



*City of*  
**NELSON**  
2017 Annual Report



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## City of Nelson 2017

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## Message from the Mayor

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I am pleased to present the City of Nelson's Annual Report for 2017. As Council completes its last year, we are reflecting on our successes and challenges over the last 3 years with the Strategic Plan as our measuring stick.

Solid planning produced the 2015-2018 Strategic Plan which provides direction to staff to ensure your tax dollars are spent in a coordinated and efficient way. Council's goal is to achieve balance between the wishes of the community and the reality of day-to-day operations.

In 2017 we saw a number of notable achievements. In particular, significant progress was made to strengthen neighborhoods through extensive planning and public engagement that resulted in bylaws for Short-Term Rentals, Laneway Housing and Cannabis regulations. There was strong economic growth with more young families moving here and with new business start-ups. As well, Nelson was recognized as one of the Smart21 communities worldwide.

The Department of Development Services processed 188 building permits, 16 subdivision applications, 3 zoning applications and 84 development permits that resulted in \$18.5m for new building permits for 75 housing units. This added 25 legal secondary suites, 3 lane way houses, 33 multi-family units and 14 single family homes to the housing stock in 2017. More developments are scheduled for construction including two larger affordable housing projects.

Our community continues to face its challenges head on. Issues such as, affordable housing, climate change impacts on infrastructure, parks and water supply, and the maintenance and replacement of aging infrastructure will continue into the foreseeable future. This council has been able to build on the work of our predecessors to address issues related to aging water, sanitary sewer and electrical infrastructure. In 2017 the City updated its 2006 Water Master Plan to better reflect the significant improvements made over the past 10 years, including the replacement of all of the primary pressure reducing valve stations along with 24.4kms (34%) of the old water mains throughout the city. The results have been impressive as monthly peak water use has decreased by 53% since 1996, even as our population continues to grow.

Council continues to promote a culture of social and public engagement to ensure that residents and businesses are provided ample opportunity to be part of Council's decision-making process. We have broadened our communication platforms with a refreshed City website that includes live-streaming of regular Council meetings and a text/email notification system. Residents have the ability to sign-up for text/email notifications which will automatically update them on topics related to City services, City news, weather events, water advisories, public notices, open houses and more. In addition, the City now has its own Emergency Alert Sign-up dedicated to emergency situations within Nelson. The City continues to use print media, social media, on-line papers, hand delivered flyers, radio, City Hall TV screen, movie theatre advertisements, and mail-outs to ensure that residents have a variety of options to become informed and engaged.

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## Message from the Mayor

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### **Mayor's Message Cont.**

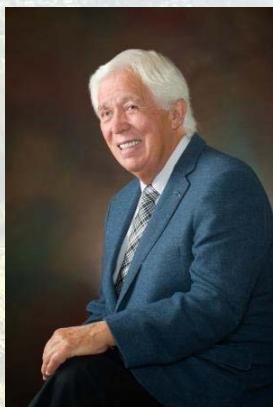
Council extends its sincere gratitude to residents, businesses, community groups and volunteers for your ongoing commitment to our community. It takes collaboration to make a community work, but it takes passion and commitment from all of us to make a community successful. Thanks as well to City Councillors and staff for your dedication. Your commitment to excellence and strong performance has made us one of the best value-for-service municipalities in the country.



Mayor Deb Kozak

## Nelson City Council 2014-2018

**Mayor Deb Kozak**



**Bob Adams**



**Michael Dailly**



**Anna Purcell**



**Robin Cherbo**



**Valerie Warmington**



**Janice Morrison**

An elected Council comprised of a Mayor and six Councillors governs the City of Nelson. Councillors are elected for four year terms (*Local Government Act* amended May 29, 2014 to increase three year terms to four.) and each member of Council represents the City at large. The *Local Government Act* and the *Community Charter* give Council the authority to set budgets, levy taxes and establish policies to guide the growth, development and operation of the City for the benefit and protection of its citizens.

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

## 2014-2018 Council Appointments

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### External Committees and Commissions—Council Voting Membership

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

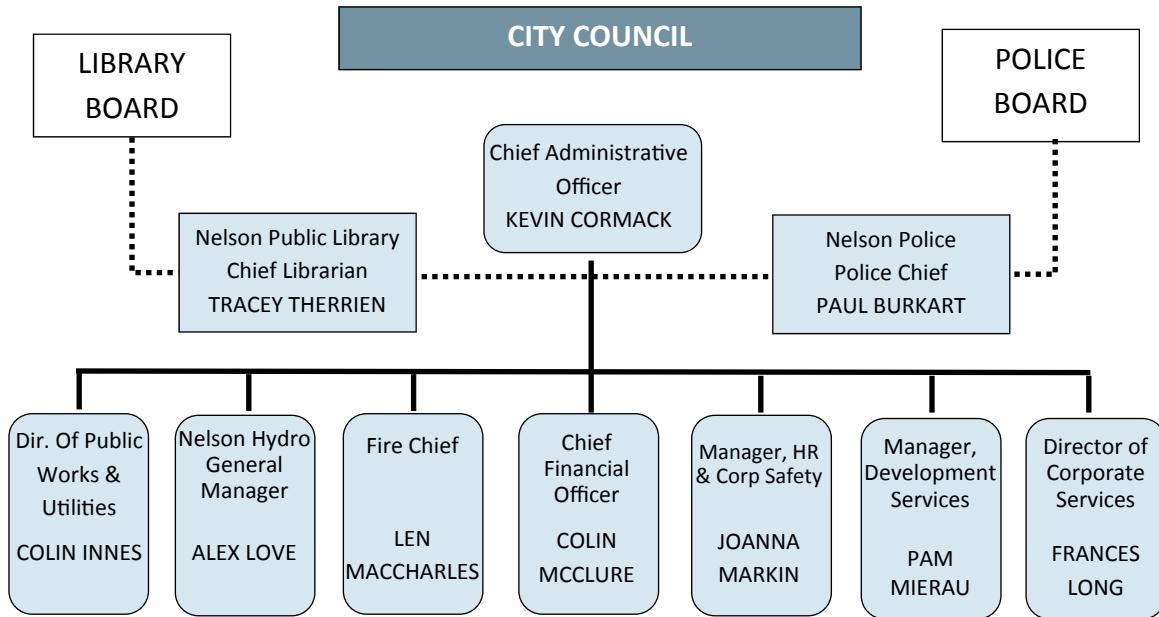
### Standing Committees (established by Mayor)

Grievance Committee	Councillors Dailly/Cherbo
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### Council Liaisons/Portfolios

Advisory Planning Commission	Councillors Morrison/Dailly
Capitol Theatre	Councillors Dailly/Purcell
Chamber of Commerce	Councillors Morrison/Adams
EcoSociety	Councillors Purcell/Warmington
Kootenay Lake Partnership Plan	Councillors Purcell/Dailly
Nelson Business Association	As Needed
Nelson Electric Tramway	Councillor Cherbo
Nelson Committee on Homelessness	Councillors Purcell/Cherbo
Nelson Pilot's Association	Councillors Cherbo/Dailly
Nelson Seniors Branch #51	Councillors Adams
Parks	As Needed
Sandpoint, ID (Municipal Partnership)	As Needed
SEEDS	As Needed
Seniors Coordinating Society	Councillor Purcell/Cherbo
Social Planning (SPAN)	Councillor Purcell/Morrison
Sports Council	As Needed
Touchstones	Councillors Cherbo/Purcell
Treaty Advisory	Councillor Adams
Tri-Cities	Mayor Kozak

## Organizational Chart



## MUNICIPAL OFFICERS 2017

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

## Report from the City Manager

In last year's Annual Report I had a chance to share with the reader Council's strategic priorities and a specific update on the second priority "Strengthen Neighbourhoods". As noted in 2015, Mayor and Council had established four overarching priorities each containing a number of specific goals and actions to achieve the priority:

- **Enhance Sustainability of City Services and Infrastructure**
- **Strengthen Neighbourhoods**
- **Expand Local Jobs, Local Prosperity**
- **Achieve Excellence in City Governance**



Council's full Strategic Plan can be found at [www.nelson.ca](http://www.nelson.ca).

In this years' annual report, I will focus on the third strategic priority – **Expand Local Jobs, Local Prosperity**. Before I do that, I will highlight a few new developments from the first two priorities. Council continues to focus significant resources on infrastructure renewal (water, sewer, electrical, roads and facilities). In 2017 Council received two important reports, an update of the Water Master Plan and a comprehensive facilities assessment report. The good news is that substantial progress has been made on renewing the water infrastructure and this was recognized in the update. New funds were targeted to roads in 2016. Our facilities is a new area where Council is now focusing resources.

Council and staff have been concerned for a while on the level of investment that would be required to start to renew our aging facilities. This was reaffirmed in 2017 when Council received the facility assessment report. It identified that the City should be spending upwards of \$2,000,000 per year on its \$140,000,000 in buildings. In 2017 Council started to tackle this spending shortfall by targeting funds towards buildings, including redirecting taxation that had gone to renewing the Nelson & District Community Complex facility, profits being generated by 310 Ward Street (City Hall Building) and other annual grant funding (Gas Tax Funding). This has allowed Council to create an ongoing allocation of \$1,000,000 towards facilities without a net increase in taxation. By having solid planning in place, the City was also successful in securing a number of capital grants for facilities that include some of our very important heritage buildings.

Council is seeing continued new development across the housing spectrum from subsidized housing projects through to single and multi-family developments. Council recently re-zoned the "Maglio Lands" in Railtown to extend Baker Street type development down into Railtown. Council is hoping this will be a catalyst for the re-development of this important neighbourhood.

### ***Expand Local Jobs, Local Prosperity***

This priority is defined as follows: "*Prosperity is about fostering a diverse, value added economy that provides meaningful employment opportunities and supports healthy and affordable lifestyles.*"

As noted above, Nelson continues to see strong development activity across the city. This includes both residential and commercial. Council is definitely worried about rising construction costs and housing costs. and have taken steps such as implementing new regulations for short-term rentals and laneway housing. New zoning regulations have included provisions to add density across the city and a number of variances have been approved to allow property owners to move forward with their plans.

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## Report from the City Manager

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An update was received on the Housing Plan and the City has implemented a number of the recommendations and the review identifies other opportunities. Council has continued to lobby the provincial government for funding to support affordable housing and our non-profits have been successful in getting their projects funded.

The City is a key member of the Nelson and Area Economic Development Partnership (NAEDP) and a key goal is to attract *knowledge* workers. Council has made direct investments in high-speed fibre, which is available to our businesses. The City has also established a co-location (CoLo) room to house technology equipment. The CoLo will be expanded in 2018 as the demand has outstripped the space. Nelson continues to be put on the map through such things as the Intelligent Communities Forum, a worldwide competition where Nelson became the smallest community to ever make it to the Smart 21 level. In fact, we were one point away from being in the top seven. Nelson participated with Castlegar, Rossland, Trail and Selkirk College in the recent Smart Cities challenge, and have been featured by the Province in a number of publications and events including the BC Ideas Show Case, the Connecting BC program and most recently have been asked to be featured in KPMG's next publication of Benchmarking Connectivity in British Columbia.

The Nelson Innovation Centre will be launched in the summer of 2018 in the CP Station House. This has been a multi-year project spearheaded by the NAEDP, with the goal of supporting our local technology entrepreneurs and companies and attracting new knowledge workers. The Tech workers group continues to be active with over 600 members, the Tech Club was moved to the Nelson & District Youth Centre in the fall of 2017 and the program has been featured by Telus . You can watch the video at <https://www.youtube.com/watch?v=vxkHRkGtGwk&feature=share>.

Nelson became a new member of Startup Canada in 2017. We brought in the *Ladies Learning Code* program and a digital equality project will be kicked off in 2018 with the Nelson Public Library being the key partner. We hope to announce a number of other exciting technology initiatives that are currently in the planning stage, later this year.

Our community is also facing a significant challenge with poverty, mental health and addictions, particularly in the downtown. Nelson Police has spearheaded the fentanyl taskforce; new regulations have been adopted by Council to help manage activities in the downtown; the beat officer has been returned; the street outreach worker project is continuing; and a comprehensive strategy was approved by Council this month. Many communities across the province are facing these challenges and Nelson is no exception. It will take a concerted effort by the community as a whole to find solutions.

In closing, I would like to thank Mayor and Council, our dedicated staff and our engaged community for their passion and hard work. It takes everyone rowing hard in the same direction to overcome our challenges and maximize our opportunities and to make Nelson that special community we all love.



Kevin Cormack, CPA, CA  
City Manager

## City of Nelson Strategic Objectives 2015-2018

### Enhance Sustainability of City Services and Infrastructure



#### Strategy: Develop a Safe and Adequate Water Supply

The City continues its conservation program and has hired a Green Ambassador for the summer of 2018. The City completed the engineering for the emergency water intake on Kootenay Lake in 2017 and this infrastructure was built in 2018. The City also received a \$6,000,000 grant to bring our secondary creeks to the treatment facilities at Mountain Station.

*Left—Emergency Water Intake*



#### Strategy: Create an Energy Efficient Community

The City's EcoSave program continues to benefit homeowners in assessing and financing home energy retrofits. In 2018 Nelson became the first BC community to launch a heat mapping program. This technology uses detailed nighttime thermal images from an aircraft to map building heat loss, which establishes where energy is escaping from buildings. Nelson Hydro customers can visit [myheat.ca](http://myheat.ca) for one year to see where heat is escaping from their home.



#### Strategy: Improve the City's Emergency Management Capabilities

The review of the City's Emergency Management program including the 13 recommendations were approved by Council. In order to best be prepared for an emergency that affects Nelson residents, the City will be withdrawing from the regional service and establishing its own emergency management program. As part of this change, the City has created its own Emergency Alert system. Residents and businesses can sign up at [www.nelson.ca](http://www.nelson.ca).

*Left - Disaster Day brought together local agencies to show how they effectively work together during a disaster.*



#### Strategy: Improve Our Aging Infrastructure

Council continues to invest in water, sanitary sewer and electrical utility infrastructure. Major storm work infrastructure is also being added along Hall Street. The Water Master Plan was updated and noted the significant progress the City has made in renewing its infrastructure.

The City continues to renew its underground utilities at up to 50% of the cost originally estimated, saving millions of dollars. All of the galvanized pipe has been replaced. All pressure reducing stations have been renewed and UV treatment has been added.

*Left—Flooding in 2012 at Hall and Front Streets*

## City of Nelson Strategic Objectives 2015-2018

### Expand Local Jobs, Local Prosperity



#### Strategy: Leverage Community Assets

The City is a key member of the Nelson and Area Economic Development Partnership (NAEDP). NAEDP identifies priorities each year in conjunction with the business and non-profit sectors. One of the key target sectors for 2017 was the technology sector. Nelson Fibre, the City owned broadband utility, allows our business community to have access to high speed connectivity. Nelson continues to attract tech workers and has been identified province wide as a progressive innovative community. The Nelson Innovation Centre will be launched in 2018 and housed at the CP Station House in Railtown. *Left—Equipment in co-location room at City Hall*



#### Strategy: Enhance Community Vibrancy Through Sport, Culture and Recreation

Additional enhancements were completed on Hall Street including the mosaic tiles on the social steps and the installation of a sculpture in the Hall Street plaza. The Wednesday farmers market was also moved to Hall Street. Phase 2 of Hall Street will be completed this fall. There were also parks improvements at Cottonwood Park and IODE Park. The downtown sculpture program continues to expand and the City invested in renewing the Civic Centre to support indoor recreation participants.

*Left—Artist Rabia installing glass mosaic tile at Hall Street Plaza.*



Photo Credit: Nelson Daily

#### Strategy: Support Retention and Attraction of New Businesses

The NAEDP is the City's main vehicle to achieve this strategic priority. Data was collected on the manufacturing sector in our region and a program "Go Productivity" was brought in to support this sector with three Nelson companies participating in this program. A challenging area for Council and the community is the growing number of people struggling with poverty, mental health and addictions in our downtown. Council recently approved a multi-faceted approach to addressing this challenge. *Left — The CP Station House building will be the home of the Nelson Innovation Centre.*



#### Strategy: Encourage Development in Downtown and Waterfront

The City has designed a robust framework and set of policies to promote smart and sustainable development. This framework is intended to develop well connected neighbourhoods while encouraging a suitable mix of new and affordable housing, especially in the downtown and waterfront. The City is encouraging development in Railtown where Council recently re-zoned these lands to similar zoning as the downtown. The City is seeing additional residential and commercial development in the downtown, on Hall Street and the waterfront. *Left—Rendering of future rental units on Victoria Street.*

## City of Nelson Strategic Objectives 2015-2018

### Strengthen Neighbourhoods



#### Strategy: Develop Complete, Well Connected Neighborhoods

The Railtown Sustainable Neighbourhood Action Plan (SNAP) has been finalized and is the blueprint for an exciting new sustainable downtown neighbourhood. One of the major steps forward to this goal was rezoning private lands in Railtown to similar zoning as the downtown. Staff continue to work with a private land owner to support a new development on these vacant lands. Council and the Izu-Shi Friendship Society made additional improvements at Cottonwood Park in 2017.

*Left—New entrance to Cottonwood Park.*



The Downtown Urban Design Strategy brought together the community to identify ideas to further enhance our downtown. The larger enhancements will be dependent on grants and will be done in conjunction with the need to renew roads and the underground utilities. The first project inspired by this planning is the mural festival that will be launched by NDAC this summer. This is a great step forward in the *Lanes Alive* concept as identified in the Urban Design Strategy.

*Left—Approved mural design by Barry Overn on Downtown Automotive building.*

#### Strategy: Encourage a Suitable Mix of New Housing

The City continues to see high levels of development including a wide mix of projects from single family residential to large multi-family projects. We are also seeing purpose built rental units.



*Above—Rendering of fourplex development close to downtown in Nelson.*

*Right - Same fourplex during construction phase.*



## City of Nelson Strategic Objectives 2015-2018

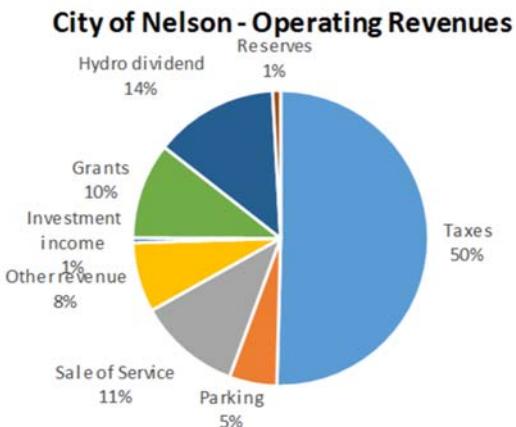
### Achieve Excellence in City Governance



#### Strategy: Encourage Citizen and Neighbourhood Engagement

The major outreach in 2017/18 was the cannabis survey where over 30% of the community returned surveys giving clear direction to Council on implementing new regulations. The public response on developing laneway housing regulations was also quite robust.

*Left—Senior Planner, Natalie Andrijancic holds thousands of returned cannabis surveys.*



#### Strategy: Develop and Implement Prudent Financial Management Policies

The City of Nelson is one of a few communities that has made a concerted effort to address its infrastructure deficits. Rate for all of its major utilities, water, sanitary sewer and electrical are sufficient to not only fund the renewal of these assets with minimal borrowing but also to slowly build reserves. The City has also been very successful in attaining infrastructure grants from other levels of government. The City has also developed a number of non-taxation revenue streams and these make up just over 50% of the general operating revenues, matching the property taxation the City collects from its residents and businesses.



#### Strategy: Improve Customer Service Through Innovation, High Standards and Continuous Improvement

Council continues to expand the options to the public to do business with the City. The City is seeing more and more of our residents opting to transact with the City electronically, whether that's paying a bill, getting a form, claiming a home owner grant or to receive a notification that it is garbage week.



#### Strategy: Support, Encourage and Empower City Employees

The City has had a leadership program in place since 2009, which includes coaching, leadership skills training and promotion of accountability for all staff. The City looks for opportunities for cross-training and sharing staff within and between departments. Cross-training is done on a regular basis in Finance, Development Services, Fire Dispatch, Public Works and Parks. Training programs are focused on achieving the strategic goals of Council. City staff are continuously upgrading their skill-sets through ongoing training and professional development.

## Community Profile

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**NELSON, BC** - 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.

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

Although the population of the City of Nelson is only 10,800, 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.

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 over 1,200 business licences issued in 2017.

Nelson has, for years, been an educational centre for the Kootenay Region. Presently, Selkirk College offers post-secondary education, there is also 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. Due to its scenery, moderate climate, amenities and unpolluted environment has developed a quality of life that is attractive to new residents and businesses.

A convention centre/hotel on the Nelson waterfront provides the finest convention facility in the West Kootenays and is able to host conventions of up to 400 people. Nelson has attracted several high tech industries and growth in this sector is projected to be one of the major economic engines for the community.

## City Manager's Office

Kevin Cormack, BComm, CPA, CA - City Manager

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

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

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



### 2017 Highlights

- A number of the strategic priorities that Council set three years ago have been completed or are in the process of being completed, this is addition to the day to day operations. All of our departments have been extremely busy.
- Development continues to be strong and we are also seeing housing built across the spectrum. This includes the NelsonCares seniors' facility on Nelson Ave.
- We have been very successful in securing grants for capital projects including Hall Street \$4,500,000 - 66% of the project and improving our water treatment on our secondary sources \$6,000,000 – 100% of the project.
- New public spaces being created including revamp of I.O.D.E. Park, the new plaza and stage at Cottonwood Park and the new park being created at the foot of Hall Street.

## Corporate Services

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Frances Long - Director of Corporate Services and Corporate Officer

Allison Sutherland - Manager of Information Technology & Fibre

Sarah Winton – Deputy Corporate Officer

The Corporate Services function includes the functions of Legislative Services, Administration, and Information Technology. Under the direction of the Deputy Corporate Officer, commencing in 2017 the Youth Centre now falls within the mandate of Corporate Services. See the Youth Centre section of this report for detailed information on their operations. Corporate Services also includes the functions of the Corporate Officer, who 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.

Legislative Services ensures Council is provided with relevant information from City staff, committees and the general public. It provides the public with information related to activities of Council, ensures meeting and agenda material is complete and provides the necessary information for decision making. It is responsible for the preparation of bylaws, policies, and agreements. This section of the department executes legal documents, legal matters, 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.

The IT department is responsible for the City's information technology , infrastructure, software (enterprise and desktop) and hardware (including personal computers, servers telephones and cell phones). In addition, the department oversees the City's new fibre optic service - Nelson Fibre.

## Finance

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Colin McClure, CPA, CA - Chief Financial Officer

Chris Jury, CPA, CA - Deputy Chief Financial Officer

Suzanne Rorick, CPA, CMA- 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 Public 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.

## Development Services

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Pam Mierau—Manager of Development Services

The Development Services department includes three planners, a full time and half-time building inspector, a development technician and a planning and building analyst. Development Services is responsible for land use planning in Nelson, which includes development of long range policy that aligns with the vision of Council and the community, and crafting land use regulations to implement that vision. Development Services also supports applications through the planning and building approval process by working with applicants to ensure that their proposals are consistent with the city vision.

2017 saw an increase in development construction values in Nelson, going from \$15M in 2016 to \$18.5M in 2017. The higher construction values in 2017 were due to an increase in single family construction, both renovations and new builds, as well as new multi-unit development. Development activity was strong with 188 building permits in 2017 (166 in 2016), and 84 development permits (52 in 2016). The number of subdivisions also increased, going from five in 2016 to 16 subdivision applications in 2017. The 3rd ten-ply at The Crossing, as well as a number of multi-unit developments were some of the key development projects underway this year.

In terms of community planning projects, Development Services had a couple of significant projects underway, including developing new regulations for laneway housing as well as for recreational cannabis.



## Nelson and District Youth Centre

Jordan Martin - Manager

The Nelson and District Youth Centre has been serving young people in this city with energy and pride for two decades.

Most people know the Youth Centre features a fabulous indoor skate park but that is just a fraction of what we offer. There's a band room, art room, dance studio, indoor basketball court, pool table, Foosball and ping pong tables - in short a whole host of healthy activities and special programs for youth to explore and learn. We provide a safe and supervised facility for youth to engage in educational programs and leisure activities which encourage the growth of positive self-esteem. The youth who attend our facility are able to freely express their opinions without fear of judgement, and are encouraged to participate in the development of programming.

We've also become the experts in finding jobs for young people starting out in the working world. NDYC runs the Youth Employment Centre in Nelson providing 16-22 year olds with one-on-one employment counselling, resume, cover letter and skill building workshops, computer, phone and copying services, and internet access for job searches. In short everything they need to find a job.

The Youth Centre also runs the Nelson City Campground, one of the most successful urban campgrounds in British Columbia. Revenue from the campground supports the youth centre. The Youth Centre, Youth Employment Centre and Nelson Campground are all part of the fabric of what makes this city so liveable and desirable.

### 2017 Achievements

- Facility improvements were made which included a bathroom renovation, new lighting, new garage door, and new paint inside and outside of the centre giving the building a fresh new look.
- Established a Nelson and Area Youth Network with financial support from Columbia Basin Trust.
- Created after school programming and spring and summer camps.
- Bolstered our online presence to create more awareness of the center as part of our marketing strategy.
- Grew our Customized Employment Program to assist youth with disabilities or multiple barriers to employment.
- Hosted the first ever multi sector Job Fair in Nelson where excellent employment relationships were formed.
- Improved outreach to High schools, social sectors and businesses. In 2017 we completed a total of 9 employment related workshops.
- We have introduced a quarterly flea market that allows youth to become entrepreneurs.
- Hosted events such as; the food truck festival, and youth week skate competition and bbq.
- Increased usage and revenue at the Nelson City Campground.
- Added new signage to the outside of the Youth Centre.
- Welcomed Columbia Basin Trust and Tech Club as residents in our building.

## Nelson and District Youth Centre



### 2018 Goals

#### Youth Centre

- Continue providing safe and accessible space for youth by ensuring a welcoming, comfortable, and inclusive atmosphere, programming, and events.
- Continue expanding afterschool and camp programs.
- Create an urban gardening program with our six planter boxes.
- Explore revenue generation through a concession and room rentals.
- Develop programming with input from youth to ensure it meets their needs.
- Host more special events that benefit youth to be active and engaged.
- Facility improvements: Skate park expansion, and dance studio upgrades.
- Strengthen community partnerships and awareness of Youth Centre services.

#### Employment Centre

- Increase our Customized Employment Program employment rate.
- Improve outreach and increase partnerships: develop relationship with high schools, social sector and businesses. Improve presence at public events i.e. markets.
- Improve brand awareness for Employment Services.
- Host the second annual Job Fair.

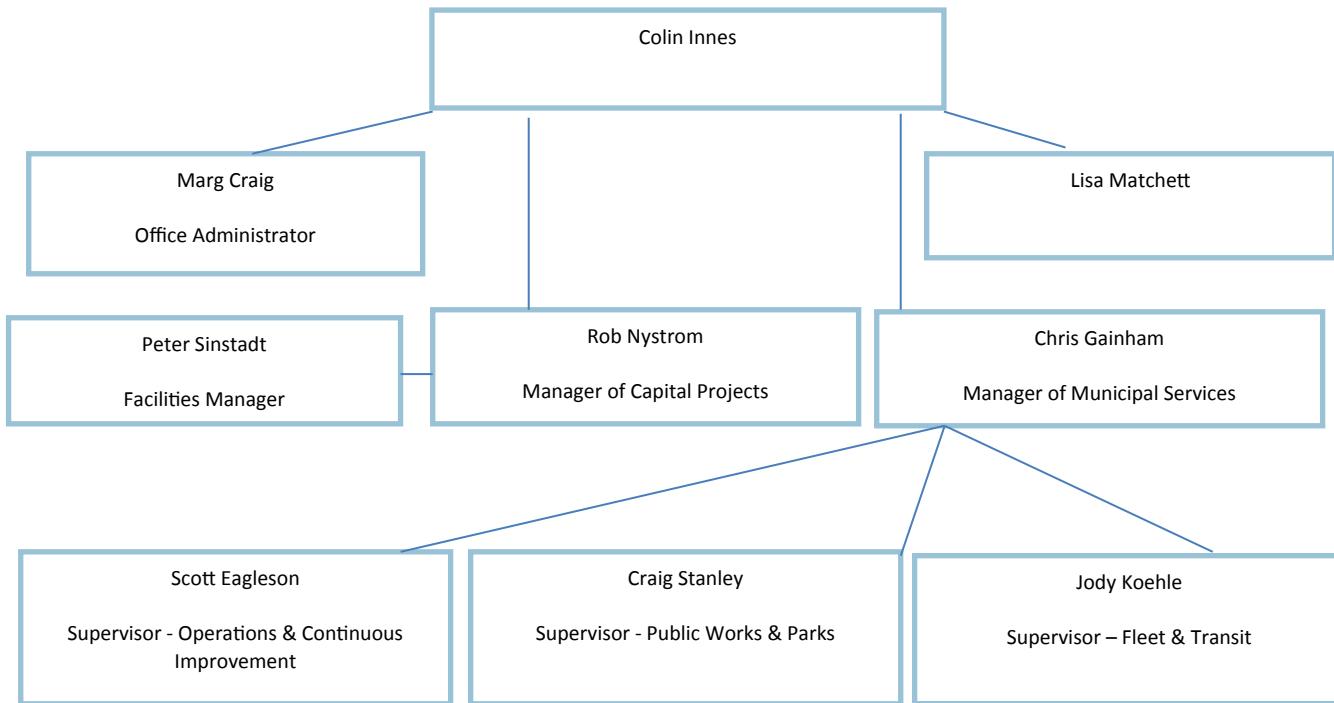
#### Campground

- Explore potential for revenue generation in concession.
- Build railings around tent platforms.
- Create signage that promotes tourism within the Kootenay Lake area.

For more information about our services and events, please visit our website [www.nelson.ca/youth](http://www.nelson.ca/youth).

## Public Works & Utilities

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



### Water Utility & Waste Water 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 System collects the raw sewage, and through a system of mains and five pump stations, transfers it to the Waste Water Utility.

The City has an on-going capital program to renew the sanitary sewer infrastructure .



## Public Works & Utilities

### Garage and Transit



The City's Garage maintains approximately 132 pieces of equipment for all departments including Public works, Transit, Hydro, police and Fire. The City has established an Equipment Replacement Reserve to fund the replacement, upgrade and purchase of additional equipment.

The City of Nelson operates one of the first established transit systems in the province. The Nelson streetcar system established in 1899 was the smallest system in the British Empire and the transit system has operated continuously since that time.

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



### 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.

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

## Public Works & Utilities

### Highlights & Accomplishments 2017

- 1815.96 metres of water main replaced.
- 3845.5 metres of sewer mains re-lined or replaced.
- Replacement of damaged greenhouse in Lakeside Park.
- Creation of a new transit stop at Chahko Mika Mall.
- Establishment of additional public parking.
- Stanley Street PRV replacement.
- IODE Park refurbishment.
- Silica Street Bridge replacement.
- Installation of Portland Loo at Baker & Hall Streets
- Updated Water Master Plan



## Public Works & Utilities

### 2018 Departmental Goals

- Water Main Replacement 300-400 blocks of Third Street.
- Phase 2 of Hall Street upgrades - Final design & begin construction of multiphase project.
- Cottonwood Park amenity area project
- Emergency access to Five Mile transmission line
- 3km of sanitary sewer relining.
- 600 and 700 block of Silica Street water main replacement project.
- Repaving of:
  - 400-500 block of Gore Street
  - 300-700 block of Third Street
- City Hall LED lighting conversion program.
- Gyro Park pedestrian bridge replacement.

### Investment in City Facilities in 2017

- Electrical Distribution upgrade to the Civic Centre.
- Envelope assessments of heritage assets, including 610 Railway & Touchstones Museum.
- Implemented a long-term capital planning strategy via detailed condition inspections of all City-owned buildings.
- Energy conservation projects such as LED lighting upgrades at the Youth Centre.
- New washroom facilities for the Youth Centre.
- Improvement of various facilities to ensure they continue to meet operational needs.



## Nelson Police

### Chief Constable Paul Burkart

The Nelson Police Department is the fifth oldest police service in British Columbia, with the first police officer, R. A. Winerals having been appointed at the Nelson City Council meeting of April 22, 1897. Our police department is the only independent municipal force in British Columbia's interior. The sworn and civilian men and women of the Nelson Police Department strive to provide a safe, crime-free community for its citizens.



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

The force is structured with two patrol teams, each under the leadership of a beat/community policing sergeant and a platoon sergeant with five constables and a plainclothes detective. A dedicated beat constable works a regular weekly schedule outside the platoon teams.

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

Also under the command of the Chief Constable is the Bylaw Department, consisting of three full-time Bylaw enforcement officers, a two-person Integrated Victim Services Unit, a part-time restorative justice coordinator, four full-time police dispatchers and three administrative positions. The Department also has a sergeant and

two police constables in seconded positions within the Integrated Road Safety Unit (IRSU), which is fully funded by the Province of BC. Part-time relief dispatchers, restorative justice volunteers and a volunteer reserve force are also utilized.

Our officers are actively engaged at the patrol level, with the highest case burdens per member among the British Columbia municipal police forces. In the spirit of community policing within this thriving and diverse “core city”, the Department deploys officers to proactively conduct downtown foot-patrols, and is engaged in a host of community focused crime prevention and youth programs.

## Nelson Police

### Department Achievements 2017

- Reintroduction of a full-time beat officer in the downtown core. Patrol officers also often spent their shifts walking the beat when call-loads permitted.
- The Fentanyl Task Force had a busy year, with presentations to community agency staff, schools and the general public. The creation of four sub-groups within the task force: Emergency Responders, Education and Prevention, Harm Reduction and Treatment and Continuity of Care allowed the task force to concentrate on the real issues of this crisis.
- Implementation of the strategies identified in a Departmental Review which was intended to improve internal communication, expand community and proactive policing, increase staffing capabilities and improve safety for our officers and the community. These strategies include: a new deployment model, a return of community policing positions, augmenting beat patrols with a full- time beat officer and two sergeants with beat duties, the addition of a dispatch support position, and the targeting of chronic offenders.
- Promotion of Constables Brian Weber and Dan Markevich to the rank of Sergeant.
- NPD sergeant took over command of the West Kootenay Integrated Road Safety Unit.

### Departmental Goals— 2018

- The development and implementation of the operational plan for the 2018 – 2022 Nelson Police Department Strategic Plan. This will include key directions of building on community relationships and communication, focusing on a healthy and engaged workforce by providing enhanced communication opportunities and improved guidance, support and development, and by providing the best value for our citizens through more efficient use of existing staff and resources, and by having our officers more visible in the community.
- Continued work with the Street Collaborative Committee, the Street Outreach Team and the Fentanyl Task Force to tackle issues related to poverty, homelessness, mental illness and drug use. The Fentanyl Task Force received a grant which will allow continued work within the sub-groups and larger committee, and will fund for a project to help alleviate the stigma that comes with substance use.
- Provide more training opportunities for all staff, including bylaw, civilian and sworn members, and volunteers. We will be creative in our approach, using local policing and community partners, as well as our provincial colleagues to bring the best, most current training to our members.
- Augment our reserve officer contingency to better support our sworn officers and provide support services to community groups and events, including the LVR Grad Cavalcade, Canada Day, Road Kings Car Show and Parade, Nelson Rod and Gun Club Annual Firearms Show, and the Remembrance Day Veteran's March.
- NPD constable to join the Integrated Impaired Driving Unit (IIDU) as the Drug Recognition Expert and Standard Field Sobriety Test coordinator for the SE District of the province.

## Nelson Fire & Rescue

Len MacCharles - Fire Chief

Mike Daloise - Assistant Fire Chief/ Training Officer

Rick Maida - Captain/Fire Prevention Officer

Nelson Fire & Rescue Services delivers emergency fire and rescue services as well as a number of fire prevention and safety programs throughout our community. Emergency responses include: fires and explosions, medical first responder, motor vehicle extrications, and technical rescues (hazardous material releases, high and low angle rope rescue, confined space, surface water rescue and other rescues).



The department takes proactive steps to protect life and property through programs such as fire prevention and inspections, fire investigations, public safety awareness, school programs and emergency medical first aid training. In addition, Nelson Fire & Rescue Services provides education on wildland-urban interface fire safety issues by promoting the principles for a FireSmart Community and conducting FireSmart home assessments.

Nelson Fire & Rescue Services upholds the regulatory provisions of the Fire Services Act and City Fire Bylaw No. 3268. The department consists of a Fire Chief, an on-shift Assistant Chief/Training Officer, an on-shift Captain/Fire Prevention Officer, two shift Captains, six full-time Firefighters, a Secretary/Dispatcher, and 20 Auxiliary Firefighters. Nelson Fire & Rescue Services also provides emergency services to a portion of RDCK Area 'E' for approximately 2000 residents through a contract with the Regional District.

### Operations Goal

- To develop a comprehensive operations program in fire, technical rescues, medical and emergency management services designed to ensure a high level of readiness through staffing levels, apparatus, facilities, personnel training 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, National Fire Protection Association recommendations and related documents. In addition to inspections, the department educates the community through a well balanced public education program aimed at all levels of our community. We investigate all fires for cause and determination to take a proactive approach in prevention.

### Training Goal

- To continue to develop and implement a Fire and Rescue Training Program to ensure our personnel are highly trained, effective and have the technical expertise required to safely conduct the emergency work provided by the department. Training will meet the standards and certifications recognized by British Columbia Fire Services.

### Safety Goal

- To continue to promote a safety culture and create safe work environments in accordance with WorkSafe BC and 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 healthy and functional work environment for the members of the department.

### Legislation & Recommended Practices

- To continue to meet regulatory requirements, stay informed on industry practices, review current contracts and complete outstanding operational guidelines, as well as continue with pre-fire planning as required.

## Nelson Fire & Rescue

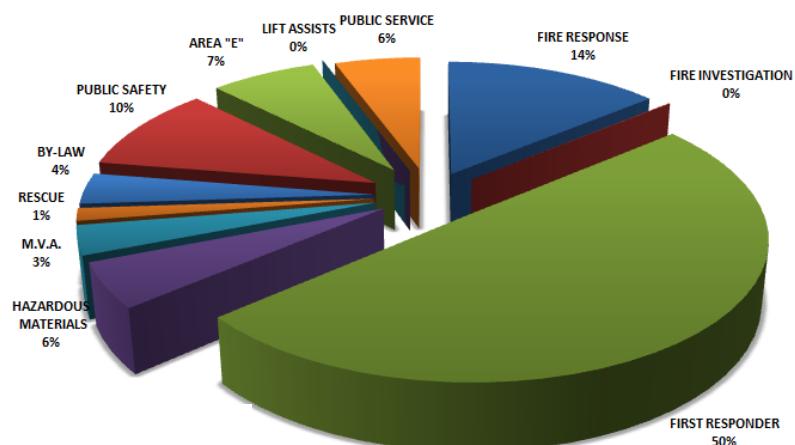
### Training Report

- Conducted a NFPA 472 Hazardous Material Operations level course, with members from other RDCK Fire Departments attending.
- 4 additional Auxiliaries were hired and have started training and working towards Firefighter 1 certification.
- Conducted Fire Extinguisher training for multiple City departments and other organizations through the City.
- In addition to regular training for Career members, 2017 training included Hazardous Material, Tanker Shuttle, Low to High Angle Technical Rope Rescue, FireSmart Awareness and ongoing training of career and auxiliary staff.
- All members participated in the annual Residential and Commercial tanker shuttle training. This training is a yearly requirement to maintain fire underwriter's insurance certification.

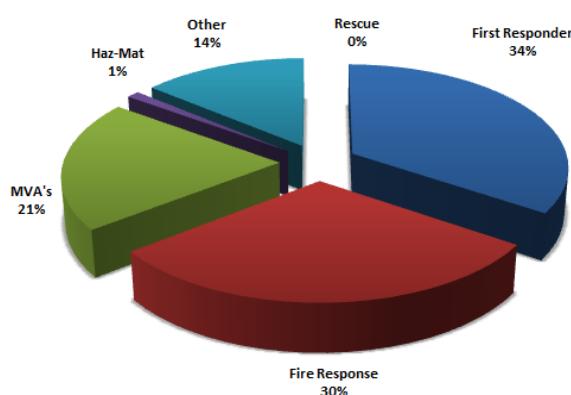
### Fire Prevention Report

- Focus has been on completing commercial property inspections. Required frequent follow ups to gain BC Fire Code compliance.
- Conducted annual inspections utilizing a revised inspection frequency schedule to maximize inspection efficiencies and completion rates.
- FireSmart/Wildfire Preparedness booth at local markets throughout the summer— Education to the public on emergency preparedness.
- Awarded grant to support the department's FireSmart awareness campaigns— Conducted over 75 FireSmart Home/Property Assessments.
- Fire Prevention Awareness Programs continued to be an important program in 2017, conducted over 100 house-to-house smoke alarm testing and where required installed new alarms.

**2017 Calls by Type**



**Area E Calls**



## Nelson Hydro

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Alex Love - General Manager

Dan Geissler - Operations Manager

Darrel Manchur - Transmission & Distribution Manager

Marg Craig - Office Administrator

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

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

Nelson Hydro presently has over 10,480 customers. Total system load is now over 160,000 MWh per year.

In 2017, Nelson Hydro transferred \$2,754,000 in dividends to the City General Revenue Fund.

Nelson Hydro operates the Bonnington falls generating facility which is a 16 MW hydro plant on the Kootenay River 15 KM west of Nelson. The hydro plant has 4 operating generators producing about 55% of the utility energy needs.

### Achievements in 2017

- Completed the Uphill voltage conversion
- Completed the decommissioning of the City substation & 12 kV portion of Mill Street substation.
- Community Solar Garden was completed.
- Power Plant G5 Auxiliary Systems Upgrade: (Vibration Monitoring, Speed Sensing, Wicket Gate and Turbine Blade Angle Control systems)
- Volt-Var Optimization Phase I: Added metering along North Shore Feeder.
- Power Plant upgrades including Penstock inspections, water passage repairs and Fore- bay Gate refurbishment were completed.
- Bonnington G5 (Generating Unit#5) protection and control upgrade completed
- Vegetation Management completed on South Shore and City main feed lines.

## Nelson Hydro

### 2018 - 2019 Department Goals

- PRV station - Install small hydro generation at top of Hall Street
- New Voltage Regulators at 6 Mile Sub and Volt-VAR optimize on North Shore feeder
- Concrete refurbishment & wood decking replacement at the Bonnington Power Plant
- 60L 3 Rebuild of East Richards Street Laneway Hydro line.
- Wooden Power Pole replacements throughout the system
- District Energy – development of business plan.
- COSA – Cost of Service Assessment to be completed
- New generation studies for adding generation to 5 mile and Selous Creek .
- Investigating Grohman Creek generation model
- The Great Escape – launch of My Heat thermal heat mapping platform with EcoSave.



## Nelson Public Library

Tracey Therrien - Chief Librarian

### 2017: A Year of transition. Report from the Board

The Nelson Public Library in 2017 continued to be a cornerstone in the community for information, learning, innovation, and public events. Digital circulation increased by 8% during the year, which is a reflection of shifting preferences for how library users access information. School and children's programs were expanded and continue to be well attended and fun! Innovation was a core theme and included the introduction of a very popular mobile printing service. In addition to author readings, the Library also arranged a number of presentations and workshops as part its life-long learning initiatives.



*Outgoing Chair Dianne Harke received a Super-Trustee Award from the BC Library Trustees Association (she was also awarded a hand-crafted goofy hat. From board and staff). L—R: former BCLTA president Donna Macdonald, Anne DeGrace (staff), board member Chris Ingles, Harke, Heather Goldik (staff), past board member Greg Maslak, past Chief Librarian June Stockdale, board member Christine Deynaka*

The successes of 2017 could only be achieved with the ongoing and generous support from the City of Nelson, the RDCK and the Province of B.C. The Board extends its gratitude and appreciation for this funding. A special thank-you also to Ramona Faust, RDCK Director for her

financial support for membership subsidies and the Library Card for Every Student program for Area E. The Nelson Public Library is also extremely grateful for the hard-working and committed volunteers from the Friends of the Library Group and individual volunteers that help every day in the Library.

The backdrop to these achievements in 2017 was the initial implementation of the Library's five year Strategic Plan. The Board is proud of the efforts from the Chief Librarian, the staff and individual trustees to support the objectives outlined in the Strategic Plan.

I want to acknowledge that 2017 was also a year of significant change. June Stockdale retired after nine years of dedication to the Library. The Board wishes June well in her retirement and sends a sincere thank-you for her excellent leadership.

Change can be difficult but it also brings new opportunities. We were fortunate to find a talented and experienced Chief Librarian, Tracey Therrien, who joined the Library in August. The Board appreciated her competence as she hit the ground running and has not looked back! The Board also saw the departure of Board Chair Chris Ingles after eight years of devoted support and leadership, and Board trustee Hoda Ghamrawy, who contributed three years to the successes of the Nelson Public Library.

In closing, I am proud of all the accomplishments of 2017 and am very excited for what 2018 will bring. Happy Discovering, Creating and Connecting at the Library!

~ Christine Deynaka, Nelson Public Library Board



**"I learned things that were completely new to me and met new people"** Library event attendee.

#### Key Stats—On-site Traffic

Total Cardholders	11,224
New cardholders	1,145
Average daily visits	472
Average items checked out daily	683
Average daily reference questions	27
Average daily computer uses	69
Number of programs	324
Total program attendees	7,805

#### Key Stats—Online Library

Online Visits	38,686
E-book and E-audiobook Downloads	21,226
E-magazine downloads	2,856
Online database usage	30,577

#### Mission:

The Nelson Public library inspires a culture of discovery, creativity and connection.

#### Vision:

The Nelson Public Library is

- A gateway to the evolving world of information
- A catalyst for a strong, literate society
- A facilitator of strong community connections.



#### Key Priorities: Community Needs, Spaces to Connect & Sustainability

In 2017 the Library launched its new five-year Strategic Plan. The year-long planning stage consisting of community, board, and staff consultations, established clear objectives for the coming years. Residents wanted growth in the Library's digital offerings but not at the expense of the physical collection and wanted to build the Library as a community hub while continuing to offer quiet individual areas and space for the collection. Expectations also included the Library being a leader in providing leading-edge technology and shifting beyond the simple provision of information to supporting people to creatively use information and resources. Using this feedback as a roadmap we're pleased to see those priorities take shape in 2017, represented by a number of new Library services and programs and fortified in existing core library services.

*Read the entire plan here: [nelsonlibrary.ca/about-us](http://nelsonlibrary.ca/about-us)*

## Municipal Buildings



### Nelson Civic Centre

Built in the depression, the Nelson Civic Centre was the first of its kind in Western Canada. The complex included 2 ice rinks, a curling rink, 2 gyms and a 700-seat theatre. The large rink in the Civic Centre is still utilized for hockey & figure skating, while the small rink was converted to an indoor soccer facility in 2007. The curling rink is leased to the Nelson Curling Club.



### Capitol Theatre

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

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



### Nelson & District Youth Centre

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



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

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

## Municipal Buildings



### **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 on the heritage registry. It was constructed in 1912 and has served the City since then. This building was the centre for much of the filming of the movie "Roxanne."



### **Police Station/Library**

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

# Municipal Infrastructure

## Roads, Bridges and Sidewalks

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

The 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.



Photo Credit: Rob Richardson

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. An issue associated with the old bituminous pipe is the infiltration of stormwater into the sanitary system.

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.

## 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 16 MW capacity or approximately 55% of the system's electrical energy.

# Municipal Infrastructure

## 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 City is a member of the Recycle BC Program and collects packaging and paper at curbside. This program is funded by producers that make or supply paper and packaging

## 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 currently undertaking a study to identify areas at risk to flooding and to develop flood plane mapping. This study will identify problem areas and formulate a drainage plan to help guide future development and identify structural mitigation projects.

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.

## 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.



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## Chief Financial Officer's Report

It is my pleasure to present, on behalf of the Finance Department, the 2017 Annual Report for the City of Nelson. The Finance section of the report includes the Audit Report from Berg, Lehmann Chartered Professional Accountants and the Consolidated Financial Statements for the year ended December 31, 2017.

The purpose of the annual report is to provide the readers with a clear understanding of the financial position and 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 2017 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, 2017 included in this report were prepared by City staff in accordance with Canadian public sector accounting standards. The consolidated financial statements have been audited by Berg, Lehmann Chartered Professional Accountants.

### 2017 OPERATING RESULTS

For the most part the 2017 financial results were in line with what had been budgeted for the year.

The City has a variety of revenue sources including taxation and grants-in-lieu of \$10.2 million, \$3.4 million in sales of other services. In addition the City receives significant revenue from user fees (including the electrical utility), in 2017 these fees amounted to \$25 million.

It is important to report that in 2017 the City received \$524,206 in Provincial unconditional grants (revenue sharing and traffic fine sharing). The Traffic Fine portion of the Funds were used towards the administrative and operational costs of the City of Nelson Police department; the remaining funding was used to reduce the City's business and residential tax burden. Without the small community grant, the City would have needed to increase taxes by approximately 6%.

Operating expenditures include \$6.4 million in protective services, \$3.2 million in transportation services, \$3.7 million in general government/corporate services and \$3.1 million in recreation, the Library and cultural services. Utility operations expenditures (including Nelson Hydro) total \$14.5 million. In addition, the City contributed \$251,000 towards the \$1.6 million gross 2017 operational expenses of Transit.

## Chief Financial Officer's Report

For 2017, the overall annual surplus ended up at \$6.8 million, which was lower than the \$9 million budgeted surplus, primarily due to the deferring of the 2017 grant funds received for the Hall Street Phase II project as the majority of the capital work will be completed in 2018. It must be noted that a surplus is budgeted for in order to assist in the funding of future capital expenditures through the surplus being transferred into reserves.

### CAPITAL SPENDING AND RESERVES

The City continues its aggressive capital program by replacing, updating and maintaining the City's infrastructure and other capital assets. In 2017, \$7.7 million of capital asset additions were recorded. One major addition for the City was the work that commenced on the lower portion of Hall St, the majority of which will be completed in 2018. Two-thirds of the project – which includes necessary upgrades to water, sewer, and storm systems - is being funded by a \$4.4 million grant. Further capital additions also relate to the replacing of over 1.8 km of water lines and the renewing of the sewer transportation system through the relining or replacement of 3.8 km of sewer pipes. Nelson Hydro was successful in completing several power plant upgrades including penstock inspections, water passage repairs and fore-bay gate refurbishment. In addition, Nelson Hydro continues its ongoing upgrades to the transmission and distribution poles and power lines.

The City's reserve funds are the major support of the City's capital program. Overall the City increased its capital reserves in 2017. This was due in large part to higher than anticipated revenue generated for Nelson Hydro over the past winter, as well as General funds set aside for capital work continuing into 2018. Annually, Council and staff face the ongoing challenge to continue to address the City's infrastructure needs by balancing new debt with drawing down the reserves as required and continuing to rebuild them for future capital projects.

### LONG-TERM DEBT

The long term debt issued and outstanding as of December 31, 2017 (including temporary borrowing and capital lease obligations) was \$15,667,000. In 2016, this balance was \$16,892,000.

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

The outstanding debenture debt at the end of 2017 for each of the City's funds is:

General \$8,411,427	Water \$786,666	Sewer \$524,847	Nelson Hydro \$5,944,517
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As presented in the notes to the financial statements, \$7.3 million of the general debt is being repaid by FortisBC and Selkirk College through long term contractual agreements leaving only \$1.1 million in general purpose debt funded by the taxpayer.

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



Colin McClure, CPA, CA  
Chief Financial Officer

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**THE CORPORATION OF THE CITY OF NELSON  
MANAGEMENT REPORT**  
For the Year Ended December 31, 2017

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**RESPONSIBILITY FOR FINANCIAL REPORTING**

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

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

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



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Colin McClure, CPA, CA  
Chief Financial Officer

Berg  
Lehmann

Chartered  
Professional Accountants  
& Business Advisors

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V1L 4K7

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## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying consolidated financial statements of the Corporation of the City of Nelson, which comprise the consolidated statement of financial position as at December 31, 2017, and the consolidated statement of operations, consolidated statement of changes in financial assets and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

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

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

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

### 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, 2017, and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.



Chartered Professional Accountants

May 7, 2018

Nelson, B.C.



**THE CORPORATION OF THE CITY OF NELSON**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
As at December 31, 2017

	<u>2017</u>	<u>2016</u>
<b>Financial Assets</b>		
Cash and cash equivalents (Note 2)	\$ 30,642,773	\$ 23,676,857
Investments (Note 3)	3,005,368	2,924,253
Accounts receivable (Note 4)	6,123,372	5,784,084
Long-term accounts receivable (Note 5)	3,316,934	3,763,215
MFA deposits (Note 6)	<u>313,917</u>	<u>307,912</u>
	<u>43,402,364</u>	<u>36,456,321</u>
<b>Financial Liabilities</b>		
Accounts payable and accrued liabilities (Note 7)	5,799,638	4,950,068
Deferred revenue (Note 8)	5,768,320	3,604,420
Accrued future payroll benefits (Note 9)	1,958,590	1,999,193
Capital lease obligation (Note 10)	350,235	356,043
Debt (Note 11)	<u>15,317,222</u>	<u>16,536,054</u>
	<u>29,194,005</u>	<u>27,445,778</u>
<b>Net Financial Assets</b>	14,208,359	9,010,543
<b>Non -Financial Assets</b>		
Tangible capital assets (Note 12)	154,334,248	152,819,425
Inventory (Note 13)	1,321,861	1,299,909
Prepaid expenses	<u>318,734</u>	<u>264,569</u>
	<u>155,974,843</u>	<u>154,383,903</u>
<b>Accumulated Surplus (Note 14)</b>	<u>\$170,183,202</u>	<u>\$163,394,446</u>

Commitments and Contingencies (Note 18)



Colin McClure, CPA, CA  
 Chief Financial Officer

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

**THE CORPORATION OF THE CITY OF NELSON**  
**CONSOLIDATED STATEMENT OF OPERATIONS**

For the Year Ended December 31, 2017

	<u>2017 Budget</u> (Note 20)	<u>2017</u>	<u>2016</u>
<b>Revenue</b>			
Taxes	\$ 10,154,324	\$ 10,188,590	\$ 9,444,570
Sale of services	3,516,764	3,393,001	3,036,613
Other revenue from own sources	3,988,286	3,298,250	3,307,550
Investment income	423,400	523,976	577,629
Grants - unconditional	783,865	784,993	796,884
Grants - conditional	5,977,488	2,829,650	2,416,094
Water user fees	3,466,651	3,490,223	3,390,784
Sewer user fees	2,982,626	3,001,144	2,922,830
Transit user fees	242,279	282,828	257,259
Nelson Hydro sales	<u>17,150,555</u>	<u>18,353,665</u>	<u>16,778,032</u>
	<u>48,686,238</u>	<u>46,146,320</u>	<u>42,928,245</u>
<b>Expenses</b>			
General government	3,544,465	3,685,146	3,610,280
Protective services	6,228,960	6,426,410	5,699,743
Transportation services	3,723,098	3,138,873	3,181,310
Environmental health services	272,070	257,514	222,947
Public health and welfare services	189,923	183,659	183,961
Parks, recreation and cultural services	2,035,511	2,170,771	2,518,889
Interest and other debt charges	899,113	785,489	799,250
Water utility operations	1,317,332	1,381,373	1,441,853
Sewer utility operations	1,813,399	1,834,528	1,599,065
Nelson Hydro operations	11,681,227	11,328,455	10,418,197
Transit operations	1,569,945	1,568,395	1,495,013
Library	890,616	893,786	908,059
Amortization	5,253,868	5,342,649	5,225,475
Loss on disposal of tangible capital assets	<u>-</u>	<u>360,516</u>	<u>297,110</u>
	<u>39,419,527</u>	<u>39,357,564</u>	<u>37,601,152</u>
Annual surplus	9,266,711	6,788,756	5,327,093
Accumulated surplus, beginning of the year	<u>163,394,446</u>	<u>163,394,446</u>	<u>158,067,353</u>
<b>Accumulated surplus, end of the year</b>	<b>\$172,661.157</b>	<b>\$170,183,202</b>	<b>\$163,394,446</b>

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

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**THE CORPORATION OF THE CITY OF NELSON**  
**CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS**  
For the Year Ended December 31, 2017

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	<u>2017 Budget</u>	<u>2017</u>	<u>2016</u>
Annual surplus	\$ 9,266,711	\$ 6,788,756	\$ 5,327,093
Acquisition of tangible capital assets	(17,908,266)	(7,319,151)	(6,385,874)
Amortization of capital assets	5,253,868	5,342,649	5,225,475
Proceeds on sale of tangible capital assets	-	101,163	57,780
Loss on disposal of tangible capital assets	-	360,516	297,110
	<u>(3,387,687)</u>	<u>5,273,933</u>	<u>4,521,584</u>
Consumption (acquisition) of prepaid expenses	-	(54,165)	11,285
Consumption (acquisition) of supply inventory	-	(21,952)	(631)
	<u>-</u>	<u>(76,117)</u>	<u>10,654</u>
Increase (decrease) in net financial assets	(3,387,687)	5,197,816	4,532,238
Net financial assets, beginning of year	<u>9,010,543</u>	<u>9,010,543</u>	<u>4,478,305</u>
<b>Net financial assets, end of the year</b>	<b><u>\$ 5,622,856</u></b>	<b><u>\$ 14,208,359</u></b>	<b><u>\$ 9,010,543</u></b>

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

**THE CORPORATION OF THE CITY OF NELSON**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**

For the Year Ended December 31, 2017

	<u>2017</u>	<u>2016</u>
<b>Cash Provided by (Used In)</b>		
<b>Operating Activities</b>		
Annual surplus	\$ 6,788,756	\$ 5,327,093
<b>Items not involving cash:</b>		
Amortization of tangible capital assets	5,342,649	5,225,475
Actuarial adjustments	(327,791)	(279,623)
Loss on disposal of tangible capital assets	<u>360,516</u>	<u>297,110</u>
	12,164,130	10,570,055
<b>Increase (decrease) in non-cash operating items:</b>		
Accounts receivable	(339,288)	(369,091)
Long-term accounts receivable	446,281	316,090
MFA deposits	(6,005)	(8,371)
Accounts payable and accrued liabilities	849,570	(68,177)
Deferred revenue	2,163,900	(179,829)
Accrued future payroll benefits	(40,603)	(25,347)
Inventory	(21,952)	(631)
Prepaid expenses	<u>(54,165)</u>	<u>11,285</u>
	<u>15,161,868</u>	<u>10,245,984</u>
<b>Financing Activities</b>		
Debt repayment	(891,041)	(891,041)
Repayment of capital lease obligations	<u>(5,808)</u>	<u>(5,339)</u>
	<u>(896,849)</u>	<u>(896,380)</u>
<b>Capital Activities</b>		
Proceeds from disposal of tangible capital assets	101,163	57,780
Acquisition of tangible capital assets	<u>(7,319,151)</u>	<u>(6,385,874)</u>
	<u>(7,217,988)</u>	<u>(6,328,094)</u>
<b>Investing Activities</b>		
Net purchase of investments	<u>(81,115)</u>	<u>(99,120)</u>
<b>Net decrease in Cash</b>	<b>6,965,916</b>	<b>2,922,390</b>
<b>Cash and cash equivalents, beginning of year</b>	<b><u>23,676,857</u></b>	<b><u>20,754,467</u></b>
<b>Cash and cash equivalents, end of year</b>	<b><u>\$ 30,642,773</u></b>	<b><u>\$ 23,676,857</u></b>

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

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## THE CORPORATION OF THE CITY OF NELSON NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2017

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### 1. Significant Accounting Policies

The Corporation of the City of Nelson (the City) is a local government in the Province of British Columbia. The consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards.

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

(a) Principles of Consolidation

These consolidated financial statements include the accounts of all the funds of the City. Inter-fund transactions and balances have been eliminated in the consolidated statements.

(b) Revenue Recognition

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

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

(c) Deferred Revenue

Deferred revenue represents funds received for specific purposes which are externally restricted by legislation, regulation or agreement and are not available for general municipal purposes as well as licenses, permits, other fees and grants which have been collected, but for which the related services have not been performed and or projects have not been constructed. These amount will be recognized as revenues in the fiscal year in which it is used for the specified purpose, the services are performed and or the projects are constructed.

(d) Government Transfers

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

(e) Financial Instruments

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

(f) Accrued Future Payroll Benefits

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

(g) Interest and Actuarial Gains on Long Term Debt

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

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## THE CORPORATION OF THE CITY OF NELSON NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2017

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### 1. Significant Accounting Policies (continued)

#### (h) Tangible Capital Assets

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

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

#### (i) Non-Financial Assets

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

#### (j) Inventory of supplies

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

#### (k) Statutory Reserves

Statutory reserves are funds that have been restricted by council. Formal establishing bylaws have been adopted pursuant to the Community Charter, which define how these reserves are to be used.

#### (l) Reserves Set Aside by Council

Reserves set aside by Council are non-statutory reserves which represent an appropriation of surplus for specific purposes. These internally restricted funds are not available for unrestricted purposes without the approval of Council.

#### (m) Use of Estimates

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

#### (n) Budget

Budget data presented in these consolidated financial statements is based on the City's Five Year Financial Plan for the years 2017-2021, adopted by Council on May 5, 2017.

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**THE CORPORATION OF THE CITY OF NELSON**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
December 31, 2017

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**2. Cash and Cash Equivalents**

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

	2017	2016
Cash	\$ 4,454,851	\$ 5,509,022
MFA bond and money market funds	<u>26,187,922</u>	<u>18,167,835</u>
	<u>\$ 30,642,773</u>	<u>\$ 23,676,857</u>

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

**3. Investments**

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

<u>Maturity</u>	2017	2017	2016	2016
	Carrying Value	Market Value	Carrying Value	Market Value
2016	\$ -	\$ -	\$ 1,379,061	\$ 1,379,374
2017	1,024,802	1,024,802	395,527	406,170
2018	511,024	508,465	35,693	34,429
2019	301,870	292,076	298,299	300,787
2020	36,722	36,566	184,722	196,403
2021	96,171	92,248	196,171	206,834
2022	296,886	284,308	46,896	45,944
Thereafter	<u>737,893</u>	<u>730,330</u>	<u>387,884</u>	<u>377,787</u>
	<u>\$ 3,005,368</u>	<u>\$ 2,968,795</u>	<u>\$ 2,924,253</u>	<u>\$ 2,947,728</u>

**4. Accounts Receivable**

	2017	2016
Property taxes	\$ 504,819	\$ 595,056
Utility billings	3,941,780	3,876,270
Other governments	273,075	260,097
Trade & other receivables	<u>1,403,698</u>	<u>1,052,661</u>
	<u>\$ 6,123,372</u>	<u>\$ 5,784,084</u>

**5. Long Term Accounts Receivable**

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

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

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## THE CORPORATION OF THE CITY OF NELSON NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2017

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

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

	2017	2016
Selkirk College	\$ 2,716,047	\$ 2,996,093
Ecosave energy retrofits on-bill financing loans	243,030	314,158
Various other agreements	<u>357,857</u>	<u>452,964</u>
	<u><u>\$ 3,316,934</u></u>	<u><u>\$ 3,763,215</u></u>

### 6. Municipal Finance Authority Debt Reserve Fund

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

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

Upon maturity of a debt issue, the unused portion of the Debt Reserve Fund established for that issue will be discharged to the Municipality. The proceeds from these discharges will be credited to income in the year they are received. As at December 31, 2017, the total of the Debt Reserve Fund was comprised of:

	2017	2017	2017	2016
	Cash Deposit	Demand Note	Total	Total
General fund	\$ 193,457	\$ 470,990	\$ 664,447	\$ 660,746
Sewer utility	16,326	40,843	57,169	56,857
Water utility	14,425	36,091	50,516	50,240
Nelson Hydro	<u>89,709</u>	<u>174,898</u>	<u>264,607</u>	<u>262,891</u>
	<u><u>\$ 313,917</u></u>	<u><u>\$ 722,822</u></u>	<u><u>\$ 1,036,739</u></u>	<u><u>\$ 1,030,734</u></u>

### 7. Accounts Payable and Accrued Liabilities

	2017	2016
Trades payable	\$ 4,513,619	\$ 3,170,640
Accrued wages and benefits	1,007,420	1,237,394
Accrued interest	122,627	123,241
Funds held on deposit	<u>155,972</u>	<u>418,793</u>
	<u><u>\$ 5,799,638</u></u>	<u><u>\$ 4,950,068</u></u>

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**THE CORPORATION OF THE CITY OF NELSON**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
December 31, 2017

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**8. Deferred Revenue**

	2017	2016
Taxes and utility prepayments	\$ 2,879,512	\$ 2,765,355
Hydro utility prepayments	422,078	602,600
Grants	1,966,935	28,961
Other	499,795	207,504
	<u>\$ 5,768,320</u>	<u>\$ 3,604,420</u>

**9. Accrued Future Payroll Benefits**

	2017	2016
Holiday Pay	\$ 739,647	\$ 749,366
Sick Leave	1,054,786	1,090,757
Banked Overtime	164,157	159,070
	<u>\$ 1,958,590</u>	<u>\$ 1,999,193</u>

The City accrues holiday pay, sick leave, and banked overtime as they are earned by the employee, however, it is expected that these substantially funded liabilities will be met on a continuous basis over the long-term. Payment of these amounts will be funded from revenues of the period in which they are settled.

**10. Capital Lease Obligations**

**FortisBC Energy Lease**

The City has entered into a 35 year capital lease with FortisBC Energy Inc (formerly Terasen Gas Inc.), commencing October 31, 2003 for the natural gas distribution system within the municipality's boundary for \$8,000,000. The City has prepaid \$7,600,000 of the capital lease obligation and has financed the prepayment through debenture debt. The remaining obligation of \$400,000 is being paid through annual lease payments of \$36,354 including interest at 8.614%.

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

The minimum lease payments required under the terms of the FortisBC Energy leases for the next five years and thereafter are as follows:

2018	\$ 36,354
2019	36,354
2020	36,354
2021	36,354
2022	36,354
Thereafter	581,664
Less interest	(413,199)
	<u>\$ 350,235</u>

**THE CORPORATION OF THE CITY OF NELSON**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
December 31, 2017

**11. Debt**

	Debt Bylaw #	Purpose of Bylaw	Interest rate %	Year of Maturity	Original Issue	2017 Balance	2016 Balance
<b><u>General Purposes:</u></b>							
3107	Catacombs		3.85%	2033	\$ 275,000	\$ 235,784	\$ 246,172
3107	Baker Street bridge		3.85%	2033	900,000	771,657	805,654
3034	Street construction		4.82%	2022	50,341	20,157	23,735
2871	Tenth Street campus		3.15%	2025	6,080,000	2,745,044	3,025,090
3036	Highway 3A		4.00%	2021	300,000	97,943	120,121
2978	Fortis Gas		4.50%	2020	4,200,000	1,437,003	1,879,639
	Fortis Gas		CDOR+.5%	2021	<u>7,386,404</u>	<u>2,753,604</u>	<u>2,753,604</u>
					<u>19,191,745</u>	<u>8,061,192</u>	<u>8,854,015</u>
<b><u>Water Purposes:</u></b>							
3038	Fairview reservoir		4.82%	2022	240,000	96,096	113,156
3106	Water improvements		4.90%	2029	<u>1,000,000</u>	<u>690,570</u>	<u>734,761</u>
					<u>1,240,000</u>	<u>786,666</u>	<u>847,917</u>
<b><u>Sewer Purposes:</u></b>							
3037	Sewage treatment plant		4.00%	2021	550,000	179,562	220,221
3109	Sewer improvements		4.90%	2029	<u>500,000</u>	<u>345,285</u>	<u>367,381</u>
					<u>1,050,000</u>	<u>524,847</u>	<u>587,602</u>
<b><u>Hydro Purposes:</u></b>							
3110	Hydro improvements		4.90%	2029	1,500,000	1,035,855	1,102,142
3223	Hydro improvements		3.05%	2032	<u>6,000,000</u>	<u>4,908,662</u>	<u>5,144,378</u>
					<u>7,900,000</u>	<u>5,944,517</u>	<u>6,246,520</u>
Total Debt						<u>\$ 15,317,222</u>	<u>\$ 16,536,054</u>

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

	General	Water	Sewer	Hydro	Total
2017	\$ 792,824	\$ 61,251	\$ 62,754	\$ 302,002	\$ 1,218,831
2018	825,937	63,701	65,265	314,082	1,268,985
2019	860,438	66,249	67,875	326,646	1,321,208
2020	896,384	68,899	70,590	339,712	1,375,585
2021	416,015	71,655	73,414	353,300	914,384
Thereafter	<u>4,269,594</u>	<u>454,911</u>	<u>184,949</u>	<u>4,308,775</u>	<u>9,218,229</u>
	<u>\$ 8,061,192</u>	<u>\$ 786,666</u>	<u>\$ 524,847</u>	<u>\$ 5,944,517</u>	<u>\$ 15,317,222</u>

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**THE CORPORATION OF THE CITY OF NELSON**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
December 31, 2017

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**12. Tangible Capital Assets**

	Cost	Accumulated Amortization	2017 Net Book Value	2016 Net Book Value
Land	\$ 9,011,828	\$ -	\$ 9,011,828	\$ 9,011,828
Buildings	35,714,384	26,360,240	9,354,144	9,911,538
Vehicles	8,965,714	4,754,679	4,211,035	4,224,833
IT, equipment & furniture	2,805,754	1,586,440	1,219,314	1,394,689
Library	263,516	191,095	72,421	80,130
Natural gas system capital lease	8,186,404	3,508,457	4,677,947	4,911,844
Transportation infrastructure	26,681,028	10,303,726	16,377,302	16,142,632
Parks & cemetery	5,329,211	2,680,358	2,648,853	2,813,800
Water infrastructure	50,831,144	13,469,229	37,361,915	37,163,216
Sewer infrastructure	30,963,591	12,277,948	18,685,643	18,473,046
Storm sewer infrastructure	18,620,317	7,011,863	11,608,454	11,836,696
Hydro generators & substations	20,990,194	7,042,028	13,948,166	13,595,009
Hydro infrastructure	31,057,514	7,209,258	23,848,256	22,847,232
Assets under construction	<u>1,308,970</u>	<u>-</u>	<u>1,308,970</u>	<u>412,932</u>
	<u><u>\$ 250,729,569</u></u>	<u><u>\$ 96,395,321</u></u>	<u><u>\$ 154,334,248</u></u>	<u><u>\$ 152,819,425</u></u>

See schedule of consolidated tangible capital assets for more information.

**13. Inventory**

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

	2017	2016
General, Water, Sewer Transit and Garage supplies	\$ 376,711	\$ 356,572
Fuel	35,556	61,571
Hydro operating supplies	<u>909.594</u>	<u>881,766</u>
	<u><u>\$ 1,321,861</u></u>	<u><u>\$ 1,299,909</u></u>

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**THE CORPORATION OF THE CITY OF NELSON**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
December 31, 2017

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**14. Accumulated Surplus**

	2017	2016
<b>Reserves set aside by Council</b>		
Capital projects	\$ 1,616,896	\$ 671,066
Community works fund	1,260,448	949,059
Equipment replacement	3,476,483	3,243,715
Future power purchase	1,079,908	1,051,656
Nelson municipal library	19,292	19,182
Nelson Hydro capital	4,853,717	3,452,944
Sewer utility capital	4,442,291	4,155,130
Waterfront development	29,537	29,400
Water licence	2,097,387	2,095,185
Water utility capital	<u>4,639,080</u>	<u>4,058,947</u>
	23,515,039	19,726,284
<b>Statutory reserves</b>		
Land sales	138,399	137,756
Off street parking	9,793	9,747
Parks acquisition	111,308	110,791
Tax sale	<u>22,487</u>	<u>22,382</u>
<b>Total reserves</b>	<u>23,797,026</u>	<u>20,006,960</u>
<b>Surplus set aside by Council</b>		
Airport	220,470	210,470
Art in public places	13,995	13,315
Bridge	319,789	279,789
Building reserve	540,000	190,000
Economic development	125,710	19,231
Downtown & waterfront	27,870	120,264
Fortis	683,173	697,170
Insurance	363,245	377,925
Legal	20,000	20,000
Parking	7,578	7,578
Recycling reserve	103,340	113,340
911	59,089	49,089
10th street	<u>131,481</u>	<u>110,677</u>
<b>Unappropriated surplus</b>	<u>2,615,740</u>	<u>2,208,848</u>
<b>Total surplus</b>	<u>5,003,340</u>	<u>4,464,067</u>
<b>Invested in capital assets</b>	<u>141,382,836</u>	<u>138,923,419</u>
<b>Total Accumulated Surplus</b>	<u>\$170,183,202</u>	<u>\$163,394,446</u>

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**THE CORPORATION OF THE CITY OF NELSON**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
December 31, 2017

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**15. Trust Funds**

The Cemetery Care, Cemetery Replacement, Justice McDonald, Better Gardens and Spurway Estate Trust Funds are not reported in these financial statements. The following is a summary of Trust Fund transactions for the year:

	<b>2017</b>	<b>2016</b>
Balances, beginning of year	\$ 965,584	\$ 951,028
Contributions received	8,889	12,753
Interest earned	9,784	16,803
	<u>984,257</u>	<u>980,584</u>
Expenses and transfers	(13,000)	(15,000)
Balances, end of year	<u><u>\$ 971,257</u></u>	<u><u>\$ 965,584</u></u>

**16. Taxes Levied For Other Paid Authorities**

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

	<b>2017</b>	<b>2016</b>
Provincial Government - School taxes	\$ 8,446,697	\$ 8,447,471
Regional District of Central Kootenay	4,145,993	4,263,334
Central Kootenay Hospital District	-	(2,316)
West Kootenay Boundary Hospital District	697,673	668,061
British Columbia Assessment Authority	150,675	161,096
Municipal Finance Authority	485	450
	<u><u>\$ 13,441,523</u></u>	<u><u>\$ 13,538,096</u></u>

**17. Pension Plan**

The City of Nelson and its employees contribute to the Municipal Pension Plan (a jointly trustee pension plan). The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of the assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits provided are based on a formula. As at December 31, 2016, the plan has about 193,000 active members and approximately 90,000 retired members. Active members include approximately 38,000 contributors from local governments.

Every three years, an actuarial valuation is performed to assess the financial position of the plan and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plan. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plan. This rate may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

The most recent valuation of the Municipal Pension Plans at December 31, 2015, indicated a \$2,224 million funding surplus for basic pension benefits on a going concern basis. As a result of the 2015 basic account actuarial valuation surplus and pursuant to the joint trustee agreement, \$1,927 million was transferred to the rate stabilization account and \$297 million of the surplus ensured the required contribution rates remained unchanged.

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## THE CORPORATION OF THE CITY OF NELSON NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2017

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### 17. **Pension Plan** (continued)

The City of Nelson paid \$1,539,691 (2016 - \$1,379,173) for employer contributions to the plan in fiscal 2017.

The next valuation will be as at December 31, 2018 with results available in 2019.

Employers participating in the Plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the plan records accrued liabilities and accrued assets for the plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the plan.

### 18. **Commitments and Contingencies**

#### **Regional District Debt**

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

#### **Claims for Damages**

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

#### **Reciprocal Insurance Exchange Agreement**

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

### 19. **Segmented Information**

The City is a diversified municipal government institution that provides a wide range of services to its citizens. City Services are provided by departments and their activities are reported in these Service Areas. Departments disclosed in the segmented information, along with the services they provide, are as follows:

#### **General Government Services**

The Departments and Divisions within General Government Services are responsible for adopting bylaws; adopting administrative policy; levying and collecting taxes and utilities; acquiring, disposing and managing City assets; developing and maintaining information technology systems and applications; ensuring effective financial management and communication; administering City grants; developing an effective labour force; administering collective agreements and payroll; emergency planning; economic development; monitoring and reporting performance; and ensuring that high quality City service standards are met.

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**THE CORPORATION OF THE CITY OF NELSON**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
December 31, 2017

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**19. Segmented Information (continued)**

**Police & Bylaw Services**

The mandate of Police Services is to keep our community safe by enforcing the law, and by preventing and reducing crime. Bylaw is responsible for parking and other bylaw enforcement, as well as domestic animal control.

**Fire and Rescue Services**

The mandate of the Fire and Rescue Services is to protect life, property and the environment through the provision of emergency response, inspections, code enforcement and public education, ensuring safety for the public.

**Development Services**

Development Services is responsible for preparing land use plans, bylaws and policies for sustainable development of the City, for reviewing and approving new development and building permits and inspections, management of City owned lands, heritage planning and development of the City's official community plan.

**Engineering Services**

Engineering Services is responsible for planning, building, operating and maintaining the City's physical infrastructure including roads and sidewalks, civic buildings and facilities. In addition, the divisions provide services for storm sewer services, solid waste and recycling, cemetery operations, and fleet services.

**Parks, Recreation & Cultural Services**

Parks, Culture and Recreation is responsible for providing, facilitating the development of, and maintaining high quality parks, recreation facilities and programs, the youth centre and cultural services.

**Transit**

Transit is tasked with providing safe, timely and efficient public transit services within the City limits.

**Library**

As a controlled entity the City reports and is responsible for the successful operations of the Nelson Municipal Library.

**Nelson Hydro**

This segment includes all the operating activities related to the generation, distribution and supply of the City's electricity.

**Utility Operations**

The Water Utility operates and distributes over 8 million cubic meters of drinking water annually, and maintains water mains and pump stations. The Sewer and Drainage Utility is responsible for the collection, treatment and disposal of sanitary sewage and drainage, as well as the network of sewer mains and pump stations.

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**THE CORPORATION OF THE CITY OF NELSON**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
December 31, 2017

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19. **Segmented Information** (continued)

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

	General Government	Police & Bylaw	Fire Services	Development Services
<b>Revenues</b>				
Taxes	\$10,127,660	\$ -	\$ -	\$ -
Sales of Service	261,040	1,676,805	201,050	17,460
Other revenue from own services	1,522,033	211,623	-	269,377
Investment income	352,709	-	-	-
Grants - unconditional	413,098	111,108	-	-
Grants - conditional	525,503	76,690	10,000	555,240
Water user fees	-	-	-	-
Sewer user fees	-	-	-	-
Transit user fees	-	-	-	-
Nelson Hydro sales	-	-	-	-
	<u>13,202,043</u>	<u>2,076,226</u>	<u>211,050</u>	<u>842,077</u>
<b>Expenditures</b>				
Wages and benefits	1,811,751	3,815,147	1,586,633	563,154
Supplies and services	1,513,067	618,724	373,529	81,190
Interest and other debt charges	390,995	-	-	-
Amortization	1,324,191	52,319	98,809	-
Loss on disposal of assets	-	-	-	-
	<u>5,040,004</u>	<u>4,486,190</u>	<u>2,058,971</u>	<u>644,344</u>
<b>Annual Surplus (Deficit)</b>	<b><u>\$ 8,162,039</u></b>	<b><u>\$(2,409,964)</u></b>	<b><u>\$(1,847,921)</u></b>	<b><u>\$ 197,733</u></b>

Engineering Services	Recreation & Culture	Parks Transit	Library	Nelson Hydro	Utilities	2017 Total
\$ 60,930	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,188,590
623,448	583,973	-	29,225	-	-	3,393,001
79,449	42,520	1,757	33,200	784,514	353,777	3,298,250
-	-	-	2,466	92,659	76,142	523,976
-	-	-	260,787	-	-	784,993
5,291	343,041	1,032,539	34,234	242,112	5,000	2,829,650
-	-	-	-	-	3,490,223	3,490,223
-	-	-	-	-	3,001,144	3,001,144
-	-	282,828	-	-	-	282,828
-	-	-	-	18,353,665	-	18,353,665
<u>769,118</u>	<u>969,534</u>	<u>1,317,124</u>	<u>359,912</u>	<u>19,472,950</u>	<u>6,926,286</u>	<u>46,146,320</u>
1,727,519	1,041,177	767,210	691,680	2,173,170	1,709,272	15,886,713
1,600,889	1,129,594	801,185	202,106	9,155,285	1,506,628	16,982,197
52,808	-	-	-	247,500	94,186	785,489
1,409,794	179,158	-	-	1,030,693	1,247,685	5,342,649
70,675	-	-	-	87,207	202,634	360,516
<u>4,861,685</u>	<u>2,349,929</u>	<u>1,568,395</u>	<u>893,786</u>	<u>12,693,855</u>	<u>4,760,405</u>	<u>39,357,564</u>
<u><u>\$(4,092,567)</u></u>	<u><u>\$(1,380,395)</u></u>	<u><u>\$(251,271)</u></u>	<u><u>\$(533,874)</u></u>	<u><u>\$ 6,779,095</u></u>	<u><u>\$ 2,165,881</u></u>	<u><u>\$ 6,788,756</u></u>

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**THE CORPORATION OF THE CITY OF NELSON**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**20. Budget Data**

The reconciliation of the approved budget for the current year to the budget figures reported in these consolidated financial statement is as follows:

	<u>2017</u>
Budget surplus per Consolidated Statement of Operations	\$ 9,266,711
Less: Capital expenditures	17,908,266
Debt principal repayments	896,851
Budgeted transfers to reserves	2,956,666
Add: Budgeted transfers from surplus and reserves	6,680,204
Amortization	5,253,868
Debt proceeds	<u>561,000</u>
Net annual budget	<u>\$ -</u>

## 2017 Property Tax Exemptions

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

To be considered for a PTE, 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.

Below is a listing of organizations granted a PTE in 2017 together with the estimated amount of municipal taxes that would have been imposed on the property if it were not considered exempt.

CITY OF NELSON (NELSON & DISTRICT MUSEUM)	502 VERNON ST	\$ 15,067
NELSON CARES SOCIETY	816 VERNON ST	3,029
NELSON CARES SOCIETY	567 WARD ST	4,250
CITY OF NELSON (CAPITOL THEATRE)	421 VICTORIA ST	8,191
ST JOHN EVANGELICAL LUTHERANCHURCH	300 SILICA ST	440
NELSON UNITED CHURCH	602 SILICA ST	135
SYNOD OF THE DIOCESE OF KOOTENAY	701 WARD ST	194
EVANGELICAL COVENANT CHURCH OF CANADA	702 STANLEY ST	91
KOOTENAY KIDS SOCIETY	312 SILICA ST	3,814
KOOTENAY KIDS SOCIETY	804 STANLEY ST	636
ROMAN CATHOLIC BISHOP OF NELSON	813 WARD ST	227
WEST KOOTENAY WOMEN'S ASSOCIATION	420 MILL ST	1,376
CITY OF NELSON (NELSON CURLING CLUB)	302 CEDAR ST	16,955
CITY OF NELSON (NELSON SOCCER ASSOCIATION)	306 CEDAR ST	5,989
CITY OF NELSON (NELSON & DISTRICT BOY SCOUTS & GIRL GUIDES)	310 CEDAR ST	469
WEST ARM INVESTMENTS LTD	610 FRONT ST	879
KOOTENAY COOPERATIVE RADIO	308A HALL ST	1,115
SALVATION ARMY IN CANADA	601 VERNON ST	3,599
CITY OF NELSON (NELSON CIVIC THEATRE SOCIETY)	103-719 VERNON ST	3,576
CITY OF NELSON (GLACIER GYMNASTICS)	719 VERNON ST	1,468
KOOTENAY CHRISTIAN FELLOWSHIP	520 FALLS ST	1,688
CITY OF NELSON (NELSON & DISTRICT ROD & GUN CLUB)	801 RAILWAY ST	7,581
FIRST BAPTIST CHURCH OF NELSON BC	611 FIFTH ST	278
KOOTENAY ADVOCACY NETWORK/TASK	620 NELSON AVE	1,054
NELSON KIWANIS PROJECTS SOC	824 SIXTH ST	536
PENTECOSTAL ASSEMBLIES OF CANADA	1004 THIRD ST	270
PENTECOSTAL ASSEMBLIES OF CANADA	1004 THIRD ST	270
PENTECOSTAL ASSEMBLIES OF CANADA	623 GORDON ST	256
NELSON KIWANIS PROJECTS SOC	509 GORDON ST	1,190
NELSON CARES SOCIETY	805 NELSON AVE	3,928
NELSON BC CONGREGATION OF JEHOVAH'S WITNESSES	2121 FALLS ST	459
CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS IN CANADA	222 RICHARDS ST	721
ASCENSION LUTHERAN CHURCH	1805 SILVER KING RD	480
GRANITE POINTE GOLF & RECREATION SOC	1123 RICHARDS ST W	3,605
GRANITE POINTE GOLF & RECREATION SOC	1123 RICHARDS ST W	3,601
KALEIN HOSPICE CENTRE SOCIETY	402 RICHARDS ST W	1,503

## Statistical Section

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### 2017 Property Assessments and Tax Rates

Assessments and property tax by Class	Residential	Utilities	Light Industry	Business Other	Recreational Non-Profit
Assessment for General Purposes	\$1,432,347,100	\$ 3,291,585	\$ 1,279,800	\$ 234,056,800	\$ 1,958,908
Percentage of Taxable Values	85.62%	0.20%	0.08%	13.99%	0.12%
General Tax Levy by Class	6,348,019	107,348	10,363	2,178,367	5,160
Percentage of General Taxation	73.39%	1.24%	0.12%	25.19%	0.06%
<b>2017 Rates (per \$1,000)</b>					
General	\$4.4319	\$32.6130	\$8.0971	\$9.3070	\$2.6343
Debt	0.1091	0.8027	0.1993	0.2290	0.0648
School	2.2967	13.4000	4.8000	4.8000	2.7000
Regional Hospital	0.2893	1.0126	0.9836	0.7086	0.2893
Regional District	1.5291	5.3519	5.1989	3.7463	1.5291
B.C. Assessment	0.0432	0.4981	0.1393	0.1393	0.0432
Municipal Finance Authority	0.0002	0.0007	0.0007	0.0005	0.0002
	<b>\$8.6995</b>	<b>\$53.6790</b>	<b>\$19.4189</b>	<b>\$18.9307</b>	<b>\$7.2609</b>

### Historical property tax levies

	2017	2016	2015	2014	2013
Taxable Assessments (net of boundary expansion)	\$ 1,672,934,193	\$ 1,516,537,475	\$ 1,446,634,020	\$ 1,436,787,750	\$ 1,424,368,540
Tax Levies					
General	\$ 8,649,257	\$ 7,910,168	\$ 7,678,764	\$ 7,476,034	\$ 7,281,807
Debt	212,892	213,229	213,050	213,020	207,585
School	8,429,179	8,425,909	8,369,225	8,389,044	8,595,176
Regional Hospital	695,251	662,934	645,227	621,572	738,969
Regional District	3,675,123	3,818,306	3,733,201	3,739,612	3,722,950
B.C. Assessment	150,261	160,511	163,154	168,163	168,428
Municipal Finance Authority	483	448	428	429	425
	<b>\$21,812,446</b>	<b>\$21,191,505</b>	<b>\$20,803,049</b>	<b>\$20,607,874</b>	<b>\$20,715,340</b>

## Statistical Section

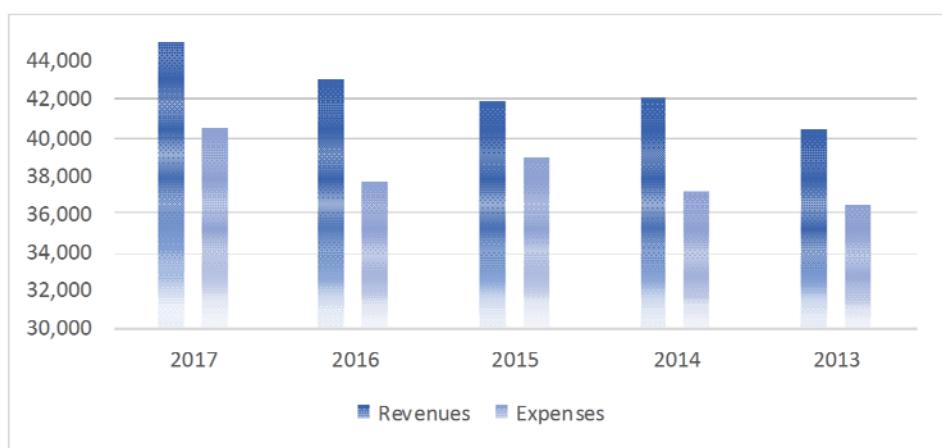
### Historical Revenues and Expenses

#### Revenues (in thousands)

	2017	2016	2015	2014	2013
Taxes	10,189	9,445	9,138	8,958	8,785
Sale of services	3,409	3,037	3,076	3,151	2,942
Other income	4,425	3,308	3,653	3,144	3,185
Investment income	524	578	749	909	650
Grants - unconditional	785	797	807	604	593
Grants - conditional	2,830	2,416	2,056	2,917	2,671
Water user fees	3,490	3,391	3,294	3,165	3,030
Sewer user fees	3,001	2,923	2,869	2,783	2,692
Transit user fees	283	257	237	247	236
Nelson Hydro sales	18,354	16,778	15,965	16,105	15,506
	47,289	42,928	41,843	41,982	40,391

#### Expenses (in thousands)

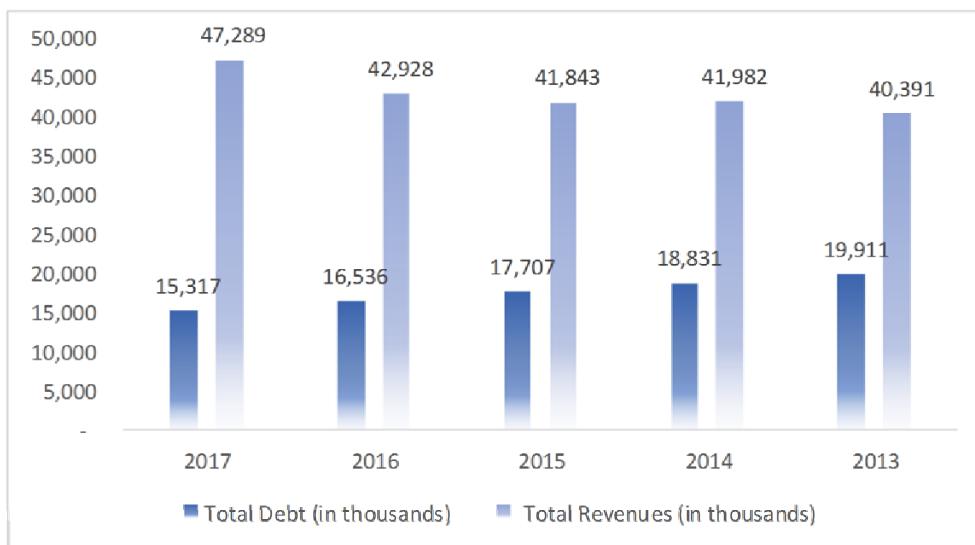
	2017	2016	2015	2014	2013
General government	3,692	3,610	3,472	3,175	2,836
Protective services	6,578	5,700	5,368	5,389	5,246
Transportation	3,580	3,181	3,442	3,128	3,582
Environmental health services	285	223	227	205	204
Public health and welfare	192	184	182	180	180
Parks, recreation and cultural	2,248	2,519	2,509	2,496	2,416
Interest and debt charges	785	799	805	841	857
Water utility operations	1,481	1,442	1,396	1,108	1,114
Sewer utility operations	1,892	1,599	1,625	1,751	1,472
Nelson Hydro operations	11,592	10,418	11,989	11,212	10,533
Transit operations	1,578	1,495	1,485	1,411	1,379
Library	894	908	875	850	846
Amortization	5,343	5,225	5,083	5,031	4,778
Loss on disposal of assets	361	297	370	367	875
	40,500	37,601	38,826	37,142	36,316



## Statistical Section

### Summary of Long-term Debts

	2017	2016	2015	2014	2013
<b>Total Debt (in thousands)</b>	<b>\$15,317</b>	<b>\$16,536</b>	<b>\$17,707</b>	<b>\$18,831</b>	<b>\$19,911</b>
<b>Supported by:</b>					
Selkirk College Lease	2,745	3,025	3,293	3,550	3,795
Property Tax	1,125	1,195	1,263	1,328	1,390
Water Utilities	787	848	907	963	1,018
Sewer Utilities	525	588	648	706	762
Nelson Hydro	5,945	6,247	6,537	6,816	7,085
Gas Franchise Lease Revenues	4,190	4,633	5,059	5,468	5,861
 <b>Debt Service Payments (in thousands)</b>	 <b>\$1,646</b>	 <b>\$1,661</b>	 <b>\$1,665</b>	 <b>\$1,700</b>	 <b>\$1,746</b>
<b>Supported by:</b>					
Long term lease	270	270	270	297	334
Property Tax	110	116	118	118	83
Water Rates	106	106	106	106	106
Sewer Rates	78	93	93	93	98
Nelson Hydro Rates	499	499	499	499	502
Gas Franchise Lease Revenue	583	577	578	587	623
 <b>Total Revenues (in thousands)</b>	 <b>\$47,289</b>	 <b>\$42,928</b>	 <b>\$41,843</b>	 <b>\$41,982</b>	 <b>\$40,391</b>
<b>Debts service payments as a percentage of revenue</b>	<b>3.48%</b>	<b>3.87%</b>	<b>3.98%</b>	<b>4.05%</b>	<b>4.32%</b>



## Statistical Section

### Building Permits

	2017	2016	2015	2014	2013
Number of permits issued	188	173	188	150	142
Total building permit value	212,766	142,777	236,719	130,434	91,556
Total permit construction value	18,531,160	15,064,439	33,548,333	18,452,679	9,703,999
Average permit construction value	98,570	87,078	178,449	123,018	68,338

### New business licenses

202	214	187	131	134
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