



nanaimo

2010 ANNUAL MUNICIPAL REPORT

"One of the most desirable, livable, small cities in North America"



Nestled between the mountains and the sea, Nanaimo is a 15 minute flight from downtown Vancouver or a 95 minute ferry ride. The economic hub of Vancouver Island, Nanaimo boasts both a vibrant business community and exceptional quality of life.

This welcoming community of 85,000 people is proud of its recreational facilities and community support, as well as the region's natural beauty.



Nanaimo boasts the largest artificial upright scuba diving reef in the world!

Nanaimo has the only remaining original Hudson's Bay Company bastion in North America situated in its downtown core. The Bastion received a major overhaul in 2010.



Nanaimo is home to the Great International World Championship Bathtub Race.

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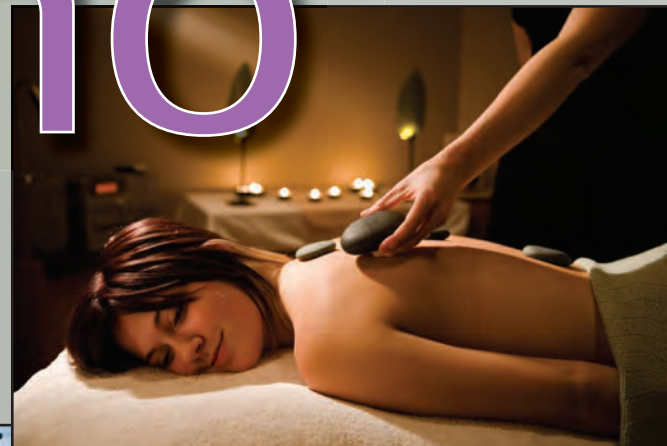
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nanaimo





Mayor John Ruttan

Mayor's remarks

On behalf of Nanaimo City Council and City staff, I am pleased to introduce the 2010 Annual Report for the City of Nanaimo.

2010 was an exciting year for those of us on the West Coast, as we were front row centre for the amazing Vancouver Olympic Games. Many Nanaimo residents were able to experience the Olympics first hand and others enjoyed the Games broadcasted live on our giant outdoor screen located in Diana Krall Square. The positive energy and sense of camaraderie generated by the Games was palpable, and I think we all felt some measure of pride and patriotism in the Game's success. The Vancouver Olympics was truly an inspiring event and a wonderful opportunity to promote British Columbia, and in particular, the West Coast beauty and lifestyle. I am sure we will see the legacy of the Games continue for years to come.

As Nanaimo continues to recover from the economic crisis, we must look for opportunities to promote business and encourage new industry. In 2010, with the support of Nanaimo City Council, I established the Nanaimo Economic Development Commission (NEDC) with the mandate of providing Council with feedback and advice on economic development and strategic planning issues and initiatives. The Commission is made up of highly respected community leaders representing various governmental, institutional and commercial interests. This "think tank" provides a diverse and informed perspective on the needs of the community. The Commission plans to work with economic development consultants to create an economic development strategic plan that will build a strong economy and a bright future for Nanaimo.

One of Council's priorities has been addressing the issue of homelessness in our City. To that end, we have continued to work with our partners at BC Housing and the non-profit sector, developing five projects encompassing 160 units of housing aimed at a range of citizens challenged by housing issues. We are targeting groups such as the homeless, the aboriginal off-reserve elderly, at-risk youth, and those with a mental illness or disability. It is anticipated it will take up to five years to complete all projects identified in the Homelessness Action Plan that will see social housing located throughout the City from the South end to the North.



Another Council priority for 2010 was the continuation of the Bowen Road upgrade/ Quarterway Bridge replacement. This project will see the replacement of the 72-year old, two-lane bridge with a new five-lane bridge, as well as the widening and realignment of a portion of Bowen Road. This important infrastructure project represents a major budget commitment from Council to improve the safety of this heavily travelled segment of arterial road.

Our community partners continue to develop critical economic generators. The Port of Nanaimo has continued work on its new cruise ship terminal to be completed in time to welcome the first cruise ship of the year in early May of 2011. The Nanaimo Airport Commission completed its runway expansion which will mean increased flight traffic for the future, including most twin-engine jet aircraft, which places Nanaimo as a potential gateway to Western Canada, the Pacific Northwest, and potentially, charter flights to sun destinations. The new \$10 Million Dollar terminal expansion and extensive parking upgrades clearly positions our airport for future growth.

Vancouver Island University, through the vision of its new 50-year campus master plan, will provide the necessary research that local industries need to evolve and grow to meet consumer demand. The anticipated growth of Vancouver Island University over the long-term has also led to the renovation and revitalization of the residential and commercial areas surrounding the campus. Vancouver Island University is a tremendous economic generator for the City of Nanaimo and a valued partner for the future of our community.

As with previous Annual Reports, the successes of the past year are the result of collaboration and commitment by Council, City staff, Advisory Committees, community partners and the residents of Nanaimo. My thanks to everyone for their involvement, and I extend an invitation to others to get involved. My office is open to our residents and the business community to discuss future goals and directions. All of our efforts will contribute to what makes Nanaimo one of the most desirable, livable small cities in North America.



From Left to Right:

*Councillor Fred Pattje
Councillor Diana Johnstone
The Late Councillor Larry McNabb
Councillor Bill Holdom
Mayor John Ruttan
Councillor Merv Unger
Councillor Bill Bestwick
Councillor Loyd Sherry
Councillor Jim Kipp*



24th Council of the City of Nanaimo

An elected Council comprised of a Mayor and eight Councillors governs the City of Nanaimo. Councillors are elected for three-year terms and each member of Council represents the City at large. The *Community Charter* gives 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 regularly scheduled Council meetings.

DECLARATIONS OF DISQUALIFIED COUNCIL MEMBERS:

No members of Council were disqualified in 2010.

Councillor Larry McNabb

The City of Nanaimo experienced a great loss to the community when Councillor Larry McNabb passed away on December 24.

Mayor John Ruttan commented: "Larry McNabb has contributed in so many ways to the City of Nanaimo through his steadfast dedication to improving City services and facilities. These included many of the facilities and much of the infrastructure that citizens of Nanaimo take for granted today. He will be greatly missed by the City because of his devotion to serve his fellow citizens and for having the courage to follow through with his convictions."



Mayor John Ruttan with The Late Councillor Larry McNabb, as the City of Nanaimo congratulates Larry on the award he received from the Union of British Columbia Municipalities for 25 years of continued service as a Councillor.

Councillor McNabb was elected as a City Councillor in 1985 and had recently received special commendation from the Union of BC Municipalities for 25 years of continued service as a Councillor. He was re-elected ten times. Councillor McNabb served on various Council Committees during his lengthy term on Council and was also the Vice-Chair of the Regional District of Nanaimo, the Chair of the Parks, Recreation & Culture Commission and a past Chair of the Greater Nanaimo Water District (now the Water Supply Advisory Committee).

A Saskatchewan native, Councillor McNabb is well known for his 15-year minor pro hockey career. He also had a highly successful stint as coach of BC Hockey League's Nanaimo Clippers, who won three straight league titles in the mid-1970s.



our vision

Nanaimo will be a community that respects people. It will hold neighbourhoods as the building blocks of the City. Nanaimo will be safe and supportive for people of all ages and all income levels. It will be an attractive place to live with the historic downtown core forming the 'heart' of the City. Change in the City will be based on the foundation of community participation. Nanaimo will be a community that respects and preserves the environment and one that is pedestrian friendly. It will be a City of social and economic opportunity that has a diverse economy and a wide range of social, recreational, cultural and artistic amenities and services.



our mission

The City's purpose is to preserve, protect and enhance the quality of life in Nanaimo through the facilitation of municipal services in an equitable, efficient and effective manner.

our objectives

cultivate responsible community development

Facilitate the involvement of and communication with all stakeholders to develop goals and objectives that are responsive to the changing requirements of the community.

Encourage a positive economic climate through the active promotion of the City, both within the community and beyond.

Ensure that development within the City safeguards the environment and protects and conserves Nanaimo's neighbourhoods and heritage resources.

promote a strong organization

Develop and retain a skilled motivated workforce that is responsive to the City's changing needs and has the tools and training to provide the highest quality service.

foster excellence in governance

Be accountable and accessible to the citizens of Nanaimo.

Provide stewardship of the City's assets, continuously seek efficiencies and process improvements.

provide quality infrastructure and municipal services

Sustain, improve and construct municipal infrastructure to meet the current and future needs of the community.

Maintain and improve a transportation network that enhances the livability and sustainability of the community.

Supply healthy drinking water for the City's residents and provide environmentally responsible municipal services.

build a safe, healthy and happy community

Ensure effective delivery of protective and regulatory services to provide a safe, secure and equitable community for residents and businesses.

Establish and maintain safe and accessible facilities, parks and open spaces for the enjoyment and well-being of the citizens and actively foster a healthy community.

Promote and enhance e-government, telecommunication and computing technologies.



nanaimo's official flower

Lotus pinnatus (or the Bog bird's-foot trefoil) was adopted by City Council as Nanaimo's floral emblem in 2010. It is a yellow and cream pea-like flowering perennial herb that grows from a thick taproot and short rhizome (underground stem). The sprawling to upright stem is hollow and grows 15-60 cm long.

Bog bird's-foot trefoil grows in open, seasonally wet meadows, along the margins of creeks, or in seepages where underground water comes to the surface. The species appears to require contact with cool, seeping water during the growing and blooming period. It grows in sites with shallow (<15 cm) soils, over gently sloping sandstone or conglomerate bedrock.

The Government of Canada's Committee on the Status of Endangered Wildlife in Canada (COSEWIC) reports there are five known sites for this rare flower in Canada - all near Nanaimo. Three of these sites are on Harewood Plains, one on Gabriola Island and one on Woodley Range near Ladysmith. There are just over 1800 plants in Canada in total, but 1500 of them are in Nanaimo on Harewood Plains (or 83% of the total Canadian population). Although the plant is red-listed in BC, it is not in danger globally.

City Manager's Office

The City Manager's Office serves Council in its determination of community priorities so that staff is continuously improving the services to its citizens.

The City Manager's Office serves Council directly and acts as the primary liaison between staff, the Mayor's Office and City Council. This office provides direction for staff recommendations to Council that reflect relevant facts, options and professional opinions pertaining to issues considered by Council and developing in society.

The City Manager's Office takes the lead role in managing the implementation of the policy direction which has been established by Council. The City Manager is the senior staff leader and accordingly, provides managerial leadership, control and direction to all City departments and operations.

The state of the economy, taxes and Council's stated desire for efficiency and effectiveness in all City operations continues to be a challenge for 2011. Implementing organizational and cultural changes required to move forward with the vision stated above is a big priority.



Vision:

"In two years we will have built positive relationships with our Council, community, unions and employees that allow for the City to deliver excellent services."

CITY MANAGER, AL KENNING

Specific Strategic Objectives

1. Improving Council, community, union and employee relationships.
2. Reviewing the organizational structure.
3. Realigning the organizational culture.
4. Positioning Council for strategic planning.
5. Ensuring continuous service and value improvements.
6. Continuing development of strategic partnership work with the Snuneymuxw First Nation, Port of Nanaimo, Regional District of Nanaimo and its participants, Vancouver Island University and School District No. 68.
7. Due to the aging workforce, retention and attraction of key personnel is an important issue which can be expected to develop further in 2011. Organizational morale is likely to be impacted due to economic uncertainty and rapidly changing operating environments. Building on significant efforts to date, Senior management is committed to continuing to make heightened awareness of health, wellness, environmental consciousness and operational safety major internal priorities for 2010.

The City Manager's Office continued its work with developing and implementing the strategic objectives identified in the City's 2009 Annual Municipal Report.

City staff's over-arching goal is to serve Council and the community. We are proud of our City and of our excellent staff complement. We look forward to continuing to provide excellent and committed professional public administration to Nanaimo.



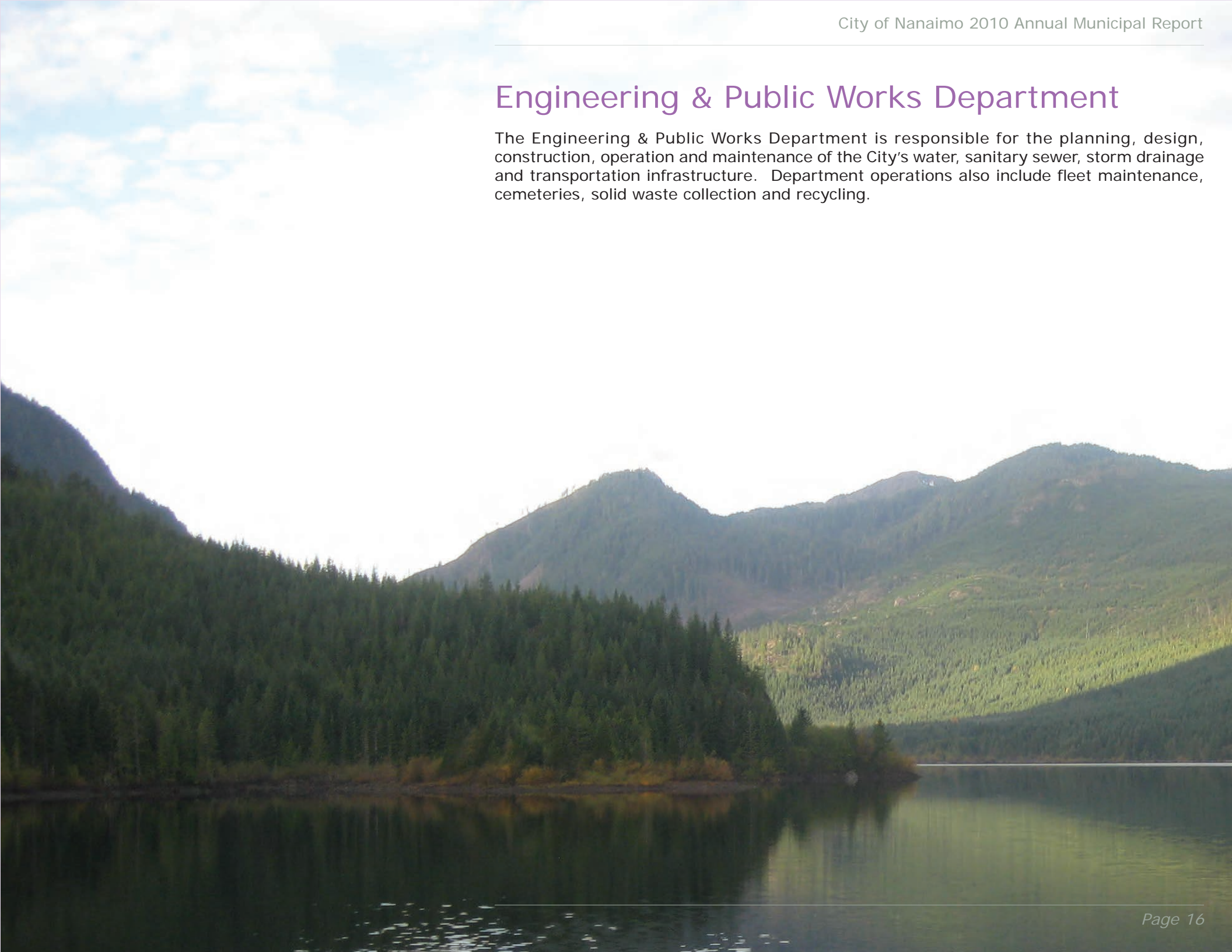
Community Services Division

Community Services is responsible for the well being and safety of all residents. There are three departments within the Community Services Division. These are: Engineering & Public Works Department; Parks, Recreation & Culture Department; and the Strategic Relations Department that includes Economic Development and Tourism Services.



Engineering & Public Works Department

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



future issues and trends

The ongoing challenge for the Engineering and Public Works Department is to manage City assets in an efficient, effective and sustainable manner while maintaining a level of service that meets the community's expectations.

TRANSPORTATION:

- Development of a Transportation Plan.
- Upgrades to the Northfield/Bowen/Boxwood Road intersections.
- Island Highway at Boundary and Northfield interim improvements - review of options and public consultation.

SANITARY SEWER:

- Complete the Millstone Sewer Trunk Lateral Study to determine improvements required for future development.

WATER:

- Continue with the design of the South Fork Water Treatment Plant, with operation targeted for Spring 2015.

SANITATION AND SOLID WASTE:

- To complete City-wide implementation of the Kitchen Waste Recycling Program by the end of 2011.

GEOGRAPHIC INFORMATION SYSTEM (GIS):

- Meet the continued demand for digital data and mobile solutions driven by fast moving technological advances in GIS software and other tools.
- Decrease demand for paper products like maps and standards documents which have been replaced by digital technology and a demand for digital data accessible to a large audience over the internet.
- Make more information available on the web, for example the City Orthophoto Download.

The first phase of the Council approved City-wide expansion of residential kitchen waste service took place October, 2010. One third of the City's collection routes received **Green Bins** - some 8,000 households. Planning, coordination and implementation involved private sector and other levels of government, in addition to the development of equipment and materials needed.

Household diversion to composting averaged 47% with total organics collected and diverted amounting to 312.5 tonnes.

Excluding organics, the 2010 overall diversion of recycled materials is 44.9% including curbside pickup and drop off at the Nanaimo Recycling Exchange.



Engineering - 2010 Performance

| OBJECTIVE | STRATEGY | MEASURE | RESULTS |
|--|---|--|--|
| Provide timely and appropriate programs, services and responses to customer needs. | Complete Safer School Travel Program for all schools. | Number of Safer School Travel Programs completed. TARGET: Complete one school a year, based on priority order. | No schools opted to develop a School Travel Plan and no City resources were dedicated to the program as a result. |
| Sustain, improve, construct and maintain, in a cost effective and efficient manner, all municipal infrastructures to meet the current and future needs of the community. | Conduct Infrastructure Investigation and Condition Assessment Programs to evaluate infrastructure for condition and needs. | Number of kms covered in Annual Condition Assessment Survey of critical sanitary sewer pipes. TARGET: 12 kms. | Completed Condition Assessment Survey for 15.5 kms of sanitary sewer. |
| | Replace aging infrastructure in concert with annual Road Rehab Program for efficiency and maximum benefit for investment. | Underground works completed ahead of resurfacing in association with annual Road Rehab Program. TARGET: Complete all works. | 100% of works completed. |
| Design all municipal infrastructure needs considering input from all stakeholders. | Design infrastructure replacements, expansions and new works well in advance of construction to give sufficient time to consider all input. | Number of designs of capital utilities and road projects completed two years in advance of construction. TARGET: Complete design for all 2011 & 2012 capital projects by December 2010. | <ul style="list-style-type: none"> 80% of designs completed two years in advance. 20% not completed due to staffing shortages and unplanned design work required due to several infrastructure failures during the year. |
| Maintain and improve a transportation network that enhances the safety, livability and sustainability of the community. | Plan and design the transportation network for the longer term to enhance safety, livability and sustainability. | Update Sidewalk Program. | Updated the sidewalk evaluation methodology used to prioritize sidewalk infill projects. |
| | Facilitate neighbourhood safety initiatives to improve the inherent safety of the road infrastructure. | Facilitate neighbourhood safety plans and implement solutions. TARGET: 1 Road Safety Plan and 1 Traffic Calming Project. | Brechin Hill Traffic Calming completed in Spring 2010. |
| | Construct and maintain the infrastructure associated with major and local roads through replacement and rehabilitation. | Complete 95% of the roads within the Annual Road Rehab Program and complete all roads projects in the Capital Plan under the Annual Construction Program. | Completed 25% (1 of 4) road projects listed in the Capital Plan. <ul style="list-style-type: none"> Hammond Bay/Friar Tuck completed. Boundary/Northfield: Design delayed. Under review with Ministry of Transportation. Bowen/Quarterway: Construction delayed to 2011 due to design and land acquisition issues. Northfield/Boxwood: Design delayed by staff shortage and land acquisition issues. |
| | Construct sidewalks focusing on walking routes close to schools and along major pedestrian corridors. | Length of new sidewalks constructed. TARGET: 2 kms. | 1.9 kms of new sidewalks constructed: 1.5 kms with sidewalk program, and 0.4 kms with Hammond Bay 0.4 kms of existing sidewalk removed. Net gain of 1.5 kms. |

Engineering - 2010 Performance

| OBJECTIVE | STRATEGY | MEASURE | RESULTS |
|---|---|---|--|
| Sustain and improve the service life of utilities infrastructure to meet the current and future needs of the community. | Plan for long-term development, upgrading and maintenance of the sanitary sewer system. | Update the Millstone Trunk Sanitary Sewer Study. | Request for Proposals and Terms of Reference issued Dec 22, 2010 to 3 selected consultants. <ul style="list-style-type: none"> • Study will be done in 2011. • Slow to proceed because of staffing issues. |
|  | Upgrade, improve and maintain the water distribution system level of service and strengthen the grid through extension, replacement and rehabilitation. | Complete all watermain projects in the Annual Capital Plan - subject to adjustment for other priorities. | Completed 75% (13 of 17) water distribution projects: <ul style="list-style-type: none"> • Blythe: Constructed in 2009, but budgeted in 2010. • Hammond Bay/Place: Land issue; no design. • College/Camosun: Related to development; did not proceed. • Western Acres: Design completed for 2011. |
| | Upgrade, improve and maintain the sanitary sewer collection system through extension, replacement and rehabilitation. | Complete all sanitary sewer projects in the Annual Capital Plan - subject to adjustment for other priorities. | Completed 75% (7 of 10) sanitary projects: <ul style="list-style-type: none"> • Garner: Development related; did not proceed. • Millstone Trunk: Will construct in 2011 with the Bowen Project. • Stewart: 50% complete (relining). Open cut in 2011. • Bowen: 2010/11 Project. Siphon (2010) complete. Will construct remainder in 2011 with the Bowen Project. |
| | Upgrade, improve and maintain the storm sewer collection system through extension, replacement and rehabilitation. | Complete all storm sewer projects in the Annual Construction Program within the Annual Capital Plan - subject to adjustment for other priorities. | Completed 100% of storm projects. <ul style="list-style-type: none"> • Wall: Storm replaced with Porter culverts due to infrastructure failure. • Minor work remaining on Metral for 2011. |
| Improve accuracy of and ease of access to infrastructure records. | Utilize CAD and GIS technology to improve the accuracy of underground infrastructure location information. This will allow for increased public safety and better underground management. | Achieve interoperability of CAD to GIS based on revised CAD standards suited to use of Auto CAD CIVIL 3D software. TARGET: Achieve interoperability by the end of the year. | GIS is able to directly ingest and provide back all CAD-based layers defined by the CAD standards. |

Engineering - 2010 Performance

| OBJECTIVE | STRATEGY | MEASURE | RESULTS |
|---|---|--|---|
| Utilize GIS and GIS-based technologies to improve information, analysis and subsequent decisions, aimed at improving internal and public services and products. | Provide accurate and efficient information that contributes to a stable and effective GIS program that facilitates easy access to available geospatial data, enabling visualization of the City's land parcels. | Complete and maintain a coordinated legal land base map within 10 cm accuracy. TARGET: Refine the legal plan process. | Completed a coordinated legal plan base map and refined the legal plan process to better reflect the cadastral land base. |
| | | Complete enhancements to the cadastral base including easement and posting plan layers. TARGET: Complete for all corrected parcels. | Completed easement and posting plan layers for improved management of the cadastral land base. |
| | Provide an accurate and efficient digital geospatial infrastructure information system that allows for the management and analysis of all infrastructure services. | Collect appropriate remote sensing data (Orthophoto and related) to support operations and utilities data. TARGET: Follow and refine the process to collect remote sensing data for the City. | 2012 Orthophoto program pre-planning underway with pilot programs. |
| | | Complete storm water update in the GIS. TARGET: Update storm water model. | Ongoing program has been expanded and is now integral to the utilities update program. |
| | Proactively provide technology and staff to support, distribute and maintain geographic information for a variety of City needs. | Provide software, training and support for the design and infrastructure planning group. TARGET: Provide enhanced munsys and mapping capabilities for both groups. | Software to access GIS data in place, all GIS data sets available in a variety of CAD and planning formats. |
| | | <ul style="list-style-type: none"> • Support Parks, Recreation & Culture Tree Inventory Project. • Update signage process to include streetlights. | <ul style="list-style-type: none"> • Completed a program with the Parks Department to enable a GIS-based tree inventory. • Integrated streetlights and road markings into existing signage database system and upgraded system. |
| | Provide education in the development and use of geographically referenced databases GIS systems. | Host GIS forums in-house for GIS users. TARGET: Complete two in-house sessions per year. | Informational and targeted GIS forums completed. |



Engineering - 2011 & 2012 Objectives

| OBJECTIVE | STRATEGY | MEASURE |
|--|---|---|
| Sustain, improve, construct and maintain, in a cost-effective and efficient manner, all municipal infrastructures to meet the current and future needs of the community. Design all municipal infrastructure needs considering input from all stakeholders. | Conduct Infrastructure Investigation and Condition Assessment Programs to evaluate infrastructure for condition and needs. | Number of kms covered in Annual Condition Assessment Survey of critical sanitary sewer pipes. TARGET: 12 kms. |
| | Replace aging infrastructure in concert with annual Road Rehab Program for efficiency and maximum benefit for investment. | Underground works completed ahead of resurfacing in association with annual Road Rehab Program. TARGET: Complete all works. |
| | Design infrastructure replacements, expansions and new works well in advance of construction to give sufficient time to consider all timely input. | Designs of capital utilities and road projects completed two years in advance of construction. TARGET: Complete design for all Capital Projects scheduled in the following two years by the end of the current year. |
| Maintain and improve a transportation network that enhances the safety, livability and sustainability of the community. | Utilize CAD and GIS technology to improve the accuracy of underground infrastructure location information. This will allow for increased public safety and better underground management. | Review and monitor CAD Standards for CAD-GIS interoperability and efficiency. Alter CAD Standards accordingly. |
| | Plan and design the transportation network for the longer term to enhance safety, livability and sustainability. | Maintain traffic/transportation programs to support technically based decision making in the planning of the transportation network. TARGET: Update one of the programs annually. |
| | Facilitate neighbourhood safety initiatives to improve the inherent safety of the road infrastructure. | Facilitate neighbourhood safety plans and implement solutions. TARGET: Implement one neighbourhood safety project annually. |
| | Construct and maintain the infrastructure associated with major and local roads through replacement and rehabilitation. | Complete 95% of the roads within the annual Road Rehab Program and complete all roads projects in the Capital Plan under the Annual Construction Program. |
| | Construct sidewalks focusing on walking routes close to schools and along major pedestrian corridors. | Length of new sidewalks constructed. TARGET: 2 kms. |

Engineering - 2011 & 2012 Objectives

| OBJECTIVE | STRATEGY | MEASURE |
|---|--|--|
| Sustain and improve the service life of utilities infrastructure to meet the current and future needs of the community. | Plan for long-term development, upgrading and maintenance of the sanitary sewer system. | Update Sanitary Sewer Studies for all sewer catchment areas. TARGET: One study per year. |
| | Upgrade, improve and maintain the water distribution system level of service and strengthen the grid through extension, replacement and rehabilitation. | Complete all watermain projects in the Annual Capital Plan - subject to adjustment for other priorities. |
| | Upgrade, improve and maintain the sanitary sewer collection system through extension, replacement and rehabilitation. | Complete all sanitary sewer projects in the Annual Capital Plan - subject to adjustment for other priorities. |
| | Upgrade, improve and maintain the storm sewer collection system through extension, replacement and rehabilitation. | Complete all storm sewer projects in the Annual Construction Program within the Annual Capital Plan - subject to adjustment for other priorities. |
| Utilize GIS and GIS-based technologies to improve information, analysis and subsequent decisions, aimed at improving internal and public services and products. | Provide accurate and efficient information that contributes to a stable and effective GIS program. | Provide new data set for waterways and publish via MapGuide. |
| | Provide an accurate and efficient digital geospatial infrastructure information system that allows for the management and analysis of all infrastructure services. | Utilities Construction Program. TARGET: Complete 20% each year. |
| | Provide applications that give value to the department in the management and visualization of information. | <ul style="list-style-type: none"> • Continue to work with field crews to build a complete inventory of assets. • Continue to develop conditional assessment tools and methods. • Support the management of maintenance requirements. • Continue and expand on the current reporting of asset inventory and condition. TARGET: Complete rollout of mobile applications for water crew. |
| | Proactively provide technology and staff to support, distribute and maintain geographic information for a variety of City needs. | Implement new GIS server model. TARGET: Complete new data models for update. |
| | Provide education in the development and use of geographically referenced databases GIS systems. | Continue to provide a current, educational and informative internal GIS SharePoint site. TARGET: Check and update all published information. |

Engineering - additional 2012 Objectives

| OBJECTIVE | STRATEGY | MEASURE |
|---|--|---|
| Utilize GIS and GIS-based technologies to improve information, analysis and subsequent decisions, aimed at improving internal and public services and products. | Support decision makers at all levels with access to accurate information. | Develop and maintain a meta data system and publish new 2012 orthophotos on MapGuide. |
| | Maintain up-to-date information on assets and infrastructure. | Complete Utilities Correction Program. |
| | Promote and support the use of technology to enable an efficient and effective business process. | Complete one inventory/conditional assessment mobile solution for Public Works. |
| | Provide customized mapping, analysis and reporting solutions for customers. | Facilitate all mapping requests and develop efficiencies. |
| | Continue to develop and implement data standards for customers. | Partner with Infrastructure Planning for storm water modelling. |
| | Administer program in a cost effective and secure manner. | Continue to support the development of the new ESI platform. |

Engineering is responsible for the provision of technical services, design, engineering drawings, surveying services, engineering studies and transportation planning.

Both current and long-range requirements are considered to facilitate the effective use of resources as required to support City Departments, Council, Administration and the growth and development objectives of the City of Nanaimo. Engineering also ensures all municipal infrastructure meets the needs and standards of the community.





Reservoir No. 8 under construction

Public Works - 2010 Performance

| OBJECTIVE | STRATEGY | MEASURE | RESULTS |
|---|---|--|---|
| Provide communication and support to the public, City staff, and other governmental agencies. | Provide 24/7 support services information and emergency response coverage. | Number of work orders generated annually. | 6,182 work orders were generated in 2010, up from 5,835 in 2009. 308 work orders remain active. |
| Provide sanitation and solid waste services to maintain a healthy and clean City. | Maintain City roadways and public lands through regularly scheduled sanitation services. | Percentage of City streets swept a minimum of 2 times per year. (High use streets swept on a more frequent basis). TARGET: 100% | <ul style="list-style-type: none"> 97% of the standard program completed twice. Staffing, weather and equipment issues resulted in the shortfall. Spring SNIC cleanup - complete. Fall leaf sweeping program for curb and gutter related to drainage complete. Downtown sweeping of sidewalks (year 2) produced good results and positive feedback. |
| | Provide an efficient system to handle the regularly scheduled collection of household refuse, kitchen waste and recyclables. | Total tonnes of recyclable waste collected and diverted from the landfill compared to prior year. | Diverted 6,376 tonnes of recyclable waste from the landfill. 2010 total diversion was 44.93% compared to 43.17% in 2009. |
| | | Total tonnes of organic waste collected through Green Bin Program and diverted from the landfill. | Program expanded beyond a single route pilot area in October to include 10 of the 30 collection routes. Over the year, diversion to composting ranged between 51% and 42% monthly. Monthly average - 47% of what was previously garbage. Total organics collected = 312.5 tonnes. Avg Nov/Dec = 83 tonnes/month. |
| | | Average number of kgs of garbage collected per household per month compared to prior year. | Per residence, per month: 2010: 26.0 garbage & 12.3 recyclables 2009: 26.1 garbage & 11.9 recyclables |
| | Educate the public regarding alternative waste disposal methods by providing recycling information on the City website and through the biannual recycling newsletter. | Change in number of households served by the programs and services. | Year end total was 25,201 residences, an increase of 332 new households in 2010. |
| | | Number of biannual recycling newsletters distributed. | 2 newsletters were produced and delivered on schedule. A total of 72,465 newsletters were mailed to clients. |
| Provide and maintain an effective waste water (storm and sanitary sewer) collection system. | Respond to all emergency inquiries from the public within 24 hours. | Number of storm and sanitary sewer emergency inquiries received and percentage responded to within 24 hours. | Responded to 867 storm sewer calls and 491 sanitary sewer calls for service. Responded to 12 emergency sanitary sewer backups. Responded to 100% of emergency calls. |

Public Works - 2010 Performance

| OBJECTIVE | STRATEGY | MEASURE | RESULTS |
|---|---|---|---|
| Maintain and improve a transportation network that enhances the safety, livability and sustainability of the community. | Develop and implement a 5-year plan for the resurfacing of local and major roads. | Percentage of roads paved within the annual Road Rehabilitation Program. | 90% of work completed, but spent 100% of the budget due to an increase in costs. |
| | Develop and prioritize locations through consultation with the CNIB to install audible signals at one priority intersection per year. | Number of audible signal installations. | 2010 project identified the intersection at Uplands and Oliver Road to install audible infrastructure for sight impaired. The project was completed. |
| Manage and maintain a waterworks system that supplies sufficient amounts of healthy potable water to the City of Nanaimo. | Conduct a rigorous water sample testing program to ensure the City of Nanaimo's water quality meets the Canadian Drinking Water Guidelines. | Percentage of water sample tests that meet the Canadian Drinking Water Guidelines. | 100% of water samples met the Canadian Drinking Water Guidelines. All sampling indicated zero bacteriological contamination. Increased sampling program for water treatment planning. |
| | Respond to all emergency inquiries from the public within 24 hours. | Number of water inquiries received and percentage responded to within 24 hours. | 2,055 water calls for service completed. Responded to 13 watermain breaks and to 100% of emergency calls. |
| | Provide educational sessions at City schools to educate the public on water supply and promote water conservation. | Number of educational sessions held. | Held 10 educational sessions. |
| Maintain and provide cemetery services and cemetery grounds in a safe and aesthetic manner. | Manage cemetery grounds, services and maintenance contract to ensure specified standards are met and the cemeteries are well maintained in an aesthetic manner. | Condition of cemetery grounds throughout the year maintained per contract specifications and services are provided on time and on schedule. | Contract service with new contractor consistently met service levels and required standards. Improvement over previous contractor noted. Tried a different approach to accomplish annual re-leveling program, to be evaluated in Spring 2011. |
| | Provide cemetery security to minimize incidents of vandalism. | Number of incidents of vandalism and average repair costs per incident. | No recognized security or vandalism issues of note. |
| | Provide burial site services in consort with needs of clients and Funeral Service Providers. | Number of burials. Number of cremations. Number of headstone markers installed. | 16 burials. 56 cremations. 53 marker installations. |
| Maintain a safe and cost effective fleet of vehicles for City of Nanaimo staff. | Complete provincially mandated commercial vehicle inspections by due date each year. | Percentage of commercial vehicles inspected by due date. | 100% of vehicles were inspected and passed on time. |
| | Repair fleet vehicles in an effective manner. | Number of vehicles put out of service due to failed inspection. | No vehicles were put out of service. Any repairs required were completed before the CVIP decal was issued. |

2011 & 2012 Objectives remain unchanged

Parks, Recreation & Culture Department

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



department highlights

The City of Nanaimo Parks, Recreation and Culture Department accomplished many achievements over the course of 2010. Some key highlights were:

- The completion of phase one of the Beban Park Redevelopment Project which included the following facility upgrades: new subfloor in Frank Crane Arena, redesigned entrance and lobby in both Frank Crane Arena and the Social Centre, installation of an elevator in the Frank Crane Arena making the arena barrier free, improved energy efficiency, new Social Centre roof, and improved way-finding signage. The project was funded in part through \$1 Million of federal funding received as a result of a successful application to the Canada Action Plan RinC Grant Program.





department highlights - continued

- The Nanaimo Aquatic Centre hosted the 2010 Masters Nationals which involved 650 swimmers from across Canada, ranging in age from 19-91.
- In November, 2010 the Nanaimo Aquatic Centre also hosted the BC High School Provincials, with over 1,000 swimmers from across the province attending.
- 34,000 participants took part in registered programs, which equates to about 40% of our community.
- A new automated shift call out program was tested in the Aquatic division. This feature allows for greater efficiencies in shift coverage.
- The City of Nanaimo increased its social media presence in 2010. Our efforts attracted the attention of the Learning Resources Network (LERN), who featured the City of Nanaimo's social media strategy in its "Recreation Success with e-Marketing and Social Networks" webinar. Since then, we have also been featured by the BC Recreation and Parks Association (BCRPA) and have accepted numerous invitations to speak about our involvement with social media at conferences and events within British Columbia.

department highlights - continued

- A total of \$32,665 in Arts, Cultural, Events and Festivals Grants was awarded to 20 events.
- A total of \$174,141 in Cultural Operating Grants was awarded to 17 cultural organizations.
- 2009 Cultural Awards were presented to David Gogo (Excellence in Culture) and Holly Bright (Honour in Culture).
- Community Plan for Public Art (A Cultural Capital of Canada Legacy Project) was adopted by Commission and Council.
- The City partnered with the Nanaimo Art Gallery to launch a Temporary Public Art Program in the City's waterfront parks.
- The 2010 Nanaimo Cultural Forum included a session on the mandate and structure of the Cultural Committee. This resulted in some key changes in the Cultural Committee mandate and structure, including an additional member from the Commission, increasing their representation to 4 from 3.
- A grant was received from Tourism Vancouver Island to produce an "Arts, Culture and Heritage Guide" for Nanaimo.



department highlights - continued

- In September, the Department hosted the first City River's Day Celebration at Bowen Park. Over 200 people attended the event and learned about the importance of the protection of our urban waterways.
- 78 youth participated in youth leadership programs (Junior Leaders in Training, Leaders in Training, and Quest). The participants provided the equivalent of 10,000 community volunteer hours at various community events and projects.
- Harbour City Seniors Membership reached a total of 5,106 members and the department offered a total of 12,600 hours of programs geared specifically for seniors.
- 95 special needs campers took part in 'Camp Sunsation'.
- The newly acquired section of Neck Point Park saw some major improvements including trails, stairs, railing, re-vegetation of native species, and an information kiosk.
- New trail access at Witchcraft Lake was created in partnership with the Regional District. The new access allows residents to use a floating boardwalk built across the lake.
- The Altrusa Playground at Beban Park, one of Nanaimo's most popular playgrounds, received a major upgrade with new surfacing and the installation of one of Vancouver Island's largest climbing structures.



Parks, Recreation & Culture - 2010 Performance

| OBJECTIVE | STRATEGY | MEASURE | RESULTS |
|--|---|---|---------|
| Each Parks, Recreation & Culture service area strives to achieve as many of the following Department goals as possible: | Provide arena services that encourage strong community participation. | Number of admissions to public skating sessions. 2010 TARGET: 37,500 2011 TARGET: 38,500 | 38,746 |
| | | Number of hours allocated to City arena facilities. 2010 TARGET: 13,000 2011 TARGET: 13,000 | 12,044 |
| | | Number of registrations in arena programs. 2010 TARGET: 5,500. 2011 TARGET: 5,500 | 4,996 |
| <i>To be aware of the developing leisure requirements of the community.</i> | Provide aquatic services that encourage strong community participation. | Number of admissions to swim and fitness facilities. 2010 TARGET: 500,000 2011 TARGET: 500,000 | 598,654 |
| <i>To be innovative and responsive in leading or facilitating the delivery of services that meet the needs of the community.</i> | | Number of hours allocated to City aquatic facilities. 2010 TARGET: 9,500 2011 TARGET: 9,500 | 10,010 |
| | | Number of registrations in aquatic and fitness programs. 2010 TARGET: 4,500 2011 TARGET: 3,800 | 4,020 |
| <i>To provide services and facilities that are safe, accessible and fun.</i> | Provide recreation and culture services that encourage strong community participation. | Number of registrations in recreation and cultural programs. 2010 TARGET: 35,500 2011 TARGET: 38,000 | 37,111 |
| <i>To be active in fostering Nanaimo as a healthy community.</i> | | Number of hours allocated to Beban Social Centre. 2010 TARGET: 19,000 2011 TARGET: 19,000 | 16,465 |
| | | Number of hours allocated to Bowen Social Centre. 2010 TARGET: 30,000 2011 TARGET: 30,000 | 27,000 |
| <i>To market our services, facilities, parks and open spaces to Nanaimo residents and then to visitors.</i> | Maintain a system of parks, trails and open spaces that encourage strong community participation. | Number of hours allocated to Oliver Woods Community Centre. 2010 TARGET: 14,000 2011 TARGET: 14,500 | 13,893 |
| <i>To seek efficiencies that maximize taxpayer benefit and to maintain a net operating cost that meets the City's 5-Year Financial Plan.</i> | | Cost per kilometre to maintain the trail system. 2010 TARGET: <\$3,000/ha | \$3,100 |
| | | Cost per hectare to maintain City park areas. 2010 TARGET: <\$6,000/ha | \$4,914 |
| | | Number of hours allocated to community sports fields. 2010 TARGET: 28,000 | 24,574 |

2011 & 2012 Objectives remain unchanged

future issues and trends

Nanaimo's population growth has implications for all City departments. For the Parks, Recreation and Culture Department, these demands will take the form of increased use of facilities, parks and trails system infrastructure, program development and scheduling. An example of how the Department is preparing for this growth is the establishment of the Beban Park Redevelopment Plan for the facilities that is to be used as a foundation for future renovations.

Current census figures indicate that Nanaimo's median age is 42 and that the 0-15 age bracket makes up 15% of the current population. These two groups have different needs as they relate to parks, recreation and culture services. Baby boomers are seeking safer versions of adventure activities and opportunities to pursue personal interests such as cooking or learning new languages. For the younger set, low cost, spontaneous, individual and less structured activities are becoming increasingly popular. This trend is reflected by the growing attendance at drop in sport sessions at Oliver Woods Community Centre.

For those in the workforce, available leisure time is becoming more condensed. The Department is striving to reach out to this group, which typically consists of dual income families looking to spend quality time as a family in active settings. More drop-in family sessions and scheduling of individual programs that occur concurrently to meet the needs of all family members are being developed. A large segment of this population use social media platforms such as Facebook, hence the department has focused considerable efforts on using these platforms as a method of communication.

An increased interest in sustainable practices and nature-based programming has been noted from all age groups. Future goals will include integrating these concepts and trends into department programming and marketing efforts. There is now a dedicated parks and outdoor recreation coordinator within the programming team. In the 2011 spring/summer session fifteen 'nature' focused programs have been added to the line up with more to come.

People are also becoming more focused on becoming self sustaining. Our society in general is taking more of an interest in food sources, products used to grow food, and the means in which it is transported. The City of Nanaimo's 2010 Licensing and Control of Animals Bylaw regarding backyard chickens reflects this shift in thinking. In 2011 Parks, Recreation and Culture has added a number of new programs such as the 'New Urban Homesteader', 'Backyard Chickens - How to Get Started', and 'Food for Thought' to cater to this growing interest.

Natural area management has also emerged as an important focus of the department. Balancing the preservation of natural, undeveloped spaces with maintenance expectations from the community has created both a new direction and challenge for the Department.

From a facilities development trend standpoint, multi-purpose facilities are becoming the norm. Multi-purpose facilities allow for more options for users and enable communities to provide access to a broad range of client groups. Oliver Woods Community Centre and its amenities is a good example of this type of facility.

Levels of physical activity have decreased by 50% over the course of the past decade. The new Grade 5 Active Pass was created to address this alarming trend. It has been identified that it is crucial to engage children at this age and provide them opportunities to experience the benefits of an active lifestyle. Recent facility upgrades and the restructuring of coordinator responsibilities have resulted in more activities being programmed at all of our facilities. The coordinator team is now focused on creating more programming at satellite centres such as the Departure Bay and Harewood Activity Centre. More programming is also planned for the two City operated weight rooms which will also help empower clients through proper training and ongoing support.

future issues and trends - continued

Across the industry, wellness continues to be the focus of recreation programming. Nanaimo's Parks, Recreation and Culture Department approaches program planning from a perspective of providing for an individual's overall wellness. Programs that help enhance the mental, physical, and emotional health of our clients continue to be offered for all age groups. In addition, the introduction of healthy food policies and choices in Parks, Recreation and Culture facilities will further support the move towards holistic wellness.

In today's economic climate, those who lack resources are becoming increasingly marginalized and less able to access services. The Department expects to continue to see an increase in applications under the Leisure Economic Access Policy for the near future. A focused communication plan is being developed to increase resident awareness of the policy over the next two years.

People also appear to be spending their dollar more closely to home which could have a positive impact on program registration if the downturn continues. An increase in demand for access to parks, trails and other free or low-cost recreation activities has been observed, and an emphasis on these opportunities has been implemented in response.

Community leisure facilities are taking on a greater role in attracting tourism and economic development. Over the next year or so the local tourism industry will be restructuring the way it is managed. It is expected the Department will be a part of those planning sessions and a contributing partner to the final structure. Work with local community sport and cultural groups in securing and hosting events will continue. Grant funding opportunities from the Department will also continue to exist for sport, cultural and community groups to pursue these types of events for Nanaimo, which contribute millions of dollars to the local economy each year.



Economic Development Department

The Economic Development Office responds to inquiries from the business community and City departments for statistical information and customized research requirements. Staff undertakes more than 100 meetings annually with business owners to discuss corporate growth strategies and facilitate introductions to needed services including financial, legal and marketing support. They also facilitate introductions to other City departments providing services related to zoning, bylaws and infrastructure development.

Staff makes presentations to business and service groups on upcoming projects and successes, facilitates introductions between businesses pursuing new markets or corporate partnerships, and participates in marketing activities to promote Nanaimo as a destination for businesses, entrepreneurs and new residents.

The Nanaimo Economic Development Commission completed Nanaimo's Economic Development Strategy Report with the assistance of EDCD Consulting and through collaboration with City of Nanaimo staff, community partners, Nanaimo's business community and residents. The strategy provides direction for short and longer-term economic development initiatives and strategic investments into sector-specific projects and developments.

The Economic Development Office manages the City's Destination Tourism Strategy, promoting Nanaimo's tourism attributes with the goal of increasing tourism revenues within the community.

The Destination Awareness Strategy includes attracting and increasing visitors from three key regions: Vancouver/Lower Mainland, BC/Alberta and the Pacific Northwest. Key elements of the plan include investment in the promotion of Nanaimo's conference and meeting facilities, arts, culture, eco-tourism and adventure opportunities. Implementation of these strategies includes a variety of media campaigns such as print ads, editorial submissions, television promotions, media relations, and trade & consumer shows.

Nanaimo 2011

Economic Development Strategy Report

city of nanaimo - economic development office - 250.755.4465 - www.nanaimo.ca



department highlights

Succession Planning Survey - A 2006 survey by the Canadian Federation of Independent Businesses found that one-third of BC business owners plan to exit their businesses within five years, and two-thirds plan to exit within ten years. A subsequent survey of Nanaimo businesses was undertaken by the Nanaimo Economic Development Office in 2008 in partnership with Community Futures to determine how this trend impacted Nanaimo businesses. The information collected resulted in a pilot project involving 4 rural communities across BC. The outcome was the creation of a succession planning tool titled *Generation Exit - Facing the Demographic Shift in Rural Business*. In 2010 the Nanaimo Economic Development Office again partnered with Community Futures of Central Island to survey local businesses to determine what their specific needs are. The results of the survey will be used in 2011 to create a Community Succession Plan and accompanying tools to assist businesses, ensuring smooth exit transitions.

Nordia Grand Opening - Nanaimo Economic Development was pleased to co-host, along with Nordia Inc., and NCO Customer Management Ltd., the grand opening of the new Nordia Contact Centre in Nanaimo's Country Club Mall. This site was established as a call center in 2001 by RMH Teleservices and has since remained one of Nanaimo's major employers. Between 2006 and 2010 the call centre was operated by NCO Customer Management Ltd. before being acquired by Nordia in 2010, who provides customer service solutions exclusively to Bell Canada. The centre continues to be a major employer and economic driver to our community.



department highlights - continued

Public Partnerships - Multi-Agency Roundtable meetings began in 2010. Several community partner organizations meet at City Hall once a month to share information and collaborate on ideas and projects. Partners currently at the table with Nanaimo Economic Development include the Nanaimo Port Authority; Nanaimo Airport Commission; Vancouver Island Conference Centre; Snuneymuxw First Nation; Mid-Island Science, Technology & Innovation Council; Vancouver Island University; Downtown Nanaimo Business Improvement Area; Nanaimo Parks, Recreation & Culture; Community Futures of Central Island; Greater Nanaimo Chamber of Commerce; Young Professionals of Nanaimo; and Tourism Nanaimo.

Community Information - Staff continues to seek out public speaking engagements as an opportunity to inform the community on services provided by and initiatives of the Nanaimo Economic Development Office. Staff attended the Chamber of Commerce Business Expo as an exhibitor but also participated in the Ask-An-Expert session on the topic of start-up and growth strategies for small business. Resource materials such as the Community Profile, Business Information Guide and Sector Profiles are maintained on the City of Nanaimo's website at www.nanaimo.ca/edo.

Tourism Service Delivery Model - Formed a Tourism Strategy Committee by bringing together local providers of tourism services and evaluated programs and delivery models. Established an agreed upon Tourism Services delivery model that best benefits Nanaimo.



department highlights - continued

Nanaimo's business community continues to grow and diversify with new residents re-establishing in their career profession, or finding work in other sectors. In 2010, the number of licensed businesses in Nanaimo totaled over 5,500 with 694 new businesses opened, an increase of 57 enterprises from the 2009 total of 637. The top three sectors were Construction (1,170 businesses), Retail (809 businesses), and Professional/Scientific & Technical Services (644 businesses). Other strong sectors include Repair, Maintenance & Personal or Pet Services, Health Care, Real Estate, Administrative Support and Accommodation & Food Services. The continued diversity of work opportunities will ensure that persons can find employment utilizing their education and training skills.

Nanaimo's large numbers of home-based businesses (more than 2,100) are projected to continue, with new entrepreneurs remaining in a home-office environment until they have grown their business to enough capacity to move to external office space and hire additional staff. For those service-oriented or consulting businesses who do not need separate office space, their environmental impact is smaller, so long as they have access to high-speed internet.

Many of the new immigrant families which established in Nanaimo in 2010 visited the Economic Development Office to obtain business start-up information or printed materials profiling the community. Staff speaks Punjabi, Urdu, Hindi and French and has utilized these language skills in business meetings with newly-resident entrepreneurs. The last census recorded that Nanaimo's top non-English and non-French spoken languages include German, Punjabi, Chinese, Dutch and Korean. These new residents are also able to attract investor interest from their home nation or themselves purchase businesses for family ownership. As a result of hosting a delegation from China, the City of Nanaimo now has a friendship relationship with Haikou City in the Hainan Province of the People's Republic of China.


Nanaimo Economic Development Commission (NEDC)

NEDC members are appointed by Council with the mandate to provide feedback and advice on economic development strategic planning issues and initiatives including:

1. economic development objectives for the City;
2. new economic opportunities and challenges;
3. opportunities to integrate key business initiatives from local business associations;
4. overall economic sustainability visioning and initiatives that support economic sustainability;
5. establishing and tracking economic development benchmarks; and
6. key issues related to economic development.



Economic Development - 2010 Performance

| OBJECTIVE | STRATEGY | MEASURE | RESULTS | |
|--|---|--|---|---|
| Build community capacity for economic expansion. | Support and participate in Economic Development Commission projects and other community projects. | Number of attendances and participations at workshops, forums and stakeholder events supporting the community's economic strategies. | 23 |  |
| | Maintain awareness of Nanaimo to the international business community. | Number of hosted meetings with investors, and elected and non-elected officials representing other nations and communities. | 15 | |
| Implement tourism destination marketing and tourism destination development campaigns. | Develop and monitor strategic marketing activities including media campaigns, familiarization tours and extensive communications with travel writers and electronic marketing strategies including blogging and tourism-focused websites. | Value of return on investment in marketing campaigns including cooperative participation by tourism stakeholders and businesses. | Total leverage value of tourism marketing activity in 2010 is 1:2.5 This is based on 335,000\$ advertising spend, with a value of over \$900,000. Example: Secret Nanaimo campaign generated \$9,570 of additional complimentary commercial value within the Vancouver & Vancouver Island television market; audience numbers totalled 2.9 million viewers. | |
| | | Number of unique website hits tracked to marketing campaign websites. | Unique web visits: Amazing Nanaimo: 4,422 Secret Nanaimo: 31,867 Tourism Nanaimo: 110,000 | |
|  | Develop and monitor a strategic destination development plan in partnership with community stakeholders. | Number of destination development actions implemented. |  | |
| | | | | |

Community Safety and Development Division

There are four departments within the Community Safety and Development Division, including:

Development Department: Building Inspection, Permit Centre and Engineering & Subdivision sections are all contained within this Department.

Planning Department: Community Planning, Bylaw Services, Current Planning and Real Estate sections all form the Planning Department.

Fire Rescue Department

Police Support Services Department



Development Department



The Development Department is comprised of the following sections:

Building Inspection focuses on the health, safety and protection of persons and property as related to land developments, ensuring that building developments conform to all relevant bylaws and codes.

The **Engineering & Subdivision Sections** review and coordinate the requirements and the design of roads and utilities associated with building and subdivision development and the subdivision approval function.

The **Permit Centre** is designed to be a 'one-stop' shopping concept for all applications or inquiries related to the development of land.

department highlights

Building Inspection:

- 1,109 building permits were issued in 2010 with a construction value of \$175 Million. This included the creation of 809 new residential units.
- The Department completed a total of 9,223 inspections.
- Staff managed another year of the Toilet Rebate Program that saw the replacement of 1,150 toilets for a savings of 58,010,000 liters of water per year (based on 4 persons per toilet flushing 4 times per day).

The Building Inspection Department hosted 200 delegates and their partners for the 55th annual Building Officials Conference and AGM at the Vancouver Island Conference Centre in April, 2010. Staff put a lot of work into planning and facilitating a wide range of technical and professional development sessions, a site tour of the local Atlas Truss and Window Plant, a golf tournament, a kayak adventure around Newcastle Island, and a full partner program touring various local attractions.



Building Inspection - 2010 Performance

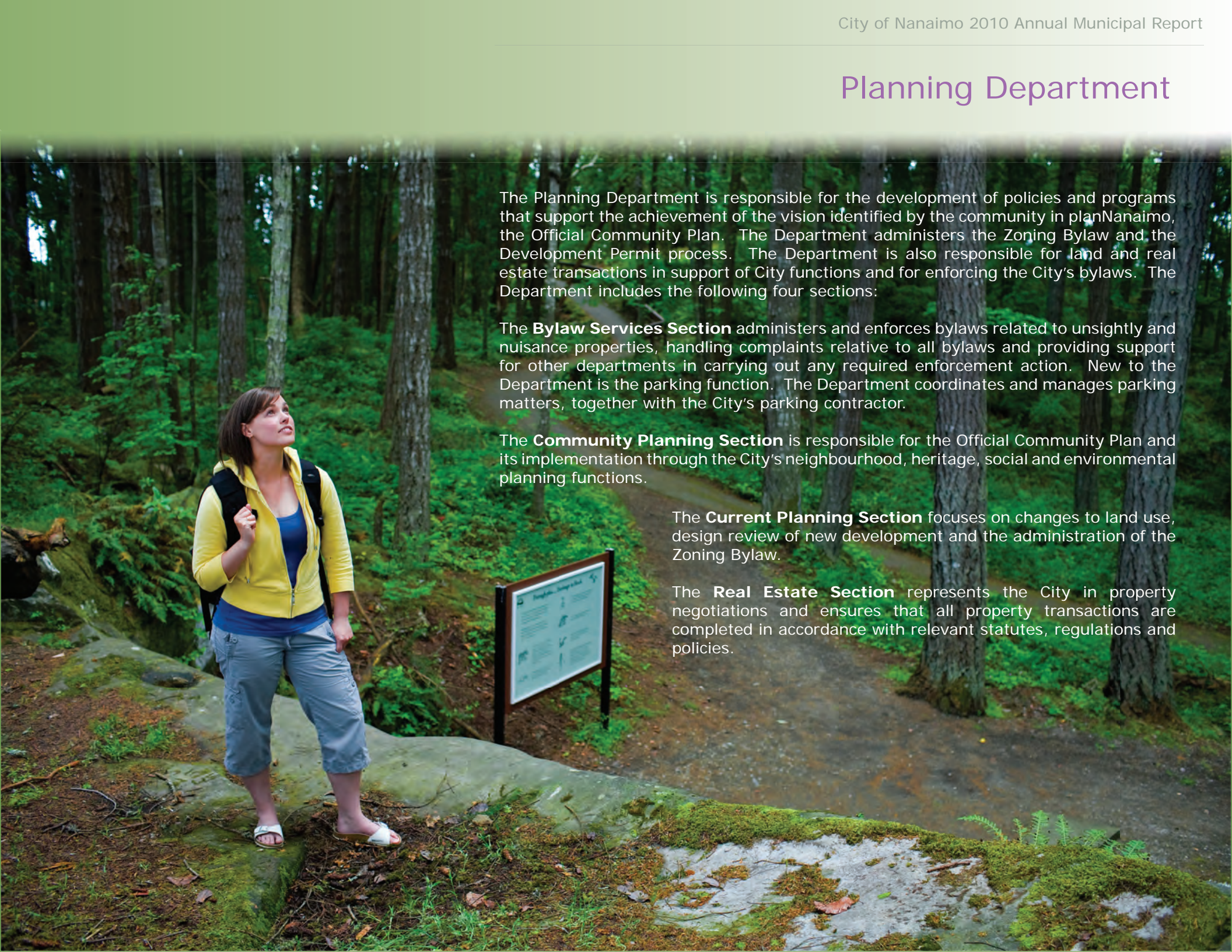
| OBJECTIVE | STRATEGY | MEASURE | RESULTS |
|---|--|---|---|
| Regulate construction within the City to protect the health and safety of persons and property. | Continuous process review to provide more efficient Building Inspection services. | Monthly and yearly statistics on construction volume, permit processing time and field review methods. | Ongoing. |
| | | Encourage building industry to adopt good construction and environmentally conscientious practices. | Participated in various industry consultations and construction forums. |
| | | Develop City-wide disaster response program. | Ongoing. |
| | The use of technology to enhance the level of Building Inspection services to the community. | Implement retaining wall guidelines and policies. | Working with consultant to finalize guidelines and policy - ongoing. |
| | | Develop an online building permit application process. | Initial research of options - ongoing. |
| | | Encourage submission of electronic plans and conduct electronic review to decrease amount of paper use and storage. | 1,203 files digitized and diverted from physical storage. |
| | | Improve online information available to the community in order to encourage broader utilization. | Updated various handouts and application checklists. |

2011 & 2012 Performance Objectives remain unchanged, other than the addition of one new measure for 2011 under the Strategy "Continuous process review to provide more efficient Building Inspection Services":

Review Secondary Suite Enforcement Policy.



Planning Department



The Planning Department is responsible for the development of policies and programs that support the achievement of the vision identified by the community in planNanaimo, the Official Community Plan. The Department administers the Zoning Bylaw and the Development Permit process. The Department is also responsible for land and real estate transactions in support of City functions and for enforcing the City's bylaws. The Department includes the following four sections:

The **Bylaw Services Section** administers and enforces bylaws related to unsightly and nuisance properties, handling complaints relative to all bylaws and providing support for other departments in carrying out any required enforcement action. New to the Department is the parking function. The Department coordinates and manages parking matters, together with the City's parking contractor.

The **Community Planning Section** is responsible for the Official Community Plan and its implementation through the City's neighbourhood, heritage, social and environmental planning functions.

The **Current Planning Section** focuses on changes to land use, design review of new development and the administration of the Zoning Bylaw.

The **Real Estate Section** represents the City in property negotiations and ensures that all property transactions are completed in accordance with relevant statutes, regulations and policies.

department highlights

Bylaw Services

- In addition to providing bylaw enforcement services, Bylaw Services continues to support the work of the Safer Nanaimo Working Group co-chaired by Councillors Unger & Pattje. This working group acts in partnership with Snuneymuxw First Nation, Nanaimo Detachment RCMP, Vancouver Island Health Authority, Downtown Nanaimo Business Improvement Area and the City of Nanaimo Social Planner to address matters of social and security interest.
- During 2010 Bylaw Services took on the overseeing of the City's parking contract and parking related matters.

Community Planning

- Province provided funding (\$39.45 million total) for the remaining supportive housing projects as part of the Housing First Action Plan.
- Process completed with adoption of the South End Neighbourhood Plan and nearing completion for Newcastle + Brechin Neighbourhood Plan.
- Restoration of significant heritage buildings in the community: the Bastion as well as the E&N Train Station.
- Climate Change Implementation: targets for Greenhouse Gas (GHG) emissions reductions and policies included in the Official Community Plan.
- Commenced development of a Sustainability Action Plan with community partners to address GHG targets to the year 2050.

Current Planning

- Oversaw the completion of the first draft text and mapping for the new Zoning Bylaw.
- Oversaw the completion of the LED and real estate and marketing portions of the Sign Bylaw review.
- Received and processed rezoning applications at a ten-year high level of activity.
- Undertook amendments to the Licencing & Control of Animals Bylaw to allow for the keeping of chickens and ducks.

Real Estate

- Hammond Bay partial acquisitions of four properties for road widening.
- Sale of plaza level air space parcel at 121 Front Street to Insight Holdings.
- Acquisition of 2230 Boxwood Road and 2241 Bowen Road for Bowen/Boxwood Connector (8.5 acres).



Bylaw Services - 2010 Performance

| OBJECTIVE | STRATEGY | MEASURE | RESULTS |
|---|--|---|---|
| Enhance public information availability on bylaw matters. | Examine best practices with regard to providing the public with information on bylaw matters. | Examine improved use of City website and local media to communicate information of value to the community. Topics include: Bylaws, Animal Control and Parking. Implement measures where viable. | Media utilized to highlight items of interest on parking, bylaws and Safer Nanaimo. Also utilized media to educate public on issues including deer feeding, pesticides and animal control topics. Initial discussion of jointly coordinating public safety information distribution is underway. |
| Administer parking functions and assets in a fair and cost-effective manner in accordance with the City's bylaw, policies and long-range planning objectives. | A Parking Strategy Study has been received that recommends actions to improve parking management within the City of Nanaimo. | Implement approved recommendations arising from the Parking Strategy Study. | Bylaw Services took on the responsibility of overseeing the parking function for the City and progress is occurring on major items from the Parking Strategy Study. Reports are forwarded to the Transportation Advisory Committee and Council. |

2011 & 2012 Objectives remain unchanged

department highlights

Implementation of new Animal Control Bylaws sections requiring enforcement of deer/rabbit feeding come into effect on 2011-Apr-01.

Enforcement of any offences under Pesticide Use Bylaw 7102 come into effect on 2011-Apr-04.

Parking as it affects both the Vancouver Island University neighbourhoods and the Hospital area neighbourhoods will be a priority in 2011.

Development of the Community Policing & Services Office (CPSO) as a community centre for information on public safety matters will be expanded in 2011.



Feeding deer is now prohibited by a new City Bylaw

Community Planning - 2010 Performance

| OBJECTIVE | STRATEGY | MEASURE | RESULTS |
|--|---|---|---|
| Provide opportunities for community involvement in developing Neighbourhood Plans that respond to the needs of the neighbourhood and the greater community. | Identify options for neighbourhood participation in the planning process. | Complete a Neighbourhood Plan. | South End Neighbourhood Plan adopted by Council. Newcastle + Brechin Neighbourhood Plan presented to the public and planNanaimo Advisory Commission for review. |
| Facilitate and pursue the revitalization of Downtown Nanaimo. | Complete projects to enhance Downtown Nanaimo through municipal funding programs and ongoing support to the Downtown Nanaimo Business Improvement Area (DNBIA). | Coordinate with the DNBIA on recommendations for capital funding. | Provide operational funding to DNBIA and continue support for downtown revitalization. |
| Ensure the community is working together to develop policies and programs to respond to changing social needs in a cooperative, responsible, flexible and innovative manner. | Engage community partners in the development of policies and strategies to assist Nanaimo's disadvantaged population. | Coordinate construction of CHBA Affordable Housing Project in association with BC Housing. Monitor community social conditions and coordinate the appropriate response with community partners. | Construction started for the Tenth Street supportive housing project and proceeded to the design for the Wesley Street project. Continue with planning for remaining MOU Housing Sites. |
| Ensure that the City's goals and objectives are consistent with the Regional Growth Strategy (RGS) and that the RGS meets the community's needs. | Articulate the needs of the City in relation to growth management and servicing in a regional context through input into the RGS and amendments to the Official Community Plan (OCP). | Participate in both the RDN Review of Regional Growth Strategy and the RDN Intergovernmental Agency Committee. | Continue participation with RDN in the RGS Review process, including the development of a draft RGS document. |
| Develop policies and strategies to ensure the conservation and management of Nanaimo's heritage resources. | Identify and interpret heritage resources and provide initiatives to assist property owners with heritage conservation. | Successful delivery of the Heritage Plaque Program and other heritage programs. | Facade grants approved for three buildings, notably the E&N Train Station, and home grants for two residences. |
| Ensure the development of Nanaimo is carried out in an orderly and cost-effective manner consistent with City Council and community goals. | Ensure OCP continues to reflect City Council and community goals. | Continue implementation strategy for the new OCP. Coordination of the review of applications to amend the OCP. | Amended the OCP to include targets and policies for Greenhouse Gas (GHG) emissions reductions. Continued processing of OCP Amendments and commenced the process for a Sustainability Action Plan. |
| Develop policy to ensure long-term management and protection of the environment. | Identify opportunities to minimize environmental impact of corporate operations and community development. | Implement Corporate Energy Emissions Plan. Monitor community environmental conditions to coordinate the appropriate response. | Continue to implement the corporate Climate Change Plan, as well as wood-stove air quality and cosmetic pesticide bylaw and education programs. |

2011 & 2012 Objectives remain unchanged

Nanaimo's historic
Bastion received major
improvements in 2011



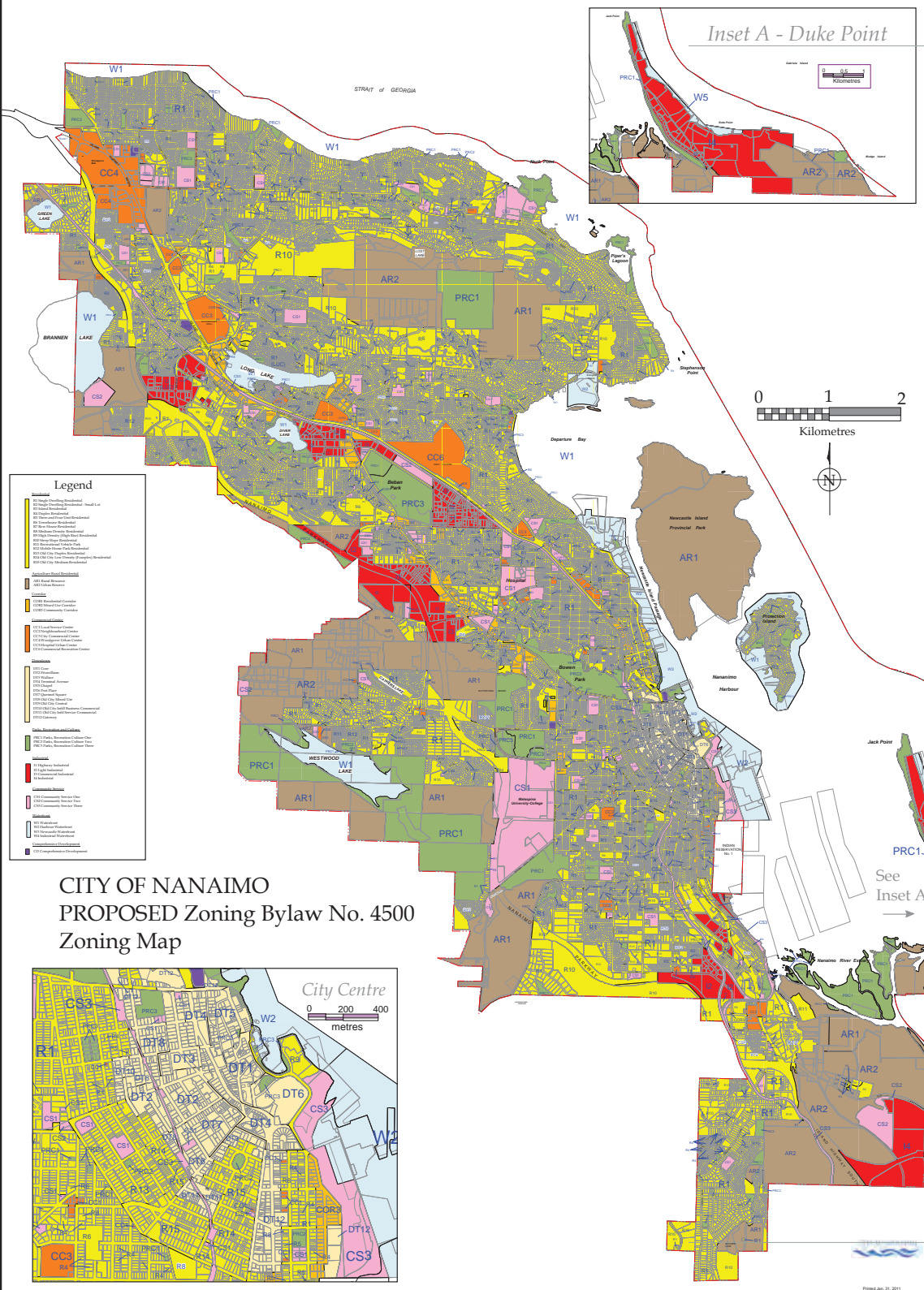
Work also commenced on
Nanaimo's Railway Station
Rehabilitation Project

Current Planning - 2010 Performance

| OBJECTIVE | STRATEGY | MEASURE | RESULTS |
|--|--|---|--|
| Assist Council with the development of policies and bylaws to fulfill long-term community planning and process applications in compliance with same. | Update the Zoning Bylaw and other bylaws and guidelines to implement the policies of and reflect the vision of the Official Community Plan (OCP). Review and assist development applications to ensure OCP compliance. | Complete a comprehensive review and rewrite of the Zoning Bylaw (includes off-street parking requirements). | Draft bylaw text and mapping complete. |
| | | Complete a review and rewrite of the Sign Bylaw. | LED signs and marketing/real estate signs complete. |
| | | Assist Community Planning to complete development of Green Building Design Guidelines. | Draft Guidelines complete. |
| | | Complete Liquor Control Strategy review. | Liquor Strategy overview presented to Council. No further action required. |
| | | Complete Animal Control Bylaw review in relation to urban poultry and other domestic animals. | Animal Control Bylaw amendments related to the keeping of chickens complete. |
| | | Complete Procedures Bylaw review. | Review commenced and ongoing. |

Current Planning - 2011 Objectives

| OBJECTIVE | STRATEGY | MEASURE |
|--|--|--|
| Assist Council with the development of policies and bylaws to fulfill long-term community planning and process applications in compliance with same. | Update the Zoning Bylaw and other bylaws and guidelines to implement the policies of and reflect the vision of the Official Community Plan. Review and assist development applications to ensure OCP compliance. | Complete a comprehensive review and rewrite of the Zoning Bylaw. |
| | | Complete a review and rewrite of the Sign Bylaw. |
| | | Assist Community Planning to complete development of Green Building Design Guidelines. |
| | | Complete a review of the off-street parking regulations. |
| | | Complete one-year review of the Animal Control Bylaw in relation to urban poultry. |
| | | Complete Procedures Bylaw review. |
| | | Undertake a review of the Fees and Charges bylaw. |



Proposed New Zoning Bylaw

In response to the newly adopted Official Community Plan (OCP) and the associated Implementation Strategy, Staff is in the process of drafting a brand new Zoning Bylaw. The proposed Bylaw will reflect the goals of the OCP and embrace the concept of complete communities, environmental stewardship and growth management. All those who work, live or own property in Nanaimo are encouraged to take part in this important rewrite process. Staff will continue to update the City's website (www.nanaimo.ca) with information regarding the rewrite process and upcoming opportunities for community involvement.

Fire Rescue Department

The City's Fire Rescue Department has the responsibility to protect the citizens of Nanaimo from fire and other emergencies. It provides quick and high quality response to fire, medical and other emergency incidents in the most effective and responsive manner possible. It reduces the number of potential fires, loss of life, injuries and property damage through effective fire code enforcement, fire cause determination and public education programs. The department also oversees and coordinates the delivery of an emergency management program designed to prepare and protect the community from man-made and natural catastrophes.

Key to the provision of service is people who serve their community. It takes a team of well-trained and qualified individuals to control a structure fire or to determine its cause. The performance outlined in this report is a direct result of the efforts from all individuals within the Department, specifically the 200 men and women that make up Nanaimo Fire Rescue.

*Motto:
Innovating
with Tradition*



Mission Statement:

The Nanaimo Fire Rescue Department exists to enhance the quality of life within our community by providing innovative protection and safety to life, property and the environment.

We are a professional organization that accomplishes our mission through prevention, emergency response services, education and training.



department profile

Nanaimo's Fire Rescue Department is made up of 6 divisions:

- **Operations** - The largest division within the Department, responsible for emergency medical services, fire suppression and rescue activities. Provides safety inspections and other safety education to citizens.
- **Fire & Loss Prevention** - A four-person team responsible for fire investigations, specialized fire inspections, fire plans checking and public education.
- **Education and Training** - Responsible for the design, development and implementation of the education and training program for a combined career and on call staff of 200 people. Ensures that educational programs include the most up-to-date techniques and methods.
- **Infomatics and Communication** - A dedicated group who receive and dispatch 9-1-1 calls for assistance to Nanaimo Fire Rescue as well as 26 other fire departments within the Central Island region.
- **Emergency Management** - Establishes and maintains an emergency management organization in the City of Nanaimo by reducing the impact of major emergencies and disasters.
- **Administration** - Dedicated professionals, both uniformed and non-uniformed, who help keep responders ready for action.



department highlights

A major highlight of the year was the delivery of a new 100-foot aerial platform apparatus known in the industry as a "Sky Arm". A dedicated group of Firefighters and Fire Officers facilitated the design of the Sky Arm to best meet the current and future response requirements of the City. Part of the Fleet Replacement Plan, the Sky Arm replaces the Snorkel which has been retired after serving the community since 1977.



Another significant achievement was the revision of the Department's Mission, Vision, and Values through a collaborative process that engaged Firefighters, Chief Officers, City Hall and citizens. From this work, the Fire Rescue Department's first motto was created - *Innovating with Tradition*. The motto seeks to identify that while shifting trends in emergency response and future demands for services require us to be responsive to change, we can maintain some key service delivery traditions along the way.

In the spirit of our new Mission, Vision and Values, and our goal to reduce the number and severity of incidents, the Department initiated a Child Passenger Safety Program in which Firefighters advise the public on the proper use and installation of child seats. This program will enhance the effectiveness of child seats thereby reducing injuries to children in the event of a motor vehicle incident. In the latter half of 2010 when the program commenced, Fire Rescue Department members checked 74 child seats.

In an initiative to maximize the efficient use of emergency response resources, we worked jointly with the RCMP to identify the Fire Rescue Department as the priority response agency to motor vehicle incidents. The focus is to immediately address life safety concerns at the scene, and then to further assist the RCMP in prioritizing the urgency of their attendance based upon a comprehensive size-up of the incident scene. Minor incidents are handled by the Department, eliminating the need for multi-agency response, making the overall emergency response system more effective.

department highlights - continued

The Department also initiated a number of programs to improve service effectiveness:

- Renovated Fire Stations 2 and 3 to facilitate a gender-diverse workforce.
- Purchased a new fuel efficient Fire Prevention Vehicle.

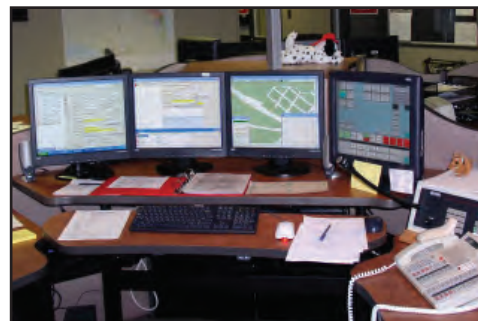
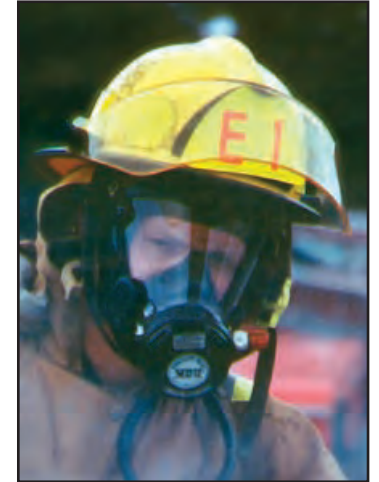
Other highlights included:

- 105 structure fires (down from 145 in 2009).
- 3,855 medical responses (up from 3,761 in 2009).
- 640 motor vehicle incident responses (up from 396 in 2009).

future issues and trends

The City is now halfway through its implementation of the 10-Year Fire Services Plan adopted by Council in 2005. Central to the plan was the implementation of response performance objectives designed to meet community risk. The target is to have an engine and crew on scene within 6 minutes 90% of the time. This standard limits fire development to the room or area of origin when detection and notification is rapidly achieved. The final stage of the plan is the construction of another facility for the Hammond Bay area initially planned for 2011-2012. However, this component has been delayed to 2013-2014 due to the current economic downturn.

Future trends have the Department studying and analyzing specific fire and community safety risks based upon factors such as building occupancy, geographic location, and time of day. This analysis will identify areas to target prevention activities to reduce the risk and assist the department in providing the most appropriate level of response when incidents do occur.



Fire Rescue - 2010 Performance

| OBJECTIVE | STRATEGY | MEASURE | RESULTS |
|--|---|---|--|
| Provide quick, effective and high quality response to fire, medical and other emergency incidents. | Fire Rescue responds to fire and non-fire related emergencies. | Number of incident responses. | 6,297 (an increase of 202 calls from 2009). |
| | Alarms are answered and dispatched effectively. | Percent of time alarms are answered and dispatched within 60 seconds. TARGET: 90% | 77.57% |
| | Rapid turnout of members after alert to respond. | Percent of time turnout of career members is within one minute (60 seconds) and on-call members within three and one-half minutes (210 seconds). TARGET: 90% | Career: 41.31% On-Call: 20.65% |
| | Ensure that the first-due engine is on scene within 6 minutes. | Percent of time arrival of the first-due engine is within six minutes (360 seconds). TARGET: 90% | 64.32% |
| | Ensure full assignment of apparatus is on scene within ten minutes. | Percent of time arrival of full engine assignment is within ten minutes (600 seconds). TARGET: 90% | 88.56% |
| | Control structure fires and confine them to the room of origin. | Percent of time structure fires are controlled and confined to the room of origin. TARGET: 75% | 62.5% |
| | Control structure fires and confine them to the building of origin. | Percent of time structure fires are controlled and confined to the building of origin. TARGET: 100% | 87.5% |
| Maintain four members to staff on-duty companies. | | Percent of time four member (or greater) engine staffing. TARGET: 100% | 94% |



Fire Rescue - 2010 Performance

| OBJECTIVE | STRATEGY | MEASURE | RESULTS |
|--|--|--|----------------------------------|
| Reduce the number of fires, loss of life, injuries and damage through effective code enforcement, public education and fire cause determination. | Use effective prevention efforts to minimize overall fire damage. | Total cost of fire damage. | \$4,186,426 |
| | Perform life safety activities to minimize civilian deaths and injuries. | Number of lives lost to fire. | 0 |
| | | Number of injuries. | 8 |
| | Perform fire inspections for all public buildings directed toward life safety, reduction of hazards, exiting and fire control. | Total number of fire inspections performed. | 2,815 |
| | Provide fire safety education presentations directed to public safety. | Total number of educational sessions presented. | 8 |
| | Identify the causes and origin of all fires, explosions and other emergency situations that endanger life and property. | Total number of fire investigations. | 403 |
| Ensure financial stability and efficiency in service delivery. | Manage costs in an effective and efficient manner. | Operating cost per \$1,000 of residential property protected. | \$1.06 |
| | | Operating expenditures per capita. | \$146.19 |
| | | Fire services as a percentage of total City operations. | 10.78% |
| | | Fire as a percentage of municipal taxes. | 14.199% |
| Deliver an Emergency Management Program to prepare and protect the community from man-made and natural catastrophes. | Ensure there is an up-to-date published response and recovery plan that defines roles and responsibilities. | Review performed to ensure response plan is in place and up-to-date. | Current and up-to-date. |
| | Perform Personal and Neighbourhood Preparedness presentations directed to public safety. | Total public education sessions held. | 35 sessions for 1,500 residents. |
| | Deliver Community Preparedness presentations and exercises to City staff and assisting agencies. | Total workshops/training sessions held. | 35 |
| | Activate Emergency Coordination Centre (ECC) for Level 2 and 3 emergency incidents. | Number of ECC Activations. | 0 |
| | Provide Disaster Assistance to citizens affected by emergencies. | Number of Disaster Assistance requests. | 20 requests/124 residents. |

Police Support Services Department

The City of Nanaimo is policed by the Royal Canadian Mounted Police under a *Municipal Police Unit Agreement* with the BC Minister of Public Safety & Solicitor General. This contract is due to expire concurrently with the end of the Provincial Police Unit Agreement on March 31, 2012. The Federal and Provincial governments are currently negotiating the renewal of those agreements.

In 2010, staff responded to approximately 3,500 fewer calls for service as compared to 2009, a decrease of approximately nine percent (9%). The decrease in calls for service is attributed to a reduction in property crime and traffic occurrences, as well as a reduction in 911 calls not requiring a police response. Unfortunately, the decrease in calls for service relate primarily to occurrences that consume a low to moderate level of policing time. Complex investigations continued at the same rate as in previous years.

PRIME BC, the province-wide electronic police file management system continues to evolve, with the application set to expand. A prisoner booking module to be implemented in 2012 links PRIME BC data and allows for the electronic submission of criminal fingerprints. As in previous years, PRIME BC continues to create a substantial administrative demand on Detachment resources.

For the Nanaimo Detachment, City-specific policing functions include both RCMP and volunteer activity:

- General duty patrols
- Bicycle Patrol Unit
- Municipal Traffic Enforcement Unit
- Municipal Drug Enforcement Unit
- Crime Reduction Unit
- Serious Crime Unit
- Property Crime Unit
- Police Dog Service Unit
- Forensic Identification Unit
- Community Policing Unit
- Auxiliary Constable Program
- Reserve Constable Program
- Neighbourhood, Marine and Block Watch Programs
- Citizens on Patrol Program



Police Support Services

Volunteer support continued to be an important service buoying the Nanaimo Detachment in 2010. Over 150 volunteers assisted in the delivery of community policing programs, including Citizens on Patrol, Harbour Watch, Speed Watch and the Auxiliary Constable Program. Individual volunteers work in the Detachment as well as in the community, as representatives of the RCMP or as part of a community-based program. The Restorative Justice Program, an important partnership with the John Howard Society, continued to produce positive results in 2010, and is still recognized as a best practice in North America. The Auxiliary Constable Program also continued to be successful in 2010, with auxiliary members contributing more than 3,800 hours of their time – the equivalent of almost two (2) full-time employees. Both are great examples of law enforcement and the community working together in Nanaimo.

The RCMP has made **“Safe Homes, Safe Communities”** its national objective, and in conjunction with City Council, determined four (4) strategic priorities for 2010:

1. Crime Reduction initiatives – property crime, drugs, fear of victimization.
2. Substance Abuse initiatives – contributing to youth safety by reduction in drug and alcohol abuse.
3. Traffic initiatives – focusing on aggressive and impaired driving and collisions to reduce fatal and serious injury incidents.
4. Downtown Core initiatives – establishing order and preventing crime in the downtown core by reducing rowdiness, homelessness, drug trafficking and mental health issues.

STRATEGIC PRIORITIES – 2010 RESULTS

Crime Reduction Initiatives

Many community partnerships and programs throughout Nanaimo continued to operate as part of a common Crime Reduction Strategy. The strategy is a “three-prong” initiative that targets high-volume offenders, known crime “hot spots” and the underlying causes of crime.

Included in these initiatives are the **Safer Downtown Working Group** (SDWG) and the **Prolific Offender Management** (POM) programs. The POM program is a collaborative effort between the RCMP and local social/health agencies and groups and, together with the SDWG, continues to reduce crime and improve the downtown core area.



Police Support Services

Taken together, the SDWG and POM programs are key elements in crime reduction by providing additional focus on individuals that cause a significant number of offences in the downtown area and overall community. This collaborative approach contributed to a 67% reduction in negative prolific offender contacts by reducing their antisocial activity, removing themselves from the community or being in long-term custody.

As well, other initiatives such as the Bait Car and Bar Watch programs operated within the community and contributed to overall crime reduction. Property crime occurrences dropped an average of 16% from 2009, with the most significant reductions noticed in Theft of Motor Vehicle (-32%), Break & Enter (-26%) and Theft from Motor Vehicle (-19%) occurrences.

Substance Abuse Initiatives

This year marked an increase in police presence within the youth segment of our community. By the fall of 2010, the Community Policing section had three Nanaimo Detachment members dedicated to the School Liaison Program. These members, supported by the efforts of the Bike Patrol Unit, provided a visible presence in secondary schools throughout Nanaimo. Nanaimo Detachment members worked with youth to deliver the DARE and PARTY programs at various schools, in addition to education sessions focusing on the dangers of illicit drugs, including crack cocaine and crystal methamphetamine. The results of these efforts were noticeable, ranging from an impact on school violence to seizures of illicit drugs and conditions for not attending school property.



Police Support Services

Traffic Initiatives



The Municipal Traffic Unit, in consultation with the **Nanaimo Road Safety Working Group**, continued to work on initiatives to reduce the number of motor vehicle collisions resulting in injury or fatality. Motor vehicle collisions resulting in injury held steady in 2010 as compared to 2009 (approximately 300), while motor vehicle fatality occurrences increased from seven (7) in 2009 to thirteen (13) in 2010.

As part of the strategic priorities for 2010, the Nanaimo Detachment began working towards defining additional methods for reducing traffic incidents at intersections with focus being placed on specific intersections at varying times of the day.

The Municipal Traffic Unit also maintained the Report Impaired Drivers (RID) 9-1-1 Project which encourages motorists and pedestrians to report impaired drivers by way of the existing 9-1-1 call system. Detachment members from General Duty and the Municipal Traffic Unit are dispatched to follow up on these complaints as a priority investigation, with the registered owner of the reported motor vehicle receiving a formal letter if the vehicle is not located.

The results of traffic enforcement and RID 9-1-1 efforts resulted in an increase in impaired driving apprehensions and Immediate Roadside Prohibitions (IRP's) of approximately 12%.

Downtown Core Initiatives

Downtown crime and disorder issues were a strategic priority of the Nanaimo Detachment in 2010, as these issues are a key factor in supporting the City's vision for public safety and an improved and stable economy in the downtown area. A further keystone supporting the downtown area economy is a safe and vibrant arts and entertainment district, both day and night.

During daytime hours the downtown core is patrolled primarily by the Nanaimo Detachment Bike Patrol Unit, with additional support from General Duty members. The strategy in use by RCMP members is to know their downtown core intimately and to displace individuals demonstrating antisocial behaviour.

In addition to downtown patrols, the Liquor Control Strategy continues to be an important initiative in promoting a revitalized downtown nightlife. Also known as the Bar Watch Program, the Strategy has helped reduce violence, disorder and nuisance activities in and around the nightclub district.

Secondly, the program has virtually eliminated the overt presence of organized crime groups. These results are possible because of a collaborative effort - all of the downtown liquor-primary establishments are participating in conjunction with the RCMP, Downtown Nanaimo Business Improvement Association, City of Nanaimo and Provincial Liquor Branch.



future issues and trends

- The Police Records Management System (PRIME BC) continues to expand in 2011, including a new PRIME version implementation and a proposal for a prisoner booking module which will enable the electronic submission of criminal fingerprints.
- The Detachment cell block is in need of upgrading to RCMP national standards; because of the significant liability issues involved, the City has budgeted funds and continues to work on the planning and design specifications for the project.
- Homelessness in Nanaimo is still an issue, and mental health and substance-addicted clients continue to populate the streets of Nanaimo.

The Nanaimo Detachment Bike Patrol Unit, as part of the Safer Nanaimo Working Group, is moving forward with the low income housing project that will create a total of 160 residences for Nanaimo's homeless population over five (5) sites.

The City of Nanaimo has provided permanent funding for the Extreme Weather Emergency shelters, offering a minimum of twenty four (24) guaranteed beds.

- Organized criminal groups/gangs and their involvement in Nanaimo's downtown core - all units and general duty will continue to move forward with various short and long-term projects, such as the Liquor Control Strategy, to reduce and eliminate the impact of organized crime within the downtown core.
- A Human Resource Needs Analysis by "E Division" was completed in 2009 and presented to Council. Working collaboratively, Council and the RCMP have developed a plan to address Nanaimo's RCMP resourcing shortage. This plan includes twenty four (24) new police officers to be added over a five (5) year period, with ten (10) of those added to the Detachment authorized strength in 2010 and the balance forthcoming in future years. Additional support staff will also be introduced to assist the members with their work.
- Federal and Provincial governments continue to negotiate the renewal of the Municipal Police Unit Agreement for 20 years beginning in 2012.
- Detachment staff and police officers, in conjunction with community agencies and the City of Nanaimo, are committed to ensuring that Nanaimo is a safe community to live in and visit. We continue to strive to make Nanaimo one of the safest communities within British Columbia - "Safe Homes, Safe Communities".



Police Support Services - 2010 Performance

| OBJECTIVE | STRATEGY | MEASURE | RESULTS |
|--|--|--|------------------------------|
| Provide effective policing service to safeguard the community. | Maintain a minimum 1:700 police to population ratio. | Police to population ratio. | 2010: 1:636 2009: 1:634 |
| | Maintain Auxiliary Constable Program. | Number of Auxiliary members. | 25 |
| | | Cost per Auxiliary member. | 2010: \$615 2009: \$702 |
| Maintain a Community Police Profile. | Operate community programs such as SpeedWatch, Block Watch, etc. | Cost per capita for community policing programs. | 2010: \$2.28 2009: \$3.06 |
| | Operate community policing offices. | Number of community policing offices. | 0 * |

* Oliver Woods Community Police Station closed in 2010 - The City of Nanaimo no longer operates community police stations (although we maintain a presence in the Downtown Community Safety Office operated by the Bylaw Department).

2011 & 2012 Objectives remain unchanged



Corporate Services Division

There are four departments within the Corporate Services Division, including the Legislative Services Department, Human Resources & Organizational Planning Department, Finance Department and the Information Technology Department.





Legislative Services Department

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. Legislative Services oversees the statutory record keeping, processes requests to the City under the *Freedom of Information and Protection of Privacy Act* and is responsible for conducting elections and elector approval processes, including referendums. Legislative Services also oversees claims administration for the City.

department highlights

- Conducted a preliminary petition to provide available information with regard to potential costs and to gauge general public support for the construction of a sanitary sewer system in the Green Lake Area.
- Conducted an Alternative Approval Process to authorize the Lease Agreement for Beban Park Pitch & Putt and Driving Range to Double H Holdings Ltd.
- Selected a vendor for the implementation of Paperless Agenda software.
- Conducted a formal petition process for Ornamental Streetlighting in the Cilaire Area (completed 2011-Jan-27).

future issues and trends

At the time of writing, a by-election has already been held in 2011 to fill the vacancy previously held by Councillor McNabb, who passed away on December 24, 2010. Significant staff time was required to conduct the by-election which was held on March 26, 2011.

The 2011 General Local Government Elections will be held on November 19, 2011 and will also require significant staff time in order to ensure that the election is held in accordance with the *Local Government Act*. Staff will be considering options that may help to increase voter turnout such as providing additional information to the public with regard to the locations of the voting places.

eSCRIBE has been selected to implement a paperless agenda system for the City of Nanaimo. Following initial installation, staff will be testing the processes with the intention of going live with the system following the 2011 General Election.

The number of claims processed by the City (now the Legislative Services Department) has remained relatively consistent for the past few years - 18 in 2008, 10 in 2009 and 18 in 2010. Legislative Services staff has initiated discussions with other departments to establish policies regarding liability requirements for contractors to the City.

Requests under the *Freedom of Information and Protection of Privacy Act* continue to require considerable staffing resources.



Legislative Services - 2010 Performance

| OBJECTIVE | STRATEGY | MEASURE | RESULTS |
|--|---|---|--|
| Provide timely and accurate information to Council, the public and City staff. | Prepare agendas for regular and "In Camera" Council and Committee of the Whole meetings. | Percentage of time to have agendas ready by 4:00 p.m. on Thursdays prior to Monday's meeting. TARGET: 100% | Have been able to meet the target when provided with department reports in a timely manner. |
| | Prepare Action Report. | Percentage of time to have Action Report finalized and distributed by noon on the Wednesday following Monday's Council/Committee of the Whole meetings. TARGET: 100% | Achieved 90% of the time. |
| | Transcribe and distribute minutes of Council and Committee of the Whole meetings. | Percentage of time to ensure accurate minutes are prepared and distributed prior to the following meeting. TARGET: 100% | Achieved. |
| | Work with Information Technology to implement Sharepoint Electronic Document Management system to manage the City's electronic records. 2010: Stage 1 - Identify critical module(s) to be implemented first. | Number of City departments to be trained and utilize the system. 2010: Implementation of Stage 1 module(s). | Deferred to 2011 - delayed due to other, more urgent priorities. |
| | Ensure the City's records are retained and destroyed as per the Records Retention Bylaw. | Ensure that all yearly records that are due for destruction are destroyed by March 31 st of each year. | Achieved. |
| Strive for excellence in Customer Service. | Administer Oaths and Take Affirmations, Affidavits and Declarations. | Percentage of time to ensure applicable staff are available between 8:30 a.m. - 4:30 p.m. to sign legal documents on behalf of the City and certify out-of-Canada pensions for members of the public. TARGET: 100% | Achieved 99% of the time. Other departments were notified if no one was available to sign on a particular day. |
| | Respond to all citizen queries and Freedom of Information (FOI) research requests within an acceptable time frame. | Percentage of time FOI requests are processed within 30 business days. TARGET: 100% | Achieved 98% of the time. |
| Implement Paperless Agendas. | Investigate potential products for compatibility with current and future City processes and seek support of Council. | Implementation completed. Reduced amount of copying of agendas. | Successful vendor selected. Implementation to take place in 2011. |
| Update Policy Manual. | Review existing policies. Present recommendation to Council to repeal, amend or replace policies not currently up-to-date. | Updated Policy Manual published on City website. | Work in progress. |

Legislative Services - 2010 Performance

| OBJECTIVE | STRATEGY | MEASURE | RESULTS |
|--|--|---|---|
| Implement Wiki. | Investigate use of Intranet Wiki to store departmental procedures. | Initial implementation completed, ongoing updates continuing. | Implementation in progress. Claims administration information on Wiki so far. |
| Update Council Procedures Bylaw. | Review Council Procedures Bylaw in order to identify improvements. Present to Council for consideration. | New bylaw adopted or current bylaw deemed appropriate by Council. Processes streamlined if new bylaw adopted. | Deferred to 2011. |
| Streamline specific Council processes through adoption of an updated Delegation Bylaw. | Review current and potential delegation of Council authority to staff and benefits. Present to Council for consideration. | New bylaw adopted or current bylaw deemed appropriate by Council. Processes streamlined if new bylaw adopted. | Work in progress. |
| Integrate Claims Management processes into Department Work Plan. | Review current projects and processes for claims management. Cross-train staff on claims management. | Claims management processes fully integrated. | Achieved. |
| Completion of Mandate & Objectives documents for all City Advisory Committees. | Draft Mandate & Objectives documents for staff and Council review. | Adoption of Mandate & Objectives documents for all City Advisory Committees. | Work in progress. Some completed. |
| Implement writing program for internal and external articles regarding City issues, activities and programs. | Legislative Services staff to identify items of interest and write articles to be published on the City intranet or City website as appropriate. | Program initiated. Articles published. | In progress. |
| New Records Retention Bylaw. | Draft new Records Retention Bylaw for Council's consideration. | Adoption of new Records Retention Bylaw. | Deferred. |

Legislative Services - 2011 Objectives

The 2011 & 2012 Objectives, Strategies and Measures for the Legislative Services Department remain the same as 2010, with the addition of the following:

| OBJECTIVE | STRATEGY | MEASURE |
|--|--|---|
| Clean, undisputable, non-controversial General Local Election. | Confirm appropriateness of voting places. Add directions to voting places on website. Re-write Instruction Booklet for Election Officials. | Minimize challenges. Increased proficiency of Election Officials. |
| Review current report format. | Establish a design group to review current report format and recommend new format that better meets the needs of Council. | New report format implemented. |

2012 Objective

| OBJECTIVE | STRATEGY | MEASURE |
|--------------------------------------|---|--|
| Implement Records Management System. | Investigate options for replacing current DOS program to track records storage information and records due for destruction. | Plan established and implementation commenced. |

The City of Nanaimo flag was sent to Afghanistan through the Operation Nanaimo-gram Project, was signed by military personnel and returned to Nanaimo. The flag is available for viewing at the Vancouver Island Military Museum.



Human Resources & Organizational Planning Department

The purpose of the Human Resources and Organizational Planning Department is to provide professional human resources services to customers in order to attract and retain employees and to engage them in the achievement of corporate outcomes. Core business areas include: organizational planning; human resources planning; recruitment and selection; training, development and performance management; compensation and benefits; service recognition; corporate safety, health, wellness and return to work management; employee and labour relations; HR policies; and human resources information management.

department highlights

- Provided project management support to the development of the corporate strategic direction and the organizational structure review.
- Conducted an employee engagement survey in which 70% of the employees participated. The results of the survey showed that the City generally has a very engaged workforce.
- In conjunction with the City Manager and other members of the Senior Leadership Team, attended meetings involving over 500 employees to present the corporate strategic direction and gather feedback about the implementation of the organizational plan.
- Facilitated the work of the Organizational Planning Steering Committee in developing strategies and creating action plans to implement the corporate strategic plan.
- In consultation with an employee advisory committee, identified core and leadership competencies for all City employees.
- Developed a competency-based performance management system for exempt employees, provided training on performance management, and began implementation of the new system.



Parks,
Recreation and
Culture staff
participate
in one of the
Strategic
Planning
Workshops
led by City
Manager,
Al Kenning



department highlights - continued

- Established a leadership development discussion group.
- Implemented the final phase of the new Service Recognition Program.
- Assisted departments in developing safe work procedures in preparation for a Certificate of Recognition audit.
- Offered 77 in-house training courses, attended by 988 participants.
- Offered 41 wellness initiatives, attended by 631 participants.
- Sponsored a Health Screening Clinic; 56 employees were screened.

City staff at the annual Wine and Cheese social and fundraiser for Nanaimo's Child Development Centre



Human Resources staff are happy to serve co-workers at the City's annual *Safety Barbeque* typically held during North American Occupational Safety and Health Week in May of each year

future issues and trends

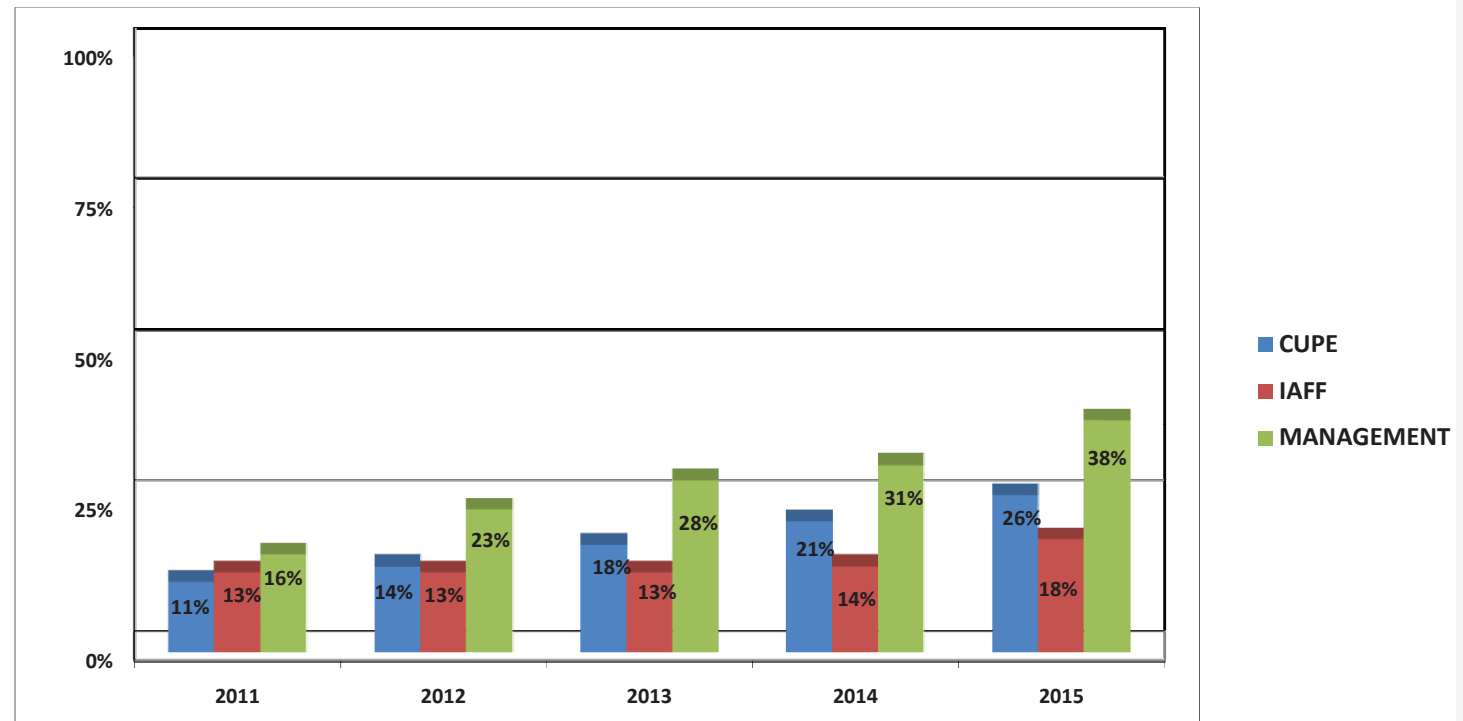
Workforce sustainability continues to be one of the corporation's biggest challenges. Twenty-six percent of our overall workforce and thirty-eight percent of our managers will be eligible to retire with an unreduced pension by the end of 2015. These demographic challenges are not unique to the City of Nanaimo.

The Conference Board of Canada has reported that the Province of B.C. will be facing a shortage of 160,000 skilled workers by 2015. Nationally and across the developed world, an aging population and declining birthrates will result in lower labour force participation rates. We will not be able to rely on either inter-provincial migration or immigration to solve the labour shortage.

While the economic downturn has reduced the stresses of a high demand for labour, as the economy is recovering, concerns are again being expressed about severe and chronic labour shortages in the coming years. It is therefore critical that we position the organization well for future economic growth, the City's impending retirements and the impacts of the global labour shortage. Accordingly, our objectives include strategies to attract, engage and retain our workforce.

26% of the City's overall workforce and 38% of its managers will be eligible to retire with an unreduced pension within the next five years (by 2015).

EMPLOYEE ELIGIBILITY FOR AN UNREDUCED PENSION (by Group)



Human Resources 2011 & 2012 Objectives

| OBJECTIVE | STRATEGY | MEASURE |
|---|--|--|
| Provide human resources services and programs that are responsive, effective and efficient. | Implement HR/IT recruitment project to improve resume collection process, communication to public, and competition file management system for external recruitments. | 2011: Implement electronic competition file management system for temporary and casual recruitments. 2012: Implement electronic competition file management system for external recruitments. |
| | Revise Human Resources policies. | The following Human Resources policies will be comprehensive and up-to-date: 2011: <ul style="list-style-type: none"> • Administrative & Council Transportation policies. • Criminal Record Check policy. • Relocation policy. • Service & Retirement Recognition policy. • Training & Development policy. • Attendance Management policy. • OH&S policies. 2012: Respectful Workplace policy. |
| | Improve CUPE job evaluation plan and process. | 2011: <ul style="list-style-type: none"> • Address all outstanding issues with current job evaluations. • Review and update job files for current jobs. 2011-2012: Develop new Letter of Understanding on job evaluation. |
| | Review Social Committee survey results and make recommendations for improvements to social program. | 2011: <ul style="list-style-type: none"> • Conduct a survey to collect employee feedback on social program. • Offer a diverse social program that suits staff needs. |
| | Review CUPE positions to determine relevance and consistency of qualifications. | 2012: Conduct review to ensure consistency of qualifications in clerical positions. |
| | Ensure benefit program is cost effective, meets service standards, and supports the employees and Council of the City of Nanaimo. | 2011: <ul style="list-style-type: none"> • Solicit, review and evaluate benefit proposals. • Select and implement new benefit program. |
| | Review and update HR metric reports. | 2011: Create and implement a variety of HR Metric Reports that will meet the needs of the organization. |
| | Streamline HR records. | 2011-2012: Review records management system and make changes to ensure it is current, comprehensive and easy to use. |
| | Update Grievance files. | 2011: Coordinate grievance tracking with CUPE. |

Human Resources 2011 & 2012 Objectives

| OBJECTIVE | STRATEGY | MEASURE |
|-------------------------------------|---|--|
| Attract and retain talented people. | Implement an HR brand/marketing plan and incorporate into recruitment-related communications. | 2011: <ul style="list-style-type: none"> Solicit proposals from marketing firms. Design HR brand/marketing plan with selected firm. Incorporate plan into HR communications and career fair materials. |
| | Align recruiting practices at Nanaimo Fire Rescue (NFR) with corporate practices. | 2011: Institute best practices in recruitment plan at NFR. |
| | Identify and implement succession planning process that integrates core and municipal competencies. | 2011: Identify mechanics of succession planning process. 2012: Implement process. |
| | Take steps to maintain competitiveness of compensation, benefits and working conditions. | 2011: <ul style="list-style-type: none"> Make recommendations to Council on exempt compensation policy. Work with Senior Leadership Team to improve the administration of exempt compensation. Use comparator information in collective bargaining process. |



Face painting
at the staff
picnic, hosted
annually by the
City's Social
Committee

Human Resources 2011 & 2012 Objectives

| OBJECTIVE | STRATEGY | MEASURE |
|---|---|--|
| Promote and support a safe, healthy, harmonious and high performance workplace. | Ensure effective use of the exempt employee performance management program. | 2011: <ul style="list-style-type: none"> Develop guidelines for working within the Performance Management Program and distribute. Offer coaching and skills training for conducting effective performance evaluations. |
| | Review and adjust Performance Management Program as required. | 2011: <ul style="list-style-type: none"> Audit compliance and content of performance evaluation documents. Collect feedback from management employees on experiences working within the system. Provide a summary of improvement recommendations to Senior Leadership Team. |
| | Explore opportunities to expand Performance Management Program to include union employees. | 2011: <ul style="list-style-type: none"> Conduct research on pros and cons of different performance management systems in unionized environments. Collect feedback from management staff on usefulness and applicability of existing system for union employees. 2012: Explore performance management system for CUPE employees in consultation with CUPE. |
| | Align training program with the strategic direction by identifying opportunities to incorporate core and municipal competencies. | 2011-2012: Offer training programs targeted at core and municipal competency skill development. 2012: Incorporate municipal competencies into resource guide. |
| | Implement and maintain a safety culture and Safety Program that meets Certificate of Recognition (COR) standards to protect the health and safety of our workers. | 2011: <ul style="list-style-type: none"> Pass COR safety audit with score of 80% or higher in all departments. Complete final phases of City Safety Program, publish and distribute to all staff. Develop and complete action plan resulting from COR Audit. |
| | Review Disability Management Program. | 2011: Develop a process to assist employees during periods of short-term illness or injury. 2011-2012: Fully implement new Return to Work and Accommodation Policy. |
| | Develop and implement a new Attendance Management Program. | 2011: <ul style="list-style-type: none"> Research current models of attendance/absence management. Develop an Attendance Management Handbook with input from departments and the Unions. Prepare presentation materials and present to departments. |
| | Facilitate effective Collective Bargaining. | 2011: Fully prepare for Collective Bargaining with CUPE and IAFF. 2011-2012: Negotiate renewal agreements within mandate and without labour disruption. |

Human Resources 2011 & 2012 Objectives

| OBJECTIVE | STRATEGY | MEASURE |
|---|--|--|
| Promote and support a safe, healthy, harmonious and high performance workplace. | Improve grievance processes. | 2011: <ul style="list-style-type: none"> Develop Step 1 and 2 process as problem solving mechanisms and revamp current Step 3 process. |
| | Improve Union-Management relationships by reviewing and renewing formal labour management process with CUPE. | 2011: <ul style="list-style-type: none"> Update Terms of Reference for Labour Management Committee in consultation with CUPE and departments. Achieve CUPE and Senior Management commitment to new process. |
| | Improve Union relationships by establishing standards/protocols for Management Union interaction. | 2012: Develop Union - Management meeting protocol. |
| | Increase employee engagement. | 2011: Present employee engagement survey results to each department. 2011-2012: Assist departments with action plans to improve survey results. 2012: Re-conduct employee survey and achieve improved results. |
| Contribute to the success of the corporate strategic plan. | Lead/facilitate the execution of the organizational strategic plan. This includes: <ol style="list-style-type: none"> 1. monitoring progress of action plans; 2. working with Sponsor and SLT to overcome obstacles to their completion; and 3. making recommendations where required. | 2011-2012: <ul style="list-style-type: none"> Complete steps in Priority #1 action plans. Complete steps in Priority #2 action plans. Engage Steering Committee and Cross-Functional Advisory Group in the organizational planning implementation process. Provide regular communication on progress to employees. 2012: <ul style="list-style-type: none"> Complete steps in Priority #3 action plans. |
| | Support Council for strategic planning by: <ol style="list-style-type: none"> 1. identifying and overcoming barriers to strategic planning; 2. providing education on strategic planning; 3. providing examples and linkages to demonstrate the value of strategic planning; and 4. assisting to structure the strategic planning process. | 2011: Complete steps 1, 2 and 3. 2012: Complete step 4 (subject to Council support). |



City of Nanaimo staff at the annual Employee Service Awards dinner



Finance Department

The role of the Finance Department is to provide financial stewardship of the City's financial assets. The Department provides financial reporting and control and is responsible for the implementation of financial management policies that ensure the City is able to meet Council's future service expectations. Financial information is provided to the public, Council, media and other City departments. There are four divisions within the Finance Department:

Accounting Services is responsible for the expenditures of the City. The division processes over 30,000 invoices annually, resulting in the issuance of 12,000 accounts payable cheques.

The division prepares monthly financial reports for internal review, along with an annual financial statement that is available on the City's website.

This division is also responsible for ensuring that the financial records accurately reflect the financial position of the City and for monitoring cash flow and investments, all the while working within the guidelines as outlined in the *Community Charter*.

Financial Planning & Payroll combines two functions. The Payroll section provides bi-weekly paycheques for approximately 850 employees (including full-time, part-time and casual employees).

The other role is to prepare the City's financial plan annually for review and adoption by Council. This is done by collecting information from all departments and working with senior management to prepare a draft budget in accordance with the principles that have been established by Council. The budget is modified during a public input and discussion period and finally adopted by bylaw.

The Division also provides financial analysis and works on special projects such as the three-year Development Cost Charge review.

Purchasing & Stores manages the City purchasing function in addition to stores inventory, contract management and general insurance.

Revenue Services is responsible for billing, collecting money and maintaining records for properties, business licenses and dog licenses.

There are approximately 34,000 properties in the City of Nanaimo. This Division maintains records of assessment, ownership, legal description and tax accounts. Tax notices and reminders are mailed annually and an annual tax sale is held for properties where property taxes are unpaid for three years.

This Division also bills for water, sewer and garbage services, known as User Rates. There are 22,000 property accounts that are billed three times a year. Over 5,000 business licenses and approximately 5,500 dog licenses are issued annually.

Revenue Services is responsible for ensuring that these bills are collected, the money is deposited promptly in the bank and that the transactions are appropriately recorded in the City's financial records.

department highlights

- The City's 2009 Financial Statements were prepared using the new Public Sector Accounting Board (PSAB) accounting standards. Significant changes were a new reporting model and the move to full accrual accounting.
- Municipalities are required to record depreciation of Tangible Capital Assets, and in 2010 the Department successfully converted assets to the City's SAP financial systems module. The asset accounting module tracks and amortizes over 55,000 assets.
- In 2009 the City rolled out MyCity to the public. In 2010, use of MyCity by property owners increased 158% with positive feedback from the public.



Finance - 2010 Performance

| OBJECTIVE | STRATEGY | MEASURE | RESULTS |
|--|--|--|--|
| Provide timely and accurate information to Council, the public and City staff. | Produce accurate and timely financial reports in accordance with the legal requirements set forth in the <i>Community Charter</i> . | Five Year Financial Plan and Annual Financial Statements prepared by dates specified in the <i>Community Charter</i> . | Both documents were prepared by the dates specified in the <i>Community Charter</i> . |
| Provide financial stewardship. | Through the quarterly report process, estimate the year end surplus within 10% of the actual year end surplus. | Percentage of difference between surplus estimate and actual surplus. | 11.49% |
| | Provide residents with an effective and efficient electronic payment option for property taxes. | Percentage of customers using electronic payments for property taxes. TARGET: Increase of 5% over 2009. | The percentage of customers using electronic payments for property taxes increased by 12% in 2010. |
| | Increase the number of users of MyCity, a web-based program that provides customers with up-to-date information for tax, user rate, dog and business licence accounts. | Increase number of customers using MyCity by 5% every year over the next two years. | There was a substantial increase in the number of customers using MyCity, as usage increased 158%. 2010: 2,832 users 2009: 1,096 users |

2011 & 2012 Objectives remain unchanged

future issues and trends

- The issue of sustainability continues to be an area of increased attention, both for the Department and for the City as a whole. The City's mandate is to be carbon neutral by the year 2012 and Finance staff has taken on the responsibility for greenhouse gas reporting.
- The Finance Department is committed to ongoing process review in order to become more effective and efficient.
- The City is planning the implementation of a new Budgeting module in the City's SAP financial system. This will reduce the amount of work to prepare the budget and improve ability to analyze and review budgets.
- The City is working on a new system of performance measurement. This new 'balanced scorecard' approach will provide key performance measures for different aspects of the City's activities to help Council and the public measure the City's progress toward its goals.



Information Technology Department

The Information Technology Department (ITD) mandate is to support technology services for City operations. ITD provides the IM (Information Management) and IT (Information Technology) infrastructures, manages technology projects, and develops systems. The overriding objective is to implement solutions that provide value to City Departments in meeting their goals and objectives, as well as delivering service to the community.

As a strategy partner to the organization, the ITD strategy is based upon four principles:

- *Client Focus* ensures that solutions are always directed to meeting City needs;
- *Business Driven* ensures solutions are effective and provide a real return;
- *Knowledge Management* ensures that solutions are developed in a professional and informed manner;
- *Technology Platform* ensures that the most reliable and effective tools are deployed.

The Department's Service Catalogue includes 140 business applications, along with 500 workstations and 145 physical and virtual servers. These reside at 12 major sites all connected with a Municipal Area Network consisting of both wired and wireless connections. In addition, the Department supports voice communications and the 700 telephone locals connected through four large telephone switches. All the services are managed through the three ITD program areas of Applications Support, Technical Support, and Client Support (Help Desk).

department highlights

In 2010, ITD completed 23 business applications and 16 technical projects to support the growing and changing requirements of the City's operating departments. The redevelopment of the City's public-facing services continued as a key initiative. These projects include the web 2.0 upgrades to the City website, Open Data initiatives, social media services, and enhanced public search capabilities. The pilot project to web stream Council meetings was expanded and improved to support public interest in this service.

Key IT infrastructure improvements for 2010 were centred on disk storage capacity and business continuity. Migration from physical to virtual servers continued as part of the City's green initiatives. Restoration of virtual servers is now easier and faster, thereby improving uptime for operating departments. System availability continued to exceed the 99.5% target.

In 2010, an initiative to provide public data connections was continued with City-owned fibre optic cable now in place between all major facilities. Expansion to other sites and installation of a redundant loop will continue in the future.

Expansion of public wireless projects continued in 2010. Improved service in several of the City's buildings was a priority arising from public requests. The public use of this service continues to grow dramatically.

ITD will continue to improve communication to the public about road and construction projects through initiatives like the Bowen Road Expansion webcam.

The IT Help Desk handled approximately 4,800 support requests during the year. 80% of staff problem requests were resolved immediately by ITD staff. The remaining calls were directed to applications or technical staff for higher level support.

The major focus for applications development in 2010 has been on online services and SAP financial systems. In addition to these two focus areas, staff spend approximately 25% of their time on maintenance and upgrades to existing applications. The online services included several new web 3.0 applications, upgrades to Nanaimo Map and features to Google Earth and Google Maps, along with adoption of the OpenID standard for easier public access to City services. The SAP system additions included the Capital Assets Module for improved asset tracking, along with reporting enhancements to HR component and financial information.

The City of Nanaimo is a recognized technology leader. We continue to receive regular media coverage for the Google Earth and Google Maps development. Most of Nanaimo's downtown can be viewed as '3D buildings' on Google Earth. Nanaimo is also recognized as being very progressive in the adoption of social media for our communications with the public. Several of these alternative media have been incorporated in to departments' service delivery plans.



future issues and trends

Information technology continues to be an increasingly key component in providing City services to the public and internal departments. Service to citizens through online government transformation has received much attention and ITD hopes to provide leadership to internal departments as the City moves forward in this arena.

IT projects that assist in providing these services have been identified and planned for the next three to five years. These projects generally fall into one of the following five areas:

- Web Services - moving traditional counter-based services to the new internet-based electronic counter;
- Mapping - building Geographic Information Systems (GIS) applications that relate to property services and utilities infrastructure, as well as interfaces for other services such as Parks, vehicle movement, and business locations;
- Mobile Services - providing wireless communications for staff so that services and business support can be accommodated away from the traditional city counter;
- Electronic Document Management - provide an effective way to manage the explosive growth of electronic documents, ensuring that they can be stored, secured and accessed in a timely and reliable manner; and
- IT Infrastructure - continue to update and improve the network and systems to handle more data at faster speeds throughout the service area. In addition, the IT infrastructure will have to become increasingly reliable and more robust to be available in emergency scenarios.

2011 will be a challenging year for the City, and the IT Department will be an integral part of the solutions developed. The corporate work goals will focus on strategic planning and providing Council with more comprehensive decision-making information. We have identified Business Applications and technical projects that will assist departments in improving services while reducing costs. These will be reviewed with the clients and those providing the greatest value will proceed.



Information Technology - 2010 Performance

| OBJECTIVE | STRATEGY | MEASURE | RESULTS |
|--|---|--|---|
| Provide an efficient computing and telecommunication system environment with a high degree of reliability. | Maintain system access for network and mission critical applications at 99% availability. | Average number of network downtime hours per month during 8:00 a.m. - 5:00 p.m. core business hours. | No total system failure in 2010. All corporate applications achieved 99.5% up-time or better. Have immigrated to a more distributed server environment with 115 virtual servers, 30 physical servers and 4-server citrix farm. |
| Develop technical expertise within all City staff. | Provide technology training for City staff on IT-related products. | Number of training courses provided in the year. TARGET: 15 | Continuing with more than 15 in-house courses offered. The online Chalk Media courses have been lost due to the vendor withdrawing from the market. IT staff training (technology training) continues, but at less than the target of 10 days per year, primarily due to staff vacancies over the year. |
| Encourage use of the City's website and continually aim for improvement of the site. | Develop interactive mapping services to assist the public and City staff. Specific initiatives include: <ul style="list-style-type: none"> • interactive maps providing information on Parks, Recreation & Culture facilities and services. • interactive maps providing development-related information (ie. location of infrastructure, zoning, etc.) | Percentage of interactive map creation project completed. | Continuing to expand online services with the use of Twitter and Facebook for external communications. The Nanaimo Data Catalogue now has 22 data sets, in addition to the other services offered on the City's website. |
| Implement innovative technical solutions to increase efficiencies and/or achieve greater cost effectiveness. | Increase the City's wireless capabilities and lower costs by increasing City-owned wireless service infrastructure. | Percentage saved over the cost of basic cellular service compared to 2006. TARGET: 15% savings each year. | Continued to expand the City's public Wi-Fi at the harbour and all recreations centres. Upgraded the system disk storage and backup capabilities to improve reliability and service to clients. Implemented a new Council meeting website service. |

2011 & 2012 Objectives remain unchanged

2010 permissive tax exemptions

A permissive tax exemption (PTE) is an exemption from the payment of municipal tax. Each year Council grants various permissive tax exemptions to help support organizations that provide services considered to be an extension of municipal services and that are deemed to contribute to the well being of the community.

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. To strike a balance, Council considers requests for exemptions in concert with the various other needs of the community.

| Organization | Exemption |
|--|-----------|
| Anglican Synod Diocese of BC | 13,384 |
| Assembly of BC Arts Councils | 247 |
| BC Cancer Foundation | 3,311 |
| BC Conference of the Mennonite Brethren | 10,692 |
| BC Corporation of the Seventh Day Adventist | 2,617 |
| BC Muslim Association | 1,446 |
| BC SPCA | 5,122 |
| Benedictines of Nanaimo | 3,089 |
| Bishop of Victoria | 18,166 |
| Bishop of Victoria/Trustees Trinity United Pastoral | 3,829 |
| Boys and Girls Club of Central Vancouver Island | 10,661 |
| Canadian Mental Health Association | 3,403 |
| Centennial Museum | 41,982 |
| Child Development Centre | 29,052 |
| Christ Community Church | 8,879 |
| Christian & Missionary Alliance Canadian Pacific Dist. | 3,876 |
| Christian Science Society of Nanaimo | 489 |
| Columbian Centre Society | 9,194 |
| Crimson Coast Dance Society | 415 |
| Crisis Pregnancy Centre of Nanaimo Society | 2,697 |
| C.V.I. Multicultural Society | 5,131 |
| Downtown Nanaimo Partnership Society | 4,490 |
| First Baptist Church Nanaimo BC | 3,728 |
| Foursquare Gospel Church of Canada | 11,078 |

To be considered for a PTE an organization must: submit an application; have goals, policies and general operating principles that reflect those of the municipality; provide services that are an extension of municipal services and programs; be primarily used by residents of the City of Nanaimo; allow all Nanaimo residents to participate and adhere to all City of Nanaimo bylaws and policies.

Following is a listing of organizations granted a permissive tax exemption in 2010, along with the amount of municipal taxes that would have been imposed on the property if it were not considered exempt.

| Organization | Exemption |
|---|-----------|
| G.S.M.P.D. Sikh Temple Inc. | 924 |
| General George R. Pearkes Senior Citizens Housing Society | 14,846 |
| Good Samaritan Canada | 64,251 |
| Governing Council of the Salvation Army | 17,141 |
| Hammond Bay Baptist Church | 1,538 |
| Hope Lutheran Church | 3,594 |
| Island Corridor Foundation | 50,161 |
| Island Crisis Care Society | 2,950 |
| Kings Temple Missionary Society | 1,456 |
| Knights Mid Island Charitable Society | 1,931 |
| Loaves & Fishes Food Bank Foundation | 2,983 |
| McGirr Sports Society | 40,053 |
| Mid Island Metis Nation Association | 313 |
| Mid Island Science, Technology & Innovation Council | 3,394 |
| Mid-Island Intergroup Society | 192 |
| Mt. Benson Sr. Citizens Housing Society | 24,263 |
| Nanaimo & District Equestrian Association/V.I.E.X. | 11,157 |
| Nanaimo & District Surfside Society | 2,071 |
| Nanaimo 7-10 Club Society | 612 |
| Nanaimo Affordable Housing Society | 1 |
| Nanaimo Art Gallery | 7,267 |
| Nanaimo Association for Community Living | 20,590 |
| Nanaimo BMX Association | 1,914 |
| Nanaimo Branch of the Red Cross Society | 4,385 |

2010 permissive tax exemptions - (continued)

| Organization | Exemption |
|--|-----------|
| Nanaimo Canoe & Kayak Club/Nanaimo Rowing Club | 534 |
| Nanaimo Child Self Society | 7,635 |
| Nanaimo Christian School (1988) Society | 8,846 |
| Nanaimo Church of Christ | 1,293 |
| Nanaimo Community Archives | 4,444 |
| Nanaimo Community Hospice Society | 1,583 |
| Nanaimo Conservatory of Music | 6,822 |
| Nanaimo Curling Club | 9,536 |
| Nanaimo District Senior Citizens Housing Development Society | 74,297 |
| Nanaimo F.O.S. Non-Profit Housing Society | 6,489 |
| Nanaimo Family Life Association | 3,727 |
| Nanaimo Foodshare Network Society | 3,940 |
| Nanaimo Full Gospel Assembly | 1,833 |
| Nanaimo Recycling Exchange | 10,166 |
| Nanaimo Region John Howard Society | 7,579 |
| Nanaimo Search and Rescue Society | 2,400 |
| Nanaimo Telephone Visiting Society | 231 |
| Nanaimo Theatre Group | 3,397 |
| Nanaimo Tourism & Convention Bureau | 6,848 |
| Nanaimo Travellers Lodge Society | 16,115 |
| Nanaimo Women's Resource Society | 3,324 |
| Nanaimo Youth Services Association | 8,846 |
| Nature Trust of British Columbia | 157,650 |
| Navy League of Canada Nanaimo Branch | 5,274 |
| Oceanside Jehovah's Witnesses, Etc. | 1,792 |
| Options for Sexual Health | 2,165 |
| Pentecostal Assemblies of Canada | 14,713 |
| Pleasant Valley Social Centre | 4,888 |

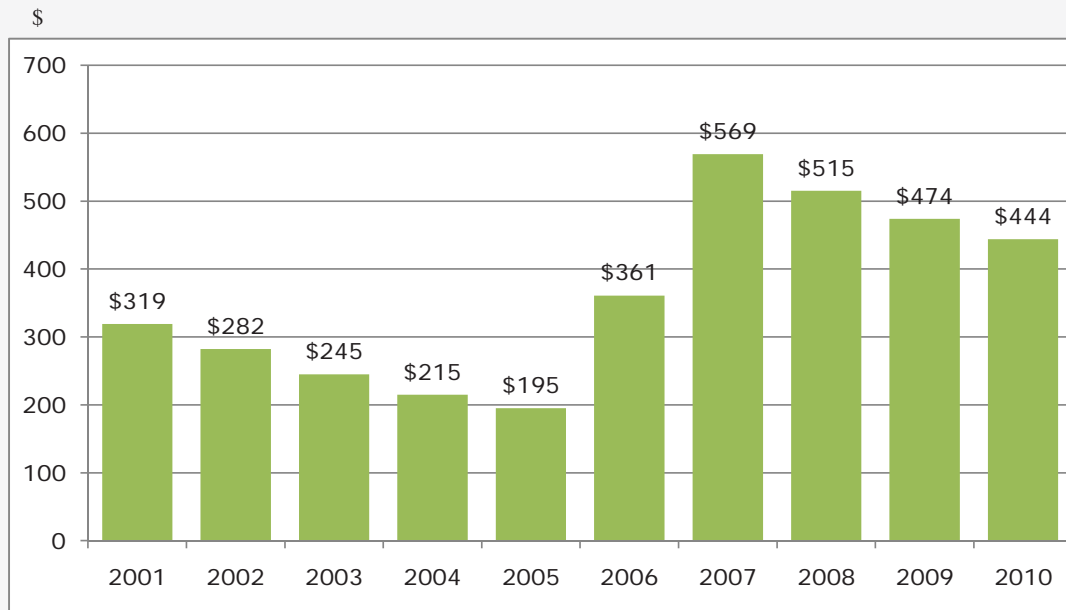
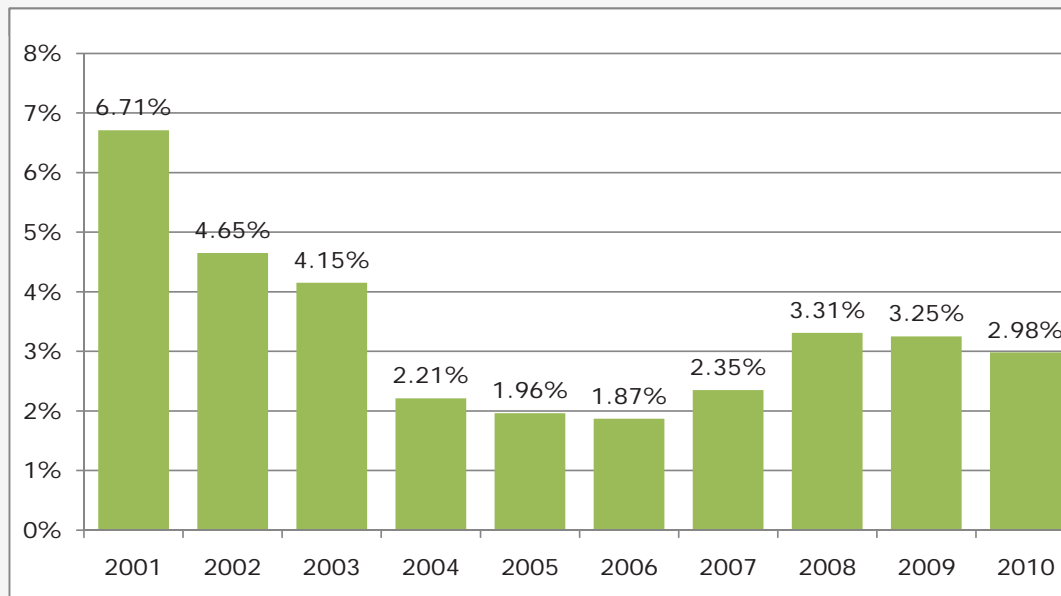
NOTE: Churches are granted a statutory exemption under the *Community Charter*. The exemptions granted under this legislation provide tax exemption for the main building and the land upon which it stands, leaving the remainder of the property as taxable. The City's PTE Policy permits an additional permissive tax exemption for additional land and buildings not covered by the statutory exemption, to a maximum of 2.0 acres.

| Organization | Exemption |
|--|-----------|
| Port Theatre Society | 317,888 |
| President of the Lethbridge Stake | 3,055 |
| Priestly Society of St. Pius | 1,405 |
| Protection Island Lions Club | 16,619 |
| Protection Island Ratepayer's Association | 1,557 |
| Royal Canadian Airforce Assoc. 808 (Thunderbird) Wing | 4,918 |
| St. John's Ambulance | 16,450 |
| St. Paul's Lutheran Church of Nanaimo | 3,187 |
| Theatre One | 1,130 |
| Tillicum Haus Society | 12,286 |
| Tillicum Lelum Aboriginal Society | 8,754 |
| Trustees of St. Andrews Presbyterian Church Nanaimo | 3,533 |
| Trustees of the Congregation of Brechin United Church | 1,191 |
| Trustees of the Congregation of Departure Bay Baptist Church | 2,464 |
| Trustees of the Congregation of St. Andrews United Church | 5,325 |
| Trustees of the Nanaimo Christadelphians | 1,690 |
| Trustees, Departure Bay Congregation of Jehovah's Witnesses | 4,246 |
| Ukrainian Catholic Eparchy of New Westminster | 1,955 |
| Unitarian Foundation of Nanaimo | 1,131 |
| United Way Central & Northern Vancouver Island | 4,553 |
| Vancouver Island Centre for the Arts | 5,075 |
| Vancouver Island Haven Society | 5,122 |
| Vancouver Island Khalsa Diwan Society | 3,829 |
| Vancouver Island Symphony | 1,212 |
| Wakesiah Gospel Chapel | 2,810 |
| Wellington Community Association | 6,922 |

Total 2010 Permissive Tax Exemptions

\$1,289,639

STATISTICS

OUTSTANDING DEBT PER CAPITA**DEBT SERVICING AS A PERCENTAGE OF EXPENDITURES ***

* Includes operating and capital expenses but excludes amortization

Where your 2010 tax dollars go.....

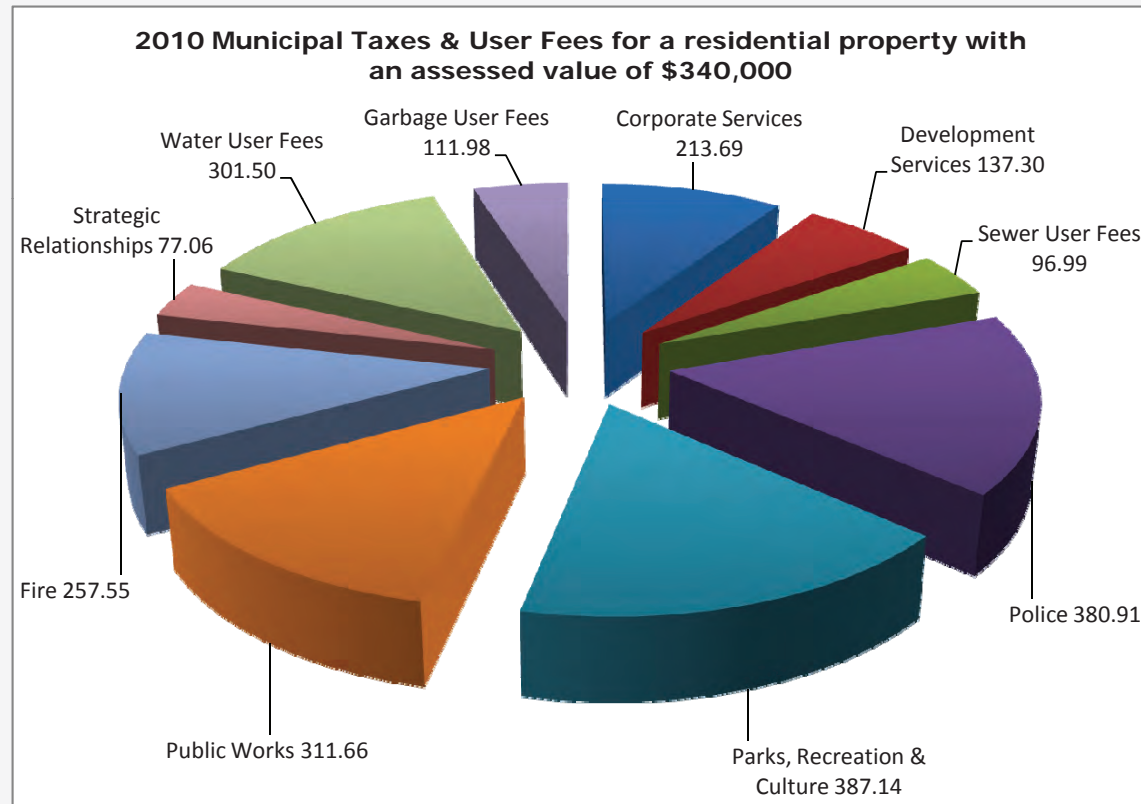
(For a residential property with an assessed value of \$340,000)

Municipal Taxes & User Rates

| | |
|--|--------------------|
| Corporate Services | \$ 213.69 |
| Development Services | 137.30 |
| Fire | 257.55 |
| Police | 380.91 |
| Parks, Recreation & Culture | 387.14 |
| Public Works | 311.66 |
| Strategic Relationships | 77.06 |
| Sewer User Fees | 96.99 |
| Water User Fees | 301.50 |
| Garbage User Fees | 111.98 |
| Total Municipal Taxes and User Fees | \$ 2,275.78 |

NOTE: School taxes, regional levies and the Home Owner Grant are not included in the above

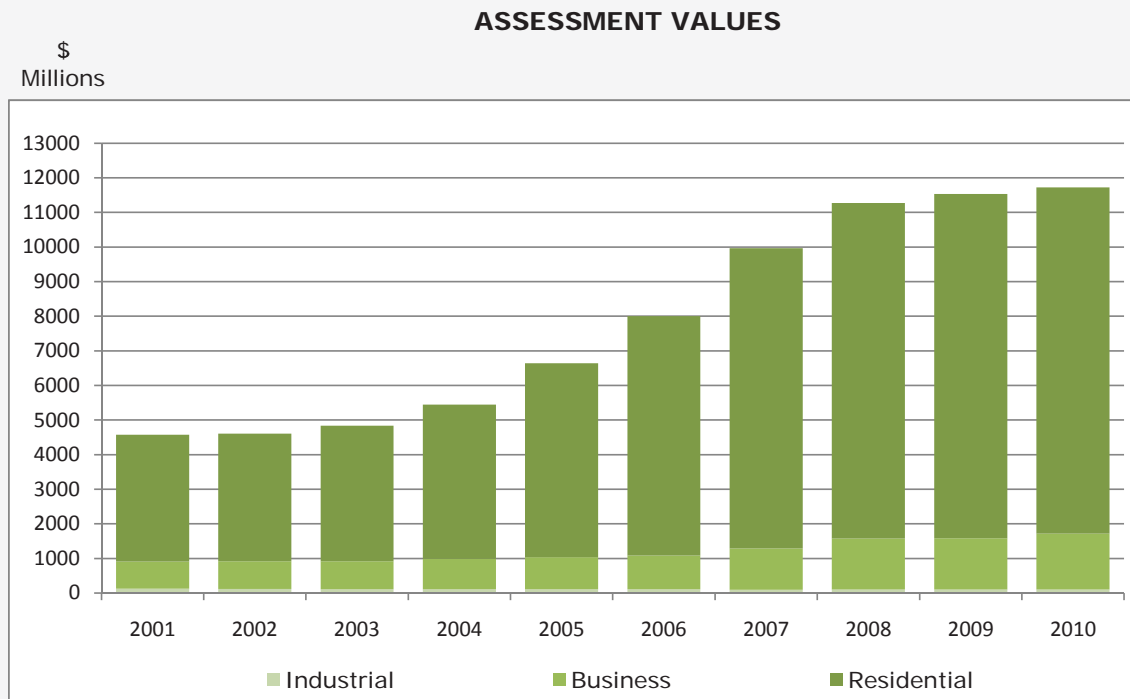
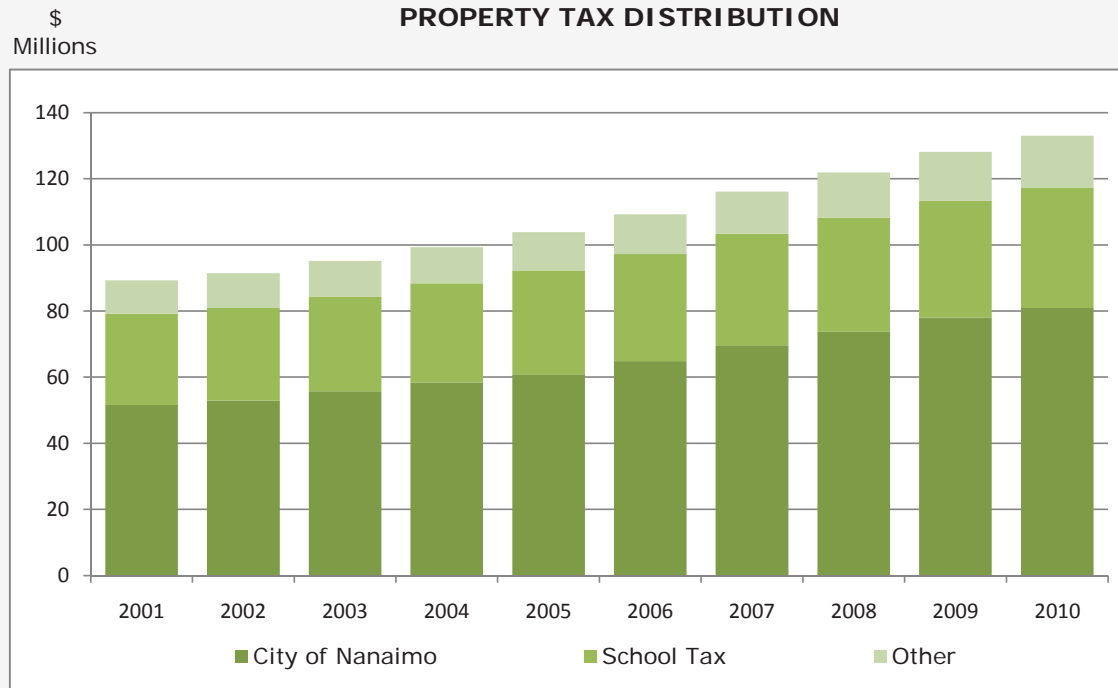
STATISTICS



Property Owners with Gross Taxes Exceeding \$250,000 in 2010

| Rank | Property Owner | Primary Property | Total Taxes Levied (all agencies) | % of current tax levy |
|------|--|--|--------------------------------------|--------------------------|
| 1 | IVANHOE CAMBRIDGE I INC | Woodgrove Mall | \$3,871,015.24 | 2.92% |
| 2 | NANAIMO FOREST PRODUCTS LTD | Pulp Mill (was Harmac) | \$2,467,077.87 | 1.86% |
| 3 | FIRST CAPITAL CORPORATION | Woodgrove Crossing / Longwood / Port Place/ Terminal Park / VICC | \$1,461,892.57 | 1.10% |
| 4 | COUNTRY CLUB CENTRE LTD | Country Club Mall | \$1,229,635.59 | 0.93% |
| 5 | BRITISH COLUMBIA FERRY SERVICES INC | BC Ferries Properties became taxable in 2004 | \$1,185,006.82 | 0.89% |
| 6 | 1854 HOLDINGS LTD | Nanaimo North Town Centre | \$966,671.50 | 0.73% |
| 7 | WESTERN FOREST PRODUCTS INC | Duke Point Mill / Mill @ Nanaimo Wharf | \$726,504.64 | 0.55% |
| 8 | TELUS COMMUNICATIONS BC LTD & BC TELEPHONE CO | Excludes 1% Grant | \$694,446.29 | 0.52% |
| 9 | ARTIS AULDS CORNER NANAIMO LTD | Romeo's / Vahalla / Island Natural / HSBC | \$653,413.96 | 0.49% |
| 10 | NORED DEVELOPMENTS INC | Nored Plaza / Other Strip Malls / Vacant Residential | \$642,224.57 | 0.48% |
| 11 | TERASEN GAS VANCOUVER ISLAND INC | Excludes 1% Grant | \$615,258.84 | 0.46% |
| 12 | 416382 BC LTD | Dickinson Crossing | \$556,553.53 | 0.42% |
| 13 | FERNCO DEV LTD / LENCO DEV LTD / NORCO DEV LTD | Terminal Park (part) Mostar Strip Mall | \$549,957.02 | 0.42% |
| 14 | LOBLAW PROPERTIES WEST INC | Real Canadian Superstore | \$522,086.69 | 0.39% |
| 15 | BRITISH COLUMBIA HYDRO & POWER AUTHORITY | Excludes 1% Grant | \$521,498.38 | 0.39% |
| 16 | BROOKS LANDING CENTRE INC | Brooks Landing Shopping Centre | \$503,821.05 | 0.38% |
| 17 | SHAW CABLESYSTEMS LTD | Excludes 1% Grant | \$448,871.81 | 0.34% |
| 18 | COSTCO WHOLESALE CORP | Costco | \$423,853.90 | 0.32% |
| 19 | NANAIMO SENIORS VILLAGE HOLDINGS LTD | Nanaimo Seniors Village | \$402,958.63 | 0.30% |
| 20 | HOME DEPOT HOLDINGS INC | Home Depot | \$389,995.02 | 0.29% |
| 21 | SOPHIE INVESTMENTS INC | Rock City Centre / 3 Apartment Buildings / Glen Eagle | \$389,489.24 | 0.29% |
| 22 | INSIGHT HOLDINGS LTD | Vacant Residential | \$376,561.04 | 0.28% |
| 23 | DOVER POINTE CENTRE LTD | Home Outfitters | \$368,622.79 | 0.28% |
| 24 | WTF INVESTMENTS CO LTD | Metral Place Shopping Centre (Staples, etc) | \$364,139.85 | 0.27% |
| 25 | MALAVIEW DEVELOPMENT LTD | Slegg Lumber | \$344,090.37 | 0.26% |
| 26 | BRILAND NANAIMO PROJECT LTD | Office Building & Storage Area | \$341,731.37 | 0.26% |
| 27 | NANAIMO BASTION HOTEL CORP | Coast Hotel | \$311,515.71 | 0.24% |
| 28 | DUKE POINT PROPERTY COMPANY | Duke Point | \$297,049.70 | 0.22% |
| 29 | HAREWOOD INVESTMENTS LTD | University Village | \$299,675.72 | 0.23% |
| 30 | B-250 HOLDINGS INC | Hammond Bay Plaza | \$288,020.86 | 0.22% |
| 31 | CENTURY GROUP LANDS CORPORATION | Vacant Residential | \$265,748.10 | 0.20% |
| 32 | B G R HOLDINGS INC | Budget & Broco | \$261,094.67 | 0.20% |
| | | | <u>\$22,740,483.34</u> | |

STATISTICS

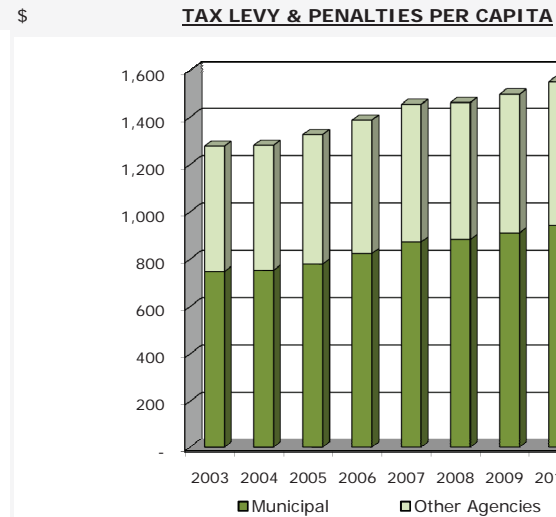
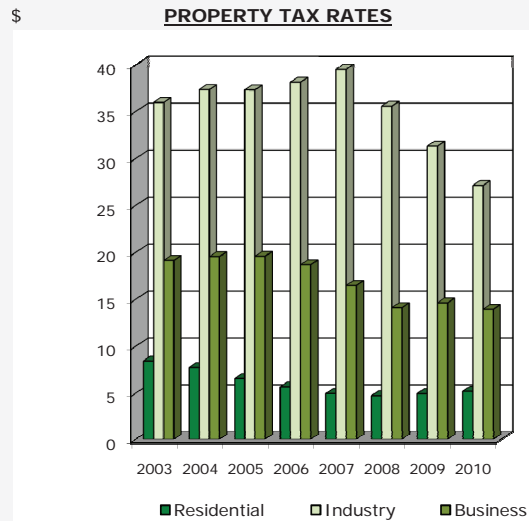


FINANCIAL COMPARATIVE STATISTICS

UNAUDITED

| | <u>2010</u> | <u>2009</u> Restated | <u>2008</u> Restated | <u>2007</u> | <u>2006</u> |
|---|---------------|-------------------------|-------------------------|---------------|---------------|
| Reserve Fund Balances | \$17,188,546 | \$16,756,431 | \$13,900,756 | \$11,525,517 | \$14,457,270 |
| Reserve Account Balances | 61,545,525 | 57,845,384 | 57,365,883 | 53,672,479 | 57,053,113 |
| Accumulated Operating Surplus ** | 15,731,461 | 15,429,713 | 13,933,625 | - | - |
| Debt | 38,139,909 | 40,528,535 | 42,909,539 | 45,397,764 | 28,422,961 |
| Debt per capita | 444.38 | 473.64 | 514.53 | 568.52 | 361.19 |
| Assessed Values - Land | 5,678,361,945 | 5,835,198,632 | 5,756,218,004 | 5,176,644,735 | 3,807,748,936 |
| Assessed Values - Improvements | 6,138,044,049 | 5,783,893,468 | 5,595,821,633 | 4,857,501,493 | 4,256,727,282 |
| Current Tax Levy and Penalties | 133,022,916 | 128,126,610 | 121,906,464 | 116,111,428 | 109,875,091 |
| Taxes Collected | | | | | |
| - Current | 130,307,785 | 122,669,018 | 119,952,372 | 114,605,282 | 108,390,624 |
| - Arrears | 5,976,678 | 2,386,382 | 2,656,108 | 2,702,469 | 1,575,823 |
| - Delinquent | 922,780 | 568,462 | 473,539 | 544,481 | 490,015 |
| % of Current Taxes Collected | 97.96% | 95.74% | 98.40% | 98.70% | 98.65% |
| Taxes Outstanding and Redeemable Tax Sale Properties | 3,679,409 | 6,357,643 | 2,506,145 | 1,962,434 | 2,006,133 |
| Utility Arrears Carried to Taxes | 1,064,824 | 1,321,658 | 1,176,512 | 1,059,446 | 1,001,344 |

** Not reportable for years prior to 2008 due to different PSAB reporting requirements



STATISTICS

OPERATIONAL COMPARATIVE STATS

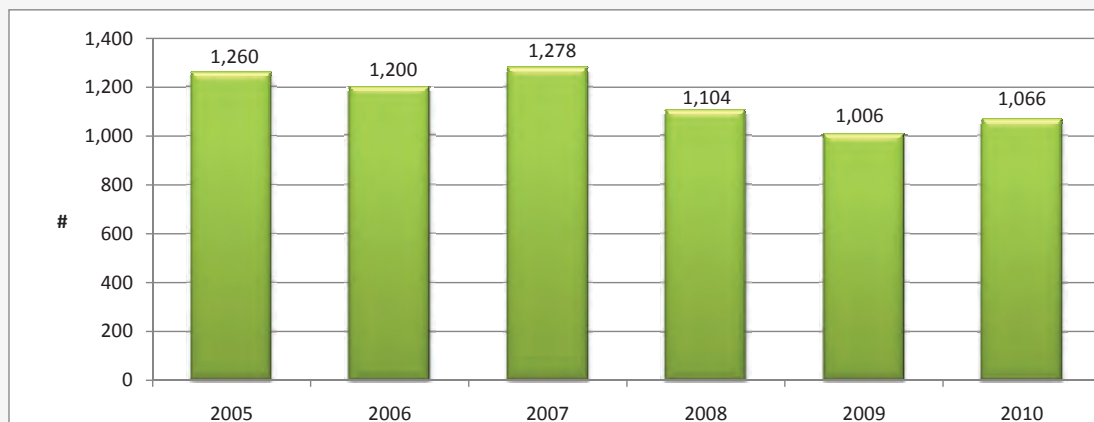
UNAUDITED

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

STATISTICS

| | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> |
|----------------------------------|---------------|---------------|---------------|---------------|---------------|
| Population * | 85,828 | 85,568 | 84,512 | 79,852 | 78,874 |
| Registered Voters | 62,687 | 61,860 | 61,860 | 58,155 | 58,155 |
| No. of Properties (Folios) | 35,011 | 34,698 | 33,344 | 32,797 | 32,218 |
| Paved Roads in Km. ** | 603 | 598 | 596 | 603 | 591 |
| Sanitary Sewer Lines in Km. | 652 | 646 | 550 | 544 | 551 |
| Storm Sewer Lines in Km. | 528 | 521 | 408 | 400 | 340 |
| Water Lines in Km. | 620 | 613 | 602 | 592 | 585 |
| Municipal Full-Time Employees | 590 | 583 | 586 | 546 | 535 |
| Police Protection | | | | | |
| Number of Stations *** | 1 | 2 | 2 | 2 | 2 |
| Number of Police Officers | 135 | 124 | 122 | 118 | 114 |
| Number of Criminal Code Offences | 14,299 | 15,837 | 15,124 | 17,155 | 17,294 |
| Fire Protection | | | | | |
| Number of Stations | 6 | 6 | 6 | 5 | 5 |
| Number of Full-Time Personnel | 105 | 95 | 94 | 84 | 84 |
| Paid on Call Firefighters | 100 | 75 | 85 | 74 | 73 |
| Number of Calls Received | 6,297 | 6,095 | 5,679 | 5,269 | 5,284 |
| Number of Fire Hydrants | 2,881 | 2,837 | 2,731 | 2,574 | 2,512 |
| Value of Building Permits Issued | \$172,279,921 | \$159,906,307 | \$209,414,621 | \$264,387,968 | \$228,629,484 |

BUILDING PERMITS ISSUED



* All population data is estimated

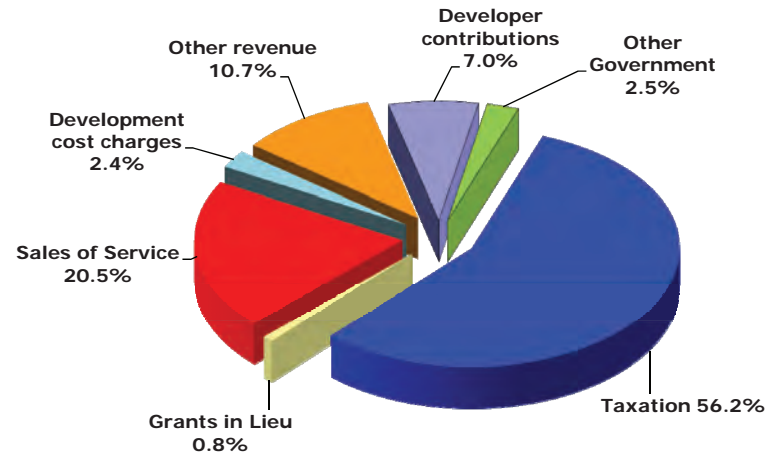
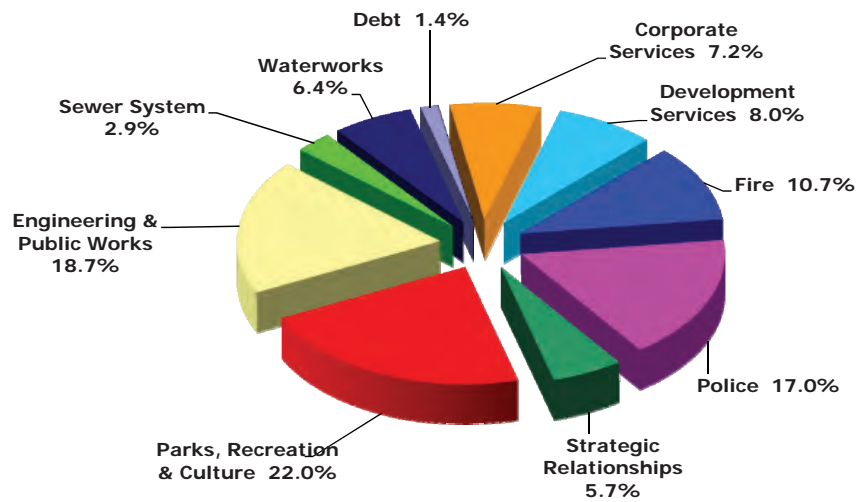
** Adjusted in 2008 to remove streets falling under Provincial jurisdiction

*** commencing in 2010, the City no longer has a Community Police Station

~ 2007 Water Lines in Kms has been restated

OPERATING REVENUES AND EXPENSES

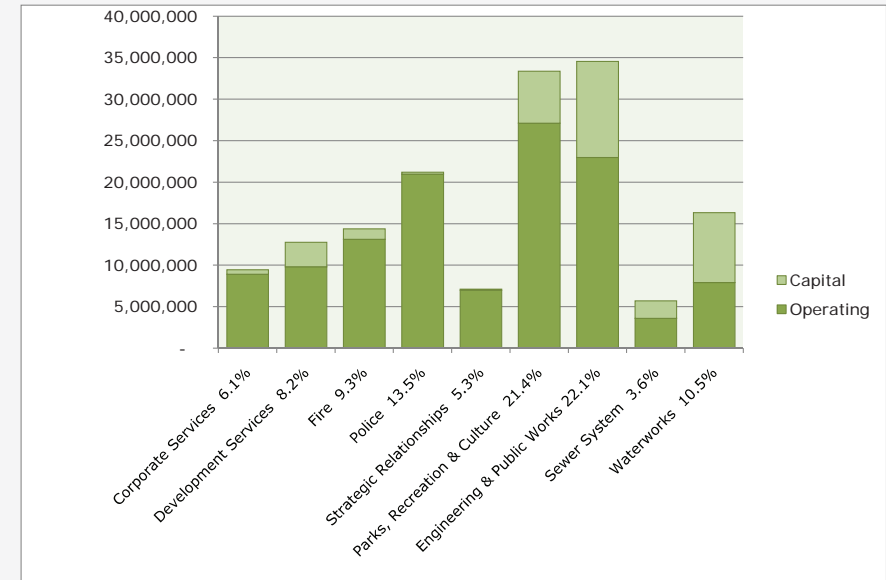
UNAUDITED

REVENUESEXPENSES

STATISTICS

OPERATING AND CAPITAL EXPENDITURES

UNAUDITED



FIVE YEAR CAPITAL PLAN AND FUNDING 2011 to 2015

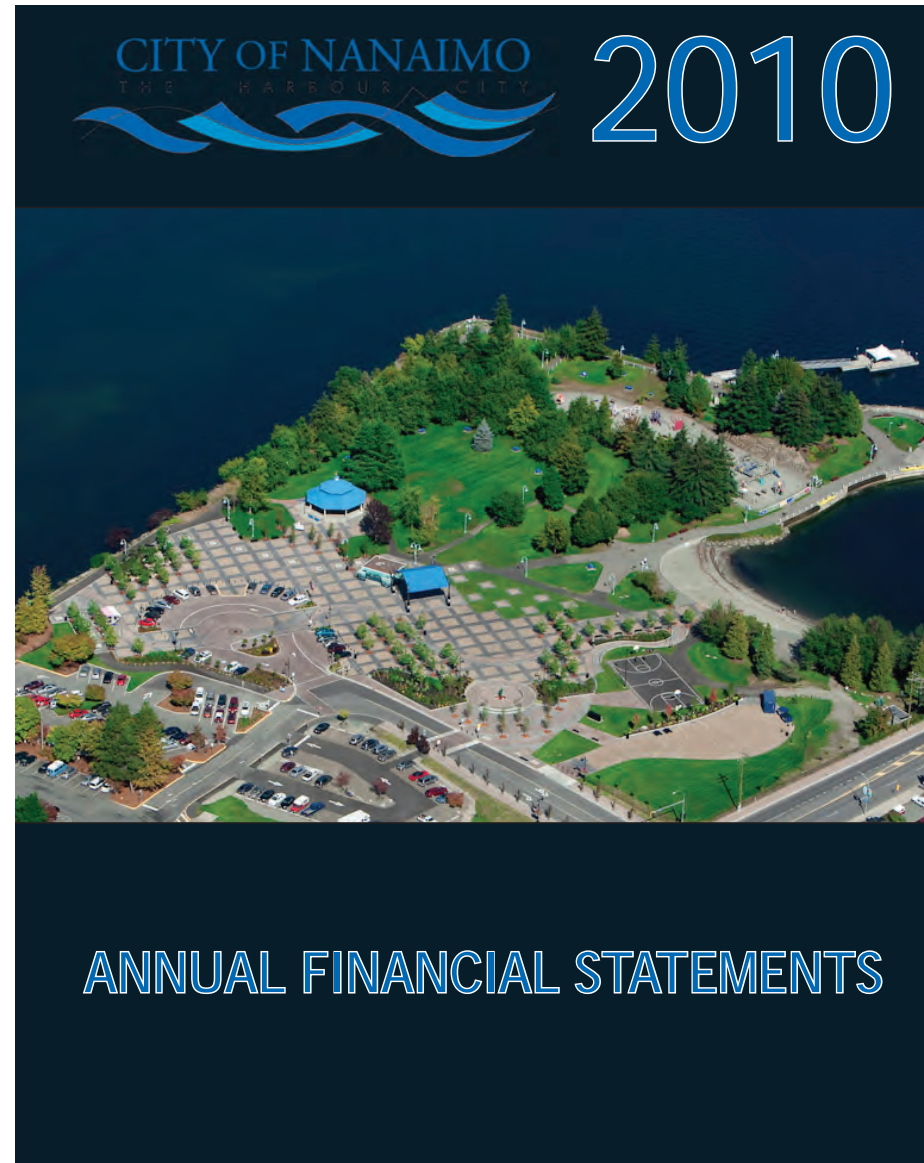
UNAUDITED

| | | | | | | | Source of Funds | | | | |
|----------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|
| | 2011 | 2012 | 2013 | 2014 | 2015 | Total | General Revenue | Statutory Reserves | General Reserves | Other Sources * | Total |
| General Capital | | | | | | | | | | | |
| Corporate services | \$ 5,247,326 | \$ 11,249,000 | \$ 514,000 | \$ 407,000 | \$ 378,000 | \$ 17,795,326 | \$ 1,053,326 | \$ - | \$ 12,742,000 | \$ 4,000,000 | \$ 17,795,326 |
| Community safety and development | 2,348,652 | 2,138,750 | 9,120,000 | 3,055,000 | 1,260,000 | 17,922,402 | 3,175,000 | 2,348,000 | 1,460,652 | 10,938,750 | 17,922,402 |
| Engineering & public works | 13,936,907 | 7,622,503 | 4,702,000 | 5,474,000 | 7,312,247 | 39,047,657 | 19,389,091 | 14,735,625 | 2,522,941 | 2,400,000 | 39,047,657 |
| Parks, recreation and culture | 4,482,586 | 3,932,176 | 2,775,000 | 1,865,000 | 2,200,000 | 15,254,762 | 3,240,000 | 6,161,733 | 1,320,602 | 4,532,427 | 15,254,762 |
| Strategic relationships | 1,760,000 | - | - | - | - | 1,760,000 | 230,000 | 882,730 | 409,970 | 237,300 | 1,760,000 |
| | <u>27,775,471</u> | <u>24,942,429</u> | <u>17,111,000</u> | <u>10,801,000</u> | <u>11,150,247</u> | <u>91,780,147</u> | <u>27,087,417</u> | <u>24,128,088</u> | <u>18,456,165</u> | <u>22,108,477</u> | <u>91,780,147</u> |
| Sanitary sewer system | 2,725,442 | 2,060,000 | 2,160,000 | 8,360,000 | 2,560,000 | 17,865,442 | 6,367,304 | 6,298,629 | 5,199,509 | - | 17,865,442 |
| Waterworks system | 15,077,733 | 9,287,899 | 30,172,290 | 41,976,689 | 12,992,770 | 109,507,381 | 25,008,673 | 28,209,421 | 16,129,465 | 40,159,822 | 109,507,381 |
| Total | <u>\$ 45,578,646</u> | <u>\$ 36,290,328</u> | <u>\$ 49,443,290</u> | <u>\$ 61,137,689</u> | <u>\$ 26,703,017</u> | <u>\$ 219,152,970</u> | <u>\$ 58,463,394</u> | <u>\$ 58,636,138</u> | <u>\$ 39,785,139</u> | <u>\$ 62,268,299</u> | <u>\$ 219,152,970</u> |

* Other sources include borrowing, private contributions and federal and provincial grants.

Financial Statements

The City's Audited Financial Statements are presented on the subsequent pages. However, if you are viewing this report in pdf format, you may click on the cover page on the right in order to launch another pdf of the financial statements in portrait (easier to read) format.



AUDITED FINANCIAL STATEMENTS

Partners
John A. Annesley, C.A.²
Lorena LaPorte, C.A., CFP®
Grant McDonald, C.A.²
² Incorporated



INDEPENDENT AUDITOR'S REPORT

To the Mayor and Councillors
City of Nanaimo

Report on the Financial Statements

We have audited the accompanying financial statements of the **City of Nanaimo**, which comprise the statement of financial position as at **December 31, 2010** and the statements of operations, changes in net financial assets, and cash flows for the year then ended and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's Responsibility

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

Nanaimo, B.C.
April 18, 2011

A handwritten signature in cursive script that reads 'Church Pickard'.

CHURCH PICKARD
Chartered Accountants

.../2
Suite 301, 17 Church Street, Nanaimo, BC V9R 5H5
Tel. (250) 754-8396 Toll Free. 1-866-754-8396
Fax. (250) 754-8177 Email. mail@churchpickard.com
www.churchpickard.com

INDEPENDENT AUDITOR'S REPORT (Continued) Page 2

Auditor's Responsibility (Continued)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation 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 entity'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.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the **City of Nanaimo** as at **December 31, 2010**, and its results of operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

A handwritten signature in cursive script that reads 'Church Pickard'.


CHURCH PICKARD
Chartered Accountants

Nanaimo, B.C.
April 18, 2011

AUDITED FINANCIAL STATEMENTS

CITY OF NANAIMO STATEMENT OF FINANCIAL POSITION as at December 31, 2010

| | 2010 <u>Actual</u> | 2009 <u>Actual</u> Restated |
|--|-----------------------|-----------------------------------|
| FINANCIAL ASSETS | | |
| Cash - Note 1 (b) | \$ 24,000,277 | \$ 11,218,753 |
| Short-term investments - Note 1 (b) and 23 | 16,739,165 | 26,486,473 |
| Accounts receivable and other assets - Note 6 | 18,090,395 | 19,740,024 |
| Development cost charges receivable - Note 3 | 895,424 | 2,380,839 |
| Portfolio investments - Note 1 (b) and 23 | 105,839,636 | 100,495,503 |
| | <u>165,564,897</u> | <u>160,321,592</u> |
| LIABILITIES | | |
| Accounts payable and accrued liabilities - Note 7 | 17,836,049 | 19,163,302 |
| Retirement benefit liability - Note 1 (e) and Note 8 | 5,744,042 | 5,384,778 |
| Deferred revenue and other liabilities - Note 9 | 12,429,670 | 11,698,984 |
| Restricted revenues - Note 4 | 36,318,060 | 35,445,221 |
| Debt - Note 5 | 38,139,909 | 40,528,535 |
| | <u>110,467,730</u> | <u>112,220,820</u> |
| NET FINANCIAL ASSETS | <u>55,097,167</u> | <u>48,100,772</u> |
| NON-FINANCIAL ASSETS | | |
| Tangible capital assets - Note 2 and 13 | 546,137,759 | 532,536,551 |
| Prepaid expense | 551,268 | 758,767 |
| Supplies | 677,188 | 643,454 |
| | <u>547,366,215</u> | <u>533,938,772</u> |
| ACCUMULATED SURPLUS - Note 2 and 14 | <u>\$ 602,463,382</u> | <u>\$ 582,039,544</u> |



B. E. Clemens, CMA
Director of Finance



J. R. Ruttan
Mayor

CITY OF NANAIMO STATEMENT OF OPERATIONS for the year ended December 31, 2010

| | 2010 <u>Budget</u> (note 25) | 2010 <u>Actual</u> | 2009 <u>Actual</u> Restated |
|---|------------------------------------|-----------------------|-----------------------------------|
| REVENUES | | | |
| Taxes | \$ 80,406,980 | \$ 80,761,023 | \$ 76,595,009 |
| Grants in lieu of taxes | 1,176,586 | 1,183,687 | 1,193,276 |
| Net taxation and grants in lieu - Note 10 | 81,583,566 | 81,944,710 | 77,788,285 |
| User fees and sales of services - Note 11 | 27,830,369 | 29,418,625 | 29,112,758 |
| Other revenue | 11,173,260 | 12,574,057 | 12,600,686 |
| Development cost charges - Note 4 | 9,165,831 | 3,436,608 | 4,972,567 |
| Donations and contributions - capital | 209,752 | 268,626 | 2,137,673 |
| Transfers from other governments - capital - Note 12 | 1,357,953 | 1,884,252 | 2,881,162 |
| Transfers from other governments - operating - Note 12 | 4,566,246 | 4,266,972 | 6,059,067 |
| Municipal Finance Authority refunds | - | 132,807 | 130,097 |
| Developer contribution at subdivision - Note 1 (d) and 13 | - | 10,008,286 | 5,352,624 |
| Loss on sale of assets | - | (246,782) | (135,556) |
| | <u>135,886,977</u> | <u>143,688,161</u> | <u>140,899,363</u> |
| EXPENSES - Note 24 | | | |
| Corporate services | 12,554,767 | 11,091,113 | 12,354,443 |
| Community safety | 35,410,883 | 34,710,598 | 32,582,552 |
| Development services | 10,922,929 | 9,827,519 | 9,619,874 |
| Strategic relationships | 7,756,501 | 6,996,418 | 7,381,467 |
| Parks, recreation and culture | 27,528,687 | 27,120,393 | 26,833,313 |
| Engineering and public works | 28,163,629 | 26,859,411 | 26,205,556 |
| Sewer system | 3,791,272 | 3,602,384 | 3,658,632 |
| Waterworks | 8,552,532 | 7,917,028 | 7,746,785 |
| Interest payments on debt | 1,774,180 | 1,773,775 | 2,072,216 |
| Contingency | 213,100 | - | - |
| | <u>136,668,480</u> | <u>129,898,639</u> | <u>128,454,838</u> |
| Interprogram credits | (6,693,658) | (6,634,316) | (6,555,727) |
| | <u>129,974,822</u> | <u>123,264,323</u> | <u>121,899,111</u> |
| Annual surplus | 5,912,155 | 20,423,838 | 19,000,252 |
| ACCUMULATED SURPLUS - BEGINNING OF YEAR | <u>582,039,544</u> | <u>582,039,544</u> | <u>563,039,292</u> |
| ACCUMULATED SURPLUS - END OF YEAR | <u>\$ 587,951,699</u> | <u>\$ 602,463,382</u> | <u>\$ 582,039,544</u> |

AUDITED FINANCIAL STATEMENTS

CITY OF NANAIMO CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS for the year ended December 31, 2010

| | 2010 <u>Budget</u> (note 25) | 2010 <u>Actual</u> | 2009 <u>Actual</u> restated |
|---|------------------------------------|-----------------------|-----------------------------------|
| ANNUAL SURPLUS | \$ 5,912,155 | \$ 20,423,838 | \$ 19,000,252 |
| Acquisition of tangible capital assets | (43,458,168) | (33,440,976) | (31,390,671) |
| Amortization of tangible capital assets | 19,317,499 | 19,455,054 | 19,421,126 |
| Loss on sale of tangible capital assets | - | 246,782 | 135,556 |
| Proceeds on sale of tangible capital assets | - | 137,932 | 45,005 |
| | <u>(18,228,514)</u> | <u>6,822,630</u> | <u>7,211,268</u> |
| Acquisition of supply inventory | - | (3,521,552) | (3,157,298) |
| Acquisition of prepaid expenses | - | (477,318) | (733,231) |
| Consumption of supply inventory | - | 3,487,818 | 3,173,437 |
| Use of prepaid expenses | - | 684,817 | 131,264 |
| | <u>-</u> | <u>173,765</u> | <u>(585,828)</u> |
| INCREASE IN NET FINANCIAL ASSETS | (18,228,514) | 6,996,395 | 6,625,440 |
| NET FINANCIAL ASSETS - BEGINNING OF YEAR | <u>48,100,772</u> | <u>48,100,772</u> | <u>41,475,332</u> |
| NET FINANCIAL ASSETS - END OF YEAR | \$ <u>29,872,258</u> | \$ <u>55,097,167</u> | \$ <u>48,100,772</u> |

CITY OF NANAIMO CONSOLIDATED STATEMENT OF CASH FLOWS for the year ended December 31, 2010

| | 2010 <u>Actual</u> | 2009 <u>Actual</u> Restated |
|---|-----------------------|-----------------------------------|
| CASH PROVIDED BY (USED FOR) | | |
| OPERATIONS | | |
| Annual surplus | \$ 20,423,838 | \$ 19,000,252 |
| Non-cash items | | |
| Amortization | 19,455,054 | 19,421,126 |
| Developer contributed tangible capital assets | (10,008,286) | (5,352,624) |
| (Increase) decrease in prepaid expense | 207,499 | (601,967) |
| (Increase) decrease in supplies | (33,734) | 16,139 |
| Loss on sale of tangible capital assets | 246,782 | 135,556 |
| Actuarial adjustments | (580,503) | (550,662) |
| Changes to Financial Assets/Liabilities | | |
| (Increase) decrease in accounts receivable | 3,135,044 | (3,490,230) |
| Increase (decrease) in accounts payable | (967,989) | 1,253,405 |
| Increase (decrease) in deferred revenue | 730,686 | (2,718,834) |
| Increase in restricted revenue | 872,839 | 260,229 |
| Cash provided by operating transactions | <u>33,481,230</u> | <u>27,372,390</u> |
| CAPITAL TRANSACTIONS | | |
| Acquisition of tangible capital assets | (33,440,976) | (31,390,671) |
| Less: developer contributed tangible capital assets | 10,008,286 | 5,352,624 |
| | <u>(23,432,690)</u> | <u>(26,038,047)</u> |
| Proceeds from the sale of tangible capital assets | 137,932 | 45,005 |
| Cash applied to capital transactions | <u>(23,294,758)</u> | <u>(25,993,042)</u> |
| INVESTING | | |
| (Increase) decrease in investments | <u>4,403,175</u> | <u>(4,527,457)</u> |
| FINANCING | | |
| Debt repayment | <u>(1,808,123)</u> | <u>(1,830,342)</u> |
| INCREASE (DECREASE) IN CASH | 12,781,524 | (4,978,451) |
| CASH - BEGINNING OF YEAR | <u>11,218,753</u> | <u>16,197,204</u> |
| CASH - END OF YEAR | \$ <u>24,000,277</u> | \$ <u>11,218,753</u> |

AUDITED FINANCIAL STATEMENTS

CITY OF NANAIMO NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2010

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

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

The City prepares its financial statements in accordance with generally accepted public sector accounting standards for local government using guidelines developed by the Canadian Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants. The following include significant policies that have been adopted by the City where alternatives are available:

(a) 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, and expenses in the period the goods and services are acquired and a liability is incurred or transfers are due. 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 is approved and all stipulations have been met. Gas Tax Funds are recognized as revenue in the period received. Revenue unearned in the current period is recorded as deferred revenue.

(b) Cash and Investments

Cash and investments are comprised of cash on deposit and investments in qualifying institutions as defined in the Community Charter.

| | <u>2010</u> | <u>2009</u> |
|------------------------|-----------------------|-----------------------|
| Cash | \$ 24,000,277 | \$ 11,218,753 |
| Short-term investments | 16,739,165 | 26,486,473 |
| Portfolio investments | <u>105,839,636</u> | <u>100,495,503</u> |
| | <u>\$ 146,579,078</u> | <u>\$ 138,200,729</u> |
| Accrued income | <u>\$ 1,686,990</u> | <u>\$ 630,486</u> |

The investments mature at various dates between April 12, 2011 and April 20, 2020 and have yields ranging from 1.62% to 5.53%. See Note 22 regarding financial instrument risks and Note 23 regarding market values and terms.

CITY OF NANAIMO NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2010

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Portfolio investments consist of pooled investments, term deposits, coupons, bonds, banker's acceptance notes and bearer deposit notes which are expected to be held for a term exceeding one year. Investments are recorded at cost, except for the investments in the Municipal Finance Authority of British Columbia pooled investments. These are recorded at market value, which approximates cost due to the high level of transactions within the fund. When, in the opinion of management, there is a decline in value, other than a temporary decline, investments are written down to their net realizable value.

Certain investments totaling \$51,989,264 (2009 - \$47,319,255), represent funds that have been acquired through bylaws or specific sections of the Community Charter. These amounts are designated in their use to the purpose stated within the bylaws that established the statutory reserve fund or for the completion of work related to development.

(c) Supplies

Supplies are valued at weighted average cost with allowances made for damaged or obsolete goods so that the carrying value does not exceed net realizable value.

(d) 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 to be sold in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the consolidated change in net financial assets for the year. Tangible capital assets, a type of non-financial asset, are comprised of capital assets and capital work in progress, are recorded at cost less accumulated amortization and are classified according to their functional use. Amortization is recorded on a straight-line basis over the estimated useful life of the asset commencing the month after the asset is put into service.

Estimated useful lives are as follows:

| | |
|------------------------|---------------|
| Land | Indefinite |
| Land Improvements | 10 - 45 years |
| Leasehold Improvements | 10 - 30 years |
| Marine Structures | 15 - 20 years |
| Buildings | 25 - 40 years |
| Vehicles and Equipment | 2 - 25 years |
| IT Infrastructure | 5 - 10 years |
| Storm | 25 - 75 years |
| Transportation | 10 - 60 years |
| Sewer | 8 - 60 years |
| Water | 8 - 65 years |

AUDITED FINANCIAL STATEMENTS

CITY OF NANAIMO NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2010

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subdivision streets, lighting, sidewalks, drainage and other infrastructure are required to be provided by subdivision developers. At the end of the maintenance period, they are turned over to the City for no consideration and recorded as assets at the cost to the developers which approximates fair value. The City is not involved in the construction and does not budget for either the contribution from the developer or the capital expenditure in its annual bylaw.

(e) Accrued Retirement Benefit Obligation

This liability represents an estimate of the amount of accumulated termination benefits and earned sick leave. Actuarial gains/losses on the accrued benefit obligation arise from differences between actual and expected experience and from changes in the actuarial assumptions used to determine the accrued benefit obligation. The net accumulated actuarial gains/losses are amortized over the average remaining service period of active employees. The average remaining service period of the active employees covered by the post-employment plan is 13 years for sick leave benefits and 14 years for retirement allowance benefits.

(f) Use of Estimates

The preparation of 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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period. Significant areas requiring the use of management estimates relate to the determination of accrued sick benefits and retirement liability, collectability of accounts receivable, useful lives of tangible assets for calculation of amortization and provisions for contingencies. Actual results could differ from those estimates. Adjustments, if any, will be reflected in operations in the period of settlement.

NOTE 2 – PRIOR PERIOD ADJUSTMENT

As information regarding tangible capital assets is uncovered, changes to historical cost and the useful life of the assets are reflected. It was identified that contributed tangible capital assets in the prior year had been overstated by \$723,000 as the assets were acquired in 2008 and that a water reservoir, net book value at December 2007 of \$445,783 was missed in the initial recording of tangible capital assets. In addition, there were net reductions in asset

CITY OF NANAIMO NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2010

NOTE 2 – PRIOR PERIOD ADJUSTMENT (CONTINUED)

valuations and quantities due to misstatements with a net book value at December 2007 of \$1,480,518. As a result, the following has been restated:

2009 Accumulated Surplus

| | |
|---|-----------------------|
| Accumulated surplus as previously reported | \$ 583,797,279 |
| Less: change in net book value of tangible capital assets | <u>(1,757,735)</u> |
| Accumulated surplus as restated | <u>\$ 582,039,544</u> |

2009 Annual Surplus

| | |
|--|----------------------|
| Annual surplus as previously reported | \$ 19,685,358 |
| Add: decrease in amortization expense | 54,284 |
| Less: decrease in revenue from contributed tangible capital assets | (723,000) |
| increase in expenses from tangible capital asset acquisitions | <u>(16,390)</u> |
| Annual surplus as restated | <u>\$ 19,000,252</u> |

2009 Acquisition of tangible capital assets

| | |
|---|----------------------|
| Acquisition of tangible capital assets as previously reported | \$ 32,130,061 |
| Less: reduction of acquisition of tangible capital assets | <u>(739,390)</u> |
| Acquisition of tangible capital assets as restated | <u>\$ 31,390,671</u> |

2009 Tangible Capital Assets

| | |
|--|-----------------------|
| Net book value of tangible capital assets as previously reported | \$ 534,294,286 |
| Add: decrease in amortization expense | 54,284 |
| Less: decrease in assets due to change in valuation and quantity | (1,072,629) |
| decrease in revenue from contributed tangible capital assets | (723,000) |
| decrease in tangible capital asset acquisitions | <u>(16,390)</u> |
| Net book value of tangible capital assets as restated | <u>\$ 532,536,551</u> |

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

NOTE 3 – DEVELOPMENT COST CHARGES RECEIVABLE

| | 2010 | 2009 |
|--------------------------|-------------------|---------------------|
| Installments receivable: | | |
| 2010 | \$ - | \$ 1,703,544 |
| 2011 | 673,134 | 677,295 |
| 2012 | <u>222,290</u> | <u>-</u> |
| | <u>\$ 895,424</u> | <u>\$ 2,380,839</u> |

AUDITED FINANCIAL STATEMENTS

CITY OF NANAIMO NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2010

NOTE 3 – DEVELOPMENT COST CHARGES RECEIVABLE (CONTINUED)

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

NOTE 4 – RESTRICTED REVENUE

| | 2010 | 2009 |
|---|----------------------|----------------------|
| Development Cost Charges - beginning of year | \$ 35,445,221 | \$ 35,184,992 |
| Contributions | 3,574,944 | 4,325,157 |
| Interest earned | <u>734,503</u> | <u>907,639</u> |
| | 39,754,668 | 40,417,788 |
| Expenditures financed by Development Cost Charges | <u>3,436,608</u> | <u>4,972,567</u> |
| Development Cost Charges - end of year | <u>\$ 36,318,060</u> | <u>\$ 35,445,221</u> |

NOTE 5 – DEBT

During the year, long-term debt transactions consisted of the following:

| | 2010 | 2009 |
|--|----------------------|----------------------|
| Total outstanding debt – beginning of year | \$ 40,528,535 | \$ 42,909,539 |
| Reduction of long-term debt | <u>2,388,626</u> | <u>2,381,004</u> |
| | <u>\$ 38,139,909</u> | <u>\$ 40,528,535</u> |

Reductions of principal on issued debt for the following years are:

| Year | General | Water | Total |
|--------|----------------------|---------------------|----------------------|
| 2011 | \$ 1,984,720 | \$ 469,453 | \$ 2,454,173 |
| 2012 | 2,042,450 | 490,346 | 2,532,796 |
| 2013 | 2,014,199 | 113,650 | 2,127,849 |
| 2014 | 2,099,137 | 119,333 | 2,218,470 |
| 2015 | 2,187,691 | 125,299 | 2,312,990 |
| Future | <u>26,493,631</u> | <u>-</u> | <u>26,493,631</u> |
| | <u>\$ 36,821,828</u> | <u>\$ 1,318,081</u> | <u>\$ 38,139,909</u> |

CITY OF NANAIMO NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2010

NOTE 5 – DEBT (CONTINUED)

| Bylaw # | MFA Issue # | Interest Rate % | Year Matures | Balance 2010 | Outstanding 2009 |
|------------------------|-------------|-----------------|--------------|----------------------|----------------------|
| GENERAL FUND | | | | | |
| 4960 | 61 | 4.00 | 2010 | \$ - | \$ 32,500 |
| 5166/5167 | 64 | 4.24 | 2011 | 25,446 | 49,680 |
| 3809/3966 | 53 | 6.09 | 2012 | 214,626 | 314,336 |
| 5456 | 73 | 3.15 | 2015 | 103,196 | 121,247 |
| 5425 | 72 | 3.15 | 2020 | 2,782,677 | 2,999,377 |
| 5457 | 73 | 3.15 | 2020 | 2,535,328 | 2,732,766 |
| Royal Bank | | 5.48 | 2021 | 1,515,150 | 1,614,854 |
| 5750 | 99 | 4.43 | 2026 | 12,860,945 | 13,427,568 |
| 5750 | 101 | 4.52 | 2027 | 13,427,568 | 13,972,399 |
| 7050 | 102 | 4.82 | 2027 | <u>3,356,892</u> | <u>3,493,100</u> |
| | | | | <u>36,821,828</u> | <u>38,757,827</u> |
| WATERWORKS FUND | | | | | |
| 4959 | 61 | 4.00 | 2010 | - | 5,529 |
| 4818 | 64 | 4.24 | 2011 | 2,457 | 4,798 |
| 46 | 53 | 6.01 | 2012 | 746,020 | 1,092,602 |
| 50 | 61 | 4.00 | 2015 | <u>569,604</u> | <u>667,779</u> |
| | | | | <u>1,318,081</u> | <u>1,770,708</u> |
| Total Outstanding Debt | | | | <u>\$ 38,139,909</u> | <u>\$ 40,528,535</u> |

The \$1,515,150 (2009 - \$1,614,854) loan from the Royal Bank of Canada has been secured by a collateral mortgage in the amount of \$4,000,000 covering the Harbourfront Parkade and lot located on the Gordon Street site.

NOTE 6 – ACCOUNTS RECEIVABLE

| | 2010 | 2009 |
|-------------------|----------------------|----------------------|
| Property taxes | \$ 3,679,409 | \$ 6,357,643 |
| Other governments | 4,125,953 | 3,310,869 |
| Trade and other | <u>10,285,033</u> | <u>10,071,512</u> |
| | <u>\$ 18,090,395</u> | <u>\$ 19,740,024</u> |

NOTE 7 – ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

| | | |
|----------------------------|----------------------|----------------------|
| Accrued wages and benefits | \$ 2,794,284 | \$ 2,639,270 |
| Other governments | 1,283,503 | 985,573 |
| Trade and other | <u>13,758,262</u> | <u>15,538,459</u> |
| | <u>\$ 17,836,049</u> | <u>\$ 19,163,302</u> |

AUDITED FINANCIAL STATEMENTS

CITY OF NANAIMO NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2010

NOTE 8 – RETIREMENT BENEFIT LIABILITY

The following data is the result of an actuarial valuation at December 31, 2010. Significant assumptions used in the valuation include a discount rate of 4.75%, inflation of 2% and compensation increases, excluding merit and promotion, of 3%. There are unamortized actuarial (gains)/losses of \$398,163 (2009-(\$109,584)).

| | 2010 | 2009 |
|---------------------------------------|---------------------|---------------------|
| Sick leave benefits | \$ 5,360,466 | \$ 5,047,351 |
| Retirement allowance | 383,576 | 337,427 |
| Total retirement benefit liability | <u>\$ 5,744,042</u> | <u>\$ 5,384,778</u> |
| Unamortized actuarial (gain)/loss | 398,163 | (109,584) |
| Total accrued benefit obligation | <u>\$ 6,142,205</u> | <u>\$ 5,275,194</u> |
| Current period benefit cost | \$ 513,365 | \$ 463,845 |
| Amortization of actuarial gain | (7,827) | (7,828) |
| Sick leave interest expense | 246,920 | 231,130 |
| Retirement allowance interest expense | 19,360 | 17,386 |
| Total expense related to benefits | <u>\$ 771,818</u> | <u>\$ 704,533</u> |
| Total benefit payments | <u>\$ 412,557</u> | <u>\$ 351,129</u> |

NOTE 9 – DEFERRED REVENUE AND OTHER LIABILITIES

| | | |
|-------------------|----------------------|----------------------|
| Tax prepayments | \$ 8,974,574 | \$ 8,352,561 |
| Other prepayments | 2,907,034 | 2,618,729 |
| Other liabilities | 548,062 | 727,694 |
| | <u>\$ 12,429,670</u> | <u>\$ 11,698,984</u> |

NOTE 10 – NET TAXATION AND GRANTS IN LIEU

| | | |
|---|----------------------|----------------------|
| Taxes Collected | | |
| Property taxes | \$ 127,211,647 | \$ 121,147,662 |
| Special assessments | 62,468 | 62,467 |
| Local improvement frontage fees | 53,204 | 59,921 |
| Business improvement area levies | 203,941 | 202,575 |
| Taxes in lieu of licences | 1,191,301 | 1,169,909 |
| Grants in lieu of taxes | 1,183,687 | 1,193,276 |
| | <u>129,906,248</u> | <u>123,835,810</u> |
| Less: Transfers to Other Governments | | |
| Province of British Columbia (school tax) | 36,573,480 | 35,632,423 |
| Regional District of Nanaimo | 7,062,988 | 6,315,680 |
| Nanaimo Regional Hospital District | 3,233,832 | 3,056,681 |
| Other agencies | 1,091,238 | 1,042,741 |
| | <u>47,961,538</u> | <u>46,047,525</u> |
| Net Taxes Available for Municipal Purposes | <u>\$ 81,944,710</u> | <u>\$ 77,788,285</u> |

CITY OF NANAIMO NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2010

NOTE 11 – USER FEES AND SALES OF SERVICES

| | 2010 | 2009 Restated |
|------------------------------------|---------------------|----------------------|
| Community safety | \$ 740,677 | \$ 737,315 |
| Parking | 1,032,063 | 1,018,337 |
| Public works | 712,201 | 678,272 |
| Garbage collection | 2,954,101 | 2,669,577 |
| Recreation programs | 5,691,106 | 5,538,797 |
| Sewer system | 4,761,818 | 4,543,692 |
| Waterworks | 11,712,213 | 11,936,485 |
| Vancouver Island Conference Centre | 1,548,776 | 1,697,481 |
| Other | 265,670 | 292,802 |
| | <u>\$29,418,625</u> | <u>\$ 29,112,758</u> |

NOTE 12 – TRANSFERS FROM OTHER GOVERNMENTS

| | | |
|--|---------------------|---------------------|
| <u>Federal</u> | | |
| Cultural Capital * | \$ (393) | \$ 79,261 |
| Capital | 953,887 | 11,088 |
| Other * | (284) | 25,350 |
| * Negative amounts represent funding adjustments | <u>953,210</u> | <u>115,699</u> |
| <u>Provincial</u> | | |
| Casino gaming | 2,577,609 | 2,681,718 |
| Revenue sharing | 488,245 | 1,943,463 |
| Capital | 930,365 | 2,860,074 |
| Other | 288,202 | 425,867 |
| | <u>4,284,421</u> | <u>7,911,122</u> |
| <u>Regional District of Nanaimo</u> | | |
| Recreation services, sport fields and other | 913,593 | 913,408 |
| Total Transfers from Other Governments | <u>\$ 6,151,224</u> | <u>\$ 8,940,229</u> |

NOTE 13 – TANGIBLE CAPITAL ASSETS

| | Net Book Value | |
|------------------------|----------------------|----------------------|
| Land | \$ 58,858,024 | \$55,695,277 |
| Land improvements | 13,180,189 | 13,211,523 |
| Leasehold improvements | 679,138 | 783,421 |
| Marine structures | 347,774 | 334,303 |
| Buildings | 126,385,899 | 126,205,430 |
| Vehicles and equipment | 12,742,909 | 12,607,915 |
| IT infrastructure | 2,133,753 | 1,903,215 |
| Storm | 70,767,162 | 69,420,571 |
| Transportation | 145,622,206 | 144,396,126 |
| Sewer | 15,369,031 | 13,819,828 |
| Water | 96,767,598 | 88,073,757 |
| | <u>542,853,683</u> | <u>526,451,366</u> |
| Work in progress | 3,284,076 | 6,085,185 |
| | <u>\$546,137,759</u> | <u>\$532,536,551</u> |

AUDITED FINANCIAL STATEMENTS

CITY OF NANAIMO NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2010

NOTE 13 – TANGIBLE CAPITAL ASSETS (CONTINUED)

See schedule of tangible capital assets (page 25) for more information. There were no write downs of tangible capital assets for 2010 and 2009. Developer contributed assets recognized in 2010 were \$10,008,286 (2009 - \$5,352,624) recorded at fair market value at the end of the maintenance period. These include transportation, storm, sewer and water infrastructure, trailways and the land under these assets.

NOTE 14 – ACCUMULATED SURPLUS

| | 2010 | 2009 Restated |
|--|-----------------------|-----------------------|
| Reserve Accounts – Note 16 | \$ 61,545,525 | \$ 57,845,384 |
| Surplus – General | 2,942,641 | 2,800,502 |
| Surplus – Sewer system | 6,436,066 | 6,329,750 |
| Surplus – Waterworks | 6,352,754 | 6,299,461 |
| Investment in Tangible Capital Assets - Note 15 | 507,997,850 | 492,008,016 |
| Community Works Reserve Fund (Gas Tax Agreement) | 6,777,115 | 4,616,999 |
| Equipment Depreciation Reserve | 4,318,939 | 4,717,272 |
| Facility Development (Recreation) Reserve | 535,476 | 2,438,319 |
| Property Sales Reserve | 2,719,292 | 2,398,747 |
| Local Improvement Reserve | 1,445,559 | 1,412,151 |
| Cemetery Care Fund | 492,800 | 482,922 |
| Knowles Estate Reserve | 426,147 | 417,178 |
| Parkland Dedication Reserve | 396,250 | 216,544 |
| Old City Neighbourhood Parking Reserve | 76,968 | 54,536 |
| Water Supply Parkland Acquisition Reserve | - | 1,763 |
| | <u>\$ 602,463,382</u> | <u>\$ 582,039,544</u> |

NOTE 15 – INVESTMENT IN TANGIBLE CAPITAL ASSETS

| | 2010 | 2009 Restated |
|---|-----------------------|-----------------------|
| Investment in Tangible Capital Assets - beginning of year | \$ 492,008,016 | \$ 477,838,028 |
| Add: Capital expenditures | 33,440,976 | 31,390,671 |
| Reduction in long-term debt | 2,388,626 | 2,381,004 |
| Less: Amortization | (19,455,054) | (19,421,126) |
| Net book value of asset disposals | (384,714) | (180,561) |
| Investment in Tangible Capital Assets - end of year | <u>\$ 507,997,850</u> | <u>\$ 492,008,016</u> |

CITY OF NANAIMO NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2010

NOTE 16 – RESERVES

| GENERAL REVENUE FUND RESERVE ACCOUNTS | Work in progress | Available for future commitments | 2010 | 2009 restated |
|---|------------------|----------------------------------|-------------------|-------------------|
| Corporate services | \$ 93,700 | \$ 888,599 | \$ 982,299 | \$ 1,107,927 |
| Community safety | 246,648 | 1,818,097 | 2,064,745 | 2,471,874 |
| Development services | 258,438 | 32,246 | 290,684 | 648,369 |
| Parks, recreation and culture | 1,065,233 | 484,536 | 1,549,769 | 1,342,974 |
| Engineering and public works | 753,057 | 2,121,264 | 2,874,321 | 2,540,284 |
| Strategic relationships | - | 285,000 | 285,000 | 119,000 |
| General capital | - | 2,968,113 | 2,968,113 | 400,325 |
| Priority capital | 3,900,000 | 3,100,000 | 7,000,000 | 7,000,000 |
| Property acquisition | - | 1,636,793 | 1,636,793 | 2,977,487 |
| Uncollected taxes | - | 2,749,394 | 2,749,394 | 3,382,360 |
| Computer upgrade | 750,817 | 1,261,069 | 2,011,886 | 1,773,198 |
| Parking - general | 201,117 | 161,508 | 362,625 | 512,403 |
| Sustainability initiatives | 379,184 | 641,913 | 1,021,097 | 822,556 |
| Snow removal | - | 400,000 | 400,000 | 400,000 |
| Casino funds | - | 415,369 | 415,369 | 506,185 |
| Housing legacy reserve | 67,253 | 2,715,179 | 2,782,432 | 2,772,046 |
| Firehall improvements | - | 396,414 | 396,414 | 396,414 |
| Emergency 911 | 36,000 | 375,653 | 411,653 | 336,653 |
| Local improvement projects | - | 181,260 | 181,260 | 181,260 |
| Civic properties | 810,017 | - | 810,017 | 564,895 |
| Parkland acquisition | - | 21,357 | 21,357 | 74,583 |
| Uninsured claims | - | 1,454,193 | 1,454,193 | 434,531 |
| Parking - debt repayment | - | 43,652 | 43,652 | 43,652 |
| Port of Nanaimo Centre and related projects | 189,477 | - | 189,477 | 89,477 |
| Photocopier reserve | 59,567 | - | 59,567 | 89,028 |
| Other | 12,106 | 270,235 | 282,341 | 336,037 |
| | <u>8,822,614</u> | <u>24,421,844</u> | <u>33,244,458</u> | <u>31,323,518</u> |

SEWER REVENUE FUND RESERVE ACCOUNTS

| | | | | |
|-------------------------|------------------|-------------------|-------------------|-------------------|
| General capital | 1,216,360 | 10,708,455 | 11,924,815 | 11,098,595 |
| Growth related projects | - | 850,000 | 850,000 | 850,000 |
| | <u>1,216,360</u> | <u>11,558,455</u> | <u>12,774,815</u> | <u>11,948,595</u> |

WATERWORKS REVENUE FUND RESERVE ACCOUNTS

| | | | | |
|----------------------------|------------------|-------------------|-------------------|-------------------|
| General capital | 3,381,388 | 10,645,203 | 14,026,591 | 13,073,610 |
| User rate leveling | - | 1,000,000 | 1,000,000 | 1,000,000 |
| Growth related projects | - | 400,000 | 400,000 | 400,000 |
| Local improvement projects | - | 99,661 | 99,661 | 99,661 |
| | <u>3,381,388</u> | <u>12,144,864</u> | <u>15,526,252</u> | <u>14,573,271</u> |

TOTAL RESERVE ACCOUNTS

| | | | |
|---------------|---------------|---------------|---------------|
| \$ 13,420,362 | \$ 48,125,163 | \$ 61,545,525 | \$ 57,845,384 |
|---------------|---------------|---------------|---------------|

AUDITED FINANCIAL STATEMENTS

CITY OF NANAIMO NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2010

NOTE 17 – CONTINGENT LIABILITIES AND OBLIGATIONS

(a) Liability Claims

In the ordinary course of business, various claims and lawsuits are brought against the City. It is the opinion of management that the settlement of these actions will not result in any material liabilities beyond any amounts already accrued. The City accrues the best estimate of costs to settle claims and any subsequent adjustments will be recorded in the period the claim is settled. No provision has been made for pending expropriations of land and buildings beyond the payments already made to affected property owners. Any payment made by the City pursuant to expropriation settlement is charged to the year of settlement. Liability insurance is carried by the City, subject to a deductible of \$25,000 per claim. Effective January 1, 2002, the City no longer has insurance coverage for claims filed after that date resulting from construction deficiencies related to building envelope failure.

(b) BC Assessment Authority Appeals

As at December 31, 2010, there were various assessment appeals pending with respect to properties. The outcome of those appeals may result in adjustments to property taxes receivable for the current and prior years. The City makes a provision against property taxes receivable for the impact of appeals where the results are reasonably determinable.

(c) Debt and Reserve

The City, as a member of the Regional District of Nanaimo and the Regional Hospital District of Nanaimo, is jointly and severally liable for the debt liabilities of the Districts.

The City issues its debt instruments through the Municipal Finance Authority of British Columbia. Demand notes are executed in connection with each debenture whereby the City may be required to pay certain amounts to the Regional District of Nanaimo. These demand notes of \$1,754,386 (2009 - \$1,776,424) are contingent in nature and are not reflected in the accounts.

(d) Site Restoration

The former site of the Nanaimo foundry and a specific property acquired for road development requires restoration work to address identified environmental concerns related to the past use of the property.

CITY OF NANAIMO NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2010

NOTE 17 – CONTINGENT LIABILITIES AND OBLIGATIONS (CONTINUED)

Although the need to restore the sites has been confirmed, the amount of work to be done has not been determined at this time. When the cost of the work is known or can be reasonably estimated, an accrual will be made for the costs.

NOTE 18 – CREDIT FACILITIES

The City has adopted a revenue anticipation borrowing bylaw to support a credit facility in the amount of \$1,900,000, with an interest rate of Royal Bank Prime Rate less .5%. This facility creates a floating charge on certain assets and undertakings of the City. At December 31, 2010, no amounts were drawn against this facility.

NOTE 19 – MUNICIPAL PENSION PLAN

The City and its employees contribute to the Municipal Pension Plan (Plan), a jointly trusted pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the Plan, including investment of the assets and administration of benefits. The Plan is a multi-employer contributory pension plan. Basic pension benefits provided are defined. The plan has about 163,000 active members and approximately 60,000 retired members. Active members include approximately 35,000 contributors from local governments.

Every three years an actuarial valuation is performed to assess the financial position of the Plan and the adequacy of Plan funding. The most recent valuation as at December 31, 2009 indicated an unfunded liability of \$1.024 billion for basic pension benefits. The next valuation will be at December 31, 2012 with results available in 2013. The actuary does not attribute portions of the unfunded liability to individual employers. Contributions to the plan were:

| | 2010 | 2009 |
|------------------|---------------------|---------------------|
| Employer portion | \$ 3,489,925 | \$ 3,468,581 |
| Employee portion | <u>2,831,085</u> | <u>2,863,234</u> |
| | <u>\$ 6,321,010</u> | <u>\$ 6,331,815</u> |

AUDITED FINANCIAL STATEMENTS

CITY OF NANAIMO NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2010

NOTE 20 – COMMITMENTS

The City has \$3.6 million in open purchase orders at year end which has not been recorded in the accounts. The funding for the majority of these obligations has been set aside in reserves for future expenditures. These amounts will be recorded in the period that the goods and services, to which they relate, are received. Since the beginning of 2011 and prior to the preparation of these financial statements, an additional \$9.78 million in contracts have been awarded.

The City has entered into an operating lease for the purposes of acquiring gym equipment for the Nanaimo Aquatic Centre. The minimum lease payments to the end of the lease term in August 2012 are \$75,695.

NOTE 21 – IRREVOCABLE STANDBY LETTERS OF CREDIT

In addition to the performance deposits reflected in cash balances, the City is holding irrevocable standby letters of credit in the amount of \$6,397,337 (2009 - \$8,153,671) which were received to ensure the performance of works undertaken within the City. These amounts are not reflected in the financial statements. They are available to satisfy any liabilities arising from non-performance by the depositors.

NOTE 22 – FINANCIAL INSTRUMENTS

Financial risk and fair market values

The City's financial instruments consist of cash, investments, development cost charges receivable, accounts receivable and other assets, accounts payable and accrued liabilities and debt. The City does not hold any asset-backed commercial paper or hedge funds. The financial risk is the risk to the City's earnings that arises from fluctuations in interest rates, foreign exchange rates, and the degree of volatility of these rates. The City does not use derivative instruments to reduce its exposure to interest rate risk nor foreign exchange risk as management does not consider the risks material. Based on available market information, the carrying value of the City's financial instruments approximates their fair value due to their short period to maturity, except with respect to investments as indicated in Note 1(b) and long-term debt, as indicated in Note 5.

Credit risk

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

CITY OF NANAIMO NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2010

NOTE 23 – INVESTMENTS

| Institution | Investment type | Rate of Return | Purchase Date | Maturity Date | Cost/Market Value |
|--------------------------------|-------------------|----------------|---------------|---------------|----------------------|
| Municipal Finance Authority* | Money Market fund | varies | various | on demand | \$ 4,074,096 |
| Bank of Montreal | Debenture | 4.57% | 19-Mar-08 | 14-Mar-13 | 5,007,717 |
| Bank of Nova Scotia | Debenture | 2.21% | 30-Aug-10 | 30-Oct-13 | 2,127,726 |
| Bank of Montreal | Term deposit | 1.70% | 09-Jul-10 | 11-Jul-11 | 1,000,000 |
| Bank of Montreal | Debenture | 3.70% | 23-Apr-10 | 23-Apr-14 | 2,000,000 |
| Bank of Montreal | Debenture | 2.21% | 08-Sep-10 | 08-Sep-13 | 10,000,000 |
| Bank of Montreal | Debenture | 2.15% | 22-Oct-10 | 22-Apr-14 | 2,000,000 |
| Bank of Montreal | Debenture | 2.15% | 22-Oct-10 | 22-Apr-14 | 2,000,000 |
| Bank of Montreal | Debenture | 2.59% | 20-Dec-10 | 20-Dec-13 | 2,000,000 |
| Coastal Community Credit Union | Term deposit | 5.25% | 21-Jun-07 | 21-Jun-12 | 1,166,072 |
| Coastal Community Credit Union | Term deposit | 1.75% | 28-Apr-10 | 28-Apr-11 | 3,500,000 |
| CIBC | Debenture | 4.53% | 19-Mar-08 | 10-Sep-12 | 3,020,965 |
| CIBC | Debenture | 3.34% | 23-Apr-10 | 23-Apr-14 | 2,000,000 |
| CIBC | Debenture | 4.58% | 16-Sep-08 | 28-Mar-16 | 2,999,774 |
| CIBC | Debenture | 3.14% | 15-Apr-10 | 06-Jun-18 | 3,138,468 |
| CIBC | Debenture | 4.36% | 25-Mar-08 | 01-Nov-11 | 4,999,769 |
| Canadian Western Bank | Term deposit | 2.45% | 12-Apr-10 | 12-Apr-12 | 1,000,000 |
| HSBC Bank Canada | Term deposit | 5.15% | 20-Jun-07 | 20-Jun-12 | 2,000,000 |
| HSBC Bank Canada | Term deposit | 2.32% | 12-Apr-10 | 12-Apr-12 | 5,000,000 |
| HSBC Bank Canada | Term deposit | 2.20% | 25-Aug-10 | 27-Aug-12 | 10,000,000 |
| Province of Manitoba | Debenture | 3.35% | 13-Apr-10 | 13-Apr-15 | 3,000,000 |
| Royal Bank of Canada | Debenture | 5.53% | 06-Oct-08 | 06-Jun-18 | 1,977,664 |
| Royal Bank of Canada | Debenture | 1.62% | 15-Apr-10 | 12-Apr-11 | 3,038,766 |
| Royal Bank of Canada | Term deposit | 2.30% | 27-Apr-10 | 27-Apr-12 | 8,500,000 |
| Royal Bank of Canada | Term deposit | 2.80% | 27-Apr-10 | 29-Apr-13 | 5,000,000 |
| Scotiabank | Term deposit | 2.50% | 21-Apr-10 | 21-Apr-12 | 5,000,000 |
| Scotiabank | Term deposit | 2.67% | 27-Apr-10 | 27-Apr-12 | 8,000,000 |
| Scotiabank | Term deposit | 3.15% | 27-Apr-10 | 27-Apr-13 | 5,000,000 |
| Scotiabank | Term deposit | 2.05% | 26-Aug-10 | 26-Aug-12 | 5,000,000 |
| Scotiabank | Term deposit | 2.05% | 26-Aug-10 | 26-Aug-12 | 5,000,000 |
| Toronto Dominion Bank | Debenture | 4.62% | 20-Apr-10 | 20-Apr-20 | 2,000,000 |
| Toronto Dominion Bank | Debenture | 4.53% | 19-Mar-08 | 01-Nov-17 | 2,027,784 |
| | | | | | <u>\$122,578,801</u> |

*Shown at market value, which approximates cost due to the high level of transactions within the fund

AUDITED FINANCIAL STATEMENTS

CITY OF NANAIMO NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2010

NOTE 24 – EXPENSES BY OBJECT

| | 2010 Capital | 2010 Operating | 2010 Combined | 2009 Combined restated |
|---------------------------|----------------------|-----------------------|-----------------------|------------------------------|
| Wages and salaries | \$ 840,998 | \$ 51,532,550 | \$ 52,373,548 | \$ 50,720,522 |
| Contracted services | 30,764,966 | 37,751,177 | 68,516,143 | 66,323,236 |
| Amortization | - | 19,455,054 | 19,455,054 | 19,421,126 |
| Materials and supplies | 1,662,520 | 6,607,893 | 8,270,413 | 8,603,613 |
| Other | 172,492 | 6,143,874 | 6,316,366 | 6,149,069 |
| Interest payments on debt | - | <u>1,773,775</u> | <u>1,773,775</u> | <u>2,072,216</u> |
| Total expenses | <u>\$ 33,440,976</u> | <u>\$ 123,264,323</u> | <u>\$ 156,705,299</u> | <u>\$ 153,289,782</u> |

NOTE 25 – ANNUAL BUDGET

The financial statements have included the Annual Budget as approved by Council on May 10, 2010. No amendments subsequent to this date have been included. The following is a reconciliation of the budget presentation required for the financial statements and the annual financial plan bylaw:

| | |
|--|--------------------|
| Annual Surplus from statement of operations | \$ 5,912,155 |
| Development Cost Charges – change from restricted revenue presentation | <u>(4,933,932)</u> |
| Annual Surplus from the 2010 financial plan | 978,223 |
| Amortization, not funded | 19,317,499 |
| Capital Expenditures | (43,458,168) |
| Proceeds from Borrowing | 530,000 |
| Principal repayment of debt | (2,388,689) |
| Transfers from accumulated surplus | <u>25,021,135</u> |
| Net Annual Budget | <u>\$ -</u> |

CITY OF NANAIMO NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2010

NOTE 26 – SEGMENT REPORTING

The City's operations and activities are organized and reported by Fund. City services are provided by departments and their activities are reported in these funds.

General Revenue Fund

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

Corporate Services

Consists of the City Manager's Office and the Corporate Services Department. The City Manager's Office assists Council to establish its strategic direction for the City and takes the lead role in managing the implementation of policy direction established by Council. It also provides managerial leadership and direction to all City departments and operations.

Providing service to both the internal organization and the community, the Corporate Services Department is responsible for five key areas - Human Resources, Risk Management, Legislative Services, Financial Services and Information Technology.

Development Services

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

Fire

The Fire Department has the responsibility of protecting the City's citizens and infrastructure from fire and other emergencies through quick and high quality response to fire, medical and other emergency incidents in the most effective and responsive manner possible.

Police

The Police Department enforces the law, prevents crime and maintains order via the Royal Canadian Mounted Police and municipal staff. Volunteer support is an important element of service delivery. City Council has determined four strategic initiatives for police services: crime reduction, substance abuse reduction, fatal and serious traffic incident reduction and the order and safety of the Downtown Core.

Strategic Relationships

The Strategic Relationships Department is responsible for Economic Development and Sports Tourism and is the liaison to the Vancouver Island Conference Centre, the Port of Nanaimo and Snuneymuxw First Nation.

AUDITED FINANCIAL STATEMENTS

CITY OF NANAIMO NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2010

NOTE 26 – SEGMENT REPORTING (CONTINUED)

Parks, Recreation and Culture

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

Engineering and Public Works

Engineering and Public Works is responsible for the construction and maintenance of the City's infrastructure including the City's storm drainage and transportation systems. Other services include the maintenance of the City's fleet and 24/7 response to public calls for service. Technical engineering services provided include engineering studies, design, drafting, surveying and construction. Management of the sanitation, solid waste and cemeteries are additional key services provided by the department to ensure the operational needs of the community continue to be met.

Sewer System

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

Waterworks

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

Reserve Funds

These funds have been created to hold assets for specific future requirements pursuant to the Community Charter.

For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Taxes, grants in lieu of taxes and any revenues not directly attributable to a segment are apportioned to the General Revenue Fund services based on the net annual budget.

CITY OF NANAIMO SCHEDULE OF OPERATIONS BY SEGMENT for the year ended December 31, 2010

| | Corporate Services | Development Services | Fire | Police | Strategic Relationships |
|---|-----------------------|-------------------------|----------------|----------------|----------------------------|
| Revenues | | | | | |
| Taxes* | \$ 8,490,970 | \$ 5,634,060 | \$ 10,254,990 | \$ 14,803,445 | \$ 5,051,094 |
| Grants in lieu of taxes* | 121,768 | 82,786 | 150,684 | 217,518 | 74,220 |
| User fees and sales of services | 143,957 | 1,153,776 | 70,000 | 670,677 | 1,548,776 |
| Other - general revenue* | 281,847 | 191,619 | 348,779 | 503,474 | 171,791 |
| Other revenue | 53,552 | 3,750,560 | 556,370 | 841,985 | 62,038 |
| Development cost charges | - | - | - | - | - |
| Donations and contributions - capital | - | - | - | 12,397 | - |
| Transfers from other governments - capital | - | - | - | - | 22,040 |
| Transfers from other governments - operating | 23,689 | - | 1,284 | 488,245 | 94,150 |
| Casino revenue sharing | 91,761 | 147,335 | 111,349 | 490,304 | 1,234,746 |
| Municipal Finance Authority refunds | - | - | - | - | - |
| Developer contribution at subdivision | - | - | - | - | - |
| Gain (Loss) on sale of assets | (40,564) | 88,525 | 4,753 | - | 4,387 |
| | 9,166,980 | 11,048,661 | 11,498,209 | 18,028,045 | 8,263,242 |
| Expenses | | | | | |
| Wages and salaries | 6,920,118 | 5,731,379 | 10,971,593 | 4,525,413 | 563,334 |
| Contracted services | 2,858,420 | 2,424,941 | 846,080 | 15,930,629 | 3,098,857 |
| Amortization | 227,448 | 443,302 | 575,535 | 296,094 | 2,804,118 |
| Material and supplies | 602,022 | 261,566 | 629,084 | 118,576 | 182,745 |
| Other | 483,105 | 966,331 | 693,646 | 123,948 | 347,364 |
| Interest payments on debt | - | 116,652 | 169,935 | - | 1,228,014 |
| | 11,091,113 | 9,944,171 | 13,885,873 | 20,994,660 | 8,224,432 |
| Interprogram credits | (2,179,421) | - | (592,787) | - | - |
| Excess (Deficiency) of revenues over expenses | \$ 255,288 | \$ 1,104,490 | \$ (1,794,877) | \$ (2,966,615) | \$ 38,810 |
| Expenditures on capital projects | \$ 546,935 | \$ 2,932,302 | \$ 1,269,168 | \$ 207,997 | \$ 125,584 |

for the year ended December 31, 2009 reinstated

| | Corporate Services | Development Services | Fire | Police | Strategic Relationships |
|---|-----------------------|-------------------------|---------------|---------------|----------------------------|
| Revenues | | | | | |
| Taxes* | \$ 9,962,469 | \$ 6,263,021 | \$ 10,892,227 | \$ 16,071,298 | \$ 2,898,738 |
| Grants in lieu of taxes* | 152,453 | 97,831 | 170,140 | 251,039 | 45,279 |
| User fees and sales of services | 148,176 | 1,162,963 | 64,159 | 673,156 | 1,697,481 |
| Other - general revenue* | 403,379 | 258,853 | 450,178 | 664,230 | 119,806 |
| Other revenue | 58,756 | 3,312,609 | 632,121 | 1,737,256 | 100,724 |
| Development cost charges | - | - | - | - | - |
| Donations and contributions - capital | - | - | - | - | - |
| Transfers from other governments - capital | - | - | - | - | 2,324,082 |
| Transfers from other governments - operating | 76,474 | 49,342 | 2,899 | 1,943,464 | 103,959 |
| Casino revenue sharing | 105,859 | 147,359 | 115,885 | 480,195 | 1,409,017 |
| Municipal Finance Authority refunds | - | - | - | - | - |
| Developer contribution at subdivision | - | - | - | - | - |
| Gain (Loss) on sale of assets | (5,803) | - | - | - | - |
| | 10,901,763 | 11,291,978 | 12,327,609 | 21,820,638 | 8,699,086 |
| Expenses | | | | | |
| Wages and salaries | 7,923,975 | 5,651,313 | 9,739,446 | 4,202,524 | 446,618 |
| Contracted services | 2,941,350 | 2,189,020 | 741,766 | 15,593,775 | 3,272,494 |
| Amortization | 255,914 | 596,982 | 534,583 | 271,041 | 3,118,687 |
| Material and supplies | 691,439 | 292,281 | 641,104 | 101,330 | 163,340 |
| Other | 541,765 | 890,278 | 635,109 | 121,874 | 380,328 |
| Interest payments on debt | - | 126,671 | 175,194 | - | 1,274,061 |
| | 12,354,443 | 9,746,545 | 12,467,202 | 20,290,544 | 8,655,528 |
| Interprogram credits | (2,188,523) | - | (550,129) | - | - |
| Excess (Deficiency) of revenues over expenses | \$ 735,843 | \$ 1,545,433 | \$ 410,536 | \$ 1,530,094 | \$ 43,558 |
| Expenditures on capital projects | \$ 629,192 | \$ 469,887 | \$ 173,212 | \$ 440,326 | \$ 2,766,046 |

*Prorated based on net annual budget

AUDITED FINANCIAL STATEMENTS

CITY OF NANAIMO SCHEDULE OF OPERATIONS BY SEGMENT for the year ended December 31, 2010

| Parks, Recreation and Culture | Engineering and Public Works | Sewer System | Waterworks | Reserve Funds | Adjustments | Consolidated |
|-------------------------------|------------------------------|--------------|--------------|---------------|-------------|---------------|
| \$ 17,882,631 | \$ 18,643,833 | \$ - | \$ - | \$ - | \$ - | \$ 80,761,023 |
| 262,763 | 273,948 | - | - | - | - | 1,183,687 |
| 5,691,106 | 3,666,302 | 4,761,818 | 11,712,213 | - | - | 29,418,625 |
| 608,199 | 634,087 | - | - | - | - | 2,739,796 |
| 707,308 | 770,345 | - | 29,465 | 3,062,638 | - | 9,834,261 |
| 371,464 | 1,529,963 | 17,981 | 1,517,200 | - | - | 3,436,608 |
| 194,840 | 34,585 | - | 26,804 | - | - | 268,626 |
| 1,139,389 | - | - | 722,823 | - | - | 1,884,252 |
| 1,081,041 | 954 | - | - | - | - | 1,689,363 |
| 300,144 | 201,970 | - | - | - | - | 2,577,609 |
| - | 104,813 | - | 27,994 | - | - | 132,807 |
| 472,200 | 7,200,293 | 989,414 | 1,346,379 | - | - | 10,008,286 |
| (85,997) | (183,396) | (14,464) | (20,026) | - | - | (246,782) |
| 28,625,088 | 32,877,697 | 5,754,749 | 15,362,852 | 3,062,638 | - | 143,688,161 |
| 11,480,282 | 8,751,389 | 804,423 | 1,784,619 | - | - | 51,532,550 |
| 5,582,486 | 5,803,488 | 492,313 | 713,963 | - | - | 37,751,177 |
| 3,767,864 | 8,307,026 | 499,956 | 2,533,711 | - | - | 19,455,054 |
| 1,628,820 | 2,496,277 | 210,838 | 477,965 | - | - | 6,607,893 |
| 4,660,941 | 1,501,231 | 1,594,854 | 2,406,770 | - | - | 12,778,190 |
| 140,773 | 141 | - | 118,260 | - | - | 1,773,775 |
| 27,261,166 | 26,859,552 | 3,602,384 | 8,035,288 | - | - | 129,898,639 |
| - | (3,862,108) | - | - | - | - | (6,634,316) |
| \$ 1,363,922 | \$ 9,880,253 | \$ 2,152,365 | \$ 7,327,564 | \$ 3,062,638 | \$ - | \$ 20,423,838 |
| \$ 6,268,099 | \$ 11,563,557 | \$ 2,105,966 | \$ 8,421,368 | \$ - | \$ - | \$ 33,440,976 |

for the year ended December 31, 2009 restated

| Parks, Recreation and Culture | Engineering and Public Works | Sewer Revenue Fund | Waterworks Revenue Fund | Reserve Funds | Adjustments | Consolidated |
|-------------------------------|------------------------------|--------------------|-------------------------|---------------|-------------|---------------|
| \$ 17,032,744 | \$ 13,474,512 | \$ - | \$ - | \$ - | \$ - | \$ 76,595,009 |
| 266,058 | 210,476 | - | - | - | - | 1,193,276 |
| 5,538,797 | 3,347,849 | 4,543,692 | 11,936,485 | - | - | 29,112,758 |
| 703,968 | 556,903 | - | - | - | - | 3,157,317 |
| 379,009 | 353,816 | - | 27,899 | 2,847,788 | (6,609) | 9,443,369 |
| 1,240,962 | 1,617,637 | 2,039 | 2,111,929 | - | - | 4,972,567 |
| 184,534 | 1,953,139 | - | - | - | - | 2,137,673 |
| 547,080 | - | 10,000 | - | - | - | 2,881,162 |
| 1,200,837 | 374 | - | - | - | - | 3,377,349 |
| 280,643 | 142,760 | - | - | - | - | 2,681,718 |
| - | 127,297 | - | 2,800 | - | - | 130,097 |
| 1,133,000 | 3,113,102 | 453,976 | 652,546 | - | - | 5,352,624 |
| 1,238 | (104,090) | (2,042) | (24,859) | - | - | (135,556) |
| 28,508,870 | 24,793,775 | 5,007,665 | 14,706,800 | 2,847,788 | (6,609) | 140,899,363 |
| 11,020,880 | 8,583,913 | 739,103 | 1,674,734 | - | - | 49,982,506 |
| 5,729,471 | 5,363,091 | 718,817 | 777,452 | - | - | 37,327,236 |
| 3,723,471 | 8,175,390 | 424,891 | 2,320,167 | - | - | 19,421,126 |
| 1,755,998 | 2,598,044 | 226,128 | 586,521 | - | - | 7,056,185 |
| 4,603,493 | 1,485,118 | 1,549,693 | 2,387,911 | - | - | 12,595,569 |
| 335,211 | 18,903 | - | 142,176 | - | - | 2,072,216 |
| 27,168,524 | 26,224,459 | 3,658,632 | 7,888,961 | - | - | 128,454,838 |
| - | (3,817,075) | - | - | - | - | (6,555,727) |
| \$ 1,340,346 | \$ 2,386,391 | \$ 1,349,033 | \$ 6,817,839 | \$ 2,847,788 | \$ (6,609) | \$ 19,000,252 |
| \$ 9,399,037 | \$ 8,526,754 | \$ 945,114 | \$ 8,041,103 | \$ - | \$ - | \$ 31,390,671 |

CITY OF NANAIMO SCHEDULE OF TANGIBLE CAPITAL ASSETS for the year ended December 31, 2010

| | ASSETS | | | | ACCUMULATED AMORTIZATION | | | | NET BOOK VALUE |
|------------------------|---------------------------|------------|-----------|-------------|---------------------------|---------------------------|------------|-----------|---------------------------|
| | Balance December 31, 2009 | Additions | Disposals | Transfers | Balance December 31, 2010 | Balance December 31, 2009 | Additions | Disposals | Balance December 31, 2010 |
| Land | 55,695,277 | 3,168,396 | 5,649 | - | 58,858,024 | - | - | - | 58,858,024 |
| Land improvements | 21,397,655 | 849,589 | 90,500 | 59,804 | 22,216,548 | 8,186,132 | 940,178 | 89,951 | 9,036,359 |
| Leasehold improvements | 2,106,458 | - | - | - | 2,106,458 | 1,323,037 | 104,283 | - | 1,427,320 |
| Marine | 867,047 | 60,443 | - | - | 867,490 | 472,744 | 46,972 | - | 519,716 |
| Buildings | 167,358,117 | 4,433,201 | 1,125,890 | 407,568 | 171,072,996 | 41,152,687 | 4,553,664 | 1,019,254 | 44,687,097 |
| Vehicles and equipment | 29,976,121 | 2,615,982 | 4,028,060 | 289,987 | 28,854,030 | 17,368,206 | 2,721,471 | 3,978,556 | 16,111,121 |
| Computer | 6,359,321 | 501,484 | 55,100 | 276,638 | 7,082,343 | 4,456,106 | 547,584 | 55,100 | 4,948,590 |
| Storm | 88,613,499 | 2,757,220 | 11,300 | - | 91,359,419 | 19,192,928 | 1,410,629 | 11,300 | 20,592,257 |
| Transportation | 268,850,878 | 7,583,398 | 794,044 | 98,107 | 275,738,339 | 124,454,752 | 6,267,538 | 606,157 | 130,116,133 |
| Sewer | 22,915,010 | 1,990,708 | 72,134 | 19,841 | 24,853,425 | 9,095,182 | 446,882 | 57,670 | 9,484,394 |
| Water | 134,222,868 | 7,397,460 | 120,610 | 3,732,259 | 145,231,977 | 46,149,111 | 2,415,853 | 100,585 | 48,464,379 |
| Work in progress | 6,085,185 | 2,083,095 | - | (4,884,204) | 3,284,076 | - | - | - | - |
| | 804,387,436 | 33,440,976 | 6,303,287 | - | 831,525,125 | 271,850,885 | 19,455,054 | 5,918,573 | 285,387,366 |
| | | | | | | | | | 546,137,759 |

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for the year ended December 31, 2009 Restated

| | ASSETS | | | | ACCUMULATED AMORTIZATION | | | | NET BOOK VALUE |
|------------------------|---------------------------|------------|-----------|-------------|---------------------------|---------------------------|------------|-----------|---------------------------|
| | Balance December 31, 2008 | Additions | Disposals | Transfers | Balance December 31, 2009 | Balance December 31, 2008 | Additions | Disposals | Balance December 31, 2009 |
| Land | 50,785,410 | 4,909,867 | - | - | 55,695,277 | - | - | - | 55,695,277 |
| Land improvements | 16,897,529 | 3,628,786 | 99,961 | 971,301 | 21,397,655 | 7,456,520 | 829,573 | 99,961 | 8,186,132 |
| Leasehold improvements | 2,102,662 | 3,796 | - | - | 2,106,458 | 1,220,213 | 102,824 | - | 1,323,037 |
| Marine | 807,047 | - | - | - | 807,047 | 427,112 | 45,632 | - | 472,744 |
| Buildings | 163,613,599 | 3,667,729 | - | 76,789 | 167,358,117 | 36,663,957 | 4,488,730 | - | 41,152,687 |
| Vehicles and equipment | 28,446,089 | 1,284,222 | 835,780 | 1,081,590 | 29,976,121 | 14,916,824 | 3,242,474 | 791,092 | 17,368,206 |
| Computer | 6,918,783 | 430,316 | 1,015,900 | 26,122 | 6,359,321 | 4,888,048 | 581,575 | 1,013,517 | 4,456,106 |
| Storm | 87,065,581 | 1,610,325 | 15,435 | - | 88,613,499 | 17,844,161 | 1,382,587 | 33,820 | 19,192,928 |
| Transportation | 263,895,961 | 5,545,499 | 592,000 | 1,478 | 268,850,878 | 118,906,801 | 6,077,383 | 529,432 | 124,454,752 |
| Sewer | 22,040,891 | 889,819 | 27,100 | 11,400 | 22,915,010 | 8,701,590 | 418,650 | 25,058 | 9,095,182 |
| Water | 129,068,489 | 4,567,766 | 88,733 | 675,346 | 134,222,868 | 43,961,287 | 2,251,698 | 63,874 | 46,149,111 |
| Work in progress | 4,092,100 | 4,857,546 | - | (2,859,461) | 6,085,185 | - | - | - | - |
| | 775,734,081 | 31,390,671 | 2,737,316 | - | 804,387,436 | 254,986,513 | 19,421,126 | 2,556,754 | 271,850,885 |
| | | | | | | | | | 532,536,551 |