



*City of*  
**NELSON**  
2020 Annual Report





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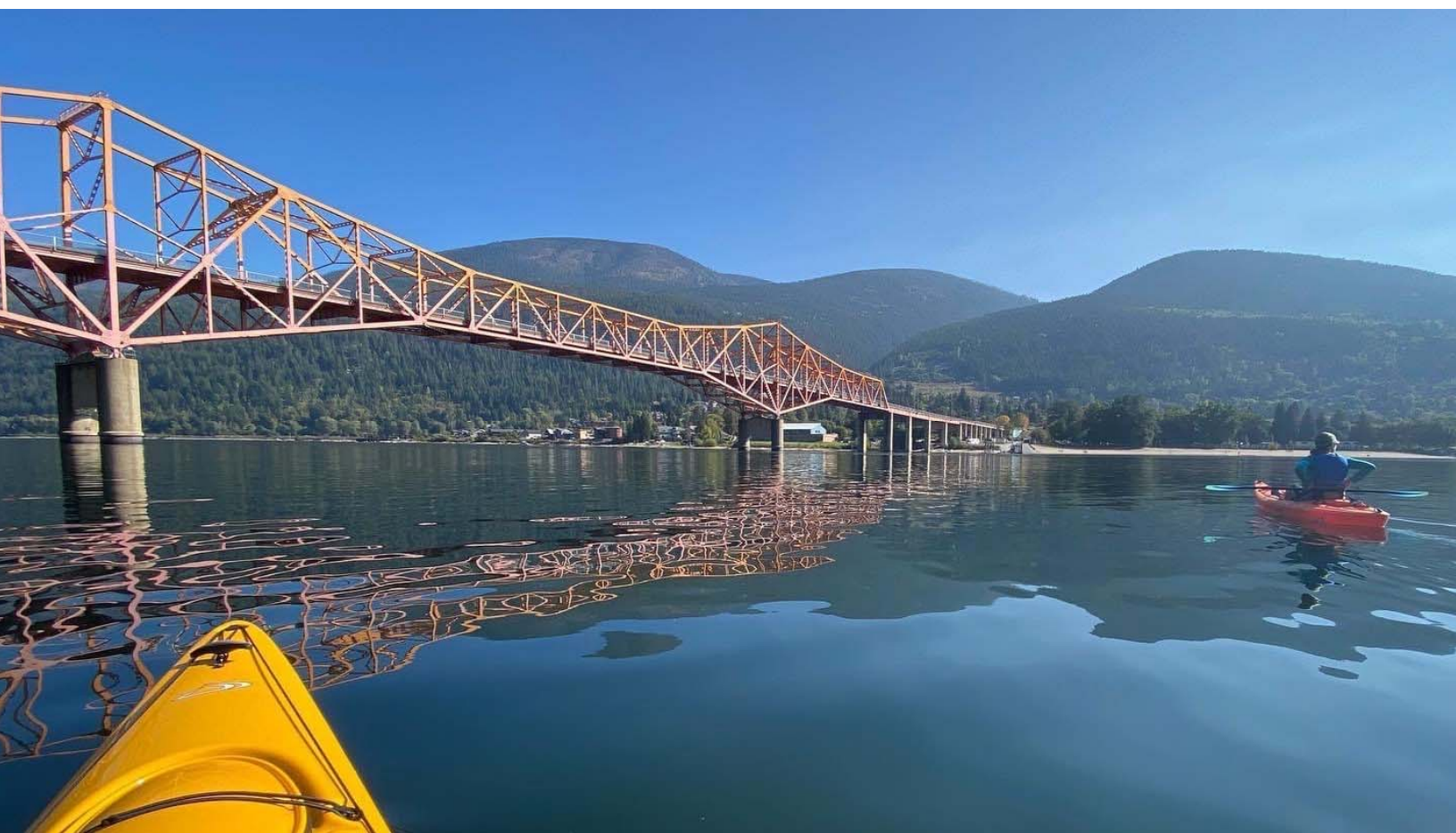
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## City of Nelson 2020

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## Message from the Mayor

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It is an honour to join the City Manager and Chief Financial Officer in presenting the 2020 Annual Financial Report for the City of Nelson.

I have lived in Nelson for over 40 years, and there is no doubt that 2020 was a year like no other. The pandemic brought incredible challenges that we simply could not have anticipated. Like most communities in BC, we were financially impacted as we saw our hotels, restaurants, and businesses take an economic hit, and emotionally, as accessibility to community services became limited or unavailable. However, our community's determination and resiliency became a pillar of strength for every person living here, and with hard work and by supporting each other, we have been able to weather this storm and are looking to a bright future.

Council was very attuned to the trial and tribulations our residents and businesses faced this past year. In response, we developed a 25 Point Action Plan for Economic Stimulus & Financial Stability at the onset of the pandemic. Our goal was to adapt City services and operations to meet the needs of our community and provide the support necessary to our businesses to keep their doors open and workers employed. I am incredibly proud of how City staff and volunteers worked to implement the 25 Point Action Plan, including creating a Recovery Outreach program that worked closely with businesses and local organizations to address their immediate needs and provide support and guidance. Council also approved a Covid-19 Recovery Grant program to assist non-profit & community organizations significantly impacted by lost earned revenue due to the pandemic.

This annual report showcases the many ways staff continued to advance Council's 2019-22 strategic priorities while also addressing pressing issues in our community. While this year had its challenges, it also demonstrated what we could accomplish by building partnerships, leveraging our existing assets, and encouraging innovation throughout the city. Nelson continues to prosper, and we also continue to be a place that people want to move to. Even with the pandemic, we saw growth in our housing sector and new development across the city.

The pandemic was impactful, but it did not stop our incredible team of City workers from performing their duties above and beyond expectation. Although it was not business as usual, I am extremely proud of our team for doing such an amazing job during a very difficult time.

I want to express my sincere thanks to City staff who worked incredibly hard through a challenging year and my City Council colleagues, who continued to serve residents on the phone or via Zoom calls all year long. Thank you also to our residents and our many community volunteers for making Nelson the incredible community that it is.

I look forward to watching our community return to a new normal as we move out of this pandemic; there is no doubt we will thrive in 2021



Mayor John Dooley



## Nelson City Council 2020

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**Mayor John Dooley**



**Brittny Anderson**



**Keith Page**



**Cal Renwick**



**Rik Logtenberg**



**Jesse Woodward**



**Janice Morrison**

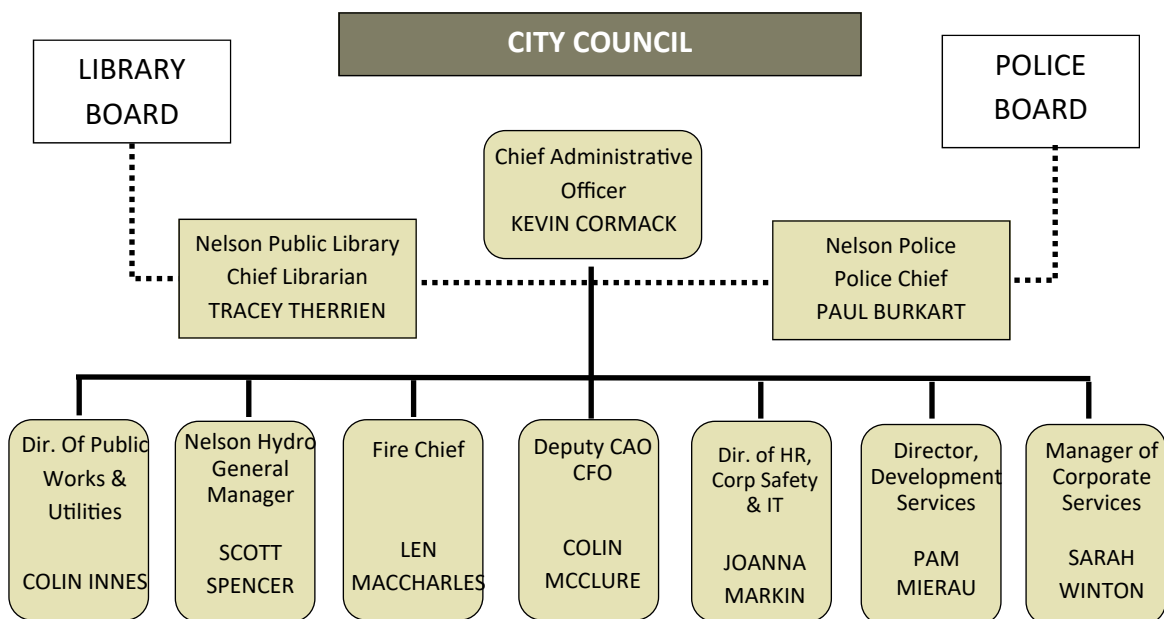
An elected Council comprised of a Mayor and six Councillors governs the City of Nelson. Councillors are elected for four year terms and each member of Council represents the City at large. The *Local Government Act* and the *Community Charter* give Council the authority to set budgets, levy taxes and 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](http://www.nelson.ca) for information regarding dates and times of meetings.

## 2020-2021 Council Appointments

<b>BOARD</b> External Boards and Committees VOTING MEMBERSHIP	<b>APPOINTEE</b>	<b>ALTERNATE</b> /OTHER AP- POINTEES
<b>RDCK:</b>		
RDCK Board Director	Morrison	Page
Recreation Commission	Morrison	Logtenberg & Page
Central Resource Recovery	Morrison	Page
West Kootenay Boundary Regional Hospital Board	Morrison	Page
Regional Parks	Morrison	Page
West Kootenay Transit	Logtenberg	Page
Library Board	Page	Woodward
Police Board	Mayor	
NAEDP	Renwick (Coordinating Com- mittee)	Page (Advisory Committee)
Municipal Partnerships (Sandpoint, Izu-Shi, District of Kaoma Zambia)	As needed / Mayor (Izu-Shi)	
<b>COUNCIL COMMITTEES</b> Internal Committees VOTING MEMBERSHIP	<b>APPOINTEE</b>	<b>ALTERNATE</b>
Cultural Development Commit- tee	Woodward	Renwick
Emergency Management Planning Committee	Renwick	Morrison
Nelson Housing Committee	Page	Woodward
<b>COUNCIL COMMISSION</b> NON-VOTING	<b>APPOINTEE</b>	
Advisory Planning Commis- sion	Logtenberg	
<b>STANDING COMMITTEE</b>	<b>APPOINTEE</b>	<b>APPOINTEE</b>
Grievance Committee	Morrison	Renwick
<b>REGIONAL LIAISONS</b>	<b>APPOINTEE</b>	
Tri Cities	Mayor Dooley	
Treaty Advisory	Mayor Dooley	
West Kootenay Regional Airport Advi- sory Committee	Mayor Dooley	

## 2020 Organizational Chart



### MUNICIPAL OFFICERS 2020

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

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A lot has happened since last year's Annual Report. With the whole world in turmoil and COVID-19 restrictions changing constantly, we had to learn to deliver our services in new ways, provide additional support to our businesses and residents, and maintain morale in challenging times.

We have done an excellent job navigating these troubling waters, our community came together and supported each other in new and creative ways and our small businesses did amazing work rising to the extreme challenges they were faced with, while following the restrictions and keeping our community safe.

The City developed its recovery framework, one of the first in the province and implemented its 25 Point Action Plan, which focused on supporting our residents and, in particular, our business community. Council froze taxes and fees, expanded outdoor patio spaces, and focused our spending locally. Council identified priority projects and devoted resources to submit quality proposals. We have successfully secured over \$2,000,000 in grants so far. Our larger grant applications for a new library and significant access and energy upgrades at the Civic centre are still being adjudicated.

We also were able to stay on track with the core work of the City and Council priorities. The Climate Change Plan, NelsonNext, was completed, the Emergency Management Plan was furthered developed, and grants were received to initiate training and priority actions. Data from commercial meters have assisted us in identifying high users and we have worked with them to reduce water loss.

Our employees really stepped up to deliver our core services, with less staff due to the hiring freeze implemented to reduce costs and taxation, I realize this was very challenging. I am very proud of the flexibility, perseverance, and dedication all City staff displayed since the on-set of the pandemic.

The partnerships developed over the years really showed their value during the pandemic. We naturally came together and worked hand-in-hand to support all aspects of our community, from the vulnerable sector to the business community.

Nelson's resiliency shone through during the pandemic and made us all proud to call Nelson home.

In closing, I would like to thank each and every member of our community, our staff and Council. You were and are all amazing!

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



Photo Credit: Nelson Star



Finley's Patio on Vernon Street in Nelson.



New public washroom at the Waterfront Plaza.



Heart mural at City Hall.

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

#### Progress:

- The City received an additional \$1 Mil provincial grant on top of a \$500,000 CBT grant to support the renewal of the Hall Street pier and provide a new display home for the Ladybird.
- Council provided funding for year three of Mural Fest and the seventh year of the downtown sculptures.

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

#### Progress:

- Nelson Fibre – 27 new customers were added in 2020 and an additional 11 to date in 2021.
- Council waived patio fees for 2020 and 2021 to assist our food and beverage sector during the pandemic.
- The Nelson & District Youth Centre successfully operated the Nelson Farmers Market.

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

#### Progress:

- The City installed a new public washroom, water fountain and bike repair station at the Waterfront Plaza at the north end of Hall Street.
- Closure work continues at the former landfill at 70 Lakeside Drive

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

#### Progress:

- In partnership with the Nelson Baseball Association, who did most of the fundraising, over \$350k worth of improvements were made to Queen Elizabeth Park in Fairview.
- Council has approved the transition of the disc golf course at Art Gibbon Park from a one-year pilot, which begun in Spring 2020, to a permanent feature of the park.
- In addition, the Nelson Daybreak Rotary club worked to develop the natural inter-generational park within Art Gibbon Park. The City provided in-kind contributions towards this development.

## City of Nelson Strategic Objectives 2019 - 2022

### Enhance Sustainability of City Services and Infrastructure



Selous Watermain Extension Project



Bruce McNeil, Building Official ready to head out on City-owned e-bike.



FoodCycler workshop with Phase I Pilot Program participants in early 2020.



Sample of local wildfire mitigation work in Nelson.

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

##### Progress:

- Completed the 2km Selous Watermain Extension project. 2021 will be Phase II which involves a pump station and watermain extension from Anderson Creek to the Mountain Station reservoir. This \$6 Mil secondary source capital project was 100% grant-funded.
- In 2020, the City undertook a water loss mitigation study. Using software on the data collected, the City was able to identify and resolve leaks/losses, resulting in savings of 67 Mil litres annually.

#### Strategy: Create an Energy Efficient Community

##### Progress:

- The City completed its Climate Change Action Plan, Nelson Next, made possible by a two-year grant from the Federation of Canadian Municipalities.
- The City launched an employee E-Bike purchase program which was expanded to the entire community in 2020. Since its inception, the public program has had over 40 successful bike loans.
- The City purchased e-bikes for select departments who work off-site to move about the city. The City rolled out two organic waste diversion pilot programs utilizing the FoodCycler™.

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

##### Progress:

- The Off-Street Parking and Landscape Bylaw was amended to include FireSmart principles to prohibit the planting of any new coniferous vegetation within 1.5 metres of a structure.
- The City's Emergency Management Coordinator has taken the lead on the roll-out of a new Emergency Notification system for Nelson residents. The new system, Voyent Alert, has the functionality to be integrated with other local municipalities that use the same notification system.
- Through UBCM Wildfire Mitigation grant funding, the City was successful in decreasing the fuel loads of 25Ha of land within the municipal boundary and area.

#### Strategy: Improve our Aging Infrastructure

##### Progress:

- The City took advantage of the Hwy 3A paving project to replace a 60-year old sanitary force main that runs underneath the Highway down into the Railtown district.
- In 2020 the City invested \$6.1 million in capital to upgrade the city's streets and sidewalks, water and sewer infrastructure, and storm sewer systems.

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

##### Progress:

The NAEDP took the lead in partnership with the City of Nelson and Selkirk College to create a business outreach program to assist local businesses in navigating through the pandemic. Support included developing and promoting a communications campaign to "Keep businesses open" and "Shop Local". In addition, businesses were provided resources for financial advice and support to improve or develop their online storefront.



## 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.
- The affordable housing project at 205 Hall Street has been completed and tenants have begun to move in.
- Construction is nearing completion at two other affordable housing projects at 520 Falls Street and 805 Nelson Avenue, with expected occupancy by October 2021.
- 67 new housing units were approved in 2020 and another 36 as of May 31st, 2021.



Grand opening of new housing at 205 Hall Street.



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

##### Progress:

- The City is in the final stages of completing the first phase of the Neighbourhood bikeway project. This was made possible by a \$425k provincial grant.
- In photo (left), Jordan Martin, Youth Centre & Parkade Manager, showcases the new safe bike parking at the downtown parkade on Vernon Street. This project was also grant-funded.
- The City completed 1.25kilometres of new or rehabilitated sidewalks throughout the community.
- As part of the Active Transportation Plan, the City commissioned conceptual planning for the Vancouver Street stairs and the Rosemont Tunnel.



Conceptual rendering of Vancouver Street Stair Case

## 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 continues to work 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.
- In partnership with the Ministry of Transportation, work continues on a new intersection design for the Hwy 3A Baker Street 4-way stop.
- One affordable BC Housing project is complete, two more are near completion, with the City continuing to work with BC Housing on new projects.
- The City has worked with the newly formed Nelson & District Airport Society (NADAS) to secure a 160 BCCAP grant to fund \$230k airport safety and runway improvements.
- Council approved a Licence To Occupy with the vendor of the \$63 Mil provincially funded electric-ready ferry on Kootenay Lake that is scheduled to be operational in 2023.

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

**Progress:**

- Approximately 20% of City staff took part in Emergency Operation Centre training.
- Due to COVID-19, there was limited opportunity for employee training and development. There is an expectation that staff will have more options for development in 2021.
- The City was successful in reaching a new four-year Collective Agreement with CUPE Local 339.

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

**Progress:**

- Due to COVID-19 and Provincial Health Orders, there was no opportunity for in-person public engagement for most of 2020. Staff used a various online tools, including SurveyMonkey, ThoughtExchange, Zoom and live-streaming to connect and engage with residents.

**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:**

- After a zero percent tax increase in 2020, Council approved a 1.75% increase in 2021, which is averaged to less than 1% increase per year.
- The City continued with only inflationary water and sewer rates at 2% and 1.5%, respectively.
- The City successfully secured numerous grants for capital projects to be undertaken in 2021. This funding, coupled with past investment in capital reserves, will result in these capital projects being completed without impact on taxation.

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

**Progress:**

- The new Hydro Online Account Portal will be implemented in the summer of 2021.
- The City has added a Chat Bot search function to the nelson.ca website to provide the public with additional resources for finding answers related to City business.

## Community Profile

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NELSON, BC - The City of Nelson is located on the west arm of Kootenay Lake. Incorporated as a city on March 18, 1897 under the "*Speedy*" *Incorporation of Towns Act*", Nelson continues to be the government, financial, trading and educational centre of the Central Kootenay Region. Nelson, the Heritage Capital of the Kootenays, boasts in excess of over 150 registered heritage buildings. Self-guided, heritage walking tours and driving tours are available on a year-round basis. Nelson's historical buildings have attracted a number of movies to be produced in the City, and Nelson is still often scouted by Hollywood for other movies.

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

Although the population of the City of Nelson is only 10,800, it is central to a trading area in excess of 25,000. The residents of Nelson have come to expect amenities that are normally only found in a community much larger than Nelson.

Clean drinking water, fresh air and the pristine Kootenay Lake contribute to the City's high quality of life. Nelson has no polluting industries, nor does it have a large industrial tax base. In an effort to continue economic diversification, small businesses are establishing a new economic base in the Nelson area. There were over 1,300 business licences issued in 2020.

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

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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 Corporate Services, Finance, Development Services, Operations, Fire, Human Resources and IT and Nelson Hydro department heads report directly to the City Manager.



## Corporate Services

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Sarah Winton - Manager of Corporate Services & Corporate Officer

Gabriel Bouvet-Boisclair - Deputy Corporate Officer

Jordan Martin - Manager of Youth Centre & City Campground

Ginger Lester - Executive Assistant / 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, as well as maintaining and managing City records and documents through their lifecycle.

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.

## Finance

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Colin McClure, CPA, CA - Deputy Chief Administrative Officer / 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.

Development construction decreased from \$45.7M in 2019 to \$28.7M in 2020, reflecting the impact of COVID. In 2020, construction values can be attributed predominantly to new single family construction as well as significant upgrades to older multifamily buildings. Similar to construction values, new dwelling units developed in the city decreased from a high of 194 in 2019 to 61 units in 2020. Development Permits remained high going from 100 in 2019 to 94 in 2020.

In terms of community planning projects, over the past year Development Services worked on new regulations to increase mandatory StepCode 1 to mandatory StepCode 3 for new development. We also completed the downtown parking strategy, completed the laneway housing design competition, implemented new holiday lighting, rezoned a portion of Granite Pointe Golf Course for residential, rezoned the remainder of the Railtown neighbourhood, and worked on development of the Nelson Climate Change Action Plan. We were also part of the development of a Regional Housing Needs Assessment, as well as implementing our Active Transportation Plan receiving a grant for \$420,000 to improve bike routes and bike parking. We've also been working on developing revitalization tax incentives for downtown façade improvements, heritage buildings, brownfield and energy retrofits. Given COVID and the impact to our business community, we spent significant time working to help support businesses, including temporary expansion to our downtown sidewalk patios as well as waiving patio fees.



## 520 Falls Street



## Nelson and District Youth Centre

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Jordan Martin - Manager

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

We provide a safe and supervised facility for Children, Youth, and families to engage in programs and leisure activities which encourages the growth of positive self-esteem, and a healthy inclusive community.

In June of 2020 the Nelson and District Youth Center stepped in to oversee the operations of the Nelson Farmers Market. The Nelson Farmers Market consists of local makers, bakers, and growers.

Our goal is to provide a market that allows community members to access healthy food and support the direct interactions between farmers and consumers. Market operations are a means of the City of Nelson's goal to promote and support local food sustainability.

The NDYC also manages the Nelson City Campground and the Nelson City Parkade. The Campground being one of the most successful urban campgrounds in British Columbia. Revenues generated from the City campground supports the operations of the NYDC.

The Nelson City Parkade is 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 Nelson City Campground and the Nelson City Parkade are part of the fabric that makes Nelson so liveable and

### 2020 Achievements

- Safely re-opened to all programming in September amidst the COVID-19 Pandemic.
- Received an award from the BC Recreation and Parks Association for program excellence.
- Started the Snow-Angel program which assists our vulnerable population with snow removal assistance.
- Successfully operated the Nelson Farmers Market at Cottonwood Falls for both Wednesday and Saturday market days.
- Provided \$37,000 worth of Market coupons to low-income Families, Seniors and pregnant women.
- Created the first Nelson Farmers Market Advisory Committee to allow a sense of community inclusion and guidance for market operations.
- Created the Nelson Food Security website and initiated programs to align with council strategies, and Farmers Market operations.
- Increased our online presence for both the Youth Center and the Nelson Farmers Market to create more awareness as part of our marketing strategy.
- Campground revenues were over \$80,000, the highest in five years.



## Nelson and District Youth Centre



### 2021 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 while keeping rates affordable and flexible for families.
- Expand Angel program to include fall debris removal.
- Develop youth programming with input from all 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

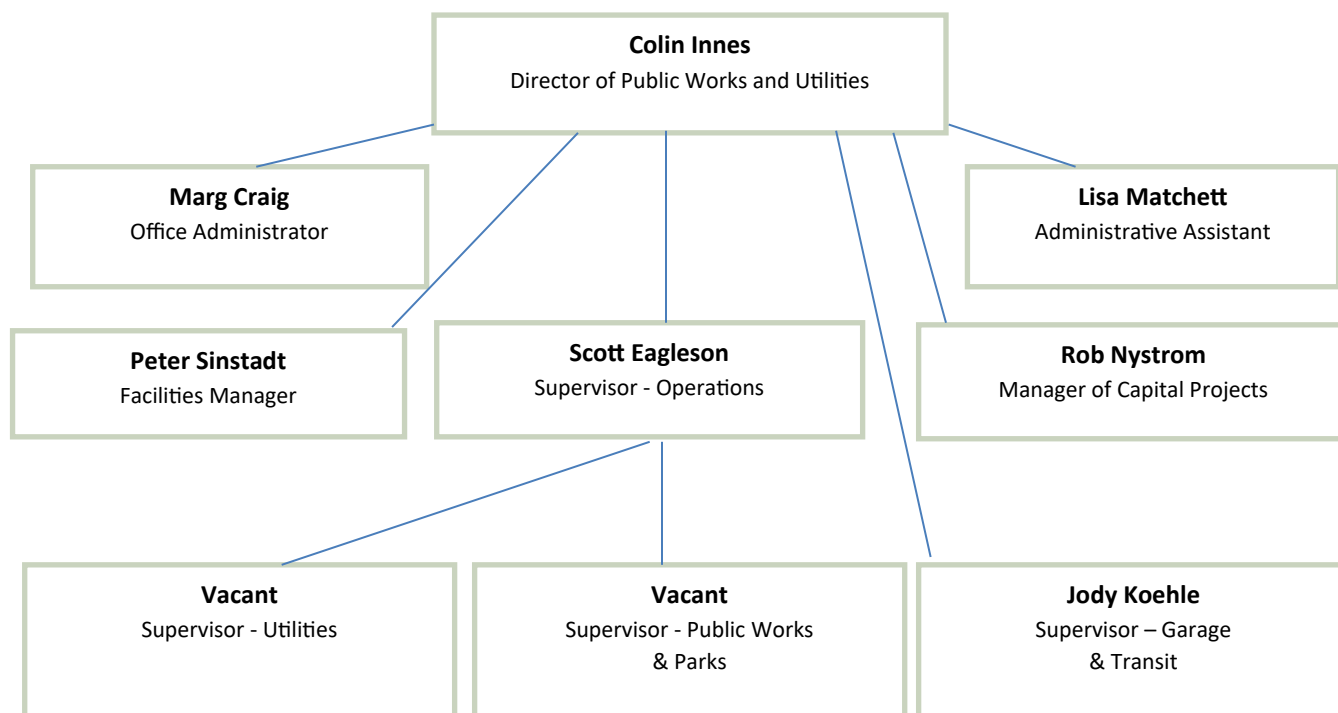
- Opening the Nelson Bike Cage to allow for secure parking and align with Development Services Active Transportation Strategy.
- Create proper signage within the parkade to simplify parking options and availability to the public.
- Create more daily stalls for commuter parking.

#### Campground

- Improve the grounds and introduce an edible garden.
- Create signage that promotes tourism within the Kootenay Lake area.

## 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 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

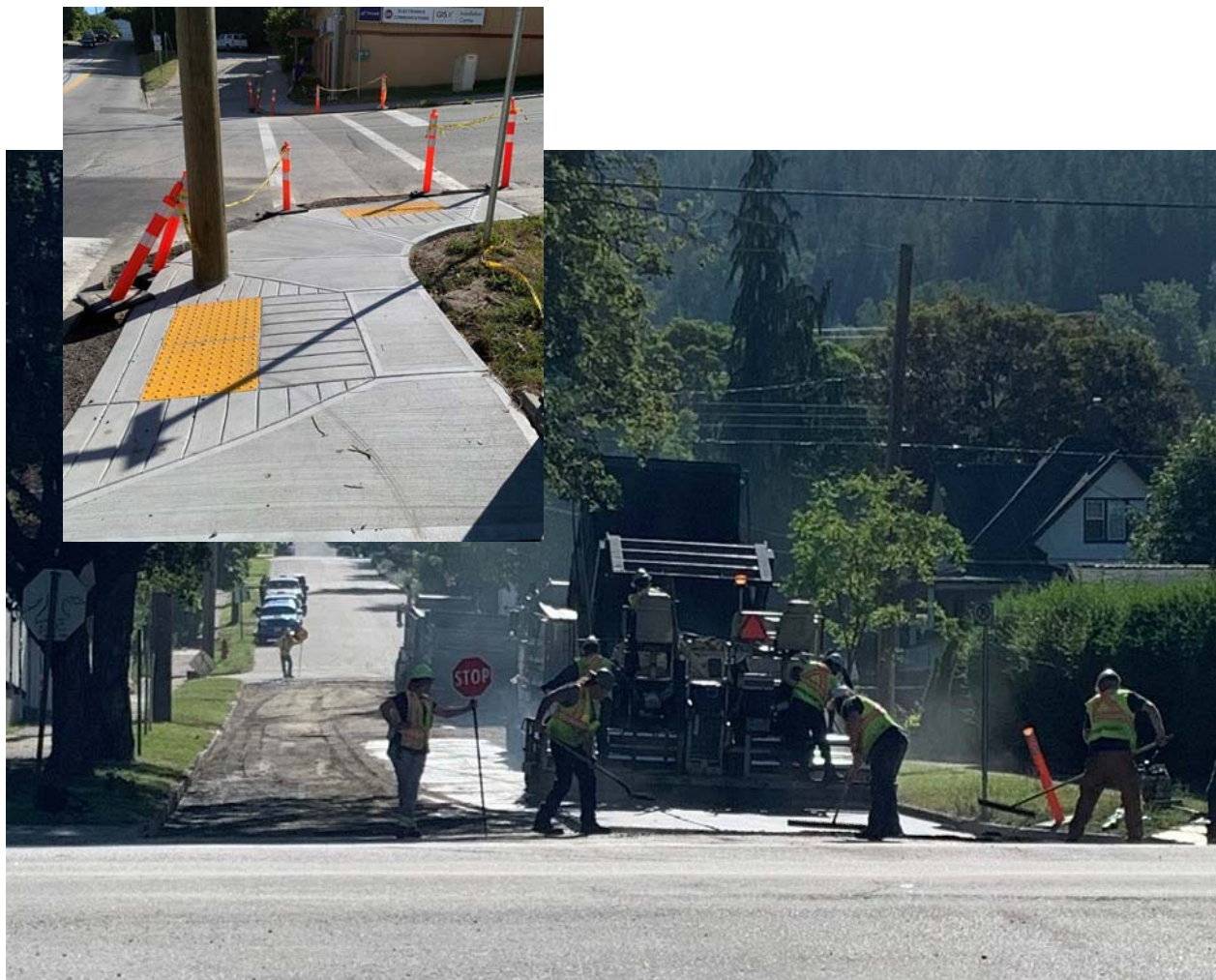
The Parks and Recreational Facilities section is responsible for the maintenance of eleven municipal parks and playing fields covering 23.7 hectares.

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 2020

- 2,789 metres of water main replaced.
- 583 metres of sewer main upgrades - relined or replaced.
- 49 metres of storm sewer mains replaced.
- Approx. 26,711 Sq. meters of asphalt resurfacing completed.
- Hall Street waterfront plaza enhancements & washroom installation completed.
- Water Transmission Upgrades – Selous Creek water main extension project complete.
- Sewer main upgrades – approx. 500 metres planned for install





## Public Works & Utilities

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### 2021 Departmental Goals

- Anderson Creek transmission water main and pump station upgrade.
- Hall Street Pier and Ladybird display building project to be initiated.
- Installation of public washroom at Cottonwood Park.
- Rosemont Multigenerational Park – addition of playground.
- Sewage Treatment Plant masterplan for upgrade.

### Investment in City Facilities in 2020

- City Hall – Upgrade of emergency generator to increase backup power capacity
- Library – Mechanical/energy upgrade for the basement of the library and new tech room
- Youth Centre – Increased ventilation to improve thermal comfort in the skatepark area and complete LED lighting upgrade
- Parkade – LED lighting upgrade
- Grants – Preparation of conceptual work packages for major grant applications



## 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 an Operations NCO staff sergeant, two patrol teams, each under the leadership of a platoon sergeant with five constables. Beat officers will work as part of the platoons on a regular weekly schedule along with two detectives in our General Investigations Section.

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

Safety Unit (IRSU); 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, bike patrol and is engaged in a host of community focused crime prevention and youth programs.



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 three constables within the Integrated Road

## Nelson Police

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### Department Achievements 2020

- 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— 2021

- Through community cooperation, develop and implement a Diversity Advisory Committee to support the Police Department and build on community relationships.
- Further engagement of a second beat officer to better police our very busy downtown core, increase visibility and access to our officers.
- 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 the implementation of the restorative justice program, increasing community awareness and actively referring cases.
- Increase community awareness of police activities and stories of interest through regular and creative use of media, social media, and public events.
- Work closely with our EHS and Fire personnel in emergency planning and preparedness.

## Nelson Fire & Rescue

Len MacCharles - Fire Chief & Dir. Of Emergency Management

Jeff Hebert - 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 up to 21 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

- Department wide training was paused due to COVID-19, however opportunities for virtual training were offered.
- On-Shift training took a more important role as crews were able to stay in their cohorts and participate in ongoing training while on shift.
- Fire Ground Training – for Nelson Police Members, in the event that their assistance was required to assist at a fire scene.
- Confined Space and High Angle Rope Rescue training at the Nelson Hydro Power Plant. Annual training in collaboration with Power Plant staff to ensure a safe and effective response and rescue (see photo).
- Construction Phase Preplans on multi-unit buildings conducted throughout the city. Including some of the new build condos: Lakeside Drive, Hall St and Falls Street.
- Wildland firefighters annual recertification training
- Career Training: 7 hazards as identified by WorkSafe BC (Dust Collectors, Trench Collapse, Falls from Heights, Bloodborne Pathogens, Lockout of Emergency Sources, Confines Space, Fentanyl/Carfentanyl Exposure), Emergency Scene Traffic Control and ICS refresher.



## Fire Prevention Report

- Focus has been on completing commercial property inspections. Required frequent follow ups to gain BC Fire Code compliance.
- Conducted annual inspections, utilizing a revised inspection frequency schedule to maximize inspection efficiencies and completion rates.
- FireSmart/Wildfire Preparedness media campaigns have strengthened the public's awareness of the risks and the proactive steps we can all take to reduce the risk of wildfire.
- Awarded grants to support the department's FireSmart awareness campaigns; conducted 20 FireSmart Home/Property Assessments.
- Fire Prevention Awareness Door to Door Programs were paused due to COVID precautions. However, if residents called for smoke alarm assistance, installation, location or testing, crews responded taking all PPE and physical distancing precautions. Smoke Alarms Save Lives!
- 2020 Fire Prevention School Program was presented virtually, where classes were sent information packages followed by Zoom meetings where students and teachers could interact and ask questions (see photo). Crews also collaborated to create a "made in Nelson" Sparky safety video focusing on this year's theme - Kitchen Safety. <https://youtu.be/BcPknUuU0zs>

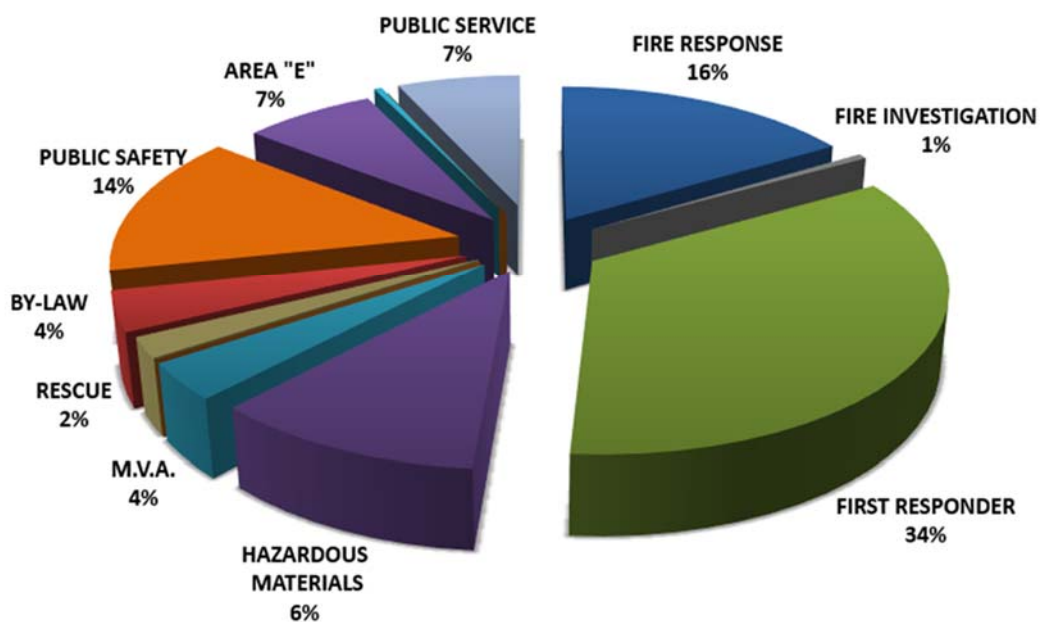


## FireSmart & Wildfire Risk Reduction

- Through provincial grant funding, 18 units of urban forest throughout the city were fuel treated. Collaborated with local Professional Forester and local arborist company to complete the work (see photo).
- Due to the fact these parcels of land were in densely residential areas, Nelson Fire & Rescue Services conducted an in-depth outreach and communication campaign to connect with all adjacent homeowners to explain the project and open the floor for comments and concerns.
- Conducted 20 FireSmart Home Assessments on private land, providing suggestions and proactive steps homeowners can take to reduce the risk of wildfire impacting their homes.
- Continued to apply for future funding through UBCM for upcoming FireSmart and Fuel Mitigation projects.
- Both the FireSmart Awareness booths and the planned annual Wildfire Risk Reduction Open House was suspended due to COVID-19 restrictions.

## Nelson Fire & Rescue

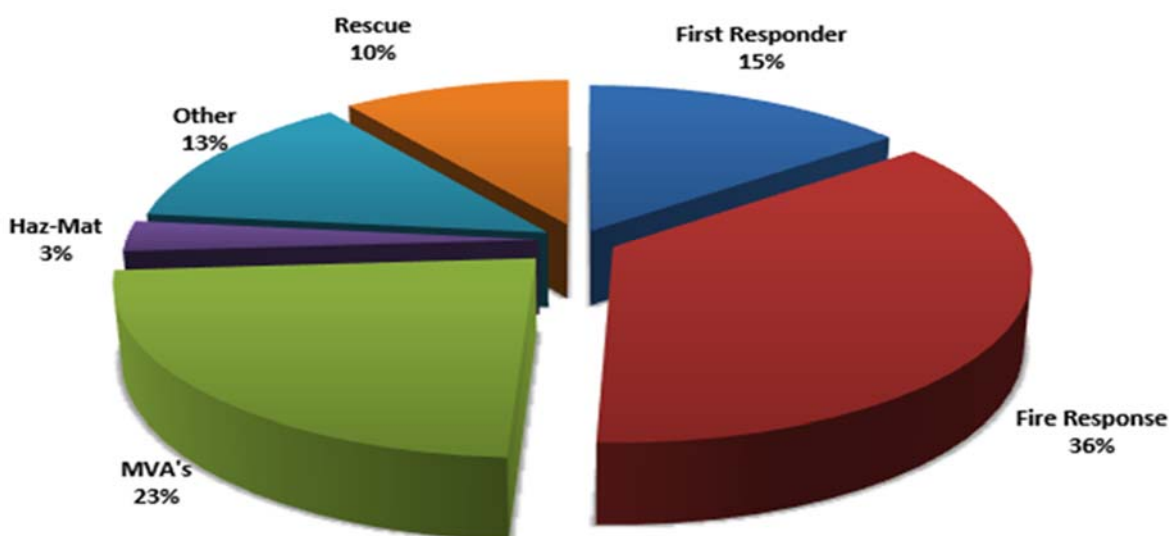
2020 Calls to Date by Type



Total Responses in 2020 = **973**

Total Emergency Responses in 2020 = **702**

Area E Calls



## Nelson Hydro

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Scott Spencer - General Manager  
 Neal Dermody - Operations and Line Manager  
 Jan Sangalang - Projects and Customer Service Manager  
 Marg Craig - Office Administrator  
 Carmen Proctor-Community Energy Program Manager

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's EcoSave Program delivers the Regional Energy Efficiency Program in partnership with the Regional District of the Central Kootenay and FortisBC to promote the conservation of electrical energy and reduction of greenhouse gas emissions in residential homes.

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 50% of the utility's energy needs.

Nelson Hydro presently has over 10,800 customers. Total system load is now over 160,000 MWh per year.

In 2020, Nelson Hydro transferred \$2,836,000 in dividends to the City General Revenue Fund.

### Achievements in 2020

- CIS Advanced Utility Customer Service Software upgraded to Version 4.
- EcoSave developed and implemented a successful online campaign called SaveNow to promote energy efficiency when COVID-19 prevented the usual face-to-face marketing.
- EcoSave developed an E-Bike On-bill Financing Program to encourage active transportation.
- Vegetation Management completed in North Shore and South Shore service areas.
- Bonnington Intake Operating Gates #2, #3, & #4 refurbished.
- Wooden Power Pole replacements throughout the system for both the Telus Aerial Make Ready and Nelson Hydro pole replacement projects.
- Reconductoring of older circuits, removing #6 copper wire.
- Concrete refurbishment in the Bonnington Falls Generating Station forebay.
- Bonnington Falls Generating Station Bridge Deck replacement.
- Lakeside Substation removal, conversion to parking space & transfer to Public Works.

## Nelson Hydro

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### 2021 Department Goals

- Rollout of the new Nelson Hydro online payment portal and e-billing.
- Implement a Customer Relationship Management tool for EcoSave.
- Continue the delivery of the Regional Energy Efficiency Program.
- Enhance the current financing to support deep energy retrofits that align with Nelson’s new Climate Action Plan, Nelson Next.
- Enhancement of the Asset Management Program to improve reliability and maintenance of infrastructure
- Re-deployment of Lakeside Circuit Reclosers to the Northshore.
- Northshore Volt/VAr Optimization Project Pilot completion.
- Bonnington Intake Operating Gate 5 Refurbishment.
- Bonnington G5 Turbine Major Overhaul.
- Vegetation Management Program in the City (primarily) and the rest of our service area.
- Implementation of Vegetation Best Management Practices and Stakeholder Engagement Policies.
- Test & Treat to identify Wooden Power Pole replacements & Stubbing throughout Harrop/Proctor.
- New System model deployed to better identify “Load Analysis, Arc Flash Availability & System Protection coordination.
- Completion of the Balfour Ferry Realignment Project for the Ministry of Transportation.
- Installation of Fiber Optic cables into Mill Street, Rosemont and Granite Substations to improve communication and system monitoring.
- Installation of Level 2 EV chargers at Selkirk Collage 10th St. Campus and Silverking Campus.
- Installation of Back-up generator for station service at the Bonnington Falls Generating Station.



## Nelson Public Library

Tracey Therrien - Chief Librarian

### 2020: A Year in review

2020 will go down in our library archives for two historical events – our Centenary and the Covid-19 pandemic. It has been a year of celebration and challenge.

Our year-long Centenary celebrations started in January with the Capital theatre show, where over 300 people attended. Even amongst a global pandemic, we organized a Museum exhibit, published a history book, commissioned artwork and explored the future of Libraries.

Though our world was turned upside down in 2020, the Board and staff continued to be guided by the Library's strategic directions – Community Needs, Spaces to Connect, and Sustainability- as we responded to the needs of the community during the pandemic.

While the building was closed for four months, we increased access to the library's digital collections and staff remained available to serve community members: over the phone, online and eventually in-person. Library events transitioned from in-person to virtual: story times, books clubs, tech training. In April, the Library started offering take out service: the large uptake demonstrated the desire for reading materials in paper formats. Through this transition it quickly became apparent, how much the community viewed the library as a gathering place and its essential role in combating social isolation and being a force in helping bridge the digital divide.

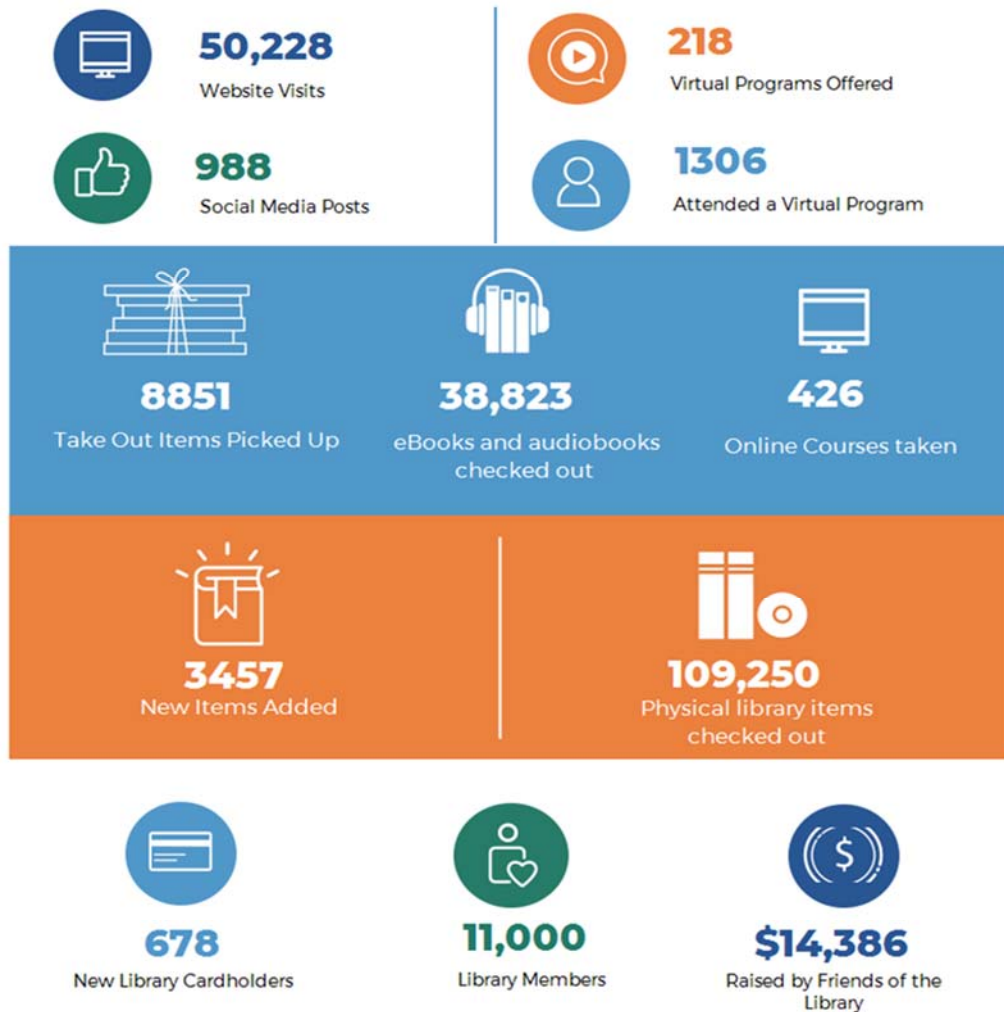
Though our COVID challenges and solutions were unique to our community, we wouldn't have accomplished nearly as much without the support of our provincial counterparts, the City of Nelson and the resiliency of staff.

Thank you!

Anni Holtby Library Board Chair



## By the Numbers



### Nelson Public Library

602 Stanley Street  
Nelson, British Columbia V1L 1N4 | 250-352-6333  
<https://nelson.bc.libraries.coop/>

*“Library services have been amazing during my isolation. I’ve downloaded eBooks & magazines & it has such a major impact on my mental health! Thank you” ~ Library Member*

## Municipal Buildings



### Nelson Civic Centre

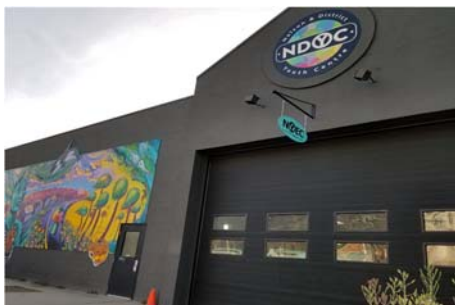
Built in the depression, the Nelson Civic Centre was the first of its kind in Western Canada. The complex included 2 ice rinks, a curling rink, 2 gymnasiums and a 700-seat theatre. The large rink in the Civic Centre is still utilized for hockey & figure skating, while the small rink was converted to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

On behalf of the Finance Department, it is my pleasure to present the 2020 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, 2020.

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 2020 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 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 complete 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 provides 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, 2020, 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.

### 2020 OPERATING RESULTS

Fortunately, the City was able to respond to the COVID-19 pandemic in time to adjust its 2020 budget for anticipated revenue losses and increased operating expenses. Council's Economic Stimulus and Financial Stability 25 Point Action Plan was created to provide community stimulus and support to assist our community during this unprecedented time. Part of the plan included the freezing of Nelson Hydro rates at 2019 levels, enhance the Eco-Save Energy retrofit program, waiving patio & sidewalk rental fees and extending utility bill due dates and penalty dates. In addition, it involved building an operating budget that maintained service levels with a zero percent tax increase, which required the City to lean heavily on reserves to balance the budget.

To assist Municipalities in their recovery, provincial and federal governments jointly provided local governments with COVID-19 restart funding, of which Nelson received \$2.6 million. By year-end, the City incurred an estimated revenue shortfall of \$747,000 and additional expenses of \$653,000 due to the pandemic, which was covered by this funding. The remaining restart funds have been budgeted for future years to assist the City in making operational and technological improvements and assisting our non-profit community with grants.

The City has a variety of revenue sources, including taxation and grants-in-lieu of \$10.7 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 2020 amounted to \$25.5 million

## Chief Financial Officer's Report

It is important to let the community know that in 2020 the City received \$564,000 in Provincial unconditional grants (revenue sharing and traffic fine sharing). The Traffic Fine portion of the funds was used towards the administrative and operational costs of the City of Nelson Police department; the remaining funding was used to reduce the City's business and residential tax burden. Without the small community grant, the City would have needed to increase taxes by approximately 6%.

Operating expenditures include \$7.4 million in protective services, \$3.5 million in transportation services, \$3.9 million in general government/corporate services and \$2.7 million in recreation, the Library and cultural services. Utility operations expenditures (including Nelson Hydro) total \$16.3 million. In addition, the City contributed \$285,000 towards the \$1.7 million gross 2020 operating expenses of Transit.

Overall the 2020 financial results were in line with what had been budgeted and expected for the year, in light of the impact of COVID-19.

### CAPITAL SPENDING AND RESERVES

The City continued its street repaving program, having completed 60 blocks of paving in 2019-2020. The City also continued relining and replacing ageing sewer and water line infrastructure. Most significantly, the City saw work completed on a 2.2-kilometre, 16-inch water line to transport water from the top of Stanley Street to its reservoir at Mountain Station. This was a fully grant-funded project that will help keep the city safer from droughts, wildfires and climate change impacts. Nelson's parks also saw some amenity upgrades, with the washroom installation at the foot of Hall St; and substantial completion of the Cottonwood Park stage. Nelson Hydro oversaw several projects to completion, including power plant civil works and bridge deck upgrades and completion of pole replacements to help facilitate fiber optic expansion in the area. In addition, a major upgrade to the Hydro billing software will serve as the foundation for bringing online services to customers in 2021.

### LONG-TERM DEBT

The long term debt issued and outstanding as of December 31, 2020 (including temporary borrowing and capital lease obligations) was \$11.3 million. In 2019, this balance was \$12.7 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 2020 for each of the City's funds is:

General \$5,478,431	Water \$587,818	Sewer \$321,117	Nelson Hydro \$4,964,078
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As presented in the notes to the financial statements, \$4.6 million of the general debt is being repaid by FortisBC and Selkirk College through long term contractual agreements leaving \$898,000 in general purpose debt funded by the taxpayer.

Although it appears that our community is coming out on the other side of the pandemic and the City is undoubtedly in the middle of a building boom, the City must work even harder to make good use of every tax and utility dollar that is received. The City will accomplish this with the ongoing look for efficiencies in our service delivery, continuing in being entrepreneurial and looking for opportunities to support growth and development. The City commits to being a good steward of the funds it receives and accountable in resource allocation while being sensitive to public needs. The City continues to work to preserve the current service and community infrastructure level while balancing the community's economic conditions.



Colin McClure, CPA, CA  
Chief Financial Officer



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## THE CORPORATION OF THE CITY OF NELSON MANAGEMENT REPORT

For the Year Ended December 31, 2020

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### RESPONSIBILITY FOR FINANCIAL REPORTING

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

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

The independent external auditors, 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.



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Colin McClure, CPA, CA  
Chief Financial Officer



## INDEPENDENT AUDITOR'S REPORT

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

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**Grant Thornton LLP**  
513 Victoria Street  
Nelson, BC  
V1L 4K7  
T +1 250 352 3165  
F +1 250 352 7166

### **Qualified Opinion**

We have audited the accompanying consolidated financial statements of the Corporation of the City of Nelson, which comprise the consolidated statement of financial position as at December 31, 2020, and the consolidated statements of operations, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, 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, 2020, 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 Qualified Opinion**

The City offers employee benefits that provide accumulating non-vesting and vesting sick leave. While the City has recorded an accrued benefit obligation for accumulated sick leave, no actuarial valuation method was utilized to measure the obligation. Canadian public sector accounting standards require the sick leave benefit obligations to be accrued as the employee renders the service that give rise to the sick leave benefit using an actuarial cost method. The impact of this departure from Canadian public sector accounting standards has not been determined and therefore, we were not able to determine whether any adjustments might be necessary to the annual surplus and cash flows for the year ended December 31, 2020, accrued future payroll benefits as at December 31, 2020 and net financial assets and accumulated surplus as at January 1 and December 31, 2020.

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 qualified audit opinion.

### **Other Matters**

#### **Supplemental Information**

Our audit was conducted for the purposes of forming an opinion on the consolidated financial statements taken as a whole. Exhibit 1 is presented for purposes of additional information and is not a required part of the consolidated financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, accordingly, we express no opinion thereon.

## INDEPENDENT AUDITOR'S REPORT (continued)

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

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

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***

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis 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.



## INDEPENDENT AUDITOR'S REPORT (continued)

- 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.
- 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 11, 2021

Nelson, Canada

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**THE CORPORATION OF THE CITY OF NELSON**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
As at December 31, 2020

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	2020	2019
<b>Financial Assets</b>		
Cash	\$ 7,088,378	\$ 2,742,553
Investments (Note 2)	44,156,654	35,996,128
Accounts receivable (Note 3)	6,563,670	6,836,730
Long-term accounts receivable (Note 4)	2,464,513	2,642,079
MFA deposits (Note 5)	<u>278,131</u>	<u>328,219</u>
	<u>60,551,346</u>	<u>48,545,709</u>
<b>Financial Liabilities</b>		
Accounts payable and accrued liabilities (Note 6)	10,795,755	4,836,065
Deferred revenue (Note 7)	5,290,805	5,045,324
Accrued future payroll benefits (Note 8)	1,954,454	2,023,034
Capital lease obligation (Note 9)	329,560	337,040
Long-term debt (Note 10)	<u>11,351,444</u>	<u>12,727,028</u>
	<u>29,722,018</u>	<u>24,968,491</u>
<b>Net Financial Assets</b>	30,829,328	23,577,218
<b>Non -Financial Assets</b>		
Tangible capital assets (Note 11)	171,516,924	166,317,373
Inventory (Note 12)	1,625,574	1,474,160
Prepaid expenses	<u>284,794</u>	<u>252,713</u>
	<u>173,427,292</u>	<u>168,044,246</u>
<b>Accumulated Surplus (Note 13)</b>	<u>\$204,256,620</u>	<u>\$191,621,464</u>

Commitments and Contingencies (Note 17)




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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, 2020

	2020 Budget (Note 20)	2020	2019
<b>Revenue</b>			
Taxes	\$ 10,707,775	\$ 10,732,784	\$ 10,614,400
Sale of services	3,246,716	4,094,520	4,082,061
Other revenue from own sources	5,163,492	4,053,574	6,039,526
Investment income	716,500	1,504,650	1,311,918
Grants - unconditional (Note 18)	824,811	838,166	798,756
Grants - conditional (Note 18)	7,289,818	9,265,870	3,489,215
Water user fees	2,396,121	2,325,293	2,339,485
Sewer user fees	4,596,691	4,476,303	4,435,604
Transit user fees	185,000	193,338	304,860
Nelson Hydro sales	18,450,000	18,622,492	18,681,152
Gain on disposal of tangible capital assets	-	-	511,965
	<u>53,576,924</u>	<u>56,106,990</u>	<u>52,608,942</u>
<b>Expenses</b>			
General government	3,934,652	3,991,191	3,762,723
Protective services	7,403,084	7,426,079	7,253,967
Transportation services	3,944,769	3,531,669	3,884,820
Environmental health services	446,147	459,546	240,002
Public health and welfare services	200,945	186,915	206,507
Parks, recreation and cultural services	1,919,641	1,840,878	2,365,549
Interest and other debt charges	830,032	576,521	767,434
Water utility operations	1,408,242	1,918,978	1,500,788
Sewer utility operations	1,938,544	1,973,351	1,849,628
Transit operations	1,635,571	1,693,562	1,766,004
Nelson Hydro operations	12,184,434	12,453,677	11,910,109
Library	942,739	892,483	933,408
Amortization	6,259,672	6,156,782	6,081,018
Loss on disposal of tangible capital assets	-	370,202	-
	<u>43,048,472</u>	<u>43,471,834</u>	<u>42,521,957</u>
Annual surplus	10,528,452	12,635,156	10,086,985
Accumulated surplus, beginning of the year	<u>191,621,464</u>	<u>191,621,464</u>	<u>181,534,479</u>
Accumulated surplus, end of the year	<u>\$202,149,916</u>	<u>\$204,256,620</u>	<u>\$191,621,464</u>

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

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**THE CORPORATION OF THE CITY OF NELSON**  
**CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS**  
For the Year Ended December 31, 2020

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	<u>2020 Budget</u>	<u>2020</u>	<u>2019</u>
Annual surplus	\$ 10,528,452	\$ 12,635,156	\$ 10,086,985
Acquisition of tangible capital assets	(18,435,558)	(11,800,827)	(11,848,821)
Amortization of tangible capital assets	6,259,672	6,156,782	6,081,018
Proceeds on sale of tangible capital assets	-	74,292	1,230,066
Loss (gain) on disposal of tangible capital assets	-	370,202	(511,965)
	<u>(1,647,434)</u>	<u>7,435,605</u>	<u>5,037,283</u>
Consumption (acquisition) of prepaid expenses	-	(32,081)	(46,297)
Consumption (acquisition) of supply inventory	-	(151,414)	(158,046)
	<u>-</u>	<u>(183,495)</u>	<u>(204,343)</u>
Increase (decrease) in net financial assets	(1,647,434)	7,252,110	4,832,940
Net financial assets, beginning of year	<u>23,577,218</u>	<u>23,577,218</u>	<u>18,744,278</u>
Net financial assets, end of the year	<u>\$ 21,929,784</u>	<u>\$ 30,829,328</u>	<u>\$ 23,577,218</u>

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



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**THE CORPORATION OF THE CITY OF NELSON**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
For the Year Ended December 31, 2020

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	<u>2020</u>	<u>2019</u>
<b>Cash Provided by (Used In)</b>		
<b>Operating Activities</b>		
Annual surplus	\$ 12,635,156	\$ 10,086,985
<b>Items not involving cash:</b>		
Amortization of tangible capital assets	6,156,782	6,081,018
Actuarial adjustments	(484,544)	(430,168)
Loss (gain) on disposal of tangible capital assets	<u>370,202</u>	<u>(511,965)</u>
	18,677,596	15,225,870
<b>Increase (decrease) in non-cash operating items:</b>		
Accounts receivable	273,060	277,267
Long-term accounts receivable	177,566	344,255
MFA deposits	50,088	(7,471)
Accounts payable and accrued liabilities	5,959,690	(1,071,388)
Deferred revenue	245,481	511,604
Accrued future payroll benefits	(68,580)	12,982
Inventory	(151,414)	(158,046)
Prepaid expenses	<u>(32,081)</u>	<u>(46,297)</u>
	<u>25,131,406</u>	<u>15,088,776</u>
<b>Financing Activities</b>		
Long-term debt repayment	(891,040)	(891,041)
Repayment of capital lease obligations	<u>(7,480)</u>	<u>(6,876)</u>
	<u>(898,520)</u>	<u>(897,917)</u>
<b>Capital Activities</b>		
Proceeds from disposal of tangible capital assets	74,292	1,230,066
Acquisition of tangible capital assets	<u>(11,800,827)</u>	<u>(11,848,821)</u>
	<u>(11,726,535)</u>	<u>(10,618,755)</u>
<b>Investing Activities</b>		
Net purchase of investments	<u>(8,160,526)</u>	<u>(5,916,309)</u>
<b>Net increase (decrease) in Cash</b>	4,345,825	(2,344,205)
<b>Cash, beginning of year</b>	<u>2,742,553</u>	<u>5,086,758</u>
<b>Cash, end of year</b>	<u>\$ 7,088,378</u>	<u>\$ 2,742,553</u>

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

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**THE CORPORATION OF THE CITY OF NELSON**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
 December 31, 2020

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**1. Significant Accounting Policies**

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

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

(a) **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 revenue*

Annual levies for non-optional municipal services and general administrative services are recorded as taxes for municipal purposes. Levies imposed by other taxing authorities are not included as taxes for municipal purposes. Taxes are recognized as revenue in the year they are levied.

*Sale of services and user fees*

Sale of services and user fee revenues are recorded on the accrual basis and recognized as earned when the service or product is provided or facilities are utilized.

*Grant revenues*

Grant revenues are recognized when the funding becomes receivable. Non-government conditional grant revenue is recognized to the extent the conditions imposed on it have been fulfilled. Grants for the acquisition of tangible capital assets are recognized in the period in which eligible expenditures are made. Revenue unearned in the current period is recorded as deferred revenue.

*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.

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**THE CORPORATION OF THE CITY OF NELSON**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
December 31, 2020

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**1. Significant accounting policies (continued)**

*Investment income*

Investment income is recorded on the accrual basis and recognized when earned.

A portion of the City's investments are invested in pooled funds of the Municipal Finance Authority of British Columbia. Earnings on these funds are allocated to the members from time to time based on the market value of the pool. The City recognized only its share of the realized earnings of the pool. This revenue is recorded as investment income and the amount is added to the cost base of the investment.

(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) **Financial instruments**

The City's financial instruments consist of cash and investments, accounts receivable, long-term 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.

(e) **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.

(f) **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.

(g) **Tangible capital assets**

Tangible capital assets, comprised of tangible capital assets and tangible 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, sewer and storm drain infrastructure	10 to 100 years
Nelson hydro infrastructure	10 to 100 years

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**THE CORPORATION OF THE CITY OF NELSON**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
 December 31, 2020

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**1. Significant accounting policies (continued)**

- (h) **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.
- (i) **Inventory of supplies**  
 Inventory of supplies held for consumption are recorded at the lower of weighted average cost and replacement cost.
- (j) **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.
- (k) **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.
- (l) **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 estimated useful life and related amortization of tangible capital assets, 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.
- (m) **Budget**  
 Budget data presented in these consolidated financial statements is based on the City's Five Year Financial Plan for the years 2020-2024, adopted by Council on May 12, 2020.
- (n) **Expenses**  
 Expenses are recorded in the period in which the goods or services are acquired and the liability is incurred.



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**THE CORPORATION OF THE CITY OF NELSON**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
December 31, 2020

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**1. Significant accounting policies (continued)**

(o) 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 were no liabilities recorded as at December 31, 2020.

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

December 31, 2020

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**2. Investments**

Investments are recorded at cost, where cost is adjusted to reflect accrued interest less any permanent decline in market value below cost. Investments are composed of the following:

	2020	2019
Bank and provincial issued bonds	\$ 519,001	\$ 547,432
Guaranteed investment certificates and deposit notes	12,743,338	8,740,046
Mutual funds	2,098,986	2,280,591
Municipal Finance Authority bond/intermediate funds	<u>28,795,329</u>	<u>24,428,059</u>
	<u>\$ 44,156,654</u>	<u>\$ 35,996,128</u>

The quoted market value of the investments at December 31, 2020 was \$44,580,359 (2019 - \$35,985,201).

**3. Accounts receivable**

Accounts receivable are recorded net of allowance and are comprised of the following:

	2020	2019
Property taxes	\$ 400,940	\$ 373,561
Utility billings	3,734,241	3,904,088
Other governments	347,760	307,548
Trade & other receivables	<u>2,080,729</u>	<u>2,251,533</u>
	<u>\$ 6,563,670</u>	<u>\$ 6,836,730</u>

**4. 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, 2020

#### 4. 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.

	2020	2019
Selkirk College	\$ 1,798,003	\$ 2,117,582
Ecosave energy retrofits on-bill financing loans	426,517	283,340
Various other agreements	239,993	241,157
	<u>\$ 2,464,513</u>	<u>\$ 2,642,079</u>

#### 5. Municipal Finance Authority debt reserve fund

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

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

Upon maturity of a debt issue, the unused portion of the Debt Reserve Fund established for that issue will be discharged to the Municipality. The proceeds from these discharges will be credited to income in the year they are received. As at December 31, 2020, the total of the Debt Reserve Fund was comprised of:

	2020 Cash deposit	2020 Demand note	2019 Cash deposit	2019 Demand note
General fund	\$ 149,591	\$ 243,579	\$ 202,270	\$ 470,990
Sewer utility	17,421	40,843	17,070	40,843
Water utility	15,393	36,091	15,083	36,091
Nelson Hydro	95,726	174,898	93,796	174,898
	<u>\$ 278,131</u>	<u>\$ 495,411</u>	<u>\$ 328,219</u>	<u>\$ 722,822</u>

#### 6. Accounts payable and accrued liabilities

	2020	2019
Trades payable	\$ 10,042,123	\$ 3,989,774
Accrued wages and benefits	546,653	572,684
Accrued interest	71,944	118,028
Funds held on deposit	135,035	155,579
	<u>\$ 10,795,755</u>	<u>\$ 4,836,065</u>

**THE CORPORATION OF THE CITY OF NELSON**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
December 31, 2020

**7. Deferred revenue**

	2020	2019
Taxes and utility prepayments	\$ 3,114,358	\$ 3,084,239
Hydro utility prepayments	707,637	614,727
Grants	715,584	558,155
Other	753,226	788,203
	<u>\$ 5,290,805</u>	<u>\$ 5,045,324</u>

**8. Accrued future payroll benefits**

	2020	2019
Holiday pay	\$ 841,660	\$ 754,922
Sick leave	922,293	1,087,474
Banked overtime	190,501	180,638
	<u>\$ 1,954,454</u>	<u>\$ 2,023,034</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.

**9. Capital lease obligation and subsequent event**

**FortisBC Energy Inc. lease**

In 2003, the City entered into a capital lease agreement with FortisBC Energy Inc ("FortisBC") for the natural gas distribution system within the Municipality's boundary for \$8,000,000. The City prepaid \$7,600,000 of the capital lease obligation and financed the prepayment through debt with the Municipal Finance Authority. The remaining \$400,000 was paid through annual lease payments to FortisBC of \$36,354 including interest at 8.614% with the balance of the obligation as at December 31, 2020 of \$329,560.

Subsequent to the year, FortisBC exercised their termination option based on the terms of the lease and paid the City of Nelson \$3,918,571 in exchange for the City releasing its interest in the gas distribution assets with a net book value of \$3,976,256. The remaining capital lease obligation was forgiven by FortisBC. The City then repaid the debt balance with the Municipal Finance Authority in the amount of \$2,753,604. The City has signed an operating agreement with FortisBC to receive an operating fee based on a percentage of gross revenues.



**THE CORPORATION OF THE CITY OF NELSON**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
December 31, 2020

10. Long-term debt

Debt Bylaw #	Purpose of Bylaw	Interest rate %	Year of maturity	Original issue	2020 Balance	2019 Balance
<b>General purposes:</b>						
3107	Catacombs	3.85%	2033	\$ 275,000	\$ 202,059	\$ 213,745
3107	Baker Street bridge	3.85%	2033	900,000	661,285	699,528
3034	Street construction	4.82%	2022	50,341	8,540	12,565
2871	Tenth Street campus	6.45%	2025	6,080,000	1,826,998	2,146,574
3036	Highway 3A	4.00%	2021	300,000	25,945	50,891
2978	FortisBC	4.00%	2020	4,200,000	-	497,906
				<u>11,805,341</u>	<u>2,724,827</u>	<u>3,621,209</u>
Short-term financing		CDOR+.5%			<u>2,753,604</u>	<u>2,753,604</u>
<b>Water purposes:</b>						
3038	Fairview reservoir	4.82%	2022	240,000	40,713	59,903
3106	Water improvements	4.90%	2029	<u>1,000,000</u>	<u>547,105</u>	<u>596,814</u>
				<u>1,240,000</u>	<u>587,818</u>	<u>656,717</u>
<b>Sewer purposes:</b>						
3037	Sewage treatment plant	4.00%	2021	550,000	47,565	93,301
3109	Sewer improvements	4.90%	2029	<u>500,000</u>	<u>273,552</u>	<u>298,407</u>
				<u>1,050,000</u>	<u>321,117</u>	<u>391,708</u>
<b>Hydro purposes:</b>						
3110	Hydro improvements	4.90%	2029	1,500,000	820,657	895,221
3223	Hydro improvements	3.05%	2032	<u>6,000,000</u>	<u>4,143,421</u>	<u>4,408,569</u>
				<u>7,900,000</u>	<u>4,964,078</u>	<u>5,303,790</u>
Total long-term debt					<u>\$ 11,351,444</u>	<u>\$ 12,727,028</u>

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

	General	Water	Sewer	Hydro	Total
2021	\$ 3,169,619	\$ 71,655	\$ 73,414	\$ 353,300	\$ 3,667,988
2022	407,344	74,521	26,883	367,432	876,180
2023	420,855	55,916	27,958	382,129	886,858
2024	439,512	58,153	29,076	397,414	924,155
2025	458,998	60,479	30,239	413,311	963,027
Thereafter	<u>582,103</u>	<u>267,094</u>	<u>133,547</u>	<u>3,050,492</u>	<u>4,033,236</u>
	<u>\$ 5,478,431</u>	<u>\$ 587,818</u>	<u>\$ 321,117</u>	<u>\$ 4,964,078</u>	<u>\$ 11,351,444</u>

**THE CORPORATION OF THE CITY OF NELSON**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
December 31, 2020

**11. Tangible capital assets**

	<u>Cost</u>	<u>Accumulated amortization</u>	<u>2020 Net book value</u>	<u>2019 Net book value</u>
Land	\$ 8,985,717	\$ -	\$ 8,985,717	\$ 8,985,717
Buildings	37,511,067	28,837,292	8,673,775	9,096,880
Vehicles	10,262,142	5,729,712	4,532,430	4,300,905
IT, equipment & furniture	4,056,177	2,284,118	1,772,059	1,931,507
Library	313,464	214,385	99,079	58,124
Natural gas system capital lease	8,186,404	4,210,148	3,976,256	4,210,153
Transportation infrastructure	32,909,746	12,632,346	20,277,400	19,677,670
Parks & cemetery	8,602,251	3,462,242	5,140,009	4,342,167
Water infrastructure	55,908,572	15,513,340	40,395,232	37,308,153
Sewer infrastructure	33,965,314	14,037,067	19,928,247	20,122,644
Storm sewer infrastructure	20,383,017	7,760,809	12,622,208	12,865,044
Hydro generators & substations	21,992,209	8,296,148	13,696,061	13,375,915
Hydro infrastructure	39,794,164	8,923,725	30,870,439	29,458,698
Assets under construction	<u>548,012</u>	<u>-</u>	<u>548,012</u>	<u>583,796</u>
	<u>\$283,418,256</u>	<u>\$111,901,332</u>	<u>\$171,516,924</u>	<u>\$166,317,373</u>

See schedule of consolidated tangible capital assets for more information.

**12. Inventory**

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

	<u>2020</u>	<u>2019</u>
General, water, sewer, transit, garage and library supplies	\$ 514,115	\$ 499,490
Fuel	62,407	61,600
Hydro operating supplies	<u>1,049,052</u>	<u>913,070</u>
	<u>\$ 1,625,574</u>	<u>\$ 1,474,160</u>

**THE CORPORATION OF THE CITY OF NELSON**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2020**

**13. Accumulated surplus**

	<u>2020</u>	<u>2019</u>
<b>Reserves set aside by Council</b>		
Capital projects	\$ 1,295,357	\$ 1,423,710
Community works fund	2,704,774	2,560,707
Equipment replacement	4,087,918	4,079,230
Future power purchase	1,163,575	1,131,721
Nelson municipal library	21,041	20,243
Nelson Hydro capital	7,567,200	6,950,074
Sewer utility capital	8,040,629	5,725,153
Waterfront development	32,305	31,080
Water licence	1,982,052	1,608,129
Water utility capital	<u>5,766,084</u>	<u>5,814,901</u>
	32,660,935	29,344,948
<b>Statutory reserves</b>		
Land sales	1,319,471	1,253,214
Off street parking	10,712	10,304
Parks acquisition	48,929	47,073
Tax sale	<u>24,595</u>	<u>23,662</u>
<b>Total reserves</b>	<u>34,064,642</u>	<u>30,679,201</u>
<b>Surplus set aside by Council</b>		
Airport	49,652	180,905
Art in public places	10,995	8,625
Bridge	439,789	399,789
Building reserve	968,739	666,943
Economic development	225,710	225,710
Downtown & waterfront	301,308	191,820
FortisBC	660,151	577,904
Insurance	396,075	381,055
Legal	20,000	20,000
Parking	7,578	7,578
Recycling reserve	103,340	103,340
911	84,089	76,589
10th street	<u>193,893</u>	<u>173,089</u>
	3,461,319	3,013,347
<b>Unappropriated surplus</b>	<u>5,096,742</u>	<u>2,558,032</u>
<b>Total surplus</b>	<u>8,558,061</u>	<u>5,571,379</u>
 <b>Invested in tangible capital assets</b>	 <u>161,633,917</u>	 <u>155,370,884</u>
 <b>Total accumulated surplus</b>	 <u>\$204,256,620</u>	 <u>\$191,621,464</u>

**THE CORPORATION OF THE CITY OF NELSON**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
 December 31, 2020

**14. Trust funds**

The Cemetery Care, Cemetery Replacement, Justice McDonald, Better Gardens, Spurway Estate and Habitat for Humanity trust funds are not reported in these financial statements. The following is a summary of trust fund transactions for the year:

	2020	2019
Balances, beginning of year	\$ 1,001,550	\$ 989,466
Contributions received	7,999	11,620
Interest earned	23,484	18,464
	1,033,033	1,019,550
Expenses and transfers	-	(18,000)
Balances, end of year	<u>\$ 1,033,033</u>	<u>\$ 1,001,550</u>

**15. 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.

	2020	2019
Provincial Government - school taxes	\$ 8,376,527	\$ 8,825,908
Regional District of Central Kootenay	4,707,021	4,440,939
West Kootenay Boundary Hospital District	758,588	757,077
British Columbia Assessment Authority	170,916	156,953
Municipal Finance Authority	613	585
	<u>\$ 14,013,665</u>	<u>\$ 14,181,462</u>

**16. 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, 2019, the plan has about 213,000 active members and approximately 106,000 retired members. Active members include approximately 41,000 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.



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**THE CORPORATION OF THE CITY OF NELSON**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
December 31, 2020

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**16. Pension plan (continued)**

The City of Nelson paid \$1,622,183 (2019 - \$1,578,684) for employer contributions to the plan in fiscal 2020.

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.

**17. Commitments and contingencies****Regional District debt**

Regional District debt is, under the provisions of the Community Charter of B.C., 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. Accordingly, no provision has been made in the accounts for these actions. The amount of any loss, if any, arising from these contingent liabilities will be recorded in the accounts in the period in which the loss is realized.

**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.

**18. Grants**

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

	2020	2020	2019	2019
	Unconditional	Conditional	Unconditional	Conditional
Federal government	\$ 183,338	\$ 1,370,445	\$ 160,071	\$ 133,326
Provincial government	435,833	6,967,787	432,624	2,439,223
Regional/other	218,995	927,638	206,061	916,666
	<u>\$ 838,166</u>	<u>\$ 9,265,870</u>	<u>\$ 798,756</u>	<u>\$ 3,489,215</u>

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**THE CORPORATION OF THE CITY OF NELSON**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
 December 31, 2020

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**19. Segmented information**

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

**General government services**

The departments and divisions within general government services are responsible for adopting bylaws; adopting administrative policy; levying and collecting taxes and utilities; acquiring, disposing and managing City assets; developing and maintaining information technology systems and applications; ensuring effective financial management and communication; administering City grants; developing an effective labour force; administering collective agreements and payroll; emergency planning; economic development; monitoring and reporting performance; preparing land use plans, bylaws and policies for sustainable development of the City; 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.

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**THE CORPORATION OF THE CITY OF NELSON**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
 December 31, 2020

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**19. Segmented information (continued)**

**Public health and welfare**

Public health and welfare maintains the cemetery grounds and operations for the City.

**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, 2020

19. **Segmented information** (continued)  
Statement of operations by object and function:

	General government	Protective services	Transportation services	Environmental health
<b>Revenues</b>				
Taxes	\$10,670,159	\$ -	\$ 62,625	\$ -
Sales of service	297,574	2,022,835	309,436	594,215
Other revenue from own services	1,851,427	238,687	105,173	773
Investment income	703,058	-	-	-
Grants - unconditional	428,874	134,657	-	-
Grants - conditional	794,578	179,550	2,691,348	-
Water/sewer user fees	-	-	-	-
Transit user fees	-	-	-	-
Nelson hydro sales	-	-	-	-
	<u>14,745,670</u>	<u>2,575,729</u>	<u>3,168,582</u>	<u>594,988</u>
<b>Expenditures</b>				
Wages and benefits	2,371,232	6,322,808	1,819,945	201,953
Supplies and services	1,619,960	1,103,271	1,711,724	257,593
Interest and other debt charges	270,965	-	51,620	-
Amortization of tangible capital assets	1,335,276	113,459	1,773,259	-
Loss on disposal of tangible capital assets	-	-	203,469	-
	<u>5,597,433</u>	<u>7,539,538</u>	<u>5,560,017</u>	<u>459,546</u>
<b>Annual Surplus (Deficit)</b>	<u>\$ 9,148,237</u>	<u>\$(4,963,809)</u>	<u>\$(2,391,435)</u>	<u>\$ 135,442</u>



Public health & welfare	Parks recreation & cultural	Water & sewer utilities	Transit	Nelson hydro	Library	2020 Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,732,784
49,224	807,711	-	-	-	13,526	4,094,520
-	82,286	395,964	4,528	1,347,971	26,765	4,053,574
-	-	450,004	-	348,400	3,188	1,504,650
-	-	-	-	-	274,635	838,166
2,400	921,465	3,222,319	1,210,674	148,400	95,136	9,265,870
-	-	6,801,596	-	-	-	6,801,596
-	-	-	193,338	-	-	193,338
-	-	-	-	<u>18,622,492</u>	-	<u>18,622,492</u>
<u>51,624</u>	<u>1,811,462</u>	<u>10,869,883</u>	<u>1,408,540</u>	<u>20,467,263</u>	<u>413,250</u>	<u>56,106,990</u>
159,606	836,446	1,964,920	928,073	2,699,730	709,728	18,014,441
27,309	1,004,432	1,927,409	765,490	9,753,945	182,755	18,353,888
-	-	48,775	-	205,161	-	576,521
-	284,994	1,324,170	-	1,325,624	-	6,156,782
-	-	<u>43,763</u>	<u>122,970</u>	-	-	<u>370,202</u>
<u>186,915</u>	<u>2,125,872</u>	<u>5,309,037</u>	<u>1,816,533</u>	<u>13,984,460</u>	<u>892,483</u>	<u>43,471,834</u>
\$ <u>(135,291)</u>	\$ <u>(314,410)</u>	\$ <u>5,560,846</u>	\$ <u>(407,993)</u>	\$ <u>6,482,803</u>	\$ <u>(479,233)</u>	\$ <u>12,635,156</u>

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**THE CORPORATION OF THE CITY OF NELSON**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
December 31, 2020

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**20. Budget data**

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

	<u>2020</u>
Budget surplus per consolidated statement of operations	\$ 10,528,452
Less: Capital expenditures	18,435,559
Long-term debt principal repayments	898,523
Budgeted transfers to reserves	4,429,697
Add: Budgeted transfers from surplus and reserves	6,975,655
Amortization	6,259,672
Debt proceeds	-
Net annual budget	<u>\$ -</u>

**21. Comparative Figures**

Prior year comparative figures have been restated to conform with the current year's presentation.

**22. COVID 19**

On March 11, 2020, the the World health Organization officially declared COVID-19 as a pandemic. The pandemic has forced governments to implement extraordinary measures to slow the progress of infections and to stabilize disrupted economies and financial markets. The City has put measures in place in an attempt to protect the health and safety for both staff and the community & limit the effect and spread of the virus. Staff will continue to monitor and assess the situation and react accordingly.

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**THE CORPORATION OF THE CITY OF NELSON**  
**EXHIBIT 1 - COVID-19 PROVINCE OF BC RESTART GRANT (UNAUDITED)**  
 December 31, 2020

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## Province of BC Restart Grant reconciliation

	<u>2020</u>
COVID-19 Restart Grant received	\$ 2,613,000
Less grant recognition:	
Revenue shortfalls	750,000
Facility reopening & operating costs	282,000
Emergency planning and response	65,000
Bylaw and protective services	127,000
Computer & other electronic technology costs	<u>176,000</u>
Remaining grant	\$ <u>1,213,000</u>

## 2020 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 2020 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	\$ 545
CANADIAN RED CROSS	880
CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS IN CANADA	818
CITY OF NELSON (CAPITOL THEATRE)	7,044
CITY OF NELSON (GLACIER GYMNASTICS)	4,018
CITY OF NELSON (NELSON & DISTRICT BOY SCOUTS & GIRL GUIDES)	455
CITY OF NELSON (NELSON & DISTRICT MUSEUM)	17,077
CITY OF NELSON (NELSON & DISTRICT ROD & GUN CLUB)	7,626
CITY OF NELSON (NELSON CIVIC THEATRE SOCIETY)	4,206
CITY OF NELSON (NELSON CURLING CLUB)	18,089
CITY OF NELSON (NELSON SOCCER ASSOCIATION)	6,871
EVANGELICAL COVENANT CHURCH OF CANADA	109
FIRST BAPTIST CHURCH OF NELSON BC	291
GRANITE POINTE GOLF & RECREATION SOC	6,538
KALEIN HOSPICE CENTRE SOCIETY	1,425
KOOTENAY CHRISTIAN FELLOWSHIP	2,116
KOOTENAY COOPERATIVE RADIO	1,109
KOOTENAY KIDS SOCIETY	4,044
NELSON CARES SOCIETY	8,592
NELSON CONGREGATION OF JEHOVAH'S WITNESSES	548
NELSON KIWANIS PROJECTS SOC	1,638
NELSON UNITED CHURCH	161
PENTECOSTAL ASSEMBLIES OF CANADA	829
ROMAN CATHOLIC BISHOP OF NELSON	270
SALVATION ARMY IN CANADA	3,723
SYNOD OF THE DIOCESE OF KOOTENAY	229
UNITED PENTECOSTAL CHURCH OF BC	473
WEST KOOTENAY WOMEN'S ASSOCIATION	1,465



## Statistical Section

### 2020 Property Assessments and Tax Rates

Assessments and property tax by Class	Residential	Utilities	Light Industry	Business Other	Recreational Non-Profit
Assessment for General Purposes	\$1,910,492,000	\$ 112,765,245	\$ 1,998,400	\$ 284,730,000	\$ 2,682,500
Percentage of Taxable Values	82.61%	4.88%	0.09%	12.31%	0.12%
General Tax Levy by Class	6,714,414	105,836	13,241	2,279,495	5,956
Percentage of General Taxation	73.63%	1.16%	0.15%	25.00%	0.07%

### 2020 Rates (per \$1,000)

General	\$3.5177	\$30.9712	\$6.6259	\$8.0126	\$2.2204
Debt	0.0820	0.7223	0.1545	0.1871	0.0518
School	2.0657	13.0300	1.0561	1.1070	0.7844
Regional Hospital	0.2488	0.8708	0.8459	0.6092	0.2488
Regional District	1.3895	4.8633	4.7243	3.4038	1.3895
B.C. Assessment	0.0426	0.4788	0.1099	0.1099	0.0426
Municipal Finance Authority	0.0002	0.0007	0.0007	0.0005	0.0002
	\$7.3465	\$50.9371	\$13.5173	\$13.4301	\$4.7377

### Historical property tax levies

	2020	2019	2018	2017	2016
Taxable Assessments (net of boundary expansion)	\$ 2,312,668,145	\$ 2,312,668,145	\$ 1,825,193,345	\$ 1,672,934,193	\$ 1,516,537,475
Tax Levies					
General	\$ 9,118,942	\$ 9,118,942	\$ 8,955,514	\$ 8,649,257	\$ 7,910,168
Debt	212,673	212,673	212,673	212,892	213,229
School	8,366,509	8,808,743	8,546,901	8,429,179	8,425,909
Regional Hospital	755,407	754,558	717,752	695,251	662,934
Regional District	4,219,351	3,940,771	3,578,744	3,675,123	3,818,306
B.C. Assessment	170,353	156,545	156,611	150,261	160,511
Municipal Finance Authority	611	582	522	483	448
	\$22,843,846	\$22,992,814	\$22,168,717	\$21,812,446	\$21,191,505

## Statistical Section

### Historical Revenues and Expenses

#### Revenues (in thousands)

	2020	2019	2018	2017	2016
Taxes	10,733	10,614	10,521	10,189	9,445
Sale of services	4,095	4,082	3,687	3,393	3,037
Other income	4,054	6,040	3,609	3,298	3,308
Investment income	1,505	1,312	974	524	578
Grants - unconditional	838	799	798	785	797
Grants - conditional	9,266	3,489	6,261	2,830	2,416
Water user fees	2,325	2,339	3,544	3,490	3,391
Sewer user fees	4,476	4,436	3,037	3,001	2,923
Transit user fees	193	305	287	283	257
Nelson Hydro sales	18,622	18,681	18,509	18,354	16,778
Gain on disposal of assets		512			
	56,107	52,609	51,227	46,146	42,928

#### Expenses (in thousands)

	2020	2019	2018	2017	2016
General government	3,991	3,763	3,524	3,685	3,610
Protective services	7,426	7,254	6,620	6,426	5,700
Transportation	3,532	3,885	3,390	3,139	3,181
Environmental health services	460	240	217	258	223
Public health and welfare	187	207	171	186	184
Parks, recreation and cultural	1,841	2,366	2,009	2,171	2,519
Interest and debt charges	577	767	797	784	799
Water utility operations	1,919	1,501	1,354	1,381	1,442
Sewer utility operations	1,973	1,850	1,796	1,835	1,599
Nelson Hydro operations	1,694	1,766	11,428	11,328	10,418
Transit operations	12,454	11,910	1,678	1,568	1,495
Library	892	933	905	894	908
Amortization	6,157	6,081	5,786	5,343	5,225
Loss (gain) on disposal of assets	370		200	361	297
	43,472	42,522	39,875	39,359	37,601

## Statistical Section

	2020	2019	2018	2017	2016
Total Debt (in thousands)	\$11,351	\$12,727	\$14,048	\$15,317	\$16,536
Supported by:					
Selkirk College Lease	1,827	2,146	2,452	2,745	3,025
Property Tax	897	976	1,052	1,125	1,195
Water Utilities	588	657	723	787	848
Sewer Utilities	321	392	460	525	588
Nelson Hydro	4,964	5,304	5,630	5,945	6,247
Gas Franchise Lease Revenues	2,754	3,252	3,731	4,190	4,633
Debt Service Payments (in thousands)	\$1,475	\$1,665	\$1,695	\$1,682	\$1,696
Supported by:					
Long term lease	288	281	270	270	270
Property Tax	109	109	109	110	116
Water Rates	73	85	100	106	106
Sewer Rates	65	71	78	78	90
Nelson Hydro Rates	457	476	499	499	499
Gas Franchise Lease Revenue	482	644	638	619	613
Total Revenues (in thousands)	\$56,107	\$52,609	\$51,227	\$46,146	\$42,928
Debts service payments as a percentage of revenue	2.63%	3.17%	3.31%	3.65%	3.95%

### Building Permits and Business Licenses

#### Building Permits

	2020	2019	2018	2017	2016
Number of permits issued	207	183	188	189	173
Total building permit value	264,356	412,410	192,415	212,766	142,777
Total permit construction value	28,694,298	45,772,072	29,650,460	18,762,010	15,064,439
Average permit construction value	138,620	250,121	157,715	99,270	87,078
New Business Licenses	166	166	179	202	214