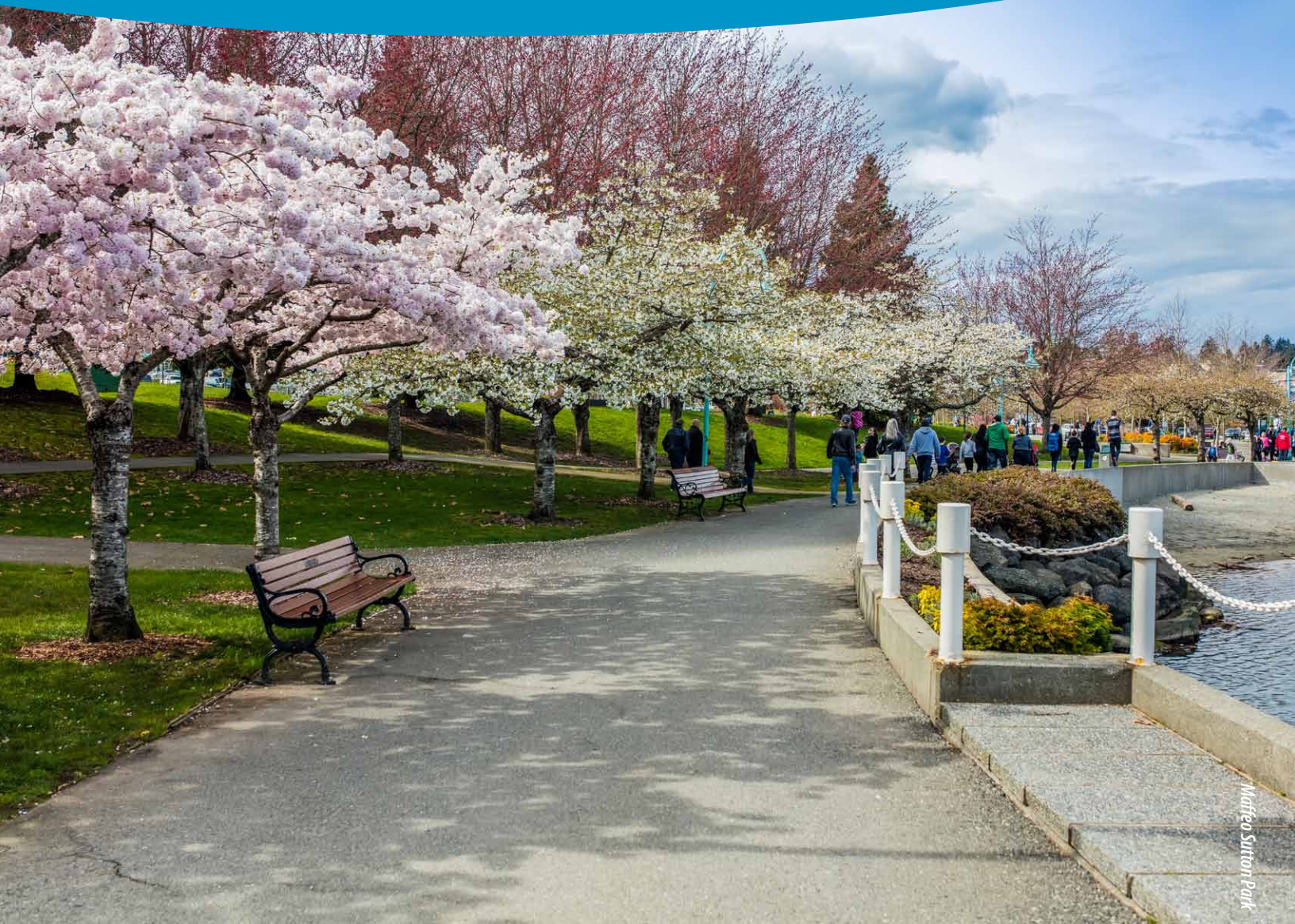


# CITY OF NANAIMO

## BRITISH COLUMBIA

Annual Report 2018

for the year ending December 31, 2018



Moffet's Sutton Park

# CITY OF NANAIMO

## BRITISH COLUMBIA

### Annual Report 2018

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**for the year ending December 31, 2018**

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**Auditors: KPMG LLP**

**Bank: Scotiabank**

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

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# Introductory Section

## Poet Laureates



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

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

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

## The Animals

Their names in Latin or Anglo-Saxon:

Cetaceans, ursus americanus,  
black bear, wolf, canis lupus.

Who are they when they speak their real names,  
softly to each other in the moss,  
in the green of their dreams.

How many two legged's hear their voices  
at night, in the morning,  
in a corner untouched by humans.

This is where you want to roam  
forget the lights, pavement, noise.

Fuel yourself on berries, salt, water.

Start with the dream time. It will take you to wolf's mouth,  
breathe salmon eggs through your blood  
re-kindle a time before you knew the word separate.

-Tina Biello



# Awards and Grants

The City of Nanaimo was awarded with a **National Public Works Week Award** from the Canadian Public Works Association (CPWA) for events held promoting public works during the 2018 National Public Works Week. The Public Works Department hosted over 300 grade four and five students to the public works yard leading through sixteen (16) interactive stations. Staff slow led tours to Reservoir #1 Energy Recovery and South Fork Water Treatment Plant in celebration of the Power of Public Works in May 2018.



Phase one of the City of Nanaimo's Sort Toss Roll program was recognized in two award categories by the Solid Waste Association of North America (SWANA) in their **2018 Excellence Awards for Communication, Education and Marketing Excellence**. The award winners are described as representing the most innovative and dynamic organizations throughout North America as judged by their peers. The City won a silver for the Awareness Campaign category for the creation and implementation of the education campaign to inform audiences for a program or project. The City also won silver in the Communication, Education and Marketing Tools category for excellence in the creativity of individual unique printed and digital resources to promote a program.



City of Nanaimo, Parks and Recreation received a **\$6,600 Grant from the TD Friends of the Environment Foundation** on Earth Day, April 20, 2018.

TD Friends of the Environment (TD FEF) is a national charity committed to protecting the environment and greening communities across Canada. TD FEF supports Parks and Recreation's Adopt-A-Park Program which allows

environmentally conscious groups to complement and enhance the regular maintenance of Nanaimo Parks staff in contributing to a cleaner, healthier, safer, invasive-free environment in local parks.

# City of Nanaimo at a Glance

Source: Statistics Canada, 2016 Census



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



**POPULATION:** 97,619 (City of Nanaimo)



## DEMOGRAPHICS BY AGE & GENDER



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



**ASSESSED PROPERTIES:** 37,322



**RENT:**  
32%



**OWN:**  
68%



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

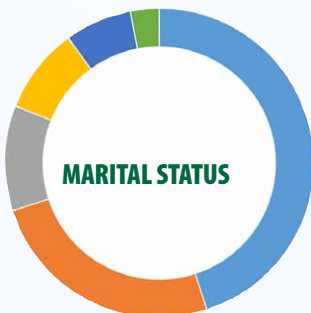


**AVERAGE HOUSEHOLD SIZE:** 2.2



**60%**

**IN LABOUR FORCE**



## MARITAL STATUS

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

# Community Overview

## City Profile

The City of Nanaimo is a vibrant and growing regional centre on the east coast of Vancouver Island with a population of approximately **97,619** residents. Forming one of two major gateways to Vancouver Island, the City is an important service centre for a regional population of **360,000** people throughout Central and Northern Vancouver Island.

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

Recent growth patterns have re-focused development within the City's

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

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



## Nanaimo at a Glance

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

Residents can enjoy a leisurely stroll along the waterfront seawall or a vigorous hike up Mount Benson. Newcastle Island, a charming provincial park just off the shores of downtown Nanaimo, is a popular summertime picnic and camping area. Buttertubs Marsh, in the heart of the City, is a wonderful place to view waterfowl and learn about our delicate ecosystems. Neck Point Park is a 14.5 hectare waterfront park known for its views and natural features. The park has a vast trail system of varying lengths and difficulty and offers a number of amenities, including picnic areas, viewpoints and lookouts. The Linley Valley is a 156 hectare mainly

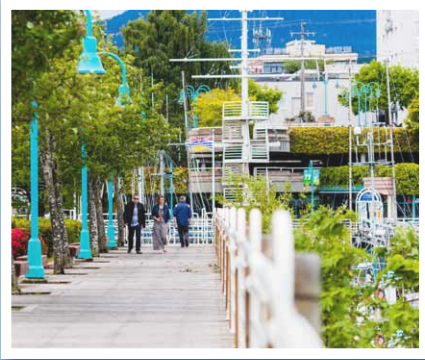
undeveloped park. The park's trees, bluffs, creeks, wildlife and Cottle Lake contribute to the park's recreational appeal.

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





# Nanaimo...beauty at every glance.



Nanaimo Harbour

# Nanaimo City Council

Nanaimo City Council includes the Mayor and eight Councillors who are elected for a four-year term. Members of the current City Council were elected on October 20, 2018.

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

The Mayor and Councillors also serve on many committees, boards and advisory groups on which they provide strategic input and direction on City initiatives, set budget priorities and advise on regional issues.

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

Councillors serve on various boards including:

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

Council's Select Committees include:

- Design Advisory Panel
- Finance and Audit



Top (L-R) • Ben Geselbracht • Sheryl Armstrong • Don Bonner

Front (L-R) • Erin Hemmens • Ian Thorpe • Zeni Maartman • Mayor Leonard Krog • Tyler Brown • Jim Turley

# Message from Mayor Leonard Krog



On behalf of City Council and staff, it is my pleasure to share City of Nanaimo's 2018 Annual Municipal Report with you. Located in these pages, you will read about City departments and their accomplishments in 2018, information on City finances and a snapshot of upcoming projects.

In October 2018, the residents of Nanaimo participated in the democratic process and voted in a new Council. During the election, we heard from residents the desire to see a Council committed to moving Nanaimo forward in a positive, collaborative way.

Looking ahead, Nanaimo has set course with a positive momentum on a number of Council initiatives including a new governance structure, declaration of a climate emergency, identifying an economic development model that works best for Nanaimo and working with other agencies and all levels of government to help our most vulnerable citizens.

We acknowledge and recognize that we are on the traditional territory of the Snuneymuxw First Nation people. It is a pleasure to represent this beautiful community at the municipal level. Together, Council is committed to good governance, improving relationships and ensuring Nanaimo is a great place to live, work and play.

Sincerely,

---

**Leonard Krog**  
**MAYOR, City of Nanaimo**

# Message from CAO, Jake Rudolph



Thank you for taking a moment to read the City of Nanaimo's 2018 Annual Municipal Report. It was a year of transition for the organization. With many changes occurring, including new leadership at both the staffing level and

Council level, one thing that stayed constant was City staff's commitment to serving Nanaimo's residents. I would like to thank staff for their dedication to service excellence and to this community.

Among the City's achievements in 2018, some stand out as significant to the organization and the community.

The City completed the transition over to automated waste collection with the second phase of the Sort Toss Roll program rolling out to the rest of the community in the summer. The first phase rolled out to neighbourhoods in central Nanaimo in fall 2017.

Staff developed a number of strategies and plans to move important areas and initiatives forward including the 1 Port Drive Waterfront Master Plan and the Affordable Housing and Hospital Area Parking strategies.

Along with the rest of the country, Nanaimo prepared for Cannabis legalization. A Cannabis Task Force was formed and in a short period, the task force developed zoning, business licensing and other bylaws in time for Council to adopt them for legalization.

Parks and Recreation transitioned to a new online registration program with the implementation of Recreation Nanaimo.

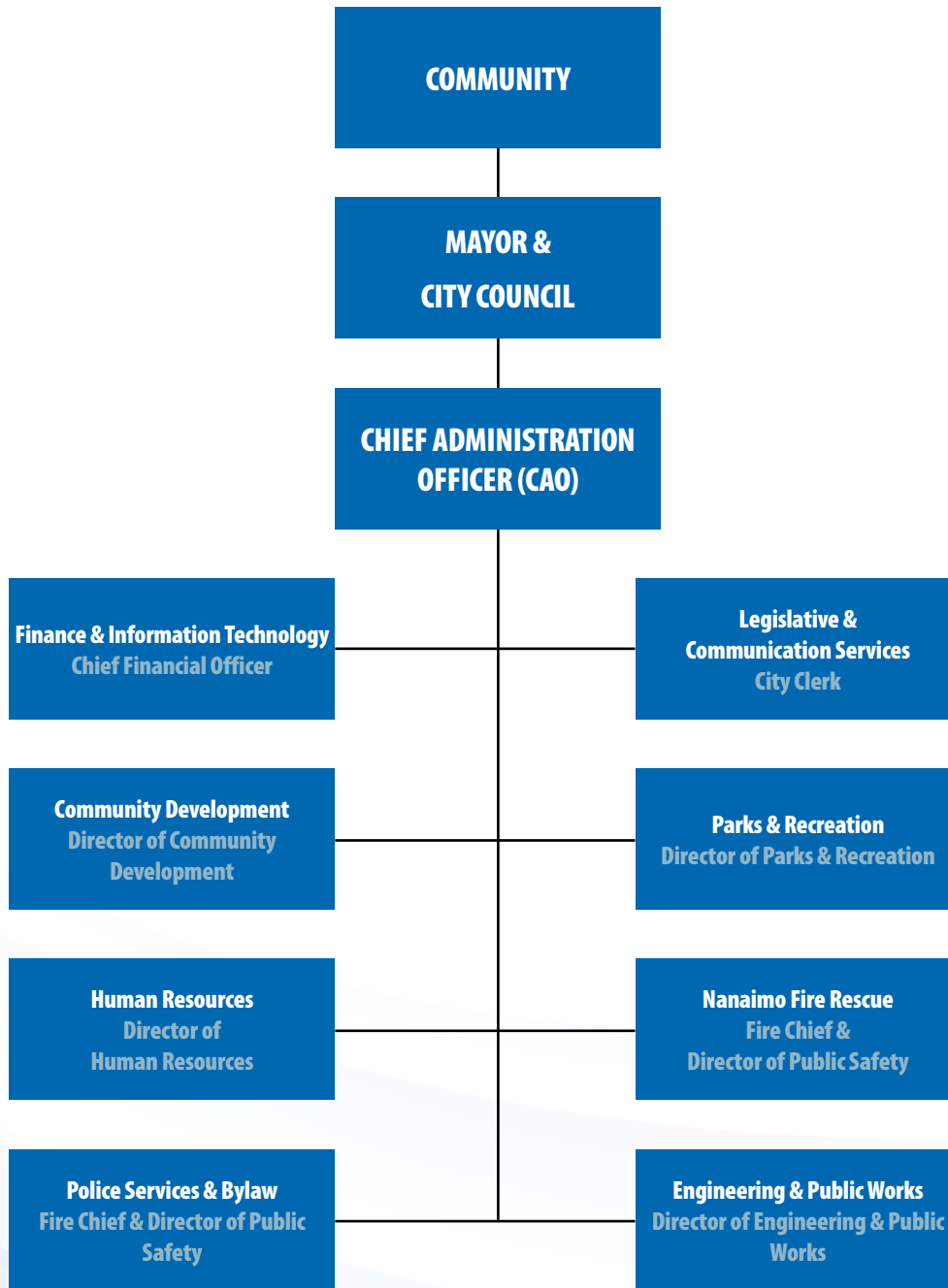
Finally, the year ended with the transition to a new Council elected into office in October who quickly went to work with numerous orientation sessions and budget process. The election saw the highest turnout in recent years with nearly 40% of eligible voters casting a ballot to elect nearly all new members with the exception of two returning Councillors, Sheryl Armstrong and Ian Thorpe.

It has been a pleasure to provide these and many other services to Nanaimo's residents. Looking ahead to 2019, the City is set to continue momentum with the development of new strategic priorities for our new Council and a review of the Official Community Plan.



# 2018 Organizational Chart

City of Nanaimo - as of December 31, 2018



# Strategic Plan Update

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



## VISION

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

## NANAIMO'S COMMUNITY VALUES

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

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

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

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

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

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

# Priorities

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

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

The two initiatives are Affordable Housing and Property Acquisition.



## Phased Development of South Downtown Waterfront

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

### PROPOSED INITIATIVES:

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

### 2018 ACCOMPLISHMENTS:

- Port Drive Waterfront Master Plan
  - A framework for detailed future planning direction was adopted by Council. The plan represents the culmination of a five-phase planning process outlined by the Terms of Reference approved by Council and addresses future land use and urban design, transportation and mobility, servicing, open space, trails, environmental protection and heritage, arts, and culture within the plan area.
- Re-development of 1 Port Drive
  - The redevelopment of the City owned 1 Port Drive property requires the removal of a number of legal encumbrances. In 2018, the City was successful in reaching agreements with both Seaspan Ferries Corporation and Island Corridor Foundation to remove encumbrances. This critical step enables the City to implement the policies in the Port Drive Waterfront Master Plan in 2019.
- Front Street Extension (Access Road)
  - Design work for the new at grade access road to the South Downtown Waterfront was completed. The design work included a waterfront walkway component to reintroduce the public to this area of the City's waterfront.

## Recreation, Culture, Sports and Tourism

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



### PROPOSED INITIATIVES:

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

### 2018 ACCOMPLISHMENTS:

- Harewood Centennial Park Multiuse Court and Lacrosse Box.
- Leadership in Asset Management Program (Phase 2) underway to develop levels of service for parks amenities that will provide a framework that can be used for other City services and infrastructure.
- Upgrades to neighbourhood parks, including Linley Point Gyro Park, Westdale-Leslie Park, Cinnabar Valley Park, Fern Park, Sid Clark Gyro Park, Sugar Loaf Mountain Park, East Wellington Park.
- Implemented the Cultural Plan with new temporary public art, the Poet Laureate Program, Poetry in Transit Program, High School Poetry Competition and hosting of the Annual Cultural Awards.
- Installed interpretive signage, utility wraps, and street banners at various locations throughout the City.
- Submitted a Canada Infrastructure Grant for a Community Performing Arts Centre expansion of the Port Theatre.
- Beach Estates Park: completed rebuild of two boardwalks and two bridges.
- Delivered, hosted or provided support for:
  - 17 well attended Concerts in the Park events during the summer
  - Many successful community special events: Healthamongus, Earth Day, Family Fishing Day, Family Fun Nights, Canada Day,
  - Snowbirds Air Show at Maffeo Sutton Park
  - Multi-day tournaments at Oliver Woods Community Centre,
  - Red Bull Pump Track World Qualifiers event at Steve Smith Bike Park
  - Find the Golden Bucket Contest
  - 2018 National Championship for Senior B Lacrosse
  - 2018 Bantam Hockey Provincials
  - Summer Playground Program
- Approved three Heritage Facade Grants in the downtown area.
- Coordinated the 2018 Heritage Summit to celebrate Provincial Heritage Week.



## Public Safety

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



### PROPOSED INITIATIVES:

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

### 2018 ACCOMPLISHMENTS:

- Police Services continued with key crime prevention and traffic and safety strategies.
- Fire Services:
  - partnered with Snuneymuxw First Nation to complete a door-to-door campaign on IR#1 to test and install smoke alarms
  - expanded the door-to-door campaign for testing and installing smoke alarms to a further 1,000 homes in the areas where house fires occur
- Fire Station #1 rebuild multi-year project underway.
- Emergency Response and Recovery Plan updated.
- Urban Clean-Up Program focused on downtown core.
- Facilitation of the closure of the Tent City encampment and relocation of campers.
- Supported the efforts of BC Housing and Island Health to address the health and homelessness issues in Nanaimo, including those displaced by the closure of the Tent City encampment.
- Participated in BC Housing's community meetings and Community Advisory Committees for the two BC Housing Crisis Housing sites at Terminal Avenue and Labieux Road.



## Governance Renewal

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



### PROPOSED INITIATIVES:

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

### 2018 ACCOMPLISHMENTS:

- Asset Management Policy approved by Council and Asset Management Strategy endorsed by Council.
- Development Cost Charges review completed and new bylaw adopted by Council.
- Successfully applied for \$500,000 grant for the Facilities and Park Amenities Condition Assessment Program.
- Implemented key software/system upgrades, including:
  - Parks and Recreation program management
  - Legislative Services meeting management
  - Automated garbage collection management
- Review of the City's parking bylaw completed.
- Developed Cannabis Regulations specific to the City of Nanaimo.
- The Smoking Regulation Bylaw was updated and streamlined to reflect current Provincial regulations.

## Community Wellness

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



### PROPOSED INITIATIVES:

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

### 2018 ACCOMPLISHMENTS:

- Police Services utilized a dedicated team to work with youth to provide interventions and diversion for at-risk youth to foster community partnerships for empowerment of youth and continued the School Liaison Program.
- Added 1.2 kilometres of bike lanes.
- Added 650 metres of sidewalks.
- Constructed two new transit shelters.
- Completed Phase 1 of the City's LED Street Light Conversion program and LED lighting upgrades to several City facilities.
- Completed Active and Safe Route to School with four schools.
- Departure Creek Realignment Project: - in partnership with community groups, work completed in Woodstream Park and Departure Bay Centennial Park to realign Departure Creek and restore salmon-bearing habitat. Horticultural staff continue to work with community groups in the area on controlling invasive plant species.
- Colliery Dam Park - completed invasive plant removal initiatives, picnic shelter installed and trails/boardwalk upgraded.
- Linley Point-McGregor Creek Environmental Management Study - an independent biological team completed an inventory and prescribed recommendations for environmental, aesthetic and recreational management of the park.
- Working in partnership with Island Health, integration of a Youth Health Hub at the Aquatic Centre, to provide accessible health services/program to youth.
- Continued partnership with Lifesaving Society BC and School District 68 on the Swim to Survive Program.
- Completed functional design work for a portion of the Departure bay Waterfront Walkway.
- Council endorsed the implementation strategy for the BC Energy Step Code.
- Organized Living History Series to celebrate the stories of Nanaimo's seniors and provide opportunities for social connection.
- Supported age-friendly infrastructure improvements through adding 2 bus shelters, 3 cross-walk improvements and a park bench and table.

## Affordable Housing Initiatives

### 2018 ACCOMPLISHMENTS:

- Completion of the Parking Bylaw review which resulted in an overall reduction in parking requirements for most development, thereby reducing project costs.
- Adopted the Affordable Housing Strategy and the Homelessness Action Plan.
- Signed an MOU with BC Housing for the Fifth Street Properties project which will involve affordable housing.



## Property Acquisition Initiatives

### 2018 ACCOMPLISHMENTS:

- The City undertook two key acquisitions in 2018:
  - The City acquired 5260 Tanya Drive for \$3,000,000. This 20ha (50 acre) parcel of land was added to the Linley Valley Park system which is now 184.2ha (455 acres) in size
  - The City also purchased land at 1125 Farquhar Street for \$195,000 to support a future secondary access route to the South Downtown Waterfront



## New Strategic Plan for 2019-2022

Council is currently engaged in an open planning process to develop a Strategic Plan for 2019 - 2022. This process will help Council identify and chart a course for the City over the next four years and beyond.

Council has identified four strategic themes for the plan: **Governance Excellence, Environmental Responsibility, Economic Health and Livability.** Under each strategic theme are key actions that will support and help the City deliver on the strategic themes.

# City Departments

City Departments deliver a wide range of services to the community. The following section provides an overview of each department, including performance measures, 2018 accomplishments and 2019 initiatives. Also noted are specific links to implementation to key plans endorsed by Council.

## CAO Office

Nanaimo City Council consists of the Mayor and eight Councillors. They are responsible for local government leadership and decision making, establishing the City's policies and priorities. They make decisions regarding programs and services in the City.

The Chief Administrative Officer (CAO) is the liaison between Council and City staff. Providing advice and recommendations to Council on City policy (and operations), the CAO implements Council policies and decisions. The CAO demonstrates managerial leadership and directs staff.

City staff provide objective, professional advice to Council, and implement Council's decisions. They do so, in accordance with policies and bylaws, and in compliance with powers granted by the provincial legislature through statutes, such as the *Community Charter* and the *Local Government Act*.

### Chief Administrator's Office - 2018 Accomplishments

Accomplishments	Linked To	Additional Information
Provide administrative leadership to the organization's 700 employees		
Re-establish the CAO-Mayor-Council relationship and address ongoing requirements of Council priorities		
Introduced business plans to the budget process		
Tent City Issue Addressed		Helped to facilitate the closer of Tent City at 1 Port Drive and work with BC Housing and other community partners to open two temporary housing sites.

### Chief Administrator's Office - 2019 Initiatives

Accomplishments	Linked To	Additional Information
Strategic Planning	Strategic Plan	Advance and implement the goals of Council's Strategic Plan Update 2016-2019. Use the five community values to guide planning and decision making: economic health, environmental responsibility, social equity, cultural vitality and active lifestyle.
Partnerships and Relationships	Strategic Plan	Build relationships with federal, provincial, regional and local partners and stakeholders.

# Community Development

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

The department is organized into seven sections:

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



## Administration

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

## Permit Centre and Business Licensing

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

## Building Inspections

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

## Community and Cultural Planning

- Implements policy and programs identified in the City's Official Community Plan (OCP) "*planNanaimo*" for growth management, sustainability and strategic priorities
- Reviews and provides advice to Council on OCP amendments
- Supports Community Planning & Development Committee
- Grants – social, culture and heritage, downtown events
- Arts and Culture and Heritage programs, services and facilities
- Permanent and temporary public arts programs/projects
- Community (OCP) and neighbourhood planning
- Social Planning and associated actions with the Affordable Housing Strategy, the Homelessness Action Plan and a range of initiatives to support more inclusive, accessible and healthy community
- Committee support for Community Planning and Development Committee, Cultural Vitality Committee and Nanaimo Youth Advisory Council

## Real Estate and Business Development

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

## Current Planning

- Reviews and provides recommendations to Council on OCP amendments, rezonings, temporary use permits, development permits, development variance permits, liquor applications
- Reviews business licence and sign permit applications
- Responds to public information requests through the Permit Centre
- Supports the Design Advisory Panel and Board of Variance
- Administers and updates Zoning Bylaw and related land use and development bylaws

## Subdivision

- Responds to public information requests through the Permit Centre
- Establishes subdivision requirements and consider applications for approval
- Administers collection of Development Cost Charges for fee simple subdivisions

## Engineering and Environment

- Reviews development applications, including construction of both private infrastructure and developer contributed City infrastructure
- Urban Forestry
- Environment

## Community Development - Performance Measures

Measure	2016	2017	2018
New single dwellings	332	309	264
Total new dwelling units	1,027	856	947
Total annual construction value	\$212,743,993	\$204,126,491	\$216,026,087
Permit processing time for single dwelling	4.3 weeks	4.5 weeks	5.4 weeks
Processing time for rezoning	37.8 weeks	31.7 weeks	38.2 weeks
Total annual construction value - civil infrastructure	\$10,722,874	\$5,736,826	\$16,185,580
Permits issued (works in City streets + fill permits)	49	75	89
DSA processing time	6.0 weeks	4.8 weeks	5.4 weeks
Tree removal permits	76	122	120
Tree vouchers (program funded by tree replacement cash-in-lieu payments)	0	600	700
New business licence applications received	545	709	837

## Community Development - 2018 Accomplishments

Accomplishments	Linked To	Additional Information
Parking Bylaw Review	Transportation Master Plan and OCP	Last review completed in 2005. The Parking Bylaw regulates off-street parking requirements for vehicles and bicycles throughout Nanaimo. The review and bylaw update will include changes to parking requirements for shopping centres, new bicycle parking requirements, changes to multi-family parking requirements and a new policy to evaluate parking variance requests.
Development Cost Charges (DCC) Bylaw	Strategic Plan and Core Services Review	Review completed and new DCC bylaw adopted by Council. The new DCC bylaw consolidates the previous seven bylaws into one comprehensive bylaw and includes important changes, such as the inclusion of the downtown for the collection of DCCs, the addition of a new category for small lot development and a new approach for the collection of storm water DCCs.
Port Drive Waterfront Master Plan	Strategic Plan	Plan adopted by Council and represents the culmination of a five-phase planning process outlined by the Terms of Reference approved by Council. The Plan addresses future land use and urban design, transportation and mobility, servicing, open space, trails, environmental protection and heritage, arts, and culture within the plan area.
Cannabis Amendment to the Zoning Bylaw		Responding to new Federal and Provincial regulations and following recommendations made by the Cannabis Task Force, an amendment to the Zoning Bylaw was adopted to regulate the production processing, distribution and retail sale of cannabis in Nanaimo. The amendment allows for cannabis retail stores to operate only as a site-specific use.



## Community Development - 2018 Accomplishments (continued)

Accomplishments	Linked To	Additional Information
Smoking Regulation Bylaw		A bylaw to regulate smoking in the City of Nanaimo was adopted and modernizes the previous dated bylaw by addressing current issues, such as cannabis. This new bylaw aligns with the already-established requirements of the Province and clarifies that smoking and/or vaping is not permitted on any City-owned property, unless within an established smoking area. Smoking or vaping cannabis, however, is not permitted even in a designated smoking area.
Downtown Revitalization Tax Exemption Program	Strategic Plan	Council adopted a tax exemption program targeted at commercial and residential properties in the downtown core. The goal of the program is to encourage more investment in the downtown core.
BC Energy Step Code	Strategic Plan	Council endorsed the implementation strategy for the BC Energy Step Code, which is a Provincial standard enacted 2017-APR-11 that goes beyond the requirements of the Building Code and serves as a pathway to meeting the target of all construction being net-zero by 2032. The program is currently voluntary with the aim of making Step One compliance effective one year from adoption of an amended Building Bylaw.
Mobile Food Vending Regulations	Strategic Plan	Council previously adopted a business licence and zoning amendment to allow for mobile food trucks and trailers on specified on-street and City park locations. The updated amendments have simplified licensing fees, increased the flexibility of food cart locations, extended the hours of operation and modified the locations for operation.
Urban Forestry (Management and Protection of Trees Bylaw)	Strategic Plan and OCP	Staff issued 120 Tree Removal Permits; responded to 25 formal complaints about illegal tree removals that resulted in 11 enforcement actions; utilized deferred revenue contribution and fine monies to plant 760 trees in City parks and environmental restoration projects, as well as provide 700 vouchers to residents to plant and maintain trees on private property.
Affordable Housing Strategy	Strategic Plan and OCP	Council approved the Affordable Housing Strategy - the City's first comprehensive study of affordability across the housing continuum which includes social, non-market and market housing. The Strategy establishes the City's role and priorities with regard to promoting affordable, appropriate, and accessible housing in Nanaimo over the next ten years (2018-2028).
Homelessness Action Plan	Strategic Plan and OCP	Council endorsed the Nanaimo Action Plan to End Homelessness, a process that was led by the Nanaimo Coalition on Homelessness. The Action Plan is a five-year plan to help Nanaimo end homelessness, or where homelessness persists to diminish the harms it produces by guiding and organizing homelessness services.

## Community Development - 2018 Accomplishments (continued)

Accomplishments	Linked To	Additional Information
New Horizons for Seniors Projects	OCP	Seniors Connect banner, the City received funding in 2016 to reduce social isolation in Nanaimo for residents 55 years and older. During 2018, under this funding the City completed 8 well attended Living History series. This oral history series is designed to support senior's participation in community life. During 2018, this funding also supported the installation of 2 bus stop shelters, contributed funding for 3 crosswalks and the installation of a park bench at Loudon Park.
Temporary Art Installations	Cultural Plan	There were 11 new temporary public art installations in 2018 promoted through a self-guided public art tour brochure.
Implementation of Cultural Plan	Cultural Plan	11 new temporary public art installations, Poet Laureate Program, Poetry in Transit, Heritage Façade Grant Program, Creation of the Urban Art Gallery, 2018 Culture and Heritage Awards.
Waterfront Walkway	Strategic Plan, Transportation Master Plan, Parks Master Plan and OCP	Built on the 2017 Waterfront Walkway Implementation Plan but advancing design work on the Northfield Creek Section and the 1 Port Drive South Downtown Waterfront Section. Continued discussions with Nanaimo Port Authority over Newcastle Channel opportunities.



## Community Development - 2019 Initiatives

Initiative	Linked To	Additional Information
Official Community Plan (OCP) Update	Strategic Plan and OCP	This review process to update the OCP involves the collection of data and analysis to examine development trends, stakeholder engagement, and an analysis of the effectiveness of existing policies. The update will also involve ensuring the integration with existing and future policy planning processes (Parks Master Plan, Transportation Plans etc.). The updated plan will act as a vision and guide for the community over the next ten years.
Community Amenity Contribution (CAC) Policy Review	Strategic Plan	The review will include a scan of CAC policies from other communities, consultation with the local development community and input from a land economist.
Liquor Control Strategy Review	Strategic Plan	Current strategy established in 2002. The review will include a summary of best practices from other communities, interviews with key stakeholders and options for Council to consider.
Business Licence Bylaw Review	Strategic Plan	Current bylaw adopted in 1998 with subsequent amendments. The new bylaw will incorporate changes that come about from review of the Home-Based Business Regulations, the Affordable Housing Strategy, as well as those already proposed by the Cannabis Task Force.
Property Management Strategy Update	Strategic Plan and OCP	Update required to align the acquisition targets with the new Strategic Plan and Official Community Plan.
Redevelopment of 1 Port Drive	Strategic Plan	The City has reached agreement with Seaspan Ferries Corporation to release the perpetual right of way at 1 Port Drive. The waterfront walkway and new at grade access to the South Downtown Waterfront is under construction. Council will be presented with options for the redevelopment of 1 Port Drive in 2019.
Building Bylaw Update	Strategic Plan	Draft a Building Bylaw that incorporates BC Energy Step Code. The BC Energy Step Code came into effect on April 11, 2017. This technical regulation is a voluntary compliance path within the BC Building Code. It establishes a set of progressive performance steps for new construction projects to take toward the target of net-zero-energy-ready building by 2032.
Comprehensive Soils Bylaw	Strategic Plan	Last amended in 1999. The new bylaw will include new regulations on the removal of soil and placement of fill, and incorporate new regulations on notification and pre-blast surveys for blasting, erosion control, contaminated soils, retention/ placement of soils to promote on-site storm water retention/ groundwater recharge and professional oversight.
Economic Development Roundtable	Strategic Plan	The City will undertake a consultation program with the business community and stakeholders to investigate a suitable delivery model for Economic Development going forward from 2020.

## Community Development - 2019 Initiatives (continued)

Initiative	Linked To	Additional Information
Business Resource Forum	Strategic Plan	The City and the Chamber of Commerce are hosting a one-day forum to accelerate small and medium sized businesses in Nanaimo. The event will allow participants to learn business tips, access resources and network with like minded professionals.
Home-Based Business Regulations Update	Strategic Plan	Consultation work completed in 2018 regarding the City's home based business regulations will be formalized through zoning amendments in 2019.
Construction of Conference Centre Hotel	Strategic Plan	In 2019, construction of the 172 room Conference Centre hotel will start. Once open in late 2020, the facility will help to draw more visitors to the community and support the Vancouver Island Conference Centre.
General Amendments to Zoning Bylaw 4500		The Zoning Bylaw (4500) will be updated to incorporate a series of general amendments.
Age-Friendly Planning and Seniors Connections	Strategic Plan and OCP	Support the finalization and implementation of the Nanaimo Seniors Task Force, Age-Friendly Plan and facilitate the designation of Nanaimo as an age-friendly city. Continue the Living History Series and support the ongoing implementation of age-friendly infrastructure (bus shelters, crosswalks etc.).
Child Care Planning Collaboration	Strategic Plan	Work collaboratively with Municipal Partners, School Districts, First Nations Government and other interested parties to assess and prioritize regional child care space needs.
Health and Housing Task Force	Strategic Plan, OCP, Affordable Housing Strategy and Homelessness Action Plan	Support a Council-led task force to prioritize addressing health and housing issues. Ongoing efforts to work collaboratively with provincial, federal, first nations governments, business community and non profits. This includes ongoing work towards the implementation of the Affordable Housing Strategy (AHS) and Homelessness Action Plan (HAP).
Fifth Street Lands Planning Process	Strategic Plan	Work collaboratively with BC Housing and School District 68 to implement the MOU for the Fifth Street Projects that will involve community participation in creating a site that meets neighbourhood needs for affordable housing and community services.
Departure Bay Waterfront Walkway Feasibility Study	Strategic Plan	The City will be undertaking a study to determine the feasibility of establishing an on beach or toe of slope waterfront walkway from Battersea Road to the Departure Bay Ferry Terminal. The work will include technical analysis and public information sessions.

## Engineering and Public Works

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

### Engineering Services

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

### Transportation

Transportation manages all aspects of mobility planning, design, and road maintenance. This includes plans or studies, road designs, and the maintenance and operation of transportation infrastructure such as signage, sidewalks, traffic signals and lighting and snow and ice control.

### Garbage and Recycling

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

### Water

The City's water treatment plant, dams, reservoirs, and 640 km of supply and distribution mains are managed by the Water section. This section is responsible for planning, capital works upgrades, operations and maintenance of infrastructure that supplies adequate and safe water to the community.

### Sewer

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

### Drainage

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



## Engineering and Public Works - Performance Measures

Measure	2016	2017	2018
Number of water quality complaints	44	25	7
Daily water consumption per capita	429 litres	429 litres	416 litres
Solid waster (kg per household) -Landfill (Garbage) -Recycling -Organics (*Kitchen & Yard Waste)	-Garbage: 147kg/hh -Recycling: 121 kg/hh -Kitchen Waste: 125 kg/hh	-Garbage: 140 kg/hh -Recycling: 118 kg/hh -Kitchen Waste: 125 kg/hh	-Garbage: 169 kg/hh -Recycling: 125 kg/hh -Organics: 125 kg/hh *The City added yard waste to solid waste collection program in 2018
Garbage diversion	63%	64%	65%
Drainage mains renewed - km	1.7 km	0.5 km	1.0 km
Drainage mains condition assessment - km	15.6 km	6.6 km	23.5 km
New cycling routes - km	6.0 km	6.0 km	1.2 km
New sidewalks - km	0.3 km plus 2.5 km through development	1.5 km plus 4.9 km through development	0.6 km
New pedestrian-activated beacons	1	2	3
New transit shelters	0	1	4
Sanitary sewer mains renewed - km	2.7 km	2.8 km	3.2 km
Sanitary sewer mains condition assessment - km	54.2 km	16.1 km	52.3 km
Water mains renewed - km	4.4 km	4.1 km	5.9 km
Watermain breaks	10	8	6
Private sanitary sewer backup reports completed	3	0	2
Private storm sewer flooding reports completed	9	0	8
Work orders completed by Public Works crew	10,242	9,291	8,294 (sanitation complaints not included)



## Engineering and Public Works - 2018 Accomplishments

Service	Accomplishments	Linked To	Additional Information
Transportation	Bowen Corridor Signal Coordination Plan	Transportation Master Plan	
	Completed Asphalt Condition Assessment on the City's entire road network	Asset Management	
	Added 1.2 kilometres of bike lanes and 650 metres of sidewalk and two new transit shelters	Transportation Master Plan	
	Completed major transportation projects		Northfield Boundary Intersection, Terminal Ave, Estevan, Cypress, Georgia Greenway, Dover Road, Third Street and Dufferin Crescent and renewed over 30,000 m <sup>2</sup> of asphalt road surface.
	Hospital Area Parking Strategy	Transportation Master Plan	Develop a strategy to manage parking in the hospital area that meets the needs of all users.
	LED Street Light Conversion		Completed Phase 1 (Bowen and Aulds Roads).
Water	Cross Connection Control (CCC) Bylaw		Established a CCC program to improve the level of protection to the water supply system to reduce the risk of contamination.
	Completed major water projects		Includes Dogwood Road to College Park Reservoir Supply Main, upgrades to six Pressure Reducing Valve Stations and to Pryde Avenue, Pump Station, Departure Bay Utilities and Terminal Avenue Watermain Replacement.
	Water System Condition Assessment and Strategic Replacement		Established an annual program to update the condition of water pipes that will support the prioritization of water infrastructure renewal/upgrade projects.
Sanitary Sewer	Completed Townsite Sewer Catchment Master Plan		
	Inflow and Infiltration Reduction Strategy		Completed in collaboration with other RDN municipalities.
Drainage	Municipal Natural Asset Management		Initiative to support municipalities to incorporate natural assets into asset management planning and financial decision-making processes.
Solid Waste Collection	Completed implementation of automated waste collection to all City households	Core Services Review	This change required significant investment in a new fleet of eight automated trucks and carts for each residential household. Under automated collection, the City has added the curbside collection of yard waste.

## Engineering and Public Works - 2019 Initiatives

Service	Accomplishments	Linked To	Additional Information
Transportation	Upgrade City Standards	Transportation Master Plan	Incorporate Complete Streets that support the surrounding land use while adhering to the hierarchy of transportation priorities
	Downtown Mobility Hub Project	Transportation Master Plan	Develop a comprehensive downtown mobility hub plan and implementation steps.
	Integrated Traffic Engineering Software/System		Enable monitoring and analysis of transportation data and improved response to traffic issues.
	Street Lighting Review		City-side review to develop strategies to address concerns of the community.
	Sustainable Parking Grant Program		Implement new grant to provide matching funds for businesses to install bike racks or electric vehicle charging stations.
	Create Active Route to School Toolkit in collaboration with School District 68	Transportation Master Plan	
	LED Street Light Conversion Program		Complete Phase 2. Phase 3, remainder of the City to be completed in 2020.
Water	Rebuild City-wide water system model in InfoWater		Water system model to be built with most current GIS data, calibrated with Fire Hydrant flow tests, and water system data from the City's SCADA system.
Sanitary Sewer	Seventh Street Pump Station Project	Asset Management	Once online, this pump station will provide significant capacity relief to the Chase Trunk Sewer and allow growth in Harewood and South Nanaimo to continue.
	Departure Bay Sewer Catchment Master Plan		
Drainage	Sea Level Rise Study		Federation of Canadian Municipalities Grant to complete a Climate Change Resilience Strategy (CCRS). A major component of the CCRS will be to understand the impacts of sea level rise on the coastal portions of Nanaimo.
	Eagle Ridge Drainage Master Plan		
	Update Intensity, Duration and Frequency of Rainfall Curves		Update to account for recent, more intense and short duration rain events and climate change.



# Finance

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

The department is organized into the following:

## Administration

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

## Revenue Services

- Billings and collections
- Accounts receivables
- Maintains property information

## Accounting Services

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

## Financial Planning

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

## Payroll

- Process bi-weekly payroll
- Reporting requirements

## Purchasing

- Oversees departmental purchases to ensure compliance with the Purchasing Policy
- Provides purchasing support and advice to all City departments
- Facilitates purchasing process
- Maintains appropriate and secure inventory



## Finance - Performance Measures

Measure	2016	2017	2018
Number of invoices processed by Accounts Payable	22,256	22,452	24,431
Number of Homeowner Grants claimed on line	57.4%	59.1%	60.7%
Number of Purchasing files opened for new or renewed contracts	111	311	333

## Finance - 2018 Accomplishments

Accomplishments	Linked To	Additional Information
Asset Management Policy and Strategy	Asset Management	Led development and completion of policy and strategy for review by Council.
Development cost Charges Review	Asset Management	Provided financial support.
Travel Policy	Strategic Plan, Core Review	Updated policy to provide employees with specific guidelines covering travel for City business.
Federal Gas Tax Fund Strategic Priorities Fund Grants	Strategic Plan	Successful applications for \$3.8 million for Waterfront Walkway and \$500,000 for Facilities and Park Amenities Condition Assessment Program.
Recreation Management System		Working with Parks and Recreation and IT staff, implemented cloud-based PerfectMind recreation management system.
Implementation of Cemetery Database System		Working with IT staff, implemented the StoneOrchard Cemetery Database System.

## Finance - 2019 Initiatives

Initiative	Linked To	Additional Information
Finance Policy Development	Strategic Plan, Core Review	Develop and present new financial policies to Council, including a Reserve Policy and a Debt Policy.
MyCity Updates		Implement a more user-friendly website for accessing property owner account information relating to property taxes and utility billings.

# Human Resources

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

The department's core services include:

- Recruitment and selection
- Training and employee development
- Employee and labour relations
- Job classification and reclassification
- Compensation and benefits administration
- Occupation health and safety
- Disability management



In addition, the Human Resources Department performs a number of key functions within the City. This includes social and wellness activities, recognition of long-service employees and oversight of the City's security ID card program.

## Human Resources - Performance Measures

Measure	2016	2017	2018
Employee turnover rate	7.5%	6.0%	6.9%
Number of job postings	97	104	131

## Human Resources - 2018 Accomplishments

Accomplishments	Linked To	Additional Information
CUPE Local 401 Collective Agreement		Two-year collective agreement signed.
Management Terms and Conditions Bylaw 7000 Review		Provided assistance to Council.
Letter of Understanding with CUPE		To bring recycling collection in-house.

## Human Resources - 2019 Initiatives

Initiative	Linked To	Additional Information
CUPE Local 401 Agreement		Signed four-year agreement (2019-2022).
Management Terms and Conditions Bylaw 7000 Review		Review with Council and update.
Annual WorkSafe Audit		To maintain COR Certification.

# Information Technology

The Information Technology (IT) department provides leadership in innovative application of computer technology, geographic information system (GIS) services, the City's website, desktop and mobile computing, networking and telephone technology.

The department consists of two primary sections:

- Technical & Client Services manages the core IT Infrastructure for the City and provides front line service desk support
- Application Services consists of three business units, supports complex business systems and GIS services for the City.



## Information Technology - 2019 Accomplishments

Accomplishments	Linked To	Additional Information
Recreation Management System	Asset Management	Implemented cloud-based PerfectMind recreation management system to replace an end-of-life system.
Legislative Services Management System		Implemented cloud-based eSCRIBE meeting management software solution to enable Legislative Services to prepare and publish Council and Committee meeting documents and livestream Council and Committee meetings to the City website. Implementation included migrating 18 years of Council documents and videos into the new system.
Garbage Automation Software	Asset Management	Implemented InnovaSuite waste management software solution to allow Public Works to track and manage the automated collection truck fleet and the RFID-chipped collection carts.
IT Service Desk Software	Asset Management	Implemented Cherwell Service Management software to replace software no longer supported by vendor. The system is used to manage and track incoming service requests and incidents and IT assets.
Air Photo Renewal	Asset Management	Acquired new high resolution vertical aerial photography covering the City to assist staff with application review, asset management and to support the enforcement of the City Tree Protection Bylaws.
Cemetery Management Software	Asset Management	Implemented Stone Orchard software to track and manage cemetery burial plots and interments.
Waterfront Walkway Story May	Strategic Plan	Published a website of geographic information as part of the Waterfront Walkway planning process.
ERP System Investigation		Conducted a Request for Information (RFI) to gather order of magnitude pricing, features available in the marketplace.

## Information Technology - 2019 Accomplishments (continued)

Accomplishments	Linked To	Additional Information
Email Archiving		Implemented system to archive email and simplify email eDiscovery requests.
Fibre Optic Audit	Asset Management	Conducted in-depth audit of the City's fibre infrastructure to augment the GIS system with critical information.
Printers Program	Asset Management	Through RFP process, selected new print services partner. Developed long term printer replacement plan.

## Information Technology - 2019 Initiatives

Initiative	Linked To	Additional Information
Computerized Maintenance Management System	Asset Management	Develop and issue Requests for Information (RFI).
NanaimoMap		Upgrade system to enable citizens and visitors to access using mobile computing devices.
Network Security		Network Security Assessment. Critical Infrastructure Security Assessment/Audit. Implement network security enhancements. Develop integrated security program.
Windows 10 Upgrade		Desktop computers to be upgraded to latest technology.
Telephone System		Reconfigure City telephone system and handsets to be better prepared for an emergency.
City Projects Management System	Asset Management	Redevelop CPMS application using modern technology, incorporating phase 2 enhancement requests and CAPEX requirements.
Lifeguard Scheduling Software		Working with aquatics staff to implement shift scheduling software.
Sharepoint 2019 Upgrade	Asset Management	Upgrade the internal employee collaboration and intranet software platform to the most current supported technology.
Traffic Analysis Software	Asset Management	Implement new traffic analysis software that will provide analysis to support the maintenance and improvement of the City's roadways.
Electronic content Management System Pilot		Through RFI/RFP processes, identify desired functionality, procurement and implementation of an electronic content management system for documents and records.
Contract Renewal		Microsoft Enterprise software, internet service provider, computer procurement, cellular and land line contract renewals.

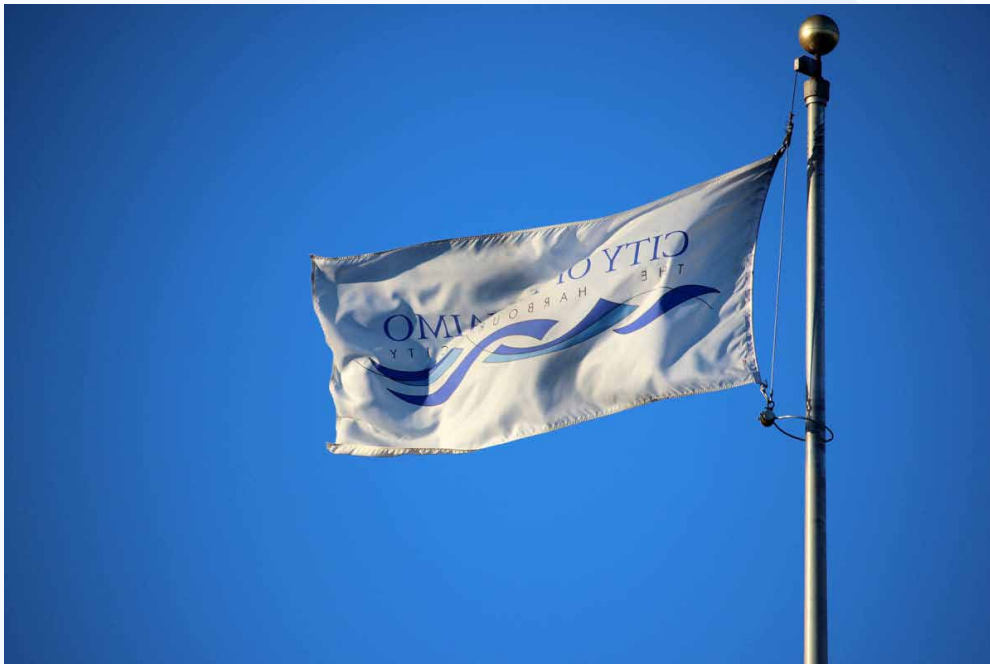
# Legislative and Communication Services

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

The Communication section, guided by Council's Communication Plan, coordinates the City's communications through news releases, the website and four active social media channels.

The department's responsibilities include:

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



## Legislative and Communication Services - Performance Measures

Measure	2016	2017	2018
Number of Freedom of Information requests	263	229	420
Public engagement sessions		16	13
News releases	246	229	230
Videos	0	43	85
Newsletters	0	2	1
ETown Halls	2	1	1
Liability claims closed	73	71	77
Number of Committee Meetings		116	99
Number of Council/Committee of the Whole Meetings	49	56	48
Number of FOIPPA Staff Education Sessions	1	4	6

## Legislative and Communication Services - 2018 Accomplishments

Accomplishments	Linked To	Additional Information
2018 Municipal Election		
Council Procedures Bylaw	Strategic Plan	Adopted procedure bylaw to update the established rules for Council and committee meetings.
Increased Staff Education Regarding FOIPPA		Following the Information and Privacy Commissioner's recommendations, FOIPPA training is now mandatory for all City of Nanaimo staff. Legislative Services staff have increased training opportunities to all staff with attendance being tracked through Human Resources.
Council and Committee Meeting Management Improvements		Implemented eSCRIBE system that replaces paper-based manual processes with cloud-based meeting management and workflow software solution.
Draft Records Management Policy Suite and Records Classification and Retention Schedule		Complete Records Management Policy Suite and Records Classification and Retention Schedule were drafted with the assistance of a consultant. Completed policies to be adopted in 2019.
Increased volume of FOI requests, OIPC reviews and investigations		Record breaking volume of requests/reviews/investigations.
Public Engagement Pilot Program		Completed the Community Engagement Task Force's pilot program. Created to develop and test different methods of public engagement. Final report was presented to Council on January 28, 2019.

## Legislative and Communication Services - 2019 Initiatives

Initiative	Linked To	Additional Information
Privacy Management Program		<p>Under the recommendation of the Information and Privacy Commissioner, develop and implement a Privacy Management Program that includes:</p> <ul style="list-style-type: none"> <li>a) Designating a staff member responsible for reviewing the City's privacy policies and security arrangements relating to the protection of personal information in the City's custody or control;</li> <li>b) Implementing a privacy policy that applies to every instance of collection, use or disclosure of personal information.</li> <li>c) Conducting comprehensive mandatory and ongoing privacy training for all employees and officers.</li> </ul>
Records Management System	Strategic Plan	<p>Develop and recommend records classification and retention schedules and related Records Management Policies.</p> <p>The objective is for City documents and records to be managed and stored in a manner that will meet best practices and industry standards, comply with all governmental regulations and legislation, and provide a streamlined and secure way for staff to search and access records.</p>
Public Engagement Technology		<p>The City is preparing a Request for Proposals for the implementation of public engagement technology. The objective is provide a platform that allows residents to participate and engage online on a number of initiatives and projects.</p>





# Parks and Recreation

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



The department is organized into the following sections:

## Administration

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

## Aquatic Operations

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

## Arena Operations

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

## Facilities Planning and Operations

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

## Parks Operations

- Acquires, maintains and develops parkland divided into:
  - 13 City destination parks and over 90 neighbourhood parks
  - 32 sports fields, including 3 artificial turf fields
  - approximately 180 kilometres of trails
  - 1,079 hectares of parkland
  - 74 playgrounds
  - 12 dog off leash parks
- Sport and activity venues including, but not limited to, box lacrosse, tennis, pickleball, disc golf, basketball, skateboarding, mountain biking, road biking and sand volleyball
- Provides space to community groups for community gardens, greenhouses, lawn bowling green and a golf course
- Maintains horticulture areas, including plantings beds, planters, trees and naturalized areas
- Develops parks and open space plans, including consultation with users and the community
- Provides facility maintenance to all park outbuildings and picnic shelters
- Natural area management and working with volunteer groups to steward parks



## Recreation Services

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



## Parks and Recreation - 2018 Accomplishments

Accomplishments	Linked To	Additional Information
Recreation Management System		Working with IT and Finance staff, implemented cloud-based PerfectMind recreation management system to replace an end-of-life system.
New Online Program / Registration Website		Working with IT staff, a new one-stop recreation.nanaimo.ca web page created to bring together recreation registration, events and department information into one area.
Leadership in Asset Management Program	Asset Management	Participation in federal program to develop levels of service for parks amenities that will provide a framework that can be used for other City services and infrastructure.
Delivered, Hosted or Provided Support for Community Events	Strategic Plan	<ul style="list-style-type: none"> <li>-Concerts in the Park</li> <li>-Healthamongus</li> <li>-Earth Day</li> <li>-Family Fishing Day</li> <li>-Family Fun Nights</li> <li>-Canada Day</li> <li>-Rivers Day</li> <li>-Snowbirds Air Show at Maffeo Sutton Park</li> <li>-Multi-Day Sport Tournaments</li> <li>-Red Bull Pump Track World Qualifiers Event at Steve Smith Park</li> <li>-Find the Golden Bucket Contest</li> <li>-2018 National Championship for Senior B Lacrosse</li> <li>-2018 Bantam Hockey Provincials</li> <li>-Summer Playground Program</li> </ul>
New Artificial Turf Field with LED Display and Scoreboard and Spectator Seating	Strategic Plan	In partnership with School District 68, completed Nanaimo District Secondary School Community Field Project



## Parks and Recreation - 2018 Accomplishments (continued)

Accomplishments	Linked To	Additional Information
Facility Renewal Projects	Asset Management	<ul style="list-style-type: none"> <li>-Oliver Woods Community Centre: replaced flooring and upgraded lighting to LED</li> <li>-Weight Rooms: added manual treadmill and ladder climb machines</li> <li>-Beban Park Centre: replaced boiler with efficient heat recovery system</li> <li>-Nanaimo Curling Club: replaced condenser</li> <li>-Lighting Upgrades: at NAC, Port of Nanaimo Centre Parkade, Police Station Parking</li> <li>-Condition Assessment Program to support long-term project planning</li> </ul>
Departure Creek Re-alignment Project	Strategic Plan	In partnership with community groups, work completed to restore salmon-bearing habitat and continued work to control invasive plant species.
Park Projects	Strategic Plan	<ul style="list-style-type: none"> <li>-Colliery Dam Park: completed invasive plant removal initiatives, picnic shelter installed and trails/boardwalk upgraded</li> <li>-Beach Estates Park: rebuilt two boardwalks and two bridges</li> <li>-Beaufort Park Food Forest: with community partners, planted fruit trees.</li> <li>-Linley Point Gyro Park: completed sport court and landscaping</li> <li>-Westdale-Leslie Park: improved sport court and trail system</li> <li>-Cinnabar Valley Park: completed two projects to improve amenities</li> </ul>
Linley Point/McGregor Creek Environmental Management Study	Strategic Plan	An independent biological team completed an inventory and prescribed recommendations for environmental, aesthetic and recreational management of the park.
Youth Health Hub	Strategic Plan	Working in partnership with Island Health, integration of a Youth Health Hub at Nanaimo Aquatic Centre to provide accessible health services/ programs to youth.
Swim to Survive Program	Strategic Plan	Continued partnership with Lifesaving Society BC and School District 68



## Parks and Recreation - 2019 Initiatives

Initiative	Linked To	Additional Information
Parks, Recreation and Facilities Master Plan	Core Services Review	The current master plan was approved in 2005. The plan provides the focus and strategy for the development of Parks and Recreation facilities and services for the City.
Parks Projects		<ul style="list-style-type: none"> <li>-Integration of Harewood Centennial Park trail system with Georgia Greenway.</li> <li>-Cambie Park: install sport court</li> <li>-Fern Park: install playground</li> <li>-Harewood Centennial Youth Park: complete phase 1 of a skateboard/ youth park</li> <li>-Improvements to irrigation systems</li> </ul>
2019 Special Olympics Swim Meet		
Parks, Recreation and Culture Bylaw 7073 Review		To include provisions for vaping and cannabis use due to senior government legislative changes.
Facilities Planning	Asset Management Plan	<ul style="list-style-type: none"> <li>-Develop a comprehensive parks asset inventory database to support maintenance and long-term planning</li> <li>-Continued implementation of Condition Assessment Program</li> </ul>



## Public Safety

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

### Bylaw, Regulation and Security

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

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

Measure	2016	2017	2018
Number of complaints	1,862	2,245	
General Bylaw - Number of Calls			2,432
Municipal Enforcement - Number of Calls			1,072
Animal Control - Number of Calls			1,993

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

Accomplishments	Linked To	Additional Information
Hospital Area Parking Strategy		Working with City's Engineering Department, the strategy provides recommendations for parking strategies in this area.
Parking Improvements		Brechin Boat Ramp annual passes now digital format. Selby Parking Lot: ModoCare Share introduced.
Adjudication Services		The City administers the adjudication court system for municipal ticketing. Several new municipalities are utilizing this service on a cost-sharing basis.
Nuisance Property Program		Administration of Nuisance Property Abatement Committee.
Homelessness and Tent City		Management and clean-up of homeless encampments on public land; Tent City mitigation.
Parking Infrastructure Projects		Harbour Front Parkade: new fire suppression system. Bastion Street Parkade: full exterior maintenance.

## Public Safety, Bylaw Regulation and Security - 2019 Initiatives

Initiative	Linked To	Additional Information
Nuisance Property Program		Working with RCMP to address high call properties.
Graffiti Cleanup Project		
City Bylaw Review		Anima Control Public Nuisance Traffic and Highways Shopping Carts Pet Sales Street Entertainers Parks Regulations





## Fire Services

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

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

The department has four fire stations that are operated 24/7 by career firefighters with an additional fire station on Protection Island which is staffed by on call firefighters. Fire Station #1, located at 666 Fitzwilliam Street, is the busiest fire station responding to over 40 percent of the incidents in the City. This fire station has a full-time fire crew but is also home to the Central Island 911 FireComm partnership (FireComm) and the Emergency Coordination Centre (ECC).

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

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

In 2018, BC Emergency Health Services reconfigured their response requirements for first responders. As a result, NFR has had an approximate 40 percent reduction in overall medical aid calls. These calls were ones BC Emergency Health Services determined a lower acuity and not requiring a first responder in addition to an ambulance. The overall impact is a reduction in duplicate and over-resourced incidents with the majority of incident responses being higher acuity and trauma. Fire and public assist calls continue to remain consistent with previous years with a higher increase in incidents resulting from mental health and homelessness.

### New Fire Plan

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

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

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

A 2019 key initiative for NFR is completing the next three-year delivery plan for 2019-2021.

## Fire Services - Performance Measures

Measure	2016	2017	2018
Response time targets are -first apparatus within 6 minutes 90% -multiple apparatus within 10 minutes 90%		First apparatus 77.38%; multiple apparatus 96.21%	First apparatus 75.27%; multiple apparatus 96.29%
Number of emergency incidents	8,641	9,509	7,900
Number of external and Emergency Coordination Centre staff exercises		20	4 ECC exercises

## Fire Services - 2018 Accomplishments

Accomplishments	Linked To	Additional Information
Smoke Alarm Program		Partnered with Snuneymuxw First Nation to complete a door-to-door campaign on IR#1 to test and install smoke alarms. Expanded the annual door-to-door campaign for testing and installing smoke alarms to a further 1,000 homes in the areas where more house fires occur.
Hazardous Materials Operations Training		Firefighters completed refresher training.
Fire Station #1 Rebuild Project		Multi-year project. City Project Manager and architectural firm selected.
Emergency Response and Recovery Plan Updated		

## Fire Services - 2019 Initiatives

Initiative	Linked To	Additional Information
Fire Plan		Complete updated three-year service plan for 2019-2022 to support the 10 to 15-Year Fire Plan approved by Council.
Fire Station #1 Rebuild		Complete detailed design phase, begin demolition.
Firefighter Development		Continue to develop and expand support for staff facing occupational stress-related injuries.
CPR Training		Continue to increase the amount of public trained in bystander CPR through public education by firefighters.
Smoke Alarm Program		Expand the smoke alarm program to the most vulnerable and highest risk homes in the City.

# Police Services

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

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

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

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

## Core Services (Police Support Services department)

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

During 2018, Nanaimo and all of British Columbia saw a continuation in Fentanyl overdose deaths taxing police resources, as well as our partners in health care. The RCMP are working with community agencies to respond to this health crisis.

The RCMP continue their vigilance regarding enforcement of impaired and distracted driving incidents to dramatically reduce this situation.

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

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



## Police Services - Performance Measures

Measure	2016	2017	2018
Calls for service	39,624	40,587	44,398
Criminal Code offences	10,573	10,355	11,934

## Police Services - 2018 Accomplishments

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



## Public Safety - Police Services - 2019 Initiatives

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



*Nanaimo...it's where you want to be.*

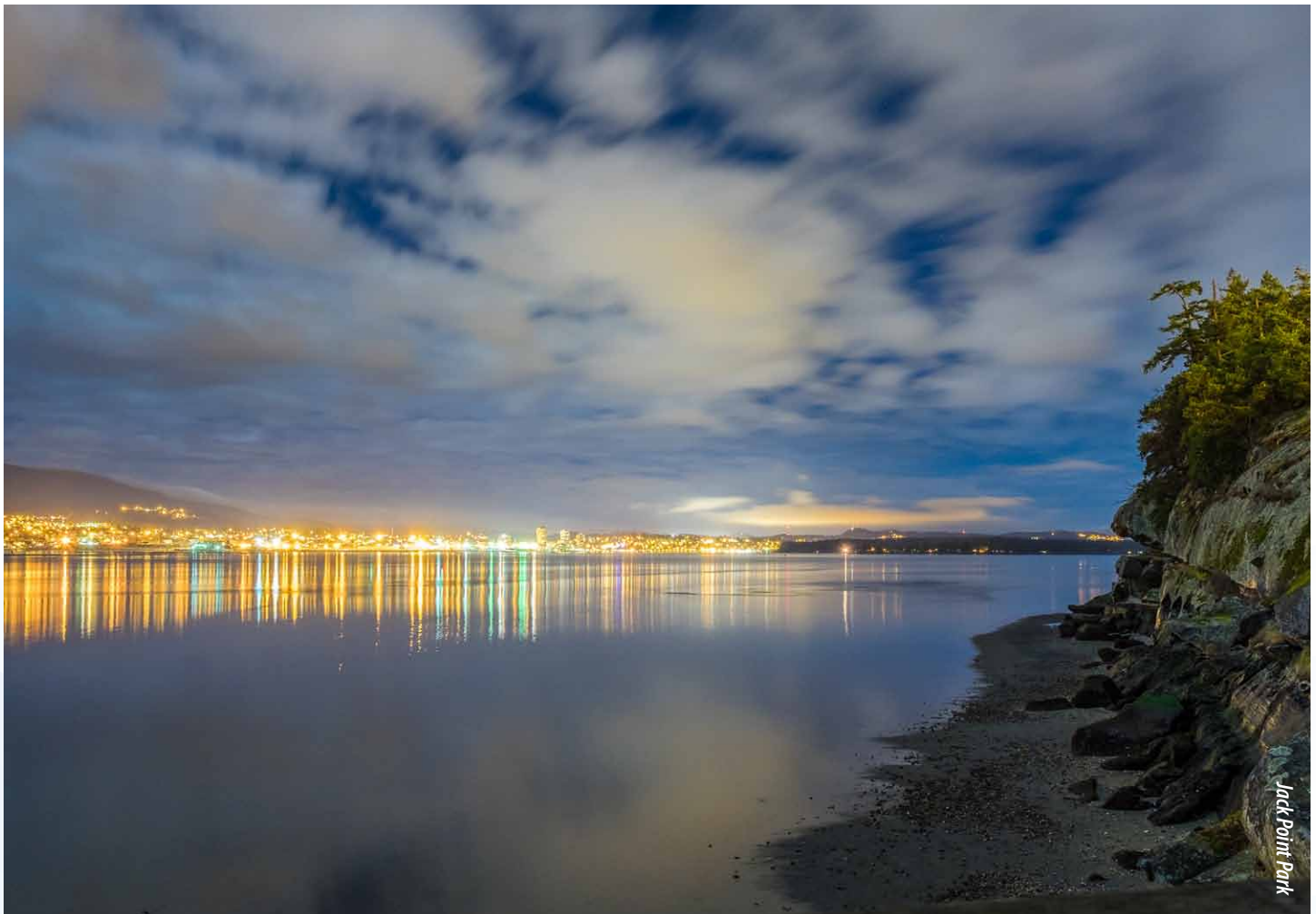


# Looking Forward: 2019-2023 Financial Plan

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



The City of Nanaimo's 2019-2023 Financial Plan can be found on our website at [www.nanaimo.ca](http://www.nanaimo.ca) or by clicking here from an online version of this 2018 Annual Report.



# Financial Section

## Consolidated Financial Statements

### City of Nanaimo



ANNUAL FINANCIAL STATEMENTS

2018



# City of Nanaimo Overview

## Report from Acting Director, Financial Services

2019-MAY-31

Mayor and Council  
City of Nanaimo

Your Worship and Members of Council:

I am pleased to present the Annual Report for the fiscal year ending December 31, 2018. The purpose of this report is to publish the Consolidated Financial Statements and Auditors' Report for the City of Nanaimo pursuant to Section 167 of the Community Charter. The preparation and presentation of the financial statements and related information in the 2018 Annual Report is the responsibility of the management of the City. These statements have been prepared in accordance with generally accepted accounting principles for Local Governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada and the Provincial Ministry of Community, Sport and Cultural Development. The City of Nanaimo maintains a system of internal accounting controls designed to safeguard the assets of the corporation and provide reliable financial information.

The audit firm of KPMG LLP was appointed by Council and is responsible for expressing an opinion as to whether the Consolidated Financial Statements, prepared by management, fairly present the financial position of the City of Nanaimo and the results of its 2018 operations. The auditors have given an unqualified audit opinion on the City's financial statements and these 2018 Audited Financial Statements were presented to and approved by the Finance and Audit Committee of Council.

### **Financial Overview**

#### **2018 Operating Results**

The Consolidated Financial Statements presented include the 2018 results of the City's General Revenue Fund, Sewer Utility, Waterworks Utility and Reserve Funds. From a financial perspective, 2018 resulted in a surplus on a consolidated basis.

During the year, the City's tangible capital assets increased by \$16 million from \$686 million to \$702 million. The City's debt increased from \$42.3 million to \$46.1 million. The City ended the year with a cash position of \$74 million.

As a result of a 2.08% property tax increase and continuing growth in the community that produced additional development-related revenues, consolidated revenues for the year totaled \$187 million and represent an increase over 2017. City revenues combined with additional funding from City

## Letter of Transmittal Report from Acting Director, Financial Services- continued

reserves covered operating costs of \$158 million and capital additions of \$40.7 million. Expenses increased over last year mainly due to wage increases and higher than anticipated legal, utility and security costs.

### General Fund

The City's General Revenue Fund is the primary fund for most municipal services including Police, Fire, Parks and Recreation, Engineering and Public Works and Community Development. The City's General Revenue Fund ended the year with a surplus of \$4.6 million, primarily as a result of staff vacancies, higher than anticipated revenues and lower than anticipated contracted services costs.

General Revenue Fund revenues for the year totaled \$158 million which combined with additional funding from City Reserves, covered operating costs of \$139 million and capital additions of \$29.9 million. The key projects for the year included:

Project	Amount
Property Acquisitions - 5290 Tanya Drive	\$3,010,702.44
DCC R8 Boundary/Northfield Interim Improvements	\$3,497,631.49
Automated Garbage Trucks (6 Vehicles)	\$2,435,703.07
Terminal North Complete Streets and Utilities	\$2,161,357.74
Nanaimo Aquatic Centre Roof	\$1,113,654.31

### Utilities

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

The Sewer Utility includes over 677 kilometres of pipes for the collection and transmission of sewerage to the Greater Nanaimo Pollution Control Centre (GNPCC). During 2018, the utility collected and conveyed sewerage from approximately 26,978 households and commercial customers.

The Sewer Utility Fund ended the year with an operating surplus of \$739,000. During 2018, sewer revenues of \$8.2 million supported operations at a cost of \$4.7 million and a transfer of \$675,000 to sewer reserves to fund future investment in sewer infrastructure. Capital additions in the amount of \$2.2 million were funded from sewer reserves. The largest projects of the year were:

Project	Amount
Departure Bay Area Utility	\$361,462.52
FDCC Westdale Road Easement Sanitary Sewer: Westdale to Hammond Bay Road	\$318,292.58
DCC SS45 Chase River Twinning	\$315,441.52

## Letter of Transmittal Report from Acting Director, Financial Services- continued

The Water Utility includes over 660 kilometres of pipes to deliver water from the City owned and operated Water Treatment Plant. During 2018, the Utility provided water to approximately 26,085 households and commercial customers.

The Water Utility Fund ended the year with an operating surplus of \$2.3 million. During 2018, water revenues of \$21.2 million funded water operations at a cost of \$14.5 million and a transfer of \$2.0 million to water reserve to fund future investment in water infrastructure. Capital additions in the amount of \$8.7 million were funded from water reserves. The largest projects of the year were:

Project	Amount
College Drive Area Supply Watermain Twinning	\$1,259,811.97
Terminal Trench and Utility Upgrade	\$1,169,640.53

### Investment Portfolio

It is the policy of the City of Nanaimo to invest City funds in a manner that will provide the optimal blend of investment security and return while meeting the daily cash flow demands of the City and complying with the statutory requirements of the Community Charter. Investment income increased in 2018 from \$3.4 million to \$4.4 million. The average balance held in external investments for 2018 was \$149.1 million which produced a rate of return on the investment of 2.33%. When blended with the cash held on hand, the average rate of return on investments was 2.40%.

### Trusts and Reserves

The City holds a number of trust funds that represent monies on deposit for particular purposes. During 2018, the trust fund balances increased from \$34.0 million to \$40.8 million. The City also has a number of reserve funds including the Property Sales Reserve and the Fleet Replacement Reserve. During 2018, the City's Reserve Fund balances increased to \$72.1 million. These funds will support the City's Capital Program and fund growth-related infrastructure projects necessitated by increased development and the resulting population growth in the community.

### Debt

Outstanding long-term debt at the end of 2018 was \$46.1 million of approximately \$477 per capita which is an increase of \$31 per capita from 2017. In 2018, the City borrowed \$3.2 million to fund the construction of Fire Station #1. The City also borrowed an additional \$4.2 million for the remaining equipment purchases for the automated garbage collection project.

## **Financial Sustainability**

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

- In 2018, Council approved a new Development Cost Charges (DCC) bylaw. The new DCC bylaw consolidates the previous seven bylaws into one comprehensive bylaw and includes important changes, such as the inclusion of the downtown for the collection of DCCs, the addition of a new category for small lot development and a new approach for the collection of storm water DCCs.
- In 2018, Council approved the creation of an Asset Management Policy and endorsed the Strategic Asset Management Plan. The Asset Management Policy will be the foundation of the City's Asset Management practices going forward. This policy will support meeting the community's expectations, ensure long-term health of the City's infrastructure and meet the needs of future generations.

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

Respectfully submitted,

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

Laura Mercer, CPA, CGA

Acting Director, Financial Services

**CITY OF NANAIMO, BRITISH COLUMBIA, CANADA**  
**FINANCIAL REPORT**  
for the year ended December 31, 2018

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## CITY OF NANAIMO MANAGEMENT REPORT

For the Year Ended December 31, 2018

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

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

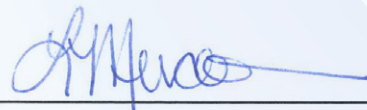
The City of Nanaimo's independent auditors, KPMG LLP, are engaged to express an opinion as to whether these financial statements present fairly the City of Nanaimo's financial position and operating results in accordance with Canadian public sector accounting standards. Their opinion is based on procedures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

The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and in accordance with Canadian public sector accounting standards. These statements present, in all significant respects, the financial position of the City of Nanaimo as at December 31, 2018.



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Jake Rudolph  
Chief Administrative Officer



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Laura Mercer, CPA, CGA  
Acting Director, Financial Services



KPMG LLP  
800 – 730 View Street  
Victoria BC V8W 3Y7  
Canada  
Telephone 250-480-3500  
Fax 250-480-3539

## INDEPENDENT AUDITORS' REPORT

To the Mayor and Council of the City of Nanaimo

### *Opinion*

We have audited the financial statements of the City of Nanaimo (the Entity), which comprise:

- the statement of financial position as at December 31, 2018
- the statement of operations for the year then ended
- the statement of changes in net financial assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, including the schedules of operations by segment and tangible capital assets

(hereinafter referred to as the “financial statements”).

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

### *Basis for Opinion*

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

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

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

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

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

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

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

## ***Auditors' Responsibilities for the Audit of the Financial Statements***

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

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

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

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

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



Chartered Professional Accountants

Victoria, Canada  
May 13, 2019



**CITY OF NANAIMO  
STATEMENT OF FINANCIAL POSITION**

as at December 31, 2018, with comparative figures for 2017

	2018	2017
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents	\$ 74,462,827	\$ 51,082,470
Accounts receivable (Note 2)	20,728,550	20,190,612
Development cost charges receivable (Note 3)	894,774	563,650
Temporary investments (Note 4)	139,943,739	140,151,672
	<b>236,029,890</b>	<b>211,988,404</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 5)	30,970,738	29,881,200
Compensated absences and termination benefits (Note 6)	7,861,239	7,364,676
Deferred revenue (Note 7)	18,750,527	17,210,247
Deferred development cost charges (Note 8)	46,965,417	42,617,685
Debt (Note 9)	46,120,643	42,335,511
	<b>150,668,564</b>	<b>139,409,319</b>
<b>NET FINANCIAL ASSETS</b>	<b>85,361,326</b>	<b>72,579,085</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Note 10)	701,909,755	686,215,676
Prepaid expenses	1,625,307	1,213,866
Inventories of supplies	1,260,819	1,062,170
	<b>704,795,881</b>	<b>688,491,712</b>
<b>ACCUMULATED SURPLUS (Note 11)</b>	<b>\$ 790,157,207</b>	<b>\$ 761,070,797</b>

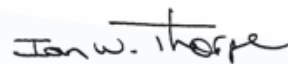
Commitments and contingencies (Note 12)

Contractual rights (Note 24)

Approved on behalf of the Council



\_\_\_\_\_  
Leonard Krog  
Mayor



\_\_\_\_\_  
Ian Thorpe  
Councillor

# CITY OF NANAIMO STATEMENT OF OPERATIONS

for the year ended December 31, 2018, with comparative figures for 2017

	2018 Budget (Note 14)	2018	2017
<b>REVENUES</b>			
Taxes	\$ 104,991,010	\$ 105,092,714	\$ 101,772,627
Payments in lieu of taxes	1,858,366	2,047,951	1,858,365
Taxation and payments in lieu (Note 15)	106,849,376	107,140,665	103,630,992
User fees and sales of services (Note 16)	41,972,996	45,329,195	40,781,080
Other revenue	4,858,708	6,845,838	6,511,918
Development cost charges (Note 8)	9,750,091	3,691,180	6,802,341
Transfers from other governments-operating (Note 17)	4,345,133	4,719,165	4,629,890
Transfers from other governments-capital (Note 17)	7,568,116	5,371,865	3,745,004
Developer assets received (Note 10)	-	4,727,790	3,724,488
Investment income	2,826,756	4,380,302	3,403,150
Building permits	1,350,000	2,078,163	1,885,202
Regional recreation sharing	1,113,566	1,150,348	1,113,566
Donations and contributions-capital	1,987,992	1,015,560	972,902
Property rentals	957,661	1,026,203	961,546
	183,580,395	187,476,274	178,162,079
<b>EXPENSES</b>			
Police	29,193,402	28,660,500	28,580,462
Parks and recreation	27,436,894	27,079,836	27,838,680
Engineering and public works	28,475,972	28,230,540	27,046,043
Fire	17,483,291	17,816,050	17,458,206
Waterworks	16,222,707	14,487,298	14,600,044
Corporate services	15,920,285	13,209,352	12,328,650
Development services	11,607,794	10,374,199	11,023,615
City administration	8,360,768	8,715,190	8,683,228
Sewer System	5,586,987	4,692,377	4,755,490
Port of Nanaimo Centre	4,792,533	5,124,522	4,867,614
	165,080,633	158,389,864	157,182,032
<b>ANNUAL SURPLUS</b>	18,499,762	29,086,410	20,980,047
<b>ACCUMULATED SURPLUS - BEGINNING OF YEAR</b>	761,070,797	761,070,797	740,090,750
<b>ACCUMULATED SURPLUS - END OF YEAR</b>	\$ 779,570,559	\$ 790,157,207	\$ 761,070,797

**CITY OF NANAIMO**  
**STATEMENT OF CHANGES IN NET FINANCIAL ASSETS**  
for the year ended December 31, 2018 , with comparative figures for 2017

	2018 Budget (Note 14)	2018	2017
<b>ANNUAL SURPLUS</b>	\$ 18,499,762	\$ 29,086,410	\$ 20,980,047
Acquisition of tangible capital assets	(78,577,359)	(35,978,122)	(25,748,499)
In kind donations of capital assets	-	(4,125)	(227,079)
Developer contributed capital assets	-	(4,727,790)	(3,724,488)
	(78,577,359)	(40,710,037)	(29,700,066)
Amortization of tangible capital assets	24,811,956	23,732,384	23,319,708
(Gain) loss on disposal of tangible capital assets	-	699,224	(852,358)
Proceeds on sale of tangible capital assets	-	584,350	2,145,758
	(53,765,403)	(15,694,079)	(5,086,958)
Acquisition of inventories of supplies	-	(4,330,919)	(4,551,869)
Acquisition of prepaid expenses	-	(1,866,516)	(1,190,316)
Consumption of inventories of supplies	-	4,132,270	4,308,363
Use of prepaid expenses	-	1,455,075	1,161,956
	-	(610,090)	(271,866)
<b>CHANGE IN NET FINANCIAL ASSETS</b>	(35,265,641)	12,782,241	15,621,223
<b>NET FINANCIAL ASSETS - BEGINNING OF YEAR</b>	72,579,085	72,579,085	56,957,862
<b>NET FINANCIAL ASSETS - END OF YEAR</b>	\$ 37,313,444	\$ 85,361,326	\$ 72,579,085

# CITY OF NANAIMO

## STATEMENT OF CASH FLOWS

for the year ended December 31, 2018, with comparative figures for 2017

	2018	2017
<b>CASH PROVIDED BY (USED FOR)</b>		
<b>OPERATING TRANSACTIONS</b>		
Annual Surplus	\$ 29,086,410	\$ 20,980,047
Non-cash items		
Amortization of tangible capital assets	23,732,384	23,319,708
Developer assets received	(4,727,790)	(3,724,488)
In kind donations of capital assets	(4,125)	(227,079)
(Gain) loss on disposal of tangible capital assets	699,224	(852,358)
Development cost charges recognized as revenue	(3,691,180)	(6,802,341)
Actuarial adjustment on long term debt	(992,431)	(867,932)
Change in non-cash operating assets and liabilities		
Accounts receivable	(869,062)	(4,729,505)
Accounts payable	1,586,101	(941,851)
Deferred revenue	1,540,280	229,463
Inventories of supplies	(198,649)	(243,506)
Prepaid expenses	(411,441)	(28,360)
<b>Net change in cash from operating transactions</b>	<b>45,749,721</b>	<b>26,111,798</b>
<b>CAPITAL TRANSACTIONS</b>		
Cash used to acquire tangible capital assets	(35,978,122)	(25,748,499)
Proceeds from the sale of tangible capital assets	584,350	2,145,758
<b>Net change in cash from capital transactions</b>	<b>(35,393,772)</b>	<b>(23,602,741)</b>
<b>INVESTING TRANSACTIONS</b>		
Change in investments	207,933	(27,484,862)
<b>FINANCING TRANSACTIONS</b>		
Debt repayment	(2,653,758)	(2,221,857)
Deferred development cost charges	8,038,912	7,191,124
Proceeds from long term borrowing	7,431,321	1,500,000
<b>Net change in cash from financing transactions</b>	<b>12,816,475</b>	<b>6,469,267</b>
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>23,380,357</b>	<b>(18,506,538)</b>
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<b>51,082,470</b>	<b>69,589,008</b>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b>\$ 74,462,827</b>	<b>\$ 51,082,470</b>

# CITY OF NANAIMO

## SCHEDULE OF OPERATIONS BY SEGMENT

for the year ended December 31, 2018

	City Admin	Corporate Services	Development Services	Fire	Police	Port of Nanaimo Centre	Parks and Recreation	Engineering and Public Works	Sewer System	Waterworks	Consolidated
<b>Revenues</b>											
Taxes	\$ 6,131,629	\$14,633,100	\$ 7,089,073	\$16,192,169	\$27,002,545	\$ 2,726,969	\$17,339,810	\$13,977,419	\$ -	\$ -	\$ 105,092,714
Payments in lieu of taxes	124,993	203,929	144,511	330,078	550,448	55,589	353,473	284,930	-	-	2,047,951
User fees	1,801,883	132,884	115,299	112,428	106,706	2,415,868	6,405,502	6,368,033	7,413,830	20,456,762	45,329,195
Developer assets	-	-	-	-	-	-	1,403,218	2,631,760	435,850	256,962	4,727,790
Other revenue	607,521	775,861	1,609,248	1,698,468	423,199	18,283	419,263	1,194,037	3,103	96,855	6,845,838
Development cost charges revenue	-	-	-	-	-	-	1,041,279	2,279,322	262,763	107,816	3,691,180
Government operating transfers	178,461	450,434	339,901	471,759	2,029,046	79,368	616,731	508,465	45,000	-	4,719,165
Government capital transfers	-	3,758,343	-	-	-	-	-	1,613,522	-	-	5,371,865
Investment income	154,082	2,087,632	178,143	406,894	678,550	68,526	435,734	365,265	-	5,476	4,380,302
Building permits	-	-	2,078,163	-	-	-	-	-	-	-	2,078,163
Regional recreation sharing	-	-	-	-	-	-	1,150,348	-	-	-	1,150,348
Property rentals	32,500	-	280,365	29,100	347,113	-	270,094	46,031	-	21,000	1,026,203
Donations - capital	-	-	-	-	-	-	523,412	230,952	-	261,196	1,015,560
	9,031,069	22,042,183	11,834,703	19,240,896	31,137,607	5,364,603	29,958,864	29,499,736	8,160,546	21,206,067	187,476,274
<b>Expenses</b>											
Wages and salaries	4,266,382	6,490,027	5,825,815	15,078,551	4,751,921	736	14,278,962	9,931,308	1,071,392	3,125,335	64,820,429
Contracted services	3,085,626	2,837,788	1,768,840	1,342,681	23,288,813	3,284,808	6,613,052	7,673,457	520,122	1,063,905	51,479,092
Amortization	386,404	876,254	576,796	578,668	337,738	1,630,386	3,340,448	9,561,796	828,444	5,615,450	23,732,384
Other	545,416	2,865,848	1,982,100	103,840	187,571	16,610	1,043,584	(2,671,760)	2,011,019	3,062,456	9,146,684
Materials and supplies	442,748	153,186	221,987	655,703	94,457	112,068	1,887,171	3,064,358	244,702	875,631	7,752,011
Interest payments on debt	-	-	-	52,768	-	79,914	(124,162)	56,948	1,327	693,246	760,041
(Gain) loss on disposal of assets	(11,386)	(13,751)	(1,339)	3,839	-	-	40,781	614,433	15,371	51,275	699,223
	8,715,190	13,209,352	10,374,199	17,816,050	28,660,500	5,124,522	27,079,836	28,230,540	4,692,377	14,487,298	158,389,864
<b>ANNUAL SURPLUS</b>	315,879	8,832,831	1,460,504	1,424,846	2,477,107	240,081	2,879,028	1,269,196	3,468,169	6,718,769	29,086,410
Capital projects	\$ 186,488	\$ 809,958	\$ -	\$ 186,949	\$ 22,285	\$ 74,308	\$ 5,059,958	\$23,516,331	\$ 2,156,089	\$ 8,697,671	\$ 40,710,037

# CITY OF NANAIMO

## SCHEDULE OF OPERATIONS BY SEGMENT

for the year ended December 31, 2017

	City Admin	Corporate Services	Development Services	Fire	Police	Port of Nanaimo Centre	Parks and Recreation	Engineering and Public Works	Sewer System	Waterworks	Consolidated
<b>Revenues</b>											
Taxes	\$ 6,336,701	\$ 13,203,377	\$ 7,246,517	\$ 16,278,694	\$ 26,190,233	\$ 1,833,485	\$ 16,228,719	\$ 14,454,901	\$ -	\$ -	\$ 101,772,627
Payments in lieu of taxes	121,418	161,284	138,851	311,917	501,833	35,132	310,959	276,971	-	-	1,858,365
User fees	1,614,870	124,213	160,192	112,178	114,399	1,785,899	6,639,352	5,046,516	7,085,084	18,098,377	40,781,080
Developer assets	-	-	-	-	-	-	1,280,700	1,952,764	253,608	237,416	3,724,488
Other revenue	608,351	879,619	1,659,407	1,692,045	443,561	13,026	440,524	666,981	3,497	104,907	6,511,918
Development cost charges revenue	-	-	-	-	-	-	1,249,298	2,061,472	1,158,852	2,332,719	6,802,341
Government operating transfers	105,224	172,133	357,212	270,311	1,628,162	1,149,168	600,053	257,627	90,000	-	4,629,890
Government capital transfers	-	3,637,130	-	-	-	-	-	107,874	-	-	3,745,004
Investment income	129,533	1,561,286	148,130	332,763	535,370	37,479	331,740	317,219	-	9,630	3,403,150
Building permits	-	-	1,885,202	-	-	-	-	-	-	-	1,885,202
Regional recreation sharing	-	-	-	-	-	-	1,113,566	-	-	-	1,113,566
Property rentals	30,000	-	328,481	17,850	281,213	-	251,444	31,558	-	21,000	961,546
Donations - capital	-	-	-	-	-	-	669,445	295,000	-	8,457	972,902
	8,946,097	19,739,042	11,923,992	19,015,758	29,694,771	4,854,189	29,115,800	25,468,883	8,591,041	20,812,506	178,162,079
<b>Expenses</b>											
Wages and salaries	4,837,998	6,315,874	5,851,974	14,630,512	4,976,016	1,652	13,591,921	9,308,918	1,036,921	3,240,844	63,792,630
Contracted services	2,477,697	3,325,669	2,325,460	1,285,686	22,936,251	2,711,691	8,135,172	7,980,076	688,066	1,104,419	52,970,187
Amortization	385,189	1,052,646	570,322	601,407	328,584	1,623,555	3,244,668	9,150,128	755,019	5,608,190	23,319,708
Other	532,499	2,709,831	2,121,032	78,764	170,413	24,120	1,025,958	(2,687,265)	1,983,516	3,044,024	9,002,892
Materials and supplies	451,545	214,583	203,562	726,724	101,760	76,139	1,944,578	2,969,849	228,973	843,825	7,761,538
Interest payments on debt	-	-	-	122,005	-	430,457	(98,763)	6,720	-	727,016	1,187,435
(Gain) Loss on disposal of assets	(1,700)	(1,289,953)	(48,735)	13,108	67,438	-	(4,854)	317,617	62,995	31,726	(852,358)
	8,683,228	12,328,650	11,023,615	17,458,206	28,580,462	4,867,614	27,838,680	27,046,043	4,755,490	14,600,044	157,182,032
<b>ANNUAL SURPLUS</b>	262,869	7,410,392	900,377	1,557,552	1,114,309	(13,425)	1,277,120	(1,577,160)	3,835,551	6,212,462	20,980,047
Capital projects	\$ 14,475	\$ 406,818	\$ -	\$ 150,606	\$ 366,279	\$ 51,844	\$ 10,276,316	\$ 9,871,534	\$ 4,520,230	\$ 4,041,964	\$ 29,700,066

**CITY OF NANAIMO**  
**SCHEDULE OF TANGIBLE CAPITAL ASSETS**  
for the year ended December 31, 2018

	COST				ACCUMULATED AMORTIZATION				NET BOOK VALUE	
	Balance December 31, 2017	Additions	Disposals	Transfers	Balance December 31, 2017	Additions	Disposals	Balance December 31, 2018		
Land	\$ 92,324,119	\$ 4,943,889	\$ 90,500	\$ 250	\$ 97,177,758	\$ -	\$ -	\$ -	\$ 97,177,758	
Land improvements	36,721,936	736,028	284,740	89,110	37,262,334	15,487,934	1,335,075	256,492	16,566,517	20,695,817
Leasehold improvements	2,106,248	1,095,142	91,514	106,045	3,215,921	1,843,466	46,007	83,506	1,805,967	1,409,954
Marine structures	829,224	-	-	-	829,224	478,452	41,162	-	519,614	309,610
Buildings	193,428,259	1,551,537	109,747	2,921,224	197,791,273	75,841,798	5,296,961	73,354	81,065,405	116,725,868
Vehicles and equipment	32,854,593	8,166,881	3,169,595	31,797	37,883,676	19,711,069	2,165,674	2,462,248	19,414,495	18,469,181
IT Infrastructure	9,500,944	742,997	612,938	135,388	9,766,391	8,662,625	345,258	612,386	8,395,497	1,370,894
Drainage	105,281,015	2,160,344	416,800	656,282	107,680,841	30,574,041	1,637,898	379,721	31,832,218	75,848,623
Transportation	304,129,775	7,429,422	1,661,287	2,408,565	312,306,475	171,353,390	6,660,149	1,355,526	176,658,013	135,648,462
Sewer	45,291,071	2,130,159	87,555	1,359,296	48,692,971	12,637,206	823,110	72,184	13,388,132	35,304,839
Water	257,482,987	7,473,923	356,353	1,451,330	266,051,887	70,144,752	5,381,090	302,038	75,223,804	190,828,083
Work In Progress	13,000,238	4,279,715	-	(9,159,287)	8,120,666	-	-	-	-	8,120,666
	\$1,092,950,409	\$ 40,710,037	\$ 6,881,029	\$ -	\$1,126,779,417	\$ 406,734,733	\$23,732,384	\$ 5,597,455	\$ 424,869,662	\$ 701,909,755

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

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



# CITY OF NANAIMO

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended December 31, 2018

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

### NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

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

#### (a) Basis of Presentation

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

##### Reporting Entity

As at December 31, 2018, the City does not control any significant external entities. The Nanaimo Economic Development Corporation was consolidated into the financial statements up to June 28, 2018 when it was dissolved.

#### (b) Basis of Accounting

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

#### (c) Cash and Cash Equivalents

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

# CITY OF NANAIMO

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended December 31, 2018

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

#### (d) Accounts Receivable

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

#### (e) Development Cost Charges

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

#### (f) Temporary Investments

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

#### (g) Compensated Absences and Termination Benefits

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

#### (h) Deferred Revenue

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

**CITY OF NANAIMO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended December 31, 2018

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

**(i) Debt**

Debt is presented net of repayments and actuarial adjustments.

**(j) Non-Financial Assets**

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

**(i) Tangible Capital Assets**

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

Estimated useful lives in years are as follows:

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

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

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

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

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

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

**(iii) Natural Resources, Works of Art and Cultural and Historical Assets**

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

**(iv) Interest Capitalization**

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

**(v) Leased Tangible Capital Assets**

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

**(vi) Inventories of Supplies**

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

# CITY OF NANAIMO

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended December 31, 2018

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

#### (k) Contaminated Sites

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

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

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

#### (l) Revenue Recognition

##### (i) Taxation Revenue

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

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

##### (ii) Development Cost Charges

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

##### (iii) Government Transfers

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

**CITY OF NANAIMO**  
**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended December 31, 2018

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

**(m) Use of Estimates**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Significant areas requiring the use of management estimates relate to the determination of compensated absences and termination benefits, collectability of accounts receivable, useful lives of tangible assets for calculation of amortization and provisions for contingencies. Actual results could differ from those estimates. Adjustments, if any, will be reflected in operations in the period of settlement.

**NOTE 2 - ACCOUNTS RECEIVABLE**

	<u>2018</u>	<u>2017</u>
Utilities	\$ 9,016,945	\$ 11,246,646
Property Taxes	3,365,800	3,302,159
Trade and Other	2,581,057	1,734,615
Due from Provincial Government	2,883,316	1,261,738
Municipal Finance Authority Debt Reserve	954,543	902,317
Due from Federal Government	756,711	534,496
Interest on Investments	931,775	991,960
Due from Regional Government	238,403	216,681
	<u>\$ 20,728,550</u>	<u>\$ 20,190,612</u>

**CITY OF NANAIMO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended December 31, 2018

**NOTE 3 - DEVELOPMENT COST CHARGES RECEIVABLE**

	<u>Water Distribution</u>	<u>Roads</u>	<u>Drainage</u>	<u>Sewer</u>	<u>Parks</u>	<u>Water Supply</u>	<u>2018</u>	<u>2017</u>
Installments:								
2018	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 359,954
2019	12,230	160,387	23,487	34,114	65,192	220,326	515,736	203,696
2020	9,025	117,285	17,328	25,168	47,671	162,561	379,038	-
	<u>\$ 21,255</u>	<u>\$ 277,672</u>	<u>\$ 40,815</u>	<u>\$ 59,282</u>	<u>\$ 112,863</u>	<u>\$ 382,887</u>	<u>\$ 894,774</u>	<u>\$ 563,650</u>

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

**NOTE 4 - TEMPORARY INVESTMENTS**

	<u>2018</u>		<u>2017</u>	
	<u>Cost</u>	<u>Market</u>	<u>Cost</u>	<u>Market</u>
Temporary Investments	\$ 116,073,939	\$ 116,455,725	\$ 121,196,872	\$ 121,196,872
Debentures	23,869,800	23,362,145	18,954,800	18,669,441
	<u>\$ 139,943,739</u>	<u>\$ 139,817,870</u>	<u>\$ 140,151,672</u>	<u>\$ 139,866,313</u>

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

	<u>2018</u>	<u>2017</u>
Trade and Other	\$ 9,336,191	\$ 9,814,046
RCMP Contract	9,040,506	7,666,262
Deposits	7,604,716	6,703,412
Accrued wages and benefits	3,912,950	4,388,820
Contaminated sites	210,000	225,750
Other governments	866,375	1,082,910
	<u>\$ 30,970,738</u>	<u>\$ 29,881,200</u>

**CITY OF NANAIMO**  
**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended December 31, 2018

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

The City provides certain post-employment benefits, non-vested sick leave, compensated absences and termination benefits to its employees. An actuarial valuation for these benefits was performed to determine the City's accrued benefit obligation as at December 31, 2016 and the results are extrapolated to December 31, 2018. The current valuation was completed in 2017. Significant assumptions used in the valuation include a discount rate of 4%, inflation of 1.75% and compensation increases, excluding merit and promotion, of 2.75%. There is an unamortized actuarial loss of \$616,905 (2017 – loss of \$677,856).

	<u>2018</u>	<u>2017</u>
Actuarial Benefit Obligation, beginning of year	\$ 8,042,531	\$ 7,728,287
Unamortized Actuarial Gain, beginning of year	(677,856)	(738,807)
	<hr/>	<hr/>
Current Service Cost	7,364,675	6,989,480
Interest Costs	771,087	737,565
Benefits Paid	323,516	309,023
Amortization of Actuarial Loss	(658,990)	(732,344)
	60,951	60,952
	<hr/>	<hr/>
	<u>7,861,239</u>	<u>7,364,676</u>
	<hr/>	<hr/>
Actuarial Benefit Obligation, end of year	8,478,144	8,042,532
Unamortized Actuarial Loss, end of year	(616,905)	(677,856)
	<hr/>	<hr/>
Accrued Benefit Liability, end of year	<u>\$ 7,861,239</u>	<u>\$ 7,364,676</u>

Actuarial gains and losses are amortized over 12 – 14 years, being the expected average remaining service period of the related employee groups, commencing the year after the gain or loss arises. The total expense recorded in the financial statements in respect of obligations under this plan amounts to \$1,155,554 (2017 - \$1,107,540).



**CITY OF NANAIMO**  
**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended December 31, 2018

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

	<u>2018</u>	<u>2017</u>
Tax Prepayments	\$ 12,352,870	\$ 11,825,590
Other Prepayments	6,397,657	5,384,657
	<u>\$ 18,750,527</u>	<u>\$ 17,210,247</u>

**NOTE 8 - DEFERRED DEVELOPMENT COST CHARGES**

	<u>2018</u>	<u>2017</u>
Deferred Development Cost Charges - beginning of year	\$ 42,617,685	\$ 42,228,902
Additions	7,057,952	6,396,603
Interest Earned	980,960	794,521
Revenue Recognized	(3,691,180)	(6,802,341)
Deferred Development Cost Charges - end of year	<u>\$ 46,965,417</u>	<u>\$ 42,617,685</u>

**NOTE 9 - DEBT, NET OF MUNICIPAL FINANCE AUTHORITY (MFA) SINKING FUND DEPOSITS**

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

\$46,120,643 (2017 – \$42,335,511) of debt is with the MFA. Payments and actuarial allocations of \$27,660,678 on the gross amount borrowed of \$73,781,321 are held in a sinking fund by the MFA. The rates of interest on the principal amount of the MFA debentures vary between 1.6% and 3.85% per annum.

	<u>2018</u>	<u>2017</u>
Total Outstanding Debt - beginning of year	\$ 42,335,511	\$ 43,925,300
Reduction of Long-term Debt	(3,646,189)	(3,089,789)
Proceeds from long-term borrowing	7,431,321	1,500,000
Total Outstanding Debt - end of year	<u>\$ 46,120,643</u>	<u>\$ 42,335,511</u>

The City of Nanaimo is subject to 'Liability Servicing Limits' as outlined in Section 174 of the *Community Charter*. The maximum value of liability servicing cost for a given year is 25% of a municipality's controllable and sustainable revenues for the previous year. The calculated liability servicing limit for the City of Nanaimo for 2018 at December 31, 2017 was \$40,133,329. The actual liability servicing cost was \$4,861,362, leaving \$35,271,967 of liability servicing capacity available.

**CITY OF NANAIMO**  
**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended December 31, 2018

**NOTE 9 - DEBT, NET OF MUNICIPAL FINANCE AUTHORITY (MFA) SINKING FUND DEPOSITS (CONTINUED)**

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

<u>Year</u>	<u>General</u>	<u>Water</u>	<u>Total</u>
2019	\$ 3,595,337	\$ 904,833	\$ 4,500,170
2020	3,726,321	941,026	4,667,347
2021	3,189,871	978,667	4,168,538
2022	3,272,336	1,017,814	4,290,150
2023	2,900,808	1,058,526	3,959,334
Thereafter	10,667,056	13,868,048	24,535,104
	<u>\$ 27,351,729</u>	<u>\$ 18,768,914</u>	<u>\$ 46,120,643</u>

<u>Bylaw #</u>	<u>MFA Issue #</u>		<u>Interest Rate %</u>	<u>Year Matures</u>	<u>Balance Outstanding</u>	
					<u>2018</u>	<u>2017</u>
<u>General Fund - Tax Supported</u>						
5425	72	Leisure and Aquatic Center	2.10	2020	\$ 658,564	\$ 966,732
5457	73	Leisure and Aquatic Center	1.60	2020	600,025	880,801
5750	99	Port of Nanaimo Center	1.75	2026	7,431,107	8,206,571
5750	101	Port of Nanaimo Center	2.25	2027	8,206,571	8,952,209
7050	102	Fire Station #4	2.25	2027	2,051,643	2,238,052
7257	146	Fire Station #1	3.20	2038	3,235,354	-
		Garbage Trucks	2.80	2022	1,168,000	1,452,200
		Garbage Trucks	2.80	2023	4,000,465	-
					<u>27,351,729</u>	<u>22,696,565</u>
<u>Waterworks Fund - User Fee Supported</u>						
7127	126	Water Treatment Plant	3.85	2033	10,880,868	11,403,371
7127	127	Water Treatment Plant	3.30	2034	7,888,046	8,235,575
					<u>18,768,914</u>	<u>19,638,946</u>
					<u>\$ 46,120,643</u>	<u>\$ 42,335,511</u>

**CITY OF NANAIMO**  
**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended December 31, 2018

**NOTE 10 - TANGIBLE CAPITAL ASSETS**

<u>Net Book Value</u>	<u>2018</u>	<u>2017</u>
Land	\$ 97,177,758	\$ 92,324,119
Land Improvements	20,695,817	21,234,002
Leasehold Improvements	1,409,954	262,782
Marine Structures	309,610	350,772
Buildings	116,725,868	117,586,461
Vehicles and Equipment	18,469,181	13,143,524
IT Infrastructure	1,370,894	838,319
Drainage	75,848,623	74,706,974
Transportation	135,648,462	132,776,385
Sewer	35,304,839	32,653,865
Water	190,828,083	187,338,235
	<hr/>	<hr/>
	693,789,089	673,215,438
Work In Progress	8,120,666	13,000,238
	<hr/>	<hr/>
	\$ 701,909,755	\$ 686,215,676

See schedule of tangible capital assets (page 10) for more information. There were no write downs of tangible capital assets for 2017 and 2018. Developer contributed assets recognized in 2018 were \$4,727,790 (2017 - \$3,724,488) recorded at fair value at the time of receipt. These include transportation, drainage, sewer and water infrastructure and the land under these assets.

**CITY OF NANAIMO**  
**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended December 31, 2018

**NOTE 11 - ACCUMULATED SURPLUS**

	<u>2018</u>	<u>2017</u>
Reserve Accounts (Note 22)	\$ 72,137,770	\$ 65,325,545
Surplus - General	5,487,046	5,499,908
Surplus - Sewer System	6,722,290	6,834,001
Surplus - Waterworks	5,827,789	5,545,156
Investment in Tangible Capital Assets (Note 18)	659,159,112	643,880,165
Community Works Reserve Fund (Gas Tax Agreement)	8,569,140	5,450,615
Equipment Depreciation Reserve	6,943,362	7,516,016
Facility Development (Recreation) Reserve	3,210,785	3,125,384
Property Sales Reserve	1,140,712	2,325,949
Knowles Estate Reserve	429,499	420,076
Parkland Dedication Reserve	1,149,945	638,458
Old City Neighborhood Parking Reserve	90,891	88,896
General Asset Management Reserve	11,258,946	10,148,379
Sewer Asset Management Reserve	2,833,790	1,146,300
Water Asset Management Reserve	4,646,912	2,664,841
Regional Emissions Reduction Reserve	549,218	461,108
	<u>\$ 790,157,207</u>	<u>\$ 761,070,797</u>

**NOTE 12 - COMMITMENTS AND CONTINGENCIES**

**(a) Liability Claims**

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

# CITY OF NANAIMO

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended December 31, 2018

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

#### (b) BC Assessment Authority Appeals

As at December 31, 2018, there were various appeals pending with respect to assessed values of properties. The outcome of those appeals may result in adjustments to property taxes receivable for the current and prior years. The City makes a provision against property taxes receivable for the impact of appeals where the losses are likely and the amounts are reasonably determinable.

#### (c) Joint and Several Liabilities

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

The City issues its debt instruments primarily through the MFA. Demand notes are executed in connection with each debenture whereby the City may be required to pay certain amounts to the Regional District of Nanaimo. These demand notes of \$1,951,342 (2017 – \$1,871,727) are contingent in nature and given the low likelihood of payment are not reflected in the accounts.

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

#### (d) Subsidence of Mines

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

**CITY OF NANAIMO**  
**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended December 31, 2018

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

**(e) Commitments**

The City has \$16,700,000 (2017 - \$14,500,000) in open purchase orders at year end which have not been recorded in the financial statements. The funding for the majority of these obligations has been set aside in reserves for future expenditures. These amounts will be recorded in the period that the goods and services, to which they relate, are received.

**(f) Guarantees**

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

**NOTE 13 - CEMETERY CARE FUND**

The City operates the cemetery and maintains a cemetery perpetual care fund in accordance with the *Cremation, Interment and Funeral Services Act*. The trust fund assets and liabilities are not included in the consolidated financial statements. At December 31, 2018, the balance of funds held in trust was \$584,618 (2017 - \$567,918).

**NOTE 14 - ANNUAL BUDGET**

These financial statements include the Annual Budget as approved by Council on May 7, 2018. No amendments subsequent to this date have been included. The following is a reconciliation of the budget presentation required for the 2018 financial statements and the annual financial plan bylaw:

Annual Budgeted Surplus - Statement of Operations	\$ 18,499,762
Cemetery Care Fund - not in reporting entity	7,500
Net Proceeds from Internal Borrowing	4,669,250
Use of Development Cost Charges	<u>(9,869,250)</u>
Annual Surplus from the 2018 Financial Plan	13,307,262
Amortization, not funded	24,811,956
Capital Expenditures	(78,577,359)
Proceeds from Borrowing	7,819,475
Principal Repayment of Debt	(3,830,062)
Transfers from Accumulated Surplus	<u>36,468,728</u>
Net Annual Budget - as approved	\$ -

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**CITY OF NANAIMO**  
**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended December 31, 2018

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

	<u>Municipal</u>	<u>Other</u>	<u>2018</u> <u>Total</u>	<u>2017</u> <u>Total</u>
Property Taxes	\$ 99,148,750	\$ 63,844,460	\$ 162,993,210	\$ 156,789,437
Business Improvement Area Levies	41,182	-	41,182	40,774
Vancouver Island Regional Library	4,449,268	-	4,449,268	4,332,949
Taxes in Lieu of Licenses	1,453,514	-	1,453,514	1,446,334
Payments in Lieu of Taxes	2,047,951	565,302	2,613,253	2,396,339
	<u>\$ 107,140,665</u>	<u>\$ 64,409,762</u>	<u>\$ 171,550,427</u>	<u>\$ 165,005,833</u>
			<u>2018</u>	<u>2017</u>
Less Collections for Other Governments:				
Province of British Columbia (School Tax)			\$ 38,973,462	\$ 38,054,892
Regional District of Nanaimo			20,455,282	18,450,297
Nanaimo Regional Hospital District			3,958,374	3,892,423
Other Agencies			1,022,644	977,229
			<u>64,409,762</u>	<u>61,374,841</u>
Taxation and Payments in Lieu			<u>\$ 107,140,665</u>	<u>\$ 103,630,992</u>

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

	<u>2018</u>	<u>2017</u>
Waterworks	\$ 20,456,762	\$ 18,098,377
Recreation Programs	6,405,502	6,639,352
Sewer System	7,413,830	7,085,084
Garbage Collection	5,661,854	4,395,988
Vancouver Island Conference Centre	2,415,868	1,785,899
Public Works	706,180	650,528
Parking	1,786,935	1,590,319
Other	263,130	308,956
Community Safety	219,134	226,577
	<u>\$ 45,329,195</u>	<u>\$ 40,781,080</u>

**CITY OF NANAIMO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended December 31, 2018

**NOTE 17 - TRANSFERS FROM OTHER GOVERNMENTS**

	<u>2018</u>	<u>2017</u>
<u>Federal</u>		
Gas Tax	\$ 3,758,343	\$ 3,637,130
Other	228,881	77,527
	<u>3,987,224</u>	<u>3,714,657</u>
<u>Provincial</u>		
Casino Gaming	2,923,995	2,863,235
Revenue Sharing	1,243,135	1,180,215
Other	1,851,426	366,479
	<u>6,018,556</u>	<u>4,409,929</u>
<u>Regional District of Nanaimo</u>		
Other	85,250	250,308
Total transfers from other governments	<u>\$ 10,091,030</u>	<u>\$ 8,374,894</u>
Transfers from other governments - capital	\$ 5,371,865	\$ 3,745,004
Transfers from other governments - operating	4,719,165	4,629,890
Total transfers from other governments	<u>\$ 10,091,030</u>	<u>\$ 8,374,894</u>

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

	<u>2018</u>	<u>2017</u>
Investment in Tangible Capital Assets - beginning of year	\$ 643,880,165	\$ 637,203,418
Add:		
Capital Additions	40,710,037	29,700,066
Reductions in Long-term Debt	3,646,189	3,089,789
Less:		
Proceeds from long-term borrowing	(4,061,321)	(1,500,000)
Amortization	(23,732,384)	(23,319,708)
Net Book Value of Asset Disposals	(1,283,574)	(1,293,400)
Investment in Tangible Capital Assets - end of year	<u>\$ 659,159,112</u>	<u>\$ 643,880,165</u>



# CITY OF NANAIMO NOTES TO THE FINANCIAL STATEMENTS

for the year ended December 31, 2018

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## NOTE 19 - MUNICIPAL PENSION PLAN

The City and its employees contribute to the Municipal Pension Plan (the Plan), a jointly trustee pension plan. The Board of Trustees, representing plan members and employers, is responsible for administering the plan, including investment of the assets and administration of benefits. The Plan is a multi-employer defined benefit pension plan. Basic pension benefits provided are based on a formula. The Plan has about 197,000 active members and approximately 95,000 retired members. Active members include approximately 39,000 contributors from Local Government.

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

The most recent valuation for the Municipal Pension Plan as at December 31, 2015 indicated a \$2,224 million funding surplus for basic pension benefits on a going concern basis. As a result of the 2015 basic account actuarial valuation surplus and pursuant to the joint trustee agreement, \$1,927 million was transferred to the rate stabilization account and \$297 million of the surplus ensured the required contribution rates remained unchanged. During 2018, City of Nanaimo contributions to the plan were:

	<u>2018</u>	<u>2017</u>
Employer Portion	\$ 5,329,342	\$ 5,073,448
Employee Portion	4,438,251	4,196,419
	<u>\$ 9,767,593</u>	<u>\$ 9,269,867</u>

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

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

**NOTE 20 - FINANCIAL INSTRUMENTS**

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

The City's financial instruments consist of cash and cash equivalents, accounts receivable, development cost charges receivable, temporary investments, accounts payable and accrued liabilities and debt. The City does not hold any asset-backed commercial paper or hedge funds. The financial risk is the risk to the City's earnings that arises from fluctuations in interest rates, foreign exchange rates, and the degree of volatility of these rates. The City does not use derivative instruments to reduce its exposure to interest rate risk nor foreign exchange risk as management does not consider the risks material. Based on available market information, the carrying value of the City's financial instruments approximates their fair value with the exception of temporary investments for which market values are disclosed in Note 4.

**(b) Credit Risk**

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

**NOTE 21 - COMPARATIVE FIGURES**

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

The City reclassified \$986,376 from the Port of Nanaimo Center user fees to the Port of Nanaimo Center contracted services in 2017. This reclassification has no impact on surplus.

**CITY OF NANAIMO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended December 31, 2018

**NOTE 22 - RESERVES**

	<u>Work in Progress</u>	<u>Available for Future Commitments</u>	<u>2018</u>	<u>2017</u>
<u>General Revenue Fund Reserve Accounts</u>				
Fire & Emergency Services	\$ 23,330	\$ 2,592,293	\$ 2,615,623	\$ 2,447,488
Parks & Recreation	-	223,717	223,717	104,281
Strategic Partnerships	-	25,543	25,543	30,728
General Capital	62,033	5,844,634	5,906,667	4,789,403
Prior Year Carry Forwards	3,380,118	-	3,380,118	3,880,471
Housing Legacy Reserve	42,129	2,321,937	2,364,066	2,328,320
Uncollected Taxes	-	2,759,115	2,759,115	2,570,566
Uninsured Claims	-	2,587,805	2,587,805	2,535,386
Allowance for Bad Debts	6,000	44,000	50,000	50,000
RCMP Contract	127,243	2,816,942	2,944,185	3,113,842
Information Technology Infrastructure	620,534	334,033	954,567	1,488,598
Sustainability Initiatives	307,011	119,644	426,655	567,076
Parking Reserve	767,140	922,711	1,689,851	1,117,583
Conference Centre	88,700	524,258	612,958	754,916
Snow Removal	-	200,000	200,000	-
Property Acquisition	-	3,163,383	3,163,383	1,563,383
Strategic Infrastructure	2,018,576	96,586	2,115,162	680,000
General Financial Sustainability	591,954	1,200,046	1,792,000	950,000
Colliery Dam Reserve	26,979	116,924	143,903	199,123
Photocopier Reserve	79,800	352,644	432,444	368,580
Casino Funds	-	1,448,844	1,448,844	1,186,846
Sanitation Leveling Reserve	114,880	314,342	429,222	-
	<u>8,256,427</u>	<u>28,009,401</u>	<u>36,265,828</u>	<u>30,726,590</u>
<u>Sewer Revenue Reserve Accounts</u>				
General Capital	4,416,680	6,825,223	11,241,903	10,612,883
Growth Related Projects	-	-	-	916
	<u>4,416,680</u>	<u>6,825,223</u>	<u>11,241,903</u>	<u>10,613,799</u>
<u>Waterworks Revenue Fund Reserve Accounts</u>				
General Capital	19,629,974	3,100,065	22,730,039	21,985,495
Growth Related Projects	-	1,900,000	1,900,000	1,900,000
Local Improvement Projects	-	-	-	99,661
	<u>19,629,974</u>	<u>5,000,065</u>	<u>24,630,039</u>	<u>23,985,156</u>
Total Reserve Accounts	<u>\$32,303,081</u>	<u>\$ 39,834,689</u>	<u>\$72,137,770</u>	<u>\$65,325,545</u>

# CITY OF NANAIMO

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended December 31, 2018

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### NOTE 23 - SEGMENT REPORTING

The City's operations and activities are organized and reported by Fund. City services are provided by departments and their activities are reported in these funds. See Schedule of Operations by Segment (page 8).

#### GENERAL REVENUE FUND

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

##### City Administration

The Chief Administrative Officer's office assists Council to establish its strategic direction for the City and takes the lead role in managing the implementation of policy direction established by Council. The Office also provides managerial leadership and direction to all City departments and operations.

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

##### Corporate Services

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

##### Development Services

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

##### Fire

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

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

**Police**

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

**Port of Nanaimo Centre**

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

**Parks and Recreation**

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

**Engineering and Public Works**

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

**SEWER SYSTEM**

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

**WATERWORKS**

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

**CITY OF NANAIMO**  
**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended December 31, 2018

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**NOTE 24 - CONTRACTUAL RIGHTS**

The City of Nanaimo has entered into various contracts for rental revenue within the normal course of operations. The estimated contractual rights under these contracts for the years ending December 31 are as follows:

2019	\$ 872,221
2020	881,776
2021	883,380
2022	885,036
2023	886,774
	<u>\$ 4,409,187</u>

In addition to these contractual rights, the City has agreements with several parties that provide for the recovery of costs and payments of annual fees and commissions based on annual results.



Maffeo Sutton Park

# CITY OF NANAIMO

THE HARBOUR CITY



# Neck Point Park...

*one of Nanaimo's many gems.*



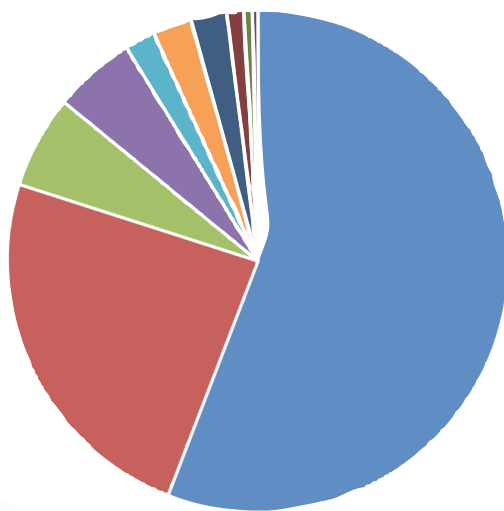
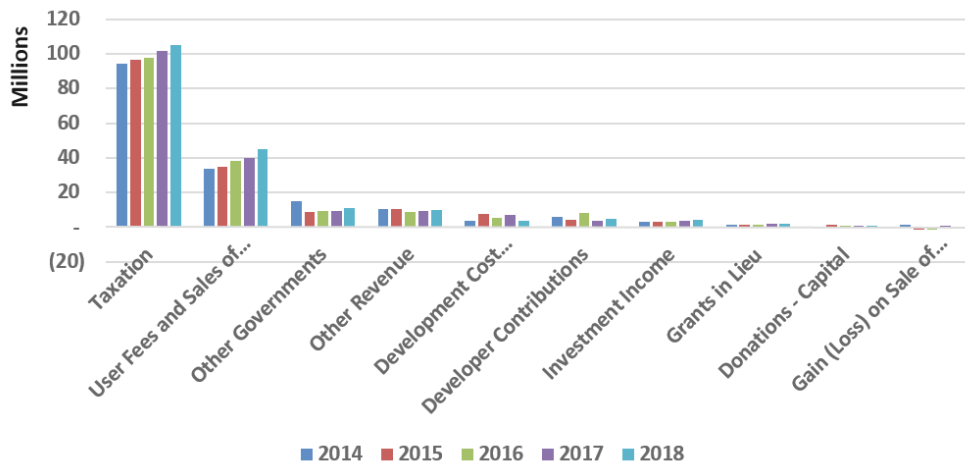


# Statistical Section

## Statistical & Financial Analysis 2014-2018



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



- 56.4% Taxation
- 24.3% User Fees and Sales of Service
- 6.0% Other Governments
- 5.3% Other Revenue
- 2.0% Development Cost Charges
- 2.5% Developer Contributions
- 2.3% Investment Income
- 1.1% Grants in Lieu
- 0.5% Donations - Capital
- -0.4% Gain (Loss) on Sale of Assets

### Revenue by Source Last Five Fiscal Years Comparison

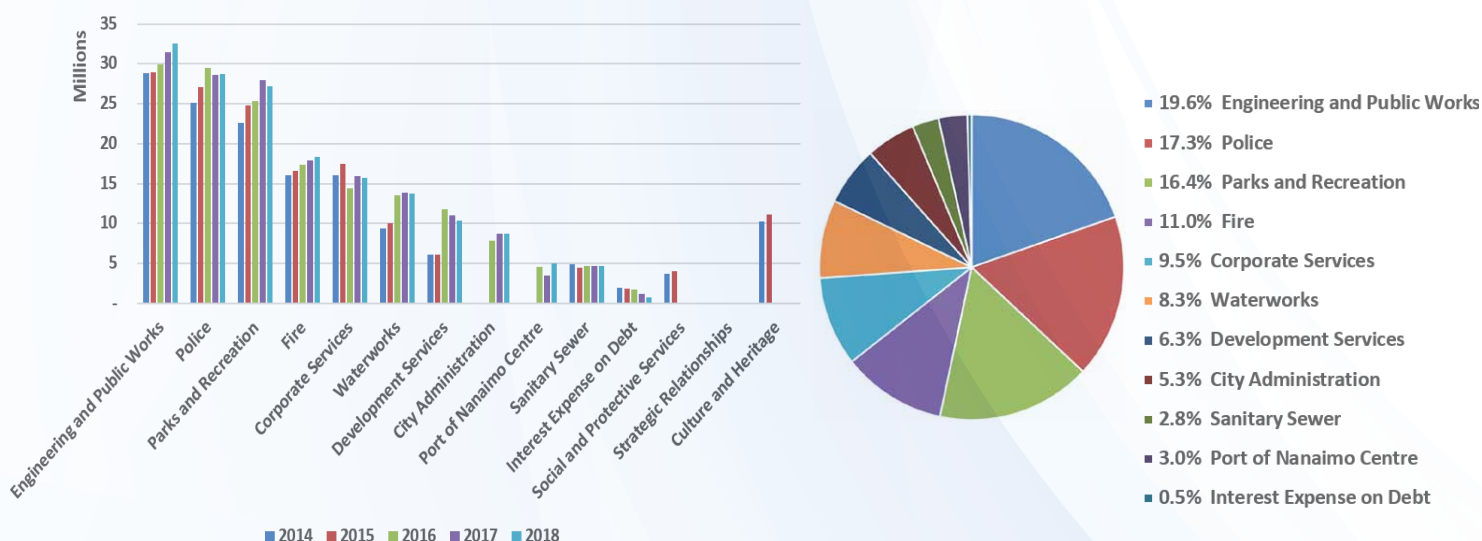
	2014	2015	2016	2017	2018
Taxation	94,551,269	96,670,960	98,006,106	101,772,627	105,092,714
User Fees and Sales of Service	33,699,231	34,809,133	38,348,292	39,794,704	45,329,195
Other Governments	15,010,858	9,023,388	9,107,114	9,488,460	11,241,378
Other Revenue	10,453,399	10,608,631	8,523,151	9,358,666	9,950,204
Development Cost Charges	3,421,649	7,762,983	5,390,435	6,802,341	3,691,180
Developer Contributions	5,850,960	4,234,016	8,126,066	3,724,488	4,727,790
Investment Income	3,154,310	3,021,276	3,010,006	3,403,150	4,380,302
Grants in Lieu	1,409,584	1,517,802	1,459,260	1,858,365	2,047,951
Donations - Capital	-	1,359,744	1,018,653	972,902	1,015,560
Gain (Loss) on Sale of Assets	1,450,650	(1,363,185)	(1,533,210)	852,358	(699,223)
<b>Total Revenue</b>	<b>\$ 169,001,910</b>	<b>\$ 167,644,748</b>	<b>\$ 171,455,873</b>	<b>\$ 178,028,061</b>	<b>\$ 186,777,051</b>

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

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

Please note:

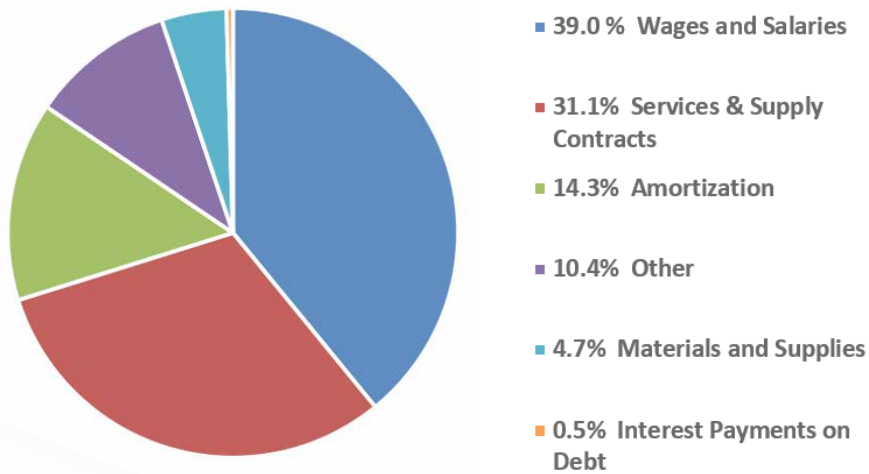
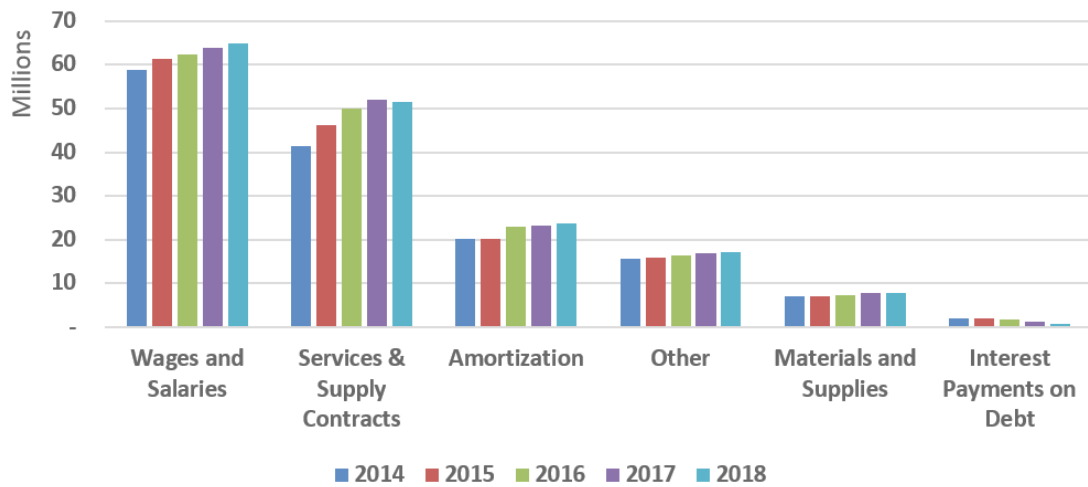
- Strategic Relationships is now part of Corporate Services
- Culture and Heritage is now part of Community Development
- Social and Protective Services is now part of either Police or Fire Services
- City Administration was part of Corporate Services
- Port of Nanaimo Centre was included in Culture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



### Expenses

Analysis by Function	2014	2015	2016	2017	2018
Engineering and Public Works	28,885,461	28,941,359	29,943,004	31,513,496	32,542,956
Police	25,091,849	27,091,921	29,454,469	28,576,851	28,724,278
Parks and Recreation	22,614,711	24,755,181	25,399,652	27,942,297	27,163,217
Fire	16,061,810	16,587,816	17,346,663	17,873,093	18,314,945
Corporate Services	16,095,270	17,524,024	14,381,681	15,988,978	15,682,893
Waterworks	9,352,258	10,008,935	13,494,780	13,841,302	13,742,777
Development Services	6,104,472	6,073,590	11,776,206	11,072,350	10,375,538
City Administration	-	-	7,826,403	8,684,928	8,726,576
Port of Nanaimo Centre	-	-	4,624,689	3,450,781	5,044,608
Sanitary Sewer	4,873,137	4,409,251	4,701,041	4,692,495	4,675,679
Interest Expense on Debt	1,989,179	1,884,239	1,741,095	1,187,435	760,041
Social and Protective Services	3,747,953	3,971,770	-	-	-
Strategic Relationships	-	-	-	-	-
Culture and Heritage	10,224,787	11,160,777	-	-	-
<b>Total Expenses by Function</b>	<b>\$ 145,040,887</b>	<b>\$ 152,408,863</b>	<b>\$ 160,689,683</b>	<b>\$ 164,824,006</b>	<b>\$ 165,753,508</b>

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



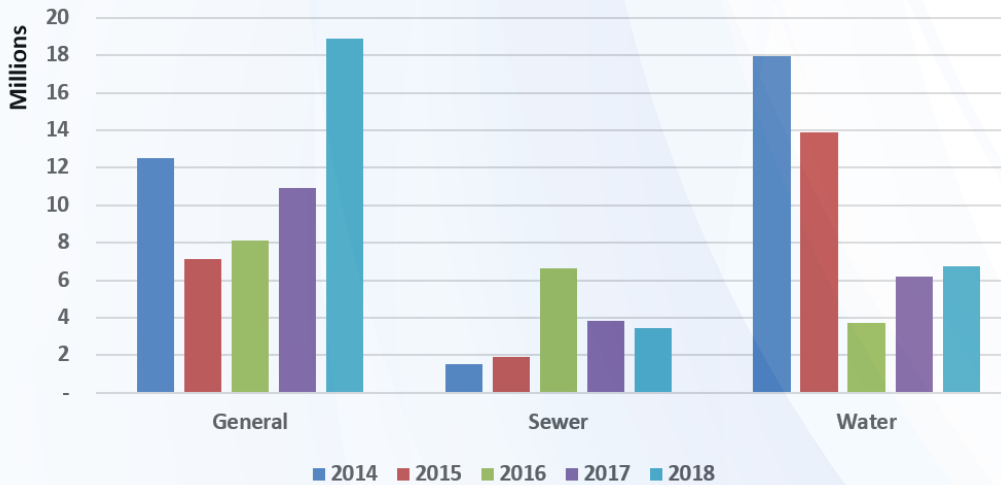
### Expenses

Analysis by Object	2014	2015	2016	2017	2018
Wages and Salaries	58,876,116	61,269,748	62,325,770	63,792,630	64,820,429
Services & Supply Contracts	41,470,741	46,204,265	49,913,646	51,983,811	51,479,092
Amortization	20,199,518	20,288,865	22,926,296	23,319,708	23,732,384
Other	15,543,063	15,824,526	16,454,334	16,778,884	17,209,551
Materials and Supplies	6,962,270	6,937,220	7,328,542	7,761,538	7,752,011
Interest Payments on Debt	1,989,179	1,884,239	1,741,095	1,187,435	760,041
<b>Total Expenses by Object</b>	<b>\$ 145,040,887</b>	<b>\$ 152,408,863</b>	<b>\$ 160,689,683</b>	<b>\$ 164,824,006</b>	<b>\$ 165,753,508</b>

# Annual Surplus

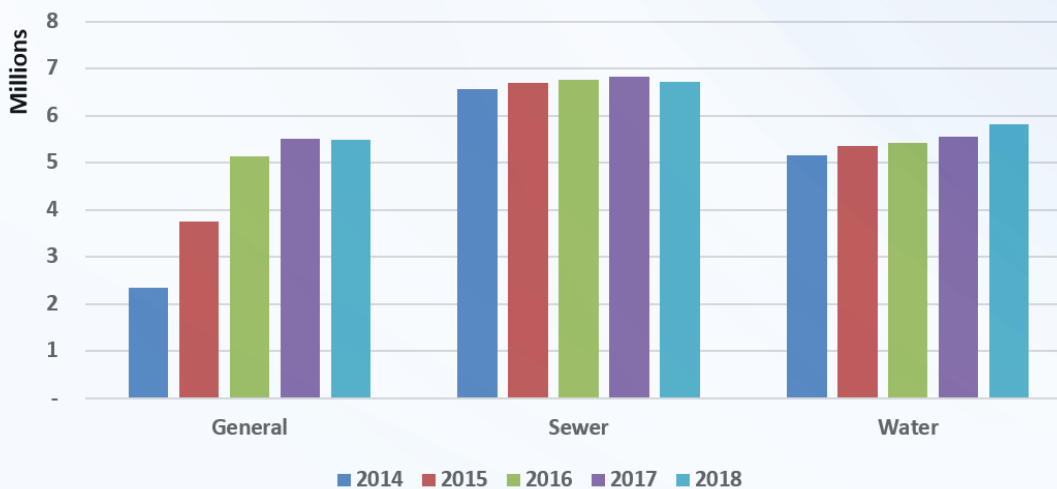
**Surplus for the Year**  
Last Five Fiscal Years Comparison

	2014	2015	2016	2017	2018
General	12,528,235	7,124,794	8,088,533	10,932,034	18,899,472
Sewer	1,548,904	1,932,014	6,648,872	3,835,551	3,468,169
Water	17,950,206	13,860,039	3,722,969	6,212,462	6,718,769
<b>Total Surplus</b>	<b>\$ 32,027,345</b>	<b>\$ 22,916,847</b>	<b>\$ 18,460,374</b>	<b>\$ 20,980,047</b>	<b>\$ 29,086,410</b>



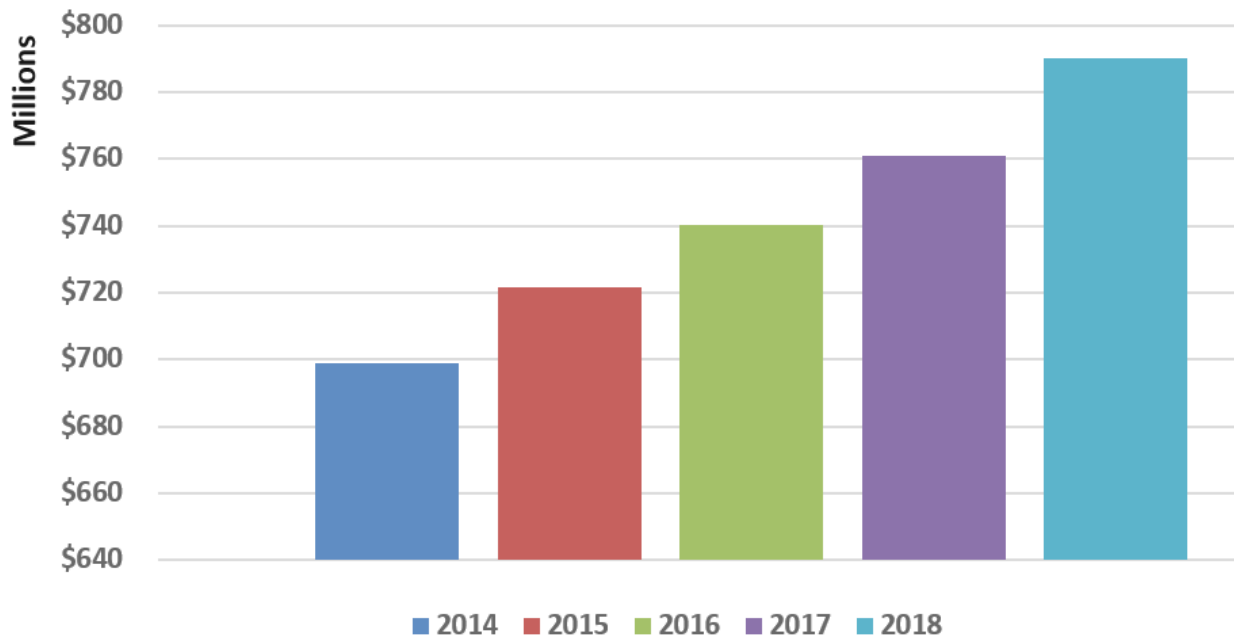
**Accumulated Operating Surplus**  
Last Five Fiscal Years Comparison

	2014	2015	2016	2017	2018
General	2,343,849	3,752,211	5,139,416	5,499,908	5,487,046
Sewer	6,569,167	6,695,163	6,765,372	6,834,001	6,722,290
Water	5,167,765	5,356,715	5,430,316	5,545,156	5,827,789
<b>Total Surplus</b>	<b>\$ 14,080,781</b>	<b>\$ 15,804,089</b>	<b>\$ 17,335,104</b>	<b>\$ 17,879,065</b>	<b>\$ 18,037,125</b>



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

	2014	2015	2016	2017	2018
Total Accumulated Surplus	\$ 698,713,529	\$ 721,630,376	\$ 740,090,750	\$ 761,070,797	\$ 790,157,207

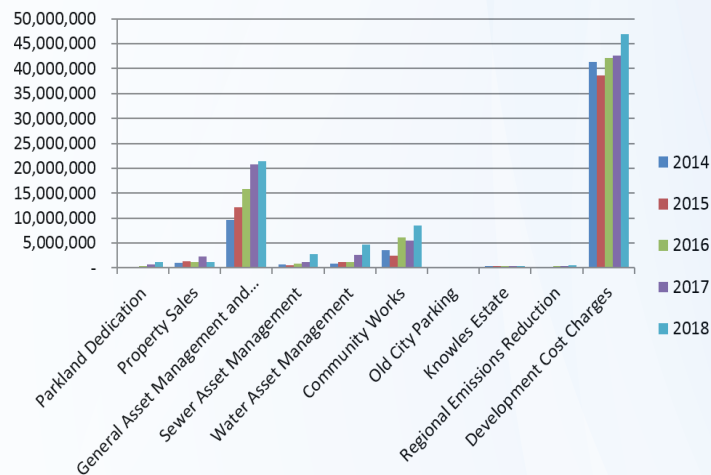


# Reserve Funds (Source: City of Nanaimo Finance & IT Department)

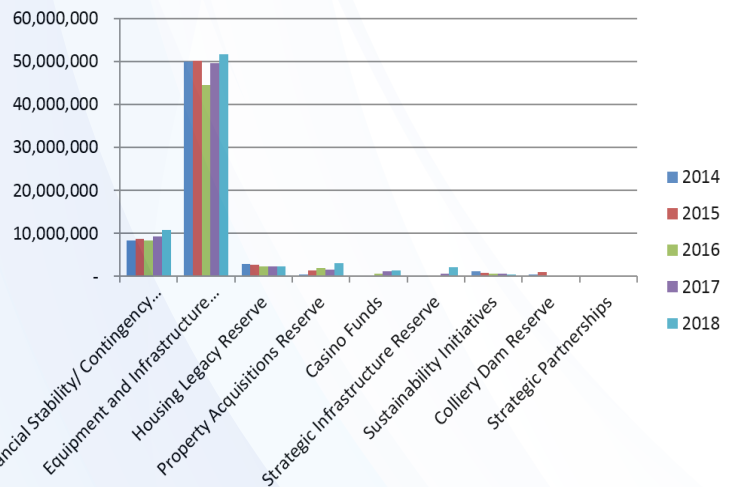
The City maintains operating reserves that provide funds for future infrastructure and strategic investment. Contributions to operating reserves are through allocations of prior year surplus and through annual contributions.

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

## Summary of Statutory Reserve Funds



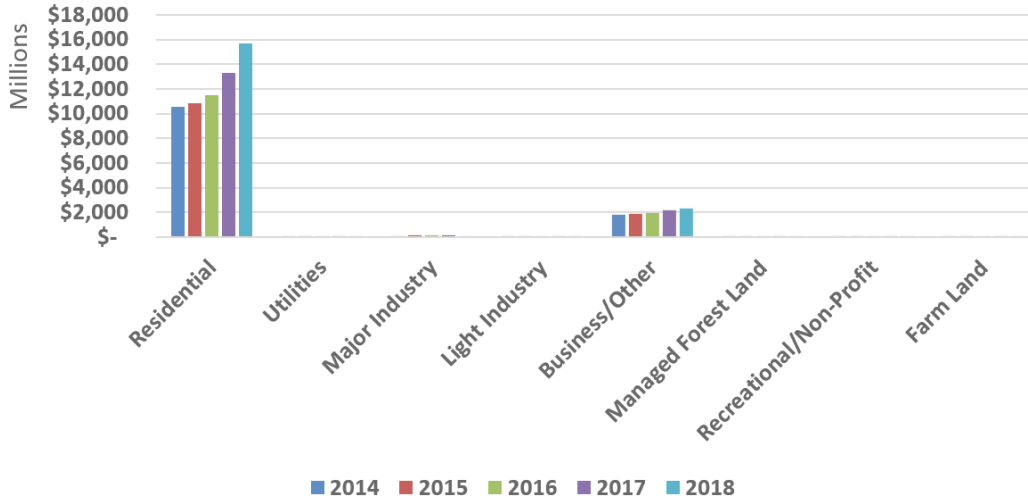
## Summary of General Reserve Funds



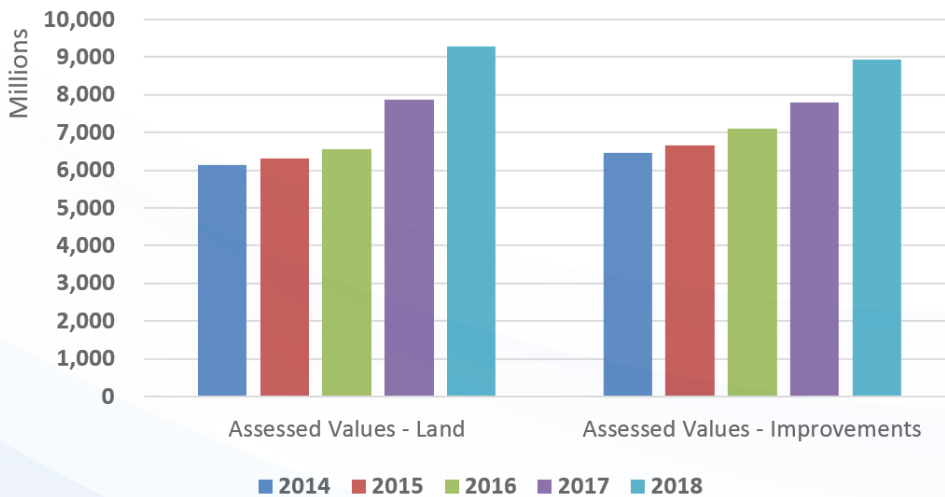
### Reserve Funds

	2014	2015	2016	2017	2018
<b>Reserve Funds:</b>					
Financial Stability/ Contingency Reserves	8,329,587	8,793,935	8,324,304	9,219,794	10,762,327
Equipment and Infrastructure Replacement Reserves	50,069,224	50,132,856	44,507,541	49,550,275	51,687,887
Housing Legacy Reserve	2,874,365	2,761,573	2,415,652	2,328,320	2,364,066
Property Acquisitions Reserve	376,056	1,334,833	1,963,077	1,563,383	3,163,383
Casino Funds	170,728	256,613	723,611	1,186,846	1,448,844
Strategic Infrastructure Reserve	-	-	-	680,000	2,115,162
Sustainability Initiatives	1,135,966	790,470	726,731	567,076	426,655
Colliery Dam Reserve	372,685	972,479	242,454	199,123	143,903
Strategic Partnerships	-	250,000	250,000	30,728	25,543
<b>Total General Reserves:</b>	<b>63,328,611</b>	<b>65,292,759</b>	<b>59,153,370</b>	<b>65,325,545</b>	<b>72,137,770</b>
<b>Statutory Reserve Funds:</b>					
Parkland Dedication	50,215	211,565	375,527	638,458	1,149,945
Property Sales	1,074,208	1,331,516	1,183,092	2,325,949	1,140,712
General Asset Management and Equipment and Infrastructure Renewal	9,642,684	12,134,387	15,833,336	20,789,779	21,413,093
Sewer Asset Management	746,650	512,605	834,516	1,146,300	2,833,790
Water Asset Management	943,649	1,225,984	1,135,280	2,664,841	4,646,912
Community Works	3,609,979	2,490,950	6,136,926	5,450,615	8,569,140
Old City Parking	84,098	85,647	87,227	88,896	90,891
Knowles Estate	437,651	430,717	435,516	420,076	429,499
Regional Emissions Reduction	218,754	301,833	377,438	461,108	549,218
Development Cost Charges	41,398,345	38,658,888	42,228,902	42,617,685	46,965,417
<b>Total Statutory Reserves:</b>	<b>58,206,233</b>	<b>57,384,092</b>	<b>68,627,760</b>	<b>76,603,707</b>	<b>87,788,617</b>
	-	-	-	-	-
	<b>121,534,844</b>	<b>122,676,851</b>	<b>127,781,130</b>	<b>141,929,252</b>	<b>159,926,387</b>

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

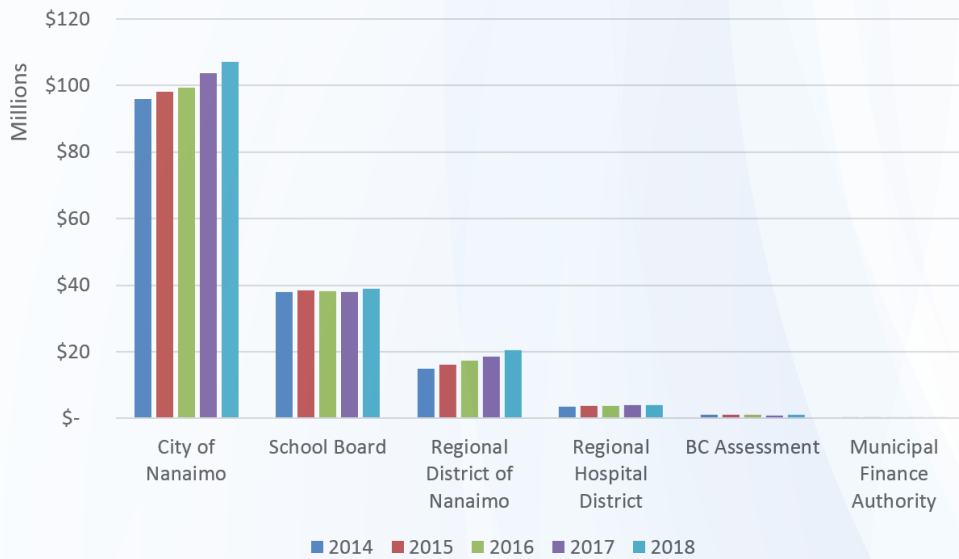


## Assessed Value for General Municipal Purposes (Source: BC Assessment Authority)





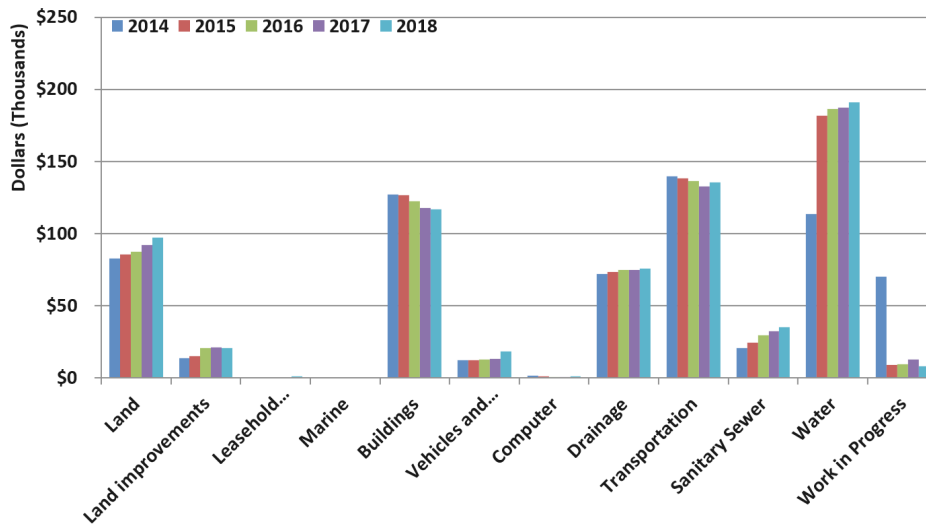
## Taxes Collected by All Taxing Authorities (Source: City of Nanaimo Finance Department)



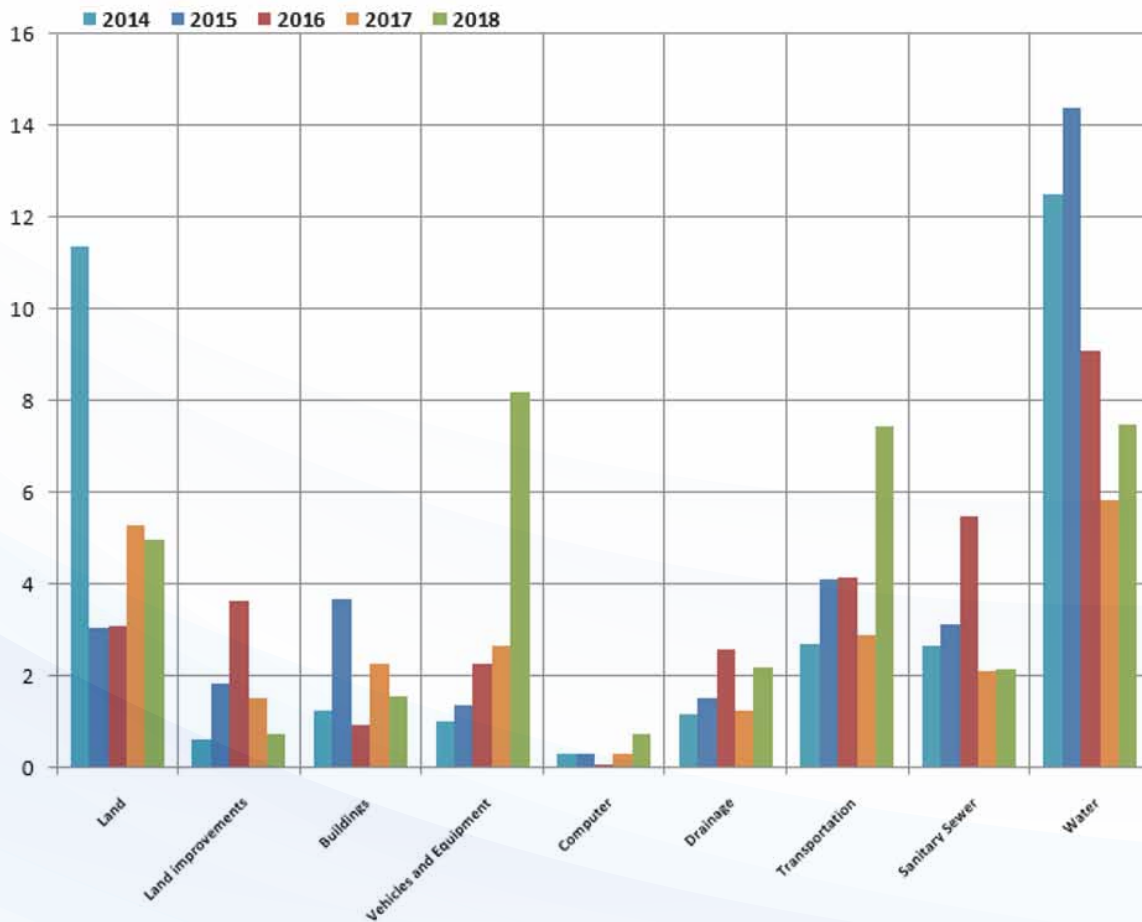
## Total Value of Building Permits (Source: City of Nanaimo Finance Department)



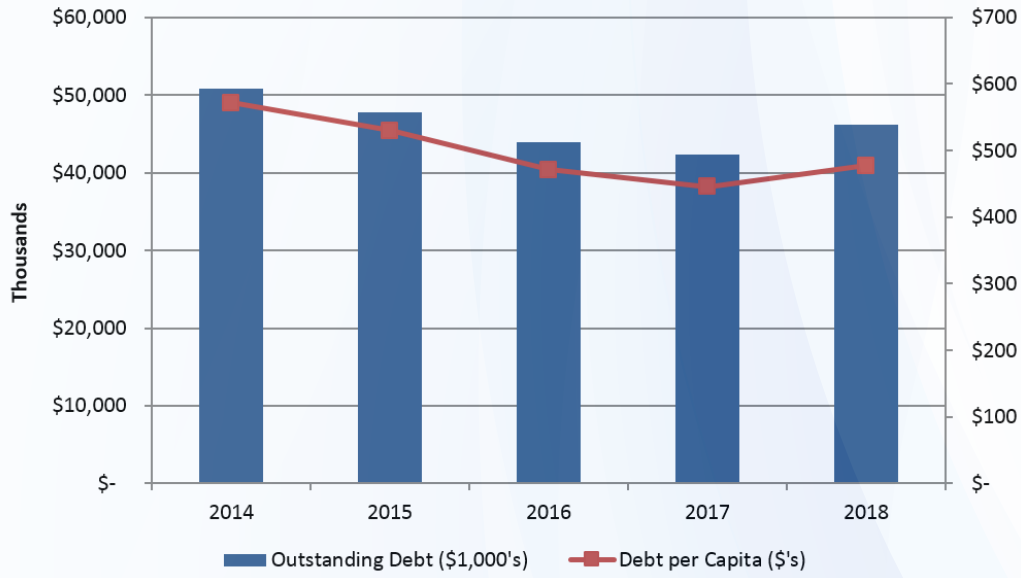
## Net Book Value of Tangible Capital Assets (Source: City of Nanaimo Finance Department)



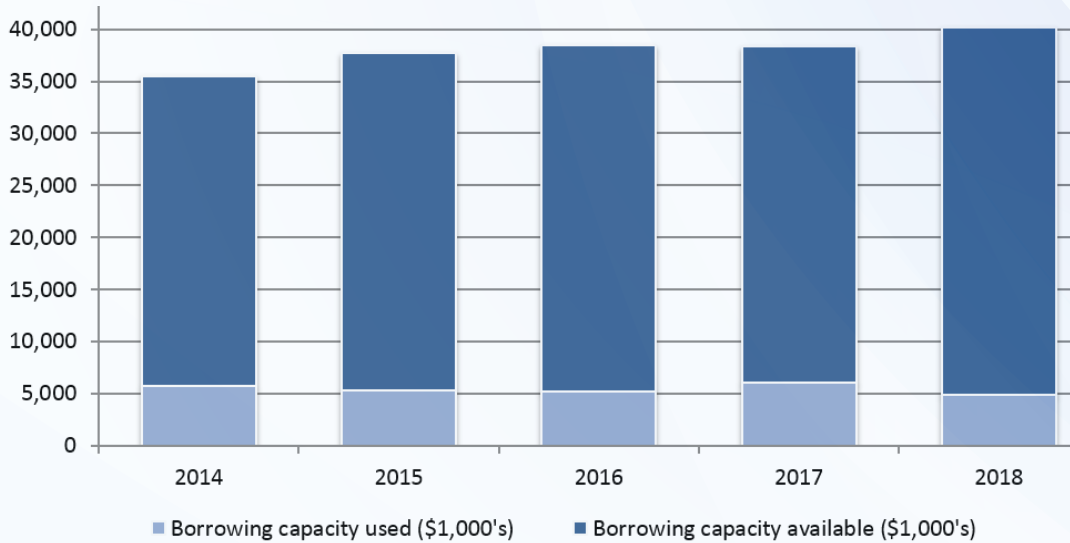
## Total Assets Acquisition (Source: City of Nanaimo Finance Department)



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

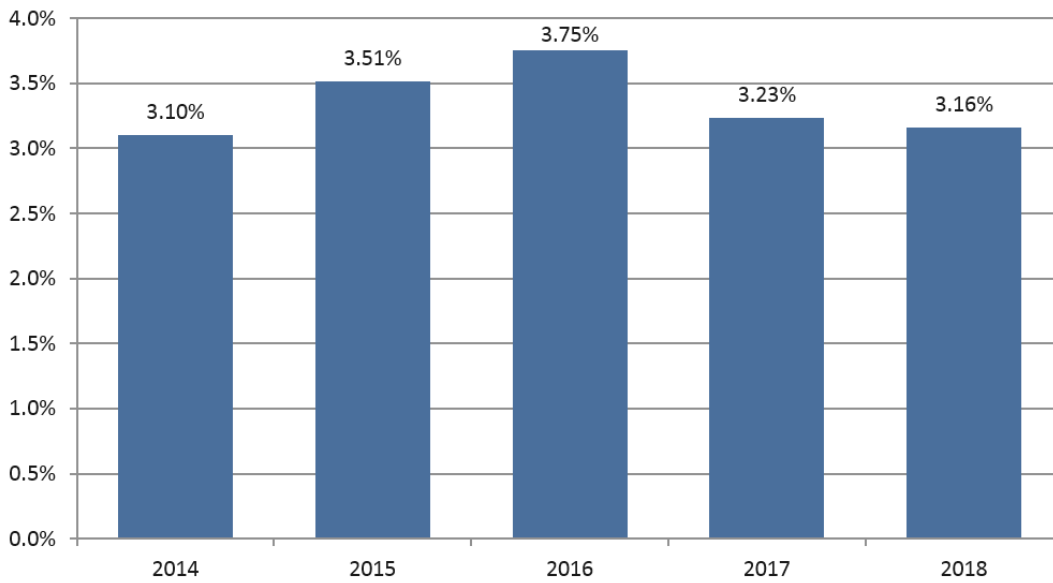


## Legal Debt Limit (Source: City of Nanaimo Finance Department)



## Debt Servicing as a Percentage of Expenditures\*

(Source: City of Nanaimo Finance & IT Department)



\*Includes operating and capital expenses but excludes amortization



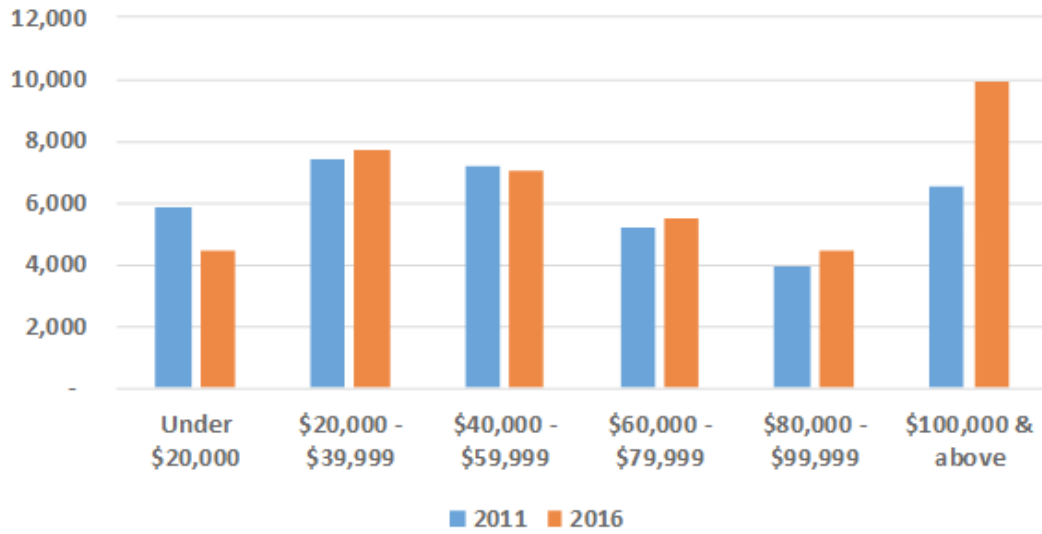
## Operational Comparative Statistics (Source: City of Nanaimo Finance & IT Department)

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

	2014	2015	2016	2017	2018
Population *	88,869	90,059	93,273	96,561	97,619
Registered Voters	62,673	63,975	63,975	63,975	69,165
No. of Properties (Folios)	36,152	36,446	36,804	37,322	37,699
Paved Roads in Km.	612	616	619	621	623
Sanitary Sewer Lines in Km.	666	667	671	672	677
Storm Sewer Lines in Km.	543	545	549	551	556
Water Lines in Km.	641	648	655	657	660
Municipal Full-Time Employees	605	607	605	605	617
<b>Police Protection</b>					
Number of Stations	1	1	1	1	1
Number of Police Officers	140	140	142	142	145
Number of Criminal Code Offences	10,453	9,206	10,573	10,355	12,191
<b>Fire Protection</b>					
Number of Stations	5	5	5	5	5
Number of Full-Time Personnel	103	103	103	102	103
Paid on Call Firefighters	55	38	30	30	19
Number of Calls Received	7,067	7,595	8,641	9,509	7,900
Number of Fire Hydrants	3,049	3,066	3,061	3,179	3,170
Value of Building Permits Issued	\$230,428,039	\$205,365,596	\$212,895,295	\$204,630,796	\$216,026,087

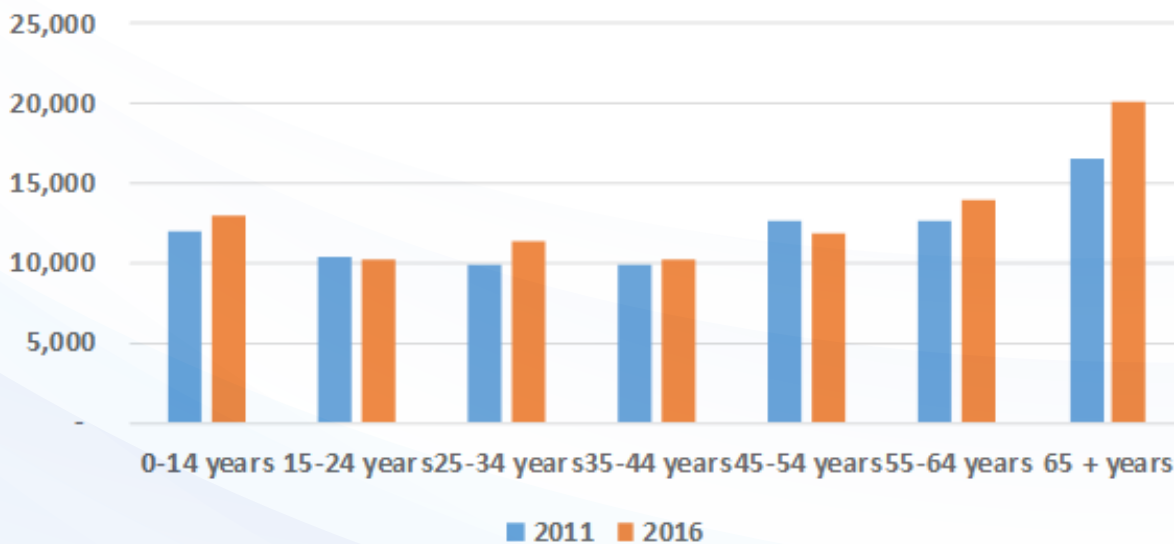


## Household Income in Nanaimo 2011 and 2016 (Source: Statistics Canada)



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

(Source: Statistics Canada)



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

	2014	2015	2016	2017	2018
General Government	85.7	85.7	84.7	92.0	93.0
Community Development	57.0	58.0	58.0	58.0	58.0
Parks and Recreation	128.9	127.8	127.8	126.4	129.2
Engineering and Public Works	113.5	112.8	107.8	106.8	103.8
Fire and Emergency Services	97.8	96.8	96.8	96.8	95.8
Police Services					
Municipal	64.0	63.9	63.6	62.8	61.3
RCMP	140.0	140.0	142.0	142.0	145.0
Bylaw, Regulation and Security	14.0	13.0	12.0	12.0	12.0
Emergency Communications (911)	16.0	16.0	10.0	10.0	9.5
Economic Development				1.0	1.0
Sanitary Sewer	8.8	8.8	9.8	9.8	9.8
Waterworks	19.5	24.5	29.5	29.5	29.5
<b>TOTAL FTEs</b>	<b>745.3</b>	<b>747.1</b>	<b>741.9</b>	<b>747.1</b>	<b>747.8</b>



# Where Do Your 2018 Tax Dollars Go?

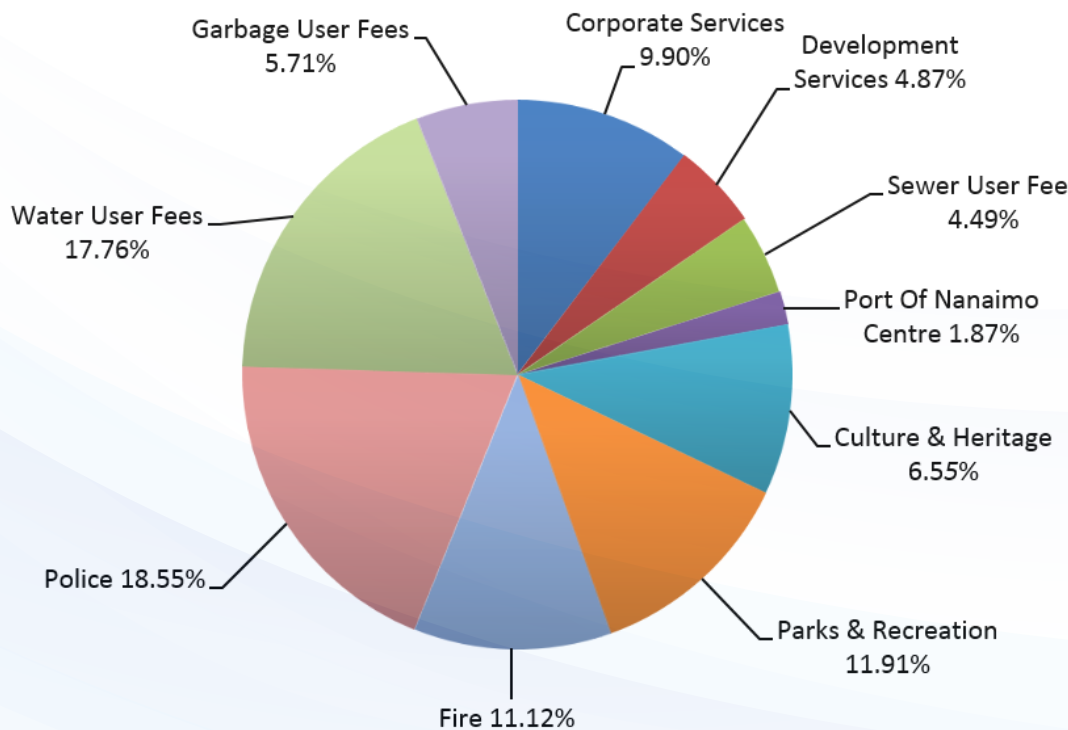
Based on a residential property with an 2018 assessed value of \$465,000

(Source: City of Nanaimo Finance & IT Department)

Municipal Taxes and User Rates	
Water User Fees	\$ 513.65
Police	536.51
Fire	321.72
Parks and Recreation	344.52
Engineering and Public Works	277.71
Corporate Services	286.20
Development Services	140.85
City Administration	121.83
Sewer User Fees	129.98
Garbage User Fees	165.00
Port of Nanaimo Centre	54.18
<b>Municipal Taxes and User Fee</b>	<b>\$2,892.15</b>

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

## 2018 Property Taxes & User Fees for a Residential Property with an Assessed Value of \$465,000





## Property Owners with Gross Taxes Exceeding \$250,000 in 2018

(Source: City of Nanaimo Finance & IT Department)

Rank	Property Owner	Primary Property	Total Tax Levied (all agencies)
1	Ivanhoe Cambridge   Inc Total	Woodgrove Centre	\$5,139,098.38
2	1854 Holdings Ltd	Nanaimo North Town Centre	\$2,238,226.29
3	Country Club Centre Ltd Total	Country Club Centre	\$1,495,610.94
4	Nanaimo Forest Products Ltd Total	Harmac Pulp Mill	\$1,285,627.17
5	First Capital Total	Port Place / VICC	\$992,548.31
6	BC Transportation Financing Authority Total	Various Properties	\$812,448.03
7	Nored Development Inc	Nored Plaza	476,248.81
8	NPR GP Inc	Various Properties	\$761,534.18
9	British Columbia Hydro & Power Auth Total	BC Hydro	\$747,892.24
10	Loblaws Properties West Inc	Real Canadian Superstore	\$718,512.04
11	Brooks Landing Centre Inc Total	Brooks Landing	\$709,216.75
12	0807593 BC Ltd	Longwood Station	\$597,167.38
13	Fernco Dev Ltd / Lenco Dev Ltd Total	Terminal Park / Various Properties	\$687,235.55
14	416382 BC Ltd	Dickinson Crossing	\$679,963.58
15	Fortis Energy (Vancouver Island) Inc Total	Fortis BC	\$651,514.43
16	Costco Wholesale Corp	Costco	\$577,020.90
17	Artis Aulds Corner Nanaimo Ltd Total	Milano's / Island Natural / HSBC / Vet Hospital	\$568,683.12
18	Duke Point Property Company ULC	Duke Point	\$546,387.36
19	Home Depot Holdings Inc	Home Depot	\$530,930.77
20	Telus Communications BC Ltd	Telus	\$517,589.26
21	Sophie Investments Inc Total	Rock City / Various Residential Properties	\$467,066.51
22	Mid Island Consumer Services Co-op	Co-op Centre	\$432,933.27
23	Shaw Cablesystems Ltd Total	Shaw	\$431,674.10
24	Dover Pointe Centre Ltd	Home Outfitters / Homesense / Pet Smart	\$426,947.90
25	WTF Investments Co Ltd	Metral Place Shopping Centre	\$424,841.46
26	Harewood Investments Ltd Total	University Village	\$423,781.18
27	Spire LP (Woodgrove Crossing) Ltd	Woodgrove Crossing	\$402,442.52
28	Slegg Developments Ltd	Slegg Lumber	\$377,246.93
29	Nanaimo Bastion Hotel Corp	Coast Bastion Hotel	\$350,631.93
30	Insight Holdings Ltd	Various Properties	\$348,737.88
31	Western Forest Products Inc Total	Duke Point Mill	\$346,828.66
32	Nanaimo Seniors Village Holdings Ltd	Nanaimo Seniors Village	\$346,215.57
33	Hopeplace Holdings Inc	Country Grocer / Various Properties	\$313,402.92
34	B 250 Holdings	Hammond Bay Centre	\$302,340.51
35	Maple Glen Holdings Ltd	Southgate Mall	\$291,518.13
36	Eldorado Development Corp Ltd	Bowen Centre	\$274,354.35
			<b>\$27,080,658.31</b>

## Permissive Tax Exemptions (Bylaw 7100, 7153, 7198, 7251)

(Source: City of Nanaimo Finance Department)

Organization	Municipal Taxes Exempt Portion
Anglican Synod Diocese of BC	28,336
BC Conference of the Mennonite Brethren, The	17,086
BC Corp Seventh Day Adventist	7,179
Basic Christian Community Assoc. (Bethlehem Centre)	35,401
BC Muslim Association, The	4,003
BC SPCA	22,087
Bishop of Victoria	29,025
Boys and Girls Clubs of Central Vancouver Island	15,189
British Columbia Old Age Pensioners Branch 4 Inc	1,791
Carey Real Estate Holdings Ltd.	25,619
Central Vancouver Island Multicultural Society	14,983
Christ Community Church	19,073
Christian and Missionary Alliance-Canadian Pacific District	7,887
Christian Science Society of Nanaimo	1,235
Church of Jesus Christ of Latter-Day Saints in Canada	10,848
Church of the Nazarene Canada Pacific District	7,791
Crimson Coast Dance Society	452
Crisis Pregnancy Centre of Nanaimo Society	4,028
Departure Bay Congregation of Jehovah's Witnesses Trustees	13,454
Ducks Unlimited Canada	10,397
First Baptist Church Nanaimo BC	9,203
Foursquare Gospel Church of Canada	13,277
GSMPD Sikh Temple Inc	3,504
Governing Council of the Salvation Army Canada West, The	19,440
Habitat for Humanity Mid-Vancouver Island	14,531
Hammond Bay Baptist Church	3,514
Harbour City Theatre Alliance Society	3,939
Hope Lutheran Church	9,038
Island Corridor Foundation	149,115
Island Crisis Care Society	13,079
Italian Society Felice Cavallotti Lodge Inc No 57832 Total	7,303
Lighthouse Bible Baptist Church of Nanaimo Society	1,743
Literacy Central Vancouver Island	6,702
Loaves and Fishes Food Bank Foundation	10,909
McGirr Sports Society, The	50,842
Mid-Island Abilities and Independent Living Society	1,237
Mid-Island Intergroup Society	406

Permissive Tax Exemptions - continued

<b>Organization</b>	<b>Municipal Taxes Exempt Portion</b>
Mid-Island Metis Nation Society	367
Mt. Benson (PAC BR 256) Royal Canadian Legion	10,719
Mt. Benson Senior Citizens HGS Society	48,629
Nanaimo & District Equestrian Assoc./Vancouver Island Exhibition Association	6,171
Nanaimo District Museum Society	4,640
Nanaimo 7-10 Club	3,219
Nanaimo Affordable Housing Society	56,659
Nanaimo Association for Community Living	21,660
Nanaimo Auxiliary to Nanaimo Regional General Hospital	11,671
Nanaimo BMX Association	2,650
Nanaimo Brain Injury Society	3,619
Nanaimo Branch of the Red Cross Society	8,452
Nanaimo Branch Royal Canadian Legion (Branch 10)	3,000
Nanaimo Canoe & Kayak Club/Nanaimo Rowing Club	634
Nanaimo Child Development Centre Society	23,756
Nanaimo Church of Christ	4,021
Nanaimo Citizen Advocacy Association	1,947
Nanaimo Community Archives	4,813
Nanaimo Community Hospice Society	11,432
Nanaimo Conservatory of Music	7,466
Nanaimo Curling Club	12,227
Nanaimo Disability Resource Centre Society	3,034
Nanaimo District Senior Citizens' Housing Development Society	103,665
Nanaimo FOS Non-Profit Housing Society	11,825
Nanaimo Family Life Association	4,067
Nanaimo Foodshare Network Society	4,787
Nanaimo Full Gospel Assembly	6,372
Nanaimo Lodge No 1052 Loyal Order of the Moose	5,935
Nanaimo Marine Rescue Society	730
Nanaimo Minor Hockey Association	3,862
Nanaimo Recycling Exchange	11,283
Nanaimo Region John Howard Society	5,949
Nanaimo Search and Rescue Society	3,523
Nanaimo Squash Club	4,850
Nanaimo Theatre Group	8,676
Nanaimo Travellers Lodge Society	107,877
Nanaimo Unique Kids Organization	129
Nanaimo Women's Resource Society	10,442

Permissive Tax Exemptions - continued

Organization	Municipal Taxes Exempt Portion
Nanaimo Youth Services Association	10,752
Nature Trust of BC	188,156
Navy League of Canada Nanaimo Branch	5,137
Options for Sexual Health	2,548
Pacific Care Family Enrichment Society	4,477
Pacifica Housing Advisory Association	6,685
Pentecostal Assemblies of Canada	26,210
Pleasant Valley Social Centre	6,919
Priestly Society of St. Pius	1,894
Protection Island Lions Club	13,586
Protection Island Neighbourhood Association	2,997
Redeemed Christian Church of God	1,334
Royal Canadian Airforce Assoc. 808 (Thunderbird) Wing	3,055
St. John's Ambulance	17,882
St. Paul's Lutheran Church of Nanaimo	5,329
Theater One	1,227
Tillicum Haus Society	10,002
Tillicum Lelum Aboriginal Society	17,127
Trustees of St. Andrews Presbyterian Church Canada	11,823
Trustees of the Chase River Congregation of Jehovah's Witnesses	9,939
Trustees of the Congregation of Brechin United Church	4,740
Trustees of the Congregation of Departure Bay Baptist Church	5,071
Trustees of the Congregation of St. Andrews United Church	10,865
Trustees of the Nanaimo Christaelpians	3,122
Trustees of the Woodgrove Congregation of Jehovah's Witnesses	3,699
Ukrainian Catholic Eparchy of NW	3,675
Unitarian Foundation of Nanaimo	3,297
United Way Central & Northern Vancouver Island	3,354
Vancouver Island Haven Society	21,841
Vancouver Island Khalsa Diwan Society	8,836
Vancouver Island Mental Health Society	7,362
Vancouver Island Military Museum	10,816
Vancouver Island Symphony	1,422
Wakesiah Gospel Chapel	4,149
Wellington Community Association	8,040
<b>TOTAL</b>	<b>\$1,585,772</b>

# 2018 City of Nanaimo Annual Report

**For more information on this report,  
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**This report can also be viewed and printed from  
[www.nanaimo.ca](http://www.nanaimo.ca)**