

CITY OF QUESNEL 2006 ANNUAL REPORT

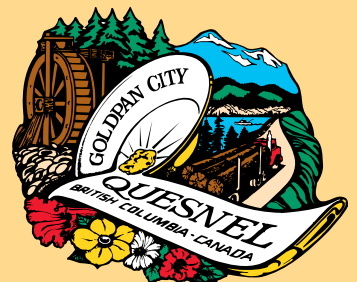


TABLE OF CONTENTS

CONTENTS

Mayor and Council	3
Message from the Mayor	4
The City at a Glance	5
Highlights for 2006	6 - 7
Council Strategic Plan	8 - 11
2006 City of Quesnel Financial Statements	12 - 26
Index	13
Management's Responsibility	14
Auditor's Report	15
Significant Accounting Policies	16
Consolidated Statement of Financial Position	17
Consolidated Statement of Financial Activities	18
Consolidated Statement of Changes in Financial Position	19
Consolidated Capital Assets	20
Notes to the Consolidated Financial Statements	21 - 25
Permissive Tax Exemptions Grante by Council	26
2007-2008 Corporate Business Plan	27 - 42
Introduction	27
Vision, Mission and Values	28
Mandate and Tasks	29 - 42
City Manager	29 - 33
Public Works	34
Community Services	35 - 36
Development Services	37
Finance and Administration	38
Quesnel Volunteer Fire Department	39 - 40
Quesnel RCMP Detachment	41



MAYOR AND COUNCIL

Mayor Nate Bello

Chair: Communications Committee, City-CRD Relations Standing Committee.

Director: Cariboo Regional District Board.

Representative: The Mayor has ex-officio status on all committees.

Portfolios: Executive, Small Business.



Councillor Peter Couldwell

Chair: Health Advisory Committee.

Representative: Audit Committee, West Fraser Timber Park Committee.



Councillor Ron Craigmyle

Chair: West Quesnel Land Stability Advisory Committee, Co-Chair Quesnel Multi-Centre Task Force.

Representative: City-CRD Relations Standing Committee, NDI Regional Subcommittee.

Portfolios: Operations and Economic Development.



Councillor Coralee Oakes

Chair: Environmental Advisory Committee.

Representative: Fraser Basin Council.

Portfolios: Environment, Community Development and First Nations Relations.



Councillor Ron Paul

Chair: Volunteer Citizen of the Year Committee.

Representative: Museum and Heritage Commission, North Cariboo Post-Secondary Education Council, North Cariboo Community Campus Society, Communications Committee.

Portfolios: Education and Volunteerism.



Councillor Mary Sjostrom

Chair: Communities in Bloom, Spirit of BC Community Committee.

Representative: Communications Committee, Union of British Columbia Municipalities Director at Large.

Portfolios: Planning/Land Use and Civic Pride.



Councillor Sushil Thapar

Chair: Community Safety Committee, Quesnel Arts Advisory Committee.

Representative: City-CRD Relations Standing Committee, Quesnel Shiraoi Twinning Society, NDI Regional Subcommittee.

Portfolios: Safety & Justice and Small Business.



MESSAGE FROM THE MAYOR

Dear Citizens,

It gives me great pleasure to present to you the Annual Report and Financial Statements for 2006. This document provides a clear vision for the City of Quesnel in 2006. It lets you know where we've been and where we're heading.

Each and every day, we, as City Council, hear from residents regarding programs, policies and initiatives the City has in place or is considering. Believe me, we listen to you. In fact, as your representatives, we are intended to respect your wishes regarding how your tax dollars are spent. Through the course of our discussions we are able, as a Council, to arrive at a set of priorities that hopefully live up to your expectations, while representing the variety of opinions present in our City. Once again, a number have been set out that are key to our community's future prosperity.

The West Quesnel Land Stability Program continues to be Council's top priority. The announcement from the Ministry of Community Services that supplied \$1.2 million to complete the 2006 Work Plan was a welcomed one. The results of that work have lead us closer to implementing the right solutions to this issue. As 2007 progresses, I expect the trail dewatering program to provide a good foundation that we can continue to build upon.

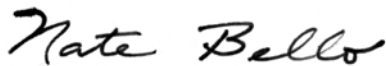
We continue to seek ways to enhance the financial sustainability of the City. While the Mountain Pine Beetle presents a challenge, if we work together and devise suitable plans we can mitigate its effect and come through an even more economically and socially diverse community.

Council has committed to a Capital Reinvestment Program. This program details how we will have an ordered, prioritized list of what roads, sewers and other capital infrastructure need to be replaced or repaired and how we will be able to do so in an efficient and cost-effective manner.

We also continue to make progress on a new multi-centre and library with our partners at the Cariboo Regional District. There have already been some exciting developments on these matters over the coming year, and I look forward to even more.

I thank my Council colleagues, staff, all our advisory committees' members and you, the residents of Quesnel, for your efforts in making Quesnel the truly wonderful community it is. While we have much progress to make, I'm sure we can accomplish anything we choose!

Sincerely,



Nate Bello
Mayor



THE CITY AT A GLANCE

Quesnel is the commercial centre of the North Cariboo and has a trading population of approximately 25,000 people within a radius of approximately 50 km of the city centre. It is located in the central interior of British Columbia, Canada, at the confluence of the Quesnel and Fraser Rivers.

The Quesnel area is rich in natural resources, wonderful outdoor recreational opportunities and an abundant and skilled work force.

The city is well served by rail, road and air connections to other major centres in BC, Alberta and beyond. Quesnel is on Highway 97, the major north-south corridor in B.C., and is 120 kilometres from Highway 16, the major east-west corridor from central B.C. to central Alberta.

What do we offer?

Low Tax Rates – Quesnel has one of the lowest residential property tax rates in British Columbia.

Affordable Housing – Our housing costs compare very favourably to those of any community in the Lower Mainland, Vancouver Island or Okanagan.

Quality of Life – No more rush hour, no long commutes to work, no line-ups! You'll have more time to enjoy the company of your family and friends.

Sunshine – We experience 2025 hours of sunshine per year on average. People are naturally happier when the sun is shining.

An Unspoiled Environment – Within an hour's drive, there are numerous lakes, streams, and trails that take most people years to fully explore.

City Splendor – Portions of the Fraser and Quesnel River's, Baker Creek and Dragon Lake all fall within our city boundaries. The Riverfront Trail, our expanding park system and other recreational and cultural facilities are here for you and your family to enjoy.

Wildlife – There are ample opportunities to see deer, eagles, moose, bear, foxes, ducks, loons, beavers and many other creatures in their natural habitat.

Winter – With our dry climate our winters are enjoyable. We have some of the best snow conditions in the province for skiing and snowmobiling. Our spring, summer and fall seasons are quite pronounced and pleasant.

Community Pride – Our community believes in Quesnel. With our hundreds of societies and hobby groups, to our public and private businesses. We all share in the successes of our community.

People – People have a strong sense of community and welcome new energy and ideas. It is easy to get involved and become part of Quesnel.

*- Courtesy of the Quesnel Community and Economic Development Corporation
June 2005 Community and Economic Profile*



HIGHLIGHTS FOR 2006

Quesnel's new Indoor Sports Centre opened its doors in May 2006.



New Sports Centre opens doors

Quesnel's new Indoor Sports Centre opened officially in May, with hundreds of people visiting the site to enjoy a celebrity match, reception and ribbon-cutting ceremony.

The building is the result of a partnership between the City of Quesnel, the provincial government's Ministry of Economic Development and the Quesnel Youth Soccer Association. The City provided \$1 million and the Ministry committed \$1.9 million from its Community Development Initiative. The QYSA managed the project from day one, including developing the business plan, lobbying for funds and constructing the facility itself on its Anderson Drive site.

The playing area is about two-thirds of a full-size soccer field - approx 220 feet x 220 feet. The Field Turf surface is the same as used for Manchester United soccer club's practice facility and by the Vancouver Whitecaps.

The land was purchased initially by the City of Quesnel on the condition that it be used for community recreational purposes. In turn, the City has granted a 20-year licence of occupation to Quesnel Youth Soccer Association.

Land Stability work gets huge boost

The City of Quesnel received close to \$1.2 million in funding from the Ministry of Community Services for the West Quesnel Land Stability Program's 2006 Work Plan.

The announcement allowed the City to continue the work its residents desperately need done.

The West Quesnel Land Stability Program has remained a high priority for Quesnel City Council and the City of Quesnel.

There are more than 750 homes and 2,100 residents in the slippage area.

City Hall development continues

The City of Quesnel reached an agreement with the Ministry of Transportation that saw the provincial body locate its local offices on the fifth floor of the new City Hall Complex.

Quesnel City Council and staff have long had a vision for and commitment to improving the economic viability of City Hall, which this announcement certainly contributed to. Council has pledged to ensure that every square foot of the building is utilized to its maximum potential. The agreement sees the Ministry lease 3,220 square feet for a 10-year period.

The City finalized the purchase of the City Hall complex on Aug. 4, 2005 following an electoral approval process.

Four Corners construction begins

The City of Quesnel revitalized the parking lot at the southeast corner of Reid Street and St. Laurent Avenue in 2006, with including a wider pedestrian plaza, benches and landscaping improvements.

The City received \$250,000 in funding from the Canada/BC Infrastructure Program. The Quesnel Downtown Business Association contributed \$30,000. The project's total cost is estimated at \$363,000.



HIGHLIGHTS FOR 2006



New bicycle path construction begins

The City received up to \$180,000 from the Ministry of Transportation and Highways' Cycling Infrastructure Partnerships Program to construct the Campus Connector, a new bicycle path that will link the River Front Trail and the Bryce Road Bicycle Trail.

The path adds to the growing network of trails that Quesnel residents currently enjoy.

The path brings numerous benefits to the community. It is key to the Official Community Plan's goals of encouraging walking and cycling as major means of transportation. It will help residents meet the goal of being 20 per cent more active by the year 2010. Finally, more people walking or cycling means cleaner air for all residents.

The City of Quesnel created a Bicycle Network Plan in 1997, designed to link the popular River Front Trail System to residential areas and major districts of employment, shopping, education and recreation. The proposed Campus Connector will start from where the Bryce Road Trail leaves off and extend along North Star Road, connecting to the River Front Trail at the Quesnel River Bridge.

A service survey from November 2003 indicated that residents valued the existing trails, wanted more bike lanes and mountain bike trails and would be willing to pay more taxes for them. Almost 30% of residents at that time used the River Front Trail more than twice a week. The citizens of Quesnel repeatedly indicate that increasing the trail network in the City is important and essential infrastructure.

Quesnel blooms again

In our second entry into the National Communities in Bloom competition, Quesnel was awarded five out of a possible five blooms.

The City competed in the 10,001 to 20,000 population category, finishing with a total score of 83.2%, two percentage points higher than last year. Once again, Quesnel received high scores for community involvement, 113.5 points out of a possible 125. Gains were also made in the areas of tidiness, environmental awareness, natural and cultural heritage conservation, tree/urban forest management, landscaped areas and floral displays.

The City also won the prestigious Second Annual Canada Lands Company Sustainable Development Award, which emphasized the efforts of "meeting environmental challenges through cooperative partnerships of industry, government and the citizenry."



2007 COUNCIL STRATEGIC PLAN

1. WEST QUESNEL LAND STABILITY

Objective

To finalize the investigative phase of the work plan and to secure funding from the provincial government to fund a comprehensive remediation plan. The ultimate goal is to reduce land movement to a manageable level and then relax or remove the building restrictions that are currently in place.

Actions

- Continue due diligence to mitigate land slippage in order to minimize the impact on residents and property in the impacted area and to keep residents informed of progress that is being made.
- Allow the West Quesnel Land Stability Advisory Committee to continue and fulfill their Terms of Reference.
- Continue efforts to obtain funding support for remediation (provincial and federal grants).
- Identify and implement ongoing capital improvement works.

2. RELATIONSHIP WITH CRD

Objective

To strengthen the City's relationship with the Cariboo Regional District, while ensuring that our various shared service arrangements are fair and equitable to both City and rural taxpayers.

Actions

- Meet with the municipalities of 100 Mile House, Williams Lake, and Wells to have meaningful discussion and dialogue as to how relationships with the CRD could be improved based on commonalities and differences that each municipality may have with the CRD.
- Meet with the entire CRD Board with the intent to identify issues and to work towards resolving issues and irritants that exist between the two organizations.
- Council to develop a unified position and take concrete action in an effort to resolve issues and irritants with the CRD. The City/CRD Relations Standing Committee will help provide leadership and timelines for Council to address this complex and multi-faceted issue.

3. FINANCIAL SUSTAINABILITY OF THE CORPORATION

Objective

Develop financial plans and strategies to address current and future infrastructure needs.

Actions

- Council supports the Capital Reinvestment Program initiated in 2005. Council will proceed to finalize and implement a policy governing this reinvestment program as part of the City's 2007 budget deliberations.
- Council will review options with the potential that the current taxation policy may be revised. Council will consider if a further taxation shift should be implemented that will decrease the burden from industry to be added on to residential.
- Council through staff shall seek out new revenue opportunities through such means as grant opportunities.
- The City Manager will report back to Council on options relating to frontage taxation.
- Council during their budget deliberations will strive to replenish the City's reserve account.



2007 COUNCIL STRATEGIC PLAN

4. ECONOMIC DEVELOPMENT AND DIVERSIFICATION

Objective

To facilitate the growth and diversification of the Quesnel economy, with the aim of maximizing employment opportunities, tax base, and quality of life.

Actions

- Gibraltar Recruitment Program. Send a letter to the Quesnel Community and Economic Development Corporation endorsing their “live in Quesnel” initiative.
- IPP. Monitor progress of City Manager’s task force on renewable energy with the Manager to report back to Council on progress.
- The Quesnel Community and Economic Development Corporation are to meet with Council to discuss the proposed Hotel Tax. In conjunction with their presentation they are to be requested to provide evidence of industry support for this initiative.
- The Quesnel Community and Economic Development Corporation is to address Council regarding the Greening Plan with particular attention to be directed to avoiding duplication of services that are already being undertaken by the City in some form or order.

5. MULTI-CENTRE PLANNING

Objective

To examine various issues related to building a new multi-purpose complex in Quesnel, including cost, affordability, financing, location, operations, and ownership.

Actions

- In partnership with the Cariboo Regional District and through the North Cariboo Joint Planning Committee and the Quesnel Multi-Centre Task Force, determine costs, search out funding opportunities and calculate tax threshold for the proposed Multi-Centre. This is to be with the understanding that it is Council’s intent to develop a program that will be successful when a referendum is held. To be completed by May 30, 2007 (does not include the timeline for a referendum to follow).
- Determine the components that should be included in the Multi-Centre. Is it just an arena or will there be other components such as a performing arts centre? This is to be completed in conjunction with the Cariboo Regional District’s support and with ample public input into the decision making process.

6. AIRPORT PLANNING

Objective

To ensure the long term viability of the Quesnel airport, recognizing the importance of the airport to the local economy and surrounding area.

Actions

- Pursue a GPS proposal for the airport intended to provide a more functional airport to the public and that will help make the airport financially more sustainable.
- Develop and present Council with a marketing plan for consideration for adoption.
- Campbell Crescent – Phase II. Continue to explore funding sources to help defray infrastructure costs associated with the development of these light industrial lands. Enlist the assistance of QCEDC in identifying funding opportunities. Completion date is indeterminate. Progress will be reported at the mid-year strategic planning session.



2007 COUNCIL STRATEGIC PLAN

7. ARTS, HERITAGE, AND CULTURE

Objective

To help strengthen the health of arts, culture and heritage organizations in the community.

Actions

- Council, through staff is to actively pursue funding opportunities / sources to advance the arts, culture & heritage in the community. Good progress to date has been made with the development of a Heritage Strategic Plan, the Heritage Register and with obtaining funding to undertake a feasibility study for possible museum expansion. Task is on-going dependant on grants that become available and projects that Council may wish to support.

8. COMMUNITY SAFETY

Objective

To address crime related issues and education, towards the goal of reducing crime and enhancing community safety and well-being.

Actions

- Staff with the support of the Community Safety Committee will investigate and encourage the province to establish a detoxification / shelter facility in Quesnel.
- Through direct communications with Council and staff, ensure RCMP priorities are aligned with Council priorities. First such meeting was held in December 2006 with Council and the RCMP. Follow-up meeting to be scheduled for review and update on these priorities.

9. LIBRARY

Objective

To provide City and area residents with a modern, state of the art library facility in the downtown core.

Actions

- If no agreement is reached with the CRD on a new library facility, investigate the feasibility and costing of establishing a municipal library run by the City or some other jurisdiction.

Note: As of this writing, the City and CRD have reached an agreement that will see the library locate on the first floor of the City Hall complex. The City has discontinued the Library Service Review.

10. PHASE II OF THE NORTH CARIBOO COMMUNITY CAMPUS

Objective

To support, advocate, and lobby for the development of Phase II of the CNC Quesnel Campus.

Actions

- Council to lobby provincial and federal governments to proceed with the phase II planning and development for the College of New Caledonia. Time line for such action and approaches to be coordinated with the College based on the most appropriate times to lobby on their behalf.
- Council will play a supporting role to the College
- Council will assist to increase the public profile of this project. This will be done without financial commitment to do so.



2007 COUNCIL STRATEGIC PLAN

11. CITY GROWTH/EXPANSION

Objective

To review the advantages and disadvantages of expanding the City's boundaries, including the cost and benefits to City and rural taxpayers.

Actions

- Council, through staff, will investigate opportunities for the growth and expansion of the City to expand beyond the existing boundaries. This process will include a cost / benefit analysis.
- Council will have identified true costs for the City to provide services to any proposed expanded areas.

12. COMMUNICATIONS

Objective

To provide outstanding communication services to the residents of Quesnel.

Actions

- Council will report out on UBCM and NCMA conferences and initiatives to the public.
- The Communications Plan shall be updated and implemented.
- Increase feedback to Council from staff.
- Branding of Quesnel (increased promotion).
- Search for grant opportunities.

13. BUDGET PROCESS/TAXES

Objective

To support a budget development process that is financially sound and transparent.

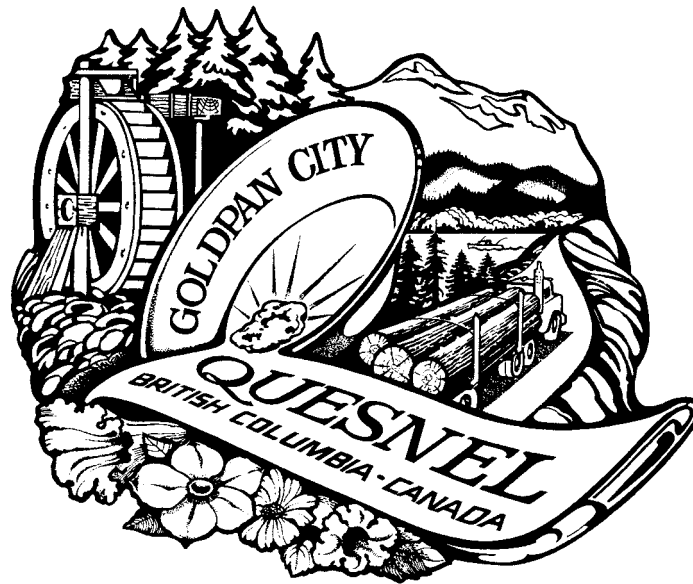
Actions

- Council will increase public knowledge on taxation and needs (communications on-going, colour charts, etc.). In order for ratepayers to understand Council actions and decisions regarding budget initiatives, there is a need for clear, regular communications outlining rationale for decisions made by Council to the public.
- Discussion on how to address prior years' surpluses. Council to determine by February 28, 2007.
- Establish earlier timeline for budget meetings and establish a calendar of meeting dates at the outset.
- Council / staff need to make budget meetings a priority (priority over other engagements).
- Utilization of electronic calendar – input information one month in advance. Process is on-going.



CITY OF QUESNEL FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2006



2006 CITY OF QUESNEL FINANCIAL STATEMENTS

INDEX TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

<i>Management's Responsibility</i>	14
<i>Auditor's Report</i>	15
<i>Significant Accounting Policies</i>	16
<i>Consolidated Statement of Financial Position</i>	17
<i>Consolidated Statement of Financial Activities</i>	18
<i>Consolidated Statement of Changes in Financial Position</i>	19
<i>Consolidated Capital Assets</i>	20
<i>Notes to the Consolidated Financial Statements</i>	21-25

2006 CITY OF QUESNEL FINANCIAL STATEMENTS

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The information in this Financial Report is the responsibility of management. The consolidated financial statements have been prepared in accordance with accounting principles generally accepted for British Columbia local governments as outlined under "Significant Accounting Policies" on page 16. These statements include some amounts based on management's best estimates and careful judgment.

Management maintains a system of internal accounting controls to provide reasonable assurance that assets are safeguarded and that transactions are authorized, recorded, and reported properly. Management also administers a program of proper business compliance.

R. E. Rasmussen, CA, the City's independent auditor, has audited the accompanying financial statements. The auditor's report is included as part of these statements.

Council carries out its responsibility for the consolidated financial statements principally through its Audit Committee. The Committee meets annually with management and the City auditor, R. E. Rasmussen, CA to review their activities and to discuss auditing, internal control, and financial reporting matters. R. E. Rasmussen, CA has unrestricted access to the City, the Audit Committee and Council. The Audit Committee reviews the consolidated financial statements with management prior to submission to Council for approval. It also reviews the recommendations of the independent auditor for improvements to controls as well as the actions of management to implement such recommendations.

Byron Johnson, CGA
Director of Finance & Administration

Charles Hamilton, BA, MPA
City Manager

2006 CITY OF QUESNEL FINANCIAL STATEMENTS

AUDITOR'S REPORT

R.E. RASMUSSEN
CHARTERED ACCOUNTANT
(incorporated professional)

AUDITOR'S REPORT

To the Mayor and Council,
City of Quesnel,

I have audited the Consolidated Statement of Financial Position of the **City of Quesnel** as at December 31, 2006 and the Consolidated Statements of Financial Activities and Changes in Financial Position for the year then ended. These financial statements are the responsibility of the **City of Quesnel's** management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the **City of Quesnel** as at December 31, 2006, and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles disclosed on page 2 of the financial statements. As required by the *Community Charter*, I report that in my opinion, these principles have been applied on a basis consistent with that of the preceding year.

R. E. Rasmussen

Quesnel, B.C.
February 8, 2007

Chartered Accountant

2006 CITY OF QUESNEL FINANCIAL STATEMENTS

SIGNIFICANT ACCOUNTING POLICIES AS AT DECEMBER 31, 2006

Basis of Presentation

It is the policy of the City of Quesnel to follow accounting principles generally accepted for British Columbia local governments and to apply such principles consistently. These consolidated financial statements include the operations of the General, Water, Sewer, Transit, Airport, Capital and Reserve Funds. They have been prepared using guidelines issued by the Public Sector Accounting and Auditing Board of the Canadian Institute of Chartered Accountants. The financial resources and operations of the City have been consolidated for financial statement purposes and include the accounts of all of the funds of the City of Quesnel.

Accrual Accounting

The accrual method for reporting revenues and expenditures has been used.

Inventories

Inventories are valued at cost on a moving average basis.

Capital Assets

Capital assets purchased or constructed and work in progress are reported as capital expenditures and are classified according to their functional use. Capital assets donated are reported at fair market value at the time of the donation. Accumulated capital expenditures are reported at historical costs on the Schedule of Consolidated Capital Assets - page 20. Amounts reported do not reflect replacement values. Amortization is not recorded.

Restricted and Deferred Revenues

Receipts which are restricted by the legislation of senior governments or by agreement with external parties are deferred and reported as restricted revenues. When related expenditures are incurred they are brought into revenue at amounts equal to the expenditures.

Revenues received in advance of expenditures which will be incurred in a later period are deferred until matched with those expenditures.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted for local governments requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditure during the reporting period. Significant areas requiring the use of management estimates relate to the determination of collectability of accounts receivable and provisions for contingencies. Actual results could differ from those estimates. Adjustments, if any, will be reflected in operations in the period of settlement.

2006 CITY OF QUESNEL FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2006

Financial Assets	2006	2005
Cash and investments	9,077,323	7,987,667
Taxes and accounts receivable - note 2	3,799,096	2,498,715
Prepaid expenses	96,960	155,937
Investment in subsidiary - note 3	4,118	20,997
MFA debt reserve	970,904	1,058,957
	13,948,401	11,722,273
Financial Liabilities		
Accounts payable and accrued liabilities - note 4	2,897,143	1,797,787
Deferred revenue - note 5	27,207	499,260
MFA debt reserve	970,904	1,058,957
Municipal debt - note 6	13,406,183	12,648,558
	17,301,437	16,004,562
Net Financial Liabilities	(3,353,036)	(4,282,289)
Physical Assets		
Inventory of supplies	243,923	178,435
Property acquired for taxes	8,185	13,829
Capital assets - page 20	87,280,612	82,447,844
	87,532,720	82,640,108
Net Position	84,179,684	78,357,819
Municipal Position		
Equity in Operating Funds	3,513,804	2,498,667
Equity in Reserve Funds	6,784,767	6,053,182
Fund Balances - page 18	10,298,571	8,551,849
Equity in Physical Assets - note 9	73,881,113	69,805,970
	84,179,684	78,357,819

2006 CITY OF QUESNEL FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2006

	2006	2006	2005
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
Revenues			
Taxation	12,371,862	12,943,515	11,131,707
Sale of services	970,752	1,065,080	1,344,457
Other revenue from own sources	981,590	1,423,082	2,024,766
Government grants	1,900,014	3,090,827	3,773,316
Services provided to other governments	584,172	588,397	589,585
Interest	8,000	299,827	173,346
Utility user fees	1,257,500	1,335,506	1,213,394
Contribution from Quesnel Youth Soccer	-	375,549	839,287
Proceeds on long term debt	-	1,978	1,978
Net results of subsidiary	-	-	12,391
	18,073,890	21,123,761	21,104,227
Expenditures			
General government services	2,092,758	2,604,693	3,430,977
Protective services	5,861,119	4,993,935	5,120,053
Transportation services	2,343,356	2,570,842	2,142,147
Environmental and health services	1,272,471	1,316,192	1,243,023
Development services and planning	624,999	601,461	454,917
Recreation and cultural services	992,768	1,063,770	931,949
Water utility operations	744,776	745,858	786,879
Sewer utility operations	517,843	517,608	506,046
Airport operations	569,400	599,159	533,175
Transit operations	272,870	287,121	222,943
Short term interest	486,364	473,545	3,371
Net results of subsidiary	-	16,879	-
Debt services	938,806	2,186,017	1,287,521
Capital expenditures	514,000	1,399,959	4,620,414
	17,231,530	19,377,039	21,283,415
Change in Fund Balances	842,360	1,746,722	(179,188)
Opening Balance	8,551,849	8,551,849	8,731,037
Closing Balance - to page 17	9,394,209	10,298,571	8,551,849

2006 CITY OF QUESNEL FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION FOR THE YEAR ENDED DECEMBER 31, 2006

Cash Provided By (Used In)	2006	2005
Operating Activities		
Change in fund balances	1,746,722	(179,188)
Change in equity in capital assets	4,075,143	4,939,101
Changes in non-cash balances		
Increase in receivables	(1,300,381)	(302,486)
(Increase) decrease in prepaids	58,977	(116,994)
Increase (decrease) in payables and accruals	1,099,356	(289,077)
Increase (decrease) in deferred revenue	(472,053)	468,097
(Increase) decrease in inventories	(65,488)	4,615
Decrease in property acquired for taxes	5,644	17,112
	5,147,920	4,541,180
Financing Activities		
Proceeds from municipal debt	1,888,788	6,000,000
Repayment of municipal debt	(899,941)	(7,638,668)
Actuarial adjustment	(231,222)	(206,532)
	757,625	(1,845,200)
Investing Activities		
(Increase) decrease in investment in subsidiary	16,879	(12,391)
Net increase in capital assets	(4,832,768)	(3,093,910)
	(4,815,889)	(3,106,301)
Net Change in Cash	1,089,656	(410,321)
Cash, Beginning of Year	7,987,667	8,397,988
Cash, End of Year	9,077,323	7,987,667

2006 CITY OF QUESNEL FINANCIAL STATEMENTS

CONSOLIDATED CAPITAL ASSETS AS AT DECEMBER 31, 2006

	LAND	BUILDINGS	ENGINEERED STRUCTURES	MACHINERY AND EQUIPMENT	2006 TOTAL	2005 TOTAL
General Government						
John Ernst Building	742,700	7,921,703		354,121	9,018,524	8,675,773
Land held for development	505,087	76,013			581,100	571,465
Protective Services						
Fire department	145,995	1,098,125	10,311	2,905,014	4,159,445	4,145,609
Street and traffic lights				326,912	326,912	326,912
Policing		2,946,473		147,350	3,093,823	3,076,861
Transportation Services						
Workshops and yard	197,114	377,313	200,270	5,530,894	6,305,591	6,260,747
Drains, ditches and dykes	56,737		2,092,134	5,774	2,154,645	2,065,640
Sidewalks			2,604,460		2,604,460	2,505,023
Streets, roads and lanes	687,784		9,757,894		10,445,678	9,951,432
Bridges			2,285,321		2,285,321	1,120,312
Downtown revitalization			439,081		439,081	439,081
Bus shelters			64,140		64,140	55,717
Environmental Health						
Garbage and waste collection	308,576		145,914	504,792	959,282	959,282
Recycling		112,982		76,038	189,020	189,020
West Quesnel geotechnical survey			165,386		165,386	165,386
Recreation Services						
Parks and playgrounds	116,174	24,777	6,708,629	295,092	7,144,672	6,685,624
Skating rink and arena	30	761,891	13,697	152,779	928,397	928,397
Indoor soccer facility	172,286	3,829,005	9,241		4,010,532	2,603,764
West Quesnel Recreation Centre		38,046			38,046	38,046
Historic equipment park			38,147		38,147	38,147
Community Services						
Museum and tourist bureau		705,372	24,288	44,797	774,457	737,146
Cemetery	10,025	11,977	234,636	36,935	293,573	293,573
Hudson Bay building		117,361			117,361	117,361
Gold pan			22,490		22,490	22,490
Forestry interpretation centre			90,864		90,864	90,864
Shiraoi House		652,978			652,978	652,978
Off street parking	859,001				859,001	634,121
Water Services						
Water	498,987		16,295,938	447,411	17,242,336	16,996,774
Sewer Services						
Sewer	22,037	3,961	4,573,098	557,689	5,156,785	4,981,734
Airport Services						
Airport facilities	170,906	4,035,987	1,823,099	1,088,573	7,118,565	7,118,565
Total - to page 17	4,493,439	22,713,964	47,599,038	12,474,171	87,280,612	82,447,844

2006 CITY OF QUESNEL FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

1. CASH AND INVESTMENTS

Included in cash and investments are restricted amounts that can be expended only in accordance with the terms of the reserve funds.

The City holds trust funds under British Columbia law for the purposes of maintaining a public cemetery. This fund is included in the consolidated statement of financial activities and is comprised of the following:

	2005 Balance	Interest	Receipts	Transfer to General Operating Fund	2006 Balance
Cemetery care fund	175,948	7,017	4,295	(7,017)	180,243

2. TAXES AND ACCOUNTS RECEIVABLE

	2006	2005
Property taxes	610,499	332,835
Federal government	121,102	564,154
Provincial government	1,174,327	393,847
Regional government	660,127	480,634
General	1,213,739	721,995
Debt recoverable	19,302	5,250
	3,799,096	2,498,715

3. INVESTMENT IN SUBSIDIARY

The City holds all of the issued shares of its subsidiary, Quesnel Community and Economic Development (2002) Corporation. The purpose of the subsidiary is to sustain an organization that is responsible for all aspects of community economic development, which pursues development that reflects the goals and values of the residents of Quesnel and District and which acts in accordance with the policy and planning directives given by the City of Quesnel.

The investment in subsidiary is recorded using the Modified Equity basis of accounting, as prescribed by the Public Sector Accounting and Auditing Board.

2006 CITY OF QUESNEL FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2006	2005
Federal government	582,407	440,970
Provincial government	45,126	93,731
Regional government	50,218	25,901
General	1,907,215	964,006
Accrued interest	167,455	166,695
Deposits	144,722	106,484
	2,897,143	1,797,787

5. DEFERRED REVENUE

The City has deferred reporting revenues on several projects that had not been completed by December 31, 2006. Grants received will be reported in the year expended.

Heritage Signage Grant	-	911
Aboriginal Program	-	26,147
BC Rail Station Grant	-	54,835
Four Corners Grant	-	239,124
Youth Soccer Grant	-	149,057
Other Deferrals	27,207	29,186
	27,207	499,260

6. MUNICIPAL DEBT

Debenture debt		
General capital fund	9,815,685	8,237,736
Water capital fund	2,898,272	3,520,500
Sewer capital fund	612,226	700,322
	13,326,183	12,458,558

Mortgage - Lawlor Developments Ltd.

Well #9 property repayable over three years plus interest

at 5 % per annum.	80,000	190,000
	13,406,183	12,648,558

Principal repayments required on committed debt in each of the next five years are approximately:

2007	654,073
2008	574,073
2009	574,073
2010	574,073
2011	183,706

2006 CITY OF QUESNEL FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006 (CONT)

7. COMMITMENTS AND CONTINGENCIES

a. The City is jointly and severally liable under the provisions of Sections 835 and 836 of the Local Government Act for any default on monies borrowed by the Cariboo Regional District.

b. Revitalization Tax Exemption Program:

The City is committed under Bylaw 1593, cited as City of Quesnel Revitalization Tax Exemption Program Bylaw and adopted under the provisions of Section 226 of the Community Charter, to provide municipal tax relief to West Fraser Mills Ltd. The Bylaw provides that the City may designate an area as a revitalization area and establish a tax revitalization program for that area.

The Bylaw provides that property tax revitalization relief is available for the construction of certain improvements that shall, upon completion of the construction project, result in an increase in the property's assessed value of at least \$16,000,000. The City shall issue a tax exemption certificate upon completion of the construction of the new improvement providing the qualifying conditions are met.

The Bylaw provides tax relief for a period of 5 years, with a renewal period of a further 5 years. The City has agreed to give tax relief to a maximum of \$6,000,000, divided in equal amounts of \$600,000 over the 10 year term. The first fiscal year impacted by the tax relief program is expected to be 2007. In the event that any of the conditions under which the tax exemption certificate was issued are no longer met by West Fraser Mills Ltd., West Fraser Mills Ltd. shall repay a recapture amount, based upon formula, together with applicable interest calculated in accordance with the method prescribed in the agreement.

c. Community Works Fund:

The City is a participant under the Community Works Fund that provides for the City receiving Federal gas taxes transferred under the New Deal for Cities and Communities signed by the Union of BC Municipalities, the Province of BC, and the Government of Canada.

Although the City has some latitude in determining which projects to pursue, the agreement provides that projects should address the reduction of greenhouse gas emissions, cleaner air, and cleaner water.

The City will receive the following benefits:

2006/2007	\$ 144,601
2007/2008	\$ 192,126
2008/2009	\$ 239,771
2009/2010	\$ 469,128

d. Municipal Pension Plan:

The City and its employees contribute to the Municipal Pension Plan (the plan), a jointly trustee pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the 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 130,000 active members and approximately 45,000 retired members. Active members include approximately 29,000 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, 2003 indicated an unfunded liability of \$789 million for basic pension benefits. The next valuation will be as at December 31, 2006 with results available later in 2007. The actuary does not attribute portions of the unfunded liability to individual employers. Each employer expenses contributions to the plan in the year in which payments are made.

e. The City is involved in various litigation, regulatory and environmental matters in the ordinary course of business. In management's opinion, an adverse resolution of these matters would not have a material impact on financial position or financial activities.

2006 CITY OF QUESNEL FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006 (CONT)

8. COMPARITIVE STATISTICS

EXPENDITURE BY FUNCTION	2006	2005
General government services	3,078,238	3,434,348
Protective services	4,993,935	5,120,053
Transportation services	2,570,842	2,142,147
Environmental and health services	1,316,192	1,243,023
Development services and planning	601,461	454,917
Recreation and cultural services	1,063,770	931,949
Water and sewer operations	1,263,466	1,292,925
Airport operations	599,159	533,175
Transit	287,121	222,943
Net results of subsidiary	16,879	-
Capital expenditures	1,399,959	4,620,414
Debt services	2,186,017	1,287,521
	19,377,039	21,283,415

EXPENDITURE BY OBJECT

Salaries, wages and benefits	5,699,039	5,908,536
Service and supplies	13,678,000	15,374,879
	19,377,039	21,283,415

9. EQUITY IN CAPITAL ASSETS

Balance, beginning of year	69,805,970	64,866,869
Change for the year	4,075,143	4,939,101
Balance, end of year	73,881,113	69,805,970

10. FINANCIAL INSTRUMENTS

The City of Quesnel's financial instruments recognized in the consolidated financial statements consist of cash and investments, taxes and accounts receivable, accounts payable and accrued liabilities and municipal debt. The fair values of these financial instruments approximate their carrying amounts due to the short-term maturity or current market rate associated with these instruments.

2006 CITY OF QUESNEL FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006 (CONT)

11. SANITARY LANDFILL

The City of Quesnel currently operates a sanitary landfill site at Carson Pit road. The operation of this site is governed by the BC Ministry of Environment, Lands and Parks (MoELP) - Operational Certificate No. MR3132. The future closure and post-closure care of the site are also under the direction of the MoELP.

The current landfill site has an estimated remaining capacity of 865,300 m³ which is expected to be sufficient for 17 years.

The costs associated with the landfill closure and post-closure care are outlined in the Sanitary Landfill Operations Plan Update prepared by UMA Engineering Ltd in November 2000. These costs are estimated as follows:

Cost of final cover \$2,200,000 to \$3,850,000 expended over a 23 year period. Assuming a median cost of \$3,000,000 and an interest rate of 5% over the 23 year period, a sinking fund with an annual contribution of \$72,000 will generate the funds necessary for final cover.

Post-closure work of \$20,000 annually in current year dollars will be required. Assuming that this expenditure will be required for 25 years and an interest rate of 5%, the City would require a lump sum of \$270,000 to be available in 2023, the expected date of closure. An annual contribution of \$7,000 would be required to have the funds available by that time.

Post-closure care of the landfill is expected to go on for 25 years. No buildings can be constructed on this site before that time without special investigations and MoELP approval.

Effective in the 2000 fiscal year, the City commenced allocating funds to meet future obligations for final cover and post-closure care at the landfill site.

The landfill closure reserve has a balance of \$852,647 at December 31, 2006 (\$744,321 - 2005).

2006 CITY OF QUESNEL FINANCIAL STATEMENTS

PERMISSIVE TAX EXEMPTIONS GRANTED BY COUNCIL FOR 2006

Roll #	Organization	Assessed Value	Class 1 14.1974 5.49673	Class 6 28.7915 13.31384	Class 8 18.77027 11.62607
87.000	Quesnel Masonic Temple Society	\$128,900			\$126,600
206.000	Salvation Army Governing Council	\$241,300			\$72,300
220.000	Synod of Diocese of Cariboo	\$267,600			\$196,500
247.000	Quesnel Womens Resource Centre	\$86,200	\$86,200		
248.000	Quesnel Womens Resource Centre	\$30,000	\$30,000		
267.000	Amata Transition House Society	\$123,000	\$123,000		
314.000	Fraser Village Homes Society	\$1,878,900	\$1,861,500		
328.000	St Andrews United Church	\$175,600			\$98,000
329.000	St Andrews United Church	\$88,400		\$88,400	
332.000	Royal Canadian Legion Branch 94	\$1,040,000		\$405,000	
418.010	Quesnel & District Seniors Society	\$1,126,000		\$1,126,000	
419.000	Quesnel Curling Club	\$824,000		\$824,000	
900.000	Quesnel & District Daycare	\$87,100	\$87,100		
961.000	Roman Catholic Bishop of Kamloops	\$1,963,400			\$124,100
1200.890	Northstar Fellowship Baptist Church	\$1,304,200			\$96,200
1550.080	Quesnel & District SPCA	\$138,500		\$138,500	
2025.000	Trinity Lutheran Church	\$372,800			\$23,800
2135.000	Quesnel & District Child Dev Centre	\$26,600		\$26,600	
2137.000	Quesnel & District Child Dev Centre	\$292,900		\$292,900	
2189.000	Quesnel Tillicum Society	\$503,100	\$503,100		
2193.000	Quesnel Tillicum Society	\$15,900		\$15,900	
2602.000	Cariboo Gur Sikh Temple Society	\$565,900			\$32,200
2703.000	Guru Darbar Society Inc	\$136,900			\$26,700
3600.000	Congregation of Jehovahs Witnesses	\$560,200			\$52,600
4013.083	Royal Canadian Legion Branch 94	\$216,800	\$196,700		
4208.000	Quesnel Elks Club	\$78,300			\$78,300
4210.000	Quesnel Elks Club	\$147,300			\$147,300
4211.000	Victory Way Baptist Church	\$88,700			\$54,600
4659.000	Lighthouse Pentecostal Church	\$246,900			\$20,900
5045.954	Cariboo Vasa Lodge	\$59,200			\$59,200
5047.309	Bethel Pentecostal Tabernacle	\$749,100			\$65,100
5862.500	Quesnel Auto Racing Association	\$379,000			\$379,000
		\$13,942,700	\$2,887,600	\$2,917,300	\$1,653,400
Total Taxes Per Class		\$158,942	\$40,996	\$86,911	\$31,035
Municipal Portion of Taxes		\$73,935	\$15,872	\$38,840	\$19,223

2007-2008 CORPORATE BUSINESS PLAN

It gives me pleasure to present the City of Quesnel's updated Corporate Business Plan for 2007-2008.

The Corporate Business Plan is comprised of two main parts. The first part presents an outline of the corporation's vision, mission and values. The corporate vision articulates what we, the employees of the City, wish the corporation to be. The corporate mission describes, in broad terms, what we as a group are going to do to achieve our vision. The corporate values serve as the "signposts" that govern how we conduct ourselves and our business. Collectively, the vision, mission and values provide the framework within which we choose and commit to operate.

The second part of the Plan is more action-oriented than the first. For each Department, the document presents a mandate and list of specific tasks to be completed within the next year. The tasks, which are in addition to the Departments' day-to-day activities, reflect the departmental and corporate priorities for the next 12 months.

By almost any measure, the City of Quesnel is a major organization. Council and the citizens of Quesnel expect the corporation to be run in a professional, cost-effective manner that enables the community to realize its full potential and aims. In recent years, managers and staff in the corporation have made impressive strides forward in developing the skill sets, structure, processes and culture that, together, form the cornerstones of a modern, well-run organization.

The Business Plan is a practical document that lays out in plain language the corporation's expectations of its various departments. The lists of specific tasks in the Plan, it should be stressed, are not mere

"wish lists" for Directors to contemplate. Instead, they are carefully considered work programs that support and flow from the Strategic Priorities identified by Council at its annual Strategic Planning workshop. Individual Directors are responsible for their particular programs. The Directors, along with their managers, should refer to the Plan – indeed, be guided by it – in making decisions and directing staff. The allocation of financial resources, as determined through the budget process, should be closely aligned with the priorities that are reflected in the specified tasks.

In all, the Corporate Business Plan should be a key factor in all departmental decision-making that occurs through to the end of 2007 and the first part of 2008.

Many individuals at various levels and in all areas of the organization contributed to the development of the Plan. The resulting product represents, in my opinion, an impressive achievement on which all staff should reflect positively, and in which everyone should take pride. As we begin to implement the Plan, we will undoubtedly encounter the odd setback, which may become a source of frustration. We must not allow ourselves to be discouraged. We must, instead, view the Plan as a living document that will evolve with the organization. The lessons we learn through implementation will help us to make future editions of the Plan even better. It is my hope that, through continued usage, we will recognize the Plan as a valuable work tool, and will choose to update it regularly in the coming years.

Thank you for your ongoing hard work and commitment.

Charles Hamilton, City Manager



Charles Hamilton
City Manager

The City Manager, as the organization's Chief Administrative Officer, is responsible to Council for the overall operation of the corporation. In this capacity, the City Manager performs a number of duties. For example, the manager:

- Receives and communicates Council's policies and goals to the organization.
- Oversees the development and presentation of the organization's budgets.
- Manages important corporate projects.
- Directs departmental managers on departmental and corporate administration.
- Works with senior managers to formulate policy recommendations for Council's consideration.

2007-2008 CORPORATE BUSINESS PLAN

VISION, MISSION AND VALUES To Guide the Corporation

CORPORATE VISION

The Corporation of the City of Quesnel is a recognized leader in local government service delivery. It works in partnership with the community, other public agencies and the private sector to continually improve the quality of life enjoyed by the citizens of Quesnel.

CORPORATE MISSION

The corporation's mission is to work with the community to develop innovative and responsive services that promote a high quality of life for all citizens. The organization will endeavour to incorporate into all of its services sound fiscal management and inclusive corporate planning.

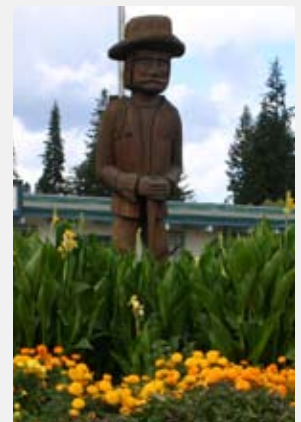
CORPORATE VALUES

We, the employees of the City of Quesnel, are guided in all that we do by the following values:

- **COMMUNICATION** – Open and constant communication is encouraged, both within the corporation and with the community.
- **EXCEPTIONAL SERVICE** – We are committed to providing the highest possible quality of service, commensurate with the corporation's resources.
- **PRIDE** – We take pride in our work, ourselves and our community.
- **FAIRNESS** – We deal fairly with employees and the public. Everyone is treated with the same high degree of consideration.
- **INTEGRITY** – As City employees and as responsible citizens, we do what we say we will do. Our word is our bond.
- **RESPECT** – We recognize that each individual is a valuable member of the organization. We honour the essential worth and dignity of every person.
- **FORGIVENESS** – We acknowledge that each of us is human and, as such, will make mistakes from time to time. We view mistakes as learning experiences.
- **EMPOWERMENT** – We are better when we have the tools and confidence of others to make decisions.
- **RESPONSIVENESS** – The citizens of Quesnel are the reason we exist as a corporation. We work with them, directly and through Council, to understand their needs.

Our Mission

The City of Quesnel will provide its residents with an outstanding quality of life in a vibrant, prosperous, diversified community, achieved through a process of public consultation and trust.



2007-2008 CORPORATE BUSINESS PLAN

MANDATE AND TASKS *CITY MANAGER*

MANDATE

The City Manager is City Council's chief policy advisor, responsible for providing support to Council on a range of policy matters. The City Manager is also the corporation's chief administrative officer, responsible for providing administrative direction to all of the corporation's departments.

The City of Quesnel has adopted, by policy resolution, the Council-Manager form of local government. Under this arrangement, the City Manager provides the sole link between City Council and the Administration. In this capacity, it is the City Manager whom Council holds accountable for the performance of the Administration.

SPECIFIC TASKS (2007-2008)

This section lists the specific tasks that the City Manager has identified as being a high priority for 2007-2008. The tasks listed are in addition to the City Manager's day-to-day responsibilities.

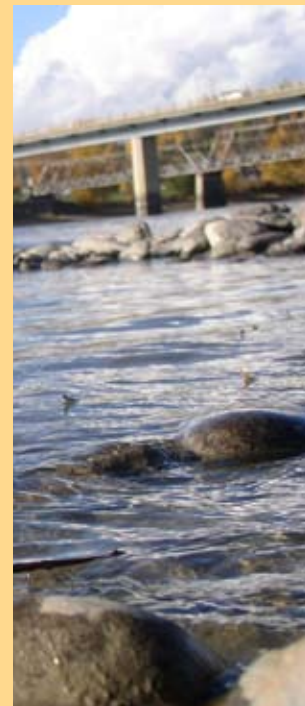
Achieve tangible results on the following eight strategic priorities identified by Council at its annual Strategic Planning Workshop:

1. West Quesnel Land Stability
2. Relationships with the Cariboo Regional District
3. Financial Sustainability of the Corporation
4. Economic Development and Diversification
5. Multi-Centre Planning
6. Airport Planning
7. Arts, Culture & Heritage
8. Community Safety
9. Library
10. College of New Caledonia – Phase II
11. City Growth / Expansion
12. Communications
13. Budget Process / Taxes

Key action items flowing from Council's strategic priorities are outlined below.

West Quesnel Land Stability

- Continue due diligence to mitigate land slippage in order to minimize the impact on residents and property in the impacted area and to keep residents informed of progress that is being made.
- Allow the West Quesnel Land Stability Advisory Committee to continue and fulfill their Terms of Reference.
- Continue efforts to obtain funding support for remediation (provincial and federal grants).
- Identify and implement ongoing capital improvement works (budget each year to complete some work to show progress and commitment).



2007-2008 CORPORATE BUSINESS PLAN

Relationships with the Cariboo Regional District

- Meet with the municipalities of 100 Mile House and Williams Lake to have meaningful discussion and dialogue as to how relationships with the CRD could be improved based on commonalities and differences that each municipality may have with the CRD. Complete by April 31, 2007.
- Meet with the entire CRD Board with the intent to identify issues and to work towards resolving issues and irritants that exist between the two organizations. Complete by June 30, 2007 and if necessary, schedule additional meetings thereafter to continue the process.
- Council to develop a unified position and take concrete action in an effort to resolve issues and irritants with the CRD. The City/CRD Relations Standing Committee will help provide leadership and timelines for Council to address this complex and multi-faceted issue.
- Library. The City will work towards having a final response from the CRD by January 31, 2007 to reach a decision for the construction of a new library. It is the intent of Council to have the new library constructed on the ground floor of City Hall. If the CRD does not approve relocating the library to City Hall by January 31, 2007, then staff are to advance options for further Council consideration.
- North Quesnel Recreation and Parks. The City will work towards having a resolve reached on sub-regional recreation as it relates to governance, equitable cost sharing and funding and scope of services by November 30, 2007.
- The Memorandum of Understanding between the City and the CRD whereby arrangements to provide specific community services on a partnership and/or cost sharing basis are to be reviewed and new agreements developed by June 30, 2007. These include agreements on Planning Services, Landfill and Recycling, Cemetery Services, Red Bluff Sewer Service, Red Bluff Fire Protection and Library Support.
- Develop an action plan to obtain CRD funding for Airport and Transit services. To be completed by June 30, 2007 with further discussions to follow, if needed and no success has been reached at established agreements.

Financial Sustainability of the Corporation

- Council supports the Capital reinvestment program initiated in 2005. Council will proceed to finalize and implement a policy governing this reinvestment program in conjunction with the 2007 budget process.
- Council will consider if a further taxation shift should be implemented that will decrease the burden from industry. Report to be completed by March 31, 2007.
- Council through staff shall seek out new revenue opportunities through such means as grant opportunities. This process will be on-going.
- The City Manager will report back to Council on options relating to frontage taxation. This will be completed by March 31, 2007.
- Council during their budget deliberations will strive to replenish the City's reserve account.

Economic Development and Diversification

- Gibraltar Recruitment Program. Send a letter to the Quesnel Community and Economic Development Corporation endorsing their "live in Quesnel" initiative and request a status report from the Corporation on or before the September 17, 2007 Committee of Whole Council meeting.
- IPP. Monitor progress of City Manager's task force on renewable energy with the Manager to report back to Council on progress made on or before May 7, 2007 Committee of Whole Council meeting.



2007-2008 CORPORATE BUSINESS PLAN

- The Quesnel Community and Economic Development Corporation are to meet with Council to discuss the proposed Hotel Tax. In conjunction with their presentation they are to be requested to provide evidence of industry support for this initiative. Presentation to Council to be completed by March 31, 2007.
- The Quesnel Community and Economic Development Corporation is to address Council regarding the Greening Plan with particular attention to be directed to avoiding duplication of services that are already being undertaken by the City in some form or order. Completion date target is February 28, 2007.

Multi-Centre Planning

- In partnership with the Cariboo Regional District and through the North Cariboo Joint Planning Committee and the Quesnel Multi-Centre Task Force, determine costs, search out funding opportunities and calculate tax threshold for the proposed Multi-Centre. This is to be with the understanding that it is Council's intent to develop a program that will be successful when a referendum is held. To be completed by May 30, 2007 (does not include the timeline for a referendum to follow).
- Determine the components that should be included in the Multi-Centre. Is it just an arena or will there be other components such as a performing arts centre? This is to be completed in conjunction with the Cariboo Regional District's support and with ample public input into the decision making process. To be completed by May 30, 2007.

Airport Planning

- Pursue a GPS proposal for the airport intended to provide a more functional airport to the public and that will help make the airport financially more sustainable. To be completed by September 30, 2007.
- Develop and present Council with a marketing plan for consideration for adoption. To be completed by September 30, 2007.
- Campbell Crescent – Phase II. Continue to explore funding sources to help defray infrastructure costs associated with the development of these light industrial lands. Enlist the assistance of QCEDC in identifying funding opportunities. Completion date is indeterminate. Progress will be reported at the mid-year strategic planning session.

Arts, Culture & Heritage

- Council, through staff is to actively pursue funding opportunities / sources to advance the arts, culture & heritage in the community. Good progress to date has been made with the development of a Heritage Strategic Plan, the Heritage Register and with obtaining funding to undertake a feasibility study for possible museum expansion. Task is on-going dependant on grants that become available and projects that Council may wish to support.

Community Safety

- Staff with the support of the Community Safety Committee will investigate and encourage the province to establish a detoxification / shelter facility in Quesnel. Project will be on-going with a desire to have a positive commitment by the province by December 31, 2007.
- Through direct communications with Council and staff, ensure that the RCMP priorities are aligned with Council priorities. First such meeting was held in December 2006 with Council and the RCMP. Follow-up meeting with Council and the RCMP to be scheduled for review and update on these priorities by June 30, 2007.



2007-2008 CORPORATE BUSINESS PLAN

College of New Caledonia – Phase II

- Council to lobby provincial and federal governments to proceed with the phase planning and development for the College of New Caledonia. Time line for such action and approaches to be coordinated with the College based on the most appropriate times to lobby on their behalf.
- Council will play a supporting role to the College.
- Council will assist to increase the public profile of this project. This will be done without financial commitment to do so. Process will be on-going.

City Growth / Expansion

- Council, through staff, will investigate opportunities for the growth and expansion of the City to expand beyond the existing boundaries. This process will include a cost / benefit analysis. Work to be completed by October 31, 2007.
- Council will have identified true costs for the City to provide services to any proposed expanded areas. This will be completed by October 31, 2007.

Communications

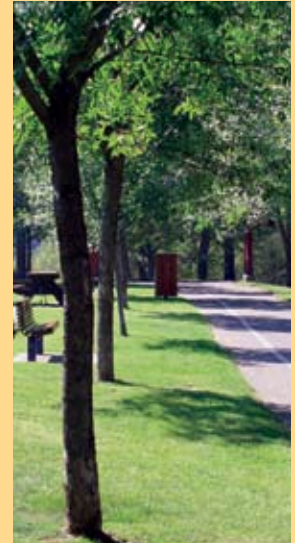
- Council will report out on UBCM and NCMA conferences and initiatives to the public. This will be on-going and following the completion of the perspective conferences.
- The Communications Plan shall be updated and implemented. Communication Plan to be completed for 2007 by March 31, 2007.
- Increase feedback to Council from staff. On-going.
- Branding of Quesnel (increased promotion). On-going with this item to be addressed through the Communications Committee by June 30, 2007.
- Search for grant opportunities. On-going process as opportunities arise.
- Develop a communications brief on Council meeting highlights. This initiative has already been implemented.
- Communications Committee to meet quarterly at a minimum.

Budget Process / Taxes

- Council will increase public knowledge on taxation and needs (communications on-going, colour charts, etc.). In order for ratepayers to understand Council actions and decisions regarding budget initiatives, there is a need for clear, regular communications outlining rationale for decisions made by Council to the public. Communications process to be increased throughout the budget deliberation process.
- Discussion on how to address prior years' surpluses. Council to determine by February 28, 2007.
- Establish earlier timeline for budget meetings and establish a calendar of meeting dates at the on-set. Finance Committee to establish a schedule for Council by January 15, 2007.
- Council / staff need to make budget meetings a priority (priority over other engagements).
- Utilization of electronic calendar – input information one month in advance. Process is on-going.

HUMAN RESOURCES

1. Develop and complete an Orientation Manual for new employees – it has been proven that a well defined orientation assists with employee retention and that by creating a welcoming environment and a tool which can be used by new employees, their productivity increases.



2007-2008 CORPORATE BUSINESS PLAN

2. Continue to work with the Union to identify issues and take proactive steps to resolve these and improve working relationships throughout the City. I believe that we have come a long way in the past couple of years, and I want to continue to develop and open dialogue with Union and employees, so that we can improve morale and thus productivity, and reduce "presenteeism" (where employees are here in person but not productive because needs are not being met), and deal with disciplinary issues in the early stages.
3. Continue to work with Managers to develop a succession plan that will enable the City to face future challenges with confidence. This includes reviewing all current organizational structures and job descriptions, finding innovative ways to advertise and interview (eg webcam interviews) and ensure that we are able to adapt easily to future needs. A second part of this will be to work with the Union to develop a framework for succession planning positions which will not be based on seniority, but on qualifications and suitability. A third part of this will be to ensure that employees hired into key positions receive training in both technical and management skills and that this plan is prepared in consultation with supervisor and employee.
4. Development of an integrated training plan. To date training has been dealt with by each individual department. I hope to encourage a more city-wide approach, to take advantage of economies of scale. Further, I hope to develop in-house experts who can deliver module-style training for computer skills (eg Excel). I also hope to design and deliver short training sessions to employees on issues such as Pensions, Insights and other topics as they come up.
5. Linked to above, I wish to develop a Management Training Plan which will commence with Insights for Personal Development, and then continue through to Team Development, and move into 360 degree feedback. Further training linked to this may also be considered. We need to ensure that our Managers are skilled and trained to deal with whatever issues they face.
6. Change the focus of EFAP to a more proactive Wellness approach to try and reduce absentee costs. The Committee is currently developing an Action Plan for 2007, which will be delivered and monitored.
7. Develop a Corporate Employee Training Database. Since the Vadim product was too problematic, and since there is no other product which will easily connect to our existing Vadim system, I propose having a database developed in Access. This will assist in meeting the needs of Item 4.
8. Prepare for negotiations with 1050-01 re wages.

Charles Hamilton, City Manager



2007-2008 CORPORATE BUSINESS PLAN

MANDATE AND TASKS

PUBLIC WORKS DEPARTMENT

DEPARTMENT MANDATE

The Public Works Department is responsible for providing key community services, including water, sewer, garbage, airport, transit and roads, in a proactive, efficient and cost-effective manner.

SPECIFIC TASKS (2007-2008)

This section lists the specific tasks that the Department is expected to undertake and complete by the end of 2007. Note that the tasks listed here are in addition to day-to-day responsibilities.

PARKS AND SOLID WASTE

- Begin the investigation into the feasibility of implementing residential automated curbside garbage collection system.
- Design, planning and construction of a gazebo structure and four tennis courts in West Fraser Timber Park.
- Complete design of new entrance to City Recycle Depot and Landfill.
- Implementation of composting program.

ROADS AND STREETS

- Completion of Phase III and IV of the Capital Reinvestment Plan, which will lead to a complete infrastructure and replacement program.
- Reconstruction of 300 block McLean Street with sidewalks, curb and gutter, and new pavement.
- West Quesnel Land Stability Program will continue with the trial dewatering program and the ongoing collection of data to produce a water balance model for the area.

UTILITIES (water, sewer and drainage)

- Completion of the North Quesnel Drainage Plan with presentation to Council in fall.
- Implementation of a sewer emergency response plan. This plan would provide direction and a quick response to accidental sewage spills.
- Planning and design of the sewage force main from the Lewis Drive lift station to Marsh Drive in West Quesnel. Actual replacement to take place in 2008.
- The completion of the hook up of City water to the DVC water system.
- A system for water treatment to be researched and developed.
- A well head protection plan is to be developed in 2007.
- The transition of a new Utilities Supervisor in the position by December 2007.

AIRPORT

- Continue to look at ways to increase revenues and decrease expenditures.
- Work with the regional airline to promote and increase the use of the local service.
- Improve our GPS landing apparatus.

TRANSIT

- Look for ways to increase our steadily increasing passenger load
- Look for ways to feasibly incorporate service to larger segments in Quesnel



2007-2008 CORPORATE BUSINESS PLAN

MANDATE AND TASKS

COMMUNITY SERVICES DEPARTMENT

DEPARTMENT MANDATE

The Community Services Department:

- Through Sub-Regional Recreation, provides cost-effective and accessible leisure and cultural services that meets the needs of the Quesnel & District residents and that promotes a high quality of life in the community.
- Through the Museum and Heritage Commission, preserves our history and heritage, makes it accessible for present and future generations and promotes our history and heritage through a variety of educational programs.
- Through the communications function, plays a lead role in the dissemination of City information via internal and external news bulletins and through the local media in a cost efficient manner.
- Through the Facilities Manager, provides facility maintenance to a variety of City and CRD/City owned facilities.
- Through the Recreation Manager and in support of our Emergency Management Program the Department manages the City Emergency Social Service function. ESS maintains a team of volunteers ready to assist the community with emergency needs for food, shelter, accommodations and other personal needs in time of disaster.
- Through the provision of leadership and consultation, work with community organizations and projects assigned by Council and the City Manager.

SPECIFIC TASKS (2007)

This section lists the specific tasks that the Department is expected to undertake and attempt to have completed by the end of 2007.

NORTH CARIBOO RECREATION AND PARKS

Through and with the Recreation Manager:

- To assist Council and the City Manager to work towards reaching a resolve regarding the outstanding issues with the Cariboo Regional District on governance, funding equity and scope of service for sub-regional recreation.
- To coordinate and work with the Multi-Centre Task Force and the Joint Planning Committee to have completed the public input process and the business plan for the proposed Multi-Centre to determine if and what type of replacement facility should be considered for the old arena.
- Through the Recreation Manager to have staff develop innovative program services with a strong focus on establishing community development processes that encourage strong involvement from residents and local community groups.
- To implement where resources allow, the recommendations made in the Gary Young Associates report that pertain to administrative and managerial responsibilities
- To make recreation more accessible to more people via a variety of avenues such as reviewing our low income assistance program, through the Kidsplay program, through the summer recreation camps set up to attract children that may be at risk, and through designing programs that take into account people with physical disabilities.
- To strive and meet the challenge of making people 20% more active by 2010.
- Implement the 2007/2008 Marketing program established for the function.



2007-2008 CORPORATE BUSINESS PLAN

MUSEUM

Through and with the Museum & Heritage Manager:

- Complete the Heritage Register
- Undertake the Museum Feasibility Study
- Obtain from Barkerville and set up a display for the C.D. Hoy exhibit complete with marketing and special opening ceremonies for the exhibit.
- Increase the level of public programming and educational outreach programs celebrating our history and heritage.
- Continue to develop the C.S. Wing collection
- Advance the representation of cultural groups in the Museum
- Re-configure and improve the gift shop to encourage museum visitations and to generate increased revenue for the Museum.
- Identify and seek out all possible grant funding sources to assist in completing the various initiatives outlined.

COMMUNICATIONS

Through and with the Communications Supervisor

- Improve the City's corporate image to the community by employing effective messaging, raising awareness of City initiatives and developing suitable media management techniques.
- Ensure that communications strategies and plans are in place for 2007 Council priorities.
- Use the City website to a greater extent to help further raise awareness of City initiatives, programs, policies and procedures.
- To reduce the amount the City spends on advertising by investigating potential efficiencies.
- To improve two-way communications between administration and staff.

FACILITY MAINTENANCE

Through the Facilities Manager

- To continually seek out energy efficiencies for the operation of the City and City/CRD jointly owned facilities.
- To provide on-going training to staff especially at the Facility Maintenance III level to have them become more knowledgeable on building maintenance issues
- Develop and refine long term maintenance plans for capital programs for each of our facilities
- Improve and increase internal communications amongst maintenance staff members.

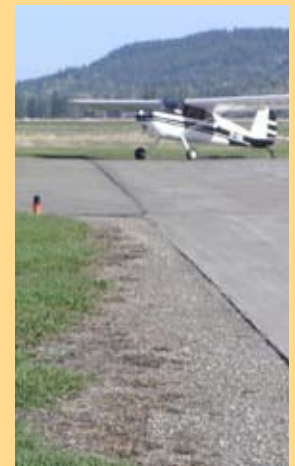
EMERGENCY SOCIAL SERVICES

By the Recreation Manager

- Seek out new volunteers for the program and expand the depth of the team
- Maintain regular training programs to be held in conjunction with all meetings
- Continue with the program of cross-training of all volunteers in a variety of ESS functions

COMMUNITY GROUP LIASON

Assist or have staff assist community organizations as the need arises in the most effective and reasonable manner in order for them to reach their objectives. The City deals with many diverse community groups who help meet specific community needs. Examples include the Chamber of Commerce for the Visitor Information Centre, Rocky Mountaineer Vacations for the Train Station, Quesnel Youth Soccer for the Indoor Sports Centre, the Lawn Bowling Society for the Lawn Bowling facilities, the Baker Creek Enhancement Society for the Nature Education Centre, School District #28 for the reciprocal use agreement etc.



2007-2008 CORPORATE BUSINESS PLAN

MANDATE AND TASKS

DEVELOPMENT SERVICES DEPARTMENT

DEPARTMENT MANDATE

The Planning & Development Services Department exists to:

- Help citizens and decision-makers formulate and implement the community's vision through the development and maintenance of the Official Community Plan.
- Provide guidance in the review of development proposals to ensure conformance to the Official Community Plan and Zoning Bylaw.
- Ensure that all building plan proposals conform to all City bylaws designed to protect the health, safety and welfare of the public.
- Coordinate the timely processing – including inspections – of building plans that meet all standards.
- Provide effective enforcement of all City bylaws relating to development and construction.
- Provide all City departments and public with GIS analyses, increased efficiency, accurate data capture and maintenance of the geographic database.

SPECIFIC TASKS (2007)

This section lists the specific tasks that the Department plans to undertake during 2007. The tasks listed here are in addition to the Department's day-to-day responsibilities.

- Further development of all GIS systems, spatial data and City wide Novalis database. Streamlining processes, creating standards and providing training to staff with the objective of developing a powerful GIS Land based system reducing maintenance requirements and storage space, while increasing data accuracy.
- Development and implementation of civic addressing procedures and policies conforming with 911 standards.
- Review Development Services procedures and processes to ensure documentation is current and consistent with internal procedures.
- Due to the recent loss of Cariboo Regional District inspections (Dec. 31, 2006) the Level 1 Inspector has reduced his time seasonally and the Level 3 inspector has retired (returning on contract in an as-needed basis for commercial buildings), leaving a gap in the inspection area.
 - Continue reviewing the departments' clerical function and responsibilities at the front counter with the intention of improving service.
 - Continue to support training opportunities for clerical staff that would upgrade knowledge of construction and development practices, enabling them to assist with screening applications, preparing files, completing basic plan check, completion of inspections and approvals on simple projects.
- Development Cost Charge Bylaw – Finalize report to Council on proposed DCC Bylaw.
- Sign Bylaw – Review in the context of improving the realistic application of the bylaw as it pertains to the community and business needs.
- Official Community plan - Finalization and adoption of the new Official Community Plan.

LONG TERM PLANNING (2007 - 2027)

- Lebourdais Park Development
- Trail Systems
- Tourism Development
- Coping with economic changes relating to Mountain Pine Beetle issues
- New Facilities - Proceed with new, large, community projects (ie. Dunrovin Expansion, MultiCenter).



2007-2008 CORPORATE BUSINESS PLAN

MANDATE AND TASKS

FINANCE AND ADMINISTRATION

DEPARTMENT MANDATE

The Finance & Administration Department exists to provide quality, responsive and cost-effective service to the public, City Council and other City departments. This involves working with other levels of Government and their agencies, financial institutions, City employees, and City taxpayers and residents to conduct the City's administrative and financial affairs.

SPECIFIC TASKS (2007-2008)

This section lists the specific tasks that the Department is expected to undertake and complete by the end of 2007. Note that the tasks listed here are in addition to the Department's day-to-day responsibilities and activities.

FINANCE

- Assist in the development of a sustainable reserve policy, including a Tax Stabilization Reserve and the Capital Reinvestment Program Reserve.
- Develop a more effective Treasury investment plan to improve the financial returns on Treasury assets while maintaining the appropriate security of the assets.
- Continue working on the Capital reinvestment Program funding formulas. The general tax levy was instituted in 2007 - next steps include instituting Water and Sewer and Residential Roadways Frontage taxes.
- Revise the purchasing process and purchasing limits to correct deficiencies identified in our internal audit process. Changes due to the Trade, Investment and Labour Mobility Agreement requirements will also be incorporated into the revision.
- Continue with cross-training on key corporate systems such as the Property Tax System, and the budget and tax formulation model.

INFORMATION SYSTEMS

- Continue with development of the Tangible Capital Asset Management System to meet the changing legislation pertaining to fixed asset reporting requirements.
- The Business Recovery/Continuity audit was conducted in 2006, resulting in a list of recommendations. the most critical items have been implemented - further implementation is planned for 2007.
- Implementation of a Cemetery Information System.

ADMINISTRATION

- Evaluate options to bring the Finance and Administration departments of the City more "on-line" to benefit taxpayers and reduce the cost of serving the taxpayers. The next goal is to have the Home Owner Grant application done online.



2007-2008 CORPORATE BUSINESS PLAN

MANDATE AND TASKS

QUESNEL VOLUNTEER FIRE DEPARTMENT

DEPARTMENT MANDATE

The City of Quesnel Volunteer Fire Department is committed to protecting life, property and the environment proactively through public education, code enforcement and fire and life safety practices, and by supporting, equipping and training an effective volunteer fire service.

SPECIFIC TASKS (2007-2008)

This section lists the specific tasks that the Department is expected to undertake and complete by the end of 2007. Note that the tasks listed here are in addition to the Department's day-to-day responsibilities and activities.

OPERATIONS

- Increase the number of volunteer firefighters to fifty members.
We conducted a recruit training class of 12 members in 2006, which saw 8 members graduate. We lost 6 members for various reasons and ended the year with a net increase of 2 members for a total of 42.

ADMINISTRATION

- Develop and Support an approved succession plan for the fire department.
The Deputy Fire Chief position was filled through open competition. Although the incumbent was from outside the department, ongoing fire officer training is being maintained by all the full time staff.
- Assist in the development of a Quesnel and Area Community Wildfire Protection Plan.
The Plan was completed in December with final adoption by Council in 2007.
- Create a task force to prepare a full Vehicle/Fleet Replacement Review
- Continue the WCB Occupational Health and Safety Compliance Review.

FIRE PREVENTION

- Research electronic methods of recording and reporting fire inspections.
Various methods of fire inspections were reviewed and evaluated. The City is working on a system called NovaLis and it was felt that until this system can be properly evaluated, the present system will be maintained.
- Establish a better professional relationship between the Prevention Division and City Building Officials.
The changes to the BC Building and Fire Codes in December further strengthened the need for collaboration between the two departments.
- Improve Public Education and Public Awareness

TRAINING

- Complete Phase 2 of the North Cariboo Fire Training Centre with a Live Burn Building.
- Continue to provide confined space and high angle rope rescue training.
Discussions with industry managers in 2006 strengthened their support for the program and for their volunteer firefighter employees to take time off to participate. The Quesnel Fire department was also accepted into the Construction Association's Technical Rope Rescue Program.



2007-2008 CORPORATE BUSINESS PLAN

- Work with School District 28 on a Firefighter Career Preparation Program.
A Junior firefighter program cohort was established in 2006 with implementation to begin in 2007.

MAINTENANCE

- Upgrade all overhead doors at Firehall #1 to include automatic door openers/closers.
This project was completed.
- Replace Unit furnaces at Firehall #1 with cracked and deteriorating heat exchangers.
This project was completed.
- Initiate a fire pump testing program.



2007-2008 CORPORATE BUSINESS PLAN

Mandate and Tasks

QUESNEL RCMP DETACHMENT

DEPARTMENT MANDATE

"The Royal Canadian Mounted Police is Canada's national police service. Proud of our traditions and confident in meeting future challenges, we commit to preserve the peace, uphold the law and provide quality service in partnership with our communities."

PERFORMANCE PLAN PRIORITY OBJECTIVES (2007- 2008)

Issue: Changing police demographics

Objective: Contribute to employee development

- All Members to complete the Court Testimony course.
- All members to complete the Investigative Communications course.
- All members to complete the Neighbourhood Inquiry course.

Issue: Drug use by youth

Objective: Reduce the abuse of drugs.

- Train another DARE officer.
- Have an "Impact of Drugs on Your Community" workshop.
- Partnership with School District #28 and First Nations in presenting DARE classes.
- RCMP/Aboriginal Youth Mentor Program.

Issue: Suicide - N/A

Objective: Contribute to safer youth.

- Participate in the Yellow Ribbon Program.
- Key on Cultural Camp and RCMP Kids Camp.

Issue: Addictions - Crack/Cocaine

Objective: Reduce the abuse of drugs.

- Target crack cocaine traffickers in the Quesnel area.
- Complete a generic community impact statement for all cocaine charges.

Issue: Organized Crime - Trafficking

Objective: Reduce impact of Organized Crime.

- Complete one major case cocaine investigation targeted as organized crime.

Issue: Traffic - Impaired driving

Objective: Contribute to safe roads.

- Continued enforcement of Impaired Drivers, Seat Belts.
- Participate in the Party Program.

Violence - Domestic violence

Objective: Reduce crimes against persons.

- Public Awareness of issue.

