



2020

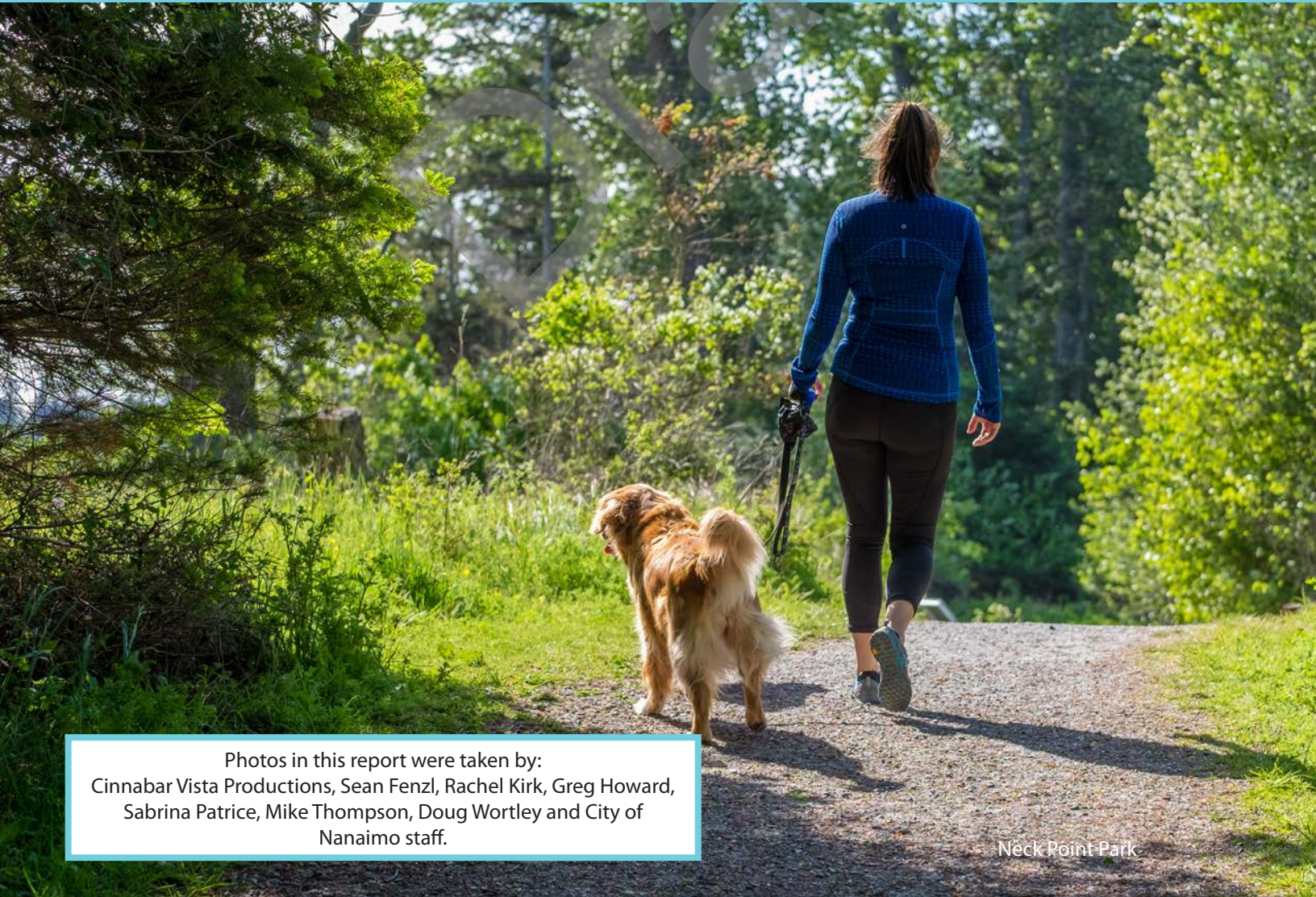
Annual Municipal Report

CITY OF NANAIMO ANNUAL REPORT

for the year ending December 31, 2020

Auditors: KPMG LLP
Bank: Scotiabank

Prepared by:
The Finance Department with support from the
Communications division as well as management and staff
of the City of Nanaimo.



Photos in this report were taken by:
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Nanaimo staff.

Neck Point Park

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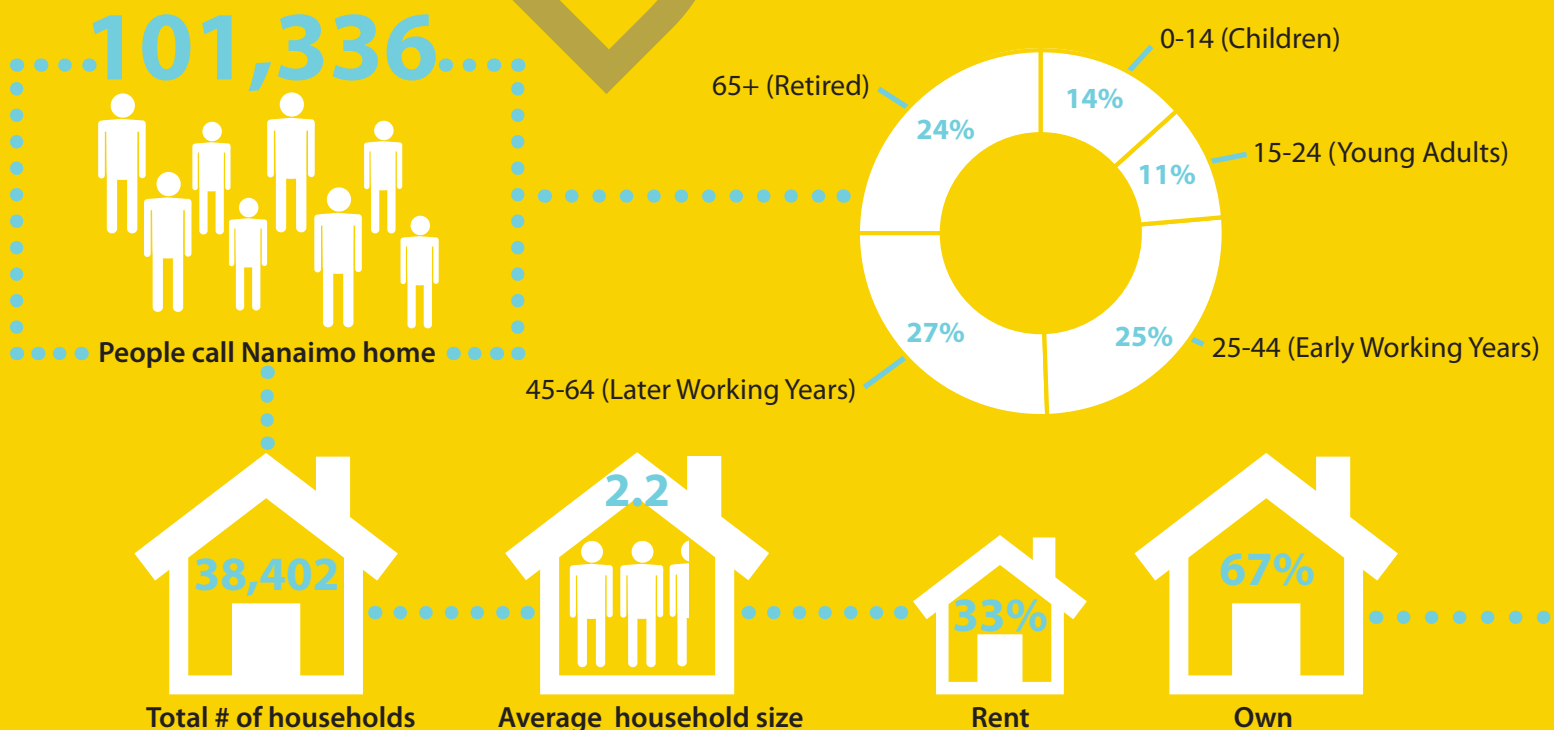
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Nanaimo at a Glance

Built on the traditional lands of the Snuneymuxw and Snaw-Naw-As First Nations, our community is over 100,000 people and growing; people who live, work, play and thrive here.



Nanaimo, BC is located on the east coast of Vancouver Island, 113 km north of Victoria and 55 km across the Salish Sea (Strait of Georgia) from Vancouver. Nanaimo is referred to as the “Harbour City” due to its large protected natural harbour, which has led to the City becoming a key transportation hub for Vancouver Island.



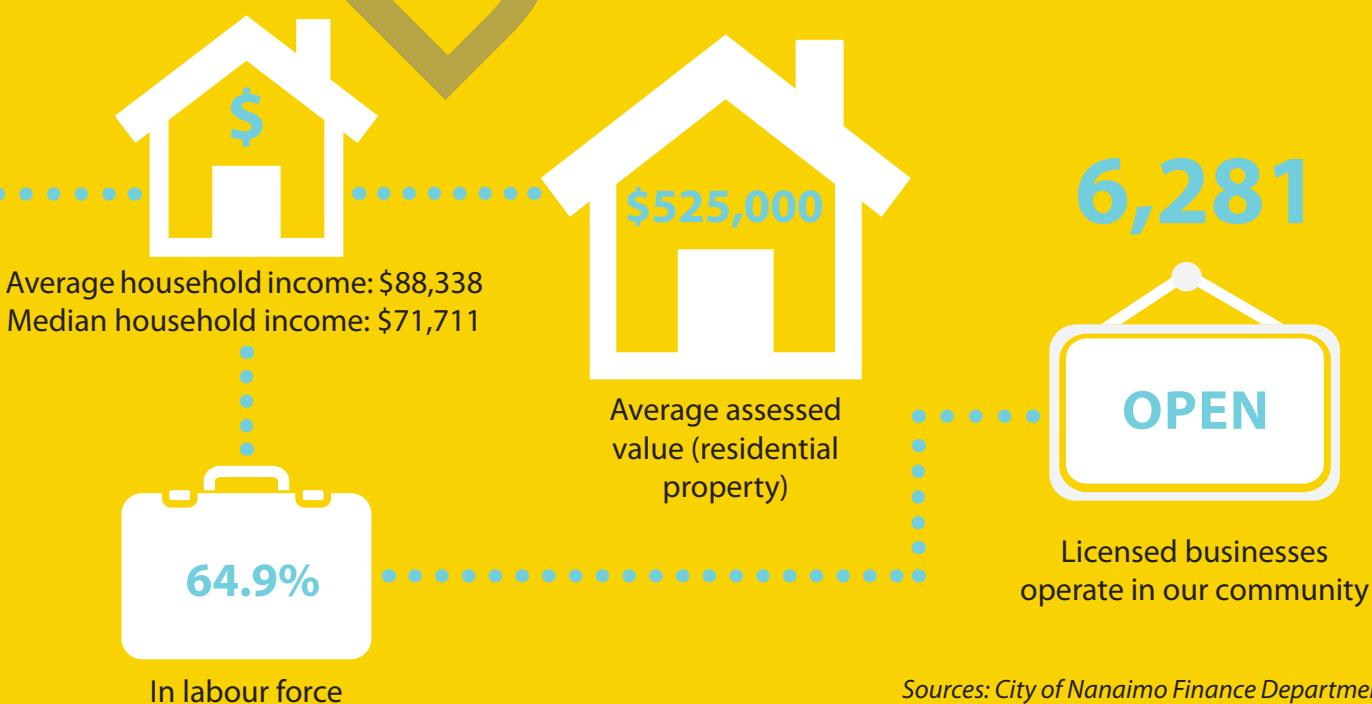
Since Nanaimo incorporated in 1874, we've been a coal town, a timber town, a mill town and a tourist destination. Today, our leading sectors are in health care, technology and construction.

The City of Nanaimo is situated on the Traditional Territory of the Coast Salish Peoples, including the Traditional Territories of the Snuneymuxw and Snaw-Naw-As First Nations. Nanaimo – the Heart of the Island, North of the Malahat— is a transportation hub connecting people and goods through its busy port, ferry terminals (Departure Bay and Duke Point), all-weather airport, and helicopter and seaplane services linking Nanaimo with the rest of the world. Nanaimo is an important service centre for a regional population of 360,000 people throughout central and northern Vancouver Island. Nanaimo's early development patterns were centred on the harbour and downtown with the current City boundaries being established only in 1975 through amalgamation with a number of surrounding improvement districts.

Nanaimo boasts over 100 parks, an extensive trail system, public beaches, picnic areas and several recreational facilities, including Beban Park which houses Beban Pool, Frank Crane and Cliff McNabb Arenas; Nanaimo Aquatic Centre with its three pools; Nanaimo Ice Centre with two ice rinks as well as three golf courses all within the City's boundaries.

Residents can enjoy a leisurely stroll along the waterfront seawall or a vigorous hike up Mount Benson. Saysutshun (Newcastle Island), a charming provincial park just off the shores of downtown Nanaimo, is a popular summertime picnic and camping area. Buttertubs Marsh, in the heart of the City, is a wonderful place to birdwatch and learn about our delicate ecosystems. Neck Point Park is a 14.5 hectare waterfront park known for its views and natural features. The Linley Valley is a 156 hectare mainly undeveloped park. The park's trees, bluffs, creeks, wildlife and Cottle Lake contribute to the park's recreational appeal.

Nanaimo has a wide variety of art galleries and museums. The Nanaimo Museum can be found in the Port of Nanaimo Centre and the Nanaimo Military Museum is located downtown near the waterfront. Once COVID restrictions are lifted, you can also take in a Vancouver Island Symphony performance in the Port Theatre, an 800-seat facility on the waterfront where more than 270 shows typically take place annually. In the future, we are hopeful that you can even combine arts with the outdoors and take in the annual Symphony in the Harbour, Concerts in the Park or the annual Blues Festival. Under normal circumstances, Nanaimo is also a festival city. Annual events usually include the Maple Sugar Festival, the Children's Festival, the Marine Festival, the Dragonboat Festival and everything in between.



Sources: City of Nanaimo Finance Department, 2021 State of the Nanaimo Economy Report (2020 demographic statistics)

A Message From Mayor Leonard Krog

The year 2020 started with a lot of hope and promise. However, soon, our community began to grapple with the domino effects of the global pandemic. City Staff had to adapt and keep adapting to the ever changing public health orders, while delivering core services that you and your families rely on every day. The revenue losses from City facility closures, recreation programming cancellations, and the closure of our casino forced Council to work through challenging and difficult matters around staffing and the financial hardship the City faced.

Since the pandemic hit close to tax time, Council looked at ways we could ease the tax pressures on our citizens given that, legally, municipalities do not have the ability to run deficits like other levels of governments do. As a result, we pushed back the penalty date for late property tax payments to October 1, 2020, extended the User Rate payment deadline from 30 days to 90 days, and approved the temporary restaurant patio program so that restaurants could survive the indoor gathering restrictions brought in by the BC Government's public health orders.

Despite a downward trend in housing starts in 2020, building permits were still amazingly strong at \$243.1 million, making 2020 the second largest year for building permit values in Nanaimo's history.

From a governance excellence standpoint, Council moved forward with **REIMAGINE NANAIMO**, a coordinated Strategic Policy Review that aims to complete a comprehensive update of a number of key strategic planning policy documents: Official Community Plan; Parks, Recreation and Cultural Plan; Active Sustainable Transportation Plan; Economic Development Strategy; Water Supply Strategic Plan; and, Climate Action Plan. Once complete, these plans will help us with our decision making as various voices share opportunities with Council for what they wish to see in our growing City.

As you read the City of Nanaimo's 2020 Annual Report, you will learn more about the projects and initiatives Council moved forward with to help Nanaimo weather the COVID-19 storm.

On behalf of Nanaimo City Council, thank you for reviewing the City of Nanaimo's 2020 Annual Report, which for me, is a testament of how resilient we are as a City, and how fortunate we are to have the talented and dedicated staff we have.



Leonard Krog
MAYOR, City of Nanaimo

NANAIMO CITY COUNCIL

City Council is responsible for local government leadership and decision-making. Their responsibilities include establishing and implementing the priorities of the City of Nanaimo as well as overseeing the overall administration of civic business.

The Mayor and Councillors also serve on many committees, boards and advisory groups where they provide strategic input and direction on City initiatives, set budget priorities and advise on regional issues.

Councillors serve on various boards including:

- Regional District of Nanaimo (RDN) Board
- Vancouver Island Library Board
- Nanaimo Port Authority/City Liaison Committee
- Snuneymuxw First Nation Liaison Committee Protocol Agreement Working Group (PAWG)

Council's Select Committees include:

- Advisory Committee on Accessibility and Inclusiveness
- Design Advisory Panel
- Economic Development Task Force
- Environment Committee
- Finance and Audit Committee (all members of Council)
- Governance and Priorities Committee (all members of Council)
- Health and Housing Task Force
- Mayor's Task Force on Recovery and Resilience
- Nanaimo Youth Advisory Council
- Parcel Tax Roll Review Panel
- Special District 68 Sports Field and Recreation Committee

Declarations of disqualified Council Members: No members of Council were disqualified in 2020.



Mayor Leonard Krog

- Mayor's Task Force on Recovery and Resilience
- PAWG
- RDN Board



Councillor Sheryl Armstrong

- Advisory Committee on Accessibility and Inclusiveness
- PAWG
- RDN Board



Councillor Don Bonner

- Health and Housing Task Force
- RDN Board



Councillor Tyler Brown

- Design Advisory Panel
- Environment Committee
- Mayor's Task Force on Recovery and Resilience
- Parcel Tax Roll Review Panel
- RDN Board (Chair)



Councillor Ben Geselbracht

- Environment Committee
- RDN Board



Councillor Erin Hemmens

- Coastal Communities Social Procurement Initiative
- Health and Housing Task Force
- Parcel Tax Roll Review Panel
- RDN Board
- Vancouver Island Regional Library Board



Councillor Zeni Maartman

- Advisory Committee on Accessibility and Inclusiveness
- Economic Development Task Force
- Nanaimo Port Authority/City Liaison Committee



Councillor Ian Thorpe

- District 68 Sports Field and Recreation Committee
- Nanaimo Port Authority/City Liaison Committee
- RDN Board
- PAWG



Councillor Jim Turley

- District 68 Sports Field and Recreation Committee
- Economic Development Task Force
- Parcel Tax Roll Review Panel
- RDN Board



Opening of the Maffeo Sutton Park inclusive playground



Jim Borserio Way sign unveiling



Opening of Harewood Skate Park



Fire Station #1 Groundbreaking



Snuneymuxw First Nation Chief Wyse presenting Mayor Krog with their flag



Announcement of the Nanaimo Night Owls WCL baseball team



Opening of the Rotary Peace Park in Maffeo Sutton Park

A Message From Jake Rudolph, CAO

The City of Nanaimo's Annual Municipal Report highlights activities, initiatives and accomplishments of our organization for the year 2020. The report also illustrates the strides City administration made in achieving Council's Strategic Goals.

2020, however, was a year that will long be remembered in history. Our community and City government were forced to adopt and evolve to the impacts of a worldwide pandemic. As we watched the regular COVID-19 updates from the Government of Canada and BC Government, it was clear that no organization had been left untouched by this pandemic. We had to react and become more resilient. To that end, the City struck a Mayor's Task Force on Recovery and Resilience to provide a blueprint into Nanaimo's recovery in the face of COVID-19.

The Council-Led Health and Housing Task Force wrapped up, in 2020, which resulted in the Health and Housing Action Plan, with an implementation plan being developed in 2021. Another Task Force, in 2020, was the Economic Development Task Force which created the Economic Development Strategy along with recommendations for a new government structure.

From the affordable and supportive housing front, the City announced that it had signed a Memorandum of Understanding (MOU) with the Province, through BC Housing. This landmark MOU includes new developments proposed on six sites around the city as well as three affordable rental buildings with approximately 125 homes for families and individuals. It also includes four purpose built permanent supportive housing developments with approximately 190 homes for people experiencing or at risk of homelessness.

Nanaimo continues to be an attractive City to live, work, recreate and invest in. In 2020, the City hit the population milestone of 100,000 people. And, although we were in the midst of a pandemic, building permits were strong at \$243.1 million, making 2020 the second largest year for building permit values in Nanaimo's history.

With the growth and development activities we were seeing, we needed to collectively imagine how our spaces and places would evolve to better meet the needs of our natural environment and of all who live here. As a result, in 2020, the City also launched one of the largest and most comprehensive updates of the following key strategic planning policy documents through REIMAGINE NANAIMO: Official Community Plan; Parks, Recreation, and Cultural Plan; Economic Development Strategy; Water Supply Strategic Plan; and the Climate Action Plan.

The City was impacted hard from a revenue loss standpoint due to the pandemic. However, as a growing municipality, we still had to ensure a high level of municipal services such as street and park maintenance, bylaw enforcement, water, sewer, and garbage collection still occurred.

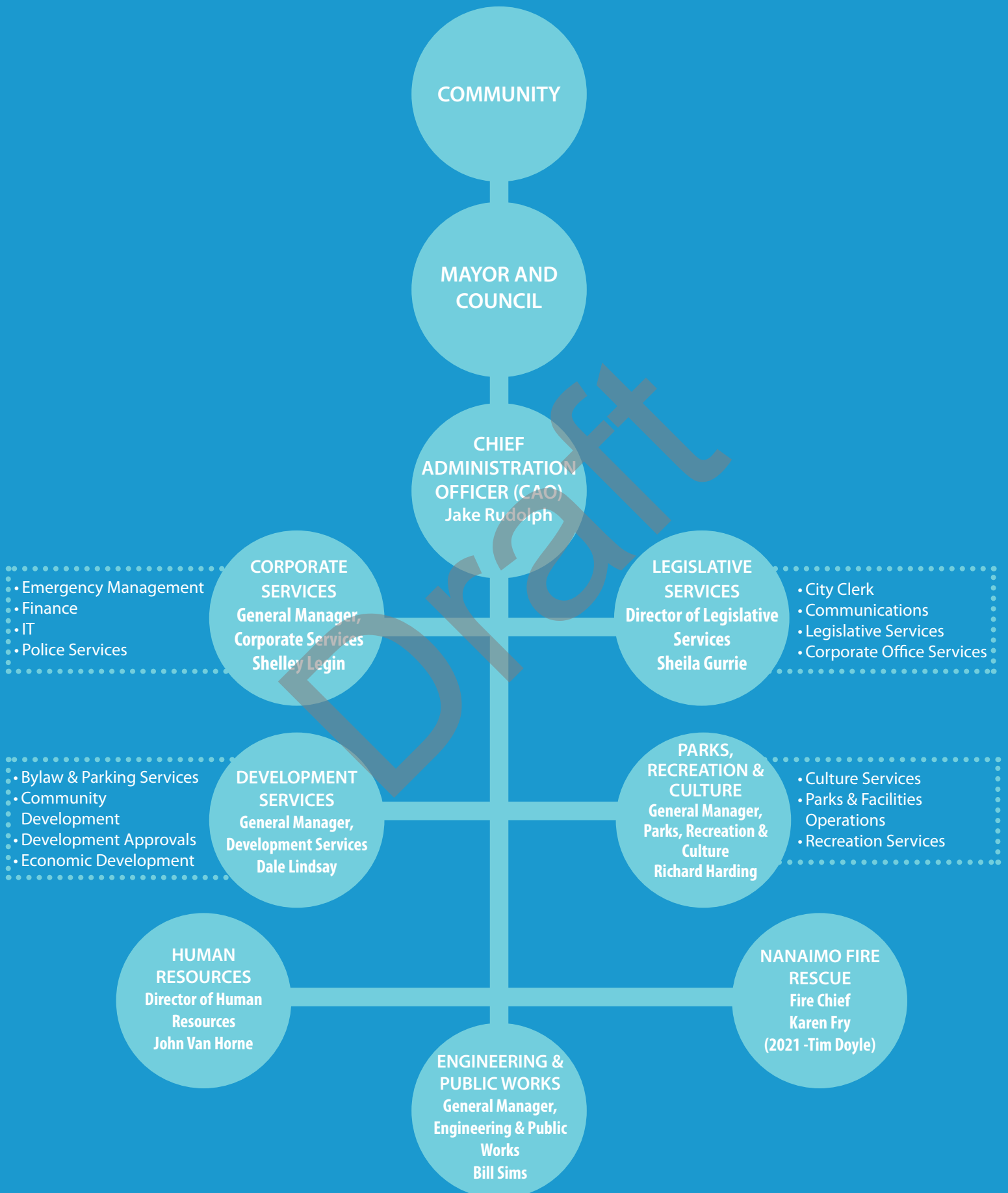
City administration, with the support of City Council, made some tough decisions around programs, facilities, and staffing due to public health orders. Some staff shifted to remote working and we moved ahead with technology enhancements to allow for the public to continue to do business and connect with us online. We also redeployed staff to City Departments that saw a rise in demand for services. As a result, a significant focus this past year was placed on ensuring the health and well-being of our employees in the workplace so that they could continue to deliver the quality service our community is accustomed to.

Jake Rudolph

Jake Rudolph
CAO, City of Nanaimo



2020 ORGANIZATIONAL CHART



AWARDS



The Transportation Association of Canada (TAC) awarded the City with the **2020 National Sustainable Urban Transportation Award**, for the development of Nanaimo's Updated Complete Streets Engineering Standards and Guidelines and the Metral Drive project.



Director of Public Works, John Elliot, received the **Public Works Association of BC's (PWABC) 2020 Manager of the Year Award** for exemplifying the spirit and professionalism of Public Works and the Public Works Association.



Nanaimo Fire Rescue Inspector, Umesh Lal, received the 2020 **Fire Educator of the Year Award** from the Fire Prevention Officers of British Columbia.



Lead Supervisor of Waterworks, Ritchie Fulla, received **PWABC's 2020 Outstanding Public Works Employee Award** for going above and beyond day-to-day responsibilities, demonstrating exemplary care and concern for colleagues, community and the industry.



Bylaw Enforcement Officer Barry Hornby was presented with an **Appreciation Award of Bravery** for his life saving efforts during a fire on Wesley Street on December 3, 2020.



Public Works Clerk and Dispatcher, Angela Mowatt, received **PWABC's 2020 Dedicated Service Award** for a Public Works employee who demonstrates exemplary service when performing their day-to-day responsibilities.



Third Street Sports Zone



Park Ambassadors at Westwood Lake

COVID-19: ADAPTING TO A “NEW NORMAL”

Most of us would say 2020 was a challenging year. The COVID-19 pandemic has had significant impacts on everyone. We all have had to change how we do things and adapt to this strange “new normal.” Although COVID-19 added a new level of complexity to how the City of Nanaimo operates, staff continued to report to work to deliver the important services that make Nanaimo a great place to live, work, play and thrive.

From the beginning, the City has taken a measured approach when responding to the pandemic, positioning the organization for a strong recovery.

In anticipation of a pandemic declaration by the World Health Organization, we activated our Emergency Coordination Centre (ECC) to be able to respond quickly to any Health Orders. Since then, we have worked quickly to keep up with an ever-changing landscape.

As with other municipalities, our response to the pandemic has resulted in facility closures and modified service delivery. However, we have worked to create as minimal disruption to our services as possible with many of our services going online, such as, the ability to apply for a building permit and conducting Council and Committee meetings as well as Public Hearings via Zoom.

We established a labour-management COVID-19 Task Force, created safe work procedures and new cleaning protocols, and modified the staff and public spaces in our facilities in accordance with COVID-19 guidelines. While these changes in our facilities took place, we relocated our property tax payment office to a temporary one at the Frank Crane Arena box office so tax payers had a safe experience when paying their property taxes.

Along with recreation facility closures, came the redeployment of many parks and recreation staff. Various departments worked together to accommodate the redeployed staff.

Our staff adjusted their work procedures as a result of the pandemic through a variety of ways. To reduce the number of people in our offices at any given time, staff modified their schedules and those who could, worked from home either full-time or on rotation.

In departments such as Public Works and Parks Operations, PPE was used in situations where physical distancing could not be accommodated, such as in vehicles. Due to the sensitive nature of their jobs, Police Services continued business as usual with enhanced safety procedures.



Our fire department adapted by developing new PPE procedures for medical aid calls, limiting inter-crew interactions, pausing in-person training programs and developing online solutions to public outreach and education programs such as the smoke alarm door-to-door program.

Over the summer, the Parks, Recreation and Culture department established a Parks Ambassador Program, which saw staff rotating through various parks to share COVID safety messaging, among other duties. Recreation programs were cancelled, adapted or new ones were created to comply with changing Provincial guidelines. Also, in partnership with downtown businesses, City staff constructed outdoor patios to help keep restaurants open.

To provide some immediate financial relief for residents impacted by the pandemic, Council extended the payment due date for the City user rate bills from 30 to 90 days for all billings issued after March 17, 2020. Also, late payment penalty dates for 2020 property taxes were extended to 5% on October 1, 2020 and 5% on November 12, 2020.

The closure of our recreation facilities and the casino lead to a significant reduction in revenues. To aid in recovery, the City identified areas where expenditures could be reduced or avoided.

A financial model was created to illustrate the potential impact of the pandemic as well as any impacts from financial relief policy decisions and multi-level government relief directives. Council approved a revenue anticipation borrowing bylaw that authorized the City to borrow up to \$50 million to access funds for cash flow in the event of low property tax collection.

A General Financial Stability Reserve fund was set up as a part of the new Reserves Policy and the Special Initiatives Reserve was topped up.

Our reopening and recovery process has been guided by the Province of BC's restart plan. We continue to monitor and proactively address the impacts of the pandemic and adjust as opportunities arise to accelerate recovery and mitigate the longer-term impacts to the community.

Draft

Strategic Priorities

In early 2019, Mayor and Council underwent a planning process with an independent consultant to define their vision and values for their term on council. The 2019-2022 Strategic Plan is the result of that process.

The plan sets out four important strategic themes that represent the values of Council and the community. These pillars are Environmental Responsibility, Governance Excellence, Livability and Economic Health. Within these priorities are key focus areas to elaborate on the vision, and many action items listed to see that vision through.

As strategic priorities move to an operational level, and are accomplished, Council develops new priorities. Council's Strategic Plan provides a clear road map, focusing resources and energies on priority projects and initiatives that benefit the people who live, work, play, visit and invest in our spectacular city.

Our vision is...

To be a community that is livable, environmentally sustainable and full of opportunity for all generations and walks of life.



ENVIRONMENTAL RESPONSIBILITY

We will protect and enhance Nanaimo's natural environment by looking after the community's biological diversity and adapt the way we live, work, recreate and move.



LIVABILITY

We will proactively plan for Nanaimo's growth and focus on community infrastructure to support an inclusive, healthy, safe and desirable place to live.



GOVERNANCE EXCELLENCE

We will develop a culture of excellence around governance, management and cost-effective service delivery.



ECONOMIC HEALTH

We create a vibrant culture of innovation, stewardship and partnership to encourage a diverse and healthy economy now and into the future.



ENVIRONMENTAL RESPONSIBILITY

Key Focus Areas

1. Take a leadership role and focus on our environmental impact and climate change contributions in our decision-making and regional participation
2. Ensure our community and transportation planning are multi-modal designed to encourage active and public transportation

Millstone River in Bowen Park

ACTIONS OUTLINED IN STRATEGIC PLAN

- ✓ Complete Climate Resiliency Strategy
- ✓ Recognize climate change and the impact on our community through our plans, strategies, bylaws, and actions
- ✓ Complete a natural asset inventory and strategy
- ✓ Conduct Downtown Mobility Study
- ✓ Update Community Sustainability Action Plan
- ✓ Work with Regional District of Nanaimo to increase the efficiency and effectiveness of public transit services in the City
- ✓ Work with the Regional District of Nanaimo and other community organizations to develop food security for the region

2020 HIGHLIGHTS

Climate Change Resiliency Strategy

Adopted in June 2020, the Climate Change Resiliency Strategy (CCRS) provides a guideline to prepare for the impacts (land use, infrastructure, environmental, and health impacts) of climate change.

Demonstration Vegetable Garden

Parks Operations staff planted a small demonstration vegetable garden at Beban Park to encourage food security at home.

Low Carbon Electrification Studies

Low carbon electrification studies for Oliver Woods Community Centre, the Port Theatre, Beban Park Complex and Nanaimo Aquatic Centre identified potential greenhouse gas reduction measures which could meet the Province's 2050 emissions target.

2020 ACCOMPLISHMENTS SUPPORTING ENVIRONMENTAL RESPONSIBILITY

- Achieved Energy Management Agreement targets and received \$52,500 for quarterly performance reporting and \$58,736 in project incentives from BC Hydro.
- Completed projects which collectively reduced corporate electricity use equal to \$40,470 in electricity cost savings.
- Upgraded to LED lighting in the Oliver Woods gymnasiums, Frank Crane Arena, Beban Park Social Centre auditorium and Aquatic Centre main pool area.
- Enhanced Departure Creek salmonid population, in conjunction with the neighbourhood association and SFN, through cleaning of the creek diversion sediment removal, supporting Councils environmental responsibility and community livability.
- Delivered summer and fall adapted versions of the Youth Leaders In Training/Quest leadership program, focusing on essential services and environmental stewardship.
- Completed volunteer tree plantings in parks and open space.
- Provided and supported community partners with events such as World Rivers Day and Earth Day.
- Council passed three readings of the Checkout Bag Regulation Bylaw No. 7283.
- Completed annual beach water sampling program; ensuring local beach waters are clean for recreational purposes.
- Continued to reduce GHG emissions by adhering to the City's Green Fleet Strategy.
- Carried on with the tree work assessment in Bowen Park and the forest of the Participark at Beban Park as per 2019 natural area assessments.
- Created a tree stand management plan for Westwood Lake Park from natural area assessment.
- Invasive plant species management in natural areas and riparian zones including Linley Point Gyro Park, Departure Bay Creek, Third Street Park, and along the Chase River at Harewood Centennial Park.
- Collaborated with volunteers in the Partners in Parks program to remove invasive plant species from several locations.
- Conducted a lighting study and design at the Port Theatre.
- Drafted and presented a Step Code rezoning policy to the City's Environment Committee and industry stakeholders for input in 2020.
- Achieved annual reduction in electricity use through energy management programs: 426,584 kWh/9.4 tonnes CO2 emissions.
- Purchased one Compressed Natural Gas (CNG) vehicle for sanitation fleet.
- Purchased two fire engines equipped with anti-idle technology.

Environmental Responsibility	2019	2020	2021	2022
▪ Complete Climate Resiliency Strategy				
▪ Recognize climate change and the impact on our community through our plans, strategies, bylaws and actions				
▪ Complete a natural asset inventory and strategy				
▪ Conduct Downtown Mobility Study				
▪ Update Community Sustainability Action Plan				
▪ Work with Regional District of Nanaimo to increase the efficiency and effectiveness of public transit services in the City				
▪ Work with the Regional District of Nanaimo and other community organizations to develop food security for the region				

Colour Legend: Green - In Progress Blue - Ongoing Purple - Complete Grey - Not Started



Part of the City's electric vehicle fleet



Quest Leadership Program participants in Neck Point Park



Beach water sampling program



Barsby tree planting volunteer work party



Vegetable demonstration garden

Performance Metrics

Measure	2019	2020
Tree Vouchers sold through annual Tree Voucher program (funded by tree replacement cash-in-lieu payments)	800	173 (sales began in September due to COVID-19)
Tree removal permits	126	121
Waste Diversion rate from regional landfill	66%	65%
Curbside collection solid waste (kg per household)	Garbage 191 kg/hh Recycling 126 kg/hh Organics 247 kg/hh	Garbage 227 kg/hh Recycling 129 kg/hh Organics 293 kg/hh



GOVERNANCE EXCELLENCE

Key Focus Areas

- 3. Ensure we are structured and resourced for innovative, expeditious and high quality decision making and action
- 4. Focus on targeted advocacy with other levels of government to support our strategic goals and long term interests as well as the health and safety of those in our community

City Hall

ACTIONS OUTLINED IN STRATEGIC PLAN

- ✓ Implement a new model of governance that allows Council to participate in an enhanced decision making process
- ✓ Undertake a review and update Council Policies and Bylaws
- ✓ Continue to work with Snuneymuxw First Nation through the Protocol Agreement Working Group to address issues and topics of mutual interest
- ✓ Enhance stakeholder relations with the Nanaimo Port Authority, School District 68, the Greater Nanaimo Chamber of Commerce and the Regional District of Nanaimo
- ✓ Seek grant funding opportunities from the Federal and Provincial government for capital projects
- ✓ Advocate to the Federal and Provincial governments to take responsibility for mental health, affordable housing and social disorder issues
- ✓ Undertake a review of civic facilities to prioritize and plan for necessary upgrades, expansion and/or replacement

2020 HIGHLIGHTS

Electronic Document Records Management System (EDRMS)

Commenced Phase 6 of a Records Management project to have corporate records stored in a manner that will satisfy all governmental regulations and provide a streamlined way for staff to search for and access records, creating efficiencies and enhanced customer service.

Building Permit Function Review

Initiated an independent Building Permit Function Review to ensure that the City's building permitted processes remain efficient and effective.

Council's Advisory Committee on Accessibility and Inclusiveness

Formed the Advisory Committee on Accessibility and Inclusiveness to promote social and political equity within existing and proposed City plans, policies, bylaws and infrastructure and make recommendations to ensure that they are inclusive and accommodating to citizens of all ages, abilities and walks of life.

2020 ACCOMPLISHMENTS SUPPORTING GOVERNANCE EXCELLENCE

- Implemented a Council voting dashboard that allows easy access for the public to view how individual Councillors voted at a Council meeting using a variety of search methods.
- Implemented the Truth and Reconciliation Commission's Call to Action #57 and the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP).
- Occupational Health & Safety (OH&S) section developed safe work procedures and worked through Joint OH&S (JOH&S) Committees to ensure front-line staff could continue to provide services to the community.
- Worked with senior managers, union representatives and JOH&S committee members to ensure facility re-openings could occur with minimal risk to staff and public.
- Introduced a number of new online services to enable no-contact service delivery including the ability to apply for permits online.
- Produced new aerial photography for internal staff to take observations without having to travel to the field.
- Developed a self-serve tool for consultants and contractors to access the as-built drawings to be able to support development planning.
- Issued an RFP and selected a replacement Budget Planning solution.
- Provided ruggedized tablets to Building Inspectors to provide site access to the land management system and drawings and allow the inspector to provide simple drawing revisions onsite.
- Deployed remote access solutions, voice services, video conferencing applications and laptops to support Council and staff during the pandemic.
- Implemented Business Intelligence dashboards for Council and Nanaimo Fire Services.
- Updated the City of Nanaimo's zoning layer to a modern GIS mapping standard and supplied the layer to the public and staff.
- Implemented an information security program to ensure the confidentiality, integrity and availability of City information and systems.
- Ongoing replacement of existing Fire Station #1 at same location to reduce cost and minimize disruption.
- Presented a Master Plan report (a Fire Department study) recommendations to Council.
- Prepared for adoption and changes to the BC Fire Code, BC Building Code and Fire Safety Act.
- Collaborated with the Ministry of Children and Families Development to integrate children with disabilities into summer camp programs.

Governance Excellence	2019	2020	2021	2022
▪ Implement a new model of governance that allows Council to participate in an enhanced decision making process				
▪ Undertake a review and update Council Policies and Bylaws				
▪ Continue to work with Snuneymuxw First Nation through the Protocol Agreement Working Group to address issues and topics of mutual interest				
▪ Enhance stakeholder relations with the Nanaimo Port Authority, School District 68, the Greater Nanaimo Chamber of Commerce and the Regional District of Nanaimo				
▪ Seek grant funding opportunities from the Federal and Provincial government for capital projects				
▪ Advocate to the Federal and Provincial governments to take responsibility for mental health, affordable housing and social disorder issues				
▪ Undertake a review of civic facilities to prioritize and plan for necessary upgrades, expansion and/or replacement				

Colour Legend: **Green** - In Progress **Blue** - Ongoing **Purple** - Complete **Grey** - Not Started

2020 ACCOMPLISHMENTS SUPPORTING GOVERNANCE EXCELLENCE

- Began audit of the City's bylaws and policies to identify gaps, determine priorities and commence on deliverables.
- Drafted a new Animal Responsibility Bylaw, which included extensive stakeholder consultation and public engagement through the platform "Get Involved Nanaimo."
- Formed the Regional District of Nanaimo (RDN) contributing committee to allow for input from RDN-elected officials and constituents on how their tax dollars are spent on recreation and sport field amenities.
- Updated signs along "The Great Trail" (formerly the Trans Canada Trail) within Nanaimo with grant funding from the Federal Government.
- Continued with condition assessments of city-owned facilities and buildings.
- Conducted operational portfolio review and distribution in both Facility and Parks Operations to ensure operational capacity and service delivery are maximized with available resources.
- Reviewed agreements with community partners to ensure clarity and roles and responsibilities for service delivery to the community.
- Undertook a review of the Community Amenity Contribution (CAC) policy.
- Completed and implemented a number of housekeeping amendments to the Zoning Bylaw and new Home Based Business regulations.
- Approved two permanent positions (Major Case File Specialist and Digital Field Technician) to Police Services.
- Changed lease for 575 Fitzwilliam to provide opportunity for Nanaimo RCMP Detachment to occupy much-needed space.
- Launched the City of Nanaimo's online public engagement site, Get Involved Nanaimo.
- Achieved statutory completion of the 2020-2024 Financial Plan Bylaw, 2020 Property Tax Rates Bylaw, 2019 Annual Financial Statements and 2019 Statement of Financial Information Report.
- Created COVID-19 forecasting models to help predict the impact of the pandemic on the City.
- Implemented an electronic signature solution.
- Provided a COVID-safe satellite payment office at Beban Park and maintained a high level of customer service during the pandemic.
- Stationed ambassadors at the Service and Resource Centre to respond to resident enquiries in person.
- Sourced and maintained personal protective equipment (PPE) for the City as a whole.



Records Management project historical document review



Metral Drive Complete Street construction



COVID-safe Council meeting

Performance Metrics

Measure	2019	2020
Council & Governance & Priorities meetings	41	49
Committee meetings	49	31
Freedom of Information requests	420	299
Liability claims processed	89	70
News Releases issued	131	153
My Nanaimo This Week eNews published	28	43
Videos produced	33	67
Permit processing time for Single Dwelling	7.14 weeks	6.2 weeks
Processing time for Rezoning	40.6 weeks	46.7 weeks
Number of purchasing files opened for new or renewed contracts	237	255
Number of invoices processed by Accounts Payable	21,930	21,949
Percentage of Home Owner Grants claimed online	63.5%	72.0 %
Drainage mains condition assessment	9.1 km	16.4 km
Sanitary sewer mains condition assessment	40.5 km	45.1 km



LIVABILITY

Key Focus Areas

5. Support the provision of affordable and accessible housing for all our community needs
6. Proactively address social disorder issues, enhance public safety and advocate for support to ensure our community is a safe place for all people to live, work, play, create and learn
7. Improve opportunities for active transportation in order to encourage a healthy, connected and environmentally responsible community



Nanaimo's Parkway Trail

ACTIONS OUTLINED IN STRATEGIC PLAN

- ✓ Undertake a coordinated review of the Official Community Plan; Parks, Recreation and Culture Master Plan; and Active Transportation Plan
- ✓ Implement the Affordable Housing Strategy (short term rentals and adaptable housing regulations)
- ✓ Adopt an age-friendly City plan to support Nanaimo being recognized as an Age Friendly British Columbia (AFBC) Community
- ✓ Support arts, culture and recreation as an integral part of everyday life
- ✓ Continue to ensure our facilities and programs are safe and accessible to all peoples in our community
- ✓ Update the Water Supply Strategic Plan
- ✓ Complete and update the Fire Service Delivery Plan
- ✓ Work with the RCMP in setting annual policing priorities and responding to emerging community safety issues
- ✓ Work with the RCMP, Bylaw Services, community and neighbourhood block watch programs to reduce social disorder issues and enhance public safety
- ✓ Support the work and implement the recommendations of the Health and Housing Task Force to address the health and housing crisis in our community

2020 HIGHLIGHTS

Maffeo Sutton Park Playground

In partnership with the Child Development Centre, the City completed Phase 1 of a playground replacement project in Maffeo Sutton Park, Nanaimo's first inclusive playground.

Metral Drive Phase 1

This major utility and transportation project includes renewal of aging utilities and extension of a primary active transportation spine creating a link between a major mobility hub in the north and the rest of Nanaimo.

Playground Program

This free annual program takes place in five park locations and partners with the Nanaimo Foodshare's Lunch Munch Program to provide lunches to program participants.

2020 ACCOMPLISHMENTS SUPPORTING LIVABILITY

- Adopted the Health and Housing Action Plan with the implementation plan to be developed in 2021.
- Conducted the Mid-Island Child Care Planning Collaborative Study.
- Rolled out new mobile field collection tools for City assets and to support initiatives.
- Recreation coordinators participated in training from the United Way for Project Impact Healthy Aging, a methodology of measuring impact of our programs and services on seniors' wellness.
- Focused on responding to downtown disorder and enhancing security.
- Transitioned public outreach to mobile application (smoke alarms), increasing the Fire Department's social/virtual public safety engagement to strengthen community safety and livability.
- Continued to provide emergency response services and worked towards meeting Council-adopted response times.
- Conducted a review of the Animal Control Function Service.
- Collaborated with competitive and recreational sports groups for the "Return to Sport" in City facilities.
- Creation of the Love Arts Nanaimo e-newsletter to improve communication and contribute to pride of place.
- Offered a variety of adult-oriented outdoor fitness and arts programs.
- Implemented a Personal Flotation Device (PFD) Loan Program at Westwood Lake Park.

Livability	2019	2020	2021	2022
<ul style="list-style-type: none"> ▪ Undertake a coordinated review of the Official Community Plan; Parks, Recreation and Culture Master Plan; and Active Transportation Plan 	✓	⌚		
<ul style="list-style-type: none"> ▪ Implement the Affordable Housing Strategy (short term rentals and adaptable housing regulations) 	✓	⌚		
<ul style="list-style-type: none"> ▪ Adopt an age-friendly City plan to support Nanaimo being recognized as an Age Friendly British Columbia (AFBC) Community 	✓			
<ul style="list-style-type: none"> ▪ Support arts, culture and recreation as an integral part of everyday life 	✓	⌚		
<ul style="list-style-type: none"> ▪ Continue to ensure our facilities and programs are safe and accessible to all peoples in our community 	✓	⌚		
<ul style="list-style-type: none"> ▪ Update the Water Supply Strategic Plan 		⌚		
<ul style="list-style-type: none"> ▪ Complete and update the Fire Service Delivery Plan 	✓	⌚		
<ul style="list-style-type: none"> ▪ Work with the RCMP in setting annual policing priorities and responding to emerging community safety issues 	✓	⌚		
<ul style="list-style-type: none"> ▪ Work with the RCMP, Bylaw Services, community and neighbourhood block watch programs to reduce social disorder issues and enhance public safety 	✓	⌚		
<ul style="list-style-type: none"> ▪ Support the work and implement the recommendations of the Health and Housing Task Force to address the health and housing crisis in our community 	✓	⌚		

Colour Legend: Green - In Progress Blue - Ongoing Purple - Complete Grey - Not Started

2020 ACCOMPLISHMENTS SUPPORTING LIVABILITY

- Piloted the Water Safety Education team to deliver water safety messaging to summer camps, daycares, and waterfront locations.
- Held virtual events and supported community partners with their events, including Canada Day, DIY Christmas videos, National Drowning Prevention Week, and Nanaimo Clippers Outdoor movie night.
- Delivered the Park-It Challenge – a summer family challenge event to discover new parks.
- Provided several virtual recreational challenges such as: Who Did it Best?, Park Photo Challenge, Scavenger Hunt and the Daily Wellness Challenge?
- Held outdoor family fun activities including the hunt for the Golden Bucket, the Frosty Bucket and several Story Walks at various parks.
- Collaborated with Youth Poet Laureate Valina Zanetti on “Be Kind to All Kinds Youth Poetry Project” with BCSPCA.
- Recognized Culture and Heritage Award recipients with videos and socially distanced award presentations by Mayor Krog.
- Collaborated with Nanaimo Art Gallery to commission new artwork by Joel Good and Bracken Hanuse Corlett for the Harewood Youth Park.
- Installed nine artworks as part of the Temporary Art Program at Maffeo Sutton Park, Vancouver Island Conference Centre and in the Old City Quarter.
- Supported Hub City Walls to create three new murals for City sites.
- Continued maintenance of artworks in City parks.
- Commissioned new murals and banners by Snuneymuxw artist Eliot White-Hill at Beban Park Pool with interpretive guide to share Hul’q’umi’num language and knowledge.
- Collaborated with Rotary Clubs of Nanaimo on 2020 street banner design competition; design by Amy Pye selected.
- Replaced the aging undersized Millstone Trunk Sewer, creating capacity for growth and reducing risk of environmental spills in the future.
- Upgraded a section of Bowen Road, which included utility renewal, repaving and establishment of a separated cycle track within the road cross section.
- Completed the skate park within Harewood Centennial Park, as part of the adopted phased improvement plan for this park.
- Provided timely updates and information from credible sources to the public regarding public health orders from senior levels of government and officials.
- Parks Operations staff completed 2,445 work orders.
- Completed a number of upgrade and enhancement projects including Bruce Ave utilities, Laguna Way watermain, Haliburton Road water and trailway, Black Diamond watermain, Caspers Way utilities and trailway, downtown streetlighting, Hammond Bay Road utilities and Active Transportation upgrade.
- Updated water system model to include mid-town and north end growth scenarios and identified required water supply infrastructure to support development, public health, community livability and governance excellence.
- Updated the City’s dam breach analysis, consequence assessment and inundation study in accordance with BC Dam Safety regulations. Developed key messages and engagement strategies for emergency planning in the inundated area located in the RDN.
- Completed dam inspections in accordance with BC Dam Safety regulations of two water supply dams and seven recreation dams.
- Responded to the Bowen Road 750mm catastrophic main failure and assisted contractor on returning water service to city within 48hrs of failure.
- Roads and Traffic section supported active transportation and traffic calming initiatives by: installing temporary speed humps on Bay Street, installing temporary medians and crosswalks around Departure Bay, installing a new dedicated bike lane on Departure Bay Road and installing traffic calming measures along Georgia Street.
- Installed a new LED field lighting system at Serauxmen Stadium, making it the first lit baseball field in Nanaimo.
- Completed the Rotary Centennial Garden, a collaborative project with the Nanaimo Rotary Club in Maffeo Sutton Park.
- Converted the underutilized tennis court at Departure Bay Centennial Park into a pickleball court.
- Removed the Caretaker’s House at Westwood Lake Park and participated in the design concepts for improvement planning to be rolled in with REIMAGINE NANAIMO.
- Completed Phase 1 playground improvements at Harewood Centennial Park, a partnership project with the Nanaimo Lions Club to provide accessible playground equipment and improve accessibility to diverse users.



One Song Staircase by Humanity in Art

Performance Metrics

Measure	2019	2020
New sidewalks	1.4 km	9.3 km
New cycling routes	2.8 km	3.7 km
Calls for police service	51,729	46,780
Fire response time targets are:	First apparatus: 73.07%	First apparatus: 73.43%
- First apparatus with 6 minutes	90%	Multiple apparatus:
- Multiple apparatus within 10 minutes	95.83%	95.13%
Fire incident responses	6,873	5,145
General Bylaw: Number of calls	3,715	4,397
Total nuisance complaints received	15	17
ECC Activations	4 (2 actual; 2 operational)	1 (COVID-19 pandemic)
ESS Exercises	2 (table top)	1 (virtual table top)
Water service leaks		43



ECONOMIC HEALTH

Key Focus Areas

- 8. Have Downtown recognized as a livable and desirable heart of our community
- 9. Focus on business retention and expansion; and, position Nanaimo as the best place to grow a business with a focus on businesses that align with our strategic direction
- 10. Continue to increase opportunities for residents to access our waterfront and natural environment



A view from Nanaimo's Harbour in the Salish Sea to Mount Benson

ACTIONS OUTLINED IN STRATEGIC PLAN

- ✓ Identify and implement the most appropriate economic development model for Nanaimo
- ✓ Complete an Economic Development Strategy
- ✓ Continue to work with tourism sector (i.e. Nanaimo Hospitality Association, Tourism Nanaimo, Vancouver Island Conference Centre) to increase tourism in Nanaimo
- ✓ Complete feasibility work and conceptual design for on-beach options for the Departure Bay Waterfront Walkway
- ✓ Construct an interim walkway around One Port Drive
- ✓ Develop City property at One Port Drive
- ✓ Implement improvements in the downtown core to increase pride of place, stimulate the economy and address public safety concerns
- ✓ Council advocate for a fast ferry service, or other forms of transportation improvements, for connectivity

2020 HIGHLIGHTS

Tourism Nanaimo Governance Model Review

Conducted the start of a governance model review for Tourism Nanaimo, continuing into 2021.

Mayor's Task Force on Recovery and Resilience

Consisting of members from Nanaimo's business community, the Mayor's Task Force on Recovery and Resilience was established in spring 2020. In late fall 2020, Council adopted recommendations from their report, "Building a Healthy and Connected Community."

Economic Development Strategy

The Economic Development Strategy and Charter for the Nanaimo Prosperity Agency were developed. The strategy provides a road map for strengthening the economic base of the region and contributing to sustainable prosperity of residents and businesses, including the region's Indigenous community.

2020 ACCOMPLISHMENTS SUPPORTING ECONOMIC HEALTH

- Prepared 1 Port Drive for future development.
- Commenced Conference Centre Hotel construction.
- Updated design concepts for expansion of the Waterfront Walkway.
- Continued work on Downtown Core Investment/Revitalization.
- Expanded and re-developed education and training programs and increased revenues from the Vancouver Island Emergency Response Academy (VIERA). Increased revenue offsets to the fire department budget.
- Commissioned new artwork “One Song” in response to the pandemic by Humanity in Art with Tina Biello, installed downtown.
- Applied for seven grant/incentive programs to support implementation of projects aimed at improving efficiency and reducing greenhouse gas emissions, i.e. Investing in Canada Infrastructure Program, etc.
- Developed Sustainable Procurement Policy drafts, engaged with stakeholders and started preliminary work on implementation.
- Assessment and delivery of 45+ grants to a range of community organizations to deliver programs and services, including, Culture & Heritage Operating Grants; Culture & Heritage Project Grants; and Downtown Revitalization Fund.
- Building permits were issued for over \$243M in total construction value in 2020. This was the second highest annual permitted construction value for Nanaimo and included 1,084 new residential units.
- Development Permit applications for 1,416 additional multi-family residential units were also under review in 2020, the majority of which are proposed as purpose-built rental units.
- Ongoing support and collaboration with partners at City-owned culture facilities including the Port Theatre, the Nanaimo Museum, the Nanaimo Art Gallery, the Harbour City Theatre and the Vancouver Island Military Museum.

Economic Health	2019	2020	2021	2022
<ul style="list-style-type: none"> ▪ Identify and implement the most appropriate economic development model for Nanaimo 	✓	⌚		
<ul style="list-style-type: none"> ▪ Complete an Economic Development Strategy 		⌚		
<ul style="list-style-type: none"> ▪ Continue to work with tourism sector (i.e. Nanaimo Hospitality Association, Tourism Nanaimo, Vancouver Island Conference Centre) to increase tourism in Nanaimo 	✓	⌚		
<ul style="list-style-type: none"> ▪ Complete feasibility work and conceptual design for on-beach options for the Departure Bay Waterfront Walkway 	✓	⌚		
<ul style="list-style-type: none"> ▪ Construct an interim walkway around One Port Drive 	✓			
<ul style="list-style-type: none"> ▪ Develop City property at One Port Drive 	✓	⌚		
<ul style="list-style-type: none"> ▪ Implement improvements in the downtown core to increase pride of place, stimulate the economy and address public safety concerns 	✓	⌚		
<ul style="list-style-type: none"> ▪ Council advocate for a fast ferry service, or other forms of transportation improvements, for connectivity 	✓	⌚		

Colour Legend: Green - In Progress Blue - Ongoing Purple - Complete Grey - Not Started

Performance Metrics

Measure	2019	2020
New Home-Based Business Licences issued	348	423
New Inter-Community Business Licences	102	145
New Non-Resident Licences	198	202
New Other Licences	228	52
Total number of new Business Licences issued	846	822
Revenue from new Business Licences	\$124,659	\$109,873
Total Acquisitions	4 properties 8.5 acres	14 properties 31.18 acres
Dispositions	6 properties 10.2 acres	5 properties 0.91 acres
Leases	3 disposal (including 2 renewals)	4 disposal (including 2 renewals)
Encroachment agreements	7 completed	18 completed
Permits issued (Works in City Streets + Fill Permits)	99	67
New Single Dwellings	208	217
Total new Dwellings	1,877	1,084
Total Annual Construction Value	\$445,385,668	\$243,150,102
Total Annual Construction Value – Civil Infrastructure	\$8,700,460	\$12,418,727

Downtown Nanaimo



Gordon Street Hotel Groundbreaking



Retail development on Uplands Drive



Third Street Mixed-Use Residential and Student Housing



Nanaimo's harbour



Downtown Nanaimo



Serauxmen Stadium lit up



Rotary Centennial Garden



New mural at Beban Pool by Eliot White-Hill





Crews repairing major watermain break on Bowen Road



Splashing around at Westwood Lake Park



Nanaimo Fire Rescue



South Forks Dam



REIMAGINE NANAIMO



Tying in all of Council's strategic priorities is **REIMAGINE NANAIMO**, the community's opportunity to create a collective vision and road map for our future City. As our population grows beyond 100,000 residents, we need to collectively imagine how our spaces and places will evolve to better meet the needs of our natural environment and of all who call Nanaimo home.

Launched in summer 2020, the purpose of this coordinated strategic policy review is to:

- Update the Official Community Plan to include the significant policy documents created since 2008 (e.g. Transportation Master Plan and Affordable Housing Strategy);
- Identify future Parks, Recreation and Culture service delivery and development priorities for the next 10 years, including directives for facility development, service delivery, and parks and open spaces management;
- Fill information gaps with data generated through updated population models, land capacity analysis, and needs assessments;
- Evaluate existing policies and practices (e.g. land use designations for nodes, corridors, and neighbourhoods, steep slope development permit area guidelines, park acquisition framework, park classification system);
- Consider combining several plans into one comprehensive document;
- Include new priorities into the City's strategic policy fabric (e.g. Council's 2019-2022 Strategic Plan, Truth and Reconciliation, diversity and inclusion, climate change, and asset management); and,
- Develop an implementation and measurement framework towards the new and updated policy objectives.

ENGAGEMENT



Phase 1 public engagement took place in 2020 and centred around six core themes:

- How We Live
- How We Connect and Play
- How We Adapt and Stay Green
- How We Move
- How We Work
- How We Care

The COVID-19 pandemic required an adjustment to the planned public engagement process. It was adapted from a largely in-person format to a series of online and key in-person opportunities that could follow physical distancing guidelines. The aim was to be safe, while still meeting engagement goals.

The change included an extended engagement period that ran from July through November 2020 as well as taking the majority of the engagement online using the City's online engagement site, Get Involved Nanaimo. In addition, staff reached out:

- at 30 outdoor pop-up information events including sidewalk chalk engagement throughout Nanaimo;
- dozens of stakeholder meetings and interviews;
- in classrooms through a KidsPlan Activity Guide; and
- through input from related meetings and workshops.

REIMAGINE NANAIMO Phase 2 will continue on with the progress made in Phase 1 in summer 2021.

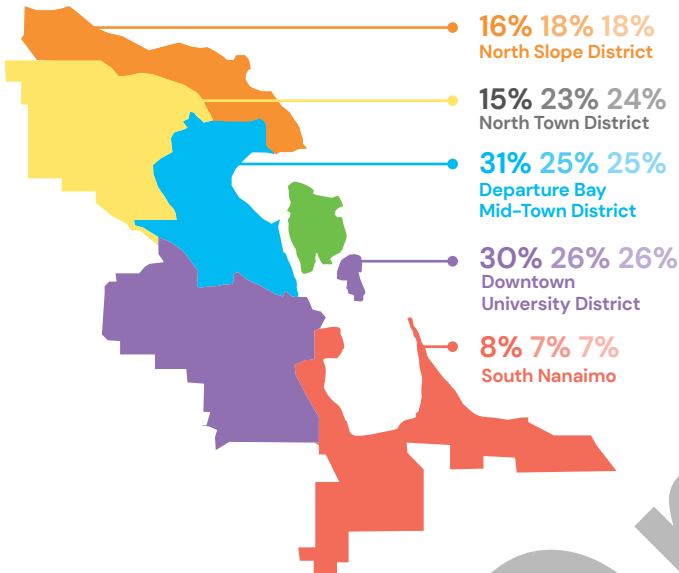


ENGAGEMENT HIGHLIGHTS

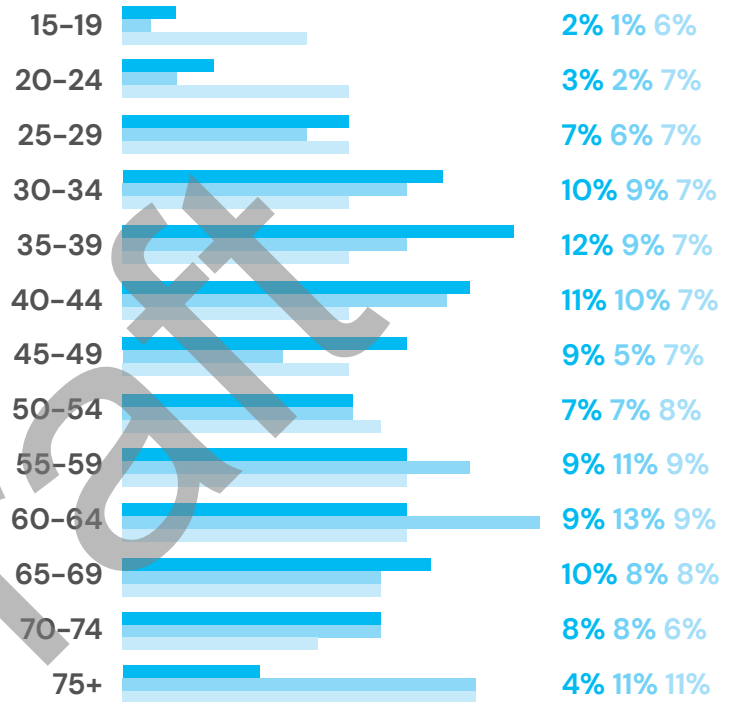
WHO PARTICIPATED?

For the percentages on both graphics shown below: the first number indicates public questionnaire participants, the second shows statistical survey respondents, the third is Nanaimo population data (2016 Census). The process saw representation from all geographical areas of the City and from all age ranges.

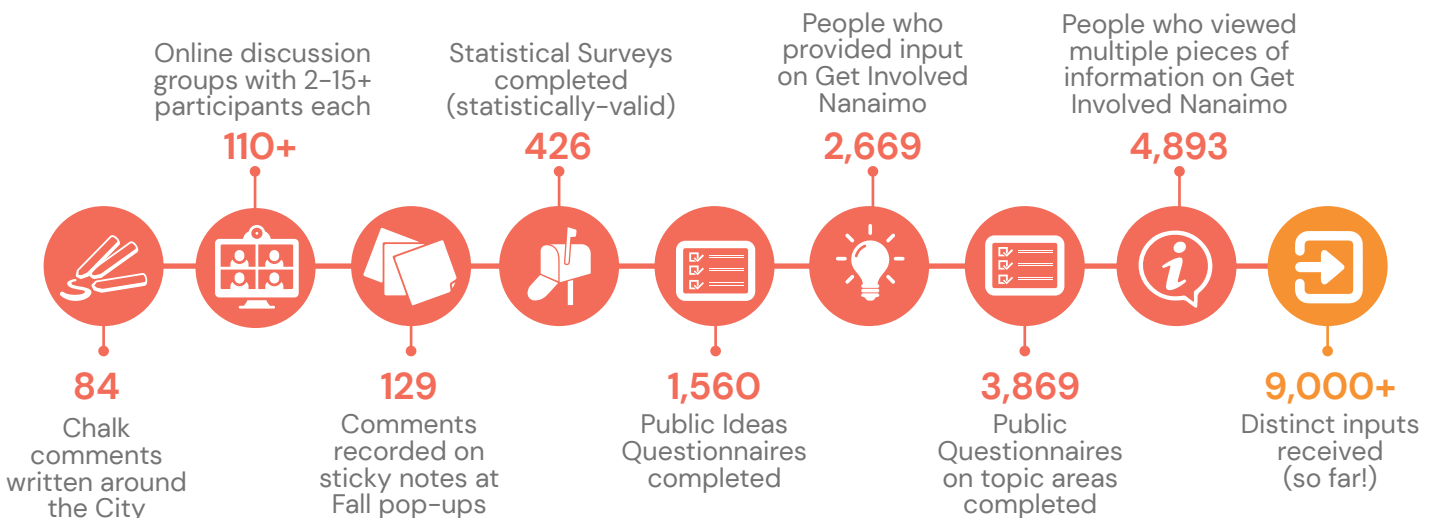
WHERE DO PARTICIPANTS LIVE?



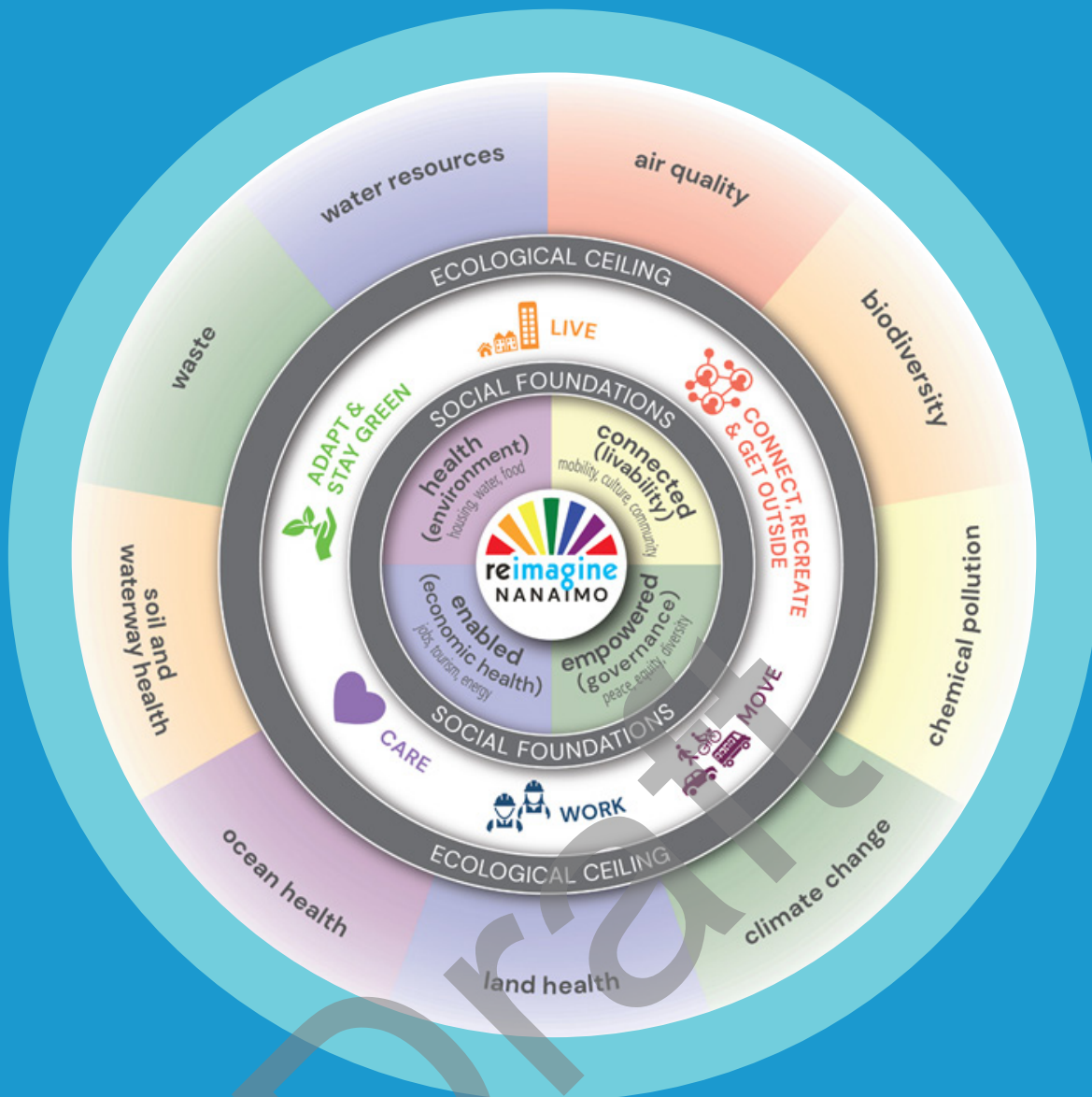
HOW OLD ARE PARTICIPANTS?



HOW PARTICIPANTS SHARED THEIR IDEAS



Source: REIMAGINE NANAIMO - Phase 1 Engagement Summary



LOOKING FORWARD - THE DOUGHNUT

In December 2020, Council adopted the Doughnut Economic Model as a cohesive vision for all City initiatives and planning processes.

Along with considering the global impact (e.g. Earth's life support systems) of our decisions, the doughnut addresses how we can incorporate life's essentials (e.g. housing, social equity, food, health, political voice, etc.) in our planning so Nanaimo can be a community where all residents can thrive.

To bring it down to a local scale, the doughnut was customized to model Nanaimo's unique environmental, social/cultural, economic and political contexts to create what is our City Portrait (shown above).

As we move into Phase 2 of REIMAGINE NANAIMO the doughnut will be used as a lens to inform the plans and strategies that will guide Nanaimo into the next 20 years or longer.

Draft

Financial Section

Financial Statements for the City of Nanaimo

City of Nanaimo



Jack Point Park

ANNUAL FINANCIAL STATEMENTS

2020

Report from Director of Finance

2021-MAY-06

Mayor and Council
City of Nanaimo

I am pleased to present, on behalf of the Finance Department, the Annual Report for the fiscal year ending December 31, 2020 for the City of Nanaimo. The following discussion and analysis provides information in support of the audited 2020 Financial Statements and is intended to enhance understanding of the economic resources and obligations of the City.

The purpose of this report is to publish the Financial Statements and Auditors' Report for the City of Nanaimo pursuant to Section 167 of the Community Charter. The preparation and presentation of the financial statements and related information in the 2020 Annual Report is the responsibility of the management of the City. These statements have been prepared in accordance with generally accepted accounting principles for Local Governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada and the Provincial Ministry of Community, Sport and Cultural Development. The City of Nanaimo maintains a system of internal accounting controls designed to safeguard the assets of the corporation and provide reliable financial information.

THE EXTERNAL AUDIT

The audit firm of KPMG LLP was appointed by Council and is responsible for expressing an opinion as to whether the Financial Statements, prepared by management, fairly present the financial position of the City of Nanaimo and the results of its 2020 operations. The auditor is responsible for advising management and the Finance and Audit Committee of any control or operational items that may have been identified during the audit procedures. The auditors have given an unqualified audit opinion on the City's financial statements and these 2020 Audited Financial Statements were presented to and accepted by Council.

FINANCIAL OVERVIEW

The City is committed to effective stewardship of financial resources to ensure sustainable service delivery for current and future residents and businesses. Strategies include annual funding allocations to reserves to support the City's strategic goals and address long-term infrastructure requirements.

2020 Operating Results

The Financial Statements presented include the 2020 results of the City's General Revenue Fund, Sewer Utility, Waterworks Utility and Reserve Funds. From a financial perspective, 2020 resulted in a surplus.

During the year, the City's tangible capital assets increased by \$19.5 million from \$730 million to \$749 million. The City's debt decreased from \$41.6 million to \$39.3 million. The City ended the year with a cash position of \$165.0 million.

Revenues for the year totaled \$203.5 million, a decrease over 2019. Increased property tax revenue and strong development-related revenues due to continuing growth in the community were offset by the impacts of the COVID-19 Pandemic on casino, parking investment and recreation revenues. City revenues combined with additional funding from City reserves covered operating costs of \$166.4 million and capital additions of \$46.3 million. Expenses increased over last year mainly due to wages and benefits contract increases, higher costs for contracted services, insurance premiums, garbage collection and Pandemic related costs. However, these increases were partially offset by lower costs for utilities and employment expenses.

Letter of Transmittal Report from Director of Finance - continued

COVID-19 Pandemic

The Provincial Health Emergency declared in March 2020 due to the COVID-19 Pandemic has had a significant impact on the City of Nanaimo and the world as a whole. The City has taken a measured approach to its response to the pandemic positioning the organization for a strong recovery. As with other municipalities, our response to the pandemic has resulted in facility closures and modified service delivery leading to revenue losses. In response, the City identified areas where expenditures could be reduced or avoided. The City continues to monitor and proactively address the financial impacts of the pandemic and adjust as opportunities arise to accelerate recovery and mitigate the longer-term impacts to the community.

Some of the efforts taken by the City to reduce the impacts of the pandemic were:

Financial Response and Recovery Framework

In April 2020, the City created a financial model to illustrate the potential impact of the pandemic as well as any impacts from financial relief policy decisions and multi-level government relief directives.

Revenue Anticipation Borrowing

Council approved a revenue anticipation borrowing bylaw that authorized the City to borrow up to \$50 million to access funds for cash flow in the event the City experienced low property tax collection. As the City's cash flows remained strong, this funding was not needed.

Billing and Tax Date Extensions

To provide some immediate financial relief for residents impacted by the pandemic, Council extended the payment due date for the City user rate bills from 30 to 90 days for all billings issued after March 17, 2020. Also, late payment penalty dates for 2020 property taxes were extended to 5% on October 1, 2020 and 5% on November 12, 2020.

Reserve Transfers and Reserve Funds

In 2020, a General Financial Stability Reserve fund was set up as a part of the new Reserves Policy, to help mitigate risk arising from lower than expected revenues or sudden unplanned expenditures needed to maintain delivery of City services. In addition, the Special Initiatives Reserve was topped up with \$2.8 million from the 2019 surplus and \$7.5 million from the 2020 surplus to help fund any potential pandemic-related shortfall and other priorities.

General Fund

The City's General Revenue Fund is the primary fund for most municipal services including Police, Fire, Parks and Recreation, Engineering and Public Works, and Community Development. The City's General Revenue Fund ended the year with a surplus of \$8.5 million, primarily as a result of COVID-19 Safe Restart Grant, vacant positions, conference, tuition and travel expense under spending, and operational savings from the closure of Parks, Recreation and Culture facilities.

General Revenue Fund revenues for the year totaled \$171 million, which combined with additional funding from City Reserves, covered operating costs of \$144 million and capital additions of \$30.7 million. The key projects for the year included:

Projects	Amount
Fire Station #1	\$ 2,970,455
Fire Engine Replacement	\$ 1,556,872
Bowen Road Area Watermain & Rehab Project	\$ 1,395,028
Metral Street Corridor & Utility Project	\$ 1,366,800
Property Acquisition – 431 Dunsmuir St & 424 Wallace St	\$ 1,167,205
Sportsfield Redevelopment	\$ 1,098,015

Letter of Transmittal Report from Director of Finance - continued

Utilities

The City operates two major utilities, which are funded from user fees.

The Sewer Utility includes over 687 kilometres of pipes for the collection and transmission of sewerage to the Greater Nanaimo Pollution Control Centre (GNPCC). During 2020, the utility collected and conveyed sewerage from approximately 28,213 households and commercial customers.

The Sewer Utility Fund ended the year with an operating surplus of \$618,624. During 2020, sewer revenues of \$9.6 million supported operations at a cost of \$5.6 million. Capital additions in the amount of \$5.8 million were funded from sewer reserves and internal borrowing.

The Water Utility includes over 672 kilometres of pipes to deliver water from the City owned and operated Water Treatment Plant. During 2020, the Utility provided water to approximately 26,554 households and commercial customers.

The Water Utility Fund ended the year with an operating deficit of \$393,567. During 2020, water revenues of \$22.5 million funded water operations at a cost of \$16.5 million. Capital additions in the amount of \$9.8 million were funded from water reserves.

Investment Portfolio

It is the policy of the City of Nanaimo to invest City funds in a manner that will provide the optimal blend of investment security and return while meeting the daily cash flow demands of the City and complying with the statutory requirements of the Community Charter. Investment income decreased in 2020, from \$5.3 million to \$4.6 million as a result of the negative impact on interest rates of the Pandemic. The average balance held in external investments for 2020 was \$178 million which produced a rate of return on the investment of 2.29%. When blended with the cash held on hand, the average rate of return on investments was 2.11%.

Trusts and Reserves

The City holds a number of trust funds that represent monies on deposit for particular purposes. During 2020, the trust fund balances increased from \$48.7 million to \$71.4 million. As well, the City's Operating Reserve balances increased to \$89.5 million. These funds will support the City's Capital Program and fund growth-related infrastructure projects necessitated by increased development and the resulting population growth in the community.

The largest projects of the year were:

Project	Amount
DCC SS19 Millstone Trunk South	\$ 1,846,848
DCC SS45 Chase River PS & Forcemain	\$ 588,491
Sanitary Sewer Main Replacement Program	\$ 350,527

The largest projects of the year were:

Project	Amount
Black Diamond Dr. Water Main	\$ 1,833,808
Haliburton St Area Water Main Project	\$ 998,055
Laguna Area Water Project	\$ 943,801
DCC WD55 Bowen Rd: Island Hwy to Rosstown	\$ 864,421

Letter of Transmittal Report from Director of Finance - continued

Effective 2020-JAN-01, the Council endorsed Reserve Policy was put in place. The purpose of the Policy is to:

- I. Establish responsible governance for the development, maintenance and use of the City's Reserves;
- II. Establish governance roles and responsibilities that ensure appropriate establishment and management of Reserves;
- III. Define principles and objectives for Reserves management that are appropriate for the City's financial position, and are reasonable, logical and necessary for delivery of sustainable, affordable services; and,
- IV. Ensure the City's Reserves management is compliant with the statutory and legal requirements of the Local Government Act and the Community.

Debt

Outstanding long-term debt at the end of 2020 was \$39.3 million of approximately \$388 per capita, which is a decrease of \$29 per capita from 2019. In 2020, the City borrowed \$2.0 million to fund the construction of Fire Station No. 1. The City also borrowed \$406,585 for the purchase of an additional automated garbage truck.

Financial Sustainability

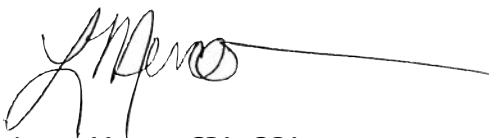
The following improvements in the City's Balance Sheet are the result of a number of long-range financial strategies adopted by City Council aimed at ensuring the City's financial sustainability:

- Per our Purchasing Policy, the City is required to review the Policy every three (3) years. In 2020, the Purchasing department undertook the review and updated the Policy where needed. Only minor changes were made as it was determined all elements were found to be effective and appropriate. At the same time, the City worked to create a separate Sustainable Procurement Policy. This Policy takes into consideration the City's Strategic Plan as well as the United Nations Sustainable Development Goals.

CONCLUSION

The City continues to work towards improving its financial policies, processes and procedures to deliver high quality services for its current and future residents and businesses. Working collaboratively, the City is committed to continually improving its long term financial situation, ensuring strong financial polices and processes, prudent management of debt and investment in capital assets and reserves.

Respectfully submitted,



Laura Mercer, CPA, CGA
Director, Finance

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Draft

CITY OF NANAIMO MANAGEMENT REPORT

For the Year Ended December 31, 2020

The Council of the City of Nanaimo has delegated the responsibility for the integrity and objectivity of the financial information contained in the financial statements to the management of the City of Nanaimo. The financial statements which, in part, are based on informed judgments and estimates, have been prepared by management in accordance with Canadian public sector accounting standards, which have been applied on a basis consistent with that of the preceding year.

To assist in carrying out their responsibility, management maintains an accounting system and internal controls to provide reasonable assurance that transactions are properly authorized and recorded in compliance with legislative and regulatory requirements and that financial records are reliable for preparation of financial statements. These systems are monitored and evaluated by management.

The City of Nanaimo's independent auditors, KPMG LLP, are engaged to express an opinion as to whether these financial statements present fairly the City of Nanaimo's financial position and operating results in accordance with Canadian public sector accounting standards. Their opinion is based on procedures they consider sufficient to support such an opinion.

The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and in accordance with Canadian public sector accounting standards. These statements present, in all significant respects, the financial position of the City of Nanaimo as at December 31, 2020.



Jake Rudolph
Chief Administrative Officer



Laura Mercer, CPA, CGA
Director, Financial Services



KPMG LLP
800 – 730 View Street
Victoria BC V8W 3Y7
Canada
Telephone 250-480-3500
Fax 250-480-3539

INDEPENDENT AUDITORS' REPORT

To the Mayor and Council of the City of Nanaimo

Opinion

We have audited the financial statements of the City of Nanaimo (the Entity), which comprise:

- the statement of financial position as at December 31, 2020
- the statement of operations for the year then ended
- the statement of changes in net financial assets for the year then ended
- the statements of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, including the schedules of operations by segment and tangible capital assets

(hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2020 and its results of operations, its changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "**Auditors' Responsibilities for the Audit of the Financial Statements**" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

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

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

In preparing the financial statements, management is responsible for assessing the Entity'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 liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 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 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 audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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.



Chartered Professional Accountants

Victoria, Canada
April 19, 2021

**CITY OF NANAIMO
STATEMENT OF FINANCIAL POSITION**


as at December 31, 2020, with comparative figures for 2019

	2020	2019
FINANCIAL ASSETS		
Cash and cash equivalents	\$ 165,007,070	\$ 86,646,891
Accounts receivable (Note 2)	24,891,134	19,378,525
Development cost charges receivable (Note 3)	1,175,580	514,789
Temporary investments (Note 4)	98,566,400	148,990,798
	289,640,184	255,531,003
LIABILITIES		
Accounts payable and accrued liabilities (Note 5)	48,233,281	38,209,488
Compensated absences and termination benefits (Note 6)	8,383,004	8,243,951
Deferred revenue (Note 7)	21,240,818	20,011,567
Deferred development cost charges (Note 8)	56,751,703	49,483,535
Debt (Note 9)	39,306,835	41,616,953
	173,915,641	157,565,494
NET FINANCIAL ASSETS	115,724,543	97,965,509
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 10)	749,351,662	729,839,510
Prepaid expenses	1,694,346	1,834,973
Inventories of supplies	1,465,549	1,407,091
	752,511,557	733,081,574
ACCUMULATED SURPLUS (Note 11)	\$ 868,236,100	\$ 831,047,083

Commitments and contingencies (Note 12)

Contractual rights (Note 23)

Approved on behalf of the Council


Leonard Krog
Mayor


Ian Thorpe
Councillor

CITY OF NANAIMO STATEMENT OF OPERATIONS

for the year ended December 31, 2020, with comparative figures for 2019

	2020 Budget (Note 14)	2020	2019
REVENUES			
Taxes	\$ 118,235,289	\$ 118,370,973	\$ 111,483,549
Payments in lieu of taxes	2,042,980	2,111,857	2,077,224
Taxation and payments in lieu (Note 15)	120,278,269	120,482,830	113,560,773
User fees and sales of services (Note 16)	46,490,235	40,618,459	45,848,098
Developer assets received (Note 10)	-	10,400,599	8,134,351
Transfers from other governments-operating (Note 17)	4,935,576	9,730,686	4,565,401
Other revenue	5,338,528	6,960,051	7,904,144
Investment income	3,468,899	4,636,197	5,262,350
Transfers from other governments-capital (Note 17)	3,864,715	4,379,065	7,623,208
Building permits	1,800,000	1,790,008	2,062,637
Development cost charges (Note 8)	4,357,990	1,647,250	6,252,024
Regional recreation sharing	1,335,318	1,335,318	1,231,500
Property rentals	995,493	825,525	1,023,365
Donations and contributions-capital	862,559	735,524	1,865,131
	193,727,582	203,541,512	205,332,982
EXPENSES			
Police	32,034,859	32,238,119	29,605,427
Engineering & public works	31,630,223	29,559,454	28,031,568
Parks, recreation & culture	34,573,290	27,803,649	31,039,154
Fire	18,942,913	18,600,069	17,866,209
Water	18,431,966	16,508,376	15,996,314
Corporate services	16,794,360	15,306,364	14,333,478
Development services	14,545,134	11,130,954	11,586,686
City administration	6,257,074	6,111,310	5,506,080
Sewer	6,242,678	5,644,576	5,239,057
Port of Nanaimo centre	4,728,755	3,449,624	5,239,133
	184,181,252	166,352,495	164,443,106
ANNUAL SURPLUS	9,546,330	37,189,017	40,889,876
ACCUMULATED SURPLUS - BEGINNING OF YEAR	831,047,083	831,047,083	790,157,207
ACCUMULATED SURPLUS - END OF YEAR	\$ 840,593,413	\$ 868,236,100	\$ 831,047,083

CITY OF NANAIMO
STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
for the year ended December 31, 2020, with comparative figures for 2019

	2020 Budget (Note 14)	2020	2019
ANNUAL SURPLUS	\$ 9,546,330	\$ 37,189,017	\$ 40,889,876
Acquisition of tangible capital assets	(73,593,653)	(35,855,358)	(48,376,888)
In kind donations of capital assets	-	(70,920)	(226,520)
Developer contributed capital assets	-	(10,400,599)	(8,134,351)
	(73,593,653)	(46,326,877)	(56,737,759)
Amortization of tangible capital assets	26,034,829	25,514,512	24,606,903
(Gain) Loss on disposal of assets	-	(283,403)	679,600
Proceeds on sale of tangible capital assets	-	1,583,616	3,521,501
	(47,558,824)	(19,512,152)	(27,929,755)
Acquisition of inventories of supplies	-	(4,686,334)	(4,672,020)
Acquisition of prepaid expenses	-	(1,221,664)	(1,467,558)
Consumption of inventories of supplies	-	4,627,876	4,525,748
Use of prepaid expenses	-	1,362,291	1,257,892
	-	82,169	(355,938)
CHANGE IN NET FINANCIAL ASSETS	(38,012,494)	17,759,034	12,604,183
NET FINANCIAL ASSETS - BEGINNING OF YEAR	97,965,509	97,965,509	85,361,326
NET FINANCIAL ASSETS - END OF YEAR	\$ 59,953,015	\$ 115,724,543	\$ 97,965,509

CITY OF NANAIMO

STATEMENT OF CASH FLOWS

for the year ended December 31, 2020, with comparative figures for 2019

	2020	2019
CASH PROVIDED BY (USED FOR)		
OPERATING TRANSACTIONS		
Annual Surplus	\$ 37,189,017	\$ 40,889,876
Non-cash items		
Amortization of tangible capital assets	25,514,512	24,606,903
Developer assets received	(10,400,599)	(8,134,351)
In kind donations of capital assets	(70,920)	(226,520)
(Gain) Loss on disposal of tangible capital assets	(283,403)	679,600
Development cost charges recognized as revenue	(1,647,250)	(6,252,024)
Actuarial adjustment on long term debt	(1,260,567)	(1,122,034)
Change in non-cash operating assets and liabilities		
Accounts receivable	(6,173,400)	1,730,010
Accounts payable	10,023,793	7,238,750
Compensated absences termination benefits	139,053	382,712
Deferred revenue	1,229,251	1,261,040
Inventories of supplies	(58,458)	(146,272)
Prepaid expenses	140,627	(209,666)
Net change in cash from operating transactions	54,341,656	60,698,024
CAPITAL TRANSACTIONS		
Cash used to acquire tangible capital assets	(35,855,358)	(48,376,888)
Proceeds from the sale of tangible capital assets	1,583,616	3,521,501
Net change in cash from capital transactions	(34,271,742)	(44,855,387)
INVESTING TRANSACTIONS		
Change in investments	50,424,398	(9,047,059)
FINANCING TRANSACTIONS		
Debt repayment	(3,456,136)	(3,381,656)
Deferred development cost charges	8,915,418	8,770,142
Proceeds from long term borrowing	2,406,585	-
Net change in cash from financing transactions	7,865,867	5,388,486
CHANGE IN CASH AND CASH EQUIVALENTS	78,360,179	12,184,064
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	86,646,891	74,462,827
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 165,007,070	\$ 86,646,891

CITY OF NANAIMO SCHEDULE OF OPERATIONS BY SEGMENT

for the year ended December 31, 2020

	City Admin	Corporate Services	Development Services	Fire	Police	Port of Nanaimo Centre	Parks, Recreation & Culture	Engineering & Public Works	Sewer	Water	2020
Revenues											
Taxes	\$ 6,023,354	\$14,793,887	\$ 6,622,570	\$17,494,036	\$29,765,516	\$ 2,721,195	\$23,160,195	\$17,790,220	\$ -	\$ -	\$ 118,370,973
Payments in lieu of taxes	112,433	178,473	123,618	326,546	555,607	50,794	432,311	332,075	-	-	2,111,857
User fees	(100)	127,002	1,092,158	121,849	62,273	670,016	2,691,171	6,827,192	8,215,799	20,811,099	40,618,459
Developer assets	-	-	-	-	-	-	3,330,526	5,294,858	864,675	910,540	10,400,599
Other revenue	60,234	756,440	2,750,929	2,078,907	404,392	16,502	414,128	394,089	560	83,870	6,960,051
Development cost charges revenue	-	-	-	-	-	-	17,801	824,360	266,624	538,465	1,647,250
Government operating transfers	719,512	357,206	709,397	410,764	1,990,291	60,130	4,880,187	394,187	90,000	119,012	9,730,686
Government capital transfers	-	3,866,429	32,000	-	-	-	-	480,636	-	-	4,379,065
Investment income	122,608	2,498,328	134,805	356,099	605,887	55,391	471,438	386,226	-	5,415	4,636,197
Building permits	-	-	1,790,008	-	-	-	-	-	-	-	1,790,008
Regional recreation sharing	-	-	-	-	-	-	1,335,318	-	-	-	1,335,318
Property rentals	-	-	286,500	7,908	274,644	-	187,821	47,652	-	21,000	825,525
Donations - capital	-	-	-	-	-	-	419,951	109,004	169,838	36,731	735,524
	7,038,041	22,577,765	13,541,985	20,796,109	33,658,610	3,574,028	37,340,847	32,880,499	9,607,496	22,526,132	203,541,512
Expenses											
Wages and salaries	4,001,183	7,930,344	7,667,318	15,594,431	5,133,703	1,075	13,493,126	10,565,886	1,180,424	3,564,491	69,131,981
Contracted services	1,418,950	3,122,851	2,757,544	1,464,003	26,528,680	1,818,934	6,640,084	7,385,553	1,016,836	1,902,698	54,056,133
Amortization	6,770	870,565	495,489	550,840	309,202	1,635,053	3,984,244	10,663,661	1,019,046	5,979,642	25,514,512
Other	143,403	3,193,887	892,714	94,748	199,960	8,849	2,578,306	(2,788,955)	2,167,144	3,487,183	9,977,239
Materials and supplies	541,004	188,717	264,505	777,925	66,574	30,446	1,366,293	3,084,286	189,003	877,314	7,386,067
Interest payments on debt	-	-	-	111,601	-	(44,733)	(252,897)	63,915	70,478	621,602	569,966
(Gain) Loss on disposal of assets	-	-	(946,616)	6,521	-	-	(5,507)	585,108	1,645	75,446	(283,403)
	6,111,310	15,306,364	11,130,954	18,600,069	32,238,119	3,449,624	27,803,649	29,559,454	5,644,576	16,508,376	166,352,495
ANNUAL SURPLUS	926,731	7,271,401	2,411,031	2,196,040	1,420,491	124,404	9,537,198	3,321,045	3,962,920	6,017,756	37,189,017
Capital projects	\$ -	\$ 98,036	\$ 3,135,336	\$ 4,566,711	\$ -	\$ 51,487	\$ 7,811,458	\$15,020,940	\$ 5,792,605	\$ 9,850,304	\$ 46,326,877

CITY OF NANAIMO

SCHEDULE OF OPERATIONS BY SEGMENT

for the year ended December 31, 2019

	City Admin	Corporate Services	Development Services	Fire	Police	Port of Nanaimo Centre	Parks, Recreation & Culture	Engineering & Public Works	Sewer	Water	2019
Revenues											
Taxes	\$ 5,715,594	\$14,031,184	\$ 5,637,134	\$17,077,195	\$28,199,761	\$ 2,737,215	\$22,421,427	\$15,664,039	\$ -	\$ -	\$ 111,483,549
Payments in lieu of taxes	110,775	188,484	109,254	330,976	546,544	53,050	434,554	303,587	-	-	2,077,224
User fees	728	132,519	1,756,686	119,785	82,663	2,397,916	6,993,693	6,195,527	7,694,946	20,473,635	45,848,098
Developer assets	-	-	-	-	-	-	123,200	6,082,967	872,099	1,056,085	8,134,351
Other revenue	123,557	751,762	2,435,771	2,447,099	438,589	20,644	478,551	1,111,644	2,675	93,852	7,904,144
Development cost charges revenue	-	-	-	-	-	-	827,193	3,744,704	1,273,791	406,336	6,252,024
Government operating transfers	144,357	387,715	329,308	431,315	1,883,191	69,133	871,903	392,611	45,000	10,868	4,565,401
Government capital transfers	-	7,623,058	-	-	-	-	-	150	-	-	7,623,208
Investment income	160,534	2,503,369	158,331	479,648	792,047	76,880	629,751	455,800	-	5,990	5,262,350
Building permits	-	-	2,062,637	-	-	-	-	-	-	-	2,062,637
Regional recreation sharing	-	-	-	-	-	-	1,231,500	-	-	-	1,231,500
Property rentals	-	-	285,461	24,695	282,520	-	357,781	51,908	-	21,000	1,023,365
Donations - capital	-	-	-	-	-	-	1,610,692	246,671	1,220	6,548	1,865,131
	6,255,545	25,618,091	12,774,582	20,910,713	32,225,315	5,354,838	35,980,245	34,249,608	9,889,731	22,074,314	205,332,982
Expenses											
Wages and salaries	3,643,378	7,361,633	7,319,186	15,087,529	4,889,670	1,434	15,313,079	10,032,634	1,107,842	3,325,747	68,082,132
Contracted services	1,318,630	2,792,521	2,340,698	1,286,503	24,152,736	3,475,208	7,552,088	7,093,322	929,580	1,889,391	52,830,677
Amortization	6,770	954,108	431,771	541,446	325,195	1,635,053	3,872,995	10,205,079	864,222	5,770,264	24,606,903
Other	129,276	3,097,825	829,783	92,867	162,185	29,240	2,647,926	(2,627,162)	2,068,108	3,251,966	9,682,014
Materials and supplies	408,026	152,391	288,350	738,745	74,869	79,386	1,766,547	3,115,351	228,189	926,953	7,778,807
Interest payments on debt	-	-	-	118,526	-	18,812	(160,482)	116,920	31,070	658,127	782,973
(Gain) Loss on disposal of assets	-	(25,000)	376,898	593	772	-	47,001	95,424	10,046	173,866	679,600
	5,506,080	14,333,478	11,586,686	17,866,209	29,605,427	5,239,133	31,039,154	28,031,568	5,239,057	15,996,314	164,443,106
ANNUAL SURPLUS	749,465	11,284,613	1,187,896	3,044,504	2,619,888	115,705	4,941,091	6,218,040	4,650,674	6,078,000	40,889,876
Capital projects	\$ -	\$ 99,032	\$ 6,102,155	\$ 1,211,381	\$ -	\$ -	\$ 3,850,819	\$23,444,946	\$ 8,875,506	\$13,153,920	\$ 56,737,759

CITY OF NANAIMO
SCHEDULE OF TANGIBLE CAPITAL ASSETS
for the year ended December 31, 2020

	COST				ACCUMULATED AMORTIZATION				NET BOOK VALUE	
	Balance December 31, 2019	Additions	Disposals	Transfers	Balance December 31, 2020	Balance December 31, 2019	Additions	Disposals		Balance December 31, 2020
Land	\$ 99,069,560	\$ 5,485,399	\$ 600,061	\$ -	\$ 103,954,898	\$ -	\$ -	\$ -	\$ -	\$ 103,954,898
Land improvements	40,387,766	2,931,886	2,900	185,257	43,502,009	17,855,193	1,469,881	2,900	19,322,174	24,179,835
Leasehold improvements	3,215,921	-	95,620	-	3,120,301	1,893,959	84,126	95,620	1,882,465	1,237,836
Marine structures	829,224	126,553	-	72,590	1,028,367	560,777	38,214	-	598,991	429,376
Buildings	198,607,545	1,606,112	-	2,418,822	202,632,479	86,446,834	5,494,421	-	91,941,255	110,691,224
Vehicles and equipment	38,595,682	3,312,890	725,241	283,159	41,466,490	20,945,671	2,495,081	620,197	22,820,555	18,645,935
IT Infrastructure	9,848,274	10,454	26,305	-	9,832,423	8,819,677	341,149	26,305	9,134,521	697,902
Drainage	111,107,145	2,594,087	862,290	327,077	113,166,019	33,150,682	1,708,748	349,905	34,509,525	78,656,494
Transportation	323,460,531	8,859,727	912,037	1,743,063	333,151,284	182,637,335	7,139,970	906,403	188,870,902	144,280,382
Sewer	51,906,257	5,460,379	29,889	6,046,154	63,382,901	14,227,164	1,010,118	28,244	15,209,038	48,173,863
Water	273,778,573	8,453,996	459,014	1,666,647	283,440,202	79,941,435	5,732,804	383,570	85,290,669	198,149,533
Work In Progress	25,511,759	7,485,394	-	(12,742,769)	20,254,384	-	-	-	-	20,254,384
	\$ 1,176,318,237	\$ 46,326,877	\$ 3,713,357	\$ -	\$ 1,218,931,757	\$ 446,478,727	\$ 25,514,512	\$ 2,413,144	\$ 469,580,095	\$ 749,351,662

CITY OF NANAIMO

SCHEDULE OF TANGIBLE CAPITAL ASSETS

for the year ended December 31, 2019

	COST				ACCUMULATED AMORTIZATION				NET BOOK VALUE	
	Balance December 31, 2019	Additions	Disposals	Transfers	Balance December 31, 2019	Balance December 31, 2019	Additions	Disposals		
Land	\$ 97,177,758	\$ 5,678,724	\$ 3,786,922	\$ -	\$ 99,069,560	\$ -	\$ -	\$ -	\$ -	\$ 99,069,560
Land improvements	37,262,334	2,847,186	72,425	350,671	40,387,766	16,566,517	1,358,084	69,408	17,855,193	22,532,573
Leasehold improvements	3,215,921	-	-	-	3,215,921	1,805,967	87,992	-	1,893,959	1,321,962
Marine structures	829,224	-	-	-	829,224	519,614	41,163	-	560,777	268,447
Buildings	197,791,273	792,776	-	23,496	198,607,545	81,065,405	5,381,429	-	86,446,834	112,160,711
Vehicles and equipment	37,883,676	1,431,122	1,073,699	354,583	38,595,682	19,414,495	2,435,610	904,434	20,945,671	17,650,011
IT Infrastructure	9,766,391	29,951	-	51,932	9,848,274	8,395,497	424,180	-	8,819,677	1,028,597
Drainage	107,680,841	3,717,634	346,000	54,670	111,107,145	31,832,218	1,662,398	343,934	33,150,682	77,956,463
Transportation	312,306,475	11,192,400	899,644	861,300	323,460,531	176,658,013	6,823,799	844,477	182,637,335	140,823,196
Sewer	48,692,971	3,107,066	29,000	135,220	51,906,257	13,388,132	857,986	18,954	14,227,164	37,679,093
Water	266,051,887	8,234,369	991,249	483,566	273,778,573	75,223,804	5,534,262	816,631	79,941,435	193,837,138
Work In Progress	8,120,666	19,706,531	-	(2,315,438)	25,511,759	-	-	-	-	25,511,759
	\$1,126,779,417	\$ 56,737,759	\$ 7,198,939	\$ -	\$1,176,318,237	\$ 424,869,662	\$ 24,606,903	\$ 2,997,838	\$ 446,478,727	\$ 729,839,510

CITY OF NANAIMO

NOTES TO THE FINANCIAL STATEMENTS

for the year ended December 31, 2020

The City of Nanaimo (the City) was incorporated December 24, 1874 under a statute of the Province of British Columbia now known as the *Community Charter*. The principal activities of the City are preservation, protection and enhancement of the quality of life in Nanaimo through the facilitation of municipal services in an equitable, efficient and effective manner.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

The City prepares its financial statements in accordance with Canadian public sector accounting standards as prescribed by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada. The following include significant policies that have been adopted by the City:

(a) Basis of Presentation

The City's resources and operations are segregated into general, water and sewer, capital and reserve funds for accounting and financial reporting purposes. The financial statements reflect the assets, liabilities, revenues and expenses of these funds. All transactions and balances between funds have been eliminated.

Reporting Entity

As at December 31, 2020, the City does not control any significant external entities.

(b) Basis of Accounting

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

(c) Cash and Cash Equivalents

Cash equivalents include short-term highly liquid investments with a term to maturity of 90 days or less at acquisition. Cash equivalents also include investments in the Municipal Finance Authority of British Columbia (MFA) Money Market Funds which are recorded at cost plus earnings reinvested in the funds.

CITY OF NANAIMO

NOTES TO THE FINANCIAL STATEMENTS

for the year ended December 31, 2020

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Accounts Receivable

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

(e) Development Cost Charges

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

(f) Temporary Investments

Temporary investments consist of term deposits and debentures which are expected to be held for a term exceeding 90 days. Investments are recorded at cost. When, in the opinion of management, there is a decline in value, other than a temporary decline, investments are written down to their net realizable value.

(g) Compensated Absences and Termination Benefits

The City and its employees make contributions to the Municipal Pension Plan. As this plan is a multi-employer plan, contributions are expensed as incurred. Compensated absences and termination benefits also accrue to the City's employees. The liabilities related to these termination benefits and earned sick leave are actuarially determined based on service and best estimates of retirement ages and expected future salary and wage increases. The liabilities under these benefit plans are accrued based on projected benefits prorated as employees render services necessary to earn the future benefits. Actuarial gains and losses on the accrued benefit obligation arise from differences between actual and expected experience and from changes in the actuarial assumptions used to determine the accrued benefit obligation. The net accumulated actuarial gains and losses are amortized over the average remaining service period of the active employees.

(h) Deferred Revenue

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

CITY OF NANAIMO

NOTES TO THE FINANCIAL STATEMENTS

for the year ended December 31, 2020

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Debt

Debt is presented net of repayments and actuarial adjustments.

(j) Non-Financial Assets

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

(i) Tangible Capital Assets

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

Estimated useful lives in years are as follows:

Asset	
Land Improvements	8-80
Leasehold Improvements	15-30
Marine Structures	15-35
Buildings	10-40
Vehicles and Equipment	2-25
IT Infrastructure	5-10
Drainage	40-75
Transportation - Linear Infrastructure, Lighting and Signals	10-80
Sewer - Linear Infrastructure and Equipment	25-60
Water - Linear Infrastructure and Equipment	8-80

Tangible capital assets are written down to their residual value when conditions indicate that they no longer contribute to the City's ability to provide goods and services, or when the value of the future economic benefits associated with the asset is less than the book value of the asset.

CITY OF NANAIMO

NOTES TO THE FINANCIAL STATEMENTS

for the year ended December 31, 2020

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Non-Financial Assets (continued)

(ii) Contribution of Tangible Capital Assets

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

(iii) Natural Resources, Works of Art and Cultural and Historical Assets

Natural resources, works of art, and cultural and historical assets are not recognized as assets in the financial statements.

(iv) Interest Capitalization

The City does not capitalize interest costs associated with the acquisition or construction of a tangible capital asset.

(v) Leased Tangible Capital Assets

Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as leased tangible capital assets with a corresponding lease liability. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

(vi) Inventories of Supplies

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

CITY OF NANAIMO
NOTES TO THE FINANCIAL STATEMENTS
for the year ended December 31, 2020

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Contaminated Sites

A liability for contaminated sites is recognized when a site is not in productive use and the following criteria are met:

- i. An environmental standard exists;
- ii. Contamination exceeds the environmental standard;
- iii. The City is directly responsible or accepts responsibility;
- iv. It is expected that future economic benefits will be given up; and
- v. 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.

(l) Revenue Recognition

(i) 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.

Through the BC Assessment appeal process, taxes may be adjusted by way of supplementary roll adjustments. The impacts of these adjustments on taxes are recognized at the time they are awarded.

(ii) Development Cost Charges

Development cost charges are recognized as revenue during the period in which the related costs are incurred.

(iii) Government Transfers

Government transfers without stipulations restricting their use are recognized in the financial statements as revenue in the period in which the transfers are authorized. Government transfers with stipulations restricting their use are recognized in the financial statements as revenues in the period in which eligible expenses are incurred provided they are authorized and meet eligible criteria.

CITY OF NANAIMO
NOTES TO THE FINANCIAL STATEMENTS

for the year ended December 31, 2020

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Areas requiring the use of management estimates relate to the determination of compensated absences and termination benefits, collectability of accounts receivable, useful lives of tangible assets for calculation of amortization and provisions for contingencies. Actual results could differ from those estimates. Adjustments, if any, will be reflected in operations in the period of settlement.

NOTE 2 - ACCOUNTS RECEIVABLE

	<u>2020</u>	<u>2019</u>
Utilities	\$ 14,574,106	\$ 9,293,795
Property Taxes	4,274,391	3,740,485
Trade and Other	2,145,814	2,362,657
Due from Provincial Government	905,449	903,051
Municipal Finance Authority Debt Reserve	834,189	976,776
Due from Federal Government	1,162,693	627,909
Interest on Investments	615,461	1,282,965
Due from Regional Government	379,031	190,887
	<u>\$ 24,891,134</u>	<u>\$ 19,378,525</u>

CITY OF NANAIMO
NOTES TO THE FINANCIAL STATEMENTS
for the year ended December 31, 2020

NOTE 3 - DEVELOPMENT COST CHARGES RECEIVABLE

	<u>Water</u> <u>Distribution</u>	<u>Roads</u>	<u>Drainage</u>	<u>Sewer</u>	<u>Parks</u>	<u>Water</u> <u>Supply</u>	<u>2020</u>	<u>2019</u>
Installments:								
2021	\$ 17,612	\$ 334,587	\$ 3,122	\$ 102,674	\$ 62,395	\$ 322,845	\$ 843,235	\$ 425,088
2022	6,915	131,166	441	40,258	26,997	126,568	332,345	89,701
	<u>\$ 24,527</u>	<u>\$ 465,753</u>	<u>\$ 3,563</u>	<u>\$ 142,932</u>	<u>\$ 89,392</u>	<u>\$ 449,413</u>	<u>\$ 1,175,580</u>	<u>\$ 514,789</u>

Development cost charges are collected on the approval of a subdivision or the issuance of a building permit. These funds assist the City in the cost of development, including constructing capital improvements, operating projects and the related debt servicing costs. Installments receivable represent funds due from developers within two years and are secured by irrevocable standby letters of credit and/or cash on deposit. No interest is charged on these outstanding installments.

NOTE 4 - TEMPORARY INVESTMENTS

	<u>2020</u>		<u>2019</u>	
	<u>Cost</u>	<u>Market</u>	<u>Cost</u>	<u>Market</u>
Term deposits	\$ 93,601,731	\$ 93,744,907	\$ 135,535,284	\$ 136,012,282
Debentures	4,964,669	5,227,406	13,455,514	13,620,017
	<u>\$ 98,566,400</u>	<u>\$ 98,972,313</u>	<u>\$ 148,990,798</u>	<u>\$ 149,632,299</u>

NOTE 5 - ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2020</u>	<u>2019</u>
Trade and Other	\$ 8,487,746	\$ 12,395,826
RCMP Contract	13,104,121	9,974,701
Deposits	10,843,253	10,175,078
Accrued wages and benefits	3,203,026	4,472,979
Contaminated sites	170,000	170,000
Other governments	12,425,135	1,020,904
	<u>\$ 48,233,281</u>	<u>\$ 38,209,488</u>

CITY OF NANAIMO
NOTES TO THE FINANCIAL STATEMENTS
for the year ended December 31, 2020

NOTE 6 - COMPENSATED ABSENCES AND TERMINATION BENEFITS

The City provides certain post-employment benefits, non-vested sick leave, compensated absences and termination benefits to its employees. An actuarial valuation for these benefits was performed to determine the City's accrued benefit obligation as at December 31, 2019 and the results are extrapolated to December 31, 2020. The current valuation was completed in 2020. Significant assumptions used in the valuation include a discount rate of 3.5%, inflation of 1.75% and compensation increases, excluding merit and promotion, of 2.75%. There is an unamortized actuarial loss of \$607,289 (2019 – loss of \$678,448).

	<u>2020</u>	<u>2019</u>
Actuarial Benefit Obligation, beginning of year	\$ 8,922,399	\$ 8,478,144
Unamortized Actuarial Loss, beginning of year	(678,448)	(616,905)
	<u>8,243,951</u>	<u>7,861,239</u>
Current Service Cost	696,593	807,296
Interest Costs	308,081	338,576
Benefits Paid	(936,780)	(824,111)
Amortization of Actuarial Loss	71,159	60,951
	<u>8,383,004</u>	<u>8,243,951</u>
Actuarial Benefit Obligation, end of year	8,990,293	8,922,399
Unamortized Actuarial Loss, end of year	(607,289)	(678,448)
Accrued Benefit Liability, end of year	<u>\$ 8,383,004</u>	<u>\$ 8,243,951</u>

Actuarial gains and losses are amortized over 12 years, being the expected average remaining service period of the related employee groups, commencing the year after the gain or loss arises. The total expense recorded in the financial statements in respect of obligations under this plan amounts to \$1,075,833 (2019 - \$1,206,823).

CITY OF NANAIMO
NOTES TO THE FINANCIAL STATEMENTS

for the year ended December 31, 2020

NOTE 7 - DEFERRED REVENUE AND OTHER LIABILITIES

	<u>2020</u>	<u>2019</u>
Tax Prepayments	\$ 13,405,043	\$ 12,821,621
Other Prepayments	7,835,775	7,189,946
	<u>\$ 21,240,818</u>	<u>\$ 20,011,567</u>

NOTE 8 - DEFERRED DEVELOPMENT COST CHARGES

	<u>2020</u>	<u>2019</u>
Deferred Development Cost Charges - beginning of year	\$ 49,483,535	\$ 46,965,417
Additions	7,877,509	7,591,978
Interest Earned	1,037,909	1,178,164
Revenue Recognized	(1,647,250)	(6,252,024)
Deferred Development Cost Charges - end of year	<u>\$ 56,751,703</u>	<u>\$ 49,483,535</u>

NOTE 9 - DEBT, NET OF MUNICIPAL FINANCE AUTHORITY (MFA) SINKING FUND DEPOSITS

The City issues debt instruments through the MFA pursuant to security issuing bylaws under authority of the *Community Charter* to finance certain capital expenditures.

\$39,306,835 (2019 – \$41,616,953) of debt is with the MFA. Payments and actuarial allocations of \$38,474,486 on the gross amount borrowed of \$77,781,321 are held in a sinking fund by the MFA. The rates of interest on the principal amount of the MFA debentures vary between 0.91% and 3.85% per annum.

	<u>2020</u>	<u>2019</u>
Total Outstanding Debt - beginning of year	\$ 41,616,953	\$ 46,120,643
Reduction of Long-term Debt	(4,716,703)	(4,503,690)
Proceeds from long-term borrowing	2,406,585	-
Total Outstanding Debt - end of year	<u>\$ 39,306,835</u>	<u>\$ 41,616,953</u>

The City of Nanaimo is subject to 'Liability Servicing Limits' as outlined in Section 174 of the *Community Charter*. The maximum value of liability servicing cost for a given year is 25% of a municipality's controllable and sustainable revenues for the previous year. The calculated liability servicing limit for the City of Nanaimo for 2020 at December 31, 2019 was \$44,839,046. The actual liability servicing cost was \$5,286,663 and the estimated cost on unissued debt is \$874,113, leaving \$38,678,270 of liability servicing capacity available.

CITY OF NANAIMO
NOTES TO THE FINANCIAL STATEMENTS

for the year ended December 31, 2020

NOTE 9 - DEBT, NET OF MUNICIPAL FINANCE AUTHORITY (MFA) SINKING FUND DEPOSITS (CONTINUED)

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

<u>Year</u>	<u>General</u>	<u>Water</u>	<u>Total</u>
2021	\$ 3,395,317	\$ 978,667	\$ 4,373,984
2022	3,445,190	1,017,814	4,463,004
2023	2,992,836	1,058,526	4,051,362
2024	2,472,492	1,100,867	3,573,359
2025	2,538,697	1,144,901	3,683,598
Thereafter	7,539,248	11,622,280	19,161,528
	<u>\$ 22,383,780</u>	<u>\$ 16,923,055</u>	<u>\$ 39,306,835</u>

<u>Bylaw #</u>	<u>MFA Issue #</u>		<u>Interest Rate %</u>	<u>Year Matures</u>	<u>Balance Outstanding</u>	
					<u>2020</u>	<u>2019</u>
<u>General Fund - Tax Supported</u>						
5425	72	Leisure and Aquatic Centre	1.67	2020	\$ -	\$ 336,528
5457	73	Leisure and Aquatic Centre	1.67	2020	-	306,614
5750	99	Port of Nanaimo Centre	1.75	2026	5,785,884	6,624,625
5750	101	Port of Nanaimo Centre	2.25	2027	6,624,625	7,431,107
7050	102	Fire Station #4	2.25	2027	1,656,157	1,857,777
7257	146	Fire Station #1	3.20	2038	2,990,930	3,114,948
7257	152	Fire Station #1	0.91	2040	2,000,000	-
		Garbage Trucks-Equipment	1.22	2022	578,687	879,778
		Garbage Trucks-Equipment	1.22	2023	2,360,791	3,201,494
		Garbage Trucks-Equipment	1.22	2025	386,706	-
					<u>22,383,780</u>	<u>23,752,871</u>
<u>Waterworks Fund - User Fee Supported</u>						
7127	126	Water Treatment Plant	3.85	2033	9,772,327	10,337,466
7127	127	Water Treatment Plant	3.30	2034	7,150,728	7,526,616
					<u>16,923,055</u>	<u>17,864,082</u>
					<u>\$ 39,306,835</u>	<u>\$ 41,616,953</u>

CITY OF NANAIMO
NOTES TO THE FINANCIAL STATEMENTS
for the year ended December 31, 2020

NOTE 10 - TANGIBLE CAPITAL ASSETS

<u>Net Book Value</u>	<u>2020</u>	<u>2019</u>
Land	\$ 103,954,898	\$ 99,069,560
Land Improvements	24,179,835	22,532,573
Leasehold Improvements	1,237,836	1,321,962
Marine Structures	429,376	268,447
Buildings	110,691,224	112,160,711
Vehicles and Equipment	18,645,935	17,650,011
IT Infrastructure	697,902	1,028,597
Drainage	78,656,494	77,956,463
Transportation	144,280,382	140,823,196
Sewer	48,173,863	37,679,093
Water	198,149,533	193,837,138
	<u>729,097,278</u>	<u>704,327,751</u>
Work In Progress	20,254,384	25,511,759
	<u>\$ 749,351,662</u>	<u>\$ 729,839,510</u>

See schedule of tangible capital assets (page 10) for more information. There were no write downs of tangible capital assets for 2019 and 2020. Developer contributed assets recognized in 2020 were \$10,400,599 (2019 - \$8,134,351) recorded at fair value at the time of receipt. These include transportation, drainage, sewer and water infrastructure and the land under these assets.

CITY OF NANAIMO
NOTES TO THE FINANCIAL STATEMENTS
for the year ended December 31, 2020

NOTE 11 - ACCUMULATED SURPLUS

	<u>2020</u>	<u>2019</u>
Reserve Accounts (Note 21)	\$ 89,515,381	\$ 76,198,807
Surplus - General *	-	5,842,097
Surplus - Sewer *	-	6,898,003
Surplus - Water *	-	5,827,039
Investment in Tangible Capital Assets (Note 18)	707,273,665	687,573,892
Community Works Reserve Fund (Gas Tax Agreement)	15,088,694	13,610,936
Equipment Depreciation Reserve	9,066,494	8,416,206
Facility Development (Recreation) Reserve	3,634,205	3,350,653
Property Sales Reserve	3,129,464	2,061,173
Knowles Estate Reserve	410,565	439,868
Parkland Dedication Reserve	1,126,691	1,747,348
Old City Neighborhood Parking Reserve	165,628	123,741
General Asset Management Reserve	11,464,273	9,172,413
Sewer Asset Management Reserve	3,441,257	2,227,853
Water Asset Management Reserve	7,604,782	6,919,104
Emission Reduction Reserve	513,697	637,950
Copier Replacement Reserve **	382,026	-
Information Technology Reserve **	1,827,833	-
NDSS Community Field Reserve **	94,661	-
Parking Reserve **	1,040,669	-
911 Reserve **	1,596,057	-
Property Acquisition Reserve **	3,440,266	-
Housing Legacy Reserve **	2,973,608	-
Strategic Infrastructure Reserve **	4,025,304	-
Sustainability Reserve **	420,880	-
	<u>\$ 868,236,100</u>	<u>\$ 831,047,083</u>

* Accumulated Operating Surplus transferred to Reserves in 2020

** New Statutory Reserves in 2020

CITY OF NANAIMO
NOTES TO THE FINANCIAL STATEMENTS
for the year ended December 31, 2020

NOTE 12 - COMMITMENTS AND CONTINGENCIES

(a) Liability Claims

In the ordinary course of business, various claims and lawsuits are brought against the City. The City records an accrual in respect of legal claims that are likely to be successful and for which a liability amount is reasonably determinable. The remaining claims, should they be successful as a result of litigation, will be recorded when a liability is likely and determinable. Liability insurance is carried by the City, subject to a deductible of \$25,000 per claim.

(b) BC Assessment Authority Appeals

As at December 31, 2020, there were various appeals pending with respect to assessed values of properties. The outcome of those appeals may result in adjustments to property taxes receivable for the current and prior years. The City makes a provision against property taxes receivable for the impact of appeals where the losses are likely and the amounts are reasonably determinable.

(c) Joint and Several Liabilities

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

The City issues its debt instruments primarily through the MFA. Demand notes are executed in connection with each debenture whereby the City may be required to pay certain amounts to the Regional District of Nanaimo. These demand notes of \$1,661,815 (2019 – \$1,951,342) are contingent in nature and given the low likelihood of payment are not reflected in the accounts.

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

CITY OF NANAIMO
NOTES TO THE FINANCIAL STATEMENTS
for the year ended December 31, 2020

NOTE 12 - COMMITMENTS AND CONTINGENCIES (CONTINUED)

(d) Subsidence of Mines

Continued existence of abandoned underground mines has resulted in risk to private land and public roads due to potential collapse or instability. The full impact of the abandoned mines and any potential liabilities are unknown at this time. No determination of the City's liability, if any, has been made and no estimate of potential loss can be made or recorded at this time. A liability will be recorded if remediation costs are determined to be likely and the amounts are reasonably determinable.

(e) Commitments

The City has \$29,600,000 (2019 - \$16,800,000) in open purchase orders at year end which have not been recorded in the financial statements. The funding for the majority of these obligations has been set aside in reserves for future expenditures. These amounts will be recorded in the period that the goods and services, to which they relate, are received.

(f) Guarantees

The City has guaranteed the amount of a \$2,000,000 line of credit for the Port Theatre Society. Management considers the likelihood of payment on the guarantee to be low.

NOTE 13 - CEMETERY CARE FUND

The City operates the cemetery and maintains a cemetery perpetual care fund in accordance with the *Cremation, Interment and Funeral Services Act*. The trust fund assets and liabilities are not included in the financial statements. At December 31, 2020, the balance of funds held in trust was \$603,907 (2019 - \$590,988).

CITY OF NANAIMO
NOTES TO THE FINANCIAL STATEMENTS
for the year ended December 31, 2020

NOTE 14 - ANNUAL BUDGET

These financial statements include the Annual Budget as approved by Council on May 11, 2020. No amendments subsequent to this date have been included. The following is a reconciliation of the budget presentation required for the 2020 financial statements and the annual financial plan bylaw:

Annual Budgeted Surplus - Statement of Operations	\$ 9,546,330
Cemetery Care Fund - not in reporting entity	10,000
Net Proceeds from Internal Borrowing	1,964,198
Net Development Cost Charges	<u>1,340,903</u>
Annual Surplus from the 2020 Financial Plan	12,861,431
Amortization, not funded	26,034,829
Capital Expenditures	(73,593,653)
Proceeds from Borrowing	4,615,890
Principal Repayment of Debt	(4,705,511)
Transfers from Accumulated Surplus	<u>34,787,014</u>
Net Annual Budget - as approved	\$ -

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CITY OF NANAIMO
NOTES TO THE FINANCIAL STATEMENTS

for the year ended December 31, 2020

NOTE 15 - TAXATION AND PAYMENTS IN LIEU

	<u>Municipal</u>	<u>Other</u>	<u>2020</u> <u>Total</u>	<u>2019</u> <u>Total</u>
Property Taxes	\$ 112,071,369	\$ 64,157,449	\$ 176,228,818	\$ 171,950,803
Business Improvement Area Levies	42,010	-	42,010	41,594
Vancouver Island Regional Library	4,823,864	-	4,823,864	4,733,307
Taxes in Lieu of Licenses	1,433,730	-	1,433,730	1,456,423
Payments in Lieu of Taxes	2,111,857	451,978	2,563,835	2,627,060
	<u>\$ 120,482,830</u>	<u>\$ 64,609,427</u>	<u>\$ 185,092,257</u>	<u>\$ 180,809,187</u>
			<u>2020</u>	<u>2019</u>
Less Collections for Other Governments:				
Province of British Columbia (School Tax)			\$ 34,907,572	\$ 40,114,781
Regional District of Nanaimo			24,390,187	22,039,402
Nanaimo Regional Hospital District			4,144,977	4,036,324
Other Agencies			1,166,691	1,057,907
			<u>64,609,427</u>	<u>67,248,414</u>
Taxation and Payments in Lieu			<u>\$ 120,482,830</u>	<u>\$ 113,560,773</u>

NOTE 16 - USER FEES AND SALES OF SERVICES

	<u>2020</u>	<u>2019</u>
Waterworks	\$ 20,811,099	\$ 20,473,635
Recreation Programs	2,691,171	6,993,693
Sewer System	8,215,799	7,694,946
Garbage Collection	6,137,720	5,957,790
Vancouver Island Conference Centre	670,016	2,397,916
Public Works	689,472	237,737
Parking	999,938	1,639,105
Other	219,122	250,828
Fire Rescue	121,849	119,785
Police Services	62,273	82,663
	<u>\$ 40,618,459</u>	<u>\$ 45,848,098</u>

CITY OF NANAIMO
NOTES TO THE FINANCIAL STATEMENTS
for the year ended December 31, 2020

NOTE 17 - TRANSFERS FROM OTHER GOVERNMENTS

	<u>2020</u>	<u>2019</u>
<u>Federal</u>		
Capital	\$ 20,000	\$ -
Gas Tax	3,866,429	7,623,058
Other	462,716	279,748
	<u>4,349,145</u>	<u>7,902,806</u>
<u>Provincial</u>		
Capital	492,636	-
Casino Gaming	514,751	2,706,954
Revenue Sharing	1,332,568	1,170,957
COVID-19 Restart Grant	6,693,000	-
Other	621,313	351,815
	<u>9,654,268</u>	<u>4,229,726</u>
<u>Other Governments</u>		
Other	106,338	56,077
	<u>106,338</u>	<u>56,077</u>
Total transfers from other governments	<u>\$ 14,109,751</u>	<u>\$ 12,188,609</u>
Transfers from other governments - capital	\$ 4,379,065	\$ 7,623,208
Transfers from other governments - operating	9,730,686	4,565,401
Total transfers from other governments	<u>\$ 14,109,751</u>	<u>\$ 12,188,609</u>

CITY OF NANAIMO
NOTES TO THE FINANCIAL STATEMENTS

for the year ended December 31, 2020

NOTE 18 - INVESTMENT IN TANGIBLE CAPITAL ASSETS

	<u>2020</u>	<u>2019</u>
Investment in Tangible Capital Assets - beginning of year	\$ 687,573,892	\$ 659,159,112
Add:		
Capital Additions	46,326,877	56,737,759
Reductions in Long-term Debt	4,716,703	4,503,690
Unused Borrowing - Fire Hall	1,238,851	2,209,305
Less:		
Funding from Deferred Capital Fund	(1,152,043)	(2,857,969)
Amortization	(25,514,512)	(24,606,903)
Used Borrowing - Fire Hall	(2,209,305)	(3,370,000)
New Borrowing - Fire Hall	(2,000,000)	-
New Borrowing - Garbage Truck	(406,585)	-
Net Book Value of Asset Disposals	(1,300,213)	(4,201,102)
Investment in Tangible Capital Assets - end of year	<u>\$ 707,273,665</u>	<u>\$ 687,573,892</u>

NOTE 19 - MUNICIPAL PENSION PLAN

The City and its employees contribute to the Municipal Pension Plan (the Plan), a jointly trustee pension plan. The Board of Trustees, representing plan members and employers, is responsible for administering the plan, including investment of the assets and administration of benefits. The Plan is a multi-employer defined benefit pension plan. Basic pension benefits provided are based on a formula. The Plan has about 213,000 active members and approximately 106,000 retired members. Active members include approximately 41,000 contributors from Local Government.

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 is then adjusted to the extent there is amortization of any funding surplus and will be adjusted for the amortization of any unfunded liability.

CITY OF NANAIMO

NOTES TO THE FINANCIAL STATEMENTS

for the year ended December 31, 2020

NOTE 19 - MUNICIPAL PENSION PLAN (CONTINUED)

The most recent 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. During 2020, City of Nanaimo contributions to the plan were:

	<u>2020</u>	<u>2019</u>
Employer Portion	\$ 5,916,889	\$ 5,492,219
Employee Portion	4,976,591	4,590,287
	<u>\$ 10,893,480</u>	<u>\$ 10,082,506</u>

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.

NOTE 20 - FINANCIAL INSTRUMENTS

(a) Financial Risk and Fair Market Values

The City's financial instruments consist of cash and cash equivalents, accounts receivable, development cost charges receivable, temporary investments, accounts payable and accrued liabilities and debt. The City does not hold any asset-backed commercial paper or hedge funds. The financial risk is the risk to the City's earnings that arises from fluctuations in interest rates, foreign exchange rates, and the degree of volatility of these rates. The City does not use derivative instruments to reduce its exposure to interest rate risk nor foreign exchange risk as management does not consider the risks material. Based on available market information, the carrying value of the City's financial instruments approximates their fair value with the exception of temporary investments for which market values are disclosed in Note 4.

CITY OF NANAIMO
NOTES TO THE FINANCIAL STATEMENTS
for the year ended December 31, 2020

NOTE 20 - FINANCIAL INSTRUMENTS (CONTINUED)

(b) Credit Risk

The City is not exposed to significant risk from its accounts receivables. The City's tax base has a significant number of participants which reduces the concentration of credit risk. Credit risk is further minimized as the City has the ability to expropriate land in the event of non-payment of property tax receivables. There has been no significant change to risk exposure over 2019.

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CITY OF NANAIMO
NOTES TO THE FINANCIAL STATEMENTS
for the year ended December 31, 2020

NOTE 21 - RESERVES

	<u>Work in</u> <u>Progress</u>	<u>Available for</u> <u>Future</u> <u>Commitments</u>	<u>2020</u>	<u>2019</u>
<u>General Revenue Fund Reserve Accounts</u>				
Fire & Emergency Services	\$ -	\$ -	\$ -	\$ 3,397,729
Parks & Recreation	-	195,305	195,305	368,599
Strategic Partnerships	-	200,043	200,043	200,043
General Capital	211,658	3,086,388	3,298,046	6,040,729
Prior Year Carry Forwards	5,411,586	-	5,411,586	5,183,981
Housing Legacy	-	-	-	2,588,638
Uncollected Taxes	-	-	-	2,384,445
Uninsured Claims	-	-	-	2,732,755
Allowance for Bad Debts	-	-	-	44,000
RCMP Contract	225,000	1,783,433	2,008,433	2,816,942
Information Technology Infrastructure	-	-	-	1,341,690
Sustainability Initiatives	-	-	-	307,205
Fitzwilliam Street Parking	-	142,868	142,868	1,875,602
Conference Centre	110,200	669,982	780,182	680,182
Snow Removal	-	1,200,000	1,200,000	300,000
Property Acquisition	-	-	-	2,600,218
Strategic Infrastructure	-	-	-	3,090,982
General Financial Stability	2,108,806	15,580,329	17,689,135	814,012
Special Initiatives	6,396,164	5,799,567	12,195,731	4,968,073
Colliery Dam	-	-	-	130,538
Photocopier	-	-	-	394,133
Casino Funds	716,933	526,442	1,243,375	1,448,844
Sanitation Leveling	28,000	746,008	774,008	774,008
	<u>15,208,347</u>	<u>29,930,365</u>	<u>45,138,712</u>	<u>44,483,348</u>
<u>Sewer Revenue Reserve Accounts</u>				
General Capital	5,704,135	11,137,898	16,842,033	11,250,976
Sewer Financial Stability	-	500,000	500,000	-
	<u>5,704,135</u>	<u>11,637,898</u>	<u>17,342,033</u>	<u>11,250,976</u>
<u>Waterworks Revenue Fund Reserve Accounts</u>				
General Capital	12,398,237	12,935,344	25,333,581	18,564,483
Growth Related Projects	-	-	-	1,900,000
Water Financial Stability	-	1,701,055	1,701,055	-
	<u>12,398,237</u>	<u>14,636,399</u>	<u>27,034,636</u>	<u>20,464,483</u>
Total Reserve Accounts	<u>\$ 33,310,719</u>	<u>\$ 56,204,662</u>	<u>\$ 89,515,381</u>	<u>\$ 76,198,807</u>

CITY OF NANAIMO
NOTES TO THE FINANCIAL STATEMENTS
for the year ended December 31, 2020

NOTE 22 - SEGMENT REPORTING

The City's operations and activities are organized and reported by Fund. City services are provided by departments and their activities are reported in these funds. See Schedule of Operations by Segment (page 8).

GENERAL REVENUE FUND

Certain departments have been separately disclosed in the segmented information, along with the services they provide as follows:

City Administration

The Chief Administrative Officer's office assists Council to establish its strategic direction for the City and takes the lead role in managing the implementation of policy direction established by Council. The Office also provides managerial leadership and direction to all City departments and operations.

The City Administration department is also responsible for Human Resources and Organizational Planning, Legislative Services, and Communications.

Corporate Services

Providing service to both the internal organization and the community, the Corporate Services Department is responsible for Emergency Management, Information Technology, Financial Services and Purchasing.

Development Services

Development Services is responsible for a variety of tasks relating to planning and development. This includes processing development applications and developing related policies and regulations. Development Services is also responsible for bylaw, animal control, and parking.

Fire

The Fire Department has the responsibility of protecting the City's citizens and infrastructure through prevention and quick and high quality response to fire, medical and other emergency incidents in the most effective and responsive manner possible.

CITY OF NANAIMO

NOTES TO THE FINANCIAL STATEMENTS

for the year ended December 31, 2020

NOTE 22 - SEGMENT REPORTING (CONTINUED)

Police

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

Port of Nanaimo Centre

The operation of the Vancouver Island Conference Centre provides a full-service convention centre that hosts meetings, conferences, tradeshows, and weddings for up to 1,300 delegates.

Parks, Recreation and Culture

The Parks, Recreation and Culture department manages, facilitates and maintains a system of services, facilities, parks and open spaces and works to enhance the quality of life for the citizens of Nanaimo.

Engineering and Public Works

Engineering and Public Works is responsible for the planning, design, construction, operation and maintenance of the City's infrastructure including the City's water, sanitary sewer, drainage and transportation infrastructure. Department operations also include maintenance of the City's fleet, cemeteries, solid waste collection and recycling.

SEWER SYSTEM

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

WATERWORKS

The City Waterworks Utility is a self-funded entity that delivers water to residential, commercial and industrial premises in Nanaimo. The Utility operates and maintains a supply system consisting of dams, transmission mains, reservoirs and treatment facilities as well as a distribution system.

CITY OF NANAIMO

NOTES TO THE FINANCIAL STATEMENTS

for the year ended December 31, 2020

NOTE 23 - CONTRACTUAL RIGHTS

The City of Nanaimo has entered into various contracts for rental revenue within the normal course of operations. The estimated contractual rights under these contracts for the years ending December 31 are as follows:

2021	\$ 997,100
2022	1,012,180
2023	1,094,425
2024	1,094,425
2025	1,094,425
	<u>\$ 5,292,555</u>

In addition to these contractual rights, the City has agreements with several parties that provide for the recovery of costs and payments of annual fees and commissions based on annual results.

NOTE 24 - COVID-19

In March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization and measures taken by various governments to contain the virus have affected economic activity. The City has taken a number of measures to monitor and mitigate the effects of COVID-19, as follows:

- i. Provided staff with all necessary personal protective equipment (PPE), implemented additional safety measures and initiated the Park Ambassador Program.
- ii. CAO authorized all vacant position postings on a priority needs basis.
- iii. Repurposed Parks and Recreation staff to fill vacancies and seasonal positions.
- iv. Cut expenditures for staff travel and conferences, space rental and service contracts.

While governments and central banks have reacted with monetary and fiscal interventions designed to stabilize economic conditions, the duration and extent of the impact of the COVID-19 outbreak on financial markets as well as the effectiveness of government and central bank responses, remains unclear at this time. Management will continue to monitor and adapt as the City sees fit.

CITY OF NANAIMO
NOTES TO THE FINANCIAL STATEMENTS
for the year ended December 31, 2020

NOTE 25 - COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year.

SAFE RESTART GRANT SCHEDULE (UNAUDITED)

Safe Restart Grant received November 2020	\$ 6,693,000
Revenue Shortfalls:	
Casino	(1,985,248)
Parks, Recreation & Culture	(3,786,664)
Parking	(284,527)
Total Revenue Shortfalls	(6,056,439)
Unplanned Pandemic Expenditures	(636,561)
Total eligible costs incurred	(6,693,000)
Balance, December 31, 2020	\$ -

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Neck Point Park

CITY OF NANAIMO

THE HARBOUR CITY





Nanaimo's Harbour

LOOKING FORWARD: 2021-2025 FINANCIAL PLAN

The City's Annual Report reviews the past year and the progress made towards strategic goals and initiatives. The City's Five Year Financial Plan provides a look forward and outlines the plans and the resources needed to deliver City services and to continue to implement important City priorities each year. These two annual documents provide the community with

important feedback and information on Council's management and priorities.

The City of Nanaimo's 2021-2025 Financial Plan can be found on our website at www.nanaimo.ca or by clicking the button below on the online version of this report.

[View the 2021-2025
Financial Plan](#)



Statistical Section

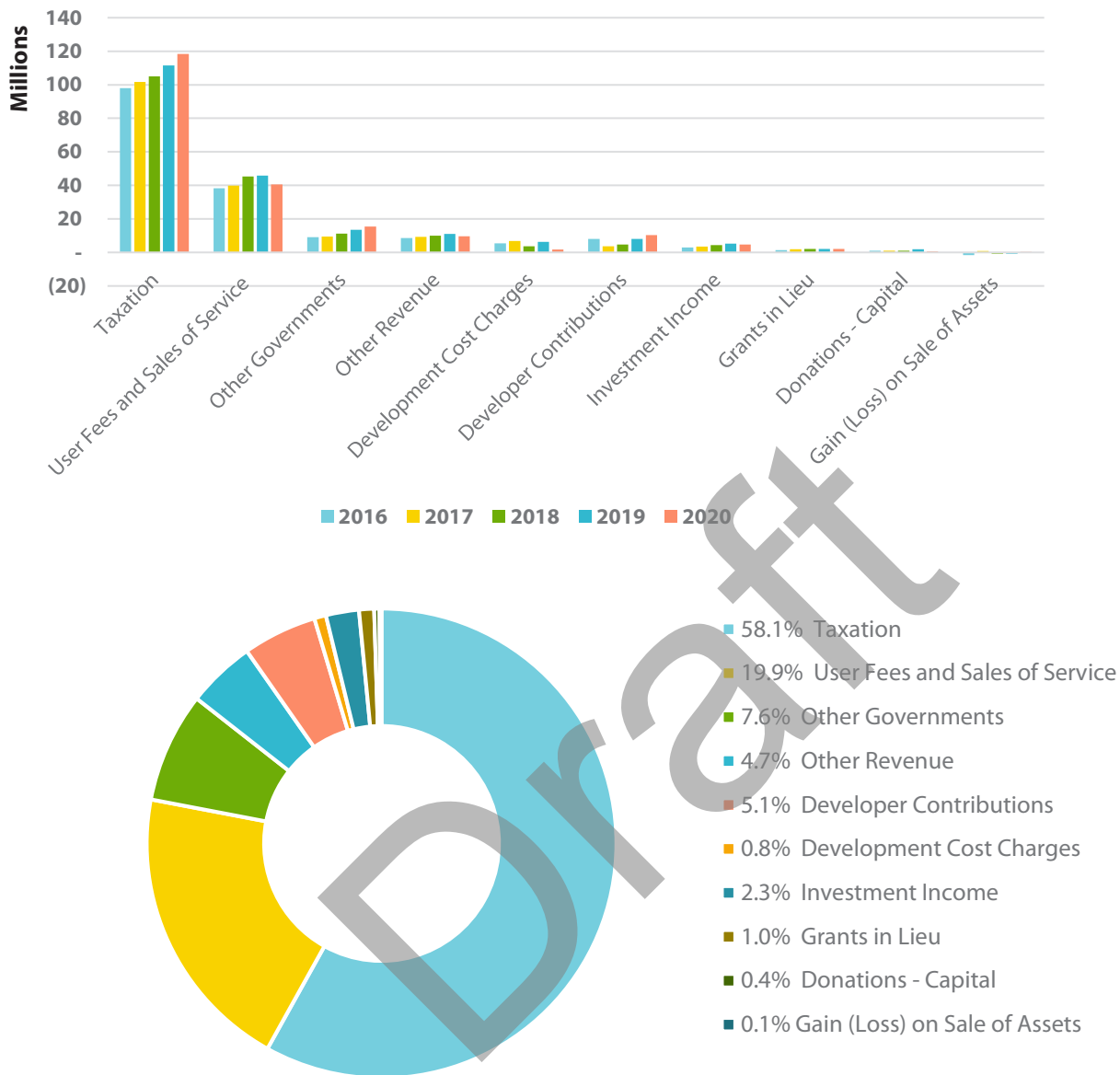
Statistical & Financial Analysis 2016-2020



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REVENUE BY SOURCE

(Source: City of Nanaimo Finance Department)



**Revenue by Source
Last Five Fiscal Years Comparison**

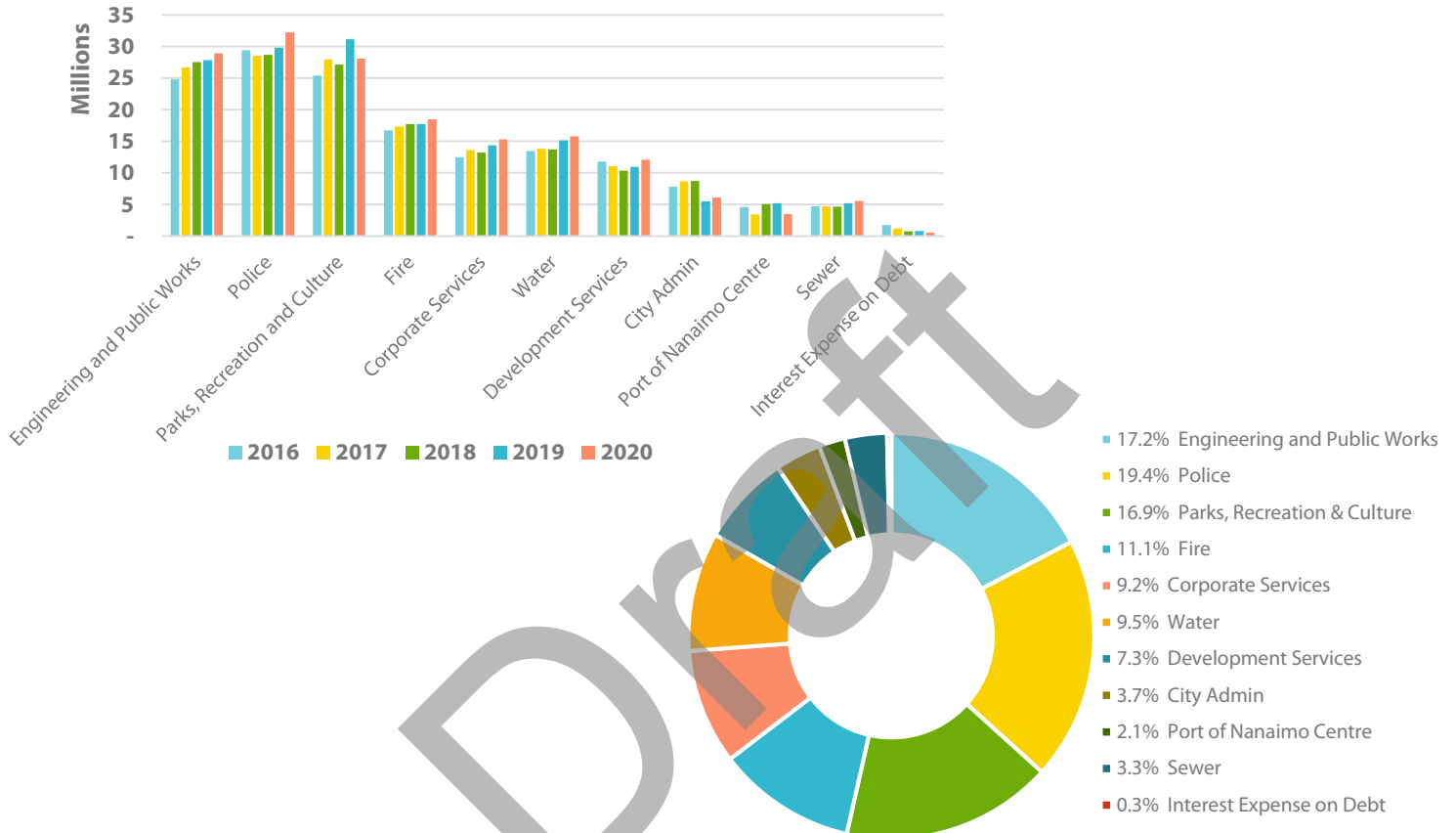
	2016	2017	2018	2019	2020
Taxation	98,006,106	101,772,627	105,092,714	111,483,549	118,370,973
User Fees and Sales of Service	38,348,292	39,794,704	45,329,195	45,848,098	40,618,459
Other Governments	9,107,114	9,488,460	11,241,378	13,420,109	15,445,069
Other Revenue	8,523,151	9,358,666	9,950,204	10,990,146	9,575,584
Development Cost Charges	5,390,435	6,802,341	3,691,180	6,252,024	1,647,250
Developer Contributions	8,126,066	3,724,488	4,727,790	8,134,351	10,400,599
Investment Income	3,010,006	3,403,150	4,380,302	5,262,350	4,636,197
Grants in Lieu	1,459,260	1,858,365	2,047,951	2,077,224	2,111,857
Donations - Capital	1,018,653	972,902	1,015,560	1,865,131	735,524
Gain (Loss) on Sale of Assets	(1,533,210)	852,358	(699,223)	(679,600)	283,403
Total Revenue	\$ 171,455,873	\$ 178,028,061	\$ 186,777,051	\$ 204,653,382	\$ 203,824,915

EXPENSES BY FUNCTION

Source: City of Nanaimo Finance Department

Please note:

- In 2016, Culture became part of Development Services. In 2019, Culture became part of Parks and Recreation.
- Social and Protective Services became part of either Police or Fire Services
- In 2016, City Administration was separated out from Corporate Services

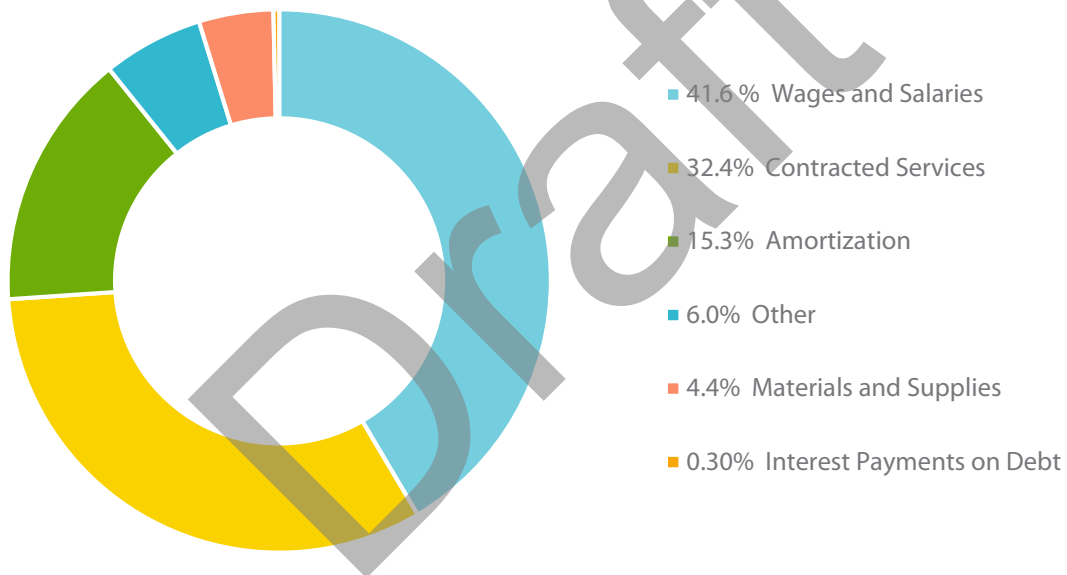
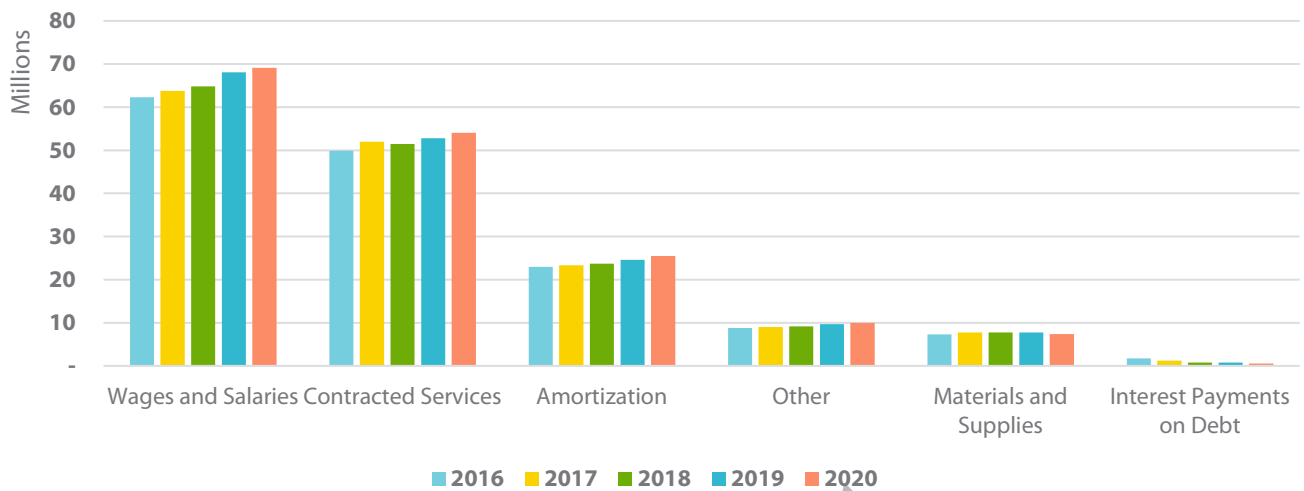


Expenses	2016	2017	2018	2019	2020
Analysis by Function					
Engineering and Public Works	24,799,822	26,721,706	27,559,159	27,819,224	28,910,431
Police	29,399,255	28,513,024	28,660,500	29,837,273	32,238,119
Parks, Recreation and Culture	25,399,652	27,942,297	27,163,217	31,152,635	28,062,053
Fire	16,746,663	17,323,093	17,759,443	17,747,090	18,481,947
Corporate Services	12,485,893	13,618,603	13,223,103	14,358,478	15,306,364
Water	13,494,780	13,841,302	13,742,777	15,164,321	15,811,328
Development Services	11,776,206	11,072,350	10,375,538	10,977,170	12,077,570
City Admin	7,826,403	8,684,928	8,726,576	5,506,080	6,111,310
Port of Nanaimo Centre	4,624,689	3,450,781	5,044,608	5,220,321	3,494,357
Sewer	4,701,041	4,692,495	4,675,679	5,197,941	5,572,453
Interest Expense on Debt	1,741,095	1,187,435	760,041	782,973	569,966
Total Expenses by Function	\$ 152,995,499	\$ 157,048,014	\$ 157,690,641	\$ 163,763,506	\$ 166,635,898

* Prior years adjusted to remove interprogram credit adjustments

EXPENSES BY OBJECT

Source: City of Nanaimo Finance Department



Expenses

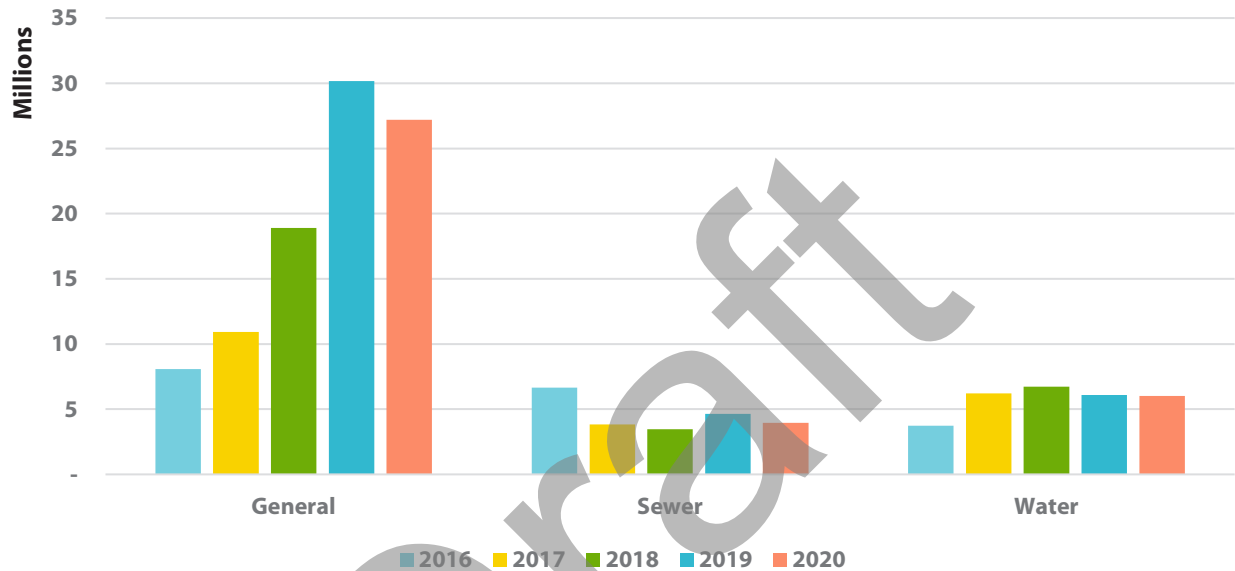
Analysis by Object	2016	2017	2018	2019	2020
Wages and Salaries	62,325,770	63,792,630	64,820,429	68,082,132	69,131,981
Contracted Services	49,913,646	51,983,811	51,479,092	52,830,677	54,056,133
Amortization	22,926,296	23,319,708	23,732,384	24,606,903	25,514,512
Other	8,760,150	9,002,892	9,146,684	9,682,014	9,977,239
Materials and Supplies	7,328,542	7,761,538	7,752,011	7,778,807	7,386,067
Interest Payments on Debt	1,741,095	1,187,435	760,041	782,973	569,966
Total Expenses by Object	\$ 152,995,499	\$ 157,048,014	\$ 157,690,641	\$ 163,763,506	\$ 166,635,898

ANNUAL SURPLUS

Source: City of Nanaimo Finance Department

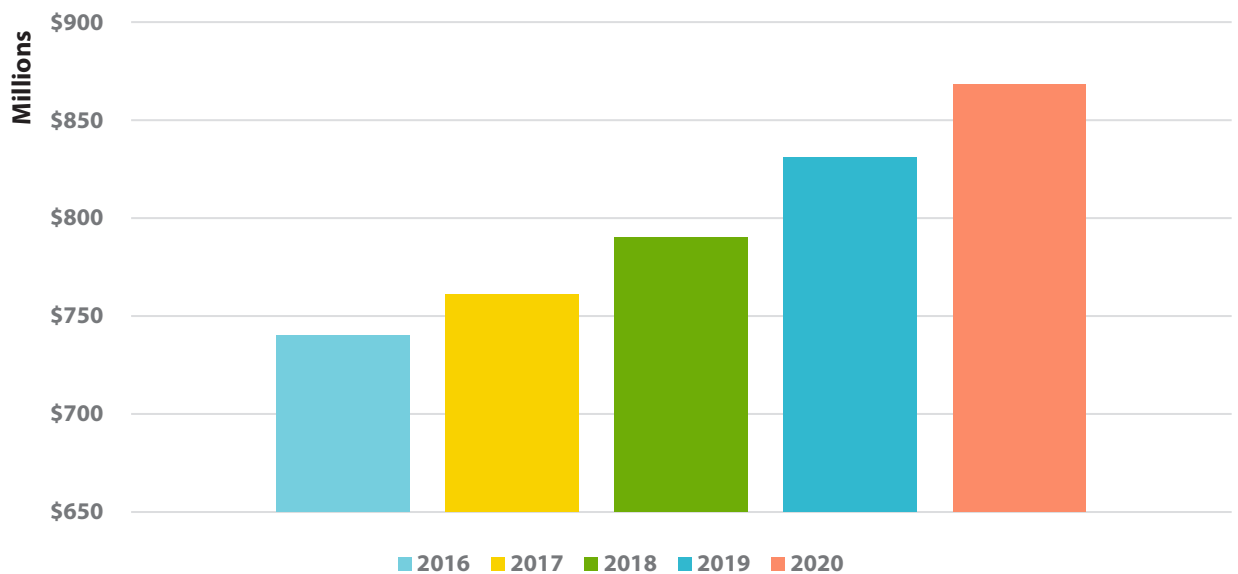
Surplus for the Year Last Five Fiscal Years Comparison

	2016	2017	2018	2019	2020
General	8,088,533	10,932,034	18,899,472	30,161,202	27,208,341
Sewer	6,648,872	3,835,551	3,468,169	4,650,674	3,962,920
Water	3,722,969	6,212,462	6,718,769	6,078,000	6,017,756
Total Surplus	\$ 18,460,374	\$ 20,980,047	\$ 29,086,410	\$ 40,889,876	\$ 37,189,017



Accumulated Consolidated Surplus Last Five Fiscal Years Comparison

	2016	2017	2018	2019	2020
Total Accumulated Surplus	\$ 740,090,750	\$ 761,070,797	\$ 790,157,207	\$ 831,047,083	\$ 868,236,100



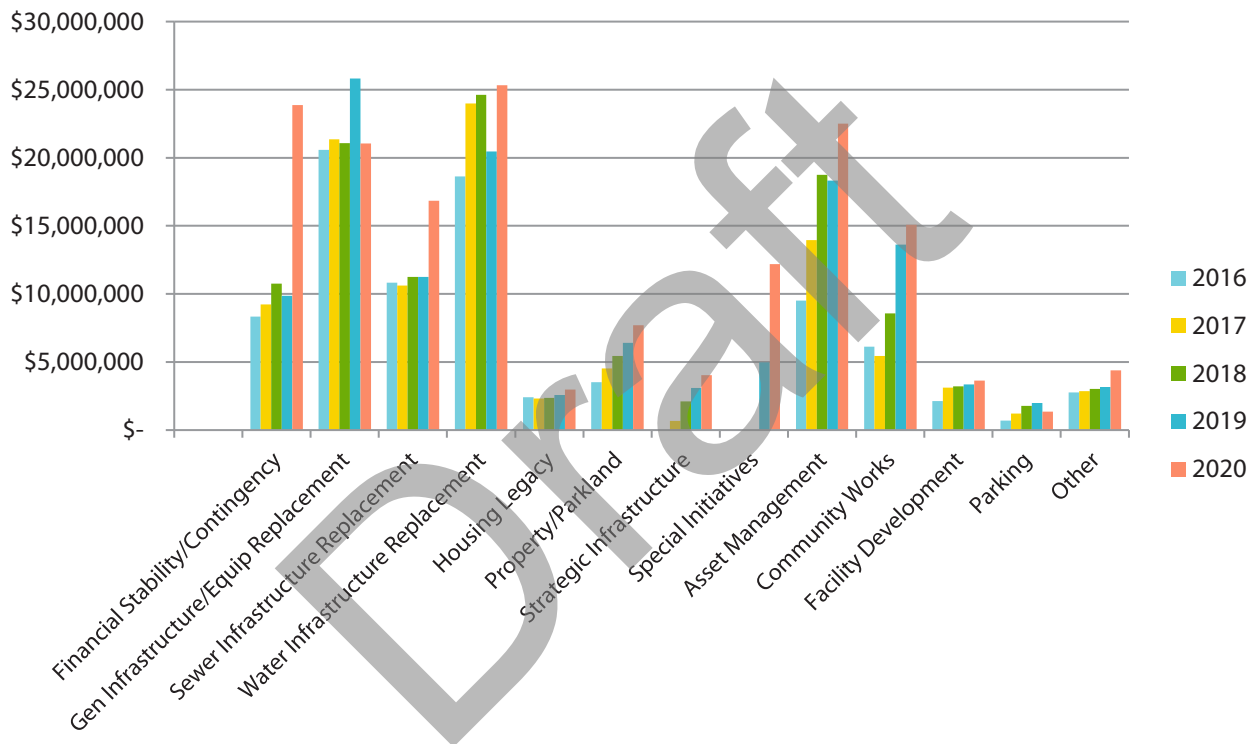
RESERVE FUNDS

Source: City of Nanaimo Finance Department

The City maintains operating reserves that provide funds for future infrastructure and strategic investment. Contributions to operating reserves are through allocations of prior year surplus and through annual contributions.

The City has Statutory Reserve Funds that are authorized by the Community Charter and/or City Bylaws. The purpose of setting aside reserves is to provide funding for anticipated future expenditures to ensure sufficient funds are available when required and to limit the need to incur debt or require large increases in taxation or user fees. Contributions to statutory reserves are through annual allocations of general revenues, user fees and development cost charges.

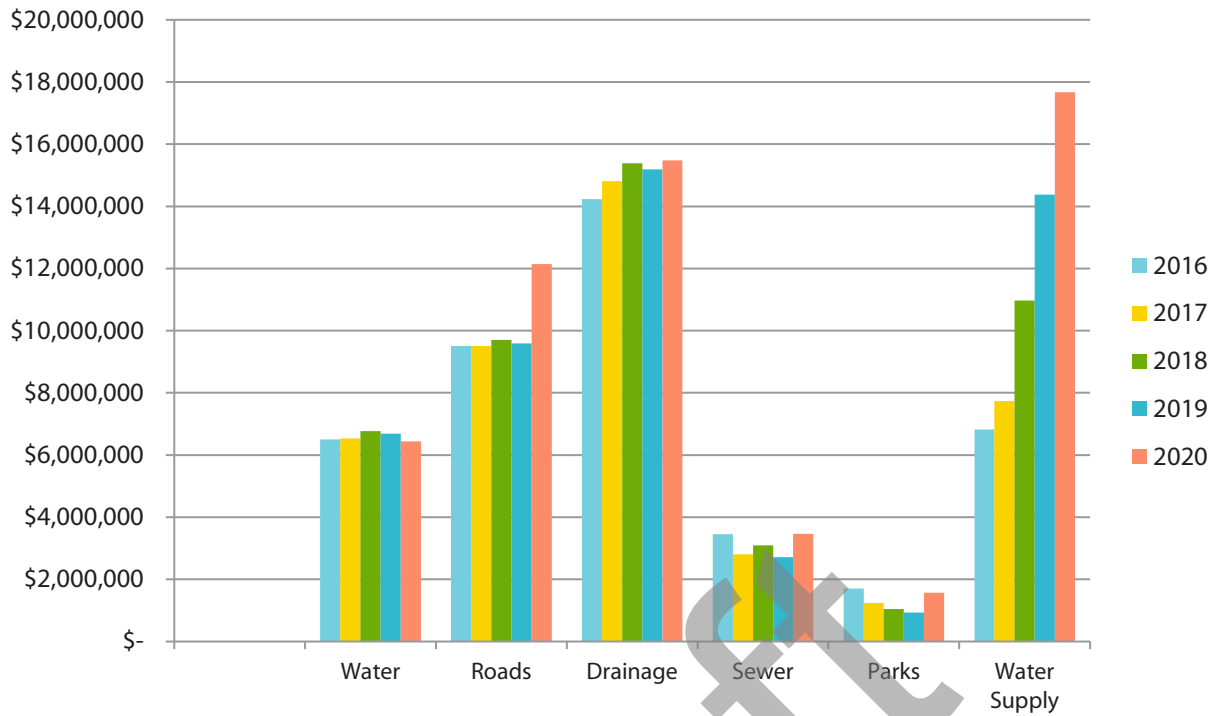
Reserve Summary - Excluding Development Cost Charges (DCC's)



Reserves Summary (Excluding DCCs)

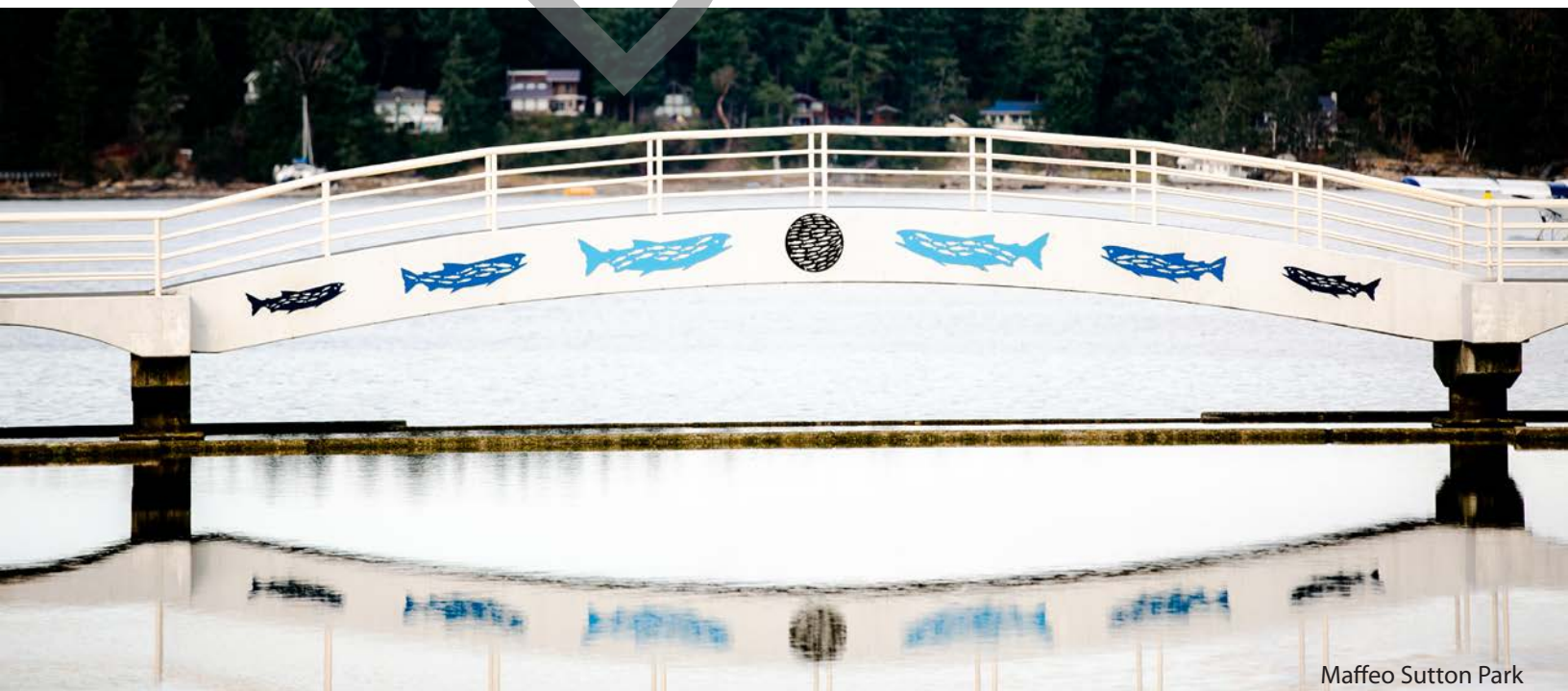
	2016	2017	2018	2019	2020
Financial Stability/Contingency	8,324,304	9,219,794	10,762,327	9,866,162	23,872,631
Gen Infrastructure/Equip Replacement	20,583,722	21,349,753	21,069,456	25,823,249	21,056,133
Sewer Infrastructure Replacement	10,833,934	10,613,799	11,241,903	11,250,976	16,842,033
Water Infrastructure Replacement	18,618,826	23,985,156	24,630,039	20,464,483	25,333,581
Housing Legacy	2,415,652	2,328,320	2,364,066	2,588,638	2,973,608
Property/Parkland	3,521,696	4,527,790	5,454,040	6,408,739	7,696,421
Strategic Infrastructure	-	680,000	2,115,162	3,090,982	4,025,304
Special Initiatives	-	-	-	4,968,073	12,195,731
Asset Management	9,521,105	13,959,520	18,739,648	18,319,370	22,510,312
Community Works	6,136,926	5,450,615	8,569,140	13,610,936	15,088,694
Facility Development	2,133,321	3,125,384	3,210,785	3,350,653	3,634,205
Parking	706,992	1,206,479	1,780,742	1,999,343	1,349,165
Other	2,755,750	2,864,957	3,023,662	3,164,448	4,384,617
Total	85,552,228	99,311,567	112,960,970	124,906,052	160,962,435

Development Cost Charges (DCC's) Reserve Summary



DCC Reserves Summary

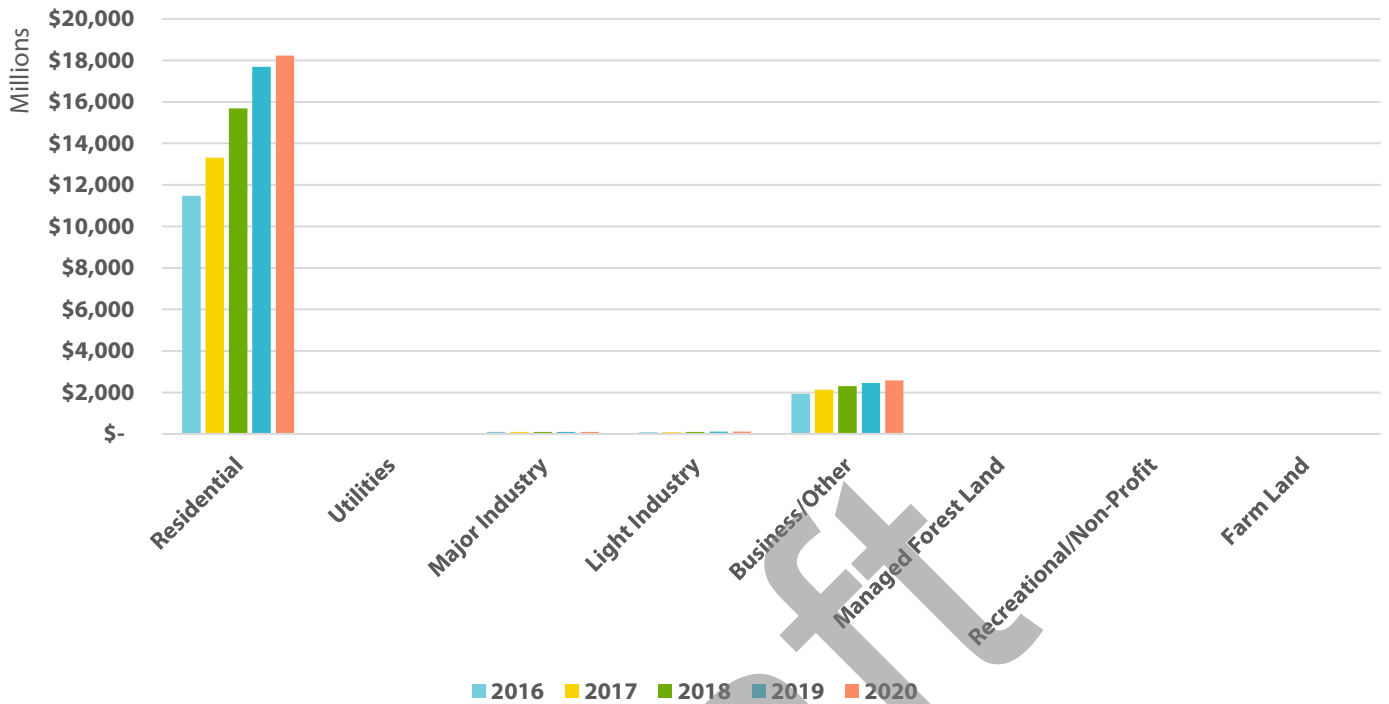
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Water	6,504,904	6,527,330	6,767,048	6,691,316	6,441,363
Roads	9,508,511	9,504,506	9,706,999	9,587,345	12,143,117
Drainage	14,233,800	14,813,446	15,386,027	15,186,661	15,472,675
Sewer	3,458,721	2,802,341	3,094,553	2,715,948	3,459,401
Parks	1,705,733	1,237,624	1,044,969	926,707	1,568,712
Water Supply	6,817,234	7,732,437	10,965,822	14,375,558	17,666,436
Total DCCs	\$ 42,228,902	\$ 42,617,685	\$ 46,965,417	\$ 49,483,535	\$ 56,751,703



Maffeo Sutton Park

GENERAL ASSESSMENT BY PROPERTY CLASS

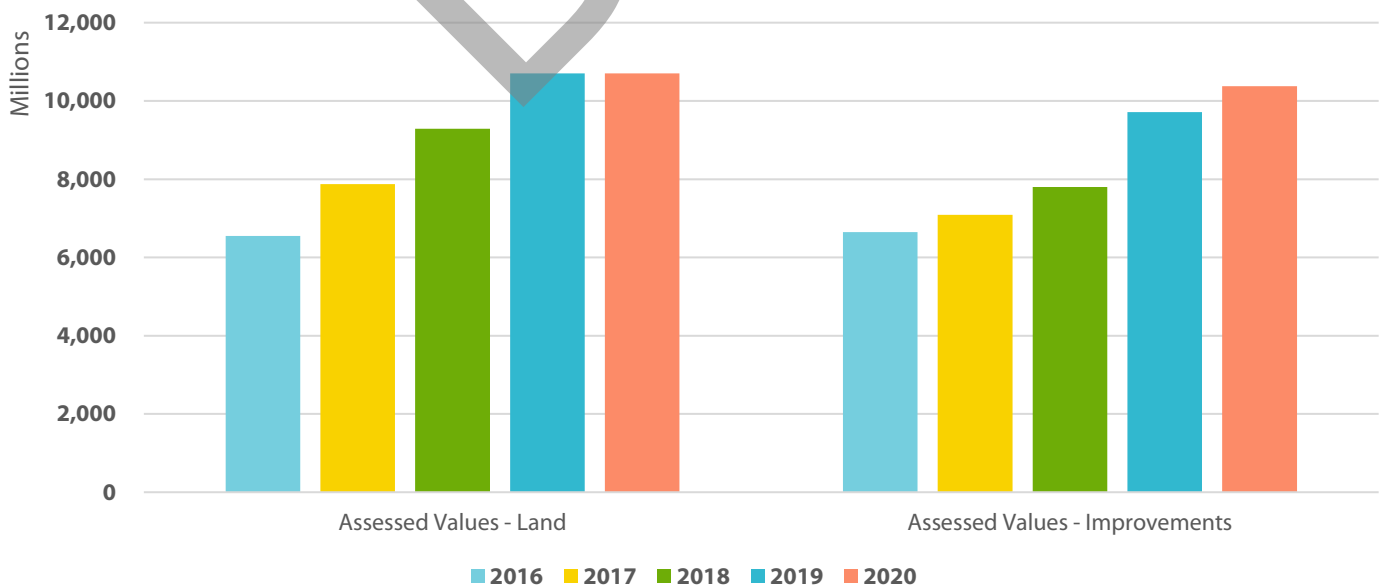
(Source: BC Assessment Authority)



ASSESSED VALUES FOR GENERAL MUNICIPAL PURPOSES

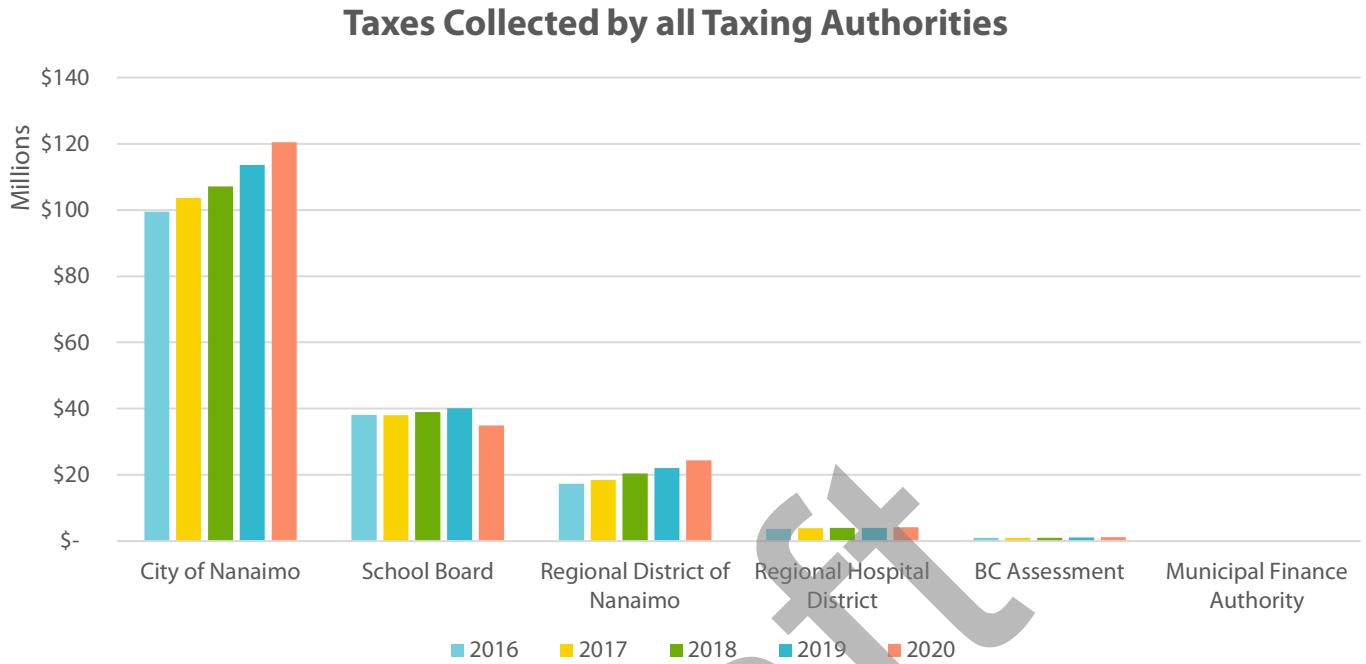
(Source: BC Assessment Authority)

Assessed Values for General Municipal Purposes



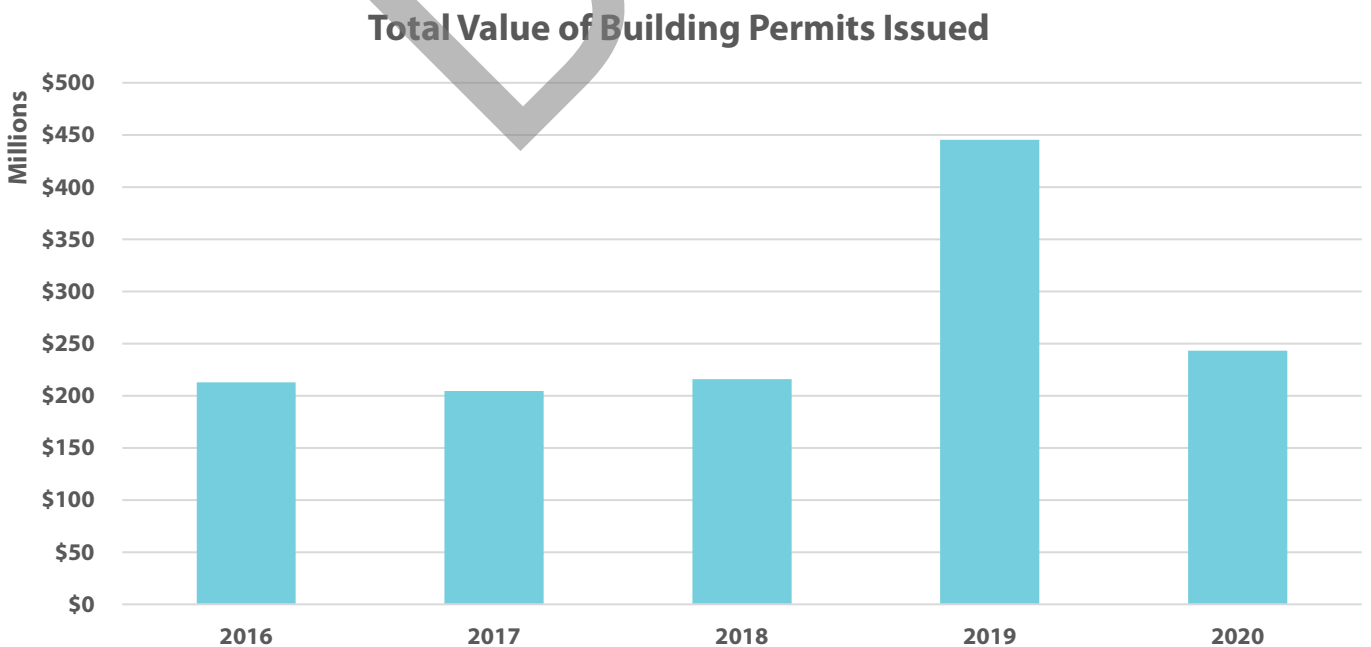
TAXES COLLECTED BY ALL TAXING AUTHORITIES

Source: City of Nanaimo Finance Department



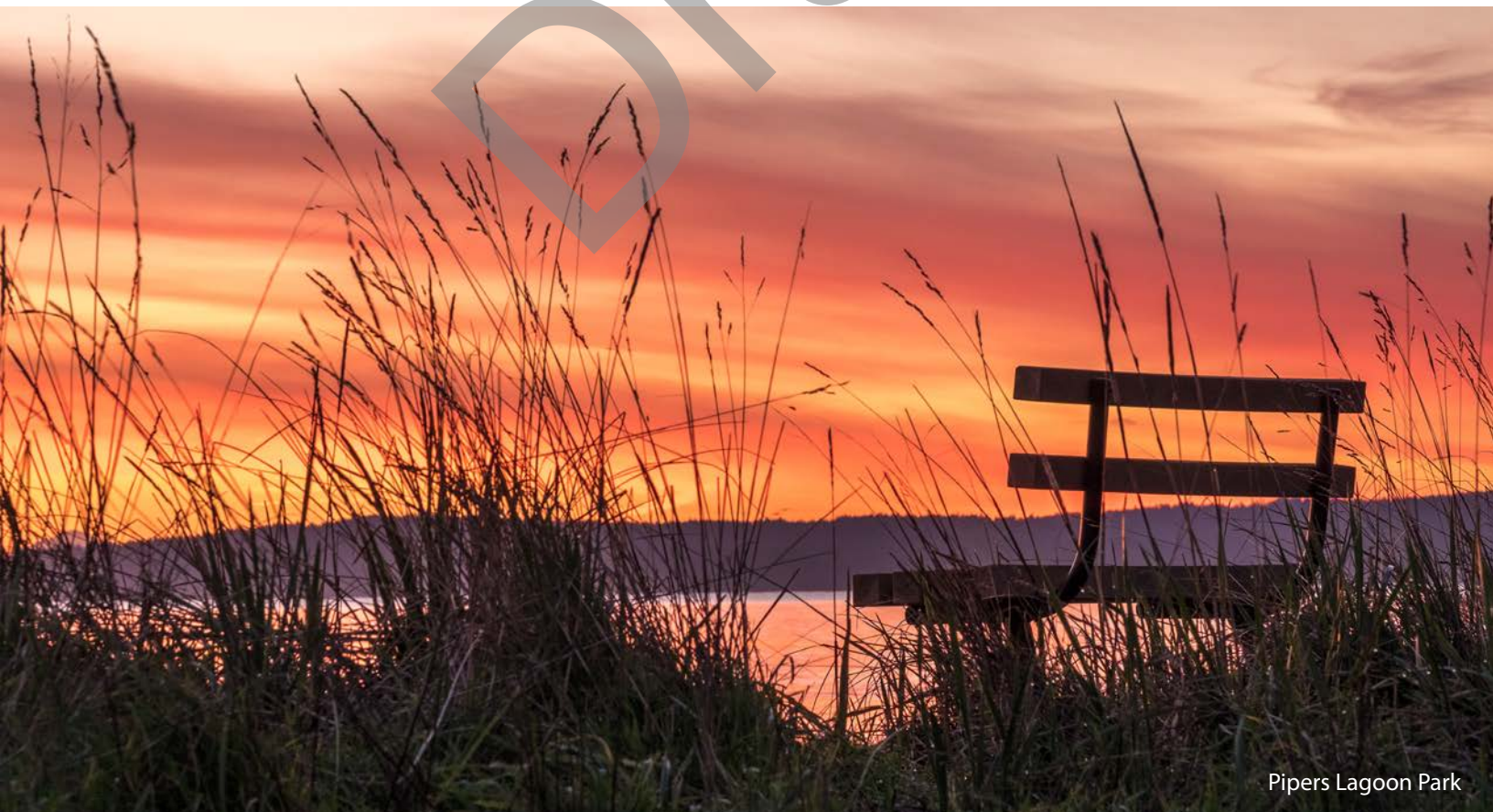
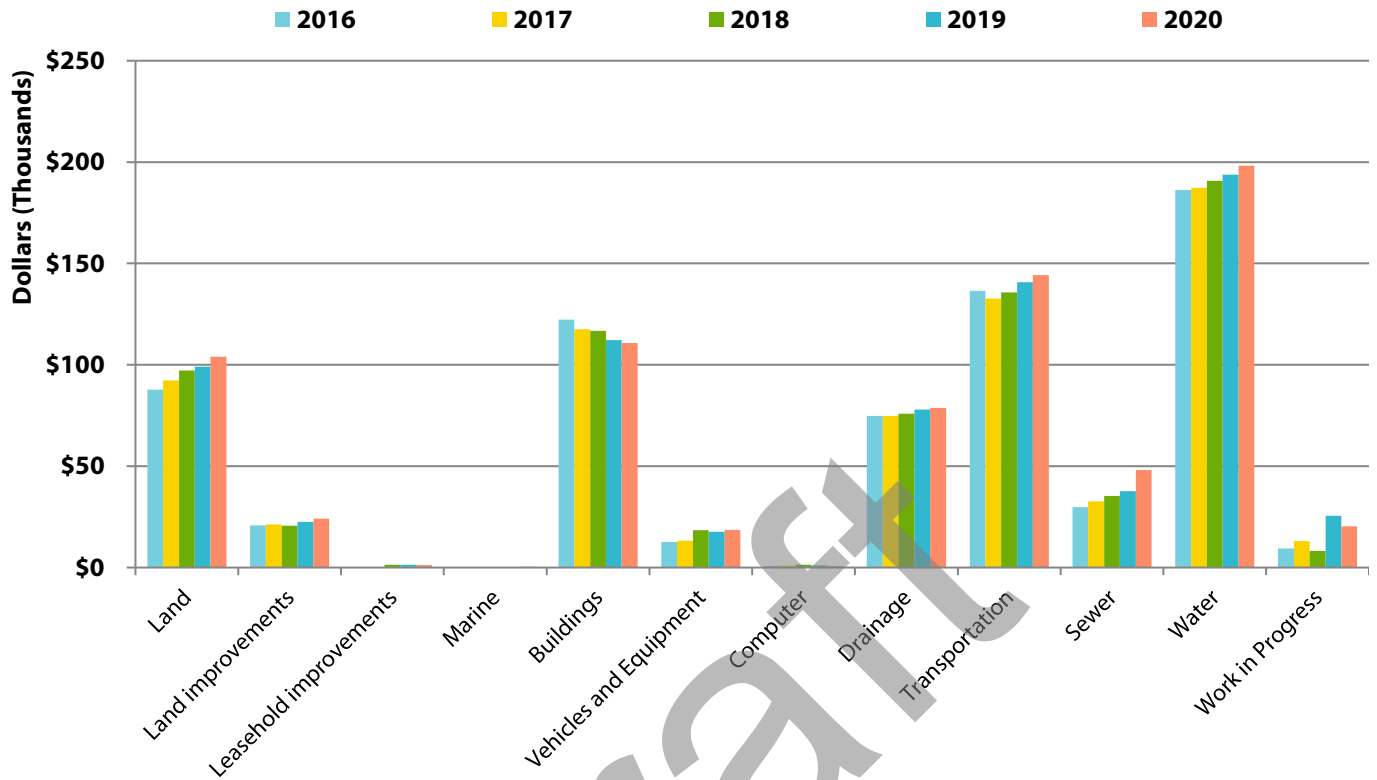
TOTAL VALUE OF BUILDING PERMITS

Source: City of Nanaimo Finance Department



NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS

Source: City of Nanaimo Finance Department



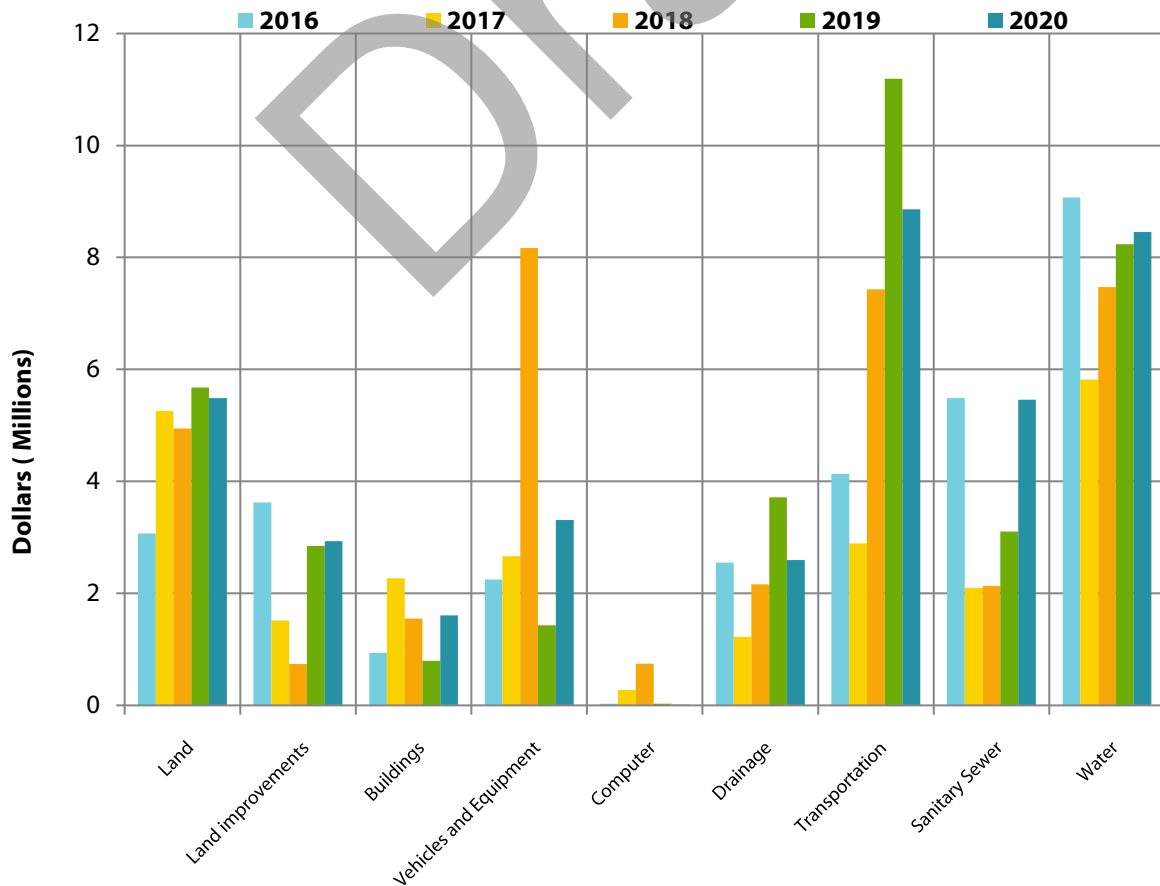
Pipers Lagoon Park



Service and Resource Centre

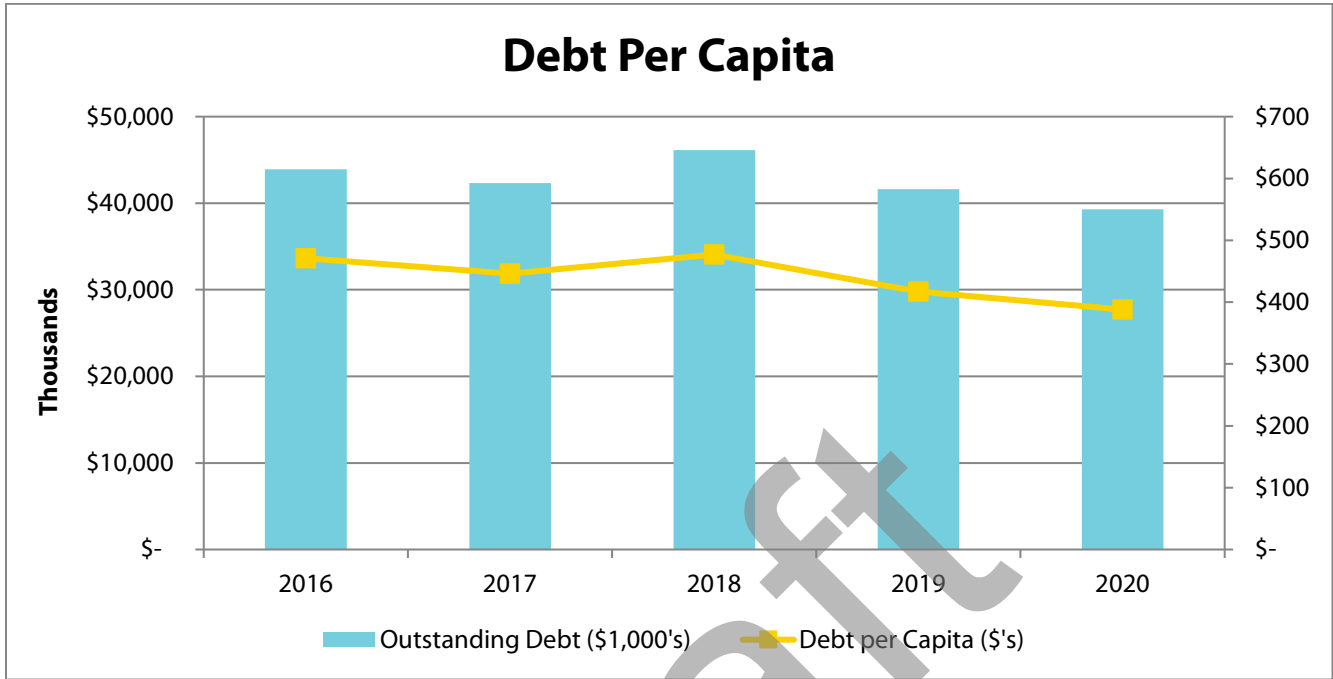
TOTAL ASSETS ACQUISITION

Source: City of Nanaimo Finance Department



DEBT PER CAPITA

Source: City of Nanaimo Finance Department



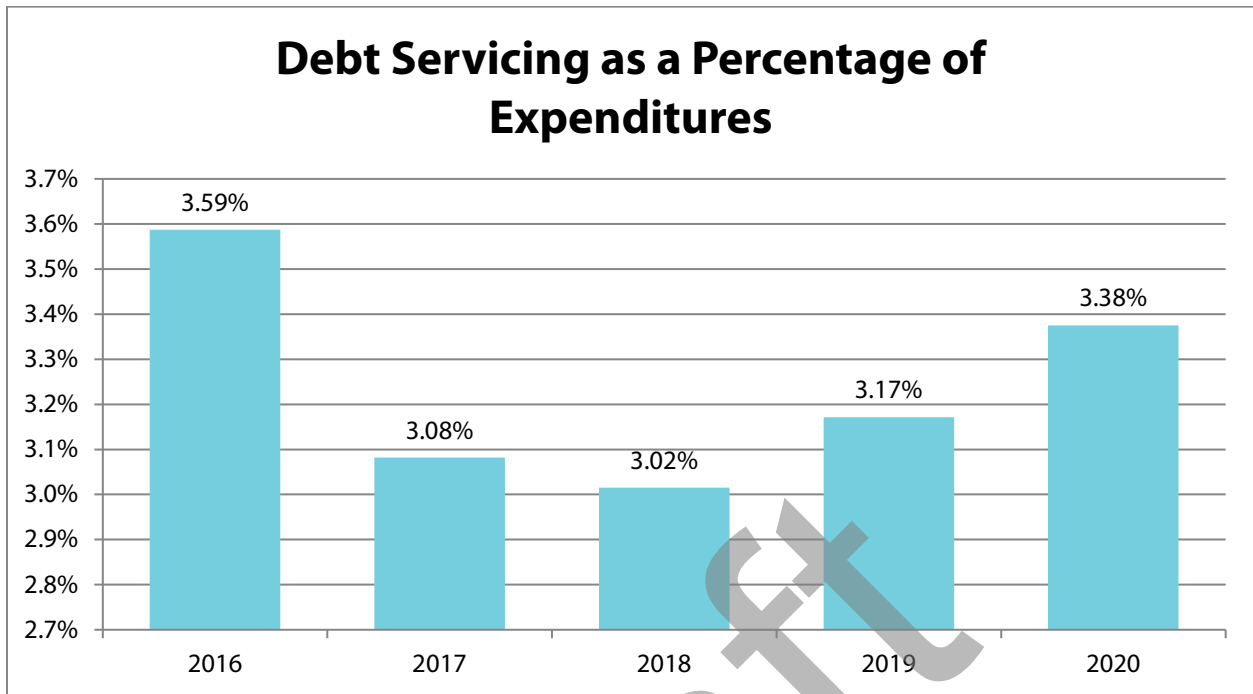
LEGAL DEBT LIMIT

Source: City of Nanaimo Finance Department



DEBT SERVICING AS A PERCENTAGE OF EXPENDITURES*

Source: City of Nanaimo Finance Department



* Includes operating and capital expenses but excludes amortization



Downtown Nanaimo



Nanaimo's Gateway Sign

OPERATIONAL COMPARATIVE STATISTICS

Source: City of Nanaimo Finance Department

OPERATIONAL COMPARATIVE STATISTICS

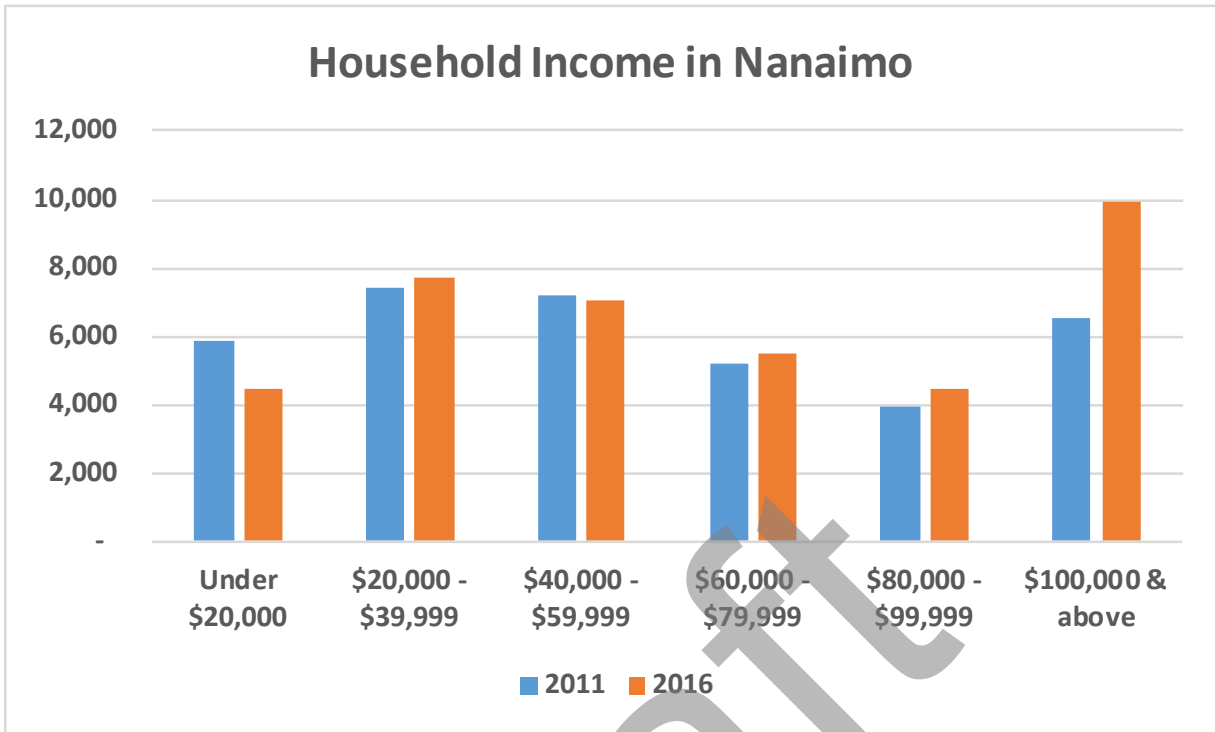
Municipal Government Form:
Mayor and 8 Council Members
Incorporated December 24, 1874

	2016	2017	2018	2019	2020
Population *	93,273	96,561	97,619	99,856	101,336
Registered Voters	63,975	63,975	69,165	69,165	69,165
No. of Properties (Folios)	36,804	37,322	37,699	38,139	38,402
Paved Roads in Km.	619	621	623	628	633
Sanitary Sewer Lines in Km.	671	672	677	682	687
Storm Sewer Lines in Km.	549	551	556	562	568
Water Lines in Km.	655	657	660	666	672
Police Protection					
Number of Stations	1	1	1	1	1
Number of Police Officers	142	142	145	145	148
Number of Criminal Code Offences	10,573	10,355	12,191	17,819	12,754
Fire Protection					
Number of Stations	5	5	5	5	5
Number of Full-Time Personnel	103	102	103	103	103
Paid on Call Firefighters	30	30	19	10	10
Number of Calls Received	8,641	9,509	7,900	6,873	5,145
Number of Fire Hydrants	3,061	3,179	3,170	3,270	3,302
Value of Building Permits Issued	\$212,895,295	\$204,630,796	\$216,026,087	\$445,385,668	\$243,150,102

* All population data is estimated

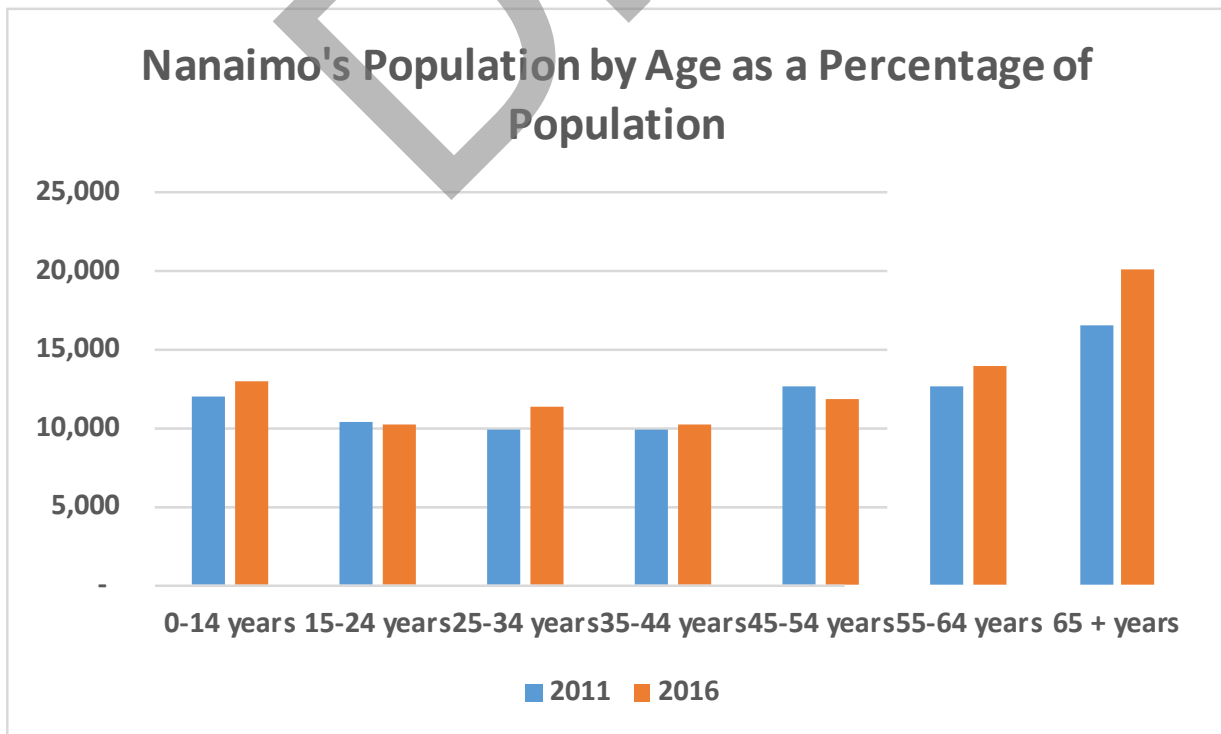
HOUSEHOLD INCOME IN NANAIMO 2011 AND 2016

Source: Statistics Canada



NANAIMO'S POPULATION BY AGE AS A PERCENTAGE OF POPULATION

Source: Statistics Canada





Public Works employees

TOTAL NUMBER OF CITY EMPLOYEES

Source: City of Nanaimo Finance Department

	2016	2017	2018	2019	2020
General Government	84.7	92.0	93.0	93.0	97.0
Community Development	58.0	58.0	58.0	60.0	60.0
Parks & Recreation	127.8	126.4	129.2	131.0	135.5
Engineering & Public Works	107.8	106.8	103.8	108.8	111.8
Fire & Emergency Services	96.8	96.8	95.8	99.8	98.8
Police Services:					
Municipal	63.6	62.8	61.3	61.3	63.7
RCMP	142.0	142.0	145.0	145.0	148.0
Bylaw Regulation and Security	12.0	12.0	12.0	14.0	14.0
Emergency Communications (911)	10.0	10.0	9.5	9.5	9.5
Economic Development	-	1.0	1.0	1.0	2.0
Sanitary Sewer	9.8	9.8	9.8	9.8	9.8
Waterworks	29.5	29.5	29.5	29.5	29.5
Total FTEs	741.9	747.1	747.8	762.5	779.4

WHERE DO YOUR TAX \$ GO?

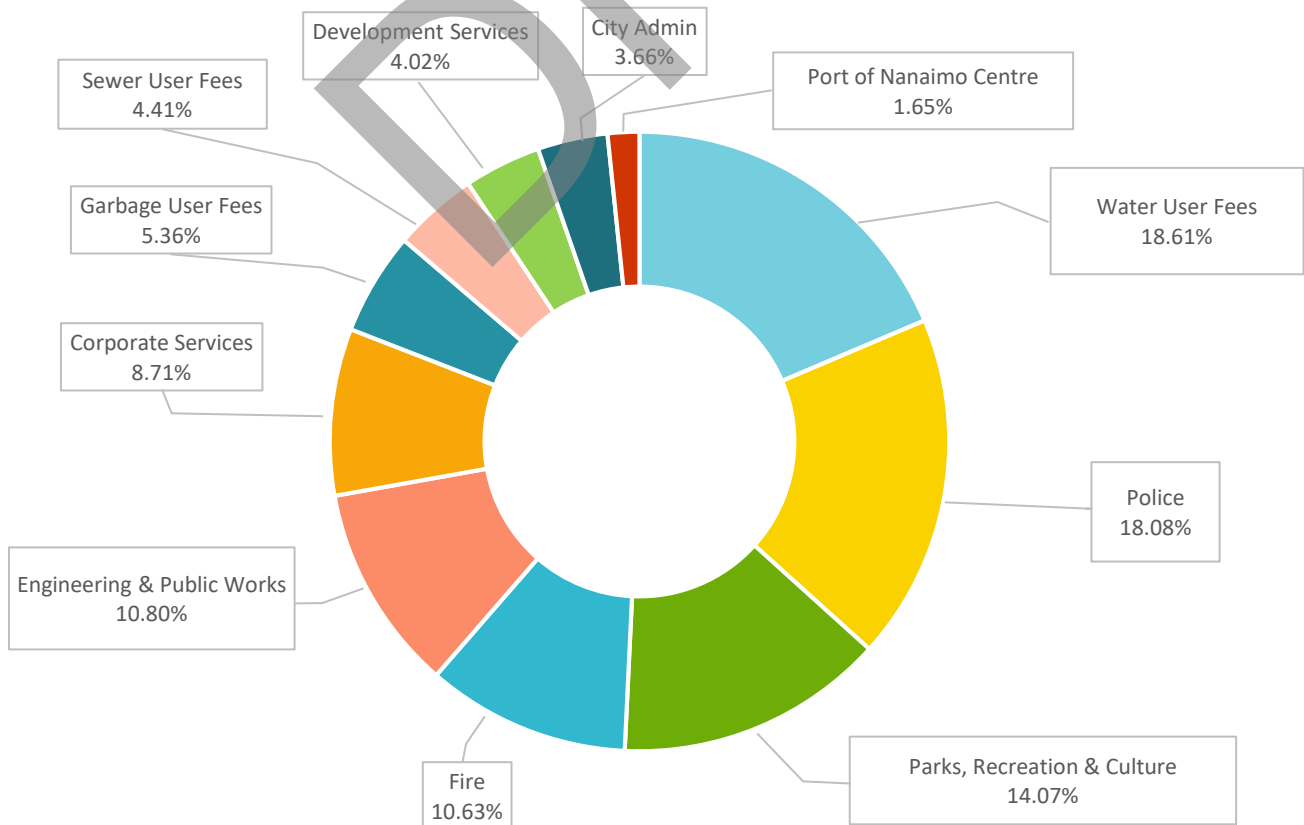
Based on a residential property with an assessed value of \$525,000

Source: City of Nanaimo Finance Department

Municipal Taxes and User Rates	
Water User Fees	\$ 595.28
Police	578.15
Fire	339.79
Parks, Recreation and Culture	449.85
Engineering and Public Works	345.55
Corporate Services	278.49
Development Services	128.63
City Administration	116.99
Sewer User Fees	140.96
Garbage User Fees	171.47
Port of Nanaimo Centre	52.85
Total Municipal Taxes and User Fee	\$ 3,198.03

Note: school taxes, regional levies and the Home Owner Grant are not included in the above figure.

2020 PROPERTY TAXES & USER FEES FOR A RESIDENTIAL PROPERTY WITH AN ASSESSED VALUE OF \$525,000



PROPERTY OWNERS WITH GROSS TAXES EXCEEDING \$250,000 IN 2020

Source: City of Nanaimo Finance Department

Rank	Property Owner	Primary Property	Total Taxes Levied (all agencies)	% of Current Tax Levy
1	Woodgrove Holdings Inc	Woodgrove Centre	\$4,626,746.77	2.54
2	1854 Holdings Ltd	Nanaimo North Town Centre	\$1,693,578.36	0.93
3	Country Club Centre Ltd Total	Country Club Centre	\$1,314,283.13	0.72
4	Nanaimo Forest Products Ltd Total	Harmac Pulp Mill	\$1,297,202.12	0.71
5	Anthem Port Place Holdings Ltd Total	Port Place	\$815,070.88	0.45
6	BC Transportation Financing Authority Total	Various Properties	\$714,937.19	0.39
7	British Columbia Hydro & Power Auth Total	BC Hydro	\$713,184.81	0.39
8	Nored Developments Inc	Nored Plaza	\$684,516.46	0.38
9	Fernco Dev Ltd / Lenco Dev Ltd Total	Terminal Park / Various Properties	\$652,707.06	0.36
10	Fortis Energy (Vancouver Island) Inc Total	Fortis BC	\$606,254.95	0.33
11	Brooks Landing Centre Inc Total	Brooks Landing	\$600,437.93	0.33
12	0807593 BC Ltd	Longwood Station	\$590,338.12	0.32
13	416382 BC Ltd	Dickinson Crossing	\$588,812.58	0.32
14	Realstream (Aulds-Metral) Inc	Milano's / Island Natural / HSBC / Vet	\$568,286.89	0.31
15	Duke Point Property Company ULC	Duke Point	\$564,843.62	0.31
16	Loblaw Properties West Inc	Real Canadian Superstore	\$557,199.89	0.31
17	Telus Communications BC Ltd	Telus	\$506,881.32	0.28
18	Sophie Investments Inc	Rock City / Various Residential Properties	\$449,992.14	0.25
19	Costco Wholesale Corp	Costco	\$448,174.27	0.25
20	Shaw Cablesystems Ltd Total	Shaw	\$420,989.49	0.23
21	Home Depot Holdings Inc	Home Depot	\$412,391.78	0.23
22	Mid Island Consumer Services Co-op	Co-op Centre	\$394,120.51	0.22
23	Nanaimo Seniors Village Holdings Ltd	Nanaimo Senior's Village	\$386,297.10	0.21
24	Harewood Investments Ltd Total	University Village	\$370,442.33	0.20
25	Slegg Developments Ltd	Slegg Lumber	\$368,816.60	0.20
26	Nanaimo Bastion Hotel Corp	Coast Bastion Hotel	\$366,737.87	0.20
27	Dover Pointe Centre Ltd	Home Sense / Pet Smart	\$353,370.14	0.19
28	Spire LP (Woodgrove Crossing) Ltd	Woodgrove Crossing	\$335,131.39	0.18
29	WTF Investments Co Ltd	Metral Place Shopping Centre	\$316,536.69	0.17
30	Kelland Foods Holdings Ltd	Quality Foods	\$287,689.99	0.16
31	Insight Holdings Ltd	Various Properties	\$283,159.94	0.16
32	Western Forest Products Inc Total	Duke Point Mill	\$280,883.03	0.15
33	Hopeplace Holdings Inc	Country Grover / Various Properties	\$279,347.28	0.15
34	B-250 Holdings Inc	Hammond Bay Centre	\$261,667.93	0.14
35	Island Timerblands GP Ltd Total	Various Properties	\$259,534.56	0.14
36	Deer Lake Properties Inc	Various Properties	\$257,464.11	0.14
37	2080 Labieux Holdings Ltd	Apartment Building	\$251,073.85	0.14
Total			\$23,879,103.08	
Total 2020 Tax Levy			\$182,167,607.80	

PERMISSIVE TAX EXEMPTIONS FOR 2020 (Bylaw 7271)

Source: City of Nanaimo Finance Department

Organization	Municipal Taxes Exempt Portion (\$)
Anglican Synod Diocese of BC	27,062
BC Conference Of The Mennonite Brethren The	18,131
BC Corp Seventh Day Adventist	6,393
Basic Christian Community Assoc (Bethlehem Centre)	35,624
BC SPCA	22,356
Bishop Of Victoria	30,830
Boys and Girls Club of Central Vancouver Island/City of Nanaimo	16,637
British Columbia Old Age Pensioners Branch 4 Inc	1,982
Central Vancouver Island Multicultural Society/Widsten Kathleen May & Widsten Lindsay Farrell	10,329
Christ Community Church	20,103
Christian And Missionary Alliance-Canadian Pacific District	7,498
Christian Science Soc of Nanaimo	1,284
Church of Jesus Christ of Latter-Day Saints In Canada	9,390
Church of The Nazarene Canada Pacific District	6,777
Crimson Coast Dance Society/City of Nanaimo	472
Crisis Pregnancy Centre of Nanaimo Society	4,248
Departure Bay Congregation of Jehovah's Witnesses Trustees	12,760
Ducks Unlimited Canada/City of Nanaimo	9,513
First Baptist Church Nanaimo BC	10,156
Foursquare Gospel Church of Canada	13,949
GSMPD Sikh Temple Inc	3,574
Governing Council of The Salvation Army	18,739
Habitat For Humanity Mid-Vancouver Island/Lenco Development Ltd/Fernco Development Ltd/Norco Development Ltd	15,437
Hammond Bay Baptist Church	3,253
Harbour City Theatre Alliance Society/City of Nanaimo	3,745
Hope Lutheran Church	9,299
Island Corridor Foundation/Canadian Pacific Railway Company	17,776
Island Crisis Care Society	12,917
Italian Society Felice Cavallotti Lodge Inc.	7,160
Lighthouse Bible Baptist Church of Nanaimo Society	1,839
Literacy Central Vancouver Island	7,018
Loaves & Fishes Food Bank Foundation	11,631
McGirr Sports Society The/City of Nanaimo	49,699
Mid Island Abilities And Independent Living Society/City of Nanaimo	997
Mid-Island Intergroup Society/City of Nanaimo	412
Mt Benson (PAC BR 256) Royal Can Legion	11,116
Nanaimo & District Equestrian Assoc / Vancouver Island Exhibition Assoc / City of Nanaimo	6,955

PERMISSIVE TAX EXEMPTIONS FOR 2020 (Bylaw 7271)

Source: City of Nanaimo Finance Department

Organization	Municipal Taxes Exempt Portion (\$)
Nanaimo & District Museum Society/City of Nanaimo	4,834
Nanaimo 7-10 Club/City of Nanaimo	3,244
Nanaimo Affordable Housing Society	105,773
Nanaimo Association for Community Living	21,873
Nanaimo Auxiliary to Nanaimo Regional General Hospital/Nored Developments Inc/Kelland Foods Holdings Ltd	10,713
Nanaimo BMX Association/City of Nanaimo	2,710
Nanaimo Brain Injury Society/City of Nanaimo	3,655
Nanaimo Branch of The Red Cross Society/Ikonkar Holdings Ltd	3,214
Nanaimo Branch of The Red Cross Society/OM Development Inc	4,451
Nanaimo Branch Royal Canadian Legion (Branch 10)	3,152
Nanaimo Canoe & Kayak Club/Nanaimo Rowing Club/City of Nanaimo	622
Nanaimo Child Development Centre Society/Vancouver Island Health Authority	22,567
Nanaimo Church of Christ	3,816
Nanaimo Citizen Advocacy Association/City of Nanaimo	2,944
Nanaimo Community Archives/City of Nanaimo	5,047
Nanaimo Community Hospice Society	12,672
Nanaimo Conservatory of Music	7,539
Nanaimo Curling Club/City of Nanaimo	12,226
Nanaimo Disability Resource Centre Society/Turriff Holdings Ltd/Katepwa Holdings Ltd	1,824
Nanaimo District Senior Citizens' Housing Development Society	109,511
Nanaimo FOS Non-Profit Housing Society	11,680
Nanaimo Family Life Association	4,351
Nanaimo Foodshare Network Society	4,749
Nanaimo Full Gospel Assembly	5,652
Nanaimo Lodge No 1052 Loyal Order of Moose	6,090
Nanaimo Marine Rescue Society/City of Nanaimo	675
Nanaimo Minor Hockey Association/City of Nanaimo	3,624
Nanaimo Region John Howard Society	6,887
Nanaimo Search & Rescue Society/Regional District of Nanaimo/City of Nanaimo	3,984
Nanaimo Squash Club/597500 BC Ltd	5,241
Nanaimo Theatre Group	8,983
Nanaimo Travellers Lodge Society	98,275
Nanaimo Unique Kids Organization	10,415
Nanaimo Women's Resource Society/Archie Johnstone Plumbing & Heating Ltd	124
Nanaimo Youth Services Association	10,552
Nature Trust of BC	188,024
Navy League of Canada Nanaimo Branch	5,047
Options For Sexual Health/City of Nanaimo	2,573
Pacific Care Family Enrichment Society/Dash Holdings Inc/Turrif Holdings Ltd	5,778

PERMISSIVE TAX EXEMPTIONS FOR 2020 (Bylaw 7271)

Source: City of Nanaimo Finance Department

Organization	Municipal Taxes Exempt Portion (\$)
Pacifica Housing Advisory Association	6,975
Pentecostal Assemblies Of Canada	30,013
Pleasant Valley Social Centre	7,120
Priestly Society of St Pius	1,919
Protection Island Lions Club/City of Nanaimo	13,391
Protection Island Neighbourhood Association/Nanaimo Port Authority	3,092
Redeemed Christian Church Of God/Kanaka Management Ltd	1,397
Royal Canadian Airforce Assoc 808 (Thunderbird) Wing/Her Majesty The Queen in Right of Canada	2,846
St John's Ambulance/City of Nanaimo	17,496
St Paul's Lutheran Church of Nanaimo	5,766
The BC Muslim Association	4,257
Theater One/City Of Nanaimo	1,286
Tillicum Haus Society	10,168
Tillicum Lelum Aboriginal Society	18,605
Trustees of St Andrews Presbyterian Church Canada	11,018
Trustees of The Chase River Congregation of Jehovah's Witnesses	9,794
Trustees of The Congregation of Departure Bay Baptist Church	4,788
Trustees of The Congregation of St Andrews United Church	11,367
Trustees of The Mountain View Congregation of Jehovah's Witnesses	3,932
Trustees of The Nanaimo Christadelphians (Richard Evans/Daniel Kevin/Alexander Thomas E)	3,279
Ukrainian Catholic Eparchy of NW	3,720
Unitarian Foundation of Nanaimo	3,480
United Way Central & Northern Vancouver Island	3,358
Vancouver Island Haven Society/City of Nanaimo	22,211
Vancouver Island Khalsa Diwan Society	8,579
Vancouver Island Mental Health Society	10,267
Vancouver Island Military Museum/City of Nanaimo	11,272
Vancouver Island Symphony/City of Nanaimo	1,489
Wakesiah Gospel Chapel	4,004
Wellington Community Association	8,489
TOTAL	1,417,526

Contact Information

CITY HALL

455 Wallace Street
Nanaimo, BC, Canada V9R 5J6
250-754-4251

HOURS OF OPERATION

Monday-Friday: 8:30 am - 4:30 pm

MAYOR AND COUNCIL

mayor.council@nanaimo.ca
250-755-4400

OFFICE OF THE CHIEF ADMINISTRATIVE OFFICER

250-755-4401

LEGISLATIVE SERVICES

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250-755-4405

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250-755-4532

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250-755-4415

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250-755-4416

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250-755-4415

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250-754-4251 EXT. 4230

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250-755-4422

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250-753-7311 (non-emergency line)

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parksandrecreation@nanaimo.ca
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250-755-4429

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2020 City of Nanaimo Annual Report



For more information on this report,
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Nanaimo BC V9R 0E4
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This report can also be viewed and printed from
www.nanaimo.ca

A view from Mount Benson