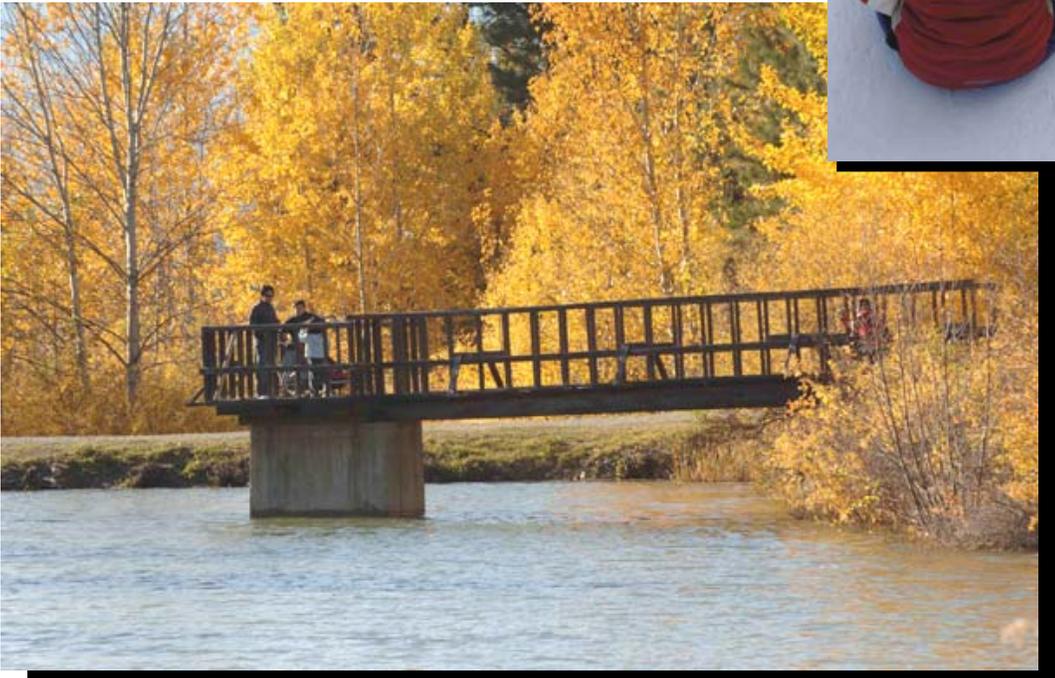




**2008
Annual
Report**



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A Message from the Mayor



I am pleased to present the City's 2008 Annual Report.

This year has offered Cranbrook many opportunities and successes, as well as challenges. We celebrated the official opening of the newly expanded Canadian Rockies International Airport, sending out the message to the world that Cranbrook is open for business. Delta Airlines agreed with us and signed an agreement effectively providing direct service to Cranbrook from its hub in Salt Lake City, opening the airport to the entire United States.

The City of Cranbrook and the Western Hockey League's Kootenay ICE arrived at an agreement in principle on a lease that will see the Kootenay ICE remain in Cranbrook for the next 15 years.

I believe that Cranbrook's future is bright and full of promise. In spite of the global economic situation, Cranbrook is in a good position to take advantage of opportunities that will come our way. We have established ourselves as the main economic, educational, recreational, cultural, transportation and health centre of the region. This is our strength and will ensure our continued growth.

Scott Manjak

Mayor



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Cranbrook City Council



From left to right: Councillor Diana J. Scott, Councillor Liz Schatschneider, Councillor Jim Wavrecan, Mayor Scott Manjak, Councillor Denise Pallesen, Councillor Bob Whetham, Councillor Angus Davis

City of Cranbrook Mission Statement

The Council and Staff are committed to the continuing development of the City of Cranbrook as a successful and progressive community, and to preserving, and further enhancing the high quality of life enjoyed by the Citizens. Council will be responsive to concerns and provide an informed and committed leadership. A competent, skilled staff of high integrity will use available resources as efficiently as possible, providing high quality services to meet the needs and address the concerns of residents and employers. Council and Staff will work cooperatively with the Citizens of the City of Cranbrook, organizations within the community, other municipalities and other levels of government in order to achieve the maximum benefit for the community.

DECLARATION AND IDENTIFICATION OF DISQUALIFIED COUNCIL MEMBERS

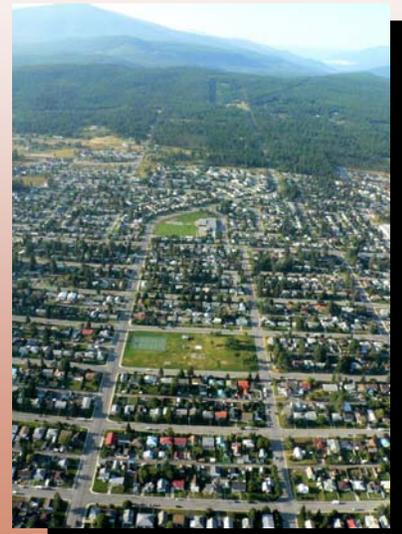
In accordance with Section 98(2)(e) of the *Community Charter*, there were no declarations of disqualification made under Section 111 of the *Community Charter* in the year 2008

2020 Vision Statement

City of Cranbrook

2020 Vision Statement

In the Year 2020, the dynamic City of Cranbrook proudly welcomes the world to Southeastern British Columbia, the Kootenay region and the Canadian Rockies. As the major transportation hub; national and international visitors travel to Cranbrook to access the region's world-class recreation facilities, utilize Southern British Columbia's finest travel and convention amenities, and play on the region's most outstanding tournament facilities. Investors and entrepreneurs have consolidated the City's financial, commercial and industrial services role. Residents enjoy an enviable lifestyle within a safe urban environment that provides a wealth of opportunity for individual wellness, education and prosperity. A rich cultural fabric complements a visually attractive urban form set in a spectacular mountain environment. Cranbrook has assumed a strong, progressive leadership role within British Columbia based on sound fiscal management, smart growth development, and wise asset reinvestment.



City Services

The Corporation of the City of Cranbrook provides a broad range of municipal services to our residents, businesses and visitors to our community. The Corporation is organized into Departments responsible for cost effective delivery of these services under the policy direction and budget authorization of Council. The City also contracts police services and provides financial support to the Cranbrook Public Library.

Public services provided by each Department are highlighted below.

CORPORATE SERVICES

The Corporate Services Department was very active in 2008.

In addition to providing overall Corporate administrative functions on an on-going basis, including support to Mayor and Council, the Department fulfills statutory requirements, coordinates contracts/agreements and approvals and administers City property dispositions. Corporate Services manages Freedom of Information and Protection of Privacy Requests on an on-going basis.

Corporate Services coordinated the conduct of the 2008 Municipal election with the assistance of a Chief Election Officer and fulfilled additional related statutory requirements following the election.

Implementation of the City's Records Management program continued with individual City departments being responsible for managing records within the Corporate system. Staff of Corporate Services guide this process and continue to assist departments in undertaking their responsibilities.

The Bylaw review project continued and Council was apprised of and involved in the process on an on-going basis. This project involves an overall assessment of City bylaws to determine the need for more specific review and update, repeal or replacement.

Bylaws brought forward to Council for updating or replacement included: Elections Bylaw; Officers and Employees Amendment Bylaw; Bylaw Enforcement Officers Repeal Bylaw; Business License Amendment Bylaw; Streets and Traffic Amendment Bylaw; Leisure Services Fees and Charges Bylaw; Fees and Charges Amendment Bylaw, Waste Collection and Disposal Amendment Bylaw; Subdivision Bylaw; and Land Use Contract Discharge Bylaw.

Extensive reviews of the Council Procedure Bylaw and Cemetery Bylaw neared completion with both scheduled for Council's consideration in the first half of 2009.

Corporate Services Staff also completed the review of the City's Committee structure for consideration by Council in early 2009.

Planning and development activity continued to be very active with many inquiries and applications being submitted for consideration for approval. Proposed development projects were often complex and involved consideration of a sequence of interrelated application processes leading ultimately to consideration of approvals for subdivision and building permits. This involved considerable investment of Corporate Services staff resources in review and communications with prospective developers. Considerations also involved liaison with other Provincial departments including the Ministry of Transportation.

Planning for the northern boundary extension in 2008 involved preliminary consultation with property owners. Corporate Services looks forward to continuing the process for planning for the northern boundary extension area in 2009.

Consideration of proposed development in the area known as "Shadow Mountain" located in the northern boundary extension area required substantial Staff involvement in review and liaison with proponent representatives.

The proposed eastern boundary extension application under consideration by the Province was delayed pending confirmation of the status of Crown lands relative to treaty negotiations with First Nations.

City Services (cont'd)

The Growth Management Study continued in cooperation with the City's Engineering and Finance and Computer Services departments.

Public Transit continued to involve staff in its administration in cooperation with BC Transit and Greyhound. A new downtown transit exchange was completed and became operational in the second half of 2008. In addition, bus benches were installed at several bus stop locations and more installations are planned for 2009.

Bylaw enforcement required the focused use of resources in 2009, often on an issue or site-specific basis and sometimes involving the City Solicitor. Enforcement actions were driven primarily on a complaint basis unless otherwise directed by Council or its members through the Chief Administrative Officer. Bylaw enforcement continues to be a busy area within Corporate Services.

The Corporate Services Department continues to apply its resources as it is called upon to assist in addressing current and broader based community interests.

FINANCE AND COMPUTER SERVICES

The Finance and Computer Services Department diligently administers the public financial resources of the City. In 2008, the Department prepared the Five Year Financial Plan for Council's consideration, prepared six month interim management reports and budget analysis as well as annual financial reports. Department personnel process daily financial and accounting transactions, implement and monitor internal control procedures, order goods and services and tender major capital projects.

Finance and Computer Services Department manages the Human Resource function for the Corporation including payroll, administration of collective agreements, employee benefits and recruitment. The Department also manages Corporate information technology services.

Under the British Columbia *Community Charter*, the City is required to adopt a Five Year Financial Plan. This long-term approach to financial planning allows Council and the community to consider the impact that current decisions will have on future financial flexibility. The Plan is updated each spring, prior to setting the tax rates, to reflect any changes that have occurred since the last Plan was adopted.

A major task undertaken in 2008 was the gathering of information on Capital purchases over the life of the City in preparation to record the depreciation of Tangible Capital Assets in the Corporation's books for 2009, as required by CICA's Public Sector Accounting Board.

Purchasing has been extremely busy in 2008 as many of the City's fleet are well beyond their useful life and in need of replacement rather than repair. Tenders have been issued, followed by purchase orders, and the subsequent receipt of the new equipment.

During 2008, the City undertook a number of significant Capital projects all of which substantially impacted Finance from a purchasing and accounting point of view.

A review of the City's Purchasing Policy was undertaken during the year. The review resulted in a preliminary rewriting of that Policy with a focus on a comprehensive update to be finalized in 2010.

The department also embarked on a records management project that had been initiated by Corporate Services in 2007.

Computer Services

At the beginning of 2008 the General Ledger was restructured. This required substantial time for both the MAIS support team and the IS Manager as each module which requires interaction with the general ledger had to be modified and configured as well (ie: Property Taxes, Utilities, Building Permits etc.)

Our Technology Rollover plan was continued to replace the remaining 40% of workstations throughout the summer. Around the same time we hired a PC Support Specialist which we share with the RCMP. After all of the new PCs

City Services (cont'd)

were installed we prepared all of the old workstations for auction. This included a secure wipe of all data on each hard drive.

ANI-ALI Software purchased and installed at the Firehall. This software identifies, displays and permanently records the location of in-coming phone calls.

The IS Department acquired, configured and installed a Network Attached Storage (NAS) server for Public Works (primarily used for SCADA Backup Data and Photos) and also acquired, configured and installed a NAS server at the Recplex to replace existing departmental storage server which was near end of life.

We installed a control systems server for the lighting and environmental controls at the Recplex which secures programs from possible damage from user error, malicious internet attacks and physical damage. The Recplex's Facility Booking server was replaced as part of the Technology Rollover. The facility booking software was upgraded at the same time. IS Staff added a 2nd workstation for the Recplex technicians.

A new ticketing system (hardware and software) was installed at the Recplex in the spring. At the request of the Kootenay Ice, additional network infrastructure was installed on the client side of our network to accommodate the new ticketing system.

The Network Administrator created and maintained a revised Christmas in the Rockies 2008 Website. The website was well received and used by the public (5000+ hits).

ENGINEERING

A small, talented engineering team guides the planning, design, and construction management for new development, replacement and major maintenance of City infrastructure. This includes our potable water and sanitary sewer utilities; the administration of lagoons and the spray irrigation site; our reservoir, diversion system and supply pipeline; as well as our roads, sidewalks, and storm drainage system. In 2008, the City undertook a capital works program for the following:

- 1) 10th Avenue South and Spirit Square project which included:
 - a) Water main replacement
 - b) Storm and Sanitary rehabilitation
 - c) Street lighting
 - d) Landscaping
 - e) Ducting for communication system upgrade
 - f) Band stand
 - g) Improvements to Rotary Square and Clock Tower Square
 - h) Furniture
- 2) Relocation of Transit Exchange Station from Baker Street to 12th Avenue North.
- 3) Commission of the newly constructed Pressure Reducing Stations.



The Department also administers subdivision approvals, building permits and construction inspections. Activities for 2008 included 24 applications for subdivision which was down a little from 2007's number of 35; 132 applications for new housing starts with a total of 339 building permits. Total Building Permit construction value was \$60.8 million.

The Department administers the City Cemetery and responds to numerous daily inquiries regarding land development, municipal servicing and building permit requirements.

City Services (cont'd)

PUBLIC WORKS

Our Public Works crews keep the City moving. Taking care of 138 km of paved roads and 43 km of unpaved lanes and streets, the crews clear snow, sand, repair and clean our streets.

The crews also take care of public parking lots, sidewalks and pedestrian pathways; roadway and surface drainage channels, structures and storm sewers. To ensure traffic moves safely Public Works maintains traffic and pedestrian signals, street lighting, regulatory and information signage.

Approximately 8,000 water services were maintained to residences across the City as well as approximately 1,200 business services and 3 industrial services. Public Works crews maintain, repair and replace the in-ground pipes delivering this essential service; monitor the quality of the water and maintain the reservoir, diversion structures and feed lines. Instrumentation installed during 2005 in a diversion structure south of the City's Phillips Reservoir provides continuous on-line monitoring of surface water flows from Gold Creek and Joseph Creek watersheds. The equipment also monitors the apportionment of surface waters directed into the reservoir and into Joseph Creek that flows through Cranbrook. The monitoring equipment measures conductivity, turbidity and temperature from each of the two surface water sources and records flow from the Gold Creek pipeline. Our crews also keep the City clean and attractive. Crews collect residential solid waste and trash from public areas, are responsible for the maintenance and operation of the City's wastewater collection and treatment systems as well as effluent transfer to the Spray Irrigation site.



In our parks and open spaces, Public Works personnel maintain playfields, playgrounds, boulevards, creeks and natural areas, trees, shrubs and gardens, the cemeteries, mausoleum and public structures including water parks, shelters and public toilets. Public Works crews worked closely with Communities in Bloom preparing sites by removing soil, excavating, placement of top soil and installation of irrigation systems.

City Hall, our Arenas, the Operations Centre, Fire Stations and Police Services as well as numerous small public buildings are maintained by Public Works personnel, directly and by contract, providing janitorial services, security, heat/ventilation/air conditioning services, carpentry, electrical, plumbing, painting, roofing, flooring, lighting and glazing. To keep all of these services on the move our crews maintain, service and repair the City's fleet of vehicles and apparatus.

Parks crews provided labour and equipment support to the incredible Communities In Bloom committee in their success achieving the prestigious '5 Bloom' award for our City. Flower, shrub and tree plantings were completed at many locations along the Strip. The large Centennial Gardens 2 project on Van Horne by the Sandman Inn was partially completed, water feature treatments on each side of the Moir Park entrance were installed. 8 trees were planted at Moir Park, 6 at the Kinsmen Spray Park and 3 at Idlewild Park. Much of the tree, shrub and floral plantings were overseen by representatives of the resident ungulate population.

50 diseased, dying and dead trees were removed from Baker Park with many other diseased trees removed from green space areas throughout town. Large plastic planters were added to the 50 or so concrete planters on the Strip and throughout the community. These new planters have water reservoirs inside them that reduced maintenance activity from 5 times per week to twice a week. Hanging basket plantings were added with a smaller version of the internal water reservoirs that resulted in a similar time saving. Deep trash cans were installed to match the first one

City Services (cont'd)

placed at the Skate Board Park in 2007 that lasted 7 months before being emptied.

At City Hall, Trades personnel renovated what is now known as the Committee Room, partially reconstructed a room to house the Spirit Square field office, and worked with a contractor to replace the heating system and provide air conditioning to areas of the building not previously served. At the RecPlex, a media room was constructed, a concrete block retaining wall and large volume of fill material was removed as was the Old Library with a new Tot Park constructed. At the Memorial Arena, steel supports were added to breathe new life into the support arches holding the building up. A new sewage screening facility is mostly completed at the City's wastewater treatment lagoons.

Roads crews completed a large project that saw the Ridgeview Road boulevard reshaped and hydro seeded. A large diameter 'wye' fitting, new magnetic flow meter, 3 shut off valves and a new actuator were installed at the Phillips Reservoir inside new concrete valve chambers along with an extension to a tunnel and a bypass line to allow for future work at the site. Considerable work occurred at the sites of the Spirit Square and Bus Terminal projects as department personnel worked with contractors to substantially improve both the appearance and functionality of the downtown core. 3 pressure reducing stations were brought on line. 85 water distribution system failures and 5 sewer problems were excavated and repaired.

Council's program of re-surfacing asphalt roadways in the City is resulting in less effort to address the perennial pothole problem for which the City is well known. Personnel time is now freed up to deal with repair of water and sewer excavation sites and other roadway related maintenance tasks.

FIRE AND EMERGENCY SERVICES

In 2008, our team of 22 career staff and 10 auxiliary fire fighters responded to 1,212 calls for emergency services. First responder services accounted for the majority of calls providing patient and site stabilization, vehicle extrication, and often supporting ambulance personnel. Cranbrook Fire & Emergency Services responded to 146 fire related calls in both the City and Regional District service area.



Beyond fire suppression and first responder services, the Fire Department provides core services in fire prevention, emergency preparedness and communications. In 2008, the Department conducted 1,317 fire safety inspections for buildings in Cranbrook, enforced the Fire Services Act and BC Fire Code, conducted 116 fire investigations and delivered over 100 program hours related to fire safety public education. Through Council's direction, Cranbrook Fire & Emergency Services developed a Confined Space Rescue Program which enables the Department to provide Confined Space Rescue Services within the community.

In 2008, the department directed 395 emergency calls to 15 regional communities, provided approximately 1,300 dispatch calls to Public Works crews, issued 167 burning permits, supported Fire Prevention Week and toured the community on Christmas Eve with Santa Claus.

Cranbrook Fire & Emergency Services assumes the lead role in community emergency planning and preparedness, and in 2009 entered into a joint Emergency Program with the RDEK and City of Kimberley.

The Department is a strong and active partner in the Fire Services Training Program provided by the College of the Rockies. In 2008, 18 students graduated from this unique and well respected training program preparing men and women for a career as a professional firefighter.

City Services (cont'd)

POLICE SERVICES

Community police services are provided by the Royal Canadian Mounted Police through a contract with the City of Cranbrook. The municipal component of the Detachment includes 25 officers and 14 municipal employees providing a wide range of police services. This includes general duty, a plain clothes serious crime section, forensic identification, and crime prevention community policing. Additionally the Detachment has the services of a First Nations policing officer, police dog, victim services and restorative justice. In 2008 the Detachment responded to a total of 7,904 calls for service within the City of Cranbrook.

In addition to responding to calls for service each year the Detachment in consultation with the community as well as Mayor and Council identifies priorities. In 2008 these priorities were:

Drugs and the Impact of Drugs.

In this regard the serious crime section focused primarily on the apprehension and prosecution of those trafficking in cocaine, and crime associated to the drug trade.

Property Crimes.

The Citizens on Patrol group donated approximately 1,400 hours of their time working with the police to detect and deter crime in focused areas. The Detachment also undertook a number of preventative initiatives to educate persons on how to protect their businesses, homes and vehicles from becoming targets of crime.

Traffic

The apprehension of impaired drivers remains a high priority, with assistance and enforcement within the City also being provided by the East Kootenay Traffic Services unit.

Youth

Members of the Detachment both on and off duty are involved in various youth activities from school liaison, delivery of D.A.R.E and other preventative programs such as P.A.R.T.Y., to coaching in sports. In 2008 Constable Travis Dow was the recipient of a National award for Youth development, recognizing his efforts with the Rams football team. As well Constable Melody Henderson participated for the third year in a row in the Cops for Kids Ride, raising \$16,500.



City Services (cont'd)



Utilization of Police Resources: In 2008 Mayor and Council passed a false alarm bylaw. The Detachment also initiated steps to reduce time officers spend on certain types of motor vehicle collisions and receiving found property. These will be monitored with respect to ensuring there is no impact on public safety.

The members, support staff, and volunteers of Cranbrook Detachment remain committed to keeping the community safe.

LEISURE SERVICES

Special Events and Partnerships at City Facilities

February the Cities of Cranbrook and Kimberley hosted the 2008 BC Winter Games. There were over 3000 volunteers, 2500 athletes, coaches, chaperons and officials. Both Cranbrook and Kimberley were busy with excitement during the four days of Winter Games.

Other Activities:

- April 24-26 Dance Competition - RecPlex
- May 2-4 Kimberley Dance Club Year End Show - RecPlex
- May 2-4 Kinsmen Trade Fair - Memorial Arena
- May 1-4 Carnival at the RecPlex parking lot
- May 30th Monster Truck Spectacular - RecPlex
- June 2nd Spirit Pole Tour Event RecPlex Parking Lot
- June 7th Gymnastics year end show - RecPlex
- June 19-22 Sam Steele Days at the RecPlex and various locations throughout the City. Sam Steele Kiddies Day Parade sponsored by Leisure Services
- June 26th Cranbrook Grad Ceremonies
- June 27-29 Annual Lacrosse Tournament (RecPlex, Memorial, Kinsmen)



Canada Day Event was held on July 1st. Heavy rainfall dampened the Community's spirit for the early activities. The rain stopped and by 8:00 pm the crowds attended the event at Moir Centennial Athletic Park which included musical entertainment and fireworks. Mopar Car Show held their first annual car show and outdoor movie night at Moir Centennial Athletic Park. The car show was well attended, with both spectators and participants marvelling at the location of the show.

City Services (cont'd)

The Programming Department has been active with the 2010 Legacy – Act Now promotion. They were successful in creating a new Active Community Committee; combined the Pitchin program with the Move for Health day. Worked with the local elementary schools and used their steps while collecting garbage in the Steps Out program; promoted the Teddy Bear Picnic for pre-schoolers and implemented the Steps Out program to the children and their parents; worked with Family Connections to develop a walking program for a specific target group.

A celebration honouring Ben Rutledge and his accomplishment, 2008 Olympian Gold Medalist Rower, was organized by Staff.



Curling Arena

The entire main floor of the Curling Arena was upgraded, including washrooms, ceiling tiles, paint and flooring. The men's and women's washrooms upstairs were gutted and replaced with new tile, sinks, toilets and flooring. The walls on the ice slab saw a fresh coat of paint.

Memorial Arena

The Brine Line at the Memorial Arena was repaired in April. The new compressor was ordered and is to be installed in August.

LIBRARY SERVICES

They say first impressions are often the most important. With this in mind the Cranbrook Public Library launched a program to revitalize and enhance the landscaping around the Library in 2008. Contributions from patrons, businesses, the Columbia Basin Trust, Cranbrook Garden Club and many others helped move the project forward. In November, three new "book benches" were installed, designed and fabricated by Paul Reimer of The Old Blacksmith Shop and his able staff. Not only are the book benches functional, they are examples of community-enhancing art.

Within the Library, things were just as busy as outside. 125,412 people visited, taking out 226,343 items or an average of 8.9 items per person living in Cranbrook and Area C. The number of questions people asked increased by 10% from 2007, with staff dealing with 14,809 queries. To keep up with demand, 10,372 books, DVDs, CDs and audio books got added to the collections for people to enjoy. The downloadable audio book offerings expanded as well, with people now able to get iPod compatible versions of some titles as well as eBooks.

January saw the launch of a new Toddler Storytime on Friday mornings, a response to the growing popularity of Preschool Storytime on Wednesday. The program was made possible with a grant from the Columbia Basin Alliance for Literacy. This, along with the Summer Reading Club, author readings and other special events, encouraged 7,054 people to attend the 254 programs held at the Library during the year.

One of the highlights of the year, the Idlewild Music Fest was held for the third year in a row. On a beautiful sunny Saturday in August, a crowd of over 500 people enjoyed some great music in a beautiful outdoor venue. The festival raised over \$5,000 for the landscaping project.

The Library kept busy working with other libraries to further enhance its services. In June the Library had the privilege of hosting the first ever Kootenay Library Federation Conference, held at the beautiful St. Eugene Mission

City Services (cont'd)

Resort. By all accounts the conference was a tremendous success and laid the groundwork for future conferences. During the summer, libraries from different sectors worked together to create a province-wide agreement for public access to a wide range of subscription databases at a lower cost. This enabled the Library to subscribe to other databases with the funds freed up by this agreement. Now members of the Library can now research genealogy on Ancestry.com, find up-to-date travel information on Global Road Warrior, find the meaning of words in the Oxford English Dictionary Online, and encourage children to learn to read by listening when they go to Tumblebooks.

The Library Board thanks its members, staff, Friends of the Library, volunteers, City of Cranbrook, RDEK, Province of BC, all the people who donated time and money, and particularly everyone who uses the Library for making 2008 another great year.

AIRPORT

Two major milestones were reached in 2008 as the Airport Expansion project was completed and Delta Airlines commenced scheduled air service to their Salt Lake City hub in the United States. On October 16th, City of Cranbrook Mayor Ross Priest, MLA Bill Bennett and MP Jim Abbott officially opened the new international air terminal building in a ribbon cutting ceremony attended by several hundred people from within the Kootenay region. Two months later, history was made when the inaugural flight of Delta Airlines new international air service arrived at the Canadian Rockies International Airport and was greeted by Chamber of Commerce members and a large cross section of business and tourism representatives.



These accomplishments were the result of a 10-year strategic plan initiated by the City of Cranbrook to ensure the airport played a major role in the long term diversification of the regional economy through attracting new transborder air service into the region and ensuring that the airport infrastructure was upgraded to meet their future needs.

Consumer awareness and a continuing trend for travel to and from the region resulted in another year of success for both Air Canada Jazz and Pacific Coastal Airlines daily scheduled service. A strong regional economy and community confidence continued to gain momentum as both business and pleasure travelers used the Canadian Rockies International Airport as their airport of choice.

City Services (cont'd)

Strong demand and consistent pricing resulted in a 7.4% increase in passenger traffic year over year as 106,277 passengers used the airport facility. Another record year and the first time passenger usage has exceeded the 100,000 mark since the City took over ownership of the airport facility in 1997.

For the eleventh consecutive year, the community and its partners have an operating airport that remains financially sound and self-sustaining, adopting a long-term strategy of responsible planning towards growth and development within the domestic and international markets. Operating partner Vancouver Airport Services continues to manage the airport facility in accordance with Transport Canada regulations while maintaining their proven international policies of operating an airport that meets or exceeds international operating standards.

Several capital projects were carried out in accordance with the 2008 Airport Capital Plan including resurfacing of the helicopter pad, additional screening for Canada Border Services and the installation of a groundside irrigation system.

In a continuing effort to work together in marketing the new airport facility, the *Fly YXC Alliance Society* was formed with the mandate of attracting new air service to the region. *The Alliance* will compliment efforts already underway by the City of Cranbrook and Kootenay Rockies Tourism to ensure that the new airport facility is marketed to potential airlines and new destinations.

Another strong year as the City of Cranbrook and Vancouver Airport Services continue a successful partnership built on years of mutual vision towards managing a safe, friendly, clean, efficient and profitable airport with a distinctive local sense of place.



Officers at December 31, 2008

Will Pearce

Chief Administrative Officer

Wayne Staudt, CA

Director of Finance and Computer Services

Roy Hales, MCIP

Director of Corporate Services

Jamie Hodge, P.Eng.

City Engineer

SOLICITORS

Murdy & McAllister

Steidl, Kambeitz

BANK

Bank of Montreal

Diane Butz

Director of Leisure Services

Wayne Price

Director of Fire and Emergency Services

Joe A. McGowan, ASCT

Director of Public Works

AUDITORS

BDO Dunwoody LLP

POLICE

Royal Canadian Mounted Police



Managements' Responsibility for Financial Reporting

To the Mayor and Members of Council:

In accordance with Section 167 of the Community Charter, we are pleased to submit the 2008 consolidated financial statements for the Corporation of the City of Cranbrook, together with the report of our auditors, BDO Dunwoody LLP.

The preparation of the consolidated financial statements is the responsibility of the City's management. The statements have been prepared in accordance with Canadian generally accepted accounting principles for municipalities in the Province of British Columbia. These principles are based upon recommendations of the Public Sector Accounting Board ("PSAB") of the Canadian Institute of Chartered Accountants.

Financial statements are not precise since they include certain amounts based on estimates and judgements. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly in all material respects.

The consolidated financial statements have been audited by BDO Dunwoody LLP Chartered Accountants in accordance with Canadian generally accepted auditing standards on behalf of the ratepayers. The auditors' report expresses their opinion on these consolidated financial statements. The auditors have full and free access to the accounting records.



Wayne Staudt, CA
Director of Finance and Computer Services



Will Pearce
Chief Administrative Officer

March 9, 2009

Auditors' Report



BDO Dunwoody, LLP
Chartered Accountants
and Advisors

35 10th Avenue South
Cranbrook, BC Canada V1C 2M9
Telephone: (250) 426-4285
Fax: (250) 426-8886
www.bdo.ca

To the Mayor and Members of Council of The Corporation of the City of Cranbrook

We have audited the consolidated statement of financial position of The Corporation of the City of Cranbrook as at December 31, 2008 and the consolidated statements of financial activities, current fund operations, capital fund operations, reserve fund operations, and cash flows for the year then ended. These financial statements are the responsibility of the City's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the City as at December 31, 2008 and the results of its financial activities and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

A handwritten signature in black ink that reads 'BDO Dunwoody LLP'. The signature is stylized and includes a large, sweeping flourish at the end.

Chartered Accountants

Cranbrook, British Columbia
March 9, 2009

Consolidated Statement of Financial Position

<u>December 31</u>	<u>2008</u>	<u>2007</u>
Financial Assets		
Cash and funds on deposit (Note 1)	\$ 31,526,142	\$ 33,526,681
Accounts receivable (Note 2)	2,769,226	2,030,668
Land held for resale	63,851	252,272
Deposit - Municipal Finance Authority (Note 3)	<u>665,385</u>	<u>658,017</u>
	<u>35,024,604</u>	<u>36,467,638</u>
Liabilities		
Accounts payable and accrued liabilities (Note 4)	7,729,928	7,731,064
Deferred revenue (Note 5)	2,488,866	2,342,094
Development cost charges (Note 6)	2,371,021	1,797,816
Reserve - Municipal Finance Authority (Note 3)	665,385	658,017
Long-term debt (Note 7)	<u>32,111,347</u>	<u>35,522,720</u>
	<u>45,366,547</u>	<u>48,051,711</u>
Net Financial Liabilities	<u>(10,341,943)</u>	<u>(11,584,073)</u>
Physical Assets		
Inventory of supplies	206,215	210,370
Capital assets (Note 8)	<u>208,351,188</u>	<u>192,535,669</u>
	<u>208,557,403</u>	<u>192,746,039</u>
Net Position	<u>\$ 198,215,460</u>	<u>\$ 181,161,966</u>
Municipal Position		
Financial equity		
Current fund	\$ 11,332,518	\$ 11,956,173
Capital fund	(1,307,194)	240,590
Reserve fund	<u>11,744,080</u>	<u>9,630,300</u>
	<u>21,769,404</u>	<u>21,827,063</u>
Equity in physical assets (Note 9)	<u>176,446,056</u>	<u>159,334,903</u>
	<u>\$ 198,215,460</u>	<u>\$ 181,161,966</u>



Wayne Staudt, CA
Director of Finance and Computer Services



Will Pearce
Chief Administrative Officer

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Consolidated Statement of Financial Activities

For the year ended December 31	2008		2007
	<i>(Unaudited)</i>		(Note 18)
	<i>Budget</i>	Actual	Actual
Revenue			
Taxation for municipal purposes (Note 14)	\$ 18,860,988	\$ 18,885,427	\$ 17,973,717
Grants in lieu of taxes	235,000	234,008	238,645
Utility fees	5,277,219	5,382,513	4,534,802
Federal government grants	1,382,600	862,241	1,508,478
Provincial government grants	1,850,974	1,456,751	1,081,407
Regional and other local government grants	583,042	328,276	625,769
Sale of services and fees	7,587,741	8,103,872	7,439,314
Service, penalties, and interest charges	238,603	401,226	274,458
Contributions from developers, and others	-	7,982,141	4,194,043
Development cost charges	430,000	302,606	231,575
MFA refunds	-	-	724,420
Interest earned on investments	232,000	980,662	1,246,005
Proceeds from sale of land held for resale	-	331,563	1,019,588
Omnibus agreement - termination fee (Note 16a)	522,470	20,000	1,328,529
Other revenue	215,650	185,014	175,023
Actuarial adjustment on long-term debt	-	80,002	298,862
	37,416,287	45,536,302	42,894,635
Expenditures (Note 15)			
General government services	5,073,234	4,869,138	4,348,300
Protective services	6,473,437	5,982,339	6,036,130
Engineering services	771,940	709,662	552,796
Public work services	4,025,735	4,274,477	4,034,926
Recreation complex	2,239,196	2,238,955	1,699,542
Recreation and cultural services	1,103,740	981,988	787,725
Water services	1,963,247	1,705,327	1,499,269
Sewer services	1,661,951	1,200,959	1,157,920
Solid waste services	2,147,734	2,106,629	1,675,365
Airport operations	1,631,859	1,324,555	1,122,268
Special projects	977,369	695,130	-
Cost of land sold	-	172,508	514,391
Interest on long-term debt	2,173,405	2,133,654	2,200,270
Capital expenditures	9,802,845	7,916,708	8,179,592
Contributed capital assets	-	7,982,142	4,069,921
	40,045,692	44,294,171	37,878,415
Net revenues (expenditures)	(2,629,405)	1,242,131	5,016,220
New debt issued	-	-	985,300
Debt principal repayments	(1,247,520)	(1,299,790)	(1,234,427)
Change in fund balances	(3,876,925)	(57,659)	4,767,093
Financial equity, beginning of year	21,827,063	21,827,063	17,059,970
Financial equity, end of year	\$ 17,950,138	\$ 21,769,404	\$ 21,827,063

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Consolidated Statement of Current Fund Operations

For the year ended December 31	2008	2007
	Actual	(Note 18) Actual
Revenues		
Taxation for municipal purposes (Note 14)	\$ 18,885,427	\$ 17,973,717
Grants in lieu of taxes	234,008	238,645
Utility fees	5,382,513	4,534,802
Federal government grants	488,891	5,930
Provincial government grants	714,415	641,728
Regional and other local government grants	314,276	625,769
Sale of services and fees	8,103,872	7,439,314
Service, penalties, and interest charges	401,226	274,458
Development cost charges	12,658	5,169
Interest earned on investments	645,737	871,430
Proceeds from sale of land held for resale	331,563	1,019,588
Other revenue	107,414	87,615
	35,622,000	33,718,165
Expenditures		
General government services	4,869,138	4,347,938
Protective services	5,982,339	6,036,130
Engineering services	709,662	552,796
Public work services	4,274,477	4,034,926
Recreation complex	2,238,955	1,699,542
Recreational and cultural services	981,785	787,725
Water services	1,705,327	1,499,269
Sewer services	1,200,959	1,157,920
Solid waste services	2,106,629	1,675,365
Airport operations	1,324,555	1,122,268
Special projects	695,130	-
Cost of land sold	172,508	514,391
Interest on long-term debt	2,133,654	2,200,270
	28,395,118	25,628,540
Net revenues	7,226,882	8,089,625
Net interfund transfers		
Capital fund	(5,364,039)	(3,732,954)
Reserve fund	(2,486,498)	(2,093,214)
	(7,850,537)	(5,826,168)
Change in current fund balance	(623,655)	2,263,457
Balance, beginning of year	11,956,173	9,692,716
Balance, end of year	\$ 11,332,518	\$ 11,956,173

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Consolidated Statement of Capital Fund Operations

For the year ended December 31	2008	2007
	Actual	Actual
Revenues		
Federal government grants	\$ 373,350	\$ 1,502,548
Provincial government grants	742,336	439,679
Other grants	14,000	-
Contributions from developers and others	7,982,141	4,194,043
Development cost charges	289,948	226,406
Other revenue	-	58,800
Issuance of long-term debt	-	985,300
Actuarial adjustment on long-term debt	80,002	298,862
	<u>9,481,777</u>	<u>7,705,638</u>
Expenditures		
Capital expenditures		
Land	-	26,579
Buildings	1,318,101	234,415
Equipment	1,707,012	734,506
Engineering structures	10,977,037	7,934,242
Construction in progress	1,806,571	3,226,640
Library book collection	90,129	93,131
Debt principal repayments	1,299,790	1,234,427
	<u>17,198,640</u>	<u>13,483,940</u>
Net expenditures	<u>(7,716,863)</u>	<u>(5,778,302)</u>
Net interfund transfers		
Current fund - acquisitions	4,144,251	2,797,389
Current fund - debt reduction	1,219,788	935,565
Reserve fund	805,040	803,732
	<u>6,169,079</u>	<u>4,536,686</u>
Change in capital fund balance	<u>(1,547,784)</u>	<u>(1,241,616)</u>
Balance, beginning of year	<u>240,590</u>	<u>1,482,206</u>
Balance, end of year	<u>\$ (1,307,194)</u>	<u>\$ 240,590</u>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Consolidated Statement of Reserve Fund Operations

<u>For the year ended December 31</u>	<u>2008</u>	<u>2007</u>
	<u>Actual</u>	<u>Actual</u>
Revenues		
Omnibus agreement termination fees	\$ 20,000	\$ 1,328,529
MFA refunds	-	724,420
Interest income	334,925	374,575
Other revenue	77,600	28,608
	<u>432,525</u>	<u>2,456,132</u>
Expenditures		
Miscellaneous	<u>203</u>	<u>362</u>
Net revenues	<u>432,322</u>	<u>2,455,770</u>
Net interfund transfers		
Current fund	2,486,498	2,093,214
Capital fund	<u>(805,040)</u>	<u>(803,732)</u>
	<u>1,681,458</u>	<u>1,289,482</u>
Change in reserve fund balance	<u>2,113,780</u>	<u>3,745,252</u>
Balance, beginning of year	<u>9,630,300</u>	<u>5,885,048</u>
Balance, end of year (Note 10)	<u>\$ 11,744,080</u>	<u>\$ 9,630,300</u>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Consolidated Statement of Cash Flows

For the year ended December 31	2008	2007
Operating activities		
Cash receipts from assessments, levies, penalties and interest on taxes	\$ 24,424,457	\$ 23,199,658
Cash receipts from grants, other governments, and own sources	2,048,552	6,000,034
Cash receipts from sale of services and other sources	9,269,646	11,135,338
Cash paid to employees and suppliers	(26,217,935)	(24,671,498)
Interest paid	(2,133,654)	(2,200,270)
Interest received on investments	1,036,770	1,302,711
	<u>8,427,836</u>	<u>14,765,973</u>
Investing activities		
Purchase of capital assets	<u>(7,916,708)</u>	<u>(8,179,592)</u>
Financing activities		
Issuance of long-term debt	-	985,300
Repayment of long-term debt	(3,331,371)	(1,559,944)
Development cost charges collected	819,704	505,304
	<u>(2,511,667)</u>	<u>(69,340)</u>
Increase (decrease) in cash during year	(2,000,539)	6,517,041
<hr/>		
Cash and funds on deposit, beginning of year	<u>33,526,681</u>	<u>27,009,640</u>
Cash and funds on deposit, end of year	\$ 31,526,142	\$ 33,526,681

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Summary of Significant Accounting Policies

December 31, 2008

Basis of Presentation

The consolidated financial statements of the Municipality are the representations of management and are prepared in accordance with Canadian generally accepted accounting policies for local government entities using guidelines issued by the Public Sector Accounting Board ("PSAB") of the Canadian Institute of Chartered Accountants.

Reporting Entity

The reporting entity is comprised of all organizations and enterprises accountable for the administration of their financial affairs and resources to City Council and which are owned or controlled by the City of Cranbrook.

These consolidated statements reflect the assets, liabilities, revenues, expenditures, changes in fund balance, and cash flows of the reporting entity. In addition to the general City of Cranbrook departments, the reporting entity includes the Cranbrook Public Library.

Basis of Accounting

The resources and operations of the Municipality 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 current fund reports the general operations of the Municipality. The capital fund is used principally to account for physical assets acquired and the respective obligations incurred which are to be financed from the future revenue of the current fund operations. Reserve funds are generally created, pursuant to applicable statutes or by-laws, by appropriations from current fund operations. The use of these funds are restricted to the purposes for which the reserve funds are created. All interfund balances have been eliminated on the consolidated statement of financial position.

Within the framework of the fund basis of accounting, these financial statements have been prepared on an accrual basis. Under this basis, revenues are accounted for in the period in which transactions or events occurred that gave rise to the revenues. Expenditures are accounted for in the period the goods or services are acquired.

Funds on Deposit

Funds on deposit include temporary investments recorded at the lower of cost or market value.

Summary of Significant Accounting Policies (cont'd)

December 31, 2008

Land Held for Resale	Land held for resale is stated at lower of cost and market.
Vacation and Sick Pay	Vacation pay and accumulated sick leave is charged to expense in the year it is earned.
Development Cost Charges	Development cost charge ("DCC") levies are restricted by by-law in their use for providing funds to assist the municipality in paying the capital cost of providing, constructing, altering or expanding sewage, water, drainage and highway facilities and the revenue is deferred until the expenditures are incurred. When DCC expenditures are made, a corresponding amount is recorded in revenue as "Development Cost Charges."
Inventory	Inventory of supplies is stated at cost. Cost is determined on a moving average cost basis. Inventories held by the Municipality are not viewed as financial assets and therefore have been included as expenditures in the period they are acquired on the consolidated statement of financial activities.
Capital Assets	Capital assets are reported on the consolidated statement of financial position as non-financial assets and are stated at cost other than the Library book collection which is stated at replacement cost. On the consolidated statement of financial activities, capital assets are recorded as an expenditure in the year of acquisition. Amortization of capital assets has not been provided for.
Revenue Recognition	<p>Unrestricted grants and contributions are recognized as revenue in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.</p> <p>Restricted grants or contributions received under funding agreements which relate to a subsequent period are recognized as revenue in the period in which the resources are used for the purpose or purposes specified. Funding received before this criterion has been met, is reported as deferred revenue on the statement of financial position until the period in which the specified purpose or related expense is incurred.</p>

Summary of Significant Accounting Policies (cont'd)

December 31, 2008

Financial Instruments

The Municipality carries several financial instruments. Unless otherwise noted, it is management's opinion that the Municipality is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

Budget Figures

The budget figures are from the Five Year Financial Plan Bylaw to be adopted each year. They have been reallocated and adjusted to conform to PSAB Financial Statement Presentation. Capital budgeting is project based, therefore capital budget figures do not necessarily reflect the planned revenue and expense for the current year.

Use of Estimates

The consolidated financial statements of the Municipality have been prepared in accordance with generally accepted accounting principles in Canada. The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Notes to Consolidated Financial Statements

December 31, 2008

1. Cash and Funds on Deposit

Included in cash and funds on deposit is a GIC in the amount of \$1,708,300 (2007 - \$1,876,000) with an interest rate of 4.525% per annum. Amounts included in cash and funds on deposit which have been specifically designated and set aside for internally and externally restricted purposes total \$13,951,588 (2007 - \$13,313,984).

2. Accounts Receivable

	<u>2008</u>	<u>2007</u>
Taxes - current	\$ 669,562	\$ 467,175
- arrears	173,999	123,562
Federal government	462,568	413,904
Province of British Columbia	320,863	22,804
Regional and other local governments	636	3,443
Other receivables	1,141,598	999,780
	<u>\$ 2,769,226</u>	<u>\$ 2,030,668</u>

3. Deposit and Reserve - Municipal Finance Authority

The Municipality issues its debt instruments through the Municipal Finance Authority. As a condition of these borrowings, a portion of the debenture proceeds are withheld by the Municipal Finance Authority as a debt reserve fund. The Municipality also executes demand notes in connection with each debenture whereby the Municipality may be required to loan certain amounts to the Municipal Finance Authority. The details of the cash deposits and demand notes at year end are as follows:

	<u>2008</u>	<u>2007</u>
Demand notes	\$ 482,540	\$ 482,540
Cash deposits	182,845	175,477
	<u>\$ 665,385</u>	<u>\$ 658,017</u>

Notes to Consolidated Financial Statements (cont'd)

December 31, 2008

4. Accounts Payable and Accrued Liabilities

	<u>2008</u>	<u>2007</u>
Federal government	\$ 806,184	\$ 1,083,758
Province of British Columbia	1,719,253	2,701,632
Regional and other local governments	2,993	31,668
Vacation and accrued benefits payable	655,041	572,279
Other payables	<u>4,546,457</u>	<u>3,341,727</u>
	<u>\$ 7,729,928</u>	<u>\$ 7,731,064</u>

5. Deferred Revenue

	<u>2008</u>	<u>2007</u>
Property taxes	\$ 2,107,806	\$ 1,932,473
Sewer Assistance Grant	85,290	181,034
Other	<u>295,770</u>	<u>228,587</u>
	<u>\$ 2,488,866</u>	<u>\$ 2,342,094</u>

6. Development Cost Charges

	<u>2008</u>	<u>2007</u>
Balance, beginning of year	\$ 1,797,816	\$ 1,467,380
Add:		
Interest earned	56,108	56,706
Development cost charge levies	<u>819,703</u>	<u>505,305</u>
	2,673,627	2,029,391
Deduct:		
Expenditures	<u>302,606</u>	<u>231,575</u>
Balance, end of year	<u>\$ 2,371,021</u>	<u>\$ 1,797,816</u>

Notes to Consolidated Financial Statements (cont'd)

December 31, 2008

7. Long-term Debt

	<u>2008</u>	<u>2007</u>
Mortgages		
Mortgage debt is repayable to Canada Life Assurance Company and Pacific & Western Bank of Canada, repayable monthly \$149,369 including interest at approximately 7.25%, maturing 2030.	\$ 19,870,634	\$ 20,228,741
Debenture Debt		
Debenture debt is repayable to the British Columbia Municipal Finance Authority. Existing debentures mature in annual amounts to the year 2032 and interest is payable at rates ranging from 4.00% to 6.50% per annum.	12,167,663	13,033,488
Loan - Province of British Columbia	-	2,111,584
Bank Loans		
Bank loans are primarily comprised of capital borrowings in accordance with S.178 of the Community Charter. Annual payments of principal plus interest at prime less 0.75% are required in November of each year, maturing 2009.	73,050	142,630
Bank term loan	-	6,277
	\$ 32,111,347	\$ 35,522,720

During the year the City had sufficient funds to pay off the IDSA loan with the Province of British Columbia.

Future minimum principal payments and actuarial adjustments required on long-term debt for the next five years and thereafter are due as follows:

	Debenture Debt	Bank Loans	Mortgages	Total
2009	\$ 550,566	\$ 73,050	\$ 387,009	\$ 1,010,625
2010	550,566	-	415,555	966,121
2011	549,345	-	430,884	980,229
2012	549,345	-	447,345	996,690
2013	549,345	-	465,021	1,014,366
Thereafter	9,418,496	-	17,724,820	27,143,316
	\$ 12,167,663	\$ 73,050	\$ 19,870,634	\$ 32,111,347

Notes to Consolidated Financial Statements (cont'd)

December 31, 2008

8. Capital Assets

For the year ended December 31, 2009, the City will be required to comply with Section 3150, Tangible Capital Assets of the Public Sector Accounting Board Handbook. Section 3150 requires the capitalization and amortization of tangible capital assets in the financial statements. As a transitional provision, Public Sector Guideline-7, Tangible Capital Assets of Local Governments, requires disclosure of information for each major class of tangible capital assets for which all the relevant information can be provided for the complete stock of tangible capital assets of that category.

The major categories for which such information is available as at December 31, 2008, are as follows:

	2007 Cost, Beginning of Year	Acquisitions	Contributed Additions	Disposals	2007 Cost, End of Year
Land	\$ 5,795,199	\$ 15,279	\$ 11,300	-	\$ 5,821,778
Buildings	36,114,396	234,415	-	-	36,348,811
Infrastructure	116,447,254	4,115,024	3,819,218	-	124,381,496
Machinery and equipment	18,459,788	495,103	239,403	(61,625)	19,132,669
Construction in Progress	2,561,865	3,226,640	-	-	5,788,505
Library Book Collection	1,166,558	93,131	-	(197,279)	1,062,410
	\$ 180,545,060	\$ 8,179,592	\$ 4,069,921	(258,904)	\$ 192,535,669

	2008 Cost, Beginning of Year	Acquisitions	Contributed Additions	Disposals	2008 Cost, End of Year
Land	\$ 5,821,778	-	-	-	\$ 5,821,778
Buildings	36,348,811	1,318,101	-	-	37,666,912
Infrastructure	124,381,496	3,328,835	7,648,202	-	135,358,533
Machinery and equipment	19,132,669	1,373,072	333,940	(15,815)	20,823,866
Construction in Progress	5,788,505	1,806,571	-	-	7,595,076
Library Book Collection	1,062,410	90,129	-	(67,516)	1,085,023
	\$ 192,535,669	\$ 7,916,708	\$ 7,982,142	(83,331)	\$ 208,351,188

In determining the above amounts, cost was determined by reference to historical records.

Notes to Consolidated Financial Statements (cont'd)

December 31, 2008

9. Equity in Physical Assets

	<u>2008</u>	<u>2007</u>
Balance, beginning of year	\$ 159,334,903	\$ 147,172,189
Capital asset additions	15,898,851	12,249,513
Issuance of long-term debt	-	(985,300)
Actuarial adjustments	80,002	298,862
Repayment of long-term debt	1,219,788	935,565
Change in inventory	(4,156)	(77,022)
Disposal of capital assets	(83,332)	(258,904)
	<u>17,111,153</u>	<u>12,162,714</u>
Balance, end of year	\$ 176,446,056	\$ 159,334,903

10. Summary of Reserve Fund Positions

	<u>2008</u>	<u>2007</u>
Airport reserve for future expenditure	\$ 121,708	\$ 116,834
Airport improvement fee reserve	163,065	263,595
BC Summer Games legacy	6,545	6,287
Cranbrook Festival of Lights	4,485	4,307
Capital projects reserve	201,588	171,134
Employee family assistance program	9,760	7,760
Equipment acquisition reserve	912,845	616,173
Federal gas tax reserve (Note17)	830,022	585,983
Fire capital	80,766	58,754
General land sales	844,710	442,737
General parking lot reserve	635,535	573,785
Grants to organizations	-	9,500
GST infrastructure reserve	572,532	359,451
Hazardous fuel fund reserve	31,862	38,758
Library building	448,030	369,450
Library reserve fund	36,291	8,472
Moir Centennial Athletic Park	50,140	48,676
Moir Park reserve	1,648,560	1,209,760
Panorama Heights water system	30,815	32,426
Park land acquisition	101,449	52,567
Recreation complex reserve	1,400,307	1,360,105
Recreation fields	3,944	3,376
Recapitalization reserve	826,789	558,390
Sewer utility capital reserve	457,174	467,369
Subdivision street signage	18,325	10,325
Tax sale property (MFA refunds)	2,295,851	2,205,785
Winter games - 2008	10,982	48,541
	<u>\$ 11,744,080</u>	<u>\$ 9,630,300</u>

Notes to Consolidated Financial Statements (cont'd)

December 31, 2008

11. Credit Facility

The Municipality has a credit facility agreement with a financial institution which provides for a total commitment of \$4,000,000. At December 31, 2008, the Municipality had drawn an amount of \$Nil (2007 - \$Nil) on this agreement.

12. Pension Liability

The Municipality and its employees contribute to the Municipal Pension Plan ("the Plan"), a jointly trustee pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of the assets and administration of benefits. The pension plan is a multi-employer contributory pension plan. Basic pension benefits provided are defined. The plan has about 150,000 active members and approximately 54,000 retired members. Active members include approximately 32,000 contributors from local governments.

Every three years an actuarial valuation is performed to assess the financial position of the Plan and the adequacy of Plan funding. The most recent valuation as at December 31, 2006 indicated a surplus of \$438 million for basic pension benefits. The next valuation will be as at December 31, 2009 with results available in 2010. The actuary does not attribute portions of the surplus to individual employers. The Corporation of the City of Cranbrook paid \$672,506 (2007 - \$595,318) for employer contributions to the plan in fiscal 2008.

13. Trust Funds

The Municipality holds funds in trust for specific uses comprised of the following amounts:

	<u>2008</u>		<u>2007</u>
Westlawn Perpetual Care Fund	\$ 239,457	\$	230,907
General Cemetery Care Fund	5,338		5,338
Mausoleum Perpetual Care Fund	100,588		86,025
Arches Fund	2,977		-
	<u>\$ 348,360</u>	\$	<u>322,270</u>

The assets and offsetting liabilities are not reflected in the Municipality's consolidated financial statements.

Notes to Consolidated Financial Statements (cont'd)

December 31, 2008

14. Taxation for Municipal Purposes

Taxation revenue for municipal purposes is comprised of the following amounts:

	<u>2008</u>	<u>2007</u>
Total levies and special assessments	\$ 27,564,145	\$ 26,006,954
Transfers to other governments		
Regional District of East Kootenay	308,125	273,047
School District	7,418,492	6,810,440
Regional Hospital District	762,454	786,018
BC Assessment Authority	189,647	163,732
	<u>8,678,718</u>	<u>8,033,237</u>
General municipal purposes	\$ 18,885,427	\$ 17,973,717

15. Expenditures by Object

	<u>2008</u>	<u>2007</u>
Advertising and promotion	\$ 177,998	\$ 210,749
Capital acquisitions	15,898,851	12,249,513
Contract services	8,218,940	6,821,704
Contributions to organizations	376,912	337,370
Cost of land sold	172,508	514,391
Debt servicing and financing charges	2,133,654	2,200,270
Insurance	376,399	356,677
Licenses, permits and fees	20,068	24,219
Materials and supplies	2,580,149	2,459,234
Memberships, education and training	172,309	122,775
Professional fees and payments	581,206	549,764
Repairs and maintenance	1,281,041	894,416
Telephone and utilities	1,253,579	1,195,270
Wages and benefits	11,050,557	9,942,063
	<u>\$ 44,294,171</u>	<u>\$ 37,878,415</u>

ditures.

Notes to Consolidated Financial Statements (cont'd)

December 31, 2008

16. Commitments and Contingencies

a) Multi-Purpose Recreation Complex - Public/Private Partnership

On March 5, 2007, the City took over the operation of the Multi-Purpose Recreation Complex from Keen Rose and upon receiving the final payment on the \$1,709,000, of which \$1,348,529 has been recovered, the City will complete the ownership of the facility and assume full responsibility for the outstanding loans.

b) Service Contracts

The Municipality has service contracts with estimated annual minimum payments of \$5,506,604 (2007 - \$6,540,268).

c) Contingency for Pension Plan Contributions

The City is required to match employee contributions to the Municipal Pension Plan when an employee decides to purchase enrolment arrears for service periods prior to January 1, 1988. The future pension cost for this is unknown and these amounts, if any, will be expensed as payroll costs in future years when paid.

d) Other Contingencies

There are potential lawsuits pending in which the City is involved. It is considered that the potential claims against the City resulting from such litigation and not covered by insurance would not materially affect the consolidated financial statements of the City. These amounts, if any, will be expensed in future years when the claims are settled.

Notes to Consolidated Financial Statements (cont'd)

December 31, 2008

17. Federal Gas Tax Agreements

Gas Tax is provided by the Government of Canada. The use of the funding is established by a funding agreement between the Municipality and the Union of British Columbia Municipalities. 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.

	<u>2008</u>	<u>2007</u>
Balance of unspent funds, beginning of year	\$ 585,983	\$ 432,347
Amount received during the year	396,917	333,549
Interest earned	20,122	20,087
Less: Funds utilized	(173,000)	(200,000)
	<hr/>	<hr/>
Balance of unspent funds, end of year	\$ 830,022	\$ 585,983
	<hr/>	<hr/>
Public Transit Agreement		
Public Transit funds received during the year	\$ 215,014	\$ -
Less: funds utilized - Transit Transfer Station	(215,014)	-
	<hr/>	<hr/>
Balance, end of year	\$ -	\$ -
	<hr/>	<hr/>

18. Comparative Figures

The comparative figures presented in the financial statements have been restated to conform to the current year's presentation.

Notes to Consolidated Financial Statements (cont'd)

December 31, 2008

19. Segment Disclosure

The City of Cranbrook has identified the General, Utility and Airport funds as distinguishable activities of the municipality, and the Cranbrook Public Library as a distinguishable organization for which it is appropriate to separately report financial information.

The nature and activities of these identified segments are as follows:

- The General fund provides Administration, Protection (Fire and Police), Public Works, Engineering, and Recreation services and are funded through property taxation, grants, and service/user fees.
- The Utility fund is self-supporting, primarily funded by user fees and parcel taxes.
- The Airport fund encompasses the activities of the Canadian Rockies International Airport, a commercial operation.
- The Cranbrook Public Library is a municipal public library established under Bylaw No. 3418 to provide library services to the municipality.

The financial activities of these segments are reported in the following Schedule - Segment Reporting of Revenue and Expenditures.

Schedule—Segment Reporting of Revenue and Expenditures

2008

For the year ended December 31

Revenue	General	Utility	Airport	Library	Elimination	Total
Taxation for municipal purposes	\$ 17,352,800	\$ 1,532,627	\$ -	\$ -	\$ -	\$ 18,885,427
Grants in lieu of taxes	234,008	-	-	-	-	234,008
Utility fees	-	5,382,513	-	-	-	5,382,513
Federal government grants	477,641	-	384,600	-	-	862,241
Provincial government grants	1,226,541	99,123	27,322	103,765	-	1,456,751
Regional and other grants	198,593	-	-	570,738	(441,055)	328,276
Sale of services and fees	6,577,414	151,688	1,989,895	-	(615,125)	8,103,872
Service, penalties, and interest charges	367,148	34,078	-	-	-	401,226
Contributions from developers, and others	4,913,313	3,068,828	-	-	-	7,982,141
Development cost charges	-	302,606	-	-	-	302,606
Interest earned on investments	718,756	192,421	69,485	-	-	980,662
Proceeds from sale of land held for resale	331,563	-	-	-	-	331,563
Omnibus agreement - termination fee	20,000	-	-	-	-	20,000
Other revenue	48,098	8,242	-	128,674	-	185,014
Actuarial adjustment on long-term debt	4,030	70,648	5,324	-	-	80,002
	32,469,905	10,842,774	2,476,626	803,177	(1,056,180)	45,536,302
Expenditures (Note 15)						
General government services	4,806,818	-	-	-	62,320	4,869,138
Protective services	5,982,339	-	-	-	-	5,982,339
Engineering services	709,662	-	-	-	-	709,662
Public work services	4,274,477	-	-	-	-	4,274,477
Recreation complex	2,238,955	-	-	-	-	2,238,955
Recreation and cultural services	803,974	-	-	619,069	(441,055)	981,988
Water services	-	1,952,795	-	-	(247,468)	1,705,327
Sewer services	-	1,475,740	-	-	(274,781)	1,200,959
Solid waste services	-	2,164,804	-	-	(58,175)	2,106,629
Airport operations	-	-	1,353,367	-	(28,812)	1,324,555
Special projects	369,178	283,701	42,251	-	-	695,130
Cost of land sold	172,508	-	-	-	-	172,508
Interest on long-term debt	1,616,439	396,874	120,240	101	-	2,133,654
Debt issue expense	62,320	4,701	1,188	-	(68,209)	-
Capital expenditures	8,058,911	5,806,117	1,886,730	147,092	-	15,898,850
	29,095,581	12,084,732	3,403,776	766,262	(1,056,180)	44,294,171
Net revenues (expenditures)	\$ 3,374,324	\$ (1,241,958)	\$ (927,150)	\$ 36,915	\$ -	\$ 1,242,131

Schedule—Segment Reporting of Revenue and Expenditures

2007

For the year ended December 31

Revenue	General	Utility	Airport	Library	Elimination	Total
Taxation for municipal purposes	\$ 16,475,839	\$ 1,497,878	\$ -	\$ -	\$ -	\$ 17,973,717
Grants in lieu of taxes	238,645	-	-	-	-	238,645
Utility fees	-	4,534,802	-	-	-	4,534,802
Federal government grants	5,930	-	1,502,548	-	-	1,508,478
Provincial government grants	434,269	109,123	429,679	108,336	-	1,081,407
Regional and other grants	522,859	-	-	514,550	(411,640)	625,769
Sale of services and fees	6,001,520	171,786	1,719,208	-	(453,200)	7,439,314
Service, penalties, and interest charges	246,192	58,266	-	-	(30,000)	274,458
Contributions from developers, and others	3,252,971	939,419	1,653	-	-	4,194,043
Development cost charges	133,770	97,805	-	-	-	231,575
MFA refunds	724,420	-	-	-	-	724,420
Interest earned on investments	934,554	232,262	79,189	-	-	1,246,005
Proceeds from sale of land held for resale	1,019,588	-	-	-	-	1,019,588
Omnibus agreement - termination fee	1,328,529	-	-	-	-	1,328,529
Other revenue	58,800	1,845	-	114,378	-	175,023
Actuarial adjustment on long-term debt	-	298,862	-	-	-	298,862
	31,377,886	7,942,048	3,732,277	737,264	(894,840)	42,894,635
Expenditures						
General government services	4,053,015	-	-	-	295,285	4,348,300
Protective services	6,036,130	-	-	-	-	6,036,130
Engineering services	552,796	-	-	-	-	552,796
Public work services	4,034,926	-	-	-	-	4,034,926
Recreation complex	1,699,542	-	-	-	-	1,699,542
Recreation and cultural services	535,483	-	-	663,882	(411,640)	787,725
Water services	-	1,711,465	-	-	(212,196)	1,499,269
Sewer services	-	1,340,286	-	-	(182,366)	1,157,920
Solid waste services	-	1,719,405	-	-	(44,040)	1,675,365
Airport operations	-	-	1,152,268	-	(30,000)	1,122,268
Cost of land sold	514,391	-	-	-	-	514,391
Interest on long-term debt	1,655,981	431,947	111,320	1,022	-	2,200,270
Debt issue expense	295,285	14,598	-	-	(309,883)	-
Capital expenditures	6,161,580	2,337,634	3,603,510	146,789	-	12,249,513
	25,539,129	7,555,335	4,867,098	811,693	(894,840)	37,878,415
Net revenues (expenditures)	\$ 5,838,757	\$ 386,713	\$ (1,134,821)	\$ (74,429)	\$ -	\$ 5,016,220

Statistical Review



Winter in the Park

Bandstand in Rotary Park



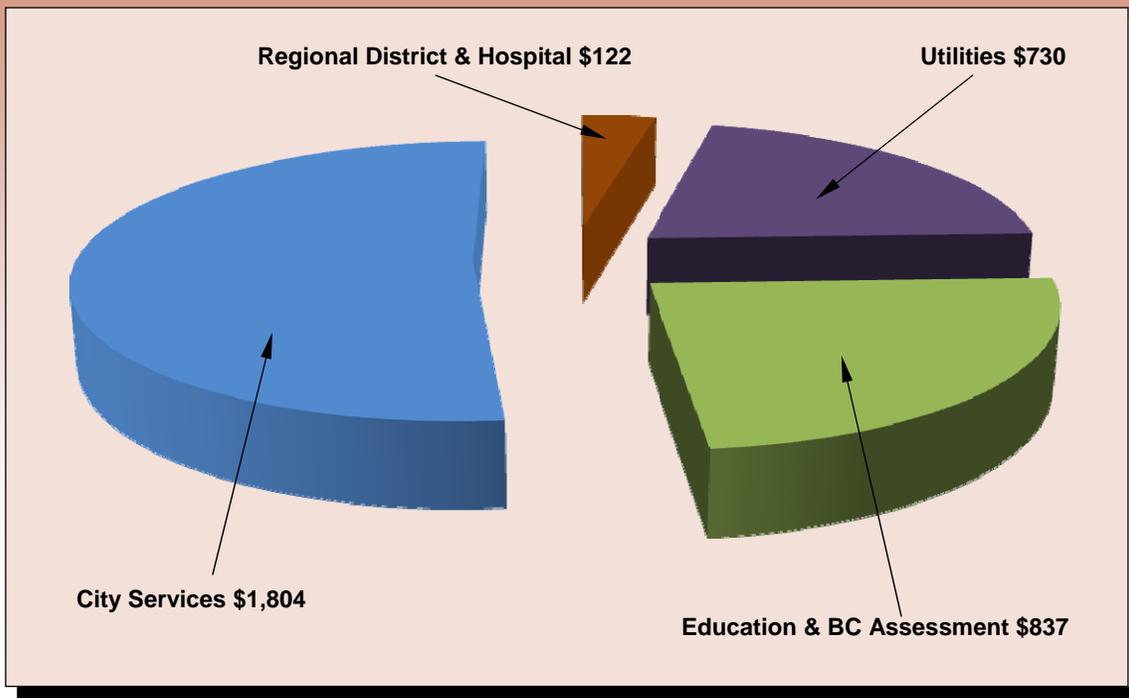
Fun at the Spray Park

<u>Elevation</u>	<u>921 m</u>
<u>Area</u>	<u>2,272 ha</u>
<u>Population</u>	<u>19,409</u>
<u>Voters' List</u>	<u>14,750</u>

Statistical Review (cont'd)

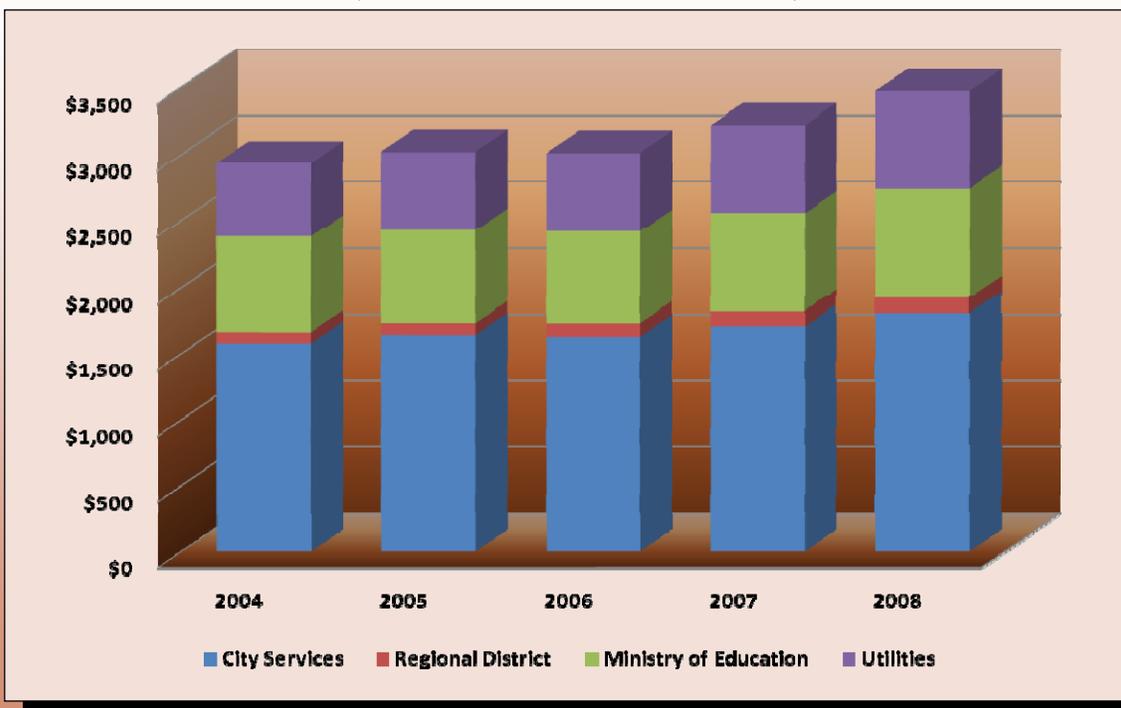
2008 Average Taxes & Utilities

(Before Provincial Home Owner Grant)



Average Taxes & Utilities

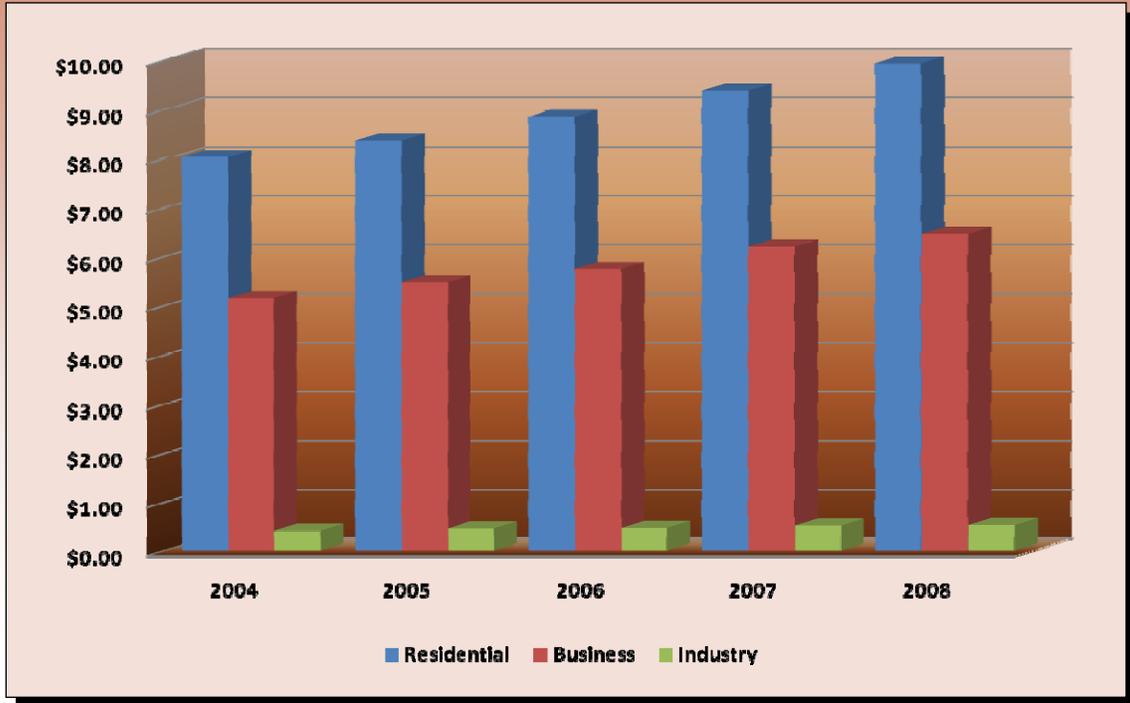
(Before Provincial Home Owner Grant)



Statistical Review (cont'd)

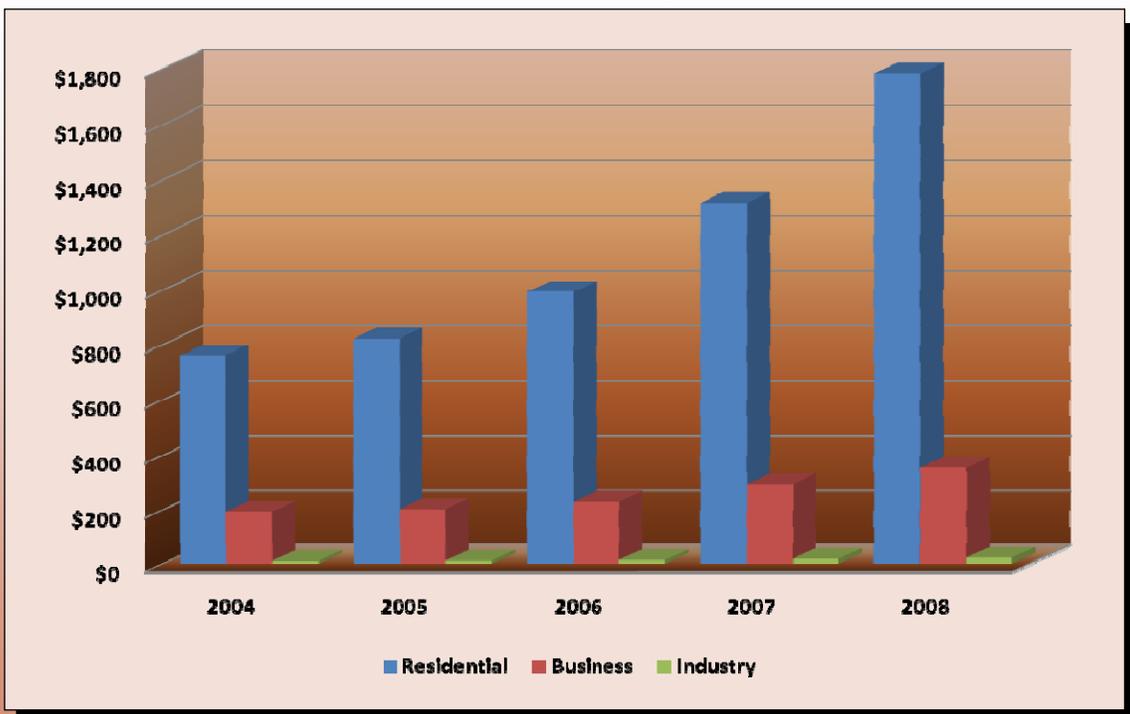
Property Taxes

(In Millions of Dollars)



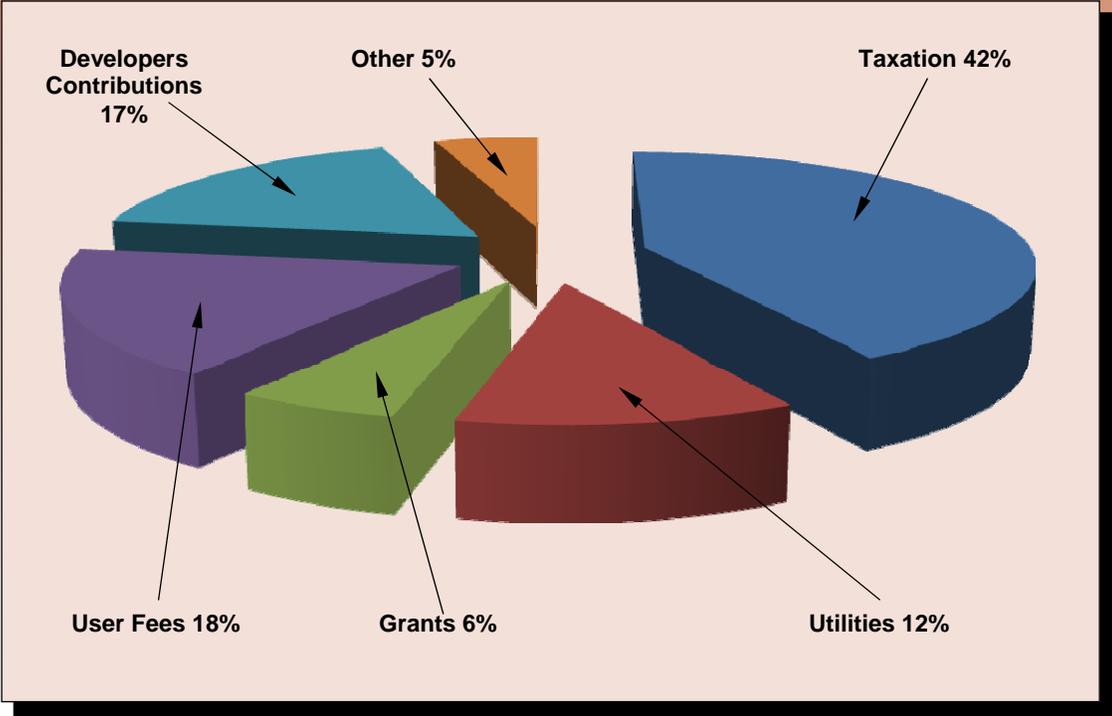
Assessed Value

(In Millions of Dollars)

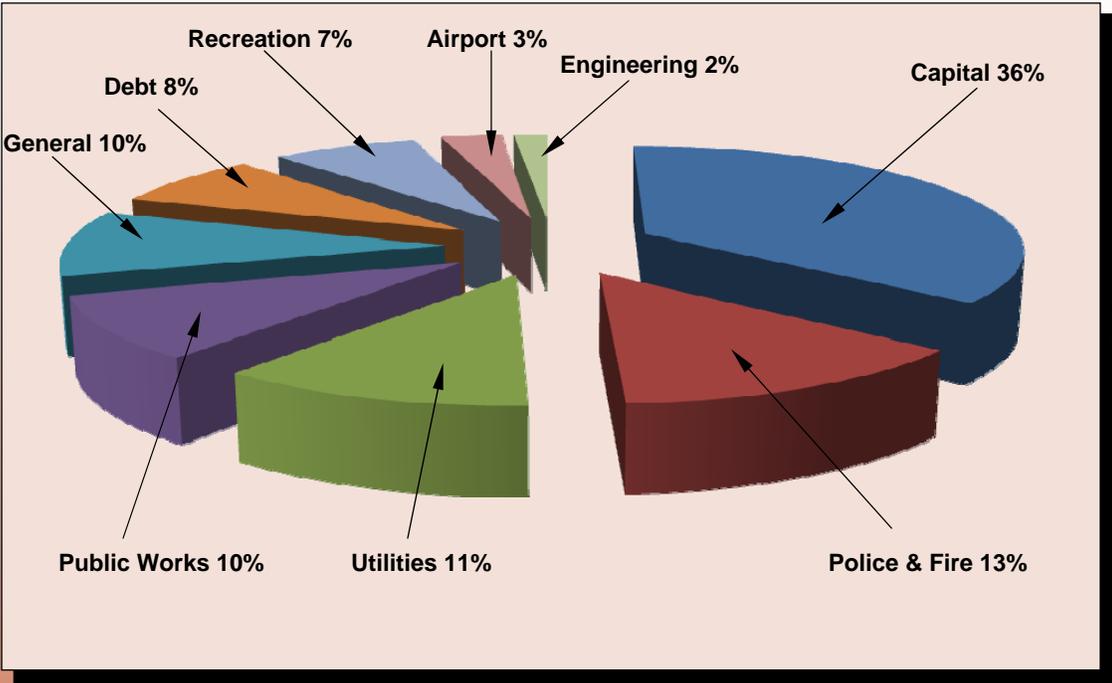


Statistical Review (cont'd)

2008 Revenue



2008 Expenditures



The Corporation of the City of Cranbrook

Section 98 of the Community Charter requires Municipalities to include in their annual report a progress report respecting the previous year in relation to objectives and measures established for that year. The report also sets out current and future year objectives and measures that will be used to determine progress towards those objectives.

This 2008 annual report includes objectives and measures for 2008, 2009 and 2010. Achievements from 2008 are also included.

Promote a climate conducive to enhanced opportunity

Objectives	2008 Measures	2008 Achievements
Expand the Regional Airport	<ul style="list-style-type: none"> Complete construction of Airport Terminal Building 	<ul style="list-style-type: none"> Completed
	<ul style="list-style-type: none"> Setup airport marketing plan, administration and funding programs 	<ul style="list-style-type: none"> Completed
	<ul style="list-style-type: none"> Finalize Delta Air Lines service. Initiate U.S. market focused marketing program 	<ul style="list-style-type: none"> Delta service commenced in December 2008 Partner agreement with Kootenay Rockies Tourism for U.S. marketing program
	<ul style="list-style-type: none"> Negotiate new long term agreement with YVR 	<ul style="list-style-type: none"> Completed
	<ul style="list-style-type: none"> Complete ARFF training for Cranbrook Fire Fighters 	<ul style="list-style-type: none"> Completed
Reinforce the City's position as a regional service centre	<ul style="list-style-type: none"> Develop and implement Airport lands development strategy – 2008 	<ul style="list-style-type: none"> Funding grant (90%) approved and consultant hired
	<ul style="list-style-type: none"> Complete Economic Development Strategy 	<ul style="list-style-type: none"> Funding grant (partial) approved, consultant hired
	<ul style="list-style-type: none"> Complete and implement Corporate Branding 	<ul style="list-style-type: none"> Funding grant (partial) approved, consultant hired
	<ul style="list-style-type: none"> Asia Pacific Initiative – enter into agreement with Province, develop implementation plan according to agreement terms 	<ul style="list-style-type: none"> Funding grant secured, agreement executed, plan initiated
	<ul style="list-style-type: none"> Develop Corporate Communications Strategy 	<ul style="list-style-type: none"> Incomplete
	<ul style="list-style-type: none"> Facilitate commercial and industrial development proposal 	<ul style="list-style-type: none"> Numerous commercial and light industrial d.p.s complete
	<ul style="list-style-type: none"> Focus on Airport lands development plan 	<ul style="list-style-type: none"> To 2010 following Airport Land development plan
	<ul style="list-style-type: none"> Complete sales of City owned subdivision parcels 	<ul style="list-style-type: none"> All City industrial land parcels have been sold
	<ul style="list-style-type: none"> Pursue relaxation of existing agreement terms limiting economic development on Airport lands 	<ul style="list-style-type: none"> Ongoing
	<ul style="list-style-type: none"> Initiate acquisition negotiations of future commercial/light industrial lands adjacent to the Airport 	<ul style="list-style-type: none"> On hold pending Treaty negotiations
<ul style="list-style-type: none"> Investigate and support capture, creation, servicing and development of private lands for light industrial purposes 	<ul style="list-style-type: none"> Negotiations on-going with East Hill boundary extension lands 	

2008, 2009 & 2010 Key Objectives



for economic, social and cultural development

2009 Measures

- Complete art program at new Airport Terminal Building
- Review Water Distribution System
- Market Canadian Rockies International Airport and Kootenay region to target markets through partner agreement with Kootenay Rockies Tourism
- Continue partnership with Kootenay Rockies Tourism
- Continue negotiations to acquire land from St. Mary's Band to expand Airport to accommodate round-trip direct flights from overseas

2010 Measures

- Continue partnership with Kootenay Rockies Tourism



- Complete development strategy for Airport Lands
- Complete and implement Economic Development Strategy
- Complete and implement Corporate Branding
- Complete API implementation plan
- Complete and implement Corporate Communications Strategy
- Facilitate commercial and industrial development proposals
- Cited above
- Identify lands for future industrial and commercial development
- To complete in conjunction with Airport Development Plan
- On hold pending Treaty negotiations
- Complete East Hill lands vision, public development guidelines.

- Airport lands development

Promote a climate conducive to enhanced opportunity

Objectives	2008 Measures	2008 Achievements
'Skyline to Skyline' concept	<ul style="list-style-type: none"> • Long term growth management study (ongoing) 	<ul style="list-style-type: none"> • Completed 6 month sewer flow monitoring and completed dry weather flow analysis. • Water, Waste Water and transportation master plans 75% complete
	<ul style="list-style-type: none"> • Planning initiated for OCP amendment for future land use in northern expansion area 	<ul style="list-style-type: none"> • In progress
	<ul style="list-style-type: none"> • Decision by Province regarding Eastern boundary extension 	<ul style="list-style-type: none"> • First Nation Treaty negotiations ongoing
	<ul style="list-style-type: none"> • Continue expansion initiatives (F-3), Field L to spray irrigation fields 	<ul style="list-style-type: none"> • F-3 complete • Design holding pond aeration system • Free Crown grant application submitted (2x), Provincial sponsor secured
Develop mid-range (to 2020) planning and development framework	<ul style="list-style-type: none"> • Complete on-going Corporate 3 year business objectives 	<ul style="list-style-type: none"> • Complete
	<ul style="list-style-type: none"> • Eastern boundary extension application submitted to the Province 	<ul style="list-style-type: none"> • Province holding application pending land treaty negotiations re: Crown Land
	<ul style="list-style-type: none"> • Pending approval of eastern boundary extension and in consideration of the completed northern boundary extension, facilitate planning and development approval processes 	<ul style="list-style-type: none"> • Initiate Land Use update to Northern Boundary extension lands • OCP amendments re Shadow Mountain lands complete
	<ul style="list-style-type: none"> • OCP amendments for environmental protection 	<ul style="list-style-type: none"> • OCP Amendment complete
	<ul style="list-style-type: none"> • Periodic Council workshops to verify priorities 	<ul style="list-style-type: none"> • Complete (for 2008)
	<ul style="list-style-type: none"> • Five Year Financial Plan 	<ul style="list-style-type: none"> • Completed • MOE Ministry initiative/meetings
New Development	<ul style="list-style-type: none"> • Facilitate responsible development of mixed residential areas consistent with OCP 	<ul style="list-style-type: none"> • Completed numerous local neighbourhood plans for subdivision/development
	<ul style="list-style-type: none"> • Dev. Permits for Stage 1 Wildstone 	<ul style="list-style-type: none"> • Complete
	<ul style="list-style-type: none"> • Update Subdivision Control Bylaw 	<ul style="list-style-type: none"> • Complete • Complete
	<ul style="list-style-type: none"> • OCP amendment for Shadow Mountain 	<ul style="list-style-type: none"> • Complete
	<ul style="list-style-type: none"> • Complete update to Road Network Plan 	<ul style="list-style-type: none"> • Complete
Organize community-wide celebrations and legacy projects.	<ul style="list-style-type: none"> • Car show and outdoor movie planned for July 	<ul style="list-style-type: none"> • Completed • Olympic Gold medal reception for Ben Rutledge
	<ul style="list-style-type: none"> • Facilitate Canada Day Event 	<ul style="list-style-type: none"> • Completed
	<ul style="list-style-type: none"> • Soccer camp (international coaches) 	<ul style="list-style-type: none"> • Event hosted by Youth Soccer

for economic, social and cultural development (cont'd)

2009 Measures

2010 Measures

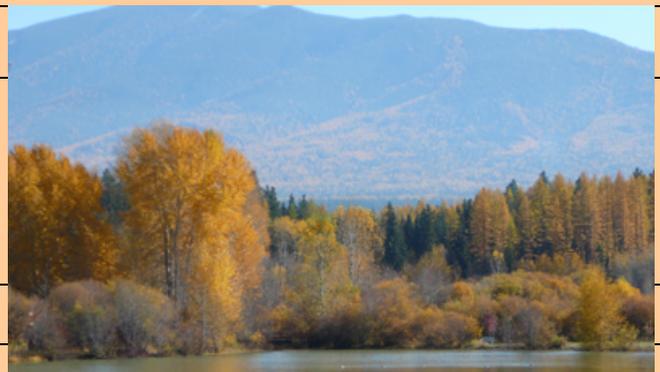
- Complete Growth Management Study (also see below)
- Complete D.C.C. review and reset rates
- Continue OCP amendments
- Complete East Hill Boundary extension
- Initiate OCP amendment
- Develop Field L
- Construct sewage pond aeration works
- Apply for 1000 ha free Crown Land grant



- Carry out environmental Impact assessment for treated effluent outfall to Kootenay River
- Initiate re-alignment of responsibility for sewage pond operations to Public Works
- Complete on-going Corporate 3 year business objectives

- Design and construct sewage outfall
- Complete transfer of responsibility for sewage pond operations
- Complete on-going Corporate 3 year business objectives

- Complete application, public notice and seek Provincial approvals (Eastern Boundary Extension)
- OCP amendments for Northern and Eastern Boundary Extension
- Complete zoning and development permit applications for Shadow Mountain Lands
- Public participation program to develop East Hill development guidelines
- Continue periodic updates to OCP and Zoning Bylaws
- Periodic Council workshops to verify priorities (January 2009)



- Five Year Financial Plan

- Five Year Financial Plan

- Facilitate responsible development of mixed residential areas consistent with OCP

- Zoning for Stage 2 Wildstone
- Implement amended subdivision bylaw in 2009
- Erosion control Bylaw

- Complete zoning for Shadow Mountain

- Review Road Network Plan in context of Growth Management study
- Annual Car Show

- Update Road Network Plan as per Growth Management Study

- Annual Slowpitch Tournament

- Facilitate Canada Day Event, dog show (Moir Park)

- Facilitate Canada Day Event, dog show at Moir Park

- Preparation for 2010 Torch Relay

- 2010 Torch Relay

- Harley Organizational Group (H.O.G.) Relay (Recplex)

- Banner program to honor citizens.

Promote a climate conducive to enhanced opportunity

Objectives	2008 Measures	2008 Achievements
Organize community-wide celebrations and legacy projects. (cont'd)	• Support to Arches project	• On going
	• Complete design, construction Spirit Square	• 80% Completed. Dedication ceremony held
Foster cooperative partnerships with other government agencies and organizations to promote development within the City	• Support and partner with Kootenay Rockies Regional Economic Alliance	• KRREA complete, board recruitment complete. Operating independently.
	• Develop Sister City initiative and/or API	• Incomplete
Initiate development of Recreation Centre business plan	• Complete and implement Recreation Centre business plan	• Review of 2006 plan
	• 2 renewal contracts for 2008 including Kootenay ICE	• One tenant agreement complete • Negotiations for Kootenay ICE agreement ongoing
	• Implement new ticketing system	• Completed
	• Recruit Leisure Development Manager	• Completed
	• Develop facilities marketing strategy	• In progress (late 2008 start)
	• Remove retaining wall and re-landscape area	• Retaining wall removal complete
	• Conclude negotiations with Curling Club for minimum 2 Year operating agreement	• Incomplete
	• Complete Life Cycle plan of major facilities	• Incomplete

Provide a safe and healthy community

Develop partnerships within the community to identify, develop and support related initiatives aimed at improving community and individual health and safety	• Mosquito Control Program	• Implemented
	• Knapweed Control Program	• Implemented
	• Pre-School Teddy Bear picnic	• Completed
	• Partner with Heart & Stroke to promote active and healthy community	• Completed
	• Implement Accessible Housing Committee	• Implemented
Ensure adequate Police resources	• Increase to 25 officers, increase Municipal Employee staff (PC Support Specialist)	• PC Support Specialist hired. Request submitted for RCMP Officer
	• Increase Municipal Employee staff by 0.5	• Completed
	• Adoption of False Alarm Bylaw	• Completed

for economic, social and cultural development (cont'd)

2009 Measures

2010 Measures

- Support implementation of Arches project
- Complete project

- Continue to support KRREA

- Carry forward from 2008

- Rec Centre Business Plan

- Two contract renewals
- Finalize Kootenay Ice Agreement
- Participate with ICE Fan Community Group
- Tender for restaurant / concession and janitorial



- Complete Marketing strategy

- Implement Marketing strategy

- Continue garden upgrades - landscape north wall

- Secure Council policy direction on Curling rink operations

- Complete and implement Life Cycle Plan

- LED reader board (design, purchase and install)

- Pursue elimination of Two-Tier fee structure

for both citizens and visitors

- Mosquito Control Program

- Knapweed Control Program

- Walk for Health Day

- Report on Accessible Housing to Council, support Committee initiatives

- Promotion of Activity programs to low income families

- Develop Seniors Fitness Park

- Place additional RCMP Officer

- Place additional RCMP Officer

- Place additional term support position

- Implement False Alarm Bylaw



Objectives	2008 Measures	2008 Achievements
Ensure adequate Fire resources	• Monthly call volume reporting	• Complete
	• Complete and implement multi-year strategic plan	• Complete
	• Complete 5 year staffing plan	• Complete
	• Complete review / update RDEK Fire Service Agreement	• Complete
	• Review regional Emergency Services Agreement	• Complete. Agreement executed with RDEK & Kimberley
Ensure public safety in the design and maintenance of public places and assets	• Ongoing community support including hanging baskets, support construction of Centennial II, Trees for Life (Maple Lane), Entrance garden Moir Park, Cranbrook Street Projects	• Successful hanging basket program. Centennial II approximately 80% complete. Trees for Life planted by City. Moir Park entrance 80% completed.
	• Complete advance signal at 6th	• Complete
	• Redevelop McKinnon parking lot subject to acceptable bid price	• Incomplete. Carry forward to 2009
	• Review Memorial Arena structure	• Repair wooden beam structure - 40% completed
	• Maintain clear sight lines (roads, alleys, sidewalks, pathways)	• Remove select vegetation and work with property owners to remove problem vegetation
	• Continue SCADA installations and upgrades	• Installed SCADA instrumentation at 4 water utility stations
	• Continue with all well head monitoring required by operating certificate	• Well heads monitored as required
	• Continue implementing comprehensive public safety information programs (i.e. stream flow advisory, unsafe ice advisory, school zones)	• Ice safety, stream flow advisories complete
	• Work with Early Childhood Development Committee in planning and upgrading ACT Playground	• Complete
	• Curling Arena - Repair washrooms	• Complete-including refurbish public areas and washrooms (main floor), washrooms (second floor)
	• Demolish former library	• Complete. "Tots" playground constructed

for both citizens and visitors (cont'd)

2009 Measures

2010 Measures

• Monthly call volume reporting

• On hold pending local development / community growth

• Implementation subject to community growth

• Investigate feasibility of full dispatch service for RDEK "Call Forward" clients

• Upgrade radio communications equipment

• Purchase new engine

• Complete new main fire station design

• Complete construction of main fire station

• On-going support for hanging basket program. Complete Centennial II and Moir park entrances. Plant Trees for Life. Accessible Pedestrian pathway into Moir Park, implement Urban Forest Management Plan including unsafe tree removal.

• Support hanging basket program and Trees for Life.

• Ongoing implementation of Urban Forest Management Plan

• Redevelop McKinnon parking lot subject to acceptable bid price

• Complete wooden beam repair

• Replace floor, brine lines, boards and glass

• Review standards for clear sight lines

• On-going monitoring and vegetation removal

• Sewage Ponds, Joseph Creek, Gold Creek and Baker Mountain Met station Conversion of remote analog instrumentation to digital format

• Add CSA compliant swing set

• Phase 1 light replacement on floor of ice surface

• Phase 2 light replacement



Provide a safe and healthy community

Objectives	2008 Measures	2008 Achievements
Encourage initiatives that respect the natural environment and contribute to keeping it "clean and green"	<ul style="list-style-type: none"> Elizabeth Lake: Continue to work with Rocky Mountain Naturalists in restoration of ecosystem; educate public and encourage stewardship of local landowners 	<ul style="list-style-type: none"> Ongoing
	<ul style="list-style-type: none"> Walking trail from former ball diamonds to information booth (Elizabeth Lake) 	<ul style="list-style-type: none"> Complete
	<ul style="list-style-type: none"> Idlewild Park – upgrade walking trail, remove unsafe structures 	<ul style="list-style-type: none"> Unsafe structure removed, walking trail upgrade not complete
	<ul style="list-style-type: none"> Improve /secure entrances 	<ul style="list-style-type: none"> Complete
	<ul style="list-style-type: none"> Partner with Maverick Riding Club to improve riding arena 	<ul style="list-style-type: none"> Assist with installation of water service to arena
	<ul style="list-style-type: none"> Cranbrook Dodge boulevard improvements 	<ul style="list-style-type: none"> Complete (Phase 1)
	<ul style="list-style-type: none"> Tamarack Boulevard improvements 	<ul style="list-style-type: none"> Complete (Phase 1)
	<ul style="list-style-type: none"> Ashley Furniture Boulevard extension 	<ul style="list-style-type: none"> Complete
	<ul style="list-style-type: none"> Moir Park Entrance 	<ul style="list-style-type: none"> 80% Complete
	<ul style="list-style-type: none"> Phase II Centennial Gardens 	<ul style="list-style-type: none"> 80% Complete
	<ul style="list-style-type: none"> Pitch-in week continued as City program 	<ul style="list-style-type: none"> Completed with school participation
	<ul style="list-style-type: none"> Complete Urban Forest Management Plan (with Communities in Bloom) 	<ul style="list-style-type: none"> Plan Complete
	<ul style="list-style-type: none"> OCP environmental policy initiatives 	<ul style="list-style-type: none"> OCP Amendment 3620 - Environmental Policy complete OCP Amendment 3611 - Park Dedication Policy complete
Address fire safety issues relating to the forest and community interface	<ul style="list-style-type: none"> Continue working with Forestry companies and UBCM to expand Fuel Reduction strategies in watershed 	<ul style="list-style-type: none"> Submitted funding applications for fuels treatment
	<ul style="list-style-type: none"> NRCAN grant application 	<ul style="list-style-type: none"> Obtained NRCAN funding for miscellaneous projects
	<ul style="list-style-type: none"> On-going maintenance plan for interface properties 	<ul style="list-style-type: none"> Fuel load prescriptions complete on all City owned parcels
	<ul style="list-style-type: none"> Wildlife Hazard Development Permits 	<ul style="list-style-type: none"> Development Permits issued on numerous subdivision proposals
	<ul style="list-style-type: none"> Liaise with local forest companies, UBCM, property owners, and Province to pursue interface fuel reduction on lands adjacent to City limits 	<ul style="list-style-type: none"> Ongoing
	<ul style="list-style-type: none"> Explore sprinkler protection partnership with RDEK and St. Mary's Band 	<ul style="list-style-type: none"> Preliminary discussion re: sprinkler protection partnership undertaken

Strengthen the City's

Work with key community organizations including the College of the Rockies, Downtown Business Association, the School District, and the Chamber of Commerce to identify common goals and strategic opportunities for combining efforts to achieve related community objectives	<ul style="list-style-type: none"> Ongoing \$5,000 commitment to track maintenance 	<ul style="list-style-type: none"> Track upgrade complete
	<ul style="list-style-type: none"> Work with arts community in developing Phase 2 – Arts Now – Cultural Plan 	<ul style="list-style-type: none"> On-going waiting for matching funds from the Province, Arts Scan complete
	<ul style="list-style-type: none"> Redefine partnership roles with COTR re: Fire Services Training Program 	<ul style="list-style-type: none"> Ongoing
	<ul style="list-style-type: none"> Explore transfer of the employment of the Instructors for the Fire Services Training Program (FSTP) to the College of the Rockies 	<ul style="list-style-type: none"> Transfer complete
	<ul style="list-style-type: none"> Host RMLGMA spring 2008 	<ul style="list-style-type: none"> Complete

for both citizens and visitors (cont'd)

2009 Measures

2010 Measures

- Secure fencing around Idlewild Park east and west
- Continue work with Riding Club to improve riding arena and securing power and lighting parking lot

- Continue with Phase 2

- Complete
- Complete in Spring 2009

- Pitch-in week continued as City program

- Implement recommendations identified in plan as funding permits
- Implement through Environmental Sensitive Area Development Permits as approved by Council
- Amendments to OCP to enable consideration of retention of wildfire tree hazard management

- Amendments to Zoning Bylaw to encourage sustainable development-develop information Pamphlets

- Ongoing (subject to timber market values, UBCM funding)

- Pursue J.O.P. funding

- Ongoing

- Ongoing

- Ongoing

- Pursue a sprinkler protection partnership program with RDEK, St Mary's Band and City of Kimberley



- Pitch-in week continued as City program

- Implement recommendations identified in plan as funding permits

- Ongoing (subject to timber market values, UBCM funding)

- Ongoing

- Ongoing

- Ongoing

community partnerships

- Ongoing (\$5,000 commitment)

- Complete Cultural Implementation Plan

- Ongoing

- Relocate the FSTP site from #2 Hall to the Gold Creek Campus.

Objectives	2008 Measures	2008 Achievements
Work with key community organizations and user groups including the College of the Rockies, Downtown Business Association, the School District, and the Chamber of Commerce to identify common goals and strategic opportunities for combining efforts to achieve related community objectives (cont'd)	• Attend AKBLG, UBCM	• Complete
	• Attend Columbia Valley Public Works Group	• Hosted 2 meetings
	• Support to DBA Arches Project	• Ongoing support including \$75K Parking Reserve Fund commitment, \$50k Community Initiatives Fund commitment authorization to exchange lands
	• Co-host 2008 BC Winter Games with the City of Kimberley	• Complete
	• Chamber of Commerce involvement in boundary extension considerations	• Complete
	• CAO attends Chamber Director Meetings	• Complete
		• Facilitated 2008 Objectives workshop

Provide long-range and short-term infrastructure plans to respond to growth as

Prepare a long-range financial policy to provide sustainable funding to meet future infrastructure requirements	• Growth Management Study (GMS) initiated	• Retain consultant, initiate study
Prepare an asset management plan including local infrastructure and a strategy for implementation	• Create Asset Management Plan framework	• Substantially complete, acquired Asset Management software module
	• Initiate Comprehensive Geographic Information System	• GAP analysis complete. 3 year plan developed
Develop a water and sewer maintenance management program	• F3 expansion, Pivot replacement	• Complete
	• Complete lagoons relocation study	• Complete
	• Develop Emergency Operating Procedures (Spray Irrigation Site)	• Complete
	• Application for Free Crown Grant	• Submitted
	• Screener/Grinder installation	• 80% Complete
	• Request EAB Hearing	• EAB hearing of Appeal substantially complete
Address priority municipal utility capital projects based upon expected growth and economic, environmental, and health factors	• Growth Management Study initiated	• Growth Management Study underway. Master plans initiated

community partnerships

2009 Measures

- Host AKBLG, attend UBCM
- Actively participate and host meetings
- Support to DBA Arches Project, additional \$100,000 support

- CAO attends Chamber Director Meetings

2010 Measures

- Actively participate and host meetings



well as to meet the current needs of the City residents and businesses

- Complete GMS
- Complete DCC review and implement
- Link to OCP
- Adjust Five Year Financial Plan to GMS

- Compile attribute data base

- Continue implementing Comprehensive Geographic Information System

- Initiate cost analysis and relocation strategy

- Complete
- Expand application to 1000 ha
- Complete installation

- EAB ruling, action as required

- Initiate permanent outfall design
- Initiate Environmental Assessments for MSR growth needs

- Growth Management Study complete

- Prepare long-range financial sustainable funding policy

- Recapitalization strategy

- Develop additional land for irrigation

- Construct permanent outfall

Promote financial planning and management policies that

Objectives	2008 Measures	2008 Achievements
Tangible Capital Asset Reporting (Section PS 3150)	Tangible Capital Asset Reporting (Section PS 3150)	• Policy and register substantially complete
Segment Reporting (Section PS 2700)	• Define reportable segments (ie: distinguishable activity or group of activities)	• Developed chart of accounts to meet PS 2700
	• Disclose segment information in consolidated financial statements (notes and/or schedules)	• Prepare for 2009 reporting
Full Convergence with Int'l Financial Reporting Standards (IFRS)		
Review and adjust City fees and charges	• Adjust Fees & Charges for Leisure Services	• Complete
	• Develop new Bylaw for Leisure Services Fees & Charges	• Complete
	• Review and update Building Permit fees	• Research complete
Develop and implement a targeted long-term Human Resources plan	• Preparation and presentation of 2008-2012 Human Resources plan (2009-2013)	• Complete
	• Begin Performance Management Program development	• Initiated
Collective Agreements		
Continuous updating of Information Technology	• Telephone System	• Deferred
	• Replace remaining 40% of PC's	• Complete
	• Complete conversion of DOS based programs and facilitate Records Management system	• Ongoing
	• Replace Facility Booking server at Recplex	• Complete
	• Initiate research on new website	• Incorporated into Branding study
	• Recplex Ticketing System	• Complete

Focus efforts on developing and maintaining

Complete relocation of library services to the new facility	• Landscaping plan	• Re-landscaping substantially complete, main signs and book-benches installed
Seek opportunities to involve the RDEK in providing local and regional leisure and recreation services in Cranbrook	• Continue negotiations with Area C Director	• Ongoing

protect the City's financial health for the City's taxpayers

2009 Measures

2010 Measures

- Recognize all TCAs on the statement of financial position and recognize the related amortization as an expense on the statement of operations

- Compliance with segment reporting requirement

- Compliance with TILMA requirements

- Ongoing

- Update Purchasing Policy

- Obtain training and knowledge of IFRS

- Continue in 2010 for adoption in 2011

- Compare current accounting policies to IFRS and develop a transition plan

- Review Resident/Non Resident Fee System – pursue elimination of two-tier fee structure

- Revise Building Permit fee structure

- Continued development of personnel plan requirements

- City wide implementation of Performance Management Program

- Negotiate new CUPE Agreement

- Negotiate new Fire Fighter Agreement

- Initiate research on telephone system replacement

- Replace main login and municipal accounting (MAIS) servers

- Records Management Location program complete, remaining DOS conversion ongoing

- Work with fire department on new dispatch centre

- New website launch

- Complete Business Analysis for Broadband Utilities

- Install new Payroll software and HR Information system



key community facilities / services

- Continue completion of landscaping

- Conclude negotiations with Area C Director

Focus efforts on developing and maintaining

Objectives	2008 Measures	2008 Achievements
Work toward the completion of Moir Centennial Athletic Park	• Initiate Plan for further development	• Incomplete
	• Install parking lot lights and flag pole	• Complete
Continue development and improvement of the Cycle / Walk Trail System	• Victoria Station link to be completed (by developer)	• Substantially complete
	• OCP provisions for capture lands during subdivision for future trail links	• Ongoing
	• Complete environmental Assessment Study (Rails to Trails)	• 99% complete – submitted, waiting for approval
	• Negotiations with CP to remove rails/ties/ballast	• Ongoing subject to CP capital works schedule
Increase use of Public Transit	• Direct Transit improvement grant funds	• Completed – relocation and improvement to downtown public transit exchange
	• Review UPASS with the College of the Rockies	• Provision of benches at transit stops for transit riders by 3 rd party agreement • Liaison with Students Union
	• BC Transit indicates fleet replacement in progress	• UPASS fee increase • Replacement of buses in fleet
Protect City's watershed	• Regular monitoring and fence repairs through 2008	• Fence line monitored and repaired as required
	• Pursue watershed ownership / direct management responsibility (ongoing)	• Numerous discussions with various Provincial Ministers
	• Pursue elimination of AMU's in watershed	• Ongoing, discussed with various Ministers
	• Continue to pursue implementation of secure diversion structure	• Structure design and 3 of 4 footings constructed
	• Continue work with Galloway on select bug kill removal	• Ongoing

Promote City

Directing a portion of capital expenditures toward the improvement of visual qualities of public property	• Incomplete	
Increase enforcement of City bylaws concerning the maintenance and appearance of land and buildings	• Continue public information programs for City bylaws (property cleanup, dog licensing / control, school zones)	• Periodic advertising and enforcement • Demolition of Tudor House substantially complete
	• Continue publication of targeted bylaw enforcement issues (eg. Unlicensed vehicles in the City, responsible pet care)	• Targeted advertising focused on unlicensed / derelict vehicles and trailers

key community facilities / services (cont'd)

2009 Measures

2010 Measures

- Construct safe, accessible walking trail from road to fieldhouse
- Provide power at locations in Park for community events
- Conclude Radio Controlled Vehicle Club Agreement for temporary use of Moir Park

- Ongoing

- Continue negotiations with CP to remove rail/ties/ballast

- Initiate construction of Rails to Trails

- Complete landscaping at transit exchange

- Increase provision of benches through 3rd party agreement

- Ongoing liaison / review

- Complete replacement of existing fleet

- Regular monitoring and fence repairs through 2009

- Ongoing

- Ongoing

- Complete structure

- Ongoing

- Complete construction of Rails to Trails

- Regular monitoring and fence repairs through 2010

- Ongoing



beautification

- Ongoing

- Ongoing



Objective	2008 Measures	2008 Achievements
Review City owned land and facilities and identify ways to upgrade appearance	• Review feasibility of Kinsman Quad Ball Fields and re-locate to Moir Centennial Park	• Incomplete
	• Moir Centennial Park design upgrade	• On-going (lights to parking lot, entrance landscaping)
	• Spirit Square Project	• Ongoing
	• Rotary Park Bandstand, Brick Surface, Electrical and Lighting	• Complete
	• Clock Tower Improvements	• Deferred except for minor works
Review City bylaws in the interest of improving the quality of the built and natural environment	• 10th Avenue infrastructure, wide sidewalks, street furniture, irrigation and power	• 80% Complete
	• Ongoing review of Zoning Bylaw	• Housekeeping amendments
	• OCP environmental policy initiatives	• OCP Amendment Bylaw 3620 complete
Encourage volunteer efforts to improve the appearance of private, and public property	• Landscape security provisions	• Incorporated in Subdivision Bylaw
	• Continue Trees for Life Program for City parks (Maple Lane)	• Planted trees as donations were made to the program
Facilitate community celebrations and events	• Complete floral display	• Complete
	• Continue Sam Steele support	• Provided support
	• Continue Children's Festival support	• Provided support
	• Continue Relay for Life support	• Provided support
	• Promote annual clean-up day and beautification of private areas	• Support Pitch-in Program

Update corporate procedures and

Update Council and Committee procedures and structure	• Update Council Procedure Bylaw	• Substantially complete
	• Redraft Council committee structure	• Substantially complete
Update City bylaws	• Assess current bylaw status	• Complete
	• Establish Council priority for bylaw replacement	• Complete
	• Initiate process to archive, rescind dated bylaws	• Substantially complete
	• Redraft bylaws on priority basis	• Subdivision and development control bylaw
		• Leisure Services Fees and Charges Bylaw
		• Numerous amendments
	• Officers and Employees Bylaw	

beautification (cont'd)

2009 Measures

2010 Measures

- Review feasibility of Kinsman Quad Ball Fields and re-locate to Moir Centennial Park
- Complete plan of development for Moir Centennial Athletic Park
- Complete Spirit Square Project
- Complete plantings, decorative lighting, hazardous tree removal
- Complete sightline improvement and install Spirit Tree
- 2nd layer of asphalt, trees, planting beds



- Draft OCP / Zoning and other bylaw amendments to accommodate secondary suites

- Implement Subdivision Bylaw

- Continue support to Cranbrook in Bloom

- Continue support

- Support Rotary Convention

bylaws to contemporary standards

- Council endorsement

- Council endorsement, support implementation of new Committee structure

- Establish 2009 Council priorities

- Complete

- Building and Sign Bylaw

- Ongoing

- Erosion and Sediment Control

- Cemetery Bylaw

- DCC Bylaw

- Emergency Program Bylaw

Statement of 2008 Property Tax Exemptions

In accordance with Section 98(2)(b) of the *Community Charter*, the following properties in the City of Cranbrook were provided permissive property tax exemptions by City Council in 2008.

<u>Roll Number</u>	<u>Address</u>	<u>Property Tax Exemption Recipient</u>	<u>Value of Municipal Property Taxes Exempted</u>
259,000	219 – 15 th Avenue South	J. Fred Scott Villa	\$ 238
889,000	125 – 10 th Avenue South (90%)	Summit Community Services Society	8,429
1,047,000	32 – 13 th Avenue South	Cranbrook Women's Resource Society	2,048
1,118,000	39 – 13 th Avenue South	Canadian Mental Health Association	4,701
1,121,000	45 – 13 th Avenue South	Canadian Mental Health Association	867
1,595,001	20 – 14 th Avenue North	Key City Theatre	29,017
4,673,500	19 – 15 th Avenue South	Cranbrook Society for Community Living	24,827
4,675,000	1500 – 1 st Street South (67%)	Cranbrook Society for Community Living	1,397
8,850,000	Kootenay Street North	Cranbrook Alliance Church	2,062
9,903,000	2300 – 2 nd Street North	Mountain View Village	8,915
10,101,000	1 Van Horne Street North	Canadian Museum of Rail Travel	2,628
18,008,000	Van Horne Street South	Canadian Museum of Rail Travel	8,178
18,010,000	1 Van Horne Street North	Canadian Museum of Rail Travel	1,654
18,010,500	CP R/W Lease	Canadian Museum of Rail Travel	743
539,000	201 – 7 th Avenue South	Ruthenian Greek Church	237
1,040,000	38 – 13 th Avenue South	Synod of the Diocese of Kootenay	1,068
1,102,000	2 – 12 th Avenue South	Trustees United Church	355
1,259,000	43 – 10 th Avenue South	Roman Catholic Bishop of Nelson	302
1,822,000	328 – 14 th Avenue South	First Baptist Church of Cranbrook	1,434
1,972,000	300 – 10 th Avenue South	Foursquare Gospel Church of Canada	875
2,120,000	300 – 6 th Avenue South	BC Corp of Seventh Day Adventist Church	894
2,842,000	922 – 11 th Street South	Lutheran Church Missouri Synod, Mount Zion Lutheran Church	1,696
2,967,000	501 – 11 th Avenue South	Pentecostal Assemblies of Canada	885
4,525,000	2100 – 3 rd Street South	Trustees of the Knox Church	1,047
4,541,000	2200 – 3 rd Street South	Mount Baker Congregation of Jehovah's Witnesses	964
4,800,030	2324 – 2 nd Street South	Cranbrook Christian Center Society	1,977
5,829,000	533 Slater Road NW	Governing Council Salvation Army	572
8,809,000	2001 21 st Avenue North	Trustees of the Cranbrook Fellow Baptist Church	1,277
9,510,000	1200 Kootenay Street North	Christian & Missionary Alliance, Canadian Pacific District	1,487
9,890,000	2210 – 2 nd Street North	President of Lethbridge Stake, LDS Church	1,382
10,189,000	629 – 6 th Street NW	Gathering of Praise Fellowship	1,267
13,016,001	1100 – 14 th Avenue South	Roman Catholic Bishop of Nelson	1,654
841,000	821 – 1 st Street South	New Apostolic Church Canada	1,655
3,640,000	1701 – 5 th Street South	Catholic Public Schools of Nelson	5,109

Notes



MOUNTAINS OF OPPORTUNITY

CRANBROOK

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