



# The Corporation of the City of Nelson

Suite 101, 310 Ward St., Nelson, BC V1L 5S4  
[www.nelson.ca](http://www.nelson.ca)

## 2011 Annual Report

For the year ending December 31, 2011

The City of Nelson 2011 Annual Report has been prepared by the Corporate Services Department, with contributions from City departments and related organizations.



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# Introductory Section





# Message from the Mayor

2011 was once again a busy year for Council. I would first of all like to welcome aboard two new Council members, Councillors Batycki and Kiss and thank former Councillors Stacey and Charlesworth for their outstanding contribution to our community.

Council completed some very important planning work during 2011 which set a solid direction for the community. This extensive planning work started back in 2006 with the adoption of the City's Water Master Plan. To no one's surprise it identified that the City had a major infrastructure deficit. Successive Councils have made a commitment to infrastructure upgrades in all of our utilities; water, sanitary sewer and Nelson Hydro. The most visible work in 2011/12 has been the electrical upgrade in our downtown core. I would like to thank all of the community and in particular the business community who were very patient as we had our streets and back alleys dug up while we were installing underground conduit as part of this project.

We have made good strides forward on the water and sanitary sewer utilities; upgrading water and sewer mains, replacing PRV stations and making improvements to the sewage treatment plant. While we still have a long way to go, we have made enough progress that we have been able to start to level off the increases in both water and sewer utility rates. Some additional good news is that Interior Health has indicated that by adding UV treatment to our water system this may eliminate the need to go to the significant expense of installing water filtration.

Infrastructure is not just an important topic here in the City of Nelson but also across the country. As a BC Director on the Federation of Canadian Municipalities (FCM), I am also working hard to ensure continued federal and provincial funding of infrastructure. The FCM has recently launched a Canadian wide campaign to ensure that senior levels of government recognize the value and the importance of continuing to invest in municipal infrastructure.

Nelson played host to over 100 FCM delegates from across the country in September 2011. We had outstanding weather and were able to showcase local innovation, culture and business. At the recent FCM convention in Saskatoon, the delegates were still raving about how beautiful Nelson is, the quality of our local talent and the first class hospitality that they received while in Nelson.

The fall of 2011 saw the reopening of the Selkirk College Dorms at the Tenth Street Campus. The College welcomed approximately 80 students into this completely revitalized building. As the owner of the campus, the City played a pivotal role in bringing this project to fruition. This support included helping secure the grant funding that made the project possible and installing the geo-thermal system. It was also exciting to attend the opening of the newly renovated Shambhala Music Hall in the spring of 2012.

Council approved the Low Carbon Path to 2040 – Community Energy and Emissions Action Plan in 2011. One of the key recommendations was to establish a home and energy retrofit program. The Eco-Save program was launched in April of this year and has been a resounding success with over 100 residents already signed up to participate in the program.

Council also approved the Sustainable Waterfront and Downtown Plan in 2011 and I am pleased to see the progress we are making already. Council has dubbed the lower end of Baker Street "Railtown" and we have made improvements to lighting, trails and creek restoration. We have also made improvements on Hall Street, the key connection between downtown and the waterfront.

None of this would have been possible without the dedication of our employees, our many community volunteers, service clubs, partner organizations and the business community. I would once again like to thank all of you. Well done!



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.

# 2011 Council Committees

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

### *Appointee/Alternate*

Capitol Theatre	Councillor Charlesworth/Macdonald
Community Heritage Commission	Councillor Charlesworth/Macdonald
Cultural Development Commission	Councillor Macdonald/Charlesworth
Emergency Program Executive (Provincial)	Mayor Dooley, Councillors Cherbo & Adams
Library Board ( <i>Library Act</i> )	Councillor Macdonald/Charlesworth
Nelson Economic Development Partnership	Councillors Kozak & Stacey
Police Board ( <i>Police Act</i> )	Mayor Dooley
RDCK Board (Local Government Act)	Mayor Dooley, Councillor Macdonald
Recreation & Aquatic Commission #5	Councillors Kozak & Stacey
Youth Centre Advisory Committee	Councillors Stacey & Kozak

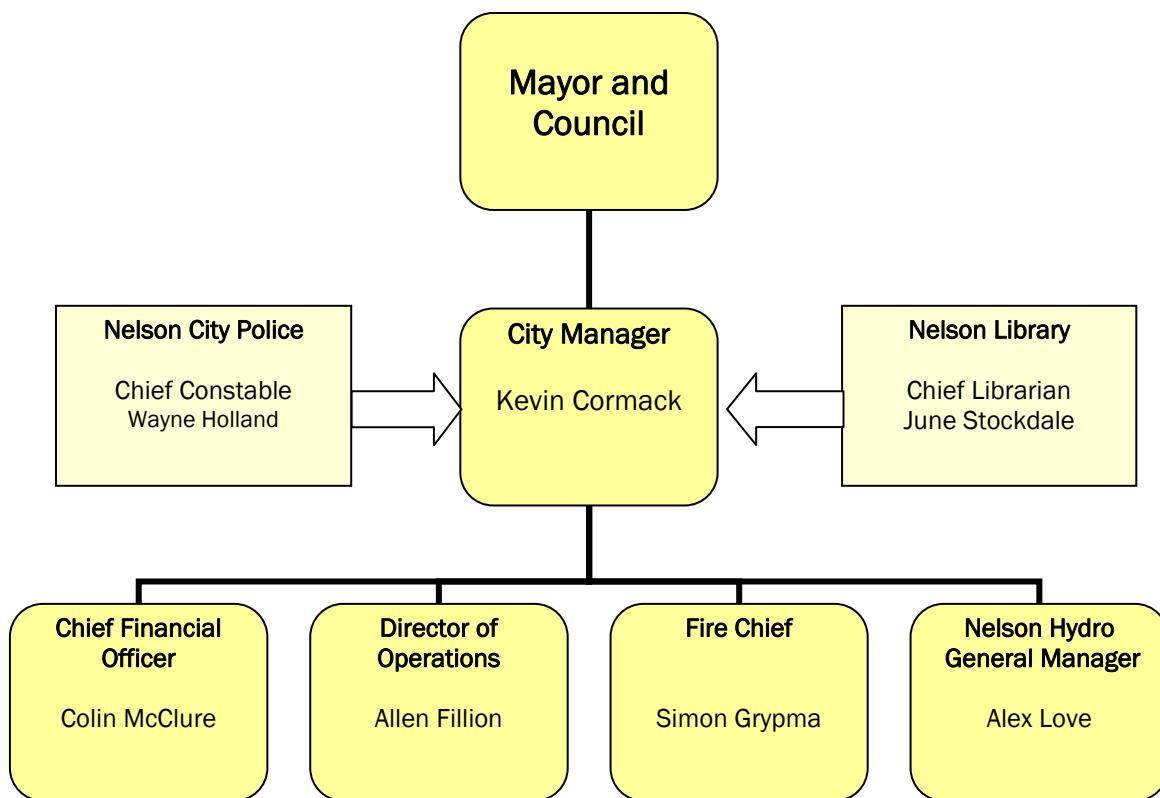
## Standing Committees (established by Mayor)

Grievance Committee	Councillors Cherbo & Adams
Nelson Municipal Airport	All of Council

## Council Liaisons/Portfolios

Advisory Planning Commission	Councillor Adams/Stacey
AFKO	Councillors Macdonald & Charlesworth
Chamber of Commerce	Councillors Kozak & Stacey
Economic Development/Business/Tourism/Events	Councillors Kozak & Stacey/Cherbo
Education (SD #8, Selkirk College)	Councillors Cherbo & Adams
Environment	Councillors Charlesworth/Adams/Macdonald
Healthy Communities	Councillors Cherbo & Adams
Izushi Friendship, Baie-St-Paul, Onagawa	Councillors Macdonald & Charlesworth
Nelson Business Association	Councillors Kozak & Stacey
Nelson & District Arts Council	Councillors Macdonald & Charlesworth
Nelson Electric Tramway	Councillor Cherbo
Nelson Committee on Homelessness	Councillors Cherbo & Adams
Nelson Pilot's Association	Councillor Cherbo
Parks	Councillors Kozak & Stacey
Recreation and Youth	Councillors Kozak & Stacey
Seniors' Services	Councillors Cherbo & Adams
Social Planning	Councillors Cherbo & Adams
Sports Council, GOGA	Councillors Kozak & Stacey
Touchstones	Councillors Macdonald & Charlesworth
Treaty Advisory	Councillor Adams
Tri-Cities	Mayor Dooley/Councillor Adams

# Organizational Chart



## Municipal Officers 2011

Chief Administrative Officer.....	Kevin Cormack
Corporate Officer.....	Frances Long
Chief Financial Officer.....	Colin McClure
Approving Officer.....	Dave Wahn
Municipal Auditors.....	Berg, Naqvi, Lehmann
Municipal Bankers.....	Bank of Montreal

# Report from the City Manager

The City's annual report is a great document to gain an understanding of the City's financial position as well as to get an overview of City operations and Council priorities. My report will focus on Council priorities and give the reader an overview on the progress made during 2011/12. A full list of Council priorities is found on pages 12 to 17.

Council approved a number of important planning documents in 2011. These included the Path to 2040 – Community Sustainability Strategy; the Sustainable Waterfront and Downtown Master Plan and the Low Carbon Path to 2040 – Community Energy and Emissions Action Plan.

Council felt it was important that they look for opportunities to not only plan but take action. I am pleased to be able to report that we have made good progress in moving forward on these and other plans developed by the City over the past five years.

The City completed a water master plan in 2006 and a sanitary sewer master plan in 2010. When I started with the City as the CFO in 2002 the City spent \$263,000 on capital upgrades for the water utility. The recommendation from the 2006 Water Master Plan identified that the City would need to spend \$2,000,000+ per year for the first 10 years to start to catch up on the infrastructure deficit in the water utility. The City has chosen to take a less aggressive replacement program however Council has significantly increased the City's investment in infrastructure over the past 5 years.

In 2011 the City invested almost \$1,000,000 on the water utility, primarily on water main upgrades. In 2012 we will continue with the water main replacement program and start construction on the new UV treatment facility at Mountain Station. On the sanitary sewer side we received some good news when the bids were opened on the sanitary pipe relining program. The prices had dropped almost in half from previous years. Nelson Hydro made good progress on the downtown electrical distribution system upgrade project. The civil work and the first phase of the electrical work were completed. Nelson Hydro was able to move some of our larger customers over to the new system and this has improved the reliability of the system in the downtown core.

Council adopted their Corporate Greenhouse Gas Emission Reduction plan in 2010. This plan identified a number of upgrades the City could do at its various buildings that would reduce our corporate greenhouse gas emissions and energy costs. We completed two major upgrades in 2011 replacing the old inefficient gas boilers at 310 Ward Street and at the Civic Centre Complex.

On the community energy front the City was able to partner with Selkirk College to design, build and now operate the geothermal system for the newly renovated college residences at 10<sup>th</sup> Street Campus. It was identified that home energy retrofits would be an important part of the strategy to reduce our community energy use and emissions. The City in partnership with Natural Resources Canada, FortisBC, Columbia Basin Trust and Ministry of Energy & Mines has now launched their home energy retrofit program - Eco-Save. The response has been tremendous with over 100 people registering for the program within the first 7 weeks.

The City is being proactive in moving the downtown and waterfront plan forward. Residents will have noticed the work that the City has been doing at the foot of Baker Street to start to develop the identity of the new "Railtown" area. New heritage street lights have been installed, sidewalks have been added, the area along Cottonwood Creek has been cleaned up, the pathway has been improved and new plantings added. A public art railing and banners will be added this summer. Hall Street was identified as the only direct connection between downtown and the waterfront and initial improvements have started on this important corridor such as the Chinese Monument at Vernon Street and the streetscape improvements along the 500 block of Hall.

The City is implementing the recommendations in the 2010 Housing Strategy. The City was very pleased to work in partnership with Selkirk College to reopen the extensively renovated student residences at 10<sup>th</sup> Street Campus. It is literally a new building and has space for approximately 100 residents. This not only added important new accommodation for students it also freed up much needed accommodation for other members of the community. The new Anderson Street development will add 33 units and is scheduled to open in 2012.

It takes everyone rowing in the same direction to achieve the goals that have been articulated in these plans developed by the community. It takes community organizations and volunteers, the business community, Council leadership and a dedicated City workforce. I would like to thank everyone for all their hard work and dedication in making

Nelson that very special place we are all so very proud of, great job everyone!



Kevin Cormack, City Manager

A handwritten signature in black ink, appearing to read "Kevin Cormack".

# City of Nelson Strategic Objectives 2011 - 2013

Key Objectives	Performance Measure	Progress to date (June 15, 2012)
1.1 Implement the 2011 financial plan	Meet financial targets as per financial plan	Overall financial targets met
1.2 Identify impact of 2011 changes on future years	Projection for 2012+ completed	These were presented in conjunction with the 2012-16 financial plan
1.3 Develop a more robust 2012+ financial plan	Accurate budget projections for the 5 year plan	Five year operating budget with project cost and tax increases were presented to council
1.4 Review water and sewer capital plans and financing strategy with goal of reducing rate increases while still maintaining a prudent capital upgrade plan	Options developed for future capital and financing	Projected rate increases have been reduced.
1.5 Rate structure review for water and sewer	Option developed for council consideration	Will be completed in summer 2012
1.6 Review city assets to determine if any surplus assets	Clear direction on what are core city assets	Deferred to 2012
2.1 Review the impact of 2011 service adjustments on 2012 and future years. Determine impact of wage and other inflationary costs on 2012. Prepare an interim 2012 budget to be presented to council in 2011.	Interim 2012 budget prepared and presented to Council	Included in the 2012-16 financial plan review
2.2 Council to determine further action - there is no budget to complete a service review in 2011.	Direction received from Council	Service reviews from other jurisdictions were considered in the 2012-16 financial plan
3.1 Complete the fuel mitigation project at Rosemont Park	Work completed on time and within budget.	Completed
3.2 Complete the fuel mitigation work above Mountain Lakes.	Completed on time and within budget.	First phase completed and additional funds have been applied for
3.3 Research and apply for additional funding under the UBCM program.	Successful grant application.	Unsuccessful in first round, city has reapplied
3.4 Research the viability of co-generation of the bio-mass produced through the wildfire interface fuel reduction program	Research completed and recommendation made to council	Bio-mass study was completed

# City of Nelson Strategic Objectives 2011 - 2013

Key Objectives	Performance Measure	Progress to date (June 15, 2012)
3.5 Investigate in conjunction with RDCK developing a composting site at the new transfer station	Decision made on composting by RDCK	This is a future project for the RDCK
4.1 Incorporate the policy statements from the Housing Strategy into the OCP	OCP changes completed and adopted by Council	Draft OCP includes Housing goals
4.2 Formalize the Housing Forum as an ongoing committee with ToR.	ToR completed, committee formally established by council	Draft completed
4.3 Establish the Housing Reserve Fund by bylaw	New bylaw adopted by council	Policy has been adopted by council
4.4 Standard of Maintenance Policy: Research and recommendation to Council	Research completed and council to determine whether to proceed	Will be considered in 2012
4.5 Strata Conversion Policy - complete research and council determine if they would like to develop policy	Research complete and Council determines whether to proceed	Will be considered in 2012
4.6 Density Bonus Policy - Research and make recommendation to council	Research completed and council to determine whether to proceed	Will be considered in 2012
5.1 Finalize the downtown/waterfront plan and present to council for adoption.	Plan adopted by Council.	Adopted by Council
5.2 Incorporate the downtown/waterfront plan into the OCP.	Council adopts OCP with these incorporated	Included in draft OCP
5.3 Implementation of the Hall Street improvements.	Initial improvements are completed in 2011	Chinese monument completed, some street improvements made
5.4 Begin the improvements for the "Railtown District".	Projects completed on time and within budget	Baker Street Bridge work completed with new lighting and sidewalks, plantings and pathway improvements
5.5 Ensure planned developments fits with goals of the downtown/waterfront plan.	Developments consistent with plan.	The downtown/waterfront goals are being considered in development
5.6 Update Zoning bylaw to incorporate the recommendations and policies in the downtown/waterfront plan.	Zoning bylaw adopted by council incorporating the downtown/waterfront plan	To be completed in 2012, it is currently being drafted

# City of Nelson Strategic Objectives 2011 - 2013

Key Objectives	Performance Measure	Progress to date (June 15, 2012)
5.7 Develop an implementation plan including funding options for the next five years (Goal matrix)	Plan developed and approved by Council	Priorities will be established by the dt/waterfront committee; 2012-16 financial plan has included funding to implement certain improvements; a capital grant has been applied for active transportation improvements
6.1 Prepare report for council with recommendation to finalize the Heritage Register.	Report completed	Heritage Register was adopted
6.2 Heritage Register with recommendations adopted by council.	Adopted by council	Heritage Register was adopted
6.3 Prioritize additional Statements of Significance for the Heritage Register	SOS prioritize and approved	With proposed restructuring of city committees this will be done by the CDC
7.1 Completion and adoption of the Community Energy and Climate Change Plan	Plan adopted by council.	Plan has been adopted by council
7.2 Implementation of initial priorities of the Community Energy and Climate Change Plan. of 2011.	The city has implemented at least 3 goals in 2011.	City has launched the Partners in Energy Savings and Safety and the Home Energy Retrofit Program; completed the geo-thermal project at 10 <sup>th</sup> Street Campus and Completed prefeasibility study for a District Energy System
8.1 Develop a new adjudication bylaw	Adopted by Council	The bylaw was adopted by council as well as the amendments to the traffic, noise and building bylaws
8.2 Update and amend the city's Land Use Regulation (Zoning bylaw) to incorporate the recommendations in various planning documents including the downtown/waterfront plan; community energy plan; active transportation and the housing strategy	Adopted by Council	The draft is 75% complete and will be completed in 2012
8.3 Update a number of regulatory bylaws	Adopted by council	The Waste mgmt regulation' electrical, water utility regulatory, the hazardous waste and 5 reserve bylaws were all updated and adopted by council
8.4 Alternative Energy Service and Financial bylaws - the city has developed a new geo-thermal field to service the 10th street dorms and the city has establish a service bylaw for this service.	Adopt by September 2011 when the dorms will open	An MOU was signed with Selkirk College which included billing formula for energy was developed
8.5 Adopt and update new bylaws or policies that are council initiatives	Adopt by council in 2011	Heritage Commission bylaw and Housing reserve policy were adopted; Animal control bylaw was deferred to 2012

# City of Nelson Strategic Objectives 2011 - 2013

Key Objectives	Performance Measure	Progress to date (June 15, 2012)
9.1 Develop the Information Technology Plan	RFP completed by June 30	RFP was completed
9.2 Advertised and award the contract	Contract awarded to qualified consultant	Contract was awarded
9.3 Consultant complete the plan	Plan developed and presented to the city by November 2011	Consultant completed the review and recommendations; It department added the capital plan to the IT plan
9.4 Develop an implementation plan for IT	Plan developed and approved by council	The capital plan was presented to council as part of the 2012-16 financial plan process
10.1 Develop a Facilities Maintenance Plan Initial analysis of city buildings; rank buildings in terms of strategic importance to city operations; gather information on each building; identify current use; identify information gaps	Complete list of city buildings with related info compiled	The building inventory was completed
10.2 Develop a Request for Proposal (RFP)	RFP completed by June 30/11	RFP was completed
10.3 Proposals reviewed - contract awarded	Contract awarded by August 15/11	Contract awarded and draft plan has been completed
10.4 Facility Maintenance Plan presented to Council and adopted.	Council adopts plan	Staff has reviewed and provided comments back to the consultant to finalize the plan
10.5 Develop Implementation Plan: a long-term plan is developed including a funding strategy; a recommendation on what facilities to own, lease and dispose of has been developed; leasing contracts have been standardized	Recommendations adopted by council	Initial recommendations for building upgrades were included in the 2012-16 financial plan
11.1 Fire Hall Building Upgrades Complete the design and engineering work	Working drawings and tender documents completed	Working drawings and tender documents were completed
11.2 Quotes received and contractor hired	Contractor hired	

# City of Nelson Strategic Objectives 2011 - 2013

Key Objectives	Performance Measure	Progress to date (June 15, 2012)
11.3 Renovations completed.	Completed on time and within budget	Renovations were completed, the project budget was reduced in the 2011 capital budget, the final cost was > the revised budget but under the original budget
11.4 Determine whether to fully renovate or replace the Fire Hall	Recommendation made to council	A report on the options to renovate or replace was completed in 2010. A decision was made to improve the existing fire hall as a medium term solution
12.1 Complete the District Energy Business Plan Identify additional potential funding sources (e.g. CBT)	Additional grants received	CBT provided \$50,000 in funding
12.2 Develop the RFP to hire a consultant to prepare the business plan.	RFP Completed	Draft RFP was developed
12.3 Select the consultant	Experienced consultant selected that can meet timelines	To be completed in 2012
12.4 Business Plan completed	Solid business plan that is achievable has been completed, approved by council	To be completed in 2012
12.5 Council adopts business plan.	Business Plan adopted.	To be completed in 2012
12.6 City negotiates an agreement with developers to begin to implement the District Energy System	At least one agreement has been negotiated	Preliminary discussions have been held with developer of the larger proposed waterfront development to incorporate DES
13.1 Water capital projects are identified and approved by council.	Projects approved by council	Included in the 2011-15 financial plan
13.2 Water capital projects designed, tender documents completed where required, projects tendered and awarded. In-house projects assigned to capital works crew		2011 infrastructure improvement targets were met
13.3 Sewer capital projects are identified and approved by council.	Projects approved by Council.	Included in the 2011-15 financial plan
13.4 Sewer capital projects designed, tender documents completed where required, projects tendered and awarded. In-house projects assigned to capital works crew		2011 infrastructure improvement targets were met

# City of Nelson Strategic Objectives 2011 - 2013

Key Objectives	Performance Measure	Progress to date (June 15, 2012)
14.1 Water Smart Plan finalized by consultants	Operations support the final plan.	Final plan was received
14.2 Water Smart Plan adopted by Council	Plan adopted	Plan was presented to council
14.3 Plan developed to move forward on both short-term and longer-term recommendations in the Water Smart Plan	Recommendations prioritized.	Focus had been on leak detection, this work has been completed; Nelson also agreed to participate in a water meter phase 2 assessment
14.4 Water Smart Plan short-term action items are being implemented for 2011/12.		Leak detection work has been completed
15.1 Nelson Hydro Capital Infrastructure Program—Downtown conversion project is completed during the year.	On budget and on target.	Civil work and 1 <sup>st</sup> phase of the electrical were completed on budget
15.2 Other capital infrastructure projects are completed	On time and on budget	G4 rewind project became a priority due to the failure of this unit, design work completed in 2011 and project work completed in 2012
16.1 Corporate GHG plan Implementation Project budget approved by council	Budget approved	Budget was approved by council
16.2 Implementation of the corporate GHG plan	completed on time and on budget	Boiler replacements at 310 Ward Street and the Civic Complex are completed
19.1 BC Transit Nelson & Regional Reviews BCT to conduct a review of the city's transit system with the goal of identifying efficiencies as a result of rising costs	Options identified to create efficiencies	Some service adjustments were implemented in 2011, the projected savings have been realized. Further route review with a goal of improving service was conducted in 2012, draft report expected end of June 2012. Regional Transit Governance Review was completed, RDCK, RDKB and Nelson agreed to participate in regional structure
20.1 Complete ongoing performance reviews	Performance reviews completed	Performance reviews were completed in 2011
20.2 Complete growth plans for all managers that have been reviewed.	Growth plans developed that support staff development	Growth plans were developed and are being implemented
20.4 Review the city's 360 degree performance assessment and make changes as appropriate	Make changes to the performance assessment to reduce time to complete	To be completed in 2012
20.5 Develop a performance assessment process for other employees in the city.	Meaningful review process has been developed	Completed by our software vendor, this assessment
20.6 Overall staff development to build a stronger management team.	At least one team professional development session held	A successful professional development was held for department heads and managers

# 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 9,804, 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 **1,039** business licences issued in 2011.

Nelson has, for years, been an educational centre for the Kootenay Region. Presently, Selkirk College offers post-secondary education, there is a Waldorf School as well as a Chinese Medicine School.

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, CA., 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 Development 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.

### 2011 Highlights

- Building on the three key planning processes begun in 2010, in 2011 Council approved three important planning documents. They are the "Path to 2040—Community Sustainability Strategy", the "Sustainable Waterfront and Downtown Master Plan" and the "Low Carbon Path to 2040—Community Energy and Emissions Action Plan"..
- Progress is also being made in implementing the recommendations in the 2010 Housing Strategy, including working with Selkirk College to reopen the student residences at the 10th Street Campus in 2011 and approving the Anderson Street development which will add 33 units, scheduled to open in 2012.
- Council continued to invest in the City's core assets with capital expenditures of \$6M. We received competitive pricing across our projects which has resulted in a number of the capital projects being delivered under budget.

### Departmental Goals

#### **Council Portfolio Priority Setting**

Support the growth of Council's 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.

#### **Staff development**

We continue to invest in our employees through professional development and other training opportunities.

#### **Document Management**

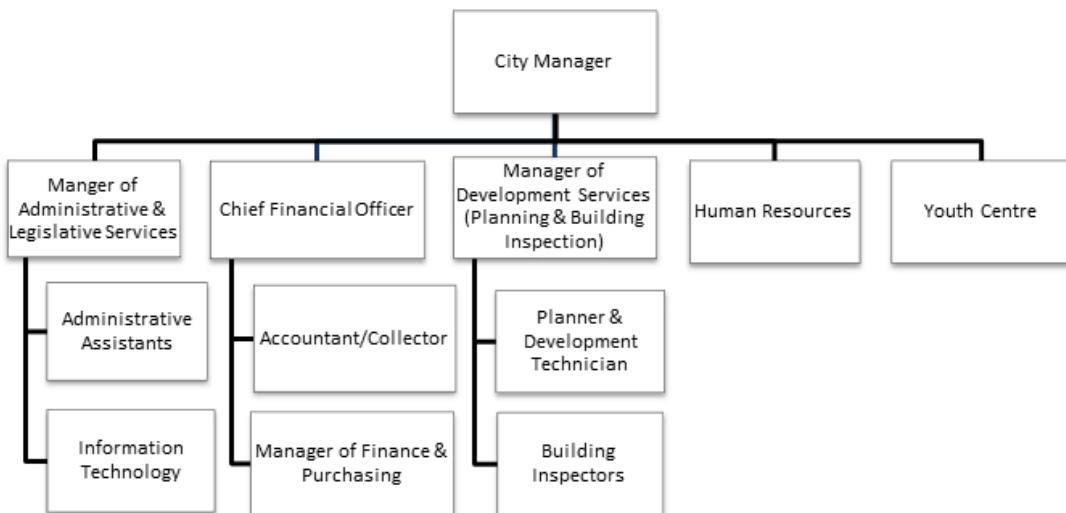
The department has embarked on a records management project with projected implementation in 2012/2013

# Municipal Departments - Corporate Services

The Corporate Services function includes many departments including Finance, Information Technology, Legislative Services, Administration, Development Services and Community 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 August 2011 the City welcomed Colin McClure to the Chief Financial Officer position.



## Finance Section

**Colin McClure - Chief Financial Officer (August 2011)**

**Jeanette McCarvell - Accountant/Collector**

**Suzanne Rorick - 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.

## Legislative Services Section

**Frances Long - Manager of Legislative and Administrative Services and Corporate Officer**

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

# Municipal Departments - Corporate Services

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.

This department currently also includes the Information Technology section, which is responsible for the City's information and data processing needs, and also provides maintenance of the City's inventory of personal computers, now in excess of 85 units, located in various venues.

## Development Services & Sustainability

**Dave Wahn - Manager of Development Services & Sustainability**

**Daphne Powell - Planner**

**Shelley Miller - (to May 2012) Development Technician**

**Bernie Zimmer - Chief Building Official**

**John Southam - Building Official**

This department is responsible for the City's current planning and development (including the processing of rezoning, development permits, development variance permits, sign permits, subdivisions), environmental planning, heritage 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 role of Approving Officer is also held by the Manager of Development Services and Sustainability.

The department includes the front-line staff 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 opportunities for development. The department is leading the work on community-wide sustainability.

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

The department staff assists the public in understanding the relevant Provincial and municipal legislation governing construction, and they are also responsible for enforcement of the Business Licence and the Untidy Premise Bylaws.

The department staff manages the on-going maintenance of 310 Ward Street and is coordinating all corporate GHG projects for the site.



# Municipal Departments - Corporate Services

## Corporate Services Department Achievements 2011

- Completion of new Building Bylaw
- Completion of new Subdivision and Development Servicing Bylaws
- Completion of the Low Carbon Path to 2040: Community Energy and Emissions Action Plan
- Completion of the Sustainable Waterfront and Downtown Master Plans
- Completion of the Heritage Register Update
- Hosted a Secondary Suite information session and developed webpage and information package for the public
- Began a comprehensive update of the Official Community Plan
- Issuance of 147 Building permits valued at \$17M
- Review of 9 Subdivision applications
- Review of 72 Development applications (variances/development permits/rezoning)

## Corporate Service Department Goals 2012/2013

- Completion of policy updates to the Official Community Plan
- Completion of new Zoning Bylaw
- Updating of many out of date bylaws
- Continued update of the Heritage Register
- Coordinate the implementation and monitoring of recent sustainability/planning initiatives
- Participate in implementing Records Management System organization wide

# Municipal Departments - Corporate Services

## Nelson and District Youth Centre

Christine Schmidt - Youth Centre Manager

The Nelson & District Youth Centre (NDYC) was established as a department of the City of Nelson in December 1997. 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 developmental, recreational, employment, and cultural needs of Nelson and area youth. .



NDYC also operates the Youth Employment Resource Centre (YERC). YERC 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 searches. YERC is funded by the Ministry of Housing and Social Development and Employment Labour Market Services. . Visit the YERC website at [www.yerc.ca](http://www.yerc.ca) and check NDYC programs out at [www.nelson.ca](http://www.nelson.ca)

### Department Achievements 2011

- 13,373 total visits to the Nelson and District Youth Centre
- Over 700 hours of volunteer contribution
- Diverse programming: cartooning, dance, skaters yoga, girls skate nights, belly dance
- Installation of two new high efficiency heaters
- Successful management of the Nelson City Campground
- Successful Girls Group
- Teen Holiday Dance
- New large sk8 ramp



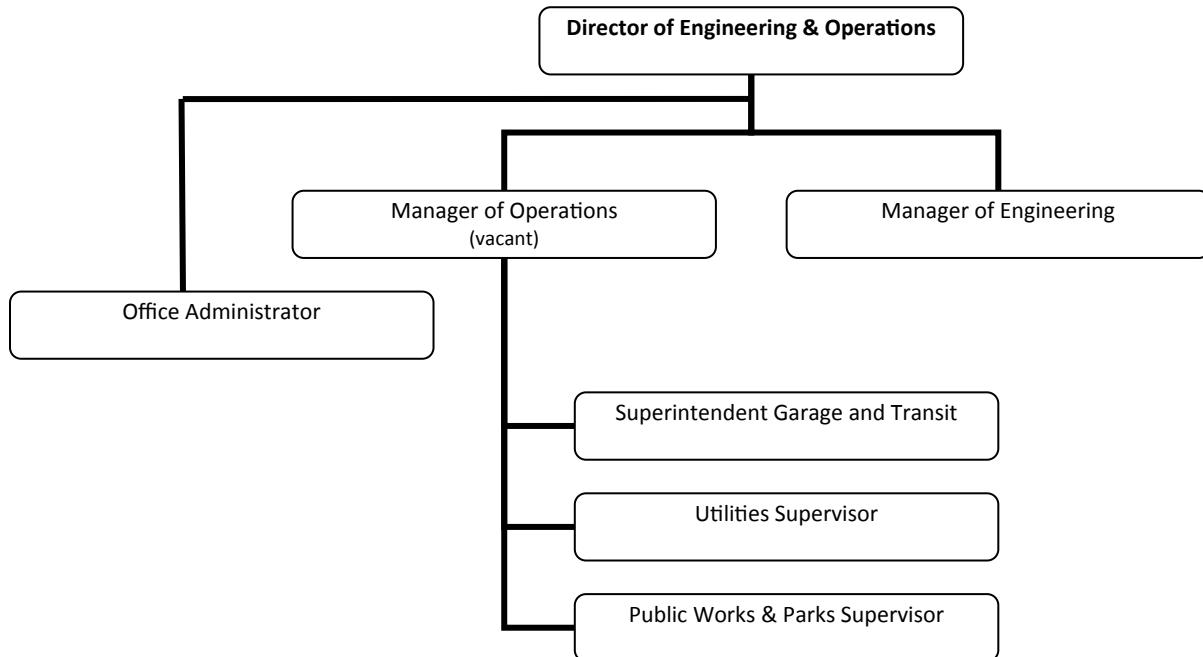
### Department Goals 2012 / 2013

- **Connect 4: Youth To Work Program (Service Canada, Skills Link program)**
- **Diversifying NDYC revenues**
- **Continued management of the Nelson City Campground**
- **Food Security/partnerships**
- **April 1, start date of Youth Employment Contract (Ministry of Housing and Social Development)**
- **Assistance with Outdoor Skatepark**
- **CBT Community Directed Youth Funds**

# Municipal Departments - Operations

**Allen Fillion - Director of Engineering and 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**

**Karen MacDonald - 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. The city has been aggressively upgrading the system and has implemented a number of conservation measures.

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 city has a on-going capital program to renew the sanitary sewer infrastructure.

The Sewage Treatment Plant has provided secondary treatment since 2006. A number of additional upgrades have been done to the plant over the past 5 years.



# 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 6 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.

The City created a new 4.8ha park in partnership with the Provincial Government. Davies Street Park is located in Upper Fairview and is a gateway to the extensive mountain bike network located in the mountains above Nelson.

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 & Accomplishments 2011

- Design for UV disinfection & hypochlorite generation system for Mt Station reservoir
- Successfully applied for Towns for Tomorrow grant funding in the amount of \$375,000 for the UV disinfection project
- Completed design of 9th Street PRV
- Re-lined 1 km of sanitary sewer pipe
- Completed process improvements at the Sewage Treatment Plant



## Operations 2012 / 2013 Departmental Goals

- **To ensure clean, potable water to all residents of Nelson**
  - Continued Implementation of Water Master Plan
  - To continue to upgrade the water distribution system through replacement of old distribution
  - Compliancy with IHA water regulations
  - Installation of UV disinfection & hypochlorite generation system at Mt Station reservoir
- **Investment in City facilities**
  - New HVAC system for the Public Works Complex
  - Finalize the Facility Maintenance Plan
  - Continue improvements as per the GHG Reduction Plan
- **Continue to implement the Wastewater Master Plan**
- **Continue program to video inspect and reline sanitary sewer mains**
- **Construction of new PRV at 9th Street**
- **Finalize the Tree Maintenance Plan**

# 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 pre-hospital care 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. 3217. The Department also conducts public education programs to inform the public on smoke alarm requirements and Wildfire and other related 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, Assistant Fire Chief Training Officer, one Captain Fire Prevention Officer, two additional Captains, six full-time Firefighters, a secretary/dispatcher, and 21 Auxiliary Firefighters. In addition, the Nelson Fire Department also services a portion of RDCK Area "E" for approximately 2000 residents through a contract with the Regional District of Central Kootenay.

### Operations Goal

- To develop a comprehensive emergency response program for fire, rescue, medical and emergency management services designed to ensure a high level of readiness through staffing levels, apparatus, facilities, personnel preparation and operational guidelines.

### Fire Prevention Goal

- To protect lives and property of the public and emergency personnel through inspections and application of the *BC Fire Services Act* and *Fire Code*, Nelson Fire By-law and the *National Fire Protection Association Code* and related documents. In addition to inspections we will educate the public through a well balanced public education program aimed at all levels of our community to ensure every home has a working smoke alarm. We will investigate all fires for cause and determination to take a proactive approach in prevention.



### Training Goal

- To continue to develop and implement a Fire Department Training Program to ensure highly trained efficient and technical expertise for Nelson Fire personnel, with an emphasis on safety. Training will meet the NFPA standards and certifications recognized by British Columbia Fire Services.

### Safety Goal

- To continue to promote a safety attitude and create a safe work environment in accordance with NFPA 1500(Fire Department Occupational Safety and Health Program).

### Facilities Goal

- Maintain and upgrade the existing fire station to meet fire and life safety standards and to create a healthy and functional work environment for the members of the department and the public that may use this facility.

### Legislation & Recommended Practices

- To review the Fire By-law and current contracts and complete outstanding operational guidelines, as well as continue with pre-fire planning for all commercial buildings in conjunction with the newly updated Fire Inspection software.

# Municipal Departments - Fire cont'd

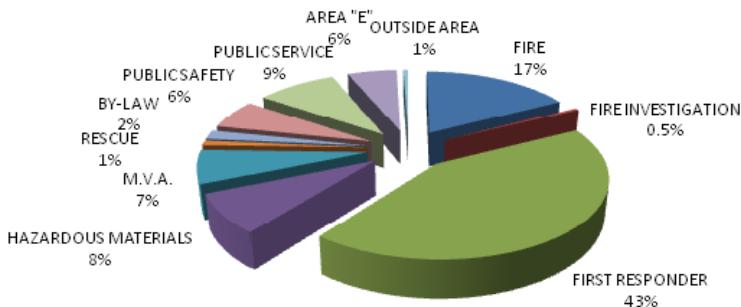
## Training Report

- Creation of a new auxiliary training program to provide all new recruit members with their Fire Fighter 1 certification within the first year of service.
- In addition to regular training for career members for 2011 training included emergency scene management, live fire training, and auto extrication.

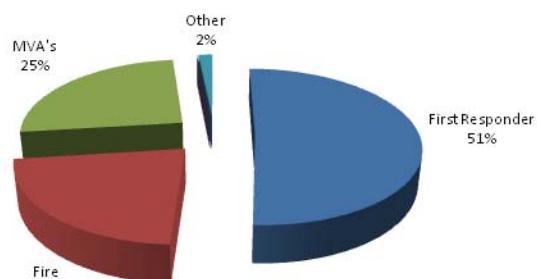
## Fire Prevention Report

- 2011 focus has been on the Inspection Program for commercial properties within the City of Nelson.
- Continued dedication to the development and completion of preplans for these premises.
- Our public education program will include developing a sustainable Community Smoke Alarm campaign and continue to promote a Fire Smart Community.

### 2011 Calls by Type



### Area E Calls



# Municipal Departments - Police



**Wayne Holland - Chief Constable**  
**Henry Paivarinta - Deputy Chief Constable**

Nelson has one of the province's most senior police services, dating back to the City's first Council meeting in 1897. Our police department is the only independent municipal force in British Columbia's interior. The sworn and civilian men and women of the Nelson Police Department strive to provide a safe, crime-free community for citizens of all ages to visit and/or reside in.

The City of Nelson provides funding for the Nelson Police Department, which is administered by a Police Board under the provisions of the *Police Act*. The 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 a Chief Constable, with one Deputy and a total complement of nineteen sworn officers.

The force is structured with two patrol teams, each under the leadership of a sergeant, designated beat officers, two detectives in the General Investigation Section and a Community Policing Officer. Also under the command of the Chief Constable is the Bylaw Department, consisting of two bylaw enforcement officers, a two-person Integrated Victim Services Unit, four full-time police dispatchers and two administrative positions. The Department also has two police constables in seconded positions within the Integrated Road Safety Unit (IRSU).

Our officers are actively 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 community focused crime prevention and youth mentoring programs.

**Our Vision is "A Safe Community through Policing Excellence"**

## Department Achievements 2011

- In partnership with City of Nelson staff, the creation and implementation of a bylaw adjudication process, to expedite and streamline appeals and/or inquiries of bylaw related matters
- Under the leadership of the Nelson Police Board, the development and implementation of a five-year strategic plan
- The creation of a Police Foundation that will facilitate the funding of unique and innovative programs and initiatives that would not normally be realized by means of the annual police budget
- Development of a succession planning process to allow for and manage significant staffing changes that are anticipated at all levels of the organization over the next five years



## Departmental Goals— 2012

- A re-design of the departmental web-site, to enhance public access and to allow for social media opportunities that may assist us in disseminating key messages and information in a timely manner
- A review of the Department's regulations and procedures manual and installation of the final product on the departmental web-site, for ready access by the public
- A decrease in crime by means of targeting repeat offenders and by monitoring and rapidly responding to reports of street disorder from our business and/or residential communities
- To achieve enhanced operational effectiveness and public confidence in our service delivery by continuously considering "what we do" as well as "why and how we do it", and by then communicating our findings to the Nelson Police Board and our citizens

# Municipal Departments - Nelson Hydro



**Alex Love - General Manager**  
**Mike Amos - Operations Manager**  
**Doug Pickard - Line 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.

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 2011, Nelson Hydro transferred \$2,225,000 in dividends to the City 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 2011 the plant produced approximately 86,100 MWh of energy.

## Achievements in 2011

- **College Heating Project - Start up of geothermal heating system at 10th Street Campus dormitories.**
- **Corporate Green House Gas Emissions Reduction Planning - The City was recognized by the FCM for achieving milestone 4 of the Partners in Climate Protection Plan**
- **Downtown Voltage conversion - Large load customers were moved to the new distribution system.**
- **Distribution System: Vegetation management and pole stabilization were improved.**

## Departmental Goals for 2012 –2013

### IMPROVED RELIABILITY OF SYSTEM

- Complete the Downtown voltage conversion project
- Installation of System Reclosers
- Rebuild the Rosemont Substation
- Complete G4 rewind



### IMPROVED CUSTOMER SERVICE

- Implement an Energy Retrofit program to help customers reduce energy consumption.

### NEW BUSINESS OPPORTUNITIES

- Finalize District Heating System Feasibility

# Municipal Departments - Nelson Library

June Stockdale - Chief Librarian

2011 was an historic year for the Nelson Public Library in that RDCK Areas F and H voted to contribute to library service through taxation. The additional secure funding allows the Library to provide a higher level of service for all residents in the region with increased open hours, staffing and funds for collections.

The completion of the building renovation project has been of enormous benefit to our community of library users. People really love the updated space with the children's area located on the lower level, the dedicated teen section, the new seating and study areas, and the overall great ambience. The completion of a City Greenhouse Gas Emissions project helps to ensure environmental responsibility as well.

The creation of a new logo, rebranding to the Nelson Public Library, a community consultation process, and the development of a strategic plan were the main activities for the year. The plan will form the foundation of our work over the next few years and guide our direction. We will continue to offer a wide variety of programs for children and adults of all ages, and will also focus on ensuring that we are proactive and responsive to the shifting needs in an evolving society.

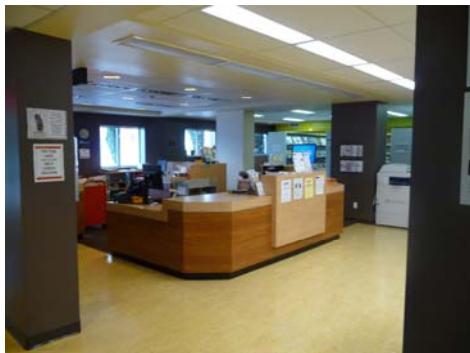
The Online Branch continues to grow and evolve. Use of e-book, audiobook and music downloads, online reference questions, and the range of databases from languages to auto repair are all very popular. As the usage of the Online Branch continues to grow, we will dedicate more and more of our resources to materials in digital format which are always accessible to members via the internet.

We were able to contribute to the enrichment of our community through extensive collaboration and partnerships with a variety of other service providers. In the Slocan Valley we partnered with the Heritage Credit Union on a drop-off and pick-up service, and we partner with the School District on a monthly outreach program to the Winlaw School. The Storyteller's Saloon fundraising partnership with Touchstones Nelson was a sold out success. We continue to collaborate and support the Columbia Basin Alliance for Literacy. One of the greatest successes of 2011 was our partnership with the Kootenay Coop on the *Seasonings: a year of local flavour in words and recipes* cookbook which netted over \$17,000 profit for the Library to date. Thank you to all of our community partners for your willingness to explore new ways to deliver the highest quality services to area residents.

Thanks so much to the wonderful staff, dedicated volunteers and visionary Board of Trustees who all contribute to the overall success of the Library. A special thanks also to the people who value library service as an essential component of a democratic society. And finally, thank you to Nelson City Council for their ongoing support and commitment to this important community service.

I look forward to another great year of opportunities for the Nelson Public Library to serve our communities in new and innovative ways.

**THE NPL circulates 22,000 items each month from a total collection of 43,000!**



	2010	2011	% Change
Circulation	207,203	234,355	+13%
E-book circulation	1,620	2,917	+80%
City members	6,506	7,521	+15%
RDCK members	1,673	2,410	+44%
Reference questions	18,884	20,264	+7%
New items added to collection	4,522	4,309	-4%
In person visits	165,757	159,296	-4%
Public Computers	23,946	28,311	+18%

# 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 gyms 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..



## 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 then 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 Service BC's 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. The lower floor was renovated in 2010 to house the children's collection.

# 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.

The City has adopted a comprehensive development plan to ensure our roads are maintained at a good standard. The road and highway network, presently, is of sufficient capacity to handle existing traffic and upgrades have been completed or planned to accommodate new growth. Residential roads are first paved through the local improvement program. 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 Active Transportation Plan, which was adopted by Council, identifies priority walking corridors and is used to establish the city's replacement and snow removal plans..

## 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 on-going 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. The city has a program to separate sanitary sewer from storm as the system is upgraded or as a result of new developments or upgrades of buildings. 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 86,000 MWH or approximately 55% of the system's electrical energy.

The utility has over 9,800 customers who enjoy some of the lowest hydro rates in North America. The city has invested in the renewal of all components (generation, transmission and distribution) of the electric utility over the past 15 years.

# 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., which is a 4.8ha passive park. The recently adopted Sustainable and Downtown Waterfront Plan identifies new parks at Red Sands beach and the mouth of Cottonwood Creek.

## 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



It is my pleasure to present, on behalf of the Finance Department, the 2011 Annual Report for the City of Nelson. The Finance section of the report includes the Audit Report from Berg, Naqvi, Lehmann Chartered Accountants and the Consolidated Financial Statements for the year ended December 31, 2011.

The purpose of the annual 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 2011 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, 2011 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.

## 2011 OPERATING RESULTS

The financial results for 2011 were favorable and reflect a commitment to sound financial management. The City has a variety of revenue sources including taxation and grants-in-lieu of \$8.2 million, \$2.5m in sales of other services, \$842,000 in provincial unconditional grants (revenue sharing and traffic fine sharing). The City also receives revenue from user fees (including the electrical utility) of \$19.3 million.

Operating expenditures include \$5.2 million in protective services, \$3.2 million in transportation services, \$3.0 million in general government/corporate services and \$2.6 million in recreation and cultural services. Utility operations expenditures (including Nelson Hydro) total \$12.9 million. The City contributed \$255,000 towards the operation of Transit.

With recent changes to financial plan presentation, the surplus for 2011 is \$5.3m but it must be noted that this does not include capital expenditures and transfers to reserves

Continued.....

# Chief Financial Officer's Report cont'd

## CAPITAL SPENDING AND RESERVES

The City has an ongoing, aggressive capital program of renewing and maintaining the City's infrastructure. Over \$6.2m was spent in 2011 of which \$1.8m will be covered by borrowing.

The City's reserve funds also support the capital program. Overall the capital reserves increased by \$1.8m. Council and staff face the ongoing challenge to continue to address the City's infrastructure needs by balancing new debt with drawing down the reserves as required and continuing to rebuild them for future capital projects.

## LONG-TERM DEBT

The long term debt issued and outstanding as of December 31, 2011 (including temporary borrowing and capital lease obligations) was \$15,239,084. In 2010, this balance was 19,025,351.

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 rates.

The outstanding debenture debt at the end of 2011 for each of the City's funds is:

General \$ 11,795,346   Water \$1,118,849   Sewer \$890,888   Nelson Hydro \$1,434,001

As noted in the notes to the financial statements, over \$10m of the general debt is being repaid by FortisBC 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.



Colin McClure, CA  
Chief Financial Officer

# Financial Section



## **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.

A handwritten signature in black ink, appearing to read "Colin McClure".

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Colin McClure, CA

Chief Financial Officer

# 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 +

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## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying consolidated financial statements of The Corporation of the City of Nelson, which comprise the consolidated statement of financial position as at December 31, 2011, and the consolidated statement of operations, consolidated statement of changes in net debt and consolidated statement of cash flows for the year then ended, and other explanatory information.

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

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

**Auditors' Responsibility**

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

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

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

**Opinion**

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of The Corporation of the City of Nelson as at December 31, 2011, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.



Chartered Accountants

June 25, 2012

Nelson, B.C.

507 Vernon Street, Nelson, British Columbia, Canada V1L 4E9      Tel: (250) 352-3165      Fax: (250)352-7166      Email: advice@bnl.ca

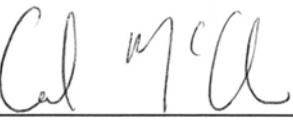


Members, Institute of Chartered Accountants of British Columbia  
\*Incorporated Professional + Associate

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**THE CORPORATION OF THE CITY OF NELSON**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
As at December 31, 2011

	2011	2010
<b>Financial Assets</b>		
Cash and cash equivalents (Note 2)	\$ 14,125,073	\$ 13,245,697
Investments (Note 3)	2,497,837	2,406,951
Accounts receivable (Note 4)	3,992,944	4,515,184
Long-term accounts receivable (Note 5)	4,327,812	4,595,434
MFA deposits (Note 6)	<u>222,966</u>	<u>482,557</u>
	<u>25,166,632</u>	<u>25,245,823</u>
<b>Financial Liabilities</b>		
Accounts payable and accrued liabilities (Note 7)	4,228,057	4,605,230
Deferred revenue (Note 8)	4,161,254	4,274,828
Accrued future payroll benefits (Note 9)	2,198,254	2,339,257
Capital lease obligation (Note 10)	596,950	701,156
Debt (Note 11)	<u>14,642,134</u>	<u>18,324,195</u>
	<u>25,826,649</u>	<u>30,244,666</u>
<b>Net Debt</b>	(660,017)	(4,998,843)
<b>Non -Financial Assets</b>		
Tangible capital assets (Note 12)	138,430,648	136,870,128
Inventory (Note 13)	1,284,678	1,827,019
Prepaid expenses	<u>254,084</u>	<u>232,883</u>
	<u>139,969,410</u>	<u>138,930,030</u>
<b>Accumulated Surplus (Note 14)</b>	<u>\$139,309,393</u>	<u>\$133,931,187</u>
Commitments and Contingencies (Note 18)		

  
 Colin McClure, CA  
 Chief Financial Officer

The accompanying summary of significant accounting policies and notes form an integral part of these consolidated financial statements

**THE CORPORATION OF THE CITY OF NELSON**  
**CONSOLIDATED STATEMENT OF OPERATIONS**

For the Year Ended December 31, 2011

	2011 Budget (Note 20)	2011	2010
<b>Revenue</b>			
Taxes	\$ 8,255,513	\$ 8,282,691	\$ 8,148,579
Sale of services	2,671,378	2,583,336	2,547,223
Other revenue from own sources	3,700,099	3,207,105	2,996,513
Investment income	62,500	2,635,193	804,392
Grants - unconditional	632,814	1,039,242	703,141
Grants - conditional	2,540,455	1,845,696	2,795,562
Water user fees	2,613,868	2,661,969	2,410,327
Sewer user fees	2,366,529	2,401,706	2,219,661
Transit user fees	295,481	275,533	270,281
Nelson Hydro sales	13,387,000	14,053,455	12,670,132
Gain on disposal of tangible capital assets	-	-	211,488
	<u>36,525,637</u>	<u>38,985,926</u>	<u>35,777,299</u>
<b>Expenses</b>			
General government	2,943,909	3,042,073	3,471,493
Protective services	5,433,397	5,226,231	5,325,046
Transportation services	3,137,409	3,288,307	2,261,165
Environmental health services	254,956	225,043	204,287
Public health and welfare services	183,235	158,505	196,980
Parks, recreation and cultural services	1,792,881	1,818,676	1,653,582
Interest and other debt charges	1,600,281	1,321,477	1,402,661
Water utility operations	1,034,422	858,068	828,361
Sewer utility operations	1,544,210	1,362,857	1,380,780
Nelson Hydro operations	9,051,637	9,536,559	8,100,470
Transit operations	1,322,533	1,239,510	1,286,125
Library	488,000	838,000	623,401
Amortization	3,657,570	4,564,093	4,443,548
Loss on disposal of tangible capital assets	-	128,321	-
	<u>32,444,440</u>	<u>33,607,720</u>	<u>31,177,899</u>
Annual surplus	4,081,197	5,378,206	4,599,400
Accumulated surplus, beginning of the year	<u>133,931,187</u>	<u>133,931,187</u>	<u>129,331,787</u>
<b>Accumulated surplus, end of the year</b>	<b><u>138,012,384</u></b>	<b><u>139,309,393</u></b>	<b><u>133,931,187</u></b>

The accompanying summary of significant accounting policies and notes form an integral part of these consolidated financial statements

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**THE CORPORATION OF THE CITY OF NELSON**  
**CONSOLIDATED STATEMENT OF CHANGES IN NET DEBT**  
For the Year Ended December 31, 2011

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	2011 Budget	2011	2010
Annual surplus	4,081,197	5,378,206	4,599,400
Acquisition of tangible capital assets	(9,733,315)	(6,260,434)	(8,465,059)
Amortization of capital assets	3,657,570	4,564,093	4,443,548
Proceeds on sale of tangible capital assets	-	7,500	723,007
Loss (gain) on disposal of tangible capital assets	-	128,321	(211,488)
	<u>(1,994,548)</u>	<u>3,817,686</u>	<u>1,089,408</u>
(Acquisition) consumption of prepaid expenses	-	(21,201)	33,270
Consumption (acquisition) of supply inventory	-	542,341	(317,930)
	<u>-</u>	<u>521,140</u>	<u>(284,660)</u>
Decrease in net debt	1,994,548	4,338,826	804,748
Net debt, beginning of year	<u>(4,998,843)</u>	<u>(4,998,843)</u>	<u>(5,803,591)</u>
<b>Net debt, end of the year</b>	<b><u>(3,004,295)</u></b>	<b><u>(660,017)</u></b>	<b><u>(4,998,843)</u></b>

The accompanying summary of significant accounting policies and notes form an integral part of these consolidated financial statements

**THE CORPORATION OF THE CITY OF NELSON**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
For the Year Ended December 31, 2011

	<u>2011</u>	<u>2010</u>
<b>Cash Provided by (Used In)</b>		
<b>Operating Activities</b>		
Annual surplus	\$ 5,378,206	\$ 4,599,400
<b>Items not involving cash:</b>		
Amortization of tangible capital assets	4,564,093	4,443,548
Actuarial adjustments	(2,117,497)	(467,861)
Loss (gain) on disposal of tangible capital assets	<u>128,321</u>	<u>(211,488)</u>
	<u>7,953,123</u>	<u>8,363,599</u>
<b>Increase (decrease) in non-cash operating items:</b>		
Accounts receivable	522,240	(786,349)
Long-term accounts receivable	267,622	52,277
MFA deposits	259,591	(56,935)
Accounts payable and accrued liabilities	(377,173)	298,448
Deferred revenue	(113,574)	(470,999)
Accrued future payroll benefits	(141,003)	52,634
Inventory	542,341	(317,930)
Prepaid expenses	<u>(21,201)</u>	<u>33,270</u>
	<u>8,891,966</u>	<u>7,168,015</u>
<b>Financing Activities</b>		
Proceeds from debt issues	-	67,200
Debt repayment	(1,564,564)	(714,744)
Repayment of capital lease obligations	<u>(104,206)</u>	<u>(174,850)</u>
	<u>(1,668,770)</u>	<u>(822,394)</u>
<b>Capital Activities</b>		
Proceeds from disposal of tangible capital assets	7,500	723,007
Acquisition of tangible capital assets	<u>(6,260,434)</u>	<u>(8,465,059)</u>
<b>Investing Activities</b>		
Net purchase of investments	(90,886)	(87,381)
	<u>(6,343,820)</u>	<u>(7,829,433)</u>
<b>Net increase (decrease) in Cash</b>	<b>879,376</b>	<b>(1,483,812)</b>
<b>Cash and cash equivalents, beginning of year</b>	<b><u>13,245,697</u></b>	<b><u>14,729,509</u></b>
<b>Cash and cash equivalents, end of year</b>	<b><u>\$ 14,125,073</u></b>	<b><u>\$ 13,245,697</u></b>

The accompanying summary of significant accounting policies and notes form an integral part of these consolidated financial statements

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**THE CORPORATION OF THE CITY OF NELSON**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
December 31, 2011

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**1. Significant Accounting Policies**

The Corporation of the City of Nelson (the City) is a local government in the Province of British Columbia. The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

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

**(a) 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 the consolidated statements.

**(b) 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.

**(c) Deferred Revenue**

Deferred revenue represents funds received for specific purposes which are externally restricted by legislation, regulation or agreement and are not available for general municipal purposes as well as licenses, permits, other fees and grants which have been collected, but for which the related services have not been performed and or projects have not been constructed. These amount will be recognized as revenues in the fiscal year in which it is used for the specified purpose, the services are performed and or the projects are constructed.

**(d) Government Transfers**

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

**(e) Financial Instruments**

The City's financial instruments consist of cash and short term investments, accounts receivable, due from other governments, trades accounts payable and accrued liabilities, 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) Accrued Future Payroll Benefits**

The City records the cost of future payroll benefits over the employee's 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.

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**THE CORPORATION OF THE CITY OF NELSON**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
December 31, 2011

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**1. Significant Accounting Policies (continued)**

(g) **Tangible Capital Assets**

Tangible capital assets, comprised of capital assets and capital assets under construction, are recorded at cost 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 are 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
Storm Drain Infrastructure	10 to 100	years

(h) **Non-Financial Assets**

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

(i) **Inventory of supplies**

Inventory of supplies held for consumption are recorded at the lower of weighted average cost and replacement cost.

(j) **Statutory Reserves**

Statutory reserves are funds that have been internally restricted by council. Formal establishing bylaws have been adopted pursuant of the Community Charter, which define how these reserves are to be used.

(k) **Reserves Set Aside by Council**

Reserves set aside by Council are non-statutory reserves which represent an appropriation of surplus for specific purposes. These internally restricted funds are not available for unrestricted purposes without the approval of Council.

(l) **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, future employee benefits, allowance for doubtful accounts and provision for contingencies. Actual results could differ from management's best estimates as additional information becomes available in the future.

(m) **Unaudited Budget**

Budget data presented in these consolidated financial statements is unaudited and is based on the City's 5 Year Financial Plan for the years 2011-2015, adopted by Council on April 22, 2011.

**THE CORPORATION OF THE CITY OF NELSON**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
December 31, 2011

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**2. Cash and Cash Equivalents**

Cash and cash equivalents in the statement of financial position are comprised of:

	2011	2010
Cash	\$ 6,084,334	\$ 4,552,783
MFA bond and money market funds	<u>8,040,739</u>	<u>8,692,914</u>
	<u><u>\$ 14,125,073</u></u>	<u><u>\$ 13,245,697</u></u>

Municipal Finance Authority (MFA) pooled investment funds are considered equivalent to cash because of their liquidity.

**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:

<u>Maturity</u>	2011	2011	2010	2010
	Carrying Value	Market Value	Carrying Value	Market Value
2010	\$ -	\$ -	\$ 100,000	\$ 100,000
2011	5,550	5,550	-	-
2012	291,500	301,732	278,800	304,785
2013	144,116	149,834	139,116	152,902
2014	496,070	512,872	482,570	531,377
2015	262,667	283,778	252,593	301,660
2016	937,923	1,001,999	808,361	985,719
2017-2021	<u>360,011</u>	<u>397,293</u>	<u>345,511</u>	<u>457,469</u>
	<u><u>\$ 2,497,837</u></u>	<u><u>\$ 2,653,058</u></u>	<u><u>\$ 2,406,951</u></u>	<u><u>\$ 2,833,912</u></u>

**4. Accounts Receivable**

	2011	2010
Property taxes	\$ 532,785	\$ 524,300
Utility billings	1,759,279	1,795,888
Other governments	427,402	475,986
Trade & other receivables	<u>1,273,478</u>	<u>1,719,010</u>
	<u><u>\$ 3,992,944</u></u>	<u><u>\$ 4,515,184</u></u>

**5. Long Term Accounts Receivable**

The City entered into an agreement with Selkirk College in April 2000, 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%.

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

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**THE CORPORATION OF THE CITY OF NELSON**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
December 31, 2011

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**5. Long Term Accounts Receivable (continued)**

	2011	2010
Selkirk College	\$ 4,177,680	\$ 4,398,243
Various other agreements	<u>150,132</u>	<u>197,191</u>
	<u><u>\$ 4,327,812</u></u>	<u><u>\$ 4,595,434</u></u>

**6. 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.

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, 2011, the total of the Debt Reserve Fund was comprised of:

	2011	2011	2011	2010
	Cash Deposit	Demand Note	Total	Total
General fund	\$ 169,422	\$ 512,384	\$ 681,806	\$ 772,620
Sewer utility	13,663	40,843	54,506	54,056
Water utility	17,577	45,112	62,689	62,110
Nelson Hydro	<u>22,304</u>	<u>71,350</u>	<u>93,654</u>	<u>723,910</u>
	<u><u>\$ 222,966</u></u>	<u><u>\$ 669,689</u></u>	<u><u>\$ 892,655</u></u>	<u><u>\$ 1,612,696</u></u>

**7. Accounts Payable and Accrued Liabilities**

	2011	2010
Trades payable	\$ 3,456,458	\$ 3,776,882
Accrued wages and benefits	253,006	213,022
Accrued interest	85,257	182,941
Other	<u>433,336</u>	<u>432,385</u>
	<u><u>\$ 4,228,057</u></u>	<u><u>\$ 4,605,230</u></u>

**8. Deferred Revenue**

	2011	2010
Taxes and utility rates	\$ 2,516,427	\$ 2,401,837
Community works fund	1,216,109	1,068,903
Hydro	207,839	293,490
Other	<u>220,879</u>	<u>510,598</u>
	<u><u>\$ 4,161,254</u></u>	<u><u>\$ 4,274,828</u></u>

**THE CORPORATION OF THE CITY OF NELSON**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
December 31, 2011

**9. Accrued Future Payroll Benefits**

	2011	2010
Holiday Pay	\$ 754,438	\$ 749,029
Sick Leave	1,250,353	1,383,878
Banked Overtime	193,463	206,350
	<u>\$ 2,198,254</u>	<u>\$ 2,339,257</u>

The City accrues holiday pay, sick leave, and banked overtime as they are earned by the employee, however, it is expected that these mostly funded liabilities will be met on a continuous basis over the long-term. Payment of these amounts will be funded from revenues of the period in which they are settled.

**10. Capital Lease Obligations**

a) Equipment leases

The City has various commitments to lease vehicles and equipment with the MFA.

b) Fortis BC Energy Lease

The City has entered into a 35 year capital lease with FortisBC Energy Inc (formerly Terasen Gas Inc.), commencing October 31, 2003 for the natural gas distribution system within the municipality's boundary for \$8,000,000. 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 is being paid through annual lease payments of \$36,354 including interest at 8.614%.

The City has also entered into a seventeen year operating lease with FortisBC expiring October 31, 2020 whereby the City leases back to FortisBC the operations of the gas distribution system. Under the operating lease FortisBC 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 FortisBC 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.

The minimum lease payments required under the terms of all capital leases for the next five years and thereafter are as follows:

	Fortis	Equipment	Total
2012	\$ 36,354	\$ 218,571	\$ 254,925
2013	36,354	-	36,354
2014	36,354	-	36,354
2015	36,354	-	36,354
2016	36,354	-	36,354
Thereafter	799,788	-	799,788
Less interest	<u>(602,804)</u>	<u>(375)</u>	<u>(603,179)</u>
	<u>\$ 378,754</u>	<u>\$ 218,196</u>	<u>\$ 596,950</u>

**THE CORPORATION OF THE CITY OF NELSON**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
December 31, 2011

**11. Debt**

Debt Bylaw #	Purpose of Bylaw	Interest rate %	Year of Maturity	Original Issue	2011 Balance	2010 Balance
<b><u>General Purposes:</u></b>						
2821	Street construction	5.55%	2011	\$ 225,400	\$ -	\$ 15,028
2866	Waterfront Dr	6.36%	2012	19,352	2,006	3,994
2866	Street construction	6.36%	2013	208,558	40,478	59,778
3034	Street construction	4.00%	2022	50,341	39,630	42,467
2470	Police/Library building	6.10%	2012	960,000	-	117,278
2871	Tenth Street campus	3.15%	2025	6,080,000	4,206,676	4,427,238
2917	Lakeside fields	6.06%	2012	1,000,000	97,828	218,650
3036	Highway 3A	4.00%	2021	300,000	218,203	235,869
2978	Fortis Gas	4.50%	2020	4,200,000	3,839,970	4,200,000
	Fortis Gas	CDOR+.5%	2021	<u>7,386,404</u>	<u>2,753,604</u>	<u>3,253,604</u>
				<u>20,430,055</u>	<u>11,198,395</u>	<u>12,573,906</u>
<b><u>Water Purposes:</u></b>						
3038	Fairview reservoir	4.00%	2022	240,000	188,936	202,462
2025	Water improvements	4.90%	2029	<u>1,000,000</u>	<u>929,913</u>	<u>965,642</u>
				<u>1,240,000</u>	<u>1,118,849</u>	<u>1,168,104</u>
<b><u>Sewer Purposes:</u></b>						
2559	North Shore line	8.50%	2013	150,250	18,349	29,085
2654	North Shore line	8.50%	2014	35,400	7,543	9,896
3037	Sewage treatment plant	4.00%	2021	550,000	400,040	432,427
2025	Sewer improvements	4.90%	2029	<u>500,000</u>	<u>464,957</u>	<u>482,821</u>
				<u>1,235,650</u>	<u>890,889</u>	<u>954,229</u>
<b><u>Hydro Purposes:</u></b>						
2605	Hydro plant	8.50%	2014	35,400	-	2,092,033
2917	Bonnington substation	4.00%	2021	550,000	39,131	87,460
2025	Hydro improvements	4.90%	2029	<u>500,000</u>	<u>1,394,870</u>	<u>1,448,463</u>
				<u>1,085,400</u>	<u>1,434,001</u>	<u>3,627,956</u>
<b>Total Debt</b>						
					<b><u>\$ 14,642,134</u></b>	<b><u>\$ 18,324,195</u></b>

Principal payments for the next 5 years and thereafter are as follows:

	General	Water	Sewer	Hydro	Total
2012	\$ 603,250	\$ 45,568	\$ 49,873	\$ 82,174	\$ 780,865
2013	522,453	45,568	49,873	50,373	668,267
2014	509,893	45,568	45,329	50,373	651,163
2015	509,893	45,568	44,258	50,373	650,092
2016	509,893	45,568	44,258	50,373	650,092
Thereafter	<u>8,543,013</u>	<u>891,009</u>	<u>657,298</u>	<u>1,150,335</u>	<u>11,241,655</u>
	<u>\$ 11,198,395</u>	<u>\$ 1,118,849</u>	<u>\$ 890,889</u>	<u>\$ 1,434,001</u>	<u>\$ 14,642,134</u>

**THE CORPORATION OF THE CITY OF NELSON**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
December 31, 2011

**12. Tangible Capital Assets**

	Cost	Accumulated Amortization	2011 Net Book Value	2010 Net Book Value
Land	\$ 8,397,438	\$ -	\$ 8,397,438	\$ 8,397,438
Buildings	34,703,176	20,456,347	14,246,829	14,781,857
Vehicles	7,854,151	3,480,450	4,373,701	4,661,212
IT, equipment & furniture	2,290,529	1,095,548	1,194,981	1,349,552
Library	511,297	230,728	280,569	345,904
Natural gas system capital lease	8,186,404	2,105,075	6,081,329	6,315,226
Transportation infrastructure	18,607,587	7,746,265	10,861,322	10,384,070
Parks & cemetery	4,287,055	1,963,259	2,323,796	2,413,071
Water infrastructure	43,686,017	10,489,538	33,196,479	33,317,976
Sewer infrastructure	27,602,203	9,770,530	17,831,673	17,845,571
Storm sewer infrastructure	17,659,479	5,576,349	12,083,130	12,179,637
Hydro generators & substations	15,730,541	5,303,217	10,427,324	10,684,626
Hydro infrastructure	20,593,857	4,639,463	15,954,394	12,562,529
Assets under construction	<u>1,177,683</u>	<u>-</u>	<u>1,177,683</u>	<u>1,631,459</u>
	<u><u>\$211,287,417</u></u>	<u><u>\$ 72,856,769</u></u>	<u><u>\$138,430,648</u></u>	<u><u>\$136,870,128</u></u>

See schedule of consolidated tangible capital assets for more information.

**13. INVENTORY**

Inventories recognized in the statement of financial position are comprised of:

	2011	2010
General, Water, Sewer Transit and Garage supplies	\$ 301,961	\$ 318,353
Fuel	23,680	34,414
Hydro	<u>959,037</u>	<u>1,474,252</u>
	<u><u>\$ 1,284,678</u></u>	<u><u>\$ 1,827,019</u></u>

**THE CORPORATION OF THE CITY OF NELSON**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
December 31, 2011

**14. Accumulated Surplus**

	<u>2011</u>	<u>2010</u>
<b>Reserves set aside by Council</b>		
Capital projects	\$ 600,494	\$ 503,311
Equipment replacement	2,016,582	1,608,809
Future power purchase	915,176	885,982
Nelson municipal library	11,707	17,532
Nelson Hydro capital	1,268,263	1,191,179
Sewer utility capital	1,459,873	1,004,625
Waterfront development	35,322	33,988
Water licence	606,836	514,868
Water utility capital	<u>2,445,906</u>	<u>1,414,729</u>
	9,360,159	7,175,023
<b>Statutory reserves</b>		
Land sales	491,756	509,938
Off street parking	13,980	8,819
Parks acquisition	138,777	133,536
Tax sale	<u>20,072</u>	<u>19,314</u>
<b>Total reserves</b>	<u>10,024,744</u>	<u>7,846,630</u>
<b>Surplus set aside by Council</b>		
Recycling reserve	\$ 102,557	\$ 95,309
Insurance	354,999	387,774
Economic development	33,098	97,949
Storm sewer	-	98,414
Bridge	200,000	160,000
Airport	210,800	203,800
911	38,407	2,291
Legal	20,000	20,000
Parking	34,043	34,043
Fortis	1,212,540	1,314,810
10th street	<u>331,610</u>	<u>346,810</u>
	2,538,054	2,761,200
<b>Unappropriated (deficit) surplus</b>		
	<u>(622,649)</u>	<u>1,080,337</u>
<b>Total surplus</b>	<u>1,915,405</u>	<u>3,841,537</u>
<b>Invested in capital assets</b>	<u>127,369,244</u>	<u>122,243,020</u>
<b>Total Accumulated Surplus</b>	<u>139,309,393</u>	<u>133,931,187</u>

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**THE CORPORATION OF THE CITY OF NELSON**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2011**

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**15. Trust Funds**

The Cemetery Care, Cemetery Replacement, Justice McDonald, Better Gardens and Spurway Estate Trust Funds are not reported in these financial statements. The following is a summary of Trust Fund transactions for the year:

	<b>2011</b>	<b>2010</b>
Balances, beginning of year	\$ 856,516	\$ 830,380
Contributions received	- 17,882	
Interest earned	29,001 26,994	
	885,517	875,256
Expenses and transfers	19,500 18,740	
Balances, end of year	<u>866,017</u>	<u>856,516</u>

**16. 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>2011</b>	<b>2010</b>
Provincial Government - School taxes	\$ 8,510,135	\$ 8,630,011
Regional District of Central Kootenay	3,362,137	3,284,381
Central Kootenay Hospital District	- 71,280	
West Kootenay Boundary Hospital District	477,041 292,885	
British Columbia Assessment Authority	166,935 170,286	
Municipal Finance Authority	417 415	
	<u>\$ 12,516,665</u>	<u>\$ 12,449,258</u>

**17. Pension Plan**

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 Plan is a multi-employer contributory pension plan. Basic pension benefits provided are defined. The Plan has about 173,000 active members and approximately 63,000 retired members. Active members include approximately 35,000 contributors from local governments.

Every three years an actuarial valuation is performed to assess the financial position of the Plan and the adequacy of Plan funding. The most recent valuation as at December 31, 2009 indicated an unfunded liability of \$1,024 million for basic pension benefits. The next valuation will be as at December 31, 2012 with results available in 2013. The actuary does not attribute portions of the surplus to individual employers. The City of Nelson paid \$1,160,756 for employer contributions to the plan in fiscal 2011 (2010 - 1,090,852).

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**THE CORPORATION OF THE CITY OF NELSON**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
December 31, 2011

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**18. Contingencies 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.

**19. Segmented Information**

The City is a diversified municipal government institution that provides a wide range of services to its citizens. City Services are provided by departments and their activities are reported in these Service Areas. Departments disclosed in the segmented information, along with the services they provide, are as follows:

**General Government Services**

The Departments and Divisions within General Government Services are responsible for adopting bylaws; adopting administrative policy; levying and collecting taxes and utilities; acquiring, disposing and managing City assets; developing and maintaining information technology systems and applications; ensuring effective financial management and communication; administering City grants; developing an effective labour force; administering collective agreements and payroll; emergency planning; economic development; monitoring and reporting performance; and ensuring that high quality City service standards are met.

**Police & Bylaw Services**

The mandate of Police Services is to keep our community safe by enforcing the law, and by preventing and reducing crime. Bylaw is responsible for parking and other bylaw enforcement, as well as domestic animal control.

**Fire and Rescue Services**

The mandate of the Fire and Rescue Services is to protect life, property and the environment through the provision of emergency response, inspections, code enforcement and public education, ensuring safety for the public.

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**THE CORPORATION OF THE CITY OF NELSON**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
December 31, 2011

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**19. Segmented Information (continued)**

**Development Services**

Development Services is responsible for preparing land use plans, bylaws and policies for sustainable development of the City, for reviewing and approving new development and building permits and inspections, management of City owned lands, heritage planning and development of the City's official community plan.

**Engineering Services**

Engineering Services is responsible for planning, building, operating and maintaining the City's physical infrastructure including roads and sidewalks, civic buildings and facilities. In addition, the divisions provide services for storm sewer services, solid waste and recycling, cemetery operations, and fleet services.

**Parks, Culture and Recreation Services**

Parks, Culture and Recreation is responsible for providing, facilitating the development of, and maintaining high quality parks, recreation facilities and programs, the youth centre and cultural services.

**Transit**

Tasked with providing safe, timely and efficient public transit services within the City limits.

**Library**

As a controlled entity the City reports and is responsible for the successful operations of the Nelson Municipal Library.

**Nelson Hydro**

This segment includes all the operating activities related to the generation, distribution and supply of the City's electricity.

**Utility Operations**

The Water Utility operates and distributes over 8 million cubic meters of drinking water, and maintains water mains and pump stations. The Sewer and Drainage Utility is responsible for the collection, treatment and disposal of sanitary sewage and drainage, as well as the network of sewer mains and pump stations.

**THE CORPORATION OF THE CITY OF NELSON**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
December 31, 2011

**19. Segmented Information (continued)**  
 Statement of Operations by Object and Function

	General Government	Police & Bylaw	Fire Services	Development Services
<b>Revenues</b>				
Taxes	\$ 8,210,845	\$ -	\$ -	\$ -
Sales of Service	178,333	1,305,380	188,497	9,657
Other revenue from own services	1,633,155	164,994	-	226,324
Investment income	378,898	-	-	-
Grants - unconditional	646,184	196,630	-	-
Grants - conditional	527,641	80,765	29,460	63,297
Water user fees	-	-	-	-
Sewer user fees	-	-	-	-
Transit user fees	-	-	-	-
Nelson Hydro sales	-	-	-	-
	<u>11,575,056</u>	<u>1,747,769</u>	<u>217,957</u>	<u>299,278</u>
<b>Expenditures</b>				
Wages and benefits	1,481,410	3,158,609	1,411,878	365,194
Supplies and services	1,153,361	429,648	232,582	156,562
Interest and other debt charges	516,475	-	5,256	-
Amortization	1,664,133	66,285	83,004	-
Loss on disposal of assets	-	1,000	-	-
	<u>4,815,379</u>	<u>3,655,542</u>	<u>1,732,720</u>	<u>521,756</u>
<b>Annual Surplus (Deficit)</b>	<b><u>6,759,677</u></b>	<b><u>(1,907,773)</u></b>	<b><u>(1,514,763)</u></b>	<b><u>(222,478)</u></b>

Engineering Services	Parks Culture & Recreation	Transit	Library	Nelson Hydro	Utilities	2011 Total
\$ 58,860	\$ -	\$ -	\$ -	\$ -	\$ 12,986	\$ 8,282,691
390,687	440,264	-	70,518	-	-	2,583,336
77,235	36,394	6,383	35,419	755,585	271,616	3,207,105
-	-	-	703	2,127,460	128,132	2,635,193
-	-	-	196,428	-	-	1,039,242
5,151	341,462	701,813	41,107	45,000	10,000	1,845,696
-	-	-	-	-	2,661,969	2,661,969
-	-	-	-	-	2,401,706	2,401,706
-	-	275,533	-	-	-	275,533
-	-	-	-	14,053,455	-	14,053,455
<u>531,933</u>	<u>818,120</u>	<u>983,729</u>	<u>344,175</u>	<u>16,981,500</u>	<u>5,486,409</u>	<u>38,985,926</u>
1,528,802	737,067	624,004	586,625	1,913,572	1,269,070	13,076,231
1,981,397	1,122,326	615,506	251,375	7,622,987	951,854	14,517,598
25,113	43,076	-	-	607,583	123,974	1,321,477
941,310	89,275	-	-	648,638	1,071,448	4,564,093
<u>33,628</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,164</u>	<u>69,529</u>	<u>128,321</u>
<u>4,510,250</u>	<u>1,991,744</u>	<u>1,239,510</u>	<u>838,000</u>	<u>10,816,944</u>	<u>3,485,875</u>	<u>33,607,720</u>
<u>(3,978,317)</u>	<u>(1,173,624)</u>	<u>(255,781)</u>	<u>(493,825)</u>	<u>6,164,556</u>	<u>2,000,534</u>	<u>5,378,206</u>

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**THE CORPORATION OF THE CITY OF NELSON**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
December 31, 2011

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**20. Budget Data**

The reconciliation of the approved budget for the current year to the budget figures reported in these consolidated financial statement is as follows:

	<u>2011</u>
Budget surplus per Consolidated Statement of Operations	\$ 4,081,197
Less: Capital expenditures	9,733,315
Debt principal repayments	1,275,913
Budgeted transfers to reserves	1,629,208
Add: Budgeted transfers from surplus and reserves	251,505
Amortization	3,657,570
Debt proceeds	<u>4,648,164</u>
Net annual budget	<u>\$ -</u>

**21. Comparative Figures**

Certain comparative figures from the prior year have been reclassified to conform with the presentation format adopted for the current year.

# Statistical Section

# Statistical Section

## 2011 Property Tax Exemptions (PTE)

Through the adoption of a bylaw renewed every three years, the Municipal Council provides a permissive 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 permissive tax exemptions is through powers granted to the Council in the Community Charter.

To be considered for a permissive 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 2011 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	Municipal Taxes 2011
Ascension Lutheran Church	1805 Silver King Rd	100% Land and Improvements not mandatory	571.56
Pentecostal Assemblies of Canada	623 Gordon Rd	100% land	318.84
Pentecostal Assemblies of Canada	1004 Third Street	100% land	327.50
Pentecostal Assemblies of Canada	1004 Third Street	100% land	327.50
The Salvation Army	601 Vernon St	33% building and 100% land	2,994.82
Kootenay Christian Fellowship	812 Stanley St	100% land	287.22
Eleos Centre Ministries	711 Tenth St	33% land	118.81
LDS Latter Day Saints Church	222 W. Richards	75% land	1,078.44
Evangelical Lutheran	300 Silica St	100%	502.32
Nelson United Church	602 Silica St	100%	169.29
Synod Diocese of Kootenay	723 Ward St	100%	238.87
Synod Diocese of Kootenay	501 Carbonate St	100%	150.59
Evangelical Covenant Church	702 Stanley St	100%	133.63
Catholic Public Schools	523 Mill St	100%	1,466.07
Roman Catholic Church	813 Ward St	100%	270.03
Christian Science Soc.	237 Baker St	100%	291.18
First Presbyterian	602 Kootenay St.	100%	182.79
First Baptist Church	611 Fifth St	100%	349.65
Jehovah's Witness	2121 Falls St	100%	571.21
Nelson & District Boy Scouts	310 Cedar St	100%	408.16
Nelson Curling Club	302 Cedar St	100%	17,522.02
Nelson Golf & Recreation Society	1123 W. Richards St	83% land and building	18,231.84
Nelson Rod & Gun Society	801 Railway St	100%	6,572.02
Nelson Cares Society	567 Ward St	65% land and building	2,345.69
Nelson and District Housing Society	805 Nelson Ave	100%	2,960.43
Kootenay Advocacy Network	620 Nelson Ave	100%	1,710.74
West Kootenay Women's Assoc.	420 Mill St	100%	1,132.40
Nelson Kiwanis Society	624 Sixth Street	100%	4,460.86
Nelson Kiwanis Society	509 Gordon Road	100%	2,774.39
Kootenay Kids Society	312 Silica St	100%	3,417.43
Nelson & District Museum	502 Vernon St	100%	18,731.27
Capitol Theatre Restoration Society	421 Victoria St	100%	8,594.18

Total 99,178.72

# Statistical Section

## The Corporation of the City of Nelson General Comparative Statistics As At December 31, 2011

### MUNICIPAL GOVERNMENT:

1 Mayor and 6 Council Members  
INCORPORATED MARCH 18, 1897

	2011	2010	2009	2008	2007	2006	2005	2004	2003
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Population	9,804	9,923	9,923	9,923	9,914	9,258	9,797	9,784	9,290
Registered Voters	5,799	5,793	6,034	7,040	5,828	5,926	5,240	7,833	7,593
Area (HA)	1,602	1,602	1,602	1,347	1,347	1,347	1,347	1,347	1,347
No. Of Properties (Folios)	4,521	4,668	4,474	4,543	4,316	4,250	4,398	4,255	4,241

### DESIGNATED LAND USE IN HA:

Residential	308	308	308.1	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
Commercial	28.7	28.7	28.7	28.7	28.7	28.7	28.7	28.7	28.7
Industry	65.5	65.5	65.5	78.4	78.4	78.4	78.4	78.4	78.4
Schools/Park/Greenbelt	124	124	123.8	119.4	119.4	119.4	119.4	119.4	119.4
Institutional	41.5	41.5	41.5	42.7	42.7	42.7	42.7	42.7	42.7
Transportation / Utilities	621	621	620.7	620.7	620.7	620.7	620.7	620.7	620.7
Crown Land	163	163	163.1	163.1	163.1	163.1	163.1	163.1	163.1

### ROADS IN KM.:

Paved	75.1*	73.5*	73.5*	85.0	84.0	84.0	84.0	84.0	84.0
Unpaved	19.4	21.0	21.0	21.0	24.0	24.0	24.0	24.0	24.0

### SEWER LINES In KM.:

Sanitary	81.6*	80.0*	79.0*	79.0	79.0	79.0	79.0	79.0	79.0
Storm	55.8*	55.7*	56.0*	56.0	41.0	41.0	41.0	41.0	41.0

### WATER LINES In KM.:

# Water Services	86.9*	87.6*	85.5 *	87.0	78.7	78.7	78.7	78.7	78.7
# Hydrants	4,182	4,092	3,964	3,972	3,972	3,840	3,840	3,784	3,743

### PARKS AREA (In HA):

Municipal	30	30	30	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	3	3	4	4	4	4	4
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	3	3	2	2	2
District Correspondence School	1	1	1	1	1	1	1	1	1

\* figures adjusted in 2009 to match TCA information

# Statistical Section

<b>THE CORPORATION OF THE CITY OF NELSON</b> <b>Major Projects Program</b> <b>2012 - 2016</b>					
	2012	2013	2014	2015	2016
<b>MAJOR PROJECTS:</b>	\$	\$	\$	\$	\$
Information Services	707,204	350,000	179,750	118,750	880,000
City Owned Facilities/Buildings	502,500	391,400	478,000	710,000	4,000,000
Protective Services	149,000	170,000	30,000	90,000	25,000
Transportation Services	940,000	990,000	910,000	910,000	910,000
Recreation & Cultural Services	597,250	378,000	1,040,600	757,000	1,194,400
Equipment	529,000	350,000	705,000	630,000	635,000
Carbon Neutral Projects	286,800	101,650	35,000	20,000	-
Utilities					
Water	2,480,000	2,095,600	1,776,447	2,199,104	1,494,489
Sewer	1,175,000	812,000	1,390,804	836,543	1,432,841
Nelson Hydro	5,595,827	2,124,536	3,306,945	2,199,788	1,758,081
	<b>12,962,581</b>	<b>7,763,186</b>	<b>9,852,546</b>	<b>8,471,185</b>	<b>12,329,811</b>
<b>SOURCE OF FUNDS:</b>					
General operating	192,700	63,040	58,000	58,000	58,000
Water Rates	1,734,169	1,876,255	1,776,447	2,126,783	1,494,489
Sewer Rates	825,000	612,000	1,073,616	836,543	1,219,141
Nelson Hydro Rates	75,000	1,579,249	1,998,648	2,199,788	1,758,081
Utility Reserves	8,831	764,632	1,425,485	72,321	263,700
Other Reserves	1,887,254	1,961,360	2,785,350	2,752,750	3,086,400
Reserve Accounts and Other	70,000	5,000	-	5,000	-
Government Grants	475,000	-	400,000	300,000	400,000
Community Works Grants	1,048,800	351,650	285,000	270,000	-
Borrowing	6,645,827	550,000	50,000	50,000	4,050,000
	<b>12,962,581</b>	<b>7,763,186</b>	<b>9,852,546</b>	<b>8,471,185</b>	<b>12,329,811</b>



# Statistical Section

The Corporation of the City of Nelson					
Summary of Long Term Debt (In \$ 000's)					
	2011	2010	2009	2008	2007
	Actual	Actual	Actual	Actual	Actual
<b>Total Debt (\$ 000's)</b>	<b>\$ 14,642</b>	<b>\$ 18,324</b>	<b>\$ 19,440</b>	<b>\$ 18,245</b>	<b>\$ 19,369</b>
Supported By:					
Selkirk College Lease	4,207	4,427	4,638	4,828	5,013
Property Tax	398	693	940	1,174	1,545
Water Utilities	1,119	1,168	1,215	228	240
Sewer Utilities	891	954	1,015	557	597
Nelson Hydro	1,434	3,628	4,245	3,283	3,796
Gas Franchise Lease Revenues	6,593	7,454	7,386	8,175	8,178
<b>Debt Service Payments (\$000's)</b>	<b>\$ 2,943</b>	<b>\$ 2,031</b>	<b>\$ 2,321</b>	<b>\$ 2,322</b>	<b>\$ 2,818</b>
Supported By:					
Long term lease	334.1	334.1	403.0	519.6	519.6
Property Tax	282.0	301.4	310.1	465.3	835.2
Water Rates	106.1	106.1	57.6	23.6	104.9
Sewer Rates	113.3	113.3	89.0	72.0	72.0
Nelson Hydro Rates	1,016.6	1,022.6	949.8	898.8	898.8
Gas Franchise Lease Revenue	1,090.4	153.4	512.0	342.3	387.8
<b>Total Revenues (\$000's)</b>	<b>\$ 38,986</b>	<b>\$ 36,231</b>	<b>\$ 34,218</b>	<b>\$ 32,635</b>	<b>\$ 30,000</b>
Long Term Debt as a					
Percentage of Total Revenue	7.55%	5.61%	6.78%	7.12%	9.39%



# Statistical Section

THE CORPORATION OF THE CITY OF NELSON  
2011 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 2011  
Taxable Values**

Assessment for General Purposes	1,248,693,106	3,012,885	1,528,700	180,186,500	1,751,400	98,472,800
Percentage of Taxable Values	81.42%	0.20%	0.10%	11.75%	0.11%	6.42%
General Tax Levy by Class	\$ 4,916,979	\$ 87,792	\$ 10,888	\$ 1,773,810	\$ 8,903	\$ 388,988
Percentage of General Taxation	68.44%	1.22%	0.15%	24.69%	0.06%	5.41%

**Analysis of 2011 Rates  
(Per \$1,000)**

General	\$3.9377	\$29.1390	\$7.0878	\$9.8443	\$3.3707	\$3.9500
Debt	0.1066	0.7688	0.1919	0.2665	0.0912	
School	2.4644	14.1000	6.6000	6.6000	3.4000	14.1000
Central Kootenay Regional Hospital	(0.0154)	(0.0539)	(0.0524)	(0.0377)	(0.0154)	(0.0539)
West Kootenay Boundary Regional Hospital	0.2284	0.7994	0.7766	0.5596	0.2284	0.7994
Regional District of Central Kootenay	1.4426	5.0491	4.9048	3.5344	1.4426	5.0491
B.C. Assessment Authority	0.0621	0.5114	0.1896	0.1896	0.0621	0.5114
Municipal Finance Authority	0.0002	0.0007	0.0007	0.0005	0.0002	0.0007
	<b>\$8.2266</b>	<b>\$50.3345</b>	<b>\$19.6990</b>	<b>\$20.9372</b>	<b>\$8.5798</b>	<b>\$24.3567</b>
Specified Area - North Shore	0.1746			0.3143		
Police Tax - Area E						0.4463
Police Tax - Area F						0.4450
Police Tax - Area H						0.6045

**NOTE:**

Properties are categorized into 9 different classes

for assessment and taxation purposes.

The City of Nelson has no properties within class

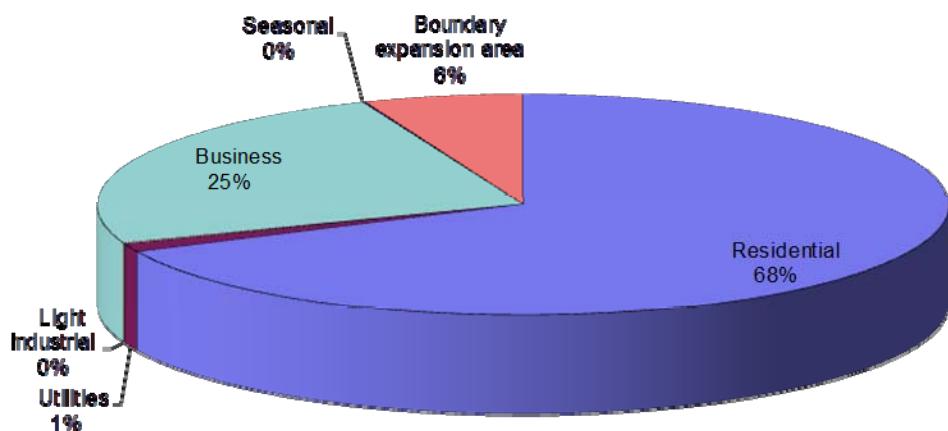
4 (Major Industry), 7 (Managed Forest Land) and 9 (Farm).

# Statistical Section

Assessment/Taxation Comparative Statistics						
	2011	2010	2009	2008	2007	
<b>Assessment for General Taxation</b>						
Land	\$ 653,712,737	\$ 602,908,152	\$ 599,213,102	\$ 591,137,800	\$ 488,923,500	
Less: Exempt Land	<u>72,838,400</u>	<u>72,992,421</u>	<u>67,619,831</u>	<u>67,093,002</u>	<u>58,550,402</u>	
Net Land Assessment	<b>580,874,337</b>	<b>529,915,731</b>	<b>531,593,271</b>	<b>524,044,798</b>	<b>430,373,098</b>	
Improvements	<b>1,304,014,452</b>	<b>1,302,573,102</b>	<b>1,216,535,202</b>	<b>1,201,817,800</b>	<b>1,090,083,150</b>	
Less: Exempt Imp & Utils	<u>341,532,260</u>	<u>345,234,179</u>	<u>339,952,519</u>	<u>341,017,248</u>	<u>327,383,648</u>	
Net Improvement Assess	<b>962,482,192</b>	<b>957,338,923</b>	<b>876,582,683</b>	<b>860,800,552</b>	<b>762,699,502</b>	
Total Taxable Assessment	<b>\$ 1,543,358,529</b>	<b>\$ 1,487,254,654</b>	<b>\$ 1,408,175,954</b>	<b>\$ 1,384,845,350</b>	<b>\$ 1,193,072,600</b>	
<b>Assessment for School Taxation</b>						
Total Taxable Assessment	<b>\$ 1,731,959,201</b>	<b>\$ 1,682,744,954</b>	<b>\$ 1,603,877,954</b>	<b>\$ 1,580,547,350</b>	<b>\$ 1,384,462,600</b>	
<b>Municipal Tax Rates (per \$1,000)</b>						
Residential	\$ 4.0443	\$ 4.1050	\$ 4.1780	\$ 4.0719	\$ 4.5443	
Utilities	\$ 29.9278	\$ 30.3769	\$ 30.9267	\$ 30.1417	\$ 32.8689	
Industrial	\$ 7.2797	\$ 7.3800	\$ 10.8848	\$ 10.6082	\$ 11.2581	
Business	\$ 10.1108	\$ 10.2628	\$ 10.8848	\$ 10.6082	\$ 11.2581	
Seasonal	\$ 3.4619	\$ 3.5139	\$ 3.4803	\$ 3.3919	\$ 3.5223	
Boundary expansion area	\$ 3.9500	\$ 4.1000	\$ 4.1600	\$ 4.1200	\$ 4.1200	
<b>School Tax Rate (per \$1,000)</b>						
Residential	\$ 2.4644	\$ 2.5212	\$ 2.6057	\$ 2.5545	\$ 2.9911	
Utilities	\$ 14.1000	\$ 14.4000	\$ 14.5000	\$ 14.2000	\$ 14.7000	
Industrial	\$ 6.6000	\$ 6.8000	\$ 7.0000	\$ 6.8000	\$ 7.9000	
Business	\$ 6.6000	\$ 6.8000	\$ 7.0000	\$ 6.8000	\$ 7.9000	
Seasonal	\$ 3.4000	\$ 3.5000	\$ 3.7000	\$ 3.6000	\$ 3.9000	
<b>Residential Tax Rate (per \$1,000)</b>						
General	\$ 3.9377	\$ 3.9354	\$ 4.0054	\$ 3.9033	\$ 4.3430	
Debt	\$ 0.1068	\$ 0.1698	\$ 0.1728	\$ 0.1687	\$ 0.2013	
Local School Levy	\$ 2.4644	\$ 2.5212	\$ 2.6057	\$ 2.5545	\$ 2.9911	
Regional Hospital	\$ 0.2130	\$ 0.1824	\$ 0.1930	\$ 0.3305	\$ 0.4123	
Regional District	\$ 1.4426	\$ 1.4959	\$ 1.4911	\$ 1.3270	\$ 1.5244	
Specified Area	\$ 0.1746	\$ 0.1814	\$ 0.1839	\$ 0.1587	\$ 0.1885	
Municipal Finance Authority	\$ 0.0002	\$ 0.0002	\$ 0.0002	\$ 0.0002	\$ 0.0003	
B. C. Assessment Authority	\$ 0.0621	\$ 0.0684	\$ 0.0641	\$ 0.0615	\$ 0.0677	
	\$ 8.4012	\$ 8.5525	\$ 8.6960	\$ 8.5044	\$ 9.7286	
<b>Collection &amp; Penalty</b>						
Curr Yrs Levy & Penalties (incl Sec 353)	\$ 19,993,042	\$ 19,688,248	\$ 18,910,945	\$ 18,679,957	\$ 18,334,120	
Per Capita	\$ 2,039.27	\$ 1,981.89	\$ 1,905.77	\$ 1,882.49	\$ 1,849.32	
Current Received	\$ 19,652,961	\$ 19,661,196	\$ 18,894,461	\$ 18,215,740	\$ 18,168,979	
Percent of Levy	98.30%	99.97%	99.91%	97.51%	99.10%	
Arrears/ Delinq. Collected	\$ 415,697	\$ 293,585	\$ 315,931	\$ 224,999	\$ 426,479	
Total Collected	\$ 20,068,658	\$ 19,954,781	\$ 19,210,392	\$ 18,440,739	\$ 18,595,458	
Percent of Current Levy	100.38%	101.47%	101.58%	98.72%	101.43%	
Total Arrears Outstanding	\$ 504,784	\$ 524,300	\$ 428,968	\$ 447,116	\$ 314,432	
<b>Taxation Revenues (Municipal not incl debt)</b>						
Residential	\$ 4,913,071	\$ 4,747,322	\$ 4,456,229	\$ 4,377,541	\$ 4,348,753	
Utilities	\$ 86,196	\$ 85,518	\$ 78,955	\$ 78,252	\$ 77,138	
Light Industrial	\$ 10,835	\$ 10,517	\$ 9,928	\$ 9,968	\$ 9,730	
Business	\$ 1,771,048	\$ 1,730,295	\$ 1,629,279	\$ 1,634,478	\$ 1,640,319	
Seasonal	\$ 5,904	\$ 5,049	\$ 4,559	\$ 3,737	\$ 3,086	
Boundary expansion area	\$ 439,049	\$ 452,999	\$ 372,235	\$ 374,840	\$ 351,757	
	\$ 7,226,103	\$ 7,031,700	\$ 6,551,185	\$ 6,476,816	\$ 6,430,783	

# Statistical Section

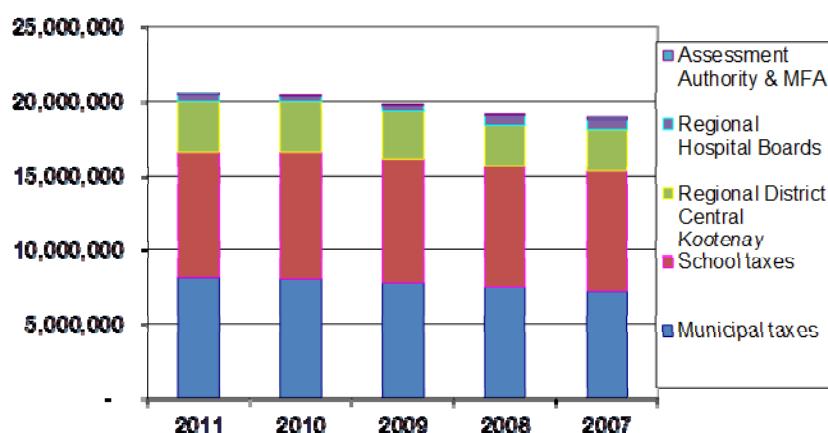
## Municipal Taxes 2011



## The Corporation of the City of Nelson Taxes Collected 2007 - 2011

	2011	2010	2009	2008	2007
Municipal taxes	8,159,893	8,048,480	7,825,635	7,549,404	7,220,945
School taxes	8,509,758	8,630,011	8,391,987	8,157,884	8,127,941
Regional District Central Kootenay	3,325,064	3,284,381	3,101,851	2,714,480	2,784,421
Regional Hospital Boards	441,406	364,185	364,670	617,283	677,875
Assessment Authority & MFA	167,343	170,701	155,558	148,276	142,981

## Taxes Collected 2007 - 2011

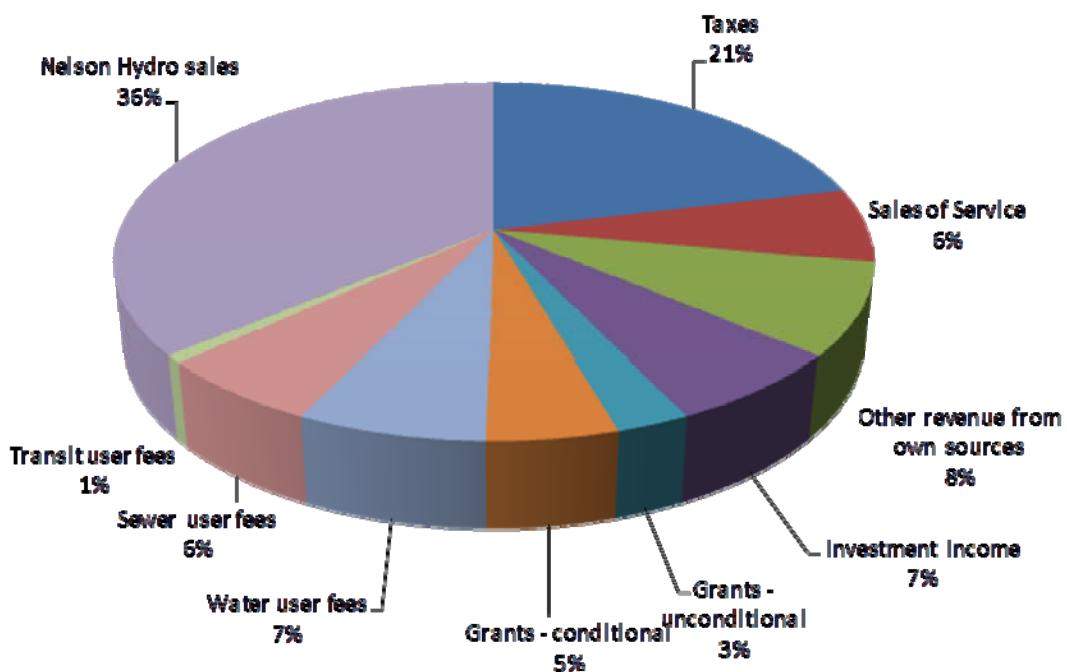


# Statistical Section

## CITY OF NELSON

### 2011 Operating Revenues

Taxes	8,282,691
Sales of Service	2,589,719
Other revenue from own sources	3,200,722
Investment Income	2,636,193
Grants - unconditional	1,039,242
Grants - conditional	1,845,698
Water user fees	2,661,969
Sewer user fees	2,401,706
Transit user fees	275,633
Nelson Hydro sales	14,063,456
	38,985,926

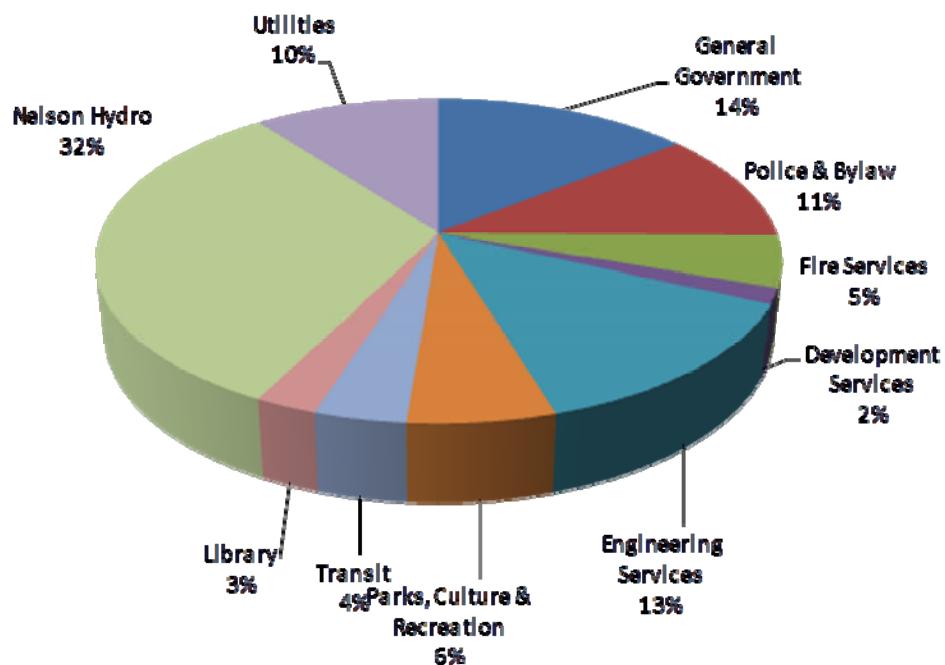


# Statistical Section

## CITY OF NELSON

### 2011 Operating Expenses

General Government	4,816,379
Police & Bylaw	3,666,642
Fire Services	1,732,720
Development Services	621,766
Engineering Services	4,610,250
Parks, Culture & Recreation	1,991,744
Transit	1,239,510
Library	838,000
Nelson Hydro	10,816,944
Utilities	3,486,875
	33,607,720

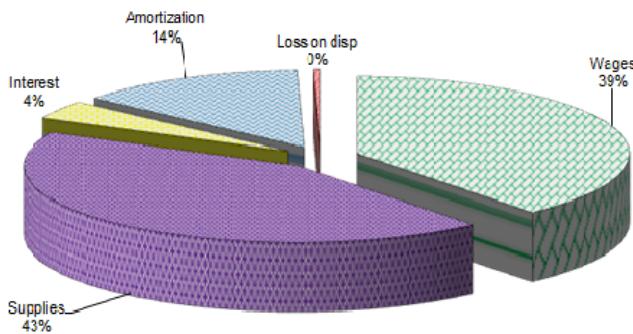


# Statistical Section

## CITY OF NELSON SUMMARY OF EXPENSES BY OBJECT AND FUNCTION FOR THE YEAR ENDED DECEMBER 31, 2011

	General Government	Police & Bylaw	Fire Services	Development Services	Engineering Services	Parks			Nelson Hydro	Utilities	Total
						Culture & Recreation	Transit	Library			
Wages and benefits	1,461,410	3,158,808	1,411,876	395,194	1,528,802	737,087	624,804	588,825	1,513,372	1,289,070	13,076,231
Supplies and services	1,153,381	429,848	232,582	168,592	1,931,397	1,122,328	615,503	251,375	7,622,387	951,054	14,517,598
Interest and other debt charges	516,475	-	5,256	-	25,113	43,076	-	-	607,383	123,074	1,321,477
Amortization	1,064,133	88,265	63,004	-	941,310	69,275	-	-	648,338	1,071,448	4,564,093
Loss on disposal of assets	-	1,008	-	-	33,828	-	-	-	24,184	89,529	128,321
	4,815,379	3,655,542	1,732,720	521,756	4,510,250	1,991,744	1,239,510	838,000	10,816,944	3,485,875	33,607,720

### Expenses by Object

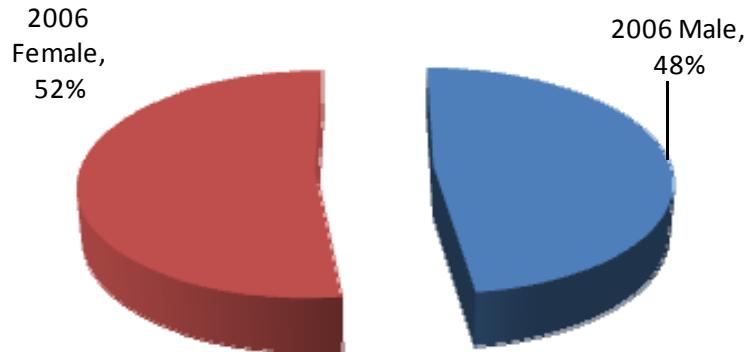


■ Wages   ■ Supplies   ■ Interest   ■ Amortization   ■ Loss on disp

# Statistical Section

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

### Total Population By Sex



### Population by Sex and Age Group

