



# The Corporation of the City of Nelson

Ste 101 – 310 Ward Street, Nelson, BC V1L 5S4

**[www.nelson.ca](http://www.nelson.ca)**

## 2009 Annual Report

For the year ending December 31, 2009

The City of Nelson 2009 Annual Report has been prepared by the Corporate Services Department, with contributions from City departments and related organizations.

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# Table of Contents

Page

## INTRODUCTION

Message from the Mayor .....	5
City of Nelson Council.....	6
2009 Council Committees.....	7
Organizational Chart.....	8
Report from the City Manager .....	9
City of Nelson 2009-2011 Strategic Objectives and. Performance.....	10
Results of 2009 Community Survey.....	12
Community Profile.....	14
Municipal Departments—City Manager’s Office.....	15
Municipal Departments—Corporate Services.....	16
Municipal Departments—Operations .....	20
Municipal Departments—Fire.....	24
Municipal Departments—Police.....	26
Municipal Departments—Nelson Hydro .....	27
Municipal Department—Library.....	28
Municipal Buildings.....	29
Municipal Infrastructure.....	31

## FINANCIAL SECTION

Chief Financial Officer report.....	34
Responsibility for Financial Reporting .....	35
Auditors’ Report .....	37
Consolidated Financial Statements .....	38
Notes to the Consolidated Financial Statements .....	42
Supporting Schedules .....	51

## STATISTICAL SECTION

2009 Property Tax Exemptions .....	72
General Comparative Statistics .....	73
Five Year Capital Expenditure Program 2009 – 2013 .....	74
Summary of Long Term Debt .....	75
2009 Property Assessments and Tax Rates by Property Class .....	76
Assessment/Taxation Comparative Statistics .....	77
2009 Municipal Tax Analysis .....	78
2009 Revenues Chart .....	79
2009 Expenditures Chart .....	80
Expenditures by Object Chart .....	81





# Introductory Section





# Message from the Mayor

This Annual Report is our opportunity to highlight to the community the hard work that was done by Council throughout the past year. In 2009 we made significant progress on a number of our strategic directions, moved forward with several major capital projects and reinvested in community by maintaining and replacing critical infrastructure.

A highlight for me, in my role as a director of the Federation of Canadian Municipalities, was to advocate for changes to the Build America program. Thanks in part to the work of the FCM, this program now allows Canadian companies to bid on projects.

Closer to home, the most exciting projects in 2009 came from building partnerships within our community to achieve specific goals. Council worked closely with the Interior Health Authority and the West Kootenay-Boundary Regional Hospital District to identify the Kootenay Lake Hospital expansion as a priority project, and then lobby for funding through Canada's Economic Action Plan. It was the cooperation and leadership of the whole region, through the WKBRH District, that allowed this project to move forward.


Council also worked with the Kootenay Lake Hospital Foundation to find a creative local solution to the need for a CT scanner. The City donated land and other services to the Foundation. A house was then built on the parcel of land, with all proceeds from its sale going toward the purchase of a CT scanner. In all, \$1.5 million were raised to bring this critical diagnostic tool to Nelson.

Renovations are now underway in the old Selkirk College dorms on 10<sup>th</sup> Street. This project was also made possible through partnership – this time with Selkirk College and senior levels of government. Funding for this LEED project was received through Canada's Economic Action Plan. The City of Nelson designed, built and will operate the LEED certified geo-thermal system that will heat and cool the buildings, while reducing greenhouse gas emissions. The City is well positioned to deliver these renewable energy projects through Nelson Hydro.

In 2009 we made significant progress toward renewing our aging infrastructure. We invested a total of more than \$5m in infrastructure upgrades such as the first phase of Nelson Hydro's downtown conversion, watermain replacements which were over \$1.6m and road improvements totalling over \$1m. We will continue to allocate resources to ensure planned maintenance and replacement of the City's infrastructure. It is our job to take good care of these assets, so that they last for a long time.

2010 promises to be an equally successful year for the City of Nelson. Council is focused on six strategic directions and we are moving forward with planning a sustainable future that is in line with Nelson's values of arts, culture, heritage and recreation. Priorities for 2010 include adopting a Housing Plan, encouraging more active transportation through pathway improvements and new sidewalk construction, and creating a sustainable plan to link downtown and the waterfront.

I would like to express my gratitude to the employees of the City of Nelson who work so hard to move us forward with the priorities set by Council. There is a lot to be proud of in this city of ours, and I look forward to another year of working with employees, community partners and residents to help make our community the best place it can be.

  
Mayor John Dooley

# Nelson City Council 2008–2011



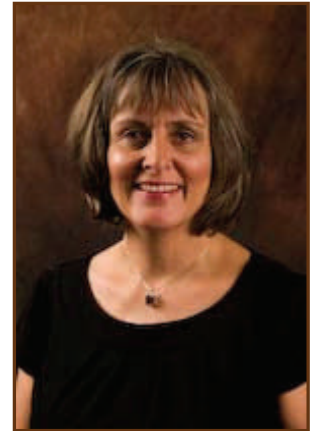
Mayor John Dooley



Bob Adams



Robin Cherbo



Deb Kozak



Kim Charlesworth



Donna Macdonald



Margaret Stacey

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

The powers of the Mayor and Council are exercised through the adoption of resolutions or the enacting of bylaws at Council meetings. Members of the public are welcome to attend open council meetings. See the City website at [www.nelson.ca](http://www.nelson.ca) for information regarding dates and times of meetings.



# 2009 Council Committees

## Committees established by Act/Bylaw w/Council voting membership

Capitol Theatre  
Community Heritage Commission  
Cultural Development Commission  
Emergency Program Executive (Provincial)  
Library Board (*Library Act*)  
Nelson Economic Development Partnership  
Police Board (*Police Act*)  
RDCK Board (*Local Government Act*)  
Nelson and District Recreation Commission  
Youth Centre Committee

### ***Appointee/Alternate***

Councillor Charlesworth/Macdonald  
Councillor Charlesworth/Macdonald  
Councillor Macdonald/Charlesworth  
Mayor Dooley, Councillors Cherbo & Adams  
Councillor Macdonald/Charlesworth  
Councillors Kozak & Stacey  
Mayor Dooley  
Mayor Dooley/Councillor Macdonald  
Mayor Dooley and Councillors Kozak (chair), Stacey  
Councillors Stacey/Kozak

## Standing Committees (established by Mayor)

Grievance Committee

### ***Appointee/Alternate***

Councillors Cherbo & Adams

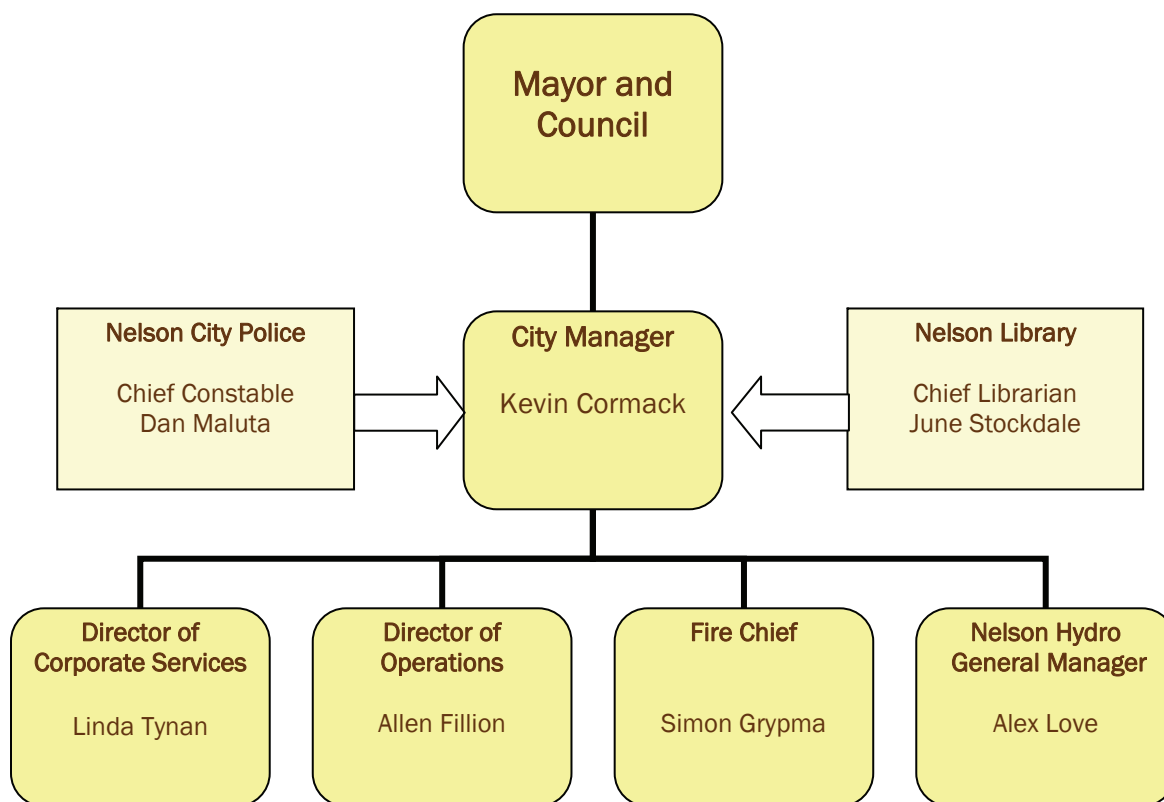
## Council Liaisons/Portfolios

Advisory Planning Commission  
AFKO  
Chamber of Commerce  
Economic Development/Business/Tourism/Events  
Education (SD #8, Selkirk College)  
Environment  
Healthy Communities  
IZUSHI Friendship, Baie-St-Paul, Onagawa  
Nelson Business Association  
Nelson & District Arts Council  
Nelson Electric Tramway  
Nelson Committee on Homelessness  
Nelson Pilot's Association  
Parks  
Recreation and Youth  
Seniors' Services  
Social Planning  
Sports Council, GOGA  
Touchstones  
Treaty Advisory  
Tri-Cities  
2010 Winter Olympics Torch Relay

### ***Appointee(s)/Alternate(s)***

Councillor Adams/Stacey  
Councillors Macdonald & Charlesworth  
Councillors Kozak & Stacey  
Councillors Kozak & Stacey/Cherbo  
Councillors Cherbo & Adams  
Councillors Charlesworth/Adams/Macdonald  
Councillors Cherbo & Adams  
Councillors Macdonald & Charlesworth  
Councillors Kozak & Stacey  
Councillors Macdonald & Charlesworth  
Councillor Cherbo  
Councillors Cherbo & Adams  
Councillor Cherbo  
Councillors Kozak & Stacey  
Councillors Kozak & Stacey  
Councillor Cherbo & Adams  
Councillors Cherbo & Adams  
Councillors Kozak & Stacey  
Councillors Macdonald & Charlesworth  
Councillor Adams  
Mayor Dooley/Councillor Adams  
Councillors Kozak & Stacey

# Organizational Chart



## Municipal Officers 2009

Chief Administrative Officer.....Kevin Cormack  
 Corporate Officer.....Linda Tynan  
 Chief Financial Officer.....Linda Tynan  
 Approving Officer(s).....Dave Wahn  
 Municipal Auditors.....Berg, Naqvi, Lehmann  
 Municipal Bankers.....Bank of Montreal

# Report from the City Manager

On behalf of City of Nelson staff, I am pleased to introduce the 2009 Annual Report. Throughout the year we maintained our strong focus on long-term planning. This ensures that what we do in the short-term is consistent with the long-term vision set by Council. We continue to make strides in upgrading our infrastructure and adding additional amenities, such as expanded walking trails and park improvements.



We are aware of the limited tax base we have, and are always looking for opportunities to generate new revenues. The borrowing to purchase the provincial government building at 310 Ward Street has been paid off, and that asset is now generating an annual rent of over \$400,000. We are using this income to pay down other debt, without relying on tax revenues. The Davies Street lots were all sold, generating almost \$800,000 in new funding which we used to upgrade the road, add new sidewalks, walking trails and to start to develop the new park. We used revenues from exported hydro-electrical energy to fund a number of projects, and we are exploring new business opportunities such as geo-thermal and district heating. We continue to be successful in our grant applications. Nelson Hydro rates are the lowest in the province; however they still generate a sizable profit which is used to offset property taxes.

In 2009, Council focused on a number of planning initiatives. These will provide the road map for the community for the next 10, 20, 30 years, and beyond. These important planning documents include:

**Sustainability Plan** – Called the Nelson Path to 2040, this plan will set broad community goals and strategic directions across ten focus areas, ranging from the economy to food and agriculture.

**Sustainable Waterfront and Downtown Master Plan** – We will work with the community in developing a clear vision for the downtown and waterfront. The plan will look at everything from how we connect the waterfront to the downtown, to the vision for the downtown laneways, to how we maintain our core values with future growth.

**Community Climate and Energy Plan** – In 2010 we will continue to build on our own corporate energy plan and the sustainability goals that are being developed. A consultant team will work with the community on strategies to reduce energy use and greenhouse gas emissions at the community level.

**Housing Strategy** – Council will review a Housing Needs Report and Strategy in 2010. This report is expected to highlight a number of recommendations to encourage housing options for all income levels. Council worked in close partnership with Selkirk College and are very excited to see the renovations of the old dorms on 10<sup>th</sup> Street fully underway. This will deliver much needed student housing, which was identified as a priority action in the Housing Strategy. It is also the City's first LEED project that incorporates Council's and the College's commitment to reduce carbon emissions in new projects.

**Active Transportation Plan** – Council adopted the plan in 2010 and a number of improvements have already been made during this year, including pathway improvements, sidewalk replacements and adding sidewalks in areas that are important commuting corridors.

**Wastewater Master Plan** – Similar to the water master plan adopted a few years ago, this plan focuses on a renewal strategy to upgrade our aging infrastructure and meet the new federal and provincial regulations.

**Parks Plans** were developed recently for Davies Street Park; Rosemont Park and the Cottonwood Falls Market.

Our goal is to have solid planning in place across all of our services, to guide Council in their decision making now, and into the future. It is only with solid planning that resources are allocated efficiently to the right areas and we can ensure we leave our children an even better community than we have today.

We all take great pride in our City and this pride is reflected in the dedication of City staff. We have excellent employees who pour their heart and soul into the work they do on your behalf. I would like to thank all of them for their creativity, hard work and dedication to our community.

A handwritten signature in black ink, appearing to read 'Kevin Cormack', written over a light blue horizontal line.

Kevin Cormack, City Manager

# City of Nelson Strategic Objectives 2009 - 2011

Key Objectives	Performance Measure	Progress to date (May 2010)
<b>1. Sustainability Plan</b>	Council adopts a sustainability plan to give broad direction and it becomes the overarching planning document; all other planning documents are consistent with the sustainability plan.	Consultant was selected and is working with the community in developing the sustainability plan. The first two phases of the workplan have been completed, the final phase will be completed in the fall and the report will be finalized and adopted by Council by the end of 2010.
<b>2. Transportation</b>	<ul style="list-style-type: none"> <li>• Council approve an active transportation plan</li> <li>• CP StationHouse acquired and supports the transit and active transportation system</li> <li>• Trail improvements completed</li> </ul>	<ul style="list-style-type: none"> <li>• Funding received, consultant hired, plan was completed and approved by Council. Staff is implementing the recommendations.</li> <li>• City has acquired the CP Stationhouse and has transferred it to the Chamber of Commerce; funding has been received to complete phase I which includes the public washrooms</li> <li>• Accessibility improved to the Nelson-Salmo Great Northern Trail by creating access points at the top of Stanley Street and through Davies Street Park; grant funding received for improvements in Fairview and from the foot of Baker Street through to Cottonwood Park.</li> </ul>
<b>3. Climate Change</b>	<ul style="list-style-type: none"> <li>• Complete and implement the corporate GHG emission reduction plan</li> <li>• Identify and implement adaptation strategies</li> </ul>	<ul style="list-style-type: none"> <li>• The plan has been completed and adopted by Council, targeted reductions are a reduction of GHG of 25% by 2012 ; funds have been budgeted and a number of energy reduction initiatives have been implemented.</li> <li>• A fuel load reduction study was completed; funding received to implement plan; the work has been completed in 2 of the 4 priority areas.</li> </ul>



# City of Nelson Strategic Objectives - 2009 - 2011

Key Objectives	Performance Measure	Progress to date (May 2010)
4. Waterfront Masterplan	Funding received to complete plan; Terms of Reference completed; contract awarded	Council reviewed this priority area and expanded the scope to include the downtown core; the project is out for bid by consultants
5. Housing	<ul style="list-style-type: none"> <li>Identify the role of Council in housing</li> <li>Encourage coordination between those organizations that are involved in housing</li> <li>Encourage the development of additional housing options by both the private and public sector</li> <li>Determine if there is interest in a regional approach to housing</li> </ul>	<ul style="list-style-type: none"> <li>Funding was received to complete a needs and demand study and identify the role of council; the study has been completed and will be presented to council in September</li> <li>Council established the Nelson Housing Forum, the group is active and this has improved the communication between housing providers in Nelson.</li> <li>A number of private developments were completed or are in the planning stage: these include smaller multi-family units; a new 90 unit seniors building; a new phased town house development and the upgrade of the 10th Street student residences</li> <li>Council established a regional committee and invited participation from the rural directors, it was determined that there was not enough interest from the rural areas at this time</li> </ul>
6. Regional Planning Services	<ul style="list-style-type: none"> <li>Improve regional service delivery</li> </ul>	<ul style="list-style-type: none"> <li>Library—complete the regional feasibility study</li> <li>Skatepark—complete the feasibility study to locate the outdoor park at NDCC.</li> <li>Central Waste—2010/14 RDCK financial plan includes upgrades to the Nelson Transfer station</li> <li>Nelson and Area Directors meetings.</li> </ul>

# City of Nelson Community Survey

In 2009 the City of Nelson established as one of its priorities the collection of formal feedback from the community prior to preparation of the 2010-2013 Financial Plan. The Mayor and City Council wanted to know what citizens thought about the value of services provided by their local government.

1,500 residents were randomly selected to participate in the 2009 City of Nelson Citizen Survey; a very good response was received with more than 500 completed surveys.

Based on these responses, it is clear that citizens are primarily satisfied with City services and that those services ranked high in both satisfaction and importance. Some highlights of the strengths and opportunities for improvement in service delivery and/or communication include:

- 90% of citizens responding rated the overall quality of life in Nelson as 'very good'
- parks, recreation and culture in Nelson were primarily positive, reflecting citizens' pride in the community's resources
- Whereas transit in the City of Nelson rates high in both importance and satisfaction, a gap is noted in transit to/from rural areas.
- Pedestrian and bicycle travel is rated as very important to respondents yet there is a gap in satisfaction in both of those areas.
- Sidewalks – both general maintenance and snow clearing is an area where importance consistently scores very high but where satisfaction does not meet this expectation.
- Both Fire services and Police services ranked very high in importance and satisfaction on the survey questions; with both of these many respondents provided comments for additional insight.
- The survey provided interesting feedback on communication and public involvement with public surveys scoring high in importance on how respondents could become involved.
- Affordable Housing issues scored very high in both "capital projects section" and council priorities, 179 comments were received in the financial question (#5). These comments focused on a wide range of tax related concerns, service costs and the overall value of services provided.
- 56% (2:1) of respondents preferred to maintain or reduce services with taxes unchanged. An additional 22% supported improving municipal services with higher taxes.

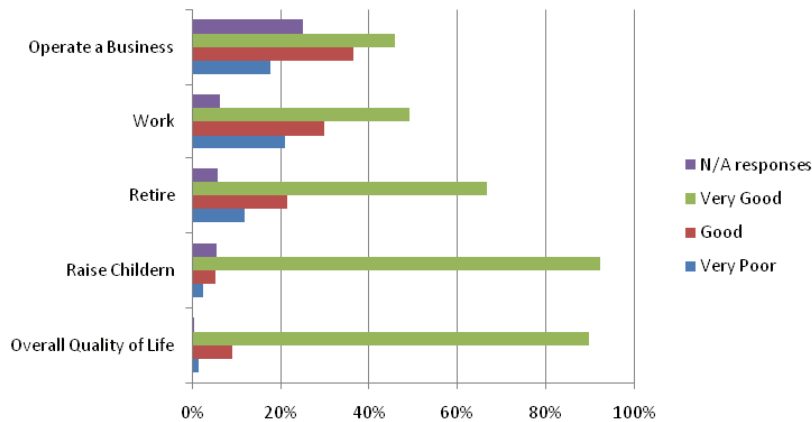
Citizens' responses to the survey will be used by the Nelson City Council as a critical component of the overall information used to set budget priorities, evaluate programs and improve services for the City over the next several years.

**Complete survey results available on the City of Nelson website  
[www.nelson.ca](http://www.nelson.ca)**

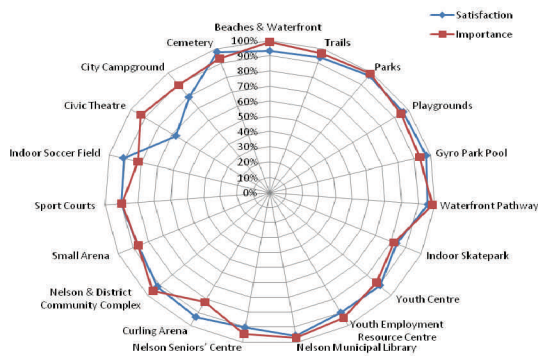
# City of Nelson Community Survey

## Sample results of 2009 Community Survey:

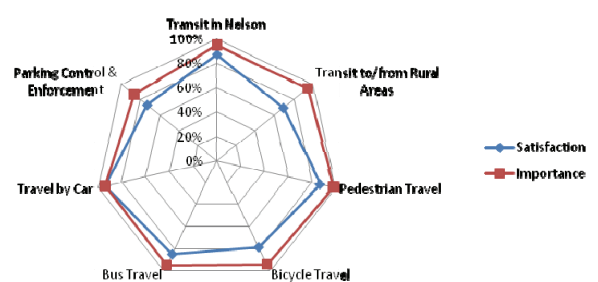
### Quality of Life in Nelson



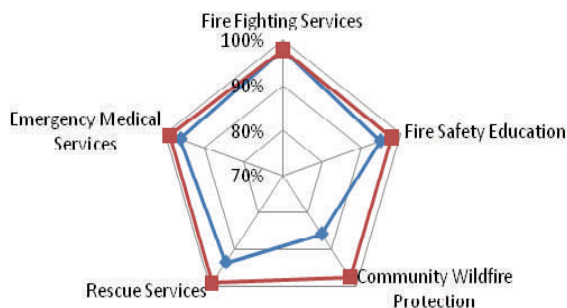
### Parks, Recreation and Culture



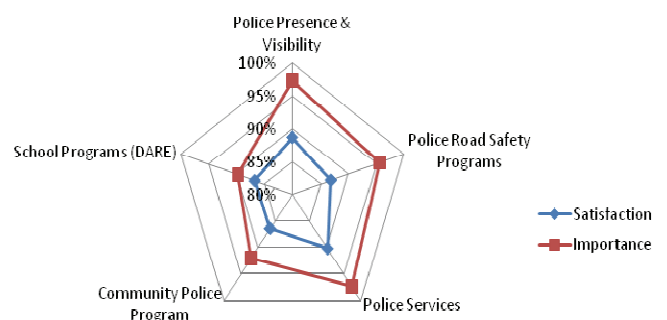
### Transportation



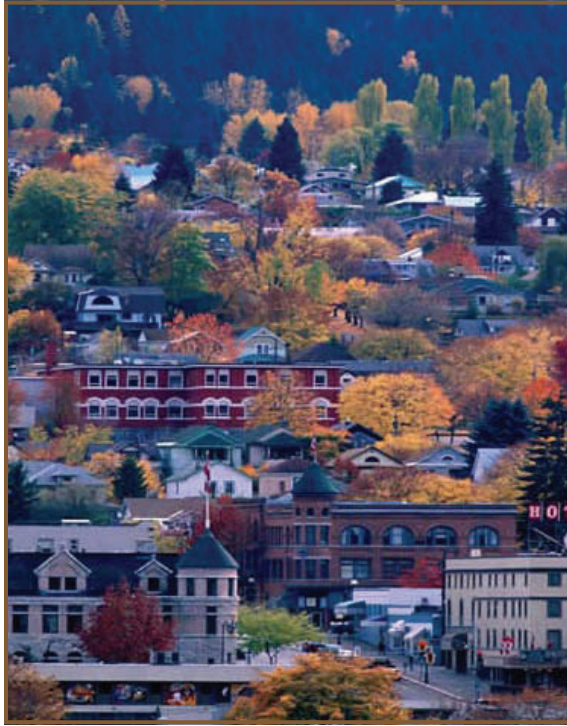
### Public Safety: Fire & Rescue Services



### Public Safety: Police Services



# Community Profile



The City of Nelson is located on the west arm of Kootenay Lake. Incorporated as a City on March 18, 1897 under the *"Speedy" Incorporation of Towns Act*, Nelson continues to be the government, financial, trading and educational centre of the Central Kootenay Region. Nelson, the Heritage Capital of the Kootenays, boasts in excess of over 150 registered heritage buildings. Self-guided, heritage walking tours and driving tours are available on a year-round basis.

Nelson's historical buildings have attracted a number of movies to be produced in the City, and Nelson is still often scouted by Hollywood for other movies.

The Nelson Electric Tramway Society operates a completely restored streetcar on the City's waterfront.

Nelson is located in the Selkirk Mountains and is ideally located for recreation. An 18-hole golf course is located within the municipal boundaries. A first-class ski hill is 30 minutes from the downtown core. The world-renowned Kokanee Glacier is within sight of Nelson and a 30-minute drive away. Many other recreational opportunities exist nearby. Kootenay Lake offers

fishing, sailing and hundreds of beautiful beaches.

Although the population of the City of Nelson is only 9,923, it is central to a trading area in excess of 25,000. The residents of Nelson have come to expect amenities that are normally only found in a community much larger than Nelson.

Nelson experienced economic decline during the early eighties. Since then, the population has grown by an average of over 2% per year to the current population. Much of the regional population growth is in the immediate rural areas surrounding the municipal boundaries.

New electrical utility connections within and outside the municipal boundaries also indicate a 2% annual population growth in the immediate area. Many of the new residents are people who are fleeing the urban centres but who are still looking for the services provided in much larger cities.

Clean drinking water, fresh air and the pristine Kootenay Lake contribute to the City's high quality of life. Nelson has no polluting industries nor does it have a large industrial tax base. In an effort to continue economic diversification, small businesses are establishing a new economic base in the Nelson area. There were approximately 1,162 business licences issued in 2009.

Nelson has, for years, been an educational centre for the Kootenay Region. Presently, Selkirk College offers post-secondary education, and Kootenay School of the Arts offers practical courses in the arts.

Nelson is rich in cultural life and provides high-quality theatre drama, music and dance programs. Many local artists produce their products in Nelson, some selling locally and others selling across Canada and internationally. Nelson hosts several cultural and musical festivals annually.

Nelson, due to its scenery, moderate climate, amenities and unpolluted environment has developed a quality of life that is attractive to new residents and businesses.

# Municipal Departments - City Manager's Office

## **Kevin Cormack, BComm, C.A., City Manager**

The City Manager's office supports Council's strategic planning efforts and oversees the administration of the City, its officers and employees. This department provides recommendations to Council that reflect facts, options and professional opinion pertaining to issues considered by Council and developing in the community.

The City Manager's office takes the lead role in managing the implementation of policy direction established by Council. It provides leadership and direction to all City departments and operations.

The Corporate Services, Operations, Fire and Nelson Hydro department heads report directly to the City Manager. Management of Human Resources is a component of the City Manager's office.

### **2009 Highlights**

- As an organization the City continues to improve its planning processes. It is only through solid, thoughtful planning that it is possible to ensure that Council is investing taxpayers' dollars the most effectively and ensuring that we have sufficient resources to fund future needs.
- Staff development was a key goal in 2009, we held a number of staff development workshops to strengthen the way we work together as an organization.
- Council strong support to continue to invest in our core infrastructure, water, sewer, roads and Nelson Hydro.
- The results of the citizen's survey were very positive with all services ranking high in terms of importance and satisfaction.

### **Departmental Goals**

#### **Council Portfolio Priority Setting (2009) - Complete**

Support the growth of Council's new approach to working with community groups. Council has established the following Council portfolios: Arts & Culture; Environment; Economic Development; Healthy Communities and Recreation and Youth. The goal is for the councillors involved in the portfolio to have an overall view of the various initiatives that community groups are involved with and to take a strategic approach to supporting community initiatives. Portfolios will create a vehicle to allow the community and Council to work together, strategically, on important community initiatives.

#### **Management Compensation Review (2009) - Complete**

To review the salary and benefit packages of staff to ensure that the City is providing a competitive wage and benefit package to excluded employees.

#### **Performance Evaluations (2009/10) - Implementation complete; ongoing**

Develop a new model to evaluate employee performance. Complete evaluations of all excluded employees and develop a learning/growth plan to support employee development.

# Municipal Departments - Corporate Services

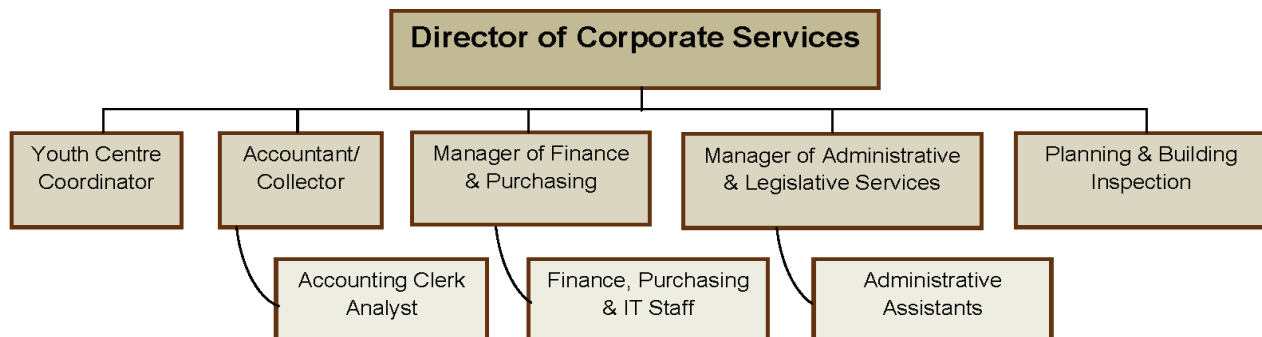
**Linda Tynan, Director of Corporate Services & Chief Financial Officer**

In 2009, the Corporate Services department oversees the management of Finance and Information Technology, Legislative Services, Administration, Building Inspection, Planning and Community Services (such as the Nelson and District Youth Centre). The function of Risk Management is also handled by Corporate Services.

Corporate Services also includes the functions of the Corporate Officer. The Corporate Officer facilitates the business of Council by preparing minutes and agendas, preparing, reviewing and providing advice on municipal bylaws, and initiating the follow up action to Council Meetings.

In recognition of the growth in the development services area, building, and planning will be moved to its own “standalone department titled “Department of Development Services and Sustainability” in 2010.

## 2009 Structure:



## **Finance Section**

**Linda Tynan, Chief Financial Officer**

**Jeanette McCarvell, Accountant/Collector**

**Kelly Swetlikoe, Manager of Finance and Purchasing**

The Finance Department is responsible for the financial management of the City's assets. The Finance department's primary responsibility is the planning, implementation and monitoring of the City's five year financial plan for operating expenditures and capital expenditure plan. Staff must work closely with all other departments as well as the Nelson Police, the Nelson Municipal Library and the Nelson and District Youth Centre.

Functions of the department include levying and collection of taxes, administration of the annual tax sale, collection of water, sewer, garbage and hydro rates, processing of accounts payable, parking control and payroll. This section is also responsible for purchasing, procurement and inventory control. This department includes the Information Technology section, which is responsible for the City's information and data processing needs. This section also provides maintenance of the City's inventory of personal computers, now in excess of 85 units, located in various venues.

# Municipal Departments - Corporate Services

## Legislative Services Section

### **Frances Long, Manager of Legislative and Administrative Services**

Legislative Services ensures Council is provided with relevant information from City staff, committees and the general public. It provides the public with information related to activities of Council, ensures meeting and agenda material is complete and provides the necessary information for decision making. It is responsible for the preparation of bylaws and agreements. Additional responsibilities include maintenance of the City's policy manual. This section of the department executes legal documents, handles insurance claims and responds to correspondence and inquiries.

In addition, Legislative Services is responsible for carrying out procedures for local government elections as required under the provisions of the *Community Charter*, and is the Freedom of Information administrator for City operations.

## Planning Section

### **Dave Wahn—Senior Planner**

### **Dallas Johnson—Planner**

The planning section is responsible for the City's current planning and development (including the processing of rezoning, development permits, development variance permits), environmental planning and long term land use planning (including updating of the Official Community Plan), property records maintenance, Advisory Planning Commission and Community Heritage Commission.

The Senior Planner is the front-line staff member for all development queries and ensures that property owners and developers' needs are met in a timely fashion within the guidelines provided by the City's policies and bylaws.

The City of Nelson's long-term vision recognizes the importance of planned growth and development that balances the City's respect for its heritage and traditional values and provide opportunity for modern development. The planning section is leading the work on sustainability.



## Building Inspection

### **Bernie Zimmer - Chief Building Inspector**

### **John Southam—Building Inspector**

The Building Inspection section is responsible for the administration and enforcement of the Building Code and regulating bylaws governing building, plumbing, signage, zoning and heritage preservation. The department scrutinises all building plans to ensure that the structural integrity, fire safety and plumbing are all in compliance with the Building Code and municipal bylaws.

The department assists the public in understanding the relevant Provincial and municipal legislation governing construction. The department is also responsible for enforcement of the Business Licence and the Untidy Premise Bylaws. It is also responsible for property records maintenance.



# Municipal Departments - Corporate Services

## Corporate Services Department Achievements 2009

- Implementation of CIS (Hydro software) which increases customer service
- Completion of Customer Service Survey
- Website Development
- Completion of Tangible Capital Asset project—successfully recorded on 2009 financial statements; compliance to PSAB 3150.
- iCompass implementation—improved access to minutes, bylaws, etc.

## Corporate Service Department Goals 2010/2011

2010	COMPLETION OF CORPORATE SERVICES/DEVELOPMENT SERVICES RESTRUCTURE
2010	IMPLEMENTATION OF UPDATED ZONING AND SUBDIVISION BYLAWS
2010	IMPLEMENTATION OF UPDATED PURCHASING POLICY
2010	IMPLEMENTATION OF CASHIERING SOFTWARE
2010	IMPROVED PROCESS FOR ACCOUNTS RECEIVABLES
2011	CAPITAL FINANCING STRATEGY ADOPTED BY COUNCIL
2010/2011	RECORDS MANAGEMENT SYSTEM IMPLEMENTED ORGANIZATION WIDE



# Municipal Departments - Corporate Services

## Nelson and District Youth Centre

Christine Schmidt – Youth Centre Coordinator



The Nelson & District Youth Centre (NDYC) is in its eleventh year of operation. The centre's mission statement is "Creating a safe, accepting and empowering community where all youth can interact and access a variety of activities they need and enjoy". In addition to this mission statement, NDYC's objectives aim to target a diverse group of youth with programs to serve the recreational, employment, cultural, and developmental needs of Nelson and area youth. Approximately 400 youth per week access the centre.

NDYC also operates the Youth Employment Resource Centre (YERC). The resource centre offers employment services to youth age 15-30. The Youth Employment Resource Centre offers one-on-one assistance, workshops, a resource library, computer services, and internet access for employment search. The employment centre is supported by Service Canada. The Youth Centre's website is at [www.ndyc.com](http://www.ndyc.com) and the Youth Employment Resource Centre website is [www.yerc.ca](http://www.yerc.ca).

### Department Achievements 2009

- 15,748 total visits to the Nelson and District Youth Centre
- 573 Hours of volunteer contribution
- Secured a two-year contract for the Youth Employment Resource Centre
- Focus on building care—maintenance, painting, new light fixtures



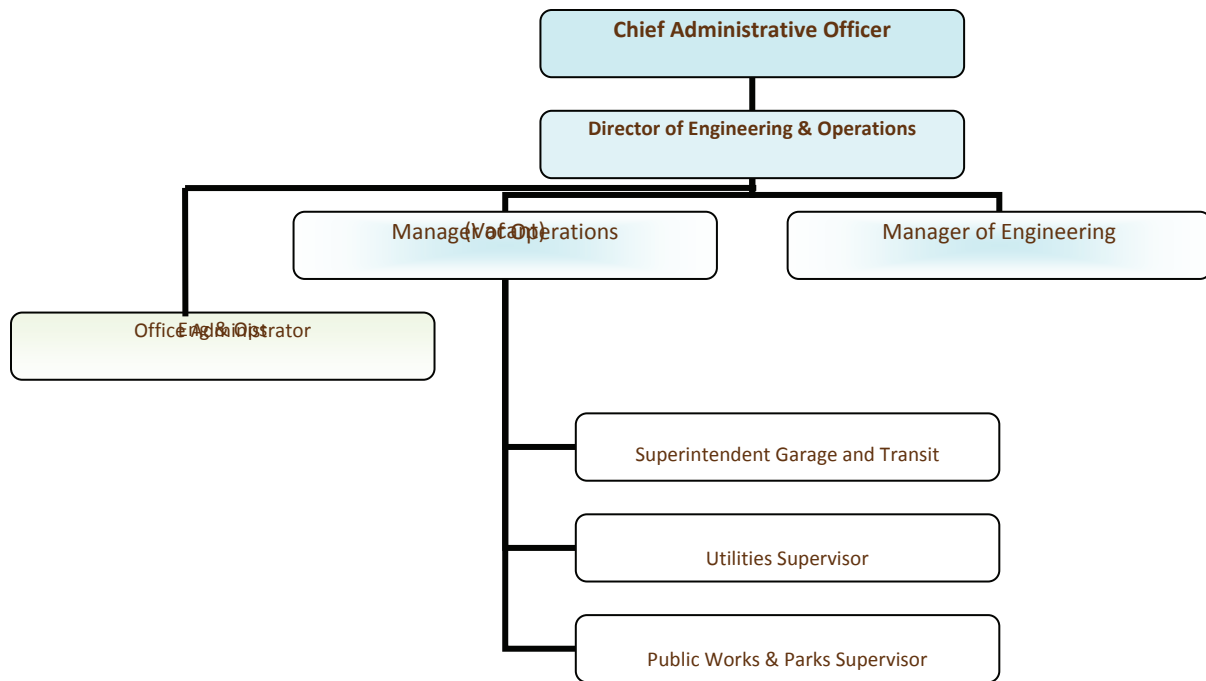
### Department Goals 2010 / 2011

- **Promote positive outcomes of NDYC by:** applying for diversity funding to provide diverse programs; increase community awareness of NDYC activities, effectively utilize our volunteer support; improve the NDYC website
- **Increase the quality of NDYC space by:** resurfacing six of the ramps with skatelite and continuing to upgrade building.
- **Relevant/effective programs for youth:** provide youth with a voice to develop and lead positive programs for their peers; provide opportunity for youth to solve real needs in their community
- **Youth Employment Resource Centre:** EAS Agreement: YERC will continue to deliver Job Readiness workshops on Foodsafe, WHMIS, Serving It Right and First Aid. Presently we have an extensive waiting list for first aid .

# Municipal Departments - Operations

**Allen Fillion, Director of Operations**

The City of Nelson Operations Department, located at the City Works and Utilities Complex on Lakeside Drive, oversees all outside Municipal services within the City. These services include Transportation, Engineering, Water Utility, Sewer Utility, Public Works, Garage & Transit, Parks, Airport and City Buildings.



# Municipal Departments - Operations cont'd

**Allen Fillion - Director of Engineering and Operations**

**Rob Nystrom—Manager of Engineering**

**Gil Bogaard—Utilities Supervisor**

**Barry Turner—Public Works, Parks Supervisor**

**Rodi DeVuono—Superintendent Garage and Transit**



Responsible for the maintenance and construction of municipal roads, sidewalks, bridges, storm drains, public wharfs, solid waste collection, and the Mapping/CAD department. The department is also responsible for winter snow removal and sanding City streets and selected sidewalks.

Provides engineering, drafting and survey information for Utility maintenance and new construction

The Mapping/CAD Department provides services to Nelson Hydro and City Administration as well as for the Public Works Department.

## **Water and Sewer Utility**

The Water Utility provides quality water through a gravity system supplied by three creeks: Five Mile, Anderson and Selous. With the recent growth however, the system is reaching its capacity to supply water without restrictions.

The Sanitary Sewer Utility collects the raw sewage, and through a system of mains and five pump stations, transfers it to the Sewage Treatment Plant.

The Sewage Treatment Plant originally did primary treatment only; however, over the past few years a major upgrade was done to provide secondary treatment. This upgrade was essentially finished by the end of 2005 with secondary treatment starting in early 2006.





# Municipal Departments - Operations cont'd

## Garage and Transit

The City's Garage maintains approximately 116 pieces of equipment for all departments. The City has established an Equipment Replacement Reserve to fund the replacement, upgrade and purchase of additional equipment. The City of Nelson operates one of the first established transit systems in the province. The Nelson streetcar system established in 1899 was the smallest system in the British Empire.

The transit system has operated continuously since that time. The City is the operator of the City transit system as well as the Regional transit system, operating a total of 6 buses and offering service 7 days per week. Funding for Regional services is provided by the Regional District of Central Kootenay and BC Transit. The City is partnered with BC Transit for the operation of the Nelson Transit System with funding as provided by provincial legislation.



## Parks & Recreation Facilities

The Parks and Recreational Facilities section is responsible for the maintenance of eleven municipal parks and playing fields covering 23.7 hectares.

After receiving approval from the electorate in 2003, a new multi-purpose arena was constructed beside the old Civic Centre. The new arena which opened in 2005, is a Regional District facility. The operations of the old arena has been turned over to a non-profit society.

As well as the municipal parks, this department maintains the flowers and trees in the downtown core area, and operates the 45-acre Nelson cemetery, known as the Nelson Memorial Park.

# Municipal Departments - Operations cont'd

## Highlights & Accomplishment 2009

- Successful in house water main replacement program
- MRIF water main program nearly complete
- Continued research on water metering
- YRB Sewer Main project started
- Video camera purchased for sewer inspections to better aid in the planning process



## Operations 2010 / 2011 Departmental Goals

- **To ensure clean, potable water to all residents of Nelson**
  - Implementation of Water Master Plan
  - To continue to upgrade the water distribution system through replacement of old distribution system replaced within recommended parameters
  - Compliancy with IHA water regulations
- **Investment in City facilities**
  - Concrete repair to Parkade
  - Replacement of boiler systems in the Civic Arena and City Hall
- **Complete Wastewater Master Plan**
- **Complete Leak Detection Study of the water utility infrastructure**
- **Continue developing the new Davies Street Park**
- **Replacement of the Baker Street Bridge**

# Municipal Departments - Fire

**Simon Grypma - Fire Chief**

**Bob Slade - Deputy Fire Chief**

Nelson Fire & Rescue Services is responsible for the prevention, inspection, investigation, suppression, control and extinguishment of fires and for the protection of life and property, including technical rescue operations and the administration of first aid through the First Responder Program. Fire & Rescue Services is also responsible for the identification of dangerous goods and taking appropriate actions based on the product.

The department provides a Fire Prevention Program as required in the regulatory provisions of the *Fire Services Act* and the Fire Bylaw no. 3077. The department also conducts public education programs to inform the public on Wildfire and urban residential fire safety issues. These issues include the promotion of the concept for a Fire Smart Community.

The department consists of a Fire Chief, Deputy Fire Chief, four Captains, six full-time Firefighters, a secretary/dispatcher, and 20 Auxiliary Firefighters. In addition, the Nelson Fire Department also services an area of approximately 2000 residents through a contract with the Regional District of Central Kootenay.

## **Safety**

- Continue to promote department and corporate safety to all members by completing annual assessments and review of present safety requirements.

## **Operations**

- Follow through with the Fire Department Strategic review and plan including long-term planning for facility suitability, services and equipment.

## **Training**

- Commence and complete the process for Company Officer Training for all Career Firefighters
- Plan for interagency training for both mutual aid and wildfire situations

## **Legislation & Recommended Practices**

- Review Fire Bylaw, contracts and complete outstanding Operational Guidelines
- Pre-fire planning for all commercial buildings in conjunction with Fire Inspection Software

## **Equipment**

- Replace and update alarm room equipment to accommodated service improvements
- Replace air compressor



# Municipal Departments - Fire cont'd

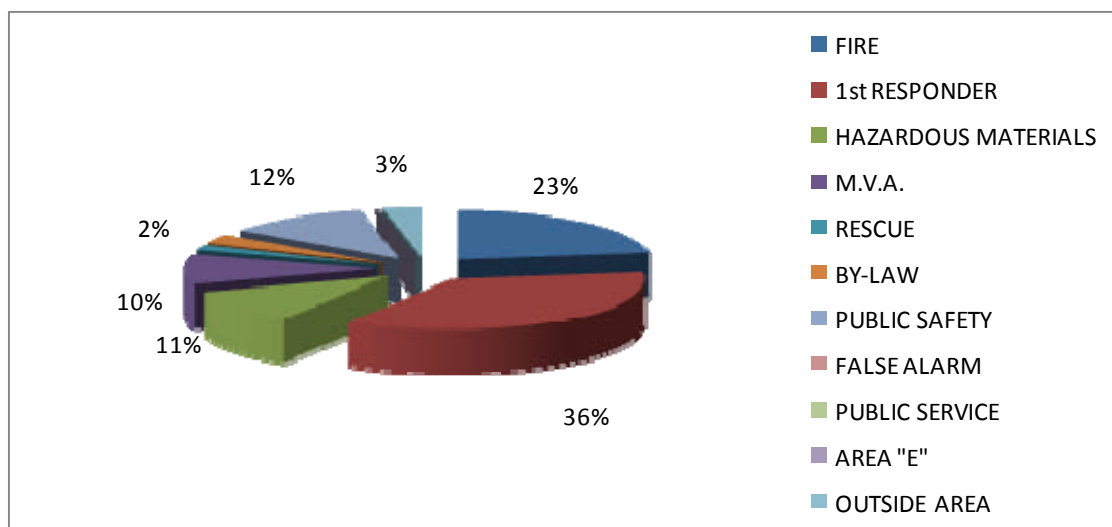
## Training Report

- We organized and participated in a successful Interagency Cooperative Exercise Training session in May with other local emergency response departments.
- All members were recertified in CPR training.
- Fire Fighter I & II - All career members completed their Fire Fighter I and II certifications to the NFPA standards 1001.
- Five members of the department participated in high angle rescue training during the Selkirk College training weekend.
- Training for the auxiliary members included both practical and theory in preparation for the 2009 certification program.

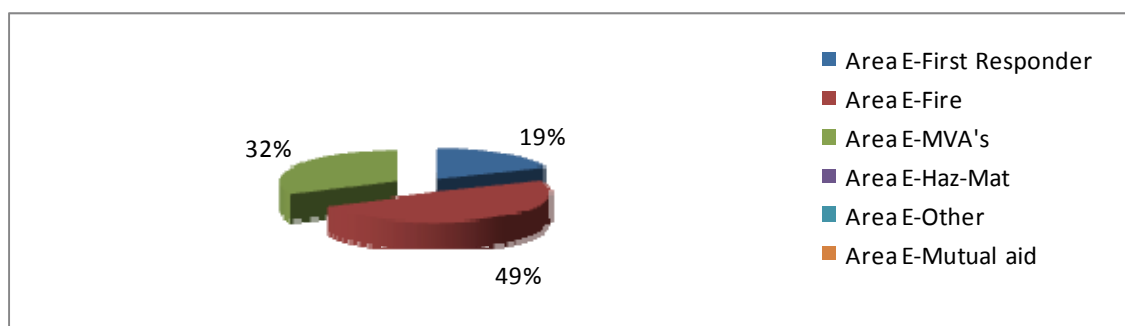
## Fire Prevention Report

- Captain Mike Daloise was appointed as the new Fire Prevention Officer in 2009.
- The focus for 2009 has been on commercial properties within the City of Nelson and the development and completion of preplans for these premises.
- The Fire Prevention Officer attended a Fire Inspection Course in Castlegar presented by the Fire Commissioner's Office.

2009 Calls by Type



Area "E" Calls



# Municipal Departments - Police



**Dan Maluta - Chief Constable**

**Henry Paivarinta – Deputy Chief Constable**

The Nelson Police strive to provide a safe, crime-free community for our citizens to learn, work and live in, and for our youth to flourish in. Nelson has one of the oldest police forces in the province, dating back to the City's first Council meeting in 1897, and is the only independent municipal force in the interior of British Columbia.

The City of Nelson provides funding for the Department, which is administered by the Police Board under the provisions of the *Police Act*. The Police Board consists of six members, one of whom is appointed by Council and four by the Province, with the Mayor serving as Chair. The Department is under the command of the Chief Constable, with one Deputy and a total complement of twenty-one sworn officers.

The force is structured with two patrol teams, each with a Sergeant in charge, designated Beat Officers, two Detectives in the GIS Section and a Community Policing officer. Also under command of the Chief Constable is the Bylaw Department, consisting of three Bylaw Enforcement officers, a two-person Integrated Victim Services Unit, four full-time Police Dispatchers and two administrative positions. 9-1-1 Emergency Communications service was instituted in 2002 and is operated out of police headquarters. Currently, the Department has four officers in seconded positions, both in the Integrated Road Safety Unit (IRSU) and in the RCMP Integrated Border Enforcement Team (IBET), both operating in the Southern Interior region.

Our officers remain very engaged at the patrol level, with one of the highest case burdens per member among the British Columbia Municipal police forces. In the spirit of community policing in this thriving and diverse “core city,” the Department deploys officers to proactively conduct downtown foot-patrols, and is engaged in a host of crime prevention and youth mentoring programs.

## Department Achievements 2009

- Increased Secondment Opportunities for Members
- Achieved Police Services Division compliance with emerging Cell Block *Standards*
- Deployed In-Car Cameras as investigative tools
- Increased complement of Reserve Police Officers by 4 personnel
- Seized record numbers of cash and drug seizures through criminal interdiction

## Departmental Goals— 2009 & 2010

- Promulgation of our new *Strategic Plan* 2010 – 2015
- Succession Planning and the hiring of a new Chief Constable
- Development of Public Safety options, including the *Alternative Dispute Resolution* process
- Deployment and monitoring of critical area CCTV cameras
- Promoting By-Law Development with Legislative Services





# Municipal Departments - Nelson Hydro



**Alex Love, General Manager**  
**Mike Amos, Operations Manager**

The City of Nelson was the first community with hydro power in British Columbia, commencing service February 1, 1896. The City is the only municipality in BC with hydro generation that services an area outside its municipal boundaries. Consequently, the rural area hydro service and rates are subject to regulation by the British Columbia Utilities Commission.

Nelson Hydro is responsible for efficient generation, distribution, and sale of electrical energy. Nelson Hydro partners with FortisBC on Power Sense programs to promote the conservation of electrical energy.

Nelson Hydro presently has over 9,800 customers, of which 58% are within the municipality. Total system load is now approximately 165,000 MWh per year.

In 2009, Nelson Hydro transferred \$2,100,000 in dividends to the General Revenue Fund.

The City operates the Bonnington falls generating facility which is a 15 MW hydro plant on the Kootenay River 14 KM west of Nelson. The hydro plant has 4 operating generators producing 70% of the summer electrical energy needs and approximately 43% of the winter energy requirements. In 2009 the plant produced approximately 86,000 MWh of energy.

## Achievements in 2009

- **Meter Replacement** - Nelson Hydro is in the midst of a complete replacement of our in-service meter inventory. The new meters are fully electronic and have radio-read capability, which will significantly reduce reading costs and improve reading accuracy. 1200 residential meters were replaced in 2009.
- **Front Street voltage upgrade completed**
- **Design for Downtown Voltage conversion near completion**
- **Design for Rosemont substation started**

## Departmental Goals for 2010 –2011

### IMPROVED RELIABILITY OF SYSTEM

- Continue the Downtown voltage conversion project
- Complete 2nd last phase of upgrades to transmission line rebuilds.
- Complete engineering design for Rosemont Substation Rebuild

### IMPROVED CUSTOMER SERVICE

- Investigate rate structure redesign to include inclining block rates.

### NEW BUSINESS OPPORTUNITIES

- Investigate the feasibility of a District Heating System.

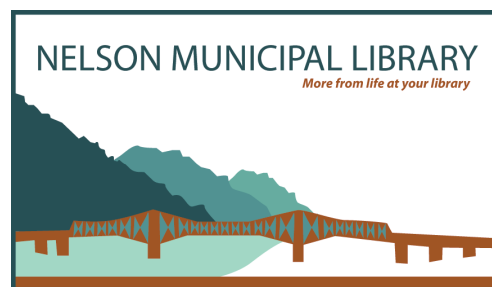
### RESTRUCTURE LINE CREW



# Municipal Departments - Nelson Library

## June Stockdale – Chief Librarian

2009 was another year of change and growth at the Nelson Municipal Library. Our Circulation increased 21% over 2008 to almost 200,000 items, and the number of people who crossed our doors increased by 6%. We issued 1690 new memberships, 79% to City residents, 16% to regional residents and 5% to other area of the province. As the membership database was purged, our overall membership decreased, however active memberships are definitely on the rise. We answered 14,873 reference questions or 286 questions per week, and added 7010 new items to the collections. People visited our website over 7,000 times, performed close to 14,000 searches on our databases, and downloaded 1150 audio and e-books from the website. We added a new format of MP3 books to our collection and discarded our audio and video cassette collections.



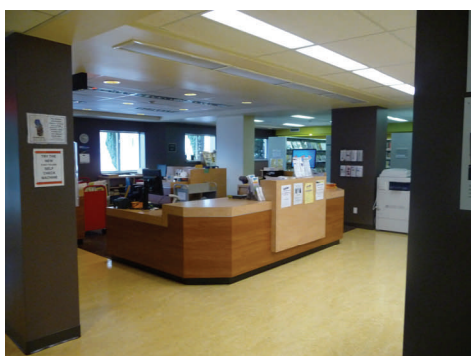
There are a number of factors which contributed to this overall success, including the revitalization of the physical facility and the significant improvements to the collection made possible through additional funding from the City of Nelson and the Columbia Basin Trust. The expansion project started in 2009 will see the lower level of the library brought into active use for the children's collections and programs, which will increase the amount of room we have to accommodate the usage we experience. The Library Board and Friends of the Library have been busy with various fundraising activities throughout the year. The renovation project will be completed in late 2010.

The Library Board initiated discussions with the regional directors from Areas E, F and H regarding the provision of universal access to library service for area residents. After much discussion and many meetings, rural residents will be voting on participating in library service through a referendum in late 2010. As 30% of the library's usage comes from these rural areas, but memberships only contribute 2% of the library's income, this initiative is long overdue. To showcase the potential of regional funding, we partnered with the School District #8 and the Columbia Basin Alliance for Literacy to pilot a weekly outreach library service to the Winlaw School, which was very successful and well received by the Slokan Valley community.

We continue to run a variety of programs for preschoolers, school aged children and teens, host numerous author visits and information sessions, and we implemented an outreach program to seniors at Mountain Lakes. We partnered with the Columbia Basin Alliance for Literacy in setting up a pilot dedicated Learning Center on the lower floor of the Library, which has seen great increases to the participation in their programs, particularly the adult literacy component which is always so important.

Our dedicated staff, Library Board, Friends of the Library, Volunteers, City Council, and our members all contribute to the overall success of the Nelson Municipal Library. Congratulations to us all on a very successful year!

## Statistical Highlights:



	2008	2009	% Change
Circulation	159,017	199,620	21%
City Members (database purged)	7,193	5,542	-23%
RDCK members	2015	1,531	-24%
BC OneCard members	304	445	46%
In person visits	158,371	167,837	6%
Public Computers	29,585	26,490	6%

# Municipal Buildings



## **Nelson Civic Centre**

Built in the depression, the Nelson Civic Centre was the first of its kind in Western Canada. The complex included 2 ice rinks, a curling rink, 2 gymnasiums and a 700-seat theatre. With the opening of the new multi-purpose community centre, the large rink in the Civic Centre has been turned over to a non-profit society (Sports Council) while the small rink was converted to an indoor soccer facility in 2007. The curling rink is leased to the Nelson Curling Club and the theatre is leased to a private entrepreneur.



## **Capitol Theatre**

This 420-seat performing arts centre is a restored theatre originally built in the 1920's. A dedicated volunteer group raised funds and renovated the theatre which opened in 1988.

The City leases the theatre to the Capitol Theatre Restoration Society and also partially funds its operations.



## **Nelson & District Youth Centre**

The current Nelson & District Youth Centre was opened in 1997 and underwent major renovations in 2000-2001. Prior to being used as the Youth Centre this building was the inventory warehouse for Nelson Hydro.



## **Museum, Archives & Art Gallery (Touchstones Nelson)**

The distinctive heritage building at 502 Vernon Street, constructed of Spokane pink brick, Kaslo marble and local common brick, has served many functions since it was first built in 1902. It was originally a post office and customs house, spent a short time as a museum, was purchased by the City in 1961 and opened as the Nelson City Hall on January 8, 1962. It served as City Hall until April of 2005 when the City offices moved to 310 Ward Street. 502 Vernon has received extensive renovations and opened as Touchstones Nelson: Museum of Art and History in October 2006.



# Municipal Buildings cont'd



## **City Hall ( 310 Ward Street)**

The City finalized the purchase of 310 Ward Street from the Province in December of 2004 and moved the City offices in April 2005. The City occupies 20% of the building and the Provincial Government ministries lease the balance of the building from the City. The first floor of the building has the City's Finance Department co-locating with the Government Agents' office. This co-location is proving to be very successful and convenient for our joint customers.



## **Works / Utilities Complex**

The Works/Utilities complex was completed in 1988 utilising pre-cast concrete wall method of construction. The complex is 25,760 square feet and houses the Public Works, Water and Sewer Utilities, Nelson Hydro, Stores and Garage/Transit departments. This building provided a much-needed facility for centralising the public works and utilities functions.



## **Fire Hall**

The present Fire Hall is in the heritage registry. It was constructed in 1912 and has served the City since then. This building was the centre for much of the filming of the movie "Roxanne."



## **Police Station/Library**

In 1992, the City Police moved into a facility shared with the Nelson Municipal Library. The four-storey building was built in the late 1950's as the regional RCMP headquarters. Purchased by the City in 1990, the building was completely renovated with the top two floors being the police station and the first two floors occupied by the library.

# Municipal Infrastructure

## **Roads, Bridges and Sidewalks**

Nelson was a thriving community in the early 20<sup>th</sup> century; subsequently, some of its infrastructure dates back to that time.

Many of the City's road surfaces are beyond the 15 years' normal life expectancy of paved roads. The City has recognized this and has adopted a comprehensive development plan in order to bring the roads up to better standards. The road and highway network, presently, is of sufficient capacity to handle existing traffic, although with future growth, the road system will reach its capacity in short order. Residential roads are first paved through the local improvement program. The City also has a schedule to upgrade the many gravel roads to asphalt surfaces. There are a total of seven bridges within the municipal road system. Most of the bridges are short-span timber structures with an asphalt cover.

Many of the municipal sidewalks in the residential area date back to early in the 20th century. The cement sidewalks within the commercial core are in reasonably good shape; however, the older sidewalks in the residential area will require substantial maintenance and/or replacement. The Comprehensive Development Plan, which was adopted by Council, has set a policy of removing sidewalks from one side of the street where there is only local foot traffic.

## **Waterworks**

The City of Nelson collects potable water from three surface creeks: Five Mile, Anderson and Selous. The City of Nelson water supply is of premier quality.

The City has an ongoing program of replacing older mains with those of a sufficient size for fire flow purposes. The City presently has three intake reservoirs and three storage reservoirs for the system. Due to the topography of the City, Nelson has 10 pressure reducing stations, to maintain proper flows and water pressure within the City.

## **Sanitary Sewer**

The City installed a separate sanitary and storm sewer system in the early seventies. Much of the collection system is old vitrified clay pipe installed during the early part of the century. A result of the old bituminous pipe and the recent separation of the storm drainage from the sanitary sewer is a high degree of infiltration.

The City regularly inspects the collection system with video cameras. The City has a program of either relining or replacing lines which the video inspections indicate require such work.

The City sewage is treated at a plant 3 km west of Nelson. Funding was secured to upgrade the plant to perform secondary treatment. This upgrade was completed in 2005.

The City has received numerous requests from properties adjoining the City boundary to connect to the sewage system. These requests have resulted in several small boundary extensions in past years.

## **Nelson Hydro**

Nelson was the first municipal hydro electric utility in the Province of British Columbia. Presently, the City of Nelson distributes electrical energy within an approximate 30 km radius of the City of Nelson. The City owns and operates a hydro plant 14 km west of Nelson at Upper Bonnington Falls.

The plant has four operating turbines with a 15 MW capacity producing 78,900 MWH or approximately 55% of the system's electrical energy.

The utility has over 9,000 customers who enjoy some of the lowest hydro rates in North America. The system is generally in good condition, however, major expenditures have been undertaken to accommodate load growth and enable the City to continue to offer low rates to customers.

# Municipal Infrastructure—cont'd

## Solid Waste

The Regional District of Central Kootenay operates a refuse transfer station where the City collection crews dispose of the collected garbage and where residents from the City or the rural area, if they choose, may dump their garbage. The garbage is then transferred to a landfill site at Salmo.

The Regional District of Central Kootenay also operates a recycling program. It is estimated that 12-14 % of the solid waste is being removed from the waste stream.

## Drainage

The City has a number of streams running through the community which are monitored closely, particularly during spring runoff. All runoff from the drainage systems eventually end up in the West Arm of Kootenay Lake. The City is planning to conduct a comprehensive drainage study to identify all problem areas and formulate a drainage plan to help guide future development.

The City's storm water was separated from the sanitary sewer in the early 1970's. The system is in fairly good condition.

## Parks

The City of Nelson is known for its beautiful parks. The City has 11 parks with a total area of 23.7 hectares. In addition, the parks department maintains the cemetery, which is 18.19 hectares.

The City is fortunate to have been developed on Kootenay Lake. The City is constructing a high quality pathway along the waterfront. The City's centennial project was to complete 1.8 km of the waterfront pathway from the Hall Street Gateway Gazebo to Lakeside Park. This pathway now extends from Cottonwood Creek to Lakeside Park, a distance of 3.0 km. The City is currently developing Davies Street Park.

In 2002 the new land cell on Kootenay Lake was put into use for sports.

## Municipal Airport

The City of Nelson operates a 940-metre paved airport on the waterfront which is City-owned. The airport is the base for private helicopter companies, a charter aircraft company and numerous private aircraft. There is also a float plane dock facility at the west end of the airport. The airport offers a terminal building and avgas fuel facilities.



# Financial Section

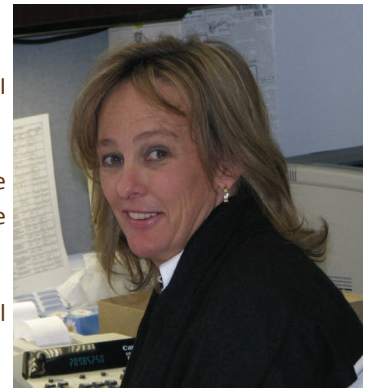


# Chief Financial Officer's Report

In accordance with Section 98 of the *Community Charter*, it is with pleasure that I present the City of Nelson 2009 Annual Report.

The purpose of the report is to provide the readers with a clear understanding of the financial position and financial activities of the City. The report is divided into three sections:

- **Introductory Section:** Provides an overview of the City, including the organizational structure, and the nature and scope of the services provided.
- **Financial Section:** Presents the 2009 audited consolidated financial statements, notes, supplementary schedules, and the independent auditors' report.
- **Statistical Section:** Presents a variety of statistical and financial information, mostly on a five-year comparative basis.



The City maintains a system of internal controls for the purpose of financial statement reliability and protection of city assets. The system includes budget preparation, safekeeping of city funds, receiving monies paid to the municipality, investing in authorized investments, expending funds as authorized by Council, and ensuring accurate and full accounting of all financial transactions.

The preparation and presentation of the financial statements and related information in the annual report is the responsibility of the finance department. Staff provide support to the external auditors during the year end audit by preparing the working papers and ensuring unrestricted access to all related financial information.

The consolidated financial statements for the year ended December 31, 2009 included in this report were prepared by city staff in accordance with generally accepted accounting principles for local governments, as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants. The consolidated financial statements have been audited by Berg, Naqvi, Lehmann Chartered Accountants.

## 2009 Financial Reporting

Financial reporting requirements have changed significantly from prior years – mainly in the treatment of tangible capital assets. Financial reporting in prior years, and the format of the 2009 budget treated expenditures for tangible capital assets as expenses in the year the expenditure was made. For 2009, after a comprehensive two year project to inventory and value all tangible capital assets owned by the City, the reporting treatment reflects expenditures for new capital assets as an increase in tangible capital assets on the Statement of Financial Position – and the Statement of Operations reflects a charge for the annual amortization of City infrastructure over its estimated useful life.

Financial planning, budgeting, and rate setting in future will require adjustments to the structure and format of the models that have traditionally been used in local government, in order that year end reporting does not produce results that are not in alignment with the model now used on the financial statements.

The positive outcome of this extensive project is that there will be a more focused concern with the deterioration in municipal infrastructure as measured by annual amortization charges, and the extent to which that deterioration is recovered through various rate structures such as property taxation, water/sewer user rates, etc.

Continued.....



# Chief Financial Officer's Report cont'd

## 2009 OPERATING RESULTS

The financial results for 2009 were favourable and reflect a commitment to sound financial management. The City has a variety of revenue sources including taxation and grants-in-lieu of \$7.8 million, \$2.2m in sales of other services, \$695,000 in provincial unconditional grants (revenue sharing and traffic fine sharing). The City also receives revenue from user fees (including the electrical utility) of \$16.4 million.

Operating expenditures include \$4.5 million in protective services, \$3.2 million in transportation services, \$4.4 million in general government/corporate services and \$2.4 million in recreation and cultural services. Utility operations expenditures (including Nelson Hydro) total \$13.1 million. The City contributes \$240,000 towards the operation of Transit.

With recent changes to financial plan presentation, the surplus for 2009 is \$3.6m but it must be noted that this does not include capital expenditures and transfers to reserves.

## CAPITAL SPENDING AND RESERVES

The City has an ongoing, aggressive capital program of \$6.2m of actual expenditures in 2009. As presented in the Mayor's message, the City continues to invest in infrastructure — roads, water, Hydro, Sewer, etc. In addition, there was approx. \$1m spent on vehicles and equipment — including the new fire truck in 2009.

The City's reserve funds support the capital program. Overall the capital reserves slightly increased to \$8.5m. Council and staff face the ongoing challenge to continue to address the City's infrastructure needs drawing down the reserves as required while continuing to rebuild them for future capital projects. Council is committed to developing a long term capital financing strategy for general capital in 2010 as they did for the water utility in 2008.

## LONG-TERM DEBT

The long term debt issued and outstanding as of December 31, 2009 (including temporary borrowing and capital lease obligations) was \$19,439,600. In 2008, this balance was \$17,856,590. New debenture debt consists of \$1.5m for Nelson Hydro improvements, \$500,000 for Sewer improvements and \$1m in water improvements as approved in the 2008/2009 financial plan.

The City's long term debt falls under two classifications—General debt and Utility debt. General debt is funded through taxation while Utility debt is self-liquidating and repaid through water, sewer and hydro.

The outstanding debenture debt at the end of 2009 for each of the City's funds is:

General	\$ 12,964,385	Water	\$1,215,469	Sewer	\$1,015,029	Nelson Hydro	\$4,244,717
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As noted in the notes to the financial statements, over \$12m of the general debt is being repaid by Terasen Gas and Selkirk College through long term contractual agreements.

The City is in a good financial position and strives to be innovative and creative in terms of service delivery that reflects Council priorities and community expectations. The City continues to be accountable in spending, sensitive to public needs, and aims to preserve community infrastructure while balancing the economic conditions of the community.



Linda Tynan, BBA, CGA  
Director of Corporate Services & Chief Financial Officer

# Financial Section



CITY OF NELSON

**The Corporation of the City of Nelson**  
Suite 101, 310 Ward Street, Nelson British Columbia V1L 5S4

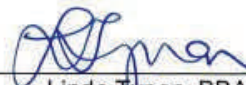
## Responsibility For Financial Reporting

Management is responsible for the preparation of the accompanying consolidated financial statements. The financial statements have been prepared in accordance with the accounting principles disclosed in note 1 to the consolidated financial statements and include amounts that are based on estimates and judgments. Management believes that the financial statements fairly present The Corporation of the City of Nelson's consolidated financial position and results of operations. The integrity of the information presented in the financial statements, including estimates and judgments relating to matters not concluded by fiscal year-end, is the responsibility of management. The financial statements have been approved by Council.

Management has established and maintained appropriate systems of internal control including policies and procedures, which are designed to provide reasonable assurance that The Corporation of the City of Nelson's assets are safeguarded and that reliable financial records are maintained to form a proper basis for preparation of the financial statements.

The independent external auditors, Berg Naqvi Lehmann, Chartered Accountants, have been appointed by Council to express an opinion as to whether the consolidated financial statements present fairly, in all material respects, The Corporation of the City of Nelson's financial position, results of operations, and changes in financial position in conformity with the accounting principles disclosed in note 1 to the consolidated financial statements. The report of Berg Naqvi Lehmann, Chartered Accountants, follows and outlines the scope of their examination and their opinion on the consolidated financial statements.

  
Kevin Cormack, CA  
City Manager

  
Linda Tynan, BBA, CGA  
Chief Financial Officer

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

tel: 250.352.5511 fax: 250.352.2131 Suite 101, 310 Ward Street, Nelson, British Columbia, V1L 5S4

# Financial Section

## BERG NAQVI LEHMANN

CHARTERED ACCOUNTANTS & BUSINESS ADVISORS

**BNL**.CA

"A Commitment To Excellence"

M.D. Berg, FCA, CA-CIRP \* +  
A. Naqvi, B.Comm., FCA \*  
Craig Berg, B.Comm., CA \*  
Stefan Lehmann, B.Math, CA, CFP \*  
Jon McMillan, B.Sc., CA +

### AUDITORS' REPORT

**To The Mayor and Council  
The Corporation of the City of Nelson**

We have audited the Consolidated Statement of Financial Position of The Corporation of the City of Nelson as at December 31, 2009 and the Consolidated Statements of Operations, Changes in Net Debt and Cash Flows for the year then ended. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of The Corporation of the City of Nelson as at December 31, 2009 and the results of its operations, changes in net debt and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The supplementary information included in the Supporting Schedules section is presented for purposes of additional analysis. Such supplementary information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the consolidated financial statements taken as a whole.

*Berg Naqvi Lehmann*

Chartered Accountants

August 31, 2010

Nelson, B.C.

507 Vernon Street, Nelson, British Columbia, Canada V1L 4E9

Tel: (250) 352-3165

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Email: advice@bnl.ca



Members, Institute of Chartered Accountants of British Columbia

\*Incorporated Professional + Associate



# THE CORPORATION OF THE CITY OF NELSON

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## STATEMENT A

As at December 31, 2009

	2009	2008
		(Restated Note 12)
<b>Financial Assets</b>		
Cash and short-term investments (Note 2)	\$ 14,729,509	\$ 9,453,412
Investments (Note 3)	2,319,570	2,172,081
Taxes receivable	428,968	447,116
Due from other governments	828,371	752,408
Trade accounts	2,497,468	2,899,801
Long term accounts receivable (Note 4)	4,647,711	4,848,186
MFA deposits (Note 8)	425,622	395,622
Other assets	7,887	20,516
	<b>25,885,106</b>	<b>20,989,142</b>
<b>Financial Liabilities</b>		
Due to other governments	95,916	45,674
Trade accounts	3,749,819	3,452,173
Other liabilities	264,109	178,673
Accrued interest	147,287	168,136
Deferred revenue	4,745,826	3,889,163
Wages and benefits	1,038,890	925,024
Future payroll obligations	1,331,244	1,319,937
Long term debt (Note 6, Schedule 6)	19,439,600	17,856,590
Capital lease obligation (Note 7)	385,475	388,433
	<b>31,198,166</b>	<b>28,223,803</b>
<b>Net Financial Debt</b>	<b>(5,313,060)</b>	<b>(7,234,661)</b>
<b>Non-financial Assets</b>		
Assets under capital lease (Note 5)	6,549,123	6,783,020
Inventory	1,509,089	1,203,303
Prepaid expenses	266,153	198,169
Tangible capital assets (Note 12, Schedule 5)	126,811,013	125,255,063
	<b>135,135,378</b>	<b>133,439,555</b>
<b>Accumulated Surplus</b>	<b>\$ 129,822,318</b>	<b>\$ 126,204,894</b>
<b>Represented by:</b>		
Operating fund	3,530,094	3,060,025
Capital fund	(612,358)	(3,793,064)
Statutory reserve fund (Schedule 3)	8,508,188	8,316,837
Equity in tangible capital assets (Note 12)	118,396,394	118,621,096
	<b>\$ 129,822,318</b>	<b>\$ 126,204,894</b>

  
 Linda Tynan, BBA, CGA  
 Chief Financial Officer

The notes to the financial statements are an integral part of this statement.





## THE CORPORATION OF THE CITY OF NELSON

### CONSOLIDATED STATEMENT OF OPERATIONS

### STATEMENT B

For the year ended December 31, 2009

	2009 Budget	2009	2008
	(Unaudited Note 11)		(Restated Note 12)
<b>Revenue</b>			
Taxes	\$ 7,726,935	\$ 7,825,835	\$ 7,549,404
Sale of services	2,819,610	2,228,855	2,427,524
Other revenue from own sources	5,327,556	2,750,929	3,172,603
Investment income	132,500	1,017,708	1,040,176
Grants - unconditional	649,759	694,595	668,774
Grants - conditional	4,069,823	2,892,053	1,741,479
Water user fees	2,144,784	2,182,270	1,982,443
Sewer user fees	2,016,833	2,027,983	1,632,920
Transit user fees	279,108	295,616	282,684
Nelson Hydro sales	12,000,000	12,302,435	12,333,569
	37,166,908	34,218,279	32,831,576
<b>Expenses</b>			
General government	2,989,749	4,378,407	3,838,596
Protective services	4,710,729	4,898,591	4,702,166
Engineering and Public Works	2,925,011	3,201,743	3,659,861
Waste collection	277,524	469,843	238,544
Cemetery services	154,771	181,103	156,306
Parks, recreation and cultural services	2,820,970	2,423,346	2,646,053
Interest and other debt charges	1,972,310	1,512,387	1,717,014
Water utility operations	979,280	1,433,878	(393,445)
Sewer utility operations	1,448,412	1,727,499	1,721,197
Nelson Hydro operations	9,153,489	8,785,583	7,929,307
Transit utility operations	1,156,480	1,171,870	1,139,568
Loss on disposal of TCA's	-	416,605	-
	28,588,725	30,600,855	27,355,167
Annual surplus (deficit)	8,578,183	3,617,424	5,476,409
Accumulated surplus at beginning of year	126,204,894	126,204,894	120,728,485
<b>Accumulated surplus at end of year</b>	<b>\$ 134,783,077</b>	<b>\$ 129,822,318</b>	<b>\$ 126,204,894</b>

The notes to the financial statements are an integral part of this statement.



## THE CORPORATION OF THE CITY OF NELSON

### CONSOLIDATED STATEMENT OF CHANGES IN NET DEBT

### STATEMENT C

For the year ended December 31, 2009

	2009 Budget	2009	2008
	(Unaudited Note 11)		(Restated Note 12)
<b>Annual Surplus</b>	8,578,183	3,617,424	5,476,409
Acquisition of tangible capital assets	(12,720,370)	(6,166,427)	(9,532,030)
Amortization of tangible capital assets	-	4,193,872	4,015,181
Amortization of assets under capital lease	-	233,897	233,897
(Gain) / loss on sale/disposal of tangible capital assets	-	416,605	-
	(4,142,187)	2,295,371	193,457
(Acquisition) consumption of supply inventory	-	(305,786)	87,150
(Acquisition) consumption of prepaid expense	-	(67,984)	(17,110)
	-	(373,770)	70,040
<b>(Increase)/decrease in net debt</b>	(4,142,187)	1,921,601	263,497
<b>Net debt at beginning of year</b>	(7,234,661)	(7,234,661)	(7,498,158)
<b>Net debt at end of year</b>	(11,376,848)	(5,313,060)	(7,234,661)





## THE CORPORATION OF THE CITY OF NELSON

### CONSOLIDATED STATEMENT OF CASH FLOWS

### STATEMENT D

For the year ended December 31, 2009

	2009	2008
	(Restated note 12)	
<b>Operating activities:</b>		
Annual surplus/(deficit)	\$ 3,617,424	\$ 5,476,409
Non cash items:		
- Amortization of tangible capital assets	4,193,872	4,015,181
- Amortization of assets under capital lease	233,897	233,897
- Increase in prepaid expenses	(67,984)	(17,110)
- Decrease (increase) in supply inventory	(305,786)	87,150
-(Gain)/Loss on sale of tangible capital assets	416,605	-
Changes to financial assets/liabilities:		
- Decrease (increase) in accounts receivable	544,993	(183,059)
- Decrease (increase) in investment	(147,489)	(72,785)
- Decrease (increase) in MFA cash deposits	(30,000)	-
- Decrease (increase) in other financial assets	12,629	16,320
- Increase (decrease) in accounts payable	347,888	789,102
- Increase (decrease) in deferred revenue	856,663	183,950
- Increase (decrease) in future obligations	125,173	51,431
- Increase (decrease) in other liabilities	64,587	(103,215)
Cash provided by operating transactions	9,862,472	10,477,271
<b>Capital activities:</b>		
Acquisition of tangible capital assets	(6,166,427)	(9,532,030)
Cash applied to capital transactions	(6,166,427)	(9,532,030)
<b>Financing activities:</b>		
Proceeds from debt issues	3,000,000	-
Debt repayment	(997,950)	(622,820)
Actuarial adjustments	(419,040)	(381,408)
Repayment of capital lease obligations	(2,958)	(119,796)
Cash applied to financing transactions	1,580,052	(1,124,024)
<b>Increase (decrease) in cash and cash equivalents</b>	<b>5,276,097</b>	<b>(178,783)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>9,453,412</b>	<b>9,632,195</b>
<b>Cash and cash equivalents at end of year</b>	<b>\$ 14,729,509</b>	<b>\$ 9,453,412</b>

The notes to the financial statements are an integral part of this statement.

## **1. Significant Accounting Policies**

The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles as prescribed by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

### **Change in accounting policies:**

The City has implemented PSAB sections 1200 Financial Statement Presentation and 3150 Tangible Capital Assets. Section 1200 establishes general reporting principles and standards for the disclosure of information in government financial statements. PS 1200 determines that four key figures describe the financial position of governments: cash resources (financial assets); net asset (debt) position (financial assets minus liabilities); non-financial assets available for service provision; and accumulated surplus or deficit. The financial statement format has been changed from prior years to comply with this standard. Section 3150 requires governments to record and amortize their tangible capital assets in their financial statements. This change in accounting policy has been applied retroactively and prior periods have been restated. Additionally, the comparative financial statements have been restated to record MFA cash deposits effective January 1, 2008.

### **Methods used for determining the cost of each major category of tangible capital assets**

The financial information recorded includes the actual or estimated historical cost of the tangible capital assets. When historical cost records were not available, other methods were used to estimate the costs and accumulated amortization of the assets. The City applied a consistent method of estimating the replacement or reproduction cost of the tangible capital assets for which it did not have historical cost recorded, except in circumstances where it could be demonstrated that a different method would provide a more accurate estimate of the cost of a particular type of tangible capital asset. After defining replacement or reproduction cost, the total non-residential building construction index was used as a resource for determining appropriate indices in order to deflate the replacement or reproduction cost to an estimated historical cost at the year of acquisition.

The following is a summary of the City's significant accounting policies:

#### **(a) Basis of Presentation**

Funds are segregated for the purpose of carrying on specific activities or attaining objectives in accordance with regulations, restrictions or limitations. Currently in use are the following funds:

#### **Operating Funds**

These funds report the operating activities of the municipality and include the General Operating and Nelson Municipal Library as well as the Water, Sewer, Transit and Nelson Hydro utilities.

#### **Capital Funds**

These funds are used to acquire Capital Assets. Capital funds have been set up for the General, Water, Sewer, Hydro and Transit funds.

#### **Reserve Funds**

These funds have been created to hold funds for specific future requirements. They are comprised of the funds shown in the supplementary information on Schedule 3. The use of these funds, are restricted by the *Community Charter* and municipal bylaws and are funded 100% by cash and short-term investments.

**THE CORPORATION OF THE CITY OF NELSON**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

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- (b) Principles of Consolidation  
These consolidated financial statements include the accounts of all the funds of the City. Inter-fund transactions and balances have been eliminated. In addition details for each Fund have been presented under "Supporting Schedules".
- (c) Revenue Recognition  
Sources of revenue are recorded on the accrual basis and include revenue in the period in which the transactions or events occurred that give rise to the revenues. Taxation revenues are recognized at the time of issuing the property tax notices for the fiscal year. Sale of services and user fee revenues are recognized when the service or product is rendered by the City. Grant revenues are recognized when the funding becomes receivable. Revenue unearned in the current period is recorded as deferred revenue.
- (d) Financial Instruments  
The City's financial instruments consist of cash and short term investments, accounts receivable, due from other governments, accounts payable, employee benefit plans and long term debt. It is management's opinion that the City is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values.
- (e) Post Employment Benefits  
The City records the cost of post employment benefits over the employees term of employment. Upon retirement a portion of accumulated sick leave credits are paid to the employee based on years of service.
- (f) Interest and Actuarial Additions on Long Term Debt  
The City records interest expense and actuarial additions on long-term debt on an accrual basis.
- (g) Budget Amounts  
The budget amounts are from the Five Year Financial Plan 2009-2013, for the year 2009.
- (h) Use of Estimates  
The preparation of consolidated financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported revenues and expenses during the reporting period. Significant areas requiring estimates include the useful lives of tangible capital assets for amortization and future employee benefits. Actual results could differ from management's best estimates as additional information becomes available in the future.

**THE CORPORATION OF THE CITY OF NELSON**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

(i) **Tangible Capital Assets**

Tangible capital assets, comprised of capital assets and capital work-in-progress, are recorded at cost less accumulated amortization and are classified according to their functional use. Amortization is recorded on a straight-line basis over the estimated useful life of the asset commencing the year the asset is put in to service. Donated tangible capital assets are reported at fair value at the time of donation. Estimated useful lives as follows:

Land Improvements	15 to 20 years
Buildings	10 to 75 years
Fixtures, Furniture, Equipment & Vehicles	4 to 20 years
Technology	4 to 10 years
Roads and Paving	10 to 100 years
Bridges and other Transportation Structures	10 to 100 years
Water Infrastructure	10 to 100 years
Sewer Infrastructure	10 to 100 years
Nelson Hydro Infrastructure	10 to 100 years
Drainage Infrastructure	10 to 100 years

**2. Cash and short-term Investments**

Cash and short-term investments are comprised of:

	<b>2009</b>	<b>2008</b>
Cash	\$ 5,937,826	\$ 2,364,752
MFA Bond and Money Market funds	8,791,683	7,088,660
	<u>\$14,729,509</u>	<u>\$ 9,453,412</u>

**3. Investments**

Investments are carried according to the cost method, where cost is adjusted to reflect accrued interest less any permanent decline in market value below cost. Investments are composed of Government and Bank issued accrual notes and debentures as follows.

	<b>2009</b>		<b>2008</b>	
<b>Maturity</b>	<b>Carrying Value</b>	<b>Market Value</b>	<b>Carrying Value</b>	<b>Market Value</b>
2008			255,037	209,777
2009	100,000	100,000	323,664	327,072
2010			450,400	470,599
2011			253,400	288,288
2012	266,700	304,785	255,100	304,785
2013	134,416	152,902	129,916	152,902
2014	669,670	731,377		
2015 - 2019	1,148,784	1,494,849	504,564	668,523
<b>Total</b>	<b>2,319,570</b>	<b>2,783,913</b>	<b>2,172,081</b>	<b>2,421,946</b>

In addition, investments are held for trusts as reported in the supplementary information on Schedule 4.



**THE CORPORATION OF THE CITY OF NELSON**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

**4. Long Term Accounts Receivable**

Selkirk College – The City has entered into an agreement with Selkirk College to undertake certain improvements to the Tenth Street Campus. Selkirk College is paying for the improvements over a 25 year term in equal monthly installments at the Municipal Finance Authority lending rate plus 1%.

Various other agreements – The City has entered into agreements with various organizations for goods and services or to repay long term financing agreements over an extended period of time.

	<b>2009</b>	<b>2008</b>
Selkirk College	\$4,609,433	\$ 4,799,040
Various other agreements	38,278	49,146
	<b><u>\$4,647,711</u></b>	<b><u>\$ 4,848,186</u></b>

**5. Assets under capital lease**

The City is party to a capital lease with Terasen Gas Inc. for the natural gas distribution system within the City's boundary. Amortization is reported on a straight line basis over 35 years.

	<b>2009</b>	<b>2008</b>
Gross assets under lease	\$ 8,186,404	\$ 8,186,404
Accumulated amortization	1,637,281	1,403,384
Net	<b><u>\$ 6,549,123</u></b>	<b><u>\$ 6,783,020</u></b>

**6. Long Term Debt**

Debt principal is reported net of sinking fund balances, and interest expense is reported net of sinking fund earnings. Interest rates on debenture debt range from 4.0% to 8.5%.

The long term debt issued and outstanding as of December 31<sup>st</sup> 2009 including temporary borrowing and capital lease obligations was \$19,825,075. (2008 - \$18,245,023).

The following payments are required over the next five years

	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
General	638,341	633,551	556,456	386,437	367,308
Sewer	113,279	113,279	113,279	106,894	95,964
Water	106,136	106,136	106,136	106,136	106,136
Nelson Hydro	1,022,655	1,022,655	1,010,535	966,613	666,213
Total	<u>1,880,411</u>	<u>1,875,621</u>	<u>1,786,406</u>	<u>1,566,080</u>	<u>1,235,621</u>
<b>Total Principal</b>	<b>714,742</b>	<b>714,742</b>	<b>702,016</b>	<b>560,385</b>	<b>543,281</b>
<b>Total Interest</b>	<b>1,165,669</b>	<b>1,160,879</b>	<b>1,084,390</b>	<b>1,005,695</b>	<b>692,340</b>
<b>Total</b>	<b><u>1,880,411</u></b>	<b><u>1,875,621</u></b>	<b><u>1,786,406</u></b>	<b><u>1,566,080</u></b>	<b><u>1,235,621</u></b>



**THE CORPORATION OF THE CITY OF NELSON**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

**7. Lease obligations**

a) Equipment leases

The City has various commitments to lease vehicles and equipment until May 25, 2012. The payments required up to 2012 and residual amounts total \$565,022. The leases have payment terms as follows:

2010	140,436
2011	140,436
2012	39,586
Residual	244,564
<b>Total</b>	<b><u>565,022</u></b>

b) Capital leases

The City has entered into a 35 year capital lease with Terasen Gas Inc., commencing October 31, 2003 for the natural gas distribution system within the municipality's boundary. The City has prepaid \$7,600,000 of the capital lease obligation and has financed the prepayment through debenture debt. The remaining obligation of \$400,000 will be paid with annual lease payments of \$36,354 including interest at 8.614%.

The City has also entered into a seventeen year operating lease with Terasen Gas Inc., expiring October 31, 2020 whereby the City leases back to Terasen Gas Inc. the operations of the gas distribution system. Under the operating lease Terasen Gas Inc. is required to make annual lease payments to the City calculated by a formula specified in the agreement which is based on the total annual revenue generated by the transaction. At the end of the seventeen year term Terasen Gas Inc. has the option of making a termination payment to the City equal to the unamortized portion of the City's \$7,600,000 prepayment under the capital lease which is estimated to be \$3,900,000, or negotiate a new eighteen year operating lease with a continuation of the annual lease payments which existed under the previous seventeen year operating lease.

Future payments required under the terms of all capital leases in the aggregate and in each of the succeeding five years are as follows:

2010	\$ 36,354
2011	36,354
2012	36,354
2013	36,354
2014	36,354
Thereafter	872,496
Less interest	<u>668,791</u>
Capital lease obligation	<b><u>\$ 385,475</u></b>

**8. Municipal Finance Authority Debt Reserve Fund**

The Municipal Finance Authority of British Columbia (MFA) provides capital financing for regional districts and their member municipalities. The MFA is required to establish a Debt Reserve Fund. The MFA must then use this fund if at any time there are insufficient funds to meet payments on its obligations. If this occurs the regional districts may be called upon to restore the fund.

**THE CORPORATION OF THE CITY OF NELSON**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

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Each regional district, through its member municipalities who share in the proceeds of a debt issue, is required to pay into the Debt Reserve Fund certain amounts set out in the financing agreements. The interest earned on the Debt Reserve Fund, less administrative expenses, becomes an obligation of the MFA to the regional districts.

Upon maturity of a debt issue, the unused portion of the Debt Reserve Fund established for that issue will be discharged to the Municipality. The proceeds from these discharges will be credited to income in the year they are received. As at December 31, 2009, the total of the Debt Reserve Fund was comprised of:

	<b>*2009 Cash deposits</b>	<b>2009 Demand notes</b>	<b>2009 Total</b>	<b>2008 Total</b>
General Fund	\$150,750	\$346,453	\$ 497,203	\$ 493,028
Sewer Utility	16,463	45,112	61,575	40,439
Water Utility	12,797	40,843	53,640	11,925
Nelson Hydro	245,611	470,320	715,931	647,087
Total	<u>\$425,621</u>	<u>\$902,728</u>	<u>\$1,328,349</u>	<u>\$1,192,479</u>

\* Only the cash portion of MFA deposits is included as a financial asset.

#### **9. Contingent Liabilities and Commitments**

**Regional District Debt** – Regional District debt is under the provisions of the Community Charter of BC a direct, joint and several liability of the District and each member municipality within the District including the City of Nelson.

**Claims for Damages** - In the normal course of a year the City is faced with lawsuits and claims for damages of a diverse nature. The outcome of these claims cannot be reasonably determined at this time.

**Reciprocal Insurance Exchange Agreement** - The City is a subscribed member of the Municipal Insurance Association of British Columbia (The "Exchange") as provided by Section 3.02 of the Insurance Act of British Columbia. The main purpose of the exchange is to pool the risks of liability so as to lessen the impact upon any subscriber. Under the Reciprocal Insurance Exchange agreement, the Municipality is assessed a premium and specific deductible based on population and claims experience. The obligation of the Municipality with respect to the Exchange and/or contracts and obligations entered into by the Exchange on behalf of its subscribers in connection with the Exchange are in every case several and not joint and several. The City irrevocably and unconditionally undertakes and agrees to indemnify and save harmless the other subscribers against liability losses and costs which the other Subscriber may suffer.

**Pension Liability** - The City of Nelson and its employees contribute to the Municipal Pension Plan (Plan), a jointly-trusted pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the Plan, including investment of the assets and administration of benefits. The pension plan is a multi-employer contributory pension plan. Basic pension benefits provided are defined. The plan has about 158,000 active members and approximately 57,000 retired members. Active members include approximately 33,000 contributors from local governments.

**THE CORPORATION OF THE CITY OF NELSON**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

Every three years an actuarial valuation is performed to assess the financial position of the Plan and the adequacy of Plan funding. The most recent valuation as at December 31, 2006 indicated a surplus of \$438 million for basic pension benefits. The next valuation will be as at December 31, 2009 with results available in 2010. The actuary does not attribute portions of the surplus to individual employers. The City of Nelson paid \$1,056,510 for employer contributions to the plan in fiscal 2009.

**10. Taxes levied for other paid Authorities:**

In addition to taxes levied for municipal purposes, the City is legally obligated to collect and remit taxes levied for the following authorities. These collections and remittances are not recorded as revenue and expenses.

	<b>2009</b>	<b>2008</b>
Provincial Government – school taxes	\$ 8,391,987	\$ 8,157,884
Regional District of Central Kootenay	3,101,851	2,714,480
Central Kootenay Hospital District	79,994	79,984
West Kootenay Boundary Hospital District	284,733	537,299
British Columbia Assessment Authority	155,179	147,985
Municipal Finance Authority	381	291
	<u>\$ 12,014,125</u>	<u>\$ 11,637,923</u>

**11. Budget Data**

The unaudited budget data presented in these consolidated financial statements is based upon the 2009 operating and capital budgets approved by Council on April 14, 2009. Amortization was not contemplated on development of the budget and, as such, has not been included.

**12. Prior Period Adjustments**

The City has restated its financial statements to comply with the provisions of Section 3150 of the Public Sector Accounting Board Handbook which requires governments to record and amortize their tangible capital assets on their financial statements. In addition, accounting policy changes for MFA cash deposits and the prepaid expenses have resulted in increases to 2007 surplus of \$395,622 and \$181,059 respectively. These adjustments are as follows:

**Adjustments to 2008 Accumulated Surplus**

Accumulated surplus 2007 Year End, as previously reported	\$ 125,554,777
Less:	
MFA Cash deposits and prepaid expenses	576,681
Adjustment to TCA opening equity	(5,402,973)
Accumulated surplus 2007 Y/E restated	<u>120,728,485</u>
Add:	
Adjustments to 2008 annual surplus (details below)	5,476,409
<b>2008 Accumulated surplus, as restated</b>	<b><u>\$ 126,204,894</u></b>

**Adjustments to 2008 Annual Surplus**

Revenue over expenditures as previously reported	\$ 378,023
Add:	

**THE CORPORATION OF THE CITY OF NELSON**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

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Previously considered capital expenditures	7,692,706
Additional TCA expenses adjustment	1,839,324
Less:	
2008 Amortization of tangible capital assets	( 4,015,181 )
2008 Amortization of assets under capital lease	( 233,897 )
Adjustment for Selkirk College lease revenue	( 184,566 )
<b>Annual surplus, as restated</b>	<b>\$ 5,476,409</b>

**Adjustments to 2008 Tangible Capital Assets**

Net book value of tangible capital assets, as previously reported	\$ 131,664,407
Less:	
Adjustment to TCA opening equity	( 4,253,110 )
2008 Amortization	( 4,015,181 )
Add:	
Additional TCA expenses adjustment	1,839,324
2008 assets under construction	19,623
<b>Net book value of tangible capital assets, as restated</b>	<b>\$ 125,255,063</b>

Certain comparative figures have been reclassified to conform with the current year's presentation.





# Supporting Schedules



# THE CORPORATION OF THE CITY OF NELSON

## STATEMENT OF FINANCIAL POSITION - BY FUND As at December 31, 2009

## SCHEDULE 1

	OPERATING FUNDS					Nelson Municipal Library
	General	Water	Sewer	Nelson Hydro	Transit	
<b>Financial Assets</b>						
Cash and short-term investments	\$ 7,967,806	\$ -	\$ -	\$ -	\$ -	\$ 233,252
Investments	-	-	-	-	-	-
Taxes receivable	428,968	-	-	-	-	-
Due from other governments	683,414	-	-	-	144,957	-
Trade accounts	975,935	89,830	83,971	1,347,732	-	-
Long term accounts receivable	38,278	-	-	-	-	-
MFA deposits	150,750	12,797	16,463	245,612	-	-
Other assets	1,167	6,300	-	420	-	-
Due from own funds	3,734,759	611,836	1,588,107	295,658	-	80,773
	13,981,077	720,763	1,688,541	1,889,422	144,957	314,025
<b>Liabilities</b>						
Due to own funds	2,056,989	-	1,344,697	2,124,584	144,957	43,780
Due to other governments	95,916	-	-	-	-	-
Trade accounts	3,727,074	-	-	15,436	-	7,309
Other liabilities	8,249	74,302	-	181,558	-	-
Accrued interest	42,285	4,710	8,714	91,578	-	-
Deferred revenue	3,771,610	339,008	318,667	145,452	-	171,089
Wages and benefits	1,011,243	-	-	-	-	27,647
Future payroll obligations	1,303,644	-	-	-	-	27,600
Long term debt	-	-	-	-	-	-
Capital lease obligation	-	-	-	-	-	-
	12,017,010	418,020	1,672,078	2,558,608	144,957	277,425
<b>Net Financial Assets (Net Debt)</b>	1,964,067	302,743	16,463	(669,186)	-	36,600
<b>Non-Financial Assets</b>						
Assets under capital lease	-	-	-	-	-	-
Inventory	354,926	-	-	1,154,163	-	-
Prepaid expenses	266,153	-	-	-	-	-
Tangible capital assets	-	-	-	-	-	-
	621,079	-	-	1,154,163	-	-
<b>Accumulated Surplus</b>	\$ 2,585,146	\$ 302,743	\$ 16,463	\$ 484,977	\$ -	\$ 36,600



# THE CORPORATION OF THE CITY OF NELSON

## SCHEDULE 1

CAPITAL FUNDS						Reserve Funds	Consolidated 2009
General	Water	Sewer	Nelson Hydro	Transit			
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,528,451	\$ 14,729,509	
-	-	-	-	-	2,319,570	2,319,570	
-	-	-	-	-	-	428,968	
-	-	-	-	-	-	828,371	
-	-	-	-	-	-	2,497,468	
4,609,433	-	-	-	-	-	4,647,711	
-	-	-	-	-	-	425,622	
-	-	-	-	-	-	7,887	
-	-	-	-	-	1,828,056	8,139,189	
4,609,433	-	-	-	-	10,676,077	34,024,295	
137,996	-	118,297	-	-	2,167,889	8,139,189	
-	-	-	-	-	-	95,916	
-	-	-	-	-	-	3,749,819	
-	-	-	-	-	-	264,109	
-	-	-	-	-	-	147,287	
-	-	-	-	-	-	4,745,826	
-	-	-	-	-	-	1,038,890	
-	-	-	-	-	-	1,331,244	
12,964,385	1,215,469	1,015,029	4,244,717	-	-	19,439,600	
385,475	-	-	-	-	-	385,475	
13,487,856	1,215,469	1,133,326	4,244,717	-	2,167,889	39,337,355	
(8,878,423)	(1,215,469)	(1,133,326)	(4,244,717)	-	8,508,188	(5,313,060)	
6,549,123	-	-	-	-	-	6,549,123	
-	-	-	-	-	-	1,509,089	
-	-	-	-	-	-	266,153	
53,535,209	33,348,748	16,963,921	22,963,135	-	-	126,811,013	
60,084,332	33,348,748	16,963,921	22,963,135	-	-	135,135,378	
\$ 51,205,909	\$ 32,133,279	\$ 15,830,595	\$ 18,718,418	\$ -	\$ 8,508,188	\$ 129,822,318	



# THE CORPORATION OF THE CITY OF NELSON

## STATEMENT OF OPERATIONS - BY FUND

For the year ended December 31, 2009

	OPERATING FUNDS				
	General	Water	Sewer	Nelson Hydro	Transit
<b>Revenues</b>					
Taxes	\$ 7,812,849	\$ -	\$ 12,986	\$ -	\$ -
Sale of services	2,183,512	-	-	-	-
Other revenue from own sources	3,007,411	137,460	88,972	363,124	2,280
Investment income	204,015	520	8,747	264,565	7,857
Grants - unconditional	657,815	-	-	-	-
Grants - conditional	688,222	612,308	847,808	-	642,931
Water user fees	-	2,182,270	-	-	-
Sewer user fees	-	-	2,027,983	-	-
Transit user fees	-	-	-	-	295,616
Nelson Hydro sales	-	-	-	12,302,435	-
	14,553,824	2,932,558	2,986,496	12,930,124	948,684
<b>Expenses</b>					
General Government	4,379,328	-	-	-	-
Protective services	5,007,903	-	-	-	-
Transportation services	3,545,669	-	-	-	-
Environmental health services	488,129	-	-	-	-
Public health and welfare services	192,124	-	-	-	-
Recreation and cultural services	1,921,037	-	-	-	-
Interest and other debt charges	712,280	53,099	59,671	687,337	-
Water utility operations	-	1,517,477	-	-	-
Sewer utility operations	-	-	1,776,355	-	-
Nelson Hydro operations	-	-	-	8,994,777	-
Transit utility operations	-	-	-	-	1,181,870
Loss on disposal of TCA's	331,651	68,528	2,517	13,909	-
	16,578,121	1,639,104	1,838,543	9,696,023	1,181,870
<b>Annual surplus (deficit)</b>	<b>(2,024,297)</b>	<b>1,293,454</b>	<b>1,147,953</b>	<b>3,234,101</b>	<b>(233,186)</b>
<b>Transfers from (to)</b>					
Operating Funds	1,634,961	-	-	(2,100,000)	120,261
Capital Funds	-	-	-	-	-
Reserve Funds	1,750,532	113,789	(1,344,697)	(179,342)	-
	3,385,493	113,789	(1,344,697)	(2,279,342)	120,261
Accumulated surplus at beginning of year	52,429,859	31,028,779	16,043,802	18,248,636	112,925
<b>Accumulated surplus at end of year</b>	<b>\$ 53,791,055</b>	<b>\$ 32,436,022</b>	<b>\$ 15,847,058</b>	<b>\$ 19,203,395</b>	<b>\$ -</b>



# THE CORPORATION OF THE CITY OF NELSON

## SCHEDULE 2

Nelson Municipal Library	Reserve Funds	Eliminations	Consolidated 2009
\$ -	\$ -	\$ -	\$ 7,825,835
61,176	-	(15,833)	2,228,855
49,631	-	(897,949)	2,750,929
-	532,004	-	1,017,708
36,780	-	-	694,595
100,784	-	-	2,892,053
-	-	-	2,182,270
-	-	-	2,027,983
-	-	-	295,616
-	-	-	12,302,435
248,371	532,004	(913,782)	34,218,279
-	-	(921)	4,378,407
-	-	(109,312)	4,898,591
-	-	(343,926)	3,201,743
-	-	(18,286)	469,843
-	-	(11,021)	181,103
580,976	-	(78,667)	2,423,346
-	-	-	1,512,387
-	-	(83,599)	1,433,878
-	-	(48,856)	1,727,499
-	-	(209,194)	8,785,583
-	-	(10,000)	1,171,870
-	-	-	416,605
580,976	-	(913,782)	30,600,855
(332,605)	532,004	-	3,617,424
482,880	2,892,504	-	3,030,606
(138,102)	(3,233,157)	-	(3,371,259)
371	-	-	340,653
345,149	(340,653)	-	-
24,056	8,316,837	-	126,204,894
\$ 36,600	\$ 8,508,188	\$ -	\$ 129,822,318





## THE CORPORATION OF THE CITY OF NELSON

### RESERVE FUND STATEMENT OF CHANGES IN FUND BALANCES

### SCHEDULE 3

For the year ending December 31, 2009

(with comparative figures for 2008)

	Tax Sale	Equipment Replacement	Water Licence	Future Power Purchase	Capital Projects	Land Sales	Water Util. Major Capital
Fund balances, beginning of year:	\$ 17,415	\$ 1,976,098	\$ 569,335	\$ 821,709	\$ 515,096	\$ 321,945	\$ 946,769
<b>REVENUES:</b>							
Investment earnings	1,212	167,625	46,654	35,543	41,760	29,091	31,591
<b>TRANSFERS</b>							
Transfer to capital funds	-	(1,420,713)	(586,357)	-	(638,571)	(123,247)	(113,789)
Transfer from operating	-	675,638	415,000	-	450,000	-	-
	-	(745,075)	(171,357)	-	(188,571)	(123,247)	(113,789)
Fund balances, end of year	\$ 18,627	\$ 1,398,648	\$ 444,632	\$ 857,252	\$ 368,285	\$ 227,789	\$ 864,571



# THE CORPORATION OF THE CITY OF NELSON

## SCHEDULE 3

Parks Acquisition	Off Street Parking	Waterfront Development	Nelson Hydro Capital	Sewer Util. Capital	Nelson Municipal Library	2009 Total	2008 Total
\$ 113,591	\$ 192,370	\$ 68,244	\$ 2,384,130	\$ 366,712	\$ 23,423	\$ 8,316,837	\$ 7,062,729
7,903	13,690	3,187	139,118	13,624	1,006	532,004	451,016
-	(14,822)	(40,000)	(295,658)	-	-	(3,233,157)	(2,509,424)
7,540	-	-	-	1,344,697	(371)	2,892,504	3,312,516
7,540	(14,822)	(40,000)	(295,658)	1,344,697	(371)	(340,653)	803,092
\$ 129,034	\$ 191,238	\$ 31,431	\$ 2,227,590	\$ 1,725,033	\$ 24,058	\$ 8,508,188	\$ 8,316,837





## THE CORPORATION OF THE CITY OF NELSON

### TRUST FUND STATEMENT OF FINANCIAL POSITION

### SCHEDULE 4

As at December 31, 2009

(with comparative figures for 2008)

	Cemetery Care	Cemetery Replacement	Justice McDonald	Better Gardens	Spurway Estate	2009 Total	2008 Total
<b>ASSETS:</b>							
Cash	\$ 41,112	\$ 102,641	\$ 1,404	\$ 13,785	\$ 155,773	\$ 314,716	\$ 299,609
Receivables	4,446	1,825	-	-	-	6,271	2,774
Investments	516,917	-	-	-	-	516,917	482,129
	562,475	104,466	1,404	13,785	155,773	837,904	784,512
<b>LIABILITIES:</b>							
Payables	24	-	-	-	7,500	7,524	8,785
<b>EQUITY:</b>							
Fund balance	562,452	104,466	1,404	13,785	148,273	830,380	775,727
	\$ 562,476	\$ 104,466	\$ 1,404	\$ 13,785	\$ 155,773	\$ 837,904	\$ 784,512

### TRUST FUNDS STATEMENT OF CHANGES IN FUND BALANCES

For the year ending December 31, 2009

(with comparative figures for 2008)

	Cemetery Care	Cemetery Replacement	Justice McDonald	Better Gardens	Spurway Estate	2009 Total	2008 Total
<b>Fund balance, beginning of year</b>	\$ 520,154	96,031	\$ 1,305	\$ 12,888	\$ 145,349	\$ 775,727	\$ 744,124
<b>REVENUES:</b>							
Investment earnings	37,877	6,610	99	897	10,424	55,906	38,034
Other contributions	16,422	1,825	-	-	-	18,247	13,269
	54,298	8,435	99	897	10,424	74,153	51,303
<b>EXPENDITURES:</b>							
Disbursements	12,000	-	-	-	7,500	19,500	19,700
	12,000	-	-	-	7,500	19,500	19,700
<b>Fund balance, end of year</b>	\$ 562,452	\$ 104,466	\$ 1,404	\$ 13,785	\$ 148,273	\$ 830,380	\$ 775,727



# THE CORPORATION OF THE CITY OF NELSON

## CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS

## SCHEDULE 5

As at December 31, 2009

	GENERAL GOVERNMENT				
	Land	Buildings	Vehicles	Equipment/ Furniture/ Computers/ and Other	Library
<b>Historical Cost:</b>					
Opening Balance	8,266,249	33,447,093	7,414,530	2,060,298	346,119
Additions	-	-	972,303	216,749	138,102
Changes in assets under construction	-	-	-	-	-
Disposals	(130,000)	-	(508,795)	(146,051)	(38,450)
Write Downs	-	-	-	-	-
Closing Balance, Dec. 31	8,136,249	33,447,093	7,878,038	2,130,996	445,771
<b>Accumulated Amortization:</b>					
Opening Balance	n/a	(16,898,735)	(3,286,460)	(703,033)	(124,841)
Amortization Expense	n/a	(1,181,698)	(460,589)	(309,561)	(108,436)
Effects of Disposals and write down adjustments	-	-	463,795	117,940	32,337
Closing Balance, Dec. 31	-	(18,080,433)	(3,283,254)	(894,654)	(200,940)
<b>Net Book Value for year ended December 31, 2009</b>	<b>8,136,249</b>	<b>15,366,660</b>	<b>4,594,784</b>	<b>1,236,342</b>	<b>244,831</b>





# THE CORPORATION OF THE CITY OF NELSON

## SCHEDULE 5

### ENGINEERING STRUCTURES

							Consolidated	
Water	Sewer	Storm	Roads and Other	Nelson Hydro - Generating and Substations	Nelson Hydro - Other	Assets under construction	2009	2008
41,517,879	25,562,264	17,296,625	19,175,425	15,730,541	14,996,844	19,623	185,833,490	176,301,460
877,286	112,219	152,576	1,039,576	-	586,369	2,071,248	6,166,428	9,632,030
-	-	-	-	-	-	-	-	-
(236,154)	(6,091)	(93,158)	(102,029)	-	(24,686)	-	(1,285,414)	-
42,159,011	25,668,392	17,356,043	20,112,972	15,730,541	15,558,527	2,090,871	190,714,504	185,833,490
(9,307,602)	(8,354,770)	(4,885,537)	(8,802,494)	(4,530,408)	(3,684,547)	-	(60,578,427)	(56,563,246)
(556,090)	(458,297)	(230,263)	(327,591)	(258,205)	(303,142)	-	(4,193,872)	(4,015,181)
167,626	3,574	6,211	66,548	-	10,777	-	868,808	-
(9,696,066)	(8,809,493)	(5,109,589)	(9,063,537)	(4,788,613)	(3,976,912)	-	(63,903,491)	(60,578,427)
32,462,945	16,858,899	12,246,454	11,049,435	10,941,928	11,581,615	2,090,871	126,811,013	125,255,063



## THE CORPORATION OF THE CITY OF NELSON

### DEBENTURE DEBT - ALL FUNDS

### SCHEDULE 6

For the year ended December 31, 2009

Date of issue	By-law	Purpose	Maturity Dates	Interest Rates	Original Issue	Balance Jan 1, 2009
<b>GENERAL CAPITAL FUND</b>						
<u>Local Improvements</u>						
Mar 24, 1998	2821	Street Construction MFA 68	1998-2011	5.55	225,400	59,162
Nov 7, 2000	2866	Waterfront Drive MFA 73	2000-2012	6.36	19,352	7,694
Nov 7, 2000	2866	Street Construction MFA 73	2000-2013	6.36	208,558	95,663
Nov 2, 2007	3034	Street Construction MFA 102	2008-2022	4.00	50,341	47,819
<u>General Government</u>						
May 13, 1992	2470	Police/Library Bldg MFA 53	1992-2012	6.10	960,000	251,326
Apr 12, 2000	2871	Tenth Street Campus MFA 72	2000-2025	6.45	6,080,000	4,828,036
Apr 9, 2002	2917	Lakeside Fields MFA 77	2002-2012	6.06	1,000,000	443,438
Oct 31, 2006	3036	Hwy 3A MFA 99	2006-2021	4.00	300,000	269,192
		Terasen Gas Franchise	2004-2021		7,850,000	7,786,404
					<b>\$ 16,693,651</b>	<b>\$ 13,788,734</b>
<b>WATER CAPITAL FUND</b>						
Nov 2, 2007	3038	Fairview Reservoir MFA 102	2008-2022	4.000	240,000	227,975
Apr 21, 2009	2025	Water Impr. MFA 105	2009-2029	4.900	1,000,000	-
					<b>\$ 1,240,000</b>	<b>\$ 227,975</b>
<b>SEWER CAPITAL FUND</b>						
May 12, 1993	2559	North Shore Line MFA 55	1993-2013	8.50	150,250	49,068
May 10, 1994	2654	North Shore Line MFA 59	1994-2014	8.50	35,400	14,272
Oct 31, 2006	3037	STP MFA 99	2006-2021	4.00	550,000	493,517
Apr 21, 2009	2025	Sewer Impr. MFA 105	2009-2029	4.90	500,000	-
					<b>\$ 1,235,650</b>	<b>\$ 556,857</b>
<b>NELSON HYDRO CAPITAL FUND</b>						
May 10, 1994	2605	Hydro Plant MFA 58	1994-2014	7.510	8,000,000	3,105,650
Apr 9, 2002	2917	Bonnington Sub. MFA 77	2002-2012	6.060	400,000	177,374
Apr 21, 2009	2025	Hydro Impr. MFA 105	2009-2029	4.900	1,500,000	-
					<b>\$ 9,900,000</b>	<b>\$ 3,283,024</b>
<b>TOTAL</b>					<b>\$ 29,069,301</b>	<b>\$ 17,856,590</b>
<b>Capital Lease Obligations</b>						
		Terasen LILO capital lease	2004-2039	8.614	<b>400,000</b>	<b>388,433</b>



# THE CORPORATION OF THE CITY OF NELSON

## SCHEDULE 6

2009 Issue	Principal Repayments	Actuarial Adjust.	Interest & Exchange	Balance Dec 31, 2009
-	12,725	8,804	9,580	37,633
-	1,216	582	1,180	5,896
-	11,774	5,640	12,714	78,249
-	2,514	109	2,426	45,196
-	29,033	36,356	58,560	185,937
-	127,391	62,217	275,349	4,638,428
-	79,505	30,148	60,600	333,785
-	14,983	1,352	13,290	252,857
-	400,000	-	112,124	7,386,404
<b>\$ -</b>	<b>\$ 679,141</b>	<b>\$ 145,208</b>	<b>\$ 545,823</b>	<b>\$ 12,964,385</b>
-	11,986	520	11,568	215,469
1,000,000	-	-	34,032	1,000,000
<b>\$ 1,000,000</b>	<b>\$ 11,986</b>	<b>\$ 520</b>	<b>\$ 45,600</b>	<b>\$ 1,215,469</b>
-	4,544	5,204	12,771	39,320
-	1,070	1,064	1,770	12,138
-	27,467	2,479	24,365	463,571
500,000	-	-	17,016	500,000
<b>\$ 500,000</b>	<b>\$ 33,081</b>	<b>\$ 8,747</b>	<b>\$ 55,922</b>	<b>\$ 1,015,029</b>
-	241,941	252,506	600,800	2,611,203
-	31,801	12,059	24,240	133,514
1,500,000	-	-	51,047	1,500,000
<b>\$ 1,500,000</b>	<b>\$ 273,742</b>	<b>\$ 264,565</b>	<b>\$ 676,087</b>	<b>\$ 4,244,717</b>
<b>\$ 3,000,000</b>	<b>\$ 997,950</b>	<b>\$ 419,040</b>	<b>\$ 1,323,432</b>	<b>\$ 19,439,600</b>
-	2,958	-	33,396	385,475



# THE CORPORATION OF THE CITY OF NELSON

## CONSOLIDATED REVENUES

For the year ended December 31, 2009

## SCHEDULE 7

	2009	2008
<b>Taxes</b>		
Property taxes	\$ 7,097,665	\$ 6,836,114
Special assessments	98,721	120,413
Grants in lieu of Taxes	535,201	507,370
Penalty and interest on taxes	94,258	85,507
Collection for other authorities		
Province of BC - School Taxes	8,391,987	8,157,884
Regional District of Central Kootenay	3,101,851	2,714,480
Regional Hospital Districts	364,727	617,283
B.C. Assessment Authority	155,179	147,985
Municipal Finance Authority	381	291
	19,839,960	19,187,327
Payments to other authorities	(12,014,125)	(11,637,923)
	\$ 7,825,835	\$ 7,549,404
<b>Sale of Services</b>		
Services provided other governments	\$ 352,956	\$ 370,349
General government	72,941	77,565
Protective services	473,117	433,418
Transportation services	511,135	538,488
Waste Collection Fees	228,404	241,944
Public health services	49,779	35,845
Civic Centre	35,883	36,404
Tenth Street campus	336,289	564,000
Recreation & Cultural services	39,295	40,200
Youth Centre	35,869	36,524
Other Revenues	47,844	31,834
Nelson Municipal Library	61,176	36,786
Eliminations (internal revenues)	(15,833)	(15,833)
	\$ 2,228,855	\$ 2,427,524
<b>Other revenue from own sources</b>		
Licences and permits	\$ 392,909	\$ 387,837
Fines	140,327	175,942
Rentals	1,384,659	1,221,199
Lease charges	721,296	750,291
Miscellaneous revenue	368,220	317,718
Eliminations (internal revenues)	(897,949)	(858,582)
	2,109,462	1,994,405
Water utility services		
Connection charges	81,086	351,134
Hydrant rentals	32,640	32,640
Penalties	23,734	13,424
MFA surplus recovery	-	762
	137,460	397,960
Sewer utility services		
Connection charges	60,522	275,257
Penalties	22,310	20,648
Other recoveries	6,140	22,291
	88,972	318,196
Nelson Hydro utility services		
Connection charges	140,442	141,804
Other revenue	222,682	272,368
	363,124	414,172
Transit H/R passes and advertising	2,280	2,020
Nelson Municipal Library	49,631	45,850
	51,911	47,870
	\$ 2,750,929	\$ 3,172,603



# THE CORPORATION OF THE CITY OF NELSON

## CONSOLIDATED REVENUES

For the year ended December 31, 2009

## SCHEDULE 7

	2009	2008
<b>Investment income</b>		
Interest term deposits and misc	\$ 485,704	\$ 589,160
Interest earned on reserves	532,004	451,016
	<b>\$ 1,017,708</b>	<b>\$ 1,040,176</b>
<b>Grants - unconditional</b>		
Province of BC revenue sharing grant	\$ 449,827	\$ 455,714
Traffic fine sharing grant	207,988	176,686
Province of BC Library grant	31,754	31,754
Federal grant - Library	5,026	4,620
	<b>\$ 694,595</b>	<b>\$ 668,774</b>
<b>Grants - conditional</b>		
Youth Centre grants	\$ 213,755	\$ 245,363
Victim Services grants	77,889	58,245
Other misc grants	156,473	31,265
RDCK sports field transfer	140,105	140,105
General infrastructure grants	100,000	540,000
BC Transit agreement	642,931	637,527
Water infrastructure grant	612,308	-
Sewer infrastructure grant	847,808	-
Library grants	100,784	88,974
	<b>\$ 2,892,053</b>	<b>\$ 1,741,479</b>
Water User Fees	2,182,270	1,982,443
Sewer User Fees	2,027,983	1,632,920
Transit User Fees	295,616	282,684
Nelson Hydro Sales	12,302,435	12,333,569
	<b>\$ 16,808,304</b>	<b>\$ 16,231,616</b>
<b>Total Revenues</b>	<b>\$ 34,218,279</b>	<b>\$ 32,831,576</b>





# THE CORPORATION OF THE CITY OF NELSON

## CONSOLIDATED EXPENSES

## SCHEDULE 8

For the year ended December 31, 2009

	2009	2008
<b>General Government</b>		
Legislative	\$ 216,566	\$ 196,419
Administrative services	774,490	429,700
Financial management	438,535	406,686
Legal fees	28,704	77,187
Audit fees	17,000	11,054
Purchasing	201,120	192,731
Planning services	376,077	300,095
Data processing	259,843	104,385
Buildings	25,354	36,843
Insurance claims	33,930	20,114
Chamber of Commerce grant	76,000	76,000
Other community donations	41,760	22,610
Liability insurance	73,635	70,192
Other corporate services	161,166	247,911
Amortization	1,655,148	1,648,925
Eliminations (internal charges)	(921)	(2,236)
	<b>\$ 4,378,407</b>	<b>\$ 3,838,596</b>
<b>Protective Services</b>		
Police protection	\$ 3,031,935	\$ 2,909,828
Fire protection	1,425,370	1,368,953
Victim services	106,889	97,151
By-law enforcement	23,035	20,697
Emergency measures	37,074	42,174
Building inspection	190,050	189,565
Animal control	58,932	72,411
Amortization	134,618	113,222
Eliminations (internal charges)	(109,312)	(111,835)
	<b>\$ 4,898,591</b>	<b>\$ 4,702,166</b>
<b>Transportation Services</b>		
Administration	\$ 435,959	\$ 392,636
Engineering	53,381	69,489
Equipment and supplies	50,483	107,146
Building and yard maintenance	206,740	191,304
Roadway surfaces	350,994	319,434
Snow & ice removal	735,717	822,129
Bridges, handrails, retaining walls	35,820	95,051
Sidewalks	209,105	191,584
Street lighting	130,804	120,577
Traffic services	86,847	94,923
Storm drainage	89,109	210,639
Street cleaning	299,689	299,438
Parking	204,352	221,410
Air transport	40,631	55,040
Wharf and weather station	22,077	15,213
Amortization	593,961	770,898
Eliminations (internal charges)	(343,926)	(317,050)
	<b>\$ 3,201,743</b>	<b>\$ 3,659,861</b>
<b>Environmental Health Services</b>		
Waste collection and disposal	\$ 230,581	\$ 258,726
Amortization	257,548	-
Eliminations (internal charges)	(18,286)	(20,182)
	<b>\$ 469,843</b>	<b>\$ 238,544</b>
<b>Public Health and Welfare Services</b>		
Cemetery and mausoleum operation	\$ 192,124	\$ 166,863
Eliminations (internal charges)	(11,021)	(10,557)
	<b>\$ 181,103</b>	<b>\$ 156,306</b>



# THE CORPORATION OF THE CITY OF NELSON

## CONSOLIDATED EXPENSES

## SCHEDULE 8

For the year ended December 31, 2009

	2009	2008
<b>Recreation and Cultural Services</b>		
Administration	\$ 86,521	\$ 78,877
Sports council grant	55,000	55,000
RDCK grant community complex	102,200	184,200
Community halls	11,648	16,685
Skating rinks and arena	104,429	116,583
Parks and playgrounds	719,120	832,592
Museum	211,531	208,661
Youth Centre	356,655	337,903
Capitol Theatre	59,970	59,898
University Campus	3,203	23,927
Nelson Municipal Library	580,976	654,187
Amortization	210,760	138,957
Eliminations (internal charges)	(78,667)	(61,417)
	<b>\$ 2,423,346</b>	<b>\$ 2,646,053</b>
<b>Interest and other debt services</b>	<b>\$ 1,512,387</b>	<b>\$ 1,717,014</b>
<b>Water utility operations</b>		
Administration	\$ 371,067	\$ (294,818)
Purification and treatment	119,112	(119,490)
Service of supply	93,591	(94,903)
Transmission and distribution	308,751	(279,912)
Customer billing and collection	68,866	(55,539)
Amortization	556,090	547,545
Eliminations (internal charges)	(83,599)	(96,328)
	<b>\$ 1,433,878</b>	<b>\$ (393,445)</b>
<b>Sewer utility operations</b>		
Administration	\$ 406,699	\$ 266,561
Collection system	230,891	292,328
Lift Stations	91,231	80,429
Treatment and disposal	520,219	630,705
Customer billing and collection	69,018	50,004
Amortization	458,297	456,884
Eliminations (internal charges)	(48,856)	(55,714)
	<b>\$ 1,727,499</b>	<b>\$ 1,721,197</b>
<b>Nelson Hydro operations</b>		
Administration	\$ 960,892	\$ 839,701
RDCK grant community complex	90,000	-
Plant maintenance	388,831	473,757
Power purchases	4,850,509	4,629,161
Transmission and distribution	1,523,507	980,637
Customer billing and collection	619,691	622,500
Amortization	561,347	572,647
Eliminations (internal charges)	(209,194)	(189,096)
	<b>\$ 8,785,583</b>	<b>\$ 7,929,307</b>
<b>Transit utility operations</b>		
Administration	\$ 168,913	\$ 150,722
Operations	1,005,395	992,652
Customer billing and collection	7,562	6,194
Eliminations (internal charges)	(10,000)	(10,000)
	<b>\$ 1,171,870</b>	<b>\$ 1,139,568</b>
<b>Loss on disposal of TCA's</b>	<b>\$ 416,605</b>	<b>\$ -</b>
<b>Total Expenses</b>	<b>\$ 30,600,855</b>	<b>\$ 27,355,167</b>



# THE CORPORATION OF THE CITY OF NELSON

## SUMMARY OF EXPENSES BY OBJECT

For the year ended December 31, 2009

## SCHEDULE 9

	2009	2008
<b>General Operating Fund</b>		
Labour and benefits	\$ 8,059,034	\$ 7,823,053
Materials and supplies	865,593	982,245
Equipment	1,144,700	1,223,801
Utilities	311,583	315,871
Professional services and insurance	301,159	373,371
Contracted services	1,231,037	746,548
Grants	522,424	683,550
Miscellaneous	246,624	290,375
Debt interest and fiscal services	712,281	1,041,495
Loss on disposal of TCA's	331,651	-
Amortization	2,618,138	2,438,105
Amortization for assets under capital lease	233,897	233,897
	<b>\$ 16,578,121</b>	<b>\$ 16,152,111</b>
<b>Water Operating Fund</b>		
Labour and benefits	\$ 571,851	\$ (483,210)
Materials and supplies	123,075	(117,504)
Equipment	64,776	(74,261)
Utilities	16,842	(11,902)
Professional services and insurance	75,423	(36,294)
Contracted services	107,451	(114,547)
Miscellaneous	1,969	(6,944)
Debt interest and fiscal services	53,099	11,573
Loss on disposal of TCA's	68,528	-
Amortization	556,090	547,545
	<b>\$ 1,639,104</b>	<b>\$ (285,544)</b>
<b>Sewer Operating Fund</b>		
Labour and benefits	\$ 745,727	\$ 763,310
Materials and supplies	193,818	167,117
Equipment	122,489	173,617
Utilities	57,247	45,441
Professional services and insurance	74,557	54,052
Contracted services	117,133	106,202
Miscellaneous	7,087	10,288
Debt interest and fiscal services	59,671	38,906
Loss on disposal of TCA's	2,517	-
Amortization	458,297	456,884
	<b>\$ 1,838,543</b>	<b>\$ 1,815,817</b>
<b>Nelson Hydro Operating Fund</b>		
Labour and benefits	\$ 1,710,093	\$ 1,402,781
Materials and supplies	383,053	430,182
Equipment	216,579	170,577
Utilities	14,203	24,911
Professional services and insurance	226,685	162,567
Contracted services	911,436	703,728
Power Purchases	4,850,509	4,629,161
Miscellaneous	30,182	21,849
Grants	90,690	-
Debt interest and fiscal services	687,337	625,040
Loss on disposal of TCA's	13,909	-
Amortization	561,347	572,647
	<b>\$ 9,696,023</b>	<b>\$ 8,743,443</b>



# THE CORPORATION OF THE CITY OF NELSON

## SUMMARY OF EXPENSES BY OBJECT For the year ended December 31, 2009

## SCHEDULE 9

	2009	2008
<b>Transit Operating Fund</b>		
Labour and benefits	\$ 711,064	\$ 675,147
Materials and supplies	80,051	79,242
Equipment	129,006	170,538
Professional services and insurance	9,913	15,269
Contracted services	248,531	204,456
Miscellaneous	3,305	4,916
	<b>\$ 1,181,870</b>	<b>\$ 1,149,568</b>
<b>Other Controlled Entities</b>		
Nelson Municipal Library	\$ 580,976	\$ 654,187
Eliminations	\$ (913,782)	\$ (874,415)
<b>Total Expenses</b>	<b>\$ 30,600,855</b>	<b>\$ 27,355,167</b>
<b>Consolidated Total</b>		
Labour and Benefits	\$ 11,797,769	\$ 10,181,081
Materials and supplies	1,645,590	1,541,282
Equipment	1,677,550	1,664,072
Utilities	399,875	374,321
Professional services and insurance	687,737	568,965
Contracted services	2,615,588	1,646,387
Power Purchases	4,850,509	4,629,161
Grants	613,114	683,550
Miscellaneous	289,167	320,484
Debt interest and fiscal services	1,512,388	1,717,014
Loss on disposal of TCA's	416,605	-
Amortization	4,193,872	4,015,181
Amortization for assets under capital lease	233,897	233,897
Nelson Municipal Library	580,976	654,187
Eliminations	(913,782)	(874,415)
<b>Total Expenses</b>	<b>\$ 30,600,855</b>	<b>\$ 27,355,167</b>





# Statistical Section

# Statistical Section

## 2009 Property Tax Exemptions (PTE)

Through the adoption of an annual bylaw, the Municipal Council provides a premissive exemption from municipal taxation to certain groups and organizations, which are evaluated and chosen at the discretion of Council. The legal capacity to provide these premissive tax exemptions is through powers granted to the Council in the Community Charter.

To be considered for a premissive tax exemption, an organization must: submit an application; have goals, policies, and operating principles that reflect those of the municipality; provide services that are an extension of municipal services and programs that are deemed to contribute to the well being of the community. They must be primarily used by residents of the City of Nelson and allow all Nelson residents to participate and adhere to all City of Nelson bylaws and policies. When granting a PTE, Council ensures that the exemption will not provide an unfair competitive advantage and that the resulting tax burden is a justifiable expense.

Below is a listing of organizations granted a PTE in 2009 together with the estimated amount of municipal taxes that would have been imposed on the property if it were not considered exempt.

Organization	Civic Address	Permissive Tax Exemption	Estimated Municipal Taxes 2010
Ascension Lutheran Church	1805 Silver King Rd	100% Land and Improvements not mandatory	689.47
Pentecostal Assemblies of Canada	623 Gordon Rd	100% land	321.77
Pentecostal Assemblies of Canada	1004 Third Street	100% land	321.77
Pentecostal Assemblies of Canada	1004 Third Street	100% land	321.77
The Salvation Army	601 Vernon St	33% building and 10% land	1,118.14
Kootenay Christian Fellowship	812 Stanley St	100% land	205.12
Eleos Centre Ministries	711 Tenth St	33% land	134.25
LDS Latter Day Saints Church	222 W. Richards	75% land	717.03
Evangelical Lutheran	300 Silica St	100%	403.11
Nelson United Church	602 Silica St	100%	174.44
Synod Diocese of Kootenay	723 Ward St	100%	246.14
Synod Diocese of Kootenay	501 Carbonate St	100%	155.18
Evangelical Covenant Church	702 Stanley St	100%	137.70
Catholic Public Schools	523 Mill St	100%	517.26
Roman Catholic Church	813 Ward St	100%	278.25
Christian Science Soc.	237 Baker St	100%	300.01
First Presbyterian	602 Kootenay St	100%	188.35
First Baptist Church	611 Fifth St	100%	360.30
Jehovah's Witness	2121 Falls St	100%	588.61
Nelson & District Boy Scouts	310 Cedar St	100%	384.91
Nelson Curling Club	302 Cedar St	100%	11,948.54
Nelson Golf & Recreation Society	1123 W. Richards St	83% land and building	16,404.08
Nelson Rod & Gun Society	801 Railway St	100%	2,099.36
Nelson Cares Society	567 Ward St	65% land and building	2,257.49
Nelson and District Housing Society	805 Nelson Ave	100%	3,027.69
Kootenay Advocacy Network	620 Nelson Ave	100%	1,897.13
West Kootenay Women's Assoc.	420 Mill St	100%	1,083.46
Nelson Kiwanis Society	824 Sixth Street	100%	3,572.85
Nelson Kiwanis Society	509 Gordon Road	100%	2,143.37
Kootenay Kids Society	312 Silica St	100%	3,079.08
Nelson & District Museum	502 Vernon St	100%	18,676.34
Capitol Theatre Restoration Sociey	421 Victoria St	100%	10,576.57

Total

84,329.55

# Statistical Section

## The Corporation of the City of Nelson General Comparative Statistics As At December 31, 2009

### MUNICIPAL GOVERNMENT:

1 Mayor and 6 Council Members

INCORPORATED MARCH 18, 1897

	2009	2008	2007	2006	2005	2004	2003	2002	2001
Population	9,923	9,923	9,914	9,258	9,797	9,784	9,290	9,571	9,585
Registered Voters	7,040	7,040	5,828	5,926	5,240	7,833	7,593	7,141	6,992
Area (HA)	1,351	1,347	1,347	1,347	1,347	1,347	1,347	911	911
No. Of Properties (Folios)	4,474	4,543	4,316	4,250	4,398	4,255	4,241	4,210	4,199

### DESIGNATED LAND USE IN HA:

Residential	308.1	294.0	294.0	294.0	294.0	294.0	294.0	294.0	294.0
Agricultural	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Commercial	28.7	28.7	28.7	28.7	28.7	28.7	28.7	28.7	28.7
Industry	65.5	78.4	78.4	78.4	78.4	78.4	78.4	78.4	78.4
Schools/Park/Greenbelt	123.8	119.4	119.4	119.4	119.4	119.4	119.4	119.4	119.4
Institutional	41.5	42.7	42.7	42.7	42.7	42.7	42.7	42.7	42.7
Transportation / Utilities	620.7	620.7	620.7	620.7	620.7	620.7	620.7	184.7	184.7
Crown Land	163.1	163.1	163.1	163.1	163.1	163.1	163.1	163.1	163.1

### ROADS IN KM.:

Paved	75.0*	85.0	84.0	84.0	84.0	84.0	84.0	79.0	76.0
Unpaved	21.0	21.0	24.0	24.0	24.0	24.0	24.0	21.0	24.0

### SEWER LINES in KM.:

Sanitary	79.0	79.0	79.0	79.0	79.0	79.0	79.0	79.0	79.0
Storm	56.0	56.0	41.0	41.0	41.0	41.0	41.0	41.0	41.0

### WATER LINES in KM.:

# Water Services	85.5*	87.0	78.7	78.7	78.7	78.7	78.7	78.7	78.7
# Hydrants	3,964	3,972	3,972	3,840	3,840	3,784	3,743	3,708	3,629
	324.0	316.0	312	300	295	284	280	280	280

### PARKS AREA (in HA):

Municipal	30	16	16	16	16	16	16	16	16
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### NUMBER OF SCHOOLS:

Vocational	1	1	1	1	1	1	1	1	1
Colleges	1	1	1	1	1	1	1	1	1
Elementary Schools	3	3	4	4	4	4	4	5	5
Senior Secondary Schools	1	1	1	1	1	1	1	1	1
Middle Schools	1	1	1	1	1	1	1	1	1
Private Schools	3	3	3	3	2	2	2	2	2
District Correspondence School	1	1	1	1	1	1	1	1	1

### School Total Enrollment (Dec 31)

(excluding vocational and colleges)

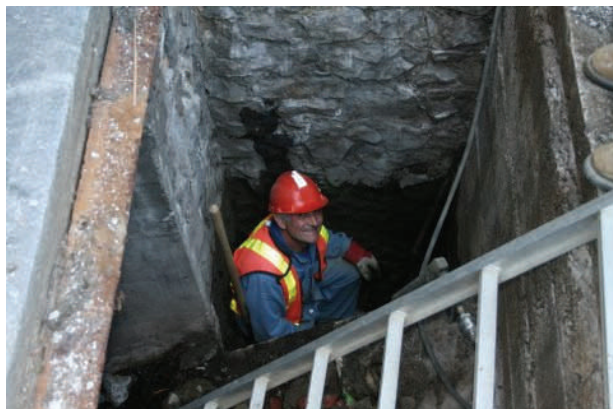
1,803	1,848	1,647	2,050	1,743	1,903	1,856	1,844	2,187
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**THE CORPORATION OF THE CITY OF NELSON**  
**Capital Expenditure Program**  
**2010 - 2014**

	2010	2011	2012	2013	2014
<b>CAPITAL EXPENDITURES:</b>	\$	\$	\$	\$	\$
Information Services	506,000	398,300	410,500	295,500	165,500
City Owned Facilities/Buildings	986,000	310,000	316,150	3,000	-
Protective Services	55,000	25,400	70,000	25,000	5,000
Transportation Services	2,070,000	1,158,000	690,000	690,000	665,000
Recreation & Cultural Services	712,094	100,000	75,000	10,000	10,000
Public Health (Cemetery)	-	-	-	-	-
Equipment	515,000	480,000	370,000	400,000	375,000
Library	-	-	-	-	-
Capital Maintenance Projects	203,000	-	-	-	-
Carbon Neutral Operating Projects	52,991	1,000	-	-	-
Utilities					
Transit	10,000	-	-	-	-
Water	1,695,819	2,317,250	2,763,860	2,383,215	1,803,693
Sewer	1,695,000	1,167,250	1,806,438	1,160,703	1,857,385
Nelson Hydro	3,166,000	3,172,020	2,673,160	1,455,000	1,025,000
	<b>11,666,904</b>	<b>9,129,220</b>	<b>9,175,108</b>	<b>6,422,418</b>	<b>5,906,578</b>
<b>SOURCE OF FUNDS:</b>					
Parcel Taxes	50,000	55,000	55,000	55,000	55,000
User Fees					
Water Rates	1,351,053	1,695,232	1,908,092	2,141,533	1,803,693
Sewer Rates	572,304	832,025	961,884	910,703	1,057,385
Nelson Hydro Rates	744,742	0	1,197,323	1,316,989	1,025,000
Utility Reserves	3,187,131	707,243	2,306,160	379,693	-
Other Reserves	2,706,179	1,630,200	1,595,500	1,363,500	1,163,000
Land Sale Reserve (sale of assets)	-	-	-	-	-
Contribution from ARES (310 Ward)	240,465	-	-	-	-
Reserve Accounts and Other	604,241	96,000	-	5,000	2,500
Government Grants	707,289	141,500	670,000	-	600,000
Community Works Grants	193,500	300,000	200,000	250,000	200,000
Borrowing	1,310,000	3,672,020	281,150	-	-
	<b>11,666,904</b>	<b>9,129,220</b>	<b>9,175,108</b>	<b>6,422,418</b>	<b>5,906,578</b>



The Corporation of the City of Nelson					
Summary of Long Term Debt					
(In \$ 000's)					
	2009	2008	2007	2006	2005
	Actual	Actual	Actual	Actual	Actual
<b>Total Debt (\$ 000's)</b>	<u>\$ 19,440</u>	<u>\$ 18,245</u>	<u>\$ 19,369</u>	<u>\$ 20,596</u>	<u>\$ 20,974</u>
Supported By:					
Selkirk College Lease	4,638	4,828	5,013	5,188	5,355
Property Tax	940	1,174	1,545	2,209	2,384
Water Utilities	1,215	228	240	101	211
Sewer Utilities	1,015	557	597	635	96
Nelson Hydro	4,245	3,283	3,796	4,284	4,749
Gas Franchise Lease Revenues	7,386	8,175	8,178	8,179	8,179
<b>Debt Service Payments (\$000's)</b>	<u>\$ 2,321</u>	<u>\$ 2,322</u>	<u>\$ 2,818</u>	<u>\$ 2,510</u>	<u>\$ 2,508</u>
Supported By:					
Long term lease	403.0	519.6	519.6	519.6	519.6
Property Tax	310.1	465.3	835.2	606.0	614.2
Water Rates	57.6	23.6	104.9	122.1	126.6
Sewer Rates	89.0	72.0	72.0	23.8	21.5
Nelson Hydro Rates	949.8	898.8	898.8	898.8	898.8
Gas Franchise Lease Revenue	512.0	342.3	387.8	339.4	326.9
<b>Total Revenues (\$000's)</b>	<u>\$ 34,218</u>	<u>\$ 32,635</u>	<u>\$ 30,000</u>	<u>\$ 30,521</u>	<u>\$ 31,719</u>
Long Term Debt as a					
Percentage of Total Revenue	<u>6.78%</u>	<u>7.12%</u>	<u>9.39%</u>	<u>8.22%</u>	<u>7.91%</u>





# Statistical Section

## THE CORPORATION OF THE CITY OF NELSON 2009 Property Assessments and Tax Rates By Property Class

Residential	Utilities	Light Industry	Business Other	Recreational Non-Profit	Boundary Expansion
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### Analysis of 2009 Taxable Values

Assessment for General Purposes	1,145,884,100	2,582,700	980,200	159,794,350	1,149,400	92,252,600
Percentage of Taxable Values	81.69%	0.18%	0.07%	11.39%	0.08%	6.58%
General Tax Levy by Class	\$ 4,589,724	\$ 76,575	\$ 10,228	\$ 1,667,438	\$ 3,835	\$ 378,422
Percentage of General Taxation	68.24%	1.14%	0.15%	24.79%	0.06%	5.63%

### Analysis of 2009 Rates (Per \$1,000)

General	\$4.0054	\$29.6491	\$10.4349	\$10.4349	\$3.3365	\$4.1600
Debt	0.1726	1.2776	0.4497	0.4497	0.1438	
School	2.6057	14.5000	7.0000	7.0000	3.7000	14.5000
Central Kootenay Regional Hospital	0.0423	0.1481	0.1438	0.1036	0.0423	0.1481
West Kootenay Boundary Regional Hospital	0.1507	0.5275	0.5124	0.3692	0.1507	0.5275
Regional District of Central Kootenay	1.4911	5.2189	5.0697	3.6532	1.4911	5.2189
B.C. Assessment Authority	0.0641	0.4951	0.2026	0.2026	0.0641	0.4951
Municipal Finance Authority	0.0002	0.0007	0.0007	0.0005	0.0002	0.0007
	\$8.5321	\$51.8170	\$23.8138	\$22.2137	\$8.9287	\$25.0503
Specified Area - North Shore	0.1639			0.4270		

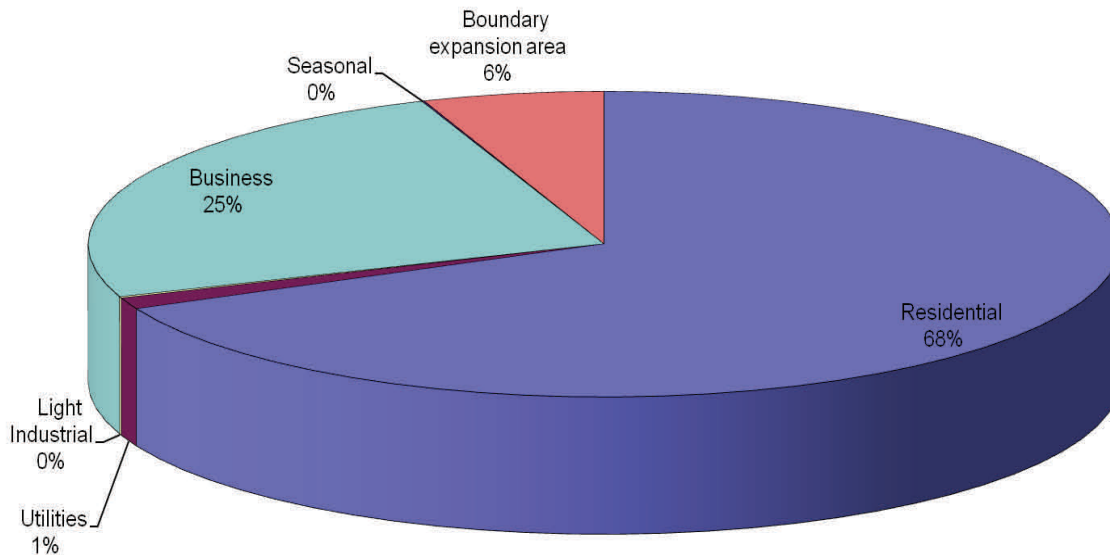
### NOTE:

Properties are categorized into 9 different classes for assessment and taxation purposes.  
The City of Nelson has no properties within class 4 (Major Industry), 7 (Managed Forest Land) and 9 (Farm).

# Statistical Section

The Corporation of the City of Nelson					
Assessment/Taxation Comparative Statistics					
	2009	2008	2007	2006	2005
<b>Assessment for General Taxation</b>					
Land	\$ 599,213,102	\$ 591,137,800	\$ 488,923,500	\$ 309,244,350	\$ 236,642,400
Less: Exempt Land	67,619,831	67,093,002	58,550,402	41,492,216	36,892,096
Net Land Assessment	531,593,271	524,044,798	430,373,098	267,752,134	199,750,304
Improvements	1,216,535,202	1,201,817,800	1,090,083,150	989,772,700	886,492,200
Less: Exempt Imp & Utils	339,952,519	341,017,248	327,383,648	312,423,439	295,336,704
Net Improvement Assess	876,582,683	860,800,552	762,699,502	677,349,261	591,155,496
Total Taxable Assessment	\$ 1,408,175,954	\$ 1,384,845,350	\$ 1,193,072,600	\$ 945,101,395	\$ 790,905,800
<b>Assessment for School Taxation</b>					
Total Taxable Assessment	\$ 1,603,877,954	\$ 1,580,547,350	\$ 1,384,462,600	\$ 1,131,765,335	\$ 971,072,240
<b>Municipal Tax Rates (per \$1,000)</b>					
Residential	\$ 4.1780	\$ 4.0719	\$ 4.5443	\$ 5.6526	\$ 6.7467
Utilities	\$ 30.9267	\$ 30.1417	\$ 32.8689	\$ 32.0234	\$ 33.7335
Industrial	\$ 10.8846	\$ 10.6082	\$ 11.2581	\$ 12.8513	\$ 13.4934
Business	\$ 10.8846	\$ 10.6082	\$ 11.2581	\$ 12.8513	\$ 13.4934
Seasonal	\$ 3.4803	\$ 3.3919	\$ 3.5223	\$ 4.3609	\$ 4.7227
Boundary expansion area	\$ 4.1600	\$ 4.1200	\$ 4.1200	\$ 4.1200	\$ 4.1800
<b>School Tax Rate (per \$1,000)</b>					
Residential	\$ 2.6057	\$ 2.5545	\$ 2.9911	\$ 3.8247	\$ 4.3588
Utilities	\$ 14.5000	\$ 14.2000	\$ 14.7000	\$ 14.9000	\$ 14.9000
Industrial	\$ 7.0000	\$ 6.8000	\$ 7.9000	\$ 9.2000	\$ 9.6000
Business	\$ 7.0000	\$ 6.8000	\$ 7.9000	\$ 9.2000	\$ 9.6000
Seasonal	\$ 3.7000	\$ 3.6000	\$ 3.9000	\$ 4.2000	\$ 4.5000
<b>Residential Tax Rate (per \$1,000)</b>					
General	\$ 4.0054	\$ 3.9033	\$ 4.3430	\$ 5.3804	\$ 6.3926
Debt	\$ 0.1726	\$ 0.1687	\$ 0.2013	\$ 0.2722	\$ 0.3541
Local School Levy	\$ 2.6057	\$ 2.5545	\$ 2.9911	\$ 3.8247	\$ 4.3588
Regional Hospital	\$ 0.1930	\$ 0.3305	\$ 0.4123	\$ 0.4932	\$ 0.4764
Regional District	\$ 1.4911	\$ 1.3270	\$ 1.5244	\$ 1.8086	\$ 1.9908
Specified Area	\$ 0.1639	\$ 0.1587	\$ 0.1885	\$ 0.2535	\$ 0.3043
Municipal Finance Authority	\$ 0.0002	\$ 0.0002	\$ 0.0003	\$ 0.0003	\$ 0.0003
B. C. Assessment Authority	\$ 0.0641	\$ 0.0615	\$ 0.0677	\$ 0.0816	\$ 0.0920
	\$ 8.6960	\$ 8.5044	\$ 9.7286	\$ 12.1145	\$ 13.9693
<b>Collection &amp; Penalty</b>					
Curr Yrs Levy & Penalties (incl Sec 353)	\$ 18,910,945	\$ 18,679,957	\$ 18,334,120	\$ 18,048,029	\$ 17,365,819
Per Capita	\$ 1,905.77	\$ 1,882.49	\$ 1,849.32	\$ 1,949.45	\$ 1,772.56
Current Received	\$ 18,894,461	\$ 18,215,740	\$ 18,168,979	\$ 17,666,618	\$ 16,971,583
Percent of Levy	99.91%	97.51%	99.10%	97.89%	97.73%
Arrears/ Delinq. Collected	\$ 315,931	\$ 224,999	\$ 426,479	\$ 438,317	\$ 463,155
Total Collected	\$ 19,210,392	\$ 18,440,739	\$ 18,595,458	\$ 18,104,935	\$ 17,434,738
Percent of Current Levy	101.58%	98.72%	101.43%	100.32%	100.40%
Total Arrears Outstanding	\$ 428,968	\$ 447,116	\$ 314,432	\$ 508,927	\$ 433,959
<b>Taxation Revenues (Municipal)</b>					
Residential	\$ 4,456,229	\$ 4,377,541	\$ 4,348,753	\$ 4,133,942	\$ 3,926,811
Utilities	\$ 78,955	\$ 76,252	\$ 77,138	\$ 72,981	\$ 70,656
Light Industrial	\$ 9,928	\$ 9,968	\$ 9,730	\$ 23,519	\$ 25,153
Business	\$ 1,629,279	\$ 1,634,478	\$ 1,640,319	\$ 1,571,796	\$ 1,516,326
Seasonal	\$ 4,559	\$ 3,737	\$ 3,086	\$ 3,400	\$ 3,300
Boundary expansion area	\$ 372,235	\$ 374,840	\$ 351,757	\$ 337,965	\$ 336,656
	\$ 6,551,185	\$ 6,476,816	\$ 6,430,783	\$ 6,143,603	\$ 5,878,902

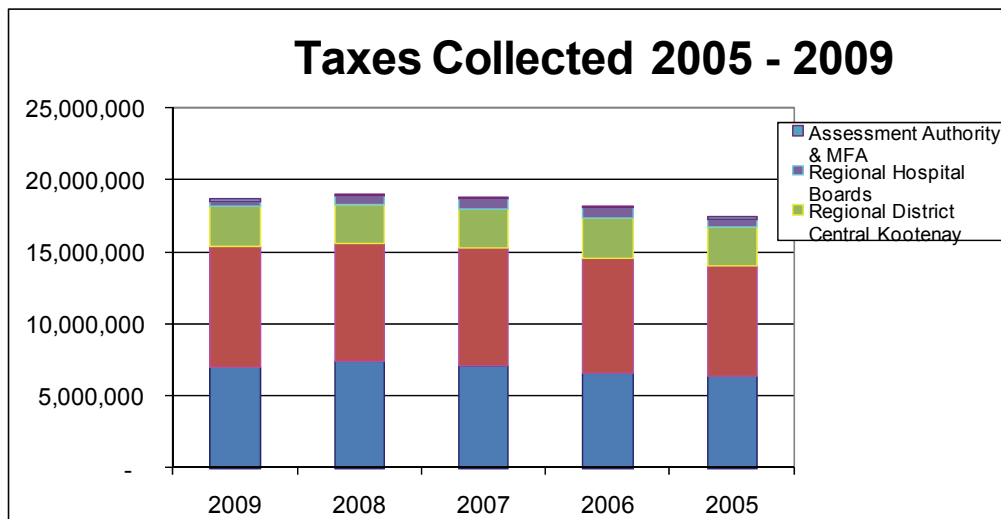
## Municipal Taxes 2009



## Taxes Collected 2005—2009

	2009	2008	2007	2006	2005
Municipal taxes	6,975,322	7,454,655	7,130,767	6,632,013	6,385,841
School taxes	8,391,987	8,157,884	8,127,941	7,992,349	7,691,383
Regional District Central Kootenay	2,817,399	2,714,480	2,764,421	2,778,782	2,686,349
Regional Hospital Boards	364,670	617,283	677,875	669,596	565,466
Assessment Authority & MFA	155,558	147,985	142,981	139,390	134,208

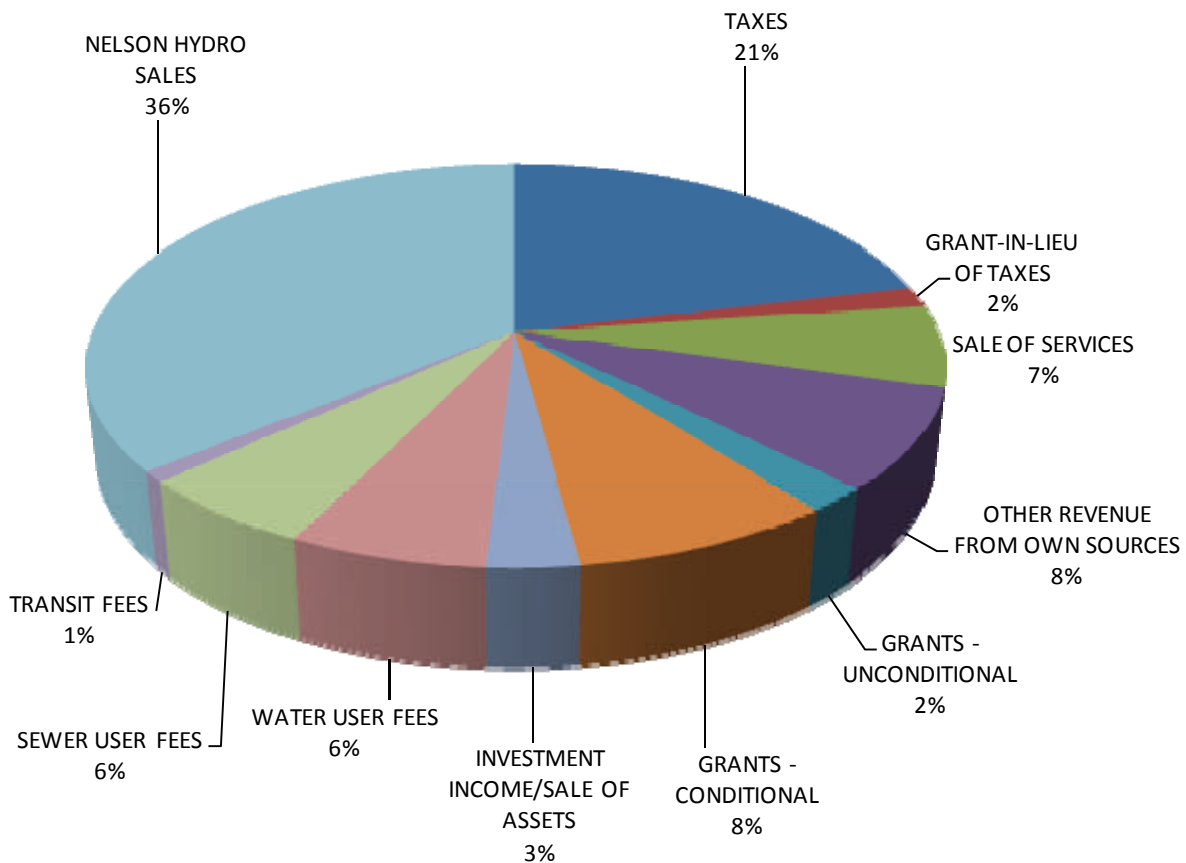
## Taxes Collected 2005 - 2009



## 2009 Operating Revenues

TAXES	7,290,634
GRANT-IN-LIEU OF TAXES	535,201
SALE OF SERVICES	2,228,855
OTHER REVENUE FROM OWN SOURCES	2,750,929
GRANTS - UNCONDITIONAL	694,595
GRANTS - CONDITIONAL	2,892,053
INVESTMENT INCOME/SALE OF ASSETS	1,017,708
WATER USER FEES	2,182,270
SEWER USER FEES	2,027,983
TRANSIT FEES	295,616
NELSON HYDRO SALES	12,302,435
	<b>34,218,279</b>

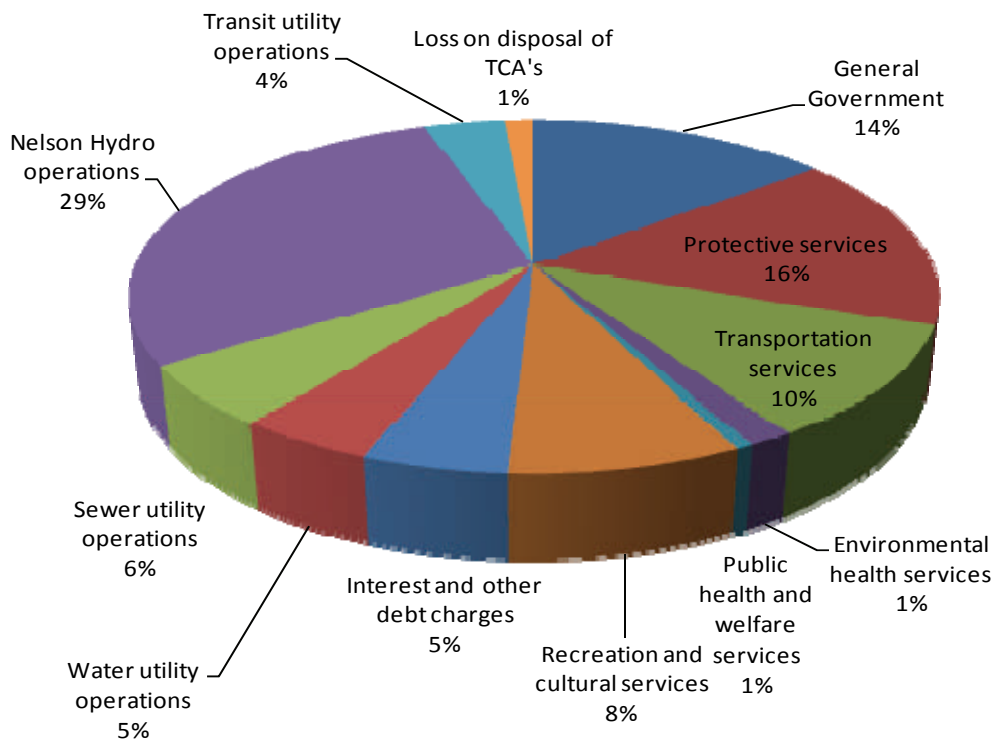
## 2009 Operating Revenues



## 2009 Operating Expenses

<i>General Government</i>	4,378,407
<i>Protective services</i>	4,898,591
<i>Transportation services</i>	3,201,743
<i>Environmental health services</i>	469,843
<i>Public health and welfare services</i>	181,103
<i>Recreation and cultural services</i>	2,423,346
<i>Interest and other debt charges</i>	1,512,387
<i>Water utility operations</i>	1,433,878
<i>Sewer utility operations</i>	1,727,499
<i>Nelson Hydro operations</i>	8,785,583
<i>Transit utility operations</i>	1,171,870
<i>Loss on disposal of TCA's</i>	416,605
	<b>30,600,855</b>

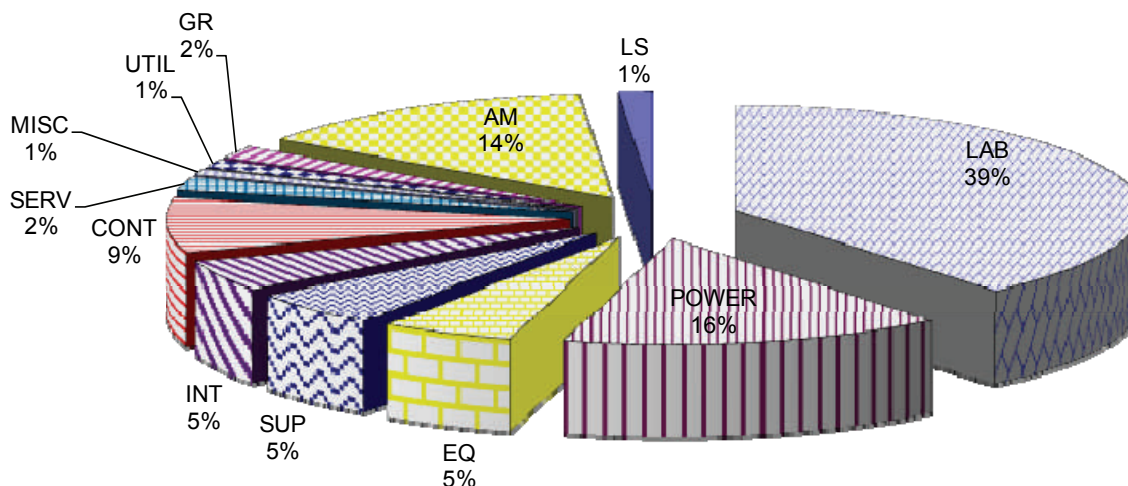
## 2009 Operating Expenses



**CITY OF NELSON SUMMARY OF EXPENSES BY OBJECT  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	General	Water	Sewer	Nelson Hydro	Transit	Library	Total
Labour and benefits (LAB)	8,059,034	571,851	745,727	1,710,093	711,064	476,734	12,274,503
Power purchases (POWER)				4,850,509			4,850,509
Equipment (EQ)	1,144,700	64,776	122,489	216,579	129,006	3,607	1,681,157
Materials and supplies (SUP)	865,593	123,075	193,818	383,053	80,051	27,534	1,673,124
Debt interest and fiscal services (DEBT)	712,281	53,099	59,671	687,337			1,512,388
Contracted services (CONT)	1,231,037	107,451	117,133	911,436	248,531	48,790	2,664,378
Professional services and insurance (SERV)	301,159	75,423	74,557	226,685	9,913	3,846	691,583
Miscellaneous (MISC)	246,624	1,969	7,087	30,182	3,305		289,167
Utilities (UTIL)	311,583	16,842	57,247	14,203		20,465	420,340
Grants (GR)	522,424			90,690			613,114
Amortization (AM)	2,852,035	556,090	458,297	561,347			4,427,769
Loss on disposal TCA's (LS)	331,651	68,528	2,517	13,909			416,605
Eliminations	-913,782						(913,782)
	<b>15,664,339</b>	<b>1,639,104</b>	<b>1,838,543</b>	<b>9,696,023</b>	<b>1,181,870</b>	<b>580,976</b>	<b>30,600,855</b>

## Expenses by Object



LAB	POWER	EQ	SUP	INT	CONT
SERV	MISC	UTIL	GR	AM	LS



**The Corporation of the City of Nelson**  
**Demographic Statistics**  
**Based on Census Figures**

**Total Population By Sex**



**Population by Sex and Age Group**

