

The Corporation of the City of North Vancouver

2013 Annual Municipal Report



City of North Vancouver
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In accordance with Part 4 Division 5 of the Community Charter, municipalities are required to prepare an annual report before June 30th of each year. The report must include the sections as listed below.

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Chief Administrative Officer (CAO)

Services and Operations

CAO

- ✓ Acts as liaison between Mayor and Council and City staff
- ✓ Advises and assists Council
- ✓ Oversees the affairs and operations of the City
- ✓ Directs City departments in carrying out Council policies
- ✓ Provides leadership for special development projects and corporate initiatives
- ✓ Responsible for relationships with external organizations and shared service agencies

Communications

- ✓ Responsible for external communications from the City to the community
- ✓ Serve as media liaison between the City and news media
- ✓ Responsible for City advertising, awareness/outreach programs, special events, and photo ops
- ✓ Responsible for management of City website, social media tools and videos
- ✓ Responsible for production of City all materials and photography
- ✓ Responsible for City branding/identity standards, City messaging, media outreach/monitoring
- ✓ Responsible for public information distribution during issues/crisis/emergencies/incidents

Facilities

- ✓ Provides safe and functional civic facilities to support delivery of civic services

Information Technology

- ✓ Manages and administers the City's technology resources
- ✓ Delivers business value through the provision of IT services
- ✓ Provides technical guidance and support to departments and agencies

2013 Objectives and Measures

| 2013 Objectives | 2013 Measures |
|---|---|
| Communications | |
| <ol style="list-style-type: none"> 1. Complete the build of the new City website and launch the new site introducing it to the community, City staff and agency partners. Create an outline and strategy for phase 3 of the new website 2. Begin process of brand identity refresh of the City logo and identity, enhancing and updating the City's current logo 3. Conduct an audit and assessment of all City corporate templates in order to re-establish identity standards, colour palette and brand. In most cases, all corporate templates will be redesigned, implemented and introduced to staff 4. Continue to implement community engagement tactics through a multi-tiered, long-term awareness program promoting civic awareness and engagement, as well as local government operations 5. Continue to grow the City's social media inventory, and continue to actively grow followers of City's Facebook and Twitter pages 6. Continue with Phase 2 of delivery of the City's newly tailored environmental sustainability brand identity 'Living City' through a marketing campaign. Continue to execute a long-term, broad awareness campaign encompassing all | <ol style="list-style-type: none"> 1. The new City website was completed on time and on budget in Spring 2013. A new Content Management System (CMS) was built and a new design created, as well as all content refreshed and re-organized. The new site was introduced and launched internally to staff and externally to the community through a multi-tiered marketing campaign. Feedback from the public on the new and improved website was positive. An outline and strategy for phase 3 of the website was created in Fall 2013, for implementation in 2014 2. The review of the City logo and identity began in 2013 in conjunction with an audit of the City corporate templates and the logo placement /relationship within them to determine elements to be addressed in a brand identity refresh 3. All City corporate templates were reviewed and assessed in 2013 regarding status of identity standards as well as potential refresh of colour palette and brand. A strategy to redesign templates was created and will be implemented in 2014 4. Civic engagement continued to be an ongoing present theme in City advertising, social media outreach, City website, bus shelters, photography, and North Vancouver Recreation Commission guide full page ads and overall campaigns. The messaging and theme of community engagement and awareness of local government operations was prominent in City promotions throughout 2013 5. The City's Twitter, Facebook and YouTube followers grew in 2013, and new engagement elements were added to both, such as contests, images and more videos. Addition of Instagram was reviewed and will be implemented in 2014 6. The 'Living City' brand continued to be a key marketing program in 2013, promoted heavily in advertising on the website, Facebook, Twitter and YouTube. A three-minute Living City video was produced, as well as a 6-page Living City |

City environmental sustainability initiatives

brochure, both explaining the City's environmental sustainability initiatives and successes in a visually appealing and easy to understand format

Facilities

- | | |
|---|---|
| 1. Completion of facilities realignment | 1. Assessment of resource requirements underway |
| 2. Completion of long-range asset management plan | 2. Assessment underway |
| 3. Completion of Phase 2 Civic Centre project | 3. Project completion May 31, 2014 |

Information Technology

- | | |
|---|--|
| 1. Implementation of Human Capital Management (HCM) / Payroll Project (see Human Resources & Finance) | 1. PeopleSoft HCM / Payroll successfully launched in 2013, enhancements and improvements continue through 2014 |
| 2. Upgrade of the Library and John Braithwaite Community Centre's (JBCC) Public PCs to Windows 7 | 2. Public internet access computers at the both Library and JBCC have been successfully upgraded to Windows 7 |
| 3. Establish an Open Data (GIS) strategy | 3. GIS data is shared with the public in a number of forms, and continues to be available upon request. A formal open data strategy is not a priority at this time |

2014 Objectives

2014 Objectives

Communications

1. Establish a comprehensive Civic Election awareness campaign strategy. Outline all outreach elements - advertising, City website, materials and production - for a smooth execution in Fall 2014
2. Complete design process of City logo and brand identity refresh refinement. Introduce to the community, and rollout internally to staff. Incorporate refreshed logo on all City materials and templates
3. Implement the City website phase 3 strategy
4. Conduct a review and audit of the City's social media tools determining effectiveness and opportunities for improvement and growth. Prepare a strategy and action plan for implementation
5. Continue to grow the City's social media inventory, introducing Instagram and continue to actively grow followers of the City's Facebook and Twitter pages using unique and engaging campaigns

6. Coordinate significant awareness events regarding the North Shore Spirit Trail connection and Low Level Road public art unveiling
7. Conduct a review and audit of City brochures, produced for departments and the corporation. Redesign Community Development brochures (approx. 20)
8. Design and produce the Official Community Plan publication

Facilities

1. Complete accessibility upgrades to Council Chambers
2. Initiate Phase 3 Civic Centre project (final phase)
3. Complete resource and project management plan

Information Technology

1. Begin process of developing a 3-year IT Strategic Plan
2. Replace and expand wireless infrastructure throughout the City's facilities
3. Convert archived Council videos (pre-September 2013) to the new customer-friendly format
4. Provide IT support for the 2014 Civic Election, including the introduction of an electronic voters' list
5. Research and document a strategy for deploying the City's web maps on mobile devices
6. Create a new interactive web map on public artwork in the City

Special Projects

1. Harry Jerome Recreation Centre: facility and needs assessment to be completed
2. Approval of Foot of Lonsdale open space design

Clerks

Services and Operations

- ✓ Deliver information to Council and Committees in the form of agendas, minutes, reports, correspondence, bylaws, legal documents, and public notices
- ✓ Provide information to the public in the form of agendas, minutes, reports, correspondence, bylaws and notices through the City's website and upon request
- ✓ Deliver and circulate information to City staff in the form of search requests for City documents and records through the City's internet, extranet, and upon request
- ✓ Respond to requests under the Freedom of Information and Protection of Privacy Act and provide information in the form of City records
- ✓ Deliver records management services, including a centralized repository for the City's documents and records, centralized classification system, training program and support to City staff
- ✓ Administration of local general elections
- ✓ Provide initial contact to the public in the form of switchboard operation and main reception

2013 Objectives and Measures

| 2013 Objectives | 2013 Measures |
|---|---|
| 1. Ensure Records Management policies are up to date and new policies are developed as required to support the Records Management Program objectives while ensuring that the business process needs of the City are being met | 1. Developed a new Records Management Policy and procedures to more effectively support the City's Records Management Program |
| 2. Develop ongoing training program to ensure that City staff have an understanding of the Records Management Program and the file classification system | 2. Continue the development of a comprehensive records management training program for City staff. The program includes hands-on training with CityDocs, training booklets and guidelines to ensure staff can effectively leverage the City's records management systems and services |
| 3. Review of CityDocs with regard to improving the relationship with the business process needs of the City | 3. Developing a program of continuous improvement that seeks to identify the City's business and record-keeping requirements |
| 4. Review of various statutory or legal notices (ie Public Hearing) to improve readability and enhance the look | 4. Completely redesigned and published new legal notices to align with the City's re-branding initiative and to ensure the notices are easier to read and comprehend by the public |

2014 Objectives

2014 Objectives

1. Conduct the 2014 general local election, including the use of enhanced automatic voting tabulators and election software to manage the voters' list for a more efficient method of administering the election and providing the results
2. Review internal Clerk's Department processes and procedures to identify opportunities to streamline and improve the collection and dissemination of information delivered to Council, staff and the public
3. Continue the development and implementation of a continuous improvement initiative to address the City's records management requirements. The continuous improvement initiatives include implementing enhancements to the City's electronic records and document management system, streamlining the City's records classification system, developing supporting procedures and filing guides, and developing a comprehensive training program for City staff
4. Continue to refresh the appearance (including the addition of colour) and readability of the various statutory and legal notices

Human Resources

Services and Operations

Recruitment and Retention

- ✓ Recruitment support for all City departments
- ✓ Creation and maintenance of job applicant database
- ✓ Promote municipal employment
- ✓ New employee orientation and on-boarding
- ✓ Assistance with workforce planning
- ✓ Auxiliary clerical pool hiring and administration
- ✓ Student work experience programs
- ✓ Employee recognition program

Corporate Training and Development

- ✓ Provide workplace education programs, courses and training opportunities to enhance employees' professional development
- ✓ Coordinate certification programs such as automotive mechanic and gardener apprenticeships
- ✓ Coordinate corporate leadership training (BCIT – Associate Certificate in Leadership)

Health and Safety

- ✓ WorkSafeBC claims management
- ✓ Disability management
- ✓ Safety program implementation, coordination, evaluation and promotion
- ✓ Safety inspections and investigations
- ✓ Safety training
- ✓ Safety Committee coordination and participation
- ✓ Interpretation and administration of Workers' Compensation Act, Occupational Health & Safety (OH&S) Act Regulations, and related legislation
- ✓ Attendance support program
- ✓ Emergency preparedness planning
- ✓ Pandemic planning

Labour Relations

- ✓ Employee relations support
- ✓ Labour and employment legislation interpretation and administration
- ✓ Collective Agreement interpretation and administration
- ✓ Collective Agreement negotiations with IAFF Local 296 and CUPE Local 389
- ✓ Job evaluation
- ✓ Grievance and arbitration management
- ✓ Workplace investigations

Human Resources Studies

- ✓ Review and research human resources trends, practices and benchmarking

Administration

- ✓ Personnel file maintenance
- ✓ Human Resources policy development, interpretation and administration

Benefits Administration

- ✓ Benefit plan administration
- ✓ Negotiation with benefit plan carriers

Employee Wellness

- ✓ Employee Health & Wellness Program

Employee Assistance

- ✓ Employee and Family Assistance Program (EFAP)

2013 Objectives and Measures

| 2013 Objectives | 2013 Measures |
|--|---|
| 1. Negotiation of a revised CUPE collective agreement with the City's Inside/Outside employees | 1. Contract negotiations with CUPE Local 389 Inside/Outside employees continued through 2013 without resolution |
| 2. Completion of the Human Capital Management (HCM) project | 2. HCM project went 'live' in 2013 – ongoing enhancements continue |
| 3. Continued work on the City's performance management program | 3. This continues as a work in progress |
| 4. Tendering of a City Benefit Program | 4. City's EFAP program put to tender and new vendor selected and implemented |
| 5. Continued work on preparing the City for Certificate of Recognition (COR) certification | 5. Program development continues towards application of COR certification |
| 6. Development of a job evaluation program for City Exempt positions | 6. All revised City Exempt job profiles completed. Project still underway |

2014 Objectives

2014 Objectives

1. Negotiation of revised CUPE collective agreements with the City of North Vancouver Inside/Outside and Library employees
2. Implementation of further enhancements to the HCM software system
3. Continuation of the project to develop and implement a job evaluation program for City Exempt employees
4. Tendering of the City's Benefits Brokerage services
5. Continued work towards COR (Certificate of Recognition) certification from WorkSafeBC
6. Continued work on the City's performance management program

Finance

Services and Operations

Financial Planning / Budgeting

- ✓ Five-Year program planning
- ✓ 10-year project planning
- ✓ Long-term asset management
- ✓ Position budgeting
- ✓ Budgeting for agencies, boards and commissions
- ✓ Fiscal sustainability planning

Purchasing / Risk Management / Vehicle Fleet

- ✓ Corporate purchasing
- ✓ Insurance claims and risk management
- ✓ Management of City pool vehicles

Accounting / Taxation / Internal Reporting

- ✓ Financial record keeping, including agencies, boards and commissions
- ✓ Creation and monitoring of accounting policies and procedures
- ✓ Annual financial statements
- ✓ Accounts Payable and Receivable
- ✓ Banking and cash management
- ✓ Investment management
- ✓ Payroll and benefits accounting
- ✓ Property tax calculation, collections, information
- ✓ Administration of local services taxation
- ✓ Water, Sewer, Solid Waste – shared service agreements, rates, utility modelling, regional financing issues
- ✓ Long-term asset accounting
- ✓ GST / PST / HST accounting and issues
- ✓ Senior government grants: applications, administration, and fulfillment of requirements

General Government Services

- ✓ Support for Directors' Team, Civic Projects Team, Major Projects Team
- ✓ Participation in corporate initiatives
- ✓ Council / public information requests
- ✓ Financial reports
- ✓ Joint services delivery agreements – negotiation and administration

2013 Objectives and Measures

| 2013 Objectives | 2013 Measures |
|---|---|
| 1. Complete and publish 2013 – 2022 Financial Plan | 1. Financial Plan bylaw adopted April 08/2013 |
| 2. Complete and publish May 15, 2012 Financial Statements and Annual Municipal Report | 2. Presented to Council and published June 24/2013 |
| 3. Complete payroll module implementation for HCM PeopleSoft Project | 3. Live as of August 06, 2013 |
| 4. Continue implementation of City's long-term tax strategy to reduce business taxation | 4. City's long-term tax strategy has resulted in a business tax rate multiple that is at or below the median for the region |
| 5. Develop City User Fee Policy of fiscal sustainability framework | 5. A list of all City fees has been created and next steps will be to consolidate these to one bylaw, along with a User Fee Policy for Council's consideration |
| 6. Building on existing review, update City's Development Cost Charge Bylaw | 6. The City's Development Cost Charge (DCC) program is currently under review with a completed comprehensive program to be introduced to Council in 2014/2015 |
| 7. Complete financial evaluation of requirements for investments in City street assets | 7. The City has completed its financial evaluation during 2013, resulting in revised valuations for its street assets included in the infrastructure category of tangible capital assets. The revised valuations are reflected in the City's 2013 Audited Financial Statements |
| 8. Prepare preliminary risk analysis of City-owned lands to meet requirements of PSAB 3260 (liability for contaminated sites) | 8. A list of City owned holdings has been compiled. Next steps will be to classify land as to its intended use and assess the property's risk level for contamination. Ongoing compliance of the Public Sector Accounting Board Standard will require annual review of the City's site inventory. |

2014 Objectives

2014 Objectives

1. Meet all statutory report requirements
2. Consolidate users fees to one bylaw
3. Ongoing risk analysis of City-owned lands to meet requirements of PSAB 3260 (liability for contaminated sites)
4. Ongoing refinement of the City's asset inventory and continued analysis on asset management and infrastructure funding
5. Update Development Cost Charge program
6. Enhance the internal audit process

Engineering, Parks and Environment

Services and Operations

Transportation & Streetscapes Division

- ✓ Sustainable transportation initiatives
- ✓ Mobility of people, services and goods
- ✓ On-street parking
- ✓ Traffic signals, signage and street lighting
- ✓ Traffic calming
- ✓ Transportation demand management planning
- ✓ Streetscape planning and design
- ✓ Integration of transportation with land use, parks & greenways, and development planning

Public Works Division

- ✓ Streets Operations provides maintenance of:
 - ❖ 136 kilometres of streets
 - ❖ 50 kilometres of lanes
 - ❖ 179 kilometres of sidewalks
 - ❖ 53 traffic signals
 - ❖ 1,700 streetlights
 - ❖ 7 major bridges
- ✓ Work includes:
 - ❖ Sidewalk maintenance
 - ❖ Pavement maintenance
 - ❖ Street cleaning and litter control
 - ❖ Ice and snow control
 - ❖ Lane maintenance
 - ❖ Street sign fabrication and maintenance
 - ❖ Pavement marking
 - ❖ Vegetation control in rights-of-way
 - ❖ Street light and traffic signal maintenance
 - ❖ Graffiti and vandalism repair on City public property
- ✓ Utility Operations provides:
 - ❖ Potable water distribution
 - ❖ Sanitary sewage collection
 - ❖ Storm drainage collection
 - ❖ Solid waste collection
- ✓ Work includes:
 - ❖ Construction and renewal of water, sanitary and storm drainage infrastructure
 - ❖ Operation, maintenance, and repair of water, sanitary and storm systems
 - ❖ Installation of new service connections to all new buildings and land development throughout the City
 - ❖ Collection and disposal of refuse and yard trimmings
 - ❖ Administration of recycling program

- ✓ Fleet Operations provides:
 - ❖ Management and maintenance of vehicles and equipment for Public Works, Parks, Bylaws, and City pool vehicles
- ✓ Work includes:
 - ❖ Fleet management including inventory, fuel efficiency, cost effectiveness and safety/regulatory compliance
 - ❖ Fleet maintenance
 - ❖ Fleet asset management and replacement
- ✓ Public Works Administration provides:
 - ❖ Processing of payroll and Operations Management Systems (OMS) data
 - ❖ Response to citizens and internal requests and enquiries
 - ❖ Dispatch of crews to respond to service requests
 - ❖ Information and assistance for infrastructure maintenance and service request response
 - ❖ Budget tracking and analysis for operations
- ✓ Works Yard Facility Operations provides:
 - ❖ Effective workplace facilities and storage for tools, equipment, materials and belongings
 - ❖ Appropriate emergency equipment for operations
 - ❖ Maintenance of Works Yard Facility to meet needs

Engineering Planning, Design & Development Division

- ✓ Planning & Design provides:
 - ❖ Public infrastructure records management including as-built drawings
 - ❖ Infrastructure condition assessment
 - ❖ Planning of advanced asset management of infrastructure
 - ❖ Water, sewer and drainage system administration, planning, design and construction contract administration
 - ❖ Streets design
 - ❖ Lonsdale Energy system underground piping network design
 - ❖ Topographic survey for infrastructure projects and spatial location
 - ❖ Field data collection for traffic, rainfall, etc
- ✓ Development provides:
 - ❖ Subdivision application processing
 - ❖ Coordination and review of all development applications for public infrastructure impacts
 - ❖ Regulation of City right-of-way use and access
 - ❖ Liaison with private utility companies including BC Hydro, Telus, Terasen, Shaw Cable, etc

Parks & Environment Division

- ✓ Parks provides planning, design, maintenance and regulation of:
 - ❖ Parks, greenways and open space
 - ❖ Environmentally sensitive areas and natural areas
 - ❖ Trees on public lands
 - ❖ Ornamental horticulture on public lands
 - ❖ Turf grass maintenance on public lands
 - ❖ Park sports field maintenance
 - ❖ Park playground maintenance
 - ❖ Operational support for community events in parks
 - ❖ Integration of parks and open space planning with land use, transportation and development
 - ❖ Public engagement for stewardship of the City's cultural and natural heritage within parks and environmentally sensitive areas
 - ❖ Park facility maintenance on park lands
- ✓ Environment provides:
 - ❖ Contaminated sites management
 - ❖ Air quality management
 - ❖ Habitat restoration and compensation
 - ❖ Implementation of the Environmental Protection Program (EPP)
 - ❖ Invasive species management
 - ❖ Liaison with external environmental agencies such as Fisheries and Oceans Canada, Environment Canada, Ministry of Environment, and Metro Vancouver
 - ❖ Civic operations environmental performance improvements
 - ❖ Environmental policy planning and implementation
 - ❖ Environmental education
 - ❖ Climate action
 - ❖ Pesticide reduction
 - ❖ Coordination of Greenhouse Gas Emissions Reduction Local Action Plan
 - ❖ Solid waste policy planning and waste reduction

Cemetery Division

- ✓ Maintenance of the North Vancouver Cemetery
- ✓ Capital improvements

Administration Division

- ✓ Departmental leadership and direction
- ✓ Inter-departmental and intra-departmental teamwork and coordination
- ✓ Administrative, clerical and secretarial support
- ✓ Short-range and long-range strategic planning
- ✓ Alignment of budget and staff resources with City priorities
- ✓ Provision of technical support for planning, design and construction of Lonsdale Energy Corporation district heating system
- ✓ Liaison with relevant external agencies including Metro Vancouver, TransLink, Federal Government, Provincial Government, other local governments, First Nations

2013 Objectives and Measures

| 2013 Objectives | | 2013 Measures | |
|--|--|---|--|
| Transportation & Streetscapes Division | | | |
| 1. Forbes pedestrian & cyclist improvements | | 1. Completed | |
| 2. Lynn Valley pedestrian & cyclist improvements | | 2. 40% Completed | |
| 3. Design of bike facilities on Chesterfield, West Keith and East Keith roads | | 3. To be completed in 2014 and 2015 | |
| 4. Continue to implement neighbourhood transportation safety improvements | | 4. In progress. Various transportation safety improvements have been implemented. | |
| 5. Complete resident parking policy updates and start implementing on-street parking changes, including pay parking at the Hospital frontage | | 5. Policy update completed. Parking sign changes and pay parking implemented in the Central Lonsdale East area. Parking sign changes in other areas to be completed in 2014 | |
| Operations Division | | | |
| 1. Develop an Operations Strategic Work Plan for utilities, streets, parks and fleet | | 1. A consideration of operations goals will be done in light of recent Department Strategic Planning under the direction of the Deputy City Engineer | |
| 2. Complete the Operations component of the Infor Hansen Streets and Transportation Asset and Work Management Module | | 2. The implementation of this module of Infor Hansen is ongoing and will be influenced by the pending addition of a temporary full-time Asset Management support position within Engineering. The Streets and Transportation module is targeted for completion by 4 th Quarter 2014. | |
| 3. Develop Engineering Operations Standard Reports with the Infor Hansen Asset and Work Management Project | | 3. The framework for these reports has been created and regular meetings with the Utilities, Streets and Parks Section will be instituted in 2014. | |
| 4. Review the Operations components of the Emergency Management Response Plan | | 4. This is now being done in conjunction with department review under the Deputy City Engineer | |
| 5. Complete assessment of Operations Staff – Safety and Equipment Operations Training requirements | | 5. The tracking tools have been reviewed and are in place with Operations Admin Clerk. Ongoing review of training requirements will take place through the Section Managers | |
| Engineering Planning, Design & Development Division | | | |
| 1. Begin Integrated Storm-Water Management Plan for submission to Metro Vancouver – expected to take 3 years | | 1. Public Consultation in progress (first Open House Feb 27, 2014) RFP for consulting services – anticipate award in April 2014. | |
| 2. Update CNV flood policy and mapping | | 2. Complete. | |

- | | |
|---|---|
| <p>3. Implement measures identified in Inflow and Infiltration Management Plan submitted to Metro Vancouver in 2012</p> | <p>3. Ongoing. Will consider expanding investigation to private property.</p> |
| <p>4. Undertake remediation and deck replacement project at foot of Lonsdale</p> | <p>4. Design complete, Construction tender closed, Cates Shed demolition underway. Anticipate completion by late Summer 2014.</p> |
| <p>5. Continue to refine our infrastructure asset management plans including:</p> <ul style="list-style-type: none"> a. Bridge loading assessments on Marine Drive b. Pavement Management Plan c. Update and calibrate water network model d. Update and calibrate sanitary sewer network model | <p>5. Continue to refine plans as follows:</p> <ul style="list-style-type: none"> a. Complete b. In-progress c. In-progress d. New software acquired, model development underway |
| <p>6. Provide oversight to protect City's interests and mitigate community impacts during construction of Low Level Road</p> | <p>6. The Low Level Road project is progressing slightly ahead of schedule. The Port has built a solid relationship with the affected neighbours resulting in far better interactions. The Low Level Road Advisory Committee was struck in mid-2013, and information is now being shared in a positive and collaborative way. We anticipate the project will be completed on schedule, at the end of October, 2014.</p> |

Parks & Environment Division

- | | |
|---|---|
| <p>1. Complete Phase 3 of the Heywood Park Master Plan improvements</p> | <p>1. The City's improvements, including the playground, washroom, trail construction and habitat enhancement, have now been completed. Improvements to the parking lot and the Marine Drive frontage will also be completed as part of the adjacent development project at 972 Marine Drive.</p> |
| <p>2. Construction of the Fell Avenue to Bewicke Avenue section of the Spirit Trail</p> | <p>2. Spirit Trail and new pedestrian bridge across Mosquito Creek at Bewicke Avenue now complete.</p> |
| <p>3. Construction of the Forbes to Lonsdale Quay section of the Spirit Trail</p> | <p>3. Construction underway, and scheduled for completion in Spring of 2014.</p> |
| <p>4. Planning and design for the Jones Avenue Greenway</p> | <p>4. Planning underway, with design and community consultation in the Spring 2014. Construction to be completed by Fall 2014.</p> |

5. Implement the Zero Waste Challenge:
 - a. Based on success of pilot Green Can community outreach program in Fall 2012, expand program City-wide
 - b. Draft multi-family and commercial recycling space bylaw for consideration by Council
 - c. Work with North Shore Recycling Program (NSRP) to increase waste diversion in multi-family sector through implementation of Recycling Ambassador program
 - d. Implement Green Can program for City facilities

6. Implement activities to support City's goals to reduce corporate emissions by 25% and community emissions by 15% by 2020:
 - a. Complete installation of public and fleet electric vehicle charging stations
 - b. Implement Carbon Fund to support emission reduction projects
 - c. Complete pilot retrofit project for multi-family buildings
 - d. Support City departments in implementing measures to reduce corporate and community greenhouse gas emissions
 - e. Deliver education initiatives to support energy conservation in local schools and businesses.

7. Complete invasive plant management strategy

5. Implemented the Zero Waste Challenge:
 - a. Expanded Green Can outreach program completed.
 - b. Multi-family and commercial recycling space guidelines completed.
 - c. North Shore Recycling Program will be expanding the recycling outreach program for multi-family sector in 2014.
 - d. Green Can program introduced at City Hall in 2013, to be expanded to other civic buildings in 2014.

- a. Electric vehicle charging stations have been installed at City Hall / Library, the Operations Centre and at Harry Jerome Recreation Centre. An additional level 3 charger will be installed in Lower Lonsdale in Spring 2014.
- b. City's Carbon Fund established by Council resolution in 2013.
- c. Ongoing support and action by City's Corporate Energy Management Team.
- d. Partnered with Metro Vancouver on facilitating access to LiveSmart BC Small Business Program. 48 City businesses have participated to date, with 20 in 2013.
- e. Partnered with the North Vancouver School District on the delivery of the 2013 Climate Change Showdown.

7. Strategy completed and adopted by Council in 2013. Planning for 2014 field program now underway.

Administration

1. Complete the update of our Workplace Climate goals
2. Review Division priorities to ensure alignment with City priorities

1. Workplace Climate Goals were updated and rolled out to staff by a staff committee.
2. Division priorities reviewed, set, and tracked in a Work Plan document.

2014 Objectives

2014 Objectives

Transportation & Streetscapes Division

1. Complete cycling facilities on Chesterfield, from 4th to 13th Streets
2. Implement pedestrian safety improvements on Lonsdale from Esplanade to 11th Street
3. Complete pedestrian and cycling facilities on 3rd Street and 2nd Street to Forbes Avenue
4. 12 new Pattison bus shelters
5. Complete Lynn Valley pedestrian & cyclist improvements

Operations Division

1. Create a Draft Asset Management Plan that links Operations Work Programs and Engineering Planning
2. Create an Asset Management Plan for pavements
3. Create an Asset Management Plan for vehicle bridges
4. Implement Anti-Whistling Provisions at all rail crossings in the City

Engineering Planning, Design & Development Division

1. Complete the Engineering, Parks & Environment Departmental Strategic Plan
2. Open the new Low Level Road and related Spirit Trail section
3. Complete technical analysis required for the Integrated Storm-Water Management Plan

Parks & Environment Division

1. Complete Replacement of Confederation Field Playing Surface
2. Complete Jones Avenue section of the Green Necklace greenway
3. Complete Lonsdale Forbes to Lonsdale Quay section of the Spirit Trail
4. Complete renovation of Chief Mathias Joe Park

Administration

1. Complete a departmental Strategic Plan

Community Development

Services and Operations

- ✓ Development Planning for the City
- ✓ Development Planning for City-owned Lands
- ✓ Community (Social) Planning
- ✓ Long Range Planning
- ✓ Business Licensing and Compliance
- ✓ Permits and Inspections
- ✓ Parking and Bylaw Services
- ✓ Cemetery Management
- ✓ City Lands Administration
- ✓ Real Estate Appraisal and Analysis
- ✓ Property Negotiation & Acquisition
- ✓ Economic and Tourism Development
- ✓ Department Management and Administration
- ✓ Zoning
- ✓ Heritage
- ✓ Special Studies
- ✓ Code – interpretation, regulation, trades inspection, electrical, plumbing, gas, building permits issuance
- ✓ Bylaw Enforcement

2013 Objectives and Measures

| 2013 Objectives | 2013 Measures |
|--|--|
| 1. Finalize Staff recruitment to achieve full compliment. | 1. Ongoing |
| 2. Complete City Hall Phase 2 move with Phase 1 adjustments. | 2. Ongoing. Shifted to 2014/15 |
| 3. Review of all department fees and revenue collection practices to apply policy priorities and affirm current processes. | 3. Ongoing |
| 4. Enhance Bylaw Enforcement Service through integration and expansion of Restorative Justice mediation. | 4. Completed |
| 5. Support and Enhance North Shore Emergency Management Office and Community Development Emergency Plan. | 5. Department Emergency Plan finalized and education started |
| 6. Enhance relations with Squamish Nation. | 6. Ongoing |
| 7. Enhance relations with business community. | 7. The Lower Lonsdale Business Improvement Area (BIA) effort was terminated by the Lower Lonsdale Business Association (LLBA) after public concerns. Work will continue to build relations |

- | | |
|---|---|
| 8. Busker Policy Update. | 8. Completed |
| 9. Complete City Operations Centre Lands Transfer. | 9. Completed |
| 10. Central Waterfront (Lot 5, Presentation House Gallery, Museum, Foot of Lonsdale, commercial leases) | 10. Lot 3 lease process underway. Support for PHG and North Vancouver Museum are ongoing. Biennale temporary use happening on Lot 4. Community Development has taken over rentals for Shipbuilders Square and Pier Docks. |

Cemetery

- | | |
|--|---|
| 1. Review Cemetery Long-range Plan and Business Plan | 1. Cemetery Advisory Committee disbanded. Expansion plan approved. |
| 2. New Crypt system | 2. Funding approved. Proceeding in 2014. Concept Plan completed and supplier of crypts identified. Expect completion of Phase 1 in Fall 2014. |

Policy

- | | |
|---|---|
| 1. Duplex Secondary Suite Zoning Amendment | 1. Province of BC published Building Code interpretation. UDI award received for this initiative, including rezoning. |
| 2. Official Community Plan Update (CityShaping) with interim Metro Regional Context Statement amendment | 2. Ongoing with record participation |
| 3. Implement Economic Development Strategy | 3. Ongoing |
| 4. Housing Action Plan (as mandated by Metro Vancouver) | 4. Completed |
| 5. Zoning Bylaw Comprehensive Review Parts II and III | 5. Part II complete. |
| 6. Child Care Plan implementation (Council resolution) | 6. Ongoing |
| 7. Child-Friendly Multi-Family Buildings and Neighbourhoods (Council resolution) | 7. Ongoing |
| 8. Homelessness Prevention Strategy (Council resolution) | 8. Ongoing |
| 9. Grant Policy Review (Council resolution) | 9. Ongoing |

- | | |
|--|---|
| 10. Cell Antenna Policy | 10. Ongoing |
| 11. Energy-efficient buildings (new building, retrofits to existing, including LEC connections) to meet OCP targets as per Bill C-31 | 11. Energy Design Verification documentation created and implemented for new buildings. Working with BC Hydro energy advisor on pilot project for retrofits to existing buildings. Ongoing. |
| 12. Advisory body reorganization | 12. Process concluded with no changes made |
| 13. Bylaw Services Policy/Operations Manual | 13. Ongoing |

Development

- | | |
|---|---|
| 1. Further Enhance Development/Permit processing efficiencies | 1. LEC and Fire incorporated into electronic application processing. |
| 2. Harbourside Rezoning | 2. Zoning Bylaw at 3 rd Reading |
| 3. Site 8 and 260 West Esplanade (Polygon) | 3. 260 West Esplanade approved Site 8 on hold at applicant's request |
| 4. Demolition Waste Recycling Bylaw | 4. Ongoing |
| 5. Update Memorandum of Understanding with Port Metro Vancouver to reflect new roles and responsibilities | 5. Ongoing |

2014 Objectives

2014 Objectives

1. Finalize staff recruitment to achieve full complement.
2. Complete City Hall Phase 2 move with Phase 1 adjustments.
3. Review all department fees and revenue collection practices to apply policy priorities and affirm current processes.
4. Support and enhance North Shore Emergency Management Office and Community Development Emergency Plan.
5. Enhance relations with Squamish Nation.
6. Enhance relations with business community.
7. Central Waterfront (Lot 5, Presentation House Gallery, Museum, Foot of Lonsdale, commercial leases, Shipbuilders' Square rental policy).
8. Continue to implement Economic Development Strategy
9. Child Care Plan implementation (Council resolution)
10. Website redesign with online payments
11. Complete business case for the replacement of Bylaw Enforcement Ticketing software and hand-held ticketing hardware.

Cemetery

1. Review Cemetery Long-range Plan and Business Plan
2. Install new Crypt system

Policy

1. OCP Update (CityShaping) adoption with Metro Regional Context Statement amendment
2. Begin implementation of OCP (Development Permit Areas / Special Studies / etc.)
3. Social and Active Innovation in Apartment Design to make apartment living healthier
4. Adoption and implementation of Density Bonus / Community Amenity Contribution Policy
5. Zoning Bylaw Comprehensive Review: Supporting affordable housing and green building construction
6. Streamline Outdoor Dining Policy
7. Adopt a Child, Youth and Family-Friendly City Strategy
8. Create employment opportunities or a social enterprise to prevent homelessness
9. Grant Policy Review (Council resolution)

10. Cell Antenna Policy – update of guidelines in a new development permit process
11. New energy retrofit pilot project for existing rental apartment buildings
12. Extreme Hot Weather Response (adaptation)

Development

1. Further Enhance Development/Permit processing efficiencies
2. Multi-Unit Residential Buildings (MURB) Energy Program (with BC Hydro)
3. Presentation House Gallery rezoning
4. Demolition Waste Recycling Bylaw
5. Update Memorandum of Understanding with Port Metro Vancouver to reflect new roles and responsibilities

RCMP (Operations / Police Support Services)

Services and Operations

- ✓ Municipal traffic enforcement
- ✓ Investigative services (non-uniformed members)
- ✓ Crime reduction/strike force
- ✓ Community policing
- ✓ Crime prevention
- ✓ Youth intervention
- ✓ Services to victims of crime
- ✓ Criminal record checks
- ✓ Season patrols – Marine Drive and Lower Lonsdale
- ✓ Auxiliary Constable Program (volunteer)
- ✓ Neighbourhood/Block Watch Programs (volunteer)

2013 Objectives and Measures

| 2013 Objectives | 2013 Measures |
|--|--|
| 1. Increase Public and Police Safety by dealing more effectively with mental health and addiction issues | 1. Provided training sessions to further educate members on mental health issues. Reviewed emergency wait times at Lions Gate Hospital |
| 2. Improve traffic safety | 2. Reviewed target locations in conjunction with CompStat Increased media coverage on enforcement Approached City of North Vancouver and the District of North Vancouver for speed locations/data |
| 3. Positively enhance the Youth of North Vancouver to prevent high risk lifestyle | 3. Adjusted youth intervention schedules to meet needs of the schools Promoted of and participation on Lower Mainland Youth Academy Promoted of and participation in Detachment's Beginners Emergency Services Team (B.E.S.T.) Program Engaged School Board for decisions on the future of the Drug Abuse Resistance Education (D.A.R.E.) Program Engaged park patrols and Lower Lonsdale patrols during summer months |

4. Reduce the incidence and impact of property crime, drugs and drug-related crime in the community

5. Address neighborhood safety concerns by reducing public disorder, nuisance crime and fear of crime issues

6. Improve use and application of intelligence-led policing

4. Engaged BCIT and SFU professionals to identify crime analysis gaps

Improved identification of crime hotspots and trends utilizing CompStat

Strike Force identified and targeted prolific offenders

5. Reviewed gap analysis on neighbourhood safety

Developed methodologies to conduct client satisfaction survey/questionnaire

6. Strike Force attended briefings to identify current targets and gaps

Reviewed Crime Analyst mandate

2014 Objectives

2014 Objectives

1. Pilot position for 5 FTE Regular Member Mental Health Co-ordinators
2. Consideration of a full-time car 6/7 (Mental Health)
3. Advocate for psychiatric outreach police referral
4. Youth Intervention team up with Transit
5. Advocate for a second Crime Analyst

Fire

Services and Operations

Administration

- ✓ Manage all Fire Department functions
- ✓ Annual Report
- ✓ Quarterly Statistical Reports
- ✓ Training and Development
- ✓ Recruitment of staff
- ✓ Payroll entry and recording
- ✓ WorkSafe BC reporting
- ✓ Website and FireNet coordination
- ✓ Fire department policies and procedures

Fire Apparatus

- ✓ Maintenance and repair of all fire apparatus and equipment
- ✓ Annual government inspection of apparatus
- ✓ Research and input on new apparatus and equipment
- ✓ Liaison with Facilities Manager with regard to facilities for the Fire Station
- ✓ Assist Purchasing with the preparation of tender documents
- ✓ Annual testing of breathing air
- ✓ Annual testing of ladders and fire hose

Fire Operations

- ✓ Firefighting
- ✓ Emergency Medical Assistance
- ✓ Hazardous Material Spills and Dangerous Goods Incidents
- ✓ High Angle Rescue
- ✓ Motor Vehicle Accidents
- ✓ Coordination and training of all staff. Some examples are as follows:
 - ❖ Installation and training of on-truck computer system
 - ❖ Fire Officers Course
 - ❖ Fire Service Instructors Course
 - ❖ Emergency Vehicle Operations Course
 - ❖ In-house Auto Extrication Course
 - ❖ FMR (first medical responder), AED (automated external defibrillator) and Spinal re-certifications
- ✓ Fire Behaviour Training

Fire Prevention

- ✓ Fire Prevention Inspections are conducted through a regular system of inspections which is established by the Assistant Chief, Prevention, on behalf of Council, as required by the Fire Services Act and modified throughout the year as necessary
 - ❖ Conduct initial inspection of new business license applications, new building occupancies, and fire protection systems
 - ❖ Receive, review and comment on plans for new buildings, occupancies, and alterations, modifications and renovations to structures, including Fire Department access, fire protection and life safety systems
 - ❖ Conduct initial inspection of complaints, including inspections related to the accumulation of combustible materials within dwelling units (hoarding)
 - ❖ Conduct follow-up inspections when possible and as necessary

- ❖ Fire code violations are enforced as necessary to gain compliance with the appropriate codes and standards. Enforcement includes violation reports, letters, tickets and orders
- ❖ Upgrade bylaws to provide greater enforcement opportunities and cost recovery
- ✓ Fire Investigations are conducted as per the Fire Services Act to determine origin and cause and to determine if due to accident, negligence or design
 - ❖ Conduct investigations of all fires within our municipality within three days
 - ❖ Obtain Certification for Fire Investigators
 - ❖ Continue the North Shore Fire Investigation School, a program started in 1996
- ✓ Education is provided to create public awareness and to motivate the proper fire safety behaviour. Education is provided to business owners, building owners and occupants, elementary and secondary school students and the general public
 - ❖ Conduct an education program within our community.
 - ❖ Promote the importance of smoke alarms and continue to provide and install free smoke alarms for seniors and others in need.
 - ❖ Visit every public school in the City of North Vancouver and discuss fire and life safety with the students at least once annually.
 - ❖ Attend community events to promote fire safety.

2013 Objectives and Measures

| 2013 Objectives | 2013 Measures |
|--|--|
| 1. Finalize Organizational Structure | 1. Complete |
| 2. Computer upgrades for staffing and accounting purposes | 2. In progress |
| 3. Review First Responder Indemnity Agreement | 3. Agreement under review. New “Partnership Agreement” proposed |
| 4. Fire Boat Services Consortium – discussion and resolution | 4. Current agreement extended. Waiting on new proposal |
| 5. Training records management system upgrade | 5. Target solution in place |
| 6. Inventory Tracking System for equipment | 6. Internal tracking. Working with IT for City-wide system |
| 7. Implement guidelines and standards for movie industry | 7. Ongoing. Working with Vancouver and Burnaby Fire Departments. |
| 8. Implement wireless technology for fire inspections | 8. Investigated options. No feasible options available at this time. |

2014 Objectives

2014 Objectives

1. Purchase fire apparatus
2. Fire Officer development
3. Develop Fire Department succession planning model
4. Renew Fire Dispatch contract
5. Continue North Shore shared services training
6. Renew Fireboat agreement
7. Fire inspection on Squamish First Nations lands.
8. Issue spray booth upgrade orders
9. Manage Life Safety upgrade program
10. Training Delivery & Records Management (target solutions)

North Shore Emergency Management Office

Services and Operations

- ✓ Emergency Preparedness information for residents and businesses through website materials and training workshops
- ✓ Development of relevant emergency plans to help prepare for, respond to and recover from emergencies and disasters
- ✓ An operationally ready Emergency Operations Centre for use by individual or multiple North Shore municipalities as required
- ✓ Emergency Operations Centre training and exercises for staff and NSEMO volunteers
- ✓ Stakeholder engagement to enhance the North Shore emergency management capabilities
- ✓ Management of public safety lifeline volunteers who make themselves available to support the community during emergencies and disasters

2013 Objectives and Measures

| 2013 Objectives | 2013 Measures |
|--|---|
| <p>1. Development and maintenance of relevant emergency plans to help prepare for, respond to, and recover from emergencies and disasters.</p> | <p>1. A new departmental emergency guideline structure was developed which was piloted in the two Districts. City of North Vancouver Planning and Development updated their departmental emergency plan. A convergent volunteer plan was created. A North Shore Spill Response Plan was initiated</p> |
| <p>2. An informed North Shore community with knowledge of their personal emergency management responsibilities</p> | <p>2. Five Emergency Preparedness workshops for residents were held and a number of on-demand presentations were provided to various groups. The BC-wide ShakeOut earthquake drill held in October was promoted. Social media was utilized to provide preparedness tips to engage followers on actions they could take to be personally prepared</p> |
| <p>3. Effectively trained and exercised municipal staff and public safety lifeline volunteers to support planning, response and recovery activities on the North Shore</p> | <p>3. The following courses were held for staff and NSEMO volunteers: 5 Emergency Operations Centre (EOC) overview courses, 1 Basic EOC course and 4 function-specific courses, and 2 Emergency Social Services (ESS) workshops. In addition, fire extinguisher training was provided through DNV Fire to our leadership volunteers. A number of exercises occurred in 2013:</p> <ul style="list-style-type: none"> ❖ Three full-scale exercises completed in January (one for each municipality) were extremely well received by staff; Council representatives attended as observers; ❖ One full-scale Hazmat decontamination |

exercise with the three fire departments and Justice Institute of BC;

- ❖ ESS volunteers participated in Vancouver's ESS Group Lodging exercise;
- ❖ Amateur Radio Communications exercise held in May and their annual field day held in June;
- ❖ ShakeOut drill conducted and all North Shore municipalities participated

4. Support the municipalities in their emergency response and recovery activities when an emergency or disaster occurs.

4. In 2013, the EMT and ESS teams were called out to 17 house and apartment fires on the North Shore. The volunteers provided vital emergency support services (i.e. short-term accommodation, food, clothing, transportation, etc.) to residents who had been displaced or were in need of assistance.

North Shore Rescue also undertook 86 rescues and recoveries.

In December, North Vancouver RCMP requested the RapidNotify system to be used to alert the community in the search for a missing vulnerable senior. Over 38,000 texts, automated calls and emails were sent to North Shore residents asking citizens to check their back yards. Despite the tragic outcome, the citizen response to the call for action was truly an example of how our community comes together in a time of need

2014 Objectives

2014 Objectives

1. Development and maintenance of relevant emergency plans to help prepare for, respond to, and recover from emergencies and disasters
2. An informed North Shore community with knowledge of their emergency management responsibilities
3. Effectively trained and exercised municipal staff and public safety lifeline volunteers to support planning, response and recovery activities on the North Shore
4. Support the municipalities in their emergency response and recovery activities when an emergency or disaster occurs.

Audited Financial Statements

**The Corporation of the City of
North Vancouver
Consolidated Financial Statements
For the year ended December 31, 2013**



KPMG LLP
Chartered Accountants
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INDEPENDENT AUDITORS' REPORT

To the Mayor and Council of the Corporation of the City of North Vancouver

We have audited the accompanying consolidated financial statements of the Corporation of the City of North Vancouver, which comprise the consolidated statement of financial position as at December 31, 2013 and the consolidated statements of operations, changes in net financial assets and cash flows for the year then ended, and notes, comprising 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 an 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 our 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, we consider 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.

KPMG LLP is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. KPMG Canada provides services to KPMG LLP.



Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Corporation of the City of North Vancouver as at December 31, 2013, its consolidated results of operations, its consolidated changes in net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

KPMG LLP

Chartered Accountants

May 5, 2014

Burnaby, Canada

**The Corporation of the City of North Vancouver
Consolidated Statement of Financial Position
As at December 31, 2013 with comparative figures for 2012
(in thousands of dollars)**

| | <u>2013</u> | <u>2012</u> |
|--|-------------------|-------------------|
| | | Recast (note 14) |
| FINANCIAL ASSETS | | |
| Cash | \$ 4,585 | \$ 1,856 |
| Temporary investments (note 3(a)) | 28,667 | 40,962 |
| Portfolio investments (note 3(b)) | 121,435 | 117,541 |
| Investment in Lonsdale Energy Corp. (note 4) | 1,689 | 1,831 |
| Due from other governments | 3,725 | 3,285 |
| Accounts receivable | 9,592 | 15,606 |
| Loan to Lonsdale Energy Corp. (note 5) | 9,577 | - |
| Interest receivable | 7,977 | 6,910 |
| | <u>187,247</u> | <u>187,991</u> |
| LIABILITIES | | |
| Accounts payable and accrued liabilities | 15,195 | 14,054 |
| Deferred revenue | 21,026 | 20,743 |
| Deferred development cost charges | 20,601 | 19,003 |
| Long-term debt (note 6) | 1,833 | 2,000 |
| Employee future benefits (note 7) | 6,331 | 5,967 |
| Advances and other liabilities | 8,400 | 8,478 |
| | <u>73,386</u> | <u>70,245</u> |
| NET FINANCIAL ASSETS | <u>113,861</u> | <u>117,746</u> |
| NON-FINANCIAL ASSETS | | |
| Tangible capital assets (note 8) | 248,860 | 207,314 |
| Inventories | 410 | 289 |
| Prepaid expenses | 1,093 | 873 |
| | <u>250,363</u> | <u>208,476</u> |
| ACCUMULATED SURPLUS (note 9) | <u>\$ 364,224</u> | <u>\$ 326,222</u> |

Commitments and contingencies (note 10)
See accompanying notes to the consolidated financial statements

Director of Finance

The Corporation of the City of North Vancouver
Consolidated Statement of Operations
Year ended December 31, 2013 with comparative figures for 2012
(in thousands of dollars)

| | 2013 Budget | 2013 | 2012 |
|---|---------------------|-------------------|-------------------|
| | (notes 2(g) and 13) | | Recast (note 14) |
| REVENUE | | | |
| Property value tax | \$ 46,786 | \$ 46,835 | \$ 44,612 |
| Parcel taxes | 2,249 | 2,240 | 2,132 |
| Licences and permits | 3,298 | 3,415 | 4,313 |
| Fines and fees | 3,869 | 4,358 | 4,589 |
| Rent | 1,336 | 1,314 | 1,248 |
| Interest and penalties | 2,089 | 5,950 | 6,461 |
| Sale of services | 21,565 | 22,177 | 21,463 |
| Rebate and recoveries | 74 | 248 | 682 |
| Grants and other | 6,943 | 8,747 | 7,948 |
| Gains on disposition of assets | - | 20,789 | 5,783 |
| Developer contributions and other transfers | - | 15,416 | 1,968 |
| Lonsdale Energy Corp. income (loss) | - | (142) | 53 |
| | <u>88,209</u> | <u>131,347</u> | <u>101,252</u> |
| EXPENSES | | | |
| General government | 12,584 | 16,930 | 14,234 |
| Transportation and transit | 2,776 | 4,587 | 4,617 |
| Health, social services and housing | 2,289 | 2,274 | 2,220 |
| Development services | 4,334 | 4,399 | 3,956 |
| Protective services | 21,278 | 22,295 | 21,558 |
| Parks, recreation and culture | 19,261 | 23,417 | 23,004 |
| Water utilities | 7,333 | 8,177 | 8,378 |
| Sewer utilities | 6,203 | 7,010 | 7,424 |
| Solid waste | 4,348 | 4,256 | 3,853 |
| | <u>80,406</u> | <u>93,345</u> | <u>89,244</u> |
| Total expenses (note 12) | <u>80,406</u> | <u>93,345</u> | <u>89,244</u> |
| Annual surplus | 7,803 | 38,002 | 12,008 |
| Accumulated surplus beginning of year | <u>326,222</u> | <u>326,222</u> | <u>314,214</u> |
| Accumulated surplus end of year | <u>\$ 334,025</u> | <u>\$ 364,224</u> | <u>\$ 326,222</u> |

See accompanying notes to the consolidated financial statements

The Corporation of the City of North Vancouver
Consolidated Statement of Change in Net Financial Assets
Year ended December 31, 2013 with comparative figures for 2012
(in thousands of dollars)

| | <u>2013</u> <u>Budget</u> | <u>2013</u> | <u>2012</u> |
|--|------------------------------|-------------------|-------------------|
| | (notes 2(g) and 13) | | Recast (note 14) |
| Annual surplus | \$ 7,803 | \$ 38,002 | \$ 12,008 |
| Acquisition of tangible capital assets | (63,747) | (16,953) | (14,791) |
| Developer contributions and other transfers | - | (15,416) | (1,968) |
| Proceeds on sale of tangible capital assets | - | 1,117 | 6,130 |
| Depreciation of tangible capital assets | 8,776 | 10,495 | 9,320 |
| Gain on disposition of tangible capital assets | - | (20,789) | (5,783) |
| | <u>(54,971)</u> | <u>(41,546)</u> | <u>(7,092)</u> |
| Acquisition of inventories | - | (1,262) | (1,104) |
| Acquisition of prepaid expenses | - | (1,403) | (837) |
| Use of inventories | - | 1,141 | 1,181 |
| Use of prepaid expenses | - | 1,183 | 1,087 |
| | <u>-</u> | <u>(341)</u> | <u>327</u> |
| Increase (decrease) in net financial assets | (47,168) | (3,885) | 5,243 |
| Net financial assets, beginning of year | <u>117,746</u> | <u>117,746</u> | <u>112,503</u> |
| Net financial assets, end of year | <u>\$ 70,578</u> | <u>\$ 113,861</u> | <u>\$ 117,746</u> |

See accompanying notes to the consolidated financial statements

**The Corporation of the City of North Vancouver
Consolidated Statement of Cash Flows
Year ended December 31, 2013 with comparative figures for 2012
(in thousands of dollars)**

| | 2013 | 2012 |
|---|-----------------|------------------|
| | | Recast (note 14) |
| Cash provided by (used for): | | |
| Operating Activities | | |
| Annual surplus | \$ 38,002 | \$ 12,008 |
| Items not involving cash: | | |
| Depreciation expense | 10,495 | 9,320 |
| Gain on disposal of tangible capital assets | (20,789) | (5,783) |
| Developer contributions and other transfers | (15,416) | (1,968) |
| Lonsdale Energy Corp. income (loss) | 142 | (53) |
| Changes in non-cash operating items: | | |
| Decrease (increase) in due from other governments | (440) | 17 |
| Decrease (increase) in accounts receivable | 6,014 | (4,551) |
| Increase in promissory note receivable | (9,577) | - |
| Increase in interest receivable | (1,067) | (1,047) |
| Increase in accounts payable and accrued liabilities | 1,141 | 1,426 |
| Increase in deferred revenue | 1,881 | 4,342 |
| Increase (decrease) in accrued employee future benefits | 364 | (40) |
| Decrease in advances and other liabilities | (78) | (812) |
| Decrease (increase) in inventories | (121) | 77 |
| Decrease (increase) in prepaid expenses | (220) | 250 |
| | <u>10,331</u> | <u>13,186</u> |
| Capital Activities | | |
| Cash used to acquire tangible capital assets | (16,953) | (14,791) |
| Proceeds from sale of tangible capital assets | 1,117 | 6,130 |
| | <u>(15,836)</u> | <u>(8,661)</u> |
| Investing Activities | | |
| Decrease (increase) in temporary investments | 12,295 | (9,726) |
| Decrease (increase) in portfolio investments | (3,894) | 1,097 |
| | <u>8,401</u> | <u>(8,629)</u> |
| Financing Activities | | |
| Issuance of long-term debt | - | 2,000 |
| Repayment of long-term debt | (167) | - |
| | <u>(167)</u> | <u>2,000</u> |
| Increase (decrease) in cash | 2,729 | (2,104) |
| Cash, beginning of year | <u>1,856</u> | <u>3,960</u> |
| Cash, end of year | <u>\$ 4,585</u> | <u>\$ 1,856</u> |

See accompanying notes to the consolidated financial statements

**The Corporation of the City of North Vancouver
Notes to Consolidated Financial Statements
Year ended December 31, 2013
(tabular amounts in thousands of dollars)**

1. OPERATIONS

The City of North Vancouver (the "City") was incorporated in 1907 under the Local Government Act of British Columbia. The City's principal activity is the provision of local government services to residents of the incorporated area. These include administrative, protective, transportation, environmental, recreational, water and sanitary services.

2. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the City have been prepared in accordance with Canadian public sector accounting standards, as prescribed by the Public Sector Accounting Board ("PSAB") of the Canadian Institute of Chartered Accountants. The significant accounting policies are summarized below:

(a) Basis of Presentation

The consolidated financial statements include the accounts of all the funds of the City, the accounts of the North Vancouver City Library, which is controlled by the City, the City's 33% proportionate share of the North Vancouver Recreation Commission, and the City's 50% proportionate share of the operations of the North Vancouver Museum and Archives Commission and North Vancouver Office of Cultural Affairs. The City's investment in Lonsdale Energy Corp. ("LEC"), a wholly owned subsidiary considered to be a government business entity, is accounted for using the modified equity method.

The City participates with the District of North Vancouver in the operation and management of the North Vancouver Recreation Commission, and the City includes its proportionate share in the City's consolidated financial statements. The current agreement specifies that the operating costs shall be paid 33% (2012 – 33%) by the City and 67% (2012 – 67%) by the District of North Vancouver. Each municipality is responsible for its own facilities and pays 100% of all capital costs relating to improvement, expansion and replacement of buildings or facility equipment.

The City also participates with the District of North Vancouver in the operation and management of the North Vancouver Museum and Archives Commission, and the City includes its proportionate share in the City's consolidated financial statements. The current agreement specifies that the operating costs shall be paid 50% (2012 – 50%) by the City and 50% (2012 – 50%) by the District of North Vancouver. Each municipality is responsible for its own facilities and pays 100% of all capital costs relating to improvement, expansion and replacement of buildings or facility equipment.

(b) Basis of Accounting

Revenue is recorded on an accrual basis and recognized when earned. Expenses are recognized as they are incurred and measurable as a result of the receipt of goods and services.

(c) Deferred Revenue

Deferred revenue consists of prepaid property taxes, prepaid business licenses, and fees paid in advance for services yet to be provided.

**The Corporation of the City of North Vancouver
Notes to Consolidated Financial Statements
Year ended December 31, 2013
(tabular amounts in thousands of dollars)**

2. SIGNIFICANT ACCOUNTING POLICIES (con't)

(d) Development Cost Charges

Development cost charges, collected to pay for capital projects due to be developed, are deferred upon receipt and are recognized as revenue when the capital costs for which they were collected are incurred.

(e) Temporary Investments

Temporary investments include bank issued notes and bonds, and provincial bonds and debentures, which mature in the subsequent year and are valued at the lower of cost or market value.

(f) Portfolio Investments

Portfolio investments include bank issued notes and bonds, and provincial bonds and debentures, which mature after the subsequent year. Securities are recorded at their cost and written down to reflect losses in value that are other than temporary.

(g) Budget Figures

The audited budget figures are based on the ten year financial plan adopted on April 8, 2013.

(h) Government Transfers

Unrestricted government transfers are recognized as revenue in the year that the transfer is authorized by the issuing government and any eligibility criteria have been met. Restricted government transfers, in the way of grants or other transfers, are recognized as revenue in the year in which the stipulations are met.

(i) Employee Future Benefits

The City and its employees make contributions to the Municipal Pension Plan. The City's contributions are expensed as incurred.

Sick leave and post-employment benefits also accrue to the City's employees. The liabilities related to these benefits are actuarially determined based on services and best estimates of retirement ages and expected future salary and wage increases. The liabilities under these benefits plans are accrued based on projected benefits as the employees render services necessary to earn the future benefits.

(j) Long-term Debt

Long-term debt is recorded in the consolidated financial statements net of repayments and actuarial adjustments.

**The Corporation of the City of North Vancouver
Notes to Consolidated Financial Statements
Year ended December 31, 2013
(tabular amounts in thousands of dollars)**

2. SIGNIFICANT ACCOUNTING POLICIES (con't)

(k) Non-Financial Assets

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

(i) Tangible Capital Assets

Tangible capital assets are recorded at cost, which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets, excluding land, are amortized on a straight line basis over their estimated useful lives as follows:

| | | |
|-----------------------|---|----------------|
| Land | Not depreciated | |
| Land improvements | Straight line over useful life of each asset unit | 10 – 20 years |
| Parks | Straight line over useful life of each asset unit | 10 – 50 years |
| Buildings | Straight line over useful life of each asset unit | 10 – 100 years |
| Machinery & equipment | Straight line over useful life of each asset unit | 10 – 12 years |
| Vehicles | Straight line over useful life of each asset unit | 6 – 25 years |
| Infrastructure | Straight line over useful life of each asset unit | 7 – 100 years |
| Library materials | Straight line over useful life of each asset unit | 2 – 5 years |
| Work in progress | Not depreciated until put into use | |

(ii) Contributions of Tangible Capital Assets

Tangible capital assets received as contributions or transfers from developers are recorded at their fair value at the date of receipt and also are recorded as revenue.

(iii) Works of Art and Historic Assets

Works of art and historic assets are not recorded as assets in these consolidated financial statements.

(iv) Natural Resources

Horticultural assets such as treed areas, grassy areas and gardens are not recognized as assets in the consolidated financial statements.

(v) Interest Capitalization

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

**The Corporation of the City of North Vancouver
Notes to Consolidated Financial Statements
Year ended December 31, 2013
(tabular amounts in thousands of dollars)**

2. SIGNIFICANT ACCOUNTING POLICIES (con't)

(k) Non-Financial Assets (cont'd)

(vi) Leased Tangible Capital Assets

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

(vii) Inventories

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

(viii) Prepaid Expenses

Prepaid expenses are recorded as assets in these consolidated financial statements.

(l) Estimates

The preparation of these consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts in the consolidated financial statements and the disclosure of contingent liabilities. Areas requiring significant estimation are post-employment benefits, compensated absences and termination benefits and estimated useful life of tangible capital assets. Actual results could differ from these estimates.

(m) Segment Disclosure

A segment is defined as a distinguishable activity or group of activities of a government for which it is appropriate to separately report financial information.

3. INVESTMENTS

(a) Temporary Investments

The fair value of temporary investments at December 31, 2013 was \$28,867,000 (2012 - \$41,589,000). These investments range in maturity date from January 9, 2014 to December 22, 2014, and range in yield from 1.7% to 5.04%.

(b) Portfolio Investments

The fair value of portfolio investments at December 31, 2013 was \$132,425,000 (2012 - \$130,734,000). These investments range in maturity from April 2, 2015 to December 1, 2025, and range in yield from 2.00% to 7.52%.

**The Corporation of the City of North Vancouver
Notes to Consolidated Financial Statements
Year ended December 31, 2013
(tabular amounts in thousands of dollars)**

4. INVESTMENT IN LONSDALE ENERGY CORP.

The City owns all the issued and outstanding shares of LEC, which was incorporated under the British Columbia Company Act on July 7, 2003. LEC operates a district energy system providing hydronic energy to residential and commercial buildings in the Lonsdale and Marine Drive – Harbourside areas of the City of North Vancouver.

Summarized financial information relating to LEC is as follows:

| | 2013 | 2012 |
|-----------------------|-----------------|-----------------|
| Current assets | \$ 2,724 | \$ 3,297 |
| Non-current assets | 17,642 | 14,296 |
| Total assets | <u>20,366</u> | <u>17,593</u> |
| Current liabilities | 2,501 | 7,675 |
| Long-term liabilities | 16,176 | 8,087 |
| Total liabilities | <u>18,677</u> | <u>15,762</u> |
| Shareholder's equity | <u>\$ 1,689</u> | <u>\$ 1,831</u> |
| Total revenue | \$ 2,281 | \$ 1,893 |
| Total expenses | 2,423 | 1,840 |
| Net income | <u>\$ (142)</u> | <u>\$ 53</u> |

Included in the City's Consolidated Statement of Financial Position is "Investment in Lonsdale Energy Corp." in the amount of \$1,689,000 (2012 - \$1,831,000) and a loan receivable of \$9,577,000 (2012 – nil). Also, included in Accounts Receivable in the City's Consolidated Statement of Financial Position is a receivable from LEC in the amount of \$114,000 (2012 - \$6,664,000).

5. LOAN TO LONSDALE ENERGY CORP.

On December 16, 2013, the City converted amounts due from Lonsdale Energy Corp. to a 5-year loan bearing 2.1% interest. Additional funding may be made available to Lonsdale Energy Corporation under the term of the agreement to a maximum of \$12,000,000. The balance owing at December 31, 2013 is \$9,577,000 (2012 – nil). Interest revenue of approximately \$8,800 (2012 - \$nil) has been included in the Consolidated Statement of Operations.

6. LONG-TERM DEBT

The City has financed the expansion of LEC by assuming debt through the Municipal Finance Authority in accordance with the Community Charter. Debt principal is reported net of repayments and actuarial adjustments. The City carries no debt for others. The total debt issued and outstanding as at December 31, 2013 was \$1,833,418 (2012 - \$2,000,000).

**The Corporation of the City of North Vancouver
Notes to Consolidated Financial Statements
Year ended December 31, 2013
(tabular amounts in thousands of dollars)**

6. LONG-TERM DEBT (con't)

Future principal re-payments and actuarial adjustments on net outstanding debt over the next five years and thereafter are as follows:

| | |
|------------|--------------------|
| 2014 | \$ 173,245 |
| 2015 | \$ 180,175 |
| 2016 | \$ 187,382 |
| 2017 | \$ 194,877 |
| 2018 | \$ 202,672 |
| Thereafter | \$ 895,066 |
| | <u>\$1,833,418</u> |

Interest expense of \$6,000 (2012 - \$3,000) has been included in the Consolidated Statement of Operations. The interest rate on long-term debt is 0.3% per annum.

7. EMPLOYEE FUTURE BENEFITS

(a) Sick and Severance

Employees of the City are entitled to payments related to unused sick leave and severance upon retirement or resignation after ten years of service. The amount recorded for these benefits is based on an actuarial valuation done by an independent firm of actuaries using a projected benefit actuarial valuation method pro-rated on services. The most recent actuarial valuation of the City's future benefits was completed as at December 31, 2012.

Information regarding the City's obligations for these benefits is as follows:

| | <u>2013</u> | <u>2012</u> |
|---|--------------|--------------|
| Benefit obligation - beginning of the year | 6,962 | 6,241 |
| Add: Current service costs | 470 | 482 |
| Interest on accrued benefit obligation | 236 | 221 |
| Less: Amortization of actuarial gain | (971) | 782 |
| Benefits paid (expected - not charged to liability) | (101) | (73) |
| Benefits paid during the year | (336) | (691) |
| Benefit obligation - end of the year | <u>6,260</u> | <u>6,962</u> |
| Unamortized actuarial loss (gain) | 71 | (995) |
| Accrued benefit liability - end of the year | <u>6,331</u> | <u>5,967</u> |

**The Corporation of the City of North Vancouver
Notes to Consolidated Financial Statements
Year ended December 31, 2013
(tabular amounts in thousands of dollars)**

7. EMPLOYEE FUTURE BENEFITS (con't)

The significant actuarial assumptions adopted in measuring the City's accrued benefit liability are as follows:

| | 2013 | 2012 |
|---|---------------|---------------|
| Discount rates | 4.00% | 3.40% |
| Expected future inflation rates | 3.00% | 3.00% |
| Expected wage and salary increases (net of inflation) | .08 % to 2.0% | .08 % to 2.0% |

The unamortized actuarial loss is amortized over a period equal to the employees' average remaining service lifetime of eleven years for the City.

(b) Council Retirement Stipend

Starting 2005, Council Members are entitled to a retirement stipend based on 9.3% of the individual's total indemnity received subsequent to 2002 or his or her current term of office. These amounts are accrued as earned.

8. TANGIBLE CAPITAL ASSETS

| 2013 | Land | Land Improvements | Parks | Buildings | Machinery & Equipment | Vehicles | Infrastructure | Library Materials | Work in Progress | Total |
|---------------------------------|------------------|-------------------|------------------|-------------------|-----------------------|-----------------|-------------------|-------------------|------------------|-------------------|
| Costs | | | | | | | | | | |
| Balance beginning of year | \$ 13,094 | \$ 12,300 | \$ 19,224 | \$ 91,642 | \$ 15,796 | \$ 7,770 | \$ 166,490 | \$ 2,084 | \$ 5,215 | \$ 333,615 |
| Additions | 8,605 | 955 | 15,167 | 18,427 | 2,803 | 453 | 3,650 | 168 | 7,939 | 57,967 |
| Disposals | 12 | - | - | 1,896 | 2,258 | 376 | 614 | 1,283 | 5,215 | 11,654 |
| Balance end of year | <u>\$ 21,687</u> | <u>\$ 13,255</u> | <u>\$ 34,391</u> | <u>\$ 108,173</u> | <u>\$ 16,141</u> | <u>\$ 7,847</u> | <u>\$ 169,526</u> | <u>\$ 969</u> | <u>\$ 7,939</u> | <u>\$ 379,928</u> |
| Accumulated Depreciation | | | | | | | | | | |
| Balance beginning of year | \$ - | \$ 4,775 | \$ 7,516 | \$ 32,731 | \$ 8,798 | \$ 4,587 | \$ 66,460 | \$ 1,434 | \$ - | \$ 126,301 |
| Depreciation | - | 782 | 930 | 3,654 | 1,914 | 502 | 2,325 | 388 | - | 10,495 |
| Disposals | - | - | - | 1,397 | 2,258 | 320 | 418 | 1,335 | - | 5,728 |
| Balance end of year | <u>\$ -</u> | <u>\$ 5,557</u> | <u>\$ 8,446</u> | <u>\$ 34,988</u> | <u>\$ 8,454</u> | <u>\$ 4,769</u> | <u>\$ 68,367</u> | <u>\$ 487</u> | <u>\$ -</u> | <u>\$ 131,068</u> |
| Net Book Value | <u>\$ 21,687</u> | <u>\$ 7,698</u> | <u>\$ 25,945</u> | <u>\$ 73,185</u> | <u>\$ 7,687</u> | <u>\$ 3,078</u> | <u>\$ 101,159</u> | <u>\$ 482</u> | <u>\$ 7,939</u> | <u>\$ 248,860</u> |
| | | | | | | | | | | |
| 2012 Recast (note 14) | Land | Land Improvements | Parks | Buildings | Machinery & Equipment | Vehicles | Infrastructure | Library Materials | Work in Progress | Total |
| Costs | | | | | | | | | | |
| Balance beginning of year | \$ 11,452 | \$ 11,195 | \$ 18,696 | \$ 77,222 | \$ 15,714 | \$ 7,672 | \$ 162,563 | \$ 2,113 | \$ 12,965 | \$ 319,592 |
| Additions | 1,644 | 1,105 | 528 | 14,921 | 1,376 | 303 | 4,418 | 214 | 5,215 | 29,724 |
| Disposals | 2 | - | - | 501 | 1,294 | 205 | 491 | 243 | 12,965 | 15,701 |
| Balance end of year | <u>\$ 13,094</u> | <u>\$ 12,300</u> | <u>\$ 19,224</u> | <u>\$ 91,642</u> | <u>\$ 15,796</u> | <u>\$ 7,770</u> | <u>\$ 166,490</u> | <u>\$ 2,084</u> | <u>\$ 5,215</u> | <u>\$ 333,615</u> |
| Accumulated Depreciation | | | | | | | | | | |
| Balance beginning of year | \$ - | \$ 4,062 | \$ 6,746 | \$ 30,353 | \$ 8,498 | \$ 4,226 | \$ 64,258 | \$ 1,227 | \$ - | \$ 119,370 |
| Depreciation | - | 713 | 770 | 2,879 | 1,594 | 521 | 2,383 | 450 | - | 9,320 |
| Disposals | - | - | - | 501 | 1,294 | 160 | 191 | 243 | - | 2,389 |
| Balance end of year | <u>\$ -</u> | <u>\$ 4,775</u> | <u>\$ 7,516</u> | <u>\$ 32,731</u> | <u>\$ 8,798</u> | <u>\$ 4,587</u> | <u>\$ 66,460</u> | <u>\$ 1,434</u> | <u>\$ -</u> | <u>\$ 126,301</u> |
| Net Book Value | <u>\$ 13,094</u> | <u>\$ 7,525</u> | <u>\$ 11,708</u> | <u>\$ 58,911</u> | <u>\$ 6,998</u> | <u>\$ 3,183</u> | <u>\$ 100,030</u> | <u>\$ 650</u> | <u>\$ 5,215</u> | <u>\$ 207,314</u> |

**The Corporation of the City of North Vancouver
Notes to Consolidated Financial Statements
Year ended December 31, 2013
(tabular amounts in thousands of dollars)**

8. TANGIBLE CAPITAL ASSETS (con't)

(a) Work in Progress

Work in progress having a value of \$7,939,000 (2012 - \$5,215,000) has not been amortized. Amortization of these assets will commence when the asset is in service.

(b) Developer Contributed Tangible Capital Assets and Other Transfers

Developer contributed tangible capital assets and other transfers have been recognized at their fair value at the date of contribution. Developer contributed tangible capital assets and other transfers of \$15,416,000 (2012 - \$1,968,000) have been recognized during the year.

(c) Works of Art and Historic Assets

The City manages and controls various works of art and non-operational historic assets including buildings, artifacts, paintings and sculptures located at City sites and public display areas. These assets are not recorded in the consolidated financial statements of the City.

(d) Write-Down of Tangible Capital Assets

There were no write-downs of tangible capital assets during the current or prior year.

9. ACCUMULATED SURPLUS

| | 2013 | 2012 |
|--|-------------------|-------------------|
| | Recast (note 14) | |
| Current funds - general, water and sewer | \$ 20,861 | \$ 20,374 |
| Reserve fund | 87,334 | 88,952 |
| Capital fund | 256,029 | 216,896 |
| Accumulated surplus, end of year | <u>\$ 364,224</u> | <u>\$ 326,222</u> |

**The Corporation of the City of North Vancouver
Notes to Consolidated Financial Statements
Year ended December 31, 2013
(tabular amounts in thousands of dollars)**

9. ACCUMULATED SURPLUS (con't)

The following reserve amounts are set aside for specific purposes:

(a) Reserve Funds

| | Balance December 31, 2012 | Contributions & Transfers | Earnings | Less Expenditures | Balance December 31, 2013 |
|-------------------------------------|------------------------------|------------------------------|----------|----------------------|------------------------------|
| Machinery and equipment | | | | | |
| Engineering equipment | \$ 3,499 | \$ 276 | \$ 214 | \$ 845 | \$ 3,144 |
| Fire | 316 | 190 | 13 | 377 | 142 |
| General | 126 | 301 | 24 | 146 | 305 |
| Computer | 145 | 638 | 6 | 622 | 167 |
| Building reserve | 2,686 | 912 | 102 | 1,212 | 2,488 |
| Local Improvements | 1,131 | 12 | 44 | 39 | 1,148 |
| Affordable housing | 2,407 | 280 | 102 | 26 | 2,763 |
| Tax sale lands | 43,334 | 2 | 1,754 | 4,927 | 40,163 |
| Waterworks | 6,823 | - | 263 | 600 | 6,486 |
| Parking reserve | 579 | - | 29 | 59 | 549 |
| Civic amenity | 15,262 | 400 | 1,716 | 371 | 17,007 |
| Justice administration accomodation | 328 | - | 13 | - | 341 |
| Streets DCC | 156 | 41 | 7 | - | 204 |
| Parks DCC | 3 | 611 | - | 611 | 3 |
| Lower Lonsdale amenity | 7,420 | 5 | 287 | 586 | 7,126 |
| Lower Lonsdale legacy | 2,607 | - | 103 | 90 | 2,620 |
| Infrastructure reserve | 888 | 905 | 45 | 453 | 1,385 |
| Public art | 335 | 85 | 11 | 186 | 245 |
| Marine Drive Community Amenity | 420 | - | 14 | 139 | 295 |
| Sustainable Transportation | 362 | 88 | 15 | 46 | 419 |
| Carbon fund | 125 | 133 | 43 | (33) | 334 |
| Total | \$ 88,952 | \$ 4,879 | \$ 4,805 | \$ 11,302 | \$ 87,334 |

(b) Appropriated and Unappropriated

| | 2013 | 2012 Recast (note 14) |
|-------------------------------------|------------|--------------------------|
| Appropriated: | | |
| General funds | \$ 8,871 | \$ 8,791 |
| Water fund | 207 | 157 |
| Sewer fund | 6,789 | 6,541 |
| Capital fund | 7,169 | 9,582 |
| Invested in tangible capital assets | 248,860 | 207,314 |
| Unappropriated: | | |
| General funds | 4,085 | 3,911 |
| Water fund | 52 | 119 |
| Sewer fund | 857 | 855 |
| | \$ 276,890 | \$ 237,270 |

**The Corporation of the City of North Vancouver
Notes to Consolidated Financial Statements
Year ended December 31, 2013
(tabular amounts in thousands of dollars)**

10. COMMITMENTS AND CONTINGENCIES

(a) Property Taxes

The City is obliged to levy, collect and remit the property taxes on behalf of, and to finance the arrears of property taxes of, other bodies as follows:

| Collections for and remittances to other governments | 2013 | 2012 |
|--|------------------|------------------|
| Provincial Government - Schools | \$ 31,763 | \$ 30,078 |
| Greater Vancouver Regional District | 1,070 | 929 |
| Greater Vancouver Transportation Authority | 7,254 | 6,942 |
| British Columbia Assessment Authority | 1,152 | 1,082 |
| Municipal Finance Authority | 4 | 3 |
| | <u>\$ 41,243</u> | <u>\$ 39,034</u> |

The above amounts are excluded from the Property Value Tax in the Financial Statements

(b) Pension Liability

The City and its employees contribute to the Municipal Pension Plan (the Plan), a jointly trustee pension plan. The Board of Trustees, representing plan members and employers, is responsible for 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 179,000 active members and approximately 71,000 retired members. Active members include approximately 569 contributors from the City of North Vancouver.

The most recent actuarial valuation as at December 31, 2012 indicated a \$1,370 million funding deficit for basic pension benefits. The next valuation will be as of December 31, 2015 with results available in 2016. 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 of 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 City paid \$3,157,000 (2012 - \$3,286,000) for employer contributions to the Plan in fiscal 2013.

(c) Contingent Liabilities

The City is currently engaged in or party to certain legal actions, assessment appeals and other existing conditions involving uncertainty which may result in material loss. A reasonable estimate of these future liabilities has been made where possible and is recorded in the financial statements as a liability. Where the outcomes of amounts or losses are uncertain, no amounts have been recorded.

**The Corporation of the City of North Vancouver
Notes to Consolidated Financial Statements
Year ended December 31, 2013
(tabular amounts in thousands of dollars)**

10. COMMITMENTS AND CONTINGENCIES (con't)

(d) E-Comm

The City is a member of E-Comm, an organization comprised predominately of member municipalities, for the purpose of providing emergency dispatch services. The City is represented on the board and as a class "A" shareholder has voting rights should the organization want to incur additional debt.

The E-Comm facility was constructed using debt as a financing mechanism and members are liable for a proportionate share of that debt. This debt is repaid by members through annual fees charged by E-Comm. Should E-Comm dissolve, the members would be liable for a proportionate share of any residual debt. Alternatively, should members choose to opt out of E-Comm they would be liable for a proportionate share of debt at the time of withdrawal.

The City holds 2 class "A" shares and one class "B" share.

(e) Contractual Obligations

During 2013 the City, in conjunction with the District of North Vancouver and the District of West Vancouver, extended the contract for recyclables collection for a period of 1 year commencing July 1, 2014. The City's portion of the annual contract costs is expected to be approximately \$1,400,000 for the years 2014 to 2015.

(f) Royal Canadian Mounted Police

The City has a contract with the federal government whereby the federal government provides Royal Canadian Mounted Police ("RCMP") policing services. RCMP members and the federal government are currently in legal proceedings regarding pay raises for 2009 and 2010 that were retracted for RCMP members.

As the final outcome of the legal action and the potential financial impact to the City is not determinable, the City has not recorded any provision for this matter in the consolidated financial statements as at December 31, 2013.

11. TRUST FUNDS

Certain assets have been conveyed or assigned to the City to be administered as directed by an agreement or statute. The City holds the assets for the benefit of, and stands in a fiduciary relationship, to the beneficiary. The Cemetery Trust Fund, totaling \$2,060,000 (2012 - \$1,876,000), which is administered by the City, has not been included with the City's accounts.

12. SEGMENTED INFORMATION

The City is a diversified municipal government entity in the Province of British Columbia that provides a wide range of services to its citizens. Certain functional areas have been combined and separately disclosed in the segmented information. The segments and the services they provide are as follows:

**The Corporation of the City of North Vancouver
Notes to Consolidated Financial Statements
Year ended December 31, 2013
(tabular amounts in thousands of dollars)**

12. SEGMENTED INFORMATION (con't)

General Government

General Government provides the administrative and legislative services which support the various sectors of the City. Functions include financial planning and reporting, economic development and legislative services.

Transportation and Transit

The Transportation department aims to provide enhanced access to public transit, safe pedestrian and cyclist routes, enable accessible transportation for people with limited mobility and maintain existing infrastructure. These goals are achieved through street design, traffic signals and signs, street lighting and road maintenance activities.

Health, Social Services and Housing

Health, Social Services and Housing encompasses a wide variety of City funded initiatives aimed at supporting the social structure and sustainability of the community. Included are cemetery operations, youth and family support services, seniors programs and homeless prevention initiatives.

Development Services

Development Services' focus is community planning which includes land use guidelines, the management of City owned lands, heritage planning and development of the City's official community plan.

Protective Services

Protective Services is comprised of the North Vancouver RCMP detachment, the North Vancouver City Fire Department and bylaw enforcement. The North Vancouver RCMP detachment plays an integral role in the protection of North Vancouver residents and their property through crime prevention and detection, emergency response and victim services. The North Vancouver City Fire Department is responsible to provide fire suppression service, fire prevention services and fire safety education.

Parks, Recreation and Culture

Parks, Recreation and Culture provides access to recreation facilities, the operation and maintenance of the City's many parks and trails, the North Vancouver City Library and the City's participation in the North Vancouver Museum and Archives and the North Vancouver Office of Cultural Affairs.

Water Utilities

The Water Utility, in conjunction with Metro Vancouver, provides safe, clean, reliable water to the residents and businesses of the City of North Vancouver.

Sewer Utilities

The Sewer Utility collects waste water and transports it to trunk water mains and wastewater treatment plants operated by Metro Vancouver. In addition to the collection of wastewater, the Sewer Utility also manages the City's 150km storm sewerage system which diverts rainfall runoff from private property with an emphasis on flood prevention.

Solid Waste

The Solid Waste department provides curbside garbage, recycling and yard trimmings collection to the residents of the City of North Vancouver.

**The Corporation of the City of North Vancouver
Notes to Consolidated Financial Statements
Year ended December 31, 2013
(tabular amounts in thousands of dollars)**

12. SEGMENTED INFORMATION (con't)

| | Expenses | | | | | | Annual Surplus (Deficit) | |
|-------------------------------------|------------|---------------------|---------------------|-----------|--------------|-------------|-----------------------------|-----------|
| | Revenues | Wages & Benefits | Goods & Supplies | Services | Depreciation | Capitalized | | Total |
| General government | \$ 80,116 | \$ 11,202 | \$ 5,772 | \$ 3,387 | \$ 2,857 | \$ (6,288) | \$ 16,930 | \$ 63,186 |
| Transportation and transit | 1,701 | 2,527 | 475 | 4,888 | 1,135 | (4,438) | 4,587 | (2,886) |
| Health, social services and housing | 392 | 395 | 83 | 1,798 | - | - | 2,274 | (1,882) |
| Development services | 4,516 | 3,707 | 27 | 665 | - | - | 4,399 | 117 |
| Protective services | 1,568 | 15,170 | 1,379 | 5,409 | 1,116 | (779) | 22,295 | (20,727) |
| Parks, recreation and culture | 22,280 | 12,137 | 972 | 8,507 | 4,036 | (2,235) | 23,417 | (1,137) |
| Water utilities | 8,505 | 1,810 | 6,222 | 1,239 | 683 | (1,777) | 8,177 | 328 |
| Sewer utilities | 7,902 | 1,173 | 168 | 6,217 | 598 | (1,146) | 7,010 | 892 |
| Solid Waste | 4,367 | 1,259 | 44 | 2,883 | 70 | - | 4,256 | 111 |
| 2013 | \$ 131,347 | \$ 49,380 | \$ 15,142 | \$ 34,991 | \$ 10,495 | \$ (16,663) | \$ 93,345 | \$ 38,002 |
| 2012 Recast (note 14) | \$ 101,252 | \$ 47,230 | \$ 14,810 | \$ 34,188 | \$ 9,320 | \$ (16,304) | \$ 89,244 | \$ 12,008 |

13. BUDGET FIGURES

The audited budget figures presented in these consolidated financial statements are based upon the financial plan approved by Council as the Financial Plan for the Years 2013 to 2022 Bylaw, 2013, No. 8297 April 8, 2013. The table below reconciles the approved budget to the budget figures reported.

| | Financial Plan Bylaw |
|--|-------------------------|
| Revenue per Statement of Operations | \$ 88,209 |
| Add: | |
| Transfer from other funds | 1,498 |
| Less: | |
| Interagency recoveries | (7,250) |
| Revenue per financial plan bylaw | 82,457 |
| Expenses per Statement of Operations | 80,406 |
| Add: | |
| Depreciation | 8,776 |
| Transfer to other funds | 9,688 |
| Less: | |
| Interagency payments | (7,250) |
| Expenses per financial plan bylaw | 91,620 |
| Deficit for the year | (9,163) |
| Reserves and capital: | |
| Capital expenditures | (63,747) |
| Depreciation | 8,776 |
| Transfers from reserves | 46,149 |
| External contributions | 17,985 |
| Annual budgeted Surplus per financial plan bylaw | \$ - |

**The Corporation of the City of North Vancouver
Notes to Consolidated Financial Statements
Year ended December 31, 2013
(tabular amounts in thousands of dollars)**

14. PRIOR PERIOD RECAST

During 2013, the City revised its valuations for its streets assets included in the infrastructure category of tangible capital assets. As a result the following amounts have been recast to reflect these immaterial adjustments:

| | <u>As at January 1, 2012</u> | |
|--|------------------------------|----------------|
| | <u>Accumulated Surplus</u> | |
| As previously reported | \$ | 302,573 |
| Adjustment to tangible capital asset cost at January 1, 2012 | | 24,723 |
| Adjustment to accumulated depreciation at January 1, 2012 | | (13,082) |
| As recast | <u>\$</u> | <u>314,214</u> |

| | <u>As at December 31, 2012</u> | |
|--|--------------------------------|--------------------------------|
| | <u>Accumulated Surplus</u> | <u>Tangible Capital Assets</u> |
| As previously reported | \$ 315,180 | \$ 196,272 |
| Adjustment to tangible capital asset cost at January 1, 2012 | 24,723 | 24,723 |
| Adjustment to accumulated depreciation at January 1, 2012 | (13,082) | (13,082) |
| Adjustment to depreciation expense | (599) | (599) |
| As recast | <u>\$ 326,222</u> | <u>\$ 207,314</u> |

| | <u>Year ended December 31, 2012</u> | |
|------------------------------------|-------------------------------------|-----------------------|
| | <u>Depreciation Expense</u> | <u>Annual Surplus</u> |
| As previously reported | \$ 8,721 | \$ 12,607 |
| Adjustment to depreciation expense | 599 | (599) |
| As recast | <u>\$ 9,320</u> | <u>\$ 12,008</u> |

Permissive Tax Exemptions for the year ended December 31, 2013

| Organization | Property Address | Municipal Taxes Exempt Portion |
|---|-----------------------------|---|
| Anavets Senior Citizen's Housing | 245 East 3rd Street | \$ 32,527 |
| Army, Navy Air Force Veterans in Canada | 119 East 3rd Street | 16,424 |
| The Cascadia Society for Social Working | 325 West 19th Street | 2,844 |
| The Cascadia Society for Social Working | 351 West 19th Street | 2,851 |
| The Cascadia Society for Social Working | 348 West 19th Street | 2,477 |
| Community Living Society | 317 & 319 East Keith Road | 2,616 |
| Community Living Society | 1003-555 West 28th Street | 1,160 |
| Grand Blvd Parent Participation Preschool Society operating in Queensbury Elem. | 520 East 20th Street | 1,589 |
| Hollyburn Family Services Society | 210 West 13th Street | 5,235 |
| Hyad Housing for Young Adults with Disabilities | 2130 Chesterfield Avenue | 2,832 |
| Kiwanis Senior Citizens Homes Ltd. | 170 West 2nd Street | 28,020 |
| Kiwanis Senior Citizens Homes Ltd. | 1215 St. Georges Avenue | 11,440 |
| Kiwanis Care Homes Ltd. | 1480 St. Andrews | 11,499 |
| Lighthouse Harbour Ministries | 1 - 260 East Esplanade | 3,670 |
| The Lonsdale Creek Daycare Society operating in Lonsdale Annex Elementary | 230 West 21st Street | 732 |
| Lookout Emergency Aid Society, NS Shelter | 705 West 2nd Street | 11,636 |
| North Shore Connexions Society | 1924 Jones Avenue | 2,054 |
| North Shore Crisis Services Society | c/o119 -255 West 1st Street | 2,300 |
| The North Shore Disability Resource Centre Association | 2412 Wilding Way | 2,535 |
| North Shore Multicultural Society | 123 East 15th Street | 35,404 |
| North Shore Neighbourhood House | 225 East 2nd Street | 45,730 |
| North Shore Neighbourhood House operating daycare in Ridgeway School | 420 East 8th Street | 2,070 |
| NSNH operating daycare in Sutherland School | 1858 Sutherland Avenue | 2,900 |
| NSNH operating Out of School Childcare at Westview School | 641 West 17th Street | 4,228 |
| N Shore Neighbourhood House (Community Garden) | 207 East 2nd Street | 4,252 |
| North Vancouver Chamber of Commerce | 102-124 West 1st Street | 6,064 |
| North Vancouver Lawn Bowling Club | 2160 Lonsdale Avenue | 98,709 |
| North Vancouver Masonic Temple | 1140 - 1144 Lonsdale Avenue | 8,424 |
| Presentation House Cultural Society | 333 Chesterfield Ave | 61,909 |

| | | |
|--|------------------------------------|-------------------|
| Queen Mary Community Services Assoc. operating pre-school | 230 West Keith Road | 369 |
| North Vancouver Royal Canadian Legion | 121/123 West 15th Street | 17,274 |
| Silver Harbour Centre | 144 East 22nd Street | 19,313 |
| St Leonard's Society of North Vancouver | 312 Bewicke Avenue | 1,658 |
| Vancouver Coastal Health Authority- Magnolia House Residential Mental Health | 720 East 17th Street | 2,364 |
| Vancouver Coastal Health Authority- Margaret Fulton Adult Day Care | 1601 Forbes Avenue | 30,502 |
| Fraternal Order of Eagles, North West Aerie 2638 | 162, 164, 166, 168 170 West 3rd St | 14,179 |
| St. Edmund's Parish | 613 Mahon Avenue | 4,002 |
| North Shore Pacific Grace Mennonite Brethren Church | 101-145 West 15th Street | 5,229 |
| Assembly of Christians (Gospel Hall) | 133 East 4th Street | 1,983 |
| North Shore Bethel Christian Mennonite Brethren Church | 185 East Keith Road | 2,247 |
| Holy Trinity Catholic Church | 2705 Lonsdale Avenue | 2,057 |
| Holy Trinity Catholic School | 6 Western Avenue | 22,509 |
| Holy Trinity Catholic School | 128 West 27th Street | 16,522 |
| North Shore Alliance Church | 201 East 23rd Street | 19,054 |
| King's Temple Missionary Society (N S Christian Centre) | 1400 Sutherland Avenue | 2,202 |
| Parish of St. Agnes Anglican Church | 530 East 12th Street | 831 |
| Parish of St. John The Evangelist Anglican Church | 209 West 13th Street | 7,552 |
| Salvation Army North Vancouver Community Church | 105 West 12th Street | 10,761 |
| St. Andrew's & St. Stephen's Presbyterian Church | 2641 Chesterfield Avenue | 5,356 |
| St. Andrew's United Church | 1044 St. Georges Avenue | 3,075 |
| St. Edmund's Catholic Church | 545 Mahon Avenue | 1,784 |
| St. Edmund's Catholic School | 535 Mahon Avenue | 25,110 |
| St. Thomas Aquinas Catholic High School | 541 West Keith Road | 84,039 |
| Sutherland Church | 630 East 19th Street | 4,852 |
| TOTAL | | \$ 718,955 |

Declaration of Council Disqualifications

No Councillors were disqualified from holding office in 2013 under the provisions set out in the Community Charter.