



The Corporation of the City of Nelson

Suite 101, 310 Ward St., Nelson, BC V1L 5S4
www.nelson.ca

2014 Annual Report

For the year ending December 31, 2014

The City of Nelson 2014 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

It is my pleasure to introduce the 2014 Annual Municipal Report for the City of Nelson. This has been a year of change and movement in your City, and I am happy to share our achievements. First, I extend my sincere gratitude to the residents of Nelson who elected me as the first female Mayor in Nelson's history. Your Council is ready for the next four years, and we are confident that we, and City staff can meet any challenges head on and continue to deliver the level of service that our residents have come to expect.

In 2014, the City completed a number of key initiatives including: completion of the Downtown Electrical Conversion project; assisting the Nelson Youth Soccer Association to purchase the indoor soccer facility; adopting the new zoning bylaw and entering into financial services agreements with the communities of Slocan, Salmo and Silverton. We also started the Hall Street project which begins the revitalization of Nelson's vibrant downtown. The Hall Street project will provide a vital link in unifying our downtown and waterfront areas while providing new public space, public washrooms and renewed infrastructure. The broadband fibre project is moving forward with the hiring of a new Manager of IT and Fibre and the fibre build for the Provincial Government buildings.



Nelson works closely with our regional partners on a number of shared services including transit, recreation services, waste management and recycling. We are delighted that ridership continues to grow on the new West Kootenay Transit service, further demonstrating that by working together, local governments can improve services and reduce costs. 2014 also marked the grand opening of the new transfer station at Grohman Narrows and we are working with our regional district partners on the closure plan for the former Nelson transfer station site. When completed, the renewal and renovation of the aquatic center will serve you long into the future.

The previous Council set a number of long term Strategic Priorities that your new Council will continue to implement. In 2015, Council will refine current priorities and set new ones to ensure we are meeting the needs of the community. As an example, Council heard from you and acted quickly to eliminate the restriction on dogs in the downtown core. The City is committed to being transparent and one of the ways you can engage is through social media. Our Facebook page and the City's website are great ways to inform yourself about projects, plans and services. Visit www.nelson.ca

In closing, I want to thank our residents, my colleagues, community volunteers and business owners for making Nelson the amazing place that it is. I also want to take this opportunity to thank our City staff for their extraordinary commitment and service. The City of Nelson strives to be an employer of choice and it is exemplified in the caliber of the people that we attract. We live in one of the most breathtaking small cities in the world, and it is all of us together who make it that way. I'm so very proud to represent our community on your behalf.



Mayor Deb Kozak

Nelson City Council 2014–2018



Mayor Deb Kozak



Bob Adams



Michael Dailly



Anna Purcell



Robin Cherbo



Valerie Warmington



Janice Morrison

An elected Council comprised of a Mayor and six Councillors governs the City of Nelson. Councillors are elected for four year terms (*Local Government Act* amended May 29, 2014 to increase three year terms to four.) 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 for information regarding dates and times of meetings.

2014 - 2016 Council Appointments

External Committees and Commissions - Council voting membership

	<i>Appointee/Alternate</i>
Cultural Development Committee	Councillors Warmington/Purcell
Emergency Program Executive (Provincial)	Mayor Kozak, Councillors Cherbo/Dailly
Library Board (<i>Library Act</i>)	Councillors Adams/Purcell
Nelson & Area Economic Development Partnership	Councillors Morrison/Purcell
Nelson Housing Committee	Councillors Dailly/Cherbo
Police Board (<i>Police Act</i>)	Mayor Kozak
RDCK Board (Local Government Act)	Mayor Kozak, Councillor Dailly
Recreation & Aquatic Commission	Mayor Kozak, Councillors Morrison/Warmington
Youth Centre Advisory Committee	Councillors Warmington/Morrison

Standing Committees (established by Mayor)

Grievance Committee	Councillors Cherbo/Adams
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Council Liaisons/Portfolios

Advisory Planning Commission	Councillors Dailly/Cherbo
Arts & Culture	Councillors Warmington/Purcell
Capitol Theatre	Councillors Purcell/Warmington
Chamber of Commerce	Councillors Adams/Morrison
Economic Development/Business/Tourism/Events	Councillors Morrison/Adams
EcoSociety	Councillors Purcell/Dailly
Environmental	Councillors Purcell/Dailly
Healthy Communities	Councillors Dailly/Cherbo
Kootenay Lake Partnership Plan	Councillors Purcell/Dailly
Nelson Business Association	Councillors Morrison/Adams
Nelson Electric Tramway	Councillor Cherbo
Nelson Committee on Homelessness	Councillors Cherbo/Dailly
Nelson Pilot's Association	Councillor Cherbo
Nelson Seniors Branch #51	Councillor Adams/Cherbo
Parks	Councillor Purcell/Mayor Kozak
Recreation and Youth	Councillors Morrison/Warmington
Sandpoint, ID (Municipal Partnership)	Mayor Kozak/Councillor Cherbo
SEEDS	Councillors Dailly/Purcell
Seniors Coordinating Society	Councillor Cherbo /Dailly
Social Planning (SPAN)	Councillors Dailly/Cherbo
Sports Council	Councillors Morrison/Cherbo
Touchstones	Councillors Warmington/Purcell
Treaty Advisory	Councillor Adams
Tri-Cities	Mayor Kozak
West Kootenay Regional Airport Advisory Committee	Mayor Kozak/Councillor Cherbo
West Kootenay Transit Committee	Councillors Warmington/Dailly

Nelson City Council 2011–2014



Mayor John Dooley



Bob Adams



Robin Cherbo



Deb Kozak



Candace Batycki



Donna Macdonald



Paula Kiss

2014 Council Committees

Committees established by Act/Bylaw w/Council voting membership

Appointee/Alternate

Capitol Theatre	Councillors Macdonald/Batycki
Cultural Development Committee	Councillors Macdonald/Batycki
Emergency Program Executive (Provincial)	Mayor Dooley, Councillors Cherbo/Adams
Library Board (<i>Library Act</i>)	Councillors Macdonald/Batycki
Nelson & Area 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	Mayor Dooley, Councillors Kozak/Adams
Youth Centre Advisory Committee	Councillors Kiss/Adams
West Kootenay Transit Committee	Councillors Macdonald/Kiss

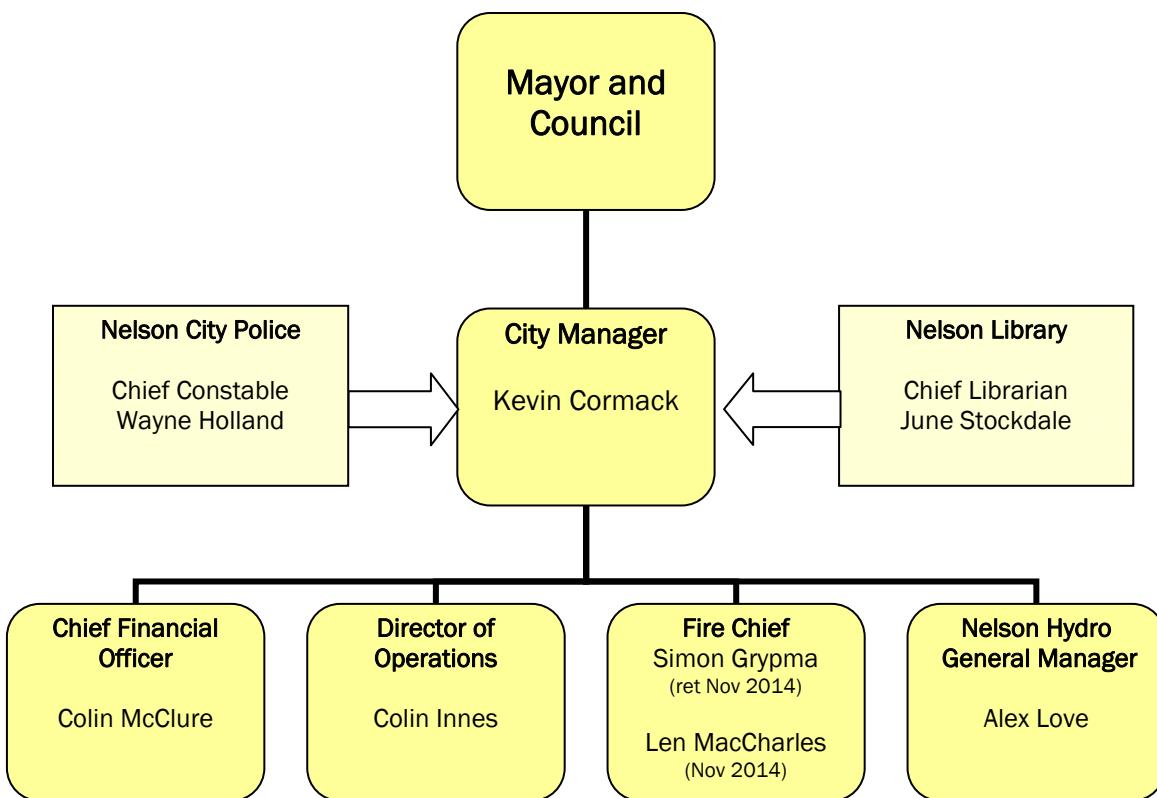
Standing Committees (established by Mayor)

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 2014

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

Report from the City Manager

The City was able to move forward on a number of Council priorities again in 2014, with continued focus on infrastructure renewal and community development. Community and infrastructure planning continue to provide direction for staff and Council in implementing community priorities.

Some of the highlights for 2014 include:

Downtown revitalization projects including the Hall Street project and the new round of sculptures installed in the downtown; water, sewer, hydro and building infrastructure renewal; new development; energy upgrades to reduce greenhouse gas emissions and reduce our costs which included the Eco-Save program and the Corporate Energy Retrofit Program; economic development including City fibre; and finally the implementation of the new Multi-Material BC (MMBC) recycling program.



More on these initiatives can be found throughout the annual report, so I want to take this opportunity to focus on the people part of the City of Nelson.

2014 was unprecedented in terms of the changes at the management level of our organization. We had a number of long service employees retiring this year. These employees not only provided tremendous service to the City they also carried a tremendous amount of corporate history that is hard to replace. Every one of them left a legacy and big shoes to fill. I would like to thank Fire Chief Simon Grypma, Development Services Manager Dave Wahn, Director of Development Services and Engineering Allen Fillion, Hydro Operations Manager Mike Amos, Chief Building Inspector Bernie Zimmer and Youth Centre Manager Christine Schmidt for making the City a better place during their tenure.

Change also creates opportunity and I believe that the City of Nelson was able to recruit an outstanding lineup of new leaders to replace those that left us. All bring a wealth of experience and knowledge to the City and I am confident that we have a group of managers that will carry on the legacies of those before them. So please join me in welcoming: Fire Chief Len MacCharles, Development Services Manager Pam Mierau, Director of Public Works and Utilities Colin Innes, Hydro Operations Manager Dan Geissler, Facility Manager Peter Sinstadt, Youth Centre Coordinator Fitzpatrick McGahey and Building Inspector Brian Champlin.

We are a workforce of over 180 employees who provide many of the vital services that make our community what it is. This includes everything from drinking water and electricity to emergency services to parks, recreation and youth services just to name a few. It really takes a dedicated group of employees that are very proud of the community they live in to provide the level of services that we enjoy in Nelson. This combined with an equally dedicated community of volunteers and an innovative business sector truly makes Nelson the thriving and unique community that it is.

Finally, I would like to thank our outgoing Mayor John Dooley and his Council for their three plus years of community service and welcome in Mayor Deb Kozak and her new Council. Previous Councils have left a solid foundation for this and future Councils to take forward and build upon. I know that our new Mayor and Council are more than ready for the challenge.

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

Kevin Cormack, City Manager

City of Nelson Strategic Objectives 2014 - 2016

Key Objectives	Performance Measure	Progress to date
1.1 Implement and monitor the 2013-17 financial plan	Meet a maximum taxation target of 2% per annum. Generate additional revenues. Contain costs to 1.75%.	2012 - 2015 tax rates were limited to 2% or less. Additional funding was realized from hydro operations and growth in tax base. Water, Sewer and Hydro fees were near inflationary levels for 2015. 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.	Meters have been installed for a sample of commercial customers, data is being analyzed.
1.3 Review City assets to determine if any surplus assets.	Clear direction on what are core City assets.	Facility manager has been hired and a maintenance plan is being developed for all City buildings. A data base for City owned properties has been developed.
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. Limited progress was made in 2014. The City has entered into a financial services agreement with Salmo, Silverton and Slocan.
1.5 Explore additional generation opportunities for Nelson Hydro.	Complete and prioritize generation opportunities.	The City is exploring possible co-generation opportunities. The City has received a Cost of Service Review for Nelson Hydro customers from its consultants which has been presented to Council.
2.1 Develop strategies to grow the tax base.	The target is 50 new units per year.	Building permits were issued for 19 residential units. Residential assessment for new construction increased by 17.6 million in 2014. New commercial assessment was 770 thousand in 2014.
2.2 Complete the neighbourhood plan for the Railtown area.	Neighbourhood plan completed and implementation plan developed. Approved by Council.	FCM grant was approved. RFP for the planning work was completed in 2014. This project was put on hold until 2015 as a result of resource constraints in the Development Services Department.
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.	RDCK has agreed to review the funding model for recreation and parks by 2016. The RDCK/City are working together on the closure of the Nelson transfer station

City of Nelson Strategic Objectives 2014 - 2016

Key Objectives	Performance Measure	Progress to date
4.1 Increase housing stock across all housing categories.	Increase choice of housing in Nelson	Three restricted resale units have been created as part of the Nelson Commons project. Share Nelson is exploring a micro-unit rental project. The City has issued an RFP for potential housing above the Youth Centre.
4.2 Update the Housing Strategy.	Review completed.	The housing Strategy Update was completed in 2014 and received by Council.
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.	Hall Street Phase 1 is under construction and will be completed by December 2015. The 3rd round of sculptures have been installed and the city purchased two permanent sculptures; Railtown improvements continue. The Nelson Commons project is under construction which adds 54 units of downtown residential.
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 third year and has been very successful - on bill financing program vastly exceeds uptake from other programs in the Province. The District Energy System business plan is in the final draft stage. A Solar Garden is being explored.
7.1 Develop and implement a compost pilot project in Nelson	Research completed and a pilot project identified that is complimentary to the proposed centralized compost facility.	The review has been completed and presented to Council.
7.2 Adopt and update new bylaws or policies that are Council initiatives.	Council priority bylaws are completed within the proposed schedule.	The animal control bylaw was revised to allow dogs back into the downtown. Regulatory bylaws for the utilities were put on hold due to staffing changes in these departments. A number of bylaws were updated to move the penalties into the adjudication bylaw.
8.1 Complete an implementation plan for the recommendation from the facility maintenance plan.	Implementation plan developed including funding strategy.	A building reserve fund has been created by Council. The balance of the fund was \$347,000 at the end of 2014. Priority upgrades are being implemented.

City of Nelson Strategic Objectives 2014 - 2016

Key Objectives	Performance Measure	Progress to date
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 2015.	Additional data is being collected.
9.1 Water & Sewer capital infrastructure.	Projects approved by Council, projects completed on time and within budget.	3.2km of sanitary sewer relining completed in 2014 and 2.2 km of water main replacement. City has made almost \$500,000 savings on engineering costs and the delivery of water main replacement is approximately 60% of the original projections.
10.1 Water Smart Plan is being implemented.	Priority areas have been identified and are being implemented. CBT has signed off on the plan.	Water loss management is ongoing. Strategic metering is being installed to better understand water usage. Water ambassador has been hired for 2015.
11.1 Nelson Hydro capital infrastructure program.	Capital projects are on budget and on target.	Rosemont substation put into service. Various distribution line upgrades completed. Upgrading of transmission lines on-going. The G3 rewind project was deferred as a result of analysis showing it is still in good order.
12.1 Extend the Broadband Network in the City.	Network extended which gives additional options for local businesses and the public sector to access high speed network at a reasonable cost.	The City completed the build to all provincial buildings, public schools and College campuses in Nelson. A number of businesses have also connected to the City's fibre. The City has established a central data room at City Hall. A new IT/Fibre Manager was hired in 2015.
13.1 IT Strategic Plan	Strategic Plan developed and approved by Council.	A new IT/Fibre Manager was hired in 2015 and is working on improving processes including developing the strategic plan.
14.1 External Communications	Improve communications to both internal and external audiences. Update and approve a new communications plan	City implemented Facebook in 2014 for external communications. Jostle has been implemented for internal communications.
15.1 Invasive Weeds	Develop a strategy to reduce invasive weeds in the City	The Regional Invasive weeds committee has mapped the City and provided a report to Council on areas of concern.
16.1	Implementation of the Traffic Improvements as per the Urban Systems Review	No progress due to staffing changes.

City of Nelson Strategic Objectives 2014 - 2016

Key Objectives	Performance Measure	Progress to date
17.1 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.
18.1 Collective bargaining	Collective agreements are negotiated with unionized employees that meet financial targets and operational needs.	Negotiations have been started with Fire and Police in 2015.

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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 1,257 business licences issued in 2014.

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.

2014 Highlights

- The City has hired new managers in a number of key areas including Fire, Development Services, Hydro, Youth Centre and Public Works/Utilities.
- The City continues to renew our assets across the organization, water, sewer, roads, Nelson Hydro and facilities.
- Planning and public consultation process for the Hall Street corridor "Stores to Shores Downtown Revitalization" project was completed which included presentations to Council, a widely attended public open house and numerous meetings with business owners.
- Shared services - entered into a financial services contract with three small municipalities in the area. Ridership continues to grow on the West Kootenay Transit service.

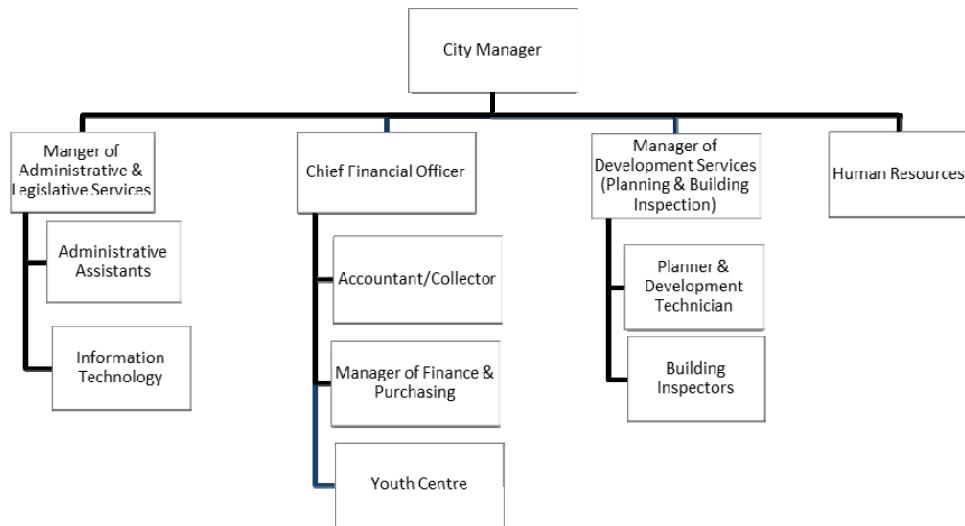
Departmental Goals

- Shared Services
Continue to reach out to other organizations to seek opportunities to deliver services more cost effectively.
- Master plan implementation: turn planning into action. Construction will begin on the first phase of the Hall Street plan in 2015. We continue to renew our assets. New innovative programs such as the home energy retrofit program.
- 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.
- Human Resources: Continue to recruit new employees into the City who have the skills to make a difference.
- Financial: Continue to be good stewards of municipal assets, manage our costs within inflationary levels and be entrepreneurial.

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, CA- 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 & Engineering

Pam Mierau - Manager Development Services
Megan Squires - Senior Planner
Krista Webb— Planning & Building Analyst
Brian Champlin - Building & Plumbing Official
Valerie Berthier - Development Technician

Development Services & Engineering is responsible for the City's planning and development including development of long range policy that reflects the



vision of Council and the community, development of land use regulations that implement that vision, and ensuring that development aligns with the land use regulations by supporting applicants throughout the planning and building approval process. The City of Nelson's long-term vision recognizes the important of planned growth and development that balances the City's respect for its heritage and traditional values and opportunities for development.

Specifically, activities of this Department include long-range community planning, the processing of rezoning applications, development permits, development variance permits, sign permits, and subdivision applications. Planning for the preservation and restoration of the City's heritage resources is also undertaken by this Department, as well as management of the Advisory Planning Committee, development and maintenance of the GIS mapping system and management of property records.

The Department includes the front-line staff for all development queries and ensures that property owner and developer needs are met in a timely fashion within the guidelines provided by the City's policies and bylaws.

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 scrutinized to ensure that the structural integrity, fire safety and plumbing are all in compliance with the Building Code and municipal bylaws.

The Department staff assist the public in understanding the relevant provincial and municipal legislation governing construction, and they are also responsible for enforcement of the Business Licence and Property Maintenance Bylaw.

2014 Development Activity

99 Plumbing Permits

150 Building Permits with over \$18M value

105 new dwelling units (incl 54 units for
Nelson Commons, 8 units Nelson Landing)

29 Development Permits

9 Development Variance Permits

3 Zoning Amendments

1 Official Community Plan Bylaw Amendment

10 Subdivision Applications

7 Sandwich Board Applications

Municipal Departments - Corporate Services

Development Services & Engineering Department Achievements 2014

- Supported two key development projects - Nelson Landing Phase 1, and Nelson Commons, ensuring the implementation of key goals in the OCP including more dense, compact, mixed-use development.
- Incorporated recommendations from key police documents into the Official Community Plan ensuring that they remain top priority in the ongoing implementation of the OCP.
- Developed a new zoning bylaw that provides greater flexibility for the development community and that aligns with the OCP and Path to 2040 Sustainability Strategy including increased density, smaller lot sizes and reduced setbacks.
- Completed reorganization of the Department with Engineering Services to provide more comprehensive service to customers
- Assisted with the public consultation for Hall Street Stores to Shores Downtown Revitalization project including public open houses, presentations to Council and meetings with affected business owners.
- Continual review and improvement in delivery of services including streamlining the building permit process and strengthening interdepartmental collaboration on development applications.

Development Services & Engineering Department Goals 2015

- Continue to support development projects including: Nelson Landing 8 plex, Nelson Commons 54 multi-unit complex, NDCC renovations, Phase 3 CPR Station House, Ancron Medical Clinic, 10 unit Crease Subdivision.
- Continue to review and improve the approvals process so customers are supported and applications are processed in an efficient and timely manner.
- Initiate the Railtown Sustainable Neighborhood Plan to develop this underutilized site within the City's Downtown and Waterfront area.
- Continue to revise key bylaws and policy documents to support Council and community goals - next key bylaw for review is the Sign Bylaw.
- Develop a management system for the Nelson Commons restricted resale units.
- Revise / update the Secondary Suites process
- Initiate development of an implementation/monitoring strategy for key planning documents.

Municipal Departments - Corporate Services

Nelson and District Youth Centre

Fitzpatrick McGoe - Coordinator

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:

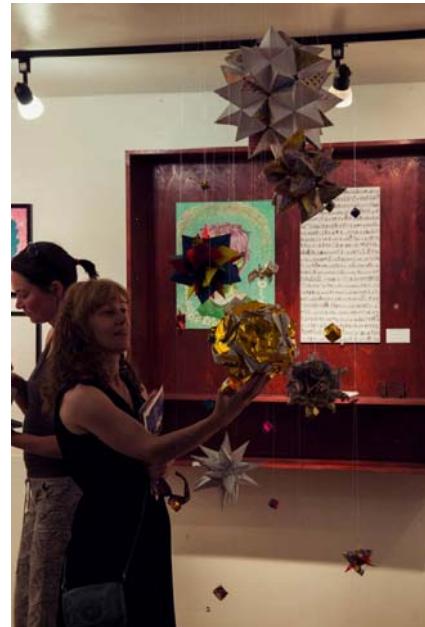
"Creating a safe, accepting and empowering community where all youth can interact and access a variety of activities they need and enjoy". In addition to this mission statement, NDYC's objectives aim to target a diverse group of youth with programs to serve the developmental, recreational, employment, 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 16-22. 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.ndyc.ca

Department Achievements 2014

- 8,000 visits: including visits to evening programs and visits for employment and other opportunities. 90 youth were case managed, over 210 accessed services.
- Nelson City Campground: 6,820 campers
- Launched new website www.ndyc.ca
- Extremely successful Youth Art Gala with funding from CBT
- Continued to offer many youth programs including Safe Space Drop In, Magic the Gathering, Yoga, Air Hockey tournaments, movies, BBQs, outreach Nurse, Anime Club.
- Also conducted special events such as Summer Camp, Freedom Quest, Youth Action Summit, Nursing Students (safe sex & consent workshops), Community Connect day, skateboard events.



Department Goals 2015 / 2016

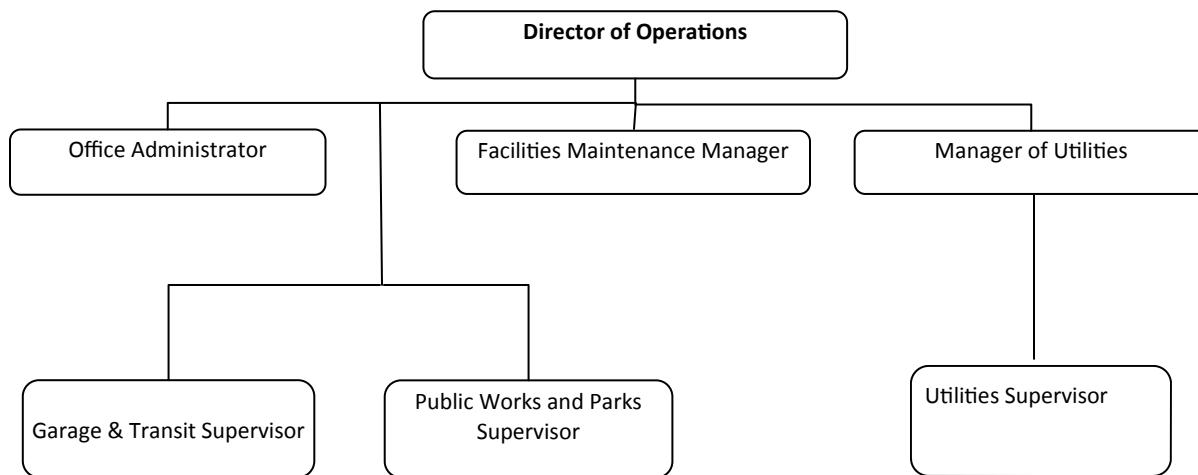
- Focus will continue on providing a safe place for youth to drop in
- Evaluate staffing requirements
- Continue to provide quality programming and special events.
- Negotiations are underway with Service Canada to fund two intakes of Skills Link starting in 2015
- Strengthen community partnerships



Municipal Departments - Operations

Colin Innes - Director of Operations

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



Municipal Departments - Operations cont'd

Colin Innes - Director of Operations

Marg Craig - Office Administrator

Rob Nystrom - Manager of Utilities

Norm Rich - Utilities Supervisor

Peter Sinstadt - Facilities Maintenance Manager

Karen MacDonald - Public Works, Parks Supervisor & Nelson Airport Manager

Jody Koehle - Garage and Transit Supervisor



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 an 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 in recent 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 and the transit system has operated continuously since that time.

Currently, the City is the operator of the local transit system, Nelson Transit, which is part of the newly established West Kootenay Transit System. The City operates a fleet of 6 buses and offers service 6 days per week. Funding for the local transit system is a partnership between the City and BC Transit. Nelson Transit's regional service from Balfour to Castlegar is funded by the Regional District of Central Kootenay and BC Transit.



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 all boulevard trees, 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 2014

- 2,200 metres of water main replaced.
- 3,200 metres of sewer mains relined.
- Storm water was redirected from the sanitary system at approximately 60% of the catch basins identified in the 2010 Sanitary Sewer Master Plan.
- Installation of Lakeside Park paving stone pathway, and painting of Lakeside Park bathhouse and promenade railing.
- Completion of Davies St Park with Gazebo installation.
- Installation of new Cemetery Trail connecting to Rails to Trails.
- Completion of All Wheel Skate Park in Rosemont.



Operations 2015 / 2016 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 lines
 - Currently receiving radio read data from approximately 50 water meters for study in 2015
 - Continued installation of UV disinfection system at Mt Station reservoir
- **Investment in City facilities**
 - Completion of new HVAC system for the Public Works Complex
 - Continuing expansion of the GHG Reduction Plan into an Energy Management Plan
 - Conduct a Hazmat Assessment of City buildings for WorkSafe BC Compliance
- **Parks**
 - Queen Elizabeth Park improvements - ball field upgrades and tree removal of Lombardy trees
 - Install cameras at Gyro Park to assist in decreasing vandalism
 - Completion of Perrier Rd pathway as part of Active Transportation Plan
- **Continued work on phase 1 of Hall Street upgrades - Stores to Shores - completion November 2015**
- **Update Cemetery regulatory bylaw**
- **Update Water and Sewer regulatory bylaws**

Municipal Departments - Police



Chief Constable Wayne Holland

Deputy Chief Constable Paul Burkart - Commander of Plain Clothes and Uniform Operations

The Nelson Police Department is the fifth oldest police service in British Columbia, with the first police officer, R. A. Winerals having been appointed at the Nelson City Council meeting of April 22nd, 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). Part time dispatchers and a Reserve force are also utilized.

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 Mission: To preserve the quality of life in our community, the Nelson Police Department commits to preventing crime, preserving the peace and protecting lives and property by enforcing the laws of our country in a just, impartial and equitable manner.

Department Achievements 2014

- The creation of a Post Critical Incident Response Team, which manages our personnel's reaction to being exposed to critical and/or traumatic incidents and mitigates long term psychological damage by means of peer and/or professional support.
- The creation of a Chief Constable's Diversity Advisory Committee, to provide representatives from all facets of our diverse community with direct access to, and communication with, the senior management team and police board.
- The creation of an approved Restorative Justice program, which facilitates a process to bring together and involve all individuals involved in a specific offense, to collectively identify and address harms, needs and obligations in order to heal and put things as "right as is possible".
- The return of the Nelson Police Camp, which was renamed the "Emergency Services Camp", the goal of which is to identify and train young adults who may have an interest in pursuing a career in one of several emergency services professions.
- Completion of the regulations and procedures manual review process, to align the department with provincial standards.

Departmental Goals— 2015

- The development, production and rollout of the 2016 – 2020 Nelson Police Department Strategic Plan.
- The selection of a chief constable who will replace the incumbent officer on January 30th, 2016.
- To streamline the administrative processes and environment within police headquarters and identify strategies to reduce our reliance on sworn police officers for the accomplishment of administrative tasks.
- The implementation of a chronic offender program, which will be led by the general investigation section and will target the chronic recidivist offenders in our community.
- The identification and implementation of public outreach programs for vulnerable citizens of all ages and walks of life.

Municipal Departments - Fire

Simon Grypma - Fire Chief Len MacCharles - Fire Chief (as of Nov, 2014)

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. 3268. 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 Chief/Training Officer, one Captain Fire Prevention Officer, two Shift Captains, six full-time Firefighters, a secretary/dispatcher, and 17 Auxiliary Firefighters. In addition, Nelson Fire & Rescue also services a portion of RDCK Area 'E' for approximately 2000 residents through a contract with Regional District. In November of 2014, new Fire Chief Len MacCharles took over the helm from outgoing Chief Grypma.

Operations Goal

- To develop a comprehensive operations program in 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.

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 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). In addition the department provides assistance and participates in the cooperative safety committee with all City departments.

Facilities Goal

- Maintain and upgrade the existing fire station to meet fire and life safety standards and to create a comfortable and functional work environment for the members of the department.

Legislation & Recommended Practices

- To review current contracts and complete outstanding operational guidelines, as well as continue with pre-fire planning for all commercial buildings.

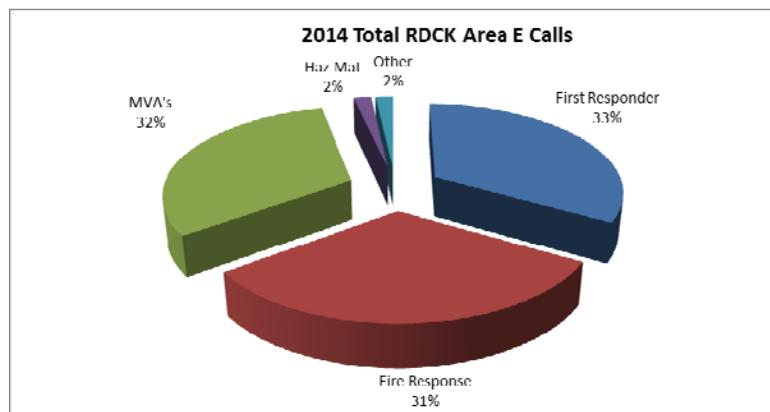
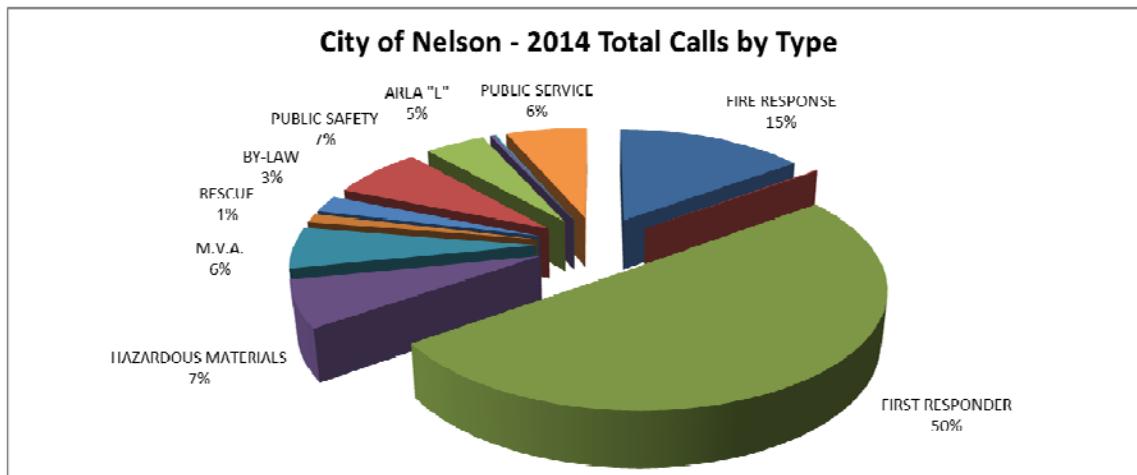
Municipal Departments - Fire cont'd

Training Report

- Ongoing Auxiliary training program to provide all new recruit members with their Fire Fighter 1 certification within the first year of service along with ongoing refresher training for all Auxiliary.
- In addition to regular training for Career members, 2014 training included emergency scene management, live fire training, on-line simulation training and courses, hazardous materials response simulation for Nelson Hydro PCB storage, Interagency Cooperation Exercise with neighbouring departments, scene preservation training with Nelson City Police, New Chief Training during the BC Fire Chiefs Meetings, first responder training.
- All members participated in the tanker shuttle certification training and certification was attained. This will have a large impact on residential/commercial fire ratings in outlying areas supported by Nelson Fire & Rescue.
- Two members attended the 2014 BC Fire Training Officers Association annual conference.

Fire Prevention Report

- The focus for 2014 has been on commercial properties within the City of Nelson and the development and completion of preplans for these premises.
- Completed the Fuel Mitigation Project above LVR School, Art Gibbons Park and the cemetery.
- Fire Prevention continued to be an important program in 2014 providing education to the public on emergency preparedness, smoke alarms awareness, wildfire mitigation and the annual Firesmart Public Education Program.
- Two members attended the 2014 Fire Prevention Officers Association of BC annual conference.



Municipal Departments - Nelson Hydro



Alex Love - General Manager
Dan Geissler - Operations Manager
Doug Pickard - Transmission & Distribution Manager
Marg Craig - 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 10,070 customers. Total system load is now approximately 156,000 MWh per year.

In 2014, Nelson Hydro transferred \$2,500,000 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.

Achievements in 2014

Voltage Conversion Project

- **The Rosemont substation was put into service.**
- **The final construction phase of the Downtown Voltage Conversion project was completed.**

Other Infrastructure Upgrades and Programs

- **Various Distribution line upgrades completed.**
- **Continued with Transmission line upgrades.**
- **The Corporate GHG reduction program (budgeted from the general City budget but delivered by Nelson Hydro), also had a successful final year of its initial 5 year plan. The program has produced a 24% reduction in GHG emissions and is on track to meet its 2015 goal of a 25% GHG reduction.**
- **Recruited a new Operations Manager to fill a retirement vacancy.**
- **G3 rewind was deferred as a result of detailed analysis showing the generator is still in good order.**

Municipal Departments - Nelson Hydro



2015 - 2016 Department Goals

- **Finalize the District Heating Feasibility Study**
- **Continue the Voltage Conversion projects**
- **Continue Implementation of a vegetation management program**
- **Install submarine cables to assure reliable supply to the North Shore.**
- **Improve SCADA system communications.**



Municipal Departments - Nelson Library

June Stockdale - Chief Librarian

Report from the Board Chair and Chief Librarian

The Library continues to work on the strategic plan goals of reaching out to the community in innovative ways, partnering to achieve best value for service and ensuring efficient and effective operation of the service.



In support of these goals, we set up free bins of donated books at Our Daily Bread and The Food Cupboard, hosted monthly visits to Mountain Lakes, Lakeview Village, and the Slocan Valley, and provided presentations to schools in the region.

Community partnerships include invitations to groups to speak at our Board and Staff meetings, as well as a community information desk. In October, the Library collaborated with the West Kootenay EcoSociety to host a pre-election "candidating" event. We also actively partner with CBAL and the School District in the delivery of literacy and education based programs such as our 'Drop Everything and Read' flash mob at Oso Negro in the fall.

Our programs are developed to align with strategic objectives and outcomes are tracked through member feedback. New programs include STEAM (Science, Technology, Engineering and Math) for children, computer tutoring, a new service for the print disabled, and Kootenay Connect interlibrary loan service.

The operating grants we receive from the City of Nelson, the RDCK and the province are supplemented through significant fundraising and grant applications. The Board created an 'Areas of Interest' fundraising model to align fundraising and grant applications with strategic goals. This sparked new donations, including one to the Osprey Community Foundation that doubled our legacy fund.

A highlight of the year was the publication of our updated Library history, *The Story of the Nelson Public Library 1986 to 2013*, thanks to the hard work of board member Eileen Holland. Our excellent staff, committed volunteers, Friends group and dedicated Board of Trustees all help the Nelson Public Library in strengthening our community. We are grateful to our many supporters, including library members, and look forward to the continued provision of excellent service to our community.



The Year at a Glance	2013	2014
Active cardholders	11,778	12,932
New memberships	954	1,078
Member visits	140,407	141,133
Items in collection	44,892	45,519
Items loaned	218,596	220,006
Items used in house	31,690	35,498
Interlibrary loans	3,394	5,436

e-book/audiobook downloads	9,215	12,364
e-magazine downloads	4,533	2,897
Website visits	45,136	47,595
Database usage	7,868	6,579
Total programs	221	279
Total program attendees	3,725	5,233
Research /reference assistance	7,422	10,178
Public computer usage	23,836	21,491

Municipal Buildings



Nelson Civic Centre

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



Capitol Theatre

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

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



Nelson & District Youth Centre

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



Museum, Archives & Art Gallery (Touchstones Nelson)

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

Municipal Buildings cont'd



City Hall (310 Ward Street)

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



Works / Utilities Complex

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



Fire Hall

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



Police Station/Library

In 1992, the City Police moved into a facility shared with the Nelson Municipal Library. The four-storey building was built in the late 1950's as the regional RCMP headquarters. Purchased by the City in 1990, the building was completely renovated with the top two floors being the police station and the first two floors occupied by the library. The lower floor was renovated in 2010 to house the children's collection.

Municipal Infrastructure

Roads, Bridges and Sidewalks

Nelson was a thriving community in the early 20th 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 2014 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, 2014.

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 2014 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, 2014 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.

2014 OPERATING RESULTS

Overall the 2014 financial results were in line with what had been budgeted for the year. The City has a variety of revenue sources including taxation and grants-in-lieu of \$8.95 million, \$3.1 million in sales of other services. In addition the City receives significant revenue from user fees (including the electrical utility), in 2014 these fees amounted to \$22.3 million.

It is important to report that in 2014 the City received \$604,000 in Provincial unconditional grants (revenue sharing and traffic fine sharing). The Traffic Fine portion of the Funds were used towards the administrative and operational costs of the City of Nelson Police department; the remaining funding was used to reduce the City's business and residential tax burden. Without the small community grant, the City would have needed to increase taxes by approximately 5.5%.

Operating expenditures include \$5.38 million in protective services, \$3.1 million in transportation services, \$3.1 million in general government/corporate services and \$3.34 million in recreation, the Library and cultural services. Utility operations expenditures (including Nelson Hydro) total \$14 million. In addition, the City contributed \$269,000 towards the \$1.38 million 2013 operational expenses of Transit.

For 2014, the overall annual surplus ended up at \$4.8m, which was in-line with what was budgeted for the year. It must be noted that a surplus is budgeted for in order to assist in the funding of future capital expenditures through the surplus being transferred into reserves.

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. In 2014, \$8.6 million was spent, in part, by replacing over 2.2 km of water lines, renewing the sewer transportation system through the relining or replacement of 3.2km of sewer pipes and completion of the Downtown voltage conversion. In addition, Hydro continued its upgrades of the transmission and distribution lines.

The City's reserve funds are the major support of the City's capital program. Overall the capital reserves increased in 2014 with the main factor being the reallocation of 1 Million dollars of Community Works funding from deferred revenue to its own reserve. This reallocation was due to a change in the terms of the agreement between the Federal government and the Municipalities that resulted in a change in how it is recorded in the financial statements. On an ongoing basis 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, 2014 (including temporary borrowing and capital lease obligations) was \$19,197,412. In 2013, this balance was 20,281,903

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 funded and repaid through the related water, sewer and hydro rates.

The outstanding debenture debt at the end of 2013 for each of the City's funds is:

General \$ 10,345,594 Water \$ 963,442 Sewer \$705,962 Nelson Hydro \$6,816,125

As presented in the notes to the financial statements, \$9 million of the general debt is being repaid by FortisBC and Selkirk College through long term contractual agreements leaving only \$1.345 million 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.

In 2014, the City embarked on an ambitious project to provide financial services to smaller municipalities in our region. In the fall of 2014 the City signed 3 year contracts with the Villages of Silverton, Slocan and Salmo to do just that. Although, there have been some challenges, I am proud of the Finance Team in that the City was successful in completing the 2014 financial statements and 2015 to 2019 Financial Plans on behalf of the Villages by the reporting deadlines set by the Ministry. The work also includes ongoing oversight of the financial operations, completing monthly reconciliations and providing financial advice.



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".

Colin McClure, CA
Chief Financial Officer

Financial Section

Berg
Lehmann

INDEPENDENT AUDITORS' REPORT

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

Chartered Accountants
& Business Advisors

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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, 2014, 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

INDEPENDENT AUDITORS' REPORT (continued)

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 Corporation of the City of Nelson as at December 31, 2014, and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.



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May 19, 2015

Nelson, B.C.

CA

THE CORPORATION OF THE CITY OF NELSON
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2014

	<u>2014</u>	<u>2013</u>
Financial Assets		
Cash and cash equivalents (Note 2)	\$ 23,867,683	\$ 24,862,201
Investments (Note 3)	2,754,339	2,679,240
Accounts receivable (Note 4)	5,481,273	5,622,009
Long-term accounts receivable (Note 5)	4,392,178	4,190,671
MFA deposits (Note 6)	<u>292,063</u>	<u>283,837</u>
	<u>36,787,536</u>	<u>37,637,958</u>
Financial Liabilities		
Accounts payable and accrued liabilities (Note 7)	5,431,290	6,011,355
Deferred revenue (Note 8)	3,327,025	4,145,966
Accrued future payroll benefits (Note 9)	2,117,150	2,134,262
Capital lease obligation (Note 10)	366,289	370,799
Debt (Note 11)	<u>18,831,123</u>	<u>19,911,104</u>
	<u>30,072,877</u>	<u>32,573,486</u>
Net Financial Assets	6,714,659	5,064,472
Non-Financial Assets		
Tangible capital assets (Note 12)	146,748,393	143,651,629
Inventory (Note 13)	1,287,955	1,175,063
Prepaid expenses	<u>298,991</u>	<u>319,094</u>
	<u>148,335,339</u>	<u>145,145,786</u>
Accumulated Surplus (Note 14)	<u>\$ 155,049,998</u>	<u>\$ 150,210,258</u>

Commitments and Contingencies (Note 18)



Colin McClure, CA
Chief Financial Officer

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

THE CORPORATION OF THE CITY OF NELSON
CONSOLIDATED STATEMENT OF OPERATIONS
For the Year Ended December 31, 2014

	2014 Budget (Note 20)	2014	2013
Revenue			
Taxes	\$ 8,967,797	\$ 8,957,572	\$ 8,784,662
Sale of services	3,366,961	3,150,758	2,942,316
Other revenue from own sources	3,595,973	3,143,834	3,184,852
Investment income	432,200	909,379	650,007
Grants - unconditional	596,548	604,325	593,441
Grants - conditional	2,596,037	2,916,556	2,671,102
Water user fees	3,178,240	3,164,608	3,029,958
Sewer user fees	2,796,063	2,782,927	2,692,367
Transit user fees	230,654	247,446	236,134
Nelson Hydro sales	<u>15,699,079</u>	<u>16,104,798</u>	<u>15,606,180</u>
	<u>41,459,552</u>	<u>41,982,203</u>	<u>40,391,019</u>
Expenses			
General government	3,225,494	3,174,515	2,835,577
Protective services	5,426,103	5,389,035	5,245,527
Transportation services	3,487,277	3,127,582	3,581,885
Environmental health services	262,151	205,284	203,772
Public health and welfare services	180,989	179,969	179,650
Parks, recreation and cultural services	2,215,608	2,495,809	2,415,752
Interest and other debt charges	1,022,210	841,027	857,169
Water utility operations	1,152,350	1,107,688	1,114,286
Sewer utility operations	1,626,505	1,750,992	1,471,621
Nelson Hydro operations	10,765,391	11,212,010	10,533,475
Transit operations	1,440,174	1,410,724	1,379,078
Library	849,298	850,104	845,592
Amortization	5,081,873	5,031,166	4,778,361
Loss on disposal of tangible capital assets	<u>-</u>	<u>366,558</u>	<u>874,626</u>
	<u>36,735,423</u>	<u>37,142,463</u>	<u>36,316,371</u>
Annual surplus	4,724,129	4,839,740	4,074,648
Accumulated surplus, beginning of the year	<u>150,210,258</u>	<u>150,210,258</u>	<u>146,135,610</u>
Accumulated surplus, end of the year	<u>154,934,387</u>	<u>155,049,998</u>	<u>150,210,258</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, 2014

	2014 Budget	2014	2013
Annual surplus	4,724,129	4,839,740	4,074,648
Acquisition of tangible capital assets	(14,121,550)	(8,596,488)	(9,623,093)
Amortization of capital assets	5,081,873	5,031,166	4,778,361
Proceeds on sale of tangible capital assets	-	102,000	73,550
Loss on disposal of tangible capital assets	-	366,558	874,626
	<u>(4,315,548)</u>	<u>1,742,976</u>	<u>178,092</u>
Consumption (acquisition) of prepaid expenses	-	20,103	5,424
Consumption (acquisition) of supply inventory	-	(112,892)	169,556
	<u>-</u>	<u>(92,789)</u>	<u>174,980</u>
Increase (decrease) in net financial assets	(4,315,548)	1,650,187	353,072
Net financial assets, beginning of year	<u>5,064,472</u>	<u>5,064,472</u>	<u>4,711,400</u>
Net financial assets, end of the year	748,924	6,714,659	5,064,472

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, 2014

	<u>2014</u>	<u>2013</u>
Cash Provided by (Used In)		
Operating Activities		
Annual surplus	\$ 4,839,740	\$ 4,074,648
Items not involving cash:		
Amortization of tangible capital assets	5,031,166	4,778,361
Actuarial adjustments	(188,940)	(77,544)
Loss on disposal of tangible capital assets	<u>366,558</u>	<u>874,626</u>
	10,048,524	9,650,091
Increase (decrease) in non-cash operating items:		
Accounts receivable	140,736	(252,529)
Long-term accounts receivable	(201,507)	(24,887)
MFA deposits	(8,226)	(15,440)
Accounts payable and accrued liabilities	(580,065)	1,630,759
Deferred revenue	(818,941)	(593,767)
Accrued future payroll benefits	(17,112)	57,666
Inventory	(112,892)	169,556
Prepaid expenses	<u>20,103</u>	<u>5,424</u>
	<u>8,470,620</u>	<u>10,626,873</u>
Financing Activities		
Proceeds from debt issues	-	1,175,000
Debt repayment	(891,041)	(869,757)
Repayment of capital lease obligations	<u>(4,510)</u>	<u>(4,145)</u>
	<u>(895,551)</u>	<u>301,098</u>
Capital Activities		
Proceeds from disposal of tangible capital assets	102,000	73,550
Acquisition of tangible capital assets	<u>(8,596,488)</u>	<u>(9,623,093)</u>
	<u>(8,494,488)</u>	<u>(9,549,543)</u>
Investing Activities		
Net purchase of investments	<u>(75,099)</u>	<u>(88,559)</u>
Net increase in Cash	<u>(994,518)</u>	<u>1,289,869</u>
Cash and cash equivalents, beginning of year	<u>24,862,201</u>	<u>23,572,332</u>
Cash and cash equivalents, end of year	<u>\$ 23,867,683</u>	<u>\$ 24,862,201</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
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2014

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 public sector accounting standards.

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 Gains on Long Term Debt

The City records interest expense on long-term debt on an accrual basis and actuarial gains when realized as a reduction of the principal balance.

THE CORPORATION OF THE CITY OF NELSON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2014

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 restricted by council. Formal establishing bylaws have been adopted pursuant to 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 public sector accounting standards 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) **Budget**

Budget data presented in these consolidated financial statements is based on the City's 5 Year Financial Plan for the years 2014-2018, adopted by Council on April 9, 2014.

THE CORPORATION OF THE CITY OF NELSON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2014

2. Cash and Cash Equivalents

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

	2014	2013
Cash	\$ 2,963,640	\$ 1,617,386
MFA bond and money market funds	<u>20,904,043</u>	<u>23,244,815</u>
	<u><u>\$ 23,867,683</u></u>	<u><u>\$ 24,862,201</u></u>

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

3. Investments

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

<u>Maturity</u>	2014	2014	2013	2013
	Carrying Value	Market Value	Carrying Value	Market Value
2013	\$ -	\$ -	\$ 50,692	\$ 51,035
2014	106,649	107,120	199,000	198,235
2015	946,095	976,321	928,590	939,763
2016	1,033,437	1,067,267	1,000,435	1,047,282
2017	407,160	437,772	390,795	419,966
2019	112,998	118,472	109,728	110,164
2020	148,000	153,047	-	-
	<u><u>\$ 2,754,339</u></u>	<u><u>\$ 2,859,999</u></u>	<u><u>\$ 2,679,240</u></u>	<u><u>\$ 2,766,445</u></u>

4. Accounts Receivable

	2014	2013
Property taxes	\$ 545,930	\$ 582,718
Utility billings	3,404,910	3,652,854
Other governments	321,883	307,684
Trade & other receivables	<u>1,208,550</u>	<u>1,078,753</u>
	<u><u>\$ 5,481,273</u></u>	<u><u>\$ 5,622,009</u></u>

5. Long Term Accounts Receivable

The City entered into an agreement with Selkirk College in April 2000, to undertake certain improvements to the Tenth Street Campus. Selkirk College is paying for the improvements over a 25 year term in equal monthly installments at the Municipal Finance Authority lending rate plus 1%.

On-bill financing refers to the financial loan service that the City of Nelson has made available for energy retrofits. The customer repays the on-bill financing loan on their regular Nelson Hydro utility bill through automatic withdrawal. The loan is available to those who reside within the City of Nelson and approval is based on payment history and property ownership verification. The maximum allowable loan is \$16,000 with the choice of a 5 or 10 year repayment term, the current fixed interest rate is 3.5% The interest rate is subject to change for any new loans on January first of each year.

THE CORPORATION OF THE CITY OF NELSON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2014

5. Long Term Accounts Receivable (continued)

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.

	2014	2013
Selkirk College	\$ 3,520,526	\$ 3,765,929
Ecosave energy retrofits on-bill financing loans	227,727	219,943
Various other agreements	<u>643,925</u>	<u>204,799</u>
	<u><u>\$ 4,392,178</u></u>	<u><u>\$ 4,190,671</u></u>

6. Municipal Finance Authority Debt Reserve Fund

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

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

Upon maturity of a debt issue, the unused portion of the Debt Reserve Fund established for that issue will be discharged to the Municipality. The proceeds from these discharges will be credited to income in the year they are received. As at December 31, 2014, the total of the Debt Reserve Fund was comprised of:

	2014	2014	2014	2013
	Cash Deposit	Demand Note	Total	Total
General fund	\$ 179,988	\$ 470,990	\$ 650,978	\$ 645,909
Sewer utility	15,190	40,843	56,033	55,605
Water utility	13,421	36,091	49,512	49,134
Nelson Hydro	<u>83,464</u>	<u>174,898</u>	<u>258,362</u>	<u>256,011</u>
	<u><u>\$ 292,063</u></u>	<u><u>\$ 722,822</u></u>	<u><u>\$ 1,014,885</u></u>	<u><u>\$ 1,006,659</u></u>

7. Accounts Payable and Accrued Liabilities

	2014	2013
Trades payable	\$ 4,453,235	\$ 5,029,417
Accrued wages and benefits	413,924	395,913
Accrued interest	127,797	133,142
Other	<u>436,334</u>	<u>452,883</u>
	<u><u>\$ 5,431,290</u></u>	<u><u>\$ 6,011,355</u></u>

THE CORPORATION OF THE CITY OF NELSON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2014

8. Deferred Revenue

	2014	2013
Taxes and utility rates	\$ 2,723,668	\$ 2,559,935
Community works fund	-	986,427
Hydro	381,187	410,841
Other	222,170	188,763
	<u>\$ 3,327,025</u>	<u>\$ 4,145,966</u>

9. Accrued Future Payroll Benefits

	2014	2013
Holiday Pay	\$ 721,762	\$ 752,124
Sick Leave	1,199,702	1,181,301
Banked Overtime	195,686	200,837
	<u>\$ 2,117,150</u>	<u>\$ 2,134,262</u>

The City accrues holiday pay, sick leave, and banked overtime as they are earned by the employee, however, it is expected that these substantially 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:

2015	\$ 36,354
2016	36,354
2017	36,354
2018	36,354
2019	36,354
Thereafter	690,726
Less interest	<u>(506,207)</u>
	<u>\$ 366,289</u>

THE CORPORATION OF THE CITY OF NELSON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2014

11. Debt

Debt Bylaw #	Purpose of Bylaw	Interest rate %	Year of Maturity	Original Issue	2014 Balance	2013 Balance
<u>General Purposes:</u>						
3107	Catacombs	3.85%	2033	\$ 275,000	\$ 265,765	\$ 275,000
3107	Baker Street bridge	3.85%	2033	900,000	869,776	900,000
3034	Street construction	4.82%	2022	50,341	30,484	33,665
2871	Tenth Street campus	3.15%	2025	6,080,000	3,549,522	3,794,925
3036	Highway 3A	4.00%	2021	300,000	161,949	181,665
2978	Fortis Gas	4.50%	2020	4,200,000	2,714,494	3,107,996
	Fortis Gas	CDOR+.5%	2021	<u>7,386,404</u>	<u>2,753,604</u>	<u>2,753,604</u>
				<u>19,191,745</u>	<u>10,345,594</u>	<u>11,046,855</u>
<u>Water Purposes:</u>						
3038	Fairview reservoir	4.82%	2022	240,000	145,332	160,498
3106	Water improvements	4.90%	2029	<u>1,000,000</u>	<u>818,110</u>	<u>857,396</u>
				<u>1,240,000</u>	<u>963,442</u>	<u>1,017,894</u>
<u>Sewer Purposes:</u>						
3037	Sewage treatment plant	4.00%	2021	550,000	296,907	333,053
3109	Sewer improvements	4.90%	2029	<u>500,000</u>	<u>409,055</u>	<u>428,698</u>
				<u>1,050,000</u>	<u>705,962</u>	<u>761,751</u>
<u>Hydro Purposes:</u>						
3110	Hydro improvements	4.90%	2029	1,500,000	1,227,166	1,286,094
3223	Hydro improvements	3.05%	2032	<u>6,000,000</u>	<u>5,588,959</u>	<u>5,798,510</u>
				<u>7,900,000</u>	<u>6,816,125</u>	<u>7,084,604</u>
Total Debt						
				<u>-</u>	<u>\$ 18,831,123</u>	<u>\$ 19,911,104</u>

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

	General	Water	Sewer	Hydro	Total
2015	\$ 730,538	\$ 56,630	\$ 58,020	\$ 279,218	\$ 1,124,406
2016	761,042	58,895	60,341	290,387	1,170,665
2017	792,824	61,251	62,754	302,002	1,218,831
2018	825,937	63,701	65,265	314,082	1,268,985
2019	860,438	66,249	67,875	326,646	1,321,208
Thereafter	<u>6,374,815</u>	<u>656,716</u>	<u>391,707</u>	<u>5,303,790</u>	<u>12,727,028</u>
	<u>\$ 10,345,594</u>	<u>\$ 963,442</u>	<u>\$ 705,962</u>	<u>\$ 6,816,125</u>	<u>\$ 18,831,123</u>

THE CORPORATION OF THE CITY OF NELSON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2014

12. Tangible Capital Assets

	Cost	Accumulated Amortization	2014 Net Book Value	2013 Net Book Value
Land	\$ 9,013,980	\$ -	\$ 9,013,980	\$ 8,707,438
Buildings	35,186,287	23,861,592	11,324,695	12,441,898
Vehicles	8,224,713	4,115,076	4,109,637	4,135,964
IT, equipment & furniture	2,857,165	1,291,969	1,565,196	1,126,600
Library	341,109	210,510	130,599	174,510
Natural gas system capital lease	8,186,404	2,806,766	5,379,638	5,613,535
Transportation infrastructure	21,039,108	8,598,265	12,440,843	11,620,507
Parks & cemetery	5,117,702	2,279,208	2,838,494	2,978,553
Water infrastructure	46,392,109	11,862,431	34,529,678	34,144,552
Sewer infrastructure	29,152,653	10,647,597	18,505,056	17,767,704
Storm sewer infrastructure	18,173,832	6,291,514	11,882,318	11,867,256
Hydro generators & substations	20,318,507	6,153,371	14,165,136	11,179,262
Hydro infrastructure	25,539,875	5,777,630	19,762,245	18,036,718
Assets under construction	<u>1,100,878</u>	<u>-</u>	<u>1,100,878</u>	<u>3,857,132</u>
	<u><u>\$ 230,644,322</u></u>	<u><u>\$ 83,895,929</u></u>	<u><u>\$ 146,748,393</u></u>	<u><u>\$ 143,651,629</u></u>

See schedule of consolidated tangible capital assets for more information.

13. INVENTORY

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

	2014	2013
General, Water, Sewer Transit and Garage supplies	\$ 326,413	\$ 301,248
Fuel	55,200	37,626
Hydro	<u>906,342</u>	<u>836,189</u>
	<u><u>\$ 1,287,955</u></u>	<u><u>\$ 1,175,063</u></u>

THE CORPORATION OF THE CITY OF NELSON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2014

14. Accumulated Surplus

	2014	2013
Reserves set aside by Council		
Capital projects	\$ 536,604	\$ 610,937
Community works fund	1,019,147	-
Equipment replacement	2,746,589	2,473,463
Future power purchase	1,002,481	971,008
Nelson municipal library	18,488	17,935
Nelson Hydro capital	3,992,380	4,377,595
Sewer utility capital	2,760,407	2,591,802
Waterfront development	28,336	27,489
Water licence	2,104,622	2,288,211
Water utility capital	<u>3,696,972</u>	<u>3,200,960</u>
	17,906,026	16,559,400
Statutory reserves		
Land sales	225,192	397,245
Off street parking	15,024	14,575
Parks acquisition	106,103	144,692
Tax sale	<u>21,573</u>	<u>20,928</u>
Total reserves	<u>18,273,918</u>	<u>17,136,840</u>
Surplus set aside by Council		
Airport	\$ 192,470	\$ 182,470
Art in public places	17,247	19,748
Bridge	320,000	280,000
Building reserve	347,000	500,000
Economic development	18,155	25,437
Downtown & waterfront	97,296	38,521
Fortis	1,747,530	1,850,442
Insurance	389,092	374,439
Legal	20,000	20,000
Parking	17,578	34,043
Recycling reserve	122,860	133,570
911	66,305	57,407
10th street	<u>79,077</u>	<u>58,277</u>
	3,434,610	3,574,354
Unappropriated surplus	<u>2,269,962</u>	<u>2,363,409</u>
Total surplus	<u>5,704,572</u>	<u>5,937,763</u>
Invested in capital assets	<u>131,071,508</u>	<u>127,135,655</u>
Total Accumulated Surplus	<u>155,049,998</u>	<u>150,210,258</u>

THE CORPORATION OF THE CITY OF NELSON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2014

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:

	2014	2013
Balances, beginning of year	\$ 920,226	\$ 892,068
Contributions received	12,027	15,264
Interest earned	<u>23,083</u>	<u>29,894</u>
	955,336	937,226
Expenses and transfers	(26,965)	(17,000)
Balances, end of year	<u><u>\$ 928,371</u></u>	<u><u>\$ 920,226</u></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.

	2014	2013
Provincial Government - School taxes	\$ 8,413,193	\$ 8,627,111
Regional District of Central Kootenay	4,134,576	4,184,717
West Kootenay Boundary Hospital District	624,124	743,299
British Columbia Assessment Authority	168,841	169,300
Municipal Finance Authority	<u>429</u>	<u>425</u>
	<u><u>\$ 13,341,163</u></u>	<u><u>\$ 13,724,852</u></u>

17. Pension Plan

The City of Nelson and its employees contribute to the Municipal Pension Plan (the Plan), a jointly trustee pension plan. The Board of Trustees, representing plan members and employers, is responsible for 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 182,000 active members and approximately 75,000 retired members. Active members include approximately 180 contributors from the City of Nelson.

The most recent actuarial valuation as at December 31, 2012 indicated a \$1,370 million funding deficit for basic pension benefits. The next valuation will be as at December 31, 2015 with results available in 2016. Employers participating in the Plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the Plan records accrued liabilities and accrued assets for the Plan in aggregate with the result that there is no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the Plan.

The City of Nelson paid \$1,241,170 for employer contributions to the plan in fiscal 2014 (2013 - \$1,164,703).

THE CORPORATION OF THE CITY OF NELSON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2014

18. Commitments and Contingencies

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.

THE CORPORATION OF THE CITY OF NELSON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2014

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

Transit is 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 annually, 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, 2014

19. Segmented Information (continued)

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

	General Government	Police & Bylaw	Fire Services	Development Services
Revenues				
Taxes	\$ 8,898,262	\$ -	\$ -	\$ -
Sales of Service	688,106	1,133,126	214,208	11,726
Other revenue from own services	1,481,115	230,770	400	178,855
Investment income	385,873	-	-	-
Grants - unconditional	276,151	76,312	-	-
Grants - conditional	1,375,225	86,334	30,587	-
Water user fees	-	-	-	-
Sewer user fees	-	-	-	-
Transit user fees	-	-	-	-
Nelson Hydro sales	-	-	-	-
	<u>13,104,732</u>	<u>1,526,542</u>	<u>245,195</u>	<u>190,581</u>
Expenditures				
Wages and benefits	1,523,734	3,322,301	1,432,937	404,163
Supplies and services	1,381,254	449,220	205,222	61,275
Interest and other debt charges	423,239	-	-	-
Amortization	1,563,512	55,183	98,743	-
Loss on disposal of assets	-	-	-	-
	<u>4,891,739</u>	<u>3,826,704</u>	<u>1,736,902</u>	<u>465,438</u>
Annual Surplus (Deficit)	<u>8,212,993</u>	<u>(2,300,162)</u>	<u>(1,491,707)</u>	<u>(274,857)</u>

		Parks								2014
Engineering Services	Culture & Recreation	Transit	Library	Nelson Hydro	Utilities					Total
\$ 59,310	\$ -	\$ -	\$ -	\$ -	\$ -					\$ 8,957,572
507,575	555,906	-	40,111	-	-					3,150,758
82,760	38,475	1,852	32,490	920,668	176,449					3,143,834
-	-	-	2,376	237,270	283,860					909,379
-	-	-	251,862	-	-					604,325
5,670	319,318	903,780	32,242	7,400	156,000					2,916,556
-	-	-	-	-	3,164,608					3,164,608
-	-	-	-	-	2,782,927					2,782,927
-	-	247,446	-	-	-					247,446
-	-	-	-	16,104,798	-					16,104,798
<u>655,315</u>	<u>913,699</u>	<u>1,153,078</u>	<u>359,081</u>	<u>17,270,136</u>	<u>6,563,844</u>					<u>41,982,203</u>
1,618,884	1,019,794	705,960	656,482	2,010,670	1,434,740					14,129,665
1,678,129	1,475,281	704,764	193,622	9,201,340	1,423,940					16,774,047
60,855	-	-	-	247,500	109,433					841,027
1,108,024	164,885	-	-	886,310	1,154,509					5,031,166
<u>102,090</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>187,368</u>	<u>77,100</u>					<u>366,558</u>
<u>4,567,982</u>	<u>2,659,960</u>	<u>1,410,724</u>	<u>850,104</u>	<u>12,533,188</u>	<u>4,199,722</u>					<u>37,142,463</u>
<u>(3,912,667)</u>	<u>(1,746,261)</u>	<u>(257,646)</u>	<u>(491,023)</u>	<u>4,736,948</u>	<u>2,364,122</u>					<u>4,839,740</u>

THE CORPORATION OF THE CITY OF NELSON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2014

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>2014</u>
Budget surplus per Consolidated Statement of Operations	\$ 4,724,129
Less: Capital expenditures	14,121,550
Debt principal repayments	1,076,259
Budgeted transfers to reserves	2,766,091
Add: Budgeted transfers from surplus and reserves	8,107,898
Amortization	5,081,873
Debt proceeds	<u>50,000</u>
Net annual budget	<u><u>\$ -</u></u>

21. Change in Community Works Fund classification

In 2014, the City of Nelson signed a new Community Works Fund agreement with the Federal Government. The new agreement removed many of the restrictive covenants that had required, under Canadian public sector accounting standards, recording any unused funds as deferred revenue at year end based. Therefore, in the current year the \$1,019,147 in unused Community works funds were recognized as revenue. To ensure these funds are tracked and these funds were set up as a reserve in the equity accounts under the title Community Works Fund.

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

Statistical Section

2014 Property Tax Exemptions (PTE)

Through the adoption of a bylaw, 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 2014 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 2014
Ascension Lutheran Church	1805 Silver King Rd	100% Land and Improvements not mandatory	1,976.98
Pentecostal Assemblies of Canada	623 Gordon Rd	100% land	268.54
Pentecostal Assemblies of Canada	1004 Third Street	100% land	278.37
Pentecostal Assemblies of Canada	1004 Third Street	100% land	278.37
The Salvation Army	601 Vernon St	50% building and 100% land	3,652.71
Eleos Centre Ministries	711 Tenth St	50% land	118.54
LDS Latter Day Saints Church	222 W. Richards	27% land	267.14
St John's Evangelical Lutheran Church	300 Silica St	100%	401.69
Nelson United Church	602 Silica St	100%	142.14
Synod Diocese of Kootenay	723 Ward St	100%	205.62
Evangelical Covenant Church	702 Stanley St	100%	111.52
Roman Catholic Church	813 Ward St	100%	130.62
St Joseph's School	523 Mill St	100%	432.59
First Baptist Church	611 Fifth St	100%	263.48
Jehovah's Witness	2121 Falls St	100%	446.63
Nelson & District Boy Scouts	310 Cedar St	100%	446.35
Nelson Curling Club	302 Cedar St	100%	14,827.37
Nelson Golf & Recreation Society	1123 W. Richards St	83% land and building	6,334.85
Nelson Rod & Gun Society	801 Railway St	100%	5,657.93
Nelson CARES Society	567 Ward St	65% land and building	3,031.11
Nelson CARES Society	805 Nelson Ave	100%	3,613.84
Nelson CARES Society	816 Vernon St	100%	4,080.84
West Kootenay Women's Assoc.	420 Mill St	100%	1,210.64
Nelson Kiwanis Society	624 Sixth Street	100%	5,371.07
Nelson Kiwanis Society	509 Gordon Road	100%	3,220.83
Kootenay Kids Society	312 Silica St	100%	3,695.77
Kootenay Kids Society	804 Stanley St	50% land and building	1,370.55
Nelson & District Museum	502 Vernon St	100%	2,940.05
Capitol Theatre Restoration Society	421 Victoria St	100%	8,011.48
Kalein Hospice Centre Society (Pac A)	402 West Richards St	50%	822.15
Kalein Hospice Centre Society (Pac B)	402 West Richards St	50%	1,459.09
Total			74,968.86

Statistical Section

The Corporation of the City of Nelson General Comparative Statistics As At December 31, 2014

MUNICIPAL GOVERNMENT:

1 Mayor and 6 Council Members
INCORPORATED MARCH 18, 1897

	2014	2013	2012	2011	2010	2009	2008	2007
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Population	9,804	9,804	9,804	9,804	9,923	9,923	9,923	9,914
Registered Voters	5,799	5,799	5,799	5,799	5,793	6,034	7,040	5,828
Area (HA)	1,802	1,802	1,802	1,802	1,802	1,802	1,347	1,347
No. Of Properties (Folios)	4,596	4,585	4,546	4,521	4,666	4,474	4,543	4,316

DESIGNATED LAND USE IN HA:

Residential	308.0	308.0	308.0	308.0	308.1	308.1	294.0	294.0
Agricultural	-	-	-	-	-	-	-	-
Commercial	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	65.5	65.5	78.4	78.4
Schools/Park/Greenbelt	124.0	124.0	124.0	124.0	123.8	123.8	119.4	119.4
Institutional	41.5	41.5	41.5	41.5	41.5	41.5	42.7	42.7
Transportation / Utilities	621.0	621.0	621.0	621.0	620.7	620.7	620.7	620.7
Crown Land	163.0	163.0	163.0	163.0	163.1	163.1	163.1	163.1

ROADS IN KM.:

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

SEWER LINES In KM.:

Sanitary	83.0	81.6*	81.6*	81.6*	80.0*	79.0*	79.0	79.0
Storm	58.0	55.8*	55.8*	55.8*	55.7*	56.0*	56.0	41.0

WATER LINES In KM.:

# Water Services	88.0	86.9*	86.9*	86.9*	87.6*	85.5*	87.0	78.7
# Hydrants	3,933	4,105	4,105	4,182	4,092	3,964	3,972	3,972

# Hydrants	327	326	326	326	326	324	318	312
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PARKS AREA (In HA):

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

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

Statistical Section

THE CORPORATION OF THE CITY OF NELSON Major Projects Program 2015 - 2019					
	2015	2016	2017	2018	2019
MAJOR PROJECTS:	\$	\$	\$	\$	\$
Information Services	405,900	154,000	219,000	99,000	849,000
City Owned Facilities/Buildings	1,079,500	426,500	125,000	305,000	4,128,000
Protective Services	75,850	47,000	155,000	-	-
Transportation Services	3,115,000	4,431,496	820,000	880,000	780,000
Recreation & Cultural Services	945,660	758,200	255,749	1,791,750	1,438,000
Equipment	1,175,000	720,000	840,000	910,000	1,500,000
Carbon Neutral Projects	10,314	-	-	-	-
Utilities					
Water	3,175,000	2,397,000	1,690,650	2,111,804	2,327,229
Sewer	1,225,000	1,887,000	1,580,600	848,966	974,189
Nelson Hydro	3,781,346	2,541,729	2,752,115	1,652,864	1,228,989
	14,988,570	13,340,925	8,418,114	8,579,384	13,201,407
SOURCE OF FUNDS:					
General operating	60,000	60,000	60,000	60,000	60,000
Water Rates	2,310,598	1,731,000	1,690,650	2,111,804	1,727,229
Sewer Rates	1,275,000	1,247,842	1,294,852	898,966	1,024,189
Nelson Hydro Rates	2,226,277	2,459,958	2,417,833	1,652,864	1,228,989
Utility Reserves	2,419,471	85,129	650,029	-	-
Other Reserves	4,070,910	2,593,700	2,224,750	2,700,750	3,556,920
Reserve Accounts and Other	1,546,000	305,000	55,000	50,000	50,000
Government Grants	-	4,172,496	-	1,005,000	1,354,080
Community Works Grants	1,080,314	100,000	-	100,000	200,000
Borrowing	-	588,000	25,000	-	4,000,000
	14,988,570	13,340,925	8,418,114	8,579,384	13,201,407



Statistical Section

The Corporation of the City of Nelson					
Summary of Long Term Debt (In \$ 000's)					
	2014	2013	2012	2011	2010
	Actual	Actual	Actual	Actual	Actual
Total Debt (\$ 000's)	\$ 18,831	\$ 19,911	\$ 19,684	\$ 14,642	\$ 18,324
Supported By:					
Selkirk College Lease	3,550	3,795	3,976	4,207	4,427
Property Tax	1,328	1,390	257	398	693
Water Utilities	963	1,018	1,068	1,119	1,168
Sewer Utilities	706	762	825	891	954
Nelson Hydro	6,816	7,085	7,339	1,434	3,628
Gas Franchise Lease Revenues	5,468	5,861	6,219	6,593	7,454
Debt Service Payments (\$000's)	\$ 1,700	\$ 1,746	\$ 1,923	\$ 2,943	\$ 2,031
Supported By:					
Long term lease	296.9	334.1	334.1	334.1	334.1
Property Tax	117.8	82.9	235.1	282.0	301.4
Water Rates	106.1	106.1	106.1	106.1	106.1
Sewer Rates	93.1	98.4	113.3	113.3	113.3
Nelson Hydro Rates	499.4	501.9	414.6	1,016.6	1,022.6
Gas Franchise Lease Revenue	586.9	622.9	720.0	1,090.4	153.4
Total Revenues (\$000's)	\$ 41,982	\$ 40,391	\$ 38,729	\$ 38,986	\$ 36,231
Long Term Debt as a					
Percentage of Total Revenue	4.05%	4.32%	4.97%	7.55%	5.61%



Statistical Section

THE CORPORATION OF THE CITY OF NELSON
 2014 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 2014
 Taxable Values**

Assessment for General Purposes	1,258,458,600	\$,160,800	1,085,800	211,300,800	1,780,400	\$6,845,000
Percentage of Taxable Values	79.76%	0.20%	0.07%	13.61%	0.12%	6.24%
General Tax Levy by Class	\$ 5,434,434	\$ 97,312	\$ 8,774	\$ 1,930,683	\$ 4,864	\$ 371,809
Percentage of General Taxation	69.25%	1.24%	0.11%	24.60%	0.06%	4.74%

**Analysis of 2014 Rates
 (Per \$1,000)**

General	\$4.3931	\$30.7851	\$8.0809	\$9.1475	\$2.7166	\$3.8200
Debt	0.1242	0.8509	0.2161	0.2667	0.0924	
School	2.5462	13.6000	6.0000	6.0000	3.4000	13.6000
West Kootenay Boundary Regional Hosp	0.2913	1.0195	0.9904	0.7137	0.2913	1.0195
Regional District of Central Kootenay	1.7526	6.1341	5.9588	4.2939	1.7526	6.1341
B.C. Assessment Authority	0.0619	0.5115	0.1755	0.1755	0.0619	0.5115
Municipal Finance Authority	0.0002	0.0007	0.0007	0.0005	0.0002	0.0007
	\$9.1695	\$52.9029	\$21.4224	\$20.5978	\$8.3150	\$25.0859

Boundary Expen. Class 2 properties:

Library Service	0.3007
Police Tax - Area E	0.5514
Police Tax - Area F	0.5883
Police Tax - Area H	0.6940

NOTE:

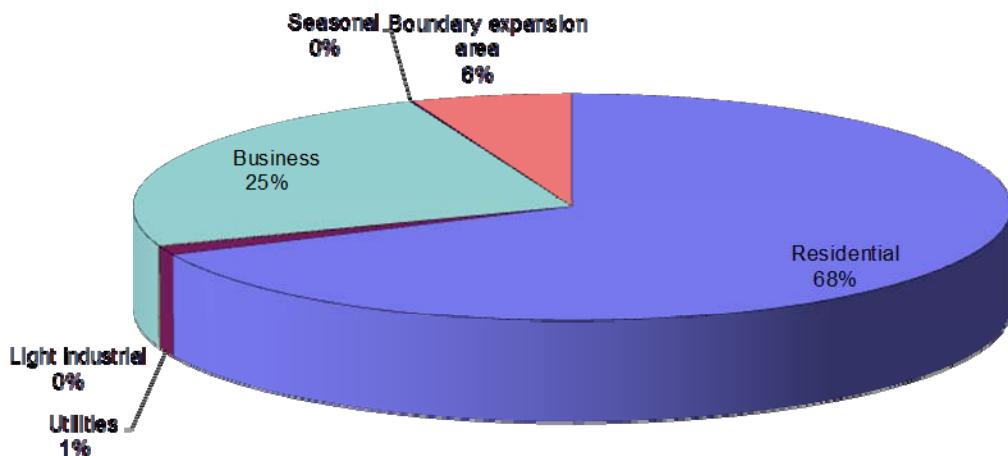
Properties are categorized into 9 different classes for assessment and taxation purposes. The City of Nelson has no properties within class 4 (Major Industry), 7 (Managed Forest Land) and 9 (Farm).

Statistical Section

Assessment/Taxation Comparative Statistics						
	2014	2013	2012	2011	2010	
Assessment for General Taxation						
Land	\$ 638,559,153	\$ 633,718,742	\$ 654,225,892	\$ 653,712,737	\$ 602,908,152	
Less: Exempt Land	76,458,728	75,985,544	75,997,301	72,838,400	72,992,421	
Net Land Assessment	562,100,425	557,733,198	578,228,591	580,874,337	529,915,731	
Improvements	1,335,576,353	1,335,924,902	1,325,191,452	1,304,014,452	1,302,573,102	
Less: Exempt Imp & Utils	344,955,772	350,880,856	348,258,899	341,532,230	345,234,179	
Net Improvement Assess	990,620,581	985,044,046	976,932,553	962,482,192	957,338,923	
Total Taxable Assessment	\$ 1,552,721,006	\$ 1,542,777,244	\$ 1,555,161,144	\$ 1,543,356,529	\$ 1,487,254,654	
Assessment for School Taxation						
Total Taxable Assessment	\$ 1,743,445,926	\$ 1,732,615,032	\$ 1,752,533,552	\$ 1,731,959,201	\$ 1,682,744,954	
Municipal Tax Rates (per \$1,000)						
Residential	\$ 4.5173	\$ 4.4219	\$ 4.1779	\$ 4.0443	\$ 4.1050	
Utilities	\$ 31.6370	\$ 30.3000	\$ 30.9165	\$ 29.9278	\$ 30.3739	
Industrial	\$ 8.2970	\$ 7.6951	\$ 7.5202	\$ 7.2797	\$ 7.3890	
Business	\$ 9.4142	\$ 9.4981	\$ 9.8515	\$ 10.1108	\$ 10.2626	
Seasonal	\$ 2.8090	\$ 3.2899	\$ 3.5763	\$ 3.4619	\$ 3.5139	
Boundary expansion area (class 2)	\$ 3.8200	\$ 3.9600	\$ 4.0000	\$ 3.9500	\$ 4.1000	
School Tax Rate (per \$1,000)						
Residential	\$ 2.5462	\$ 2.5587	\$ 2.4777	\$ 2.4644	\$ 2.5212	
Utilities	\$ 13.6000	\$ 14.0000	\$ 14.2000	\$ 14.1000	\$ 14.4000	
Industrial	\$ 3.0000	\$ 10.8000	\$ 6.4000	\$ 6.6000	\$ 6.8000	
Business	\$ 3.0000	\$ 3.2000	\$ 6.4000	\$ 6.6000	\$ 6.8000	
Seasonal	\$ 3.4000	\$ 3.4000	\$ 3.4000	\$ 3.4000	\$ 3.5000	
Residential Tax Rate (per \$1,000)						
General	\$ 4.3931	\$ 4.2992	\$ 4.0721	\$ 3.9377	\$ 3.9354	
Debt	\$ 0.1242	\$ 0.1227	\$ 0.1058	\$ 0.1086	\$ 0.1696	
Local School Levy	\$ 2.5462	\$ 2.5587	\$ 2.4777	\$ 2.4644	\$ 2.5212	
Regional Hospital	\$ 0.2913	\$ 0.3433	\$ 0.2106	\$ 0.2130	\$ 0.1824	
Regional District	\$ 1.7526	\$ 1.7623	\$ 1.4610	\$ 1.4426	\$ 1.4959	
Specified Area	\$ -	\$ -	\$ 0.1577	\$ 0.1746	\$ 0.1614	
Municipal Finance Authority	\$ 0.0002	\$ 0.0002	\$ 0.0002	\$ 0.0002	\$ 0.0002	
B. C. Assessment Authority	\$ 0.0619	\$ 0.0610	\$ 0.0599	\$ 0.0621	\$ 0.0684	
	\$ 9.1695	\$ 9.1474	\$ 8.5450	\$ 8.4012	\$ 8.5525	
Collection & Penalty						
Curr Yrs Levy & Penalties (Incl Sec 353)	\$ 21,736,541	\$ 21,968,392	\$ 20,660,864	\$ 19,993,042	\$ 19,866,248	
Per Capita	\$ 2,220.17	\$ 2,240.76	\$ 2,107.39	\$ 2,039.27	\$ 1,981.89	
Current Received	\$ 21,381,801	\$ 21,559,979	\$ 20,276,072	\$ 19,652,981	\$ 19,661,196	
Percent of Levy	98.23%	98.14%	98.15%	98.30%	99.97%	
Arrears/ Delinq. Collected	\$ 421,528	\$ 392,651	\$ 348,651	\$ 415,697	\$ 293,585	
Total Collected	\$ 21,803,329	\$ 21,952,630	\$ 20,626,723	\$ 20,068,658	\$ 19,954,731	
Percent of Current Levy	100.17%	99.93%	99.83%	100.38%	101.47%	
Total Arrears Outstanding	\$ 545,930	\$ 582,718	\$ 566,956	\$ 504,784	\$ 524,300	
Taxation Revenues (Municipal not incl debt)						
Residential	\$ 5,434,434	\$ 5,288,359	\$ 5,100,593	\$ 4,913,071	\$ 4,747,322	
Utilities	\$ 97,312	\$ 92,087	\$ 91,653	\$ 86,196	\$ 85,518	
Light industrial	\$ 8,774	\$ 8,628	\$ 8,431	\$ 10,835	\$ 10,517	
Business	\$ 1,930,683	\$ 1,894,578	\$ 1,839,119	\$ 1,771,048	\$ 1,730,295	
Seasonal	\$ 4,864	\$ 5,886	\$ 6,606	\$ 5,904	\$ 5,049	
Boundary expansion area	\$ 371,809	\$ 391,515	\$ 444,503	\$ 439,049	\$ 452,999	
	\$ 7,847,876	\$ 7,661,053	\$ 7,490,905	\$ 7,226,103	\$ 7,031,730	

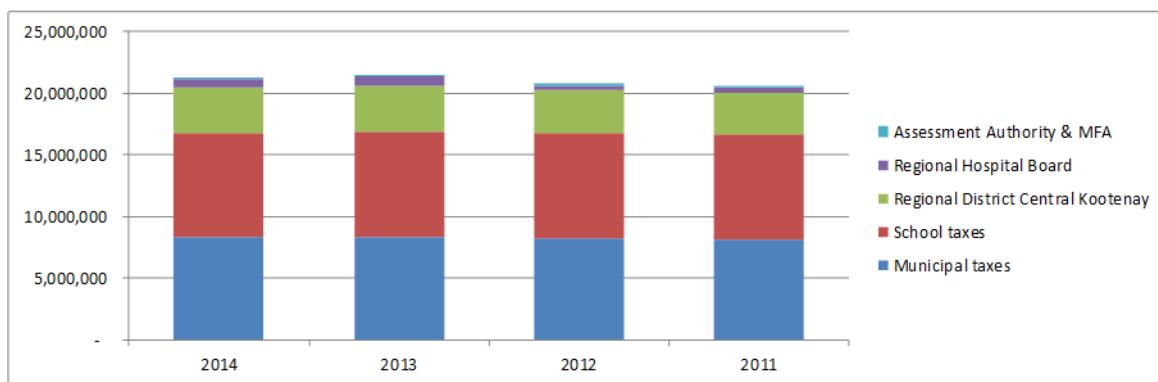
Statistical Section

Municipal Taxes by Property Classification



The Corporation of the City of Nelson Taxes Collected 2011- 2014

	2014	2013	2012	2011
Municipal taxes	8,395,711	8,299,835	8,197,678	8,159,893
School taxes	8,389,044	8,595,176	8,808,135	8,509,758
Regional District Central Kootenay	3,736,399	3,722,235	3,400,476	3,325,064
Regional Hospital Board	621,035	725,208	444,584	441,406
Assessment Authority & MFA	168,590	168,651	166,480	167,343

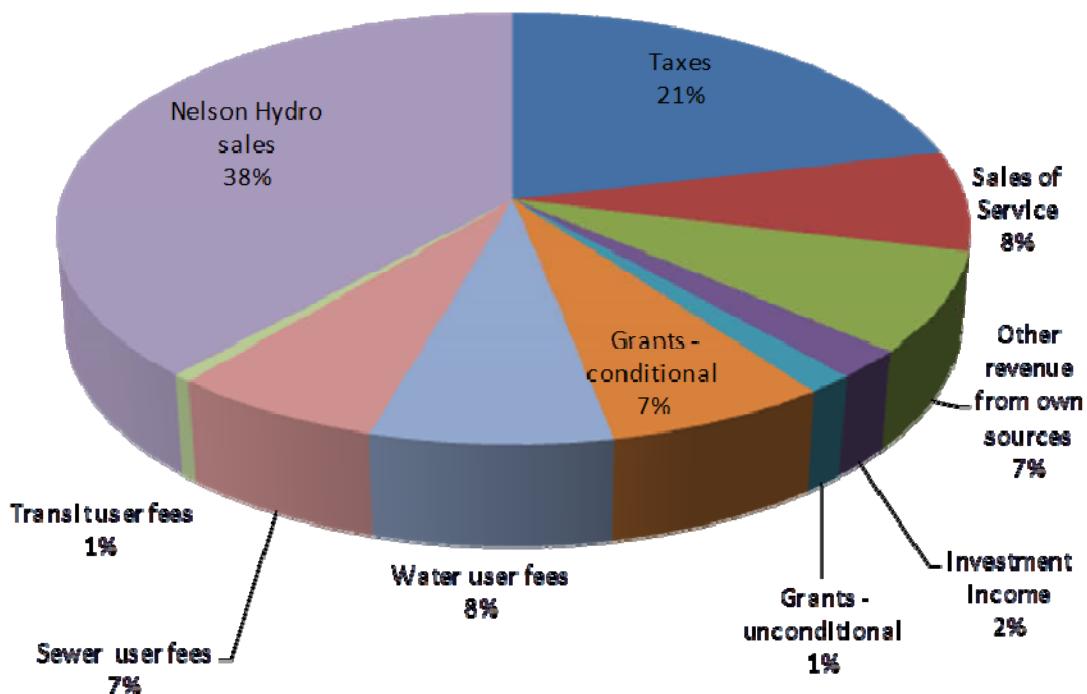


Statistical Section

CITY OF NELSON

2014 Operating Revenues

Taxes	8,957,572
Sales of Service	3,150,758
Other revenue from own sources	3,143,834
Investment Income	909,379
Grants - unconditional	604,325
Grants - conditional	2,916,556
Water user fees	3,164,808
Sewer user fees	2,782,927
Transit user fees	247,446
Nelson Hydro sales	16,104,798
	41,982,203

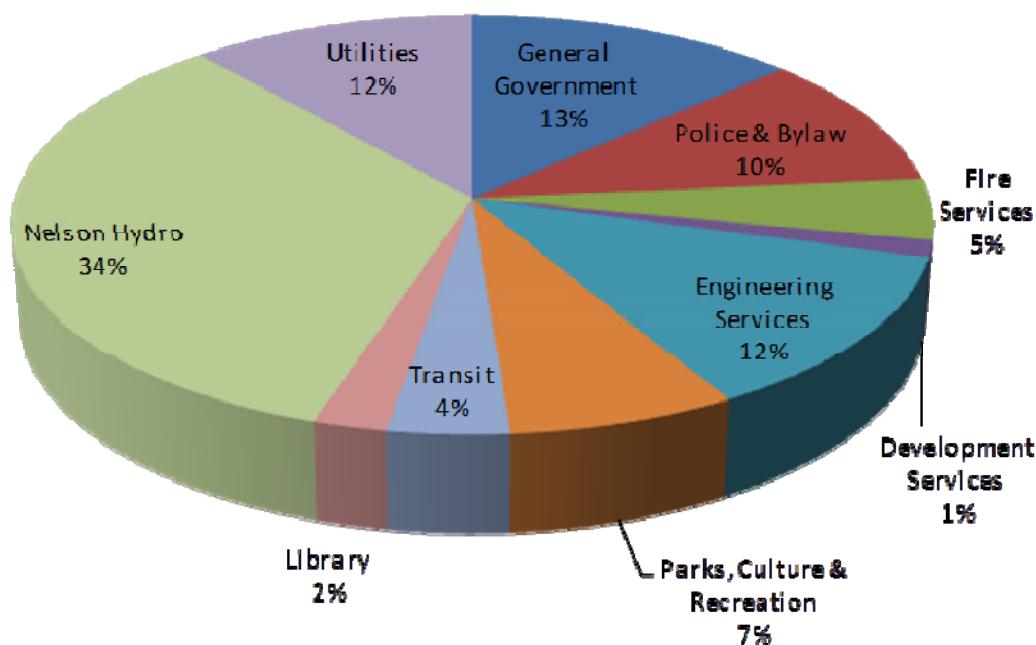


Statistical Section

CITY OF NELSON

2014 Operating Expenses

General Government	4,891,739
Police & Bylaw	3,826,704
Fire Services	1,736,902
Development Services	465,438
Engineering Services	4,567,982
Parks, Culture & Recreation	2,859,980
Transit	1,410,724
Library	850,104
Nelson Hydro	12,533,188
Utilities	4,199,722
	37,142,463



Statistical Section

CITY OF NELSON SUMMARY OF EXPENSES BY OBJECT AND FUNCTION FOR THE YEAR ENDED DECEMBER 31, 2014

	General Government	Police & Bylaw	Fire Services	Development Services	Engineering Services	Parks Culture & Recreation	Transit	Library	Nelson Hydro	Utilities	Total
Wages and benefits	1,221,714	2,222,201	1,432,617	264,163	1,016,884	1,016,784	702,000	620,482	2,010,870	1,424,740	14,129,881
Supplies and services	1,001,254	446,280	209,222	61,275	1,076,129	1,076,281	704,704	182,622	6,201,340	1,422,840	16,774,047
Interest and other debt charges	423,220	-	-	-	60,092	-	-	-	247,200	108,422	841,027
Amortization	1,003,212	86,163	86,743	-	1,106,824	104,000	-	-	898,210	1,154,200	6,031,106
Loss on disposal of assets	-	-	-	-	102,000	-	-	-	107,200	77,100	291,300
	4,891,739	3,826,704	1,736,902	465,438	4,567,982	2,659,960	1,410,724	850,104	12,533,188	4,199,722	37,142,463

