



2016-2020

Draft Five-Year Financial Plan



Buttertub Marsh in the autumn

Many of the photographs found throughout this 2016-2020 Financial Plan were taken by Roy Ostling, Greg Howard, Landon Sveinson and Rachel Kirk.

Distinguished Budget Presentation Award



Awarded **DISTINGUISHED BUDGET PRESENTATION AWARD by** **Government Finance Officers Association**

The City of Nanaimo has received the Distinguished Budget Presentation Award for the 2015-2019 Financial Plan by the Canada/US Government Finance Officers Association. This is the highest form of recognition in governmental budgeting and represents “best practices” in the field. This is the second consecutive year that the City of Nanaimo has received this award.

To receive this award, applicants must be rated “proficient” in four categories which measure how well the budget serves as: a policy document; a financial plan; an operations guide; and a communications device. There are fourteen mandatory criteria within those categories.

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CHAPTER 1 - OVERVIEW



2016 - 2020 Financial Plan

CHAPTER 1 - Overview

Executive Summary



The City of Nanaimo's Draft 2016 - 2020 Financial Plan provides detailed information on the City's revenues and expenditures. The Financial Plan process is informed by policies and plans endorsed by Council, including the Official Community Plan (OCP) and the Strategic Plan. In compliance with the Community Charter, the Financial Plan is developed through public consultation and Council direction.

The Financial Plan also serves as:

- A Policy Document, that outlines the financial policies and processes that guide the development of the financial plan
- An Operations Guide, that helps both internal and external readers with information on operational activities, financial and staffing resources required to deliver services to the community
- A Communications Device, that gives all readers a comprehensive look at the services

provided by the City and the costs and revenues related to those services

The Five-Year Financial Plan is segregated into two components: operating plans and projects. Annual operating budgets, sometimes referred to as the base budget, include the resources needed for the City to carry out its day to day operations and deliver services to the community. Projects are for expenditures that are one-time or vary year to year. Examples of projects are annual programs related to infrastructure renewal, like the Road Rehabilitation Program, or new infrastructure like the new fire station on Hammond Bay Road. Project expenditures are classified as either capital or operating in compliance with the City's capital asset policy.

The Draft 2016 – 2020 Financial Plan maintains current service levels in 2016. Additional RCMP members, police support staff, IT staff, water utility staff, and additional firefighters for a new fire station are added between 2016 and 2019. The focus of the

Executive Summary - continued

capital program is infrastructure renewal, upgrades to existing infrastructure required due to growth and new infrastructure. New infrastructure in the plan includes completion of a new fire station in 2016.

The City has approximately \$2 billion in infrastructure that supports delivery of services to the community. The City has made significant progress in integrating asset management best practices to support efficient and effective management of its infrastructure. Starting in 2013, Council approved annual property tax increases of 1% for five years, sewer rate increase of 5% for five years, a 4% increase for an additional five years, and water rate increase of 2.5% for eight years for contributions to asset management reserves. The asset management reserves will support sustainable funding for infrastructure renewal. This Financial Plan incorporates those property tax and rate increases. The Financial Plan uses funding from the asset management reserves to fund asset renewal projects.

The current five year plan incorporates an average property tax increase of 1.7%, water rate increase of 7.5%, sewer rate increase of 5% and solid waste increase of 1% in 2016. For an average residential home, the total increase for 2016 taxes and levies will be approximately \$70.94 (excluding the Vancouver

Island Regional Library, the Regional District of Nanaimo, School District 68, Island Health Authority, Municipal Finance Authority and BC Assessment). The anticipated property tax increase for 2017 is 4.1%, for 2018 3.2%, for 2019 2.1% and for 2020 1.5%.

Previous year's reported property tax increases included the impact of increases for the Vancouver Island Regional Library. Starting with the 2016 – 2020 Financial Plan, the City's property tax increases will exclude the Vancouver Island Regional Library. This practice is consistent with many other municipalities.

This Financial Plan provides an overview of Nanaimo's community profile and history, the City government's organizational structure and governance. The City also has a number of financial policies that provide for fiscal responsibility and protect its long-term financial sustainability.

In each section, the 2016 - 2020 Financial Plan provides comprehensive information on the City's financial and strategic management approach to meet the needs of the community, and to work towards a vision where Nanaimo will proudly feature its harbour and inclusive quality lifestyle; excelling as both the business centre and transportation/service hub for Vancouver Island.



Maffeo Sutton Park "Spirit Square"

Report from the Director of Finance



The City of Nanaimo will invest \$161 million in services and capital projects in 2016 which includes \$124 million for operations and \$37 million for capital needs. In order to meet funding requirements

for these investments, a 1.7% increase in property taxes for 2016 will be required. The 1.7% increase in property taxes includes \$985 thousand increased contribution to the General Asset Management Reserve.

Water User Fees will increase by 7.5% in 2016 including a 2.5% designated for Water Fund asset management. Sewer User Fees will increase by 5% in 2016 to fund sewer asset management reserve. Garbage User Fees are slated to increase by 1% in 2016.

A typical household will experience a \$71 increase in municipal services costs, which include sewer, water and garbage collection, representing a 2.7% increase over 2015. These costs only include City of Nanaimo financial needs and therefore do not include requisitions from organizations such as the Vancouver Island Regional Library, Regional District of Nanaimo and others.

Property taxes are projected to increase by 4.1% in 2017, 3.2% in 2018, 2.1% in 2019 and 1.5% in 2020. If these increases hold, the City of Nanaimo will

increase average 2.5% in property taxes per year to meet funding requirements for the Financial Plan 2016-2020.

Above average property tax increases in 2017 and 2018 are primarily driven by:

- Continued staffing increase for RCMP members and support staff.
- Staffing and operating costs for the new Fire Hall #6 at Hammond Bay.

The \$37 million to be invested in capital projects in 2016 include the following significant expenditures:

- \$2.4 million for Fire Station # 6 in Hammond Bay to be funded through debt or borrowing.
- \$5.1 million for Port Theater Expansion to be funded by a combination of grants and private contributions.
- \$1.6 million for the Boxwood Connector to be funded by Development Cost Charges.
- \$3 million for Jingle Pot to East Wellington sewer project to be funded through a combination of Development Cost Charges and Sewer Reserves.
- \$2.1 million for RES to College Pk Dup Supply water main to be funded through a combination of Development Cost Charges and Water Reserves.

Report from the Director of Finance - continued

79% of capital budget funding will come from a combination of current revenue and reserves, 6% from grants, 8% from debt and 8% from private contributions. Impact on the 2016 property tax increase is nil

I would like to recognize the excellent work done by the Financial Planning team and collaboration

and cooperation from departments across the organization. I submit that we have a well reasoned budget proposal for 2016.

Victor Mema,

Director of Finance



Oliver Woods Community Centre

CHAPTER 2 - NANAIMO - THE HARBOUR CITY



CHAPTER 2 - Nanaimo - The Harbour City

City Profile | City Governance Overview | 2016 City Organization

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 87,000 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 126,000 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

Flags at Maffeo Sutton Park



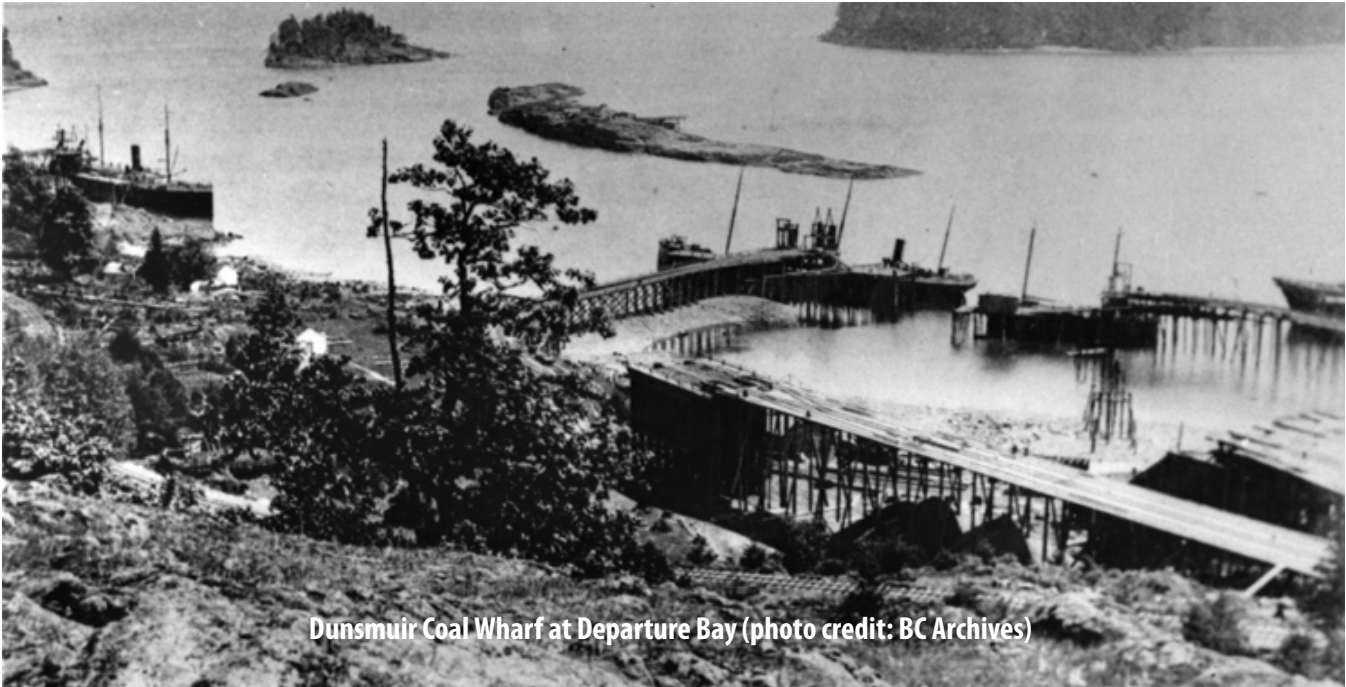
Nanaimo boasts over 100 parks, an extensive trail system, 4 public beaches, 20 picnic areas, Beban Centre which includes Beban Pool facility with 4 pools and Frank Crane and Cliff McNabb Arenas, Nanaimo Aquatic Centre with three pools, Nanaimo Ice Centre with 2 ice rinks and 3 golf courses. Residents 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 59 hectare mainly undeveloped park. The park's trees, bluffs, creeks, wildlife and Cottle Lake contribute to the park's recreational appeal.

Nanaimo is truly a place where you can find what you are looking for. Nanaimo's blend of boutique shops, large indoor shopping malls, plazas, and markets creates what is often referred to as the island's shopping Mecca. Within the downtown core

of Nanaimo, three distinct shopping districts exist. The Arts District, Old City Quarter and Waterfront, are all within walking distance of the harbour and each other. They offer the stunning works of West Coast and native art, specialty goods, fashions, marine supplies, and enough books to keep your imagination busy for a long time. Small, medium and large businesses thrive in Nanaimo thanks to its ideal location and dedicated, well-educated workforce.

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 and annual events include the Maple Sugar Festival, the Children's Festival, the Marine Festival, the Dragonboat Festival and everything in between.

Nanaimo's History



Dunsmuir Coal Wharf at Departure Bay (photo credit: BC Archives)

For centuries, the uneven shoreline, sheltered islands and sandy beaches of the east coast of Vancouver Island have been a place of beauty and plenty. Aboriginal people were the first to make this sheltered stretch of coastline their home. Eventually settling into what are today, Departure Bay and Nanaimo, the Snunéymuxw, a Coast Salish people, found food, fresh water, and winter shelter among the islands and inlets. It was this wealth of natural resources that encouraged the migration of Europeans to this coast many years later. Animals harvested for furs, forests for timber and fish for food were just some of the treasures found here, but it was coal, the black fuel of the 19th century that would mark the heritage of Nanaimo. Today, the houses, commercial buildings, the city plan and the very shape of the land records the progress of a community that grew from a company coal town to a thriving port city.

The east coast of Vancouver Island was first explored by Europeans when Spaniard Juan de Fuca sailed north up the continent in 1592. The English, represented by Captain James Cook, did not arrive

until 1778 when Cook landed on the west coast of the island. The Spanish continued to explore the waters around the island giving the names we still use today to the islands and waterways. Commodore Alejandro Malaspina sailed into the sheltered bays around Nanaimo in 1791 and named them Boca de Winthuysen or Winthuysen Inlet, a name that was used until the British settled the area in the next century. In 1794, Captain George Vancouver negotiated the final Nootka Convention that gave the British possession of the island. It was not until 1843, however, that the British established Fort Victoria, their first island settlement. The first settlers arrived in the Nanaimo area in the early 1800s and set up a trading post, which established Nanaimo as an important hub of commerce. A fort was erected by the Hudson's Bay Company in 1853. A portion of the fort remains, the Bastion is now a restored landmark on Nanaimo's waterfront.

It was the discovery of coal that soon attracted the British to the island north of Victoria. In 1849, the Hudson's Bay Company began mining in Fort Rupert on the northern tip of the island. A few years later,

Nanaimo's History - continued

the existence of coal seams was confirmed in, what is today, downtown Nanaimo. In 1852, the Company brought the Fort Rupert miners to Nanaimo to work the coal seams in the new mine. It is believed that the new company settlement was named Colviletown after Andrew Colvile, the Governor of the Hudson's Bay Company. The small settlement grew in 1854 with the arrival of 24 mining families from England. In 1860, the town was renamed Nanaimo (derived from Snunéymuxw).

From 1852 until 1952, Nanaimo was primarily a coal town. Coal-burning ships refuelled here and coal was exported in large quantities from the numerous mines in the area. By 1941, increased demand for lumber and a declining need for coal brought the

area's thriving forests to the forefront. Today, with the coal mines gone and the forest industry in decline, new industries define life in Nanaimo. Over the past two decades, Nanaimo's economy has diversified from a commodity-based economy that traditionally relied on an abundance of natural resources towards a service-based "knowledge" economy that relies on the skills and innovation of the local workforce. The City is now a regional centre for technology, manufacturing, tourism, retail, healthcare, and government services.

During it all, Nanaimo continued to develop as a centre for the meeting and movement of products and people – a gathering place.



Nanaimo's Chinatown



The Daily Free Press building on Commercial Street



Images of Commercial Street



26th Council of the City of Nanaimo

(left to right)

*Councillor Jerry Hong, Councillor Bill Yoachim, Councillor Ian Thorpe,
Mayor Bill McKay, Councillor Jim Kipp, Councillor Gord Fuller, Councillor Bill Bestwick
Councillor Wendy Pratt, Councillor Diane Brennan*

Nanaimo City Council is comprised of a Mayor and eight Councillors who are democratically elected and hold office for a four year term beginning with the 2014 municipal election. City Council is responsible for local government leadership and decision making in the City of Nanaimo, and is granted its powers by the Provincial Government. The legal framework and foundation for all local governments in British Columbia is set out in the Local Government Act and the Community Charter, which provide City Councils the necessary powers and discretion to address existing and future community needs, the authority to determine the public interest in their community within the established legislative framework and the

ability to draw on financial and other resources that are required to support community needs.

City Council has the authority to enact and enforce bylaws and policies that relate directly to community needs along with the ability to collect taxes and fees to fund those activities and services. City Council is ultimately responsible for establishing the policies of the City of Nanaimo, for carrying out those policies and for the general and overall administration of civic business.

City Council typically meets every Monday with the exception of statutory holidays, conferences and three weeks in the summer.

Committees, Commission and Boards



The *Community Charter* and *Local Government Act* provide Council the authority to establish 'Select Committees', Commissions, Boards and Panels.

Advisory Committees are created by Council to provide information, well-considered advice, and recommendations for consideration by Council and staff on specific issues of civic concern. Advisory Committees are made up of citizen representatives and one or two Council members appointed by Council. Council adopts Terms of Reference for each Advisory Committee which outlines the Committee's mandate, term, composition and procedures.

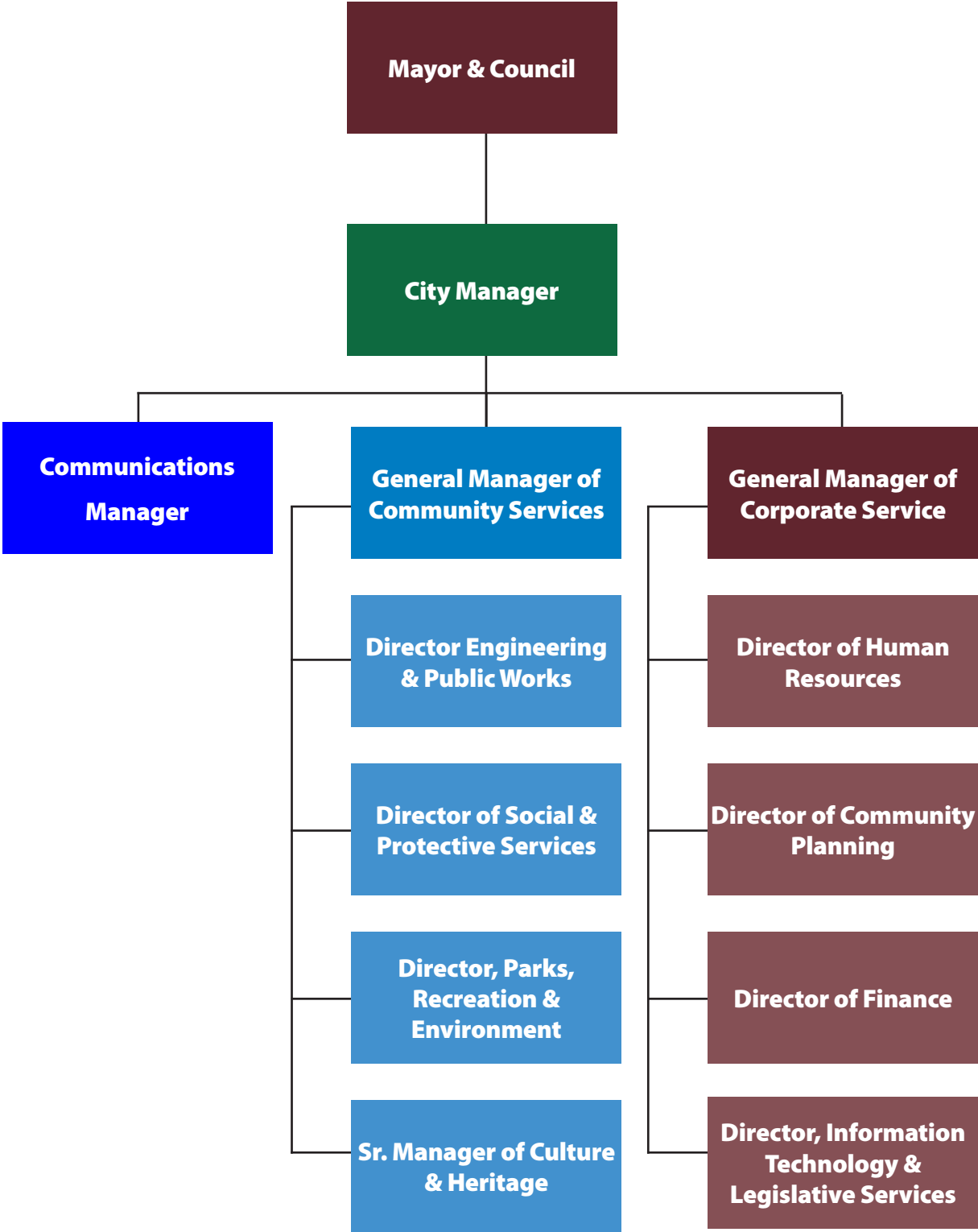
At its regular meeting held March 2, 2015, Council established the following Advisory Committees and Commissions:

- Advisory Committee on Environmental Sustainability
- Core Services Review Committee
- Design Advisory Panel
- Grants Advisory Committee
- Youth Advisory Council

- Nanaimo Culture and Heritage Commission (NCHC)
- Nanaimo Economic Development Corporation Nominating Committee
- Parks and Recreation Commission
- Safer Nanaimo Advisory Committee (SAFER)
- Social Planning Advisory Committee (SPAC)
- South Downtown Waterfront Committee
- Planning and Transportation Advisory Committee
- Terminal/Nicol Corridor Streetscape Project Committee
- Water Supply Advisory Committee

Boards and Panels are established pursuant to specific enabling statute and have a unique function within the municipal framework. Membership is determined by Council and enabling legislation. Council has established the following Board and Panel:

- Board of Variance
- Parcel Tax Roll Review Panel



CHAPTER 3 - PLANNING FRAMEWORK



2016 - 2020 Financial Plan

CHAPTER 3 - Planning Framework

Strategic Plan 2012 to 2015

The City's Strategic Plan continues to guide planning activities. The Strategic Plan is based on Nanaimo's four pillars of sustainability: Economic Health, Environment Responsibility, Social Equity and Cultural Vitality.

Six key strategic priorities were then identified: Asset Management, Community Building Partnerships, Taking Responsibility, Transportation and Mobility, Water and Waterfront Enhancement.

The Draft 2016 – 2020 Financial Plan includes many initiatives linked to the Strategic Plan including:

infrastructure renewal projects, annual social, cultural and sports grant programs, new cycling, pedestrian, transit and vehicle amenities and water conservations programs. Significant progress has been made on strategies and initiatives to carry out the City's Strategic Plan. The current status of these strategies and initiatives can be found on the City's website: <http://www.nanaimo.ca/EN/main/departments/Human-Resources/strategic-plan.html>.

ASSET MANAGEMENT

Outcomes desired include optimized infrastructure and facility life, capital financial plans and reserves in place to adequately fund lifecycle and replacement costs, minimize disruption to service, and risks to public health and property.

2016 – 2020 Financial Plan includes:

- Road, drainage, sanitary sewer and water infrastructure renewal projects
- Facility renewal projects
- Property tax and user fee increases for contributions to asset management reserves
- Development of 10 year planning models for renewal of facility components, fleet and infrastructure

COMMUNITY BUILDING PARTNERSHIPS

Outcomes desired include a socially diverse and sustainable city that nurtures a caring, inclusive, safe environment, a healthy community that addresses negative determinants and barriers to health and encourages healthy, active lifestyles, that Nanaimo will be recognized as one of BC's most Successful Cities by 2025, and a strong, vital non-profit 'community benefit' sector will flourish.

2016 – 2020 Financial Plan includes:

- Annual social, cultural and sports grant programs
- Annual operating grants to the Nanaimo Museum, Port Theatre and McGirr Sports Fields Society
- Continued collaboration with community stakeholders in the Social and Health Network. Initiatives include the Child Poverty Action Plan and the Vital Signs Report



TAKING RESPONSIBILITY

Outcomes desired include a good public rating of the City's performance.

2016 – 2020 Financial Plan includes:

- E Town Hall held on November 23, 2015 to gather public input for the financial plan
- Core Services Review

TRANSPORTATION AND MOBILITY

Outcomes desired include an integrated, coordinated network linking in-city and intercity public transportation, reduced dependency on the car, increased utilization of public transit, increased shift and viability of active transportation options, reduced long term infrastructure costs, effective response to accessibility and mobility needs of those who do not own a car, reduced GHG emissions, economic growth due to enhanced transportation connections to Victoria, Vancouver and the world and a sustainable transportation system.

2016 – 2020 Financial Plan includes:

- Transportation Master Plan - implementing recommendations
 - projects to enhance all transportation modes (pedestrian, cycling, vehicle and transit) as recommended in the Transportation Master Plan
- Completion of OCP update
- Completion of DCC review



WATER

Outcomes desired include: a 'Water Culture' that includes achieving the 'Blue Community Designation', recognition of the importance and value of water, an environment of sustainable water use, a secure, safe and sustainable water supply, cost effective water delivery and reduction of per capita water consumption by 10% per decade.

2016 – 2020 Financial Plan includes:

- Water user fees review
- Water Conservation Strategy - implementing recommendations
 - Toilet Rebate Program
 - Appliance Rebate Program
 - Leak detection study
- Continued collaboration with other stakeholders, including senior governments, the RDN and SFN in the management of the watershed

WATERFRONT ENHANCEMENT

Outcomes desired include enhanced public access and use, a continuous, uninterrupted and accessible waterfront trail from Departure Bay Beach to Nanaimo River Estuary, a working waterfront that supports business, marine industries, transportation connectivity, entertainment and tourism, protected view corridors to the waterfront and protected and enhanced marine habitat.

2016 – 2020 Financial Plan includes:

- The development of a detailed Master Plan is underway and will continue in 2016

Performance Measurement - The Balanced Scorecard

In 2013, the City developed a set of performance measurements, known as the Balanced Scorecard, to draw attention to performance results by examining quantifiable measures that extend beyond traditional methods of evaluating performance by emphasising mainly financial results. The Balanced Scorecard initiative was a deliverable of the Strategic Plan, specifically the strategic priority – Taking Responsibility.

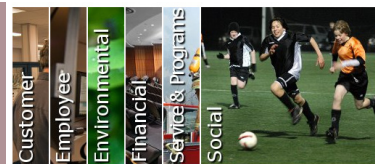
Examples of significant improvement trends include: 13% decrease in water consumption since 2007, curbside collection volume of garbage has decreased

by over half in the last five years, and facility energy consumption has decreased every year for the last six years.

Nanaimo on average has lower residential property taxes and user rates in comparison to other municipalities of similar population. Commercial tax rates for Nanaimo are higher than average in comparison to these same municipalities. The effectiveness of policing programs has resulted in a decreasing trend in the past years for the number of criminal code offenses per 1,000 residents.

Current Balanced Scorecard measures can be viewed on the City's website.

<http://www.nanaimo.ca/PerformanceMeasurement/BalancedScorecard>



Performance Measurement - The Balanced Scorecard



2013 Citizen Satisfaction Survey

Last performed in 2013, the Ipsos Reid 2013 Citizen Satisfaction Syndicated Survey conducted 300 telephone interviews for the City of Nanaimo. The results of the survey indicated:

- Overall Quality of Life - 93% responded very good/good (2012 95%)
- Overall Satisfaction with City Services – 91% responded very/somewhat satisfied (2012 87%)
- Value for Taxes – 74% responded good value (2012 71%)
- Balancing Taxation and Service Delivery Levels – 45% responded to increase taxes (2012 43%), 37% responded to cut services (2012 41%)

The next Ipsos Reid survey is currently planned to take place in 2016.

2016-2020 Financial Planning Process

Timeline:

June 2015

- Financial Plan Information and Instructions communicated to departments

July/August/September 2015

- Departmental operating and project budgets prepared and submitted
- Plans reviewed by Financial Planning

October 2015

- Draft 2015 - 2019 Financial Plan completed and reports prepared for Council's review
- Special Open Council Meeting on October 22, 2015
- Budget Presentation and Budget in Brief report

November/December 2015

- Draft 2015 – 2019- Financial Plan completed and reports prepared for Council's review
- Municipal election held on November 15, 2014, with the inaugural meeting of a new Council on December 1, 2014

December 2015

- Budget workshop on November 17, 2015
- E Town Hall on November 23, 2015
- Additional meetings/workshops may be scheduled as needed and at Council's discretion



Budget Monitoring

The City monitors its financial performance as it relates to budget on an ongoing basis and through monthly management reporting and a detailed quarterly variance analysis. This regular monitoring provides management the information required to determine if any changes might be necessary to ensure the year's actual revenues and expenditures are within budget.

The City provides Council with regular project status reports which includes the current status of all projects and related expenditures to date.



Views of Departure Bay & Newcastle Island from Sugar Loaf Mountain

Financial Policies and Fund Structure

Governing Policy and Regulatory Requirements

In accordance with the laws of British Columbia through the *Community Charter*, municipalities must prepare a five-year financial plan each year. These plans must be adopted by municipal Councils before May 15th, and they are required to identify the proposed expenditures, funding sources and transfers to or between funds.

The *Community Charter* also directs City Council to engage the public in a consultation process prior to adoption of the proposed financial plan.

The City of Nanaimo develops its Five-Year Financial Plan in a manner that follows generally accepted accounting principles (GAAP). The City uses the accrual method of accounting in which revenues

and expenses are recognized at the time they are incurred. The budget is prepared on the same basis. The budget is organized by type of operation (i.e. general fund, capital funds, utility funds, etc.) with each operation considered a separate budgeting and accounting entity. Funds are budgeted and reported along departmental lines, with authority for budgetary approval resting with Council. Council delegates the authority for actual disbursement and implementation of the Financial Plan to the City Manager. All financial operational policies relating to accounting practices are adhered to in the development of the Five-Year Financial Plan.

Revenue Policy

The *Community Charter* requires municipalities to develop specific statements of policy on specific revenues and taxes. The annual Five-Year Financial Plan must set out explicit objectives and policies of the municipality in relation to:

- The proportion of total revenue that is proposed to come from each of the following revenue sources:
 - Property values taxes (taxes based on assessment)
 - Parcel taxes
 - Fees & charges
 - Proceeds from borrowing
 - Other sources

- The distribution of property taxes among the property classes (i.e. residential, industrial, commercial, etc.); and
- The use of permissive tax exemptions.

In addition, before adopting the annual Property Tax Rate Bylaw, all municipalities must consider the proposed tax rates for each property class in conjunction with the objectives and policies set out in the financial plan.

The revenue policy statement adopted by Council in 2015 can be found in Appendix B of this document.

Balanced Budget

In compliance with the *Community Charter*, the City's Five Year Financial Plan must be balanced. The total of proposed expenditures and transfers to other funds for a year must not exceed the total of the proposed funding sources and transfers from other funds for the year.

Fund Structure

The resources and operations of the City are segregated into General, Sanitary Sewer Utility, Waterworks Utility and Reserves Funds for budgeting purposes. Each fund is treated as a separate entity. The General and Utility Funds also have corresponding Capital Funds.

The fund structure consists of:

General Fund

The General Revenue Fund is the primary operating fund used to manage a majority of the City's financial resources and obligations. Some of the services that are provided from this fund include policing, fire services, recreation programs and facilities, roads and drainage maintenance and solid waste collection.

- Revenue Fund
- Capital Fund

Sanitary Sewer Utility Fund

The Sanitary Sewer Utility provides sanitary sewer services to almost 25,000 properties and is funded from user fees.

- Revenue Fund
- Capital Fund

Waterworks Utility Funds

The Water Utility provides water services to over 25,000 properties and is funded from user fees.

- Revenue Fund
- Capital Fund

Reserve Funds

- | | |
|--|--|
| • Development Cost Charge Reserve Fund | • Old City Neighbourhood Parking Fund |
| • Cemetery Care Reserve Fund | • Knowles Estate Reserve Fund |
| • Parkland Dedication Reserve Fund | • General Fund Asset Management Reserve Fund |
| • Property Sales Reserve Fund | • Regional Emission Reduction Reserve Fund |
| • Equipment Depreciation Reserve Fund | • Sewer Fund Asset Management Reserve Fund |
| • Facility Development Reserve Fund | • Water Fund Asset Management Reserve Fund |
| • Community Works Fund | |

Debt and Debt Limits

In the past it has generally been the City policy to minimize external debt borrowings by using existing reserves to fund capital expenditures. Major projects that will benefit future residents have and will continue to be financed with debt. This is based on the assumption that since future residents will benefit from the projects they should share in the costs by paying the debt servicing costs through future property taxes.

The maximum amount of debt which may be held by a municipality is restricted by its Liability

Servicing Limit. This represents the cost of servicing debt throughout the year (including both interest and principal). The Liability Servicing Limit is set by the Community Charter and is defined as 25% of a municipality's controllable and sustainable revenues for the year.

For the City of Nanaimo, the Liability Servicing Limit for 2014 is \$34.7 million. The budgeted cost of debt interest and principal payments for 2015 is \$5.7 million.



CHAPTER 4 - FINANCIAL PLAN OVERVIEW



2016 - 2020 Financial Plan

CHAPTER 4 - Financial Plan Overview

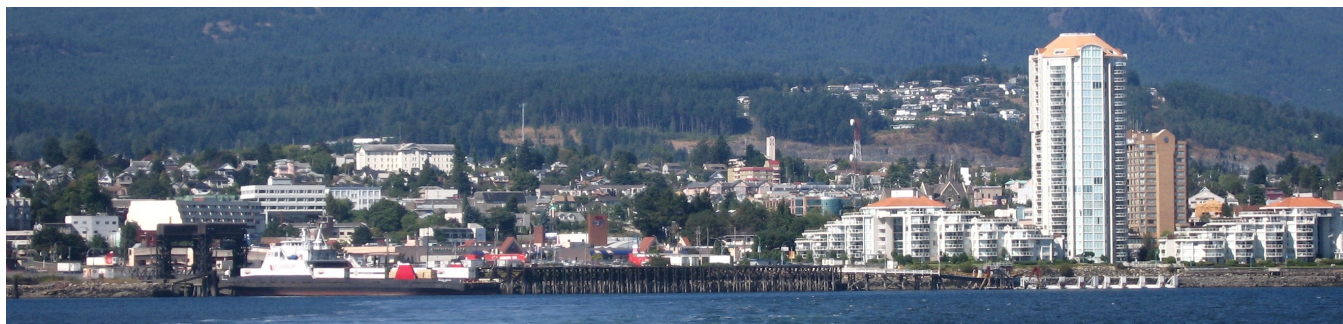
Economic Background

The City's financial planning decisions must be made with an awareness of how external influences can affect Nanaimo's economy. We saw this impact during and after the economic downturn in 2008, where global economies either contracted or entered periods of no or very low growth.

Global, National and Provincial Background

Uncertainty about the U.S. and global economies continue to make the headlines. While monetary tightening is on hold for now, interest rate volatility and the recent downturn in the oil and gas sector will put pressure on heavily indebted Canadian households and governments. Expected continuing improvement in the U.S. economy will positively impact Canada's trade and economic performance.

The recent Federal election and the new Liberal government's commitment to investment in infrastructure may provide needed funding for local governments.



Nanaimo's Economy

Nanaimo's economy continues to recover from the 2008 downturn and remains relatively stable. The opening of a medical marijuana facility in Nanaimo, operated by Tilray, now employs over 100 people and expansion plans have been announced.

Nanaimo's unemployment rate for 2013 was 5.5%, 1.1% below the provincial average. Median income in 2010 was \$44,412 compared to \$49,143 for B.C. The top four most common occupations for those working full-year full-time were middle management occupations in retail and wholesale trade and customer services; industrial, electrical and construction trades; sales representatives

and salespersons and administrative and financial supervisors and administrative occupations.

The number of business licenses issued by the City has grown by 4.4% in the last five years and 24.6% in the last decade. The number of business in Arts and Culture has increased while those in finance, insurance and wholesale trade have declined. Businesses classified as professional, scientific and technical, administrative and support/waste management and remediation and construction also experienced high rates of growth.

The City of Nanaimo - Issues Affecting Financial Planning

The City of Nanaimo's principal activities include the provision of local government services to residents. Services provided include police and fire protection, solid waste collection, management of roads, drainage, sanitary sewer, waterworks and parks infrastructure, along with the delivery of leisure and cultural services. The City also acts as a regulatory body with respect to business licensing, building permits and inspection, land use, development planning and subdivision approval services. Services such as library, and sewer treatment are provided through other boards and partnerships with other governments.

The City of Nanaimo faces numerous challenges which include:

- Requirements to provide infrastructure that complies with new regulations and/or senior government policies
- Decline in interest rate sensitive revenues
- Costs outside of Council's direct control, such as police and library services, that increase well above inflation
- Rising labour costs

Property taxes and user fees are the principal funding sources for increased service delivery costs and maintenance of an expanding infrastructure base. Nanaimo currently operates with residential tax levels that are comparable to similar communities

around British Columbia. As a result of Council's policy implemented in 2009 to reduce the major industry tax rate to be equal to the commercial rate, the 2016 tax increases for all types of properties will now be the same each year.

Over the years, the City of Nanaimo has invested in new capital infrastructure including buildings, roads and underground utilities. The City has also increased service levels, largely in police and fire protection. The long term sustainability of operating, maintaining and replacing infrastructure and of increased service levels will require continuing examination and prioritization by Council as they also consider:

- Public expectations of receiving the same or even enhanced service levels
- Increasing demands for infrastructure to support a growing community
- Financial management policies that contribute to future asset replacement and improved financial sustainability of the City

In order to continue providing adequate services under these conditions, Council will continue to examine and prioritize City services in order to provide services acceptable to the public while continuing to achieve the longer-term vision of making Nanaimo a City where people choose to live, learn, work and play.

Annual Operating and Project Planning

The City financial planning is organized into operating plans that identify the resources required to carry out the City's day to day functions and services, and into project plans that identify the resources required to complete asset renewal projects, construct new

infrastructure projects and other types of one time expenditures such as studies. Operating budgets are sometimes referred to as 'base' budgets. Projects are classified as either operating or capital per the City's Capital Expenditure Policy (Appendix B).

Budget Best Practices

The Government Finance Officers Association of the United States and Canada (GFOA) has established the Distinguished Budget Presentation Award to encourage governments to prepare budget documents of the highest quality to meet the needs of decision-makers and residents. Each budget document submitted is evaluated using a comprehensive evaluation checklist and those which are judged proficient receive the award (www.gfoa.org).

The City received, for the second consecutive year, the Distinguished Budget Presentation Award for the 2015 - 2019 Financial Plan.

The City believes our current budget process continues to conform to program requirements, and it is being submitted to GFOA to determine its eligibility for another award.



Larry McNabb Sports Zone found along Third Street

Key Budget Assumptions

Allowable Inflationary Increases

British Columbia's consumer price index (CPI) climbed 1.9% higher in June 2014, relative to the same month in 2013. The price increase marks the fourth consecutive month of year-over-year inflation for the province. The Canadian inflation rate reached 2.4% in June, as prices rose in every province and territory. (Source: www.bcstats.gov.bc.ca, www.statcan.bc.ca)

Local government operating costs, however, do not always reflect the items measured by the Consumer Price Index. Municipal expenditures are related to employment contracts and infrastructure

construction and maintenance which are very different from increases in the cost of personal food, clothing and transportation used for calculating changes in the CPI.

In the future years in the Draft 2016 – 2020 Financial Plan, 2% increases were used for expenditures in year's two to five except where more specific information was identified. Revenue from fees and charges and sales of service were estimated to increase at a rate of 1% per year, again for year's two to five, while other revenues were expected to remain unchanged.

Union Negotiations

The majority of City staff members are employed under two main Union bodies, the Canadian Union of Public Employees (CUPE Local 401), and the International Association of Fire Fighters (IAFF).

In January 2015, the City and CUPE Local 401 ratified a new three contract for the period January 1, 2014 to December 31, 2016. The contract included a retroactive 2% increase in 2014, a 2% increase in 2015, a 1% increase on January 1, 2016 and a further 1% increase on July 1, 2016.

The majority of the staff in the Fire Department are members of IAFF and their contract will expire December 31, 2015. Staffing costs for IAFF members are budgeted at 2015 rates and an allowance for an estimated negotiated increase was budgeted separately.

Key Budget Assumptions - Continued

Budget Bylaw Amendment

As outlined in the *Community Charter*, the Five-Year Financial Plan is to be adopted by May 15th of the first year of the Plan. At any time, subsequent to the original adoption, an amended financial planning bylaw can be adopted by Council for that year.

A budget bylaw amendment was required for the 2015 – 2019 Financial Plan to include the Colliery Dam Spillway project and other projects with funding from grants or reserves, and where budget transfers required the projects to be reclassified between capital and operating funds.

City Financial Health and Future Outlook

The City will continue to face challenges, one of the most significant is to provide sufficient funding to maintain and replace the City's infrastructure. The current replacement cost of City infrastructure is estimated to be over \$2 billion. While most of the City's infrastructure is less than half way through its useful life, their eventual replacement will burden the City's financial capacity and as assets age annual maintenance costs may increase.

In 2013, Council approved annual tax and user fee increases to create three new reserves for long term asset renewal plans. This proactive and prudent approach will build reserves to fund long term asset renewal plans and sustainable delivery of services to the community. Staff will review and update long term asset renewal plans.

The City continues to grow, adding new residents and businesses to the community.



Gardens at City Hall

Revenues

The City receives revenue from several sources with the main contribution from property taxes and user fees. Examples of revenues from other sources includes: grants, casino revenue, interest income and the Regional Parks Agreement.

The *Community Charter* regulates property taxes. City policies guide how fees and charges are determined and City bylaws set user rates.

5 Year Financial Plan - Impact on Tax and User Fees

The table below shows the property tax and utility user fee increases.

In 2013, Council approved a 1% increase in property taxes for five years as well as annual increases to sanitary sewer and water user fees for contributions to asset management reserve funds. The property tax increases indicated below include a 1% increase in 2015, 2016 and 2017 for contributions to the

General Fund Asset Management Reserve Fund. The sanitary sewer use fee increases indicated below are solely related to increased contributions to the Sanitary Sewer Asset Management Reserve Fund and the water user fee increases noted below include 2.5% for increased contributions to the Water Asset Management Reserve Fund.

| | 2016 | 2017 | 2018 | 2019 | 2020 |
|----------------------------------|------|------|------|------|------|
| Property Tax Increase | 1.7% | 4.1% | 3.2% | 2.1% | 1.5% |
| Sanitary Sewer User Fee Increase | 5.0% | 5.0% | 5.0% | 4.0% | 4.0% |
| Water User Fee Increase | 7.5% | 7.5% | 7.5% | 7.5% | 7.5% |

Previous year's reported property tax increases included the impact of increases for the Vancouver Island Regional Library. Starting with the 2016 – 2020

Financial Plan, the City's property tax increases will exclude the Vancouver Island Regional Library. This practice is consistent with many other municipalities.

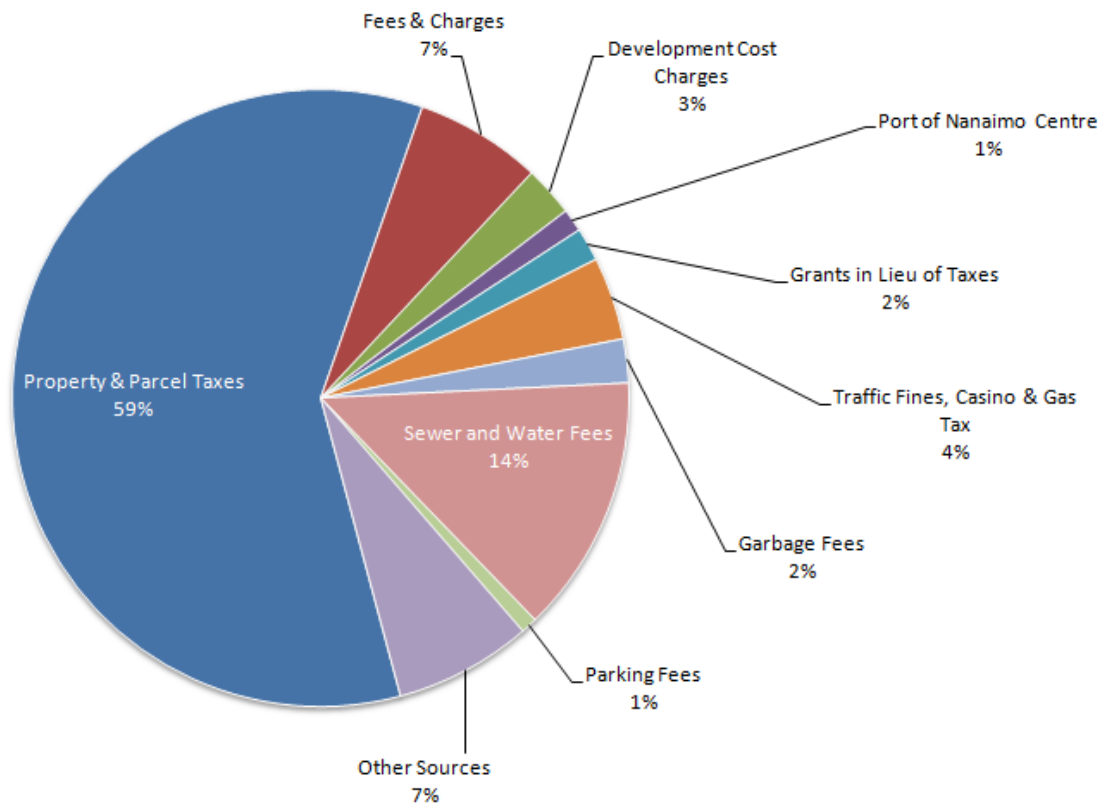
2016 Budget Impact on a Typical Home (BC Stats - 2015 average of \$331,136)

The impact of the budget increase for 2016 in the draft 2016 – 2020 Financial Plan for a typical home in Nanaimo is estimated to be \$70.94. This increase does not include impact of increased requisitions or levies from the Vancouver Island Regional Library, the Regional District of Nanaimo, School District 68, Island Health Authority, Municipal Finance Authority and BC Assessment.

| | |
|--------------|-----------------|
| Taxation | \$ 33.33 |
| Water Fees | \$ 31.00 |
| Sewer Fees | \$ 5.61 |
| Garbage Fees | \$ 1.00 |
| | \$ 70.94 |

2016 Revenue Breakdown

The table below indicates the revenues collected and used to fund 2016 expenditures.



The primary funding source for city services in the 2016 Financial Plan is property taxes at \$98.5 million. This includes a property tax levy increase of \$2.9 million of which an estimated \$1.2 million comes from new assessment growth. New assessments are created through additional residential units and business in the City.

Taxation

Property taxes represent 59% of the City's 2016 revenues and finance a majority of the services provided by the City. Every property owner in the province must pay property taxes based on the value of their property unless the property is specifically exempted by provincial statute. Statutory exemptions are listed in the *Community Charter* and include, but are not limited to:

- Schools and universities
- Hospitals

- Places of public worship
- Property owned by BC or Canada

The valuation of property within the City is determined by BC Assessment. BC Assessment is a provincial Crown Corporation that classifies and assesses the value of all real property in British Columbia.

In British Columbia, there are nine property classes:

- Residential
- Utilities

Taxation - continued

- Supportive Housing
- Major Industry
- Light Industry
- Business / Other
- Managed Forest Land

- Recreational / Non profit
- Farm

Under the *Community Charter* the City may grant permissive tax exemptions which exempt certain properties from taxation for a specified period of time.

User Fees

In accordance with the *Community Charter*, municipal governments set fees and charges by bylaw to cover reasonable costs of providing services to the public. The fees charged must be for the services delivered with no intention of generating a surplus.

The City has adopted bylaws authorizing user fees for parks and recreation programs, water, sewer and garbage utilities and animal control.

Reserve Funds and Surplus

The City has Reserve Funds (Statutory Reserves) that are authorized by the Community Charter and/or City bylaw. The purpose of setting aside reserves is to provide funding for various anticipated future expenditures to ensure sufficient funds are available when required and where possible avoid the need to incur debt. Statutory Reserves may only be used as authorized by the *Community Charter* and the related Council Bylaw.

Surplus funds are the result of past budget surpluses (i.e. where actual revenues have been in excess of actual expenditures) and may be used for any municipal capital or operating purpose as authorized by Council. Currently, the City allocates its surplus

to specific reserves and uses these to fund one-time capital and operating items.

The City's Reserve Accounts will be used to fund ongoing projects and potential liabilities such as tax appeals and insurance claims. Statutory Reserve Funds including development cost charges, asset management, facility development and equipment replacement reserves will be used to fund projects in future years related to development and infrastructure renewal. Despite the size of these reserves, there are needs that have been identified in the capital planning process for which no funding sources currently exists.

Other Revenues

Grants

In addition to grants for specific capital projects, the City receives annual grants including a Provincial Traffic Fine revenue grant. The City also receives grants in lieu of taxes from properties owned by the

Federal or Provincial Governments or their Agencies and from private utilities operating within the City of Nanaimo.

Casino Revenue

In November 1999, the City of Nanaimo began to receive revenue from a casino operation. The City receives 10% of the net earnings from casino operations. Casino revenues are variable and have

declined during the past years, from \$3.0M received in 2008 to \$2.3M received in 2012, then a modest recovery in 2013 to \$2.5M. Revenues for 2014 were \$2.4M.

Interest Income

The City pools its available cash from various funds and invests in financial instruments in accordance with the City's investment policy (Appendix B).

Interest income continues to remain below historical levels due to low market rates.

2016 Key Budget Drivers

The 2016 property tax increase of 1.7% includes a 1% increased contribution to the General Asset Management Reserve.

Increases to the City's budget can be classified as:

- **New Services** – where a new program or service is provided
- **Enhanced Services** – where current programs or services are enhanced through changes in service delivery method or in response to growth
- **Sustaining Services** – where costs pressures due to inflation, contractual obligations or increasing maintenance needs increase annual expenditure budgets

The draft 2016 expenditure budget increased \$3.6 million which was partially offset by \$1.9 million increased revenues.

2016 expenditure budget increases:

- Enhanced Services
 - \$177,678 for additional staffing for Police Support Services and IT
 - \$580,000 for four additional RCMP members

- Sustaining Services
 - \$985,000 for increased contribution to the General Asset Management Reserve
 - \$974,106 for wages and benefits in compliance with labour contracts
 - \$301,232 for RCMP contract increase
 - \$537,000 for other expenditure increases such as utilities and contracted services

2016 revenue budget increases:

- Estimated \$525,000 from new operating agreement with Fortis
- Estimated \$194,000 increase in other revenues such as grants in lieu, building permits and Parks, Recreation and Environment fees
- Estimated \$1.2 million from increased property tax revenues due to growth

The draft 2016 -2020 Financial Plan does not include any new services.



New Revenues, Service Level Changes and Savings

The Draft 2016 – 2020 Financial Plan process focused on the need to maintain a reasonable tax rate, identify efficiencies without compromising service levels and continue to renew asset infrastructure in an optimal manner.

On February 2, 2015, Council approved proceeding with a Core Services Review. A Core Services Review

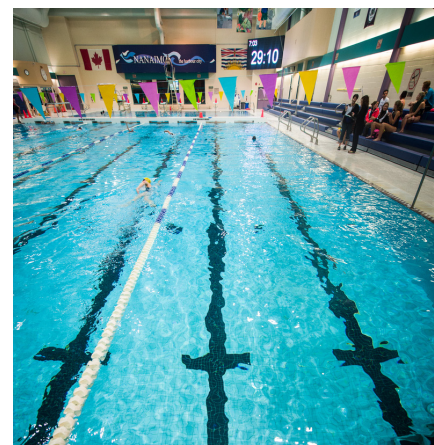
Steering Committee was established and will first develop a mandate to guide the development of terms of reference of the core review. It is expected that the review will be completed during 2016. During the Core Review process, Council has directed that current service levels and staffing levels will not be adjusted.

New Revenues

The Draft 2016 – 2020 Financial Plan includes new revenues starting in 2016 due to a new operating agreement with Fortis BC. New annual revenues are estimated to be \$525,000.

Additional residential units and businesses generate additional property tax revenues each year for the

City. Property tax revenues in 2016 are estimated to increase by \$1.2M due to growth.



2016-2020 Financial Plan Enhanced Services

The draft 2016-2020 Financial Plan also includes the following enhanced services:

- Police Services
 - 16 additional RCMP members
 - 4 members in 2016
 - 3 members in 2017
 - 5 members in 2018
 - 4 members in 2019
 - 3 additional support staff for Police Services
 - 1 FTE in 2016
 - 1 FTE in 2017
 - 1 FTE in 2018
- Fire Services
 - 20 additional firefighters
 - 10 firefighters in 2017
 - 10 firefighters in 2018
- Water
 - 2 new positions in 2016
- Information Services
 - 1 FTE in 2016

Annual Operating Savings

Insurance costs are expected to decrease \$147,000 in 2016.

A new business model adopted in late 2015 for 911 services resulted in the reduction of 6.2 FTEs offset by the cost of a new contract and loss of Call Answer Levy revenues. The result was nil change to net operating expenditures for 911 services.

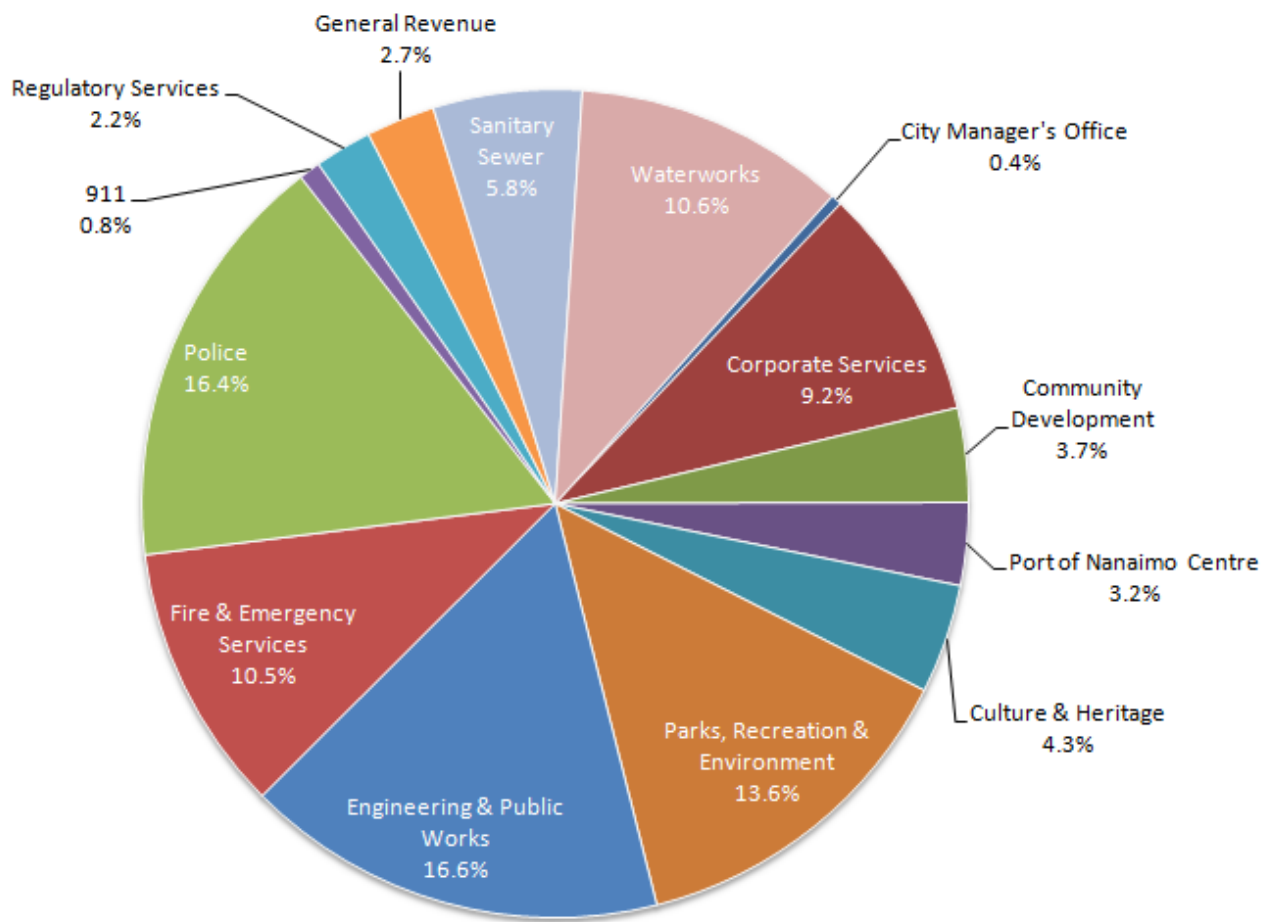
2016-2020 Financial Plan - Revenues and Expenditures

The Draft 2016 – 2020 Financial Plan is summarized below. This presentation identifies all expenditures and funding sources, including capital and operating projects by department. Significant increases or decreases in department's expenditures budgets are primarily due to the timing of projects except where service level enhancements occur.

2016 Total Expenditures by Department (Includes Project Expenditures)

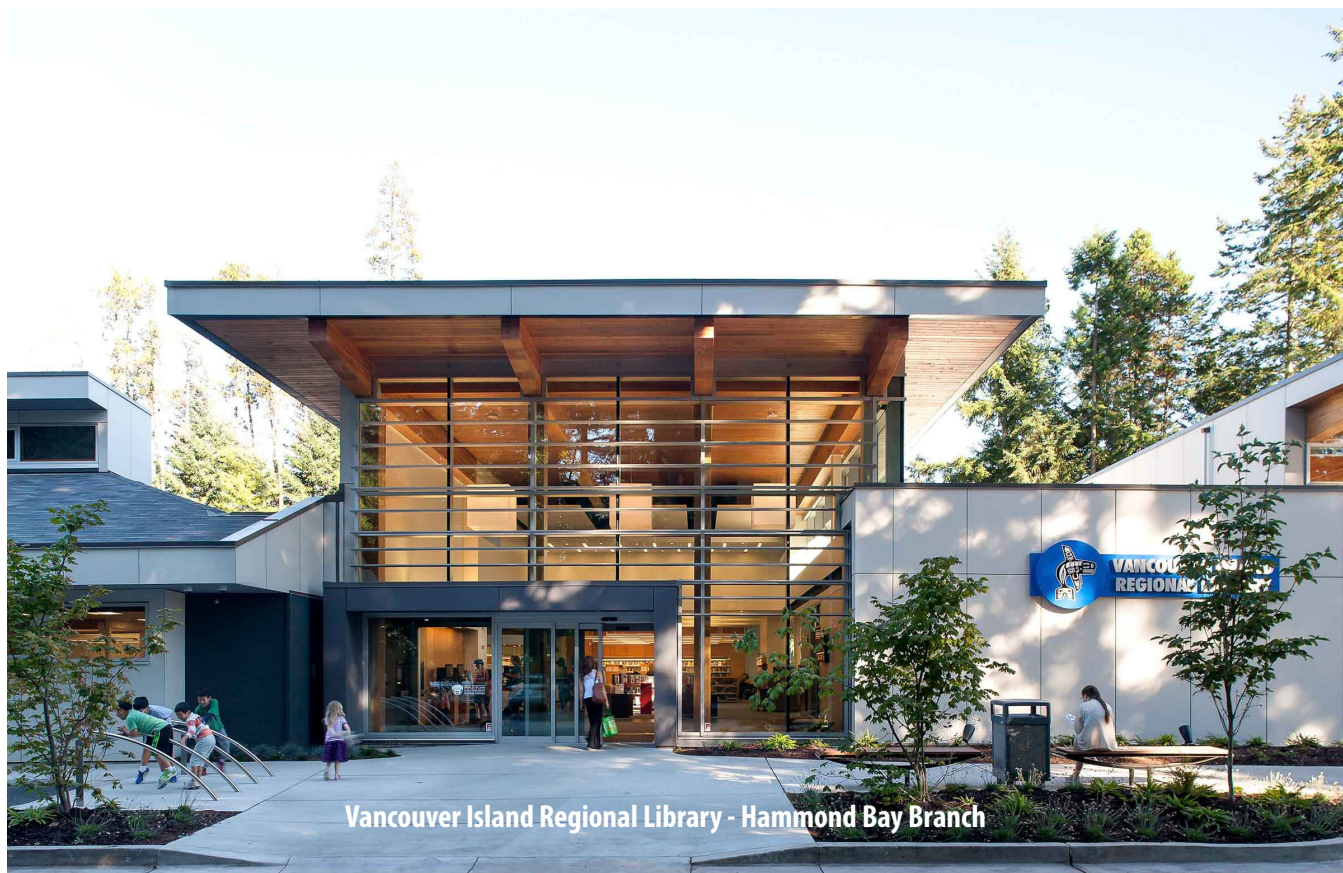
| | 2014 Actual | 2015 Budget | 2016 Budget | 2017 Budget | 2018 Budget | 2019 Budget | 2020 Budget |
|---|--------------------|---------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| FUNDING REVENUES (\$) | | | | | | | |
| Property Taxes | 92,997,762 | 95,387,670 | 98,315,583 | 103,511,278 | 108,037,621 | 111,522,962 | 114,502,603 |
| Parcel Taxes | 247,568 | 236,574 | 231,923 | 234,242 | 236,584 | -- | -- |
| Fees & Charges | 38,397,549 | 36,694,292 | 38,290,552 | 40,025,693 | 41,813,860 | 43,722,729 | 45,693,787 |
| Other | 32,599,263 | 27,659,865 | 28,747,908 | 31,865,710 | 24,192,186 | 24,519,130 | 24,952,455 |
| Borrowing | 9,217,271 | 134,646 | 2,400,000 | 600,000 | 12,000,000 | -- | -- |
| Annual Total Revenues | 173,459,413 | 160,113,047 | 167,985,966 | 176,236,923 | 186,280,251 | 179,764,821 | 185,148,845 |
| EXPENDITURES (\$) | | | | | | | |
| City Manager's Office | 699,230 | 730,600 | 737,101 | 750,094 | 765,695 | 781,680 | 798,047 |
| Corporate Services | 14,037,163 | 17,569,548 | 15,881,717 | 15,453,858 | 16,126,599 | 15,978,670 | 16,445,341 |
| Community Development | 8,141,530 | 7,485,469 | 6,379,032 | 6,331,230 | 6,448,651 | 6,641,899 | 6,765,304 |
| Port of Nanaimo Center | 5,483,634 | 5,557,208 | 5,588,883 | 5,759,266 | 6,064,973 | 5,930,110 | 6,080,798 |
| Culture & Heritage | 2,160,617 | 3,105,581 | 7,401,949 | 9,257,661 | 2,571,861 | 2,305,961 | 2,424,029 |
| Parks, Recreation & Environment | 32,754,222 | 27,213,516 | 23,508,126 | 25,650,793 | 27,455,060 | 24,949,266 | 24,148,757 |
| Engineering & Public Works | 26,824,988 | 35,695,552 | 28,496,548 | 31,205,525 | 38,896,760 | 29,198,246 | 28,956,794 |
| Fire & Emergency Services | 15,083,845 | 15,655,340 | 18,170,240 | 17,525,964 | 18,207,884 | 19,664,050 | 20,168,528 |
| Police | 24,095,676 | 27,279,161 | 28,462,569 | 30,807,087 | 37,955,756 | 33,719,038 | 34,362,575 |
| 911 | 1,676,087 | 1,882,240 | 1,461,013 | 1,433,877 | 1,466,833 | 1,564,127 | 1,526,664 |
| Regulatory Services | 3,510,708 | 4,428,469 | 3,878,069 | 3,961,919 | 3,397,152 | 4,202,710 | 4,287,254 |
| General Revenue | 3,933,996 | 4,147,468 | 4,649,368 | 4,795,619 | 4,946,931 | 4,864,530 | 5,024,110 |
| Sanitary Sewer | 7,720,468 | 12,702,288 | 10,037,814 | 7,169,531 | 10,992,379 | 7,045,815 | 8,610,643 |
| Waterworks | 31,557,286 | 33,325,087 | 18,380,609 | 25,478,160 | 17,627,147 | 17,946,762 | 17,397,287 |
| Annual Total Expenditures | 177,679,450 | 196,777,527 | 173,033,038 | 185,580,584 | 193,497,681 | 174,792,864 | 176,996,131 |
| Internal Cost Allocations | (5,557,521) | (5,801,361) | (5,443,090) | (5,552,360) | (5,664,304) | (5,778,119) | (5,894,219) |
| Internal Charges to Asset Renewal Reserves | (1,939,408) | (1,487,356) | (2,018,758) | (2,089,350) | (2,164,819) | (2,247,292) | (2,335,379) |
| Net Expenditures After Allocations and Charges | 170,182,521 | 189,488,810 | 165,571,190 | 177,938,874 | 185,668,558 | 166,767,453 | 168,766,533 |
| Net Revenue (Expenditures) | 3,276,892 | (29,375,763) | 2,414,776 | (1,701,951) | 611,693 | 12,997,368 | 16,382,312 |
| Transfers to/from Accumulated | (3,276,892) | 29,375,763 | (2,414,776) | 1,701,951 | (611,693) | (12,997,368) | (16,382,312) |
| Financial Plan Balance | -- | -- | -- | -- | -- | -- | -- |
| Staffing (FTEs) - Municipal | 605.3 | 607.1 | 605.9 | 619.9 | 626.9 | 627.9 | 627.9 |
| Staffing (FTEs) - RCMP | 140.0 | 140.0 | 144.0 | 147.0 | 152.0 | 156.0 | 156.0 |
| Cost Per Capita | \$1,914.98 | \$2,104.05 | \$1,814.18 | \$1,923.91 | \$1,980.97 | \$1,755.80 | \$1,753.36 |

2016 Total Expenditures by Department (Includes Project Expenditures)





Water Treatment Plant set to open in early 2016



Vancouver Island Regional Library - Hammond Bay Branch

Major Funds - 2016 Financial Summary

Operating expenditures are net of transfers between funds. An allocation of General Government and Engineering and Public Works expenditures is made to both the Sewer and Water Utility Funds.

| | General Fund | Sewer Utility Fund | Water Utility fund | Total |
|--|----------------------|-----------------------|-----------------------|----------------------|
| OPERATING REVENUES | | | | |
| Taxation | \$98,547,506 | \$-- | \$-- | \$98,547,506 |
| Fees & Charges | 12,050,823 | 6,318,650 | 15,977,764 | 34,347,237 |
| Grants | 1,169,892 | -- | -- | 1,169,892 |
| Casino Revenue | 2,400,000 | -- | -- | 2,400,000 |
| Traffic Fine Sharing Revenue | 1,000,000 | -- | -- | 1,000,000 |
| Climate Action Revenue Incentive | 125,000 | -- | -- | 125,000 |
| Investment Income | 1,810,000 | -- | -- | 1,810,000 |
| Other Revenues | 12,470,370 | -- | 137,704 | 12,608,074 |
| Revenues Total | \$129,573,591 | \$6,318,650 | \$16,115,468 | \$152,007,709 |
| OPERATING EXPENDITURES | | | | |
| General Government | \$18,511,836 | \$-- | \$-- | \$18,511,836 |
| Police Protection | 28,237,569 | -- | -- | 28,237,569 |
| Fire Protection | 14,343,530 | -- | -- | 14,343,530 |
| Other Protection | 1,593,466 | -- | -- | 1,593,466 |
| Regulatory Services & Parking | 2,796,942 | -- | -- | 2,796,942 |
| Community Services Administration | 1,042,525 | -- | -- | 1,042,525 |
| Culture & Heritage | 2,085,880 | -- | -- | 2,085,880 |
| Parks, Recreation & Environment | 21,280,485 | -- | -- | 21,280,485 |
| Engineering & Public Works | 15,401,908 | 3,356,114 | 9,354,209 | 28,112,231 |
| Port of Nanaimo Centre | 5,588,883 | -- | -- | 5,588,883 |
| General Revenue | 4,649,368 | -- | -- | 4,649,368 |
| Annual Operating Expenditures | \$115,532,392 | \$3,356,114 | \$9,354,209 | \$128,242,715 |
| Surplus Before Projects and Transfers to Reserves | \$14,041,199 | \$2,962,536 | \$6,761,259 | \$23,764,994 |
| Funding for Projects | \$7,028,034 | -- | \$130,000 | \$7,158,034 |
| Transfer to Reserves (funding for future year projects) | \$7,013,165 | \$2,962,536 | \$6,631,259 | \$16,606,960 |
| Net | -- | -- | -- | -- |



CHAPTER 5 - FIVE YEAR OPERATING PLAN OVERVIEW



Beban Park

2016 - 2020 Financial Plan

CHAPTER 5 - 2015 Five Year Operating Plan Overview

Introduction

Business Units - City Divisions, Departments and Sections:

In addition to the City Manager's Office, the City is organized into two main divisions: Corporate Services and Community Services. Each Division is led by a General Manager. The Corporate Services Division includes the following departments: Human Resources, Community Development, Finance and Purchasing, and Information Technology and Legislative Services. The Community Services Division

includes the following departments: Engineering and Public Works, Social and Protective Services, Parks, Recreation and Environment and Culture and Heritage. The Engineering and Public Works department is also responsible for the Sanitary Sewer and Waterworks utilities. Departments are then organized into sections focused on specific service delivery functions.

2016 Operating Budget

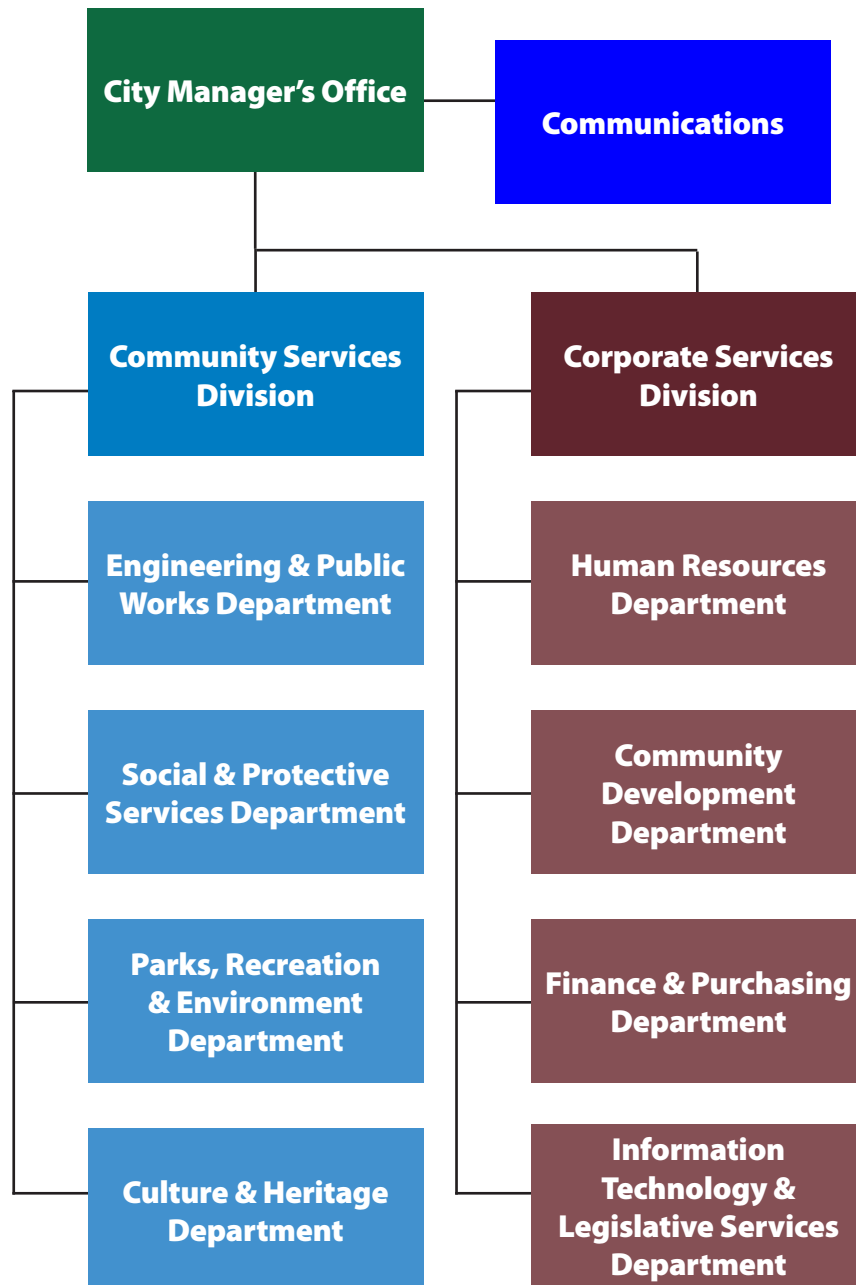
The following sections will provide more detailed information on the City Manager's Office, the Corporate Services Division and Departments, and the Community Services Division, Departments and Sections. The information includes:

- Overview
- Annual Operating Expenditure and Revenues Budgets
- 2016 Goals and Objectives



Parkway Trail at Northfield Park

City of Nanaimo Organization Structure



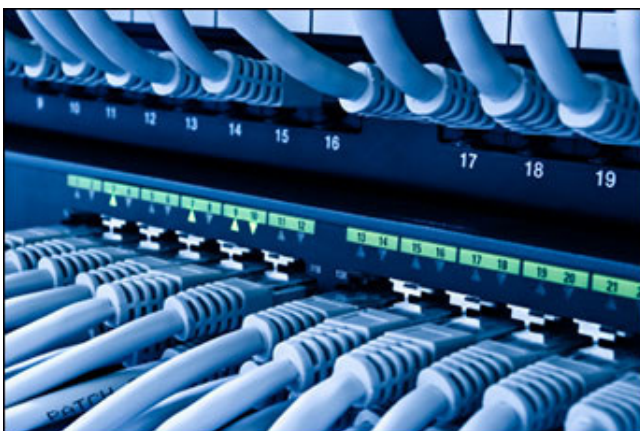
Employee Base - Full Time Equivalent (FTE) Analysis

The City of Nanaimo budgets for full staff complement in all departments. The only exception is for RCMP members, where 96% of the projected contract cost is budgeted due to the history of vacancies and to minimize surplus.

The City underwent a significant reorganization at the end of 2013. Departments were re-organized to bring about a change in corporate culture to better align with The Strategic Plan, reduce costs and improved communications. A new Culture and Heritage department was created and resources reallocated from other departments. A new Social and Protective Services department was created to bring together Social Planning, Police, Fire, Bylaw and Emergency Planning resources and functions. Information Technology and Legislative Services were combined into one department. Environmental Services merged with Parks and Recreation.

The final construction and commissioning phase of the new Water Treatment Plant is nearly completed. The new facility will go into services in 2016.

In June 2015, the Central Island 911 Partnership, which includes the City of Nanaimo, the Regional District of Nanaimo and the Cowichan Valley Regional District, changed the service delivery model for 911 Public Safety Answering Point (PSAP) services. The services had been provided by a combination of RCMP and municipal staff located in the Police Operations Building. The Central Island 911 Partnership entered into a contract with Emergency Communications for British Columbia (EComm 911) located in Vancouver to provide PSAP services effective November 2015. Dispatch and communications for Central Vancouver Island fire departments continues to be provided by 911FireComm located in Fire Station #1.



City of Nanaimo Full Time Equivalents (FTEs) by Department

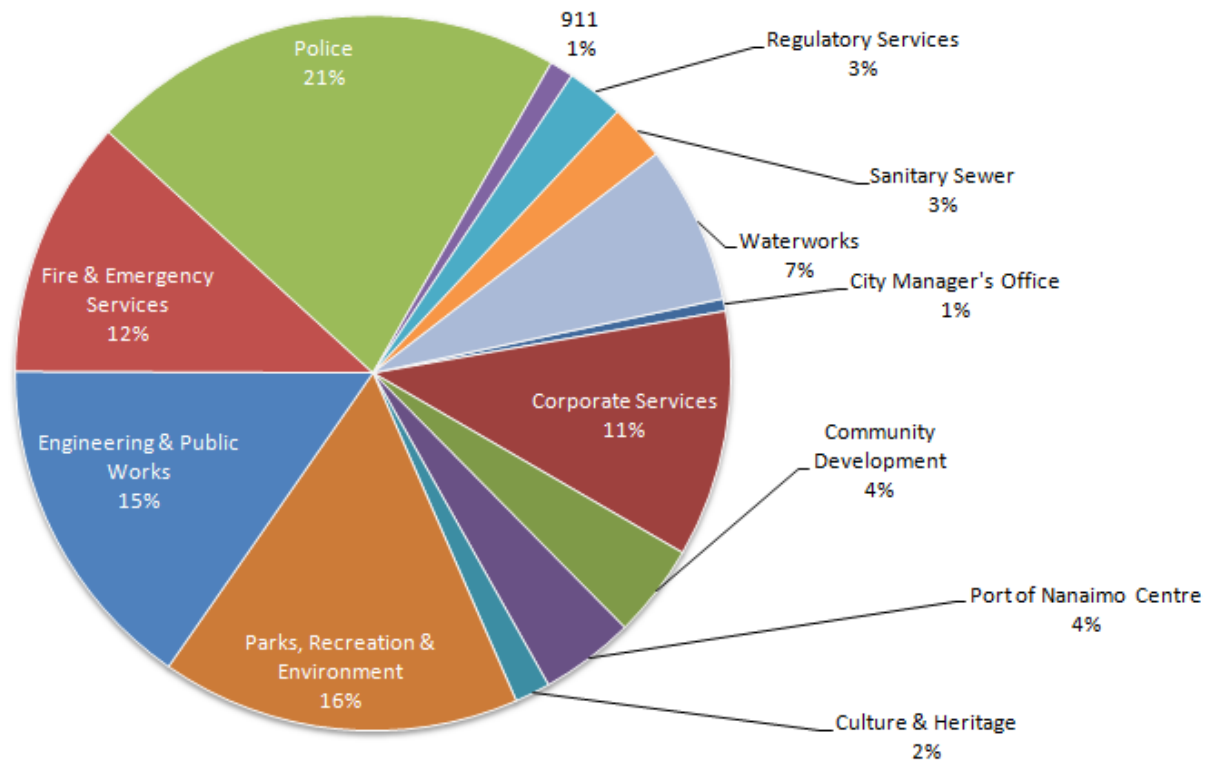
Engineering and Public Works Department includes Sanitary Sewer and Waterworks Utilities.

| | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|--------------|--------------|--------------|--------------|--------------|
| City Administration | 2.0 | 2.0 | 5.0 | 5.0 | 5.0 |
| Corporate Services Division | | | | | |
| Corporate Services | 79.7 | 79.6 | 77.7 | 77.7 | 78.7 |
| Strategic Relationship | 1.0 | 1.0 | | | |
| Development Services | 67.0 | 71.5 | | | |
| Community Development | | | 50.0 | 50.0 | 50.0 |
| Community Services Division | | | | | |
| Administration | | | 3.0 | 3.0 | 3.0 |
| Culture & Heritage | | | 4.0 | 4.0 | 4.0 |
| Parks, Recreation & Environment | 136.5 | 135.5 | 129.9 | 129.8 | 130.6 |
| Social & Protective Services | | | | | |
| Administration | | | 2.0 | 2.0 | 2.0 |
| Regulatory Services | | | 14.0 | 13.0 | 13.0 |
| 911 Services | 14.8 | 15.0 | 16.0 | 16.0 | 10.0 |
| Fire Services | 96.8 | 96.8 | 96.8 | 95.8 | 95.8 |
| Emergency Services | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| Police Services | | | | | |
| Municipal | 61.9 | 62.9 | 64.0 | 63.9 | 64.9 |
| RCMP Members | 140.0 | 140.0 | 140.0 | 140.0 | 144.0 |
| Engineering & Public Works | 143.0 | 143.0 | 142.0 | 146.0 | 148.0 |
| | 743.7 | 748.3 | 745.4 | 747.2 | 750.0 |

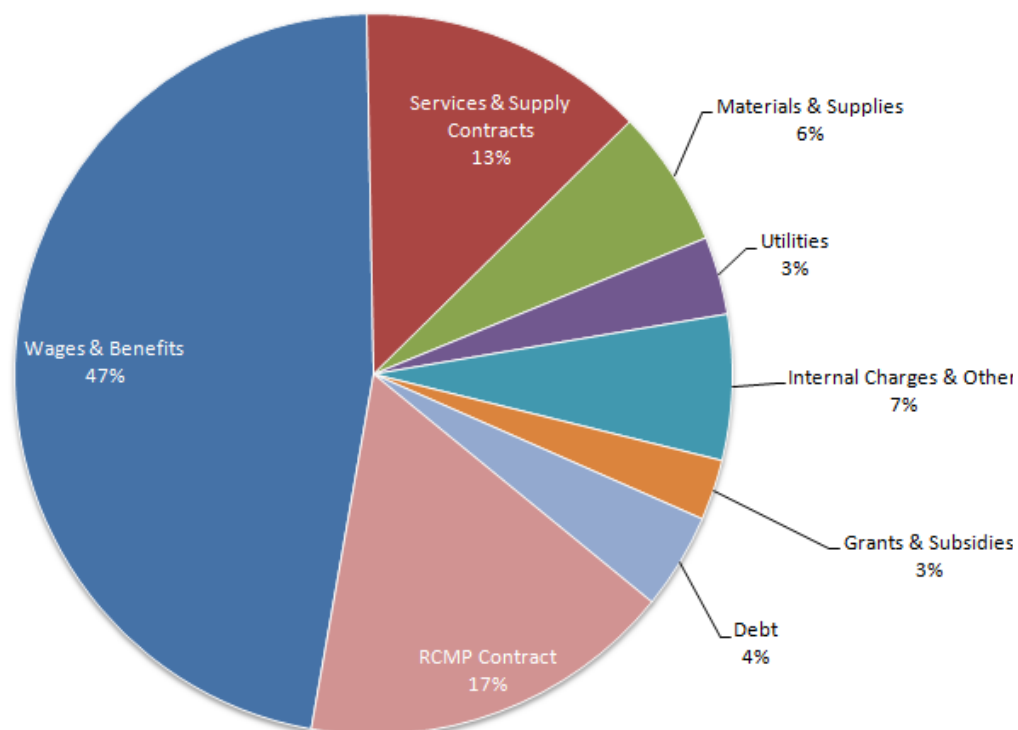
Operating Expenditures Summary by Department (excludes Project Expenditures, General Revenue Expenditures and Library Expenditures)

| | 2014 Actual | 2015 Budget | 2016 Budget | 2017 Budget | 2018 Budget | 2019 Budget | 2020 Budget |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| EXPENDITURES (\$) | | | | | | | |
| City Manager's Office | 699,230 | 730,600 | 737,101 | 750,094 | 765,695 | 781,680 | 798,047 |
| Corporate Services | 13,132,563 | 15,405,584 | 14,611,717 | 14,951,858 | 15,400,099 | 15,507,670 | 15,787,941 |
| Community Development | 5,185,419 | 5,389,001 | 5,516,532 | 5,628,730 | 5,746,151 | 5,866,899 | 5,990,304 |
| Port of Nanaimo Centre | 5,483,634 | 5,557,208 | 5,588,883 | 5,699,266 | 5,812,973 | 5,930,110 | 6,050,798 |
| Culture & Heritage | 1,839,234 | 2,035,059 | 2,085,880 | 2,143,416 | 2,183,861 | 2,225,461 | 2,263,829 |
| Parks, Recreation & Environment | 20,681,264 | 20,759,913 | 21,280,485 | 21,713,642 | 22,161,367 | 22,620,064 | 23,041,453 |
| Engineering & Public Works | 19,414,390 | 20,303,641 | 20,163,438 | 21,052,425 | 21,477,685 | 21,912,196 | 22,356,179 |
| Fire & Emergency Services | 14,742,697 | 13,970,234 | 15,320,185 | 16,164,027 | 17,195,384 | 18,008,650 | 18,544,199 |
| Police | 24,071,493 | 27,089,161 | 28,237,569 | 29,855,587 | 31,851,256 | 33,354,038 | 34,313,395 |
| 911 | 1,676,087 | 1,775,240 | 1,405,513 | 1,433,877 | 1,462,833 | 1,492,397 | 1,522,584 |
| Regulatory Services | 3,007,369 | 3,493,535 | 3,397,569 | 3,320,419 | 3,382,102 | 3,445,210 | 3,509,754 |
| Sanitary Sewer | 3,168,111 | 3,296,696 | 3,356,114 | 3,372,931 | 3,449,129 | 3,527,315 | 3,607,541 |
| Waterworks | 7,431,551 | 8,671,540 | 9,354,209 | 9,464,610 | 9,687,841 | 9,919,322 | 10,159,487 |
| Total Annual Expenditures | 120,533,042 | 128,477,412 | 131,055,195 | 135,550,882 | 140,576,376 | 144,591,012 | 147,945,511 |
| Internal Cost Allocations | (5,557,521) | (5,801,361) | (5,443,090) | (5,552,360) | (5,664,304) | (5,778,119) | (5,894,219) |
| Internal Charges to Asset Renewal Reserves | (1,939,408) | (1,487,356) | (2,018,758) | (2,089,350) | (2,164,819) | (2,247,292) | (2,335,379) |
| Net Expenditures After Allocations and Charges | 113,036,113 | 121,188,695 | 123,593,347 | 127,909,172 | 132,747,253 | 136,565,601 | 139,715,913 |
| Staffing (FTEs) - Municipal | 605.3 | 607.1 | 605.9 | 616.9 | 626.9 | 627.9 | 627.9 |
| Staffing (FTEs) - RCMP | 140.0 | 140.0 | 144.0 | 147.0 | 152.0 | 156.0 | 156.0 |
| Cost Per Capita | \$1,271.94 | \$1,345.66 | \$1,354.23 | \$1,382.98 | \$1,416.33 | \$1,437.82 | \$1,451.55 |

2016 Operating Expenditures by Department



2016 Operating Services Expenditures by Cost Type



City Manager's Office

Description and Level of Service

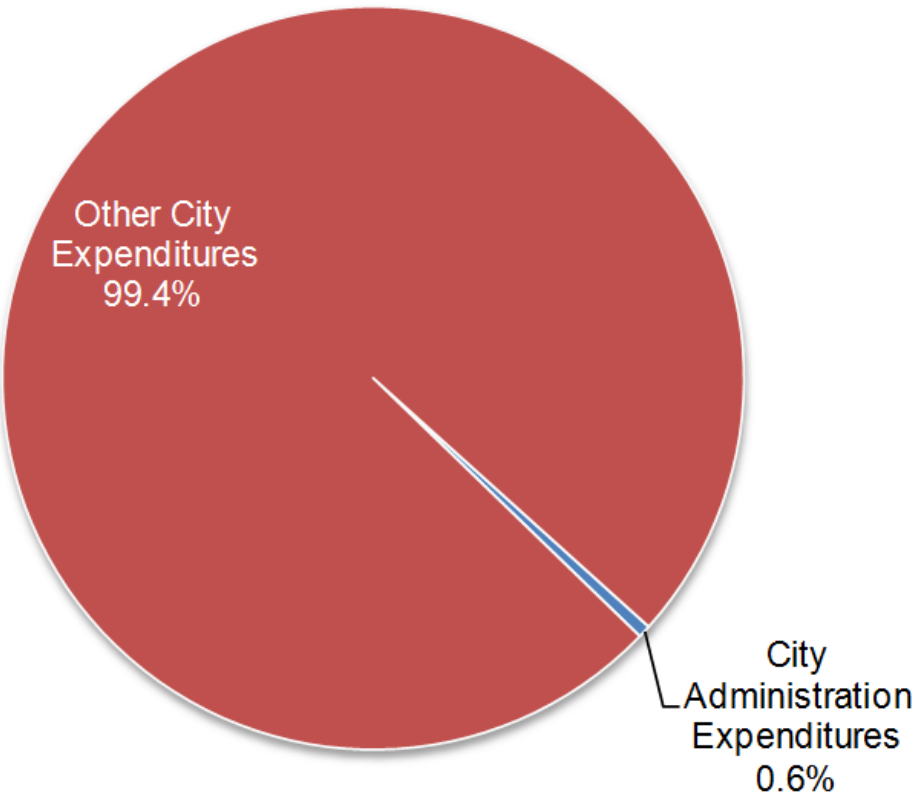
The City Manager's Office serves Council directly and acts as the primary connection between staff and City Council. This office provides direction for staff recommendations that reflect relevant facts, options and professional opinion pertaining to issues considered by Council.

The City Manager's Office takes the lead role in managing the implementation of the policy direction which has been established by Council. As Chief Administrative Officer, the City Manager is the senior staff leader and accordingly, provides

managerial leadership, control and direction to all City departments and operations.

Effective 2014, the City Manager's Office also includes the communications function which supports both internal and external City communications. This area is responsible for informing the public of City news via the media and the City website, and provides support in issues management, media relations, marketing and communications to many parts of the City organization.

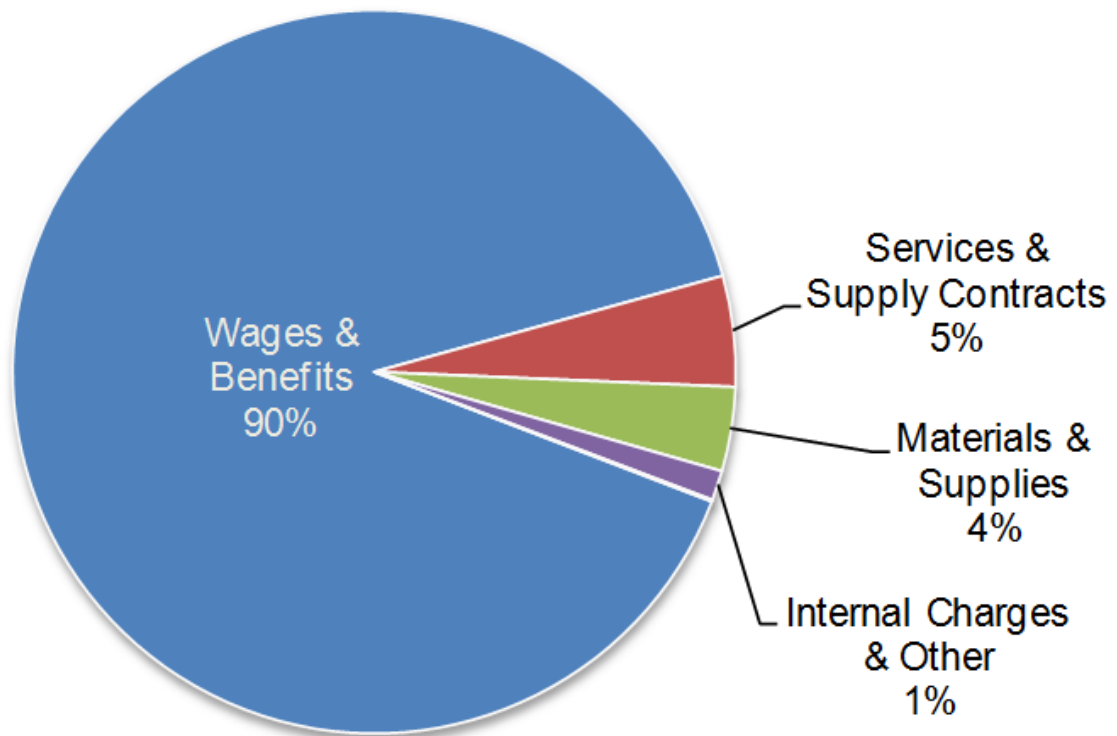
Total Expenditures



Annual Operating Expenditures and Revenues

| | 2014 Actual | 2015 Budget | 2016 Budget | 2017 Budget | 2018 Budget | 2019 Budget | 2020 Budget |
|-----------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| EXPENDITURE SUMMARY | | | | | | | |
| Wages & Benefits | \$672,357 | \$654,626 | \$662,505 | \$675,756 | \$689,270 | \$703,056 | \$717,116 |
| Services & Supply Contracts | 9,941 | 39,840 | 36,530 | 37,261 | 38,006 | 38,767 | 39,539 |
| Materials & Supplies | 11,631 | 26,450 | 27,710 | 25,969 | 26,489 | 27,020 | 27,558 |
| Internal Charges & Other | 4,800 | 9,184 | 9,856 | 10,598 | 11,410 | 12,306 | 13,293 |
| Grants & Subsidies | 500 | 500 | 500 | 510 | 520 | 531 | 541 |
| Total Expenditures | 699,230 | 730,600 | 737,101 | 750,094 | 765,695 | 781,680 | 798,047 |
| Revenues Generated | - | - | - | - | - | - | - |
| Net Operating Costs | \$699,230 | \$730,600 | \$737,101 | \$750,094 | \$765,695 | \$781,680 | \$798,047 |
| | | | | | | | |
| Staffing (FTEs) | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 |
| Cost Per Capita | \$7.87 | \$8.11 | \$8.08 | \$8.11 | \$8.17 | \$8.23 | \$8.29 |

Annual Operating Expenditures by Type



Corporate Services Division

Community Development | Finance and Purchasing |
Human Resources |
Information Technology and Legislative Services |

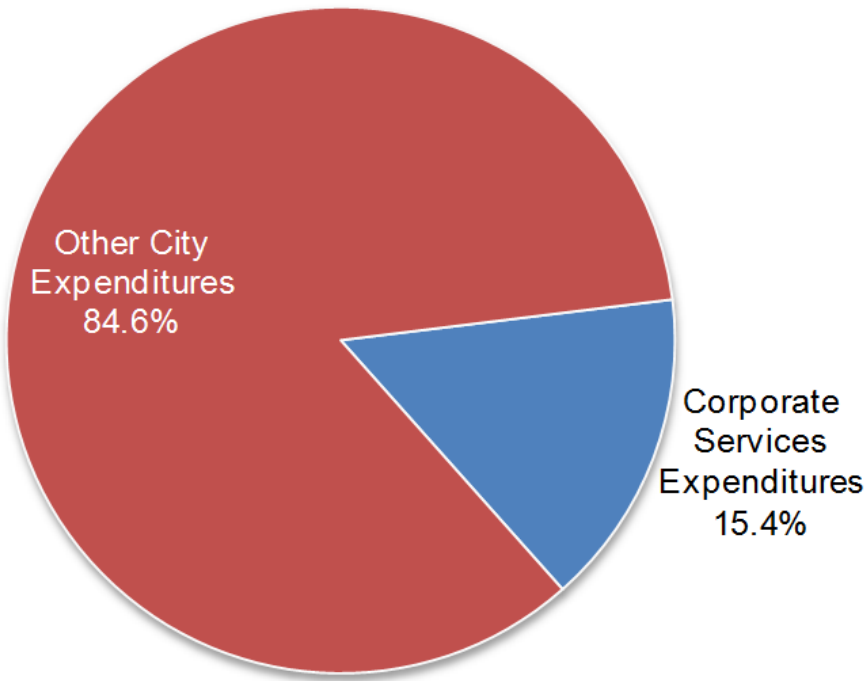
Overview

The Corporate Services Division supports the City’s vision by providing support and advice in specialized areas including human resources, community development, financial, and technological and administrative services.

The division provides support to other departments, liaises with intergovernmental organizations, complies with senior government policies and legislations and interacts with the public.

Total Expenditures

Total expenditures include annual operating and all projects expenditures.

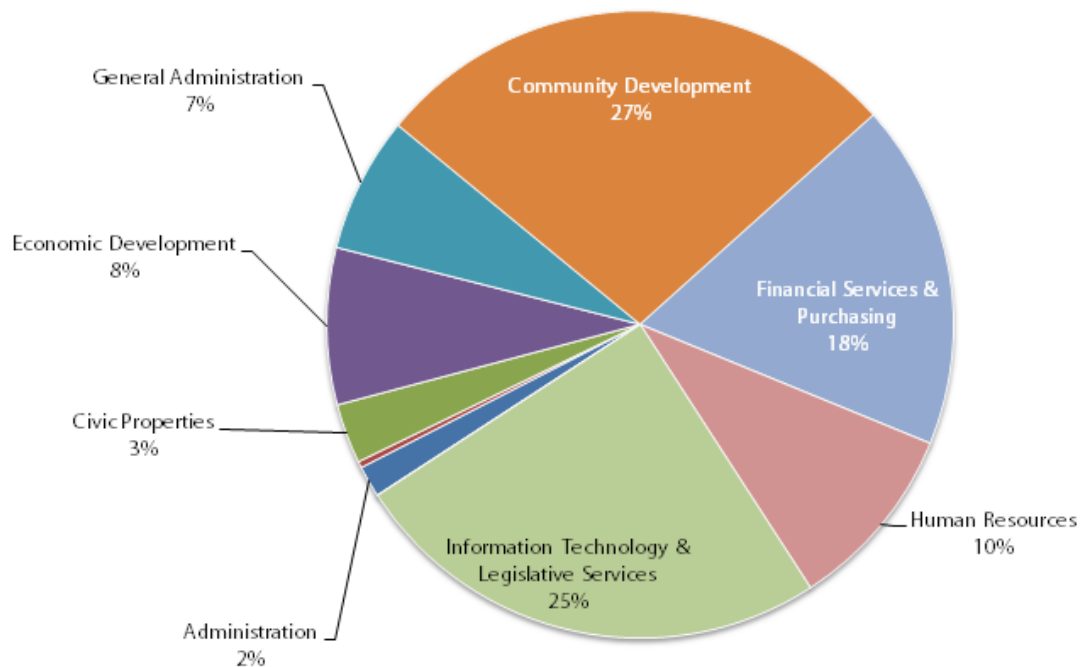


Division is organized in four departments:

- Community Development
- Human Resources
- Financial Services and Purchasing
- Information Technology and Legislative Services

Also included in this division is responsibility for operations and maintenance of City Hall and the Service and Resource Centre, the contract with Nanaimo Economic Development Corporation (NEDC) and the annual grant to Downtown Nanaimo BIA.

Annual Expenditures by Department



Annual Operating Expenditures and Revenues by Department

Administration includes senior leadership resources for the Corporate Services division. Resources include the General Manager, support staff and other office expenses.

Community Development (Grants) includes specific grants such as security checks and permissive tax exemptions.

Economic Development includes the contract between the City and the Nanaimo Economic Development Corporation (NEDC) and the grant to the DNBIA.

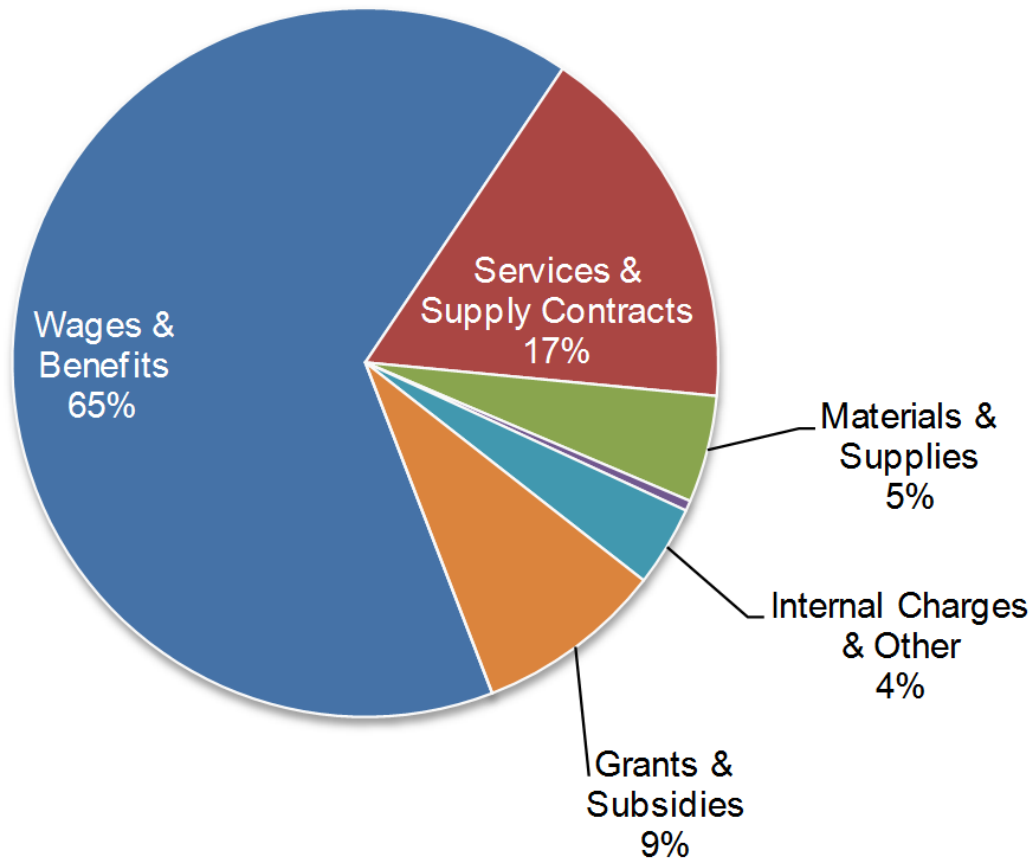
Civic Properties includes costs related to operating and maintenance of City Hall and the Services and Resource Centre buildings.

General Administration includes common costs such as insurance, legal and contingency for contract increases.

Detailed information for the Community Development, Financial Services and Purchasing, Human Resources, Information Technology and Legislative Services departments is provided in next sections of this document.

| | 2014 Actual | 2015 Budget | 2016 Budget | 2017 Budget | 2018 Budget | 2019 Budget | 2020 Budget |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| REVENUES GENERATED | | | | | | | |
| General Administration | \$156,117 | \$110,200 | \$95,200 | \$96,152 | \$97,114 | \$98,085 | \$99,065 |
| Community Development (Grants) | 27,525 | 27,734 | 27,734 | 27,734 | 27,734 | 27,734 | 27,734 |
| Community Development | 4,090,653 | 2,888,009 | 2,847,500 | 2,873,905 | 2,900,576 | 2,927,512 | 2,954,714 |
| Financial Services & Purchasing | (170,847) | 154,220 | 152,750 | 154,278 | 155,820 | 157,378 | 158,951 |
| Human Resources | 31,229 | 10,249 | 12,314 | 12,437 | 12,561 | 12,687 | 12,815 |
| Information Technology & Legislative Services | 43,930 | - | - | - | 35,704 | - | - |
| Revenues Total | \$4,178,606 | \$3,190,412 | \$3,135,498 | \$3,164,506 | \$3,229,509 | \$3,223,396 | \$3,253,279 |
| EXPENDITURES | | | | | | | |
| Administration | \$331,530 | \$327,431 | \$326,993 | \$333,703 | \$340,563 | \$347,577 | \$354,755 |
| Community Development (Grants) | 81,740 | 73,573 | 66,200 | 66,644 | 67,095 | 67,557 | 68,029 |
| Civic Properties | 611,874 | 630,496 | 620,253 | 633,322 | 646,710 | 660,453 | 674,547 |
| Economic Development | 1,741,587 | 1,625,081 | 1,627,373 | 1,629,692 | 1,632,034 | 1,632,034 | 1,632,034 |
| General Administration | 887,174 | 2,467,664 | 1,408,457 | 1,426,426 | 1,454,954 | 1,484,053 | 1,513,734 |
| Community Development | 5,185,419 | 5,389,001 | 5,516,532 | 5,628,730 | 5,746,151 | 5,866,899 | 5,990,304 |
| Financial Services & Purchasing | 3,307,973 | 3,496,655 | 3,589,940 | 3,661,895 | 3,736,673 | 3,812,142 | 3,892,823 |
| Human Resources | 1,762,698 | 1,906,832 | 1,945,260 | 1,984,020 | 2,025,810 | 2,068,685 | 2,112,665 |
| Information Technology & Legislative Services | 4,407,987 | 4,877,852 | 5,027,241 | 5,216,156 | 5,496,260 | 5,435,169 | 5,539,354 |
| Strategic Relationships | - | - | - | - | - | - | - |
| Annual Operating Expenditures | \$18,317,982 | \$20,794,585 | \$20,128,249 | \$20,580,588 | \$21,146,250 | \$21,374,569 | \$21,778,245 |
| Internal Cost Allocations | (1,736,428) | (1,768,664) | (1,801,306) | (1,837,332) | (1,874,079) | (1,911,560) | (1,949,792) |
| Internal Charges to Asset Renewal Reserves | (508,133) | (503,002) | (552,208) | (601,454) | (655,718) | (716,263) | (782,062) |
| Net Operating Expenditures after Allocations and Charges | \$11,894,815 | \$15,332,507 | \$14,639,237 | \$14,977,296 | \$15,386,944 | \$15,523,350 | \$15,793,112 |
| Staffing (FTEs) | 127.7 | 127.7 | 128.7 | 128.7 | 128.7 | 128.7 | 128.7 |
| Cost Per Capita | \$133.85 | \$170.25 | \$160.40 | \$161.94 | \$164.17 | \$163.44 | \$164.08 |

Annual Operating Expenditures by Type



Community Development

Description and Primary Activities

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 six sections:

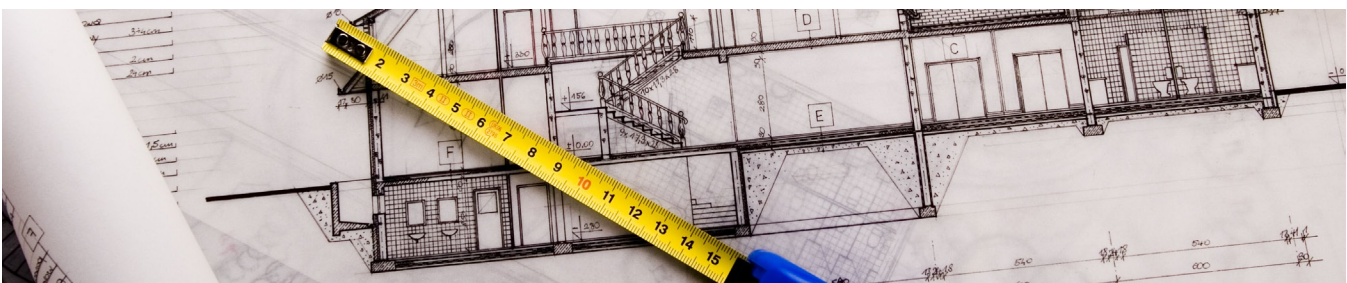
- Administration
- Building Inspections
- Planning and Design
- Support Services and Business Licensing
- Real Estate
- Engineering and Subdivision

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 the Planning and Transportation Advisory Committee

Building Inspections

- Promotes liveability, 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



Planning and Design

- Implementation of policy and programs identified in the City's Official Community Plan '*planNanaimo*'
- Reviews OCP amendments rezonings, development permits, development variance permits, along with business, liquor and waste stream management licence applications
- Supports the work of the Design Advisory Panel and the Board of Variance

Real Estate

- Develop strategies and policies for land acquisition and dispositions
- Guides decisions related to sale and acquisition of municipally-owned lands
- Represent the City in property negotiations
- Ensure property transactions comply with relevant statutes, regulations and policies

Engineering and Subdivision

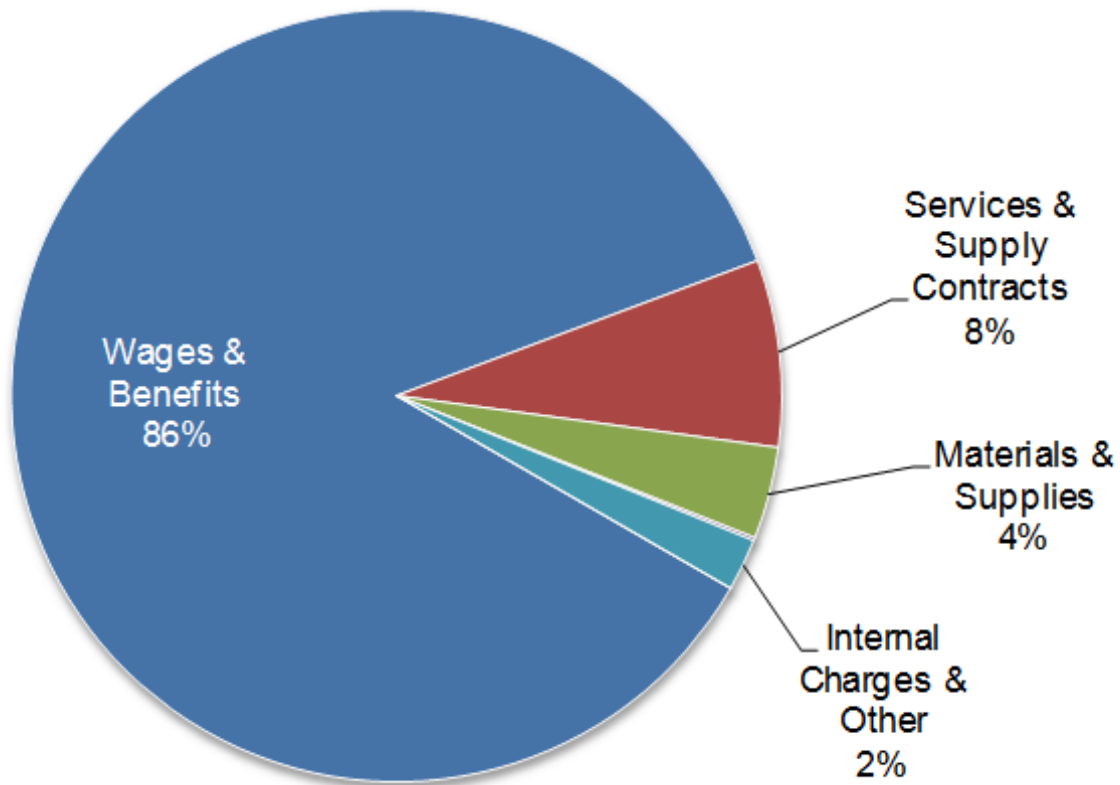
- Review development applications including construction of both private infrastructure and City infrastructure (developer contributed)
- Establish subdivision requirements and review applications
- Administer collection of Development Cost Charges
- Implement the Urban Forest Strategy and regulate tree removal

2016 Proposed Initiatives

- South Downtown Waterfront (SDW) Master Plan
- Waterfront Trail Study
- Liquor Control Strategy Update
- Parking Bylaw Review
- Climate Adaption Plan
- Town Centre Structure Plan - Hospital
- Contribute to DCC Review
- Complete Design Guidelines 2016 Review
- Complete Goals and Progress Review of Official Community Plan

Annual Operating Expenditures and Revenues

| | 2014 Actual | 2015 Budget | 2016 Budget | 2017 Budget | 2018 Budget | 2019 Budget | 2020 Budget |
|-----------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| EXPENDITURE SUMMARY | | | | | | | |
| Wages & Benefits | \$4,470,805 | \$4,645,205 | \$4,742,314 | \$4,837,158 | \$4,933,902 | \$5,032,581 | \$5,133,230 |
| Services & Supply Contracts | 414,736 | 408,887 | 433,477 | 441,797 | 450,277 | 458,935 | 467,761 |
| Materials & Supplies | 163,230 | 211,850 | 212,922 | 214,113 | 217,715 | 221,404 | 225,157 |
| Utilities | 13,760 | 7,200 | 7,200 | 7,344 | 7,490 | 7,640 | 7,794 |
| Internal Charges & Other | 122,888 | 115,859 | 120,619 | 128,318 | 136,767 | 146,339 | 156,362 |
| Grants & Subsidies | - | - | - | - | - | - | - |
| Total Expenditures | 5,185,419 | 5,389,001 | 5,516,532 | 5,628,730 | 5,746,151 | 5,866,899 | 5,990,304 |
| Revenues Generated | 4,090,653 | 2,888,009 | 2,847,500 | 2,873,905 | 2,900,576 | 2,927,512 | 2,954,714 |
| Net Operating Costs | \$1,094,766 | \$2,500,992 | \$2,669,032 | \$2,754,825 | \$2,845,575 | \$2,939,387 | \$3,035,590 |
| Staffing (FTEs) | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 |
| Cost Per Capita | \$12.32 | \$27.77 | \$29.24 | \$29.79 | \$30.36 | \$30.95 | \$31.54 |



Finance and Purchasing

Description and Primary Activities

The Finance and Purchasing department provide financial support and stewardship that support City departments delivering current and future service levels as directed by Council.

The department is organized into six sections:

- Administration
- Revenue Services
- Accounting Services
- Financial Planning
- Payroll
- Purchasing

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
- Maintain property information

Accounting Services

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

Financial Planning

- Financial planning and analysis
- Grants administration (application and management of senior government grants)
- Preparation of Five-Year Financial Plan

Payroll

- Process bi-weekly payroll
- Reporting requirements

Purchasing

- Facilitate purchasing process
- Maintain appropriate and secure inventory
- Property insurance

2016 Proposed Initiatives

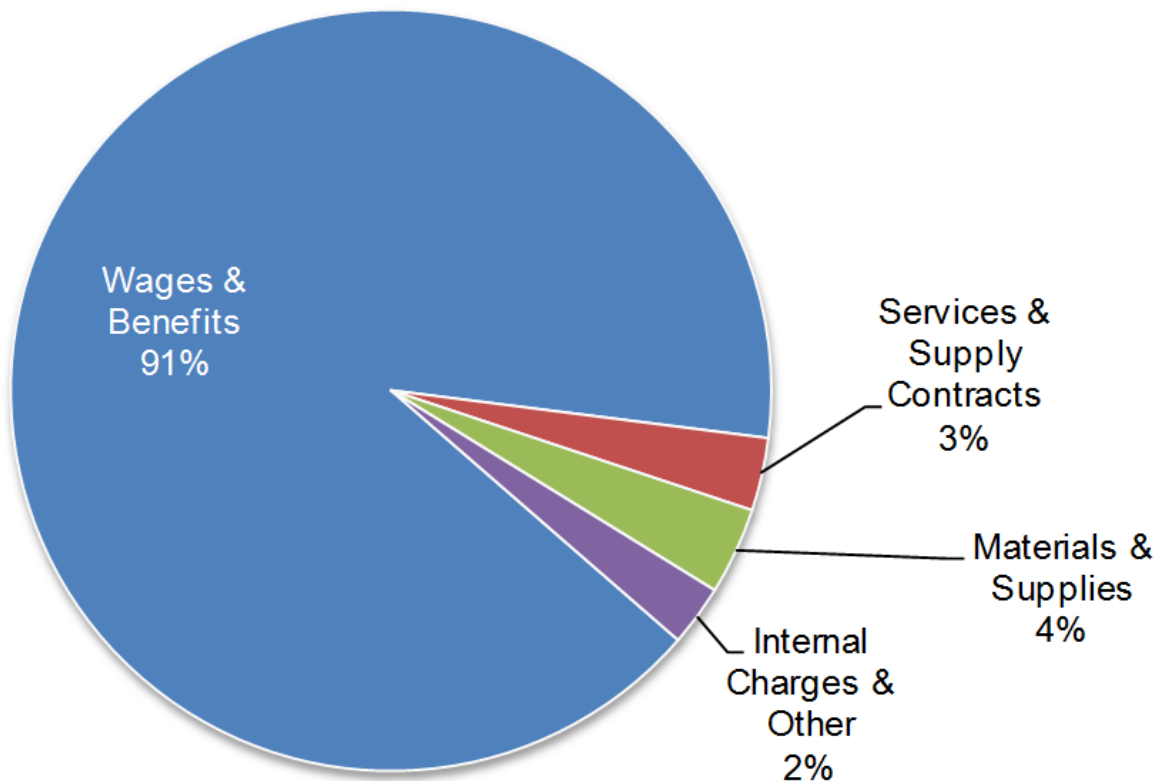
- Contribute to Asset Management Update
- Contribute to DCC Review
- User Rate Review Update
- Review and update financial policies
- Cost allocations analysis



Annual Operating Expenditures and Revenues

| | 2014 Actual | 2015 Budget | 2016 Budget | 2017 Budget | 2018 Budget | 2019 Budget | 2020 Budget |
|-----------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| EXPENDITURE SUMMARY | | | | | | | |
| Wages & Benefits | \$3,054,502 | \$3,166,542 | \$3,252,878 | \$3,317,937 | \$3,384,293 | \$3,451,981 | \$3,521,018 |
| Services & Supply Contracts | 96,303 | 108,185 | 111,365 | 113,593 | 111,804 | 114,040 | 116,322 |
| Materials & Supplies | 91,632 | 132,555 | 132,790 | 132,387 | 137,110 | 136,671 | 139,402 |
| Internal Charges & Other | 65,536 | 89,373 | 92,907 | 97,978 | 103,466 | 109,450 | 116,081 |
| Total Expenditures | 3,307,973 | 3,496,655 | 3,589,940 | 3,661,895 | 3,736,673 | 3,812,142 | 3,892,823 |
| Revenues Generated | (170,847) | 154,220 | 152,750 | 154,278 | 155,820 | 157,378 | 158,951 |
| Net Operating Costs | \$3,478,820 | \$3,342,435 | \$3,437,190 | \$3,507,617 | \$3,580,853 | \$3,654,764 | \$3,733,872 |
| | | | | | | | |
| Staffing (FTEs) | 33.7 | 33.7 | 33.7 | 33.7 | 33.7 | 33.7 | 33.7 |
| Cost Per Capita | \$39.15 | \$37.11 | \$37.66 | \$37.93 | \$38.21 | \$38.48 | \$38.79 |

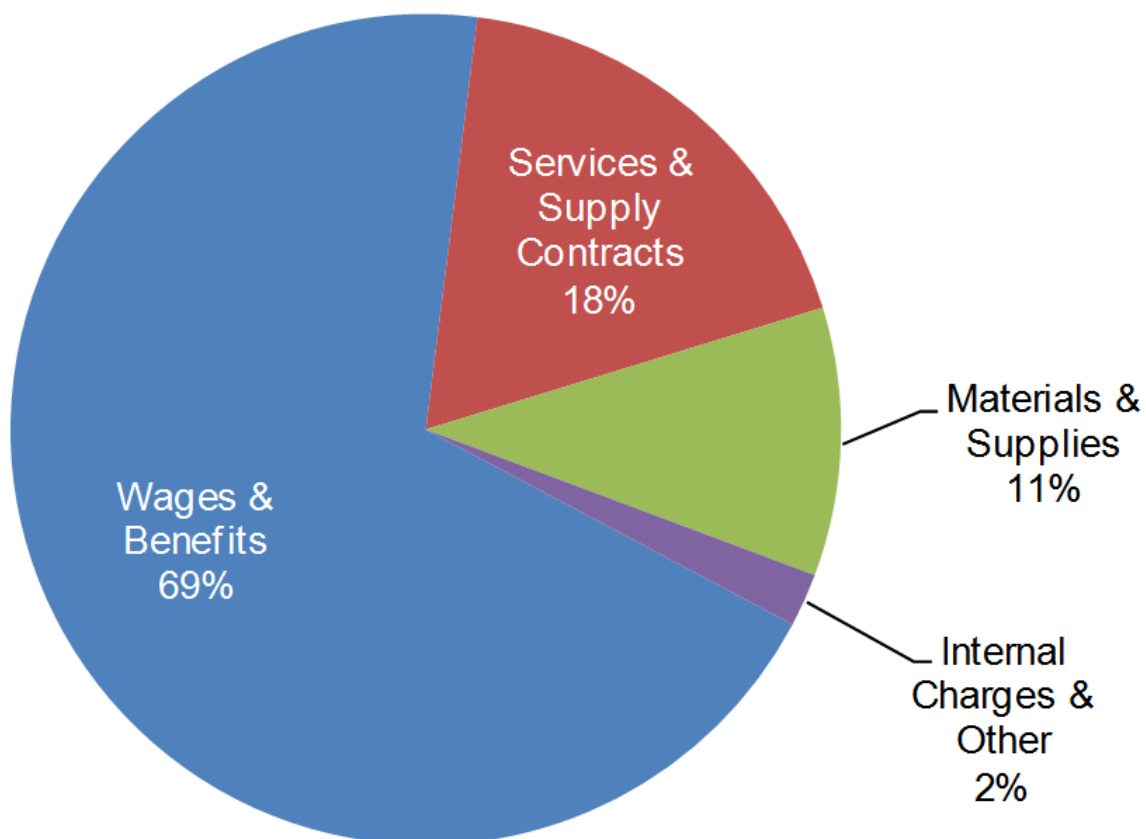
Annual Operating Expenditures by Type



Annual Operating Expenditures and Revenues

| | 2014 Actual | 2015 Budget | 2016 Budget | 2017 Budget | 2018 Budget | 2019 Budget | 2020 Budget |
|-----------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| EXPENDITURE SUMMARY | | | | | | | |
| Wages & Benefits | \$1,228,960 | \$1,302,367 | \$1,346,292 | \$1,373,220 | \$1,400,685 | \$1,428,699 | \$1,457,269 |
| Services & Supply Contracts | 315,737 | 368,770 | 355,518 | 362,629 | 369,879 | 377,278 | 384,821 |
| Materials & Supplies | 179,286 | 197,379 | 203,060 | 204,621 | 208,556 | 212,572 | 216,664 |
| Internal Charges & Other | 38,715 | 38,316 | 40,390 | 43,550 | 46,690 | 50,136 | 53,911 |
| Total Expenditures | 1,762,698 | 1,906,832 | 1,945,260 | 1,984,020 | 2,025,810 | 2,068,685 | 2,112,665 |
| Revenues Generated | 31,229 | 10,249 | 12,314 | 12,437 | 12,561 | 12,687 | 12,815 |
| Net Operating Costs | \$1,731,470 | \$1,896,583 | \$1,932,946 | \$1,971,583 | \$2,013,249 | \$2,055,998 | \$2,099,850 |
| | | | | | | | |
| Staffing (FTEs) | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 |
| Cost Per Capita | \$19.48 | \$21.06 | \$21.18 | \$21.32 | \$21.48 | \$21.65 | \$21.82 |

Annual Operating Expenditures by Type



Information Technology and Legislative Services

The Information Technology and Legislative Services department manages the City's information systems and processes and compliance with statutory regulations.

Description and Primary Activities

The department is organized into three sections:

- Administration
- Information Technology
- Legislative Services

Administration

- Directs the activities of the Department

Information Technology

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

Legislative Services

- Responsible for 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
- Administrative support for Mayor and Council
- Facilitates municipal elections, referendums and elector approval processes

2016 Proposed Initiatives

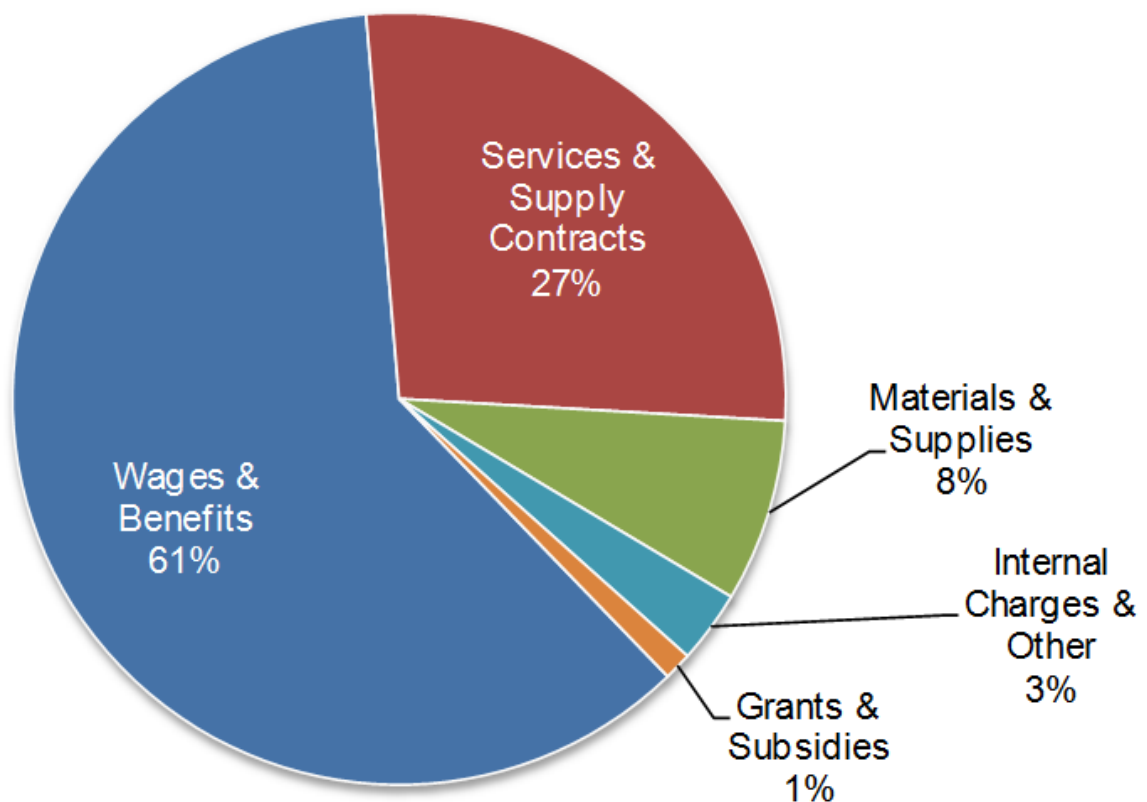
- Network reliability and security upgrades
- Support replacement of Recreation Management Software
- Complete implementation of new City website
- Microsoft Office 2016 implementation
- Review of current privacy practices and development of Freedom of Information Protection of Privacy Manual
- Administrative support for the Core Services Steering Committee
- Improvement to the City's Records Management Program



Annual Operating Expenditures and Revenues

| | 2014 Actual | 2015 Budget | 2016 Budget | 2017 Budget | 2018 Budget | 2019 Budget | 2020 Budget |
|-----------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| EXPENDITURE SUMMARY | | | | | | | |
| Wages & Benefits | \$2,748,887 | \$2,864,428 | \$3,059,189 | \$3,120,372 | \$3,279,500 | \$3,246,435 | \$3,311,365 |
| Services & Supply Contracts | 1,150,568 | 1,394,325 | 1,371,712 | 1,486,867 | 1,578,503 | 1,552,984 | 1,577,870 |
| Materials & Supplies | 399,988 | 404,800 | 384,885 | 392,348 | 416,188 | 407,723 | 415,638 |
| Utilities | - | - | - | - | - | - | - |
| Internal Charges & Other | 51,970 | 155,603 | 152,759 | 156,699 | 161,001 | 165,738 | 170,946 |
| Grants & Subsidies | 56,574 | 58,696 | 58,696 | 59,870 | 61,068 | 62,289 | 63,535 |
| Total Expenditures | 4,407,987 | 4,877,852 | 5,027,241 | 5,216,156 | 5,496,260 | 5,435,169 | 5,539,354 |
| Revenues Generated | 43,930 | - | - | - | 35,704 | - | - |
| Net Operating Costs | \$4,364,057 | \$4,877,852 | \$5,027,241 | \$5,216,156 | \$5,460,556 | \$5,435,169 | \$5,539,354 |
| Staffing (FTEs) | 26.0 | 26.0 | 27.0 | 27.0 | 27.0 | 27.0 | 27.0 |
| Cost Per Capita | \$49.11 | \$54.16 | \$55.08 | \$56.40 | \$58.26 | \$57.22 | \$57.55 |

Annual Operating Expenditures by Type



Community Services Division

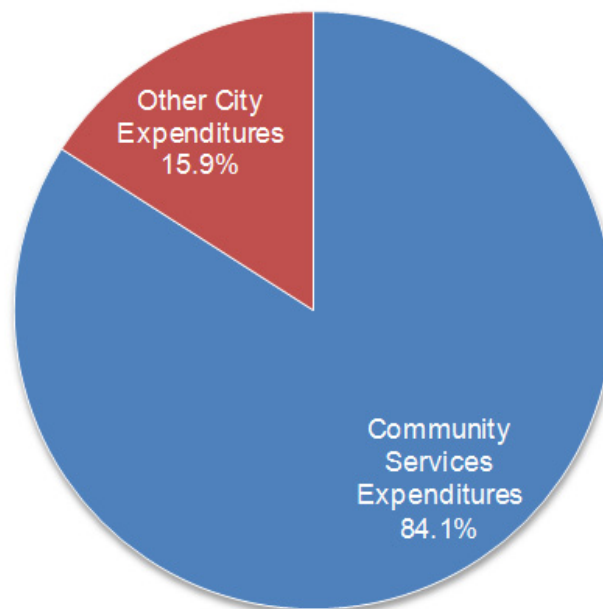
**Social and Protective Services | Parks, Recreation and Environment |
Culture and Heritage | Engineering and Public Works |
Sanitary Sewer Utility | Waterworks Utility |**

Overview

The Community Services Division delivers a wide range of services to the community including fire and police services, transportation, drainage, sanitary sewer and waterworks services, and environmental protection services. The Division is also responsible for providing culture and heritage services, parks and recreation services, and parking and bylaw services.

Delivery of these services requires comprehensive knowledge, planning, operation and maintenance of City infrastructure.

Total Expenditures including Sanitary Sewer and Water Utilities



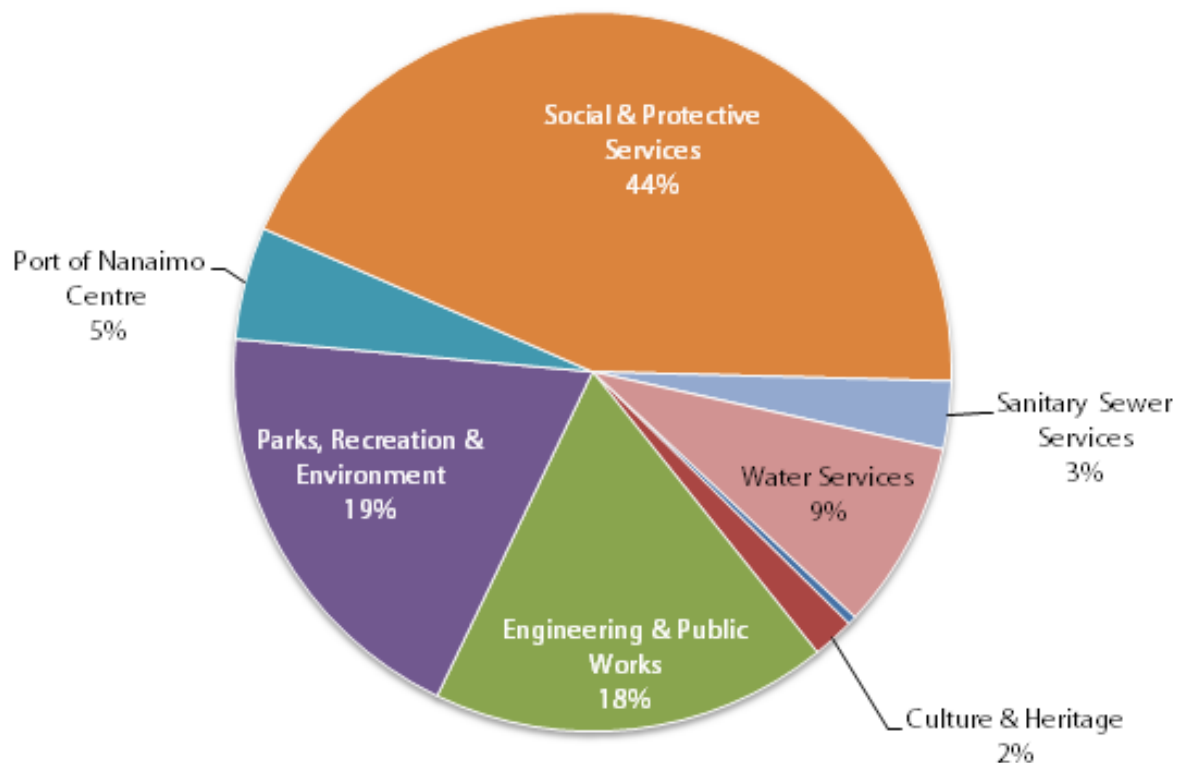
Division is organized in four departments:

- Social and Protective Services
- Parks, Recreation and Environment
- Culture and Heritage
- Engineering and Public Works

The Engineering and Public Works department is responsible for the Sanitary Sewer and Waterworks utilities.

Annual Operating Expenditures and Revenues by Department

| | 2014 Actual | 2015 Budget | 2016 Budget | 2017 Budget | 2018 Budget | 2019 Budget | 2020 Budget |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| EXPENDITURE SUMMARY | | | | | | | |
| Wages & Benefits | \$44,832,122 | \$46,524,185 | \$47,696,012 | \$49,064,218 | \$50,769,957 | \$52,329,822 | \$53,566,725 |
| Services & Supply Contracts | 31,428,561 | 34,181,488 | 35,580,853 | 37,181,429 | 38,737,135 | 40,291,819 | 41,388,604 |
| Materials & Supplies | 6,824,607 | 6,835,674 | 7,089,489 | 7,256,420 | 7,433,195 | 7,642,393 | 7,833,550 |
| Utilities | 4,145,446 | 4,127,844 | 4,500,852 | 4,590,766 | 4,682,472 | 4,776,016 | 4,871,439 |
| Internal Charges & Other | 7,422,664 | 7,720,913 | 7,821,082 | 7,826,288 | 7,997,497 | 8,175,181 | 8,358,756 |
| Grants & Subsidies | 1,594,261 | 1,872,156 | 1,853,233 | 1,758,575 | 1,783,995 | 1,810,218 | 1,832,846 |
| Debt | 5,268,168 | 5,689,968 | 5,648,324 | 6,542,504 | 7,260,180 | 7,409,314 | 7,517,299 |
| Total Expenditures | 101,515,829 | 106,952,228 | 110,189,845 | 114,220,200 | 118,664,431 | 122,434,763 | 125,369,219 |
| Revenues Generated | 39,794,407 | 40,253,781 | 41,487,450 | 43,397,513 | 45,353,151 | 47,469,004 | 49,682,059 |
| Net Operating Costs | \$61,721,422 | \$66,698,447 | \$68,702,395 | \$70,822,687 | \$73,311,280 | \$74,965,759 | \$75,687,160 |
| | | | | | | | |
| Internal Cost Allocations | (3,821,093) | (4,032,697) | (3,641,784) | (3,715,028) | (3,790,225) | (3,866,559) | (3,944,427) |
| Internal Charges to Asset Renewal Reserves | (1,431,275) | (984,354) | (1,466,550) | (1,487,896) | (1,509,101) | (1,531,029) | (1,553,317) |
| Net Operating Costs after Allocations and Charges | \$56,469,054 | \$61,681,396 | \$63,594,061 | \$65,619,763 | \$68,011,954 | \$69,568,171 | \$70,189,416 |
| | | | | | | | |
| Staffing (FTEs) - Municipal | 472.6 | 474.5 | 472.2 | 483.2 | 493.2 | 494.2 | 494.2 |
| Staffing (FTEs) - RCMP | 140.0 | 140.0 | 144.0 | 147.0 | 152.0 | 156.0 | 156.0 |
| Cost Per Capita | \$635.42 | \$684.90 | \$696.81 | \$709.49 | \$725.65 | \$732.44 | \$729.22 |



Social and Protective Services Department

Overview

The Social and Protective Services department provides services to support a safe and healthy community, through coordination of City resources and external agencies, and through public education. The Social and Protective Services department is organized into the following sections:

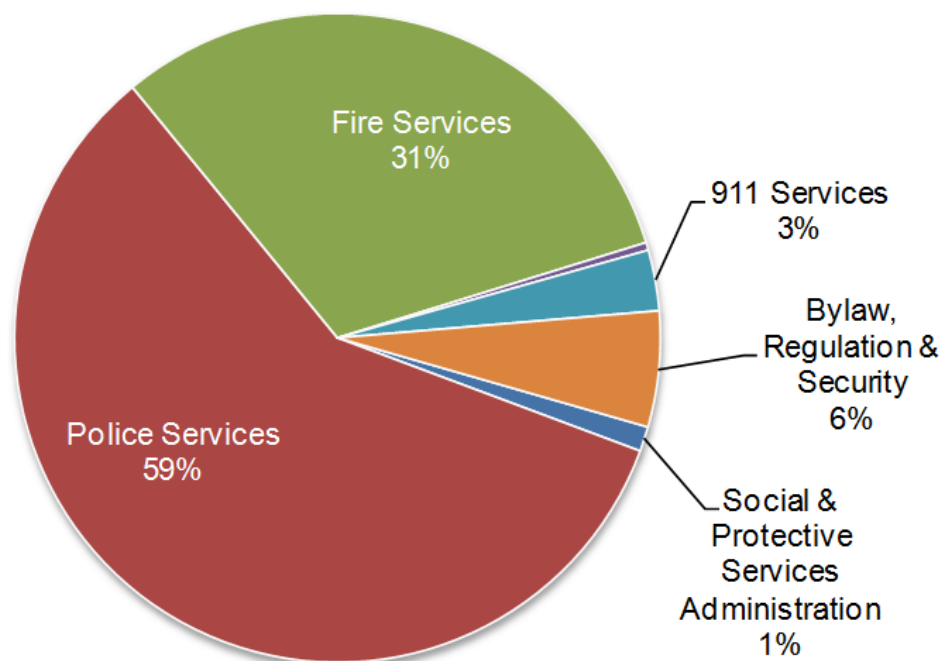
- Administration and Social Planning
- Police Services
- Fire Services
- Emergency Management
- 911 Services
- Bylaw, Regulation and Security

2016 Proposed Initiatives

- Fire Service
 - Complete construction of new fire station on Hammond Bay Road
 - Implement targeted prevention and public education initiatives in accordance with risk assessment
 - Continue facilities asset management planning
- Policing Priorities
 - Crime Prevention
 - *Social Disorder Management
 - *Prolific Offender Management
 - *Violence in Relationships
 - *Drug Enforcement
 - *Liquor Control Strategy
 - Youth
 - *Youth Intervention & Diversion
 - *Community Partnerships for the Empowerment of Youth
 - *School Liaison Program
 - Traffic
 - *Detection and Prevention to Reduce Impaired Driving
 - *Vehicle Operational Safety
 - Waterfront and Marine Safety

Annual Operating Expenditures and Revenues

| | 2014 Actual | 2015 Budget | 2016 Budget | 2017 Budget | 2018 Budget | 2019 Budget | 2020 Budget |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| REVENUES GENERATED | | | | | | | |
| Social & Protective Services Administration | \$- | \$- | \$- | \$- | \$- | \$- | \$- |
| Police Services | 812,652 | 1,718,297 | 1,761,963 | 1,769,582 | 1,777,278 | 1,793,918 | 1,810,986 |
| Fire Services | 434,412 | 234,031 | 231,223 | 252,586 | 253,241 | 278,829 | 280,158 |
| Emergency Services | 4,200 | - | - | - | - | - | - |
| 911 Services | 1,084,026 | 1,139,969 | 821,819 | 838,255 | 855,021 | 872,121 | 889,563 |
| Bylaw, Regulation & Security | 1,917,992 | 1,865,748 | 1,833,150 | 1,851,483 | 1,869,994 | 1,888,696 | 1,907,587 |
| Revenues Total | \$4,253,282 | \$4,958,045 | \$4,648,155 | \$4,711,906 | \$4,755,534 | \$4,833,564 | \$4,888,294 |
| EXPENDITURES | | | | | | | |
| Social & Protective Services Administration | \$398,022 | \$585,239 | \$600,627 | \$470,345 | \$477,730 | \$485,294 | \$493,035 |
| Police Services | 24,071,493 | 27,089,161 | 28,237,569 | 29,855,587 | 31,851,256 | 33,354,038 | 34,313,395 |
| Fire Services | 14,494,145 | 13,726,204 | 15,068,530 | 15,906,616 | 16,932,026 | 17,739,125 | 18,268,281 |
| Emergency Services | 189,431 | 182,940 | 187,953 | 192,435 | 197,082 | 201,924 | 206,965 |
| 911 Services | 1,735,207 | 1,836,330 | 1,469,215 | 1,498,853 | 1,529,109 | 1,559,998 | 1,591,537 |
| Bylaw, Regulation & Security | 2,609,347 | 2,908,296 | 2,796,942 | 2,850,074 | 2,904,372 | 2,959,916 | 3,016,719 |
| Annual Operating Expenditures | \$43,497,645 | \$46,328,170 | \$48,360,836 | \$50,773,910 | \$53,891,575 | \$56,300,295 | \$57,889,932 |
| Net Operating Expenditures | \$39,244,364 | \$41,370,125 | \$43,712,681 | \$46,062,004 | \$49,136,041 | \$51,466,731 | \$53,001,638 |
| Staffing (FTEs) - Municipal | 193.7 | 191.6 | 186.7 | 197.7 | 207.7 | 208.7 | 208.7 |
| Staffing (FTEs) - RCMP | 140.0 | 140.0 | 144.0 | 147.0 | 152.0 | 156.0 | 156.0 |
| Cost Per Capita | \$441.60 | \$459.37 | \$478.96 | \$498.03 | \$524.25 | \$541.86 | \$550.65 |



Administration and Social Planning Section

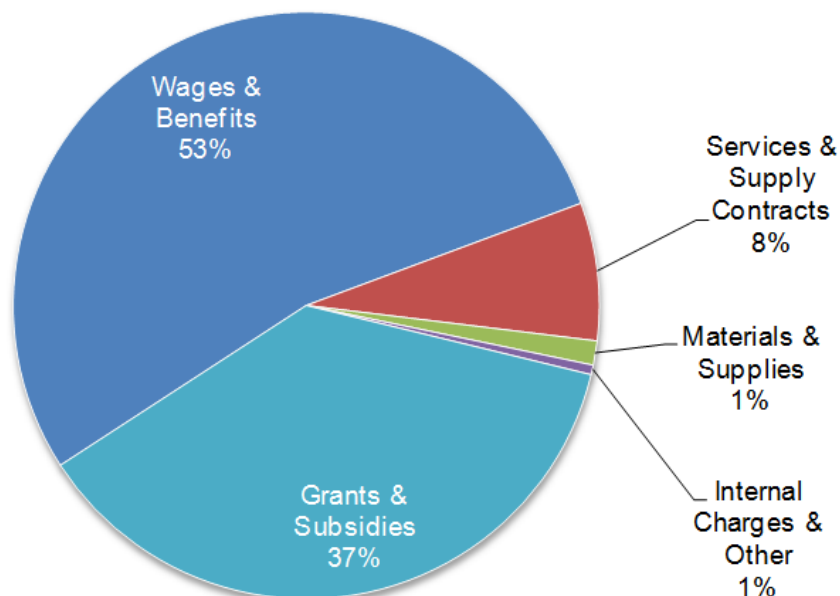
Description and Level of Services

- Provide leadership and coordination of department activities
- Social planning initiatives that include integration with Police and Fire Services and Emergency Management and implementation of harm reduction and social housing goals for the community

Annual Operating Expenditures and Revenues

| | 2014 Actual | 2015 Budget | 2016 Budget | 2017 Budget | 2018 Budget | 2019 Budget | 2020 Budget |
|-----------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| EXPENDITURE SUMMARY | | | | | | | |
| Wages & Benefits | \$302,137 | \$305,464 | \$321,346 | \$327,774 | \$334,328 | \$341,016 | \$347,834 |
| Services & Supply Contracts | 16,173 | 46,855 | 45,623 | 45,935 | 46,254 | 46,579 | 46,911 |
| Materials & Supplies | 5,836 | 8,500 | 7,990 | 8,150 | 8,314 | 8,481 | 8,649 |
| Internal Charges & Other | 1,920 | 1,920 | 3,168 | 3,486 | 3,834 | 4,218 | 4,641 |
| Grants & Subsidies | 71,955 | 222,500 | 222,500 | 85,000 | 85,000 | 85,000 | 85,000 |
| Total Expenditures | 398,021 | 585,239 | 600,627 | 470,345 | 477,730 | 485,294 | 493,035 |
| Revenues Generated | - | - | - | - | - | - | - |
| Net Operating Costs | \$398,021 | \$585,239 | \$600,627 | \$470,345 | \$477,730 | \$485,294 | \$493,035 |
| | | | | | | | |
| Staffing (FTEs) | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 |
| Cost Per Capita | \$4.48 | \$6.50 | \$6.58 | \$5.09 | \$5.10 | \$5.11 | \$5.12 |

Annual Operating Expenditures by Type



Police Services Section

Description and Level of Service

The City contracts with the RCMP for policing services and the current contract is for 140 members. The City provides the building and support staff for the RCMP. Police Services operates out of the Police Operations Building at 303 Prideaux St.

The RCMP has made “Safe Homes, Safe Communities” its national objective and in conjunction with Council has identified three priorities: Crime Prevention, Youth and Traffic. Each priority has specific strategies/initiatives.

RCMP members are organized into either a proactive unit or reactive unit. Proactive units include Bike Unit, General Investigations Section (GIS), Municipal Traffic

Unit, Youth/School Liaison (SLO) and Community Policing (CPS). Reactive units include General Duty (GD), Serious Crime (SCU), Police Dog Service (PDS) and Forensic Identification Services (FIS).

Municipal support services provide administrative, financial, reception, clerical, custodial and guarding functions.

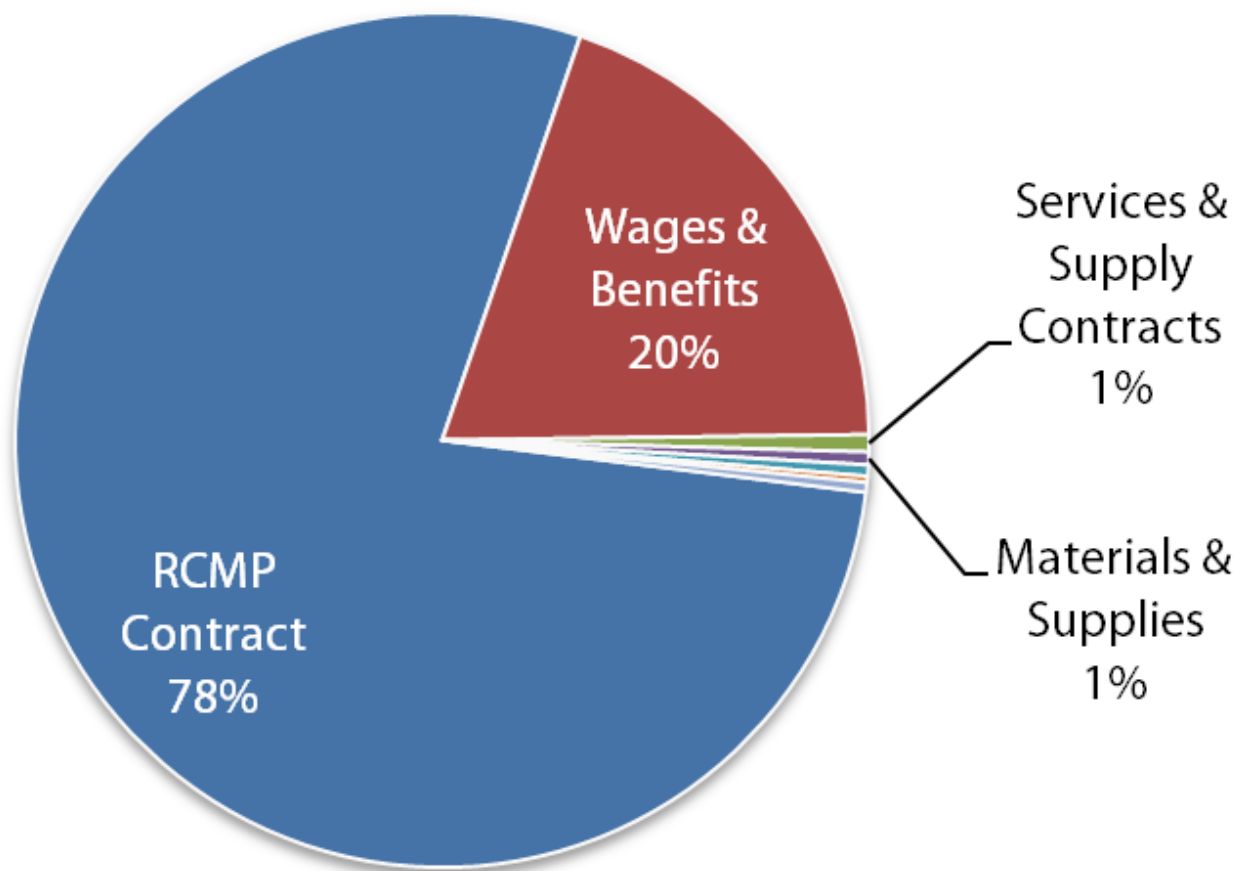
The Financial Plan includes 16 new RCMP members added between 2016 and 2019 and 3 additional municipal support staff added in 2016, 2017 and 2019.



Annual Expenditures and Revenues

| | 2014 Actual | 2015 Budget | 2016 Budget | 2017 Budget | 2018 Budget | 2019 Budget | 2020 Budget |
|-----------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| EXPENDITURE SUMMARY | | | | | | | |
| RCMP Contract | \$18,818,176 | \$21,230,678 | \$22,111,910 | \$23,473,501 | \$24,759,504 | \$26,039,027 | \$26,855,142 |
| Wages & Benefits | 4,654,897 | 5,269,623 | 5,516,350 | 5,727,305 | 5,841,850 | 6,043,586 | 6,164,457 |
| Services & Supply Contracts | 204,682 | 184,894 | 184,419 | 187,972 | 191,588 | 195,286 | 199,058 |
| Materials & Supplies | 119,263 | 126,620 | 136,820 | 139,556 | 142,346 | 145,189 | 148,097 |
| Utilities | 111,941 | 114,600 | 118,720 | 121,094 | 123,516 | 125,987 | 128,505 |
| Internal Charges & Other | 59,305 | 59,517 | 66,121 | 69,297 | 72,712 | 76,404 | 80,404 |
| Grants & Subsidies | 103,229 | 103,229 | 103,229 | 103,229 | 103,229 | 103,229 | 103,229 |
| Debt | - | - | - | 33,633 | 616,511 | 625,330 | 634,503 |
| Total Expenditures | 24,071,493 | 27,089,161 | 28,237,569 | 29,855,587 | 31,851,256 | 33,354,038 | 34,313,395 |
| Revenues Generated | 812,652 | 1,718,297 | 1,761,963 | 1,769,582 | 1,777,278 | 1,793,918 | 1,810,986 |
| Net Operating Costs | \$23,258,841 | \$25,370,864 | \$26,475,606 | \$28,086,005 | \$30,073,978 | \$31,560,120 | \$32,502,409 |
| | | | | | | | |
| Staffing (FTEs) - Municipal | 64.0 | 63.9 | 64.9 | 65.9 | 65.9 | 66.9 | 66.9 |
| Staffing (FTEs) - RCMP | 140.0 | 140.0 | 144.0 | 147.0 | 152.0 | 156.0 | 156.0 |
| Cost Per Capita | \$261.72 | \$281.71 | \$290.10 | \$303.67 | \$320.87 | \$332.28 | \$337.68 |

Revenues include the Provincial Traffic Fine Revenue Sharing Grant and building rental income.



Fire Services Section

Description and Level of Service

Nanaimo Fire Rescue provides response to fires, medical and rescue incidents, natural disasters, and provides specialized services such as hazardous materials and technical rescue response. Additionally, community risk reduction is achieved through fire prevention programs and public education.

Four fire stations located throughout the City are operated 24/7 by 81 career firefighters supported by 50 paid on call firefighters. An additional fire station on Protection Island is staffed by on call firefighters.

The department is organized into the following functional areas: Administration, Operations,

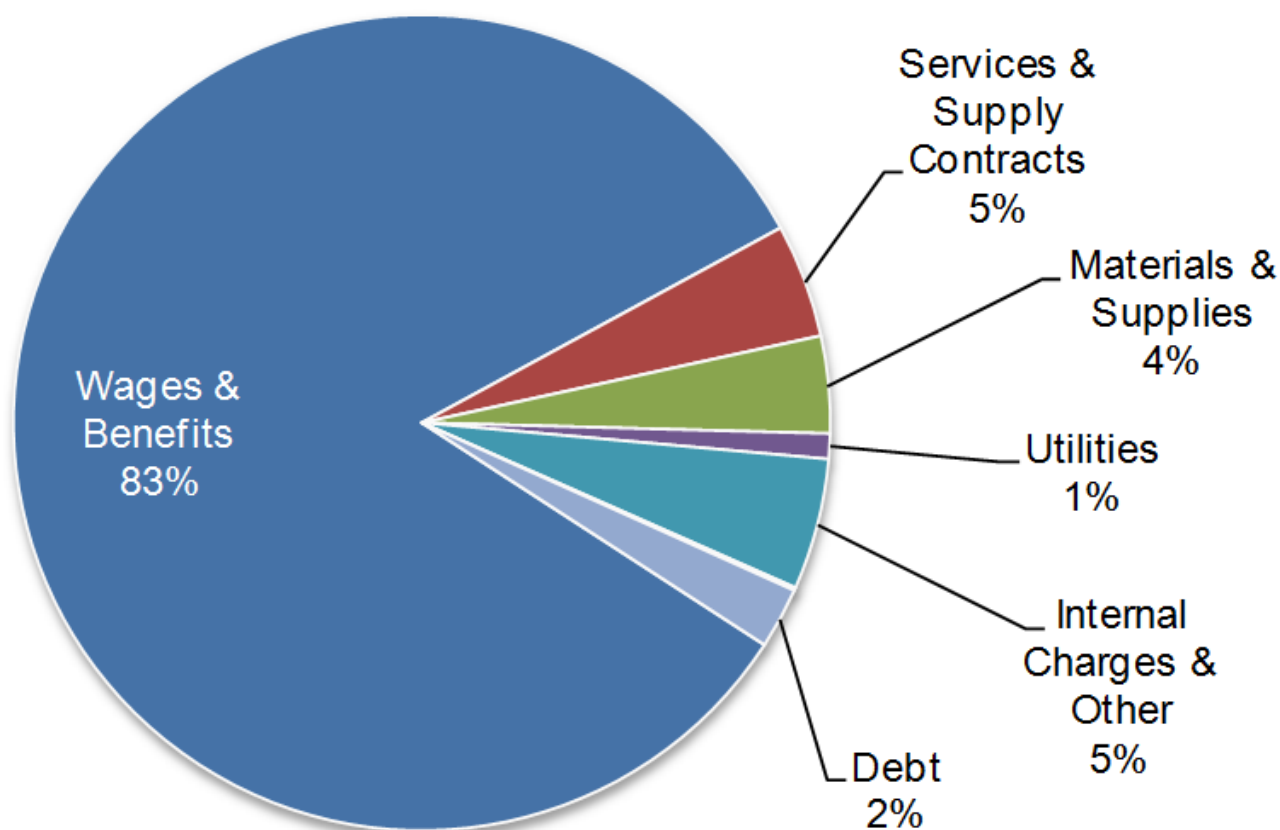
FireComm, Fire and Loss Prevention and Training and Education.

The Financial Plan includes additional staffing, operating and maintenance expenditures for a new fire station starting in 2017. An additional 20 firefighters will staff the new fire station to provide 24/7 coverage and will be phased in during 2017 and 2018.



Operating Expenditures and Revenues

| | 2014 Actual | 2015 Budget | 2016 Budget | 2017 Budget | 2018 Budget | 2019 Budget | 2020 Budget |
|-----------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| EXPENDITURE SUMMARY | | | | | | | |
| Wages & Benefits | \$12,294,835 | \$11,480,914 | \$12,492,321 | \$13,103,595 | \$14,090,704 | \$14,832,653 | \$15,320,202 |
| Services & Supply Contracts | 629,245 | 596,667 | 679,298 | 669,164 | 682,284 | 695,671 | 709,324 |
| Materials & Supplies | 517,617 | 562,135 | 579,735 | 582,250 | 580,871 | 604,688 | 603,250 |
| Utilities | 134,709 | 153,000 | 150,500 | 153,510 | 156,580 | 159,712 | 162,906 |
| Internal Charges & Other | 560,776 | 570,178 | 784,533 | 796,782 | 809,566 | 823,253 | 837,887 |
| Grants & Subsidies | 17,500 | 17,500 | 17,500 | 17,850 | 18,207 | 18,571 | 18,943 |
| Debt | 339,463 | 345,810 | 364,643 | 583,465 | 593,814 | 604,577 | 615,769 |
| Total Expenditures | 14,494,145 | 13,726,204 | 15,068,530 | 15,906,616 | 16,932,026 | 17,739,125 | 18,268,281 |
| Revenues Generated | 434,412 | 234,031 | 231,223 | 252,586 | 253,241 | 278,829 | 280,158 |
| Net Operating Costs | \$14,059,733 | \$13,492,173 | \$14,837,307 | \$15,654,030 | \$16,678,785 | \$17,460,296 | \$17,988,123 |
| | | | | | | | |
| Staffing (FTEs) | 96.8 | 95.8 | 95.8 | 105.8 | 115.8 | 115.8 | 115.8 |
| Cost Per Capita | \$158.21 | \$149.81 | \$162.57 | \$169.25 | \$177.95 | \$183.83 | \$186.88 |



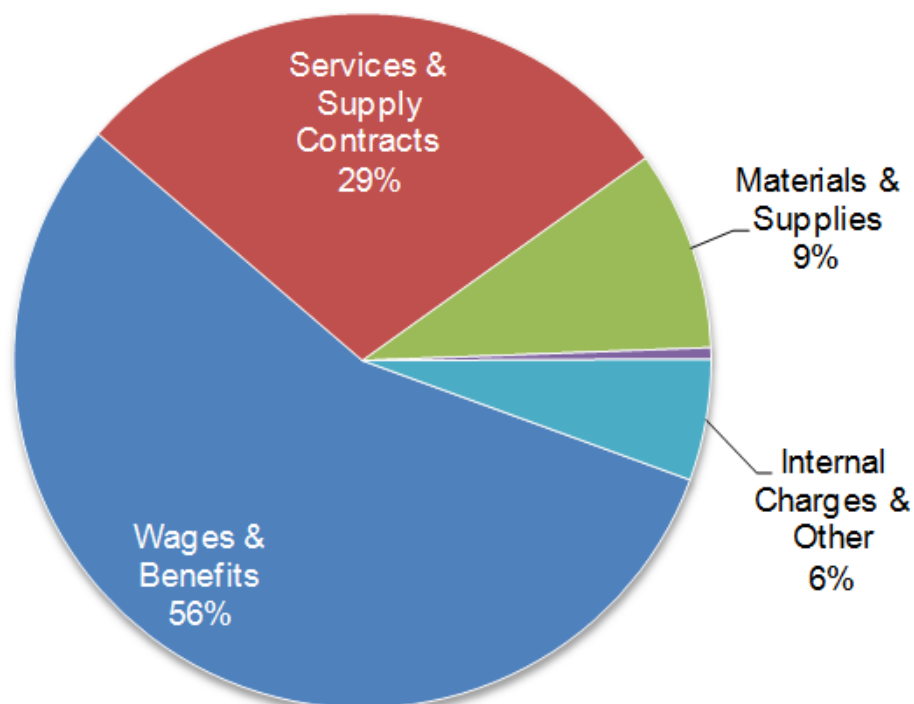
Emergency Management Section

Description and Level of Service

Emergency Management develops and supports the City's ability to respond to major emergency and disaster events. The section also provides public education, manages a volunteer program and supports interagency and interdepartmental initiatives.

Operating Expenditures and Revenues

| | 2014 Actual | 2015 Budget | 2016 Budget | 2017 Budget | 2018 Budget | 2019 Budget | 2020 Budget |
|-----------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| EXPENDITURE SUMMARY | | | | | | | |
| Wages & Benefits | \$105,660 | \$103,270 | \$104,743 | \$106,838 | \$108,974 | \$111,154 | \$113,377 |
| Services & Supply Contracts | 59,137 | 52,920 | 54,200 | 55,284 | 56,388 | 57,518 | 58,667 |
| Materials & Supplies | 14,210 | 16,150 | 17,450 | 17,673 | 17,900 | 18,131 | 18,369 |
| Utilities | 824 | 1,000 | 1,000 | 1,020 | 1,040 | 1,061 | 1,082 |
| Internal Charges & Other | 9,600 | 9,600 | 10,560 | 11,620 | 12,780 | 14,060 | 15,470 |
| Total Expenditures | 189,431 | 182,940 | 187,953 | 192,435 | 197,082 | 201,924 | 206,965 |
| Revenues Generated | 4,200 | - | - | - | - | - | - |
| Net Operating Costs | \$185,231 | \$182,940 | \$187,953 | \$192,435 | \$197,082 | \$201,924 | \$206,965 |
| Staffing (FTEs) | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| Cost Per Capita | \$2.08 | \$2.03 | \$2.06 | \$2.08 | \$2.10 | \$2.13 | \$2.15 |



911 Services Section

Description and Level of Service

911 services are provided through two functions: 911 Public Safety Answering Point (PSAP) and 911 FireComm. The Central Island 911 Partnership manages 911 services for the City of Nanaimo, the Regional District of Nanaimo and the Cowichan Valley Regional District.

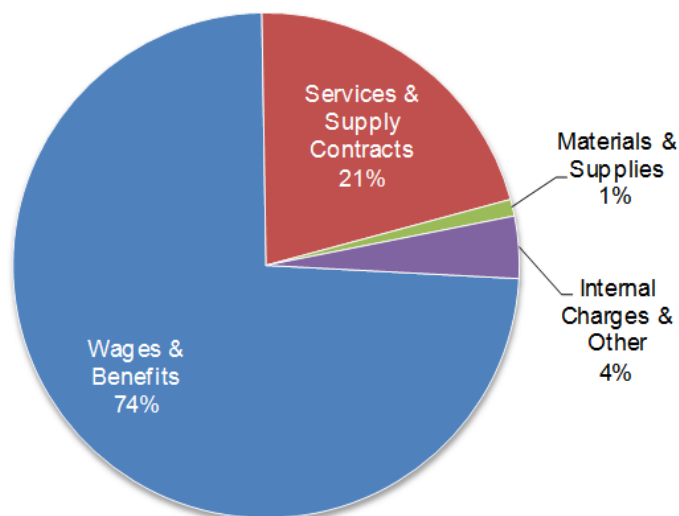
In November 2015, the partnership entered into an agreement with Emergency Communications

of British Columbia Incorporated (EComm 911) to provide PSAP services. This new business model resulted in the reduction of 6.2 FTEs.

Funding for 911 services is a cost share between the City (45%), the Regional District of Nanaimo (10%) and the Cowichan Valley Regional District (45%).

Operating Expenditures and Revenues

| | 2014 Actual | 2015 Budget | 2016 Budget | 2017 Budget | 2018 Budget | 2019 Budget | 2020 Budget |
|-----------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| EXPENDITURE SUMMARY | | | | | | | |
| Wages & Benefits | \$1,449,829 | \$1,533,750 | \$1,085,733 | \$1,107,447 | \$1,129,597 | \$1,152,188 | \$1,175,232 |
| Services & Supply Contracts | 207,027 | 220,100 | 309,420 | 315,608 | 321,920 | 328,358 | 334,926 |
| Materials & Supplies | 16,350 | 18,510 | 15,680 | 15,994 | 16,313 | 16,640 | 16,973 |
| Internal Charges & Other | 62,001 | 63,970 | 58,382 | 59,804 | 61,279 | 62,812 | 64,406 |
| Total Expenditures | 1,735,207 | 1,836,330 | 1,469,215 | 1,498,853 | 1,529,109 | 1,559,998 | 1,591,537 |
| Revenues Generated | 1,084,026 | 1,139,969 | 821,819 | 838,255 | 855,021 | 872,121 | 889,563 |
| Net Operating Costs | \$651,181 | \$696,361 | \$647,396 | \$660,598 | \$674,088 | \$687,877 | \$701,974 |
| | | | | | | | |
| Staffing (FTEs) | 16.0 | 16.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 |
| Cost Per Capita | \$7.33 | \$7.73 | \$7.09 | \$7.14 | \$7.19 | \$7.24 | \$7.29 |



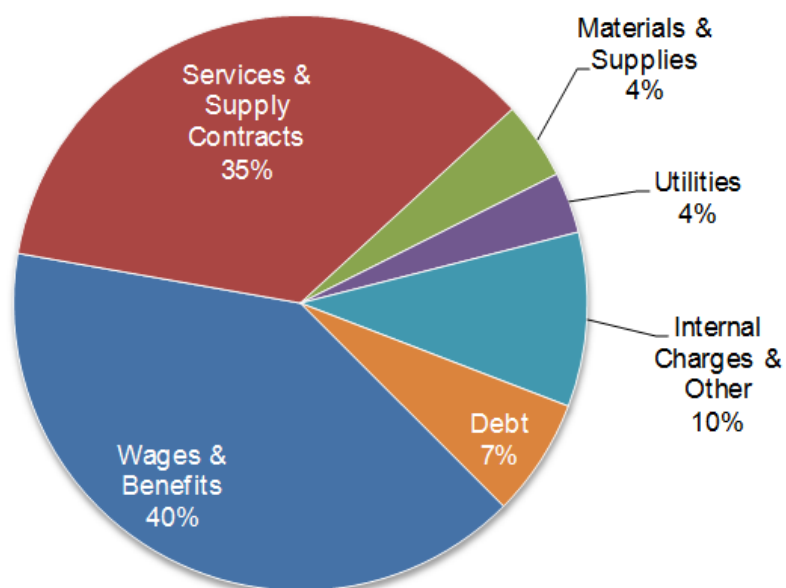
Bylaw, Regulation and Security Section

Description and Level of Service

- Bylaw enforcement that includes; property maintenance, noise, traffic and highways, signs
- Liaise with RCMP
- Animal control
- Maintain parking facilities, parking enforcement
- Monitor downtown and parkade security, assist other city departments on security issues

Operating Expenditures and Revenues

| | 2014 Actual | 2015 Budget | 2016 Budget | 2017 Budget | 2018 Budget | 2019 Budget | 2020 Budget |
|-----------------------------|------------------|--------------------|------------------|------------------|--------------------|--------------------|--------------------|
| EXPENDITURE SUMMARY | | | | | | | |
| Wages & Benefits | \$998,561 | \$1,106,837 | \$1,126,513 | \$1,149,044 | \$1,172,023 | \$1,195,465 | \$1,219,372 |
| Services & Supply Contracts | 965,891 | 1,099,448 | 990,722 | 1,010,539 | 1,030,747 | 1,051,360 | 1,072,389 |
| Materials & Supplies | 113,117 | 134,290 | 122,450 | 124,569 | 126,728 | 128,935 | 131,181 |
| Utilities | 87,182 | 84,177 | 96,230 | 98,155 | 100,116 | 102,121 | 104,162 |
| Internal Charges & Other | 258,837 | 297,786 | 275,269 | 282,009 | 289,000 | 296,277 | 303,857 |
| Debt | 185,758 | 185,758 | 185,758 | 185,758 | 185,758 | 185,758 | 185,758 |
| Total Expenditures | 2,609,346 | 2,908,296 | 2,796,942 | 2,850,074 | 2,904,372 | 2,959,916 | 3,016,719 |
| Revenues Generated | 1,917,992 | 1,865,748 | 1,833,150 | 1,851,483 | 1,869,994 | 1,888,696 | 1,907,587 |
| Net Operating Costs | \$691,354 | \$1,042,548 | \$963,792 | \$998,591 | \$1,034,378 | \$1,071,220 | \$1,109,132 |
| Staffing (FTEs) | 14.0 | 13.0 | 13.0 | 13.0 | 13.0 | 13.0 | 13.0 |
| Cost Per Capita | \$7.78 | \$11.58 | \$10.56 | \$10.80 | \$11.04 | \$11.28 | \$11.52 |



Parks, Recreation and Environment Department

Overview

The Parks, Recreation and Environment department delivers a wide range of services to the community. The department operates and maintains many facilities, parks and amenities used by residents and local organizations for recreation, wellness and community events.

The department delivers services at three community centres: Beban Centre, Bowen Centre and Oliver Woods Community Centre. Beban Centre also includes Beban Pool with four pools, Frank Crane Arena and Cliff McNabb Arena. The department also manages the Nanaimo Aquatic Centre located on Third Avenue that has three pools, the Nanaimo Ice Centre, also located on Third Avenue with two ice rinks and many parks and sports fields.

The department is organized into the following sections:

- Administration and Environment
- Recreation Operations
- Arena Operations
- Aquatic Operations
- Parks Operations
- Facility Planning and Operations
- Community Development
- PR&E Civic Properties

Proposed Initiatives for 2016

- Fees and charges review
- Initiate Linley Valley Park planning process
- Replacement of the registration and point of sale system
- Caledonia Park/Curling Club parking lot renewal
- Parkway Trail - Doumont Connector (Jenkins Rd with Parkway Trail) and trail surface rehab
- Jingle Pot West Marsh Management Plan

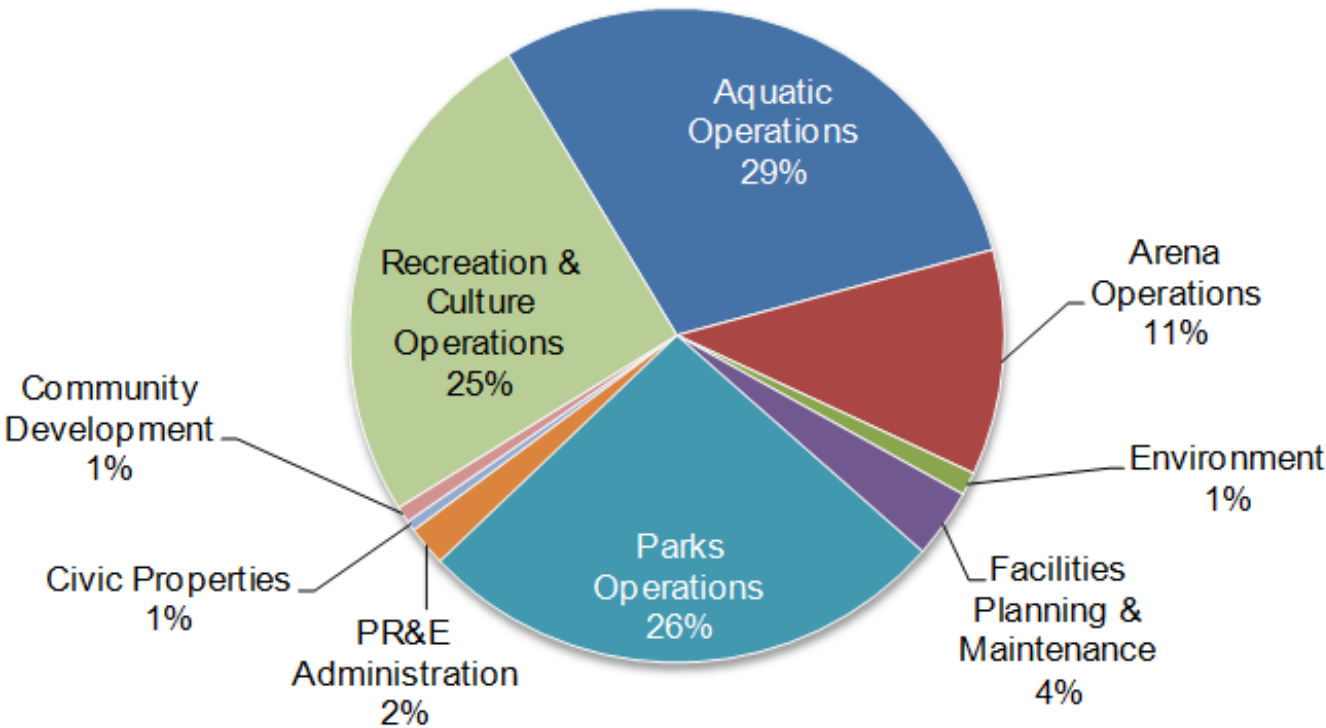


Operating Expenditures and Revenues by Section

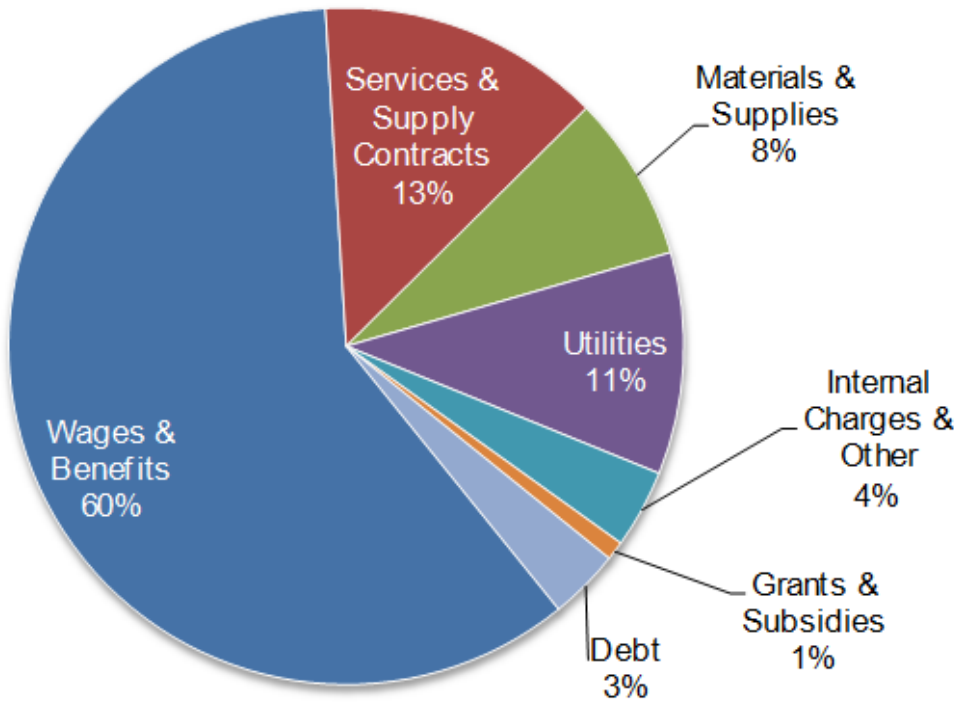
| | 2014 Actual | 2015 Budget | 2016 Budget | 2017 Budget | 2018 Budget | 2019 Budget | 2020 Budget |
|--------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| REVENUES GENERATED | | | | | | | |
| Aquatic Operations | \$2,644,721 | \$2,655,687 | \$2,696,283 | \$2,744,973 | \$2,795,001 | \$2,846,414 | \$2,899,269 |
| Arena Operations | 1,442,102 | 1,391,100 | 1,415,764 | 1,429,922 | 1,444,222 | 1,458,664 | 1,473,249 |
| Environment | 3,961 | - | - | - | - | - | - |
| Facilities Planning & Maintenance | 130,780 | 67,700 | 82,920 | 83,749 | 84,587 | 85,433 | 86,286 |
| Parks Operations | 1,402,577 | 238,905 | 198,650 | 200,637 | 202,642 | 204,668 | 206,716 |
| PR&E Administration | 47,842 | 46,000 | 45,000 | 45,450 | 45,905 | 46,364 | 46,827 |
| Civic Properties | 127,579 | 120,427 | 127,878 | 128,917 | 129,966 | 131,026 | 132,096 |
| Community Development | 1,035,396 | 1,039,101 | 1,039,101 | 1,039,101 | 1,039,101 | 1,039,101 | 1,039,101 |
| Recreation & Culture Operations | 2,305,593 | 2,250,583 | 2,353,978 | 2,377,520 | 2,401,289 | 2,425,307 | 2,449,559 |
| Revenues Total | \$9,140,551 | \$7,809,503 | \$7,959,574 | \$8,050,269 | \$8,142,713 | \$8,236,977 | \$8,333,103 |
| EXPENDITURES | | | | | | | |
| Aquatic Operations | \$5,947,564 | \$6,128,717 | \$6,256,323 | \$6,386,666 | \$6,524,811 | \$6,666,350 | \$6,764,136 |
| Arena Operations | 2,166,901 | 2,199,929 | 2,371,170 | 2,418,538 | 2,466,843 | 2,516,123 | 2,566,384 |
| Environment | 213,963 | 230,649 | 243,699 | 248,813 | 254,047 | 259,423 | 264,936 |
| Facilities Planning & Maintenance | 546,623 | 673,840 | 726,547 | 740,912 | 755,596 | 770,617 | 785,974 |
| Parks Operations | 5,675,665 | 5,463,737 | 5,615,529 | 5,728,914 | 5,844,669 | 5,962,903 | 6,083,657 |
| PR&E Administration | 433,334 | 423,235 | 421,826 | 430,261 | 438,863 | 447,645 | 456,596 |
| Civic Properties | 100,670 | 105,412 | 106,774 | 108,795 | 110,854 | 112,955 | 115,099 |
| Community Development | 220,610 | 168,300 | 172,500 | 172,812 | 173,130 | 173,455 | 173,786 |
| Recreation & Culture Operations | 5,375,935 | 5,366,095 | 5,366,117 | 5,477,931 | 5,592,554 | 5,710,593 | 5,830,885 |
| Annual Operating Expenditures | \$20,681,265 | \$20,759,914 | \$21,280,485 | \$21,713,642 | \$22,161,367 | \$22,620,064 | \$23,041,453 |
| Net Operating Expenditures | \$11,540,714 | \$12,950,411 | \$13,320,911 | \$13,663,373 | \$14,018,654 | \$14,383,087 | \$14,708,350 |
| Staffing (FTEs) | 129.9 | 129.8 | 130.5 | 130.5 | 130.5 | 130.5 | 130.5 |
| Cost Per Capita | \$129.86 | \$143.80 | \$145.96 | \$147.73 | \$149.57 | \$151.43 | \$152.81 |

Operating expenditures exclude transfers to the Facility Development Reserve (Appendix A). Annual transfers to the Facility Development Reserve are approximately \$1 million.

Operating Expenditures by Section



Operating Expenditures by Type



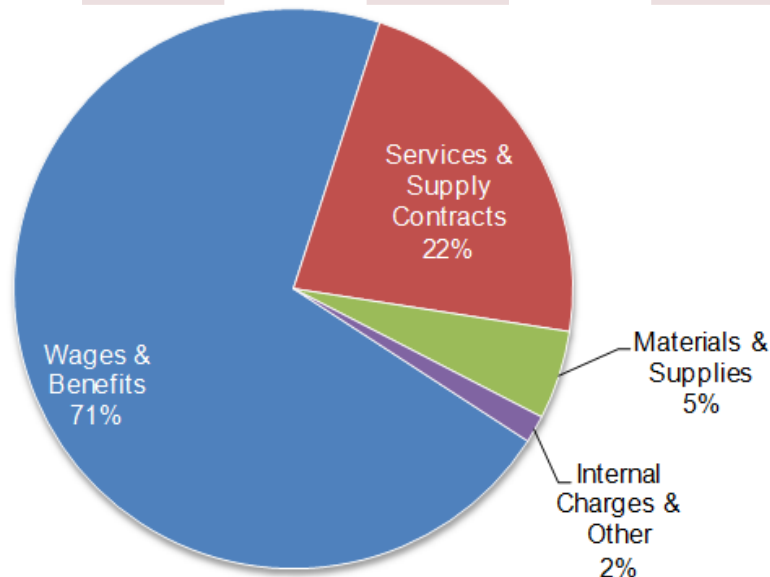
Administration and Environment Sections

Description and Level of Service

- Leadership and direction for the department
- Develop 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), Trail Implementation Plan (2007) and through other planning processes
- Marketing and promotion of programs and services
- Environmental protections

Annual Operating Expenditures and Revenues

| | 2014 Actual | 2015 Budget | 2016 Budget | 2017 Budget | 2018 Budget | 2019 Budget | 2020 Budget |
|-----------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| EXPENDITURE SUMMARY | | | | | | | |
| Wages & Benefits | \$495,121 | \$476,500 | \$471,446 | \$480,874 | \$490,490 | \$500,302 | \$510,309 |
| Services & Supply Contracts | 108,835 | 135,950 | 149,406 | 152,394 | 155,439 | 158,550 | 161,723 |
| Materials & Supplies | 40,032 | 32,530 | 34,125 | 34,792 | 35,469 | 36,166 | 36,871 |
| Internal Charges & Other | 3,309 | 8,904 | 10,548 | 11,014 | 11,512 | 12,050 | 12,629 |
| Total Expenditures | 647,297 | 653,884 | 665,525 | 679,074 | 692,910 | 707,068 | 721,532 |
| Revenues Generated | 51,803 | 46,000 | 45,000 | 45,450 | 45,905 | 46,364 | 46,827 |
| Net Operating Costs | \$595,494 | \$607,884 | \$620,525 | \$633,624 | \$647,005 | \$660,704 | \$674,705 |
| Staffing (FTEs) | 6.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 |
| Cost Per Capita | \$6.70 | \$6.75 | \$6.80 | \$6.85 | \$6.90 | \$6.96 | \$7.01 |



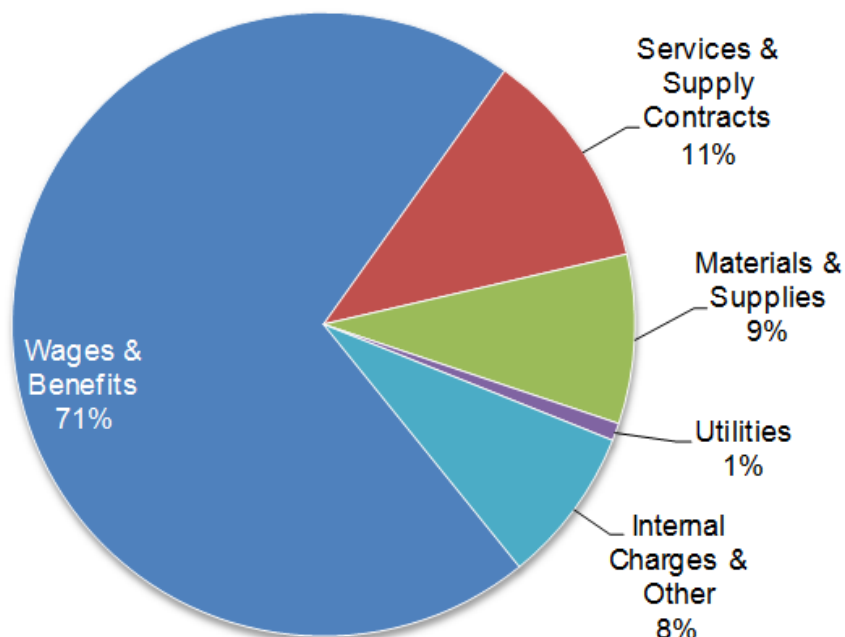
Facilities Planning and Operations Section

Description and Level of Service

- Manage life cycle planning, asset management, capital planning and energy conservation initiatives for all city buildings
- Risk management

Annual Operating Expenditures and Revenues

| | 2014 Actual | 2015 Budget | 2016 Budget | 2017 Budget | 2018 Budget | 2019 Budget | 2020 Budget |
|-----------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| EXPENDITURE SUMMARY | | | | | | | |
| Wages & Benefits | \$414,817 | \$512,817 | \$513,828 | \$524,103 | \$534,586 | \$545,278 | \$556,186 |
| Services & Supply Contracts | 85,753 | 89,600 | 83,543 | 85,214 | 86,917 | 88,656 | 90,429 |
| Materials & Supplies | 38,094 | 59,383 | 63,715 | 64,485 | 65,271 | 66,074 | 66,887 |
| Utilities | 4,437 | 5,200 | 6,585 | 6,717 | 6,851 | 6,988 | 7,128 |
| Internal Charges & Other | 3,522 | 6,840 | 58,876 | 60,393 | 61,971 | 63,621 | 65,344 |
| Total Expenditures | 546,623 | 673,840 | 726,547 | 740,912 | 755,596 | 770,617 | 785,974 |
| Revenues Generated | 130,780 | 67,700 | 82,920 | 83,749 | 84,587 | 85,433 | 86,286 |
| Net Operating Costs | \$415,843 | \$606,140 | \$643,627 | \$657,163 | \$671,009 | \$685,184 | \$699,688 |
| | | | | | | | |
| Staffing (FTEs) | - | 4.5 | 4.5 | 4.5 | 4.5 | 4.5 | 4.5 |
| Cost Per Capita | \$4.68 | \$6.73 | \$7.05 | \$7.11 | \$7.16 | \$7.21 | \$7.27 |



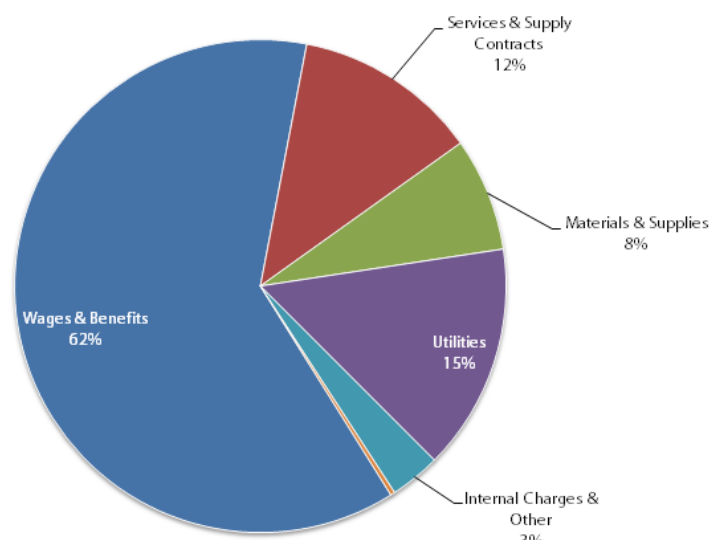
Recreation Operations Section

Description and Level of Service

- Services provided at Beban Social Centre, Bowen Centre, Oliver Woods Community Centre and the Centennial Building (Beban Campus)
- Provide program registration
- Provide recreation, wellness, leadership and cultural programs to a wide range of users
- Provide rental space for user groups/organizations
- Provide custodial and maintenance for facilities

Annual Operating Expenditures and Revenues

| | 2014 Actual | 2015 Budget | 2016 Budget | 2017 Budget | 2018 Budget | 2019 Budget | 2020 Budget |
|-----------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| EXPENDITURE SUMMARY | | | | | | | |
| Wages & Benefits | \$3,529,287 | \$3,447,568 | \$3,321,775 | \$3,388,211 | \$3,455,977 | \$3,525,094 | \$3,595,592 |
| Services & Supply Contracts | 625,610 | 572,142 | 650,083 | 663,089 | 676,342 | 689,870 | 703,663 |
| Materials & Supplies | 329,981 | 436,871 | 400,593 | 408,353 | 416,259 | 424,336 | 432,563 |
| Utilities | 686,458 | 700,250 | 799,750 | 815,745 | 832,060 | 848,700 | 865,676 |
| Internal Charges & Other | 199,979 | 194,064 | 178,716 | 187,029 | 196,102 | 206,463 | 216,939 |
| Grants & Subsidies | 4,619 | 15,200 | 15,200 | 15,504 | 15,814 | 16,130 | 16,452 |
| Total Expenditures | 5,375,934 | 5,366,095 | 5,366,117 | 5,477,931 | 5,592,554 | 5,710,593 | 5,830,885 |
| Revenues Generated | 2,305,593 | 2,250,583 | 2,353,978 | 2,377,520 | 2,401,289 | 2,425,307 | 2,449,559 |
| Net Operating Costs | \$3,070,341 | \$3,115,512 | \$3,012,139 | \$3,100,411 | \$3,191,265 | \$3,285,286 | \$3,381,326 |
| | | | | | | | |
| Staffing (FTEs) | 31.0 | 28.8 | 37.8 | 37.8 | 37.8 | 37.8 | 37.8 |
| Cost Per Capita | \$34.55 | \$34.59 | \$33.00 | \$33.52 | \$34.05 | \$34.59 | \$35.13 |



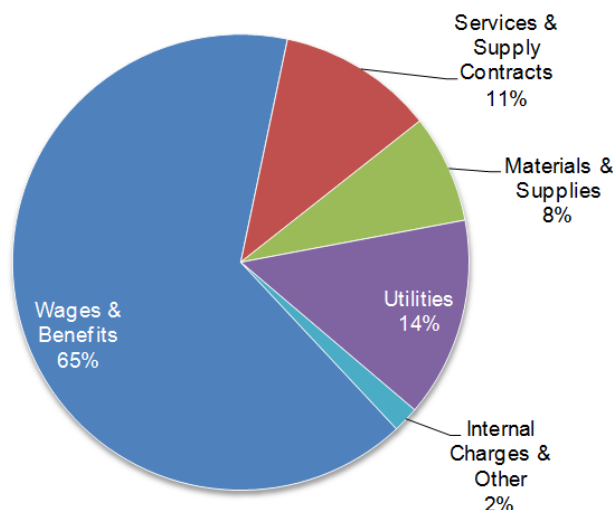
Arena Operations Section

Description and Level of Service

- Services provided at Cliff McNabb Arena and Frank Crane Arena (both Beban Campus) and at the Nanaimo Ice Centre
- Provide public skating and skating lesson programs
- Provide ice rentals to user groups/organizations, including hockey teams/clubs
- Provide seasonal dry floor rentals to user groups/organizations including lacrosse teams
- Provide custodial and maintenance for arena facilities

Annual Operating Expenditures and Revenues

| | 2014 Actual | 2015 Budget | 2016 Budget | 2017 Budget | 2018 Budget | 2019 Budget | 2020 Budget |
|-----------------------------|------------------|------------------|------------------|------------------|--------------------|--------------------|--------------------|
| EXPENDITURE SUMMARY | | | | | | | |
| Wages & Benefits | \$1,432,335 | \$1,439,511 | \$1,546,752 | \$1,577,688 | \$1,609,239 | \$1,641,425 | \$1,674,253 |
| Services & Supply Contracts | 258,904 | 205,550 | 262,430 | 267,679 | 273,028 | 278,489 | 284,058 |
| Materials & Supplies | 121,863 | 175,050 | 182,206 | 185,820 | 189,504 | 193,262 | 197,094 |
| Utilities | 321,207 | 326,000 | 336,200 | 342,924 | 349,783 | 356,778 | 363,914 |
| Internal Charges & Other | 32,592 | 53,818 | 43,582 | 44,427 | 45,289 | 46,169 | 47,065 |
| Total Expenditures | 2,166,901 | 2,199,929 | 2,371,170 | 2,418,538 | 2,466,843 | 2,516,123 | 2,566,384 |
| Revenues Generated | 1,442,102 | 1,391,100 | 1,415,764 | 1,429,922 | 1,444,222 | 1,458,664 | 1,473,249 |
| Net Operating Costs | \$724,799 | \$808,829 | \$955,406 | \$988,616 | \$1,022,621 | \$1,057,459 | \$1,093,135 |
| Staffing (FTEs) | 13.2 | 13.2 | 13.7 | 13.7 | 13.7 | 13.7 | 13.7 |
| Cost Per Capita | \$8.16 | \$8.98 | \$10.47 | \$10.69 | \$10.91 | \$11.13 | \$11.36 |



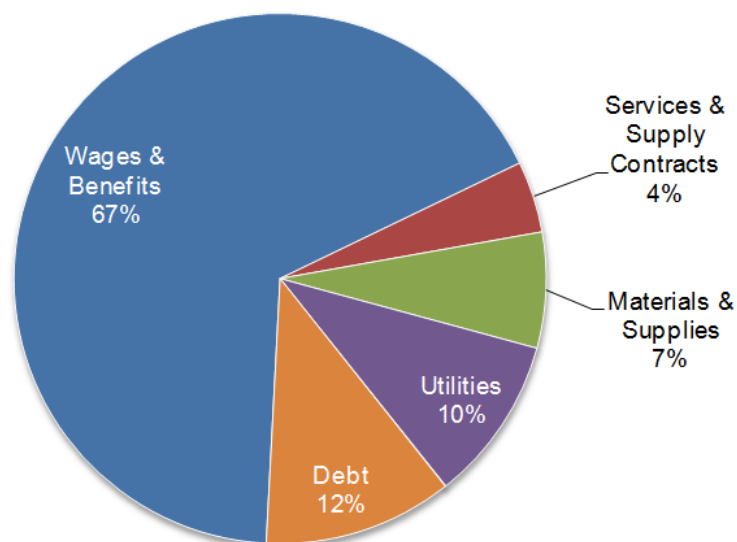
Aquatic Operations Section

Description and Level of Service

- Services provided at Beban Pool (Beban Campus), Nanaimo Aquatic Centre and at Westwood Lake (summer only)
- Provide public swimming, swimming lesson and wellness programs
- Provide pool rentals to user groups/organizations, including swim meets
- Provide custodial and maintenance for aquatic facilities and gym facilities

Annual Operating Expenditures and Revenues

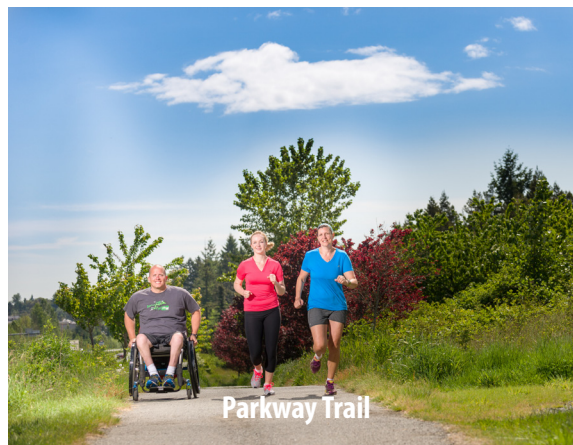
| | 2014 Actual | 2015 Budget | 2016 Budget | 2017 Budget | 2018 Budget | 2019 Budget | 2020 Budget |
|-----------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| EXPENDITURE SUMMARY | | | | | | | |
| Wages & Benefits | \$3,856,117 | \$4,168,174 | \$4,190,978 | \$4,274,796 | \$4,360,295 | \$4,447,498 | \$4,536,448 |
| Services & Supply Contracts | 283,363 | 247,232 | 272,616 | 278,069 | 283,629 | 289,299 | 295,085 |
| Materials & Supplies | 410,372 | 415,598 | 441,490 | 445,713 | 454,608 | 463,686 | 472,943 |
| Utilities | 653,516 | 601,800 | 630,000 | 642,600 | 655,452 | 668,561 | 681,933 |
| Internal Charges & Other | 5,899 | 2,118 | 2,150 | 2,167 | 2,184 | 2,201 | 2,219 |
| Debt | 738,298 | 693,795 | 719,089 | 743,321 | 768,643 | 795,105 | 775,508 |
| Total Expenditures | 5,947,565 | 6,128,717 | 6,256,323 | 6,386,666 | 6,524,811 | 6,666,350 | 6,764,136 |
| Revenues Generated | 2,644,721 | 2,655,687 | 2,696,283 | 2,744,973 | 2,795,001 | 2,846,414 | 2,899,269 |
| Net Operating Costs | \$3,302,844 | \$3,473,030 | \$3,560,040 | \$3,641,693 | \$3,729,810 | \$3,819,936 | \$3,864,867 |
| Staffing (FTEs) | 47.0 | 47.5 | 37.9 | 37.9 | 37.9 | 37.9 | 37.9 |
| Cost Per Capita | \$37.17 | \$38.56 | \$39.01 | \$39.37 | \$39.79 | \$40.22 | \$40.15 |



Parks Operations Section

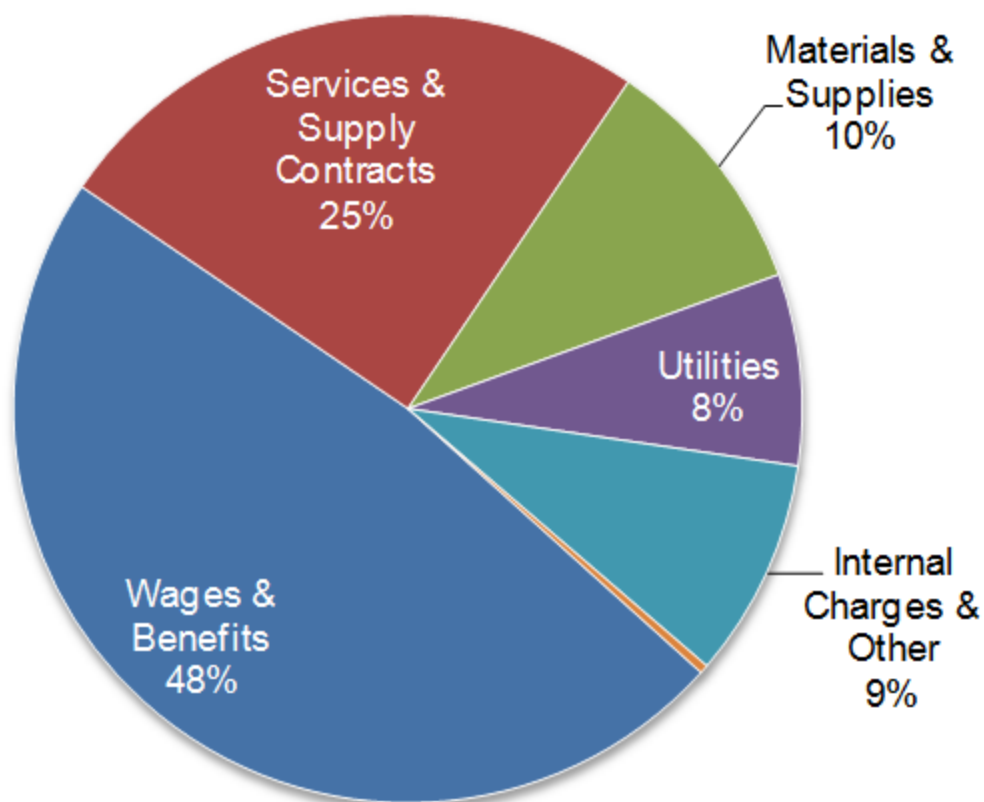
Description and Level of Service

- Maintain
 - 13 City destination parks and over 90 neighbourhood parks
 - 26 sports fields, including 2 artificial turf fields and 30 baseball diamonds
 - approximately 140 kilometres of trails
 - 631 hectares of parkland
 - 65 playgrounds
 - 2 outdoor amphitheatres
 - 12 dog off-leash parks
- Maintain horticulture areas, including planting beds, planters and trees
- Develop parks and open space plans, including consultation with users
- Provide facility maintenance



Annual Operating Expenditures and Revenues

| | 2014 Actual | 2015 Budget | 2016 Budget | 2017 Budget | 2018 Budget | 2019 Budget | 2020 Budget |
|-----------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| EXPENDITURE SUMMARY | | | | | | | |
| Wages & Benefits | \$2,598,057 | \$2,635,134 | \$2,686,433 | \$2,740,193 | \$2,795,025 | \$2,850,959 | \$2,908,009 |
| Services & Supply Contracts | 1,631,687 | 1,448,596 | 1,400,566 | 1,428,578 | 1,457,139 | 1,486,281 | 1,516,015 |
| Materials & Supplies | 600,315 | 559,260 | 563,425 | 574,506 | 585,807 | 597,337 | 609,092 |
| Utilities | 366,646 | 371,915 | 440,625 | 449,438 | 458,426 | 467,595 | 476,948 |
| Internal Charges & Other | 474,361 | 443,232 | 504,880 | 516,207 | 527,880 | 539,931 | 552,378 |
| Grants & Subsidies | 4,600 | 5,600 | 19,600 | 19,992 | 20,392 | 20,800 | 21,215 |
| Total Expenditures | 5,675,666 | 5,463,737 | 5,615,529 | 5,728,914 | 5,844,669 | 5,962,903 | 6,083,657 |
| Revenues Generated | 1,402,577 | 238,905 | 198,650 | 200,637 | 202,642 | 204,668 | 206,716 |
| Net Operating Costs | \$4,273,089 | \$5,224,832 | \$5,416,879 | \$5,528,277 | \$5,642,027 | \$5,758,235 | \$5,876,941 |
| Staffing (FTEs) | 32.7 | 31.8 | 32.7 | 32.7 | 32.7 | 32.7 | 32.7 |
| Cost Per Capita | \$48.08 | \$58.02 | \$59.35 | \$59.77 | \$60.20 | \$60.63 | \$61.06 |



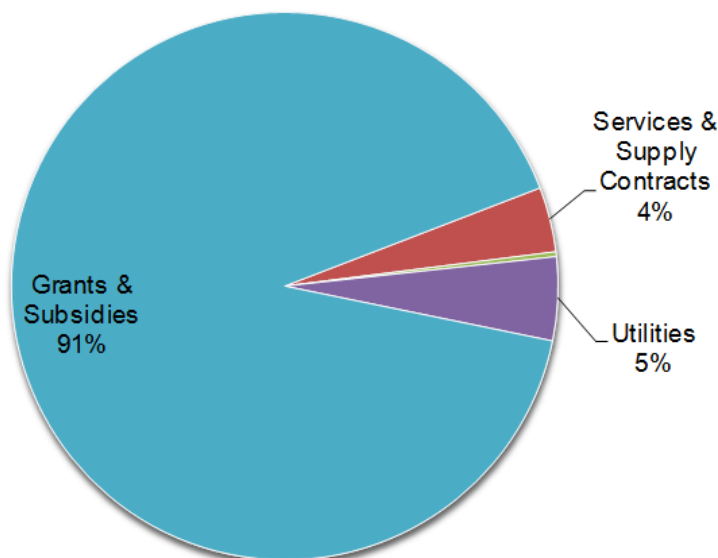
PR&E - Community Development Section

Description and Level of Service

- Support community organizations through grant programs, including travel grants, sport tournament grants and an agreement with McGirr Sports Society for the management of McGirr Sports Field
- Operate Live Site screen located in Diana Krall Plaza
- Revenues in this section is annual funding received by the City from the RDN that allows access to sports fields and recreational facilities for users that reside outside the City of Nanaimo but within the boundaries of the Regional District of Nanaimo

Annual Operating Expenditures and Revenues

| | 2014 Actual | 2015 Budget | 2016 Budget | 2017 Budget | 2018 Budget | 2019 Budget | 2020 Budget |
|-------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| EXPENDITURE SUMMARY | | | | | | | |
| Wages | \$2,243 | \$- | \$- | \$- | \$- | \$- | \$- |
| Services & Supply Contracts | 10,318 | 6,600 | 6,600 | 6,732 | 6,867 | 7,004 | 7,144 |
| Materials & Supplies | 1,194 | 500 | 500 | 510 | 520 | 531 | 541 |
| Utilities | 7,355 | 6,700 | 8,500 | 8,670 | 8,843 | 9,020 | 9,201 |
| Grants & Subsidies | 199,500 | 154,500 | 156,900 | 156,900 | 156,900 | 156,900 | 156,900 |
| Total Expenditures | 220,610 | 168,300 | 172,500 | 172,812 | 173,130 | 173,455 | 173,786 |
| Revenues Generated | 1,035,396 | 1,039,101 | 1,039,101 | 1,039,101 | 1,039,101 | 1,039,101 | 1,039,101 |
| Net Operating Revenues | \$814,786 | \$870,801 | \$866,601 | \$866,289 | \$865,971 | \$865,646 | \$865,315 |
| Staffing (FTEs) | - | - | - | - | - | - | - |
| Net Revenues Per Capita | \$9.17 | \$9.67 | \$9.50 | \$9.37 | \$9.24 | \$9.11 | \$8.99 |



Culture and Heritage

Description and Level of Service

The Culture and Heritage department was created in late 2013 as a result of the City's re-organization and brings together staff and programs that support culture and heritage initiatives.

Guided by the recently released Cultural Plan for a Creative Nanaimo (2014) and by the Heritage

Conservation Program (2002), the department's role is to facilitate initiatives that celebrate and contribute to Nanaimo's culture and heritage.

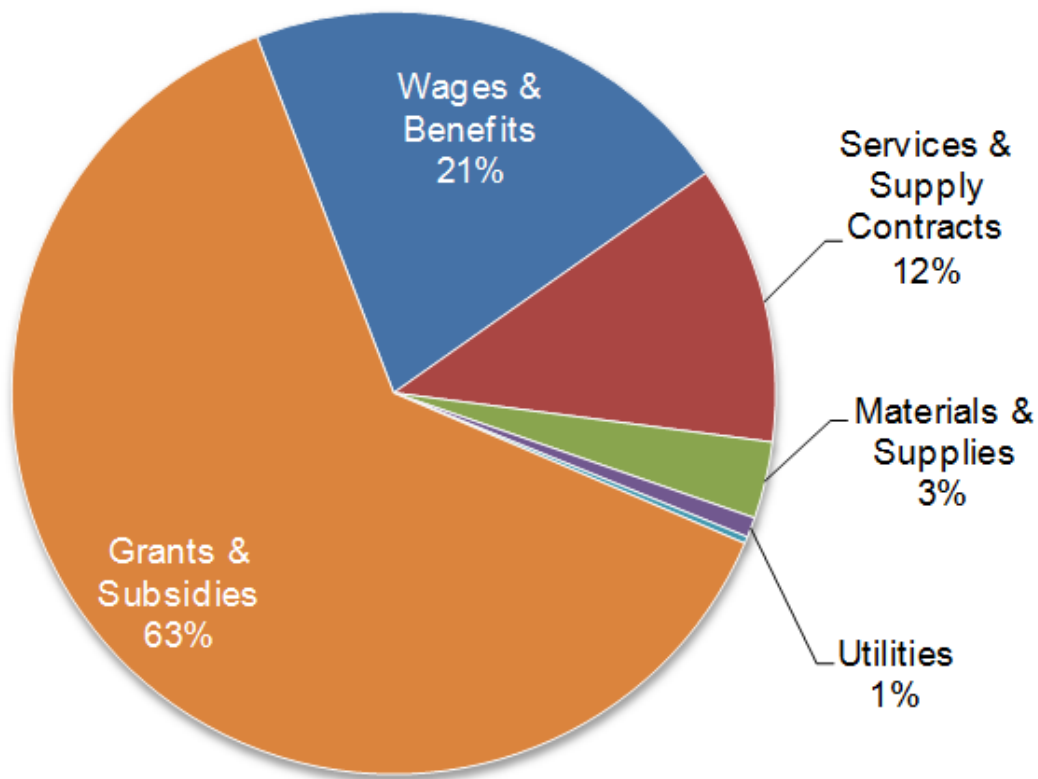
Proposed Initiatives for 2016

- City wide archeological assessment
- Continue implementing the goals and objectives of the 2014-2020 Cultural Plan for a Creative Environment
- Continue developing and creating new opportunities to foster collaborative working relationships with the community and cultural partners
- Continue to raise awareness of community culture and heritage values and priorities
- Further develop internal engagement awareness and process to ensure ongoing meaningful dialogue with residents
- Continue working with the Port Theatre Society to develop the Community Performing Arts Centre
- Participate in the planning of the Canada 150 Celebrations as part of the Canada 150 Steering Committee
- Completion of updated Heritage Conservation Program
- Development of Engagement Framework and Engagement Tool Kit
- Improved interpretive and way finding methodology through multi-medium applications
- Evaluation and expansion of social media presence for engagement and education opportunities and special events
- Exploration of a collaborative framework for the culture and heritage sector



Annual Operating Expenditures and Revenues

| | 2014 Actual | 2015 Budget | 2016 Budget | 2017 Budget | 2018 Budget | 2019 Budget | 2020 Budget |
|-----------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| EXPENDITURE SUMMARY | | | | | | | |
| Wages & Benefits | 428,063 | 434,502 | 439,223 | 448,008 | 456,968 | 466,108 | 475,430 |
| Services & Supply Contracts | 164,637 | 163,100 | 246,950 | 251,869 | 256,886 | 262,002 | 267,223 |
| Materials & Supplies | 47,996 | 69,330 | 67,905 | 69,137 | 70,392 | 71,676 | 72,985 |
| Utilities | 15,108 | 20,200 | 17,700 | 18,054 | 18,415 | 18,783 | 19,160 |
| Internal Charges & Other | 4,841 | 5,300 | 6,048 | 6,593 | 7,189 | 7,845 | 8,566 |
| Grants & Subsidies | 1,178,590 | 1,342,627 | 1,308,054 | 1,349,755 | 1,374,011 | 1,399,047 | 1,420,465 |
| Total Expenditures | 1,839,235 | 2,035,059 | 2,085,880 | 2,143,416 | 2,183,861 | 2,225,461 | 2,263,829 |
| Revenues Generated | 33,657 | 46,950 | 46,500 | 46,965 | 47,435 | 47,909 | 48,388 |
| Net Operating Costs | \$1,805,578 | \$1,988,109 | \$2,039,380 | \$2,096,451 | \$2,136,426 | \$2,177,552 | \$2,215,441 |
| | | | | | | | |
| Staffing (FTEs) | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 |
| Cost Per Capita | \$20.32 | \$22.08 | \$22.35 | \$22.67 | \$22.79 | \$22.93 | \$23.02 |



Engineering and Public Works Department

Overview

Engineering and Public Works provides and maintains a number of essential municipal services and infrastructure including roads, drainage, water, sanitary sewer, solid waste collection and management of the City's fleet.

The Sanitary Sewer Utility is an essential service provided to residents and businesses for the collection of liquid wastes. Sanitary Sewer services are self-financing through user fees. Sanitary sewer treatment is provided by the Regional District of Nanaimo.

The Waterworks Utility is an essential service that provides residents and businesses a supply of high quality, potable water, and at flows and pressures suitable for fire protection. Water services are self-financing through user fees.

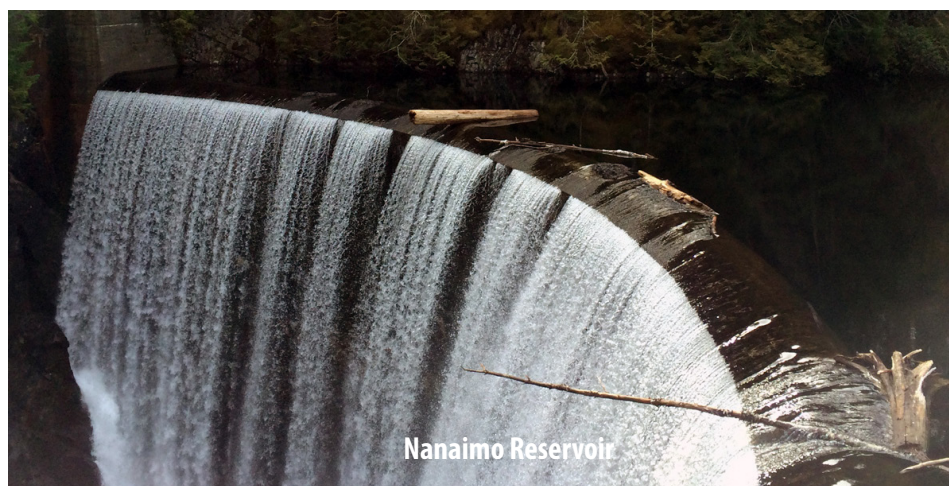
Water infrastructure includes dams, reservoirs, water treatment facilities, supply and distribution mains, and pump and pressure reducing stations.

The new Water Treatment Plant will be fully operational in 2016. The 2016 operating budget includes the first full year operating and maintenance expenses.

The Engineering and Public Works department is organized into the following sections:

The Engineering and Public Works department is organized into the following sections:

- Administration and Support Services
- Engineering Services
- Transportation (operations)
- Drainage
- Sanitation, Recycling and Cemeteries
- Fleet
- Water
- Sanitary Sewer



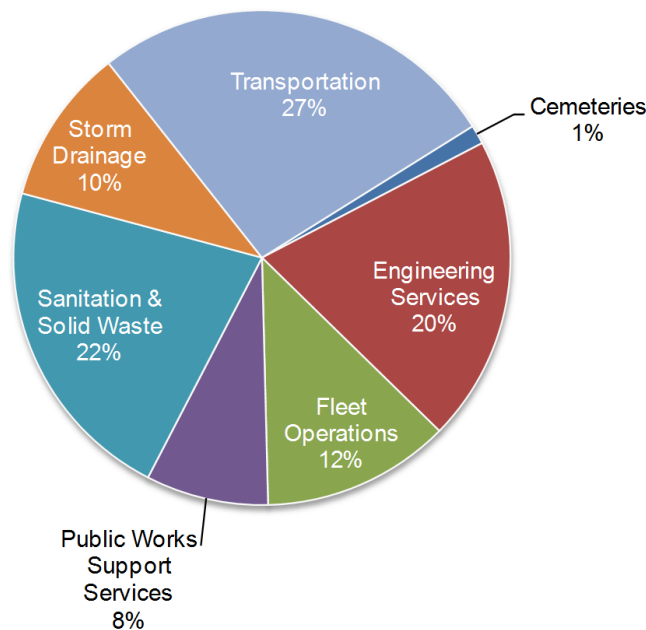
Proposed Initiatives for 2016

- Complete Asset Management Update
- Road, drainage, sewer and water infrastructure renewal programs
- Cycling amenities on Bruce, Second Street, Townsite/Holly Ave Area
- Pedestrian amenities, including countdown timers, flashers, at several intersections and new sidewalks
- Drainage capacity upgrade, Victoria Rd – Needham to Rainer
- Sanitary sewer capacity upgrade, Millstone Truck – Jingle Pot North
- Duplicate supply main, #1 Reservoir to College Park
- Implementation of a Cross Connection Control Program
- Engineering Standards Update
- Seismic Standards Development and Implementation
- Engineering Assurance Procedure Development
- Asset Management (LAMP) Phase 1 & 2 (Service Levels)

Operating Expenditures and Revenues by Section (excluding Sanitary Sewer and Water Utilities)

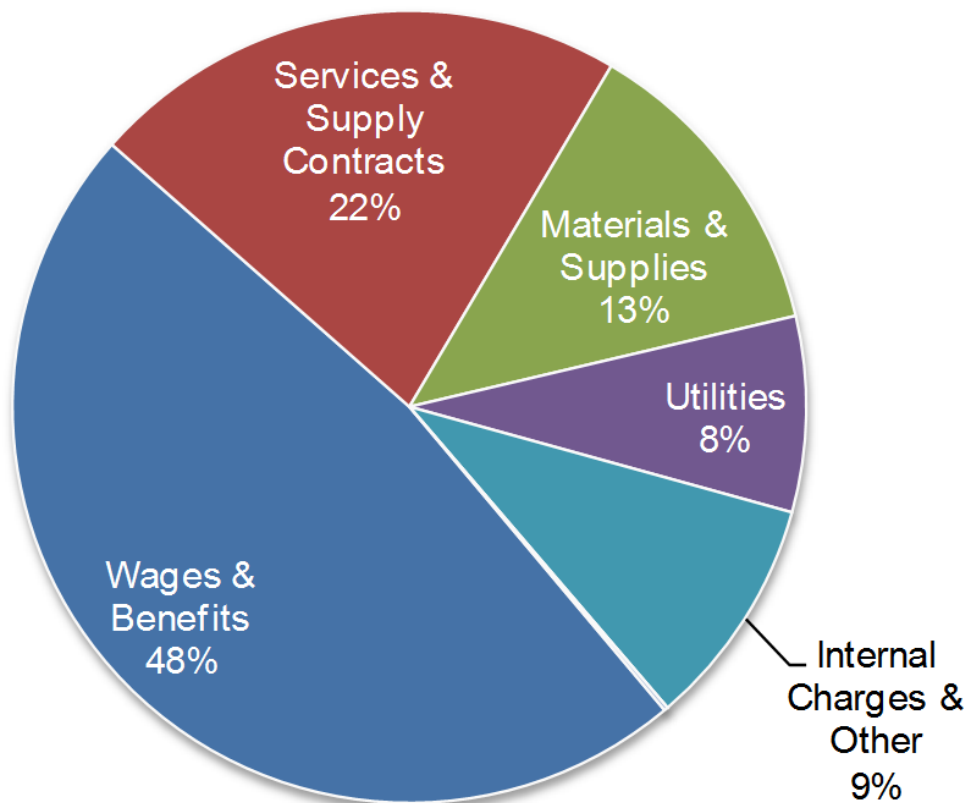
| | 2014 Actual | 2015 Budget | 2016 Budget | 2017 Budget | 2018 Budget | 2019 Budget | 2020 Budget |
|--------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| REVENUES GENERATED | | | | | | | |
| Cemeteries | \$86,106 | \$61,500 | \$69,900 | \$70,599 | \$71,305 | \$72,018 | \$72,738 |
| Engineering Services | 9,931 | 19,000 | 14,600 | 14,746 | 14,893 | 15,042 | 15,192 |
| Fleet Operations | 24,008 | - | - | - | - | - | - |
| Public Works Support Services | 785,545 | 424,200 | 424,000 | 432,240 | 440,642 | 449,210 | 457,947 |
| Sanitation & Solid Waste | 3,409,237 | 3,751,023 | 3,799,213 | 3,871,120 | 3,949,931 | 4,035,659 | 4,114,742 |
| Storm Drainage | 5,098 | 48,265 | 48,265 | 48,760 | 49,261 | 49,766 | 50,277 |
| Transportation | 84,027 | 72,088 | 48,784 | 49,272 | 57,825 | 66,704 | 75,924 |
| Revenues Total | \$4,403,952 | \$4,376,076 | \$4,404,762 | \$4,486,737 | \$4,583,857 | \$4,688,399 | \$4,786,820 |
| EXPENDITURES | | | | | | | |
| Cemeteries | \$220,494 | \$244,565 | \$245,264 | \$250,170 | \$255,171 | \$260,274 | \$265,480 |
| Engineering Services | 3,697,266 | 4,193,116 | 3,936,813 | 3,969,022 | 4,051,957 | 4,136,985 | 4,224,171 |
| Fleet Operations | 2,313,465 | 2,410,842 | 2,423,537 | 2,472,416 | 2,522,761 | 2,573,746 | 2,625,757 |
| Public Works Support Services | 1,964,751 | 1,557,839 | 1,577,814 | 1,609,938 | 1,642,774 | 1,676,361 | 1,710,710 |
| Sanitation & Solid Waste | 3,951,380 | 4,267,726 | 4,253,998 | 4,339,795 | 4,427,535 | 4,517,272 | 4,608,733 |
| Storm Drainage | 1,952,961 | 2,003,833 | 2,012,527 | 2,053,201 | 2,094,721 | 2,137,131 | 2,180,436 |
| Transportation | 4,893,226 | 5,189,059 | 5,271,587 | 5,906,892 | 6,022,477 | 6,140,624 | 6,261,357 |
| Annual Operating Expenditures | \$18,993,543 | \$19,866,980 | \$19,721,540 | \$20,601,434 | \$21,017,396 | \$21,442,393 | \$21,876,644 |
| Net Operating Expenditures | \$14,589,591 | \$15,490,904 | \$15,316,778 | \$16,114,697 | \$16,433,539 | \$16,753,994 | \$17,089,824 |
| Staffing (FTEs) | 113.8 | 112.8 | 109.8 | 109.8 | 109.8 | 109.8 | 109.8 |
| Cost Per Capita | \$164.17 | \$172.01 | \$167.83 | \$174.24 | \$175.34 | \$176.39 | \$177.55 |

Operating Expenditures by Section (excluding Sanitary Sewer and Water Utilities)



Operating Expenditures by Type

| | 2014 Actual | 2015 Budget | 2016 Budget | 2017 Budget | 2018 Budget | 2019 Budget | 2020 Budget |
|-----------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| EXPENDITURE SUMMARY | | | | | | | |
| Wages & Benefits | \$9,004,752 | \$9,720,014 | \$9,392,437 | \$9,533,734 | \$9,725,045 | \$9,920,195 | \$10,119,236 |
| Services & Supply Contracts | 3,958,981 | 4,257,892 | 4,335,512 | 4,419,674 | 4,508,057 | 4,598,224 | 4,690,186 |
| Materials & Supplies | 2,809,527 | 2,550,634 | 2,526,990 | 2,576,924 | 2,628,066 | 2,680,474 | 2,733,852 |
| Utilities | 1,421,906 | 1,480,402 | 1,574,760 | 1,606,255 | 1,638,380 | 1,671,147 | 1,704,573 |
| Internal Charges & Other | 1,763,345 | 1,830,134 | 1,861,266 | 1,904,383 | 1,949,366 | 1,995,532 | 2,043,303 |
| Grants & Subsidies | 5,750 | 1,500 | - | - | - | - | - |
| Debt | 29,281 | 26,404 | 30,575 | 560,464 | 568,482 | 576,821 | 585,494 |
| Total Expenditures | 18,993,542 | 19,866,980 | 19,721,540 | 20,601,434 | 21,017,396 | 21,442,393 | 21,876,644 |
| Revenues Generated | 4,403,950 | 4,376,076 | 4,404,762 | 4,486,737 | 4,583,857 | 4,688,399 | 4,786,820 |
| Net Operating Costs | \$14,589,592 | \$15,490,904 | \$15,316,778 | \$16,114,697 | \$16,433,539 | \$16,753,994 | \$17,089,824 |
| Staffing (FTEs) | 113.8 | 112.8 | 109.8 | 109.8 | 109.8 | 109.8 | 109.8 |
| Cost Per Capita | \$164.17 | \$172.01 | \$167.83 | \$174.24 | \$175.34 | \$176.39 | \$177.55 |



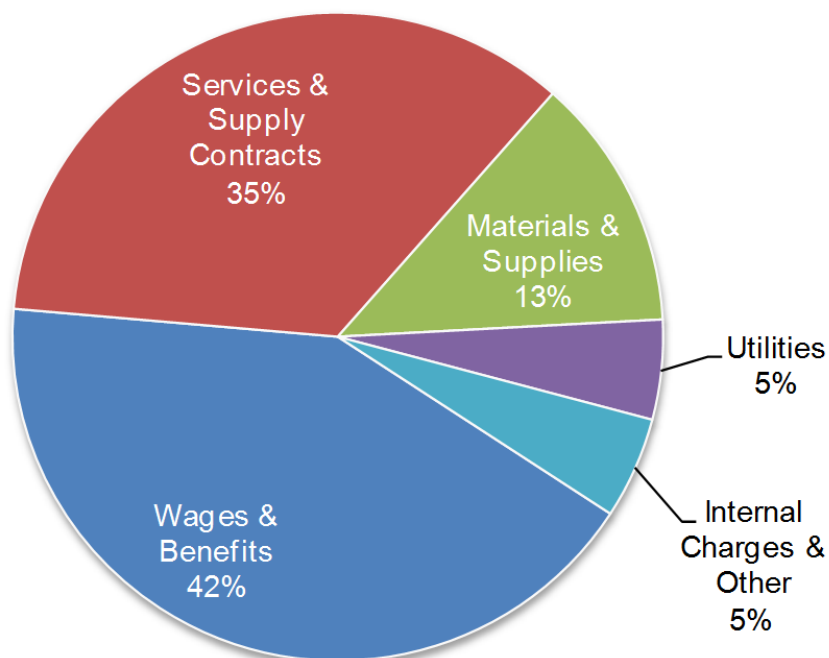
Administration and Support Services Section

Description and Level of Service

- Provide leadership and coordination of department's activities
- Liaise with other departments and external stakeholders
- Provide internal and public support and response services including reception, dispatch and records management

Operating Expenditures and Revenues

| | 2014 Actual | 2015 Budget | 2016 Budget | 2017 Budget | 2018 Budget | 2019 Budget | 2019 Budget |
|-----------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| EXPENDITURE SUMMARY | | | | | | | |
| Wages & Benefits | \$754,656 | \$688,910 | \$665,884 | \$679,844 | \$694,084 | \$708,611 | \$723,425 |
| Services & Supply Contracts | 505,370 | 548,583 | 554,670 | 565,763 | 577,078 | 588,619 | 600,393 |
| Materials & Supplies | 557,796 | 172,100 | 199,290 | 202,507 | 205,786 | 209,135 | 212,548 |
| Utilities | 72,648 | 73,200 | 78,200 | 79,764 | 81,359 | 82,986 | 84,647 |
| Internal Charges & Other | 74,281 | 75,046 | 79,770 | 82,060 | 84,467 | 87,010 | 89,697 |
| Total Expenditures | 1,964,751 | 1,557,839 | 1,577,814 | 1,609,938 | 1,642,774 | 1,676,361 | 1,710,710 |
| Revenues Generated | 785,545 | 424,200 | 424,000 | 432,240 | 440,642 | 449,210 | 457,947 |
| Net Operating Costs | \$1,179,206 | \$1,133,639 | \$1,153,814 | \$1,177,698 | \$1,202,132 | \$1,227,151 | \$1,252,763 |
| Staffing (FTEs) | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 |
| Cost Per Capita | \$13.27 | \$12.59 | \$12.64 | \$12.73 | \$12.83 | \$12.92 | \$13.02 |



Engineering Services Section

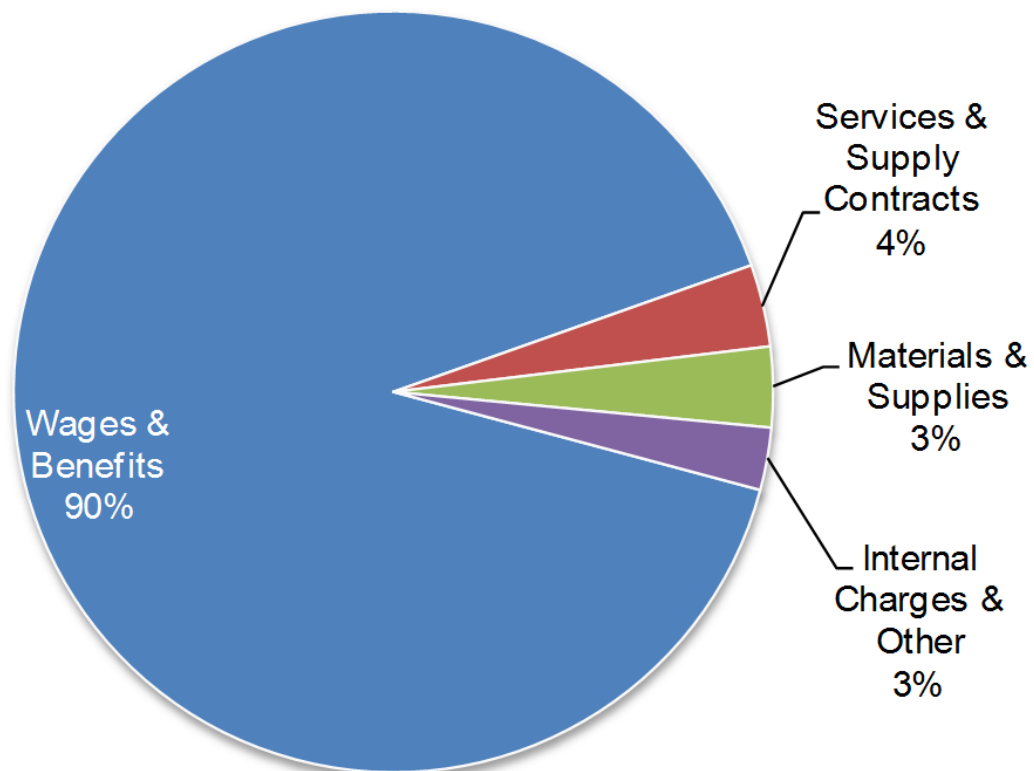
Description and Level of Service

- Develop and implement the City's Transportation Master Plan
- Prepare and manage the City's long range infrastructure programs and plans
 - Prepare detailed capital and operating project plans for the City's five-year financial plan
 - Prepare and manage the City's long range water supply infrastructure program and plans
- Design for municipal infrastructure
- Administer and manage the delivery of the Engineering and Public Works projects
- Manage the City's GIS system
- Identify and administer studies and/or investigative work on City infrastructure
- Liaise with stakeholders and other City departments
- Monitor water supply and quality

Operating Expenditures and Revenues

An allocation of Engineering Services expenditures is made to the Sanitary Sewer and Waterworks utilities. Expenditures below are before allocation.

| | 2014 Actual | 2015 Budget | 2016 Budget | 2017 Budget | 2018 Budget | 2019 Budget | 2020 Budget |
|-----------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| EXPENDITURE SUMMARY | | | | | | | |
| Wages & Benefits | \$3,305,809 | \$3,791,031 | \$3,559,380 | \$3,583,374 | \$3,655,039 | \$3,728,141 | \$3,802,704 |
| Services & Supply Contracts | 129,471 | 130,963 | 137,921 | 138,129 | 140,893 | 143,709 | 146,584 |
| Materials & Supplies | 146,890 | 153,730 | 134,904 | 137,133 | 139,400 | 141,719 | 144,082 |
| Internal Charges & Other | 114,346 | 115,892 | 104,608 | 110,386 | 116,625 | 123,416 | 130,801 |
| Grants & Subsidies | 750 | 1,500 | - | - | - | - | - |
| Total Expenditures | 3,697,266 | 4,193,116 | 3,936,813 | 3,969,022 | 4,051,957 | 4,136,985 | 4,224,171 |
| Revenues Generated | 9,931 | 19,000 | 14,600 | 14,746 | 14,893 | 15,042 | 15,192 |
| Net Operating Costs | \$3,687,335 | \$4,174,116 | \$3,922,213 | \$3,954,276 | \$4,037,064 | \$4,121,943 | \$4,208,979 |
| Staffing (FTEs) | 47.0 | 46.0 | 43.0 | 43.0 | 43.0 | 43.0 | 43.0 |
| Cost Per Capita | \$41.49 | \$46.35 | \$42.98 | \$42.75 | \$43.07 | \$43.40 | \$43.73 |



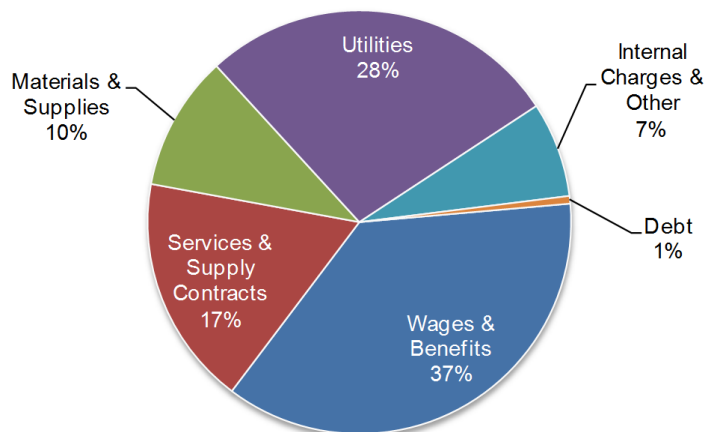
Transportation Section (operations)

Description and Level of Service

- Provide maintenance and repair services for the City's transportation network including roads, bridges, traffic signals and street lighting
- Manage maintenance program for City boulevards
- Manufacture and install street signage, road markings, banners and seasonal lighting program
- Provide repairs to City sidewalks, curbs and cycling paths
- Provide emergency operational services for snow clearing and ice control
- Graffiti removal program

Operating Expenditures and Revenues

| | 2014 Actual | 2015 Budget | 2016 Budget | 2017 Budget | 2018 Budget | 2019 Budget | 2020 Budget |
|-----------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| EXPENDITURE SUMMARY | | | | | | | |
| Wages & Benefits | \$1,782,369 | \$1,936,927 | \$1,935,093 | \$1,973,795 | \$2,013,268 | \$2,053,537 | \$2,094,606 |
| Services & Supply Contracts | 965,483 | 906,045 | 925,546 | 944,059 | 962,936 | 982,196 | 1,001,842 |
| Materials & Supplies | 446,719 | 577,900 | 542,810 | 553,666 | 564,738 | 576,036 | 587,551 |
| Utilities | 1,315,113 | 1,372,552 | 1,455,610 | 1,484,722 | 1,514,416 | 1,544,705 | 1,575,600 |
| Internal Charges & Other | 354,261 | 369,231 | 381,953 | 390,186 | 398,637 | 407,329 | 416,264 |
| Debt | 29,281 | 26,404 | 30,575 | 560,464 | 568,482 | 576,821 | 585,494 |
| Total Expenditures | 4,893,226 | 5,189,059 | 5,271,587 | 5,906,892 | 6,022,477 | 6,140,624 | 6,261,357 |
| Revenues Generated | 84,027 | 72,088 | 48,784 | 49,272 | 57,825 | 66,704 | 75,924 |
| Net Operating Costs | \$4,809,199 | \$5,116,971 | \$5,222,803 | \$5,857,620 | \$5,964,652 | \$6,073,920 | \$6,185,433 |
| | | | | | | | |
| Staffing (FTEs) | 22.0 | 22.0 | 22.0 | 22.0 | 22.0 | 22.0 | 22.0 |
| Cost Per Capita | \$54.12 | \$56.82 | \$57.23 | \$63.33 | \$63.64 | \$63.95 | \$64.26 |



Sanitation and Recycling Section

Description and Level of Service

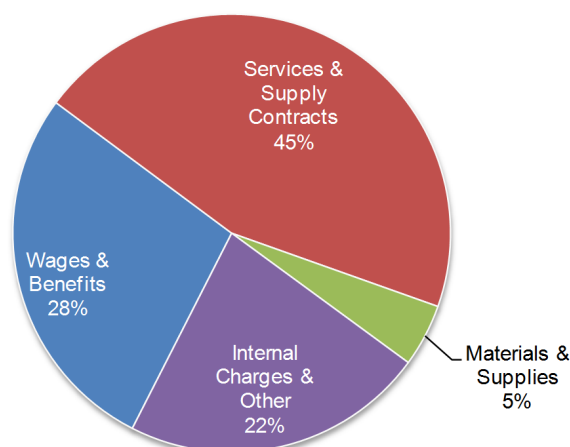
- Provide residential solid waste collection including weekly collection of food waste, bi-weekly collection of residential garbage and recyclables
- Provide public education and promotion for the 3 Rs – Reduce, Reuse, Recycle
- Provide downtown street and sidewalk sweeping program

Beginning May 19, 2014, the City entered into an agreement with Multi Material British Columbia (MMBC) where MMBC collects recyclable materials from households and the City received a fee per household for the materials. Garbage user fees in 2014 were reduced.

On October 26, 2015, Council approved the implementation of two automated routes in 2016. Changes to operating expenditures are not included below. These changes will be incorporated, with any other changes directed by Council during the budget review process, in the final 2016 – 2020 Financial Plan.

Operating Expenditures and Revenues

| | 2014 Actual | 2015 Budget | 2016 Budget | 2017 Budget | 2018 Budget | 2019 Budget | 2020 Budget |
|-----------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| EXPENDITURE SUMMARY | | | | | | | |
| Wages & Benefits | \$1,142,326 | \$1,227,108 | \$1,176,863 | \$1,200,400 | \$1,224,407 | \$1,248,895 | \$1,273,872 |
| Services & Supply Contracts | 1,723,600 | 1,897,589 | 1,925,583 | 1,964,095 | 2,003,375 | 2,043,444 | 2,084,309 |
| Materials & Supplies | 198,323 | 210,599 | 196,806 | 201,374 | 206,257 | 211,462 | 216,702 |
| Internal Charges & Other | 887,131 | 932,430 | 954,746 | 973,926 | 993,496 | 1,013,471 | 1,033,850 |
| Total Expenditures | 3,951,380 | 4,267,726 | 4,253,998 | 4,339,795 | 4,427,535 | 4,517,272 | 4,608,733 |
| Revenues Generated | 3,409,237 | 3,751,023 | 3,799,213 | 3,871,120 | 3,949,931 | 4,035,659 | 4,114,742 |
| Net Operating Costs | \$542,143 | \$516,703 | \$454,785 | \$468,675 | \$477,604 | \$481,613 | \$493,991 |
| | | | | | | | |
| Staffing (FTEs) | 14.0 | 14.0 | 14.0 | 14.0 | 14.0 | 14.0 | 14.0 |
| Cost Per Capita | \$6.10 | \$5.74 | \$4.98 | \$5.07 | \$5.10 | \$5.07 | \$5.13 |



Fleet Services Section

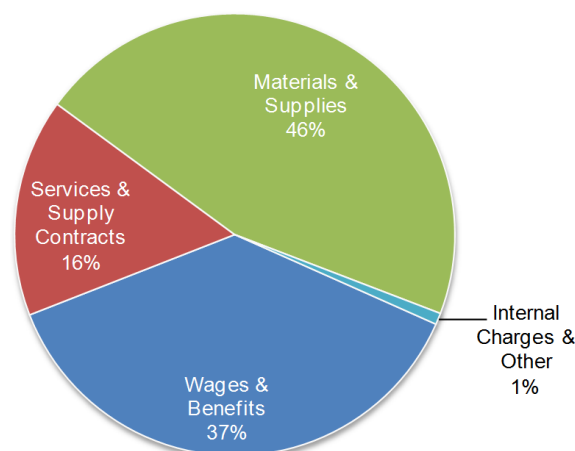
Description and Level of Service

- Maintenance and repair of City's fleet and equipment
- Prepare and manage life-cycle fleet replacement plan, including identifying strategies to maximize efficiency and effectiveness of the City's fleet
- Provide training and education to users on efficient operation of city vehicles

Operating Expenditures

Fleet costs are recovered from departments through monthly or hourly fleet charges (internal charges). Fleet charge calculations for each unit include replacement cost, annual operating and maintenance costs and insurance. Fleet charges in excess of annual operating, maintenance and insurance costs are transferred to the Equipment Replacement Reserve. The Equipment Replacement Reserve fully funds the fleet replacement program.

| | 2014 Actual | 2015 Budget | 2016 Budget | 2017 Budget | 2018 Budget | 2019 Budget | 2020 Budget |
|-----------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| EXPENDITURE SUMMARY | | | | | | | |
| Wages & Benefits | \$872,656 | \$900,087 | \$906,288 | \$924,414 | \$942,902 | \$961,760 | \$980,995 |
| Services & Supply Contracts | 274,789 | 385,980 | 388,310 | 396,076 | 403,996 | 412,078 | 420,317 |
| Materials & Supplies | 1,146,036 | 1,106,150 | 1,108,580 | 1,130,752 | 1,153,366 | 1,176,434 | 1,199,963 |
| Utilities | - | - | - | - | - | - | - |
| Internal Charges & Other | 19,985 | 18,625 | 20,359 | 21,174 | 22,497 | 23,474 | 24,482 |
| Total Expenditures | 2,313,466 | 2,410,842 | 2,423,537 | 2,472,416 | 2,522,761 | 2,573,746 | 2,625,757 |
| Revenues Generated | 24,008 | - | - | - | - | - | - |
| Net Operating Costs | \$2,289,458 | \$2,410,842 | \$2,423,537 | \$2,472,416 | \$2,522,761 | \$2,573,746 | \$2,625,757 |
| | | | | | | | |
| Staffing (FTEs) | 13.0 | 13.0 | 13.0 | 13.0 | 13.0 | 13.0 | 13.0 |
| Cost Per Capita | \$25.76 | \$26.77 | \$26.55 | \$26.73 | \$26.92 | \$27.10 | \$27.28 |



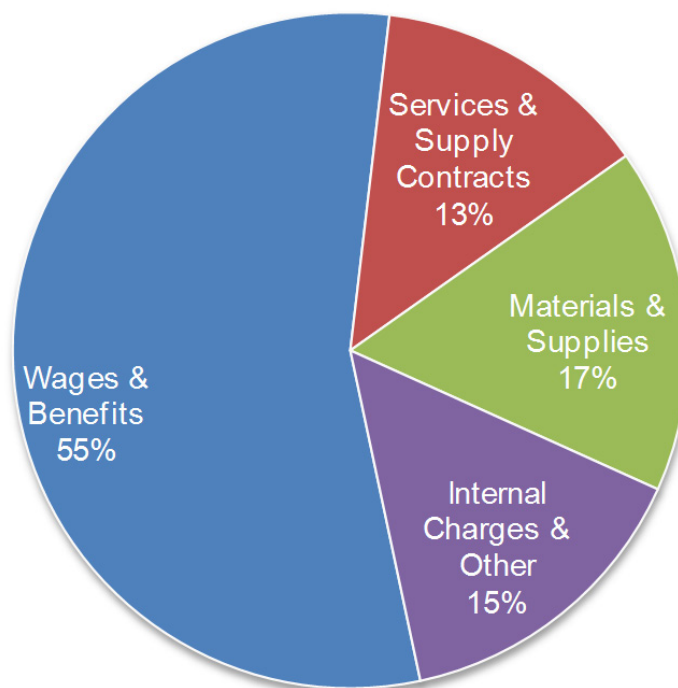
Drainage Utility Section

Description and Level of Service

- Develop and provide maintenance programs including: main flushing, catchbasin and inlet/outlet structures cleaning, and brushcutting to support the effectiveness of the City's drainage infrastructure
- Repair services for the City's drainage infrastructure
- Investigate and resolve flooding issues

Operating Expenditures and Revenues

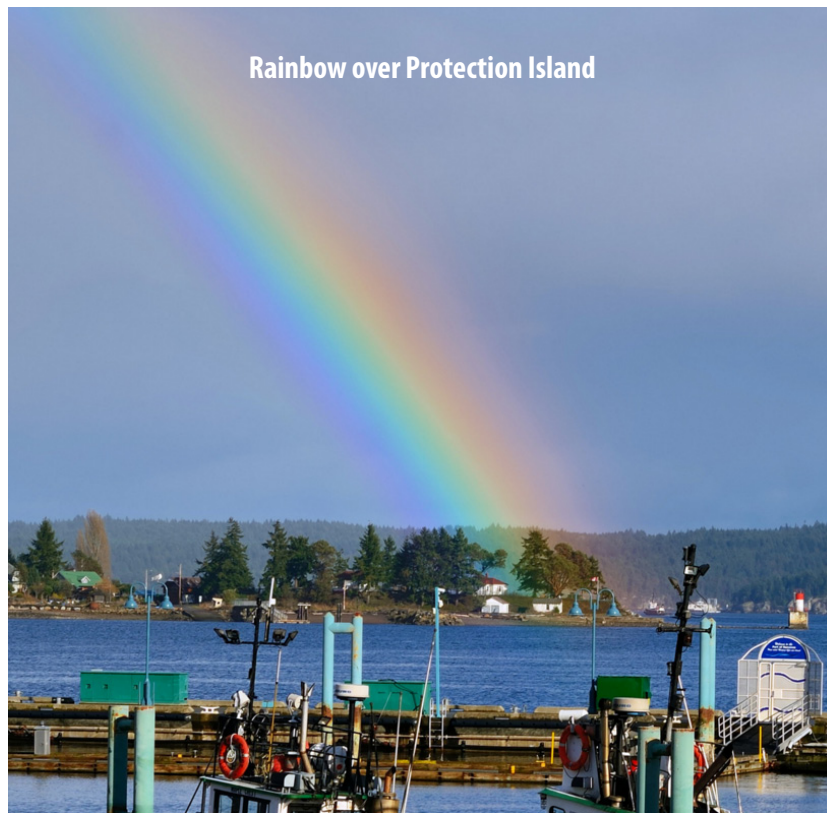
| | 2014 Actual | 2015 Budget | 2016 Budget | 2017 Budget | 2018 Budget | 2019 Budget | 2020 Budget |
|-----------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| EXPENDITURE SUMMARY | | | | | | | |
| Wages & Benefits | \$1,111,781 | \$1,135,273 | \$1,110,747 | \$1,132,961 | \$1,155,620 | \$1,178,732 | \$1,202,306 |
| Services & Supply Contracts | 245,159 | 256,275 | 269,100 | 274,482 | 279,969 | 285,572 | 291,282 |
| Materials & Supplies | 306,564 | 316,675 | 332,350 | 338,997 | 345,775 | 352,689 | 359,745 |
| Internal Charges & Other | 289,457 | 295,610 | 300,330 | 306,761 | 313,357 | 320,138 | 327,103 |
| Total Expenditures | 1,952,961 | 2,003,833 | 2,012,527 | 2,053,201 | 2,094,721 | 2,137,131 | 2,180,436 |
| Revenues Generated | 5,098 | 48,265 | 48,265 | 48,760 | 49,261 | 49,766 | 50,277 |
| Net Operating Costs | \$1,947,863 | \$1,955,568 | \$1,964,262 | \$2,004,441 | \$2,045,460 | \$2,087,365 | \$2,130,159 |
| Staffing (FTEs) | 12.8 | 12.8 | 12.8 | 12.8 | 12.8 | 12.8 | 12.8 |
| Cost Per Capita | \$21.92 | \$21.71 | \$21.52 | \$21.67 | \$21.82 | \$21.98 | \$22.13 |



Sanitary Sewer Utility

Description and Level of Service

- Operate and maintain sanitary sewer infrastructure including: video inspection, main flushing, and manholes/structures cleaning
- Repair mains and connections identified through inspections/flushing programs
- Operate and maintain lift stations including mechanical and electrical controls and telemetry communications systems
- Install new services for residential, institutional and commercial customers

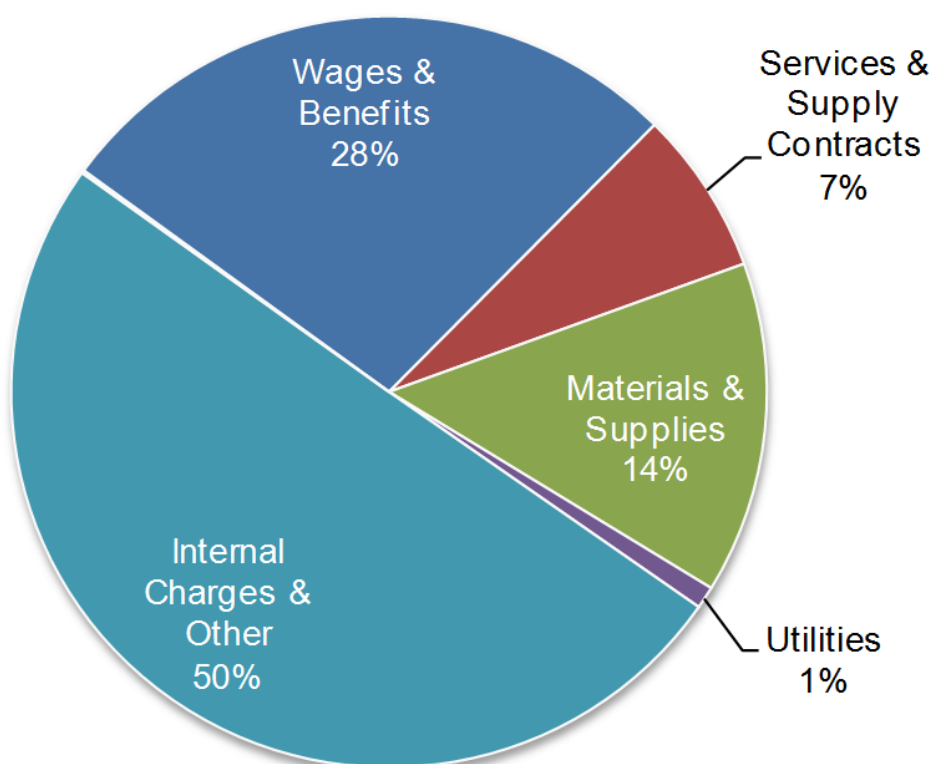


Operating Expenditures and Revenues

Net revenues are transferred to sanitary sewer utility reserves. Sanitary sewer infrastructure renewal is funded from reserves.

Internal charges include an allocation of Corporate Services and Engineering Services expenditures that benefit delivery of sanitary sewer services.

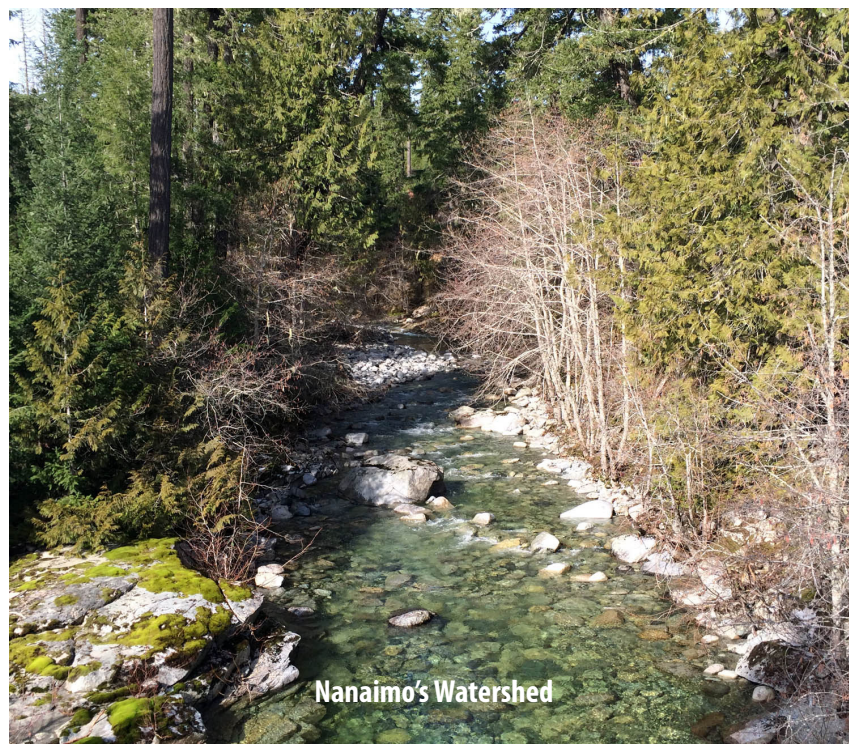
| | 2014 Actual | 2015 Budget | 2016 Budget | 2017 Budget | 2018 Budget | 2019 Budget | 2020 Budget |
|-------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| EXPENDITURE SUMMARY | | | | | | | |
| Wages & Benefits | \$882,228 | \$895,441 | \$920,903 | \$939,321.00 | \$958,107 | \$977,269 | \$996,815 |
| Services & Supply Contracts | 249,156 | 243,389 | 236,164 | 240,888 | 245,704 | 250,618 | 255,630 |
| Materials & Supplies | 433,039 | 479,820 | 478,129 | 498,330 | 516,763 | 535,993 | 556,057 |
| Utilities | 26,781 | 32,050 | 32,120 | 32,763 | 33,418 | 34,086 | 34,768 |
| Internal Charges & Other | 1,573,472 | 1,641,996 | 1,684,798 | 1,657,549 | 1,690,975 | 1,725,104 | 1,759,941 |
| Grants & Subsidies | 3,435 | 4,000 | 4,000 | 4,080 | 4,162 | 4,245 | 4,330 |
| Total Expenditures | 3,168,112 | 3,296,696 | 3,356,114 | 3,372,931 | 3,449,129 | 3,527,315 | 3,607,541 |
| Revenues Generated | 5,526,027 | 5,981,888 | 6,318,650 | 6,697,646 | 7,032,555 | 7,384,317 | 7,753,780 |
| Net Operating Revenues | \$2,357,915 | \$2,685,192 | \$2,962,536 | \$3,324,715 | \$3,583,426 | \$3,857,002 | \$4,146,239 |
| Staffing (FTEs) | 8.8 | 8.8 | 8.8 | 8.8 | 8.8 | 8.8 | 8.8 |
| Net Revenues Per Capita | \$26.53 | \$29.82 | \$32.46 | \$35.95 | \$38.23 | \$40.61 | \$43.08 |



Waterworks Utility

Description and Level of Service

- Operate and maintain water storage and distribution infrastructure including: main flushing, water testing and inspection
- In compliance with British Columbia Dam Safety Regulations and Canadian Dam Association guidelines, perform dam inspections and reporting
- Operate telemetry monitoring system to monitor systems
- Operate water treatment facilities
- Install new services for residential, institutional and commercial users

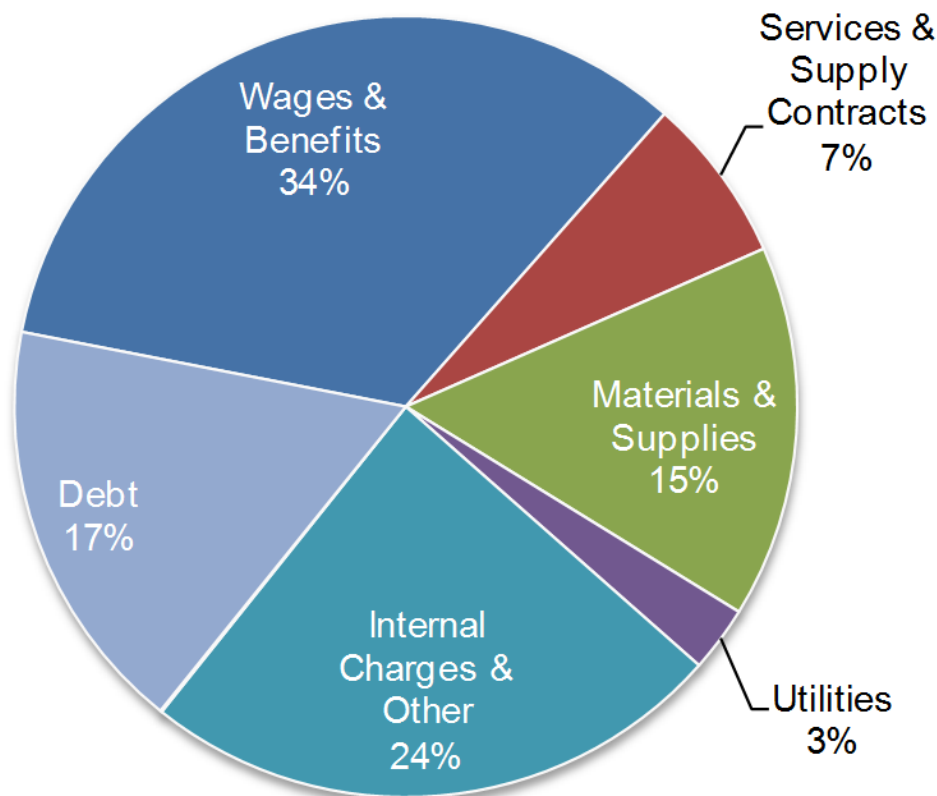


Operating Expenditures and Revenues

Net revenues are transferred to water utility reserves. Water infrastructure renewal is funded from reserves.

Internal charges include an allocation of Corporate Services and Engineering Services expenditures that benefit delivery of water services.

| | 2014 Actual | 2015 Budget | 2016 Budget | 2017 Budget | 2018 Budget | 2019 Budget | 2020 Budget |
|-------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------|---------------------|
| EXPENDITURE SUMMARY | | | | | | | |
| Wages & Benefits | \$1,969,550 | \$2,567,233 | \$3,131,139 | \$3,192,513 | \$3,255,119 | \$3,318,969 | \$3,384,098 |
| Services & Supply Contracts | 491,575 | 438,264 | 642,153 | 654,027 | 666,136 | 678,485 | 691,090 |
| Materials & Supplies | 1,144,596 | 1,178,543 | 1,439,086 | 1,498,234 | 1,566,411 | 1,638,908 | 1,716,024 |
| Utilities | 96,919 | 198,100 | 254,150 | 259,233 | 264,419 | 269,706 | 275,100 |
| Internal Charges & Other | 2,378,936 | 2,527,696 | 2,268,749 | 2,209,774 | 2,251,756 | 2,294,755 | 2,338,798 |
| Grants & Subsidies | 5,083 | 5,500 | 6,250 | 6,265 | 6,280 | 6,296 | 6,312 |
| Debt | 1,344,892 | 1,756,204 | 1,612,682 | 1,644,564 | 1,677,720 | 1,712,203 | 1,748,065 |
| Total Expenditures | 7,431,551 | 8,671,540 | 9,354,209 | 9,464,610 | 9,687,841 | 9,919,322 | 10,159,487 |
| Revenues Generated | 14,515,466 | 15,053,539 | 16,115,468 | 17,337,440 | 18,649,889 | 20,059,551 | 21,573,671 |
| Net Operating Revenues | \$7,083,915 | \$6,381,999 | \$6,761,259 | \$7,872,830 | \$8,962,048 | \$10,140,229 | \$11,414,184 |
| Staffing (FTEs) | 19.5 | 24.5 | 29.5 | 29.5 | 29.5 | 29.5 | 29.5 |
| Net Revenues Per Capita | \$79.71 | \$70.86 | \$74.08 | \$85.12 | \$95.62 | \$106.76 | \$118.59 |



CHAPTER 6 - 2016-2020 CAPITAL PROGRAM



2016 - 2020 Financial Plan

CHAPTER 6 - 2016-2020 Capital Program

2016-2020 Capital Plan - Includes Capital and Operating Projects

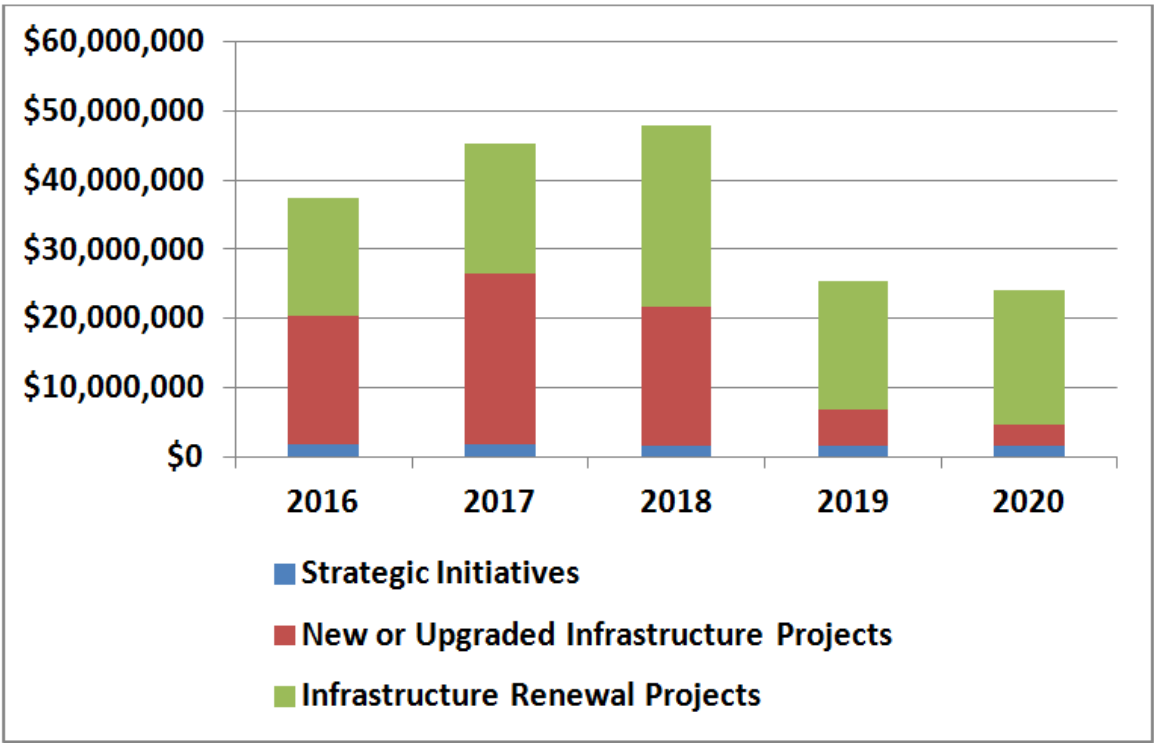
Projects are either classified for accounting purposes as capital or operating. Projects that satisfy specific requirements as outlined in the City's Capital Asset Policy are classified as capital expenditures and are accounted for in the City's capital funds. Projects that

are smaller in scope and below specific capitalization thresholds are classified as operating projects and accounted for in the City's operating funds. The 2016 – 2020 Capital Program section includes all projects.

Overview – Infrastructure Renewal and Demand for Growth Challenges

The City owns infrastructure with a current replacement cost in excess of \$2 billion. Over time, this infrastructure will need to be replaced and additional infrastructure will be required to support a growing community

Projects included in the 2016 – 2020 Financial Plan focus on specific strategic initiatives, infrastructure renewal and new/upgrades to infrastructure that will address capacity issues and regulatory changes.



Detailed project information is provided within a framework. The majority of projects in the five year plan focus on renewal of existing infrastructure to support effective and efficient delivery of current levels of service.

Significant projects in the 2016 – 2020 Financial Plan include: Boxwood Connector and Utility Project,

Hammond Bay Corridor and Utility Project, Victoria Rd and Utility Project, Terminal South Complete Street and Utility Project, replacement of Wellcox trestle, a new fire station on Hammond Bay Road, expansion of the Police Operations Building, and expansion of the Port Theatre.

Capital Expenditure Policy

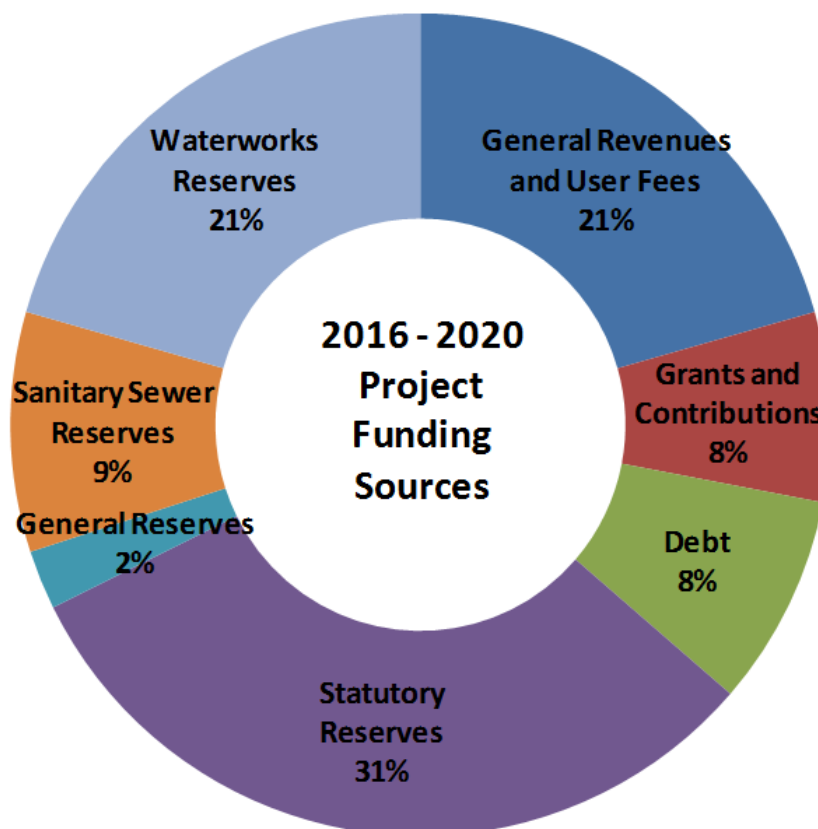
The City of Nanaimo, like all other local governments, was required to meet new financial reporting standards with respect to its tangible capital assets. Items that meet the criteria of capital will be capitalized and then amortized over the useful life of the asset.

Capital is defined as tangible property owned by the City that:

- Are held for use in the production or supply of goods or services, for rental to others, for administrative purposes or for the development, construction, maintenance or repair of other tangible capital assets;
- Have useful economic lives extending beyond 1 year;
- Are to be used on a continuing basis; and
- Are not for sale in the ordinary course of operations

Project Funding Sources

Funding for projects comes from a number of sources including general taxation, reserves, statutory funds, grants, contributions from developers and borrowing. Projects in the 2015 – 2019 Financial Plan are funded from the following sources:



Debt and Debt Limits

The 2016 – 2020 Financial Plan includes new debt borrowing in the amount of \$15 million. This includes \$2.4 million for a new Fire Station on Hammond Bay Road, \$6 million to replace the Welcox Trestle and \$6.6 million for expansion of the Police Operations Building. Borrowing is repaid in twenty years.

The City's outstanding debt represents a number of projects including local road improvements where costs are shared between the City and the property

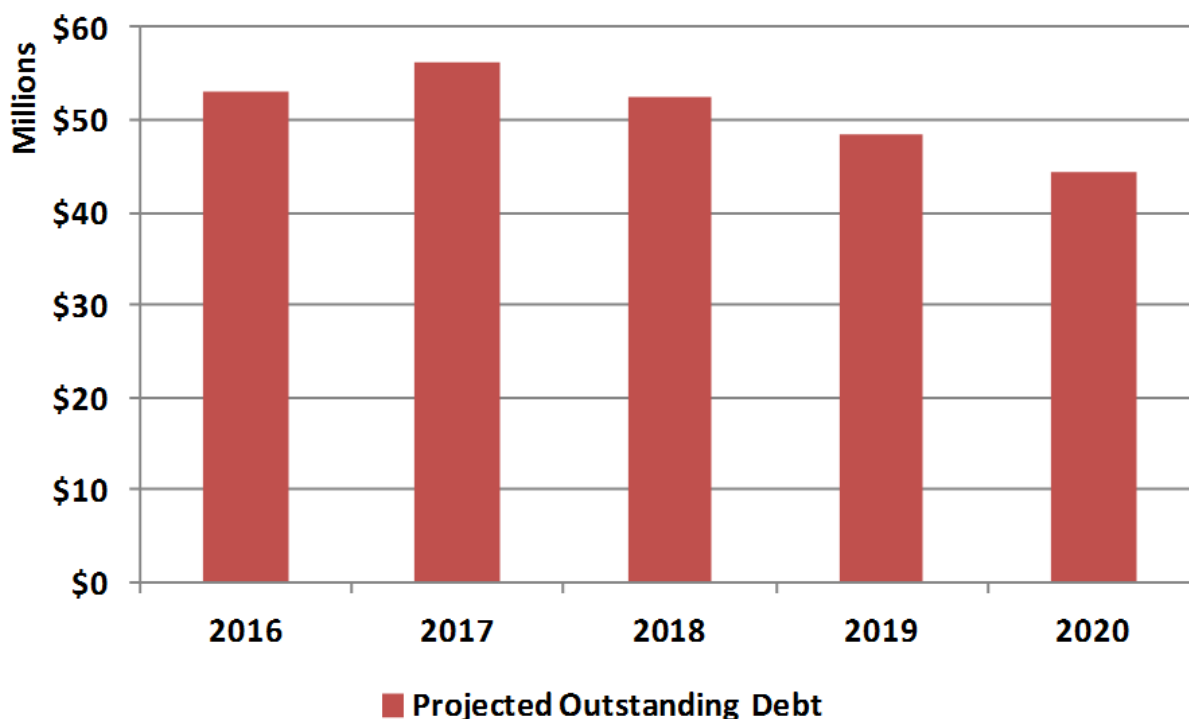
owners, the Nanaimo Aquatic Centre, Vancouver Island Conference Centre, Fire Station #4, the Harbourfront Parkade and the Water Treatment Plant.

Outstanding debt at December 31, 2014 is \$50,860,003. This balance includes all borrowing for the Water Treatment Plant. The total borrowing for the Water Treatment Plant was \$22.5M.

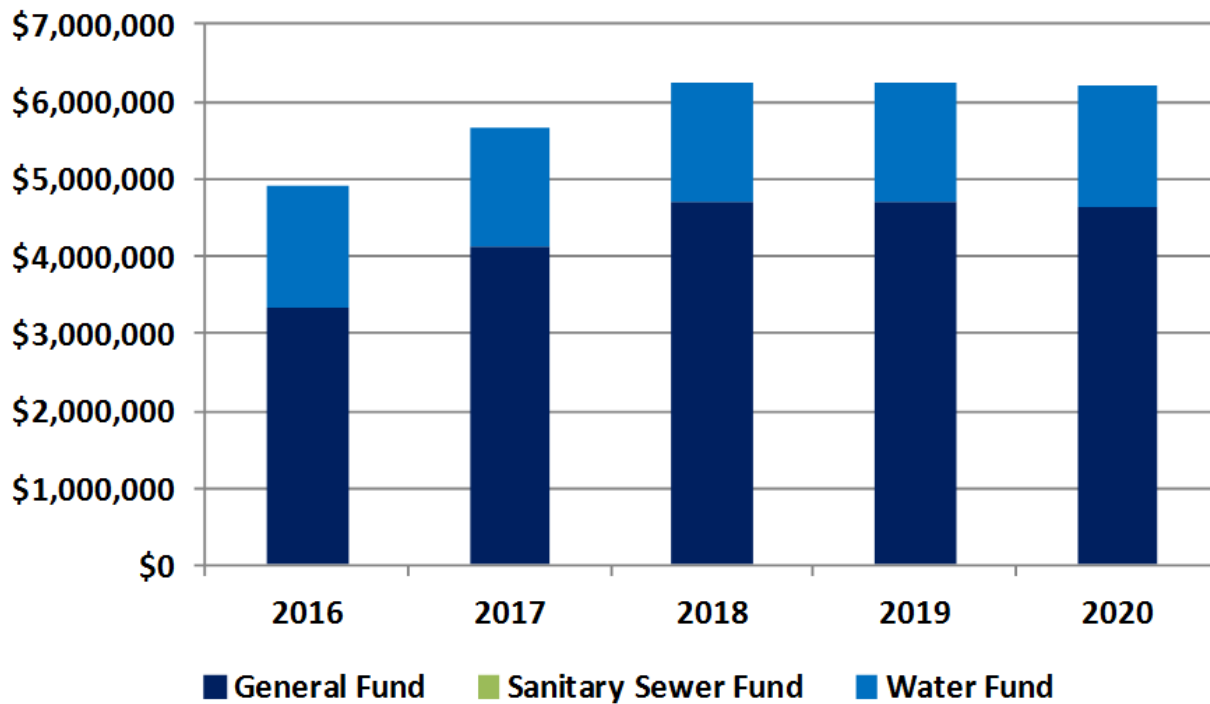
New Borrowing

| Project | Year | Amount | Annual Payment |
|--------------------------------------|------|---------------------|--------------------|
| Fire Station #6 | 2016 | 2,400,000 | 224,000 |
| Wellcox Trestle Replacement | 2016 | 6,000,000 | 561,000 |
| Police Operations Building Expansion | 2018 | 6,600,000 | 617,000 |
| TOTAL | | \$15,000,000 | \$1,402,000 |

Projected Outstanding Debt (\$ million)

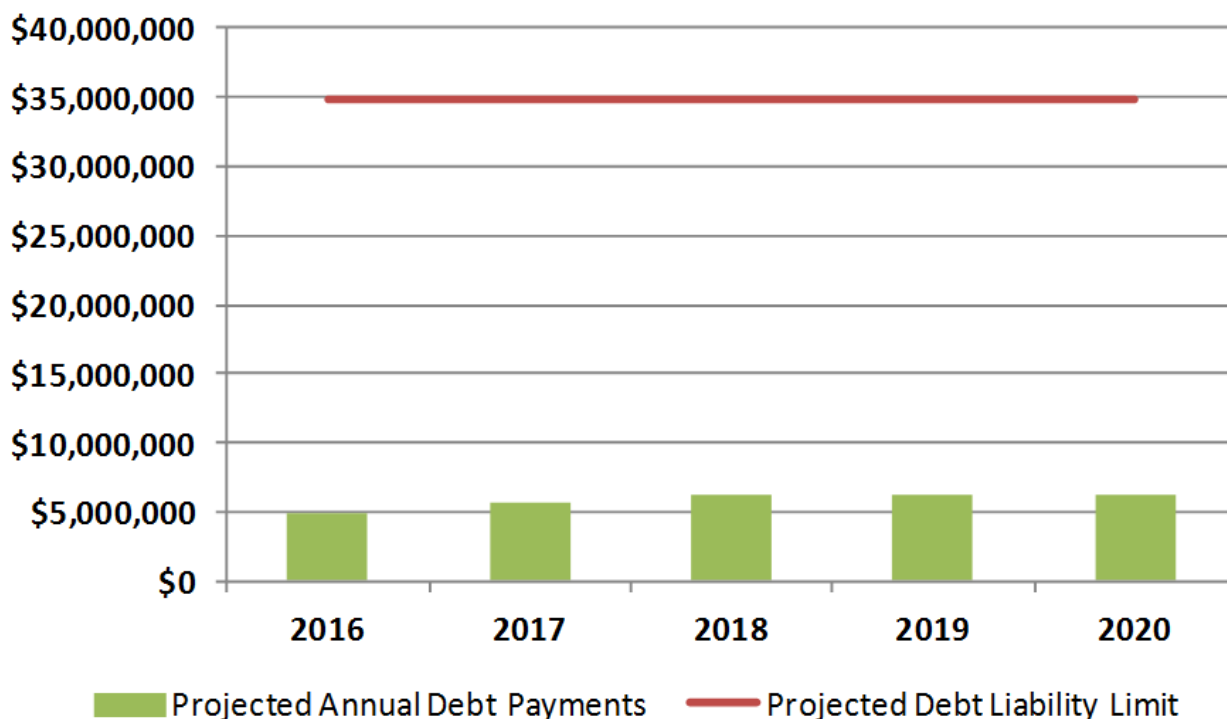


Projected Debt Principle and Interest Payments



Projected Debt Limits

The City's debt servicing limit is \$34 million, as defined by the Community Charter. The limit far exceeds the new debt borrowing included in the 2016 – 2020 Financial Plan.



Grants and Private Contributions

The 2016 – 2020 Financial Plan includes annual monies received from the Nanaimo Port Authority, grants from senior governments and the RDN, and private contributions.

The Port Theatre Expansion project, included in the 2016 – 2020 Financial Plan, is funded entirely from grants and private contributions. The grants and private contribution funding for this project are still to be confirmed.

Reserve Funding

Statutory Reserves

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.

Statutory Reserves can only be used as authorized by the Community Charter and the related Council Bylaw. Statutory Reserves include Asset Management Reserves, Development Cost Charges Reserves,

the Facility Development Reserve, the Equipment Replacement Reserve and other special purpose reserves.

Operating Reserves

The City maintains reserve funds with the objective of setting funds aside to contribute to future capital and special operating expenditures. City reserves include IT Replacement Reserve, Housing Legacy Reserve, Parking Reserve and General Capital Reserve.

Capital Planning Overview

City of Nanaimo 2016-2020 Financial Plan

Statutory Reserve Projections (Funds Available for Use)

| | 2016 | 2017 | 2018 | 2019 | 2020 |
|--|-----------|------------|------------|------------|------------|
| General Fund - Statutory Reserves | | | | | |
| Cemetery Care Reserve | 540,858 | 548,358 | 555,858 | 563,358 | 570,858 |
| Additions | 7,500 | 7,500 | 7,500 | 7,500 | 7,500 |
| Withdrawals | - | - | - | - | - |
| Balance @ December 31 | 548,358 | 555,858 | 563,358 | 570,858 | 578,358 |
| Local Improvement Reserve | 1,616,904 | 1,641,158 | 1,665,775 | 1,690,762 | 1,716,123 |
| Additions | 24,254 | 24,617 | 24,987 | 25,361 | 25,742 |
| Withdrawals | - | - | - | - | - |
| Balance @ December 31 | 1,641,158 | 1,665,775 | 1,690,762 | 1,716,123 | 1,741,865 |
| Parkland Dedication Reserve | 144,936 | 242,660 | 341,576 | 441,692 | 543,013 |
| Additions | 97,724 | 98,916 | 100,116 | 101,321 | 102,536 |
| Withdrawals | - | - | - | - | - |
| Balance @ December 31 | 242,660 | 341,576 | 441,692 | 543,013 | 645,549 |
| Property Sales Reserve | 645,844 | 655,532 | 665,365 | 675,345 | 685,475 |
| Additions | 9,688 | 9,833 | 9,980 | 10,130 | 10,282 |
| Withdrawals | - | - | - | - | - |
| Balance @ December 31 | 655,532 | 665,365 | 675,345 | 685,475 | 695,757 |
| Equipment Depreciation Reserve | 3,337,623 | 4,087,747 | 3,492,093 | 3,095,961 | 2,294,517 |
| Additions | 1,458,124 | 1,479,346 | 1,491,868 | 1,503,556 | 1,508,940 |
| Withdrawals | 708,000 | 2,075,000 | 1,888,000 | 2,305,000 | 2,796,720 |
| Balance @ December 31 | 4,087,747 | 3,492,093 | 3,095,961 | 2,294,517 | 1,006,737 |
| General Fund Asset Management | 2,100,902 | 3,273,237 | 4,442,125 | 6,221,209 | 8,502,267 |
| Additions | 3,699,335 | 4,680,888 | 4,702,834 | 4,733,058 | 4,781,351 |
| Withdrawals | 2,527,000 | 3,512,000 | 2,923,750 | 2,452,000 | 575,000 |
| Balance @ December 31 | 3,273,237 | 4,442,125 | 6,221,209 | 8,502,267 | 12,708,618 |
| Facility Development Reserve | 1,053,493 | 1,863,116 | 2,805,486 | 3,613,743 | 3,989,116 |
| Additions | 1,141,923 | 1,177,370 | 1,213,257 | 1,245,373 | 1,281,483 |
| Withdrawals | 332,300 | 235,000 | 405,000 | 870,000 | - |
| Balance @ December 31 | 1,863,116 | 2,805,486 | 3,613,743 | 3,989,116 | 5,270,599 |
| Community Works Reserve | 3,979,045 | 7,653,635 | 10,678,093 | 13,315,051 | 17,301,313 |
| Additions | 3,674,590 | 3,724,458 | 3,936,958 | 3,986,262 | 4,046,056 |
| Withdrawals | - | 700,000 | 1,300,000 | - | - |
| Balance @ December 31 | 7,653,635 | 10,678,093 | 13,315,051 | 17,301,313 | 21,347,369 |
| Old City Parking Reserve | 85,780 | 87,067 | 88,373 | 89,699 | 91,044 |
| Additions | 1,287 | 1,306 | 1,326 | 1,345 | 1,366 |
| Withdrawals | - | - | - | - | - |
| Balance @ December 31 | 87,067 | 88,373 | 89,699 | 91,044 | 92,410 |
| Knowles Estate Reserve Fund | 446,404 | 453,100 | 459,897 | 466,795 | 473,797 |
| Additions | 6,696 | 6,797 | 6,898 | 7,002 | 7,107 |
| Withdrawals | - | - | - | - | - |
| Balance @ December 31 | 453,100 | 459,897 | 466,795 | 473,797 | 480,904 |

City of Nanaimo 2016-2020 Financial Plan

Statutory Reserve Projections (Funds Available for Use)

| | 2016 | 2017 | 2018 | 2019 | 2020 |
|--|------------|------------|------------|------------|------------|
| Regional Emission Reduction | 302,944 | 387,106 | 472,530 | 559,236 | 647,242 |
| Additions | 84,162 | 85,424 | 86,706 | 88,006 | 89,326 |
| Withdrawals | - | - | - | - | - |
| Balance @ December 31 | 387,106 | 472,530 | 559,236 | 647,242 | 736,568 |
| DCC - City Wide Roads | 5,929,334 | 5,618,272 | 5,012,384 | 927,377 | 2,203,661 |
| Additions | 1,338,938 | 1,332,112 | 1,297,193 | 1,276,284 | 1,242,055 |
| Withdrawals | 1,650,000 | 1,938,000 | 5,382,200 | - | - |
| Balance @ December 31 | 5,618,272 | 5,012,384 | 927,377 | 2,203,661 | 3,445,716 |
| DCC - City Wide Drainage | 10,060,635 | 10,398,032 | 10,740,490 | 11,088,085 | 11,440,894 |
| Additions | 337,397 | 342,458 | 347,595 | 352,809 | 358,101 |
| Withdrawals | - | - | - | - | - |
| Balance @ December 31 | 10,398,032 | 10,740,490 | 11,088,085 | 11,440,894 | 11,798,995 |
| DCC - North Slope Drainage | 982,963 | 997,707 | 1,012,673 | 1,027,863 | 1,043,281 |
| Additions | 14,744 | 14,966 | 15,190 | 15,418 | 15,649 |
| Withdrawals | - | - | - | - | - |
| Balance @ December 31 | 997,707 | 1,012,673 | 1,027,863 | 1,043,281 | 1,058,930 |
| DCC - Millstone Drainage | 2,543,737 | 2,581,893 | 2,620,621 | 2,659,930 | 2,699,829 |
| Additions | 38,156 | 38,728 | 39,309 | 39,899 | 40,497 |
| Withdrawals | - | - | - | - | - |
| Balance @ December 31 | 2,581,893 | 2,620,621 | 2,659,930 | 2,699,829 | 2,740,326 |
| DCC - City Wide Parks | 620,130 | 733,660 | 748,143 | 762,843 | 777,764 |
| Additions | 363,530 | 364,483 | 364,700 | 364,921 | 365,894 |
| Withdrawals | 250,000 | 350,000 | 350,000 | 350,000 | 250,000 |
| Balance @ December 31 | 733,660 | 748,143 | 762,843 | 777,764 | 893,658 |
| Total - General Fund Statutory Reserves | 34,391,532 | 41,222,280 | 45,801,482 | 47,198,949 | 54,980,194 |
| Additions | 12,298,048 | 13,389,202 | 13,646,417 | 13,758,245 | 13,883,885 |
| Withdrawals | 5,467,300 | 8,810,000 | 12,248,950 | 5,977,000 | 3,621,720 |
| Balance @ December 31 | 41,222,280 | 45,801,482 | 47,198,949 | 54,980,194 | 65,242,359 |
| Sewer Fund - Statutory Reserves | | | | | |
| Sewer Fund Asset Management | 513,234 | 798,662 | 896,149 | 1,032,441 | 2,504,324 |
| Additions | 1,092,428 | 1,414,887 | 1,686,292 | 1,971,883 | 2,291,800 |
| Withdrawals | 807,000 | 1,317,400 | 1,550,000 | 500,000 | 2,400,000 |
| Balance @ December 31 | 798,662 | 896,149 | 1,032,441 | 2,504,324 | 2,396,124 |
| DCC - City Wide Sewer | 2,230,712 | 460,286 | 738,304 | 1,020,492 | 851,913 |
| Additions | 304,574 | 278,018 | 282,188 | 286,421 | 283,892 |
| Withdrawals | 2,075,000 | - | - | 455,000 | 430,000 |
| Balance @ December 31 | 460,286 | 738,304 | 1,020,492 | 851,913 | 705,805 |
| DCC - Northshore Sewer | 383,052 | 388,798 | 394,630 | 400,549 | 406,557 |
| Additions | 5,746 | 5,832 | 5,919 | 6,008 | 6,098 |
| Withdrawals | - | - | - | - | - |
| Balance @ December 31 | 388,798 | 394,630 | 400,549 | 406,557 | 412,655 |
| Total - Sewer Fund Statutory Reserves | 3,126,998 | 1,647,746 | 2,029,083 | 2,453,482 | 3,762,794 |
| Additions | 1,402,748 | 1,698,737 | 1,974,399 | 2,264,312 | 2,581,790 |
| Withdrawals | 2,882,000 | 1,317,400 | 1,550,000 | 955,000 | 2,830,000 |
| Balance @ December 31 | 1,647,746 | 2,029,083 | 2,453,482 | 3,762,794 | 3,514,584 |

City of Nanaimo 2016-2020 Financial Plan

Statutory Reserve Projections (Funds Available for Use)

| | 2016 | 2017 | 2018 | 2019 | 2020 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| Water Fund - Statutory Reserves | | | | | |
| Water Fund Asset Management | 866,101 | 626,447 | 2,253,476 | 4,271,721 | 5,090,925 |
| Additions | 1,344,346 | 1,751,029 | 2,204,245 | 2,683,404 | 3,205,756 |
| Withdrawals | 1,584,000 | 124,000 | 186,000 | 1,864,200 | - |
| Balance @ December 31 | 626,447 | 2,253,476 | 4,271,721 | 5,090,925 | 8,296,681 |
| DCC - City Water - Old Bylaw | 5,235,821 | 4,832,773 | 4,811,114 | 4,771,146 | 4,842,713 |
| Additions | 74,952 | 71,791 | 71,332 | 71,567 | 72,641 |
| Withdrawals | 478,000 | 93,450 | 111,300 | - | - |
| Balance @ December 31 | 4,832,773 | 4,811,114 | 4,771,146 | 4,842,713 | 4,915,354 |
| DCC - City Wide Water (Distribution) | 611,258 | 717,523 | 825,382 | 934,859 | 1,045,978 |
| Additions | 106,265 | 107,859 | 109,477 | 111,119 | 112,785 |
| Withdrawals | - | - | - | - | - |
| Balance @ December 31 | 717,523 | 825,382 | 934,859 | 1,045,978 | 1,158,763 |
| DCC - Water Supply | 3,101,702 | 3,303,201 | 636,348 | 2,395,236 | 4,180,507 |
| Additions | 1,783,999 | 1,765,647 | 1,758,888 | 1,785,271 | 1,810,925 |
| Withdrawals | 1,582,500 | 4,432,500 | - | - | 150,000 |
| Balance @ December 31 | 3,303,201 | 636,348 | 2,395,236 | 4,180,507 | 5,841,432 |
| Total - Water Fund Statutory Reserves | 9,814,882 | 9,479,944 | 8,526,320 | 12,372,962 | 15,160,123 |
| Additions | 3,309,562 | 3,696,326 | 4,143,942 | 4,651,361 | 5,202,107 |
| Withdrawals | 3,644,500 | 4,649,950 | 297,300 | 1,864,200 | 150,000 |
| Balance @ December 31 | 9,479,944 | 8,526,320 | 12,372,962 | 15,160,123 | 20,212,230 |
| Total Statutory Reserves | 52,349,970 | 56,356,885 | 62,025,393 | 73,903,111 | 88,969,173 |

City of Nanaimo 2016-2020 Financial Plan

Operating Reserve Projections (Funds Available for Use)

| | 2016 | 2017 | 2018 | 2019 | 2020 |
|--|-----------|-----------|-----------|-----------|-----------|
| General Fund | | | | | |
| RCMP Contract Adjustment | 2,507,115 | 2,507,115 | 2,507,115 | 2,507,115 | 2,507,115 |
| Additions | - | - | - | - | - |
| Withdrawals | - | - | - | - | - |
| Balance @ December 31 | 2,507,115 | 2,507,115 | 2,507,115 | 2,507,115 | 2,507,115 |
| IT Infrastructure Reserve | 735,746 | 104,618 | 261,462 | 302,398 | 563,970 |
| Additions | 487,872 | 536,844 | 590,436 | 649,572 | 714,714 |
| Withdrawals | 1,119,000 | 380,000 | 549,500 | 388,000 | 572,000 |
| Balance @ December 31 | 104,618 | 261,462 | 302,398 | 563,970 | 706,684 |
| Uninsured Claims Reserve | 2,568,624 | 2,568,624 | 2,568,624 | 2,568,624 | 2,568,624 |
| Additions | - | - | - | - | - |
| Withdrawals | - | - | - | - | - |
| Balance @ December 31 | 2,568,624 | 2,568,624 | 2,568,624 | 2,568,624 | 2,568,624 |
| Uncollected Taxes Reserve | 2,803,848 | 2,803,848 | 2,803,848 | 2,803,848 | 2,803,848 |
| Additions | - | - | - | - | - |
| Withdrawals | - | - | - | - | - |
| Balance @ December 31 | 2,803,848 | 2,803,848 | 2,803,848 | 2,803,848 | 2,803,848 |
| Property Acquisition Reserve | 354,982 | 354,982 | 354,982 | 354,982 | 354,982 |
| Additions | - | - | - | - | - |
| Withdrawals | - | - | - | - | - |
| Balance @ December 31 | 354,982 | 354,982 | 354,982 | 354,982 | 354,982 |
| PR&E Projects Reserve | 358,782 | 358,782 | 358,782 | 358,782 | 358,782 |
| Additions | - | - | - | - | - |
| Withdrawals | - | - | - | - | - |
| Balance @ December 31 | 358,782 | 358,782 | 358,782 | 358,782 | 358,782 |
| Class E Licences Reserve | 31,851 | 31,851 | 31,851 | 31,851 | 31,851 |
| Additions | - | - | - | - | - |
| Withdrawals | - | - | - | - | - |
| Balance @ December 31 | 31,851 | 31,851 | 31,851 | 31,851 | 31,851 |
| Beban Area Property Reserve | 34,755 | 34,755 | 34,755 | 34,755 | 34,755 |
| Additions | - | - | - | - | - |
| Withdrawals | - | - | - | - | - |
| Balance @ December 31 | 34,755 | 34,755 | 34,755 | 34,755 | 34,755 |
| Brechin Boat Ramp | 109,492 | 116,242 | 143,135 | 170,168 | 197,334 |
| Additions | 26,750 | 26,893 | 27,033 | 27,166 | 27,296 |
| Withdrawals | 20,000 | - | - | - | - |
| Balance @ December 31 | 116,242 | 143,135 | 170,168 | 197,334 | 224,630 |
| Engineering Services Projects Reserve | 164,675 | 164,675 | 164,675 | 164,675 | 164,675 |
| Additions | - | - | - | - | - |
| Withdrawals | - | - | - | - | - |
| Balance @ December 31 | 164,675 | 164,675 | 164,675 | 164,675 | 164,675 |

City of Nanaimo 2016-2020 Financial Plan

Operating Reserve Projections (Funds Available for Use)

| | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---------|---------|---------|---------|---------|
| Transportation Projects Reserve | 119,371 | 119,371 | 119,371 | 119,371 | 119,371 |
| Additions | - | - | - | - | - |
| Withdrawals | - | - | - | - | - |
| Balance @ December 31 | 119,371 | 119,371 | 119,371 | 119,371 | 119,371 |
| Firehall Projects Reserve | 261,034 | 261,034 | 261,034 | 261,034 | 261,034 |
| Additions | - | - | - | - | - |
| Withdrawals | - | - | - | - | - |
| Balance @ December 31 | 261,034 | 261,034 | 261,034 | 261,034 | 261,034 |
| Community Development Dept Projects Reserves | 101,937 | 101,937 | 101,937 | 101,937 | 101,937 |
| Additions | - | - | - | - | - |
| Withdrawals | - | - | - | - | - |
| Balance @ December 31 | 101,937 | 101,937 | 101,937 | 101,937 | 101,937 |
| Uncollected Parking Revenue Reserve | 9,396 | 9,396 | 9,396 | 9,396 | 9,396 |
| Additions | - | - | - | - | - |
| Withdrawals | - | - | - | - | - |
| Balance @ December 31 | 9,396 | 9,396 | 9,396 | 9,396 | 9,396 |
| General Parking Reserve | 163,565 | 90,021 | 40,217 | - | - |
| Additions | 166,214 | 154,954 | 143,277 | 131,151 | 118,571 |
| Withdrawals | 239,758 | 204,758 | 183,494 | 131,151 | 118,571 |
| Balance @ December 31 | 90,021 | 40,217 | - | - | - |
| Fitzwilliam St Parking Reserve | 142,868 | 142,868 | 142,868 | 142,868 | 142,868 |
| Additions | - | - | - | - | - |
| Withdrawals | - | - | - | - | - |
| Balance @ December 31 | 142,868 | 142,868 | 142,868 | 142,868 | 142,868 |
| Casino | 170,728 | 170,728 | 170,728 | 170,728 | 170,728 |
| Additions | - | - | - | - | - |
| Withdrawals | - | - | - | - | - |
| Balance @ December 31 | 170,728 | 170,728 | 170,728 | 170,728 | 170,728 |
| Snow Removal Reserve | 400,000 | 400,000 | 400,000 | 400,000 | 400,000 |
| Additions | - | - | - | - | - |
| Withdrawals | - | - | - | - | - |
| Balance @ December 31 | 400,000 | 400,000 | 400,000 | 400,000 | 400,000 |
| VICC Projects Reserve | 600,682 | 600,682 | 600,682 | 348,682 | 348,682 |
| Additions | - | - | - | - | - |
| Withdrawals | - | - | 252,000 | - | - |
| Balance @ December 31 | 600,682 | 600,682 | 348,682 | 348,682 | 348,682 |
| Allowance for Bad Debts Reserve | 40,000 | 30,000 | 30,000 | 30,000 | 30,000 |
| Additions | - | - | - | - | - |
| Withdrawals | 10,000 | - | - | - | - |
| Balance @ December 31 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 |
| E911 Reserve | 556,224 | 525,724 | 550,724 | 571,724 | 524,994 |
| Additions | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 |
| Withdrawals | 55,500 | - | 4,000 | 71,730 | 4,080 |
| Balance @ December 31 | 525,724 | 550,724 | 571,724 | 524,994 | 545,914 |

City of Nanaimo 2016-2020 Financial Plan

Operating Reserve Projections (Funds Available for Use)

| | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|------------|------------|------------|------------|------------|
| General Capital Reserve | 4,886,455 | 4,886,455 | 4,886,455 | 4,886,455 | 4,886,455 |
| Additions | - | - | - | - | - |
| Withdrawals | - | - | - | - | - |
| Balance @ December 31 | 4,886,455 | 4,886,455 | 4,886,455 | 4,886,455 | 4,886,455 |
| Housing Legacy Reserve | 2,640,241 | 2,640,241 | 2,640,241 | 2,640,241 | 2,640,241 |
| Additions | - | - | - | - | - |
| Withdrawals | - | - | - | - | - |
| Balance @ December 31 | 2,640,241 | 2,640,241 | 2,640,241 | 2,640,241 | 2,640,241 |
| Fire Training Centre Reserve | 173,188 | 173,188 | 23,188 | 23,188 | 23,188 |
| Additions | - | - | - | - | - |
| Withdrawals | - | 150,000 | - | - | - |
| Balance @ December 31 | 173,188 | 23,188 | 23,188 | 23,188 | 23,188 |
| Sustainability Initiatives Reserve | 477,890 | 483,890 | 530,790 | 634,790 | 753,790 |
| Additions | 125,000 | 125,000 | 125,000 | 125,000 | 125,000 |
| Withdrawals | 119,000 | 78,100 | 21,000 | 6,000 | 6,000 |
| Balance @ December 31 | 483,890 | 530,790 | 634,790 | 753,790 | 872,790 |
| Photocopier Reserve | 263,838 | 262,174 | 264,784 | 213,066 | 256,757 |
| Additions | 64,336 | 64,610 | 65,282 | 66,691 | 67,348 |
| Withdrawals | 66,000 | 62,000 | 117,000 | 23,000 | 17,000 |
| Balance @ December 31 | 262,174 | 264,784 | 213,066 | 256,757 | 307,105 |
| PR&E Snow Removal Reserve | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 |
| Additions | - | - | - | - | - |
| Withdrawals | - | - | - | - | - |
| Balance @ December 31 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 |
| VI Fire Academy Reserve | 108,524 | 108,524 | 108,524 | 108,524 | 108,524 |
| Additions | - | - | - | - | - |
| Withdrawals | - | - | - | - | - |
| Balance @ December 31 | 108,524 | 108,524 | 108,524 | 108,524 | 108,524 |
| Colliery Dam Reserve | 140,000 | 140,000 | 140,000 | 140,000 | 140,000 |
| Additions | - | - | - | - | - |
| Withdrawals | - | - | - | - | - |
| Balance @ December 31 | 140,000 | 140,000 | 140,000 | 140,000 | 140,000 |
| Total - General Fund | 21,025,811 | 20,291,725 | 20,350,168 | 20,199,202 | 20,603,901 |
| Additions | 895,172 | 933,301 | 976,028 | 1,024,580 | 1,077,929 |
| Withdrawals | 1,629,258 | 874,858 | 1,126,994 | 619,881 | 717,651 |
| Balance @ December 31 | 20,291,725 | 20,350,168 | 20,199,202 | 20,603,901 | 20,964,179 |

City of Nanaimo 2016-2020 Financial Plan

Operating Reserve Projections (Funds Available for Use)

| | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|------------|------------|------------|------------|------------|
| Sewer Fund | | | | | |
| Sewer Reserve | 8,700,659 | 6,786,840 | 6,239,891 | 2,169,670 | 1,521,339 |
| Additions | 1,885,881 | 1,932,251 | 1,923,029 | 1,915,169 | 1,908,785 |
| Withdrawals | 3,799,700 | 2,479,200 | 5,993,250 | 2,563,500 | 2,173,102 |
| Balance @ December 31 | 6,786,840 | 6,239,891 | 2,169,670 | 1,521,339 | 1,257,022 |
| SFN Sewer Connection | 916 | 916 | 916 | 916 | 916 |
| Additions | - | - | - | - | - |
| Withdrawals | - | - | - | - | - |
| Balance @ December 31 | 916 | 916 | 916 | 916 | 916 |
| DCC - Sewer | 850,000 | 850,000 | 850,000 | 850,000 | 850,000 |
| Additions | - | - | - | - | - |
| Withdrawals | - | - | - | - | - |
| Balance @ December 31 | 850,000 | 850,000 | 850,000 | 850,000 | 850,000 |
| Total - Sewer Fund | 9,551,575 | 7,637,756 | 7,090,807 | 3,020,586 | 2,372,255 |
| Additions | 1,885,881 | 1,932,251 | 1,923,029 | 1,915,169 | 1,908,785 |
| Withdrawals | 3,799,700 | 2,479,200 | 5,993,250 | 2,563,500 | 2,173,102 |
| Balance @ December 31 | 7,637,756 | 7,090,807 | 3,020,586 | 2,372,255 | 2,107,938 |
| Water Fund | | | | | |
| Water Reserve | 3,289,164 | 3,071,282 | 1,324,112 | 223,890 | 1,528,042 |
| Additions | 3,973,518 | 4,509,930 | 5,007,284 | 5,547,392 | 6,133,566 |
| Withdrawals | 4,191,400 | 6,257,100 | 6,107,506 | 4,243,240 | 6,213,800 |
| Balance @ December 31 | 3,071,282 | 1,324,112 | 223,890 | 1,528,042 | 1,447,808 |
| Water Local Improvements Reserve | 99,661 | 99,661 | 99,661 | 99,661 | 99,661 |
| Additions | - | - | - | - | - |
| Withdrawals | - | - | - | - | - |
| Balance @ December 31 | 99,661 | 99,661 | 99,661 | 99,661 | 99,661 |
| DCC - Water | 400,000 | 400,000 | 400,000 | 400,000 | 400,000 |
| Additions | - | - | - | - | - |
| Withdrawals | - | - | - | - | - |
| Balance @ December 31 | 400,000 | 400,000 | 400,000 | 400,000 | 400,000 |
| Levelling Reserve | 1,500,000 | 1,500,000 | 1,500,000 | 1,500,000 | 1,500,000 |
| Additions | - | - | - | - | - |
| Withdrawals | - | - | - | - | - |
| Balance @ December 31 | 1,500,000 | 1,500,000 | 1,500,000 | 1,500,000 | 1,500,000 |
| Water Supply Reserve | 9,584,112 | 9,848,118 | 6,374,928 | 6,639,523 | 6,698,654 |
| Additions | 1,324,506 | 1,503,310 | 1,669,095 | 1,849,131 | 2,044,522 |
| Withdrawals | 1,060,500 | 4,976,500 | 1,404,500 | 1,790,000 | 744,000 |
| Balance @ December 31 | 9,848,118 | 6,374,928 | 6,639,523 | 6,698,654 | 7,999,176 |
| Total - Water Fund | 14,872,937 | 14,919,061 | 9,698,701 | 8,863,074 | 10,226,357 |
| Additions | 5,298,024 | 6,013,240 | 6,676,379 | 7,396,523 | 8,178,088 |
| Withdrawals | 5,251,900 | 11,233,600 | 7,512,006 | 6,033,240 | 6,957,800 |
| Balance @ December 31 | 14,919,061 | 9,698,701 | 8,863,074 | 10,226,357 | 11,446,645 |
| Total Operating Reserves | 42,848,542 | 37,139,676 | 32,082,862 | 33,202,513 | 34,518,762 |

Capital Program Overview

2016-2020 Capital Program

The City plans for project expenditures on a five-year cycle with annual reviews and updates. The 2016 -2020 Financial Plan includes projects that are consistent with the corporate objective of Asset Management as identified in the Strategic Plan, planNanaimo (OCP) and approved master plans such as the Transportation Master Plan and the Cultural Plan for a Creative Nanaimo.

Asset Management

Asset Management is an integrated approach involving planning, finance, engineering and operational departments to effectively manage the City's existing and new assets. The intent is to maximize benefits, reduce risks and provide satisfactory levels of service to the community in a sustainable manner.

The required changes in financial reporting for municipalities in 2008 brought needed attention to aging infrastructure and the challenges local governments face in funding operating, maintenance, renewal and growth of their infrastructure. The City has made significant progress in adopting asset management principles and best practices. Council made important commitments by identifying asset management as a strategic priority and approving annual increases to property taxes and sewer and

water user fees for contributions to asset management reserves. These reserves will contribute to sustainable funding for infrastructure renewal. Work continues in the organization to further improve and develop asset management knowledge, processes and information for decision makers. The City's last Asset Management Update can be found at <https://www.nanaimo.ca/assets/Departments/Engineering~Public~Works/2012AssetManagementUpdate.pdf>. The next update is planned for 2016 to identify progress to date.

Project information is provided by:

- Summary by major category or program and funding
- Summary by major category or program and type (new/upgrade or renewal)
- Detail reports for each major category or program and type

Annual Operating Impacts of the Capital Program

When constructing new infrastructure or facilities, there is typically an annual operating and maintenance budget needed.

Below is a listing of the operating budget impacts (excluding staffing budgets) for new facilities as a result of the 2016 – 2020 Financial Plan.

Staffing for Fire Station #6 will be phased in during 2017 and 2018 and the projected annual cost for full staffing will be in excess of \$1.6 million.

Additional operating costs related to expansion of the Police Operations Building have not been calculated pending further development of the project.

| Reference | 2016 | 2017 | 2018 | 2019 | 2020 |
|-----------------------------------|----------|----------|----------|----------|----------|
| P-F1 Fire Station #6: Hammond Bay | 59,000 | 60,180 | 61,384 | 62,611 | 63,863 |
| | \$59,000 | \$60,180 | \$61,384 | \$62,611 | \$63,863 |

2016-2020 Capital Plan - Operating and Capital Funds

(Summary by Major Category and Funding)

| | 2016 | 2017 | 2018 | 2019 | 2020 | Total |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|
| PROJECTS | | | | | | |
| Strategic | 1,813,855 | 1,791,789 | 1,603,041 | 1,508,502 | 1,498,972 | 8,216,159 |
| Concurrent Infrastructure Projects | 9,999,960 | 10,787,950 | 12,716,450 | 2,010,000 | 3,500,600 | 39,014,960 |
| Equipment & Vehicle Program | 1,663,800 | 3,117,350 | 2,787,600 | 2,899,022 | 3,295,549 | 13,763,321 |
| Facilities Infrastructure & Amenities Program | 8,761,250 | 9,053,282 | 9,573,975 | 2,717,300 | 817,230 | 30,923,037 |
| Information Technology Infrastructure Progra | 1,596,455 | 543,900 | 768,400 | 496,698 | 672,825 | 4,078,278 |
| Parking Infrastructure Program | 83,000 | 10,000 | 391,550 | 585,000 | 605,000 | 1,674,550 |
| Parks Infrastructure Program | 907,855 | 2,627,712 | 1,921,352 | 625,000 | 549,432 | 6,631,351 |
| Sanitary Sewer Infrastructure Program | 4,109,000 | 1,838,200 | 4,415,000 | 2,652,000 | 3,978,602 | 16,992,802 |
| Drainage Infrastructure Program | 332,000 | 530,000 | 650,000 | 1,452,000 | 1,044,000 | 4,008,000 |
| Transportation Infrastructure Program | 1,796,300 | 2,439,900 | 7,823,900 | 3,212,400 | 2,902,200 | 18,174,700 |
| Water Infrastructure Program | 6,265,000 | 12,494,000 | 5,323,106 | 7,179,400 | 5,162,100 | 36,423,606 |
| Total Projects | 37,328,475 | 45,234,083 | 47,974,374 | 25,337,322 | 24,026,510 | 179,900,764 |
| FUNDING SOURCES | | | | | | |
| Parks DCCs | 250,000 | 350,000 | 350,000 | 350,000 | 250,000 | 1,550,000 |
| Roads DCCs | 1,650,000 | 1,938,000 | 5,382,200 | - | - | 8,970,200 |
| Sewer DCCs | 2,075,000 | - | - | 455,000 | 430,000 | 2,960,000 |
| Water DCCs | 2,060,500 | 4,525,950 | 111,300 | - | 150,000 | 6,847,750 |
| Development Cost Charges (DCC) Reserves | 6,035,500 | 6,813,950 | 5,843,500 | 805,000 | 830,000 | 20,327,950 |
| Community Works Reserve | - | 700,000 | 1,300,000 | - | - | 2,000,000 |
| Equipment Depreciation Reserve | 708,000 | 2,075,000 | 1,888,000 | 2,305,000 | 2,796,720 | 9,772,720 |
| Facility Development Reserve | 332,300 | 235,000 | 405,000 | 870,000 | - | 1,842,300 |
| General Fund Asset Mgmt Reserve | 2,527,000 | 3,512,000 | 2,923,750 | 2,452,000 | 575,000 | 11,989,750 |
| Sewer Fund Asset Mgmt Reserve | 807,000 | 1,317,400 | 1,550,000 | 500,000 | 2,400,000 | 6,574,400 |
| Water Fund Asset Mgmt Reserve | 1,584,000 | 124,000 | 186,000 | 1,864,200 | - | 3,758,200 |
| General Reserves | 1,433,500 | 689,100 | 943,500 | 498,730 | 629,080 | 4,193,910 |
| Sewer Reserves | 3,799,700 | 2,479,200 | 5,993,250 | 2,563,500 | 2,173,102 | 17,008,752 |
| Water Reserves | 5,251,900 | 11,233,600 | 7,512,006 | 6,033,240 | 6,957,800 | 36,988,546 |
| Operating and Statutory Reserves | 16,443,400 | 22,365,300 | 22,701,506 | 17,086,670 | 15,531,702 | 94,128,578 |
| Government Grants | 2,300,000 | 2,300,000 | - | - | - | 4,600,000 |
| Private Contributions | 2,891,541 | 5,179,000 | - | - | - | 8,070,541 |
| Grants/Private Contributions | 5,191,541 | 7,479,000 | - | - | - | 12,670,541 |
| General Revenue and User Fees | 7,158,034 | 7,304,833 | 7,429,368 | 7,445,652 | 7,664,808 | 37,002,695 |
| PILT's | 100,000 | 671,000 | - | - | - | 771,000 |
| Borrowing | 2,400,000 | 600,000 | 12,000,000 | - | - | 15,000,000 |
| Total Funding | 37,328,475 | 45,234,083 | 47,974,374 | 25,337,322 | 24,026,510 | 179,900,764 |

2016-2020 Capital Plan - Operating and Capital Funds

(Summary by Major Category and Type)

| REF # | STRATEGIC | 2016 | 2017 | 2018 | 2019 | 2020 | Total |
|--|---|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|
| P-S1 | Strategic | 483,855 | 497,589 | 418,041 | 413,502 | 413,972 | 2,226,959 |
| P-S2 | Land Acquisition | 600,000 | 600,000 | 600,000 | 600,000 | 600,000 | 3,000,000 |
| P-S3 | Planning | 630,000 | 694,200 | 585,000 | 495,000 | 485,000 | 2,889,200 |
| P-S4 | Waterfront Development | 100,000 | - | - | - | - | 100,000 |
| | Strategic | 1,813,855 | 1,791,789 | 1,603,041 | 1,508,502 | 1,498,972 | 8,216,159 |
| CONCURRENT INFRASTRUCTURE PROJECTS | | | | | | | |
| P-C1 | New/Upgrade | 3,162,000 | 3,849,000 | 7,061,000 | 1,408,000 | 996,500 | 16,476,500 |
| P-C2 | Renewal | 6,837,960 | 6,938,950 | 5,655,450 | 602,000 | 2,504,100 | 22,538,460 |
| | Concurrent Infrastructure Projects | 9,999,960 | 10,787,950 | 12,716,450 | 2,010,000 | 3,500,600 | 39,014,960 |
| EQUIPMENT & VEHICLE PROGRAM | | | | | | | |
| P-E1 | New/Upgrade | 426,400 | 1,242,000 | 15,000 | - | 15,000 | 1,698,400 |
| P-E2 | Renewal | 1,237,400 | 1,875,350 | 2,772,600 | 2,899,022 | 3,280,549 | 12,064,921 |
| | Equipment & Vehicle Program | 1,663,800 | 3,117,350 | 2,787,600 | 2,899,022 | 3,295,549 | 13,763,321 |
| FACILITIES INFRASTRUCTURE & AMENITIES PROGRAM | | | | | | | |
| P-F1 | New/Upgrade | 7,540,000 | 7,684,167 | 6,000,000 | - | - | 21,224,167 |
| P-F2 | Renewal | 1,221,250 | 1,369,115 | 3,573,975 | 2,717,300 | 817,230 | 9,698,870 |
| | Facilities Infrastructure & Amenities Program | 8,761,250 | 9,053,282 | 9,573,975 | 2,717,300 | 817,230 | 30,923,037 |
| INFORMATION TECHNOLOGY INFRASTRUCTURE PROGRAM | | | | | | | |
| P-IT1 | New/Upgrade | 814,500 | 27,500 | 377,500 | - | - | 1,219,500 |
| P-IT2 | Renewal | 781,955 | 516,400 | 390,900 | 496,698 | 672,825 | 2,858,778 |
| | Information Technology Infrastructure Program | 1,596,455 | 543,900 | 768,400 | 496,698 | 672,825 | 4,078,278 |
| PARKING INFRASTRUCTURE PROGRAM | | | | | | | |
| P-P1 | Renewal | 83,000 | 10,000 | 391,550 | 585,000 | 605,000 | 1,674,550 |
| | Parking Infrastructure Program | 83,000 | 10,000 | 391,550 | 585,000 | 605,000 | 1,674,550 |
| PARKS INFRASTRUCTURE PROGRAM | | | | | | | |
| P-PI1 | New/Upgrade | 480,310 | 2,250,000 | 1,800,000 | 500,000 | 400,000 | 5,430,310 |
| P-PI2 | Renewal | 427,545 | 377,712 | 121,352 | 125,000 | 149,432 | 1,201,041 |
| | Parks Facilities Program | 907,855 | 2,627,712 | 1,921,352 | 625,000 | 549,432 | 6,631,351 |
| SANITARY SEWER INFRASTRUCTURE PROGRAM | | | | | | | |
| P-SS1 | New/Upgrade | 3,099,000 | 60,000 | 3,225,000 | 600,000 | 430,000 | 7,414,000 |
| P-SS2 | Renewal | 1,010,000 | 1,778,200 | 1,190,000 | 2,052,000 | 3,548,602 | 9,578,802 |
| | Sanitary Sewer Infrastructure Program | 4,109,000 | 1,838,200 | 4,415,000 | 2,652,000 | 3,978,602 | 16,992,802 |
| DRAINAGE INFRASTRUCTURE PROGRAM | | | | | | | |
| P-SD1 | Renewal | 332,000 | 530,000 | 650,000 | 1,452,000 | 1,044,000 | 4,008,000 |
| | DRAINAGE INFRASTRUCTURE PROGRAM | 332,000 | 530,000 | 650,000 | 1,452,000 | 1,044,000 | 4,008,000 |
| TRANSPORTATION INFRASTRUCTURE PROGRAM | | | | | | | |
| P-T1 | New/Upgrade | 387,200 | 756,900 | 471,100 | 1,227,400 | 1,170,200 | 4,012,800 |
| P-T2 | Renewal | 1,409,100 | 1,683,000 | 7,352,800 | 1,985,000 | 1,732,000 | 14,161,900 |
| | Transportation Infrastructure Program | 1,796,300 | 2,439,900 | 7,823,900 | 3,212,400 | 2,902,200 | 18,174,700 |
| WATER INFRASTRUCTURE PROGRAM | | | | | | | |
| P-W1 | New/Upgrade | 2,643,000 | 8,926,000 | 1,215,606 | 1,600,000 | 200,000 | 14,584,606 |
| P-W2 | Renewal | 3,622,000 | 3,568,000 | 4,107,500 | 5,579,400 | 4,962,100 | 21,839,000 |
| | Water Infrastructure Program | 6,265,000 | 12,494,000 | 5,323,106 | 7,179,400 | 5,162,100 | 36,423,606 |
| | Total Projects | 37,328,475 | 45,234,083 | 47,974,374 | 25,337,322 | 24,026,510 | 179,900,764 |

2016-2020 Capital Projects Plan (PS-1)

Operating and Capital Funds

Reference #

P-S1

Project:

Strategic

| | 2016 | 2017 | 2018 | 2019 | 2020 | Total |
|---|----------------|----------------|----------------|----------------|----------------|------------------|
| Project Costs: | | | | | | |
| Archaeological Site Assessment | 50,000 | - | - | - | - | 50,000 |
| Canada Day 150 Celebrations | 5,000 | 30,000 | - | - | - | 35,000 |
| Coal Town Trail Signage/Mapping | 15,000 | - | - | - | - | 15,000 |
| Downtown Heritage Bldg Design Guidelines Update | - | 50,000 | - | - | - | 50,000 |
| Grants | 200,000 | 150,000 | 150,000 | 150,000 | 150,000 | 800,000 |
| Housing Legacy Reserve | - | 165,000 | 165,000 | 165,000 | 165,000 | 660,000 |
| Immigrant Welcome Reception | 4,500 | 4,500 | 4,500 | 4,500 | 4,500 | 22,500 |
| Invasive Plant Management Program | 25,000 | 25,000 | 25,000 | 20,000 | 20,000 | 115,000 |
| Mayor's Youth Advisory Council | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 15,000 |
| Public Art | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 150,000 |
| Public Education of Water System | 65,000 | - | - | - | - | 65,000 |
| Recreation Partnership Programs | 68,855 | 22,589 | 23,041 | 23,502 | 23,972 | 161,959 |
| Transportation Initiatives | 17,500 | 17,500 | 17,500 | 17,500 | 17,500 | 87,500 |
| Total | 483,855 | 497,589 | 418,041 | 413,502 | 413,972 | 2,226,959 |
| Funding Sources: | | | | | | |
| Water Reserves | 65,000 | - | - | - | - | 65,000 |
| Private Contributions | 45,141 | - | - | - | - | 45,141 |
| General Revenue and User Fees | 373,714 | 497,589 | 418,041 | 413,502 | 413,972 | 2,116,818 |
| Total | 483,855 | 497,589 | 418,041 | 413,502 | 413,972 | 2,226,959 |

2016-2020 Capital Projects Plan (PS-1)

Overview: To address specific initiatives, issues or goals.

Project Descriptions and Benefits:

Archaeological Site Assessment: An archaeological field survey to verify and complete high potential archaeological site mapping within City limits. The Provincial Archaeological Sites register will be updated based on results and the project will be completed in consultation with Snuneymuwx First Nation.

Canada Day 150 Celebrations: The City of Nanaimo is on the executive for the 2017 Canada Day 150 Community Committee. Planning is underway for the ten day event that will kick off on National Aboriginal day and end with the finale on Canada Day.

Coal Town Trail: The creation of a Coal Town Trail celebrating Nanaimo's coal heritage by linking walking and biking paths throughout the City using interpretive signage, way-finding and mapping.

Grants

- **Downtown Facade Grant Program:** Started in 2003, \$20,000 annual program to provide incentives for heritage building renewal as part of the City's Downtown Revitalization Strategy.
- **SPCA Capital Grant:** In 2014 Council approved a \$50,000 grant per year for 2014, 2015 and 2016 to be used for a new facility.
- **Water Conservation:** Incentive programs for City residents to reduce water consumption including
 - Toilet Rebate Program - \$100,000 per year
 - Appliance Rebate Program - \$30,000 per year

Housing Legacy Reserve: Provides for annual contribution to the Housing Legacy Reserve. The reserve is used to fund municipal support for affordable housing initiatives in Nanaimo.

Community Engagement

- **Immigrant Welcome Reception:** Held annually to welcome new residents from other countries to the community.
- **Mayor's Youth Advisory Council:** Implemented in 2014, and comprised of youth between the ages of 15 and 24, to provide comments to Council on a range of subject matters.

Invasive Plant Management Program: Provide staff training on priority invasive plants including identification, handling, transportation and disposal to minimize spread. Provide training and supervision to volunteers during invasive plant management projects within City parks. Raise public awareness about priority invasive plants that can have a negative impact on environmental and public health, as well as damage homes and infrastructure.

Public Art: Support temporary public art program.

Public Education of Water System: Development of education material including a video and display boards to enhance the public's understanding of the City's water system.

Recreation Partnership Programs: The PR&E department partners with other stakeholders (eg. Island Health) to provide programs such as Swim to Survive Program, Healthy Weights Program and Mend Program. Contributions from partners help fund these programs.

Transportation Initiatives

- **Alternate Transportation Education & Marketing:** Includes promotion of Bike to Work week.
- **Safer School Travel Program:** Program improves safe student access to/from schools for pedestrians and cyclists. Typically is used to support larger projects that improve student access/safety or fund smaller projects raised by schools.

2016-2020 Capital Projects Plan (PS-2)

Operating and Capital Funds

| | | | | | |
|------------------|------------------------------|---------|---------|---------|---------|
| Reference # | P-S2 | | | | |
| Project: | Strategic - Land Acquisition | | | | |
| | 2016 | 2017 | 2018 | 2019 | 2020 |
| Project Costs: | 600,000 | 600,000 | 600,000 | 600,000 | 600,000 |
| Funding Sources: | | | | | |
| General Revenue | 600,000 | 600,000 | 600,000 | 600,000 | 600,000 |

Project Descriptions and Benefits:

Annual budget allocation for acquisition of land for park or other City purposes.

Unspent budget is transferred to the Property Acquisition Reserve at the end of the year.

2016-2020 Capital Projects Plan (PS-3)

Operating and Capital Funds

Reference # P-S3
Project: Strategic - Planning

| | 2016 | 2017 | 2018 | 2019 | 2020 | Total |
|-----------------------------------|---------|---------|---------|---------|---------|-----------|
| Project Costs: | | | | | | |
| Drainage | 21,450 | 21,450 | 25,000 | 25,000 | 25,000 | 117,900 |
| Environment | 73,550 | 2,750 | - | - | - | 76,300 |
| Financial | 85,000 | 60,000 | 60,000 | 60,000 | 60,000 | 325,000 |
| Fire Services | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 25,000 |
| Parks, Recreation and Environment | - | 75,000 | 75,000 | - | - | 150,000 |
| Community Planning | 150,000 | 100,000 | 225,000 | 200,000 | 200,000 | 875,000 |
| Sanitary Sewer | 140,000 | 100,000 | 50,000 | 50,000 | 50,000 | 390,000 |
| Transportation | 65,000 | 125,000 | 65,000 | 65,000 | 65,000 | 385,000 |
| Water Distribution | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 250,000 |
| Water Supply | 40,000 | 155,000 | 30,000 | 40,000 | 30,000 | 295,000 |
| Total | 630,000 | 694,200 | 585,000 | 495,000 | 485,000 | 2,889,200 |
| Funding Sources: | | | | | | |
| Sewer Reserves | 140,000 | 100,000 | 50,000 | 50,000 | 50,000 | 390,000 |
| Water Reserves | 90,000 | 205,000 | 80,000 | 90,000 | 80,000 | 545,000 |
| Private Contributions | 26,400 | - | - | - | - | 26,400 |
| General Revenue | 373,600 | 389,200 | 455,000 | 355,000 | 355,000 | 1,927,800 |
| Total | 630,000 | 694,200 | 585,000 | 495,000 | 485,000 | 2,889,200 |

2016-2020 Capital Projects Plan (PS-3)

Overview: City planning processes include public consultation, and information collection and analysis that support decisions for upgrading/expansion of City infrastructure.

Project Descriptions and Benefits:

Drainage: Annual studies to identify existing and future capacity issues in storm drainage system.

Environment: 2016 projects include development of an environmental framework for the City, stream sign upgrading including adding Snuneymuw First Nation name for each watercourse, development and implementation of Jingle Pot Marsh Restoration plan, and Community Watershed Monitoring Program.

Financial: 2016 projects include Financial/Performance Audits and Property Valuation Program.

Fire Services: Provide for recruitment expenses to address succession planning and staffing requirement for new fire station on Hammond Bay Road.

Parks, Recreation and Environment: Update the Parks, Recreation and Environment Master Plan. The current Parks, Recreation and Culture Master Plan was adopted in 2005 and prior to the change to the structure of the department.

Community Planning:

- Official Community Plan (OCP) Update - the current OCP was adopted in 2008 and an update is planned in 2019.
- Community Planning Studies - include Land Capacity Analysis, Town Structure Plan (linked to Transportation Master Plan), and Bylaw Reviews.
- City Orthophotos – ongoing annual maintenance of data sets with a full update including new photos planned in 2018.

Sanitary Sewer: Annual studies to identify existing and future capacity issues such as infrastructure failures, surcharging and backflow. Planned studies include Townsite and Brechin Master Plan, Downtown North and South Master Plan, and Fillinger Crescent Routing Study.

Transportation: Annual studies to identify existing and future capacity issues with the transportation network. Planned studies include a population projection study and model recalibration (2018) to assist with long-term infrastructure planning, and the traffic counters program.

Water Distribution and Water Supply: Annual studies to identify existing and future capacity issues to maintain operating pressures and required fire flows in the water system. Specific planned studies include Water Audit Update, Watershed Forecasting Model, and Water Conservation Strategy.

2016-2020 Capital Projects Plan (PS-4)

Operating and Capital Funds

Reference #

P-S4

Project:

Strategic - Waterfront Development

| | 2016 | 2017 | 2018 | 2019 | 2020 | Total |
|-------------------------|---------|------|------|------|------|---------|
| Project Costs: | 100,000 | - | - | - | - | 100,000 |
| Funding Sources: | | | | | | |
| PILT's | 100,000 | - | - | - | - | 100,000 |
| Total | 100,000 | - | - | - | - | 100,000 |

Overview:

In 2013, the City acquired 26.7 acres of land at 1 Port Drive. In 2014, the South Downtown Waterfront Initiative prepared a framework and guiding principles for the redevelopment of this area. In 2015, site remediation (demolition of dock) and environmental assessment were undertaken. The development of a detailed Master Plan is underway and will continue into 2016.

2016-2020 Capital Projects Plan (P-C1)

Operating and Capital Funds

Reference #

P-C1

Project:

Concurrent Infrastructure Projects - New/Upgrades

| | 2016 | 2017 | 2018 | 2019 | 2020 | Total |
|---|------------------|------------------|------------------|------------------|----------------|-------------------|
| Project Costs: | | | | | | |
| Boxwood Connector & Utility Project | 1,675,000 | - | 7,016,000 | - | - | 8,691,000 |
| Dufferin @ Dufferin St Upgrade | - | - | - | 130,000 | - | 130,000 |
| Dufferin Cres SW & Utility Upgrade | - | - | 45,000 | - | 996,500 | 1,041,500 |
| Estevan Rd Complete St Corridor Project | - | 160,000 | - | - | - | 160,000 |
| Hammond Bay Corridor & Utility Project | - | 3,667,000 | - | - | - | 3,667,000 |
| Jingle Pot Utility Project | - | 22,000 | - | 675,000 | - | 697,000 |
| Metral Corridor & Utility Upgrade | - | - | - | 603,000 | - | 603,000 |
| Victoria Rd SW & Utility Project | 1,487,000 | - | - | - | - | 1,487,000 |
| Total | 3,162,000 | 3,849,000 | 7,061,000 | 1,408,000 | 996,500 | 16,476,500 |
| Funding Sources: | | | | | | |
| Roads DCCs | 1,550,000 | 1,938,000 | 5,382,200 | - | - | 8,870,200 |
| Sewer DCCs | - | - | - | 455,000 | - | 455,000 |
| Water DCCs | - | 93,450 | - | - | - | 93,450 |
| General Fund Asset Mgmt Reserve | - | 1,462,000 | - | - | - | 1,462,000 |
| Sewer Fund Asset Mgmt Reserve | 687,000 | - | - | - | - | 687,000 |
| Sewer Reserves | 45,000 | - | 685,000 | - | 314,500 | 1,044,500 |
| Water Reserves | 50,000 | 195,550 | 566,000 | 348,000 | 441,000 | 1,600,550 |
| General Revenue | 830,000 | 160,000 | 427,800 | 605,000 | 241,000 | 2,263,800 |
| Total | 3,162,000 | 3,849,000 | 7,061,000 | 1,408,000 | 996,500 | 16,476,500 |

2016-2020 Capital Projects Plan (P-C1)

Overview: Concurrent infrastructure projects can include roads, sidewalks, lighting, signals, drainage, sanitary sewer and water infrastructure. Significant benefits are achieved including improved cost efficiencies, optimizing staff resources and reduction in service disruptions to the community when planning and completing multi infrastructure projects in an area at the same time.

Concurrent projects for new/upgraded infrastructure will address safety, growth, capacity or regulatory needs.

The City's Transportation Master Plan (2014) identified recommendations to improve pedestrian, cycling, transit and vehicle mobility within the City. Where cost effective, those recommendations are integrated with concurrent projects. Examples of these amenities include sidewalks, cycling lanes and improved transit stops.

Funding

Where projects are required due to development, funding from DCC reserves are utilized.

Where projects are for upgrades to existing infrastructure, funding from asset management reserves has been utilized in addition to general taxation revenues and operating reserves.

Project Descriptions and Benefits:

Major Projects

Boxwood Connector & Utility Project: Road network improvement project to address congestion and safety issues at Bowen/Northfield intersection. Project scope includes new drainage infrastructure (mains and pond) and new sanitary sewer and water infrastructure to support development in the area.

Dufferin @ Dufferin St Upgrade: Improvements to vehicle and pedestrian alignment through the intersection of Dufferin @ Dufferin, and construction of a new sidewalk on the south side of Dufferin Cres. to improve pedestrian safety and comfort.

Dufferin Crescent Sidewalk (SW) & Utility Upgrade: New drainage and sidewalk infrastructure, upsize sanitary sewer infrastructure to address capacity issues and replacement of watermain at end of useful life.

Estevan Rd Complete St Corridor Project: Pedestrian and cycling upgrades consistent with Newcastle and Brechin neighbourhood plan.

Hammond Bay Corridor & Utility Project: Address cracking pavement and apparent subsidence adjacent to retaining wall, widening of road shoulders to improve pedestrian and cycling flow and safety, and watermain upsizing to address deficient fire flows.

Jingle Pot Utility Project: Upsize sanitary sewer infrastructure to address capacity issues and renewal of watermain at end of useful life.

Metral Corridor & Utility Project: Cycling, sidewalk, crosswalk, bus stop and drainage infrastructure upgrades from Mostar to Turner and replacement of watermain at end of useful life.

Victoria Rd SW & Utility Project: Comprehensive street upgrade project including sidewalk, bike lane, on-street parking, drainage and sanitary sewer infrastructure to address deteriorating infrastructure in area with potential geotechnical issues.

2016-2020 Capital Projects Plan (P-C2)

Operating and Capital Funds

Reference #
Project:

P-C2
Concurrent Infrastructure Projects - Renewals

| | 2016 | 2017 | 2018 | 2019 | 2020 | Total |
|--|------------------|------------------|------------------|----------------|------------------|-------------------|
| Project Costs: | | | | | | |
| Bartlett & Venlaw Area Utility Upgrade | - | - | 75,000 | - | 880,100 | 955,100 |
| Beban Plaza Utilities Project | 789,000 | - | - | - | - | 789,000 |
| Big Bear Ridge Area Utility Upgrade | - | - | - | 62,000 | - | 62,000 |
| Bradley/Wall Drainage & Sanitary Project | - | 341,000 | - | - | - | 341,000 |
| Caspers Way RHB & Utility Project | - | - | - | - | 597,000 | 597,000 |
| Cinnabar Dr RHB & Utility Upgrade | - | 970,950 | - | - | - | 970,950 |
| Cliff St Area Corridor & Utility Project | 1,783,360 | - | - | - | - | 1,783,360 |
| College Dr Area WM Twinning | 40,000 | 65,000 | 1,144,250 | - | - | 1,249,250 |
| Duke & Sixth Utility Upgrade | 76,000 | - | 773,000 | - | - | 849,000 |
| Fillinger Cres Utility Upgrade | - | - | 1,694,000 | - | - | 1,694,000 |
| Garner Cres Area Utility Upgrade | 1,220,200 | - | - | - | - | 1,220,200 |
| Glenayr/Wingrove Area Utility Upgrade | 12,000 | 535,000 | - | - | - | 547,000 |
| Howard Ave Utility Upgrade | - | 45,000 | - | 395,000 | - | 440,000 |
| Lambert Ave Utility Upgrade | 90,000 | - | 872,000 | - | - | 962,000 |
| Nanaimo Lakes DR & RHB Project | 970,000 | - | - | - | - | 970,000 |
| Poplar St Utility Upgrade | - | 574,000 | - | - | - | 574,000 |
| Roberta Rd Area Utility Upgrade | - | 757,600 | - | - | - | 757,600 |
| Robins St Utility Upgrade | 115,000 | - | - | - | - | 115,000 |
| Seventh St Utility Upgrade | 30,000 | 455,000 | - | - | - | 485,000 |
| Sherwood Dr Utility Upgrade | 546,000 | - | - | - | - | 546,000 |
| Terminal South Complete Street & Utility Project | 279,400 | 3,195,400 | 1,032,200 | - | - | 4,507,000 |
| Terminal Trench & Utility Project | - | - | 65,000 | - | 1,027,000 | 1,092,000 |
| Thunderbird Area Utility Upgrade | - | - | - | 145,000 | - | 145,000 |
| Tom's Turnabout Area Utility Upgrade | 540,000 | - | - | - | - | 540,000 |
| Townsite/Holly Corridor & Utility Project | 347,000 | - | - | - | - | 347,000 |
| Total | 6,837,960 | 6,938,950 | 5,655,450 | 602,000 | 2,504,100 | 22,538,460 |
| Funding Sources: | | | | | | |
| Water DCCs | - | - | 111,300 | - | - | 111,300 |
| General Fund Asset Mgmt Reserve | 1,917,000 | 1,416,000 | 432,200 | - | - | 3,765,200 |
| Sewer Fund Asset Mgmt Reserve | 120,000 | 1,317,400 | 1,450,000 | - | - | 2,887,400 |
| Water Fund Asset Mgmt Reserve | 944,000 | - | - | 105,000 | - | 1,049,000 |
| Sewer Reserves | 1,560,700 | 525,000 | 929,250 | 340,000 | 638,500 | 3,993,450 |
| Water Reserves | 1,421,000 | 2,885,550 | 1,717,700 | 157,000 | 1,396,600 | 7,577,850 |
| General Revenue | 875,260 | 795,000 | 1,015,000 | - | 469,000 | 3,154,260 |
| Total | 6,837,960 | 6,938,950 | 5,655,450 | 602,000 | 2,504,100 | 22,538,460 |

2016-2020 Capital Projects Plan (P-C2)

Overview: Concurrent infrastructure projects can include roads, sidewalks, lighting, signals, drainage, sanitary sewer and water infrastructure. Significant benefits are achieved including improved cost efficiencies, optimizing staff resources and reduction in service disruptions to the community when planning and completing multi infrastructure projects in an area at the same time.

The renewal of City infrastructure at end of useful life/deteriorating condition is in compliance with new regulatory standards. Delaying renewal projects can result in higher operating and maintenance expenses, increased safety and service disruption risks and property damage.

The City's Transportation Master Plan (2014) identified recommendations to improve pedestrian, cycling, transit and vehicle mobility within the City. Where cost effective, those recommendations are integrated with concurrent renewal projects – eg. new sidewalks, cycling lanes, improved transit stops.

Funding

Where projects are for renewal of existing infrastructure, funding from asset management reserves has been utilized in addition to general taxation revenues and operating reserves.

Project Descriptions and Benefits:

Major Projects

Bartlett & Venlaw Area Utility Upgrade: Replacement of sanitary sewer and watermain infrastructure that is at end of useful life.

Cinnabar Dr Road Rehab (RHB) & Utility Upgrade: Road surface rehabilitation, drainage, watermain and pressure reducing station infrastructure renewal.

Cliff St Area Corridor & Utility Project: Comprehensive street upgrade project with road surface rehabilitation, sidewalk, crosswalk, street lights, drainage, sanitary sewer and watermain infrastructure renewal.

College Dr Area Watermain (WM) Twinning: Replace water supply main on College Dr., compete twinning of College Drive water supply main to address redundancy needs, replace water distribution (Camosun and Langara) and sanitary sewer infrastructure.

Fillinger Cres Utility Upgrade: Replacement of sanitary sewer and water infrastructure.

Garner Cres Area Utility Upgrade: Replacement of sanitary sewer and watermain infrastructure.

Lambert Ave Utility Upgrade: Drainage and sanitary sewer infrastructure renewal.

Nanaimo Lakes Drainage (DR) & Road Rehab (RHB) Project: Road surface rehabilitation and drainage infrastructure renewal.

Terminal South Complete Street & Utility Projects: Road surface rehabilitation of Terminal Ave from Stewart Ave to St. George, and renewal of drainage, sanitary sewer and watermain infrastructure.

Terminal Trench & Utility Project: Replacement of sanitary sewer and water infrastructure.

2016-2020 Capital Projects Plan (P-E1)

Operating and Capital Funds

Project:

Equipment & Vehicle Program - New/Upgrade

| | 2016 | 2017 | 2018 | 2019 | 2020 | Total |
|--------------------------------|----------------|------------------|---------------|----------|---------------|------------------|
| Project Costs: | | | | | | |
| Fleet - City | 22,000 | - | - | - | - | 22,000 |
| Fleet - Fire | - | 792,000 | - | - | - | 792,000 |
| Maintenance Equipment | 79,400 | - | - | - | - | 79,400 |
| Parking Equipment | 325,000 | 450,000 | - | - | - | 775,000 |
| SNIC Equipment | - | - | 15,000 | - | 15,000 | 30,000 |
| Total | 426,400 | 1,242,000 | 15,000 | - | 15,000 | 1,698,400 |
| Funding Sources: | | | | | | |
| Equipment Depreciation Reserve | - | 792,000 | - | - | - | 792,000 |
| Water Reserves | 36,400 | - | - | - | - | 36,400 |
| General Revenue | 390,000 | 450,000 | 15,000 | - | 15,000 | 870,000 |
| Total | 426,400 | 1,242,000 | 15,000 | - | 15,000 | 1,698,400 |

Project Descriptions and Benefits:

Fleet – City: Purchase of a used vehicle for the new water cross connection control program.

Fleet – Fire: Purchase of a new Type 1 Engine for the new Fire Station #6 on Hammond Bay Road.

Maintenance Equipment: Purchase of a new mower for Parks Operations, 12 hydrant backflow preventers for water cross connection program, and a new portable FloDar to measure storm flows for drainage studies.

Parking Equipment: Installation of new single space and multi-space meters in the Downtown and Old City Quarter areas.

Snow and Ice Control (SNIC) Equipment: Purchase of two new anti-icing tanks.

2016-2020 Capital Projects Plan (P-E2)

Operating and Capital Funds

Reference #

P-E2

Project:

Equipment & Vehicle Program - Renewal

| | 2016 | 2017 | 2018 | 2019 | 2020 | Total |
|--|------------------|------------------|------------------|------------------|------------------|-------------------|
| Project Costs: | | | | | | |
| Fleet - City | 523,000 | 910,000 | 955,000 | 830,000 | 1,360,000 | 4,578,000 |
| Fleet - Fire | 115,000 | 158,000 | 892,000 | 1,440,000 | 1,332,000 | 3,937,000 |
| Furniture & Equipment Replacement | 227,800 | 220,500 | 117,500 | 215,500 | 100,980 | 882,280 |
| Gym Fitness Equipment | - | 50,000 | - | 50,000 | - | 100,000 |
| Kitchen Equipment - Vancouver Island Conference Centre | - | - | 252,000 | - | - | 252,000 |
| Maintenance Equipment | 158,200 | 133,650 | 256,800 | 169,190 | 111,945 | 829,785 |
| Misc - Fire Equipment | 55,200 | 78,000 | 68,600 | 58,132 | 64,404 | 324,336 |
| Misc - Fleet Shop Equipment | 5,000 | 10,000 | 16,000 | 10,000 | 79,720 | 120,720 |
| Misc - Survey Equipment | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 50,000 |
| Parking Equipment | 9,000 | 9,000 | - | - | - | 18,000 |
| Parks Amenities | 16,200 | 116,200 | 116,200 | 116,200 | 118,000 | 482,800 |
| SNIC Equipment | 78,000 | - | 88,500 | - | 103,500 | 270,000 |
| Zambonis | 40,000 | 180,000 | - | - | - | 220,000 |
| Total | 1,237,400 | 1,875,350 | 2,772,600 | 2,899,022 | 3,280,549 | 12,064,921 |
| Funding Sources: | | | | | | |
| Equipment Depreciation Reserve | 708,000 | 1,283,000 | 1,888,000 | 2,305,000 | 2,796,720 | 8,980,720 |
| Facility Development Reserve | 146,300 | - | - | - | - | 146,300 |
| General Reserves | 13,000 | 9,000 | 256,000 | 60,000 | 4,080 | 342,080 |
| Sewer Reserves | 20,000 | 16,000 | 14,000 | 21,500 | 21,500 | 93,000 |
| Water Reserves | 25,000 | 10,000 | 11,200 | 18,040 | 16,100 | 80,340 |
| General Revenue | 325,100 | 557,350 | 603,400 | 494,482 | 442,149 | 2,422,481 |
| Total | 1,237,400 | 1,875,350 | 2,772,600 | 2,899,022 | 3,280,549 | 12,064,921 |

2016-2020 Capital Projects Plan (P-E2)

Overview: The City utilizes a wide range of vehicles and equipment to deliver services. Renewal programs provide for replacement of vehicles and equipment at the end of their useful life. Delaying replacement can result in higher maintenance costs as well as increased safety and service disruption risks.

Examples of estimated useful life (years) for fleet vehicles and equipment are:

| | |
|--------------------------------|----------|
| Vehicle/Pickups | 10 years |
| Heavy Equipment/Garbage Trucks | 15 years |
| Fire Apparatus | 25 years |
| Ice Resurfacers (Zambonis) | 20 years |

Funding

Funding for vehicle replacement is from the Equipment Replacement Reserve.

Funding for equipment replacement is from general taxation revenue or operating reserves.

Internal charges to user departments are used to fund the Equipment Replacement Reserve. Internal charges are unit specific and include recovery of annual operating, insurance and maintenance costs and contribution to the reserve for each unit's replacement.

Project Descriptions and Benefits:

Fleet – City Renewal Program: Replacement of vehicles, pickups, heavy equipment and garbage trucks. Major 2016 purchases include:

- Full Size Single Axle Dump Truck (in-service year 2001) \$185,000
- Small 4x4 Dump Truck (in-service year 2001) \$155,000

Furniture and Equipment Replacement: Replacement of furniture and equipment (excluding copiers) used by City staff.

Gym Fitness Equipment: Cardio, elliptical, strength and treadmill equipment replacement.

Kitchen Equipment – VICC: Replacement of equipment including ice machine, waste processor, ovens, steam cooker, commercial mixers and slicer.

Maintenance Equipment: Replacement of small tools and equipment used by Parks, Construction, Drainage, Sewer, Transportation and Water Operations.

Fleet Shop Equipment: Includes replacement of hoists, welders, lathes, bead machine, pressure washers, and drill press.

Survey Equipment: Replacement of integrated survey control monuments.

Park Amenities: Replacement of play equipment and portable bleachers.

Parking Equipment: Parking meter replacement program.

Snow and Ice Control (SNIC) Equipment Replacement: Replacement of plow and sanders attachments, and anti-icing tanks.

Fleet – Fire: Replacement of fire apparatus and support vehicles.

Fire Equipment Replacement: Replacement of hoses/nozzles, self contained breathing apparatus (SCBA), auto extraction tools, portable radios and intersection controllers.

2016-2020 Capital Projects Plan (P-F1)

Operating and Capital Funds

Reference #

P-F1

Project:

Facilities Infrastructure & Amenities Program - New/Upgrade

| | 2016 | 2017 | 2018 | 2019 | 2020 | Total |
|--|------------------|------------------|------------------|----------|----------|-------------------|
| Project Costs: | | | | | | |
| Fire Station #6: Hammond Bay | 2,400,000 | - | - | - | - | 2,400,000 |
| Fire Training Centre | - | 184,167 | - | - | - | 184,167 |
| Police Operations Building : Expansion | 40,000 | 600,000 | 6,000,000 | - | - | 6,640,000 |
| Port Theatre Expansion | 5,100,000 | 6,900,000 | - | - | - | 12,000,000 |
| Total | 7,540,000 | 7,684,167 | 6,000,000 | - | - | 21,224,167 |
| Funding Sources: | | | | | | |
| General Reserves | - | 150,000 | - | - | - | 150,000 |
| Government Grants | 2,300,000 | 2,300,000 | - | - | - | 4,600,000 |
| Private Contributions | 2,800,000 | 4,600,000 | - | - | - | 7,400,000 |
| General Revenue | 40,000 | 34,167 | - | - | - | 74,167 |
| Borrowing | 2,400,000 | 600,000 | 6,000,000 | - | - | 9,000,000 |
| Total | 7,540,000 | 7,684,167 | 6,000,000 | - | - | 21,224,167 |

Overview: New and upgraded facilities support new or enhanced levels of service.

New or expanded facilities will increase annual operating and maintenance budgets.

Project Descriptions and Benefits:

Fire Station #6 Hammond Bay Road: The Fire Rescue Standard of Response Coverage Implementation Plan (2005) includes construction and operation of a fire station on Hammond Bay Road. Land has been purchased and construction is planned in 2016.

This facility will operate with 20 additional firefighters and a Type 1 Engine. Additional annual operating and maintenance costs for this facility will be \$2M.

Fire Training Centre: Addition of a steel training tower with stairs to the Fire Training Centre located on Labieux Road.

Police Operations Building Expansion: Expansion of the Police Operations building located on Prideaux Street includes a space needs study in 2016, detailed design in 2017 and construction in 2018. Once the space needs study and detailed design work is completed the cost of construction will be confirmed.

Port Theatre Expansion: The Port Theatre building expansion is contingent on successful grant applications, community sponsorship and other funding options. The planned expansion is for a Community Performing Arts Centre which will include a performance space with seating capacity for 220 persons, rehearsal space and lobby.

2016-2020 Capital Projects Plan (P-F2)

Operating and Capital Funds

Reference #

P-F2

Project:

Facilities Infrastructure & Amenities Program - Renewal

| | 2016 | 2017 | 2018 | 2019 | 2020 | Total |
|---------------------------------|------------------|------------------|------------------|------------------|----------------|------------------|
| Project Costs: | | | | | | |
| Animal Shelter | 6,000 | - | 25,000 | - | - | 31,000 |
| Aquatics Facilities | 272,500 | 429,400 | 182,000 | 1,125,000 | 70,000 | 2,078,900 |
| Arena Facilities | 100,000 | 80,000 | 410,000 | 35,000 | 10,000 | 635,000 |
| Civic Properties | 200,465 | - | - | - | - | 200,465 |
| Condition Assessments | 25,000 | 35,000 | 35,000 | 35,000 | 35,000 | 165,000 |
| Culture & Heritage Facilities | 96,069 | 84,245 | 338,000 | 30,500 | 110,200 | 659,014 |
| Nanaimo Fire Rescue Facilities | 44,900 | 97,870 | - | 105,800 | 175,000 | 423,570 |
| Parks Facilities | 30,816 | - | - | - | 7,000 | 37,816 |
| Police Services Facilities | 100,000 | 331,500 | 84,500 | 295,000 | 29,180 | 840,180 |
| Port of Nanaimo Centre | - | 60,000 | - | - | 30,000 | 90,000 |
| Public Works Yard | 89,000 | 131,100 | 77,475 | 865,600 | 103,250 | 1,266,425 |
| Recreation Facilities | 256,500 | 120,000 | 2,422,000 | 225,400 | 235,600 | 3,259,500 |
| Water Facilities | - | - | - | - | 12,000 | 12,000 |
| Total | 1,221,250 | 1,369,115 | 3,573,975 | 2,717,300 | 817,230 | 9,698,870 |
| Funding Sources: | | | | | | |
| Facility Development Reserve | 186,000 | 235,000 | 405,000 | 870,000 | - | 1,696,000 |
| General Fund Asset Mgmt Reserve | 110,000 | 234,000 | 2,100,000 | 800,000 | - | 3,244,000 |
| General Reserves | 75,000 | 72,100 | 15,000 | - | - | 162,100 |
| Water Reserves | - | - | - | - | 12,000 | 12,000 |
| General Revenue | 850,250 | 828,015 | 1,053,975 | 1,047,300 | 805,230 | 4,584,770 |
| Total | 1,221,250 | 1,369,115 | 3,573,975 | 2,717,300 | 817,230 | 9,698,870 |

2016-2020 Capital Projects Plan (P-F2)

Overview:

The City currently owns and operates over 100 facilities which support delivery of a wide range of services. These facilities include civic office buildings, fire and police buildings, public works yards, recreation facilities, cultural facilities, parkades and the Port of Nanaimo Centre. Facility renewal projects include replacement of existing components within each building to maintain current function and service levels.

Maintenance and renewal of these facilities is complex, as they are made up of many components with different useful lives, functions and operating and maintenance requirements. The 2016 - 2020 Financial Plan includes projects for replacement of roofs, HVAC, mechanical, electrical, plumbing and interior finishing components.

Funding

Reserves that are utilized to fund facility renewal are the Facility Development Reserve (recreation facilities only) and the Asset Management Reserve. Additional funding for facility renewal projects is from general taxation revenues, operating reserves and grants.

A 20% surcharge on recreation fees is transferred to the Facility Development Reserve. This reserve is used to fund recreation facility renewal.

Project Descriptions and Benefits:

Facility renewal projects are many and lower individual costs. In 2016, there are 47 facility renewal projects ranging in costs from \$3,000 to \$110,000.

2016 Major Projects Include:

| | |
|--|-----------|
| Caledonia Park/Curling Club, parking lot renewal | \$110,000 |
| Bowen Park, washroom renewal | \$40,000 |
| Fire Station #1, flooring replacement | \$35,000 |
| Frank Crane Arena, wash/dressing room renewal | \$45,000 |
| Kin Pool, cement piping replacement | \$49,000 |
| Port Theatre, windows replacement | \$44,760 |
| Police Operations Building, flooring replacement | \$30,000 |

2016-2020 Capital Projects Plan (P-IT1)

Operating and Capital Funds

Reference #
Project:

P-IT1
Information Technology Infrastructure Program - New/Upgrade

| | 2016 | 2017 | 2018 | 2019 | 2020 | Total |
|--------------------------|----------------|---------------|----------------|----------|----------|------------------|
| Project Costs: | | | | | | |
| Business Applications | 317,500 | 27,500 | 377,500 | - | - | 722,500 |
| Computing Infrastructure | 497,000 | - | - | - | - | 497,000 |
| Total | 814,500 | 27,500 | 377,500 | - | - | 1,219,500 |
| Funding Sources: | | | | | | |
| General Reserves | 560,000 | - | 350,000 | - | - | 910,000 |
| General Revenue | 254,500 | 27,500 | 27,500 | - | - | 309,500 |
| Total | 814,500 | 27,500 | 377,500 | - | - | 1,219,500 |

Overview: The City's technology equipment, managed by the Information Technology department, maintains systems access for network and business applications.

Funding

Internal charges to user departments based on number of computers help fund upgrades and new network assets.

Project Descriptions and Benefits:

Business Applications includes the purchase, expansion or upgrades to a number of software applications such as:

- **Document Management:** Manage retention and destruction of records in compliance with Records Management Policy.
- **Computerized Maintenance Management System:** To integrate maintenance (work orders), inventory, fleet, and financial control and reporting with corporate utilities asset inventory in GIS.
- **Electronics Records Archiving:** To manage destruction of records (SAP) in compliance with Records Management Policy.
- **Invoice Routing Enhancements:** To further automate workflows required for creating invoices.
- **Building Permits Electronic Records Conversion**
- **Emergency Management Software:** To efficiently manage, track and report during emergency events from the Emergency Coordination Centre.

Computing Infrastructure: Includes Local Area Network (LAN) upgrades for resiliency and security improvements, server for emergency management software, police voice recording system and electronic system to regulate and track RCMP equipment.

2016-2020 Capital Projects Plan (P-IT2)

Operating and Capital Funds

Reference #

P-IT2

Project:

Information Technology Infrastructure Program - Renewal

| | 2016 | 2017 | 2018 | 2019 | 2020 | Total |
|--------------------------|---------|---------|---------|---------|---------|-----------|
| Project Costs: | | | | | | |
| Business Applications | 490,000 | 195,000 | 90,000 | 90,000 | 90,000 | 955,000 |
| Computing Infrastructure | 291,955 | 321,400 | 300,900 | 406,698 | 582,825 | 1,903,778 |
| Total | 781,955 | 516,400 | 390,900 | 496,698 | 672,825 | 2,858,778 |
| Funding Sources: | | | | | | |
| General Reserves | 676,500 | 442,000 | 316,500 | 422,730 | 589,000 | 2,446,730 |
| General Revenue | 105,455 | 74,400 | 74,400 | 73,968 | 83,825 | 412,048 |
| Total | 781,955 | 516,400 | 390,900 | 496,698 | 672,825 | 2,858,778 |

Overview: The City's technology equipment, managed by the Information Technology department, maintains systems access for network and business applications.

Funding

Internal charges to user departments based on number of computers/copiers help fund replacement of network assets.

Funding for most renewal projects is from the Computer Upgrade Reserve.

Project Descriptions and Benefits:

Business Applications: Renewal program includes required upgrades/maintenance or replacement of systems used to deliver City services. Renewals include FireComm software, Microsoft major application replacement and the Recreation Management (CLASS) software.

Computing Infrastructure: Renewal program includes core network components, server hardware, storage and backup systems, and photocopiers.

2016-2020 Capital Projects Plan (P-P1)

Operating and Capital Funds

Reference # P-P1
Project: Parking Infrastructure Program - Renewals

| | 2016 | 2017 | 2018 | 2019 | 2020 | Total |
|---------------------------------|--------|--------|---------|---------|---------|-----------|
| Project Costs: | | | | | | |
| Bastion St Parkade | - | - | 391,550 | 260,000 | 260,000 | 911,550 |
| Harbourfront Parkade | 48,000 | 10,000 | - | 325,000 | 335,000 | 718,000 |
| Port of Nanaimo Centre Parkade | 35,000 | - | - | - | 10,000 | 45,000 |
| Total | 83,000 | 10,000 | 391,550 | 585,000 | 605,000 | 1,674,550 |
| Funding Sources: | | | | | | |
| General Fund Asset Mgmt Reserve | - | - | 391,550 | 575,000 | 575,000 | 1,541,550 |
| General Reserves | 83,000 | 10,000 | - | 10,000 | 30,000 | 133,000 |
| Total | 83,000 | 10,000 | 391,550 | 585,000 | 605,000 | 1,674,550 |

Overview: The City currently owns and operates three multi-level parkades and five parking lots. Delay in renewal projects can result in higher operating and maintenance costs and increased safety and interruption to service levels risk.

Funding

Net operating revenues from parking operations are transferred to the Parking Reserve. This reserve is used to fund renewal, upgrades and expansion of the City's parking infrastructure.

Project Descriptions and Benefits:

Bastion St Parkade: Replacement of post tension beams/slab strands, membrane renewal, wall/flooring crack repairs and maintenance on exposed concrete wall.

Harbourfront Parkade: Membrane renewal, lighting upgrades (sustainability project – LED lighting tubes), replacement of gas detection sensors and wall/flooring crack repairs.

Port of Nanaimo Centre Parkade: Replacement of gas detection sensors, water infiltration study and wall/flooring crack repairs.

2016-2020 Capital Projects Plan (P-I1)

Operating and Capital Funds

Reference #
Project:

P-PI1
Parks Infrastructure Program - New/Upgrade

| | 2016 | 2017 | 2018 | 2019 | 2020 | Total |
|-------------------------|----------------|------------------|------------------|----------------|----------------|------------------|
| Project Costs: | | | | | | |
| Accessibility Projects | 50,000 | - | - | - | - | 50,000 |
| Parks & Playgrounds | 200,000 | 900,000 | 1,500,000 | 200,000 | 200,000 | 3,000,000 |
| Sports Fields | 35,000 | - | - | - | - | 35,000 |
| Trail Development | 195,310 | 1,350,000 | 300,000 | 300,000 | 200,000 | 2,345,310 |
| Total | 480,310 | 2,250,000 | 1,800,000 | 500,000 | 400,000 | 5,430,310 |
| Funding Sources: | | | | | | |
| Parks DCCs | 250,000 | 250,000 | 350,000 | 350,000 | 250,000 | 1,450,000 |
| Community Works Reserve | - | 700,000 | 1,300,000 | - | - | 2,000,000 |
| Private Contributions | 20,000 | 579,000 | - | - | - | 599,000 |
| General Revenue | 210,310 | 50,000 | 150,000 | 150,000 | 150,000 | 710,310 |
| PILT's | - | 671,000 | - | - | - | 671,000 |
| Total | 480,310 | 2,250,000 | 1,800,000 | 500,000 | 400,000 | 5,430,310 |

Overview: Parks infrastructure includes destination parks, neighborhood parks, spray parks, sports fields, playgrounds, tennis/sport courts and trails

Project Descriptions and Benefits:

Accessibility Projects: Installation of a universally accessible safety surface and wheel chair swing in new playground area of Maffeo Sutton Park. The new playground area facilitates universal access, inclusive play and be low-maintenance.

Parks and Playgrounds: Includes Partners in the Park (PIP) program, development of Linley Valley Park and a Harewood Centennial Multi-Use Court.

- The City's Partners in the Parks (PIP) program partners with community volunteers to develop neighbourhood playgrounds and community gardens
- Development of the recently acquired Linley Valley Park will begin with updating the Linley Valley (Cottle Lake) Plan (2006) and mitigation of safety issues and hazards
- The Harewood Centennial Multi-Use Court would be constructed over two years, final costing to be confirmed once design is finalized

Sports Fields: As part of the BC Summer Games legacy, installation of a new sports clock for an artificial turf field.

Trail Development: Include the Doumont Connector, initial planning and development of the E & N Trail, and the Nanaimo Yacht Club Waterfront Walkway in 2017.

2016-2020 Capital Projects Plan (P-PI2)

Operating and Capital Funds

Reference # P-PI2
Project: Parks Infrastructure Program - Renewals

| | 2016 | 2017 | 2018 | 2019 | 2020 | Total |
|---------------------------|----------------|----------------|----------------|----------------|----------------|------------------|
| Project Costs: | | | | | | |
| Misc Projects | 110,445 | 72,712 | 76,352 | 80,000 | 84,432 | 423,941 |
| Parks & Playground | 71,700 | 47,675 | 20,000 | 20,000 | 20,000 | 179,375 |
| Sports Fields | 130,000 | - | - | - | - | 130,000 |
| Tennis Court Improvements | 40,000 | - | - | - | 20,000 | 60,000 |
| Trail Development | 75,400 | 257,325 | 25,000 | 25,000 | 25,000 | 407,725 |
| Total | 427,545 | 377,712 | 121,352 | 125,000 | 149,432 | 1,201,041 |
| Funding Sources: | | | | | | |
| Parks DCCs | - | 100,000 | - | - | - | 100,000 |
| General Reserves | 20,000 | - | - | - | - | 20,000 |
| General Revenue | 407,545 | 277,712 | 121,352 | 125,000 | 149,432 | 1,081,041 |
| Total | 427,545 | 377,712 | 121,352 | 125,000 | 149,432 | 1,201,041 |

Overview: The City's current park amenities include:

- 13 destination parks including Maffeo Sutton and Westwood Lake parks
- 87 neighborhood parks
- 4 spray parks
- 23 sports fields including 2 artificial turf fields
- 61 playgrounds
- 12 tennis/sport courts
- over 140 kilometers of trails
- 2 highway gateways
- 3 boat ramps
- 7 dams in recreational areas

Project Descriptions and Benefits:

2016 Major Projects Include:

| | |
|--|-----------|
| Robins Park, backstop replacement | \$100,000 |
| Comox Park, safety surfacing | \$51,700 |
| Beban Tennis Courts, court resurfacing | \$40,000 |
| Westwood Lake, boardwalk replacement | \$30,000 |

2016-2020 Capital Projects Plan (P-SS1)

Operating and Capital Funds

Reference #
Project:

P-SS1
Sanitary Sewer Infrastructure Program - New/Upgrades

| | 2016 | 2017 | 2018 | 2019 | 2020 | Total |
|-------------------------|------------------|---------------|------------------|----------------|----------------|------------------|
| Project Costs: | | | | | | |
| Mains | 3,099,000 | 60,000 | 3,225,000 | 600,000 | 430,000 | 7,414,000 |
| Total | 3,099,000 | 60,000 | 3,225,000 | 600,000 | 430,000 | 7,414,000 |
| Funding Sources: | | | | | | |
| Sewer DCCs | 2,075,000 | - | - | - | 430,000 | 2,505,000 |
| Sewer Reserves | 1,024,000 | 60,000 | 3,225,000 | 600,000 | - | 4,909,000 |
| Total | 3,099,000 | 60,000 | 3,225,000 | 600,000 | 430,000 | 7,414,000 |

Overview:

New/upgraded sanitary sewer infrastructure projects to address current and future capacity issues. Delaying projects may constrain future development, increase risks of service disruption and property damage, increase annual operating and maintenance costs, and may negatively impact public health and safety.

Funding

Expansion to the City's sanitary sewer infrastructure is generally funded from the Development Cost Charges reserve.

Project Descriptions and Benefits:

Jingle Pot to East Wellington (DCC SS17): Increase capacity (upsized pipe) identified in 2012 Millstone Trunk Sewer Master Plan.

Chase River Trunk (DCC SS45): New pump station and forcemain to address capacity identified in 2014 Chase River Master Plan.

Park Ave Sanitary Sewer (6th Street to 740 Park): Increase capacity identified in 2014 Chase River Master Plan.

Hammond Bay Road Sanitary Sewer: McGirr Rd to Kenwill, Turner Rd to Kenning PI (DCC SS44): Increase capacity (upsized pipe) identified in 1996 Hammond Bay Sanitary Sewer Trunk Study.

2016-2020 Capital Projects Plan (P-SS2)

Operating and Capital Funds

Reference # P-SS2
Project: Sanitary Sewer Infrastructure Program - Renewals

| | 2016 | 2017 | 2018 | 2019 | 2020 | Total |
|-------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|
| Project Costs: | | | | | | |
| Condition Assessment Program | 475,000 | 460,000 | 485,000 | 460,000 | 485,000 | 2,365,000 |
| Design | 60,000 | 60,000 | 60,000 | 60,000 | 60,000 | 300,000 |
| Mains | 475,000 | 1,258,200 | 645,000 | 1,532,000 | 3,003,602 | 6,913,802 |
| Total | 1,010,000 | 1,778,200 | 1,190,000 | 2,052,000 | 3,548,602 | 9,578,802 |
| Funding Sources: | | | | | | |
| Sewer Fund Asset Mgmt Reserve | - | - | 100,000 | 500,000 | 2,400,000 | 3,000,000 |
| Sewer Reserves | 1,010,000 | 1,778,200 | 1,090,000 | 1,552,000 | 1,148,602 | 6,578,802 |
| Total | 1,010,000 | 1,778,200 | 1,190,000 | 2,052,000 | 3,548,602 | 9,578,802 |

Overview:

Annual renewal program to replace sanitary sewer infrastructure at the end of its useful life. Replacement is in compliance with new regulatory standards. Delaying renewal projects can result in higher annual operating and maintenance expenses, and increased risks to public health, safety, service disruption and property damage.

Current sanitary sewer infrastructure includes over 548 kilometres of mains and 16 lift stations.

Funding

Funding for sanitary sewer infrastructure renewal is from sewer reserves including the Sewer Asset Management Reserve.

Project Descriptions and Benefits:

Condition Assessment Program: Annual program to assess critical sanitary sewer mains. Information is used to identify priority projects for five year Financial Plans that minimize infrastructure failure, surcharging and backflow events.

Mains: Renewal program to replace sanitary sewer mains at end of useful life.

Design and construction of main replacement program is higher in 2017 due to projects planned for Rosstown Lane, Loudon Park Shoreline and Rock City Easement.

2016-2020 Capital Projects Plan (P-SD1)

Operating and Capital Funds

Reference #
Project:

P-SD1
Drainage Infrastructure Program - Renewal

| | 2016 | 2017 | 2018 | 2019 | 2020 | Total |
|---------------------------------|---------|---------|---------|-----------|-----------|-----------|
| Project Costs: | | | | | | |
| Condition Assessment Program | 150,000 | 200,000 | 200,000 | 200,000 | 200,000 | 950,000 |
| Design | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 250,000 |
| Mains | 132,000 | 280,000 | 400,000 | 1,202,000 | 794,000 | 2,808,000 |
| Total | 332,000 | 530,000 | 650,000 | 1,452,000 | 1,044,000 | 4,008,000 |
| Funding Sources: | | | | | | |
| General Fund Asset Mgmt Reserve | - | - | - | 602,000 | - | 602,000 |
| General Revenue | 332,000 | 530,000 | 650,000 | 850,000 | 1,044,000 | 3,406,000 |
| Total | 332,000 | 530,000 | 650,000 | 1,452,000 | 1,044,000 | 4,008,000 |

Overview:

Annual renewal program to replace drainage infrastructure at the end of its useful life. Replacement is in compliance with new regulatory standards. Delaying renewal projects can result in higher annual operating and maintenance expenses, and increased risks to public health, safety, service disruption and property damage.

Current drainage infrastructure includes over 423 kilometres of mains.

Funding

Funding for drainage renewal projects is generally from property taxation revenues.

Project Descriptions and Benefits:

Condition Assessment Program: Annual program to assess current condition and determine remaining useful life of drainage infrastructure. Information is used to identify priority projects for five year Financial Plans that minimize risks of infrastructure failure, surcharging and flooding events.

Mains: Program to replace and upsize drainage mains with capacity, condition/operating and maintenance issues.

2016-2020 Capital Projects Plan (P-T1)

Operating and Capital Funds

Reference #
Project:

P-T1
Transportation Infrastructure Program - New/Upgrade

| | 2016 | 2017 | 2018 | 2019 | 2020 | Total |
|------------------------------|----------------|----------------|----------------|------------------|------------------|------------------|
| Project Costs: | | | | | | |
| Cycling Amenities | 165,000 | 641,500 | 299,500 | 560,000 | 450,000 | 2,116,000 |
| Design | 100,000 | - | - | - | - | 100,000 |
| Pedestrian Amenities | 91,200 | 69,400 | 37,200 | 121,400 | 321,400 | 640,600 |
| Pedestrian/Cycling Amenities | 25,000 | 40,000 | 40,000 | 40,000 | 40,000 | 185,000 |
| Street Lights | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 | 30,000 |
| Traffic Improvements | - | - | 88,400 | 500,000 | 82,800 | 671,200 |
| Transit Improvements | - | - | - | - | 270,000 | 270,000 |
| Total | 387,200 | 756,900 | 471,100 | 1,227,400 | 1,170,200 | 4,012,800 |
| Funding Sources: | | | | | | |
| Roads DCCs | 100,000 | - | - | - | - | 100,000 |
| General Reserves | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 | 30,000 |
| General Revenue | 281,200 | 750,900 | 465,100 | 1,221,400 | 1,164,200 | 3,882,800 |
| Total | 387,200 | 756,900 | 471,100 | 1,227,400 | 1,170,200 | 4,012,800 |

Overview: The City's Transportation Master Plan (2014) provides direction on expansion/upgrades to the City's transportation infrastructure.

To support a multi mode transportation network new/upgraded pedestrian, cycling, transit and vehicle amenities will be integrated into concurrent projects as well as identified as individual projects.

Funding

Funding for new/upgraded transportation infrastructure is generally from property taxation revenues.

Project Descriptions and Benefits:

Cycling Amenities: Development of the City's cycling network, 2016 projects include the Second Street Bikeway (Jingle Pot Rd to Wallace St.) and the design for Bruce Ave (4th St. to Bowen Rd) scheduled for construction in 2018.

Pedestrian Amenities: Includes countdown timers, audible signals, and flashers at intersections and crosswalks.

Pedestrian/ Cycling Amenities: Includes traffic calming amenities.

Street Lights: Sustainability initiative to reduce annual operating costs through street lighting reductions.

Traffic Improvements:

- Hammond Bay Rd @ Rutherford Rd Signal Upgrade 2018
- Jingle Pot Rd @ Westwood Rd - New Signal 2019
- Comox Rd @ Wallace St Signal Upgrade & Countdown Timer 2020

2016-2020 Capital Projects Plan (P-T2)

Operating and Capital Funds

Reference #

P-T2

Project:

Transportation Infrastructure Program - Renewals

| | 2016 | 2017 | 2018 | 2019 | 2020 | Total |
|---------------------------------|------------------|------------------|------------------|------------------|------------------|-------------------|
| Project Costs: | | | | | | |
| Bridges | 115,000 | 590,000 | 6,000,000 | - | - | 6,705,000 |
| Condition Assessment Program | 100,000 | - | - | 100,000 | - | 200,000 |
| Planning & Design | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 500,000 |
| Railway Crossings | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 | 125,000 |
| Road Rehabilitation | 1,019,100 | 368,000 | 1,177,800 | 1,660,000 | 1,557,000 | 5,781,900 |
| Sidewalk Maintenance Program | - | 50,000 | - | 50,000 | - | 100,000 |
| Street Lights | 50,000 | 550,000 | 50,000 | 50,000 | 50,000 | 750,000 |
| Total | 1,409,100 | 1,683,000 | 7,352,800 | 1,985,000 | 1,732,000 | 14,161,900 |
| Funding Sources: | | | | | | |
| General Fund Asset Mgmt Reserve | 500,000 | 400,000 | - | 475,000 | - | 1,375,000 |
| General Revenue | 909,100 | 1,283,000 | 1,352,800 | 1,510,000 | 1,732,000 | 6,786,900 |
| Borrowing | - | - | 6,000,000 | - | - | 6,000,000 |
| Total | 1,409,100 | 1,683,000 | 7,352,800 | 1,985,000 | 1,732,000 | 14,161,900 |

Overview:

A road condition assessment program is completed every three to five years and information is updated to the City's pavement management system. The system generates optimum road surface replacement schedules. Delaying road surface replacement can result in degradation of the road bed and higher lifecycle costs.

Transportation infrastructure includes over 1,100 kilometres of roadways, 400 kilometres of sidewalks, 15 bridge structures, over 3,500 street lights and 85 traffic signals.

Funding

Funding for transportation infrastructure renewal is from property taxation revenues.

Planned borrowing in 2018 for the Wellcox Trestle replacement will be repaid from general taxation revenues.

Project Descriptions and Benefits:

Bridges: Includes major maintenance of the Bastion Street Bridge in 2017 and replacement of Wellcox Trestle in 2018.

Condition Assessment Program: Road condition survey program. Information provides current condition and remaining useful life for City roads, and is used to prioritize road rehabilitation projects for five year Financial Plans.

Road Rehab 2016 Projects:

- Oceanview Terrace (Norasea to Bayshore)
- Howden Drive (Ross to End)
- Museum Way (Commercial to back of Port of Nanaimo Centre)
- Terminal Preservation
- Pavement Preservation Program

Street Lights: Downtown street lighting renewal is planned in 2017.

2016-2020 Capital Projects Plan (P-W1)

Operating and Capital Funds

Reference #

P-W1

Project:

Water Infrastructure Program - New/Upgrade

| | 2016 | 2017 | 2018 | 2019 | 2020 | Total |
|--------------------------|------------------|------------------|------------------|------------------|----------------|-------------------|
| Project Costs: | | | | | | |
| Distribution Mains | 533,000 | 16,000 | 715,606 | - | - | 1,264,606 |
| Pump Station/PRV Program | - | - | - | - | 200,000 | 200,000 |
| Reservoirs | - | 800,000 | - | 1,600,000 | - | 2,400,000 |
| Supply Mains | 2,110,000 | 5,110,000 | - | - | - | 7,220,000 |
| Water Supply Dams | - | 3,000,000 | 500,000 | - | - | 3,500,000 |
| Total | 2,643,000 | 8,926,000 | 1,215,606 | 1,600,000 | 200,000 | 14,584,606 |
| Funding Sources: | | | | | | |
| Water DCCs | 2,060,500 | 4,432,500 | - | - | 150,000 | 6,643,000 |
| Water Reserves | 582,500 | 4,493,500 | 1,215,606 | 1,600,000 | 50,000 | 7,941,606 |
| Total | 2,643,000 | 8,926,000 | 1,215,606 | 1,600,000 | 200,000 | 14,584,606 |

Overview: New/upgraded water infrastructure projects increase capacity and provide redundancy within the system. The long-term water supply plan models future demand due to growth, and provides guidance for capital investment needed to maintain an adequate water supply for the City.

Funding

Expansion to the City's water infrastructure is generally funded from Development Cost Charges reserves and user fees. The recently constructed water treatment plant included significant grant funding from senior governments.

Project Descriptions and Benefits:

Distribution Mains: Includes Departure Bay Rd, Holland & East Wellington Looping, Nanaimo Parkway and King Rd.

Pump Station/PRV Program: Upgrade to Labieux booster pump station to meet increasing water demands.

Reservoirs:

- Towers Reservoir - new duplicate reservoir to address capacity/fire flows issues.
- Vanderneuk Reservoir - land acquisition, new reservoir required for development in North Nanaimo, construction planned in late 2020s.

Supply Mains:

- Duplicate Supply Main from #1 Reservoir to College Park - to address capacity issues in North Nanaimo and support development.
- Emergency Water Supply Pump Station – once complete the project will allow water to be pumped from the Harmac system to city network, water supply main was installed 2010.

Dams:

- Jump Creek II Dam - planning and land acquisition.
- South Fork Dam – seismic upgrades.

2016-2020 Capital Projects Plan (P-W2)

Operating and Capital Funds

Reference # P-W2
Project: Water Infrastructure Program - Renewal

| | 2016 | 2017 | 2018 | 2019 | 2020 | Total |
|-------------------------------|------------------|------------------|------------------|------------------|------------------|-------------------|
| Project Costs: | | | | | | |
| Condition Assessment Program | 130,000 | 155,000 | 100,000 | 125,000 | 100,000 | 610,000 |
| Design | 60,000 | 60,000 | 60,000 | 60,000 | 60,000 | 300,000 |
| Distribution Mains | 2,554,000 | 2,494,000 | 3,193,000 | 4,764,400 | 3,670,100 | 16,675,500 |
| Misc Projects | 460,000 | 360,000 | 360,000 | 360,000 | 360,000 | 1,900,000 |
| Pump Station/PRV Program | 175,000 | 380,000 | 200,000 | 150,000 | 650,000 | 1,555,000 |
| Reservoirs | 75,000 | - | 75,000 | - | - | 150,000 |
| Supply Mains | 50,000 | - | - | - | - | 50,000 |
| Water Supply Dams | 118,000 | 119,000 | 119,500 | 120,000 | 122,000 | 598,500 |
| Total | 3,622,000 | 3,568,000 | 4,107,500 | 5,579,400 | 4,962,100 | 21,839,000 |
| Funding Sources: | | | | | | |
| Water Fund Asset Mgmt Reserve | 640,000 | 124,000 | 186,000 | 1,759,200 | - | 2,709,200 |
| Water Reserves | 2,982,000 | 3,444,000 | 3,921,500 | 3,820,200 | 4,962,100 | 19,129,800 |
| Total | 3,622,000 | 3,568,000 | 4,107,500 | 5,579,400 | 4,962,100 | 21,839,000 |

Overview: Annual renewal program to replace water infrastructure at the end of its useful life. Replacement is in compliance with new regulatory standards. Delaying renewal projects can result in higher operating and maintenance expenses, increased risks to public health, safety, and service disruption and property damage.

Water infrastructure includes dams, reservoirs, water treatment facility and over 600 kilometres of water supply and distribution mains.

Funding

Renewal projects are funded from water reserves including the Water Asset Management Reserve

Project Descriptions and Benefits:

Condition Assessment Program: An annual program to assess the current condition and remaining useful live of water infrastructure. Information is used to prioritize projects for five year Financial Plans.

Mains: Program to replace and upsize watermains with capacity, condition/operating and maintenance issues. 2016 projects include:

- Fourth St (Wakesiah to Harewood)
- Marban/Alberta
- Eberts St (Millstone to Townsite)
- Wall St (Pythian Lane to Curling Club)
- Lundgren Esmt (Labieux to End)

Misc Projects: Water meter replacement program as identified in the 2012 Water Audit, decommissioning of Water Process Centre, and telemetry improvements.

Pump Station/PRV Program: Includes renewal of Towers Pump Station and PRV replacement program. 2016 PRV project:

- Bay and Neyland

Dams: Includes formal annual dam inspections, and dam safety upgrades to incorporate recommendations from last Dam Safety Review (2013).



APPENDICES



Swy-A-Lana Lagoon

2016 - 2020 Financial Plan

APPENDICES

Appendix A

RESERVE FUNDS

Asset Management Fund

Revenues are from property taxation, sanitary sewer user fees and waterworks user fees. The funds can be used for infrastructure renewal projects.

Cemetery Reserve Fund

In accordance with the *Cemetery Care Act* a portion of the cemetery revenue from plot sales and marker installations must be set aside to fund ongoing care of the cemetery. Although the contributions must be set aside in perpetuity, the investment income can be used to fund maintenance of the cemeteries.

Community Works Fund

Funding for this reserve comes from the Federal Government via UBCM for the Gas Tax Agreement. Additional revenues is earned from investing unspent funds. The funding can only be used for projects that meet the desired outcomes of greenhouse gas emission reduction, cleaner air and cleaner water.

Development Cost Charge Reserve Fund

Revenue comes from development cost charge fees levied and investment income. The funds can only be used for projects identified in the Development Cost Charge bylaws.

Equipment Depreciation Reserve Fund

The net “revenue” from the operations of the City fleet is placed in this reserve. The revenue is from charging user departments for fleet use. Additional revenue is earned from investing unspent funds. The funds are used for fleet replacements.

Facility Development Reserve Fund

A 20% surcharge on recreation fees is transferred to this fund. Additional revenue is earned from investing unspent funds. The funds are used for new Parks, Recreation and Culture facilities or improvements to existing facilities.

Knowles Estate Reserve Fund

The funding for this reserve came from the estate of the late Arthur Knowles. The accumulated interest each year can only be used for park and youth sport facility improvements in the south end of Nanaimo.

APPENDICES

Appendix A - continued

RESERVE FUNDS

Local Improvement Reserve Funds

Revenue is from investment income. The funds may be used to fund small local improvement projects although there are none budgeted in the current Five-Year Financial Plan.

Old City Neighbourhood Parking Fund

Developers of commercial properties in the Old City Neighbourhood have the ability to opt out of the requirement to provide on-site parking at a cost of \$3,000 per space. Any proceeds received are placed in this reserve fund. Additional revenue is earned from investing unspent funds. The funds may be used to provide off-street parking in the Old City Neighbourhood.

Parkland Dedication Reserve Fund

Revenue is from cash-in-lieu contributions received in lieu of parkland dedication and investment earnings. The funds can only be used for parkland acquisition.

Property Sales Reserve Fund

Proceeds from the sale of civic properties are placed in this reserve fund. Additional revenue is earned through investments. The funds can be used for any capital project.

Regional Emission Reduction Reserve Fund

Revenues are contributed through adopted Financial Plans. Revenues are a calculation of the corporate net GHG emissions. The funds can be used for regional emission reduction initiatives that contribute to corporate carbon neutral operations.

APPENDICES

Appendix B

GOVERNING POLICY AND REGULATORY REQUIREMENTS

Governing Policy and Regulatory Requirements

The *Community Charter* requires that a Five-Year Financial Plan for both the operating and capital expenditures be adopted by May 15th of the first year of the plan. In addition, the *Community Charter* directs that the public must be consulted prior to adoption of the Financial Plan.

Balanced Budget

In compliance with Section 165 of the *Community Charter*, the City's Five Year Financial Plan must be balanced. The total of proposed expenditures and transfers to other funds for a year must not exceed the total of proposed funding sources and transfers from other funds for the year.

Investment Policy

It is the policy of the City of Nanaimo to invest City funds in a secure manner which 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*.

Revenue Policy

In compliance with the *Community Charter*, the City has adopted a Revenue Policy.

1. Proportion of revenue by source

Property taxes

- The City of Nanaimo will attempt to keep the proportional share of revenue from property taxes at a level similar to the average of comparable municipalities.
- Where new sources of revenue are made available to the City from senior governments, wherever possible, these revenues will be used to reduce dependency on property taxation revenue.

Parcel taxes

- Parcel taxes will be used whenever Council determines that they are more appropriate than property taxes.

Fees and Charges

- Wherever possible, fees and charges will be used to assign costs to those who benefit from the service provided; the proportion of the costs recovered by fees and charges will vary with the nature of the service provided.

APPENDICES

Appendix B - continued

GOVERNING POLICY AND REGULATORY REQUIREMENTS

Proceeds of borrowing

- Borrowing will be considered when determining the funding sources of large capital projects that provide benefits to taxpayers over a long period of time (20 years or more).
- Council will consider a policy to identify an appropriate level of debt for the community.

Other sources of revenue

- The City will continue to seek other sources of revenue in order to reduce reliance on property taxes.
- The City will consider hydro electric power generation where practical and environmentally supportable.

2. Distribution of property taxes among the classes

- The City of Nanaimo will maintain the percentage of property taxes received from residential taxpayers at a level comparable to the average of similar municipalities.
- The City will attempt, over time, to reduce the commercial tax rate to the average of all BC municipalities.
- Between 2009 and 2013, the light and major industrial tax rates will be reduced to the same level as the commercial tax rate.

3. Permissive Tax Exemptions

- The City of Nanaimo believes that Permissive Tax Exemptions are an appropriate way to recognize the value of the services provided to the community by non-profit organizations.
- Permissive Tax Exemption requests will be reviewed by the Grants Advisory Committee based on policies and guidelines approved by Council. The Committee will make recommendations to Council.
- Permissive Tax Exemptions will be reviewed at least every three years to ensure that the organization and property still meets the criteria established by Council.

4. Revitalization Tax Exemptions

- The City of Nanaimo believes that Revitalization Tax Exemptions are an appropriate tool to assist the City in realizing its strategic objectives.
- The City can exempt municipal taxes for up to ten years for projects undertaken by landowners, where the project meets defined objectives of a City strategy.
- Recipients of exemptions must enter into a Revitalization Tax Exemption Agreement with the City.
- Every Revitalization Tax Exemption must be approved by Council.

APPENDICES

Appendix C

City of Nanaimo Statistics

According to the 2011 census data, Nanaimo is the fifth fastest growing medium sized population centre in BC. The City's 2011 population was 83,810, an increase of 5,118 net new citizens since 2006. This represents a 6.5% increase in population since 2006, and an average annual growth rate of 1.3%.

Land area is 91.30 square kilometres with a population density of 918.0 persons per square kilometre. This compares to the provincial land area of 922,509.29 square kilometres with a population density of 4.8 persons per square kilometre.

| Summary Statistics | City of Nanaimo | BC | Canada |
|------------------------------------|-----------------|-----------|------------|
| Source: Statistics Canada, 2011 | | | |
| Median Age, 2011 | 44.8 | 41.9 | 40.6 |
| Median Age, 2006 | 43.2 | 40.8 | 39.5 |
| Families and Households | 23,885 | 1,238,155 | 9,389,695 |
| Married couple families | 66.7% | 71.7% | 67.0% |
| Common law couple families | 15.5% | 13.0% | 16.7% |
| Lone Parent Families | 17.8% | 15.3% | 16.3% |
| Total private households | 36,205 | 1,764,635 | 13,320,615 |
| Couple family with children | 19.4% | 24.4% | 26.5% |
| Couple family without children | 32.6% | 30.2% | 29.5% |
| Lone parent families | 17.8% | 15.3% | 16.3% |
| One person | 30.2% | 28.2% | 27.6% |
| Multiple family | 1.5% | 2.9% | 2.0% |
| Other | 5.4% | 4.7% | 4.1% |
| Structural type of dwelling | 36,205 | 1,764,640 | 13,320,615 |
| Single detached house | 58.9% | 47.7% | 55.0% |
| Semi detached house | 4.8% | 3.0% | 4.9% |
| Row house | 4.4% | 7.4% | 5.9% |
| Apartment | 29.4% | 39.1% | 32.6% |
| Other | 2.5% | 2.8% | 1.6% |

The following lists the major employers in Nanaimo as of December 1, 2011

- School District #68
- Nanaimo Regional General Hospital
- Vancouver Island University
- British Columbia Ferry Service Inc.
- Shaw Cable
- City of Nanaimo
- Nordia
- WalMart
- Dept. of Fisheries & Oceans
- Costco Wholesale
- The Real Canadian Superstore
- Coastal Community Credit Union
- Thrifty Foods

APPENDICES

Appendix D

Glossary

Asset Management

Asset management includes the planning, design, construction, operation and maintenance of infrastructure used to provide services. Asset management is a primary function of local government.

Assessed Value

The value calculated for each parcel of real property using appraisal criteria established by the B.C. Assessment. Each property reflects market prices of the land and its improvements and recognizes any change of use. These values are the basis of levying property taxes.

B.C. Assessment

The provincial agency, also known as the B.C.A., is assigned to appraise and evaluate all real property within British Columbia.

CUPE

The Canadian Union of Public Employees.

CVRD

Cowichan Valley Regional District.

Debt Services

Annual principle and interest payments on contracted debt.

Development Cost Charges (DCC)

A fee imposed on new development to assist in the funding of future off-site services (infrastructure) which is needed, in part, by the new development.

Expenditures

The cost of goods and services, received for both the regular City operations and all projects (operating and capital).

APPENDICES

Appendix D - continued

Glossary

Financial Plan

Under Section 165 of the *Community Charter*, following public consultation, Council must adopt a five-year financial plan, by bylaw and before May 15 each year. The plan must identify proposed expenditures, funding sources and transfers between funds.

FTE

Full time equivalent staffing positions.

Fund

A fiscal entity of self balancing accounts used by governments to control common financial activities.

GAAP

General Accepted Accounting Principles used to guide accounting professional practices and methods.

GIS

Geographical Information System.

Grant

A financial contribution to or from governments.

Grants in Lieu of Taxes (GILT)

Revenues received from senior governments and other organizations, which are exempt from property taxes.

IAFF

International Association of Fire Fighters.

Operating Expenditures

The cost of goods and services, received for regular City operations only. Does not include operating or capital projects.

PILTs

Payment in Lieu of Taxes. The City receives payments from utility corporations and the Nanaimo Port Authority in lieu of property taxes.

APPENDICES

Appendix D - continued

Glossary

Projects

Includes annual asset renewal programs or one time expenditures for new infrastructure or services. Excludes operating expenditures.

PSAB

The Public Sector Accounting and Auditing Board.

RDN

Regional District of Nanaimo.

Regional Parks Agreement

Cost sharing agreement between the City and the Regional District of Nanaimo where the Regional District contributes to portion of City's annual costs for operating recreation and sports field facilities.

Reserves

Discretionary funds established to pay for specific projects.

Revenues

Sources of income received by the City. They include property taxes, user fees, grants, permits and licenses, fines, grants, interest.

SCBA

Self-contained breathing apparatus.

Tax Rates

The annual charges for levying property taxes to properties within the City. These rates are applied against each \$1,000 of assessed value.

THE CITY OF NANAIMO



Gardens along Maffeo Sutton Park

Take a
MOMENT