

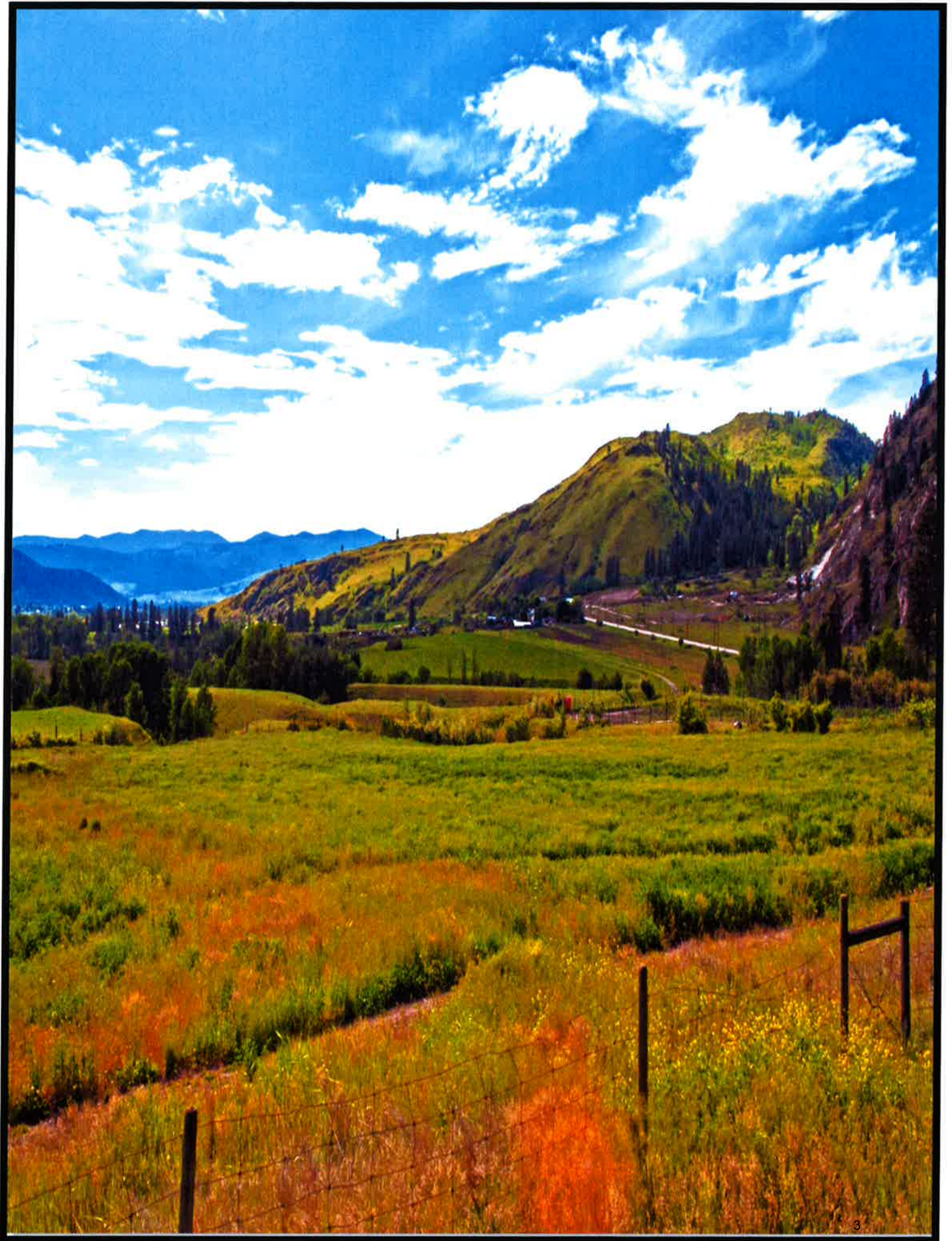
2014 ANNUAL REPORT



www.GrandForks.ca

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MESSAGE FROM COUNCIL

The election of November 2014 brought big changes for the City of Grand Forks. We are a newly elected Council with four of us new to local politics. The learning curve has been steep but gratifying and exciting, leaving all of us looking forward to the next four years in office.

In April of 2015 Council and management participated in a strategic planning session and identified how as an organization we would like to move forward. We identified the guiding principles that we would like to see the organization operate within, taking care to align our strategic priorities within this framework.

Council determined that fiscal accountability, economic initiatives, strong regional participation and livability and community engagement were key priorities. These priorities are big picture and for a new

Council will require a genuine effort to listen to the community and support staff's innovative approaches to implementing projects and initiatives.

At election time every one of us made a commitment to the electorate to listen and hear what you had to say, to be transparent and open and to be accountable. It is true that each member of Council came to the table for different reasons, and goals and representing different community members. Things we all want to see through.

We are making a genuine effort to listen to one another, to develop a common vision and set common priorities. We hope that through respectful dialogue and clear direction City staff can get the work done.

This report outlines the details, not just the successes, some

of which include exciting projects like downtown beautification, promotion of the City to the outside world and the development showcase, as well as the not so exciting, but equally important, asset management program, and infrastructure upgrades that are happening.

This Annual Report reflects the work of a team; Staff, Mayor and Council and Community working together.

It is a reflection of the professionalism, passion and volunteer time contributed by the community and staff.

We thank you for the opportunity to serve, encourage you to stay engaged, and invite you to read and enjoy the City of Grand Forks Annual Report 2014.

GRAND FORKS CITY COUNCIL



Julia Butler, Colleen Ross, Neil Krog, Frank Konrad, Christine Thompson, Chris Hammett, Michael Wirschagin

Council Liaisons

Committee	Liaison	Chair	Co-Chair
Phoenix Foundation	Councillor Thompson		
Economic Development Advisory Committee		Councillor Hammett	
Restorative Justice Committee			
Grand Forks Public Library			
Gallery 2			
Boundary District Arts Council			
Local Sports Events			
Deer Committee	Councillor Hammett		
Environment Committee		Councillor Ross	
Grasslands Group			
Recreation Commission	Councillor Butler / Wirschagin		
Boundary Museum Society			
Columbia Basin Alliance for Literacy Advisory Committee			
Grand Forks and Boundary Regional Agricultural Society	Councillor Ross		
Citizens On Patrol			
Boundary Country Regional Chamber of Commerce	Councillor Hammett		
Habitat for Humanity			
Downtown Merchants			
GFI			
Water Rates Committee	Councillor Butler Councillor Thompson		



City of Grand Forks

Grand Forks, British Columbia

Strategic Planning Workshop January 25th and 26th, 2012

Facilitated by Rick Beauchamp

R. A. Beauchamp & Associates

Corporate Strategic Plan 2012 - 2014

Adopted by Council February, 2012

PARTICIPANTS

Brian Taylor

Bob Kendel

Neil Krog

Patrick O'Doherty

Gary Smith

Cher Wyers

Lynne Burch

Cecile Arnott

Diane Heinrich

Hal Wright

Sasha Bird

Wayne Kopan

Bev Porter

David Reid

Mike Noseworthy

Dean Chapman

Steve Howard, (Day One only)

James Traynor, (Day Two only)

Alex Love

Dale Heriot

What is Strategic Planning?

Strategic Planning is a system to lead, manage, and change an organization in a conscious, well planned out, integrated fashion, based on corporate priorities and a well-defined vision.

Strategic planning is essentially a process of determining a local government's long term vision, current goals, and developing an action plan to achieve those goals. It also provides an opportunity for the City Council and senior staff to communicate strategic priorities to line staff and citizens, thereby providing direction for internal operating departments to align their service delivery activities with the corporate priorities.

The Corporate Strategic Plan for the City of Grand Forks is the basis for determining the City's Vision, Mission, Values, Goals and Actions to be accomplished, within the next three-year mandate of the City Council. This plan is based on a collaborative process, in which members of Council, Management Staff and employees participated. It represents an effort by Council in reaching consensus on important issues in the municipality setting some specific goals for 2012 – 2014.

The Plan demonstrates the City Council's commitment in working with staff to build a safe, sustainable and complete community that will provide diverse employment opportunities and continued high quality of life for the residents of Grand Forks. While the Council realizes that priorities will change with time, it is the City Council's plan to provide for this process of strategic thinking with the firm belief that the Grand Forks residents will benefit from this on-going exercise.

To assist with the development of a corporate vision, mission and values a SWOT analysis was used to identify the key internal and external factors that are important to achieving stated objectives. This analysis examined community and organization strengths, weaknesses, opportunities and threats. The results were used to identify a "baseline" to establish the corporate vision for the future of Grand Forks.

VISION: *“A Garden City Growing Opportunities within the Boundary Country.”*

MISSION: *“The City of Grand Forks is committed to providing quality governance and excellent services that enhance and advance the quality of life for our community.”*

CORPORATE VALUES: *GARDEN CITY*

- 1) **G** - Growing responsibly
- 2) **A** - Accountability
- 3) **R** - Resilience
- 4) **D** - Diversity
- 5) **E** - Efficiency
- 6) **N** - Natural Beauty

- 7) **C** - Collaboration with Integrity
- 8) **I** - Innovation
- 9) **T** - Transparency
- 10) **Y** - Young at Heart

CORPORATE PRIORITIES 2012-2014:

1) Regional Services Integration – CAO / Director of Finance

- Fire contract with improvement district within Area D
- Regional Fire Service Opportunities
- Parks and playground
- Ski Hill
- Capital replacement for all services
- Cats Management
- Airport
- Waste Management
- Cultural Services (museum, art gallery)
- Economic Development
- Emergency Planning
- Treatment plant sludge dumping

Actions

- 1) Staff evaluate cost implications for all proposed new and re-negotiated services with the RDKB – **April, 2012**
- 2) Develop a strategy for regional service integration – **June, 2012**

2) Succession Planning - Council / CAO

- CAO and 3 Operations staff retiring

Actions

- 1) Council to develop Action Plan to replace CAO – **March, 2012**
- 2) CAO to develop Action Plan to replace electrical lineman – **February, 2012**
- 3) Staff develop database of potential employee retirements – **February, 2012**
- 4) Staff develop a succession plan for the organization – **September, 2012**

3) Economic Stimulation – Council / CAO / Staff

- Encouraging development which will increase tax base
- Community identity and tourism promotion
- Downtown revitalization incentives
- Enhancing Open Market
- Economic Strategy
- Marketing airport and foreign investment

Actions

- 1) Develop a community identity theme – Council, **March 31, 2012**
- 2) Staff evaluate tax incentive bylaws in other municipalities for fit for the City and report back to Council – CAO, **June, 2012**.
- 3) Develop an action plan for downtown rejuvenation – Council and CAO, **December, 2012**
- 4) Determine the usability of City lands through an inventory – Tech Services, **June, 2012**
- 5) Refer the sub-regional economic development strategy to the Economic Development Advisory Committee for review and recommendations – CAO - **July, 2012**
- 6) Develop a marketing strategy following feedback from the Economic Development Committee – **2013**

4) Infrastructure Replacement Strategy

Actions

- 1) Implement fire flow protection back-up generation PW– **2012– 2013**
- 2) Investigate suitable location for new water well / nitrification PW– **2012– 2013**
- 3) Explore alternate river crossing for water PW – **2012**
- 4) Prioritize multi-utility projects PW – **2012– 2014**
- 5) Building structure assessment for replacement PW – **2013-2014**
- 6) Parks assessment Recreation – **2014**

5) Deer Issue – Council / CAO

Action

- 1) Develop an Action Plan for dealing with the deer issue (Deer Committee feedback) – **December – 2012**

6) Sustainability Actions – Public Works

Actions

- 1) Water meters – staff prepare report including data and costing for Council decision to move forward on water meter installation – **September, 2012**
- 2) Develop a water meter implementation plan explaining consequences and costs for public – **2013– 2014**

OPERATIONAL PRIORITIES 2012-2014:

- **Asset Management** – Emergency Water Supply for Fire Protection. Need to proceed with plan including time-lines to install back-up generators on all wells. Need to do study on location of new well. **2012**
- **Asset Management** – Determine Priority for Multi-Utility Project. With Assistance from Professional Engineers, develop a priority list of Multi-Utility Projects. **2012**
- **Asset Management** – Acquire Engineering needed for the first priority on the Multi-Utility Project list and tender the project. **2013**
- **Asset Management** – Construct the first priority project on the Multi-Utility Project list. **2014**
- **Fibre Optic Cable Network** – Joint Project with School District 51. Need to finalize agreement with the School District. Potential for Revenue Generation, but need someone to develop business case on how this would work. Also need to ensure that the City has trained linemen in fibre installation and maintenance. **2012**
- **Cemetery Rehabilitation Project** – Includes the leveling of cemetery gravesites and re-landscaping. Project further includes the surveying of future grave spaces. To be completed in three phases: **First Phase in 2012, Second Phase in 2013, and Third Phase in 2014.**
- **Lift Station Landscaping Project** – Includes the asphalt and/or concrete work on the west side of 4th Street, the construction and planting of the amphitheatre berm, the installation of irrigation on the east side of City Park from 5th Street east to 4th Street as well as the irrigation in the City Park Campground, and the plantings required. **2012.**
- **West and East side Entrance Signs**
- **Airport Lighting**
- **Carbon Neutrality**

ADVOCACY PRIORITIES 2012-2014:

- Policing Costs
- Low Cost Housing
- Auditor General Audit Commission

Summary of Goals and Actions In Date Order

- CAO to develop Action Plan to replace electrical lineman – **February, 2012**
- Staff develop database of potential employee retirements – **February, 2012**
- Council to develop Action Plan to replace CAO – **March, 2012**
- Develop a community identity theme – Council, **March 31, 2012**
- Staff evaluate cost implications for all proposed new and re-negotiated services with the RDKB – **April, 2012**
- Develop a strategy for regional service integration – **June, 2012**
- Staff to evaluate tax incentive bylaws in other municipalities for fit for the City and report back to Council – CAO, **June, 2012**.
- Determine the usability of City lands through an inventory – Tech Services, **June, 2012**
- Refer the sub-regional economic development strategy to the Economic Development Advisory Committee for review and recommendations – CAO - **July, 2012**
- Staff develop a succession plan for the organization – **September, 2012**
- Water meters – staff prepare report including data and costing for Council decision to move forward on water meter installation – **September, 2012**
- Develop an Action Plan for dealing with the deer issue (Deer Committee feedback) – **December – 2012**
- Develop an action plan for downtown rejuvenation – Council and CAO, **December, 2012**

Summary of Goals and Actions By Years

- Develop a marketing strategy following feedback from the Economic Development Committee – **2013**
- Implement fire flow protection back-up generation PW– **2012– 2013**
- Investigate suitable location for new water well / nitration PW– **2012– 2013**
- Explore alternate river crossing for water PW – **2012**
- Prioritize multi-utility projects PW – **2012– 2014**
- Building structure assessment for replacement PW – **2013-2014**
- Parks assessment Recreation – **2014**
- Develop a water meter implementation plan explaining consequences and costs for public – **2013– 2014**

MESSAGE FROM THE CHIEF ADMINISTRATIVE OFFICER

2014 was an excellent year for the City of Grand Forks.

The Election in November 2014 ended the year with a change in leadership and an in-coming Council that saw five new members.

City staff is entrusted with the task of enacting Council's vision and priorities. Staff bring a great amount of energy, commitment and expertise to their work on behalf of the community, and I am very pleased to present the 2014 Annual Report, which highlights this work.

The annual report is a resource to gain an understanding of the City's financial position and get an overview of City operations and Council priorities.

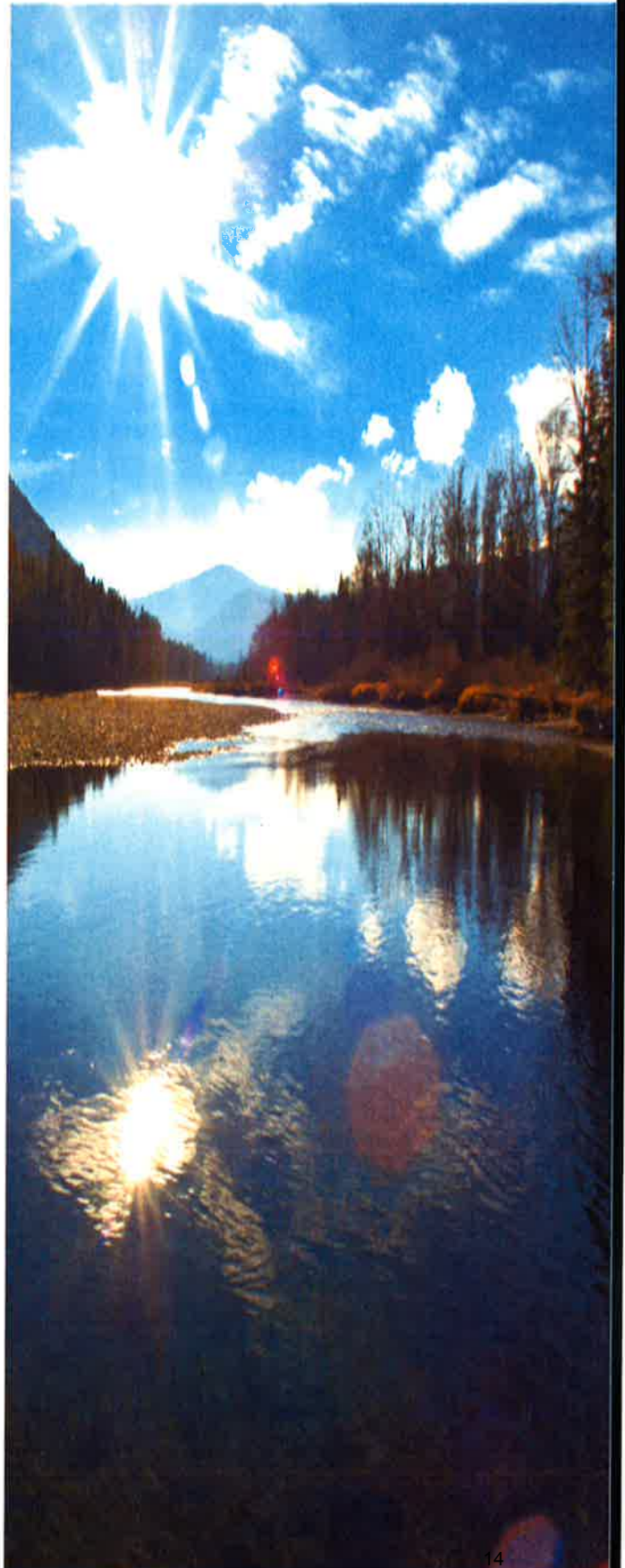
Throughout 2014 the City of Grand Forks was promoted both locally and to a broader audience at every opportunity. It was a year that saw a quick start to development interest in the area. City properties were promoted through a development showcase and presented throughout the province.

The City prepared for the tourist season by updating many of the key outdoor recreation sites such as Observation Mountain and the Spragett Bridge Tubing parking lot. Maps with key activity locations were developed promoting local and regional assets.

The organization believes in the philosophy of growing from within. We take this seriously, offering every opportunity we can to staff for education and increasing their skill set.

The City is committed to fiscal accountability and through our robust asset management program. In 2014 the City was successful in resurfacing one of its major travel arteries and repairing some of its underground issues. In its efforts around asset management the City also undertook:

- The development of the Subdivision Servicing Bylaw
- Well #3 – 200hp vertical turbine replacement
- Electrical Upgrade at Dick Bartlett Park
- West end fire protection



MESSAGE FROM THE CHIEF ADMINISTRATIVE OFFICER

One of the biggest accomplishments that the City undertook with regard to asset management and in partnership with Selkirk College, was the development of an Asset management Program that will be offered here in Grand Forks and is open to anyone working in Municipal Government across British Columbia.

I am proud to work with a dedicated management team and staff that take pride in their work, and a Mayor and Council that are committed to making decisions in the best interests of the citizens of the City of Grand Forks.

Sincerely,



Doug Allin, CAO

Spraggett Bridge


Historical: This section is a...
 Approval dates for taking of the better River:
 City of British Columbia: 1975
 City of Grand Forks: 1975
 City of Kelowna: 1975

Approval dates for taking of the Quality River:
 City of British Columbia: 1975
 City of Grand Forks: 1975
 City of Kelowna: 1975

Historical: This section is a...
 City of British Columbia: 1975
 City of Grand Forks: 1975
 City of Kelowna: 1975

Contacts

- 1. Executive Director
- 2. City Manager
- 3. City Clerk
- 4. City Engineer
- 5. City Planner
- 6. City Administrator
- 7. City Treasurer
- 8. City Controller
- 9. City Assessor
- 10. City Auditor
- 11. City Inspector
- 12. City Surveyor
- 13. City Architect
- 14. City Engineer
- 15. City Planner
- 16. City Administrator
- 17. City Treasurer
- 18. City Controller
- 19. City Assessor
- 20. City Auditor
- 21. City Inspector
- 22. City Surveyor
- 23. City Architect
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- 91. City Inspector
- 92. City Surveyor
- 93. City Architect
- 94. City Engineer
- 95. City Planner
- 96. City Administrator
- 97. City Treasurer
- 98. City Controller
- 99. City Assessor
- 100. City Auditor



For up-to-date event information, contact
 Grand Forks Regional Chamber of Commerce
 255-442-2722 or visit
www.grandforksbc.com

EMERGENCY
 CALL 911

WE ARE A LOCAL COMMUNITY COMMITTED TO PROGRESS. We are committed to providing the highest quality services to our citizens. We are committed to being a leader in innovation and excellence. We are committed to being a leader in innovation and excellence.

SETTLE DOWN

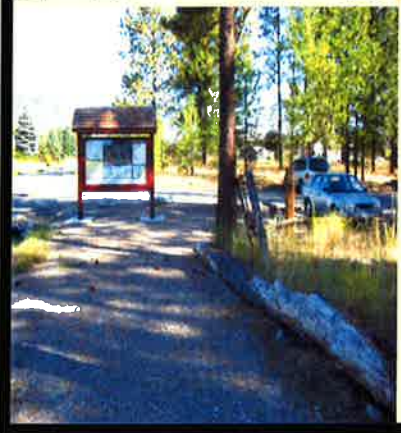
THE CITY OF GRAND FORKS
 220
 GRAND FORKS, B.C. V0R 1A0

PHONE: 250-442-2266
 EMAIL: INFO@GRANDFORKS.CA
 WEBSITE: GRANDFORKS.CA

Legend

- MUSEUM
- ART GALLERY
- VISITOR CENTRE
- PARKING
- LIBRARY
- DOLE COTTAGE
- TENNIS COURT
- BALL FIELD
- SHUTTERHORN PARK
- TRAIL HEAD
- HORSEBACK RIDING
- BICYCLING
- ATVING
- WATERBIKING
- SNOWMOBILING
- CROSS COUNTRY SKIING
- SNOWSHOEDING
- SKIATUNG TROOP
- QUAILING PARK
- DOWNHILL SKIING
- ICE FISHING
- WILDLIFE VIEWING
- MEETING AREA
- PAVED TRAIL
- MUNICIPAL AIRPORT
- WHEELCHAIR ACCESSIBLE
- PUBLIC RESTROOMS
- HOSPITAL
- CAMPGROUND
- SANDDUMP
- PICNIC TABLES
- PARK
- BEACH
- SWIMMING
- RIVER FLOW LAUNDRYLAND
- BOATING
- JET SKIING
- WATER SKIING
- FISHING
- WATERFALL
- COLLECTING SITE
- FOOD SERVICE
- MONIE THEATRE
- BOWLING ALLEY
- STORE
- POST OFFICE
- LAUNDRY
- UNIMPER TRAIL

GRAND FORKS VISITOR CENTRE
 220 CENTRAL AVENUE
 GRAND FORKS, B.C. V0R 1A0
 PHONE: 250-442-2266
 WEBSITE: GRANDFORKS.CA



CORPORATE PRIORITIES 2014

Strategic Priority 1

Regional Service Integration

Strategic Priority 2

Succession Planning

Strategic Priority 3

Economic Stimulation

Strategic Priority 4

Infrastructure Replacement

Strategic Priority 5

Deer Issue

Strategic Priority 6

Sustainability Actions

1

Strategic Priority

Regional Service Integration

Kettle River Water

Shed Study

ACCOMPLISHED: The Study was completed

FUTURE PLANS:

Council passing a resolution to endorse the plan.

1. Consider information in the Plan in relevant discussion and decision making;
2. Support implementation of priority strategies and actions where the City of Grand Forks is involved, as appropriate and at Council's discretion;
3. Promote the plan for use by other organizations, agencies and residents;
4. Direct staff to provide advice, information, and data to the Plan Implementation Team and/or working groups;
5. Participate in the annual review and update of the Plan as a member of the Kettle River Round Table

Liquid Waste Management

ACCOMPLISHED:

1. Considered options for removal from treatment lagoons

FUTURE PLANS:

1. Develop long-term plans for removal and solid of liquid waste

Community Forests

FUTURE PLANS: Continue to work with regional partners

Airport

ACCOMPLISHED:

1. Attraction of at least one new business with a second on the horizon
2. Upgraded communication to beacon sites

FUTURE PLANS:

1. Plan development for airport hangars
2. Continued promotion of airport as a place for development
3. Upgrade one beacon site

Fire Department

ACCOMPLISHED: Purchase of ladder truck

FUTURE PLANS: Review current contract with RDKB and determine long range fire protection plans valley

Building Inspection Services

ACCOMPLISHED: Building Inspection and Bylaw Services department established in the organization.

FUTURE PLANS: Implement succession plan

2 Strategic Priority Succession Planning

Education Planning

ACCOMPLISHED:

1. Two staff received Certificate in Local Government, two staff have partially completed the program.
2. Organization has been realigned to facilitate a business environment

FUTURE PLANS:

1. Continue to offer educational opportunities to all staff. Managers will identify education plans in department work plans.
2. Management team restructuring



3 Strategic Priority

Economic Stimulation

Land Development Showcase

ACCOMPLISHED:

1. Land development showcase development and continual promotion

FUTURE PLANS:

1. Work with the Province to develop and highlight material of 4 priority properties

Economic Development

ACCOMPLISHED:

1. Developed Economic Profile in English and mandarin
2. Promoted the City of Grand Forks at events and networking sessions for foreign and other Investment tables
3. Downtown Beatification program
4. Developed tourism and business based videos to assist with the continued promotion of the City
5. Developed signage and mapping at key tourist destinations
6. Developed key tourism sites i.e. Spragett Bridge tubing parking lot, Observation Mountain.

FUTURE PLANS:

1. Support the health and growth of existing businesses
2. Work closely regionally on economic development initiatives



3. Develop way finding signage for the city centre and city park
2. Continue with events and advertising campaign
3. Communication Policy and Procedures to be developed

4

Strategic Priority

Infrastructure

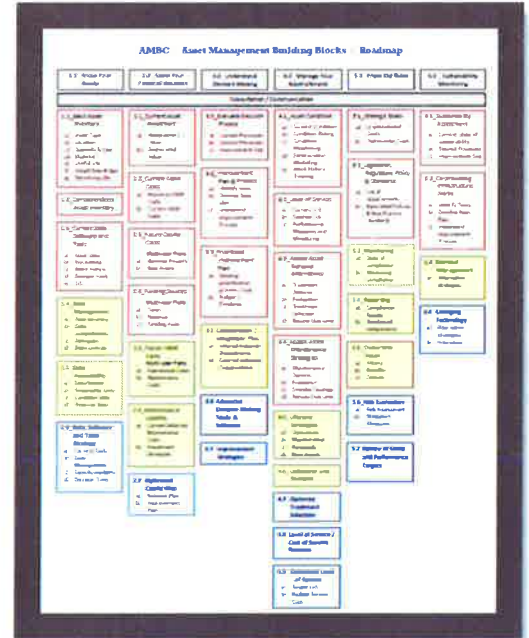
Asset Management

ACCOMPLISHED:

1. 68th Avenue resurfacing
2. Subdivision Servicing Bylaw created
3. Well 3 – 200 hp vertical turbine replacement
4. Electrical upgrade at Dick Bartlett park
5. Developed curriculum for Asset management program in Partnership with Selkirk College
6. West end fire protection

FUTURE PLANS:

1. Wastewater treatment plant headworks grinder replacement
2. Gravel Pit remediation
3. Sludge management program development
4. East side Reservoir Structure Study
5. Riverside Drive electrical re-conductor replacement
6. Asset Management program in partnership with Selkirk College
7. Replacement of bleachers at JD park
8. Electrical System voltage conversion
9. Implement WorkTech software program
10. Long term strategic framework



5

Strategic Priority

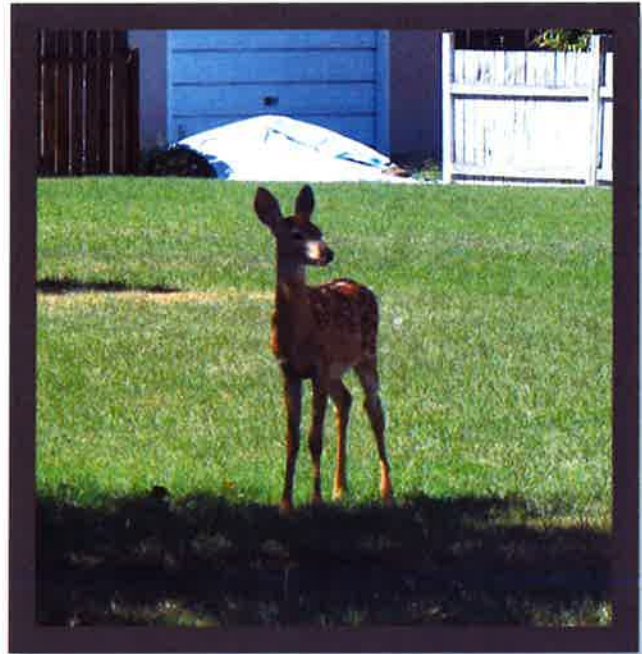
Deer

COMPLISHED:

1. Deer Collaring program
2. Wild Safe BC program
3. Minister meeting to discuss funding opportunities

FUTURE PLANS:

1. Deer Management plan
2. Continuation of Deer Collaring program
3. Enforcement of deer feeding bylaw
4. Work with regional and provincial partners to ensure a long term solution



6

Strategic Priority

Sustainability Actions

ACCOMPLISHED:

1. Residential Water Meter Program 71% complete
2. Reached level 2 of Climate Actions Achievements
3. Installed five Bat Houses throughout the community
4. Extended partnership with Science without Borders organization and had two engineering summer students who provided upwards of \$250,000 of in-kind engineering services
5. Complete Riparian Area mapping

6. Council sat on the steering committee of and saw the completion of the Kettle River Watershed Management Plan
7. Tree replacement program

FUTURE PLANS:

1. Continuation of tree replacement program
2. Completion of Residential Water Meter Program
3. West Side Fire Protection

BUILDING INSPECTION & BYLAW SERVICES



The office of Building Inspection is responsible for all the building permit applications, construction and compliance with the 2012 British Columbia Building Code. In 2014 the City has issued 52 building permits with a construction value of \$3,871,816.00. Although this total includes the City Hall fire rebuild, there was just over 2.6 million dollars worth of residential and commercial construction this year.

This included 5 new homes being constructed and 2 modular homes placed on permanent foundations. There were 13 permits issued for commercial renovations.

GRAND FORKS 2014	TOTAL VALUE	# PERMITS	# UNITS	PERMIT FEE
SINGLE FAMILY DWELLING	\$1,295,000.00	5	5	\$9,886.40
MOBILE HOMES	\$0.00	0	0	\$0.00
M/F UNITS (MODULAR)	\$394,000.00	2	2	\$1,803.80
ADD/ALTER	\$404,500.00	16	1	\$3,457.40
GARAGE/CARPORT	\$148,400.00	8	0	\$1,124.00
COMMERCIAL	\$0.00	0	0	\$0.00
COMM ADD/ ALTER	\$1,533,416.00	13	0	\$11,511.80
INDUSTRIAL	\$0.00	0	0	\$0.00
IND. ADD/ALTER	\$0.00	0	0	\$0.00

BUILDING INSPECTION & BYLAW SERVICES

INSTITUTIONAL	\$0.00	0	0	\$0.00
INST. ADD/ALTER	\$37,000.00	2	0	\$363.00
DEMOLITION	\$53,500.00	5	0	\$270.00
RENEWALS	\$6,000.00	1	0	\$46.00
TOTALS	\$3,871,816.00	52	8	\$28,462.40



Foundation being prepared



New home on Riverside Drive

Foundation for a Modular Home



Home being placed on the foundation



BUILDING INSPECTION & BYLAW SERVICES



New Modular Home Completed on 3rd Street

Bylaw Services

The Bylaw Enforcement Office has also been very busy. The Bylaw Enforcement Office is currently working on 5 Unsightly Premise cleanup orders.

In 2014 the bylaw office received 81 complaints with 4 of them about Deer Feeding issues. Since the notice in the Gazette this office has not had to issue any tickets for deer feeding to date.

Public Works received 68 miscellaneous complaints (potholes, alleys, trees and various other maintenance issues)

The City received 37 complaints about the water meter project in general, with several of these complaints being filed by the same people as many as 3 times each.

BUILDING INSPECTION & BYLAW SERVICES



Unsightly clean up in Progress



Unsightly that is resulting in Tickets

In 2014 the City has realized compliance with 6 owners of derelict vehicles which have been removed from The City's boulevards, with 3 more vehicles currently being addressed.

Highlights

- Building permits are increasing in volume
- New home starts and inquires are also increasing
- We have had two major commercial renovation this year
- In most cases the City is now starting to get compliance with bylaw issues without having to send out enforcement letters
- We currently have 5 unsightly properties being addressed
- Bylaw amendments adopted and fines can now be issued if required
 - Bylaw No. 1957 – Municipal Ticketing Information
 - Bylaw No. 1962 – Unsightly Premises
 - Bylaw No. 1963 – Noise Control

Goals

- To ensure that Building Permits are processed in a timely manner
- To expedite the process for developers to obtain approvals
- To ensure that Bylaws are enforced
- Improve and update the City's bylaws

CORPORATE SERVICES DEPARTMENT



Chief Administrative Officer – Doug Allin

Doug is considered the sole employee of Council and oversees all of the City's departments.

Corporate Officer/ Manager of Human Resources – Diane Heinrich

Deputy Corporate Officer / Communications – Sarah Winton

Corporate Administrative Assistant – Daphne Popoff

Corporate Services prepares the agendas and takes the minutes for Council Meetings and for Committees of Council. This department is also responsible for record keeping for the City and Freedom of Information requests. Corporate Services' responsibilities are mainly derived from the statutory requirements as outlined in the Community Charter.

The 2014 Local Government Election process, as appointed by Council for the positions of Chief Election Officer and Deputy Chief Election Officer, was implemented by Corporate Services from the preparation and commencement of the nomination process to the final legislative reporting and responsibilities after the Election had concluded.

The Community Services Department is ongoing since its inception in 2013 and is overseen by the Deputy Corporate Officer. The City enjoyed numerous events in 2014: in February, the first Family Day was a huge

CORPORATE SERVICES DEPARTMENT

success in the downtown core and great activities at other venues within the City and as far as Phoenix Ski Hill. Other paramount events, to name only a few, hosted by community organizations that were held on City properties along with in-kind services were the Park in the Park – Car Show, the Grand Forks International and the Grand Forks Fall Fair.

The City undertook a comprehensive communications plan in the later part of 2013. Communications played a key role in City initiatives in 2014 by providing ongoing Public awareness of the water meter program, and providing up to date information on the gradual remediation of City Hall, just to name a couple.

The Human Resources Department continues to evolve to better meet the needs of our employees. HR oversees the hiring of new employees and summer students, undertakes return-to-work programs, ensuring that respectful workplace policies are enforced, and continues to contribute to build a good working relationship with the Union staff, just to name a few.

Highlights

- Organized and put into action, the entire Election Process beginning in August and concluding in November
- Initiated Voting Machine, as approved by Council, to streamline the election process
- Initiated the inaugural meeting on new Council
- Initiated newly elected training and orientation for Council
- Ongoing development of the I-Compass program
- Worked with other departments in education and communications regarding the water meter project
- Continued the development of relationships with community organizations in the planning and implementation of events
- Worked with other departments on the redesign project for City Hall
- Economic Development – Kelowna signage
- Immigrant program
- Open for Business Award at UBCM

Goals

- Begin to overhaul the Records Management process
- Bylaws and Policies made available on website through I-Compass
- Build city image bank
- LED sign
- Marketing and advertising
- Community events
- Education

CORPORATE SERVICES DEPARTMENT

- Communications
- Economic Development



DEVELOPMENT & ENGINEERING



The Development and Engineering department's primary planning and technical functions are to provide engineering services support to facilities, parks, roads, water, sewer and electrical projects which encompass the Municipality's asset renewal, repair or replacement program both operational and capital. The department also provides development services support for subdivisions and development ensuring compliance with zoning, land use and the visions and guiding principles of the sustainable community plan. The department is committed to providing quality service that enhances and advances quality of life through long term planning for the community, encouraging strategic economic development, promoting tourism and downtown revitalization incentives.

Highlights

- 68th Ave. and Miscellaneous Paving
- City Hall Re-Construction
- Spragett Bridge Tubing Parking Lot
- WildSafe BC Program Implementation
- Downtown Beautification Upgrades – Phase II
- MAAPS Water and Storm Sewer Relocation
- GIS and Asset Management Software – Utility Infrastructure
- Land Development Showcase Implementation
- Utility Bylaw Revisions and Implementation



DEVELOPMENT & ENGINEERING

- New Subdivision, Development and Servicing Bylaw

Goals

- Asset Management – Long Term Implementation Strategy
- West Side Fire Protection – Installation of New Well
- AMIP (Multi-Utility Projects – 22nd St. and 3rd St.)
- UV Disinfection for Effluent Discharge
- Rotary Spray Park
- Eastside Reservoir Structure Study
- GIS Mapping – Utility Infrastructure
- Implement the Heritage Program
- Tax Incentive Bylaw Implementation for Downtown Businesses
- Zoning and DCC Bylaw Revisions and Implementation
- Continue to Promote the City of Grand Forks Through the Development Showcase, Economic Profile and “Open for Business” Initiative

Department Staff:

These functions are currently supported by a regular staff compliment. For significantly large projects, contract planners and/or engineers are utilized for some of the initial Master Development Agreements, Comprehensive Development Bylaws, etc as per our Client/Consultant Agreement.

Sasha Bird, ASCT, Manager of Development and Engineering – 1FTE

Dolores Sheets, Engineering Technologist – 1FTE

Kathy LaBossiere, Planning Technician – 1FTE

Department Accomplishments:



Spragett Bridge Tubing Parking Lot



68th Ave. Paving

FINANCE



The Finance Department has six staff members that include the Chief Financial Officer, an Accountant/Comptroller, a Payments Clerk, a Revenue Clerk, an Accounting Clerk and an Administrative Assistant.

The Finance Department provides accounting services including accounts payable/receivable, payroll, bi-monthly utility billing, yearly property tax billing, and cemetery and business license administration. The Finance Department also provides support to the external auditors, provides internal reports for other City departments, and prepares external reports required by legislation.

The Finance Department provides financial expertise, reports on the financial affairs, administers financial legislation, and develops and implements financial controls within the organization. The City maintains a system of internal controls for the purpose of financial statement reliability and protection of City assets. Internal controls include ensuring accurate and full accounting of all financial transactions, safekeeping of City funds, receiving monies paid to the municipality, investing in authorized investments and expending funds as authorized by Council.

FINANCE

Highlights

- Implemented EFT payments to our suppliers to decrease costs and encourage carbon reduction
- Implemented e-billing for utility billing
- Cross training and succession planning started
- Increased communications within finance and with other departments
- Increased communications to the public through information provided on City website
- Updated Tangible Capital Asset, Bank Signing Authorization, Employees – Training, Vehicle Use – City Owned, Payment Processing and Purchasing Policies
- Implemented a new Inventory Policy

Goals

- Detailed analysis of the entire financial plan to incorporate Asset Management
- Continuing water meter implementation and billing set-up for residential customers
- Begin implementation of Vadim software upgrade including utility e-billing, Vadim E3
- Begin implementation of Asset Management software including electronic timesheets
- Continue green initiative to go digital where possible
- Continue cross training and succession planning
- Continue work on communications to improve operations and customer service
- Review and update finance policies
- Rate reviews to determine appropriate fees & charges
- Review finance processes to find efficiencies



Downtown Beautification 2013 - 2014



FINANCE

Financial Highlights for 2014

- Annual Surplus for 2014 is \$1,524,458
- Operating Fund Equity increased from \$3,896,535 at year end 2013 to \$3,898,255 at year end 2014
- Net financial assets increased from \$3,929,451 at year end 2013 to \$4,719,167 at year end 2014
- Reserve funds increased from \$2,725,826 at year end 2013 to \$3,655,944 at year end 2014
- Operating expenditures include \$3,123,026 in general government services and public real estate, \$534,199 in protective services, \$1,206,865 in transportation services, \$749,248 in recreation and culture, and \$259,937 in environmental and public health, and \$268,220 in planning and development services. Utility operations expenditures (including the electrical utility) total \$4,937,803.
- Long term debt issued and outstanding as of December 31, 2014 was \$2,148,072. In 2013, this balance was \$2,362,336.



FIRE DEPARTMENT / EMERGENCY SERVICES



The Emergency Services department provides fire and emergency protective services to the City of Grand Forks, and the Regional District of Kootenay Boundary (Area "D") under contract. The Chief and Assistant Chief supervise a group of almost 50 volunteers who provide firefighting, medical and hazardous material response, and road, high-angle rope, confined space, and swiftwater rescue services

Highlights

- Responded to 468 calls – 171 fire-related, 41 rescue, and 256 First Responder (medical)
- Seven residential structure fires; three larger than single-room.
- Reviewed proposals and awarded contract to Rosenbauer for 101' aerial platform truck to replace the 1992 ladder truck.



- Volunteers participated in courses in: swiftwater rescue, confined space rescue, auto extrication. Recertified our in-house first responder instructors.
- Started Class 3 driver training for truck operators.

FIRE DEPARTMENT / EMERGENCY SERVICES

- Enhanced recruiting efforts highly successful, with over 10 new members.
- Launched revamped personnel accountability system.
- Started testing smartphone-based response management system.

Goals

- Outfit and put new aerial truck into service – extensive training on the new equipment.
- Volunteer training – First Responder, Hazardous Materials, Auto Extrication
- Complete Class 3 driver training for truck operators
- Live-fire testing to complete firefighter certification (postponed from 2014)
- NFPA 1001 (firefighter) examinations for training groups 1 and 3 (College of the Rockies)
- Work with RDKB on emergency services contract and long-range fire protection plans for the rural area
- Deploy firefighter response management system.
- Continued recruiting efforts
- Volunteers to host “Firebells and Fanfare” in mid-August.



OUTSIDE WORKS



The City of Grand Forks Outside Works Department employs 18 unionized employees, has a casual pool of workers, and also employs summer students. Committed to deliver services superior and economically feasible levels of service to the residents of Grand Forks. The Public Works crew manages and maintains the Grand Forks Airport, City road system, storm water system, sidewalks, water and sanitary systems, 9 public parks, 3 km of trails, buildings, and 75 pieces of various equipment including the Fire Department fleet. The City of Grand Forks is one of a few municipalities in the province that operates its own electrical utility. In addition, the Information Systems including the Fiber Optic Network and Data Center are managed by the department to provide technology services in-house and to Fiber customers.

PUBLIC WORKS

Highlights

- Asset Management Software Procurement
- Library HVAC replacement
- Computer systems relocated to City Hall after fire restoration
- Fiber Optic Network Plan completed

OUTSIDE WORKS

ROADS

Highlights

- Crack Sealing and Paving Road Repairs Program
- Sidewalk repair on 9th street
- Drywell installations
- Reservoir beacon site
- Fence installation
- Sidewalk removal on Granby Rd - north of Central
- Replace sidewalk on 8th St.
- Shouldering and Ditching Program (drainage control)
- Crack Sealing and Paving Road Repairs
- Alley upgrades on south side of Central Ave.



PARKS

Highlights

- Downtown Beautification
- Hanging Basket program
- City park allan block entrance planting
- Cemetery grave restoration
- Parks building upgrades and painting
- Started Aerating Program



OUTSIDE WORKS

ELECTRICAL

Highlights

- Gyro park light up
- Electrical meter inspection – door to door audit



WATER & SEWER

Highlights

- Reservoir upgrades – New control building. (completed)
- Water and Sewer Main Flushing Program (on going)
- Water Meter Installation Program (¾ complete)



OUTSIDE WORKS

Goals

Water and Sewer department

- Water & Sewer SCADA upgrade
- Headworks Grinder replacement
- Residential Water Meter Program

Electrical department

- Riverside Drive Re-Conductor installation
- Electrical System & Voltage Conversion
- Transformer PCB Management Plan
- Reclosure Controls installation

Public Works department

- Generator installation for Data Center
- Asset Management Software installation and integration with Engineering and Financial software
- Airport Hangar expansion plan
- Airport Beacon upgrades
- James Donaldson Park bleacher repairs
- Works Yard fuel tanks replacement plan
- Playground repairs/replacement
- Library lighting upgrades
- Downtown Beautification



2014 FINANCIAL REPORTING

Plans and Studies

PLAN TITLE	
WATER TREATMENT PLANT ASSESSMENT	COMPLETE
FIBER OPTIC NETWORK PLAN	SHOVEL – READY
MULTI-UTILITY RISK ASSESSMENT	TO BE COMPLETED IN 2015

Capital Projects

PROJECT	COST	STATUS
CITY HALL COMPUTERS, SERVERS	\$ 75,215	Complete
CITY HALL COUNCIL CHAMBERS SMARTBOARD, SPEAKERS & CONFERENCING	\$ 33,297	Complete
CITY HALL FURNISHINGS	\$ 75,063	2015
CITY HALL LIGHTING	\$ 43,160	Complete
CITY HALL WATER/ELECTRICAL METER READERS	\$ 8,239	Complete
68TH AVENUE PAVING	\$ 480,664	Complete
ASSET MANAGEMENT SOFTWARE	\$ 53,668	2016-2017
BOULEVARD TREE REPLACEMENT	\$ 19,775	Complete
DICK BARLETT PARK ELECTRICAL UPGRADE	\$ 5,159	Complete
DOWNTOWN BEAUTIFICATION	\$ 275,304	2015
EAST ZONE RESERVOIR UPGRADE	\$ 46,965	Complete
ELECTRICAL PROJECTS	\$ 36,000	Unknown
LIBRARY HVAC REPLACEMENT	\$ 29,500	Complete
MAAPS (Multi Agency Accommodation Project) RELOCATE STORM SEWER/WATER MAIN	\$ 33,703	Complete
MULTI UTILITY – WATER, SEWER, ROAD 3RD ST, 22ND ST, 68TH AVE	\$ 69,691	2016-2017
PARK & PUBLIC WORKS BEAUTIFICATION	\$ 24,931	Complete
RIVERSIDE DRIVE RE-CONDUCTOR	\$ 17,877	2015
SPRAGETT BRIDGE TUBING PARKING LOT	\$ 13,310	Complete
SPRAY PARK	\$ 23,149	2015-2016
TRANSFORMER PCB MANAGEMENT PLAN	\$ 20,567	2015
TRUCK DUMP BOX UNIT 807	\$ 12,669	2015
UNIVERSAL WATER METERING	\$ 705,889	2015-2016
VACTOR TANK REPLACEMENT	\$ 12,218	2015
WELL 3 VERTICAL TURBINE REPLACEMENT	\$ 39,610	Complete
WEST END FIRE PROTECTION	\$ 58,505	2016-217
TOTAL	\$ 2,214,127	

Property Tax Exemptions

LEGAL DESCRIPTION	CIVIC ADDRESS	ORGANIZATION	VALUE OF PERMISSIVE EXEMPTION
LOT 1, D.L. 380, S.D.Y.D., PLAN KAP54909	7230-21ST STREET	GRAND FORKS CURLING CLUB	\$7,762.23
LOT 5, BLOCK 10, D.L. 108, S.D.Y.D., PLAN 23	366 MARKET AVENUE	GRAND FORKS MASONIC BUILDING	\$354.64
LOT A, D.L. 108, S.D.Y.D., PLAN 38294	978 72ND AVENUE	SUNSHINE VALLEY LITTLE PEOPLES CENTRE	\$1,381.77
LOT 8, BLOCK 25, PLAN 23, DL 108 S.D.Y.D.	686 72ND AVENUE	SLAVONIC SENIOR CITIZEN'S CENTRE	\$477.85
LOT A, DL 108 S.D.Y.D. PLAN 6691	7239 2ND ST	HOSPITAL AUXILIARY THRIFT SHOP	\$1,816.16
LOTS 23, 24, 25, 26 BLOCK 29, DL 108 S.D.Y.D. 121	7353 6TH ST	ROYAL CANADIAN LEGION	\$3,516.76
LOTS 10 AND 17 - 20, BLOCK 18, D.L. 108, S.D.Y.D., PLAN 86	565 71ST AVENUE (CITY PARK)	GRAND FORKS SENIOR CITIZENS, BRANCH NO. 68	\$3,099.30
LOT 1, D.L. 585, S.D.Y.D., PLAN 27903	7850-2ND STREET	GRAND FORKS WILDLIFE ASSOCIATION HALL	\$2,652.28
PARCEL B, BLOCK 45, D.L. 108, PLAN 72	876-72ND AVENUE	ABBEYFIELD CENTENNIAL HOUSE SOCIETY	\$2,440.71
LOT A, PLAN 29781, DISTRICT LOT 108, LAND DISTRICT 54	7130-9TH STREET	BOUNDARY LODGE	\$3,586.99

Declaration of Disqualified Council Members

There were no disqualified Council members in 2014.

Financial Statements of
THE CORPORATION OF THE CITY OF GRAND FORKS
December 31, 2014

THE CORPORATION OF THE CITY OF GRAND FORKS
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December 31, 2014

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May 7, 2015

Nelson, B.C.

Responsibility For Financial Reporting

Management is responsible for the preparation of the accompanying consolidated financial statements. The financial statements have been prepared in accordance with the accounting principles disclosed in note 1 to the consolidated financial statements and include amounts that are based on estimates and judgments. Management believes that the financial statements fairly present The Corporation of the City of Grand Forks consolidated financial position and results of operations. The integrity of the information presented in the financial statements, including estimates and judgments relating to matters not concluded by fiscal year-end, is the responsibility of management. The financial statements have been approved by Council.

Management has established and maintained appropriate systems of internal control including policies and procedures, which are designed to provide reasonable assurance that The Corporation of the City of Grand Forks assets are safeguarded and that reliable financial records are maintained to form a proper basis for preparation of the financial statements.

The independent external auditors, Berg Lehmann, Chartered Accountants, have been appointed by Council to express an opinion as to whether the consolidated financial statements present fairly, in all material respects, The Corporation of the City of Grand Forks financial position, results of operations, and changes in financial position in conformity with the accounting principles disclosed in note 1 to the consolidated financial statements. The report of Berg Lehmann, Chartered Accountants, follows and outlines the scope of their examination and their opinion on the consolidated financial statements.



Roxanne Shepherd
Chief Financial Officer

INDEPENDENT AUDITORS' REPORT

To the Mayor and Council
The Corporation of the City of Grand Forks

We have audited the accompanying consolidated financial statements of The Corporation of the City of Grand Forks, which comprise the consolidated statement of financial position as at December 31, 2014, and the consolidated statement of operations, consolidated statement of changes in net financial assets and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these 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 financial statements are free from material misstatement.

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

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

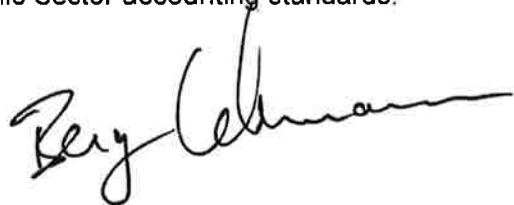
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INDEPENDENT AUDITORS' REPORT (continued)

To the Mayor and Council
The Corporation of the City of Grand Forks

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of The Corporation of the City of Grand Forks as at December 31, 2014, and its financial performance and its cash flows for the year then ended in accordance with Canadian Public Sector accounting standards.



Chartered Accountants

May 7, 2015

Nelson, B.C.

THE CORPORATION OF THE CITY OF GRAND FORKS
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As At December 31, 2014

	2014	2013
FINANCIAL ASSETS		
Cash (note 2)	\$ 6,634,971	\$ 8,225,809
Temporary investment (note 3)	549,366	-
Deposit (note 4)	399,277	-
Accounts receivable	3,084,382	2,215,389
MFA deposit (note 5)	29,092	28,272
Inventories for resale	33,437	47,978
Lease receivable (note 6)	155,034	173,946
	10,885,559	10,691,394
LIABILITIES		
Accounts payable and accrued liabilities	2,401,955	1,645,047
Employee future benefits (note 7)	464,415	421,437
Deferred gas tax grants (note 13)	-	1,447,251
Deferred revenues - grants and other (note 10)	95,524	99,667
Deferred revenues - prepaid taxes	288,797	288,494
Temporary loan (note 11)	263,159	-
Development cost charges (note 12)	504,470	497,711
Long-term debt and capital lease obligations (note 8)	2,148,072	2,362,336
	6,166,392	6,761,943
NET FINANCIAL ASSETS	4,719,167	3,929,451
NON-FINANCIAL ASSETS		
Prepaid expenses	128,973	62,280
Inventory of supplies	294,827	268,293
Tangible capital assets (note 9)	27,150,860	26,509,345
	27,574,660	26,839,918
ACCUMULATED SURPLUS	\$ 32,293,827	\$ 30,769,369
Represented by:		
Operating funds equity (note 14)	\$ 3,898,255	\$ 3,896,535
Reserve funds (note 15)	3,655,944	2,725,826
Equity in tangible capital assets (note 16)	24,739,628	24,147,008
	\$ 32,293,827	\$ 30,769,369
CONTINGENT LIABILITIES (note 23)		


 Chief Financial Officer

THE CORPORATION OF THE CITY OF GRAND FORKS
CONSOLIDATED STATEMENT OF OPERATIONS
For the Year Ended December 31, 2014

	2014 Budget	2014 Actual	2013 Actual
REVENUE			
Taxes	\$ 2,942,062	\$ 3,099,939	\$ 3,046,473
Sales of services (note 18)	6,676,239	6,607,317	6,420,873
Other revenues	494,913	558,516	489,947
Senior government grants - operating	317,286	1,377,914	372,573
Senior government grants - capital	3,080,334	714,351	136,714
Interest income	-	101,155	107,277
Investment income on sinking fund	-	12,795	6,281
Insurance proceeds for operating expenditures	-	1,724,787	125,000
Gain on disposition of assets	-	68,072	14,324
	13,510,834	14,264,846	10,719,462
EXPENDITURES			
General government	1,443,249	2,846,512	1,129,036
Public real estate	325,289	276,514	288,331
Protective service	579,426	534,199	446,331
Transportation services	1,206,440	1,206,865	1,183,377
Environmental health services	187,528	179,064	167,366
Public health and welfare	118,730	80,873	74,904
Planning and development	209,489	268,220	227,896
Recreation and cultural services	823,852	749,248	761,922
Utility services			
Electrical	3,873,670	3,585,547	3,454,043
Water	747,933	709,950	739,841
Sewer	688,046	642,306	624,622
Debt interest	100,961	97,780	51,136
Amortization	1,539,874	1,563,310	1,537,772
	11,844,487	12,740,388	10,686,577
ANNUAL SURPLUS	1,666,347	1,524,458	32,885
ACCUMULATED SURPLUS, BEGINNING OF YEAR	30,769,369	30,769,369	30,736,484
ACCUMULATED SURPLUS, END OF YEAR	\$ 32,435,716	\$ 32,293,827	\$ 30,769,369

RECONCILIATION TO BUDGET (note 22)



Chief Financial Officer

THE CORPORATION OF THE CITY OF GRAND FORKS
CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
For the Year Ended December 31, 2014

	2014	2013
ANNUAL SURPLUS	\$ 1,524,458	\$ 32,885
Acquisition of tangible capital assets	(2,214,126)	(2,091,114)
Amortization of tangible capital assets	1,563,310	1,537,772
Gain on sale of assets	(68,072)	(14,324)
Proceeds from sale of assets	77,373	122,100
Net change in prepaid expenses and supplies inventory	(93,227)	(28,500)
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	789,716	(441,181)
NET FINANCIAL ASSETS, BEGINNING OF YEAR	3,929,451	4,370,632
NET FINANCIAL ASSETS, END OF YEAR	\$ 4,719,167	\$ 3,929,451



 Chief Financial Officer

THE CORPORATION OF THE CITY OF GRAND FORKS
CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2014

	2014	2013
OPERATING TRANSACTIONS		
Annual surplus	\$ 1,524,458	\$ 32,885
Non-cash items		
Amortization	1,563,310	1,537,772
Gain on sale of tangible capital assets	(68,072)	(14,324)
Actuarial adjustment	(12,795)	(6,281)
Change in prepaid expenses and supplies inventory	(93,227)	(28,500)
Change in Net Financial Assets/Liabilities		
Change in accounts receivable	(868,993)	(295,827)
Change in MFA debt deposits	(820)	(18,471)
Change in inventories for resale	14,541	1,332
Change in lease receivable	18,912	18,071
Change in accounts payable and accrued liabilities	756,908	389,184
Change in employee future benefits	42,978	(225,365)
Change in deferred revenues	(1,451,091)	243,050
Change in temporary loan	263,159	(1,537,426)
Change in development cost charges	6,759	11,332
Change in deposit	(399,277)	-
Cash Provided by Operating Transactions	1,296,750	107,432
CAPITAL TRANSACTIONS		
Purchase of tangible capital assets	(2,214,126)	(2,091,114)
Proceeds from sale of tangible capital assets	77,373	122,100
Cash Applied to Capital Transactions	(2,136,753)	(1,969,014)
INVESTING TRANSACTIONS		
Increase in investments	(549,366)	-
FINANCING TRANSACTIONS		
Debt issued	-	1,756,920
Repayment of long-term debt	(201,469)	(153,798)
Cash Received from (Applied to) Financing Transactions	(201,469)	1,603,122
DECREASE IN CASH	(1,590,838)	(258,460)
CASH, BEGINNING OF YEAR	8,225,809	8,484,269
CASH, END OF YEAR	\$ 6,634,971	\$ 8,225,809



Chief Financial Officer

THE CORPORATION OF THE CITY OF GRAND FORKS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
As At December 31, 2014

1. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant accounting policies of The Corporation of the City of Grand Forks:

Basis of Presentation

It is the City's policy to follow the accounting principles generally accepted for municipalities in the Province of British Columbia, and to apply such principles consistently. The consolidated financial statements include the accounts of all funds for the City. All interfund transfers have been eliminated. They have been prepared using guidelines issued by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants.

Basis of Accounting

The resources and operations of the City are segregated into various funds for accounting and financial reporting purposes, each being treated as a separate entity with responsibility for the stewardship of the assets allocated to it. The City has the following funds:

- i) **Operating Funds:** These funds include the General, Electrical, Water and Sewer operations of the City. They are used to record the operating costs of the services provided by the City.
- ii) **Capital Funds:** These funds include the General, Electrical, Water and Sewer Capital funds. They are used to record the acquisition and disposal of property and equipment and their related financing.
- iii) **Reserve Funds:** Under the Community Charter, City Council may, by bylaw, establish reserve funds for specified purposes. Money in a reserve fund, and interest earned thereon, must be expended by bylaw only for the purpose for which the fund was established. If the amount in a reserve fund is greater than required, City Council may, by bylaw, transfer all or part of the balance to another reserve fund.

Inventories

Inventories are recorded at the lower of cost or net realizable value.

Revenue Recognition

The City records revenue on the accrual basis and includes revenue in the period in which the transactions or events that give rise to the revenues occur. Taxation revenues are recognized at the time of the issuing of the property tax notices for the fiscal year. Sale of services and utility fee revenues are recognized when the service or product is rendered by the City.

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Contributions from other sources are deferred when restrictions are in place and recognized as revenue when used for the specific purpose.

THE CORPORATION OF THE CITY OF GRAND FORKS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
As At December 31, 2014

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

Tangible Capital Assets

Tangible capital assets are recorded at cost less accumulated amortization and are classified according to their functional use. Amortization is recorded on a straight-line basis over the estimated useful life commencing in the year the asset is put into service. Donated tangible capital assets are reported at the fair value at the time of donation. The estimated useful lives are as follows:

Building	40 - 75 years
Building improvements	10 - 40 years
Fixtures, furniture, equipment and vehicles	5 - 20 years
IT infrastructure	4 - 10 years
Land improvements	10 - 50 years
Parks infrastructure	15 - 50 years
Paving and roads	10 - 100 years
Sewer infrastructure	10 - 100 years
Water infrastructure	10 - 100 years

Financial Instruments

The City's financial instruments consist of cash, deposits, temporary investments, accounts receivable, accounts payable, capital lease obligations and long-term debt. It is management's opinion that the City is not exposed to significant interest, currency, or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values.

Budget Figures

The budgeted figures are based on the adopted Five-Year Financial Plan for the year 2014 approved by council under bylaw 1996 on April 28, 2014.

Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles, 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 expenditures during the reporting period. Significant areas requiring estimates include the useful lives of tangible capital assets for amortization, the determination of payroll and employee future benefit accruals and the provision for contingencies. Actual results could differ from management's best estimates as additional information becomes available in the future.

THE CORPORATION OF THE CITY OF GRAND FORKS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
As At December 31, 2014

2. CASH

	2014	2013
Restricted cash		
Reserves	\$ 2,698,744	\$ 2,317,108
Community works gas tax	1,030,392	1,447,251
Deferred development cost funds	<u>504,470</u>	<u>497,711</u>
	4,233,606	4,262,070
Unrestricted cash and investments	<u>2,401,365</u>	<u>3,963,739</u>
	<u>\$ 6,634,971</u>	<u>\$ 8,225,809</u>

3. TEMPORARY INVESTMENT

The City holds a foreign exchange forward contract with FIRMA Foreign Exchange Corporation purchased at foreign exchange rates between 1.1120 and 1.1205. At December 31, 2014, the investment is translated into Canadian dollars at an exchange rate of 1.1160.

4. DEPOSIT

The City has a deposit with Rocky Mountain Phoenix at December 31, 2014 for the purchase of a fire truck. The fire truck is to be delivered in 2015 with a total purchase price of \$875,341 USD plus taxes.

5. DEBT RESERVE FUNDS - MUNICIPAL FINANCE AUTHORITY

The Municipal Finance Authority of British Columbia provides capital financing for regional districts and their member municipalities. The Authority is required to establish a Debt Reserve Fund. Each regional district through its member municipalities who share in the proceeds of the debt issue is required to pay into the Debt Reserve Fund certain amounts set out in the debt agreements. The interest earned by the Fund less administrative expenses becomes an obligation to the regional districts. If at any time a regional district has insufficient funds to meet payments on its obligations, it must then use the monies to its credit within the Debt Reserve Fund. Upon maturity of a debt issue, the unused portion of the Debt Reserve Fund established for that issue will be discharged to the Municipality. The proceeds from these discharges will be credited to income in the year they are received. As at December 31, 2014 the total of the Debt Reserve Fund was:

	Demand Notes	Cash Deposits	Balance
Sewer fund	\$ 52,185	\$ 22,302	\$ 74,487
General fund	<u>28,502</u>	<u>6,790</u>	<u>35,292</u>
	<u>\$ 80,687</u>	<u>\$ 29,092</u>	<u>\$ 109,779</u>

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

THE CORPORATION OF THE CITY OF GRAND FORKS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
As At December 31, 2014

6. LEASE RECEIVABLE

The City has entered into a long-term capital lease agreement with the Regional District of Kootenay Boundary for the lease of a building and lands. The term of the agreement is 12 years commencing August 1, 2010. Annual payments are \$27,000 including interest at 4.65%. Interest of \$8,088 (2013 - \$8,929) was received during the year.

7. EMPLOYEE FUTURE BENEFITS

The City provides a benefit to its unionized employees upon retirement. Those eligible employees who retire from service shall receive an amount equal to their accumulated sick leave credits, up to, but not exceeding, 150 days. Employees absent for medical reasons have wages charged against, and deducted from the sick leave accumulated. Upon retirement, any unionized employee having accumulated sick leave is eligible to receive a cash gratuity payment. The payment amount is a percentage of accumulated sick leave based on years of service. The City has committed to fully funding this future benefit over the years of the employees' current service.

8. LONG-TERM DEBT AND CAPITAL LEASE OBLIGATIONS

	Balance, beginning of year	Additions	Payment of Principal	Actuarial Adjustment	Balance, end of year
General #1863	\$ 323,155	\$ -	\$(41,646)	\$(7,074)	\$ 274,435
General #1887	59,087	-	(3,496)	(436)	55,155
Sewer #1498	79,174	-	(6,495)	(5,285)	67,394
Sewer #1873	1,756,920	-	(59,000)	-	1,697,920
Total MFA debt	2,218,336	-	(110,637)	(12,795)	2,094,904
MFA general capital lease obligations	144,000	-	(90,832)	-	53,168
Total	<u>\$ 2,362,336</u>	<u>\$ -</u>	<u>\$(201,469)</u>	<u>\$(12,795)</u>	<u>\$ 2,148,072</u>

THE CORPORATION OF THE CITY OF GRAND FORKS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
As At December 31, 2014

8. LONG-TERM DEBT AND CAPITAL LEASE OBLIGATIONS (continued)

The requirements for future repayments of principal on existing MFA debt for the next five years are estimated as follows:

	General Capital	Sewer Capital	Total Capital
2015	\$ 45,141	\$ 65,496	\$ 110,637
2016	\$ 45,141	\$ 65,496	\$ 110,637
2017	\$ 45,141	\$ 65,496	\$ 110,637
2018	\$ 45,141	\$ 65,496	\$ 110,637
2019	\$ 45,141	\$ 65,496	\$ 110,637

The requirements for future repayments of principal on existing capital lease obligations for the next two years are estimated as follows:

2015	\$ 54,763
2016	<u>2,697</u>
Total minimum lease payments	57,460
Less amount representing interest	<u>4,292</u>
	<u>\$ 53,168</u>

9. TANGIBLE CAPITAL ASSETS

	2014			2013 Net Book Value
	Cost	Accumulated Amortization	Net Book Value	
General Capital Fund				
Land	\$ 1,690,090	\$ -	\$ 1,690,090	\$ 1,690,091
Land improvements	19,775	-	19,775	-
Buildings	6,003,737	2,652,441	3,351,296	3,502,033
Engineering structures	20,352,553	10,231,220	10,121,333	9,900,542
Machinery and equipment	2,117,505	1,029,141	1,088,364	961,912
Equipment fleet - emergency	1,081,066	683,084	397,982	441,020
Equipment fleet - public works	<u>2,924,055</u>	<u>2,059,015</u>	<u>865,040</u>	1,000,595
	34,188,781	16,654,901	17,533,880	17,496,193
Assets under capital lease	<u>441,674</u>	<u>103,620</u>	<u>338,054</u>	362,619
	34,630,455	16,758,521	17,871,934	17,858,812
Waterworks Utility Capital Fund	8,336,310	4,294,246	4,042,064	3,338,771
Electrical Utility Capital Fund	2,578,924	1,598,863	980,061	937,193
Sewer Utility Capital Fund	<u>7,844,455</u>	<u>3,587,654</u>	<u>4,256,801</u>	4,374,569
Total Tangible Capital Assets	<u>\$ 53,390,144</u>	<u>\$ 26,239,284</u>	<u>\$ 27,150,860</u>	<u>\$ 26,509,345</u>

THE CORPORATION OF THE CITY OF GRAND FORKS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
As At December 31, 2014

10. DEFERRED REVENUE - GRANTS AND OTHER

	Balance, Beginning of Year	Contributions Received	Eligible Expenditures	Balance, End of Year
Library maintenance contract	\$ 68,442	\$ 15,000	\$ 39,063	\$ 44,379
Unexpended conditional grants	10,470	16,440	1,152	25,758
Victim assistance	14,681	37,060	32,693	19,048
Miscellaneous deposits	6,074	6,304	6,039	6,339
	<u>\$ 99,667</u>	<u>\$ 74,804</u>	<u>\$ 78,947</u>	<u>\$ 95,524</u>

11. TEMPORARY LOAN

Bylaw 1998 and Bylaw 1950 authorize the City to temporary borrowing of an amount or amounts not exceeding the sum of \$5,500,000 as required. The temporary loan bears daily interest at 1.78% with interest only payments paid monthly.

12. DEVELOPMENT COST CHARGES

Development cost charges represent funds received from developers for capital costs in accordance with Bylaw 1425. Development cost charges are deferred and recognized as revenues when the related costs are incurred.

	2014	2012
Development cost charges - water	\$ 178,751	\$ 176,356
Development cost charges - sewer	323,332	318,999
Development cost charges - parkland reserve	2,387	2,356
	<u>\$ 504,470</u>	<u>\$ 497,711</u>

THE CORPORATION OF THE CITY OF GRAND FORKS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
As At December 31, 2014

13. FEDERAL GAS TAX GRANT

Gas Tax funding is provided by the Government of Canada. The use of the funding is established by a funding agreement between the City and the Union of British Columbia Municipalities ("UBCM"). Gas Tax funding may be used towards designated public transit, community energy, water, wastewater, solid waste and capacity building projects, as specified in the funding agreements. During the year, the City and the UBCM signed a new agreement which removed some of the stipulations included in the previous agreement. The funds previously deferred and the unspent funds received in the current year are no longer considered to be liabilities under section PSAB 3410 Government Transfers, and have been recognized as revenue in the current year and transferred into the City's Community Works Gas Tax Reserve Fund.

14. OPERATING FUNDS EQUITY

	2014	2013
General operating fund	\$ 1,097,329	\$ 1,579,342
Electrical utility operating fund	1,563,271	1,274,917
Sewer utility operating fund	1,054,530	1,029,349
Water utility operating fund	<u>183,125</u>	<u>12,927</u>
Operating fund equity at year end	<u>\$ 3,898,255</u>	<u>\$ 3,896,535</u>

15. RESERVE FUNDS CONTINUITY

	Balance Beginning of Year	Transfers from other Funds	Transfers to other Funds	Interest Earned	Balance End of Year
Capital reserve	\$ 375,464	\$ -	\$ 276,678	\$ 2,448	\$ 101,234
Cash in lieu of parking	17,125	65	13,245	233	4,178
Climate action reserve	-	22,504	-	125	22,629
Community works gas tax	-	1,660,670	714,351	20,140	966,459
Equipment replacement	587,266	-	20,169	6,351	573,448
Land sale	488,858	70,496	-	6,936	566,290
Tax sale land	61,693	-	-	838	62,531
Slag sale	1,195,420	399,475	254,908	19,188	1,359,175
	<u>\$ 2,725,826</u>	<u>\$ 2,153,210</u>	<u>\$ 1,279,351</u>	<u>\$ 56,259</u>	<u>\$ 3,655,944</u>

THE CORPORATION OF THE CITY OF GRAND FORKS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
As At December 31, 2014

16. EQUITY IN TANGIBLE CAPITAL ASSETS

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

	2014	2013
Equity in TCA, beginning of year	\$ 24,147,008	\$ 25,298,283
Add:		
Capital acquisitions	2,214,126	2,091,114
Debt principal repayments	201,469	153,798
Actuarial adjustment	12,795	6,281
Gain on dispositions of assets	68,072	14,324
Less:		
Proceeds from issue of temporary and long-term debt	(263,159)	(1,756,920)
Proceeds on sale	(77,373)	(122,100)
Amortization	(1,563,310)	(1,537,772)
Equity in TCA, end of year	<u>\$ 24,739,628</u>	<u>\$ 24,147,008</u>
Represented by:		
General capital fund	\$ 17,442,946	\$ 17,332,568
Electrical utility capital fund	980,061	937,194
Sewer utility capital fund	2,483,366	2,538,475
Water utility capital fund	<u>3,833,255</u>	<u>3,338,771</u>
Capital fund equity at year end	<u>\$ 24,739,628</u>	<u>\$ 24,147,008</u>

17. MUNICIPAL PENSION PLAN

The City and its employees contribute to the Municipal Pension Plan (the Plan), a jointly trusted pension plan. The Board of Trustees, representing Plan members and employers, is responsible for overseeing the management of the Pension Plan, including investment of the assets and administration of benefits. The Pension Plan is a multi-employer contributory Pension Plan. Basic pension benefits provided are defined. The Plan has about 179,000 active members and approximately 71,000 retired members.

The most recent 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 expense 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 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 Corporation of the City of Grand Forks paid \$265,984 (2013 - \$271,258) for employer contributions to the Plan in fiscal 2014.

THE CORPORATION OF THE CITY OF GRAND FORKS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
As At December 31, 2014

18. SALE OF SERVICES

	2014	2013
Garbage collection and landfill contract	\$ 209,134	\$ 200,109
Cemetery	28,684	28,912
Airport (net of cost of fuel sold)	22,303	19,106
Transportation custom work orders	8,287	8,554
Environmental development	10,500	5,000
Campground	46,055	40,865
Sundry	4,890	11,356
Slag	235,063	247,284
Electrical utility user and connection fees	4,377,623	4,287,692
Sewer utility user and connection fees	817,363	782,864
Waterworks utility user and connection fees	847,415	789,131
	\$ 6,607,317	\$ 6,420,873

19. EXPENDITURES BY OBJECT

	2014	2013
Goods and services	\$ 7,002,084	\$ 5,552,756
Interest and finance charges	97,780	51,136
Salaries, wages and benefits	4,077,214	3,544,913
Amortization	1,563,310	1,537,772
	\$ 12,740,388	\$ 10,686,577

20. COLLECTION FOR OTHER GOVERNMENTS

The City collected and remitted the following taxes on behalf of other Governments. These are not included in the City's financial statements.

	2014	2013
Provincial Government - School Taxes	\$ 1,583,046	\$ 1,610,542
Provincial Government - Police Tax Levy	211,395	208,138
British Columbia Assessment Authority	46,847	48,016
Regional Hospital Districts	180,527	219,994
Regional District of Kootenay Boundary	1,380,318	1,375,291
	\$ 3,402,133	\$ 3,461,981

THE CORPORATION OF THE CITY OF GRAND FORKS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
As At December 31, 2014

21. TRUST FUNDS

Funds held in trust and administered by the City are as follows:

	2014	2013
Assets		
Cash	\$ 158,365	\$ 151,939
Due from (to) the General Operating Fund	<u>46</u>	<u>(979)</u>
	<u>\$ 158,411</u>	<u>\$ 150,960</u>
Trust Fund Balances		
Cemetery care	\$ 145,519	\$ 140,009
Employee assistance program	<u>12,892</u>	<u>10,951</u>
	<u>\$ 158,411</u>	<u>\$ 150,960</u>

Trust funds are not included in the City's financial statements.

22. RECONCILIATION TO BUDGET

The following reconciles the budgeted surplus as shown on the consolidated statement of operations to the budget as presented in bylaw 1996 adopted on April 28, 2014.

	2014
Annual budgeted surplus per consolidated statement of operations	\$ 1,666,347
Debt principal repayments	(197,886)
Purchase of tangible capital assets other than by debt	(8,921,179)
Budgeted transfer from reserve/accumulated surplus	2,360,866
Non-cash item - amortization	1,539,874
Debt proceeds	<u>3,551,978</u>
	<u>\$ -</u>

23. CONTINGENT LIABILITIES

The City, as a member of the Regional District of Kootenay Boundary, is jointly and severally liable for the future capital liabilities of the Regional District.

The loan agreements with the Municipal Finance Authority provide that if the Authority does not have sufficient funds to meet its payments and obligations, it shall make payments from the debt reserve fund which is in turn established by a similar debt reserve fund of the City and all other borrowing participants. If the debt reserve fund is deficient, the Authority's obligations become a liability of the Regional District, and may become a liability of the participating municipalities.

THE CORPORATION OF THE CITY OF GRAND FORKS
SCHEDULE - SEGMENTED INFORMATION
For the Year Ended December 31, 2014

	General and Reserve	Electrical Utility	Water Utility	Sewer Utility	Total 2014	Total 2013
REVENUE						
Property taxes	\$ 3,093,898	\$ -	\$ -	\$ 6,041	\$ 3,099,939	\$ 3,046,473
User fees and charges	-	4,377,623	847,415	817,363	6,042,401	5,859,687
Other revenue	2,956,256	-	-	5,913	2,962,169	1,289,691
Grants - operating	1,376,914	-	1,000	-	1,377,914	372,573
Grants - capital	-	-	714,351	-	714,351	136,714
Gain on disposal	68,072	-	-	-	68,072	14,324
	7,495,140	4,377,623	1,562,766	829,317	14,264,846	10,719,462
EXPENSES						
Salaries and benefits	2,624,788	563,937	463,900	424,589	4,077,214	3,544,913
Goods and services	3,514,930	137,223	247,794	217,750	4,117,697	2,751,801
Purchased services	-	2,884,387	-	-	2,884,387	2,800,955
Debt interest	44,213	-	-	53,567	97,780	51,136
Amortization	1,172,726	40,854	186,392	163,338	1,563,310	1,537,772
Interfund transfers	(420,000)	420,000	-	-	-	-
	6,936,657	4,046,401	898,086	859,244	12,740,388	10,686,577
ANNUAL SURPLUS (DEFICIT)	\$ 558,483	\$ 331,222	\$ 664,680	\$(29,927)	\$ 1,524,458	\$ 32,885

**THE CORPORATION OF THE CITY OF GRAND FORKS
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
As At December 31, 2014**

Historical Cost:	Land		Land Improvements		Buildings		Machinery and Equipment		Engineering Structures		Infrastructure		Leased Assets		2013	
											Waterworks Utility	Sewer Utility				
Opening balance	\$	1,690,090	\$	6,005,410	\$	5,890,942	\$	19,511,965	\$	2,485,202	\$	7,446,626	\$	441,674	\$	49,743,773
Additions		19,775		334,787		840,588		83,722		889,684		45,370		2,214,126		2,091,114
Disposals and write downs		(1,673)		(103,103)		(1,673)		(103,103)						(104,778)		(554,093)
Closing balance, Dec. 31	\$	1,690,090	\$	6,003,737	\$	6,122,626	\$	20,352,553	\$	2,578,924	\$	8,336,310	\$	441,674	\$	51,280,794
Accumulated Amortization:																
Opening balance	\$	-	\$	2,503,378	\$	3,487,414	\$	9,611,424	\$	1,558,009	\$	4,107,854	\$	79,054	\$	23,679,996
Amortization Expense		-		149,063		379,301		619,796		40,854		186,392		24,566		1,537,771
Effect of disposals and write downs		-		(95,475)		(95,475)		(95,475)						(95,475)		(446,318)
Closing balance, Dec. 31	\$	-	\$	2,652,441	\$	3,771,240	\$	10,231,220	\$	1,598,863	\$	4,294,246	\$	103,620	\$	24,771,449
Net Book Value for Year Ended December 31, 2014	\$	1,690,090	\$	3,351,296	\$	2,351,386	\$	10,121,333	\$	980,061	\$	4,042,064	\$	338,054	\$	26,509,345