

2013 Annual Report



FORT ST. JOHN
The Energetic City

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MAYOR'S MESSAGE

I am pleased to present this annual report for the City of Fort St. John.

BC's Energy Capital is seeing tremendous growth in anticipation of resource development. We are fortunate to have completed the conversation with our residents and businesses. That conversation created a foundation of principles and policies to move forward with.

Our community recognizes the strength of our resource industries that bring the first dollar industries in the Province of BC and those can never be taken for granted.

In this global economy, we must be cognizant of the balance between the desire to build a community that is attractive and provides good community experiences for the attraction and retention of potential employees with the need to replace aging infrastructure. In this, we are not alone and we strive to seek best practices to ensure that we are an organization that runs efficiently and effectively.

Fort St. John is BC's Energy Capital. The energy of our volunteers, businesses and residents are second to none and we continue to see growth in our community and participation from our residents and visitors in events that make us who we are. We have seen growth in our Arts, Culture, and Recreation. These quality of life aspects help in creating "community" so huge thanks goes out to those who give of themselves to volunteer since our volunteers are the heartbeat of the city.

I am grateful for the hard work of staff for taking the limited resources and striving each day to be innovative in their approach to making things more efficient and effective for the community. Thank you to Council for your efforts. We will continue to face challenges that we will have to turn into opportunities and it is my belief that this is possible.

Most importantly, I am thankful for our residents, businesses and enterprises who work each day and call Fort St. John home.

Warmest regards,



Mayor Lori Ackerman





PART I: Progress Report 2013 Strategic Plan Goals and Objectives

COUNCIL PRIORITIES:

Energy Capital

The City continues to advance its strategic position as being BC's Northern Energy Capital. Three major initiatives were as follows:

Energy Literacy Tours

Fort St. John is in the heart of the energy sector. Council determined that it is important that our community provide an opportunity to civic leaders of other non-resource communities to visit Fort St. John and tour some of the region's working natural gas sites in order to obtain knowledge on the production of natural gas. Three Energy Literacy Tours have been provided by the City in partnership with industry. These tours have been very successful and are gaining a reputation throughout BC and Alberta. Additional tours will be provided in 2014 at the request of civic leaders from other communities.

2013 Energy Conference

Fort St. John hosted a very successful Energy Conference. Over 200 attendees had an opportunity to hear from industry, Provincial and Federal politicians as well as civic leaders about the challenges and opportunities surrounding the energy sector. Fort St. John hosts this conference every three years and ensures that the agenda is relevant to all participants.

Industry Relationship Building

Mayor and Council have been actively engaged in building strong relationships with industry representatives. The Mayor has attended numerous conferences as a key note speaker, a panelist as well as a presenter on topics pertaining to the interface between industry and communities. Utilizing surplus funds from the Energy Conference, Council has established an Energy Literacy Fund that will be used to advance the community's interest with industry. These discussions and presentations have been well received by industry.

During the strategic planning session held in February 2013, Council identified five top priorities which are:

- 1. Site C Action Plan,**
- 2. External Service Delivery,**
- 3. Boundary Extension,**
- 4. Economic Development Function,**
- 5. Regional Fire Services Agreement.**

These projects are further detailed within the departmental operational priority sections.



OPERATIONAL PRIORITIES:

CITY MANAGER'S OFFICE

Organizational Review

An Organizational Transition Team (OTT) was established in early 2013 to proceed with the establishment of the three Divisions – Integrated Services, Community Services and Corporate Services. The OTT consisted of four senior management members supported by the City Manager. Significant realignments were made to the organization's structure and many staff members experienced change within their departments. The OTT successfully led the organization through the numerous changes and positioned the organization to start the recruitment for the three General Managers in early 2014.

Protect and Promote our Community – Site C Discussions and Joint Review Panel

One of the most significant initiatives in 2013 was Council's commitment to protect and promote the community's interest through the Environment Assessment Process for the proposed Site C Dam. Under the direction of Council, senior administration and City consultants engaged in extensive consultations with BC Hydro regarding anticipated impacts on critical core services such as water, traffic, housing, financial impacts on operations, support to non-profits, air quality and other related matters. The City undertook a comprehensive review of how the proposed project would impact the City financially – both in operations and in capital expenditures. Discussions were held throughout 2013 with BC Hydro. In addition, the City participated in the Joint Review Panel hearings which commenced in late December, 2013. The City made presentations on air quality and potential impacts on the health of our residents, impacts on housing, financial impacts, water quality and quantity concerns, security of our residents and policing as well as a dispute resolution mechanism that would ensure that the City's interests were protected. These discussions have continued into 2014. It is Council's objective to reach a legal agreement with BC Hydro that will both promote and protect our community's interests.



ECONOMIC DEVELOPMENT CAPACITY

Council established two positions: an Economic Development Officer and Strategy Communications Coordinator to assist them in building staff capacity within the organization to address economic issues. In 2013, Council reviewed the various organizational structures around Economic Development and selected the in-house model as the appropriate structure for the City. Job descriptions were developed to reflect Council's direction and a recruitment campaign commenced in late 2013 with an Economic Development Officer being hired early in 2014. This additional staff capacity will assist Council in meeting its strategic initiatives around the development and promotion of our community.



HUMAN RESOURCES

COR Certification Review/Work Plan

The City conducted three internal audits of the Occupational Health and Safety Program using the BCMSA Certificate of Recognition (COR) audit document. The initial audit identified a baseline for improvement and a work plan was developed to address those areas. Implementation of action items began in early 2011 and continues today. The second and third audits in January 2012 and January 2013 evaluated the impact of those completed action items on the City's overall score and identified areas requiring additional attention. The score between the first and subsequent audits continues to improve dramatically. It was decided that the City would individually evaluate each element in greater depth during 2014 to ensure integration into standard practices prior to hiring an external auditor to conduct our COR review in 2015.

Service Capacity Review

The City conducted a service capacity review in May 2013 and identified a number of key areas for attention across the organization. The focus was on determining ways to meet the demands for growth in the community within the resources available, and determine how services could be provided to meet maximum efficiencies. A number of action items were identified for 2013 and built into the various departmental and divisional business plans.

COMMUNITY SERVICES

LEISURE SERVICES

Recreational Master Plan

The City of Fort St. John is taking a regional approach to the Recreation Master Plan. Our neighbors have been approached to participate in a regional plan regarding recreation for the North Peace. The Peace River Regional District is leading this process which started with the compilation of a facility list reflecting facility locations and usages. This project will require a cooperative approach to the overall terms of reference and goals, with an understanding of each partner's roles and responsibilities related to financial sharing, workload, and decision making. Many stakeholders were in attendance for the April 2014 strategy planning session and another is planned for this fall. The goal for this project in 2014 is to confirm participation from the region and create a regional facility list along with the uses of all facilities.

Sport Celebration Wall

The Celebration Wall in the Pomeroy Sport Centre is a living exhibit dedicated to sharing the stories of Fort St. John. Through the use of stunning large-scale photography, video, and interactive features, visitors will learn about the history of sports in Fort St. John and explore the vibrant individuals and events that contribute to the community. Citizens can even submit their own stories for content to be updated on the wall by Pomeroy Sport Centre staff. By interacting with content on this





touchable digital canvas, visitors will be inspired by the past and future of sport in Fort St. John.

The Celebration Wall has a feature display case and side view cases comprised of glass with inset lighting. The center case has a turnstile that is strategically placed to be viewed from either side of the wall. All sport organizations will have an opportunity to showcase their achievements by utilizing this display on a rotating basis.

The sport displays are proposed to be changed yearly to feature a new sport hero, team or Fort St. John Sport Supporter/Volunteer. 2013/2014 featured Denny Morrison (Speed Skater), Michelle Kelley (Skeleton Racer), Darlene Jakubowski (Figure Skater) and the Fort St. John Senior Flyers' Allen Cup win in 2010. The next anticipated change will be in August 2014.

STEAM Program

The STEAM program (Sport Tourism Economic Assessment Model) was completed in 2013. The results of the assessment have been received and are currently being reviewed. The Canadian Sport Tourism Alliance submitted the report at the end of 2013. Four sporting events were targeted,

1. Canadian Masters Long Track Championships
2. Canadian Age Class Long Track Championships
3. Daryl Mills Professional Bull Riding Invitational
4. Inconnu Regional Swim Meet

Special Events and Programs

Each year many events and programs are created and sustained by the Community Services Department for the community. The most popular event is the Canada Day parade and celebrations in Centennial Park. Celebrating our cultural diversity with activities through the entire day remains the focus for this year. Play in the Park lets neighbors enjoy things to see and do in our green spaces. Re-inventing play with a focus on nature and movement, this program rolls around the entire community to hit the parks – This program comes to you!



FACILITIES AND GROUNDS

In 2013, Community Services grew by two departments, facilities and grounds; the evolution of those departments and their integration continued into 2014. Strategically, this reorganization allowed for synergies between leisure services and maintenance operations. Personnel from each department work in close proximity and are in constant communication which continues to create efficient service deliveries for the users of the indoor recreation spaces.

The Grounds Department functions were separated from the former roads and grounds department when the grounds manager was hired and several key personnel shifted focus to become dedicated grounds personnel.





The departmental resources were inventoried and reorganized to meet the mandate of improving the functionality and appearance of the outdoor spaces. The maintenance of all parks and playgrounds, playing fields, cemeteries, ornamental gardens, boulevards and trails now falls to the able and passionate grounds staff. Although not quite complete, the separation of grounds from the roads sector of Public Works is the result of an ongoing partnership between the Community Services and Integrated Services leadership teams - this partnership will continue beyond the date when grounds formally leaves the Public Works domain and relocates to a permanent home base.



The Facilities Department also went through a shift of sorts. Moving to Community Services was a tactic that married the leisure services function of booking recreation spaces with the facilities function of providing safe and useable spaces in a timely and consistent fashion. This strategy has paid off with improved service for the users which was the desired effect.

The integration of the Grounds Department with Facilities will allow for efficient application of personnel and resources that have typically supported each other but from within other departments.

INTEGRATED SERVICES

DEVELOPMENT

Vacant Lands Inventory

The City did not have accurate data on the quantity of vacant lands within City boundaries. Many of the City's decisions, including boundary extension, are tied to location and availability of land. To effectively manage land use and promote economic development, an accurate understanding of land availability and location was required.

This project was completed in two phases over 2012 and 2013. Phase 1 consisted of mapping and confirmation of land vacancy and Phase 2 consisted of developing a system to monitor and update the data. This work was done by the GIS Technician utilizing building permit data stored in CityWorks software.

Bylaw / Subdivision Review

The Subdivision Servicing and Development Bylaw was reviewed and updated early in 2013. The major changes included expansion of the storm water management section to include storm water management ponds and changes to the section on water main alignment.



Fort Hotel Site

A request for expressions of interest for the lands formerly containing the Fort Hotel, located at the corner of 100 Street and 100 Avenue was released in early May 2013. Submissions were received, evaluated by staff and were presented to Council.



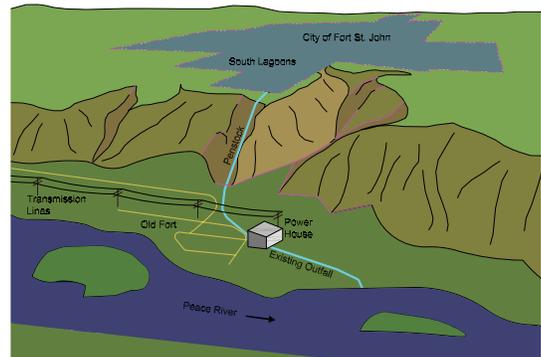
Downtown Revitalization Plan / Strategy

Phase One of the Downtown Strategy was completed which included data gathering and some consultation with local stakeholders to gather information required to move to the next phase of this plan which is to co-create a vision and a set of goals for the downtown. This will guide the second phase of the project which will occur in 2014. The second phase will involve more in depth consultation and community engagement. The purpose of this plan is to provide direction for future capital construction within the downtown area and to inform the development/business community of policy and design directions based on the background and technical analysis and opportunities identified within. This will include a series of community and stakeholder design and planning workshops that will identify planning and design options and result in a preferred and highly illustrative vision for the downtown.

Micro Hydro Design Study

Pumping water from the river wells to the City is one of our greatest energy costs (almost \$300,000 per year for the high-lift pump station alone!). The majority of this water returns to the river in the form of treated effluent. There is an opportunity to use this effluent outfall to generate electricity and revenue.

A feasibility study was completed in 2012 to determine the viability of installing a micro-hydro turbine that will convert the effluent flow into electricity. Due to a successful grant application, this project moved into the design and engineering stage in 2013, with capital construction expected to be completed by 2015.



Liquid Waste Management Plan

The Liquid Waste Management Advisory Committee held four meetings and one public meeting in 2012. The Committee moved forward in 2013 and had the Liquid Waste Management Plan approved by the Ministry of Environment and subsequently Council, in March 2014. One of the main considerations will be the expansion of the effluent reuse definition to allow other uses for the effluent and treatment facility expansion to provide very high quality water for reuse applications as well as the potential for the construction of a power generation station on the outfall from the South Sewage Lagoons.



Recycling Project Review

Council requested staff to investigate the feasibility of initiating the implementation of universal curbside recycling. Currently curbside recycling is available through a private contractor for those that want to pay for that service and/or don't have the option of recycling at the depot. Universal curbside recycling would require that the City provide a recycling service to each residential lot and the fee for service is then charged on taxes. Staff will review possible options for service and capacity at the existing depot and report this information back to Council for direction.



Long Term Capital Plan Inventory

The development of a long term capital plan requires that an inventory of the existing assets be updated and then a program can be developed to replace, repair, or upgrade these assets. The development of the plan was initiated in 2013 and the inventory has now been completed and updated.

District Energy Feasibility Plan

The City's recreational facilities are the largest energy consumers of all of the City's assets (with the exception of the high-lift pump station). High energy consumption signals the potential for significant energy reductions. Furthermore, a large amount of waste heat is available off of the Pomeroy Sports Center's (PSC) refrigeration plant. The refrigeration plants in the North Peace Arena and Curling Rink are in need of replacement in 3 to 5 years. Thus there is the possibility to consolidate these older refrigeration plants into the PSC's new and efficient plant which has the sufficient capacity to do so. Since this modification would require chilled brine to be transferred in pipes under the ground to the neighboring facilities, it was considered that waste heat from the PSC's refrigeration plant should also be piped underground to neighboring facilities. Thus a study was undertaken in 2011 to determine energy conservation measures that could be implemented in these facilities as well as the feasibility of consolidating all refrigeration needs into the PSC and sharing chilled brine and heat with the neighboring facilities.

The 2011 study identified energy conservation measures that could result in approximately \$90,000 in yearly savings should the recommended measures be implemented. This results in a net present value to the City of approximately \$350,000. Part II of the study proved that a local district heating and cooling loop may be viable although more detailed costing needs to be completed. The study indicated that up to 97% of the heat demand in the recreation facilities could be met by utilizing the waste heat available from the PSC refrigeration plant. Utilizing waste heat may result in estimated savings of up to \$130,000 per year, equating to a net present value of approximately \$1 million to the City.

These promising preliminary results warrant further analysis and design to determine, with a high confidence level, viability. Thus, the design development stage was approved for 2012 and completed in 2013. The next phase of this project, construction, has not yet been approved.



The analysis, costing, and detailed engineering have been completed and will now be introduced into the 2015 Capital Budget Discussions. In order to make this project financially viable it is the intention of the City to leverage the project through grants focused on reducing greenhouse gases.

Passivhaus and Greenridge Heights

The Passivhaus Project was mostly constructed in 2013 and will be completed in 2014. It is a demonstration house that consumes 90% less energy than a typical home of the same size. This house is being constructed behind the old Fire Hall.

The full Greenridge Heights area is being considered for development and staff analyzed the development model and initial phase in 2013. A district energy feasibility study was also completed for this area.



OPERATIONS

Fire Hydrant Servicing

Public Works was able to complete a full service on 160 fire hydrants in 2012 and 2013. It is the goal of the department to inspect and conduct a complete service on a minimum of 160 fire hydrants each year. There are currently over 600 fire hydrants owned by the City of Fort St. John. By completing a service on 160 fire hydrants it ensures that each fire hydrant is fully serviced every four years. The remainder of the hydrants each year are opened and flowed to ensure they are in operating condition.

Public Works Building Design

At the strategic planning session held in 2013 it was decided that the Public Works Building Design be included in the Corporate Facilities Master Plan. In 2013 staff conducted an assessment on the Public Works shop and office space to determine future needs. The costs to do the project were identified in 2013 and formed an important part of the Facilities Master Plan. The current facility has reached maximum storage capacity creating a need for additional space. The proposed new building addition will allow staff to remove the temporary storage buildings and containers in the Public Works yard and store all of the equipment in one larger building.

Pole Shed Construction

The Pole Shed Construction is now part of the Corporate Facilities Master Plan, this was not constructed in 2012 as originally planned. A complete needs assessment of the Public Works building was initiated to determine the long range plans for this structure. Funds were allocated in the 2013 Capital budget to have a review conducted with cost estimates to construct the project in the future. The City's fleet consists of over 100 pieces of equipment and service vehicles.



Fleet Management Plan

The City's Fleet Management Plan is one of the building blocks in an overall Asset Management Plan. Both Tangible Capital Asset and Public Sector Accounting Board are reports that the City is mandated to complete. The Fleet Management Plan helps to provide comprehensive reporting of these assets including value, maintenance costs and life expectancy.



By collecting and analyzing data on location, fuel and oil consumption, repair cost and frequency, replacement and inventory we will be able to complete the following:

1. Improve efficiencies and reduce operating costs
2. Establish workflow and accountability
3. Budget and create long term fleet plans
4. Share centralized information
5. Reach carbon neutral targets
6. Provide an accurate inventory.

The Fleet Management Plan aligns with the concept of open and accountable local government while continuing to provide a safe and environmentally friendly fleet.

The vehicle tracking system that the City had been using no longer met the needs of the department or the organization so it was discontinued in 2013. A vehicle tracking system is an integral part of a fleet management system therefore staff will be researching software programs that are compatible with CityWorks during 2014.

MTU Replacement

Public Works is continuing with the replacement of the Meter Transmitter Units (MTU's) in the City. The MTU is the device connected to the water meter which transmits the meter reading to a computer at City Hall. This project was phased over two years with a total of 6,000 MTU's to be replaced. There were 3,000 units replaced in 2013 and the remaining 3,000 units are scheduled for replacement in 2014. The new MTU's have a twenty year warranty on the batteries and are equipped with two-way communication technology. This technology will allow for greater efficiencies for staff when they are troubleshooting the unit.



CORPORATE SERVICES

PROTECTIVE SERVICES

Building Assessment Review

All of the building assessment reviews have been completed and two decisions have been approved for execution. The Business Resource Centre and the Visitor Information Centre have been declared surplus to the City's needs and will be demolished in 2014. The future of the Old Fire Hall is still undecided pending the Facilities Needs Analysis which will be presented to Council in June 2014.

Revision of the Animal Control Bylaw

Review and revision of the Animal Control Bylaw has been completed and it will be presented for Council consideration by September 1, 2014.

Revision of the Traffic Bylaw

The Traffic Bylaw review was postponed pending completion of the Master Transportation Study. This study will guide any future decisions pertaining to parking management, dangerous goods routes and other traffic related issues.

Establishment of a Property Standards Bylaw

The intent of this bylaw is to consolidate the existing Nuisance and Unsightly Premises Bylaws into a concise, comprehensive document reflective of the community's wishes with respect to nuisance properties. This project has not been completed and will be discussed during the 2015 Strategic Planning process for future evaluation and prioritization.

Internal Facilities Analysis

The internal facilities analysis review is complete and will be presented to City Council in June 2014.

RCMP

Community Policing Plan

The RCMP had instituted a Community Policing Corporal at the Fort St. John Detachment who oversaw community programs including the summer bike patrol, auxiliaries, the P.A.R.T.Y program, Crime Prevention through environmental design, DARE program for schools and many other community based policing initiatives. However, these initiatives are currently being re-prioritized due to staffing shortfalls.

RCMP Resource Review

The RCMP and the City of Fort St. John are reviewing resource requirements for the Detachment to deal with increased activity associated with resource sector projects including Site C and LNG. This includes an update to the RCMP resource review completed by the Operational Strategy Branch.





Building Security Review

Upgrades to the RCMP detachment building are ongoing in conjunction with the City of Fort St. John to ensure that security standards required are maintained.

RCMP Fees and Charges Review

The Fort St. John RCMP acquired a live scan fingerprint machine that greatly reduces the time required to process criminal records checks. Fort St. John is the only community in the Peace Liard area equipped with this technology. Consideration is being given to expanding the delivery of this service to other communities in the region on a fee for service basis. Before recommending a fee for this new service, a full review of the RCMP related fees and charges will be completed to determine if any additional increases should be made.

FIRE DEPARTMENT

Training Site Phase 1

The next phase of site development includes enhancing the training area with the placement of the smoke and storage buildings. The engineered facility drawings have been received and staff continues to work through the complexities of the land to obtain a building permit.

New Fire Station 1

In late December of 2013 the Fire Department administrative services were moved to the new facility and Fire Dispatch Services were relocated shortly thereafter. The new 21,000 square foot station is centrally located at the corner of 93rd Street and 93rd Avenue. The move involved relocating some existing dispatch equipment along with the installation of new electronic equipment for the server and telecommunications room located on the second floor in the apparatus bay.



The building project includes four drive-thru double apparatus bays with appropriate apron parking to fit all fire apparatus. The new bays will allow for year round washing maintenance of fire apparatus indoors. The building includes new SCBA repair and maintenance areas, equipment spaces, administrative offices, an independent dispatch suite, day room, training rooms, dormitory facilities and fitness areas.

The building also has attached a four-story training tower and hose drying facility. Each floor is approximately 400 square feet, which consists of removable floors allowing for set up of confined space simulations. There are engineered anchor points on each floor to be used in both confined space and technical high angle rope rescue training drills which can occur year round in this facility.

North Peace Fire Dispatch Operational

North Peace Fire Dispatch is located within the new Station 1 in Fort St. John. Fire Dispatch is equipped with two dispatch consoles that allow for easy operation of the CAD system and onscreen mapping, along with radio equipment and other associated communications equipment used in our present fire dispatch. It also monitors building security from seven cameras located on the exterior of the building. The dispatch room is totally self-supported with kitchen, bathroom and rest facilities.





Regional Fire Services Agreement

An internal review of the Rural Fire Protection Agreement along with the Mutual Aid Agreements between the City of Fort St. John, the District of Taylor and the Peace River Regional District were completed in 2013. The intent of the review was to ensure that there is strategic alignment with Council's ongoing goals and objectives. Areas to be evaluated include fire response area, fire response time and dispatch options. These agreements expire in 2015.

FINANCE

Short Term Revenue Sufficiency Plan

The City needs this to be developed to ensure that the City's revenue is sufficient to cover its operating expenditures. This item has been deferred to a future budget year.

Multi-Year Budget Discussion

To aid in planning for longer term operating financial impacts, a discussion identifying the pros and cons of implementing a multi-year budget will be held with Council. Discussions on changes to the various budget policies were held with Council with direction to bring further information back. A move towards a multi-year budget has been deferred to a future budget year.

Server Room Redundancy

The City has completed the development of a secondary server room which will allow for better data backup and security. The development of a secondary server room is advantageous to the development of business continuity plans for the City.

Virtual City Hall

Virtual City Hall has been incorporated into the City's website and allows residents to manage their City accounts such as taxes and utility accounts. Virtual City Hall became available on the City's website (www.fortstjohn.ca) in April 2013.

RCMP Service Review

The City will be conducting a review of the RCMP service to better understand the cost drivers of this function. With the costs associated with providing police services this will be an ongoing process for the City.

LEGISLATIVE SERVICES

iCompass Software Implementation

Legislative Services has been utilizing this software to publish Council's agendas since January 2010. The action tracking software has not been implemented as of yet although this software will replace the existing works in progress report. Action tracking will result in automatic reminders being sent to the staff members who are responsible for each task indicated in the document, thus saving additional staff time.

Business License Bylaw Update

This bylaw was adopted by Council in 2001 to regulate businesses within the City. As with any bylaw, a thorough review should take place every five to ten years to make changes deemed necessary due to revised legislation or to streamline any administrative issues that



have been identified since the bylaw was adopted. This bylaw is still under review although due to the organizational shift of business licensing moving to the Protective Services Department, this was placed on hold.

Grant-in-Aid Review / Policies

Council received a presentation from staff at the April 8, 2013 Committee of the Whole meeting regarding grant-in-aid and permissive tax exemption. Both grant-in-aid and permissive tax exemptions are forms of financial assistance provided to non-profit organizations by the City.

As Council moves towards financial sustainability and implementing a cost benefit approach to fees and charges, development of a consistent matrix for approving both types of assistance is needed. BC Assessment conducted site inspections of statutory exemptions throughout the Province in August 2013 and staff will be reviewing this data and provide an updated report to Council.

2013 CAPITAL PROJECTS

Road Upgrading

106 Street between 99 to 106 Avenues

This was the third year of a three year project to rebuild 106 Street from 113 to 99 Avenues. 106 Street from 106 to 100 Avenues was completed in September 2013 which included base construction, sidewalk, curb and gutter, storm sewer and catch basins, asphalt, and LED street lighting.

110 Avenue between 104 to 106 Streets

This was the second phase of a project that saw the complete reconstruction of the road including base construction, sidewalk, curb and gutter, storm sewer and catch basins, asphalt, and LED street lighting and was completed in September 2013.

Sidewalk Installation

93 Street between 93 and 96 Avenues

There was sidewalk installed along the west side of 93 Street from 93 Avenue to 96 Avenue in 2013.

93 Avenue between 93 and 96 Streets

There was sidewalk installed along the north side of 93 Avenue from 93 Street to 96A Street in 2013.

Streetlight Installation on 93 Street between 93 and 96 Avenues

There were LED streetlights installed on 93 Street from 93 Avenue to 96 Avenue in 2013.





100 Avenue Parking Lot Development

A request for expressions of interest for development of the parcel of land on 100 Avenue currently containing a parking lot was to be released in the summer of 2013. Submissions were received and evaluated by staff, before being presented to Council. This project was deferred until after the Downtown Action Plan process is completed.

Local Area Service Projects

101 Street from Cree Road to 107 Street

This was a gravel street which received a complete rebuild including asphalt, storm sewer, curb and gutter and LED street lighting. This project was cost shared, with approximately 50% paid for by the City of Fort St. John and 50% by the businesses located on 101 Street. This project was completed in October 2013.

74 Street between 85 and 91 Avenues

This project is cost shared between the City of Fort St. John and the landowners on 74 Street between 85 and 91 Avenues. This project is for the complete road construction and servicing of this street. The street will require complete construction starting with removal of trees and overburden shrubbery. When finished there will be asphalt, storm sewer, water, sanitary sewer, sidewalk and LED street lighting on 74 Street between 85 and 91 Avenues. The first phase included the installation of the deep utilities, water, sanitary sewer and storm sewer. This work was completed in November 2013, with the remainder to be completed in 2014.

Traffic Signal Installation

100 Avenue and 108 Street

New traffic signals were installed at 108 Street and 100 Avenue in September and October of 2013. These signals were installed due to the increased traffic on 100 Avenue as well as 108 Street. Substantial housing development is taking place west of 108 Street, north of 100 Avenue which required signalization at this intersection.

Parks

79 Street Park Fencing and Landscaping

In 2013 the park located at 79 Street and 85 Avenue received some landscaping upgrades and the installation of a chain link fence. The installation of the chain link fence created a safer place for children and residents to enjoy the park.

112 Avenue Playground Equipment

This project was phase two of a two phase program to install playground equipment at the 112 Avenue triangle park. In 2012 there was money budgeted to purchase the playground equipment and install the chain link fencing at the park. The installation of the playground equipment was completed in the summer of 2013.





New Skateboard Park

In May 2013 construction started on a brand new Skateboard Park within Toboggan Hill Park near 93 Street and 93 Avenue. This was made possible by fundraising and conceptual design work completed by a community skateboard group. The City managed the project construction and will provide future maintenance of the skateboard park. This project was completed in September 2013.



Fort St. John Cemetery Fence Replacement

This project will involve the removal of the current chain link fence that fronts 100 Avenue at the Fort St. John Cemetery. The fence will be replaced with a wrought iron metal style fence with concrete or stone masonry posts for the two sets of gates. The fence material was purchased in late 2013 and will be installed in the summer of 2014.

Community Forest Trail Upgrades

Seven bridges will be upgraded in the Community Forest to a safe standard that will allow for a small piece of equipment to pass over. Over the past five years the Community Forest trails have become increasingly popular with City and rural residents. An increased level of maintenance on the trails has also been identified. By upgrading the bridges in the forest to accept small equipment, staff will be able to cross the bridges and gain access to maintain the trail system. The bridges were purchased in 2013 and will be installed during the summer of 2014.

94 Avenue Trail Upgrades

The trail system was expanded on 94 Avenue behind the new Fire Hall and also along 86 Street to connect with other trails in the City. The majority of this project was completed in 2012 with the final landscaping completed in 2013.

Buildings

Pomeroy Sport Centre

Office and Administration Renovations

The office and administration renovation project was completed in 2013. The work consisted of changing the administration area in order to encompass visitor information services within the facility since the current Visitor Information Centre reached the end of its projected life span. The east meeting room is now the new administration office space and the second floor first aid room was moved to the West skater's lobby to increase the size of the existing second floor meeting room.

All aspects of the project were completed on budget and the change has greatly enhanced the operation and functionality of the Pomeroy Sport Centre.

Additional renovations to the staff lunch room and office areas are planned for 2014.



Bleachers

The final phase of bleacher installation at the Pomeroy Sport Centre will be completed in the summer of 2014. This last set of bleachers, purchased in 2013, is an Elevated Fixed/Movable Aluminum Bleacher 40 feet long. These bleachers are custom made 7 row elevated bleachers to be provided 40' – 0" long. They are complete with aluminum semi-closed deck and aluminum bleacher seats. Bleacher seats to be 2'X10' Aluminum Seats covers with Royal Blue Vinyl PermaCap. Located within the unit is one 4'6" wide vertical aisle with handrail. The total NET seating capacity is 164.



Acoustics Study

Since the building opened, staff and patrons have noted poor sound quality in the Pomeroy Sport Centre. This project was identified as a priority item in 2012 although has been deferred to a later date pending staff availability.

Accessibility Upgrades

In order to increase accessibility for all of the Pomeroy Sport Centre patrons, several corrective improvements were completed in 2013 that provide full facility access to persons with disabilities. These improvements consisted of the installation of automatic door openers to allow access throughout the facility. The doors receiving these upgrades in 2013 include: north entrances, south entrances, second floor entrance to the oval, and third floor entrance to the walking track.

Curling Rink Elevator and Accessibility Upgrades

The project work, completed in 2013, consisted of the installation of an elevator to allow access to all three levels for facility patrons. Additional improvements were made to the existing washroom facilities to bring them into compliance with building codes and handicap access.



Protective Services/Facilities Building Upgrades

The lighting component of this project has been deferred to a later date pending space allocation decisions.

North Peace Cultural Centre Upgrades

A discussion of long term funding decisions for capital upgrades is underway between the City and the North Peace Cultural Centre board. This discussion will assist in determining future expenditures necessary to keep the building functional and viable.

RCMP Building and Parking Lot Upgrades

These projects have been put on hold pending the Facilities Needs Analysis Review. The review is being presented to Council in June 2014, and will form part of the 2015 Capital Budget discussions.



Visitor Information Centre Relocation and Demolition

The relocation of the Visitor Information Centre occurred after the Pomeroy Sport Centre renovations were completed in September 2013. The existing Visitor Information Centre was deemed to be at the end of its useful life span in the 2013 engineered building assessment. The demolition of the building is slated for summer/fall 2014.



79 Street Pump House Upgrades

Variable Frequency Drives (VFD's) were installed on three electric motors at this station in 2013. The installation of these VFD's reduced the City's hydro utility costs by allowing the frequency of the electric motors to modulate and pace the production of the pumps to the demand for water from the 79 Street Reservoir.

Public Works Building Upgrades

In 2013 staff conducted an assessment on the Public Works shop and office space to determine future needs. Westedge Engineering was hired to work with staff to develop the concept for the project. This project was deferred until after the completion of the Facilities Master Plan, which will be presented to Council in June 2014.

EV Charging Stations

In 2013 the Peace Region installed electric vehicle charging stations, creating an EV charging network in the region in order to facilitate the adoption of electric vehicles for personal and fleet use. Three chargers are installed in Fort St. John: one at the Pomeroy Sport Center, one at the Public Works Shop and one at City Hall. Other charger locations in the region include one at the District of Hudson's Hope Office, one at the Charlie Lake Store, one in Pouce Coupe and five in Dawson Creek. Funding for this regional network consisted of contributions from the Province of BC, the City of Fort St. John, the City of Dawson Creek, the Village of Pouce Coupe, and the Peace River Regional District. All chargers are available to the public and, for the interim, there will be no cost associated with charging an electric vehicle.

South Sewage Lagoons Aeration Upgrades and Bio-Solids Removal

The aeration upgrades and bio-solid removal scheduled for the South Sewage Lagoons were moved into the 2014 Capital Budget since the project came in over budget in 2013. This work will allow the City to be in a better position to continue meeting the requirements of their operating certificate with the Ministry of Environment.

Fencing

The installation of chain link fencing at the South Sewage Lagoons has been completed. This was a phased project to erect chain link fencing around the South Sewage Lagoons, providing better security than the previous page wire fence. There will be a continuation of the installation of chain link fencing at the North Lagoons in 2014.





Sewage Transfer Station Asphalt Repair

This project was deferred to 2014.

South East Sanitary Sewer Local Area Service Project

This project was for the installation of a 750 mm diameter sewer main which significantly increased the flow capacity from the south east section of the City. This was a Local Area Service Project that was primarily paid for by the benefiting properties. This project has allowed for the development of lands that previously could not be serviced with sanitary sewer and was completed in November 2013. Some final asphalt work on the frontage road will be completed in the spring of 2014.

Water Mains

101 Street between 105 and 108 Avenues

This was for the construction of a water main on 101 Street between 105 Avenue and 108 Avenue; this improved the water main connections in this area and increased fire flow capacities and safety. This project was completed in 2013.

102 Street between 108 and 109 Avenues

This was for the construction of a water main on 102 Street between 108 Avenue and 109 Avenue; this improved the water main connections in this area and increased fire flow capacities and safety. This project was completed in 2013.

112 Street between 100 and 102 Avenues

This was for the construction of a water main on 112 Street between 100 Avenue and 102 Avenue; this improved the water main connections in this area and increased fire flow capacities and safety. This project was completed in 2013.

High Lift Pump Station

Pump Refurbishment

There was money allocated in 2013 to rebuild one of the pumps at the High Lift Pump Station although this project was deferred to 2014.

New Well

Phase 1 of a two phase project to construct a new well at the High Lift Pump Station was completed in May 2013. The second phase of the project connected the new well to the pump station and that work was completed in September 2013.

Well Rehabilitation

This was for the re-development of two wells at the High Lift Pump Station and was completed in 2013. Re-developing the wells is necessary to maintain good production from the wells and for pump efficiency.





Part II 2014 Goals and Objectives

COUNCIL PRIORITIES

During the strategic planning session held in June 2013, Council identified five top priorities which are:

1. External Service Policy,
2. Boundary Extension,
3. Fair Share Study,
4. Fort St. John Regional Sustainability,
5. Regional Recreation Master Plan MOU.

These projects are further detailed within the departmental operational priority sections.

OPERATIONAL PRIORITIES

CITY MANAGER'S OFFICE

Economic Development Office and Function

Council established two positions: an Economic Development Officer and Strategy Communications Coordinator to assist them in building staff capacity within the organization to address economic issues. In 2013, Council reviewed the various organizational structures around Economic Development and selected the in-house model as the appropriate structure for the City. Job descriptions were developed to reflect Council's direction and a recruitment campaign commenced in late 2013 with an Economic Development Officer being hired early in 2014. This additional staff capacity will assist Council in meeting its strategic initiatives around the development and promotion of our community.

FSJ Regional Sustainability

Perimeter Service Policy

Fair Share

These three initiatives are regional in nature and will be advanced in 2014 pending the outcome of the discussions with neighbouring municipalities.

Corporate Facilities Master Plan

The Corporate Facilities Master Plan will be presented to Council in June 2014.





HUMAN RESOURCES

Organizational Structure Review Transition and Implementation

In 2013 the organizational transition team set the stage for the transformation of the organization. Council had approved in principle the “new” organizational structure and adopted a staffing policy that would provide the resources to move forward. The goal for 2014 is to fill the General Manager positions for each of the divisions within the organization and transition fully into the new structure. With the changes in structure, personnel related policies and procedures will need to be updated to reflect the changes in the reporting structure.

Economic Development Officer Function

In the fall of 2013 the Economic Development Officer Function was created under the wing of the City Manager's Office. A position description was drafted for review by the Union. The position was posted and successfully filled in February 2014 by Moira Green.

BCGEU/IAFF Union Negotiations

Both the BCGEU and IAFF collective agreements expire on December 31, 2014. Preparations will need to take place to prepare for bargaining either late 2014 or early 2015.

HR Transition/Succession

With the retirement of the Director of Corporate Affairs, the Human Resources Department will undergo changes. A Manager of Human Resources will be recruited to lead this department and payroll will be transitioning to the Finance Department Policies and procedures will be updated to reflect the changes.

COMMUNITY SERVICES

LEISURE SERVICES

Sport Celebration Project

Phase 1 consisted of five pieces all located on the first floor of the Pomeroy Sport Center and was completed in September 2013:

1. Rainwater Harvesting Project
2. Paint and Layout of the Pomeroy Sport Center Lobby
3. Vestibule Spirit Wall
4. Lenticular Wall Panels in the corridors
5. Sport Celebration Wall

Phase 2 will be on the second floor of the Pomeroy Sport Center. This will include a corridor “Hall of Fame”, interactive sculptures and more lenticular displays. Phase 2 will be planned and detailed in 2015, with implementation in 2016.





Visitor Information Centre Relocation

The office and administration renovation project was completed in 2013. The work consisted of changing the administration area in order to encompass visitor information services within the facility since the current Visitor Information Centre reached the end of its projected life span. The east meeting room is now the new administration office space and the second floor first aid room was moved to the West skater's lobby to increase the size of the existing second floor meeting room.



All aspects of the project were completed on budget and the change has greatly enhanced the operation and functionality of the Pomeroy Sport Centre.

Additional renovations to the staff lunch room and office areas are planned for 2014.

Recreation Fees and Charges

A review of the “benefits based approach” fees and charges policy took place in 2013 with some portions of the policy being amended in accordance with Council’s direction. The amended policy and fee schedule reflects a five year phase in period of fee increases which was based on a recalculation of operating costs. The bylaw reflecting the new fees were presented to Council in February 2014 will be effective as of September 1, 2014.

Regional Recreational Master Plan

The City of Fort St. John is taking a regional approach to the Recreation Master Plan. Our neighbors have been approached to participate in a regional plan regarding recreation for the North Peace. The Peace River Regional District is leading this process which started with the compilation of a facility list reflecting facility locations and usages. This project will require a cooperative approach to the overall terms of reference and goals, with an understanding of each partner’s roles and responsibilities related to financial sharing, workload, and decision making. Many stakeholders were in attendance for the April 2014 strategy planning session and another is planned for this fall. The goal for this project in 2014 is to confirm participation from the region and create a regional facility list along with the uses of all facilities.

Spray Park Revitalization Rotary Club

The Fort St. John Rotary Spray Park was scheduled and budgeted for renewal/replacement in 2014. This project has been deferred to 2015 in order to consult with the community and the users of the park. Pre-engineering and preliminary designs will be completed this year and options will be presented and discussed at public meetings. This will allow staff to source external funding so that the scope of the project will meet the needs of the community for years to come.





FACILITIES AND GROUNDS

District Energy Plan Report to Council

The City's recreational facilities are the largest energy consumers of all of the City's assets (with the exception of the high-lift pump station). High energy consumption signals the potential for significant energy reductions. Furthermore, a large amount of waste heat is available off of the Pomeroy Sports Center's (PSC) refrigeration plant. The refrigeration plants in the North Peace Arena and Curling Rink are in need of replacement in 3 to 5 years. Thus there is the possibility to consolidate these older refrigeration plants into the PSC's new and efficient plant which has the sufficient capacity to do so. Since this modification would require chilled brine to be transferred in pipes under the ground to the neighboring facilities, it was considered that waste heat from the PSC's refrigeration plant should also be piped underground to neighboring facilities. Thus a study was undertaken in 2011 to determine energy conservation measures that could be implemented in these facilities as well as the feasibility of consolidating all refrigeration needs into the PSC and sharing chilled brine and heat with the neighboring facilities.

The 2011 study identified energy conservation measures that could result in approximately \$90,000 in yearly savings should the recommended measures be implemented. This results in a net present value to the City of approximately \$350,000. Part II of the study proved that a local district heating and cooling loop may be viable although more detailed costing needs to be completed. The study indicated that up to 97% of the heat demand in the recreation facilities could be met by utilizing the waste heat available from the PSC refrigeration plant. Utilizing waste heat may result in estimated savings of up to \$130,000 per year, equating to a net present value of approximately \$1 million to the City.

These promising preliminary results warrant further analysis and design to determine, with a high confidence level, viability. Thus, the design development stage was approved for 2012 and completed in 2013. The next phase of this project, construction, has not yet been approved.

The analysis, costing, and detailed engineering have been completed and will now be introduced into the 2015 Capital Budget Discussions. In order to make this project financially viable it is the intention of the City to leverage the project through grants focused on reducing greenhouse gases.

Grounds Gap Analysis

The genesis of the new grounds department was prompted by a request from the community for higher levels of service for the City's outdoor spaces. A preliminary analysis of the gap in service took into consideration the inventory of spaces and the resources available at the time, and identified that functionality, safety and aesthetics of the parks, playgrounds, sports fields, and other outdoor spaces could be enhanced by developing a new department. Changes to the operation that were geared towards improving the level of service included hiring additional personnel, purchasing specialized equipment and focusing resources where they are needed most. With short and long-term planning as the goal - the creation of operating and capital budgets based on the needs of the community - the dynamic process of creating a vision for the new department is well underway.



Cultural Centre Facility Review Process

A discussion of long term funding decisions for capital upgrades is underway between the City and the North Peace Cultural Centre board. This discussion will assist in determining future expenditures necessary to keep the building functional and viable.

INTEGRATED SERVICES

PLANNING AND ENGINEERING

Curbside Recycling Review

Council requested staff to investigate the feasibility of initiating the implementation of universal curbside recycling. Currently curbside recycling is available through a private contractor for those that want to pay for that service and/or don't have the option of recycling at the depot. Universal curbside recycling would require that the City provide a recycling service to each residential lot and the fee for service is then charged on taxes. Staff will review the possible options for service and capacity of the existing depot and report this information back to Council for direction.

Fort Hotel Site

A request for expressions of interest for the lands formerly containing the Fort Hotel, located at the corner of 100 Street and 100 Avenue was released in early May 2013. Submissions were received and evaluated by staff and were presented to Council. Negotiations with a proponent on the disposition of the property are continuing.

Downtown Revitalization Inventory

In 2014, Phase Two of the Downtown Strategy will be implemented. This includes community consultation and engagement to co-create a vision and set of goals for the downtown. This will guide future capital budget decisions. It will also inform the development/business community of policy and design directions based on the background and technical analysis and opportunities identified within. The plan process will include a series of community and stakeholder design and planning workshops that will identify planning and design options and result in a preferred and highly illustrative vision for the downtown. Phase 2 is proceeding through a Request for Proposal, with public engagement likely to commence in the fall of 2014.

Passivhaus

The Passivhaus Project was mostly constructed in 2013 and will be completed in 2014. It is a demonstration house that consumes 90% less energy than a typical home of the same size. This house is being constructed behind the old Fire Hall.

Future School Sites

City staff met with School District representatives to discuss the need for new schools and the areas they should be located in. The School District has also implemented a school site acquisition fee that will come into effect in 2014.





INFRASTRUCTURE PROJECTS

Liquid Waste Management

The Liquid Waste Management Plan was completed and approved by Council, stakeholders, and the Province in March 2014.

Effluent Reuse

Effluent Reuse has been studied and a conceptual design has been approved. Industrial partners have expressed interest although capital investment for construction of the project has not yet been allocated.

Long Term Plan Capital Inventory

The inventory has been completed and is being updated as new assets are added to the City, whether they are purchased, constructed or reconstructed as in the case of streets and sidewalks. The inventory includes asset description, year installed, expected lifespan, valuation and other pertinent information. The next step is taking this inventory and turning the information into a plan for rehabilitation and replacement.

2014 Water Main Looping Project

The main focus of the water main looping project for 2014 will be the installation of fire hydrants in areas of the City where the hydrant spacing does not meet the current spacing requirements. Council has agreed to fund a four person installation crew for the summer to work on this initiative.

2014 Capital Projects

Local Area Service Projects

74 Street between 85 and 91 Avenues

This is the second phase of this project which is for the complete road construction and servicing of this street. It is cost shared between the City of Fort St. John and the landowners on 74 Street between 85 and 91 Avenues. The street will require complete construction starting with removal of trees and overburden shrubbery. When finished there will be asphalt, storm sewer, water, sanitary sewer, sidewalk and LED street lighting on 74 Street between 85 and 91 Avenues. The first phase included the installation of the deep utilities, water, sanitary sewer and storm sewer. This work was completed in November 2013. The second phase will complete the construction of this street and will be completed in 2014.

Beaver Road between 100 and 101 Streets

This was an existing gravel street which will be paved. This includes base construction, storm sewer and catch basins, curb and gutter, asphalt, and LED street lighting. This project will be cost shared, with approximately 50% paid for by the City of Fort St. John and 50% by the businesses located on Beaver Road. This project is expected to be completed by October 2014.



97 Street between 96 and 99 Avenues

This was an existing gravel street which will be paved. This includes base construction, storm sewer and catch basins, curb and gutter, asphalt, and LED street lighting. This project will be cost shared, with approximately 50% paid for by the City of Fort St. John and 50% by the residents located on 97 Street. This project is expected to be completed by October 2014.

97 Avenue between 93 and 96 Streets

This was an existing gravel street which will be paved. This includes base construction, storm sewer and catch basins, curb and gutter, asphalt, and LED street lighting. This project will be cost shared, with approximately 50% paid for by the City of Fort St. John and 50% by the residents located on 97 Avenue. This project is expected to be completed by October 2014.

102 Avenue between 108 and 112 Streets

This was an existing gravel street which will be paved. This includes base construction, storm sewer and catch basins, curb and gutter, asphalt, and LED street lighting. This project will be cost shared, with approximately 50% paid for by the City of Fort St. John and the residents on the south side of the avenue and 50% by the developer on the north side of the avenue. This project is expected to be completed by October 2014.

97 Avenue between 93 and 96 Streets

This was an existing gravel street which will be paved. This includes base construction, storm sewer and catch basins, curb and gutter, asphalt, and LED street lighting. This project will be cost shared, with approximately 50% paid for by the City of Fort St. John and 50% by the residents located on 97 Avenue. This project is expected to be completed by October 2014.

Road Upgrading

96 Street between 108 Avenue and Peace River Road

This was an existing paved street which will be reconstructed. This includes base construction, storm sewer and catch basins, curb and gutter, sidewalk, asphalt, and LED street lighting. This project is expected to be completed by October 2014.

111 Street between Alaska Highway Frontage Road and Tahltan Road

This was an existing paved street which will be reconstructed. This includes base construction, storm sewer and catch basins, curb and gutter, asphalt, and LED street lighting. This project is expected to be completed by October 2014.

95 Street between 96 Avenue and 98A Ave

This was an existing gravel street which will be paved. This includes base construction, storm sewer and catch basins, curb and gutter, sidewalk, asphalt, and LED street lighting. This project is expected to be completed by October 2014.





108 Street between 102 and 104 Avenues

This was an existing gravel street which will be paved. This includes base construction, storm sewer and catch basins, curb and gutter, sidewalk, asphalt, and LED street lighting. This project will be cost shared, with approximately 50% paid for by the City of Fort St. John and 50% by the developer on the west side of 108 Street. This project is expected to be complete by October 2014.

Storm Sewer Installation

Alaska Highway Frontage – 96 Street to discharge

There will be a 2.4 meter diameter storm sewer installed on the north side of the Alaska Highway between 96 Street and east to the discharge point at about 89 Street. This is the first phase of a multi-phase project to improve the storm sewer system in the south central area of the city.

Sidewalk Installation

86 Street between 89 and 92 Avenues

There will be sidewalk installed along the east side of 86 Street from 89 to 92 Avenues in 2014. This is a continuation of the sidewalk that exists north of this location.

112 Avenue between 90 and 93 Streets

There will be sidewalk installed along the south side of 112 Avenue from 90 Street to 93 Street in 2014. This will complete the sidewalk along 112 Avenue.

Sidewalk and Streetlight Installation

93 Street between 96 and 100 Avenues

There will be sidewalk and LED street lighting installed along the west side of 93 Street from 96 Avenue to 100 Avenue in 2014. This is a continuation of the sidewalk and street lighting that was installed south of this location in 2013. This will complete the sidewalk along 93 Street.

115 Avenue between 89A and 93 Streets

There will be sidewalk and LED street lighting installed along the north side of 115 Avenue from 89A Street to 93 Street in 2014. This will complete the sidewalk along 115 Avenue.

Traffic Signal Installation

Pedestrian Crossing Signals - 86 Street at 99 Avenue

The existing pedestrian crossing signal will be replaced and upgraded to the current standard for pedestrian controlled crossing signals. The existing timed flashing signals and poles will be removed.

Parks

Skateboard Park Parking Lot and Washroom Facilities

There will be a paved parking lot with storm sewer and street lighting built at the skateboard park in 2014. A washroom facility will also be constructed.





Matthew's Park Washroom Facilities

There will be a washroom facility constructed at Matthew's Park.

FSJ Cemetery Fence

The cemetery fence panels were purchased in 2013. These panels will be installed by Public Works after removal of the existing fence along 100 Avenue this year.

Operations

ROADS AND UTILITIES

Waste Water Transfer Station

The Waste Water Transfer Station has been identified as a potential risk area for the introduction of industrial waste into the City's sewer system. Stakeholder information meetings were held in 2013 to inform them that the station would be closed as of December 2014. Steps were also taken to ensure that domestic wastewater only is discharged at the station. The Regional District has taken steps to construct a waste receiving facility but this will not likely be completed by the December deadline. This station and its operation will be reevaluated later in 2014.

OSB Plant Storm Water Acceptance Agreement

Staff met with OSB Plant staff to ensure that both parties still agree with the terms of the storm water acceptance agreement and that the quality and quantity of discharged storm water meets the agreement's requirements. The OSB plant is currently in the midst of constructing enhancements to their storm water management system to improve quality and to recycle this water in their own process, saving water and money while reducing discharge to the City system.

Meter Transmitter Unit Replacement

Public Works is continuing with the replacement of the Meter Transmitter Units (MTU's) in the City. The MTU is the device connected to the water meter which transmits the meter reading to a computer at City Hall. This project was phased over two years with a total of 6,000 MTU's to be replaced. There were 3,000 units replaced in 2013 and the remaining 3,000 units are scheduled for replacement in 2014. The new MTU's have a twenty year warranty on the batteries and are equipped with two-way communication technology. This technology will allow for greater efficiencies for staff when they are troubleshooting the unit.

Public Works Shop Design (part of Corporate Facilities Master Plan)

At the strategic planning session held in 2013 it was decided that the Public Works Building Design be included in the Corporate Facilities Master Plan. In 2013 staff conducted an assessment on the Public Works shop and office space to determine future needs. The costs to do the project were identified in 2013 and formed an important part of the Facilities Master Plan. The current facility has reached maximum storage capacity creating a need for additional space. The proposed new building addition will allow staff to remove the temporary storage buildings and containers in the Public Works yard and store all of the equipment in one larger building. The Facilities Master Plan has identified options for this site and will be presented to Council in June 2014.





Fleet Management Plan

The City's Fleet Management Plan is one of the building blocks in an overall Asset Management Plan. Both Tangible Capital Asset and Public Sector Accounting Board are reports that the City is mandated to complete. The Fleet Management Plan helps to provide comprehensive reporting of these assets including value, maintenance costs and life expectancy. By collecting and analyzing data on location, fuel and oil consumption, repair cost and frequency, replacement and inventory we will be able to complete the following:

1. Improve efficiencies and reduce operating costs
2. Establish workflow and accountability
3. Budget and create long term fleet plans
4. Share centralized information
5. Reach carbon neutral targets
6. Provide an accurate inventory.

The Fleet Management Plan aligns with the concept of open and accountable local government while continuing to provide a safe and environmentally friendly fleet.

The vehicle tracking system that the City had been using no longer met the needs of the department or the organization so it was discontinued in 2013. A vehicle tracking system is an integral part of a fleet management system therefore staff will be researching software programs that are compatible with CityWorks during 2014.

CORPORATE SERVICES

LEGISLATIVE AND ADMINISTRATIVE SERVICES

Boundary Extension

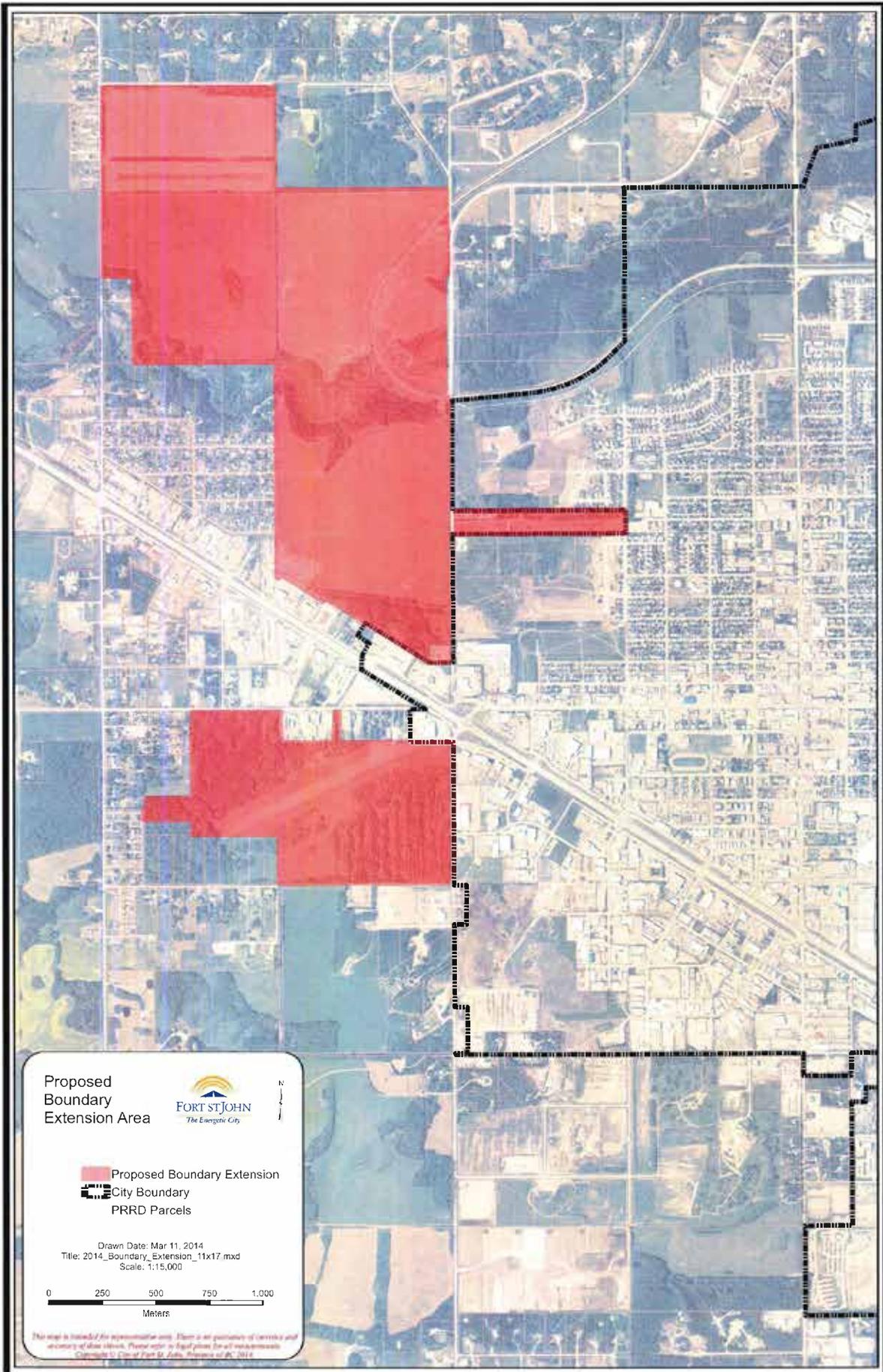
This is one of the highest priorities for Council during 2013 and a staff committee was created to initiate this process. Throughout 2013, extensive public consultation took place with rural residents to obtain their comments, concerns and opinions about a proposed boundary extension.

Council adopted Boundary Extension Council Policy No. 129/13 to provide clear direction to staff as well as the public regarding boundary extension mitigation measures for all future applications that provides fairness and equity to both rural and urban residents.

In response to a majority of rural property owners in opposition to the proposed extension, a revised map was developed. Council, at their March 10, 2014 Regular Council meeting approved staff to move forward with a revised boundary extension application.

The City's boundary extension application was sent to the Ministry for their consideration on May 27, 2014.







Grant in Aid and Permissive Tax Report

BC Assessment conducted site inspections of statutory exemptions throughout the Province in August 2013 and staff will be reviewing this data and provide an updated report and policy to Council.

Council Report and FYI Format

The administration report templates were updated on iCompass in September 2013 to remove fields that were repetitive or not required.

Communication Workshop

Corporate communication has been delegated to the Economic Development Department.

Action Tracking and Electronic Filing

With the hiring of a Records Management Coordinator, she will be developing the first phase of a records management program for implementation during 2014. The first step is an assessment will result in policies and procedures being drafted for electronic records. A report with recommendations on electronic document file restructuring will be submitted later in the year. As part of this overall program, all of the e-records will need to be moved into one place and this will involve the cooperation and assistance of all City Department.

FINANCIAL SERVICES

Purchasing Policy Review

The purchasing policy will be updated to ensure that the City receives the best available value for services, products and materials. With the completion of the purchasing policy, the administrative procedures will be reviewed and updated to facilitate a strong, reliable procurement process.

Online Payment Options

The City will be exploring and reviewing options to provide online payment of City bills on the website.

City Hall Hours

The hours of public access to City Hall will be reviewed to improve the use of resources and service.

Long Term Financial Plan

A long term financial plan is important to manage the long term financial sustainability of the City's assets and services. A long term financial plan will allow the City to:

- Operate within the City's financial constraints and statutory obligations;
- Provide fundamental services to the community;
- Be resilient and responsive to growth demands;
- Make adequate provision for funding new assets and the replacement of essential infrastructure in the future.



Asset Management Plan

An Asset Management plan is important as it provides key information to effectively plan, maintain and operate City infrastructure. The Asset Management plan will provide information relating to costs, asset conditions, risks and future demands related to municipal infrastructure. The Asset Management plan is a key part to development of a long term financial plan.

Grant in Lieu of Industrial Taxation (Fair Share) City Interest

With the Grant in Lieu of Industrial Taxation (Fair Share) nearing expiry the city will be preparing documentation and plans to negotiate a continuation of this important program. This program currently is the major source of funding for all major infrastructure work for the City.

PROTECTIVE SERVICES

Fire Hall Completion

In late December of 2013 the Fire Department administrative services were moved to the new facility and Fire Dispatch Services were relocated shortly thereafter. The new 21,000 square foot station is centrally located at the corner of 93rd Street and 93rd Avenue.

Acquisition RCMP Land

This acquisition has been deferred pending the Facilities Needs Analysis Review. The review is being presented to Council in June 2014, and will form part of the 2015 Capital Budget discussions.

Bylaw Ticketing

The Bylaw Enforcement team is in the process of developing Request for Proposal to purchase hand held ticketing units. The intent is to streamline the system used to issue and process violation tickets. The current methodology is very labor intensive and inefficient.

External COR Audit

The City conducted three internal audits of the Occupational Health and Safety Program using the BCMSA Certificate of Recognition (COR) audit document. The initial audit identified a baseline for improvement and a work plan was developed to address those areas. Implementation of action items began in early 2011 and continues today. The second and third audits in January 2012 and January 2013 evaluated the impact of those completed action items on the City's overall score and identified areas requiring additional attention. The score between the first and subsequent audits continues to improve dramatically. It was decided that the City would individually evaluate each element in greater depth during 2014 to ensure integration into standard practices prior to hiring an external auditor to conduct our COR review in 2015.

Animal Control Bylaw Update

Review and revision of the Animal Control Bylaw has been completed and it will be presented for Council consideration by September 1, 2014.





Traffic Control Bylaw Update

The Traffic Bylaw review was postponed pending completion of the Master Transportation Study. This study will guide any future decisions pertaining to parking management, dangerous goods routes and other traffic related issues.

Business Licence Bylaw Update

This bylaw was adopted by Council in 2001 to regulate businesses within the City. As with any bylaw, a thorough review should take place every five to ten years to make changes deemed necessary due to revised legislation or to streamline any administrative issues that have been identified since the bylaw was adopted. This bylaw is still under review although due to the organizational shift of business licensing moving to the Protective Services Department, this was placed on hold.

FIRE DEPARTMENT

Regional Fire Services Agreement & Mutual Aid

An internal review of the Rural Fire Protection Agreement along with the Mutual Aid Agreements between the City of Fort St. John, the District of Taylor and the Peace River Regional District were completed in 2013. The intent of the review was to ensure that there is strategic alignment with Council's ongoing goals and objectives. Areas to be evaluated include fire response area, fire response times and dispatch options. These agreements expire in 2015.

Auxiliary Program (Paid on Call Firefighter)

Reviewing the Paid on Call program was undertaken to determine the value of the training time spent and was there good value for the training results. Also included are the costs of "paid on call" fire fighters attending training and fire responses.

The Paid on Call program has been in the fire department since the days of volunteers. The program is designed to complement the career side of the department and ensure adequate manning on the fire ground scene. The Paid on Call firefighters practice weekly and attend general alarms when they are available.

In the past the fire department has drawn from the Paid on Call ranks for some of the career hires. We have hired six members from the Paid on Call pool. Testing for new hires from this group gives the department an opportunity to see what the prospective candidate has to offer and how well they may fit into the department.

Since 2008, the fire department has had 31 Paid on Call firefighters working for the department. Six of the Paid on Call fire fighters have become career members for the department, eighteen have retired, and six are current.

The single biggest difficulty that faces the fire department in regards to this program in the recruitment and retention of the Paid on Call staff.

The Recruitment program is designed to introduce prospective Paid on Call firefighters to the operational procedures of the department. It is fifteen weeks long which encompasses the following learning objectives: city orientation, fire hall orientation, fire behavior, SCBA, portable fire extinguisher, rescue, ladders, ventilation, hose & appliances, fire suppression, communications, and apparatus familiarization. Successful completion of these modules,

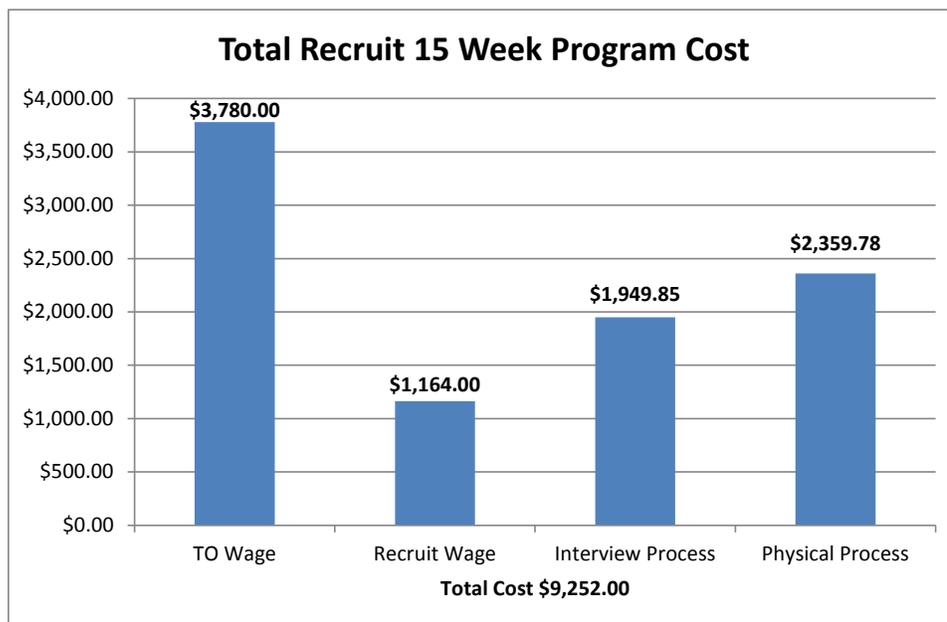


meets the requirements for fire ground operations. The successful candidate receives their pager and is request to attend fire calls.

The program consists of several components: physical testing, interviewing and training period. The physical testing is the same as the career hire and must be completed with the guidelines and time limits, to advance to the interview portion. The interview consists of an interview panel made up of the deputy chief, training officer and the senior Paid on Call firefighter.

The orientation period is conducted once a week on Tuesday evenings for two hours. The Paid on Call recruits are compensated for their time at fifty percent that of a first class firefighters rate.

There is approximately 60 person hours of instructor time for each time a recruitment class is run. To ensure the class can maximize the training potential the class requires a minimum of 6 recruits.



Decisions on the results of the study have not been formally made and will be made available at the time of the 2014 Annual Report.

Capital Needs Assessment

In 2014 there will be an in depth look into the fire departments long term capital needs. At this time there is a long term (15 year) capital plan for fire apparatus purchase and replacement. What this doesn't include is looking at the capital that the growth of our community may create.





RCMP

Building Security Review Upgrades

Upgrades to the RCMP detachment building are ongoing in conjunction with the City of Fort St. John to ensure that security standards required are maintained.

Livescan Fee for Service

The Fort St. John RCMP acquired a live scan fingerprint machine that greatly reduces the time required to process criminal records checks. Fort St. John is the only community in the Peace Liard area equipped with this technology. Consideration is being given to expanding the delivery of this service to other communities in the region on a fee for service basis. Before recommending a fee for this new service, a full review of the RCMP related fees and charges will be completed to determine if any additional increases should be made.

Bylaw Enforcement Role within the RCMP

The Bylaw Enforcement team has been working with the RCMP since the spring of 2104 in developing an educational and training format which will form part of the RCMP Detachment annual training process. The material includes animal control, municipal ticketing and other areas where RCMP staff and Bylaw Enforcement share common objectives.

Community Policing Office

This project has been deferred to a later date

Site C Negotiation

Impact Assessment Template



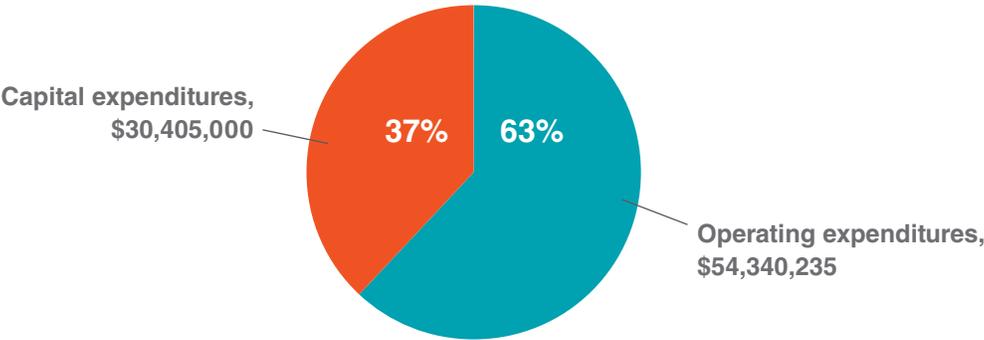


PART III 2014 Financial Plan

The City has two separate budget areas in its Financial Plan: Capital and Operating, totaling \$85.7 million dollars in 2014.

The Operating Budget consists of annual expenses required to continue the provision of City services.

The Capital Budget consists of investments into structures, equipment and facilities.



Of the \$85.7 million dollars that make up the City of Fort St. John's 2014 financial plan, only 29% or \$24.9 million is collected from taxation of our residents. In short, for every \$1 spent, City residents receive \$3.44 in City services.

The remaining \$60.8 million is generated from:

- Interest on investments,
- User fees such as recreation, water, sewer or garbage,
- Licensing such as dog and business licenses,
- Grants in lieu of taxes on buildings from Federal or Provincial governments, Hydro, WCB, ICBC, BC Housing,
- Penalties and interest on taxes,
- 1% Franchise Fees on utility revenue from Telus, Pacific Northern Gas, Shaw and BC Hydro,
- Parking meters and tickets,
- Cemetery Fees,
- Fees for items such as managing the Regional Leisure Centre or Fire Protection,
- Rent on City owned buildings including the RCMP Station,
- Provincial and Federal Grants,
- Miscellaneous other small revenues.



2014 Budget Highlights

Property Tax Rates:

The budget approved by Council set a revenue increase of 6%.

The 2014 municipal Tax Rates per thousand of assessed property value are:

Classification	2014 Tax Rate
Residential Land	5.1888
Utilities	40.0000
Major Industrial	28.7940
Light Industrial	26.3034
Business	14.5986
Recreational	10.9363
Farm	1.5566

Fort St. John has had relatively stable taxes over the past few years and has made conservative increases in order to keep up with inflation and to be prudent and effective in overall operations. In 2014 the tax rates were decreased by 0.7%. The only exceptions are the Utility Class as this rate is capped by provincial legislation and remains unchanged and the farm class which decreased by 89.2%.

The Impact on the Average Single Family Property (\$350,000.00):

	2014	2013
Property Tax	\$1,816.08	\$1,829.14

The general budget highlights of the 2014 Budget are as follows:

- Economic Development function shift from regional to city,
- All other service levels are maintained at the 2013 levels.

PART IV: 2014 Permissive Tax Exemptions

Class	Roll #	Property Owner	Civic Address	Total Assessment	2014 Estimated Permissive Tax Exemptions
1	3825.013	Roman Catholic Episcopal Corporation of Prince Rupert (excluding hall)	9504 - 100 Avenue	170,300	1,613.37
8	3825.013	Roman Catholic Episcopal Corporation of Prince Rupert	9505 - 100 Avenue	517,891	25,306.02
8	481.000	Fort St. John Christian and Missionary Alliance	9816 - 98 Street	85,800	1,326.79
8	482.000	Fort St. John Christian and Missionary Alliance	9904 - 98 Street	852,000	13,557.64
8	1605.000	Evangel Chapel Society	10508 - 98 Street	253,300	4,025.07
8	1620.000	Evangel Chapel Society	9803 - 106 Avenue	99,900	1,544.83
8	2953.000	Guru Nanak Sikh Temple and Cultural Society	8915 - 100 Avenue	73,300	1,133.50
8	2954.000	Guru Nanak Sikh Temple and Cultural Society	8911 - 100 Avenue	73,300	1,133.50
8	2955.000	Guru Nanak Sikh Temple and Cultural Society	8907 - 100 Avenue	73,300	1,179.69
8	2951.000	Guru Nanak Sikh Temple and Cultural Society	9915 - 100 Avenue	355,100	5,636.01
6	2979.000	BC Corporation of the Seventh Day Adventist Church	9008 - 100 Avenue	153,300	3,732.14
8	4976.000	Anglican Synod of the Dioceses of Caledonia	10364 - 100 Street	719,100	11,244.05
8	1750.000	Calvary Baptist Church (Baptist Union of Western Canada)	9607 - 107 Avenue	974,900	15,656.31
8	492.000	Trustees of the Congregation of Fort St. John Presbyterian Church	9907 - 98 Street	535,400	8,368.70
8	8555.000	Peace Lutheran Church	9812 - 108 Avenue	897,500	14,446.94
8	8296.000	BC Conference of Mennonite Brethren Church	10816 - 106 Street	772,500	12,438.44
8	9347.000	Trustee for the Congregation of Jehovah's Witness of FSJ	7908 - 94 Avenue	394,100	6,270.97
8	5981.000	President of the Lethbridge Stake of the Church of Jesus Christ of Latter Day Saints	11412 - 100 Street	1,080,700	17,419.18
8	8480.000	Evangelical Free Church of Fort St. John	8220 - 89 Avenue	759,100	12,226.37
8	9810.670	Christian Life Centre	8923 - 112 Avenue	4,688,500	75,646.41
8	872.010	United Pentecostal Church of BC	10503 - 101 Avenue	647,900	10,226.87
6	415.000	Salvation Army	10116 - 100 Avenue	1,017,000	25,398.36
6	384.000	Fort St. John Association for Community Living	10247 - 100 Avenue	464,000	11,384.98
1	1690.200	FSJ Association for Community Living	10519 - 102 Avenue	622,000	5,820.41
6	3963.200	Fort St. John Friendship Society	10208 - 95 Avenue	191,000	4,696.54

PART IV: 2014 Permissive Tax Exemptions

Class	Roll #	Property Owner	Civic Address	Total Assessment	2014 Estimated Permissive Tax Exemptions
6	9807.605	Child Development Centre Society	10408 - 105 Avenue	2,907,000	73,193.54
6	111.000	Fort St. John Senior Citizens Association	10908 - 100 Street	643,000	15,346.17
1	9341.300	North Peace Seniors Housing Society	10804 - 98 Street	2,272,000	21,340.20
1	8554.000	North Peace Seniors Housing Society	9816 - 108 Avenue	2,115,000	19,893.57
6	9346.000	North Peace Historical Society	9323 - 100 Street	2,182,000	53,010.64
6	6539.000	North Peace Cultural Society	10015 - 100 Avenue	4,590,000	114,287.36
6	556.000	North Peace Cultural Society	10015 - 99 Avenue	108,000	2,538.52
6	9058.000	Society for the Prevention of Cruelty to Animals	9311 - 81 Avenue	419,000	10,337.45
6	1112.000	Totem Preschool - A Parent Participation Preschool Member of B. C.	9908 - 84 Street	161,300	3,953.15
6	9810.460	Fort St. John Mixed Slow Pitch Society [City of Fort St. John]	10400 - 86 Street	2,103,000	53,000.86
8	9810.460	Fort St. John Mixed Slow Pitch Society [City of Fort St. John]	10400 - 86 Street	1,057,000	16,345.24
6	6790.001	New Totem Archery Club Society [City of Fort St. John]	No civic address	22,100	556.98
8	6790.001	New Totem Archery Club Society [City of Fort St. John]	No civic address	99,500	1,538.65
6	9821.460	Fort St. John MotoX Society	8927 - 77 Avenue	238,000	1,538.65
6	2849.000	Fort St. John Community Arts Council (leased property)	10320 - 94 Avenue	317,800	7,885.76
1	2519.500	Abbeyfield Houses of FSJ	8112 - 96 Avenue	942,000	8,848.84
6	1070.000	Royal Canadian Legion	10103 - 105 Avenue	230,500	5,721.74
8	1070.000	Royal Canadian Legion	10103 - 105 Avenue	448,900	7,183.31
6	1072.000	Royal Canadian Legion	10111 - 105 Avenue	72,600	1,706.45
6	1073.000	Royal Canadian Legion	10115 - 105 Avenue	145,000	3,408.20
6	8650.000	Fort St. John Curling Club (City of Fort St. John)	9504 - 96 Street	1,571,000	38,363.99
6	645.000	Fort St. John Women's Resource Society - 81% exemption	10045/51 - 100 Avenue	202,900	5,013.59
				40,374,600	749,859.31



FORT ST. JOHN

The Energetic City

Consolidated Financial Statements

Year ended December 31, 2013

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City of Fort St. John

MANAGEMENT REPORT

The accompanying consolidated financial statements and other information contained in this Financial Report are the responsibility of the management of the City of Fort St. John.

These consolidated financial statements have been prepared by management. Financial statements are not precise since they include certain amounts based on estimates and judgements. Management has determined such amounts on a reasonable basis in order to ensure that the financial statements are presented fairly, in all material respects.

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

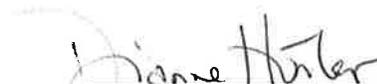
The elected Council of the City of Fort St. John are responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements. Council carries out their responsibility principally at Committee of the Whole meetings and at Regular Council meetings.

Council considers for approval the engagement or re-appointment of external independent auditors and reviews the periodic financial reports.

The consolidated financial statements have been audited by Sander Rose Bone Grindle LLP, Chartered Accountants, the external independent auditors, in accordance with Canadian generally accepted auditing standards on behalf of Council, residents and ratepayers of the City of Fort St. John. Sander Rose Bone Grindle LLP have full and free access to Council.



Michael Roy
Director of Finance
April 14, 2014



Dianne Hunter
City Manager
April 14, 2014

CHARTERED ACCOUNTANTS

Partners

- * Ben Sander, B. Comm., CPA, FCA
- * Dale J. Rose, CPA, CA
- * Alan Bone, B. Comm., CPA, CA
- * Jason Grindle, B. Comm., CPA, CA
- * Donald G. Smith, CPA, CA (Retired)

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Independent Auditor's Report

To the Mayor and Council of the City of Fort St. John

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of the City of Fort St. John, which comprise the consolidated statement of financial position as at December 31, 2013 and the consolidated statements of operations and cash flows and changes in net debt 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 consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the City of Fort St. John as at December 31, 2013 and the results of its operations, its cash flows and changes in net debt for the year then ended in accordance with Canadian public sector accounting standards.

Fort St. John, BC
April 14, 2014

Sander Rose Bone Grindle LLP
Chartered Accountants



City of Fort St. John

Consolidated Statement of Financial Position

December 31, 2013

	2013	2012
Cash and cash equivalents (Note 2)	\$ 35,447,226	\$ 30,959,651
Receivables (Note 3)	7,406,753	5,966,977
Municipal Finance Authority debt reserve deposits (Note 4)	2,023,942	1,799,097
Tax sale properties (Note 5)	17,063	23,518
Land held for resale	316,811	316,811
	45,211,795	39,066,054
Payables and accruals (Note 6)	14,681,825	13,329,129
Accrued interest payable	322,337	266,182
Deferred revenue (Note 8)	3,150,638	2,353,027
Municipal Finance Authority debt reserve (Note 4)	2,023,942	1,799,097
Long term debt (Note 9)	36,789,057	33,081,338
	56,967,799	50,828,773
Net Debt	(11,756,004)	(11,762,719)
Prepaid expenses	345,854	344,249
Inventories of supplies	2,394,964	-
Tangible capital assets (Note 10)	324,237,318	301,031,624
	326,978,136	301,375,873
Accumulated Surplus (Note 11)	\$ 315,222,132	\$ 289,613,154

Approved by:



Michael Roy

Director of Finance

See accompanying notes to consolidated financial statements

City of Fort St. John

Consolidated Statement of Operations

Year Ended December 31, 2013

	2013 Budget (Unaudited)	2013 Actual	2012 Actual
Revenue			
Net municipal property taxes (Note 12)	\$ 24,154,510	\$ 24,419,977	\$ 23,639,284
Grants in lieu of taxes	421,325	397,519	429,424
Services provided to other governments	708,903	1,068,982	862,041
Sale of services	7,210,590	9,116,720	6,437,851
Other revenue from own sources	4,901,452	5,347,394	4,664,962
Government transfers (Note 13)	20,603,581	22,685,431	21,362,829
Return on investment	111,400	536,748	494,883
Actuarial adjustments	-	347,452	276,090
Developer contributions	-	8,075,707	2,854,141
Gain on disposal of tangible capital assets	-	84,804	157,781
	58,111,761	72,080,734	61,179,286
Expenses			
General government services	5,873,284	5,399,435	5,906,327
Protective services	12,376,645	12,196,678	11,472,178
Transportation	11,108,491	13,086,535	11,921,865
Public health and welfare	813,725	836,731	807,974
Environmental development	2,177,325	1,735,372	1,825,933
Recreation and cultural	6,532,070	6,663,692	6,565,364
Water utility services	4,285,569	3,932,494	3,850,154
Sewer utility services	2,631,583	2,620,819	2,342,463
	45,798,692	46,471,756	44,692,258
Annual Surplus	12,313,069	25,608,978	16,487,028
Accumulated Surplus, beginning of year	289,613,154	289,613,154	273,126,126
Accumulated Surplus, end of year	\$ 301,926,223	\$ 315,222,132	\$ 289,613,154

See accompanying notes to consolidated financial statements

City of Fort St. John

Consolidated Statement of Cash Flows

Year Ended December 31, 2013

	2013	2012
OPERATING TRANSACTIONS:		
Annual surplus	\$ 25,608,978	\$ 16,487,028
Non-cash and other items:		
Amortization of tangible capital assets	8,333,091	7,711,033
Actuarial adjustment on long term debt	(347,452)	(276,090)
Developer contributions - contributed tangible capital assets	(7,913,957)	(2,056,108)
Loss on disposal of tangible capital assets	911,030	473,630
	26,591,690	22,339,493
Changes in non-cash working capital components:		
Receivables - decrease (increase)	(1,439,776)	2,292,939
Inventories of supplies - (increase)	(2,394,964)	-
Prepaid expenses - (increase) decrease	(1,605)	33,404
Tax sale properties - decrease (increase)	6,455	(9,493)
Payables and accruals - increase	1,352,696	1,699,082
Accrued interest payable - increase	56,155	2,508
Deferred revenue - increase	797,611	722,755
	24,968,262	27,080,688
CAPITAL TRANSACTIONS:		
Proceeds on disposal of tangible capital assets	92,804	206,851
Purchase of tangible capital assets	(24,628,662)	(24,426,742)
	(24,535,858)	(24,219,891)
FINANCING TRANSACTIONS:		
Long term debt borrowing proceeds	5,500,000	329,000
Long term debt principal repayment	(1,444,829)	(1,433,781)
	4,055,171	(1,104,781)
Increase in cash and equivalents	4,487,575	1,756,016
Cash and equivalents, beginning of year	30,959,651	29,203,635
Cash and equivalents, end of year	\$ 35,447,226	\$ 30,959,651

See accompanying notes to consolidated financial statements

City of Fort St. John

Consolidated Statement of Changes in Net Debt

Year Ended December 31, 2013

	2013 Budget (Unaudited)	2013 Actual	2012 Actual
Annual surplus	\$ 12,313,069	\$ 25,608,978	\$ 16,487,028
Acquisition of tangible capital assets	(30,424,701)	(32,542,619)	(26,482,850)
Amortization of tangible capital assets	7,680,537	8,333,091	7,711,033
Loss on disposal of tangible capital assets	-	911,030	473,630
Proceeds on disposal of tangible capital assets	-	92,804	206,851
	(10,431,095)	2,403,284	(1,604,308)
Acquisition of inventories of supplies	-	(2,394,964)	-
Acquisition of prepaid expenses	-	(345,854)	(344,249)
Use of prepaid expenses	-	344,249	377,653
	-	(2,396,569)	33,404
Change in Net Debt	(10,431,095)	6,715	(1,570,904)
Net Debt, beginning of year	(11,762,719)	(11,762,719)	(10,191,815)
Net Debt, end of year	\$ (22,193,814)	\$ (11,756,004)	\$ (11,762,719)

See accompanying notes to consolidated financial statements

City of Fort St. John

Notes to Consolidated Financial Statements

December 31, 2013

General

The City of Fort St. John (the "city") was incorporated as a Municipality in 1981 under the Municipal Act (Local Government Act), a Statute of the province of British Columbia. The city's principal activities include the provision of local government services to the residents of the incorporated area. These services include general government, protective, transportation, public health and welfare, environmental development, recreation and culture, and water and sewer utilities.

1. Significant Accounting Policies

The consolidated financial statements of the City of Fort St. John are the representations of management and have been prepared in accordance with Canadian public sector accounting standards as prescribed by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants.

a. Basis of presentation

The consolidated financial statements reflect a combination of the city's General Fund, Capital Fund, Reserve Fund and Cemetery Fund. These funds are used as follows:

General Fund - This fund accounts for general, water, and sewer utility operating activities and administration functions of the City. They are used to record the operating costs of the services provided by the City

Capital Fund - This fund is used to record the acquisition costs of tangible capital assets and any related debt outstanding.

Reserve Fund - Under the Community Charter of British Columbia, and in addition to statutory restrictions, City Council may, by by-law, establish reserve funds for specified purposes. Money in a reserve fund and interest earned thereon, must be expended only for the purpose for which the fund was established. If the amount in a reserve fund is greater than required for the purposes for which it was established, City Council may transfer all or part of the amount to another reserve fund.

Cemetery Fund - This fund accounts for assets held for perpetual care of City operated cemeteries.

b. Basis of accounting

The City follows the accrual method of accounting for revenues and expenses. Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues, and expenditures are recognized in the period the goods and services are acquired and a liability is incurred or transfers are due.

City of Fort St. John

Notes to Consolidated Financial Statements

December 31, 2013

1. Significant Accounting Policies continued

c. Government transfers

Government transfers are recognized in the financial statements as revenues in the period the transfers are authorized and any eligibility criteria have been met, except when and to the extent that the transfer gives rise to an obligation that meets the definition of a liability for the recipient government. Transfers received which meet the definition of a liability are included in deferred revenue.

d. Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Significant estimates include assumptions used in estimating historical cost and useful lives of tangible capital assets. Actual results could differ from these estimates.

e. Financial instruments

The City's financial instruments consist of cash and cash equivalents, receivables, Municipal Finance Authority debit reserve deposits, payables and accruals, accrued interest payable, Municipal Finance Authority debt reserve and long term 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 value of these financial instruments approximate their carrying values, unless otherwise noted.

f. Prepaid expenses

Prepaid expenses consist mainly of unexpired insurance premiums and deposits which are amortized over the term of the respective policies or as they are used.

g. Non-Financial Assets

Tangible capital assets and other non-financial assets are accounted for as assets by the City because they can be used to provide government services in future periods. These assets do not normally provide resources to discharge the liabilities of the City unless they are sold.

h. Deferred revenue

User fees and charges

Certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred or the services performed.

City of Fort St. John

Notes to Consolidated Financial Statements

December 31, 2013

1. Significant Accounting Policies continued

h. Deferred revenue continued

Deferred Development Cost Charges (DCC)

The City collects development cost charges (DCC) to pay for a proportionate share of infrastructure related to new growth. In accordance with the Local Government Act, these funds must be deposited into a separate reserve fund. These funds are treated as deferred revenue until such time as the revenue can be recognized.

Sponsorships and leases

The City received sponsorship and lease revenue. These revenues are recognized over the term of the agreements. The terms of the agreements range from two to thirty years.

i. Tangible capital assets

Tangible capital assets are recorded at cost, which includes all charges directly attributable to placing the asset in its intended location and condition of use. Interest on debt during the construction period of a capital project is not capitalized. Contributed tangible capital assets are recorded at fair value at the time of donation, with a corresponding amount recorded as revenue. The cost, less residual value, of the tangible capital assets, excluding land, are amortized on a straight line basis over their estimated lives as follows:

	<u>Useful life - years</u>
Land improvements	80
Buildings	20-50
Machinery and equipment	5-20
Infrastructure	
General	30-80
Water	15-80
Sewer	10-80

A full year of amortization is claimed in the year of acquisition, providing the asset is in use, and no amortization is claimed in the year of disposal.

j. Inventories of supplies

Inventories of supplies include gravel piles and raw gravel material. These inventories held for consumption are recorded at the lower of cost and replacement cost.

City of Fort St. John

Notes to Consolidated Financial Statements

December 31, 2013

1. Significant Accounting Policies continued

k. Land held for resale

Properties available for sale include real estate properties which are ready and available to be sold and for which there is a market. They are valued at the lower of cost or expected net realizable value.

l. Budget presentation

The budget approved in January 2013 is presented in the financial statements, any subsequent amendments have not been included.

m. Appropriated surplus

Certain amounts, as approved by City Council, are set aside in reserves for future operating and capital expenditures. Transfers to and/or from these reserves are shown as interfund transfers in the various fund operation schedules.

n. Segment disclosure

A segment is defined as a distinguishable activity or group of activities of a government for which it is appropriate to separately report financial information to achieve the objectives of the standard. The City has presented segmented financial information in Note 16 of the consolidated financial statements.

2. Cash and equivalents

	2013	2012
Cash and bank	\$ 20,253,135	\$ 15,958,737
TD Bank Savings	8,214,694	8,107,840
Credit Union Savings	6,979,397	6,893,074
	\$ 35,447,226	\$ 30,959,651

Cash and equivalents includes \$1,314,259 set aside for development cost charges, \$734,252 set aside for statutory reserves in the reserve fund and \$55,179 set aside for reserves in the capital fund, \$14,168,705 for appropriated surplus in the general fund, and \$235,956 for accumulated surplus in the cemetery fund.

City of Fort St. John

Notes to Consolidated Financial Statements

December 31, 2013

3. Receivables

	2013	2012
Trade and other receivables		
Due from Federal Government	\$ 2,048,454	\$ 1,652,867
Due from Provincial and Regional Governments	1,023,335	582,932
General	877,372	819,005
Property taxes receivable	2,834,756	2,390,609
Utilities receivables	565,186	463,914
Due from developers	57,650	57,650
	\$ 7,406,753	\$ 5,966,977

4. Municipal Finance Authority Debt Reserve Deposits and Demand Notes

The City issues its debt instruments through the Municipal Finance Authority (MFA). As a condition of these borrowings, a portion of the debenture proceeds are withheld by the MFA as a debt reserve fund. The City also executes demand notes in conjunction with each debenture whereby the City may be required to loan certain amounts to the MFA.

The details of the cash deposits and demand notes are as follows:

	Cash Deposits	Demand Notes	2013	2012
General Fund Operations	\$ 302,375	\$ 627,688	\$ 930,063	\$ 916,008
Water Fund Operations	98,906	190,231	289,137	284,540
Sewer Fund Operations	199,138	605,604	804,742	598,549
	\$ 600,419	\$ 1,423,523	\$ 2,023,942	\$ 1,799,097

City of Fort St. John

Notes to Consolidated Financial Statements

December 31, 2013

5. Tax Sale Properties

	Opening Balance	Additions	Transfers and Redemptions	Total 2013	Total 2012
Property acquired for taxes subject to redemption	\$ 23,518	\$ 28,612	\$ (35,067)	\$ 17,063	\$ 23,518

6. Payables and Accruals

	2013	2012
Trade accounts and accruals		
Federal government	\$ 1,244,721	\$ 2,578,388
Other government agencies	876,124	887,684
General	7,073,305	5,906,393
Payroll and benefits	951,872	895,574
Deposits	4,535,803	3,061,090
	\$ 14,681,825	\$ 13,329,129

7. Line of credit

Lines of credit include a demand operating facility with the TD Canada Trust of up to \$ 10,000,000 which was undrawn at December 31, 2013 (2012 - \$ NIL). This facility bears interest at prime rate minus 0.75%.

8. Deferred Revenue

	2013	2012
Pomeroy Sports Centre - Sponsorships	\$ 341,433	\$ 446,948
Pomeroy Sports Centre - School district #60 Lease	1,228,547	1,275,201
Development Cost Charges (DCC)	1,314,259	514,753
Other	266,399	116,125
	\$ 3,150,638	\$ 2,353,027

City of Fort St. John

Notes to Consolidated Financial Statements

December 31, 2013

9. Long Term Debt

The City obtains debt instruments through the Municipal Finance Authority of British Columbia (MFA) pursuant to security issuing bylaws under authority of the Community Charter to finance certain expenditures.

Gross amount of the debt less repayments and actuarial adjustments to date are as follows:

	Gross debt	Repayments and actuarial adjustments	Net debt 2013	Net debt 2012
General Fund Operations	\$ 24,269,813	\$ 3,796,067	\$ 20,473,746	\$ 21,192,015
Water Fund Operations	5,900,000	2,673,868	3,226,132	3,528,676
Sewer Fund Operations	16,375,000	3,285,821	13,089,179	8,360,647
	\$ 46,544,813	\$ 9,755,756	\$ 36,789,057	\$ 33,081,338

Current borrowing includes:

MFA	Issue Date	Term (yrs)	Maturity	Interest Rate	Refinancing Date *
Issue 66	Nov 05, 1997	20	Nov 05, 2017	4.82%	n/a
Issue 71	Oct 07, 1999	20	Jun 04, 2019	3.15%	Dec 01, 2014
Issue 81	Apr 22, 2004	20	Apr 22, 2024	4.86%	Apr 22, 2014
Issue 85	Oct 25, 2004	20	Dec 02, 2024	4.98%	Dec 02, 2014
Issue 92	Apr 06, 2005	10	Apr 06, 2015	4.55%	n/a
Issue 97	Apr 19, 2006	20	Apr 19, 2026	4.66%	Apr 19, 2016
Issue 101	Apr 11, 2007	20	Apr 11, 2027	4.52%	Oct 11, 2017
Issue 102	Nov 02, 2007	30	Dec 01, 1937	4.82%	Dec 01, 2017
Issue 103	Apr 23, 2008	30	Apr 23, 1938	4.65%	Apr 23, 2018
Issue 105	Apr 21, 2009	20	Jun 03, 2029	4.90%	Jun 03, 2019
Issue 110	Apr 08, 2010	20	Apr 08, 2030	4.50%	Apr 08, 2020
Issue 117	Oct 12, 2011	5	Oct 16, 2016	2.15%	n/a
Issue 118	Apr 11, 2012	20	Apr 11, 2032	3.40%	Apr 11, 2022
Issue 126	Sep 26, 2013	20	Sep 26, 1933	3.85%	Sep 26, 2023

*On the Refinancing Date the City has the option to retire the debt early or refinance the borrowing at a new interest rate.

City of Fort St. John

Notes to Consolidated Financial Statements

December 31, 2013

9. Long Term Debt continued

Repayments on net outstanding debt over the next five years and thereafter are as follows:

2014	\$	2,051,786
2015		2,137,124
2016		2,184,057
2017		1,825,762
2018		1,661,839
2019 and thereafter		26,928,489
	\$	36,789,057

City of Fort St. John

Notes to Consolidated Financial Statements

December 31, 2013

10. Tangible Capital Assets

	Land	Land Improvements	Buildings	Machinery & Equipment	General Infrastructure	Water Infrastructure	Sewer Infrastructure	Work in Progress	2013	2012
Cost										
Balance, beginning of year	\$ 12,018,068	\$ 12,457,841	\$ 69,978,356	\$ 14,414,532	\$ 178,476,888	\$ 50,507,358	\$ 44,611,282	\$ 10,520,386	\$ 392,984,711	\$ 368,333,769
Additions	257,074	720,170	5,432,050	1,802,072	9,847,499	2,761,076	8,016,224	3,706,454	32,542,619	26,482,850
Disposals	-	-	(505,013)	(518,654)	(731,463)	-	-	-	(1,755,130)	(1,831,908)
Reallocation of work in progress	70,664	29,834	9,493,215	-	736,950	23,416	-	(10,354,079)	-	-
Balance, end of year	12,345,806	13,207,845	84,398,608	15,697,950	188,329,874	53,291,850	52,627,506	3,872,761	423,772,200	392,984,711
Accumulated amortization										
Balance, beginning of year	-	987,045	15,750,795	6,258,585	38,397,797	17,825,257	12,733,608	-	91,953,087	85,393,481
Amortization of tangible capital assets	-	195,703	1,703,083	1,010,561	3,552,071	959,290	912,383	-	8,333,091	7,711,033
Disposals	-	-	(228,154)	(427,108)	(96,034)	-	-	-	(751,296)	(1,151,427)
Balance, end of year	-	1,182,748	17,225,724	6,842,038	41,853,834	18,784,547	13,645,991	-	99,534,882	91,953,087
Net book value, end of year	\$ 12,345,806	\$ 12,025,097	\$ 67,172,884	\$ 8,855,912	\$ 146,476,040	\$ 34,507,303	\$ 38,981,515	\$ 3,872,761	\$ 324,237,318	\$ 301,031,624

Included in the above additions are developers contributed tangible capital assets from subdivision development consisting of general infrastructure of \$3,772,086, water infrastructure of \$3,161,781 and sewer infrastructure of \$980,090.

City of Fort St. John

Notes to Consolidated Financial Statements

December 31, 2013

11. Accumulated Surplus

	2013	2012
General Fund Accumulated Surplus (Schedule 1)		
Appropriated Surplus		
General Fund Surplus	\$ 27,067,949	\$ 7,899,288
Water Fund Surplus	3,896,447	1,551,345
Sewer Fund Surplus	988,987	-
Enerplex Fund (PSC)	-	568,150
	31,953,383	10,018,783
Unappropriated Surplus		
General	385,542	2,338,087
Water	500,000	2,928,364
Sewer	500,000	667,208
	1,385,542	5,933,659
	33,338,925	15,952,442
Capital Fund Accumulated Surplus (Schedule 2)		
Reserves		
General Capital Reserve	191,867	7,854,650
	191,867	7,854,650
Investment in Tangible Capital Assets		
Equity in CA - General	221,378,763	207,030,572
Equity in CA - Water	34,410,683	31,742,508
Equity in CA - Sewer	24,930,317	21,177,207
	280,719,763	259,950,287
	280,911,630	267,804,937
Reserve Fund Accumulated Surplus (Schedule 3)		
Statutory Reserves		
Capital asset disposal	-	237,293
Sale of City owned land	424,748	419,223
Equipment replacement	-	4,770,258
Tax sale	207,569	204,869
Parking Reserve	63,267	-
Parks Reserve	40,037	-
	735,621	5,631,643
Cemetery Fund Accumulated Surplus (Schedule 4)	235,956	224,132
Accumulated Surplus	\$ 315,222,132	\$ 289,613,154

City of Fort St. John

Notes to Consolidated Financial Statements

December 31, 2013

12. Net Municipal Property Taxes

	2013	2012
Net municipal property taxes	\$ 24,326,061	\$ 23,633,170
Add: Requisitions collected on behalf of other taxing authorities		
Regional District	2,415,562	2,404,851
Provincial School	9,552,594	9,307,602
Regional Hospital District	2,117,794	2,112,690
British Columbia Assessment Authority	272,533	257,006
Municipal Finance Authority	777	729
	38,685,321	37,716,048
Deduct: Requisitions remitted to other taxing authorities	(14,265,344)	(14,076,764)
Net Municipal Property Taxes	\$ 24,419,977	\$ 23,639,284

City of Fort St. John

Notes to Consolidated Financial Statements

December 31, 2013

13. Government Transfers

	2013	2012
Unconditional		
Traffic Fines	\$ 219,370	\$ 449,145
Climate action revenue	109,611	82,140
Regional fair share	19,559,058	16,638,154
Taylor revenue sharing, net	(23,000)	(23,000)
	19,865,039	17,146,439
Conditional		
Peace River Regional District		
Regional Fire Protection	559,436	423,776
Fire hall contribution	-	900,000
Other	29,396	122,266
Municipal Insurance Association	-	13,685
Community Works fund Agreement - Gas tax	751,178	751,505
Gaming Revenue	959,415	956,193
Federal Canada Day	4,200	4,200
Infrastructure grants	141,262	454,800
Other	179,700	589,965
Other capital grants	195,805	-
	2,820,392	4,216,390
Total Government Transfers	\$ 22,685,431	\$ 21,362,829
Operational	\$ 22,348,364	\$ 20,908,029
Capital	337,067	454,800
Total Government Transfers	\$ 22,685,431	\$ 21,362,829

14. Commitments and Contingencies

Pension obligation

The City of Fort St. John 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 Plan, including investment of the assets and administration of benefits. The Plan is a multi-employer contributory pension plan. Basic pension benefits provided are based on a formula. The Plan has about 179,000 active members and approximately 71,000 retired members. Active members include approximately 166 contributors from the City of Fort St. John.

City of Fort St. John

Notes to Consolidated Financial Statements

December 31, 2013

14. Commitments and Contingencies continued

Pension obligation continued

The most recent actuarial valuation as at December 31, 2012 indicated a \$1,370 million funding deficit for basic pension benefits. The next valuation will be as at December 31, 2015 with results available in 2016. Employers participating in the Plan record their pension expenses as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the Plan records accrued liabilities and accrued assets for the Plan in the aggregate with the result that there is no consistent and reliable basis for allocating the obligation, assets and cost to the individual employers participating in the Plan

The City of Fort St. John paid \$1,081,738 (2012 - \$1,016,055) for employer contributions to the Plan in fiscal 2013.

Loan guarantee

The City of Fort St. John has provided a loan guarantee to the North Peace Airport Society of 81.6% of any MFA loans to the Society up to a maximum loan of \$4,200,000.

Risk of lawsuits

The City of Fort St. John is potentially exposed to lawsuits arising from the ordinary course of operations. Although the outcome of such matters cannot be predicted with certainty, management does not consider the City of Fort St. John's exposure to lawsuits to be material to these financial statements.

Policing services

The Province of British Columbia and the Federal Government have an agreement with the Royal Canadian Mounted Police to provide police services for various municipalities in the Province. This agreement has a 20-year term expiring March 31, 2032.

Post employment benefits and compensated absences

The City of Fort St. John does not accrue expenses for post employment benefits because employees retiring do not receive any retirement allowances that either vest or accrue over the period of employment. Employees do accrue sick leave but no liability has been recorded in the financial statements because management is unable to reasonably estimate the amount that will be used by employees. Management does not consider this liability to be material to these financial statements and therefore recognizes the expense for sick leave when the event obligates the City to pay.

City of Fort St. John

Notes to Consolidated Financial Statements

December 31, 2013

15. North Peace Leisure Pool

	2013	2012
Revenues	\$ 668,188	\$ 511,737
Transfers from Peace River Regional District	2,188,756	2,639,182
	2,856,944	3,150,919
Expenditures	2,856,944	3,150,919
	\$ -	\$ -

The City of Fort St. John operates the North Peace Leisure Pool for the Peace River Regional District. According to the terms of the existing operating agreement ownership of the facilities remains with the Peace River Regional District, therefore revenues and expenditures are excluded from the City's consolidated financial statements.

16. Segmented Information

The City of Fort St. John is a diversified municipal government institution that provides a wide range of services to its citizens. For management reporting purposes, the City's operations and activities are organized and reported by Fund. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations. City services are provided by departments and their activities reported within these funds. Certain functions that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

General Government:

The General Government operations provide the functions of Building Services and Maintenance, Corporate Administration, Finance, Human Resources, Legislative Services and any other functions categorized as non-departmental.

Protective Services:

Protective Services is comprised of four different functions, including the City's Emergency Management Agency, Fire, Police and Building Inspection Services. The Emergency Management Agency prepares the City to be more prepared and able to respond to, recover from, and be aware of, the devastating effects of a disaster or major catastrophic event that will impact the community. The Fire Department is responsible for providing critical, life-saving services in preventing or minimizing the loss of life and property from fire and natural or man-made emergencies. The Police Department ensures the safety of the lives and property of Fort St. John citizens through the enforcement of municipal bylaws, criminal laws and the laws of British Columbia, the maintenance of law and order, and the prevention of crime. The mandate of the Building Inspection services is to promote, facilitate and enforce general compliance with the provisions of bylaws that pertain to the health, safety and welfare of the community.

Transportation:

Transportation is responsible for a wide variety of transportation functions such as Transit, Parking, Engineering Operations and Streets. Services provided include infrastructure development and maintenance, traffic control, transportation planning, snow removal and sanding, storm drains, review of land development impacts on transportation, traffic management, and pedestrian issues, on-street parking regulations, including street signs and painting as well as traffic signal timing.

City of Fort St. John

Notes to Consolidated Financial Statements

December 31, 2013

16. Segmented Information continued

Public Health and Welfare:

Public Health and Welfare is comprised of Solid Waste Services and Cemeteries. The Solid Waste Collection and Recycling Operations Section is responsible for the collection of household garbage. The Cemeteries section is responsible for the operation and maintenance of City cemeteries.

Environmental Development:

Environmental Development is responsible for Planning, Economic Development, Land Management and Community Promotion. The mandate of Planning is to promote, facilitate and enforce general compliance with the provisions of bylaws that pertain to the health, safety and welfare of the community and provide a full range of planning services related to zoning, development permits, variance permits, and current regulatory issues. Economic Development and Community Promotion co-ordinates activities to promote the City and attract investment.

Recreation and Cultural:

Recreation and Cultural is responsible for the maintenance, planning and development of all park facilities such as trails, natural ecosystems, sport and entertainment venues and playgrounds for recreational and cultural enjoyment in a beautiful and safe environment; preserves and enhances green spaces on public lands. Recreation services facilitates the provision of recreation and wellness programs and services. Cultural co-ordinates and leads efforts to foster arts and culture, and work to create a City that is vibrant and people centred.

Utilities:

The Sewer Utility protects the environment and human health from the impacts of liquid wastes generated as a result of human occupation and development in the City. The Water Utility delivers clean, safe and aesthetically pleasing potable water, in accordance with the Provincial Drinking Water Protection Act, to the citizens of the City of Fort St. John. The water is for the purpose of domestic consumption and fire fighting.

City of Fort St. John

Notes to Consolidated Financial Statements

December 31, 2013

16. Segmented Information continued

	General Government	Protective Services	Transportation	Public Health & Welfare	Environmental Development	Recreation and Cultural	Utilities	2013 Actual	2013 Budget (unaudited)	2012 Actual
Net municipal property taxes	\$ 22,813,165	\$ -	\$ 1,079,124	\$ -	\$ -	\$ -	\$ 527,688	\$ 24,419,977	\$ 24,154,510	\$ 23,639,284
Grants in lieu of taxes	397,519	-	-	-	-	-	-	397,519	421,325	429,424
Services provided to other governments	665,189	391,683	12,110	-	-	-	-	1,068,982	708,903	862,041
Sale of services	-	-	-	735,284	-	-	8,381,436	9,116,720	7,210,590	6,437,851
Other revenue from own sources	1,286,630	1,142,949	1,351,291	-	243,188	1,306,303	17,033	5,347,394	4,901,452	4,664,962
Government transfers	20,484,635	778,806	36,100	-	167,682	1,182,226	35,982	22,685,431	20,603,581	21,362,829
Return on investment	533,815	-	-	2,933	-	-	-	536,748	111,400	494,883
Developer contributions	3,933,836	-	-	-	-	-	4,141,871	8,075,707	-	2,854,141
Actuarial adjustments	126,423	-	-	-	-	-	221,029	347,452	-	276,090
Gain on disposal of tangible capital assets	-	-	84,804	-	-	-	-	84,804	-	157,781
	50,241,212	2,313,438	2,563,429	738,217	410,870	2,488,529	13,325,039	72,080,734	58,111,761	61,179,286
Salaries, wages and employee benefits	2,127,956	5,893,499	2,559,874	139,782	620,934	2,720,628	1,590,958	15,653,631	15,841,046	15,060,710
Contracted and general services	1,594,853	5,117,573	4,440,595	597,879	330,170	808,892	484,415	13,374,377	13,999,443	13,033,968
Materials, goods, supplies and utilities	193,903	470,337	961,080	57,890	49,181	1,109,921	1,616,047	4,458,359	4,644,273	4,663,634
Interest and bank charges	1,219,734	-	-	-	-	-	859,963	2,079,697	1,917,643	1,945,188
Other	36,498	76,893	84,916	-	711,762	636,532	30,166	1,576,767	1,715,750	1,646,314
Loss on disposal of tangible capital assets	-	-	995,834	-	-	-	-	995,834	-	631,411
Amortization	226,491	638,376	4,044,236	41,180	23,325	1,387,719	1,971,764	8,333,091	7,680,537	7,711,033
	5,399,435	12,196,678	13,086,535	836,731	1,735,372	6,663,692	6,553,313	46,471,756	45,798,692	44,692,258
Annual Surplus (Deficit)	\$ 44,841,777	\$ (9,883,240)	\$ (10,523,106)	\$ (98,514)	\$ (1,324,502)	\$ (4,175,163)	\$ 6,771,726	\$ 25,608,978	\$ 12,313,069	\$ 16,487,028

CHARTERED ACCOUNTANTS

Partners

- * Ben Sander, B. Comm., CPA, FCA
- * Dale J. Rose, CPA, CA
- * Alan Bone, B. Comm., CPA, CA
- * Jason Grindle, B. Comm., CPA, CA
- * Donald G. Smith, CPA, CA (Retired)

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INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

To the Mayor and Council of the City of Fort St. John

We have audited and reported separately herein on the consolidated financial statements of the City of Fort St. John for the year ended December 31, 2013.

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements of the City taken as a whole. The current year's supplementary information included in Schedules 1 through 4 is presented for the purposes of additional analysis. Such supplementary information has not been subjected to the auditing procedures applied in the examination of the consolidated financial statements and accordingly, we express no opinion on it.

Fort St. John, BC
April 14, 2014

Sander Rose Bone Grindle LLP
Chartered Accountants

City of Fort St. John

Year Ended December 31, 2013

Schedule of General Fund Operations (unaudited)

(Schedule 1)

	2013 Budget	2013 Actual	2012 Actual
Revenue			
Net municipal property taxes	\$ 24,154,510	\$ 24,419,977	\$ 23,639,284
Grants in lieu of taxes	421,325	397,519	429,424
Services provided to other governments	708,903	1,068,982	862,041
Sale of services	7,210,590	9,104,896	6,427,103
Other revenue from own Sources	4,490,452	5,140,493	4,623,827
Government transfers	19,039,581	22,348,364	20,908,029
Developer contributions	-	161,750	168,000
Return on investment	110,000	352,889	315,837
Actuarial adjustments	-	347,452	276,090
	56,135,361	63,342,322	57,649,635
Expenses			
General government services	5,597,176	5,172,943	5,673,419
Protective services	11,787,338	11,558,302	11,090,417
Transportation	7,447,321	8,046,465	7,506,402
Public health and welfare	772,545	795,551	766,795
Environmental development	2,155,601	1,712,047	1,802,608
Recreation and cultural	5,252,244	5,275,973	5,171,045
Water utility services	3,261,248	2,933,953	2,858,729
Sewer utility services	1,844,682	1,647,597	1,480,399
	38,118,155	37,142,831	36,349,814
Excess of Revenue over Expenses	18,017,206	26,199,491	21,299,821
Interfund Transfers			
Transfer to capital fund, net	(22,744,530)	(13,786,914)	(20,723,141)
Transfer from (to) reserve fund, net	-	4,970,973	(1,663,815)
Transfer from cemetery fund, net	-	2,933	2,850
	(22,744,530)	(8,813,008)	(22,384,106)
Annual Surplus (Deficit)	(4,727,324)	17,386,483	(1,084,285)
Accumulated Surplus, beginning of year	15,952,442	15,952,442	17,036,727
Accumulated Surplus, end of year	\$ 11,225,118	\$ 33,338,925	\$ 15,952,442

City of Fort St. John

Year Ended December 31, 2013

Schedule of Capital Fund Operations (unaudited)

(Schedule 2)

	2013 Budget	2013 Actual	2012 Actual
Revenue			
Government transfers	\$ 1,564,000	\$ 337,067	\$ 454,800
Other revenue from own sources	411,000	206,901	41,135
Return on investment	-	105,975	103,591
Developer contributions	-	7,913,957	2,686,141
Gain on disposal of tangible capital assets	-	84,804	157,781
	1,975,000	8,648,704	3,443,448
Expenses			
General government services	276,108	226,492	232,908
Protective services	589,307	638,376	381,761
Transportation	3,661,170	5,040,070	4,415,462
Public health and welfare	41,180	41,180	41,180
Environmental development	21,724	23,325	23,325
Recreation and cultural	1,279,826	1,387,719	1,394,319
Water utility services	1,024,321	998,541	991,425
Sewer utility services	786,901	973,222	862,064
	7,680,537	9,328,925	8,342,444
Excess (Deficiency) of Revenue over Expenses	(5,705,537)	(680,221)	(4,898,996)
Interfund Transfers			
Transfer from reserve fund, net	-	-	1,026,986
Transfer from general fund, net	22,744,530	13,786,914	20,723,141
	22,744,530	13,786,914	21,750,127
Annual Surplus	17,038,993	13,106,693	16,851,131
Accumulated Surplus, beginning of year	267,804,937	267,804,937	250,953,806
Accumulated Surplus, end of year	\$ 284,843,930	\$ 280,911,630	\$ 267,804,937

City of Fort St. John

Year Ended December 31, 2013

Schedule of Reserve Fund Operations

(Schedule 3)

(unaudited)

	2013 Budget	2013 Actual	2012 Actual
Revenue			
Return on investment	\$ -	\$ 74,951	\$ 72,605
Interfund Transfers			
Transfer to capital fund, net	-	-	(1,026,986)
Transfer (to) from general fund, net	-	(4,970,973)	1,663,815
	-	(4,970,973)	636,829
Annual Surplus (Deficit)	-	(4,896,022)	709,434
Accumulated Surplus, beginning of year	5,631,643	5,631,643	4,922,209
Accumulated Surplus, end of year	\$ 5,631,643	\$ 735,621	\$ 5,631,643

City of Fort St. John

Year Ended December 31, 2013

Schedule of Cemetery Fund Operations (unaudited)

(Schedule 4)

	2013 Budget	2013 Actual	2012 Actual
Revenue			
Sale of services	\$ -	\$ 11,824	\$ 10,748
Return on investment	1,400	2,933	2,850
	1,400	14,757	13,598
Interfund Transfer			
Transfer to general fund, net	-	(2,933)	(2,850)
Annual Surplus	1,400	11,824	10,748
Accumulated Surplus, beginning of year	224,132	224,132	213,384
Accumulated Surplus, end of year	\$ 225,532	\$ 235,956	\$ 224,132

City of Fort St. John - City Hall

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FORT ST. JOHN

The Energetic City