

2024



ANNUAL MUNICIPAL REPORT

FISCAL YEAR END: DECEMBER 31, 2024



ACKNOWLEDGEMENT

We acknowledge that the City of Fernie is located within Qukinʔamakʔis, the unceded territory of Yaqʔit ʔa·knuqʔiʔit. We recognize that we live and work within their vast lands.

ʔakanuxunikʔ are from Yaqʔit ʔa·knuqʔiʔit and are members of the Ktunaxa speaking peoples of British Columbia, Idaho and Montana.

The Annual Municipal Report is an important opportunity for the City of Fernie to share our progress, celebrate our accomplishments, and look ahead to the year to come. It highlights the goals and objectives that guide our work—shaped by community input, Council’s strategic vision, and the operational requirements of City departments.

This report provides an overview of the City’s services and activities in 2024, outlines key objectives and performance measures, and shares our audited financial statements for the fiscal year. Together, these elements offer a transparent view of how we’re working to meet the needs of our community today, while planning responsibly for the future.

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MESSAGE FROM OUR MAYOR



On behalf of the City of Fernie Council and staff, I am pleased to present the City of Fernie 2024 Annual Municipal Report. This report highlights some key initiatives and accomplishments of the past year and touches on some of our priorities looking forward.

In our Planning and Development Group, extensive work was completed to comply with new Provincial legislation that supports increased density through the adoption of Small-scale Multi-unit Housing, extensively revising our community's zoning bylaw. This was a considerable amount of work, and I want to commend all those involved. As well, the Planning team continues to work with our Asset Management group on the implementation of Cloudpermit, an online application portal for the building and development community. Considerable staff time and effort has gone into getting the program configured and tested and launch is imminent as of this writing. We plan to hold information and training sessions for staff, the public, and our building community in Q2 2025 with a full launch shortly thereafter.

We continue to partner with and support the much-needed housing and childcare pilot adjacent to our Aquatic Centre and to work with the Elk Valley Family Society's redevelopment of the old fire hall site. We have provided long-term leases for both these properties and prioritized staff time to support these important housing and childcare projects. We are looking forward to seeing both projects break ground in 2025.

A focus on environmental priorities saw us roll out a curbside organics program that will help divert waste from the landfill, reduce GHG emissions, and provide topsoil for municipal projects. We modernized our water bylaws to help conserve water use in our community, while also completing some critical reservoir rehabilitation and secondary source exploration and, importantly, a broad leak detection survey. All these initiatives are to ensure we continue to have viable and sustainable long-term access to quality drinking water.

In the spirit of reconciliation, Fernie hosted our first community-to-community meeting with leadership of Yaq'it ?a-knuq'it First Nation and Yaq'it ?a-knuq'it leadership joined us in our Canada Together and Truth and Reconciliation Day events. As our relationship with Yaq'it ?a-knuq'it matures, we added new flag poles at City Hall and, with the financial assistance of NWP Coal, Fernie permanently raised the Yaq'it ?a-knuq'it flag on its own dedicated pole to recognize we live, work, and play in their vast territory.

I want to acknowledge the challenges of the Community Centre closure, a difficult and impactful decision by any measure, and I want to salute the hard work by the community and our staff to pivot and to find venues for already booked events and user-group activities. I particularly want to acknowledge how a group of dedicated volunteers mobilized to find a medium-term solution in the form of the Elk Valley Fieldhouse Society and am very pleased we are able to participate with them in this effort. Staying with recreation, we officially opened the new skate park in May, and it has quickly become a community hub, enjoyed in any weather thanks to the lighted covered area. We continue to be grateful for all the support and community input we received to realize this important advancement in our community's recreation amenities.

Finally, our Fire Hall project continues to move ahead with a site selected after extensive technical analysis and engagement. Conceptual design has been completed with all the spatial requirements for a needs-based hall. Looking forward, we are working with our progressive design partners to refine the design to meet our community's needs and to provide greater cost clarity and certainty. A referendum is slated for Fall 2025 to understand the community's wishes when it comes to borrowing for this urgently needed facility.

Thanks to our Community Working Group who continue to volunteer their time to help move this critical project forward, a vital component necessary to maintain and improve our community safety.

I invite all our citizens to join us for our regular Council Cafés the first and third Monday of every month (except statutory holidays) and to watch for our third annual Council Town Hall as we advance Council's initiatives to connect more directly with our community. We will explore opportunities to move some of our Council Cafés to an evening time slot to accommodate working families.

I am always grateful to the residents of Fernie who engage on the issues important to them. I do believe every perspective is absolutely valid and worthy of consideration. I look forward to continuing to talk with so many Fernie citizens in the coming year. As ever, your ideas and enthusiasm for this community are inspiring.

Nic Milligan, Mayor, City of Fernie



COUNCIL

Fernie's City Council serves as the governing body of the municipality, responsible for setting the direction and priorities of the community through policy and decision-making. Council provides leadership by establishing policies, setting the annual budget, and making decisions that reflect the needs and aspirations of the community.

COUNCIL ADVOCACY

Mayor and Council are committed advocates for the community. They prioritize securing investments in capital infrastructure and critical community support.

ELECTIONS AND APPOINTMENTS

In 2024, Councillor McIsaac served as Vice President of the Association of Kootenay Boundary Local Government Association, and Councillor Hamilton served as a Director. In their capacities, they represent local governments in the southeastern portion of the province to illuminate issues impacting our region and improve the social well-being of residents.

ORGANIZATION	COUNCIL MEMBER
Tourism Fernie	Tracey Audia-Kelly
Fernie Heritage Library Board	Kyle Hamilton
Fernie & District Arts Council	Troy Nixon
Fernie Chamber of Commerce	Harsh Ramadass
Fernie Trails Alliance	Nic Milligan
UBCM - Municipal Insurance Delegate	Nic Milligan / Kyle Hamilton - alternate
Ktunaxa Kinbasket Treaty Advisory Committee	Nic Milligan / Troy Nixon - alternate

Mayor and Council were elected by the Citizens of Fernie in the fall of 2022 for a four-year term.



COUNCILLOR TRACEY AUDIA



COUNCILLOR KYLE HAMILTON



COUNCILLOR KEVIN McISAAC



COUNCILLOR TROY NIXON



COUNCILLOR HARSH RAMADASS



COUNCILLOR TED SHOESMITH

PRIORITY ISSUES

Council authorized and led advocacy with Provincial Ministries in 2024 on the following priorities:

- Securing funding for the renewal of critical infrastructure
- Support for a Municipal Growth Framework to modernize municipal funding
- Improving highway traffic safety and securing funding for future intersection improvements at Mount Fernie Park Road
- Securing funding for additional childcare spaces
- Securing support for affordable and attainable housing projects
- Increasing Provincial funding for emergency response costs for highway motor vehicle incidents
- Supporting efforts to recruit psychiatric and addictions support for the region

MESSAGE FROM THE CAO



On behalf of the employees at the City of Fernie, thank you for making the time to read this annual report.

In this document and at the Annual Meeting we look back over the past year and celebrate the accomplishments of the team in advancing Council's strategic plan and supporting our vibrant community. We also look forward at the goals and priorities for the coming year.

Some of the initiatives, like major upgrades to technology systems, mechanical upgrades at the aquatic centre, or the structural improvements at the Fairy Creek reservoir, are largely invisible to the public. They are, however, crucial to supporting sustainable delivery of the services our team provides to the community.

Far more visible and exciting in 2024 was the opening of the new Skate Park. This project embodies the core values of Council and staff of providing inclusive opportunities for our community to come together. Initiated by a passionate Councillor, funded through a number of partnerships and generous donors, and delivered by a dedicated team committed to providing Fernie with an exceptional experience, it has quickly become a destination for people across the Elk Valley and beyond both because of its quality as a skate park, and the quality of the people of Fernie who make it a welcoming space.

The programming launched through Parks, Facilities and Recreation has also expanded across the board this year, with tremendous options for youth and families in our community to stay active and enjoy a safe and supportive environment.

Finally, it's been a highlight over the past year to see our team continue to develop stronger relationships with many community groups across Fernie, and to continue working with community leaders on projects like the Elk Valley Field House and the Fire Hall Community Working Group.

As the CAO, I am pleased to present this annual report and thank all our employees for their contributions over the past year.

Michael Boronowski
Chief Administrative Officer

MUNICIPAL OVERVIEW

ORGANIZATIONAL STRUCTURE



7

DEPARTMENTS

78

STAFF MEMBERS,
REGULAR AND
PERMANENT

80

NON-PERMANENT EMPLOYEES
(CASUAL, TEMPORARY,
SEASONAL OR AUXILIARY
FIREFIGHTERS)

158

STAFF MEMBERS
EMPLOYED IN THE
CITY OF FERNIE, 2024



DEPARTMENT OVERVIEWS

Chief Administrative Officer (CAO)

The CAO provides organizational leadership and oversees all City departments, ensuring Council's directions and policies are effectively implemented. As head of the Senior Leadership Team, the CAO supports a coordinated approach to delivering high-quality municipal services and advancing Council's strategic goals.

Corporate Services

Corporate Administration is the central support hub for City operations. It manages Council meeting processes, corporate records, bylaws, policies, and public communications and engagement. The department also oversees the City's human resources and occupational health and safety programs.

It ensures compliance with legislative requirements, supports local elections and referenda, handles requests under the Freedom of Information and Protection of Privacy Act (FOIPPA), and manages claims in collaboration with the Municipal Insurance Association.

Finance

The Finance department ensures the City's financial health by overseeing budgeting, accounting, purchasing, investments, and financial planning. It leads the development of the annual budget and the five-year financial plan, manages grants, and provides financial analysis to support decision-making. Finance also reviews internal processes to improve efficiency, accountability, and compliance.

Planning

Planning and Development guides Fernie's physical growth and land use, while ensuring development aligns with community goals and regulations. The department processes building and plumbing permits, conducts inspections, and enforces bylaws.

It also leads long-range planning initiatives, including updates to the Official Community Plan, and manages external reporting to agencies such as BC Assessment and Statistics Canada.

Engineering and Public Works

This department manages Fernie's core infrastructure, including roads, water, sewer, storm drainage, and waste systems. It responds to public service requests and oversees snow clearing, recycling, and garbage collection.

The Engineering team leads capital planning, infrastructure renewal, subdivision servicing, and cemetery operations. Together, the department ensures the City's infrastructure is safe, reliable, and resilient.

Asset Management

This department focuses on building long-term sustainability as a strategic business partner within the organization. This team work cross-functionally to implement systems that improve decision-making and service delivery.

Key responsibilities include providing asset management leadership across the organization to implement commitments in the City's Asset Management Policy, digital transformation projects and data analytics initiatives across service areas, technology optimization, and business process analysis and improvement. This team also oversees the technology portfolio including network management, capital projects, application stack management, geographic information systems, cyber security, and overall user management.

Parks, Facilities and Recreation

This department maintains City parks, trails, recreation facilities, and municipal buildings. Staff care for natural assets like trees and turf and respond to operational requests related to outdoor spaces and amenities.

They also deliver recreation programming, manage event and facility bookings, and coordinate community events. The department collaborates with local partners to enhance recreational opportunities and quality of life in Fernie and oversees the Resort Municipality Initiative program.

Fire and Emergency Services

Fernie Fire and Emergency Services protects the community through fire suppression, medical response, emergency preparedness, fire prevention, and public education. The department also provides service to surrounding areas through agreements and mutual aid partnerships.

Staff conduct fire safety inspections, deliver FireSmart initiatives, and host educational programs to promote community resilience and safety.





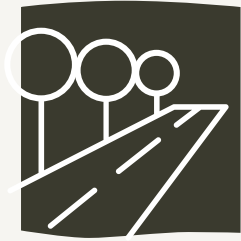
SERVICE AREAS

The City of Fernie delivers a range of municipal services to the community.

Services range from core infrastructure services such as potable water and the transportation network to community amenity services such as parks, recreation, culture, and tourism destination infrastructure and animation. Service programs are provided to the community in many ways, for example, programs delivered by municipal employees, contracted programs to the private and not-for-profit sectors, and direct funding to regional government and not-for-profit or charitable organizations.

While the list of services is extensive, services generally fall under the following service area categories:

- Financial Services
- Protective Services
- Event Management and Support
- Solid Waste Management
- Economic Development
- Emergency Management
- Tourism And Visitor Experience
- Stormwater Management And Flood Protection
- Building And Development Services
- Liquid Waste Management
- Transportation Services
- Parks And Recreation
- Potable Water
- Land Use Planning
- Arts And Culture



67 KM
of Roadway

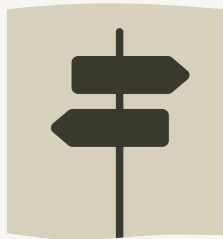
SNAPSHOT OF CITY SERVICES



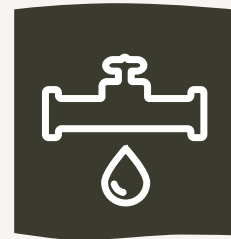
173 HA
of Parks and Open Space



32 KM
of Sidewalks



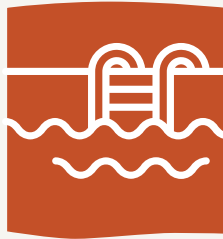
30 KM
of Pathways



171 KM
of Active Water and Sanitary Mains



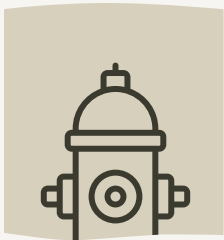
2,129
Sanitary and Sewer Access Points



16,230
Pool Drop-ins and
850 Pool Passes Issued



1,317
Requests for Service



278
Water Hydrants



231
Licensed Pets in 2024



1,142
Business Licenses (992 Renewed
and 138 New Licenses Issued)

VISION AND GOALS

COMMUNITY VISION

“Fernie is an economically, environmentally, and socially sustainable community where everyone has the opportunity to pursue an excellent quality of life. Fernie’s compact neighbourhoods provide a diversity of housing options and are accessible and friendly. A robust, diverse, and resilient economy, including natural resource and tourism industries, supports a skilled workforce. The beauty of the community, its healthy ecosystems, and bountiful recreation and leisure opportunities attract residents and visitors alike.”

—Fernie’s Official Community Plan, adopted in 2014.

COMMUNITY PRIORITIES

The Official Community Plan (OCP) is a community-based and community-driven blueprint and map for Fernie’s future. Adopted in 2014, this plan sets out the long-term vision for Fernie and guides decisions on a broad range of topics, including planning and land use management, economic development, transportation, recreation, environmental protection, climate change, arts and culture, and more.

The OCP was created after extensive consultation with residents, community organizations, and committee volunteers and addresses issues generally expected to arise over a twenty-year period. From the input, three community priorities emerged:

- Ensure Economic Viability
- Enrich Community Life
- Protect the Environment

The community’s overarching priorities are reflected in Council’s strategic priorities, which drive municipal objectives, administrative goals, and service area work plans.

ENSURE ECONOMIC VIABILITY



ENRICH COMMUNITY LIFE



PROTECT THE ENVIRONMENT





2024 PROGRESS REPORT

Council adopted its current Strategic Plan in December 2023. This plan is intended to guide the City for the period from 2023-2028. It outlines the vision, mission and values of Council, as well as the strategic objectives and goals that the City aims to achieve. Within this plan Council prioritized the following three objectives:

1	2	3
QUALITY SERVICES	LIVEABLE COMMUNITY	ORGANIZATIONAL EXCELLENCE
Deliver dependable, sustainable services that meet the expectations of the community.	Ensure citizens can flourish in an inclusive and diverse community with sustainable infrastructure, amenities, and services.	Improve our organization and culture as we learn and adapt to the changing needs of the community.

You can read the full plan on [fernie.ca](https://www.fernie.ca)

Additional projects focus on ensuring the replacement and ongoing maintenance of critical infrastructure and meeting our regulatory requirements.

2024 PROGRESS REPORT

QUALITY SERVICES

Deliver dependable, sustainable services that meet the expectations of the community.

GOALS



Community Engagement

Provide accessible, consistent, and clearly defined avenues for community engagement with City Council and the organization on service delivery and community priorities.



Service Insight

Improve decision-making, budgeting, and engagement with the community by better understanding the services we deliver, service levels, community expectations, and the associated costs.

KEY PROJECTS

- In 2024, Council started hosting Council Café twice a month to provide an informal opportunity for the community to connect with their elected representatives. We also hosted our second annual Council Town Hall.
- Analyzed and reported the responses of the Citizen Satisfaction Survey and used the results to help inform the 2024 Budget Process and improvements to our customer service practices, and communications delivery methods.
- A city-wide scan for leaks was performed to provide data to our water crew to efficiently find and repair potable water leaks in our linear distribution system.
- Added new online service options for facility booking and payments to continue improving our customer experiences.

MAINTAINING FOCUS ON CRITICAL INFRASTRUCTURE

Fire Hall Replacement Project

We completed site selection, engagement, and preliminary design on the Fire Hall Project and advanced the funding strategy development, and preparation for procurement of Progressive Design Build Contract to refine project design and cost as we head to a referendum in 2025.

Wastewater System Assessment and Compliance Strategy

Our team is working with consultants to better understand the receiving environment, assess the efficacy of our current treatment process, and commence design to bring our facility up to an operating standard that will meet the regulatory requirements set by provincial and federal requirements.

Fairy Creek Reservoir Structural Remediation

Exterior and interior repairs were completed in 2024 on the City's potable water reservoir at Fairy Creek. New cladding is installed on the exterior of the reservoir and attached valve chamber to limit future degradation of the concrete structure.

Securing our Drinking Water

We began working through new conditions on our water system and complying with requirements of a new water system classification. We also continued to work with Elk Valley Resources on alternative groundwater source investigations to determine a new secondary source that isn't impacted by selenium, while also exploring filtration options for Fairy Creek.

C&L Right of Way

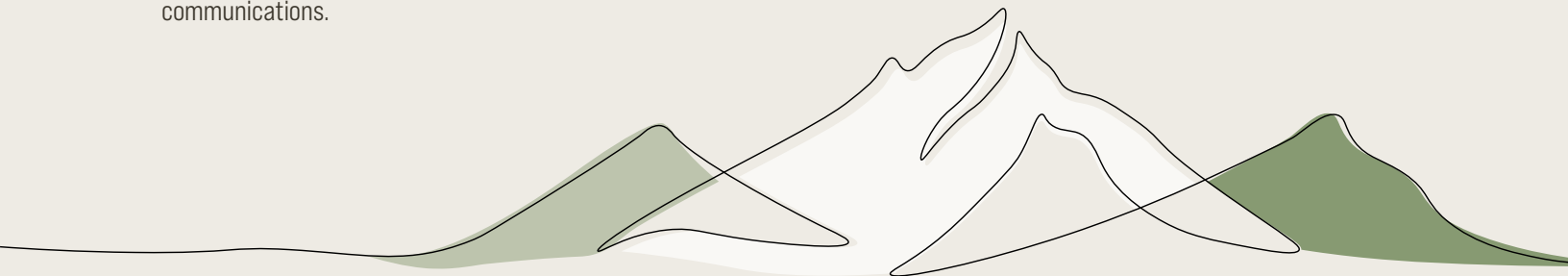
We've reviewed costs to ensure an accurate and current picture of the required realignment of this critical watermain and are exploring opportunities to secure finances for the project

2024 PROGRESS REPORT



OTHER PROJECTS

- Completed a West Fernie winter operations analysis and used that information to inform the addition of City-provided snow and ice management services in that neighbourhood.
- Two vital utility mains crossing Coal Creek exposed during the 2021 atmospheric rain event were repaired. Contractors installed protective metal plates on the lines to minimize the risk of catastrophic break prior to planned replacement in 2029.
- Completed a pavement condition assessment to inform how we budget for future improvements and replacements of our road and parking lot surfaces.
- Served over 2,200 people in-person at our front counter at City Hall, and thousands more over the phone and online.
- Created standardized templates and updated brand elements to improve the consistency of our external communications.
- Began a review of our Request for Service tool to improve Citizen feedback opportunities on our service delivery.
- Calculated and mailed out 3,972 property tax notices, and 13,406 utility bills, and included educational inserts with each mailout.
- Significant work went into completing the final specifications and ordering a new Ladder truck that will be delivered in late 2026.
- The James White Wells pumping capacity increase was investigated, tested and implemented increasing the upper pumping limit for JWW, and reducing the need for water quality notices during periods of increased water demand.



2024 PROGRESS REPORT

ENGAGEMENT & OUTREACH

5

IN PERSON AND ONLINE
ENGAGEMENT SESSIONS

7

ACTIVE LET'S TALK
PROJECTS

9600

LET'S TALK VISITS

720

CONTRIBUTIONS TO ONLINE
SURVEYS, FEEDBACK
FORMS AND Q&A.

FIRE PREVENTION AND EDUCATION INCLUDED:



Learn Not to Burn program
with Grade 3 students



Safety talks with students
from preschool to Grade 2



Fire extinguisher training
in the community

Bylaw Buddy Program
provided education to 100+
students at Isabella Dicken
Elementary School.

Fernie Fire and Emergency
Services hosted Family
Safety Day.

Local Government Awareness
Week Equipment Showcase
invited the community to learn
more about our operations.

The second annual snowplow
naming contest engaged our
schools in advance of the winter
season, with winning classrooms
invited for a facility tour.

Appointed our 6th Youth
Councillor, to a one-year term
to bring a youth perspective to
Council matters and discussions.

We continued our bear safety
and responsible solid waste
management education in the
schools in partnership with
WildSafe BC.

2024 PROGRESS REPORT

LIVEABLE COMMUNITY

Ensure citizens can flourish in an inclusive and diverse community with sustainable infrastructure amenities and services.

GOALS



Inclusion and Reconciliation

Meaningfully advance inclusion and reconciliation within our communities.



Housing and Childcare

Support families' quality of life by increasing access to affordable housing and childcare.



Housing Diversity

Increase the diversity of housing options and supports for individuals at every stage of life.



Affordability

Improve affordability by actively managing the overall financial burden of city services for community members.



Community Services

Contribute to improved quality of life in Fernie by developing relationships, partnerships, and community capacity to deliver extended services.



Climate Policy

Integrate a climate lens in the planning, design, and delivery of programs, services, and assets.



Asset Management

Better understand city-owned assets, how they support services we deliver, their maintenance, and replacement needs, and future retirement obligations.



KEY INITIATIVES

Small-Scale Multi-Unit Housing

Implemented Small-Scale Multi-Unit Housing, updating the Zoning Bylaw to consolidate seven low-density residential zones into one RSS zone, and allow for up to four dwelling units per City lot.

Facilitating Key Development

Prioritized permit application review of affordable and diverse housing projects: including supporting the development of a new grant-funded childcare centre, and affordable housing units on City-owned land next to the Aquatic Centre, and the redevelopment of the City's old Fire Hall site on 3rd Ave. to a mixed-use facility with commercial space and affordable housing units.

Accessibility Plan

The City of Fernie partnered with Sparwood and Elkford to form the Elk Valley Accessibility Committee. This regional collaboration supports the creation of a shared accessibility plan and helps advance the goals of the Accessible BC Act. The committee brings together diverse voices to identify and remove barriers across the region.

Field House

We are working alongside the Elk Valley Field House Society to advance their proposed facility on City-owned property that will provide valuable indoor recreation and gathering space to the community.

2024 PROGRESS REPORT



A FOCUS ON CLIMATE INITIATIVES

- Curbside organics collection was rolled out in September, helping Fernie work towards its goals of evolving into a community with a low level of waste production, a high level of waste diversion, and reducing our climate change impact by limiting greenhouse gas emissions.
- We continued implementation of our expanded curbside recycling program through Recycle BC, by focusing on education and conducting recycling audits to ensure effective participation in the program.
- We modernized water regulation in the community by developing new Water Works and Water Conservation Bylaws to improve conservation and reduce over-consumption of this valuable resource.
- We continued to expand our Active Transportation Network following the prioritization of our Active Transportation Masterplan, adding five new blocks of sidewalk to increase accessibility throughout the City and provide safe routes for people walking and rolling.



TRUTH AND RECONCILIATION: FORGING MEANINGFUL RELATIONSHIPS

- Fernie hosted our first community-to-community meeting with leadership of Yaq'it ʔa-knuq'it First Nation creating better understanding of shared goals and priorities.
- Yaq'it ʔa-knuq'it leadership joined the City in hosting Canada Together and Truth and Reconciliation Day events.
- We permanently raised the Yaq'it ʔa-knuq'it flag on its own dedicated flag pole in front of City Hall to recognize that we live, work, and play in their vast territory.
- We've increased engagement on key projects including the Wastewater Treatment Plan, Official Community Plan and Resort Development Strategy.
- Mayor Milligan participated in a province wide community-to-community forum hosted by UBCM and the First Nations Leadership Council.



2024 BUILDING & DEVELOPMENT HIGHLIGHTS

- ✓ Building Officials issued 91 Building Permits with a construction value of \$20,874,000.00
- ✓ The Planning team processed 111 development-related permit applications throughout 2024.
- ✓ 10 subdivision applications which will create 56 new lots.

2024 PROGRESS REPORT

SKATE PARK GRAND OPENING

In 2024, the City of Fernie celebrated the grand opening of the newly revitalized and expanded Fernie Skate Park. The project was shaped by extensive community input, with a focus on accessibility, safety, and year-round use. The upgraded facility is now a vibrant hub for residents of all ages to connect, play, and stay active.



OTHER INITIATIVES

- We increased our recreation programming offerings and started a new summer camp program- providing daily and weekly camp options for school-aged kids.
- Drafted and posted an RFP to update the Official Community Plan (OCP) and Housing Needs Report.
- We implemented a Community Partner Collaborative and a supporting policy and regular meeting schedule to improve dialogue and collaboration with our community partners, providing a forum for ongoing discussion and input on shared issues and City initiatives.
- We continued to refine our budget process to allocate taxation appropriately within operating budgets to provide detailed and accurate information on where and why money is spent.
- The Joint Use Agreement with SD5 was renewed in August, with SD5 now managing indoor bookings for the City continuing to oversee outdoor bookings to enhance community service.
- Occupancy permits were issued for the North End Court affordable housing development, providing 49 new rental homes. An occupancy permit was also granted to three dwelling units within the rehabilitated heritage project at Leroux Mansion.
- Prioritizing renewing five-year lease agreements with all childcare operators in City-owned facilities.
- We added power to Annex Park providing convenient access to electricity for events in this premier City-owned venue.
- Council renewed appointments to local boards, re-creating the liaison function that was paused during the Covid-19 pandemic.
- We pivoted summer weddings impacted by the Community Centre closure to other City-facilities or alternative venues and worked with user groups to navigate the increased demand on indoor space at the Max Turyk gym.
- 42 community events took place within the City, including City-hosted events such as Canada Day and Truth and Reconciliation Day, and City-supported events like the Holiday Kick-Off, and Griz Days.
- Completed two major updates at the Aquatic Centre, including the installation of additional boilers and an upgrade to the MCM system to enhance operations.
- Fernie Memorial Arena saw a number of upgrades including new flooring in the dressing rooms, and upgraded concession.

2024 PROGRESS REPORT

CITY RECREATION FACILITIES ARE BUSTLING!

2,734

HOURS RESERVED
AT THE ARENA

3,122

HOURS RESERVED
AT THE GYMS

583+

RENTAL PERMITS

142

SWIMMING LESSONS

653

SWIMMING LESSON
PARTICIPANTS

8

ADVANCED LIFEGUARDING
COURSES

1,230

DROP-INS AT THE ARENA

109

KIDS ATTENDED
SUMMER CAMPS

677

KIDS ATTENDED THE
AFTERSCHOOL REC CLUB



2024 PROGRESS REPORT

ORGANIZATIONAL EXCELLENCE

Improve our organization and culture as we learn and adapt to the changing needs of the community.

GOALS



Organizational Culture

Continuously foster a strengthened culture focused on health, safety, and organizational excellence.



Business Modernization

Prioritize business modernization to support the enhanced delivery of city services.

TRAINING AND DEVELOPMENT HIGHLIGHTS



The City hosted 4 exempt team training sessions.



Fire and Emergency Services team completed over 3600 training hours.



The Safety Department coordinated and delivered 258 training opportunities.

KEY PROJECTS

Culture Committee

Established a Culture Committee to continue to champion our shared organizational Vision, Mission and Values, and help advance initiatives that deliver on these shared commitments. This group has members from across the organization representing a diverse cross-section of our workforce.

Career Chats

Piloted a new 'Career Chats' program, providing the first annual performance review and Professional Development chats with all Public Works Staff, as a first step towards an employee development program for all employees.

Online Permit Tracking

Staff worked through a rigorous RFP process to select Cloudpermit as its new permit tracking software provider. Once implemented in 2025, permit applications will be submitted, tracked, and issued in one convenient online location.

Training and Development Policies

Implemented a modernized Administrative Training and Professional Development Policy and accompanying Training and Professional Development Expense Policy to standardize our training and development program city-wide.

Quarterly Reporting

Enhanced organizational process and tools for quarterly reporting on projects and initiatives including progress on implementing Council's strategic plan.



2024 PROGRESS REPORT

OTHER INITIATIVES

- Improved cross-functional collaboration with new project charter forms, management team working meetings, and enhanced internal information sharing tools.
- Public Works championed a new service install process and documents to streamline the service and ensure cost-recovery, and awarded a 3-year external contract to assist with this work.
- Our 2024 All Staff meeting followed a tradeshow concept helping increase our shared understanding of City operations and projects, allowing staff in all departments to provide enhanced customer service and champion City initiatives while interacting with the community.
- We partnered with LGMA and regional municipalities to bring relevant professional development to the Kootenays, improving access for staff while reducing costs to taxpayers.
- Continued modernization initiatives including cybersecurity upgrades and assessments, phone system needs assessment, and advanced important IT policies including Risk Management, Disaster Recovery, and Business Impact Analysis.
- Piloted a wildfire deployment program - providing Fernie team with valuable experience while supporting our neighbouring regions.
- Released a new Building Permit Application Document Checklist, as we continued to implement recommendations from Development Approvals Enhancement Project.
- Took significant steps to address the infrastructure deficit in the technology and systems portfolio including the modernization of the City's GIS architecture that supports the delivery of core services, a comprehensive assessment and business process optimization study of the City's core Enterprise Resource Management System that is the engine to all our financial processes and asset lifecycle management.
- Increased the options for online bookings of City facilities on ActiveNet for ice bookings and the annex room.
- Finalized the new Subdivision & Development Servicing Bylaw and created a new internal referral process and implemented standing meetings between Planning and Engineering to streamline and expedite review of subdivision and major development applications.
- Implemented emergency preparedness and response procedures at all our City facilities.
- A clerk coverage calendar was developed to schedule and have oversight over identified coverage needs improving cross-functional collaboration and reducing service interruptions.
- Increased efficiency and customer experience by implementing EFT payments to suppliers and utilizing bar codes on billing to expedite payment receipt entries for utilities, property taxes and A/R.
 - ♦ Paid 3989 invoices to 613 different suppliers.
 - ♦ Processed 13,551 cash/cheque/debit/online banking and credit card receipts.



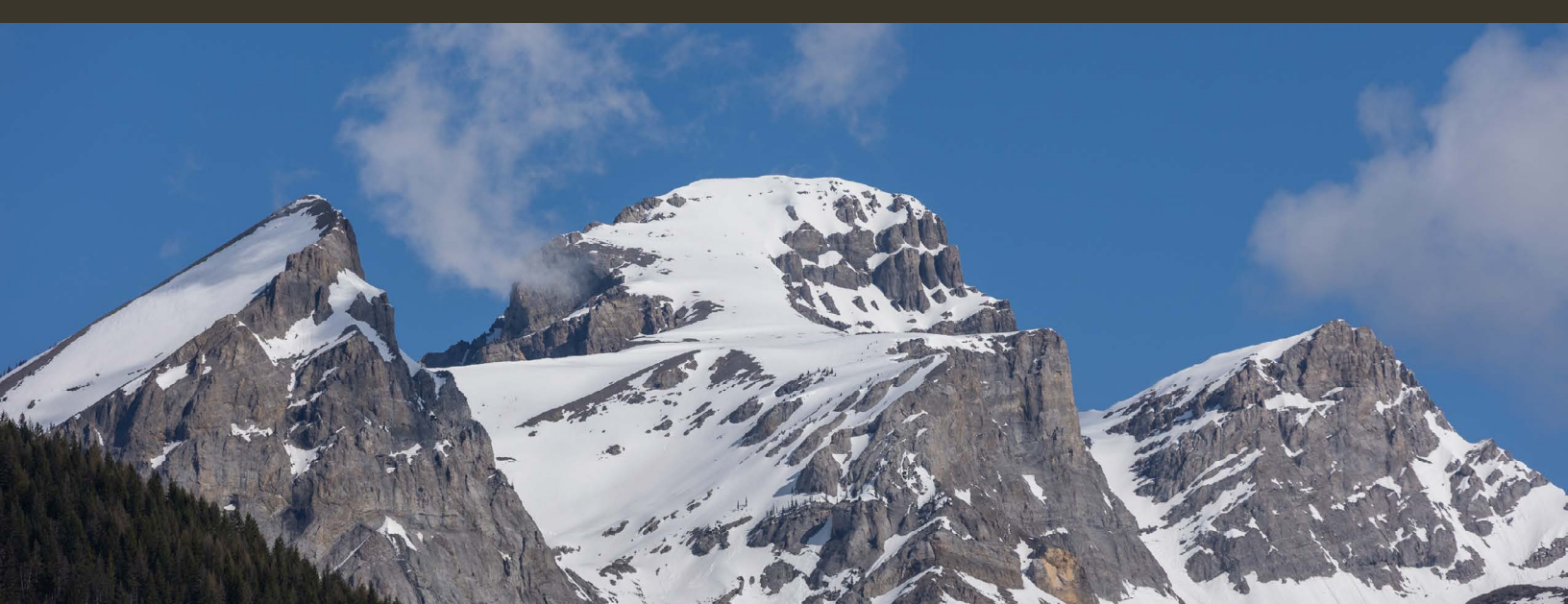
CHEERS TO VOLUNTEERS!

In 2024 Fernie Fire and Emergency Services department dedicated over 400 hours to volunteer and fundraising events, including: Fernie on Fire, Hopathon, Junior Griz days competition, Respect the Brain Bucket, Family Safety Day, Gravel Grind, Emergency Services Food Drive, Salvation Army Kettle

GRANT FUNDING

With direction and support from Council, the City was grateful to receiving the following funding from local, provincial or federal funding streams:

2024 GRANT FUNDS RECEIVED		
FUNDING SOURCE	PROJECT	FUNDING AMOUNT
GoByBike Society	GoByBike Weeks - Spring and Fall	\$2,400.00
UBCM	Asset Management Planning	\$15,500.00
BC Active Transportation Infrastructure Grants Program	Closing the Gap - New Sidewalks to Support Fernie's Pedestrians Project	\$375,000.00
UBCM Community Emergency Preparedness Fund	2024 Disaster Risk Reduction- Climate Adaptation	\$85,000.00
Ministry of Housing	Local Government Housing Initiatives	\$175,989.00
Ministry of Municipal Affairs	Small Communities Grant	\$537,300.00
Columbia Basin Trust	Fuel Management Firesmart Fernie	\$15,000.00
Ministry of Education and Child Care New Spaces Fund	Provincial Pilot Project - Child Care and Affordable Housing Initiative	\$10,552,400.00
UBCM	Next Generation 911 Grant	\$22,500.00
BC Recreation and Parks Association	2024 Family Day Grant	\$1,000.00
Canadian Heritage Funding	2024 Canada Together Celebration	\$4,000.00
CleanBC Organic Infrastructure and Collection Program	Organics Collection	\$96,918.00
CleanBC Roadmap and Climate Preparedness and Adaptation Strategy	Local Government Climate Action Program	\$231,716.00
UBCM/Government of Canada/ Ministry of Municipal Affairs	Local Government Development Approvals	\$77,285.11
Investing in Canada Infrastructure Program	Skatepark Redevelopment Project	\$1,223,493.76



RESORT MUNICIPALITY INITIATIVE (RMI)

RMI is a provincially funded program that supports tourism-based municipalities to build and diversify their tourism infrastructure and incorporate sustainable tourism practices and products. In 2022, the City’s 2022-2024 Resort Development Strategy was approved providing the City over \$2 million in funding. In 2024 RMI funding helped support the following projects:

2024 RMI PROJECTS		
<ul style="list-style-type: none">• Fernie Chamber of Commerce Ambassador Program• 2024 Griz Days• 2024 Holiday Kickoff• Elk Valley Pride Festival• Skatepark Covered Area	<ul style="list-style-type: none">• Watershed Walk Interpretive Signage Trail• Fernie Gravel Grind• Wam Bam Dirt Jump Jam• Feast for a Cause• Fernie and District Arts Council Banner Project	<ul style="list-style-type: none">• Fernie and District Arts Council Arena Mural• Winter Trails Collaborative Grooming• Trail Development, Restoration & Major Repairs

LOOKING AHEAD 2025 AND 2026

In 2025 and 2026 the City will continue to prioritize projects that advance Council's Strategic Plan Objectives:

1	2	3
QUALITY SERVICES	LIVEABLE COMMUNITY	ORGANIZATIONAL EXCELLENCE
Deliver dependable, sustainable services that meet the expectations of the community.	Ensure citizens can flourish in an inclusive and diverse community with sustainable infrastructure, amenities, and services.	Improve our organization and culture as we learn and adapt to the changing needs of the community.

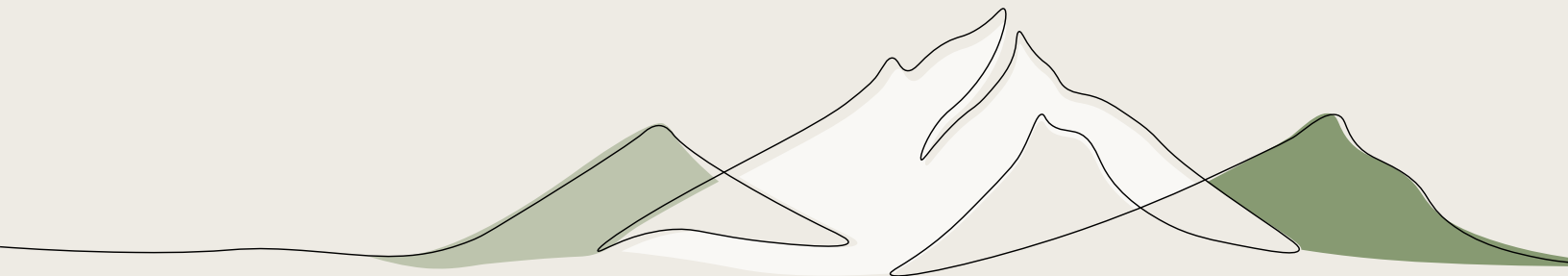


QUALITY SERVICES

Deliver dependable, sustainable services that meet the expectations of the community.

HERE IS WHAT WE HAVE PLANNED

- We'll be assessing the Request for Service tool current practices and using this to create a centralized response process and standards.
- Beginning a regular customer feedback process with facility users to help guide programming decisions starting with a survey on the Aquatic Centre aimed at understanding if the scheduled times and activities meet the diverse needs of the facility users.
- Providing Asset Management training for staff at all levels of the organization as we advance through work to define our Level of Service for all our service areas.
- We're reviewing and updating website content to ensure consistency across department pages, with a focus on user-friendly access to information and checklists to improve self-serve options.
- Completing a website needs assessment and communications audit to ensure that we are moving towards modern and effective platforms for informing and engaging with our community.
- We're developing a Public Engagement Framework that will provide a standardized approach to how we engage with community.
- We're reviewing the City's Asset Management Policy and creating a strategic road map to continue advancing the City's Asset Management program.
- We'll be undertaking a comprehensive assessment of our asset lifecycle management practices and prioritizing opportunities to streamline and improve business practices in line with asset management best practices. This will include determining an effective asset management software for the City.
- Continuing to expand our engagement touchpoints by collaborating with Community Partners like the Chamber for a BBB+ Budget event, and the Library for Local Government Awareness Week and Emergency Preparedness Week events.



Investing in Critical Infrastructure

- The Mountview Dike & Coal Creek Bin Wall rehabilitation project will commence in spring 2025, the \$1.98 million grant funded project will armour 350m of the dike at the confluence of the Elk River and Coal Creek along Sharpes Field, repair sections of the Coal Creek Bin Wall, and rehabilitate scour protection in the creek.
- The Fire Hall Replacement project to build an urgently needed new fire hall for the community is continuing to advance with detailed design underway, and a funding strategy being developed in advance of a borrowing referendum in fall 2025.
- The 2025 Roads Rehabilitation Program will see Canyon Trail and Cedar Ave. redeveloped – this cross-section was identified for reconstruction using the Pavement Condition Assessment report, and will include active transportation elements in the re-design.
- The C & L Right of Way realignment, and replacement of distribution mains on an unstable slope, is being re-costed and the City is pursuing grant funding to complete the required work.
- The multi-year workplan is continuing to bring the Wastewater Treatment System (WTS) into compliance under the Municipal Wastewater Regulation, managed through the BC Ministry of Environment. Compliance strategies have been identified and are being explored through detailed design and analysis.

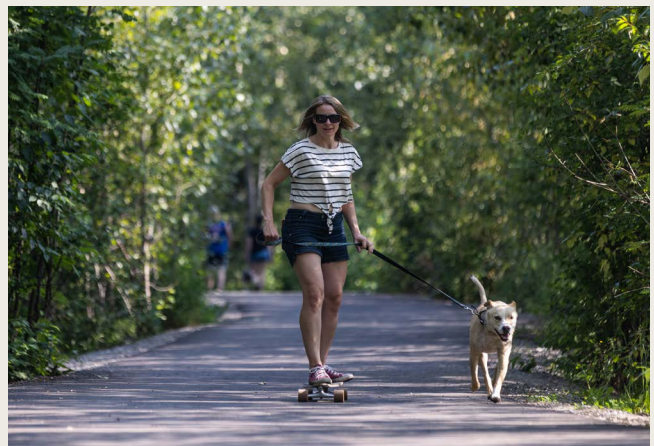


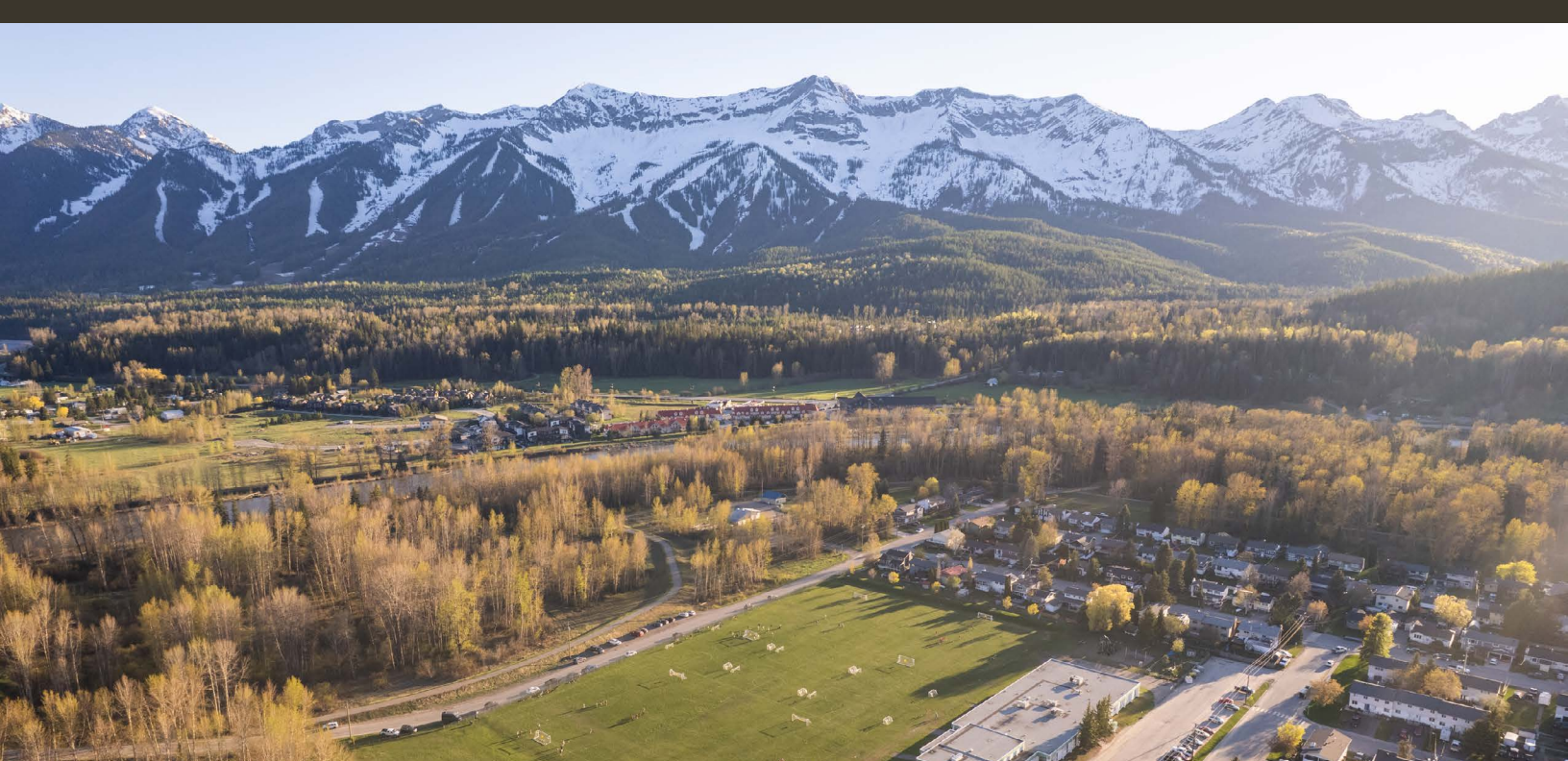
LIVEABLE COMMUNITY

Ensure citizens can flourish in an inclusive and diverse community with sustainable infrastructure, amenities, and services.

HERE IS WHAT WE HAVE PLANNED

- We're drafting and advancing a lease agreement to support the new Field House Society as they work toward funding, building and operating new indoor recreation space on City-owned property.
- We're awarding a contract for the update to the City's Official Community Plan (OCP) and in fall of 2025 will begin an extensive public engagement process to ensure that community priorities are reflected in the new OCP.
- The updated Housing Needs Report will be reflected in the new OCP to ensure that we are planning for the diverse, current and future housing needs of our population.
- We'll use the Official Community Plan process to update Future Land Use schedules and neighbourhood planning policies that consider complete neighbourhoods.
- Working collaboratively with the local Tourism sector and community partner organizations on strategies to invest funds allocated from the Province under the Resort Municipality Initiative (RMI) to support sustainable tourism infrastructure, programs, and services in Fernie. This work will inform the adoption of a renewed 3 Year Resort Development Strategy for Fernie.
- Continuing to prioritize the community-driven redevelopment of two City-owned properties that will improve access to affordable housing, and childcare – in 2025, we'll continue to dedicate resources to support the advancement of two major projects: 692 – 3rd Avenue (the redevelopment of the old fire hall site) and the Pine Avenue Childcare project.
- We're extending capacity by working with user groups to share tasks that allow us to open facilities earlier in the spring – for example installing nets and windscreens, or lining fields.
- We're working with Fernie service groups to create a new partnership to deliver a renewed Canada Day community event.
- Collaborating with a newly formed Outdoor Rink Society to help find long-term solutions for creating community-led outdoor skating opportunities in Fernie.
- We're updating outdated fees to cover the cost of delivering services, ensuring a more equitable user-pay model across our service areas: building and development fees, business licence fees, and cemetery fees will all be reviewed and adjusted.





- Working to standardize lease agreements with tenants, focusing on extending leases for childcare providers operating out of City facilities.
- Finalizing the Elk Valley Regional Accessibility Plan and getting Council endorsement will provide a roadmap to a coordinated approach to improving accessibility in our community. The plan developed with extensive committee and broad engagement comprises of clear action items, educational components, and reporting requirements.
- We're exploring more accessible service delivery options by adding Property Tax Payment Days at the Senior's Centre.
- Continuing to build relationships with Yaq'it'a-knuq'it through community meetings, working out of the Grasmere office to enhance knowledge sharing, collaboration on development files, and intentional engagement through key initiatives like the OCP update and Resort Development Strategy.

Tackling the Infrastructure Deficit

- We are undertaking a comprehensive facility assessment and capital plan update to establish short-term capital investment recommendations, to inform long range reserve contribution forecasting and investment decisions and create a foundation for dialogue around options for the City's facility asset portfolio moving forward. This project will fill in critical data gaps in the City's facility portfolio and enable inclusion of facilities into the City's Integrated Infrastructure Capital Plan (IICP) which to date captures linear assets such as water and wastewater mains.
- Reviewing funding structures of existing regional services through the budget process for opportunities to re-distribute taxation pressures amongst Fernie and RDEK residents.
- Advancing improved agreements with community partners alongside facility asset management plans which will include a facility investment road map and unlock opportunity to leverage additional capital grant opportunities that are traditionally not available to local governments.
- We are continuing to pursue grant opportunities for capital projects by ensuring shovel ready projects that align with our strategic initiatives.

ORGANIZATIONAL EXCELLENCE

Improve our organization and culture as we learn and adapt to the changing needs of the community.

HERE IS WHAT WE HAVE PLANNED

- We're launching Cloudpermit, a permit tracking software designed to simplify the building and development permit process. Starting in spring 2025, users will be able to submit and track building permit applications electronically.
- Continuing to resource the Culture Committee to support improved workplace culture through advancing our shared vision, mission and goals and by implementing staff suggestions received through ongoing internal engagement.
- In 2025, we're launching a monthly newsletter to give the City another avenue to reach the public and report on successes and engagement opportunities.
- We are continuing work towards COR certification. This will include continued education and development of each member of the team on their roles in the safety system, and working through the required sections in the COR program.
- We're advancing our Records Management Program by further scoping the project in 2025, with staff training and a major overhaul of our system planned in 2026.
- Following a successful pilot in the Public Works team, the City is looking to expand employee engagement to include a formal opportunity for union employees to participate in annual check-ins and professional development planning.
- Continuing to move more services online including recreation punch pass purchases, and booking for Outdoor Courts, and exploring options for pet licensing and other services.
- We're planning for the roll out of the Microsoft 365 secure bundle, which will enhance the City's cybersecurity practices.
- Completing our Business Process Optimization assessment of our primary Enterprise application (iCity VADIM) and developing a scaled implementation plan focusing on system modules to optimize finance related workflows and collaborating to prioritize high impact training opportunities across teams.
- Modernizing the City's data assets and processes to meet upcoming Federal regulatory changes that will see Canada switch from a national analog 911 service to the Next Generation 911 (NG911) digital service. This work has been funded through a direct granting program by the Province of British Columbia.
- We're looking forward to operational efficiencies and improved service delivery for snow and ice control once the winter sand shelter is constructed and our sand is protected from the elements.
- Formalising a cross-functional team to collaborate on the prioritization and implementation of asset management program elements and move toward meeting commitments set out in Council's Asset Management Policy.
- We're updating the Building Bylaw to ensure that construction standards are clear, up-to-date, and in line with the latest provincial and municipal regulations, and integrating those changes into the new online permitting software.



WE WANT TO HEAR FROM YOU

The City of Fernie will receive feedback on the 2024 Annual Municipal Report until June 24, 2025, at the close of the Annual General Meeting.

Submit your comments and questions on our Let's Talk page.

letstalk.fernie.ca/2024AMR

Email to letstalk@fernie.ca with "2024 Annual Municipal Report" in the subject line.

Mail or drop your comments to:

CITY HALL
501 3RD AVENUE
PO BOX 190
FERNIE, BC
V0B 1M0

APPENDIX A

DECLARATION OF DISQUALIFICATIONS

In accordance with Part 4 Division 5 of the Community Charter, the City Fernie must include in the Annual Municipal Report any Declarations of Disqualification made against individual members of Council in the previous year:

There are no Declarations of Disqualification to report in 2024 for the Council of the City of Fernie.

APPENDIX B

2024 STATEMENT OF PROPERTY TAX EXEMPTIONS

ROLL #	CIVIC ADDRESS	PROPERTY OWNER	EXEMPTED AMOUNT
209 00901.000	102 Commerce Road	Chamber of Commerce	\$17,165
209 01130.001	402 13th Street	Fernie Family Housing Society	\$9,166
209 01130.002	302 13th Street	Fernie Family Housing Society	\$7,421
209 01311.000	201 Allan Graham Drive	Fernie Golf & Country Club	\$17,307
209 01314.000	1501 5th Avenue	Fernie District Hospital - Land Surrounding	\$39,500
209 02042.000	201 2nd Avenue	Knox United Church - Land Surrounding	\$2,203
209 02146.000	471 1st Avenue	Lodge #81 of the BPOE of Canada - Parking Lot	\$804
209 02147.000	481 1st Avenue	Lodge #81 of the BPOE of Canada - Parking Lot	\$844
209 02148.000	491 1st Avenue	Lodge #81 of the BPOE of Canada	\$2,445
209 02159.000	491 2nd Avenue	Fernie & District Historical Society Museum	\$8,080
209 02191.000	551 1st Avenue	Royal Canadian Legion (Partial)	\$1,433
209 02216.050	562 3rd Avenue	Seniors Centre	\$6,763
209 02265.000	692 3rd Avenue	City of Fernie old firehall (EVFS)	\$8,614
209 02231.000	501 4th Avenue	Roman Catholic Church - Land Surrounding	\$3,747
209 02233.000	521 4th Avenue	Roman Catholic Church - Hall	\$10,527
209 02234.500	591 4th Avenue	Synod of Diocese of Kootenay - Land Surrounding	\$1,256
209 02320.000	741 2nd Avenue	Salvation Army	\$23,527
209 02322.000	781 2nd Avenue	Salvation Army - Parking Lot	\$2,963
209 02602.001	1142 6th Avenue	Fernie Citizens Housing Society	\$3,137
209 03020.000	421 9th Avenue	Jehovah's Witness	\$1,820

ROLL #	CIVIC ADDRESS	PROPERTY OWNER	EXEMPTED AMOUNT
209 03415.000	1341 8th Avenue	Pentecostal Church - Land Surrounding	\$2,213
209 03522.000	1592 10th Avenue	Women's Resource Centre	\$8,231
209 03575.000	1622 10th Avenue	Baptist Church - Land Surrounding	\$3,503
209 04436.000	Park Crescent - Green space	Crowsnest Pass Electric Light & Power Co. Ltd.	\$1,140
209 04939.000	322 Pine Avenue	Elk Valley Family Society	\$12,618
209 05030.001	101 - 1002 1st Avenue	Elk Valley Family Society	\$1,168
209 05030.003	103 - 1002 1st Avenue	Elk Valley Family Society	\$1,142
209 05030.008	301 - 1002 1st Avenue	Elk Valley Family Society	\$1,241
209 05030.009	302 - 1002 1st Avenue	Elk Valley Family Society	\$1,241
209 05030.010	303 - 1002 1st Avenue	Elk Valley Family Society	\$1,241
209 05030.011	304 - 1002 1st Avenue	Elk Valley Family Society	\$1,241
209 05030.012	401 - 1002 1st Avenue	Elk Valley Family Society	\$1,241
209 05030.014	403 - 1002 1st Avenue	Elk Valley Family Society	\$1,241
209 05030.015	404 - 1002 1st Avenue	Elk Valley Family Society	\$1,241
209 05030.016	101 - 1042 1st Avenue	Elk Valley Family Society	\$1,168
209 05030.018	103 - 1042 1st Avenue	Elk Valley Family Society	\$1,168
209 05030.023	301 - 1042 1st Avenue	Elk Valley Family Society	\$1,192
209 05030.024	302 - 1042 1st Avenue	Elk Valley Family Society	\$1,192
209 05030.025	303 - 1042 1st Avenue	Elk Valley Family Society	\$1,192
209 05030.026	302 - 1042 1st Avenue	Elk Valley Family Society	\$1,192

ROLL #	CIVIC ADDRESS	PROPERTY OWNER	EXEMPTED AMOUNT
209 05030.027	401 - 1042 1st Avenue	Elk Valley Family Society	\$1,241
209 05030.029	403 - 1042 1st Avenue	Elk Valley Family Society	\$1,241
209 05030.030	404 - 1042 1st Avenue	Elk Valley Family Society	\$1,241
209 05030.031	101 - 1092 1st Avenue	Elk Valley Family Society	\$1,168
209 05030.032	102 - 1092 1st Avenue	Elk Valley Family Society	\$1,168
209 05030.033	103 - 1092 1st Avenue	Elk Valley Family Society	\$1,168
209 05030.038	301 - 1092 1st Avenue	Elk Valley Family Society	\$1,192
209 05030.039	302 - 1092 1st Avenue	Elk Valley Family Society	\$1,192
209 05030.041	304 - 1092 1st Avenue	Elk Valley Family Society	\$1,192
209 05030.042	401 - 1092 1st Avenue	Elk Valley Family Society	\$1,241
209 05030.044	403 - 1092 1st Avenue	Elk Valley Family Society	\$1,241
209 05030.045	404 - 1092 1st Avenue	Elk Valley Family Society	\$1,241
209 05030.105	601 1st Avenue	Fernie & District Arts Council	\$4,877

APPENDIX C

2024 GRANTS AND PARTNERING AGREEMENTS

2024 GRANTS AND PARTNERING AGREEMENTS Funded by Taxation	
Access Guardian Program	\$11,250.00
Fernie District & Arts Council	\$40,834.80
Fernie & District Historical Society	\$51,999.96
Fernie Chamber of Commerce	\$109,212.16
Fernie Heritage Library	\$250,176.00
Fernie Seniors Drop-In Centre	\$27,000.00
	\$490,472.92

2024 GRANTS AND PARTNERING AGREEMENTS Funded by Resort Municipality Initiative	
Fernie Chamber of Commerce	\$35,000.00
Coal Creek Heritage Society	\$13,928.00
Tourism Fernie	\$11,550.00
Fernie Trails Alliance	\$26,445.00
	\$86,923.00

2024 DISCRETIONARY GRANTS Funded by Taxation	
Fernie Adaptive Snowsports	\$2,000.00
Reel Canadian Film Society	\$2,000.00
Elk Valley Hospice	\$1,500.00
Columbia Basin Alliance for Literacy	\$1,486.00
	\$6,986.00

APPENDIX D

AUDITED FINANCIAL STATEMENTS

CITY OF FERNIE



Management's Responsibility For Financial Reporting


The financial statements of The Corporation of the City of Fernie presented to Mayor and Council have been prepared by city management which has responsibility for their preparation, integrity and objectivity. The financial statements including notes, have been prepared in accordance with Canadian public sector accounting standards.


In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the City's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the City's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a budgetary system of control.

The ultimate responsibility for the financial statements lies with Mayor and Council. The Mayor and Council reviewed the financial statements with management in detail and the Mayor and Council approved the financial statements for release.

The Mayor and Council appoints external auditors to audit the financial statements and meets with the auditors to review their findings. The external auditors have full and free access to city records.

To the best of our knowledge and belief, these financial statements reflect, in all material respects, the financial position and results of operations and cash flows for the year in accordance with Canadian public sector accounting standards.


Mr. Bryn Burditt,
Director of Finance
May 13, 2025


Mr. Nic Milligan,
Mayor
May 13, 2025

CITY OF FERNIE



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P.O. Box 970, 602D - 2 Avenue, Fernie, BC V0B 1M0

Independent Auditors' Report

To the Mayor and Council of The Corporation of the City of Fernie

Opinion

We have audited the consolidated financial statements of The Corporation of the City of Fernie, which comprise the statement of financial position as at December 31, 2024 and December 31, 2023, and the statements of operations, change in net financial assets, and cash flows for the year then ended, and notes and schedules to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The Corporation of the City of Fernie as at December 31, 2024 and December 31, 2023, and the results of its operations, its changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the City in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the City's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the City or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the City's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the City's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the City to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the City to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Fernie, British Columbia
May 13, 2025


Chartered Professional Accountants



CITY OF FERNIE

Consolidated Statement of Financial Position As at December 31, 2024

	<u>2024</u>	<u>2023</u>
Financial Assets		
Cash	\$ 13,074,878	\$ 15,447,061
Temporary investments (note 2)	9,939,861	9,677,154
Taxes receivable	581,739	575,086
Accounts receivable, trade and other (note 3)	1,216,800	2,706,587
Inventory held for resale	<u>3,661</u>	<u>3,652</u>
	<u>24,816,939</u>	<u>28,409,540</u>
Financial Liabilities		
Accounts payable and accrued liabilities (note 4)	4,514,415	5,157,413
Deferred revenue (note 8)	3,422,863	7,176,814
Development cost charges (note 9)	3,165,896	2,958,580
Gas tax transfer (note 10)	2,098,151	2,257,178
Temporary borrowings (note 11)	600,000	1,200,000
Debenture debt (note 12)	1,966,095	2,121,143
Asset retirement obligation (note 13)	<u>1,113,116</u>	<u>1,070,201</u>
	<u>16,880,536</u>	<u>21,941,329</u>
Net Financial Assets	7,936,403	6,468,211
Non Financial Assets		
Tangible capital assets (see schedule)	<u>118,928,702</u>	<u>117,915,120</u>
Accumulated Surplus (note 14)	<u>\$ 126,865,105</u>	<u>\$ 124,383,331</u>

Mr. Bryn Burditt
Director of Finance

Mr. Nic Milligan
Mayor, City of Fernie

CITY OF FERNIE



Consolidated Statement of Operations For the Year Ended December 31, 2024

	<u>2024</u>	<u>Unaudited Budget</u>	<u>2023</u>
Revenue			
Taxation (note 16)	\$ 15,074,622	\$ 15,042,025	\$ 14,194,174
Water services	1,506,972	1,500,570	1,454,518
Sewer services	2,008,601	1,985,642	1,910,871
Solid waste management/recycling	488,385	383,100	416,895
Protective services	515,415	425,027	410,120
Parks/recreation/culture	644,275	707,000	607,695
Planning and development services	272,902	590,850	460,710
Other services/franchise fees	473,908	226,071	204,887
Transfers from other governments	2,058,537	3,823,894	6,032,744
Gas tax transfer earned	574,577	884,275	-
Actuarial adjustments on debenture debt	51,114	-	45,722
Investment income	<u>845,886</u>	<u>445,000</u>	<u>793,817</u>
	<u>24,515,194</u>	<u>26,013,454</u>	<u>26,532,153</u>
Expenditures			
Legislative	280,111	253,137	295,404
General administration	2,754,024	2,848,405	2,466,584
General government	785,648	827,779	923,465
Water services	1,051,083	1,029,704	874,801
Sewer services	1,262,062	1,449,107	1,171,205
Solid waste management and recycling	555,581	512,121	486,623
Protective services	3,327,721	3,288,387	3,251,179
Parks, recreation and culture	3,724,949	3,727,356	3,471,297
Planning and development services	1,293,143	1,242,515	1,274,360
Public works	2,345,146	2,194,558	2,019,706
Amortization	4,268,555	2,529,198	4,162,923
Other services	<u>385,397</u>	<u>344,331</u>	<u>895,020</u>
	<u>22,033,420</u>	<u>20,246,598</u>	<u>21,292,567</u>
Annual surplus	2,481,774	5,766,856	5,239,586
Accumulated surplus, beginning of year	<u>124,383,331</u>	<u>124,383,331</u>	<u>119,143,745</u>
Accumulated surplus, end of year	<u>\$ 126,865,105</u>	<u>\$ 130,150,187</u>	<u>\$ 124,383,331</u>



CITY OF FERNIE

Consolidated Statement of Change in Net Financial Assets For the Year Ended December 31, 2024

	<u>2024</u>	<u>Unaudited Budget</u>	<u>2023</u>
Annual surplus	\$ <u>2,481,774</u>	\$ <u>5,766,856</u>	\$ <u>5,239,586</u>
Add (less):			
Change in tangible capital assets			
Acquisition of tangible capital assets	(5,282,138)	-	(8,601,823)
Amortization of tangible capital assets	4,268,556	2,529,198	4,162,923
Write down of tangible capital assets	-	-	-
Proceeds from disposal of tangible capital assets	-	-	-
Loss (gain) on disposal of tangible capital assets	<u>-</u>	<u>-</u>	<u>-</u>
	<u>(1,013,582)</u>	<u>2,529,198</u>	<u>(4,438,900)</u>
Change in other non-financial assets			
Change in deposits	<u>-</u>	<u>-</u>	<u>-</u>
Increase (decrease) in financial assets	1,468,192	8,296,054	800,686
Financial assets (net debt) at beginning of the year	<u>6,468,211</u>	<u>6,468,211</u>	<u>5,667,525</u>
Financial assets (net debt) at end of the year	\$ <u>7,936,403</u>	\$ <u>14,764,265</u>	\$ <u>6,468,211</u>

CITY OF FERNIE



Consolidated Statement of Cash Flows For the Year Ended December 31, 2024

	<u>2024</u>	<u>2023</u>
Cash provided by (used for)		
Operations		
Annual surplus	\$ 2,481,774	\$ 5,239,586
Items not affecting cash		
Amortization	4,268,556	4,162,923
Accretion	42,915	41,261
Actuarial adjustments on debenture debt	<u>(51,114)</u>	<u>(45,722)</u>
	<u>6,742,131</u>	<u>9,398,048</u>
Change in working capital items:		
Change in Taxes receivable	(6,653)	(280,933)
Change in Accounts receivable, trade and other	1,489,787	5,868,923
Change in Inventory held for resale	(10)	9
Change in Accounts payable and accrued liabilities	(642,999)	430,574
Change in Deferred revenue	(3,753,951)	5,095,351
Change in Development cost charges	207,315	300,895
Change in Gas tax transfer	<u>(159,027)</u>	<u>382,003</u>
	<u>(2,865,538)</u>	<u>11,796,822</u>
	<u>3,876,593</u>	<u>21,194,870</u>
Capital Transactions		
Tangible capital assets acquired	<u>(5,282,138)</u>	<u>(7,572,883)</u>
	<u>(5,282,138)</u>	<u>(7,572,883)</u>
Investing		
Change in Temporary investments	<u>(262,707)</u>	<u>(266,181)</u>
Financing		
Repayment of Temporary borrowings	(600,000)	(600,000)
Repayment of Debenture debt	<u>(103,931)</u>	<u>(103,931)</u>
	<u>(703,931)</u>	<u>(703,931)</u>
Change in cash	(2,372,183)	12,651,875
Cash - beginning	<u>15,447,061</u>	<u>2,795,186</u>
Cash - ending	<u>\$ 13,074,878</u>	<u>\$ 15,447,061</u>
Cash	\$ 13,074,878	\$ 15,447,061
Bank indebtedness	<u>-</u>	<u>-</u>
Cash - ending	<u>\$ 13,074,878</u>	<u>\$ 15,447,061</u>



CITY OF FERNIE

Consolidated Schedule of Tangible Capital Assets For the Year Ended December 31, 2024

	Opening Balance	Additions	Disposals	Closing Balance	Accumulated Amortization Opening Balance	Disposals	Amortization	Accumulated Amortization Closing Balance	Net Carrying Amount
Land	\$ 4,413,960	\$ -	\$ -	\$ 4,413,960	\$ -	\$ -	\$ -	\$ -	\$ 4,413,960
Land Improvements	12,486,674	2,548,598	-	15,035,272	(1,460,528)	-	(462,133)	(1,922,661)	13,112,611
Buildings	27,369,553	478,158	-	27,847,711	(10,102,559)	-	(916,440)	(11,018,999)	16,828,711
Transportation	44,542,905	1,692,305	-	46,235,210	(23,005,403)	-	(992,799)	(23,998,202)	22,237,008
Water System	38,605,499	383,797	-	38,989,296	(10,641,250)	-	(542,433)	(11,183,683)	27,805,613
Sanitary Sewer System	28,830,179	103,877	-	28,934,056	(11,733,389)	-	(462,059)	(12,195,448)	16,738,608
Storm Sewer System	12,202,984	92,948	-	12,295,932	(5,926,186)	-	(194,022)	(6,120,208)	6,175,724
Vehicles & Equipment	13,297,068	1,181,386	-	14,478,454	(8,544,701)	-	(698,670)	(9,243,371)	5,235,083
Under Construction	7,580,315	(1,198,931)	-	6,381,384	-	-	-	-	6,381,384
	<u>\$189,329,137</u>	<u>\$ 5,282,138</u>	<u>\$ -</u>	<u>\$ 194,611,275</u>	<u>\$ (71,414,016)</u>	<u>\$ -</u>	<u>\$ (4,268,556)</u>	<u>\$ (75,682,572)</u>	<u>\$118,928,702</u>

Consolidated Schedule of Tangible Capital Assets For the Year Ended December 31, 2023

	Opening Balance	Additions	Disposals	Closing Balance	Accumulated Amortization Opening Balance	Disposals	Amortization	Accumulated Amortization Closing Balance	Net Carrying Amount
Land	\$ 4,413,960	\$ -	\$ -	\$ 4,413,960	\$ -	\$ -	\$ -	\$ -	\$ 4,413,960
Land Improvements	3,990,648	8,496,026	-	12,486,674	(1,124,999)	-	(335,529)	(1,460,528)	11,026,146
Buildings	26,061,317	1,308,236	-	27,369,553	(9,211,358)	-	(891,201)	(10,102,559)	17,266,994
Transportation	44,542,905	-	-	44,542,905	(22,029,214)	-	(976,189)	(23,005,403)	21,537,502
Water System	38,595,255	10,244	-	38,605,499	(10,104,722)	-	(536,528)	(10,641,250)	27,964,248
Sanitary Sewer System	28,690,963	139,216	-	28,830,179	(11,149,480)	-	(583,909)	(11,733,389)	17,096,790
Storm Sewer System	12,062,122	140,862	-	12,202,984	(5,736,963)	-	(189,223)	(5,926,186)	6,276,798
Vehicles & Equipment	11,978,890	1,318,178	-	13,297,068	(7,894,357)	-	(650,344)	(8,544,701)	4,752,367
Under Construction	10,391,254	(2,810,939)	-	7,580,315	-	-	-	-	7,580,315
	<u>\$180,727,314</u>	<u>\$ 8,601,823</u>	<u>\$ -</u>	<u>\$ 189,329,137</u>	<u>\$ (67,251,093)</u>	<u>\$ -</u>	<u>\$ (4,162,923)</u>	<u>\$ (71,414,016)</u>	<u>\$117,915,120</u>



CITY OF FERNIE

Notes to Consolidated Financial Statements December 31, 2024

The City of Fernie (the "City") founded in 1898 and was incorporated in 1904 under the Municipal Act, a statute of the Province of British Columbia. Its principal activities are the provision of local government services to residents of the incorporated area. These include administrative, protective, transportation, environmental, recreational, water, sewer and fiscal services.:

1 Significant Accounting Policies

The financial statements of the City are prepared by management in accordance with Canadian Public Sector Accounting Standards (PSAS) for local governments as recommended by the Public Sector Accounting Board (PASAB) of the Chartered Professional Accountants of Canada. Significant accounting policies adopted by the City are as follows:

a) Basis of Presentation

The City of Fernie capital and operations are divided into General, Water Utility, Sewer Utility, Reserves and Statutory Reserve Funds for accounting and financial reporting purposes. The consolidated financial statements include all the accounts of these funds.

b) Budget Figures

The budget figures are from the annual Five-Year Financial Plan Bylaw adopted before May 15 of each year. Subsequent amendments may have been made by council to reflect changes in the budget as required by law. The budget figures are unaudited.

c) Basis of accounting

The City follows the accrual method of accounting for revenues and expenses. Revenues are recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay.

d) Cash and cash equivalent

Cash and cash equivalents are defined as cash on hand, demand deposits, and short-term highly liquid investments with a maturity date of less than three months at acquisition, that are readily converted to known amounts of cash and which are subject to an insignificant risk of change in value.

e) Temporary Investments

Investments are recorded at cost. Investments in the Municipal Finance Authority of British Columbia ("MFA") Bond and Money Market Funds are recorded at cost plus earnings reinvested in the funds.



CITY OF FERNIE

Notes to Consolidated Financial Statements December 31, 2024

f) Inventory

Inventory is valued at the lower of cost, or market value on the first in first out basis.

g) Non-Financial Assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

i. Tangible capital assets

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets, excluding land, are amortized on a straight-line basis over their estimated useful lives as follows:

Land	no amortization
Land improvements	straight line 20 years
Buildings	straight line 20 to 50 years
Transportation	straight line 15 to 50 years
Water system	straight line 5 to 100 years
Sanitary sewer system	straight line 10 to 80 years
Storm sewer system	straight line 30 to 80 years
Vehicles & equipment	straight line 5 to 20 years
Under construction	no amortization

Amortization is charged annually, including in the year of acquisition and disposal. Assets under construction are not amortized until the asset is available for productive use.

Tangible capital assets are written down when conditions indicate that they no longer contribute to the City's ability to provide goods and services, or when the value of the future economic benefits associated with the asset are less than the book value of the asset.

ii. Contributions of tangible capital assets

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and also are recorded as revenue.



CITY OF FERNIE

Notes to Consolidated Financial Statements December 31, 2024

h) Revenue Recognition

Revenues from transactions with performance obligations are recognized when the City satisfied the performance obligations, either at a point in time, or over a period of time, which occurs when control of the benefits associated with the promised good or services has passed to the payor.

Taxation for municipal purposes is recorded when the taxable event occurs, which is the period for which the tax is levied (calendar year). The City recognizes revenue from users of the water, sewer, and solid waste disposal on a straight-line basis over the period of time (quarterly) that the relevant performance obligations are satisfied by the City.

The City recognizes revenue from administrative services, building permits, development permits, and other licenses and permits at the point in time or over the period of time that the City has performed the related performance obligations, and control of the related benefits has passed to the payors.

The City recognizes revenue from tax penalties and interest, parking ticket fines, and other revenue without associated performance obligations at the realizable value at the point in time when the City is authorized to collect these revenues.

The City of Fernie adopted Canadian public sector accounting standard PS 3400 *Revenue Recognition* on January 1, 2024, the first fiscal year impacted by the April 1, 2023 effective date. The new accounting standard differentiates between revenue arising from transactions with performance obligations (exchange transactions) and transactions that do not have performance obligations (non-exchange transactions). The standard was adopted on a prospective basis at the date of adoption resulting in no change to accumulated surplus or annual surplus for comparative years presented.

i) Government Transfers

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

j) Deferred Revenue

Deferred revenue includes grants, contributions and other amounts received from third parties pursuant to legislation, regulation and agreement which may only be used in certain programs, in the completion of specific work, or for the purchase of tangible capital assets. In addition, certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred, services performed, or the tangible capital assets are acquired.



CITY OF FERNIE

Notes to Consolidated Financial Statements December 31, 2024

k) Debenture Debt

Long-term debt is recorded net of related principal repayments and actuarial adjustments.

l) Asset Retirement Obligations

An asset retirement obligation is a legal obligation associated with the retirement of a tangible capital asset that the City will be required to settle. The City recognizes asset retirement obligations when there is a legal obligation to incur retirement costs in relation to a tangible capital asset, the past transaction or event giving rise to the liability has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made.

Asset retirement obligations are initially measured at the best estimate of the amount required to retire a tangible capital asset at the financial statement date. The estimate of a liability includes costs directly attributable to asset retirement activities.

Asset retirement obligations are recorded as liabilities with corresponding increases to the carrying amount of the related tangible capital asset. Subsequently, the asset retirement costs are allocated to the expenses over the useful life of the tangible capital asset. The obligation is adjusted to reflect period-to-period changes in the liability resulting from the passage of time and for revisions to either the timing of the amount of the original estimate of the undiscounted cash flows or the discount rate.

m) Employee Future Benefits

The City of Fernie and its employees make contributions to the Municipal Pension Plan. These contributions are expensed as incurred.

Sick leave and other retirement benefits are also available to the City of Fernie's employees. The costs of these benefits are actuarially determined based on service and best estimates of retirement ages and expected future salary and wage increases. The obligations under these benefit plans are accrued based on projected benefits as the employees render services necessary to earn the future benefits.

n) Municipal Finance Authority

Debt Reserve Fund is carried at cost plus accrued interest earned.

o) Financial Instruments

The City's financial instruments consist of cash and temporary investments, accounts receivable, accrued interest, accounts payable, deferred revenue and debenture debt. Unless otherwise noted, it is management's opinion that the City is not exposed to significant interest, currency or credit risk arising from these financial instruments. The fair value of these financial instruments approximates their carrying value unless otherwise noted.

CITY OF FERNIE



Notes to Consolidated Financial Statements December 31, 2024

p) Inter-fund Balances and Transactions

All material inter-fund transactions and balances have been eliminated within the Consolidated Financial Statements.

q) Measurement of uncertainty

The preparation of financial statements in conformity with public sector accounting standards for local governments requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditure during the reporting period. Significant areas requiring the use of management estimates relate to the determination of accrued sick benefits and retirement liability, collectability of accounts receivable, useful lives of tangible capital assets for calculation of amortization and provisions for contingencies. By their nature, these estimates are subject to measurement uncertainty and the effect on the consolidated financial statements of changes in such estimates in future periods could be significant.

r) Public Private Partnerships

On April 1, 2023 the City of Fernie adopted Canadian public sector accounting standards PS 3160 *Public Private Partnerships*. The new accounting standard establishes guidelines for the recognition, measurement, presentation, and disclosure of infrastructure procured through certain types of public private partnership arrangements. Given the nature of its work, the City of Fernie does not engage in these types of partnerships and as such, adoption of the standard has had no impact on the financial statements.

2 Temporary Investments

	Market <u>2024</u>	Cost <u>2024</u>	Cost <u>2023</u>
MFA BC Gov't FOC Ultra-Short Bond Fund	\$ 6,604,199	\$ 6,542,962	\$ 6,382,694
MFA BC Short Term Bond Fund	3,199,905	3,296,128	3,198,273
MFA BC Money Market Fund	<u>100,771</u>	<u>100,771</u>	<u>96,187</u>
	<u>\$ 9,904,875</u>	<u>\$ 9,939,861</u>	<u>\$ 9,677,154</u>



CITY OF FERNIE

Notes to Consolidated Financial Statements December 31, 2024

3 Accounts Receivable, Trade and Other

	<u>2024</u>	<u>2023</u>
Provincial Government	\$ 467,938	\$ 2,125,309
Utilities	263,244	275,679
GST	65,641	-
General, Community Centre and Business Licenses	334,368	252,593
Other	<u>85,609</u>	<u>53,006</u>
	<u>\$ 1,216,800</u>	<u>\$ 2,706,587</u>

4 Accounts Payable and Accrued Liabilities

	<u>2024</u>	<u>2023</u>
Master Accounts Payable	\$ 1,889,377	\$ 1,902,082
Damage Deposits and Holdbacks	642,089	880,080
Staff Wage, Banked Time and Overtime	825,534	838,713
Payroll Taxes and BC Work Safe	42,432	71,066
Letters of Credit	994,622	1,323,650
Other	<u>120,361</u>	<u>141,822</u>
	<u>\$ 4,514,415</u>	<u>\$ 5,157,413</u>

5 Reserves for Future Expenditures

Reserves for future expenditures are non-statutory reserves which represent an appropriation of surplus for specific purposes. Transfers to reserves for future expenditures includes funds to finance incomplete projects and accumulations for specific purposes.

6 Letters of Credit

In addition to the performance deposits reflected in the cash balances, the City is holding irrevocable Letters of Credit in the amount of \$994,622 (2023 - \$1,323,650) which were received from the depositors to ensure their performance of works to be undertaken within the City. These amounts are available to satisfy any liabilities arising from non-performance by the depositors.



CITY OF FERNIE

Notes to Consolidated Financial Statements December 31, 2024

7 Contingent Liabilities

- a) The City is responsible, as a member of the Regional District of East Kootenay, for its portion of any operating deficits or capital debt related to functions in which it participates.
- b) The City issues all of 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 City also issues demand notes in connection with each debenture issue whereby the City may be required to loan these amounts to the Municipal Finance Authority. These demand notes are contingent in nature in the amount of \$68,011 (2023 - \$81,713).
- c) In the normal course of business, the City of Fernie may be a defendant in various lawsuits for which no liability is reasonably determinable at this time. Should the claims be successful as a result of litigation, amounts will be recorded when a liability is likely and determinable.

The City of Fernie is self-insured for general liability claims through membership in the Municipal Insurance Association of British Columbia, a reciprocal insurance exchange. Under this program, member municipalities jointly share claims against any member in excess of their deductible. Should the Association pay out claims in excess of premiums received, it is possible that the City of Fernie, along with the other participants, would be required to contribute towards the deficit. The City of Fernie's deductible is \$10,000.

8 Deferred Revenue

Deferred revenue consists of payments received in advance of their due date for property taxes, utilities and leases. Other deferred revenue includes grants received prior to completion of the conditions for which the grant was granted, advance payments for business licenses and deferred building and plumbing permits.

	<u>2024</u>	<u>2023</u>
BC Housing lease for sixty years term ending 2058 with \$45,000 paid in advance in 1998.	\$ 24,750	\$ 25,500
Property taxes	1,969,480	1,760,341
Utilities	51,848	75,004
BC Covid-19 Safe Restart Grant	-	279,803
Childcare BC New Spaces Fund	158,442	4,000,000
Disaster Risk Reduction Funding	791,760	849,782
Other deferred revenue	<u>426,583</u>	<u>186,384</u>
	<u>\$ 3,422,863</u>	<u>\$ 7,176,814</u>



CITY OF FERNIE

Notes to Consolidated Financial Statements December 31, 2024

9 Development Cost Charges

Development Cost Charges represent funds received from land developers pursuant to bylaw. Deposits must be expended on projects for which they are designated, and are transferred to tangible capital assets through the development cost charges earned income statement account as expenditures are made. Interest earned on deposits are credited to development cost charges balance sheet account. This treatment results in interest income on development cost charges not appearing on the income statement in the year the interest income is received.

	<u>Roads</u>	<u>Sanitary</u>	<u>Drainage</u>	<u>Water</u>	<u>Parkland</u>	<u>2024</u>
Opening balance	\$ 1,753,400	\$ 339,712	\$ 196,967	\$ 627,348	\$ 41,154	\$ 2,958,580
Additions	59,933	17,083	4,430	28,771	6,589	116,806
Interest	53,501	10,448	5,975	19,252	1,333	90,510
Capital Acquired	-	-	-	-	-	-
Closing Balance	<u>\$ 1,866,834</u>	<u>\$ 367,241</u>	<u>\$ 207,372</u>	<u>\$ 675,371</u>	<u>\$ 49,076</u>	<u>\$ 3,165,896</u>

10 Gas Tax Transfer

Federal Gas Tax Transfer funds are made available to local governments by the Government of Canada pursuant to the Agreement on the Transfer of Federal Gas Tax Revenues between the Union of BC Municipalities and the Governments of Canada and British Columbia. Funding under the program may be directed to local priorities that fall within one of the eligible project categories and that are in keeping with the Agreement's intended outcomes of reduced greenhouse gas emissions, cleaner air and cleaner water. Transfers are credited to the Federal Gas Tax Transfers Earned income statement account as expenditures are made. Interest earned on deposits is credited to the Federal Gas Tax Transfers balance sheet account. This treatment results in interest income on Federal Gas Tax Transfer deposits not appearing on the income statement in the year the interest income is received.

	<u>2024</u>	<u>2023</u>
Gas Tax Transfer opening balance	\$ 2,257,178	\$ 1,875,175
Gas Tax Transfer interest	64,364	61,069
Gas Tax Transfer received	351,186	320,934
Gas Tax Transfer expenditures	<u>(574,577)</u>	<u>-</u>
Gas Tax Transfer closing balance	<u>\$ 2,098,151</u>	<u>\$ 2,257,178</u>



CITY OF FERNIE

Notes to Consolidated Financial Statements December 31, 2024

11 Temporary Borrowings

On December 14, 2020 Council authorized the City of Fernie to borrow \$3,000,000 under Section 175 of the Community Charter, from the Municipal Finance Authority, for purposes of funding the public works building that was constructed in 2019. Council passed resolution to repay the loan principal in five equal installments of \$600,000, paid annually no later than August 31st. The \$600,000 principal payment will reduce reserve contributions in each of the following five years. Balance of loan at December 31, 2024 is \$600,000 (2023 - \$1,200,000). Interest is calculated daily. Interest accrued on the borrowing was \$35,628 (2023 - \$64,463) as of December 31, 2024.

12 Debenture Debt

The loan agreements with the City and the MFA provide that if, at any time, the scheduled payments provided for in the agreements are not sufficient to meet the MFA's obligations in respect of such borrowings, the resulting deficiency becomes a liability of the City.

The City issues its debentures through the MFA. Debentures are issued on a sinking fund basis, where the MFA invests the City's sinking fund payments so that the payments, plus investment income, will equal the original outstanding debt amount at the end of the repayment period.

Bylaw #	MFA Issue #	Use of Proceeds	Interest Rate	Year of Maturity	2024	2023
1937	85	Downtown revitalization	4.975%	2024	\$ -	\$ 34,756
2047	102	Sewer infrastructure	4.820%	2027	162,610	213,189
2589	146	West Fernie infrastructure	3.200%	2043	1,803,485	1,873,198
					<u>\$ 1,966,095</u>	<u>\$ 2,121,143</u>

Future repayment on existing debts:

	Principal	Interest	Actuarial Additions
2025	\$ 87,000	\$ 101,359	\$ 33,978
2026	87,000	101,359	37,964
2027	87,000	101,359	42,079
2028	60,134	70,159	18,327
2029	60,134	70,159	20,681
2030 and subsequent	<u>851,412</u>	<u>982,222</u>	<u>580,386</u>
	<u>\$ 1,232,680</u>	<u>\$ 1,426,617</u>	<u>\$ 733,415</u>



CITY OF FERNIE

Notes to Consolidated Financial Statements December 31, 2024

13 Asset Retirement Obligations

The City owns and operates several buildings that are known to have asbestos and lead paint, which represents a health hazard upon demolition or renovation of the assets and there is a legal obligation to remove and dispose of the hazardous material. Following the adoption of Public Accounting Standard PS 3280 Asset Retirement Obligations, the City recognized an obligation relating to the removal of the hazardous materials in these assets as estimated at January 1, 2023.

The transition and recognition of asset retirement obligations involved an accompanying increase to the building's capital assets. The building increase in capital assets is amortized on a straight-line basis over the remaining expected useful life of the related asset. The City has adopted this standard prospectively. Under the prospective method, the discount rate and assumptions used on initial recognition are those as of the date of adoption of the standard. Estimated costs totaling \$1.674 million have been discounted using a present value calculation with a discount rate of 4.01%. The timing of these expenditures is estimated to occur between 2025 and 2057 with the regular replacement, renovation, or disposal of assets. No recoveries are expected at this time.

	<u>2024</u>	<u>2023</u>
Opening asset retirement obligation	\$ 1,070,201	\$ -
Initial recognition of expected discounted cash flows	-	1,028,940
Increase due to accretion	<u>42,915</u>	<u>41,261</u>
Closing asset retirement obligation	<u>\$ 1,113,116</u>	<u>\$ 1,070,201</u>



CITY OF FERNIE

Notes to Consolidated Financial Statements December 31, 2024

14 Accumulated Surplus

	<u>2024</u>	<u>2023</u>
Accumulated Surplus Non-Financial Assets		
Investment in tangible capital assets	\$ 113,444,904	\$ 112,057,267
Total Accumulated Surplus Non-Financial Assets	113,444,904	112,057,267
Statutory Reserve Funds		
General capital	1,459,408	1,198,648
Water capital	560,215	1,801,969
Sewer capital	1,095,522	767,597
Capital works, equipment & machinery	1	1
Courthouse reserve fund	387,542	351,618
Facilities renovation reserve fund	1,493,543	1,368,908
Land sale reserve fund	16,310	15,835
Parkland dedication reserve fund	369,673	358,906
Transportation infrastructure reserve fund	712,917	661,789
Vehicle and equipment replacement reserve fund	<u>2,988,627</u>	<u>2,420,445</u>
Total Statutory Reserve Funds	9,083,758	8,945,716
Reserve Accounts		
Coal miner's walk reserve account	39,189	38,048
Affordable housing reserve account	63,067	61,230
Self insurance reserve account	10,836	10,520
Growing communities fund reserve account	2,745,352	2,665,390
Stormwater reserve account	<u>492,265</u>	<u>388,683</u>
Total Reserve Accounts	3,350,709	3,163,871
Unappropriated Operating Surplus		
General revenue reserve	(1,912,042)	(1,800,825)
Water revenue reserve	958,004	885,964
Sewer revenue reserve	<u>701,850</u>	<u>447,395</u>
Total Unappropriated Operating Surplus	(252,188)	(467,466)
Externally Controlled Reserve Funds		
Resort municipality initiative	<u>1,237,922</u>	<u>683,943</u>
Total Externally Controlled Reserve Funds	1,237,922	683,943
Total Accumulated Surplus Net Financial Assets	13,420,201	12,326,064
Total Accumulated Surplus	\$ 126,865,105	\$ 124,383,331



CITY OF FERNIE

Notes to Consolidated Financial Statements December 31, 2024

15 Pension Liability

The municipality and its employees contribute to the Municipal Pension Plan (a jointly trustee pension plan). The Board of Trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2023, the plan has about 256,000 active members and approximately 129,000 retired members. Active members include approximately 45,000 contributors from local governments.

Every three years, an actuarial valuation is performed to assess the financial position of the plan and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plan. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plan. This rate may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2021 indicated a \$3,761 million funding surplus for basic pension benefits on a going concern basis.

The City of Fernie paid \$731,173 (2023 - \$679,728) for employer contributions while employees contributed \$645,203 (2023 - \$601,506) to the plan in fiscal 2024.

The next valuation will be as at December 31, 2024.

Employers participating in the plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the plan records accrued liabilities and accrued assets for the plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the plan.

CITY OF FERNIE



Notes to Consolidated Financial Statements December 31, 2024

16 Net Taxation and Grants-in-lieu

As well as taxes for its own purposes, the City is required to collect taxes on behalf of, and transfer these amounts to, the government agencies noted below. Taxes levied over or under the amounts requisitioned are recorded as accounts payable or receivable.

	<u>2024</u>	<u>Budget</u>	<u>2023</u>
Taxation			
Taxation real property	\$ 10,446,315	\$ 10,496,655	\$ 9,783,535
Industrial tax base sharing	3,461,569	3,461,569	3,362,532
1% Utility Tax	258,172	251,682	255,731
Frontage/Parcel/SSA Tax	579,203	545,965	543,311
Penalties and interest on taxes	<u>160,149</u>	<u>150,000</u>	<u>152,835</u>
	<u>14,905,408</u>	<u>14,905,871</u>	<u>14,097,944</u>
Grants in lieu of taxes			
Federal government	20,099	21,737	20,315
Provincial government agencies	<u>123,039</u>	<u>114,418</u>	<u>106,933</u>
	<u>143,138</u>	<u>136,155</u>	<u>127,248</u>
Collection for other governments			
School District	5,301,085	4,982,647	4,982,648
Regional District Hospital	1,188,303	964,278	964,278
Municipal Finance Authority	627	622	622
BC Assessment Authority	118,595	109,653	109,653
Regional District of East Kootenay	<u>1,732,401</u>	<u>1,674,130</u>	<u>1,674,130</u>
	<u>8,341,011</u>	<u>7,731,330</u>	<u>7,731,331</u>
School District	(5,280,191)	(4,982,648)	(5,015,523)
Regional District Hospital	(1,186,061)	(964,278)	(963,577)
Municipal Finance Authority	(655)	(622)	(621)
BC Assessment Authority	(118,356)	(109,653)	(109,584)
Regional District of East Kootenay	<u>(1,729,672)</u>	<u>(1,674,130)</u>	<u>(1,673,044)</u>
	<u>(8,314,935)</u>	<u>(7,731,331)</u>	<u>(7,762,349)</u>
	<u>\$ 15,074,622</u>	<u>\$ 15,042,025</u>	<u>\$ 14,194,174</u>



CITY OF FERNIE

Notes to Consolidated Financial Statements December 31, 2024

17 Total Expenditure by Object

	<u>2024</u>	<u>2023</u>
Labour and benefits	\$ 10,691,327	\$ 8,888,773
Amortization	4,268,555	4,204,181
Operating goods and services	6,926,318	8,023,561
Debt servicing	<u>147,220</u>	<u>176,055</u>
	<u>\$ 22,033,420</u>	<u>\$ 21,292,570</u>

18 Financial Instruments

The City's financial instruments consist of various assets and liabilities. Unless otherwise noted, it is management's opinion that the City is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values, unless otherwise noted

Credit Risk Management

The City is exposed to credit risk on the accounts receivable from its customers. However, because of the large number of rate payers, credit risk concentration is reduced at the minimum. If a property owner does not pay their property taxes and or water and sewer utility bills, the City can follow a legal process to auction the property in a tax sale to recover unpaid property taxes and water and sewer utility bills.

Interest Risk

Interest rate risk is the adverse affect a rise in interest rates could have on the City's earnings.

The City has an operating loan that bears interest at prime minus 0%. If the prime rate changes, the City's earnings and required cash flow to service the debt may be affected.

The City has debenture debt that bears interest at rates of 3.20% to 4.820%. If the City refinances this debt as it comes due at higher rates the City's earnings and required cash flow to service the debt may be affected.

Fair Values

The carrying amount of temporary investments, taxes receivable, accounts receivable, inventories for resale, and accounts payable approximates their fair value because of the short term maturities of these items.

The carrying amount of deferred revenue and development cost charges approximates their fair value because there are no contractual obligations of when the funds are expended.

The carrying amount of debenture debt is slightly higher than fair value as market interest rates have declined since their issue.



CITY OF FERNIE

Notes to Consolidated Financial Statements December 31, 2024

19 Growing Communities Fund

The Province of British Columbia distributed conditional Growing Communities Fund (GCF) grants to communities at the end of March 2023 to help local governments build community infrastructure and amenities to meet the demands of population growth.

The City of Fernie received \$2,626,000 of GCF funding in March 2023. There were no funds spent in 2024 and 2023.

	<u>2024</u>	<u>2023</u>
Balance, beginning of year	\$ 2,665,390	\$ 2,626,000
Eligible costs	-	-
Interest earned	<u>79,962</u>	<u>39,390</u>
Balance, end of year	<u>\$ 2,745,352</u>	<u>\$ 2,665,390</u>

20 Cemetery Care Fund

The City operates the cemetery and maintains a cemetery perpetual care fund in accordance with the Cremation, Internment and Funeral Services Act. The trust fund assets and liabilities are not included in the consolidated financial statements.

	<u>2024</u>	<u>2023</u>
Trust fund Cemetery care fund start of year	\$ 320,059	\$ 282,113
Interest earned cemetery	6,077	16,119
Expenditures Cemetery	-	-
Contributions from operating cemetery	<u>2,500</u>	<u>2,500</u>
Trust fund Cemetery care fund end of year	<u>\$ 328,636</u>	<u>\$ 300,732</u>

21 Developer Contributions

During 2024 there were no net tangible capital assets contributed from developers.

During 2023 there were no net tangible capital assets contributed from developers.

22 Comparative Figures

Certain figures presented for comparative purposes have been reclassified to conform with the current year's presentation.



CITY OF FERNIE

Notes to Consolidated Financial Statements December 31, 2024

23 **Segmented Information**

This City is a diversified municipal government entity in the Province of British Columbia that provides a wide range of services to its citizens. Municipal services have been segmented by grouping activities that have similar service objectives (by function) and separately disclosed in the segment report. Where certain activities cannot be attributed to a specific segment they have been reported as unallocated. The segments and the services they provide are as follows:

Legislative and Administration

Legislative and administration provides corporate leadership for the City. Functions include legislative, administrative, financial planning, financial reporting, information technology, economic development, communication, and other support services for the City.

Development Services

This segment is comprised of Planning, Development, and Building Inspection. Activities support the city's physical development and growth. This includes zoning, development permits, land use applications, planning initiatives and development of the City's official community plan.

Protective Services

Protective Services is comprised of the City's policing contract with the RCMP, fire rescue services, fire prevention inspections and public education as well as bylaw enforcement. Services provided by the segment are focused on protecting the citizens of City of Fernie.

Public Works

Public works (Operational services) is responsible for the services comprised of engineering & mapping, garbage & recycling, roads & snow cleaning, and water & sewer.

Parks, Recreation and Cultural

Parks, recreation and culture (Leisure services) supports the building of strong families and healthy communities by providing staff, leadership, facilities and facility rentals for a wide variety of activities. Services include programs & registration, as well as management of trails & parks.

Water Services

The City's water systems service residents and businesses of the City of Fernie.

Sewer Services

The City of Fernie sewer services operates and maintains a sewer collection and treatment system.

Other Services

Other services cover activities of the City not included in the above segments.

Unallocated

Unallocated includes revenues and expenses that cannot be directly attributed to the activities of an identified functional segment.



CITY OF FERNIE

Notes to Consolidated Financial Statements December 31, 2024

	Legislative and Administration	Development Services	Protective Services	Public Works	Parks Recreation and Cultural	Water Services	Sewer Services	Other Services	Unallocated	2024 Total	2023 Total
Revenue											
Taxation	-	-	-	-	-	-	-	-	\$15,074,622	\$15,074,622	\$14,194,177
Other revenues	\$ -	\$ 272,902	\$ 515,415	\$ 488,385	\$ 644,275	\$ 1,506,972	\$ 2,008,601	\$ 473,908	625,691	6,536,149	5,511,418
Government transfers	-	-	-	-	-	-	-	-	2,058,537	2,058,537	6,032,744
Development contribution	-	-	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	-	-	-
Total revenue	-	272,902	515,415	488,385	644,275	1,506,972	2,008,601	473,908	18,604,736	24,515,194	26,532,156
Expenses											
Goods and services	1,351,763	265,011	1,203,741	1,023,017	1,531,967	713,710	794,877	42,232	-	6,926,318	8,023,561
Labour	2,220,405	1,028,133	2,123,980	2,176,480	2,192,982	337,373	435,984	175,990	-	10,691,327	8,888,773
Debt servicing	116,020	-	-	-	-	-	31,200	-	-	147,220	176,055
Amortization	81,805	-	210,291	1,862,222	1,109,745	542,433	462,059	-	-	4,268,555	4,204,181
Total expense	3,769,993	1,293,144	3,538,012	5,061,719	4,834,694	1,593,516	1,724,120	218,222	-	22,033,420	21,292,570
Segment net surplus	\$ (3,769,993)	\$ (1,020,242)	\$ (3,022,597)	\$ (4,573,334)	\$ (4,190,419)	\$ (86,544)	\$ 284,481	\$ 255,686	\$18,604,736	\$ 2,481,774	\$ 5,239,586



CITY OF FERNIE

Notes to Consolidated Financial Statements

December 31, 2024

24 BC Safe Restart Grant Received - (Unaudited)

As a result of the COVID-19 pandemic in 2020, the City received the BC Safe Restart Grant of \$1,597,000 from the Province to help the City with the financial impacts of COVID-19 on the City's operations. The City utilized the remainder of the funds in 2024 to bring aquatic service to pre-pandemic levels. The City did not expend any of the grant funds in 2023.

	<u>2024</u>	<u>2023</u>
BC COVID-19 Safe Restart Grant Funding at Start of Year	\$ 279,803	\$ 279,803
Labour for facility reopening	<u>279,803</u>	<u>-</u>
Total Expenditures in each year	<u>279,803</u>	<u>-</u>
Total Unexpended Funds at End of Year	<u>\$ -</u>	<u>\$ 279,803</u>



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