,146,300	834,516
Water Asset Management Reserve	2,664,841	1,135,280
Regional Emissions Reduction Reserve	461,108	377,438
	<u>\$ 761,070,797</u>	<u>\$ 740,090,750</u>

**NOTE 12 - COMMITMENTS AND CONTIGENCIES**

**(a) Liability Claims**

In the ordinary course of business, various claims and lawsuits are brought against the City. The City records an accrual in respect of legal claims that are likely to be successful and for which a liability amount is reasonably determinable. The remaining claims, should they be successful as a result of litigation, will be recorded when a liability is likely and determinable. Liability insurance is carried by the City, subject to a deductible of \$25,000 per claim.

**CITY OF NANAIMO**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
for the year ended December 31, 2017

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**NOTE 12 - COMMITMENTS AND CONTIGENCIES (CONTINUED)**

**(b) BC Assessment Authority Appeals**

As at December 31, 2017, there were various appeals pending with respect to assessed values of 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.

**(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 primarily 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 \$1,871,727 (2016 – \$1,871,727) are contingent in nature and given the low likelihood of payment 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) Subsidence of Mines**

Continued existence of abandoned underground mines has resulted in risk to private land and public roads due to potential collapse or instability. The full impact of the abandoned mines and any potential liabilities are unknown at this time. No determination of the City's liability, if any, has been made and no estimate of potential loss can be made or recorded at this time. A liability will be recorded if remediation costs are determined to be likely and the amounts are reasonably determinable.

**CITY OF NANAIMO**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
for the year ended December 31, 2017

**NOTE 12 - COMMITMENTS AND CONTINGENCIES (CONTINUED)**

**(e) Commitments**

The City has \$14,500,000 (2016 - \$7,800,000) 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.

**(f) Guarantees**

The City has guaranteed the amount of a \$2,000,000 line of credit for the Port Theatre Society. Management considers the likelihood of payment on the guarantee to be low.

**NOTE 13 - 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, 2017, the balance of funds held in trust was \$567,918 (2016 - \$556,668).

**NOTE 14 - ANNUAL BUDGET**

These financial statements include the Annual Budget as approved by Council on May 2, 2017. 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:

	<u>2017</u>
Annual Budgeted Surplus - Statement of Operations	\$ 14,867,341
Cemetery Care Fund - not in reporting entity	7,500
	<hr/>
Annual Surplus from the 2017 Financial Plan	14,874,841
Amortization, not funded	23,527,325
Capital Expenditures	(58,597,556)
Principal Repayment of Debt	(3,041,989)
Transfers from Accumulated Surplus	23,237,379
	<hr/>
Net Annual Budget - as approved	\$ -

**CITY OF NANAIMO**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
for the year ended December 31, 2017

**NOTE 15 - TAXATION AND PAYMENTS IN LIEU**

	<u>Municipal</u>	<u>Other</u>	<u>2017</u> <u>Total</u>	<u>2016</u> <u>Total</u>
Property Taxes	\$ 95,952,570	\$ 60,836,867	\$ 156,789,437	\$ 151,991,685
Local Improvements Frontage Fees	-	-	-	2,119
Business Improvement Area Levies	40,774	-	40,774	231,923
Vancouver Island Regional Library	4,332,949	-	4,332,949	4,108,327
Taxes in Lieu of Licenses	1,446,334	-	1,446,334	1,423,278
Payments in Lieu of Taxes	1,858,365	537,974	2,396,339	1,946,586
	<u>\$ 103,630,992</u>	<u>\$ 61,374,841</u>	<u>\$ 165,005,833</u>	<u>\$ 159,703,918</u>
			<u>2017</u>	<u>2016</u>
Less Collections for Other Governments:				
Province of British Columbia (School Tax)			\$ 38,054,892	\$ 38,128,393
Regional District of Nanaimo			18,450,297	17,334,012
Nanaimo Regional Hospital District			3,892,423	3,742,866
Other Agencies			977,229	1,033,281
			<u>61,374,841</u>	<u>60,238,552</u>
Taxation and Payments in Lieu			<u>\$ 103,630,992</u>	<u>\$ 99,465,366</u>

**NOTE 16 - USER FEES AND SALES OF SERVICES**

	<u>2017</u>	<u>2016</u>
Waterworks	\$ 18,098,377	\$ 16,558,860
Recreation Programs	6,639,352	6,664,001
Sewer System	7,085,084	6,291,738
Garbage Collection	4,395,988	3,776,182
Vancouver Island Conference Centre	799,523	2,043,538
Public Works	650,528	722,937
Parking	1,590,319	1,454,039
Other	308,956	625,778
Community Safety	226,577	211,219
	<u>\$ 39,794,704</u>	<u>\$ 38,348,292</u>

**CITY OF NANAIMO**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
for the year ended December 31, 2017

**NOTE 17 - TRANSFERS FROM OTHER GOVERNMENTS**

	<u>2017</u>	<u>2016</u>
<u>Federal</u>		
Gas Tax	\$ 3,637,130	\$ 3,587,994
Other	77,527	76,185
	<u>3,714,657</u>	<u>3,664,179</u>
<u>Provincial</u>		
Casino Gaming	2,863,235	2,593,933
Revenue Sharing	1,180,215	1,211,761
Other	366,479	329,784
	<u>4,409,929</u>	<u>4,135,478</u>
<u>Regional District of Nanaimo</u>		
Other	250,308	211,368
Total Transfers from Other Governments	<u>\$ 8,374,894</u>	<u>\$ 8,011,025</u>
Transfers from Other Governments - Capital	\$ 3,745,004	\$ 3,679,418
Transfers from Other Governments - Operating	4,629,890	4,331,607
Total Transfers from Other Governments	<u>\$ 8,374,894</u>	<u>\$ 8,011,025</u>

**NOTE 18 - INVESTMENT IN TANGIBLE CAPITAL ASSETS**

	<u>2017</u>	<u>2016</u>
Investment in Tangible Capital Assets - beginning of year	\$ 637,203,418	\$ 621,808,324
Add:		
Capital Additions	29,700,066	36,058,081
Reductions in Long-term Debt	3,089,789	3,848,293
Less:		
Proceeds from long-term borrowing	(1,500,000)	-
Amortization	(23,319,708)	(22,926,296)
Net Book Value of Asset Disposals	(1,293,400)	(1,584,984)
Investment in Tangible Capital Assets - end of year	<u>\$ 643,880,165</u>	<u>\$ 637,203,418</u>

**CITY OF NANAIMO**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
for the year ended December 31, 2017

**NOTE 19 - MUNICIPAL PENSION PLAN**

The City and its employees contribute to the Municipal Pension Plan (the Plan), a jointly trustee pension plan. The Board of Trustees, representing plan members and employers, is responsible for administering the plan, including investment of the assets and administration of benefits. The Plan is a multi-employer defined benefit pension plan. Basic pension benefits provided are based on a formula. The Plan has about 193,000 active members and approximately 90,000 retired members. Active members include approximately 38,000 contributors from Local Government.

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

The most recent valuation for the Municipal Pension Plan as at December 31, 2015 indicated a \$2,224 million funding surplus for basic pension benefits on a going concern basis. As a result of the 2015 basic account actuarial valuation surplus and pursuant to the joint trustee agreement, \$1,927 million was transferred to the rate stabilization account and \$297 million of the surplus ensured the required contribution rates remained unchanged. During 2017, City of Nanaimo contributions to the plan were:

	<u>2017</u>	<u>2016</u>
Employer Portion	\$ 5,073,448	\$ 4,902,227
Employee Portion	4,196,419	4,128,271
	<u>\$ 9,269,867</u>	<u>\$ 9,030,498</u>

The next valuation will be as at December 31, 2018 with results available in 2019.

Employers participating in the plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the plan records accrued liabilities and accrued assets for the plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the plan.



**CITY OF NANAIMO**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
for the year ended December 31, 2017

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**NOTE 20 - FINANCIAL INSTRUMENTS**

**(a) Financial Risk and Fair Market Values**

The City's financial instruments consist of cash and cash equivalents, accounts receivable, development cost charges receivable, temporary investments, 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 with the exception of temporary investments for which market values are disclosed in Note 4.

**(b) Credit Risk**

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

**NOTE 21 - COMPARATIVE FIGURES**

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

**CITY OF NANAIMO**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
for the year ended December 31, 2017

**NOTE 22 - RESERVES**

	<u>Work in Progress</u>	<u>Available for Future Commitments</u>	<u>2017</u>	<u>2016</u>
<u>General Revenue Fund Reserve Accounts</u>				
Fire & Emergency Services	\$ 2,000	\$ 2,445,488	\$ 2,447,488	\$ 2,047,367
Parks & Recreation	-	104,281	104,281	207,950
Strategic Partnerships	30,728	-	30,728	250,000
General Capital	706,769	4,082,634	4,789,403	5,127,355
Prior Year Carry Forwards	3,880,471	-	3,880,471	4,367,140
Housing Legacy Reserve	93,564	2,234,756	2,328,320	2,415,652
Uncollected Taxes	-	2,570,566	2,570,566	2,112,533
Uninsured Claims	-	2,535,386	2,535,386	2,682,939
Allowance for Bad Debts	10,000	40,000	50,000	50,000
RCMP Contract	212,071	2,901,771	3,113,842	3,078,832
Information Technology Infrastructure	1,371,482	117,116	1,488,598	1,615,670
Sustainability Initiatives	391,422	175,654	567,076	726,731
Parking Reserve	292,346	825,237	1,117,583	619,765
Conference Centre	240,170	514,746	754,916	760,126
Snow Removal	-	-	-	400,000
Property Acquisition	-	1,563,383	1,563,383	1,963,077
Strategic Infrastructure	680,000	-	680,000	-
General Financial Sustainability	450,000	500,000	950,000	-
Colliery Dam Reserve	80,000	119,123	199,123	242,454
Photocopier Reserve	-	368,580	368,580	309,408
Casino Funds	-	1,186,846	1,186,846	723,611
	<u>8,441,023</u>	<u>22,285,567</u>	<u>30,726,590</u>	<u>29,700,610</u>
<u>Sewer Revenue Reserve Accounts</u>				
General Capital	3,248,952	7,363,931	10,612,883	10,833,018
Growth Related Projects	-	916	916	916
	<u>3,248,952</u>	<u>7,364,847</u>	<u>10,613,799</u>	<u>10,833,934</u>
<u>Waterworks Revenue Fund Reserve Accounts</u>				
General Capital	18,942,102	3,043,393	21,985,495	16,619,165
Growth Related Projects	-	1,900,000	1,900,000	1,900,000
Local Improvement Projects	-	99,661	99,661	99,661
	<u>18,942,102</u>	<u>5,043,054</u>	<u>23,985,156</u>	<u>18,618,826</u>
Total Reserve Accounts	<u>\$ 30,632,077</u>	<u>\$ 34,693,468</u>	<u>\$ 65,325,545</u>	<u>\$ 59,153,370</u>

# **CITY OF NANAIMO**

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

for the year ended December 31, 2017

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### **NOTE 23 - 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. See Schedule of Operations by Segment (page 7).

#### **GENERAL REVENUE FUND**

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

##### **City Administration**

The Chief Administrative Officer'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.

The City Administration department is responsible for the City's regulatory services, including legislative services, and the bylaw, animal control, and parking functions.

##### **Corporate Services**

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

##### **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. The Development Services Department is also the liaison to the Nanaimo Economic Development Corporation.

##### **Fire**

The Fire Department has the responsibility of protecting the City's citizens and infrastructure through prevention and quick and high quality response to fire, medical and other emergency incidents in the most effective and responsive manner possible. Fire services also include emergency management, planning and coordination functions.

**CITY OF NANAIMO**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
for the year ended December 31, 2017

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**NOTE 23 - SEGMENT REPORTING (CONTINUED)**

**Police**

The City contracts the Royal Canadian Mounted Police 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.

**Port of Nanaimo Centre**

The operation of the Vancouver Island Conference Centre provides a full-service convention centre that hosts meetings, conferences, tradeshow, and weddings for up to 1,300 delegates.

**Parks and Recreation**

The Parks and Recreation 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.



Parkway Trail

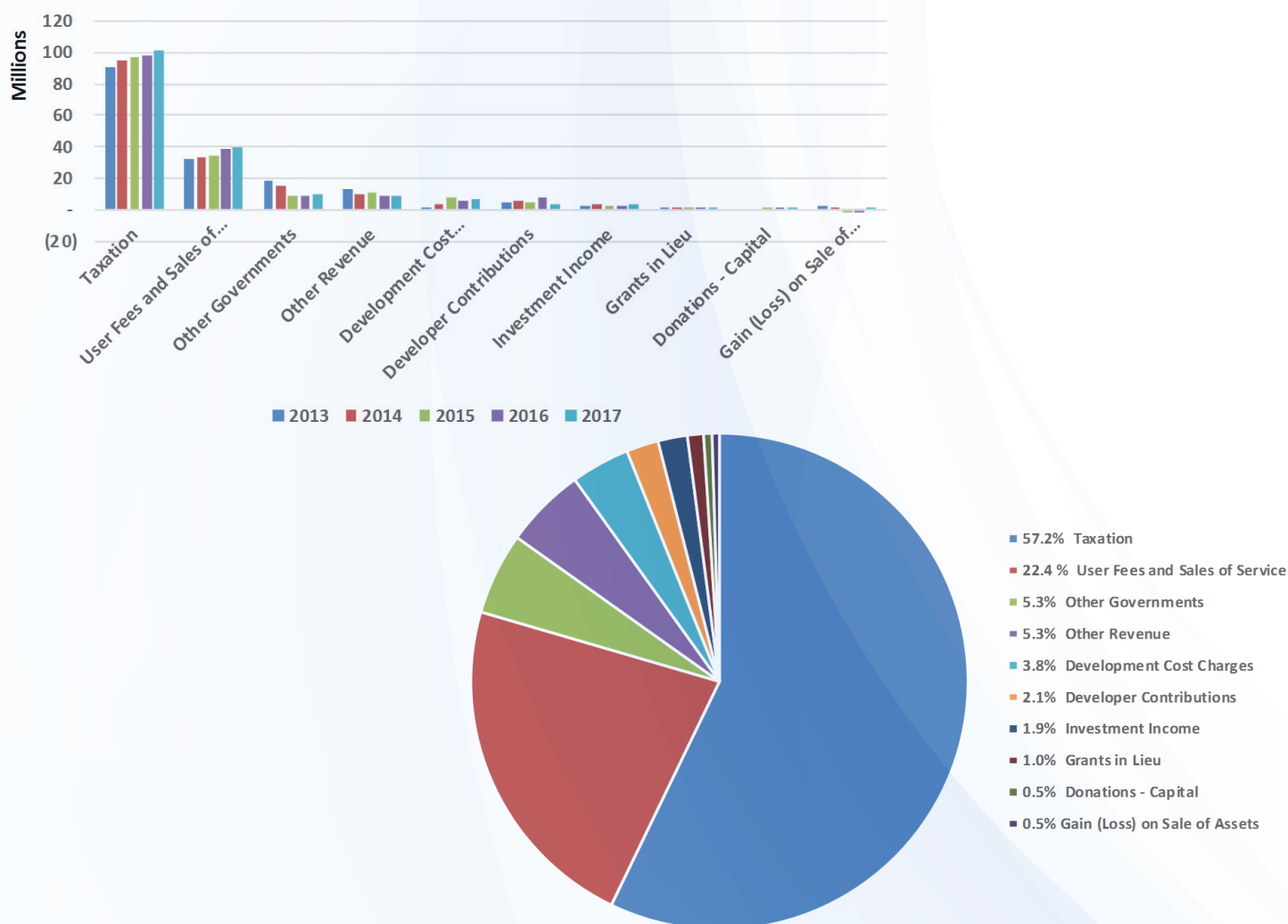


# Statistical Section

## Statistical & Financial Analysis 2013-2017



## Revenue by Source (Source: City of Nanaimo Finance & IT Department)



### Revenue by Source Last Five Fiscal Years Comparison

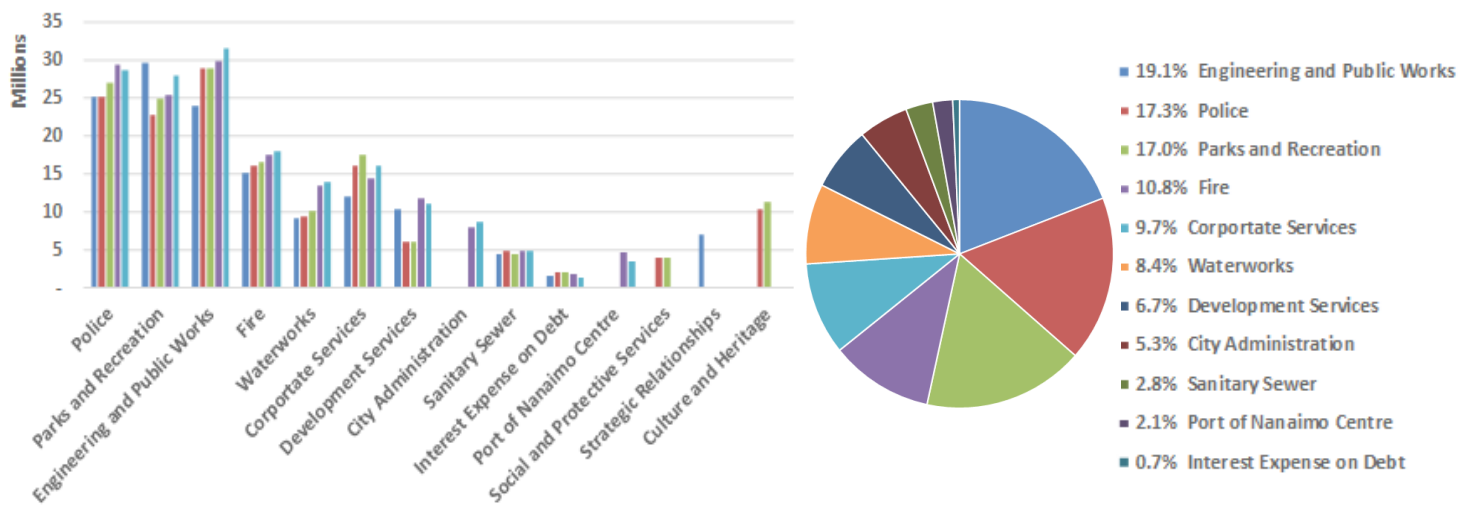
	2013	2014	2015	2016	2017
Taxation	90,976,425	94,551,269	96,670,960	98,006,106	101,772,627
User Fees and Sales of Service	32,139,631	33,699,231	34,809,133	38,348,292	39,794,704
Other Governments	18,080,301	15,010,858	9,023,388	9,107,114	9,488,460
Other Revenue	12,647,810	10,453,399	10,608,631	8,523,151	9,358,666
Development Cost Charges	1,440,955	3,421,649	7,762,983	5,390,435	6,802,341
Developer Contributions	4,916,402	5,850,960	4,234,016	8,126,066	3,724,488
Investment Income	2,995,973	3,154,310	3,021,276	3,010,006	3,403,150
Grants in Lieu	1,436,385	1,409,584	1,517,802	1,459,260	1,858,365
Donations - Capital	-	-	1,359,744	1,018,653	972,902
Gain (Loss) on Sale of Assets	2,752,932	1,450,650	(1,363,185)	(1,533,210)	852,358
<b>Total Revenue</b>	<b>\$ 167,386,814</b>	<b>\$ 169,001,910</b>	<b>\$ 167,644,748</b>	<b>\$ 171,455,873</b>	<b>\$ 178,028,061</b>

## Expenses by Function (Source: City of Nanaimo Finance & IT Department)

The City has undergone several reorganizations in the past four years.

Please note:

- Strategic Relationships is now part of Corporate Services
- Culture and Heritage is now part of Community Development
- Social and Protective Services is now part of either Police or Fire Services
- City Administration was part of Corporate Services
- Port of Nanaimo Centre was included in Culture and Heritage

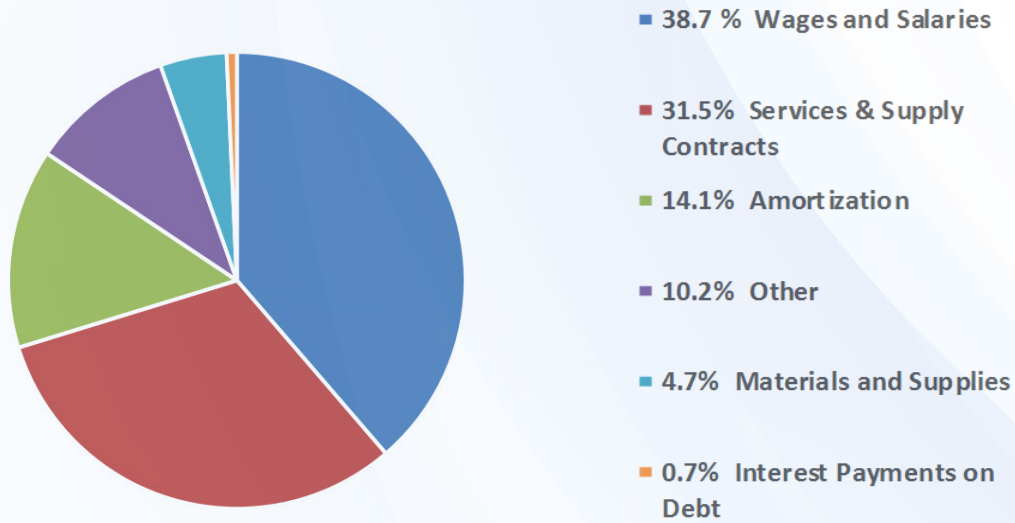
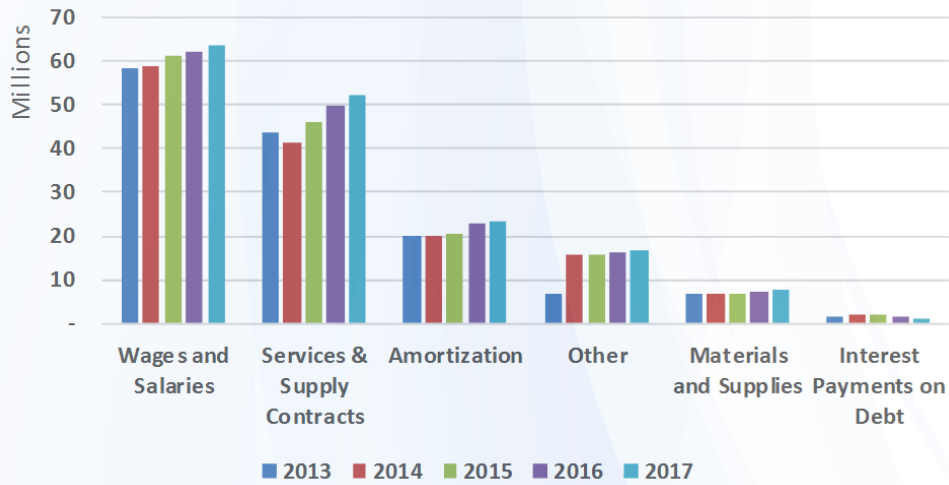


### Expenses

Analysis by Function	2013	2014	2015	2016	2017
Police	25,054,222	25,091,849	27,091,921	29,454,469	28,576,851
Parks and Recreation	29,612,549	22,614,711	24,755,181	25,399,652	27,942,297
Engineering and Public Works	23,844,711	28,885,461	28,941,359	29,943,004	31,513,496
Fire	15,012,330	16,061,810	16,587,816	17,346,663	17,873,093
Waterworks	9,007,190	9,352,258	10,008,935	13,494,780	13,841,302
Corporate Services	11,953,331	16,095,270	17,524,024	14,381,681	15,988,978
Development Services	10,339,662	6,104,472	6,073,590	11,776,206	11,072,350
City Administration	-	-	-	7,826,403	8,684,928
Sanitary Sewer	4,225,625	4,873,137	4,409,251	4,701,041	4,692,495
Interest Expense on Debt	1,510,208	1,989,179	1,884,239	1,741,095	1,187,435
Port of Nanaimo Centre	-	-	-	4,624,689	3,450,781
Social and Protective Services	-	3,747,953	3,971,770	-	-
Strategic Relationships	6,847,023	-	-	-	-
Culture and Heritage	-	10,224,787	11,160,777	-	-
<b>Total Expenses by Function</b>	<b>\$ 137,406,851</b>	<b>\$ 145,040,887</b>	<b>\$ 152,408,863</b>	<b>\$ 160,689,683</b>	<b>\$ 164,824,006</b>



## Expenses by Object (Source: City of Nanaimo Finance & IT Department)



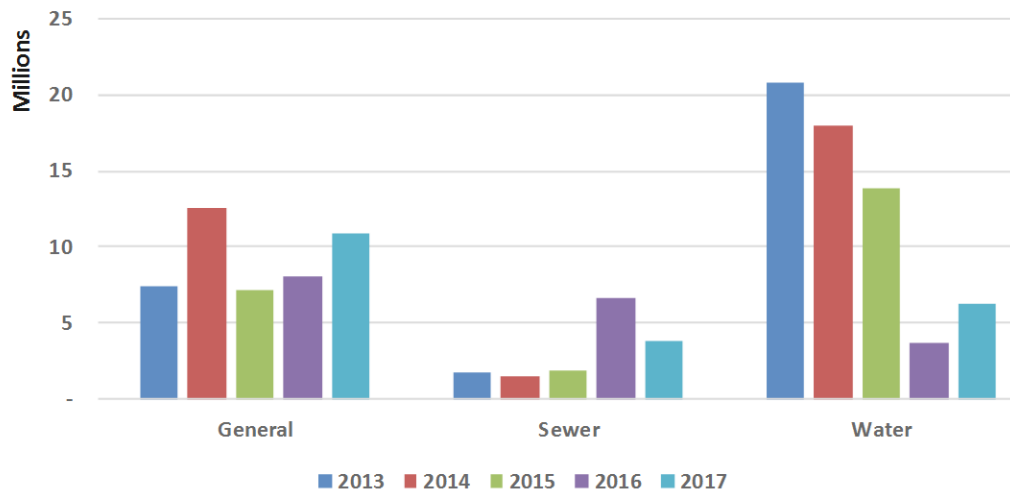
### Expenses

Analysis by Object	2013	2014	2015	2016	2017
Wages and Salaries	58,222,750	58,876,116	61,269,748	62,325,770	63,792,630
Services & Supply Contracts	43,610,362	41,470,741	46,204,265	49,913,646	51,983,811
Amortization	20,241,471	20,199,518	20,288,865	22,926,296	23,319,708
Other	6,954,288	15,543,063	15,824,526	16,454,334	16,778,884
Materials and Supplies	6,867,772	6,962,270	6,937,220	7,328,542	7,761,538
Interest Payments on Debt	1,510,208	1,989,179	1,884,239	1,741,095	1,187,435
<b>Total Expenses by Object</b>	<b>\$ 137,406,851</b>	<b>\$ 145,040,887</b>	<b>\$ 152,408,863</b>	<b>\$ 160,689,683</b>	<b>\$ 164,824,006</b>

# Surplus

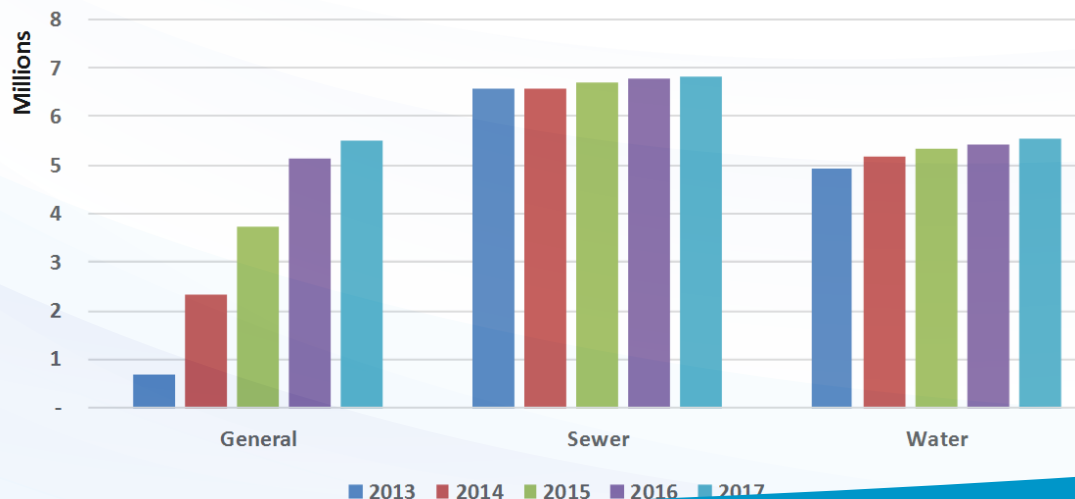
## Surplus for the Year Last Five Fiscal Years Comparison

	2013	2014	2015	2016	2017
General	7,357,124	12,528,235	7,124,794	8,088,533	10,932,034
Sewer	1,790,465	1,548,904	1,932,014	6,648,872	3,835,551
Water	20,832,374	17,950,206	13,860,039	3,722,969	6,212,462
<b>Total Surplus</b>	<b>\$ 29,979,963</b>	<b>\$ 32,027,345</b>	<b>\$ 22,916,847</b>	<b>\$ 18,460,374</b>	<b>\$ 20,980,047</b>



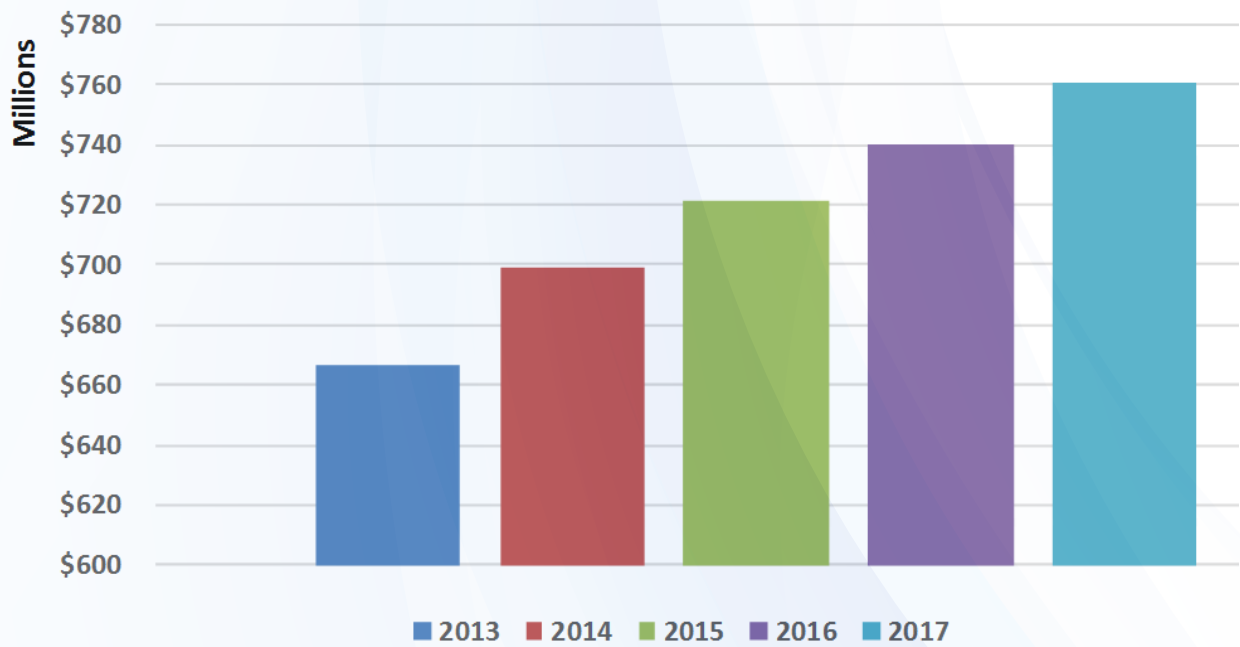
## Accumulated Operating Surplus Last Five Fiscal Years Comparison

	2013	2014	2015	2016	2017
General	670,959	2,343,849	3,752,211	5,139,416	5,499,908
Sewer	6,576,414	6,569,167	6,695,163	6,765,372	6,834,001
Water	4,912,792	5,167,765	5,356,715	5,430,316	5,545,156
<b>Total Surplus</b>	<b>\$ 12,160,165</b>	<b>\$ 14,080,781</b>	<b>\$ 15,804,089</b>	<b>\$ 17,335,104</b>	<b>\$ 17,879,065</b>



**Accumulated Consolidated Surplus  
Last Five Fiscal Years Comparison**

	2013	2014	2015	2016	2017
Total Accumulated Surplus	\$ 666,686,184	\$ 698,713,529	\$ 721,630,376	\$ 740,090,750	\$ 761,070,797

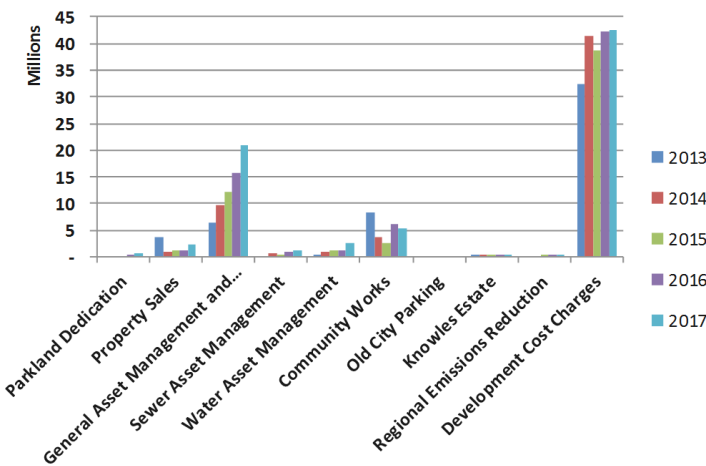


# Reserve Funds (Source: City of Nanaimo Finance & IT Department)

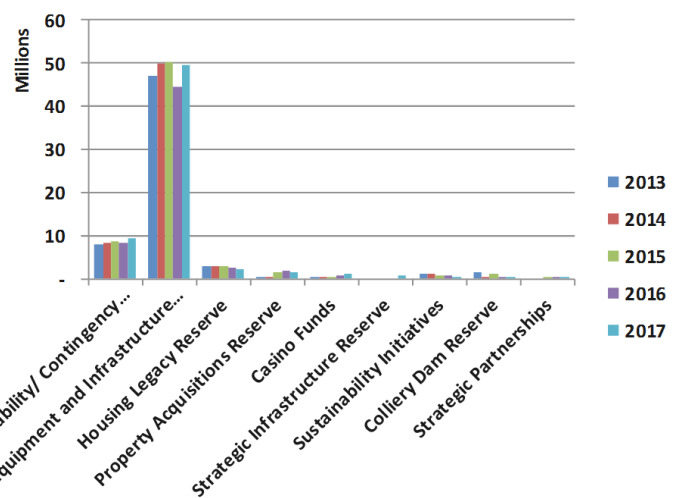
The City maintains operating reserves that provide funds for future infrastructure and strategic investment. Contributions to operating reserves are through allocations of prior year surplus and through annual contributions.

The City has Statutory Reserve Funds that are authorized by the Community Charter and/or City Bylaws. The purpose of setting aside reserves is to provide funding for anticipated future expenditures, to ensure sufficient funds are available when required, and to limit the need to incur debt or require large increases in taxation or user fees. Contributions to statutory reserves are through annual allocations of general revenues, user fees and development cost charges.

## Summary of Statutory Reserve Funds

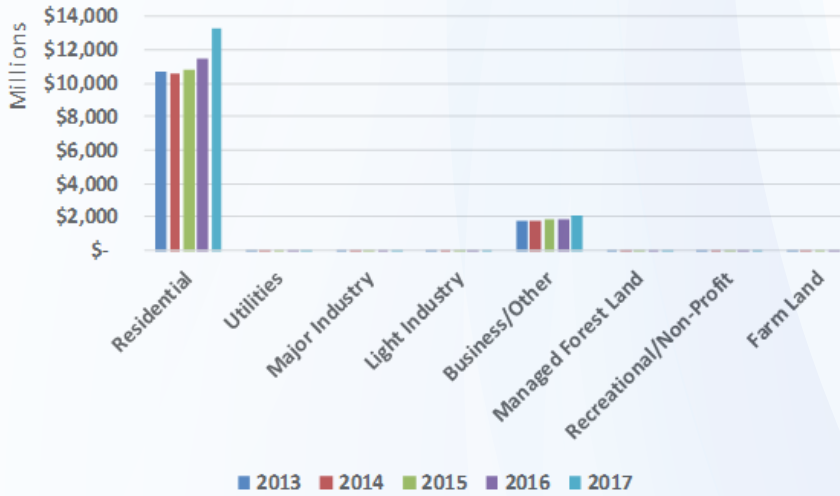


## Summary of General Reserve Funds

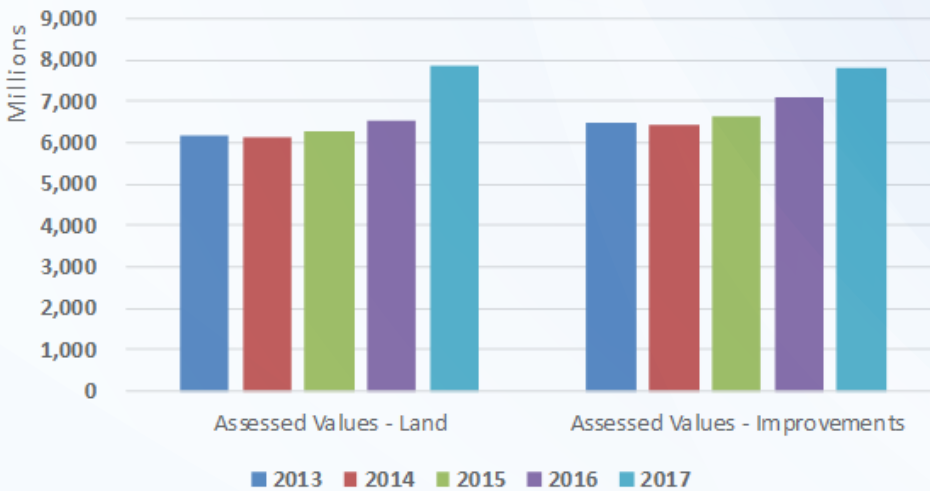


Reserve Funds Analysis	2013	2014	2015	2016	UNAUDITED 2017
<b>Reserve Funds:</b>					
Financial Stability/ Contingency Reserves	8,061,307	8,329,587	8,793,935	8,324,304	9,219,794
Equipment and Infrastructure Replacement Reserves	47,036,707	50,069,224	50,132,856	44,507,541	49,550,275
Housing Legacy Reserve	2,916,910	2,874,365	2,761,573	2,415,652	2,328,320
Property Acquisitions Reserve	537,246	376,056	1,334,833	1,963,077	1,563,383
Casino Funds	247,598	170,728	256,613	723,611	1,186,846
Strategic Infrastructure Reserve	-	-	-	-	680,000
Sustainability Initiatives	1,103,579	1,135,966	790,470	726,731	567,076
Colliery Dam Reserve	1,548,648	372,685	972,479	242,454	199,123
Strategic Partnerships	-	-	250,000	250,000	30,728
<b>Total General Reserves:</b>	<b>61,451,995</b>	<b>63,328,611</b>	<b>65,292,759</b>	<b>59,153,370</b>	<b>65,325,545</b>
<b>Statutory Reserve Funds:</b>					
Parkland Dedication	128,762	50,215	211,565	375,527	638,458
Property Sales	3,735,466	1,074,208	1,331,516	1,183,092	2,325,949
General Asset Management and Equipment and Infrastructure Renewal	6,352,963	9,642,684	12,134,387	15,833,336	20,789,779
Sewer Asset Management	238,155	746,650	512,605	834,516	1,146,300
Water Asset Management	308,840	943,649	1,225,984	1,135,280	2,664,841
Community Works	8,203,688	3,609,979	2,490,950	6,136,926	5,450,615
Old City Parking	82,469	84,098	85,647	87,227	88,896
Knowles Estate	439,542	437,651	430,717	435,516	420,076
Regional Emissions Reduction	143,712	218,754	301,833	377,438	461,108
Development Cost Charges	32,281,961	41,398,345	38,658,888	42,228,902	42,617,685
<b>Total Statutory Reserves:</b>	<b>51,915,558</b>	<b>58,206,233</b>	<b>57,384,092</b>	<b>68,627,760</b>	<b>76,603,707</b>
	<b>113,367,553</b>	<b>121,534,844</b>	<b>122,676,851</b>	<b>127,781,130</b>	<b>141,929,252</b>

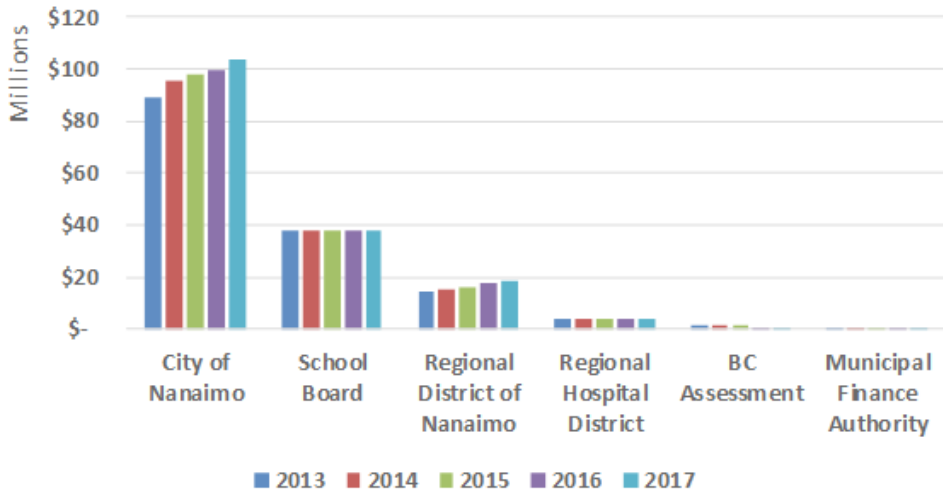
## General Assessment by Property Class (Source: City of Nanaimo Finance & IT Department)



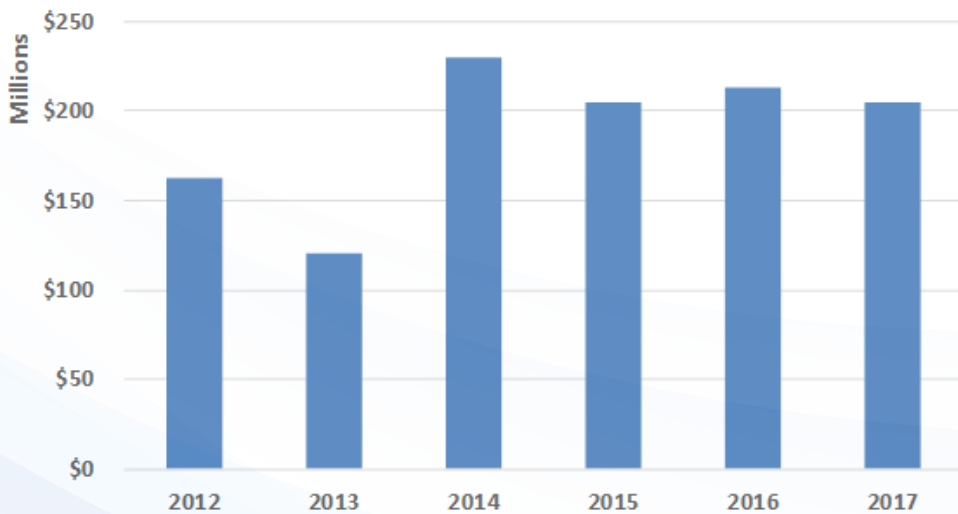
## Assessed Value for General Municipal Purposes (Source: BC Assessment Authority)



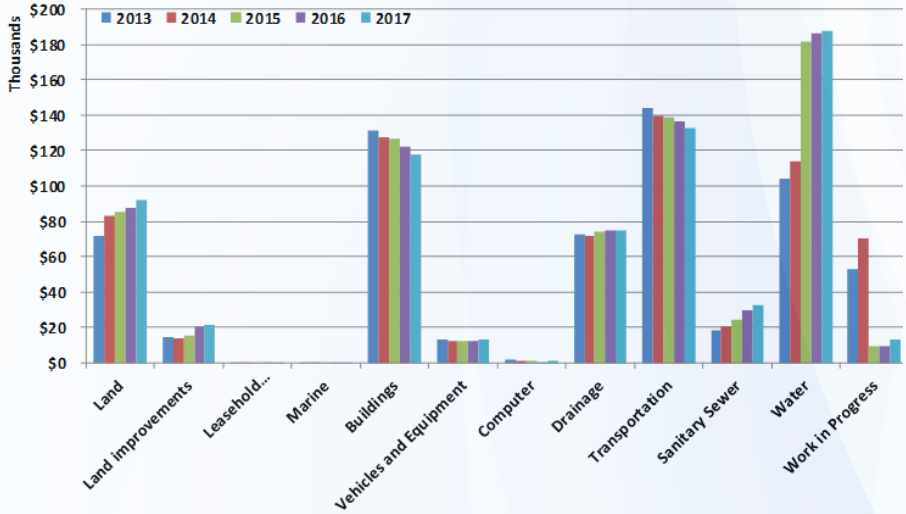
## Taxes Collected by all Taxing Authorities (Source: City of Nanaimo Finance & IT Department)



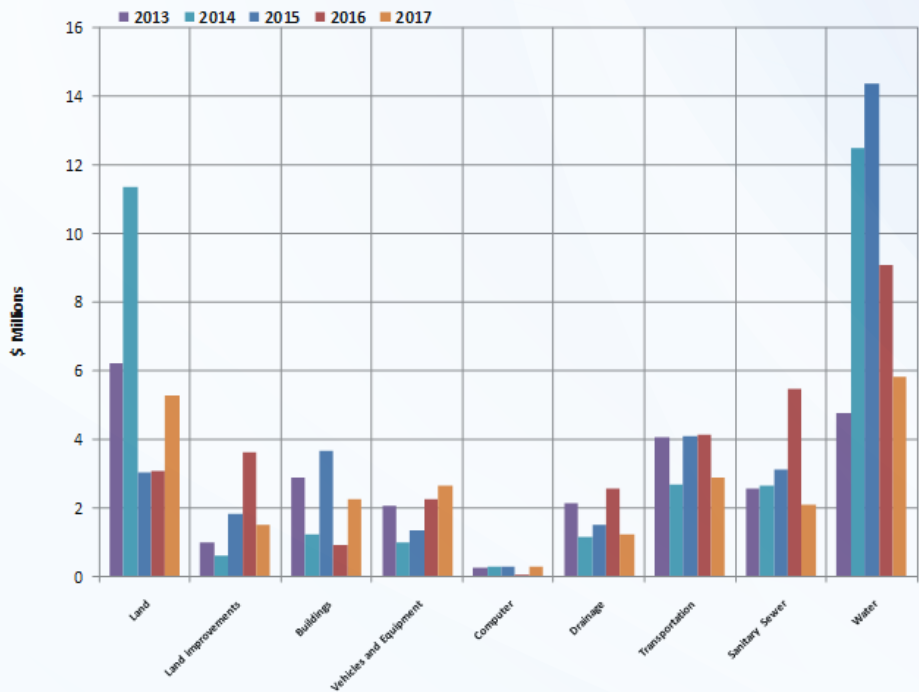
## Total Value of Building Permits (Source: City of Nanaimo Finance & IT Department)



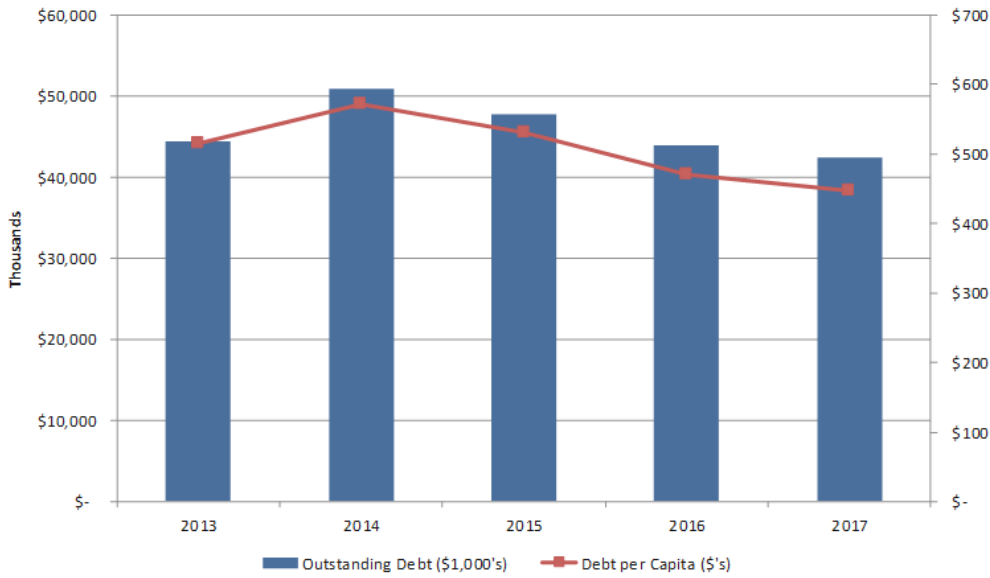
## Net Book Value of Tangible Capital Assets (Source: City of Nanaimo Finance & IT Department)



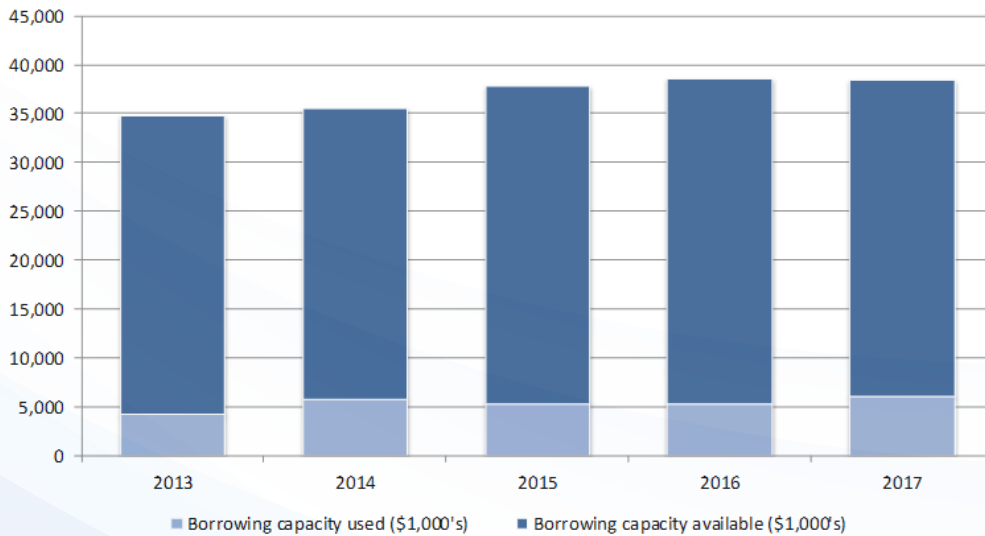
## Total Assets Acquisition (Source: City of Nanaimo Finance & IT Department)



## Debt Per Capita (Source: City of Nanaimo Finance & IT Department)



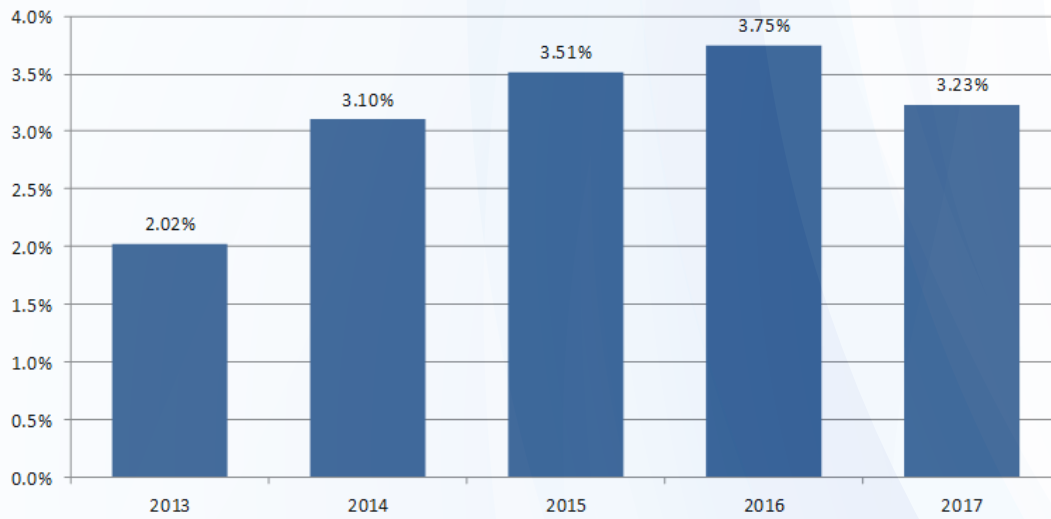
## Legal Debt Limit (Source: City of Nanaimo Finance & IT Department)





# Debt Servicing as a Percentage of Expenditures\*

(Source: City of Nanaimo Finance & IT Department)



\*Includes operating and capital expenses but excludes amortization



# Operational Comparative Statistics (Source: City of Nanaimo Finance & IT Department)

## OPERATIONAL COMPARATIVE STATISTICS

UNAUDITED

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

	2012	2013	2014	2015	2016	2017
Population *	87,515	86,057	88,869	90,059	93,273	96,561
Registered Voters	63,383	63,383	62,673	63,975	63,975	63,975
No. of Properties (Folios)	35,333	35,852	36,152	36,446	36,804	37,322
Paved Roads in Km.	608	610	612	616	619	621
Sanitary Sewer Lines in Km.	659	662	666	667	671	672
Storm Sewer Lines in Km.	536	539	543	545	549	551
Water Lines in Km.	629	635	641	648	655	657
Municipal Full-Time Employees	604	608	605	607	605	605
Police Protection						
Number of Stations	1	1	1	1	1	1
Number of Police Officers	140	140	140	140	142	142
Number of Criminal Code Offences	12,784	9,882	10,453	9,206	10,573	10,355
Fire Protection						
Number of Stations	5	5	5	5	5	5
Number of Full-Time Personnel	105	103	103	103	103	102
Paid on Call Firefighters	58	60	55	38	30	30
Number of Calls Received	6,628	6,915	7,067	7,595	8,641	9,509
Number of Fire Hydrants	2,952	3,015	3,049	3,066	3,061	3,179
Value of Building Permits Issued	\$162,471,519	\$119,988,214	\$230,428,039	\$205,365,596	\$212,895,295	\$204,630,796

\* All population data is estimated

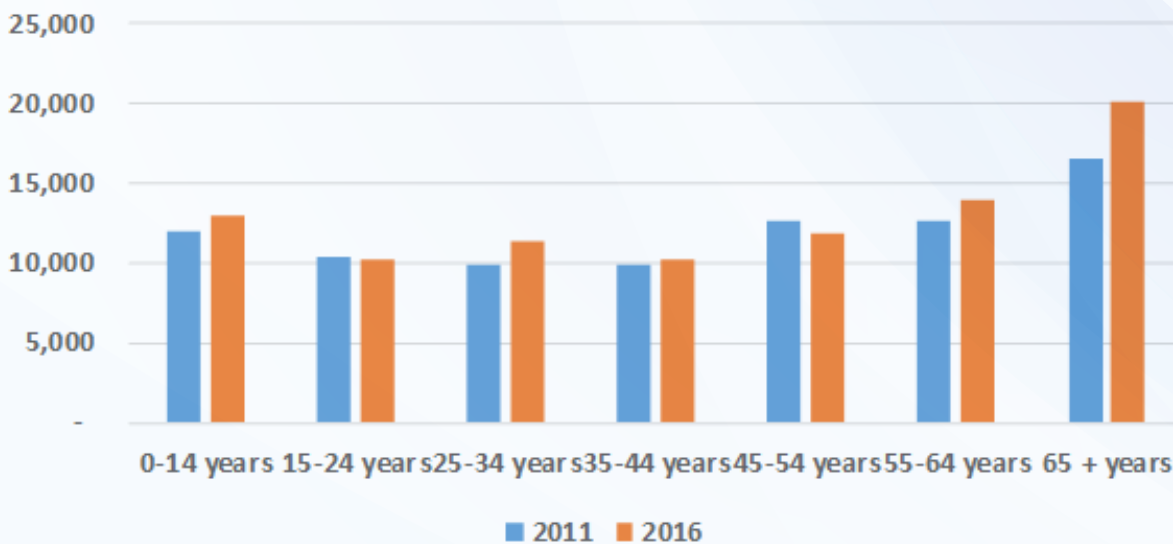


## Household Income in Nanaimo 2011 and 2016 (Source: Statistics Canada)



## Nanaimo's Population by Age as a Percentage of Population

(Source: Statistics Canada)



## Total Number of City Employees (Source: City of Nanaimo Finance & IT Department)

	2013	2014	2015	2016	2017
General Government	85.6	85.7	85.7	84.7	92.0
Community Development	56.0	57.0	58.0	58.0	58.0
Parks and Recreation	135.5	128.9	127.8	127.8	126.4
Engineering and Public Works	111.3	113.5	112.8	107.8	106.8
Fire and Emergency Services	97.8	97.8	96.8	96.8	96.8
Police Services					
Municipal	62.9	64.0	63.9	63.6	62.8
RCMP	140.0	140.0	140.0	142.0	142.0
Bylaw, Regulation and Security	15.5	14.0	13.0	12.0	12.0
Emergency Communications (911)	15.0	16.0	16.0	10.0	10.0
Economic Development					1.0
Sanitary Sewer	8.8	8.8	8.8	9.8	9.8
Waterworks	19.9	19.5	24.5	29.5	29.5
<b>TOTAL FTEs</b>	<b>748.3</b>	<b>745.3</b>	<b>747.1</b>	<b>741.9</b>	<b>747.1</b>



# Where Do Your Tax Dollars Go?

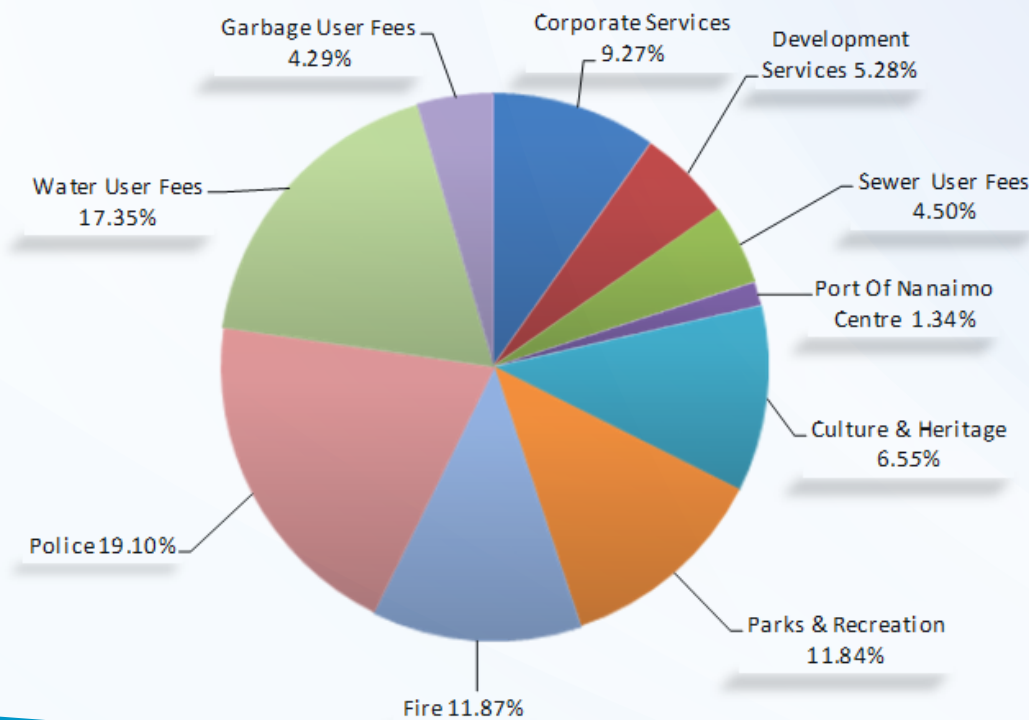
Based on a residential property with an assessed value of \$400,000

(Source: City of Nanaimo Finance & IT Department)

Municipal Taxes and User Rates	
Police	\$ 525.95
Water User Fees	477.84
Fire	326.90
Parks and Recreation	325.90
Engineering and Public Works	290.28
Corporate Services	255.21
Development Services	145.52
City Administration	127.25
Sewer User Fees	118.04
Port of Nanaimo Centre	36.82
<b>Municipal Taxes and User Rates</b>	<b>\$2,753.51</b>

Note: school taxes, regional levies and the Home Owner Grant are not included in the above.

## 2017 Property Taxes & User Fees for a Residential Property with an Assessed Value of \$400,000



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

(Source: City of Nanaimo Finance & IT Department)

Rank	Property Owner	Primary Property	Total Tax Levied (all agencies)
1	Ivanhoe Cambridge I Inc Total	Woodgrove Centre	\$5,293,751.67
2	1854 Holdings Ltd	Nanaimo North Town Centre	\$2,275,645.00
3	Country club Centre Ltd Total	Country Club Centre	\$1,535,552.39
4	Nanaimo Forest Products Ltd Total	Harmac Pulp Mill	\$1,342,079.36
5	First Capital Total	Port Place / VICC	\$1,024,718.99
6	416382 BC Ltd	Dickinson Crossing	\$784,443.56
7	BC Transportation Financing Authority Total	Various properties	\$775,710.05
8	Nored Developments Inc Total	Nored Plaza / Various Properties	\$763,998.84
9	Loblaw Properties West Inc	Real Canadian Superstore	\$730,877.01
10	Brooks Landing Centre Inc Total	Brooks Landing	\$723,650.88
11	0807593 BC Ltd	Longwood Station	\$720,087.09
12	British Columbia Hydro & Power Auth Total	BC Hydro	\$718,798.46
13	Fernco Dev Ltd / Lenco Dev Ltd Total	Terminal Park / Various Properties	\$668,040.65
14	Costco Wholesale Corp	Costco	\$566,176.38
15	NPR GP Inc Total	Various Properties	\$544,320.47
16	Home Depot Holdings Inc	The Home Depot	\$540,276.32
17	Artis Aulds Corner Nanaimo Ltd Total	Milano's / Island Natural / HSBC / Vet Hospital	\$537,316.96
18	Fortis Energy (Vancouver Island) Inc Total	Fortis BC	\$522,890.36
19	Telus Communications BC Ltd Total	Telus	\$509,830.46
20	Insight Holdings Inc	Various Properties	\$499,624.56
21	Sophie Investments Inc Total	Rock City / Various Residential Properties	\$469,093.28
22	WTF Investments Co Ltd Total	Metral Place Shopping Centre	\$455,432.09
23	Dover Pointe Centre Ltd	Home Outfitters / Homesense / Pet Smart	\$441,017.52
24	Duke Point Property Company ULC Total	Duke Point	\$429,756.60
25	Harewood Investments Ltd Total	University Village	\$428,113.42
26	Mid Island Consumer Services Co-Op Total	Co-op Centre	\$420,138.87
27	Spire LP (Woodgrove Crossing) Ltd	Woodgrove Crossing	\$417,160.53
28	Western Forest Products Inc Total	Duke Point Mill / Mill @ Nanaimo Wharf	\$412,127.26
29	Shaw Cablesystems Ltd Total	Shaw	\$402,648.76
30	Nanaimo Seniors Village Holdings Ltd	Nanaimo Senior's Village	\$370,082.82
31	Nanaimo Bastion Hotel Corp	Coast Bastion Hotel	\$347,808.64
32	Malaview Development Ltd Total	Slegg Lumber	\$341,179.89
33	B-250 Holdings Inc	Hammond Bay Centre	\$323,690.42
34	Hopeplace Holdings Inc	Country Grocer / Various Properties	\$316,901.52
35	Maple Glen Holdings Ltd	Southgate Mall	\$314,219.99
36	Eldorado Development Corp Ltd	Bowen Centre	\$280,849.94
37	Wellington Court Holdings Corp	Various Properties	\$267,101.88
38	2080 Labieux Road Holdings Ltd	Government Offices	\$253,800.67
39	Metral Drive Holdings Corp	Various Properties	\$252,289.66
			<b>\$28,021,203.22</b>

# Permissive Tax Exemptions

(Source: City of Nanaimo Finance & IT Department)

Organization	Municipal Taxes Exempt Portion
Anglican Synod Diocese of BC	21,814
BC Conference of the Mennonite Brethren, The	11,999
BC Corp Seventh Day Adventist	2,995
Basic Christian Community Assoc. (Bethlehem Centre)	30,526
BC Muslim Association, The	1,498
BC SPCA	20,771
Bishop of Victoria	18,923
Boys and Girls Clubs of Central Vancouver Island	13,176
British Columbia Old Age Pensioners Branch 4 Inc	1,929
Central Vancouver Island Multicultural Society	14,502
Christ Community Church	9,484
Christian and Missionary Alliance-Canadian Pacific District	4,309
Christian Science Soc. of Nanaimo	466
Church of Jesus Christ of Latter-Day Saints in Canada	2,736
Church of the Nazarene Canada Pacific District	3,450
Crimson Coast Dance Society	441
Crisis Pregnancy Centre of Nanaimo Society	3,921
Departure Bay Congregation of Jehovah's Witnesses Trustees	5,093
Ducks Unlimited Canada	3,890
First Baptist Church Nanaimo BC	4,131
Foursquare Gospel Church of Canada	7,155
GSMPD Sikh Temple Inc	862
Governing Council of the Salvation Army Canada West, The	16,553
Habitat for Humanity Mid-Vancouver Island	12,701
Hammond Bay Baptist Church	2,071
Harbour City Theatre Alliance Society	2,679
Hope Lutheran Church	4,280
Island Corridor Foundation	123,113
Island Crisis Care Society	12,633
Kings Temple Missionary Society, The	1,571
Loaves and Fishes Food Bank Foundation	616
McGirr Sports Society, The	51,294
Mid-Island Abilities and Independent Living Society	1,202
Mid-Island Intergroup Society	397

## Permissive Tax Exemptions - continued

Organization	Municipal Taxes Exempt Portion
Mid-Island Metis Nation Society	359
Mt. Benson (PAC BR 256) Royal Canadian Legion	9,318
Mt. Benson Senior Citizens HGS Society	36,716
Nanaimo & District Equestrian Assoc./Vancouver Island Exhibition Association	6,150
Nanaimo & District Museum Society	4,510
Nanaimo 7-10 Club	3,136
Nanaimo Affordable Housing Society	26,793
Nanaimo Association for Community Living	21,069
Nanaimo Auxiliary to Nanaimo Regional General Hospital	11,699
Nanaimo BMX Association	2,533
Nanaimo Brain Injury Society	3,496
Nanaimo Branch of the Red Cross Society	8,823
Nanaimo Branch Royal Canadian Legion (Branch 10)	2,625
Nanaimo Canoe & Kayak Club/Nanaimo Rowing Club	588
Nanaimo Child Development Centre Society	25,198
Nanaimo Church of Christ	2,311
Nanaimo Citizen Advocacy Association	1,892
Nanaimo Community Archives	4,720
Nanaimo Community Hospice Society	10,765
Nanaimo Conservatory of Music	7,285
Nanaimo Curling Club	11,780
Nanaimo Disability Resource Centre Society	2,826
Nanaimo District Senior Citizens' Housing Development Society	112,356
Nanaimo FOS Non-Profit Housing Society	11,659
Nanaimo Family Life Association	3,818
Nanaimo Foodshare Network Society	4,035
Nanaimo Full Gospel Assembly	4,035
Nanaimo Marine Rescue Society	765
Nanaimo Minor Hockey Association	3,649
Nanaimo Recycling Exchange	10,264
Nanaimo Search and Rescue Society	3,293
Nanaimo Squash Club	3,944
Nanaimo Theatre Group	7,229
Nanaimo Travellers Lodge Society	108,988
Nanaimo Women's Resource Society	10,128
Nanaimo Youth Services Association	10,318
Nature Trust of BC	156,690
Navy League of Canada Nanaimo Branch	4,604
Options for Sexual Health	2,478



## Permissive Tax Exemptions - continued

Organization	Municipal Taxes Exempt Portion
Pacific Care Family Enrichment Society	7,298
Pentecostal Assemblies of Canada	15,863
Pleasant Valley Social Centre	6,101
Priestly Society of St. Pius	1,433
Protection Island Lions Club	12,701
Protection Island Neighbourhood Association	3,019
Redeemed Christian Church of God	1,109
Royal Canadian Airforce Assoc. 808 (Thunderbird) Wing/Her Majesty the Queen in Right of Canada	2,949
St. John's Ambulance	15,950
St. Paul's Lutheran Church of Nanaimo	3,272
Theater One	1,204
Tillicum Haus Society	9,600
Tillicum Lelum Aboriginal Society	21,612
Trustees of St. Andrews Presbyterian Church Canada	4,705
Trustees of the Chase River Congregation of Jehovah's Witnesses	2,274
Trustees of the Congregation of Brechin United Church	2,496
Trustees of the Congregation of Departure Bay Baptist Church	2,209
Trustees of the Congregation of St. Andrews United Church	2,496
Trustees of the Nanaimo Christadelphians (Minter Michal/Daniel Kevin/Alexander Thomas E)	1,692
Trustees of the Woodgrove Congregation of Jehovah's Witnesses	1,997
Ukrainian Catholic Eparchy of NW	2,311
Unitarian Foundation of Nanaimo	2,048
United Way Central & Northern Vancouver Island	2,990
Vancouver Island AIDS Society	872
Vancouver Island Haven Society	20,945
Vancouver Island Khalsa Diwan Society	4,103
Vancouver Island Mental Health Society	7,607
Vancouver Island Military Museum	10,520
Vancouver Island Symphony	1,393
Wakesiah Gospel Chapel	2,615
Wellington Community Association	7,588
<b>TOTAL</b>	<b>\$1,278,476</b>

# 2017 City of Nanaimo Annual Report

**For more information on this report,  
please contact the Finance Department:**

**411 Dunsmuir Street**

**Nanaimo BC V9R 0E4**

**Phone: 250.754.4251 • Fax: 250.755.4440**

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[www.nanaimo.ca](http://www.nanaimo.ca)

