



City of
NELSON
2019 Annual Report

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City of Nelson 2019



Message from the Mayor



I first want to thank City staff for putting together the 2019 Annual Report for the City of Nelson. The report is comprehensive and reflects on the many accomplishments of our City in 2019. While we could not have predicted the current challenge our community is facing, successive Councils have always known it was important to be fiscally prepared for any scenario that could affect our operations, such as a downturn in the economy or a natural disaster. Given the current COVID-19 crisis and the impact it is having on our local and global economies, we are incredibly proud of our achievements outlined in this report. As we prepared our annual report, it was clear that the great work we did before 2020 and the pandemic, allowed us to continue to build on our strong foundation and be resilient in the face of the many challenges we have seen. While COVID-19 was certainly not a part of our reality while we were working back in 2019, our annual report represents the important groundwork we had already achieved.

Council identified emergency management as a priority and established the position of Director of Emergency Management. In 2019 the City opened our new Emergency Operation Centre (EOC). Between March 16 and May 15 of this year, we activated the EOC related to COVID-19. During this time, the EOC issued 43 daily pandemic updates and our video updates reached an average of 6300 people each time. We brought in staff throughout the organization to work in the EOC, including administration, youth centre and library staff. We also had local volunteer and former City employee, Marla Olson, step up to lead our business outreach team, which contacted over 1,100 businesses and spoke directly with over 450 business owners. From this outreach, we established a team in partnership with Selkirk College and the Basin Business Advisory program to help improve the online presence of our businesses.

I want to thank our Council for implementing our 25 Point Economic Stimulus and Financial Stability Plan to help our community navigate through the COVID-19 crisis. The Plan was developed to stabilize the City's budget, spur economic recovery and mitigate the financial challenges of our business community. Some highlights of the Plan include a zero % rate increase for Nelson Hydro, a zero % property tax increase, deferring payments to the City, creating an economic stimulus fund and supporting our local economy by moving forward with our own internal capital projects, as well as developing shovel-ready capital infrastructure projects for grants that are now available. Our staff have been working hard to implement the many action items in the Plan and have established a Recovery Operations Centre, which is a community-based approach and supports all aspects of recovery including economy, people and community, environment, and infrastructure and planning.

I want to thank all of those who have volunteered to support our efforts to keep our community strong and recover from this worldwide pandemic. We still have to be diligent and follow good safety practices; our community cannot afford to be shut down again.

I am very proud of the work of Council and all of our employees and our many community volunteers. We will continue to be true to our Nelson motto and 'Forge Ahead'.

Mayor John Dooley

Nelson City Council 2018-2022

Mayor John Dooley



Brittney Anderson



Keith Page



Cal Renwick



Rik Logtenberg



Jesse Woodward



Janice Morrison

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

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

2018-2022 Council Appointments

External Committees and Commissions - Council Voting Membership

Emergency Program Executive (Provincial)	Councillors Logtenberg/Anderson
Library Board (<i>Library Act</i>)	Councillors Page/Woodward
Nelson & Area Economic Development Partnership	Councillors Page/Logtenberg
Police Board (<i>Police Act</i>)	Mayor Dooley
RDCK Board (<i>Local Government Act</i>)	Councillors Morrison/Anderson
Recreation & Aquatic Commission	Councillors Morrison/Renwick/Page
West Kootenay Transit Committee	Councillor Logtenberg

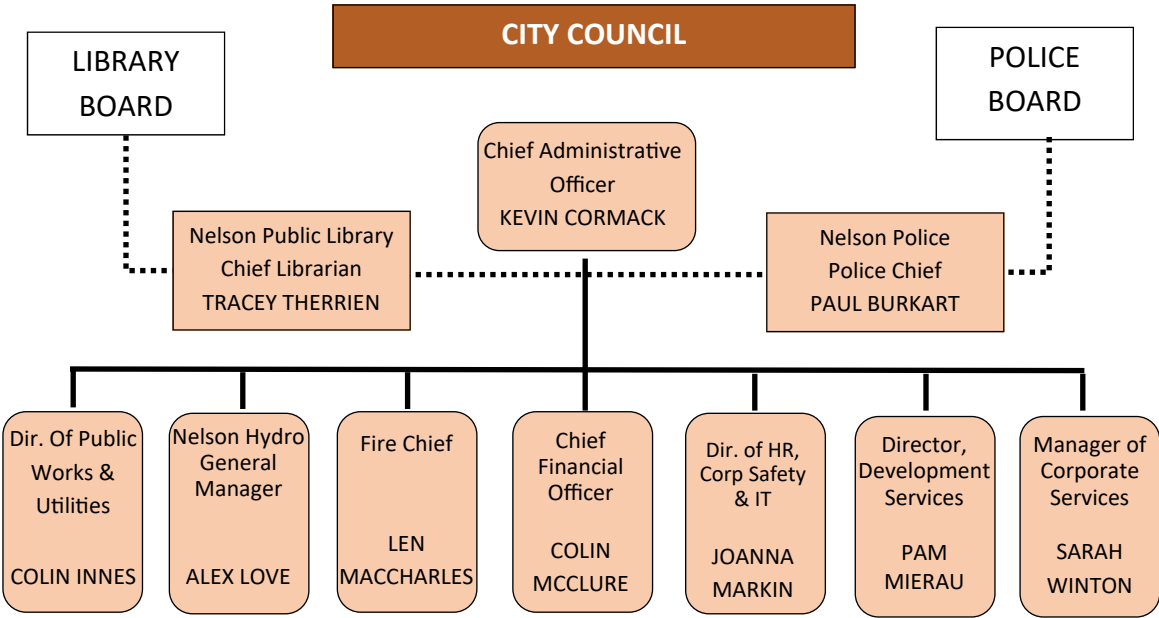
Standing Committees (established by Mayor)

Grievance Committee	Councillors Morrison/Renwick
Cultural Development Committee	Councillors Woodward/Page
Nelson Housing Committee	Councillors Woodward/Page

Council Liaisons/Portfolios

Advisory Planning Commission	Councillor Renwick
Treaty Advisory	Mayor Dooley
Tri-Cities	Mayor Dooley

Organizational Chart



MUNICIPAL OFFICERS 2019

Chief Administrative Officer.....	Kevin Cormack
Corporate Officer.....	Sarah Winton
Chief Financial Officer.....	Colin McClure
Approving Officer.....	Pam Mierau
Municipal Auditors.....	Grant Thornton
Municipal Bankers.....	Bank of Montreal

Report from the City Manager



Our new Council was elected on October 2018 and completed the strategic plan updated in early 2019. They reviewed the strategic priorities currently set and decided as a group that they would not make any significant changes to the core work and service levels of the City; and they established a number of additional priorities. These included: implementing an emergency management plan, locating and securing a secondary water source, exploring clean business opportunities through Nelson Hydro, closing the landfill at 70 Lakeside Drive, further developing our succession planning, improving energy and GHG reduction of City owned facilities, vehicles and equipment, and reviewing and recommending next steps for our Active Transportation Plan.

Progress was made in each of these areas over the past year and a half, highlights include:

Emergency Management – Council successfully negotiated a withdrawal from the RDCK service and adopted a new emergency plan bylaw for the City. Grant funding was secured to develop an Emergency Operations Centre. A new Emergency Management Coordinator position was established and progress on developing a robust emergency management plan is underway. The new EOC proved invaluable when the COVID-19 pandemic struck.

Secondary Water Source – a consultant has been engaged to complete the environmental review to secure a secondary water source. The project that is bringing all three of the City’s water sources to the Mountain Station Reservoir and UV treatment facility is under construction. ICI metering and other water conservation programs are being implemented, which continues to drive down water usage despite the growth the city is experiencing.

Clean Business Opportunities – the City’s economic development organization (NAEDP) has adopted clean tech as a strategic priority and the City’s new Nelson Innovation Centre renovations were completed, the centre opened in the summer of 2020, delayed by COVID-19.

Landfill Closure 70 Lakeside Drive – the City has been using the material excavated from its various utilities projects to provide the cover material that is required for closure; this has proven to be a very cost effective strategy to meet this requirement. Additional testing is being completed.

GHG reduction of City Facilities and Equipment – the Public Works department took delivery of their very first EV vehicle in the parks department. Lighting upgrades were completed.

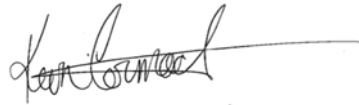
Continued....

Report from the City Manager

Active Transportation – the review of the plan was completed with an emphasis on adding cycling infrastructure. The City was successful in securing almost \$500,000 in funding to implement the first phase of the cycling plan. The City completed a successful E-Bike loan program for its employees, and in 2020, rolled this program out to the community.

In addition, the City secured funding to hire a climate change coordinator to develop and implement the City's Climate Change Action Plan, which will address both mitigation and adaptation. This plan will be completed in late 2020 and implementation will follow.

I encourage the community to read through the rest of the annual report to get a full picture of the day-to-day work that our highly skilled employees do to make Nelson the wonderful and vibrant place it is. When we are faced with a worldwide pandemic such as COVID-19, we are reminded of just how lucky we are to be in a community such as Nelson.

A handwritten signature in black ink, appearing to read 'Kevin Cormack', with a long horizontal line extending to the right.

Kevin Cormack, CPA, CA
City Manager

City of Nelson Strategic Objectives 2019 - 2022

Expand Local Jobs, Local Prosperity



Holiday Lights on Baker Street

Strategy: Create an inspiring public realm through public art, and natural and designed spaces, that enhance quality of life and encourages private sector investment.

Progress:

- The City received \$500,000 in grant funding to support the renewal of the Hall Street pier. This project is in the detailed design phase.
- Council provided funding for year two of Mural Fest and the sixth year of downtown sculptures.
- Festive lighting was installed the entire length of Baker Street, and a new streetlight design was approved for downtown.

Strategy: Leverage community assets to drive investment and job creation.

Progress:

- Nelson Innovation Centre was completed in early 2020 and is being operated by KAST.
- Nelson Fibre – rates were dropped and 28 new customers were added – revenues have recovered.
- Traction on Demand officially opened their offices in Nelson and are renovating the Legion Building as their permanent Nelson home. See Legion to left.

Photo courtesy of Nelson Daily.



Legion Building - New home for Traction on Demand

Strategy: Encourage development in downtown and waterfront that meets the goals of the Official Community Plan.

Progress:

- Closure work continues at the former landfill at 70 Lakeside Drive.
- Policy work for downtown and waterfront areas.
- The rezoning of Railtown was completed to attract investment and enable more flexibility for future development.

Strategy: Facilitate vibrancy in sport, culture and recreation to enhance economic growth through partnerships, events, festivals and business development.

Progress:

- A new stage was added to Cottonwood Park.
- Funding was received from the RDCK to support Nelson parks.
- The City's \$25k contribution to the Mural Fest attracted an additional \$117k in other funding.

Strategy: Support the retention, expansion and attraction of business to strengthen Nelson's economic base.

Progress:

- NAEDP lead a number of successful projects including the Cannabis Business Transition Initiative and the development of a Community Economic Resilience Plan.



New Stage at Cottonwood Falls Park



Nelson Innovation Centre

City of Nelson Strategic Objectives 2019 - 2022

Enhance Sustainability of City Services and Infrastructure



ICI Water Meter

Strategy: Develop a Safe and Adequate Water Supply

Progress:

- The City's consultants are completing the environmental review for the preferred secondary water source.
- ICI water metering was completed which allowed the City to target high water users.
- Mitigation strategies are being developed as part of the City's Climate Change Action Plan.

Strategy: Create an Energy Efficient Community

Progress:

- The EcoSave program was expanded into the RDCK area. The program is being delivered by Nelson Hydro.
- The City launched an employee E-Bike purchase program and this was expanded to the entire community in 2020.
- The City procured its first fully electric vehicle for the public works department.
- The District Energy Business Plan is being updated; Nelson Hydro is working with a private company on a regional RNG projects; flow data is being collected on potential run-of-the-river projects; Nelson Hydro is also working with the Village of Slocan on a potential run-of-the river projects.
- The BC Energy Step Code is the Province's new building energy code, involving a series of "Steps" representing improving energy performance levels. Ahead of provincial compliance, the City moved forward with a requirement for all new residential developments to meet StepCode 1.
- The City is developing a Climate Change Action Plan made possible by a two year grant from the Federation of Canadian Municipalities.



City staff park their commuter bikes outside City Hall.



Emergency Operations Centre (EOC)

Strategy: Improve the City's Emergency Management Capabilities

Progress:

- Council withdrew from RDCK Emergency Management service and adopted an Emergency Management Plan for the City.
- The City's Emergency Operations Centre (EOC) opened in October of 2019 and the City received grant funding of \$25,000 for EOC furniture and equipment and \$25,000 for an emergency back-up generator.
- The City's first Emergency Management Coordinator was hired late October 2019.

Strategy: Improve our Aging Infrastructure

Progress:

- Replaced or relined almost 4 km of water and sewer main in 2019.
- The City's Capital Projects Reserves contributed \$2M in 2019 to major projects such as street and sidewalk repaving and storm sewer upgrades.



Selous Watermain Extension Project

City of Nelson Strategic Objectives 2019 - 2022

Strengthen Neighbourhoods

Strategy: Encourage a Suitable Mix of New Housing

Progress:

- The City continues to work with BC Housing and a local non-profit to secure housing on top of the Youth Center.
- Three affordable housing projects are under construction at 205 Hall Street, 520 Falls Street, and 805 Nelson Avenue. These projects will add 129 units of new housing.
- 198 new housing units were approved in 2019.
- A portion of the Granite Pointe Golf Course lands were rezoned to allow for residential development.



Strategy: Develop Complete, Well Connected Neighbourhoods

Progress:

- The Downtown Parking Strategy was approved by Council.
- A successful laneway housing competition was held and three pre-approved designs were selected. *The first place entry is shown at bottom of page.*
- The Downtown Urban Design Strategy continues to be implemented including laneway beautification and planning for a new downtown transit exchange.
- The *Active Transportation Plan* was renewed and grants for cycling infrastructure were received in 2020.



City of Nelson Strategic Objectives 2019 - 2022

Achieve Excellence in City Governance

Strategy: Develop strategic partnerships and positive working relationships with businesses, community groups and government organizations.

Progress:

- The City worked with Interior Health, Columbia Basin Trust and BC Housing to secure new long-term care beds and a health campus at the Mount St. Francis site.
- The City worked with Ministry of Transportation and Infrastructure on a new intersection design at the bottom of Baker Street and Railtown.
- The City worked with BC Housing to help secure new affordable housing projects in Nelson.
- The City worked with RDCK to secure additional funding for City parks, closure of the Lakeside Drive transfer station and Emergency Management
- The City renewed its financial services contracts with Slocan, Silverton, and Salmo. In addition, New Denver was added as a new client.

Strategy: To support, encourage and empower employees by living the City's values, recognizing success, and fostering a positive team environment.

Progress:

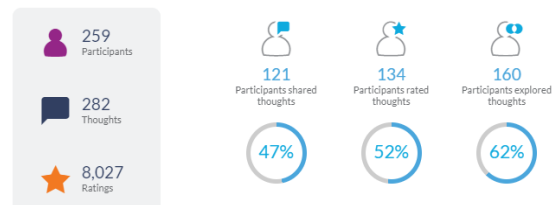
- Opportunity for employee growth through training & development that supports the implementation of strategic directions.
- The City's CFO was promoted to Deputy CAO as part of the City's succession planning.
- The CUPE leadership team and Nelson Hydro staff completed the Partners in Leadership training.

Strategy: Encourage citizen and neighbourhood engagement to help solve community challenges and take advantage of new opportunities.

Progress:

- The City has now completed a number of ThoughtExchanges. ThoughtExchange is an online engagement tool to engage with our residents on a number of initiatives.

What are some things we can all do as a community to better conserve water?



Strategy: Maintain prudent financial management policies regarding land management, asset replacement and long-range planning and budgeting, so taxpayers remain confident their tax dollars are being spent wisely.

Progress:

- Maintained a zero percent tax increase for 2019, with inflationary increases for Water and Sewer rates at 2% and 1.5% respectively.
- Strengthened alternative sources of financing City services, with only 50% of the \$23M general operating budget being funded by taxation.
- Continued to maintain and invest in reserves to finance future capital projects and asset replacement, and lessen the volatility in taxation from year to year.

Strategy: Improve customer service and enhance efficiency and effectiveness through innovation, high customer service standards, and a commitment to continuous improvement.

Progress:

- Promote and enhance online payments and services, as evidenced by a 13% increase in online tax and home owner grant applications in 2019.
- Successful transition to new Hydro billing software, which will facilitate the introduction of customer based online services in 2020.

Community Profile

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.

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.

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.



Corporate Services

Sarah Winton - Manager of Corporate Services & Corporate Officer

Gabriel Bouvet-Boisclair - Deputy Corporate Officer

Jordan Martin - Manager of Youth Centre & City Campground

Ginger Lester - Communications Coordinator

Sonya Martineau - Legislative Assistant

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

Legislative Services ensures Council is provided with relevant information from City staff, committees and the general public. It ensures meeting and agenda material is complete and provides the necessary information for informed decision making. It is responsible for the preparation of bylaws, policies, and agreements. This section of the department executes legal documents, handles 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 *Local Government Act*. Finally, Legislative Services processes and responds to requests from the public for documents and information made pursuant to the *Freedom of Information and Protection of Privacy Act*.

Communications works to accurately and consistently inform the public about Council decisions and other important City related news and events. It seeks to inform and engage citizens to ensure a governance model based on openness and accountability. This work includes proactive public engagement campaigns and an active social media presence.

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 its operations.

Finance

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, and parking control and payroll. This section is also responsible for purchasing, procurement and inventory control.

Development Services

Pam Mierau—Director of Development Services

The Development Services Department includes four planners, two building inspectors, a development technician, and a Climate Change Coordinator. 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. New to the Department in 2019 was a Climate Change Coordinator, made possible by a two-year grant from the Federation of Canadian Municipalities, with the responsibility of developing and implementing a Climate Change Action Plan for Nelson.

2019 saw an increase in development construction values in Nelson, going from \$29.3M in 2018 to \$45.7M in 2019. This strong increase in construction values was due mainly to three large multifamily developments in the city, including 514 Victoria Street (44 units), 205 Hall Street (43 units) and 520 Falls Street (39 units).

The majority of development this year was in the form of multi-family units, totalling 145 units (compared to 63 in 2018), followed by single family and secondary suites, both at 23 units each, compared to 22 and 30 units respectively, in 2018. There were 5 laneway house starts in 2019, up from 6 starts in 2018. Development activity remained strong with 183 building permits this year (slightly down from the 188 permits in 2018), and 94 development permits (71 in 2018).

In addition to the three multi-family development projects noted above, other key development projects included the LVR Tennis Courts, the Wholesale Club interior renovations, interior and exterior renovations of the Baldface office, interior renovations to the Legion and Stirling Hotel, and the new Nelson Home Hardware Building Centre storage shed on Lakeside Drive.

In terms of community planning projects, Development Services worked on new regulations to implement mandatory StepCode 1 for new development, a downtown parking survey, a laneway housing design competition, updated wildfire mitigation regulations, new holiday lighting and new downtown streetlights, rezone of a portion of Granite Pointe Golf Course for residential, rezoning of the remainder of Railtown, mandatory electric vehicle infrastructure in new development, and development of the Nelson Climate Change Action Plan.



520 Falls Street



Nelson and District Youth Centre

Jordan Martin - Manager

The Nelson and District Youth Centre has been serving Nelson and area youth with energy and pride for two decades.

We provide a safe and supervised facility for youth to engage in educational programs and leisure activities, which encourages the growth of positive self-esteem. Children and youth who attend our facility can freely express their opinions without fear of judgement and are encouraged to participate in the development of programming.

In January of 2019, the Nelson and District Youth Center took over the operations of the Nelson City Parkade, located on the 400 block of Vernon Street. The Parkade consists of 172 parking stalls; just over half are allocated to monthly stall rentals.

The NDYC also manages the Nelson City Campground, one of the most successful urban campgrounds in British Columbia. Revenues generated from the City campground supports the operations of the NYDC. The Nelson Youth Employment Centre and Nelson City Campground are part of the fabric that makes Nelson so liveable and desirable.

2019 Achievements

- The Youth Center received funding from the Columbia Basin Trust to build a new all-wheels park and bouldering wall. The build was completed by North Mountain Construction in July 2019. The Youth Center is now a Canadian Recognized indoor children and youth facility.
- Successfully received funding for the CBT Community Technology Program. We received \$22,000 for technological materials and programming, and created a Makerspace within the Youth Center.
- Two Selkirk College practicum students joined us for three months. They supported programming, assisted with outreach and increased their skills and abilities as they moved forward in their studies.
- Partnered with CBAL to create a mini library in our Hang zone that will bring multi-generations together.
- Successfully provided 382 families with affordable summer camp activities.
- We grew our out-of-school programming and added an additional 10 spaces for families, with funding provided by the BC Parks and Recreation Association.
- 2019 was the first year of our holiday camps. These camps proved successful with over 34 families in the program. Additionally, we were able to provide youth with employment over the holidays with this program.
- Offered afterschool skateboard lessons for ages 12 and under; lessons were full during every session.
- Pro-D day camps were a new addition to our camp roster and are available for all families at an affordable rate.
- Increased our online presence to create more awareness as part of our marketing strategy.

Nelson and District Youth Centre



2020 Goals

Youth Centre

- Continue providing a safe and accessible space for the community by ensuring a welcoming, comfortable, and inclusive atmosphere, programming, and events.
- Continue expanding afterschool and day camp programs.
- Develop programming with input from youth to ensure it meets their needs.
- Host additional special events that benefit youth to be active and engaged.
- Strengthen community partnerships and awareness of Youth Centre services.

Parkade

- Continue to work closely with Development Services to implement the parking strategy, providing better options to the public.
- Create proper signage within the parkade to simplify parking options and availability to the public.
- Create more daily stalls for commuter parking.

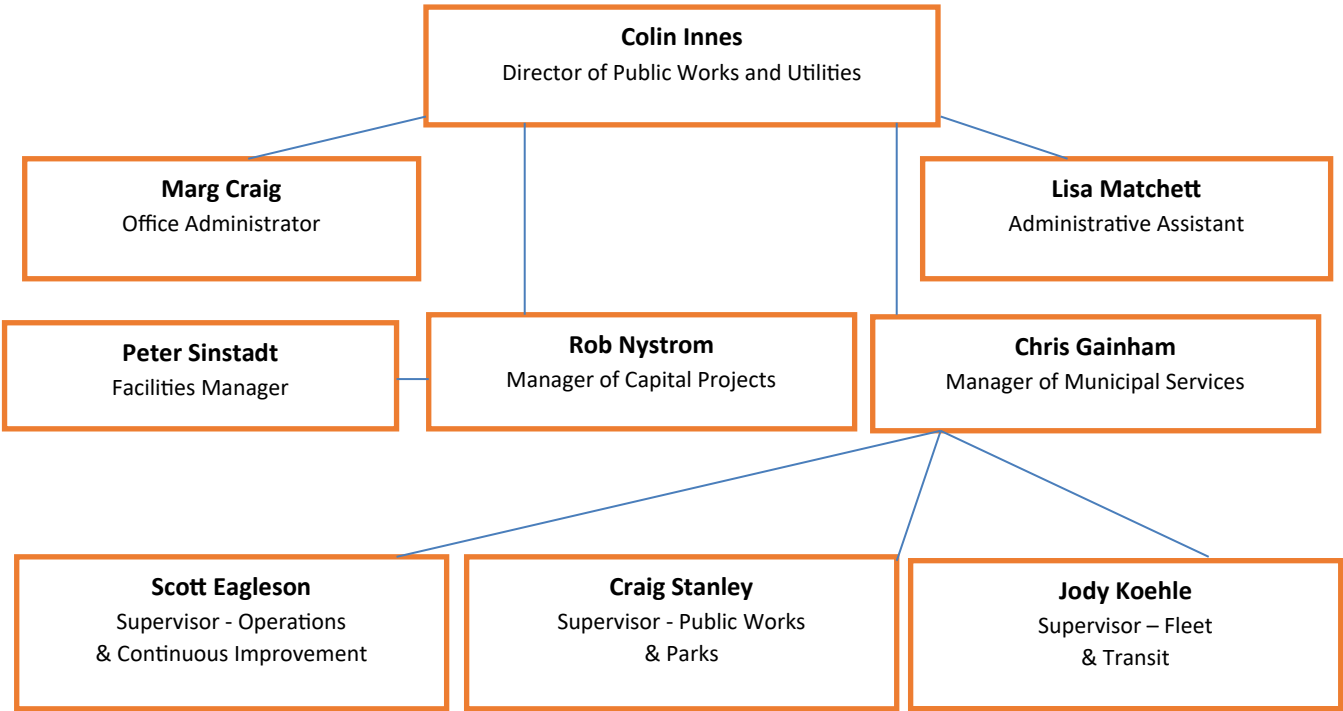
Campground

- Explore potential revenue generation in concession.
- Improve the grounds and introduce an edible garden.
- 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.

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 over 130 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 2019

- 600 metres of water main replaced
- 3000 metres of sewer main relined or replaced
- Completion of grit chamber/surge tank at Airport Sanitary sewer lift station on Lakeside Drive – Approx. \$1M
- Major paving project, including sections of curb, gutter and sidewalk along Uphill Hospital Route
- Approx. 35,000 Sq. meters of asphalt resurfacing



Public Works & Utilities

2020 Departmental Goals

- Hall Street waterfront plaza enhancements & Phase Two - washroom installation
- Water Distribution Upgrades – approx. 1000 metres planned for install
- Water Transmission Upgrades – Selous Creek water main extension project - approx. 2,500 meters planned for install
- Sewer main upgrades – approx. 500 metres planned for install
- 24,000 sq. metres of asphalt resurfacing
- Install remainder of industrial, commercial and institutional water meters
- Partner with MOTI on sidewalk improvements along the arterial through the city
- Install new emergency generator at Airport Lift Station.

Investment in City Facilities in 2019

- Coke & Gas Works - completion of exterior heritage revitalization
- Youth Centre – completion of indoor skatepark and bouldering wall.
- City Hall – completion of new Emergency Operation Centre
- Nelson Police & Library - replacement of the roof and insulation package
- including mechanical unit upgrades



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. A dedicated beat officer works a regular weekly schedule outside the platoon teams along with two detectives in our General Investigations Section.

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

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,



two constables within the Integrated Road Safety Unit (IRSU), and a constable in the Integrated Impaired Driving Unit (IIDU); all four of these positions are integrated with the RCMP and are fully funded by the Province. Part-time relief dispatchers, restorative justice volunteers and a volunteer reserve force are used to augment the department's capabilities.

Our officers are actively engaged at the patrol level, with the highest case burdens per member among the British Columbia independent 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 2019

- Implementation of the operational plan for the 2018 – 2022 Nelson Police Board Strategic Plan. This plan includes 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, the Fentanyl Task Force and our newly created Vulnerable Populations Committee to address issues related to poverty, homelessness, mental illness and drug use. The Vulnerable Populations Committee will continue to deal with many of these same issues, but now within the workings of the new reality that Covid-19 has brought to our community.

Departmental Goals— 2020

- Further engagement of a second beat officer to better police our very busy downtown core
- In partnership with the Nelson Police Foundation, further work within our department to augment a program to better assist our staff in dealing with the stress and trauma of working as first responders
- To work with the community and our Police Board to discover better ways of addressing systemic racism that exists throughout our community, including within the criminal justice system
- Expand our restorative justice training in Nelson and area schools
- To train our officers to better work with EHS and Fire personnel in emergency situations, like environmental disasters or potential acts of mass violence, which includes integrated rescue task force training.
- With the changes that COVID-19 has brought to the world, we will continue to improvise and create new procedures to ensure that we continue to provide the high level of service that our community have come to expect from our department

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 free 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 18 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 of Central Kootenays.



Operations Goal

- To deliver 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 public education program aimed at all levels of our community. We investigate all fires for cause and origin as required by the Fire Services Act and to take 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 full service department. Training meets 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 100 year old fire station to meet fire and life safety standards and to create a healthy and functional work environment. Efforts are underway to identify future fire hall needs.

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

- Hosted annual BCFTOA Training Conference. All career and many auxiliary members participated in multiple training opportunities
- Fire Ground Survival Training – specialized trailer brought in to provide advanced training opportunity
- Advanced auto extrication trainers provided class for Nelson Fire & Rescue Services members only, during the conference
- Confined space training at Nelson Hydro Power Plant
- Community evacuation training
- Wildland annual recertification training
- 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.
- Numerous Fire Orders issued to commercial buildings that had multiple life safety infractions. Follow up and education with building owners lead to these buildings being once again compliant with Fire Code requirements and safe for the public and emergency personnel.
- FireSmart/Wildfire Preparedness booth at local markets throughout the summer; providing education to the public on emergency preparedness. Attended 12 markets in 2019.
- Awarded multiple grants to support the department's FireSmart awareness campaigns; conducted over 80 FireSmart Home/Property Assessments.
- Fire Prevention Awareness Programs continued to be an important program in 2019; conducted over 50 house-to-house smoke alarm testing and, where required, installed new alarms.

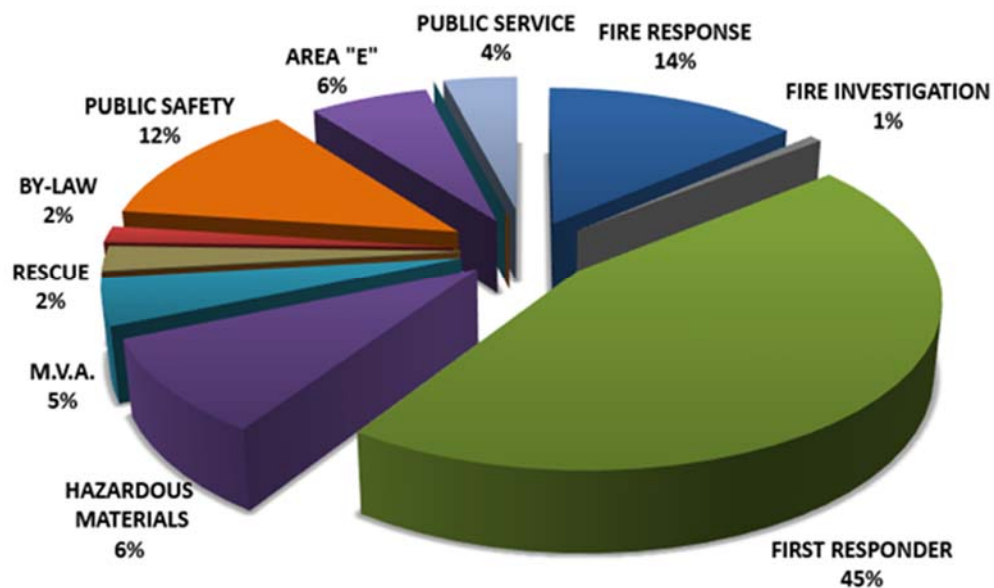
Community Involvement

- Collaborated with Nelson Police Department, BC Ambulance Services, Nelson Search & Rescue and RCMP to run a Junior Emergency Services camp that educated local teenagers on emergency response. The weekend included demonstrations and hands on training in vehicle extrication, medical response, fire suppression and more.
- Hosted a Wildfire Risk Reduction Workshop in collaboration with the RDCK, BC Parks and Ministry of Forestry. The community event saw upwards of 300 attendees and helped educate the residents of Nelson and area on topics such as FireSmart and Emergency Preparedness and showcased what projects Nelson Fire & Rescue Services was doing to improve the City's resiliency.

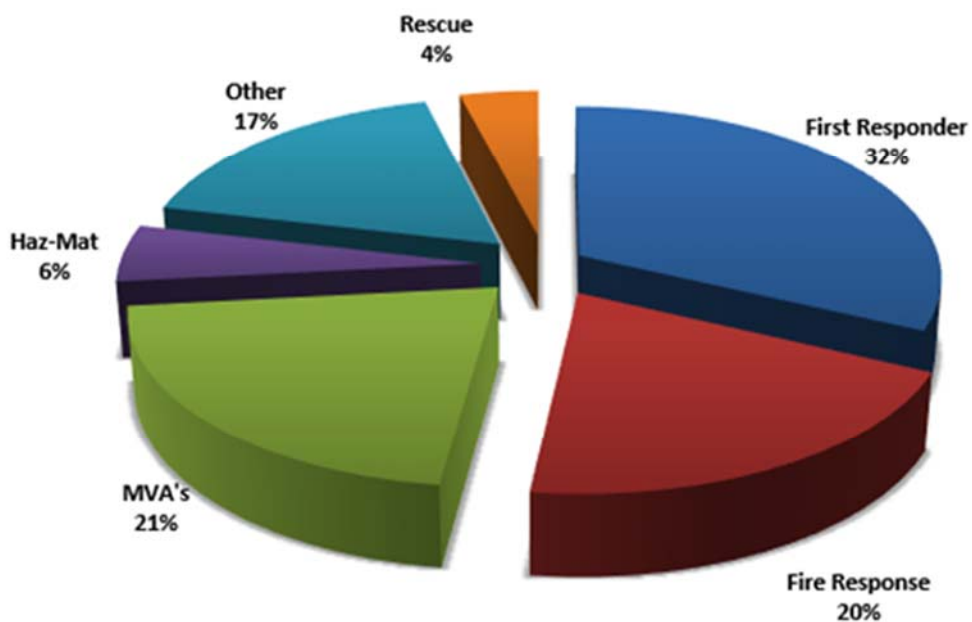


Nelson Fire & Rescue

2019 Calls to Date by Type



Area E Calls



Nelson Hydro

Alex Love - General Manager

Neal Dermody - Operations 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 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.

Nelson Hydro presently has over 10,600 customers. Total system load is now over 160,000 MWh per year.

In 2019, Nelson Hydro transferred \$2,836,000 in dividends to the City General Revenue Fund.

Achievements in 2019

- Successful implementation of the Regional Energy Efficiency Program (REEP); a partnership between EcoSave & the Regional District of Central Kootenay.
- Seniors Weatherization Project with Ecosave well received.
- Vegetation Management Program on North Shore.
- 60L 3 Rebuild of East Richards Street Laneway Hydro line.
- Wooden Power Pole replacements throughout the system for both the TELUS Aerial Make Ready and Nelson Hydro Pole Replacement projects.
- Osprey Nest Relocation's at Harrop/Proctor Ferry Terminals.
- Operations, Maintenance & Surveillance Manual (OMS) & Emergency Planning Guide (EPG) generated for the dam at the Bonnington Generating Station.
- Submarine Cable crossing installed near the orange bridge.
- Power Plant – G5 Auxiliary Systems upgraded.
- Lakeside Substation retired.

Nelson Hydro

2020 Department Goals

- CIS Advanced Utility Customer Service Software upgrade to Version 4 including online payment portal and e-billing.
- EcoSave roll out of community home owner E-bike program with on-bill financing.
- Continuation of Customer Service Inspections.
- District Energy – continuing development of business plan plus Renewable Natural Gas options.
- Concrete refurbishment at the Bonnington Power Plant.
- Completion of the Bonnington Generating Station Bridge Deck replacement.
- Lakeside Substation removal and conversion to parking space, re-deployment of Lakeside Circuit Reclosers to the Northshore,
- Northshore Volt/VAr Optimization Project Pilot completion.
- Bonnington Intake Operating Gates #2, #3 & #5 refurbishments.
- Wooden Power Pole replacements throughout the system for both the TELUS Aerial Make Ready and Nelson Hydro pole replacement projects.
- Reconductor circuits, remove #6 copper wire.



Nelson Public Library

Tracey Therrien - Chief Librarian

2019: A Year in review

2019 was another bustling year for our patrons, staff, and board. As the statistics illustrate, the library continues to grow as we 'Discover, Create and Connect' together.

Libraries are public spaces and community hubs, welcoming residents and visitors alike. As a public space, you may have witnessed first-hand how well-used our facility is. Staff have designed programs for all ages that include author talks, community book clubs, Lego Club, and Tech Hub. Our Library of Things continue to grow with the addition of Ozobots, and our Online Resources now include Acorn TV.

In addition to programs on site, staff take the library out to the Slocan Valley, Kokanee Park Nature Centre, schools and Mountain Lakes & Lake View residences, bringing resources to folks who may not be able to get to the Library. We connected our elected officials with citizens during the Council-dating and showcased participatory democracy in action.

The Board discussed topics and trends at board meetings to be more informed in order to support our amazing staff. We have learned tools to advocate for increased funding resource and reached out to community organizations to discover similar strategic priorities. Our Centenary Committee got underway, planning various creative programs and events to celebrate the library's 100th birthday in 2020.

The Library is extremely appreciative of our many committed volunteers including the Friends of the Library and the many individuals who help daily in the library. We are grateful for the ongoing support from the City of Nelson, the RDCK, and the Government of BC.

Anni Holtby, Nelson Public Library Board





Thank you for providing this training—I wouldn't know what to do without it.

~ Tech. training participant



Key statistics:

On site traffic:

- ◆ Library members: **11,440**
- ◆ Library visits: **139,505**
- ◆ Items borrowed: **197,256**
- ◆ Public computer sessions: **22,032**
- ◆ Programs: **370**
- ◆ Program participants: **9,149**
- ◆ Outreach programs: **78**
- ◆ Outreach participants: **2,053**

4,531 new BOOKS!
1,174 NEW members!
630 daily CHECK OUTS!
446 DAILY visits!

Mission: The Nelson Public Library inspires a culture of discovery, creativity and connection

Online Library:

- ◆ Online visits: **50,201**
- ◆ Online training sessions: **456**
- ◆ Database & online library sessions: **15,729**
- ◆ e-book & e-Audiobook downloads: **32,243**



2019 Strategic Priority Highlights

- **Outreach:** library staff took programs and services out on the road visiting communities, senior's centres, schools and participating in community events. Staff taught online safety to seniors at Learning in Retirement, delivered books to residents of Mountain Lakes and Lake View and held story times in the Slocan Valley and at Kokanee Park.
- **Digital Literacy:** as the need for digital literacy skills continue to grow the Library supported training needs by offering one-on-one tech-training: Book-A-Librarian. Community members met with librarians to tackle their technology questions. The Library was a successful recipient of a technology grant to purchase editing, recording and digitization technology and offer training to be implemented in 2020.
- **Community Events & Space:** we bring people together by facilitating community events and offering a free-welcoming space available to everyone. The Library offered a number of community book clubs for all ages, bringing people together to discuss topics and issues that are important to them. Library staff and Board continued to promote the Library as a barrier-free space adapting policies and procedures to

Municipal Buildings



Nelson Civic Centre

Built in the depression, the Nelson Civic Centre was the first of its kind in Western Canada. The complex included 2 ice rinks, a curling rink, 2 gymnasiums and a 700-seat theatre. 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 1920s. 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. The skate-park was vastly improved in 2019 and a bouldering wall was added.



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. Substantial envelope preservation work is planned for 2021.

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

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

Sanitary Sewer

The City installed a separate sanitary and storm sewer system in the early seventies. The City has a program to separate sanitary sewer from storm as the system is upgraded or as a result of new developments or upgrades of buildings. Much of the collection system is old vitrified clay pipe installed during the early part of the century. 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. There is a 3.0 km waterfront pathway extending from Cottonwood Creek to Lakeside Park.



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.



Chief Financial Officer's Report

It is my pleasure to present, on behalf of the Finance Department, the 2019 Annual Report for the City of Nelson. The Finance section of the report includes the Audit Report from Grant Thornton Chartered Professional Accountants and the Consolidated Financial Statements for the year ended December 31, 2019.

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 Council's strategic priorities and their progress, the organizational structure, and the nature and scope of the different departments and services provided by the City.

Financial Section: Presents the 2019 audited consolidated financial statements, notes, supplementary schedules, and the independent auditors' report.

Statistical Section: Reports 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, 2019 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 Grant Thornton Chartered Professional Accountants resulting in an unqualified audit opinion, which can be reviewed on the following pages.

2019 OPERATING RESULTS

2019 saw a substantial increase in property assessments of almost 15% over 2018. However, the City was able to keep the 2019 tax rate increase to zero percent, due in part to work with the Regional District to provide \$350,000 in funding for City parks. In keeping with prior years, there was an inflationary increase for Water and Sewer rates. However, an allocation change was made in 2019 to devote a greater share of user fees to the sewer fund from water in order to build reserves for expected upgrades needed at the sewage treatment plant.

On the expense side, costs were primarily in line with budget. Parks, recreation and cultural services was slightly ahead of budget, due primarily to budgeted capital projects that did not end up being capitalized to the balance sheet, but instead expensed in the year.

The City has a variety of revenue sources including taxation and grants-in-lieu of \$10.6 million and \$4.1 million in sales of other services. In addition the City receives significant revenue from user fees (including the electrical utility), which in 2019 amounted to \$25.6 million.

It is important to let the community know that in 2019 the City received \$533,000 in Provincial unconditional grants (revenue sharing and traffic fine sharing). The Traffic Fine portion of the Funds were used towards the administrative and operational costs of the City of Nelson Police department; the remaining funding was used to reduce the City's business and residential tax burden. Without the small community grant, the City would have needed to increase taxes by approximately 6%.



Chief Financial Officer's Report

Operating expenditures include \$7.3 million in protective services, \$3.9 million in transportation services, \$3.8 million in general government/corporate services and \$3.3 million in recreation, the Library and cultural services. Utility operations expenditures (including Nelson Hydro) total \$15.2 million. In addition, the City contributed \$265,000 towards the \$1.8 million gross 2019 operational expenses of Transit.

Overall the 2019 financial results were in line with what had been budgeted and expected for the year.

CAPITAL SPENDING AND RESERVES

The City continued its program of street repaving in 2019, completing over 35,000 m² of road replacement in the year. Major upgrades to the sewer lift station near the airport were also completed at a cost of close to \$1M. The City also continued relining and replacing of aging Sewer and Water line infrastructure, completing almost 3 km of sewer pipe and 600 m of water line improvements. Some significant projects to City buildings include exterior revitalization of the Coke and Gas Works building at Railtown, and roof and HVAC improvements at the Police/Library building. Nelson Hydro saw several projects come to completion. Initiated by Telus and their goal of bringing fiber optic internet to the region, Nelson Hydro oversaw the replacement of 463 poles in the City and South Shore areas. This was in addition to the 70 poles scheduled for replacement in the year. Hydro also replaced almost 14,000 ft of submarine cable from Lakeside Park to the North Shore.

The City's reserve funds are the major support of the City's capital program. Overall the City increased its capital reserves balance in 2019. This was due in part to the aforementioned shifting of revenues to the Sewer reserve, as well as a significant contribution to the land sale reserve of proceeds from the sale of 205 Hall St. Unbeknownst at the time, the City reserves would become an important safety net in dealing with the potential impacts of COVID-19 in 2020.

LONG-TERM DEBT

The long term debt issued and outstanding as of December 31, 2019 (including temporary borrowing and capital lease obligations) was \$12.7 million. In 2018, this balance was \$14.3 million.

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 2018 for each of the City's funds is:

General \$6,374,813	Water \$656,717	Sewer \$391,708	Nelson Hydro \$5,303,790
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As presented in the notes to the financial statements, \$5.4 million of the general debt is being repaid by FortisBC and Selkirk College through long term contractual agreements leaving just under \$1 million in general purpose debt funded by the taxpayer.

With the financial and operating environment becoming increasingly complex and challenging the City looks for ways to be entrepreneurial in order to help limit the pressure to increase taxes. The City strives to be innovative and creative while promoting efficiency and effectiveness in how City services are delivered in a way that reflects Council priorities and community expectations. The City commits to being a good steward of the tax dollars received, and accountable in resource allocation that is sensitive to public needs. The City continues to work in preserving the current level of service and community infrastructure while balancing the economic conditions of the community.



Colin McClure, CPA, CA
Chief Financial Officer

THE CORPORATION OF THE CITY OF NELSON MANAGEMENT REPORT

For the Year Ended December 31, 2019

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, Grant Thornton LLP, 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 Grant Thornton LLP follows and outlines the scope of their examination and their opinion on the consolidated financial statements.



Colin McClure, CPA, CA
Chief Financial Officer



Grant Thornton

An instinct for growth™

INDEPENDENT AUDITOR'S REPORT

To the Mayor and Council
Corporation of the City of Nelson

Grant Thornton LLP
513 Victoria Street
Nelson, BC
V1L 4K7
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F +1 250 352 7166

Opinion

We have audited the accompanying consolidated financial statements of Corporation of the City of Nelson, which comprise the consolidated statement of financial position as at December 31, 2019, and the consolidated statement of operations, consolidated statement of changes in net financial assets and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Corporation of the City of Nelson as at December 31, 2019, and its results of operations, its changes in its net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the City in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

.../2

INDEPENDENT AUDITOR'S REPORT (continued)

In preparing the consolidated financial statements, management is responsible for assessing the City's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the City's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the City's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the City's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the City to cease to continue as a going concern.

.../3

INDEPENDENT AUDITOR'S REPORT (continued)

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Grant Thornton LLP

Chartered Professional Accountants

May 12, 2020

Nelson, B.C.

THE CORPORATION OF THE CITY OF NELSON CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2019

	2019	2018
Financial Assets		
Cash and cash equivalents (Note 2)	\$ 35,629,836	\$ 32,121,024
Investments (Note 3)	3,108,845	3,045,552
Accounts receivable (Note 4)	6,822,213	7,114,429
Long-term accounts receivable (Note 5)	2,642,079	2,986,334
MFA deposits (Note 6)	<u>328,219</u>	<u>320,748</u>
	<u>48,531,192</u>	<u>45,588,087</u>
Financial Liabilities		
Accounts payable and accrued liabilities (Note 7)	4,821,548	5,907,884
Deferred revenue (Note 8)	5,045,324	4,533,720
Accrued future payroll benefits (Note 9)	2,023,034	2,010,052
Capital lease obligation (Note 10)	337,040	343,916
Debt (Note 11)	<u>12,727,028</u>	<u>14,048,237</u>
	<u>24,953,974</u>	<u>26,843,809</u>
Net Financial Assets	23,577,218	18,744,278
Non -Financial Assets		
Tangible capital assets (Note 12)	166,317,373	161,267,671
Inventory (Note 13)	1,389,723	1,231,677
Prepaid expenses	<u>337,150</u>	<u>290,853</u>
	<u>168,044,246</u>	<u>162,790,201</u>
Accumulated Surplus (Note 14)	<u>\$191,621,464</u>	<u>\$181,534,479</u>

Commitments and Contingencies (Note 18)
Subsequent Event (Note 22)



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, 2019

	2019 Budget (Note 21)	2019	2018
Revenue			
Taxes	\$ 10,593,104	\$ 10,614,400	\$ 10,520,754
Sale of services	3,943,368	4,082,061	3,709,505
Other revenue from own sources	5,084,033	6,039,526	3,586,966
Investment income	594,600	1,311,918	973,698
Grants - unconditional (Note 19)	790,592	798,756	798,291
Grants - conditional (Note 19)	4,245,228	3,489,215	6,260,536
Water user fees	2,334,759	2,339,485	3,543,563
Sewer user fees	4,414,369	4,435,604	3,037,346
Transit user fees	271,751	304,860	286,702
Nelson Hydro sales	18,231,001	18,681,152	18,509,343
Gain on disposal of tangible capital assets	-	511,965	-
	<u>50,502,805</u>	<u>52,608,942</u>	<u>51,226,704</u>
Expenses			
General government	3,970,296	3,762,723	3,524,459
Protective services	7,322,756	7,253,967	6,619,777
Transportation services	3,949,014	3,884,820	3,389,898
Environmental health services	285,093	240,002	217,230
Public health and welfare services	200,286	206,507	170,686
Parks, recreation and cultural services	1,944,405	2,365,549	2,009,118
Interest and other debt charges	910,097	767,434	797,155
Water utility operations	1,373,895	1,500,788	1,353,784
Sewer utility operations	1,891,262	1,849,628	1,796,446
Transit operations	1,670,587	1,766,004	1,678,083
Nelson Hydro operations	11,862,924	11,910,109	11,427,555
Library	924,659	933,408	904,865
Amortization	5,816,712	6,081,018	5,786,038
Loss on disposal of tangible capital assets	-	-	200,333
	<u>42,121,986</u>	<u>42,521,957</u>	<u>39,875,427</u>
Annual surplus	8,380,819	10,086,985	11,351,277
Accumulated surplus, beginning of the year	<u>181,534,479</u>	<u>181,534,479</u>	<u>170,183,202</u>
Accumulated surplus, end of the year	<u>\$189,915,298</u>	<u>\$191,621,464</u>	<u>\$181,534,479</u>

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

THE CORPORATION OF THE CITY OF NELSON
CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
For the Year Ended December 31, 2019

	<u>2019 Budget</u>	<u>2019</u>	<u>2018</u>
Annual surplus	\$ 8,380,819	\$ 10,086,985	\$ 11,351,277
Acquisition of tangible capital assets	(16,387,423)	(11,848,821)	(13,031,609)
Amortization of capital assets	5,816,712	6,081,018	5,786,038
Proceeds on sale of tangible capital assets	-	1,230,066	111,815
Loss (gain) on disposal of tangible capital assets	-	(511,965)	200,333
	<u>(2,189,892)</u>	<u>5,037,283</u>	<u>4,417,854</u>
Consumption (acquisition) of prepaid expenses	-	(46,297)	27,881
Consumption (acquisition) of supply inventory	-	(158,046)	90,184
	<u>-</u>	<u>(204,343)</u>	<u>118,065</u>
Increase (decrease) in net financial assets	(2,189,892)	4,832,940	4,535,919
Net financial assets, beginning of year	<u>18,744,278</u>	<u>18,744,278</u>	<u>14,208,359</u>
Net financial assets, end of the year	\$ <u>16,554,386</u>	\$ <u>23,577,218</u>	\$ <u>18,744,278</u>

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

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

For the Year Ended December 31, 2019

	<u>2019</u>	<u>2018</u>
Cash Provided by (Used In)		
Operating Activities		
Annual surplus	\$ 10,086,985	\$ 11,351,277
Items not involving cash:		
Amortization of tangible capital assets	6,081,018	5,786,038
Actuarial adjustments	(430,168)	(377,944)
Loss (gain) on disposal of tangible capital assets	<u>(511,965)</u>	<u>200,333</u>
	15,225,870	16,959,704
Increase (decrease) in non-cash operating items:		
Accounts receivable	292,216	(991,057)
Long-term accounts receivable	344,255	330,600
MFA deposits	(7,471)	(6,831)
Accounts payable and accrued liabilities	(1,086,336)	108,246
Deferred revenue	511,604	(1,234,600)
Accrued future payroll benefits	12,982	51,462
Inventory	(158,046)	90,184
Prepaid expenses	<u>(46,297)</u>	<u>27,881</u>
	<u>15,088,777</u>	<u>15,335,589</u>
Financing Activities		
Debt repayment	(891,041)	(891,041)
Repayment of capital lease obligations	<u>(6,876)</u>	<u>(6,319)</u>
	<u>(897,917)</u>	<u>(897,360)</u>
Capital Activities		
Proceeds from disposal of tangible capital assets	1,230,066	111,815
Acquisition of tangible capital assets	<u>(11,848,821)</u>	<u>(13,031,609)</u>
	<u>(10,618,755)</u>	<u>(12,919,794)</u>
Investing Activities		
Net purchase of investments	<u>(63,293)</u>	<u>(40,184)</u>
Net increase in Cash	3,508,812	1,478,251
Cash and cash equivalents, beginning of year	<u>32,121,024</u>	<u>30,642,773</u>
Cash and cash equivalents, end of year	<u>\$ 35,629,836</u>	<u>\$ 32,121,024</u>

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

THE CORPORATION OF THE CITY OF NELSON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2019

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) **Basis of Presentation**
The City of Nelson's resources and operations are segregated into General, Water Utility, Wastewater Utility, Hydro Utility, Transit, and Reserve Funds for accounting and financial reporting purposes. The consolidated financial statements include all the accounts of these funds. All material inter-fund transactions and balances have been eliminated within the consolidated financial 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.

THE CORPORATION OF THE CITY OF NELSON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2019

1. Significant Accounting Policies (continued)

(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.

(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.

THE CORPORATION OF THE CITY OF NELSON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2019

1. Significant Accounting Policies (continued)

(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 2019-2023, adopted by Council on May 6, 2019.

(o) Expenses

Expenses are recorded in the period in which the goods or services are acquired and the liability is incurred.

(p) Liability for Contaminated Sites

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic, or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when a site is not in productive use and all of the following criteria are met:

- an environmental standard exists;
- contamination exceeds the environmental standard;
- the City is directly responsible, or accepts responsibility;
- it is expected that a future economic benefit will be given up; and
- a reasonable estimate of the amount can be made.

The liability is recognized as management's estimate of the cost of post-remediation including operation, maintenance, and monitoring that are an integral part of the remediation strategy for a contaminated site.

There are no liabilities to be recorded as at December 31, 2019

THE CORPORATION OF THE CITY OF NELSON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2019

2. Cash and Cash Equivalents

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

	2019	2018
Cash	\$ 3,089,675	\$ 5,425,275
Cash equivalents	<u>32,540,161</u>	<u>26,695,749</u>
	<u>\$ 35,629,836</u>	<u>\$ 32,121,024</u>

Cash equivalents are comprised of high interest savings accounts and pooled investment funds that 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>	2019 Carrying Value	2019 Market Value	2018 Carrying Value	2018 Market Value
2018	\$ -	\$ -	\$ 1,572,332	\$ 1,575,504
2019	1,911,366	1,920,929	305,548	285,600
2020	37,777	37,649	36,722	37,011
2021	43,296	43,223	96,171	88,200
2022	245,684	241,994	296,886	271,578
2023	347,883	340,135	399,800	360,714
2024	47,945	47,911	46,363	45,930
Thereafter	<u>474,894</u>	<u>474,695</u>	<u>291,730</u>	<u>304,666</u>
	<u>\$ 3,108,845</u>	<u>\$ 3,106,536</u>	<u>\$ 3,045,552</u>	<u>\$ 2,969,203</u>

4. Accounts Receivable

	2019	2018
Property taxes	\$ 373,561	\$ 397,038
Utility billings	3,904,088	3,903,246
Other governments	307,548	224,040
Trade & other receivables	<u>2,237,016</u>	<u>2,590,105</u>
	<u>\$ 6,822,213</u>	<u>\$ 7,114,429</u>

5. Long Term Accounts Receivable

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

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

THE CORPORATION OF THE CITY OF NELSON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2019

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.

	2019	2018
Selkirk College	\$ 2,117,582	\$ 2,423,399
Ecosave energy retrofits on-bill financing loans	283,340	270,585
Various other agreements	<u>241,157</u>	<u>292,350</u>
	<u>\$ 2,642,079</u>	<u>\$ 2,986,334</u>

6. Municipal Finance Authority Debt Reserve Fund

The Municipal Finance Authority of British Columbia provides capital financing for regional districts and their member municipalities. As a condition of this financing, a portion of the debenture proceeds is withheld by the Municipal Finance Authority as a Debt Reserve Fund. The Municipal Finance Authority must then use this fund if at any time there are insufficient funds to meet payments on its obligations. Upon maturity of the debt issue, the unused portion is discharged to the municipality. The City recognizes these cash deposits on the financial statements.

The City also executes demand notes in connection with each debenture whereby the City may be required to loan certain amounts to the Municipal Finance Authority. These demand notes are contingent in nature and are not recorded in the financial statements.

As at December 31, 2019, the total of the Debt Reserve and Demand Note balances are as follows:

	2019 Cash Deposit	2019 Demand Note	2018 Cash Deposit	2018 Demand Note
General fund	\$ 202,270	\$ 470,990	\$ 197,666	\$ 470,990
Sewer utility	17,070	40,843	16,682	40,843
Water utility	15,083	36,091	14,739	36,091
Nelson Hydro	<u>93,796</u>	<u>174,898</u>	<u>91,661</u>	<u>174,898</u>
	<u>\$ 328,219</u>	<u>\$ 722,822</u>	<u>\$ 320,748</u>	<u>\$ 722,822</u>

7. Accounts Payable and Accrued Liabilities

	2019	2018
Trades payable	\$ 3,992,678	\$ 5,226,264
Accrued wages and benefits	555,263	397,525
Accrued interest	118,028	122,627
Funds held on deposit	<u>155,579</u>	<u>161,468</u>
	<u>\$ 4,821,548</u>	<u>\$ 5,907,884</u>

THE CORPORATION OF THE CITY OF NELSON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2019

8. Deferred Revenue

	2019	2018
Taxes and utility prepayments	\$ 3,084,239	\$ 2,992,267
Hydro utility prepayments	614,727	604,922
Grants	558,155	346,918
Fees and charges	446,363	245,134
Other	341,840	344,479
	<u>\$ 5,045,324</u>	<u>\$ 4,533,720</u>

9. Accrued Future Payroll Benefits

	2019	2018
Holiday Pay	\$ 754,923	\$ 741,139
Sick Leave	1,087,473	1,111,792
Banked Overtime	180,638	157,121
	<u>\$ 2,023,034</u>	<u>\$ 2,010,052</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.

Employees of the City are entitled to accumulate earned benefits related to sick leave. Employees accumulate sick leave on a pro-rata basis at a rate dependent on the relevant contract or collective agreement with the City. Upon retirement from the City, employees are entitled to a portion of their accumulated sick leave based on years of service in excess of 5 years.

The deferred liability related to sick leave is valued at management's best estimate, which is based on past experience and assumptions about retirement, wage, and salary increases and employee turnover.

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 debt with the Municipal Finance Authority. 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. Discussions with Fortis regarding the continuation or cancellation of the lease have not yet commenced, but are expected to begin in advance of the maturity date.

THE CORPORATION OF THE CITY OF NELSON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2019

11. Debt

Debt Bylaw #	Purpose of Bylaw	Interest rate %	Year of Maturity	Original Issue	2019 Balance	2018 Balance
General Purposes:						
3107	Catacombs	3.85%	2033	\$ 275,000	\$ 213,745	\$ 224,980
3107	Baker Street bridge	3.85%	2033	900,000	699,528	736,299
3034	Street construction	4.82%	2022	50,341	12,565	16,435
2871	Tenth Street campus	3.15%	2025	6,080,000	2,146,574	2,452,397
3036	Highway 3A	4.00%	2021	300,000	50,891	74,878
2978	Fortis Gas	4.50%	2020	4,200,000	497,906	976,661
				<u>11,805,341</u>	<u>3,621,209</u>	<u>4,481,650</u>
Short-term financing					CDOR+.5%	
					<u>2,753,604</u>	<u>2,753,604</u>
Water Purposes:						
3038	Fairview reservoir	4.82%	2022	240,000	59,903	78,354
3106	Water improvements	4.90%	2029	1,000,000	596,814	644,611
				<u>1,240,000</u>	<u>656,717</u>	<u>722,965</u>
Sewer Purposes:						
3037	Sewage treatment plant	4.00%	2021	550,000	93,301	137,277
3109	Sewer improvements	4.90%	2029	500,000	298,407	322,306
				<u>1,050,000</u>	<u>391,708</u>	<u>459,583</u>
Hydro Purposes:						
3110	Hydro improvements	4.90%	2029	1,500,000	895,221	966,917
3223	Hydro improvements	3.05%	2032	6,000,000	4,408,569	4,663,518
				<u>7,900,000</u>	<u>5,303,790</u>	<u>5,630,435</u>
Total Debt					<u>\$ 12,727,028</u>	<u>\$ 14,048,237</u>

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

	General	Water	Sewer	Hydro	Total
2020	\$ 3,649,988	\$ 68,899	\$ 70,590	\$ 339,712	\$ 4,129,189
2021	416,015	71,665	73,414	353,300	914,394
2022	407,344	74,521	26,883	367,432	876,180
2023	420,855	55,916	27,959	382,129	886,859
2024	439,512	58,153	29,076	397,414	924,155
Thereafter	<u>1,041,099</u>	<u>327,563</u>	<u>163,786</u>	<u>3,463,803</u>	<u>4,996,251</u>
	<u>\$ 6,374,813</u>	<u>\$ 656,717</u>	<u>\$ 391,708</u>	<u>\$ 5,303,790</u>	<u>\$ 12,727,028</u>

THE CORPORATION OF THE CITY OF NELSON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2019

12. Tangible Capital Assets

	Cost	Accumulated Amortization	2019 Net Book Value	2018 Net Book Value
Land	\$ 8,985,717	\$ -	\$ 8,985,717	\$ 9,011,828
Buildings	37,034,522	27,937,642	9,096,880	8,831,760
Vehicles	9,645,121	5,344,216	4,300,905	4,294,918
IT, equipment & furniture	4,017,080	2,085,573	1,931,507	2,158,021
Library	257,282	199,158	58,124	64,863
Natural gas system capital lease	8,186,404	3,976,251	4,210,153	4,444,050
Transportation infrastructure	31,510,962	11,833,292	19,677,670	18,847,698
Parks & cemetery	7,519,415	3,177,248	4,342,167	4,302,110
Water infrastructure	52,124,824	14,816,671	37,308,153	37,499,111
Sewer infrastructure	33,554,987	13,432,343	20,122,644	19,220,569
Storm sewer infrastructure	20,358,241	7,493,197	12,865,044	12,926,945
Hydro generators & substations	21,196,277	7,820,362	13,375,915	13,658,007
Hydro infrastructure	37,674,647	8,215,949	29,458,698	25,286,652
Assets under construction	583,796	-	583,796	721,139
	<u>\$272,649,275</u>	<u>\$106,331,902</u>	<u>\$166,317,373</u>	<u>\$161,267,671</u>

See schedule of consolidated tangible capital assets for more information.

13. Inventory

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

	2019	2018
General, Water, Sewer, Transit, Garage and Library supplies	\$ 415,053	\$ 349,860
Fuel	61,600	46,772
Hydro operating supplies	<u>913,070</u>	<u>835,045</u>
	<u>\$ 1,389,723</u>	<u>\$ 1,231,677</u>

THE CORPORATION OF THE CITY OF NELSON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2019

14. Accumulated Surplus

	2019	2018
Reserves set aside by Council		
Capital projects	\$ 1,423,711	\$ 2,291,437
Community works fund	2,560,706	1,640,770
Equipment replacement	4,079,231	3,688,032
Future power purchase	1,131,721	1,106,571
Nelson municipal library	20,244	19,653
Nelson Hydro capital	6,950,075	6,359,648
Sewer utility capital	5,725,152	4,323,239
Waterfront development	31,080	30,183
Water licence	1,608,126	1,432,198
Water utility capital	<u>5,814,902</u>	<u>5,440,596</u>
	29,344,948	26,332,327
Statutory reserves		
Land sales	1,253,214	141,366
Off street parking	10,304	10,007
Parks acquisition	47,073	43,744
Tax sale	<u>23,662</u>	<u>22,979</u>
Total reserves	<u>30,679,201</u>	<u>26,550,423</u>
Surplus set aside by Council		
Airport	180,905	240,470
Art in public places	8,625	7,968
Bridge	399,789	359,789
Building reserve	666,943	949,170
Economic development	225,710	225,710
Downtown & waterfront	191,820	94,860
Fortis	577,904	640,286
Insurance	381,055	370,051
Legal	20,000	20,000
Parking	7,578	7,578
Recycling reserve	103,340	103,340
911	76,589	69,089
10th street	<u>173,089</u>	<u>152,285</u>
	3,013,347	3,240,596
Unappropriated surplus	<u>2,558,032</u>	<u>2,444,542</u>
Total surplus	<u>5,571,379</u>	<u>5,685,138</u>
Invested in capital assets	<u>155,370,884</u>	<u>149,298,918</u>
Total Accumulated Surplus	<u>\$191,621,464</u>	<u>\$181,534,479</u>

THE CORPORATION OF THE CITY OF NELSON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2019

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:

	2019	2018
Balances, beginning of year	\$ 989,465	\$ 971,257
Contributions received	11,621	13,555
Interest earned	<u>18,464</u>	<u>19,653</u>
	1,019,550	1,004,465
Expenses and transfers	<u>(18,000)</u>	<u>(15,000)</u>
Balances, end of year	<u>\$ 1,001,550</u>	<u>\$ 989,465</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.

	2019	2018
Provincial Government - School taxes	\$ 8,825,908	\$ 8,568,817
Regional District of Central Kootenay	4,440,939	4,107,175
West Kootenay Boundary Hospital District	757,077	721,113
British Columbia Assessment Authority	156,953	153,195
Municipal Finance Authority	<u>585</u>	<u>525</u>
	<u>\$ 14,181,462</u>	<u>\$ 13,550,825</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 assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2018, the plan has about 205,000 active members and approximately 101,000 retired members. Active members include approximately 40,000 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 actuarial valuation for the Municipal Pension Plan as at December 31, 2018, indicated a \$2,866 million funding surplus for basic pension benefits on a going concern basis.

THE CORPORATION OF THE CITY OF NELSON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2019

17. Pension Plan (continued)

The City of Nelson paid \$1,578,684 (2018 - \$1,602,878) for employer contributions to the plan in fiscal 2019.

The next valuation will be as at December 31, 2021 with results available in 2022.

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 Local Government Act, 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. Grants

Grants received during the year were composed of the following government transfers and other:

	2019	2019	2018	2018
	Unconditional	Conditional	Unconditional	Conditional
Federal Government	\$ 160,071	\$ 133,326	\$ 155,012	\$ 2,175,249
Provincial Government	432,624	2,439,223	430,338	3,908,794
Regional / Other	<u>206,061</u>	<u>916,666</u>	<u>212,941</u>	<u>176,493</u>
	<u>\$ 798,756</u>	<u>\$ 3,489,215</u>	<u>\$ 798,291</u>	<u>\$ 6,260,536</u>

THE CORPORATION OF THE CITY OF NELSON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 December 31, 2019

20. 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; preparing land use plans, bylaws and policies for sustainable development of the City; monitoring and reporting performance; and ensuring that high quality City service standards are met.

Protective Services

Protective Services comprises Police and Fire 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.

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.

Transportation Services

Transportation 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, and fleet services.

Environmental Health

Environmental Health is responsible for the City's solid waste and recycling collection services.

Public Health and Welfare

Public Health and Welfare maintains the cemetery grounds and operations for the City.

THE CORPORATION OF THE CITY OF NELSON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 December 31, 2019

20. **Segmented Information** (continued)

Parks, Culture and Recreation Services

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

Water and Sewer 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.

Transit

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

Nelson Hydro

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

Library

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

THE CORPORATION OF THE CITY OF NELSON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2019

20. **Segmented Information** (continued)
Statement of Operations by Object and Function:

	General Government	Protective Services	Transportation Services	Enviromental Health
Revenues				
Taxes	\$10,552,165	\$ -	\$ 62,235	\$ -
Sales of Service	268,046	2,225,845	332,250	412,200
Other revenue from own services	1,866,574	302,835	90,000	753
Investment income	731,715	-	-	-
Grants - unconditional	418,954	114,523	-	-
Grants - conditional	1,148,881	259,908	3,478	-
Water/Sewer user fees	-	-	-	-
Transit user fees	-	-	-	-
Nelson Hydro sales	-	-	-	-
Gain (loss) on disposal of assets	<u>1,139,953</u>	<u>-</u>	<u>(287,174)</u>	<u>-</u>
	<u>16,126,288</u>	<u>2,903,111</u>	<u>200,789</u>	<u>412,953</u>
Expenditures				
Wages and benefits	2,322,097	6,340,576	2,014,040	133,219
Supplies and services	1,440,625	913,392	1,870,781	106,783
Interest and other debt charges	425,637	-	51,620	-
Amortization	<u>1,489,165</u>	<u>109,294</u>	<u>1,725,376</u>	<u>-</u>
	<u>5,677,524</u>	<u>7,363,262</u>	<u>5,661,817</u>	<u>240,002</u>
Annual Surplus (Deficit)	<u>\$10,448,764</u>	<u>\$(4,460,151)</u>	<u>\$(5,461,028)</u>	<u>\$ 172,951</u>

Public Health & Welfare	Parks Recreation & Cultural	Water & Sewer Utilities	Transit	Nelson Hydro	Library	2019 Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,614,400
70,779	747,520	-	-	-	25,422	4,082,061
12,250	61,375	960,087	2,077	2,699,910	43,665	6,039,526
-	-	319,656	-	255,748	4,799	1,311,918
-	-	-	-	-	265,279	798,756
2,400	681,949	-	1,194,283	162,600	35,716	3,489,215
-	-	6,775,089	-	-	-	6,775,089
-	-	-	304,860	-	-	304,860
-	-	-	-	18,681,152	-	18,681,152
-	-	(44,095)	-	(296,719)	-	511,965
<u>85,429</u>	<u>1,490,844</u>	<u>8,010,737</u>	<u>1,501,220</u>	<u>21,502,691</u>	<u>374,881</u>	<u>52,608,942</u>
186,129	1,055,055	1,961,259	904,486	2,448,493	722,764	18,088,118
20,377	1,310,494	1,389,157	861,518	9,461,616	210,644	17,585,387
-	-	65,601	-	224,576	-	767,434
-	<u>262,632</u>	<u>1,307,315</u>	-	<u>1,187,236</u>	-	<u>6,081,018</u>
<u>206,506</u>	<u>2,628,181</u>	<u>4,723,332</u>	<u>1,766,004</u>	<u>13,321,921</u>	<u>933,408</u>	<u>42,521,957</u>
\$ <u>(121,077)</u>	\$ <u>(1,137,337)</u>	\$ <u>3,287,405</u>	\$ <u>(264,784)</u>	\$ <u>8,180,770</u>	\$ <u>(558,527)</u>	\$ <u>10,086,985</u>

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

December 31, 2019

21. 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>2019</u>
Budget surplus per Consolidated Statement of Operations	\$ 8,380,819
Less: Capital expenditures	16,387,424
Debt principal repayments	897,918
Budgeted transfers to reserves	3,517,994
Add: Budgeted transfers from surplus and reserves	6,605,805
Amortization	5,816,712
Net annual budget	\$ <u>-</u>

22. Subsequent Event

In March 2020, the COVID-19 outbreak caused governments worldwide to enact emergency measures to combat the spread of the virus. These measures, which include the implementation of facility closures, travel restrictions, self-isolation periods, and social and physical distancing, will have a significant impact on the local and global economy. The City is anticipating a significant decrease in own source revenue from reduced parking and operations at some facilities. While the City expects this to be partially mitigated by a corresponding decrease in operating costs, there will likely be a need to draw down on reserve balances in 2020 in order to fund operations. The impact on the City's financial results for 2020 will depend on the length and severity of the COVID-19 outbreak and is not possible to reliably estimate at this time.

2019 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 2019 together with the estimated amount of municipal taxes that would have been imposed on the property if it were not considered exempt.

ASCENSION LUTHERAN CHURCH	\$	557
CANADIAN RED CROSS		892
CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS IN CANADA		836
CITY OF NELSON (CAPITOL THEATRE)		7,386
CITY OF NELSON (GLACIER GYMNASTICS)		3,646
CITY OF NELSON (NELSON & DISTRICT BOY SCOUTS & GIRL GUIDES)		446
CITY OF NELSON (NELSON & DISTRICT MUSEUM)		17,136
CITY OF NELSON (NELSON & DISTRICT ROD & GUN CLUB)		7,721
CITY OF NELSON (NELSON CIVIC THEATRE SOCIETY)		3,671
CITY OF NELSON (NELSON CURLING CLUB)		17,557
CITY OF NELSON (NELSON SOCCER ASSOCIATION)		6,079
EVANGELICAL COVENANT CHURCH OF CANADA		113
FIRST BAPTIST CHURCH OF NELSON BC		304
GRANITE POINTE GOLF & RECREATION SOC		6,801
KALEIN HOSPICE CENTRE SOCIETY		1,521
KOOTENAY CHRISTIAN FELLOWSHIP		1,788
KOOTENAY COOPERATIVE RADIO		1,113
KOOTENAY KIDS SOCIETY		4,174
NELSON CARES SOCIETY		8,010
NELSON CONGREGATION OF JEHOVAH'S WITNESSES		569
NELSON KIWANIS PROJECTS SOC		1,551
NELSON UNITED CHURCH		167
PENTECOSTAL ASSEMBLIES OF CANADA		869
ROMAN CATHOLIC BISHOP OF NELSON		279
SALVATION ARMY IN CANADA		3,680
SYNOD OF THE DIOCESE OF KOOTENAY		239
UNITED PENTECOSTAL CHURCH OF BC		393
WEST KOOTENAY WOMEN'S ASSOCIATION		1,390

Statistical Section

2019 Property Assessments and Tax Rates

Assessments and property tax by Class	Residential	Utilities	Light Industry	Business Other	Recreational Non-Profit
Assessment for General Purposes	\$1,816,968,300	\$ 3,131,595	\$ 1,704,500	\$ 269,782,700	\$ 2,324,700
Percentage of Taxable Values	86.77%	0.15%	0.08%	12.88%	0.11%
General Tax Levy by Class	6,635,387	105,505	12,998	2,266,067	5,274
Percentage of General Taxation	73.52%	1.17%	0.14%	25.11%	0.06%

2019 Rates (per \$1,000)

General	\$3.6519	\$34.0098	\$7.6259	\$8.3996	\$2.2693
Debt	0.0860	0.8013	0.1797	0.1983	0.0535
School	0.2605	0.9118	0.8857	0.6384	0.2605
Regional Hospital	1.3606	4.7621	4.6260	3.3333	1.3606
Regional District	2.0533	13.2000	3.7000	3.7000	2.3000
B.C. Assessment	0.0389	0.4830	0.1082	0.1082	0.0389
Municipal Finance Authority	0.0002	0.0007	0.0007	0.0005	0.0002
	\$7.4514	\$54.1687	\$17.1262	\$16.3783	\$6.2830

Historical property tax levies

	2019	2018	2017	2016	2015
Taxable Assessments (net of boundary expansion)	\$ 2,093,911,795	\$ 1,825,193,345	\$ 1,672,934,193	\$ 1,516,537,475	\$ 1,446,634,020
Tax Levies					
General	\$ 9,025,231	\$ 8,955,514	\$ 8,649,257	\$ 7,910,168	\$ 7,678,764
Debt	212,673	212,673	212,892	213,229	213,050
School	8,808,743	8,546,901	8,429,179	8,425,909	8,369,225
Regional Hospital	754,558	717,752	695,251	662,934	645,227
Regional District	3,940,771	3,578,744	3,675,123	3,818,306	3,733,201
B.C. Assessment	156,545	156,611	150,261	160,511	163,154
Municipal Finance Authority	582	522	483	448	428
	\$22,899,103	\$22,168,717	\$21,812,446	\$21,191,505	\$20,803,049

Statistical Section

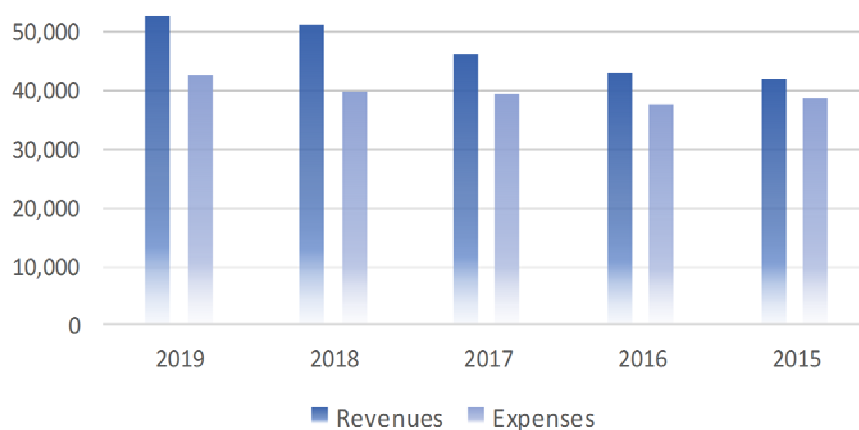
Historical Revenues and Expenses

Revenues (in thousands)

	2019	2018	2017	2016	2015
Taxes	10,614	10,521	10,189	9,445	9,138
Sale of services	4,082	3,687	3,393	3,037	3,076
Other income	6,040	3,609	3,298	3,308	3,653
Investment income	1,312	974	524	578	749
Grants - unconditional	799	798	785	797	807
Grants - conditional	3,489	6,261	2,830	2,416	2,056
Water user fees	2,339	3,544	3,490	3,391	3,294
Sewer user fees	4,436	3,037	3,001	2,923	2,869
Transit user fees	305	287	283	257	237
Nelson Hydro sales	18,681	18,509	18,354	16,778	15,965
Gain on disposal of assets	512				
	52,609	51,227	46,146	42,928	41,843

Expenses (in thousands)

	2019	2018	2017	2016	2015
General government	3,763	3,524	3,685	3,610	3,472
Protective services	7,254	6,620	6,426	5,700	5,368
Transportation	3,885	3,390	3,139	3,181	3,442
Environmental health services	240	217	258	223	227
Public health and welfare	207	171	186	184	182
Parks, recreation and cultural	2,366	2,009	2,171	2,519	2,509
Interest and debt charges	767	797	784	799	805
Water utility operations	1,501	1,354	1,381	1,442	1,396
Sewer utility operations	1,850	1,796	1,835	1,599	1,625
Nelson Hydro operations	1,766	11,428	11,328	10,418	11,989
Transit operations	11,910	1,678	1,568	1,495	1,485
Library	933	905	894	908	875
Amortization	6,081	5,786	5,343	5,225	5,083
Loss (gain) on disposal of assets		200	361	297	370
	42,522	39,875	39,359	37,601	38,826

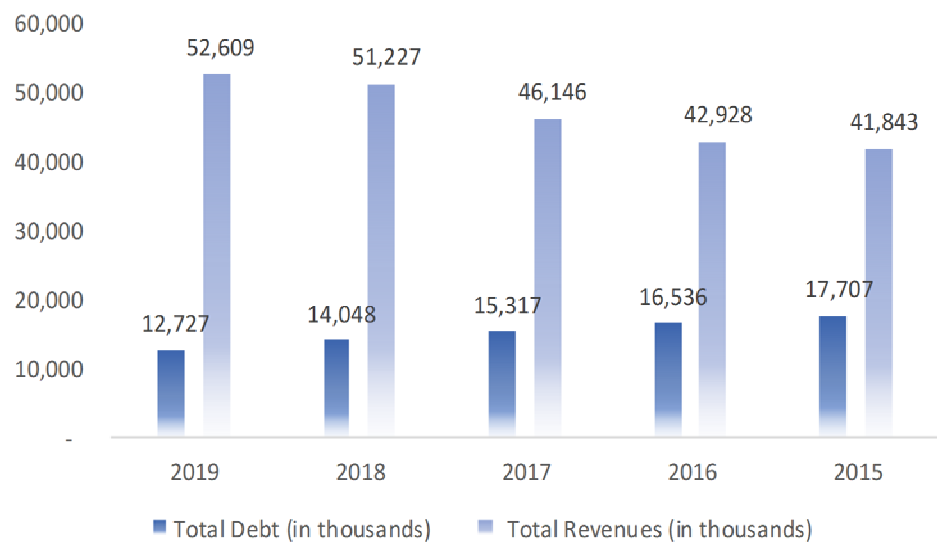


Statistical Section

	2019	2018	2017	2016	2015
Total Debt (in thousands)	\$12,727	\$14,048	\$15,317	\$16,536	\$17,707
Supported by:					
Selkirk College Lease	2,146	2,452	2,745	3,025	3,293
Property Tax	976	1,052	1,125	1,195	1,263
Water Utilities	657	723	787	848	907
Sewer Utilities	392	460	525	588	648
Nelson Hydro	5,304	5,630	5,945	6,247	6,537
Gas Franchise Lease Revenues	3,252	3,731	4,190	4,633	5,059

Debt Service Payments (in thousands)	\$1,665	\$1,695	\$1,682	\$1,696	\$1,701
Supported by:					
Long term lease	281	270	270	270	270
Property Tax	109	109	110	116	118
Water Rates	85	100	106	106	106
Sewer Rates	71	78	78	90	93
Nelson Hydro Rates	476	499	499	499	499
Gas Franchise Lease Revenue	644	638	619	613	614

Total Revenues (in thousands)	\$52,609	\$51,227	\$46,146	\$42,928	\$41,843
Debts service payments					



Statistical Section

Building Permits and Business Licenses

Building Permits

	2019	2018	2017	2016	2015
Number of permits issued	183	188	189	173	188
Total building permit value	412,410	192,415	212,766	142,777	236,719
Total permit construction value	45,772,072	29,650,460	18,762,010	15,064,439	33,548,333
Average permit construction value	250,121	157,715	99,270	87,078	178,449

New Business Licenses

	2019	2018	2017	2016	2015
	166	179	202	214	187

