

CITY OF NANAIMO
NOTES TO THE FINANCIAL STATEMENTS
for the year ended December 31, 2009

NOTE 17 – CREDIT FACILITIES

The City has adopted a revenue anticipation borrowing bylaw to support a credit facility in the amount of \$1,900,000, with an interest rate of Royal Bank Prime Rate less .5%. This facility creates a floating charge on certain assets and undertakings of the City. At December 31, 2009, no amounts were drawn against this facility.

NOTE 18 – MUNICIPAL PENSION PLAN

The City and its employees contribute to the Municipal Pension Plan (the plan), a jointly trusted pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of the assets and administration of benefits. The pension plan is a multi-employer contributory pension plan. Basic pension benefits provided are defined. The plan has about 158,000 active members and approximately 57,000 retired members. Active members include approximately 33,000 contributors from local governments.

Every three years an actuarial valuation is performed to assess the financial position of the plan and the adequacy of plan funding. The most recent valuation as at December 31, 2006 indicated a surplus of \$438 million for basic pension benefits. The next valuation will be as at December 31, 2009 with results available in 2010. The actuary does not attribute portions of the surplus to individual employers. Contributions to the plan were:

	<u>2009</u>	<u>2008</u>
Employer portion	\$ 3,468,581	\$ 3,102,117
Employee portion	<u>2,863,234</u>	<u>2,540,451</u>
	<u>\$ 6,331,815</u>	<u>\$ 5,642,568</u>

NOTE 19 – COMMITMENTS

The City has \$6.6 million in open purchase orders at year end which has not been recorded in the accounts. The funding for the majority of these obligations has been set aside in reserves for future expenditures. These amounts will be recorded in the period that the goods and services, to which they relate, are received. Since the beginning of 2009 and prior to the preparation of these financial statements, an additional \$0.84 million in contracts have been awarded.

During the year, the City entered into an operating lease for the purposes of acquiring gym equipment for the Nanaimo Aquatic Centre. The minimum lease payments to the end of the lease term in August 2012 are \$121,112.

