

City of Merritt Annual Report 2020

Dear friends,

2020 will go down in history as one of the strangest, and most tragic years of our lives. We faced adversity together, and we found new solutions. We were torn apart, and we united. We will never again take for granted the ability to see each other in person, to socialise together in groups, to touch our loved ones.

Just as we all had different experiences of the pandemic on our own lives, each of the departments at the City of Merritt had to deal with the complexities it caused in their own way. The emergency operations, the complete shut down, the partial re-opening – these all led to their own challenges as staff pivoted to a new way of providing essential services, often with little guidance or clear rules.

As Mayor and Council, we carried out oversight of our staff, and worked to lead the community response. We took what steps we could to mitigate the damage to the local economy, making it easier for businesses to do things like operate patios, or sell on the sidewalk to increase their capacity.

We refused to slap a 'Closed' sign on Merritt, and continued working as best we could to drive the City forwards. We looked to completely revamp our rules of procedure to allow us to continue working and making decisions. We held out meetings online when we had to, and in-person when we could. Particularly on Public Hearings, we did our best to ensure residents could still give input, holding meetings in the Civic Centre to increase capacity, and towards the end of the year accepting online and recorded submissions.

We need to thank Scott Hildebrand for his service to the City of Merritt. His steady leadership in a time of crisis allowed us to take the necessary steps to bring Merritt through this time of trial. We wish him the best at the Thompson-Nicola Regional District, and are extremely happy to have replaced him with Sean Smith, whom we know to be immensely capable in his own right.

This report covers one of the most tumultuous years in Merritt's history. I know that 2020 was a hard year for all of you, and I hope that we met your expectations as we navigated this strange new world. I encourage everyone to read this report, to come to us with your questions and comments, to make suggestions of improvement. Merritt is your home, and we are here to serve you.

Respectfully yours,

Linda Brown
Mayor, City of Merritt



Dear Merritt residents,

Nearly every organization's '2020 year in review' carries a similar message, discussing the challenges that 2020 presented in responding to COVID, followed by thanks and congratulations for all those people that helped us get through.

I generally don't like following the traditional path, though I can't deny that my efforts to write this without following the above narrative felt hollow. Simply put, this was a year about ensuring service continuity in circumstances where there was fear and constantly shifting expectations and regulations.

First, I would like to thank you, the City's residents, for the patience you have had with us as we have adjusted our operations, projects and meetings. We miss seeing you at large community gatherings, for in-person public engagement discussions, at City Hall, and in Council Meetings. Though we have tried to modify processes to the best of our ability to seek your input, we look forward to the day we can be with you in person. Until that day, thank you for your support!

Second, I would like to thank Council for their leadership during this period. I have had an opportunity to watch the COVID response from municipalities across BC, and I can confidently say that this Council was among the best at continuing to conduct the business of the municipality, while aiming for the highest degree of transparency possible. Special thanks to Mayor Brown for her regular video communication with residents near the onset of this pandemic. We are fortunate to have strong leadership from Council.

Third, I would like to thank the outgoing CAO, Scott Hildebrand, for his service to the City of Merritt and for his mentorship. Scott served as CAO from April 2019 to August 2020, after which he took on the position as CAO for the Thompson Nicola Regional District. I took up this new role on his departure and my hair has been straight back ever since!

Lastly, I would like to thank all City of Merritt staff. This was an especially trying period for you. Like so many others in our community, you dug deep to provide essential community services during an extremely trying period. The accomplishments in this report are borne out of your efforts and I am privileged to work alongside you.

I hope that you will find this annual report both interesting and informative. If you have questions about the contents of this report or about City operations, I am always happy to talk!

Yours sincerely,



Sean Smith
Chief Administrative Officer
City of Merritt





The Team:

For most of 2020, the Corporate Services department was made up of the Director of Corporate Services, Deputy Corporate Officer, and Bylaw Enforcement Officer:



As with all departments, 2020 brought unique challenges in dealing with the Covid-19 pandemic. For Corporate Services, these were focused on keeping the administration of the City running smoothly as we transitioned between virtual and in-person meetings, at which the public were or were not allowed to attend, with or without physical distancing. We also saw the Director who began the year promoted to Chief Administrative Officer, with the Deputy Corporate Officer taking his place as Director.

Key Responsibilities:

The Corporate Services department is responsible meeting the corporate administration responsibilities set out in section 148 of the *Community Charter*, including:

- preparing accurate minutes of Council and Committee meetings;
- administering oaths and taking affidavits;
- certifying copies of bylaws and other documents;
- accepting legal documents served on the municipality.

Though the *Community Charter* prescribes these basic functions, they represent only a small portion of the day-to-day business of the Corporate Services department. Corporate Services is also responsible for the following functions:

- legislative research and preparation of bylaws and policies;
- preparation of legal and public documents related to corporate business, such as leases, agreements, land transactions, and public notices;
- public education and bylaw enforcement;
- human resources;
- processing freedom of information requests;
- document management;
- conducting local elections, alternative approval processes and referenda.

Review of 2020 Goals:

In the 2019 Annual Report, Corporate Services set the following goals for 2020 (*Italicized writing indicates work undertaken to achieve a goal*):

1. Meet all legislative requirements for filing reports, including annual reports.

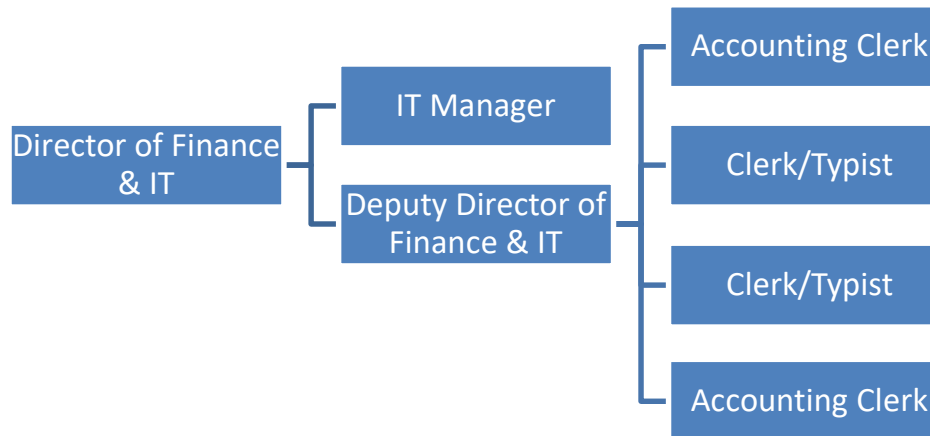
Legislative requirements were met, including filing reports which Council had not considered for a number of years such as the Development Cost Charges report.

2. Roll out electronic records management in Corporate Services and Financial Services, aiming to add other City Hall departments in 2021, and the rest of the City in 2022.
Electronic records management was attempted, but due to complexity put on hold.
3. Aim for paperless meetings wherever possible alongside the 2019 rollout of electronic meeting management software.
Paperless meetings became almost unavoidable during the transition to virtual meetings, but even after the return of in-person meetings, Council were only provided physical copies if they specifically requested it. The reduction in use of paper means environmental and cash savings for Merritt.
4. Improve transparency by creating new publicly accessible databases of bylaws and policies, and historic decisions and reports.
2019 archives of decisions and reports were created, along with the last five years of reports. Further digitization and accessibility is ongoing.
5. Update Council procedures to align with Council's requested changes to Committees.
An all-new Procedure Bylaw was created, although not adopted in 2020.
6. Ensure bylaw currency by proposing updates to Council both for internal consistency, and to meet legislative changes.
Bylaws were updated, and the process was begun of ensuring consistency, including with the creation of a list of updates needed due to the new Zoning Bylaw adopted in 2020. Currency is an ongoing effort.
7. Improve public communication by providing informal records of meetings and decisions prior to the later adoption of Minutes by Council.
Informal records were created in some instances, but not posted for all meetings due to staff turnover issues.

Corporate Services Goals for 2021

1. Meet all legislative requirements for filing reports, including annual reports.
2. Creation of new meeting broadcast system to improve on the historic setup, which has not increased capabilities since 2012.
3. Creation of new public portal for management of land-use Hearings to improve public accessibility and transparency.
4. Move towards electronic records management in Corporate Services.
5. Commence committee meetings under new Procedure bylaw
6. Update bylaws as needed to meet operational needs of the City
7. Complete digitization and review of all historic bylaws to ensure accuracy of online database.

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 public with advice, leadership and resources regarding the financial management of the City.



Providing Council and staff with accurate, relevant, and timely financial information ensures that the infrastructure and service needs of the community are met while maintaining taxation and fee levels that are reasonable and sustainable.

The department consists of 7 members and uses casual support when needed. In addition to the finance related functions of the department, the department provides clerical and other support to all City departments.

The IT Manager ensures that all the departments have a reliable and consistent IT equipment and functions.

Progress on our 2020 Goals

1. Implemented Reserve and Surplus Policy.
2. Implementation of paperless billing for Utility invoices and Property Tax notices.
3. Expanded the implementation of electronic timesheets.
4. Relocated cashier counter to main level to allow for in-person customer payments and inquiries during Covid-19.
5. Ongoing review and documentation of department processes and procedures, with an emphasis on streamlining workflows and reducing amount of paperwork generated.
6. Continued development of more comprehensive 5 year financial plans, incorporating all the completed master plans.
7. Updated wireless networks for city buildings.
8. Continued integration of property data from financial software to GIS system (i.e. Building Permit and Zoning data).

9. Development Cost Charge bylaw review did not proceed in 2020.

Goals for 2021

1. Development Cost Charges update and review to be done in late 2021 or early 2022 to include items identified in the respective infrastructure master plans.
2. Continued work towards incorporating master plans into the long-term financial plans with the goal of being able to provide information on financial requirements over periods of 10+ years.
3. Continue to align Capital Budget with the new Reserve and Surplus Policy.
4. Ongoing review and documentation of department processes and procedures, with an emphasis on streamlining workflows and reducing amount of paperwork generated.
5. Continued cross training of department members, including documentation, to provide coverage and continuity.
6. Documentation of IT infrastructure and processes will be ongoing with an emphasis on business continuity.
7. Upgrade of meeting webcast solution to accommodate multiple presentation formats.
8. Implementation of new IT ticketing and project management system.
9. Upgrade of Civic Centre Wi-Fi and wired network.
10. Upgrades to City's backup hardware/software.



Year in Review

The City of Merritt, along with funding partners BC Transit, Thompson-Nicola Regional District (TNRD) and the Lower Nicola Indian Band (LNIB) contract with the Nicola Valley Transit Society. This provides our residents with an expanded transit system.

The service has been operating since 2007 and is one of the most heavily used transit systems in the Province. Similar systems average approximately 5.1 passengers per hour, while Merritt serves approximately 12.95 passengers per hour, compared with 13.3 passengers per hour in 2019.

The City of Merritt transit system received over \$95k in funding through the BC Restart program to be credited to operating costs in 2020 and 2021.

In 2020, the following objectives were considered:

1. Request for Service Review – not completed.
2. Expanded sale of passes to 7-11 retail store in Merritt – completed.

Looking to 2021 and beyond:

Request for a service review, in anticipation of municipal and regional growth. The last review was done in 2016 and reviews are normally completed every 5 to 7 years. Review to be conducted in late 2021 or 2022.





Our Family, Helping Your Family

The Merritt Fire Rescue Department (MFRD) is responsible for community safety in many ways. Responding to and mitigating emergency situations to protect life and property, minimizing 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 MFRD focuses on fire and life safety public education, legislative and bylaw compliance, and firefighter training. More specifically the MFRD provides:

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

In 2020, the MFRD responded to 671 calls for service, down from previous years. This trend was temporary, due to COVID-19 and Orders issued by the Provincial Health Officer that curtailed the response of fire departments to medical incidents of specific acuity. Since the Order was rescinded, call tempo has resumed. Fire and Rescue Services are provided to an estimated 12,000 people within Merritt and the Nicola Valley in a geographic area covering over 8,000 square kilometers.

The MFRD operates out of a single fire station on a single alarm basis. The City has mutual aid agreements with several neighbouring communities such as the Lower Nicola Indian Band, District of Logan Lake and the City of Kamloops who respond when assistance is requested; the reverse is also true.

The Department provides contracted fire suppression services to the Thompson Nicola Regional District, Cooks Ferry and Lower Nicola Indian Bands on their Lands located adjacent to City boundaries. The department routinely works with local authorities such as the BC Ambulance Service, BC Hydro, Fortis BC, BC Wildfire Service and the RCMP.



Fox Farm Road Fire, August 22, 2020. One of the many *Wildland Urban Interface Fires* actioned by the MFRD along side the BC Wildfire Service.

Merritt Firefighters

The City of Merritt's firefighting force carries untold benefits to the city. These include but are not limited to community pride, community service, public education, public safety, and emergency incident response and fund-raising events. The Merritt Fire Rescue Department consists of forty (40) highly skilled and motivated personnel. Every firefighter can be described as a progressive, innovative, and mechanically inclined individual who is dedicated to providing a superior level of emergency service through the experience, knowledge, and training each has attained.

Our firefighters respond to a variety of emergency situations, including all fire related incidents, various types of rescue calls, hazardous materials incidents, motor vehicle extrications, public assistance, as well as public education, public relation activities and an increasing number of medical incidents. These broadening demands on the fire service have made it necessary for firefighters to continually upgrade their skills through professional development programs, to ensure that we continue to provide, and the citizens continue to receive, the courteous and professional service that they have been accustomed to, as well as a level of service supported by Council.

To be a Merritt Firefighter, one must have the instinct to help others. Through education, training and many hours of practice, firefighters become mentally and physically strong to respond to emergency situations, while still having the caring, sensitive side that is required when dealing with citizens when performing public relations and public education duties.



COVID-19

The road has been long... we feel it too!

There have been a lot of adjustments along the way...our firefighters have adapted to the pandemic by upgrading to higher levels of personal protective equipment (PPE) protocols, as well as adjusting training and in-house procedures for the benefit/protection of our community and firefighters.

RESPONSE BY INCIDENT TYPE	2020		2019		2018	
Carbon Monoxide Detector Alarm	4	0.60	4	0.51%	7	0.89%
False Alarm - Alarm System Pull Station Intentional	0	0.00	0	0.00%	6	0.76%
False Alarm - Alarm System - Pull Station Accidental	1	0.15	2	0.25%	1	0.13%
False Alarm - Alarm System - Other Intentional	3	0.45	3	0.38%	0	0.00%
False Alarm - Alarm System - Other Accidental	44	6.56	49	6.19%	30	3.82%
False Alarm Report of fire/smoke-nothing found Intentional	2	0.30	4	0.51%	3	0.38%
False Alarm report of fire/smoke-nothing found - Accidental	7	1.04	12	1.52%	11	1.40%
False Alarm – Controlled Burn / Campfire	3	0.45	3	0.38%	0	0.00%
False Alarm - Accidental Other - Describe	14	2.09	8	1.01%	9	1.15%
False Alarm – Intentional Other - Describe	0	0.00	10	1.26%	0	0.00%
Fire - Structural	9	1.34	10	1.26%	10	1.27%
Fire Structure - Minor (Pot left on the stove...)	2	0.30	4	0.51%	9	1.15%
Chimney Fire	0	0.00	4	0.51%	2	0.25%
Dumpster Fire	0	0.00	1	0.13%	1	0.13%
Fire Grass/Forest MOF Request	0	0.00	0	0.00%	0	0.00%
Fire Grass/Bush/Shrub/Trees/Forest	13	1.94	11	1.39%	14	1.78%
Fire - Camp Fire Contrary to Bylaw or MOF Regulations	12	1.79	6	0.76%	8	1.02%
Fire - Controlled Burn Contrary to Bylaw or MOF Regulations	1	0.15	0	0.00%	3	0.38%
Fire - Camp Fire or Controlled Burn - Got Away	1	0.15	0	0.00%	1	0.13%
Fire Rubbish	10	1.49	6	0.76%	8	1.02%
Fire Unclassified	8	1.19	9	1.14%	8	1.02%
Fire Vehicle	17	2.53	10	1.26%	11	1.40%
Gas Spill	1	0.15	3	0.38%	8	1.02%
Hazardous Material	12	1.79	4	0.51%	4	0.51%
Mutual Aid	0	0.00	3	0.38%	1	0.13%
MVI - Local Canceled in Route	6	0.89	11	1.39%	5	0.64%
MVI - Local, Extrication Required	3	0.45	3	0.38%	6	0.76%
MVI - Local, No Extrication Required	34	5.07	25	3.16%	29	3.69%
MVI - Local/PEP Cancelled in Route	4	0.60	1	0.13%	3	0.38%
MVI – Local/PEP No extrication Required	1	0.15	3	0.38%	1	0.13%
MVI - Local/ PEP Extrication Required	0	0.00	2	0.25%	1	0.13%
MVI – PEP Cancelled in Route	55	8.20	33	4.17%	44	5.61%
MVI - PEP No Extrication Required	73	10.88	30	3.79%	35	4.46%
MVI - PEP Extrication Required	16	2.38	15	1.90%	16	2.04%
Power Lines Down	11	1.64	4	0.51%	6	0.76%
Public Service	11	1.64	11	1.39%	20	2.55%
Rescue & Safety	4	0.60	3	0.38%	4	0.51%
Rope Rescue	1	0.15	0	0.00%	0	0.00%
Water Leak/Flood	0	0.00	4	0.51%	3	0.38%
Ambulance Assist	67	9.99	75	9.48%	54	6.88%

First Responder - Medical	221	32.94	414	52.34%	403	51.34%
TOTALS	671		791		785	

Fire Fleet

The Merritt Fire Rescue Department (MFRD) maintains a fleet of two (2) Fire Engines, one (1) Pumper/Tender, one (1) 75-foot Quint Ladder Truck, one (1) Rescue Truck, plus a utilitarian vehicle equipped to respond to both wildland and first responder medical emergencies. These assets are housed in a single fire station. The MFRD maintains two (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.

2020 saw the retirement of Engine 3, a 26-year-old fire engine and the arrival of a new pumper/tender, partially funded by the Thompson Nicola Regional District. This apparatus has a pumping capacity of 1050 gallons per minute and carries 1600 gallons of water. It has a 10-inch dump valve and is Class A Foam capable. The lifespan of this apparatus is 20 years; it will be replaced in 2040.



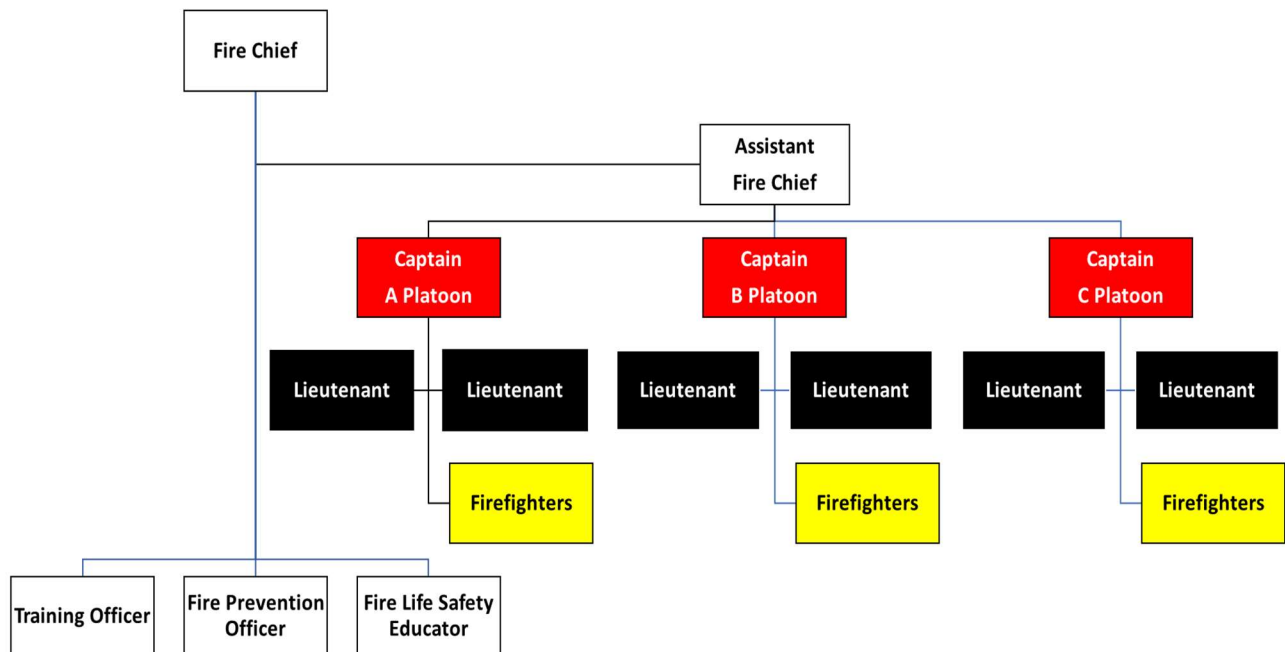
Tender 1 (Photo Courtesy of Hub Fire Engines)

Initial Fire Engine Response Time – 2020

Average In Route Time	04.04 Minutes
Average Response Time	06:19 Minutes

In 2020, the MFRD arrived on scene to fire-related incidents with ten (10) firefighters within ten (10) minutes 80% of the time.

Fire Department Organization



Our Mantra: Service Before Self

PHILOSOPHY

- *Encourage innovative ideas and learning through firefighter involvement and TEAMWORK.*
- *Proudly different, believing in our I.M.P.R.E.S.S. Core Values.*
- *Duty-bound through perseverance and commitment to EXCELLENCE.*
- *Provide Citizens what they need, when they need it... ALWAYS.*

- ***Our TRADEMARK... Caring about people with dignity and respect.***

Firefighter Training

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

Even though much the training was virtual due to COVID-19, the focus of 2020 was compliance with the British Columbia Fire Service Minimum Training Standard for Fire Officers. In addition, the MFRD Training Division was busy with the on-going maintenance of firefighter skills along with the development of new disciplines totaling over 7000 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 the regular training program for individual firefighters. Additional training events included, but not limited to:

- Emergency Vehicle Operator
- Company Level Inspections
- Forcible Entry Fundamentals and Advanced Level
- Structural Triage, Fire Entrapment Avoidance & Safety, Wildland Fire Behavior
- Hazardous Materials – Operations Level
- First Responder Level 3 with Spinal, AED, Imminent Childbirth and Naloxone Endorsements
- Fire Officer Program



Firefighters train in forcible entry with the use of props. (Photos Courtesy of Training Resurrected)

Fire Prevention and Inspection

The MFRD completed 260 fire safety inspections of public buildings within the community in 2020, as required by the Provincial Fire Services Act. Mid-year, the department implement a self-inspection program as access to many occupancies was curtailed by the pandemic. New in 2020, was the requirement for campfire permitting. Fire Prevention Officers assisted with its implementation, completing 84 additional property inspections.

The MFRD is responsible to enforce regulations and legislation including the BC Fire Code, Municipal Bylaws, and parts of the BC Building Code. MFRD reviews new development and building plans from a fire safety perspective.

Public Education

The department's fire and life safety education programming took on a very different look in 2020, but still managed to deliver key fire & life safety messaging to over 1500 individuals: pre-school, K to 12, adult learners, and seniors. In a year like no other, new initiatives brought fire life safety education into classrooms utilizing various online learning platforms. Lessons were taught to primary students over an online meeting platform (Zoom), and through the same method, staff were able to conduct interactive fire station tours. Where able, while utilizing social distancing, staff found opportunities to continue in-person training. Social media played an important role in spreading our fire safety message and conducting fire life safety campaigns. As a result, interactions on the department's Facebook page increased 200%, while the MFRD Instagram page experienced growth of over 400%.



The MFRD took its fire safety campaigns to social media to continue educating the community.

Fire Service Work Experience Program

2020 saw the completion of the MFRD's 14th Fire Service Work Experience Program (WEP) with six (6) firefighters achieving career firefighting positions. 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.

WEP attracts candidates from the many Fire Academies / Pre-Service Programs from across Canada and the United States. 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 firefighting force. 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 an enhanced level of service.

Firefighters Gone Career – 2020

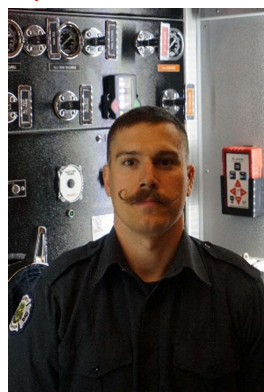
Josh Geffen
Nanaimo Fire Rescue
Department



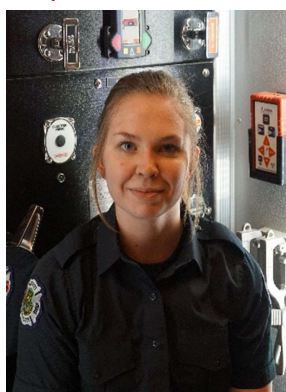
Phillip Lewis
Nanaimo Fire Rescue
Department



Christopher Woodhead
Nanaimo Fire Rescue
Department



Catlin King
Vancouver Fire
Rescue Services



Brooke Bara
Vancouver Fire
Rescue Services



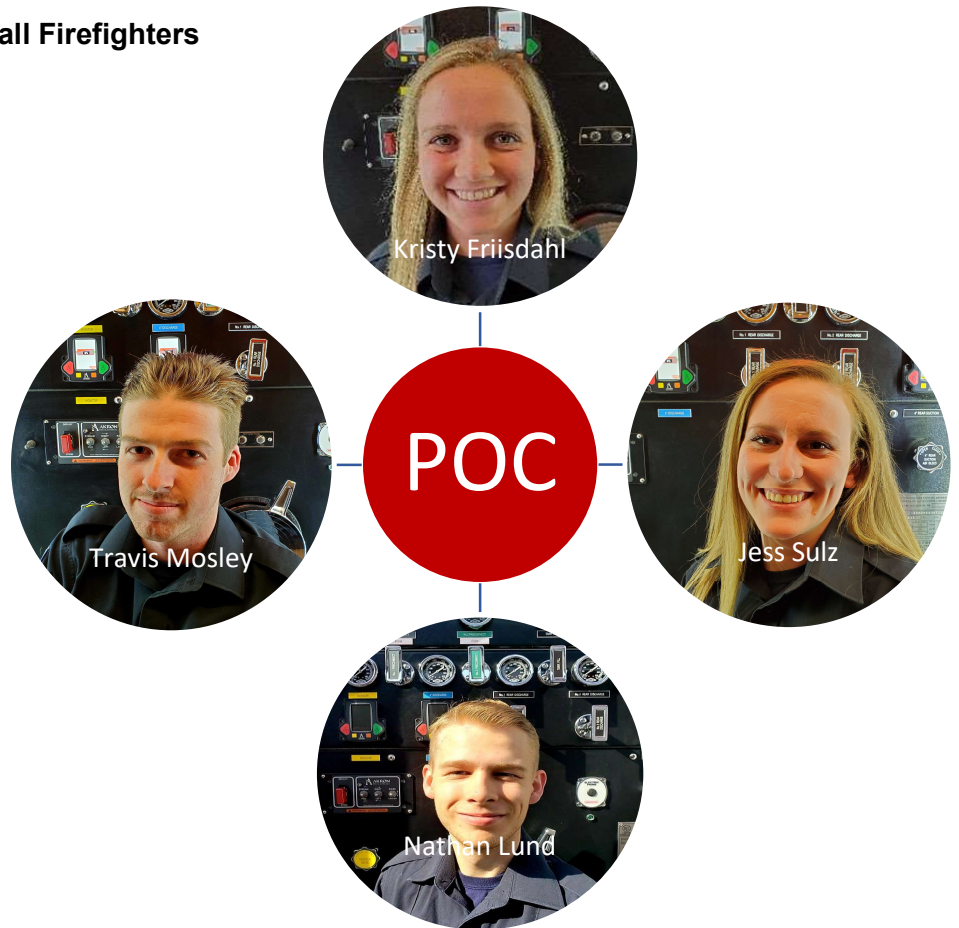
Jeff Ohashi
Mississauga Fire and
Emergency Services

Paid-on-Call Firefighter (POC) Recruitment

In 2020, the department was fortunate to have four (4) individuals step forward to serve their community as paid-on-call firefighters.

After the Candidate Physical Ability Test (CPAT), successful recruits complete 80 hours of initial in-house training and an additional 16 hours of live fire training. At the completion of this training each candidate is enrolled in an NFPA 1001 Firefighter I and II Program, requiring further training and testing to ensure basic competencies are achieved.

During probation, new firefighter recruits actively respond to emergencies as members of their platoon and are mentored by experienced fire officers.

New Appointments - Paid on Call Firefighters**Firefighter On-call Hours – Non-Remunerated**

Firefighters are assigned to one of three rotating platoons, requiring each firefighter to be scheduled a minimum of 2,214 hours on-call per year – these hours are not remunerated. Additionally, firefighters voluntarily schedule themselves to manage highway rescue incidents and first responder medical calls during their free time. In 2020, Merritt Firefighters collectively volunteered 135,152 scheduled on-call hours.

- 88,560 standby hours volunteered to Fire Response
- 33,280 standby hours volunteered to Road Rescue Response
- 13,312 standby hours volunteered to First Responder Medical Response

Long-Service Recognition



Rani Hothi, Lieutenant
20-year Exemplary
Service Medal



Aaron Clarke, Firefighter
20-year Exemplary
Service Medal

Personnel

Career Personnel

Fire Chief	1
Fire Prevention Officer	1
Training Officer/ Work Experience Program Coordinator	1
Fire Life Safety Educator	1
TOTAL	4

Paid-On-Call Personnel

Assistant Fire Chief	1
Captains	3
Lieutenants	3
Firefighters	24
TOTAL	31

Work Experience Personnel

Firefighters	5
TOTAL	5

Key Figures

• Actual Operating Costs	\$895,112.85
• Revenues and Cost Recovery**	\$165,599.70
• Paid-on-Call Firefighter Remuneration	\$220,182.30

2020 Capital Expenditures

• Workspace Records Management	\$23,500.00
• Fire Hose	\$20,000.00
• Thermal Imaging Camera	\$12,000.00

** Includes Inter-Agency Reimbursement, Fees and Grant Funding

Looking Towards 2021

The provision of fire services in our community has become increasingly more complex as the community's needs evolve. This illustrates the need to focus on enhancing customer service, communication, firefighter health and wellness, and fire prevention and education initiatives that are targeted to various groups whether they are different in ethnicity, age or certain groups at risk.

The long-awaited fire station addition broke ground October 2020. Construction is scheduled to be completed April 2021. This new space will address long-identified health and safety issues complicated by a lack of facilities and space. Firefighter health and wellness will be bolstered by new designated decontamination and turnout gear storage areas, lessening their exposure to harmful contaminants. The addition will house the Work Experience Program Firefighters and address inadequate facilities for female firefighters by providing individual toilet and shower facilities, change rooms and sleeping areas. Once complete, the addition is expected to extend the useful life of the existing fire station indefinitely and will support a single fire station model for an expected 10-20 years or until matched by growth in the community.



Fire Station Addition – Construction begins.

Also in 2021, with \$127,968.50 in grant funding through the Community Resiliency Investment (CRI) Program, the City of Merritt will complete a fuel management treatment, 25 hectares in size, in our City's Northwest Sector. The objective of the project is to reduce the fuel loading and fire hazard through stand modification, thinning and pruning, surface fuel reduction and removal of woody debris.





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 collaboration, education and awareness, strives to prevent and reduce crime in the community.

Mandate

Prevention: To support or liaise with existing crime prevention programs through E Div Crime prevention services, ICBC the BC Crime Prevention Association and Provincial programs such as Crime Stoppers and Block Watch to help bring awareness and prevent crime in our community.

Education: Responding to community requests and providing presentations. Building community partnerships such as School District 58, Child & Youth Care, Literacy Merritt and other agencies.

Intervention: Establishing or working with community agencies to intervene in recognized community crime issues via programs such as restorative justice, school threat risk assessments, First Nations Court committee and Violence against Women in Relationships.

Reduction: To identify community issues based on strategic priorities and partner with or create programs to help reduce crime in identified areas. Programs such as Nicola Valley Shelter and Support Society, Violence against Women in Relationships, foot and bike patrols and targeted programs based on priorities identified by the RCMP or community.

Volunteer Management: To recruit, maintain and supervise RCMP volunteers as per RCMP policy.

Programs are based on detachment and RCMP priorities such as Youth, First Nations, Public intoxication, Domestic violence and upon request from community members or agencies.

Strategic Priorities

- ☐ Public Intoxication
- ☐ Drug and Alcohol Awareness
- ☐ Improve the image of Spirit Square
- ☐ Bike and motor vehicle act education
- ☐ Youth engagement
- ☐ Community engagement / Collaboration
- ☐ Domestic Violence



PROGRAMS

Many of the volunteer programs were slated to continue as usual for the 2020 season. In March 2020 that direction needed to be reassessed considering the global pandemic situation. Initially the BC RCMP recommended to suspend all RCMP volunteer involvement to help

protect our participants whom are primarily seniors and therefore in the highest risk category of this health situation.

Speed Watch:

This program remained active throughout the year and was covered by the CPO coordinator while volunteer involvement was suspended. In late July, after developing a Covid 19 safety plan, a single volunteer returned to help with physically moving the sign while the CPO coordinator continued to do the software updates and reporting that are associated. A second sign was added to our program in 2020.

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Front Counter Occurrences

Our front counter was closed for several months during the beginning of the pandemic and then while it opened later it was at reduced number of hours to help protect staff and volunteers from exposure to the virus.

During the 2020 pandemic our CPO coordinator was able to increase the focus to help bolster supports for many marginalized members of our community. This is also an important part of many community safety and crime prevention plans.

Total 2020 Front Counter Occurrences: 496

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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 collaboration, education and awareness, strives to prevent and reduce crime in the community.

Mandate

Prevention: To support or liaise with existing crime prevention programs through E Div Crime prevention services, ICBC the BC Crime Prevention Association and Provincial programs such as Crime Stoppers and Block Watch to help bring awareness and prevent crime in our community.

Education: Responding to community requests and providing presentations. Building community partnerships such as School District 58, CYC, Literacy Merritt and other agencies.

Intervention: Establishing or working with community agencies to intervene in recognized community crime issues via programs such as restorative justice, School threat risk assessments, First Nations Court committee and Violence against Women in Relationships / VAWIR.

Reduction: To identify community issues based on strategic priorities and partner with or create programs to help reduce crime in identified areas. Programs such as Nicola Valley Shelter and Support Society, Violence against Women in Relationships, foot and bike patrols and targeted programs based on priorities identified by the RCMP or community.

Volunteer Management: To recruit, maintain and supervise RCMP volunteers as per RCMP policy.

Programs are based on detachment and RCMP priorities such as Youth, First Nations, Public intoxication, Domestic violence and upon request from community members or agencies.

Strategic Priorities

- Public Intoxication
- Drug and Alcohol Awareness
- Improve the image of Spirit Square
- Bike and motor vehicle act education
- Youth engagement
- Community engagement / Collaboration
- Domestic Violence



PROGRAMS

Many of the volunteer programs were slated to continue as usual for the 2020 season. In March 2020 that direction needed to be reassessed considering the global pandemic situation. Initially the BC RCMP recommended to suspend all RCMP volunteer involvement to help

protect our participants whom are primarily seniors and therefore in the highest risk category of this health situation.

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At no other time in our department's history has our team worked harder, smarter, and more innovatively than in 2020 to deliver programs and services to our citizens during uncharted territories of a global pandemic. Connecting people through opportunities to recreate, socialize, gather and play was riddled with obstacles as our team modified, adapted, and pivoted to remain in compliance with Provincial health orders related to COVID-19. The message from 2020 in our department became one of genuine resilience, as we weathered every storm with a renewed sense of determination to offer our residents the best possible recreational options in times of uncertainty. Our pillar of health and wellness remained strong and sturdy when it was more important than ever to be so. As always, I would sincerely like to thank the Merritt City Council and the citizens of Merritt for their continued support. This year I would especially like to thank the Recreation and Facilities Department staff, they rose above adversity and challenge to deliver on their professional promise to improve the quality of life for all people in the City of Merritt. We are continuing to make the best of the situation moving into 2021.

- Sky McKeown
Director of Recreation and Facilities

Key Responsibilities

The primary function of the Recreation and Facilities Department is to provide recreational related opportunities to the citizens of Merritt and surrounding area. The Department's mission statement is: "To provide programs, services, educational opportunities, information to the public, and to provide a safe, clean, healthy, and friendly environment". Our goal is to ensure our citizens and all other users receive high quality services and programs at our facilities, while considering our subsidization costs to ensure responsible value to all our taxpaying citizens and businesses.

The Recreation and Facilities Department consists of eleven full-time staff and over thirty-five other part-time staff, casual staff, and contracted instructors. The Department provides a variety of programs based out of City owned facilities, 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 Recreation and Facilities Department, many are a collaborative effort with local community groups and organizations. We wish to thank all our community groups and organizations who assist us, as many of our programs could not be run without their help!

The hard work and dedication of our employees coupled with support from City management and local community



organizations, provide a high-quality experience for our community members and tourists.

The Recreation and Facilities Department 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 (NVAC)
- Nicola Valley Memorial Arena (NVMA)
- Merritt City Hall
- Claybanks RV Park
- Spirit Square, Storage & Building
- Community Policing Office Building
- Airport Terminal Building
- Nicola Valley Museum and Seniors Centre
- ESS Office Coldwater Building
- Ty Pozzobon Memorial structure
- Merritt Cadet Hall
- Merritt Lawn Bowling Clubhouse
- Park Washroom Facilities & Rotary Band-shell
- Outdoor Sports Box (Partnering with Public Works)

In addition, the department is responsible for the administration and negotiation of most of the City's public contracted activities that 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 rentals located in the Merritt City Hall building.

2020 Highlights

It was shaping up to be another successful year as several different programs and services were planned to be made available during 2020. When the Pandemic hit, all our programs paused. Once safe play information was obtained, a few programs were modified and proceeded with limited available spots.

Pickleball continued to be played a few days a week in the auditorium of the Civic Center. This recreation user group also took advantage of playing singles in the multisport outdoor box throughout the summer months of 2020.

Gymnastic classes were one of the few programs that were able to be modified and programed in the fall of 2020.

Hiking programs, Virtual fitness contests, & summer camps were also a hit last year.



Some large capital projects that were completed in our department this year were:

- ESS Office public access entry ramp
- NVAC Leisure pool boiler replacement
- NVAC Exterior repair and paint
- Airport terminal building parking lot enhancement project
- Bike tool station project (100% grant funded)
- Coldwater Ave Cadet Hall exterior renovation





- Dog pound
- NVMA Rubber flooring



The Nicola Valley Aquatic Center like all our recreation facilities was hard hit by COVID-19 restrictions. The pool was closed to the public mid March for 123 consecutive days. During this

time, our lifeguards were all laid off. After restrictions were slightly lifted and while we had the pools drained, we were able to safely bring our maintenance staff back on to complete several projects, which in turn allowed us to stay open through the fall of 2020. In mid-July we opened the pool and gym to the public. By closely following the ever-changing PHO orders and operating under reduced hours, attendance by reservation only, and following a strict safety plan, this enabled us to offer a safe level of service to patrons including fitness classes, lap swim and leisure pool reservations as well as limited cardio/weight space.

The Nicola Valley Memorial Arena opened in the fall with high hopes of having some competitive hockey. Unfortunately, this was not the case when substantial COVID-19 transmission rates started to increase. Restrictions on attendance, physical contact, dressing room occupancy, and no spectators were among several factors that hampered the ice season. The Nicola Valley Figure Skating Club was able to modify how they operated and safely made the best of the situation. Our Merritt Centennials BCHL team and Merritt Minor Hockey Association were hard hit with the COVID-19 safety restrictions.

Attendance at outdoor special events was made possible by creating safe distancing layouts and social distancing signage. Positive feedback was received from multiple citizens who attended some of the Family Day, Canada Day, and Music in the Square outdoor events.



Progress on 2020 Goals

- Our Recreation Operations Maintenance Manager, Dave Zakall has continued to educate and train our staff on the correct use and new offerings of the internal DATS software program.
- With both organizations undergoing huge, ever changing COVID-19 restrictions, limited dialogue with School District #58 was entertained regarding establishing a formal joint-use agreement. Meetings are planned for the fall of 2021 and in the meantime the verbal agreement is still standing.
- Progress on several of the other goals set out in 2019 were stalled by the pandemic and are looking to get back on track in the fall of 2021.

Recreation and Facilities Goals for 2021

In keeping with our mission statement and Council's Strategic Plan, 2020 goals for the Recreation and Facilities Department include:

1. Continue to build a solid foundation of management leadership by providing consistent employee mentorship.
2. Ensure our department and its staff are mentally prepared to take lead when called upon to guide us out of “COVID Times”.
3. Ensure all the Capital Works projects are completed on time and on budget.
4. Establish a review of all facilities and create a financial maintenance schedule.
5. Make necessary changes to all current contracted facility service agreements with the City.
6. Continue to make it better!

Thankful Community

Despite a year of change and challenges, the Recreation and Facilities Department continued to serve the community well. The lengthy closures of multiple City facilities followed by limited capacity for the last six months of the year, resulted in significant revenue and attendance shortfalls. However, the modified available program and service offerings have been received with much thanks and appreciation from the community and staff was thankful to be back providing a safe, clean, and fun facility for the entire community to enjoy.





Key Responsibilities

The City of Merritt Economic Development Department is responsible for: tourism and marketing; business attraction, retention and expansion programs; economic sector development; city centre revitalization; City communications; and long-term economic development strategies.

City strategic plans act as the guiding documents for ongoing Economic Development operations. These plans include: The Official Community Plan, Economic Development Action Plan, Airport Development Plan, Age-Friendly Action Plan, Parks, Recreation and Culture Master Plan, City Centre Improvement Plan, Tourism Asset Inventory Report and the Merritt and Nicola Valley Tourism Plan.

To achieve success, the Department works in partnership with businesses, sector associations, non-profit organizations, and other City Departments to provide quality information and enhance the economic growth of Merritt. The Nicola Valley Heritage Society, which operates the Merritt Visitor Centre at the Baillie House, receives annual funding through the City to provide face-to-face local visitor services. Online and other City Tourism services are provided through the Department. The Department is supported by contractors and students to increase overall capacity and complete projects within a timely manner.

A priority for the Department is answering time-sensitive questions from the public. These include questions from local business owners and residents regarding City services and economic statistics. In 2020, the Department continued to communicate local business advantages, relocation information and Nicola Valley land opportunities.

A Year in Review: 2020

Business Retention, Expansion and Attraction

The Department continued to increase overall communications with the local business community. This included an inventory of vacant land and building in Merritt to assist with new business development and business expansion opportunities.

In 2020, the department continued to promote Merritt as an ideal option for residential and business relocation. Target areas of City marketing included Kamloops, Kelowna, the Lower Mainland (with a focus on Chilliwack and Abbotsford), Calgary and Edmonton. Throughout the year, Merritt was featured in numerous Trade and Investment materials.

The City of Merritt Community Profile and current Merritt statistics were updated on websites such as the City of Merritt, the BC Economic Development Association and the Province of BC. In 2020, the Department revamped new investment information brochures to help showcase the investment attraction information presented to clients. These included customized sector profiles on agricultural, retail and transportation.

The BC Provincial Nominee Program Entrepreneur Immigration Regional Pilot (BC PNP) continued in 2020 to attract foreign entrepreneurs to establish new businesses in BC. Department staff sat on the City of Merritt BC PNP Entrepreneur Immigration Pilot Committee to support entrepreneurs seeking to immigrate to Canada and establish businesses in Merritt. The City of Merritt was in the top 10% for the number of foreign entrepreneur interest across the province.

The ED Development worked closely with the Development Services Department to create the new City of Merritt Geographic Information System.



Tourism

In 2020, the Department continued as the tourism arm for the City of Merritt, utilizing tourism materials to promote the community and increase visitation to the Nicola Valley. The Tourism Merritt website and hashtag of #ExploreMerritt continued to gain traction with visitor feedback from across the world.

In 2020, the Nicola Valley Trail Guides Brochure continued to be a highly popular item. This waterproof and tear resistant guide was made available online and for pick up at locations throughout the community.

COVID-19 paused most of the annual tourism activities, events and marketing work in the Nicola Valley. The Department worked closely with local, regional, and provincial partners to provide support to local tourism businesses and ensure visitor received the message of “Dream Now – Visit Later”.



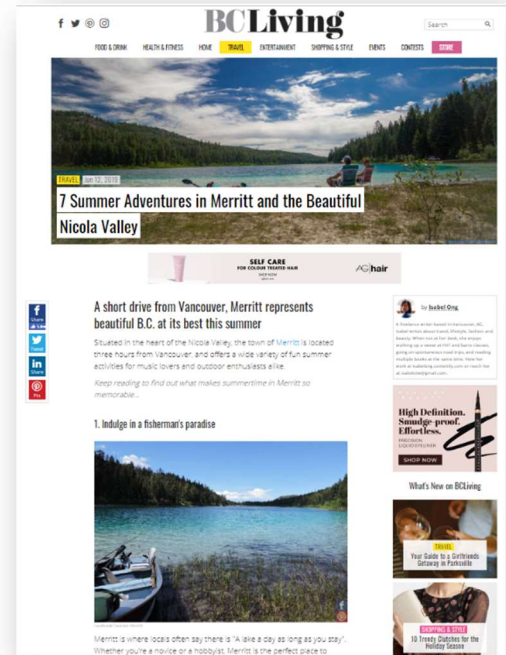
Communications

The Department is responsible for creating and distributing all City communications content. To accomplish this task, the City of Merritt Communications Department was created in 2020 alongside the Economic Development Department. City communications content was made available in a variety of formats including infographics, press releases and videos. City material included: Bylaw Reminders, Council Meeting Notices, Open House Event Promotions, Utility Bill Deadlines, and notifications on City Services.

Marketing for business and resident attraction, and tourism promotions in 2020 were placed across a variety of following outlets:

- Right Sizing Magazine
- BC Guide to Arts & Culture
- BC Fishing Regulations
- Backroad Mapbooks
- Invest in BC Magazine
- BC Living Magazine
- BC Guide to Art and Culture
- Merritt Herald Connector Phone Directory
- Merritt and Nicola Valley 2020 Visitor Guide
- Merritt Herald weekly newspaper
- Q101 Radio

The Department managed the 9 City of Merritt and Tourism Merritt social media accounts through the Hootsuite social media dashboard. These include: 2 Facebook pages, 2 Twitter pages, 2 Instagram pages, 1 LinkedIn page and 2 YouTube pages. The Department provides support to other City departments online such as the Merritt Fire Department and the Merritt Recreation Department through their separate social media channels.



The Department created six videos in 2020 to promote business opportunities in Merritt and tourist attraction. These videos have been scheduled for a 2021 release date as part of the City content calendar.

The Development created a new City of Merritt Website and Communications Plan to ensure municipal information is accurately and easily accessible by community members.

Grants

A large part of the Department work is ensuring operational funding is available and utilizing those funds to apply for grant opportunities. In 2020, the City of Merritt continued to host a contract Grant Writer to provide grant writing support for the municipality. The grant funding below was applied for and received through the Economic Development Department:

- Province of BC Ministry of Forests, Lands and Natural Resource Operations, and Rural Development – Forestry Funding - \$50,000

Looking Ahead to 2021

For 2021, a primary goal of the Department is to work to encourage business growth and showcase Merritt as tourist friendly. Projects set for competition during 2021 will include: updating the Economic Development Action Plan, hiring a Business Recovery Advisor to support capacity for the Department, commence work on the Merritt Light Industrial Park Development Plan and continue to provide COVID-19 Business Recovery Support. The goal for the Department in 2021 is to continue to promote Merritt, create a business-friendly environment and provide tourism attraction resources.

Looking to do business?
We've got you covered

Transportation Agriculture Restaurants Retail

With easy access to the Thompson, Okanagan and Lower Mainland markets, Merritt offers affordable living, a high quality of life and easy access to large customer bases.

Merritt
FLOURISH UNDER THE SUN

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



Message from the Department Head

“On behalf of the Planning and Development Services team, I am pleased to present the department’s annual report for 2020. The report provides highlights of the efforts and achievements of the department in the past year, as well as the services that have been provided to Merritt property owners, developers, and builders.

I am extremely proud of the dedication and service provided by the Planning and Development Services team. They are a dedicated, efficient, highly skilled, and educated group of individuals, who consistently strive to provide exceptional service of which Merrittonians can be proud.

I would like to thank Council for their continued support of our team’s efforts. We appreciate that Council recognizes the important role we play in making Merritt a vibrant and liveable community.”

Don McArthur, Planning and Development Services Manager

Department Overview

Planning and Development Services is responsible for land use, zoning, land development, building and building inspections in the City of Merritt. The department consists of the Building, Safety & Inspection and Planning & Development teams. The department’s staff can assist you when applying for building permits, building and safety inspections, demolition permits, plumbing permits, sign permits, address changes, agricultural land reserve applications, development permits, development variance permits, OCP amendments, rezoning, strata conversions, and subdivision applications.

2020 was an eventful year for Planning and Development Services. The department relocated to the first floor of City Hall, the COVID-19 pandemic resulted in changes to processes and service delivery, and the real estate and housing boom that began in Summer 2020 stretched department resources to the limit. The adoption of the new Zoning Bylaw in September contributed to the development boom, as property owners learned that restrictions on development in Merritt had been eased.

Department staff also embarked on the creation and update of multiple plans, including the Official Community Plan, Housing Needs Report, Active Transportation Plan, and North Bench Neighbourhood Development Plan. These plans will collectively set the course for growth and development in the community for the next 20 years.

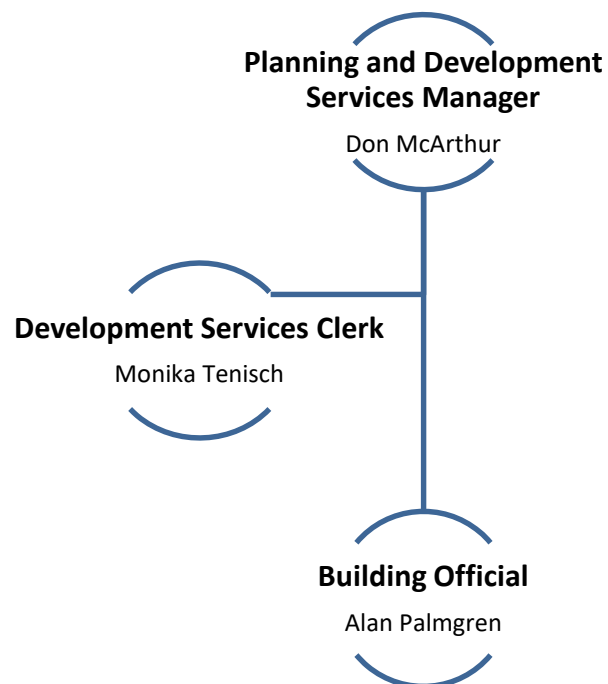
By the end of the year, Building Permits totalling \$24 million in construction value had been issued, resulting in 95 new housing units for Merrittonians, as well as commercial and industrial developments that will provide residents much needed job opportunities.

Key Financials

Planning and Development Services Key Financials		
	2020	2019
Revenue		
Building Revenue	74,577	130,826
Development Revenue	56,137	23,974
DCCs Collected	376,829	134,109
Total Revenue & DCCs	507,543	288,909
Per Capita Fees Collected*	65	37
Operational Expenditures		
Building Expenditures	111,682	115,071
Admin & Development Expenditures	444,594	291,328
Total Expenses	556,276	406,399
Per Capita Expenditures*	71	53
Capital Expenditures		
Total Capital Expenditures	0	0

*Based on BC Stats 2020 and 2019 population estimates of 7,805 and 7,722, respectively.

Planning & Development Services Team



Long Service Recognition

Congratulations to Alan Palmgren, Building Official, who was presented with his award for 5 years of service with the City.



“

By far the greatest and most admirable form of wisdom is that needed to plan and beautify cities and human communities.

”

Socrates

2020 Goals

The following is a list of 2020 goals that were identified in the 2019 Annual Report, and a description of progress for each.

1. Complete the first two phases of the Official Community Plan (OCP) Update

The OCP Update project began in Spring 2020, and despite the COVID-19 pandemic, the first two phases of the project were completed. Planned in-person engagement activities were revised to be online surveys, webinars, and workshops. The project will continue in 2021.



2. Complete the Zoning Bylaw Update

The Zoning Bylaw Update was completed, as planned, with the new Bylaw adopted on September 1, 2020. The extensive review and update involved hundreds of hours of staff time. Overall, the new Bylaw has made it easier to develop and do business in Merritt. Highlights of the new Zoning Bylaw No. 2284, 2020 are detailed below.



3. Commence the creation of an Active Transportation Plan

The City of Merritt received \$25,000 in grant funding from the Province of BC to put towards the development of an Active Transportation Plan. The City matched the funds, and hired Urban Systems to assist with development of the plan. The project commenced in Summer 2020. The final plan is expected to be completed in 2021.

**4. Commence the creation of a North Bench Neighbourhood Development Plan**

Engagement with residents and local First Nations on the creation of a neighbourhood plan for the North Bench area began in the Fall of 2020. When completed, the plan will accompany submission of a Crown land tenure application to the Province of BC.

**5. Launch the GIS site**

The City partnered with MuniSight to develop a GIS site so that residents, developers, builders, and business owners could access mapping of the community. The site launched for public use in Summer 2020.

**6. Work with the Fire Department on the Firehall expansion**

The firehall expansion project continued in 2020. Planning and Development Services worked with the Fire Department and Engineering and Public Works to move the project forward, including the issuance of a Building Permit.

**7. Issue a Building Permit and conduct inspections for the 4010 Walters Street apartment building**

In early 2020, the Building Permit for a 75 unit apartment building was issued and construction commenced. City staff conducted regular inspections for the project throughout the year. More details about the project are provided below.

**8. Work with the developer to move ASK Wellness Phase 2 forward**

During 2020, City staff had numerous meetings with the developers of a planned 44 unit affordable housing apartment building for seniors at 2230 Quilchena Avenue, in the City Centre. More details about the project are provided below.



9. Work with the developers to discuss potential development at Gateway 286

In 2020, City staff were engaged in discussion by the developers of the two parcels southeast of Coquihalla Exit 286. A rezoning application for 2320 Hamilton Hill Road, the eastern-most parcel, was received late in the year. An ALR Exclusion application is anticipated from the developer of the western-most parcel in early 2021.

**10. Process rezoning application for 3350 Voght Street housing development**

An application to rezone the former Grasslands Motel site was processed, with the rezoning completed by Council on October 13, 2020.

**11. Process subdivision application for Phillips Street townhome development**

An application was received to create a 28 lot subdivision, which would consist of townhomes. It is anticipated the developer will complete the conditions of the subdivision in 2021, with construction commencing in Fall 2021 or Spring 2022.



Operations and Services

Staffing and Processes Updates

Development Services moved into a new space on the first floor of City Hall, with the goal to provide easier access for contractors and applicants.

However, the COVID-19 pandemic caused a challenge to providing quality customer service. The closure of City Hall prompted staff to implement measures to conduct activities electronically. Applications were received by email, meetings were conducted by videocall, and fee payments were received online. Transition to digital communication will continue in 2021.

2020 Projects (Long Range Planning)

Ensuring that plans, bylaws and policies are up-to-date is essential to ensure that they reflect current trends and the desires of the community. In 2020, the development or update of numerous key plans commenced, while several projects were completed. The below list is a selection of some of the updates to plans, bylaws, and policies that were undertaken by City staff and consultants in the past year.

Official Community Plan

The Official Community Plan (OCP) was last updated in 2011, with the most recent complete re-write occurring in 2004. While some of the content contained in the existing OCP is still relevant, many of the policies do not reflect the modern Merritt. Furthermore, the current OCP is focused on land use, with little content on other important topics, such as economic development, infrastructure, or climate change. Modernizing the OCP will provide the necessary policy framework to guide the City for the next decade.

The OCP Update project commenced in Spring 2020 and is expected to be completed in late 2021. More information: www.merritt.ca/ocp.



“

Every city is either vibrant these days or is working on a plan to attain vibrancy soon. The reason is simple: a city isn't successful – isn't even a city, really – unless it can lay claim to being 'vibrant'

”

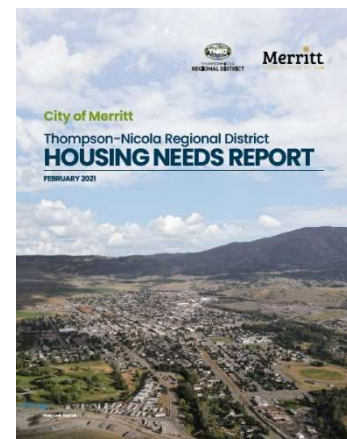
Thomas Frank

Housing Needs Report

The City partnered with the Thompson Nicola Regional District and M'akola Development Services to develop a Housing Needs Report. The project commenced in Spring 2020, with research and engagement being conducted in the Summer and Fall. A draft report was unveiled in late 2020, which included the following key findings:

- Senior populations are rapidly growing.
- Renting households are more frequent and are less able to meet their housing needs.
- Homeownership is becoming more difficult to enter for moderate to low-income households.
- Non-market and supportive housing is widely needed.
- Many community assets exist to address housing issues.

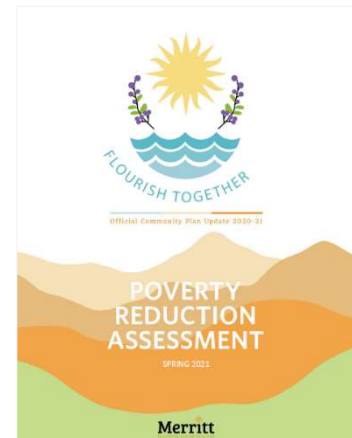
The final report, including recommendations and suggested action items, is expected to be completed in Spring 2021. More information: www.merritt.ca/hnr.



Poverty Reduction Assessment

In conjunction with the Official Community Plan Update, the City is developing a Poverty Reduction Assessment report. UBCM provided a grant of \$25,000 for the project.

Key findings and recommendations that are developed for the report will guide OCP policy development, and will also be used to inform updates to numerous City plans, in future, including the Active Transportation Plan, Housing Needs Report, and Zoning Bylaw.



“

I know up on top you are seeing great sights, but down at the bottom we, too, should have rights.

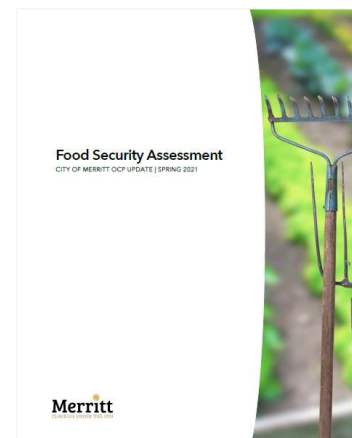
”

Dr. Seuss

Food Security Assessment

Similarly to the Poverty Reduction Assessment, a Food Security Assessment report is being developed in conjunction with the Official Community Plan Update.

Key findings and recommendations that are developed for the report will guide OCP policy development, and will also be used to inform updates to other City plans, in future, including the Zoning Bylaw.



Zoning Bylaw

The Zoning Bylaw was last updated in 2015. In addition to the importance of updating bylaws and plans every 5 years so they stay current, the Zoning Bylaw did not align with the OCP in many key areas. The revision ended up being almost an entire re-write, to which staff from all departments provided input. The result is a bylaw of which the City can be proud. More information:

www.merritt.ca/zoningbylaw.

Key changes, categorized by the type of outcome, are listed below.



Housing Creation

- Secondary Suites are now allowed in duplexes and townhomes, in addition to single family homes;
- Carriage and laneway homes are now possible for many more property owners;
- R1 & R2 zones can now be subdivided into 9 metre (30 foot) wide lots, making infill housing possible. This follows direction of the OCP, which identified infill housing as key to smart growth; and
- Commercial zones (C2, C3, C4, C5, and C6) now allow residential, enabling mixed use developments.

Business Assistance

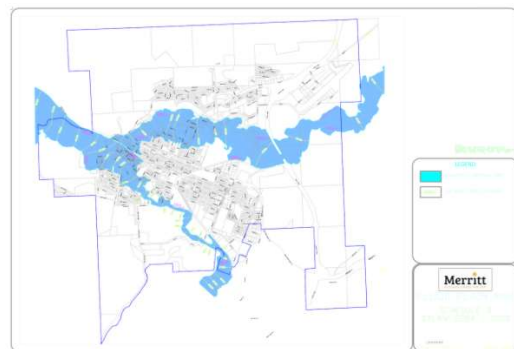
- Home-based Business regulations were relaxed;
- Parking requirements for businesses were reduced;
- Maximum height in the City Centre (C6) zone was increased from 3 to 6 storeys to encourage City Centre revitalization;
- Height bonusing was made available to property owners who provide affordable lease space;
- Maximum parcel coverage was increased in commercial zones, enabling more property area to be developed; and
- The number of permitted uses was increased in most commercial and industrial zones.

Safety

- Swimming pool regulations were created to provide safety guidance.

Floodplain Mapping

The City and the Thompson Nicola Regional District have partnered with the Fraser Basin Council to update the floodplain mapping for the Nicola Valley. The project commenced in 2020, with the draft documents expected to be released in Summer 2021.

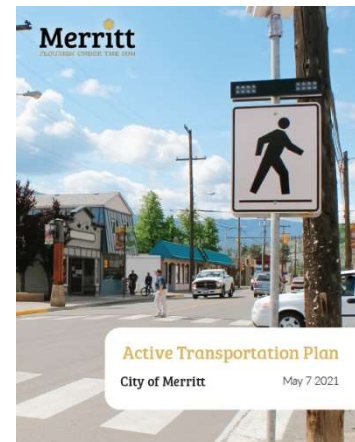


Active Transportation Plan

The City received a grant of \$25,000 from the Province of BC to create an Active Transportation Plan. Commencing in Summer 2020, the project included several rounds of community engagement and hundreds of participants.

The draft and final plans are expected to be developed in 2021, and will include a cycle network map detailing the desired future bike routes, as indicated by Merrittionians.

More information: www.merritt.ca/atp.



“

There is no logic that can be superimposed on the city; people make it, and it is to them, not buildings, that we must fit our plans.

”

Jane Jacobs

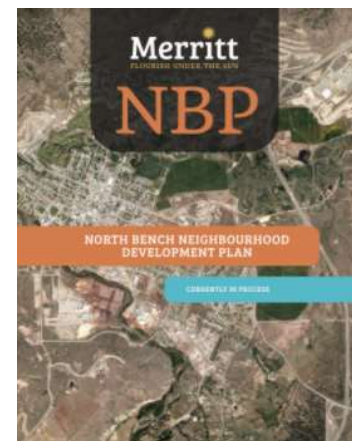
North Bench Neighbourhood Development Plan

Planning for the creation of a new neighbourhood in the north of the City began in the 1970s. Mapping and OCP policies were developed over the decades, but development of a neighbourhood plan had not commenced, until 2020.

Planning and Development Services and Corporate Services staff, at the direction of Council, embarked upon the creation of a plan, which will accompany a Crown Land Tenure application to the Province of BC.

Extensive engagement was conducted with Merritt residents in the Summer and Fall. The City also began consulting local First Nations, with additional meetings planned in 2021.

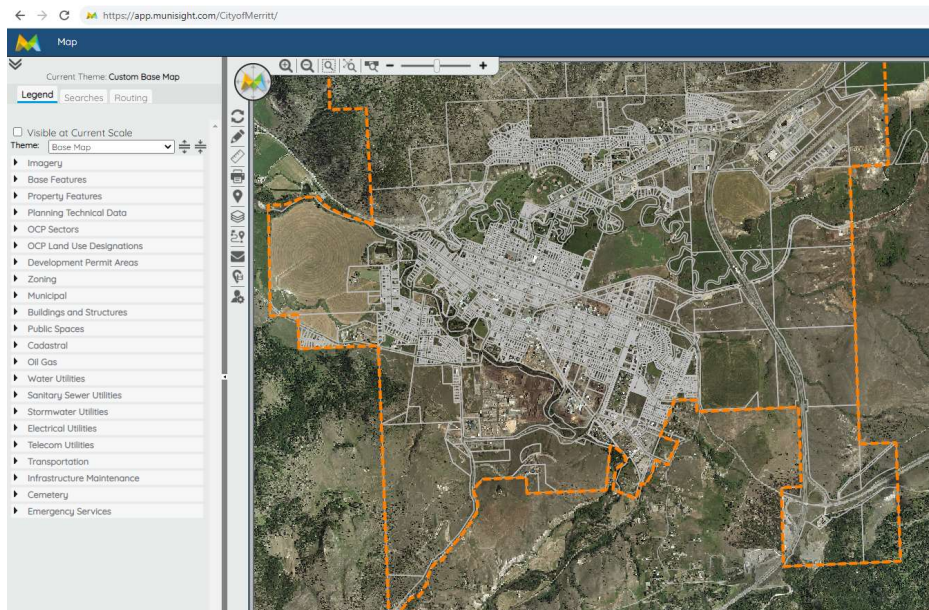
More information: www.merritt.ca/nbndp.



GIS Implementation

The City partnered with MuniSight to develop a GIS mapping webpage, with the goal of providing useful information to residents, real estate agents, developers and builders. The site was launched in Summer 2020, and includes data on zoning, building permits, water, sanitary sewer and stormwater infrastructure, transportation, and many other data sets.

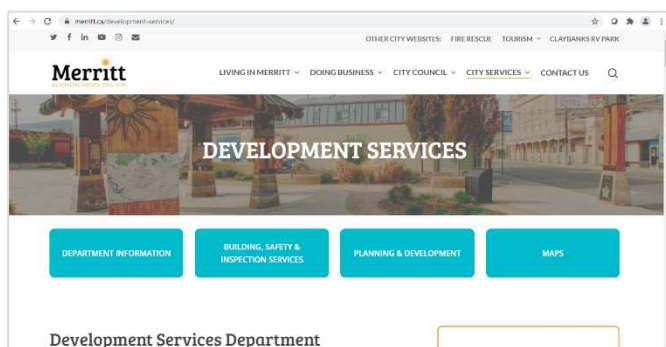
To access the site: www.merritt.ca/maps.



City Website and Communications

Development Services staff worked with the Communications team to develop webpages for the OCP, Housing Needs Report, Active Transportation, and North Bench projects.

Additionally, the Development Services webpage contains helpful information, including building statistics, development application process and timelines, and department contact information. To access the department's webpage on www.merritt.ca, hover over the City Services tab, and select Development Services from the drop down menu.



Other useful webpages include Mapping (www.merritt.ca/maps), Agendas & Minutes (www.merritt.ca/agendas-minutes), and Documents & Forms (www.merritt.ca/downloads).

2020 Development Highlights (Current Planning and Building)

Despite the COVID-19 pandemic, development and building continued in Merritt at near record levels. In fact, a real estate and development boom began in the community in summer, which showed no signs of slowing down heading into 2021.

Development and Building projects included a wide range of activities from single family housing to multi-family apartments, as well as commercial, industrial, and institutional. City staff also processed a number of smaller projects, including decks, garages, renovations, demolitions, sign permits, and plumbing permits.

Below is a detailing of some of the significant developments processed by City staff during the year.

Firehall Expansion

Progress on design and review of the firehall addition plans continued during 2020, and the Building Permit was issued in September. When construction is completed, the renovation will create more capacity at the firehall.

Specifically, the addition will address health and safety issues by adding a dedicated decontamination area and sanitary turnout gear storage room. The added space will enable the housing of the Work Experience Program firefighters. Importantly, it will also address the issue of inadequate facilities for female firefighters by adding a separate washroom, shower facilities, change room, and sleeping areas.



4010 Walters

The Building Permit for the 75 unit apartment building at the corner of Walters Street and Voght Street was issued in early 2020. Construction commenced and continued throughout the COVID-19 pandemic, and is expected to be completed in Summer/Fall 2021.

The development will provide much needed rental housing for Merritonians, and responds to the key findings of the Housing Needs Report by providing a type of housing that is in very short supply in the community. When completed, the building will include 1, 2 and 3 bedroom units, access to transit and a new bus shelter on Voght Street, and a bicycle storage room for tenants.

**“**

The point of cities is multiplicity of choice.

”

Jane Jacobs

Canco and Pizza Pizza

A Development Permit and Building Permit were issued and construction commenced on a new gas station, convenience store and Pizza takeout restaurant.



1914 Quilchena

A Development Permit extension was granted for the proposed daycare centre at 1914 Quilchena Avenue to allow the applicant more time finalize their design drawings. A Building Permit application is expected in Spring 2021.



BC Hydro

A Development Permit and Building Permit were issued to BC Hydro so they could install a new building, complete renovations, and relocate a building at their substation property on Voght Street.

**BC Forestry Building**

A Building Permit was issued for a renovation at the BC Forestry building on Airport Road. The interior construction works were completed in 2020, and involved inspections by Building staff.



Alpha Design

A Subdivision was completed to enable the addition of permanent yard space for a welding and machining business on Pooley Avenue, Alpha Design, that employs 21 people.



Phillips Street & Pope Place

A Building Permit for a triplex, and Subdivision, Development Permit and Building Permit for a fourplex, were processed and issued by staff. The 7 units in eastern Diamond Vale will provide additional housing options for Merrittonians.



Birch Ave and Fir Ave

Southern Collettsville has seen extensive building in recent years. In 2020, a Subdivision for 2 lots on Birch Avenue, and 2 Building Permits for houses on Fir Avenue, were issued, with numerous additional applications expected in 2021.

**Spring Bank Ave**

Spring Bank Avenue in the City's Grandview neighbourhood is also experiencing development demand from property owners, with Building Permit applications processed for a duplex, a single family home and a modular home in 2020. More applications are expected in 2021.



Patios

Development Permits for the creation of patios were issued for patios at Empty Keg, Grand Pub and the Merritt Legion. As a COVID-19 economic recovery measure, Council waived the application fee for the permits.



2020 Development Statistics

In general, development application measures showed improvement in 2020, as compared with the year earlier, while building application statistics were maintained at a high level.

Below is a detailing of measures and statistics that are tracked for Long Range Planning, Current Planning, and Building.

Plan, Bylaw and Policy Updates

The number of updates to plans, bylaws and policies is an important measure of departmental success. These documents must be updated and revised to ensure they reflect the modern realities of the community, the desires of residents, and are aligned with the strategic priorities of Council.

The following is not an exhaustive list of updates to plans, bylaws, and policies that were undertaken by Planning and Development Services in 2020, but highlights some of the more significant updates that were started or completed:

- Active Transportation Plan (project commenced)
- Food Security Assessment Report (project commenced)
- Housing Needs Report (project commenced)
- Land Use Amendment and Development Approval Procedures Bylaw No. 2076 – Schedule B Fees (project commenced and completed)
- North Bench Neighbourhood Development Plan (project commenced)
- Official Community Plan (project commenced)
- Poverty Reduction Assessment Report (project commenced)
- Zoning Bylaw No. 2284, 2020 (project commenced and completed)

Development Application Processing Times

Development application processing times were generally reduced in 2020. Maintaining these processing times is not a realistic expectation, however, as the dramatic reduction in processing times was enabled by staff working many hours in addition to their regularly scheduled hours.

Average Processing Times		
	2020 (weeks)	2019 (weeks)
ALR Exclusion	N/A	N/A
Development Permit	8	15
Development Variance Permit	8	32
OCP Amendments	19	52
Rezoning	18	28
Subdivision	49	74

Number of Development Applications Processed

The number of development applications processed increased in 2020, as compared to 2019.

Development Applications Processed		
	2020	2019
Applications Received		
ALR Exclusion	0	0
Development Permit	17	10
Development Variance Permit	2	4
OCP Amendments	4	0
Rezoning	6	7
Subdivision	8	8
Total	37	29
Applications Completed		
ALR Exclusion	0	0
Development Permit	9	5
Development Variance Permit	1	3
OCP Amendments	1	0
Rezoning	4	4
Subdivision	6	4
Total	21	16

Development Application Fees Collected

The total amount of development application processing fees collected increased from \$15,700 in 2019 to \$20,025 in 2020. The increase was mainly due to the increased number of applications. The new fee structure that was introduced in October also impacted the amount of fees collected, with most application fees increasing from the previous rates.

Building Application Process Times

Building Application Average Processing Time		
	2020 (weeks, unless otherwise stated)	2019 (weeks, unless otherwise stated)
Building Permit	6	6
Building Information Review	3 days	3 days
Comfort Letters	1	2
Sign Permits	1*	2

*Sign Permits were prioritized in 2020 as a COVID-19 business recovery measure

Number of Building Applications Processed

Summary of Building Applications Processed		
	2020	2019
Building Permits	142	143
Building Information Review	60	72
Comfort Letters	2	1
Sign Permits	13	15
Signs with Permit Installed	40	17

Housing Units Created

Summary of Housing Units Created		
	2020	2019
Dwelling Units*	94	20
Accessory Dwelling Units**	1	4

*Dwelling Units includes multi-family, single family, duplex, and mobile/modular homes.

**Accessory Dwelling Units includes secondary suites and detached secondary dwellings.

Number of Building Inspections Conducted

Tracking the number of inspections was a new measure introduced in 2020. During the year, the City's Building, Safety & Inspection team conducted 595 building and plumbing inspections.

595

Construction Value

\$24M

Construction value of issued building permits nearly doubled to \$23.97 million in 2020, as compared to \$12.94 million in 2019. The total construction value in 2020 was the third highest in Merritt's history (2015: \$26.97M; 2017: \$24.78M).

Note: the discrepancy between Finance and Development Services construction value is due to an invoice issued for 4010 Walters Avenue in late 2019, but payment not received until 2020.

Building Permit Fees Collected

Building Permit, Plumbing Permit and Sign Permit fees totalled \$74,577 in 2020, as compared to \$130,826 in 2019. The decrease can be attributed to a waiving of applications fees for Sign Permit applications as a COVID-19 economic recovery measure, a significant decrease in residential and commercial renovations, and a reduced number of applications for single family home construction.

\$75K

The reduction in residential building projects in 2020, especially the dramatic decrease in renovation applications, was likely due to the COVID-19 pandemic and related economic

uncertainty. Due to the real estate boom that began in Summer 2020, the reduction in building projects is expected to be short-lived.

Development Cost Charges Collected

DCCs Collected		
	2020 (\$ amount)	2019 (\$ amount)
Roads	14,777	13,273
Water	0	0
Sanitary Sewer	352,334	106,122
Stormwater (Drainage)	9,718	14,714
Parks	0	0
Total	376,829	134,109

Detailed Building Application Statistics

City of Merritt Building Permits By Classification for the Month Ending December 2020									
Type	December 2020			2020 Year-to-Date			2019 Year-to-Date		
	Total Permits	Value	Fee	Total Permits	Value	Fee	Total Permits	Value	Fee
1. Residential									
Addition	0	\$0	\$0	15	\$382,010	\$3,246	15	\$199,884	\$2,041
Mobile Home	0	\$0	\$0	3	\$251,593	\$1,573	2	\$33,540	\$1,320
Multiple Family Dwelling	0	\$0	\$0	8	\$11,279,810	\$59,357	3	\$600,000	\$5,182
Renovation	0	\$0	\$0	17	\$870,800	\$6,044	28	\$770,392	\$4,274
Secondary Suite	0	\$0	\$0	1	\$5,000	\$75	2	\$2,000	\$60
Single Family Dwelling / Secondary Suites	1	\$408,000	\$2,194	9	\$3,352,466	\$19,071	13	\$4,457,983	\$25,943
Two Family Dwelling	0	\$0	\$0	0	\$0	\$0	1	\$423,000	\$2,269
Total Residential	1	\$408,000	\$2,194	53	\$16,141,679	\$89,366	64	\$6,486,799	\$41,089
2. Commercial									
Addition	0	\$0	\$0	0	\$0	\$0	0	\$0	\$0
New Construction	0	\$0	\$0	2	\$841,000	\$4,454	0	\$0	\$0
Renovation	1	\$3,000	\$72	17	\$671,967	\$4,883	20	\$988,400	\$6,780
Total Commercial	1	\$3,000	\$72	19	\$1,512,967	\$9,337	20	\$988,400	\$6,780
3. Institutional									
Addition	0	\$0	\$0	0	\$0	\$0	1	\$15,000	\$0
New Construction	0	\$0	\$0	3	\$4,800,000	\$14,808	2	\$510,000	\$2,818
Renovation	0	\$0	\$0	6	\$426,000	\$174	6	\$251,307	\$1,193
Total Institutional	0	\$0	\$0	9	\$5,226,000	\$14,982	9	\$776,307	\$4,011
4. Industrial									
Addition	0	\$0	\$0	0	\$0	\$0	0	\$0	\$0
New Construction	0	\$0	\$0	0	\$0	\$0	1	\$2,000,000	\$10,154
Renovation	1	\$100,000	\$654	1	\$100,000	\$654	2	\$290,000	\$1,629
Total Industrial	1	\$100,000	\$654	1	\$100,000	\$654	3	\$2,290,000	\$11,783
5. Others									
Demolitions	3	\$110,000	\$500	14	\$697,800	\$1,500	4	\$41,000	\$360
Solid Fuel Burning Misc	3	\$15,000	\$465	3	\$15,000	\$465	4	\$25,600	\$560
Plumbing	1	\$1,900	\$60	41	\$276,333	\$10,056	35	\$2,319,000	\$16,436
Renewal / Temporary	0	\$0	\$0	1	\$1,000	\$60	4	\$12,000	\$200
Occupancy	0	\$0	\$0	1	\$1,000	\$75	0	\$0	\$0
	0	\$0	\$0	0	\$0	\$0	0	\$0	\$0
Total Permits	10	\$637,900	\$3,945	142	\$23,971,779	\$126,495	143	\$12,939,106	\$81,219

*Secondary suites that were approved in conjunction with Building Permits for single family homes were not recorded as separate permits in 2019 and 2020.

Looking Towards 2021

2021 is expected to be another interesting year for Planning and Development Services. With the COVID-19 pandemic continuing, there will be continued challenges with application processing. The real estate boom that began in 2020 will likely continue. The price of building materials could begin to impact building and development, however.

2021 Goals and Measures

The following goals and measures will be used to track departmental progress in 2021.

1. Customer service

Goal: Maintain a high level of customer service.

Measure: Maintain application processing times at better than 2019 baseline levels.

2. Team environment/staffing

Goal: Ensure the appropriate level of staffing for the amount of workload.

Measure: Maintain application processing times at better than 2019 baseline levels.

3. Processes

Goal: Commence the creation of application checklists for staff.

Measure: Commencement research prior to December 31, 2021.

4. Official Community Plan Update

Goal: Complete the OCP Update.

Measure: Conduct First Reading of the Bylaw prior to December 31, 2021.

5. Active Transportation Plan

Goal: Complete the Active Transportation Plan.

Measure: Present the final plan to Council in 2021.

6. Subdivision & Development Servicing Bylaw Update

Goal: Commence the Subdivision & Development Servicing Bylaw Update.

Measure: Begin project planning in 2021.

7. Development Cost Charges Bylaw Update

Goal: Commence the DCCs Bylaw Update.

Measure: Begin project planning in 2021.

8. North Bench Neighbourhood Development Plan

Goal: Continue creation of the NBNDP.

Measure: Continue engagement and draft plan creation in 2021.

9. City Centre Revitalization Plan

Goal: Commence the creation of a City Centre Revitalization Plan

Measure: Begin project planning in 2021.

10. Building Bylaw Update

Goal: Revise the Building Bylaw to incorporate the Energy Step Code and revise fees.
Measure: Commence Bylaw re-writing in 2021.

11. Development Application Processing Times

Goal: Maintain development application processing times at better than 2019 baseline levels.
Measure: Average processing times for ALR Exclusions, Development Permits, Development Variance Permits, OCP Amendments, Rezoning, and Subdivisions.

12. Number of Development Applications Processed

Goal: Maintain the number of development applications processed.
Measure: Total number of development applications received and issued.

13. Development Application Fees Collected

Goal: Increase the amount of development application fees collected as compared to 2020.
Measure: Total dollar amount of development applications received.

14. Building Permit Application Processing Times

Goal: Maintain building application average processing times at less than two months.
Measure: Average processing times for Building Permits, Plumbing Permits, Building Information Reviews and Comfort Letters.

15. Number of Building Permits Issued

Goal: Maintain the number of total building permits issued above 125.
Measure: Total number of Building Permits, Demolition Permits, and Plumbing Permits issued.

16. Housing Units Created

Goal: Increase the housing supply in Merritt.
Measure: Number of dwelling units and accessory dwelling units authorized for construction as per Building Permits issued.

17. Number of Building Inspections Conducted

Goal: Maintain the number of building inspections at above 520.
Measure: Total number of building and plumbing inspections.

18. Construction Value

Goal: Maintain total construction value above \$20 million.
Measure: Total construction value for Building Permits issued.

19. Building Application Fees Collected

Goal: Maintain the amount building application fees collected above \$120,000.
Measure: Total dollar amount of building fees collected.

20. Amount of Development Cost Charges Collected

Goal: Increase the DCCs collected as compared to 2019 baseline levels.
Measure: The total amount of DCCs collected.

Upcoming Developments**Barkman**

Applications for Development Permit and Building Permit were received late in 2020. Both permits are anticipated to be issued in Spring 2021. When completed, the industrial facility on the truck route in South Merritt will employ Merritonians to produce concrete hardscapes, utility products and landscaping materials for export to markets in the Lower Mainland and Okanagan.

**Mr. Mike's**

Applications for Development Permit was received late in 2020. Both permits are anticipated to be issued in Spring 2021. The 168 seat steakhouse will provide an additional dining option for Merritonians and travellers, while providing jobs for residents.



2230 Quilchena

Applications for Development Permit and Building Permit were received late in 2020. Both permits are anticipated to be issued in Spring 2021. The 44 unit affordable housing apartment building, partially funded by BC Housing, will provide much needed housing for seniors, in the City Centre. The building will be walking distance to a grocery store and other amenities, is located close to the planned Diamond Vale Bikeway which will run down Blair Street, and will have on-site bicycle and electric scooter storage.



2640 Spring Bank

A rezoning application was received in late in 2020. If the rezoning is approved in early 2021, the City would expect receipt of Development Permit and Building Permit applications in Fall/Winter 2021, with construction expected in 2022.

**Patios**

The COVID-19 restrictions introduced by the Provincial government spurred the application for patio permits at cafes, restaurants and bars throughout the community. In 2021, multiple new patios will be created in the community. While some of the patios may be temporary, the City has provided permits for the patios to become permanent fixtures, enhancing vibrancy in the community.

“

Great cities are not static, they constantly change and take the world along with them.

”

Ed Glaeser



The Team:

The Public Works team is proud to help the City of Merritt build a reputation as a great place to live, work and raise a family, and strives to continually improve and support the community.

This 2020 Annual Public Works Operations Report highlights and presents some of our critical services and successes. Public Works delivers water, sewer, road maintenance, parks maintenance and Airport maintenance and many other vital services to the citizens of the City of Merritt.

The Public Works Department serves a population base of approximately 7,700 residents and is comprised of a workforce of 28 employees (currently 17 full time 7 seasonal, 1 permanent PT, 2 summer students and Manager/Superintendent). The department contains ten different divisional areas of responsibility that are organized as follows:

1. Solid Waste
2. Underground Utilities/Cross Connection Control
3. Roads
4. Parks
5. Water Distribution & Water Treatment
6. Wastewater Treatment
7. Fleet Maintenance
8. Compost Facility
9. Airport
10. Engineering & Environmental Services



Key Responsibilities

- The Roads Division picks up 950 – 1000 residential cans of garbage per day, 4 days a week and approximately 300 commercial garbage bin dumpsters per week.
- Two tons of recycling is picked up per day, 4 days a week.
- Fleet Maintenance looks after 200 pieces of equipment including trucks, large and small equipment, generators, trailers, pressure valves, pumps, small parks equipment, etc.
- Roads Division looks after patching potholes and sealing cracks, maintaining and repairing all sidewalks and wheelchair ramps, ploughing, shoveling, sanding and salting roads and sidewalks in the winter, repairing and maintaining streetlights and signalized intersections, installing and maintaining all street signs, banners and flags, street sweeping, maintaining bridges, parking lots, alleys, ditches, bus stops and gravel roads.
- Compost Facility and Maintenance of Saunders Field (Airport)



- Underground Utilities and Cross Connection Division maintains the water, storm and sanitary sewer infrastructure and performs water meter reading and water meter maintenance functions.
- Parks Division looks after maintaining all parks, 5 km of walking trails, boulevards and managing the landscaping of all City Facilities.
- Engineering and Environmental Services looks after civic, service, sewer, dyke and sidewalk inspections. This department also assists in all the engineering capital projects such as Flood Restoration, Firehall Extension and Bulk Water Station
- Ongoing communication with other departments as per projects needs basis including Development Services regarding subdivision, development and rezoning applications which includes review of preliminary and detailed drawings and any studies undertaken.

Highlights

- Voght Street Phase I. Voght Street design work began in 2019 and was completed in October 2020 and totalled \$3 million. This was one of the biggest projects for this year to raise one of the main roads in Merritt. The Voght Street corner was raised to prevent flooding, and underground utilities were replaced from 1st Avenue to Blackwell Avenue, and along 2nd Avenue. The Voght Street corner was one of the first points of inundation of the Nicola River during flood.
- Firehall Expansion (Engineering Department). The long-awaited expansion of the Merritt Fire Rescue Department firehall got underway this year. The expansion is two floors, each totalling 2500 square feet. The addition includes six bedrooms upstairs to house the work experience program firefighters. Downstairs includes sanitary turnout gear storage room, decontamination facilities and individual washrooms with showers. The decontamination facilities for firefighters and their gear along with proper facilities to accommodate female firefighters were cited as main reasons behind the expansion project.
- Community Safety Initiatives – RRFB Crosswalk Flashing Lights installed at various locations and obtained public input where additional lights should be installed.
- GIS Upgrades. The Public Works Team provided all the existing as-built data to the new MuniSight to update the GIS system. Any curb stops that were missing on MuniSight GIS were surveyed and updated.



Saunders Field



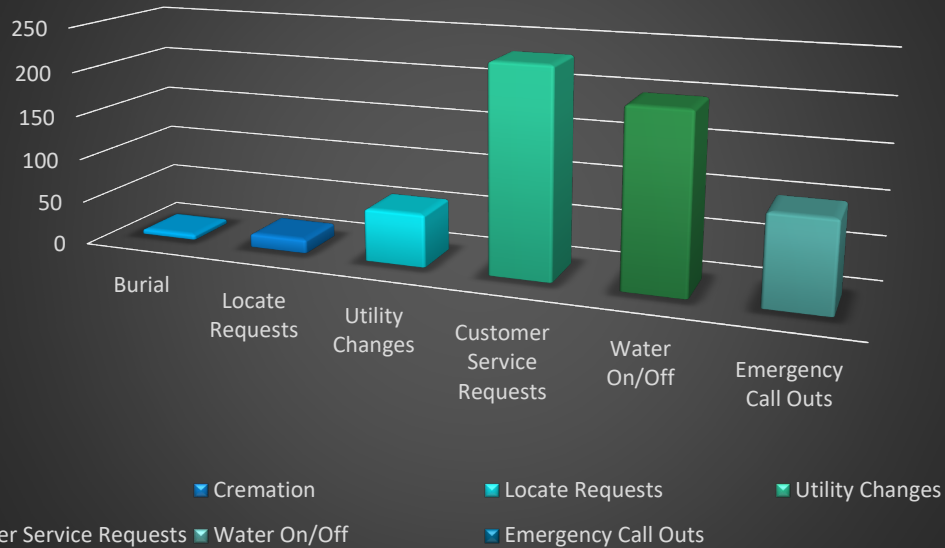
GT Racer in Fairly Park



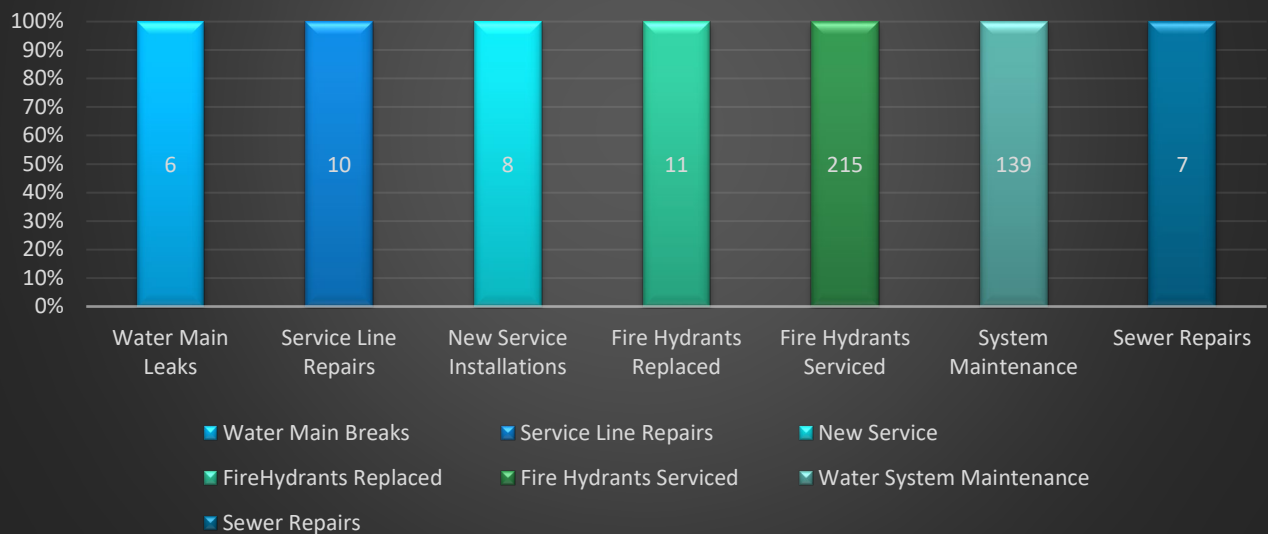
Firehall Expansion

Facts & Stats

2020 Requests for Service - 890



Underground Utilities & Cross Connection - 396



Accomplishments

- Flood Restoration Construction
- Voght Street Phase 1 Construction
- Voght Street Phase 2 Design - 90% completion
- Chlorine Storage Building
- Yearly Line Painting
- Welcome to Merritt sign rehabilitation
- New GT Racer, two whales and two new picnic tables at our parks
- Eight new planters around the City
- Fire Hydrant Replacements
- Hydro Vac Replacement
- Installation of asphalt grindings in 3 more alleyways
- Purchase of new 2.5 ton pick-up truck
- Hook truck conversion
- Downtown tree replacement
- Main water valve replacement
- Grimmert Reservoir PLC upgrade
- New bio-solid conveyor at WWTP
- New troughs and weirs at WWTP
- Raise of sanitary manhole covers along Midday Valley Road



2021 Initiatives

➤ ***TO MAKE THE CITY THE BEST THAT IT CAN BE, THROUGH THE DEDICATION OF EVERY EMPLOYEE IN ALL DAY-TO-DAY OPERATIONS WITHIN THE CITY.***

- Voght Street Phase 2 between Blackwell Avenue and De Wolf Way – Grant Dependent
- Bulk Water Station
- Septic Receiving Station
- Cemetery Expansion
- New Dump Truck
- Airport Apron Crack sealing
- BC Transit Shelter Program
- Water Treatment online UV meters
- WWTP/STP Scada Computer
- WWTP Platforms
- Survey Equipment
- WWTP Master Plan
- Armstrong Street Civic Design
- Cleasby Street Connection Design
- Pickleball Court
- Active Transportation Path – Grant Dependent
- Coldwater Trail Erosion Protection Works
- Water Utility Master Plan Update





City of Merritt
Financial Statements
For the year ended December 31, 2020

City of Merritt
Financial Statements
For the year ended December 31, 2020

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Management's Responsibility for Financial Reporting

The accompanying financial statements of the City of Merritt (the "City") are the responsibility of management and have been approved by the Mayor and Council of the City.

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly, in all material respects.

The City of Merritt maintains systems of internal accounting and administrative controls of reasonable quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the City's assets are appropriately accounted for and adequately safeguarded.

The City of Merritt is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements. Council carries out this responsibility principally through its Finance Committee.

The Mayor and Council review the City's financial statements and recommend their approval. The Mayor and Council meet periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the annual report, the financial statements and the external auditor's report. The Mayor and Council take this information into consideration when approving the financial statements for issuance to the taxpayers. The Mayor and Council also appoint the engagement of the external auditors.

The financial statements have been audited by BDO Canada LLP in accordance with Canadian generally accepted auditing standards on behalf of the taxpayers. BDO Canada LLP has full access to the Council and management.



Director of Finance & IT



Tel: 250 372 9505
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BDO Canada LLP
300 - 275 Lansdowne Street
Kamloops BC V2C 6J3

Independent Auditor's Report

**To the Members of Council, Inhabitants and Taxpayers of the
City of Merritt**

Opinion

We have audited the financial statements of the City of Merritt (the "City"), which comprise the statement of financial position as at December 31, 2020, and the statement of change in net assets, statement of operations, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Other Matter

We have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of Schedule 1 on page 26 of these financial statements.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the City in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of 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.

In preparing the financial statements, management is responsible for assessing the City's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the City or to cease operations, or has no realistic alternative but to do so.

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



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the City's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the City to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

BDO Canada LLP

Chartered Professional Accountants

Kamloops, British Columbia
May 11, 2021

City of Merritt
Statement of Financial Position

As at December 31	2020	2019
Financial assets		
Cash	\$11,652,267	\$ 12,173,078
Short-term investments (Note 3)	7,115,551	7,055,786
Taxes and utilities receivable	1,142,944	1,205,203
Accounts receivable	2,405,261	2,153,601
Inventories for resale	43,023	55,689
Property subject to redemption	3,699	3,699
	<u>22,362,745</u>	<u>22,647,056</u>
Liabilities		
Accounts payable and accrued liabilities	2,953,127	1,644,416
Employee payables (Note 4)	390,461	389,655
Refundable deposits	450,049	362,625
Deferred revenue (Note 5)	6,031,689	5,821,367
Long-term debt (Note 6)	6,172,741	6,541,900
	<u>15,998,067</u>	<u>14,759,963</u>
Net financial assets	<u>6,364,678</u>	<u>7,887,093</u>
Non-financial assets		
Tangible capital assets (Note 7)	69,535,883	65,719,894
Prepaid expenses and deposits	6,750	3,669
	<u>69,542,633</u>	<u>65,723,563</u>
Accumulated surplus (Note 8)	<u>\$75,907,311</u>	<u>\$ 73,610,656</u>

Contingent liabilities (Note 11)



Director of
Finance & IT



Mayor

City of Merritt
Statement of Operations

For the year ended December 31	Fiscal Plan	2020	2019
Revenue			
Taxation - net (Note 9)	\$ 9,373,068	\$ 9,417,284	\$ 9,166,141
User fees, sales and rentals	4,139,179	4,223,999	4,624,267
Government grants and transfers (Note 10)	2,957,582	4,403,434	1,819,401
Investment income	175,000	148,558	256,880
Penalties and interest	120,000	74,028	153,456
Surety bond income	-	61,082	33,928
Other income	214,759	134,088	177,788
Actuarial adjustment of debt	127,574	128,574	111,655
Gain (loss) on sale of tangible capital assets	-	2,675	(247,211)
	<u>17,107,162</u>	<u>18,593,722</u>	<u>16,096,305</u>
Expenses			
General government	2,629,003	2,668,357	2,584,005
Protective services	4,488,578	4,209,065	3,488,440
Transportation services	2,596,990	2,640,397	2,675,078
Community environmental and public health services	1,816,843	1,552,406	1,408,494
Leisure, parks and cultural development	3,035,687	2,729,986	3,150,398
Water utility	1,458,214	1,556,777	1,292,341
Sewer utility	955,159	940,079	857,353
	<u>16,980,474</u>	<u>16,297,067</u>	<u>15,456,109</u>
Annual surplus	126,688	2,296,655	640,196
Accumulated surplus, beginning of year	72,970,460	73,610,656	72,970,460
Accumulated surplus, end of year	\$73,097,148	\$75,907,311	\$ 73,610,656

City of Merritt
Statement of Change in Net Financial Assets

For the year ended December 31	Fiscal Plan	2020	2019
Annual surplus	\$ 126,688	\$ 2,296,655	\$ 640,196
Acquisition of tangible capital assets	(8,529,008)	(6,150,455)	(3,708,912)
Amortization of tangible capital assets	2,364,100	2,334,466	2,352,072
Loss (gain) on sale of tangible capital assets	-	(2,675)	247,211
Proceeds on sale of tangible capital assets	-	2,675	156,500
Write-downs of tangible capital assets	-	-	43,988
	(6,038,220)	(1,519,334)	(268,945)
Acquisition of prepaid expenses and deposits	-	(3,081)	7,372
Net change in net financial assets	(6,038,220)	(1,522,415)	(261,573)
Net financial assets, beginning of year	7,887,093	7,887,093	8,148,666
Net financial assets, end of year	\$ 1,848,873	\$ 6,364,678	\$ 7,887,093

City of Merritt
Statement of Cash Flows

For the year ended December 31	2020	2019
Operating transactions		
Annual surplus	\$ 2,296,655	\$ 640,196
Items not involving cash		
Amortization	2,334,466	2,352,072
Loss (gain) on disposal of tangible capital assets	(2,675)	247,211
Write down of tangible capital asset	-	43,988
Actuarial adjustment on debt	(128,574)	(111,655)
Changes in non-cash operating balances		
Taxes and utilities receivable	62,259	141,653
Accounts receivable	(251,659)	1,649,127
Inventories for resale	12,666	(7,308)
Accounts payable and accrued liabilities	1,308,710	(72,897)
Employee benefits plan liability	806	(97,498)
Refundable deposits	87,424	(157,711)
Deferred revenue	210,322	559,833
Prepaid expenses and deposits	(3,081)	7,372
	<u>5,927,319</u>	<u>5,194,383</u>
Capital transactions		
Acquisition of tangible capital assets	(6,150,455)	(3,708,912)
Proceeds on sale of tangible capital assets	2,675	156,500
	<u>(6,147,780)</u>	<u>(3,552,412)</u>
Investing transaction		
Redemption (purchase) of short-term investments	(59,765)	4,529,472
Financing transactions		
Acquisition of long-term debt	273,165	300,000
Principal payment on long-term debt	(513,750)	(443,994)
	<u>(240,585)</u>	<u>(143,994)</u>
Net increase (decrease) in cash	(520,811)	6,027,449
Cash, beginning of year	<u>12,173,078</u>	<u>6,145,629</u>
Cash, end of year	<u>\$11,652,267</u>	<u>\$ 12,173,078</u>

City of Merritt
Notes to the Financial Statements

December 31, 2020

1. Significant Accounting Policies

**Government Reporting
Entity**

The City of Merritt (the "City") was incorporated on April 1, 1911 under the statute of the Province of British Columbia and operates under the provisions of the Local Government Act and the Community Charter of British Columbia. Its principal activities include the provision of local government services to the residents of the Merritt area. These include general government, protective services, transportation services, community, environmental and public health services, leisure, parks and cultural development, and water and sewer utilities.

Basis of Presentation

The financial statements of the City have been prepared in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

**Cash and Cash
Equivalents**

Management considers all highly liquid investments with maturity of three months or less at acquisition to be cash equivalents.

Short-term Investments

Short-term investments are recorded at cost unless there has been a decline in the market value which is other than temporary in nature, in which case the investments are written down to market value.

Inventories for Resale

Inventories held for resale are recorded at cost which does not exceed net realizable value. Cost is determined on a first in, first out basis.

**Tangible Capital
Assets**

Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs.

Contributed tangible capital assets are recorded at fair value at the time of the donation, with a corresponding amount recorded as revenue.

Amortization is recorded on a straight-line basis over the estimated life of the tangible capital asset commencing once the asset is available for productive use as follows:

Land improvements	25 to 35 years
Buildings and building improvements	10 to 100 years
Vehicles, machinery and equipment	5 to 20 years
Roads and linear assets	10 to 100 years
Water and sewer infrastructure	10 to 100 years

City of Merritt
Notes to the Financial Statements

December 31, 2020

1. Significant Accounting Policies (continued)

**Collection of Taxes on
Behalf of Other Taxation
Authorities**

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.

Trust Funds

Funds held in trust by the City, and their related operations, are not included in these financial statements. The financial activity and position of the trust funds are reported separately.

Reserve Funds

Reserves represent amounts set aside for specific or future expenditures. Statutory reserves require the passing of a by-law before funds can be expended. Reserve accounts require an approved council budget and resolution.

**Retirement Benefits and
Other Employee
Benefit Plans**

The City's contributions due during the period to its multi-employer defined benefit plan are expensed as incurred. The costs of other pensions and other retirement benefits that accumulate over the period of service provided by employees are actuarially determined using the projected benefit method prorated on services based on management's best estimate of retirement ages, inflation rates, investment returns, wage and salary escalation, insurance and health care costs trends, employee turnover and discount rates. Actuarial gains and losses are amortized on a straight-line basis over the expected average remaining service life of the employee group.

Deferred Revenue

Funds received for specific purposes, which are externally restricted by legislation, regulation or agreement and are not available for general municipal purposes, are accounted for as deferred revenue on the statement of financial position. The revenue is recognized in the statement of operations in the year in which it is used for the specified purpose.

**Government Grants
and Transfers**

Government grants and transfers, which include legislative grants, are recognized in the financial statements in the period in which events giving rise to the transfers occur, providing the transfers are authorized, any eligibility criteria have been met and reasonable estimates of the amount can be made.

City of Merritt
Notes to the Financial Statements

December 31, 2020

1. Significant Accounting Policies (continued)

Contaminated Sites Governments are required to accrue a liability for the costs to remediate a contaminated site. Liabilities are recognized when an environmental standard exists, contamination exceeds the standard, the government has responsibility for remediation, future economic benefits will be given up and a reasonable estimate can be made.

Revenue Recognition Taxation for municipal purposes is recorded at estimated amounts when it meets the definition of an asset, has been authorized and the taxable event occurs. For property taxes, the taxable event is the period for which the tax is levied. As taxes recorded are initially based on management's best estimate of the taxes that will be received, it is possible that changes in future conditions, such as reassessments due to audits, appeals and court decision, could result in a change in the amount of tax revenue recognized. Taxes receivable are recognized net of an allowance for anticipated uncollectable amounts.

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.

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.

Other revenue is recognized on an accrual basis.

Long-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.

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.

City of Merritt
Notes to the Financial Statements

December 31, 2020

1. Significant Accounting Policies (continued)

Use of Estimates The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

2. Impacts to the City of Merritt

As the impacts of COVID-19 continue, there could be further impact on the City, its citizens, employees, suppliers and other third party business associates that could impact the timing and amounts realized on the City's assets and future ability to deliver services and projects. At this time, the full potential impact of COVID-19 on the City is not known. Although the disruption from the virus is expected to be temporary, given the dynamic nature of these circumstances, the duration of disruption and the related financial impact cannot be reasonably estimated at this time. The City's ability to continue delivering non-essential services and employ related staff, will depend on the legislative mandates from the various levels of government. The City will continue to focus on collecting receivables, managing expenditures, and leveraging existing reserves and available credit facilities to ensure it is able to continue providing essential services to its citizens.

3. Short-term Investments

	<u>2020</u>	<u>2019</u>
MFA money market fund	<u>\$ 7,115,551</u>	<u>\$ 7,055,786</u>

The income from short-term investments for the year was \$148,558 (2019 - \$256,880).

December 31, 2020

4. Employee Future Benefits

Municipal Employees Retirement System

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

Every three years, an actuarial valuation is performed to assess the financial position of the Plan and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the Plan. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the Plan. This rate may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

The most recent valuation as at December 31, 2018 indicated a \$2,866 million funding surplus for basic pension benefits on a going concern basis.

The City paid \$404,765 (2019 - \$312,079) for employer contributions to the Plan in fiscal 2019, while employees contributed \$352,764 (2019 - \$275,236) to the Plan in fiscal 2020.

The next valuation will be as at December 31, 2021, with results available in 2022.

Employers participating in the Plan record their pension expenses as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the Plan records accrued liabilities and accrued assets for the Plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the Plan.

Sick Leave Benefits

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 \$16,600 (2019 - \$11,032).

The total sick leave entitlement accumulated to date that is available to employees amounts to 14,496 hours (2019 - 12,926) or approximately \$410,926 (2019 - \$346,839).

City of Merritt
Notes to the Financial Statements

December 31, 2020

5. Deferred Revenue

Included in deferred revenue are amounts relating to grant funding for the coming year:

	Balance at December 31, 2019	Collected	Interest	Recognized	Balance at December 31, 2020
General fund					
Taxes	\$ 108,082	\$ 127,937	\$ -	\$ (108,082)	\$ 127,937
Other	674,295	519,067	-	(358,016)	835,346
	<u>782,377</u>	<u>647,004</u>	<u>-</u>	<u>(466,098)</u>	<u>963,283</u>
Development cost charges					
	<u>5,038,990</u>	<u>(14,423)</u>	<u>43,839</u>	<u>-</u>	<u>5,068,406</u>
	<u>\$ 5,821,367</u>	<u>\$ 632,581</u>	<u>\$ 43,839</u>	<u>\$ (466,098)</u>	<u>\$ 6,031,689</u>

6. Long-term Debt

Long-term debt reported on the statement of financial position is comprised of the following:

	2020	2019
Municipal Finance Authority, short term debt instruments, repayable in blended annual repayments ranging from \$653 to \$5,318, bearing interest from 1.42% to 2.57% per annum maturing July 2025.	\$ 556,999	\$ 486,283
Municipal Finance Authority, debt instruments, repayable in blended annual repayments ranging from \$19,975 to \$70,596, bearing interest at rates ranging from 3.00% to 4.90% per annum, maturities ranging from December 2027 to October 2034.	<u>5,615,742</u>	<u>6,055,617</u>
	<u>\$ 6,172,741</u>	<u>\$ 6,541,900</u>

City of Merritt
Notes to the Financial Statements

December 31, 2020

6. Long-term Debt (continued)

Principal payments relating to long-term debt of \$6,172,741 outstanding are due as follows:

2021	\$ 311,301
2022	311,301
2023	311,301
2024	311,301
2025	311,301
Thereafter	1,727,291
Sinking funds	<u>2,888,945</u>
	<u>\$ 6,172,741</u>

Total interest on long-term liabilities reported in the statement of operations amounts to \$266,547 (2019 - \$291,292). The long-term liabilities above have been approved by by-law. The annual principal and interest payments required to service these liabilities are within the annual debt repayment limit described by the Ministry of Municipal Affairs.

Sinking fund assets, managed by the Municipal Finance Authority (the "MFA"), are used to reduce long-term debt and have a market value of \$371,466 (2019 - \$368,984).

As a condition of the MFA borrowings made by the City, and as required by legislation, a debt reserve fund is maintained in the amount of one-half the average annual instalment of principal and interest as set out in the agreements entered into. The reserve is funded in part by cash, being the withholding of 1% of the total issue proceeds, and the remainder being funded by a demand note whereby the City may be required to loan certain amounts to the MFA. These demand notes are contingent in nature and are not reflected in these financial statements. Details of the cash deposits and demand notes on hand at year end are as follows:

	2020	2019
Demand notes	\$ 248,384	\$ 248,384
Cash deposits	<u>123,082</u>	<u>120,600</u>
	<u>\$ 371,466</u>	<u>\$ 368,984</u>

City of Merritt
Notes to the Financial Statements

December 31, 2020

7. Tangible Capital Assets

										2020
	Land	Land improvements	Buildings and building improvements	Vehicles, machinery and equipment	Roads and linear assets	Water and sewer infrastructure	Assets under construction			Total
Cost, beginning of year	\$ 7,083,912	\$ 4,686,662	\$ 19,031,872	\$ 16,339,600	\$ 30,734,611	\$ 24,703,853	\$ 542,347	\$	103,122,857	
Additions	19,526	21,281	455,828	1,109,699	1,871,974	869,352	1,802,795		6,150,455	
Disposals	-	-	-	(261,712)	-	-	-		(261,712)	
Transfers	-	126,103	82,361	19,458	6,366	28,329	(262,617)		-	
Cost, end of year	7,103,438	4,834,046	19,570,061	17,207,045	32,612,951	25,601,534	2,082,525		109,011,600	
Accumulated amortization, beginning of year	-	1,787,818	8,769,613	7,698,425	12,291,177	6,855,930	-		37,402,963	
Amortization	-	134,713	386,065	844,552	566,412	402,724	-		2,334,466	
Disposals	-	-	-	(261,712)	-	-	-		(261,712)	
Accumulated amortization, end of year	-	1,922,531	9,155,678	8,281,265	12,857,589	7,258,654	-		39,475,717	
Net carrying amount, end of year	\$ 7,103,438	\$ 2,911,515	\$ 10,414,383	\$ 8,925,780	\$ 19,755,362	\$ 18,342,880	\$ 2,082,525	\$	69,535,883	

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

City of Merritt
Notes to the Financial Statements

December 31, 2020

7. Tangible Capital Assets (continued)

	2019						
	Land	Land improvements	Buildings and building improvements	Vehicles, machinery and equipment	Roads and linear assets	Water and sewer infrastructure	Assets under construction
							Total
Cost, beginning of year	\$ 7,072,725	\$ 4,304,390	\$ 18,467,103	\$ 12,383,487	\$ 30,227,203	\$ 24,610,316	\$ 3,408,071
Additions	-	382,272	564,769	1,800,867	507,408	93,537	360,059
Disposals	-	-	-	(1,015,362)	-	-	-
Transfers	11,187	-	-	3,170,608	-	-	(3,225,783)
Cost, end of year	7,083,912	4,686,662	19,031,872	16,339,600	30,734,611	24,703,853	542,347
Accumulated amortization, beginning of year	-	1,653,547	8,385,136	7,414,016	11,749,847	6,459,996	-
Amortization	-	134,271	384,477	896,060	541,330	395,934	-
Disposals	-	-	-	(611,651)	-	-	-
Accumulated amortization, end of year	-	1,787,818	8,769,613	7,698,425	12,291,177	6,855,930	-
Net carrying amount, end of year	\$ 7,083,912	\$ 2,898,844	\$ 10,262,259	\$ 8,641,175	\$ 18,443,434	\$ 17,847,923	\$ 542,347
							\$ 65,719,894

City of Merritt
Notes to the Financial Statements

December 31, 2020

8. Accumulated Surplus

The City segregates its accumulated surplus in the following categories:

	2020	2019
Investment in tangible capital assets	\$63,363,344	\$ 59,178,195
Unrestricted	6,995,340	7,601,426
	<u>70,358,684</u>	<u>66,779,621</u>
Statutory reserves:		
Capital works and machinery	-	716,906
Sale of City owned lands	13,262	13,148
Parking	-	75,914
	<u>13,262</u>	<u>805,968</u>
Non-statutory reserves:		
Reserve for future expenditures - general	-	1,725,423
Reserve for future expenditures - water	-	439,070
Reserve for future expenditures - sewer	-	1,273,522
General capital reserve	519,589	-
Sewer system infrastructure reserve	544,750	-
Fire protection and equipment reserve	126,460	-
Equipment acquisition and replacement reserve	324,630	-
Transportation infrastructure reserve	167,633	-
Facilities reserve	276,500	-
Aquatic centre reserve	16,741	-
Arena reserve	373	-
Financial stabilization reserve	1,626,029	-
RCMP reserve	20,800	-
Active transportation and parking reserve	68,166	-
Gas tax reserve	1,843,694	2,587,052
	<u>5,535,365</u>	<u>6,025,067</u>
	<u>\$75,907,311</u>	<u>\$ 73,610,656</u>

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

City of Merritt
Notes to the Financial Statements

December 31, 2020

9. Municipal Taxation and Grants-in-Lieu of Taxes

	<u>2020</u>	<u>2019</u>
Municipal and school property tax levied	\$12,501,096	\$ 12,551,036
Grant in lieu	130,230	136,173
Water/ Sewer parcel taxes levied	<u>1,234,755</u>	<u>1,233,675</u>
	<u>13,866,081</u>	<u>13,920,884</u>
Transfers		
Thompson-Nicola Regional District	1,179,759	1,194,933
Thompson Regional Hospital District	601,846	598,723
Province of British Columbia - school taxes	2,593,469	2,894,597
British Columbia Assessment Authority	73,439	66,225
Municipal Finance Authority	<u>284</u>	<u>265</u>
	<u>4,448,797</u>	<u>4,754,743</u>
Available for municipal purposes	<u>\$ 9,417,284</u>	<u>\$ 9,166,141</u>

City of Merritt
Notes to the Financial Statements

December 31, 2020

10. Government Grants and Transfers

	<u>2020</u>	<u>2019</u>
Provincial transfers		
COVID-19 Safe Restart	\$ 2,005,000	\$ -
Structural Flood Mitigation	750,000	-
Small Community Protection	513,440	505,363
Rotary Park Project	166,595	-
Traffic Fine Revenue Sharing	102,892	100,286
Climate Action Revenue Incentive Program	32,705	32,705
Clean Water Grant Funding	7,558	133,843
Other contributions	3,750	12,292
	<u>3,581,940</u>	<u>784,489</u>
Federal transfers		
Federal Gas Tax funding	<u>355,763</u>	<u>725,046</u>
Regional transfers		
Fire Protection	76,333	74,836
Recreation	66,623	65,317
Aquatic Centre	156,175	153,113
Transit	16,600	16,600
Other funding	150,000	-
	<u>465,731</u>	<u>309,866</u>
	<u>\$ 4,403,434</u>	<u>\$ 1,819,401</u>

December 31, 2020

11. Contingent Liabilities

Debts of the Thompson-Nicola Regional District (the "TNRD") are, under the provisions of the British Columbia Community Charter, a direct, joint and several liability of the TNRD and each member municipality within the TNRD, including the City of Merritt.

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.

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.

12. Contaminated Sites

Management has assessed its potential liabilities under the standard including sites that are no longer in productive use and sites which the City accepts responsibility. There were no such sites that had contamination in excess of an environmental standard which required remediation at this time, therefore no liability is recognized at December 31, 2020.

13. Funds Held in Trust

The City operates the Pine Ridge cemetery and maintains a cemetery perpetual care fund in accordance with the Cremation, Interment and Funeral Services Act of British Columbia. Trust fund assets, the related reserve balance and the operations of the fund have been excluded from the financial statements as the assets are beneficially held only, in trust for unrelated third parties. At December 31, 2020 the City held \$168,870 (2019 - \$166,520) in trust.

City of Merritt
Notes to the Financial Statements

December 31, 2020

14. Budget

The Financial Plan (Budget) By-Law adopted by Council on May 12, 2020 was not prepared on a basis consistent with that used to report actual results (public sector accounting standards). The budget was prepared on a modified accrual basis, while public sector accounting standards now require a full accrual basis. The budget figures anticipated use of surpluses accumulated in previous years to reduce current year expenditures in excess of current year revenues to \$126,688. The budget expensed all tangible capital expenditures. As a result, the budget figures presented in the statements of financial activities and change in net financial assets represent the Financial Plan adopted by Council on May 12, 2020 with adjustments as follows:

	<u>2020</u>
Financial Plan (Budget) Bylaw surplus for the year	\$ -
Add:	
Capital expenditures	8,472,508
Long-term debt principal payments	692,905
Less:	
Transfers from surpluses and reserves	(3,641,221)
Long-term debt proceeds	(3,033,404)
Transfer from equity in tangible capital assets for amortization	<u>(2,364,100)</u>
Financial Plan (budget) surplus per statement of financial activities	<u>\$ 126,688</u>

15. Contractual Rights

Contractual rights are rights to economic resources arising from contracts or agreements that will result in revenues and assets in the future. The City's contractual rights arise because of contracts entered into for long-term land leases that grant rights to the City, upon termination of the lease (if the lease is not renewed), to any Building(s) the Tenant has constructed on the land. The current market value of the buildings under these leases are \$240,000 and \$596,000 with the leases set to expire in 2020 and 2032 respectively.

16. Comparative Figures

Certain of the comparative figures have been restated to conform with the current year financial statement presentation.

December 31, 2020

17. Segmented Information

The City is a diversified municipal government institution that provides a wide range of services to its citizens such as transit, public housing, police, fire and water. Distinguishable functional segments have been separately disclosed in the segmented information. The nature of the segments and the activities they encompass are as follows:

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.

Protective services

Protective services is comprised of police services, bylaw enforcement, and the fire department. The mandate of the police department 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 mandate of the fire department is to provide fire suppression services, fire prevention programs, training and education related to prevention and detection or extinguishing of fires.

Transportation services

Transportation services includes the municipal public works services related to the planning, development, and maintenance of roadway systems, street lighting and transit services.

Community, environmental and public health services

Community, environmental and public health services comprises of planning, economic development, cemetery, environmental sustainability services and the collection, disposal and recycling of solid waste.

Leisure, parks and cultural development

Leisure, parks and cultural development provides for the delivery of municipal recreation programs and the 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.

Water and sewer utilities

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

Certain allocation methodologies are employed in the preparation of segmented financial information. Taxation and payments-in-lieu of taxes are allocated to the segments based on the segment's budget net expenditure. The various user charges and other revenues have been allocated to the segments based upon the segment that generated the revenue. Government transfers have been allocated to the segment based upon the purpose for which the transfer is made. Development charges earned and developer contributions received are 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.

City of Merritt
Notes to the Financial Statements

December 31, 2020

17. Segmented Information (continued)

2020

	General Government	Protective Services	Transportation Services	Community, Environmental, Public Health Services	Leisure, Parks and Cultural Development	Water Utility	Sewer Utility	Total
Revenue								
Taxation - net	\$ 1,388,429	\$ 3,098,090	\$ 1,788,342	\$ 420,818	\$ 1,486,850	\$ 614,155	\$ 620,600	\$ 9,417,284
User fees, sales and rentals	7,706	301,862	169,758	1,256,532	602,939	1,172,949	712,253	4,223,999
Government transfers	4,083,953	76,333	16,600	-	226,548	-	-	4,403,434
Investment income	148,558	-	-	-	-	-	-	148,558
Penalties and interest	74,028	-	-	-	-	-	-	74,028
Other income	195,170	-	2,675	-	-	-	-	197,845
Actuarial adjustment of debt	54,228	-	74,346	-	-	-	-	128,574
	<u>5,952,072</u>	<u>3,476,285</u>	<u>2,051,721</u>	<u>1,677,350</u>	<u>2,316,337</u>	<u>1,787,104</u>	<u>1,332,853</u>	<u>18,593,722</u>
Expenditures								
Salaries, wages and benefits	1,458,663	1,218,466	697,635	564,334	1,336,614	360,042	323,369	5,959,123
Operating	877,444	2,868,302	1,121,305	867,292	1,009,965	544,650	447,973	7,736,931
Debt services	160,458	311	3,571	4,366	653	95,713	1,474	266,546
Amortization	171,792	121,986	817,886	116,414	382,754	556,372	167,263	2,334,467
	<u>2,668,357</u>	<u>4,209,065</u>	<u>2,640,397</u>	<u>1,552,406</u>	<u>2,729,986</u>	<u>1,556,777</u>	<u>940,079</u>	<u>16,297,067</u>
Surplus (deficit)	<u>\$ 3,283,715</u>	<u>\$ (732,780)</u>	<u>\$ (588,676)</u>	<u>\$ 124,944</u>	<u>\$ (413,649)</u>	<u>\$ 230,327</u>	<u>\$ 392,774</u>	<u>\$ 2,296,655</u>

City of Merritt
Notes to the Financial Statements

December 31, 2020

17. Segmented Information (continued)

								2019
	General Government	Protective Services	Transportation Services	Community, Environmental, Public Health Services	Leisure, Parks and Cultural Development	Water Utility	Sewer Utility	Total
Revenue								
Taxation - net	\$ 770,242	\$ 3,591,821	\$ 1,624,569	\$ 131,679	\$ 1,814,155	\$ 613,675	\$ 620,000	\$ 9,166,141
User fees, sales and rentals	9,761	338,029	176,708	1,246,512	849,764	1,266,638	736,855	4,624,267
Government transfers	1,497,243	83,353	16,600	-	222,205	-	-	1,819,401
Investment income	256,880	-	-	-	-	-	-	256,880
Penalties and interest	153,456	-	-	-	-	-	-	153,456
Other income (expense)	211,716	-	(247,211)	-	-	-	-	(35,495)
Actuarial adjustment of debt	45,393	-	66,262	-	-	-	-	111,655
	2,944,691	4,013,203	1,636,928	1,378,191	2,886,124	1,880,313	1,356,855	16,096,305
Expenditures								
Salaries, wages and benefits	1,332,598	1,145,437	694,146	458,323	1,636,087	327,633	301,985	5,896,209
Operating	910,070	2,165,421	1,051,233	817,767	1,144,736	425,264	402,046	6,916,537
Debt services	176,138	(167)	(1,122)	6,104	(1,913)	108,947	3,305	291,292
Amortization	165,199	177,749	930,821	126,300	371,488	430,497	150,017	2,352,071
	2,584,005	3,488,440	2,675,078	1,408,494	3,150,398	1,292,341	857,353	15,456,109
Surplus (deficit)	\$ 360,686	\$ 524,763	\$ (1,038,150)	\$ (30,303)	\$ (264,274)	\$ 587,972	\$ 499,502	\$ 640,196

City of Merritt
Schedule 1: COVID-19 Safe Restart Grant
(Unaudited)

For the year ended December 31

2020

Revenue

COVID-19 Safe Restart Grant	<u>\$ 2,005,000</u>
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Expenses

Discounts and penalties	261,831
Facility reopening and operating costs	23,153
Temporary layoffs and structuring	15,404
Transit	31,336
Wages and salaries	<u>213,780</u>
	<u>545,504</u>

Surplus for the year, end of year

\$ 1,459,496

Through the adoption of an annual bylaw, the Municipal Council provides a permissive exemption from municipal taxation to certain groups and organizations, which are evaluated and chosen at the discretion of Council. The legal capacity to provide these permissive tax exemptions is granted to Council pursuant to section 224 of the *Community Charter*. Exemptions must not last for over ten years without being reconsidered.

The *Community Charter* legislation took effect on January 1, 2004 and as a requirement of this legislation the Municipality must include, in its Annual Report, a listing of each permissive tax exemption granted under the annual bylaw and the amount of taxes that would have been imposed on the property if it were not exempt for that year.

The purpose of granting permissive tax exemptions is to support organizations that provide services considered to be an extension of municipal services, and programs that are deemed to contribute to the well-being of the community. For an organization to be considered for a permissive tax exemption, they must submit an application requesting an exemption, operate on a not-for-profit basis, be in good standing with the Registrar of Companies, and be apolitical and non-restrictive in their membership, executive, and event participation.

Permissive tax exemptions for religious organizations and schools are handled differently. Religious organizations and schools are granted a statutory exemption under the *Community Charter*, which provides for a general exemption from taxation. The exemptions granted under this legislation automatically provide tax exemption for the main building and the land on which the building stands, leaving the remainder of the property as taxable. By application, Council may further exempt land used for parking in accordance with the City of Merritt Permissive Tax Exemption Policy.

The City has established additional guidelines that work alongside the *Community Charter* to determine what types of organizations will and will not be considered for permissive tax exemptions.

The guidelines are in place to:

- Prevent the downloading/offloading of services that are the responsibility of senior governments.
- Ensure that local residents are not subsidizing residents from other municipalities.
- Confirm that where a permissive tax exemption is granted that all residents of Merritt have access to the service provided.
- Guarantee that property tax exemption does not provide for an unfair competitive advantage.
- Ascertain that the services fall under the responsibility of local government.

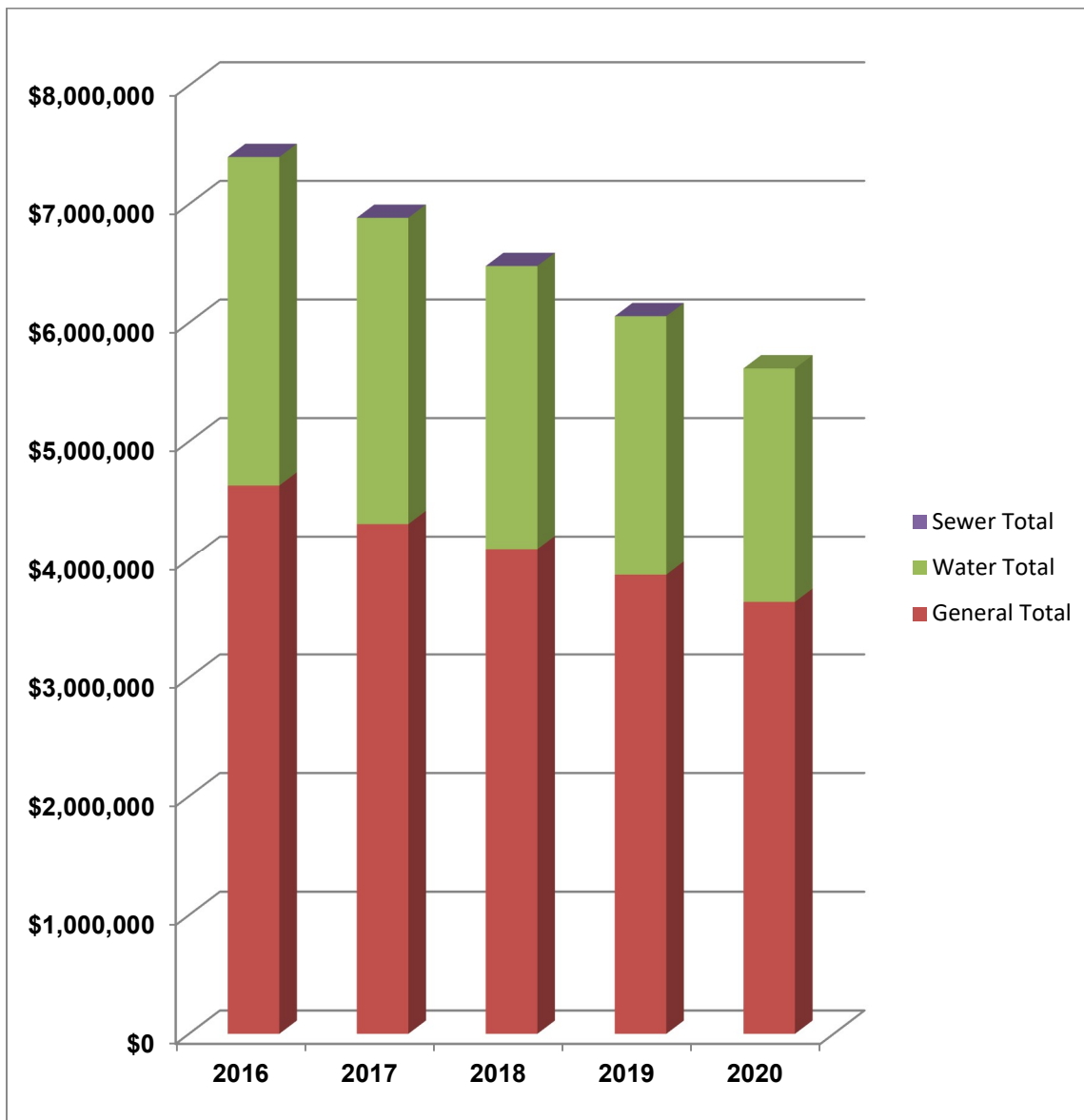
The Permissive Tax Exemptions granted for the 2020 taxation year are exempted under Bylaw No. 2288 adopted on October 13, 2020.

Roll #	Applicant	Civic Address	Municipal General Property Taxes Forgone
Community Services			
0002-500	Nicola Native Lodge Society	2640 Spring Bank Ave	\$ 927
0151-000	Conayt Friendship Society	2164 Quilchena Ave	\$ 7,679
0189-005	Nicola Valley Community Theatre Society	2102 Coutlee Ave	\$ 2,666
1057-000	Nicola Valley Shelter and Support Society	2038 Nicola Ave	\$ 734
1112-000	Merritt Youth & Family Resources Society	1914 Quilchena Ave	\$ 1,059
1120-010	Nicola Valley Health Care Auxilliary	1849 Voght St	\$ 1,625
1122-000	Nicola Valley Health Care Auxilliary	1987 Coutlee Ave	\$ 682
1163-000	Nicola Valley Senior Housing Soc	1938 Coutlee Ave	\$ 4,604
1344-000	Nicola Valley Association For Community Living	1775 Coldwater Ave	\$ 3,632
1777-275	Nicola Valley Health Care Endowment Foundation Society	Voght St	\$ 6,336
1777-280	Nicola Valley Health Care Endowment Foundation Society	3457 Voght St	\$ 6,006
0140-000	Community Futures Nicola Valley	2181 Quilchena Ave	\$ 1,079
1043-000	Nicola Valley Community Arts Council	1988 Nicola Ave	\$ 4,516
TOTAL Community Services			\$ 41,545
Municipal Property			
0744-100	Merritt Curling Club	2025 Mamette Ave	\$ 5,083
0807-250	Nicola Valley Community Human Services Assn	A-2185 Voght St	\$ 1,799
0976-000	Merritt Golf & Country Club	1450 Juniper Dr	\$ 1,620
1553-070	Merritt Golf & Country Club	1450 Juniper Dr	\$ 1,955
1801-190	Merritt Golf & Country Club	1990 Maxwell Ave	\$ 17,598
TOTAL Municipal Property			\$ 28,054
Places of Worship			
0002-555	Church Of Jesus Christ Of Latter-Day Saints In Canada	2451 Spring Bank Ave	\$ 1,902
0138-000	Bc Corp Of The Seventh-Day Adventist Church	2190 Granite Ave	\$ 194
0276-000	Merritt Baptist Church	2499 Coutlee Ave	\$ 318
0416-005	Roman Catholic Bishop Of Kamloops	2302 Jackson Ave	\$ 466
0830-015	Merritt Sikh Society	2399 Chapman St	\$ 498
0912-005	Merritt Crossroads Community Church	2990 Voght St	\$ 1,089
0963-000	Nicola Valley Evangelical Free Church	1950 Maxwell Ave	\$ 701
1094-002	Fraser Basin Property Society	1990 Chapman St	\$ 371
1241-000	United Church Trustees	1899 Quilchena Ave	\$ 204
6327-500	Trustees Merritt Jehovahs Witness	1505 Sunset St	\$ 452
TOTAL Places of Worship			\$ 6,194
Recreation Facilities and Service Club or Associations			
1087-000	Merritt Masonic Temple Assoc	2067 Quilchena Ave	\$ 328
1092-000	Canadian Country Music Hall of Fame	2029 Quilchena Ave	\$ 2,846
1114-500	Royal Canadian Legion Merrit Branch No. 096	1940 Quilchena Ave	\$ 1,792
1341-010	Nicola Valley Holding Assn (Merritt Elks)	1701 Coldwater Ave	\$ 322
1364-000	Nicola Valley Holding Assn (Merritt Elks)	1702 Coldwater Ave	\$ 3,413
6355-100	Nicola Valley Rodeo Association/Nicola Valley Fall Fair Association	319 Lindley Creek Rd	\$ 11,760
TOTAL Recreation Facilities and Services Clubs or Associations			\$ 20,462
TOTAL Permissive Exemptions 2020			\$ 96,256

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

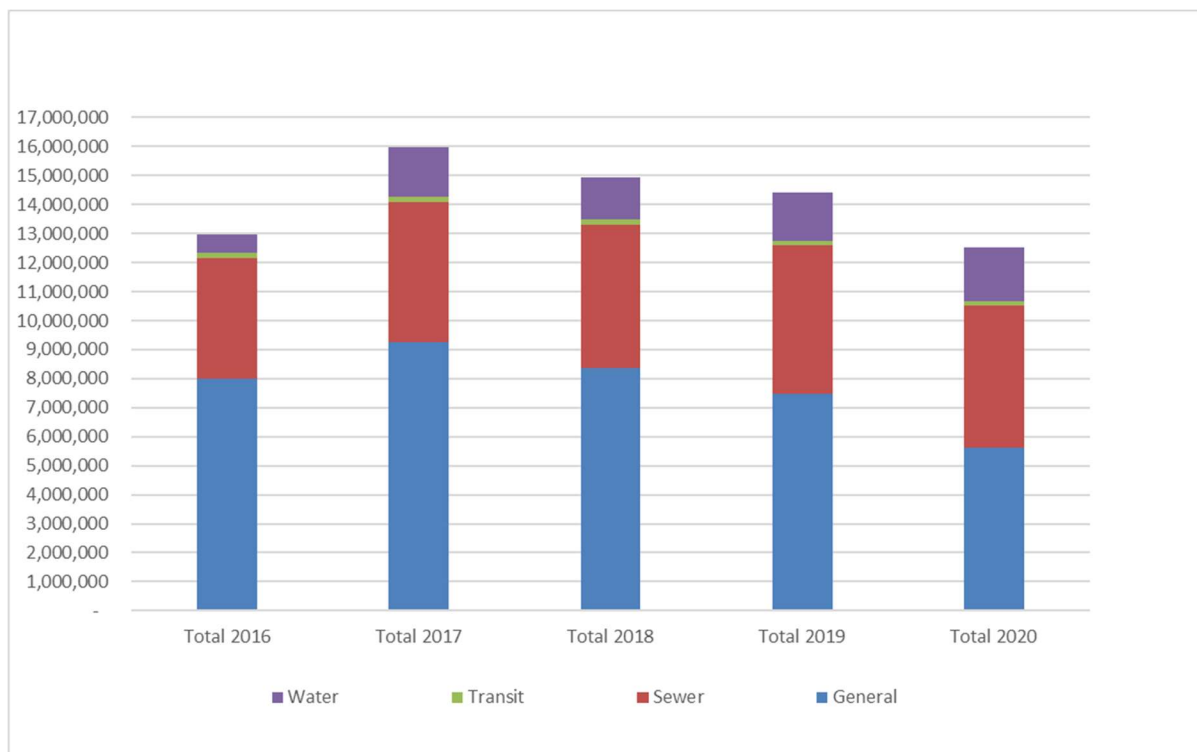
Debt Source and Purpose	2016	2017	2018	2019	2020
General - Airport Lands Servicing	\$ 751,899	\$ 717,447	\$ 681,617	\$ 644,353	\$ 605,600
General - Central Park Improvements	650,182	624,829	598,463	571,041	542,523
General - Fire Equipment	440,857	414,342	386,767	358,088	328,263
General - Fire Hall Addition and Truck	931,493	895,171	857,396	818,110	777,253
General - Public Works Building	279,448	268,551	257,219	245,433	233,176
General - Road Improvements	1,574,154	1,382,140	1,308,658	1,232,236	1,152,758
Water - Reservoirs	1,076,501	996,679	913,664	827,330	737,542
Water - Well Improvements	1,693,134	1,586,102	1,474,790	1,359,025	1,238,629
	\$ 7,397,668	\$ 6,885,261	\$ 6,478,574	\$ 6,055,617	\$ 5,615,742

Debenture Debt by Fund



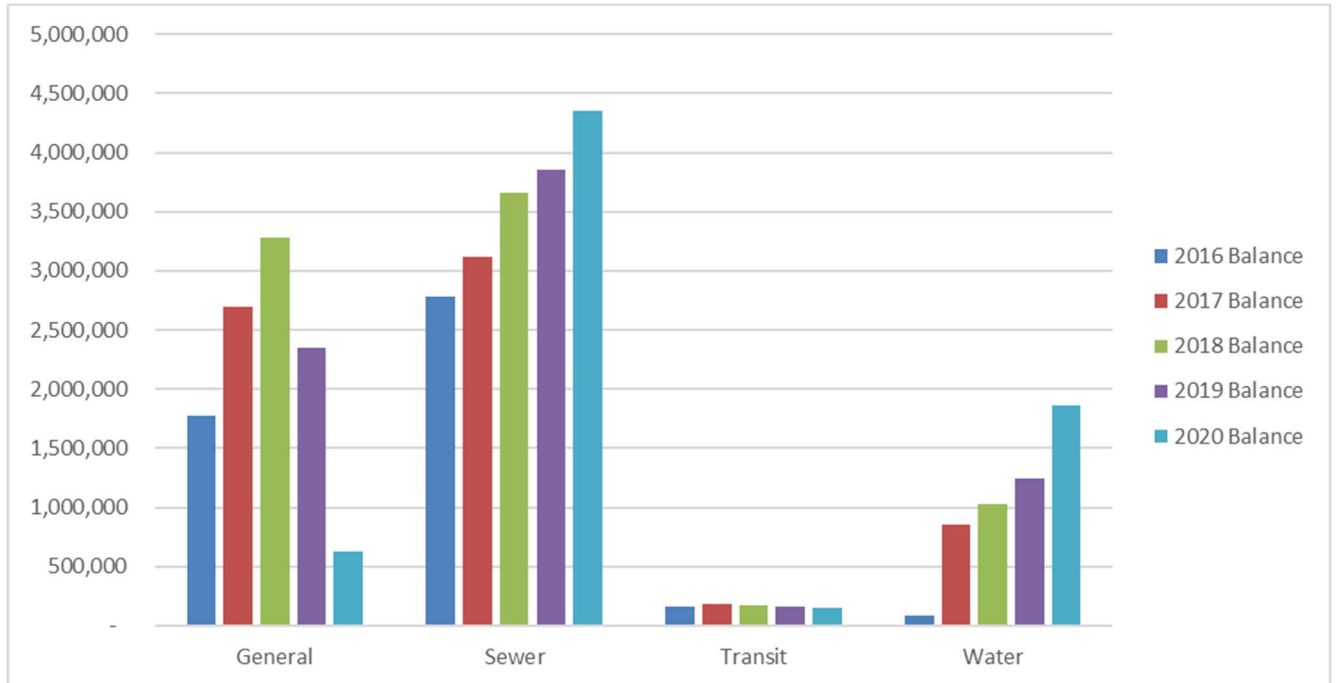
City of Merritt
Surplus and Reserves (non-statutory)
December 31, 2020

Fund	Reserves and Surplus	2016	2017	2018	2019	2020
General	Unappropriated Surplus	1,778,837	2,690,444	3,281,257	2,353,553	631,033
General	Gas Tax	2,546,834	2,557,898	2,428,244	2,587,052	1,843,694
General	Financial Stabilization					1,626,029
General	General Capital					519,589
General	Equipment Acquisition & Replacement					324,630
General	Facilities					276,500
General	Transportation Infrastructure					167,633
General	Fire Protection & Equipment					126,460
General	Active Transportation & Parking					68,166
General	RCMP					20,800
General	Aquatic Centre					16,741
General	Arena					373
General	Capital Works	938,070	603,495	658,151	716,906	
General	Parking	72,494	73,183	74,360	75,914	
General	General	2,661,858	3,346,305	1,928,557	1,725,423	
Transit	Unappropriated Surplus	166,136	185,816	173,213	156,943	152,604
Water	Unappropriated Surplus	86,566	849,202	1,026,721	1,238,854	1,861,087
Water	Water Capital	540,312	867,832	439,070	439,070	
Sewer	Unappropriated Surplus	2,780,558	3,115,669	3,661,082	3,852,076	4,350,618
Sewer	Sewer System Infrastructure					544,750
Sewer	Sewer Capital	1,388,119	1,682,233	1,273,522	1,273,522	
Total		12,959,784	15,972,077	14,944,177	14,419,313	12,530,707



Unappropriated Surplus Balance by Fund

Surplus that has not been allocated to specific reserve funds.



Row Labels	2016 Balance	2017 Balance	2018 Balance	2019 Balance	2020 Balance
General	1,778,837	2,690,444	3,281,257	2,353,553	631,033
Sewer	2,780,558	3,115,669	3,661,082	3,852,076	4,350,618
Transit	166,136	185,816	173,213	156,943	152,604
Water	86,566	849,202	1,026,721	1,238,854	1,861,087
Grand Total	4,812,097	6,841,131	8,142,273	7,601,426	6,995,342

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

Revenue	2020	2019	2018	2017	2016
Property taxes (net)	9,417,284	9,166,141	10,078,143	9,994,600	9,176,552
User fees, sales, and rentals	4,223,999	4,624,267	4,824,167	5,002,262	4,695,858
Government transfers	4,403,434	1,819,401	3,117,121	3,312,893	2,387,158
Investment income	148,558	256,880	278,656	251,455	228,859
Penalties and interest on taxes	74,028	153,456	278,484	292,096	161,126
Other income	197,845	(35,495)	1,071,653	160,416	28,841
Actuarial adjustment of debt	128,574	111,655	95,388	153,078	167,017
	18,593,722	16,096,305	19,743,612	19,166,800	16,845,411

