

REGIONAL DISTRICT OF NANAIMO  
COMMITTEE OF THE WHOLE  
AGENDA

Tuesday, June 13, 2017

7:00 P.M.

RDN Board Chambers

*This meeting will be recorded*

Pages

1. CALL TO ORDER
2. APPROVAL OF THE AGENDA
3. ADOPTION OF MINUTES
  - 3.1 Regular Committee of the Whole Meeting - May 9, 2017 7

That the minutes of the Regular Committee of the Whole meeting held May 9, 2017, be adopted.
4. DELEGATIONS
5. CORRESPONDENCE
6. UNFINISHED BUSINESS
  - 6.1 2016 Census Impact on Number of Directors and Voting Strength 12

*Deferred from Regular Board, April 25, 2017*

That the Board request an amendment to the RDN Letters Patent to change the voting unit to 2,750.
7. COMMITTEE MINUTES AND RECOMMENDATIONS
  - 7.1 Agricultural Advisory Committee
    - 7.1.1 Minutes of the Agricultural Advisory Committee Meeting - May 26, 2017 16

That the minutes of the Agricultural Advisory Committee meeting held May 26, 2017, be received for information.

**7.1.2 Proposal to Host a Joint Workshop with the Province for Farmers**

That the Regional District of Nanaimo request that Provincial staff hold a workshop for farmers in the region regarding the new Provincial Groundwater licensing process and how to use the BC Agricultural Water Tool.

**7.2 Grants-In-Aid Advisory Committee**

**7.2.1 Minutes of the Grants-in-Aid Advisory Committee Meeting - May 17, 2017**

20

That the minutes of the Grants-in-Aid Advisory Committee meeting held May 17, 2017, be received for information.

**7.2.2 District 68 Grant Approvals**

That the Board award District 68 Grants-in-Aid funds as follows:

Gabriola Agricultural Association – for the purchase of kitchen supplies and other supplies for the 2nd Annual Farm to Table Feast - \$1,000

Mudge Island Citizen’s Society – towards the purchase and delivery of a Sea Can for storage of firefighting and first aid gear - \$3,697

Total - \$4,697

**7.2.3 District 69 Grant Approvals**

That the Board award District 69 Grants-in-Aid funds as follows:

Bowser Seniors Housing Society – towards the cost of advertising for the Society’s Development application - \$1,500

Inclusion Parksville Society – towards the purchase of concrete pads, picnic tables and a barbeque for Flagship Canada Day Community Celebration - \$3,000

Oceanside Building Learning Together Society – for the purchase of books for the Books for Babes Program - \$1,020

Oceanside Hospice Society – for the purchase of equipment and advertising for volunteers for Equipment Loan Program - \$4,832

Oceanside Volunteer Association – towards advertising and posters for the Wellness and Volunteer Fair - \$200

Royal Canadian Legion Branch #76 – towards the purchase of a food cooler - \$1,600

Royal Canadian Legion Bowser & Area Branch #211 – towards supplies and promotion for the Canada Day 150th Birthday Celebration - \$800

Total - \$12,952

**7.3 District 69 Recreation Commission**

**7.3.1 Minutes of the District 69 Recreation Commission Meeting - May 18, 2017**

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That the minutes of the District 69 Recreation Commission meeting held May 18, 2017, be received for information.

**7.3.2 District 69 Youth Recreation Grants**

That the following District 69 Youth Recreation Grant applications be approved:

Ballenas Secondary School - Tribune Bay trip - \$2,500

Ballenas Whalers Football Support Society - helmets - \$2,000

Bard to Broadway - youth theatre workshop facility rental - \$460

Bard to Broadway - performing arts education series facility rental - \$1,200

Bow Horne Bay Community Club - Halloween party - \$1,200

District 69 Family Resource Association - summer youth program - \$900

Oceanside Community Arts Council - summer camp supplies and signage - \$1,435

Ravensong Aquatic Club - pool rental - \$1,000

Total - \$10,695

### 7.3.3 District 69 Community Recreation Grants

That the following District 69 Community Recreation Grant applications be approved:

Arrowsmith Community Recreation Association - Food Skills for Families - \$1,000

Arrowsmith Community Recreation Association - Coombs Candy Walk - \$1,000

Bowser Elementary School PAC - playground project - \$1,000

Corcan Meadowood Residents Association - Canada Day - \$1,000

Corcan Meadowood Residents Association - Halloween event - \$1,000

District 69 Family Resource Association - 2-week day camp - \$600

Errington Cooperative Preschool - art supplies - \$1,000

Errington Elementary School PAC - grade 3 swim program - \$1,000

Kidfest Society - equipment rental, event and site expenses - \$1,300

Oceanside Community Arts Council - seniors art program - \$1,000

Parksville Indoor Slow-pitch League - equipment - \$1,100

Parksville Oceanside Pickleball Society (formerly Parksville Qualicum Pickleball Club) - equipment - 1,000

Qualicum Community Education and Wellness - music program - \$1,250

Qualicum Woods Residents Association - neighborhood picnic - \$375

Van-Isle Walking Soccer - equipment - \$1,000

Total - \$14,625

## 8. FINANCE

### 8.1 2016 Development Cost Charge (DCC) Reserve Fund Uses and Bylaws for 2017 DCC Reserve Fund Releases

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1. That "Southern Community Sewer Service Area Development Cost Charge Reserve Fund Expenditure Bylaw No. 1757, 2017" be introduced and read three times.
2. That "Southern Community Sewer Service Area Development Cost Charge Reserve Fund Expenditure Bylaw No. 1757, 2017" be adopted.
3. That "Northern Community Sewer Service Area Development Cost Charge Reserve Fund Expenditure Bylaw No. 1758, 2017" be introduced and read three times.
4. That "Northern Community Sewer Service Area Development Cost Charge Reserve Fund Expenditure Bylaw No. 1758, 2017" be adopted.



<b>8.2</b>	<b>Port Theatre Society Contribution Agreement Renewal</b>	<b>33</b>
	That the Contribution Agreement with the Port Theatre Society for a term from April 1, 2017 to March 31, 2022 be approved.	
<b>8.3</b>	<b>Quarterly Financial Report – First Quarter - 2017</b>	<b>74</b>
	That the quarterly financial report for the period January 1, 2017 to March 31, 2017 be received for information.	
<b>8.4</b>	<b>2016 Annual Financial Report and Statement of Financial Information</b>	<b>84</b>
	That the 2016 Annual Financial Report and the Statement of Financial Information be approved as presented.	
<b>9.</b>	<b>STRATEGIC AND COMMUNITY DEVELOPMENT</b>	
<b>9.1</b>	<b>First Nations Art Installation Project</b>	<b>128</b>
	1. That a request for an Expression of Interest process be issued for the creation of a \$30,000 art piece symbolically representing and acknowledging coastal First Nations at the Regional District of Nanaimo Administration Building.	
	2. That the Regional District of Nanaimo Chair and two Directors be appointed to an art selection committee and that Snuneymuxw First Nation, Snaw-Naw-As First Nation and Qualicum First Nation be invited to each appoint a representative to the committee.	
	3. That the art selection committee recommend an artist to the Regional District of Nanaimo Board to be awarded a contract for the First Nations Art Installation Project.	
<b>9.2</b>	<b>Mount Arrowsmith Biosphere – Memorandum of Understanding</b>	<b>131</b>
	1. That the Board authorize the execution of a memorandum of understanding with Vancouver Island University for the purpose of establishing a foundation for regional cooperation in areas of mutual benefit that pertain to the Mount Arrowsmith Biosphere Region.	
	2. That the Chair represent the Regional District of Nanaimo on the Mount Arrowsmith Biosphere Region Roundtable or appoint another Director to attend on his behalf.	
<b>10.</b>	<b>REGIONAL AND COMMUNITY UTILITIES</b>	
<b>10.1</b>	<b>Greater Nanaimo Pollution Control Centre Secondary Treatment Revised Engineering and Construction Services Fee Approval</b>	<b>141</b>
	That the Board approve AECOM’s revised Engineering and Construction Services fee for the Greater Nanaimo Pollution Control Centre Secondary Treatment Project for the total amount of \$6,351,028	

**10.2 Departure Bay Forcemain Inspection and Condition Assessment Contract Award 144**

That the Board award the pipeline inspection and condition assessment of the Departure Bay Forcemain to Pure Technologies Ltd for \$290,000.

**11. BUSINESS ARISING FROM DELEGATIONS**

**12. NEW BUSINESS**

**12.1 Directors' Roundtable**

**13. ADJOURNMENT**

**REGIONAL DISTRICT OF NANAIMO**

**MINUTES OF THE REGULAR COMMITTEE OF THE WHOLE MEETING**

**Tuesday, May 9, 2017**

**7:05 P.M.**

**RDN Board Chambers**

In Attendance:	Director W. Veenhof	Chair
	Director I. Thorpe	Vice Chair
	Director A. McPherson	Electoral Area A
	Director H. Houle	Electoral Area B
	Director M. Young	Electoral Area C
	Director B. Rogers	Electoral Area E
	Director J. Fell	Electoral Area F
	Director J. Stanhope	Electoral Area G
	Director B. McKay	City of Nanaimo
	Director B. Bestwick	City of Nanaimo
	Director G. Fuller	City of Nanaimo
	Director J. Hong	City of Nanaimo
	Director J. Kipp	City of Nanaimo
	Director B. Yoachim	City of Nanaimo
	Director M. Lefebvre	City of Parksville
	Director B. Colclough	District of Lantzville
	Director T. Westbroek	Town of Qualicum Beach
Also in Attendance:	P. Carlyle	Chief Administrative Officer
	R. Alexander	Gen. Mgr. Regional & Community Utilities
	J. Holm	A/Gen. Mgr. Strategic & Community Development
	T. Osborne	Gen. Mgr. Recreation & Parks
	D. Trudeau	Gen. Mgr. Transportation & Emergency Planning Services
	J. Harrison	Director of Corporate Services
	W. Idema	Director of Finance
	J. Hill	Mgr. Administrative Services
	C. Golding	Recording Secretary

**CALL TO ORDER**

The Chair called the meeting to order and respectfully acknowledged the Coast Salish Nations on whose traditional territory the meeting took place.

**APPROVAL OF THE AGENDA**

It was moved and seconded that the agenda be approved, as amended, to include Board appointment member information under New Business and item 5.2.1 Delegation Supplementary Background Information.

CARRIED UNANIMOUSLY

**DELEGATIONS**

**Guy Dauncey, Melissa McConville, and Cayle McConville, Yellow Point Community Forests group, re 60-acre parcel of forested, undeveloped land in Electoral Area 'A'**

Melissa and Cayle McConville expressed their feelings on the importance of the forest. Guy Dauncey shared his concerns regarding the potential impact to the Yellow Point Ecological Corridor and aquifer if the newly purchased 60-acre parcel of land is logged and asked the Board to ground-truth the wetlands on the site and encourage the new owner to protect the corridor.

**Motion to bring forward item 9.1 – 2016 Financial Statements and Audit Findings Report**

It was moved and seconded that item 9.1 – 2016 Financial Statements and Audit Findings Report be brought forward.

CARRIED UNANIMOUSLY

**2016 Financial Statements and Audit Findings Report**

Corey Vanderhorst provided a visual presentation and overview of the Audit Findings Report, consolidated financial statements, and outlined potential future changes to accounting standards.

It was moved and seconded that the audit findings report and the consolidated financial statements of the Regional District of Nanaimo for the year ended December 31, 2016 be received.

CARRIED UNANIMOUSLY

It was moved and seconded that the consolidated financial statements of the Regional District of Nanaimo for the year ended December 31, 2016 be approved as presented.

CARRIED UNANIMOUSLY

**DELEGATIONS**

**Monica Shore, Dr. Pam Shaw and Dr. David Witty, Mount Arrowsmith Biosphere Region & Vancouver Island University, Re Memorandum of Understanding between RDN & VIU for MABR Roundtable**

Dr. Pam Shaw and Monica Shore provided a slide presentation covering the history, organizational structure and Roundtable governance of the Mount Arrowsmith Biosphere Region, and asked the Board to consider signing a Memorandum of Understanding for the co-management and co-stewardship of the MABR and appointing a representative of the Regional District of Nanaimo to the MABR Roundtable.

## **ADOPTION OF MINUTES**

### **Regular Committee of the Whole Meeting - April 11, 2017**

It was moved and seconded that the minutes of the Regular Committee of the Whole meeting held April 11, 2017, be adopted.

CARRIED UNANIMOUSLY

## **CORRESPONDENCE**

### **Sheila Gurrie, City of Nanaimo, re Municipal Director Appointment to the Regional District of Nanaimo Board**

It was moved and seconded that the correspondence from Sheila Gurrie, City of Nanaimo, regarding Municipal Director appointment to the Regional District of Nanaimo Board be received.

CARRIED UNANIMOUSLY

## **ADMINISTRATION**

### **Regional Services Review Update**

It was moved and seconded that the selection of the 2018 regional services to be reviewed occur at the Board's fall 2017 Strategic Plan review session.

CARRIED UNANIMOUSLY

## **FINANCE**

### **2017 Gas Tax – Strategic Priorities Fund Grant Applications**

It was moved and seconded that the Board support the following projects for application by the Regional District of Nanaimo to the Gas Tax – Strategic Priorities Fund for the 2017 application intake:

1. Capital Stream:

Nanoose Bay Water Service Pump Station - \$2 million

2. Capacity Building Stream:

Asset Management Replacement Cost Study - \$150,000

CARRIED UNANIMOUSLY

## **RECREATION AND PARKS**

### **Tribal Journeys 2017**

It was moved and seconded that the Tribal Journeys 2017 report be received for information and Regional District of Nanaimo Board of Directors and staff be informed of any volunteer opportunities that may arise from the event.

CARRIED UNANIMOUSLY

## **REGIONAL AND COMMUNITY UTILITIES**

### **Renewal of Agreement for On-Call Electrical Maintenance and Repair for Wastewater Services**

It was moved and seconded that the Board renew an agreement for on-call electrical maintenance and repair to Shaw Electrical Services from June 1, 2017 to May 31, 2018, to a maximum expenditure of \$250,000.00. Electrical maintenance services are provided to the Southern Community, Northern Community, Nanoose and Duke Point Wastewater Service Areas.

CARRIED UNANIMOUSLY

### **Biosolids Management Program Agreements**

It was moved and seconded that the Regional District of Nanaimo (RDN) enter into a four-year agreement with TimberWest Forest Company (TimberWest) to enable biosolids forest fertilization activities.

CARRIED UNANIMOUSLY

It was moved and seconded that the Regional District of Nanaimo enter into a four-year agreement with the Nanaimo Mountain Bike Club to coordinate shared land use.

CARRIED UNANIMOUSLY

It was moved and seconded that the Regional District of Nanaimo award SYLVIS Environmental Services (SYLVIS) a four-month contract extension from June 1, 2017 to September 30, 2017 for \$162,000 to continue biosolids forest fertilization activities.

CARRIED UNANIMOUSLY

## **NEW BUSINESS**

### **Community Works Funds - Electoral Area 'G'**

It was moved and seconded that up to \$25,000 of Community Works Funds designated for Electoral Area 'G' be allocated to the design of the San Pareil Water Service Area expansion.

CARRIED UNANIMOUSLY

It was moved and seconded that up to \$10,000 of Community Works Funds designated for Electoral Area 'G' be allocated to Surfside Water Service Area well upgrades.

CARRIED UNANIMOUSLY

**Board Appointments**

The Chair confirmed appointments to committees as distributed to the Board.

**Directors' Roundtable**

Directors provided updates to the Board.

**ADJOURNMENT**

It was moved and seconded that this meeting be adjourned.

TIME: 8:28 PM

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CHAIR

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CORPORATE OFFICER





The following chart shows the voting strength and number of Directors as per the 2011 Census and as per the 2016 Census using the numbers that are expected to be certified by the Minister, should the RDN voting unit remain unchanged at 2,500.

Voting Unit	Population - 2011 Census (certified)	2,500		Population - 2016 Census Adjusted	2,500	
		Number of Directors	Voting Strength		Number of Directors	Voting Strength
Nanaimo	83,810	7	34	90,504	8	37
Parksville	11,977	1	5	12,514	2	6
Lantzville	3,601	1	2	3,605	1	2
Qualicum Beach	8,687	1	4	8,943	1	4
EA A*	7,195	1	3	7,429	1	3
EA B	4,045	1	2	4,033	1	2
EA C*	3,211	1	2	3,168	1	2
EA E*	5,878	1	3	6,355	1	3
EA F	7,422	1	3	7,724	1	4
EA G	7,158	1	3	7,465	1	3
EA H*	3,590	1	2	3,958	1	2
<b>Total</b>	146,574	17	63	155,698	19	68

\*Population includes people residing on Indian Reserves

As per the above calculations, the 2016 Census figures result in five additional votes at the Board table and two additional Directors, one from the City of Nanaimo and one from the City of Parksville.

**ALTERNATIVES**

1. That the Board request an amendment to the RDN’s letter patent to change the voting unit to 2,750.

Amending the RDN’s voting unit to 2,750 keeps the composition on the Board as close to the current composition as possible (see chart below). The Ministry has advised that all voting units are divisible by 250 so, while a voting unit of 2,700 results in identical voting strength and Director representation, such a request would not be accepted by the Ministry.

2. That the Board request an amendment to the RDN’s letter patent to change the voting unit to 3,000.

Amending the RDN’s voting unit to 3,000 keeps the number of Directors at its current level and potentially keeps the number of Directors consistent for the next census as well.

3. That the Board request an amendment to the RDN’s letter patent to change the voting unit to 3,250.

Amending the voting unit to 3,250 reduces the size of the Board and results in cost savings as outlined in Financial Implications below.

4. That the Board receive the report for information only and leave the voting unit at 2,500.

Leaving the voting unit at 2,500 results in two additional Directors on the RDN Board. The financial implications are outlined below. However, there are additional logistical challenges that could result from this change.

The Board has, under their protocol agreement with the Qualicum First Nation, extended an invitation for a representative to attend RDN Board meetings as a participating non-voting member of the Board. With two additional Board members, all 19 seats at the main Board table would be filled and additional seating would be required

Voting Unit		2,750		3,000		3,250	
Jurisdiction	Population - 2016 Census Adjusted	Number of Directors	Voting Strength	Number of Directors	Voting Strength	Number of Directors	Voting Strength
Nanaimo	90,504	7	33	7	31	6	28
Parksville	12,514	1	5	1	5	1	4
Lantzville	3,605	1	2	1	2	1	2
Qualicum Beach	8,943	1	4	1	3	1	3
EA A*	7,429	1	3	1	3	1	3
EA B	4,033	1	2	1	2	1	2
EA C*	3,168	1	2	1	2	1	1
EA E*	6,355	1	3	1	3	1	2
EA F	7,724	1	3	1	3	1	3
EA G	7,465	1	3	1	3	1	3
EA H*	3,958	1	2	1	2	1	2
<b>Total</b>	155,698	17	62	17	59	16	53

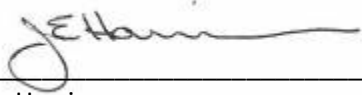
\*Population includes people residing on Indian Reserves

**FINANCIAL IMPLICATIONS**

1. Amending the voting unit to 2,750 has no financial implications.
2. Amending the voting unit to 3,000 has no financial implications.
3. Amending the voting unit to 3,250 results in one less Director on the RDN Board for an annual savings of approximately \$14,248 (\$13,688 –remuneration, \$560 – mileage / expenses) based on the current Directors’ remuneration bylaw.
4. Leaving the voting unit at 2,500 results in an annual increase to the RDN budget of approximately \$28,500 in Directors’ remuneration, mileage and expenses based on the current Directors’ remuneration bylaw.

## STRATEGIC PLAN IMPLICATIONS

Review of the RDN's voting unit is consistent with the Strategic Priority "Focus on Governance – We will review our Board composition as our community changes and grows".



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Joan Harrison  
[jharrison@rdn.bc.ca](mailto:jharrison@rdn.bc.ca)  
March 20, 2017

Reviewed by:

- P. Carlyle, Chief Administrative Officer

**REGIONAL DISTRICT OF NANAIMO**

**MINUTES OF THE AGRICULTURAL ADVISORY COMMITTEE  
MEETING HELD ON FRIDAY, MAY 26, 2017 at 2:00 PM  
IN THE RDN BOARD ROOM**

**Present:**

H. Houle	Chairperson, Director, Electoral Area B
J. Fell	Director, Electoral Area F
T. Westbroek	Town of Qualicum Beach
K. Reid	Shellfish Aquaculture Organizations
K. Wilson	Representative District 68
G. Laird	Representative District 68
C. Watson	Representative District 69

**Regrets**

J. Thony	Regional Agricultural Organization
M. Ryn	Regional Agricultural Organization

**Also in Attendance:**

B. Rogers	Director, Electoral Area E
G. Garbutt	GM, Strategic & Community Planning
J. Holm	Manager, Current Planning
P. Thompson	Manager, Long Range Planning
J. Schile	Senior Planner, Long Range Planning
P. Sherman	Recording Secretary

**CALL TO ORDER**

The Chairperson called the meeting to order and respectfully acknowledged the Coast Salish Nations on whose traditional territory the meeting took place.

**APPROVAL OF THE AGENDA**

Agenda item 7.3 'Agricultural Land Reserve Preliminary Boundary Analysis for Electoral Area 'H' Final Report' be corrected to read as 'Draft Official Community Plan Policies for Electoral Area 'H' Relating to Agriculture'.

It was moved and seconded that the agenda be approved as amended.

CARRIED UNANIMOUSLY

## **ADOPTION OF MINUTES**

### **Minutes of the Agricultural Advisory Committee meeting held March 17, 2017**

It was moved and seconded that the minutes of the Agricultural Advisory Committee meeting held on March 17, 2017 be approved.

CARRIED UNANIMOUSLY

## **CORRESPONDENCE**

### **Agricultural Land Commission Decision (May 15, 2017) on PL2016-155 ALR Non-Farm Use - 2575 Maxey Road – Electoral Area ‘C’**

J. Holm provided a summary of the Agricultural Land Commission decision regarding Regional District of Nanaimo Application No. PL2016-155 ALR Non-Farm Use - 2575 Maxey Road – Electoral Area ‘C’.

It was moved and seconded that the correspondence regarding the Agricultural Land Commission Decision (May 15, 2017) on PL2016-155 ALR Non-Farm Use - 2575 Maxey Road – Electoral Area ‘C’ be received.

CARRIED UNANIMOUSLY

### **Agricultural Land Commission Application Portal Update**

J. Holm provided a summary of the email regarding the Agricultural Land Commission Application Portal Update.

## **STAFF REPORTS**

### **Request for Comment on Subdivision in the Agricultural Land Reserve Application No. PL2017-030 – 2298 Northwest Bay Road - Electoral Area ‘E’**

The applicant provided written materials and spoke to the committee about his application request for subdivision in the Agricultural Land Reserve.

It was moved and seconded that the Agricultural Land Reserve Application No. PL2017-030 – 2298 Northwest Bay Road - Electoral Area ‘E’ be forwarded to the Agricultural Land Commission with no recommendation from the Agricultural Advisory Committee.

Opposed (1): C. Watson

CARRIED

**Request for Comment on Non-Farm Use in the Agricultural Reserve Application No. PL2017-048 – 1384 and 1430 Tyler Road – Electoral Area ‘F’**

It was moved and seconded that the Agricultural Land Reserve Application No. PL2017-030 – 1384 and 1430 Tyler Road – Electoral Area ‘F’ be forwarded to the Agricultural Land Commission with a recommendation to approve from the Agricultural Advisory Committee.

Opposed (4): Director Westbroek, C. Watson, G. Laird, R. Thompson

DEFEATED

It was moved and seconded that the Agricultural Land Reserve Application No. PL2017-030 – 1384 and 1430 Tyler Road – Electoral Area ‘F’ be forwarded to the Agricultural Land Commission with no recommendation from the Agricultural Advisory Committee.

Opposed (1): C. Watson

CARRIED

**Draft Official Community Plan Policies for Electoral Area ‘H’ Relating to Agriculture**

It was moved and seconded that comments on the Draft Official Community Plan Policies for Electoral Area ‘H’ Relating to Agriculture be deferred and that a meeting be organized to discuss the Draft Official Community Plan Policies for Electoral Area ‘H’ Relating to Agriculture.

CARRIED UNANIMOUSLY

It was moved and seconded that the Draft Official Community Plan Policies for Electoral Area ‘H’ Relating to Agriculture be received for information.

CARRIED UNANIMOUSLY

**Proposal to Host a Joint Workshop for Farmers in the Region with Provincial Staff and Regional District of Nanaimo Staff in the Drinking Water & Watershed Protection Program (DWWP) Department, re the new Provincial Groundwater licensing process and how to use the BC Agricultural Water Tool**

It was moved and seconded that the Regional District of Nanaimo request that Provincial staff hold a workshop for farmers in the region regarding the new Provincial Groundwater licensing process and how to use the BC Agricultural Water Tool.

CARRIED UNANIMOUSLY

**Agricultural Land Commission Final Decisions**

The Committee discussed considerations in making a recommendation and whether the applications support agriculture.

## **NEW BUSINESS**

### **Agricultural Advisory Committee Member Mileage Reimbursement For Site Visits**

J. Holm updated the Committee on the Board's resolution that AAC members can submit to receive mileage reimbursement for site visits they are asked to attend. Committee members can submit reimbursement for future site visits and the two site visits being considered on this agenda.

J. Holm advised the Committee that the AAC Provincial Workshop won't be taking place this year.

J. Schile informed the Committee that the agricultural news editorial, Country Life in BC, offered a a subscription discount to attendees of the 2017 Islands Agriculture Show and that the RDN can extend this discount to it's AAC members.

### **Next Meeting**

J. Holm advised the Committee that the next Agricultural Advisory Committee meeting is scheduled to be held on September 22, 2017.

## **ADJOURNMENT**

It was moved and seconded the meeting be adjourned.

CARRIED UNANIMOUSLY

TIME: 3:46 pm

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CHAIRPERSON

**REGIONAL DISTRICT OF NANAIMO****MINUTES OF THE GRANTS-IN-AID ADVISORY COMMITTEE MEETING****Wednesday, May 17, 2017****1:00 P.M.****RDN Committee Room**

In Attendance:	Director M. Young Director M. Lefebvre B. Erickson J. O'Connor E. Yewchin	Chair Director, District 69 Citizen Advisory Member Citizen Advisory Member Citizen Advisory Member
Regrets:	L. Mathews	Citizen Advisory Member
Also in Attendance:	J. Hill C. Golding	Mgr. Administrative Services Recording Secretary

**CALL TO ORDER**

The Chair called the meeting to order.

**APPROVAL OF THE AGENDA**

It was moved and seconded that the agenda be approved, as presented.

CARRIED UNANIMOUSLY

**ADOPTION OF MINUTES****Grants-in-Aid Advisory Committee Meeting – October 26, 2016**

It was moved and seconded that the minutes of the Grants-in-Aid Advisory Committee meeting held October 26, 2016, be adopted.

CARRIED UNANIMOUSLY

**UNFINISHED BUSINESS****Update to Grants-in-Aid Policy**

Staff provided a verbal update on the status of updates to the Grants-in-Aid policy.



**District 68 Grant Approvals**

Funds available: \$4,697

It was moved and seconded that the People in Pain Network Society not be awarded a grant-in-aid as the grant request does not meet the Grants-in-Aid criteria.

CARRIED UNANIMOUSLY

It was moved and seconded that the Board award District 68 Grants-in-Aid funds as follows:

Gabriola Agricultural Association – for the purchase of kitchen supplies and other supplies for the 2nd Annual Farm to Table Feast	\$1,000
Mudge Island Citizen’s Society – towards the purchase and delivery of a Sea Can for storage of firefighting and first aid gear	\$3,697
<b>Total</b>	<b>\$4,697</b>

CARRIED UNANIMOUSLY

**District 69 Grant Approvals**

Funds available: \$12,952

It was moved and seconded that the Board award District 69 Grants-in-Aid funds as follows:

Bowser Seniors Housing Society – towards the cost of advertising for the Society’s Development application	\$1,500
Inclusion Parksville Society – towards the purchase of concrete pads, picnic tables and a barbeque for Flagship Canada Day Community Celebration	\$3,000
Oceanside Building Learning Together Society – for the purchase of books for the Books for Babes Program	\$1,020
Oceanside Hospice Society – for the purchase of equipment and advertising for volunteers for Equipment Loan Program	\$4,832
Oceanside Volunteer Association – towards advertising and posters for the Wellness and Volunteer Fair	\$200
Royal Canadian Legion Branch #76 – towards the purchase of a food cooler	\$1,600
Royal Canadian Legion Bowser & Area Branch #211 – towards supplies and promotion for the Canada Day 150th Birthday Celebration	\$800
<b>Total</b>	<b>\$12,952</b>

CARRIED UNANIMOUSLY

**ADJOURNMENT**

It was moved and seconded that this meeting be adjourned.

TIME: 2:24 PM

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CHAIR

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CORPORATE OFFICER

**REGIONAL DISTRICT OF NANAIMO**

**MINUTES OF THE DISTRICT 69 RECREATION COMMISSION MEETING**

**THURSDAY, MAY 18, 2017**

**2:00 PM**

**OCEANSIDE PLACE MULTI-PURPOSE ROOM**

In Attendance:	Director J. Fell	RDN Board Representative
	G. Wiebe	Electoral Area 'E' Representative
	R. Nosworthy	Electoral Area 'F' Representative
	Director W. Veenhof	Electoral Area 'H' Representative
	N. Horner	Town of Qualicum Beach
	J. Austin	School District 69
Also in Attendance:	T. Osborne	General Manager, Recreation & Parks
	D. Banman	Manager of Recreation Services
	A. Harvey	Recording Secretary
Regrets:	T. Malyk	Area 'G' Representative
	T. Peterson	City of Parksville

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**CALL TO ORDER**

At the February 22, 2017 meeting, the Commission tabled the election of a Chair and Deputy Chair to this meeting so that more Commissioners were in attendance.

D. Banman chaired the meeting until a Chair was elected.

D. Banman called the meeting to order at 2:00pm and respectfully acknowledged the Coast Salish Nations on whose traditional territory the meeting took place.

**APPROVAL OF THE AGENDA**

It was moved and seconded that the agenda be approved as presented.

CARRIED UNANIMOUSLY

**ELECTION OF CHAIR, DEPUTY CHAIR AND GRANT SUB-COMMITTEE**

Commissioner Horner nominated Commissioner Fell for Chair. Commissioner Fell accepted.

It was moved and seconded that Commissioner Fell be acclaimed Chair.

CARRIED UNANIMOUSLY

Commissioner Horner nominated Commissioner Veenhof for Deputy Chair. Commissioner Veenhof accepted.

It was moved and seconded that Commissioner Veenhof be acclaimed Deputy Chair.

CARRIED UNANIMOUSLY

All current members of the D69 Recreation Commission Grants Sub-committee agreed to stay on for another term.

It was moved and seconded that Commissioner Wiebe, Horner and Nosworthy continue to serve as the D69 Recreation Grant Sub-Committee.

CARRIED UNANIMOUSLY

**ADOPTION OF MINUTES**

It was moved and seconded that the minutes of the Regular District 69 Recreation Commission held February 22, 2017 be adopted.

CARRIED UNANIMOUSLY

**INVITED PRESENTATIONS**

**Jennifer Hopewell, RDN Recreation Programmer – Recreation and Health; Making the Link**

Ms. Hopewell presented to the Commissioners the relationship between recreation and its effect on health. This linked to how the RDN is supporting this connection and working with many community partners to establish the importance of recreation in relation to health.

**COMMUNICATIONS/CORRESPONDENCE**

**Mary Taylor, Nanoose Place Seniors, RE: Thank you**

It was moved and seconded that the correspondence from B. Mary Taylor, Nanoose Place Seniors that thanked the D69 Commission for their grant, be received.

CARRIED UNANIMOUSLY

**COMMITTEE MINUTES AND RECOMMENDATIONS**

**Minutes of the D69 Recreation Grants Sub-Committee**

It was moved and seconded that the minutes of the D69 Recreation Grants Sub-Committee meeting held May 10, 2017 be received.

CARRIED UNANIMOUSLY

It was moved and seconded that the following District 69 Youth Recreation Grant applications be approved:

<b>Youth Organization</b>	
Ballenas Secondary School - Tribune Bay trip	\$2,500
Ballenas Whalers Football Support Society - helmets	\$2,000
Bard to Broadway- youth theatre workshop - facility rental	\$460
Bard to Broadway- performing arts education series facility rental	\$1,200
Bow Horne Bay Community Club- Halloween party	\$1,200
District 69 Family Resource Association - summer youth program	\$900
Oceanside Community Arts Council - summer camp supplies and signage	\$1,435
Ravensong Aquatic Club - pool rental	\$1,000
<b>Total</b>	<b>\$10,695</b>

CARRIED UNANIMOUSLY

It was moved and seconded that the following District 69 Community Recreation Grant applications be approved:

<b>Community Organization</b>	
Arrowsmith Community Recreation Association - Food Skills for Families	\$1,000
Arrowsmith Community Recreation Association - Coombs Candy Walk	\$1,000
Bowser Elementary School PAC- playground project	\$1,000
Corcan Meadowood Residents Association - Canada Day	\$1,000
Corcan Meadowood Residents Association- Halloween event	\$1,000
District 69 Family Resource Association - 2-week day camp	\$600
Errington Cooperative Preschool- art supplies	\$1,000
Errington Elementary School PAC- grade 3 swim program	\$1,000
Kidfest Society - equipment rental, event and site expenses	\$1,300
Oceanside Community Arts Council- seniors art program	\$1,000
Parksville Indoor Slow-pitch League - equipment	\$1,100
Parksville Oceanside Pickleball Society (formerly Parksville Qualicum Pickleball Club)- equipment	\$1,000
Qualicum Community Education and Wellness- music program	\$1,250
Qualicum Woods Residents Association- neighborhood picnic	\$375
Van-Isle Walking Soccer- equipment	\$1,000
<b>Total</b>	<b>\$14,625</b>

CARRIED UNANIMOUSLY

## REPORTS

### Update – Oceanside Place, Ravensong & Northern Recreation Services (Verbal)

Mr. Banman told the Commission that staff are working on an updated monthly report that can accurately summarize statistics and programming updates across all facilities and program areas. He anticipates the new format to be on the June agenda.

Mr. Banman updated the Commission on items pertaining to Oceanside Place, Ravensong Aquatic Centre and Northern Recreation Program Services. He highlighted the well-attended Recreation Facilities Association of BC (RFABC) Conference hosted by the RDN at Tigh-Na-Mara Resort, where John Marcellus, Superintendent of Arena Services was elected President of the RFABC and Clayton Bannatyne, Chief Facility Operator, was awarded the Harry Atkinson Memorial Trophy (an annual award for that recognizes facility operators for their dedication to self-improvement, customer service, work relationships and job skill).

For Ravensong Aquatic Centre he noted lifeguard staffing levels have remained stable and still some changes to staffing levels due to schooling and other outside work commitments.

Recreation Programming has started summer staff hiring and training will begin in June.

Mr. Banman gave an update of the Recreation Services Masterplan timeline and the expected dates for reports, community engagement and final Board approval. He told the Commission that staff had just received the State of Recreation Report document from the consultant and are reviewing the draft.

It was moved and seconded that the Oceanside Place, Ravensong and Northern Recreation Services Update (verbal) be received as information.

CARRIED UNANIMOUSLY

**Parks Quarterly Update Report January – March 2017**

Mr. Osborne gave a summary of the Regional Parks projects from the Parks Update Report.

It was moved and seconded that the Parks Quarterly Update Report January- March 2017 be received as information.

CARRIED UNANIMOUSLY

**NEW BUSINESS**

British Columbia Recreation and Parks Association (BCRPA)

Commissioner Nosworthy briefly spoke of the BCRPA Conference attended in April. He recommends any Commissioners who have not attended to go for the experience.

**ADJOURNMENT**

It was moved and seconded that the meeting be adjourned at 3:15pm.

CARRIED UNANIMOUSLY

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Chairperson



**ALTERNATIVES**

1. Receive the report on Development Cost Charge Reserve funds used in 2016 and approve Bylaw No. 1757 and Bylaw No. 1758 as presented.
2. Receive the report on Development Cost Charge Reserve funds used in 2016, amend Bylaw No. 1757 and Bylaw No. 1758 and approve the amended bylaws.

**FINANCIAL IMPLICATIONS**

Alternative 1

The following tables outline the use of DCC’s for southern and northern community sewer service areas per the approved 2017-2021 Financial Plan.

Southern Community Sewer Service Area Development Cost Charge (DCC) funds:

	<b>2017/2018 budgeted DCC expense</b>
Secondary Treatment	\$29,982,000
Centrifuge #2	\$156,765
Total (Bylaw 1757)	\$30,138,765

Northern Community Sewer Service Area Development Cost Charge (DCC) funds:

	<b>2017/2018 budgeted DCC expense</b>
Bay Avenue Pump Station Upgrade (Bylaw 1758)	\$75,000

The secondary treatment project has \$74.95 million budgeted to be spent in 2017/2018 and is scheduled to be completed by the end of 2018. The current project allocation is 40% DCCs and 60% existing users and reserves. The current DCC reserve available for the project is \$3.3 million. The DCC plan for Southern Community Wastewater includes the use of future DCCs to service the debt principal payments on project borrowing.

The Centrifuge #2 project has \$1.4 million budgeted to be spent in 2017. The project is funded through use of grant funding (\$1,086,470), reserves (\$156,765) and DCCs (\$156,765).

The Bay Avenue pump station upgrade includes \$500,000 budgeted to be spent in 2017/2018 on the preliminary and detailed design funded 15% from DCCs and 85% from reserves.

There is no bylaw required for French Creek Pollution Control Centre expansion project budgeted to use \$365,500 from DCC’s in 2017. Bylaw 1746 is already in place for \$1.93 million to be released from DCC reserve fund for this project. \$21,216 is spent to date against this bylaw.



## STRATEGIC PLAN IMPLICATIONS

Local Governments are required to report on the use of DCCs annually. Compliance with this requirement directly supports the Board governing principle to *Be Transparent and Accountable*, which demands transparency in financial reporting and that Directors are accountable to the public.



Manvir Manhas  
[mmanhas@rdn.bc.ca](mailto:mmanhas@rdn.bc.ca)  
May 16, 2017

Reviewed by:

- W. Idema, Director of Finance
- P. Carlyle, Chief Administrative Officer

Attachments

1. Schedule of Development Cost Charges
2. Bylaw 1757
3. Bylaw 1758

**REGIONAL DISTRICT OF NANAIMO  
SCHEDULE OF DEVELOPMENT COST CHARGES FUNDS  
RESERVE ACCOUNT BALANCES AS AT DECEMBER 31, 2016**

	Northern Wastewater DCCs (1)	Southern Wastewater DCCs (2)	Bulk Water DCCs (3)	Duke Point Sewer DCCs (4)	Total 2016
<b>ACTIVITY:</b>					
Balance as at January 1, 2016	6,676,763	3,070,899	757,441	332,375	<b>10,837,478</b>
Add:					
Contribution by developers & others	828,034	1,430,329	44,574	38,416	<b>2,341,353</b>
Interest earned	101,131	41,045	11,168	5,163	<b>158,507</b>
Less:					
Transfer DCCs to Revenue Fund	(21,216)	(1,200,562)	(44,706)	-	<b>(1,266,484)</b>
<b>BALANCE as at December 31, 2016</b>	<b>\$ 7,584,712</b>	<b>\$ 3,341,711</b>	<b>\$ 768,477</b>	<b>\$ 375,954</b>	<b>\$ 12,070,854</b>

- (1) Northern Wastewater DCC collection areas include the City of Parksville, Town of Qualicum Beach, portions of Electoral Area G and portions of Electoral Area E.
- (2) Southern Wastewater DCC collection areas include the City of Nanaimo and the District of Lantzville.
- (3) Bulk Water service areas have been established in the French Creek area of Electoral Area G and the Nanoose Bay Peninsula in Electoral Area E.
- (4) Duke Point Sewer DCC collection area includes properties in Electoral Area A (Cedar).

**REGIONAL DISTRICT OF NANAIMO**

**BYLAW NO. 1757**

**A BYLAW TO AUTHORIZE AN EXPENDITURE FROM THE  
SOUTHERN COMMUNITY SEWER SERVICE AREA  
DEVELOPMENT COST CHARGE RESERVE FUND**

WHEREAS the Southern Community Sewer Service Area Development Cost Charge Reserve Fund was established under Bylaw No. 1547, 2009;

AND WHEREAS in accordance with Section 566(3) of the Local Government Act, the use of development cost charge funds must be authorized by bylaw;

AND WHEREAS the Board has approved the use of development cost charge funds for the purpose of the secondary treatment and centrifuge project at the Greater Nanaimo Pollution Control Centre, and the project is an eligible development cost charge project;

AND WHEREAS the estimated amount to be expended is \$29,982,000 for the secondary treatment and \$156,765 for the centrifuge project;

NOW THEREFORE the Board of the Regional District of Nanaimo, in open meeting assembled, enacts as follows:

1. The sum of Twenty Nine Million Nine Hundred Eighty Two Thousand Dollars (\$29,982,000) is hereby appropriated for the purpose of secondary treatment at the Greater Nanaimo Pollution Control Centre.
2. The sum of One Hundred Fifty Six Thousand Seven Hundred Sixty Five Dollars (\$156,765) is hereby appropriated for the centrifuge project at the Greater Nanaimo Pollution Control Centre.
3. Should any of the above amount remain unexpended, such unexpended balance shall be returned to the credit of the Reserve Fund.
4. This bylaw may be cited as the "Southern Community Sewer Service Area Development Cost Charge Reserve Fund Expenditure Bylaw No. 1757, 2017".

Introduced and read three times this \_\_\_\_\_ day of \_\_\_\_\_, 2017.

Adopted this \_\_\_\_\_ day of \_\_\_\_\_, 2017.

\_\_\_\_\_  
CHAIRPERSON

\_\_\_\_\_  
CORPORATE OFFICER

**REGIONAL DISTRICT OF NANAIMO**

**BYLAW NO. 1758**

**A BYLAW TO AUTHORIZE AN EXPENDITURE FROM THE  
NORTHERN COMMUNITY SEWER SERVICE AREA  
DEVELOPMENT COST CHARGE RESERVE FUND**

WHEREAS the Northern Community Sewer Service Area Development Cost Charge Reserve Fund was established under Bylaw No. 1442, 2005;

AND WHEREAS in accordance with Section 566(3) of the Local Government Act, the use of development cost charge funds must be authorized by bylaw;

AND WHEREAS the Board has approved the use of development cost charge funds for the purpose of the Bay Avenue pump station upgrade project and the project is an eligible development cost charge project;

AND WHEREAS the estimated amount to be expended is \$75,000;

NOW THEREFORE the Board of the Regional District of Nanaimo, in open meeting assembled, enacts as follows:

1. Seventy Five Thousand Dollars (\$75,000) is hereby appropriated for the purpose of the Bay Avenue pump station upgrade project.
2. Should any of the above amount remain unexpended, such unexpended balance shall be returned to the credit of the Reserve Fund.
3. This bylaw may be cited as the "Northern Community Sewer Service Area Development Cost Charge Reserve Fund Expenditure Bylaw No. 1758, 2017".

Introduced and read three times this \_\_\_\_\_ day of \_\_\_\_\_, 2017.

Adopted this \_\_\_\_\_ day of \_\_\_\_\_, 2017.

\_\_\_\_\_  
CHAIRPERSON

\_\_\_\_\_  
CORPORATE OFFICER



## ALTERNATIVES

1. That the Contribution Agreement with the Port Theatre Society for a term from April 1, 2017 to March 31, 2022 be approved.
2. Provide alternate direction to staff.

## FINANCIAL IMPLICATIONS

The 2017 contribution of \$71,813 and projected future contributions as set out below are collected based on assessments and include a 1.5% estimated annual CPI adjustment. The contribution amount is reviewed annually during the budget process and would be adjusted to reflect the actual CPI for Victoria, BC as of December 31 of the prior year. The renewal agreement continues to allow for the Board's annual review as part of the budget process and the CPI determines the amount of the annual increase.

Participant	2017	2018	2019	2020	2021
Electoral Area A	\$15,347	\$15,577	\$15,811	\$16,048	\$16,289
Electoral Area B	\$15,363	\$15,593	\$15,827	\$16,065	\$16,306
Electoral Area C					
Formerly EA D	\$3,948	\$4,007	\$4,067	\$4,128	\$4,190
Remainder EA C	\$15,126	\$15,353	\$15,583	\$15,817	\$16,054
Electoral Area E	\$22,029	\$22,359	\$22,695	\$23,035	\$23,381
Total Contribution	<b>\$71,813</b>	<b>\$72,890</b>	<b>\$73,984</b>	<b>\$75,093</b>	<b>\$76,220</b>

## STRATEGIC PLAN IMPLICATIONS

Renewal of the Port Theatre Contribution Agreement is consistent with the Regional District of Nanaimo Strategic Plan under Focus on Relationships - We look for opportunities to partner with community groups to advance our region and we recognize all volunteers as an essential component of service delivery.



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Tiffany Moore  
[tmoore@rdn.bc.ca](mailto:tmoore@rdn.bc.ca)  
May 19, 2017

### Reviewed by:

- W. Idema, Director of Finance
- T. Osborne, General Manger Recreation and Parks
- P. Carlyle, Chief Administrative Officer

### Attachments

1. Contribution Agreement
2. Port Theatre Agreement Renewal Request Letter
3. Port Theatre 2016 Annual Report
4. Port Theatre 2016 Audited Financial Statements
5. Port Theatre Ticket Purchases Statistics May 15 2017

Attachment 1

**THIS AGREEMENT** is made the \_\_\_ day of \_\_\_\_\_, 2017.

BETWEEN:

**REGIONAL DISTRICT OF NANAIMO**

6300 Hammond Bay Road  
Nanaimo, BC V9T 6N2

(the "**Regional District**")

OF THE FIRST PART

AND:

**THE PORT THEATRE SOCIETY**

125 Front Street  
Nanaimo, BC V9R 6Z4

(the "**Society**")

OF THE SECOND PART

**WHEREAS**

- A. The Regional District, by Bylaw No. 1318 for Electoral Area 'A', 1319 for Electoral Area 'B', 1320 for Electoral Area 'C' (Extension), 1448 for Electoral Area 'C' (East Wellington) and 1449 for Electoral Area 'E', established services for the purpose of providing a Contribution to the Port Theatre;
- B. The Regional District Board has approved an annual grant for operating purposes to the Society (the "**Contribution**");
- C. The Society is incorporated under the laws of BC and the purpose of the Contribution is for the operation of the Port Theatre.
- D. The Regional District has agreed to contribute funding to the Society and the Society has agreed to use the Contribution in accordance with the terms and conditions of this Agreement.

**NOW THEREFORE**, this agreement witnesses that in consideration of the premises, the terms and conditions hereinafter contained, and other good and valuable consideration (the receipt and sufficiency of which are acknowledged by the parties), the Regional District and the Society covenant and agree as follows:

## **1.0 OPERATING REQUIREMENTS**

- 1.1 As a condition of receiving the Contribution under this Agreement, the Society agrees to use the Contribution for the operation of the Port Theatre in accordance with the terms and conditions set out in this Agreement.
- 1.2 The Society shall not use the Contribution or any part of the Contribution for any purpose other than the operation of the Port Theatre.
- 1.3 In operating the Port Theatre, the Society shall at its own cost:
  - a) comply with all enactments that apply to the operation of the Port Theatre, including the requirements of the *Workers Compensation Act* and the Occupational Health and Safety Regulation under that Act;
  - b) obtain all licenses, permits and consents under any federal, provincial or municipal enactment or bylaw in order to provide the service.

## **2.0 TERM**

- 2.1 The Term of this Agreement commences on April 1, 2017 and ends on March 31, 2022 unless otherwise earlier terminated under this Agreement.
- 2.2 This Agreement may be renewed for further terms at the discretion of the Board.

## **3.0 PAYMENT OF CONTRIBUTION**

- 3.1 Provided that the Society complies with all covenants to be performed under this Agreement, the Regional District shall pay to the Society as a Contribution to the cost of operating the Port Theatre \$72,112 for 2017 on August 31<sup>st</sup>. For the years 2018 to 2021, an additional Consumer Price Index (CPI) adjustment will be applied using CPI for Victoria, BC as of December 31 of the prior year. The Board will review and approve any change in the level of funding to be transferred for the subsequent year's in conjunction with its review of the Regional District's current year operating budgets.

## **4.0 FINANCIAL MATTERS**

- 4.1 On or before September 30<sup>th</sup> in each year of the Term, and as soon as practicable following the termination or expiry of the Agreement, the Society shall appear at a regularly scheduled meeting of the Regional District to:
  - a) provide a report on the Society's activities over the previous year including identifying to the best of its ability the participation ratios of residents in all areas of the Regional District in activities at the theatre, and
  - b) provide a copy of the Society's audited financial statements for revenue and expenditures and financial position for the Society in relation to its operations for the preceding fiscal period (the "**Financial Statements**").



## 5.0 COVENANTS OF THE SOCIETY

5.1 The Society covenants agree that it will, during the term of this Agreement:

- a) maintain its corporate existence, carry on and conduct its affairs in a proper and businesslike manner and keep or cause to be kept properly books of account in accordance with generally accepted accounting principles applied consistently;
- b) maintain, at all times, separate and accurate books, records and accounts including all receipts and invoices supporting any expenditures in accordance with generally accepted accounting principles applied consistently;
- c) perform all its obligations under this Agreement at its own cost;
- d) ensure that the Contribution is spent solely on eligible expenses of this agreement;
- e) abide by its constitution, bylaws and other requirements of the *Society Act* and hold annual meetings and file annual reports and other documents to be filed with the Registrar of Companies;
- f) except where otherwise permitted by the Port Theatre Society Constitution and By-Laws and by any provision or article within or included within the Societies Act of British Columbia and the New Societies Act coming into force on 28 November 2016, not adopt a resolution to dissolve the Society unless it has first given written notice to the Regional District 30 days prior to the meeting at which such resolution is to be considered, and in any event not to adopt a resolution to dissolve the Society that is effective prior to the end of the term of this Agreement, or if applicable, prior to the date of early termination under section 9.0 and 10.1 of this Agreement.

## 6.0 INSURANCE

6.1 The Society shall, throughout the Term of this Agreement, obtain and maintain a policy or policies of liability insurance, with a deductible and in a form acceptable to the Regional District, and in the amount of not less than FIVE MILLION DOLLARS (\$5,000,000.00) per occurrence, protecting the Society and the Regional District against:

liability arising from an act, error, omission or breach of duty on the part of the Society, and its officers and directors in the management and direction of The Society.

6.2 The Society shall provide the Regional District for each year of the Term with a certificate signed by an authorized signatory of each insurer confirming that the coverage required under Section 6.1 has been provided, and upon request shall provide a copy of said policy or policies.

6.3 The Society shall be responsible for the cost of providing all insurance required under this Agreement.

## 7.0 INDEMNITY

7.1 Except where some act, error or omission by the Regional District and or the Regional Districts elected and appointed officers, agents and or employees, directly impacts or effects the Society contrary to, including but not limited to, the Constitution, By-Laws and or policies of the Society, the Society agrees to save harmless, release and indemnify the Regional District and its elected and appointed officers, employees and agents from and against all fines, suits, claims, liabilities, damages, costs, expenses, demands and actions (collectively, "liability") for which the Regional

District or its officers and employees may become liable, suffer or incur by reason of or related to the activities of the Society in operating the Port Theatre, without limiting the generality of the foregoing:

- a) any breach, violation, default or non-performance by the Society of any provision of this Agreement;
- b) any wrongful act, omission or negligence of the Society or its members, directors, officers, employees, agents, volunteers, contractors, subcontractors or others for whom it is responsible; and
- c) any death, bodily injury, property damage, property loss, economic loss or other loss or harm suffered by any person, including the Society.

## **8.0 AUDIT**

8.1 Within the Term of the agreement and at the Regional District's own expense, the Regional District shall give the Society written notice that it desires its appointed representative to examine and audit the books of account of the Society. The examination shall be at a time and place mutually acceptable to the Society and the Regional District.

## **9.0 TERMINATION**

9.1 Either party may terminate this Agreement at any time by giving not less ninety (90) calendar days written notice of termination to the other party, and the Agreement shall terminate at midnight on the last day of the third calendar month following the month during which notice is given provided however that, in any event, unless renewed by the Regional District the Agreement shall terminate not later than the 31st day of March, 2022. Within thirty (30) calendar days of termination, the Society agrees to reimburse the Regional District the prorated share of the grant based on the first day of the month immediately following the month in which the contract was terminated.

## **10.0 EARLY TERMINATION**

10.1 Notwithstanding any other provision of this Agreement, the Regional District may terminate this Agreement upon giving written notice of its intention to so terminate:

- a) 30 days' notice should the Society fail to file its Annual Report or otherwise no longer be in good standing with the Registrar of Companies under the *Society Act*
- b) 30 days' notice should the Society default in any term or condition of this Agreement or fail to perform any covenant required to be performed by the Society under this Agreement or such default continues for more than 30 days' notice to correct the default;
- c) Immediately upon notice should the Society make an assignment in bankruptcy or be declared bankrupt.
- d) Notwithstanding any other provision in this agreement, the Society retains its right to terminate this agreement for any reason whatsoever by providing ninety (90) calendar days' written notice to the Regional District.

## **11.0 CONFIDENTIALITY AND FREEDOM OF INFORMATION**

- 11.1 Each party to this agreement covenants and agrees as follows:
- 11.2 The Society and the Regional District covenant and agree that they will not, at any time either during the term of this Agreement or thereafter, disclose to or discuss with a third party any personal information (as defined in the legislation applicable to the party), or information regarding the internal affairs, data, financial, business, trade secrets or other confidences of the other party ("Confidential Information") except:
- a) as required by law or court order;
  - b) or as necessary to instruct third party professional consultants for the purpose of the legitimate business affairs of the party relating to this Agreement,
  - c) unless it has obtained express authorization from the party to which the Confidential Information relates.
- 11.3 With respect to personal information to which the Freedom of Information and Protection of Privacy Act or the Personal Information Protection Act (the "Privacy Enactments") apply, each party shall collect, store, protect, use and disclose such information in accordance with the requirements of the applicable Privacy Enactment, and in a manner that ensures that there is no violation of any obligations of the other party under a Privacy Enactment.
- 11.4 Each party shall cooperate with the other in relation to requests for release of records to which a Privacy Enactment applies, and the parties acknowledge and agree that the Regional District is required to disclose certain records in accordance with applicable legislation, including information that must or may be disclosed in accordance with the Freedom of Information and Protection of Privacy Act.
- 11.5 Nothing herein shall relieve the Society or the Regional District of their respective obligation to determine their obligations under and responsibility for compliance with applicable Privacy Enactments. In the case of conflict between a Privacy Enactment and the terms and conditions of this Agreement (including any schedules) the provisions of the Privacy Enactments prevail.

## **12.0 ENFORCEABILITY AND SEVERABILITY**

- 12.1 If any provision of this Agreement is determined to be invalid, void, illegal or unenforceable, in whole or in part, such invalidity, voidance, illegality or unenforceability shall attach only to such provision or part of such provision and then such provision or part will be deleted from this Agreement, and all other provisions or the remaining part of such provision, as the case may be, will continue to have full force and effect.
- 12.2 The parties will in good faith negotiate a mutually acceptable and enforceable substitute for the unenforceable provision, which substitute will be as consistent as possible with the original intent of the parties.

## 13.0 GENERAL PROVISIONS

### 13.1 Notice

- a) All notices required or permitted to be given under this Agreement ("**Notice**") shall be in writing and shall be sent to the relevant party at the relevant address, facsimile number or e-mail address set out below. Each such Notice may be sent by registered mail, by commercial courier, or by electronic mail:

To the Regional District:  
Attention: Director of Finance  
6300 Hammond Bay Road  
Nanaimo, BC, V9T 6N2  
Fax: 250-390-6572  
Email: corpsrv@rdn.bc.ca

To the Society:  
Attention: General Manager  
125 Front Street  
Nanaimo, BC, V9R 6Z4  
Fax: 250-754-4595  
Email: admin@porttheatre.com

- b) Each Notice sent by electronic mail ("**E-Mail Notice**") must show the e-mail address of the sender, the name or e-mail address of the recipient, and the date and time of transmission, must be fully accessible by the recipient, and unless receipt is acknowledged, must be followed within twenty-four (24) hours by a true copy of such Notice—including all addressing and transmission details, delivered (including by commercial courier).
- i. if sent by registered mail, seven (7) days following the date of such mailing by sender;
  - ii. if sent by electronic mail, on the date the E-Mail Notice is sent electronically by e-mail by the sender.
- c) If a Notice is sent by electronic mail after 4:00 p.m., or if the date of deemed receipt of a Notice falls upon a day that is not a Business Day, then the Notice shall be deemed to have been given or made on the date of transmission or delivery.
- d) If normal mail service or electronic mail is interrupted by strike, slow down, force majeure or other cause beyond the control of the parties, then a Notice sent by the impaired means of communication will not be deemed to be received until actually received, and the party sending the Notice shall utilize any other such services which have not been so interrupted or shall personally deliver such Notice in order to ensure prompt receipt thereof.
- e) Each party shall provide Notice to the other party of any change of address or e-mail address of such party within a reasonable time of such change.

**13.2 Authority**

The Society represents and warrants to the Regional District that it has the authority to enter into this Agreement and carry out its transactions and all necessary resolutions and procedural formalities have been completed and the persons executing this Agreement on its behalf are duly authorized to do so.

**13.3 Relationship**

The legal relationship between the Society and the Regional District arising pursuant to this Agreement is that of a recipient and funder. Nothing in this Agreement shall be interpreted so as to render the Regional District the employer or partner of the Society, or anyone working for the Society. The Society is not, and must not claim to be, the agent of the Regional District for any purpose.

The Regional District shall not purport to own, direct, administer, deliver or direct the operations of the Society's operations or administration. The Regional District shall not attempt, directly or indirectly, direct or attempt to direct, interfere or attempt to interfere with the operations or administration of the Society.

**13.4 Assignment**

This Agreement shall not be assignable by the Society.

**13.5 Enurement**

This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors.

**13.6 Time**

Time is to be of the essence of this Agreement.

**13.7 Further Assurances**

The parties hereto shall execute and do all such further deeds, acts, things and assurances that may be reasonably required to carry out the intent of this Agreement.

**13.8 Entire Agreement**

This Agreement is the entire agreement among the parties as at the date hereof and neither the Regional District nor the Society has given or made representations, warranties, guarantees, promises, covenants or agreements to the other except those expressed in writing in this Agreement, and no amendment of this Agreement is valid or binding unless in writing and executed by the parties.

**13.9 Waiver**

The waiver by a party of any failure on the part of the other party to perform in accordance with any of the terms or conditions of this Agreement is not to be construed as a waiver of any future

or continuing failure, whether similar or dissimilar. Any waiver shall be in writing and shall be delivered in accordance with Section 13 Notice

### **13.10 Cumulative Remedies**

No remedy under this Agreement is to be deemed exclusive but will, where possible, be cumulative with all other remedies at law or in equity.

### **13.11 Amendment**

No amendment, waiver, termination or variation of the terms, conditions, warranties, covenants, agreements and undertakings set out herein will be of any force or effect unless they are in writing and duly executed by all parties to this Agreement and delivered in accordance with Section 13 Notice.

### **13.12 Law Applicable**

This Agreement is to be construed in accordance with and governed by the laws applicable in the Province of British Columbia.

### **13.13 No Partnership or Agency**

No provision of this Agreement shall be construed to create a partnering agreement, a partnership or joint venture relationship, an employer-employee relationship, or a principal-agent relationship.

## **14.0 INTERPRETATION**

### **14.1 In this Agreement:**

- a) reference to the singular includes a reference to the plural, and vice versa, unless the context requires otherwise.
- b) articles and section headings have been inserted for ease of reference only and are not to be used in interpreting this Agreement;
- c) reference to a particular numbered section or article, or to a particular lettered Schedule, is a reference to the correspondingly numbered or lettered article, section or Schedule of this Agreement;
- d) if a word or expression is defined in this Agreement, other parts of speech and grammatical forms of the same word or expression have corresponding meanings;
- e) reference to any enactment includes any regulations, orders or directives made under the authority of that enactment;
- f) reference to any enactment is a reference to that enactment as consolidated, revised, amended, re-enacted or replaced, unless otherwise expressly provided;
- g) reference to time or date is to the local time or date in Nanaimo, British Columbia;
- h) all provisions are to be interpreted as always speaking;
- i) reference to a "party" is a reference to a party to this Agreement and to their respective successors, assigns, trustees, administrators and receivers;

- j) reference to a “day”, “month”, “quarter” or “year” is a reference to a calendar day, calendar month, calendar quarter or calendar year, as the case may be, unless otherwise expressly provided;
- k) where the word “including” is followed by a list, the contents of the list are not intended to circumscribe the generality of the expression preceding the word “including”;
- l) a word importing the masculine gender includes the feminine or neuter, and a word importing the singular includes the plural and vice versa; and
- m) a reference to approval, authorization, consent, designation, waiver or notice means written approval, authorization, consent, designation, waiver or notice.

IN WITNESS WHEREOF the parties hereto have set their hands and seals as of the day and year first above written.

**REGIONAL DISTRICT OF NANAIMO** )  
by its authorized signatories: )

)  
)

\_\_\_\_\_)  
Chair: )

)  
)

)  
)

\_\_\_\_\_)  
Corporate Administrator

**THE PORT THEATRE SOCIETY** )  
by its authorized signatories: )

)  
)

\_\_\_\_\_)  
Name: )

)  
)

\_\_\_\_\_)  
Name: )



Wendy Idema, Director of Finance  
Regional District of Nanaimo  
6300 Hammond Bay Road  
Nanaimo, V9T 6N2

May 18, 2017

Dear Wendy,

**RE: RENEWAL OF FIVE YEAR FUNDING AGREEMENT**

In April 2012 the Regional District of Nanaimo and the Port Theatre Society entered into a five year funding agreement that was due for renewal March 31, 2017. The Port Theatre Society wishes to renew this same agreement for five years ending March 31, 2022.

**Background:**

The taxpayers of Electoral Areas A,B,C and E have been contributing to The Port Theatre since 1996. They voted by referendum to help build the theatre and have been contributing annually to operating costs since it opened in 1998. The District Municipality of Lantzville has a separate agreement with The Port Theatre and continues to provide an annual contribution for operations. The City of Nanaimo owns the building and has a co-management agreement with The Port Theatre Society that supports operating costs, a capital/equipment replacement budget and a maintenance budget to ensure the facility meets professional standards.

**Usage rates by RDN residents:**

Attached is a report summarizing the number of households in the RDN who have purchased tickets at The Port Theatre ticket centre. For the many free events held in the venue it is difficult to learn where people reside but a conservative estimate would be that approximately 25,000 people (23% of the 108,837 people through the venue in 2016) were residing in RDN areas outside of the City of Nanaimo. The theatre has ongoing relationships with a variety social service agencies in the region to ensure access to free tickets for those on limited incomes. The theatre has developed partnerships with numerous arts organizations, cultural groups and schools to reach youth and minority populations including those residing in the RDN electoral areas outside the City of Nanaimo.

**Results of Renewal:**

With continued annual contributions from Areas A-E. The Port Theatre will be able to operate in a fiscally responsible manner. This contribution was 3.8% of the 2016 annual operating revenue. With a renewed five year agreement with the RDN, the Port Theatre will move forward with plans to stimulate and enhance artistic, economic and cultural activities in the Central Vancouver Island Region.

Thank you for your kind consideration of this request.

Sandra Thomson,  
Acting General Manager, The Port Theatre Society





## REGIONAL DISTRICT OF NANAIMO RESIDENTS ENGAGEMENT IN ANCILLARY PROGRAMS

The Theatre Angels program provides opportunities for disadvantaged individuals from all areas of the RDN to attend events at the theatre. Tickets are offered to social service agencies for their clients who might not otherwise be able to attend live performances. Among the 56 organizations included in the program in 2016 are the following that we know have a specific reach into RDN areas:

- Big Brothers & Big Sisters of Central Vancouver Island
- Boys & Girls Club of Central Vancouver Island
- Cedar School & Community Enhancement Society
- Cedar Seniors Drop-in
- Central Vancouver Island Multicultural Society
- Explorer Program (Lantzville)
- Nanaimo Organization for the Vision Impaired
- Parksville Seniors Activity & Drop-In Centre
- People for Healthy Community on Gabriola Society
- SOS Seniors (Parksville).

The Port Theatre regularly works with a variety of artists and groups as Community Partners. Among the 42 organizations included in the program in 2016 are the following that we know have a specific reach into RDN areas:

- Gabriola Fibre Arts Group
- Gabriola Palette People
- Gabriola Photography Club (with rotating art gallery space year-round)
- Central Vancouver Island Multicultural Society
- L'association des francophones de Nanaimo
- Mid-Island Metis Nation
- South Side Teen Centre

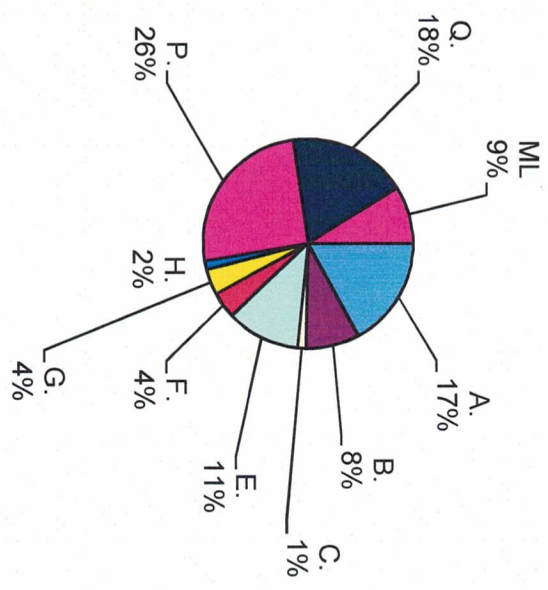
The eyeGO to the Arts program offers high school students in both Districts 68 & 69 access to \$5 tickets. In 2016 a 193 young people accessed 38 different events through this program.

**RDN Region (outside City of Nanaimo)** Estimated # households buying tickets

A. Cassidy, Cedar, Yellowpoint, S. Wellington	3,719
B. Gabriola, DeCourcy, Mudge Islands	1,811
C. Extension, Arrowsmith-Benson, E. Wellington	281
E. Nanoose Bay	2,456
F. Coombs, Hilliers, Errington, Whiskey Creek	897
G. Dashwood, Englishman R., French Creek	850
H. Shaw Hill, Deep Bay, Bowser	296
P. City of Parksville	5,552
Q. Town of Qualicum Beach	3,993
ML Dist. Municipality of Lantzville	1,931

**Total RDN Households buying tickets** 21,786

**Households from RDN Purchasing tickets at the Port Theatre**

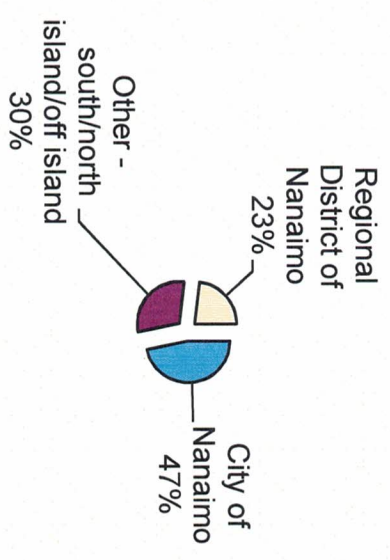


- A.
- B.
- C.
- D.
- E.
- F.
- G.
- H.
- P.
- Q.
- ML

As of May 15, 2017

**Source of Ticket Buyers**

City of Nanaimo	Households buying tickets	44,354
Other - south/north island/off island		28,544
Regional District of Nanaimo		21,786
<b>Total in Database</b>		<b>94,684</b>





# 2016 ANNUAL REPORT



## MESSAGE FROM THE PRESIDENT

2016 was a year of pushing boundaries and challenging our community through diverse artistic experiences.

From a governance perspective, The Port Theatre Society is guided by a Board of Directors united in the vision of growing our community through access to the arts, access to our theatre, and access to transformational experiences beyond the boundaries of everyday life.

On the operations side, we continue to challenge expectations and build a reputation with local, national and international success. We had an unprecedented number and variety of events in 2016, with nearly 108,000 patrons and performers welcomed to our theatre over 284 events.

This year the Society hosted 16 events as part of our nationally-acclaimed Spotlight presentation series, showcasing some of the most interesting and exciting touring artists available. At the heart of the Spotlight Series is a passion to create access to artistic excellence and innovation. We strive to challenge our community by sparking dialogue through diverse art works, and appreciation of different art forms from close to home and around the world.

We are proud to have hosted the Royal Winnipeg Ballet's ground-breaking production *Going Home Star - Truth and Reconciliation*, supported by Canada's Truth and Reconciliation Commission. This historic event created a community space for conversation, reflection and understanding. Throughout the season, we continued to grow dance audiences with provoking contemporary dance works by Ballets Jazz de Montréal, and the return of everyone's favourite holiday classic Nutcracker by Canada's Royal Winnipeg Ballet. We celebrated Canadian identity in the arts with legends Buffy Sainte-Marie and Fred Penner, took theatre audiences on a zany and visually innovative adventure with the Arts Club Theatre Company's *Baskerville: A Sherlock Holmes Mystery*, and brought some of the world's favourite touring musicians to the stage – from Ireland's De Danann, to Canada's hottest guitar ensemble Montréal Guitar Trio, to an energetic new cast of guitar luminaries at International Guitar Night.

In 2016, we continued to challenge the boundaries of our theatre, physically, by reimagining unconventional space. We introduced the brand new OFFstage Theatre Series, transforming The Port Theatre lobby into an intimate late night venue to feature bold and provocative works by emerging artists. The first half of the year saw Sarah Hagen host her final season of Classical Coffee Concerts with special guests, before welcoming the dynamic Bergmann Piano Duo as new hosts of the well-loved series.

There are many factors that allow us to push boundaries while maintaining artistic, social and financial success. Our Port Theatre team is a dedicated, experienced and knowledgeable family of arts professionals who have earned respect across the country from promoters, agents and artists alike. Our 150+ volunteers are not only family to us but are dedicated ambassadors for the arts. Our current Board of Directors is committed to a single vision of providing inclusive and accessible opportunities for our community.

Throughout 2016, we developed and maintained numerous community partnerships including Nanaimo Child Development Centre, Nanaimo Foundation, Nanaimo Aboriginal Centre, Snuneymuxw First Nation, Tillicum Lelum Aboriginal Friendship Centre, Mid Island Metis Nation, TheatreOne, Nanaimo Fringe Festival, Haven Society, various VIU departments, SD68, Opera Nanaimo and the Nanaimo Conservatory of Music to name a few. These partnerships are integral to the ability for our community to continue to grow and thrive through access to and usage of our theatre.

The Port Theatre Society Board of Directors continues to prioritize the development of the Community Performing Arts Centre. Nanaimo City Council reaffirmed their support of this project in Spring 2016,





fundraising reached over \$675,000 without incurring any debt whatsoever, and we eagerly await funding announcements from the provincial/federal government in order to move forward with our shovel-ready project.

The Port Theatre Society Board of Directors recognizes the excellence of our General Manager, Bruce Halliday, who is currently on leave and expected to return in 2018. We are exploring options to provide temporary leadership until he returns. The Board has been exceptionally well-served in the recent months when Mr. Halliday has been on leave and we are immensely grateful for the hard work and dedication put forward by each and every one of the Port Theatre staff members. We are also indebted to the excellent service and energetic support from all of our amazing volunteers. Together we work to ensure our sustainability and relevance in the region.

The board and staff very much appreciate the strong support from the City of Nanaimo, Mayor Bill McKay and Council, City staff, The Regional District of Nanaimo, The District of Lantzville, The Department of Canadian Heritage, The BC Arts Council, and The BC Touring Council. We would also like to extend our thanks to our community and our many partners and patrons.

2016 was a landmark year in many ways, and it is your unrelenting support that ensures the success of live performance in Nanaimo for many years to come. “Challenge” to us is not a dirty word. It is the fire that burns underneath us as we strive to reach further and further into the heart of our community. It is what drives us as we challenge expectations, challenge perceptions of Nanaimo, and challenge our community to collectively celebrate Nanaimo’s diverse, tolerant and creative nature.

**Fred Jacklin**  
*President*



*Footprints of the Wolf drumming and singing circle serenaded audiences before each performance of the Royal Winnipeg Ballet's Going Home Star – Truth and Reconciliation in April.*

## MISSION STATEMENT

The purpose of The Port Theatre Society is to stimulate and enhance artistic, cultural and economic activities in the Central Vancouver Island Region through the operations of the performing arts centre on the waterfront in downtown Nanaimo.

## BOARD OF DIRECTORS

President	Fred Jacklin
Vice President	Jim Vanstone
Treasurer	Colin Sheen
Secretary	Marilyn Sullivan
Directors	Jim Ballard
	Diana Johnstone
	Monica Shore

## MANAGEMENT TEAM

Lisa Desprez	Administrative Assistant
Melanie Godel	Marketing & Administration Assistant
Greg Graham	Senior Front of House Manager
Bruce Halliday	General Manager
Karen Harrison	Finance Manager/Accountant
Mike Hessler	Technical Director
Tim Johnson	Assistant Technical Director/ Head Carpenter
Shelley Johnstone	Marketing & Community Outreach Coordinator
Wilson Pascoe	Assistant Technical Director/ Head of Sound
Jason Pouliot	Assistant Technical Director/ Head of Lighting
Kathy Robinson	Ticket Centre Manager
Christine Theuerkorn	Booking Coordinator

## ADMINISTRATION

Accounting Assistant	Nic Carper
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## TICKET CENTRE

**Senior Ticket Clerks:** Gillian Parker, Jo-Ann Tait

**Ticket Clerks:** Sara Fee, Ingrid Fitzpatrick, Chris Helman, Janet Marren, Minnow Parmar, Niomi Pearson

## FRONT OF HOUSE

**Assistant Front of House Managers:** Natasha Cowper, Karrie MacDonald, Sarah Ujack

**Audience Services:** Melody Barta, Jacqui Conway, Jonathan Greenway, Blake McGuffie, Thomas Smith, Joanne Swain, Sarah Ujack, Kyra Van Shaik, Lorraine Willgress



Staff of the Port Theatre are all smiles during the busy holiday season.

## HEALTH AND SAFETY COMMITTEE

Lisa Desprez, Greg Graham, Bessie Harvey, Mike Hessler, Tim Johnson

## RECEPTION VOLUNTEERS

Nella Frewin, Bessie Harvey, Pat Piercy, Betty Reynolds

## VOLUNTEER NEWSLETTER COMMITTEE

Natasha Cowper, Val Duthie, Greg Graham, Karrie MacDonald, Betty Reynolds, Carolyn Walker

## VOLUNTEER PARTY PLANNING COMMITTEE

Natasha Cowper, Lisette Dowdle, Jim Gahr, Greg Graham, Pearl Johnston, Stella Robinson

## LAUNDRY DETAIL

Kristina Raappana

## THEATRE TECHNICIANS

**Keys & Codes:** Steve Adamson, Ken Swain, Sue York

**On-Call Technicians:** Jethro Allen-Martin, Leroy Anderson, Steven Baillie, Nick Barrett, Dave Barton, Tanya Baxter, Sheila Bowman, Robin Boxwell, Hilary Britton-Foster, Susanne Clampett-Husband, Sherry Dance, Mary Downes, Graham Gueguen, Peter Gunstone, Crystal Hanson, Chad Hartel, Brendan Holm, Holly Karpuik, Andrea King, Elizabeth Kraft, Nicole Lamb, Stephen Lewis, Miranda Lum, Brad McAuley, Hailey McConnell, Andrew Nicholls, Oren Nienhuis, Nikki Nilsson, Richard Nott, Simon Pamment, Michael Parsons, Leon Potter, Susan Potts, Janelle Reid, Brandon Richards, Casey Leigh Robinson, Paul Sadlemyer, Yong Shian Sam, Lukas Smith, Matthew Stephens, Elly Tomasson, Michael Unger, Bibi Wallace, Liam Worthington

### **The Port Theatre Society gratefully acknowledges the financial support of:**

The BC Arts Council | The BC Touring Council | The City of Nanaimo | The Department of Canadian Heritage – Arts Presentation Canada Program | The District Municipality of Lantzville | The Province of British Columbia | The Regional District of Nanaimo Electoral Areas A, B, C, E

### **The Port Theatre is proud to be a member of:**

Arts BC | BC Touring Council | Canadian Arts Presenting Association | Canadian Institute of Theatre Technicians | Gabriola Chamber of Commerce | Nanaimo Chamber of Commerce

## DONORS TO OPERATING FUND

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 Lianne & David Ballantyne  
 Michael & Anna Berry  
 Laurie & Steve Beveridge  
 Nancy Blair  
 Jan (Peter) Blumel  
 Peter & Linda Booler  
 Nelder & Muriel Boulton  
 Richard & Lynne Bowen  
 Gwen Boyd  
 Cory Dawn Brimacombe  
 Kathleen Brodie  
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 Theresa Marie Wilson  
 Peter Winn  
 Ron Wong  
 Gary & Audrey Zolob  
 Joy Zorkin



*The legendary Buffy Sainte-Marie performed a rare solo performance to a sold-out audience in November.*

*photo by Christie Goodwin*



## STUDIO THEATRE FUND DONORS

Robert Bevis | Nic Carper | Casino Nanaimo | Sue E. Culver | Jack & Diana Johnstone | Chad Oakenfold | Betty St. Jean | Diane Piket | Christine & John Whitelaw

## MEDIA SPONSORS

91.7 Coast FM | CHLY 101.7 FM | Harbour Living | Island Radio | Nanaimo Daily News | Nanaimo News Bulletin | Rideout Communications

## YOUTH PROGRAM SPONSORS

Island Savings | BC Touring Council

## 2016 SEAT SPONSORS

Maureen Rumney | Casino Nanaimo | Helen Weinehl

## IN-KIND SPONSORS

Central Vancouver Island Multicultural Society | Dr. Tonia Winchester ND | Got Pop? Concerts | Kwik Kopy Design & Print Centre | Mambo Gourmet Pizza | Ohana's Café & Deli | Serious Coffee | Thrifty Foods | Turley's Florist & Specialty Garden Centre | The Vault Cafe

## 2016 ENDOWMENT FUND DONORS

The Estate of Mary Holmes | Elaine McDonald

## THEATRE ACTIVITY DURING 2016

	Events	Patrons
January	21	6,788
February	29	10,127
March	28	9,694
April	41	15,561
May	28	10,905
June	40	20,733
July	2	33
August	3	114
September	7	1,512
October	31	7,183
November	27	11,477
December	27	14,710
<b>TOTAL in 2016</b>	<b>284</b>	<b>108,837</b>



Young people take a break from the music to dress up during the AMP IT UP! Free Youth Event in May 2016.



## THEATRE ANGELS PROGRAM

The Port Theatre Society's Theatre Angels Program provides tickets to the following social service agencies in the Mid-Island area, who in turn distribute the tickets to clients who might not otherwise have the opportunity to attend live performances. Over 1,250 tickets were made available in 2016 to the following 55 agencies and groups.

7-10 Club, Nanaimo  
 Affordable Housing Society  
 Better At Home Program - Nanaimo Family Life  
 Big Brothers & Big Sisters of Central Van. Island  
 Bill's Place Residential Care  
 Brain Injury Society  
 Buttertubs Place  
 Boys and Girls Club of Central Vancouver Island  
 Cedar School & Community Enhancement Society  
 Cedar Seniors Drop-In  
 Central Vancouver Island Multicultural Society  
 Claytree Society, Bridges Nova Program  
 Clements Centre Society  
 Dallen's Dream Team Society  
 Disability Resource Centre  
 Explorer Program  
 Haven Society  
 Hepatitis C Peer Support Group  
 Hepatitis C Society  
 Island Crisis Care Society  
 Island Deaf & Hard of Hearing Society  
 John Howard Society, Nanaimo Region  
 Kiwanis Village  
 M.S. Society  
 Mid-Island Abilities & Independent Living Society  
 Mountain View Group Home  
 Mt. Benson Senior Citizens Housing Society  
 Nanaimo Aboriginal Centre  
 Nanaimo Association for Community Living Nanaimo  
 Child Development Centre  
 Nanaimo Citizen Advocacy Association  
 Nanaimo Family Life Association  
 Nanaimo Harbour City Seniors  
 Nanaimo Organization for the Vision Impaired  
 Nanaimo Seniors Visiting

Nanaimo Serenity Lodge  
 Nanaimo Travellers Lodge  
 Society  
 Nanaimo Women's  
 Resource Centre  
 NYSA – One Stop Youth Center  
 Open Minds Open Windows  
 Society  
 Pamela's Home Society  
 Parksville Seniors Activity & Drop-In Centre  
 People for Healthy Community on Gabriola Society  
 Port Alberni Association for Community Living  
 Skaana Community Resources Ltd.  
 Snuneymuxw First Nation  
 Society of Organized Services  
 SOS Seniors  
 Supportive Apartment Living  
 Tillicum Lelum Aboriginal Friendship Centre  
 Tillicum Lelum Men's Wellness Survivors  
 Vancouver Island Mental Health Society  
 Vancouver Island University – Clemente Course  
 Vancouver Island Vocational and Rehabilitation Services  
 VIHA Mental Health & Addiction Services  
 VIHA Youth & Family Addictions



Fred Penner crooned hits like "The Cat Came Back" for fans young and old alike as part of the Spotlight Series in September 2016.

*"ON BEHALF OF EVERYONE AT SUPPORTIVE APARTMENT LIVING, WE WANT TO THANK YOU ONCE AGAIN FOR THE INCREDIBLE THEATRE ANGELS PROGRAM. NOT ONLY DOES YOUR PROGRAM PROVIDE PEOPLE WITH DIVERSIBILITIES THE CHANCE TO ATTEND PERFORMANCES, BUT IT GIVES PEOPLE A REASON TO GET DRESSED UP, MEET WITH FRIENDS AND HAVE WONDERFUL AND MEMORABLE EXPERIENCES TOGETHER."*

**Eve Reinarz**

Supportive Apartment Living

## THEATRE ANGELS PROGRAM DONORS

Lynne & Charles Alton  
 Eric & Maureen Anstey  
 Brook Antal  
 Jacob Baelemans  
 Donna & Hal Baldwin  
 Elaine Barnes  
 Lorna Black  
 Joy & Ken Bruner  
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 Evelyn Cyr  
 Alison Douglas  
 Jennifer Downer  
 Douglas & Laurene Ebbett  
 Brian Fisher  
 Ken R. Flannagan

Brian & Aileen E. Foan  
 Kathleen & Inge Fretheim  
 Trudy (Gertrude) Gilmour  
 Roger & Christine Gumbert  
 Dan & Rita Haaf  
 Doreen Hagen  
 Barbara & Wayne Harling  
 Richard L. Hart  
 Kathryn-Jane Hazel  
 David & Pam Helem  
 Reinie Heydemann  
 Lorena & Grant Holmgren  
 Jean Hopper  
 Bennett & Frances Horner  
 Marilyn & Phil Huffman  
 Roy Innes  
 Keith & Doreen Ketchen  
 Monica & John Kirkhope

Kiwanis Club of Nanaimo  
 Sunrisers  
 Lucie Koenig  
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 Joe & Anne Kraskin  
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 Marie & Andy Tunheim  
 Elizabeth (Paxie) F. Vreede  
 Susanne Walter  
 Joann M. Walton-Hatch  
 Stan & Bernice Wardill  
 Patricia Washburn  
 Ronalee White  
 John & Kathleen Whyte  
 Gary & Audrey Zolob

## PUTTING COMMUNITY FIRST

Every year, The Port Theatre Society is proud to partner with many community organizations and events. In 2016, we grew and developed a great number of these relationships. We would like to recognize some of these important partnerships to show how they have benefited our community.

## TRULY HOME FOR A REST... A SPECIAL PRESENTATION

The Port Theatre had the exciting opportunity to present *Spirit of the West*, a staple of the Canadian music scene for nearly three and a half decades, ahead of their final hometown performances in Vancouver. The sold-out concert was a special evening of celebration, nostalgia and pride as Nanaimo said goodbye to one of Canada's most stalwart and beloved musical groups.

## GIVING YOUTH THE POWER

2016 saw more youth in seats, on stage and behind-the-scenes than ever before thanks in part to our youth programming sponsor Island Savings: **Schools on Stage** gives elementary students access to the theatre and staff for a full day to put on large-scale community performances, and this year benefited over 3000 elementary school students; **Student Work Experience** allowed over 70 youth from NDSS, the Crimson Coast Dance Society's Body Talk Youth Cru and VIU technical theatre students to gain on-stage and behind-the-scenes experience with our professional technical staff; **eyeGO to the Arts** continued to allow high school students access to \$5 tickets, including the majority of our Spotlight Series performances; and we presented our second **free youth concert AMP IT UP!** creating a fun and accessible event featuring two local up-and-coming acts.

## IGNITING DIALOGUE THROUGH PERFORMANCE

Performance art can be a valuable tool in building relationships, encouraging dialogue, and helping our community become stronger. In April 2016 we hosted the Royal Winnipeg Ballet's ground-breaking production *Going Home Star - Truth and Reconciliation*, supported by Canada's Truth and Reconciliation Commission. We are proud to have hosted such an historic event and created a community space for conversation, reflection and understanding.

## REIMAGINING UNCONVENTIONAL SPACE

The Port Theatre continued to push boundaries in 2016 with the introduction of the OFFstage Lobby Theatre Series, presented in partnership with TheatreOne and Nanaimo Fringe Festival. The series sees the Port Theatre lobby transformed into an intimate late-night venue where emerging artists explore provocative topics through performance. The success of this series, with two packed performances in the fall, demonstrates our community's thirst for small-scale and intimate performance spaces in our community.

## COMMUNITY PARTNERS

BC Boys Choir | Central Vancouver Island Multicultural Society | City of Nanaimo | Crimson Coast Dance Society | Dirk Heydemann – HA Photography | Downtown Nanaimo Business Improvement Association | Friends of the Library | Festival Nanaimo | Gabriola Fibre Arts Group | Gabriola Palette People | Gabriola Photography Club | Haven Society | L'Association des francophones de Nanaimo | Mid Island Metis Nation | Nanaimo Aboriginal Centre | Nanaimo Women's Resource Centre | Nanaimo African Heritage Society | Nanaimo Art Gallery | Nanaimo Arts Council | Nanaimo Blues Society | Nanaimo Chamber of Commerce | Nanaimo Child Development Centre | Nanaimo Conservatory of Music | Nanaimo Economic Development Corporation | Nanaimo Foundation | Nanaimo Fringe Festival | Nanaimo Museum | School District 68 | Snuneymuxw First Nation | South Side Teen Centre | The Grand Hotel | TheatreOne | Tillicum Lelum Aboriginal Friendship Centre | Vancouver Island Children's Book Festival | Vancouver Island Short Film Festival | Vancouver Island Symphony | VIU Alumni Association | VIU International Education | VIU Theatre Department | VIU Visual Art Department



The Port Theatre continues to develop important partnerships with groups like the Mid Island Metis Nation.



A student from the NDSS performance of *Shrek* greets his fans. Both the NDSS production and the matinee performance for 800 elementary students were funded by The Port Theatre's youth programming initiatives.



Footprints of the Wolf drumming and singing circle serenaded audiences before each performance of the Royal Winnipeg Ballet's *Going Home Star – Truth and Reconciliation* in April.

## SPOTLIGHT PLUS – MORE WAYS TO SAVE

We introduced more ways to save in the 2016-17 season with Spotlight Plus. This ticket packaging formula sees our patrons rewarded with up to 25% off regular or member priced tickets when they purchase for multiple Spotlight performances. Our goal is to thank and reward committed patrons and members with deep discounts, make attending live performance a more regular practice in everyday life, and encourage them to take a chance on unique and innovative programming that they may not otherwise see.

### MEMBERSHIP

Total Members:  
1,562

Total Membership Revenue:  
\$40,462

### CORPORATE & SMALL BUSINESS MEMBERS:

Barbara Day Sort Law Corp.  
Canadian Sitter Inc.  
Casino Nanaimo  
Ecstasy Audio  
Fuller Management Inc.  
Harbour Dancentre  
Heath & Co.  
Heather Tours  
Island Fever Travel  
Island West Coast Developments  
KC Voiceworks  
Kwik Kopy Printing  
L & E Excavating Ltd.  
Lifeworks! Consulting Services  
Maffeo Salon And Day Spa  
McLean's Specialty Foods  
Mid Island Co-Op  
Mile Zero Motorsports  
Mosaic Information Technologies Inc.  
Northridge Dental  
Old City Quarter Law Office  
Pacific Biological Station Staff Association  
Pochi Enterprises  
Profotofx Services Ltd.  
Ramsay Lampman Rhodes  
Royal Bank of Canada (RBC)  
S&G Quartz and Granite  
Silvacare  
Soloway  
Spice of Life Catering  
Tempo Dance Academy  
Waterman & Associates  
Woodgrove Pine Clinic

### NON-PROFIT ORGANIZATION MEMBERS:

Comets Sport, Recreation, and Culture Society  
Nanaimo Military Music Festival Society  
Preceptor Gamma Lambda

### FINANCIAL

(Updated March 8, 2017)

The Port Theatre Society is pleased to share the Audited Financial Statements for the year ended December 31, 2016. As per the Societies Act requirement, these statements were approved by the Board of Directors at their March 8, 2017 meeting. The Port Theatre Society ended the 2016 fiscal year with a \$110,227 operating fund surplus. The Board of Directors have chosen to transfer \$100,000 of the operating surplus: \$50,000 to the contingency fund and \$50,000 to the building fund towards the completion of the Community Performing Arts Centre (Studio Theatre). The Port Theatre Society continues to operate efficiently and effectively with no accumulated debt.



Timmy Tikket and "Fred Penner" took to the streets to distribute candy at the Downtown Halloween 55w.

### TICKET SALES

The Port Theatre event ticket sales:

- Total tickets sold: 60,017
- Total dollar value: \$2,165,290

Off-site event ticket sales:

- Total tickets sold: 5,454
- Total dollar value: \$176,783

There were a total of 45 events equalling 58 performances held at other venues: Beban Park Auditorium, Beban Park Social Centre, Brechin United Church, The Coast Bastion Hotel, Diana Krall Plaza, Dorchester Hotel, Harbour City Theatre, Maffeo-Sutton Park, Malaspina Theatre, Nanaimo Art Gallery, Nanaimo Ecumenical Centre, Nanaimo Entertainment Centre, Pioneer Waterfront Plaza, The Queen's, St. Andrews United Church, St. Edmunds Church in Parksville, Vancouver Island Conference Centre, and VIRL Nanaimo Harbourfront.

### FACILITY

- Exterior lights upgraded to LED
- Plumbing upgrades – New sinks in women's washrooms and accessible height toilets in Harmac Room Washrooms
- Purchase of LED stage Fixtures
- Audio Patchbay Rebuild/Upgrade
- Purchase of Large Video Projector for Main Theatre
- Replacement of Point of sale Terminals for Lobby Bars



## INSPIRING GIVING

The Port Theatre is a founding partner of **Mid Island Gives** – a new GivingTuesday civic movement dedicated to showcasing and celebrating the strong and diverse charitable and non-profit organizations across central Vancouver Island. Mid Island Gives is committed to making our community stronger by encouraging giving of all kinds; volunteering, donating and sharing.

## VOLUNTEERS

With over 150 volunteers, The Port Theatre Society's volunteer roster is one of the largest in Nanaimo. We are privileged to have such dedication within our organization.

The depth and experience of the volunteers ensures the seamless execution of the many events presented at The Port Theatre every year. Volunteers also help the society by working the administration desk during certain weekday lunch hours. They keep busy answering phones, organizing mail-outs, and updating volunteer work schedules. Other work includes laundry duties, writing and editing the volunteer newsletter, sitting on the Health & Safety Committee, and organizing the annual Volunteer Appreciation Luncheon. Each volunteer's commitment to The Port Theatre Society is integral to the successful delivery of live entertainment to the community.

**Total volunteer hours in 2016: 11,517**

**Total volunteer hours since 1998 opening: 254,287**



*Bessie Harvey received recognition for her contributions as a Port Theatre volunteer at the AGM in March 2016.*



*Volunteers enjoy their day at the Annual Volunteer Luncheon in April.*



*Elizabeth and Marcel Bergmann, also known as the Bergmann Piano Duo, ushered in a new era as hosts of the Classical Coffee Concert Series.*



*RWB Artistic Director André Lewis chats with Shelagh Rogers of CBC Radio about reconciliation ahead of both performances of *Going Home Star – Truth and Reconciliation*.*

## MERIT BOX

Volunteers are listed in order of which service levels were reached:

**7250 hours:**

Doris Arndt

**4250 hours:**

Kristina Raappana

**2750 hours:**

Jim Gahr

**2500 hours:**

Rina Cassino

**2000 hours:**

Tove Gahr

**1750 hours:**

Carolyn Walker

Rose Wizinsky

**1500 hours:**

Karen Orchyk

**1250 hours:**

Judi Davison

Lisette Dowdle

**1000 hours:**

Marjorey Hope

Pat Piercy

Gloria Saunders

**750 hours:**

Bibi Stewart

Lynda Granger

**250 hours:**

Rhonda Atlas-Snell

Sonja Billard

Mary Carr

Blanche McKenzie

Gloria Shabbits

**150 hours:**

Dennis Billard

Barb Sankey



## SPOTLIGHT SERIES 2016

Jan 15	International Guitar Night	Oct 18	Classical Coffee Concert: Bergmann Piano Duo
Feb 2	Classical Coffee Concert: Sarah Hagen with Anne Grimm	Oct 29	Fred Penner
Feb 24	Ballets Jazz de Montréal: Kosmos, Rouge, Closer	Nov 2	Montréal Guitar Trio
Mar 8	Classical Coffee Concert: Sarah Hagen with Søren Bebe	Nov 11	OFFstage Lobby Theatre Series: Brain
Mar 19	De Danann	Nov 15	Classical Coffee Concert: Bergmann Piano Duo with Beth Root Sandvoss
Apr 4 & 5	Canada's Royal Winnipeg Ballet: Going Home Star – Truth & Reconciliation	Nov 15 & 16	Baskerville: A Sherlock Holmes Mystery
Apr 12	Classical Coffee Concert: Sarah Hagen with Ann Elliott-Goldschmid	Nov 20	Buffy Sainte-Marie: A Rare Solo Performance
Oct 4	OFFstage Lobby Theatre Series: Lost & Left Behind	Dec 5 & 6	Canada's Royal Winnipeg Ballet: Nutcracker

## CORPORATE SPONSORS



## FUNDERS



# LOVE ARTS NANAIMO

## Surprise Yourself

Amazing experiences  
await you in Nanaimo.

If you're curious, if you're looking for inspiration, if you want to find connection & participate, join us to explore the world of art, dance, music, history & theatre...discover something you will love.

Love Arts Nanaimo is a collaborative initiative of professional arts and culture organizations. Our goal is to build community by sharing stories, passion and creativity with you.

Join us all year long for diverse & powerful encounters with the arts.



[loveartsnanaimo.ca](http://loveartsnanaimo.ca)

125 Front Street Nanaimo, BC V9R 6Z4

Administration

T 250.754.4555 F 250.754.4595

Ticket Centre

T 250.754.8550

**THE PORT THEATRE SOCIETY**

**FINANCIAL STATEMENTS**

**December 31, 2016**

# THE PORT THEATRE SOCIETY

## INDEX TO FINANCIAL STATEMENTS

YEAR ENDED **December 31, 2016**

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Statement of Financial Position	3
Statement of Revenues and Expenditures	4
Statement of Changes in Fund Balances	5
Statement of Cash Flows	6
Notes to the Financial Statements	7 - 12



## INDEPENDENT AUDITORS' REPORT

To the Members

### Report on Financial Statements

We have audited the accompanying financial statements of **The Port Theatre Society**, which comprise the statement of financial position as at **December 31, 2016**, and the statements of revenues and expenditures, changes in fund balances, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations 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.

### Auditor's Responsibility

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

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

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

# INDEPENDENT AUDITOR'S REPORT

(Continued)

## **Basis for Qualified Opinion**

In common with many not-for-profit organizations, the society derives revenue from donations and sponsorships, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the society and we were not able to determine whether any adjustments might be necessary to donations and sponsorships, excess of revenues over expenditures, assets, or fund balances.

## **Qualified Opinion**

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the society as at **December 31, 2016**, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

## **Report on Other Legal and Regulatory Requirements**

As required by the *Society Act of British Columbia* we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding year.



**CHURCH PICKARD**  
Chartered Professional Accountants

Nanaimo, B.C.  
March 8, 2017

# THE PORT THEATRE SOCIETY

STATEMENT OF FINANCIAL POSITION as at December 31, 2016

	Operating Fund	Restricted Funds	Total 2016	Total 2015
<b>Assets</b>				
<b>Current</b>				
Cash and equivalents	\$ 45,687	\$ 799,714	\$ 845,401	\$ 709,620
Box office bank account	700,200	-	700,200	643,934
Accounts receivable	20,761	-	20,761	23,324
Inventory - Note 3	11,314	-	11,314	12,306
Prepaid expenses and show costs	<u>37,169</u>	<u>-</u>	<u>37,169</u>	<u>29,051</u>
	815,131	799,714	1,614,845	1,418,235
<b>Tangible capital assets - Note 2</b>	<u>30,426</u>	<u>-</u>	<u>30,426</u>	<u>33,162</u>
	<u>\$ 845,557</u>	<u>\$ 799,714</u>	<u>\$ 1,645,271</u>	<u>\$ 1,451,397</u>

## Liabilities and Fund Balances

### Current

Accounts payable and accrued liabilities	\$ 65,120	\$ -	\$ 65,120	\$ 69,381
Wages and employee benefits payable	36,265	-	36,265	26,802
Deferred revenue - Note 5	<u>597,836</u>	<u>-</u>	<u>597,836</u>	<u>653,813</u>
	<u>699,221</u>	<u>-</u>	<u>699,221</u>	<u>749,996</u>

### Fund balances

Opening balances	136,109	565,292	701,401	792,215
Excess of revenues over expenditures (expenditures over revenues)	110,227	134,422	244,649	(90,814)
Interfund transfer - Note 10	<u>(100,000)</u>	<u>100,000</u>	<u>-</u>	<u>-</u>
	<u>146,336</u>	<u>799,714</u>	<u>946,050</u>	<u>701,401</u>
	<u>\$ 845,557</u>	<u>\$ 799,714</u>	<u>\$ 1,645,271</u>	<u>\$ 1,451,397</u>

Approved on Behalf of the Board:






# THE PORT THEATRE SOCIETY

## STATEMENT OF REVENUES AND EXPENDITURES

For the year ended December 31, 2016

	Operating Fund	Restricted Funds	Total 2016	Total 2015
<b>Revenues</b>				
Management fees - City of Nanaimo	\$ 513,585	\$ -	\$ 513,585	\$ 503,515
Port Presents - Note 12	353,674	-	353,674	226,477
Expense recoveries	307,354	-	307,354	286,490
Theatre rental	238,537	-	238,537	234,969
Box office fees and ticket phone charges	193,406	-	193,406	207,591
Donations and sponsorships	48,207	81,222	129,429	50,039
Capital contribution - City of Nanaimo - Note 7	-	75,000	75,000	75,000
Regional District of Nanaimo	70,995	-	70,995	69,950
Endowment fund contributions - Note 11	-	58,945	58,945	35,604
Front of House - net of costs	57,429	-	57,429	60,368
Interest and other - Note 6	53,745	-	53,745	51,669
Studio Theatre Fund - Note 8	-	51,310	51,310	49,196
Capital development income - Note 7	-	51,310	51,310	49,195
Memberships	40,462	-	40,462	39,333
District of Lantzville	9,000	-	9,000	9,000
	<u>1,886,394</u>	<u>317,787</u>	<u>2,204,181</u>	<u>1,948,396</u>
<b>Expenditures</b>				
Wages and benefits	1,089,923	-	1,089,923	1,057,697
Port Presents - Note 12	311,884	-	311,884	237,360
Telephone and utilities	96,829	-	96,829	103,641
Building maintenance and supplies	82,397	-	82,397	72,622
Endowment fund contributions	-	58,945	58,945	35,604
Bank charges and interest	49,580	-	49,580	58,572
Office and supplies	34,417	-	34,417	26,342
Computer supplies and support	31,184	-	31,184	32,725
Advertising and marketing	16,743	-	16,743	6,753
Travel, conferences, and training	16,399	-	16,399	20,583
Professional fees	15,500	-	15,500	15,000
Postage and printing	12,282	-	12,282	12,155
Volunteer, staff, and donor recognition	12,193	-	12,193	10,538
Insurance	4,100	-	4,100	3,813
	<u>1,773,431</u>	<u>58,945</u>	<u>1,832,376</u>	<u>1,693,405</u>
<b>Operating surplus before undernoted items</b>	112,963	258,842	371,805	254,991
<b>Amortization</b>	(2,736)	-	(2,736)	(2,736)
<b>Studio Theatre expenditure</b>	-	(445)	(445)	(227,595)
<b>Capital expenditures - Note 7</b>	-	(123,975)	(123,975)	(115,474)
<b>Excess of revenues over expenditures (expenditures over revenues)</b>	<u>\$ 110,227</u>	<u>\$ 134,422</u>	<u>\$ 244,649</u>	<u>\$ (90,814)</u>

# THE PORT THEATRE SOCIETY

## STATEMENT OF CHANGES IN FUND BALANCES

For the year ended December 31, 2016

	Externally Restricted	Internally Restricted	Capital	Operating	Total	Total
	Studio Theatre Fund	Contingency Reserve Fund	Development Fund	Fund	2016	2015
	(Note 8)	(Note 9)	(Note 7)			
Balance, beginning of the year	\$ 100,581	\$ 193,786	\$ 270,925	\$ 136,109	\$ 701,401	\$ 792,215
Revenues	132,532	-	126,310	1,886,394	2,145,236	1,912,792
Expenditures	(445)	-	(123,975)	(1,776,167)	(1,900,587)	(2,003,606)
Transfer - Note 10	50,000	50,000	-	(100,000)	-	-
Balance, end of the year	\$ 282,668	\$ 243,786	\$ 273,260	\$ 146,336	\$ 946,050	\$ 701,401

# THE PORT THEATRE SOCIETY

## STATEMENT OF CASH FLOWS

For the year ended December 31, 2016

	2016	2015
<b>Cash provided (used):</b>		
<b>Operating activities</b>		
Excess of revenues over expenditures (expenditures over revenues)	\$ 244,649	\$ (90,814)
Item not involving cash		
Amortization	<u>2,736</u>	<u>2,736</u>
	247,385	(88,078)
Changes in non-cash operating accounts		
Decrease (increase) in accounts receivable	2,563	(1,932)
Decrease in inventory	992	1,764
Increase in prepaid expenses and show costs	(8,118)	(7,787)
Decrease in accounts payable and accrued liabilities	(4,261)	(37,825)
Increase (decrease) in wages and employee benefits payable	9,463	(24,567)
Decrease (increase) in deferred revenue	<u>(55,977)</u>	<u>80,659</u>
<b>Increase (decrease) in cash</b>	192,047	(77,766)
<b>Cash, beginning of the year</b>	<u>1,353,554</u>	<u>1,431,320</u>
<b>Cash, end of the year</b>	<u>\$ 1,545,601</u>	<u>\$ 1,353,554</u>
<b>Cash is defined as:</b>		
Cash and bank accounts	\$ 845,401	\$ 709,620
Box office bank account	<u>700,200</u>	<u>643,934</u>
	<u>\$ 1,545,601</u>	<u>\$ 1,353,554</u>

# THE PORT THEATRE SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended **December 31, 2016**

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### Nature of operations

The Port Theatre Society was incorporated under the *Society Act of British Columbia* on September 29, 1989 and is a registered charity under the *Income Tax Act*. The society's mandate is to stimulate and enhance artistic, cultural, and economic activity of central Vancouver Island through the management and operation of The Port Theatre in Nanaimo, B.C.

### 1. Significant accounting policies

The financial statements have been prepared in accordance with the Canadian accounting standards for not-for-profit organizations.

#### - Fund accounting

The society uses the restricted fund method of accounting for revenues and expenditures.

#### - Cash and cash equivalents

Cash is defined as cash on hand and cash on deposit, net of cheques issued and outstanding at the reporting date.

#### - Tangible capital assets

Tangible capital assets are recorded at cost and amortized. Amortization on the piano is recorded on a straight-line basis over its estimated useful life of 40 years.

In the year of acquisition, amortization is recorded at one-half of this rate.

#### - Inventory

Inventory is recorded at the lower of cost or net realizable value. Cost is measured using the specific identification method.

#### - Revenue recognition

Revenue and contributions are recognized when amounts can be reasonably estimated and when collection is reasonably assured as follows:

- Operating government grants and fees not restricted in use are recognized when received or receivable. Such grants and fees, if contributed for a future period, are deferred and reported as deferred revenue until that future period.
- Other unrestricted revenue, including ticket sales, front of house, and theatre rental, are reported as revenue at the time the services or products are provided.

#### - Contributed services

Volunteers contribute many hours per year to assist the society in carrying out the operations of the theatre. Because of the difficulty in determining fair market value, services contributed by volunteers are not recognized in these financial statements.



# THE PORT THEATRE SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended **December 31, 2016**

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### 1. Significant accounting policies (continued)

- Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Significant items subject to such estimates and assumptions include the valuation of accounts receivable and the useful life of the capital assets. Actual results may differ from these estimates.

### 2. Tangible capital assets

	Cost	Accumulated Amortization	Net 2016	Net 2015
Piano	<u>\$ 109,235</u>	<u>\$ 78,809</u>	<u>\$ 30,426</u>	<u>\$ 33,162</u>

### 3. Inventory

During the fiscal year ended December 31, 2016, the amount of inventories recognized as cost of goods sold totalled \$48,009 (2015 - \$41,396). The cost of goods sold are shown net of the Front of House revenue on the Statement of Revenues and Expenditures.

### 4. Government remittances

The following amounts owing for government remittances are included in accounts payable and accrued liabilities at December 31, 2016:

	2016	2015
WCB	\$ 2,006	\$ 2,102
GST	\$ 5,939	\$ 3,555
PST	\$ 810	\$ 683
Source deductions	\$ 29,239	\$ 28,613



# THE PORT THEATRE SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended **December 31, 2016**

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### 5. Deferred revenue

	2016	2015
Pre-sold tickets	\$ 539,333	\$ 602,002
Unearned grants	34,278	27,946
Rental deposits	18,975	21,445
Pre-collected show sponsorships	<u>5,250</u>	<u>2,420</u>
	<u>\$ 597,836</u>	<u>\$ 653,813</u>

### 6. Interest and other income

	2016	2015
Endowment fund income	\$ 42,509	\$ 39,543
Bank interest and other income	<u>11,236</u>	<u>12,126</u>
	<u>\$ 53,745</u>	<u>\$ 51,669</u>

### 7. Capital development fund

#### - Capital development fund

This fund represents reserve funds for which revenue is derived from collections on each ticket sold and specific grants received. The capital development fund can only be used for the building and theatre equipment owned by the City of Nanaimo. The City of Nanaimo provides an annual capital contribution to the society in the amount of \$75,000 which is also to be used towards the purchase of these assets.

#### - Contributions to theatre assets owned by the City of Nanaimo

During the year, the society made several purchases for the building and theatre equipment, totalling \$123,975. These items have been recorded as contributions to theatre assets owned by the City of Nanaimo, as they form an integral part of the theatre and its operations.

The society has contributed a total of \$1,446,158 in theatre assets since 2002. The City of Nanaimo has contributed a total of \$1,100,000 in theatre assets since 2005.

# THE PORT THEATRE SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended **December 31, 2016**

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### 8. Studio theatre fund (Community Performing Arts Centre)

The studio theatre fund represents funds donated specifically towards the design and development of the studio theatre, as well as reserve funds for which revenue is derived from collections on each ticket sold. Effective March 1, 2014, a board motion was passed to direct \$1 of the capital development fund fee per ticket sale to the studio theatre fund.

### 9. Contingency reserve fund

This fund is intended to be used for operating expenditures.

### 10. Interfund transfers

	2016	2015
Surplus transfer to the contingency reserve fund	\$ 50,000	\$ -
Surplus transfer to the studio theatre fund	<u>50,000</u>	<u>40,000</u>
Total operating surplus transfers	<u>\$ 100,000</u>	<u>\$ 40,000</u>

### 11. Endowment fund

The endowment fund was established in 2007. This fund is administered by the Nanaimo Foundation, and is invested with Island Savings (a division of First West Credit Union) and Jarislowky Fraser Limited. The fund represents reserve funds for which revenue is derived from specific donations. The capital of the endowment fund is to be held in perpetuity. There is an endowment agreement and investment agreement in place between the Port Theatre and the Nanaimo Foundation.

Income from the fund is calculated on an annual basis by the Nanaimo Foundation and is distributed to the society on a quarterly basis. Income is paid out at a minimum of 3.5% of the average balance of the previous two fiscal year-end balances of the accounts held by the Foundation.

# THE PORT THEATRE SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended **December 31, 2016**

### 11. Endowment fund - cont.

The Vancouver Foundation matched the society's contributions in 2007 and 2008 with \$326,836 in total. In 2016, the Government of Canada, Department of Canadian Heritage matched the society's 2015 contributions, in the amount of \$35,253. The society has contributed \$743,922 in total to December 31, 2016. The changes in the endowment investment fund for the year ending December 31, 2016 consist of the following:

Opening balance	\$ 1,257,188	
Contributions by The Port Theatre Society	58,945	
Contribution by Canadian Heritage	35,253	
Investment earnings	63,672	
Fees paid to the Nanaimo Community Foundation	(14,296)	
Income paid to the society	(41,701)	
Change in market value of investments	<u>5,592</u>	
Balance in endowment fund	<u>\$ 1,364,653</u>	
	2016	2015
Invested in:		
Cash	\$ 58,561	\$ 2,825
Investments - fixed income, interest at 3.35%	-	102,662
Investments - fixed income, interest at 2.45 to 2.75%	175,553	175,553
Investment - mutual funds, at market value	<u>1,130,039</u>	<u>975,598</u>
	1,364,153	1,256,638
Endowment contribution in accounts payable	<u>500</u>	<u>550</u>
Balance of endowment fund	<u>\$ 1,364,653</u>	<u>\$ 1,257,188</u>

### 12. Port Presents programming

The Port Presents programming supports the work of Canadian artists. The society promotes various shows during the year. The revenue for the Port Presents programming comes from ticket sales for the various shows, specific show sponsorships, and grants received to promote the programming.

During the year, the society received a grant of \$49,500 (2015 - \$49,500) from the Canada Arts Presentation Fund and \$21,906 (2015 - \$19,264) from the British Columbia Arts Council. Of these grants, a total of \$34,278 (2015 - \$27,946) is included in deferred revenue - see Note 5.

# THE PORT THEATRE SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended **December 31, 2016**

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### 13. Commitments

The society entered into contractual commitments with artists and performers for shows. These commitments total \$72,900 (2015 - \$62,100) as at December 31, 2016, of which \$21,400 (2015 - \$21,975) has been paid in deposits.

### 14. Remuneration of employees

The total remuneration paid for employees over \$75,000 at December 31, 2016 is as follows:

General Manager	<u>\$ 108,069</u>
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### 15. Co-management agreement - City of Nanaimo

The society entered into an agreement with the City of Nanaimo to undertake the responsibility for the operation and maintenance of the the Port Theatre, effective January 1, 2012 for a five-year term ending December 31, 2017. This agreement grants the society the right to occupy the theatre. The terms provide an option to renew for a further five years on the same terms and conditions. The City and society shall meet at least one year prior to the termination of the agreement in 2017 and negotiate the provisions.

### 16. Economic dependence

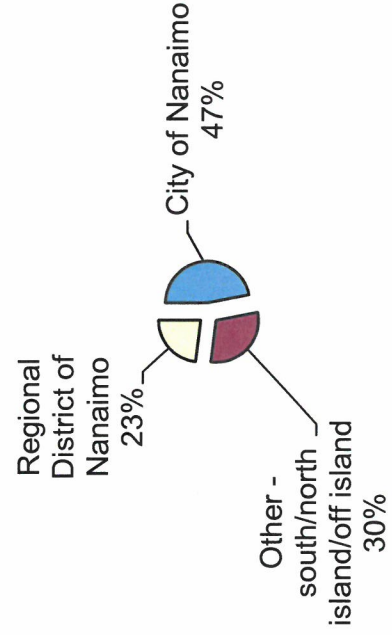
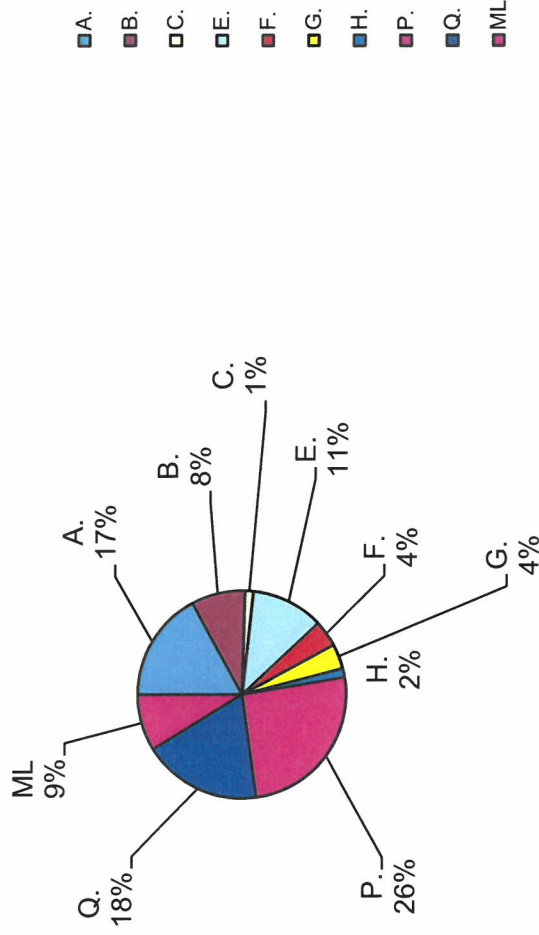
The society is economically dependent on funding from the City of Nanaimo.

### 17. Financial risks and concentration of risk

Unless otherwise noted, it is management's opinion that the society is not exposed to significant interest, currency, market, liquidity, or credit risks in relation to their financial assets and liabilities.



### Households from RDN Purchasing tickets at the Port Theatre



RDN Region (outside City of Nanaimo)	Estimated # households buying tickets
A. Cassidy, Cedar, Yellowpoint, S. Wellington	3,719
B. Gabriola, DeCourcy, Mudge Islands	1,811
C. Extension, Arrowsmith-Benson, E. Wellington, Nanoose Bay	281
E. Coombs, Hilliers, Errington, Whiskey Creek	2,456
F. Dashwood, Englishman R., French Creek	897
G. Shaw Hill, Deep Bay, Bowser	850
H. City of Parksville	296
P. Town of Qualicum Beach	5,552
Q. Dist. Municipality of Lantzville	3,993
ML	1,931
<b>Total RDN Households buying tickets</b>	<b>21,786</b>

As of May 15, 2017

Source of Ticket Buyers	Households buying tickets
City of Nanaimo	44,354
Other - south/north island/off island	28,544
Regional District of Nanaimo	21,786
<b>Total in Database</b>	<b>94,684</b>

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**TO:** Committee of the Whole                      **MEETING:** June 13, 2017

**FROM:** Manvir Manhas                              **FILE:** 1870-01  
Manager, Capital Accounting & Financial  
Reporting

**SUBJECT:** Quarterly Financial Report – First Quarter - 2017

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## **RECOMMENDATION**

That the quarterly financial report for the period January 1, 2017 to March 31, 2017 be received for information.

## **SUMMARY**

Overall all services are within budget or under budget and this trend is expected to continue through 2017. Building Inspection operating revenues reflect the strong start to the 2017 housing demand for the region at 29% of the budget at the end of the first quarter. Total operating revenues are close to the 25% benchmark across all services other than Regional & Community Utilities. The majority of variances are due to timing differences in recording these revenues and expenses. Consolidated total revenues (includes transfers from reserves and Development Cost Charges) are at 21% of budgeted revenues and consolidated total expenditures (includes capital expenditures) are at 12% of budgeted expenses. The timing of capital projects is impacting the consolidated total revenues and expenses due to summer time commencement for many capital projects and the drawdown accounting approach where transfers from reserves and Development Cost Charge revenues are recorded only when project expenses are incurred.

## **BACKGROUND**

The Regional Board is provided with quarterly financial progress statements in order to review both positive and negative budget trends. Assuming an even distribution of revenues and expenses throughout the year, the current financial performance benchmark would be approximately 25% versus budget. Variances are explained below at an organizational level and specific service variations are explained in Attachment 1.

### **Overall Summary by Division (Attachment 2)**

The Overall Summary by Division provides an overview of the year to date results at a divisional level.

### ***Capital Accounts***

Capital spending is at 2% of budget due to the timing of capital projects, in particular the \$45 million allocated for 2017 to the Secondary Treatment project at the Greater Nanaimo Pollution Control Centre

which will start construction in the summer. The timing of capital projects also impacted professional fees (6%). Capital projects use a drawdown accounting approach where grant revenues and transfers from reserves and Development Cost Charge revenues are recorded when project expenses are incurred which in turn impact Grant revenues (15%), Other Revenues (6%) and Total Revenues (21%). Other major capital works underway or planned for the year are the Nanoose Bulk Water Joint Venture project, the Regional Parks E&N Rail Trail project, design work for the French Creek Pollution Control Centre, the Little Qualicum Park bridge replacement and the Huxley Park sport court and playground upgrades.

### ***Operating Accounts***

Overall operating revenues are close to the 25% benchmark across all services with Building Inspection operating revenues at 29% of the budget. Regional & Community Utilities revenues (19%) will increase after the first utility services billings which occur at the end of May.

Operating expenditure accounts are at 20% or more of budget other than Professional Fees (6% impacted by capital as noted above) and program costs (9%). Program costs reflect the Drinking Water/Watershed Protection rebate programs in Regional & Community Utilities (11%) and the Green Buildings rebate programs in Strategic & Community Development (5%) which proceed after the budget is approved in March. Recreation and Parks program costs at 11% are incurred predominantly in the spring and summer when most children and youth programming is completed. Community Grants (84%) reflect the transfer to the City of Parksville for the social services facility.

Expenditures for Debt Interest (16%) and Debt Principal (8%) are lower than budget because of the timing of debt payments made on behalf of municipalities. Transfers to Reserve (0%) are completed and recorded in August every year.

On a consolidated basis total expenditures including capital are \$19 million or 12% of budget which reflects the items discussed above and those in Attachment 1.

### ***Summary of Operating Results by Department (Attachment 3)***

Summary of Operating Results by Department lists the total year-to-date revenues and expenditures for services within each organizational division at March 31. The majority of the variances are due to the timing of capital and operating projects and the related revenue accruals.

### **ALTERNATIVES**

1. Receive the quarterly financial report for the period January 1, 2017 to March 31, 2017 for information.
2. Provide alternate direction to staff.

### **FINANCIAL IMPLICATIONS**

There are no significant variances impacting the overall budget for the period ending March 31, 2017. Capital projects are on-going and all RDN services are forecast to be within budget for 2017.

## STRATEGIC PLAN IMPLICATIONS

Quarterly financial progress statements provide information to identify both positive and negative budget trends and to allow for improved financial planning. This directly supports the Board governing principles to “Be Transparent and Accountable” and to “Show Fiscal Restraint” through prudent use of tax dollars and to deliver the services expected by residents of the Region as cost effectively and economically as possible.



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Manvir Manhas  
[mmanhas@rdn.bc.ca](mailto:mmanhas@rdn.bc.ca)  
May 18, 2017

Reviewed by:

- W. Idema, Director of Finance
- P. Carlyle, Chief Administrative Officer

Attachments

1. List of variances for March 31, 2017 quarterly reporting
2. Overall Summary by Division
3. Summary of Operating Results by Service



Services with variances as at March 31, 2017 are as follows:

Services	Revenues	Expenditures	Explanation of variance
<b>CORPORATE SERVICES</b>			
Grants in Aid	98% revenues	80% expenditures	Revenues include transfer from reserve for return of ICF requisition. Expenditures include transfer to Parksville for land acquisition for the social services housing facility.
<b>STRATEGIC &amp; COMMUNITY DEVELOPMENT</b>			
Regional Growth Strategy	45% revenues	17% expenditures	2016 carry forward surplus impacts revenues. Green Building rebates only begin after budget approval.
Building Inspection	55% revenues	21% expenditures	Higher than expected building permit revenues and impact of 2016 carry forward surplus.
Hazardous Properties	-12% revenues	2% expenditures	Timing of Cassidy property cleanup costs and related recovery invoice to property owner.
<b>REGIONAL &amp; COMMUNITY UTILITIES</b>			
Southern Community Wastewater	6% revenues	2% expenditures	Timing of major capital projects impacts capital expenditures, professional fees, grant and other revenues.
Northern Community Wastewater	36% revenues	9% expenditures	2016 carry forward surplus impacts revenues and includes \$560,000 appropriated for projects brought forward from 2016. Expenditures are impacted by timing of capital work and transfer to reserves.
Drinking Water/Watershed Protection	45% revenues	13% expenditures	Impact of larger 2016 carry forward surplus with \$46,000 appropriated for projects brought forward from 2016. Rebate program costs are incurred after the budget is approved.
Nanoose Bay Bulk Water	6% revenues	1% expenditures	Timing of payments for the Englishman River Joint Venture capital project impacts capital expenditures and grant and other revenues.
Water Services	6%-40% revenues	5%-25% expenditures	Lower operating revenues will increase after first water billing is completed in May. Timing of capital projects and transfers to reserves impacts the expenditures.
Sewer Fairwinds/Wastewater Nanoose	45% revenues	13% expenditures	Larger 2016 carry forward surplus impacts revenues and includes \$100,000 appropriated for projects brought forward from 2016. Timing of projects impacts capital expenditures and professional fees.
Solid Waste Collection & Recycling	14% revenues	14% expenditures	Revenues and related expenses to catch up after first utility services billing in May and timing of transfer to reserves.

Services with variances as at March 31, 2017 are as follows:

Services	Revenues	Expenditures	Explanation of variance
<b>RECREATION &amp; PARKS SERVICES</b>			
Regional Parks	21% revenues	6% expenditures	Timing of capital projects impacts capital expenditures, professional fees, grant and other revenues.
Community Parks	19%-53% revenues	13%-18% expenditures	2016 carry forward surplus generates higher revenues and includes \$207,000 appropriated for projects brought forward from 2016. Timing of capital and development projects impacts expenses.
Area A Recreation & Culture	61% revenues	4% expenditures	Impact of 2016 carry forward surplus which includes \$55,000 appropriated for projects brought forward from 2016. Timing of projects and transfer to reserves impact expenses.
Southern Community Recreation & Culture	27% revenues	0% expenditures	Transfer to City of Nanaimo will be completed in August.
<b>TRANSIT &amp; EMERGENCY SERVICES</b>			
Fire - French Creek, Wellington and Parksville Local	28%-60% revenues	1%-2% expenditures	2016 carry forward surplus impacts revenues. Expenditures reflect fire service contracts with Parksville, Qualicum and Nanaimo where funds are transferred in August.
D69 E911	30% revenues	1% expenditures	Timing of transfer to North Island 911 corporation which occurs in June.



## GENERAL REVENUE FUND

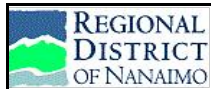
As of March 31, 2017

	CORPORATE			SERVICES			STRATEGIC & COMM DEVELOPMENT			REGIONAL & COMM UTILITIES		
	Actual	Budget	%	Actual	Budget	%	Actual	Budget	%	Actual	Budget	%
	2017	2017	Var	2017	2017	Var	2017	2017	Var	2017	2017	Var
<b>REVENUES</b>												
TAX REQUISITION	1,019,567	4,078,268	25%	630,162	2,520,650	25%	4,494,733	17,978,926	25%			
GRANTS	139,481	140,935	99%	49,111	201,528	24%	80,565	3,717,200	2%			
OPERATING REVENUE	5,285	21,876	24%	352,561	1,341,711	26%	2,682,548	14,393,684	19%			
OTHER REVENUE	2,441,434	12,487,579	20%	91,005	530,475	17%	999,548	51,838,594	2%			
PRIOR YEARS SURPLUS (DEFICIT)	1,368,957	1,368,957	100%	1,313,645	1,313,645	100%	4,510,066	4,510,066	100%			
<b>TOTAL REVENUES</b>	<b>4,974,724</b>	<b>18,097,615</b>	<b>27%</b>	<b>2,436,484</b>	<b>5,908,009</b>	<b>41%</b>	<b>12,767,460</b>	<b>92,438,470</b>	<b>14%</b>			
<b>EXPENSES</b>												
OFFICE OPERATING	34,783	199,854	17%	86,991	399,203	22%	436,013	1,803,988	24%			
COMMUNITY GRANTS	659,368	787,764	84%	0	0	0%	0	0	0%			
LEGISLATIVE	125,445	510,135	25%	0	0	0%	0	0	0%			
PROFESSIONAL FEES	16,780	447,280	4%	7,616	375,600	2%	105,643	1,143,615	9%			
BUILDING - OPER & MAINT	208,997	336,890	62%	9,328	41,313	23%	294,180	1,652,401	18%			
VEH & EQUIP - OPER & MAINT	74,503	195,005	38%	43,933	76,593	57%	390,805	1,756,208	22%			
OTHER OPERATING COSTS	128,392	779,909	16%	143,646	667,267	22%	1,487,482	10,812,632	14%			
WAGES & BENEFITS	1,125,032	4,296,083	26%	628,321	2,713,800	23%	2,050,855	8,511,337	24%			
PROGRAM COSTS	0	0	0%	12,010	263,661	5%	22,158	210,050	11%			
CAPITAL EXPENDITURES	1,489	638,500	0%	3,196	108,000	3%	950,997	56,763,792	2%			
DEBT - FINANCING - INTEREST	495,471	3,422,558	14%	0	0	0%	96,869	724,959	13%			
DEBT - FINANCING - PRINCIPAL	36,291	3,187,018	1%	0	0	0%	139,137	599,380	23%			
TRSF TO RESERVE FUND	299	214,105	0%	1,500	121,875	1%	0	5,637,006	0%			
TRSF TO OTHER GOV'T/AGENCIE	570,538	2,272,168	25%	0	304,278	0%	0	0	0%			
<b>TOTAL EXPENDITURES</b>	<b>3,477,388</b>	<b>17,287,269</b>	<b>20%</b>	<b>936,541</b>	<b>5,071,590</b>	<b>18%</b>	<b>5,974,139</b>	<b>89,615,368</b>	<b>7%</b>			
<b>OPERATING SURPLUS (DEFICIT)</b>	<b>1,497,336</b>	<b>810,346</b>		<b>1,499,943</b>	<b>836,419</b>		<b>6,793,321</b>	<b>2,823,102</b>				



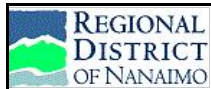
**GENERAL REVENUE FUND**  
As of March 31, 2017

	RECREATION & PARKS SERVICES			TRANSIT & EMERGENCY SERVICES			TOTAL	REVENUE	FUND
	Actual	Budget	%	Actual	Budget	%	Actual	Budget	%
	2017	2017	Var	2017	2017	Var	2017	2017	Var
<b>REVENUES</b>									
TAX REQUISITION	2,617,451	10,469,799	25%	3,761,784	15,047,132	25%	12,523,697	50,094,775	25%
GRANTS	44,187	2,155,653	2%	1,581,662	6,425,785	25%	1,895,006	12,641,101	15%
OPERATING REVENUE	384,959	1,661,151	23%	1,189,217	4,677,956	25%	4,614,570	22,096,378	21%
OTHER REVENUE	7,374	2,092,930	0%	426,457	4,383,049	10%	3,965,818	71,332,627	6%
PRIOR YEARS SURPLUS (DEFICIT)	1,725,785	1,725,785	100%	3,244,614	3,244,614	100%	12,163,067	12,163,067	100%
<b>TOTAL REVENUES</b>	<b>4,779,756</b>	<b>18,105,318</b>	<b>26%</b>	<b>10,203,734</b>	<b>33,778,536</b>	<b>30%</b>	<b>35,162,158</b>	<b>168,327,948</b>	<b>21%</b>
<b>EXPENSES</b>									
OFFICE OPERATING	159,538	656,703	24%	356,863	1,463,914	24%	1,074,188	4,523,662	24%
COMMUNITY GRANTS	0	0	0%	0	0	0%	659,368	787,764	84%
LEGISLATIVE	2	1,500	0%	0	0	0%	125,447	511,635	25%
PROFESSIONAL FEES	22,140	361,800	6%	7,245	136,550	5%	159,424	2,464,845	6%
BUILDING - OPER & MAINT	127,069	741,528	17%	146,010	514,585	28%	785,584	3,286,717	24%
VEH & EQUIP - OPER & MAINT	38,272	195,035	20%	1,097,529	5,510,282	20%	1,645,042	7,733,123	21%
OTHER OPERATING COSTS	182,736	1,300,132	14%	791,895	3,794,410	21%	2,734,151	17,354,350	16%
WAGES & BENEFITS	1,246,732	4,602,844	27%	3,202,235	12,542,035	26%	8,253,175	32,666,099	25%
PROGRAM COSTS	69,862	635,527	11%	0	0	0%	104,030	1,109,238	9%
CAPITAL EXPENDITURES	27,455	4,585,279	1%	45,849	3,811,300	1%	1,028,986	65,906,871	2%
DEBT - FINANCING - INTEREST	101,716	407,498	25%	42,017	170,267	25%	736,073	4,725,282	16%
DEBT - FINANCING - PRINCIPAL	145,311	413,967	35%	42,848	171,404	25%	363,587	4,371,769	8%
TRSF TO RESERVE FUND	0	1,612,030	0%	10,328	784,613	1%	12,127	8,369,629	0%
TRSF TO OTHER GOV'T/AGENCIES	85,139	1,754,447	5%	657,933	2,586,103	25%	1,313,610	6,916,996	19%
<b>TOTAL EXPENDITURES</b>	<b>2,205,972</b>	<b>17,268,290</b>	<b>13%</b>	<b>6,400,752</b>	<b>31,485,463</b>	<b>20%</b>	<b>18,994,792</b>	<b>160,727,980</b>	<b>12%</b>
<b>OPERATING SURPLUS (DEFICIT)</b>	<b>2,573,784</b>	<b>837,028</b>		<b>3,802,982</b>	<b>2,293,073</b>		<b>16,167,366</b>	<b>7,599,968</b>	



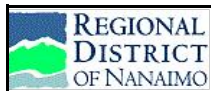
**SUMMARY OF OPERATING RESULTS**  
For period ending March 31, 2017

	Revenues	Revenues	Variance	Expenditures	Expenditures	Variance	Surplus	Surplus
	2017	2017		2017	2017		2017	2017
	Actuals	Budget		Actuals	Budget		Actuals	Budget
<b>CORPORATE SERVICES</b>								
Administration								
Corporate Administration Summary	2,645,160	7,517,770	35%	1,517,927	6,883,127	22%	1,127,233	634,643
Grants in Aid	807,068	821,812	98%	659,368	821,812	80%	147,700	0
Community Works Fund Projects - Corporate Services	53,848	0	0%	53,848	0	0%	0	0
Community Justice								
D68 Community Justice	4,000	16,000	25%	0	16,000	0%	4,000	0
D69 Community Justice	30,890	123,560	25%	0	123,560	0%	30,890	0
Electoral Area Administration	367,700	886,657	41%	191,843	710,952	27%	175,857	175,705
Regional Library	682,933	3,009,633	23%	682,933	3,009,633	23%	0	0
Feasibility Studies	11,730	31,980	37%	77	31,980	0%	11,653	0
Municipal Debt Transfers	366,019	5,668,703	6%	366,019	5,668,703	6%	0	0
House Numbering	5,375	21,500	25%	5,375	21,500	25%	0	0
<b>TOTAL</b>	<b>4,974,723</b>	<b>18,097,615</b>	<b>27%</b>	<b>3,477,390</b>	<b>17,287,267</b>	<b>20%</b>	<b>1,497,333</b>	<b>810,348</b>
<b>STRATEGIC &amp; COMMUNITY DEVELOPMENT</b>								
EA Community Planning	865,785	2,201,843	39%	408,222	1,975,022	21%	457,563	226,821
Economic Development South	47,500	190,000	25%	0	190,000	0%	47,500	0
Economic Development North	16,761	54,261	31%	184	54,261	0%	16,577	0
VIHA Community Wellness Grant	0	54,583	0%	0	54,583	0%	0	0
VIHA Health Network Funding	5,794	44,695	13%	5,794	44,695	13%	0	0
Regional Growth Strategy	320,082	711,112	45%	112,192	671,321	17%	207,890	39,791
Building Inspection	1,011,013	1,839,345	55%	270,745	1,294,430	21%	740,268	544,915
Bylaw Enforcement								
Bylaw Enforcement	79,996	302,036	26%	79,996	302,036	26%	0	0
Animal Control EA A,B,C,LANTZ	25,103	76,727	33%	15,840	72,486	22%	9,263	4,241
Animal Control E,G & H	33,166	100,580	33%	22,696	95,272	24%	10,470	5,308
Animal Control EA F	16,835	32,421	52%	4,266	25,075	17%	12,569	7,346
Unsightly Premises	3,079	61,807	5%	2,959	61,707	5%	120	100
Hazardous Properties	(11,874)	95,821	(12%)	2,022	95,695	2%	(13,896)	126
Noise Control	21,725	52,778	41%	10,105	45,005	22%	11,620	7,773
Community Works Fund Projects - Strategic & Community Development	1,520	90,000	2%	1,520	90,000	2%	0	0
<b>TOTAL</b>	<b>2,436,485</b>	<b>5,908,009</b>	<b>41%</b>	<b>936,541</b>	<b>5,071,588</b>	<b>18%</b>	<b>1,499,944</b>	<b>836,421</b>
<b>REGIONAL &amp; COMMUNITY UTILITIES</b>								
RCU - Administration	100,341	383,923	26%	100,341	383,923	26%	0	0
Wastewater Management								
Liquid Waste Management Planning	260,249	476,847	55%	61,171	314,065	19%	199,078	162,782
Wastewater Southern Community	2,952,502	53,244,303	6%	1,154,981	52,868,554	2%	1,797,521	375,749
Wastewater Northern Community	2,652,991	7,359,053	36%	562,012	6,510,022	9%	2,090,979	849,031
Wastewater Duke Point	226,857	445,006	51%	40,735	307,395	13%	186,122	137,611
Water Supply								
Water - Surfside	3,452	36,319	10%	4,091	34,988	12%	(639)	1,331
Water - French Creek	37,861	190,482	20%	28,191	182,916	15%	9,670	7,566
Water - Whiskey Creek	28,006	177,034	16%	18,713	172,950	11%	9,293	4,084



**SUMMARY OF OPERATING RESULTS**  
For period ending March 31, 2017

	Revenues		Variance	Expenditures		Variance	Surplus	
	2017	2017		2017	2017		2017	2017
	Actuals	Budget		Actuals	Budget		Actuals	Budget
Water - Decourcey	5,070	12,634	40%	1,227	10,062	12%	3,843	2,572
Water - San Pareil	67,179	1,064,583	6%	54,834	1,056,631	5%	12,345	7,952
Water - Driftwood	1,365	5,458	25%	1,364	5,458	25%	1	0
Water - Englishman River	37,695	129,774	29%	17,785	115,856	15%	19,910	13,918
Water - Melrose Place	17,812	44,298	40%	4,827	37,437	13%	12,985	6,861
Water - Nanoose Peninsula	499,110	2,225,438	22%	305,218	2,124,859	14%	193,892	100,579
Water - Bulk Water Nanoose Bay	334,810	5,717,748	6%	71,550	5,613,257	1%	263,260	104,491
Water - Bulk Water French Creek	13,242	69,507	19%	13,242	69,721	19%	0	(214)
Water - San Pareil Fire	18,553	74,212	25%	18,553	74,212	25%	0	0
Water - Westurne Heights	14,009	62,229	23%	14,331	61,191	23%	(322)	1,038
Drinking Water/Watershed Protection	335,256	744,444	45%	82,032	618,540	13%	253,224	125,904
Streetlighting	33,182	116,985	28%	19,159	108,811	18%	14,023	8,174
Sewer Collection								
Sewer - French Creek	180,287	1,136,277	16%	261,903	1,131,808	23%	(81,616)	4,469
7551 / 2851 Sewer/Fairwinds / Wastewater Nanoose	433,963	959,853	45%	91,693	727,235	13%	342,270	232,618
Sewer - Pacific Shores	28,946	81,392	36%	16,336	76,743	21%	12,610	4,649
Sewer - Surfside	17,528	37,751	46%	4,958	28,472	17%	12,570	9,279
Sewer - Cedar	85,117	237,779	36%	37,400	198,993	19%	47,717	38,786
Sewer - Barclay	81,659	252,547	32%	56,229	234,804	24%	25,430	17,743
Sewer - Reid Road Debt	905	3,624	25%	906	3,624	25%	(1)	0
Sewer - Hawthorne Rise Debt	2,485	9,941	25%	2,485	9,941	25%	0	0
Englishman River Stormwater	7,327	11,163	66%	337	6,348	5%	6,990	4,815
Cedar Estates Stormwater	7,760	11,304	69%	337	7,348	5%	7,423	3,956
Pump & Haul	500	2,000	25%	500	2,000	25%	0	0
Solid Waste								
Solid Waste Management	3,610,502	11,459,648	32%	2,273,277	11,037,483	21%	1,337,225	422,165
Solid Waste Collection & Recycling	656,010	4,798,023	14%	638,497	4,622,836	14%	17,513	175,187
Community Works Fund Projects - Regional & Community Utilit	14,926	856,891	2%	14,926	856,891	2%	0	0
<b>TOTAL</b>	<b>12,767,457</b>	<b>92,438,470</b>	<b>14%</b>	<b>5,974,141</b>	<b>89,615,374</b>	<b>7%</b>	<b>6,793,316</b>	<b>2,823,096</b>
<b>RECREATION &amp; PARKS SERVICES</b>								
Regional Parks	1,276,693	6,090,815	21%	328,007	5,830,198	6%	948,686	260,617
Community Parks								
Community Parks - Area A	103,968	252,835	41%	44,624	249,963	18%	59,344	2,872
Community Parks - Area B	110,312	572,175	19%	96,917	564,144	17%	13,395	8,031
Community Parks - Area C (Extension)	57,758	109,363	53%	14,630	82,576	18%	43,128	26,787
Community Parks - Area C (East Wellington)	68,387	135,646	50%	17,058	111,050	15%	51,329	24,596
Community Parks - Area E	76,167	283,189	27%	34,408	269,058	13%	41,759	14,131
Community Parks - Area F	86,351	203,531	42%	30,352	188,886	16%	55,999	14,645
Community Parks - Area G	58,301	209,916	28%	33,139	208,316	16%	25,162	1,600
Community Parks - Area H	104,999	273,914	38%	38,868	253,561	15%	66,131	20,353
Area A Recreation & Culture	237,942	387,054	61%	12,940	300,380	4%	225,002	86,674
Northern Community Recreation	459,933	1,896,264	24%	361,909	1,826,486	20%	98,024	69,778
Oceanside Place	878,099	2,802,485	31%	584,643	2,643,913	22%	293,456	158,572
Ravensong Aquatic Centre	878,369	2,874,354	31%	560,225	2,736,577	20%	318,144	137,777



**SUMMARY OF OPERATING RESULTS**  
For period ending March 31, 2017

	Revenues	Revenues	Variance	Expenditures	Expenditures	Variance	Surplus	Surplus
	2017	2017		2017	2017		2017	2017
	Actuals	Budget		Actuals	Budget		Actuals	Budget
Gabriola Island Recreation	40,675	127,037	32%	43,730	116,438	38%	(3,055)	10,599
Southern Community Recreation & Culture	337,800	1,272,683	27%	2,034	1,272,683	0%	335,766	0
Community Works Fund Projects - Parks & Recreation Services	4,000	614,057	1%	2,494	614,057	0%	1,506	0
<b>TOTAL</b>	<b>4,779,754</b>	<b>18,105,318</b>	<b>26%</b>	<b>2,205,978</b>	<b>17,268,286</b>	<b>13%</b>	<b>2,573,776</b>	<b>837,032</b>
<b>TRANSIT &amp; EMERGENCY SERVICES</b>								
Transit								
Transit Southern Community	7,486,152	24,027,143	31%	4,848,790	22,298,404	22%	2,637,362	1,728,739
Transit - Gabriola Transit Contribution	34,000	136,000	25%	131,650	136,000	97%	(97,650)	0
Transit - Gabriola Island Taxi Saver	8,056	7,994	101%	110	7,994	1%	7,946	0
Transit Northern Community	988,174	2,481,570	40%	458,558	2,072,782	22%	529,616	408,788
Gabriola Island Emergency Wharf	2,043	7,264	28%	244	7,264	3%	1,799	0
Community Works Fund Projects - Transit	4,386	0	0%	4,386	0	0%	0	0
Fire Protection								
Fire - Administration	36,014	144,058	25%	29,387	144,058	20%	6,627	0
Fire - Meadowood	34,839	139,357	25%	34,839	139,357	25%	0	0
Fire - Nanaimo River	4,562	17,906	25%	409	17,906	2%	4,153	0
Fire - Coombs Hilliers	127,964	546,606	23%	80,649	546,606	15%	47,315	0
Fire - Errington	140,400	1,233,600	11%	174,027	1,233,600	14%	(33,627)	0
Fire - French Creek	178,358	545,190	33%	6,358	533,865	1%	172,000	11,325
Fire - Nanoose Bay	217,401	746,742	29%	96,653	746,742	13%	120,748	0
Fire - Wellington	22,913	83,255	28%	1,146	83,255	1%	21,767	0
Fire - Cassidy Waterloo	75,190	199,137	38%	12,928	199,137	6%	62,262	0
Fire - Dashwood	139,906	663,209	21%	222,561	663,209	34%	(82,655)	0
Fire - Extension	80,841	205,947	39%	26,598	205,947	13%	54,243	0
Fire - Parksville Local	109,082	181,842	60%	2,135	99,051	2%	106,947	82,791
Fire - Bow Horn Bay	88,276	966,741	9%	154,795	966,741	16%	(66,519)	0
Emergency Planning	140,603	519,498	27%	70,655	509,334	14%	69,948	10,164
D68 Search & Rescue	15,530	51,369	30%	8,125	48,300	17%	7,405	3,069
D69 Marine Search & Rescue	1,250	5,000	25%	0	5,000	0%	1,250	0
D69 Land Search & Rescue	2,550	10,200	25%	50	10,200	0%	2,500	0
D68 E911	56,392	173,257	33%	31,700	154,470	21%	24,692	18,787
D69 E911	208,849	685,651	30%	4,000	656,241	1%	204,849	29,410
<b>TOTAL</b>	<b>10,203,731</b>	<b>33,778,536</b>	<b>30%</b>	<b>6,400,753</b>	<b>31,485,463</b>	<b>20%</b>	<b>3,802,978</b>	<b>2,293,073</b>
<b>TOTAL ALL SERVICES</b>	<b>35,162,150</b>	<b>168,327,948</b>	<b>21%</b>	<b>18,994,803</b>	<b>160,727,978</b>	<b>12%</b>	<b>16,167,347</b>	<b>7,599,970</b>

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**TO:** Committee of the Whole **MEETING:** June 13, 2017

**FROM:** Manvir Manhas **FILE:** 1870-02  
Manager, Capital Accounting & Financial  
Reporting

**SUBJECT:** **2016 Annual Financial Report and Statement of Financial Information**

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### **RECOMMENDATIONS**

1. That the 2016 Annual Financial Report and the Statement of Financial Information be approved as presented.

### **SUMMARY**

The Board approved the 2016 consolidated financial statements of the Regional District of Nanaimo (RDN) at the May Board meeting. MNP LLP, the RDN's external auditors, confirmed the Regional District remains in sound financial health with a good balance of assets to liabilities and highly liquid cash reserves to meet annual costs.

As the statements now have final audit approval, they are included in the Regional District's Annual Report and Statement of Financial Information (SOFI). The SOFI including the board remuneration report ensures the RDN complies with the requirements of the *Local Government Act* and the *Financial Information Act*.

### **BACKGROUND**

The Regional District must prepare a Statement of Financial Information to comply with the *Financial Information Act*. The SOFI contains the audited consolidated financial statements, the schedule of Board expenses and remuneration, schedule of employee expenses and remuneration (over \$75,000), a schedule of supplier payments (over \$25,000) and information on community grants provided in the year.

The full edition of the annual report consisting of departmental highlights, approved consolidated financial statements, supplementary departmental revenue and expense schedules as well as statistical data is provided as a separate handout. The annual report also includes a Financial Statement Discussion and Analysis section which reviews the 2016 year. Overall, 2016 results were good with \$20 million invested in new capital and a \$4 million increase to reserves. The ongoing challenge to the RDN is the need to finance significant infrastructure projects and to maintain and enhance services such as recreation and transit within the impacts of external factors such as fluctuations in the economy.

The annual report and SOFI will be posted to the Regional District's web site for public access



**Statement of Financial information (Attachment 1)**

The *Financial Information Act* requires that the Statement of Financial information be approved by the Board. Regional Districts are also required by Section 376 of the *Local Government Act* to report on Board and Committee member expenses and remuneration (*Page 30 of Attachment 1*). Total 2016 remuneration for Board members and their alternates was \$383,164 compared to \$418,317 in 2015 principally due to one extra pay period in 2015. Board member expenses totalled \$67,535 in 2016 compared to \$74,540 in 2015 a result of several items including the UBCM conference being held on Vancouver Island, fewer directors attending the FCM conference and other reduced meeting expenses.

**ALTERNATIVES**

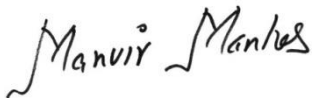
1. That the 2016 Annual Financial Report and the Statement of Financial Information be approved.
2. That alternate direction be provided to staff.

**FINANCIAL IMPLICATIONS**

The annual audit fee of \$26,250 is included in the Finance Department's 2016 budget.

**STRATEGIC PLAN IMPLICATIONS**

Regional Districts are required by the *Local Government Act* to present annually the results of its financial audit and to include a report on Board and Committee member expenses and remuneration in the Statement of Financial Information. Compliance with this requirement directly supports the Board governing value to *Be Transparent and Accountable*, which demands transparency in financial reporting and that Directors are accountable to the public.



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Manvir Manhas  
mmanhas@rdn.bc.ca  
May 12, 2017

Reviewed by:

- W. Idema, Director of Finance
- P. Carlyle, Chief Administrative Officer

Attachments

1. 2016 Statement of Financial Information



**STATEMENT OF FINANCIAL INFORMATION**

**FOR THE YEAR ENDED**

**DECEMBER 31, 2016**

**(In compliance with the Financial Information Act of British Columbia, Chapter 140)**



# REGIONAL DISTRICT OF NANAIMO

The information contained in this booklet represents the Regional District of Nanaimo's filing under the Financial Information Act for the year ended December 31<sup>st</sup>, 2016 and has been presented to and received by the Board of the Regional District of Nanaimo at a meeting held June 13, 2017.

The financial summary information included in this report is extracted from the 2016 audited annual financial statements prepared by the Regional District. The full text of the financial statements may be obtained from the Regional District offices or through its website at [www.rdn.bc.ca](http://www.rdn.bc.ca).

Signed in accordance with the requirements of the Financial Information Regulation, Schedule 1, and Section 9(2).

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Bill Veenhof  
Chairperson

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Wendy Idema  
Director of Finance

**REGIONAL DISTRICT OF NANAIMO  
STATEMENT OF FINANCIAL INFORMATION  
For the year ended December 31, 2016**

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## Management's Responsibility

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To the Members of the Board of the Regional District of Nanaimo:

This statement is provided to clarify and outline the roles and responsibilities of the management team, the elected Board of Directors and the independent auditors in relation to the preparation and review of the Regional District of Nanaimo's annual financial results.

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Regional Board of Directors is composed entirely of Directors who are neither management nor employees of the Regional District. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for delegating the authority for approval of the consolidated financial statements. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management. The Board is also responsible for recommending the appointment of the Regional District's external auditors. The external auditors have full and free access to, the Board and management to discuss their audit findings.

MNP LLP, an independent firm of Chartered Professional Accountants, has been appointed by the Regional Board of Directors to audit the consolidated financial statements and report to them; their report follows.

April 20, 2017



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Director of Finance

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## Independent Auditors' Report

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To the Members of the Board of the Regional District of Nanaimo:

We have audited the accompanying consolidated financial statements of the Regional District of Nanaimo, which comprise the consolidated statement of financial position as at December 31, 2016 and the consolidated statements of operations and accumulated surplus, change in net financial assets and cash flows and related schedules on pages 25 and 27 to 34 for the year then ended, and a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Consolidated Financial Statements*

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

### *Auditors' Responsibility*

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

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

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

### *Opinion*

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Regional District of Nanaimo as at December 31, 2016 and the results of its operations, change in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### *Other Matter*

The supplementary information on pages 26 and 35 to 50 have been presented for purposes of additional analysis and are unaudited. We do not express an opinion on these schedules because our examination did not extend to the detailed information therein.

Nanaimo, British Columbia

May 9, 2017

*MNP* LLP

Chartered Professional Accountants

**REGIONAL DISTRICT OF NANAIMO  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2016**

		<u>2016</u>	<u>2015</u>
<b>Financial Assets</b>			
Cash and short-term deposits	(Note 2)	\$ 65,426,660	\$ 64,587,923
Accounts receivable	(Note 3)	\$ 6,145,802	5,055,066
Investments	(Note 4)	\$ 31,559,740	26,133,266
Other jurisdictions debt receivable	(Note 12)	\$ 64,943,861	69,103,355
Other assets	(Note 5)	\$ 94,229	23,139
		<u>\$ 168,170,292</u>	<u>164,902,749</u>
<b>Financial Liabilities</b>			
Short-term loans	(Note 6)	\$ 371,107	293,141
Accounts payable	(Note 7)	\$ 6,294,470	6,030,009
Other liabilities	(Note 8)	\$ 4,529,854	4,422,319
Unfunded liabilities	(Note 9)	\$ 12,797,451	12,566,913
Deferred revenue	(Note 10)	\$ 22,453,326	20,376,391
Obligation under capital lease	(Note 13)	\$ -	211,227
Long-term debt	(Note 11)	\$ 84,448,850	83,587,908
		<u>\$ 130,895,058</u>	<u>127,487,908</u>
<b>Net Financial Assets</b>		<u>\$ 37,275,234</u>	<u>37,414,841</u>
<b>Non-financial Assets</b>			
Tangible capital assets	(Note 14)	\$ 198,227,258	178,169,261
Prepaid expenses		\$ 1,414,768	861,430
Inventories		\$ 43,399	40,767
		<u>\$ 199,685,425</u>	<u>179,071,458</u>
<b>Accumulated Surplus</b>	(Note 15)	<u>\$ 236,960,659</u>	<u>\$ 216,486,299</u>

APPROVED:




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W. Idema, CPA, CGA  
Director of Finance

See notes to consolidated financial statements

**REGIONAL DISTRICT OF NANAIMO**  
**CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Budget</u> (Note 18)	<u>2016</u>	<u>2015</u>
<b>Revenue</b>			
Property taxes	\$ 45,498,183	\$ <b>45,498,181</b>	\$ 43,103,564
Operating revenues	21,444,852	<b>22,975,645</b>	21,339,433
Grant revenues	13,147,353	<b>15,735,117</b>	6,740,947
Developer contributions	4,039,254	<b>3,162,137</b>	2,330,833
Other	949,491	<b>918,080</b>	1,117,461
Interest on investments	150,000	<b>924,812</b>	1,140,991
Grants in lieu of taxes	149,645	<b>319,413</b>	309,109
MFA debt surplus refunds	-	<b>5,118</b>	163,026
	<u>85,378,778</u>	<u><b>89,538,503</b></u>	<u>76,245,364</u>
<b>Expenses</b>			
General Government	2,186,677	<b>2,734,694</b>	1,693,015
Strategic & Community Development	3,933,221	<b>3,481,604</b>	3,299,141
Wastewater & Solid Waste management	20,111,980	<b>22,796,558</b>	23,096,142
Water, Sewer & Street lighting	4,755,550	<b>5,484,414</b>	5,551,953
Public Transportation	20,017,671	<b>19,218,611</b>	18,696,991
Protective Services	4,324,611	<b>4,708,898</b>	4,494,052
Parks, Recreation & Culture	10,734,273	<b>10,639,364</b>	10,424,014
	<u>66,063,983</u>	<u><b>69,064,143</b></u>	<u>67,255,308</u>
<b>Surplus for the year</b>	\$ 19,314,795	\$ <b>20,474,360</b>	\$ 8,990,056
<b>Accumulated surplus, Beginning of the year</b>	216,486,299	<b>216,486,299</b>	207,496,243
<b>Accumulated surplus, End of the year</b> (Note 15)	\$ 235,801,094	\$ <b>236,960,659</b>	\$ 216,486,299

See notes to consolidated financial statements



**REGIONAL DISTRICT OF NANAIMO  
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Budget</u> (Note 18)	<u>2016</u>	<u>2015</u>
<b>Surplus for the year</b>	\$ 19,314,795	<b>\$ 20,474,360</b>	\$ 8,990,056
Acquisition of tangible capital assets	(44,814,373)	<b>(27,275,629)</b>	(8,623,513)
Amortization of tangible capital assets	-	<b>6,846,859</b>	6,745,606
Proceeds on disposal of tangible capital assets	-	<b>413,977</b>	13,109
Loss (Gain) on disposal of tangible capital assets	-	<b>(43,204)</b>	209,723
Change in prepaid expenses	-	<b>(553,338)</b>	(436,428)
Change in inventories	-	<b>(2,632)</b>	(1,634)
<b>Increase (decrease) in Net Financial Assets</b>	(25,499,578)	<b>(139,607)</b>	6,896,919
<b>Net Financial Assets, Beginning of the year</b>	37,414,841	<b>37,414,841</b>	30,517,922
<b>Net Financial Assets, End of the year (Pg. 3)</b>	<u>\$ 11,915,263</u>	<u><b>\$ 37,275,234</b></u>	<u>\$ 37,414,841</u>

See notes to consolidated financial statements

**REGIONAL DISTRICT OF NANAIMO  
CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>2016</u>	<u>2015</u>
<b>Operating Transactions</b>		
Surplus for the year	\$ 20,474,360	\$ 8,990,056
Non-cash items included in surplus		
Amortization of tangible capital assets	6,846,859	6,745,606
Contributed tangible capital assets	(1,867,000)	(322,000)
Loss (Gain) on disposal of tangible capital assets	(43,204)	209,723
Debt actuarial adjustments	(310,997)	(464,576)
Change in non-cash working capital balances related to operations		
(Increase) Decrease in accounts receivable	(1,090,735)	1,043,686
(Increase) Decrease in other assets	(71,090)	2,125
Increase in accounts payable	264,462	3,234,927
Increase in deferred revenues	2,076,935	651,985
Increase (Decrease) in other liabilities	107,535	(693,668)
Increase in prepaid expenses	(553,338)	(436,428)
Increase in inventory	(2,632)	(1,634)
Increase in unfunded liabilities	230,538	568,647
	26,061,693	19,528,449
<b>Capital Transactions</b>		
Acquisition of tangible capital assets	(25,408,629)	(8,301,513)
Proceeds on disposal of tangible capital assets	413,977	13,109
	(24,994,652)	(8,288,404)
Cash used in capital transactions		
<b>Investment Transactions</b>		
Cash provided by (used in) investment transactions	(5,426,474)	(6,109,844)
<b>Financing Transactions</b>		
Short and long term debt issued	6,309,389	544,650
Decrease in capital lease obligation	(211,229)	(471,450)
Repayment of short and long-term debt	(899,990)	(931,397)
	5,198,170	(858,197)
Cash used in financing transactions		
<b>Net change in cash and short-term deposits</b>	<b>838,737</b>	<b>4,272,004</b>
<b>Cash and short-term deposits, Beginning of the year</b>	<b>64,587,923</b>	<b>60,315,919</b>
<b>Cash and short-term deposits, End of the year (Pg. 3)</b>	<b>(Note 2) \$ 65,426,660</b>	<b>\$ 64,587,923</b>

See notes to consolidated financial statements

**REGIONAL DISTRICT OF NANAIMO**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**for the year ended December 31, 2016**

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The Regional District was incorporated in 1967 under the provisions of the British Columbia Municipal Act. Its principal activities are the provision of district wide local government services to the residents of seven electoral areas and four municipalities within its boundaries. These services include general government administration, bylaw enforcement, planning and development services, building inspection, fire protection and emergency response planning, public transportation, parks and recreation, water supply and sewage collection, wastewater disposal, solid waste collection and disposal, and street lighting.

**1. SIGNIFICANT ACCOUNTING POLICIES**

(a) Principles of Consolidation

The Regional District follows Canadian public sector accounting standards issued by the Public Sector Accounting Board (PSAB) of CPA Canada.

Consolidated financial statements have been prepared in accordance with the recommendations of the Public Sector Accounting Board (PSAB). The consolidated financial statements include the activities related to all funds belonging to the one economic entity of the Regional District. In accordance with those standards inter-departmental and inter-fund transactions have been removed to ensure financial activities are recorded on a gross basis. The consolidated financial statements have been prepared on a going concern basis.

The consolidated financial statements include the Regional District of Nanaimo's proportionate share of the Arrowsmith Water Service (a joint venture agreement with the City of Parksville and Town of Qualicum Beach) and the Englishman River Water Service (a joint venture agreement with the City of Parksville). The Regional District's share of the joint ventures is accounted for on a proportionate basis as follows:

Arrowsmith Water Service	22.4%
Englishman River Water Service	26.0%

Any inter-entity transactions are eliminated on consolidation.

(b) Short-term deposits

Short-term deposits are carried at the lower of cost and market value.

(c) Long-term investments

Long-term investments are carried at cost less any amortized premium. It is the intention of the Regional District to hold these instruments to maturity. Any premium has been amortized on a straight-line basis using the earlier of the date of maturity or call date.

(d) Non-Financial Assets

i. Tangible capital assets

Tangible capital assets are physical assets that are to be used on a continuing basis, are not for sale in the ordinary course of operations and have useful economic lives extending beyond a single year. Section 3150 of Public Sector Accounting Handbook requires governments to record and amortize the assets over their estimated useful lives. Tangible capital assets are reported at historical cost and include assets financed through operating budgets, short-term and long-term debt, and leases. Tangible capital assets when acquired are recorded at cost which includes all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. Tangible capital asset cost less any estimated residual value, is amortized on a straight-line basis over estimated useful lives as follows:

**REGIONAL DISTRICT OF NANAIMO**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
for the year ended December 31, 2016

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**1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Asset Category	Useful Life Range (years)
Land	n/a
Land Improvements	15 - 50
Building	20 - 50
Equipment, Furniture & Vehicles	5 - 20
Engineering Structures	
Water	25 - 75
Sewer	45 - 75
Wastewater	30 - 75
Solid Waste	20 - 50
Transportation	20 - 50

In the year of acquisition and in the year of disposal, amortization is recorded as half of the annual expense for that year. Assets under construction are not amortized until the asset is available for productive use.

ii. Contributions of tangible capital assets

Tangible capital assets received as contributions (examples are parklands as a result of subdivision, donated land and infrastructure built by property developers which is transferred to the Regional District) are recorded as assets and revenues at their fair value at the date of receipt.

iii. Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of a property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

iv. Inventories

Inventories held for consumption are recorded at the lower of cost and replacement cost.

(e) Debt servicing cost

Interest is recorded on an accrual basis.

(f) Financial Instruments

Financial instruments consist of cash and short-term deposits, accounts receivable, investments, other jurisdictions debt receivable, short-term loans, accounts payable, other liabilities and long-term debt. Unless otherwise noted, it is management's opinion that the Regional District is not exposed to significant interest, currency or credit risk arising from these financial instruments.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Revenue recognition

Revenues are recorded on an accrual basis and are recognized in the period in which they are earned.

Property tax revenues and grants in lieu are recognized as revenue when levied. Operating revenues such as user fees, tipping fees, garbage, and recycling collection fees are recognized when charged to the customer, when amounts are measurable and when collectability is reasonably assured. Interest on investments is recorded when earned on an accrual basis. Developer contributions are recorded as deferred revenues when received and recognized as revenue in the year in which the associated expenditures are incurred. Donations of tangible assets are recognized as revenue on the date of receipt. Other revenues are recognized as revenue when amounts can be reasonably estimated and collectability is reasonably assured.

The Regional District recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the Regional District recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

(h) Expense recognition

Operating expenses are recorded on an accrual basis.

Estimates of employee future benefits are recorded as expenses in the year they are earned. Landfill closure and post closure costs are recognized as costs as landfill capacity is used.

(i) Contingent liabilities

Contingent liabilities are recognized in accordance with PS 3300, which requires that an estimate be recorded when it is likely that a future event will confirm that a liability has been incurred by the financial statement date and that the amount can be reasonably estimated.

(j) Use of Estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Significant areas requiring management estimates are the determination of employee retirement benefits, landfill closure and post closure liabilities, likelihood of collection of accounts receivable, useful lives of tangible capital assets and provisions for contingencies. Liabilities for contaminated sites are estimated based on the best information available regarding potentially contaminated sites that the Regional District is responsible for. Actual results may vary from those estimates and adjustments will be reported in operations as they become known. Changes to the underlying assumptions and estimates or legislative changes in the near term could have a material impact on the provisions recognized.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Liability for contaminated sites

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the Regional District is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at December 31, 2016.

At each financial reporting date, the Regional District reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The Regional District continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

(l) Recent accounting pronouncements

**PS 2200 Related Party Disclosures**

In March 2015, as part of the CPA Canada Public Sector Accounting Handbook Revisions Release No. 42, the Public Sector Accounting Board (PSAB) issued a new standard, PS 2200 Related Party Disclosures.

This new Section defines related party and established disclosures required for related party transactions. Disclosure of information about related party transactions and the relationship underlying them is required when they have occurred at a value different from that which would have been arrived at if the parties were unrelated, and they have, or could have, a material financial effect on the financial statements.

This section is effective for fiscal years beginning on or after April 1, 2017. Early adoption is permitted.

The Regional District does not expect application of the new Standard to have a material effect on the consolidated financial statements.

**PS 3210 Assets**

In June 2015, new PS 3210 Assets was included in the CPA Canada Public Sector Accounting Handbook (PSA HB). The new Section provides guidance for applying the definition of assets set out in PS 1000 Financial Statement Concepts. The main features of this standard are as follows:

Assets are defined as economic resources controlled by a government as a result of past transactions or events and from which future economic benefits are expected to be obtained.

Economic resources can arise from such events as agreements, contracts, other government's legislation, the government's own legislation, and voluntary contributions.

The public is often the beneficiary of goods and services provided by a public sector entity. Such assets benefit public sector entities as they assist in achieving the entity's primary objective of providing public goods and services.

A public sector entity's ability to regulate an economic resource does not, in and of itself, constitute control of an asset if the interest extends only to the regulatory use of the economic resource and does not include the ability to control access to future economic benefits.

**1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

A public sector entity acting as a trustee on behalf of beneficiaries specified in an agreement or statute is merely administering the assets, and does not control the assets, as future economic benefits flow to the beneficiaries.

An economic resource may meet the definition of an asset, but would not be recognized if there is no appropriate basis for measurement and a reasonable estimate cannot be made, or if another Handbook Section prohibits its recognition. Information about assets not recognized should be disclosed in the notes.

The standard is effective for fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted.

The Regional District does not expect application of the new Standard to have a material effect on the consolidated financial statements.

**PS 3320 Contingent Assets**

In June 2015, new PS 3320 Contingent Assets was included in the CPA Canada Public Sector Accounting Handbook (PSA HB). The new Section establishes disclosure standards on contingent assets. The main features of this Standard are as follows:

Contingent assets are possible assets arising from existing conditions or situations involving uncertainty. That uncertainty will ultimately be resolved when one or more future events not wholly within the public sector entity's control occurs or fails to occur. Resolution of the uncertainty will confirm the existence or non-existence of an asset.

Passing legislation that has retroactive application after the financial statement date cannot create an existing condition or situation at the financial statement date.

Elected or public sector entity officials announcing public sector entity intentions after the financial statement date cannot create an existing condition or situation at the financial statement date.

Disclosures should include existence, nature, and extent of contingent assets, as well as the reasons for any non-disclosure of extent, and the basis for any estimates of extent made.

When a reasonable estimate can be made, disclosure should include a best estimate and a range of possible amounts (or a narrower range of more likely amounts), unless such a disclosure would have an adverse impact on the outcome.

The standard is effective for fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted. The Regional District does not expect application of the new Standard to have a material effect on the consolidated financial statements.

**PS 3380 Contractual Rights**

In June 2015, new PS 3380 Contractual Rights was included in the CPA Canada Public Sector Accounting Handbook (PSA HB). This new Section establishes disclosure standards on contractual rights and does not include contractual rights to exchange assets where revenue does not arise. The main features of this Standard are as follows:

Contractual rights are rights to economic resources arising from contracts or agreements that will result in both an asset and revenue in the future.

**1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Until a transaction or event occurs under a contract or agreement, an entity only has a contractual right to an economic resource. Once the entity has received an asset, it no longer has a contractual right.

Contractual rights are distinct from contingent assets as there is no uncertainty related to the existence of the contractual right.

Disclosures should include descriptions about nature, extent, and timing.

The standard is effective for fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted.

The Regional District does not expect application of the new Standard to have a material effect on the consolidated financial statements.

**PS 3430 Restructuring Transactions**

In June 2015, new PS 3430 Restructuring Transactions was included in the CPA Canada Public Sector Accounting Handbook (PSA HB). The new Section establishes disclosure standards on restructuring transactions. The main features of this Standard are as follows:

A restructuring transaction is defined separately from an acquisition. The key distinction between the two is the absence of an exchange of consideration in a restructuring transaction.

A restructuring transaction is defined as a transfer of an integrated set of assets and/or liabilities, together with related program or operating responsibilities that does not involve an exchange of consideration.

Individual assets and liabilities transferred in a restructuring transaction are derecognized by the transferor at their carrying amount and recognized by the recipient at their carrying amount with applicable adjustments.

The increase in net assets or net liabilities resulting from recognition and derecognition of individual assets and liabilities received from all transferors, and transferred to all recipients in a restructuring transaction, is recognized as revenue or as an expense.

Restructuring-related costs are recognized as expenses when incurred.

Individual assets and liabilities received in a restructuring transaction are initially classified based on the accounting policies and circumstances of the recipient at the restructuring date.

The financial position and results of operations prior to the restructuring date are not restated.

Disclosure of information about the transferred assets, liabilities and related operations prior to the restructuring date by the recipient is encouraged but not required.

The Section is effective for new restructuring transactions that occur in fiscal periods beginning on or after April 1, 2018. Earlier application is encouraged.

The Regional District does not expect application of the new Standard to have a material effect on the consolidated financial statements.



**REGIONAL DISTRICT OF NANAIMO**  
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for the year ended December 31, 2016

**2. CASH AND SHORT-TERM DEPOSITS**

In 2016, all cash and short-term deposits were held by the General Revenue Fund including \$37,343,820 held by the Municipal Finance Authority. Interest income has been allocated to restricted receipt accounts (development cost charges), reserve accounts/funds and unexpended loan proceeds for capital projects based on the relative equity.

**3. ACCOUNTS RECEIVABLE**

	<u>2016</u>	<u>2015</u>
Province of British Columbia	\$ 10,917	\$ 24,972
Government of Canada	480,916	510,581
Regional and local governments	299,688	578,831
Gas Tax Revenue Transfer program	1,966,894	603,977
BC Transit Annual Operating Agreement	1,049,568	951,827
Accrued investment interest	92,658	223,839
Solid Waste commercial accounts	559,942	627,116
Utility services customers	431,533	401,399
Developer DCC instalments	183,967	328,010
Other trade receivables	<u>1,069,719</u>	<u>804,514</u>
	<u>\$ 6,145,802</u>	<u>\$ 5,055,066</u>

**4. INVESTMENTS**

	<u>2016</u>	<u>2015</u>
Investments at cost less amortized premium	<u>\$ 31,559,740</u>	<u>\$ 26,133,266</u>

As at December 31, 2016, the following investments were held by the Regional District:

	Investment	Amortized Purchase Price	Accrued Interest	Total Book Value	Market Value at December 31, 2016
TD	0.8% deposit note	\$191,558	-	\$191,558	\$191,558
BNS	1.53% deposit note	\$5,000,000	\$5,240	\$5,005,240	\$5,005,240
TD	1.21% deposit note	\$5,000,000	\$4,475	\$5,004,475	\$5,000,000
CCCU	1.65% deposit note	\$3,049,533	\$12,098	\$3,061,631	\$3,049,533
CCAP	1.60% deposit note	\$3,000,000	\$13,414	\$3,013,414	\$3,000,000
VANC	1.20% deposit note	\$3,000,000	\$10,257	\$3,010,257	\$3,000,000
CCAP	1.50% deposit note	\$2,966,649	\$3,048	\$2,969,697	\$2,966,649
BMO	1.50% extendible note	\$2,802,000	\$7,370	\$2,809,370	\$2,802,213
VANC	1.30% deposit note	\$2,500,000	\$2,226	\$2,502,226	\$2,500,000
BMO	1.50% extendible note	\$2,050,000	\$5,981	\$2,055,981	\$2,027,806
BMO	2.00% extendible note	\$2,000,000	\$1,644	\$2,001,644	\$2,008,434
		<u>\$ 31,559,740</u>	<u>\$ 65,753</u>	<u>\$ 31,625,493</u>	<u>\$ 31,551,433</u>

**REGIONAL DISTRICT OF NANAIMO**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
for the year ended December 31, 2016

**5. OTHER ASSETS**

	<u>2016</u>	<u>2015</u>
Security deposits for building or development permit applications	\$ 94,229	\$ 23,139

**6. SHORT-TERM LOANS**

During 2016, the Regional District entered into two additional short-term loan agreements totalling \$202,190 with the Municipal Finance Authority. In 2016, principal payments of \$124,223 were made. The maturity dates of the loans range between 1 to 5 years. The interest rates for these loans are variable, which at December 31 was 1.44%.

	<u>2016</u>	<u>2015</u>
Compactor	\$ 168,917	\$ 293,141
Land - Community Parks EA B	188,000	-
Trailer and Kubota	14,190	-
	<u>\$ 371,107</u>	<u>\$ 293,141</u>

Short-term loan payments for the next five years are:

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>TOTAL</u>
\$168,790	\$48,314	\$3,603	-	\$150,400	<u>\$371,107</u>

**7. ACCOUNTS PAYABLE**

	<u>2016</u>	<u>2015</u>
Payable to Federal Government	\$ 184,852	\$ 179,392
Payable to Provincial Government	649,643	599,718
Payable to other local governments	344,667	333,231
Trade and other payables	5,115,308	4,917,668
	<u>\$ 6,294,470</u>	<u>\$ 6,030,009</u>

**8. OTHER LIABILITIES**

	<u>2016</u>	<u>2015</u>
Wages and benefits payable	\$ 1,415,977	\$ 1,221,031
Retirement benefits payable - see note 9(a) i	2,429,167	2,673,985
Other benefits payable	281,437	153,288
Permit deposits	403,273	374,015
	<u>\$ 4,529,854</u>	<u>\$ 4,422,319</u>

**REGIONAL DISTRICT OF NANAIMO**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
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**9. UNFUNDED LIABILITIES**

Unfunded liabilities represent the estimated amount of cumulative future expenditures required to meet obligations which result from current operations. These liabilities are related to contractual employment obligations and landfill operations which are governed by Provincial statute. Special reserves which have been set aside to meet those obligations are described below.

(a) Employee Benefits

- i. Retirement Benefits - The Regional District provides vested sick leave benefits to its employees who retire where they can qualify for a one time payout of up to 60 days of their accumulated unused sick leave. The amount recorded for these benefits is based on an actuarial evaluation done by an independent firm using a projected benefit actuarial valuation method prorated on service. The actuarial valuation was calculated at December 31, 2016.

The accrued post-employment benefits are as follows:

	<u>2016</u>	<u>2015</u>
Balance, beginning of year	\$ 1,789,202	\$ 1,733,207
Current service costs	146,529	143,052
Benefits paid	(181,278)	(109,663)
Interest cost	50,889	47,549
Amortization of Net Actuarial Loss/ (Gain)	(27,868)	(24,943)
Balance, end of year	<u>\$ 1,777,474</u>	<u>\$ 1,789,202</u>

The significant actuarial assumptions adopted in measuring the Regional District's post-employment benefits are as follows:

	<u>2016</u>	<u>2015</u>
Discount Rate	3.30%	3.10%
Expected Inflation Rate and Wage & Salary Increases	2.50%	2.50%
Balance reported in Note 8		
Retirement benefits payable	\$ 2,429,167	\$ 2,673,985
Consolidation adjustment for actuarial valuation	(651,693)	(884,783)
Accrued benefit balance, end of year	<u>\$ 1,777,474</u>	<u>\$ 1,789,202</u>

- ii. Other – Includes vacation pay adjustments and statutory and other benefits provided for in the collective agreement and which are paid in the normal course of business in the following year. The vacation pay liability at December 31, 2016 is \$112,303 (2015, \$165,877). The statutory benefits liability at December 31, 2016 is \$145,318 (2015, \$115,444).

(b) Landfill Closure and Post Closure Maintenance Costs

In accordance with PS 3270, liabilities with respect to permanently closing and monitoring a landfill are incurred as landfill capacity is used. Landfill Closure costs include placing a permanent cover over the face of the landfill. Post Closure Maintenance costs include landfill gas monitoring, leachate collection system operation and general site maintenance for a period of 200 years after the landfill is permanently closed.

**REGIONAL DISTRICT OF NANAIMO**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**for the year ended December 31, 2016**

**9. UNFUNDED LIABILITIES (CONTINUED)**

i. Landfill Closure costs - are estimated based on the open area of the remaining unused capacity of the landfill site. In 2009, a revised design and operations plan was approved for the landfill which provides additional airspace for future needs. This plan extended the estimated life of the landfill to 2030 which has since been updated to 2038 based on most recent usage data. The plan includes remediation and reuse of previously filled areas as well as extending perimeter berms for the development of new airspace.

At December 31, 2016, there were approximately 1,697,987 cubic meters of airspace available for waste and daily cover. Landfill Closure costs are estimated at \$8,721,122 (2015, \$8,495,688). As at December 31, 2016, \$1,494,261 (2015, \$1,472,802) has been set aside in reserves for this purpose. The balance of Landfill Closure costs are expected to be funded by a combination of future reserve account contributions, operating budgets and/or borrowing.

ii. Post Closure Maintenance costs – are costs estimated to manage the closed landfill for a statutory period of 200 years (increased from 25 years in 2015). Post Closure Maintenance costs are estimated using a number of factors including the percentage of landfill capacity already filled, the probable closure date, the regulated monitoring period, the estimated annual maintenance costs and a present value discount rate which is the difference between the long-term MFA borrowing rate and the 5 year average Consumer Price Index. The current estimate for annual Post Closure Maintenance costs are \$575,000 for year 1-5; \$475,000 for year 6-10; \$275,000 for year 11-25; and \$100,000 for year 26-200 (2015, \$575,000 per year for 25 years). Total Post Closure Maintenance costs are estimated to be \$4,470,400 (2015, \$4,674,687) based on 64% of the total landfill capacity being filled at this date, a 22 year lifespan to 2038, final closure in 2039, and a discount rate of 1.92%. Post Closure Maintenance costs are expected to be funded by annual budget appropriations in the years in which they are incurred.

<u>Unfunded Liability Balances</u>	<u>2016</u>	<u>2015</u>
Employee Retirement Benefits	\$ (651,693)	\$ (884,783)
Employee Other Benefits	257,622	281,321
Landfill Closure Costs	8,721,122	8,495,688
Post Closure Maintenance Costs	4,470,400	4,674,687
Unfunded Liability	<u>\$ 12,797,451</u>	<u>\$ 12,566,913</u>
Reserves On Hand	<u>\$ 1,494,261</u>	<u>\$ 1,472,802</u>

**10. DEFERRED REVENUE**

	<u>2016</u>	<u>2015</u>
Parkland Cash-in-Lieu receipts	\$ 1,716,243	\$ 1,691,619
Development Cost Charges	<u>12,070,854</u>	<u>10,837,478</u>
Subtotal (Pg. 34)	13,787,097	12,529,097
Gas Tax Revenue Transfer program – Community Works Fund	8,097,324	7,331,503
General Revenue Fund	568,905	515,791
	<u>\$ 22,453,326</u>	<u>\$ 20,376,391</u>

**REGIONAL DISTRICT OF NANAIMO**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
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**10. DEFERRED REVENUE (CONTINUED)**

Parkland Cash-in-Lieu - are amounts collected from developers under the authority of Section 941 of the Local Government Act, where the Board has determined that cash rather than land for parkland purposes may be accepted as a condition of subdivision. These funds are held for the purpose of purchasing parkland.

Development Cost Charges - are amounts collected or payable as a result of new subdivision or building developments under the authority of Section 933 of the *Local Government Act*. The purpose of Section 933 is to collect funds for infrastructure which will be built as a result of population growth. Development Cost Charge bylaws have been enacted for the future expansion of wastewater treatment facilities and a bulk water system.

Community Works Fund - is a program component of the federal government's "New Building Canada Fund" which was established to transfer a portion of gas tax revenues to local governments to address infrastructure deficits. Additional information on the Regional District of Nanaimo's use of the Community Works Fund grants is included in the schedule on Pg. 35.

**11. LONG-TERM DEBT**

Debt is recorded and payable in Canadian dollars. It is the current policy of the Municipal Finance Authority to secure debt repayable only in Canadian dollars.

Details of long-term debt, including debt issue numbers, maturity dates, interest rates and outstanding amounts, are summarized in the Schedule of Long-Term Debt on pages 28 to 31.

	<u>2016</u>	<u>2015</u>
Long-term debt - Regional District services	\$ 19,504,989	\$ 14,484,553
Vancouver Island Regional Library	15,192,042	15,582,525
Member municipalities	49,751,819	53,520,830
Total Long-Term Debt	<u>\$ 84,448,850</u>	<u>\$ 83,587,908</u>

Payments of principal on issued debt of the Regional District, not including member municipalities, for the next five years are:

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>TOTAL</u>
\$1,353,550	\$1,353,655	\$1,311,203	\$1,307,167	\$1,307,280	<u>\$6,632,855</u>

**12. OTHER JURISDICTIONS DEBT RECEIVABLE**

Pursuant to the *Local Government Act*, the Regional District acts as the agency through which its member municipalities and other jurisdictions borrow funds from the Municipal Finance Authority. The annual cost of servicing this debt is recovered entirely from the borrowing jurisdiction. However, the Regional District is joint and severally liable for this debt in the event of default.

	<u>2016</u>	<u>2015</u>
Town of Qualicum Beach	\$ 4,166,428	\$ 4,629,364
City of Parksville	1,660,091	2,043,770
City of Nanaimo	43,925,300	46,847,696
Vancouver Island Regional Library	15,192,042	15,582,525
	<u>\$ 64,943,861</u>	<u>\$ 69,103,355</u>

**REGIONAL DISTRICT OF NANAIMO**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
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**13. OBLIGATION UNDER CAPITAL LEASE**

There were no outstanding obligation balances for leased capital assets as at December 31, 2016 (2015, \$211,227). The 2016 capital lease principal payments totalled \$211,227 (2015, \$471,450).

All capital leases had been held by the MFA Leasing Corporation. While payments were fixed for the term of the lease, interest rates were variable daily based upon the Canadian prime rate minus 1.0%. An interest adjustment may be made at the time of the final payment. In 2016, interest expenditures related to lease liabilities were \$3,494 (2015, \$10,839).

**14. TANGIBLE CAPITAL ASSETS**

Net Book Value	<u>2016</u>	<u>2015</u>
Land	\$ 40,194,826	\$ 38,418,795
Land improvements	5,625,050	5,649,256
Buildings	32,623,629	31,446,591
Engineered structures	99,823,719	87,955,159
Equipment, furniture and vehicles	8,775,919	8,265,091
Assets under construction	11,184,115	6,434,369
	<u>\$ 198,227,258</u>	<u>\$ 178,169,261</u>
 Owned tangible capital assets	 \$ 198,227,258	 \$ 177,991,917
Leased assets	-	177,344
	<u>\$ 198,227,258</u>	<u>\$ 178,169,261</u>

In 2016, parkland dedications and a wharf on Gabriola Island valued at \$1,867,000 were accepted and recorded as contributed assets. During 2015, parkland dedications and land used as a site for a community water supply well valued at \$322,000 were accepted and recorded as contributed assets.

The Consolidated Schedule of Tangible Capital Assets (Pg. 27) provides details of acquisitions, disposals and amortization for the year.

**15. ACCUMULATED SURPLUS**

The financial operations of the Regional District are divided into three funds: capital fund, general revenue fund and reserve fund. For accounting purposes, each fund is treated as a separate entity.

General Revenue Fund – represents the accumulated operating surplus of the Regional District which has not otherwise been allocated by the Board as reserves for special purposes.

Capital Fund – represents amounts which have been expended by or returned to the General Revenue Fund or a Reserve Fund for the acquisition of tangible capital assets and includes related debt and refunds of debenture debt sinking fund surpluses.

Reserves - represents that portion of the accumulated operating surplus that has been set aside to fund future expenditures. It includes both statutory reserves created by bylaw under the authority of the *Local Government Act* and reserve accounts, which may be used by the Board without legislative restrictions.

**REGIONAL DISTRICT OF NANAIMO**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
for the year ended December 31, 2016

**15. ACCUMULATED SURPLUS (CONTINUED)**

The Accumulated Surplus consists of individual fund surpluses (deficits) and reserves as follows:

	<u>2016</u>	<u>2015</u>
Surplus		
General Revenue Fund Net Operating Surplus (Note 16)	\$ 12,328,194	\$ 11,970,660
Net investment in Tangible capital assets (Note 17)	178,351,162	163,180,340
Capital Fund advances	(97,812)	(991,006)
Unfunded liabilities	<u>(12,797,451)</u>	<u>(12,566,913)</u>
	<u>177,784,093</u>	<u>161,593,081</u>
General Revenue Fund Reserve Accounts		
Landfill expansion	281,522	277,479
Landfill closure	1,494,261	1,472,802
Property insurance deductible-fire departments	31,240	31,429
Liability insurance deductible	151,675	149,497
Regional Sustainability Initiatives	22,275	75,298
Island Corridor Foundation	799,000	809,000
Dashwood Fire	7,516	-
San Pareil Boundary Amendment	10,000	-
Regional parks and trails donations	57,174	39,487
Vehicle fleet replacement (various departments)	<u>1,097,949</u>	<u>583,942</u>
	<u>3,952,612</u>	<u>3,438,934</u>
Statutory Reserve Funds (Pg. 33)	\$ 55,223,954	\$ 51,454,284
Total Reserves	<u>\$ 59,176,566</u>	<u>\$ 54,893,218</u>
Accumulated Surplus (Pg. 3)	<u>\$ 236,960,659</u>	<u>\$ 216,486,299</u>

**16. CONSOLIDATION ADJUSTMENTS**

The figures reported in the consolidated financial statements differ from the supporting schedules due to differences in grouping and presentation as well as the elimination of inter-fund and inter-departmental transactions. The Net Operating Surplus in the General Revenue Fund Schedule of Revenue and Expenditures has been adjusted as follows to conform to PSAB requirements:

	<u>2016</u>	<u>2015</u>
Net Operating Surplus (Pg. 36)	\$ 12,163,068	\$ 11,826,779
Add: Water User Fee Revenue year end accrual (billed May 2017)	165,126	143,881
Net Operating Surplus adjusted for statement presentation (Note 15)	<u>\$ 12,328,194</u>	<u>\$ 11,970,660</u>

**REGIONAL DISTRICT OF NANAIMO**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**for the year ended December 31, 2016**

**17. NET INVESTMENT IN TANGIBLE CAPITAL ASSETS**

Net investment in Tangible capital assets represents the historic cost of capital expenditures less debt obligations incurred to purchase and develop the infrastructure.

	<u>2016</u>	<u>2015</u>
Tangible capital assets (Pg. 3)	\$ 198,227,258	\$ 178,169,261
Short-term loans (Pg. 3)	(371,107)	(293,141)
Obligation under capital lease (Pg. 3)	-	(211,227)
Long-term debt - Regional District only (Note 11)	(19,504,989)	(14,484,553)
Net investment in Tangible capital assets (Note 15)	<u>\$ 178,351,162</u>	<u>\$ 163,180,340</u>

**18. BUDGET FIGURES**

Budget figures represent the Financial Plan Bylaw adopted by the Board on March 22, 2016. The financial plan includes capital expenditures but does not include amortization expense. The financial plan forms the basis for taxation and fees and charges rates which may be required for a particular year. The following reconciliation of the budgeted "Surplus for the year" shown on Pg. 4 is provided to show which items must be added or removed to reflect to the budgeted financial plan values which are shown compared to actual expenditures on Pg. 36 (General Revenue Fund Schedule of Revenue and Expenditures).

	<u>2016 Budget</u>
Budgeted Surplus for the year (Pg. 4)	\$ 19,314,795
Add:	
Transfers from reserves	16,030,923
Proceeds of borrowing	14,974,713
Prior year operating surplus	11,826,779
Less:	
Capital expenditures	(44,814,373)
Prior Year consolidation adjustments	(344,293)
Debt principal repayments/actuarial adjustments	
Budgeted principal payments	4,787,627
Add: Actuarial Adjustments	310,997
Less: Principal payments for member municipalities	<u>(3,185,994)</u>
Capital lease principal payments included in equipment operating expenditure	(88,059)
Transfer to reserves	<u>(8,456,997)</u>
Consolidated Budgeted Surplus, per Regional District of Nanaimo Financial Plan Bylaw No.1740 (Pg. 33)	<u>\$ 6,530,858</u>

**19. MUNICIPAL FINANCE AUTHORITY RESERVE DEPOSITS**

The Regional District secures its long-term borrowing through the Municipal Finance Authority. As a condition of these borrowings, a portion of the debenture proceeds are retained by the Authority as a debt reserve fund. As at December 31, 2016, the Regional District had debt reserve funds of \$360,247 (2015, \$294,128).



**REGIONAL DISTRICT OF NANAIMO**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**for the year ended December 31, 2016**

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**20. NORTH ISLAND 9-1-1 CORPORATION**

A 9-1-1 emergency call answering service is provided by the North Island 9-1-1 Corporation, which is owned by the Regional Districts of Comox Valley, Strathcona, Mount Waddington, Alberni Clayoquot, Nanaimo and Powell River. The shares in the corporation are owned as follows:

Alberni Clayoquot	3 shares
Comox Valley	6 shares
Strathcona	4 shares
Mount Waddington	1 share
Nanaimo	5 shares
Powell River	2 shares

The Regional District's investment in shares of the North Island 9-1-1 Corporation is recorded at cost as it does not fall under the definition of a government partnership (PS 3060.06). The Regional District's share of the corporation is equal to 23.8% and the degree of control is proportionate to the ownership share. As no benefits are expected from the ownership, it has not been accounted for as an equity investment.

**21. PENSION LIABILITY**

The Regional District of Nanaimo 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 overseeing the management of the Plan, including investment of the assets and administration of benefits. The Plan is a multi-employer contributory pension plan. Basic pension benefits provided are based on a formula. The Plan has about 189,000 active members and approximately 85,000 retired members. Active members include approximately 324 contributors from the Regional District of Nanaimo.

The most recent actuarial valuation as at December 31, 2015 indicated a \$2.224 billion funding surplus for basic pension benefits. 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, with the result that there is no consistent and reliable basis for allocating the obligation, assets and cost to the individual employers participating in the Plan.

The Regional District of Nanaimo paid \$1,947,226 (2015, \$2,051,074) for employer contributions to the Plan in fiscal 2016.

**22. CONTINGENT LIABILITIES**

Contingent liabilities are recognized by the Regional District in accordance with PS 3300.15. As at December 31, 2016, there were outstanding claims against the Regional District, however, no liability has been accrued because amounts are undeterminable and the likelihood of the Regional District having to make payment is uncertain.

**23. ENVIRONMENTAL REGULATIONS**

The Regional District is subject to environmental regulations which apply to a number of its operations. These regulations may require future expenditures to meet applicable standards and subject the Regional District to possible penalties for violations. Amounts required to meet these obligations will be charged to operations when incurred and/or when they can be reasonably estimated.

**REGIONAL DISTRICT OF NANAIMO**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
for the year ended December 31, 2016

**24. EXPENDITURES BY OBJECT**

	<u>Budget</u>	<u>2016</u>	<u>2015</u>
Operating goods and services	\$ 34,380,544	\$ 31,956,377	\$ 30,566,062
Wages and benefits	30,665,186	29,012,116	28,219,036
Debt interest	1,018,253	1,018,253	1,155,957
Amortization expense	-	6,846,859	6,745,606
Unfunded expenditures (Note 9)	-	230,538	568,647
Total Expenditures by Object	<u>\$ 66,063,983</u>	<u>\$ 69,064,143</u>	<u>\$ 67,255,308</u>

**25. ARROWSMITH WATER SERVICE AND ENGLISHMAN RIVER WATER SERVICE JOINT VENTURES**

The Arrowsmith Water Service (AWS) was formed in 1996 as a joint venture between the Regional District of Nanaimo, the City of Parksville and the Town of Qualicum Beach. The AWS was established to develop a bulk water supply available to the participants in the service and to construct the Arrowsmith Dam as a first step in that development as well as to provide for protection of the fisheries habitat of the Englishman River.

The Englishman River Water Service (ERWS) is a joint venture between the City of Parksville and the Regional District of Nanaimo, formed to secure a bulk water supply from the Englishman River. This regional partnership supplements existing well supply sources owned and operated by the City of Parksville and Nanoose Bay Peninsula Water Service Area. The ERWS development plan includes a new river water supply intake, new water treatment plant and distribution system.

Financial results and budget for the joint ventures are consolidated in the Regional District of Nanaimo's financial statements proportionately based on the joint venture agreements: 22.4% of the Arrowsmith Water Service and 26% of the Englishman River Water Service.

The following table summarizes the financial statements of the two joint ventures.

	Arrowsmith Water Service <u>2016</u>	Englishman River Water Service <u>2016</u>
Non-financial assets (tangible capital assets)	\$ 6,457,416	\$ 6,083,174
Accumulated surplus	<u>6,457,416</u>	<u>6,083,174</u>
Revenues		
Joint venturer contributions	\$ 155,697	\$ 2,873,154
Capital grant	-	828,854
	<u>155,697</u>	<u>3,702,008</u>
Expenses		
Operating	137,227	9,714
Capital	-	828,854
Transfer of land to partners	-	1,233,797
	<u>\$ 137,227</u>	<u>\$ 2,072,365</u>
Annual surplus (deficit)	<u>\$ 18,470</u>	<u>\$ 1,629,643</u>

**REGIONAL DISTRICT OF NANAIMO**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**for the year ended December 31, 2016**

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**26. CONTAMINATED SITES**

At the reporting date, only one site was identified as potentially contaminated due to past industrial use at this site and on the neighbouring property; these findings remain unchanged from the December 31, 2015 year end. For this site there is insufficient information to determine whether contamination exceeding the relevant environmental standard is likely to exist, or whether remediation is required. The future cost and responsibility for remediation of this site is not currently determinable.

**27. COMPARATIVE FIGURES**

Certain comparative figures have been reclassified to conform to the presentation adopted in the current year.

**28. SUBSEQUENT EVENT**

Subsequent to the year end, the Regional District received a parkland dedication valued at \$1,837,000 in Electoral Area F.

**REGIONAL DISTRICT OF NANAIMO**  
**GENERAL REVENUE FUND**  
**SCHEDULE OF REVENUE AND EXPENDITURES**  
**as at December 31, 2016**  
**(UNAUDITED)**

	Corporate Services (Schedule A)	Strategic & Community Development (Schedule B)	Regional & Community Utilities (Schedule C)	Recreation & Parks Services (Schedule D)	Transportation & Emergency Services (Schedule E)	Actual 2016	Budget 2016	Actual 2015
<b>REVENUES</b>								
Tax requisition	\$ 3,781,836	\$ 2,386,528	\$ 16,375,461	\$ 10,701,750	\$ 14,243,554	\$ 47,489,129	\$ 47,489,131	\$ 45,032,665
Grants	536,459	191,645	6,555,989	2,832,379	5,618,645	15,735,117	13,055,788	6,740,947
Grants in Lieu	69,394	8,411	95,424	22,239	123,945	319,413	241,210	309,109
Interest	194,279	-	-	-	-	194,279	150,000	283,255
Permit fees & other	-	344,849	3,448,927	385,869	1,613,912	5,793,557	9,090,931	2,791,041
Operating revenues	-	1,428,663	6,777,360	1,693,324	4,519,347	14,418,694	13,705,863	13,859,037
Disposal fees	-	-	8,554,506	-	-	8,554,506	7,741,024	7,494,219
Other	11,315,020	-	9,462,711	-	667,646	21,445,377	40,597,840	17,773,362
	15,896,988	4,360,096	51,270,378	15,635,561	26,787,049	113,950,072	132,071,787	94,283,635
<b>EXPENDITURES</b>								
General administration	158,548	370,020	1,796,688	581,697	1,321,041	4,227,994	4,411,984	4,036,011
Professional fees	279,014	240,505	1,054,629	104,701	43,798	1,722,647	2,522,668	1,435,932
Community grants	65,022	-	-	-	-	65,022	56,528	46,012
Legislative	456,127	-	-	-	-	456,127	498,394	474,474
Program costs	-	141,537	157,924	585,300	-	884,761	925,870	839,844
Vehicle and Equip operating	161,517	77,715	1,894,259	181,055	4,624,522	6,939,068	7,878,995	6,984,636
Building operating	325,443	37,313	1,439,338	743,700	426,141	2,971,935	3,232,607	2,801,921
Other operating	644,693	675,662	9,699,892	810,154	3,319,171	15,149,572	16,861,605	14,921,193
Wages & benefits	4,059,482	2,195,643	7,177,232	4,395,837	11,183,922	29,012,116	30,665,186	28,219,289
Capital expenditures	256,349	65,765	21,396,782	3,375,043	1,055,415	26,149,354	44,816,373	9,270,481
	6,406,195	3,804,160	44,616,744	10,777,487	21,974,010	87,578,596	111,870,210	69,029,793
<b>OPERATING SURPLUS</b>	9,490,793	555,936	6,653,634	4,858,074	4,813,039	26,371,476	20,201,577	25,253,842
Debt retirement								
- interest	3,436,929	-	392,239	458,237	167,777	4,455,182	4,664,168	4,548,388
- principal	3,185,990	-	440,772	1,004,376	153,944	4,785,082	4,787,627	4,431,322
Contingency	-	-	-	-	-	-	-	25
Reserve contributions	184,140	171,054	6,142,851	1,484,940	1,658,806	9,641,791	8,456,997	9,303,636
Transfers to other govts	2,559,623	277,350	-	1,707,332	2,608,827	7,153,132	7,244,413	6,424,623
	9,366,682	448,404	6,975,862	4,654,885	4,589,354	26,035,187	25,153,205	24,707,994
<b>CURRENT YEAR SURPLUS (DEFICIT)</b>	124,111	107,532	(322,228)	203,189	223,685	336,289	(4,951,628)	545,848
Prior year's surplus applied	1,244,851	1,206,105	4,832,295	1,522,595	3,020,933	11,826,779	11,826,779	11,280,931
<b>NET OPERATING SURPLUS</b>	\$ 1,368,962	\$ 1,313,637	\$ 4,510,067	\$ 1,725,784	\$ 3,244,618	\$ 12,163,068	\$ 6,875,151	\$ 11,826,779

See notes to consolidated financial statements

**REGIONAL DISTRICT OF NANAIMO  
LONG-TERM DEBT SUMMARY BY FUNCTION  
DECEMBER 31, 2016**

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>REGIONAL DISTRICT</b>					
RAVENSONG AQUATIC CENTRE	895,635	611,532	313,224	-	\$ -
OCEANSIDE PLACE ARENA	4,659,501	4,314,003	3,954,686	3,580,996	<b>3,192,358</b>
REGIONAL PARKS	-	2,053,653	1,984,688	1,912,964	<b>1,838,371</b>
COMMUNITY PARKS	356,256	333,617	310,004	285,373	<b>259,679</b>
WASTEWATER MANAGEMENT					
- Northern Community (District 69)	255,536	-	-	-	-
- Southern Community (District 68)	-	-	-	-	<b>5,000,000</b>
FIRE PROTECTION	1,747,681	1,656,878	4,352,441	4,160,535	<b>4,189,644</b>
SEWER SERVICES	2,004,725	1,915,450	1,822,604	1,956,994	<b>1,848,406</b>
WATER SUPPLY SERVICES	2,272,174	2,030,455	2,891,369	2,587,690	<b>3,176,528</b>
VANCOUVER ISLAND REGIONAL LIBRARY	<u>7,857,359</u>	<u>16,319,013</u>	<u>15,957,989</u>	<u>15,582,525</u>	<u><b>15,192,042</b></u>
<b>TOTAL REGIONAL DISTRICT</b>	20,048,868	29,234,601	31,587,005	30,067,078	<b>34,697,031</b>
<b>MEMBER MUNICIPALITIES</b>	<u>34,948,088</u>	<u>45,903,812</u>	<u>52,213,097</u>	<u>53,520,830</u>	<u><b>49,751,819</b></u>
<b>TOTAL LONG-TERM DEBT (Pg. 3)</b>	<u><u>54,996,956</u></u>	<u><u>75,138,413</u></u>	<u><u>83,800,102</u></u>	<u><u>83,587,908</u></u>	<u><u>\$ <b>84,448,850</b></u></u>

See notes to consolidated financial statements

**REGIONAL DISTRICT OF NANAIMO  
SCHEDULE OF LONG-TERM DEBT  
DECEMBER 31, 2016**

FUNCTION	ISSUER	FUNDS	BYLAW NUMBER	MATURITY DATE	INTEREST RATE	ORIGINAL VALUE	2016 DEBT O/S	2015 DEBT O/S
<b>OCEANSIDE PLACE ARENA</b>								
	MFA 97	CDN	1365	Apr 19,2023	4.830	6,470,646	3,192,358	3,580,996
						<u>6,470,646</u>	<u>3,192,358</u>	<u>3,580,996</u>
<b>REGIONAL PARKS</b>								
	MFA 126	CDN	1629	Sep 26,2033	3.850	2,053,653	1,838,371	1,912,964
						<u>2,053,653</u>	<u>1,838,371</u>	<u>1,912,964</u>
<b>COMMUNITY PARKS ELECTORAL AREA B</b>								
	MFA 78	CDN	1299	Dec 03, 2022	5.250	100,000	40,729	46,431
	MFA 79	CDN	1303	Jun 03, 2023	5.250	80,000	37,145	41,490
	MFA 81	CDN	1304	Apr 22, 2024	4.900	80,000	41,490	45,628
	MFA 93	CDN	1305	Apr 06, 2025	5.100	80,000	41,001	45,010
	MFA 97	CDN	1306	Apr 19, 2026	4.660	80,000	47,745	51,569
	MFA 101	CDN	1307	Apr 11, 2027	4.520	80,000	51,569	55,246
						<u>500,000</u>	<u>259,679</u>	<u>285,374</u>
<b>FIRE PROTECTION SERVICES</b>								
<b>MEADOWOOD FIRE</b>								
	MFA 110	CDN	1587	Apr 08, 2030	4.500	1,773,410	1,378,388	1,450,845
<b>NANAIMO RIVER FIRE</b>								
	MFA 99	CDN	1488	Apr 19,2027	4.430	20,761	12,390	13,383
<b>NANOOSE BAY FIRE</b>								
	MFA 130	CDN	1617	Oct 14, 2034	3.000	2,790,000	2,598,866	2,696,307
<b>COOMBS-HILLIERS FIRE</b>								
	MFA 139	CDN	1538	Oct 5, 2026	2.100	200,000	200,000	-
						<u>4,784,171</u>	<u>4,189,644</u>	<u>4,160,535</u>
<b>SEWER SERVICES</b>								
<b>BARCLAY CRESCENT SEWER</b>								
	MFA 102	CDN	1486	Dec 01, 2027	4.820	895,781	577,431	618,599
<b>CEDAR SEWER</b>								
	MFA 106	CDN	1571	Oct 13, 2029	4.130	926,180	680,521	719,876
	MFA 106	CDN	1572	Oct 13, 2029	4.130	27,200	19,986	21,141
	MFA 106	CDN	1573	Oct 13, 2029	4.130	108,800	79,942	84,565
	MFA 106	CDN	1574	Oct 13, 2029	4.130	61,200	44,967	47,568
	MFA 110	CDN	1584	Apr 08, 2030	4.500	232,286	180,545	190,036
	MFA 117	CDN	1626	Oct 12, 2031	3.250	51,620	42,231	44,259
						<u>1,407,286</u>	<u>1,048,192</u>	<u>1,107,445</u>
<b>HAWTHORNE RISE SEWER</b>								
	MFA 131	CDN	1696	Apr 8, 2035	2.200	173,300	167,172	173,300
<b>REID ROAD SEWER</b>								
	MFA 133	CDN	1709	Oct 2, 2035	2.750	57,650	55,611	57,650
						<u>\$ 2,534,017</u>	<u>\$ 1,848,406</u>	<u>\$ 1,956,994</u>

See notes to consolidated financial statements

**REGIONAL DISTRICT OF NANAIMO  
SCHEDULE OF LONG-TERM DEBT  
DECEMBER 31, 2016**

FUNCTION	ISSUER	FUNDS	BYLAW NUMBER	MATURITY DATE	INTEREST RATE	ORIGINAL VALUE	2016 DEBT O/S	2015 DEBT O/S	
WATER - SAN PAREIL									
	MFA 74	CDN	1221	Jun 01, 2016	5.900	193,979	-	17,798	
	MFA 81	CDN	1367	Apr 22, 2019	4.900	89,476	23,475	30,567	
	MFA 97	CDN	1395	Apr 19, 2021	4.660	40,000	16,016	18,859	
	MFA 106	CDN	1395	Oct 13, 2024	4.130	94,439	57,188	63,155	
	MFA 117	CDN	1395	Oct 12, 2026	3.250	49,056	35,786	38,653	
						<u>466,950</u>	<u>132,465</u>	169,033	
WATER - SAN PAREIL FIRE IMPROVEMENTS									
	MFA 127	CDN	1689	Apr 07, 2034	3.300	1,114,600	1,038,242	1,077,170	
						<u>1,114,600</u>	<u>1,038,242</u>	1,077,170	
WATER - DRIFTWOOD									
	MFA 80	CDN	1301	Oct 03, 2023	4.900	100,614	46,716	52,181	
						<u>100,614</u>	<u>46,716</u>	52,181	
WATER - MELROSE TERRACE									
	MFA 103	CDN	1539	Apr 23, 2018	4.650	14,349	3,337	4,909	
						<u>14,349</u>	<u>3,337</u>	4,909	
BULK WATER - FRENCH CREEK									
	MFA 69	CDN	1127	Sep 24, 2018	4.650	503,655	75,147	110,059	
						<u>503,655</u>	<u>75,147</u>	110,059	
BULK WATER - NANOOSE									
	MFA 69	CDN	1128	Sep 24, 2018	4.650	864,095	128,926	188,822	
	MFA 74	CDN	1226	Jun 01, 2021	5.900	2,195,223	762,639	894,085	
	MFA 80	CDN	1239	Oct 03, 2023	4.900	176,295	81,856	91,431	
						<u>3,235,613</u>	<u>973,421</u>	1,174,338	
NANOOSE BAY PENINSULA WATER									
	MFA 139	CDN	1723	Oct 05, 2036	2.100	350,000	350,000	-	
	MFA 139	CDN	1750	Oct 05, 2036	2.100	557,200	557,200	-	
						<u>907,200</u>	<u>907,200</u>	-	
	TOTAL WATER SUPPLY MANAGEMENT						<u>6,342,981</u>	<u>3,176,528</u>	2,587,690
WASTEWATER SERVICES									
SOUTHERN COMMUNITY WASTEWATER									
	MFA 139	CDN	1742	Oct 05, 2036	2.100	5,000,000	5,000,000	-	
	TOTAL WASTEWATER MANAGEMENT						<u>5,000,000</u>	<u>5,000,000</u>	-
DEBT HELD FOR OTHER JURISDICTIONS									
VANCOUVER ISLAND REGIONAL LIBRARY									
	MFA 117	CDN	1634	Oct 12, 2041	3.250	8,000,000	7,227,411	7,394,281	
	MFA 126	CDN	1674	Sep 26, 2038	3.850	8,610,000	7,964,631	8,188,244	
	TOTAL - VANCOUVER ISLAND REGIONAL LIBRARY						<u>\$ 16,610,000</u>	<u>\$ 15,192,042</u>	\$ 15,582,525
<b>TOTAL LONG-TERM DEBT - REGIONAL DISTRICT</b>						<u>\$ 44,295,468</u>	<u>\$ 34,697,031</u>	\$ 30,067,078	

See notes to consolidated financial statements

**REGIONAL DISTRICT OF NANAIMO  
SCHEDULE OF LONG-TERM DEBT  
DECEMBER 31, 2016**

FUNCTION	ISSUER	FUNDS	BYLAW NUMBER	MATURITY DATE	INTEREST RATE	ORIGINAL VALUE	2016 DEBT O/S	2015 DEBT O/S
CITY OF PARKSVILLE								
	MFA68	CDN	1109	Mar 24, 2018	4.650	1,200,000	<b>179,045</b>	<b>262,225</b>
	MFA69	CDN	1129	Sep 24, 2018	4.650	1,970,000	<b>293,932</b>	<b>430,485</b>
	MFA74	CDN	1227	Jun 01, 2021	5.900	290,000	<b>100,748</b>	<b>118,113</b>
	MFA75	CDN	1238	Dec 01, 2021	5.690	1,050,000	<b>364,779</b>	<b>427,651</b>
	MFA78	CDN	1283	Dec 03, 2022	5.250	765,000	<b>311,574</b>	<b>355,200</b>
	MFA93	CDN	1420	Apr 06, 2025	5.100	800,000	<b>410,013</b>	<b>450,096</b>
	TOTAL CITY OF PARKSVILLE					6,075,000	<b>1,660,091</b>	2,043,770
TOWN OF QUALICUM BEACH								
	MFA136	CDN	1729	Nov 30, 2025	2.750	4,629,364	<b>4,166,428</b>	<b>4,629,364</b>
	TOTAL TOWN OF QUALICUM BEACH					4,629,364	<b>4,166,428</b>	4,629,364
CITY OF NANAIMO								
	MFA72	CDN	1197	Jun 01, 2020	6.450	4,500,000	<b>1,261,630</b>	<b>1,543,830</b>
	MFA73	CDN	1219	Dec 01, 2020	6.360	4,100,000	<b>1,149,486</b>	<b>1,406,600</b>
	MFA99	CDN	1489	Oct 19, 2026	4.430	15,000,000	<b>8,952,209</b>	<b>9,669,168</b>
	MFA101	CDN	1489	Apr 11, 2027	4.520	15,000,000	<b>9,669,168</b>	<b>10,358,552</b>
	MFA 102	CDN	1530	Dec 01, 2027	4.820	3,750,000	<b>2,417,292</b>	<b>2,589,638</b>
	MFA 126	CDN	1688	Sep26, 2033	3.850	13,300,000	<b>11,905,777</b>	<b>12,388,860</b>
	MFA 127	CDN	1694	Apr 07, 2034	3.300	9,200,000	<b>8,569,738</b>	<b>8,891,048</b>
	TOTAL CITY OF NANAIMO					64,850,000	<b>43,925,300</b>	46,847,696
<b>TOTAL LONG-TERM DEBT - MEMBER MUNICIPALITIES</b>						\$ 75,554,364	<b>\$ 49,751,819</b>	\$ 53,520,830
<b>TOTAL LONG-TERM DEBT</b>						\$ 119,849,832	<b>\$ 84,448,850</b>	\$ 83,587,908

See notes to consolidated financial statements



**REGIONAL DISTRICT OF NANAIMO**  
**SCHEDULE OF GUARANTEE AND INDEMNITY AGREEMENTS**

This organization has not given any guarantees or indemnities under the Guarantees and Indemnities Regulation.

**REGIONAL DISTRICT OF NANAIMO  
SCHEDULE OF DIRECTORS REMUNERATION & EXPENSES FOR 2016**

Area	Name	Remuneration				Expenses		Total 2016	Total 2015
		Taxable Payroll	Exempt Allowance	Total 2016	Total 2015	2016	2015		
2016 Board H (Chairperson)	Veenhof, B.	\$ 33,764.53	\$ 16,882.26	\$ 50,646.79	\$ 34,019.18	\$ 13,932.88	\$ 10,859.80	\$ 64,579.67	\$ 44,878.98
	McPherson, A.	\$ 21,147.69	\$ 10,573.84	\$ 31,721.53	\$ 36,503.00	\$ 9,236.01	\$ 10,599.09	\$ 40,957.54	\$ 47,102.09
	Houle, H.	\$ 21,176.97	\$ 10,588.48	\$ 31,765.45	\$ 34,214.12	\$ 6,673.18	\$ 9,742.38	\$ 38,438.63	\$ 43,956.50
	Young, M.	\$ 19,288.97	\$ 9,644.48	\$ 28,933.45	\$ 34,382.12	\$ 4,877.03	\$ 4,313.26	\$ 33,810.48	\$ 38,695.38
	Rogers, B.	\$ 19,491.09	\$ 9,745.54	\$ 29,236.63	\$ 33,511.40	\$ 8,485.24	\$ 8,305.33	\$ 37,721.87	\$ 41,816.73
	Fell, J.	\$ 19,013.77	\$ 9,506.88	\$ 28,520.65	\$ 31,376.68	\$ 10,828.91	\$ 11,403.98	\$ 39,349.56	\$ 42,780.66
	Stanhope, J.	\$ 20,276.59	\$ 10,138.30	\$ 30,414.89	\$ 54,347.08	\$ 7,569.96	\$ 12,153.57	\$ 37,984.85	\$ 66,500.65
	Haimo, C.	\$ 9,753.06	\$ 4,876.53	\$ 14,629.59	\$ 16,216.41	\$ 230.67	\$ 353.02	\$ 14,860.26	\$ 16,569.43
	McKay, B.	\$ 10,188.34	\$ 5,094.17	\$ 15,282.51	\$ 15,626.41	\$ 332.84	\$ 300.18	\$ 15,615.35	\$ 15,926.59
	Bestwick, B.	\$ 9,675.00	\$ 4,837.50	\$ 14,512.50	\$ 14,836.41	\$ 332.10	\$ 322.03	\$ 14,844.60	\$ 15,158.44
	Kipp, J.	\$ 9,508.34	\$ 4,754.17	\$ 14,262.51	\$ 15,156.42	\$ 295.40	\$ 351.60	\$ 14,557.91	\$ 15,508.02
	Hong, J.	\$ 9,695.00	\$ 4,847.50	\$ 14,542.50	\$ 15,016.41	\$ 205.84	\$ 207.20	\$ 14,748.34	\$ 15,223.61
	Pratt, W.	\$ 9,981.67	\$ 4,990.84	\$ 14,972.51	\$ 15,376.41	\$ 339.60	\$ 318.80	\$ 15,312.11	\$ 15,695.21
	Thorpe, I.	\$ 9,728.34	\$ 4,864.17	\$ 14,592.51	\$ 15,276.42	\$ 49.96	\$ 56.95	\$ 14,642.47	\$ 15,333.37
	Yoachim, B.	\$ 9,135.00	\$ 4,567.50	\$ 13,702.50	\$ 14,276.42	\$ 415.60	\$ 373.20	\$ 14,118.10	\$ 14,649.62
	Lefebvre, M.	\$ 10,308.34	\$ 5,154.17	\$ 15,462.51	\$ 16,396.41	\$ 1,234.14	\$ 1,384.41	\$ 16,696.65	\$ 17,780.82
Westbroek, T.	\$ 10,221.67	\$ 5,110.83	\$ 15,332.50	\$ 16,916.41	\$ 1,626.70	\$ 1,942.73	\$ 16,959.20	\$ 18,859.14	
		\$ 252,354.37	\$ 126,177.16	\$ 378,531.53	\$ 413,447.71	\$ 66,666.06	\$ 72,987.53	\$ 445,197.59	\$ 486,435.24
<b>Board Alternates</b>									
A	Wilson, K.	\$ -	\$ -	\$ -	\$ 190.00	\$ -	\$ 59.69	\$ -	\$ 249.69
B	Hartman, V.	\$ -	\$ -	\$ -	\$ 110.00	\$ -	\$ -	\$ -	\$ 110.00
C	Pinker, C.	\$ 426.67	\$ 213.33	\$ 640.00	\$ 190.00	\$ 79.20	\$ 11.52	\$ 719.20	\$ 201.52
E	Van Eynde, F.	\$ -	\$ -	\$ -	\$ 560.00	\$ 74.97	\$ -	\$ 74.97	\$ 560.00
F	Lowe, K.	\$ 213.33	\$ 106.67	\$ 320.00	\$ 430.00	\$ 58.14	\$ 73.15	\$ 378.14	\$ 503.15
G	McLean, J.	\$ 373.33	\$ 186.67	\$ 560.00	\$ 240.00	\$ 219.57	\$ 78.58	\$ 779.57	\$ 318.58
H	Derkach, L.	\$ 53.33	\$ 26.67	\$ 80.00	\$ 160.00	\$ -	\$ 42.95	\$ 80.00	\$ 202.95
Nanaimo	Recalma, M.	\$ 53.33	\$ 26.67	\$ 80.00	\$ 190.00	\$ 52.90	\$ 672.71	\$ 132.90	\$ 862.71
Nanaimo	Brennan, D.	\$ 373.33	\$ 186.67	\$ 560.00	\$ 800.00	\$ 58.53	\$ 73.32	\$ 618.53	\$ 873.32
Lantzville	Fuller, G.	\$ 373.33	\$ 186.67	\$ 560.00	\$ 560.00	\$ 84.59	\$ 99.00	\$ 644.59	\$ 659.00
Lantzville	Colclough, B.	\$ 701.95	\$ 350.97	\$ 1,052.92	\$ -	\$ 24.02	\$ -	\$ 1,076.94	\$ -
Parksville	Powell, S.	\$ 233.33	\$ 116.67	\$ 350.00	\$ 480.00	\$ 108.96	\$ 136.20	\$ 458.96	\$ 616.20
Qualicum Beach	Avis, B.	\$ -	\$ -	\$ -	\$ 960.00	\$ -	\$ 305.91	\$ -	\$ 1,265.91
Qualicum Beach	Luchtmeijer, B.	\$ 286.67	\$ 143.33	\$ 430.00	\$ -	\$ 108.67	\$ -	\$ 538.67	\$ -
		\$ 3,088.60	\$ 1,544.32	\$ 4,632.92	\$ 4,870.00	\$ 869.55	\$ 1,553.03	\$ 5,502.47	\$ 6,423.03
<b>TOTAL</b>		\$ 255,442.97	\$ 127,721.48	\$ 383,164.45	\$ 418,317.71	\$ 67,535.61	\$ 74,540.56	\$ 450,700.06	\$ 492,858.27

**REPORTING OF REMUNERATION AND EXPENSES DISCLOSED UNDER SECTION 168 OF THE COMMUNITY CHARTER**

Elected Official	Title	Associated Business	Description of Expense	Value
H. Houle	Director	EFT Pottery	Intergovernmental liaison projects	\$196.35

**REGIONAL DISTRICT OF NANAIMO**  
**SCHEDULE OF EARNINGS, TRAVEL AND OTHER EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

Employee Name	Position	Earnings	Expenses	
<b>Exempt staff</b>				
ALEXANDER	E. RANDAL	General Manager, Regional & Community Utilities	\$ 162,146.46	\$ 942.25
ARMET	THOMAS W.	Manager, Building & Bylaw Services	118,249.21	470.00
BANMAN	DEAN E.	Manager, Recreation Services	119,863.54	2,064.72
BROWN	TYLER J.	Intergovernmental Liaison	86,062.51	287.55
CHESTNUT	MIKE J.	Superintendent, Aquatic Services	96,717.35	114.90
DEPOL	SEAN R.	Manager, Waste Water Services	126,887.40	3,112.61
DOBBS	MARK A.	Superintendent, Parks Operations & Capital Projects	82,982.80	422.50
DOLAN	KELLI J.	Manager, Human Resources	111,244.28	2,692.37
DREW	JANI M.	Emergency Coordinator	79,848.60	1,871.63
GARBUTT	GEOFFREY W.	General Manager, Strategic & Community Development	158,134.12	1,831.18
GARDNER	LARRY A.	Manager, Solid Waste Services	124,928.49	2,232.19
GRAY	CHRISTINA L.	Communications Coordinator	77,211.71	1,089.66
HAMILTON	JANE A.	Superintendent, Landfill Operations	93,127.05	809.53
HANSEN	CURTIS W.	Superintendent, Transit Operations	96,549.35	1,202.88
HARRISON	JOAN E.	Director, Corporate Services	138,234.43	1,511.31
HILL	JACQUELINE R.	Manager, Administrative Services	118,857.84	6,691.77
HOLM	JEREMY J.	Manager, Current Planning	121,940.67	3,073.77
IDEMA	WENDY J.	Director, Finance	143,214.42	3,652.28
KING	HANNAH L.	Superintendent, Recreation Program Services	96,976.86	743.05
MANHAS	MANVIR	Manager, Capital Accounting & Financial Reporting	102,203.75	3,015.90
MARCELLUS	JOHN W.	Superintendent, Arena Services	97,237.31	124.90
MARSHALL	DARREN L.	Manager, Fleet, Projects & Emergency Services	112,678.53	4,431.93
MARSHALL	WENDY S.	Manager, Parks Services	115,687.63	2,950.79
MAUCH	R. MAURICE	Project Engineer	108,113.07	2,515.21
METCALF	EMILY J.	Human Resources Advisor	76,981.03	-
MIDGELY	CHRISTOPHER M.	Manager, Water Services & Asset Management	115,612.41	1,547.73
MILLER	BRANDON J.	Superintendent of Transit Service Delivery	93,882.28	4,460.22
MOODY	MICHAEL R.	Manager, Information Services	118,417.21	5,353.07
MOORE	TIFFANY A.	Manager, Accounting Services	117,056.14	2,059.45
O'HALLORAN	MATTHEW R.	Legislative Coordinator	80,791.08	2,397.48
OSBORNE	THOMAS W.	General Manager, Recreation & Parks Services	162,837.81	3,557.84
PEARCE	DANIEL A.	Manager, Transit Operations	130,296.51	5,769.48
ST PIERRE	GERALD A.	Project Engineer	104,717.98	4,718.34
THOMPSON	PAUL D.	Manager, Long Range Planning	122,005.13	3,069.76
TRUDEAU	DENNIS M.	General Manager, Transportation & Emergency Services	204,239.45 <sup>1</sup>	7,808.69
WARREN	MARGARET A.	Superintendent, Scale & Transfer Services	96,989.94	4,982.41
<sup>1</sup> Includes Interim CAO adjustment				
<b>CUPE staff</b>				
AINGE	JEFFREY T.	Asset Management Coordinator	76,735.49	871.85
BANDURKA	GREG D.	Dispatch - HandyDART	77,375.72	-
BANNATYNE	CLAYTON D.	Chief Facility Operator (Ravensong and Oceanside)	75,511.14	114.90
BASTARACHE	CEDRIC J.	HandyDART Driver	77,044.89	-
BESSELING	LAWRENCE J.	Operator 3 - FCPC	79,388.20	1,130.73
BLOCK	PETER H.	Serviceperson Driver	80,521.63	-
BROWN	CHRISTOPHER J.	Chief Operator - FCPC	88,703.08	1,853.28
CRIVEA	RORY	Transit Shop Staff	87,300.62	912.92
DORKEN	HEATHER J.	Utilities Technician 3	80,267.86	2,422.61
EISON	ROBERT P.	Senior Operator - FCPC	80,000.06	2,326.02
FEE	STEWART J.	Serviceperson Driver	91,277.46	-
GRANT	THOMAS A.R.	Serviceperson Driver	85,339.41	-
GREEN	GREIG W.	Transit Shop Staff	78,815.67	240.21
HALE	BRIAN P.	Utilities Technician 3	85,753.63	1,423.79
HILL	WILLIAM R.	Chief Operator - Equipment and Maintenance	78,700.50	-
HOGeweide	KEVIN J.	Serviceperson Driver	75,626.56	-

<b>Employee Name</b>	<b>Position</b>	<b>Earnings</b>	<b>Expenses</b>	
HOOVER	CRAIG M.	Senior Operator - GNPCC	84,703.83	1,251.07
HORSBURGH	SHARON	Sustainability Coordinator	80,614.40	1,831.63
JONES	LESLIE G.	Serviceperson Driver	81,849.32	-
KAIN	RANDY V.	Dispatch - HandyDART	75,101.70	-
KALLEN	TONY J.	Operator 3 - GNPCC	84,035.22	2,245.15
KELLER	GREG B.	Senior Planner	85,043.11	2,756.58
KEMP	GLENN C.	Transit Shop/Charge Hand	75,955.24	230.00
KERMAN	CHRIS S.	Senior Operator - FCPC	81,394.20	2,058.62
KUZIEK	PETER A.	Serviceperson Driver	78,767.95	720.61
LIEW	ALEX K.	Serviceperson Driver	77,382.68	-
LUNDMAN	IAN E.	Chief Operator - GNPCC	103,762.74	3,676.79
MACDONALD	RYAN W.	Information Services Coordinator	79,529.57	1,336.50
MACLENNAN	RICHARD H.	Chief Mechanic	82,626.91	125.00
MARKS	L. KRISTEEN	Planner	78,445.01	2,673.48
MATHESON	JANE S.	Accountant	75,845.93	2,220.16
MATTHEWS	JOHN L.	Serviceperson Driver	76,807.33	-
MCCULLOCH	ELAINE R.	Parks Planner	75,647.73	2,053.51
NORUM	SHELLEY E.	Wastewater Coordinator	75,438.57	3,996.03
PARKS	LARRY J.	Maintenance Operator - GNPCC	77,992.06	470.00
PISANI	JULIE C.	Drinking Water and Watershed Protection Coordinator	76,047.97	3,928.34
POWELL	RYAN W.	Laboratory Technician - GNPCC	75,423.28	385.67
ROUTLEDGE	BENJAMIN L.	Zero Waste Coordinator	78,089.21	725.48
SAKAI	DAVID Y.	Transit Dispatch Assistant	85,665.51	-
SCHAEFER	GERALD L.	Building Inspector Supervisor	81,065.30	2,376.56
SCHILE	JOY (JAMAI) M.	Senior Planner	79,952.49	652.93
SHORTMAN	JIM R.	Serviceperson Driver	76,773.98	-
SIMPSON	COURTNEY D.	Senior Planner	84,046.95	1,446.43
SINGBEIL	DONALD A.	Transit Bodyman	89,484.72	346.76
SINGBEIL	JEFFREY D.	Operator 2 - GNPCC	79,073.21	1,966.93
SKEELES	GEOFFREY C.	Transit Shop Staff	76,812.88	174.96
SOPER	KAREN S.	Supervisor - Landfill	78,501.99	394.96
STEFANIW	TREVOR M.	Transit Dispatch Assistant	79,905.27	29.95
STOROZUK	JOHN B.	Serviceperson Driver	75,349.57	-
SUHAN	ZACHARY R.	Operator 3 - GNPCC	75,158.48	921.67
VAN OSSENBRUGGEN	CHRISTOPHER J.	Regional Parks Operations Coordinator	82,876.59	863.47
WELZ	DAVID A.	Chief Operator - Water Services	92,825.28	2,231.77
WICKMAN	MARTIN D.	Operator 3 - FCPC	75,638.91	2,865.58
YAMASAKI	DALE K.	Transit Dispatch	77,179.25	-
ZMURCHYK	CRAIG J.	Serviceperson Driver	79,177.22	29.95
<b>Total Individual Earnings Paid over \$75,000</b>			<b>8,541,277.83</b>	<b>151,862.20</b>
<b>Total Summary Earnings Paid under \$75,000</b>			<b>15,876,503.21</b>	<b>151,590.06</b>
<b>Total All Earnings Paid</b>			<b>\$ 24,417,781.04</b>	<b>\$ 303,452.26</b>

The amount paid as remuneration reported in this schedule differs from the amount reported in the Schedule of Revenues and Expenses and Note 24 to the Financial Statements. The amount reported in the Schedule of Revenues and Expenses and Note 24 includes amounts paid for employee benefits including Municipal Pension Plan premiums, Employment Insurance and Canada Pension Plan contributions, Long Term Disability, Medical, Dental and Worksafe premiums.

**REGIONAL DISTRICT OF NANAIMO**  
**STATEMENT OF SEVERANCE AGREEMENTS**

There were **no** severance agreements made between the Regional District of Nanaimo and its non-unionized employees during fiscal 2016.

**REGIONAL DISTRICT OF NANAIMO**  
**SCHEDULE OF PAYMENTS FOR SUPPLIES AND SERVICES**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

<b>Supplier</b>	<b>Amount</b>
A C E COURIER SERVICES	35,264.28
A C TAXI LTD	26,389.80
ACKLANDS-GRAINGER INC	26,628.50
ACME SUPPLIES LTD	36,277.20
AECOM CANADA LIMITED	2,689,126.30
ALFA LAVAL INC	52,891.54
ALTA PLANNING AND DESIGN	31,287.25
ANDREW SHERET LTD	45,348.84
ARROWSMITH COMMUNITY RECREATION ASSOCIATION	70,590.92
ASLAN VENTURES INC	25,317.43
ASSOCIATED ENGINEERING (BC)LTD	31,689.22
ASSOCIATED FIRE SAFETY	30,699.76
AURORA ROOFING LTD	31,752.00
BAKER SUPPLY LTD	54,090.95
BC HYDRO	1,310,335.50
BC TRANSIT	3,251,948.00
BEAVER ELECTRICAL MACHINERY LTD	211,522.55
BI PURE WATER (CANADA) INC	28,979.74
BLACK PRESS GROUP LTD	47,838.74
BLUE WAVE DEVELOPMENTS LTD	47,148.03
BOW HORN BAY VOLUNTEER FIRE DEPARTMENT	273,711.98
BRC CONSULTING	102,270.00
BRITCO BOXX LIMITED PARTNERSHIP	32,268.15
BROD DEMOLITION	93,773.40
CANADA POST CORPORATION	55,318.98
CAPEWELL DESIGN	25,951.15
CBS PARTS LTD	37,126.24
CHEMTRADE CHEMICALS CANADA LTD	293,706.48
CHEVRON CANADA LIMITED	834,603.01
CLAYBURN SERVICES	91,755.01
CLEARTECH INDUSTRIES INC	55,803.03
CMF CONSTRUCTION LTD	437,085.74
COAST ENVIRONMENTAL LTD	229,451.22
COASTAL ANIMAL CONTROL SERVICES OF BC LTD	140,515.20
COASTAL COMMUNITY CREDIT UNION	38,834.16
COOMBS HILLIERS VOL FIRE DEPT	266,698.00
COPCAN CIVIL LTD	226,415.95
CORIX WATER PRODUCTS LP	46,998.51
CRANBERRY FIRE PROTECTION DISTRICT	46,992.70
CULLEN DIESEL POWER LTD	71,678.83
DASHWOOD VOL FIRE DEPT	384,294.00
DAVE MITCHELL & ASSOCIATES LTD	50,925.00
DAVID STALKER EXCAVATING LTD	1,979,985.25
DAVIES HOLDINGS LTD	72,242.29
DBL DISPOSAL SERVICES LTD	105,503.74
DELL CANADA INC	234,434.58
DEPEND-A-DOR REPAIRS & INSTALLATIONS LTD	25,421.03

**REGIONAL DISTRICT OF NANAIMO  
SCHEDULE OF PAYMENTS FOR SUPPLIES AND SERVICES  
FOR THE YEAR ENDED DECEMBER 31, 2016**

<b>Supplier</b>	<b>Amount</b>
DJC SERVICES	45,540.51
DTZ NANAIMO REAL ESTATE LTD IN TRUST	30,949.80
DUNCAN ELECTRIC MOTOR LTD	72,910.62
DYNAMIC SPECIALTY VEHICLES LTD	58,376.05
E S R I CANADA LIMITED	48,914.27
ECOTAINER SALES INC	25,143.46
EDI ENVIRONMENTAL DYNAMICS INC	28,182.45
EPCOR WATER (WEST) INC	189,059.88
ERRINGTON VOL FIRE DEPT	307,250.89
EXTENSION VOLUNTEER FIRE FIGHTERS ASSOCIATION	26,550.00
FINNING CANADA	129,929.97
FOOTPRINTS SECURITY PATROL INC	39,058.20
FORTISBC-NATURAL GAS	119,856.07
FOUR STAR WATERWORKS LTD	38,542.97
GABRIOLA RECREATION SOCIETY	102,848.27
GARDAWORLD CASH SERVICES CANADA CORPORATION	29,116.36
GEOWARE INC	30,590.49
GOLDER ASSOCIATES LTD	28,175.38
GRAND & TOY	78,035.98
GREAT WEST EQUIPMENT	31,272.07
GUILLEVIN INTERNATIONAL CO	43,677.27
GW SOLUTIONS INC	27,894.12
HACH SALES & SERVICE CANADA LTD	48,284.57
HARRIS & COMPANY	27,243.57
HARRIS COMPUTER SYSTEMS	66,473.65
HETEK SOLUTIONS INC	33,277.50
HPS POWER LTD	48,735.65
HUB FIRE ENGINES & EQUIPMENT LTD	479,890.78
INSURANCE CORPORATION OF BC	365,844.53
IRITEX PUMPS & IRRIGATION INC	41,093.68
ISLAND WESTCOAST DEVELOPMENTS LTD	2,386,784.35
KAL TIRE	142,666.57
KALICUM DRILLING LTD	63,703.50
KIVELA CONTRACTING	56,828.64
KNAPPETT INDUSTRIES (2006) LTD	1,041,035.39
KOERS & ASSOCIATES ENGINEERING LTD	463,528.50
MAGNUM DISPOSAL SERVICES	359,443.53
MARCEL EQUIPMENT LIMITED	50,000.00
MAXXAM ANALYTICS	47,122.37
MCELHANNEY CONSULTING SERVICES LTD	39,110.82
MCNALLY CONSTRUCTION INC	12,633,308.75
MICHELIN NORTH AMERICA (CANADA) INC	50,094.13
MICRO COM SYSTEMS LTD	44,403.40
MICROSOFT CORPORATION	125,770.86
MID ISLAND SAFETY CONSULTING INC	32,850.49
MILESTONE EQUIPMENT CONTRACTING INC	55,473.41
MILNER GROUP VENTURES INC	51,661.22

**REGIONAL DISTRICT OF NANAIMO  
SCHEDULE OF PAYMENTS FOR SUPPLIES AND SERVICES  
FOR THE YEAR ENDED DECEMBER 31, 2016**

<b>Supplier</b>	<b>Amount</b>
MINISTER OF FINANCE	488,104.68
MNP	45,618.03
MONK OFFICE	69,919.96
MONKEY BUSINESS GYMNASTICS	29,149.00
MOTION CANADA	52,520.52
MOUNT BENSON MECHANICAL (1991) LTD	89,182.51
MPC CONSULTING LTD	42,227.55
MUNICIPAL INSURANCE ASSOCIATION OF BC	131,071.05
MUNICIPAL PENSION PLAN	1,947,225.54
NAI COMMERCIAL CENTRAL VANCOUVER ISLAND LTD	30,381.75
NAI COMMERCIAL CENTRAL VANCOUVER ISLAND LTD IN TRUST	243,060.58
NANAIMO CITY OF	1,357,330.21
NANAIMO ORGANIC WASTE LTD	1,362,703.80
NANAIMO RECYCLING EXCHANGE	40,000.00
NESSSELBECK RI CINDY	39,523.07
NOORT INVESTMENTS	78,368.02
NORTH ISLAND 911 CORP	604,638.00
OPUS DAYTONKNIGHT CONSULTANTS LTD	290,757.99
OTT FABRICATION & WELDING	26,042.24
PACIFIC BLUE CROSS	1,524,121.27
PACIFIC NORTHWEST RAPTORS	102,237.44
PARKSVILLE CITY OF	1,112,314.22
PARKSVILLE HEAVY EQUIPMENT	84,334.47
PENNY DOUG	71,322.39
PETRO-CANADA (SUPERPASS)	86,091.18
PICKLES TIMBER FRAMES	61,943.46
PIPE-EYE VIDEO INSPECTIONS & SERVICES	38,529.76
PRICE'S ALARM SYSTEMS LTD	31,463.16
PRINT THREE	29,958.90
PROGRESSIVE WASTE SOLUTIONS CANADA INC	2,906,989.81
QUALICUM BEACH TOWN OF	257,156.43
RECEIVER GENERAL FOR CANADA	1,293,534.37
REESOR ROB	65,078.27
RLC ENTERPRIZE LTD	58,170.43
ROBIE'S CONTRACTING LTD	143,515.35
SCHOOL DISTRICT NO 69 (QUALICUM)	38,977.73
SCOTT SIGNS LTD	32,260.38
SECURIGUARD SERVICES LIMITED	100,996.41
SHAW CABLE	25,207.09
SHAW ELECTRICAL SERVICES LTD	325,322.21
SHELL CANADA PRODUCTS	32,566.28
SHI CANADA ULC	25,952.93
SIMSON MAXWELL	32,098.11
SMITH CAMERON PROCESS SOLUTIONS	86,666.72
SNC-LAVALIN INC	71,656.79
SOUTHWESTERN FLOWTECH & ENVIRONMENTAL LTD	40,638.50
STANTEC CONSULTING LTD (SCL)	220,110.83



**REGIONAL DISTRICT OF NANAIMO**  
**SCHEDULE OF PAYMENTS FOR SUPPLIES AND SERVICES**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

<b>Supplier</b>	<b>Amount</b>
STAR WEST PETROLEUM LTD	53,874.79
STEWART MCDANNOLD STUART	210,377.91
STEWART MCDANNOLD STUART - IN TRUST	235,220.96
STRATAGEN SYSTEMS INC	32,016.00
SYLVIS ENVIRONMENTAL SERVICES INC	357,492.58
TELUS COMMUNICATIONS	153,021.48
TELUS MOBILITY	56,105.57
TELUS SERVICES INC	94,611.48
TERRA REMOTE SENSING INC	98,385.00
THE COMMUNICATION CONNECTION INC	35,281.98
THURBER ENGINEERING LTD	27,507.03
TREE ISLAND INDUSTRIES LTD	57,775.72
TRINEX INTERNET SOLUTIONS INC	81,986.22
UNIVAR CANADA LTD	79,169.74
VADIM SOFTWARE	40,178.51
VANCOUVER ISLAND UNIVERSITY	160,018.86
VANDEBKEN ENTERPRISES LTD	42,168.00
WACOR HOLDINGS LTD	939,960.24
WATERHOUSE ENVIRONMENTAL SERVICES CORPORATION	115,920.00
WATERHOUSE EXECUTIVE SEARCH	26,338.09
WAYWEST MECHANICAL LTD	68,964.70
WEST COAST PREFAB	47,619.44
WESTBURNE WEST	43,131.31
WESTCOAST INDUSTRIAL VALVES AND PUMPS	38,312.11
WHEATON PONTIAC BUICK GMC (NANAIMO LTD)	54,884.02
WILLIAMS MACHINERY LP	73,934.00
WILLIS CANADA INC. (VANCOUVER)	234,311.00
WOODGROVE CHRYSLER	216,522.74
WORKSAFEBC	559,421.90
XCG CONSULTANTS LTD	590,054.80
YORK MACHINE SHOP LTD	42,960.88
<b>TOTAL SUPPLIERS PAID OVER \$25,000</b>	<b>55,359,961.57</b>
<b>TOTAL SUPPLIERS PAID UNDER \$25,000</b>	<b>4,370,725.35</b>
<b>TOTAL ALL SUPPLIERS PAID</b>	<b><u><u>59,730,686.92</u></u></b>

The Regional District prepares its records using generally accepted accounting principles. This will result in differences between amounts recorded as an expense in the financial statements and the amount paid to a vendor in the year. The amounts reported here represent actual cash outlays in 2016 - some of which relate to goods or services received and recorded in 2015.

**REGIONAL DISTRICT OF NANAIMO  
SCHEDULE OF COMMUNITY GRANTS AND CONTRIBUTIONS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

(these amounts are not included in Total Paid to Suppliers)

893 BEAUFORT SQUADRON AIR CADETS	\$ 1,950
ARROWSMITH AGRICULTURAL ASSOCIATION	1,414
ARROWSMITH COMMUNITY RECREATION ASSOCIATION	7,562
ARROWSMITH SEARCH & RESCUE SOCIETY	10,000
BALLENAS SECONDARY SCHOOL	3,700
BARD TO BROADWAY THEATRE SOCIETY	1,970
BOW HORN BAY COMMUNITY CLUB	1,200
CEDAR COMMUNITY ASSOCIATION	23,310
CEDAR FAMILY OF COMMUNITY SCHOOLS	740
CENTRAL VANCOUVER ISLAND JOB OPPORTUNITIES	10,000
COASTAL INVASIVE PLANT SPECIES COMMITTEE	10,000
COOMBS FARMERS INSTITUTE	6,500
CORCAN MEADOWOOD RESIDENTS ASSOCIATION	2,762
CRANBERRY FIRE PROTECTION DISTRICT	146,000
DIST 69 FAMILY RESOURCE ASSOCIATION	6,663
DUCKS UNLIMITED CANADA	1,000
ECHO PLAYERS THEATRE GROUP	4,500
ERRINGTON CO-OP PRESCHOOL	950
ERRINGTON ELEMENTARY SCHOOL	7,500
ERRINGTON THERAPEUTIC RIDING ASSOC	1,000
ERRINGTON WAR MEMORIAL HALL ASSOCIATION	1,050
GABRIOLA COMMONS FOUNDATION	5,557
GABRIOLA COMMUNITY BUS FOUNDATION	81,665
GABRIOLA ROD AND GUN CONSERVATION CLUB	2,398
GABRIOLA SENIOR CITIZEN'S ASSOCIATION	19,959
INCLUSION PARKSVILLE SOCIETY	3,500
JOHN HOWARD SOCIETY	5,000
KWALIKUM SECONDARY SCHOOL	1,200
LADIES AUXILIARY TO ROYAL CANADIAN LEGION	50,000
LADYSMITH VICTIM SERVICES	1,000
LIGHTHOUSE COMMUNITY CENTRE SOCIETY	109,900
LIGHTHOUSE COUNTRY BUSINESS ASSOCIATION	3,000
LIGHTHOUSE COUNTRY MARINE RESCUE SOCIETY	5,000
MUDGE ISLAND CITIZENS SOCIETY	2,100
NANAIMO AND AREA LAND TRUST	30,000
NANAIMO ECONOMIC DEVELOPMENT CORPORATION	177,000
NANAIMO MARINE RESCUE SOCIETY	17,500
NANAIMO RCMP VICTIM SERVICES PROGRAM	10,000
NANAIMO SEARCH & RESCUE SOCIETY	5,975
NANAIMO TRAVELLER'S LODGE	15,000

**REGIONAL DISTRICT OF NANAIMO  
SCHEDULE OF COMMUNITY GRANTS AND CONTRIBUTIONS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

(these amounts are not included in Total Paid to Suppliers)

NANOOSE BAY ACTIVITIES AND RECREATION SOCIETY	72,631
NANOOSE PLACE SENIORS	828
OCEANSIDE BUILDING LEARNING TOGETHER SOCIETY	658
OCEANSIDE COMMUNITY ARTS COUNCIL	6,250
OCEANSIDE COMMUNITY SAFETY VOLUNTEERS	127,300
OCEANSIDE KIDFEST SOCIETY	1,200
OCEANSIDE STROKE RECOVERY SOCIETY	3,000
PARKSVILLE & DISTRICT HISTORICAL SOCIETY	5,000
PARKSVILLE CURLING CLUB	2,500
PARKSVILLE QUALICUM PICKLEBALL CLUB	1,000
QUALICUM BEACH COMMUNITY EDUCATION & WELLNESS SOCIETY	800
QUALICUM BEACH ELEMENTARY SCHOOL PAC	1,200
QUALICUM BEACH HISTORICAL & MUSEUM SOCIETY	4,000
QUALICUM BEACH LAWN BOWLING CLUB	1,000
QUALICUM BEACH WEAVERS AND SPINNERS GUILD	1,200
RAVENSONG AQUATIC CLUB	2,200
RAVENSONG MASTERS SWIM CLUB	1,000
RAVENSONG WATERDANCERS	2,100
ROYAL CANADIAN LEGION-BRANCH 211	4,726
SCOUTS CANADA	405
SCOUTS CANADA CAMP CAILLET	2,281
THE GABRIOLA ISLAND HISTORICAL & MUSEUM SOCIETY	17,000
THE NATURE TRUST OF BC	700
THE PORT THEATRE SOCIETY	70,995
TOWN OF QUALICUM BEACH	11,000
TRI ATHLETICS SOCIETY	1,200
VANCOUVER ISLAND NORTH FILM COMMISSION	8,400
VANCOUVER ISLAND OPERA	1,500
VANCOUVER ISLAND UNIVERSITY	5,500
<b>TOTAL COMMUNITY GRANTS AND CONTRIBUTIONS</b>	<b>\$ 1,153,098</b>

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**TO:** Regional District of Nanaimo  
Committee of the Whole

**MEETING:** June 13, 2017

**FROM:** Tyler Brown  
Intergovernmental Liaison

**SUBJECT:** First Nations Art Installation Project

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### **RECOMMENDATIONS**

1. That a request for an Expression of Interest process be issued for the creation of a \$30,000 art piece symbolically representing and acknowledging coastal First Nations at the Regional District of Nanaimo Administration Building.
2. That the Regional District of Nanaimo Chair and two Directors be appointed to an art selection committee and that Snuneymuxw First Nation, Snaw-Naw-As First Nation and Qualicum First Nation be invited to each appoint a representative to the committee.
3. That the art selection committee recommend an artist to the Regional District of Nanaimo Board to be awarded a contract for the First Nations Art Installation Project.

### **SUMMARY**

Public art can be used to define a sense of place, express identity and identify community values. The Regional District of Nanaimo's Administration Building is the regional local government centre to over 155,000 diverse residents and spans a wide geographical area within the traditional territory of multiple First Nations Peoples. Incorporating original works of art at the Regional District of Nanaimo's Administration Building can inspire pride in citizenship and reflection on shared community values. Symbolically acknowledging coastal First Nations through art at the Regional District of Nanaimo Administration Building respects and serves as a reminder of the rich cultural and history of First Nations in the area and expresses community values of inclusion and collaboration.

An art selection committee is proposed to oversee a request for an expression of interest process for the First Nations Art Installation Project. The committee would be composed of the Chair, two Board members and a representative from each of Snuneymuxw First Nation, Snaw-Naw-As First Nation and Qualicum First Nation.

### **BACKGROUND**

The Regional District of Nanaimo Administration Building provides services to a wide geographic area and as a seat of government the presence of public art presents an opportunity to honour and acknowledge the First Nations of the area. To facilitate the placement of an art piece at the

Administration Building, an art selection committee is proposed to assist in the process. The intent of the artist selection process is to ensure that Snuneymuxw First Nation, Snaw-Naw-As First Nation and Qualicum First Nation are invited to be involved in the process and that the high value the Board places on its relationships with First Nations is honoured in the art piece. The procurement process will include an expression of interest process to select three artists who would be invited to submit a more detailed bid. Each of the three artists would be provided a \$500 stipend to assist in the development of their more detailed proposal. The committee would then review each proposal and provide a recommendation to the Board. The RDN has consulted with other local governments and agencies and this is a common practice for this type of community focused art project.

To guide the selection of the art piece and ultimately make a recommendation to the RDN Board, it is proposed that the Chair and two other Directors be appointed to a temporary art selection committee. Moreover, it is recommended that correspondence be sent to Snuneymuxw First Nation, Snaw-Naw-As First Nation and Qualicum First Nation inviting a representative from each Nation to sit on the art selection committee.

### ***Stage One of Procurement Process: Artist Short-list***

An EOI is proposed to shortlist potential interested artists before requesting detailed bids. The EOI will provide the artists with the details and criteria important to project delivery, such as detailed plans for the RDN Administration Building, general information on the traditional territories of First Nations in the area, and the Board's strategic priority of valuing First Nation input in future planning and service delivery.

The purpose of the EOI is to allow the art selection committee the ability to review potential artists and their preliminary ideas before offering three artists the opportunity for making more detailed bids. The EOI will outline that the art selection committee will be tasked with reviewing and evaluating each artist based on a selection criteria that may include but would not be limited to the following:

- Qualifications and professional experience of the artist as expressed in the Curriculum Vitae (CV)
- Artistic excellence, skill and innovation as evidenced in samples of previous work
- Demonstrated ability to successfully execute a project of this scale under the criteria outlined in the EOI is evidenced by previous work
- The ability to deliver an art piece that expresses acknowledgment and respect to the Coast Salish Peoples and serves as a symbol of the important relationship between the RDN and First Nations

### ***Stage Two of Procurement Process: Final Artist Selection***

The three artists selected by the art selection committee would be invited to participate in RFP process. This would allow each artist to submit a detailed bid. To assist the artists better understand the project goals and develop their proposals, a \$500 stipend, per artist, is proposed to allow each the option to tour the Administration Building and for their costs in preparing their submission. The art selection committee would be tasked with reviewing and evaluating each RFP submission based on a selection criteria that may include but would not be limited to the following:

- The artistic merit of the proposal

- The technical feasibility of the proposed concept, including, but not limited to safety, structure and schedule
- The appropriateness of the proposal for the RDN Administration Building
- Whether the proposal expresses acknowledgment and respect to the Coast Salish Peoples and serves as a reminder of the important relationship between the RDN and First Nations
- The project proposal, including the cost of all materials and labour necessary for construction, installation and delivery, does not exceed the \$30,000 budget

The art selection committee would then make a recommendation to the RDN Board on which artist of the three should be awarded the contract for the completion of their proposed project.

### **ALTERNATIVES**

1. Proceed with the creation of an art selection committee for the First Nations Art Installation Project and the Expression of Interest and Request for Proposal process.
2. Provide alternative direction to staff.

### **FINANCIAL IMPLICATIONS**

A total of \$30,000 for a First Nations Art Installation Project at the Regional District of Nanaimo Administration Building is allocated for in the 2017 Regional District of Nanaimo Budget. Additional expenses associated with the project are anticipated to be minor, such as the \$500 stipend for each artist involved in the RFP process, and can be funded from the Legislative Services annual requisition.

### **STRATEGIC PLAN IMPLICATIONS**

The First Nations Art Installation Project to acknowledge coastal First Nations within the Regional District of Nanaimo area is consistent with the RDN strategic focus area of focusing on relationships and symbolizes that the Regional District of Nanaimo values relationships with First Nations.



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Tyler Brown  
[tbrown@rdn.bc.ca](mailto:tbrown@rdn.bc.ca)  
May 30, 2017

Reviewed by:

- G. Garbutt, General Manager, Strategic and Community Development
- P. Carlyle, Chief Administrative Officer

**TO:** Regional District of Nanaimo  
Committee of the Whole

**MEETING:** June 13, 2017

**FROM:** Tyler Brown  
Intergovernmental Liaison

**SUBJECT:** Mount Arrowsmith Biosphere – Memorandum of Understanding

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## **RECOMMENDATIONS**

1. That the Board authorize the execution of a memorandum of understanding with Vancouver Island University for the purpose of establishing a foundation for regional cooperation in areas of mutual benefit that pertain to the Mount Arrowsmith Biosphere Region.
2. That the Chair represent the Regional District of Nanaimo on the Mount Arrowsmith Biosphere Region Roundtable or appoint another Director to attend on his behalf.

## **SUMMARY**

David R. Witty, Director of the Mount Arrow Arrowsmith Biosphere Region (MABR) and Provost and Vice-President Academic at Vancouver Island University (VIU) proposed that the Regional District of Nanaimo (RDN) become an official partner of the MABR through a Memorandum of Understanding (MOU) with VIU (Attachment 1). A staff report regarding the proposed MOU was presented at the April 11, 2017 Committee of the Whole meeting. The matter was referred back to staff so representatives from the MABR could present to the RDN Board. Monica Shore, Dr. Pam Shaw and Dr. David Witty presented as a delegation at the May 9, 2017 Committee of the Whole meeting.

The purpose of the proposed MOU is to establish a foundation for regional cooperation between VIU and the RDN in areas of mutual benefit that pertain to the MABR (Attachment 2 – Proposed Regional District of Nanaimo/Vancouver Island University Memorandum of Understanding). If the RDN is agreeable to the MOU, the Chair, or another Director on their behalf, would be eligible to participate in the MABR roundtable forum. The roundtable serves as a forum to share information and coordinate similar activities in the region and is well attended by representatives from First Nations, the City of Parksville and the Town of Qualicum Beach, senior levels of government, forestry companies, and community organizations.

## **BACKGROUND**

### ***The Mount Arrowsmith Biosphere Region***

The MABR was initially coordinated through the Mount Arrowsmith Biosphere Foundation. In 2014, the foundation was dissolved and VIU and the City of Parksville took responsibility for managing the MABR.

The MABR includes land within RDN member municipalities and Electoral Areas (Attachment 3 – Mount Arrowsmith Biosphere Region Boundaries).

The current mandate of the MABR is as follows<sup>1</sup>:

Biosphere reserves are considered model regions for sustainable development. They work to promote the conservation of biological and cultural diversity in addition to economic and social development. In each biosphere reserve, community partners work together to find innovative ways to achieve a balance between the needs of humans and nature.

Further, the MABR has three main functions<sup>2</sup>:

*Promoting the conservation of biodiversity:* To contribute to the conservation of landscapes, ecosystems, species and genetic variation.

*Fostering sustainable development:* To foster economic and human development which is socio-culturally and ecologically sustainable.

*Supporting research and education:* To provide support for research, monitoring, education and information exchange related to local, national and global issues of conservation and development.

### ***Proposed Memorandum of Understanding***

In July of 2014, VIU and the City of Parksville signed a MOU to co-manage the MABR. Subsequently, a MOU was also established between VIU and the Town of Qualicum Beach, and similar verbal agreements exist with Snaw-Naw-As First Nation and Qualicum First Nation. The delegation from MABR at the May 9, 2017 RDN Committee of the Whole meeting, indicated that verbal agreements were the preferred type of agreement by both Snaw-Naw-As First Nation and Qualicum First Nation. The proposed MOU has been reviewed and is consistent with those agreed to between the MABR and the City of Parksville and the Town of Qualicum Beach.

The intention of the formal agreement between VIU and the RDN is to establish a foundation for regional cooperation between VIU and the RDN in areas of mutual benefit that pertain to the MABR. It should be noted that there are no binding commitments with respect to actions or expenses in the MOU and the RDN would not be obliged to participate in any present or future initiative undertaken by MABR. The goals outlined in the MOU are generally consistent with the RDN Board Strategic Priorities regarding environmental protection, promoting the region, working together and developing sustainable economies. The goals of the MOU are outlined on page 2 of Attachment 2.

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<sup>1</sup> Mount Arrowsmith Biosphere Region Mandate (2017, March 23) Retrieved from: <http://www.mabr.ca/mandate/>

<sup>2</sup> Mount Arrowsmith Biosphere Region Mandate (2017, March 23) Retrieved from: <http://www.mabr.ca/mandate/>



### ***The Mount Arrowsmith Biosphere Region Roundtable***

In terms of governance, a roundtable involving First Nations, municipal and senior levels of government, private industry, conservation groups, and other regional representatives has been established to serve as a forum to share information and coordinate activities. The roundtable meetings are typically held every three months and are well attended. Members of Snaw-Naw-As First Nation were instrumental in developing a “culture of engagement” to ensure that the roundtable is a safe, welcoming and open environment for all participants. The “culture of engagement” guides both the roundtable discussion and the broader community events undertaken by the MABR.

If the RDN enters into the MOU, the Chair would be eligible to attend and participate in the roundtable meetings. The meetings are well attended by political representatives from the City of Parksville, the Town of Qualicum Beach, Qualicum First Nation and Snaw-Naw-As First Nation.

### **ALTERNATIVES**

1. Endorse and authorize the signing of the MOU between VIU and the RDN as presented.
2. Endorse the MOU between VIU and the RDN with proposed amendments as directed.
3. Receive this report and provide alternate direction to staff.

### **FINANCIAL IMPLICATIONS**

The MOU does not place any binding, specific or obligatory financial commitments on the RDN. Nor does the agreement impose any financial liability or responsibility on either party with respect to the costs or expenses of the other party. Any potential costs or expenses that may arise from the agreement will be considered at a future time on an agreed upon initiative between the two parties.

Coordination of the MABR is through a VIU staff member. The position is entirely funded by VIU. Specific activities and initiatives undertaken by the MABR are funded by a variety of sources, typically by grant funding.

### **STRATEGIC PLAN IMPLICATIONS**

The proposed MOU with VIU is consistent with the RDN strategic priority of focusing on relationships as the MOU supports collaboration and cooperation in areas of mutual interest across jurisdictions, improves two-way communication within the Regional District, and is an opportunity to partner with branches of government/community groups to advance the region.



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Tyler Brown  
[tbrown@rdn.bc.ca](mailto:tbrown@rdn.bc.ca)  
June 5, 2016

Reviewed by:

- G. Garbutt, General Manager, Strategic and Community Development
- P. Carlyle, Chief Administrative Officer

Attachments:

1. Letter from Dave Witty – Proposed Memorandum of Understanding
2. Proposed Regional District of Nanaimo/Vancouver Island University Memorandum of Understanding
3. Mount Arrowsmith Biosphere Region Boundaries

**Attachment 1**  
**Letter from Dave Witty – Proposed Memorandum of Understanding**

Bill Veenhof, RDN Board Chair  
Regional District of Nanaimo  
6300 Hammond Bay Road  
Nanaimo, BC, V9T 6N2  
e: bill.veenhof@shaw.ca



March 13, 2017

Dear Mr. Veenhof,

As Director of the Mount Arrowsmith Biosphere Region (MABR), I would like to extend an invitation to the Regional District of Nanaimo (RDN) to become an official partner of the MABR through the signing of a Memorandum of Understanding (MOU) with Vancouver Island University (VIU). The MOU we are proposing would be identical to the MOU that VIU has with the City of Parksville and the Town of Qualicum Beach, and equal in spirit to the verbal agreements we have with Qualicum First Nation and Snaw-Naw-As First Nation. Please find a copy attached here. This MOU reflects our shared interest and commitment to contribute to the mandate of the UNESCO-designated MABR.

We are very pleased with the successful project partnerships that VIU's Mount Arrowsmith Biosphere Region Research Institute has established with the RDN's Drinking Water and Watershed Protection Program, and the MABR looks forward to a more formal association with the RDN's Board of Directors through appointment of the Chair to the MABR Roundtable. Since the 2014 reestablishment of a new governance model for the MABR and the dissolution of the former Mount Arrowsmith Biosphere Foundation, it has been our hope and intent to have the RDN join us in meeting the MABR's international mandate as a UNESCO Biosphere. Once an MOU is in place, I would like to discuss RDN political representation at the MABR Roundtable.

I look forward to your response and to continued and future collaborations.

Sincerely,

A handwritten signature in black ink, appearing to read 'David R. Witty', written over a dotted line.

David R. Witty, PhD, MRAIC, FCIP, RPP  
Director of the Mount Arrowsmith Biosphere Region  
Provost and Vice-President Academic, Vancouver Island University  
900 Fifth Street, Nanaimo BC, V9R 5S5  
david.witty@viu.ca | (250) 740-6104

cc: Monica Shore  
Pam Shaw

mabr@viu.ca | mabr.ca | @MountArrowBR

**Attachment 2**  
**Proposed Regional District of Nanaimo/Vancouver Island University**  
**Memorandum of Understanding**

**MEMORANDUM OF UNDERSTANDING**

**MADE EFFECTIVE as of this \_\_\_\_ day of \_\_\_\_\_ 2017.**

**BETWEEN:**

**VANCOUVER ISLAND UNIVERSITY**  
**(“VIU”)**

**AND:**

**REGIONAL DISTRICT OF NANAIMO**  
**(“RDN”)**

**BACKGROUND**

Whereas the United Nations Educational Scientific and Cultural Organization (UNESCO) has recognized and designated the Mount Arrowsmith Biosphere Region to ensure environmental, economic and social (including cultural and spiritual) sustainability through:

1. the development and coordination of a worldwide network of places acting as demonstration areas and learning sites with the aim of maintaining and developing ecological and cultural diversity, and securing ecosystem services for human well-being;
2. the development and integration of knowledge, including science, to advance our understanding of interactions between people and the rest of nature, and;
3. building global capacity for the management of complex socio-ecological systems, particularly through encouraging greater dialogue at the science-policy interface; environmental education; and multi-media outreach to the wider community.

And whereas VIU and RDN share similar interests, concerns, expertise, and goals in the nature of:

- Supporting the mandate and goals of the UNESCO Mount Arrowsmith Biosphere Region (MABR) designation, and;
- Enhancing the regional benefits that derive from such a designation.

The purpose of this Memorandum of Understanding (“MOU”) is to establish a foundation for regional cooperation between VIU and RDN in areas of mutual benefit and interest that pertain to the MABR.

## **GOALS**

- Promote the Mandate and Goals of the UNESCO designation in general and the MABR in particular;
- Explore and promote ways and means of enhancing the role of the MABR within the region;
- Promote the cultural, economic, environmental and social health of the region as they pertain to the MABR;
- Identify community engagement opportunities and associated research that relate to the mandate of the MABR;
- Ensure that the RDN's Plans, Policies and Bylaws frame future discussions of the parties as they relate to the MABR;
- Identify potential sources of funding to undertake MABR-related initiatives, including but not limited to communications, community engagement, events, UNESCO liaison, research and travel;
- Expand the mutual interests of the Parties to include other MABR partners, including but not limited to First Nations, resource users, landowners and other key stakeholders who have an interest in the MABR, and;
- Prepare a Review of Accomplishments and Revised Action Steps by November 30<sup>th</sup> of each year.

## **FINANCIAL CONSIDERATIONS**

Each Party will pay all of its own costs and expenses concerning all activities and matters under this MOU. This MOU does not impose any financial liability or responsibility on either Party with respect to the costs or expenses of the other.

## **CONFIDENTIAL AND PROPRIETARY INFORMATION**

Each Party is responsible for disclosing when information is confidential or proprietary to the other party. Both Parties are responsible for taking reasonable measures to protect the other Party's confidential and proprietary information.

## **PUBLICITY**

All publications and publicity, regardless of media, with respect to this MOU requires the expressed written consent of both Parties prior to being issued.

## **RELATIONSHIP**

The Parties are entering into this MOU as independent entities. Nothing in this MOU constitutes any Party to be an agent or partner of the other party in any respect and neither Party will have any authority whatsoever with respect to the property or business of the other Party.

This MOU does not preclude either Party from seeking or negotiating other similar arrangements with other entities.

## **LICENSING**

No license or conveyance of any rights to either Party under any business contracts, copyrights, or other form of intellectual property is granted or implied by the exchange of any information between the Parties.

## **TERM, TERMINATION and AMENDMENT**

This MOU is effective from the date written above and will continue until either party provides 30 days written notice to the other.

This MOU will be reviewed, amended or terminated as needed. Any amendment of this MOU must be in writing and signed by both parties.

#### **LEGAL EFFECT**

This MOU specifies general areas of potential exchange and cooperation and merely sets out the general basis upon which we intend to proceed. Except for the sections titled Financial Considerations, Confidential and Proprietary Information, and Publicity, this MOU is a non-binding agreement between the Parties and does not commit the Parties to enter into any binding or legal arrangements. The sections entitled Financial Considerations, Confidential and Proprietary Information, and Publicity will each be binding upon us and will be governed as to their interpretation and effect by the law of the Province of British Columbia, Canada.

The Parties will cooperate fully with each other and, should Projects or Initiatives of mutual interest be identified, the Parties will prepare or have prepared a formal Agreement embodying the covenants, terms and conditions that they have negotiated regarding these Projects or Initiatives, forming separate Agreements outside this MOU.

#### **ADMINISTRATION AND NOTICES**

We have each assigned an authorized individual to be responsible for the implementation, monitoring and evaluation of this MOU as follows:

##### **Administration and Legal for VIU:**

DAVID WITTY, Provost  
900 Fifth Street  
Nanaimo BC V9R 5S5  
250-740-6104 | david.witty@viu.ca

##### **Administration and Legal for RDN:**

Administrative Matters:  
Chief Administrative Officer  
Regional District of Nanaimo  
Administration Department  
6300 Hammond Bay Road  
Nanaimo, BC  
V9T 6N2  
Fax: 250-390-4163  
Email: [corpsrv@rdn.bc.ca](mailto:corpsrv@rdn.bc.ca)

Legal Matters:  
Corporate Officer  
Regional District of Nanaimo  
Administration Department  
6300 Hammond Bay Road  
Nanaimo, BC  
V9T 6N2  
Fax: 250-390-4163  
Email: [corpsrv@rdn.bc.ca](mailto:corpsrv@rdn.bc.ca)

Any notices required to be given by either Party under this MOU will be sent by registered mail, fax, email, or by personal delivery to the Party to the representative identified above. Each Party may change the representative it has identified above by notifying the other Party in writing.

**IN WITNESS WHEREOF** we have executed this MOU by our duly authorized officers on the effective date above.

SIGNED at British Columbia, Canada on the \_\_\_\_ day of \_\_\_\_\_, 2017.

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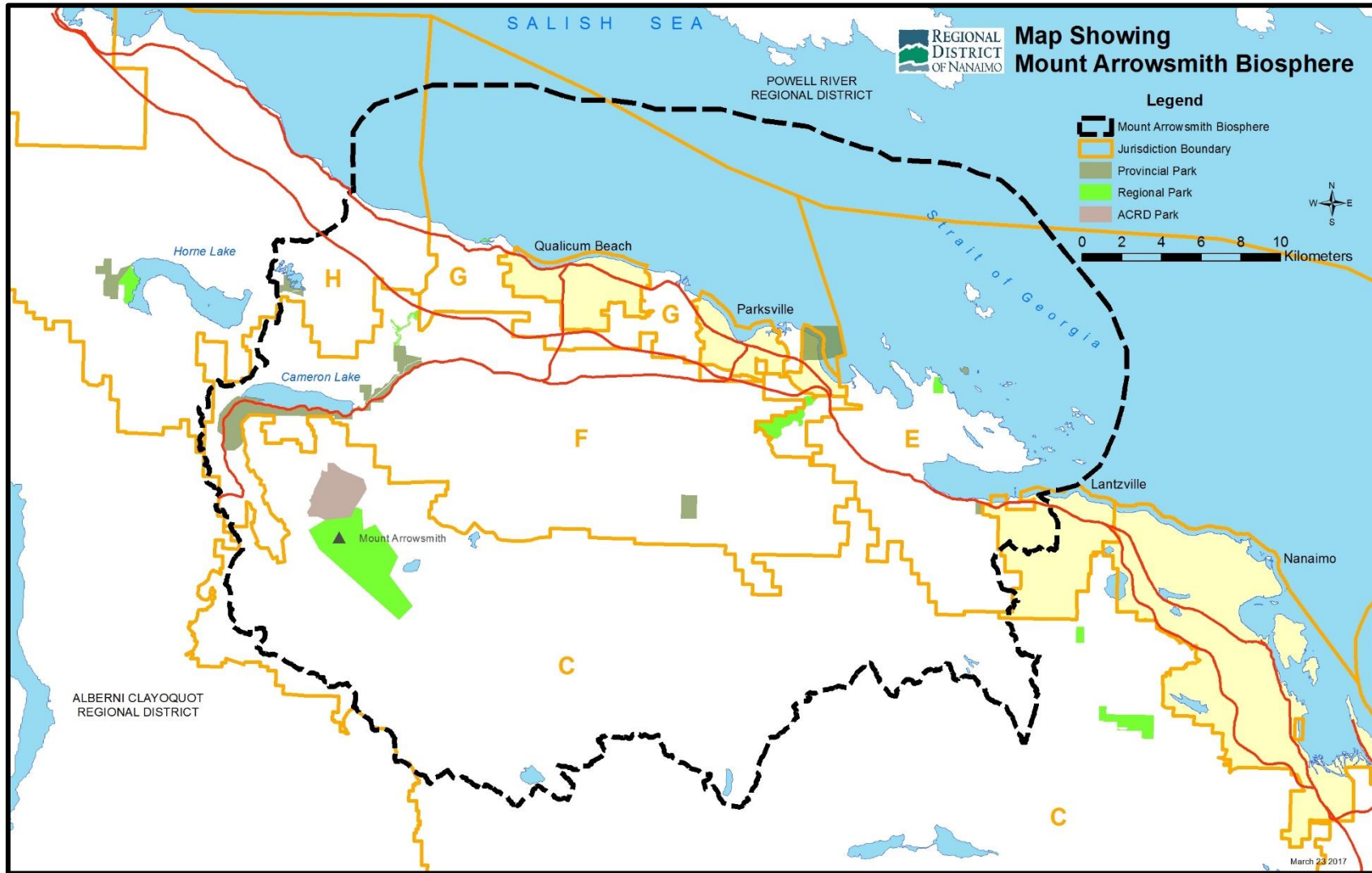
DAVID R. WITTY, Provost  
Vancouver Island University  
900 Fifth Street  
Nanaimo BC V9R 5S5

SIGNED at British Columbia, Canada on the \_\_\_\_ day of \_\_\_\_\_, 2017.

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BILL VEENHOF, Board Chair  
Regional District of Nanaimo  
6300 Hammond Bay Road  
Nanaimo BC V9T

**Attachment 3  
Mount Arrowsmith Biosphere Region Boundaries**





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**TO:** Regional District of Nanaimo Board  
(or Committee name)      **MEETING:** June 13, 2017

**FROM:** Maurice Mauch  
Manager Engineering Services      **FILE:** 5330-20-GNPCC-Sec Upgrade

**SUBJECT:** Greater Nanaimo Pollution Control Centre Secondary Treatment Revised Engineering and Construction Services Fee Approval.

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**RECOMMENDATION**

That the Board approve AECOM's revised Engineering and Construction Services fee for the Greater Nanaimo Pollution Control Centre Secondary Treatment Project for the total amount of \$6,351,028

**SUMMARY**

The Greater Nanaimo Pollution Control Centre (GNPCC) Secondary Treatment Upgrade Construction is underway, with award of the \$67.99 Million construction project in April 2017. The upgrade is required to accommodate growth in the service area and to meet Federal and Provincial regulatory requirements.

On April 11, 2017, the Regional District of Nanaimo (RDN) Board directed staff to negotiate a revised fee for the AECOM engineering services contract, not to exceed a total contract value of \$6.5 million.

To ensure an appropriate level of oversight is provided for the project, RDN staff recommend the Board approve the revised fee for AECOM's Engineering and Construction services to a total amount of \$6,351,028. The revised total is within industry standards and the project budget allowance.

**BACKGROUND**

In March 2015, AECOM was awarded the proposal for design and construction engineering services of the GNPCC Secondary Treatment Upgrade Project for an initial fee of \$4,679,115. In order to establish a consistent basis for the comparison of bids, the RFP process was based on a predesign estimate of the scope and cost of the project, and an estimated 24 month construction period. It is normal practice, and fully expected, that during the design process there would be scope additions

and deletions required to successfully complete the upgrades to the facility. These scope changes can affect both engineering and construction costs. Initial field investigations by AECOM identified deep soils susceptible to liquefaction in a seismic event. These geotechnical conditions significantly impact the construction complexity and duration.

Construction is now underway, with award of the \$67.99 million construction contract to NAC Constructors Ltd in April 2017. The construction contract is a standard Canadian Construction Documents Committee fixed price contract with three parties: Owner (RDN); Contractor (NAC); and Consultant (AECOM). Under the contract, the consultant (AECOM) has the authority to act on behalf of the owner, with responsibility for contract administration, inspections of drawings and the work for conformity and progress. The AECOM construction management team includes: project management; discipline leads for civil, structural, mechanical, electrical, instrumentation, controls, etc; and full time onsite field staff.

In light of industry standards, and changes identified to the scope, cost, and length of construction since the initial award in 2015, RDN staff conclude that AECOM's initial scope of work for construction engineering services is insufficient to ensure the RDN's interests are protected through the construction phase of the project. More specifically:

- The duration of the construction period has increased 25% since design award, due primarily to extensive ground improvements identified during the design process, required to address seismic and site construction constraints. This change warrants a commensurate 25% increase in engineering construction services project management, inspection and field engineering.
- The original construction scope included 1 full time field engineer/inspector. RDN staff believe this is insufficient to effectively manage construction activities, and staff recommend additional consultant field inspection resources.

On April 11, 2017, the Regional District of Nanaimo (RDN) Board directed staff to negotiate a revised fee for the AECOM engineering services contract, not to exceed a total contract value of \$6.5 million. Staff subsequently negotiated a total revised fee for the design and engineering, construction services of \$6,351,028. This represents less than 10% of the construction contract value, and compares favorably to BC industry standard of 10 - 15%.

RDN staff recommends the Board approve the negotiated revised fee for Engineering and Construction services, with the total revised AECOM contract amount of \$6,351,028.

## **ALTERNATIVES**

1. Approve AECOM's revised fee of \$6,351,028 for Engineering and Construction services for the GNPCC Secondary Treatment Upgrade

This will allow the project to proceed within approved budget, and to complete the project within regulatory timelines.

2. Do not approve AECOM's revised fee for Engineering and Construction services contract for the GNPCC Secondary Treatment Upgrade , and provide alternate direction to staff.

Not approving this revised fee will mean that the RDN will incur additional project risk and costs. Adequate engineering oversight is required to ensure that quality, cost, and regulatory requirements for the project are met.

### **FINANCIAL IMPLICATIONS**

The 2017 to 2021 Financial Plan includes funding for the Secondary Treatment upgrade project \$81,729,127 budget: The revised fee can be accommodated within the approved budget with a current projected contingency of \$5 Million.

### **STRATEGIC PLAN IMPLICATIONS**

The GNPCC Secondary Treatment Upgrade project is identified in the LWMP as a priority. Completion of the construction will achieve the goal, meet legislative requirements and fulfill our commitment. Completion of this project is contained in the 2016-2020 Board Strategic Plan.

Wastewater treatment is one of the RDNs core services and the GNPCC is a key asset, it is integral to meeting the service needs of the Region. Completion of the GNPCC Secondary Treatment Upgrade project will meet the strategic priorities of protecting and enhancing our environment, and funding infrastructure in support of our core services.

The expansion will to allow the RDN to provide secondary wastewater treatment with capacity projected to be sufficient for the service area until the year 2035. Sufficient engineering oversight of the project will ensure that the project meets quality targets and goals, including the ability to meet the Provincial and Federal Governments wastewater effluent regulations

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Maurice Mauch  
mmauch@rdn.bc.ca  
May 26 2017

Reviewed by:

- R. Alexander, General Manager, Regional and Community Utilities
- W. Idema, Director Finance
- P. Carlyle, Chief Administrative Officer

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**TO:** Regional District of Nanaimo Committee of the Whole      **MEETING:** June 13, 2017

**FROM:** Michael Desilets, P. Eng.  
Project Engineer      **FILE:** 5330-20-DBFM-01

**SUBJECT:** Departure Bay Forcemain Inspection and Condition Assessment Contract Award

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**RECOMMENDATION**

That the Board award the pipeline inspection and condition assessment of the Departure Bay Forcemain to Pure Technologies Ltd for \$290,000.

**SUMMARY**

The 43 year old Departure Bay Forcemain (DBFM) conveys up to 100 million litres per day of raw sewage to the Greater Nanaimo Pollution Control Centre (GNPCC). Recent inspections of portions of the forcemain have identified deterioration. A full assessment of the condition of this aging infrastructure is required to assess the potential risks of failure and to guide repair and replacement planning.

Inspection of this underground large diameter 4 km forcemain requires specialized equipment and expertise. A Request for Proposals (RFP) was publically advertised on April 26, 2017 for the inspection and an overall condition assessment of the forcemain. The RFP closed on May 18, 2017 and two (2) proposals were received.

The proposals were evaluated by a Selection Committee consisting of RDN Wastewater and Engineering Services Staff. Pure Technologies Ltd proposal rated highest overall, based on a combination of technical and financial criteria. It is recommended that the condition assessment be awarded to Pure Technologies Ltd. for \$290,000.

**BACKGROUND**

The DBFM was constructed in 1974 and conveys approximately 70% (up to 100 million litres per day) of the wastewater generated from the City of Nanaimo to the GNPCC.

Previous inspections covering approximately 20% of the forcemain identified that the interior protective lining has deteriorated at numerous locations resulting in exposure of the underlying steel to corrosive processes and the development of at least two (2) known leaks in the pipe to date. These processes occur through normal operation of the forcemain and further deterioration and development of additional leaks will occur at varying rates over time.

Further inspections of the forcemain are required to confirm the condition of the uninspected portions and provide the information needed to develop a focused repair and replacement strategy. A 2013 engineering study estimated that the cost of full replacement of the forcemain would exceed \$20 million. The condition assessment will be used to pro-actively identify isolated areas in need of repair and defer full-scale replacement of sections with significant remaining useful life.

Conducting a condition assessment on the DBFM presents various technical challenges and requires specialized equipment due to the size of the forcemain, the need to conduct the inspection while the forcemain is in service, and to obtain the accuracy and level of information needed to make informed decisions pertaining to repair and replacement.

### **REQUEST FOR PROPOSALS PROCESS**

A Request for Proposals (RFP) was publically advertised on April 26, 2017 for the inspection and condition assessment of the DBFM. The RFP closed on May 18, 2017. Two (2) proposals were received from the following companies.

- Pipeline Inspection and Condition Analysis Corporation (PICA)
- Pure Technologies Ltd. (Pure)

Pure and PICA are the industry leaders in wastewater forcemain condition assessment and are the only known companies with the technology and capabilities for conducting this type of assessment in North America.

The proposals were evaluated by a selection committee consisting of RDN Wastewater and Engineering Services Staff. The evaluation utilized a two-step process whereby selection was made on the basis of technical merit before reviewing the financial details of the proposals.

The Technical Submissions constituted 50% of the total proposal scores and were evaluated using the following criteria and weighting:

- Proponent Team – 10%
- Project Approach and Inspection Methodology – 35%
- Project Delivery – 5%

It was determined that the highest ranked technical submission was provided by Pure whose inspection methodology and project delivery plan provides a practical approach to conducting the inspections and achieving the requirements of the RFP. Pure also demonstrated the provision of value added services that will greatly benefit the project and provide actionable information and recommendations to guide future repair or replacement strategies.

The Financial Submissions constituted 50% of the total proposal score. The financial evaluation included assessment of the following price components: Provision of Inspection Plan Documentation; Provision of Inspection Access/Egress Civil works and Piping Modifications; Forcemain Inspection Preparation Activities; Conducting Forcemain Inspections; and Provision of Condition Assessment Report.

The total fees contained in the Financial Submissions are as follows:

- Pure - \$290,000
- PICA - \$215,000

Although PICA submitted the overall lowest total price, their financial submission did not include costs for certain price components and indicated that other additional costs would be incurred by the RDN to support their inspections. Accounting for these additional costs is estimated to bring PICA's overall costs higher than those of Pure. These factors were accounted for in the evaluation criteria and it was determined that Pure provided the highest ranked financial submission. Accordingly, the highest ranked proposal representing the best overall value was provided by Pure who were selected as the recommended proponent.

Pure is a Canadian company and world leader in wastewater forcemain condition assessment. They have successfully completed numerous projects of similar size and scope for municipalities, regional districts, and utility operators in North America and worldwide. Pure have demonstrated that they have the technologies and experience needed to complete the Project. They are committed to providing the highest quality services in an efficient, defensible and cost effective manner. They are fully qualified to complete the project and provide the information needed to allow the RDN to proactively manage the DBFM and plan future repair or replacement strategies.

#### **ALTERNATIVES**

1. Award the condition assessment contract for the Departure Bay Force Main to Pure Technologies.
2. Do not award the condition assessment contract and provide alternate direction to Staff.

#### **FINANCIAL IMPLICATIONS**

Pure's financial submission included a total fixed-fee for the condition assessment services of \$290,000. The condition assessment of the DBFM is included in the Wastewater Services Department approved 2017 fiscal year budget and 10-year Capital Plan. The total budget allocated is \$400,000. Awarding the condition assessment contract to Pure will provide a remaining project contingency of \$110,000.

#### **STRATEGIC PLAN IMPLICATIONS**

Monitoring the condition of the DBFM is a key priority and commitment made in the RDN's Ministry-approved Liquid Waste Management Plan. The target for this commitment is to manage assets to maintain the quality and integrity of existing infrastructure. Awarding the condition assessment is the next step in fulfilling this commitment.

The condition assessment is a high priority implementation item outlined in the RDN 2017 Operational Plan and is directly aligned with the 2016-2020 Board Strategic Plan. This implementation item is defined under action item RCU-54-2016 - Implement Major Wastewater Capital Projects, and is categorized under the Strategic Plan Focus Area 'Focus on Economic Health' with a primary strategic priority of 'Fostering Economic Development'.

The Project is also supported by the 'Focus on Service and Organization Excellence' Focus Area and the strategic priority of 'Funding infrastructure in support of our core services employing an asset management focus'.

Wastewater collection and treatment is one of the RDN's core services and the DBFM is a key asset and critical infrastructure integral to meeting the ongoing service needs of the Region. Conducting the condition assessment of the DBFM will allow the RDN to pro-actively manage and develop a focused repair or replacement strategy for this aging asset.



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Michael Desilets, P. Eng.

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May 25, 2017

Reviewed by:

- S. De Pol, Manager, Wastewater Services
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- P. Carlyle, Chief Administrative Officer