



2021 ANNUAL REPORT

Highlights

for the fiscal year ended December 31, 2021

CITY OF NANAIMO
BRITISH COLUMBIA, CANADA



CITY OF NANAIMO ANNUAL REPORT

for the year ending December 31, 2021

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.

We respectfully acknowledge that the city boundary lies within the Traditional Territory of Snuneymuxw First Nation who have many significant ancestral village sites throughout the city including Stlilnup (Departure Bay) and Sxwuyum (Millstone River). We recognize the Snuneymuxw Treaty of 1854, a trade and commerce treaty that forever and always preserves and protects Snuneymuxw villages, waters, enclosed fields, harvesting and gathering sites, and the right to hunt and fish as formerly.



Government Finance Officers Association

Award for Outstanding Achievement in Popular Annual Financial Reporting

Presented to

City of Nanaimo

British Columbia

For its Annual Financial Report
for the Fiscal Year Ended

December 31, 2020

Executive Director/CEO

Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the City of Nanaimo for its Popular Annual Financial Report for the fiscal year ended December 31, 2021. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability, and reader appeal.

An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to GFOA to determine its eligibility for another Award.

Photos in this report were taken by:

Sean Fenzl, Rachel Kirk, Sabrina Patrice, Mike Thompson, Doug Wortley and City of Nanaimo staff.

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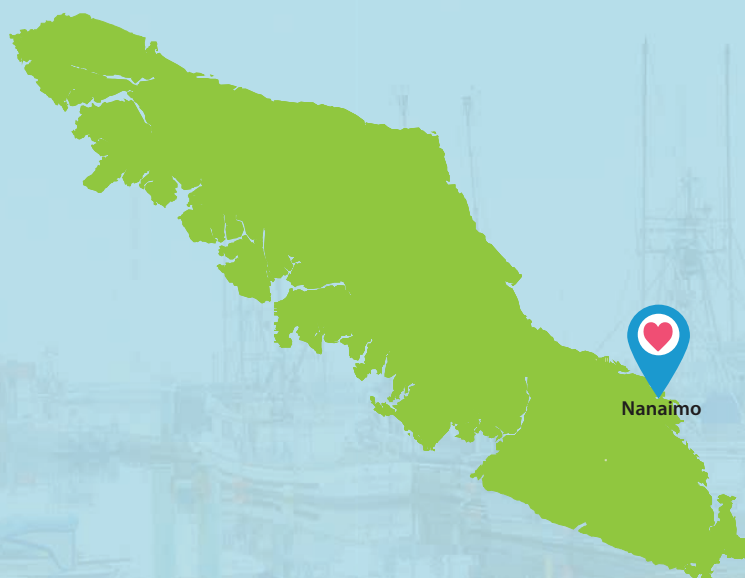
Introduction

The 2021 Annual Municipal Report Highlights provides an executive summary of the City of Nanaimo's 2021 Annual Municipal Report, which is located on the City's website at www.nanaimo.ca/goto/annualreport.

The highlights document contains an overview of statistics, accomplishments for 2021 in relation to Council's Strategic Plan priorities, financial charts and graphs, as well as the Statement of Operations and Accumulated Surplus and Statement of Financial Position which forms part of the City's financial statements.

The financial statements were prepared in accordance with Canadian public sector standards and audited in accordance with Canadian generally accepted auditing standards.

WHO WE ARE



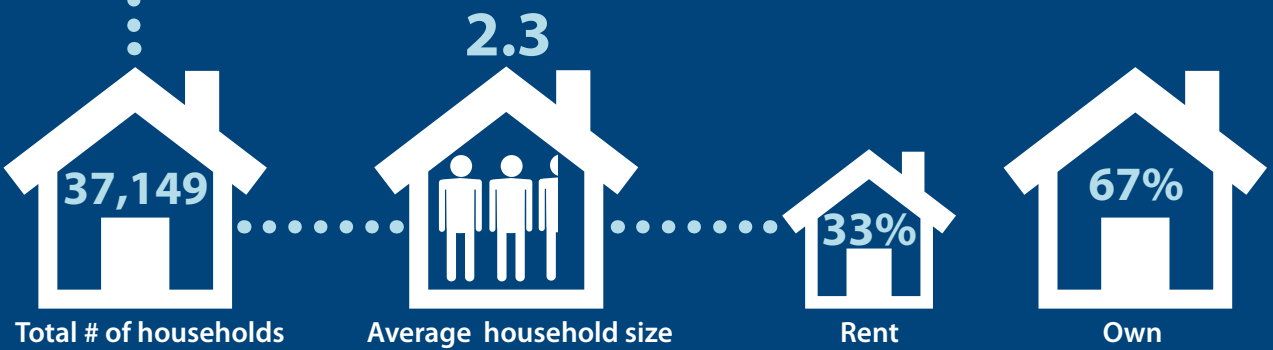
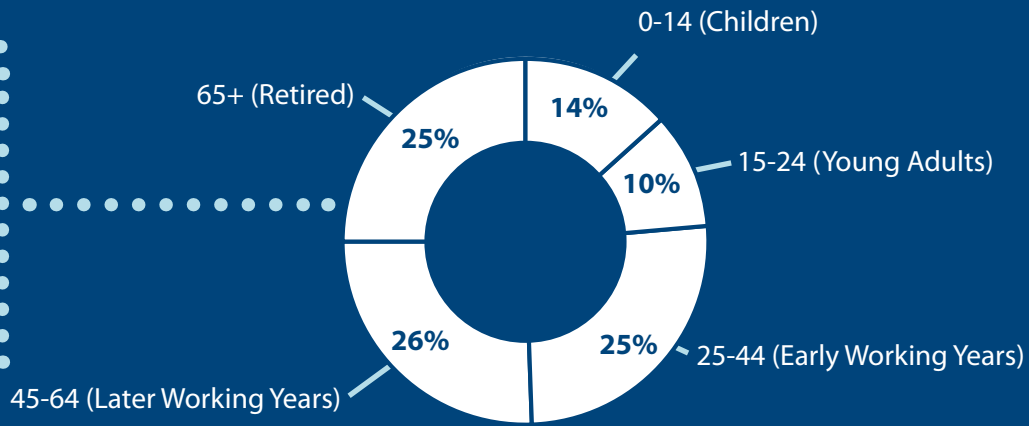
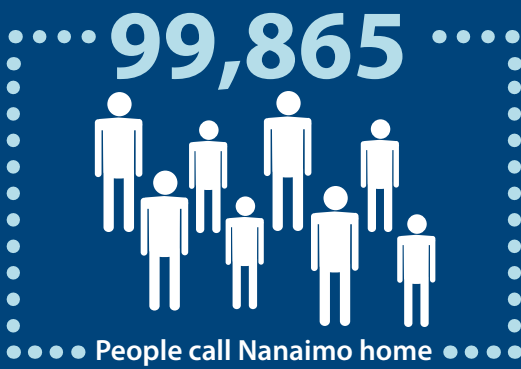
The City of Nanaimo is situated on the Traditional Territory of the Snuneymuxw First Nation. Nanaimo - the Heart of the Island, North of the Malahat - is a transportation hub connecting people and goods through its busy port, ferry terminals (Departure Bay and Duke Point), all-weather airport, and helicopter and seaplane services linking Nanaimo with the rest of the world. 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.

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.

Recent growth patterns have re-focused development within the City's existing urban growth boundary resulting in higher levels of infill throughout the City. Today, Nanaimo is the fifth largest city in BC with an estimated population of over 100,000.

Our community boasts over 100 parks, an extensive trail system, public beaches, picnic areas and several recreational facilities. Along with vast recreation opportunities, we have a variety of art galleries and museums, a world-class symphony and, in a typical year, host a number of community events and festivals, including the world famous bathtub races during the Marine Festival.

The true equation that makes up our community is simply this: stunning setting + enriching amenities + vibrant economy + welcoming people = an incredible island lifestyle.



In labour force



Average assessed value (residential property)

6,214



Licensed businesses operate in our community

Sources: 2021 Statistics Canada Census of Population, City of Nanaimo Finance Department, 2022 State of the Nanaimo Economy Report

A MESSAGE FROM MAYOR LEONARD KROG

In 2021, our community pressed on in the face of a number of challenges that included a heat dome, economic disruptions and the ongoing COVID-19 pandemic.

We continued to build a plan for our future with the largest public engagement exercise in our local history – **REIMAGINE NANAIMO**. Along the way, we adopted a new model to guide our vision for a healthy, prosperous and inclusive community, and called it the Nanaimo Doughnut.

Doughnut economics offers a planning framework that seeks the ‘sweet spot’ where we can meet our social and physical needs while respecting the limits of the environment that supports us. Community input articulated the areas of focus that matter most and translated those into five goals for a city that is green, connected, healthy, empowered and prosperous.

In spite of the impact COVID-19 has had on our economy, Nanaimo’s economy remains strong and our population is growing, and growing younger. As we move closer to our 150th birthday in 2024, our city is emerging as a destination for investment, visitors and new residents.

In 2021, housing starts were up 50 per cent over the previous year and building permit values were the second highest ever. Over four years, we were in the top five fastest-growing cities in Canada, receiving new residents from across BC and Canada. Our jobless rate is lower than provincial and national averages, and for the first time in memory, the fastest growing demographic is young people aged 25 to 44.

A younger population means more business activity, more demand for entertainment and recreation and more people to fill the many roles that make Nanaimo a vibrant, healthy community.

Private sector investment includes a new Marriott Hotel, a promised foot-passenger ferry and new, dedicated rental housing downtown. Along with the Province and the Nanaimo Port Authority, the City is working to develop economic agreements and partnerships with Snuneymuxw First Nation, an important part of reconciliation with indigenous peoples that helps us achieve our city’s goals.

Our plans to support our downtown and work to reduce public disorder related to homelessness, mental illness and drug addiction are well underway. We still need – and continue to seek – much more support from senior governments whose mandates and resources are essential to provide housing, health care and public safety.

I am proud of the work we have done to set Nanaimo on a path toward a sustainable, prosperous future. With more than 10,000 community members’ voices informing our new City Plan: Nanaimo ReImagined, we have a clear vision of the future people hope to see, even as our world continues to change.

This annual report comprises the work of City of Nanaimo staff and Council who have delivered an impressive array of programs, projects and services in some of the most difficult times we have ever faced. We see better days ahead while we plan for even greater adaptability and resilience in the quirky, endearing harbour city we love so well.



Leonard Krog
Mayor, City of Nanaimo



Mayor Leonard Krog

- Mayor's Leaders' Table
- PAWG
- RDN Board



Councillor Sheryl Armstrong

- Advisory Committee on Accessibility and Inclusiveness
- Mayor's Leaders' Table
- PAWG
- RDN Board



Councillor Don Bonner

- Environment Committee
- Health and Housing Task Force
- RDN Board



Councillor Tyler Brown

- Design Advisory Panel
- Environment Committee
- 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
- Parcel Tax Roll Review Panel (Alternate)



Councillor Ian Thorpe

- District 68 Sports Field and Recreation Committee
- Mayor's Leaders' Table
- Nanaimo Port Authority/City Liaison Committee
- RDN Board
- Parcel Tax Roll Review Panel
- PAWG



Councillor Jim Turley

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

NATIONAL DAY FOR TRUTH AND RECONCILIATION

On Thursday, September 30, 2021, the first National Day for Truth and Reconciliation was held. This is an annual day of observance to honour First Nations, Inuit and Métis residential school survivors, their families and communities.

The City of Nanaimo worked alongside Snuneymuxw First Nation and Nanaimo Ladysmith Public Schools to plan and host an event, Honouring our Children and Survivors on National Day for Truth and Reconciliation, to observe the day in Maffeo Sutton Park.



WELCOME POLE

In 2021, a Welcome Pole made its way to its home in the Spirit Square at Maffeo Sutton Park / Sway'a'Lana. It is a 49 foot tall carving by Snuneymuxw Master Carver Noel Brown.

In discussing the meaning of a Welcome Pole, Snuneymuxw leaders have shared:

...in its most holistic sense, Snuneymuxw art honours the natural world as the ultimate source of knowledge, wellness, and renewal and as well as a gentle reminder that these great lands touch every aspect of life. In a modern context, the installation of the Welcome Pole is an invitation to the broader community to think more deeply about a way of being that is built on a foundation of humility, connectivity and reciprocity.

The pole is made for this place. It acknowledges Sway'a'Lana as an historic village site that continues to have living resonance and raises awareness about the Snuneymuxw peoples' ongoing sacred connection to the land.

Project partners include Snuneymuxw First Nation, the Nanaimo Aboriginal Centre and the City of Nanaimo. It is funded by the City of Nanaimo, the Government of Canada and the Nanaimo Aboriginal Centre, and supported by the in-kind donation of a cedar log from Mosaic Forest Management.



STRATEGIC PRIORITIES

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.



ECONOMIC HEALTH

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



GOVERNANCE EXCELLENCE

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



ENVIRONMENTAL RESPONSIBILITY

Buttertubs Marsh

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

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

Highlights of 2021 Achievements Supporting Environmental Responsibility

Energy Step Code

Council adopted an Energy Step Code Rezoning Policy to increase building energy efficiency and reduce greenhouse gas emissions in Nanaimo.

Reducing Single-Use Plastics

The Checkout Bag Regulation Bylaw No. 7283 eliminating plastic carry out bags was adopted in 2021 and took effect on July 1.

Living Wall

Parks Operations staff planted a Living Wall at Oliver Woods Community Centre.

Habitat Restoration

Completed upgrades to Woodstream Park for fish habitat restoration. Completed habitat restorations in Beban Park's Participark, Neck Point Park and Pipers Lagoon Park. Enhanced the salmonid population in Departure Creek, in partnership with Snuneymuxw First Nation and the neighbourhood association, through cleaning of the creek diversion sediment removal.

Tree, Shrubs and Native Plant Planting

The City and volunteer groups participated in a number of plantings in parks and open spaces. In total, the City and volunteer groups planted over 680 trees, 1,870 native shrubs and 1,265 native plants.

Invasive Species Management

Collaborated with volunteers to remove invasive plant species from several locations. Held the annual Invasive Plants Awareness month with events that include invasive plant removal work parties and an invasive plants drop zone where residents can dispose of invasive plants they have removed from their yards.

Energy Efficiency

The City maintains a utility monitoring service at 11 of our highest usage sites. This allows staff to monitor usage and follow up with anomalies efficiently. This also provides real world reporting on the effectiveness of our infrastructure initiatives and the impact on our utility needs, including fossil fuel consumption.

LED Lighting

Upgraded to LED lighting in Nanaimo Ice Centre.

Green Fleet

Purchased three fully electric passenger vehicles and two Compressed Natural Gas automated refuse trucks.

Reducing GHG Emissions

Completed a Feasibility Analysis at Beban Pool and Nanaimo Aquatic Centre to identify opportunities to reduce the carbon footprint of our two highest GHG-producing facilities.

Performance Metrics

Measure	2020	2021
Tree Vouchers sold through annual Tree Voucher program (funded by tree replacement cash-in-lieu payments)	173 (sales began in September due to COVID-19)	1,339
Tree removal permits	121	146
Waste Diversion rate from regional landfill	65%	65%
Curbside collection solid waste (kg per household)	Garbage 227 kg/hh Recycling 129 kg/hh Organics 293 kg/hh	Garbage 220 kg/hh Recycling 125 kg/hh Organics 279 kg/hh



GOVERNANCE EXCELLENCE

National Day for Truth and Reconciliation

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

Governance Excellence	2019	2020	2021	2022
<ul style="list-style-type: none"> ▪ Implement a new model of governance that allows Council to participate in an enhanced decision making process 	✓			
<ul style="list-style-type: none"> ▪ Undertake a review and update Council Policies and Bylaws 				
<ul style="list-style-type: none"> ▪ Continue to work with Snuneymuxw First Nation through the Protocol Agreement Working Group to address issues and topics of mutual interest 				
<ul style="list-style-type: none"> ▪ Enhance stakeholder relations with the Nanaimo Port Authority, School District 68, the Greater Nanaimo Chamber of Commerce and the Regional District of Nanaimo 				
<ul style="list-style-type: none"> ▪ Seek grant funding opportunities from the Federal and Provincial government for capital projects 				
<ul style="list-style-type: none"> ▪ Advocate to the Federal and Provincial governments to take responsibility for mental health, affordable housing and social disorder issues 				
<ul style="list-style-type: none"> ▪ 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

Highlights of 2021 Achievements Supporting Governance Excellence

Truth and Reconciliation

Worked alongside Snuneymuxw First Nation and Nanaimo Ladysmith Public Schools to jointly plan and host the first National Truth & Reconciliation Day on September 30 at Maffeo Sutton Park. This was live-streamed on Shaw Community Channel 4 and attended in person by an estimated 3,000 people.

Community Amenity Contribution Policy

Council adopted a Community Amenity Contribution (CAC) Policy. It encourages greater contributions for public amenities as the city grows and supports the direction provided in the City's Affordable Housing Strategy through a balanced approach that reflects local market conditions and phased CAC rate increases that reduce the impact on the development community.

Grants Programs

Revamped the Operating, Project and Downtown Events Grants processes and created the Resilience Grant opportunity.

Bylaws and Policies

Council adopted a new Business Licence Bylaw, Animal Control Bylaw, Political Signage Bylaw and Business Improvement Association (BIA) Bylaw and Checkout Bag Regulation Bylaw. Developed and implemented a Sustainable Procurement Policy. Updated the Video Surveillance of Civic Property Policy to ensure the policy meets current privacy standards and responsibilities. Council adopted the new policy in July 2021. Completed inventories of Council and City Administrative policies. Council repealed 101 outdated policies.

Asset Management

Began the process of updating the Asset Management Plan and 20 Year Investment Plan. Completed a comprehensive condition assessment and risk of failure analysis of the Sanitary Lift Station assets to inform future capital investment to maintain reliable service of the infrastructure. Selected a new Corporate Asset Management System to manage City Assets.

Performance Metrics

Measure	2020	2021
Council, Governance & Priorities meetings	49	54
Committee meetings	31	31
Freedom of Information requests	299	302
Liability claims processed (opened and closed)	70	73
Privacy Impact Assessments initiated	23	21
News Releases issued	153	133
My Nanaimo This Week eNews published	43	51
Informational/Awareness videos produced	67	26
Permit processing time for Single Dwelling	6.2 weeks	7.9 weeks
Processing time for Rezoning	46.7 weeks	63 weeks
Number of purchasing files opened for new or renewed contracts	255	403
Number of invoices processed by Accounts Payable	21,949	21,891
Drainage mains condition assessment	16.4 km	11.1 km
Sanitary sewer mains condition assessment	45.1 km	45.0 km



Metral Drive Complete Street Phase 1



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

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 Strategy 				✔
<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 				

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Highlights of 2021 Achievements Supporting Livability

Public Art

Completed the installation and held a blessing ceremony for new artwork at Beban Pool titled, *ǂeǂe' Sǂupá tul u tu ǂhewum Qà 'i' Kwaǂlkwa/Sacred Gathering of the Freshwater and Saltwater*, by Snuneymuxw First Nation artist Eliot White-Hill, Kwulasultun. Inspired by the Nanaimo River Estuary, Eliot designed giant wall paintings and a series of colourful fabric banners about the life that exists here in Nanaimo, on the lands of the Snuneymuxw people.

Pedestrian Safety

Council allocated an additional \$700,000 (for a total of \$1,000,000) toward pedestrian mobility enhancements, which will enhance eight pedestrian crossings and address accessibility barriers at 10 traffic signals and 20 transit stops.

Active Transportation

Constructed the Front Street Cycle Track and a sidewalk on Haliburton Street. Completed the Bowen Road Upgrade, which included a separated cycle track within the road cross section. Completed the Active School Travel Guide and started a pilot with Uplands Elementary School.

Systems Planning Organization

Began work on the creation of a Systems Planning Organization to help implement the findings of the Health and Housing Task Force and provide coordination and better research into the City's vulnerable population.

BC Housing Memorandum of Understanding

Continued work with BC Housing to support the implementation of a Memorandum of Understanding to develop four purpose built permanent supportive housing developments for people experiencing or at risk of homelessness. Approved development permits for 59 units at 702 Nicol Street and 51 units at 285 Prideaux Street, and issued an occupancy permit for 702 Nicol Street. Supported BC Housing in preparing rezoning applications for supportive housing developments at 250 Terminal Avenue and 355 Nicol Street.

Parks, Trails and Playground Improvements

Completed upgrades to playgrounds in John Weeks Park, Harewood Centennial Park and McKinnon Park and installed a playground in Cambie Park. Completed improvements and upgrades to the bridges in Maffeo Sutton Park and Bowen Park, the boardwalk in Diver Lake Park and the Benn Gunn Trail on Protection Island.

Performance Metrics

Measure	2020	2021
New sidewalks	9.3 km	4.13 km
New cycling routes	3.7 km	4.79 km
Calls for police service	46,780	48,065
Fire response time targets are:	First apparatus: 73.43%	First apparatus: 73.43%
- First apparatus with 6 minutes	90%	90%
- Multiple apparatus within 10 minutes	95.13%	95.13%
Fire incident responses	5,145	7,487
General Bylaw: Number of calls	4,397	5,645
Total nuisance complaints received	17	17
ECC Activations	1 (COVID-19 pandemic)	1 (COVID-19 pandemic)
ECC Exercises	2 (virtual table top)	1 (virtual table top)
ESS Callouts	5 (City of Nanaimo) 5 (Provincial support)	7 (City of Nanaimo) 11 (Provincial support)
ESS Volunteer Hours	85.9	451
Water service leaks	43	47



The Nanaimo sign in Maffeo Sutton Park



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

Economic Health	2019	2020	2021	2022
▪ 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				

Colour Legend: Green - In Progress Blue - Ongoing Purple - Complete

Highlights of 2021 Achievements Supporting Economic Health

Nanaimo Prosperity Corporation

Work continued to establish the Nanaimo Prosperity Corporation, a standalone agency owned by the City, Snuneymuxw First Nation, Nanaimo Port Authority, Nanaimo Airport, Vancouver Island University and the Chamber of Commerce.

Mayor's Leaders' Table

Established the Mayor's Leaders' Table to advise, inform and collaborate across the community to further Nanaimo's opportunities and address challenges.

Building and Development

Issued building permits with an approximate total construction value of \$272 million. This was the second highest annual permitted construction value for Nanaimo and included 685 new residential units. Approved development permits for 1,704 additional multi-family residential units, the majority of which are proposed as purpose-built rental units.

Tourism

Commenced establishment of the Nanaimo Tourism Society to work with the tourism industry to deliver destination marketing services and coordination of tourism activities.

Downtown Initiatives

Began a public process to redesign Commercial Street through improvements in the public realm. Worked with the developer of the Courtyard by Marriot at 100 Gordon Street to support the project. Installed new windows at the Port Theatre. Provided support and guidance to the Port Theatre, the Nanaimo Museum, the Nanaimo Art Gallery, the OV Arts Centre and the Military Museum. Acquired key properties in the downtown core to stimulate redevelopment in the 500 block of Terminal Ave.

Performance Metrics

Measure	2020	2021
New Home-Based Business Licences issued	423	508
New Inter-Community Business Licences	145	190
New Non-Resident Licences	202	199
New Other Licences	52	259
Total number of new Business Licences issued	822	1,156
Revenue from new Business Licences	\$109,873	\$118,019
Total Acquisitions	14 properties 31.18 acres	14 properties 55.9 acres
Dispositions	5 properties 0.91 acres	4 properties 0.76 acres
Leases	4 disposal (including 2 renewals)	7 disposal (including 5 renewals)
Encroachment agreements	18 completed	7 completed
Permits issued (Works in City Streets + Fill Permits)	67	67
New Single Dwellings	217	221
Total new Dwellings	1,084	685
Total Annual Construction Value	\$243,150,102	\$271,937,129
Civil Infrastructure Value from Development	\$12,418,727	\$3,335,050



Maffeo Sutton Park



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.

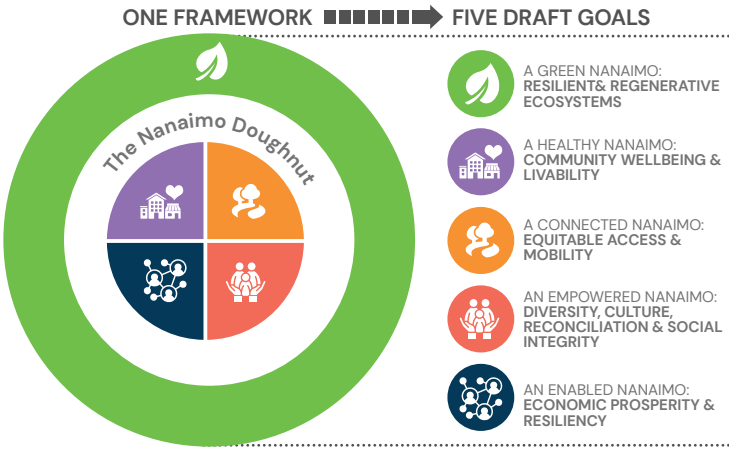
Phase 2 Engagement

Phase 2 launched in 2021 and was the exploratory part of the REIMAGINE NANAIMO process. This phase of public engagement involved exploring the following pieces:

- A framework, which communicates a holistic approach for creating a city that can be home to thriving people in a thriving place.
- Draft Goals that provide grounding and focus for implementing the framework.
- Draft Indicators and Targets that monitor our progress towards our goals.
- Exploratory Scenarios that are discussion tools for thinking about how Nanaimo could evolve as it grows.
- Emerging Strategies to start conversations about ideas that could be considered in our path forward.

The Nanaimo Doughnut

The REIMAGINE process included incorporating the Doughnut Economics framework into the process during Phase 1 and creating a customized “Nanaimo Doughnut”. This served as the foundation to organize and align the environmental, social, and economic sustainability goals of the draft City Plan.



FINANCIAL HIGHLIGHTS

The Financial Statements include the 2021 results of the City's General Revenue Fund, Sewer Utility, Waterworks Utility and Reserve Funds. From a financial perspective, 2021 resulted in a surplus.

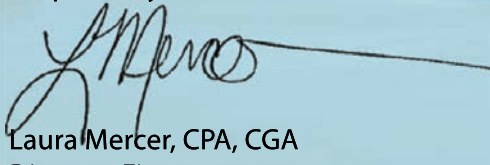
During the year, the City's tangible capital assets increased by \$32.2 million from \$749 million to \$782 million. The City's debt also increased from \$39.3 million to \$45.9 million. The City ended the year with a cash position of \$158.7 million.

Revenues for the year totaled \$210.4 million, an increase over 2020. Increased property tax revenue and strong development-related revenues due to continuing growth in the community. City revenues combined with additional funding from City reserves covered operating costs of \$180.9 million and capital additions of \$59.4 million. The largest driver in expense increases was the settlement of the long outstanding labour contract for the RCMP.

Looking Forward

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 policies and processes, prudent management of debt and investment in capital assets and reserves.

Respectfully submitted,



Laura Mercer, CPA, CGA
Director, Finance

The above is an excerpt. To read the full Letter of Transmittal, view page 52 of the 2021 Annual Report at www.nanaimo.ca/goto/annualreport.

Financial data used to prepare this information is taken directly from the 2021 Financial statements for highlight purposes only. This information is presented in conformity with generally accepted accounting practices (GAAP). For a copy of the full 2021 Annual Report, including the Audited Financial Statements, go to www.nanaimo.ca/goto/annualreport.

**CITY OF NANAIMO
STATEMENT OF FINANCIAL POSITION**

as at December 31, 2021, with comparative figures for 2020


	2021	2020
FINANCIAL ASSETS		
Cash and cash equivalents	\$ 158,711,662	\$ 165,007,070
Accounts receivable (Note 2)	22,131,504	24,891,134
Development cost charges receivable (Note 3)	1,258,908	1,175,580
Temporary investments (Note 4)	122,525,543	98,566,400
	304,627,617	289,640,184
LIABILITIES		
Accounts payable and accrued liabilities (Note 5)	52,769,222	48,233,281
Compensated absences and termination benefits (Note 6)	8,766,164	8,383,004
Deferred revenue (Note 7)	24,209,228	21,240,818
Deferred development cost charges (Note 8)	60,614,941	56,751,703
Debt (Note 9)	45,947,100	39,306,835
	192,306,655	173,915,641
NET FINANCIAL ASSETS	112,320,962	115,724,543
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 10)	781,555,105	749,351,662
Prepaid expenses	1,783,478	1,694,346
Inventories of supplies	2,041,322	1,465,549
	785,379,905	752,511,557
ACCUMULATED SURPLUS (Note 11)	\$ 897,700,867	\$ 868,236,100

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, 2021, with comparative figures for 2020

	2021 Budget (Note 14)	2021	2020
REVENUES			
Taxes	\$ 123,887,305	\$ 123,335,853	\$ 118,370,973
Payments in lieu of taxes	2,083,500	2,200,597	2,111,857
Taxation and payments in lieu (Note 15)	125,970,805	125,536,450	120,482,830
User fees and sales of services (Note 16)	44,844,379	46,090,489	40,618,459
Transfers from other governments-capital (Note 17)	4,369,021	8,442,931	4,379,065
Other revenue	5,614,782	8,258,270	6,960,051
Developer contributed assets (Note 10)	-	7,485,948	10,400,599
Transfers from other governments-operating (Note 17)	1,664,470	3,336,523	9,730,686
Investment income	2,283,757	3,073,690	4,636,197
Building permits	1,800,000	2,694,848	1,790,008
Development cost charges (Note 8)	7,351,014	2,298,671	1,647,250
Regional recreation sharing	1,199,763	1,199,763	1,335,318
Donations and contributions-capital	622,543	1,005,147	735,524
Property rentals	810,388	951,280	825,525
	196,530,922	210,374,010	203,541,512
EXPENSES			
Police	33,735,231	35,818,130	32,238,119
Engineering & public works	33,929,759	32,076,278	29,559,454
Parks, recreation & culture	33,624,829	31,470,536	28,240,625
Fire	21,400,318	21,095,665	18,600,069
Water	17,710,724	16,763,860	16,508,376
Corporate services	17,788,491	16,744,728	15,306,364
Development services	14,954,944	12,088,649	10,693,978
Sewer	6,667,103	5,862,148	5,644,576
City administration	6,636,337	5,860,663	6,111,310
Port of Nanaimo centre	4,063,387	3,128,586	3,449,624
	190,511,123	180,909,243	166,352,495
ANNUAL SURPLUS	6,019,799	29,464,767	37,189,017
ACCUMULATED SURPLUS - BEGINNING OF YEAR	868,236,100	868,236,100	831,047,083
ACCUMULATED SURPLUS - END OF YEAR	\$ 874,255,899	\$ 897,700,867	\$ 868,236,100

Revenues

Revenues in 2021 increased to \$210.4 million. (2020 – \$203.5 million). This increase is largely due to increased property taxation and user fees, recovering parks and recreation revenue, the receipt of an additional gas tax payment and higher than anticipated building permit revenue.

The majority of the City’s revenue is generated from property taxes. In 2021, total taxation revenue was \$123.3 million representing 58.6% of the City’s overall revenue. The City’s second major source of revenue is user fees and sales of service; at \$46.1 million in 2021, which represents 21.9% of overall revenue. Sales of services includes recreation program fees, which recovered slightly from pandemic levels for an increase of \$1 million when compared to the prior year.

Other significant sources of revenue for the City are transfers from other governments and other revenue at 6.2% and 5.7% of overall revenue, respectively. Other

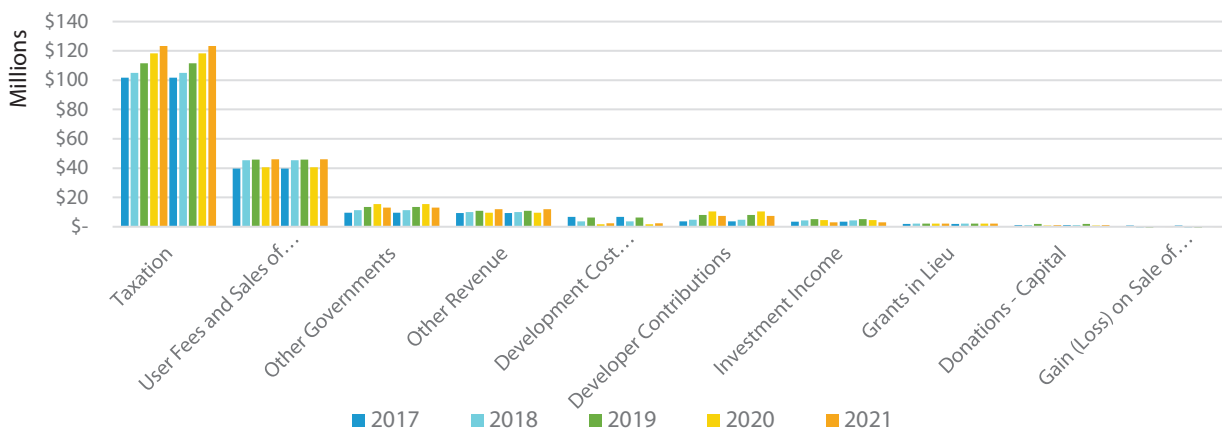
governments includes an additional gas tax payment of \$3.8 million received in 2021. Other revenue includes revenue from business licenses, building permits, property rentals, and hotel tax revenue.

Developer contributions decreased from \$10.4 million in 2020 to \$7.5 million in 2021. These transportation, drainage, sewer, water and land assets are recorded at fair value when received, and accounted for 3.6% of the City’s overall revenue in 2021. Investment income decreased from \$4.6 million in 2020 to \$3.1 million in 2021, which is due to interest rate reductions on both investment products and the City’s high interest savings account. Investment income represents 1.5% of overall revenue in 2021.

The remaining sources of revenue for the City include development cost charges, grants in lieu of taxes and capital donations received.

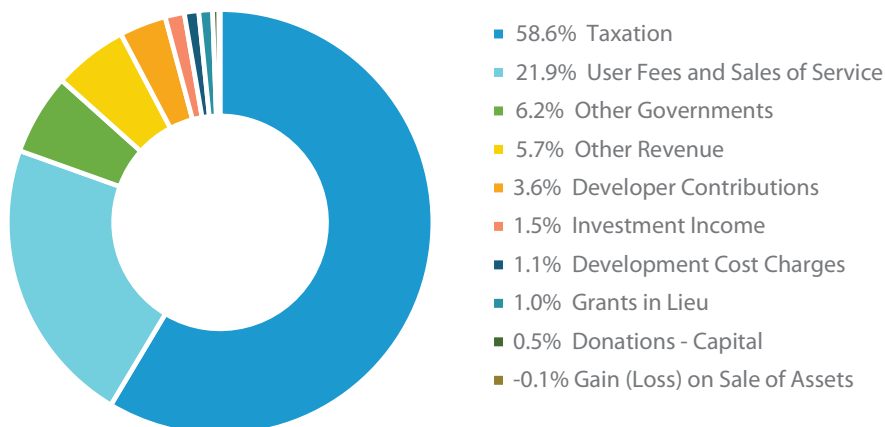
Revenue by Source 2017 – 2021

(Source: City of Nanaimo Finance Department)



Revenues by Function % 2021

Source: City of Nanaimo Finance Department



Expenses

The City of Nanaimo has ten segmented expense areas: Engineering and Public Works, Police, Fire, Corporate Services, Parks Recreation and Culture, Development Services, City Administration, Port of Nanaimo Centre, Sewer and Water. Interest expense on debt is presented as a separate line.

Police accounts for the highest portion of the City's overall expenses in 2021 at \$35.8 million, which represents 20.0%. The City contracts the Royal Canadian Mounted Police to provide policing services in Nanaimo. The RCMP settled its labour contract negotiations in 2021, which resulted in \$2.7 million of additional costs to the City. Engineering and Public Works accounts for 17.5% of overall expenses and includes the planning, design, construction, operation and maintenance of the City's infrastructure in addition to the maintenance of fleet, cemeteries and the collection of waste and recycling.

Parks, Recreation and Culture accounts for \$31.3 million of the overall 2021 expenses, which represents 17.3%. The Parks, Recreation and Culture department maintains parks and open spaces, facilities, and provides recreational and cultural activities to enhance the quality of life for the citizens of Nanaimo. Fire services accounts for 11.5% of the overall 2021 expenses. The fire department protects both citizens and infrastructure through both prevention

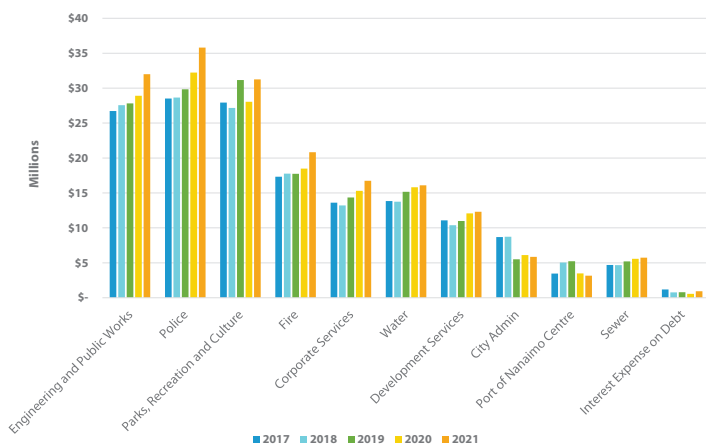
and timely response to emergencies. Corporate services accounts for 9.3% of overall expenditures and includes finance, information technology, emergency management, and grants in aid.

Development Services accounts for 6.8% of the overall 2021 expenses. Development Services includes permit and business licensing, bylaw enforcement including parking, planning, building inspections, economic development, real estate, sustainability and environment. Water and sewer services account for 8.9% and 3.2% of the overall expenses respectively. City Administration represents 3.2% of overall expenses and includes the CAO office, legislative services, communications and human resources. The Port of Nanaimo Centre represents the remaining 1.8% of overall 2021 expenses.

Overall expenses by object have seen steady increases over the past five years. This is largely due to annual union agreement increases and cost increases on both materials and supplies and contracted services. Wages and salaries account for 41.4% of the overall 2021 expenses, contracted services 32.1%, and materials and supplies 4.7%. Amortization represents 14.8% of total expenditures and has seen a steady increase in the past 5 years as additional assets are put into service.

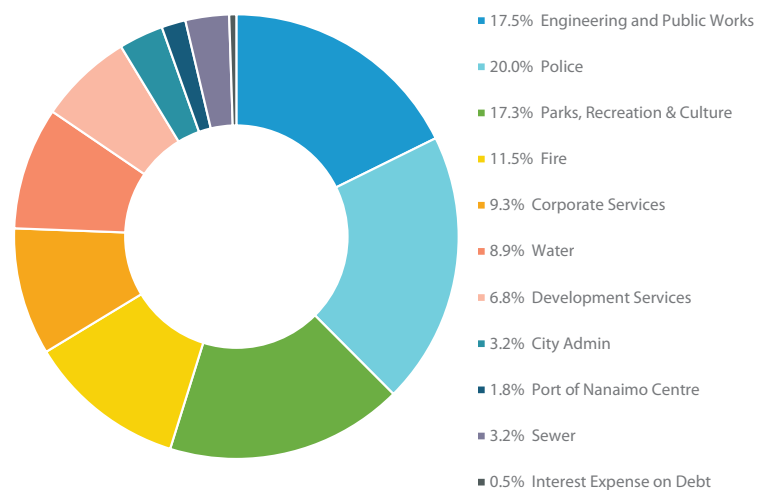
Expenses by Function 2017 – 2021

Source: City of Nanaimo Finance Department



Expenses by Function % 2021

Source: City of Nanaimo Finance Department

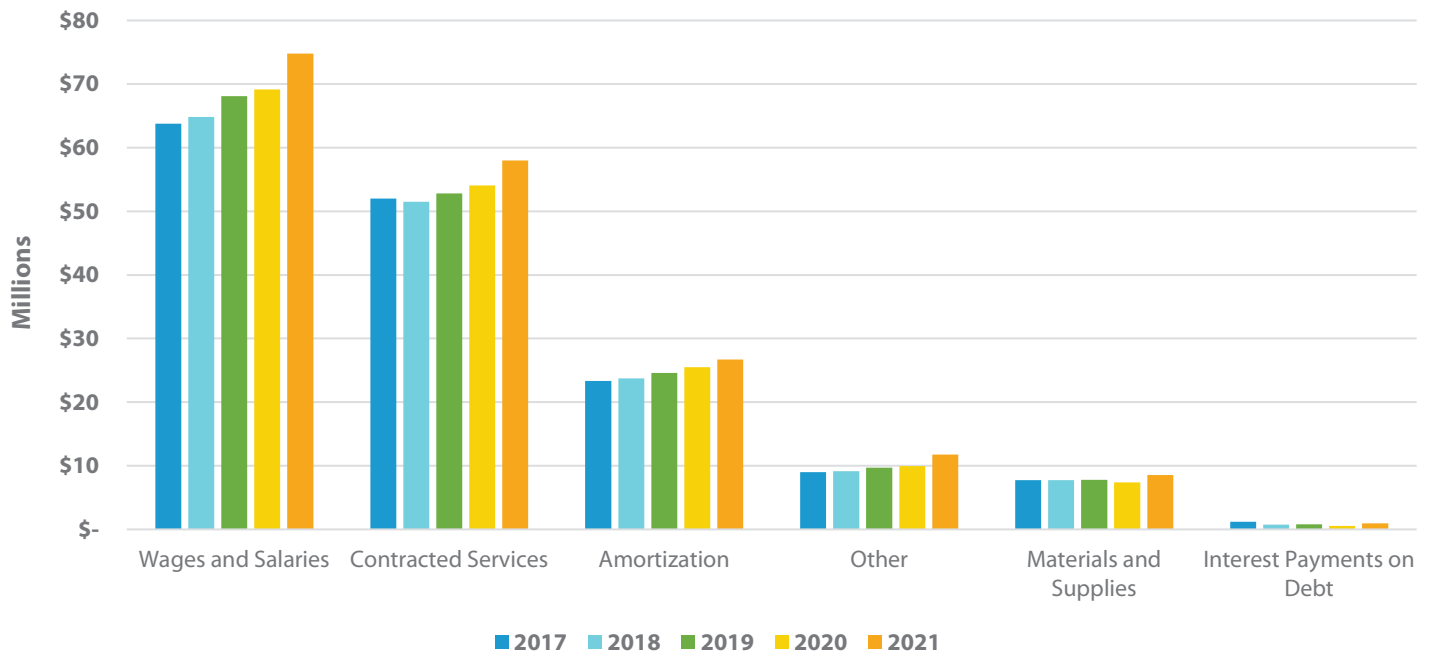




Westwood Lake

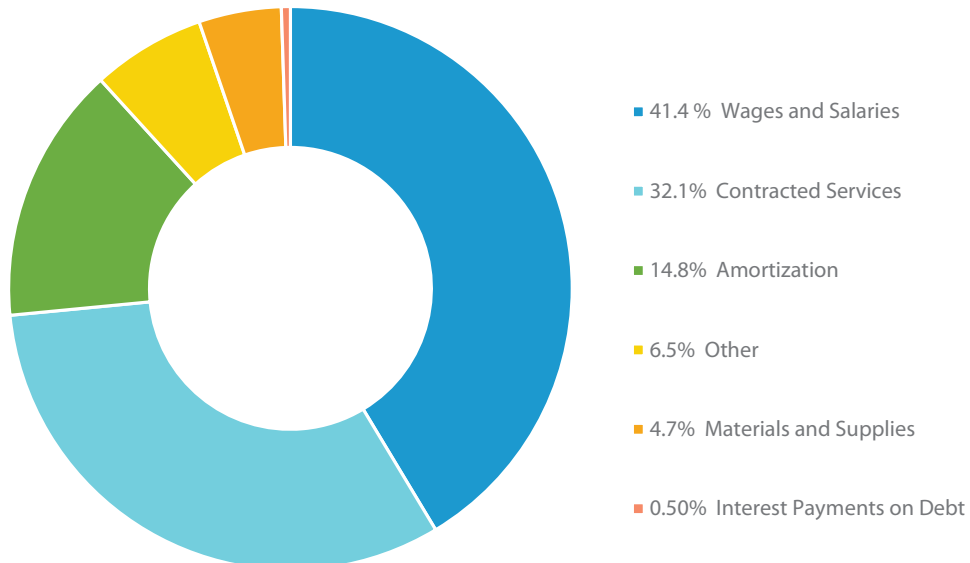
Expenses by Object 2017 – 2021

Source: City of Nanaimo Finance Department



Expenses by Object % 2021

Source: City of Nanaimo Finance Department



Annual Surplus

The City's 2021 combined annual surplus is \$29.5 million (2020 - \$37.2 million). This surplus can be further broken down into three operating funds - general, sewer and water. The 2021 general surplus is \$17.5 million (2020 - \$27.2 million), the 2021 sewer surplus is \$3.5 million (2020 - \$4.0 million), and the 2021 water surplus is \$8.6 million (2020 - \$6.0 million).

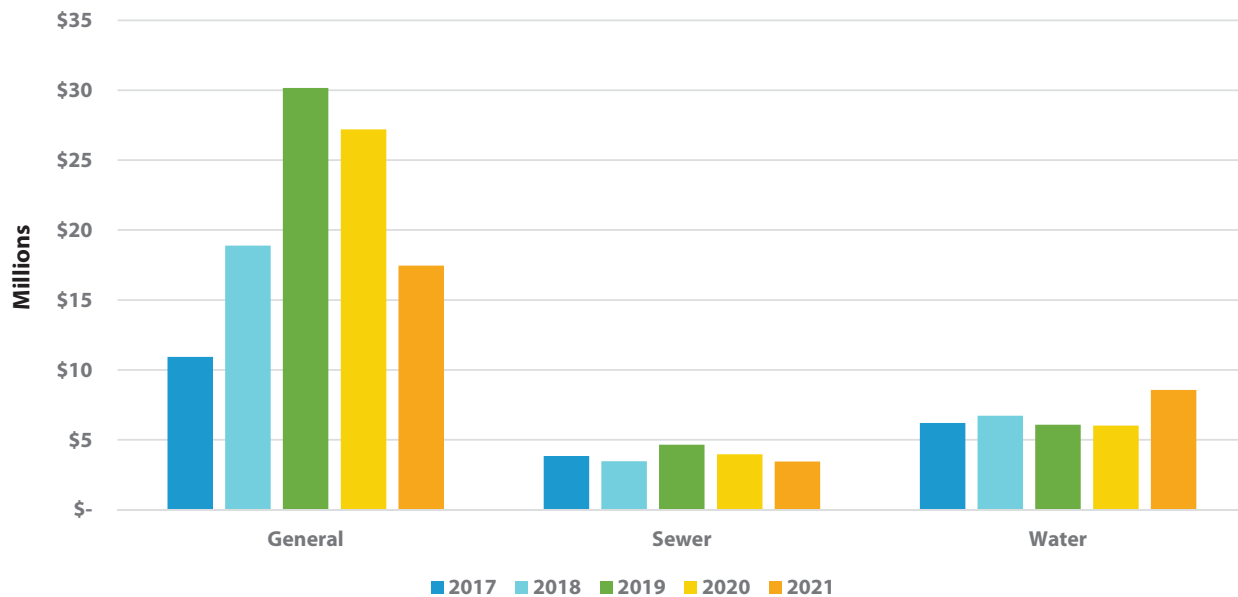
The total accumulated surplus for 2021 is \$897.7 million (2020 - \$868.2 million). Accumulated surplus represents the total amount that the City's assets exceed its liabilities. The 2021 accumulated surplus includes \$75.4 million of statutory reserve funds (excluding DCC's), \$89.7 million in operating reserve funds and \$732.6 million of investment in tangible capital assets.

Surplus for the Year

	2017	2018	2019	2020	2021
General	10,932,034	18,899,472	30,161,202	27,208,341	17,452,746
Sewer	3,835,551	3,468,169	4,650,674	3,962,920	3,447,657
Water	6,212,462	6,718,769	6,078,000	6,017,756	8,564,364
Total Surplus	\$ 20,980,047	\$ 29,086,410	\$ 40,889,876	\$ 37,189,017	\$ 29,464,767

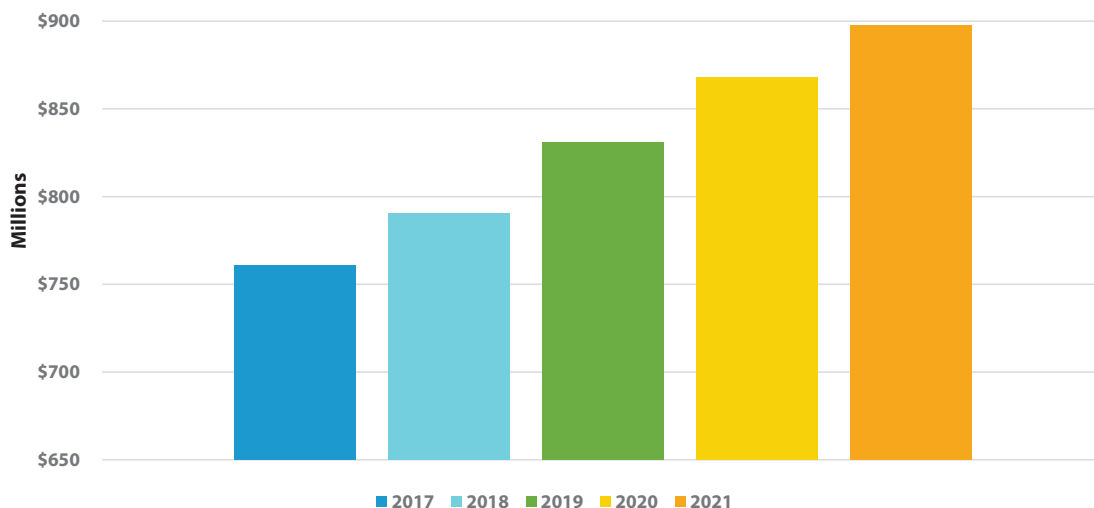
Surplus for the Year (\$) 2017 -2021

Source: City of Nanaino Finance Department



Annual Consolidated Surplus

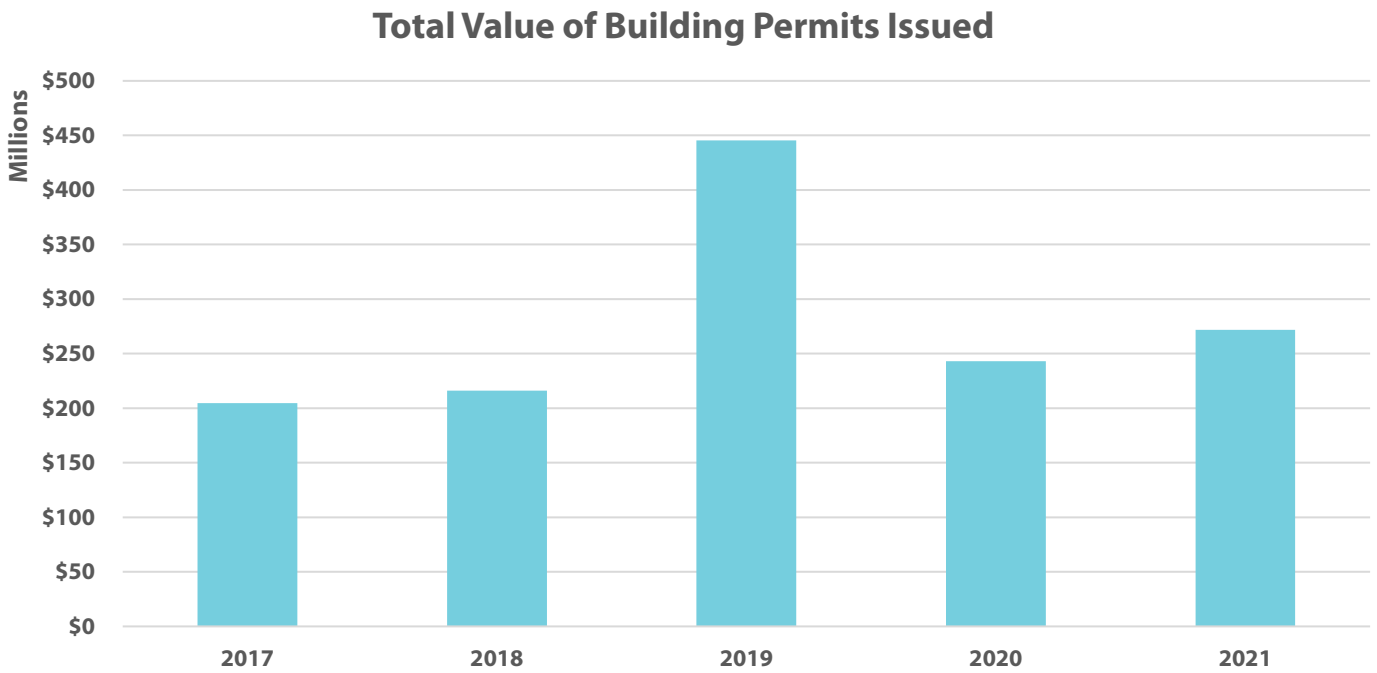
Source: City of Nanaino Finance Department





Total Value of Building Permits 2017 – 2021

Source: City of Nanaimo Finance Department

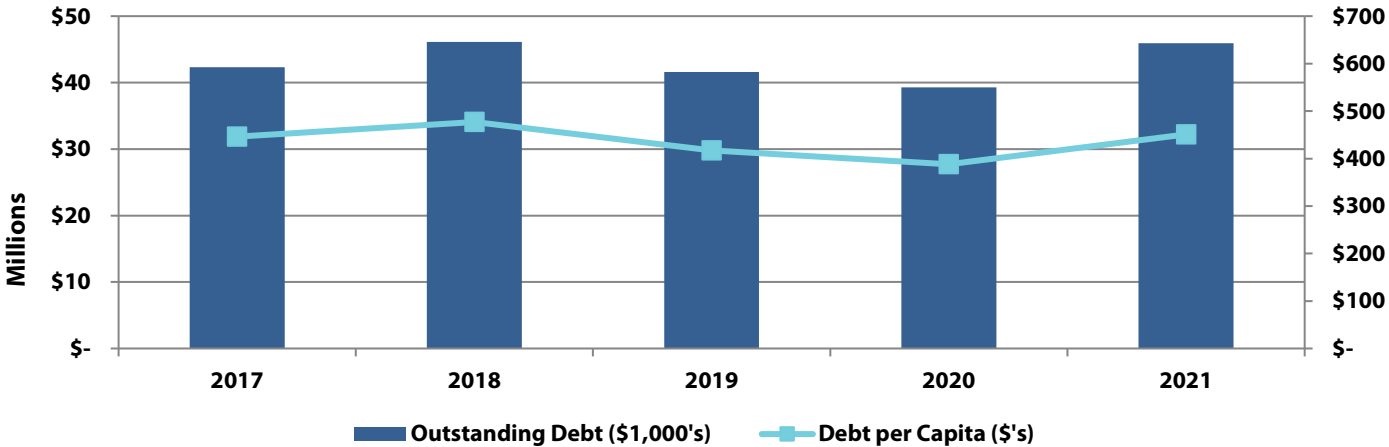




Millstone River

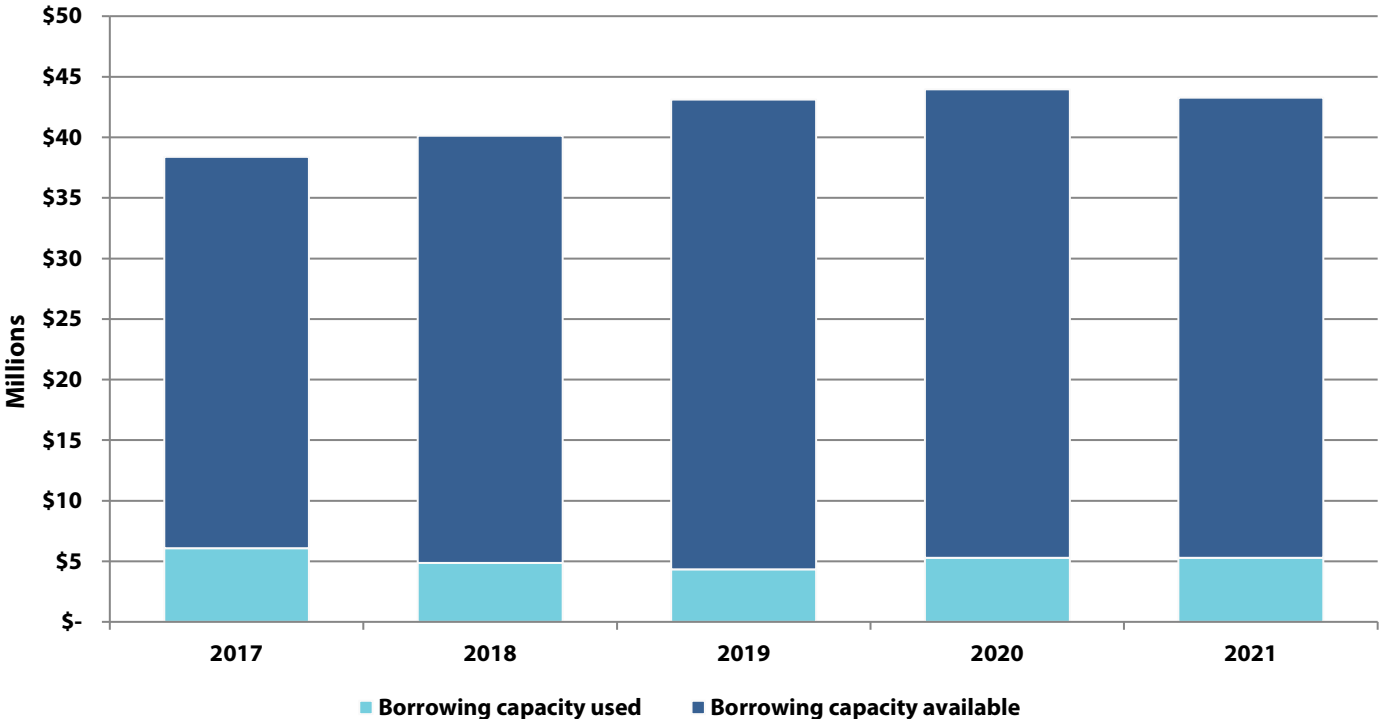
Debt per Capita 2017 – 2021

Source: City of Nanaimo Finance Department



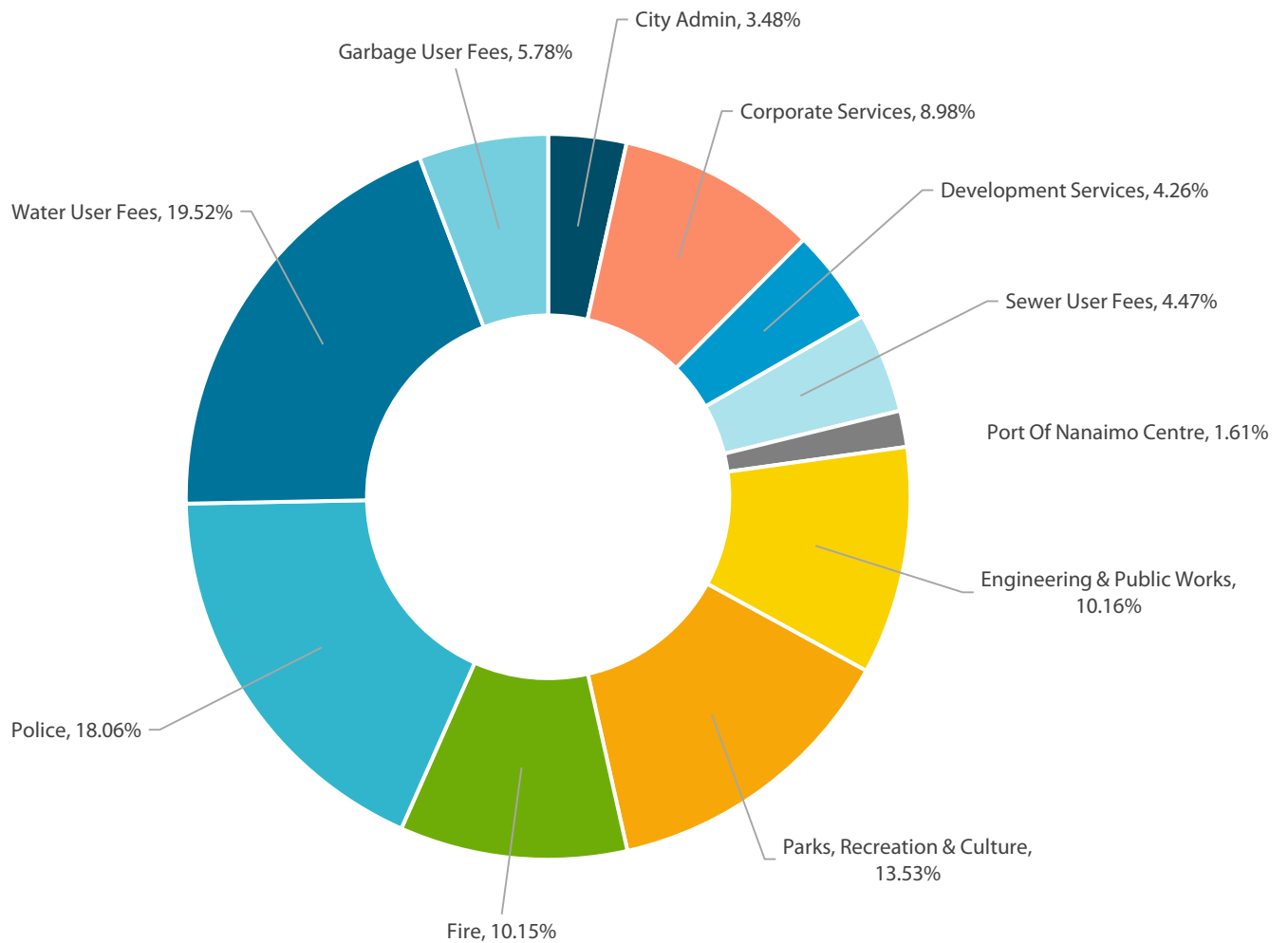
Legal Debt Limit 2017 – 2021

Source: City of Nanaimo Finance Department





2021 Municipal Taxes & User Fees for a residential property with an assessed value of \$545,000



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

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250-755-4400

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NANAIMO RCMP DETACHMENT

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2021 City of Nanaimo Annual Report



For more information on this report and to
request a printed copy,
please contact the Communications Department:
411 Dunsmuir Street
Nanaimo BC V9R 0E4
Phone: 250.754.4251 • Fax: 250.755.4440
This report can also be viewed and printed from
www.nanaimo.ca

Nanaimo's waterfront at night