



CITY OF  
**QUESNEL**

**Annual Report | 2011**

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# Mayor and Council

## Mayor Mary Sjostrom

**Chair:** Executive Committee

**Director:** Cariboo Regional District Board

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

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



## Councillor John Briscoe

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

**Representative:** Museum and Heritage Commission, West Fraser Timber Park Advisory Committee, Canada Day

**Portfolios:** Heritage



## Councillor Mike Cave

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

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

**Portfolios:** First Nations Relations, Affordable Housing



## Councillor Ed Coleman

**Chair:** Finance Committee, ourQuesnel Sustainability Task Force, Audit Committee

**Representative:** Executive Committee, Labour Relations

**Portfolio:** Finance



## Councillor Scott Elliott

**Chair:** Civic Pride

**Representative:** Neighbourhood Association/ Business Improvement Areas/Chamber of Commerce liaison, Labour Relations, Canada Day

**Portfolios:** Policy and Bylaw Review, Tourism



## Councillor Laurey-Anne Roodenburg

**Co-Chair:** North Cariboo Recreation and Parks Commission

**Representative:** Executive Committee, Labour Relations, CRD Board Alternate Director, Canada Day, Shiraoi Twinning Society

**Portfolio:** Safety and Protection, Policy and Bylaw Review



## Acting Mayor Schedule

<b>December/January:</b>	Councillor Coleman
<b>February/March:</b>	Councillor Elliott
<b>April/May:</b>	Councillor Cave
<b>June/July:</b>	Councillor Roodenburg
<b>August/September:</b>	Councillor Thapar
<b>October/November:</b>	Councillor Briscoe

*Council portraits courtesy J Closs Photography*

## Councillor Sushil Thapar

**Representative:** Audit Committee, Family Day, North Cariboo Recreation and Parks Commission

**Portfolio:** Policy and Bylaw Review





# Message from the Mayor

**O**n behalf of Quesnel City Council, it gives me great pleasure to present the City of Quesnel's 2011 Annual Report. This document provides the City's 2011 Financial Statements and a progress report regarding our achievements in 2011, while mapping out Council's strategic direction for 2012.

In 2011 we welcomed three new Councillors to the team: John Briscoe, Ed Coleman and Scott Elliott. These three join returning members Mike Cave, Laurey-Anne Roodenburg, Sushil Thapar and myself to create what I believe is a dynamic, experienced and enthusiastic team. I look forward to working with them over the next three years.

Council continues to expand our planning beyond a one-year envelope and look into the future. We've done considerable work to facilitate this. Rather than doing a strategic plan for 2012, we've created one for this Council's term, 2012 to 2014. The 2012 section is highlighted in this report, on pages 9 - 11.

In addition, Council is excited about the visionary work we're doing on the ourQuesnel Sustainability Task Force. We're engaging the community, doing long-term planning work (20, 30, 40 years out and beyond), and promoting sustainability at every opportunity. 2012 will be a big year for ourQuesnel, as we develop a comprehensive, long-term Integrated Community Sustainability Plan based largely on our residents' feedback.

The West Quesnel Land Stability Program remains a top priority for the City. In 2011, we were able to satisfy all the regulatory requirements, such as the environmental assessment and final contract agreement with the provincial government. These phases had to be completed before we were allowed to move forward and begin the work. This is an important year for this program. We'll install a series of vertical dewatering wells, horizontal drains and storm water system improvements, all designed to remove groundwater from the area and reduce land movement. I offer thanks to the residents of the area who have been so patient and so engaged in this process. I can assure you we are committed to finding a lasting solution. And I also offer thanks to the West Quesnel Land Stability Advisory Committee for their extensive commitment to helping us work through this issue.

2011 was a good year for the North Cariboo Multi-Centre project as well. We secured \$2 million from the Northern Development Initiative Trust, and formed a fundraising committee that has been tasked with devising a plan and set of actions to help us raise the funds we need. We continue to lobby senior government for funds and are looking forward to success on that front.

This joint venture with the Cariboo Regional District is an example of the strong partnership we've developed collectively as locally-elected officials, and I look forward to seeing that relationship continue to flourish.

Council continues to focus on the City's financial stability and accountability. Long-term planning with a prioritized set of goals is key to being a fiscally responsible entity.

The Quesnel Works: Capital Reinvestment Program continues to be very successful for the City. This program identifies our infrastructure needs and sets out a schedule for replacement that allows us to plan for timely and efficient reinvestment projects. In 2012, we'll invest more than \$1.9 million in City roads and sidewalks, with hundreds of thousands more in other critical infrastructure, such as water and sewer projects, and equipment.

The City is being noted for the work we're doing, as we won several significant awards in 2011. The City's new interactive web mapping site - Q-City Map - and the online web mapping tutorials that accompany it won the 2011 Community Excellence Best Practices Award handed out by the Union of British Columbia Municipalities.

The Quesnel Community and Economic Development Corporation won a Marketing Canada Award for its blog, <http://quesnelinfo.blogspot.com> from the Economic Developers Association of Canada.

And the City received the Most Business Friendly Community award for the entire region from the Small Business Roundtable. That is reflected by the investments we see many of our local operators making. From significant upgrades at major industrial sites and dynamic and invigorating renovations at existing businesses, to new ventures opening regularly, there is confidence in this City and the region.

Quesnel is a phenomenal community, home to a remarkable entrepreneurial spirit, a compassionate volunteer base and residents with a strong sense of civic pride. That's why I am proud to call Quesnel home and why I am so passionate about our future.

On behalf of City Council, thank you for all the contributions you make to further our community.

I thank you for placing your trust in us and allowing us the opportunity to provide our leadership. I am proud to be your Mayor and look forward to working with you as we move forward together.



# The City at a glance . . .

**Q**uesnel is a charming city with an area population of about 24,000 people (10,000 within City boundaries), located at the confluence of the Fraser and Quesnel rivers in the heartland of beautiful British Columbia, Canada.

Entrepreneurial spirit, drive and a commitment to excellence are all critical characteristics of success; The City of Quesnel, both as a corporation and a community, embodies and fosters these characteristics.

We take pride in our City, an active, green and connected community that is working to diversify its economy, culture and people.

As an enthusiastic adopter of sustainability principles and practices, Quesnel is keen to be an active proponent of responsible projects that consider long-term ramifications during the business planning process. We believe in effective synergies between business, industry, local government and the community.

Our lifestyle is enviable. Within minutes you can travel from our downtown core to some of the best fishing, hiking and wilderness adventures in the world. Our renowned Riverfront Trail system affords its users a superb walking and cycling experience while being able to take in the breathtaking scenic vistas of the Fraser and Quesnel Rivers. We also have a flourishing appreciation for arts and culture, while maintaining strong roots to our heritage.

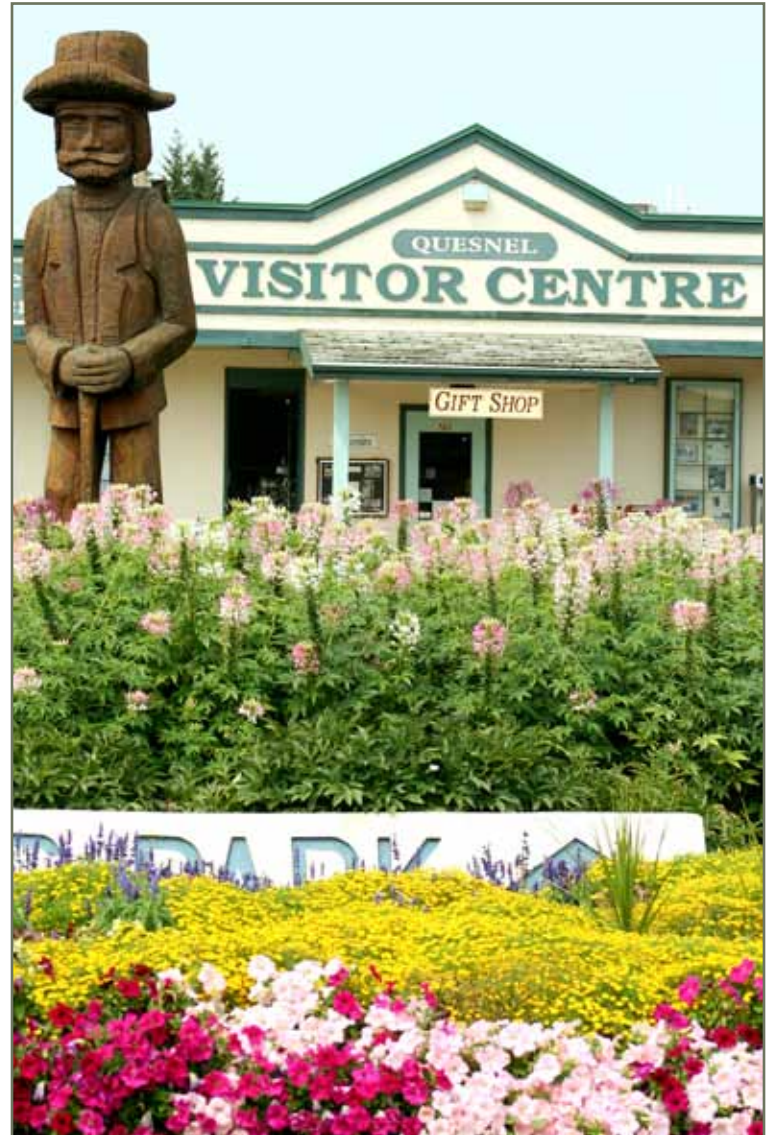
Quesnel is an affordable community, with very reasonable real estate costs and a municipal property tax rate that is the lowest of communities with populations ranging from 6,000 to 50,000 people.

We have an extraordinary community of volunteers who go to remarkable lengths to make this community an even better place. We're a friendly place, where it's hard to walk down the street without having someone greet you warmly.

People who choose to live, work and play in Quesnel don't regret that choice, as the affordability of calling the North Cariboo home is outstanding.

Quesnel is, quite simply, a wonderful community in which to live, invest or vacation. We invite you to visit us in person, or online at [www.quesnel.ca](http://www.quesnel.ca)

You won't regret it!





# 2011 Highlights

## West Quesnel Land Stability Program enters dewatering phase

In December, the City announced a large-scale initiative to implement measures to reduce land movement in West Quesnel.

The West Quesnel Land Stability Program dewatering phase, a \$4.7 million project, will: see the installation of 14 pumping wells; have nine horizontal drain sites installed consisting of more than 70 drains; and provide significant storm water system improvements for West Quesnel and area residents.

Over \$3.1 million was provided by the

Government of Canada and the Province of British Columbia, through the Building Canada Fund-Communities Component program, part of Canada's Economic Action Plan. The City of Quesnel also contributed over \$1.5 million to pay for the full-scale dewatering program.

In addition to these contributions, the City of Quesnel has invested more than \$2.1 million on the West Quesnel Land Stability Program since 2000. The Province of British Columbia added \$1.2 million in 2006. This

funding supported more than 10 years of work, including significant data collection and analysis, a trial dewatering program, and ongoing project administration.

The City and its engineering consultants spent 2011 completing a stringent environmental approval and final work contract agreement process.

Dewatering techniques such as those proposed for West Quesnel have worked in other locations, such as Aberdeen in Kamloops. The area affected by the ground movement includes about 940 parcels of land, 750 homes, several businesses, one elementary school and is home to more than 20 per cent of the City's population.

## Bike Park officially opened

The new Adventure Skills Bike Park, located next to the Quesnel and District Arts & Recreation Centre, was officially opened in August. The park has plenty to offer, including a freestyle section, pump track, and kid's area. The park has features to challenge young and novice riders as well as experienced and highly skilled riders.

The idea for a new bike park came about in 2010 when members of the Gold Rush Cycling Club approached the North Cariboo Joint Planning Committee for permission to build the bike park on City/CRD property.

The City and CRD made the land available, while also providing all the dirt that was required for the park's jumps and course development. The Gold Rush Cycling Club secured all necessary funding, arranged for and provided considerable in-kind labour, and successfully pursued a number of grants and donations.

## Councillor receives BC award

Former City Councillor Peter Couldwell was named a winner of the BC Community Achievement Awards in March by Premier Christy Clark.

Couldwell is a lifelong member of the community and a 20-year City Council veteran who has contributed significant volunteer hours and helped raise more than \$2.8 million for a wide range of fundraising endeavours.

Couldwell received a certificate as well as a medallion designed by B.C. artist Robert Davidson at Government House in Victoria on April 20.

Previous BC Community Achievement Award winners from Quesnel are Ron Silver in 2008 and Susan Maile in 2009.



# 2011 Highlights



*Left, the paving crew adds the final touches to the revitalization. Centre, the new curb flares feature accessibility improvements, including ridged concrete and raised curbs to assist those living with vision loss. Right, crews installed a new storm water drainage system designed to improve capacity during heavy rainfall or snow melt events.*

## Downtown street undergoes significant rehabilitation

The revitalization of St. Laurent Avenue was one of the biggest capital projects the City has undertaken in a long time. Over eight weeks in August and September, the area between Reid and Kinchant



Streets underwent a massive transformation, including: a new storm drainage system; new curb, gutter, paving stone and sidewalks; landscaping and paving; and new light posts

and decorative seasonal lighting added. The \$1 million project was funded through the Quesnel Works: Capital Reinvestment Program.

The project finished two weeks ahead of schedule and came in under the final approved budget.

The local business community, residents and motorists played a key role in the projects success by co-operating and being patient. The principle contractor, Jacob Brothers Construction showed a commitment to getting the job done on time and up to specifications.

## Quesnel raises funds for sister city

In March, the City of Quesnel, in conjunction with the Shiraoi Twinning Society, launched a community fundraising initiative to provide assistance to its sister city Shiraoi, Japan after Shiraoi's own Japanese sister city Sendai, was devastated by an earthquake and resulting tsunami. The residents of Quesnel responded by donating an astounding \$20,000, double the original goal of \$10,000.

The funds collected were wired to the Shiraoi local government and presented to the Sendai government.

## Economic development efforts continue

After three years of extensive grant writing, project administration and capital expenditures, the City of Quesnel and Quesnel Community and Economic Development Corporation completed a series of 11 projects in 2011 that infused more than \$2.8 million in grant funding and some 100 temporary jobs into the local economy.

Some of the projects included: the Fraser River Footbridge Revitalization (\$1.51 million in grants, matched by \$400,000 from the City); The Bulk Water Distribution Plant (\$270,000 in grants, matched by \$311,652 from the City); and the 2010

Olympic Torch relay (\$80,500 in grants).

Recently strengthened lines of communication between the QCEDC Board and Quesnel City Council have created a stronger alignment of strategic priorities between the two parties.

QCEDC continues to focus on developing proposals, seeking community investment and strengthening economic development programs.

The QCEDC is a wholly-owned, arms-length corporation of the City of Quesnel.



## City wins award at UBCM

The City's new interactive web mapping site - Q-City Map - and the online web mapping tutorials that accompany it won the 2011 Community Excellence Best Practices Award handed out by the Union of British Columbia Municipalities. You can check out Q-City Map at [www.quesnel.ca/Mapping-Splash.html](http://www.quesnel.ca/Mapping-Splash.html)

## QCEDC nets award

The Quesnel Community and Economic Development Corporation (QCEDC) took top spot at the 2011 Marketing Canada Awards for its blog, <http://quesnelinfo.blogspot.com> in the Digital Media-Interactive Media category. The blog is a mix of economic development opportunities, local and national news, items of interest, and community initiatives.

The honour came during the Economic Developers Association of Canada's 43rd National Conference. The Association recognizes that marketing a community is an integral part of the economic development profession, and provides the competition as an opportunity to exchange and review promotional literature, media, and other materials produced by municipalities across the country.

On top of this award, the City of Quesnel received the Most Business Friendly Community award for the entire region from the Small Business Roundtable. The QCEDC again played an instrumental role, this time in submitting the application and working directly with the business community. The award recognized efforts to promote small business growth within British Columbia.



*A number of donations supporting the purchase of accessible equipment in 2011 really helped make life better for those living with mobility issues. This new raised stretching platform at the Arts and Recreation Centre is one example of the investments made.*

## Community donations improving accessibility

The efforts of community-minded residents in 2011 resulted in donations that have made Quesnel a more accessible community.

The Rotary Club of Quesnel made three large funding contributions in 2011 to the City and to Leisure Services. The first was \$8,900 to cover the entire cost of an Evolv Easystand Glider. Active wheelchair users, sports enthusiasts or those in recovery can benefit from whole body workouts. The fully adjustable unit is easily transferred to, and has a hydraulic mechanism that raises the user into position. The user then employs the pull/push handles, altering the resistance as fitness increases.

The second donation was to the tune of \$22,000 for the

installation of five, outdoor ENERGI exercise stations in West Fraser Timber Park.

And the third \$1,100 donation covered the purchase and installation of a new five foot by seven foot cushioned, elevated stretching mat.

The Quesnel and District Arts and Recreation Centre features a number of pieces of wheelchair accessible equipment. Many other improvements such as improved door controls, accessible pool access equipment, and better curb cuts have also enhanced the centre.

Lynn Turner, a local resident in a wheelchair championed several improvements at the Arts and Recreation Centre, and was instrumental in researching and putting these ideas forward.



## Emergency exercise a success

The City of Quesnel hosted an emergency training exercise, in partnership with a large number of stakeholders, in September.

The Quesnel Regional Airport must conduct a full-scale emergency exercise once every five years. The scenario involved a downed aircraft at the top of Dragon Lake Hill. The City activated its Emergency Operations Centre and Emergency Social Services functions not only to test the emergency plan, but to provide a training opportunity for emergency personnel, staff and volunteers.



# 2012 Strategic Plan

## Introduction

Quesnel City Council has adopted a more long-term, visionary approach to strategic planning. While annual strategic plans are completed, they now tend to fall into longer, three-year plans that coincide with the Council's term of office. The goal of the strategic planning process is to guide the City's short- and long-term corporate management, decision-making and implementation.

The 2012-2014 City of Quesnel Corporate Strategic Plan updates previous corporate strategic planning work and integrates the priorities of the new Council. The 2012-2014 Plan was developed at a workshop held February 2 and 3, 2012. The workshop focused on completing a number of key tasks including:

- Reviewing the Corporate Mission, Vision & Values.
- Reviewing the 2011 Corporate Strategic Plan.
- Completing a 2012 SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis.
- Prioritizing ongoing and new projects and initiatives.
- Identifying new council initiatives.
- Reviewing and discussing completed, ongoing and potential new projects and initiatives.

For the purpose of the 2011 Annual Report, only sections pertinent to 2012 action items have been included. The entire strategic plan is available on the City's website at [www.quesnel.ca/Reports2012](http://www.quesnel.ca/Reports2012)

## 2012 Strategic Objectives,

Over time the City of Quesnel has identified key strategic objectives of the corporation. These were carried forward from the 2011 Strategic Plan and remain the guiding directions for the Corporation.

The strategic objectives of the City of Quesnel are:

- Sustainability in all Planning
- Community Health and Safety
- Financial Stability of the Corporation
- Economic Diversification
- Infrastructure Re-investment
- Environmental Stewardship
- Governance

Ongoing operational activities of the municipality consume the vast majority of the municipality's staff and financial resources. Although the strategic objectives are intended to guide all of the work of the municipality, the ongoing operational work of the municipality is not detailed here. Only a relatively small proportion of the municipality's work, specifically new, special, one-time or similar initiatives, are noted.

## Sustainability in all Planning

The provincial government's Integrated Community Sustainability Planning (ICSP) Initiative, originated from the federal government, provincial government and Union of British Columbia Municipalities Gas Tax Agreement, and encourages integrated community sustainability planning in B.C. The City of Quesnel was successful in 2011 in receiving a grant to undertake an ICSP process. An integrated, sustainability-based approach to the City's planning will balance the environmental, social, economic, cultural, physical and statutory dimensions of the City in a way that can be achieved and sustained within the City's means.

### Goal

To ensure Quesnel is an economically, environmentally, and socially sustainable community.

### Actions:

- Carry out the ourQuesnel (ICSP) process.
  - ourQuesnel is a broad process which will encompass the full spectrum of the City's strategic objectives. Several specific topics are to be considered including: transportation planning; stormwater management (starting with Dragon Creek); and subdivision service levels.
- Collect relevant densification policies of other jurisdictions, analyze, and report findings to Council.



# 2012 Strategic Plan

## Community Health and Safety

### Goal:

To ensure a healthy and safe community for residents, business and industry.

### Actions:

- Implement Phase 1 of the West Quesnel Land Stability Program dewatering initiative.
- Secure \$30 million through government, corporate and grassroots support for the North Cariboo Multi-Centre.
- Investigate options for and ramifications of developing a grow-op bylaw.
- Affordable housing:
  - Engage with affordable housing groups for lobbying and support to identify funding sources and partnerships.
  - Complete a housing strategy.
- Initiate a fitness and health initiative designed to move Quesnel towards being even more cycle friendly, pedestrian friendly, and healthy overall.



## Financial Stability of the Corporation

### Goals:

To ensure the long-term financial sustainability of the City of Quesnel.

To explore and generate alternative sources of revenue.

### Actions:

- Undertake short- and long-term financial planning for the Corporation which will balance revenues, expenditures and service levels.
- Identify new potential revenue streams eg: landfill and other partnerships.
- Draft policy for Council consideration, to utilize fiscal and social scorecards for return on investment on major capital projects.

## Economic Diversification

### Goal:

To reduce the city's reliance on revenues from a narrow range of industrial sectors and revenue sources.

### Actions:

- Continued Council commitment to Quesnel Community and Economic Development Corporation partnership.
- Joint planning with the School Board for land requirements.



# 2012 Strategic Plan

## Infrastructure re-investment

### Goals:

To ensure municipal infrastructure is maintained and renewed.

To ensure the corporation has the resources to undertake needed infrastructure re-investment.

### Actions:

- Continued commitment to the Quesnel Works: Capital Reinvestment Program.
- Landfill re-configuration.
- Multi-Centre construction.
- New Public Works facility – land acquisition and planning.
- Seek funding to develop more detailed shovel-ready plans for specific areas not having water service within City limits.
- Review Subdivision Servicing Standards and Bylaw through the ourQuesnel process.



## Environmental Stewardship

### Goal:

To ensure the City of Quesnel is a good steward of its natural resources for future generations.

### Actions:

- Include environmental issues and opportunities in the ourQuesnel process, including: community; air quality; water conservation, alternative renewable energy resources; transit etc.

- Update municipal bylaws as needed.
- Lobbying for and supporting projects, including those that don't fall specifically under the city's ordinary scope of operations, such as: alternative truck route; 3-phase power; Barkerville; Highway 26 and Nazko highway; transition funding for sustainability; Multi-Centre; Pine Beetle funding; affordable housing; extended-care facility.
- Develop a 20-year vision and plan document to communicate key capital planning, services, economic diversification, lobbying, branding messages etc.
- Develop a City of Quesnel succession plan.
- Undertake human resource planning.
- Evaluate staff capacity.

## Governance

### Goals:

To enhance the trust of the citizens of Quesnel in their local government.

To implement a proactive approach to planning and decision-making.

To support long-term strategic planning for the Corporation.

### Actions:

- Update policies including council code of conduct, travel, and cell phone.

## Summary

The City of Quesnel has committed considerable resources to strategic planning, resulting in a focused plan that can guide the work of the City over the immediate council term and beyond.

Staff will provide regular quarterly progress updates to Council on the status of the projects outlined in the plan. These reports will be prepared in a simple and straightforward report and table format with sufficient detail to communicate essential information.



CITY OF  
**QUESNEL**

***Consolidated Financial Statements***

***for the year ended  
December 31, 2011***



# 2011 Financial Statements



## CITY OF QUESNEL

410 KINCHANT STREET  
QUESNEL, B.C. V2J 7J5  
PHONE: (250) 992-2111  
FAX (250) 992-2206

### 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 Canadian public sector accounting standards as outlined under "Significant Accounting Policies" on page 15. These statements include some amounts based on management's best estimates and careful judgement.

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.

Kari Bolton, CMA  
Director of Finance

# 2011 Financial Statements

**R.E. RASMUSSEN**  
**CHARTERED ACCOUNTANT**  
(incorporated professional)

## INDEPENDENT AUDITOR'S REPORT

To the Mayor and Council,  
**City of Quesnel,**

I have audited the accompanying financial statements of the **City of Quesnel**, which comprise the Consolidated Statement of Financial Position as at December 31, 2011 and the Consolidated Statements of Operations, Changes in Net Financial Assets and Cash Flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### Opinion

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, 2011, and the results of its operations, changes in net financial assets and cash flow for the year then ended in accordance with Canadian public sector accounting standards.

*R. E. Rasmussen*

Quesnel, B.C.  
April 18, 2012

Chartered Accountant



# 2011 Financial Statements

## Significant Accounting Policies as at December 31, 2011

a. Basis of Presentation

It is the policy of the City of Quesnel to follow Canadian public sector accounting standards and to apply such principles consistently. These consolidated financial statements include the operations of the General, Water, Sewer, Transit, Airport, Capital and Reserve Funds. The Consolidated Financial Statements also reflect the combined results and activities of the reporting entity which comprises all organizations that are accountable for the administration and financial affairs and resources to the Council and are controlled or owned by the City. Controlled entities include the Quesnel Community and Economic Development (2002) Corporation. 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.

The focus of Canadian public sector accounting standards is on the financial position of the City and the changes thereto. The Consolidated Statement of Financial Position reflects the combined results and activities of the City's Operating, Capital and Reserve Funds. The purposes of these funds are:

- i. Operating Funds  
Operating Funds are used to record the costs associated with providing City services.
- ii. Capital Funds  
Capital Funds are used to account for the acquisition costs of the City's Tangible Capital Assets, the accumulated amortization thereon, and the funding thereof including related long term debt.
- iii. Reserve Funds  
Under the *Community Charter* of British Columbia, the Mayor and Council of the City may, by bylaw, establish Reserve Funds for specific purposes. Money in a Reserve Fund and interest thereon must be used only for the purpose for which the fund was established. If the amount in a Reserve Fund is greater than required, the Mayor and Council may, by bylaw, transfer all or part of the balance to another Reserve Fund.

Financial assets are economic resources controlled by a government as a result of past transactions from which future economic benefits may be obtained. Liabilities are present obligations of a government to others arising from past transactions, the settlement of which is expected to result in the future sacrifice of economic benefits.

b. Accrual Accounting

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

c. Inventories

Inventories are valued at cost on a moving average basis.

d. Tangible Capital Assets

Tangible capital assets purchased or constructed and work in progress are reported at cost less accumulated amortization and are classified according to their functional use. Amortization is recorded on a straight-line basis over the estimated useful life of the asset. For the first year of the asset's life, half the amortization is applied. Donated tangible capital assets are reported at fair value at the time of donation. Estimated useful lives are as follows:

Land Improvements	10 to 75 years
Buildings	5 to 65 years
Fixtures, Furniture, Equipment & Vehicles	5 to 50 years
Technology	4 to 18 years
Roads	10 to 100 years
Bridges	25 to 100 years
Water and Sewer Infrastructure	15 to 50 years

# 2011 Financial Statements

## Significant Accounting Policies as at December 31, 2011

### e. Restricted and Deferred Revenues

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

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

### f. Use of Estimates

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reporting period. Significant areas requiring the use of management estimates relate to the determination of collectability of accounts receivable, provisions for contingencies and prior years tangible capital asset historical costs and related amortization. Actual results could differ from those estimates. Adjustments, if any, will be reflected in operations in the period of settlement.

# 2011 Financial Statements

## Consolidated Statement of Financial Position as at December 31, 2011

	<u>2011</u>	<u>2010</u>
<b>Financial Assets</b>		
Cash and investments - note 2	<b>\$18,076,078</b>	\$14,989,249
Taxes and accounts receivable - note 3	<b>2,609,711</b>	4,457,922
Property acquired for taxes	<b>5,894</b>	1,368
MFA debt reserve - note 5	<b>169,348</b>	244,103
	<b><u>20,861,031</u></b>	<u>19,692,642</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities - note 6	<b>2,841,108</b>	2,959,327
Landfill closure - note 7	<b>829,919</b>	740,742
Deferred revenue - note 8	<b>2,132,730</b>	1,616,478
MFA debt reserve	<b>169,348</b>	244,103
Municipal debt - note 11	<b>8,839,257</b>	9,803,395
	<b><u>14,812,362</u></b>	<u>15,364,045</u>
<b>Net Financial Assets</b>	<b><u>6,048,669</u></b>	<u>4,328,597</u>
<b>Non-Financial Assets</b>		
Prepaid expenses	<b>193,823</b>	199,385
Inventory of supplies	<b>399,490</b>	357,849
Tangible capital assets - note 12	<b>76,824,422</b>	76,473,700
	<b><u>77,417,735</u></b>	<u>77,030,934</u>
<b>Accumulated Surplus - page 18</b>	<b><u>\$83,466,404</u></b>	<u>\$81,359,531</u>
<b>Represented By:</b>		
Operating Fund	<b>\$6,552,310</b>	\$5,837,251
Allocated Surplus	<b>1,045,998</b>	576,696
Statutory Reserves - Schedule 2	<b>7,882,933</b>	8,275,281
Equity in tangible capital assets - note 13	<b>67,985,163</b>	66,670,303
	<b><u>\$83,466,404</u></b>	<u>\$81,359,531</u>

See accompanying notes.



# 2011 Financial Statements

## Consolidated Statement of Operations for the Year Ended December 31, 2011

	<u>2011</u> <u>BUDGET</u> (unaudited)	<u>2011</u> <u>ACTUAL</u>	<u>2010</u> <u>ACTUAL</u>
<b>Revenues</b>			
Property taxes and grants in lieu - note 14	\$13,481,896	<b>\$13,700,696</b>	\$14,225,087
Sale of services - note 15	1,778,893	<b>2,173,645</b>	2,100,754
Government grants - note 16	6,842,684	<b>1,931,631</b>	3,474,450
Donations	-	<b>2,327</b>	18,478
Services provided to other governments	882,658	<b>956,205</b>	931,103
Investment Income	225,000	<b>297,558</b>	193,939
Utility user fees - note 15	1,850,079	<b>1,749,302</b>	1,561,285
Debt forgiven/reserve fund revenue	-	<b>139,904</b>	-
MFA actuarial adjustment	-	<b>425,344</b>	201,739
Other	500,000	<b>398,763</b>	934,030
	<u>25,561,210</u>	<u><b>21,775,375</b></u>	<u>23,640,865</u>
<b>Expenses</b>			
General government services	2,256,581	<b>2,087,874</b>	2,195,380
Protective services	4,734,743	<b>4,603,935</b>	4,325,692
Transportation services	2,835,450	<b>3,062,167</b>	2,611,799
Solid waste management and recycling	1,258,153	<b>1,320,991</b>	1,334,656
Development services and planning	514,345	<b>734,381</b>	1,461,048
Recreation and cultural services	1,165,971	<b>1,176,686</b>	1,225,181
Operations	3,261,928	<b>2,798,816</b>	2,945,408
Interest expense	665,871	<b>639,848</b>	665,399
Amortization	3,200,000	<b>3,165,858</b>	3,148,436
	<u>19,893,042</u>	<u><b>19,590,556</b></u>	<u>19,912,999</u>
<b>Subtotal</b>	5,668,168	<b>2,184,819</b>	3,727,866
(Loss) on sale of tangible capital assets	-	<b>(77,946)</b>	(44,973)
<b>Annual Surplus</b>	5,668,168	<b>2,106,873</b>	3,682,893
Accumulated surplus at beginning of year	<u>81,359,531</u>	<u><b>81,359,531</b></u>	<u>77,676,638</u>
Accumulated surplus at end of year - page 17	<u><u>\$87,027,699</u></u>	<u><u><b>\$83,466,404</b></u></u>	<u><u>\$81,359,531</u></u>

See accompanying notes.

# 2011 Financial Statements

## Consolidated Statement of Changes in Net Financial Assets for the Year Ended December 31, 2011

	2011 BUDGET (unaudited)	<u>2011</u>	<u>2010</u>
Annual Surplus	\$5,668,168	<b>\$2,106,873</b>	\$3,682,893
Tangible capital assets purchased	(10,499,223)	<b>(3,599,696)</b>	(4,909,326)
Amortization of tangible capital assets	3,200,000	<b>3,165,858</b>	3,148,436
Loss on sale of tangible capital assets	-	<b>77,946</b>	44,973
Proceeds on sale of tangible capital assets	25,000	<b>5,170</b>	17,823
	<u>(1,606,055)</u>	<u><b>1,756,151</b></u>	<u>1,984,799</u>
Acquisition of supply inventory	-	<b>(41,641)</b>	(83,123)
Use of prepaid expense	-	<b>5,562</b>	17,947
		<u><b>(36,079)</b></u>	<u>(65,176)</u>
Increase (decrease) in net financial assets	(1,606,055)	<b>1,720,072</b>	1,919,623
Net financial assets at beginning of year	<b>4,328,597</b>	<b>4,328,597</b>	2,408,974
Net financial assets at end of year	<u><b>\$2,722,542</b></u>	<u><b>\$6,048,669</b></u>	<u>\$4,328,597</u>

See accompanying notes.

# 2011 Financial Statements

## Consolidated Statement of Cash Flow for the Year Ended December 31, 2011

	<u>2011</u>	<u>2010</u>
Operating transactions		
Annual surplus	<b>\$2,106,873</b>	\$3,682,893
Non-cash items:		
Amortization	<b>3,165,858</b>	3,148,436
(Increase) decrease in prepaid expenses	<b>5,562</b>	(29,954)
Increase in supply inventory	<b>(41,641)</b>	(83,123)
Changes to financial assets/liabilities:		
(Increase) decrease in taxes and accounts receivables	<b>1,848,211</b>	(42,216)
(Increase) decrease in MFA cash deposits	<b>74,755</b>	(7,680)
(Increase) decrease property acquired for taxes	<b>(4,526)</b>	13,854
Decrease in accounts payable and accrued liabilities	<b>(118,219)</b>	(227,342)
Increase in landfill closure	<b>89,177</b>	84,931
Increase in deferred revenue	<b>516,252</b>	609,320
Increase (decrease) in MFA debt reserve	<b>(74,755)</b>	7,680
Cash provided by operating transactions	<b><u>7,567,547</u></b>	<u>7,156,799</u>
Capital transactions		
Acquisition of tangible capital assets	<b>(3,599,696)</b>	(4,909,326)
Proceeds from the sale of tangible capital assets	<b>5,170</b>	17,823
Loss on the sale of tangible capital assets	<b>77,946</b>	44,973
Cash applied to capital transactions	<b><u>(3,516,580)</u></b>	<u>(4,846,530)</u>
Financing transactions:		
Debt repayment	<b>(538,794)</b>	(538,795)
Actuarial adjustments	<b>(425,344)</b>	(201,737)
Cash applied to financing transactions	<b><u>(964,138)</u></b>	<u>(740,532)</u>
Increase in cash and investments	<b>3,086,829</b>	1,569,737
Cash and investments at beginning of year	<b><u>14,989,249</u></b>	<u>13,419,512</u>
Cash and investments end of year	<b><u>\$18,076,078</u></b>	<u>\$14,989,249</u>

See accompanying notes.



# 2011 Financial Statements

## Notes to the Consolidated Financial Statements for the Year Ended December 31, 2011

### 1. TRUST FUNDS

The City operates the Quesnel municipal cemetery and maintains a cemetery perpetual care fund in accordance with the *Cremation, Interment and Funeral Services Act*. The trust fund assets and liabilities are not included in the consolidated financial statements. At December 31, 2011, the balance of the funds was \$196,045 (2010-\$193,887).

### 2. CASH AND INVESTMENTS

	<u>2011</u>	2010
Restricted cash and investments		
Statutory Reserves	<b>\$7,882,933</b>	\$8,275,281
Restricted Revenues	<b>2,132,730</b>	1,616,478
	<b>10,015,663</b>	9,891,759
Unrestricted cash and investments	<b>8,060,415</b>	5,097,490
<b>Total cash and investments</b>	<b><u>\$18,076,078</u></b>	<b><u>\$14,989,249</u></b>

### 3. TAXES AND ACCOUNTS RECEIVABLE

	<u>2011</u>	<u>2010</u>
Property taxes	<b>\$753,957</b>	\$832,498
Federal government	<b>388,672</b>	1,687,956
Provincial government	<b>251,850</b>	252,806
Regional government	<b>336,580</b>	851,870
General	<b>878,652</b>	832,792
<b>Total taxes and accounts receivable</b>	<b><u>\$2,609,711</u></b>	<b><u>\$4,457,922</u></b>

### 4. PRIOR PERIOD ADJUSTMENTS

Prior to 2011, the Quesnel Community and Economic Development (2002) Corporation (QCEDC) was recorded using the Modified Equity basis of accounting. In accordance with the provisions of the Public Sector Accounting Handbook section 1300.25, the results of QCEDC are now being reported on a Consolidated Basis. 2010 has been restated on the same basis.

The City collects levies for three Business Improvement Areas. Prior to 2011, these levies were netted against the grants given to these organizations and not included in the financial statements. The levies are now being shown as part of the taxation revenue line, with the grants being expensed as part of the Development Services line.

### 5. DEPOSIT AND RESERVE - MUNICIPAL FINANCE AUTHORITY

The Municipal Finance Authority of British Columbia (the Authority) provides capital financing for regional districts and their member municipalities. The Authority is required to establish a Debt Reserve Fund. The Authority must then use this fund if at any time there are insufficient funds to meet payments on its obligations. If this occurs the regional districts may be called upon to restore the fund.

Each regional district, through its member municipalities who share in the proceeds of a debt issue, is required to pay into the Debt Reserve Fund certain amounts set out in the financing agreements. The interest earned on the Debt Reserve Fund, less administrative expenses, becomes an obligation of the Authority to the regional districts.

# 2011 Financial Statements

## Notes to the Consolidated Financial Statements for the Year Ended December 31, 2011

### 5. DEPOSIT AND RESERVE - MUNICIPAL FINANCE AUTHORITY (continued)

Upon the maturity of the debt issue, the unused portion of the Debt Reserve Fund established for that issue will be discharged to the City. The proceeds from these discharges will be credited to income in the year they are received. As of December 31, the total of the Debt reserve fund was comprised of:

	<u>2011</u>	<u>2010</u>
Cash deposits *	<b>\$169,348</b>	\$244,103
Demand notes	<b>406,557</b>	539,673
	<b><u>\$575,905</u></b>	<b><u>\$783,776</u></b>

\*Only the cash portion of MFA deposits is included as a financial asset.

### 6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2011</u>	<u>2010</u>
Federal government	<b>\$199,992</b>	\$58,045
Provincial government	<b>(23,240)</b>	148,863
Regional government	<b>827</b>	-
General	<b>2,418,050</b>	2,567,292
Accrued interest	<b>84,252</b>	104,903
Deposits	<b>161,227</b>	80,224
Total accounts payable and accrued liabilities	<b><u>\$2,841,108</u></b>	<b><u>\$2,959,327</u></b>

### 7. SANITARY LANDFILL

	<u>2011</u>	<u>2010</u>
Landfill closure liability	<b><u>\$829,919</u></b>	<b><u>\$740,742</u></b>

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 12 years. An update of this estimate will be completed in 2012.

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.

The City and the Cariboo Regional District (CRD) have a Memorandum of Understanding for the Landfill. As per this agreement the City is responsible for 66% of these post closure costs and the CRD is responsible for the other 34%.

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.

The costs associated with the landfill closure and post-closure care are determined as outlined in Section PS 3270 Solid Waste Landfill Closure and Post Closure Liability of the PSAB Handbook.

# 2011 Financial Statements

## Notes to the Consolidated Financial Statements for the Year Ended December 31, 2011

### 8. DEFERRED REVENUE

	<u>2011</u>	<u>2010</u>
Federal Gas Tax	<b>\$1,409,220</b>	\$910,693
Development Cost Charges	<b>679,566</b>	669,340
Other	<b>43,944</b>	36,445
	<b><u>\$2,132,730</u></b>	<u>\$1,616,478</u>

### 9. FEDERAL GAS TAX AND PUBLIC TRANSIT AGREEMENTS

Gas Tax Agreement and Public Transit Agreement funding is provided by the Government of Canada. Public Transit Infrastructure Program funding is provided by the Province of British Columbia. The use of the funding is established by a funding agreement between the local government and the Union of British Columbia Municipalities. Gas Tax Agreement funding may be used towards designated public transit, community energy, water, wastewater, solid waste and capacity building projects, as specified in the funding agreements. Public Transit Agreement and Public Transit Infrastructure Program funding may be applied towards the cost of designated public transit projects, as specified in the funding agreements.

#### Gas Tax Agreement Funds

	<u>2011</u>	<u>2010</u>
Opening Balance of unspent funds	<b>\$910,693</b>	\$374,060
Add: Amount received during the year	<b>475,009</b>	546,929
Interest Earned	<b>23,518</b>	7,978
Less: Amount spent on projects	-	(128,274)
Amount Accrued	-	110,000
Closing Balance of unspent funds	<b><u>\$1,409,220</u></b>	<u>\$910,693</u>

#### Public Transit Agreement Funds

	<u>2011</u>	<u>2010</u>
Opening Balance of unspent funds	-	\$4,500
Less: Amount spent on projects	-	(4,500)
Closing Balance of unspent funds	<u>-</u>	<u>-</u>
<b>TOTAL GAS TAX FUNDS</b>	<b><u>\$1,409,220</u></b>	<u>\$910,693</u>



# 2011 Financial Statements

## Notes to the Consolidated Financial Statements for the Year Ended December 31, 2011

### 10. DEVELOPMENT COST CHARGES

Development Cost charges are restricted revenue liabilities representing funds received from developers and deposited into a separate reserve fund for capital expenses. In accordance with Canadian public sector accounting standards, the City records these funds as restricted revenue which is then recognized as revenue when the related costs are incurred.

	Opening Balance	Receipts	Interest	Transfers Out	Closing Balance
Sanitary	\$107,543	\$(20,167)	\$1,996	\$-	\$89,372
Water	309,083	6,332	6,396		321,811
Storm	139,426	6,216	2,919		148,561
Roads	109,698	4,170	2,290		116,158
Parks	3,590	-	74		3,664
	<b>\$669,340</b>	<b>\$(3,449)</b>	<b>\$13,675</b>	<b>\$-</b>	<b>\$679,566</b>

### 11. MUNICIPAL DEBT

	Opening Balance	Additions	Principal Payments	Actuarial Adjustment *	Closing Balance
General Capital					
MFA					
53 R.C.M.P. Building	\$373,011	\$-	\$75,607	\$297,404	\$-
85 Fire Truck	943,231		23,048	7,838	912,345
95 New City Hall	5,219,661		144,072	31,214	5,044,375
97 Soccer Fields	247,822		103,843	17,638	126,341
99 Johnston Bridge	860,866		79,863	13,565	767,438
	<b>7,644,591</b>	<b>-</b>	<b>426,433</b>	<b>367,659</b>	<b>6,850,499</b>
<b>Water Capital</b>					
73 Southills Water	1,855,118		99,447	51,520	1,704,151
77 Southills Water	303,686		12,914	6,165	284,607
	<b>2,158,804</b>	<b>-</b>	<b>112,361</b>	<b>57,685</b>	<b>1,988,758</b>
<b>TOTAL</b>	<b>\$9,803,395</b>	<b>\$-</b>	<b>\$538,794</b>	<b>\$425,344</b>	<b>\$8,839,257</b>

The following principal amounts are payable over the next five years:

	2012	2013	2014	2015	2016
General	\$350,825	\$246,983	\$246,983	\$246,983	\$246,983
Water Funds	112,361	112,361	112,361	112,361	112,361
	<b>\$463,186</b>	<b>\$359,344</b>	<b>\$359,344</b>	<b>\$359,344</b>	<b>\$359,344</b>

\* Actuarial Adjustments represent interest earned on sinking funds held by the Municipal Finance Authority. Such interest is used to reduce the principal amount of the outstanding debt.

# 2011 Financial Statements

## Notes to the Consolidated Financial Statements for the Year Ended December 31, 2011

### 12. TANGIBLE CAPITAL ASSETS

	<u>2011</u>	<u>2010</u>
Land	<b>\$10,965,153</b>	\$10,946,522
Land Improvements	<b>12,817,557</b>	12,753,578
Buildings	<b>12,431,329</b>	12,770,057
Roads	<b>15,347,549</b>	14,961,336
Machinery & Equipment	<b>3,221,071</b>	2,888,171
Water Systems	<b>12,877,888</b>	13,193,340
Sewer Systems	<b>3,543,466</b>	3,545,753
Drainage Systems	<b>2,494,756</b>	2,485,334
Furniture & Eqpt & Technology	<b>509,348</b>	500,309
Motor Vehicles	<b>1,007,656</b>	1,220,980
Construction in Progress	<b>1,608,649</b>	1,208,320
	<b><u>\$76,824,422</u></b>	<b><u>\$76,473,700</u></b>

Contributed capital assets received and recognized from developers, for various infrastructure works and related land and parks, and recorded on the financial statements is \$0 (2010 \$17,745).

#### Works of Art/Historical Treasures

The City owns a number of works of art/historical treasures which have not been included in the tangible capital assets. This includes all historical items in the museum, the Gold Pan, the Caboose at West Fraser Timber Park and the various artifacts on the River Walk including the steam shovel, waterwheel and the bulldozer.

For additional information, see the Consolidated Schedule of Tangible Capital Assets (Schedule 1)

### 13. EQUITY IN TANGIBLE CAPITAL ASSETS

Equity in tangible capital assets (TCA) represents the net book value (NBV) of total capital assets less long term obligations to acquire those assets. The change in consolidated equity in tangible capital assets is as follows:

	<u>2011</u>	<u>2010</u>
Equity in TCA, beginning of year	<b>\$66,670,303</b>	\$64,238,363
Add: Capital Acquisitions	<b>3,599,696</b>	4,909,326
Debt principal payment	<b>538,794</b>	538,795
Actuarial Adjustment	<b>425,344</b>	201,737
Less: Dispositions at NBV	<b>(83,116)</b>	(62,796)
Amortization	<b>(3,165,858)</b>	(3,148,436)
Adjustment		(6,686)
Equity in TCA, end of year	<b><u>\$67,985,163</u></b>	<b><u>\$66,670,303</u></b>

# 2011 Financial Statements

Notes to the Consolidated Financial Statements for the Year Ended December 31, 2011

## 14. NET TAXATION AND GRANTS IN LIEU

	<u>2011</u>	<u>2010</u>
<b>Taxes collected</b>		
Property Taxes	<b>\$20,648,875</b>	\$21,500,766
Special Assessments	<b>199,115</b>	209,216
1% Utility Tax	<b>564,534</b>	518,860
Grants in Lieu of Taxes	<b>157,631</b>	150,743
Penalties and Interest on taxes	<b>160,657</b>	149,075
	<b><u>\$21,730,812</u></b>	<u>\$22,528,660</u>
 <b>Less transfers to other governments</b>		
School District	<b>\$4,168,853</b>	\$4,317,257
Regional District	<b>2,756,326</b>	2,801,476
Regional Hospital District	<b>961,912</b>	1,033,787
Other	<b>143,025</b>	151,053
	<b><u>8,030,116</u></b>	<u>8,303,573</u>
 <b>Net Taxes available for municipal purposes</b>	<b><u>\$13,700,696</u></b>	<u>\$14,225,087</u>

## 15. SALE OF SERVICES, USER RATES, RENTALS

	<u>2011</u>	<u>2010</u>
Transit user fees	<b>\$120,406</b>	\$117,134
Airport user fees	<b>240,099</b>	241,348
Airport fuel sales	<b>473,796</b>	510,046
Garbage Fees	<b>580,927</b>	509,200
Rentals, licenses and permits	<b>519,291</b>	548,436
Other	<b>239,126</b>	174,590
<b>Total Sale of Services</b>	<b><u>\$2,173,645</u></b>	<u>\$2,100,754</u>
 Water user rates	<b>\$972,935</b>	\$822,524
Sewer user rates	<b>776,367</b>	738,761
<b>Total Utility User Fees</b>	<b><u>\$1,749,302</u></b>	<u>\$1,561,285</u>



# 2011 Financial Statements

Notes to the Consolidated Financial Statements for the Year Ended December 31, 2011

16. GOVERNMENT TRANSFERS		<u>2011</u>	<u>2010</u>
Federal:	Conditional transfers	<b>\$337,406</b>	\$2,079,632
Provincial:	Conditional transfers	<b>837,001</b>	607,585
	Unconditional transfers	<b>674,489</b>	643,686
Regional/Other:	Conditional transfers	<b>82,735</b>	143,547
		<b><u>\$1,931,631</u></b>	<b><u>\$3,474,450</u></b>

17. EXPENSES BY OBJECT		<u>2011</u>	<u>2010</u>
Goods and Services		<b>\$3,453,183</b>	\$4,250,829
Salary, Wages & Benefits		<b>9,777,481</b>	9,349,690
Contractors/Subcontractors		<b>1,584,251</b>	1,515,338
Utilities - Electricity/Natural Gas		<b>655,808</b>	671,642
Amortization		<b>3,165,858</b>	3,148,436
Insurance		<b>314,127</b>	311,665
Interest and Finance Charges		<b>639,848</b>	665,399
		<b><u>\$19,590,556</u></b>	<b><u>\$19,912,999</u></b>

## 18. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The City's financial instruments consist of cash and investments, taxes and accounts receivable, accounts payable and accrued liabilities and municipal debt. Unless otherwise noted, it is management's opinion that the City is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

The City is exposed to interest rate risk arising from fluctuations in interest rates on its cash and investments and does not hold any financial instruments that mitigate this risk.

## 19. 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.

# 2011 Financial Statements

## Notes to the Consolidated Financial Statements for the Year Ended December 31, 2011

### c. Municipal Insurance Association:

The City is a subscribed member of the Municipal Insurance Association of British Columbia (The "Exchange") as provided by section 3.02 of the *Insurance Act* of the Province of British Columbia. The main purpose of the Exchange is to pool the risks of liability so as to lessen the impact upon any subscriber. Under the Reciprocal Insurance Exchange Agreement, the City is assessed a premium and specific deductible for its claims based on population. The obligation of the City with respect to the Exchange and/or contracts and obligations entered into by the Exchange on behalf of its subscribers in connection with the Exchange are in every case several, not joint and several. The City irrevocably and unconditionally undertakes and agrees to indemnify and save harmless the other subscribers against liability losses and costs which the other subscriber may suffer.

### d. Municipal Pension Plan:

The City and its employees contribute to the Municipal Pension Plan (the plan), a jointly trusteesd 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 Plan is a multi-employer contributory pension plan. Basic pension benefits provided are defined. The plan has about 173,000 active members and approximately 63,000 retired members. Active members include approximately 35,000 contributors from local governments.

The latest valuation as at December 31, 2009 indicated an unfunded liability of \$1,024 million for basic pension benefits. The next valuation will be as at December 31, 2012 with results available later in 2013. Defined contribution plan accounting is applied to the Plan as the Plan exposes the participating entities to actuarial risks associated with the current and former employees of other entities, with the result that there is no consistent and reliable basis for allocating the obligation, Plan assets and cost to individual entities participating in the Plan.

The City of Quesnel paid \$628,853 for employer contributions to the plan in fiscal 2011 (\$560,507 - 2010).

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

The City and the Cariboo Regional District completed a co-ownership agreement for the Quesnel Library in 2009, which is now housed in City Hall.

Under the agreement, the District purchased a 1/5 undivided fee simple interest in the building which enabled the occupation by the District of the first floor for use as a regional library. The price for this 1/5 interest was \$1,100,000. The City purchased 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.

### g. Greenhouse Gas Reduction Targets

The Province of British Columbia has enacted the *Greenhouse Gas Reduction Targets Act*. The Act sets targets of reducing greenhouse gas emissions by at least 33% below 2007 levels by 2020. The Act requires that local governments comply with the Act commencing in 2010.

Management has taken the necessary steps to comply with the Act. Cost of the compliance will be recorded in the years such costs are incurred.

# 2011 Financial Statements

## Notes to the Consolidated Financial Statements for the Year Ended December 31, 2011

### 20. 2011 BUDGET

The budget amounts presented throughout these financial statements are unaudited and represent the five year financial plan approved by the Mayor and Council on May 3, 2011.

### 21. SEGMENTED INFORMATION

The City of Quesnel is a diversified local government providing a wide range of services to approximately 10,000 residents, including general government, water, sewer, transit and airport services. For each reported segment, revenues and expenses represent amounts that are directly attributable to the segment as well as amounts that are allocated on a reasonable basis.

Segmentation has been determined on a functional basis with consideration to service delivery and departmental accountabilities. The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed on pages 15 and 16. The segments include:

- General Government which provides services for transportation, fire protection, policing, planning and development, solid waste management, recreation and cultural services, cemetery and general administration.
- Water which provides water services.
- Sewer which provides sewer services.
- Transit which administers all transit operations in Quesnel.
- Airport which operates the City's airport.

# 2011 Financial Statements

Consolidated Tangible Capital Assets as at December 31, 2011 - Schedule 1

	Land				Machinery &	Engineering Structures		
	Land	Improvements	Buildings	Roads	Equipment	Water	Sewer	Drainage
Historical Cost:								
Opening Balance	\$10,946,522	\$19,922,381	\$17,493,878	\$26,761,914	\$5,226,975	\$25,091,082	\$7,895,981	\$7,115,826
Additions	18,631	605,668	100,261	1,114,934	680,993	196,002	179,952	179,120
Disposals		(31,506)	(53,456)	(187,334)	(201,177)	(4,378)	(8,381)	(29,845)
Closing Balance End of Year	10,965,153	20,496,543	17,540,683	27,689,514	5,706,791	25,282,706	8,067,552	7,265,101
Accumulated Amortization:								
Opening Balance	-	7,168,803	4,723,821	11,800,578	2,338,803	11,897,742	4,350,229	4,630,493
Amortization Expense		538,767	404,972	682,599	348,094	511,416	182,238	169,697
Effects of Disposals		(28,584)	(19,439)	(141,212)	(201,177)	(4,340)	(8,381)	(29,845)
Closing Balance End of Year	-	7,678,986	5,109,354	12,341,965	2,485,720	12,404,818	4,524,086	4,770,345
NET BOOK VALUE								
End of Year	\$10,965,153	\$12,817,557	\$12,431,329	\$15,347,549	\$3,221,071	\$12,877,888	\$3,543,466	\$2,494,756
	Furniture Equipment & Technology	Motor Vehicles	Construction in Progress		2011 Total	2010 Total		
Historical Cost:								
Opening Balance	\$1,011,229	\$5,159,753	\$1,208,320		\$127,833,861	\$123,606,206		
Additions	123,806		400,329		3,599,696	4,909,326		
Disposals	(65,091)	(188,651)			(769,819)	(681,671)		
Closing Balance End of Year	1,069,944	4,971,102	1,608,649		130,663,738	127,833,861		
Accumulated Amortization:								
Opening Balance	510,918	3,938,774	-		51,360,161	48,830,600		
Amortization Expense	114,752	213,323			3,165,858	3,148,436		
Effects of Disposals	(65,074)	(188,651)			(686,703)	(618,875)		
Closing Balance End of Year	560,596	3,963,446	-		53,839,316	51,360,161		
NET BOOK VALUE								
End of Year	\$509,348	\$1,007,656	\$1,608,649		\$76,824,422	\$76,473,700		

Note: Opening Balances have been restated to include Quesnel Community Economic Development (2002) Corporation's assets and an adjustment for rounding that occurred when implementing a new Fixed Asset System.



# 2011 Financial Statements

## Consolidated Statement of Statutory Reserve Fund Activities - Schedule 2 Year Ended December 31, 2011

	Capital Reinvestment	Other Capital reserves	General Capital	Land Sales	West Quesnel Land Stability	Tax Stabilization	Park Reserve	2011 Total	2010 Total
Opening Balance	\$1,939,831	589,206	3,285,972	257,429	1,538,226	567,487	97,130	<b>\$8,275,281</b>	\$7,377,224
Transfers In	1,263,500	147,810	965,616	257,000	-	275,000	-	<b>2,908,926</b>	3,434,497
Interest Earned	37,267	13,582	64,880	7,714	30,943	7,425	1,989	<b>163,800</b>	97,248
Transfers Out	(1,504,240)		(1,202,254)	(18,631)	(54,949)	(685,000)	-	<b>(3,465,074)</b>	(2,633,688)
Closing Balance	\$1,736,358	\$750,598	\$3,114,214	\$503,512	\$1,514,220	\$164,912	\$99,119	<b>\$7,882,933</b>	\$8,275,281

## Segmented Statement - Year Ended December 31, 2011 - Schedule 3

	GENERAL	QCEDC	WATER	SEWER	TRANSIT	AIRPORT	TOTAL
<b>Revenues</b>							
Property taxes and grants in lieu	\$12,289,004	-	\$733,654	\$212,545	\$258,513	\$206,980	\$13,700,696
Sale of services	1,130,658	49,158	137,420	22,108	120,406	713,895	2,173,645
Government grants	1,576,050	213,640	-	-	-	141,941	1,931,631
Donations	2,327	-	-	-	-	-	2,327
Services provided to other governments	887,620	3,053	-	-	65,532	-	956,205
Investment Income	226,112	-	52,333	12,431	3,010	3,672	297,558
Utility user fees	-	-	972,935	776,367	-	-	1,749,302
Debt Forgiven	139,904	-	-	-	-	-	139,904
MFA Actuarial adjustment	367,659	-	57,685	-	-	-	425,344
Other	375,036	-	1,226	-	960	21,541	398,763
	<b>16,994,370</b>	<b>265,851</b>	<b>1,955,253</b>	<b>1,023,451</b>	<b>448,421</b>	<b>1,088,029</b>	<b>\$21,775,375</b>
<b>Expenses</b>							
General government services	2,087,874	-	-	-	-	-	2,087,874
Protective services	4,603,935	-	-	-	-	-	4,603,935
Transportation services	3,062,167	-	-	-	-	-	3,062,167
Solid waste management and recycling	1,320,991	-	-	-	-	-	1,320,991
Development services and planning	508,218	226,163	-	-	-	-	734,381
Recreation and cultural services	1,176,686	-	-	-	-	-	1,176,686
Operations	118,020	-	933,278	457,085	422,787	867,646	2,798,816
Interest expense	526,955	-	112,893	-	-	-	639,848
Amortization	2,071,439	396	518,393	191,760	-	383,870	3,165,858
	<b>15,476,285</b>	<b>226,559</b>	<b>1,564,564</b>	<b>648,845</b>	<b>422,787</b>	<b>1,251,516</b>	<b>\$19,590,556</b>
<b>Subtotal</b>	1,518,085	39,292	390,689	374,606	25,634	(163,487)	2,184,819
<b>(Loss) on sale of tangible capital assets</b>	(77,892)	(16)	(38)	-	-	-	(77,946)
<b>Annual Surplus</b>	<b>\$1,440,193</b>	<b>\$39,276</b>	<b>\$390,651</b>	<b>\$374,606</b>	<b>\$25,634</b>	<b>\$(163,487)</b>	<b>\$2,106,873</b>

Note: QCEDC stands for the Quesnel Community and Economic Development (2002) Corporation

# 2011 Financial Statements

## Property Tax Exemptions 2011

### Charitable, Philanthropic or other not-for-profit corporations

Roll #	Organization	Total Exemption Amount
87.000	Quesnel Masonic Temple Society	\$3,042
206.00	Salvation Army	\$6,909
218.000	Quesnel & District Child Development Centre	\$12,443
247.000	Quesnel Women's Resource Centre	\$2,183
248.000	Quesnel Women's Resource Centre	\$410
267.000	Amata Transition House Society	\$2,987
314.000	Fraser Village Homes Society	\$14,252
332.000	Royal Canadian Legion Branch 94	\$8,839
418.010	Quesnel & District Seniors Society	\$28,081
419.000	Quesnel Curling Club	\$16,753
1550.080	Quesnel & District SPCA	\$3,584
2189.000	Quesnel Tillicum Society	\$3,783
2193.000	Quesnel Tillicum Society	\$287
4013.083	Royal Canadian Legion Branch 94	\$3,296
4208.000	Quesnel Elks Club	\$1,722
4210.000	Quesnel Elks Club	\$2,149
5045.954	Cariboo Vasa Lodge	\$2,170
5862.500	Quesnel Auto Racing Association	\$10,488
		<b>\$123,378</b>

### Church Land and land surrounding statutory exemptions

#### Church Owned Lands - 224 (2)(f)

220.000	Fraser Basin	\$5,057
329.000	United Church of Canada	\$1,552
328.000	United Church of Canada	\$1,830
961.000	Roman Catholic Bishop	\$1,762
1200.890	Northstar Fellowship Baptist Church	\$2,340
2025.000	Trinity Lutheran Church	\$544
2602.000	Cariboo Gur Sikh Temple Society	\$773
2703.000	Guru Dabar Society	\$512
3600.000	Congregation of Quesnel Jehovah's Witnesses	\$1,263
4211.000	Victory Way Baptist Church	\$671
4659.000	Lighthouse Pentecostal Church of Quesnel	\$382
5047.309	Bethel Pentecostal Tabernacle of Quesnel	\$3,374
		<b>\$20,060</b>

#### Lands surrounding statutory exemptions - 224 (2)(h)

314.000	Fraser Village Homes Society	\$20,320
961.000	Roman Catholic Bishop	\$117
		<b>\$20,437</b>

**\$40,497**

**\$163,875**

# 2011 Status Update

The following strategies (in large type), as well as the proposed actions were endorsed by Quesnel City Council. A summary (in *italics*) of progress made in 2011 follows each action.

## Sustainability in all Planning

### Actions:

- Produce Sustainability Planning and Integration Guidelines for all plan leaders of Subordinate Plans.  
*In January 2011, staff presented a report to Council seeking direction regarding the priority of development for Subordinate Plans, with a suggested order of priority of top four plans: Strategic Plan, Official Community Plan, Financial Plan, Capital Plan.*
- Apply to the Innovation fund for support to assist with ensuring the Sustainable Integration of all Corporate plans.  
*In January, staff submitted an application to the Innovations Fund, with a reply expected in early 2012.*

## Community Health and Safety

### Actions:

- West Quesnel Land Stability Program
  - Finalize the work agreement contract with Western Economic Diversification, and all other relevant agencies and stakeholders.  
*In September 2011, the Environmental Assessment process was completed, with the final Contribution Agreement completed in December, paving the way for the dewatering program to begin.*
  - Finalize planning for Phase I of the full scale dewatering program.  
*Once the Contribution Agreement was in place, the City's team of engineers was able to begin work on finalizing the designs for both the full-scale dewatering program and storm drainage improvements, with implementation in early 2012.*
  - Implement public information campaign.  
*In March, City staff initiated a method for updating the West Quesnel Land Stability Advisory Committee in a consistent fashion, with weekly or bi-weekly updates e-mailed out to pertinent stakeholders, including City Council. The West Quesnel Land Stability website underwent a thorough review, with all pertinent pages updated, information gaps identified and new information posted as it became available. The WQLS information sheets, (FAQ, Fact Sheet and Backgrounder) were reviewed and updated, with the layout condensed and branding revised.*
  - Implement Phase I of the full scale dewatering program.

*Given that the Contribution Agreement was not in place until late 2011, no Phase 1 work could be done as it would not have been eligible for offsetting grant funding. This will be an ongoing process in 2012.*

- Monitor and analyze the results of Phase 1 of the full scale dewatering program.  
*This will be an ongoing process from 2012 to 2014.*



- North Cariboo Multi-Center
  - Continue to implement the ongoing Communications Program.
    - Conduct public open house.  
*A public Open House was conducted on April 12, which provided an update for residents regarding actions taken and next steps. More than 80 people, plus media, were in attendance.*
    - Continue to revise and develop support materials (website, information packages, news releases, etc.)  
*The North Cariboo Multi-Centre website, as well as information sheets, (FAQ, Fact Sheet and Backgrounder) were all reviewed and updated on an ongoing basis over 2011.*
  - Develop and implement Lobbying plan for Province and Federal Government  
*In 2011, the City and Cariboo Regional District continued to send letters and information packages to newly appointed Provincial and Federal Ministers of relevant Ministries to raise their awareness of the project and the need for senior government funding to make the project a reality.*  
*Both formal and informal meetings were also arranged with Provincial and Federal Government Ministers, senior staff members in appropriate Ministries, the local MLA and MP, the Premier, and the Provincial Opposition Leader when the opportunity was presented.*
  - Develop and implement Lobbying plan with Cariboo Regional District with goal of securing NDI funding.  
*In March a grant application was submitted to the Northern Development Initiative Trust for a \$2 million grant and a \$2 million loan. This application was successful and formally announced on May 2.*

# 2011 Status Update

- Start-up Fundraising Committee  
*The Multi-Centre Fundraising Committee was formed and held its inaugural meeting on June 23. The group immediately began work brainstorming ideas regarding raising the project's profile, coordinating lobbying initiatives, and developing a strategic fundraising plan.*
- Construct Multi-Centre  
*Until the funds have been generated to build the facility, this step remains an ongoing goal.*
- Quesnel Volunteer Fire Department volunteers
  - Conduct needs analysis in preparation for next budget cycle.  
*In October, a needs analysis was conducted regarding training and equipment, volunteer retention and recruiting. A similar analysis for operations-based training and equipment was also undertaken. A proposal to reinstate the deputy chief position will be presented to Council as part of the 2012 Budget.*
- Policing
  - Investigate developing First Nations Partnership for restorative justice  
*In May, restorative justice training was provided for First Nations and care providers, with five First Nations individuals trained. In addition, six restorative justice sessions were held in 2011. In March, a First Nations elder was identified and received security clearance allowing independent sessions to be held.*
  - Investigate youth engagement regarding social/multi-media challenges  
*In June 2011, a session was conducted with Correlieu High School providing information on sex texting, bullying and internet dangers.*
  - Continue with RCMP foot patrols and bicycle patrols  
*In the spring and summer of 2011, Quesnel RCMP completed 27, four-hour bicycle/foot patrols. As a result of this initiative, the following results were found: Street Checks - 160    Liquor Seizures - 75    Positive Tickets - 50  
Warrant Arrests - 5    Violation Tickets - 7    Arrests for Drunk in Public - 35  
The Quesnel detachment Staff Sergeant presented these statistics to Council in the fall.*
  - Investigate options for and ramifications of development of grow-op bylaw.  
*Work on this front continued in 2011, with staff working towards assembling a best-practices report based on research conducted in other jurisdictions, to be presented to Council when it is completed.*
- Affordable housing  
*Staff began the process of engaging with affordable housing groups from a lobbying support perspective to determine their needs and appropriate next steps.*



## Financial Stability of the Corporation

### Actions

- Draft policy for Council consideration regarding gas tax usage.  
*In September, a policy was drafted by staff, submitted to Council, and approved regarding the use of funds from the City's various statutory reserves and deferred revenues.*
- Draft policy for Council consideration, to utilize fiscal and social scorecards for return on investment on major capital projects.  
*This goal was converted into a long-term goal. The City is working through developing a sustainability in all planning framework; part of that process includes the creation of sustainability lenses that could be applied to capital process in future years.*
- Prepare report for Council consideration regarding bulk water revenue and options for use.  
*Mention of the bulk water plant revenues was made in the Budget 2011 process as part of the operational budget overview. This will continue in future years. As for revenue use, the funds are placed in the general water fund, which pays for the system's ongoing operational and infrastructure replacement costs.*



# 2011 Status Update

- Draft report to Council on the status of the City Hall debt and repayment options.  
*Council is updated on outstanding debts as part of the annual operating budget process. When a surplus is available, the option of paying down the City Hall debt is provided to Council. In 2015 there is an opportunity for an early repayment; at that point a report will be brought to Council on the options.*
- Incorporate status of City Hall Reserve in Reserves Policy  
*In September, a policy was drafted by staff, submitted to Council, and approved regarding the use of funds from the City's various statutory reserves and deferred revenues. This included a section on City Hall and the option to make an early payment in 2015 with funds from the sale of the library and partial proceeds from City Hall rental income.*

## Economic Diversification

### Actions:

- City's Economic Diversification strategies and Action Steps to become integral elements of the QCEDC Strategic Plan.  
*The Quesnel Community and Economic Development Corporation has six core areas within their strategic plan (2010-2012) that include: business recruitment, retention and expansion, foreign investment, partnership, community marketing, projects, sustainability. All of the strategies and action steps developed through the city's planning process were integrated into the QCEDC strategic plan priorities and activities.*
- QCEDC to work with SD 28 in the context of the Asian trade mission(s) and to support ESL.  
*QCEDC held discussions on potential ESL partnerships in the spring of 2011 and continues to work on ESL opportunities.*
- QCEDC to investigate renewed Tourism Strategy for Aviation Tourism (to include work currently underway for airport lands development strategy), Accessible Tourism, and Agricultural Tourism.  
*QCEDC focused on agricultural tourism and is working on a partnership with regional partners on branding. The corporation continues to support aviation tourism events and accessible tourism.*
- QCEDC to develop information report regarding investigating a local correctional institution for the QCEDC Board and for Council.  
*QCEDC completed an investigation on local correctional institutions and made several presentations to Council regarding activities on this project. Given the research completed, QCEDC determined that there were no opportunities in 2011, but will continue to look for facilities of this nature that can be housed in Quesnel.*
- QCEDC, in concert with City staff, draft report to Council regarding options around implementing a food security bylaw

in support of the local agricultural sector.

*QCEDC worked with the local agricultural sector on determining growth patterns and crops in the Quesnel area, as well as new opportunities in crops for our region. A food security bylaw was reviewed, but no additional steps were made to institute a bylaw.*



## Infrastructure re-investment

### Actions:

- Conduct analysis of broadening the application of the Quesnel Works: Capital Reinvestment Program, starting the process with a workshop led by Urban Systems for Council.  
*A session to deal with asset management and the Quesnel Works: Capital Reinvestment Program was planned for the fall of 2011. Due to the municipal election, this session was delayed and it was determined that it would make up a module of the Council strategic planning process for 2012. The session, put together by the City's civic engineering firm, Urban Systems, was built to focus on asset management, the capital budget process and the need for strategic investments in infrastructure.*
- Collect relevant densification policies of other jurisdictions, analyze, and report to Council.  
*Research on the types of densification policies adopted and the success of these policies has been completed. Densification is related to service level provision. Council's request to complete an analysis on un-served areas will be reported with the densification research.*
- Seek funding to develop more detailed shovel-ready plans for specific areas not having water service within City limits; establish shovel-ready plans.  
*Unfortunately, funding for this type of project was unavailable in 2011. Staff have highlighted this item and expect to establish a budget for the work in 2012.*

# 2011 Status Update

- Continue with Quesnel Works projects as approved during the 2011 budget process.
  - Complete the revitalization of St. Laurent Avenue  
*The revitalization of St. Laurent Avenue between Kinchant and Reid Streets was completed over an eight-week period between August 4 and September 30. The area underwent a massive transformation, with a new storm drainage system, new curb, gutter, paving stone and sidewalk installation, new landscaping and paving all being completed. The project finished about three weeks ahead of schedule and came in under the final approved budget. The \$1 million project was funded through the Quesnel Works: Capital Reinvestment Program.*
- Implement the City's annual paving program  
*The City worked within a \$350,000 budget to implement its annual paving program, funded through Quesnel Works. The total investment was \$337,128 or 96.32% of the budget, spent as follows:*
  1. Johnston Avenue - \$ 82,259.76
  2. Gardner Street - \$ 29,529.88
  3. North Fraser Drive - \$ 48,767.31
  4. Baker Drive - \$107,028.17
  5. Valhalla Road - \$ 39,178.09
  6. Juniper Road - \$ 63,992.90

*In addition, a long stretch of Hydraulic Road, from Sanderson to Tatchell was widened and overlaid, adding bike/pedestrian space in the process. Approximately \$240,000 was invested in this project. Several other smaller areas in the City were also re-surfaced or patched during 2011.*



## Environmental Stewardship

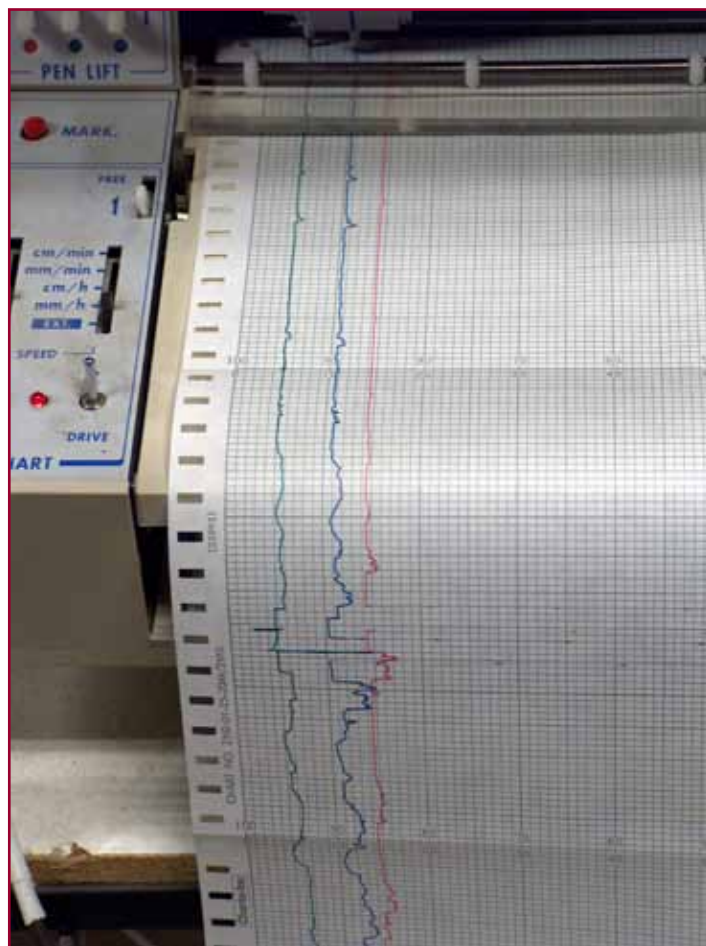
### Actions:

- Investigate community composting  
*A grant application for improvements to the landfill, which would improve access to the yard waste composting site, was submitted. The City was unsuccessful in obtaining the grant but the will be recommended to Council in the 2012 capital budget. Staff engaged in conversations with Johnston Neighbourhood Association regarding initializing neighbourhood composting sites. Discussions with the Ministry of Environment and local Conservation Office staff on neighbourhood composting was completed. A manure composting project was identified at Alex Fraser Park and City staff discussed using this site as a community composting project. This was denied as the project would require increased regulation if it was a community site.*
- Investigate the options for and potential impacts of developing and implementing an anti-idling bylaw.  
*Anti-idling policy has been researched and will be referred to the Quesnel Air Quality Roundtable for further discussion.*



# 2011 Status Update

- Continued involvement in the Quesnel Air Quality Round Table. *Staff continues to represent the City on the Quesnel Air Quality Roundtable. Staff has requested the Roundtable provide information on items that required funding to assist in the search. Air Quality Roundtable representatives have been in conversations with staff regarding increasing their operation budget. Staff has encouraged such requests be directed to the North Cariboo Joint Planning Committee (the four northern Cariboo Regional District Directors and Quesnel City Council). The City also assists the roundtable with public relations needs, including reporting items of note to the community, such as annual air quality reading reports and status updates.*
- Investigate pros and cons of water metering versus flat rate for all classes. *A draft Water Conservation Strategy was completed in 2011, with a surface water influence assessment expected to be complete in early 2012. These documents are expected to provide significant input into a pros and cons assessment of water metering, which will be presented to City Council at a future date.*
- Investigate alternative renewable energy sources, such as run-of-river independent power production for City of Quesnel. *Staff engages with the BC Solar Communities network in the promotion of solar energy. Staff also attended an information session on Geothermal Power Production in Nazko. Alternative energy production, including run-of-river, will likely be a significant component of the ourQuesnel process.*



Air Quality monitoring equipment at Quesnel Junior School.

## Governance

### Actions:

- Investigate NDI Trust interns assisting with bylaw review process *The NDI Intern Program was not a good fit for this process as NDI interns are used to assist with economic development in the North. They may be loaned to local government for short periods of time, but are not used for a process such as bylaw review.*
- Develop Council Orientation program and policy *An intensive and comprehensive series of Council training, Orientation and Strategic Planning sessions was conceived and developed in the latter part of 2011. Due to the municipal election, much of the implementation was scheduled to begin in early 2012.*
- Establish protocol to manage Mayor and Council requests *A staff-led working group met to discuss best practices for handling requests from Mayor and Council. A system, employing Microsoft Sharepoint, was developed by in-house IT staff, is now functioning, and is maintained by the City Manager's executive assistant and department heads.*
- Amend the Code of Conduct for elected officials, and in addition to any areas in need of revision, focus on the issue of attendance *While this was discussed at length, little progress was made due to the municipal election. The item was immediately referred to the new Council for discussion and action.*
- Communication project regarding customer service *Council's discussions during the 2012 strategic planning session did not place a high priority on this item. This was largely due to the favourable results from the 2010 Citizen Satisfaction survey that saw some 96% of respondents rating staff as friendly, 90% responding that the employee's knowledge was excellent and 83% indicating staff went the extra mile to meet the citizens' needs.*