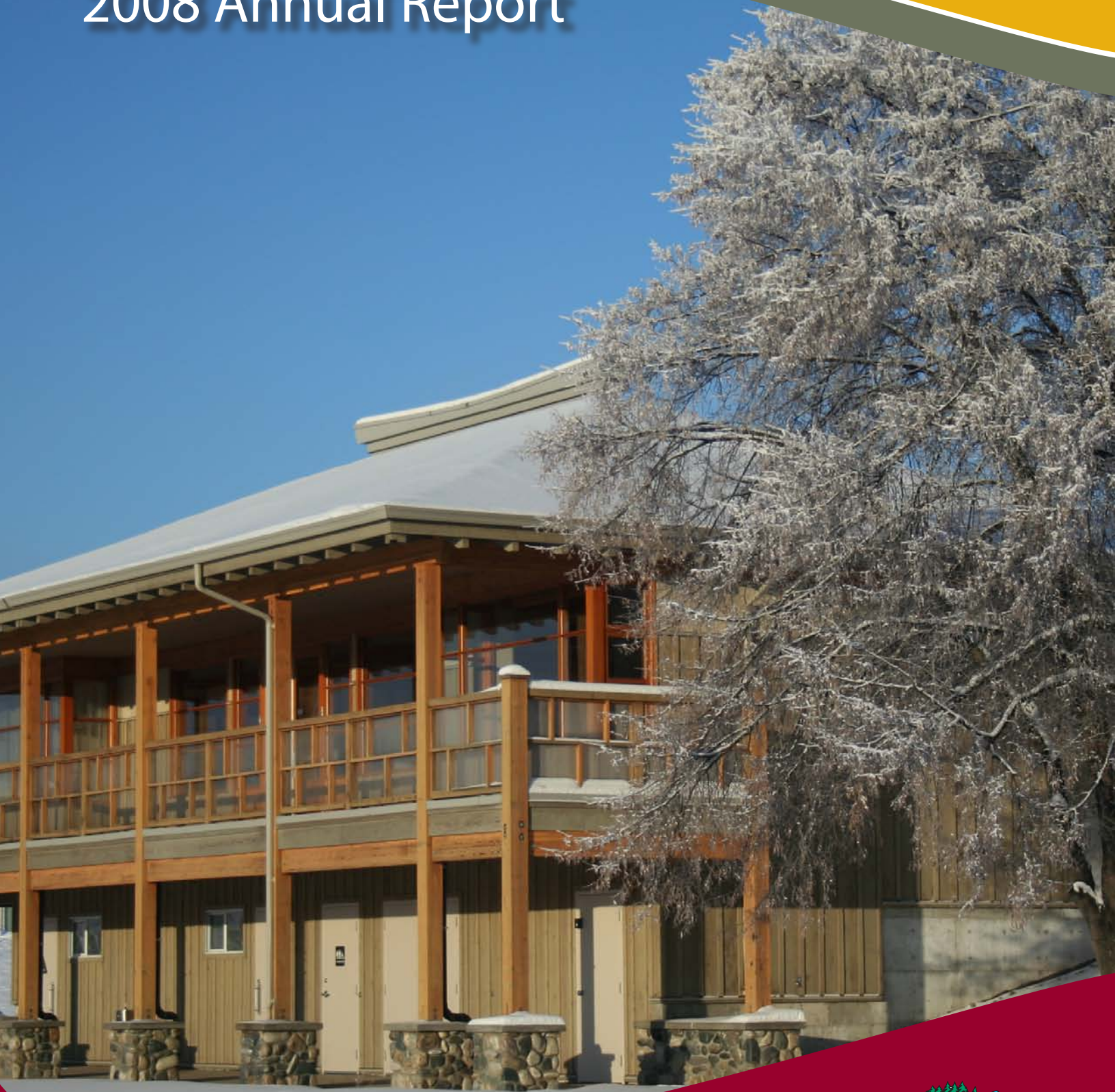


# 2008 Annual Report



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# Mayor and Council



Mayor Mary Sjostrom

**Chair:** Executive Committee, Spirit of BC Committee

**Director:** Cariboo Regional District Board

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

**Portfolios:** Executive, Economic Development, First Nations Relations



Councillor Mike Cave

**Chair:** West Quesnel Land Stability Advisory Committee, Environmental Advisory Committee

**Representative:** Audit Committee, Quesnel Airshed Roundtable

**Portfolio:** Environment



Councillor Peter Couldwell

**Chair:** Health Advisory Committee

**Representative:** Executive Committee, West Fraser Timber Park Committee

**Portfolio:** Health



Councillor Coralee Oakes

**Representative:** Executive Committee, Audit Committee

**Portfolio:** Safety and Protection, Education



Councillor Ron Paull

**Chair:** Quesnel Volunteer Citizen of the Year Committee

**Representative:** Museum and Heritage Commission, Labour Relations

**Portfolio:** Transportation



Councillor Laurey-Anne Roodenburg

**Chair:** Communities in Bloom Committee

**Representative:** Spirit of BC Committee, Labour Relations

**Portfolios:** Community involvement



Councillor Sushil Thapar

**Chair:** Audit Committee

**Representative:** Family Day

**Portfolios:** Finance

# Message from the Mayor

**O**n behalf of Quesnel City Council, I am pleased to present the City of Quesnel's 2008 Annual Report and Financial Statements. This provides you with a progress report regarding our achievements in 2008 as well as a summary of our strategic plans for 2009. Despite the many challenges put before us, I believe we have a strong and prosperous future.

City Council's number one priority remains the West Quesnel Land Stability Program. We had another productive year in 2008. Not only are the study and analysis portions of the program complete, but the results of the trial dewatering program indicate that our proposed remediation efforts will have an impact and hopefully lead us to a lasting solution.

The financial sustainability of the corporation continues to be strong. We are committed to being a fiscally responsible entity and have been successful in securing several large grants for major projects, many of them through our Quesnel Community and Economic Development Corporation. This wholly owned subsidiary of the City is always busy securing grant funding for a myriad of projects across the City.

On the infrastructure front, we continue to invest in the Quesnel Works: Capital Reinvestment Program. This identifies our infrastructure needs and sets about a schedule for replacement that allows us to plan for timely and efficient reinvestment projects.

We continue to watch with pride the development of City Hall in 2008. We were partners in the opening of the Cariboo Regional District Library System's new branch on the ground floor. This facility is a showcase for literacy and community involvement that provides outstanding library services for North Cariboo residents.

Other successes for 2008 were the BC 150 Years events. We welcomed the Cowichan Spirit Pole, an authentic First Nations totem pole that travelled across the province and was carved by residents from across B.C. under the guidance of a master carver. We also saw the Gold Rush Sled Dog Mail Run be a major provincial event, documented on video by the province for display at the Beijing Olympics. We were also host to another outstanding Spirit of BC Week, which included a signature provincial literacy event benefitting a number of local schools.

We are a business-minded Council that is open to investment in our community. We strive to work with senior levels of government and will maximize grant funding and investment opportunities to ensure our community is well-positioned for the future. As your Mayor and on behalf of City Council, we are committed to ensuring that your concerns, suggestions and requests are dealt with in a timely manner. We value the opportunity to represent the entire community.

I am very enthusiastic about Quesnel. We have a sense of community spirit that permeates everywhere and makes Quesnel a wonderful place to call home. I am proud to be your Mayor and look forward to all the successes that are sure to come in 2009 and beyond.



Mayor Mary Sjostrom



# The City at a Glance

**Q**uesnel is the commercial centre of the North Cariboo and has a trading population of approximately 25,000 people within a radius of approximately 50 kilometres 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 B.C., 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 Property Taxes** – Quesnel's average residential property taxes are among the lowest 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 Rivers, 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 2008

## Dewatering shows promise

The West Quesnel Land Stability Program made great progress in 2008.

The trial dewatering program used two types of dewatering methods: vertical wells that pump water out of the ground; and horizontal drains that allow groundwater to run out of the hill.

Four vertical wells and two horizontal drains were used, with reports showing a drop in water levels and pressure that can be correlated to when the wells and drains came online.

The wells removed about 29,500 US gallons per day from the study area.

This trial program allowed the City to begin work on designing a full-scale remediation plan for the affected area.

The West Quesnel Land Stability Program remains Council's top priority. The City of Quesnel has invested more than \$1.6 million on the West Quesnel Land Stability Program since 2000. There are more than 750 homes and 2,100 residents in the slippage area.

## North Cariboo Multi-Centre gets voter approval

Voters in the North Cariboo passed the referendum for the North Cariboo Multi-Centre on Nov. 15, 2008, with 2,765 in favour and 2,524 against.

This approval allows the Cariboo Regional District (who provide the recreation function for all residents of the North Cariboo, including those who live within the City limits) to borrow up to \$15 million for the construction of a 2,000-seat arena, 450-seat performing arts theatre and accompanying event and assembly space.

The project has a budget of \$30 million, which means the City and CRD need to secure an additional \$15 million from other sources, such as senior levels of government, before the project can proceed.

## Photography exhibit celebrates Quesnel's history



A new photography exhibit providing a stunning and unique glimpse into the social fabric of Quesnel in the early 1900s opened in April at the Quesnel and District Museum and Archives.

**Upstairs at Wah Lee's: Portraits from the C.S. Wing Studio** consists of 30 framed contemporary photographs digitally printed from the glass plate negatives created by Quesnel's first professional photographer Chow Shong (C.S.) Wing. The images were selected by Faith Moosang for their aesthetic quality and documentary interest from a much larger collection of original negatives by C.S. Wing housed in the Quesnel and District Museum and Archives.

The exhibit closed on September 6 and began its travels to other museums and art galleries throughout British Columbia.

Wing was born in Quesnel circa 1890 into the Chinese merchant family that ran the Wah Lee Store in Quesnel. As a young man he established a photographic studio on the upper floor and was the first professional photographer in Quesnel (active c. 1910-20).

Rocky Mountaineer Vacations named the locomotive that transports thousands of visitors to our community each year the Pride of Quesnel.

RMV officials said the dedication belongs to the entire community, which "has greatly contributed to the overall RMV vacation experience and become extraordinary hosts to RMV's guests from around the world."

The locomotive was unveiled at a special ceremony on May 14 in front of hundreds of onlookers.

The Pride of Quesnel travels on the Fraser Discovery Route between Whistler and Jasper.



# Highlights for 2008

## City studies accessibility

The City took on a program with a specific goal of learning more about the employment opportunities and challenges facing those living with a disability.

The City received funding thanks to a Labour Market Partnership through Service Canada in conjunction with Career Leap. As a result, a local coordinator, Alison Duddy, researched and reported on the involvement of people with disabilities – physical and developmental – in Quesnel's labour market.

Demographic changes that include retiring baby boomers and general labour market shortages make it vital a community can call upon all sectors to contribute. It also leads to a workforce that is more representative of the entire community.

Rick Hansen, the keynote speaker at Career Leap 2008, waived his speaking fee in exchange for the City taking on community projects related to people with disabilities.

The report included information about the local labour market and input from people with disabilities and their families, employers and local organizations. The report also contained a number of recommendations for the City and other stakeholders to consider.



## Super Saturday promotes healthy living

Quesnel and District Leisure Services and the Quesnel Volunteer Citizen of the Year Committee teamed up to present three events on September 6, dubbed **Super Saturday**.

There were three events:

- Central Registration, where residents signed up for a wide range of community programs & activities
- A Volunteer Fair at West Park Mall, where people learned about different volunteer organizations and how to use their volunteer talents and energy
- Try It Out Day, a jam-packed event at West Fraser Timber Park and the local gyms. There were orientations to 20 different activities, including ultimate Frisbee, cricket, belly dancing, lawn bowling, tennis, orienteering, bird watching, golf fitness, exercise classes for all levels, gymnastics, and soccer.



## Transit expansion for Quesnel

The Quesnel transit system expanded on September 8. A new route was added providing hourly service along North Fraser Drive. There is also enhanced service to Carson subdivision and the North Cariboo Community Campus, as well as schedule changes allowing better connections for riders.

This is the first major expansion since the service's inception in 2001 and is fully cost-shared with BC Transit.

## Olympic Torch to visit Quesnel in 2010

Residents of Quesnel and the North Cariboo anxious to catch the Olympic Spirit will have the opportunity to see the Olympic Flame in person on Thursday January 29, 2010 as it passes through on its way towards the Vancouver 2010 Olympic Winter Games. The 2010 Olympic Torch Relay is presented by Coca-Cola and RBC.

The announcement was made in November and included a sneak preview of the relay route and a flag-raising ceremony at City Hall. Quesnel will host a special mid-day celebration when the flame arrives.



# 2009 Strategic Plan

## 1. *West Quesnel Land Stability Program*

### **Objective**

To reduce land movement to a manageable level and then relax or remove the building restrictions that are currently in place. This will take multiple years to achieve.

### **Actions**

1. Complete year one of the two-year proposed full-scale mitigation plan, including surface dewatering, subsurface dewatering and leak detection.
2. Submit for grant opportunities that may arise, including the new Building Canada infrastructure program.
3. Intensive lobbying efforts by Mayor and Council.

## 2. *Financial Sustainability of the Corporation*

### **Objective**

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

### **Actions**

1. Develop a five-year plan with regards to tax shifting to address the imbalance between the tax rates for various tax classes.
2. Identify and develop more non-taxation revenue sources.
3. Focus on core service delivery and core capital requirements, such as continued commitment to the Quesnel Works: Capital Reinvestment Program.
4. Incorporate succession planning initiatives as part of further enhancing financial sustainability.





# 2009 Strategic Plan

## 3. *North Cariboo Multi-Centre*

### **Objective**

To replace an aging facility with contemporary buildings that take environmental, economical and social considerations into account. This includes construction of a 2,000- seat arena, 450-seat performing arts theatre and accompanying event and assembly space.

### **Actions**

1. By working with the Cariboo Regional District, secure funding that will allow the North Cariboo Multi-Centre to enter the construction phase.
2. Complete the work required to issue a comprehensive Request For Proposals as part of the overall Design-Build process.
3. Issue the RFP to interested firms once \$15 million in funding from sources other than the North Cariboo Recreation and Parks tax base have been secured.



## 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**

1. Review the existing economic development model of the Quesnel Community and Economic Development Corporation (QCEDC).
2. Institute more checks and balances into the workings of QCEDC to ensure Council's priorities and objectives are being met. Work on continually improving the relations between QCEDC and Council.
3. Continue to encourage the QCEDC in its highly successful search for grant opportunities, and attraction of new business ventures either starting up or relocating to Quesnel.

# 2009 Strategic Plan

## 5. *Community Safety*

### **Objective**

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

### **Actions**

1. Continued focus on prolific offenders by the RCMP.
2. Continued enhancements to the Community Policing program.

## 6. *Environmental Policy*

### **Objective**

To become a leader in municipal environmental management.

### **Actions**

1. Develop actions plans to achieve the targets mandated by the Province regarding landfill methane gas reduction, and corporate carbon neutrality.
2. Develop reporting tools to track the environmental initiatives undertaken by the City of Quesnel.

## 7. *Governance*

### **Objective**

To provide outstanding and cost-effective services to the taxpayers of the City of Quesnel through effective and efficient leadership.

### **Actions**

1. Provide outstanding services to current City residents before considering any City boundary expansions, which creates more service expectations.
2. Focus on building strong relations with the Cariboo Regional District to further strengthen regional initiatives.



# 2008 Financial Statements

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# 2008 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 2. 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, Chartered Accountant, 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, Chartered Accountant, to review their activities and to discuss auditing, internal control, and financial reporting matters. R. E. Rasmussen, Chartered Accountant, 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  
City Manager

# 2008 Financial Statements

**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, 2008 and the Consolidated Statements of Financial Activities, Changes in Financial Position and Changes in Net Financial Assets 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, 2008, 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 24, 2009

Chartered Accountant

# 2008 Financial Statements

## Significant Accounting Policies as at December 31, 2008

### ***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 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.

### ***Tangible Capital Assets***

Tangible capital assets purchased or constructed and work in progress are reported as capital expenditures and are classified according to their functional use. Tangible 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 Tangible Capital Assets - page 7. 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.



# 2008 Financial Statements

## Consolidated Statement of Financial Position as at December 31, 2008

<b>Financial Assets</b>	<b>2008</b>	<b>2007</b>
Cash and investments	12,673,960	10,849,108
Taxes and accounts receivable - note 3	3,918,964	4,696,006
Investment in subsidiary - note 4	23,961	23,887
MFA debt reserve	769,545	972,358
	<b>17,386,430</b>	<b>16,541,359</b>

<b>Liabilities</b>		
Accounts payable and accrued liabilities - note 5	3,555,901	3,104,623
Landfill closure - note 6	1,071,124	968,567
Deferred revenue	23,250	25,229
MFA debt reserve	769,545	972,358
Municipal debt - note 7	11,249,090	12,569,070
	<b>16,668,910</b>	<b>17,639,847</b>

<b>Net Financial Assets (Liabilities)</b>	<b>717,520</b>	<b>(1,098,488)</b>
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<b>Non Financial Assets</b>		
Prepaid expenses	280,822	52,161
Inventory of supplies	296,314	282,403
Property acquired for taxes	3,368	6,929
Tangible capital assets - page 19	94,202,505	90,286,476
	<b>94,783,009</b>	<b>90,627,969</b>

<b>Net Position</b>	<b>95,500,529</b>	<b>89,529,481</b>
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<b>Municipal Position</b>		
Equity in Operating Funds	4,658,369	4,588,270
Equity in Reserve Funds	7,882,061	7,217,121
Fund Balances - page 16	12,540,430	11,805,391
Equity in non-Financial Assets - note 11	82,960,099	77,724,090
	<b>95,500,529</b>	<b>89,529,481</b>

# 2008 Financial Statements

## Consolidated Statement of Financial Activities for the year ended December 31, 2008

	2008	2008	2007
<i><b>Revenues</b></i>	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
Taxation	13,886,795	<b>13,776,926</b>	13,572,099
Sale of services	1,081,424	<b>1,497,208</b>	1,172,108
Other revenue from own sources	1,161,276	<b>3,225,281</b>	4,207,841
Government grants	1,590,383	<b>1,854,217</b>	1,629,992
Services provided to other governments	719,095	<b>790,974</b>	562,831
Interest	-	<b>421,576</b>	320,258
Utility user fees	1,360,200	<b>1,405,667</b>	1,267,978
Contribution from Quesnel Youth Soccer	-	-	10,000
Proceeds on long term debt	-	<b>2,484</b>	1,978
Net results of subsidiary	-	<b>74</b>	19,769
	<b>19,799,173</b>	<b>22,974,407</b>	22,764,854
<i><b>Expenditures</b></i>			
General government services	2,533,886	<b>2,195,028</b>	2,092,092
Protective services	5,188,186	<b>4,984,259</b>	5,360,343
Transportation services	2,482,790	<b>2,588,257</b>	2,505,015
Environmental and health services	1,537,162	<b>1,485,599</b>	1,445,665
Development services and planning	607,261	<b>536,088</b>	539,703
Recreation and cultural services	1,114,555	<b>1,148,079</b>	1,069,940
Water utility operations	831,139	<b>806,991</b>	765,126
Sewer utility operations	575,257	<b>535,697</b>	489,427
Airport operations	641,981	<b>949,089</b>	630,234
Transit operations	329,459	<b>322,638</b>	285,831
Short term interest	352,621	<b>341,114</b>	371,424
Debt services	1,115,594	<b>2,432,546</b>	2,029,605
Capital expenditures	1,271,000	<b>3,913,983</b>	2,820,982
	<b>18,580,891</b>	<b>22,239,368</b>	20,405,387
Change in Fund Balances	1,218,282	<b>735,039</b>	2,359,467
Fund Balances, Beginning of Year	11,805,391	<b>11,805,391</b>	9,445,924
Fund Balances, End of Year - Page 15	13,023,673	<b>12,540,430</b>	11,805,391

# 2008 Financial Statements

## Consolidated Statement of Changes in Financial Position for the year ended December 31, 2008

<i>Cash Provided By (Used In)</i>	<u>2008</u>	<u>2007</u>
<b><i>Operating Activities</i></b>		
Change in fund balances	735,039	2,359,467
Change in equity in non-financial assets	5,236,009	3,842,977
<b><i>Changes in non-cash balances</i></b>		
(Increase) decrease in receivables	777,042	(896,910)
Increase in payables and accruals	451,278	207,480
Increase in landfill liability	102,557	115,920
Decrease in deferred revenue	(1,979)	(1,978)
(Increase) decrease in prepaids	(228,661)	44,799
Increase in inventories	(13,911)	(38,480)
Decrease in property acquired for taxes	3,561	1,256
	<b>7,060,935</b>	<b>5,634,531</b>
<b><i>Financing Activities</i></b>		
Retirement of municipal debt	(528,348)	-
Repayment of municipal debt	(574,073)	(654,075)
Actuarial adjustment	(217,559)	(183,038)
	<b>(1,319,980)</b>	<b>(837,113)</b>
<b><i>Investing Activities</i></b>		
Increase in investment in subsidiary	(74)	(19,769)
Net increase in tangible capital assets	(3,916,029)	(3,005,864)
	<b>(3,916,103)</b>	<b>(3,025,633)</b>
Net Change in Cash and investments	<b>1,824,852</b>	<b>1,771,785</b>
Cash and investments, Beginning of Year	<b>10,849,108</b>	<b>9,077,323</b>
Cash and investments, End of Year	<b>12,673,960</b>	<b>10,849,108</b>



# 2008 Financial Statements

## Consolidated Statement of Changes in Net Financial Assets for the year ended December 31, 2008

	<u>2008</u>	<u>2007</u>
<b><i>Increase in Fund Balances</i></b>	<b>735,039</b>	2,359,467
Tangible capital assets purchased by operations	<b>3,638,050</b>	2,158,774
Reduction of municipal debt	<b>1,319,980</b>	837,112
Interest on capital funds, grants and capital donations	<b>277,979</b>	847,091
Increase in inventory of supplies	<b>(13,911)</b>	(38,480)
Decrease in property acquired for taxes	<b>3,561</b>	1,256
Increase (decrease) in prepaid expenses	<b>(228,661)</b>	44,799
Tangible capital asset acquisitions	<b>(3,916,029)</b>	(3,005,864)
Increase in Net Financial Assets	<b>1,816,008</b>	3,204,155
Net Financial Liabilities, Beginning of Year	<b>(1,098,488)</b>	(4,302,643)
Net Financial Assets (Liabilities), End of Year	<b>717,520</b>	(1,098,488)

# 2008 Financial Statements

## Consolidated Tangible Capital Assets as at December 31, 2008

	LAND	BUILDINGS	ENGINEERED STRUCTURES	MACHINERY AND EQUIPMENT	2008 TOTAL	2007 TOTAL
<b>General Government</b>						
John Ernst Building	742,700	8,907,125		528,063	10,177,888	9,619,901
Land held for development	766,422	76,013	25,066		867,501	583,983
<b>Protective Services</b>						
Fire department	145,995	1,249,113	10,311	3,521,410	4,926,829	4,256,933
Street and traffic lights				326,912	326,912	326,912
Policing		2,946,473		214,657	3,161,130	3,131,745
<b>Transportation Services</b>						
Workshops and yard	197,114	377,313	200,270	5,792,728	6,567,425	6,389,458
Drains, ditches and dykes	56,737		2,350,219	5,774	2,412,730	2,199,837
Sidewalks			2,871,697		2,871,697	2,635,492
Streets, roads and lanes	687,785		11,068,590		11,756,375	10,981,582
Bridges			2,285,321		2,285,321	2,285,321
Downtown revitalization			439,081		439,081	439,081
Bus shelters			82,352		82,352	64,140
<b>Environmental Health</b>						
Garbage and waste collection	308,575		165,201	1,395,504	1,869,280	1,401,924
Recycling		112,982		76,038	189,020	189,020
West Quesnel geotechnical survey			165,386		165,386	165,386
<b>Recreation Services</b>						
Parks and playgrounds	116,174	24,777	7,208,437	295,092	7,644,480	7,612,493
Skating rink and arena	30	761,891	23,697	152,780	938,398	928,397
Indoor soccer facility	172,286	3,897,828	9,241		4,079,355	4,079,355
West Quesnel Recreation Centre		38,046			38,046	38,046
Historic equipment park			38,147		38,147	38,147
<b>Community Services</b>						
Museum and tourist bureau		814,949	24,288	46,840	886,077	814,755
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	866,291				866,291	866,291
<b>Water Services</b>						
Water	498,987		16,817,251	452,083	17,768,321	17,601,332
<b>Sewer Services</b>						
Sewer	22,037	3,961	4,766,521	674,548	5,467,067	5,326,302
<b>Airport Services</b>						
Airport facilities	170,906	4,035,988	1,828,612	1,164,624	7,200,130	7,133,377
<b>Total - to page 15</b>	<b>4,762,064</b>	<b>24,028,775</b>	<b>50,727,678</b>	<b>14,683,988</b>	<b>94,202,505</b>	<b>90,286,476</b>

# 2008 Financial Statements

## Notes to the Consolidated Financial Statements for the year ended December 31, 2008

### 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:

	2007 Balance	Interest	Receipts	Transfer to General Operating Fund	2008 Balance
Cemetery care fund	184,168	9,097	2,233	(9,097)	186,401

### 2. ACCOUNTING AND POLICY DEVELOPMENTS

Commencing with the City's 2009 fiscal year, the amended recommendations of the Public Sector Accounting Handbook for recording and reporting Tangible Capital Assets will apply to the City.

The amended recommendations, as set out in Section PS 3150 of the Handbook, establish standards on how to account for and report tangible capital assets in the City's financial statements. The standards provide guidance on the measurement and amortization of tangible capital assets.

The City has implemented procedures to enable it to comply with the provisions of the amended recommendations. To date, the City has developed the inventory of City owned lands and buildings. The City is currently working with its Engineers to finalize the inventory of water, sewer and roadway assets. The City is on schedule to meet the requirements of PS 3150 by the required date.

### 3. TAXES AND ACCOUNTS RECEIVABLE

	2008	2007
Property taxes	602,000	930,503
Federal government	232,611	53,576
Provincial government	30,115	682,569
Regional government	816,116	1,037,767
General	1,715,427	1,973,361
Debt recoverable	525,695	18,230
	3,918,964	4,696,006

### 4. 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 Board.



# 2008 Financial Statements

## Notes to the Consolidated Financial Statements for the year ended December 31, 2008 (continued)

### 5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2008	2007
Federal government	370	363,076
Provincial government	94,894	589,577
Regional government	96,817	39,788
General	3,160,736	1,902,352
Accrued interest	112,818	137,723
Deposits	90,266	72,107
	<b>3,555,901</b>	<b>3,104,623</b>

### 6. 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 763,500 m<sup>3</sup> which is expected to be sufficient for 15 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 2008 financial statements have been restated to reflect this obligation as a liability of the City.

The landfill closure liability has a balance of \$1,071,124 at December 31, 2008 (\$968,567 - 2007).

# 2008 Financial Statements

## Notes to the Consolidated Financial Statements for the year ended December 31, 2008 (continued)

### 7. MUNICIPAL DEBT

	<u>2008</u>	<u>2007</u>
Debenture debt		
General capital fund	<b>8,776,296</b>	9,307,039
Water capital fund	<b>2,472,794</b>	2,739,813
Sewer capital fund	-	522,218
	<b>11,249,090</b>	12,569,070

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

2009	530,074
2010	530,074
2011	530,074
2012	530,074
2013	350,623

### 8. FINANCIAL INSTRUMENTS

The City of Quesnel's financial instruments recorded 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.

### 9. 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 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 was 2007.

# 2008 Financial Statements

## Notes to the Consolidated Financial Statements for the year ended December 31, 2008 (continued)

### 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:

2009	\$ 239,771
2010	\$ 469,128

### **Continuity of Reserve**

	<b>2008</b>	<b>2007</b>
Balance - Beginning of year	<b>392,354</b>	238,671
Received during the year	<b>221,474</b>	192,006
Interest	<b>19,265</b>	10,334
Expended on eligible projects	<b>(12,666)</b>	(48,657)
Balance - End of year	<b>620,427</b>	392,354

### 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 144,000 active members and approximately 51,000 retired members. Active members include approximately 35,000 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 later in 2010. Each employer expenses contributions to the plan in the year in which payments are made.

### e. Co-ownership Agreement for the Quesnel Library:

The City and the Cariboo Regional District have committed to complete a co-ownership agreement for the Quesnel Library, which will be housed in the John Ernst Building. Under the agreement, the District will purchase a 1/5 undivided fee simple interest in the building which will enable the occupation by the District of the first floor for use as a regional library. The price for this 1/5 interest has been set at \$1,100,000. The City is committed to expend an estimated \$450,000 on prescribed base building upgrades. The District shall be responsible for the first \$2,200,000 of costs incurred to develop the library facility.

The City will participate to the extent of 50% of any cost overruns, in excess of \$2,200,000 to a maximum of \$2,600,000, incurred by the District in constructing the library facility. The City will purchase the existing library site from the District for \$122,000. If the City opts out of the library function within 10 years, it will repurchase the District's interest for \$1,100,000, together with tenant improvements incurred by the District. If the City opts out of the library function after 10 years, the repurchase price will be determined by an independent appraiser but will not exceed the original purchase price of \$1,100,000. If the District opts to leave within 10 years, the City will repurchase the District's interest for \$1,100,000. If the District opts to leave after 10 years, the City will repurchase the interest for a price to be determined by an independent appraiser, but not in excess of \$1,100,000.

f. 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.

# 2008 Financial Statements

## Notes to the Consolidated Financial Statements for the year ended December 31, 2008 (continued)

### 10. COMPARATIVE STATISTICS

#### EXPENDITURE BY FUNCTION

	2008	2007
General government services	2,536,142	2,463,516
Protective services	4,984,259	5,360,343
Transportation services	2,588,257	2,505,015
Environmental and health services	1,485,599	1,445,665
Development services and planning	536,088	539,703
Recreation and cultural services	1,148,079	1,069,940
Water and sewer operations	1,342,688	1,254,553
Airport operations	949,089	630,234
Transit	322,638	285,831
Net results of subsidiary	-	16,879
Capital expenditures	3,913,983	2,820,982
Debt services	2,432,546	2,029,605
	22,239,368	20,422,266

#### EXPENDITURE BY OBJECT

Salaries, wages and benefits	8,201,846	5,699,039
Service and supplies	14,037,522	14,723,227
	22,239,368	20,422,266

### 11. EQUITY IN NON-FINANCIAL ASSETS

Balance, beginning of year	77,724,090	73,881,113
Transfer from operating funds	758,352	663,850
Transfer from reserves	2,879,698	1,494,924
Donations and contributions from others	13,916	737,733
Government grants	261,579	107,380
Debt financing	2,484	1,978
Repayment of debt	574,073	654,074
Actuarial adjustment	217,559	183,038
Retirement of debenture	528,348	-
	82,960,099	77,724,090



# 2008 Financial Statements

## Permissive Tax Exemptions Granted by Council for 2008

Roll #	Organization	Assessed Value	Class 1 10.71763 4.06685	Class 6 24.09583 10.93129	Class 8 18.22589 12.04581	Total Exemption
87.000	Quesnel Masonic Temple Society	\$135,500			\$120,200	<b>\$2,191</b>
206.000	Salvation Army	\$80,500			\$80,500	<b>\$1,467</b>
218.000	Quesnel and District Child Dev. Centre	\$945,000		\$406,000		<b>\$9,783</b>
220.000	Fraser Basin	\$198,800			\$198,800	<b>\$3,623</b>
247.000	Quesnel Womens Resource Centre	\$152,300	\$152,300			<b>\$1,632</b>
248.000	Quesnel Womens Resource Centre	\$37,900	\$37,900			<b>\$406</b>
267.000	Amata Transition House Society	\$210,900	\$210,900			<b>\$2,260</b>
314.000	Fraser Village Homes Society	\$1,684,000	\$842,000			<b>\$27,722</b>
328.000	United Church of Canada	\$108,900			\$108,900	<b>\$1,792</b>
329.000	United Church of Canada	\$98,300			\$98,300	<b>\$1,985</b>
332.000	Royal Canadian Legion Branch 94	\$620,000		\$208,000		<b>\$5,012</b>
418.010	Quesnel & District Seniors Society	\$1,037,700		\$933,930		<b>\$22,504</b>
419.000	Quesnel Curling Club	\$739,000		\$739,000		<b>\$17,807</b>
961.000	Roman Catholic Bishop	\$172,400		\$5,100	\$87,900	<b>\$1,725</b>
1200.890	Northstar Fellowship Baptist Church	\$100,700			\$100,700	<b>\$1,835</b>
1550.080	Quesnel & District SPCA	\$121,100		\$121,000		<b>\$2,918</b>
2025.000	Trinity Lutheran Church	\$32,100			\$32,100	<b>\$585</b>
2135.000	Quesnel & District Child Dev Centre	\$29,000		\$29,000		<b>\$699</b>
2137.000	Quesnel & District Child Dev Centre	\$246,500		\$246,500		<b>\$5,940</b>
2189.000	Quesnel Tillicum Society	\$421,400	\$421,400			<b>\$4,516</b>
2193.000	Quesnel Tillicum Society	\$17,500		\$17,500		<b>\$422</b>
2602.000	Cariboo Gur Sikh Temple Society	\$36,700			\$36,400	<b>\$663</b>
2703.000	Guru Darbar Society Inc	\$32,000			\$31,100	<b>\$567</b>
3600.000	Congregation of Jehovah's Witnesses	\$61,300			\$59,500	<b>\$1,084</b>
4013.083	Royal Canadian Legion Branch 94	\$254,500	\$236,000			<b>\$2,529</b>
4208.000	Quesnel Elks Club	\$86,100			\$77,500	<b>\$1,413</b>
4210.000	Quesnel Elks Club	\$137,400			\$123,700	<b>\$2,255</b>
4211.000	Victory Way Baptist Church	\$60,100			\$54,700	<b>\$1,095</b>
4659.000	Lighthouse Pentecostal Church	\$24,700			\$24,700	<b>\$450</b>
5045.954	Cariboo Vasa Lodge	\$73,900			\$66,600	<b>\$1,214</b>
5047.309	Bethel Pentecostal Tabernacle	\$142,100			\$142,100	<b>\$2,590</b>
5862.500	Quesnel Auto Racing Association	\$440,000			\$440,000	<b>\$8,019</b>
		<b>\$9,365,300</b>	<b>\$2,546,500</b>	<b>\$2,706,130</b>	<b>\$2,535,100</b>	<b>\$138,703</b>
Total Taxes Per Class		\$138,703	\$27,293	\$65,207	\$46,204	
Municipal Portion of Taxes		\$70,475	\$10,356	\$29,582	\$30,537	

# 2008 Status Update

## 1. *West Quesnel Land Stability*

### **2008 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**

1. Complete trial de-watering program and analyze results (May 2008).
2. Continue efforts to obtain funding support for remediation (provincial and federal grants) and research approaches taken by other communities.

### **Action Summary:**

The trial de-watering program was needed in order to design a large-scale dewatering solution. The program targeted various soil types and used different methods to evaluate the effectiveness of each (i.e., vertical wells vs. horizontal drains). The purpose was to determine:

1. The rate of change in groundwater pressure.
2. How large an area is affected by de-watering efforts.
3. Which method is most effective.

Funding for the trial de-watering was included in the \$1.2 million provided by the provincial government in March 2006.

The trial dewatering program ran in the spring of 2008. It showed that groundwater levels and pressures decreased in areas where dewatering efforts were made, and provided good direction for the next phase.

In June 2008, the City submitted the draft report on the West Quesnel Land Stability Program's trial dewatering program to the Ministry of Community Development. This report was prepared by AMEC Earth and Environmental.

On June 24, 2008, Council and senior staff took part in a working discussion regarding WQLS with Premier Gordon Campbell, the Honourable Blair Lekstrom, then Minister of Community Development, and the Honourable Ida Chong, former Minister of Community Services.

On June 25, the West Quesnel Land Stability Advisory Committee convened to review the results of the trial dewatering program. The committee requested that a mailout be sent to all residents providing the same information. This was delivered to residents in July.

In August, the City submitted the final report regarding the water balance model, prepared by Urban Systems. In November 2008, City Council authorized spending approximately \$61,000 to design a full-scale dewatering program for the West Quesnel Land Stability study area. Monitoring costs for 2008 were well below budget, which left a surplus of \$85,522 in the West Quesnel Land Stability account. This surplus was used to design the next phase of the program.



# 2008 Status Update

At this time, the City had not heard from the provincial government regarding the results of the trial dewatering program and sent correspondence advising the Ministry of Community Development of the proposed action and to seek endorsement of the plan.

In December 2008, the City received correspondence from Deputy Minister Dale Wall providing an update on the province's work on this file. Mr. Wall indicated the reports would need to be reviewed by an independent expert, likely Dr. Norbert Morgenstern of the University of Alberta's Geotechnical Engineering Department. Dr. Morgenstern has been involved with this project in the past, including the independent review just prior to the province committing \$1.2 million in funding towards the WQLS program.

## ***City Manager's Comment***

Good progress was made in 2008. The completion of the trial de-watering program showed that a large-scale surface and sub-surface dewatering program is the next best step for this program. The time for studying and analysis has passed, according to the City's engineers. It is an appropriate time to secure funding from senior levels of government and aggressively pursue a remediation program.

## ***2. Financial Sustainability of the Corporation***

### ***Objective***

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

### ***Actions***

1. Finance Director to evaluate debt servicing capacity in relation to taxes.
2. Council to review Fee for Service discussion paper prepared by Finance Director and develop a policy regarding same.
3. Review business licences.
4. Examine new revenue opportunities (e.g. land development).
5. Council to review tax shifting options as part of the budget process and in light of new provincial requirements.

### ***Action Summary***

#### **Finance Director to evaluate debt servicing capacity in relation to taxes.**

This is an ongoing project, with more developments expected in 2009. In 2008, the Director of Finance conducted benchmarking studies with other communities. The results of that exercise indicated there is a vast array of approaches used by communities across the province. Each community decides to use debt in different ways; some use very little or no debt, while others maximize low-interest debt for re-investment or new initiatives. This data will prove useful as the City continues to evaluate its overall debt servicing capacity.

#### **Council to review Fee for Service discussion paper prepared by Finance Director and develop a policy regarding same.**

A Fee for Service Discussion Paper was completed in 2008. While no formal policy was developed (it is anticipated a policy will be ratified by Council in 2009), the City's budget process has changed to include specific approval for all fees for service, even those that are ongoing.

#### **Review business licences.**

The business license process and its overall model of delivery is being reviewed throughout the Province. In fact, a pilot program in the Okanagan has 17 local governments employing the Mobile Business License concept that sees businesses use one licence for use in multiple municipalities.

# 2008 Status Update

The Ministry of Small Business and Revenue leads the Mobile Business Licence project and is working in partnership with local governments, the Union of British Columbia Municipalities, the Ministry of Community Development and key stakeholders to expand existing and introduce new Mobile Business Licence agreements in British Columbia. An interim review of this pilot project has been completed, with a final report due in early 2009. Once the results of this are known, Quesnel will review its policies regarding business licenses.

## **Examine new revenue opportunities (e.g. land development).**

The City took many steps in 2008 to increase its non-taxation revenues, including:

- The Quesnel Community and Economic Development Corporation continued their work on a number of revenue-generating projects such as the Community Heating and Energy Project.
- User fees were reviewed and adjusted in a number of areas. Most notably, the City instituted a 30% increase in 2008 for users of the City's sanitary sewer system. An additional 30% increase is slated to take effect in 2009. That increase amounts to a residential rate increase of \$33.12 in 2008 and \$43.08 in 2009. The Sanitary Sewer program is funded as a separate function from the Water or General funds. The goal is that user fees and frontage taxes pay for the costs of operating the entire sewer system. The fund is not cross-subsidized by any other City fund, taxation or by the Red Bluff sewer system; user fees and frontage taxes pay for the operational and capital costs of the system. The most recent sewer rate increase occurred in 2006. But before that, the last adjustment to these rates came in 1994. As a result, the sewer revenue was not keeping up with expenses; in fact by the end of 2007 the fund was left with a balance of just \$84,000 and would have been in a deficit of \$423,000 by the end of 2008.
- Several Memoranda of Understanding were finalized with the Cariboo Regional District, resulting in improved cost recoveries for many of the services provided to the CRD. This includes such functions as fire protection and cemetery services.



## **Council to review tax shifting options as part of the budget process and in light of new provincial requirements.**

- 2008 was the second year the Section 226 tax exemption to West Fraser was granted. This exemption sees the new sawmill receive a \$600,000 exemption per year for 10 years on the municipal portion of its property taxes. It should be noted the property owner still submits additional taxes due to the increased assessment of the new sawmill for categories not controlled by the municipality, such as school taxes.
- Council and Staff met with the Industrial Ratepayer Association several times in 2008 to exchange information and viewpoints.
- In 2008, the City's budget resulted in a one per cent shift of taxes from the Major Industry tax class to the Residential and Business classes. Major Industry went from paying 60.7% of the total general municipal taxes to 59.7%.

## **City Manager's Comments**

The City is in a strong financial position with healthy reserves. Although the City is still vulnerable to declining major industry property assessments, the tax shifting away from industry is gradually reducing that vulnerability, while not placing an undue burden on other taxation classes. Council needs to continue the focus on generating non-tax revenues and maintaining strict cost control over operations. Grant funds for capital projects must be aggressively pursued to leverage taxation dollars.



# 2008 Status Update

## 3. *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**

1. Council to re-examine the current economic development model and to assess its ongoing relevance.
2. Continue to examine issues related to building a new multi-purpose complex in Quesnel, including cost, affordability, financing, location, and operations/ownership.
3. Examine feasibility of building a new culture, heritage, and visitor centre in Quesnel, including cost, affordability, financing, location, and operations/ownership.
4. Improve relations between QCEDC Board and Council

### **Action Summary**

**Council to re-examine the current economic development model and to assess its ongoing relevance.**

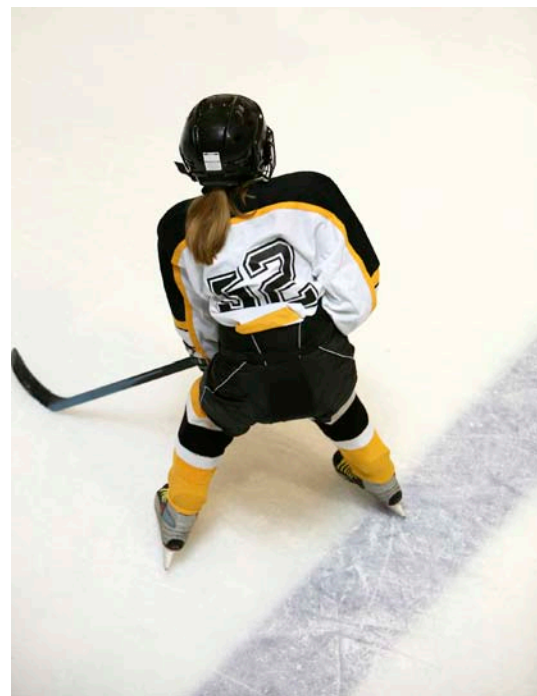
While Council met with the QCEDC board a number of times during 2008, some issues around the desired economic development model have yet to be resolved. It is likely this will continue to be visited in 2009.

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

By March 2008, it became clear that the late spring timeline for a referendum was not going to be feasible. The North Cariboo Joint Planning Committee resolved at its meeting on April 1, 2008 to hold the referendum in conjunction with the November 15 2008 local government elections. This decision helped secure greater voter turnout while saving money (the costs of holding a separate referendum would have been in the tens-of-thousands-of-dollars range).

At the May 13 NCJPC meeting, a referendum borrowing limit was capped at \$15 million. At the June 10 meeting, the NCJPC recommended to the CRD to proceed with the required readings of the borrowing bylaw to set the stage for the referendum in November. This recommendation was approved by the Cariboo Regional District Board at its June 27 meeting.

During the summer, the Communications Working Group fine tuned strategies, materials and schedules for a comprehensive public information campaign. The campaign was designed to encourage people to vote and to make sure they had the information they needed to make the decisions that were right for them. The plan included intensive media advertising, a newsletter delivered to every home and business within the recreation boundaries, and two open houses/public meetings.



# 2008 Status Update

The Communications Working Group presented the referendum communications strategy to the North Cariboo Joint Planning Committee on October 14, 2008.

This work culminated in the November 15 referendum. Residents who live in the North Cariboo Recreation and Parks Boundary were eligible to cast ballots to provide the Cariboo Regional District with the authority to:

1. Borrow up to \$15,000,000
2. To increase the North Cariboo Recreation and Parks function taxation limit to a maximum of the greater of \$3.2095/\$1,000 of assessed value of land and improvements or \$4,900,000 to provide for the construction of a new arena, theatre and multi-purpose event space.

North Cariboo residents voted Yes on the November 15, 2008 referendum. The Yes votes totalled 2,765, with 2,524 opposed.

## **Examine feasibility of building a new culture, heritage, and visitor centre in Quesnel, including cost, affordability, financing, location, and operations/ownership.**

The City issued a Request for Proposals for facility and exhibit design for the proposed Museum/Visitor Centre on May 14, 2008. The RFP closed June 18, 2008. On August 21, the City was awarded \$250,000 in grant funding from the Federal Government's Community Economic Development Initiative. This was enhanced by \$25,000 from the Northern Development Initiative trust.

The City entered into a contract in September with Urban Arts Ltd of Vancouver to complete the schematic and design development phases for this project. Urban Arts held start up meetings with staff and key stakeholder groups on October 2, 2008 and held extensive stakeholder group meetings in Quesnel on October 21 and 22.



Preliminary site review options were presented to the project steering committee and key stakeholders on November 17, 2008. Council was presented the preferred site option and approved proceeding with the project based on this option at their regular meeting on December 15, 2008.

It is anticipated that the design work will be completed by June 2009.

\$71,321.96 was expended in 2008 on this project. The project is funded in part through grants with Western Economic Diversification and the Northern Development Initiative Trust, and a donation by the Friends of the Museum.

## **Improve relations between QCEDC Board and Council**

Council and the QCEDC Board recognized the need for further discussions on this topic, specifically regarding Council/Board priority alignment and overall relations. Little work was done with respect to this priority in 2008.

## **City Manager's Comments**

Both the CITY and QCEDC are actively working on a number of areas, with this work to continue into 2009. Work continues to progress on the North Cariboo Multi-Centre and the proposed new Cariboo Culture, Heritage and Visitors' Centre; without significant funding commitments from senior levels of government, however, both of these projects will be difficult to see through.

# 2008 Status Update

## 4. Community Safety

### Objective

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



### Actions

1. Examine the scope of the Community Policing Program.
2. Identify ways to become more cost effective in carrying out police work.
3. Reduce drug trafficking.
4. Seek changes to crime reporting methodology.
5. Obtain information on municipal court from the Ministry of Solicitor General.

### Action Summary

#### Examine the scope of the Community Policing Program.

The Community Policing Manager provided the following outline of the current community policing program.

#### Youth Liaison Program.

This program has a dedicated RCMP Member, Const. Tim Wong. It administers several youth-related programs such as DARE (Drug Awareness/Resistance Education), school problem solving assistance, the safe schools programs, and assistance with the PARTY program for graduating students. Const. Wong also deals with youth problem areas identified by regular patrol officers.

#### Citizens on Patrol (COP)

COP have formed society status and receive \$3,000 in funding annually from the City of Quesnel. COP have an office at the airport and use the community policing office for administrative work. They have 10 volunteers in their group and assist the RCMP by patrolling crime areas and assisting with traffic control and as security at public events.

#### Speed Watch

Speed Watch works in partnership with Quesnel RCMP Traffic Services and ICBC. They have two radar boards and usually work within City limits in school zones to help slow traffic down. They received \$150 in funding in 2008.

# 2008 Status Update

## **Bridgecam**

The bridgecam is operated out of the CPAC office and needs to be replaced. It is expected that 2009 will see a replacement system that would also include the Spirit Square and the skateboard park.

## **Restorative Justice**

Restorative Justice is coordinated by the community policing manager's office and typically involves young offenders on their first offense. At present about two sessions a month take place, with more scheduled on a gradual basis.

## **Block Watch**

There are 25 active Blockwatch programs in Quesnel. Each Blockwatch has a captain and a co-captain and typically include a block or area where the neighbours meet, discuss safety concerns and then watch out for each other's property. The community policing manager usually sends out a crime report via e-mail to this group once a week. He also meets with each group once a year to discuss their local concerns.

## **Meeting Room**

CPAC provides a meeting room free of use to community groups. Several groups such as Brownies, Toastmasters, Quesnel Riding Club, CHAPS and others use the room on a regular basis.

## **CPAC Office**

The office itself is open to the public, and provides public safety presentations such as the Senior Drivers Safety program, Senior Safety, Drug Awareness, and several other safety-awareness information sessions. Safety Bear is used regularly and can be seen at several community events.



CPAC has three part-time volunteers who take turns keeping the office open when the community policing manager is in the community doing other safety work. The manager is also on the advisory board for Seasons House and advises the RCMP on their issues. He is also on the high risk youth team and helps identify children who are at risk of becoming career criminals.

## **Identify way to become more cost effective in carrying out police work.**

The Quesnel Detachment initiated Crime Reduction Strategic Policing to provide more effective policing during 2008/09.

The policing is based upon targeting offenders instead of offenses. To this end, a Prolific Offender Program has

been developed, through which the RCMP have identified key persons involved in criminal behavior.

The offender is dealt with through cooperation with Crown Counsel and Probation providing the optimal information to the courts to ensure that the subjects are either held in custody prior to trial, or if released, the release conditions are in the best public interest. This program involves curfew checks to ensure compliance and a zero tolerance for any offenses or breaches of bail conditions.

The RCMP have had several success thus far where one target left the community, and two others have received substantial jail sentences. Further, we are seeing a greater percentage of offenders being remanded in custody.



# 2008 Status Update



## **Reduce drug trafficking.**

In partnership with the Liquor Control Board, the RCMP have begun a program with key bars to prevent cocaine trafficking in those establishments. When traffickers are identified to bar management, that person is then directed to leave by the management and barred from re-entry.

This past year was a challenge for drug enforcement as due to the detachment's vacancy pattern, the drug section was at half strength for much of the year. In spite of that, the RCMP conducted several searches resulting in several significant grow operations being dismantled. As well, the drug enforcement officers have targeted crack houses and have had a significant impact through enforcement of a number of statutes that has effectively grounded a number of traffickers through Motor Vehicle Act offenses.

## **Seek changes to crime reporting methodology.**

Each year, the Ministry of Public Safety and Solicitor general release crime statistics for all jurisdictions in British Columbia. Quesnel City Council has long held the belief that the methodology behind how these crime statistics are measured is flawed. Rather than measuring the number of crimes and basing the percentage on a per capita basis strictly within City confines, Council has indicated a belief that a

broader population base, or a community's "service population", should be used.

Little progress was made on this front in 2008; however, this is an ongoing issue that will likely be addressed in coming years through a resolution to a local government organization such as the North Central Municipal Association or the Union of British Columbia Municipalities.

## **Obtain information on municipal court from the Ministry of Solicitor General.**

Former Mayor Nate Bello forwarded a letter asking that Quesnel be considered for a Community Court. The Community Policing Manager has attended several conferences and seminars. From the speakers he has listened to, it is evident this style of court system is in an experimental stage in the downtown eastside of Vancouver. Community Court is designed to target the root causes of downtown core crime. Homelessness, mental health and drug addiction have been identified as the root cause of crime in the downtown eastside of Vancouver. The Community Court therefore has people in a court setting who can deal with these issues in the first instance and stop the "revolving door" syndrome that takes place when people are left on their own to deal with those issues. It appears this type of court is working and the community policing manager indicates that a final evaluation will promote its use in other cities.

## ***City Manager's Comment***

There is a very positive working relationship between City Council and the local Detachment Commander, and between City Staff and the Commander. This has resulted in quicker resolutions to problems that arise. Communication protocols between the RCMP and City Council have been revised and formalized.

# 2008 Status Update

## 5. *Environmental Policy*

### **Objective**

The City of Quesnel's goal is to become a leader in municipal environmental management.

### **Actions**

1. Develop an environmental policy statement that encompasses the broad range of environmental initiatives being undertaken by the City (energy conservation, composting, bioenergy, etc.)

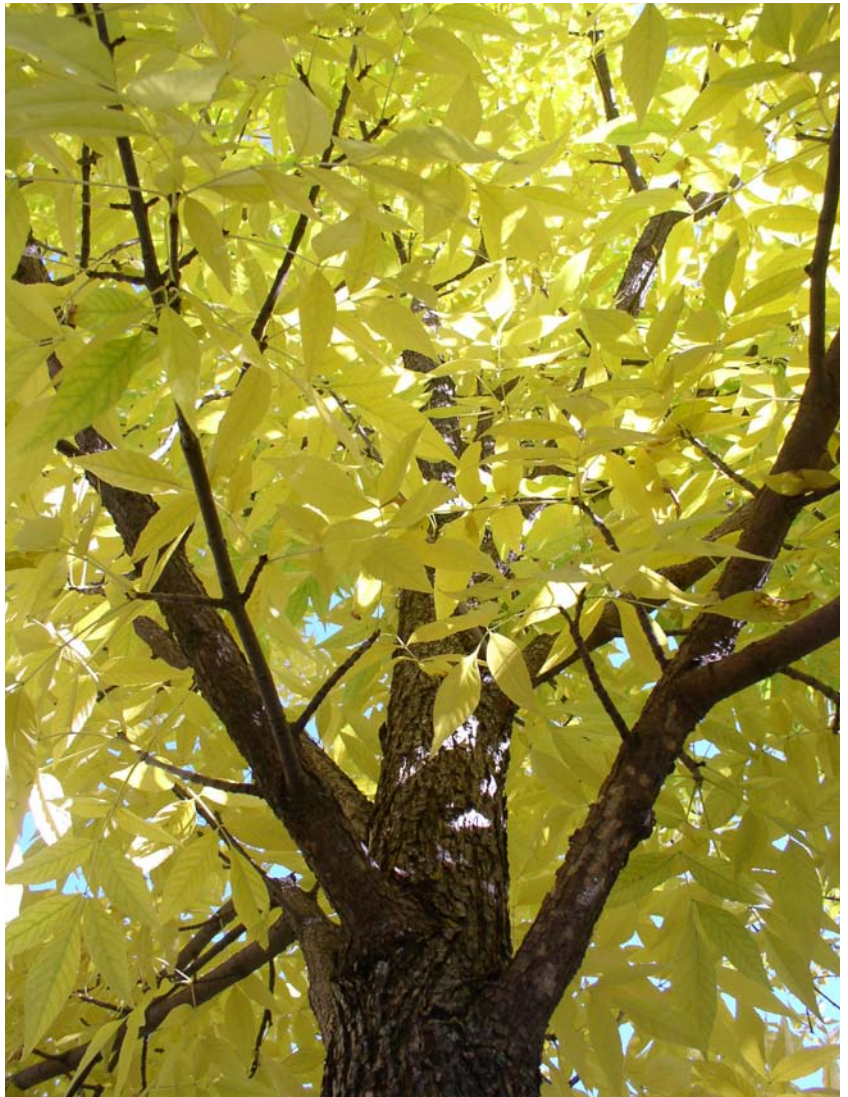
### **Action Summary**

An environmental policy statement was developed by City Staff and referred to the City's Environmental Action committee. In addition, the 2008 budget process placed a greater emphasis on the environment, with each manager highlighting their environmental initiatives. City staff is working on rationalizing the environmental requirements due to the Landfill regulations and the need to become carbon neutral.

In 2008 several key facilities (including City Hall and the Arts and Recreation Centre) underwent major renovations to reduce energy consumption, reducing their carbon footprint.

### **City Manager's Comment**

Clearly, environmental awareness and responsibility is going to be a major thrust, not only for the City of Quesnel, but for municipalities across B.C. The City is a signatory to the BC Climate Action Charter, which commits the City to becoming carbon neutral in respect to our operations by 2012 (not including solid waste facilities regulated under the Environmental Management Act, such as the municipal landfill). This will remain a priority project for the City for years to come.



# 2008 Status Update

## 6. *Succession Planning*

### **Objective**

Devise a program to develop, recruit, and retain staff to meet the long-term technical, administrative and management needs of the City.

### **Actions**

1. Hold a succession planning workshop to discuss short- and long-term strategies and programs to improve manager and staff retention.
2. Develop a succession planning policy statement for approval by Council.
3. Examine ways to grow managers internally from within exempt and bargaining unit staff.
4. Explore opportunities to invest in staff by funding and creating development and growth opportunities.

### **Action Summary**

#### **Hold a succession planning workshop to discuss short and long term strategies and programs to improve manager and staff retention.**

This workshop was conducted on April 2 and 3, involving all mid-level and senior managers from across the organization. The sessions painted a picture of the organization and, more specifically, highlighted some areas of significant vulnerability.

#### **Develop a succession planning policy statement for approval by Council.**

This was not completed in 2008 due to a number of factors, most notably the departure of the City Manager and the transition period to a new manager. The need for this policy statement will need to be re-evaluated before further work is completed.

#### **Examine ways to grow managers internally from within exempt and bargaining unit staff.**

There were positive results of the City's focus on succession planning in 2008. An employee from the Public Works department was hired into the Finance office to help further his career as an accountant. In another instance, the development services clerk took on the building inspection role. She completed her Level 1 Building Inspection grade in 2008. In both instances, these were areas of concern looking forward where there is now capable staff ready to take on new challenges and help create a seamless transition from retiring or departing employees to new employees.

#### **Explore opportunities to invest in staff by funding and creating development and growth opportunities.**

The City offers training budgets throughout its operations and encourages staff to take advantage of appropriate training and conference opportunities.

### **City Manager's Comment**

With an aging workforce prevalent across the nation, the City is no more immune to this demographic shift than any other organization. A commitment to succession planning, staff development, training and staff empowerment exists within the corporate structure of the City. By investing in staff, the City is well-positioned to adapt to changing demographics and economic situations.



# 2008 Status Update

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## 7. *City Expansion and Governance*

### ***Objective***

To consider expanding City boundaries based on the desire of residents and property owners to join the City and the resources available to address the issues on an expansion area.

### ***Action***

1. Review the paper prepared by the CRD entitled Grow, Strong Sustainable Communities and develop recommendations on areas for improved governance and representation.

### ***Action Summary***

This paper was reviewed by senior management as well as individual members of Council. The paper is still under review, but contains some interesting proposals that would allow Regional Districts greater latitude in their overall governance capabilities.

### ***City Manager's Comment***

The City will continue to focus on building relationships with the CRD to build stronger regional services.