



# The Corporation of the City of Nelson

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

## 2012 Annual Report

For the year ending December 31, 2012

The City of Nelson 2012 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

On behalf of the City of Nelson, I am proud to report on our key initiatives and successes of the past year. I hope you take the opportunity to read through the City of Nelson's 2012 Annual Report as it outlines our Strategic Priorities developed by our Council which in turn, are being implemented by our dedicated staff.

2012 was another banner year for the City of Nelson as we continued to be recognized for our innovation, community spirit and business acumen. This was no more apparent than in our latest honour of being named by Powder Magazine (in conjunction with the City of Rossland) as the #1 Ski Town in North America. It was a truly great honour to receive such a prominent accolade and have such wonderful exposure on the international stage.

As the Chair of the British Columbia Caucus for the Federation of Canadian Municipalities (FCM), I was very pleased to see that our advocacy efforts have put infrastructure firmly on the radar of the Federal government. I look forward to continuing to work with the Federal government in securing some of the \$50 Billion earmarked for Canada over the next decade for infrastructure to build better roads, bridges and water systems in our BC communities.

I am encouraged by the work we are doing in the downtown area, as we work towards the implementation of the *Sustainable Waterfront and Downtown Master Plan* (SWDMP). Our hope is to breathe new life and vitality into the downtown area, including the main downtown core, the new Railtown District, the waterfront and the Hall Street Corridor. I particularly want to recognize the investment and innovations of our local businesses as they continue to enhance their properties on both a small scale such as cleaning and replacing awnings, to full scale renovations and restorations.

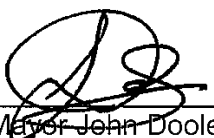
The Eco-Save, home energy retrofit program has also been a tremendous success for our home owners, our businesses and our environment.

Over the past year, we have been working diligently towards developing and implementing shared services with our regional partners. The following are some highlights related to our pursuit of these Shared Services:

- ◆ **A Recreation Master Plan** is currently being finalized which makes a number of recommendations on how we can streamline both the recreation and parks services by working together as a larger, cohesive region. Of note, Areas E & F in the Regional District of Central Kootenay (RDCK), agreed to start contributing towards the maintenance of the Lakeside playing fields and the Queen Elizabeth Park.
- ◆ **West Kootenay Regional Transit Service** is being launched in July 2013 in partnership with the RDCK and Regional District of Kootenay Boundary (RDKB).
- ◆ **Waste Management** - The Salmo landfill will be decommissioned and all landfilling will be consolidated at Ootischenia in Castlegar.
- ◆ **Joint Fibre Optics Project** - The RDCK and the City recently participated in a joint fibre optics project and are working with other local governments on other shared information technology opportunities.
- ◆ **Shared Services Model** - We believe there is an opportunity to expand our shared services model with the Provincial government at 310 Ward Street (City Hall) to include other government bodies such as the RDCK and the Federal government.

This is just a snap-shot of our successes and we definitely have more to report on. Please read through this report to get the whole picture of our progress for 2012. We hope to continue to be a prosperous and healthy community in 2013 and beyond.

Thank you to all of you - residents, City staff, and my colleagues on Council for giving so much to the community and truly making this an outstanding place to live. I know we will continue to build on the successes we have achieved and add even more value to this already robust community.



Mayor John Dooley



# Nelson City Council 2011–2014



Mayor John Dooley



Bob Adams



Robin Cherbo



Deb Kozak



Candace Batycki



Donna Macdonald



Paula Kiss

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.



# 2012 Council Committees

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

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

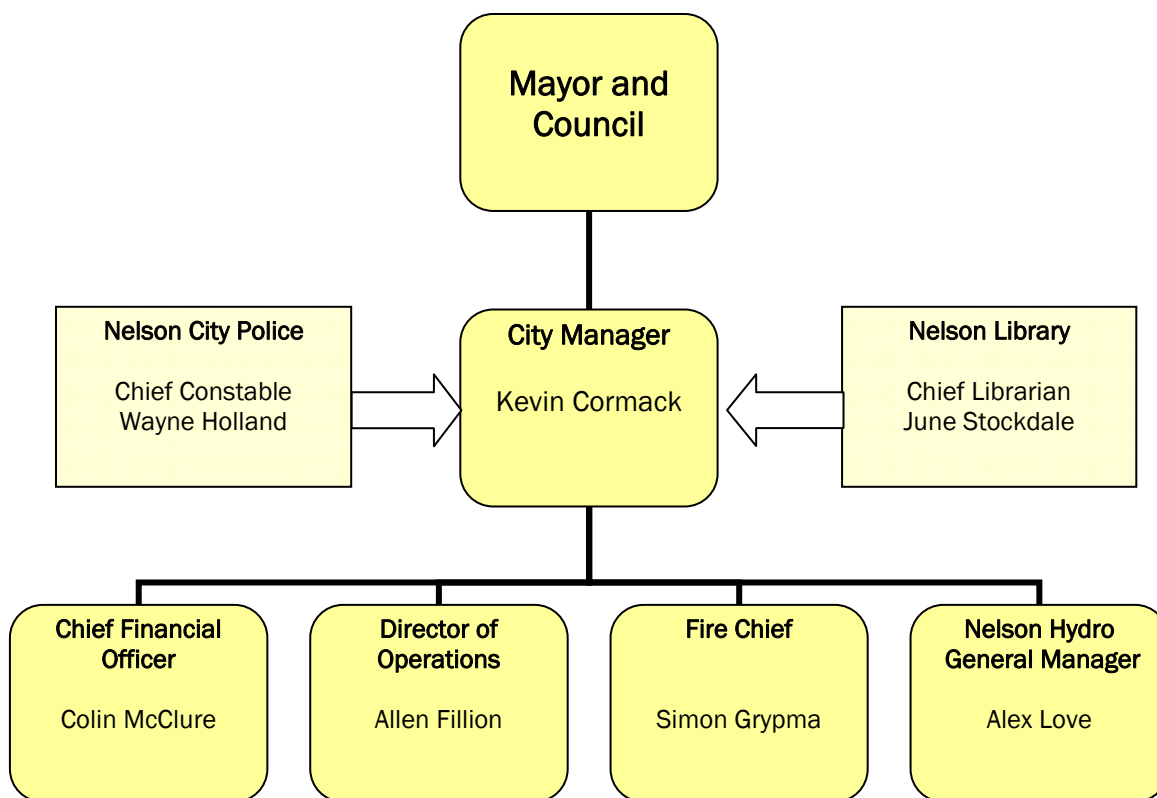
## **Standing Committees (established by Mayor)**

Grievance Committee	Councillors Cherbo/Adams
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## **Council Liaisons/Portfolios**

Advisory Planning Commission	Councillors Kiss/Cherbo
AKBLG Executive	Councillor Kozak
Chamber of Commerce	Councillors Kiss/Kozak
Economic Development/Business/Tourism/Events	Councillors Kozak/Kiss
Education (SD #8, Selkirk College)	Councillor Adams
Healthy Communities	Councillors Cherbo/Adams
Izushi Friendship	Councillors Adams/Cherbo
Kootenay Lake Partnership Plan	Councillors Batycki/Macdonald
Nelson Business Association	Councillors Kozak/Kiss
Nelson Electric Tramway	Councillor Cherbo
Nelson Committee on Homelessness	Councillors Cherbo/Adams
Nelson Housing Forum	Councillor Macdonald
Nelson Pilot's Association	Councillor Cherbo
Nelson Seniors Branch #51	Councillor Adams
Parks	Councillors Kozak/Batycki
Recreation and Youth	Councillors Kozak/Adams
Seniors Coordinating Society	Councillor Cherbo
Skateboard Park	Councillor Kozak
Social Planning	Councillor Cherbo
Sports Council	Councillor Adams
Touchstones	Councillors Batycki/Macdonald
Treaty Advisory	Councillor Adams
Tri-Cities	Mayor Dooley
West Kootenay Regional Airport Advisory Committee	Mayor Dooley/Councillor Cherbo

# Organizational Chart



## Municipal Officers 2012

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

# Report from the City Manager

I encourage you to take some time to read through our Annual Report; it is a very good overview of the City's financial position, our operations and Council priorities. We want to hear from you, so please let us know if you feel we are on the right track.

2012 was a transition year for the City, moving from the extensive community planning that Council embarked on five years ago, to implementation. Council continues to invest in infrastructure renewal for water, sewer, hydro and roads. We were also able to add to our already world class park system by completing additional work at the Davies Street Park and creating a new park at 7th Avenue. We are very excited to say the Skate Park has finally found a home and will be part of the new All Wheel Park Amenity at Art Gibbon Memorial Park in Rosemont. Construction will begin summer of 2013 and the park is scheduled to be completed by early fall.



This was also a year of awards for Nelson as we were recognized for a number of initiatives including: The Most Small Business Friendly Community for our region; a UBCM Excellence Award and a BC Transit Superstar award received in partnership with the RDCK and RDKB for the regional transit project; a pair of FortisBC PowerSense awards, one for the natural gas savings achieved through boiler retrofits at City Hall and the Civic Centre, and another - a Fortis Conservation Leadership Award - for the EcoSave Energy Retrofits Program; Nelson also achieved the top level for corporate greenhouse gas emission (GHG) reductions and Level 3 for community energy GHG reductions through the Federation of Canadian Municipalities (FCM), Partners for Climate Protection program.

Council is also investing in our downtown as we go forward with implementing the *Sustainable Waterfront and Downtown Master Plan*. Working groups have been formed which include Council, staff and the business community. We have opened up the amenity areas on Baker Street and added five new sculptures in the downtown, one in Lakeside Park, plus the one in the Railtown District. Planning is well underway for the Hall Street Corridor improvements. It is very encouraging to see the business community embracing this plan, as the proposed Nelson Commons and Nelson Landing developments meet a number of the goals in the plan and are exciting projects; buildings are being upgraded with façade improvements, new awnings and new store front displays which are all positive investments in our downtown core.

We continue to look for ways to deliver services more effectively and efficiently. A great example of this is the new regional transit service delivery model. The City in partnership with the RDKB and RDCK has come together to form the West Kootenay Transit Committee. The goal of this committee was to deliver a seamless transit system throughout the West Kootenays. By working together we have been able to add additional services within existing budgets, and with fully integrated routes there is now one fare structure and one Riders' Guide.

We are working with the Columbia Basin Trust (CBT) and the other Local Governments on shared IT services and a plan to bring an alternative to the current high speed broadband in our communities. We see this as an opportunity to give a leg up to our local businesses.

And lastly, I would like to thank all of our employees for their dedication to the City; it is their hard work that helps to make the City of Nelson a very special place.

A handwritten signature in black ink, which appears to read "Kevin Cormack". The signature is fluid and cursive, with a long horizontal line extending to the right.

Kevin Cormack, City Manager

# City of Nelson Strategic Objectives 2012 - 2014

Key Objectives	Performance Measure	Progress to date
1.1 Implement and monitor the 2012-16 financial plan	Meet a maximum taxation target of 2% per annum. Generate additional revenues. Contain costs to 1.75%	2012 and 2013 tax rates were limited to 2%. Additional funding was realized from hydro operations. RDCK increased funding for regional services. Overall financial targets met.
1.2 Rate structure review for water and sewer.	Review of rate structures. Improved understanding of water usage and the impacts on customers under a different rate structure.	A review of non-metered rates was completed and it was concluded that Nelson has a fair rate structure. Data collection is being completed in 2013.
1.3 Review City assets to determine any surplus assets.	Clear direction on what are core City assets.	Council approved the hiring of a facility manager to complete this review.
1.4 Shared services with other public service organizations.	Shared service agreements have been entered into which result in cost savings/containment.	CBT has agreed to facilitate shared Information Technology projects. Emergency recovery systems is the first project identified; a working group of local governments has been formed to develop this opportunity.
1.5 Explore additional generation opportunities for Nelson Hydro.	Complete and prioritize generation opportunities.	Initial reviews have been completed on run of the river generation opportunities in the area.
2.1 Develop strategies to grow the tax base.	The target is 50 new units per year.	19 new residential and 103 other building permits were issued in 2012 with a total construction value of \$9.8M. Two new developments are being planned for 2014.
2.2 Complete the neighbourhood plan for the Railtown area.	Neighbourhood plan completed and implementation plan developed. Approved by Council.	FCM grant application for the planning has been completed and submitted. City has acquired certain Railway Street properties to allow for multi-family development.
2.3 Beautification of closed gas station sites.	Beautification projects identified and improvements made. Baker street ESSO site being the first priority.	Assisted NDNproperty owners to lease the former ESSO site on Baker Street. CDC has acquired funds to install fence scrim.
3.1 Develop a multi-year strategy to address funding inequities in the Greater Nelson area.	Areas of inequity have been identified. A strategy to address these over time has been agreed to between the parties.	Area E & F have provided funding towards the sports fields starting in 2013. A recreation masterplan has been completed which makes recommendations on addressing some of historical funding inequities.
4.1 Incorporate policy statements from the housing strategy into the Official Community Plan (OCP).	Policy statements included in the OCP.	OCP was adopted by Council with the housing policy statements.

# City of Nelson Strategic Objectives 2012 - 2014

Key Objectives	Performance Measure	Progress to date
4.2 Formalize the Housing Forum into an official City committee.	Terms of reference completed and policy adopted by Council for an official Housing Committee.	Committee has been formed and is active in implementing the recommendations in the Housing Strategy.
4.3 Standard of Maintenance, Strata Conversion and Density Bonus Policy: Research and recommendation to Council.	Research complete and Council determines whether to proceed.	Will be considered in 2013.
5.1 Implementation of Sustainable Waterfront and Downtown Master Plan. (SWDMP)	Identify initial priorities, complete projects in 3 areas: core downtown, Hall street and Railtown.	Working groups have been formed to move forward these priority areas; improvements have been completed in Railtown and Baker Street, Hall Street design has been presented to the public. New reserve fund has been created to help fund improvements.
5.2 Incorporate the downtown / waterfront plan into the OCP.	Council adopts OCP with the SWDMP incorporated.	OCP with SWCMP policy statements have been adopted by Council.
5.5 Ensure planned developments fit with goals of the downtown / waterfront plan.	Developments consistent with plan.	Nelson Commons and Nelson Landing projects are being planned with the SWDMP principles as part of the designs.
6.1 Implementation of initial priorities of the Community Energy and Climate Change Plan.	Successful implementation of priority projects. Funding secured to move these initiatives forward.	Home Energy Retrofit Program - Eco-Save is in its second year and has been very successful - funding contribution from FortisBC; Funding has been secured through the CBT and FCM to complete the District Energy System business plan. Contract has been awarded. Will be completed by October 2013.
7.1 Develop and update various bylaws to bring in compliance with current legislation and operations.	Priority bylaws have been completed and adopted by Council.	The following bylaws were adopted by Council in 2012/2013: EcoSave Energy Retrofits, Advisory Planning Commission, Cultural Development Committee, Nelson Housing Committee, Bylaw Notice Enforcement - Fire and Tree penalties added.
7.2 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 plan and the housing strategy.	Adopted by Council	The draft is 85% complete and will be completed in 2013.

# City of Nelson Strategic Objectives 2012 - 2014

Key Objectives	Performance Measure	Progress to date
7.3 Adopt and update new bylaws or policies that are Council initiatives.	Council priority bylaws are completed within the proposed schedule.	Completed or in progress: Land Use Regulation, Business Licence, Animal Regulation and Control, Sign Regulation, Clean Air, Anti Idling
8.1 Complete the facility maintenance plan including an implementation strategy.	Plan completed and adopted by Council.	Plan was completed and adopted by Council. Key recommendation to hire a facility manager was approved by Council. City is in process of hiring this position.
8.2 Complete a review of City buildings to assess condition and determine whether to continue to own, lease or dispose.	Review completed by the end of 2013.	City is in the process of hiring a facility manager.
9.1 Water & Sewer capital infrastructure program.	Projects approved by Council, projects completed on time and within budget.	Over \$1.6M spent on water/sewer upgrades in 2012 and a further \$3M planned for 2013. The sewer pipe relining project for 2013 has been completed for \$1M. Water projects are in progress.
10.1 Water Smart Plan is being implemented.	Priority areas have been identified and are being implemented. CBT has signed off on the plan.	CBT has approved the plan. Water loss plan was approved and consultant has been hired to implement the study. Strategic metering is being installed to better understand water usage.
11.1 Nelson Hydro capital infrastructure program.	Capital projects are on budget and on target.	The Rosemont sub-station project is under construction and is within budget. Downtown conversion phase 2 has been awarded and is within budget.
12.1 Implementation of the Regional Transit Plan.	Regional Transit Plan is adopted by Council & other local government partners; the plan is being implemented on a regional basis. Efficiencies and service improvements realized.	Plan has been adopted by the 3 participating local governments, Nelson, RDCK and RDKB. A West Kootenay Transit Committee has been formed. Regional Transit improvements have been identified and will be implemented effective July 2, 2013.
13.1 Climate adaptation.	Priority areas have been identified and are being implemented. CBT has signed off on the plan.	Completed the workshop with CBT, plan was developed and approved by CBT. The highest priority area - infrastructure risk assessment is in the process of being completed.

# City of Nelson Strategic Objectives 2012 - 2014

Key Objectives	Performance Measure	Progress to date
14.1 Staff development.	Performance reviews are completed; growth plans developed and professional development completed. Result is improved performance throughout the organization.	Police and Fire are completing regular performance reviews. Performance reviews for new staff are being completed in other departments. Professional development is ongoing.
15.1 Collective bargaining	Collective agreements are negotiated with unionized employees that meet financial targets and operational needs.	CUPE collective agreement ratified by both parties and is consistent with goals. Four collective agreements have expired and need to be negotiated.



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# 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 10,230, 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 1,275 business licences issued in 2012.

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

### **2012 Highlights**

- A comprehensive update of the *Official Community Plan* was finalized in 2012 which incorporated policy statements from the *2010 Housing Strategy*, as well as policy statements from the *Sustainable Waterfront and Downtown Master Plan* which was approved by Council in 2011.
- A *Regional Transit Plan* has been adopted by Council and the two other participating local governments - the Regional District of Central Kootenay and the Regional District of Kootenay Boundary. A West Kootenay Transit Committee was formed and improvements identified, with implementation occurring in 2013.
- The City's core assets are identified as a priority, and the facilities maintenance plan has been completed. Council has approved the hiring of a facility manager to implement the maintenance plan and monitor all City facilities.

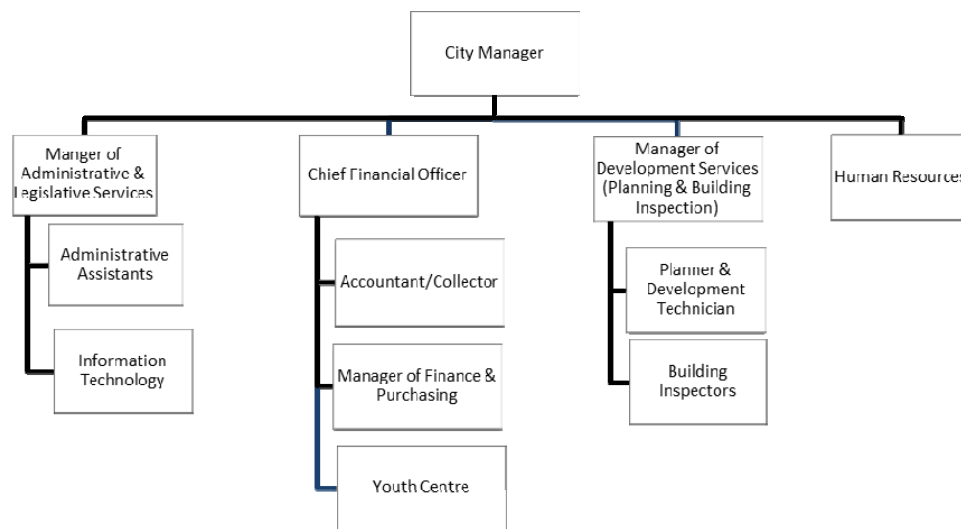
### **Departmental Goals**

- **Shared Services**  
Identify and implement additional shared services in the region including: Regional Transit - the new integrated service is set to be launched July 2, 2013; partnering with the RDCK on fibre optics project; working with CBT and other local governments to develop other shared IT services including broadband opportunities.
- **Master plan implementation:** Phase 2 of the Eco-Save home energy retrofit program; completing the District Energy System business plan and completing priority items in the Sustainable Downtown Waterfront Master Plan including the Hall Street Corridor project.
- **Development:** Continue to see new construction and businesses investing in their properties. The City will continue to invest in new parks, improving infrastructure and revitalizing the downtown & waterfront.

# Municipal Departments - Corporate Services

The Corporate Services function includes many departments including Finance, Information Technology, Legislative Services, Administration, Human Resources, 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.



## Finance Section

**Colin McClure - Chief Financial Officer**

**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**

**Krista Webb— Development Technician**

**Bernie Zimmer - Chief 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, and Advisory Planning 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.



# Municipal Departments - Corporate Services

## Development Services & Sustainability Department Achievements 2012

- Completion of *Subdivision and Development Servicing Bylaw*
- Completion of *Affordable Housing Policy*
- Completion of *Sandwich Board Policy* review
- Completed a Commission restructuring process
- Hosted a Secondary Suite information session and developed webpage and information package for the public
- Finalized a comprehensive update of the *Official Community Plan*
- Department restructuring and hiring of a full time Development Technician
- Numerous grant applications completed
- Coordinated successful grant applications
- Milestone #1, #2, and #3 achieved for Community Emissions through the Partners for Climate Protection program (PCP)
- Issuance of 58 development applications (variances/development permits/rezoning)
- Review of 8 subdivision applications

## Development Services & Sustainability Department Goals 2013/2014

- Increase interdepartmental cooperation
- Raise awareness of *Official Community Plan* amongst City staff across all departments
- Develop an interdepartmental implementation and monitoring strategy for the OCP
- Adoption of *Official Community Plan*
- Continued participation in the update of outdated City Bylaws
- Complete update of the *Zoning Bylaw*
- New BC Building Code familiarisation
- Test and implement Noratek Solutions City Reporter Mobile Inspection software
- Develop a *Departmental Strategic Plan*
- Develop Heritage Planning webpages
- Improve departmental administration and processing of development applications
- Achieve milestone #4 for Community Emissions through the Partners for Climate Protection program (PCP)
- Grant application coordination
- Host another Secondary Suite information session for the public.

# 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 Centre (YEC) in Nelson and Castlegar. YEC offers employment services to youth age 15-30. The Youth Employment Centres offer one-on-one assistance, workshops, a resource library, computer services, and internet access for employment searches. YEC is funded by the Ministry of Housing and Social Development and Employment Labour Market Services. Check out NDYC services at [www.nelson.ca](http://www.nelson.ca)

### Department Achievements 2012

- 12,500 total visits to the Nelson and District Youth Centre
- Over 500 hours of volunteer contribution
- Diverse programming: magic: the gathering, skaters yoga, Sk8 Jam, music events and art events
- 2nd year of successful management of the Nelson City Campground
- Partnership programs: Gender Action Theatre & Upcycling
- Successful Girls Group, Sk8 Lessons & Sk8 events
- Completed 1 year of **Connect 4: Youth to Work Program (Service Canada, Skills Link program)**



### Department Goals 2013 / 2014

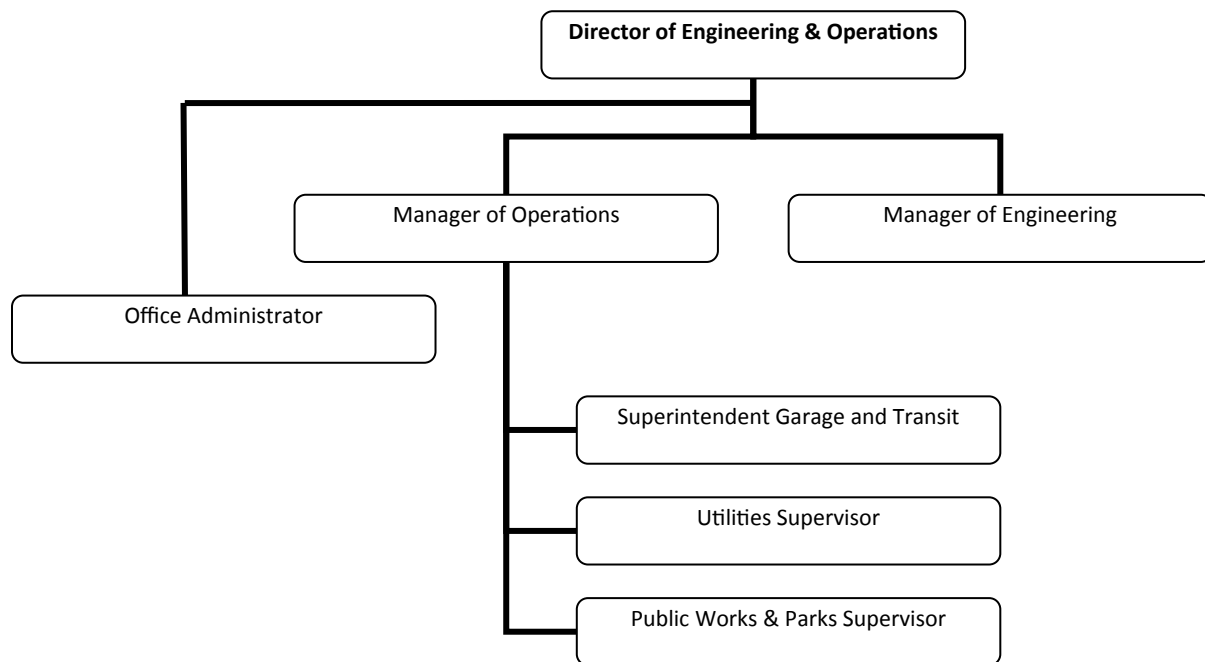
- 2nd year of Connect 4: Youth To Work Program (Service Canada, Skills Link program)
- Diversifying NDYC revenues through advertising and fundraising
- Continued management of the Nelson City Campground (3rd season)
- Murals at the Nelson City Campground (Osprey Foundation Grant)
- Rosemont Elementary School Skate Club (Local Sport Development Fund)
- Nelson Youth Website and Youth Granting Program (CBT: CDYF)
- Youth survey & NDYC strategic planning, assistance with Outdoor Skatepark
- Diversify program: LARPing (Live Action Role Playing), MAXTivity boy's programs, SPARK girl's programs



# 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**

**Jim Dinwoodie - Manager of 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 2012

- Design and approval for UV disinfection & hypochlorite generation system for Mt Station reservoir
- Completed construction of 9th Street PRV, & upgrade of the Stanley & Stibbs Street PRV
- Installed backup power for the 4th Street Lift Station
- Completed ventilation improvements at the Sewage Treatment Plant
- Development of pathway in Railtown
- Development of 7th Street park
- Completed eco-friendly washroom construction in Art Gibbon park



## Operations 2013 / 2014 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
  - Hire a Facility Maintenance Manager
  - 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 - with over 4km of pipe scheduled for relining**
- **Finalize construction of Davies Street Park**



# Municipal Departments - Police



**Chief Constable Wayne Holland**

**Inspector Paul Burkart - Commander of Plain Clothes and Uniform Operations**

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 Inspector 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 2012**

- A re-design of the departmental web site was undertaken, which enhances public access and allows for future social media opportunities for the timely dissemination of key messages and information to the public.
- The creation of a departmental ethics officer position for the department and the appointment of a senior officer who will guide and mentor our police officers in making ethical decisions in the accomplishment of their duties.
- The accomplishment of a challenging NCO promotional process that resulted in the identification of the individuals who will be promoted to assume leadership roles in the department's chain of command.



## **Departmental Goals— 2013**

- The creation of a Police Foundation to facilitate the funding of unique and innovative programs and initiatives that would not normally be realized by means of the annual police budget.
- A review of the existing regulations and procedures manual, to ensure that we are in compliance with the recommendations of the on-going provincial policing standards review process.
- The reintroduction of the "Nelson Police Camp" for young citizens who may be interested in a policing career.
- The establishment of a Nelson Police Board "Citizen Recognition and Awards" event.
- The creation of a departmental "Leadership and Planned Change Advisory Team", to empower all sworn, Civilian and volunteer members of the department to have a voice as well as a role in the management of our daily activities

# Municipal Departments - Fire

## Simon Grypma - Fire Chief

## Mike Daloise - Assistant Fire Chief

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

The Department provides a Fire Prevention Program as required in the regulatory provisions of the *Fire Services Act* and the Fire Bylaw no. 3241. The Department also conducts public education programs to inform the public on Wildfire and urban residential fire safety issues. These issues include the promotion of the concept for a Fire Smart Community. The Department consists of a Fire Chief, Assistant Fire Chief Training Officer, one Captain Fire Prevention Officer, two shift Captains, six full-time Firefighters, a secretary/dispatcher, and 20 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. This year's maintenance includes preparation for the 100th year anniversary of the fire hall.

### 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

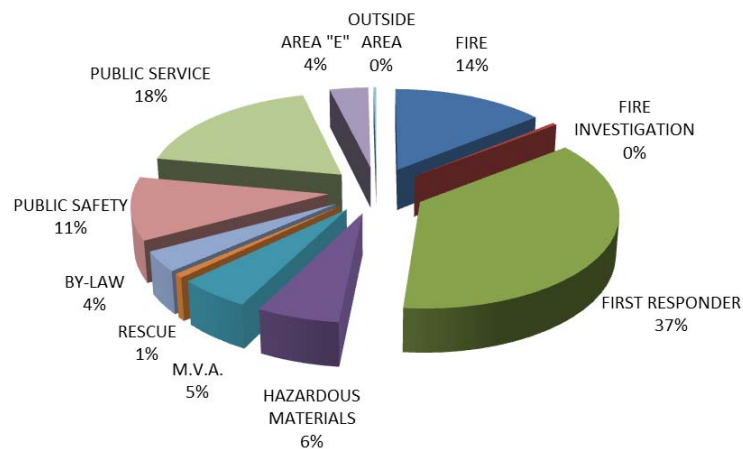
## Training Report

- 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.

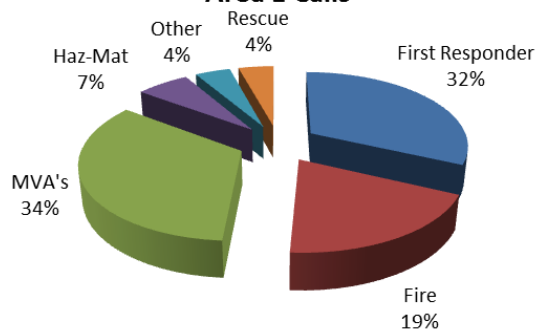
## Fire Prevention Report

- 2012 focus continues to be 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.

**2012 Calls to Date by Type**



**Area E Calls**





# Municipal Departments - Nelson Hydro



**Alex Love - General Manager**  
**Mike Amos - Operations Manager**  
**Doug Pickard - Transmission & Distribution Manager**  
**Heather Grant - Office Administrator**

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

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

Nelson Hydro presently has over 9,800 customers. Total system load is now approximately 167,000 MWh per year.

In 2012, Nelson Hydro transferred \$2,495,000 in dividends to the City General Revenue Fund.

Nelson Hydro operates the Bonnington falls generating facility which is a 16 MW hydro plant on the Kootenay River 15 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 2012 the plant produced 91,409 MWh of energy, a record high never before achieved in the 107 year history of the plant. This high level of production was due to the extended freshet in 2012.

## **Achievements in 2012**

### **Voltage Conversion Project**

- **Distribution and Transmission line backbone upgrade in the uphill area was constructed.**
- **The Rosemont substation construction was postponed to 2013 due to delivery schedules of key components.**
- **The Downtown Voltage Conversion project completion was postponed to 2013 due to higher than expected prices on construction contracts.**

### **Power Plant Upgrades**

- **Generator 4 Rewind was completed**
- **Generator 2 Mechanical and Electrical upgrades were completed**

### **Other Infrastructure Upgrades and Programs**

- **Distribution line lake crossing to the Proctor area was upgraded**
- **Transmission line crossing over the Ymir highway was renewed**
- **Radio Read meter program completed**
- **Transformer oil testing for PCB content completed**

# Municipal Departments - Nelson Hydro



## Achievements in 2012 - con't

- The EcoSave energy retrofit program had a very successful launch in its first year having achieved some of its two year goals in only three months and receiving an award of recognition from the Fortis BC PowerSense program.
- The Corporate GHG reduction program (budgeted from the general City budget but delivered by Nelson Hydro), also had a successful 3rd year of its initial 5 year plan.

The program has produced a 15% reduction in GHG emissions and is on track to meet its 2015 goal of a 25% GHG reduction.

The program received an award of recognition from FortisBC PowerSense and was awarded the 5th of 5 milestones on the Partners for Climate Protection program - Nelson is one of only 14 communities in the country to achieve this milestone.

## 2013 - 2014 Department Goals

- Finalize the District Heating Feasibility Study
- Complete the Downtown Voltage Conversion Project
- Rebuild the Rosemont Substation
- Continue the Voltage Conversion projects
- Generator 3 refurbishment
- Complete the EcoSave program pilot phase
- Implement a vegetation management program
- Succession planning for planned retirements.



# Municipal Departments - Nelson Library

**June Stockdale - Chief Librarian**

**Carrying on according to plan:**

In 2012 we focused on achieving objectives as identified in our Strategic Plan.

To ensure we continue to provide technology to reflect evolving community needs, we upgraded our library system to the provincial Sitka networked solution. Our databases are now hosted and maintained on a secure provincial server. This not only provides greater member functionality, but also achieves significant capital cost savings as well as staff time efficiencies.

Partnering with community members and working collaboratively continues to be a key focus. Our partners include Touchstones Museum of Art and History, the Columbia Basin Alliance for Literacy, School District #8, and the Heritage Credit Union in Slocan Valley. Together with these and other partners we delivered almost 300 programs in the Library with over 4,500 participants.

Outreach initiatives include service to seniors at Mountain Lakes and Lakeview Village, the monthly outreach to the community of Winlaw, the Slocan Valley Heritage Credit Union drop-off service, and drop-off service to LVR and Mt Sentinel High Schools.

Comments in our suggestion box regularly express appreciation for our helpful, friendly and knowledgeable staff. We had a few changes in 2012 with Sara Kuhn, Megan Nelson and Emilee Michaud moving to other communities, and Trish Boleen, Catherine Brochhagen, Jason Asbell and Nadine Mutz coming on board. My sincere thanks to our great team who all work with so much passion on behalf of our community.

Thanks also to our major funding partners, the City of Nelson and the Regional District of Central Kootenay, as well as the Province of BC.

Thanks to all our grand funders, partners and donors without whom we would not be able to offer the broad array of programs and services our community enjoys.

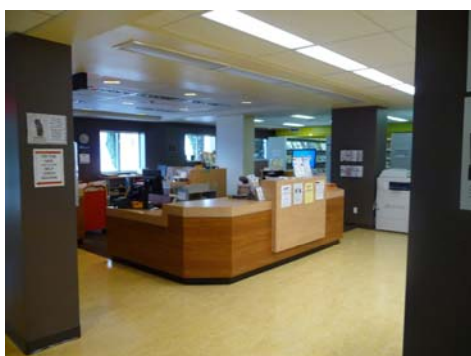
And thank you also to the Board of Trustees who represent our community and ensure our mission and objectives are aligned with community needs-and that we carry on according to plan!

And finally, thank you to all of our 10,600 members. This is your library and we are here to serve you so keep the comments and feedback coming either in person or through our website.

These are exciting times of change for libraries and the Nelson Library is known provincially for its innovation and creativity in moving forward in step with our community.



***THE NPL circulated over 234,000 items in 2012 from a total collection of 43,000!***



## Monthly Statistics

11,767	In person visits
3,412	Website visits
6,835	Junior Items borrowed
9,761	Adult Items borrowed
2,914	In-house collection use
508	e-book & magazines
2,259	Public computer use
855	Questions answered

# Municipal Buildings



## **Nelson Civic Centre**

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



## **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 2012 Annual Report for the City of Nelson. The Finance section of the report includes the Audit Report from Berg, Lehmann Chartered Accountants and the Consolidated Financial Statements for the year ended December 31, 2012.

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 2012 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, 2012 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, Lehmann Chartered Accountants.

## 2012 OPERATING RESULTS

The financial results for 2012 were in line with what had been budgeted for the year. The wet spring provided an added benefit of a long freshet generating period that decreased the power purchasing costs of Nelson Hydro, however, on the other side the damp weather coupled with a flashflood also added additional expenses to Public Works operations. The City has a variety of revenue sources including taxation and grants-in-lieu of \$8.57 million, \$2.5 million in sales of other services, \$748,000 in Provincial unconditional grants (revenue sharing and traffic fine sharing). The City also received revenue from user fees (including the electrical utility) of \$20.4 million.

Operating expenditures include \$5 million in protective services, \$3 million in transportation services, \$2.8 million in general government/corporate services and \$2.86 million in recreation and cultural services. Utility operations expenditures (including Nelson Hydro) total \$12.2 million. In addition, the City contributed \$261,000 towards the \$1.27 million 2012 operational expenses of Transit.

For 2012, the overall annual surplus ended up at \$5.6m but it must be noted that a surplus is budgeted for in order to assist in the funding of future capital expenditures through the transfers to reserves.

Continued.....

# Chief Financial Officer's Report cont'd

## **CAPITAL SPENDING AND RESERVES**

The City continues its aggressive capital program by replacing, updating and maintaining the City's infrastructure and other capital assets. Over \$6.2million was spent in 2012 of which \$2.4million was funded by borrowing.

The City's reserve funds also support the capital program. Overall the capital reserves increased by \$7.2 million with \$6 million attributed to the Nelson Hydro borrowing in the year. 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, 2012 (including temporary borrowing and capital lease obligations) was \$20,058,349. In 2011, this balance was 15,239,084, the significant increase from 2011 is due to the \$6 million borrowing undertaken on behalf of Nelson Hydro to fund the significant infrastructure upgrades to the generating facility, substations and transmission lines.

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 2012 for each of the City's funds is:

General \$ 10,451,822    Water \$1,067,614    Sewer \$824,848    Nelson Hydro \$7,339,121

As presented in the notes to the financial statements, over \$10 million of the general debt is being repaid by FortisBC and Selkirk College through long term contractual agreements leaving only \$450,000 in general purpose debt funded by the taxpayer.

The City is in a solid 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 the current level of service and 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 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 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', written over a horizontal line.

Colin McClure, CA  
Chief Financial Officer

# Financial Section

Berg  
Lehmann

Chartered Accountants  
& Business Advisors

513 Victoria Street  
Nelson BC  
V1L 4K7

phone 250.352.3165  
fax 250.352.7166  
advice@BergLehmann.ca  
www.BergLehmann.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, 2012, and the consolidated statement of operations, consolidated statement of changes in financial assets and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform 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 City's preparation and fair presentation 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 financial statements.

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

.../2



# Financial Section

Berg  
Lehmann

Chartered Accountants  
& Business Advisors

513 Victoria Street  
Nelson BC  
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advice@BergLehmann.ca  
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## INDEPENDENT AUDITORS' REPORT (continued)

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

### Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the The Corporation of the City of Nelson as at December 31, 2012, and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.



Chartered Accountants

June 10, 2013

Nelson, B.C.



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# THE CORPORATION OF THE CITY OF NELSON

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2012

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	2012	2011 (Restated - Note 21)
<b>Financial Assets</b>		
Cash and cash equivalents (Note 2)	\$ 23,572,332	\$ 14,125,073
Investments (Note 3)	2,590,681	2,497,837
Accounts receivable (Note 4)	5,481,163	5,220,716
Long-term accounts receivable (Note 5)	4,054,101	4,327,812
MFA deposits (Note 6)	268,397	222,966
	<u>35,966,674</u>	<u>26,394,404</u>
<b>Financial Liabilities</b>		
Accounts payable and accrued liabilities (Note 7)	4,380,596	4,228,057
Deferred revenue (Note 8)	4,739,733	4,161,254
Accrued future payroll benefits (Note 9)	2,076,596	2,198,254
Capital lease obligation (Note 10)	374,944	596,950
Debt (Note 11)	19,683,405	14,642,134
	<u>31,255,274</u>	<u>25,826,649</u>
<b>Net Financial Assets</b>	4,711,400	567,755
<b>Non -Financial Assets</b>		
Tangible capital assets (Note 12)	139,755,073	138,430,648
Inventory (Note 13)	1,344,619	1,284,678
Prepaid expenses	324,518	254,084
	<u>141,424,210</u>	<u>139,969,410</u>
<b>Accumulated Surplus (Note 14)</b>	<u>\$ 146,135,610</u>	<u>\$ 140,537,165</u>

Commitments and Contingencies (Note 18)



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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, 2012

	2012 Budget (Note 20)	2012	2011 Restated (Note 21)
<b>Revenue</b>			
Taxes	\$ 8,574,478	\$ 8,550,220	\$ 8,282,691
Sale of services	2,883,323	2,528,113	2,583,336
Other revenue from own sources	4,423,789	3,580,914	3,177,377
Investment income	62,500	534,260	2,664,921
Grants - unconditional	556,000	993,325	1,039,242
Grants - conditional	3,053,855	2,132,643	1,845,696
Water user fees	2,789,573	2,844,226	2,661,969
Sewer user fees	2,504,026	2,539,624	2,401,706
Transit user fees	220,266	229,622	275,533
Nelson Hydro sales	<u>14,316,069</u>	<u>14,796,450</u>	<u>14,223,370</u>
	<u>39,383,879</u>	<u>38,729,397</u>	<u>39,155,841</u>
<b>Expenses</b>			
General government	2,923,706	2,791,510	3,042,073
Protective services	5,381,167	4,973,608	5,226,231
Transportation services	3,241,509	3,025,957	3,288,307
Environmental health services	258,231	212,749	225,043
Public health and welfare services	176,970	197,346	158,505
Parks, recreation and cultural services	2,082,273	1,995,941	1,818,676
Interest and other debt charges	1,008,853	784,928	1,321,477
Water utility operations	1,104,908	1,050,286	858,068
Sewer utility operations	1,609,542	1,210,986	1,362,857
Nelson Hydro operations	10,406,961	9,901,336	9,536,559
Transit operations	1,237,079	1,269,497	1,239,510
Library	488,000	863,678	838,000
Amortization	4,837,000	4,607,163	4,564,093
Loss on disposal of tangible capital assets	<u>-</u>	<u>245,967</u>	<u>128,321</u>
	<u>34,756,199</u>	<u>33,130,952</u>	<u>33,607,720</u>
Annual surplus	4,627,680	5,598,445	5,548,121
Accumulated surplus, beginning of the year	<u>140,537,165</u>	<u>140,537,165</u>	<u>134,989,044</u>
<b>Accumulated surplus, end of the year</b>	<u>145,164,845</u>	<u>146,135,610</u>	<u>140,537,165</u>

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 CHANGES IN NET FINANCIAL ASSETS**  
For the Year Ended December 31, 2012

	2012 Budget	2012	2011 (Restated - Note 21)
Annual surplus	4,627,680	5,598,445	5,548,121
Acquisition of tangible capital assets	(12,952,581)	(6,262,555)	(6,260,434)
Amortization of capital assets	4,837,000	4,607,163	4,564,093
Proceeds on sale of tangible capital assets	-	85,000	7,500
Loss on disposal of tangible capital assets	-	245,967	128,321
	<u>(3,487,901)</u>	<u>4,274,020</u>	<u>3,987,601</u>
Acquisition of prepaid expenses	-	(70,434)	(21,201)
Consumption (acquisition) of supply inventory	-	(59,941)	542,341
	<u>-</u>	<u>(130,375)</u>	<u>521,140</u>
Increase in net financial assets	3,487,901	4,143,645	4,508,741
Net financial assets (debt), beginning of year	<u>567,755</u>	<u>567,755</u>	<u>(3,940,986)</u>
<b>Net financial assets, end of the year</b>	<u>4,055,656</u>	<u>4,711,400</u>	<u>567,755</u>

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, 2012

	<u>2012</u>	<u>2011</u> (Restated - Note 21)
<b>Cash Provided by (Used In)</b>		
<b>Operating Activities</b>		
Annual surplus	\$ 5,598,445	\$ 5,548,121
<b>Items not involving cash:</b>		
Amortization of tangible capital assets	4,607,163	4,564,093
Actuarial adjustments	(177,866)	(2,117,497)
Loss on disposal of tangible capital assets	<u>245,967</u>	<u>128,321</u>
	10,273,709	8,123,038
<b>Increase (decrease) in non-cash operating items:</b>		
Accounts receivable	(260,447)	352,325
Long-term accounts receivable	273,711	267,622
MFA deposits	(45,431)	259,591
Accounts payable and accrued liabilities	152,539	(377,173)
Deferred revenue	578,479	(113,574)
Accrued future payroll benefits	(121,658)	(141,003)
Inventory	(59,941)	542,341
Prepaid expenses	<u>(70,434)</u>	<u>(21,201)</u>
	<u>10,720,527</u>	<u>8,891,966</u>
<b>Financing Activities</b>		
Proceeds from debt issues	6,000,000	-
Debt repayment	(780,863)	(1,564,564)
Repayment of capital lease obligations	<u>(222,006)</u>	<u>(104,206)</u>
	<u>4,997,131</u>	<u>(1,668,770)</u>
<b>Capital Activities</b>		
Proceeds from disposal of tangible capital assets	85,000	7,500
Acquisition of tangible capital assets	<u>(6,262,555)</u>	<u>(6,260,434)</u>
	<u>(6,177,555)</u>	<u>(6,252,934)</u>
<b>Investing Activities</b>		
Net purchase of investments	<u>(92,844)</u>	<u>(90,886)</u>
<b>Net increase in Cash</b>	9,447,259	879,376
<b>Cash and cash equivalents, beginning of year</b>	<u>14,125,073</u>	<u>13,245,697</u>
<b>Cash and cash equivalents, end of year</b>	<u>\$ 23,572,332</u>	<u>\$ 14,125,073</u>

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, 2012

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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.

(f) 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.

(g) 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, 2012

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

**(h) 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

**(i) 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.

**(j) Inventory of supplies**

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

**(k) 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.

**(l) 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.

**(m) 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.

**(n) 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 2012-2016, adopted by Council on April 22, 2012.



**THE CORPORATION OF THE CITY OF NELSON**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
December 31, 2012

**2. Cash and Cash Equivalents**

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

	2012	2011
Cash	\$ 8,995,202	\$ 6,084,334
MFA bond and money market funds	14,577,130	8,040,739
	<u>\$ 23,572,332</u>	<u>\$ 14,125,073</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:

	2012	2012	2011	2011
<u>Maturity</u>	Carrying Value	Market Value	Carrying Value	Market Value
2011	\$ -	\$ -	\$ 5,550	\$ 5,550
2012	314,353	314,427	291,500	301,732
2013	149,316	151,782	144,116	149,834
2014	510,169	520,063	496,070	512,872
2015	273,145	288,681	262,667	283,778
2016	968,611	1,023,176	937,923	1,001,999
2017	375,087	411,622	360,011	397,293
	<u>\$ 2,590,681</u>	<u>\$ 2,709,751</u>	<u>\$ 2,497,837</u>	<u>\$ 2,653,058</u>

**4. Accounts Receivable**

	2012	2011
		(Restated -
		Note 21)
Property taxes	\$ 566,956	\$ 532,785
Utility billings	3,397,382	2,987,051
Other governments	406,893	427,402
Trade & other receivables	1,109,932	1,273,478
	<u>\$ 5,481,163</u>	<u>\$ 5,220,716</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.

# THE CORPORATION OF THE CITY OF NELSON

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2012

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

	2012	2011
Selkirk College	\$ 3,946,925	\$ 4,177,680
Various other agreements	107,176	150,132
	<u>\$ 4,054,101</u>	<u>\$ 4,327,812</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, 2013, the total of the Debt Reserve Fund was comprised of:

	2012 Cash Deposit	2012 Demand Note	2012 Total	2011 Total
General fund	\$ 158,870	\$ 450,859	\$ 609,729	\$ 681,806
Sewer utility	14,076	40,843	54,919	54,506
Water utility	18,108	45,112	63,220	62,689
Nelson Hydro	<u>77,343</u>	<u>174,898</u>	<u>252,241</u>	<u>93,654</u>
	<u>\$ 268,397</u>	<u>\$ 711,712</u>	<u>\$ 980,109</u>	<u>\$ 892,655</u>

### 7. Accounts Payable and Accrued Liabilities

	2012	2011
Trades payable	\$ 3,484,483	\$ 3,456,458
Accrued wages and benefits	315,384	253,006
Accrued interest	123,763	85,257
Other	<u>456,966</u>	<u>433,336</u>
	<u>\$ 4,380,596</u>	<u>\$ 4,228,057</u>

**THE CORPORATION OF THE CITY OF NELSON**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
December 31, 2012

**8. Deferred Revenue**

	2012 Opening Balance	2012 Contributions	2012 Disbursements	2012 Ending Balance
Taxes and utility rates	\$ 2,516,427	\$ 3,079,589	\$ (3,061,708)	\$ 2,534,308
Community works fund	1,216,109	451,291	(351,475)	1,315,925
Hydro	207,839	288,988	(207,839)	288,988
Other	220,879	448,471	(68,838)	600,512
	<u>\$ 4,161,254</u>	<u>\$ 4,268,339</u>	<u>\$ (3,689,860)</u>	<u>\$ 4,739,733</u>

**9. Accrued Future Payroll Benefits**

	2012	2011
Holiday Pay	\$ 696,934	\$ 754,438
Sick Leave	1,165,995	1,250,353
Banked Overtime	213,667	193,463
	<u>\$ 2,076,596</u>	<u>\$ 2,198,254</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**

**FortisBC 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 the FortisBC Energy leases for the next five years and thereafter are as follows:

2013	\$ 36,354
2014	36,354
2015	36,354
2016	36,354
2017	36,354
Thereafter	763,434
Less interest	<u>(570,260)</u>
	<u>\$ 374,944</u>

**THE CORPORATION OF THE CITY OF NELSON**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
December 31, 2012

11. **Debt**

Debt Bylaw #	Purpose of Bylaw	Interest rate %	Year of Maturity	Original Issue	2012 Balance	2011 Balance
<b>General Purposes:</b>						
2866	Waterfront Dr	6.36%	2012	\$ 19,352	\$ -	\$ 2,006
2866	Street construction	6.36%	2013	208,558	20,306	40,478
3034	Street construction	4.82%	2022	50,341	36,679	39,630
2871	Tenth Street campus	3.15%	2025	6,080,000	3,975,921	4,206,676
2917	Lakeside fields	6.06%	2012	1,000,000	-	97,828
3036	Highway 3A	4.00%	2021	300,000	199,828	218,203
2978	Fortis Gas	4.50%	2020	4,200,000	3,465,482	3,839,970
	Fortis Gas	CDOR+.5%	2021	7,386,404	2,753,606	2,753,604
				<u>19,244,655</u>	<u>10,451,822</u>	<u>11,198,395</u>
<b>Water Purposes:</b>						
3038	Fairview reservoir	4.82%	2022	240,000	174,867	188,936
3106	Water improvements	4.90%	2029	1,000,000	892,747	929,913
				<u>1,240,000</u>	<u>1,067,614</u>	<u>1,118,849</u>
<b>Sewer Purposes:</b>						
2559	North Shore line	8.50%	2013	150,250	7,053	18,349
2654	North Shore line	8.50%	2014	35,400	5,071	7,543
3037	Sewage treatment plant	4.00%	2021	550,000	366,350	400,040
3109	Sewer improvements	4.90%	2029	500,000	446,374	464,957
				<u>1,235,650</u>	<u>824,848</u>	<u>890,889</u>
<b>Hydro Purposes:</b>						
2917	Bonnington substation	6.06%	2012	400,000	-	39,131
3110	Hydro improvements	4.90%	2029	1,500,000	1,339,121	1,394,870
3223	Hydro improvements	3.05%	2032	6,000,000	6,000,000	-
				<u>7,900,000</u>	<u>7,339,121</u>	<u>1,434,001</u>
Total Debt					<u>\$ 19,683,405</u>	<u>\$ 14,642,134</u>

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

	General	Water	Sewer	Hydro	Total
2013	\$ 522,453	\$ 45,568	\$ 49,873	\$ 251,863	\$ 869,757
2014	509,893	45,568	45,329	251,863	852,653
2015	509,893	45,568	44,258	251,863	851,582
2016	509,893	45,568	44,258	251,863	851,582
2017	509,893	45,568	44,258	251,863	851,582
Thereafter	<u>7,889,797</u>	<u>839,774</u>	<u>596,872</u>	<u>6,079,806</u>	<u>15,406,249</u>
	<u>\$ 10,451,822</u>	<u>\$ 1,067,614</u>	<u>\$ 824,848</u>	<u>\$ 7,339,121</u>	<u>\$ 19,683,405</u>

**THE CORPORATION OF THE CITY OF NELSON**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
December 31, 2012

**12. Tangible Capital Assets**

	Cost	Accumulated Amortization	2012 Net Book Value	2011 Net Book Value
Land	\$ 8,707,438	\$ -	\$ 8,707,438	\$ 8,397,438
Buildings	34,821,798	21,592,622	13,229,176	14,246,829
Vehicles	8,012,844	3,608,626	4,404,218	4,373,701
IT, equipment & furniture	2,336,386	1,166,444	1,169,942	1,194,981
Library	469,246	244,578	224,668	280,569
Natural gas system capital lease	8,186,404	2,338,972	5,847,432	6,081,329
Transportation infrastructure	19,167,328	7,976,660	11,190,668	10,861,322
Parks & cemetery	4,401,887	1,951,919	2,449,968	2,323,796
Water infrastructure	44,486,789	10,924,103	33,562,686	33,196,479
Sewer infrastructure	27,552,724	10,120,933	17,431,791	17,831,673
Storm sewer infrastructure	17,809,412	5,812,637	11,996,775	12,083,130
Hydro generators & substations	17,070,412	5,587,316	11,483,096	10,427,324
Hydro infrastructure	21,550,711	5,017,089	16,533,622	15,954,394
Assets under construction	1,523,593	-	1,523,593	1,177,683
	<u>\$ 216,096,972</u>	<u>\$ 76,341,899</u>	<u>\$ 139,755,073</u>	<u>\$ 138,430,648</u>

See schedule of consolidated tangible capital assets for more information.

**13. INVENTORY**

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

	2012	2011
General, Water, Sewer Transit and Garage supplies	\$ 309,332	\$ 301,961
Fuel	50,509	23,680
Hydro	984,778	959,037
	<u>\$ 1,344,619</u>	<u>\$ 1,284,678</u>

**THE CORPORATION OF THE CITY OF NELSON**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
December 31, 2012

14. **Accumulated Surplus**

	2012	2011 (Restated - Note 21)
<b>Reserves set aside by Council</b>		
Capital projects	\$ 648,680	\$ 600,494
Equipment replacement	2,192,155	2,016,582
Future power purchase	942,982	915,176
Nelson municipal library	17,690	11,707
Nelson Hydro capital	6,285,108	1,268,263
Sewer utility capital	2,549,410	1,459,873
Waterfront development	26,947	35,322
Water licence	791,336	606,836
Water utility capital	<u>3,096,820</u>	<u>2,445,906</u>
	16,551,128	9,360,159
<b>Statutory reserves</b>		
Land sales	444,885	491,756
Off street parking	14,310	13,980
Parks acquisition	142,057	138,777
Tax sale	<u>20,546</u>	<u>20,072</u>
<b>Total reserves</b>	<u>17,172,926</u>	<u>10,024,744</u>
<b>Surplus set aside by Council</b>		
Recycling reserve	\$ 107,021	\$ 102,557
Insurance	365,779	354,999
Economic development	28,970	33,098
Building reserve	300,000	-
Bridge	240,000	200,000
Art in public places	20,653	-
Airport	199,800	210,800
911	49,907	38,407
Legal	20,000	20,000
Parking	34,043	34,043
Fortis	1,558,422	1,212,540
10th street	<u>37,477</u>	<u>331,610</u>
	2,962,072	2,538,054
<b>Unappropriated surplus</b>	<u>2,356,963</u>	<u>605,123</u>
<b>Total surplus</b>	<u>5,319,035</u>	<u>3,143,177</u>
<b>Invested in capital assets</b>	<u>123,643,649</u>	<u>127,369,244</u>
<b>Total Accumulated Surplus</b>	<u>146,135,610</u>	<u>140,537,165</u>



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**THE CORPORATION OF THE CITY OF NELSON**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
December 31, 2012

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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:

	2012	2011
Balances, beginning of year	\$ 866,017	\$ 856,516
Interest earned	<u>24,739</u>	<u>29,001</u>
	890,756	885,517
Expenses and transfers	<u>(11,771)</u>	<u>(19,500)</u>
Balances, end of year	<u>\$ 878,985</u>	<u>\$ 866,017</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.

	2012	2011
Provincial Government - School taxes	\$ 8,611,596	\$ 8,510,135
Regional District of Central Kootenay	3,403,743	3,362,137
West Kootenay Boundary Hospital District	479,169	477,041
British Columbia Assessment Authority	166,188	166,935
Municipal Finance Authority	<u>424</u>	<u>417</u>
	<u>\$ 12,661,120</u>	<u>\$ 12,516,665</u>

**17. Pension Plan**

The City of Nelson and its employees contribute to the Municipal Pension Plan (Plan), a jointly trustee 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 based on a formula. The Plan has about 176,000 active members and approximately 67,000 retired members. Active members include approximately 35,000 contributors from local governments.

The most recent actuarial valuation as at December 31, 2009 indicated a \$1,024 million funding deficit for basic pension benefits. The next valuation will be as at December 31, 2012 with results available in 2013. Defined contribution plan accounting is applied to the Plan as the Plan exposes the participating entities to actuarial risks associated with the current and former employees of other entities, with the result that there is no consistent and reliable basis for allocating the obligation, Plan assets and cost to individual entities participating in the Plan.

The City of Nelson paid \$1,149,514 for employer contributions to the plan in fiscal 2012 (2011 - \$1,160,756).

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# THE CORPORATION OF THE CITY OF NELSON

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2012

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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.

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, 2012

19. **Segmented Information** (continued)

Statement of Operations by Object and Function (excluding transfers between segments)

	General Government	Police & Bylaw	Fire Services	Development Services
<b>Revenues</b>				
Taxes	\$ 8,477,773	\$ -	\$ -	\$ -
Sales of Service	183,274	1,195,925	193,696	7,279
Other revenue from own services	1,504,425	198,492	1,438	177,657
Investment income	338,349	-	-	-
Grants - unconditional	580,547	167,238	-	-
Grants - conditional	280,196	75,129	-	22,000
Water user fees	-	-	-	-
Sewer user fees	-	-	-	-
Transit user fees	-	-	-	-
Nelson Hydro sales	-	-	-	-
	<u>11,364,564</u>	<u>1,636,784</u>	<u>195,134</u>	<u>206,936</u>
<b>Expenditures</b>				
Wages and benefits	1,399,100	3,130,698	1,275,158	370,064
Supplies and services	1,065,466	433,800	182,116	40,701
Interest and other debt charges	461,045	-	7,657	-
Amortization	1,582,412	60,584	94,060	-
Loss on disposal of assets	9,018	-	-	-
	<u>4,517,041</u>	<u>3,625,082</u>	<u>1,558,991</u>	<u>410,765</u>
<b>Annual Surplus (Deficit)</b>	<u>6,847,523</u>	<u>(1,988,298)</u>	<u>(1,363,857)</u>	<u>(203,829)</u>

Engineering Services	Parks Culture & Recreation	Transit	Library	Nelson Hydro	Utilities	2012 Total
\$ 59,460	\$ -	\$ -	\$ -	\$ -	\$ 12,987	\$ 8,550,220
375,699	518,310	-	53,930	-	-	2,528,113
79,604	38,686	5,017	29,987	1,362,376	183,232	3,580,914
-	-	-	1,196	95,592	99,123	534,260
-	-	-	245,540	-	-	993,325
5,288	426,195	784,631	32,760	85,905	420,539	2,132,643
-	-	-	-	-	2,844,226	2,844,226
-	-	-	-	-	2,539,624	2,539,624
-	-	229,622	-	-	-	229,622
-	-	-	-	14,796,450	-	14,796,450
<u>520,051</u>	<u>983,191</u>	<u>1,019,270</u>	<u>363,413</u>	<u>16,340,323</u>	<u>6,099,731</u>	<u>38,729,397</u>
1,585,195	943,058	603,922	626,602	1,909,211	1,260,281	13,103,289
1,677,145	1,094,610	665,574	237,076	7,992,126	1,000,991	14,389,605
22,846	12,743	-	-	156,663	123,974	784,928
988,785	93,304	-	-	694,661	1,093,357	4,607,163
-	-	-	-	43,259	193,690	245,967
<u>4,273,971</u>	<u>2,143,715</u>	<u>1,269,496</u>	<u>863,678</u>	<u>10,795,920</u>	<u>3,672,293</u>	<u>33,130,952</u>
<u>(3,753,920)</u>	<u>(1,160,524)</u>	<u>(250,226)</u>	<u>(500,265)</u>	<u>5,544,403</u>	<u>2,427,438</u>	<u>5,598,445</u>

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**THE CORPORATION OF THE CITY OF NELSON**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
December 31, 2012

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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>2012</u>
Budget surplus per Consolidated Statement of Operations	\$ 4,627,680
Less: Capital expenditures	12,962,581
Debt principal repayments	1,256,260
Budgeted transfers to reserves	2,308,629
Add: Budgeted transfers from surplus and reserves	12,790
Amortization	4,837,000
Debt proceeds	7,050,000
Net annual budget	<u>\$ -</u>

21. **Correction of Error in Prior Period**

During 2011 and prior years, the City of Nelson recorded hydro revenue when invoiced and did not accrue amounts sold but unbilled to the year end date of December 31st.

The adjustment has been made with retroactive effect, and accordingly the 2011 comparative figures have been restated. The impact of this change on the 2011 prior years' figures are as follows:

Adjustment to 2011 Accumulated Surplus

Accumulated surplus 2010 year end, as previously stated	\$ 133,931,187
Add: adjustment to opening accumulated surplus balance	<u>1,057,857</u>
Accumulated surplus 2010 year end, as restated	134,989,044
Add adjusted 2011 annual surplus (details below)	<u>5,548,121</u>
Accumulated surplus 2011, restated	<u>\$ 140,537,165</u>

Adjustment to 2011 Annual Surplus

2011 Annual surplus as previously reported	\$ 5,378,206
Less: 2010 adjustment for accrued receivable	(1,057,857)
Add: 2011 adjustment for accrued receivable	<u>1,227,772</u>
2011 Annual surplus, as restated	<u>\$ 5,548,121</u>

Adjustment to 2011 Accounts Receivable

2011 Accounts receivable as previously reported	\$ 3,992,944
Add: 2011 increase in Hydro accounts receivable	<u>1,227,772</u>
2011 Accounts receivable, as restated	<u>\$ 5,220,716</u>

22. **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

## 2012 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 2012 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 2012
Ascension Lutheran Church	1805 Silver King Rd	100% Land and Improvements not mandatory	573.56
Pentecostal Assemblies of Canada	623 Gordon Rd	100% land	319.96
Pentecostal Assemblies of Canada	1004 Third Street	100% land	371.72
Pentecostal Assemblies of Canada	1004 Third Street	100% land	371.72
The Salvation Army	601 Vernon St	33% building and 100% land	2,834.55
Kootenay Christian Fellowship	812 Stanley St	100% land	258.12
Eleos Centre Ministries	711 Tenth St	33% land	119.23
LDS Latter Day Saints Church	222 W. Richards	75% land	1,079.20
Evangelical Lutheran	300 Silica St	100%	504.08
Nelson United Church	602 Silica St	100%	169.88
Synod Diocese of Kootenay	723 Ward St	100%	239.71
Synod Diocese of Kootenay	501 Carbonate St	100%	151.12
Evangelical Covenant Church	702 Stanley St	100%	134.10
Catholic Public Schools	523 Mill St	100%	1,387.61
Roman Catholic Church	813 Ward St	100%	270.97
Christian Science Soc.	237 Baker St	100%	292.16
First Presbyterian	602 Kootenay St.	100%	183.43
First Baptist Church	611 Fifth St	100%	350.87
Jehovah's Witness	2121 Falls St	100%	573.21
Nelson & District Boy Scouts	310 Cedar St	100%	456.83
Nelson Curling Club	302 Cedar St	100%	17,388.14
Nelson Golf & Recreation Society	1123 W. Richards St	83% land and building	7,739.92
Nelson Rod & Gun Society	801 Railway St	100%	6,947.60
Nelson Cares Society	567 Ward St	65% land and building	2,560.85
Nelson and District Housing Society	805 Nelson Ave	100%	3,084.38
Kootenay Advocacy Network	620 Nelson Ave	100%	1,741.05
West Kootenay Women's Assoc.	420 Mill St	100%	1,087.65
Nelson Kiwanis Society	824 Sixth Street	100%	4,642.81
Nelson Kiwanis Society	509 Gordon Road	100%	2,893.64
Kootenay Kids Society	312 Silica St	100%	3,360.36
Nelson & District Museum	502 Vernon St	100%	18,357.56
Capitol Theatre Restoration Sociey	421 Victoria St	100%	8,143.81

Total

88,589.80

# Statistical Section

## The Corporation of the City of Nelson General Comparative Statistics As At December 31, 2012

### MUNICIPAL GOVERNMENT:

1 Mayor and 6 Council Members

INCORPORATED MARCH 18, 1897

	2012	2011	2010	2009	2008	2007	2006	2005	2004
Population	9,804	9,804	9,923	9,923	9,923	9,914	9,258	9,797	9,784
Registered Voters	5,799	5,799	5,793	6,034	7,040	5,828	5,926	5,240	7,833
Area (HA)	1,602	1,602	1,602	1,602	1,347	1,347	1,347	1,347	1,347
No. Of Properties (Folios)	4,546	4,521	4,668	4,474	4,543	4,316	4,250	4,398	4,255

### DESIGNATED LAND USE IN HA:

Residential	308	308	308.1	308.1	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
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	65.5	78.4	78.4	78.4	78.4	78.4
Schools/Park/Greenbelt	124	124	123.8	123.8	119.4	119.4	119.4	119.4	119.4
Institutional	41.5	41.5	41.5	41.5	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*	75.1*	73.5*	73.5*	85.0	84.0	84.0	84.0	84.0
Unpaved	19.4	19.4	21.0	21.0	21.0	24.0	24.0	24.0	24.0

### SEWER LINES in KM.:

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

### WATER LINES in KM.:

# Water Services	4,105	4,182	4,092	3,964	3,972	3,972	3,840	3,840	3,784
# Hydrants	305	305	326	324	316	312	300	295	284

### PARKS AREA (in HA):

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

\* figures adjusted in 2009 to match TCA information

# Statistical Section

THE CORPORATION OF THE CITY OF NELSON					
Major Projects Program					
2013 - 2017					
	2013	2014	2015	2016	2017
<b>MAJOR PROJECTS:</b>	\$	\$	\$	\$	\$
Information Services	624,500	234,000	161,500	834,000	124,000
City Owned Facilities/Buildings	583,473	708,000	940,000	4,150,000	-
Protective Services	208,250	55,750	60,000	30,000	-
Transportation Services	1,000,000	910,000	860,000	910,000	760,000
Recreation & Cultural Services	395,000	530,500	819,750	2,600,000	331,750
Equipment	580,000	705,000	630,000	635,000	870,000
Carbon Neutral Projects	593,400	45,000	35,000	-	-
Utilities					
Water	2,433,000	2,359,875	2,369,518	2,457,344	2,122,727
Sewer	1,900,000	1,370,250	824,180	1,411,666	849,091
Nelson Hydro	5,114,000	3,801,695	3,126,729	2,342,115	1,727,864
	<b>13,431,623</b>	<b>10,720,070</b>	<b>9,826,677</b>	<b>15,370,125</b>	<b>6,785,432</b>
<b>SOURCE OF FUNDS:</b>					
General operating	259,764	58,000	58,000	58,000	58,000
Water Rates	1,922,902	2,063,138	1,769,518	1,857,344	1,522,727
Sewer Rates	1,056,340	1,170,250	624,180	1,211,666	299,090
Nelson Hydro Rates	1,747,659	1,969,668	2,010,398	2,094,854	1,727,864
Utility Reserves	4,008,099	2,128,764	1,116,331	247,261	-
Other Reserves	1,884,689	2,380,250	2,795,170	3,455,000	1,768,878
Reserve Accounts and Other	253,250	105,000	100,000	5,000	-
Government Grants	-	-	818,080	1,941,000	608,873
Community Works Grants	1,298,920	295,000	485,000	450,000	200,000
Borrowing	1,000,000	550,000	50,000	4,050,000	600,000
	<b>13,431,623</b>	<b>10,720,070</b>	<b>9,826,677</b>	<b>15,370,125</b>	<b>6,785,432</b>



# Statistical Section

The Corporation of the City of Nelson					
Summary of Long Term Debt					
(In \$ 000's)					
	2012	2011	2010	2009	2008
	Actual	Actual	Actual	Actual	Actual
<b>Total Debt (\$ 000's)</b>	<b>\$ 19,684</b>	<b>\$ 14,642</b>	<b>\$ 18,324</b>	<b>\$ 19,440</b>	<b>\$ 18,245</b>
Supported By:					
Selkirk College Lease	3,976	4,207	4,427	4,638	4,828
Property Tax	257	398	693	940	1,174
Water Utilities	1,068	1,119	1,168	1,215	228
Sewer Utilities	825	891	954	1,015	557
Nelson Hydro	7,339	1,434	3,628	4,245	3,283
Gas Franchise Lease Revenues	6,219	6,593	7,454	7,386	8,175
<b>Debt Service Payments (\$000's)</b>	<b>\$ 1,923</b>	<b>\$ 2,943</b>	<b>\$ 2,031</b>	<b>\$ 2,321</b>	<b>\$ 2,322</b>
Supported By:					
Long term lease	334.1	334.1	334.1	403.0	519.6
Property Tax	235.1	282.0	301.4	310.1	465.3
Water Rates	106.1	106.1	106.1	57.6	23.6
Sewer Rates	113.3	113.3	113.3	89.0	72.0
Nelson Hydro Rates	414.6	1,016.6	1,022.6	949.8	898.8
Gas Franchise Lease Revenue	720.0	1,090.4	153.4	512.0	342.3
<b>Total Revenues (\$000's)</b>	<b>\$ 38,729</b>	<b>\$ 38,986</b>	<b>\$ 36,231</b>	<b>\$ 34,218</b>	<b>\$ 32,635</b>
Long Term Debt as a					
Percentage of Total Revenue	<u>4.97%</u>	<u>7.55%</u>	<u>5.61%</u>	<u>6.78%</u>	<u>7.12%</u>



# Statistical Section

THE CORPORATION OF THE CITY OF NELSON  
2012 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 2012  
Taxable Values**

Assessment for General Purposes	1,256,798,900	3,051,840	1,154,100	192,181,500	1,901,500	100,073,300
Percentage of Taxable Values	80.81%	0.20%	0.07%	12.36%	0.12%	6.43%
General Tax Levy by Class	\$ 5,233,562	\$ 94,043	\$ 8,651	\$ 1,887,069	\$ 6,778	\$ 395,069
Percentage of General Taxation	68.64%	1.23%	0.11%	24.75%	0.09%	5.18%

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

General	\$4.0721	\$30.1336	\$7.3298	\$9.6020	\$3.4857	\$4.0000
Debt	0.1058	0.7829	0.1904	0.2495	0.0906	
School	2.4777	14.2000	6.4000	6.4000	3.4000	14.2000
Central Kootenay Regional Hospital	(0.0161)	(0.0564)	(0.0547)	(0.0394)	(0.0161)	(0.0564)
West Kootenay Boundary Regional Hospital	0.2267	0.7935	0.7708	0.5554	0.2267	0.7935
Regional District of Central Kootenay	1.4610	5.1135	4.9674	3.5795	1.4610	5.1135
B.C. Assessment Authority	0.0599	0.5113	0.1843	0.1843	0.0599	0.5113
Municipal Finance Authority	0.0002	0.0007	0.0007	0.0005	0.0002	0.0007
	<b>\$8.3873</b>	<b>\$51.4791</b>	<b>\$19.7887</b>	<b>\$20.5318</b>	<b>\$8.7080</b>	<b>\$24.5626</b>
Specified Area - North Shore	0.1577			0.2839		
Police Tax - Area E						0.4562
Police Tax - Area F						0.4828
Police Tax - Area H						0.5667

**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).

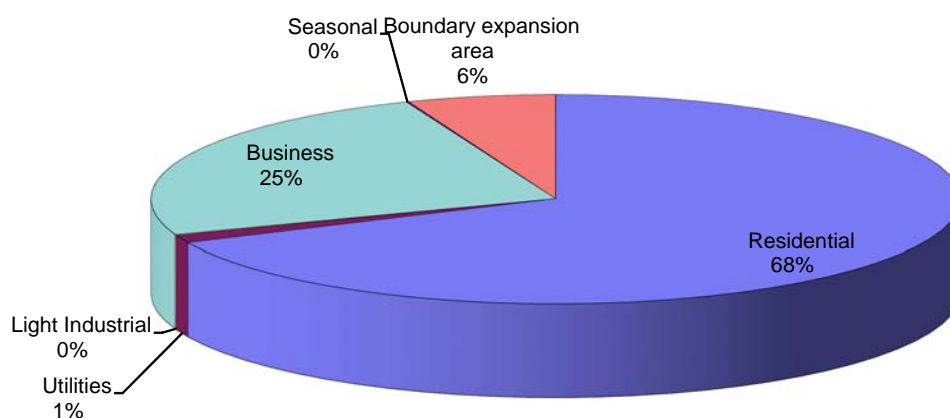
# Statistical Section

Assessment/Taxation Comparative Statistics					
	2012	2011	2010	2009	2008
<b>Assessment for General Taxation</b>					
Land	\$ 654,225,892	\$ 653,712,737	\$ 602,908,152	\$ 599,213,102	\$ 591,137,800
Less: Exempt Land	75,997,301	72,838,400	72,992,421	67,619,831	67,093,002
Net Land Assessment	578,228,591	580,874,337	529,915,731	531,593,271	524,044,798
Improvements	1,325,191,452	1,304,014,452	1,302,573,102	1,216,535,202	1,201,817,800
Less: Exempt Imp & Utils	348,258,899	341,532,260	345,234,179	339,952,519	341,017,248
Net Improvement Assess	976,932,553	962,482,192	957,338,923	876,582,683	860,800,552
Total Taxable Assessment	\$ 1,555,161,144	\$ 1,543,356,529	\$ 1,487,254,654	\$ 1,408,175,954	\$ 1,384,845,350
<b>Assessment for School Taxation</b>					
Total Taxable Assessment	\$ 1,752,533,552	\$ 1,731,959,201	\$ 1,682,744,954	\$ 1,603,877,954	\$ 1,580,547,350
<b>Municipal Tax Rates (per \$1,000)</b>					
Residential	\$ 4.1779	\$ 4.0443	\$ 4.1050	\$ 4.1780	\$ 4.0719
Utilities	\$ 30.9165	\$ 29.9278	\$ 30.3769	\$ 30.9267	\$ 30.1417
Industrial	\$ 7.5202	\$ 7.2797	\$ 7.3890	\$ 10.8846	\$ 10.6082
Business	\$ 9.8515	\$ 10.1108	\$ 10.2626	\$ 10.8846	\$ 10.6082
Seasonal	\$ 3.5763	\$ 3.4619	\$ 3.5139	\$ 3.4803	\$ 3.3919
Boundary expansion area	\$ 4.0000	\$ 3.9500	\$ 4.1000	\$ 4.1600	\$ 4.1200
<b>School Tax Rate (per \$1,000)</b>					
Residential	\$ 2.4777	\$ 2.4644	\$ 2.5212	\$ 2.6057	\$ 2.5545
Utilities	\$ 14.2000	\$ 14.1000	\$ 14.4000	\$ 14.5000	\$ 14.2000
Industrial	\$ 6.4000	\$ 6.6000	\$ 6.8000	\$ 7.0000	\$ 6.8000
Business	\$ 6.4000	\$ 6.6000	\$ 6.8000	\$ 7.0000	\$ 6.8000
Seasonal	\$ 3.4000	\$ 3.4000	\$ 3.5000	\$ 3.7000	\$ 3.6000
<b>Residential Tax Rate (per \$1,000)</b>					
General	\$ 4.0721	\$ 3.9377	\$ 3.9354	\$ 4.0054	\$ 3.9033
Debt	\$ 0.1058	\$ 0.1066	\$ 0.1696	\$ 0.1726	\$ 0.1687
Local School Levy	\$ 2.4777	\$ 2.4644	\$ 2.5212	\$ 2.6057	\$ 2.5545
Regional Hospital	\$ 0.2106	\$ 0.2130	\$ 0.1824	\$ 0.1930	\$ 0.3305
Regional District	\$ 1.4610	\$ 1.4426	\$ 1.4959	\$ 1.4911	\$ 1.3270
Specified Area	\$ 0.1577	\$ 0.1746	\$ 0.1814	\$ 0.1639	\$ 0.1587
Municipal Finance Authority	\$ 0.0002	\$ 0.0002	\$ 0.0002	\$ 0.0002	\$ 0.0002
B. C. Assessment Authority	\$ 0.0599	\$ 0.0621	\$ 0.0664	\$ 0.0641	\$ 0.0615
	\$ 8.5450	\$ 8.4012	\$ 8.5525	\$ 8.6960	\$ 8.5044
<b>Collection &amp; Penalty</b>					
Curr Yrs Levy & Penalties (incl Sec 353)	\$ 20,660,864	\$ 19,993,042	\$ 19,666,248	\$ 18,910,945	\$ 18,679,957
Per Capita	\$ 2,107.39	\$ 2,039.27	\$ 1,981.89	\$ 1,905.77	\$ 1,882.49
Current Received	\$ 20,278,072	\$ 19,652,961	\$ 19,661,196	\$ 18,894,461	\$ 18,215,740
Percent of Levy	98.15%	98.30%	99.97%	99.91%	97.51%
Arrears/ Delinq. Collected	\$ 348,651	\$ 415,697	\$ 293,585	\$ 315,931	\$ 224,999
Total Collected	\$ 20,626,723	\$ 20,068,658	\$ 19,954,781	\$ 19,210,392	\$ 18,440,739
Percent of Current Levy	99.83%	100.38%	101.47%	101.58%	98.72%
Total Arrears Outstanding	\$ 566,956	\$ 504,784	\$ 524,300	\$ 428,968	\$ 447,116
<b>Taxation Revenues (Municipal not incl debt)</b>					
Residential	\$ 5,100,593	\$ 4,913,071	\$ 4,747,322	\$ 4,456,229	\$ 4,377,541
Utilities	\$ 91,653	\$ 86,196	\$ 85,518	\$ 78,955	\$ 76,252
Light Industrial	\$ 8,431	\$ 10,835	\$ 10,517	\$ 9,928	\$ 9,968
Business	\$ 1,839,119	\$ 1,771,048	\$ 1,730,295	\$ 1,629,279	\$ 1,634,478
Seasonal	\$ 6,606	\$ 5,904	\$ 5,049	\$ 4,559	\$ 3,737
Boundary expansion area	\$ 444,503	\$ 439,049	\$ 452,999	\$ 372,235	\$ 374,840
	\$ 7,490,905	\$ 7,226,103	\$ 7,031,700	\$ 6,551,185	\$ 6,476,816



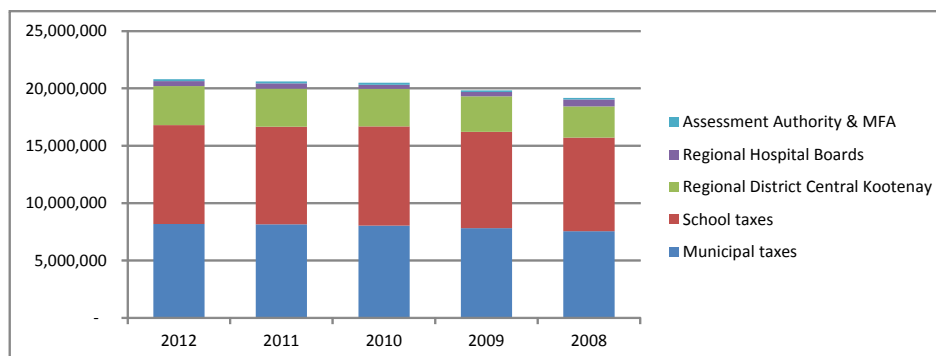
# Statistical Section

## Municipal Taxes by Property Classification



## The Corporation of the City of Nelson Taxes Collected 2008 - 2012

	2012	2011	2010	2009	2008
Municipal taxes	8,197,676	8,159,893	8,048,460	7,825,835	7,549,404
School taxes	8,606,135	8,509,758	8,630,011	8,391,987	8,157,884
Regional District Central Kootenay	3,400,476	3,325,064	3,284,381	3,101,851	2,714,480
Regional Hospital Boards	444,584	441,406	364,165	364,670	617,283
Assessment Authority & MFA	166,480	167,343	170,701	155,558	148,276

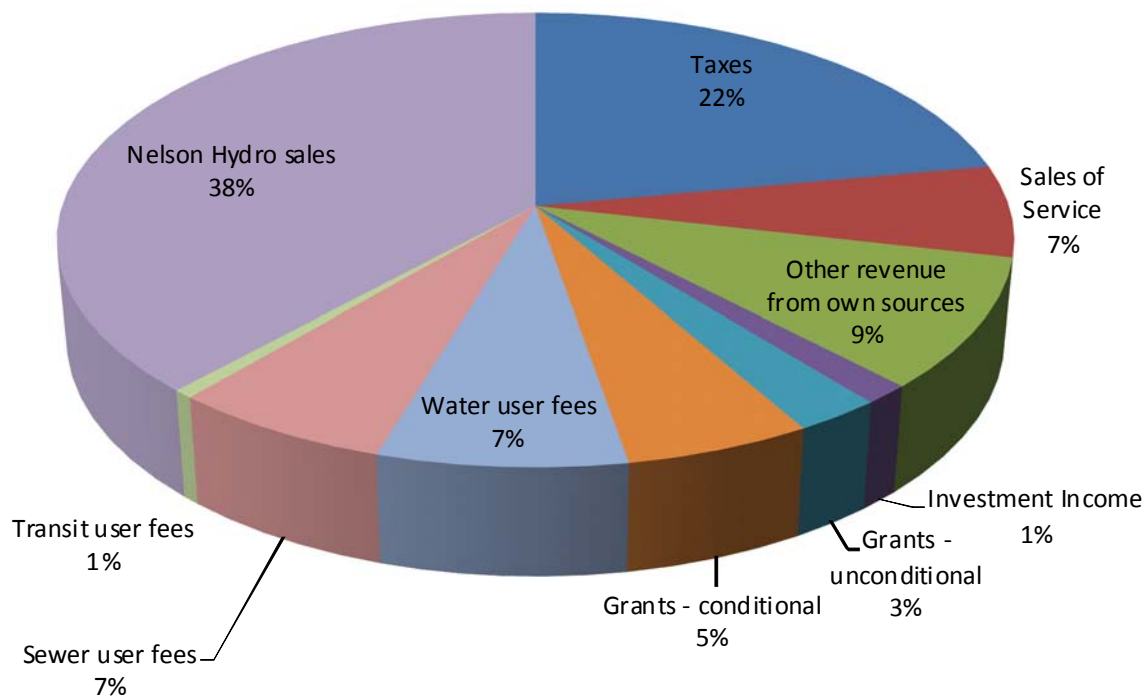


# Statistical Section

## CITY OF NELSON

### 2012 Operating Revenues

Taxes	8,550,220
Sales of Service	2,528,113
Other revenue from own sources	3,580,914
Investment Income	534,260
Grants - unconditional	993,325
Grants - conditional	2,132,643
Water user fees	2,844,226
Sewer user fees	2,539,624
Transit user fees	229,622
Nelson Hydro sales	14,796,450
	<b>38,729,397</b>



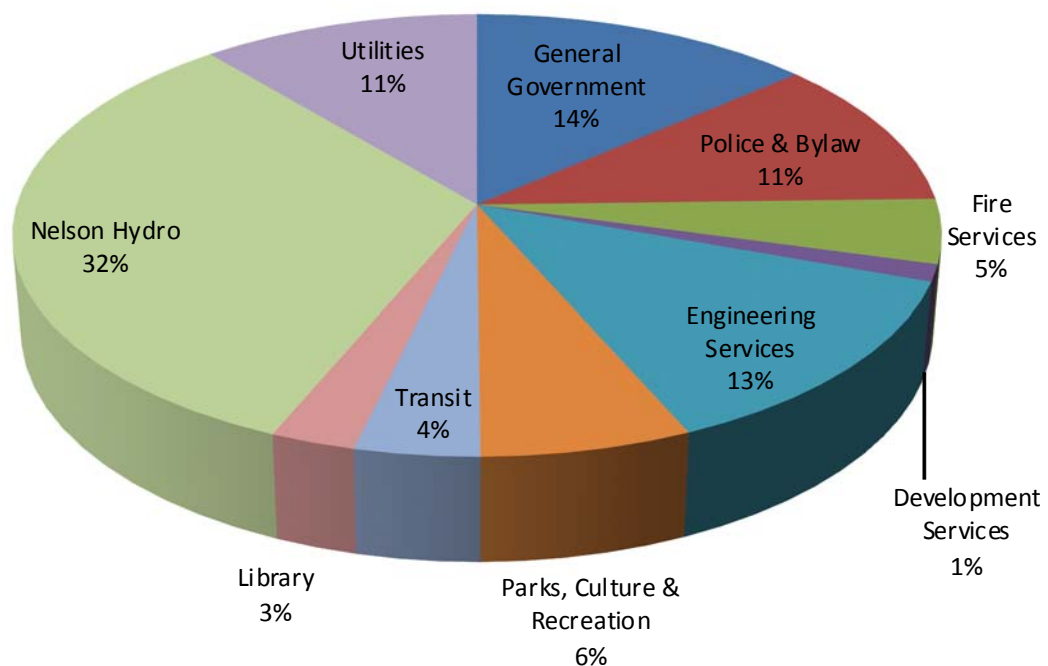
# Statistical Section

## CITY OF NELSON

### 2012 Operating Expenses

General Government	4,517,041
Police & Bylaw	3,625,082
Fire Services	1,558,991
Development Services	410,765
Engineering Services	4,273,971
Parks, Culture & Recreation	2,143,715
Transit	1,269,496
Library	863,678
Nelson Hydro	10,795,920
Utilities	3,672,293

**33,130,952**



# Statistical Section

## CITY OF NELSON SUMMARY OF EXPENSES BY OBJECT AND FUNCTION FOR THE YEAR ENDED DECEMBER 31, 2012

	General Government	Police & Bylaw	Fire Services	Development Services	Engineering Services	Parks Culture & Recreation	Transit	Library	Nelson Hydro
Wages and benefits	1,399,100	3,130,698	1,275,158	370,064	1,585,195	943,058	603,922	626,602	1,909,211
Supplies and services	1,065,466	433,800	182,116	40,701	1,677,145	1,094,610	665,574	237,076	7,992,126
Interest and other debt charges	461,045	-	7,657	-	22,846	12,743	-	-	156,663
Amortization	1,582,412	60,584	94,060	-	988,785	93,304	-	-	694,661
Loss on disposal of assets	9,018	-	-	-	-	-	-	-	43,259
	<b>4,517,041</b>	<b>3,625,082</b>	<b>1,558,991</b>	<b>410,765</b>	<b>4,273,971</b>	<b>2,143,715</b>	<b>1,269,496</b>	<b>863,678</b>	<b>10,795,920</b>

