



# The Corporation of the City of Nelson

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

## 2010 Annual Report

For the year ending December 31, 2010

The City of Nelson 2010 Annual Report has been prepared by the Corporate Services Department, with contributions from City departments and related organizations.



# Table of Contents

	Page
<b>INTRODUCTION</b>	
Message from the Mayor .....	5
City of Nelson Council .....	6
2010 Council Committees .....	7
Organizational Chart .....	8
Report from the City Manager .....	9
City of Nelson 2010-2012 Strategic Objectives and. Performance .....	10
Community Profile .....	12
Municipal Departments—City Manager’s Office .....	13
Municipal Departments—Corporate Services .....	14
Municipal Departments—Operations .....	18
Municipal Departments—Fire .....	22
Municipal Departments—Police .....	24
Municipal Departments—Nelson Hydro .....	25
Municipal Department—Library .....	26
Municipal Buildings .....	27
Municipal Infrastructure .....	29
<b>FINANCIAL SECTION</b>	
Chief Financial Officer report .....	32
Responsibility for Financial Reporting.....	34
Auditors’ Report .....	35
Consolidated Financial Statements .....	36
Notes to the Consolidated Financial Statements .....	40
Supporting Schedules .....	48
<b>STATISTICAL SECTION</b>	
2010 Property Tax Exemptions .....	68
General Comparative Statistics .....	69
Major Projects Expenditure Program 2011 – 2015.....	70
Summary of Long Term Debt .....	71
2010 Property Assessments and Tax Rates by Property Class .....	72
Assessment/Taxation Comparative Statistics .....	73
2010 Municipal Tax Analysis .....	74
2010 Revenues Chart .....	75
2010 Expenditures Chart .....	76
Expenditures by Object Chart .....	77



# Introductory Section





# Message from the Mayor

I am pleased to share with you once again the progress that Council has made during the past year. We have established some complex multi-year planning priorities, many of which included significant community consultation. While planning is important, it is having the capacity to take action that is critical, and this past year we have once again achieved a good mix of planning and action.

As a Director of the Federation of Municipalities (FCM), a common theme heard across Canada is the problem of aging infrastructure. Although we have our challenges, I am pleased to say the plans we have put in place, coupled with the progress we are making in addressing our infrastructure deficit, puts Nelson out front. This is not the case across the country where many communities have lost control of their public infrastructure because they could no longer afford the maintenance necessary. This is one of many reasons that we feel investing in our infrastructure is so important.

We invested almost \$8,000,000 in capital in 2010. This includes \$4,800,000 on our utilities (water, sewer and hydro);, \$1,200,000 on roads, sidewalks, bridges and storm, \$1,300,000 on equipment, vehicles, technology and buildings and finally \$650,000 on parks. Some of the highlights include the library renovations, the new Davies Street Park, the Baker Street Bridge and the Nelson Hydro Downtown conversion. In addition to this, we continue with day-to-day upgrades and replacement of water and sewer mains, the sewage treatment plant, hydro poles and transformers, and repairs to roads and sidewalks.

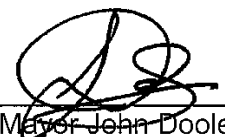
In 2010 Council also approved four important planning documents that will guide the community into the future. These are the Path to 2040 Sustainability Strategy, the Active Transportation Plan, the Affordable Housing Strategy and the Corporate Greenhouse Gas Reduction Plan. In 2011 Council approved the Sustainable Waterfront and Downtown Master Plan and will be receiving the Community Climate and Energy Plan and the Sanitary Sewer Master Plan soon.

I am very pleased to note that Council, staff and the community are actively working towards the goals in these plans. Many steps were taken toward the goals of the Active Transportation Plan, including the alignment of our sidewalk replacement plan and our sidewalk snow ploughing routes, a provision for the extension of the waterfront pathway in proposed new developments and the use of grant funds to improve connections to the BNR, create new sidewalks from LVR to Selkirk College and add new sidewalks and trails on lower Baker Street. The sustainability matrix from the Path to 2040 Sustainability Plan has become an integral part of our process when we are considering new development, and other proposals and policy development. The Housing Strategy supported a funding application by the Canadian Mental Health Association - Kootenays which received \$3,200,000 in funding to create 33 new subsidized housing units in Nelson. The Selkirk College Dorm renovation project will also deliver 100 new beds. We have implemented a number of the recommendations in the Corporate GHG Plan and we are realizing energy savings in our building and reducing GHGs. Developers are already aligning their developments with goals of the recently adopted Sustainable Waterfront and Downtown Master Plan.

Last year I reported on our many partnerships with the Province, the Federal Government, the RDCK and various community organizations that have led to the realization of important community goals. Two very important projects, the Kootenay Lake Hospital new Emergency Room and the Selkirk College Dorms, are both well underway and will be completed during 2011. We have been working hard with our Regional District colleagues on waste management and we are making exciting progress. The RDCK has now acquired a new site for the Nelson Transfer Station. This is one step that will both improve waste management operations throughout the RDCK, and, just as importantly, return this valuable piece of waterfront land back to the City.

All of these important planning documents have led to policy development and provided greater clarity for Council, staff, and the community, which in turn will help us determine appropriate budgets, priorities and fees.

None of this would have been possible without the dedication of our employees, our many community volunteers, service clubs, partner organizations and the business community. I would like to thank all of you for your on going commitment to this wonderful community of ours.



Mayor John Dooley



# Nelson City Council 2008–2011



Mayor John Dooley



Bob Adams



Robin Cherbo



Deb Kozak



Kim Charlesworth



Donna Macdonald



Margaret Stacey

An elected Council comprised of a Mayor and six Councillors governs the City of Nelson. Councillors are elected for three year terms and each member of Council represents the City at large. The Local Government Act and the Community Charter give Council the authority to set budgets, levy taxes and establish policies to guide the growth, development and operation of the City for the benefit and protection of its citizens.

The powers of the Mayor and Council are exercised through the adoption of resolutions or the enacting of bylaws at Council meetings. Members of the public are welcome to attend open council meetings. See the City website at [www.nelson.ca](http://www.nelson.ca) for information regarding dates and times of meetings.



# 2010 Council Committees

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

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

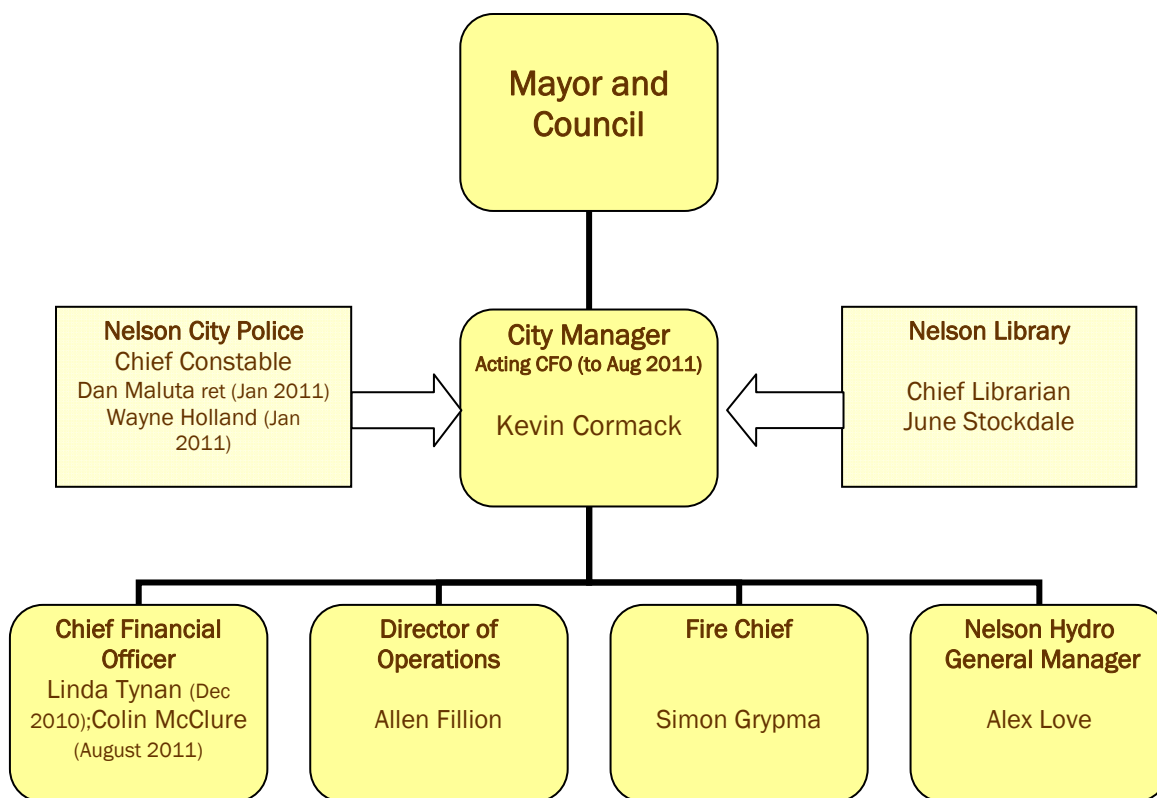
## Standing Committees (established by Mayor)

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

## Council Liaisons/Portfolios

Advisory Planning Commission	Councillor Adams/Stacey
AFKO	Councillors Macdonald & Charlesworth
Chamber of Commerce	Councillors Kozak & Stacey
Economic Development/Business/Tourism/Events	Councillors Kozak & Stacey/Cherbo
Education (SD #8, Selkirk College)	Councillors Cherbo & Adams
Environment	Councillors Charlesworth/Adams/Macdonald
Healthy Communities	Councillors Cherbo & Adams
IZUSHI Friendship, Baie-St-Paul, Onagawa	Councillors Macdonald & Charlesworth
Nelson Business Association	Councillors Kozak & Stacey
Nelson & District Arts Council	Councillors Macdonald & Charlesworth
Nelson Electric Tramway	Councillor Cherbo
Nelson Committee on Homelessness	Councillors Cherbo & Adams
Nelson Pilot's Association	Councillor Cherbo
Parks	Councillors Kozak & Stacey
Recreation and Youth	Councillors Kozak & Stacey
Seniors' Services	Councillors Cherbo & Adams
Social Planning	Councillors Cherbo & Adams
Sports Council, GOGA	Councillors Kozak & Stacey
Touchstones	Councillors Macdonald & Charlesworth
Treaty Advisory	Councillor Adams
Tri-Cities	Mayor Dooley/Councillor Adams
2010 Winter Olympics Torch Relay	Councillors Kozak & Stacey

# Organizational Chart



## Municipal Officers 2010

Chief Administrative Officer.....Kevin Cormack  
 Corporate Officer.....Frances Long  
 Chief Financial Officer.....Colin McClure (Aug 2011)  
 Approving Officer.....Dave Wahn  
 Municipal Auditors.....Berg, Naqvi, Lehmann  
 Municipal Bankers.....Bank of Montreal

# Report from the City Manager

It was back in 2009 that Council first initiated some very complex planning projects. The path was originally set by completing an initial assessment as to the City's and the community's readiness to engage in these in-depth planning exercises. A small working group identified some initial focus areas and staff went out and secured grant funding to provide the necessary resources to get these projects completed.

I certainly never envisioned at the time that it would take almost a full three years to complete these important planning exercises. Over this time we had extensive community consultation processes, we worked with some excellent consultants and our staff and Council went beyond the call of duty to ensure we were getting the very best product possible. All involved recognized that it is vitally important that we have a long-term vision of where the community is going over the next 10, 20, 30 years.

I would like to thank all of our community volunteers for the hundreds of hours that they put in to complete these planning exercises. We had broad based participation in the plans and I am confident that they reflect the community's values. I also want to give a special thanks to our Development Services and Sustainability department who carried the bulk of the load in keeping these projects on track.

In 2010, Council approved the four important planning documents: Path to 2040 Sustainability Strategy; the Active Transportation Plan; the Corporate Greenhouse Gas Reduction Plan and the Affordable Housing Strategy. Three other planning documents will be approved in 2011: the Sustainable Waterfront and Downtown Plan; the Community Climate and Energy Plan and the Sanitary Sewer Master Plan.

Couple this with the recent update of the Official Community Plan in 2008 and the completion of the Water Master Plan back in 2007, and the City now has the major building blocks in place. The final holes will be filled in 2011/12 with the completion of a Facilities Maintenance Plan; an Information Technology Plan and the Storm Water Plan. The Regional District is also in the process of completing a Recreation Master Plan for the Greater Nelson area.

The fruits of this solid planning are already paying off, the City has a very good reputation with the Province for our planning and this translates into grant funding. Many important recent projects have been funded through grants, including improvements to our walking and cycling routes, movement forward on the waterfront and downtown plan; and upgrades to our water and sewer infrastructure.

The City has a solid plan in place to address our infrastructure deficit in utilities (water, sewer and hydro) and we are making the necessary long-term investments to ensure these critical community assets remain in public hands. We are already seeing the development community embrace the goals of the waterfront and downtown plan and the City is aligning its spending priorities with the vision as articulated in these very important planning documents.

All of these major initiatives made 2010 another extremely busy year. We also moved forward on numerous smaller initiatives such as developing a new park at Davies Street, developing the geo-thermal project for the 10<sup>th</sup> Street Campus dorms and the wildfire mitigation work in our interface areas to name just a few.

And of course, we continue with our day to day operations such as: snow clearing, maintaining parks, providing public safety, library services, a youth centre and all of the various other services that are so vital to the City. It requires a tremendous team of dedicated and committed City employees to make this all happen and I would like to thank them all for their outstanding contribution to this City of ours that we are so very proud of!



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

Kevin Cormack, City Manager

# City of Nelson Strategic Objectives 2010 - 2012

Key Objectives	Performance Measure	Progress to date (August 2011)
<b>1. Sustainability Plan</b>	Council approves a sustainability plan to give broad direction which then becomes the overarching planning document; all other planning documents are consistent with the sustainability plan.	The Path to 2040 Sustainability Strategy was approved by Council in 2010. The plan is a comprehensive approach to sustainability which includes ten core focus areas. A sustainability matrix was also developed which assists staff and Council in their decision making, budget priorities and policy development. This plan was integral to the development of other planning documents including the Sustainable Waterfront and Downtown Plan and the Community Climate and Energy Plan.
<b>2. Transportation</b>	<ul style="list-style-type: none"> <li>• Council approve an active transportation plan</li> <li>• CP Stationhouse acquired and supports the transit and active transportation system</li> <li>• Trail improvements completed</li> </ul>	<ul style="list-style-type: none"> <li>• The Active Transportation Plan approved by Council in 2010 and a number of improvements have been made to the City's walking and cycling routes—a key recommendation in the report.</li> <li>• Phase 1 of the renovations to the CP Stationhouse have been completed including the washrooms, and sidewalk upgrades to Cottonwood Park.</li> <li>• Two access point to the BNR trail were completed in 2010, one at the top of Stanley Street and one through Davies Street Park. The access trails were completed with grant funding.</li> </ul>
<b>3. Climate Change</b>	<ul style="list-style-type: none"> <li>• Complete and implement the corporate GHG emission reduction plan</li> <li>• Identify and implement adaptation strategies</li> </ul>	<ul style="list-style-type: none"> <li>• The plan has been completed and approved by Council, targeted reductions are a reduction of GHG of 25% by 2012 ; funds have been budgeted and a number of energy reduction initiatives have been implemented.</li> <li>• A fuel load reduction study was completed in 2009 and implementation is ongoing.</li> </ul>

# City of Nelson Strategic Objectives - 2010 - 2012

Key Objectives	Performance Measure	Progress to date (August 2011)
4. Waterfront Masterplan	Approval from Council.	The Sustainable Waterfront and Downtown Plan approved by Council in June 2011. Some of the key recommendations in the plan include better integration of the downtown and waterfront; encouraging density on the waterfront and encouraging more residential downtown; Baker Street remaining the economic hub of the community; increasing the accessibility of the waterfront by extending the waterfront pathway and creating two new anchor parks. We are already seeing the goals of the plan being embraced by the development community.
5. Housing	<ul style="list-style-type: none"> <li>Identify the role of Council in housing</li> <li>Encourage coordination between those organizations that are involved in housing</li> <li>Encourage the development of additional housing options by both the private and public sector</li> </ul>	<ul style="list-style-type: none"> <li>The Affordable Housing Strategy approved by Council in 2010.</li> <li>Council established the Nelson Housing Forum, the group is active and this has improved the communication between housing providers in Nelson.</li> <li>A number of private developments were completed or are in the planning stage: these include smaller multi-family units; a new phased town house development and the upgrade of the 10th Street student residences and a new 33 unit subsidized housing development funded through BC Housing.</li> </ul>
6. Regional Planning Services	<ul style="list-style-type: none"> <li>Improve regional service delivery</li> </ul>	<ul style="list-style-type: none"> <li>Library—regional feasibility study completed. Referendum done and was successful in two electoral areas.</li> <li>Skatepark— feasibility study to locate the outdoor park at NDCC approved and fund raising underway.</li> <li>Central Waste—the RDCK has identified an alternative location for the Nelson Transfer Station and funds are being budgeted for development. The Sustainable Waterfront and Downtown Plan has identified the current site as a future park.</li> <li>Nelson and Area Directors meetings have been ongoing and are focused on joint services.</li> </ul>

# Community Profile



The City of Nelson is located on the west arm of Kootenay Lake. Incorporated as a City on March 18, 1897 under the "*Speedy Incorporation of Towns Act*", Nelson continues to be the government, financial, trading and educational centre of the Central Kootenay Region. Nelson, the Heritage Capital of the Kootenays, boasts in excess of over 150 registered heritage buildings. Self-guided, heritage walking tours and driving tours are available on a year-round basis.

Nelson's historical buildings have attracted a number of movies to be produced in the City, and Nelson is still often scouted by Hollywood for other movies.

The Nelson Electric Tramway Society operates a completely restored streetcar on the City's waterfront.

Nelson is located in the Selkirk Mountains and is ideally located for recreation. An 18-hole golf course is located within the municipal boundaries. A first-class ski hill is 30 minutes from the downtown core. The world-renowned Kokanee Glacier is within sight of Nelson and a 30-minute drive away. Many other recreational opportunities exist nearby. Kootenay Lake offers

fishing, sailing and hundreds of beautiful beaches.

Although the population of the City of Nelson is only 9,923, it is central to a trading area in excess of 25,000. The residents of Nelson have come to expect amenities that are normally only found in a community much larger than Nelson.

Nelson experienced economic decline during the early eighties. Since then, the population has grown by an average of over 2% per year to the current population. Much of the regional population growth is in the immediate rural areas surrounding the municipal boundaries.

New electrical utility connections within and outside the municipal boundaries also indicate a 2% annual population growth in the immediate area. Many of the new residents are people who are fleeing the urban centres but who are still looking for the services provided in much larger cities.

Clean drinking water, fresh air and the pristine Kootenay Lake contribute to the City's high quality of life. Nelson has no polluting industries nor does it have a large industrial tax base. In an effort to continue economic diversification, small businesses are establishing a new economic base in the Nelson area. There were approximately 1,039 business licences issued in 2010.

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

Nelson is rich in cultural life and provides high-quality theatre drama, music and dance programs. Many local artists produce their products in Nelson, some selling locally and others selling across Canada and internationally. Nelson hosts several cultural and musical festivals annually.

Nelson, due to its scenery, moderate climate, amenities and unpolluted environment has developed a quality of life that is attractive to new residents and businesses.

# Municipal Departments - City Manager's Office

## **Kevin Cormack, BComm, CA., City Manager**

The City Manager's office supports Council's strategic planning efforts and oversees the administration of the City, its officers and employees. This department provides recommendations to Council that reflect facts, options and professional opinion pertaining to issues considered by Council and developing in the community.

The City Manager's office takes the lead role in managing the implementation of policy direction established by Council. It provides leadership and direction to all City departments and operations.

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

### **2010 Highlights**

- One of the key focuses for 2010 was launching three key planning processes: the overall sustainability plan, the downtown and waterfront plan and the community energy plan. Each of these plans are guiding documents for the City and the community. This was a huge undertaking by all involved.
- We restructured in 2010 giving new responsibilities and opportunities for growth to some of our staff. We created a new department: Development Services and Sustainability that is responsible for planning, building inspection and sustainability. Corporate administration was restructured to allow for a stronger focus on the legislative side to ensure our policies, bylaws, contracts etc. are being updated in a timely and proactive fashion.
- Council continued to invest in the City's core assets with capital expenditures of \$8M. We received competitive pricing across our projects which has resulted in a number of the capital projects being delivered under budget.

## **Departmental Goals**

### **Council Portfolio Priority Setting**

Support the growth of Council's approach to working with community groups. Council has established the following Council portfolios: Arts & Culture; Environment; Economic Development; Healthy Communities and Recreation and Youth. The goal is for the councillors involved in the portfolio to have an overall view of the various initiatives that community groups are involved with and to take a strategic approach to supporting community initiatives. Portfolios will create a vehicle to allow the community and Council to work together, strategically, on important community initiatives.

### **Staff development**

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

### **Document Management**

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

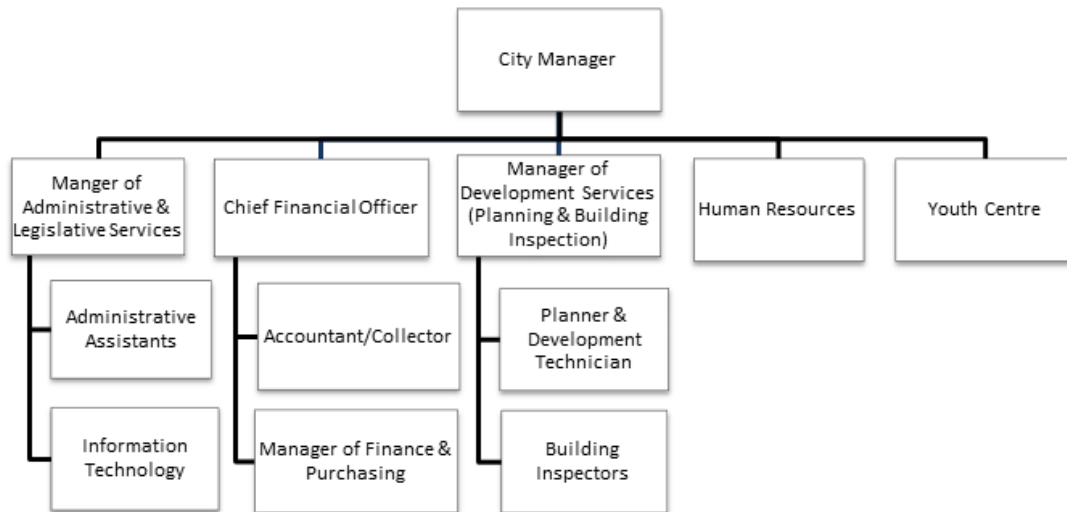


# Municipal Departments - Corporate Services

The Corporate Services function includes many departments including Finance, Information Technology, Legislative Services, Administration, Development Services and Community Services.

Corporate Services also includes the functions of the Corporate Officer. The Corporate Officer facilitates the business of Council by preparing minutes and agendas, preparing, reviewing and providing advice on municipal bylaws, and initiating the follow up action to Council Meetings.

In August 2011 the City welcomed Colin McClure to the Chief Financial Officer position.



## Finance Section

**Linda Tynan - Chief Financial Officer (December 2010)**

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

**Jeanette McCarvell - Accountant/Collector**

**Suzanne Rorick - Manager of Finance and Purchasing**

The Finance Department is responsible for the financial management of the City's assets. The Finance department's primary responsibility is the planning, implementation and monitoring of the City's five year financial plan for operating expenditures and capital expenditure plan. Staff must work closely with all other departments as well as the Nelson Police, the Nelson Municipal Library and the Nelson and District Youth Centre.

Functions of the department include levying and collection of taxes, administration of the annual tax sale, collection of water, sewer, garbage and hydro rates, processing of accounts payable, parking control and payroll. This section is also responsible for purchasing, procurement and inventory control.

## Legislative Services Section

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

Legislative Services ensures Council is provided with relevant information from City staff, committees and the general public. It provides the public with information related to activities of Council, ensures meeting and agenda material is

# Municipal Departments - Corporate Services

complete and provides the necessary information for decision making. It is responsible for the preparation of bylaws and agreements. Additional responsibilities include maintenance of the City's policy manual. This section of the department executes legal documents, handles insurance claims and responds to correspondence and inquiries.

In addition, Legislative Services is responsible for carrying out procedures for local government elections as required under the provisions of the *Community Charter*, and is the Freedom of Information administrator for City operations.

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

## Development Services

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

**Dallas Johnson - Planner (to May 2011)**

**Daphne Powell - Planner (Aug 2011)**

**Linda Watkin - (to May 2011)**

**Shelley Miller - (September 2011)**

**Bernie Zimmer - Chief Building Official**

**John Southam - Building Official**

The planning section is responsible for the City's current planning and development (including the processing of rezoning, development permits, development variance permits), environmental planning and long-term land use planning (including updating of the Official Community Plan), property records maintenance, Advisory Planning Commission and Community Heritage Commission.

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

The City of Nelson's long-term vision recognizes the importance of planned growth and development that balances the City's respect for its heritage and traditional values and provide opportunity for modern development. The planning section is leading the work on community-wide sustainability.



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

Building Section Staff assists the public in understanding the relevant Provincial and municipal legislation governing construction. The department is also responsible for enforcement of the Business Licence and the Untidy Premise Bylaws.

Building Section Staff manages the on-going maintenance of 310 Ward Street and is coordinating all corporate GHG projects for the site.

# Municipal Departments - Corporate Services

## Corporate Services Department Achievements 2010

- Implementation of updated purchasing policy
- Implementation of new cashiering software
- Completion of the Path to 2040 Sustainability Strategy
- Completion of the City of Nelson Active Transportation Plan
- Completion of the Affordable Housing Strategy
- Issuance of 174 Building permits valued at \$18M
- Review of 5 Subdivision applications
- Review of 76 Development applications (variances/development permits/rezoning)

## Corporate Service Department Goals 2011/2012

- |            |  |
|------------|--|
| 2011       | Completion of SUSTAINABLE WATERFRONT AND DOWNTOWN MASTER PLAN  |
| 2011       | Completion of COMMUNITY CLIMATE AND ENERGY PLAN  |
| 2011       | Completion of a new Subdivision Bylaw  |
| 2011 -2012 | Policy Updates to Official Community Plan and Zoning Bylaw as Per Community Climate and Energy Plan, Sustainable Waterfront-Downtown Master Plan, Affordable Housing Strategy and the Active Transportation Plan |
| 2011/2012  | Records Management System implemented organization wide  |
| 2012       | Completion of new Zoning Bylaw   |
| 2011/2012  | Updating of many out of date bylaws  |

# Municipal Departments - Corporate Services

## Nelson and District Youth Centre

Christine Schmidt - Youth Centre Manager



The Nelson & District Youth Centre (NDYC) was established as a department of the City of Nelson in December 1997. The centre's mission statement is:

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

NDYC also operates the Youth Employment Resource Centre (YERC). The resource centre offers employment services to youth age 15-30. The Youth Employment Resource Centre offers one-on-one assistance, workshops, a resource library, computer services, and internet access for employment searches. The employment centre is supported by the Ministry of Housing and Social Development, Employment Labour Market Services. The Youth Centre's programs can be found at [www.nelson.ca](http://www.nelson.ca) and the Youth Employment Resource Centre website is [www.yerc.ca](http://www.yerc.ca).

### **Department Achievements 2010**

- 15,786 total visits to the Nelson and District Youth Centre
- 1,390 Hours of volunteer contribution
- Great staff
- Youth Gardens
- Large scale mural involving 12 youth artists
- Helmet awareness calendar
- Ramp rebuild and resurfacing



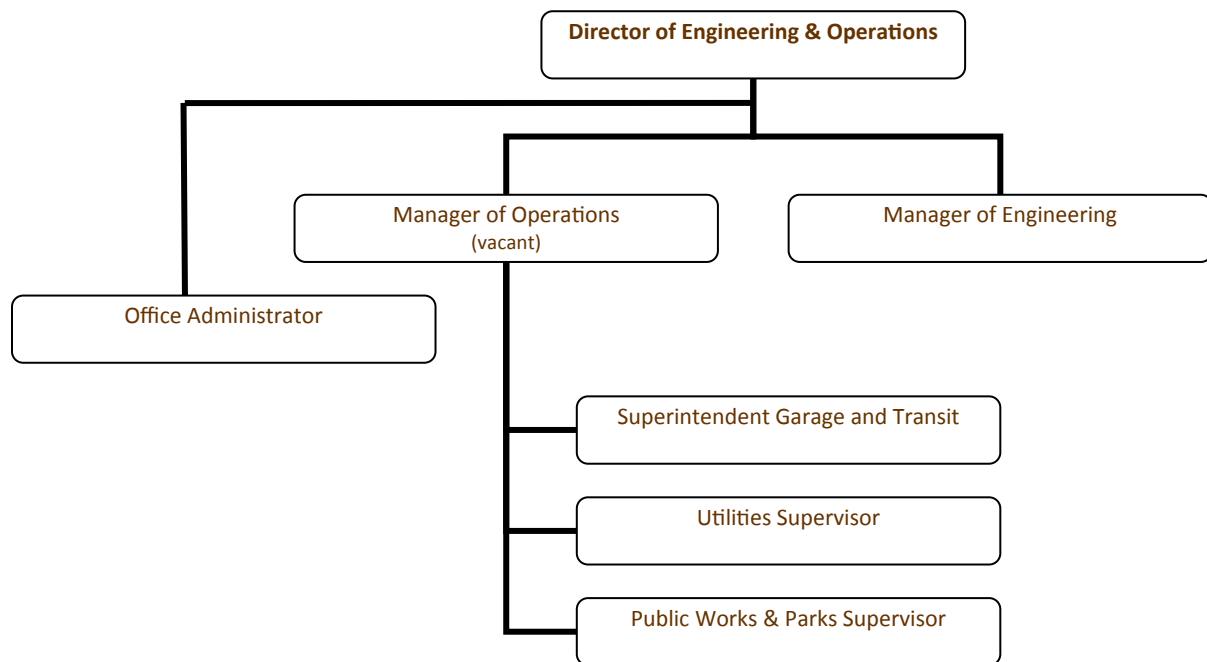
### **Department Goals 2011 / 2012**

- Planting the youth gardens at the beginning of the growing season
- Diversifying NDYC revenues by managing the Nelson City Campground
- Food Security/partnerships target 2012
- Delivering a Skills Link program funded by Service Canada, January 2012
- Healthy lifestyles for youth, healthy eating workshops for youth
- Improvements to the Jam (Music) Room

# Municipal Departments - Operations

## Allen Fillion - Director of Engineering and Operations

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





# Municipal Departments - Operations cont'd

**Allen Fillion - Director of Engineering and Operations**

**Rob Nystrom - Manager of Engineering**

**Gil Bogaard - Utilities Supervisor**

**Barry Turner - Public Works, Parks Supervisor**

**Rodi DeVuono - Superintendant Garage and Transit**



Responsible for the maintenance and construction of municipal roads, sidewalks, bridges, storm drains, public wharfs, solid waste collection, and the Mapping/CAD department. The department is also responsible for winter snow removal and sanding City streets and selected sidewalks.

Provides engineering, drafting and survey information for Utility maintenance and new construction

The Mapping/CAD Department provides services to Nelson Hydro and City Administration as well as for the Public Works Department.

## Water and Sewer Utility

The Water Utility provides quality water through a gravity system supplied by three creeks: Five Mile, Anderson and Selous. The city has been aggressively upgrading the system and has implemented a number of conservation measures.

The Sanitary Sewer Utility collects the raw sewage, and through a system of mains and five pump stations, transfers it to the Sewage Treatment Plant. The city has a on-going capital program to renew the sanitary sewer infrastructure.

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



# Municipal Departments - Operations cont'd

## Garage and Transit

The City's Garage maintains approximately 116 pieces of equipment for all departments. The City has established an Equipment Replacement Reserve to fund the replacement, upgrade and purchase of additional equipment. The City of Nelson operates one of the first established transit systems in the province. The Nelson streetcar system established in 1899 was the smallest system in the British Empire.

The transit system has operated continuously since that time. The City is the operator of the City transit system as well as the Regional transit system, operating a total of 6 buses and offering service 6 days per week. Funding for Regional services is provided by the Regional District of Central Kootenay and BC Transit. The City is partnered with BC Transit for the operation of the Nelson Transit System with funding as provided by provincial legislation.



## Parks & Recreation Facilities

The Parks and Recreational Facilities section is responsible for the maintenance of eleven municipal parks and playing fields covering 23.7 hectares.

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

As well as the municipal parks, this department maintains the flowers and trees in the downtown core area, and operates the 45-acre Nelson cemetery, known as the Nelson Memorial Park.



# Municipal Departments - Operations cont'd

## Highlights & Accomplishments 2010

- Design for UV disinfection & hypochlorite generation system for Mt Station reservoir
- Cemetery irrigation project completed
- Baker Street Bridge crossing of Cottonwood Creek completed
- City Parkade concrete deck repairs and resurfacing completed
- Phased development of Davies Street Park and completion of two LocalMotion Pathway projects
- Re-lined 1.2km of sanitary sewer pipe
- Ventilation and process improvements at the Sewage Treatment Plant



## Operations 2011 / 2012 Departmental Goals

- **To ensure clean, potable water to all residents of Nelson**
  - Continued Implementation of Water Master Plan
  - To continue to upgrade the water distribution system through replacement of old distribution
  - Compliancy with IHA water regulations
  - Installation of UV disinfection & hypochlorite generation system at Mt Station reservoir
- **Investment in City facilities**
  - Concrete repair to Parkade
  - Replacement of boiler systems in the Civic Arena and City Hall
  - Develop facilities management plan
- **Complete Wastewater Master Plan**
- **Continue program to reline sanitary pipes and divert storm water from the sanitary system**
- **Continue developing the new Davies Street Park and Rosemont Park**
- **Sanitary lift station upgrades**
- **PRV upgrades**

# Municipal Departments - Fire

**Simon Grypma - Fire Chief**

**Bob Slade - Deputy Fire Chief**

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

The department provides a Fire Prevention Program as required in the regulatory provisions of the *Fire Services Act* and the Fire Bylaw no. 3077. The department also conducts public education programs to inform the public on Wildfire and urban residential fire safety issues. These issues include the promotion of the concept for a Fire Smart Community.

The department consists of a Fire Chief, Deputy Fire Chief, four Captains, six full-time Firefighters, a secretary/dispatcher, and 20 Auxiliary Firefighters. In addition, the Nelson Fire Department also services an area of approximately 2000 residents through a contract with the Regional District of Central Kootenay.

## Operations Goal

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

## Fire Prevention Goal

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



## Training Goal

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

## Safety Goal

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

## Facilities Goal

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

## Legislation & Recommended Practices

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

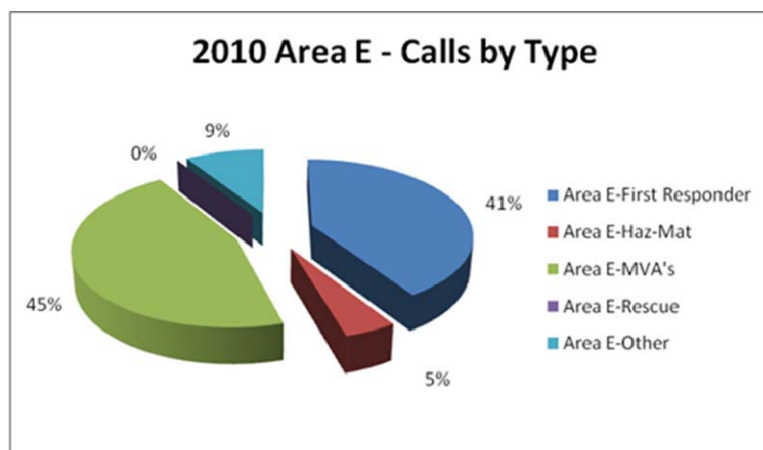
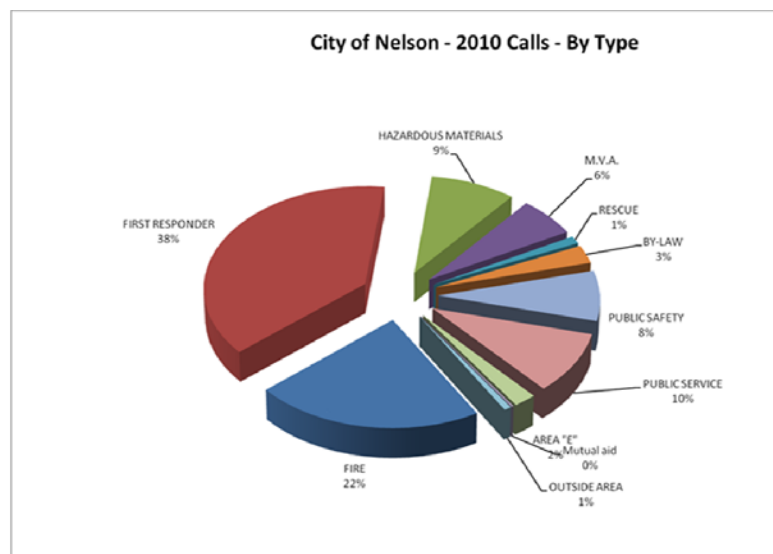
# Municipal Departments - Fire cont'd

## Training Report

- Captain Mike Daloise appointed as the new Training Officer.
- Organized and participated in a successful Interagency Cooperative Exercise Training Session in June with other local emergency response departments
- Outreach Program
- Developing Certified Live Fire Training Site at Selkirk College
- All career members completed Company Officer 1 & 2 training
- Training for auxiliary members included both practical and theory in preparation for the 2011 certification program.

## Fire Prevention Report

- Captain Rick Maida was appointed as the new Fire Prevention Officer in 2010.
- The focus for 2010 has been on commercial properties within the City of Nelson and the development and completion of preplans for these premises.
- The Fire Prevention Officer attended the 2010 Fire Prevention Officers Association of BC annual conference in Williams Lake.



# Municipal Departments - Police



**Dan Maluta - Chief Constable (retired January 2011)**

**Wayne Holland - Chief Constable (January 2011)**

**Henry Paivarinta - Deputy Chief Constable**

Nelson has one of the oldest police forces in the province, dating back to the City's first Council meeting in 1897. Our police service is the only independent municipal force in the interior of British Columbia.

The sworn and civilian men and women of the Nelson Police Department strive to provide a safe, crime-free community for citizens of all ages to learn, work and live in.

The City of Nelson provides funding for the Department, which is administered by the Police Board under the provisions of the *Police Act*. The Police Board consists of six members, one of whom is appointed by Council and four by the Province, with the Mayor serving as Chair. The Department is under the command of the Chief Constable, with one Deputy and a total complement of twenty-one sworn officers.

The force is structured with two patrol teams, each with a Sergeant in charge, designated Beat Officers, two Detectives in the GIS Section and a Community Policing officer. Also under command of the Chief Constable is the Bylaw Department, consisting of three Bylaw Enforcement officers, a two-person Integrated Victim Services Unit, four full-time Police Dispatchers and two administrative positions. The Department has four officers in seconded positions, both in the Integrated Road Safety Unit (IRSU) and in the RCMP Integrated Border Enforcement Team (IBET).

Our officers remain very engaged at the patrol level, with one of the highest case burdens per member among the British Columbia Municipal police forces. In the spirit of community policing in this thriving and diverse "core city," the Department deploys officers to proactively conduct downtown foot-patrols, and is engaged in a host of crime prevention and youth mentoring programs. **Our Vision is "Safe Community through Policing Excellence".**

## Department Achievements 2010

- Participation by four personnel in policing services for the 2010 Olympic Winter Games in Vancouver BC
- Establishment of a partnership with the Nelson Rotary Daybreak Club to combat graffiti in our community
- Establishment of a partnership with Crimestoppers BC to provide a centralized office at Nelson Police Headquarters to efficiently serve the West Kootenay region
- Identification of a new Chief Constable

## Departmental Goals— 2011

- Development and implementation of a Five Year Strategic Plan
- Development and implementation of various public order, street and traffic and community safety bylaws along with a "Bylaw Adjudication" process
- Development of a public order and criminal offence "Alternative Dispute Resolution" process
- Development of a Police Foundation, to fund initiatives and training that are not normally funded by means of the annual policing budget
- Empowering civilian staff to accomplish administrative tasks on behalf of police personnel, to maximize the time operational officers are actually out in the community



# Municipal Departments - Nelson Hydro



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

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

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

Nelson Hydro presently has over 9,800 customers, of which 58% are within the municipality. Total system load is now approximately 165,000 MWh per year.

In 2010, Nelson Hydro transferred \$2,100,000 in dividends to the General Revenue Fund.

The City operates the Bonnington falls generating facility which is a 15 MW hydro plant on the Kootenay River 14 KM west of Nelson. The hydro plant has 4 operating generators producing 70% of the summer electrical energy needs and approximately 43% of the winter energy requirements. In 2010 the plant produced approximately 86,000 MWh of energy.

## Achievements in 2010

- **College Heating Project - Installation of geothermal heating system at 10th Street Campus dormitories.**
- **Corporate Green House Emissions Reduction Planning - The City was recognized by the FCM for achieving milestone 3 of the Partners in Climate Protection Plan**
- **Downtown Voltage conversion - civil work began with installation of underground systems and transformer pad locations**
- **Design for Rosemont substation completed**
- **Street Light Dimming pilot project**
- **Regulatory - Nelson Hydro along with the other municipal utilities was successful in reducing a wholesale rate increase from 22% down to 5%**

## Departmental Goals for 2011 –2012

### IMPROVED RELIABILITY OF SYSTEM

- *Complete the Downtown voltage conversion project*
- *Installation of System Reclosers*
- *Rebuild the Rosemont Substation*
- *Replace aging Harrop/Proctor submarine cable*
- *Complete meter replacement program*

### IMPROVED CUSTOMER SERVICE

- *Investigate rate structure redesign to include inclining block rates.*

### NEW BUSINESS OPPORTUNITIES

- *Investigate the feasibility of a District Heating System.*





# Municipal Departments - Nelson Library

## June Stockdale - Chief Librarian

2010 was a year of tremendous growth and change at the Nelson Municipal Library. Circulation increased 4% over 2009 with 207,203 items borrowed and over 165,000 people crossing the doors of the Library. We issued 1,609 new memberships, 72% to City residents, 18% to regional residents and 10% to other areas of the province.

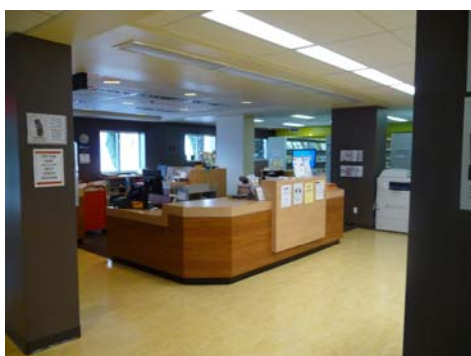
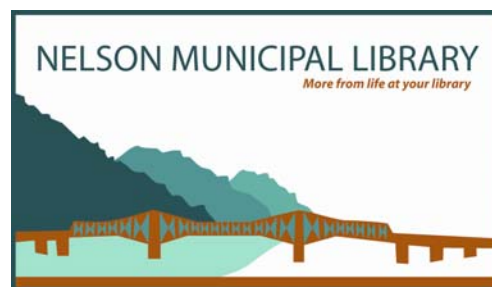
We answered 18,884 reference questions or 363 questions per week, and added 4,522 new items to the collections. People visited our website over 8,000 times, performed close to 10,000 searches on our databases, and downloaded 1,648 audio and e-books from the website.

There were two major initiatives undertaken in 2010. The first was the building expansion project which brought the lower level of the library into active use for the children's collections and programs, and increased the library area by 5,500 sq ft to just over 12,000 sq ft in total. This major undertaking was made possible through project funding provided by the City of Nelson, Columbia Basin Trust, Regional District of Central Kootenay, provincial and federal grants, and a major fundraising initiative carried out by the Library Board and Friends of the Library. Over \$150,000 was raised locally including a significant donation on behalf of William and Isabel Ramsay to name the children's library in their honour. Thanks to all the wonderful citizens from our community who worked on our behalf both on the project, as well as on fundraising behind the scenes, donating a portion of their service fees, or making a monetary donation to the project.

The other significant achievement was the successful referendum outcome in RDCK Areas F and H South, which allows universal access to library service to the people from these areas. The revenue from inclusion of these areas into library service enabled the library to better meet the high demand for service. The funds realized will be used to increase staff and open hours at the main facility, add additional items to the collection, and provide better outreach service to the more remote rural areas.

We continue to run a variety of programs for preschoolers, school aged children and teens, host numerous author visits and information sessions, and provide service to seniors at Mountain Lakes through a monthly outreach program. Our partnership with Columbia Basin Alliance for Literacy continues as we assist with hosting drop-in times at the Learning Place, co-sponsor the Mother Goose and Books Everywhere programs. We netted over \$5,000 at our annual *Oysters, Authors and Ale* fundraiser this year which was an enjoyable and informative literacy building evening for the community.

Thanks to our wonderful staff, dedicated volunteers, Friends of the Library, and our visionary Board of Directors, all of whom contribute to the overall success of the Nelson Municipal Library. Thanks also to Nelson City Council for their ongoing support and commitment to this important community service.



	2009	2010	% Change
Circulation	199,620	207,203	+3.8%
E-book circulation	10,993	11,620	+6%
City members	5,542	6,506	+17%
RDCK members	1,531	1,673	+9%
Reference questions	14,638	18,884	+29%
New items added to collection	7,010	4,522	-35%
In person visits	167,837	165,757	-1%
Public Computers	26,490	23,946	-9%

# Municipal Buildings



## **Nelson Civic Centre**

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



## **Capitol Theatre**

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

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



## **Nelson & District Youth Centre**

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



## **Museum, Archives & Art Gallery (Touchstones Nelson)**

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



# Municipal Buildings cont'd



## **City Hall ( 310 Ward Street)**

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



## **Works / Utilities Complex**

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



## **Fire Hall**

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



## **Police Station/Library**

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

# Municipal Infrastructure

## **Roads, Bridges and Sidewalks**

Nelson was a thriving community in the early 20<sup>th</sup> century; subsequently, some of its infrastructure dates back to that time.

The City has adopted a comprehensive development plan to ensure our roads are maintained at a good standard. The road and highway network, presently, is of sufficient capacity to handle existing traffic and upgrades have been completed or planned to accommodate new growth. Residential roads are first paved through the local improvement program. There are a total of seven bridges within the municipal road system. Most of the bridges are short-span timber structures with an asphalt cover.

Many of the municipal sidewalks in the residential area date back to early in the 20th century. The cement sidewalks within the commercial core are in reasonably good shape; however, the older sidewalks in the residential area will require substantial maintenance and/or replacement. The Active Transportation Plan, which was adopted by Council, identifies priority walking corridors and is used to establish the city's replacement and snow removal plans..

## **Waterworks**

The City of Nelson collects potable water from three surface creeks: Five Mile, Anderson and Selous. The City of Nelson water supply is of premier quality.

The City has an on-going program of replacing older mains with those of a sufficient size for fire flow purposes. The City presently has three intake reservoirs and three storage reservoirs for the system. Due to the topography of the City, Nelson has 10 pressure reducing stations, to maintain proper flows and water pressure within the City.

## **Sanitary Sewer**

The City installed a separate sanitary and storm sewer system in the early seventies. The city has a program to separate sanitary sewer from storm as the system is upgraded or as a result of new developments or upgrades of buildings. Much of the collection system is old vitrified

clay pipe installed during the early part of the century. A result of the old bituminous pipe and the recent separation of the storm drainage from the sanitary sewer is a high degree of infiltration.

The City regularly inspects the collection system with video cameras. The City has a program of either relining or replacing lines which the video inspections indicate require such work.

The City sewage is treated at a plant 3 km west of Nelson. Funding was secured to upgrade the plant to perform secondary treatment. This upgrade was completed in 2005.

The City has received numerous requests from properties adjoining the City boundary to connect to the sewage system. These requests have resulted in several small boundary extensions in past years.

## **Nelson Hydro**

Nelson was the first municipal hydro electric utility in the Province of British Columbia. Presently, the City of Nelson distributes electrical energy within an approximate 30 km radius of the City of Nelson. The City owns and operates a hydro plant 14 km west of Nelson at Upper Bonnington Falls.

The plant has four operating turbines with a 15 MW capacity producing 86,000 MWH or approximately 55% of the system's electrical energy.

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

# Municipal Infrastructure—cont'd

## Solid Waste

The Regional District of Central Kootenay operates a refuse transfer station where the City collection crews dispose of the collected garbage and where residents from the City or the rural area, if they choose, may dump their garbage. The garbage is then transferred to a landfill site at Salmo.

The Regional District of Central Kootenay also operates a recycling program. It is estimated that 12-14 % of the solid waste is being removed from the waste stream.

## Drainage

The City has a number of streams running through the community which are monitored closely, particularly during spring runoff. All runoff from the drainage systems eventually end up in the West Arm of Kootenay Lake. The City is planning to conduct a comprehensive drainage study to identify all problem areas and formulate a drainage plan to help guide future development.

The City's storm water was separated from the sanitary sewer in the early 1970's. The system is in fairly good condition.

## Parks

The City of Nelson is known for its beautiful parks. The City has 11 parks with a total area of 23.7 hectares. In addition, the parks department maintains the cemetery, which is 18.19 hectares.

The City is fortunate to have been developed on Kootenay Lake. The City is constructing a high quality pathway along the waterfront. The City's centennial project was to complete 1.8 km of the waterfront pathway from the Hall Street Gateway Gazebo to Lakeside Park. This pathway now extends from Cottonwood Creek to Lakeside Park, a distance of 3.0 km. The City is currently developing Davies Street Park., which is a 4.8ha passive park. The recently adopted Sustainable and Downtown Waterfront Plan identifies new parks at Red Sands beach and the mouth of Cottonwood Creek.

## Municipal Airport

The City of Nelson operates a 940-metre paved airport on the waterfront which is City-owned. The airport is the base for private helicopter companies, a charter aircraft company and numerous private aircraft. There is also a float plane dock facility at the west end of the airport. The airport offers a terminal building and avgas fuel facilities.



# Financial Section

# Chief Financial Officer's Report

The purpose of this report is to provide the readers with a clear understanding of the financial position and financial activities of the City. The report is divided into three sections:

- **Introductory Section:** Provides an overview of the City, including the organizational structure, and the nature and scope of the services provided.
- **Financial Section:** Presents the 2010 audited consolidated financial statements, notes, supplementary schedules, and the independent auditors' report.
- **Statistical Section:** Presents a variety of statistical and financial information, mostly on a five-year comparative basis.

The City maintains a system of internal controls for the purpose of financial statement reliability and protection of City assets. The system includes budget preparation, safekeeping of City funds, receiving monies paid to the municipality, investing in authorized investments, expending funds as authorized by Council, and ensuring accurate and full accounting of all financial transactions.

The preparation and presentation of the financial statements and related information in the annual report is the responsibility of the finance department. Staff provide support to the external auditors during the year end audit by preparing the working papers and ensuring unrestricted access to all related financial information.

The consolidated financial statements for the year ended December 31, 2010 included in this report were prepared by city staff in accordance with generally accepted accounting principles for local governments, as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants. The consolidated financial statements have been audited by Berg, Naqvi, Lehmann Chartered Accountants.

## **2010 OPERATING RESULTS**

The financial results for 2010 were favourable and reflect a commitment to sound financial management. The City has a variety of revenue sources including taxation and grants-in-lieu of \$8.1 million, \$2.5m in sales of other services, \$655,000 in provincial unconditional grants (revenue sharing and traffic fine sharing). The City also receives revenue from user fees (including the electrical utility) of \$17.5 million.

Operating expenditures include \$5.5 million in protective services, \$3.2 million in transportation services, \$5.0 million in general government/corporate services and \$2.4 million in recreation and cultural services. Utility operations expenditures (including Nelson Hydro) total \$13.2 million. The City contributes \$346,000 towards the operation of Transit.

With recent changes to financial plan presentation, the surplus for 2010 is \$4.6m but it must be noted that this does not include capital expenditures and transfers to reserves

Continued.....



# Chief Financial Officer's Report cont'd

## **CAPITAL SPENDING AND RESERVES**

The City has an ongoing, aggressive capital program of \$8.5m of actual expenditures in 2010. As presented in the Mayor's message, the City continues to invest in infrastructure - roads, Water, Hydro, Sewer, etc.

The City's reserve funds support the capital program. Overall the capital reserves decreased to \$7.8m. Council and staff face the ongoing challenge to continue to address the City's infrastructure needs drawing down the reserves as required while continuing to rebuild them for future capital projects. Council is committed to developing a long term capital financing strategy for general capital in 2011/2012.

## **LONG-TERM DEBT**

The long term debt issued and outstanding as of December 31, 2010 (including temporary borrowing and capital lease obligations) was \$19,025,351. In 2009, this balance was \$20,315,606.

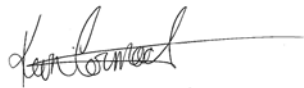
The City's long term debt falls under two classifications—General debt and Utility debt. General debt is funded through taxation while Utility debt is self-liquidating and repaid through water, sewer and hydro rates.

The outstanding debenture debt at the end of 2010 for each of the City's funds is:

General \$ 13,275,063    Water \$1,168,104    Sewer \$954,228    Nelson Hydro \$3,627,956

As noted in the notes to the financial statements, over \$12m of the general debt is being repaid by FortisBC and Selkirk College through long term contractual agreements.

The City is in a good financial position and strives to be innovative and creative in terms of service delivery that reflects Council priorities and community expectations. The City continues to be accountable in spending, sensitive to public needs, and aims to preserve community infrastructure while balancing the economic conditions of the community.



Kevin Cormack, BComm, CA  
Acting Chief Financial Officer



# Financial Section



CITY OF NELSON

## **The Corporation of the City of Nelson** Suite 101, 310 Ward Street, Nelson British Columbia V1L 5S4

### **Responsibility For Financial Reporting**

Management is responsible for the preparation of the accompanying consolidated financial statements. The financial statements have been prepared in accordance with the accounting principles disclosed in note 1 to the consolidated financial statements and include amounts that are based on estimates and judgments. Management believes that the financial statements fairly present The Corporation of the City of Nelson's consolidated financial position and results of operations. The integrity of the information presented in the financial statements, including estimates and judgments relating to matters not concluded by fiscal year-end, is the responsibility of management. The financial statements have been approved by Council.

Management has established and maintained appropriate systems of internal control including policies and procedures, which are designed to provide reasonable assurance that The Corporation of the City of Nelson's assets are safeguarded and that reliable financial records are maintained to form a proper basis for preparation of the financial statements.

The independent external auditors, Berg Naqvi Lehmann, Chartered Accountants, have been appointed by Council to express an opinion as to whether the consolidated financial statements present fairly, in all material respects, The Corporation of the City of Nelson's financial position, results of operations, and changes in financial position in conformity with the accounting principles disclosed in note 1 to the consolidated financial statements. The report of Berg Naqvi Lehmann, Chartered Accountants, follows and outlines the scope of their examination and their opinion on the consolidated financial statements.

Kevin Cormack, BComm, CA  
City Manager/ Acting Chief Financial Officer

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

tel: 250.352.5511 fax: 250.352.2131 Suite 101, 310 Ward Street, Nelson, British Columbia, V1L 5S4

# Financial Section

## BERG NAQVI LEHMANN

CHARTERED ACCOUNTANTS & BUSINESS ADVISORS

**BNL.CA**

"A Commitment To Excellence"

M.D. Berg, FCA, CAoCIRP \*+  
A. Naqvi, B.Comm., FCA •  
Craig Berg, B.Comm., CA •  
Stefan Lehmann, B.Math, CA, CFP •  
Jon McMillan, B.Sc., CA +

### INDEPENDENT AUDITORS' REPORT

#### To the Members of Council of the City of Nelson

We have audited the accompanying consolidated financial statements of The Corporation of the City of Nelson, which comprise the consolidated statement of financial position as at December 31, 2010, and the consolidated statement of operations and accumulated surplus, consolidated statement of changes in net debt and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

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

#### Auditor's Responsibility

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

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

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

#### Opinion

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

#### Other Matters

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The current year's supplementary schedules included in Schedules 1 to 9 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

  
Chartered Accountants

August 8, 2011

Nelson, B.C.

507 Vernon Street, Nelson, British Columbia, Canada V1L 4E9

Tel (250) 352-3165

Fax: (250) 352-7166

Email: advice@bnl.ca

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



# THE CORPORATION OF THE CITY OF NELSON

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## STATEMENT A

As at December 31, 2010

	2010	2009
<b>Financial Assets</b>		
Cash and short-term investments (Note 2)	\$ 13,245,697	\$ 14,729,509
Investments (Note 3)	2,406,951	2,319,570
Taxes receivable	524,300	428,968
Due from other governments	475,901	828,371
Trade accounts	3,536,822	2,497,468
Long term accounts receivable (Note 4)	4,595,434	4,647,711
MFA deposits (Note 7)	482,557	426,622
Other assets	12,020	7,867
	<b>25,279,682</b>	<b>25,896,106</b>
<b>Financial Liabilities</b>		
Due to other governments	411	95,916
Trade accounts	4,079,488	3,749,819
Other liabilities	207,210	264,109
Accrued interest	182,941	147,287
Deferred revenue	4,274,827	4,746,826
Wages and benefits	1,124,419	1,038,890
Future payroll obligations	1,383,878	1,331,244
Long term debt (Note 5)	18,324,195	19,439,600
Capital lease obligation (Note 6)	701,156	876,006
	<b>30,278,525</b>	<b>31,696,697</b>
<b>Net Debt</b>	<b>(4,998,843)</b>	<b>(5,803,591)</b>
<b>Non-financial Assets</b>		
Inventory	1,827,019	1,509,099
Prepaid expenses	232,883	266,153
Tangible capital assets (Schedule 5)	136,870,128	133,360,136
	<b>138,930,030</b>	<b>135,135,378</b>
<b>Accumulated Surplus (Note 10)</b>	<b>\$ 133,931,187</b>	<b>\$ 129,331,767</b>
<b>Represented by:</b>		
Operating fund (Note 11)	4,504,083	3,752,999
Capital fund	(662,546)	(612,356)
Statutory reserve fund (Schedule 3)	7,846,630	8,508,188
Equity in tangible capital assets	122,243,020	117,682,958
	<b>\$ 133,931,187</b>	<b>\$ 129,331,767</b>

Kevin Cormack, CA  
Chief Financial Officer



# THE CORPORATION OF THE CITY OF NELSON

## CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

## STATEMENT B

For the year ended December 31, 2010

	2010 Budget	2010	2009
<b>Revenue</b>			
Taxes	\$ 8,001,105	\$ 8,148,579	\$ 7,825,835
Sale of services	2,448,360	2,547,223	2,228,855
Other revenue from own sources	3,727,577	2,996,513	2,881,479
Investment income	92,500	804,392	1,077,708
Grants - unconditional	693,568	703,141	694,595
Grants - conditional	2,692,089	2,795,562	2,892,053
Water user fees	2,398,044	2,410,327	2,182,270
Sewer user fees	2,214,399	2,219,661	2,027,983
Transit user fees	290,676	270,281	295,616
Nelson Hydro sales	12,808,122	12,670,132	12,302,435
Gain on sale of tangible capital assets	-	211,488	-
	<b>35,366,440</b>	<b>35,777,299</b>	<b>34,328,829</b>
<b>Expenses</b>			
General government	3,183,405	5,072,135	4,378,407
Protective services	5,332,880	5,461,306	4,898,591
Engineering and Public Works	3,047,451	3,160,871	3,201,743
Waste collection	251,934	221,162	469,843
Cemetery services	159,497	196,980	181,103
Parks, recreation and cultural services	2,812,901	2,419,400	2,423,346
Interest and other debt charges	538,081	1,402,661	1,572,387
Water utility operations	1,055,923	1,415,920	1,433,878
Sewer utility operations	1,522,397	1,864,653	1,727,499
Nelson Hydro operations	9,338,284	8,676,686	8,785,583
Transit utility operations	1,285,786	1,286,125	1,171,870
Loss on disposal of tangible capital assets	-	-	476,605
	<b>28,508,519</b>	<b>31,177,899</b>	<b>30,600,855</b>
<b>Annual surplus (deficit)</b>	<b>6,857,921</b>	<b>4,599,400</b>	<b>3,727,974</b>
<b>Accumulated surplus at beginning of year (Note 10)</b>	<b>129,331,787</b>	<b>129,331,787</b>	<b>125,603,813</b>
<b>Accumulated surplus at end of year</b>	<b>\$ 136,189,708</b>	<b>\$ 133,931,187</b>	<b>\$ 129,331,787</b>

Contingent Liabilities and Commitments (Note 8)



# THE CORPORATION OF THE CITY OF NELSON

## CONSOLIDATED STATEMENT OF CHANGES IN NET DEBT

## STATEMENT C

For the year ended December 31, 2010

	2010 Budget	2010	2009
<b>Annual Surplus</b>	<b>6,857,921</b>	<b>4,599,400</b>	<b>3,727,974</b>
Acquisition of tangible capital assets	(11,682,904)	(8,465,059)	(6,166,427)
Amortization of tangible capital assets	-	4,443,548	4,427,789
Proceeds on sale of tangible capital assets	-	723,007	-
(Gain) / loss on disposal of tangible capital assets	-	(211,488)	416,605
	<b>(4,824,983)</b>	<b>1,089,408</b>	<b>2,405,921</b>
(Acquisition) consumption of supply inventory	-	(317,930)	(305,786)
(Acquisition) consumption of prepaid expense	-	33,270	(67,984)
	-	<b>(284,660)</b>	<b>(373,770)</b>
<b>(Increase)/decrease in net debt</b>	<b>(4,824,983)</b>	<b>804,748</b>	<b>2,032,151</b>
<b>Net debt, beginning of year</b>	<b>(5,603,591)</b>	<b>(5,603,591)</b>	<b>(7,635,742)</b>
<b>Net debt, end of year</b>	<b>(10,628,574)</b>	<b>(4,998,843)</b>	<b>(5,603,591)</b>





# THE CORPORATION OF THE CITY OF NELSON

## CONSOLIDATED STATEMENT OF CASH FLOWS

## STATEMENT D

For the year ended December 31, 2010

	2010	2009
<b>Operating activities:</b>		
Annual surplus/(deficit)	\$ 4,599,400	\$ 3,727,974
Non cash items:		
- Amortization of tangible capital assets	4,443,548	4,427,769
- Increase (decrease) in prepaid expenses	33,270	(67,984)
- Decrease (increase) in supply inventory	(317,930)	(305,786)
-(Gain)/Loss on sale of tangible capital assets	(211,488)	416,605
Changes to financial assets/liabilities:		
- Decrease (increase) in accounts receivable	(729,939)	544,993
- Decrease (increase) in investment	(87,381)	(147,489)
- Decrease (increase) in MFA cash deposits	(56,935)	(30,000)
- Decrease (increase) in other financial assets	(4,133)	12,629
- Increase (decrease) in accounts payable and accrued liabilities	319,693	347,888
- Increase (decrease) in deferred revenue	(470,999)	856,663
- Increase (decrease) in future obligations	52,634	125,173
- Increase (decrease) in other liabilities	(21,245)	64,587
Cash provided by operating activities	7,548,495	9,973,022
<b>Capital activities:</b>		
Proceeds from disposal of tangible capital assets	723,007	-
Acquisition of tangible capital assets	(8,465,059)	(6,166,427)
Cash used for capital transactions	(7,742,052)	(6,166,427)
<b>Financing activities:</b>		
Proceeds from debt issues	67,200	3,000,000
Debt repayment	(714,744)	(997,950)
Actuarial adjustments	(467,861)	(419,040)
Repayment of capital lease obligations	(174,850)	(113,508)
Cash applied to financing transactions	(1,290,255)	1,469,502
<b>Increase (decrease) in cash and cash equivalents</b>	<b>(1,483,812)</b>	<b>5,276,097</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>14,729,509</b>	<b>9,453,412</b>
<b>Cash and cash equivalents at end of year</b>	<b>\$ 13,245,697</b>	<b>\$ 14,729,509</b>

THE CORPORATION OF THE CITY OF NELSON  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2010

**1. Significant Accounting Policies**

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

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

(a) **Basis of Presentation**

Funds are segregated for the purpose of carrying on specific activities or attaining objectives in accordance with regulations, restrictions or limitations. Currently in use are the following funds:

**Operating Funds**

These funds report the operating activities of the municipality and include the General Operating and Nelson Municipal Library as well as the Water, Sewer, Transit and Nelson Hydro utilities.

**Capital Funds**

These funds are used to acquire Capital Assets. Capital funds have been set up for the General, Water, Sewer and Hydro funds.

**Reserve Funds**

These funds have been created to hold funds for specific future requirements. They are comprised of the funds shown in the supplementary information on Schedule 3. The use of these funds, are restricted by the *Community Charter* and municipal bylaws and are funded 100% by cash and short-term investments.

(b) **Principles of Consolidation**

These consolidated financial statements include the accounts of all the funds of the City. Inter-fund transactions and balances have been eliminated in the consolidated statements. In addition, details for each Fund have been presented under "Supporting Schedules".

(c) **Revenue Recognition**

Sources of revenue are recorded on the accrual basis and include revenue in the period in which the transactions or events occurred that give rise to the revenues. Taxation revenues are recognized at the time of issuing the property tax notices for the fiscal year. Sale of services and user fee revenues are recognized when the service or product is rendered by the City.

Grant revenues are recognized when the funding becomes receivable. Revenue unearned in the current period is recorded as deferred revenue.

(d) **Financial Instruments**

The City's financial instruments consist of cash and short term investments, accounts receivable, due from other governments, accounts payable, employee benefit plans and long term debt. It is management's opinion that the City is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values.

THE CORPORATION OF THE CITY OF NELSON  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2010

(e) Post Employment Benefits

The City records the cost of post employment benefits over the employee's term of employment. Upon retirement a portion of accumulated sick leave credits are paid to the employee based on years of service.

(f) Interest and Actuarial Additions on Long Term Debt

The City records interest expense and actuarial additions on long-term debt on an accrual basis.

(g) Use of Estimates

The preparation of consolidated financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported revenues and expenses during the reporting period. Significant areas requiring estimates include the useful lives of tangible capital assets for amortization, future employee benefits, allowance for doubtful accounts and provision for contingencies. Actual results could differ from management's best estimates as additional information becomes available in the future.

(h) Tangible Capital Assets

Tangible capital assets, comprised of capital assets and capital assets under construction, are recorded at cost and are classified according to their functional use. Amortization is recorded on a straight-line basis over the estimated useful life of the asset commencing the year the asset is put in to service. Donated tangible capital assets are reported at fair value at the time of donation. Estimated useful lives are as follows:

Land Improvements	15 to 20	years
Buildings	10 to 75	years
Fixtures, Furniture, Equipment & Vehicles	4 to 20	years
Technology	4 to 10	years
Roads and Paving	10 to 100	years
Bridges and other Transportation Structures	10 to 100	years
Water Infrastructure	10 to 100	years
Sewer Infrastructure	10 to 100	years
Nelson Hydro Infrastructure	10 to 100	years
Drainage Infrastructure	10 to 100	years

## 2. Cash and short-term Investments

Cash and short-term investments are comprised of:

	2010	2009
Cash	\$ 4,552,783	\$ 5,937,826
(MFA) Bond and Money Market funds	8,692,914	8,791,683
	<u>\$13,245,697</u>	<u>\$14,729,509</u>

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

THE CORPORATION OF THE CITY OF NELSON  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2010

### 3. Investments

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

Maturity	2010		2009	
	Carrying Value	Market Value	Carrying Value	Market Value
2009			100,000	100,000
2010	100,000	100,000		
2011				
2012	278,800	304,785	266,700	304,785
2013	139,116	152,902	134,416	152,902
2014	482,570	531,377	669,670	731,377
2015	252,593	301,660		
2016 - 2020	1,153,872	1,443,188	1,148,784	1,494,849
<b>Total</b>	<b>2,406,951</b>	<b>2,833,912</b>	<b>2,319,570</b>	<b>2,783,913</b>

In addition, investments are held for trusts as reported in the supplementary information on Schedule 4.

### 4. Long Term Accounts Receivable

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

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

	2010	2009
Selkirk College	\$4,398,243	\$ 4,609,433
Various other agreements	197,191	38,278
	<b><u>\$4,595,434</u></b>	<b><u>\$ 4,647,711</u></b>

### 5. Long Term Debt

Debt principal is reported net of sinking fund balances. Interest rates on debenture debt range from 4.0% to 8.5%.

The long term debt issued and outstanding as of December 31<sup>st</sup> 2010 including temporary borrowing and capital lease obligations was \$19,025,351. (2009 - \$20,315,606).

THE CORPORATION OF THE CITY OF NELSON  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2010

The following payments are required over the next five years

	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
General	1,172,373	1,095,278	925,259	906,130	906,130
Sewer	113,279	113,279	106,894	95,964	93,123
Water	106,136	106,136	106,136	106,136	106,136
Nelson Hydro	1,022,655	1,010,535	966,613	666,213	123,873
Total	<u>2,414,443</u>	<u>2,325,228</u>	<u>2,104,902</u>	<u>1,774,443</u>	<u>1,229,262</u>
<b>Total Principal</b>	<b>1,064,563</b>	<b>1,051,838</b>	<b>910,207</b>	<b>893,104</b>	<b>650,092</b>
<b>Total Interest</b>	<b>1,349,880</b>	<b>1,273,390</b>	<b>1,194,695</b>	<b>881,339</b>	<b>579,170</b>
<b>Total</b>	<b><u>2,414,443</u></b>	<b><u>2,325,228</u></b>	<b><u>2,104,902</u></b>	<b><u>1,774,443</u></b>	<b><u>1,229,262</u></b>

## 6. Lease obligations

### a) Equipment leases

The City has various commitments to lease vehicles and equipment until May 25, 2012. The payments required up to 2012 and residual amounts total \$424,586.

### b) Capital leases

The City has entered into a 35 year capital lease with FortisBC Energy Inc (formerly Terasen Gas Inc.), commencing October 31, 2003 for the natural gas distribution system within the municipality's boundary. The City has prepaid \$7,600,000 of the capital lease obligation and has financed the prepayment through debenture debt. The remaining obligation of \$400,000 will be paid with annual lease payments of \$36,354 including interest at 8.614%.

The City has also entered into a seventeen year operating lease with FortisBC expiring October 31, 2020 whereby the City leases back to FortisBC the operations of the gas distribution system. Under the operating lease FortisBC is required to make annual lease payments to the City calculated by a formula specified in the agreement which is based on the total annual revenue generated by the transaction. At the end of the seventeen year term FortisBC has the option of making a termination payment to the City equal to the unamortized portion of the City's \$7,600,000 prepayment under the capital lease which is estimated to be \$3,900,000, or negotiate a new eighteen year operating lease with a continuation of the annual lease payments which existed under the previous seventeen year operating lease.

Future payments required under the terms of all capital leases in the aggregate and in each of the succeeding five years are as follows (the obligation in 2009 was \$876,006):

Year	FortisBC	Equipment	Total
2011	\$ 36,354	\$105,832	\$ 142,186
2012	36,354	25,169	61,523
2013	36,354		36,354
2014	36,354		36,354
2015	36,354		36,354
Thereafter/Residual	836,142	244,564	1,080,706
Less interest	635,656	56,665	692,321
Capital Lease obligation	\$ 382,256	318,900	701,156



## 7. Municipal Finance Authority Debt Reserve Fund

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

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

Upon maturity of a debt issue, the unused portion of the Debt Reserve Fund established for that issue will be discharged to the Municipality. The proceeds from these discharges will be credited to income in the year they are received. As at December 31, 2010, the total of the Debt Reserve Fund was comprised of:

	<b>2010 Cash deposits</b>	<b>2010 Demand notes</b>	<b>2010 Total</b>	<b>2009 Total</b>
General Fund	\$198,756	\$573,864	\$ 772,620	\$ 497,203
Sewer Utility	16,998	45,112	62,110	61,575
Water Utility	13,213	40,843	54,056	53,640
Nelson Hydro	253,590	470,320	723,910	715,931
Total	<u>\$482,557</u>	<u>\$1,130,139</u>	<u>\$1,612,696</u>	<u>\$1,328,349</u>

## 8. Contingent Liabilities and Commitments

**Regional District Debt** – Regional District debt is under the provisions of the Community Charter of BC a direct, joint and several liability of the District and each member municipality within the District including the City of Nelson.

**Claims for Damages** - In the normal course of a year the City is faced with lawsuits and claims for damages of a diverse nature. The outcome of these claims cannot be reasonably determined at this time.

**Reciprocal Insurance Exchange Agreement** - The City is a subscribed member of the Municipal Insurance Association of British Columbia (The "Exchange") as provided by Section 3.02 of the Insurance Act of British Columbia. The main purpose of the exchange is to pool the risks of liability so as to lessen the impact upon any subscriber. Under the Reciprocal Insurance Exchange agreement, the Municipality is assessed a premium and specific deductible based on population and claims experience. The obligation of the Municipality with respect to the Exchange and/or contracts and obligations entered into by the Exchange on behalf of its subscribers in connection with the Exchange are in every case several and not joint and several. The City irrevocably and unconditionally undertakes and agrees to indemnify and save harmless the other subscribers against liability losses and costs which the other Subscriber may suffer.

THE CORPORATION OF THE CITY OF NELSON  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2010

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

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

**9. Taxes levied for other paid Authorities:**

In addition to taxes levied for municipal purposes, the City is legally obligated to collect and remit taxes levied for the following authorities. These collections and remittances are not recorded as revenue and expenses.

	<b>2010</b>	<b>2009</b>
Provincial Government – school taxes	\$ 8,630,011	\$ 8,391,987
Regional District of Central Kootenay	3,284,381	3,101,851
Central Kootenay Hospital District	71,280	79,994
West Kootenay Boundary Hospital District	292,885	284,733
British Columbia Assessment Authority	170,286	155,179
Municipal Finance Authority	415	381
	<u>\$ 12,449,258</u>	<u>\$ 12,014,125</u>

**10. Prior period adjustments**

In 2009 the City adopted the provisions of Section 3150 of the PSAB Handbook and recorded the City's tangible capital assets, net of amortization, as non-financial assets. During 2010, additional information became available in regard to the City's equipment leases and the financial statements have been retroactively adjusted.

Equipment leases previously recorded as operating leases have been reclassified as capital leases. The impact of this change was to increase financial liabilities and decrease accumulated surplus for 2009 by \$490,531 from amounts previously recorded and to increase annual surplus for 2009 by \$110,550.

**11. Operating fund surplus is composed of:**

a) Unappropriated

	<b>2010</b>	<b>2009</b>
General	\$ 1,165,960	\$ 1,118,992
Water	302,743	302,743
Sewer	16,463	16,463
Hydro	434,976	484,977
Library	3,474	36,600
	<u>1,923,616</u>	<u>1,959,775</u>

THE CORPORATION OF THE CITY OF NELSON  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2010

b) Appropriated (reserve accounts)

	<b>2010</b>	<b>2009</b>
Airport	203,800	203,800
Bridges	160,000	120,000
Economic development	97,949	90,818
Emergency 911	2,291	84
Future Employee benefits	(180,733)	(197,883)
Insurance	387,774	397,142
Legal	20,000	20,000
Parking & transportation	34,043	34,043
Playing fields	-	30,993
Recycling	95,309	79,541
Storm sewer	98,414	147,807
Tenth St. Campus	346,810	327,069
Fortis pay down	<u>1,314,810</u>	<u>539,810</u>
	<b><u>2,580,467</u></b>	<b><u>1,793,224</u></b>
<b>Total a) and b)</b>	<b><u>\$4,504,083</u></b>	<b><u>\$3,752,999</u></b>

## 12. Budget Data

The budget figures are from the annual five year financial plan bylaw adopted before May 15 each year and the Library approved budget. The budgets are not subject to audit. Subsequent changes are made by Council to reflect changes as required by law. Amortization of tangible capital assets was not included in the budget. The table below shows the reconciliation between the approved budget and the budget presented in these consolidated financial statements:

	<b>Budget Amount</b>
Revenue	<u>\$ 35,366,440</u>
Expenses	
Operating	28,508,519
Capital	11,682,904
Debt retirement	1,785,389
Proceeds on debt issuance	<u>( 1,310,000)</u>
Total approved expenses	40,666,812
Less	
Capital expenses	( 11,682,904)
Debt retirement	( 1,785,389)
Proceeds on debt issuance	<u>1,310,000</u>
Total reported expenses	<u>28,508,519</u>
<b>Annual surplus</b>	<b><u>\$ 6,857,921</u></b>

## 13. Comparative figures

Certain of the prior year's figures have been changed to conform to the current basis of presentation.

# Supporting Schedules



# THE CORPORATION OF THE CITY OF NELSON

## STATEMENT OF FINANCIAL POSITION - BY FUND

## SCHEDULE 1

As at December 31, 2010

	OPERATING FUNDS					Nelson Municipal Library
	General	Water	Sewer	Nelson Hydro	Transit	
<b>Financial Assets</b>						
Cash and short-term investments	\$ 6,804,205	\$ -	\$ -	\$ -	\$ -	\$ 19,431
Investments	-	-	-	-	-	-
Taxes receivable	524,300	-	-	-	-	-
Due from other governments	321,672	-	-	-	154,229	-
Trade accounts	1,752,955	121,427	111,741	1,550,699	-	-
Long term accounts receivable	197,151	-	-	-	-	-
MFA deposits	198,766	13,213	16,998	263,690	-	-
Other assets	-	11,600	-	420	-	-
Due from own funds	4,468,151	1,046,726	771,286	1,129,050	-	57,882
	14,267,230	1,192,966	900,025	2,933,759	154,229	77,313
<b>Liabilities</b>						
Due to own funds	1,620,500	514,262	501,266	3,384,730	154,229	-
Due to other governments	411	-	-	-	-	-
Trade accounts	4,036,009	-	30,529	5,954	-	6,993
Other liabilities	9,927	-	-	197,283	-	-
Accrued interest	77,929	4,710	8,714	91,578	-	-
Deferred revenue	3,267,023	371,261	343,053	293,480	-	-
Wages and benefits	1,088,376	-	-	-	-	36,043
Future payroll obligations	1,353,078	-	-	-	-	30,800
Long term debt	-	-	-	-	-	-
Capital lease obligation	-	-	-	-	-	-
	11,453,253	890,223	883,562	3,973,035	154,229	73,833
<b>Net Financial Assets (Net Debt)</b>	<b>2,813,977</b>	<b>302,743</b>	<b>16,463</b>	<b>(1,039,276)</b>	<b>-</b>	<b>3,474</b>
<b>Non-Financial Assets</b>						
Inventory	362,757	-	-	1,474,252	-	-
Prepaid expenses	232,883	-	-	-	-	-
Tangible capital assets	-	-	-	-	-	-
	595,640	-	-	1,474,252	-	-
<b>Accumulated Surplus</b>	<b>\$ 3,399,617</b>	<b>\$ 302,743</b>	<b>\$ 16,463</b>	<b>\$ 434,978</b>	<b>\$ -</b>	<b>\$ 3,474</b>





# THE CORPORATION OF THE CITY OF NELSON

## SCHEDULE 1

CAPITAL FUNDS					Reserve Funds	Consolidated 2010
General	Water	Sewer	Nelson Hydro	Transit		
\$	\$	\$	\$	\$	\$	\$
-	-	-	-	-	8,422,081	13,248,997
-	-	-	-	-	2,408,951	2,408,951
-	-	-	-	-	-	824,300
-	-	-	-	-	-	478,901
-	-	-	-	-	-	3,838,822
4,398,243	-	-	-	-	-	4,898,434
-	-	-	-	-	-	482,557
-	-	-	-	-	-	12,020
-	-	-	-	-	1,606,537	8,978,932
4,398,243	-	-	-	-	10,334,549	34,288,314
281,811	-	34,126	-	-	2,487,919	8,978,932
-	-	-	-	-	-	411
-	-	-	-	-	-	4,079,488
-	-	-	-	-	-	207,210
-	-	-	-	-	-	182,941
-	-	-	-	-	-	4,274,827
-	-	-	-	-	-	1,124,419
-	-	-	-	-	-	1,383,878
12,873,907	1,188,104	954,228	3,827,958	-	-	18,324,198
701,158	-	-	-	-	-	701,158
13,558,874	1,188,104	988,363	3,827,958	-	2,487,919	38,287,187
(9,158,431)	(1,188,104)	(988,363)	(3,827,958)	-	7,848,830	(4,998,843)
-	-	-	-	-	-	1,827,019
-	-	-	-	-	-	232,883
81,034,032	33,338,288	17,845,671	24,852,237	-	-	136,870,128
81,034,032	33,338,288	17,845,671	24,852,237	-	-	136,930,030
\$ 81,878,801	\$ 32,170,184	\$ 18,887,218	\$ 21,024,281	\$ -	\$ 7,848,830	\$ 133,931,187



# THE CORPORATION OF THE CITY OF NELSON

## STATEMENT OF OPERATIONS - BY FUND

For the year ended December 31, 2010

	General	Water	Sewer	Nelson Hydro
<b>Revenues</b>				
Taxes	\$ 8,135,593	\$ -	\$ 12,986	\$ -
Sale of services	2,493,394	-	-	-
Other revenue from own sources	3,369,087	159,755	120,973	380,961
Investment income	174,504	1,797	10,927	292,645
Grants - unconditional	655,521	-	-	-
Grants - conditional	1,337,124	354,720	145,000	-
Water user fees	-	2,410,327	-	-
Sewer user fees	-	-	2,219,661	-
Transit user fees	-	-	-	-
Nelson Hydro sales	-	-	-	12,670,132
Gain on sale of tangible capital assets	537,586	-	-	-
	16,702,809	2,926,599	2,509,547	13,343,738
<b>Expenses</b>				
General Government	5,076,333	-	-	-
Protective services	5,640,608	-	-	-
Transportation services	3,643,773	-	-	-
Environmental health services	257,976	-	-	-
Public health and welfare services	215,421	-	-	-
Recreation and cultural services	1,912,927	-	-	-
Interest and other debt charges	580,147	60,568	63,406	698,540
Water utility operations	-	1,472,449	-	-
Sewer utility operations	-	-	1,935,546	-
Nelson Hydro operations	-	-	-	8,912,401
Transit utility operations	-	-	-	-
Loss on disposal of tangible capital assets	-	288,574	6,539	30,985
	17,327,185	1,821,591	2,005,491	9,641,926
<b>Annual surplus (deficit)</b>	<b>(624,376)</b>	<b>1,106,008</b>	<b>604,066</b>	<b>3,701,812</b>
<b>Transfers from (to)</b>				
Operating Funds	1,567,397	(267,269)	(150,000)	(2,100,000)
Capital Funds	994,948	(286,582)	(64,594)	-
Reserve Funds	36,725	(514,252)	737,161	654,050
	2,599,070	(1,068,103)	522,567	(1,445,950)
<b>Accumulated surplus at beginning of year</b>	<b>53,300,524</b>	<b>32,436,022</b>	<b>15,847,058</b>	<b>19,203,395</b>
<b>Accumulated surplus at end of year</b>	<b>\$ 56,275,218</b>	<b>\$ 32,472,927</b>	<b>\$ 16,873,681</b>	<b>\$ 21,469,267</b>



# THE CORPORATION OF THE CITY OF NELSON

## SCHEDULE 2

Transit	Nelson Municipal Library	Reserve Funds	Eliminations	Consolidated 2010
\$ -	\$ -	\$ -	\$ -	\$ 8,148,579
-	69,662	-	(15,833)	2,547,223
4,172	158,119	-	(1,196,554)	2,996,513
-	-	324,519	-	804,392
-	47,620	-	-	703,141
676,429	282,289	-	-	2,795,562
-	-	-	-	2,410,327
-	-	-	-	2,219,661
270,281	-	-	-	270,281
-	-	-	-	12,670,132
-	-	-	-	537,586
950,882	557,690	324,519	(1,212,387)	36,103,397
-	-	-	(4,198)	5,072,135
-	-	-	(179,302)	5,461,306
-	-	-	(482,902)	3,160,871
-	-	-	(36,814)	221,162
-	-	-	(18,441)	196,980
-	623,407	-	(116,934)	2,419,400
-	-	-	-	1,402,661
-	-	-	(56,529)	1,415,920
-	-	-	(70,893)	1,864,653
-	-	-	(235,715)	8,676,686
1,296,784	-	-	(10,659)	1,286,125
-	-	-	-	326,098
1,296,784	623,407	-	(1,212,387)	31,503,997
(345,902)	(65,717)	324,519	-	4,599,400
345,902	603,970	3,005,347	-	3,005,347
-	(643,772)	(3,991,424)	-	(3,991,424)
-	72,393	-	-	986,077
345,902	32,591	(986,077)	-	-
-	36,600	8,508,188	-	129,331,787
\$ -	\$ 3,474	\$ 7,846,630	\$ -	\$ 133,931,187



# THE CORPORATION OF THE CITY OF NELSON

## RESERVE FUND STATEMENT OF CHANGES IN FUND BALANCES

## SCHEDULE 3

For the year ending December 31, 2010

(with comparative figures for 2009)

	Tax Sale	Equipment Replacement	Water Licence	Future Power Purchase	Capital Projects	Land Sales	Water Util. Major Capital
Fund balances, beginning of year:	\$ 18,627	\$ 1,398,648	\$ 444,632	\$ 857,252	\$ 368,285	\$ 227,789	\$ 834,571
<b>REVENUES:</b>							
Investment earnings	687	78,986	22,406	28,730	20,188	12,717	35,906
<b>TRANSFERS</b>							
Transfer to capital funds	-	(529,825)	(367,170)	-	(635,162)	(395,663)	-
Transfer from operating	-	681,000	415,000	-	750,000	685,095	514,252
	-	151,175	47,830	-	114,838	289,432	514,252
Fund balances, end of year	\$ 19,314	\$ 1,608,809	\$ 514,668	\$ 885,982	\$ 503,311	\$ 509,938	\$ 1,414,729



# THE CORPORATION OF THE CITY OF NELSON

## SCHEDULE 3

Parks Acquisition	Off Street Parking	Waterfront Development	Nelson Hydro Capital	Sewer Util. Capital	Nelson Municipal Library	2010 Total	2009 Total
\$ 129,034	\$ 191,238	\$ 31,431	\$ 2,227,590	\$ 1,725,033	\$ 24,058	\$ 8,508,188	\$ 8,316,837
4,502	7,581	2,557	92,639	16,753	867	324,519	532,004
-	(190,000)	-	(1,129,050)	(737,161)	(7,393)	(3,991,424)	(3,233,157)
-	-	-	-	-	-	3,005,347	2,692,504
-	(190,000)	-	(1,129,050)	(737,161)	(7,393)	(986,077)	(340,653)
\$ 133,536	\$ 8,819	\$ 33,988	\$ 1,191,179	\$ 1,004,625	\$ 17,532	\$ 7,846,630	\$ 8,508,188







# THE CORPORATION OF THE CITY OF NELSON

## TRUST FUND STATEMENT OF FINANCIAL POSITION

## SCHEDULE 4

As at December 31, 2010

with comparative figures for 2009

	Cemetery Care	Cemetery Replacement	Justice McDonald	Better Gardens	Spurway Estate	2010 Total	2009 Total
<b>ASSETS:</b>							
Cash	\$ 47,082	\$ 108,280	\$ 1,458	\$ 14,294	\$ 154,112	\$ 325,084	\$ 314,718
Receivables	4,505	1,825	-	-	-	6,330	0,271
Investments	531,842	-	-	-	-	531,842	518,917
	<b>583,409</b>	<b>110,085</b>	<b>1,458</b>	<b>14,294</b>	<b>154,112</b>	<b>863,258</b>	<b>837,904</b>
<b>LIABILITIES:</b>							
Accounts Payable	-	-	-	-	8,740	8,740	7,524
<b>EQUITY:</b>							
Fund balance	583,409	110,085	1,458	14,294	147,272	866,518	830,380
	<b>\$ 583,409</b>	<b>\$ 110,085</b>	<b>\$ 1,458</b>	<b>\$ 14,294</b>	<b>\$ 154,112</b>	<b>\$ 863,258</b>	<b>\$ 837,904</b>

## TRUST FUNDS STATEMENT OF CHANGES IN FUND BALANCES

For the year ending December 31, 2010

with comparative figures for 2009

	Cemetery Care	Cemetery Replacement	Justice McDonald	Better Gardens	Spurway Estate	2010 Total	2009 Total
<b>Fund balance, beginning of year</b>	<b>\$ 582,452</b>	<b>104,488</b>	<b>\$ 1,404</b>	<b>\$ 13,785</b>	<b>\$ 148,273</b>	<b>\$ 830,380</b>	<b>\$ 775,727</b>
<b>REVENUES:</b>							
Investment earnings	18,900	3,795	52	509	5,738	28,994	55,908
Other contributions	18,057	1,825	-	-	-	17,882	18,247
	<b>32,957</b>	<b>5,620</b>	<b>52</b>	<b>509</b>	<b>5,738</b>	<b>44,876</b>	<b>74,153</b>
<b>EXPENDITURES:</b>							
Disbursements	12,000	-	-	-	8,740	18,740	19,600
	<b>12,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,740</b>	<b>18,740</b>	<b>19,600</b>
<b>Fund balance, end of year</b>	<b>\$ 583,409</b>	<b>\$ 110,088</b>	<b>\$ 1,456</b>	<b>\$ 14,294</b>	<b>\$ 147,271</b>	<b>\$ 866,518</b>	<b>\$ 830,380</b>



# THE CORPORATION OF THE CITY OF NELSON

## CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS

## SCHEDULE 5

As at December 31, 2010

### GENERAL GOVERNMENT

	Land	Buildings	Vehicles	Equipment/ Furniture/ Computers/ and Other	Library	Capital Lease
<b>Historical Cost:</b>						
Opening Balance	8,136,249	33,447,093	7,878,038	2,130,996	445,771	8,186,404
Additions	327,228	587,935	670,955	330,194	148,100	-
Changes in assets under construction	-	-	-	-	-	-
Disposals	(66,039)	-	(773,722)	(140,718)	(45,071)	-
Write Downs	-	-	-	-	-	-
<b>Closing Balance, Dec. 31</b>	<b>8,397,438</b>	<b>34,035,028</b>	<b>7,775,271</b>	<b>2,320,472</b>	<b>548,800</b>	<b>8,186,404</b>
<b>Accumulated Amortization:</b>						
Opening Balance	n/a	(18,080,433)	(3,283,254)	(894,654)	(200,940)	(1,637,281)
Amortization Expense	n/a	(1,172,738)	(474,638)	(245,095)	(53,140)	(233,697)
Effects of Disposals and write down adjustments	-	-	643,833	188,829	51,184	-
<b>Closing Balance, Dec. 31</b>	<b>-</b>	<b>(19,253,171)</b>	<b>(3,114,059)</b>	<b>(970,920)</b>	<b>(202,895)</b>	<b>(1,871,178)</b>
<b>Net Book Value for year ended December 31, 2010</b>	<b>8,397,438</b>	<b>14,781,857</b>	<b>4,661,212</b>	<b>1,349,552</b>	<b>345,904</b>	<b>6,315,226</b>



# THE CORPORATION OF THE CITY OF NELSON

## SCHEDULE 5

ENGINEERING STRUCTURES							Consolidated	
Water	Sewer	Storm	Roads and Other	Nelson Hydro - Generating and Substations	Nelson Hydro - Other	Assets under construction	2010	2009
42,169,011	25,668,392	17,366,043	20,112,972	15,730,641	15,558,527	2,090,871	198,900,908	194,019,894
1,731,164	1,477,085	185,854	2,155,343	-	1,330,813	-	8,924,471	8,188,428
-	-	-	-	-	-	(459,412)	(459,412)	-
(592,925)	(13,423)	-	(127,234)	-	(54,377)	-	(1,813,479)	(1,288,414)
43,297,250	27,132,054	17,621,897	22,141,111	15,730,641	16,834,953	1,631,459	205,882,499	199,900,908
(9,696,096)	(5,609,493)	(5,109,589)	(9,063,537)	(4,766,813)	(3,978,912)	-	(55,540,772)	(51,981,811)
(687,669)	(483,874)	(232,471)	(383,021)	(267,302)	(318,014)	-	(4,443,549)	(4,437,789)
304,351	6,884	-	103,436	-	23,382	-	1,301,981	888,808
(9,979,274)	(9,286,483)	(5,342,060)	(9,343,970)	(5,045,915)	(4,272,434)	-	(58,682,390)	(55,540,772)
33,317,976	17,846,571	12,179,837	12,797,141	10,684,726	12,562,529	1,631,459	136,870,128	133,360,136



# THE CORPORATION OF THE CITY OF NELSON

## DEBENTURE DEBT - ALL FUNDS

For the year ended December 31, 2010

Date of Issue	By-law	Purpose	Maturity Dates	Interest Rates	Original Issue	Balance Jan 1, 2010
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### GENERAL CAPITAL FUND

#### Local Improvements

Mar 24, 1998	2821	Street Construction MFA 68	1998-2011	5.66	226,400	37,633
Nov 7, 2000	2866	Waterfront Drive MFA 73	2000-2012	6.38	19,362	6,866
Nov 7, 2000	2866	Street Construction MFA 73	2000-2013	6.38	208,668	78,248
Nov 2, 2007	3034	Street Construction MFA 102	2008-2022	4.00	60,341	46,196

#### General Government

May 13, 1992	2470	Police/Library Bldg MFA 53	1992-2012	6.10	960,000	166,937
Apr 12, 2000	2871	Tenth Street Campus MFA 72	2000-2026	3.16	6,080,000	4,638,428
Apr 9, 2002	2917	Lakeside Fields MFA 77	2002-2012	6.06	1,000,000	333,786
Oct 31, 2006	3036	Hwy 3A MFA 99	2006-2021	4.00	300,000	262,867
		Fortis Gas Franchise	2004-2021		7,386,404	7,386,404
Apr 9, 2010	2878/129/04	Fortis Gas MFA 110	2010-2020	4.6	4,200,000	

\$ 20,430,666 \$ 12,964,366

### WATER CAPITAL FUND

Nov 2, 2007	3038	Fairview Reservoir MFA102	2008-2022	4.000	240,000	216,489
Apr 21, 2009	2026	Water Impr. MFA 105	2009-2029	4.900	1,000,000	1,000,000

\$ 1,240,000 \$ 1,216,489

### SEWER CAPITAL FUND

May 12, 1993	2659	North Shore Line MFA66	1993-2013	6.60	160,260	39,320
May 10, 1994	2654	North Shore Line MFA69	1994-2014	6.60	36,400	12,138
Oct 31, 2006	3037	STP MFA 99	2006-2021	4.00	660,000	463,671
Apr 21, 2009	2026	Sewer Impr. MFA 105	2009-2029	4.90	600,000	600,000

\$ 1,236,660 \$ 1,015,029

### NELSON HYDRO CAPITAL FUND

May 16, 1990	2366	System Improvement MFA48	1990-2000	11.626	-	-
May 10, 1994	2606	Hydro Plant MFA 68	1994-2014	7.610	8,000,000	2,611,203
Apr 9, 2002	2917	Bonnington Sub. MFA77	2002-2012	6.060	400,000	133,614
Apr 21, 2009	2026	Hydro Impr. MFA 105	2009-2029	4.900	1,600,000	1,600,000

\$ 9,900,000 \$ 4,244,717

#### TOTAL

\$ 32,805,705 \$ 19,439,600

#### Capital Lease Obligations

	Fortis LIGO capital lease	2004-2039	6.614	400,000	386,476
	MFA equipment lease	2007-2012		797,472	490,631
	<b>TOTAL</b>			<b>\$ 1,197,472</b>	<b>\$ 876,006</b>



# THE CORPORATION OF THE CITY OF NELSON

## SCHEDULE 6

2010 Transfers	2010 Issues	Principal Repayments	Actuarial Adjust.	Interest & Exchange	Balance Dec 31, 2010
	-	12,725	9,880	9,880	15,028
	-	1,292	610	610	3,994
	-	12,560	5,910	5,910	59,778
	-	2,514	214	214	42,468
	-	29,033	39,626	58,560	117,278
	-	142,575	68,615	191,520	4,427,238
	-	79,505	35,631	60,600	218,649
	-	14,982	2,006	13,290	235,869
(4,132,800)	-	-	-	58,902	3,253,604
	4,200,000	-	-	94,800	4,200,000
\$ (4,132,800)	\$ 4,200,000	\$ 295,166	\$ 162,492	\$ 493,686	\$ 12,573,907
	-	11,986	1,020	11,568	202,463
	-	33,582	777	49,000	965,641
\$	\$	\$ 45,568	\$ 1,797	\$ 60,568	\$ 1,168,104
	-	4,544	5,692	12,771	29,084
	-	1,071	1,171	1,770	9,896
	-	27,468	3,676	24,365	432,427
	-	16,791	388	24,500	482,821
\$	\$	\$ 49,874	\$ 10,927	\$ 63,406	\$ 954,228
	-	-	-	-	-
	-	241,941	277,228	600,800	2,092,034
	-	31,802	14,252	24,240	87,460
	-	50,373	1,165	73,500	1,448,462
\$	\$	\$ 324,116	\$ 292,645	\$ 698,540	\$ 3,627,956
\$ (4,132,800)	\$ 4,200,000	\$ 714,744	\$ 467,861	\$ 1,316,200	\$ 18,324,195
-	-	3,219	-	33,453	382,266
-	-	171,631	-	6,021	318,900
	\$	\$ 174,850	\$	\$ 39,474	\$ 701,156



# THE CORPORATION OF THE CITY OF NELSON

## CONSOLIDATED REVENUES

## SCHEDULE 7

For the year ended December 31, 2010

	2010	2009
<b>Taxes</b>		
Property taxes	\$ 7,415,993	\$ 7,097,855
Special assessments	97,730	98,721
Grants in lieu of Taxes	547,724	535,201
Penalty and interest on taxes	87,132	94,258
Collection for other authorities		
Province of BC - School Taxes	8,630,011	8,391,987
Regional District of Central Kootenay	3,284,381	3,101,851
Regional Hospital Districts	364,166	364,727
B.C. Assessment Authority	170,286	155,179
Municipal Finance Authority	416	381
	20,697,837	19,839,980
Payments to other authorities	(12,449,268)	(12,014,125)
	<b>\$ 8,148,670</b>	<b>\$ 7,825,835</b>
<b>Sale of Services</b>		
Services provided other governments	\$ 412,402	\$ 352,956
General government	64,067	72,941
Protective services	708,830	473,117
Transportation services	620,092	511,135
Waste Collection Fees	268,126	228,404
Public health services	46,073	49,779
Civic Centre	36,067	35,883
Tenth Street campus	362,640	336,289
Recreation & Cultural services	41,866	39,295
Youth Centre	39,207	35,869
Other Revenues	24,066	47,844
Nelson Municipal Library	69,662	61,176
Eliminations (internal revenues)	(15,833)	(15,833)
	<b>\$ 2,547,223</b>	<b>\$ 2,228,855</b>
<b>Other revenue from own sources</b>		
Licences and permits	\$ 442,931	\$ 392,909
Fines	188,177	140,327
Rentals	1,630,073	1,495,209
Lease charges	769,177	721,296
Miscellaneous revenue	348,729	368,220
Eliminations (internal revenues)	(1,196,664)	(897,949)
	<b>2,172,633</b>	<b>2,220,012</b>
<b>Water utility services</b>		
Connection charges	97,732	81,086
Hydrant rentals	32,640	32,640
Penalties	28,967	23,734
MFA cash deposits	416	-
	<b>169,766</b>	<b>137,460</b>
<b>Sewer utility services</b>		
Connection charges	93,761	60,522
Penalties	26,677	22,310
Other recoveries	-	6,140
MFA cash deposits	636	-
	<b>120,973</b>	<b>88,972</b>
<b>Nelson Hydro utility services</b>		
Connection charges	141,664	140,442
Other revenue	239,307	222,682
	<b>380,961</b>	<b>363,124</b>
Transit advertising	4,172	2,280
Nelson Municipal Library	168,119	49,631
	<b>162,291</b>	<b>51,911</b>
	<b>\$ 2,996,613</b>	<b>\$ 2,861,479</b>





# THE CORPORATION OF THE CITY OF NELSON

## CONSOLIDATED REVENUES

## SCHEDULE 7

For the year ended December 31, 2010

	2010	2009
<b>Investment Income</b>		
Interest term deposits and misc	\$ 479,873	\$ 485,704
Interest earned on reserves	324,519	532,004
	<b>\$ 804,392</b>	<b>\$ 1,017,708</b>
<b>Grants - unconditional</b>		
Province of BC revenue sharing grant	\$ 449,828	\$ 449,827
Traffic fine sharing grant	205,693	207,988
Province of BC Library grant	31,802	31,754
Federal grant - Library	1,440	5,026
Misc grants - Library	14,378	-
	<b>\$ 703,141</b>	<b>\$ 694,595</b>
<b>Grants - conditional</b>		
Youth Centre grants	\$ 207,820	\$ 213,755
Victim Services grants	70,900	77,889
Other misc grants	741,621	156,473
RDCK sports field transfer	140,105	140,105
General Infrastructure grants	176,678	100,000
BC Transit agreement	676,429	642,931
Water Infrastructure grant	354,720	612,308
Sewer Infrastructure grant	145,000	847,808
Library grants	282,289	100,784
	<b>\$ 2,795,562</b>	<b>\$ 2,892,053</b>
<b>Water User Fees</b>	<b>2,410,327</b>	<b>2,182,270</b>
<b>Sewer User Fees</b>	<b>2,219,661</b>	<b>2,027,983</b>
<b>Transit User Fees</b>	<b>270,281</b>	<b>295,616</b>
<b>Nelson Hydro Sales</b>	<b>12,670,132</b>	<b>12,302,435</b>
	<b>\$ 17,570,401</b>	<b>\$ 16,808,304</b>
<b>Gain on sale of tangible capital assets</b>	<b>\$ 211,488</b>	<b>-</b>
<b>Total Revenues</b>	<b>\$ 35,777,299</b>	<b>\$ 34,328,829</b>



# THE CORPORATION OF THE CITY OF NELSON

## CONSOLIDATED EXPENSES

## SCHEDULE 8

For the year ended December 31, 2010

	2010	2009
<b>General Government</b>		
Legislative	\$ 236,160	\$ 218,566
Administrative services	942,745	774,490
Financial management	607,685	438,535
Legal fees	28,607	28,704
Audit fees	20,910	17,000
Purchasing	236,121	201,120
Planning services	687,937	376,077
Data processing	139,700	259,843
Buildings	69,045	25,354
Insurance claims	37,867	33,930
Chamber of Commerce grant	76,000	76,000
Other community donations	207,208	41,760
Liability insurance	68,987	73,635
Other corporate services	316,719	161,166
Amortization	1,600,642	1,655,148
Eliminations (internal charges)	(4,198)	(921)
	<b>\$ 6,072,135</b>	<b>\$ 4,378,407</b>
<b>Protective Services</b>		
Police protection	\$ 3,273,048	\$ 3,031,935
Fire protection	1,600,064	1,425,370
Victim services	101,865	106,889
By-law enforcement	23,491	23,035
Emergency measures	227,727	37,074
Building inspection	210,910	190,050
Animal control	67,263	58,932
Amortization	136,260	134,618
Eliminations (internal charges)	(179,302)	(109,312)
	<b>\$ 6,461,306</b>	<b>\$ 4,898,591</b>
<b>Transportation Services</b>		
Administration	\$ 478,069	\$ 435,959
Engineering	54,332	53,381
Equipment and supplies	38,224	50,483
Building and yard maintenance	228,343	206,740
Roadway surfaces	365,105	350,994
Snow & ice removal	416,260	735,717
Bridges, handrails, retaining walls	46,000	35,820
Sidewalks	191,975	209,105
Street lighting	124,734	130,804
Traffic services	99,023	86,847
Storm drainage	138,620	89,109
Street cleaning	280,169	299,689
Parking	219,636	204,352
Air transport	54,415	40,631
Wharf and weather station	9,182	22,077
Amortization	899,706	593,961
Eliminations (internal charges)	(482,902)	(343,926)
	<b>\$ 3,160,871</b>	<b>\$ 3,201,743</b>
<b>Environmental Health Services</b>		
Waste collection and disposal	\$ 241,101	230,581
Amortization	16,875	257,548
Eliminations (internal charges)	(36,814)	(18,286)
	<b>\$ 221,162</b>	<b>\$ 469,843</b>
<b>Public Health and Welfare Services</b>		
Cemetery and mausoleum operation	\$ 215,421	\$ 192,124
Eliminations (internal charges)	(18,441)	(11,021)
	<b>\$ 196,980</b>	<b>\$ 181,103</b>



# THE CORPORATION OF THE CITY OF NELSON

## CONSOLIDATED EXPENSES

## SCHEDULE 8

For the year ended December 31, 2010

	2010	2009
<b>Recreation and Cultural Services</b>		
Administration	\$ 76,486	\$ 86,521
Sports council grant	56,000	55,000
RDCK grant community complex	102,200	102,200
Community halls	10,931	11,848
Skating rinks and arena	96,288	104,429
Parks and playgrounds	829,144	719,120
Museum	211,198	211,531
Youth Centre	329,811	358,655
Capitol Theatre	59,830	59,970
University Campus	846	3,203
Nelson Municipal Library	823,407	580,978
Amortization	142,416	210,760
Eliminations (Internal charges)	(118,934)	(78,687)
	<b>\$ 2,418,400</b>	<b>\$ 2,423,348</b>
<b>Interest and other debt services</b>	<b>\$ 1,402,661</b>	<b>\$ 1,512,387</b>
<b>Water utility operations</b>		
Administration	\$ 292,833	\$ 371,067
Purification and treatment	111,881	119,112
Service of supply	81,660	93,591
Transmission and distribution	336,032	308,751
Customer billing and collection	73,924	88,868
Amortization	587,669	558,090
Eliminations (Internal charges)	(56,528)	(83,599)
	<b>\$ 1,416,920</b>	<b>\$ 1,433,878</b>
<b>Sewer utility operations</b>		
Administration	\$ 414,888	\$ 408,899
Collection system	273,891	230,801
Lift Stations	77,607	91,231
Treatment and disposal	811,878	520,219
Customer billing and collection	73,928	89,018
Amortization	483,874	458,297
Eliminations (Internal charges)	(70,893)	(48,856)
	<b>\$ 1,864,863</b>	<b>\$ 1,727,499</b>
<b>Nelson Hydro operations</b>		
Administration	\$ 930,274	\$ 900,892
RDCK grant community complex	90,000	90,000
Plant maintenance	419,441	388,831
Power purchases	5,024,838	4,850,509
Transmission and distribution	1,194,102	1,523,507
Customer billing and collection	877,731	819,891
Amortization	578,217	581,347
Eliminations (Internal charges)	(236,716)	(209,194)
	<b>\$ 8,676,886</b>	<b>\$ 8,785,583</b>
<b>Transit utility operations</b>		
Administration	\$ 180,663	\$ 188,913
Operations	1,097,707	1,005,395
Customer billing and collection	8,424	7,582
Eliminations (Internal charges)	(10,658)	(10,000)
	<b>\$ 1,286,126</b>	<b>\$ 1,171,870</b>
<b>Loss on disposal of tangible capital assets</b>	<b>\$ -</b>	<b>\$ 418,805</b>
<b>Total Expenses</b>	<b>\$ 31,177,899</b>	<b>\$ 30,600,855</b>



# THE CORPORATION OF THE CITY OF NELSON

## SUMMARY OF EXPENSES BY OBJECT

For the year ended December 31, 2010

## SCHEDULE 9

	2010	2009
<b>General Operating Fund</b>		
Labour and benefits	\$ 9,642,336	\$ 8,059,034
Materials and supplies	866,084	805,593
Equipment	1,152,890	1,144,700
Utilities	298,588	311,583
Professional services and insurance	365,268	301,159
Contracted services	1,798,960	1,231,037
Grants	642,208	322,424
Miscellaneous	194,809	246,624
Debt interest and fiscal services	580,147	712,281
Loss on dispose of tangible capital assets	-	331,851
Amortization	2,662,001	2,018,138
Amortization for assets under capital lease	233,897	233,897
	<b>\$ 17,327,186</b>	<b>\$ 16,578,121</b>
<b>Water Operating Fund</b>		
Labour and benefits	\$ 626,463	\$ 571,851
Materials and supplies	150,133	123,075
Equipment	60,766	64,776
Utilities	14,676	16,842
Professional services and insurance	19,402	75,423
Contracted services	106,868	107,451
Miscellaneous	6,703	1,060
Debt interest and fiscal services	60,568	53,099
Loss on dispose of TCA's	-	68,528
Amortization	687,559	556,090
	<b>\$ 1,633,017</b>	<b>\$ 1,639,104</b>
<b>Sewer Operating Fund</b>		
Labour and benefits	\$ 782,373	\$ 745,727
Materials and supplies	208,190	193,618
Equipment	116,804	122,489
Utilities	60,640	57,247
Professional services and insurance	114,197	74,557
Contracted services	166,703	117,133
Miscellaneous	2,966	7,067
Debt interest and fiscal services	63,406	59,671
Loss on dispose of TCA's	-	2,517
Amortization	483,874	458,207
	<b>\$ 1,998,962</b>	<b>\$ 1,838,543</b>
<b>Nelson Hydro Operating Fund</b>		
Labour and benefits	\$ 1,659,565	\$ 1,710,093
Materials and supplies	388,006	383,053
Equipment	212,617	216,579
Utilities	23,487	14,203
Professional services and insurance	219,360	220,085
Contracted services	696,004	911,436
Power Purchases	5,014,582	4,850,509
Miscellaneous	24,810	30,182
Grants	97,733	90,600
Debt interest and fiscal services	696,540	687,337
Loss on dispose of TCA's	-	13,909
Amortization	676,217	561,347
	<b>\$ 9,610,941</b>	<b>\$ 9,696,023</b>



# THE CORPORATION OF THE CITY OF NELSON

## SUMMARY OF EXPENSES BY OBJECT

For the year ended December 31, 2010

## SCHEDULE 9

	2010	2009
<b>Transit Operating Fund</b>		
Labour and benefits	\$ 756,723	\$ 711,064
Materials and supplies	76,343	80,051
Equipment	168,275	129,006
Professional services and insurance	16,801	9,913
Contracted services	275,191	248,531
Miscellaneous	3,451	3,305
	<b>\$ 1,296,784</b>	<b>\$ 1,181,870</b>

### Other Controlled Entities

Nelson Municipal Library	\$ 623,407	\$ 580,976
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Eliminations	\$ (1,212,387)	\$ (913,782)
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<b>Total Expenses</b>	<b>\$ 31,177,899</b>	<b>\$ 30,600,855</b>
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### Consolidated Total

Labour and Benefits	\$ 12,367,460	\$ 11,797,769
Materials and supplies	1,678,756	1,645,590
Equipment	1,711,141	1,677,550
Utilities	397,291	399,875
Professional services and insurance	735,048	687,737
Contracted services	3,043,716	2,615,588
Power Purchases	5,014,582	4,850,509
Grants	739,938	613,114
Miscellaneous	232,738	289,167
Debt interest and fiscal services	1,402,661	1,512,388
Loss on disposal of TCA's	-	416,605
Amortization	4,209,651	4,193,872
Amortization for assets under capital lease	233,897	233,897
Nelson Municipal Library	623,407	580,976
Eliminations	(1,212,387)	(913,782)
<b>Total Expenses</b>	<b>\$ 31,177,899</b>	<b>\$ 30,600,855</b>





# Statistical Section

# Statistical Section

## 2010 Property Tax Exemptions (PTE)

Through the adoption of an annual bylaw, the Municipal Council provides a permissive exemption from municipal taxation to certain groups and organizations, which are evaluated and chosen at the discretion of Council. The legal capacity to provide these permissive tax exemptions is through powers granted to the Council in the Community Charter.

To be considered for a permissive tax exemption, an organization must: submit an application; have goals, policies, and operating principles that reflect those of the municipality; provide services that are an extension of municipal services and programs that are deemed to contribute to the well being of the community. They must be primarily used by residents of the City of Nelson and allow all Nelson residents to participate and adhere to all City of Nelson bylaws and policies. When granting a PTE, Council ensures that the exemption will not provide an unfair competitive advantage and that the resulting tax burden is a justifiable expense.

Below is a listing of organizations granted a PTE in 2010 together with the estimated amount of municipal taxes that would have been imposed on the property if it were not considered exempt.

Organization	Civic Address	Permissive Tax Exemption	Estimated Municipal Taxes 2011
Ascension Lutheran Church	1805 Silver King Rd	100% Land and Improvements not mandatory	703.26
Pentecostal Assemblies of Canada	623 Gordon Rd	100% land	328.21
Pentecostal Assemblies of Canada	1004 Third Street	100% land	328.21
Pentecostal Assemblies of Canada	1004 Third Street	100% land	328.21
The Salvation Army	601 Vernon St	33% building and 100% land	1,140.50
Kootenay Christian Fellowship	812 Stanley St	100% land	209.22
Beos Centre Ministries	711 Tenth St	33% land	136.94
LDS Latter Day Saints Church	222 W. Richards	75% land	731.37
Evangelical Lutheran	300 Silica St	100%	411.17
Nelson United Church	602 Silica St	100%	177.93
Synod Diocese of Kootenay	723 Ward St	100%	251.07
Synod Diocese of Kootenay	501 Carbonate St	100%	158.28
Evangelical Covenant Church	702 Stanley St	100%	140.45
Catholic Public Schools	523 Mill St	100%	527.60
Roman Catholic Church	813 Ward St	100%	283.81
Christian Science Soc.	237 Baker St	100%	306.01
First Presbyterian	602 Kootenay St.	100%	192.12
First Baptist Church	611 Fifth St	100%	367.50
Jehovah's Witness	2121 Falls St	100%	600.38
Nelson & District Boy Scouts	310 Cedar St	100%	392.61
Nelson Curling Club	302 Cedar St	100%	12,187.52
Nelson Golf & Recreation Society	1123 W. Richards St	83% land and building	16,732.16
Nelson Rod & Gun Society	801 Railway St	100%	2,141.35
Nelson Cares Society	567 Ward St	65% land and building	2,302.64
Nelson and District Housing Society	805 Nelson Ave	100%	3,088.25
Kootenay Advocacy Network	620 Nelson Ave	100%	1,935.07
West Kootenay Women's Assoc.	420 Mill St	100%	1,105.13
Nelson Kiwanis Society	824 Sixth Street	100%	3,644.30
Nelson Kiwanis Society	509 Gordon Road	100%	2,186.23
Kootenay Kids Society	312 Silica St	100%	3,140.66
Nelson & District Museum	502 Vernon St	100%	19,049.87
Capitol Theatre Restoration Society	421 Victoria St	100%	10,788.10

Total

66,016.14

# Statistical Section

## The Corporation of the City of Nelson General Comparative Statistics As At December 31, 2010

### MUNICIPAL GOVERNMENT:

1 Mayor and 6 Council Members

INCORPORATED MARCH 18, 1897

	2010	2009	2008	2007	2006	2005	2004	2003	2002
Population	9,923	9,923	9,923	9,914	9,258	9,797	9,784	9,290	9,571
Registered Voters	5,793	6,034	7,040	5,828	5,926	5,240	7,833	7,593	7,141
Area (HA)	1,602	1,602	1,347	1,347	1,347	1,347	1,347	1,347	911
No. Of Properties (Folios)	4,668	4,474	4,543	4,316	4,250	4,398	4,255	4,241	4,210
<b>DESIGNATED LAND USE IN HA:</b>									
Residential	308	308.1	294.0	294.0	294.0	294.0	294.0	294.0	294.0
Agricultural	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Commercial	28.7	28.7	28.7	28.7	28.7	28.7	28.7	28.7	28.7
Industry	65.5	65.5	78.4	78.4	78.4	78.4	78.4	78.4	78.4
Schools/Park/Greenbelt	124	123.8	119.4	119.4	119.4	119.4	119.4	119.4	119.4
Institutional	41.5	41.5	42.7	42.7	42.7	42.7	42.7	42.7	42.7
Transportation / Utilities	621	620.7	620.7	620.7	620.7	620.7	620.7	620.7	184.7
Crown Land	163	163.1	163.1	163.1	163.1	163.1	163.1	163.1	163.1
<b>ROADS IN KM.:</b>									
Paved	73.5*	73.5*	85.0	84.0	84.0	84.0	84.0	84.0	79.0
Unpaved	21.0	21.0	21.0	24.0	24.0	24.0	24.0	24.0	21.0
<b>SEWER LINES in KM.:</b>									
Sanitary	80.0*	79.0*	79.0	79.0	79.0	79.0	79.0	79.0	79.0
Storm	55.7*	56.0*	56.0	41.0	41.0	41.0	41.0	41.0	41.0
<b>WATER LINES In KM.:</b>									
# Water Services	4,092	3,964	3,972	3,972	3,840	3,840	3,784	3,743	3,708
# Hydrants	326	324	316	312	300	295	284	280	280
<b>PARKS AREA (In HA):</b>									
Municipal	30	30	16	16	16	16	16	16	16
<b>NUMBER OF SCHOOLS:</b>									
Vocational	1	1	1	1	1	1	1	1	1
Colleges	1	1	1	1	1	1	1	1	1
Elementary Schools	3	3	3	4	4	4	4	4	5
Senior Secondary Schools	1	1	1	1	1	1	1	1	1
Middle Schools	1	1	1	1	1	1	1	1	1
Private Schools	3	3	3	3	3	2	2	2	2
District Correspondence School	1	1	1	1	1	1	1	1	1

### School Total Enrollment (Dec 31)

(excluding vocational and colleges)

1,701 1,803 1,848 1,647 2,050 1,743 1,903 1,856 1,844

\* figures adjusted in 2009 to match TCA information

# Statistical Section

THE CORPORATION OF THE CITY OF NELSON					
Major Projects Program					
2011 - 2015					
	2011	2012	2013	2014	2015
<b>MAJOR PROJECTS:</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Information Services	241,550	549,000	334,000	134,000	119,000
City Owned Facilities/Buildings	952,391	588,650	124,650	15,000	170,000
Protective Services	21,500	70,000	115,400	-	40,000
Transportation Services	1,204,000	1,021,194	939,041	926,660	929,180
Recreation & Cultural Services	326,910	220,000	200,000	-	-
Equipment	689,000	370,000	500,000	375,000	590,000
Carbon Neutral Operating Projects	194,980	78,500	94,750	63,000	66,250
Utilities					
Water	2,440,000	1,770,000	2,080,000	1,750,000	2,150,000
Sewer	1,120,000	862,000	1,546,763	886,542	1,504,332
Nelson Hydro	2,737,964	3,867,547	2,009,536	1,566,945	1,229,788
	9,928,295	9,396,891	7,944,140	5,717,147	6,798,550
<b>SOURCE OF FUNDS:</b>					
Parcel Taxes	50,000				
Water Rates	1,677,810	1,520,000	2,080,000	1,750,000	2,150,000
Sewer Rates	823,846	862,000	956,660	86,542	1,171,564
Nelson Hydro Rates	75,000	425,923	9,536	653,232	960,651
Utility Reserves	37,778	3,441,624	340,103	913,713	601,905
Other Reserves	2,372,622	2,090,685	1,906,191	1,268,660	1,509,430
Reserve Accounts and Other	160,000	160,000	165,000	160,000	165,000
Government Grants	954,964	250,000	-	-	-
Community Works Grants	290,146	247,000	315,000	235,000	40,000
Borrowing	3,386,129	599,659	2,171,850	650,000	200,000
	9,928,295	9,396,891	7,944,140	5,717,147	6,798,550





# Statistical Section

The Corporation of the City of Nelson					
Summary of Long Term Debt (In \$ 000's)					
	2010	2009	2008	2007	2006
	Actual	Actual	Actual	Actual	Actual
<b>Total Debt (\$ 000's)</b>	<b>\$ 18,324</b>	<b>\$ 19,440</b>	<b>\$ 18,245</b>	<b>\$ 19,369</b>	<b>\$ 20,596</b>
Supported By:					
Selkirk College Lease	4,427	4,638	4,828	5,013	5,188
Property Tax	693	940	1,174	1,545	2,209
Water Utilities	1,168	1,215	228	240	101
Sewer Utilities	954	1,015	557	597	635
Nelson Hydro	3,628	4,245	3,283	3,796	4,284
Gas Franchise Lease Revenues	7,454	7,386	8,175	8,178	8,179
<b>Debt Service Payments (\$000's)</b>	<b>\$ 2,031</b>	<b>\$ 2,321</b>	<b>\$ 2,322</b>	<b>\$ 2,818</b>	<b>\$ 2,510</b>
Supported By:					
Long term lease	334.1	403.0	519.6	519.6	519.6
Property Tax	301.4	310.1	465.3	835.2	606.0
Water Rates	106.1	57.6	23.6	104.9	122.1
Sewer Rates	113.3	89.0	72.0	72.0	23.8
Nelson Hydro Rates	1,022.6	949.8	898.8	898.8	898.8
Gas Franchise Lease Revenue	153.4	512.0	342.3	387.8	339.4
<b>Total Revenues (\$000's)</b>	<b>\$ 36,231</b>	<b>\$ 34,218</b>	<b>\$ 32,635</b>	<b>\$ 30,000</b>	<b>\$ 30,521</b>
<b>Long Term Debt as a</b>					
<b>Percentage of Total Revenue</b>	<b>5.61%</b>	<b>6.78%</b>	<b>7.12%</b>	<b>9.39%</b>	<b>8.22%</b>



# Statistical Section

## THE CORPORATION OF THE CITY OF NELSON 2010 Property Assessments and Tax Rates By Property Class

Residential	Utilities	Light Industry	Business Other	Recreational Non-Profit	Boundary Expansion
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### Analysis of 2010 Taxable Values

Assessment for General Purposes	1,206,312,600	2,936,660	1,484,700	175,868,000	1,499,000	91,691,700
Percentage of Taxable Values	81.52%	0.20%	0.10%	11.88%	0.10%	6.20%
General Tax Levy by Class	\$ 4,747,323	\$ 86,818	\$ 10,617	\$ 1,730,296	\$ 8,060	\$ 376,936
Percentage of General Taxation	88.28%	1.23%	0.15%	24.88%	0.07%	5.41%

### Analysis of 2010 Rates (Per \$1,000)

General	\$3.9354	\$29.1219	\$7.0837	\$9.8388	\$3.3887	\$4.1000
Debt	0.1898	1.2550	0.3053	0.4240	0.1452	
School	2.5212	14.4000	8.8000	8.8000	3.5000	14.4000
Central Kootenay Regional Hospital	0.0357	0.1250	0.1214	0.0875	0.0357	0.1250
West Kootenay Boundary Regional Hospital	0.1487	0.5135	0.4988	0.3594	0.1487	0.5135
Regional District of Central Kootenay	1.4959	5.2357	5.0881	3.8850	1.4959	5.2357
B.C. Assessment Authority	0.0884	0.5051	0.1987	0.1987	0.0884	0.5051
Municipal Finance Authority	0.0002	0.0007	0.0007	0.0005	0.0002	0.0007
	\$8.3711	\$61.1689	\$20.0947	\$21.3737	\$8.7588	\$24.8800
Specified Area - North Shore	0.1814			0.3285		
Police Tax - Area E						0.4048
Police Tax - Area F						0.4180
Police Tax - Area H						0.5581

### NOTE:

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

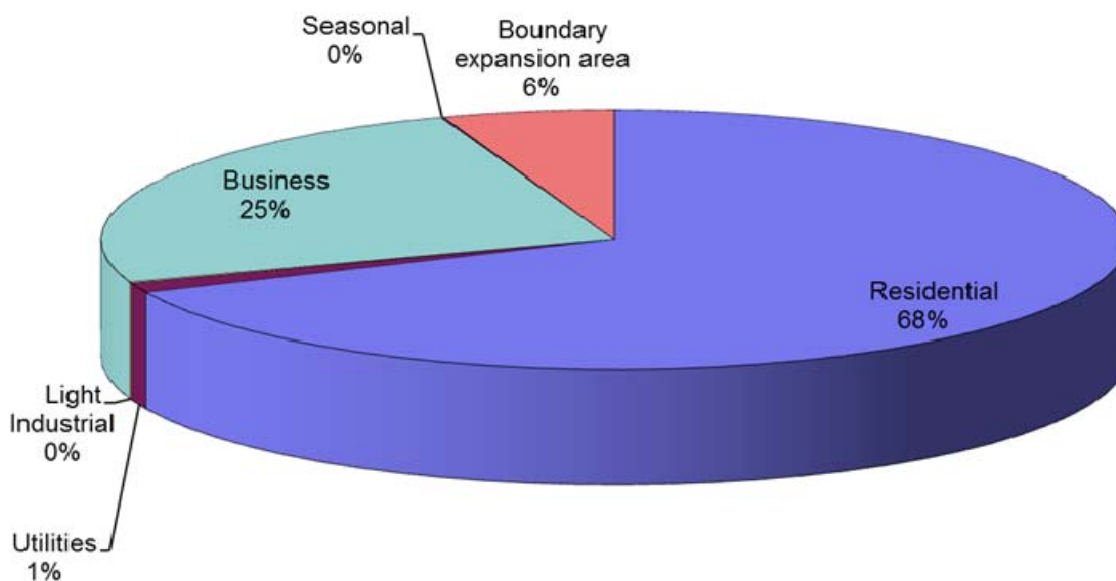


# Statistical Section

Assessment/Taxation Comparative Statistics					
	2010	2009	2008	2007	2006
<b>Assessment for General Taxation</b>					
Land	\$ 602,908,152	\$ 599,213,102	\$ 591,137,800	\$ 488,923,500	\$ 309,244,350
Less: Exempt Land	<u>72,992,421</u>	<u>67,619,831</u>	<u>67,093,002</u>	<u>58,550,402</u>	<u>41,492,216</u>
Net Land Assessment	<u>529,915,731</u>	<u>531,593,271</u>	<u>524,044,798</u>	<u>430,373,098</u>	<u>267,752,134</u>
Improvements	1,302,573,102	1,216,535,202	1,201,817,800	1,090,083,150	989,772,700
Less: Exempt Imp & Utils	<u>345,234,179</u>	<u>339,952,519</u>	<u>341,017,248</u>	<u>327,363,648</u>	<u>312,423,439</u>
Net Improvement Assess	<u>957,338,923</u>	<u>876,582,683</u>	<u>860,800,552</u>	<u>762,699,502</u>	<u>677,349,261</u>
Total Taxable Assessment	<u>\$ 1,487,254,654</u>	<u>\$ 1,408,175,954</u>	<u>\$ 1,384,845,350</u>	<u>\$ 1,193,072,600</u>	<u>\$ 945,101,395</u>
<b>Assessment for School Taxation</b>					
Total Taxable Assessment	<u>\$ 1,682,744,954</u>	<u>\$ 1,603,877,954</u>	<u>\$ 1,580,547,350</u>	<u>\$ 1,384,462,600</u>	<u>\$ 1,131,765,335</u>
<b>Municipal Tax Rates (per \$1,000)</b>					
Residential	\$ 4.1050	\$ 4.1780	\$ 4.0719	\$ 4.5443	\$ 5.6526
Utilities	\$ 30.3789	\$ 30.9267	\$ 30.1417	\$ 32.8689	\$ 32.0234
Industrial	\$ 7.3890	\$ 10.8846	\$ 10.6082	\$ 11.2581	\$ 12.8513
Business	\$ 10.2626	\$ 10.8846	\$ 10.6082	\$ 11.2581	\$ 12.8513
Seasonal	\$ 3.5139	\$ 3.4803	\$ 3.3919	\$ 3.5223	\$ 4.3609
Boundary expansion area	\$ 4.1000	\$ 4.1600	\$ 4.1200	\$ 4.1200	\$ 4.1200
<b>School Tax Rate (per \$1,000)</b>					
Residential	\$ 2.5212	\$ 2.6057	\$ 2.5545	\$ 2.9911	\$ 3.8247
Utilities	\$ 14.4000	\$ 14.5000	\$ 14.2000	\$ 14.7000	\$ 14.9000
Industrial	\$ 6.8000	\$ 7.0000	\$ 6.8000	\$ 7.9000	\$ 9.2000
Business	\$ 6.8000	\$ 7.0000	\$ 6.8000	\$ 7.9000	\$ 9.2000
Seasonal	\$ 3.5000	\$ 3.7000	\$ 3.6000	\$ 3.9000	\$ 4.2000
<b>Residential Tax Rate (per \$1,000)</b>					
General	\$ 3.9354	\$ 4.0054	\$ 3.9033	\$ 4.3430	\$ 5.3804
Debt	\$ 0.1696	\$ 0.1726	\$ 0.1687	\$ 0.2013	\$ 0.2722
Local School Levy	\$ 2.5212	\$ 2.6057	\$ 2.5545	\$ 2.9911	\$ 3.8247
Regional Hospital	\$ 0.1824	\$ 0.1930	\$ 0.3305	\$ 0.4123	\$ 0.4932
Regional District	\$ 1.4959	\$ 1.4911	\$ 1.3270	\$ 1.5244	\$ 1.8086
Specified Area	\$ 0.1814	\$ 0.1639	\$ 0.1587	\$ 0.1885	\$ 0.2535
Municipal Finance Authority	\$ 0.0002	\$ 0.0002	\$ 0.0002	\$ 0.0003	\$ 0.0003
B. C. Assessment Authority	\$ 0.0664	\$ 0.0641	\$ 0.0615	\$ 0.0677	\$ 0.0816
	\$ 8.5525	\$ 8.6960	\$ 8.5044	\$ 9.7286	\$ 12.1145
<b>Collection &amp; Penalty</b>					
Curr Yrs Levy & Penalties (incl Sec 363)	\$ 19,886,248	\$ 18,910,945	\$ 18,679,957	\$ 18,334,120	\$ 18,048,029
Per Capita	\$ 1,981.89	\$ 1,905.77	\$ 1,862.49	\$ 1,849.32	\$ 1,949.45
Current Received	\$ 19,881,198	\$ 18,894,461	\$ 18,215,740	\$ 18,168,979	\$ 17,866,618
Percent of Levy	99.97%	99.91%	97.51%	99.10%	97.89%
Arrears/ Delinq. Collected	\$ 293,585	\$ 315,931	\$ 224,999	\$ 426,479	\$ 438,317
Total Collected	\$ 19,954,781	\$ 19,210,392	\$ 18,440,739	\$ 18,595,458	\$ 18,104,935
Percent of Current Levy	101.47%	101.56%	98.72%	101.43%	100.32%
Total Arrears Outstanding	\$ 524,300	\$ 428,968	\$ 447,116	\$ 314,432	\$ 508,927
<b>Taxation Revenues (Municipal)</b>					
Residential	\$ 4,747,322	\$ 4,456,229	\$ 4,377,541	\$ 4,348,753	\$ 4,133,942
Utilities	\$ 85,518	\$ 78,955	\$ 76,252	\$ 77,138	\$ 72,981
Light Industrial	\$ 10,517	\$ 9,928	\$ 9,968	\$ 9,730	\$ 23,519
Business	\$ 1,730,295	\$ 1,629,279	\$ 1,634,478	\$ 1,640,319	\$ 1,571,798
Seasonal	\$ 5,049	\$ 4,559	\$ 3,737	\$ 3,088	\$ 3,400
Boundary expansion area	\$ 377,497	\$ 372,235	\$ 374,640	\$ 351,757	\$ 337,965
	\$ 6,956,198	\$ 6,551,185	\$ 6,476,816	\$ 6,430,783	\$ 6,143,603

# Statistical Section

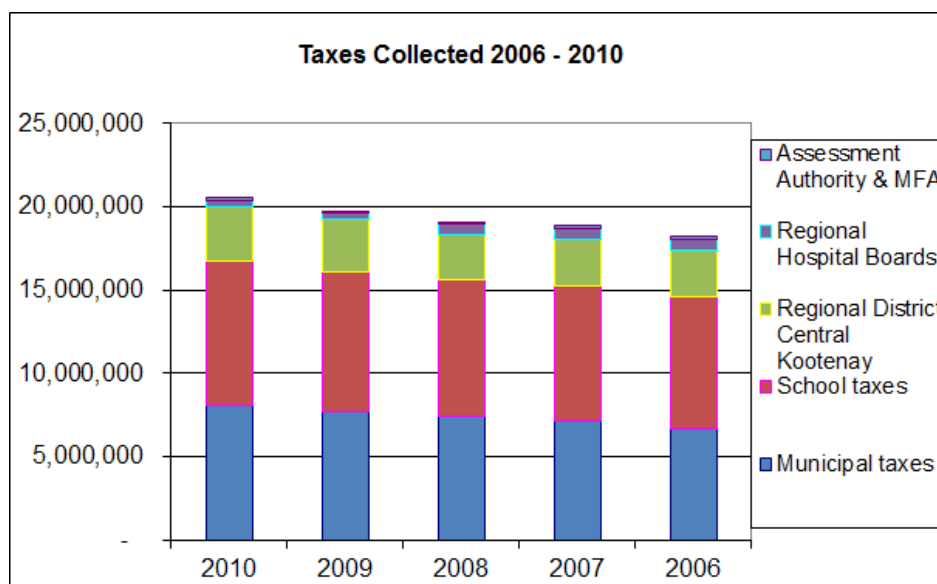
## Municipal Taxes 2010



## Taxes Collected 2006—2010

	2010	2009	2008	2007	2006
Municipal taxes	8,148,579	7,825,835	7,549,404	7,220,945	6,632,013
School taxes	8,630,011	8,391,987	8,157,884	8,127,941	7,992,349
Regional District Central Kootenay	3,284,381	3,101,851	2,714,480	2,764,421	2,778,782
Regional Hospital Boards	364,165	364,670	617,283	677,875	669,596
Assessment Authority & MFA	170,701	155,558	148,276	142,981	139,390

## Taxes Collected 2006 - 2010



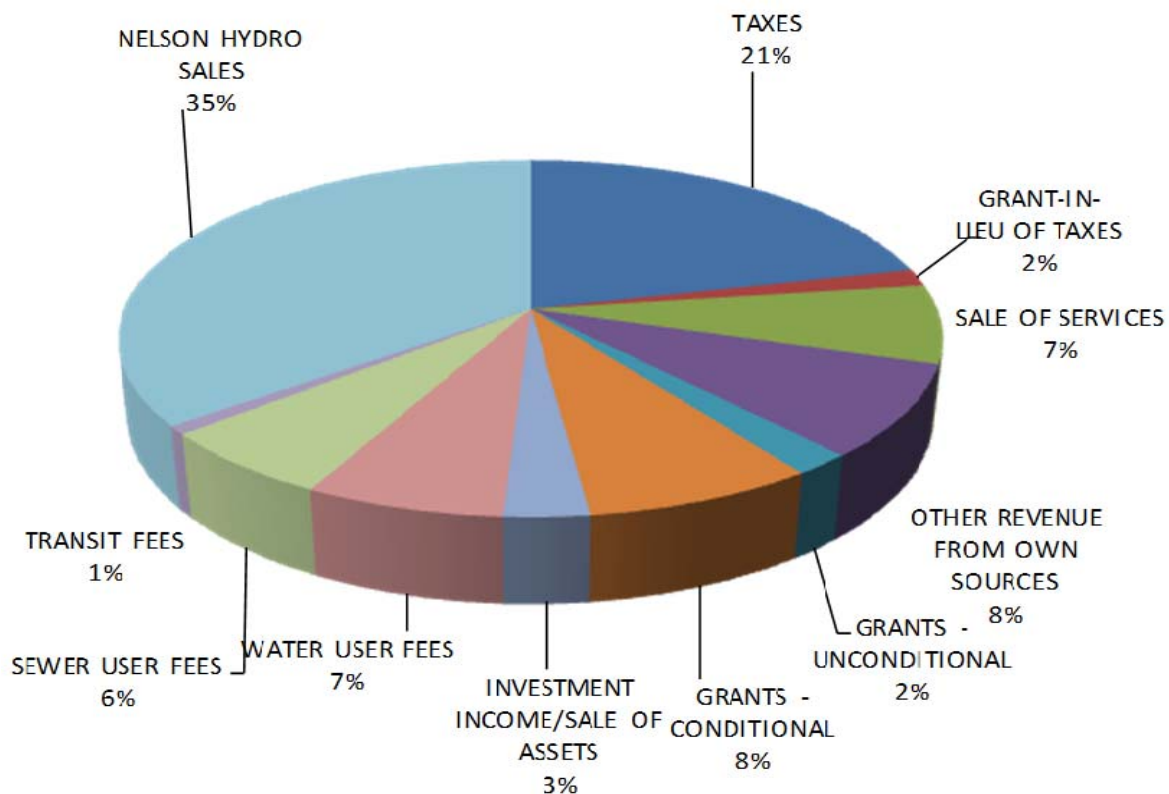
# Statistical Section

## CITY OF NELSON

### 2010 Operating Revenues

TAXES	7,600,855
GRANT-IN-LIEU OF TAXES	547,724
SALE OF SERVICES	2,547,223
OTHER REVENUE FROM OWN SOURCES	2,996,513
GRANTS - UNCONDITIONAL	703,141
GRANTS - CONDITIONAL	2,795,562
INVESTMENT INCOME/SALE OF ASSETS	1,015,880
WATER USER FEES	2,410,327
SEWER USER FEES	2,219,661
TRANSIT FEES	270,281
NELSON HYDRO SALES	12,670,132
	<b>35,777,299</b>

### 2010 Operating Revenues

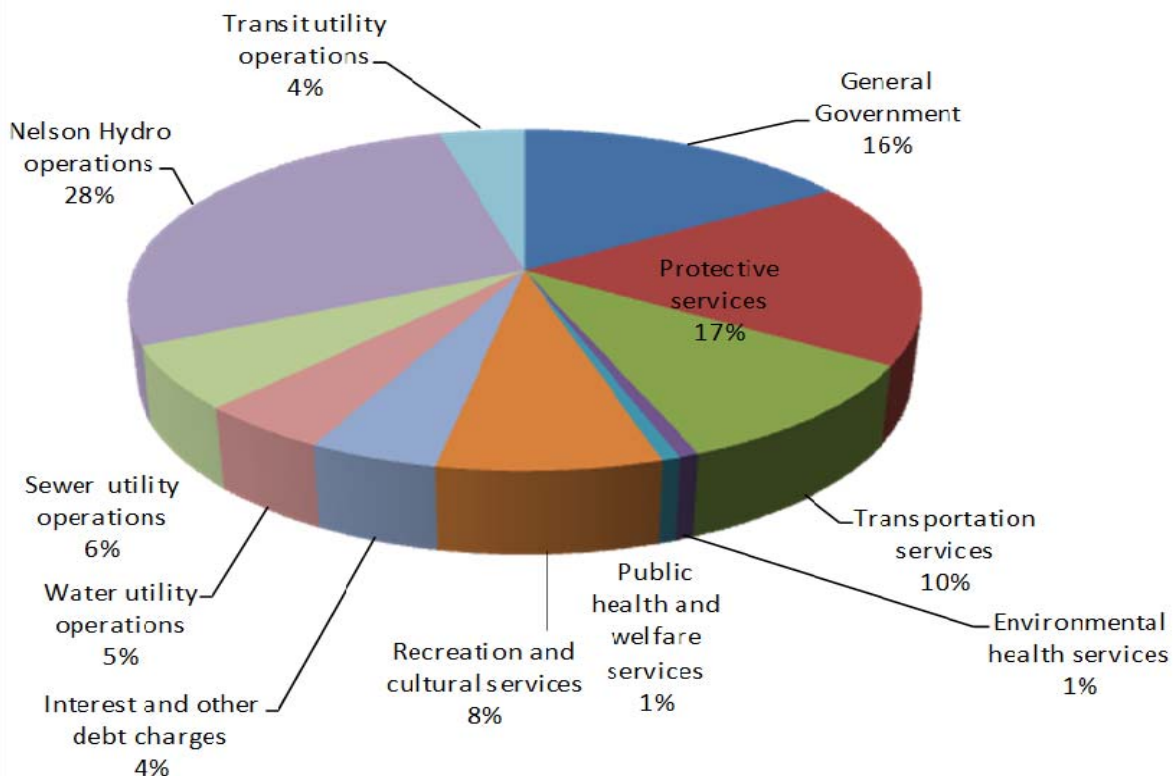


## 2010 Operating Expenses

General Government	5,072,135
Protective services	5,461,306
Transportation services	3,160,871
Environmental health services	221,162
Public health and welfare services	196,980
Recreation and cultural services	2,419,400
Interest and other debt charges	1,402,661
Water utility operations	1,415,920
Sewer utility operations	1,864,653
Nelson Hydro operations	8,676,686
Transit utility operations	1,286,125

**31,177,899**

## 2010 Operating Expenses

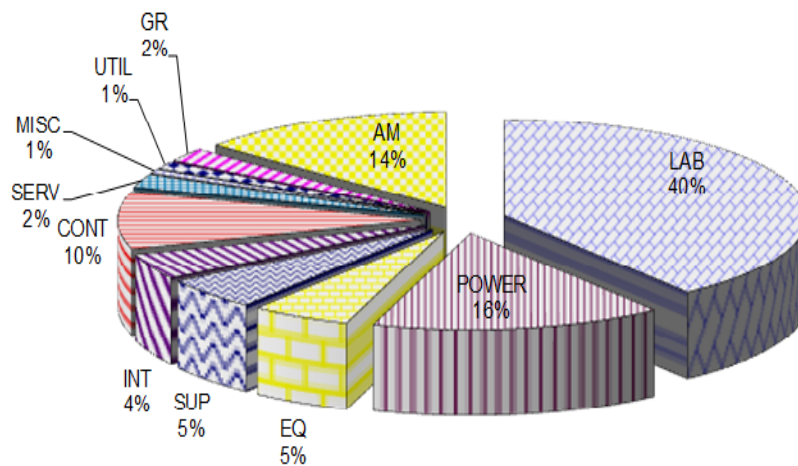


# Statistical Section

## CITY OF NELSON SUMMARY OF EXPENSES BY OBJECT FOR THE YEAR ENDED DECEMBER 31, 2010

	General	Water	Sewer	Nelson Hydro	Transit	Library	Total
Labour and benefits (LAB)	8,642,336	526,463	782,373	1,659,565	756,723	493,449	12,860,909
Power purchases (POWER)				5,014,582			5,014,582
Equipment (EQ)	1,152,890	60,755	116,604	212,617	168,275	6,826	1,717,967
Materials and supplies (SUP)	856,084	150,133	208,190	388,006	76,343	39,630	1,718,386
Debt interest and fiscal services (DEBT)	580,147	60,588	63,408	698,540			1,402,661
Contracted services (CONT)	1,798,960	108,858	166,703	696,004	275,191	58,331	3,102,047
Professional services and insurance (SERV)	365,268	19,402	114,197	219,380	16,801	3,868	738,916
Miscellaneous (MISC)	194,809	6,703	2,965	24,810	3,451		232,738
Utilities (UTIL)	298,588	14,576	60,640	23,487		21,303	418,594
Grants (GR)	642,205			97,733			739,938
Amortization (AM)	2,795,898	587,559	483,874	576,217			4,443,548
Eliminations	-1,212,387						(1,212,387)
	16,114,798	1,533,017	1,998,952	9,610,941	1,296,784	623,407	31,177,899

## Expenses by Object



LAB	POWER	EQ	SUP
INT	CONT	SERV	MISC
UTIL	GR	AM	

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

**Total Population By Sex**



**Population by Sex and Age Group**

