

# City of Nanaimo



2011 Annual Municipal Report

**CITY OF NANAIMO**  
THE HARBOUR CITY



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# City wins two prestigious Heritage Awards

The City of Nanaimo received two major Heritage Awards in 2011.

The first award was the 2011 Heritage Conservation Outstanding Achievement Award presented by Heritage BC for the restoration and preservation of The Bastion. The Nanaimo Museum documented and publicized the entire project, and a multimedia presentation will be produced from this that will be featured in new exhibits and in school programs. Check out the Nanaimo Museum's website at [www.nanaimomuseum.ca](http://www.nanaimomuseum.ca) for further information on The Bastion.

The second award received in 2011 was the Prince of Wales Prize Honourable Mention Award for Exemplary Stewardship of Heritage Architecture presented by the Heritage Canada Foundation. To quote the Foundation:

*"Nanaimo has promoted heritage in the community through self-guided heritage walk brochures, heritage interpretive signs and plaques, and online information related to the City's heritage. The City has made a consistent commitment to maintaining and preserving its heritage resources to contribute to the municipality's prosperity and quality of life for its citizens."*



# Corporate Safety Awards

## City Wins Two Significant Awards for Safety

The first award was the Certificate of Recognition (COR) from WorksafeBC. This achievement recognizes the City's Safety Management System. The City must pass a comprehensive safety audit of all departments in order to earn this standing. This COR award was the first in the history of the City of Nanaimo and the audit results were 93%.



The second award was the City of Excellence Award, given to only one city in the Province of BC each year. In order to win the City of Excellence award, the winner must have an exemplary record of safety for excavation practices as well as an excellent Occupational Health and Safety Program and safety record.



# Nanaimo Facts:

Nanaimo's area is comprised of 88.19 square kilometres.

There were 903 residential housing starts in 2011.

6,185 businesses operated within the City of Nanaimo in 2011.

Nanaimo is a short 15 minute flight to downtown Vancouver or a 95 minute ferry ride.

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

The only remaining (and recently restored) Hudson's Bay Company bastion in North America is situated in Nanaimo's downtown core.

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

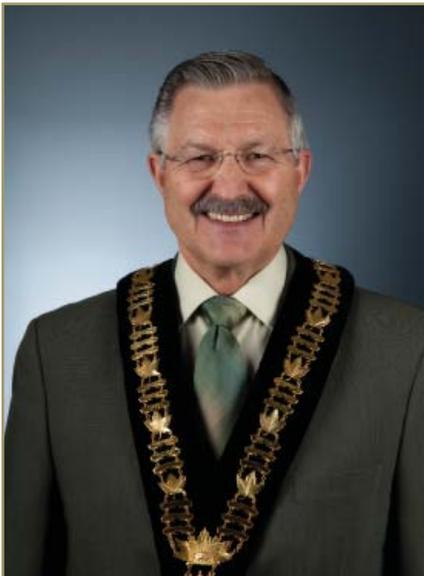


*'Boat Basin' - Photo submitted by Leigh Sheppard*



*Photo submitted by Rebecca Kirk*

# Mayor's Remarks



Mayor John Ruttan

On behalf of Nanaimo City Council and City staff, I am pleased to introduce the 2011 Annual Report for the City of Nanaimo.

2011 was an eventful year for Council as we had not one, but two municipal elections in the City of Nanaimo. In March, the City held a bi-election to fill the seat left by our dear friend and colleague, Councillor Larry McNabb, who passed away in December of 2010. Larry was a long-time Council member, having received shortly before his passing, an acknowledgement from the Union of British Columbia Municipalities of his 25 years of service on Council. We also said farewell to some of our esteemed colleagues as Councillors Sherry, Holdom and Unger decided to “retire” from Council, electing not to run in the November general election. Councillor Sherry was Nanaimo’s longest serving Councillor with 31 years of continuous service, Councillor Holdom served 22 years on Council over eight terms and Councillor Unger served two consecutive terms. We were pleased to welcome new Councillors Anderson, Brennan and McKay to Council in November and Councillor Greves, who had won the bi-election in March, was re-elected in the November general election.

One of the most significant developments of 2011 was the establishment of the Nanaimo Economic Development Corporation (NEDC), and in 2011 the NEDC made a service delivery model transition from a municipal government department to a separate, arm’s length corporation which will also include the function previously undertaken by Tourism Nanaimo. The NEDC was up and running by October, having established its membership from a variety of community leaders representing various governmental, institutional and commercial interests, with a mandate of providing Council with feedback and advice on economic development strategic planning issues and initiatives. The corporation also plans to create an economic development strategic plan that will bolster the local economy.

Another of Council’s priorities has been addressing the issue of homelessness in our city. The Housing First project which will see 160 units of low-barrier housing developed in locations throughout Nanaimo in partnership with BC Housing, was well underway in 2011 with the completion of 18 units for Aboriginal youth and elders on Tenth Street, 36 units under construction on Wesley Street and the announcement of service providers for both projects on Uplands Drive and Dufferin Crescent. The construction of these units not only provides housing aimed at a range of citizens challenged by housing issues such as the homeless, the elderly, at-risk youth, and those with a mental illness or disability, but also generates jobs in the community in both the construction and social services sectors.

One of the City’s major projects in 2011 was the Bowen Road Upgrade / Quarterway Bridge Replacement. 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 and necessary utility upgrades, began in March 2011 and by fall, Phase 1 of the project had been completed. Phase 2 in 2012 will see the demolition of the old bridge and the completion of the road and utility improvements. This important infrastructure project represents a major budget commitment from Council to provide enhanced safety for pedestrians and vehicular traffic through this heavily travelled segment of road.

# Mayor's Remarks continued

Another major budget consideration that was a topic of discussion in 2011 involves the City's obligation to comply with changes to the City's Permit to Operate a Water Supply System, requiring construction of a water treatment plant by March 2015. The water treatment plant will filter the water using membrane technology and will be funded from a variety of sources including government grants, development cost charges, user rates and borrowing. This project is currently in the design stage and will be a top priority in the years to come in order to ensure safe and healthy drinking water for the City of Nanaimo.

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.



# 25<sup>th</sup> Council of the City of Nanaimo



*From left to right: Councillor Fred Pattje, Councillor Bill Bestwick, Councillor Diana Johnstone, Councillor Ted Greves, Mayor John Ruttan, Councillor Bill McKay, Councillor Diane Brennan, Councillor Jim Kipp and Councillor George Anderson*

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 2011.

# Goodbye to These Outgoing Members of Council



*Lloyd Sherry*

After 31 years and 12 consecutive terms, Councillor Lloyd Sherry elected not to run in the 2011 general election. As the City's longest serving Councillor, Councillor Sherry has been a part of the many decisions that have transformed Nanaimo over the last three decades. In particular, Councillor Sherry made significant contributions as a long-standing member of the Nanaimo Heritage Commission where his enthusiasm for preserving local heritage and his knowledge of local history were invaluable. Councillor Sherry attributes any successes during his terms to the result of a collective effort of Council, yet there is no doubt that Councillor Sherry was a unique and distinctive voice during his tenure on Council. Lloyd plans to continue his community service through volunteering with the many local organizations to which he and his wife belong, as well as serving as an at-large member of the Heritage Commission.



*Bill Holdom*

Councillor Bill Holdom decided to step aside after serving for a combined eight terms since 1987; a total of 22 years on Council. During his last two terms, Councillor Holdom served as Chair of the Plan Nanaimo Advisory Committee as the committee completed comprehensive revisions to both planNanaimo and the Zoning Bylaw, as well as overseeing the preparation of three neighbourhood plans. One of Councillor Holdom's fondest Council achievements during his time in office was the acquisition of Neck Point Park, and as Chair of the regional sustainability committee, he was pleased to see the region adopt the principles of sustainability that the committee helped to develop. Bill is spending his free time writing newspaper articles, spending time with family, walking, cycling, reading, gardening and contemplating other community opportunities.



*Merv Unger*

Councillor Merv Unger, who served two consecutive terms on Council, also decided not to run in the 2011 general election in order to make room for some new faces. Councillor Unger was gratified to see many years of hard work come to fruition with the creation of the Nanaimo Economic Development Corporation, of which he was Vice-Chair of the founding board. One of Councillor Unger's fondest achievements was being involved with the Nanaimo Housing Strategy for the homeless which resulted in an agreement with the Province to build 160 units of low-barrier housing in Nanaimo. Councillor Unger was also involved in helping the Downtown Nanaimo Partnership transition into a successful self-administered management of downtown businesses that we now know as the Downtown Nanaimo Business Improvement Association (DNBIA). Merv will be continuing his community involvement as the City representative on the Nanaimo Port Authority Board.

# 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.



*‘Nanaimo Twilight’ - Photo submitted by Alberto Dominguez*

# City Manager's Office

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

A primary objective for 2012 is assisting Council in preparing its strategic plan. This plan will outline the strategic priorities for the City for the 2012 to 2015 period. Once the plan is adopted a focus of the City Manager's Office and staff will be on implementation of the related strategic priorities, keeping in mind the mission, values and operating philosophy defined in the strategic plan. Council's strategic plan will supersede the City Manager's "Building Trust" initiative that has been a focus for the past two years and was intended to improve relationships and prepare the City for its new strategic plan.



*Moonlit Glow - Photo submitted by Trevor McLeod*



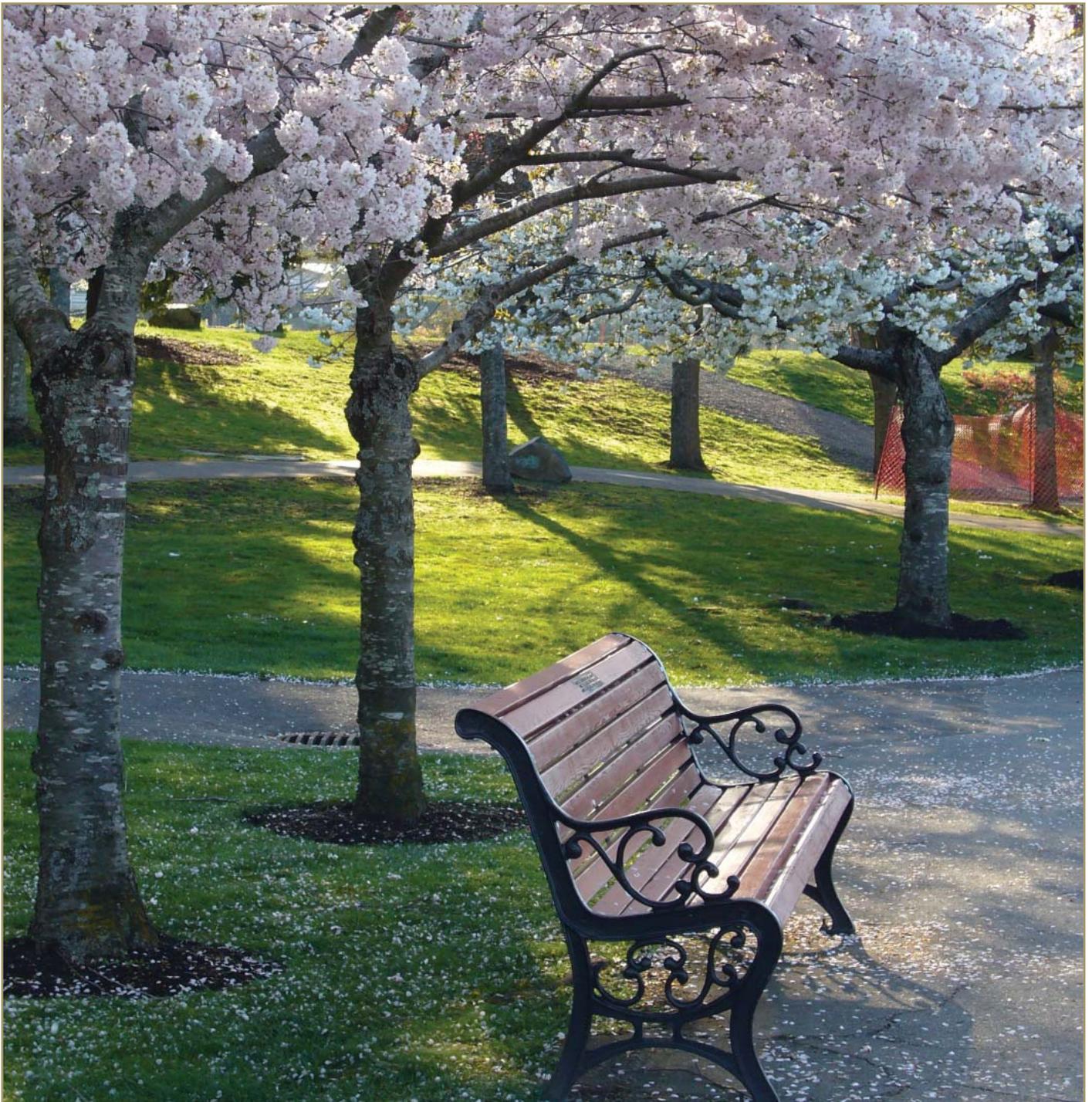
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Coast Realty

COAST REALTY  
STATE NATIONAL

# 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.



# 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.

## PUBLIC WORKS UTILITIES DIVISION HIGHLIGHTS

### Waterworks:

- Provided 3.484 billion gallons of water.
- Checked and maintained 640 air valves.
- Checked and maintained 6,445 line and wing valves and maintained and flushed over 615 kms of supply and distribution water mains.

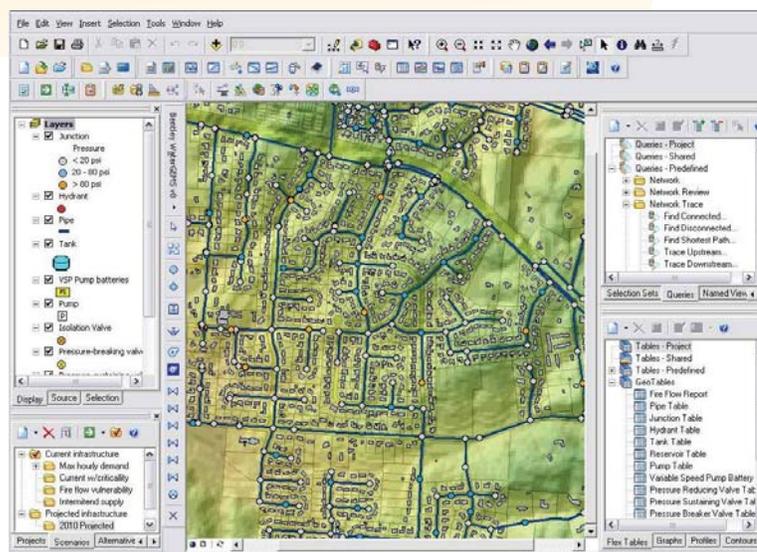
### Wastewater - Storm Sewer:

- Cleaned and maintained over 11,310 catchbasins.
- Maintained over 438 kms of storm sewer and over 350 kms of open ditches.
- Maintained over 4,711 storm sewer manholes.
- Flushed and cleaned 7.7 kms of storm sewers and service connections.
- Video inspected 17.3 kms of storm sewers and storm service connections.
- 997.3 mm of precipitation measured and recorded at 2020 Labieux Road.

### Wastewater - Sanitary Sewer:

- Maintained 561 kms of sanitary sewer mains and over 6,450 sanitary sewer manholes.
- Flushed and cleaned 90.6 kms of sanitary sewer mains and service connections.
- Video inspected 24.9 kms of sanitary sewer mains and service connections.

## Computerized Water Modelling



# Engineering - 2011 Performance

Sustain, improve, construct and maintain, in a cost-effective and efficient manner, all municipal infrastructures to meet the future needs of the community.

STRATEGY	MEASURE	RESULTS
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 15.3 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.	All works completed in advance of road rehabilitation.

Design all municipal infrastructure needs considering input from all stakeholders.

STRATEGY	MEASURE	RESULTS
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.	27 designs completed for 2012, 2013. 23 designs nearing completion.
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.	The CAD standards amendments have been written and are ready for the next update to the City of Nanaimo Engineering Standards and Specifications.

# Engineering - 2011 Performance

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

STRATEGY	MEASURE	RESULTS
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.	Completed a quality review and consolidation process of all Traffic Count Data through to 2011.
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.	Completed 4-way stop installations at Howard / 7th and Park / 7th to address neighbourhood safety.
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.	80% of the road capital projects are complete. Northfield and Boxwood signal is complete. Bowen Road construction planned for 2011 is complete, but construction will continue into 2012. Laneway construction for the Supportive Housing Project is underway and 50% complete.
Construct sidewalks focusing on walking routes close to schools and along major pedestrian corridors.	Length of new sidewalks constructed.  TARGET: 2 kms.	Constructed 0.64 kms of sidewalk through the sidewalk program. Constructed 1.1 kms of sidewalk as part of the Bowen Road Project for a total of 1.74 kms.



# Engineering - 2011 Performance

Sustain and improve the service life of utilities infrastructure to meet the current and future needs of the community.

STRATEGY	MEASURE	RESULTS
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.	Completed Seventh Street Sub-Catchment Sanitary Sewer Study. Selected consultant for Millstone Trunk and Laterals Sanitary Sewer Study. Study extended to monitor flows in catchment and to be completed in summer of 2012.
Plan for long-term development, upgrading and maintenance of the water distribution system.	Update Water Distribution Studies for all pressure zones.	Completed Western Acres Pressure Reducing Valve (PRV) Study.
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.	80% of the water distribution capital projects were completed. The College Park/Camosun water project is tied to development and may proceed in 2012.  White Eagle/Embarcadero and Western Acres PRV projects are scheduled for construction in 2012.  These projects were delayed to allow construction of Sherwood/King Richard water project which was added because of a water break history.
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.	60% of the sanitary projects were completed. Cilaire Subdivision and the Point Repairs Project were delayed to 2012. The Garner Crescent Sanitary Project is tied to development.
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.	100% of the storm sewer projects were completed.

# Engineering - 2011 Performance

Utilize GIS and GIS-based technologies to improve information, analysis and subsequent decisions, aimed at improving internal and public services and products.

STRATEGY	MEASURE	RESULTS
Provide accurate and efficient information that contributes to a stable and effective GIS program.	Provide new data set for waterways and publish via MapGuide.  2012 Measure: Update GIS Orthophoto data.  2012 TARGET: Acquire new 2012 Orthophoto and 3D data updates.	Completed and delivered to the organization as part of the storm water model, or as a separate data set.
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.  2012 TARGET: Complete Sanitary Sewer correction.	100% Water completed.  Storm and sanitary sewer targets met.
Provide applications that give value to the department in the management and visualization of information.	- 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.  2012 TARGET: Complete Tree Inventory for office and mobile field data collection and inspection.	Not met.  Redirected support to Water Supply Dam Inspection and Culvert Collection and Inspection.
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.	Not met.  Engineering and IT resourcing issues. Status: under development.
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.  2012 TARGET: Host GIS Day in November - expand audience.	Complete.

2012 & 2013 Objectives remain unchanged, except where noted.

# Public Works - 2011 Performance

Provide communication and support to the public, City staff, and other governmental agencies.

STRATEGY	MEASURE	RESULTS
Provide 24/7 support services information and emergency response coverage.	Number of work orders generated annually.	7,319 work orders were generated in 2011, up from 6,024 in 2010. 811 work orders remain active.

Provide sanitation and solid waste services to maintain a healthy and clean City.

STRATEGY	MEASURE	RESULTS
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%	94% of the standard program completed twice. Staff, weather and equipment issues resulted in the shortfall. Spring SNIC cleanup - complete. Fall leaf sweeping program for curb and gutter related to draining complete. Downtown sweeping of sidewalks 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.  Total tonnes of organic waste collected through Green Bin Program and diverted from the landfill.  Average number of kgs of garbage collected per household per month compared to prior year.	Diverted 6,595 tonnes of recyclable waste from the landfill. 2011 total diversion was 46.98% compared to 44.93% in 2010 (excludes food waste).  Program expanded from one third of the City, to City-wide. 17,500 households added in October. Over 2011, diversion to composting ranged between 49% and 42% monthly. Monthly average is 45.9% of what was previously garbage. Total organics collected - 1,592 tonnes.  Kg per residence, per month: 2011: 24.6 garbage, 12.44 recyclables and 10.4 food waste. 2010: 26.0 garbage, 12.3 recyclables and 10.9 food waste.
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.  Number of biannual recycling newsletters distributed.	25,309 residences, an increase of 108 new households from 2010.  2 newsletters produced and delivered on schedule. Total of 72,325 newsletters were mailed to clients.

# Public Works - 2011 Performance

Provide and maintain an effective waste water (storm and sanitary sewer) collection system.

STRATEGY	MEASURE	RESULTS
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 759 storm sewer calls and 679 sanitary sewer calls for service completed. Responded to 7 emergency sanitary sewer backups, and responded to 100% of emergency calls.

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

STRATEGY	MEASURE	RESULTS
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.	100% complete.
Develop and prioritize locations through consultation with the CNIB to install audible signals at one priority intersection per year.	Number of audible signal installations.	Audible 100% complete at Bowen and Dufferin Road intersection.

Manage and maintain a waterworks system that supplies sufficient amounts of healthy potable water to the City of Nanaimo.

STRATEGY	MEASURE	RESULTS
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.  January 2011 produced two weather events that created turbidity issues at South Fork Dam. The Operations Group managed the water system so that no turbidity entered the distribution system.
Respond to all emergency inquiries from the public within 24 hours.	Number of water inquiries received and percentage responded to within 24 hours.	1,815 water calls for service completed. Responded to 18 watermain breaks and 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 4 educational sessions.

# Public Works - 2011 Performance

Maintain and provide cemetery services and cemetery grounds in a safe and aesthetic manner.

STRATEGY	MEASURE	RESULTS
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 consistently met service levels and required standards. Tried a different approach to accomplish annual re-leveling program, to be evaluated Spring 2012. Impact of no pesticide use noticed and results in lower aesthetics and additional costs.
Provide cemetery security to minimize incidents of vandalism.	Number of incidents of vandalism and average repair costs per incident.	One recognized security issue and one vandalism incident of note. Total cost estimated at \$1,200.
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.	14 burials. 48 cremations. 52 marker installations.

Maintain a safe and cost effective fleet of vehicles for City of Nanaimo staff.

STRATEGY	MEASURE	RESULTS
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.

Improve fleet fuel efficiency and reduce fleet GHG emissions.

STRATEGY	MEASURE	RESULTS
Through right sizing, alternate fuels, hybrid and electric vehicles, where possible for replacement fleet vehicles.	Annual E3 fleet review.	Annual E3 fleet review was completed as planned.  Replaced 4 gas powered vehicles with electric vehicles.  Replaced a gas vehicle with a hybrid.  Replaced 6 V8 gas trucks with 4 cyl gas trucks.  Replaced 1 V8 van with a V6 van.  Replaced 3 V6 trucks with 4 cyl trucks.  Replaced 5 gas powered vehicles with diesel powered vehicles.

# Public Works - Additional 2012 Objectives

Adopt a demand-side management approach to water conservation.

STRATEGY	MEASURE
Use rebate programs to encourage water conservation (currently budgeted at \$50k per year).	% of toilet rebate funds disbursed.
Measure water demands and trends by conducting a water audit, to better understand where water is used and to determine unaccounted for water use.	Complete water audit study in 2012.
Participate in the region-wide Team Water Smart program.	Funds transferred to Regional District of Nanaimo (target \$30k/yr).

Adopt a multi-barrier approach to water quality management.

STRATEGY	MEASURE
Continue the design of the South Fork Water Treatment Plant, and begin construction activities in 2012.	% design complete; tenders for construction released.
Prepare and publish annual Water Quality Report in accordance with VIHA regulations.	Publish by June 30 each year.

Water Source Development.

STRATEGY	MEASURE
Evaluate both expansion of the surface water supply and water sharing with Nanaimo Forest Products.	Initial feasibility of either option determined this year.

Continue to recognize water as a shared resource.

STRATEGY	MEASURE
Participate in Regional Drinking Water & Watershed Protection (DWWP) program.	Action items from DWWP Technical Advisory Committee responded to; level of funding provided.

Manage the finances of the water utility on a sustainable basis.

STRATEGY	MEASURE
Update Water Supply Long Range Capital Plan on an annual basis, to ensure funding levels remain sustainable; develop asset management strategy for existing water supply assets.	Annual budget reflects Long Range Capital Plan.

## Future Issues & Trends

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

Key issues and trends include:

- Maintain civic infrastructure at current or better levels.
- Improve water supply system to ensure adequate supply of high quality drinking water.
- Transition to more sustainable operations, including a focus on energy and productivity efficiencies and energy production where opportunities exist.
- Work with employee groups to continuously improve City services.

### TRANSPORTATION:

- Develop strategies and plans to support a safe and sustainable transportation network.

### DRAINAGE:

- Predicting and responding to climate change.
- Conditionally assessing drainage infrastructure network.
- Managing environmental trends such as ground water recharge through open drainage systems, rain gardens and on-site detention chambers.
- Reduce erosion and improve water quality before entering watercourses.

### SANITARY SEWER:

- Model sanitary sewer pipe to predict future demand and determine improvements required for future development.

## Future Issues & Trends - continued

### WATER SUPPLY:

- Water Audit to be completed in 2012 - better understanding of unaccounted water and various sector uses.
- Decreasing water consumption/capita - 530 litres/person day (2006 - 571 litres/person/day).
- Development of additional sources of water to support population growth.
- Supply to others in terms of becoming a regional supply.
- Participation in region-wide functions: Drinking Water & Watershed Protection Program.
- Water Treatment Plant
  - In service 2015
  - Annual operating budget \$1.7M, additional staffing.

### SANITATION & SOLID WASTE:

- Continue with solid waste reduction strategies - i.e. kitchen waste program.
- Lower costs by increased diversion from landfill.
- Manage growth demand and efficiencies in routing.
- Increase education opportunities.

### GEOGRAPHIC INFORMATION SYSTEM (GIS):

- Meet the continued demand for accurate and timely digital data.
- Support mobile solutions to increase field to office efficiencies.
- Implement a corporate GIS server to improve efficiencies to users.
- Continue with open data demands.
- Develop Meta Data Standards.
- Support Asset Management initiatives.

### FLEET:

- Sustainability Initiatives, including:
  - Right sizing vehicles.
  - Electric and hybrid vehicles; higher purchase cost and projected lower operating cost.

# 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 a great deal in 2011. Some of the key achievements were:

- 36,743 program registrations which represents approximately 46% of our current population.
- Smoking Ban bylaw adopted which will ban smoking in all city managed parks, plazas, trails, beaches and recreation complexes.
- Youth leadership summer programs broke existing program records for amount of community volunteer hours with 12,307 hours logged.
- Dedication of the Larry McNabb Sports Zone along Third Street. The naming recognizes the tireless efforts of the late PRC Commission Chair and City Councilman.
- Energy upgrades and installation of a UV water treatment system at the Nanaimo Aquatic Centre. These upgrades are estimated to save the City approximately \$80,000 per year in operating costs.
- Creation of a Corporate Recreation Pass Program allowing for local businesses to support their employees wellness goals through bulk Rec Pass purchases.
- Completion of the second Artificial Field at Beban Park adding another much needed light playing surface to the community's sport field inventory.
- The restoration of the historic Bastion completed, restoring the community landmark to its original glory.
- The successful hosting of a Community Cultural Forum.
- Neighbourhood-led upgrades to Pawson Park, one of Nanaimo's oldest park lots.
- Expansion of the Active Pass to include Grade Six students.
- Creation of an online public schedules page that has recorded the second highest level of visits within the overall City website.
- Land management partnership agreement struck with School District 68 for Pioneer School Site (adjoins May Bennett Pioneer Park).
- A total of \$37,507 in grant funds was granted to 18 community groups in response to Art, Cultural, and Events & Festivals applications.
- A total of \$171,656 in Operating Grants to 19 community groups.
- Sandra Thomson and Steve Jones received the 2011 Culture Awards.
- A total of 1,388 Nanaimo Harbour City Senior memberships were recorded in 2011.
- A total of 127 'Camp Sunsatation' registrants.

## Future Issues & Trends

Current census figures indicate that Nanaimo's median age is 42. With the median age in mind the department is looking to expand programming available for the 'zoomer' demographic. Baby boomers are seeking safer versions of adventure activities and opportunities to pursue personal interests such as cooking or learning new languages. For those in the workforce, available leisure time is becoming more condensed. More drop-in family sessions and scheduling of individual programs that occur concurrently to meet the needs of all family members are being developed. More facility program packaging will need to be created to service this group.

The department is an established community influencer with hundreds of community contacts. The management team has drafted a nine-year work plan focused on building those contacts into effective relationships. As an industry, community recreation needs to become more flexible in the way we provide programs and work with potential partners to reduce duplication and increase relevance. This focus on valuable relationships will also help to address the issue of shrinking budgets.

## Future issues & Trends - continued

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 recreation facilities, the parks and trails system infrastructure, program development and scheduling. The aging of our recreation facilities also creates implications for the department, not only budgetary but also the types and levels of programming that can be offered.

As is the case across the province, the gap between the rich and middle class is widening. This trend is quickly presenting itself in the number of Leisure Economic Access Program (LEAP) applications the department processes (200+/month). In order to ensure that the City of Nanaimo Parks, Recreation and Culture Department delivers on its goal to offer leisure services to all residents, the way we offer assistance and the level of subsidy is going to have to be closely examined.

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.

The focus within our parks and trails service area is more and more becoming focused on maintaining existing infrastructure. The parks management team will continue to develop partnerships with groups such as the Snuneymuxw First Nation, School District 68, the Nanaimo Port Authority, Vancouver Island University and community sport groups. These partnerships will result in more agreements such as the recent agreement drafted for the management of the Pioneer School lot next to May Bennett Park, which sees the City Parks crew maintaining School District Property as a park.

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.

Locally, we are seeing a growth in the number and size of aquatic groups. This increase creates demand for space within our aquatic facilities. In order to meet this demand we will continue to be creative and flexible in our program scheduling. With new groups comes more community hosting opportunities, which brings along the challenge of providing current amenities in order to secure hosting opportunities.

Across the industry, wellness continues to be the focus of recreational 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.

# Parks, Recreation & Culture

Each Parks, Recreation & Culture service area strives to achieve as many of the following Department goals as possible:

*To be aware of the developing leisure requirements of the community.*

*To be innovative and responsive in leading or facilitating the delivery of services that meet the needs of the community.*

*To provide services and facilities that are safe, accessible and fun.*

*To be active in fostering Nanaimo as a healthy community.*

*To market our services, facilities, parks and open spaces to Nanaimo residents and then to visitors.*

*To seek efficiencies that maximize taxpayer benefit and to maintain a net operating cost that meets the City's 5-Year Financial Plan.*



*'Brannen Lake' - photo submitted by Joep Olthuis*

# Parks, Recreation & Culture - 2011 Performance

STRATEGY	MEASURE	RESULTS
Provide arena services that encourage strong community participation.	Number of admissions to public skating sessions. TARGET: 38,500 2012 TARGET: 41,500	41,389
	Number of hours allocated to City arena facilities. TARGET: 13,000 2012 TARGET: 13,000	12,819
	Number of registrations in arena programs. TARGET: 5,500 2012 TARGET: 5,500	5,145
Provide aquatic services that encourage strong community participation.	Number of admissions to swim and fitness facilities. TARGET: 500,000 2012 TARGET: 580,000	571,310
	Number of hours allocated to City aquatic facilities. TARGET: 9,500 2012 TARGET: 9,400	9,500
	Number of registrations in aquatic and fitness programs. TARGET: 3,800 2012 TARGET: 5,600	5,590
Provide recreation and culture services that encourage strong community participation.	Number of registrations in recreation and cultural programs. TARGET: 38,000 2012 TARGET: 38,000	36,723
	Number of hours allocated to Beban Social Centre. TARGET: 19,000 2012 TARGET: 19,000	18,438
	Number of hours allocated to Bowen Social Centre. TARGET: 30,000 2012 TARGET: 28,000	17,000
	Number of hours allocated to Oliver Woods Community Centre. TARGET: 14,500 2012 TARGET: 14,750	14,524
Maintain a system of parks, trails and open spaces that encourage strong community participation.	Cost per kilometre to maintain the trail system. TARGET: <\$3,000/km. 2012 TARGET: <\$3,000	\$3,680
	Cost per hectare to maintain City park areas. TARGET: <\$6,000/hectare. 2012 TARGET: <\$5,000	\$4,200
	Number of hours allocated to community sports fields. TARGET: 28,000 2012 TARGET: 20,000	18,703

# Community Safety & Development Division

There are four departments within the Community Safety and Development Division. These include:

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

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

**Fire Rescue Department**

**Police Support Services Department**



*'Paradise of Flowers' - photo submitted by Linda*

# 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:

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

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

**Bylaw Services** 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. The Department also coordinates and manages parking matters, together with the City's parking coordinator.

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

### Community Planning:

- Service provider selection and community engagement continued for supportive housing projects as part of the Housing First Action Plan. Wesley Street project construction commenced and rezoning of Bowen Road supportive housing site completed.
- Newcastle+Brechin Neighbourhood Plan adopted by Council.
- Restoration and rehabilitation of significant heritage buildings in the community, including continuing work on the E&N Train Station and completion of work on the Nash Hardware building, and a number of heritage homes. National and provincial award recognition received for City's heritage conservation actions.
- Continued development of a Sustainability Action Plan and Community Energy and Emission Study with community partners to address GHG targets to the year 2050.
- Processed four OCP Amendment applications, and two rounds of general amendments.

# Community Planning - 2011 Performance

Provide opportunities for community involvement in developing Neighbourhood Plans that respond to the needs of the neighbourhood and the greater community.

STRATEGY	MEASURE	RESULTS
Identify options for neighbourhood participation in the planning process.	Complete a Neighbourhood Plan.	Newcastle + Brechin Neighbourhood Plan adopted by Council.

Facilitate and pursue the revitalization of Downtown Nanaimo.

STRATEGY	MEASURE	RESULTS
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.	Responsibility for liaison with DNBIA transferred to Director of Strategic Relationships.

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.

STRATEGY	MEASURE	RESULTS
Engage community partners in the development of policies and strategies to assist Nanaimo's disadvantaged population.	Implement Housing First Memorandum of Understanding (MOU) in collaboration with B.C. Housing.	Wesley Street supported housing project under construction; service providers selected for Dufferin and Uplands supported housing projects with community engagement continuing. Completed rezoning of Bowen Road supportive housing site.

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.

STRATEGY	MEASURE	RESULTS
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.	Regional Growth Strategy adopted by RDN. Continuing representation on the Intergovernmental Agency Committee.

# Community Planning - 2011 Performance

Develop policies and strategies to ensure the conservation and management of Nanaimo's heritage resources.

STRATEGY	MEASURE	RESULTS
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.	Heritage Action Plan review process nearing completion. Two Heritage Facade and three Heritage Home Grant projects completed. Heritage Register updated. National and Provincial award recognition received for City's heritage conservation actions.

Ensure the development of Nanaimo is carried out in an orderly and cost-effective manner consistent with City Council and community goals.

STRATEGY	MEASURE	RESULTS
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.	Newcastle+Brechin Neighbourhood Plan and new Zoning Bylaw (4500) adopted. Four OCP amendment applications and two rounds of general amendments processed.

Develop policy to ensure long-term management and protection of the environment.

STRATEGY	MEASURE	RESULTS
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.	Corporate Energy Emissions Plan, Sustainability Action Plan and Sustainable Design Guidelines drafted and under review.

2012 & 2013 Objectives remain unchanged.



*'Beavers in Nanaimo Harbour' - photo submitted by Neil Casson*

# Current Planning - 2011 Performance

Assist Council with the development of policies and bylaws to fulfill long-term community planning and process applications in compliance with same.

STRATEGY	MEASURE	RESULTS
Update the Zoning Bylaw and other bylaws and/or guidelines to implement the policies and reflect the vision of the Official Community Plan (OCP). Review and assist development applications to ensure OCP compliance.	Complete comprehensive review and rewrite of the Zoning Bylaw.	Zoning Bylaw 4500 adopted on August 8, 2011. General amendments to Zoning Bylaw No. 4500 adopted on October 3, 2011.
	Complete review and rewrite of the Sign Bylaw.	Draft update of the Sign Bylaw prepared in order to reference Zoning Bylaw 4500.
	Assist Community Planning to complete development of Green Building Design Guidelines.	Guidelines completed. Green building incentives included within Zoning Bylaw 4500 to encourage increased density.
	Complete review of the off-street parking regulations.	To begin in 2012.
	Complete one-year review of the Animal Control Bylaw, in relation to urban poultry.	Review completed. Bylaw adopted on May 30, 2011 to allow an increase in the number of chickens or ducks permitted on a large lot, from 4 to 6 and from 2 to 4 for small lots.
	Complete Procedures Bylaw review.	Preliminary bylaw completed, to be presented to Council in 2012.
	Undertake a review of the Fees and Charges Bylaw.	Preliminary bylaw underway.



Following the adoption of a bylaw in 2010 to allow chickens or ducks on most urban, residential lots in Nanaimo, Council directed planning staff to complete a review of the bylaw one year after adoption. Through this review, Council and planning staff determined that the bylaw was a success and on May 30, 2011 chose to amend the bylaw to allow for an increase to the number of poultry permitted.

# Current Planning - 2012 Objectives

## Updating and maintenance of the Zoning Bylaw.

### STRATEGY

The continued maintenance of the Zoning Bylaw through general amendments will ensure it remains relevant, user friendly and continues to reflect the goals and objectives of the OCP.

### MEASURE

Continue review of the Zoning Bylaw and bring forward amendment bylaws where applicable.

## Continue to provide excellence in customer service by improving the way in which planning information is communicated to the public.

### STRATEGY

Work with the City's Information Technology Department to develop tools to help us better inform the public about the various Planning processes.

### MEASURE

Implement a "What's Building in my Neighbourhood?" notification system to allow residents the opportunity to go online to view development applications.

Implement the use of "QR" codes on rezoning application signage and notices to allow individuals to scan the code with a 'smart' phone to access online information regarding a proposal.

Develop a more user-friendly, web-based version of Zoning Bylaw 4500.

## Develop new Design Guidelines.

### STRATEGY

Develop set of design guidelines to promote sustainable building development in Nanaimo.

### MEASURE

Complete development of Green Building Design Guidelines.

Clarify the City's overall objectives for development within those areas designated as Corridor.

Begin development of guidelines to establish a development permit area for lands within the Corridor OCP designation.

Work with the Nanaimo Old City Association in creating design guidelines for in-fill development within the R1 zoned portion of the Old City Neighbourhood Area.

Develop "intensive" residential design guidelines that would apply to the low density portion of the Old City Neighbourhood and designate this area as an intensive development permit area within the OCP.

Assist multi-disciplinary team of staff in the development and implementation of an urban wildfire protection plan.

Prepare all base mapping and establish new Development Permit Area(s).

# Current Planning - 2012 Objectives

## Development Application Fees Update.

### STRATEGY

Review application fees to other comparable B.C. municipalities and suggest necessary amendments.

### MEASURE

Draft new Fees and Charges Bylaw.

## Update Parking Regulations Bylaw.

### STRATEGY

Begin in-house review of the City's Off-Street Parking Bylaw to reflect the OCP and the new Zoning Bylaw.

### MEASURE

Draft new Off-Street Parking Bylaw.

## Community Outreach

In 2011, the profile of a professional planner in Nanaimo could not have been higher. During the year, the City of Nanaimo hosted the provincial planning conference at the Vancouver Island Conference Centre. On November 8, 2011, staff hosted a well attended World Town Planning Day event at the Nanaimo Museum, during which staff also celebrated Commercial Street, which was named the "Greatest Street in Canada" by the Canadian Institute of Planners (CIP) after a nationwide contest.

In addition to the above, Planning staff hosted five separate open houses related to the new Zoning Bylaw and attended a number of neighbourhood association meetings. Staff also attended the City's Harvest Festival to answer questions related to urban food gardens. By including urban food gardens within the City's new Zoning Bylaw, Nanaimo became the first community in all of British Columbia to allow farm gate sales within any property in the City.

Planning staff also began to review ways in which the Planning Department can better inform the public through the use of technology. Work is being finalized on a City of Nanaimo's website feature called "What's Building in My Neighbourhood?", which is intended to allow the public to go to the City's website or receive email updates regarding any development activity in their neighbourhood. The Planning Department is also looking to provide "QR" codes on signage and notices in order to provide greater access to the public regarding development projects.



# Current Planning

## DEPARTMENT HIGHLIGHTS

### Zoning Bylaw No. 4500



On August 8, 2011, Council repealed Zoning Bylaw No. 4000, which had been in place since 1993, and adopted Zoning Bylaw No. 4500 as Nanaimo's new Zoning Bylaw. The adoption of the new bylaw was the result of two years of work which included an extensive consultation process with local developers, design professionals, land use consultants, neighbourhood association representatives, the Chamber of Commerce, Advisory Committee on the Environment and Sustainability, Vancouver Island Real Estate Board, Snuneymuxw First Nation, Downtown Nanaimo Business Improvement Association, Plan Nanaimo Advisory Committee and the general public.



The newly adopted Zoning Bylaw includes a number of significant changes, including:

- Smaller single family residential lot size requirements.
- The ability to vary residential lot size by up to 10% in order to provide developers with more flexibility and encourage a wider variety of lot sizes.
- A density bonus system which awards additional density to a development which meets or exceeds the City's sustainable amenity criteria.
- Increased height and size requirements for detached secondary suites in order to permit a carriage house above a garage.
- Further lot size and depth reductions where a laneway exists.
- New corridor zones that, for the first time ever in a Zoning Bylaw for Nanaimo, include a minimum height and maximum setback requirement.
- Prohibit parking between the street frontage and the front face of a building within corridor zones.
- The ability to include residential units on the same property as shopping centres.
- A new zone which allows for non-strata form row-house ownership.
- Allowing urban food gardens and community gardens in all zones.



For 2012, Staff has been asked by the Planning Institute of British Columbia (PIBC) to present the highlights of the new Zoning Bylaw at their provincial conference in Harrison Hot Springs. Staff has also been directed to submit the new Zoning Bylaw for a PIBC planning award.

## Design Advisory Panel - Design Awards

The Current Planning Department is responsible for the review of all development permit applications, a number of which include form and character applications, which are reviewed by the City's Design Advisory Panel (DAP). Each year, DAP rewards excellence in design in four separate categories: social housing, industrial, multi-family and mixed-use.

Kevin Krastel, Chair of DAP, has the following to say regarding DAP's role in presenting the design awards:

*"The experienced members of our Design Advisory Panel are always delighted when we can acknowledge special developments in our community. We present design awards to recipients who have raised the bar with their projects and exceeded our expectations for all aspects of architecture (form and character) and workmanship."*

The 2011 award winners are:



### Social Housing

Social Housing Development -  
2104 Bowen Road



### Industrial

Island West Coast Office -  
2214 McCullough Road



### Multi-Family

Pacific Garden Co-Housing -  
347 Seventh Street



### Mixed-Use

Hawthorne Corner -  
1406 Jingle Pot Road

# Bylaw Services - 2011 Performance

Enhance public information availability on bylaw matters.

STRATEGY	MEASURE	RESULTS
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.	Not completed. Ongoing process for review. Further work to be achieved in 2012. Linked to Customer Service goals for CSD.

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.

STRATEGY	MEASURE	RESULTS
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.	Approved recommendations of Parking Strategy Study substantively achieved as related to downtown. Improved parking in Hospital Area is a focus for 2012.

2012 & 2013 Objectives remain unchanged.



*'Old City Quarter' - photo submitted by Gary Barbero*

# 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 development requirements and design specifications for new subdivisions with respect to lot configuration, road networking and pedestrian features, park and trail connections, and utilities.

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



*'Old Quarter' - photo submitted by Gary Barbero*

# Building Inspection - 2011 Performance

Regulate construction within the City to protect the health and safety of persons and property.

STRATEGY	MEASURE	RESULTS
Continuous process review to provide more efficient Building Inspection services.	Monthly and yearly statistics on construction volume, permit processing time and field review methods.	Statistics are available; review of reporting options ongoing.
	Encourage building industry to adopt good construction and environmentally conscientious practices.	Participated in various industry consultations and building forums.
	Develop City-wide disaster response program.	Ongoing.
	Implement retaining wall guidelines and policies.	Report complete, review by stakeholders underway.
	Provide more efficient Building Inspection Services.	Review of residential processing complete; commercial review underway.
The use of technology to enhance the level of Building Inspection services to the community.	Develop an online building permit application process.	Ongoing.
	Encourage submission of electronic plans and conduct electronic review to decrease amount of paper use and storage.	1,186 files and 11,000 historic plans digitized and removed from physical storage.
	Improve online information available to the community in order to encourage broader utilization.	Ongoing.
Review Secondary Suite Enforcement Policy.		Ongoing.

2012 & 2013 Objectives remain unchanged.

## DEPARTMENT HIGHLIGHTS

### Building Inspection:

- 926 permits were issued in 2011 with a construction value of \$188M. This included 903 new residential units.
- The Department completed a total of 8,261 inspections.
- Staff managed another year of the Toilet Rebate Program that saw the replacement of 767 toilets for a savings of approximately 38,700,000 litres of water per year.

# Engineering & Subdivision - 2011 Performance

The Engineering & Subdivision Section works to evaluate and process development applications through efficient coordinated review with City staff, applicants, developers and the community to create a functional and liveable Nanaimo.

## ENGINEERING HIGHLIGHTS:

Watermains	2,834 m
Fire Hydrants	23 hydrants
Sanitary Sewer	3,232 m
Storm Sewer	4,787 m
Roads	2,161 m
Sidewalk	5,109 m
Curb/Gutter	6,959 m
Streetlights	79 streetlights

City-owned works installed: **\$5,622,353.67**  
Privately owned infrastructure constructed: **\$2,277,844.00**

## SUBDIVISION HIGHLIGHTS:

- DCCs collected in 2011: **\$1,928,945.25**
- Cash-in-lieu of park in 2011: **\$472,440.00**
- 229 fee simple lots and 161 strata lots were created in 2011.
- There were 7 new parks dedicated through subdivision in 2011, for a total area of park dedication of 2.766 hectares.



*Native plant restoration landscaping within roundabout*

# Engineering & Subdivision - 2011 Performance

Continue to provide excellence in customer service by improving the way in which our information is communicated.

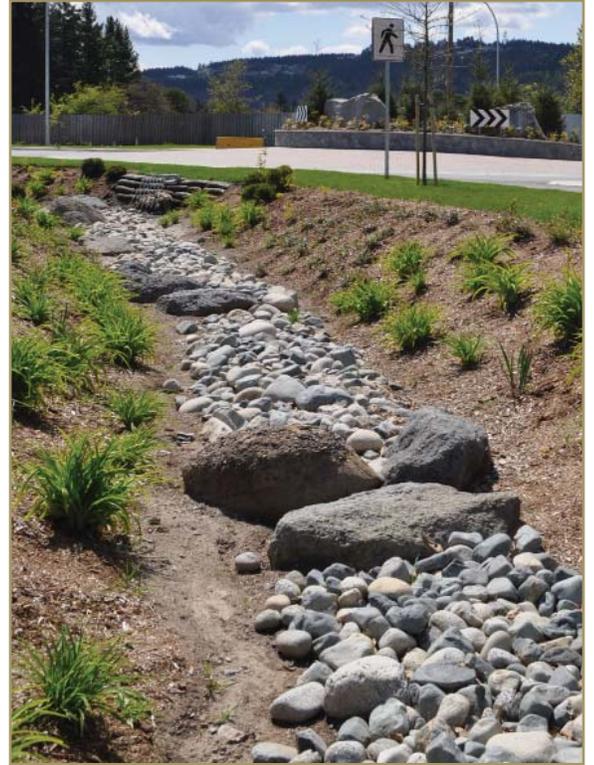
STRATEGY	MEASURE	RESULTS
Ongoing process review.	<p>Implementation of mandatory pre-application meetings with applicants.</p> <p>Addition of comprehensive letters for all subdivision applications outlining status of application, estimated processing times, and additional items required through formal review.</p> <p>Review and re-write of policies regarding land development.</p>	<p>Enhanced customer service with up-front information, improved communication and expedited processing times.</p> <p>New DCC Policy. New Panhandle Policy. Increased incentive for infill development.</p>
Enhanced level of services to the community through technology.	<p>Developing new streamlined statistical queries through Prospero Land Management System.</p> <p>Improved online information available to the community.</p>	<p>Quarterly and yearly subdivision statistics available to internal and external agencies.</p> <p>New Subdivision Application form.</p>

Encourage a cooperative approach to the development of land that enhances the functionality, livability, sustainability, health and safety of the community.

STRATEGY	MEASURE	RESULTS
Protect taxpayer's long-term interests.	Review Engineering design of works required to support development to ensure compliance with City standards and Good Engineering Practices.	Planning, design and construction of infrastructure that can be efficiently and cost effectively maintained by Public Works.
Encourage the development industry to adopt good construction and environmentally conscientious practices.	Construction of innovative works to service new developments.	<p>Installation of bio-swales, rain gardens, rock infiltration facilities for numerous developments.</p> <p>Installation of the City's first modern roundabout.</p>

2012 & 2013 Objectives remain unchanged.

# Engineering & Subdivision



*Working bio-swale at Green Rock Development*



*New roundabout and pedestrian crossing at Dufferin and Boxwood*

# 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 HIGHLIGHTS

### “PARTNERS IN PROTECTION”

Working synergistically with other agencies is saving taxpayers money! The fire risk in the harbour is significant and both the City and Nanaimo Port Authority have responsibilities to provide emergency response in Nanaimo harbour. In 2011 the Fire Rescue Department joined forces with the Nanaimo Port Authority, purchasing a compressed air foam fire pump for the Port's new NPA Eagle patrol vessel. This is the first of two multi-purpose vessels that will be equipped with firefighting capability to complement shore side operations when fire occurs. This will effectively manage the risk in the harbour at the lowest possible cost. Partnering has saved each agency from an individual 'fire boat' purchase and provides for the staff of each agency to work together in suppressing marine related fires.

Another 'partner' project has been working with partner agencies in exercises in the area of emergency management. Last fall, Fire Rescue worked in conjunction with other City departments, RCMP and Canexus Corp. in a simulated chlorine emergency. The Department also facilitated 'tabletop exercises' with Suncor Corp., Petro-Canada bulk facility on Stewart Avenue as well as Nanaimo Port Authority and Transport Canada on a marine security exercise. The community was also successfully engaged participating in "Shake Out", the simulated earthquake exercise that promotes injury reduction through 'duck, cover and hold on'. Nanaimo residents had the highest participation rate in the province.

2011 also saw "Bylaw No. 7108, Fire Protection and Life Safety Bylaw" adopted by Council to improve fire safety in the community. The most significant revision shifts fire and life safety responsibilities on the owner, occupier or manager of commercial and multi-residential buildings. Working collaboratively with building owners/managers will enhance the safety of occupants and minimize losses from fires when they do occur.

To improve services to the community, Nanaimo Fire Rescue continues to increase the programs and services to citizens. While implemented in 2010, the Child Passenger Safety Program and the Minor Motor Vehicle has increased Department productivity and provided improved value to the community. Highlights include:

- Delivered 9 public Child Passenger Safety Program Clinics providing technical installation support for 148 child seats.
- Responded to 650 motor vehicle incidents, managed traffic to improve safety and provided assistance to those involved.

#### OTHER HIGHLIGHTS INCLUDED:

- 126 structure fires (up from 105 in 2010).
- 4,229 medical responses (up from 3,855 in 2010)
- 650 motor vehicle incident responses.



*Emergency Training Exercise*

# Fire Rescue - 2011 Performance

Provide quick, effective and high quality response to fire, medical and other emergency incidents.

STRATEGY	MEASURE	RESULTS
Fire Rescue responds to fire and non-fire related emergencies.	Number of incident responses.	6,494 - an increase of 197 calls from 2010.
Alarms are answered and dispatched effectively.	Percent of time alarms are answered and dispatched within 60 seconds. TARGET: 90%	76.46%
Rapid turnout of members after alert to respond.	Percent of time turnout of career members is within 60 seconds for medical incidents or 80 seconds for fire and other incidents. TARGET: 90%	Career staff: Medical: 53.52% Fire & Other: 53.13%  On-Call Station 7: Medical: 59.26% Fire & Other: 30.67%
Ensure 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%	54.26%
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%	85.08%
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%	89.68%
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%	97.62%
Maintain four members to staff on-duty companies.	Percent of time four member (or greater) engine staffing. TARGET: 100%	94%

# Fire Rescue - 2011 Performance

Reduce the number of fires, loss of life, injuries and damage through effective code enforcement, public education and fire cause determination.

STRATEGY	MEASURE	RESULTS
Use effective prevention efforts to minimize overall fire damage.	Total cost of fire damage.	\$3,410,414
Perform life safety activities to minimize civilian deaths and injuries.	Number of lives lost to fire.	1 life lost and 7 injuries.
Perform fire inspections for all public buildings directed toward life safety, reduction of hazards, exiting and fire control.	Total number of fire inspections performed.	2,281
Provide fire safety education presentations directed to public safety.	Total number of educational sessions presented.	19
Identify the causes and origin of all fires, explosions and other emergency situations that endanger life and property.	Total number of fire investigations.	347

Ensure financial stability and efficiency in service delivery.

STRATEGY	MEASURE	RESULTS
Manage costs in an effective and efficient manner.	Operating cost per \$1,000 of residential property protected.	\$1.07
	Operating expenditures per capita.	\$155.85
	Fire services as a percentage of total City operations.	11.01%
	Fire as a percentage of municipal taxes.	14.47%

# Fire Rescue - 2011 Performance

Deliver an Emergency Management Program to prepare and protect the community from man-made and natural catastrophes.

STRATEGY	MEASURE	RESULTS
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.	
Perform Personal and Neighbourhood Preparedness presentations directed to public safety.	Total public education sessions held.	33 sessions held for 31, 130 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.	1
Provide Disaster Assistance to citizens affected by emergencies.	Number of Disaster Assistance requests.	20 requests from 124 residents.

2012 & 2013 Objectives remain unchanged.

A family dog trapped inside a burning house on Jingle Pot Road emerged alive from the house hours later as an excavator began taking apart the destroyed house.

Daisy, an English Mastiff, had miraculously survived the fire.



## Future Issues & Trends

Since 2005 when the 10-Year Fire Services Plan was adopted by Council, Nanaimo's population has grown from almost 77,000 to the 2011 estimate of 87,464. Along with higher densification of established neighbourhoods, an 'infill' continues in what was lower density areas. With increased population comes additional workload for the Fire Rescue Department and a significant portion of the responses are now occurring in peripheral areas, such as Hammond Bay in particular, where longer response times beyond the target of 6 minutes for the first engine results. Typically the 6 minute criteria offers a level of protection that limits fire development to the room of origin. Those areas outside of the 6 minute response target will be impacted with greater fire damage and a trend continues to have greater losses in these areas. In fact, 2011 highlighted a residential fire on Hammond Bay Road spreading to neighbouring property with losses that exceeded \$1.1 million. The initial Fire Plan identified improved distribution of resources by building a fire station in 2012 and staffing incrementally thereafter at Hammond Bay and Nottingham. However, this component was delayed to 2014 due to the current economic downturn and the affordability for increased taxation.

The Department continues to analyze trends and specific fire and community safety risks. Such 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.



# Police Support Services

The City of Nanaimo is policed by the Royal Canadian Mounted Police under a Municipal Police Unit Agreement with the BC Minister of Justice. City Council ratified a new 20-year agreement with the Minister for continuation of the RCMP on April 16, 2012.

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
- Marine Patrol (seasonal)



Volunteer support continued to be an important aspect of law enforcement within the Nanaimo Detachment in 2011. Over 150 active volunteers assisted in the delivery of community policing programs, including Citizens on Patrol, Harbour Watch, Speed Watch, Security Survey Team and the Auxiliary Constable programs.

The RCMP, in partnership with the John Howard Society, continued a Restorative Justice Program in the community. Nanaimo's "RJ" program is still recognized as a best practice in North America.

The RCMP has made "Safe Homes, Safe Communities" its national objective, and in conjunction with City Council, determined four (4) strategic priorities for 2011:

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

### 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. 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 contributes to reducing negative prolific offender contacts by thwarting their antisocial activity, having them remove themselves from the community or by having them convicted of crime and in long-term custody.

### Substance Abuse Initiatives:

The Detachment’s Community Policing section continued dedicating members to a **School Liaison Program**. These members, supported by the efforts of all Detachment members, provided a visible presence in secondary schools throughout Nanaimo. As well, Nanaimo Detachment members worked with youth to deliver the **DARE** and **PARTY** programs at various schools and provided 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.

### 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.

As part of the strategic priorities for 2011, the Nanaimo Detachment continued working towards 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. Signage was placed throughout the City to remind drivers to pull over and report impaired drivers they encountered on City streets. 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.

A marine patrol pilot project was completed during the summer of 2011. An RCMP boat was acquired from another detachment and was used to patrol City lakes and the Port of Nanaimo to detect impaired boat operators, ensure that operators were properly licensed and those boats were equipped with all required safety equipment. The project was partially funded by seasonal policing funds provided by “E” Division and proved to be quite successful.

## STRATEGIC PRIORITIES - continued

On November 30, 2011 the BC Supreme Court ruled that BC's Immediate Roadside Prohibition (IRP) law was unconstitutional, due to its review mechanism failing to comply with the Charter of Rights. The suspension of this legislation required the police to return to their previous procedures for dealing with impaired drivers. The former process is significantly longer in duration keeping members off the road for lengthy periods of time. The Province has been granted time to repair the legislation and it is hoped that progress in this area will be accomplished in 2012.

### Downtown Core Initiatives:

Downtown crime and disorder issues were a strategic priority of the Nanaimo Detachment in 2011, 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.

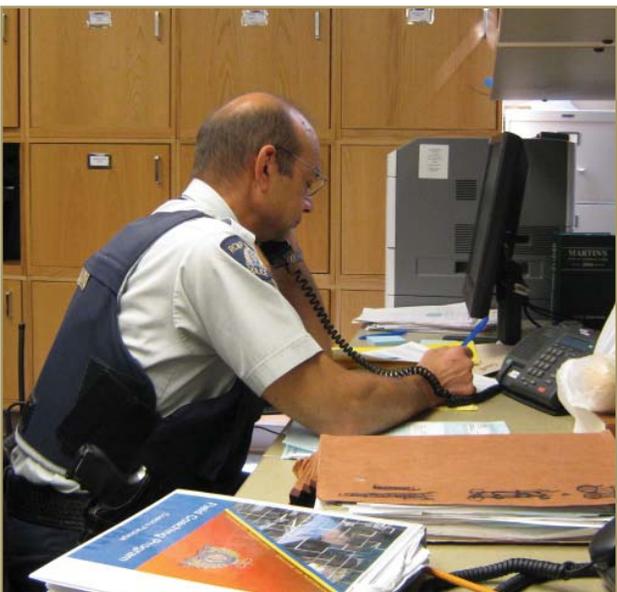
Secondly, the program has virtually eliminated the overt presence of organized crime groups. These results are possible because of a collaborative effort - all of the downtown liquor-primary establishments are participating in conjunction with the RCMP, Downtown Nanaimo Business Improvement Association,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



## Future Issues & Trends

- 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 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.
- 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 and presented to Council in 2009. From this, a plan to acquire twenty four (24) new police officers over a five (5) year period to address Nanaimo's RCMP resourcing shortage was developed. To date, fifteen (15) additional members are in place under this plan with the balance forthcoming in future years. Additional support staff will also be introduced to assist the members with their work.
- City Council ratified a new 20-year agreement with the Minister for continuation of the RCMP on April 16, 2012. The new agreement strengthens the relationship between the City and the RCMP and focuses on three primary areas of concern:
  1. Building a strong partnership between the three orders of government and the RCMP for delivery of policing services by the RCMP;
  2. Building a strong accountability framework within which the RCMP and their funding partners would operate; and
  3. Building a basis for cost containment of expenditures associated with the delivery of police services.
- The marine patrol pilot project initiated in 2011 will become a permanent aspect of the Detachment in the summer of 2012. An RCMP boat has been acquired from another detachment and is permanently located with Nanaimo Detachment. It is expected to be crewed by qualified and trained Reserve Constables each weekend throughout the summer months from May to September annually.
- It is anticipated that the Provincial government will address the constitutional aspects of their immediate Roadside Prohibition (IRP) legislation and re-institute it during 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 - 2011 Performance

Provide effective policing service to safeguard the community.

STRATEGY	MEASURE	RESULTS
Maintain a minimum 1:700 policy to population ratio.	Police to population ration.	1:645.7
Maintain Auxiliary Constable Program.	Number of Auxiliary Members.	23
	Cost per Auxiliary Member.	\$748.20

Maintain a Community Police Profile.

STRATEGY	MEASURE	RESULTS
Operate community programs such as SpeedWatch, Block Watch, etc.	Cost per capita for community policing programs.	\$2.17 (2010: \$2.28)
Operate community policing offices.	Number of community policing offices.	1

2012 & 2013 Objectives remain unchanged.



# 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 coordination for the City.

## DEPARTMENT HIGHLIGHTS

- Completed a formal petition process for Ornamental Streetlighting in the Cilaire Area (initiated in 2010, completed 2011-Jan-27).
- Conducted a by-election on March 26, 2011 to fill the position on Council previously held by Councillor McNabb, who passed away on December 24, 2010.
- Conducted an Alternative Approval Process to receive the approval of the electors for the adoption of 'WATER TREATMENT PLANT LOAN AUTHORIZATION BYLAW 2011 NO. 7127' to authorize the borrowing of a maximum of \$22.5 Million for the construction of a Water Treatment Plant.
- Conducted an Alternative Approval Process to receive the approval of the electors for the adoption of 'EMERGENCY WATER CONNECTION AGREEMENT BYLAW 2011 NO. 7131' to authorize the Emergency Water Connection Agreement between the City of Nanaimo (the City) and Nanaimo Forest Products (NFP).
- Conducted the 2011 Municipal Election.
- Initiated implementation of eSCRIBE, a Paperless Agenda software (for completion in 2012).



# Legislative Services Department

## Future Issues & Trends

eSCRIBE was selected to implement a paperless agenda system for the City of Nanaimo. Initial training for Legislative Services staff took place in July of 2011. Due to other priorities, this project was deferred until 2012. Implementation will be a staged process, initially assisting Legislative Services with the compilation of the agenda, then improving the method of submission of reports from the other departments and finally the ability for staff and Council to receive, review and mark-up their agendas in an electronic format.

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, 19 in 2010 and 18 in 2011. Legislative Services staff have initiated discussions with other departments to establish policies regarding liability requirements for contractors to the City (deferred from 2011).

Requests under the *Freedom of Information and Protection of Privacy Act* continue to require considerable staffing resources. Requests over the past number of years have remained relatively consistent for the past few years: 57 in 2008, 77 in 2009, 73 in 2010 and 76 in 2011. However, the requests are becoming more complex and extensive, requiring increased staff time. The additional staff member to be hired in the Legislative Services Department in 2012 may assist in reducing response times.

It is anticipated that the review of Council policies, initiated late in 2010, will be completed in 2012. Staff intend to start posting updated policies on the City's website by the end of 2012.

Legislative Services participation in the Organization Planning project related to Reports and Meetings will continue with the presentation of recommendations to Council which will require implementation of a new report format and amendments to both the Council Procedure Bylaw and the Delegation Bylaw. The changes are being recommended by staff in an effort to provide better and more complete information to Council to assist with Council's decision-making process.

With the move to the new building being anticipated in late 2012, various departments will be looking to the Legislative Services Department to assist with their records management needs. Whether the goal is to scan records and deem the electronic copy to be the original, to box and store the paper records or to proceed with destruction of records no longer required under the City Records Management System, the Legislative Services Department will provide guidance in determining the most appropriate disposition of the records. The first steps to selecting a Records Management software package will be taken in 2012 with ongoing implementation scheduled for 2013.

# Legislative Services - 2011 Performance

Provide timely and accurate information to Council, the public and City staff.

STRATEGY	MEASURE	RESULTS
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%	Not achieved on a regular basis. Implementation of paperless agendas should result in improvements in 2012.
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.	Number of City departments to be trained and utilize the system.  TARGET: Implementation of Stage 1 module(s).	Deferred to 2012. 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 31st of each year.	Achieved.

Strive for excellence in Customer Service.

STRATEGY	MEASURE	RESULTS
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%	100% of FOI requests processed within legislated timelines. Timelines for some requests were extended beyond 30 days due to the extensive nature of the request or the need to consult with third parties.

# Legislative Services - 2011 Performance

## Implement Paperless Agendas.

STRATEGY	MEASURE	RESULTS
Investigate potential products for compatibility with current and future City processes and seek support of Council.	Implementation completed. Reduced amount of copying of agendas.	Initial training of Legislative Services staff completed. Implementation to continue in 2012.

## Update Policy Manual.

STRATEGY	MEASURE	RESULTS
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.

## Implement Wiki

STRATEGY	MEASURE	RESULTS
Investigate use of Intranet Wiki to store departmental procedures.	Initial implementation completed, ongoing updates continuing.	Implementation in progress. Claims coordination information on Wiki so far. Other projects were a higher priority in 2011.

## Update Council Procedures Bylaw.

STRATEGY	MEASURE	RESULTS
Review Council Procedures Bylaw in order to identify improvements. Present to Council for consideration.	New bylaw adopted or deemed appropriate by Council. Processes streamlined if new bylaw adopted.	Deferred to 2012.

## Streamline specific Council processes through adoption of an updated Delegation Bylaw.

STRATEGY	MEASURE	RESULTS
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.	Deferred due to higher priorities.

# Legislative Services - 2011 Performance

Completion of Mandate & Objectives documents for all City Advisory Committees.

STRATEGY	MEASURE	RESULTS
Draft Mandate & Objectives documents for staff and Council review.	Adoption of Mandate & Objectives documents for all City Advisory Committees.	Work in progress. Some completed.

New Records Retention Bylaw.

STRATEGY	MEASURE	RESULTS
Draft new Records Retention Bylaw for Council's consideration.	Adoption of new Records Retention Bylaw.	Deferred.

Clean, undisputable, non-controversial General Local Election.

STRATEGY	MEASURE	RESULTS
Confirm appropriateness of voting places. Add directions to voting places on website. Rewrite Instruction Booklet for Election Officials.	Minimize challenges. Increased proficiency of Election Officials.	Successfully completed.

Review current report format.

STRATEGY	MEASURE	RESULTS
Establish a design group to review current report format and recommend new format that better meets the needs of Council.	New report format implemented.	In progress. Report/ meetings design group to finalize recommendations.

# Legislative Services

## 2012 & 2013 Objectives

The 2012 and 2013 Objectives, Strategies and Measures for the Legislative Services Department remain the same as for 2011 (excluding the General Local Election), with the addition of the following:

Fill vacant position in Legislative Services.

### STRATEGY

Define job description to ensure maximum benefit.

### MEASURE

Employee hired, trained and actively participating in Legislative Services Department work.

Implement Records Management System.

### STRATEGY

Investigate options for replacing current DOS program to track records storage information and records due for destruction.

### MEASURE

Selection of product completed by 2012 year-end. Implementation in 2013.

Assist with move of records to new building.

### STRATEGY

Assist with the evaluation of records to be stored in new building or elsewhere or scanned and destroyed.

### MEASURE

Records relocated to new building or alternate site or scanned and destroyed.

Establish policies regarding liability requirements for contractors to the City.

### STRATEGY

Consult with various departments and with the Municipal Insurance Association.

### MEASURE

Departmental policy approved.

*'Lotus Pinnatus' - Nanaimo's Official Flower*



# Human Resources & Organizational Planning Department

The purpose of the Human Resources and Organizational Planning Department is to provide professional human resources services and guide strategic and organizational planning initiatives to fulfill the needs of the municipality. Core business areas include: strategic and organizational planning; human resources planning; recruitment and selection; training, development and performance management; compensation and benefits; service and retirement recognition; corporate safety, health, wellness and return to work management; employee and labour relations; human resources policies; and human resources information management.

## DEPARTMENT HIGHLIGHTS

- Supported Council for strategic planning by working with Council members to identify and overcome barriers to strategic planning and by developing a Request for Proposal for strategic planning consultant services.
- Led/facilitated the execution of the management organizational plan by working with the Organizational Planning Steering Committee to complete first priority action plans and create action plans for next level priorities. Kept employees updated on the progress of the organizational plan through newsletter communications and Senior Leadership Team attendance at 10 employee meetings.
- Assisted departments to prepare for the Certificate of Recognition audit. Passed audit with a score of 93%.
- Awarded City of Excellence Award in part for demonstrating an exemplary safety program.
- Updated several human resources policies including those relating to transportation allowances, criminal record checks, relocation, and service and retirement recognition.
- Completed negotiation of renewal CUPE Collective Agreement within Council mandate and without labour disruption.
- Negotiated process to resolve outstanding CUPE job evaluation issues and to create new job evaluation plan and process.
- Marketed benefits program and selected new benefits provider to supply same level of employee benefits but with improved customer service and reduced cost.
- Conducted review of social committee program and made changes resulting in improved participation.
- Developed and implemented step system to improve administration of exempt compensation.
- Worked with Nanaimo Fire Rescue to align recruiting practices with that of the corporate program.
- Offered 72 in-house training courses, involving 690 attendees. Offered new training courses in media relations, team building and performance management.

## Future Issues & Trends

Workforce sustainability continues to be one of the corporation's biggest challenges. Twenty-nine percent of our overall workforce and fifty-one percent of our managers will be eligible to retire with an unreduced pension by the end of 2016. These demographic challenges are not unique to the City of Nanaimo.

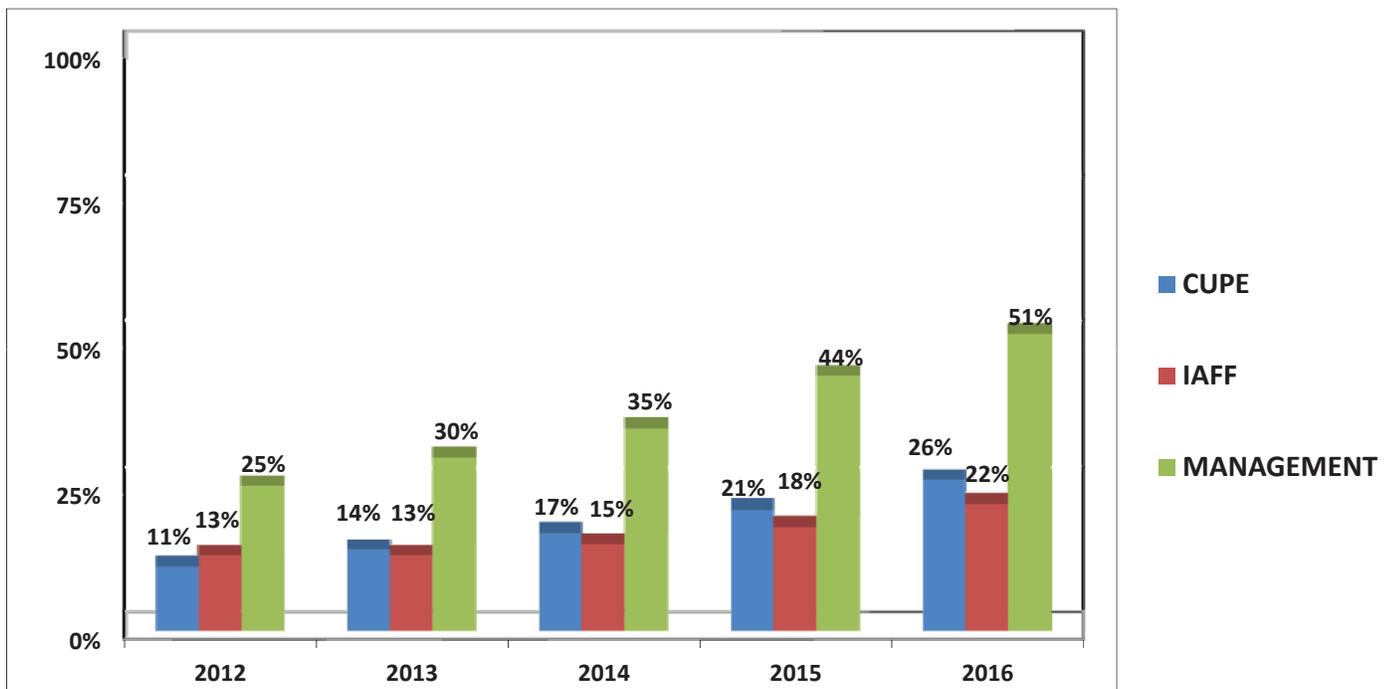
The Conference Board of Canada has reported that the Province of B.C. will be facing a shortage of 160,000 skilled workers by 2015. Nationally and across the developed world, an aging population and declining birthrates will result in lower labour force participation

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.

29% of the City's overall workforce and 51% of its exempt employees will be eligible to retire with an unreduced pension within the next five years (by 2016).

### EMPLOYEE ELIGIBILITY FOR AN UNREDUCED PENSION (by Group)



# Human Resources & Organizational Planning Department - 2011 Performance

Provide human resources services and programs that are responsive, effective and efficient.

STRATEGY	MEASURE	RESULTS
Implement HR/IT recruitment project to improve resume collection process, communication to public, and competition file management system for external recruitments.	<ul style="list-style-type: none"> <li>- Develop and implement “front end” recruitment updates on City Internet and revise related internal processes.</li> </ul>	<ul style="list-style-type: none"> <li>- Completed for temporary and casual external recruitments.</li> <li>- Project for permanent external recruitments postponed until 2013.</li> </ul>
Revise Human Resources policies.	<ul style="list-style-type: none"> <li>- Administrative &amp; Council Transportation policies.</li> <li>- Criminal Record Check policy.</li> <li>- Relocation policy.</li> <li>- Service &amp; Retirement Recognition policy.</li> <li>- Training &amp; Development policy.</li> <li>- Attendance Management policy.</li> <li>- OH&amp;S policies.</li> </ul>	<ul style="list-style-type: none"> <li>- All policy updates were completed in 2011, however the Training &amp; Development policy was deferred to 2012 due to staff parental leave.</li> <li>- A handbook for the Attendance Management policy will be designed in 2012.</li> </ul>
Improve CUPE job evaluation plan and process.	<ul style="list-style-type: none"> <li>- Address all outstanding issues with current job evaluations.</li> <li>- Review and update job files for current jobs.</li> <li>- Discuss options for plan development with CUPE (2011/2012).</li> <li>- Develop new Letter of Understanding on job evaluation (2011/2012).</li> </ul>	<ul style="list-style-type: none"> <li>- New CUPE Collective Agreement defines process for dealing with outstanding evaluations.</li> <li>- Completed updates on 22 files.</li> <li>- New CUPE Collective Agreement defines process for plan development.</li> <li>- New CUPE Collective Agreement contains Letter of Understanding.</li> </ul>
Review Social Committee survey results and make recommendations for improvements to social program.	<ul style="list-style-type: none"> <li>- Conduct a survey to collect employee feedback on social program.</li> <li>- Offer a diverse social program that suits staff needs.</li> </ul>	<ul style="list-style-type: none"> <li>- Conducted employee survey on social events.</li> <li>- Significantly increased attendance as a result of changes made to Christmas social.</li> <li>- Added skating party event, which was well attended.</li> </ul>
Ensure benefit program is cost effective, meets service standards, and supports the employees and Council of the City of Nanaimo.	<ul style="list-style-type: none"> <li>- Solicit, review and evaluate benefit proposals.</li> <li>- Select and implement new benefit program.</li> </ul>	<ul style="list-style-type: none"> <li>- Used RFP process to select new benefit provider that met service standards, supports customers and is more cost-effective.</li> <li>- Implemented change to Sun Life effective January 1, 2012.</li> </ul>
Review and update HR metric reports.	<ul style="list-style-type: none"> <li>- Create and implement a variety of HR Metric Reports that will meet the needs of the organization.</li> </ul>	<ul style="list-style-type: none"> <li>- Completed template for HR metric reports and developed metrics for prior year.</li> </ul>

# Human Resources & Organizational Planning Department - 2011 Performance

Provide human resources services and programs that are responsive, effective and efficient.

STRATEGY	MEASURE	RESULTS
Streamline HR records.	- Review records management system and make changes to ensure it is current, comprehensive and easy to use.	- Developed template for electronic records system (to be implemented in 2012).
Update Grievance files.	- Coordinate grievance tracking with CUPE.	- Completed work with CUPE to attain agreement on grievance status.

Attract and retain talented people.

STRATEGY	MEASURE	RESULTS
Implement an HR brand/ marketing plan and incorporate into recruitment-related communications.	- Solicit proposals from marketing firms. - Design HR brand/marketing plan with selected firm. - Incorporate plan into HR communications and career fair materials.	- Completed. - Draft designed. - Recruitment materials to be ordered in 2012 - will do banner and brochure only.
Align recruiting practices at Nanaimo Fire Rescue (NFR) with corporate practices.	- Institute best practices in recruitment plan at NFR.	- Completed.
Identify and implement succession planning process that integrates core and municipal competencies.	- Identify mechanics of succession planning process.	- In progress. Implementation scheduled for 2012.
Take steps to maintain competitiveness of compensation, benefits and working conditions.	- 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.	- Completed. - Completed (implemented step system). - Completed.

# Human Resources & Organizational Planning Department - 2011 Performance

Promote and support a safe, healthy, harmonious and high performance workplace.

STRATEGY	MEASURE	RESULTS
Ensure effective use of the exempt employee performance management program.	<ul style="list-style-type: none"> <li>- Develop guidelines for working within the Performance Management Program and distribute.</li> <li>- Offer coaching and skills training for conducting effective performance evaluations.</li> </ul>	<ul style="list-style-type: none"> <li>- Completed.</li> <li>- Completed.</li> </ul>
Review and adjust Performance Management Program as required.	<ul style="list-style-type: none"> <li>- Audit compliance and content of performance evaluation documents.</li> <li>- Collect feedback from management employees on experiences working within the system.</li> <li>- Provide a summary of improvement recommendations to Senior Leadership Team.</li> </ul>	<ul style="list-style-type: none"> <li>- Completed.</li> <li>- Completed (Survey Monkey).</li> <li>- Completed.</li> </ul>
Explore opportunities to expand Performance Management Program to include union employees.	<ul style="list-style-type: none"> <li>- Conduct research on pros and cons of different performance management systems in unionized environments.</li> <li>- Collect feedback from management staff on usefulness and applicability of existing system for union employees.</li> <li>- Prepare performance management system for CUPE employees in consultation with CUPE.</li> </ul>	<ul style="list-style-type: none"> <li>- Staff parental leave has resulted in deferring the union performance management program to 2012-2013.</li> </ul>
Align training program with the strategic direction by identifying opportunities to incorporate core and municipal competencies.	<ul style="list-style-type: none"> <li>- Offer training programs targeted at core and municipal competency skill development.</li> </ul>	<ul style="list-style-type: none"> <li>- Solicited training proposals re core competencies.</li> <li>- Added training in performance reviews, team building and media relations.</li> <li>- Completed core competency resource guide.</li> </ul>
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.	<ul style="list-style-type: none"> <li>- Pass COR safety audit with score of 80% or higher in all departments.</li> <li>- Complete final phases of City Safety Program, publish and distribute to all staff.</li> <li>- Develop and complete action plan resulting from COR audit.</li> </ul>	<ul style="list-style-type: none"> <li>- COR passed with 93% overall score.</li> <li>- All phases of program completed.</li> <li>- COR action plan completed.</li> </ul>

# Human Resources & Organizational Planning Department - 2011 Performance

Promote and support a safe, healthy, harmonious and high performance workplace.

STRATEGY	MEASURE	RESULTS
Review Disability Management Program.	<ul style="list-style-type: none"> <li>- Develop a process to assist employees during periods of short-term illness or injury.</li> <li>- Fully implement new Return to Work and Accommodation Policy (2011-2012).</li> </ul>	<ul style="list-style-type: none"> <li>- Ad hoc process is in place for Return to Work program; full program is being developed and will be in place in 2012.</li> </ul>
Develop and implement a new Attendance Management Program.	<ul style="list-style-type: none"> <li>- Research current models of attendance/absence management.</li> <li>- Develop an Attendance Management Handbook with input from departments and the Unions.</li> <li>- Prepare presentation materials and present to departments.</li> </ul>	<ul style="list-style-type: none"> <li>- Completed.</li> <li>- Draft handbook completed.</li> <li>- Working on presentation material for delivery in 2012.</li> </ul>
Facilitate effective Collective Bargaining.	<ul style="list-style-type: none"> <li>- Fully prepare for Collective Bargaining with CUPE and IAFF.</li> <li>- Negotiate renewal agreements within mandate and without labour disruption.</li> </ul>	<ul style="list-style-type: none"> <li>- Completed.</li> <li>- Negotiated CUPE Collective Agreement within Council mandate and without labour disruption. IAFF negotiations in progress.</li> </ul>
Improve grievance processes.	<ul style="list-style-type: none"> <li>- Develop Step 1 and 2 process as problem solving mechanisms and revamp current Step 3 process.</li> </ul>	<ul style="list-style-type: none"> <li>- Deferred until 2012 due to CUPE collective bargaining.</li> </ul>
Improve Union-Management relationships by reviewing and renewing formal labour management process with CUPE.	<ul style="list-style-type: none"> <li>- Update Terms of Reference for Labour Management Committee in consultation with CUPE and Departments.</li> <li>- Achieve CUPE and Sr. Management commitment to new process.</li> </ul>	<ul style="list-style-type: none"> <li>- Deferred until 2012 due to CUPE collective bargaining.</li> </ul>
Increase employee engagement.	<ul style="list-style-type: none"> <li>- Present employee engagement survey results to each department.</li> <li>- Assist departments with action plans to improve survey results (2011/2012).</li> </ul>	<ul style="list-style-type: none"> <li>- Presented results to all departments.</li> <li>- Waiting for assigned Department Head to provide summary results.</li> </ul>

# Human Resources & Organizational Planning Department - 2011 Performance

Contribute to the success of the corporate strategic plan.

STRATEGY	MEASURE	RESULTS
<p>Lead/facilitate the execution of the organizational strategic plan. This includes:</p> <ol style="list-style-type: none"> <li>1. Monitoring progress of action plans;</li> <li>2. Working with Sponsor and SLT to overcome obstacles to their completion; and</li> <li>3. Making recommendations where required.</li> </ol>	<ul style="list-style-type: none"> <li>- Engage Steering Committee and Cross-Functional Advisory Group in the organizational planning implementation process.</li> <li>- Provide regular communication on progress to employees.</li> <li>- Complete steps in Priority #1 action plans.</li> <li>- Complete steps in Priority #2 action plans.</li> </ul>	<ul style="list-style-type: none"> <li>- 10 Steering Committee meetings were held, and the Cross-Functional Advisory Group met 3 times in 2011.</li> <li>- Provided updates in 2 employee newsletters and held 10 employee update meetings.</li> <li>- Assisted Org Planning Steering Committee to complete many of the priority #1 and #2 actions plans.</li> </ul>
<p>Support Council for strategic planning by:</p> <ol style="list-style-type: none"> <li>1. Identifying and overcoming barriers to strategic planning;</li> <li>2. Providing education on strategic planning;</li> <li>3. Providing examples and linkages to demonstrate the value of strategic planning; and</li> <li>4. Assisting to structure the strategic planning process.</li> </ol>	<ul style="list-style-type: none"> <li>- Complete steps 1, 2 and 3.</li> </ul>	<ul style="list-style-type: none"> <li>- Completed.</li> </ul>



'Old City' - photo submitted by Gary Barbero

# Human Resources & Organizational Planning Department 2013 & 2014 Objectives

Provide human resources services and programs that are responsive, effective and efficient.

STRATEGY	MEASURE
Improve resume collection process, communication to public, and competition file management system for external recruitments.	<p>2013:</p> <ul style="list-style-type: none"> <li>- Develop and implement electronic competition file management system for external recruitment of permanent employees.</li> </ul>
Improve CUPE Job Evaluation plan and process.	<p>2012:</p> <ul style="list-style-type: none"> <li>- Establish joint committee and meet to resolve outstanding JE issues as per new Collective Agreement.</li> <li>- Prepare to arbitrate unresolved job evaluations.</li> <li>- Research and identify new JE plan with Steering Committee.</li> </ul> <p>2013:</p> <ul style="list-style-type: none"> <li>- Begin implementing new CUPE JE plan.</li> </ul>
Review CUPE positions to determine relevance and consistency of qualifications.	<p>2012:</p> <ul style="list-style-type: none"> <li>- Conduct review to ensure consistency of qualifications in clerical positions.</li> <li>- Highlight inconsistencies and make changes as needed.</li> </ul>
Develop quarterly staffing reports.	<p>2012:</p> <ul style="list-style-type: none"> <li>- Prepare draft template of staffing reports to identify vacancies. Gather feedback.</li> <li>- Work with HRA-Systems and SAP Group to arrange for new report.</li> <li>- Issue first set of reports.</li> </ul>
Review and consolidate recruitment and selection policies.	<p>2012:</p> <ul style="list-style-type: none"> <li>- Review Recruitment &amp; Selection policies 2.1 - 2.16.</li> <li>- Delete policies no longer required.</li> <li>- Consolidate remaining policies into one document.</li> </ul>
Revise Training & Development policy.	<p>2012:</p> <ul style="list-style-type: none"> <li>- Review samples of Training &amp; Development policies.</li> <li>- Prepare draft and consult with others.</li> <li>- Review new language in Collective Agreement to ensure consistency.</li> <li>- Finalize draft.</li> </ul>
Review the Alternate Work Schedule policy and program.	<p>2012:</p> <ul style="list-style-type: none"> <li>- Survey staff involved in Alternative Work Schedule program for experiences and suggestions for improvement.</li> <li>- Review current practices and procedures to simplify process.</li> <li>- Create discussion points for Senior Leadership Team.</li> <li>- Amend policy as required.</li> </ul>
Streamline HR records.	<p>2012/2013:</p> <ul style="list-style-type: none"> <li>- Review records management system and make changes to ensure it is current, comprehensive and easy to use.</li> </ul>

# Human Resources & Organizational Planning Department 2013 & 2014 Objectives

Attract and retain talented people.

STRATEGY	MEASURE
Implement an HR brand/marketing plan and incorporate into recruitment related communications.	2012: - Work with internal marketing staff to design HR brand. - Incorporate plan into HR communications and career fair materials.
Create competency checklists for excluded recruitments (Levels 1 - 4).	2012: - Create interview questions aligned with core competencies. - Outline competency checklists for levels 1 - 4. - Implement checklists and interview questions for excluded recruitments.
Develop succession plan to Manager level.	2012: - Retain consultant and create cross-functional committee. - Identify positions critical to organizational success and assess bench strength.  2012/2013: - Assist supervisors in creating employee development plans. - Facilitate roll-out of development plans, review progress of plans and program.



*'Moss Blanket at Ammonite Falls' by Lorne Collicutt*

# Human Resources & Organizational Planning Department 2013 & 2014 Objectives

Promote and support a safe, healthy, harmonious and high performance workplace.

STRATEGY	MEASURE
Successfully complete COR maintenance audit.	<p>2012:</p> <ul style="list-style-type: none"> <li>- Act as internal project lead with internal audit team.</li> <li>- Prepare City documents for COR audit.</li> <li>- Complete COR audit and submit to WCB.</li> </ul>
Finalize Return to Work program.	<p>2012:</p> <ul style="list-style-type: none"> <li>- Gather HR staff input and complete documentation of program.</li> <li>- Develop and deliver training for City staff.</li> <li>- Implement Return to Work ("RTW") program City-wide.</li> <li>- Create database and record keeping process.</li> </ul> <p>2013:</p> <ul style="list-style-type: none"> <li>- Complete COR audit of RTW program via external auditor.</li> </ul>
Develop RTW project using Public Works Group to develop and implement strategies to reduce injury rate and wage loss time.	<p>2012:</p> <ul style="list-style-type: none"> <li>- Invite WorkSafe BC ("WSBC") to review 2011 injuries and wage loss stats.</li> <li>- Develop Committee with WSBC, OH&amp;S, and Public Works to create strategies on injury reduction and RTW plan.</li> <li>- Implement strategies.</li> </ul> <p>2013:</p> <ul style="list-style-type: none"> <li>- Follow up on implementation.</li> </ul>
Explore opportunities to expand performance management program to include union employees.	<p>2012:</p> <ul style="list-style-type: none"> <li>- Conduct research on pros and cons of different performance management systems in unionized environments.</li> <li>- Collect feedback from management staff on usefulness and applicability of existing system for union employees.</li> </ul> <p>2013:</p> <ul style="list-style-type: none"> <li>- Prepare performance management system for CUPE employees in consultation with CUPE.</li> </ul>
Align training program with the strategic direction by identifying opportunities to incorporate core and municipal competencies.	<p>2011/2012:</p> <ul style="list-style-type: none"> <li>- Offer training programs targeted at core and municipal competency skill development.</li> </ul> <p>2012:</p> <ul style="list-style-type: none"> <li>- Incorporate municipal competencies into resource guide.</li> </ul>
Market benefits consulting services contract.	<p>2012:</p> <ul style="list-style-type: none"> <li>- Develop RFP to market benefits consulting services.</li> <li>- Identify benefits consulting providers and provide RFP.</li> <li>- Review proposals, select a provider and develop contract with new provider.</li> </ul>

# Human Resources & Organizational Planning Department 2013 & 2014 Objectives

Promote and support a safe, healthy, harmonious and high performance workplace.

STRATEGY	MEASURE
Review claims management process.	2012: <ul style="list-style-type: none"> <li>- Review Claims Management policies and procedures for short term illness and injury.</li> <li>- Research practices and guidelines in place in other municipalities. Review information with OH&amp;S Manager for Claims Management and RTW Handbook.</li> </ul>
Refine and rollout Attendance Management program.	2012: <ul style="list-style-type: none"> <li>- Refine and finalize Attendance Management program (“AMP”) handbook using input from HR staff.</li> <li>- Create AMP module with SAP Group for attendance reports.</li> <li>- Prepare AMP training for excluded supervisors.</li> <li>- Present AMP training.</li> </ul>
Review Respectful Workplace policy and program.	2012: <ul style="list-style-type: none"> <li>- Research existing programs and obtain best practices.</li> <li>- Develop Respectful Workplace policy, incorporating current harassment policy and procedures.</li> </ul> 2013: <ul style="list-style-type: none"> <li>- Provide training on respectful work practices.</li> </ul>
Improve grievance processes.	2012: <ul style="list-style-type: none"> <li>- Develop Step 1 and 2 process as problem solving mechanisms and revamp current Step 3 process.</li> </ul>
Improve Union Management relationships by reviewing and renewing formal labour management process with CUPE.	2012: <ul style="list-style-type: none"> <li>- Update terms of reference for Labour Management Committee in consultation with CUPE and departments.</li> <li>- Achieve CUPE and Senior Management committee to new process.</li> </ul>
Improve Union relationships by establishing standards/protocols for Management Union interaction.	2012: <ul style="list-style-type: none"> <li>- Develop Union and Management meeting protocol.</li> </ul>

# Human Resources & Organizational Planning Department 2013 & 2014 Objectives

Contribute to the success of the corporate strategic plan.

## STRATEGY

Support Council for strategic planning.

Lead/facilitate the execution of the organizational strategic plan ("Building Trust").

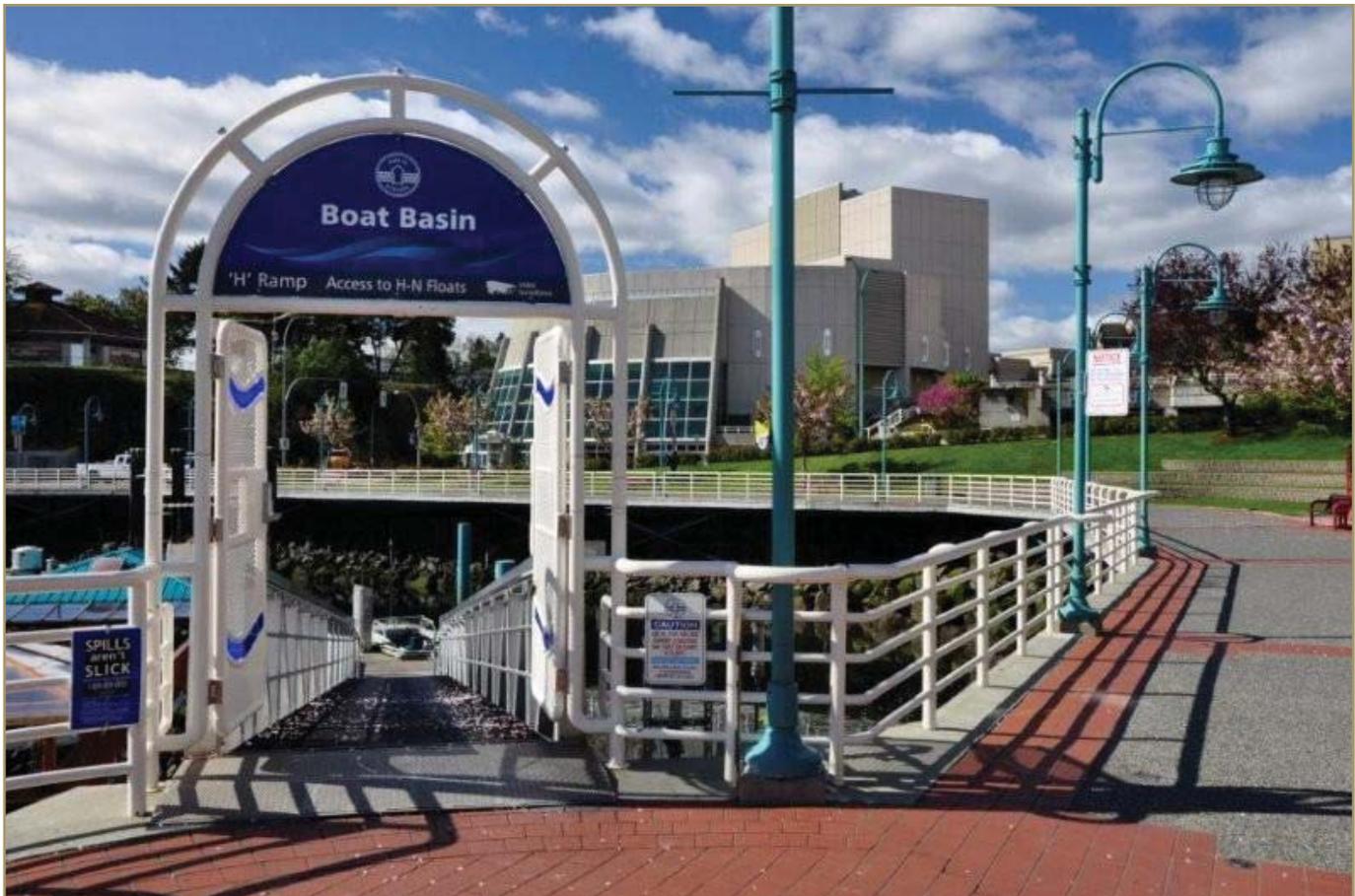
## MEASURE

2012:

- Work with Council Steering Committee to select qualified consultant and structure strategic planning process.
- Work with Steering Committee, consultant, Council and Senior Management to develop Strategic Plan.

2012:

- Engage Department Head Steering Committee and Cross-Functional Advisory Group in the organizational planning process.
- Provide regular communication on progress to employees.
- Work with Steering Committee members to complete steps in all action plans.



'Harbour City' - photo submitted by Gary Barbero

# 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 consisting of 900 fixed and mobile devices connected through four large telephone switches and the public cellular networks. All the services are managed through the three ITD program areas of Applications Support, Technical Support, and Client Support (Help Desk).



# Information Technology Department

## DEPARTMENT HIGHLIGHTS

This past year has been one of steady progress in maintaining and improving the technical infrastructure and business applications. ITD completed 25 business application and 12 technical projects in support of 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 enhancements to the City website, Open Data initiatives, social media services, and public search capabilities.

Efficiencies in the day-to-day services were the focus for many projects. Key IT infrastructure improvements for 2011 were centered 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 percent target.

An initiative to improve network reliability and reduce costs 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 the public wireless projects continued in 2011. Improved public wireless service in several of the City's buildings along with streaming video of City construction projects were requests from the public.

The IT Help Desk handled approximately 4,300 support requests during the year. Eighty-two percent of problem requests were resolved immediately by HD staff. The remaining calls were directed to applications or technical staff for tier II support.

Delivery of technology training courses to support staff and Council is important for the effective operation of the City and ITD has equipped a training classroom with workstations and equipment for this purpose. The courses are offered through the City Training Program and cover a variety of topics to improve staff productivity and efficiency including: Microsoft Word, Excel and Access, Adobe Acrobat, Blackberry, Illustrator, InDesign, mapping and document management.

The major focus for applications development in 2011 has been on online services and SAP financial system. In addition to these two focus areas, staff spends approximately 25 percent of their time on maintenance and upgrades to existing applications. The online services included several new web applications, upgrades to Nanaimo Map, 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.

# Information Technology Department

## Future Issues & Trends

Information technology continues to be an increasingly key component in providing City services to the public and internal departments. Integrated Government Service to citizens through online transformation has received much attention and ITD provides leadership to the 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:

**Online 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.

2012 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 - 2011 Performance

Provide an efficient computing and telecommunication system environment with a high degree of reliability.

STRATEGY	MEASURE	RESULTS
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.	<p>The City battled a serious computer virus in March, 2011 that resulted in a total system shutdown for 3 days. There were no permanent data losses and the virus was fully eradicated.</p> <p>Overall system reliability and redundancy is high as many applications and services are distributed across 3 separate Server rooms. Citrix services continue to expand and play an important role in Business Continuity.</p>

Develop technical expertise within all City staff.

STRATEGY	MEASURE	RESULTS
Provide technology training for City staff on IT-related products.	<p>Number of training courses provided in the year.</p> <p>TARGET: 15</p>	<p>With the continuing introduction of new services and systems, training of staff and Council is important to ensure that full benefit is achieved.</p> <p>In-house training courses supplemented by additional offsite and webinars has been effective and allowed the year's target to be exceeded.</p>

Encourage use of the City's website and continually aim for improvement of the site.

STRATEGY	MEASURE	RESULTS
<p>Develop interactive mapping services to assist the public and City staff. Specific initiatives include:</p> <ul style="list-style-type: none"> <li>interactive maps providing information on Parks, Recreation &amp; Culture facilities and services.</li> <li>interactive maps providing development-related information (ie. location of infrastructure, zoning, etc).</li> </ul>	Percentage of interactive map creation project completed.	This year has seen a tremendous growth in use of Social Media by the public. The City has become a leader in utilizing this media for communications and information sharing. Furthermore, the City's Open Data Catalogue continues to expand by 40%.

Implement innovative technical solutions to increase efficiencies and/or achieve greater cost effectiveness.

STRATEGY	MEASURE	RESULTS
Increase the City's wireless capabilities and lower costs by increasing City-owned wireless service infrastructure.	<p>Percentage saved over the cost of basic cellular service compared to 2006.</p> <p>TARGET: 15% savings each year.</p>	Mobility services for staff and public have been a focus for 2011. Public wi-fi at City facilities has been upgraded. New mobile applications have been developed for field staff, enabling their access to information and reducing travel.

2012 & 2013 Objectives remain unchanged.

# 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 licences and dog licences.

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 licences and approximately 5,500 dog licences 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.

# Finance Department

## DEPARTMENT HIGHLIGHTS

- Completed a Council review and update of the City of Nanaimo Purchasing Policy.
- The Grants Advisory Committee performed a complete review of Permissive Tax Exemptions. This process is done every three years.
- Performed an RFP for a Municipal Auditor.
- Selected a consultant to perform a review of contracted services to be completed in 2012.
- Introduced the 'balanced scorecard' approach to provide key performance measures for different aspects of the City's activities. This will allow Council and the public to measure the City's progress towards its goals.
- Reported 6,070 tonnes of GHG emissions in 2011.
- Implemented a new accounts receivable system that allows better identification of all outstanding amounts owing to an individual property.



# Finance - 2011 Performance

Provide timely and accurate information to Council, the public and City staff.

STRATEGY	MEASURE	RESULTS
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> .
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	<p>Projection \$1.4M, with actual results of \$2.2M - 54.68% variance.</p> <p>Comparison to net operating budget - projected 1.55% with actual results at 2.4%.</p> <p>Commencing in 2012, the measure will be the comparison of the projection to actual based on the % of net operating budget. Target is 1% variance.</p>

Provide financial stewardship.

STRATEGY	MEASURE	RESULTS
Produce residents with an effective and efficient electronic payment option for property taxes.	<p>Percentage of customers using electronic payments for property taxes.</p> <p>TARGET: Increase of 5% over 2010.</p>	5% target was met.
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.	2011 saw a 60% increase in the number of customers using MyCity (4,528 users).

2012 & 2013 Objectives remain unchanged.

# Finance Department

## Future Issues & Trends

A Balanced Scorecard with 50+ performance measures will be implemented in 2012. Measures will cover six perspectives:

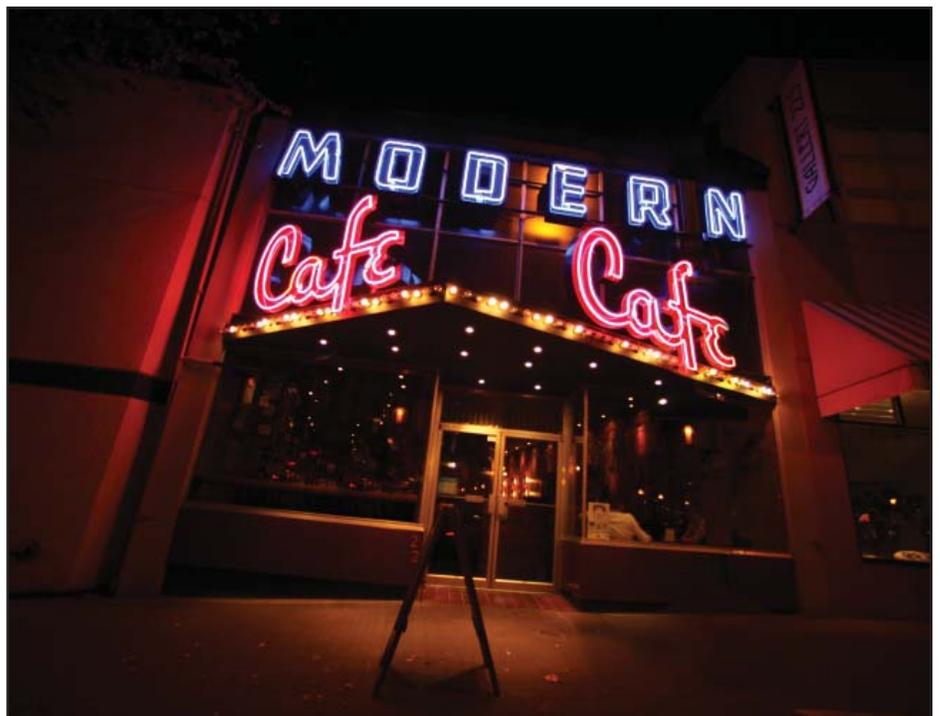
- Financial
- Environmental
- Social
- Customer
- Employee
- Service & Program Delivery

The City is implementing 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.

E-billing - The City is implementing an electronic billing system in MyCity. This will allow you to receive your Tax and Utility bills electronically.

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.



*'Modern Cafe' photo submitted by Shayd Johnson*

# 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.

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 2011, along with the amount of municipal taxes that would have been imposed on the property if it were not considered exempt.

Organization	Exemption
Anglican Synod Diocese of BC	13,894
Assembly of BC Arts Councils	274
BC SPCA	6,128
BC Conference of the Mennonite Brethren	11,658
BC Corporation of the Seventh Day Adventist	2,819
BC Cancer Foundation	2,659
BC Muslim Association	1,510
Benedictines of Nanaimo	3,091
Bishop of Victoria	9,298
Bishop of Victoria/Trustees Trinity United Pastoral	13,980
Boys and Girls Club of Central Vancouver Island	10,879
Canadian Mental Health Association	5,163
Centennial Museum	39,965
Central Vancouver Island Centre for the Arts Nanaimo	4,488
Christ Community Church	8,581
Christian and Missionary Alliance - Canadian Pacific District	3,803
Christian Science Society of Nanaimo	480
Columbian Centre Society	4,780
Crimson Coast Dance Society	425
Crisis Pregnancy Centre of Nanaimo Society	3,079
CVI Multicultural Society	6,754
Departure Bay Congregation of Jehovah's Witnesses Trustees	4,510
Downtown Nanaimo Business Improvement Association	1,882
First Baptist Church, Nanaimo BC	3,772
Foursquare Gospel Church of Canada	12,078

# Permissive Tax Exemptions

Organization	Exemption
G S M P D Sikh Temple Inc.	913
George R Pearkes Senior Citizen Housing Society	14,644
Good Samaritan Canada (A Lutheran Social Service Organization)	102,802
Governing Council of the Salvation Army	16,221
Hammond Bay Baptist Church	1,940
Hope Lutheran Church	3,478
Island Corridor Foundation	69,196
Island Crisis Care Society	3,053
Kings Temple Missionary Society	1,424
Knights Mid Island Charitable Society	2,198
Loaves & Fishes Food Bank Foundation	3,020
McGirr Sports Society	48,576
Mid Island Metis Nation Association	357
Mid-Island Intergroup Society	394
Mid-Island Science, Technology and Innovation Council	3,461
Mt. Benson Senior Citizens Housing Society	25,329
Nanaimo Neurological & Cerebral Palsey	28,276
Nanaimo & District Equestrian Association	9,878
Nanaimo & District Surfside Society	1,959
Nanaimo 7-10 Club Society	3,440
Nanaimo Art Gallery	7,414
Nanaimo Association for Community Living	20,624
Nanaimo BMX Association	2,494
Nanaimo Branch of the Red Cross Society	4,150
Nanaimo Canoe & Kayak Club/Nanaimo Rowing Club	530
Nanaimo Child Self Society	8,694
Nanaimo Christian School (1988) Society	8,272
Nanaimo Church of Christ	1,261
Nanaimo Community Archives	4,531
Nanaimo Community Hospice Society	1,632
Nanaimo Conservatory of Music	7,569
Nanaimo Curling Club	11,423
Nanaimo District Senior Citizens Housing Development Society	120,706
Nanaimo F O S Housing Society	6,442
Nanaimo Family Life Association	3,364
Nanaimo Foodshare Network Society	3,672
Nanaimo Full Gospel Assembly	2,303
Nanaimo Recycling Exchange	11,802
Nanaimo Region John Howard Society	8,129
Nanaimo Search & Rescue Society	1,511
Nanaimo Telephone Visiting Society	362
Nanaimo Theatre Group	3,526

# Permissive Tax Exemptions

Organization	Exemption
Nanaimo Tourism & Convention Bureau	5,079
Nanaimo Travellers Lodge Society	21,704
Nanaimo Women's Resource Society	3,189
Nanaimo Youth Services Association	10,326
Nature Trust of BC	153,430
Navy League of Canada Nanaimo Branch	4,671
Oceanside Jehovah's Witnesses, Etc.	1,806
Options for Sexual Health	2,468
Pentecostal Assemblies of Canada	14,362
Pleasant Valley Social Centre	5,093
Port Theatre Society	283,820
President of the Lethbridge Stake	2,943
Priestly Society of St. Pius	1,424
Protection Island Lions Club	13,533
Protection Island Ratepayers Association	1,439
Royal Canadian Airforce Association 808 (Thunderbird) Wing	4,052
St. John's Ambulance	16,305
St. Paul's Lutheran Church of Nanaimo	3,039
Theatre One	1,154
Tillicum Haus Society	12,253
Tillicum Lelum Aboriginal Society	17,231
Trustees of St. Andrews Presbyterian Church Nanaimo	4,013
Trustees of the Congregation of Brechin United Church	2,628
Trustees of the Congregation of Departure Bay Baptist Church	2,370
Trustees of the Congregation of St. Andrews United Church	5,170
Trustees of the Nanaimo Christadelphians	1,529
Ukrainian Catholic Eparchy of New Westminster	2,102
Unitarian Foundation of Nanaimo	2,022
United Way Central & Northern Vancouver Island	2,254
Vancouver Island Haven Society	20,686
Vancouver Island Khalsa Diwan Society	3,871
Vancouver Island Symphony	1,033
Wakesiah Gospel Chapel	2,657
Wellington Community Association	7,172

**Total 2011 Permissive Tax Exemptions**

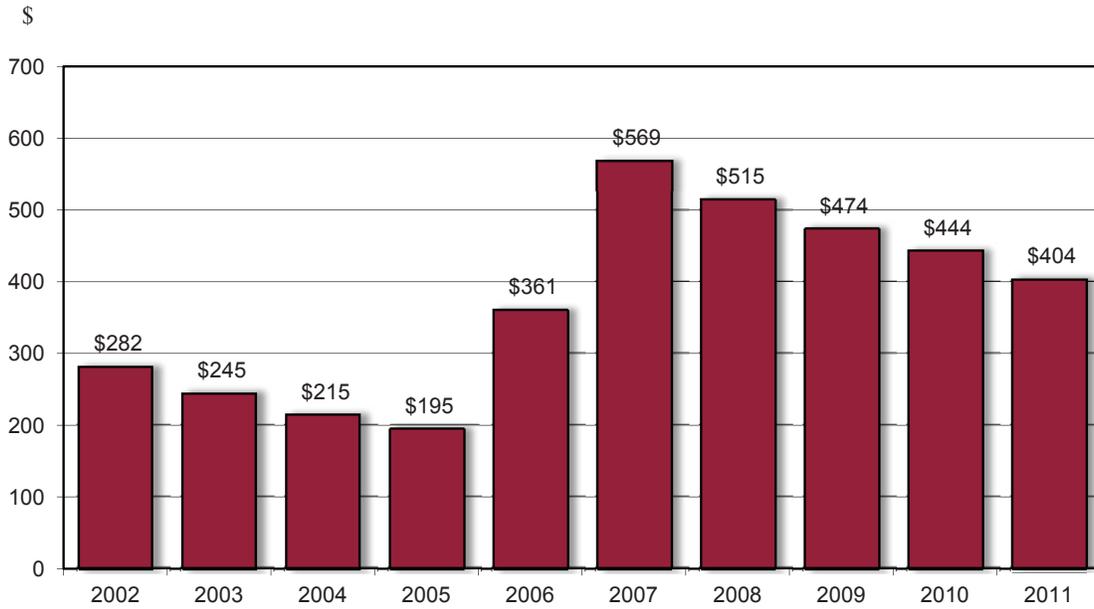
**\$1,289,639**

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.

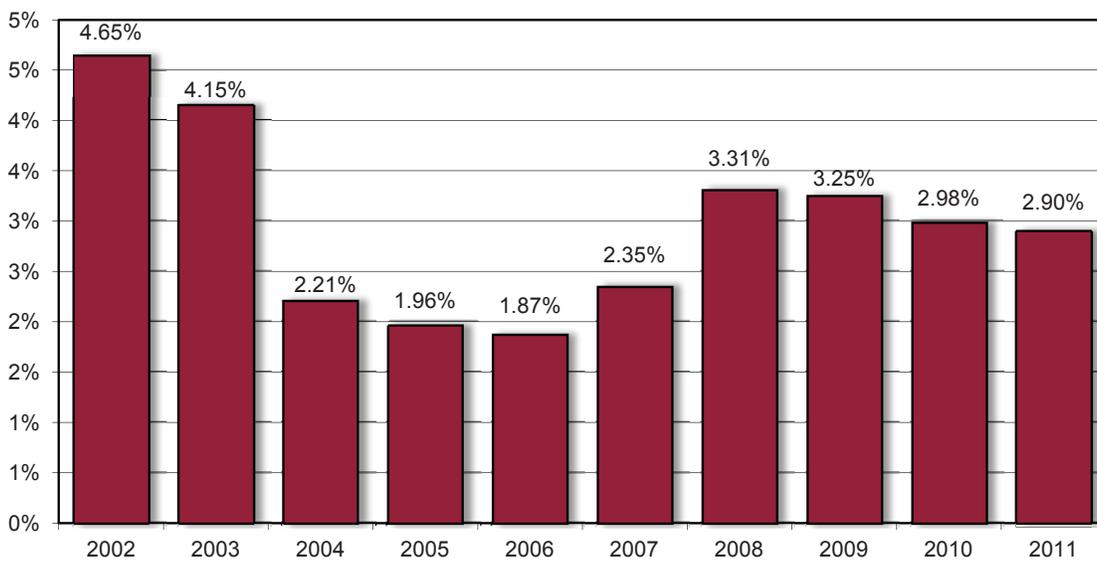
# Statistics

Unaudited

## OUTSTANDING DEBT PER CAPITA



## DEBT SERVICING AS A PERCENTAGE OF EXPENDITURES \*



\* Includes operating and capital expenses but excludes amortization

# Statistics

**Where your 2011 tax dollars go.....**

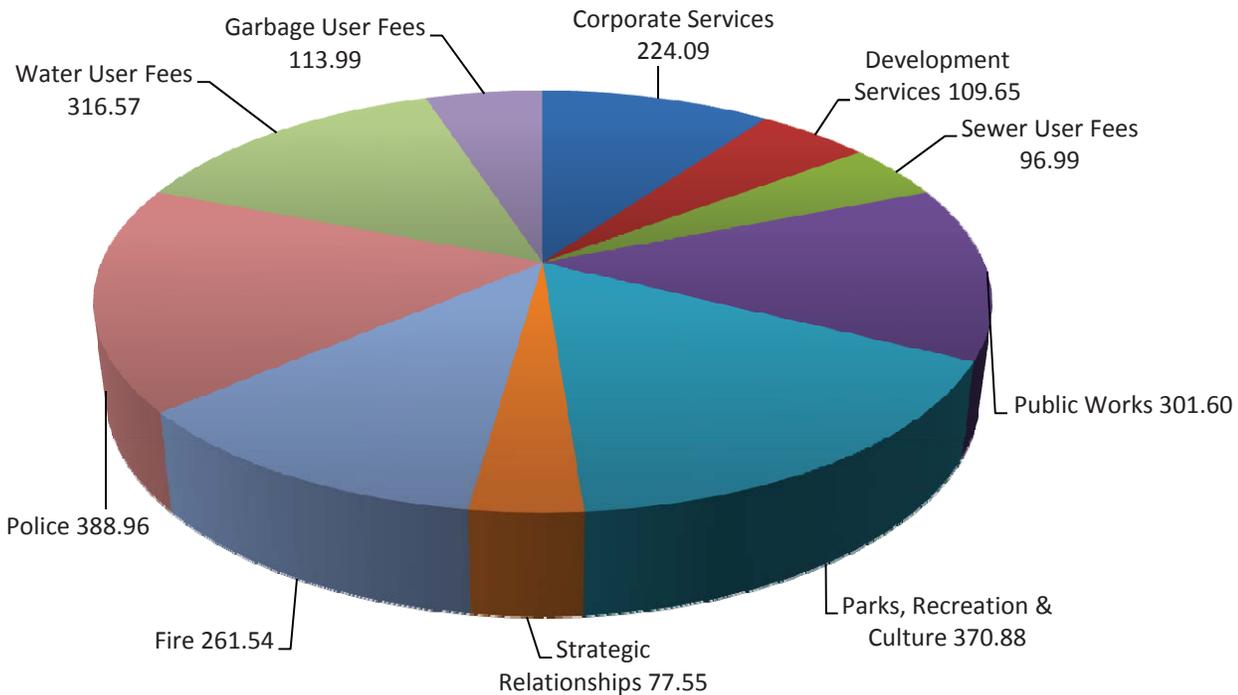
**(For a residential property with an assessed value of \$340,000)**

## Municipal Taxes & User Rates

Corporate Services	\$ 224.09
Development Services	109.65
Fire	261.54
Police	388.96
Parks, Recreation & Culture	370.88
Public Works	301.60
Strategic Relationships	77.55
Sewer User Fees	96.99
Water User Fees	316.57
Garbage User Fees	113.99
<b>Total Municipal Taxes and User Fees</b>	<b>\$ <u>2,261.82</u></b>

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

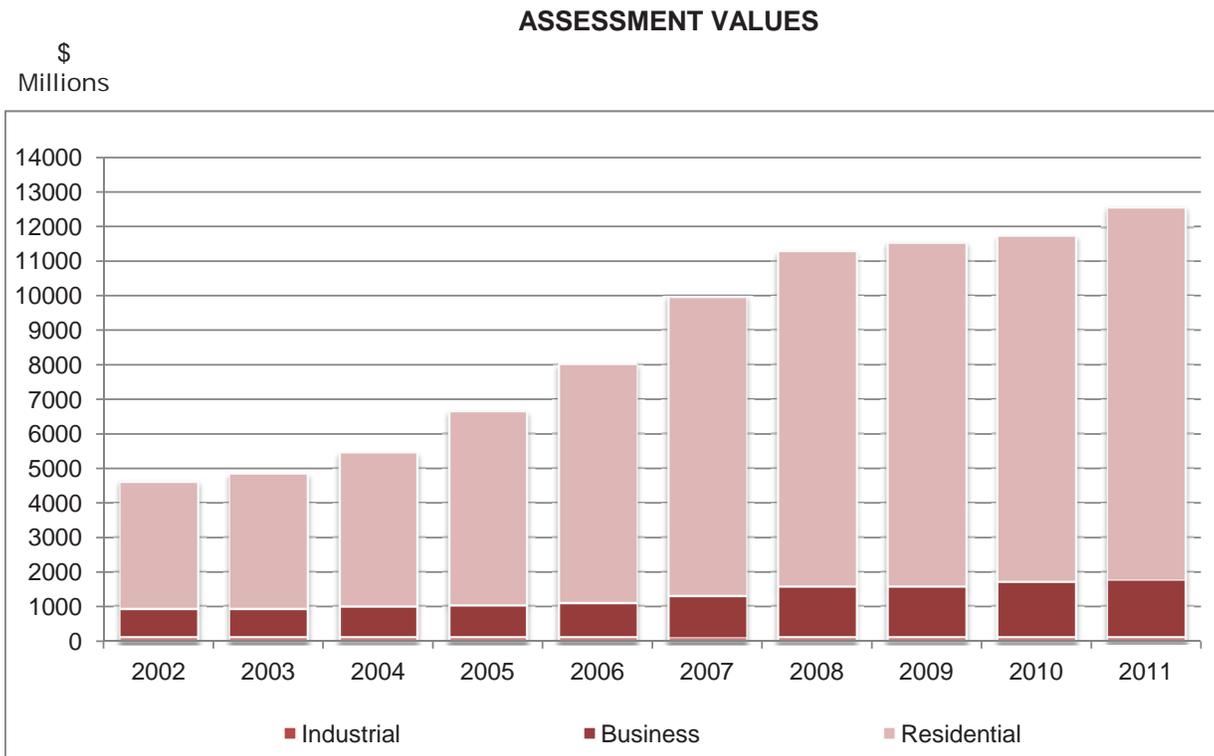
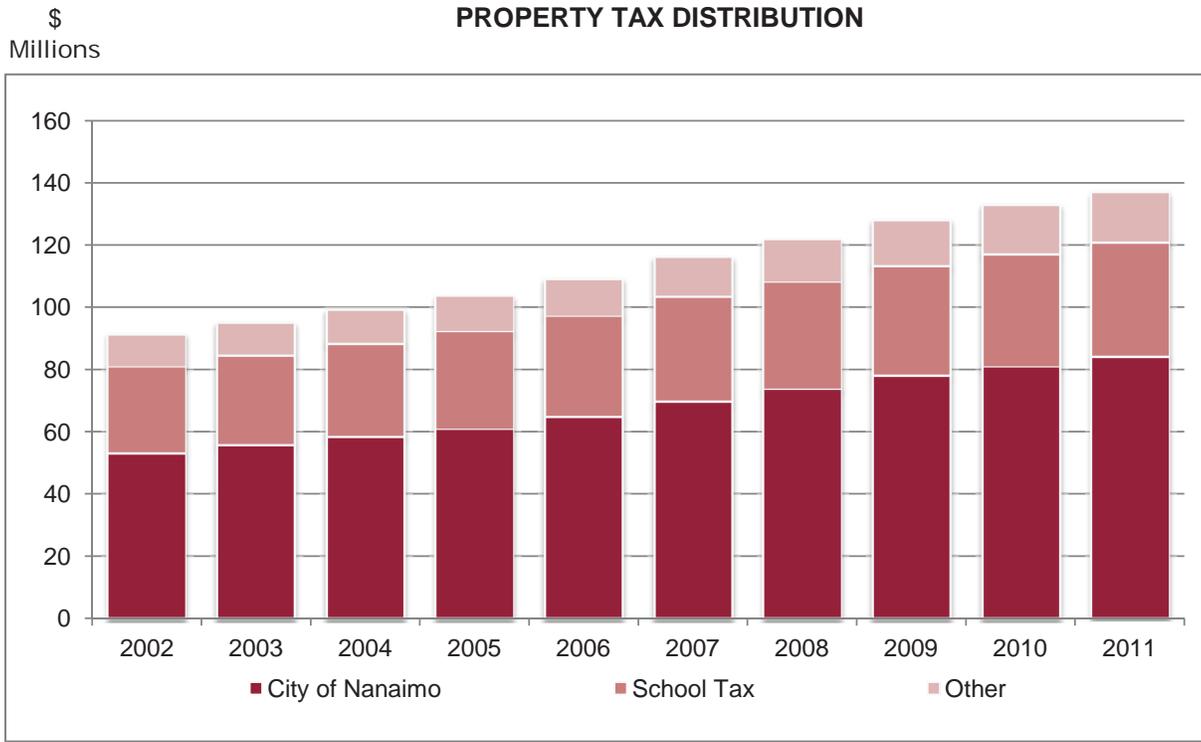
**2011 Municipal Taxes & User Fees for a residential property with an assessed value of \$340,000**



## Property Owners with Gross Taxes Exceeding \$250,000 in 2011

Rank	Property Owner	Primary Property	Total Taxes Levied (all agencies)	% of current tax levy
1	IVANHOE CAMBRIDGE I INC	Woodgrove Mall	3,875,802.52	2.83%
2	NANAIMO FOREST PRODUCTS	Pulp Mill (was Harmac)	2,023,803.06	1.48%
3	FIRST CAPITAL CORPORATION	Woodgrove Crossing / Longwood / Port Place / VICC	1,412,662.40	1.03%
4	COUNTRY CLUB CENTRE LTD	Country Club Mall	1,238,066.39	0.90%
5	BRITISH COLUMBIA FERRY SERVICES INC	BC Ferries (became taxable in 2004)	1,208,456.46	0.88%
6	1854 HOLDINGS LTD	Nanaimo North Town Centre	980,423.91	0.72%
7	BRITISH COLUMBIA HYDRO & POWER AUTHORITY	Excludes 1% Grant	759,865.68	0.55%
8	TELUS COMMUNICATIONS & BC TELEPHONE CO	Excludes 1% Grant	702,629.21	0.51%
9	NORED DEVELOPMENTS INC	Nored Plaza / Other Strip Malls / Vacant Residential	653,830.09	0.48%
10	ARTIS AULDS CORNER NANAIMO LTD	Milano's / Valhalla / Island Natural / HSBC	618,695.96	0.45%
11	WESTERN FOREST PRODUCTS INC	Duke Point Mill / Mill @ Nanaimo Warf	600,414.58	0.44%
12	TERASEN GAS VANCOUVER ISLAND INC	Excludes 1% Grant	603,928.74	0.44%
13	416382 BC LTD	Dickinson Crossing	598,272.56	0.44%
14	FERNCO DEV LTD / LENCO DEV LTD / NORCO DEV LTD	Terminal Park (part) / Mostar Strip Mall	569,154.05	0.42%
15	LOBLAW PROPERTIES WEST INC	Real Canadian Superstore	580,735.61	0.42%
16	BROOKS LANDING CENTRE INC	Brooks Landing Shopping Centre	518,585.44	0.38%
17	INSIGHT HOLDINGS LTD	Vacant Residential	513,973.66	0.38%
18	COSTCO WHOLESALE CORP	Costco	473,764.93	0.35%
19	HOME DEPOT HOLDINGS INC	Home Depot	435,915.92	0.32%
20	SHAW CABLESYSTEMS LTD	Excludes 1% Grant	408,258.39	0.30%
21	NANAIMO SENIORS VILLAGE HOLDINGS LTD	Nanaimo Seniors Village	392,189.16	0.29%
22	SOPHIE INVESTMENTS INC	Rock City Centre / 3 Apartment Buildings / Glen Eagle	382,205.21	0.28%
23	WFT INVESTMENTS CO LTD	Metral Place Shopping Centre (Staples, etc)	380,796.16	0.28%
24	DOVER POINTE CENTRE LTD	Home Outfitters	373,370.64	0.27%
25	MALAVIEW DEVELOPMENT LTD	Slegg Lumber	360,100.01	0.26%
26	HAREWOOD INVESTMENTS	University Village	325,644.74	0.24%
27	NANAIMO BASTION HOTEL CORP	Coast Bastion Hotel	302,793.37	0.22%
28	CENTURY GROUP LANDS CORPORATION	Vacant Residential	306,027.04	0.22%
29	DUKE POINT PROPERTY COMPANY	Duke Point	304,034.15	0.22%
30	B-250 HOLDINGS INC	Hammond Bay Plaza	296,623.19	0.22%
31	MAPLE GLEN HOLDINGS LTD	Southgate Mall	257,794.72	0.19%
			<u>22,458,817.95</u>	
		Total Tax Levy	<u>137,031,957.65</u>	

# Statistics



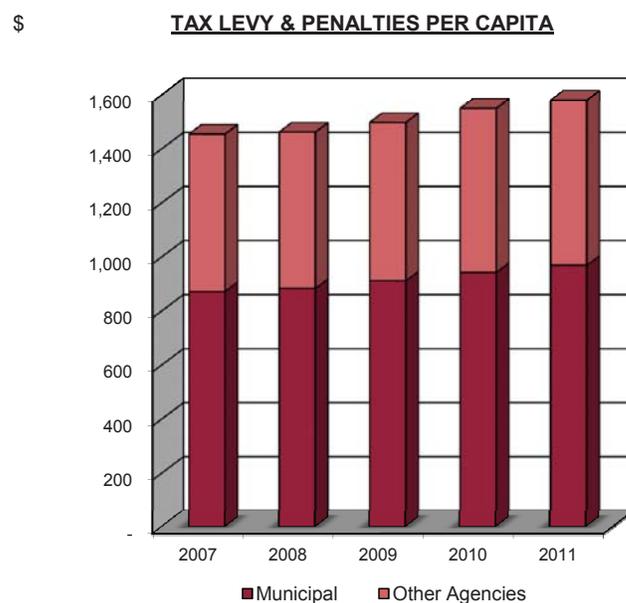
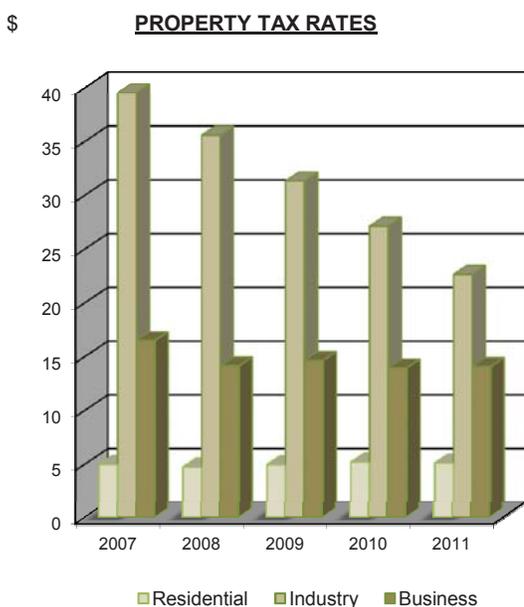
# Statistics

## FINANCIAL COMPARATIVE STATISTICS

UNAUDITED

	<u>2011</u>	<u>2010</u> Restated	<u>2009</u> Restated	<u>2008</u> Restated	<u>2007</u>
Reserve Fund Balances	\$18,848,493	\$17,188,546	\$16,756,431	\$13,900,756	\$11,525,517
Reserve Account Balances	65,401,136	61,545,525	57,845,384	57,365,883	53,672,479
Accumulated Operating Surplus *	14,956,663	15,014,614	15,429,713	13,933,625	-
Debt	35,193,419	38,139,909	40,528,535	42,909,539	45,397,764
Debt per capita	403.77	444.38	473.64	514.53	568.52
Assessed Values - Land	6,120,397,571	5,678,361,945	5,835,198,632	5,756,218,004	5,176,644,735
Assessed Values - Improvements	6,524,569,455	6,138,044,049	5,783,893,468	5,595,821,633	4,857,501,493
Current Tax Levy and Penalties	137,698,645	133,022,916	128,126,610	121,906,464	116,111,428
Taxes Collected					
- Current	134,641,326	130,307,785	122,669,018	119,952,372	114,605,282
- Arrears	2,610,700	5,976,678	2,386,382	2,656,108	2,702,469
- Delinquent	996,011	922,780	568,462	473,539	544,481
% of Current Taxes Collected	97.78%	97.96%	95.74%	98.40%	98.70%
Taxes Outstanding and Redeema Tax Sale Properties	4,188,254	3,679,409	6,357,643	2,506,145	1,962,434
Utility Arrears Carried to Taxes	1,081,701	1,064,824	1,321,658	1,176,512	1,059,446

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



# Statistics

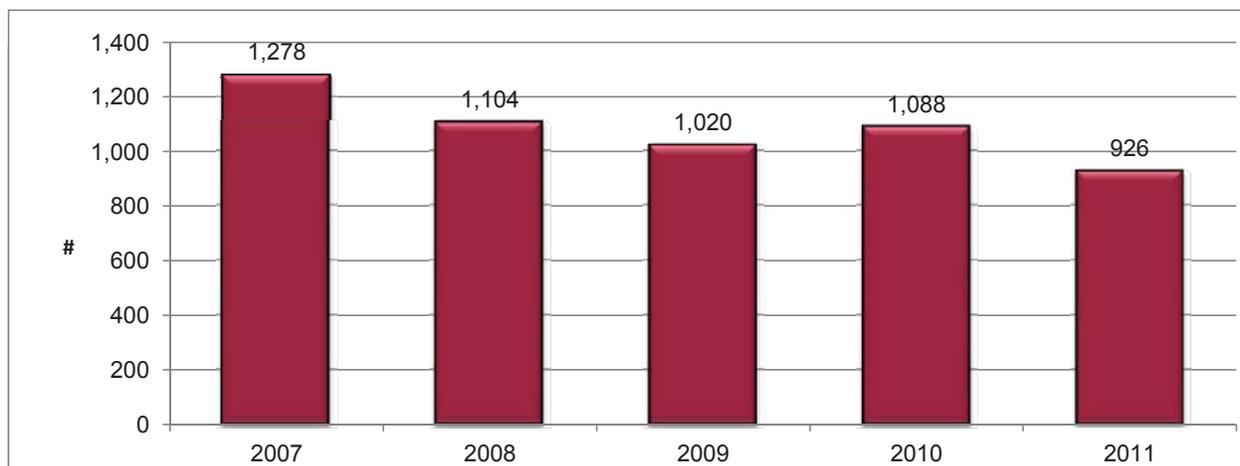
## OPERATIONAL COMPARATIVE STATS

UNAUDITED

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

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Population *	87,163	85,828	85,568	84,512	79,852
Registered Voters	63,383	62,687	61,860	61,860	58,155
No. of Properties (Folios)	35,010	34,698	34,025	33,344	32,806
Paved Roads in Km. **	605	603	598	596	603
Sanitary Sewer Lines in Km.	656	652	646	550	544
Storm Sewer Lines in Km.	532	528	521	408	400
Water Lines in Km.	624	620	613	602	592
Municipal Full-Time Employees	603	590	583	586	546
Police Protection					
Number of Stations	1	1	2	2	2
Number of Police Officers	135	135	124	122	118
Number of Criminal Code Offences	13,124	14,299	15,837	15,124	17,155
Fire Protection					
Number of Stations	6	6	6	6	5
Number of Full-Time Personnel	105	105	95	94	84
Paid on Call Firefighters	75	100	75	85	74
Number of Calls Received	6,494	6,297	6,095	5,679	5,269
Number of Fire Hydrants	2,933	2,881	2,837	2,731	2,574
Value of Building Permits Issued	\$188,222,526	\$175,406,152	\$157,999,398	\$209,414,621	\$264,387,968

### BUILDING PERMITS ISSUED



\* All population data is estimated

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

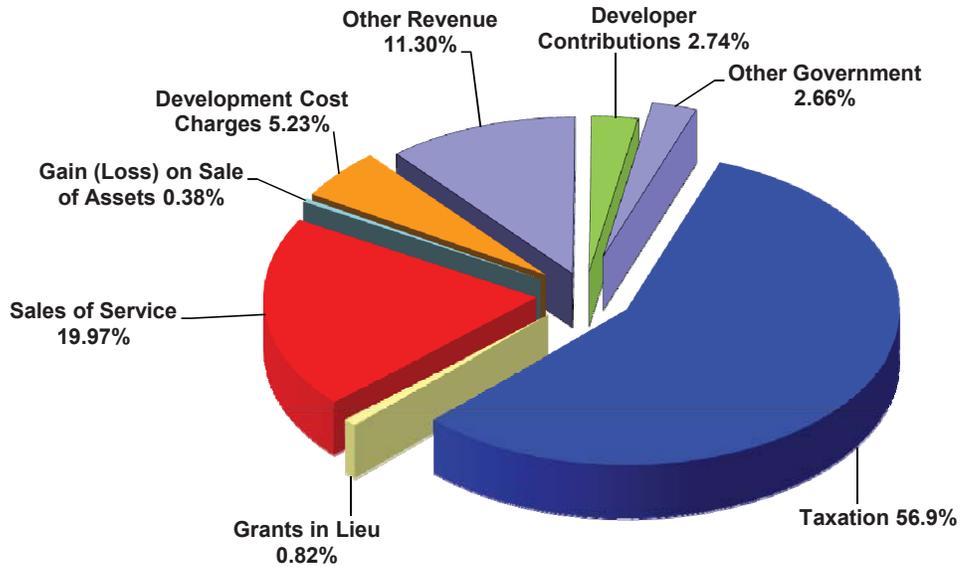
~ 2007 Water Lines in Kms has been restated

# Statistics

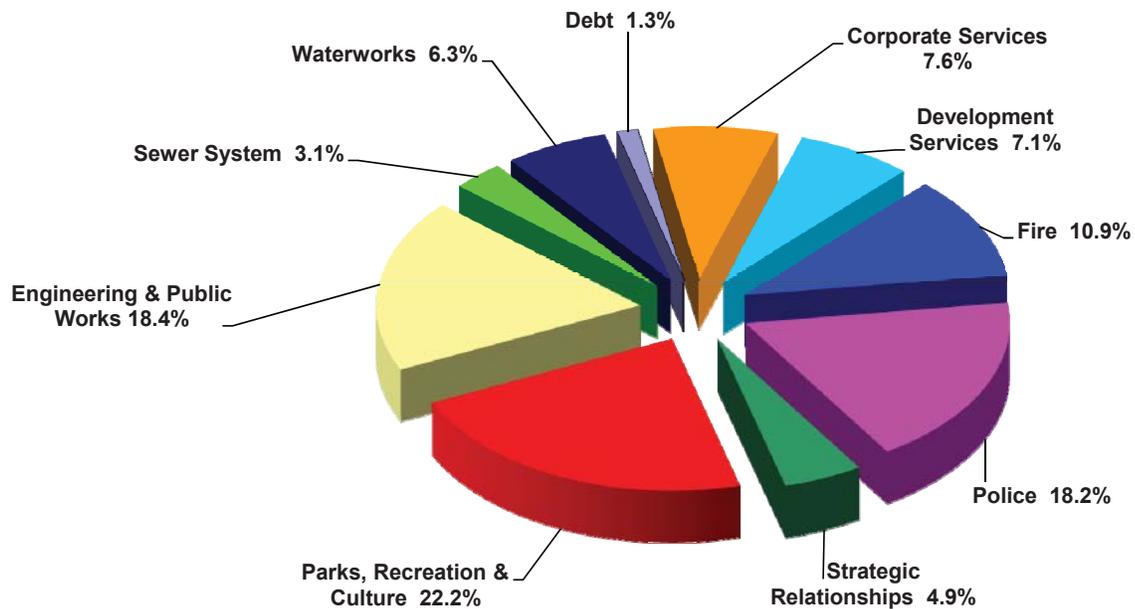
## OPERATING REVENUES AND EXPENSES

UNAUDITED

### REVENUES



### EXPENSES



# Statistics

## FIVE YEAR CAPITAL PLAN AND FUNDING

### CITY OF NANAIMO FIVE YEAR CAPITAL PLAN AND FUNDING 2012 to 2016

UNAUDITED

							Source of Funds					
	2012	2013	2014	2015	2016	Total	General Revenue	Statutory Reserves	General Reserves	Other Sources *	Total	
<b>General Capital</b>												
Corporate services	\$14,489,719	\$ 829,000	\$ 467,000	\$ 255,000	\$ 214,000	\$ 16,254,719	\$ 680,000	\$ -	\$11,574,719	\$ 4,000,000		\$ 16,254,719
Community safety and development	2,213,234	3,108,750	11,340,000	700,000	760,000	18,121,984	3,111,891	1,835,691	2,235,652	10,938,750		18,121,984
Engineering & public works	10,106,735	5,009,318	5,082,000	4,267,000	9,550,000	34,015,053	16,817,795	12,770,979	1,986,279	2,440,000		34,015,053
Parks, recreation and culture	4,910,195	2,070,000	3,825,000	2,077,176	2,670,000	15,552,371	2,715,000	8,188,501	1,208,870	3,440,000		15,552,371
Strategic relationships	552,470	-	-	-	-	552,470	-	-	412,470	140,000		552,470
	<u>32,272,353</u>	<u>11,017,068</u>	<u>20,714,000</u>	<u>7,299,176</u>	<u>13,194,000</u>	<u>84,496,597</u>	<u>23,324,686</u>	<u>22,795,171</u>	<u>17,417,990</u>	<u>20,958,750</u>		<u>84,496,597</u>
<b>Sanitary sewer system</b>	5,925,874	2,660,000	2,735,000	7,560,000	2,760,000	21,640,874	5,026,109	6,117,415	10,497,350	-		21,640,874
<b>Waterworks system</b>	20,472,930	35,642,394	32,638,000	13,638,909	11,160,000	113,552,233	22,798,594	30,397,072	13,721,382	46,635,185		113,552,233
<b>Total</b>	<u>\$58,671,157</u>	<u>\$49,319,462</u>	<u>\$56,087,000</u>	<u>\$28,498,085</u>	<u>\$27,114,000</u>	<u>\$219,689,704</u>	<u>\$51,149,389</u>	<u>\$59,309,658</u>	<u>\$41,636,722</u>	<u>\$67,593,935</u>		<u>\$219,689,704</u>

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

# Financial Statements

The City's Audited Financial Statements are presented on the following pages. They are also available on the City's website at:

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

## City of Nanaimo

*Oliver Woods Community Centre*



ANNUAL FINANCIAL STATEMENTS

2011

# Financial Statements



**KPMG LLP**  
**Chartered Accountants**  
Metrotower II  
Suite 2400 - 4720 Kingsway  
Burnaby BC V5H 4N2

Telephone (604) 527-3600  
Fax (604) 527-3636  
Internet [www.kpmg.ca](http://www.kpmg.ca)

## INDEPENDENT AUDITORS' REPORT

To the Mayor and Councillors

We have audited the accompanying consolidated financial statements of the City of Nanaimo, which comprise the consolidated statement of financial position as at December 31, 2011 and the consolidated statements of operations, changes in net financial assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

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

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

### *Auditors' Responsibility*

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

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

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

### *Opinion*

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

# Financial Statements



## *Comparative Information*

Without modifying our opinion, we draw attention to Note 2 to the consolidated financial statements, which indicates that the comparative information presented as at and for the year ended December 31, 2010 has been restated.

The consolidated financial statements of City of Nanaimo as at and for the year ended December 31, 2010 excluding the restatement described in Note 2 to the consolidated financial statements were audited by another auditor who expressed an unmodified opinion on those financial statements on April 18, 2011.

As part of our audit of the consolidated financial statements as at and for the year ended December 31, 2011, we audited the restatement described in Note 2 to the consolidated financial statements that was applied to restate the comparative information as at and for the year ended December 31, 2010. In our opinion, the restatement is appropriate and has been properly applied.

A handwritten signature in black ink that reads 'KPMG LLP' in a cursive, slanted font. A horizontal line is drawn underneath the signature.

Chartered Accountants

April 23, 2012

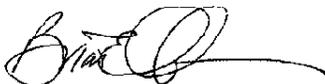
Burnaby, Canada

# Financial Statements

**CITY OF NANAIMO**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**as at December 31, 2011**

	<b>2011</b>	2010
	<b><u>Actual</u></b>	<u>Actual</u> Restated (Note 2)
<b>FINANCIAL ASSETS</b>		
Cash	\$ 39,870,659	\$ 24,000,277
Accounts receivable and other assets (Note 3)	19,409,797	17,373,548
Development cost charges receivable (Note 4)	1,046,537	895,424
Portfolio investments (Note 5)	<u>114,012,018</u>	<u>122,578,801</u>
	<b><u>174,339,011</u></b>	<b><u>164,848,050</u></b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 6)	22,195,046	17,836,049
Post-employment benefits payable (Note 7)	5,954,564	5,744,042
Deferred revenue and other liabilities (Note 8)	13,766,134	12,429,670
Deferred development cost charges (Note 9)	34,239,271	36,318,060
Debt (Note 10)	<u>35,193,419</u>	<u>38,139,909</u>
	<b><u>111,348,434</u></b>	<b><u>110,467,730</u></b>
<b>NET FINANCIAL ASSETS</b>	<b><u>62,990,577</u></b>	<b><u>54,380,320</u></b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Note 11)	556,477,111	546,137,759
Prepaid expenses	870,433	551,268
Inventories of supplies	<u>721,790</u>	<u>677,188</u>
	<b><u>558,069,334</u></b>	<b><u>547,366,215</u></b>
<b>ACCUMULATED SURPLUS (Note 2 and 12)</b>	<b><u>\$ 621,059,911</u></b>	<b><u>\$ 601,746,535</u></b>

Commitments and contingencies (Note 13)



**B. E. Clemens, CMA**  
**Director of Finance**



**J. R. Ruttan**  
**Mayor**

# Financial Statements

## CITY OF NANAIMO CONSOLIDATED STATEMENT OF OPERATIONS for the year ended December 31, 2011

	2011 <u>Budget</u> (Unaudited Note 14)	2011 <u>Actual</u>	2010 <u>Actual</u> Restated (Note 2)
<b>REVENUES</b>			
Taxes	\$ 84,138,902	\$ 83,876,786	\$ 80,761,023
Payments in lieu of taxes	<u>1,220,503</u>	<u>1,204,333</u>	<u>1,183,687</u>
Taxation and payments in lieu (Note 15)	85,359,405	85,081,119	81,944,710
User fees and sales of services (Note 16)	28,152,363	29,442,938	28,926,914
Investment income	2,253,831	2,412,514	2,041,670
Other revenue	10,647,265	9,820,560	10,532,387
Development cost charges (Note 9)	11,324,156	7,707,703	3,436,608
Donations and contributions - capital	1,940,877	1,257,965	268,626
Transfers from other governments - capital (Note 17)	278,850	925,600	1,884,252
Transfers from other governments - operating (Note 17)	5,197,682	5,478,365	4,266,972
Municipal Finance Authority refunds and debt forgiven	-	685,729	132,807
Developer assets provided (Note 11)	-	4,037,351	10,008,286
Gain (loss) on sale of assets	-	558,189	(246,782)
	<u>145,154,429</u>	<u>147,408,033</u>	<u>143,196,450</u>
<b>EXPENSES (Note 18)</b>			
Corporate services	13,596,757	11,489,237	11,563,347
Community safety	37,823,729	37,968,299	34,710,612
Development services	10,103,634	9,172,976	9,298,129
Strategic relationships	7,305,734	6,245,361	7,008,270
Parks, recreation and culture	28,658,476	28,551,993	27,177,554
Engineering and public works	28,279,543	27,869,958	26,847,540
Sewer system	4,001,700	4,024,334	3,602,384
Waterworks	8,731,381	8,128,502	7,917,028
Interest payments on debt	1,652,122	1,651,842	1,773,775
Contingency	123,160	-	-
	<u>140,276,236</u>	<u>135,102,502</u>	<u>129,898,639</u>
Interprogram credits	<u>(6,921,758)</u>	<u>(7,007,845)</u>	<u>(6,634,316)</u>
	<u>133,354,478</u>	<u>128,094,657</u>	<u>123,264,323</u>
<b>Annual surplus</b>	11,799,951	19,313,376	19,932,127
<b>ACCUMULATED SURPLUS - BEGINNING OF YEAR</b>	<u>601,746,535</u>	<u>601,746,535</u>	<u>581,814,408</u>
<b>ACCUMULATED SURPLUS - END OF YEAR</b>	<u>\$ 613,546,486</u>	<u>\$ 621,059,911</u>	<u>\$ 601,746,535</u>

# Financial Statements

## CITY OF NANAIMO

### CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

for the year ended December 31, 2011

	2011 <u>Budget</u> (Unaudited Note 14)	<b>2011</b> <u>Actual</u>	2010 <u>Actual</u> Restated (Note 2)
<b>ANNUAL SURPLUS</b>	\$ 11,799,951	\$ <b>19,313,376</b>	\$ 19,932,127
Acquisition of tangible capital assets	(45,578,646)	<b>(29,733,962)</b>	(33,440,976)
Amortization of tangible capital assets	19,448,403	<b>19,160,655</b>	19,455,054
(Gain) loss on sale of tangible capital assets	-	<b>(558,189)</b>	246,782
Proceeds on sale of tangible capital assets	-	<b>792,144</b>	137,932
	<u>(14,330,292)</u>	<u><b>8,974,024</b></u>	<u>6,330,919</u>
Acquisition of inventories of supplies	-	<b>(3,525,168)</b>	(3,521,552)
Acquisition of prepaid expenses	-	<b>(839,182)</b>	(477,318)
Consumption of inventories of supplies	-	<b>3,480,566</b>	3,487,818
Use of prepaid expenses	-	<b>520,017</b>	684,817
	<u>-</u>	<u><b>(363,767)</b></u>	<u>173,765</u>
<b>CHANGE IN NET FINANCIAL ASSETS</b>	(14,330,292)	<b>8,610,257</b>	6,504,684
<b>NET FINANCIAL ASSETS - BEGINNING OF YEAR</b>	<u>54,380,320</u>	<u><b>54,380,320</b></u>	<u>47,875,636</u>
<b>NET FINANCIAL ASSETS - END OF YEAR</b>	\$ <u><u>40,050,028</u></u>	\$ <u><u><b>62,990,577</b></u></u>	\$ <u><u>54,380,320</u></u>

# Financial Statements

## CITY OF NANAIMO CONSOLIDATED STATEMENT OF CASH FLOWS for the year ended December 31, 2011

	<u>2011</u> <u>Actual</u>	2010 <u>Actual</u> Restated (Note 2)
<b>CASH PROVIDED BY (USED FOR)</b>		
<b>OPERATING TRANSACTIONS</b>		
Annual surplus	\$ 19,313,376	\$ 19,932,127
Non-cash items		
Amortization	19,160,655	19,455,054
Developer assets provided	(4,037,351)	(10,008,286)
(Gain) loss on sale of tangible capital assets	(558,189)	246,782
Deferred development cost charges	(7,707,703)	(3,436,608)
Debt forgiven	(492,038)	-
Actuarial adjustments	(659,588)	(580,503)
Change in non-cash operating assets and liabilities		
Accounts receivable	(2,187,362)	3,626,755
Accounts payable	4,569,519	(967,989)
Deferred revenue	1,336,464	730,686
Inventories of supplies	(44,602)	(33,734)
Prepaid expenses	(319,165)	207,499
Net change in cash from operating transactions	<u>28,374,016</u>	<u>29,171,783</u>
<b>CAPITAL TRANSACTIONS</b>		
Cash used to acquire tangible capital assets	(25,696,611)	(23,432,690)
Proceeds from the sale of tangible capital assets	792,144	137,932
Net change in cash from capital transactions	<u>(24,904,467)</u>	<u>(23,294,758)</u>
<b>INVESTING TRANSACTIONS</b>		
Change in investments	<u>8,566,783</u>	<u>4,403,175</u>
<b>FINANCING TRANSACTIONS</b>		
Debt repayment	(1,794,864)	(1,808,123)
Deferred development cost charges	5,628,914	4,309,447
Net change in cash from financing transactions	<u>3,834,050</u>	<u>2,501,324</u>
<b>CHANGE IN CASH</b>	<b>15,870,382</b>	<b>12,781,524</b>
<b>CASH - BEGINNING OF YEAR</b>	<u><b>24,000,277</b></u>	<u><b>11,218,753</b></u>
<b>CASH - END OF YEAR</b>	<u><b>\$ 39,870,659</b></u>	<u><b>\$ 24,000,277</b></u>

# Financial Statements

## **CITY OF NANAIMO NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2011**

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The City of Nanaimo (the City) 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 consolidated 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:

#### **(a) Basis of Consolidation**

The City's resources and operations are segregated into general, water, sewer, capital and reserve funds. The consolidated financial statements reflect the assets, liabilities, revenues and expenses of these funds.

##### **(i) Consolidated Entities**

The reporting entity is comprised of all organizations accountable for the administration of their financial affairs and resources to the City and which are owned or controlled by the City. These organizations include the Nanaimo Economic Development Corporation and the Vancouver Island Conference Centre.

#### **(b) Basis of Accounting**

The City follows the accrual method of accounting for revenues and expenses. Revenues are normally recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of the delivery of goods or services and/or upon the creation of a legal obligation to pay. Expenses paid in the current period and attributable to a future period are recorded as prepaid.

# Financial Statements

## CITY OF NANAIMO NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2011

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### NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### **(c) Government Transfers**

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

#### **(d) Portfolio Investments**

Portfolio investments consist of pooled investments, term deposits and debentures which are expected to be held for a term exceeding one year. Investments are recorded at cost adjusted for amortization of premiums or discounts, 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.

#### **(e) Accounts Receivable**

Accounts receivable are net of an allowance for doubtful accounts and therefore represent amounts expected to be collected.

#### **(f) Development Cost Charges**

Deferred development cost charges are restricted by legislation to expenditures on capital infrastructure and related debt servicing costs and operating projects. These amounts are deferred upon receipt and recognized as revenue when the expenditures are incurred in accordance with the restrictions.

#### **(g) Deferred Revenue**

The City defers a portion of the revenue collected from permits, licenses and other fees and recognizes this revenue in the year in which related inspections are performed or other related expenditures are incurred.

# Financial Statements

## CITY OF NANAIMO NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2011

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### NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### **(h) Post-Employment Benefits**

The City and its employees make contributions to the Municipal Pension Plan. As this plan is a multi-employer plan, contributions are expensed as incurred. Post-employment benefits also accrue to the City's employees. The liabilities related to these termination benefits and earned sick leave are actuarially determined based on service and best estimates of retirement ages and expected future salary and wage increases. The liabilities under these benefit plans are accrued based on projected benefits prorated as employees render services necessary to earn the future benefits. Actuarial gains and 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 and losses are amortized over the average remaining service period of the 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.

#### **(i) Debt**

Debt is recorded net of related sinking fund balances.

#### **(j) Non-Financial Assets**

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

##### **(i) Tangible Capital Assets**

Tangible capital assets are comprised of capital assets and capital works in progress, and are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development, or betterment of the assets. The cost of the tangible capital assets, excluding land, are amortized on a straight-line basis over the estimated useful lives of the assets, commencing at the time the assets are available for use.

# Financial Statements

## CITY OF NANAIMO NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2011

### NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimated useful lives are as follows:

<u>Asset</u>	<u>Useful Life - Years</u>
Land Improvements	10 - 45
Leasehold Improvements	10 - 30
Marine Structures	15 - 20
Buildings	25 - 40
Vehicles and Equipment	2 - 25
IT Infrastructure	5 - 10
Storm	25 - 75
Transportation – Linear Infrastructure, Lighting and Signals	10 - 60
Sewer – Linear Infrastructure and Equipment	8 - 60
Water – Linear Infrastructure and Equipment	8 - 65

#### (ii) **Contribution of Tangible Capital Assets**

Subdivision streets, lighting, sidewalks, drainage and other infrastructure assets are required to be provided by subdivision developers. Tangible capital assets received from developers are recorded at their fair value at the date of receipt and also recorded as revenue. The City is not involved in the construction and does not budget for assets received from developers.

#### (iii) **Inventories of Supplies**

Inventories of supplies are recorded at cost, net of an allowance for obsolete stock. Cost is determined on a weighted average basis.

#### (k) **Use of Estimates**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Significant areas requiring the use of management estimates relate to the determination of post-employment benefits, 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.

# Financial Statements

**CITY OF NANAIMO  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
for the year ended December 31, 2011**

**NOTE 2 – PRIOR PERIOD ADJUSTMENT**

The 2009 and 2010 accrual for unbilled user fee revenue in Waterworks was overstated in error. As a result, the following have been restated:

**2010 User fees and sales of services**

User fees and sales of services as previously reported	\$ 29,418,625
Less: adjustment to year-end accruals	<u>(491,711)</u>
User fees and sales of services as restated	<u>\$ 28,926,914</u>

**2010 Accounts receivable and other assets**

Accounts receivable and other assets as previously reported	\$ 18,090,395
Less: adjustment to year-end accrual	<u>(716,847)</u>
Accounts receivable and other assets as restated	<u>\$ 17,373,548</u>

**2010 Annual Surplus**

Annual surplus as previously reported	\$ 20,423,838
Less: decrease in revenue from user fees and sales of services	<u>(491,711)</u>
Annual surplus as restated	<u>\$ 19,932,127</u>

**January 1, 2010 Accumulated Surplus**

January 1, 2010 accumulated surplus – as previously reported	\$ 582,039,544
Less: decrease in revenue from user fees and sales of services	<u>(225,136)</u>
January 1, 2010 accumulated surplus – as restated	<u>\$ 581,814,408</u>

**NOTE 3 – ACCOUNTS RECEIVABLE**

	<u>2011</u>	<u>2010</u> Restated (Note 2)
Property taxes	\$ 4,188,254	\$ 3,679,409
Other governments	4,859,588	4,125,953
Trade and other	<u>10,361,955</u>	<u>9,568,186</u>
	<u>\$ 19,409,797</u>	<u>\$ 17,373,548</u>

# Financial Statements

## CITY OF NANAIMO NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2011

### NOTE 4 – DEVELOPMENT COST CHARGES RECEIVABLE

	<u>2011</u>	<u>2010</u>
Installments receivable:		
2011	\$ -	\$ 673,134
2012	632,578	222,290
2013	<u>413,959</u>	<u>-</u>
	<u>\$ 1,046,537</u>	<u>\$ 895,424</u>

Development cost charges are collected on the approval of a subdivision or the issuance of a building permit. These funds assist the City in the cost of development including constructing capital improvements, operating projects and the related debt servicing costs. 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 5 – PORTFOLIO INVESTMENTS

	<u>2011</u>		<u>2010</u>	
	Cost	Market	Cost	Market
Municipal Finance Authority Pooled				
Investments	\$ 83,739	\$ 83,739	\$ 4,074,096	\$ 4,074,096
Term Deposits	84,751,792	84,751,792	65,166,073	65,166,073
Debentures	<u>29,176,487</u>	<u>29,655,250</u>	<u>53,338,632</u>	<u>54,058,010</u>
	<u>\$ 114,012,018</u>	<u>\$ 114,490,781</u>	<u>\$ 122,578,801</u>	<u>\$ 123,298,179</u>

Where a quoted market value is not available, cost has been used as an approximation of market.

### NOTE 6 – ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2011</u>	<u>2010</u>
Accrued wages and benefits	\$ 3,350,226	\$ 2,794,284
Other governments	1,027,490	1,283,503
Trade and other	<u>17,817,330</u>	<u>13,758,262</u>
	<u>\$ 22,195,046</u>	<u>\$ 17,836,049</u>

# Financial Statements

## CITY OF NANAIMO NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2011

### NOTE 7 – POST-EMPLOYMENT BENEFITS PAYABLE

The City provides certain post-employment benefits, non-vested sick leave, compensated absences and termination benefits to its employees. An actuarial valuation for these benefits was performed to determine the City's accrued benefit obligation as at December 31, 2010 and the results are extrapolated to December 31, 2011. 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 losses of \$367,346 (2010-\$398,163).

	<u>2011</u>	<u>2010</u>
Actuarial benefit obligation, beginning of year	\$ 6,142,205	\$ 5,275,194
Unamortized actuarial gains (losses), beginning of year	<u>(398,163)</u>	<u>109,584</u>
	5,744,042	5,384,778
Current service cost	494,710	513,365
Interest cost	289,155	266,283
Benefits paid	(604,160)	(412,557)
Amortization of actuarial (gain) loss	<u>30,817</u>	<u>(7,827)</u>
	<u>\$ 5,954,564</u>	<u>\$ 5,744,042</u>
Actuarial benefit obligation, end of year	\$ 6,321,910	\$ 6,142,205
Unamortized actuarial (losses), end of year	<u>(367,346)</u>	<u>(398,163)</u>
Accrued benefit obligation, end of year	<u>\$ 5,954,564</u>	<u>\$ 5,744,042</u>

Actuarial gains and losses are amortized over 13 – 14 years, being the expected average remaining service period of the related employee group, commencing the year after the gain or loss arises.

### NOTE 8 – DEFERRED REVENUE AND OTHER LIABILITIES

	<u>2011</u>	<u>2010</u>
Tax prepayments	\$ 9,325,871	\$ 8,974,574
Other prepayments	3,139,559	2,907,034
Other liabilities	<u>1,300,704</u>	<u>548,062</u>
	<u>\$ 13,766,134</u>	<u>\$ 12,429,670</u>

# Financial Statements

**CITY OF NANAIMO**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**for the year ended December 31, 2011**

**NOTE 9 – DEFERRED DEVELOPMENT COST CHARGES**

	<u>2011</u>	<u>2010</u>
Deferred development cost charges - beginning of year	\$ 36,318,060	\$ 35,445,221
Additions	4,741,921	3,574,944
Interest earned	886,993	734,503
Revenue recognized	<u>(7,707,703)</u>	<u>(3,436,608)</u>
Deferred development cost charges - end of year	<u>\$ 34,239,271</u>	<u>\$ 36,318,060</u>

**NOTE 10 – DEBT, NET OF MUNICIPAL FINANCE AUTHORITY (MFA) SINKING FUND DEPOSITS**

The City issues debt instruments through the MFA pursuant to security issuing bylaws under authority of the Community Charter to finance certain capital expenditures. Sinking fund balances managed by the MFA are netted against related debt.

\$33,783,922 (2010 - \$36,624,759) of debt is with the MFA and the remaining \$1,409,497 (2010 - \$1,515,150) is with the Royal Bank. The rates of interest on the principal amount of the MFA debentures vary between 3.00% and 4.82% per annum. The rate of interest on the Royal Bank debt is 5.48%.

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

	<u>2011</u>	<u>2010</u>
Total outstanding debt – beginning of year	\$ 38,139,909	\$ 40,528,535
Reduction of long-term debt	2,454,452	2,388,626
Debt forgiven	<u>492,038</u>	<u>-</u>
	<u>\$ 35,193,419</u>	<u>\$ 38,139,909</u>

The estimated balance of sinking fund assets at December 31, 2011 available to retire the debt was \$12,209,260 (2010 - \$17,540,720).

# Financial Statements

**CITY OF NANAIMO**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**for the year ended December 31, 2011**

**NOTE 10 – DEBT, NET OF MUNICIPAL FINANCE AUTHORITY (MFA) SINKING FUND DEPOSITS (CONTINUED)**

Future payments on net outstanding debt over the next five years and thereafter are as follows:

<u>Year</u>	<u>General</u>	<u>Water</u>	<u>Total</u>
2012	\$ 1,932,511	\$ 108,238	\$ 2,040,749
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
2016	2,256,364	-	2,256,364
Thereafter	<u>24,236,997</u>	<u>-</u>	<u>24,236,997</u>
	<u>\$ 34,726,899</u>	<u>\$ 466,520</u>	<u>\$ 35,193,419</u>

<u>Bylaw #</u>	<u>MFA Issue #</u>		<u>Interest Rate %</u>	<u>Year Matures</u>	<u>Balance 2011</u>	<u>Outstanding 2010</u>
<b><u>GENERAL FUND</u></b>						
5166/5167	64	Local Improvement, 1996	4.24	2011	\$ -	\$ 25,446
3809/3966	53	Bastion Street Parkade	6.09	2011	-	214,626
5456	73	Local Improvement, 2000	3.15	2015	84,333	103,196
5425	72	Leisure and Aquatic Centre	3.15	2020	2,556,226	2,782,677
5457	73	Leisure and Aquatic Centre	3.15	2020	2,329,006	2,535,328
Royal Bank		Harbourfront Parkade	5.48	2021	1,409,497	1,515,150
5750	99	Port of Nanaimo Centre	4.43	2026	12,271,656	12,860,945
5750	101	Port of Nanaimo Centre	4.52	2027	12,860,945	13,427,568
7050	102	Fire Station #4	4.82	2027	<u>3,215,236</u>	<u>3,356,892</u>
					<u>34,726,899</u>	<u>36,821,828</u>
<b><u>WATERWORKS FUND</u></b>						
4818	64	Local Improvement, 1996	4.24	2011	-	2,457
46	53	South Fork Main Duplication–Stage VI	6.01	2011	-	746,020
50	61	North Nanaimo Reservoir	3.00	2015	<u>466,520</u>	<u>569,604</u>
					<u>466,520</u>	<u>1,318,081</u>
<b>Total Outstanding Debt</b>					<b>35,193,419</b>	<b>38,139,909</b>
Authorized and Unissued Debt						
7127		Water Treatment Plant			<u>22,500,000</u>	<u>-</u>
<b>Total</b>					<b><u>\$ 57,693,419</u></b>	<b><u>\$ 38,139,909</u></b>

The \$1,409,497 (2010 - \$1,515,150) 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.

# Financial Statements

**CITY OF NANAIMO**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**for the year ended December 31, 2011**

**NOTE 11 – TANGIBLE CAPITAL ASSETS**

<u>Net Book Value</u>	<u>2011</u>	<u>2010</u>
Land	\$ 61,860,187	\$ 58,858,024
Land improvements	14,489,655	13,180,189
Leasehold improvements	578,869	679,138
Marine structures	298,115	347,774
Buildings	122,313,666	126,385,899
Vehicles and equipment	12,373,236	12,742,909
IT infrastructure	1,537,446	2,133,753
Storm	70,592,574	70,767,162
Transportation	142,550,181	145,622,206
Sewer	15,909,164	15,369,031
Water	<u>96,251,462</u>	<u>96,767,598</u>
	538,754,555	542,853,683
Work in progress	<u>17,722,556</u>	<u>3,284,076</u>
	<u>\$ 556,477,111</u>	<u>\$ 546,137,759</u>

See schedule of tangible capital assets (page 27) for more information. There were no write downs of tangible capital assets for 2011 and 2010. Developer contributed assets recognized in 2011 were \$4,037,351 (2010 - \$10,008,286) 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 12 – ACCUMULATED SURPLUS**

	<u>2011</u>	<u>2010</u> Restated (Note 2)
Reserve Accounts – Note 22	\$ 65,971,063	\$ 61,545,525
Surplus – General	3,012,677	2,942,641
Surplus – Sewer system	6,495,681	6,436,066
Surplus – Waterworks	5,448,305	5,635,907
Investment in Tangible Capital Assets - Note 19	521,283,692	507,997,850
Community Works Reserve Fund (Gas Tax Agreement)	9,127,944	6,777,115
Equipment Depreciation Reserve	2,963,831	4,318,939
Facility Development (Recreation) Reserve	1,135,908	535,476
Property Sales Reserve	2,610,280	2,719,292
Local Improvement Reserve	1,484,889	1,445,559
Cemetery Care Fund	503,140	492,800
Knowles Estate Reserve	437,132	426,147
Parkland Dedication Reserve	506,416	396,250
Old City Neighborhood Parking Reserve	<u>78,953</u>	<u>76,968</u>
	<u>\$ 621,059,911</u>	<u>\$ 601,746,535</u>

# Financial Statements

**CITY OF NANAIMO  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
for the year ended December 31, 2011**

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**NOTE 13 – COMMITMENTS AND CONTINGENCIES**

**(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. 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, 2011, 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) Joint and Several Liabilities**

The City has a contingent liability with respect to debentures of the Regional District of Nanaimo and the Regional Hospital District of Nanaimo, to the extent provided for in their respective Acts of Incorporation. Management does not consider payment under this contingency to be likely and therefore no amounts have been accrued.

The City issues its debt instruments through the MFA. 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 \$1,396,271 (2010 - \$1,754,386) are contingent in nature and are not reflected in the accounts.

The City is a participant in the Municipal Insurance Association of British Columbia (the Association). Should the Association pay out claims in excess of premiums received, it is possible that the City, along with other participants, would be required to contribute towards the deficit.

# Financial Statements

## **CITY OF NANAIMO NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2011**

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### **NOTE 13 – COMMITMENTS AND CONTINGENCIES (continued)**

#### **(d) Site Restoration**

Due to the past use of the former site of the Nanaimo foundry, should this property be developed, restoration work would be required to address environmental concerns. In 2011, Council rezoned this property as park land. There is no further intention for remediation and the cost has not been determined.

#### **(e) Royal Canadian Mounted Police (RCMP)**

The City has a contract with the federal government whereby the federal government provides RCMP policing services. RCMP members and the federal government are currently in legal proceedings regarding pay raises for 2009 and 2010 that were retracted for RCMP members. As the final outcome of the legal action and the potential financial impact to the City is not determinable, the City has not recorded any provision for this matter in the financial statements as at December 31, 2011.

#### **(f) Credit Facilities**

The City has adopted a revenue anticipation borrowing bylaw to support a credit facility in the amount of \$2,000,000 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, 2011, no amounts were drawn against this facility.

#### **(g) Commitments**

The City has \$19.2 million in open purchase orders at year end which have not been recorded in the financial statements. 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 2012 and prior to the preparation of these financial statements, an additional \$1.6 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 \$31,693.

# Financial Statements

**CITY OF NANAIMO**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**for the year ended December 31, 2011**

**NOTE 14 – ANNUAL BUDGET**

The financial statements have included the Annual Budget as approved by Council on May 9, 2011. 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	\$ 11,799,951
Development cost charges – change from restricted revenue presentation	<u>(6,951,243)</u>
Annual surplus from the 2011 financial plan	4,848,708
Amortization, not funded	19,448,403
Capital expenditures	(45,578,646)
Proceeds from borrowing	480,000
Principal repayment of debt	(2,454,172)
Transfers from accumulated surplus	<u>23,255,707</u>
Net annual budget	<u><u>\$ -</u></u>

**NOTE 15 – TAXATION AND PAYMENTS IN LIEU**

	Municipal	Other	<u>2011</u> Total	<u>2010</u> Total
Property taxes	\$ 82,396,817	\$ 53,224,375	\$ 135,621,192	\$ 131,344,945
Special assessments	-	-	-	62,468
Local improvement frontage fees	25,807	-	25,807	53,204
Business improvement area levies	211,664	-	211,664	203,941
Taxes in lieu of licences	1,242,498	-	1,242,498	1,191,301
Payments in lieu of taxes	<u>1,204,333</u>	<u>461,257</u>	<u>1,665,590</u>	<u>1,649,724</u>
	<u>\$ 85,081,119</u>	<u>\$ 53,685,632</u>	<u>138,766,751</u>	<u>134,505,583</u>
Less: Collections for Other Governments				
Province of British Columbia (school tax)			36,988,206	36,573,480
Regional District of Nanaimo			12,266,276	11,662,323
Nanaimo Regional Hospital District			3,346,856	3,233,832
Other agencies			<u>1,084,294</u>	<u>1,091,238</u>
			<u>53,685,632</u>	<u>52,560,873</u>
Taxes Available for Municipal Purposes			<u>\$ 85,081,119</u>	<u>\$ 81,944,710</u>

# Financial Statements

**CITY OF NANAIMO**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**for the year ended December 31, 2011**

**NOTE 16 – USER FEES AND SALES OF SERVICES**

	<u>2011</u>	<u>2010</u> Restated (Note 2)
Community safety	\$ 786,721	\$ 740,677
Parking	1,044,370	1,032,063
Public works	922,338	710,449
Garbage collection	2,920,319	2,954,101
Recreation programs	5,780,201	5,691,106
Sewer system	4,719,216	4,761,818
Waterworks	11,252,876	11,220,502
Vancouver Island Conference Centre	1,740,769	1,548,776
Other	<u>276,128</u>	<u>267,422</u>
	<u>\$ 29,442,938</u>	<u>\$ 28,926,914</u>

**NOTE 17 – TRANSFERS FROM OTHER GOVERNMENTS**

	<u>2011</u>	<u>2010</u>
<u>Federal</u>		
Cultural Capital *	\$ -	\$ (393)
Capital	41,550	953,887
Other *	<u>13,799</u>	<u>(284)</u>
	<u>55,349</u>	<u>953,210</u>
* Negative amounts represent prior year's funding adjustments		
<u>Provincial</u>		
Casino gaming	2,479,871	2,577,609
Revenue sharing	1,711,541	488,245
Capital	884,050	930,365
Other	<u>210,707</u>	<u>288,202</u>
	<u>5,286,169</u>	<u>4,284,421</u>
<u>Regional District of Nanaimo</u>		
Recreation services, sport fields and other	<u>1,062,447</u>	<u>913,593</u>
Total Transfers from Other Governments	<u>\$ 6,403,965</u>	<u>\$ 6,151,224</u>
Capital transfers from other governments	\$ 925,600	\$ 1,884,252
Operating transfers from other governments	<u>5,478,365</u>	<u>4,266,972</u>
Total Transfers from Other Governments	<u>\$ 6,403,965</u>	<u>\$ 6,151,224</u>

# Financial Statements

**CITY OF NANAIMO**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**for the year ended December 31, 2011**

**NOTE 18 – EXPENSES BY OBJECT**

	2011	2011	2011	2010
	Capital	Operating	Combined	Combined
Wages and salaries	\$ 678,662	\$ 53,697,661	\$ 54,376,323	\$ 52,373,548
Services and supply contracts	27,705,362	39,968,644	67,674,006	68,516,143
Amortization	-	19,160,655	19,160,655	19,455,054
Materials and supplies	1,209,467	7,065,735	8,275,202	8,270,413
Other	140,471	6,550,120	6,690,591	6,316,366
Interest payments on debt	<u>-</u>	<u>1,651,842</u>	<u>1,651,842</u>	<u>1,773,775</u>
Total expenses	<u>\$ 29,733,962</u>	<u>\$ 128,094,657</u>	<u>\$ 157,828,619</u>	<u>\$ 156,705,299</u>

**NOTE 19 – INVESTMENT IN TANGIBLE CAPITAL ASSETS**

	<u>2011</u>	<u>2010</u>
Investment in tangible capital assets - beginning of year	\$ 507,997,850	\$ 492,008,016
Add: Capital expenditures	29,733,962	33,440,976
Reduction in long-term debt	2,454,452	2,388,626
Debt forgiven	492,038	-
Less: Amortization	(19,160,655)	(19,455,054)
Net book value of asset disposals	<u>(233,955)</u>	<u>(384,714)</u>
Investment in tangible capital assets - end of year	<u>\$ 521,283,692</u>	<u>\$ 507,997,850</u>

**NOTE 20 – MUNICIPAL PENSION PLAN**

The City and its employees contribute to the Municipal Pension Plan (the Plan), a jointly trusted pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the Plan, including investment of the assets and administration of benefits. The Plan is a multi-employer contributory pension plan. Basic pension benefits provided are defined. The plan has about 173,000 active members and approximately 63,000 retired members. Active members include approximately 35,000 contributors from local governments.

# Financial Statements

**CITY OF NANAIMO  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
for the year ended December 31, 2011**

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**NOTE 20 – MUNICIPAL PENSION PLAN (CONTINUED)**

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:

	<u>2011</u>	<u>2010</u>
Employer portion	\$ 3,735,812	\$ 3,489,925
Employee portion	<u>3,053,118</u>	<u>2,831,085</u>
	<u>\$ 6,788,930</u>	<u>\$ 6,321,010</u>

**NOTE 21 – 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 5 and long-term debt, as indicated in Note 10.

**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.

# Financial Statements

**CITY OF NANAIMO**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**for the year ended December 31, 2011**

**NOTE 22 – RESERVES**

<b>GENERAL REVENUE FUND RESERVE ACCOUNTS</b>	Work in progress	Available for future commitments	<b>2011</b>	<b>2010</b>
Corporate services	\$ 683,839	\$ 206,148	\$ <b>889,987</b>	\$ 982,299
Community safety	235,652	1,975,522	<b>2,211,174</b>	2,064,745
Development services	195,704	18,535	<b>214,239</b>	290,684
Parks, recreation and culture	858,456	375,383	<b>1,233,839</b>	1,549,769
Engineering and public works	2,074,658	500,000	<b>2,574,658</b>	2,874,321
Strategic relationships	631,932	95,000	<b>726,932</b>	285,000
General capital	4,365,269	1,018,103	<b>5,383,372</b>	2,968,113
Priority capital	5,806,661	-	<b>5,806,661</b>	7,000,000
Property acquisition	-	2,093,298	<b>2,093,298</b>	1,636,793
Uncollected taxes	-	2,865,648	<b>2,865,648</b>	2,749,394
Computer upgrade	1,751,767	546,143	<b>2,297,910</b>	2,011,886
Parking - general	275,000	179,674	<b>454,674</b>	362,625
Sustainability initiatives	496,326	550,178	<b>1,046,504</b>	1,021,097
Snow removal	-	400,000	<b>400,000</b>	400,000
Casino funds	-	195,977	<b>195,977</b>	415,369
Housing legacy reserve	608,051	2,246,668	<b>2,854,719</b>	2,782,432
Firehall improvements	-	396,414	<b>396,414</b>	396,414
Emergency 911	57,500	429,153	<b>486,653</b>	411,653
Local improvement projects	-	181,260	<b>181,260</b>	181,260
Civic properties	-	-	-	810,017
Parkland acquisition	21,357	-	<b>21,357</b>	21,357
Uninsured claims	-	1,990,179	<b>1,990,179</b>	1,454,193
Parking - debt repayment	-	-	-	43,652
Port of Nanaimo Centre and related projects	-	353,682	<b>353,682</b>	189,477
Photocopier reserve	90,601	-	<b>90,601</b>	59,567
Other	22,411	314,416	<b>336,827</b>	282,341
	<u>18,175,184</u>	<u>16,931,381</u>	<u><b>35,106,565</b></u>	<u>33,244,458</u>
<b>SEWER REVENUE FUND RESERVE ACCOUNTS</b>				
General capital	5,294,347	6,905,821	<b>12,200,168</b>	11,924,815
Growth related projects	-	850,000	<b>850,000</b>	850,000
	<u>5,294,347</u>	<u>7,755,821</u>	<u><b>13,050,168</b></u>	<u>12,774,815</u>
<b>WATERWORKS REVENUE FUND RESERVE ACCOUNTS</b>				
General capital	6,456,528	10,608,141	<b>17,064,669</b>	14,026,591
User rate leveling	-	250,000	<b>250,000</b>	1,000,000
Growth related projects	-	400,000	<b>400,000</b>	400,000
Local improvement projects	-	99,661	<b>99,661</b>	99,661
	<u>6,456,528</u>	<u>11,357,802</u>	<u><b>17,814,330</b></u>	<u>15,526,252</u>
<b>TOTAL RESERVE ACCOUNTS</b>	<u>\$ 29,926,059</u>	<u>\$ 36,045,004</u>	<u><b>\$ 65,971,063</b></u>	<u>\$ 61,545,525</u>

# Financial Statements

## **CITY OF NANAIMO NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2011**

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### **NOTE 23 – 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. The Office 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 four key areas – Legislative Services, Human Resources and Organizational Planning, Information Technology and Financial Services.

#### **Community Safety and Development – three segments**

##### **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 City hires the Royal Canadian Mounted Police on contract to provide top quality policing services in Nanaimo. With administrative support services provided by City employees, the detachment provides all standard policing services, including response to emergency and non-emergency calls, criminal investigations and traffic safety measures.

# Financial Statements

## **CITY OF NANAIMO NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2011**

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### **NOTE 23 – SEGMENT REPORTING (CONTINUED)**

#### **Strategic Relationships**

The Strategic Relationships Department acts as a facilitator between community stakeholders and the City to build stronger relationships. This includes being the liaison to the Nanaimo Economic Development Corporation, the Vancouver Island Conference Centre, the Port of Nanaimo and Snuneymuxw First Nation.

#### **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 planning, design, construction, operation and maintenance of the City's infrastructure including the City's water, sanitary sewer, drainage and transportation infrastructure. Department operations also include maintenance of the City's fleet, cemeteries, solid waste collection and recycling.

#### **SEWER SYSTEM**

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

#### **WATERWORKS**

The City 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.

# Financial Statements

## CITY OF NANAIMO SCHEDULE OF OPERATIONS BY SEGMENT for the year ended December 31, 2011

	Corporate Services	Development Services	Fire	Police	Strategic Relationships	Parks, Recreation and Culture
<b>Revenues</b>						
Taxes*	\$ 10,840,798	\$ 5,302,771	\$ 12,648,638	\$ 18,811,457	\$ 3,750,674	\$ 17,936,539
Payments in lieu of taxes*	153,003	76,332	182,072	270,785	53,990	258,191
User fees and sales of services	123,117	1,196,286	79,635	707,086	1,741,864	5,780,201
Investment income	304,101	151,713	361,879	538,199	107,421	430,046
Other - general revenue*	100,531	50,154	119,631	177,920	35,474	169,645
Other revenue	182,388	3,354,914	584,325	860,613	112,068	588,724
Development cost charges	-	-	-	-	-	1,350,067
Donations and contributions - capital	-	-	-	-	10,100	697,599
Transfers from other governments - capital	-	50,750	-	-	97,301	41,550
Transfers from other governments - operating	24,242	63,628	-	1,711,541	1,405	1,196,640
Casino revenue sharing**	108,542	136,664	126,758	505,985	1,174,162	281,834
Municipal Finance Authority refunds & debt forgiven	-	147,416	-	-	-	-
Developer assets provided	-	-	-	-	-	619,000
Gain (Loss) on sale of assets	(21,375)	696,058	(30,607)	-	-	(30,666)
	11,815,347	11,226,686	14,072,331	23,583,586	7,084,459	29,319,370
<b>Expenses</b>						
Wages and salaries	7,502,423	5,591,282	11,555,225	4,780,030	528,741	12,078,919
Services & Supply Contracts	2,485,317	1,960,625	1,015,966	18,070,170	2,979,263	6,041,785
Amortization	293,689	392,190	580,904	323,355	2,263,039	3,784,687
Material and supplies	655,426	247,190	660,595	66,077	118,398	1,720,178
Other	552,382	981,689	792,725	123,252	355,920	4,926,424
Interest payments on debt	-	104,796	164,465	-	1,183,136	122,090
	11,489,237	9,277,772	14,769,880	23,362,884	7,428,497	28,674,083
Interprogram credits	(2,272,035)	-	(604,618)	-	-	-
Excess (Deficiency) of revenues over expenses	\$ 2,598,145	\$ 1,948,914	\$ (92,931)	\$ 220,702	\$ (344,038)	\$ 645,287
Expenditures on capital projects	\$ 2,790,800	\$ 329,875	\$ 582,684	\$ -	\$ 1,229,990	\$ 4,264,144

## for the year ended December 31, 2010 restated

	Corporate Services	Development Services	Fire	Police	Strategic Relationships	Parks, Recreation and Culture
<b>Revenues</b>						
Taxes*	\$ 10,426,769	\$ 5,769,385	\$ 11,766,162	\$ 17,397,858	\$ 3,467,059	\$ 17,651,973
Payments in lieu of taxes*	150,212	84,774	172,889	255,640	50,944	259,374
User fees and sales of services	143,957	1,153,776	70,000	670,677	1,550,528	5,691,106
Investment income	256,951	145,013	295,743	437,296	87,250	443,682
Other - general revenue*	90,734	51,207	104,432	154,415	30,772	156,673
Other revenue	53,552	3,629,334	556,370	841,985	61,932	828,534
Development cost charges	-	-	-	-	-	371,464
Donations and contributions - capital	-	-	-	12,397	-	194,840
Transfers from other governments - capital	-	-	-	-	22,040	1,139,389
Transfers from other governments - operating	23,689	-	1,284	488,245	94,150	1,081,041
Casino revenue sharing**	112,727	148,629	127,305	518,377	1,219,456	297,145
Municipal Finance Authority refunds & debt forgiven	-	-	-	-	-	-
Developer assets provided	-	-	-	-	-	472,200
Gain (Loss) on sale of assets	(31,790)	88,525	4,753	-	(4,387)	(85,997)
	11,226,801	11,070,643	13,098,938	20,776,890	6,579,744	28,501,424
<b>Expenses</b>						
Wages and salaries	7,218,509	5,432,642	10,971,593	4,525,413	563,334	11,480,628
Services & Supply Contracts	3,011,185	2,217,418	846,080	15,930,629	3,103,771	5,637,243
Amortization	227,448	443,302	575,535	296,094	2,804,118	3,767,864
Material and supplies	620,306	241,254	629,084	118,576	189,660	1,630,847
Other	485,899	963,513	693,651	123,957	347,387	4,660,972
Interest payments on debt	-	116,652	169,935	-	1,228,014	140,773
	11,563,347	9,414,781	13,885,878	20,994,669	8,236,284	27,318,327
Interprogram credits	(2,179,421)	-	(592,787)	-	-	-
Excess (Deficiency) of revenues over expenses	\$ 1,842,875	\$ 1,655,862	\$ (194,153)	\$ (217,779)	\$ (1,656,540)	\$ 1,183,097
Expenditures on capital projects	\$ 546,935	\$ 2,932,302	\$ 1,269,168	\$ 207,997	\$ 125,584	\$ 6,268,099

\*Prorated based on net annual budget

\*\*Prorated based on casino revenue allocation

# Financial Statements

## CITY OF NANAIMO SCHEDULE OF OPERATIONS BY SEGMENT for the year ended December 31, 2011

Engineering and Public Works	Sewer System	Waterworks	Reserve Funds	Consolidated	
\$ 14,585,909	\$ -	\$ -	\$ -	\$ 83,876,786	<b>Revenues</b>
209,960	-	-	-	1,204,333	<b>Taxes*</b>
3,842,657	4,719,216	11,252,876	-	29,442,938	<b>Grants in lieu of taxes*</b>
513,167	-	5,988	-	2,412,514	<b>User fees and sales of services</b>
137,954	-	-	-	791,309	<b>Investment Income</b>
357,959	-	45,499	2,942,761	9,029,251	<b>Other - general revenue*</b>
4,105,889	428,393	1,823,354	-	7,707,703	<b>Other revenue</b>
114,630	-	435,636	-	1,257,965	<b>Development cost charges</b>
-	-	735,999	-	925,600	<b>Donations and contributions - capital</b>
1,038	-	-	-	2,998,494	<b>Transfers from other governments - capital</b>
145,926	-	-	-	2,479,871	<b>Transfers from other governments - operating</b>
19,459	-	518,854	-	685,729	<b>Casino revenue sharing*</b>
2,678,594	361,338	378,419	-	4,037,351	<b>Municipal Finance Authority refunds &amp; debt forgiven</b>
(24,919)	(354)	(29,948)	-	558,189	<b>Developer contribution at subdivision</b>
26,688,223	5,508,593	15,166,677	2,942,761	147,408,033	<b>Gain (Loss) on sale of assets</b>
8,967,868	891,823	1,801,350	-	53,697,661	<b>Expenses</b>
5,999,542	666,737	749,239	-	39,968,644	<b>Wages and salaries</b>
8,362,274	534,469	2,626,048	-	19,160,655	<b>Services &amp; Supply Contracts</b>
2,910,954	282,643	404,274	-	7,065,735	<b>Amortization</b>
1,629,320	1,648,662	2,547,591	-	13,557,965	<b>Material and supplies</b>
125	-	77,230	-	1,651,842	<b>Other</b>
27,870,083	4,024,334	8,205,732	-	135,102,502	<b>Interest payments on debt</b>
(4,131,192)	-	-	-	(7,007,845)	<b>Interprogram credits</b>
\$ 2,949,332	\$ 1,484,259	\$ 6,960,945	\$ 2,942,761	\$ 19,313,376	<b>Excess (Deficiency) of revenues over expenses</b>
\$ 12,381,287	\$ 1,465,253	\$ 6,689,929	\$ -	\$ 29,733,962	<b>Expenditures on capital projects</b>

## for the year ended December 31, 2010 restated

Engineering and Public Works	Sewer Revenue Fund	Waterworks Revenue Fund	Reserve Funds	Consolidated	
\$ 14,281,817	\$ -	\$ -	\$ -	\$ 80,761,023	<b>Revenues</b>
209,854	-	-	-	1,183,687	<b>Taxes*</b>
3,664,550	4,761,818	11,220,502	-	28,926,914	<b>Grants in lieu of taxes*</b>
369,394	-	6,341	-	2,041,670	<b>User fees and sales of services</b>
126,760	-	-	-	714,993	<b>Investment Income</b>
759,925	-	23,124	3,062,638	9,817,394	<b>Other - general revenue*</b>
1,529,963	17,981	1,517,200	-	3,436,608	<b>Other revenue</b>
34,585	-	26,804	-	268,626	<b>Development cost charges</b>
-	-	722,823	-	1,884,252	<b>Donations and contributions - capital</b>
954	-	-	-	1,689,363	<b>Transfers from other governments - capital</b>
153,970	-	-	-	2,577,609	<b>Transfers from other governments - operating</b>
104,813	-	27,994	-	132,807	<b>Casino revenue sharing*</b>
7,200,293	989,414	1,346,379	-	10,008,286	<b>Municipal Finance Authority refunds &amp; debt forgiven</b>
(183,396)	(14,464)	(20,026)	-	(246,782)	<b>Developer contribution at subdivision</b>
28,253,482	5,754,749	14,871,141	3,062,638	143,196,450	<b>Gain (Loss) on sale of assets</b>
8,751,389	804,423	1,784,619	-	51,532,550	<b>Expenses</b>
5,798,575	492,313	713,963	-	37,751,177	<b>Wages and salaries</b>
8,307,026	499,956	2,533,711	-	19,455,054	<b>Services &amp; Supply Contracts</b>
2,489,363	210,838	477,965	-	6,607,893	<b>Amortization</b>
1,501,187	1,594,854	2,406,770	-	12,778,190	<b>Material and supplies</b>
141	-	118,260	-	1,773,775	<b>Other</b>
26,847,681	3,602,384	8,035,288	-	129,898,639	<b>Interest payments on debt</b>
(3,862,108)	-	-	-	(6,634,316)	<b>Interprogram credits</b>
\$ 5,267,909	\$ 2,152,365	\$ 6,835,853	\$ 3,062,638	\$ 19,932,127	<b>Excess (Deficiency) of revenues over expenses</b>
\$ 11,563,557	\$ 2,105,966	\$ 8,421,368	\$ -	\$ 33,440,976	<b>Expenditures on capital projects</b>

# Financial Statements

CITY OF NANAIMO  
SCHEDULE OF TANGIBLE CAPITAL ASSETS  
for the year ended December 31, 2011

	ASSETS				ACCUMULATED AMORTIZATION				NET BOOK VALUE	
	Balance December 31, 2010	Additions	Disposals	Transfers	Balance December 31, 2011	Balance December 31, 2010	Additions	Disposals		Balance December 31, 2011
Land	\$ 58,858,024	\$ 2,981,831	\$ 2,175	\$ 22,507	\$ 61,860,187	\$ -	\$ -	\$ -	\$ 9,914,499	\$ 61,860,187
Land improvements	22,216,548	2,029,155	129,400	287,851	24,404,154	9,036,359	979,164	101,024	9,914,499	14,489,655
Leasehold improvements	2,106,458	-	-	-	2,106,458	1,427,320	100,269	-	1,527,589	578,869
Marine	867,490	-	-	-	867,490	519,716	49,659	-	569,375	298,115
Buildings	171,072,996	261,603	254,111	218,016	171,298,504	44,687,097	4,534,696	236,955	48,984,838	122,313,666
Vehicles and equipment	28,854,030	1,812,656	1,615,953	60,213	29,110,946	16,111,121	2,081,827	1,455,238	16,737,710	12,373,236
Computer	7,082,343	15,081	30,200	15,075	7,082,299	4,948,590	626,463	30,200	5,544,853	1,537,446
Storm	91,359,419	1,078,921	27,900	188,309	92,598,749	20,592,257	1,439,572	25,654	22,006,175	70,592,574
Transportation	275,738,339	3,197,660	435,769	100,916	278,601,146	130,116,133	6,363,924	429,092	136,050,965	142,550,181
Sewer	24,853,425	868,082	-	147,603	25,869,110	9,484,394	475,552	-	9,959,946	15,909,164
Water	145,231,977	1,987,051	78,265	22,952	147,163,715	48,464,379	2,509,529	61,655	50,912,253	96,251,462
Work in progress	3,284,076	15,501,922	-	(1,063,442)	17,722,556	-	-	-	-	17,722,556
	\$ 831,525,125	\$ 29,733,962	\$ 2,573,773	\$ -	\$ 858,685,314	\$ 285,387,366	\$ 19,160,655	\$ 2,339,818	\$ 302,208,203	\$ 556,477,111

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	13,180,189
Leasehold improvements	2,106,458	-	-	-	2,106,458	1,323,037	104,283	-	1,427,320	679,138
Marine	807,047	60,443	-	-	867,490	472,744	46,972	-	519,716	347,774
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	126,385,899
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	12,742,909
Computer	6,359,321	501,484	55,100	276,638	7,082,343	4,456,106	547,584	55,100	4,948,590	2,133,753
Storm	88,613,499	2,757,220	11,300	-	91,359,419	19,192,928	1,410,629	11,300	20,592,257	70,767,162
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	145,622,206
Sewer	22,915,010	1,990,708	72,134	19,841	24,853,425	9,095,182	446,882	57,670	9,484,394	15,369,031
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	96,767,598
Work in progress	6,085,185	2,083,095	-	(4,884,204)	3,284,076	-	-	-	-	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