



City of Merritt 2013 Annual Report



CITY OF MERRITT 2013 ANNUAL REPORT



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It gives me great pleasure to present on behalf of Council and myself the City of Merritt 2013 Annual Report. 2013 was another year of examining the operational and capital project budgets with scrutiny to ensure we were operating within sustainable funding and that any capital projects were clearly needed to keep our City moving forward. Several of the 2013 capital projects that were approved did not move forward due to the borrowing needed for these projects not completing until 2014.

2013 saw the final payment for the Aquatic Centre/Arena improvements, which also spurred discussion for future enhancements of these two well used facilities. Council received the Storm Water Management report, which highlighted areas of our City that require attention. Staff are currently working on a report for Council that will provide actual figures for those projects. We are anxiously awaiting the completion on the Merritt Transmission Project, now set for November 2014, which will see the doubling of our hydro capacity. Renewed interest in some of the other projects is taking place, which will bring on opportunities for more jobs within our community.

We continue to be assured that with the City of Merritt's infrastructure in place to accommodate more residences and business, and our ability to compete with like sized communities with our tax incentive program for business, that we have a positive future ahead of us. Our location to the larger cities, international airports, four lane freeways and our mild year round climate will attract the newly retired, the young families and those looking for a central location in southern British Columbia to live and do business.

Council and Staff of the City of Merritt continue to focus on ensuring Merritt is remaining progressive, attractive, socially responsible, economically and environmentally sustainable.

Susan Roline, Mayor, City of Merritt





MAYOR SUSAN ROLINE



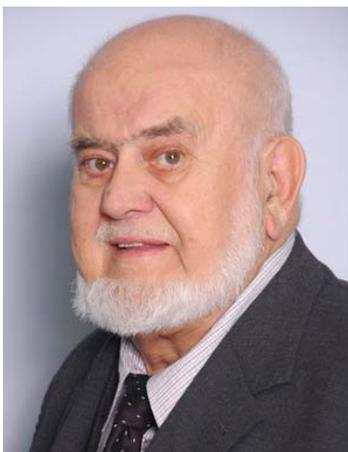
**COUNCILLOR
DAVE BAKER**



**COUNCILLOR
KURT CHRISTOPHERSON**



**COUNCILLOR
MIKE GOETZ**



**COUNCILLOR
HARRY KROEKER**



**COUNCILLOR
ALASTAIR MURDOCH**



**COUNCILLOR
CLARA NORGAARD**



Allan Chabot, Chief Administrative Officer

I am pleased to provide this introduction to the City of Merritt's 2013 Annual Report. The requirement to prepare and present an Annual Report comes from the *Community Charter*. The *Charter* recognizes municipalities as an order of government within their respective jurisdictions that are autonomous, responsible and accountable and determined and sustained by the collective will of the residents of their communities. In this *Report* you will find an overview of municipal services and operations for the previous year, a progress report respecting objectives and measures for the previous year, and a statement of objectives and measures for the current and next year. This *Report* also incorporates the audited financial statements for the year ended December 31, 2013 and other financial information that will allow the reader to gain a better understanding of the City's financial position and operation.

The *Annual Report* is one method of reporting our activities and efforts and is designed to be accessible, understandable and enhance accountability to the public. This *Annual Report* pulls together a broad range of information regarding City operations, structure, goods and services, capital plans, finance and strategic goals and objectives. It is hoped that this *Report* promotes greater understanding of the City's operations and civic engagement. By providing citizens with knowledge and information about the City public participation is encouraged, recognizing that informed and involved citizens and community groups improve the quality of decision-making and helps create the community we all want.

Through the *Annual Report*, strategic planning and other initiatives, City Council is setting the stage for municipal services and operations now and for years to come.

The Ideal Future We Are Striving For

VISION

- A Healthy Economy*
- A Thriving Downtown*
- Room to Grow*
- Viable City Finances*
- Well Managed City Assets*
- A Great Place to Live*
- A Progressive Image*
- A Great Place to Visit*

MISSION

The City of Merritt is a progressive, attractive, economically viable city that is socially responsible and environmentally sustainable.

Merritt's future is bright and with solid leadership and strategic objectives in mind we can achieve the vision identified in the Official Community Plan.

In closing, I would like to express my sincere appreciation to the City's loyal and dedicated staff, community volunteers and the many groups and organizations that work so hard to make Merritt a great community. Their efforts make the City an even better place to live, work and play.

Allan Chabot, Chief Administrative Officer



City of Merritt

(Census Subdivisions)

Characteristics	Total
Population in 2013*	7396
Population in 2011	7189
Population in 2006	7148
2006 to 2011 population change %	0.6%
Total private dwellings	3141
Population density per square kilometre	295.5
Land area (square km)	25.03
Median age of population	43.9

*Sources: Demographic Analysis Section, BC Stats, Ministry of Citizens' Services and Open Government, Government of British Columbia, December 2013

Statistics Canada 2011 Census of Population

Merritt is located at the junction of Highway 97C (the Connector), Highway 5, 5A and 8. From Merritt it is an easy 3 hour drive to Vancouver, 1 hour to Kelowna or 45 minutes to Kamloops.

Enjoy a picnic in Lions Park on the banks of the Nicola River! Walk along the trail along the Coldwater River!

Visit the museum! Visit Baillie House! Walk the Walk of Stars and check out the Country Music Murals!

Within the City, explore the skatepark, mountain bike park, children's waterpark, hiking trail and Kettle Valley Railway trail system. There is a golf course, campground, lawn bowling, swimming, curling, hockey and a number of other fun activities to experience.

If you are looking to build your business in a strong community, strategically close to the Lower Mainland and Thompson-Okanagan regions, look no further than the City of Merritt. Merritt has the location, labour force and infrastructure to allow businesses to develop and expand where country life meets up with urban amenities.

The City of Merritt administration is comprised of professional Finance, Public Works, Building Inspection, Bylaw Enforcement, Fire Rescue, Planning and Economic Development departments based out of City Hall. City Hall is centrally located between the Civic Centre, Aquatic Centre and the Arena on Voght Street. The 2013 Annual Report presents the activities and projections of each department and the City of Merritt to its citizens. It is also a requirement of the Community Charter. It is the intent of the report to provide useful information to the citizens of Merritt and to those who are considering investing in our City.





Carole Fraser, Deputy Clerk/Human Resources Manager

Corporate Services is responsible for recording the business of the municipality through its minutes, bylaws, and contracts. This department provides support services to Council and their committees, conducts the municipal elections and processes all Freedom of Information requests. As well, the Deputy Clerk has the responsibilities of managing the Human Resources function for the City.

In 2013 the Corporate Services Department prepared agendas and minutes, and attended forty-seven (47) meetings of Council and five (5) budget meetings. In addition, the Committee Clerk was responsible for the preparation of agendas and minutes for five (5) Council committees. With the resignation of one of our Councillors effective October 31st, the Corporate Services Department had to prepare for a by-election that was held on February 22, 2014.

Council considered and adopted thirteen (13) bylaws during 2013.

The Corporate Officer position for the City is combined with the Chief Administrative Officer position. The Chief Administrative Officer for the majority of 2013 was Matt Noble, who resigned at the end of August to take the position of City Manager for the City of Moose Jaw, Saskatchewan. The Chief Administrative duties for Merritt were taken on by the Leisure Services Manager, Larry Plotnikoff and the Corporate Officer duties were taken on by the Deputy Clerk, Carole Fraser. A new Chief Administrative Officer/Corporate Officer was officially hired on April 28, 2014.

The Deputy Clerk attended the Corporate Officer's Conference held in Osoyoos in the fall of 2013 which provides valuable resources which contribute a connection to peers and education opportunities continue to rise.

Human Resources in 2013 was dedicated to educating employees and providing continuity in job postings, new employee package forms and gaining knowledge about employee extended medical and dental benefits packages and the Municipal Pension Plan for employees. The Human Resources Manager attends quarterly meetings of Interior Municipal Employers and attended the Western Cities Human Resources conference in Winnipeg. These valuable resources contribute a connection to peers and education opportunities continue to rise.

During 2013, we only had one grievance to deal with from our CUPE union members. While it was a significant grievance that required a lot of thought and discussion, a resolution of the issue was achieved that was satisfactory to everyone involved. We are very fortunate to have a very good working relationship with the union.

Throughout the City, twelve (12) new members were added to the City service team employed in various positions throughout our facilities. This was not a result of an increase to staff compliments but accommodated needs due to staff turnover. A number of employees received long service awards in 2013 and there were no retirees in 2013. As we progress into 2014, Corporate Services has a number of goals for the year starting with the successful completion of the by-election. This coming year will also see a general election in November 2014. New Provincial legislation proposes to increase the term of the new incoming Council from the 3 year term we currently have to a 4 year term. We also plan to bring forward a number of amendments to our Election Procedure Bylaw that will ensure that it is consistent with the new Provincial legislation and ensures a fair and equitable process for all participants in the elections for the City.

Corporate Services also plans to continue our improvements to the City's records management system. It is our goal to digitize the process as much as possible. We intend to complete scanning of all our active agreements and set up a system to ensure that the agreements are reviewed at their expiry. These expired agreements will then be forwarded to the appropriate municipal department for consideration of renewal.

In 2014 we will continue to improve our Human Resources management processes. One of our goals for 2014 is the review and amendment of the City's Personnel Policy. It is our ongoing goal to have the City of Merritt become an employer of choice and improve our successes in employee recruitment.





The Financial Services Department is responsible for the City's financial records and reporting, annual budget, information technology, property taxes, cash receipts, payroll, accounts payable and receivable, utility billings and collections. It is the mandate of the Financial Services Department to provide Council, City departments, government agencies and the general public with advice, leadership and resources regarding the financial management of the City.

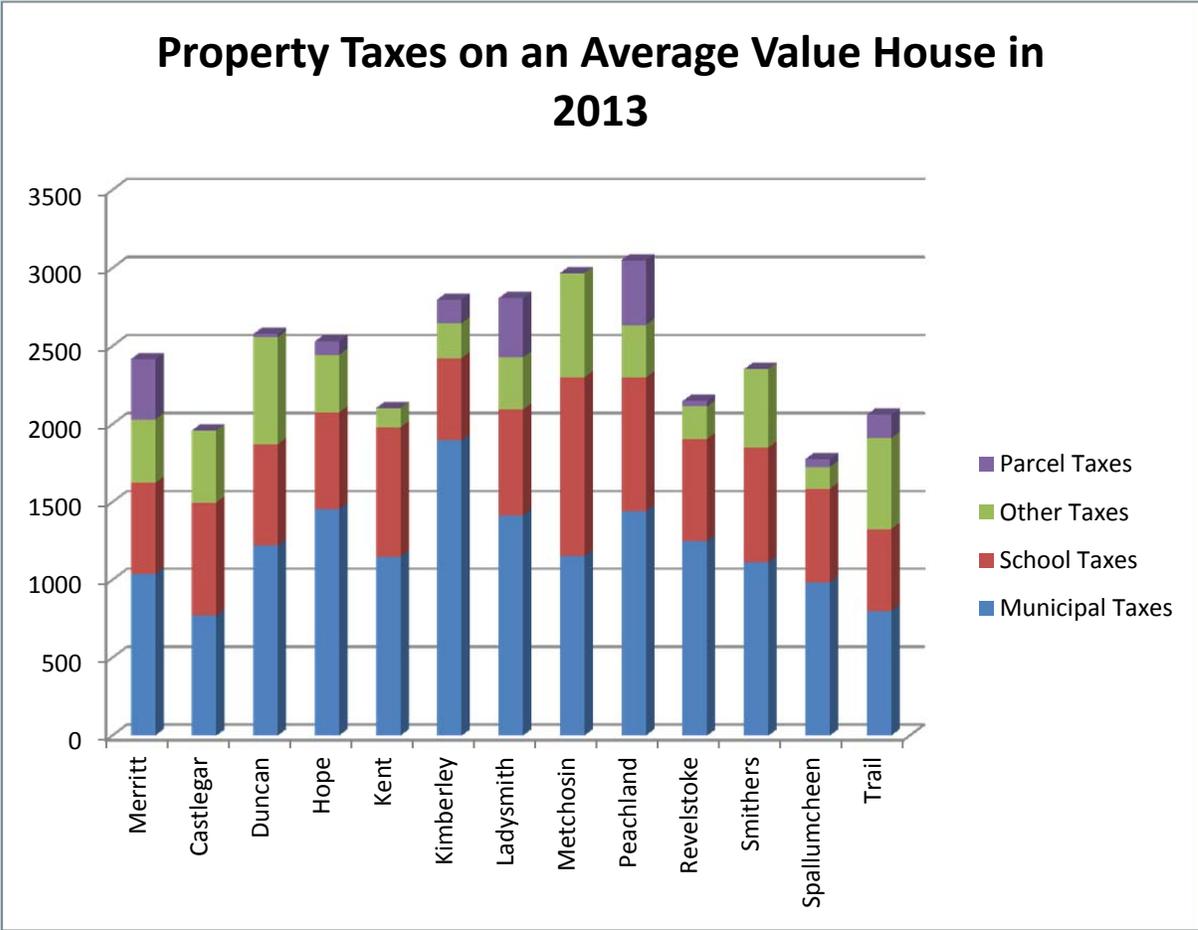
2013 was a transition year as Pat Sibilleau left the City at the end of June to take a finance position with a city outside the Province. Our new Financial Services Manager, Ken Ostraat, started with the City in August. Ben Currie was in charge of Financial Services for most of the Summer and was kept very busy with the yearend audit and filing of the annual reports while looking after the day to day operations.

One of the programs introduced by the Province during 2013 was the Office of the Auditor General for Local Government. Their mandate is to review the financial operations of local governments in the Province for value for costs incurred. A number of municipalities were selected for the first year of the program for a variety of subject reviews. Merritt was selected by the Auditor General to have its policing costs reviewed. Staff from the Auditor General's office performed some work during the Fall and will be doing some more work during 2014. We have been told that the results of the audit will be made available in March 2015.

Council and staff work hard to ensure that we meet as much of the infrastructure and service needs of the community while keeping our taxes and fees as reasonable as possible. On the following page there is a chart showing the total property taxes and parcel taxes charged by a number of municipalities with a population between 5,000 and 8,000 on an average house for that community. One of the regular complaints we hear at City Hall is how Merritt has the highest property taxes in the Province.

The blue portion of the bar graph represents the municipal portion of the tax bills for the communities. As you can see, of the 13 municipalities of a similar size to Merritt, only three have lower residential municipal property taxes. When you look at the taxes as a whole, there are six with a lower total tax bill and six with a higher total. While this comparison is for only those municipalities similar in size to Merritt, the results are similar when you compare Merritt to the rest of the Province. Merritt definitely does not have the highest property taxes in the Province.





For 2014, the Financial Services Department has a number of goals. At the end of 2013, Council approved funding for a new financial accounting software system. The new software will help the Finance Department provide the other managers with better and accurate reports. We selected the software system produced by Vadim Computer Management. Our goal will be to achieve a smooth migration from our old system over to our new accounting and financial software. This will give us the tools to provide better reporting of our financial results for both Council and our department managers.

One of the largest expenses we have at the City is our policing costs. Our total policing costs for 2013 was \$2.3 million and that is expected to rise to \$2.5 million in 2014. This is a substantial burden on a community our size and the Finance Department will be looking at ways that we can reduce those costs.

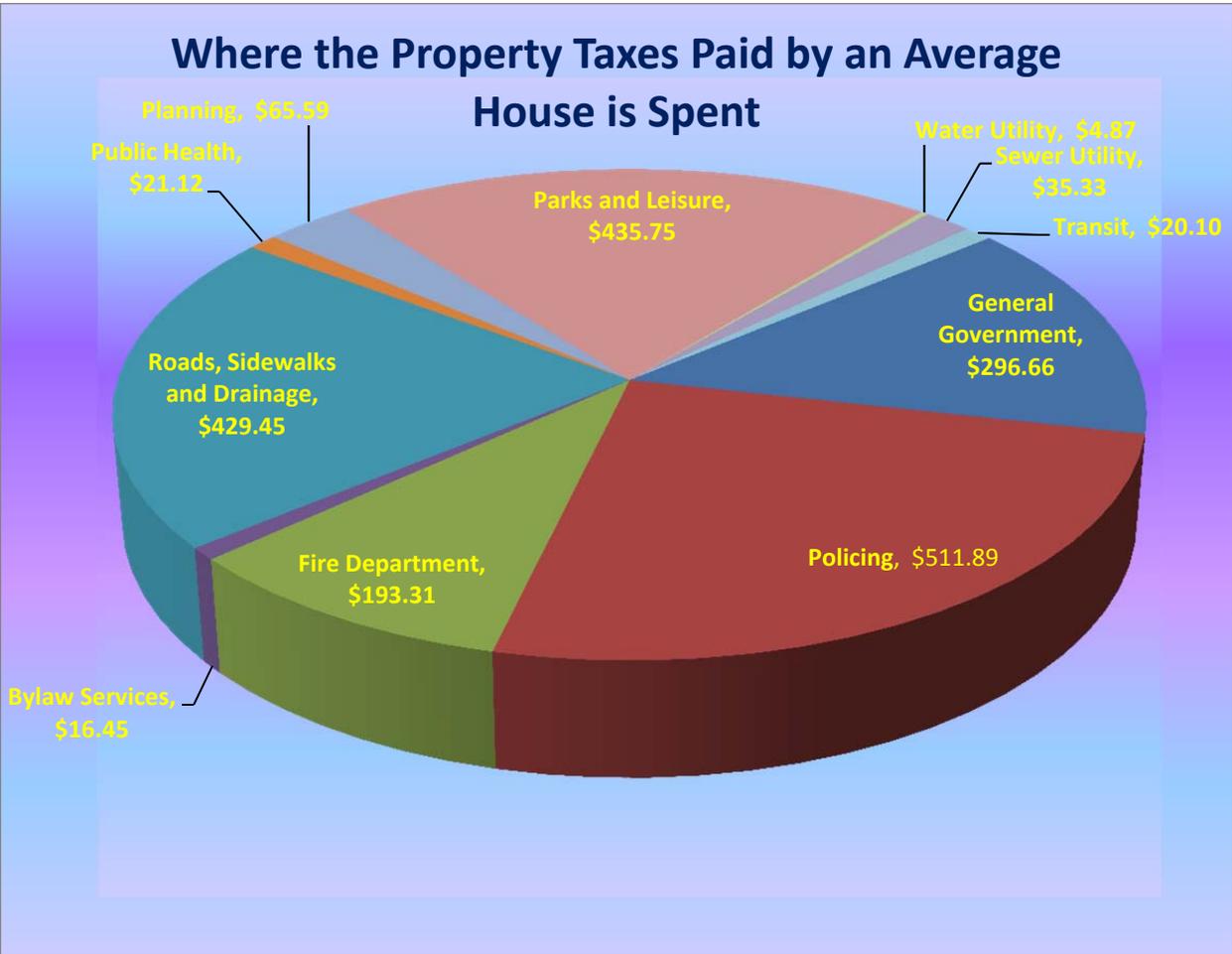
The reliability of the computer systems for the City has been an issue for some time and requires some improvement. Service for the other departments has not been adequate as we need to respond to their needs on a timelier basis. In the past, we have been relying on a contractor from outside the City to deal with maintenance issues that arise. In order to improve



availability and give timely service, we will be hiring a computer technician in 2014 who will look after our computers and networks. Our expectation is that this will allow for some preventative maintenance which will reduce the number of times that our computer systems are unavailable.

The Finance Department will be doing a review of the various fees and charges for the City in 2014. Some of these charges have not been reviewed for several years. It is important that the charges are fair to everyone and that they adequately recover the costs incurred to provide the service. Fees and charges is an important part of the revenue sources for the City. Property taxes only cover 56% of our overall budget. Fees and charges represent the next largest source of revenue for the City at 27%.

The Financial Services Department works together with Public Works in providing the City's cemetery services. The space available at the Pine Ridge Cemetery for future burials is reaching an end as we have only enough space to deal with anticipated needs for the next three years. We have land to the east of the Cemetery which can be prepared for future use. As part of this development, we will be looking to have a Landscape Architect prepare a cemetery master plan that looks at how we should develop our existing cemetery and its future expansion. We will be looking for a plan that outlines possible landscaping options that will improve the appearance of our cemetery.





For over 100 years, the Merritt Fire Rescue Department (MFRD) has strived to adapt and change as the risks, threats, and challenges to the community have changed. It is our belief that our greatest asset in carrying out our Mission is our team of hard-working volunteers, dedicated to the delivery of a quality public safety service.

As you read through this year's report at any given time there may be firefighters helping our community or are preparing to do so at a moment's notice. Our hope

is you won't need the response of our emergency work force. If you do, rest assured you will see a highly trained, competent, and diverse team. Our firefighters will aid you and your loved ones any day, at any hour.

Our Family, Helping Your Family

The Merritt Fire Rescue Department is responsible for community safety in many ways. Responding to and mitigating emergency situations to protect life and property, minimize damage, injury or loss, and doing so as quickly and effectively as possible is the primary focus of our Service. In non-emergency times, the Merritt Fire Rescue Department focuses on fire and life safety public education, legislative and bylaw compliance and firefighter training. More specifically the Merritt Fire Rescue Department provides:

- Fire Responder Medical Services
- Fire Suppression, Fire Safety Inspections and Fire Cause Investigations
- Road rescue, Motor Vehicle Incident Response
- Public Education and Community Relations
- Limited Hazardous Materials Response
- Municipal Emergency Program Management
- Fire Service Work Experience Program

The Fire Rescue Department is staffed by thirty (30) Paid on-Call Firefighters, 3 full-time Officers and five (5) live-in Work Experience Program Firefighters.

In 2013, the MFRD responded to 273 calls for service, an abnormally low year, resulting in fire losses totaling less than \$250,000. Fire and Rescue Services are provided to an estimated 12000 people within Merritt and the Nicola Valley in a geographic area covering over 8000 square kilometers.



The MFRD operates out of a single fire station located at 1799 Nicola Avenue on a single alarm basis. The City has mutual aid agreements with a number of neighboring communities such as Lower Nicola Indian Band, District of Logan Lake and the City of Kamloops who responds when assistance is requested – the converse is also true.

The Department provides contracted Fire Suppression Services to the Thompson Nicola Regional District, Ministry of Forests as well as to First Nations Lands (Shulus, Zoht and Godey Reserves) located adjacent to City boundaries. The Department routinely works with local authorities such as the BC Ambulance Service, BC Hydro, Fortis BC and the RCMP.

Fire Fleet

The Merritt Fire Rescue Department maintains a fleet of two (2) Engines, one (1) Ladder Truck, one (1) Rescue truck and one (1) Wild-land Fire Engine , plus a utilitarian vehicle equipped that responds to both wildland and first responder emergencies . These assets are housed in a single fire station. The Department maintains three (2) administrative vehicles to carry out fire prevention, training, inspection and response duties. The City has a capital reserve which it funds annually to ensure that the fire fleet is not rendered obsolete over time.



Quint 1 – Ladder Truck at the scene of a residential structure fire - 2013

RESPONSE BY INCIDENT TYPE	2013		2012		2011	
Bomb Threat	0	0.00%	0	0.00%	2	0.56%
Carbon Monoxide Detector Alarm	2	0.73%	1	0.29%	0	0.00%
False Alarm - Alarm System Pull Station Intentional	0	0.00%	1	0.29%	0	0.00%
False Alarm - Alarm System Pull Station Accidental	2	0.73%	1	0.29%	1	0.28%
False Alarm - Alarm System - Other Intentional	1	0.37%	0	0.00%	1	0.28%
False Alarm - Alarm System - Other Accidental	29	10.62%	26	7.62%	47	13.38%
False Alarm Report of fire/smoke-nothing found Intentional	1	0.37%	0	0.00%	1	0.28%
False Alarm report of fire/smoke-nothing found -Accidental	4	1.47%	3	0.88%	3	0.85%
False Alarm – Controlled Burn / Campfire	0	0.00%	1	0.29%	2	0.56%
False Alarm - Accidental Other - Describe	8	2.93%	8	2.35%	10	2.82%
Fire - Structural	8	2.93%	7	2.05%	7	1.98%
Fire Structure - Minor (Pot left on the stove...)	5	1.83%	7	2.05%	3	0.85%
Chimney Fire	1	0.37%	1	0.29%	3	0.85%
Dumpster Fire	1	0.37%	4	1.17%	1	0.28%
Fire Grass/Forest MOF E-10 Request	0	0.00%	0	0.00%	2	0.56%
Fire Grass/Bush/Shrub/Trees/Forest	9	3.30%	17	4.99%	14	3.95%
Fire - Camp Fire Contrary to Bylaw or MOF Regulations	5	1.83%	3	0.88%	10	2.82%
Fire - Controlled Burn Contrary to Bylaw or MOF Regulations	1	0.37%	3	0.88%	1	0.28%
Fire - Camp Fire or Controlled Burn Got Away	0	0.00%	1	0.29%	0	0.00%
Fire Rubbish	3	1.10%	5	1.47%	6	1.69%
Fire Unclassified	3	1.10%	2	0.59%	5	1.41%
Fire Vehicle	6	2.20%	15	4.40%	13	3.67%
Gas Spill	5	1.83%	9	2.64%	3	0.85%
Hazardous Material	1	0.37%	3	0.88%	0	0.00%
Mutual Aid	2	0.73%	1	0.29%	0	0.00%
MVI - Local Canceled In Route	9	3.30%	2	0.59%	9	2.54%
MVI - Local, Extrication Required	2	0.73%	1	0.29%	2	0.56%
MVI - Local, No Extrication Required	11	4.03%	18	5.28%	17	4.80%
MVI - Local/PEP Canceled In Route	1	0.37%	2	0.59%	2	0.56%
MVI - Local/PEP No extrication Required	2	0.73%	4	1.17%	5	1.41%
MVI - Local/ PEP Extrication Required	1	0.37%	5	1.47%	1	0.28%
MVI - PEP Canceled In Route	39	14.29%	41	12.02%	76	21.47%
MVI - PEP No Extrication Required	49	17.95%	74	21.70%	66	18.64%
MVI - PEP Extrication Required	13	4.76%	13	3.81%	14	3.95%
Power Lines Down	5	1.83%	3	0.88%	3	0.85%
Public Service	5	1.83%	7	2.05%	8	2.26%
Rescue & Safety	1	0.37%	4	1.17%	1	0.28%
Rope Rescue	0	0.00%	1	0.29%	0	0.00%
Water Leak/Flood	0	0.00%	1	0.29%	0	0.00%
Ambulance Assist	7	2.56%	11	3.23%	15	4.24%
First Responder - Medical	31	11.36%	35	10.26%	0	0.00%
TOTALS	273		341		354	



Initial Fire Engine Response Time

Average Assembly Time of Paid-on-Call Firefighters	00:05:97
Average Travel Time to Incident	00:03:51
Average Response Time	00:09:48

Local and Children’s Charities

Merritt Firefighters actively support local and children’s charities and various community events. In 2013, Firefighters proudly presented the Muscular Dystrophy Associated with a \$3,000 donation in addition to supporting Canadian Breast Cancer Society, Tim Horton’s Camp Day, McHappy Day, Canada Day Celebrations, BC Firefighters Burn Fund, Ska-Lu-La Workshop, Nicola Valley Food Bank, and awarded a bursary to a local Secondary School Student.



Work Experience Program Firefighters Assisting at McHappy Day -2013
Firefighter Training

MFRD Firefighters train to the National Fire Protection Association 1001 Standard. The Program is administered in-house through the College of the Rockies. Additional training, including specialized and technical instruction is typically provided by the Justice Institute of British Columbia Fire Academy (JIBC).

In 2013, the MFRD Training Division was busy with the on-going maintenance of firefighter skills along with the development of new disciplines totaling more than 4794 staff hours of training conducted on Monday evenings, weekday afternoons and



weekends. This system ensures that all training disciplines are scheduled and completed regularly to meet operational needs and increase the continuity and standardization of training.

The Department's Training Division organized many specialized training events in addition to regular training for individual firefighters. Additional training events included;

- Auto Extrication Level II
- Elevator Rescue
- Live Fire I / II
- Pumps & Pumping
- First Responder Level III with spinal and AED endorsements



Live Fire Training – Kamloops Fire Training Center

Fire Prevention and Inspection

The MFRD completed 267 fire safety inspections of public buildings within the community in 2013, as required by the Provincial Fire Service Act. MFRD reviews building plans from a fire safety perspective in all new developments and commercial buildings as a member of the City's Technical Planning Committee.

The MFRD is responsible to enforce regulations and legislation including the BC Fire Code, local Municipal Bylaws and parts of the BC Building Code.

Public Education

It is estimated that the MFRD was able to connect with nearly 2,500 persons; pre-school, K to grade 4, teens, adult learners and seniors, in fire prevention and life safety activities and events in 2013. The Department offered education and prevention programs related to Fire Extinguisher Training, Juvenile Fire Setter Intervention, Fire Life Safety House, National Fire Prevention Week, Fire Station Tours, Fire Chief for a Day, FireSmart Communities and other seasonal fire safety and injury prevention initiatives.

Fire Prevention Week

Fire Prevention Week is celebrated with much fanfare by the MFRD and includes the set-up of fire prevention and safety information displays at local businesses.

The displays are staffed by firefighters for the entire week. Public service announcements are broadcast by local radio and television. In addition, fire safety articles and ads are published within the local newspaper.

Burn Awareness Week

The focus of the MFRD during Burn Awareness Week is to engage pre-school and kindergarten aged children and their parents, delivering a message of Burn Prevention. Children are taught the difference between what is a tool and what is a toy, while parents are reminded how to reduce the risk of burn injuries in their homes.

Fire Chief for a Day

This initiative encourages children to develop and practice a home fire escape plan with their entire family. To participate children submit their family's fire escape plan to their school. A student from a local elementary school is chosen to be "Fire Chief for a Day". The child is picked up by the fire engine from their classroom and taken to the fire station where they spend time learning about the firefighting equipment and have an opportunity to direct firefighters; afterwards they are treated to lunch with the Fire Chief and his firefighters, sponsored by McDonald's.

Firefighter Recruitment

In 2013, the Department was fortunate to have four (4) individuals step forward to serve their community as paid-on-call firefighters.

New recruits complete 80 hours of in-house training during their probation in addition to 16 hours of live fire training, and the completion of several firefighter training subjects which meet the NFPA 1001 Standard. During probation new firefighters actively respond to emergencies as members of their Platoon and are mentored by senior firefighters.

Firefighter Work Experience Program

2013 saw the completion of the MFRD's sixth Firefighter Service Work Experience Program (WEP). The Program was developed in response to the department's decreasing ability to provide service as the demand for service increases; with the most



notable demand being the ability to provide response during daytime working hours. This is a result of a change in our socio-economic conditions leaving our society less time and desire to volunteer.

WEP attracts candidates from the many Fire Academies / Colleges from across Canada. Successful candidates arrive certified to the National Fire Protection Association's 1001 Standard. Many bring previous firefighting experience from their volunteer firefighting backgrounds.

WEP firefighters live at the fire station, supplementing the response of the City's Paid-on-Call Firefighters. During working hours WEP firefighters assist career staff by conducting public fire safety education, perform Company Level Fire Inspections and conduct station and equipment maintenance. The Work Experience Program bridges the gap between the career and volunteer fire services, offering the Citizens of Merritt a higher level of service. Most WEP firefighters are hired from the Program to Career Fire Departments.

Emergency Program

The MFRD acquired the responsibility for the administration of the City of Merritt's Emergency Plan in 2013. After a review of the existing Plan a new Plan was written and is now in review by various stakeholders. Additionally, an Airport Emergency Response Plan was authored by the Department and awaits adoption.

Looking Towards 2014

For the Merritt Fire Rescue Department, the operational tempo for 2014 is expected to mimic that of former years, 2013 being atypical.

A continued goal for 2014 is to increase the focus towards pre-fire planning of major industrial sites within our community and to work with their staff to ensure their emergency preparedness. Since being delegated the management of the Municipal Emergency Program in 2013, we expect the demand for training, planning, input, project management and public education to increase as the Program develops.

The Training Division will focus their efforts on expanding firefighter knowledge through technical instruction beyond that of the regular training program. The Department intends to host courses pertaining to Emergency Vehicle Operations, Advanced Level Auto Extrication, Swift Water Rescue, Hazardous Materials Response and complete the certification of additional Medical First Responders.

A major project for 2014 includes the addition of an Apparatus Bay with exterior renovations of the existing fire station to include paint and windows. No major apparatus purchases are scheduled in 2014; however, the department is in the design stage of a new fire engine to supplement the fleet.

The continuation of the Fire Service Work Experience Program (WEP) is considered a priority to ensure an adequate level of service is provided. WEP firefighters enhance the response of the City's paid-on-call firefighters who find themselves with less time available to respond to emergencies during day-time working hours. The MFRD is confident the WEP will remain viable in future years; constant interest is expressed by candidates willing to relocate to the City of Merritt after completing training in various Fire Academies / Colleges across Canada. Their efforts are focused on gaining firefighting experience as they pursue a career in the Fire Service. The WEP continues to offer the Citizens of Merritt an enhanced level of service at a nominal cost.

Budget

	2013	2012	2011
Actual Operating Costs	\$780,620	\$718,445	\$733,521
Population Estimate (BCstats)	7396	7155	7230
Per Capita Cost	\$105.54	\$100.41	\$101.45
Paid-On-Call Firefighter Remuneration	\$118,808	\$141,676	\$108,468

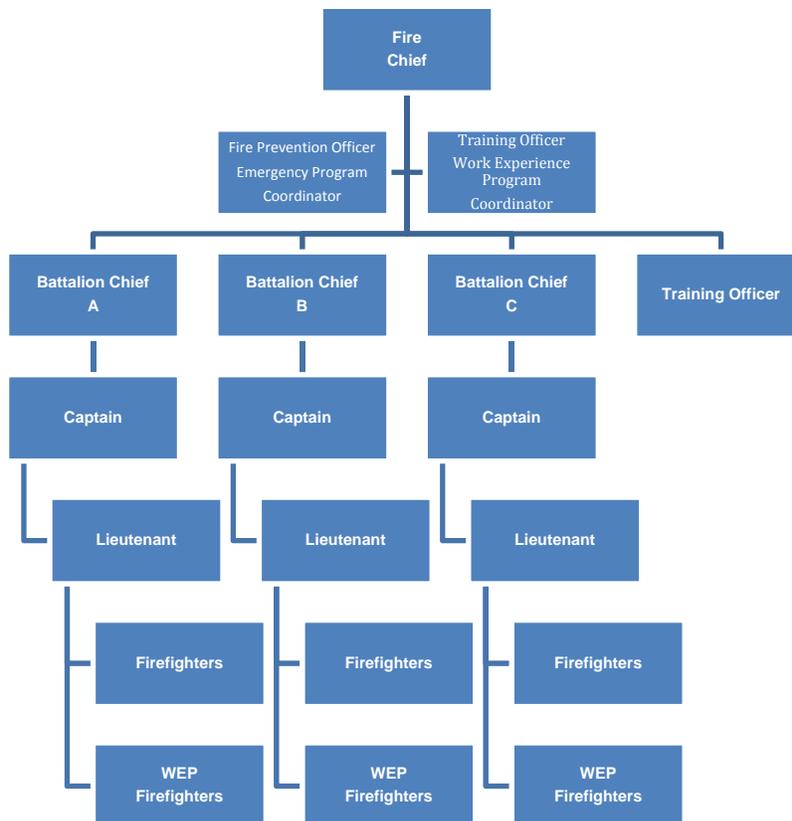
2013 Capital Expenditures

- Architect Fees - Future Fire Station \$165,000
- Replace Pick-up Truck - Command 1 \$ 50,000
- Auto Extrication Equipment \$ 22,740
- Land Acquisition - Future Fire Station \$ 15,000
- Turnout Gear Replacement Program \$ 12,000
- Fire Station Vehicle Exhaust System \$ 11,500
- Fire Hose Replacement \$ 8,000



Fire Station Tour – 2013

Fire Department Organization Chart





The Community Policing Office (“CPO”) is a crime prevention office located in downtown Merritt. The CPO works with community partners to identify the root causes of crime and through education and awareness, strives to prevent and reduce crime in the community.

The Community Policing Office is a joint effort between the City of Merritt and the RCMP. The CPO is not another RCMP detachment office; rather, the purpose of community policing is to get the community involved in crime prevention and crime reduction programs. The office is managed by Community Policing Coordinator Kelly Donaldson in conjunction with RCMP Constable Tracy Dunsmore. They work with the community to formulate effective programs that make our community safer and healthier!

PROGRAMS

Crime Stoppers Merritt and Nicola Valley: In 2013, the Merritt detachment received 26 crime stoppers tips of which 8 arrests were made, 5 cases cleared, 8 charges laid and \$950 in cash paid out. The value of property seized was \$1500 in property and \$790 worth of drugs. The cash payout does not include tips that had payouts approved and were not picked up by informants.

Crime Stoppers held a fundraising event in September 2013 with an Elvis tribute artist and raised funds for the local program.

Speed Watch: Speed Watch is a partnership program between ICBC and the RCMP that uses volunteers to set up portable radar equipment and an electronic digital board to monitor speeds in neighbourhoods, school and playground zones, high traffic areas, and highways. Drivers get an instant readout of their vehicle travel speed, displayed on a reader-board as they pass by. Volunteers record the speed of every vehicle and forward these reports to the police. If possible, volunteers collect data on seat belts and hand held devices. Speed Watch Activity reports are provided monthly to ICBC where a province-wide database is maintained. Speed Watch enjoyed a very successful 2013 and logged over 175 hours!

Foot Patrols: A Foot Patrol is a trained group of volunteers organized to increase the safety and livability of the neighborhood. They walk their neighborhood streets, parks, or schools to deter crime and report incidents and problems, rather than sit back and hope that someone else will take care of any crime or livability problems. Foot Patrol members are actively and directly involved in solving those problems in a community-based, non-confrontational manner. In 2013, the CPO worked with 5 volunteer foot patrollers who hit the streets on foot or bike 2 days a week.

Literacy Merritt and Nicola Valley Society: The CPO partnered with Literacy Merritt and Nicola Valley Society to build the Bright Red Bookshelf program. 2013 saw an increase in community volunteers and book donations. With over 26 bookshelves located in the community and volunteers from the CPO, the city, the schools, and NVIT, the Bright Red Bookshelf program continues to flourish in the community.

Nicola Valley Shelter and Support Society (NVSSS): In 2013, NVSSS was awarded federal funding through the *Homelessness Partnering Strategy* to bring the community together around homelessness. A coordinator was hired and was tasked with managing the extreme weather shelter. The shelter continues to be accessed demonstrating a strong community need for supportive housing. The shelter is open daily from November 1 – March 31 and is managed by some staff and volunteers. The community continues to embrace the program and supports it through time and donations! The link between shelter and crime reduction is strong: if people have a safe place to sleep and eat, they are less likely to be involved in public vagrancy and petty crime and are less likely to become a victim of crime themselves.

CYC (Child and Youth Committee): A community committee that meets monthly at Brambles. The committee is made up of community agencies that represent or work with youth. Most meetings are round table and discuss issues or events going on in the community but the committee has taken on tasks when community needs are identified such as a youth suicide protocol, letters of support for agencies such as youth mental health, or community hiring of a Big Brothers Big Sisters Coordinator.

Asset Committee: A sub-committee of CYC, the Asset Committee meets monthly at the local high school during lunch hour. The committee is made up of school staff, students, Merritt Leisure Services, CPO, RCMP, Interior Health, Big Brothers Big Sisters and Nicola Family Therapy. The role of the committee is to enhance the 40 Developmental Assets in the lives of youth in our community. The first annual Youth Appreciation Night was held at the Civic Center in May 2013 with a grant from the RCMP Foundation. Over 40 youth were nominated from the community and celebrated by parents and the community. The goal of the youth celebration is to recognize youth for contributions outside of the traditional school and sports award format.

This year the committee had poster frames mounted in MSS washrooms as well as at the Civic center for a program called “toilet talk”. Information in the frames talks about assets or well-being as well as promoting community events.

Merritt Integration Project: The objective of the Merritt Integration Project (MIP) “is a composite of community stakeholders assembled to identify local needs and gaps within the community of Merritt. MIP is to assist in developing and recommending strategies to bridge gaps in service to better address the needs of clients” (MIP *Terms of Reference*, June 2013). The Community Policing Office has been an active participant at the MIP table and continues to be a part of strategic planning for the community.

Smart Step Youth Association: Smart Step Youth Association is a non-profit society that is run throughout the summer months involving community youth who take on training and volunteer opportunities as well as mentorship to younger youth. The board is made up of adults and Smart Step youth past and present. In 2013, 2 paid coordinators were hired over the summer. Both were university students that transitioned from the program and wanted to stay involved. Last year the Smart Step Youth received grants from United Way and SOGO to purchase equipment for their one week sports program held in August and funds for the “Keep our City Clean” week-which was also held in August. The city clean-up program is a graffiti and garbage clean up that lasts over the week. Last summer the youth also participated in an afternoon canoe journey with the local First Nations policing unit at Nicola Lake and held a wrap up party for the youth. The youth were integral in the Kidz Tri It!! triathlon as volunteers as well as the July 1st Canada Day celebrations at Rotary Park.



Search and Rescue: Cst. Dunsmore is the detachment liaison with the Nicola Valley Search and Rescue. Cst. Dunsmore is the current SAR training officer and has 22 years' experience as a trained Ground Search and Rescue person as well as swift water, ice rescue and rope rescue certified and has been a GSAR instructor for 20 years. Cst. Dunsmore's role with the detachment is to ensure that the group has adequate resources and training to be able to provide services to the RCMP in the case of a search or a rescue in which they become an aid for RCMP and ambulance personnel and in evidence searches and coroners investigations.

Block Watch: The Block Watch program is a program that connects neighbourhoods in our community around safety and crime prevention and reduction. The CPO provides training, coordination, and presentations to set up the program and keeps the community connected and informed via the Block Watch BC newsletter.

Kidz Tri It!! Triathlon: The second annual Kidz Tri It!! triathlon was held the last weekend in May 2013. The event is a non-competitive event to give youth, preschool to grade 7, the opportunity to participate in three lifestyle sports: swimming, biking, and running. A grant was received from the Interior Savings Credit Union for \$1500 to help pay the costs of organizing and allow for financial accessibility for the participants. In 2013, nearly 100 youth registered for the event. Merritt Leisure Services, the RCMP



and Merritt Fire Rescue sit on the organizing committee and are aided by many community volunteers and parents.

Nicola Valley Women in Action Victim’s Services program: Cst Dunsmore is the detachment liaison for the local victim services program. Cst. Dunsmore sits on the Nicola Valley Women in Action board who hold the provincial contract with the Solicitor General to provide victim services to the community of Merritt and the Nicola Valley. Cst. Dunsmore is responsible for supervising the two paid employees and three volunteers who are currently with the program as well as security clearing new volunteers and hired employees.

School presentations: The CPO was involved in a number of school initiatives in 2013. The CPO is often asked to present at the schools on topics such as: bullying and internet safety as well as offering resources for the youth. The CPO also attends bike rodeos and participates in the “Roots of Empathy” program, which involves bringing a baby to a kindergarten class to foster empathy and reduce bullying.

Occurrences at Front Counter:

Assist General Public:	435
Community Initiatives:	405
Referrals:	40
DIPP’s (drunk in public place complaints):	13
Lost and Found Complaints:	49
Volunteer Inquiries:	66
Police Files Generated:	43
Total Front Counter Occurrences:	1331
Total 2013 Volunteer Hours:	1459



The Public Works Team

The Public Works team is proud to help Merritt build a reputation as a great place to live, work and raise a family. We work hard to continually improve and support our community.

This 2013 Annual Report highlights and presents some of our critical services and successes. We are responsible to deliver water, sewer, road maintenance and many other vital services to the citizens of Merritt.

The continual challenge for us is to maintain consistent levels of service within available funding, along with increased customer service requests, inventory increases and keeping up to the growth of our city. Based on our track record, Public Works employees are up to these ongoing challenges and are committed to delivering efficient and effective services for the City of Merritt and its citizens.

The Department consists of the Public Works Manager/Approving Officer, Public Works Superintendent, Engineering Technician, Cross Connection Control Coordinator, eleven full time Public Works employees, one part time employee, seven Public Works seasonal employees and two summer students.

With such a small group, all employees must be able to function in most capacities of the department. We are continually upgrading ourselves in all aspects of the Public Works field to make sure we are current with new activities and municipal, provincial and federal regulations.



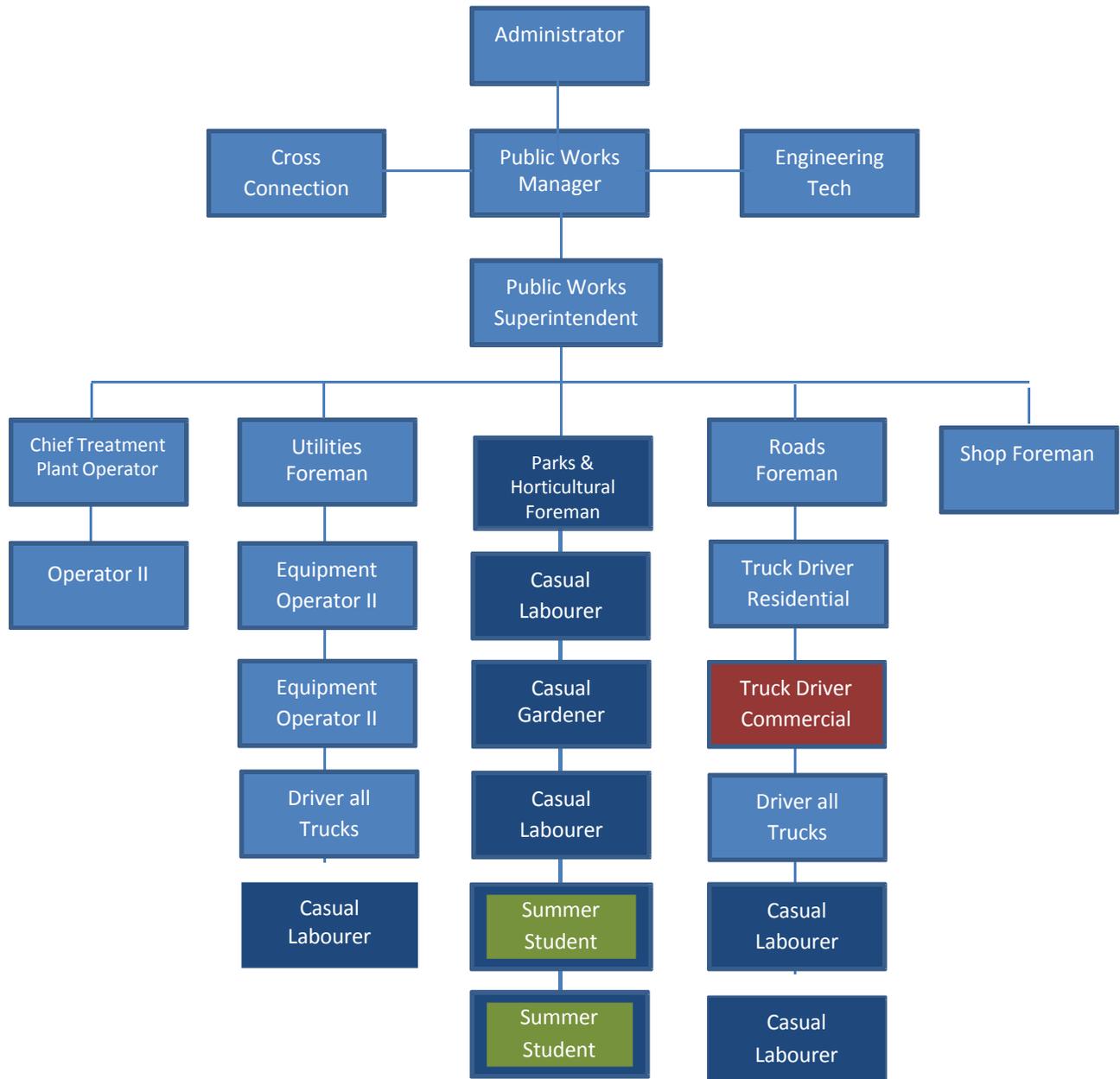
Public Works Divisions

The Public Works Department serves a population base of about 7000 residents and is comprised of a workforce of 23 employees. The Department contains 7 different divisional areas of responsibility that are organized as follows:

1. **Fleet Maintenance** - maintains and manages the City's fleet vehicles and the Merritt Fire/Rescue Department trucks.
2. **Underground Utilities** - maintains the underground water, storm and sanitary sewer infrastructure and performs the water meter reading and water meter maintenance functions for the City.
3. **Roads & Drainage** - provides road, sign, sidewalk, lighting maintenance and any other above ground work.
4. **Solid Waste** - includes commercial and residential garbage pick-up and bin maintenance, and recycling.
5. **Parks** – provides all maintenance required for parks, play grounds, cemetery and potted flowers.
6. **Water Supply & Wastewater Treatment** - responsible to operate and maintain the City's water, chlorine systems, water storage reservoirs and water pump stations. The second part of this department is wastewater treatment, that maintains and operates the City of Merritt's activated sludge wastewater treatment facility and the sewage lift stations. This division ensures that the water you get at your tap is safe to drink and that your sanitary sewage is treated properly and returned to the environment safely and within all permitted levels. (Separate annual reports are prepared for each of these divisions.)
7. **Engineering & Environmental Services** – provides engineering services to other internal and external clients. Liaise with developers and provides review and advice on technical matters. Reviews development applications for compliance with the Subdivision & Development Bylaw.

The hard work and dedication of these employees and the support from city management and Council keeps all areas of the city running smoothly twenty four (24) hours a day seven (7) days a week.

Organizational Chart



- *Dark - Seasonal
- *Red - Regular Part Time
- *Green - Summer Students.



Fleet Maintenance

Fleet Maintenance is a division of the Public Works Department responsible for the maintenance, acquisition and management of the city's fleet. In addition to the City fleet this group also maintains vehicles and equipment for the Fire Department.

This division is maintained by the Shop Foreman, a heavy duty / automotive mechanic. He is also involved with repairs and maintenance in the Wastewater Treatment Plant and high lift pump stations as well as numerous projects in all other departments.



As of December 31, 2013 Fleet Maintenance was responsible for:

REPAIR ORDERS					
	2009	2010	2011	2012	2013
Issued	563	440	400	423	401

CITY FLEET					
	2009	2010	2011	2012	2013
City Vehicles	39	40	42	42	45
Misc. Equipment	80	83	85	87	87
Fire Department Vehicles	9	9	8	8	9
Fire Department Misc. Equipment	16	17	18	19	19
TOTAL UNITS	136	149	153	156	160

WORK ORDERS	Target (Actual)	Target (Actual)	Target (Actual)	Target (Actual)	Target (Actual)
	2009	2010	2011	2012	2013
Work Order/ Technician	250 (563)	275 (440)	300 (400)	300 (423)	300 (401)
% of Unscheduled Work Orders - Amount of total Work Orders that were not planned.	60% (60.92%)	60% (43%)	60% (53.2%)	60% (39%)	60% (26%)

PM SERVICES/INSPECTIONS					
	2009	2010	2011	2012	2013
A Level	42	44	53	47	46
B Level (Annual Aerial Inspections)	2	2	2	2	2
C Level (Annual NDT Inspections)	2	2	2	2	2
D Level (Motor Vehicle Inspections)	15	15	15	15	15
E Level (Annual Fire Pump Inspections)	4	3	3	3	3

EQUIPMENT/FUEL USAGE					
	2009	2010	2011	2012	2013
Total Vehicle and Equipment Hrs.	n/a	2348.2	6913.4	8346.17	8768.40
Total Vehicle and Equipment Km.	n/a	164105.7	243002	169505	177694.0
Total Gasoline (litres)	n/a	27663.3	33910.4	33128.9	31476.01
Total Fuel (litres)	n/a	65367.7	62000.4	61700.2	59673.45

Solid Waste

The new automated residential garbage truck that arrived in 2012 has now been in service for over a year. The containers are 120 liters or the volume of two average size black garbage bags. The automated system has proven effective, not only to help reduce the amount of garbage picked up, but also reduce tipping fee costs to the TNRD.

In 2013 recycle bins for the automated residential garbage truck were delivered to each residential household. The truck is divided into two sides, so on each route the garbage truck driver will now pick up both garbage and recycling, this means picking up 700-900 cans per day.

On average up to two tons of recycling is collected per day. 10-15% of this recycling is contaminated which is something the City is going to work with the public to try and eliminate.

The residential garbage truck operates four days a week Tuesday to Friday; the operator on Mondays is utilized within any other Public Works Department depending on other workloads.



The Commercial Garbage truck driver is a part time employee that works three days a week. The Commercial Garbage Truck empty's 324 bins a week or 16,848 bins a year which is accomplished in the three days being Monday, Wednesday and Friday. Garbage bin maintenance and customer requests are accomplished by moving a worker from another department when needed.

In 2013 a new Commercial Garbage truck was purchased and was scheduled to arrive in late December. Unfortunately due to production delays and extreme winter conditions in Eastern Canada the garbage truck is now estimated to arrive late in January early February 2014.

Underground Utilities

Utilities Division maintains the underground water, storm and sanitary sewer infrastructure and performs the water meter reading and water meter maintenance functions for the City. There are approximately seventy two kilometers of water mains and sixty kilometers of sewer mains within the City. The Utilities Department also is responsible for 3000 water connections, 385 hydrants, 127 commercial water meters and 2950 sewer connections.

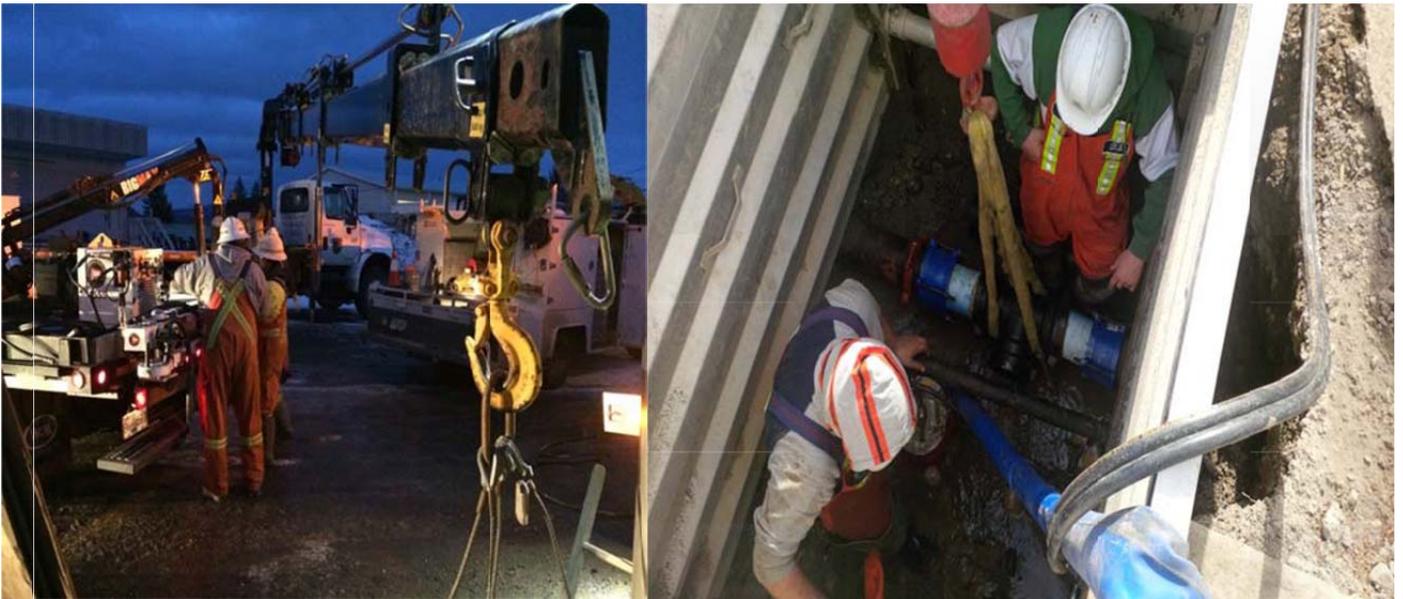
In 2013 the utilities had:

- 13 - Water Main Breaks
- 5 - New Hydrants installed
- 29 - Water Service repairs
- 1 - Sewer service Repair
- 173 - Hydrants Serviced
- 96 - dead end blow offs

Every second year, half of the total number of hydrants within the city are serviced. This is a routine exercise to make sure the hydrants are in proper working condition.



- *Many of these were emergencies and were repaired or replaced after working hours and throughout the night.*



New Vactor Truck



In 2013 Public Works received a new Vactor Truck. Operators attended a 2 day training session with the supplier. This new truck will now allow us to flush our own sewer systems as well as give us the opportunity to hydro-excavate down to repair water leaks. Having this truck is a huge advantage and helps us to safely locate buried hydro and gas lines.

Roads & Drainage

Roads and Boulevard operations maintain a high standard of our roads infrastructure. This includes:

- Patching potholes
- Insuring that all sidewalks and wheelchair ramps be swept and free of debris (with the help of Bylaw Services)
- Ploughing, shoveling and salting the roads and sidewalks in the winter,
- Fixing street lights,
- Repairing or installing street signs,
- Installing and maintaining the numerous banners and flags,
- Grading gravel roads and parking lots.
- Oversee all solid waste operations

In 2013 the Roads department continued the sidewalk grinding program in conjunction with our sidewalk inspection program. In our first year 389 tripping hazards were eliminated by grinding the concrete to make the sidewalk flat again.

The Roads Department maintains and repairs approximately 61 km of roadways. In 2013 the Public Works department patched approximately 500 potholes and repaired a minimum of twenty other asphalt related problems. The majority of these repairs were from water main breaks. The City is also currently crack sealing once a year in hopes of extending the life of our aging asphalt.

Beet Juice Anti-Icing Initiative

Beet Juice anti-icing fluid is derived from a renewable sugar beet source and provides a versatile ice control process that is an attractive choice where environmental concerns are important.

In 2012 the roads department started using beet juice as an anti-icing / de-icing system during winter conditions. In 2013 the beet juice usage really took off as we learned to use it to our full advantage. Last year was a great success and this year we have 2 trucks equipped to apply the juice product.

Beet Juice is a great product used under the right conditions. Many aspects are considered when using beet juice such as outside temperature, road temperature, what weather is coming and what is the temperature going to do within the next 24 hrs. Public Works has worked closely with VSA to understand and to use this product to its full potential.

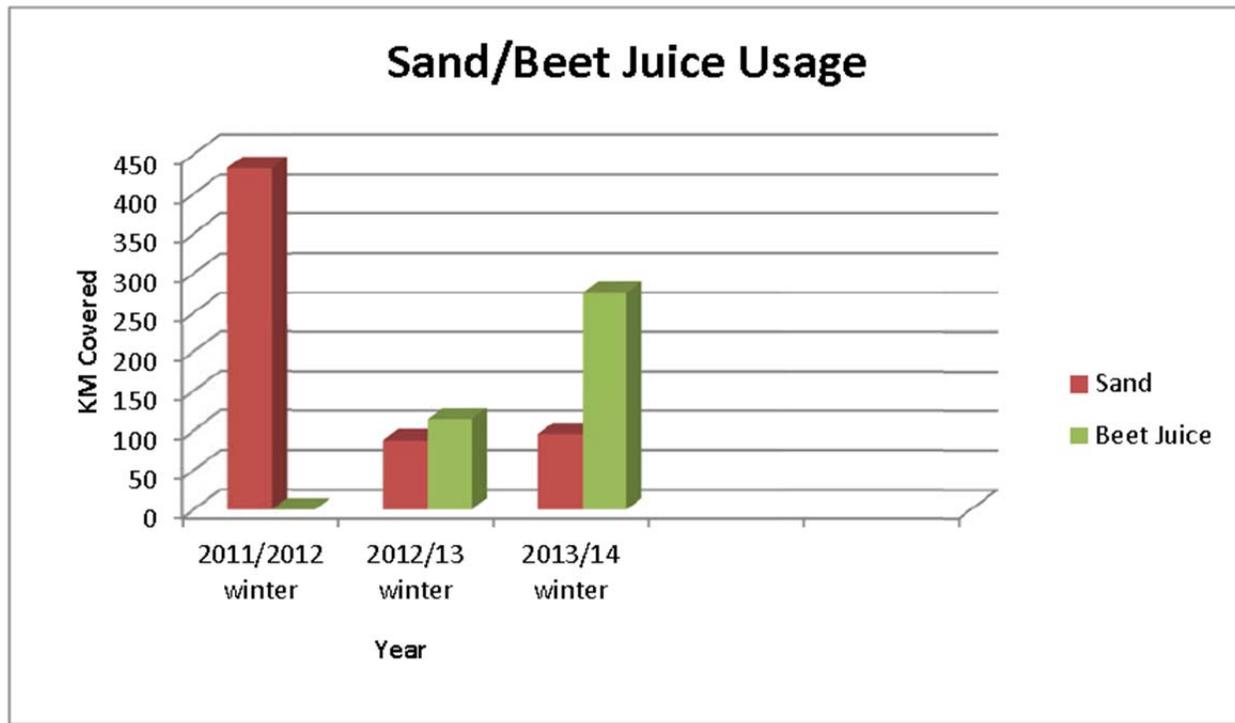
We use the beet juice as an anti-icing, and a de-icing, primarily concentrating on the main arteries of the city. When temperatures are optimum and snow is forecasted we will pre-treat the roads with beet juice, this will melt snow when it comes into contact with the roads, helping to prevent ice and snow compaction. De-icing is used to help break through compaction

Anti-icing: 50-90 Liters Per Lane KM (Blended with 60% salt brine)*

De-icing: 120-150 Liters Per Lane KM (Blended with 60% salt brine)*



In the first year the Beet Juice was proven to reduce the amount of sand used, which in turn reduces cleanup costs in the spring. The savings in spring cleanup for 2012 was estimated at \$15,000!



- *Consideration has to be taken in on the type of winter we had each year!*
- *In the early stages of our trials we have noticed that one application of beet juice equals 3 sand applications.*

There are considerable costs between running a pickup with beet juice and a sand truck with sand.

Beet Juice - \$.223/Lt x 1000Lt truck = \$223/Load

- \$52.95/hr Truck/labour costs
- Average truck load will treat 10km of road

Sand - \$18 /m³ x 4m³/load = \$72

- 62.85/hr Truck/labour costs
 - Average load will sand 4km of road
- To sand 10km it would cost \$728.55

Parks

The City of Merritt Parks Division is operated with seasonal employees that work from April to October. The division is comprised of one Parks Foremen, three seasonal labourers and two summer students.

The division is responsible for maintaining eight parks totaling over 50 acres of parkland and 5 km of trails; managing the landscaping of all civic facilities that include City Hall, Civic Centre, Spirit Square, Fire Hall, Museum, North East Entrance to the City and the Airport also included are all boulevards and right-of-ways within the city.

Parks staff maintains approximately 45 acres of turf on a weekly basis. This includes mowing, aerating, over seeding, topdressing, line trimming, the use of a healthy fertilization program and irrigation practices. There are twenty five annual flower beds, fifty two planters and five perennials beds that are planted and maintained during the planting season. There are over 150 trees that are planted on City property that need ongoing care. This requires planting of new trees, watering, fertilizing, pruning, health monitoring, hazard assessment and removal when necessary.

All City parks are irrigated with the Toro Sentinel program that controls the irrigation system. This controls the sprinklers based on weather conditions such as rain, wind, and drying trends. The system is continually monitored, inspected and repaired as needed.



Recycling containers have been added to the parks as well as bio-degradable dog clean up bags. These bags are now available throughout the parks free for public use. With the completion of the Recycle Depot, we hope to reduce the amount of litter and waste materials within the City.

Maintenance at the recreational facilities include the volleyball courts, tennis courts, ball diamonds, the rugby field, Aquatic Centre, Arena and the Lawn Bowling Club. Monthly safety checks on our playgrounds and trails are performed by trained staff that inspect and correct any problems, damages or hazards.

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The general maintenance and operations at Pine Ridge Cemetery is also the responsibility of the Parks Division. This includes the digging, preparation, opening and closing of graves, interments, installation of memorial tablets, monuments on the graves, mowing, and line trimming.

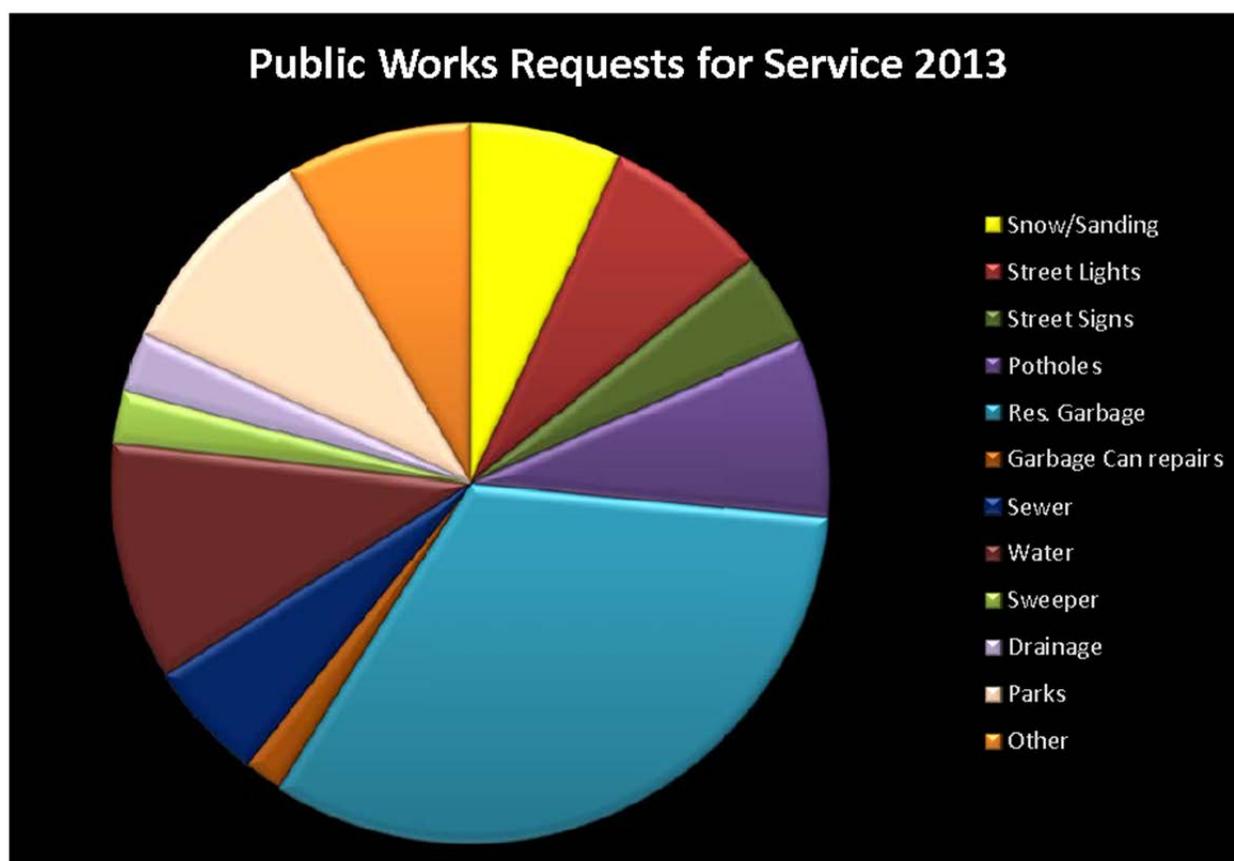
Public Service Requests and Emergency Work

Public Works plays an important part in many different emergency's within the City, during high water Public Works role is assisting with the installation of barriers and sand bags placed along the Nicola and Coldwater River banks, working with the RCMP for placement of barricades and road closures during emergencies and working closely with the Fire Department to maintain hydrants and water levels in reservoirs during any fire events.



The Public Works Department attends to many other calls and requests that are over and above the everyday planned duties. Every time one of these requests is asked of Public Works we must take the worker or workers away from their planned work. The time taken to help the citizens of Merritt outside our regular planned work equals 2109 hours or 1.04 full time workers a year, these include;

- **360 Customer Requests** – These are forms that are filled out generally by City Hall staff that have taken the request from a citizen that has a complaint, concern or a job beyond our normal daily planned duties. Some of these requests are snow removal from in front of driveways, slippery streets and or crosswalks, garbage dumped or blowing around, new street sign requests, removal of dead animals, dusty streets, etc. Averaging 308 requests at two hours per request and a second employee for larger requests fifty percent of the time, it would take 770 working hours or just over 3.5 months for a full time worker to assess and complete the requests.



- **175 Water on/off or Meter Repair Requests** – Water on and off requests are generally requested from local plumbers or in many cases homeowners. The requests come in at all hours requiring Public Works staff to respond when needed. The average time it takes for an employee to respond, find the shut off and turn the water off or on is 1 hour. On average it has taken city employees 135 hours or 16.8 full time working days a year.
- **159 BC One Calls** – The City of Merritt is enrolled in the BC One Call system. The system is a valuable resource for all utilities to be located to make each and every excavation a save work site. Being enrolled in this system we are required to locate our own utilities for other companies or homeowners. In 2013 we located our utilities in 202 different locations within our city limits. Each time we locate it takes on average 1.5 hours or 134 hours in total.
- **62 Garbage Change Requests** – These requests are as simple as moving a bin to a different location on a customer’s lot or as time consuming as removing the bin to change sizes, bring it in for repairs or welding, or install chains to make the bin lockable. Each one of these requests on average takes 1 hour to complete.

- **57 Emergency Water/Sewer Leaks** – These emergency leaks are unpredictable and are beyond our planned work within the water and sewer systems. The 37 emergency leaks ranged from ¾ inch service line repairs to 10 inch main line repairs. On average it has taken 4 employees 6 hours for each emergency or 888 working hours total to make these repairs.
- **32 Cemetery burials** – The City performs all cemetery functions which include burials. Each burial on average takes two employees 4 hours each for a total of 128 hours. We had 20 cremations and 12 full burials in 2013. There were 26 headstones to be placed and 12 other requests.
- **91 After Hours Call Outs** – These call outs can range from a stop sign down to an emergency water leak. We had 19 emergency water calls and 38 STP alarms. These callouts can take anywhere from 1 hour or multiple hours, bringing in other employees for emergencies such as a water leak that cannot wait.

2013 Capital Project highlights:

- Aeration Blower Reconditioning
- RAS Pump Impellers
- CL2 Analyzer
- EQ Basin Plug valve
- Radio Modem Upgrade
- Collettville Back-up pump
- #37 Commercial Garbage Truck
- Combination Vac Truck
- New pick-up
- Golf Course Road (In Progress)
- Parker to Voght St. trail
- Water Meter Replacement
- Parking lot & Alley Grindings
- Line Locator
- Hydrant Replacement
- Quilchena Trees
- Recycle Depot Gates
- Recycle Cart Rollout
- Airport Fuel Pump
- Wash Bay Heater



- Recycle Cart Rollout
- Water Works/Shop Reno (In Progress)
- Houston Bridge Abutment Repair
- Sidewalk Replacement Addition

2014 Proposed Capital Projects

A Few 2014 Capital Projects in Detail

In 2014 the Public Works and Utilities Department will work together, along with various other departments to implement a variety of capital projects throughout the city. Some of the projects in detail include:

Quilchena Tree Replacement

Annually, 5 trees are replaced in the downtown core. This is an ongoing project to replace either vandalized, dead, or dangerous trees.

Toolcat Utility machine

To work more efficiently we are purchasing a new Toolcat for numerous jobs around the city. This will replace a few of our older pieces of equipment, the 1992 Case Tractor and the 1996 John Deer tractor Mower.



Replacement of playground Medium

The playground medium is starting to decompose and become unsafe. The level of medium will need to be raised up to meet safety standards and regulations. All existing material will be removed and replaced by PlayChips, a soft spongy woodchip that is made from woven wood fibres.

Red Shale for Ball Diamond

Every 3 years the red shale at the ball diamonds is topped up. This improves safety, reduces compaction and improves drainage to the infields.

Grindings

Within the last few years we have been putting asphalt grinding down in various parking lots and alley ways. In 2014 we will continue with this project, improving our parking lots and alleys ways to keep dust down and our city clean.

POS System for fuel pumps at Airport

Implementing a new POS (Point of Sales) system at the airport fuels station. This would include upgrading and incorporating a card lock system for all fuel sales at the airport.

Waste Receptacles

Our current garbage drums are easily knocked over and garbage is spread all over by animals. These new waste receptacles are animal proof and lockable. One will be placed in each park and left there year round. When events are happening in a park we will bring in extra normal cans that will be removed when the event is over.

Dewolf Way Picnic Tables

Working towards finishing off the Dewolf Way Project, 7 picnic tables are needed. The pads are already poured and ready for picnic tables to be placed.

Recycle Stations for Dewolf Way

Currently there are no Recycle stations at Dewolf Way. As a City we would like to promote recycling and cut back on our waste. These recycle stations will cut back on our garbage and give visitors to our city a place to recycle.

Shop Compressor

The existing shop compressor is approximately 30 years old and worn out. The receiver tank is also long past the legal expiry date, and needs to be replaced. Along with the cosmetic problems, safety is a huge concern.

Hydrant Replacement

Some of the hydrants within the city are 50 plus years old and need to be replaced. The City has and will be working closely with the fire department to replace and install hydrants with pumper ports in areas that they are needed.

Water Utility Service Truck

The current water service truck, unit# 1524, is scheduled for replacement in 2014. The new service truck will need to be a larger truck with a new service body more suited for the work that is being performed. This new service body would include a medium sized crane and hydraulics for running all hydraulic tools etc. as well as compressed air and power.

Collettsville Lift Station Upgrade

Install a PLC, level monitoring and wireless communication at Collettsville lift station. This is an essential upgrade to provide an accurate control of levels and the flow through this pump station due to the addition of the constant flow of wastewater from the new Co-gen plant. This is the last lift station to switch over to a wireless radio system in the city.

Other 2014 Capital Projects

In addition to the detailed projects, there will be a completion of many other capital projects. These projects will include:

- Bylaw Service Truck
- Coldwater Dyke redesign (In Progress)
- Hot water pressure wash
- Voght Park VFD Flow Meter
- Kengard Chlorine Analyzer
- Inspection Camera
- Commercial Water Meter Replacement
- Water main Replacement Program
- Wastewater Treatment Plant Water Service replacement
- Blower Rebuild
- RAS Line replacement
- Aeration Blower Reconditioning



Coldwater River



2014 Goals and Objectives

- ❖ To make our city the best that it can be, through the dedication of every employee in all day to day operations within the city.

Provide excellent customer service

- Provide fast and efficient service
- Seek Customer feedback
- Follow up on very customer complaint

Engage the community

- Provide relevant information through the city website and newspaper
- Encourage public to attend meetings that involve our community
- Bring our community together through city events

Develop and maintain a first rate workforce

- Undertake on-site training for employee development, as well as encourage employee professional development.
- Provide opportunity for internal advancement.
- Increasing crew awareness and level of professionalism

Workplace safety

- Monthly safety meetings
- Education on workplace safety
- Instilling a workplace where people are happy, healthy, safe, and want to come to work

Provide a safe community

- Provide the community with a safe place to live and work

Appearance of our City

- City cleanliness, picking up garbage and debris.
- Keeping our roadways clean and safe.
- Regulatory signage is visible and in good condition
- Fire hydrants are serviced and visible
- Commercial bins are clean and repaired when needed
- Unsightly weeds are removed

Environmental awareness

- Encourage public to use new recycling carts

- Promote a "zero waste" philosophy to minimize the generation of solid waste in the City, while maximizing reuse and recycling initiatives.
- Educate the public on recyclable items to help reduce the amount of contamination.



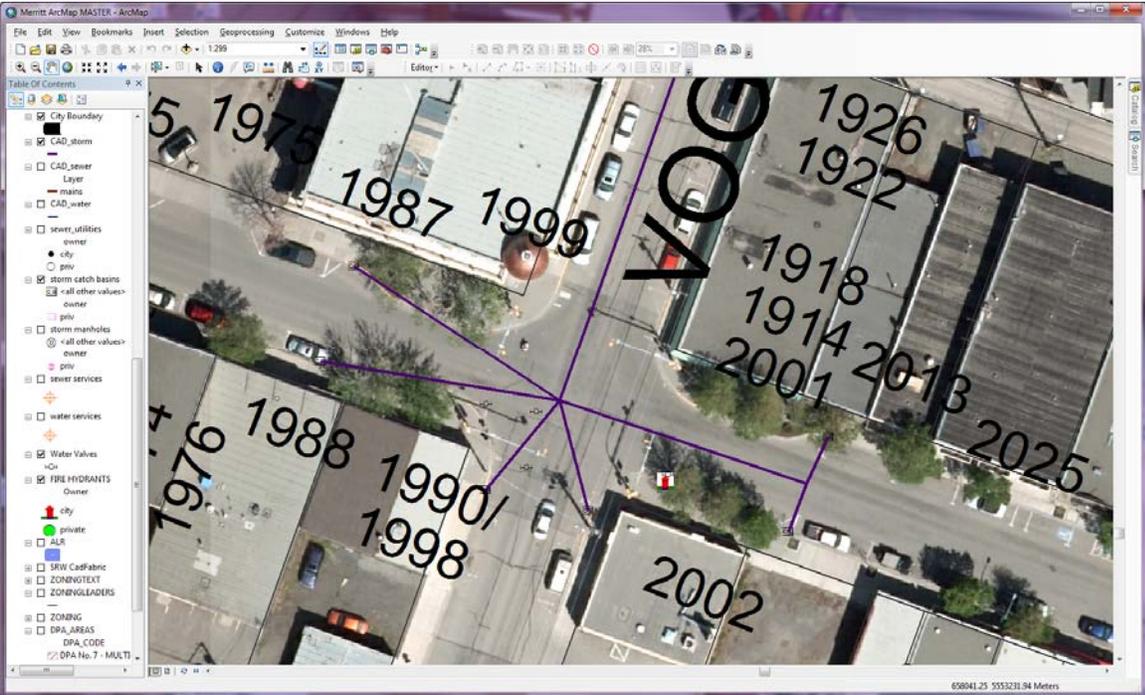
Sean O'Flaherty, RPP, Planning and Development Services Manager

The City of Merritt Planning and Development Services Department is pleased to present this report on the activities of the department for the year 2013, including a preview of the goals and objectives for 2014.

Formerly the Planning Department, the Planning and Development Services Department was formed to provide efficiencies, capacity, and effectiveness by combining the services of city planning, building, safety and inspections, bylaw enforcement, business licensing and Geographic Information System.

The formation of this department was part of a Council approved Administration reorganization that began in 2012 and will complete in 2014.

Some of the key planning projects and initiatives include the successful completion of the building for the Province's wildfire training centre; the careful progression on the Merritt Green Energy project; progress on the development plans at both major highway interchanges; the Kinder Morgan pipeline twinning project; the BC Hydro substation upgrade; and many others. Smaller successes include creation of a free parking lot in the downtown, 5 electric vehicle chargers, 1 electric vehicle DC fast charger, and the connection of the Coldwater multi-use trail through Voght Park.



The Building, Safety & Inspection Services section is now integrated into the department. Immediate benefits include a more coordinated approach with Bylaw



Services regarding building infractions, and Engineering specifically backflow prevention.

There was a physical restructuring at City Hall with a new office created for the Building Inspector. The new layout provides better access for clients and more internal efficiency. 2013 also marked a major shift in building regulations with the introduction of the new Building Code. Staff have made time to familiarize themselves with the new regulations. There will be a push in 2014 to update building bylaws to keep current with the new regulations and aligned with similar-sized municipalities. Finally, the total construction value for 2013 was over \$4,000,000.

The Bylaw Enforcement section had many successes in 2013 dominated by city-wide beautification. The message about the cleanliness standards of personal property and adjacent boulevards was received and the results are evident in every neighbourhood. We continue to receive compliments on how good the City is looking and unsightly property complaints from residents were reduced to almost half the previous year indicative of the good messaging and compliance. Over 130,000 pounds of unsightly yard material were taken to the dump and 46 derelict vehicles were removed from yards.

The pilot of having a part-time Bylaw Officer during the summer was also successful and will be renewed in 2014. That position primarily provides education to citizens and acts as an ambassador, while also being capable of full enforcement duties.

Business licencing is a huge component of the Bylaw Enforcement office. In 2013 there were 60 new business starts representing a 20% increase over the previous year. Notable new businesses include Westcan Auto in our downtown core and two new dental offices.

The Geographic Information System (GIS) continues to be a valuable tool for land based queries. The data currency improves with time as we continually add field data to the system making it an invaluable source to track history, manage the present and plan for the future. It is an integral part of the City's PSAB 3150 accounting obligations. The hope for 2014 is that our GIS will be deployed as a public web map so that our citizens have access to mapping information. The other hope is that we can integrate more systems with the GIS such as our financial accounting system and building permits in order to fully achieve the efficiencies and benefits of GIS.

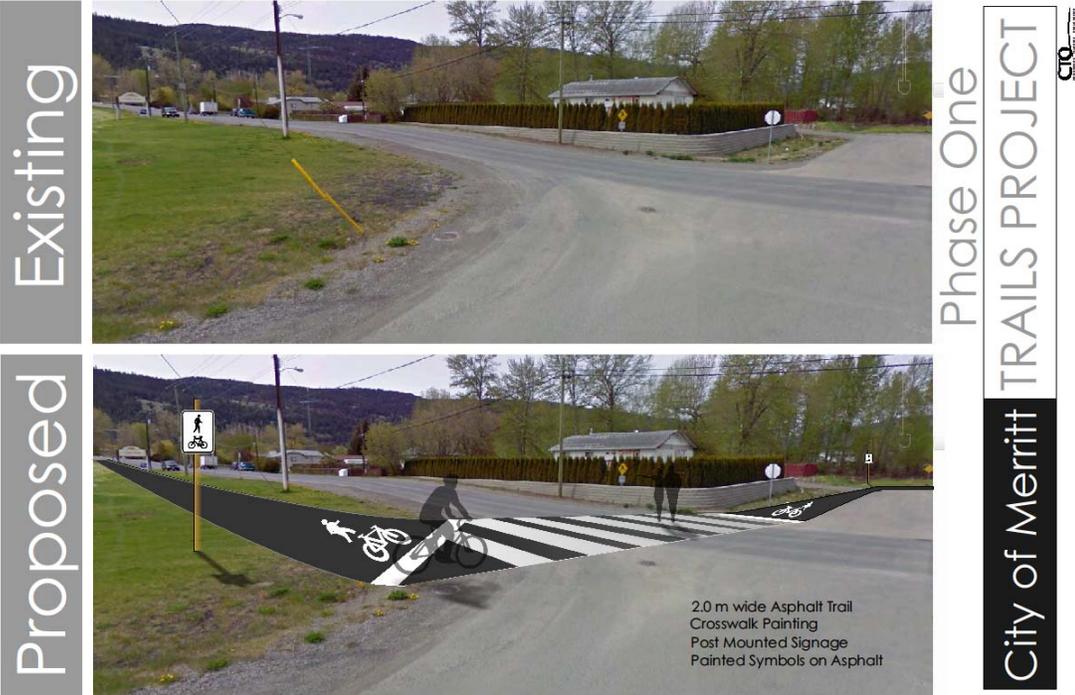
The Technical Planning Committee (TPC) meetings were held weekly. The TPC contributes a thorough review of growth and development related projects in the City with perspectives from a broad cross-section of departments. This helps in the decision making at an operational level and furthermore, provides a cohesive approach in advising Council with staff recommendations.

The department provided technical advice and land-related support procedures for such things as statutory right-of-way acquisitions, lot consolidations, crown land leases,

Agricultural land use exclusions, mapping and GIS and management plans for projects such as the North-Bench project, Gateway 286, Independent power producers (IPPs), BC Hydro upgrade projects, City of Merritt boundary expansions and other capital infrastructure projects.

The Planning and Development Services Department presented approximately 20 reports before Council including OCP and zoning amendments, road closure/dispositions and development permits. There were also 2 subdivision applications and 3 development variance applications. The Department also processed approximately about one thousand email requests for information. Phone call requests are approximately double that amount. This is a public service role and we routinely assist taxpayers and developers alike in navigating regulations.

Looking forward into 2014, the update to the City’s Zoning Bylaw will be completed after over a year in progress on a bylaw that is ten years old. This will subsequently be followed with an update to the Development Cost Charge bylaw and the Subdivision and Development bylaw. The planning department will continue to assist economic development as well as supporting the land-related regulatory fabric of existing business, industry, and residential uses for the overall benefit of all the citizens of Merritt. We will strive to continue laying the groundwork for the success of current and future business and continue improving the livability of the City for its inhabitants. The Planning and Development Services Department will continue to look for possible safety enhancements in the City, particularly for the safe movement of people based on the Official Community Plan’s goal for more self-propelled movement or active transportation. This includes safe pedestrian crossings.





Jerry Sucharyna, Economic Development Manager

In 2013 the City of Merritt underwent many changes in regards to delivery of Economic Development. In the beginning of the year the Economic Development Manager started the process to develop a tourism plan with Thompson Okanagan Tourism Association. The start of the tourism plan led to discussions between the Thompson Okanagan Tourism Association and the City of Merritt and the start of a rebranding process.

Another initiative that was identified by council in the Official Community Plan was the formulation of an Economic Development Strategic Plan. The process was commenced and a draft presented to council in the spring of 2013. Council requested additional input from the Community at that time.

In May of 2013 the Manager of Economic Development tendered his resignation to take a job to be closer to family leaving the position vacant until September 2013. This vacancy resulted in projects being postponed and timelines requiring adjustments.

The new Manager of Economic Development began in September of 2013. His key focus from that point forward was to complete the work on the tourism plan and the rebranding in time for the upcoming tourism promotions. Another prime focus was to provide opportunities for additional community involvement on the Economic Development Strategy and to have it completed and adopted in the spring of 2014. All projects are well underway and scheduled to be completed in the allotted time.

In addition to the above projects the Economic Development Department made a concerted effort to work more closely with non-profit organizations and have open communication for a more cohesive working relationship to move Merritt forward. One success in the last four months of 2013 was working with the Chamber of Commerce, to coordinate and address marketing and business initiatives.

Gold Country Community Society again continued to work with the City of Merritt in regards to the geocaching program and other tourism related marketing projects. Additional collaboration between the parties revealed additional cross regional marketing opportunities expected to increase market share and maximize marketing dollars for the City of Merritt.

A new project was introduced to the City of Merritt entitled the Venture Investment Program. This program was adopted by council in efforts to cultivate the



entrepreneurial spirit in youth (grades 6 – 12) in the City of Merritt, presentations and program funding awards are scheduled for 2014.

Marketing dollars and combined advertising between all city departments was also examined to reduce spending, maximize efficiencies and effectiveness preventing overlap. To ensure all departments are working and messaging cohesively, new contracts were negotiated to better inform the public with specific lines of communication and reduce spending.

Projects and initiatives scheduled for 2014 include:

1. Completion /adoption/implementation of rebranding;
2. Completion /adoption/implementation of the tourism plan;
3. Completion/adoption/ implementation the Economic Development Strategy;
4. Address signage issues;
5. Address Business retention and expansion;
6. Continue to work with investors and developers;
7. Examine downtown revitalization projects;
8. Engage non-profit organizations;
9. Promote the Revitalization Tax Incentives;
10. Successful Venture Investment Program; and
11. Other initiatives identified by the Economic Development Strategy and Council priorities.

The Economic Development Manager is very optimistic for the upcoming 2014 year and moving Merritt forward in the years to come. Any questions or concerns please feel free to contact him directly.

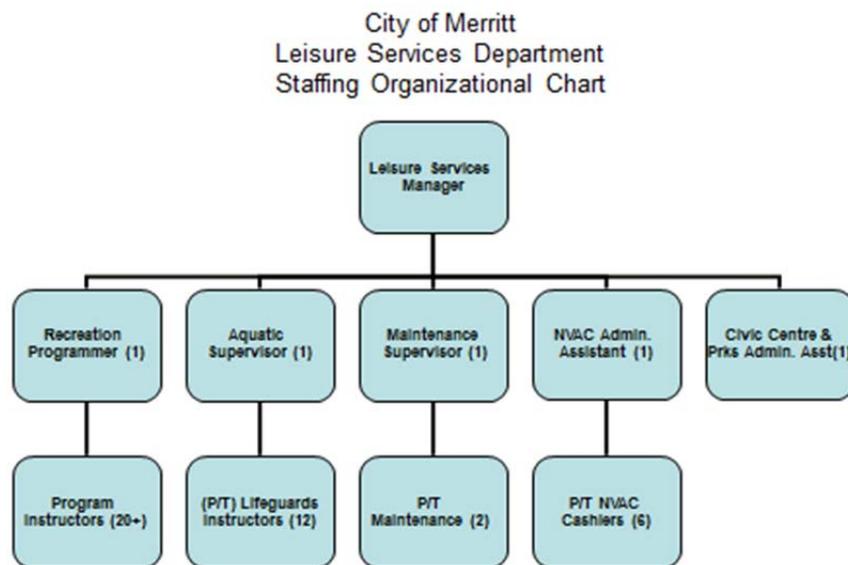




Larry Plotnikoff, Leisure Services Manager

The primary function of the City of Merritt’s Leisure Services Department is to provide recreational related opportunities to the citizens of the Merritt area. The Department’s mission statement “To provide programs, services, educational opportunities and information to the public, and to provide a safe, clean, healthy and friendly environment” reflects the Leisure Services Department’s determination to provide local citizens with the best services, programs, facilities at the best possible value.

The Leisure Services Department consists of eight permanent staff and approximately 30 other casual staff and contracted instructors.



The Department provides a variety of programs based out of the City owned facilities, City parks, and local schools. Programs are geared towards all age groups and consist of both physically active programs to more passive pursuits.

The City participates in a variety of special events in the Community. While some of these events are coordinated and delivered exclusively by the City’s



Kidz Triathlon – Swim Transition at the Bike Staging Area



Leisure Services Department, many of the events are a collaborative effort with local community groups and organizations, and would simply not be possible without the cooperation and support of those organizations.

“The hard work and dedication of the employees and the support from City management kept City recreational programs, services and facilities operating at a high level of quality for our local community”

The Leisure Services Department not only provides Recreational programs and services to the community, but is also responsible for many of the physical assets of the City, particularly its public facilities. These include:

- Merritt Civic Centre
- Nicola Valley Aquatic Centre
- Nicola Valley Memorial Arena
- Merritt Cadet Hall
- Merritt City Hall
- Spirit Square - Fireside Centre Building
- Coldwater Building
- Nicola Valley Museum and Seniors Centre
- Merritt Lawn Bowling Clubhouse
- Claybanks RV Park
- Merritt Provincial Courthouse
- Parks Washroom Facilities and Bandshells



Merritt City Hall

In addition, the Department is responsible for the administration and negotiation of most of the City’s public contracts whose activities take place on City owned property or lands. These include, the Merritt Golf and Country Club, Merritt Curling Rink, Merritt Tennis Courts, and the office rental suites located at Merritt City Hall (that currently house Community Futures Nicola Valley, Nicola Valley Transit, Merritt and District Chamber of Commerce and Nicola Family Therapy).

Some of the 2013 undertakings and achievements by the Leisure Services Department included:

- The continued development of the partnering arrangement with PacificSport and the City’s Leisure Services Department had resulted in several major successes in 2013 including:
- Obtaining many separate Provincial and Federal grants for both equipment purchases and program development.
- The City actively and successfully participated in



PacificSport activities



the Sportiest Community in Canada event with the result the City of Merritt being named the winner in its population category against over a dozen other BC communities.

- The City participated in the first Sports Day in Canada Event and was recognized as one of the top participatory rated communities in the Province.
- The City worked closely with local schools to increase levels of participation in healthy activities for youth including the 60 Minutes Kids Club.
- The Leisure Services Department successfully organized and hosted a formal welcoming reception for British Columbia's Lt. Governor the Honourable Judi Guichon. Over 200 local residents turned out for the festivities and to hear the Lt. Governor address her home-town crowd.

- Completion of the Merritt Civic Centre Upgrades – The Merritt Civic Centre had been a vital part of the community since it opened its doors 25 years ago. Due to normal wear and tear the facility required some significant upgrades in order to continue to provide the maximum benefit to the local community. Several areas of the facility were identified as requiring significant upgrades including: the kitchen, the wooden flooring in the auditorium, facility lighting, electrical wiring, washrooms, divider curtain and the audio-visual system. The goal was to provide the improvements to the facility in order to increase its marketability as a meeting, small conference centre, and to continue to provide the community with a proper, well-equipped community centre for a wide variety of local events such as weddings, business meetings, workshops, programs, community events and concerts. This project has now been completed on schedule, and on budget.



- Major upgrades to the Nicola Valley Aquatic Centre – In order to ensure its continued viability as a top quality recreational facility the City has diligently worked on major repairs and upgrades to the Nicola Valley Aquatic Centre over the past three years. In 2013, the major upgrade projects included major repairs to the gutter system, major repairs to the



Kids enjoy the reopened Aquatic Centre

family change rooms and the wholesale replacement of the pool area and change room flooring.

- Completed upgrades to Merritt City Hall including the installation and commencement of a live-streaming system for City Council meetings.
- Revitalization and upgrade of the Spirit Square Fireside Centre Building which is being utilized by a local non-profit organization resulting in revenue generation for the City and the purchase and repair of the Coldwater Building for the purpose of community utilization and revenue generation.
- 2013 saw the City celebrate the 20th anniversary of the construction of the Aquatic Centre in addition to retiring the original debt for the construction of the facility.



Mayor Roline and Dr. Carlson cut NVAC 20th anniversary cake

Some of services and programs offered through the Leisure Services Department in 2013 included:

- | | |
|---|--|
| <ul style="list-style-type: none"> ➤ Gymnastics ➤ Special Events Calendar ➤ Bow Hunting ➤ Dog Training ➤ Yoga/Fitness ➤ Swim Lessons ➤ Lifeguard/instructor Training ➤ First Aid ➤ Movies at the Civic Centre ➤ Movies in the Park ➤ Water Polo ➤ Special Community Events ➤ Fitness Centre ➤ Scrap Booking ➤ Minor sports Registration Services ➤ Youth Sport Camps ➤ Kidz Triathlon ➤ Youth Art Camps ➤ Cooking Classes ➤ Birthday Party Packages ➤ Early/Pre-teen Girls Health Mind/Body/Soul ➤ Facility and Equipment Rental Bookings | <ul style="list-style-type: none"> ➤ School Swim Program ➤ Private Swim Lessons ➤ Weight Training ➤ Ladies Night Out ➤ Public Swimming ➤ Water Therapy ➤ Photography ➤ Pre-Teen Swim Nights ➤ Women's Self Defence ➤ Basketball ➤ Teen Swim Nights ➤ Soccer Camps ➤ Magic programs ➤ Food Safe ➤ Badminton ➤ Begin to Run ➤ Seniors Fit ➤ Masters Swimming ➤ Swim 'n Slumber ➤ 60 Minute Kids Club ➤ Kayaking |
|---|--|

Some statistics from 2013

Nicola Valley Aquatic Centre – Total Attendance

- 2012 – 50,852 (154/day average)
- 2013 – 55,920 (169/day average)

Civic Centre

- Weddings/Memorial Services – 21
- Large Community Events – 31
- Concerts – 10
- Auditorium Major Rentals – 22
- Other Meetings/Programs/Minor Events – 600+



Teen Night at the NVAC



Merritt Civic Centre



Magic Program at the Civic Centre



Gymnastics Program at Civic Centre

Goals for 2014

Some of the goals of the Leisure Services Department for 2014 include:

- Commence Phase I Upgrades for the Central Park project
- Complete fees and charges review for City facilities and recommend changes where necessary
- Complete operational reviews and recommendations of various City facility service providers
- Continue to work on improving existing facility infrastructure

- Establish a formal joint-use agreement with School District #58
- Continued development of community programs
- Increase Departmental recovery costs by 5%.



Skateboard Demo at Merritt Skatepark on Canada Day



Events at Nicola Valley Aquatic Centre



Kids Cooking Classes



Layout of new Lacrosse Box and washrooms at Central Park to be constructed in 2014





One hour of lawn sprinkling uses as much water as 25 toilet flushes, five loads of laundry and five dishwasher loads combined.

Introduction

The City of Merritt is the purveyor of drinking water to users connected to the City of Merritt Community Water System. This report is provided to City Council and Interior Health for their information, and in fulfillment of the City's obligations under the Provincial Drinking Water Act and associated regulations, as well as the terms and conditions of the City's Water System Operating Permit. Enforcement of the regulations and issuance of water system permits is the responsibility of the Interior Health Authority's Drinking Water Officer.

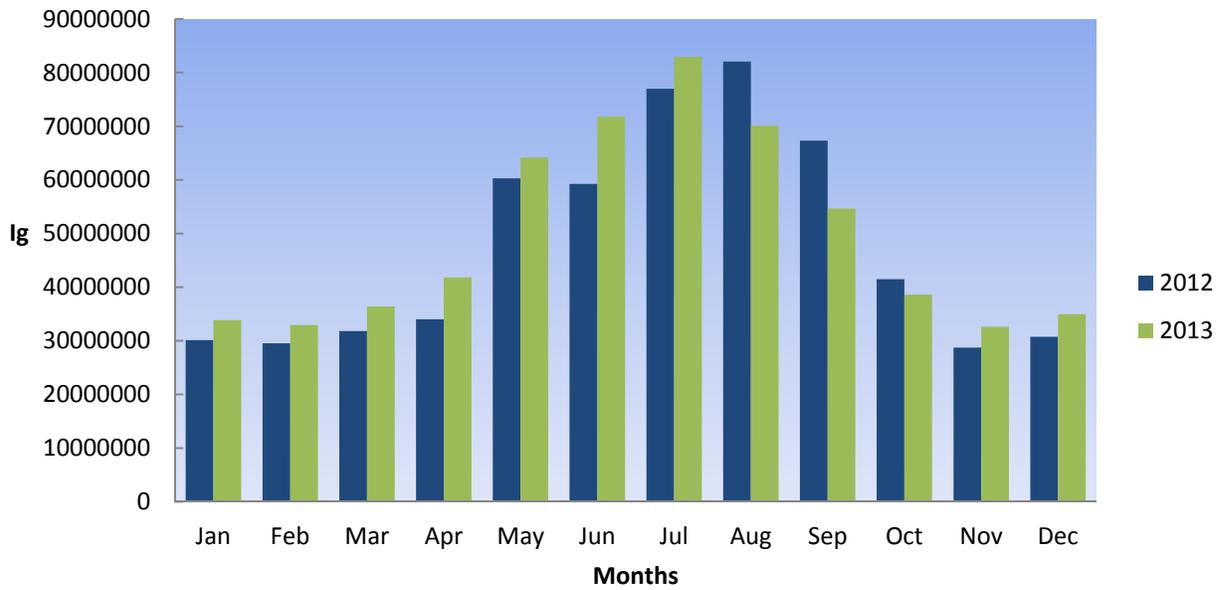
Water Consumption

Raw water from the City of Merritt water system is extracted from 2 aquifers. One is from a deep aquifer at Kengard which has one station and the other is from a shallow aquifer which has 4 stations located at Fairley Park, Voght Park and Collettville. The aquifers provided the 594,852,000 Imperial Gallons (IG) (2,703,873,000 liters) of water consumed within the Merritt system in 2013. This represents a 2.3% increase in overall water consumption from 2012. Maximum daily water demand peaked at 3,325,960 IG (15,120,113 liters) on July 2, 2013, while minimum daily demand occurred on Dec 1, 2013 at 1,018,458 IG (4,630,000 liters).

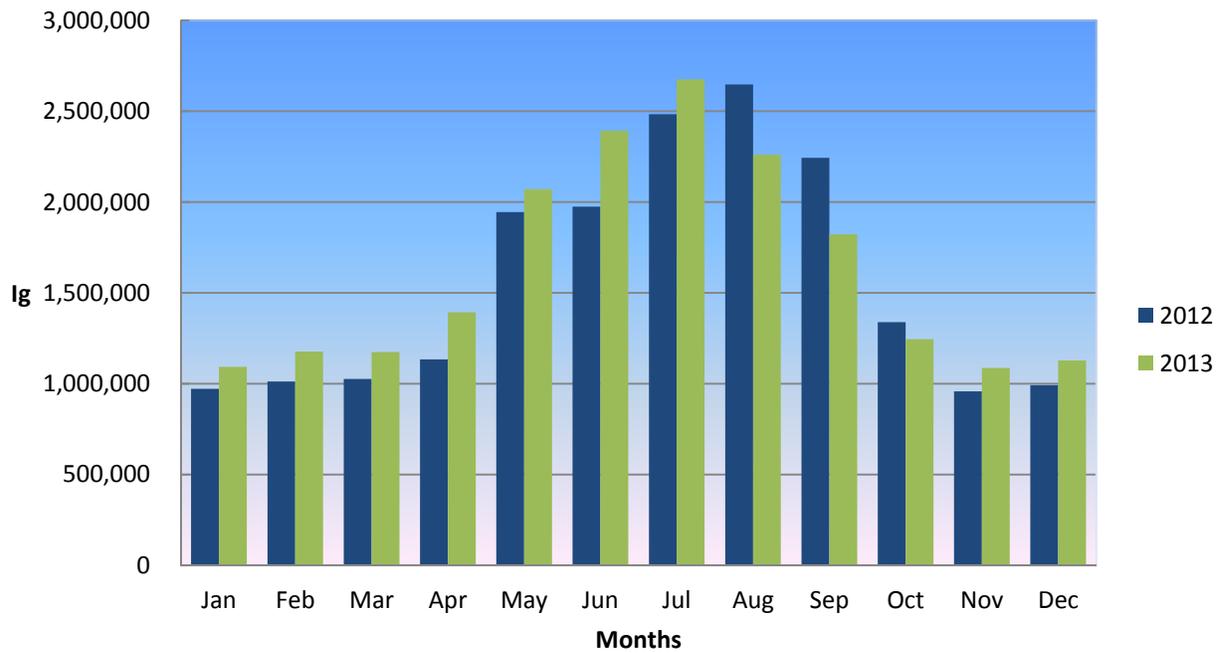
The water consumption for Merritt in 2013 averaged 1,629,732 IG (7,408,908 Liters) per day. The maximum day (July 2nd) water consumption was 416 IG (1,891 liters) per person, while the minimum day (Dec 1st) consumption was 127 IG (577 liters) per person. The average was 204 IG (927 liters) per person in Merritt each and every day of the year (based a population of 8000); average daily consumption in Canada is only 72.4 IG (329 liters) per person.

To achieve future reduced water usage the enforcement of sprinkling and excess water usage will be a main priority. This will be increasingly important to enforce in 2014 as the city continues to grow.

Total Water Use 2012-2013

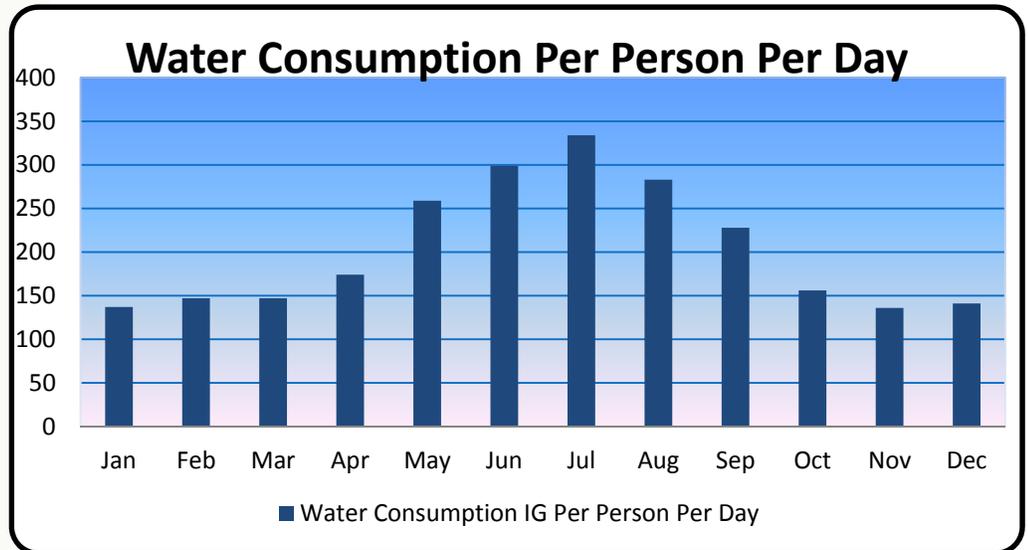


Average Daily Water Use



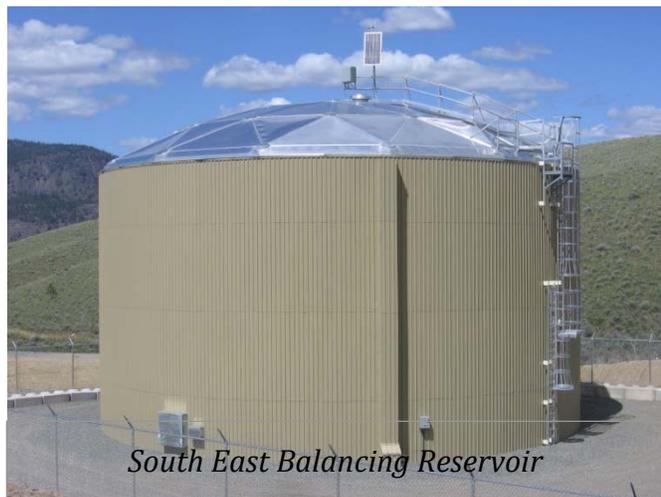


If you shorten your shower time from 10 minutes to 5 minutes or less while using a 9.5 litre per minute (lpm) showerhead, you can save up to 40 litres of water each time you shower. You can also save water by turning off the water while lathering in the shower.



Water Storage

Water storage capacity is just over 7.7 million litres between four Reservoirs named, Nicola, Grimmatt, Grandview and South East Balancing Reservoir. Merritt's distribution system accounts for another approximate 1.5 million litres. Distribution piping sizes range from 100mm to 350mm - approx. 74 Km. in total length.



Water Production

All four production water wells are located within the deepest part of the shallow aquifer. Kengard is drilled into a deep aquifer.

Voght Park #1 - 250hp – rated at 125 L/sec.

Voght Park #2 Gas/Elec. – 200hp – rated 112 L/sec on electric power and 59 L/sec on gas power.

Fairley Park - 100hp – rated at 76 L/sec.

Collettville - 125hp – rated at 56 L/sec.

Kengard – 100hp – rated at 50 L/sec.

In the event of a power outage the Voght Park #2 Gas/Electric is the city's only pump that can be run under its own power.

Well depths range from 29.8m at Fairley Park to 135m below ground surface at Kengard.



Kengard Pump House

Source Water Quality

The coarse composition of the aquifer suggests the aquifer is unconfined - (the aquifer is not pressurized or capped), and therefore is very vulnerable to contamination. The BC Ministry of Environment Aquifer Classification system categorizes the Merritt Aquifer as type "IA", identifying it as one of the most highly developed and vulnerable aquifers in the province. Less than 5% of aquifers identified in BC currently have this rating. The City has enjoyed a high quality source of water for many years. Our water source is also rated as ground water under direct Influence from Surface Water (GUDI) therefore we have ongoing plans to protect the aquifer and the area around it. We have placed signage over the aquifer to let the public know where it is located and that we are continually monitoring the area in efforts to help protect the aquifer.

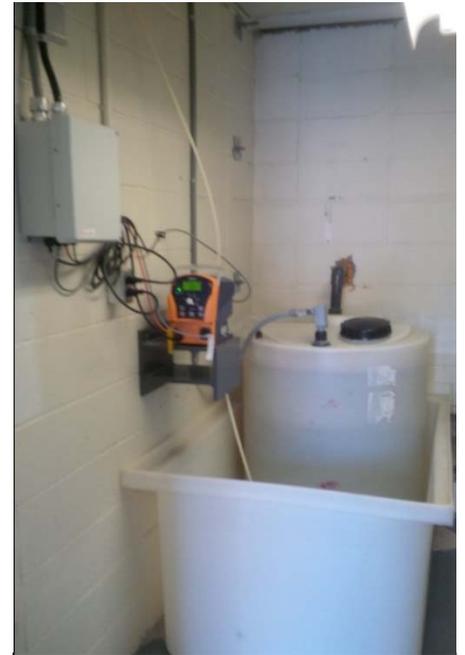
Source water is tested a number of times each year for a variety of characteristics from the presence of metals or chemicals to its clarity (turbidity), acidity, base (pH) and temperature. A complete list of the test elements is included as Appendix 'A' to this report and the 2013 Caro lab report is in Appendix "B". The quality of the City's raw water source is indicated by the fact that none of the tested parameters exceed the limits of regulated, or generally accepted, standards for raw water quality.



Quality standards for bottled water and tap water are similar. Both bottled water and municipally distributed tap water that meet or exceed their required health and safety standards, are considered to be safe.

Source Water Disinfection

We are continuing our chlorination program with the City of Merritt's water system. Each pump house is outfitted with equipment to inject 12% sodium hypochlorite (bleach) in the raw water being drawn out of our aquifers. The raw water leaving each pump station has been tested and consumes approximately 0.4 mg/l of hypochlorite. With vigorous testing at many different points along our system and staying within the minimum requirements set out by Interior Health we are injecting approximately 0.9 mg/l to see approximately 0.5 mg/l free chlorine residual at the far ends of our system. This will vary due to the condition of piping and length of time before the water is used.



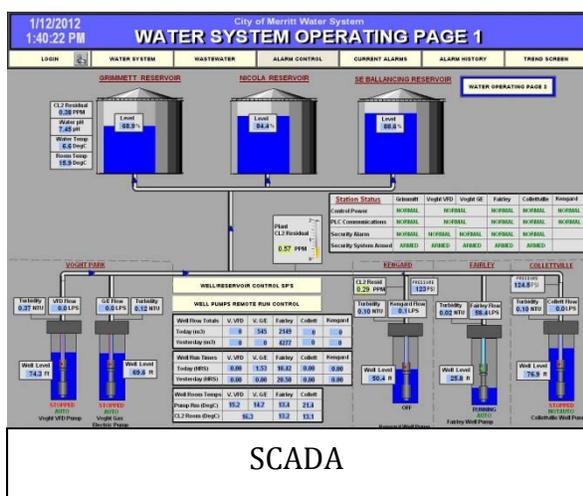
Fairley Chlorine Injection System

The addition of chlorine was used to satisfy a requirement of Interior Health in 2008 to help safe guard our drinking water supply. Interior Health requested we protect our water supply and distribution system because our GUDI rating of the shallow and unconfined (not pressurized or capped) aquifer the city uses. Chlorine injection was used to give the City of Merritt residents and all other users of our system the confidence of a clean safe drinking water.

Quality Monitoring

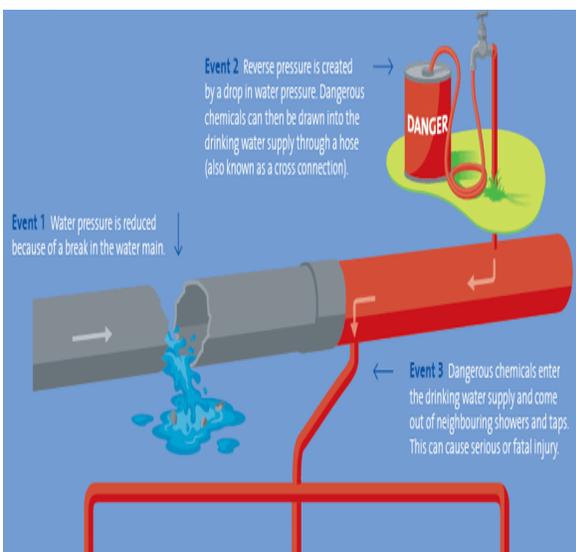
Drinking water delivered to users of the city system is subject to a comprehensive and rigorous testing program that ensures quality drinking water.

Water samples from five separate locations within the system were sent in 2013, on a weekly basis, to the *Caro Environmental Services* laboratories to be tested for the presence/absence of E.coli and Total Coliform Bacteria. City staff draws these samples and send them to Caro, the Kelowna laboratory. City staff also when drawing these samples for the lab perform Chlorine residual testing to ensure proper levels of Chlorine are maintained throughout the City. Lab results are downloaded by *Caro* directly into the City's WaterTrax© system and emailed to the Chief Operator and Cross Connection Control Officer for review. The standard protocol when a water sample is found to contain the presence of Coliform (an early indicator that we could have a problem arising), however minute, is to flush and resample the water immediately at the same location and resubmit for testing. The provincial Drinking Water Officer will determine if any further action by the purveyor is necessary, if the sample shows the presence of Coliform or any other abnormality in the water.



All five wells, pumps and reservoirs are monitored 24/7 with our water quality monitoring devices. These devices will monitor in real time flow, temperature, turbidity, PH and chlorine residual. The quality control and accuracy of monitoring will greatly increase with these devices on line. All information from the different stations is sent back to the central computer system (SCADA) at the Wastewater Treatment Plant for monitoring and reviewing. With this real time monitoring devices the operators will be

also able to instantly check for water quality and tell if a problem arises and in many cases before the lab results are finished each week. With the SCADA alarm system, operators will also be made aware of any problems 24/7 if any one system falls outside of the parameters.



Merritt has a Cross Connection Coordinator (CCCC) and he has developed a Cross-connection Control Program for the City of Merritt. This program is designed to inspect and eliminate any possible

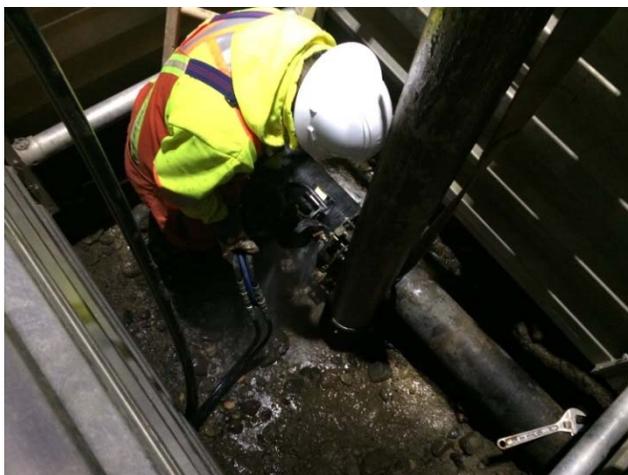
connections between our potable water system and any other connections that are not potable. For example; a connection to potable water and a sprinkler system that injects fertilizer could possibly contaminate the whole water system without the proper back flow device in place and maintained. Our Cross Connection Control Coordinator inspects all connections to our system and then identifying and making sure consumers regularly have their back flow assemblies inspected, tested and maintained. This is vitally important to ensure the end users of a safe clean drinking water supply for the City of Merritt.

Records

The City employs an automated and continuously operating system to monitor, flow, PH, turbidity, water temperature, well room temperature, chlorine residual, chlorine tank levels, and reservoir storage. This system is called SCADA, *Supervisory Control and Data Acquisition*, and it assists City staff to maintain a safe drinking water supply by advising of any monitored change within our water system. The SCADA system will alert staff by way of a portable 2-way radio and/or cell phone to ensure that corrections can be made before water levels or quality can be adversely affected.

Test records, as noted previously, are stored on the City's WaterTrax® database. Information from this database can be retrieved in many formats for presentation, analysis or public information. For example, the monthly water report posted on the City of Merritt website is prepared using WaterTrax®. This data is also used to provide information to the provincial Drinking Water Officer, including the completion of this annual report.

The public is able to log in and view information about our water system at:  <http://www.watertrax.com> using the name "Merritt Guest" and password of "MerrittGuest1"



Water main Leak

Staff

Trained certified City staff work to maintain and are on call 24 hours per day for the supply of safe drinking water that is available to users in Merritt. This is accomplished by ensuring that staff is on duty every day of the year and that the previously mentioned supervisory and control system (SCADA) is operating continuously. Water distribution work is also done by staff certified for their tasks: water main replacement, water service

installation, fire hydrant and valve maintenance. Special tasks such as reservoir cleaning and leak detection are undertaken by qualified contractors with the proper equipment and experience to complete the work.

Emergency Callouts – 2013

There was a total of 20 emergency callouts in 2013. Pump Faults made up the majority of calls totaling 8. The other callouts were 4 Communications alarms and 8 Security alarms that were due to communication problems that alarmed operators as Security.

Maintenance / Capital Projects – 2013

- Completed Collettsville Pump rebuild and Installed a new PLC
- Upgraded the RF Modem radio at Collettsville.
- Looped Water main at the end of Springbank Ave.
- Installed a new online Chlorine Analyzer at Grimmatt Reservoir.
- Replaced 5 Fire Hydrants and installed new independent valves.
- 17 Water main breaks/leaks were located and repaired.
- 20 Water service leaks were located and repaired.
- Installed 4 new water services.
- 260 Weekly water samples.
- Installed 6 new water meters and replaced 10.
- New Flow Meter for Voght Park VFD



Collettsville Pump Install

Initiatives – 2013

Install new Cl2 Pumps at three Pump Houses. Install new RF Modem Radios at three sites. Install new Online Chlorine Analyzers at the Grandview Booster Station and Kengard Pump House. The Cross Connection Control Coordinator will continue to perform facility hazard assessments throughout the city to identify and work closely with owners to install the proper backflow assembly. With these devices in place it is a positive step forward in protecting the City's drinking water system.

Future Water Quality



Council has committed to an on-going program to improve quality and fire flow throughout the City through the reduction of dead end mains and installation of blow off assemblies where they presently do not exist. The City of Merritt has been advised by the Drinking Water Officer to include compliance with the new Drinking Water Regulation standards in any future capital works plans. Replacement or expansion of major parts of the City's water system will have to include provisions to ensure that standards of treatment required by current regulation are achieved.

Conclusion

The City of Merritt Employees work hard in the effort to maintain, ensure proper water usage, monitoring water quantity, monitoring water quality, and educating the public whenever possible. With these goals the City of Merritt should be able to maintain a quality water source and distribution system for many years to come.

This 2013 City of Merritt Water System Report is presented to the public, by way of posting on the City of Merritt website, as required by the British Columbia Drinking Water Protection Act and Regulations, as well as to meet the terms and conditions of the City's Water System Operating Permit (0210617) issued by the Interior Health Drinking Water Officer.

Appendix “A”

Weekly Tests

- E. Coli & Total Coliforms
- Free Chlorine Residual
- Temperature, Turbidity & Ph



ANALYSIS INFORMATION

REPORTED TO PROJECT Merritt, City of Drinking Water

WORK ORDER REPORTED 3050843 May-23-13

Analysis Description	Method Reference (* = modified from)		Location
	Preparation	Analysis	
Alkalinity, total	N/A	APHA 2320 B	Kelowna
Chloride in Water by IC	N/A	APHA 4110 B	Kelowna
Colour, True at 410 nm	N/A	APHA 2120 C *	Kelowna
Conductivity in Water	N/A	APHA 2510 B	Kelowna
Cyanide, Total in Liquids	APHA 4500-CN C	APHA 4500-CN E	Kelowna
E. coli (by CCA)	N/A	APHA 9222 *	Kelowna
E. coli (Partition Method)	N/A	APHA 9222 G	Kelowna
Fluoride in Water by IC	N/A	APHA 4110 B	Kelowna
Hardness as CaCO3 (CALC)	N/A	APHA 2340 B	Richmond
Nitrate-N in Water by IC	N/A	APHA 4110 B	Kelowna
Nitrite-N in Water by IC	N/A	APHA 4110 B	Kelowna
pH in Water	N/A	APHA 4500-H+ B	Kelowna
Sulfate in Water by IC	N/A	APHA 4110 B	Kelowna
Total Coliforms (by CCA)	N/A	APHA 9222 *	Kelowna
Total Coliforms (by Endo)	N/A	APHA 9222 B	Kelowna
Total Recoverable Metals	APHA 3030E *	APHA 3125 B	Richmond
Transmissivity at 254nm	N/A	APHA 5910 B	Kelowna
Trihalomethanes	EPA 5030B / 5021A	APHA 6200 B	Richmond
Turbidity	N/A	APHA 2130 B	Kelowna

Note: The numbers in brackets represent the year that the method was published/approved

Method Reference Descriptions:

APHA Standard Methods for the Examination of Water and Wastewater, American Public Health Association
 EPA United States Environmental Protection Agency Test Methods

Glossary of Terms:

MRL Method Reporting Limit
 < Less than the Reported Detection Limit (RDL) - the RDL may be higher than the MRL due to various factors such as dilutions, limited sample volume, high moisture, or interferences
 AO Aesthetic objective
 MAC Maximum acceptable concentration (health-related guideline)
 % Percent W/W
 CFU/100mL Colony Forming Units per 100 mL
 Color Unit Colour referenced against a platinum cobalt standard
 mg/L Milligrams per litre
 NTU Nephelometric Turbidity Units
 pH units pH < 7 = acidic, pH > 7 = basic
 uS/cm Microsiemens per centimeter

Appendix "B"



SAMPLE ANALYTICAL DATA

REPORTED TO Merritt, City of
PROJECT Drinking Water

WORK ORDER 3050843
REPORTED May-23-13

Analyte	Result / Recovery	Canadian DW Guideline	MRL / Limit	Units	Prepared	Analyzed	Notes
Anions							
Sample ID: WT# 11D2B - Voght Park GE Pump (3050843-01) [Water] Sampled: May-14-13 10:30							
Alkalinity, Total as CaCO ₃	104		1	mg/L	N/A	May-15-13	
Chloride	18.9	AO ≤ 250	0.10	mg/L	N/A	May-16-13	
Fluoride	< 0.10	MAC = 1.5	0.10	mg/L	N/A	May-16-13	
Nitrogen, Nitrate as N	0.629	MAC = 10	0.010	mg/L	N/A	May-16-13	
Nitrogen, Nitrite as N	< 0.010	MAC = 1	0.010	mg/L	N/A	May-16-13	
Sulfate	27.8	AO ≤ 500	1.0	mg/L	N/A	May-16-13	
Sample ID: WT# 1E18B - City Hall (3050843-02) [Water] Sampled: May-14-13 10:40							
Alkalinity, Total as CaCO ₃	104		1	mg/L	N/A	May-15-13	
Chloride	19.4	AO ≤ 250	0.10	mg/L	N/A	May-16-13	
Fluoride	< 0.10	MAC = 1.5	0.10	mg/L	N/A	May-16-13	
Nitrogen, Nitrate as N	0.615	MAC = 10	0.010	mg/L	N/A	May-16-13	
Nitrogen, Nitrite as N	< 0.010	MAC = 1	0.010	mg/L	N/A	May-16-13	
Sulfate	28.0	AO ≤ 500	1.0	mg/L	N/A	May-16-13	
General Parameters							
Sample ID: WT# 11D2B - Voght Park GE Pump (3050843-01) [Water] Sampled: May-14-13 10:30							
Colour, True	< 5	AO ≤ 15	5	Color Unit	N/A	May-17-13	
Conductivity (EC)	321		2	uS/cm	N/A	May-15-13	
Cyanide, total	< 0.010	MAC = 0.2	0.010	mg/L	May-22-13	May-22-13	
pH	7.37	AO = 6.5 - 8.5	0.01	pH units	N/A	May-15-13	
Turbidity	< 0.1	See Guidelines	0.1	NTU	N/A	May-17-13	
UV Transmittance @ 254nm	97.0		0.1	%	N/A	May-22-13	HT
Sample ID: WT# 1E18B - City Hall (3050843-02) [Water] Sampled: May-14-13 10:40							
Colour, True	< 5	AO ≤ 15	5	Color Unit	N/A	May-17-13	
Conductivity (EC)	322		2	uS/cm	N/A	May-15-13	
Cyanide, total	< 0.010	MAC = 0.2	0.010	mg/L	May-22-13	May-22-13	
pH	7.53	AO = 6.5 - 8.5	0.01	pH units	N/A	May-15-13	
Turbidity	< 0.1	See Guidelines	0.1	NTU	N/A	May-17-13	
UV Transmittance @ 254nm	96.1		0.1	%	N/A	May-22-13	HT
Calculated Parameters							
Sample ID: WT# 11D2B - Voght Park GE Pump (3050843-01) [Water] Sampled: May-14-13 10:30							
Hardness, Total (Total as CaCO ₃)	133		5.0	mg/L	N/A	N/A	
Solids, Total Dissolved	170		2.0	mg/L	N/A	N/A	
Sample ID: WT# 1E18B - City Hall (3050843-02) [Water] Sampled: May-14-13 10:40							
Total Trihalomethanes	< 0.004	0.1	0.004	mg/L	N/A	N/A	
Total Trihalomethanes (as CHCl ₃)	< 0.003		0.003	mg/L	N/A	N/A	
Hardness, Total (Total as CaCO ₃)	132		5.0	mg/L	N/A	N/A	
Solids, Total Dissolved	171		2.0	mg/L	N/A	N/A	
Total Recoverable Metals							



SAMPLE ANALYTICAL DATA

REPORTED TO PROJECT Merritt, City of Drinking Water

WORK ORDER REPORTED 3050843 May-23-13

Analyte	Result / Recovery	Canadian DW Guideline	MRL / Limit	Units	Prepared	Analyzed	Notes
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Total Recoverable Metals, Continued

Sample ID: WT# 11D2B - Voght Park GE Pump (3050843-01) [Water] Sampled: May-14-13 10:30

Aluminum, total	< 0.05	AO ≤ 0.1	0.05	mg/L	May-16-13	May-17-13	
Antimony, total	< 0.001	MAC = 0.006	0.001	mg/L	May-16-13	May-17-13	
Arsenic, total	< 0.005	MAC = 0.01	0.005	mg/L	May-16-13	May-17-13	
Barium, total	0.06	MAC = 1	0.05	mg/L	May-16-13	May-17-13	
Beryllium, total	< 0.001		0.001	mg/L	May-16-13	May-17-13	
Boron, total	< 0.04	MAC = 5	0.04	mg/L	May-16-13	May-17-13	
Cadmium, total	< 0.0001	MAC = 0.005	0.0001	mg/L	May-16-13	May-17-13	
Calcium, total	38		2	mg/L	May-16-13	May-17-13	
Chromium, total	< 0.005	MAC = 0.05	0.005	mg/L	May-16-13	May-17-13	
Cobalt, total	< 0.0005		0.0005	mg/L	May-16-13	May-17-13	
Copper, total	0.003	AO ≤ 1	0.002	mg/L	May-16-13	May-17-13	
Iron, total	< 0.1	AO ≤ 0.3	0.1	mg/L	May-16-13	May-17-13	
Lead, total	< 0.001	MAC = 0.01	0.001	mg/L	May-16-13	May-17-13	
Magnesium, total	9.3		0.1	mg/L	May-16-13	May-17-13	
Manganese, total	< 0.002	AO ≤ 0.05	0.002	mg/L	May-16-13	May-17-13	
Mercury, total	< 0.0002	MAC = 0.001	0.0002	mg/L	May-16-13	May-17-13	
Molybdenum, total	< 0.001		0.001	mg/L	May-16-13	May-17-13	
Nickel, total	< 0.002		0.002	mg/L	May-16-13	May-17-13	
Phosphorus, total	< 0.2		0.2	mg/L	May-16-13	May-17-13	
Potassium, total	1.1		0.2	mg/L	May-16-13	May-17-13	
Selenium, total	< 0.005	MAC = 0.01	0.005	mg/L	May-16-13	May-17-13	
Silicon, total	6		5	mg/L	May-16-13	May-17-13	
Silver, total	< 0.0005		0.0005	mg/L	May-16-13	May-17-13	
Sodium, total	8.4	AO ≤ 200	0.2	mg/L	May-16-13	May-17-13	
Uranium, total	0.0004	MAC = 0.02	0.0002	mg/L	May-16-13	May-17-13	
Vanadium, total	< 0.01		0.01	mg/L	May-16-13	May-17-13	
Zinc, total	< 0.04	AO ≤ 5	0.04	mg/L	May-16-13	May-17-13	

Sample ID: WT# 1E18B - City Hall (3050843-02) [Water] Sampled: May-14-13 10:40

Aluminum, total	< 0.05	AO ≤ 0.1	0.05	mg/L	May-16-13	May-17-13	
Antimony, total	< 0.001	MAC = 0.006	0.001	mg/L	May-16-13	May-17-13	
Arsenic, total	< 0.005	MAC = 0.01	0.005	mg/L	May-16-13	May-17-13	
Barium, total	0.06	MAC = 1	0.05	mg/L	May-16-13	May-17-13	
Beryllium, total	< 0.001		0.001	mg/L	May-16-13	May-17-13	
Boron, total	< 0.04	MAC = 5	0.04	mg/L	May-16-13	May-17-13	
Cadmium, total	< 0.0001	MAC = 0.005	0.0001	mg/L	May-16-13	May-17-13	
Calcium, total	38		2	mg/L	May-16-13	May-17-13	
Chromium, total	< 0.005	MAC = 0.05	0.005	mg/L	May-16-13	May-17-13	
Cobalt, total	< 0.0005		0.0005	mg/L	May-16-13	May-17-13	
Copper, total	0.056	AO ≤ 1	0.002	mg/L	May-16-13	May-17-13	
Iron, total	< 0.1	AO ≤ 0.3	0.1	mg/L	May-16-13	May-17-13	
Lead, total	0.004	MAC = 0.01	0.001	mg/L	May-16-13	May-17-13	
Magnesium, total	9.2		0.1	mg/L	May-16-13	May-17-13	
Manganese, total	< 0.002	AO ≤ 0.05	0.002	mg/L	May-16-13	May-17-13	
Mercury, total	< 0.0002	MAC = 0.001	0.0002	mg/L	May-16-13	May-17-13	
Molybdenum, total	< 0.001		0.001	mg/L	May-16-13	May-17-13	

Overview

The Wastewater Treatment Plant Monitoring Program is governed by Permit PE #115. Monthly and weekly laboratory results are sent to the Ministry of Environment, as well as used for this yearly report. Additional monitoring and testing of the Wastewater Treatment Plant are carried out for operational and maintenance purposes.



Darrell Finnigan, Superintendent of Public Works

Introduction

The City of Merritt's Wastewater Treatment Plant (WWTP) is located at 1298 Coldwater Avenue in the City of Merritt Public Works Yard. The City of Merritt's WWTP only treats wastewater from the City of Merritt; no other influent is accepted into the system unless authorized by the Public Works Manager.

Merritt's WWTP was officially opened in August 1963 with a discharge permit of 1364 cubic meters per day. Since that time the plant has undergone two major upgrades and many smaller upgrades. The first major upgrade was in May 1985 which consisted of a new building and dewatering equipment. The second being more recent in 2007-2008 which consisted of a building for a degrit system, a second story added to the existing motor control room (MCC) and new motor control equipment. Other upgrades are the addition of two rectangular clarifiers in 1992 that replaced the smaller old ones, rapid infiltration basins were added in 1988 for final effluent disposal, stopping the year round discharge into the Coldwater River and a belt filter press installed in 1996 that now allows us to send our bio-solids for composting. The Bio-solids composting was started in 2008.

The City of Merritt strives to keep the WWTP operating with modern control systems and equipment that keeps its discharge levels well below the permitted levels set out by the Ministry. Also with the newer equipment we are able to run motors and pumps at rates exactly needed which results in energy and cost savings.

Collection System

The gravity sanitary sewer system is maintained by the Public Works Department. The Wastewater Treatment Division looks after two Syphons, as well as two Lift Stations that collect the Wastewater and then pumps it into the trunk mains. Due to regulation changes the Collection System was required to be classified. The City of Merritt's Collection System is now regulated and classified as a Level II system.

Nicola Lift Station is a small station with a 2.4 horse power Flygt pump. Down slightly from 2012, the Nicola pump in 2013 ran on average 60 minutes a day and up to a maximum of 140 minutes per day in the spring due to infiltration primarily from the trailer park it serves. The station is monitored by the WWTP's SCADA system 24/7 and will alarm the on-call operator if there is a high level in the station. A backup pump is stored at the WWTP for the Nicola lift station in case of a pump failure. In 2013 there were no failures or major repairs at the Nicola Lift Station.

Collettsville Lift Station is a larger station that takes the wastewater flow from all of the Collettsville area. The station is made up of 2, 10 horse power Flygt pumps with a diesel powered backup generator for power outages. In 2013 Collettsville ran on average 152 minutes per day which is also down slightly from 2012. Collettsville is monitored and will send out alarms 24/7 for high level, loss of communication, loss of power and pump failure by the WWTP's SCADA system. Each year both pump stations are cleaned with a vacuum truck and the pumps pulled for inspection and/or repairs.

Lift Station Maintenance and Capital Projects completed in 2013 included:

- Nicola lift station was cleaned four times by a contracted Vac truck.
- Nicola Lift Station pump was removed and inspected 4 times throughout 2013.
- Collettsville Lift Station's pumps were pulled and inspected in July 2013.
- Purchased a refurbished spare pump for the Collettsville Station.
- Collettsville Lift Station was cleaned twice by a contracted Vac truck.
- Physically inspected each lift station every week for operation and vandalism.
- There was no capital projects scheduled for either lift station in 2013.

Lift Station Goals & Objectives planned for 2014 include:

- Purchase a spare pump for Collettsville Lift Station.
- Weekly inspection of pumps and level bulbs.
- Annual inspection and cleaning of Stations

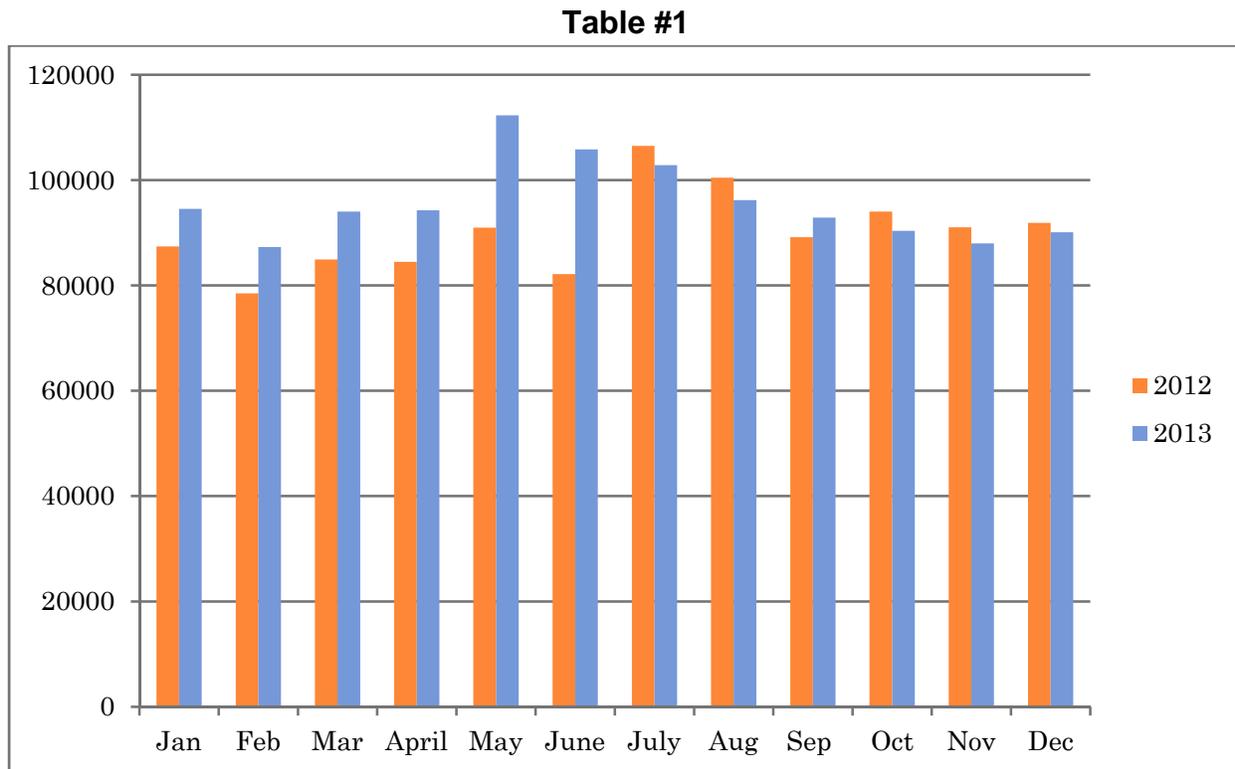
Influent (Raw Wastewater)

In 2013 the City of Merritt Wastewater Treatment Plant received 1,148,463 cubic meters (252,661,860 million IG) of influent from the sanitary sewer system. The 2013 average daily influent flow rate was 3146 cubic meters /day. The average influent flow rate per person was 393.3 liters/day/person based on a population of 8000 for the city of Merritt, this is a 6.2 % increase from 2012 influent flow.

Peak flow day was observed on May 28th at 4272 m3.

Minimum flow day was observed on June 19th at 1742 m3.

Table #1 shows the monthly flow comparison from 2012 to 2013



Wastewater Treatment Plant

The City of Merritt operates a Class III Activated Sludge Wastewater Treatment Plant. The WWTP is a 24/7 operation with the operators working 8 hours a day five days a week. Two hours a day are worked on weekends for process testing and equipment operational checks. The Wastewater Treatment Plant is operated by Chief Operator Kevin Vilac and a level II Operator Jeff Wike. Without a Level III Operator, we continue to rely on the Superintendent of PW to oversee the plant and continue to train other operators to fill in for holidays, sick days and to work rotating weekends.



Wastewater Treatment Plant

The Wastewater Treatment Plant treats the wastewater influent received from the city by creating an environment in basins ideal for micro-organisms to grow and break down organic solids. The influent is directed through a series of different equipment and tanks that produce a high quality effluent that is then directed to Rapid Infiltration (RI) Basins. Also from this process thickened sludge is stored and run through a belt filter press to create a substance called bio-solids. These bio-solids are hauled to a local composting facility to be converted into a useable end product that is used as a soil supplement.



Motor Control Centre

The WWTP uses a *supervisory control and data acquisition (SCADA)* and *programmable logic controllers (PLC)* to help control and operate many different parameters within the WWTP. These controllers control equipment at rates that are exactly needed that in turn makes the equipment use only the power needed. This results in a large power savings for the City of Merritt. In 2008 the latest WWTP upgrades were officially completed.

The new lift station that replaced the aging screw pumps and the new degrit building are proving and helping to produce a quality effluent. The new motor controls are also proving to be more efficient and have been considerably more reliable than the older equipment that was replaced.

Summary of WWTP/Lift Station emergency call outs for 2013:

- WWTP – 5
- Lift Stations – 9
- Hydro related (bumps, outages) – 1
- PLC Communications Failure – 3

We saw a decrease of 44% of call outs related to the plant for 2013. These types of call outs were reduced because of upgrades and process changes that we made to the treatment process. The reduction in call outs is directly related to the equipment upgrades made throughout the year. The overall 5 % reduction in call outs is a significant cost savings.

Wastewater Treatment Plant Maintenance and Capital Projects completed in 2013 include:

- Installed a new Eq. Plug Valve.
- Rebuilt Blower #2.
- Installed a new Air Compressor and Air System.
- Replaced WAS Flow meter.
- Replaced two VFD's that failed.
- Rebuilt #2 RAS Pump.

WWTP Goals & Objectives planned for 2014 include:

- Daily/Weekly inspection and cleaning of equipment.
- Rebuild Blower #3.
- Replace 3" service line to the WWTP.
- Replace aging WAS Flow meter.
- Continue to train and promote operator education.
- Continue to work and explore ways to conserve water and power usage.

Quality Monitoring

As outlined in our permit we monitor daily influent flow and weekly phosphorus levels. Monthly samples are also taken as per our permit for a 5 day biological oxygen demand (BOD5), Total Suspended Solids (TSS), total phosphorus (TP) and total dissolved phosphorus (TDP).

Table #2 shows the parameters monitored, our permits required levels and the WWTP's 2013 average monthly lab results. You will notice we have maintained a yearly average of over 67% lower BOD5, 86% lower TSS, 71% lower TP and 89% lower for TDP than the maximum allowable permit levels.

Table #3 shows the requirements of our permit if effluent flow is directed to the Coldwater River. In 2013 no effluent was directed to the Coldwater River. Effluent would only be directed to this river if there was an emergency situation or where the basins were unable to receive the total effluent flow. Final effluent has not been directed to the Coldwater River since 1997.

The Wastewater Treatment Plant did not exceed the permitted flow requirements in 2013.

Table #2

Parameter's for WWTP & R.I basin inflow	PE #115 Requirements	2013 WWTP Average
Max Daily Flow	4615 m ³	3146 m ³
BOD5	< 45 mg/l	15 mg/l
TSS	< 45 mg/l	6 mg/l
TDP	< 1.0 mg/l	0.11 mg/l
TP	<1.0 mg/l	0.29 mg/l

Table #3

Parameter's for River Discharge	PE #115 Requirements	2012 WWTP Average
Max Daily Flow	4615 m ³	n/a
BOD5	< 30 mg/l	n/a
TSS	< 40 mg/l	n/a
TDP	< 1.0 mg/l	n/a
Chlorine Residual	Non-detectable	n/a

Table #4 shows the average monthly lab results for influent, effluent, phosphorus levels and total suspended solids. These results are sent to the Ministry of Environment each and every month.

Table #4

2013	Final Effluent				R.I Basin #2		Raw Wastewater			
	B O D	TSS	T.D.P.	T.P.	T.D.P	T.P.	BOD	TSS	TDP	TP
month	mg/l	mg/l	plant	plant	basin o'f	basin o'f	mg/l	mg/l	plant	plant
Jan	19	8	0.06	0.40	0.02	0.22	363	283	2.77	10.8
Feb	21	8	0.03	0.18	0.03	0.14	278	227	2.88	4.42
Mar	<10	2	0.05	0.34	0.04	0.10	275	270	4.25	6.61
Apr	12	4	0.12	0.26	0.08	0.16	257	278	4.57	6.48
May	23	12	0.17	0.49	0.15	0.25	384	188	3.79	6.71
Jun	10	3	0.08	0.31	0.10	0.22	213	170	2.89	12.70
Jul	<10	3	0.05	0.13	0.07	0.21	295	255	4.03	8.98
Aug	19	8	0.21	0.29	0.24	0.33	229	219	3.95	6.28
Sep	<10	3	0.13	0.26	0.14	0.15	273	465	4.17	10.70
Oct	10	8	0.18	0.31	0.18	0.38	291	298	3.37	7.17
Nov	11	14	0.13	0.36	0.16	0.56	278	319	0.27	9.74
Dec	10	4	0.10	0.17	0.04	0.17	279	317	3.34	8.03
Av.	15	6	0.11	0.29	0.10	0.24	285	274	3.36	8.22
Max	23	14	0.21	0.49	0.24	0.56	384	465	4.57	12.70
Min	10	2	0.03	0.13	0.02	0.10	213	170	0.27	4.42

Wastewater treatment plant operators also test, sample, monitor, and record 40+ other parameters each day to keep the plant operating at a high level of efficiency. Table #5 & #6 show some of these parameters that are monitored.

Table #5

2013	Waste	Rate	Digester	Press	Feed	Solids	Cake	D.M.T.	rec'y
Month	m3/day	%	%	hours	m3	m3	%	tons	%
Jan	88.0	3.0	0.75	147.8	2766	168	13.1	22	98.0
Feb	96.7	3.5	0.79	127.5	2708	165	13.1	21.6	98.2
Mar	90.0	3.0	0.69	138.1	2830	143	13.4	19.2	98.0
Apr	89.0	3.0	0.70	128.1	2589	141	12.4	17.5	98.8
May	84.3	2.6	0.61	149.5	2833	159	12.9	20.6	98.4
June	83.4	2.6	0.63	98.1	2884	161	12.6	20.3	98.8
July	90.2	3.0	0.64	108.7	2836	177	12.7	22.6	98.6
Aug	85.4	3.1	0.58	95.5	2663	135	12.8	17.2	98.5
Sept	82.5	3.0	0.56	89.9	2440	132	13.0	17.1	99.0
Oct	67.8	2.6	0.70	72.1	2120	128	12.2	16.9	98.9
Nov	78.0	3.0	0.65	79.4	2324	136	12.5	17.0	98.5
Dec	85.8	3.0	0.69	96.6	2840	173	12.2	21.1	96.6
Average	84.8	2.95	0.67	110.9	2653	152	12.7	19.4	98.4

Table #6

2013	Flows	Raw SS	MLSS	MLVSS	RASS	SVI	Settling
Month	m3/day	mg/L	mg/L	mg/L	mg/L	ml/L	%
Jan	3049	187	3465	2450	7600	111	38
Feb	3117	191	3574	2331	8494	96	34
Mar	3033	190	3354	2335	7639	106	36
Apr	3141	209	3241	2334	7184	128	41
May	3622	172	3031	2186	7021	117	35
June	3528	178	3024	2151	7115	129	39
July	3317	159	3057	2313	6736	120	37
Aug	3103	199	3040	2173	6874	123	37
Sept	3095	201	2878	2075	6835	153	44
Oct	2914	185	3411	2474	8139	158	54
Nov	2932	216	3630	2575	7669	105	38
Dec	2906	181	3677	2611	7541	150	55
Average	3146	189	3265	2334	7404	125	41

Rapid Infiltration Basins (R.I.)

The R.I. basins are located 0.7km west of the WWTP across the Coldwater River. The basins are a very simple system that receives the final effluent which is gravity fed from the WWTP then piped under the Coldwater River to a lined containment basin. The containment basin remains full at all times, from this basin the overflow is directed to feed the rapid infiltration basins. When the flow is directed to one of three rapid infiltration basins it allows the final effluent to seep naturally back into the ground. Each of the three rapid infiltration basins is rotated on a two week cycle.



Rapid Infiltration Basin

Rapid Infiltration Maintenance and Capital Projects completed in 2013 include:

- Disked each basin twice spring/fall.
- Weeded around each basin.
- Scooped out weeds with backhoe that was growing into the basins.
- No capital projects were scheduled for 2013.

Rapid Infiltration Basin Goals & Objectives planned for 2014 include:

- Weekly inspection and cleaning of valves and pipes.
- Weekly inspection solid build ups.
- Spring cleanup of weeds and grasses from around containment basins.
- Disk each basin.

Bio-Solids Dewatering



Belt Filter Press

Solids that are settled out of the wastewater treatment process in the clarifiers are stored in an aerated digester. The solids are then pumped to a belt filter press. The belt filter press presses (separates) the water from the solids. 0.67% of this becomes solids and 99.3% is water. The 0.67% is then pressed (separated) further to an average of 12.7% cake solids and the remaining separated water is returned to the influent of the plant. The solids are then trucked to the composting site near the airport. In 2013 we averaged 4 dump truck loads or 30 m³. As shown in table #5 the press operated 1331.3 hours and pressed 31,833 m³ of digested solids.

Belt Filter Press Goals & Objectives planned for 2014 include:

- Daily/weekly inspection and cleaning of equipment.
- Replacement of worn bearings on press and conveyor.
- Paint all walls and floor in press room.
- Replace the PLC mounting boards.

Bio-Solids



Good Earth Composting Site

In August of 2008 the City of Merritt contracted out the composting operation. This is located just west of the city and south of the airport. The company called Good Earth Company has now taken on the challenge of composting the city's bio-solids. The site uses the method of aerated static piles. With this method of composting the Good Earth Company has successfully created a composted material that can be resold and reused as a soil supplement. The City of Merritt has used this compost in the past year in many different applications around the city. Some of the compost was used to top dress the lawn at the City's Aquatic Centre and replace the soil in the downtown tree wells.

City of Merritt

Statement of Permissive Property Tax Exemptions For the year ended December 31, 2013



In accordance with Section 98(2)(b) of the *Community Charter*, the following properties in the City of Merritt were provided permissive property tax exemptions by Council in 2013.

Owner / Occupier	Property Address	Purpose	Duration of Exemption	Estimated Value for	
				2013	3 Years
Nicola Valley Evangelical Free Church	1950 Maxwell Ave	Land and Improvements surrounding a charitable religious organization	1 Year	\$ 1,242	\$ 3,727
Merritt Sikh Society	2399 Chapman St	Land and Improvements surrounding a charitable religious organization	1 Year	\$ 1,053	\$ 3,158
Merritt Crossroads Community Church	2990 Voght St	Land and Improvements surrounding a charitable religious organization	1 Year	\$ 1,593	\$ 4,780
Fraser Basin Property Society	1990 Chapman St	Land and Improvements surrounding a charitable religious organization	1 Year	\$ 397	\$ 1,192
United Church of Canada	1899 Quilchena Ave	Land and Improvements surrounding a charitable religious organization	1 Year	\$ 235	\$ 705
Merritt Baptist Church	2499 Coutlee Ave	Land and Improvements surrounding a charitable religious organization	1 Year	\$ 352	\$ 1,055
Roman Catholic Bishop of Kamloops	2302 Jackson Ave	Land and Improvements surrounding a charitable religious organization	1 Year	\$ 361	\$ 1,084
BC Seventh Day Adventist	2190 Granite Ave	Land and Improvements surrounding a charitable religious organization	1 Year	\$ 333	\$ 998
Trustees Merritt Jehovah's Witness	1505 Sunset St	Land and Improvements surrounding a charitable religious organization	1 Year	\$ 650	\$ 1,950
Church of Jesus Christ of Latter-Day Saints	2451 Spring Bank Ave	Land and Improvements surrounding a charitable religious organization	1 Year	\$ 11,932	\$ 35,795
Nicola Native Lodge Society	2640 Spring Bank Ave	Not for profit organization	1 Year	\$ 2,173	\$ 6,520
Conayt Friendship Society	2164 Quilchena Ave	Not for profit organization	1 Year	\$ 6,952	\$ 20,855
Merritt Curling Club	2075 Mamette Ave	Not for profit recreation building	1 Year	\$ 4,444	\$ 13,332
Merritt Golf & Country Club	1450 Juniper Rd	Municipal Property	1 Year	\$ 2,063	\$ 6,190
Nicola Valley Research Society	1840 Nicola Ave	Not for profit organization	1 Year	\$ 4,102	\$ 12,307
CRTRL Land Co. Ltd./Merritt Walk of Stars	2025 Quilchena Ave	Not for profit organization	1 Year	\$ 4,209	\$ 12,626
Royal Canadian Legion	1940 Quilchena Ave	Not for profit organization	1 Year	\$ 1,781	\$ 5,344
Nicola Valley Health Care Auxiliary	1803 Voght St	Land and Improvements surrounding a public health facility	1 Year	\$ 1,596	\$ 4,789
Nicola Valley Senior Housing	1926 Coutlee Ave	Not for profit organization	1 Year	\$ 2,397	\$ 7,190
Nicola Valley Holding Assn (Elks)	1701 Coldwater Ave	Not for profit organization	1 Year	\$ 320	\$ 960
Ska-Lu-La Workshop/Nicola Valley Assn.					
Community Living	1775 Coldwater Ave	Not for profit organization	1 Year	\$ 911	\$ 2,733
Nicola Valley Holding Assn (Elks)	1702 Coldwater Ave	Not for profit organization	1 Year	\$ 1,628	\$ 4,885
Merritt Golf & Country Club	1450 Juniper Rd	Municipal Property	1 Year	\$ 868	\$ 25,950
Merritt Golf & Country Club	1450 Juniper Rd	Municipal Property	1 Year	\$ 600	\$ 1,801
Merritt Golf & Country Club	1450 Juniper Rd	Municipal Property	1 Year	\$ 1,032	\$ 3,095
Merritt Golf & Country Club	1450 Juniper Rd	Municipal Property	1 Year	\$ 100	\$ 301
Nicola Valley Health Care Endowment	Voght Street	Land and Improvements surrounding a public health facility	1 Year	\$ 6,821	\$ 20,462
Nicola Valley Health Care Endowment	3457 Voght Street	Land and Improvements surrounding a public health facility	1 Year	\$ 5,218	\$ 15,653
Merritt Golf & Country Club	1450 Juniper Rd	Municipal Property	1 Year	\$ 8,277	\$ 24,830
Merritt Golf & Country Club	1450 Juniper Rd	Municipal Property	1 Year	\$ 14,297	\$ 42,891
Nicola Valley Memorial Rodeo/Nicola Valley Fall Fair Assn.	319 Lindley Creek Rd	Not for profit organization	1 Year	\$ 11,594	\$ 34,782
				\$ 99,532	\$ 298,595

Mayor and Council
City of Merritt



Your Worship and Council Members:

I am pleased to present the municipality's audited financial statements for the year ended December 31, 2013. These financial statements form part of the annual reporting requirements of Section 98 of the *Community Charter* and have been prepared in accordance with the requirements of Section 167 of the *Community Charter*.

The municipality's Finance Department is responsible for the preparation and presentation of the financial statements and related information in the annual report. The financial statements were prepared in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. The municipality maintains a system of internal accounting controls designed to safeguard assets of the corporation and provide reliable financial information.

The financial statements were audited by the firm KMPG LLP in accordance with Canadian generally accepted auditing standards and they have expressed an unqualified opinion that the consolidated financial statements prepared by management present fairly the financial position of the City of Merritt and the results of operations for the year ended December 31, 2013.

FINANCIAL OVERVIEW

The financial results for 2013 were similar to that of 2012. The annual surplus was \$1,861,475 which is only slightly less than 2012. Both revenues and expenditures were higher than the previous year as well as the amounts budgeted. Some of the increased expenditures were a result of receiving additional funding for certain purposes. Other increases were due to the finalizing of certain projects carried over from previous years.

Under the current accounting standards for local governments, capital expenditures are treated similarly to those of a regular corporation with depreciation being recorded as an annual expense. The result is that there is a significant surplus for the year but this entire surplus has been invested in new capital upgrades for the City. At the end of 2013, there were \$7,789,462 left in our non-statutory reserves and surplus. Our statutory reserve funds and our development cost charges add \$1,077,727 and \$3,490,141 respectively to our funds available for capital projects.

Our capital expenditures for 2013 were well below the planned amounts as certain projects were not started. These projects have been carried over to 2014 and will be completed in the coming year. As a result, our cash position at the end of 2013 was \$1.7 million higher than the



previous year. This also resulted in the City moving from a small net debt position to a position where we have net financial assets of almost \$1.6 million.

Our taxation revenue was approximately \$300,000 higher than the previous year and the amount we had budgeted for 2013. This is mainly due to a reassessment of past years' property taxes on two large taxpayers. These additional amounts are non-recurring and we expect to have to repay approximately \$100,000 once the reassessments have been completed.

There was no new long term debt issued in 2013 and we paid down approximately \$500,000 of our existing long term debt. The debenture on the Nicola Valley Aquatic Centre was paid off during the year. Total long term debt outstanding at the end of 2013 was \$6,554,008. Early in 2014, we added approximately \$1.3 million to this total, the proceeds of which will be used on capital projects in 2014.

We added two new capital leases for new equipment in 2013 and paid off one of the older leases. At the end of 2013 there were four leases outstanding on four different pieces of equipment. At the end of each of these leases, the ownership of the equipment transfers from the leasing company to the City.

At the end of 2013, we had \$14.1 million in cash. The majority of this cash is restricted in its use. The restrictions on this cash are limitations on the types of expenditures that the cash can be used for; mainly for capital purposes. Approximately \$3 million in cash is unrestricted.

There was a small increase in our statutory reserves and our non-statutory reserves remained unchanged. Our total accumulated surplus was \$53.9 million with \$45 million of this surplus invested in the capital infrastructure of the City.

CONCLUSION

The municipality continues to make improvements to its infrastructure and will see it make significant investments in road projects and other infrastructure over the next few years. This presents a challenge to Council and staff as we struggle to keep project costs within budgeted amounts in an economy that is facing uncertain times. Staff is committed to strong financial management and they are constantly looking for alternative ways of delivering the services that the community expects in an efficient and effective manner.

In closing, I would like to express my appreciation to the Finance Department staff for all their hard work during the past year.

Respectfully submitted,

K.M. Ostraat, CPA, CA
Financial Services Manager



CITY OF MERRITT
Financial Statements
Year ended December 31, 2013



CITY OF MERRITT
Financial Statements
Year ended December 31, 2013

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Management's Responsibility for the Financial Statements

The accompanying financial statements of the City of Merritt ("the City") are the responsibility of management and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. The significant accounting policies are described in Note 1 to the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The City's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the financial statements. These systems are monitored and evaluated by management.

Mayor and Council meet with management and the external auditors to review the financial statements and discuss any significant financial reporting or internal control matters prior to the approval of the financial statements by Council.

The financial statements have been audited by KPMG LLP, independent external auditors appointed by the City. The accompanying Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the City's financial statements.

K.M. Ostraat, CPA, CA
Financial Services Manager





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Kamloops BC V2C 6P5
Canada

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INDEPENDENT AUDITORS' REPORT

To the Mayor and Council of the City of Merritt

We have audited the accompanying financial statements of the City of Merritt (the "City"), which comprise the statement of financial position as at December 31, 2013, and the 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 Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

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

Chartered Accountants
Kamloops, Canada
May 13, 2014

CITY OF MERRITT

Statement of Financial Position

December 31, 2013, with comparative information for 2012

	2013	2012
Financial assets		
Cash and short-term investments (note 2)	\$ 14,128,232	\$ 12,424,986
Accounts receivable		
- Taxes receivable	1,030,566	1,253,602
- Other	1,507,956	911,545
Property subject to redemption	54,147	43,915
	<u>16,720,901</u>	<u>14,634,048</u>
Financial liabilities		
Accounts payable and accrued liabilities	1,334,182	1,208,539
Employee benefits and other liabilities (note 3)	295,658	256,126
Deposits and holdbacks payable	199,407	146,688
Deferred revenue (note 5)	6,087,134	5,779,751
Net long-term debt (note 6)	6,554,008	7,047,824
Obligations under capital lease (note 8)	672,493	424,308
	<u>15,142,882</u>	<u>14,863,236</u>
Net financial assets (debt)	1,578,019	(229,188)
Non-financial assets		
Tangible capital assets (note 9)	52,253,147	52,205,055
Prepaid expenses	62,669	56,493
	<u>52,315,816</u>	<u>52,261,548</u>
Accumulated surplus (note 10)	<u>\$ 53,893,835</u>	<u>\$ 52,032,360</u>

Contingent liabilities and commitments (note 16)



Financial Services Manager



Mayor

The accompanying notes are an integral part of these financial statements.

CITY OF MERRITT

Statement of Operations

Year ended December 31, 2013, with comparative information for 2012

	Budget 2013	2013	2012
	(note 19)		
Revenue			
Taxation - net (note 12)	\$ 8,358,162	\$ 8,620,960	\$ 8,330,462
User fees, sales and rentals	4,041,650	4,129,298	3,979,267
Government transfers			
- Federal (note 13)	16,800	130,719	1,800
- Provincial (note 14)	935,709	923,457	907,361
- Regional (note 15)	290,000	290,250	301,250
Investment income	73,200	118,238	123,183
Penalties and interest on taxes	115,000	163,272	133,053
Contribution from developers	30,000	321,948	-
Other income	147,700	316,427	310,565
Actuarial adjustment of debt	-	157,762	212,888
Total revenues	14,008,221	15,172,331	14,299,829
Expenses			
General government	1,752,535	1,916,361	1,750,266
Protective services	3,172,986	3,274,329	3,072,359
Transportation services	1,306,168	2,226,216	1,827,424
Community, environmental and public health services	1,052,193	1,103,820	1,072,313
Leisure, parks and cultural development	2,154,966	2,591,343	2,474,458
Water utility	894,980	1,193,991	1,194,007
Sewer utility	798,366	1,004,796	970,280
Total expenses	11,132,194	13,310,856	12,361,107
Annual surplus	2,876,027	1,861,475	1,938,722
Accumulated surplus, beginning of year,	52,032,360	52,032,360	50,093,638
Accumulated surplus, end of year	\$ 54,908,387	\$ 53,893,835	\$ 52,032,360

The accompanying notes are an integral part of these financial statements.

CITY OF MERRITT

Statement of Changes in Net Financial Assets (Debt)

Year ended December 31, 2013, with comparative information for 2012

	Budget 2013	2013	2012
	(note 19)		
Annual surplus	\$ 2,876,027	\$ 1,861,475	\$ 1,938,722
Acquisition of tangible capital assets	(6,978,152)	(1,705,634)	(2,993,191)
Amortization of tangible capital assets	-	1,657,542	1,445,081
(Gain) loss on disposal of tangible capital assets	-	(10,165)	(29,410)
Proceeds on sale of tangible capital assets	-	10,165	29,410
	(4,102,125)	1,813,383	390,612
Acquisition of prepaid expenses	-	(62,669)	(56,493)
Use of prepaid expenses	-	56,493	48,232
	-	(6,176)	(8,261)
Change in net financial assets (debt)	(4,102,125)	1,807,207	382,351
Net financial assets (debt), beginning of year	(229,188)	(229,188)	(611,539)
Net financial assets (debt), end of year	\$ (4,331,313)	\$ 1,578,019	\$ (229,188)

The accompanying notes are an integral part of these financial statements.

CITY OF MERRITT

Statement of Cash Flows

Year ended December 31, 2013, with comparative information for 2012

	2013	2012
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 1,861,475	\$ 1,938,722
Items not involving cash:		
Amortization of tangible capital assets	1,657,542	1,445,081
Gain on disposal of tangible capital assets	(10,165)	(29,410)
Developer contribution of tangible capital asset	(321,948)	-
Actuarial adjustment on debt	(157,762)	(212,888)
Changes in non-cash operating assets and liabilities:		
Taxes receivable	223,036	(197,353)
Accounts receivable	(596,411)	377,275
Property subject to redemption	(10,232)	182,820
Accounts payable and accrued liabilities	125,643	(309,252)
Employee benefits and other liabilities	39,532	10,874
Deposits and holdbacks payable	52,719	(449)
Deferred revenue	307,383	252,384
Prepaid expenses	(6,176)	(8,261)
Net change in cash from operating activities	3,164,636	3,449,543
Capital activities:		
Acquisition of tangible capital assets	(964,769)	(2,745,960)
Proceeds on sale of tangible capital assets	10,165	29,410
Net change in cash from capital activities	(954,604)	(2,716,550)
Financing activities:		
Proceeds from issuance of term debt	-	1,676,956
Principal payments on term debt	(336,054)	(355,337)
Repayment of obligations under capital lease	(170,732)	(91,677)
Net change in cash from financing activities	(506,786)	1,229,942
Increase in cash and short-term investments	1,703,246	1,962,935
Cash and short-term investments, beginning of year	12,424,986	10,462,051
Cash and short-term investments, end of year	\$ 14,128,232	\$ 12,424,986
Supplemental cash flow information:		
Cash paid for interest	\$ 508,948	\$ 528,822
Cash received from interest	118,238	123,183
Tangible capital assets acquired by way of capital lease, not included above	418,917	247,231

The accompanying notes are an integral part of these financial statements.

CITY OF MERRITT

Notes to Financial Statements

Year ended December 31, 2013

The City of Merritt (the "City") was incorporated on April 1, 1911 under statute of the Province of British Columbia. The City provides local government services to residents of the incorporated area. These include general government, police, fire and other protective services, transportation, cemetery, parks, recreation and cultural services, solid waste disposal, water utility, sewer utility and fiscal services.

1. Significant Accounting Policies:

The financial statements of the City are prepared by management in accordance with Canadian generally accepted accounting principles for governments as prescribed by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada ("CPA"). Significant accounting policies adopted by the City are as follows:

(a) Reporting entity:

(i) Funds of the City

The financial statements reflect the assets, liabilities, revenues and expenses of the reporting entity. The reporting entity is comprised of all funds of the City, segregated into general, water utility and sewer utility and reserve funds.

The City has not identified any external entities that are owned or whose boards are controlled by the City and that are accountable to the City for the administration of their financial affairs and resources; however it is the policy of the City that such entities would also form part of the reporting entity.

Inter-departmental transactions and balances between these funds have been eliminated in the financial statements.

(ii) Accounting for transactions with other government organizations and boards

The taxation, other revenues, expenses, assets and liabilities with respect to the operations of the Thompson-Nicola Regional District, Hospital District and any other government entities with which the City interacts are not reflected in these financial statements. Funds collected by the City on behalf of these other entities and transmitted to them are summarized in note 12. Funds received by the City as transfers from other government entities are summarized in notes 13, 14 and 15.

(iii) Trust funds

Trust funds and their related operations administered by the City, which by their nature are not themselves assets of the City, are not included in these financial statements.

CITY OF MERRITT

Notes to Financial Statements (continued)

Year ended December 31, 2013

1. Significant Accounting Policies (continued):

(b) Basis of accounting:

The City follows the accrual method of accounting for revenues and expenses. Revenues are recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay.

(c) Revenue recognition:

Property taxes, including frontage taxes, parcel taxes and special assessments, are recognized as revenue in the year in which they are assessable. Water and sewer user rates, connection fees, sale of services and interest and penalties assessed on taxes are recognized as revenue in the year the related service is provided and if and when the amount to be received can be reasonably estimated and collection is reasonably assured.

Government transfers are recognized in the financial statements as revenues in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made unless the transfer contains stipulations that create a liability in which case the transfers are recognized as revenue in the period that the liability is extinguished.

Investment income is reported as revenue in the period earned. When required by the funding government or related Act, investment income earned on deferred revenue is added to the investment and forms part of the deferred revenue balance.

(d) Deferred revenue:

Deferred revenue represents grants, development cost charges ("DCCs"), and other fees which have been collected, but for which the related expenses or services have yet to be incurred or performed. These amounts will be recognized as revenues in the fiscal year the services are performed or related expenses incurred.

(e) Cash and short-term investments:

Cash and short-term investments include cash highly liquid investments with a term to maturity of 90 days or less at acquisition and that are convertible to cash.

CITY OF MERRITT

Notes to Financial Statements (continued)

Year ended December 31, 2013

1. Significant Accounting Policies (continued):

(f) Property subject to redemption:

Property subject to redemption is recorded at the lower of cost and net realizable value. Cost is defined as the cost deemed paid to acquire the property at tax sale, plus amounts for improvements to prepare the property for sale or servicing. Net realizable value is defined as the outstanding taxes receivable by the City on that property, plus land title registry and other fees payable at the time of the tax sale.

(g) Reserves:

Reserves for operating and capital purposes represents amounts reserved either internally or by statute for specific purposes.

(h) Term debt:

Term debt acquired through the Municipal Finance Authority ("MFA") is recorded net of related sinking fund balances. Earnings on sinking funds investments are allocated to the City as an actuarial adjustment, which is recorded as a revenue and a reduction in the related debt.

(i) Employee future benefits:

(i) The City provides certain employee benefits which will require funding in future periods. These benefits include sick leave and banked overtime provided to all its unionized employees. The costs of sick leave and banked overtime arising from past service and expected to be paid out in a future period have been accrued as a liability and have been determined using management's best estimate of salary and utilization rates. Non-vesting sick leave benefit entitlements in excess of these amounts are accrued using management's best estimate of the rate at which they will be utilized.

(ii) The costs of multi-employer defined benefit pension plan benefits, such as the Provincial Municipal Pension Plan (the "Plan"), are the employer's contributions due to the plan in the period.

CITY OF MERRITT

Notes to Financial Statements (continued)

Year ended December 31, 2013

1. Significant Accounting Policies (continued):

(j) Non-financial assets:

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

(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:

Asset	Useful life, in years
Land improvements	15-40
Buildings and building improvements	20-60
Vehicles, machinery and equipment	3-40
Roads, bridges and highways	25-150
Water utility infrastructure	50-70
Sewer utility infrastructure	60-75

Annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for use.

(ii) Contributions of tangible capital assets

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

(iii) Natural resources

Natural resources that have not been purchased are not recognized as assets in the financial statements.

CITY OF MERRITT

Notes to Financial Statements (continued)

Year ended December 31, 2013

1. Significant Accounting Policies (continued):

(j) Non-financial assets (continued):

(iv) Works of art and cultural and historic assets

The City manages and controls various works of art and non-operational historical cultural assets including paintings and sculptures located at City sites and public display areas. These assets are not recorded as tangible capital assets and are not amortized.

(v) Interest capitalization

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

(vi) Leased tangible capital assets

Leases which transfer substantially all 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 related payments are charged to expenses as incurred.

(k) Use of estimates:

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions based on current conditions and laws that affect the reported amounts of assets and liabilities, and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

Significant items subject to such estimates and assumptions include the estimated useful lives of tangible capital assets and actuarial valuations of employee future benefits.

Management reviews these estimates on a periodic basis and, where necessary, makes adjustments prospectively.

CITY OF MERRITT

Notes to Financial Statements (continued)

Year ended December 31, 2013

2. Cash and Short-Term Investments:

Cash and short-term investments reported on the statement of financial position have a cost that approximates market value. Cash equivalents consists of investments primarily in MFA pooled money market funds with an annual rate of return of approximately 1.2% (2012 - 1.1%).

Restrictions around the use of cash and short-term investments are as follows:

	2013	2012
Externally restricted:		
Statutory reserves (note 11)	\$ 1,077,727	\$ 799,957
Deferred revenues (note 5)	6,087,134	5,779,751
	7,164,861	6,579,708
Internally restricted:		
Non-statutory reserves	3,982,608	3,982,608
Total restricted	11,147,469	10,562,316
Unrestricted	2,980,763	1,862,670
Total	\$ 14,128,232	\$ 12,424,986
Consisting of:		
Cash	\$ 8,902,811	\$ 7,356,643
Short-term investments	5,225,421	5,068,343
Total	\$ 14,128,232	\$ 12,424,986

CITY OF MERRITT

Notes to Financial Statements (continued)

Year ended December 31, 2013

3. Employee Benefits and Other Liabilities:

- (a) The City provides benefits for sick leave to all its unionized employees. All employees accumulate sick leave entitlement on a monthly basis and can only use this entitlement for paid time off under certain circumstances. Under the terms of the current collective agreement, employees earn sick leave benefits at a rate of 1.5 days for every month of service, which accumulate and carry forward year-to-year, up to a maximum of 180 days per employee. Upon retirement, employees are entitled to a payout of the accumulated sick leave benefits based on the number of sick days in their entitlement, as follows:

0 - 89 days	nil
90 - 179 days	2 weeks
180 days	4 weeks

The total liability for these retirement benefits recorded on the statement of financial position in respect of obligation under this plan amounts to \$5,475 (2012 - \$11,275).

The total sick leave entitlement accumulated to date that is available to employees amounts to 10,065 hours (2012 - 9,556) or approximately \$294,400 (2012 - \$274,000).

- (b) Pension plan:

The City and its employees contribute to the Municipal Pension Plan (the "Plan"), a jointly trustee pension plan. The Board of Trustees, representing plan members and employers, is responsible for 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 (2012 - 176,000) active members and approximately 71,000 (2012 - 67,000) retired members. Active members include approximately 48 (2012 - 45) contributors from the City.

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 at December 31, 2015 with the results available in 2016. Employers participating in the Plan record their pension expense as the amount of employer contributions made during the year (defined contribution pension plan accounting). This is because the Plan records accrued liabilities and accrued assets for the Plan in aggregate with the result that there is no consistent and reliable basis for allocating the obligation, assets and cost to the individual employers participating in the Plan.

The City paid \$224,110 (2012 - \$209,113) for employer contributions to the Plan in fiscal 2013.

CITY OF MERRITT

Notes to Financial Statements (continued)

Year ended December 31, 2013

4. Federal Gas Tax Agreement Funds

Included in deferred revenue are amounts relating to gas tax agreement funds:

	2013	2012
Opening balance of unspent funds	\$ 1,874,577	\$ 1,542,355
Add:		
Amounts received in the year	332,131	332,222
Externally restricted interest earned	24,470	-
Less:		
Project expense	(35,000)	-
Closing balance of unspent funds	\$ 2,196,178	\$ 1,874,577

Gas tax revenue is provided by the Government of Canada. The use of the funding is established by a funding agreement between the City and the Province of British Columbia. Gas tax funding may be used towards designated community energy, water, wastewater, solid waste and capacity building projects as specified in the funding agreements.

5. Deferred Revenue

	Opening balance	Contributions received	Externally restricted investment income	Revenue recognized	Ending balance
Taxes paid in advance	\$ 101,481	111,998	-	(101,481)	\$ 111,998
Federal gas tax	1,874,577	332,131	24,470	(35,000)	2,196,178
Development cost charges	3,388,100	67,939	34,102	-	3,490,141
Other deferred contributions	415,593	46,978	-	(173,754)	288,817
	\$ 5,779,751	559,046	58,572	(310,235)	\$ 6,087,134

CITY OF MERRITT

Notes to Financial Statements (continued)

Year ended December 31, 2013

6. Net Long-term Debt

The City issues debt instruments through the Municipal Finance Authority ("MFA") of British Columbia, pursuant to term capital borrowing, loan authorization and security issuing resolutions under authority of Sections 178, 179 and 181 of the Community Charter, to finance certain capital expenditures. Net long term debt reported on the statement of financial position is comprised of the following:

Bylaw Number	Purpose	Year Maturing	% Rate	2013 Payments		Balance Outstanding	
				Interest	Principal	2013	2012
General fund							
1287	Aquatic Centre	2013	8.50	\$ 33,732	\$ 32,813	\$ -	\$ 82,917
1454	Truck Route	2017	4.82	76,542	48,025	451,843	551,684
1994	Voght Street Bridge	2029	4.90	29,400	20,149	514,438	537,103
1995	Fire Truck	2029	4.13	24,780	20,149	514,438	537,103
2119	Airport Lands Servicing	2032	3.40	29,816	29,450	847,506	876,956
2120	Dewolf Way Enhancements	2032	3.40	27,200	26,865	773,135	800,000
						3,101,360	3,385,763
Water fund							
1461	NE Sector Water	2016	3.00	25,306	13,391	96,761	125,993
1973	Grandview Heights Reservoir	2027	4.82	22,654	15,784	365,309	384,512
1986	Active Mountain Reservoir	2027	4.82	57,840	40,298	932,704	981,732
1993	Kingard Well	2028	4.65	54,637	39,459	961,280	1,007,441
1993	Deep Aquifer Well	2029	4.13	49,560	40,298	1,028,875	1,074,205
						3,384,929	3,573,883
Sewer fund							
(a) 1461	NE Sector Sewer	2016	3.00	9,297	9,372	67,719	88,178
				\$ 440,764	\$ 336,053	\$ 6,554,008	\$ 7,047,824

(a) Recovered from specific area taxation

CITY OF MERRITT

Notes to Financial Statements

Year ended December 31, 2013

6. Net Long-term Debt (continued)

Future principal requirements, including sinking fund additions, on existing debt for the next five years and thereafter are as follows:

	General Fund	Water Fund	Sewer Fund	Total
2014	\$ 144,638	\$ 149,230	\$ 9,372	\$ 303,240
2015	144,638	149,230	9,372	\$ 303,240
2016	144,638	149,230	9,372	\$ 303,240
2017	144,638	135,838	-	\$ 280,476
2018	96,614	135,838	-	\$ 232,452
2019 and thereafter	1,231,691	1,342,598	-	\$ 2,574,289
Actuarial additions	1,194,503	1,322,965	39,603	\$ 2,557,071
	<u>\$ 3,101,360</u>	<u>\$ 3,384,929</u>	<u>\$ 67,719</u>	<u>\$ 6,554,008</u>

7. Reserve - Municipal Finance Authority

The City issues its debt instruments through the Municipal Finance Authority. As a condition of these borrowings, a portion of the debenture proceeds are withheld by the Municipal Finance Authority as a debt reserve fund. The City also executes demand notes in connection with each debenture whereby the City may be required to loan certain amounts to the Municipal Finance Authority. These demand notes are contingent in nature and are not reflected in the accounts. The details of the cash deposits and demand notes at the year end are as follows:

	Demand Notes	Cash Deposits	Total 2013	Total 2012
General Fund	\$ 129,804	\$ 64,043	\$ 193,847	\$ 277,594
Water Fund	139,401	58,319	197,720	196,353
Sewer Fund	13,596	7,264	20,860	20,690
	<u>\$ 282,801</u>	<u>\$ 129,626</u>	<u>\$ 412,427</u>	<u>\$ 494,637</u>

CITY OF MERRITT

Notes to Financial Statements (continued)

Year ended December 31, 2013

8. Obligations under Capital Lease

The City has entered into several agreements for the lease of certain vehicles with the Municipal Finance Authority. The agreements expire on various dates in 2016 - 2018 and provide for transfer of the vehicles to the City after the last lease payment is made. The following are the outstanding lease obligations for the City:

	2013	2012
Obligation under capital lease, Prime minus 1%, blended monthly payments of \$2,002, due April 2013	\$ -	\$ 72,391
Obligation under capital lease, Prime minus 1%, blended monthly payments of \$3,317, due November 2016	112,693	140,006
Obligation under capital lease, Prime minus 1%, blended monthly payments of \$4,637, due March 2017	174,940	211,911
Obligation under capital lease, Prime minus 1%, blended monthly payments of 6,467, due October 2018	357,254	-
Obligation under capital lease, Prime minus 1%, blended monthly payments of \$535, due June 2018	27,606	-
	\$ 672,493	\$ 424,308

Obligations under capital leases are secured by a garbage truck, pickup truck, sewer pump truck and a sweeper truck. Interest paid relating to the above obligations on capital leases was \$12,286 (2012 - \$8,554). The future minimum lease payments for the next five years and thereafter are:

2014	\$ 179,475
2015	179,475
2016	176,158
2017	97,936
2018	67,882
	<u>700,926</u>
Less imputed interest:	<u>28,433</u>
	<u>\$ 672,493</u>

CITY OF MERRITT

Notes to Financial Statements (continued)

Year ended December 31, 2013

9. Tangible Capital Assets

2013	Land	Land Improvements	Buildings and building improvements	Vehicles, machinery and equipment	Roads, bridges and highways	Water and sewer Infrastructure	Assets under construction	Total
Cost:								
Balance, beginning of year	\$ 6,633,631	\$ 3,648,960	\$ 13,263,060	\$ 9,991,703	\$ 23,300,176	\$ 18,064,478	\$ 3,892,010	\$ 78,794,018
Additions	-	74,029	1,710,931	643,824	1,779,708	1,025,101	(3,527,959)	1,705,634
Disposals	-	-	-	(1,443,485)	(15,076)	(6,291)	-	(1,464,852)
Balance, end of year	6,633,631	3,722,989	14,973,991	9,192,042	25,064,808	19,083,288	364,051	79,034,800
Accumulated amortization:								
Balance, beginning of year	-	1,026,789	6,350,651	5,464,250	9,320,702	4,426,571	-	26,588,963
Amortization expense	-	104,312	313,745	503,423	463,544	272,518	-	1,657,542
Disposals	-	-	-	(1,443,485)	(15,076)	(6,291)	-	(1,464,852)
Balance, end of year	-	1,131,101	6,664,396	4,524,188	9,769,170	4,692,798	-	26,781,653
Net book value, end of year	\$ 6,633,631	\$ 2,591,888	\$ 8,309,595	\$ 4,667,854	\$ 15,295,638	\$ 14,390,490	\$ 364,051	\$ 52,253,147

CITY OF MERRITT

Notes to Financial Statements (continued)

Year ended December 31, 2013

9. Tangible Capital Assets (continued)

2012	Land	Land Improvements	Buildings and building improvements	Vehicles, machinery and equipment	Roads, bridges and highways	Water and sewer infrastructure	Assets under construction	Total
Cost:								
Balance, beginning of year	\$ 6,493,916	\$ 2,340,050	\$ 13,058,640	\$ 9,226,853	\$ 23,300,176	\$ 18,064,478	\$ 3,316,714	\$ 75,800,827
Additions	139,715	1,308,910	204,420	764,850	-	-	575,296	2,993,191
Balance, end of year	6,633,631	3,648,960	13,263,060	9,991,703	23,300,176	18,064,478	3,892,010	78,794,018
Accumulated amortization:								
Balance, beginning of year	-	970,014	6,044,978	4,996,088	8,954,329	4,178,473	-	25,143,882
Amortization expense	-	56,775	305,673	468,162	366,373	248,098	-	1,445,081
Balance, end of year	-	1,026,789	6,350,651	5,464,250	9,320,702	4,426,571	-	26,588,963
Net book value, end of year	\$ 6,633,631	\$ 2,622,171	\$ 6,912,409	\$ 4,527,453	\$ 13,979,474	\$ 13,637,907	\$ 3,892,010	\$ 52,205,055

The net book value of tangible capital assets not being amortized because they are under construction (or development or have been removed from service) is \$364,051 (2012 - \$3,892,010). Assets held under capital leases in the amount of \$884,055 (2012 - \$708,490) with related accumulated amortization in the amount of \$312,213 (2012 - \$333,306) are included in Machinery and Equipment. \$321,948 (2012 - \$nil) in contributed infrastructure tangible capital assets were recognized in the financial statements during the year.

CITY OF MERRITT

Notes to Financial Statements (continued)

Year ended December 31, 2013

10. Accumulated Surplus

Accumulated surplus consists of individual fund surplus and reserve funds as follows:

	2013	2012
Surplus:		
Invested in tangible capital assets	\$ 45,026,646	\$ 44,732,923
Unrestricted	3,806,854	2,516,872
Total surplus	48,833,500	47,249,795
Statutory reserve:		
Capital Works and machinery	926,588	650,684
Sale of City owned land	84,516	83,473
Parking	66,623	65,800
Total statutory reserves	1,077,727	799,957
Non-statutory reserves set aside for specific purposes by Council:		
Reserve for future expenditures - general	1,240,147	1,240,147
Reserve for future expenditures - water	789,107	789,107
Reserve for future expenditures - sewer	646,001	646,001
Reserve for future capital expenditures	936,670	936,670
Lease residual payout reserve	165,611	165,611
Computer equipment replacement reserve	32,673	32,673
Reserve for contingencies	141,514	141,514
Other reserves	30,885	30,885
Total non-statutory reserves	3,982,608	3,982,608
Total accumulated surplus	\$ 53,893,835	\$ 52,032,360

The investment in tangible capital assets represents amounts already spent and invested in infrastructure and other non-financial assets.

Reserve funds represent funds set aside by bylaw or council resolution for specific purposes.

11. Statutory Reserve Funds

	Opening balance	Contributions received	Investment income	Expenditure	Ending balance
Capital Works and machinery \$	650,684	266,834	9,070	-	\$ 926,588
Sale of City owned land	83,473	-	1,043	-	84,516
Parking	65,800	-	823	-	66,623
	\$ 799,957	266,834	10,936	-	\$ 1,077,727

CITY OF MERRITT

Notes to Financial Statements (continued)

Year ended December 31, 2013

12. Taxation - Net

	Budget 2013	2013	2012
	(note 19)		
Property taxes levied	\$ 6,825,101	\$ 11,752,557	\$ 11,169,429
Payments in lieu of property taxes	108,349	108,494	129,812
Parcel taxes	1,424,712	1,383,955	1,498,950
	8,358,162	13,245,006	12,798,191
Collections for other governments			
Thompson-Nicola Regional District	-	1,385,317	1,388,096
Province of British Columbia - school tax	-	2,747,749	2,677,513
Thompson-Nicola Regional Hospital District	-	413,865	326,478
Municipal Finance Authority	-	212	210
British Columbia Assessment Authority	-	76,903	75,432
	-	4,624,046	4,467,729
Available for general municipal purposes	\$ 8,358,162	\$ 8,620,960	\$ 8,330,462

13. Government Transfers - Federal

	Budget 2013	2013	2012
	(note 19)		
Federal Gas Tax Revenue	\$ 15,000	\$ 35,000	\$ -
Western Economic Diversification	-	92,719	-
Other contributions	1,800	3,000	1,800
	\$ 16,800	\$ 130,719	\$ 1,800

CITY OF MERRITT

Notes to Financial Statements (continued)

Year ended December 31, 2013

14. Government Transfers - Provincial

	Budget 2013	2013	2012
	(note 19)		
Small Community Grants	\$ 677,600	\$ 316,694	\$ 677,600
Traffic Fine Revenue Sharing	161,609	78,933	161,609
BC Community Water Improvement Program	-	92,063	-
Climate Action Revenue Incentive Program	-	20,647	16,933
Operational Fuel Management Grant	-	144,046	-
Towns for Tomorrow	-	225,000	-
Other contributions	96,500	46,074	51,219
	\$ 935,709	\$ 923,457	\$ 907,361

15. Government Transfers - Regional

	Budget 2013	2013	2012
	(note 19)		
Regional Fire Protection Contribution	\$ 58,000	\$ 59,750	\$ 58,000
Regional Recreation Contribution	56,250	58,000	56,250
Regional Aquatic Centre Contribution	173,250	170,000	182,000
Regional Transit Contribution	2,500	2,500	5,000
	\$ 290,000	\$ 290,250	\$ 301,250

CITY OF MERRITT

Notes to Financial Statements (continued)

Year ended December 31, 2013

16. Contingent Liabilities and Commitments:

- (a) As a member of the Thompson-Nicola Regional District, the City is liable for its proportion of any operating deficits or long-term debt related to functions in which it participates.
- (b) From time to time the City is brought forth as a defendant in various lawsuits. The City reviews its exposure to any potential litigation for which it would not be covered by insurance and assesses whether a successful claim would materially affect the financial statements of the City. The City is currently not aware of any claims brought against it that if not defended successfully would result in a material change to the financial statements.
- (c) The City is a participant in the Municipal Insurance Association of British Columbia. Should the Association pay out claims in excess of premiums received, it is possible the City, along with other participants, would be required to contribute towards the deficit.

17. Trust Funds:

The City operates the Pine Ridge Cemetery and maintains a cemetery perpetual care fund in accordance with the Cremation, Internment and Funeral Services Act of British Columbia. These funds held in trust and administered by the City have not been included in the statement of financial position nor have their operations been included in the statement of operations, as they are held in trust only on behalf of other beneficial parties. The balance of the funds held in trust is \$111,997 (2012 - \$105,520).

18. Segmented Information:

Segmented information has been identified based upon lines of service provided by the City. City services are provided by departments and their activities are reported by functional area in the body of the financial statements. Certain lines of service that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

- (a) General government:

General government operations provide the functions of corporate administration, finance, human resources, legislative services, building services and maintenance, and any other functions not categorized to a specific department.

CITY OF MERRITT

Notes to Financial Statements (continued)

Year ended December 31, 2013

18. Segmented Information (continued):

(b) Protective services:

Protection is comprised of the police services, fire department and other protective services. The mandate of the police services is to ensure the safety of the lives and property of citizens; preserve peace and good order; prevent crimes from occurring; detect offenders; and enforce the law. The fire department is responsible to provide fire suppression services; fire prevention programs; training and education related to prevention; and detection or extinguishment of fires. The emergency preparedness program ensures that the City is both prepared and able to respond to, and recover from, the effects of a disaster or major catastrophic event. The mandate of the regulatory service is to provide, facilitate and enforce compliance with the provisions of the bylaws that pertain to the health, safety and welfare of the community.

(c) Transportation services:

The public works department is responsible for the delivery of municipal public works services related to the planning, development and maintenance of roadway systems, the maintenance of parks and open space and street lighting. Transportation services is responsible for public transit services.

(d) Community, environmental and public health services:

The community, environmental and public health departments are responsible for the delivery of municipal programs to promote public health, seniors and youth programs, maintenance of dykes, cemetery and environmental sustainability services. Services for solid waste collection, disposal and recycling are also included under this heading.

(e) Leisure, parks and cultural development:

The leisure, parks and cultural development department is responsible for the delivery of municipal public works services related to the planning, development and maintenance of parklands and park infrastructure, and the maintenance of open space and other recreation space and facilities.

(f) Water utility:

The City is responsible for environmental programs including the engineering and operation of the potable water system.

(g) Sewer utility:

The City is responsible for environmental programs including the engineering and operation of the wastewater system.

CITY OF MERRITT

Notes to Financial Statements (continued)

Year ended December 31, 2013

18. Segmented information (continued):

Certain allocation methodologies are employed in preparation of segmented financial information. Taxation and payment-in-lieu of taxes are allocated to the segments based on the segment's budgeted net expenditure. User charges and other revenue have been allocated to the segments based upon segment that generated the revenue. Government transfers have been allocated to the segment based upon the purpose for which the transfer was made. Development charges earned and developer contributions received were allocated to the segment for which the charge was collected.

The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements as disclosed in note 1.

2013	General Government	Protective Services	Transportation Services	Community, Environmental, Public Health Services	Leisure, Parks and Cultural Development	Water Utility	Sewer Utility	Total
Revenues:								
Taxation	\$ 1,347,508	\$ 2,419,243	\$ 1,004,300	\$ 809,021	\$ 1,656,933	\$ 409,479	\$ 974,476	\$ 8,620,960
User charges	135,649	145,695	62,645	1,107,916	652,341	1,172,867	852,185	4,129,298
Government transfers	491,234	203,796	227,500	9,114	320,719	92,063	-	1,344,426
Investment income	109,168	2,412	4,295		2,197	80	86	118,238
Penalties and interest	163,272							163,272
Other	316,427		321,948					638,375
Actuarial adjustment to debt	56,847				50,104	39,725	11,086	157,762
Total revenues	2,620,105	2,771,146	1,620,688	1,926,051	2,682,294	1,714,214	1,837,833	15,172,331
Expenses:								
Salaries, wages and employee benefits	671,111	898,692	614,103	410,413	1,022,545	300,704	244,802	4,162,370
Operating	948,733	2,280,735	867,043	636,754	1,193,466	468,653	586,612	6,981,996
Debt services	187,738				101,969	209,944	9,297	508,948
Amortization	108,779	94,902	745,070	56,653	273,363	214,690	164,085	1,657,542
Total expenses	1,916,361	3,274,329	2,226,216	1,103,820	2,591,343	1,193,991	1,004,796	13,310,856
Annual surplus (deficit)	703,744	(503,183)	(605,528)	822,231	90,951	520,223	1,837,833	1,861,475

CITY OF MERRITT

Notes to Financial Statements (continued)

Year ended December 31, 2013

18. Segmented information (continued):

2012	General Government	Protective Services	Transportation Services	Community, Environmental, Public Health Services	Leisure, Parks and Cultural Development	Water Utility	Sewer Utility	Total
Revenues:								
Taxation	\$ 1,276,478	\$ 3,104,644	\$ 1,391,931	\$ 114,339	\$ 944,120	\$ 481,188	\$ 1,017,762	\$ 8,330,462
User charges	7,642	261,043	57,580	1,042,121	543,440	1,232,655	834,786	3,979,267
Government transfers	876,520	58,000	-	37,641	238,250	-	-	1,210,411
Investment income	113,862	1,480	6,784	-	1,057	-	-	123,183
Penalties and interest	133,053	-	-	-	-	-	-	133,053
Other	310,565	-	-	-	-	-	-	310,565
Actuarial adjustment to debt	92,121	-	-	-	50,104	40,851	29,812	212,888
Total revenues	2,810,241	3,425,167	1,456,295	1,194,101	1,776,971	1,754,694	1,882,360	14,299,829
Expenses:								
Salaries, wages and employee benefits	812,165	836,081	544,289	192,794	773,299	373,228	281,997	3,813,853
Operating	643,623	2,129,731	829,604	836,405	1,310,713	338,673	484,803	6,573,552
Debt services	170,878	-	-	-	104,606	226,394	26,743	528,621
Amortization	123,600	106,547	453,531	43,114	285,840	255,712	176,737	1,445,081
Total expenses	1,750,266	3,072,359	1,827,424	1,072,313	2,474,458	1,194,007	970,280	12,361,107
Annual surplus (deficit)	\$ 1,059,975	\$ 352,808	\$ (371,129)	\$ 121,788	\$ (697,487)	\$ 560,687	\$ 912,080	\$ 1,938,722

CITY OF MERRITT

Notes to Financial Statements (continued)

Year ended December 31, 2013

19. Budget data:

The budget data presented in these financial statements is based upon the 2013 operating and capital budgets approved as the 2013 Financial Plan by Council on April 24, 2013. The legislative requirements of the Financial Plan are that the cash inflows for the period must at a minimum equal cash outflows.

Cash inflows and outflows include transfers to and from reserves and surplus, proceeds from debt issued and principal repayments on debt; however, these transactions are not recognized as revenues and expenses in the statement of operations as they do not meet the definition for such under public sector accounting standards requirements.

In addition, PSAB requires that budget figures be presented in the financial statements on the same basis of accounting as actual figures. The chart below reconciles the budget figures reported in these financial statements to the approved Financial Plan.

	Budget amount
Surplus - Statement of Operations	\$ 2,876,027
Adjust for budgeted cash items not included in Statement of Operations:	
Acquisition of tangible capital assets	(6,978,152)
Debt principal payments	(336,054)
Transfer from reserves	595,560
	(3,842,619)
Adjust for non-cash items included in Statement of Operations, but not budgeted	
Amortization of tangible assets	1,657,542
Financial Plan Balance	\$ -

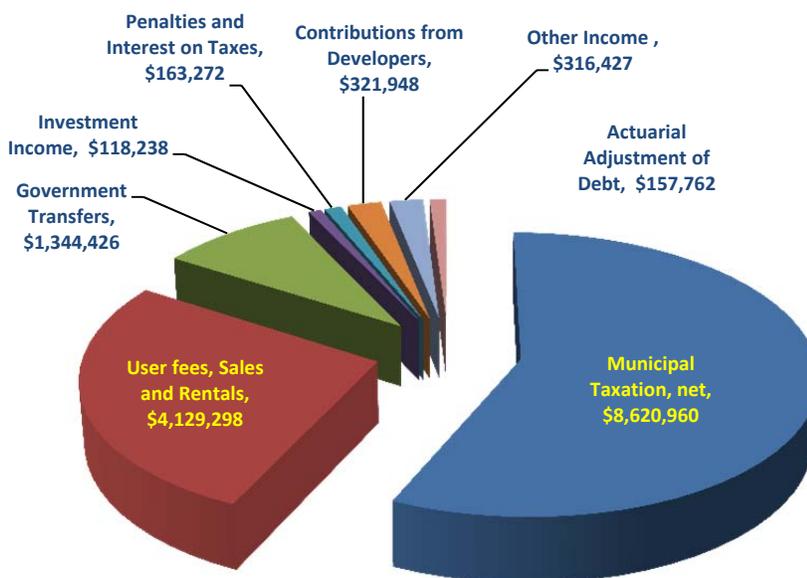
20. Comparative Figures:

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

The following table provides a summary of the City's revenues by source for the past five years:

Revenue	2013	2012	2011	2010	2009
Property taxes (net)	\$ 8,620,960	\$ 8,330,462	\$ 8,160,029	\$ 7,574,894	\$ 6,964,575
User fees, sales and rentals	4,129,298	3,979,267	3,860,924	3,886,142	3,423,377
Government transfers	1,344,426	1,210,411	1,604,787	1,735,197	2,449,319
Investment income	118,238	123,183	73,459	51,323	27,631
Penalties and interest on taxes	163,272	133,053	160,187	133,651	119,065
Contributions from developers	321,948	-	45,000	895,117	534,767
Other income	316,427	310,565	425,206	189,662	181,594
Actuarial adjustment of debt	157,762	212,888	187,635	163,516	143,577
	\$15,172,331	\$14,299,829	\$14,487,227	\$14,629,502	\$13,843,905

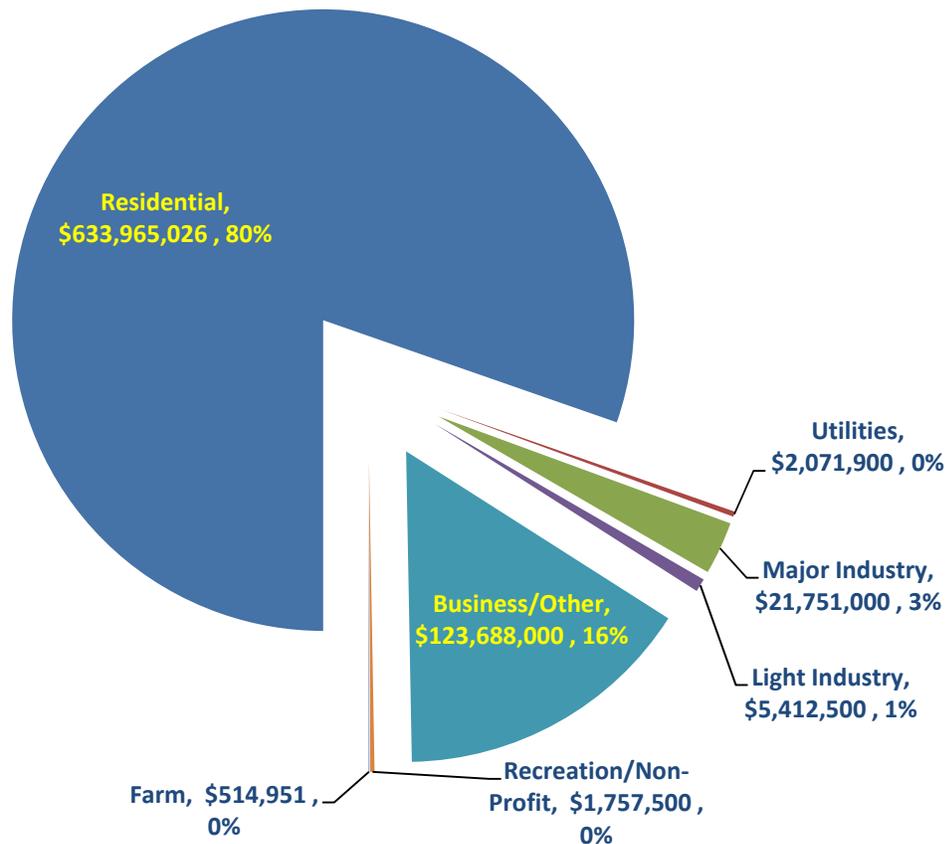
2013 Municipal Revenue Sources



The following table provides a summary of the City's assessment base by property class for the past five years:

Property Classification	2013	2012	2011	2010	2009
Residential	\$ 633,965,026	\$ 636,074,201	\$ 623,583,301	\$ 603,075,001	\$ 614,787,400
Utilities	2,071,900	2,016,800	1,957,700	1,910,800	1,923,200
Major Industry	21,751,000	21,215,100	19,109,300	20,022,600	21,564,500
Light Industry	5,412,500	5,414,500	4,352,200	2,127,800	1,304,700
Business/Other	123,688,000	120,327,550	115,016,400	118,345,450	115,381,450
Recreation/Non-Profit	1,757,500	253,000	251,400	275,000	241,900
Farm	514,951	484,276	486,709	481,450	483,807
	<u>\$ 789,160,877</u>	<u>\$ 785,785,427</u>	<u>\$ 764,757,010</u>	<u>\$ 746,238,101</u>	<u>\$ 755,686,957</u>

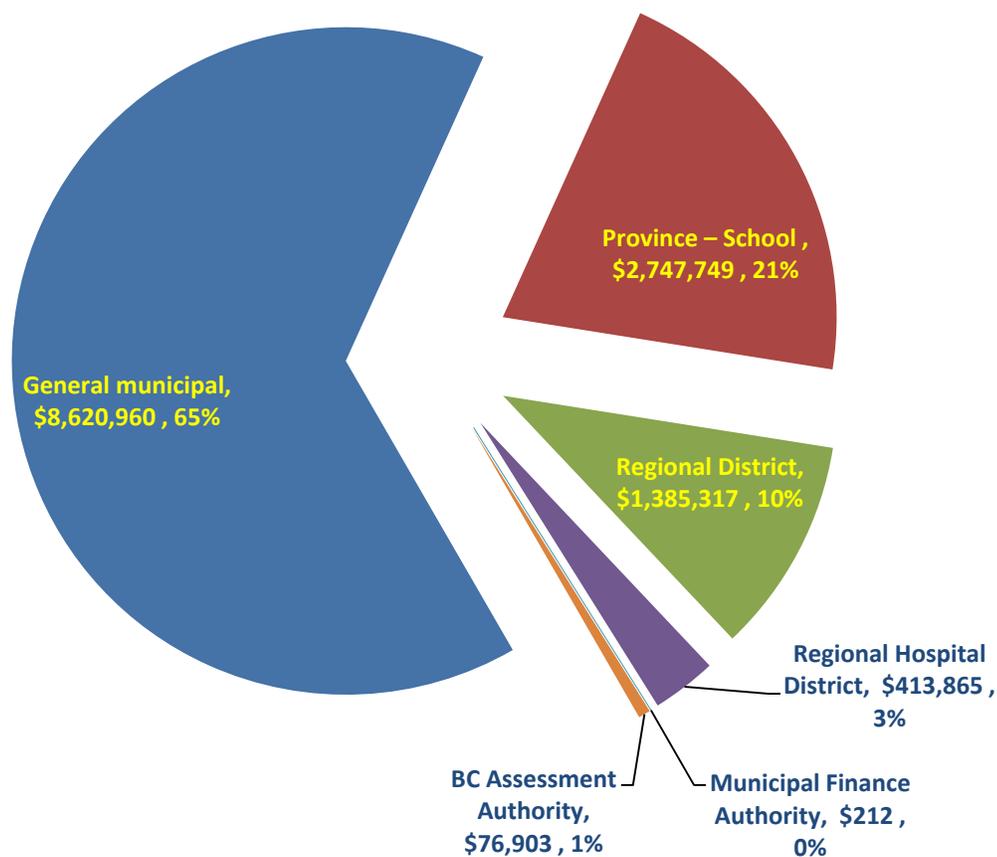
2013 Assessment Base by Property Class – Net General Taxable Values



The following table provides a summary of the City's property taxes by taxing authority for the past five years:

Taxing Authority	2013	2012	2011	2010	2009
General municipal	\$ 8,620,960	\$ 8,330,462	\$ 8,160,029	\$ 7,574,894	\$ 6,964,575
Province – School	2,747,749	2,677,513	2,640,989	2,679,413	2,727,764
Regional District	1,385,317	1,388,096	1,323,048	1,312,330	1,427,015
Regional Hospital District	413,865	326,478	232,554	212,226	217,935
Municipal Finance Authority	212	210	204	200	201
BC Assessment Authority	76,903	75,432	74,428	77,312	76,940
	\$13,245,006	\$12,798,191	\$12,431,252	\$11,856,375	\$11,414,430

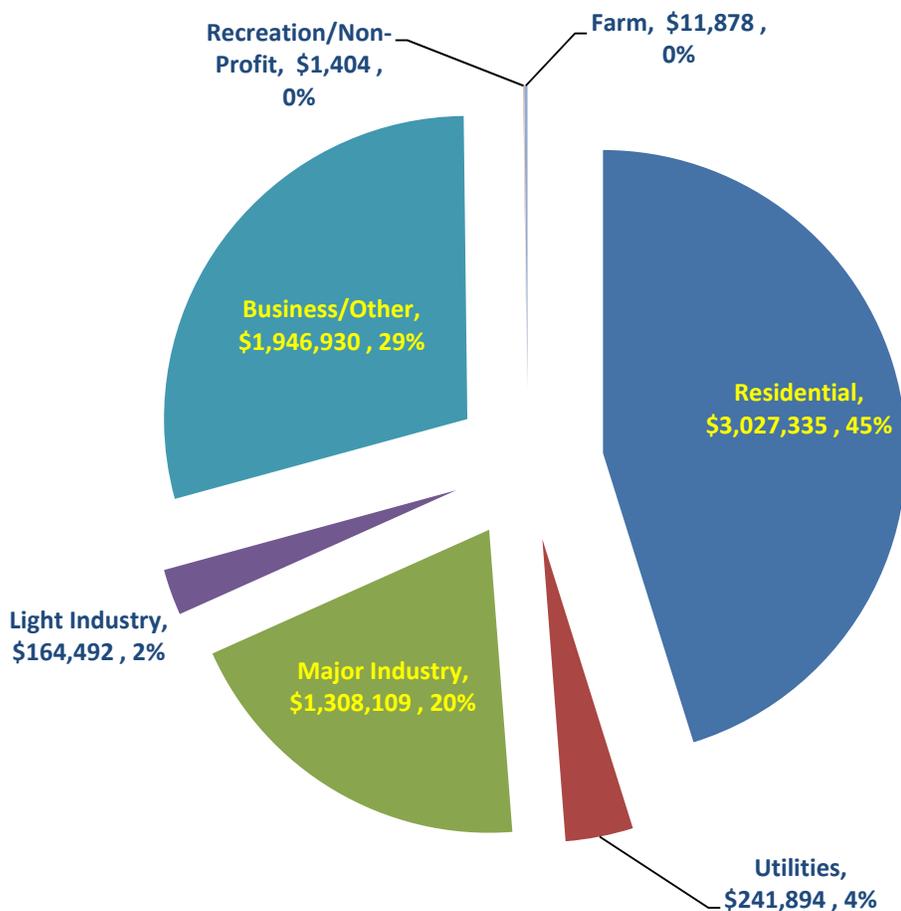
2013 Property Taxes by Authority



The following table provides a summary of the City's property taxes levied by property class for the past five years:

Property Classification	2013	2012	2011	2010	2009
Residential	\$ 3,027,335	\$ 3,017,785	\$ 3,033,171	\$ 2,897,646	\$ 2,719,069
Utilities	241,894	242,552	239,459	231,551	225,968
Major Industry	1,308,109	1,267,640	1,170,787	1,115,705	1,054,830
Light Industry	164,492	163,491	135,234	59,276	37,459
Business/Other	1,946,930	1,881,808	1,844,403	1,808,775	1,730,195
Recreation/Non-Profit	1,404	1,698	1,730	1,691	1,599
Farm	11,878	11,099	11,437	11,068	10,464
	<u>\$ 6,702,042</u>	<u>\$ 6,586,073</u>	<u>\$ 6,436,221</u>	<u>\$ 6,125,712</u>	<u>\$ 5,779,584</u>

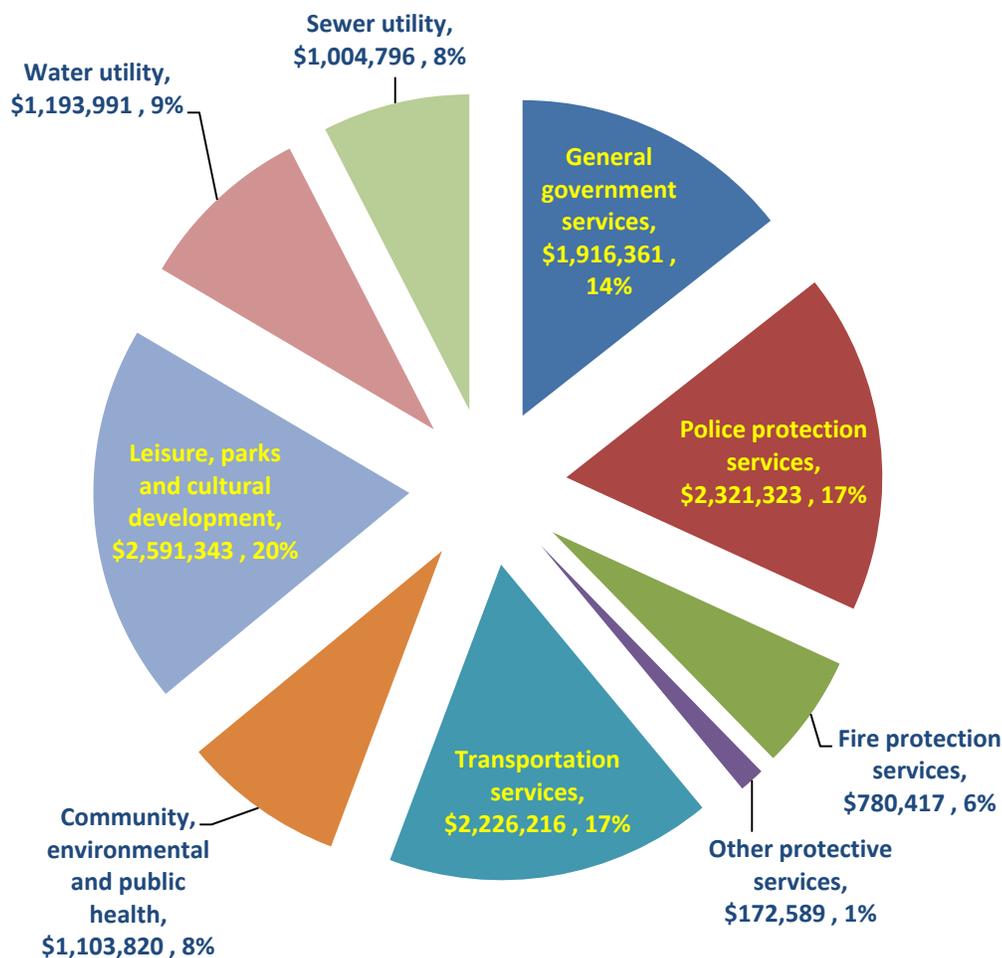
2013 Municipal Property Taxes Levied by Property Class



The following table provides a summary of the City's operating expenditures for the past five years:

Expenditure	2013	2012	2011	2010	2009
General government services	\$ 1,916,361	\$ 1,750,266	\$ 2,107,484	\$ 1,855,043	\$ 1,879,739
Police protection services	2,321,323	2,203,383	2,215,144	2,137,901	2,201,260
Fire protection services	780,417	714,867	695,407	470,693	497,336
Other protective services	172,589	154,109	146,728	64,167	71,770
Transportation services	2,226,216	1,827,424	1,395,813	1,395,339	1,395,720
Community, environmental and public health	1,103,820	1,072,313	1,158,609	1,154,313	1,207,349
Leisure, parks and cultural development	2,591,343	2,474,458	2,411,616	2,149,792	2,140,755
Water utility	1,193,991	1,194,007	1,047,760	921,780	874,369
Sewer utility	1,004,796	970,280	806,819	881,429	953,060
	\$13,310,856	\$12,361,107	\$12,361,107	\$11,030,457	\$11,221,358

2013 Operating Expenditures



The following table provides a summary of the City's debenture debt by fund and purpose for the past five years:

Debt Source and Purpose	2013	2012	2011	2010	2009
General – Road improvements	\$ 1,739,416	\$ 1,888,787	\$ 1,205,667	\$ 1,317,181	\$ 1,423,576
General – Aquatic Centre/Arena	-	82,917	235,015	379,869	517,826
General – Fire Equipment	514,438	537,103	558,896	579,851	600,000
General – Airport lands servicing	847,506	876,956	-	-	-
Water – Reservoirs	1,298,013	1,366,244	1,431,852	1,580,432	1,637,802
Water – Waterline improvements	96,761	125,993	190,580	252,092	310,675
Water – Well improvements	1,990,155	2,081,646	2,169,618	2,168,710	2,253,333
Sewer – System construction	67,719	88,178	147,465	203,929	257,704
	\$ 6,554,008	\$ 7,047,284	\$ 5,939,093	\$ 6,482,064	\$ 7,000,916

Debenture Debt by Fund

