



**Operating Plan
FY 2007-2008**

This plan has been approved and
submitted by the Board
for

**Community Futures Development Corporation
of Stuart-Nechako**

PO Box 1078, 2750 Burrard Ave, Vanderhoof BC V0J 3A0
(250) 567-5219



Chair Signature

February 15, 2007
Date



Manager Signature

February 15, 2007
Date

Date Plan Submitted to WD:

February 15, 2007

Board Motion is attached.

WD Officer Signature

Date

1.0 ORGANIZATION: BASIC INFORMATION (ANNUAL)

1.1 Basic information:

CFDC Legal Name: Community Futures Development Corporation of Stuart Nechako
 Mailing Address: PO Box 1078, Vanderhoof, BC V0J 3A0
 Location Address: 2750 Burrard Avenue, Vanderhoof, BC
 Phone Number: (250) 567-5219
 Fax Number: (250) 567-5224
 General E-Mail: cfdcn@telus.net
 Manager's Email: cfdcn@telus.net
 Web site: <http://www.cf-sn.ca>
 Chairperson: Mr. George Winter
 Address: 52605 Guest Road, Vanderhoof, BC V0J 3A3
 E-Mail: gwinter@telus.net

1.2 List of Staff

Name	Position	Phone	% WD Core
Keith Federink	General Manager	(250) 567-5219	100
Trudy Vandelaar	Administrative Coordinator	(250) 567-5219	100
Graham Stanley	Business Analyst	(250) 567-5219	100
Janine Payne	Financial Support Officer	(250) 567-5219	100
Wendy Rockafellow	Community Coordinator	(250) 567-5219	0
Barry O'Brien	LMP Project Researcher	(250) 567-5219	0

1.3 Board of Directors

Name/Position	Committees	Representation
George Winter, Chair	Executive, Finance, Marketing, Business Loans	Cluculz Lake
Gene Mitran, Vice Chair	Executive, Marketing, Business Loans	Vanderhoof
John Thobo-Carlsen, Treasurer	Executive and Business Loans, REDI	Fort St James
Marjorie Gammond, Secretary	Executive, Marketing, Agriculture	Fort Fraser, Fraser Lake
Dave Wiebe, Director	Agriculture, Business Loans, Nechako Watershed	Vanderhoof
Mickey Bisanz, Director	Business Loans	Fraser Lake

2.0 DESCRIPTION OF ORGANIZATION

Community Futures Development Corporation of Stuart Nechako (CFDC-SN) is a federally incorporated (1995) not-for-profit organization governed by a volunteer Board of Directors made up of representatives from throughout the Stuart-Nechako region. Community Futures have recently undergone a branding exercise and our organization will be now known as Community Futures Stuart Nechako (CFSN).

2.1 Organizational Structure and Operations

- **Board Structure and Committees**

Our volunteer Board currently consists of six members with room for an additional six. There are representatives from the communities of Cluculz Lake, Fort Fraser, Fort St. James, Fraser Lake and Vanderhoof. Our Board of Directors meets monthly to determine the overall direction, focus and policies of CFSN.

Our Committees consist of: **Business Loans, Personnel, Marketing, Education** and **Finance**. Sub-committees and steering committees are struck from time-to-time to undertake specific projects and initiatives. Our chairperson, members of the Board and business and community volunteers from throughout the region are encouraged to participate on our committees and sub-committees. Our Board Chair and one of our other directors are also appointed members of the Board for the Stuart Nechako Regional Economic Development Society (REDI).

- **Organizational Structure & Responsibilities**

The current full-time staff compliment at CFSN consists of a **General Manager** who reports directly to the Board of Directors and is responsible for overall CF operations; an **Administrative Coordinator** who is responsible for office administration and reception; a **Business Analyst** who is responsible for business development and loans; **Financial Support Officer** who is responsible for bookkeeping, accounts and budget administration; a combined **Aboriginal Outreach/Community Coordinator** who is responsible for First Nations development through the Aboriginal Outreach Program until the end of March 2007; and for Community Development initiatives. All staff report directly to the General Manager while implementing action plans, projects and carrying out daily tasks. Full job descriptions for all positions are available upon request.

In addition, temporary employees and/or sub-contractors are hired to implement specific projects that CFSN initiates. CFSN currently has one such temporary staff person employed to continue the Vanderhoof Labour Market Partnership (LMP) project – the **LMP Project Coordinator**.

- **Office Locations and Coverage of Communities**

From offices in Vanderhoof the staff of CFSN serve the three municipalities of Fort St. James, Fraser Lake and Vanderhoof; the seven First Nations communities of Nad'leh Whuten, Nak'azdli, Saik'uz, Stellat'en, Takla, Tl'azt'en and Yekooche and numerous unincorporated communities throughout the Stuart Nechako Region.

- **Subsidiaries and Related Entities -- None**

- **Committed Long-Term Community and Government Partners**

- o Western Economic Diversification Canada (WD)
- o Nechako Kitamaat Development Fund Society
- o Service Canada
- o Stuart Nechako Regional Economic Development Society (REDI)
- o Regional District of Bulkley Nechako (Areas C, D & F)
- o District of Fort St. James
- o Village of Fraser Lake
- o District of Vanderhoof

- o Vanderhoof Chamber of Commerce
- o Fort St James Chamber of Commerce
- o Nak'azdli First Nation
- o Saik'uz First Nation
- o Takla Lake Band
- o Tl'azt'en Band
- o Yekooche Band
- **Project Partners**
 1. **Stuart Nechako Regional Economic Development Initiative (REDI Society):**
 - o District of Fort St. James
 - o Village of Fraser Lake
 - o District of Vanderhoof
 - o Regional District of Bulkley Nechako Areas C, D & F
 - o Vanderhoof Chamber of Commerce
 - o Fort St James Chamber of Commerce
 - o Nak'azdli First Nation
 - o Saik'uz First Nation
 - o Takla Lake Band
 - o Tl'azt'en Band
 - o Yekooche Band
 2. **Vanderhoof Community Labour Market Partnership (VCLMP)**
 - o Service Canada
 - o College of New Caledonia
 - o District of Vanderhoof
 - o Vanderhoof Chamber of Commerce
 - o School District #91
 - o Ministry of Forests
 - o REDI
 - o Progressive Employment Services
 3. **Aboriginal Outreach Program**
 - o Carrier Sekani Tribal Council (CSTC)
 - o Nak'azdli First Nation, and
 - o Saik'uz First Nation
 - o Takla Lake Band
 - o Tl'azt'en Band
 - o Yekooche Band
 - o First Nations Agricultural Lending Association (FNALA)
- **Funding Partners**
 - o Western Economic Diversification Canada (WD)
 - o Service Canada
 - o Nechako Kitamaat Development Fund Society
- **Services Offered**
 - o Business Loans Program
 - o Business Development Counselling
 - o Regional & Community Economic Development
 - o Aboriginal Outreach Program
 - o Community Access Point
 - o Business Development Library
 - o Meeting/Training Facilities
- **NEW:**
 - **Community Input into Planning**

Garnering community input into the CFSN planning will require four approaches along a contiguous pathway:

- (1) engaging the community in various communication means to inform them that they can be involved in the planning of the CFSN activities and programs;
- (2) providing the information necessary so that the publics can knowledgeably engage in the planning process either by the website, from the office or by email;
- (3) providing the venue necessary to engage in two-way dialogue about the CFSN planning process; and
- (4) offering modes of input that the community stakeholders can access, i.e. fillable forms, email addresses, suggestion boxes, public town hall meetings, open houses, board to board, or board to council meetings, or one-on-one meetings between community members and board members or staff.

- **Reporting Back to the Community**

A commitment to reporting back to the community is part of the operations plan for 2007/08. This will be optimized using several different formats throughout the operating period including:

- (1) At least one open house
- (2) Printed report available for download from website
- (3) Copies of report available for pick-up from CFSN office.
- (4) Circulation of operating plan to all Band and Municipal offices.

Comments on the plans will be welcomed by telephone, suggestion boxes, fillable form on the website, editorials in local newspapers and on the website.

- **Making financial statements/report available to the community**

- (1) Printed report available for download from website
- (2) Copies of report available for pick-up from CFSN office.
- (3) Circulation of operating plan to all Band and Municipal offices.

- **Make-up of the board as a reflection of the community(s) it serves**

Active recruiting during 2007/08 will focus on attracting board members that better reflects the make-up of the community, particularly with regard to balance of age, gender, community representation, and sectoral or professional expertise.

2.2 CFDC's Policies Related to Board of Directors, Investment Fund Management, Conflict of Interest

- ***Board of Directors Policies on Appointment/Selection and Terms of Office – Excerpted from Board Policy Manual (Page 4-6, Updated March 2006)***

II.B Board Governance Model and Guiding Principles

Model

The Community Futures Development Corporation of Stuart Nechako (CFDC-SN) has agreed to follow, in general terms, a "Traditional Policy Board" governance model as described in The New Robert's Rules of

Order (2nd Edition). The following are the basic principles that we affirm as the foundation for the governance of our board.

Guiding Principles

1. Board members act as trustees on behalf of the membership and the community and must communicate with and be accountable to the membership and the community.
2. All Board members should clearly understand why the Board exists, which is to define the future of the organization and to ensure that the future is achieved in a legal, ethical and prudent manner.
3. Role clarity means that the Board clearly knows its own role and the General Manager's role and that the General Manager has a similar understanding. If both understand and agree each other's roles, and if these roles do not overlap, then the General Manager can function freely yet be fully aware of the limitations.
4. The Board has the ultimate authority for decision-making and the liability for all matters under its mandate, as such; the Board must delegate all authority.
5. The Board speaks with one voice or not at all. This is done through the formal decision making process of the board as a whole.
6. The Board's decisions must be unambiguous, recorded in policy and upheld by all members of the Board. The Board's policies and resolutions are the Board's voice. Board decision-making is always an amendment of, or an addition to, existing policy or resolutions.
7. No committee, officer or member of the Board, nor any employee or agent, has the authority to speak or act for the Board unless specifically authorized to do so by the Board.
8. The Board formulates policy at the broadest levels first and then moves to the development of more specific policy until the matter has been addressed to its satisfaction.
9. The General Manager has the authority to act within board-approved policy and implement programs within board approved plans.
10. The Board defines and delegates rather than reacts and ratifies. The board must work continually to define the direction and end results that the organization is to achieve, and to develop policy that defines the acceptable boundaries within which it can delegate the achievement of those results.
11. Defining the End Results and monitoring their achievement, and developing policy and monitoring its compliance, are the pivotal duties of board governance.
12. The Board and the General Manager are responsible for up holding board policy. The Board must ensure that the General Manager is aware of all Board policies and that the General Manager is monitored against policy criteria. The General Manager must ensure that staff are aware of board policy and must ensure their compliance.

II.C Role of the Board of Directors

II.C.1 Role and Code of Conduct

Purpose

The purpose of the Board is to provide leadership and accountability to the organization so that it can carry out its mandate. Board members must collectively formulate and oversee the direction setting process and the development of policy for the organization. The Board as a whole has the ultimate authority for decision-making and is fully responsible for all activities carried out on behalf of the organization.

Duties:

- a) function as a team and speak with one voice
- b) hire, support and evaluate the General Manager
- c) lead by defining the mission and establishing clear and measurable ends
- d) govern by developing policy and monitoring compliance
- e) approve the budget and ensure adequate resources for operational needs
- f) monitor the overall performance of the organization
- g) advocate for the organization in the community
- h) listen to and represent the community and clients

Code of Conduct

- a) Although a board member may be drawn from a specific region or interest group, board members must represent the interest of the whole organization.
- b) Board members are expected to attend all board meetings and will be apprised of and are prepared to commit sufficient time and energy to attend board business.
- c) The General Manager is responsible to the entire board of directors, consequently no board member, officer or committee has authority over the General Manager unless specifically delegated that authority by the board.
- d) If a board member has a concern about the performance of the General Manager or any staff member they will bring that concern directly to the General Manager or to the Board Chair or the Board as a whole. Board members will refrain from soliciting opinions from staff on the performance of the General Manager unless part of a board approved evaluation or investigation process. Any complaint by a staff person to a board member regarding the performance of the General Manager must be brought to the attention of the General Manager. If the complaint is of a nature that may require board action, it should be referred to the Chair.
- e) Board members may not attempt to exercise individual authority or undue influence over the organization.
- f) Board members will be informed of, and abide by, the conflict of interest guidelines contained in the bylaws and any subsequent board policy.
- g) Board members shall maintain the confidentiality of the details and any dynamics of board discussion, as well as those items designated as confidential. Board members will be informed of and abide by the confidentiality policy of the board.
- h) Board members will treat the opinions of staff and other board members with respect even if in disagreement and will foster an atmosphere where all members can speak freely.
- i) Board members will fully express their own opinions on matters brought before the board at board meetings rather than holding back and raising concerns outside of board meetings.
- j) Regardless of their personal viewpoint, board members will not speak against or in any way undermine board solidarity once a board decision has been made.
- k) One of the principle roles of Board members is to be a liaison with the community.

II.C.2 Board Member Job Description

Each Board member is fully responsible for the activities of the organization. Board members foster open and respectful discussion of all issues before the Board and seek the broadest possible support on all decisions. Once the Board makes a decision, all members of the Board support the decision and speak with one voice to the staff and the community. The Board seeks to have a broad and inclusive reflection of the community at the Board level.

Specific duties of each Board Member

- a) Review materials and meet for orientation when first elected to the board
- b) Participate regularly at board meetings and advise the chair when unable to attend
- c) Participate on at least one board committee if needed
- d) Actively help the Board reach group decisions
- e) Listen to and evaluate other opinions with an open mind
- f) Become familiar with the organization's bylaws, policies, vision, mission and end results
- g) Read board reports and become aware of the organization's activities
- h) Monitor board level financial reports
- i) Be prepared to evaluate the performance of the Board
- j) Become aware of changing needs in the community
- k) Be committed to fair, open and transparent processes

Qualifications of Board Members

- a) commitment to the mission of the organization
- b) respectfulness and the ability to work with others
- c) time to serve on the Board and committees
- d) specific expertise relating to the organization's mandate
- e) knowledge of the community and the people served
- f) ability to express a community point of view to the Board

- g) ability to advocate and represent the organization to the community

Time Commitment Required

- a) one year term with opportunity for ongoing renewal, a two year commitment preferred
- b) willingness to serve on at least one Board committee and participate in Committee meetings
- c) attend the Annual General Meeting and any special general meeting of the members
- d) attend the regularly scheduled Board meetings and the annual planning meetings
- e) if more than three consecutive meetings are missed by a Board member a discussion will be initiated by the Board Chair regarding the ongoing interest and ability to continue as a Board member

- **Conflict of Interest**

Excerpted from Board Policy Manual – Page 26 - General Manager’s Section: Conflict of Interest (Updated March 2006)

The General Manager has the responsibility to ensure all staff and operations are in compliance with conflict of interest policy. As such the General Manager has the authority to ensure staff are made aware of any related policy, to make inquiries about staff activities and to develop agreements with staff that address these issues. In doing so the General Manager will ensure:

1. compliance with the by-laws and board approved conflict of interest policy,
2. that any potential conflicts of interest are declared to the Board whether they be real or perceived, whether they be with staff, board members, or others
3. staff are aware of any of the organization’s bylaws and policies on conflict of interest,
4. employees understand conflict of interest, and that they declare any potential conflict of interests whether they be real or perceived,
5. contractual agreements with funders are adhered to,
6. employees are not given the opportunity to take financial advantage of the organization in an imprudent and unethical manner,
7. reports and training materials developed by employees on company time for the organization are considered to be the property of the organization.

II.G Board Specific Policies: II.G.1 Conflict of Interest (From Page Updated March 2006)

This policy applies to all board members, officers, committee members and employees of Community Futures Development Corporation of Stuart Nechako. As people with control or influence over the decisions and activities of this organization, we are expected to perform our duties in such a manner that public confidence and trust in the integrity, objectivity, and impartiality of the Corporation is preserved.

A “control person” includes any board director, officer and employee of the Corporation or any person that has obtained corporate information.

A conflict of interest may be direct or indirect. It is a situation in which the control person may be prevented from acting in the best interests of the Corporation or may be prevented from acting fairly, impartially and without bias on behalf of the Corporation.

This situation may be due to the:

- 1) personal interests of the control person,
- 2) interests of a close friend, family member or business associate of the control person,
- 3) a company or partnership where the control person has a significant investment,
- 4) an obligation to another person by the control person.

In order to maintain public trust the Corporation is interested in managing both real and perceived conflicts of interest, therefore real and perceived conflicts of interest should be treated in a similar manner.

There are several ways in which a conflict may emerge between the interests of the Corporation and interests of the people, directly or indirectly, who influence the decision making process. Some of which are as follows:

- 1) contracting with the Corporation for the provision of goods or services,
- 2) purchasing goods or services from the Corporation that are not available to the public,
- 3) using the property or funds of the Corporation where there is a personal benefit,
- 4) using intellectual property developed by the Corporation for other purposes,
- 5) using one's position to seek business relationships with clients of the Corporation,
- 6) seeking business opportunities that the Corporation may have an interest in pursuing,
- 7) using information from the Corporation that is not available to the general public,
- 8) seeking business partnerships with the organization,
- 9) seeking a loan, guarantee or investment from the Corporation,
- 10) a board member seeking employment with the Corporation,
- 11) providing gifts of property on behalf of the Corporation,
- 12) receiving personal gifts of property for Corporate activity.

The Corporation's board, officers, committee members and employees shall not put themselves into a position where they could derive a direct or indirect financial benefit from any of the activities entered into by the Corporation over which they influence the decisions.

A conflict of interest may be deemed a "permitted conflict of interest" provided it does not contravene a contractual obligation to which the Corporation is a party and if the board duly approves the arrangements for it.

An "immediately related party" includes the spouse and child of the control person and any entities in which the control person or a related party has a significant interest, substantial investment or control. A "related party" includes the grandchild, sibling, parent, or spouse of the control person, or any entity in which the control person, or a related party, has significant interest, substantial investment or control.

A control person, or an immediately related person, is normally excluded from contracting with the Corporation. However, they may be able to contract for the provision of goods or services to the corporation provided that:

- 1) the decision is made directly by the Board,
- 2) the conflict is declared by the control person and recorded in the minutes,
- 3) the control person does not participate in the decision or try to influence the Board,
- 4) three competitive bids are secure where possible,
- 5) the contract with the lowest cost or best value is selected.

A control person, or a related party, may purchase goods and services from the Corporation provided that the items are normally sold by the Corporation or are available to the general public. If not, the sale needs to be approved by the Board using a similar process and principles as contracting for goods or services.

A control person may only use the property of the Corporation for authorized purposes. In cases where a personal benefit may arise for employees or committee members, the General Manager should grant permission, or the Executive Committee in the case of the General Manager, or by the Board in the case of a board member. Consideration should be given to cost sharing on a prorated basis.

All intellectual property developed by employees and sub-contractors funded by the Corporation shall remain the property of the Corporation, except where otherwise specifically agreed to in a contract.

Care should be taken by any control person to avoid having personal business relationships with the clients served by the Corporation. No control person should use their position with the organization to solicit clients for a personal business or one operated by a related party or for a business in which the control person has a significant interest.

A control person should not take personal advantage of an opportunity available to the Corporation unless: the Corporation has clearly and finally decided not to pursue it, the opportunity is equally available to the general public, and the control person has declared their intention to do so.

A control person must not use corporate information for personal benefit and must ensure that they do not improperly disclose it to other parties. If in doubt, the control person should seek the advice of the Board or a person designated by the Board. Control persons must abide by the confidentiality policy of the Corporation.

If a control person, or a related party, is interested in pursuing a partnership with the Corporation, the decision should be brought to the Board for approval.

No control person may receive a loan, loan guarantee or share capital however other related parties may be permitted provided that:

- 1) the decision is made directly by the Board,
- 2) the conflict is declared by the control person and recorded in the minutes,
- 3) the control person does not participate in the decision or try to influence the Board.

If a board member, or a related party, have an interest in an employment opportunity with the Corporation, they should immediately advise the Board Chair and General Manager of their interest and abstain from participating as a board member in all respects. If the board member has had a central role in the development and approval of the position or the hiring process to that point, it might preclude that board member from being considered for the position.

In any case: the Board must approve the eligibility of the board member as it relates to the conflict of interest; the member must apply through a competitive hiring process; the best candidate should be selected based on an objective evaluation of the candidate and the qualifications needed for the position.

A control person may only accept a gift in the following circumstances: the gift has only a token value; it fits the normal exchange of hospitality or courtesy between people doing business together; the exchange is lawful and in accord with local ethical practices; and it could not be construed as a bribe, payoff or illegal payment.

A control person may not personally use property of the Corporation to make a gift, donation or political contribution to anyone. Any gift must have the authorization of the Board or a person the Board designates.

These policies reflect the main issues identified in the bylaws of the Corporation and the contractual obligations with Western Economic Diversification. Should any possible conflict of interest arise, the control person is obligated to review the relevant bylaws and contractual obligations that may apply.

The primary principles to address possible conflicts of interests are:

- 1) review the policy to become aware of what a conflict of interest might be,
- 2) avoid being in a position where a conflict of interest may arise,
- 3) advise the Board through the Chair as soon as a possible conflict of interest emerges,
- 4) abstain from the decision making process,
- 5) refrain from influencing the decision and avoid any appearance of doing so.

If in doubt, a person that might have a conflict of interest should advise the Board Chair and General Manager immediately so that the proper steps can be taken to review the situation. The Board Chair will review the matter with the General Manager and bring it to the attention of the Board.

If the conflict of interest pertains to the Board Chair, the Vice Chair should be advised and act as the Chair for the consideration of the conflict of interest.

- ***Investment Fund Terms and Conditions (Management)***

The Corporation will assist small business to access capital through use of its Investment Fund and other activities. In administering its Investment Funds the Corporation will adhere to the following:

1. The Investment Fund must be used to develop and diversify the economy by assisting entrepreneurs to create new businesses or to stabilize or expand existing businesses.
2. Financial assistance will only be provided by a CFDC to businesses:
 - a. In which the principals have or will have a financial involvement to a degree that the Corporation deems reasonable in relation to the principals' own wealth and to the funding requirements of the venture;
 - b. That will predominantly create or maintain local jobs;
 - c. That, in the judgment of the Corporation will have a reasonable expectation of economic viability.
3. The responsibility for assessing and approving investment applications will rest with the Corporation Board of Directors.
4. The total amount of financial assistance that may be provided in respect of any business at any time shall not exceed \$150,000 except in the case of the Western Youth Entrepreneur Program Investment Fund, where the total amount of financial assistance shall not normally exceed \$25,000.
5. Assistance to businesses will be provided from the Investment Fund in the form of loans, loan guarantees or share capital.
6. Assistance in the form of equity participation will only be provided from the Investment Fund to incorporated businesses and the Corporation must enter into a written agreement with the shareholders and the corporation which sets out the terms and conditions of the transaction, including, for example, the price paid for the shares and any buy-back requirement or any restriction on the subsequent sale of the shares by the Corporation to a third party.
7. No grants, contributions or forgivable loans will be made from the Investment Fund.
8. No financial assistance will be provided to any applicant unless the Corporation has verified that the applicant has explored all other avenues reasonable available to obtain financial assistance and provided evidence that the applicant has been unable to obtain such assistance.
9. The minimum rate of interest charged on any loan from the Investment Fund will not normally be less than the Bank of Canada minimum lending rate plus two percent.
10. Investment Funds may be established and administered on a collaborative basis between the Corporation or in conjunction with private sector lending institutions with the approval of the Minister.

The Repayable Investment Funds will be administered by the Corporation as follows:

1. The Corporation will book investments against each repayable Investment Fund until March 31st.
2. The terms of repayment to the Corporation for all repayable Investment Fund loans will not exceed five years.
3. The unencumbered free cash balance of each Repayable Investment Fund will be repaid to the Minister on April 1st.
4. The amount of all principal repayments credited to each Repayable Investment Fund subsequent to March 31st will be repaid to the Minister within fifteen days following the last day of each month until the amount of each original Repayable Investment Fund contribution is entirely repaid.
5. Interest earned by each Repayable Investment Fund after March 31st shall be credited to the Repayable Investment Fund.
6. When the amount of each Repayable Investment Fund contribution has been fully repaid, one half of the remaining assets of each Repayable Investment Fund shall be paid to the Minister. This event will terminate the Corporation's obligation to repay the Minister.
7. If the realizable assets, including earned interest, credited to each Repayable Investment Fund are realized and those assets are insufficient to repay the full amount of each Repayable Investment Fund contribution, the Corporation's requirement to repay the full amount will be terminated once the full value of the realized assets credited to each Repayable Investment Fund is paid to the Minister.

2.3 Service Area Description:

2.3.1 Demographic Information

The Stuart Nechako is a sub-region of the Regional District of Bulkley Nechako and is home to 21,771¹ people living in small towns, rural settings and remote communities, including seven First Nations. The largest centre is the District of Vanderhoof followed by the District of Fort St James and the Village of Fraser Lake. Prince George – located 97 km east of Vanderhoof – is the regional service centre for post-secondary education, government services and health care.

The District of Vanderhoof, with an estimated 2004 population of 4,649, is located 97 kilometres west of Prince George at the junction of Highways 16 and 27, and is the main service centre for a wider population including the urban and rural populations of the area, as well as for Fort St James and Fraser Lake residents. Vanderhoof is in the heart of the Nechako Valley and straddles the banks of the Nechako River flowing from Kenney Dam to the Fraser River. The landscape is the foundation of the forestry and agriculture industries that have dominated the economy since Vanderhoof's origins in 1926. Canfor's Plateau Mill is located within the boundaries of the district, as are a number of medium to small sawmilling operations and forestry related consulting firms. Vanderhoof is the home to regional government offices, School District 91 administration and the regional St. John Hospital.

The District of Fort St James is located on Highway 27 along the southern shores of Stuart Lake and has an estimated population of 1,999 (2004). Fort St James is a service centre for the smaller communities and remote residences scattered through the northern Stuart Nechako area. Fort St James, founded in 1806 as a fur trading post, is the oldest established community west of the Rocky Mountains. The Fort St James National Historic Site commemorates the rich history of the fur trade, western North American exploration and the collaboration with the First Nations traditions and knowledge that is still an important part of the economy today in Fort St James.

The Village of Fraser Lake (2004 pop. 1,366), the third largest community in the Stuart-Nechako Region, sits at the southwest end of Fraser Lake. The economy and population depends heavily on forestry, mining, forestry and, to a lesser degree, on tourism. Placer Dome Canada Limited's Endako Mine has been a significant economic presence since operations began in 1965. The published mine reserves (January 1, 1995) of 117.6 million tonnes are enough for another 14-year mine life. Additional milling and processing services have been offered to Blue Pearl Mining Ltd. as they advance the development of Davidson molybdenum property near Smithers, B.C.

Cluculz Lake, just south of Highway 16 and 45 km east of Vanderhoof, lies within the Nechako portion of the Fraser River drainage. This sizable, deep lake is roughly 20 km long, is used by residents and visitors for recreation. Land use within the watershed includes lakeshore development, forestry and agriculture. There are 659 lakeshore lots, of which roughly 460 are known to have summer or permanent residences. The area includes one gated community, one convenience store, one rest stop and limited lakeshore public camping.

Fort Fraser (2004 pop. 950) is one of the oldest settlements in British Columbia, located on the Yellowhead Highway, 44 kilometres west of Vanderhoof. The pioneer roots of the area's history date back to the fur trade, with the establishment here of a fur-trading post in 1806 by Simon Fraser. The town was built 4 kilometres east of the original site of Simon Fraser's fort, and is also the site of the last spike of the Grand Trunk Pacific Railway, driven on April 7th, 1914. The celebration is commemorated with a plaque marking the spot, and the railway is now the Winnipeg-Prince Rupert line of Canadian National (CN). Today, Fort Fraser is an active community sustained by forestry and agriculture.

¹ 2001 Census Population Figures compiled from: BC Stats, Indian and Northern Affairs and Statistics Canada.

Manson Creek (pop. 40) is located in the northern interior of British Columbia, 140 miles (225 km) north of Fort St. James and 125 miles (200 km) northwest of Mackenzie and McLeod Lake. Various deposits of gold placer can be found in the Manson Creek and surrounding area, as well as jade, rhodonite, jasper, and agate.

Germansen Landing (pop. 25), located in the Omineca Valley, is approximately a 200-km drive north east of Fort St. James. The community consists of 25 year-round residents who live within a 20-mile stretch of road known as the Germansen Corridor. The Corridor is surrounded by the newly created Omineca Provincial Park.

Electoral Areas C (Fraser Lake Rural), D (Fort St James Rural) and F (Vanderhoof Rural) are three of the seven electoral areas of the Regional District of Bulkley Nechako, and with a land area of 35,419.92 km² account for about 48.2% of the total area of the Regional District. The landscape is mainly rugged and expansive forests dotted with lakes and rivers throughout. The lakeshores are home to many of the rural residents as well as second home owners from the region and from other parts of Canada. Agriculture is intensive around Vanderhoof, Fraser Lake and to a lesser degree south of Fort St James. The population of the three electoral rural areas in 2001 was 8,822, and as well these geographical areas incorporate the total First Nations Indian Reserves proper that have 5,194 registered band members (2001).

The electoral areas, and agriculture lands within municipal boundaries, are defined as "Subdivision A" by Statistics Canada with respect to Agriculture. The Nechako Agriculture region is located at the geographic centre of the Province of British Columbia. It lies within the fertile Nechako Valley encompassing 8.5 million acres (34,619 sq. km) within subdivision "A" in the Bulkley-Nechako Regional District. The agricultural sector according to Statistics Canada Census 1996 covers 295,554 acres deeded, rented or under lease, which represents approximately 3.5% of the total land area of the 8.5 million acres in subdivision "A."

Nadleh Whut'en First Nation (*formerly Fraser Lake*), has 391 band members, and their main community is on Nautley Indian Reserve #1, near Fort Fraser, approximately 130 km west of Prince George (seven reserves in total on 969 hectares). Nadleh Whut'en Band is a member of the Carrier Sekani Tribal Council.

Nak'azdli Band (*formerly Necoslie*) has 1,560 band members and the main community is on Nak'azdli Indian Reserve #1, adjacent to Fort St. James, approximately 145 km northwest of Prince George (total of 16 reserves on 1,458.2 hectares.) Nak'azdli has three major forestry related enterprises, including the Tl'Oh Forest Products, and as many as 12 members that sub-contract to the forest sector. Nak'azdli Band is a member of the Carrier Sekani Tribal Council.

Saik'uz First Nation (*formerly Stony Creek*) has 817 band members and the main community is on Stony Creek Indian Reserve #1, approximately 95 km west of Prince George (10 reserves on 3,235.7 hectares). Saik'uz First Nation has one reserve within the District of Vanderhoof called Noonla Reserve, that is adjacent to the CN Rail Line and Highway 16. Saik'uz First Nation is a member of the Carrier Sekani Tribal Council.

Stellat'en First Nation (*formerly Stellaquo*) has 370 band members and the main community is on Stellaquo (Stella) Indian Reserve #1, at the mouth of the Stellako River, approximately 150 km west of Prince George (total of two reserves on 851.5 hectares.) Stellat'en First Nation is a member of the Carrier Sekani Tribal Council. The Tribal Council head office is located at the administration offices of the Stellat'en First Nation.

Takla Lake First Nation has 587 band members and the main community is on North Takla Lake Indian Reserve #7, at Takla Landing on the east shore of Takla Lake, approximately 130 km north of Fort St James (total of 17 reserves on 809.4 hectares.) Takla Lake First Nation has approximately 650 members.

It was created by the amalgamation of the Takla Lake and Fort Connelly bands in 1959. Takla Lake First Nation is a member of the Carrier Sekani Tribal Council.

Tl'azt'en Nations (formerly *Stuart-Trembleur*) has 1,399 band members and 600 are reported to live off reserve. Most band members live on the Tache, Nancut and Pinchie reserves, approximately 50 km northwest of Fort St. James on the north shore of Stuart Lake (49 reserves on 2,785.7 hectares). The small settlements of Middle River on Trembleur Lake and Grand Rapids, along the Tache River between Stuart Lake and Trembleur Lake also belong to Tl'azt'en Nation. The main administrative offices are in Tache, as are the elementary school, daycare, Head Start, health and RCMP offices. Tl'azt'en Nation holds Tree Farm License 42 and operates a logging company, *Tanizul Timber*. It manages the John Prince Research Forest jointly with the University of Northern British Columbia. Tl'azt'en Nations is a member of the Carrier Sekani Tribal Council.

Yekooche First Nation is based 75 kilometers northwest of Fort St. James, British Columbia at the north end of Stuart Lake on Yekooche reserve and lands (about 6,340 hectares in size). Yekooche is a small community reserve. There are 225 bandmembers of which 120 live on reserve. Near to Yekooche are Babine, Cunningham and Whitefish Lakes. The Yekooche First Nation Agreement-In-Principle was officially signed on August 25, 2006 by Yekooche First Nation Chief Allan Joseph, the provincial Minister of Aboriginal Relations and Reconciliation Tom Christensen and the federal Minister of Indian and Northern Affairs Andy Scott on behalf of their governments.

Figure 1. Population of the Stuart Nechako Region's Communities

Community – Urban and Rural	Population (2001)
District of Vanderhoof	4,390
Electoral Area F "Vanderhoof Rural"	3,823
District of Fort St James	1,999
Electoral Area D "Fort St James Rural"	2,891
Village of Fraser Lake	1,366
Electoral Area C "Fraser Lake Rural"	2,108
First Nations Communities (2001 - Total On and Off Reserve)	
Nak'azdli First Nation	1,560
Tl'azt'en First Nation	1,399
Saik'uz First Nation	817
Takla Lake First Nation	587
Nadleh Whu'ten	391
Stella'ten First Nation	370
Yekooche First Nation	70
Total Population (2001)	21,771

Figure 2. Age Distribution of the Major Communities of Stuart Nechako – 2001 Census

	Vanderhoof	Fort St James	Fraser Lake	Subtotal	%	% BC
All Ages	4,390	1,927	1,268		100	100
0-14	1,055	420	305	1,780	23.6%	18.1
15-24	705	310	175	1,190	15.8%	13.2
25-44	1,315	645	385	2,345	31.1%	30.1
45-64	870	430	270	1,570	20.8%	25.1
65+	430	125	105	660	8.7%	13.6
Total*	4,375	1,930	1,240			

* Due to rounding may not match total population exactly.

Area residents are generally younger than the BC average. The sharp difference in the over 65 years age group is directly related to the quality of senior's care and housing, negligible public transportation, as well as ready access to specialist and geriatric medical services. The Aboriginal population is much younger than the general population of the region and the province. Based on provincial averages, the average age of the Aboriginal population in 1996 was 25.5 years, 10 years younger than the average of 35.4 years in the general population. Children under 15 accounted for 35% of all Aboriginal people, compared with only 20% of Canada's total population. Children in this age group accounted for 38% of all Aboriginal people on rural reserves, the highest share for any geographical area, compared with 32% in census metropolitan areas. Over the next decade 60% of the first nation population will be prime working age (Prince, 2005).

Figure 3. Experienced Labour Force by Primary Industry

Primary Industry Participation	Vanderhoof	Fort St James	Fraser Lake	Subtotal	%	% BC
Agriculture, Food & Beverage	40	10	0	50	3.52%	3.0%
Logging & Forest Products	495	510	205	1210	85.21%	4.7%
Mining & Mineral Prod	55	0	105	160	11.27%	2.0%

From the total number of participants in primary industries in Vanderhoof, Fraser Lake and Fort St James over 85% are involved in logging or forest products manufacturing, 11% are involved in mining and mineral production and 3.5% are employed in agriculture. The final category, agriculture is most likely under represented by employment category, as most farmers in the region would be classified as self-employed or have family members working within a family operation that are not classified as workers.

The table below provides the breakdown of the labour force by industry (2001) for the three main communities of the region, and the percentages of each area for the Stuart Nechako Region aggregated. The limitation of this data is that it is a subset of the Bulkley Nechako Regional District, without the data from the First Nations communities or the rural areas. The socio economic analysis and considerations for the region are addressed in the next section of this report.

Figure 4. Labour Force by Industry (NAICS) (2001) for Vanderhoof, Fort St James and Fraser

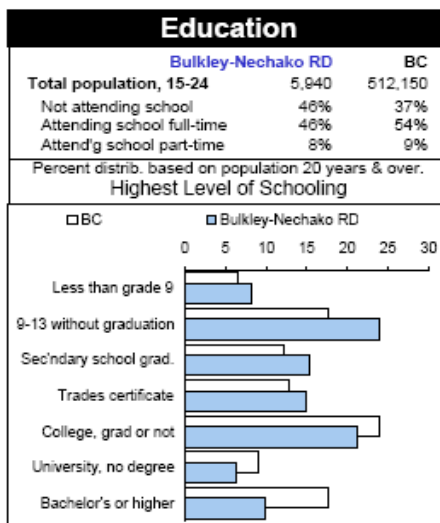
Labour Force by Industry (NAICS)	Vanderhoof	Fort St James	Fraser Lake	Subtotal	% Stuart Nechako	BC %
Total labour force	2,305	1115	700	4,120		100
Industry – n/a	30	10	15	55		2.2
All Industries	2,275	1105	685	4,065		
Farms	15	0	0	15	0.37	1.9
Forestry and Logging	125	85	35	245	6.01	1.2
Support activities for forestry	55	25	10	90	2.21	0.5
Mining, Oil/Gas Extraction	25	0	105	130	3.19	0.7
Utilities	15	0	0	15	0.37	0.6
Construction	150	0	25	175	4.29	5.9
Manufacturing	60		0	60	1.47	9.6
Food manufacturing	25	10	0	35	0.86	1.1
Wood manufacturing	310	395	155	860	21.10	2.3
Wholesale Trade	60		0	60	1.47	4.1
Retail trade	305	120	85	510	12.52	11.6
Transport & warehousing	105	20	10	135	3.31	5.7

Figure 4. (continued next page)

Labour Force by Industry (NAICS)	Vanderhoof	Fort St James	Fraser Lake	Subtotal	% Stuart Nechako	BC %
Info & Cultural Industries	15	10	10	35	0.86	3.1
Finance & insurance	70	15	0	85	2.09	4
Real Estate & Rental/Leasing	20	0	0	20	0.49	2.1
Professional, scientific/tech	80	10	15	105	2.58	6.8
Admin/support, waste mgmt	30	20	10	60	1.47	4
Educational services	275	90	95	460	11.29	6.9
Health care & social assist	180	85	25	290	7.12	9.9
Arts, entertainment, recreation	25	35	0	60	1.47	2.3
Accommodations/food services	130	50	55	235	5.77	8.3
Other service (excl public)	115	50	15	180	4.42	4.9
Public admin	85	85	45	215	5.28	5.6
Total labour force	2,275	1,105	695	4,075	100.00%	

Figure 5. Education Levels for the Bulkley Nechako Region vs. BC (Source: BC Stats, 2001)

Northern K-12 students have poorer educational outcomes than do students in other parts of the province. The high school completion rate for B.C. is 74.8% and for our region is in the ranges from 63.8% to 69.75%. The Grade 4, 7, and 10 test scores in the three northern college regions are some of the lowest in B.C. High school completion rates in the north are under 45% for our First Nations population. Education is a key indicator of the region to succeed in the competition for labour, and northern BC has an opportunity to maximize its own human potential as well as attract new people with skills and ambitions into the region through improving educational outcomes.



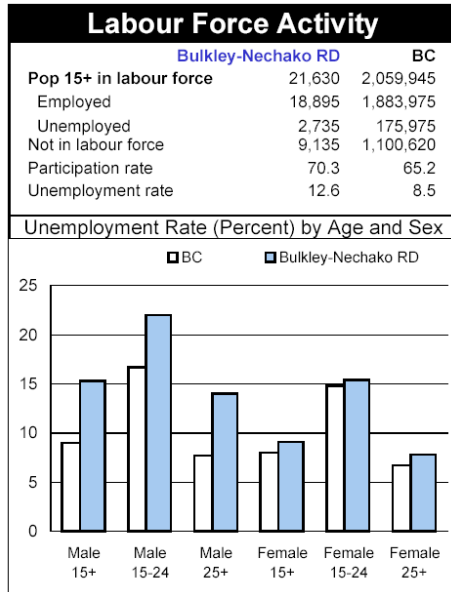


Figure 6. Labour Force Activity

The region shows both higher participation and unemployment rates that the BC average which can be attributed to seasonal work cycles of the resource extraction sector.

Figure 7. Income Levels - Regional District of Bulkley Nechako

The figure below indicates that local employment earnings for the region compared with the BC averages.

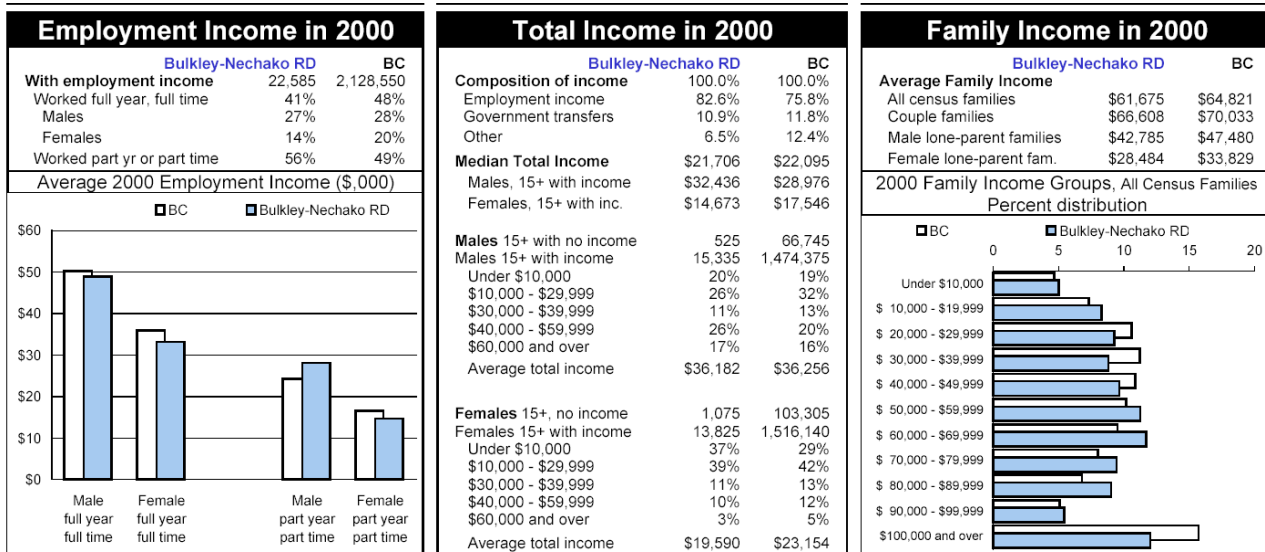
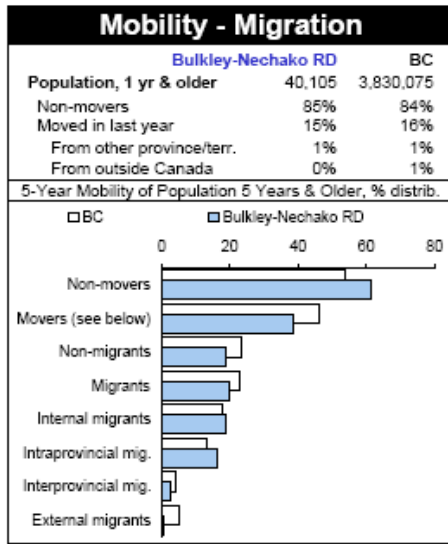
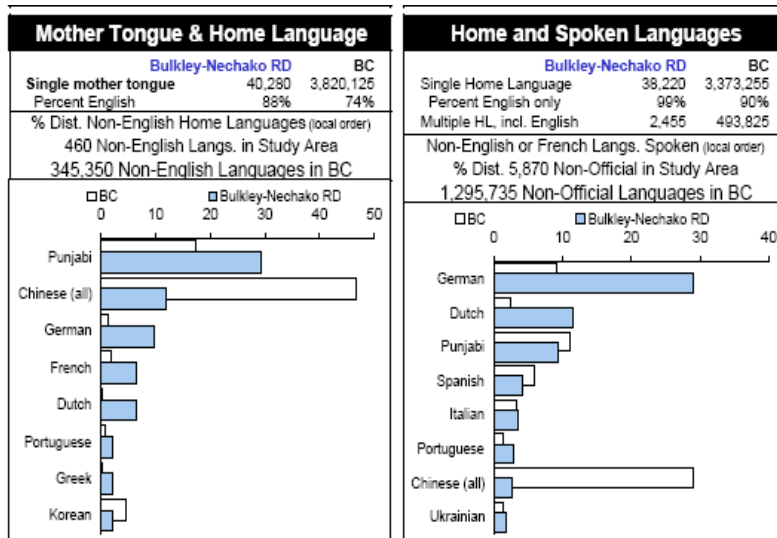


Figure 8. Population Mobility - Migration



The Regional District of Bulkley Nechako has similar population mobility patterns compared with the rest of the province.

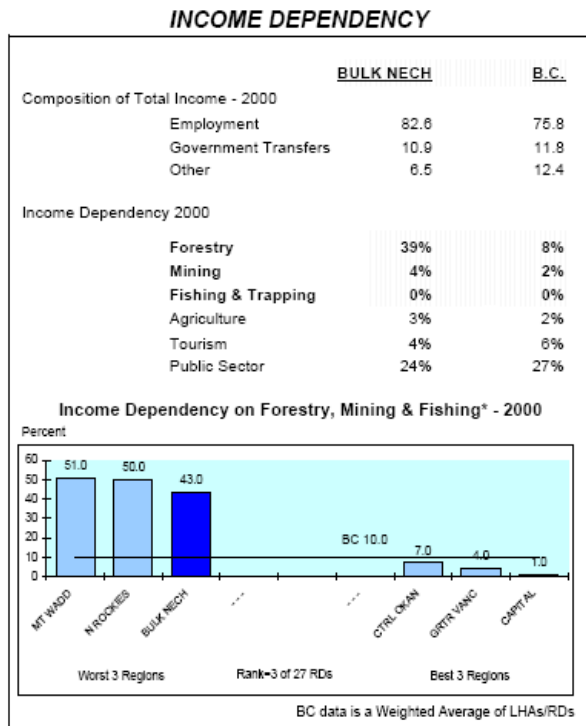
Figure 9. Languages Spoken in the Regional District of Bulkley Nechako



The language spoken by 99% of the Regional District of Bulkley Nechako is English only. Knowledge of official languages in English only is 94.8%, French only 0%, and English and French is 5.0%.

The official language minority is 1.2% of the percentage. It is WD's mission to provide inclusive services to minorities, including those of other languages, however the need to provide services in French in the region has low demand as is indicated by these figures.

Figure 11. Income Dependency of the Regional District of Bulkley Nechako (2004)



Socio-Economic Considerations

The RDBN is one of the least diversified and most vulnerable regions in the province, according to the Socio Economic Index produced by BC Stats (2004). Communities in the Fort St. James Forest District depend heavily on the forest industry. Forestry is responsible for 46% of basic employment and 39% of basic incomes in the district, with approximately 1,000 direct jobs in harvesting, processing, silviculture and non-rail transportation.

The Nechako Valley (Vanderhoof and Fraser Lake) has a strong dependence on forest industry jobs (39%). The region receives the lowest rank in the province for having a diversified economy and the highest rank for its dependence on the forest sector.

The Socio-Economic Index has been calculated for the Stuart Nechako region, as part of the RDBN by BC Stats (2004) The Index model measures human economic hardship, crime, health, education, children at risk and youth at risk as indicators of social well-being of our community. The RDBN overall ranks in the middle of the regions in all areas except

educational attainment, health and income dependency, and for all these three scores the RDBN ranks in the bottom 3 of 27 areas. Heavy dependency on the primary sector increases the vulnerability of this region to swings in economic cycles resulting in economic hardship.

The recent study called the “Social Dimensions of Community Vulnerability to Mountain Pine Beetle” (MacKendrick and Parkins, 2005) concludes that vulnerability is not simply a function of exposure to a hazard (mountain pine beetle), but also of various social, economic and political factors that contribute to community adaptive capacity. The study ranks Vanderhoof as having medium to high vulnerability overall with respect to its adaptive capacity to handle the natural disaster state brought about by the Mountain Pine Beetle, but as BC Stats information indicates the socio-economic concerns existed prior to the onset of the current emergency state of the forest sector in the region. This most recent Canadian Forest Service study is very relevant to CFSNs goal setting and priority planning, as it addresses the highest value for socio-economic vulnerability for Vanderhoof (10), a median index for both physical and economic dimension (5.7-5.8) and a moderate-low index for the political dimension index. A heightened awareness of the mountain pine beetle epidemic is said to work to engage actions that lead to adaptive strategies.

In a recent article by BC Stats titled “Mountain Pine Beetle – Mania”² the Ministry of Forests and Range have updated their projections of the annual destruction. Both the amount and rate of beetle-killed timber has multiplied far faster than expected. Where pine makes up 73% of the volume of the timber supply area and accounts for 27% of the working population (2000) in the Vanderhoof Forest District, it is recognized that significant employment impacts will result from the MPB infestation. By 2013, 80% of the merchantable pine in the BC’s interior could be killed, with over half destroyed by 2007. While the MPB plan calls for diversification, it has not resulted in action of any measure. Development of tourism, mining and agriculture are called upon and proper planning is said to be the antidote to socio-economic impact. Whether through planning or catastrophic change, the economic structure of BC’s interior will undergo significant change over the next couple of decades. Figuring out how to help is the daily task of the board and staff of CFSN.

² BC Stats, Government of British Columbia Web site, <http://www.bcstats.gov.bc.ca/pubs/bcbi/bcbi0609.pdf>.

2.3.2 **SWOT Analysis Definitions for 2007/08:**

Strengths: The organization’s internal strengths are its resource and capabilities that can be used for a basis of developing a competitive advantage.

Weaknesses: The absence of certain strengths may be viewed as an internal weaknesses.

Opportunities: The external environment analysis may reveal certain new opportunities for growth.

Threats: Events/factors/trends in the external environment may present threats to the organization.

<p>Strengths of Organization:</p> <ul style="list-style-type: none"> • Current board members have been long serving and are passionate about the organization’s goals and their roles, and are responsive to the organization’s needs. • Core staff complement is made up of loyal employees that are long-standing community members. • Present board shown long-standing service commitment to CFSN. • Strong loan portfolio and asset management • First Nations relationships include loans, joint projects, business consulting and relationship building. • Good word-of-mouth advertising and networking has encouraged loan volumes, partnership opportunities. • Labour Market Partnership project has had excellent up-take and support from community members, and provided a road-map of best practices that is community relevant. • REDI provided direct linkages to municipal and community leaders. • CF network (and WD network) provide excellent information sources and support for CFSN. • Solid relationships with small technology and contractor businesses/entrepreneurs in the area. 	<p>Weaknesses of Organization:</p> <ul style="list-style-type: none"> • Challenges in attracting new board and advisory committee members with key qualifications exist for various reasons. • Limited budget for travel to conferences and training for board and staff. • Volunteer recruitment is difficult in small communities with a few key individuals doing most of the work. • CFSN has not communicated service and program offering in a broad, inclusive, multiple medium fashion to-date. • Small in-house staff do not have sufficient internal capacity to make up for large deficits in community groups’ capacities and institutional inertia, and thus few applications have been generated to optimize current funding opportunities (2010 Olympic Live, NDIT, Canada-BC Infrastructure, other federal and provincial short-run programs). • Board and active membership doesn’t reflect make-up of the communities it serves.
<p>Opportunities in External Environment:</p> <ul style="list-style-type: none"> • New infrastructure and related funding (NDIT, 2010 Olympic/ Paralympic Live, Towns for Tomorrow) • New uses for a changed forest landscape: (Bioenergy – wood pellets, charcoal, forest litter) • Agri-industry • Local trades training initiative (NCAT, Jan 2007) • Continued growth in funding pools related to MPB and economic diversification. • Port of Prince Rupert expansion • Prince George airport expansion, and Vanderhoof Airport improvements provide better access to area for new business attraction/expansion. • Oil and gas opportunities in Nechako Basin. • Proposed Milligan Mine (northeast of Fort St James) in regulatory process could bring 350 jobs in construction for two years and 150 full time jobs thereafter for operations. • Changes in industry (consolidation) and employment provide potential opportunity for new business or self- employment growth and concurrent lending support from CFSN. • Pivotal changes are imminent in the region, and may provide engagement opportunities not seen previously in the history of the organization. • Inexpensive property for development, retirement, second home acquisition and vacation lifestyles. 	<p>Threats in External Environment:</p> <ul style="list-style-type: none"> • Internet connectivity non-existent or slow in most of the region. • Regional dependency on lumber manufacturing impacted severely by MPB. • Agriculture sector facing financial difficulties and succession planning challenges. • New primary resource industries (mining or oil/gas) will be years in development. • Political and community will for change is limited • Region is under-marketed and not well known as few organizations or businesses have websites. • Lack of strong regional and local leadership to develop community plans. • Historic lack of coordination, collaboration and communication in/from/between the region’s communities. • Big banks tightening lending to local businesses in the area due to the MPB impacts (and lack of information to offset negative perceptions). • Region has shown limited uptake – funding grants for infrastructure – capacity, partnerships, visioning. • Institutional and societal inertia makes it difficult for CFSN to engage on important/current issues.

2.3.3 Current state of small business:**2.3.3.1 Forestry**

The Northern Interior is the largest of the regions in the province, with an area of about 50 million hectares, or slightly more than 50% of the province. From the great plains of the north-east, to the Rocky and Omineca Mountains in the central portion, to the plateaus of the southern segments, the topography is diverse. The region stretches from south of Prince George north to the BC and Yukon border and from the BC and Alberta border in the east almost to Terrace in the west. Its population is estimated to exceed 200,000 people.

Prince George is the region's largest community, but there are many others throughout the region where forestry is a major contributor, including communities such as Burns Lake, Chetwynd, Dawson Creek, Fort Nelson, Fort St. James, Fort St. John, Houston, Mackenzie, McBride, Smithers, Valemount, and Vanderhoof. As the largest lumber producing region in Canada, the most important commercial tree species are SPF (spruce-pine-fir), but there is also growing interest in and use of deciduous species, particularly aspen. (Council of Forest Industries, 2004).

Northern Interior Region Forestry Industry Quick Facts (as in 2006):

- 141 production facilities are located in this region
- Forestry in northern BC supports 25,000 direct and 55,000 -75,000 indirect jobs
- 14 communities are wholly dependent on forestry while 9 communities are partially dependent
- Produces more than 5 billion board feet of lumber annually (enough for 640,000 new single family homes)
- Outputs over 40% of BC's annual softwood lumber production and 21% of Canada's total annual softwood lumber
- Generates 34% of BC's provincial government revenue.

The Council of Forest Industry Members in the Stuart Nechako Region are:

- Canfor Corporation
- Carrier Lumber Ltd.
- Dunkley Lumber Ltd.
- Nechako Lumber Company Ltd.
- Pope & Talbot Ltd.
- Stuart Lake Lumber Company Ltd.
- West Fraser Timber Co. Ltd.
- Apollo Forest Products Ltd.
- D & D Wood Products
- Tl'oh Forest Products Limited Partnership

The Northern Forest Region includes a large portion of the Prince George TSA which has had an increase in its Annual Allowable Cut from 9,363,661 cubic meters to 12,244,000 cm. The AAC has been increased in order to address to the devastation left by the mountain pine beetles. The only Tree Farm Licence in the Region is TFL 41 operated by Tanizul Timber Ltd. Some timber is also obtained from private lands (Government of British Columbia, 2006A).

The forest industry at Fort St. James began to develop in earnest with the advent of rail service in 1968. In 1982, Tanizul Timber Ltd., owned by the Tl'azt'en Nation (formerly *Stuart-Trembleur Lake Band*), was awarded Tree Farm Licence No. 42 with over 54,000 hectares of Crown land about 50 km west of Fort St. James. Included in the licence is some Indian Reserve land. The licence holder is not allowed to build a sawmill, so must sell all its log harvest on the open market. The recent upgrading and re-opening of the BC Rail Takla Lake extension provides additional logging employment in the area, but the bulk of the timber will be processed in the Prince George Area mills that financed the restoration works after obtaining cutting rights.

The CanFor mill in Houston was upgraded in 2004 and became the largest commodity dimensional lumber mill in the world. The Canfor Plateau Mill in Vanderhoof (purchased from Slocan Forest Products in 2004) completed its upgrade in 2006 in order to ramp up production to the super mill level—600 million board feet. In 2002 there were 17 lumber mills registered in the Prince George area, with a combined annual capacity of 2,710,000,000 board feet. The mills in the Stuart Nechako Forest Communities Program area are listed below in order of capacity.

Figure 12. Mills Located in the Stuart Nechako Forest Communities Program Area

Company	Location of Mill	Product	Estimated Annual Capacity (millions of board feet)
Canadian Forest Products Ltd.	Vanderhoof	LBR	600
Pope and Talbot Ltd.	Fort St James	LBR	264
West Fraser Mills Ltd.	LeJac	LBR	240
L & M Lumber Ltd.	Vanderhoof	LBR	156
Apollo Forest Products Ltd.	Fort St James	LBR	111
Stuart Lake Lumber Co. Ltd.	Fort St James	LBR	77
FSJ All Nations Forest Corp.	Fort St James	LBR	17
BC Custom Timber Products Ltd.	Vanderhoof	LBR_-10	7

Alternate Energy Plants

- Premium Pellet Ltd. (est. 1998) is based in Vanderhoof, British Columbia, Canada, manufactures high quality wood pellets from sawmill sawdust, planner shavings, and chips fines (white wood waste) and is a partnership between L&M Lumber and Nechako Lumber Co Ltd. and Company # 568676 (British Columbia Ltd.). L&M Lumber and Nechako Lumber Co Ltd. bring over 25 years of forest industry experience and supplies the white wood waste necessary for the production of pellets and are known in the international forest industry for its consistently high quality wood products and their ability to balance economic growth with long-term forest stewardship and they have become a leader in wood fiber utilization and environmental policy.
- C.H. Anderson, a North Vancouver-based company has planned the construction of two pellet plants in the heart of the pine beetle epidemic. One will be located in Vanderhoof, BC to be located on the Saik'uz First Nation Noonla Reserve (#7) located next to the CN Rail line. The Swedish partners, which are helping to finance the project, are Talloil AB and TPS Termiska Processer AB. Talloil is a leading biofuel and energy company in Europe, while TPS Termiska builds the systems that turn wood pellets into energy. The beetle-timber salvage rights include 750,000 cubic metres a year south of Vanderhoof, and another 300,000 cubic metres a year in the Quesnel area (Hoekstra, 2005).

Even without the mountain pine beetle epidemic there are many factors influencing the evolution of the BC forest sector. Canada's competitiveness in the wood products sector has been based historically on the abundance, quality and low cost of its raw material supply. Now Canada's cost competitiveness in wood products is threatened from nearly every angle (Maness, 2006). The driving forces changes for the forest sector in Canada with a BC focus are:

- **Industry Consolidation** – companies in BC have consolidated but are still small by international standards; declining wood supply in Interior will drive further consolidation; BC government has removed the appurtenancy clause from timber licenses.
- **Accelerating technological change** – interior sawmills are large, low cost and advanced but low Return on Capital Equipment and lack of access to additional wood supply have limited technological investment in secondary manufacturing; innovation is only modestly funded, unfocused and proprietary.
- **Emergence of alternate uses of wood** – potential competition for wood for energy or competition for energy used in the forest sector

- **End of low cost energy** – BC energy cost has to be viewed in a North American context; large industrial emitters will be liable for polluting emissions
- **Societal and environmental requirements** – BC government, industry, and environmental NGO's have been effective in placing BC forest management on a green footing; most companies are pursuing certification; treaty negotiations are inching forward; urban-rural divide is increasing; public image of forestry still poor but improving in some areas; support for workers and communities affected by mill closures of limited effectiveness.
- **Institutional arrangements and governance** – the Canadian Forest Service has isolated linkages in BC though our universities and research labs are better connected with the industry.
- **Emergence of new competitors** – BC is experiencing strong competition from a number of relatively new sources, both indirectly and directly as Asia-Pacific trade flows are shifting; BC cannot continue to compete based on commodities as BC is a high cost production area and the margin on commodities is minimal; advanced competitors have implemented sectoral strategies which BC has not.

A competitiveness strategy for the entire forest sector in Canada hinges on strategic collaboration in light of the global factors at play, and especially for our region of BC considering the transition ahead of the Interior following the salvage of the pine beetle wood.

2.3.1.2 Mining

Mining was responsible for the development of access throughout the district, and continues to be an important activity. A major mine development (Teck Cominco) is underway in the adjacent Mackenzie Forest District, an operation may have positive economic impacts for Fort St. James and may include the improvement of the highway between Mackenzie and Fort St James.

The Endako molybdenum mine (Thompson Creek Mining Co.) opened in 1965 and went through a number of expansion programs over the years. Capacity for roasting molybdenite to produce molybdenum trioxide was also increased over time, and in 1980 a refining plant was added in order to produce molybdenum disulphide, a lubricant additive. The instant town of Fraser Lake was established to house the mine workers, who numbered approximately 635 in 1981. In June 1982, the mine closed for an indefinite period in response to weak markets, although the roaster continued to operate, processing concentrates from other mines as well as from its own stockpile until 1988. In June 1986, Placer Dome Ltd. announced that production would resume at a level substantially below the previous rate, and with a substantially smaller work force. Currently, milling capacity is 27,500 tonnes per day and the operation employs approximately 200 people. In 1991, 9.5 million tonnes of ore was milled, producing 216 tonnes of molybdenite concentrates, 6,218 tonnes of molybdc oxide, 453 tonnes of ferro-molybdenum and 29 tonnes of molybdenum sulphide. In 1992, the total rose slightly to 9.7 million tonnes and in 1993 it slipped back to 9.6 million tonnes.

A very large low-grade copper-gold property 80 km north of Fort St. James received a combined mine development and energy project certificate in November 1993, and is expected to become operational when markets are favourable. The development, known as the Mt. Milligan mine (Placer Dome), could provide 440 direct jobs over 15 years, operating at 60,000 tonnes per day, but early development is not anticipated.

In 1968 a large deposit of jade was discovered near the south end of Takla Lake and other discoveries have been reported since. The jade is cut into blocks for shipment to Vancouver where it is exported in raw form or fashioned into jewellery and ornaments. A number of promising mineral occurrences, primarily gold deposits, have been found in the vicinity of Germansen Landing, north of Vanderhoof, where mechanized placer mining on a fairly large scale has been undertaken. A resource road from Fort St. James now extends north to the very active Toodoggone camp in the North East Region. Heavy equipment and operating supplies are moved by road rather than air, thereby benefiting the local economy. (Government of BC, 2006).

2.3.1.3 Oil and Gas

Geoscience BC is moving forward to help stimulate new economic development in forest-dependent communities affected by the Mountain Pine Beetle infestation by seeking proposals for oil and gas and mineral exploration-related projects in central B.C. "Geoscience BC recently issued a request for proposals for geoscience projects for:

- Assessing the oil and gas potential of the Nechako Basin in the Interior Plateau region of south-central B.C. (can be viewed in Figure 11 of Appendix B).
- Enhancing geological understanding of mineral potential of central B.C.; and
- Developing geochemical and geophysical exploration technology to overcome the challenge of volcanic and glacial cover in central B.C.
- As of August 4, 2006 Dr. Andrew Calvert will have responsibility for the development and oversight of projects focused on the geological assessment of the oil and gas potential of the Nechako Basin in central British Columbia. He will also be responsible for coordinating collaboration with the oil industry, geoscience organizations in the provincial and federal governments, and academia (Geoscience BC, 2006).

The federal government's preliminary estimate of the potential oil and gas resources in the region is up to trillions of cubic feet of gas and billions of barrels of oil in the Nechako Basin of central B.C., but this assessment is speculative. In addition, there are several mines (producers and past-producers) in the area, including Gibraltar, Mount Polley and Endako, indicating high mineral potential in the region. The private sector has been reluctant to invest in exploration for mineral, oil and gas resources because there is very little up-to-date information about the geology of the region and it is an area that is geologically challenging and difficult to explore.

In the past year, Geoscience BC has already committed \$1.5 million to geoscience projects in central B.C. This was matched by over \$700,000 in funding by industry, academia and the federal government. Geoscience BC plans to fund \$2 million for geoscience-related oil and gas projects and \$3-\$4 million for mineral projects in B.C.'s central interior in 2006. Geoscience BC intends to work with industry, academia, communities, First Nations and provincial and federal government agencies on the central BC geoscience program to accelerate data collection which will help stimulate increased exploration activity in the region. (CNN Matthews, 2006)

2.3.1.4 Agriculture – Bulkley Nechako and Nechako Valley

In 1996, 471 farms reported to Statistics Canada in Subdivision "A" of the Bulkley-Nechako Regional District. Of those 471 farms reporting, there were:

- 248 sole proprietorships
- 15 partnerships with written agreement
- 169 partnerships with no written agreement
- 30 family corporations
- 6 non-family corporations
- community agreements (community pastures)

Farm incomes are subsidized by logging or forestry activities as well as employment in the service sector in the urban areas of the region.

Farming activity is limited primarily to the southern portion of the region and is concentrated in the Bulkley Valley near Smithers and an area surrounding Vanderhoof. These two locations exhibit a degree of agricultural diversity although the leading activity there is cattle farming or ranching, as it is elsewhere in the **Bulkley-Nechako Regional District**.

- There were 945 census farms with 638,329 acres in 2001.
- The combined capital value was estimated at \$585.3 million and the gross receipts for 2000 were estimated to be close to a total of \$51.7 million.

- There were 139 farms reporting gross receipts of less than \$2,500 while 117 farms had an income of over \$100,000.
- Hay and field crops were grown on 145,233 acres of which the vast majority (121,261 acres) was dedicated to hay (alfalfa and alfalfa mixtures and all other tame hay and fodder crops).
- There were 73,391 cattle and calves and 1,757 dairy cows. Almost 13,000 hens and chickens make the region home along with 590 pigs, 3,377 sheep, and 986 goats.
- Of the 17 acres dedicated to fruits, berries and nuts only 8 were producing while vegetables were grown on 68 acres.
- There were 42 farms with greenhouse covering 360,658 sq. feet and 12 farms with nurseries covering 25 acres. Christmas trees were grown on 96 acres.

Agriculture has a long history as an integrated resource with forestry. Forestry is the largest natural resource enterprise in the Nechako region requiring a huge land base to maintain long term sustainability. As agriculture began to spread to the fringes of the river bottom and clay plateaus, it also moved to more heavily forested lands. Forestry and agriculture began to compete for the same land. Fast Facts - Agriculture and Forestry work together:

- \$2,817,858 farm timber sales(1996)
- 61,744 acres in woodlots (1998)
- 2,000 loads of shavings used for cattle bedding each year
- An arability study done in 1998, established 11,000 hectares (27,000 acres) for future agriculture expansion around Vanderhoof, Fraser Lake and Fort Fraser areas.

There were many policies and compromises that were required to develop compatible integration of agriculture and forestry resources. Much of the land surrounding the main agriculture basin is spotted with areas of good arability, marked with rocky pine covered ridges. For the most part these lands are well suited for forests as well as for beef production in that they provide some excellent hay and grain land and additional potential for natural and tame pasture integrated with good forest management. A recent arability study completed in the fall of 1998 more clearly established the parameters of the agricultural area and delineated the forest and agriculture boundaries.

As the Nechako agriculture base moves into second and third generation farm practice, it will be better able to meet the needs of agriculture in new products and value added markets. With the basic infrastructure in place, agriculture in the Nechako takes on a new shape of more refined fields, advanced technology, specialization, value-added production and full time commitment. The Nechako Region boasts state-of-the-art dairies, feedlot expansions, a bull test centre and substantially increased production of commercial grain and forage operations. It is self sufficient in forage (except under drought conditions) and has significantly increased its quality of buildings, service and equipment infrastructure (Nechako Valley Agriculture, 2004).

2.3.1.5 Tourism Sectors

Tourism continued to decline for the period, as per trends from other regions in the province, due in part to the impacts of the rising Canadian dollar, the sinking of the BC Ferry, fuel costs, and the announcement of impending requirements of US travellers to carry passports (and the confusion it created).

**(References for this section can be supplied upon request).*

3.0 VISION: *“A robust, diversified economy and healthy sustainable communities.”*

3.1 Our Mission

As a regional organization that facilitates and supports community development, we will:

- *Help start and grow businesses.*
- *Foster community economic development initiatives.*
- *Nurture skill development and employment opportunities.*

3.2 Strategic Goals (Refer to Appendix 1 – Operating Plan for 2007/08)

1. Community Economic Development

- 1.1. CFSN pursues regional development opportunities.
- 1.2. CFSN works with the various industry sectors in the region to advance CED opportunities.
- 1.3. CFSN partners in the provision of services and capacity building to directly improve trades training and post-secondary education; and works with businesses in human resource management.
- 1.4. Communities, and the region as a whole, begin the long-term transition to a post-mountain pine beetle economy.

2. Investment Fund

- 2.1. All participants in the community have local access to a range of capital sources.

3. Business Services

- 3.1. Provide financial management and business administration skill development information to clients.
- 3.2. Continue a leadership role in small business development in the region.

4. Marketing & Visibility

- 4.1. CFSN is the “top of mind” organization for business and economic development support and assistance.

5. Administration & Management

- 5.1. Regular communications with the CFs in northern BC.
- 5.2. Staff and Board have the necessary skills and competencies to fulfill their roles effectively.
- 5.3. Diversified program funding ensures the long term viability of business services to our region.
- 5.4. Strategic plan development and review process is continual.

6. Other Services

- 6.1. Relationships are established with all communities in the region.
- 6.2. Infrastructure meets the needs of local industry and communities.

4.0 ACCOMPLISHMENTS FOR PREVIOUS FISCAL YEAR

PERFORMANCE INDICATORS	Targets for 2006/2007	Actuals for 2006/2007
# Projects or activities providing leadership and/or expertise	28	27
# Instances facilitating community involvement	11	42
# Partnerships developed/maintained	50	34
# Advisory services provided to clients	200	236
# Training sessions delivered	3	0
# Clients trained	30	0
# Total volunteers	30	35
# Total hours committed by volunteers	1,900	1,191
# Loans Approved	15	15
\$ Loans Approved	\$1,000,000	\$1,200,000
# Instances of increased community stability	5	5
# Instances of increased capacity in community organizations	20	14
# Jobs created/maintained/expanded	50	95
# Enhanced community services or facilities	10	10
# Estimated Number of Clients Served	60	143

Discussion of Achievements: Activities, Targets, Actual Results and Analysis of Significant Variances

The three areas of variance are (1) training sessions delivered, (2) clients trained and (3) the total hours of committed by volunteers. Though activities were planned (and in one case advertised) the sessions never took place. The Business Succession Planning workshop that was cancelled, due to the Business Development Bank requirements, will be held in 2007/08 as there was interest from local business owners. The number of volunteer hours (predominantly attributed to the Labour Market Partnership) was less than forecast as the contract work was performed with less hours required of our volunteers.

4.1 Community Economic Development:

4.1.1 Labour Market Partnership –

The Vanderhoof Community Labour Market Partnership (VCLMP) project was initiated because many employers in Vanderhoof stated that they are experiencing difficulty hiring skilled labour, and like the rest of the province, they expect it to be a problem in the future. This project was funded by Service Canada. Labour Market Partnerships fall within their mandate and serve to assist with initiatives such as the identifying skilled labour shortages and the development of human resource strategies to improve the labour market for employers and employees in the community.

The main goals of the VCLMP research were to provide data that identified:

- The sector profiles with particular data on hiring, recruitment or retention challenges for employees;
- Labour market openings and needs;
- The available skill sets and qualifications of resident community members in Vanderhoof; and
- The identification of strategies to assist employers, and the community at-large, in handling labour issues.

This data was obtained in two ways:

1. An Employer Survey of all employers in the Vanderhoof area who hire any number of employees, including part-time or seasonal labour.
2. We conducted a Community Survey of community members between the ages of 15-64 who still expect to be employed in the next 5-10 years.

The learning and organizational capacity gains were made in surveying techniques and analysis. Through the project CFSN was noted for conducting exceptionally well-received surveys that provided above average response rates and subsequent project dialogue in the community, especially with key stakeholders interested in addressing the labour market situation. This labour market data is key to a trades and technology training initiative that is being pursued by a multi-stakeholder consortium. As well, the knowledge and capacity gained as an organization has leveraged our ability to bid on other northern community projects of the same type.

4.1.2 Bioenergy: Charcoal, Dupont and TallOil AB - The Mountain Pine Beetle (MPB) is encouraging the region, communities, businesses and agencies at the forest in a different way and at the top of the agenda is capturing the maximum value from the wood resource in non-traditional ways. CFSN has provided loans to businesses engaged in research and development in bioenergy, has attended the Northern Bioenergy Conference (December 2006), has engaged in communications with Saik'uz First Nation that has a pending joint venture with Tall Oil AB (Sweden) for a wood pellet plant, co-gen facility and related developments, and has been in discussions with experimental engineering firms on the topic of charcoal manufacturing. In addition, Dupont Canada is having discussions with local businesses on the topic of wood chemical production and bioenergy. This area of business could have significant impact on the local community, and includes the companies from multi-national size to small business size, as well as ties into the area of trades and technology training being discussed by the North Central Alliance for Trades and Technology.

4.1.3 REDI: A board member and one staffer for CFSN remains active on the board of the Regional Economic Development Initiative (REDI). The group continues to upkeep and fund the maintenance of a regional website (<http://www.investnorthernbc.com>) launched in April 2006. This initiative provides a forum for local community leaders to get together to discuss and initiate regionally relevant projects.

4.1.4 Forest Communities Program (Canadian Forest Service) Application: “Stuart Nechako Model Forest – A Sustainable Transition for the Stuart Nechako.” *The outcome of the FCP application is not known at the time of this reporting, but is anticipated and if successful the program would begin on April 1, 2007.* The following is the abstract of the application:

The FCP proposal came about through discussions with concerned citizens, forest sector specialists, dedicated community and economic development officials, First Nations leaders and financial professionals. The communities of the Stuart Nechako would benefit greatly from the seed capital from the CFS as it would be an integral element to jump-start transitioning of the region’s forest sector in the face of current and rapid catastrophic changes. The objectives of the Stuart Nechako Forest Communities Program (SN-FCP) are:

1. Training and Skill Development
2. Business Development
3. Marketing Intelligence
4. R&D in New Technologies
5. Development of Processes and Decision Support Tools
6. Financial Capital Incubation
7. Community Bridging, Networking and Capacity Building

In addition, the SN-FCP recognizes the great value in contributing to and networking with the world’s best talent in sustainable forest management and healthy communities through the Canadian and International Forest Model Network. These linkages are essential to building local capacity and leveraging successes to-date as we face an unprecedented forest natural disaster.

The SN-FCP is applying to the Canadian Forest Services Forest Communities Program for a total of \$297,800 per year, for a total of \$1,489,000 for the five year term from April 2007 to March 1012. The sponsoring organization, Community Futures Development Corporation of Stuart Nechako, will match the funds on an annual basis and through its network and financial management skills intends to leverage the CFS funds at a ratio of 3:1. In total this program site could deliver \$2,242,400 in pilots, projects and studies to the Stuart Nechako Region, before taking into account the business development potential of the additional investments our organization can implement to on-the-ground solutions through its financial lending and venture capital capabilities.

4.2 Investment Fund

The Micro Loan Fund has been used to advance two (2) loans for a total of \$35,606 since its inception to the reporting date, with a further \$25,000 loan approved after October 31st. This represents the bulk of the funds allocated to this program.

The Community Enhancement Fund has been established to provide short term repayable funding for non-profit organizations, qualifying societies and social enterprises. The objective of the fund is to provide financing for such activities as fund raising, capital projects or any other worthwhile purpose within the scope of their stated operations. There are no lending limits. The interest rate is prime plus 2%. No loans have been granted under this program to-date.

4.3 Business Services

The loan portfolio has increased \$422,912 (24%) on an approved volume of \$680,158.

Total payments received to date, including payments from the sale of assets related to non-productive portion of the portfolio, amount to \$535,020, or approximately 25% of the total portfolio.

Revenues applied to the interest account amounted to \$108,017 over the period. This included a one-time applications of funds received as settlements of outstanding non-productive loans. Using the interest accrual figure of \$73,455 for the period under review provides a better indication of how we are doing according to plan. Should this accrual figure be accurate, we can project earned interest of approximately \$140,000 for this year, which allows us to continue our plan to write-off the remaining non-productive balances (\$164,672) against earned interest income over the next 2 years. Based upon the interest accrual figure of \$73,455 the current portfolio yield is 6.73%.

Portfolio liquidation has become an issue in fiscal year 2006 as we have experienced early payouts totalling \$115,680 to October 31, 2006 and forecast a further \$230,000 by year end. When taken into consideration the projected write-off of \$100,000, loan volumes in excess of a further \$600,000 will be required to maintain our current portfolio levels.

We were successful in attempting some creative financing solutions to better meet the needs of our customers and provide a brief summary of our results here:

- **First Nations Lending:** CFSN assisted in the financing of forestry equipment (i.e. a skidder) and based our payments on receiving \$1.00/m³ rather than a set monthly payment. A result of this was less debt pressure on the client. We received the payments that would liquidate the debt in the equivalent of 42 months, which is in line with conventional equipment financing plans. This technique may have further use for First Nations entrepreneurs and other individuals where the payment is tied to piecework.
- **Stabilizing Business/Maintaining Jobs:** CFSN provided a system of short-term credit that has allowed the clients to get control of their cash flow and operate more effectively. In instances where businesses need short-term liquidity, we are perfecting our ability to provide this type of financing to assist in maintaining businesses where short-term cash flow shortages are of specific concerns.
- **Business Development Bank of Canada (BDC) Partnerships:** We have partnered with BDC on two deals, with another one pending in this fiscal year. Other partnerships have been developed with Future Acceptance and the Royal Bank of Canada – Vanderhoof Branch.
- **Business Succession Planning Workshop:** A business succession planning workshop, co-led by local legal and accounting firms, is planned for the end of the fiscal year end. The labour market partnership data, as well as anecdotal business counselling determinations, conclude that the majority of small businesses in the region do not have human resource or business succession plans.

4.4 Marketing and Visibility

A core goal of the marketing operations plan was to create a marketing plan, and this was accomplished in December 2006 with the follow elements:

1. Be a definitive information source.
2. Give information away – business planning, development, funding, financing, human resources, training, education, and more.
3. Build communication bridges and networks.
4. Make the website the go-to place for everyone – the board, the staff, funders and the public. If it is useful and informative for internal audiences it will be for your publics.
5. Give each staff and board member their own e-mail account. Makes it easier to cc to staff and board members.
6. Profile human capital and capacity of organization (including partners).
7. Link (share information) generously.

8. Start a state-of-the-industry CFDC Web site and Blog with current links to topics and news articles that are regionally, provincially, nationally and globally relevant.
9. Become a bridge for those that don't have internet access (grow CAP station through partners – i.e. new equipment).
10. Sponsor community events that create linkages:
 - Career Days at Schools and CNC (all campuses / communities)
 - Business development (et al) workshops – 4 per year
 - Establish mentorship program
 - Community news page – a number of submissions per year
 - Opportunities Program – leverage festival, event, media sponsorship
 - Trade shows – 1-3 per year

These activities will be accomplished in part in the remaining quarter of the 2006/07 operating year and are planned to continue in 2007//08.

Activity	No. Times / Year
Brochure – full color	Annually updated
*Website + email	Ongoing development & maintenance
Newspaper Full Page	4 times per year
Event Sponsorship	3 times per year
Trade Shows	1-3 per year
Host Annual Career Day	1 time per year

4.5 Administration and Management

Review and establishment of policies and procedures: A complete review of all policies and procedures was undertaken during this operational year. Existing policies were amended where required and new policies established in the areas of Investment Funds and Recruitment.

Recruitment package/recruit: The recruitment package was created. Recruitment efforts were delayed while the Board tried to identify opportunities for involvement of new members on a project-by-project basis, thereby providing new members with the grounding and working knowledge of the organization before they considered a board position. Through actively seeking active members the board intends to garner a larger number of individuals prepared for a board position in the near future. Future recruiting will commence in the final quarter of 2006/07.

Board/Staff Training: Board/staff training took a lower priority in this operational year as resources were alternatively directed to providing the community with services that were responsive and immediately relevant.

Supplementation of Core Funding: At least two potential areas of alternate funding have been identified as a result of engaging communities and organizations. In-roads are being made and increased call/strategic service provisions have been made as a result of this efforts.

4.6 Other Services

4.6.1 Enhanced Aboriginal Service Capacity – Program Ending March 31, 2007

1. Provide Aboriginal communities with stronger support from CFDC Stuart-Nechako for CED activities.

CFDC-SN has made deliberate efforts to provide First Nation communities with stronger support in their CED activities. The efforts have not proven to be as successful as desired. The main reason appears to be the bands within our region are all at a different stage in their economic development. For this reason we have modified our strategy to one where we remain in contact with the communities. We now primarily focus on supporting activities with the communities that are either requesting our assistance or accepting initiatives that are brought forward to them.

Some examples of these activities include the following:

1. Nak'azdli Economic Development Trade Show;
2. The Bednesti Arts and Cultural Centre;
3. IndiGo Horizons Youth Development.

2. Build capacity of Aboriginal communities to support economic development

Through our efforts to build capacity, we have learned that we need to be more patient in expecting outcomes greater than the communities' capacity. Our experience is that much of the work in these communities is done by a small number of people. Staff turnover has been an obstacle to their committing to new projects. To assist in resolving their capacity issues, we introduced the following initiatives, which are geared toward removing the obstacles to community CED at all levels:

- (1) First Nations Civil Administration Mentorship Program;
- (2) Community Development Corporation which included education of the community, board development, training an EDO through regional activities who would then return to specifically work in their community through the Development Corporation;
- (3) Stuart Nechako Regional Economic Development Initiative;
- (4) Forest Communities Program;
- (5) Community Garden;
- (6) Entrepreneurial workshops for youth;
- (7) Assist with hiring a new Band Manager; and,
- (8) Community Radio.

3. Increase awareness of CFDC and CED activities in Aboriginal communities. Increasing awareness of CFDC and CED activities within these communities has proven to be a difficult task. Although we have made inroads in some areas, we still have communities that do not appear to be interested in our products or services. The reasons vary greatly between the communities but largely can be attributed to internal issues such as staff turnover as well as external issues such as land claim settlements. In any event, we have adopted the strategy of working with those communities that are responsive and invite us in. We continue to attempt to build bridges to communities through participation in Trade Shows, Economic Development Forums and Partnerships.

4. Build closer relationships between CFDC and Aboriginal communities. As a result of the Aboriginal Outreach Program, we have been able to establish a relationship with some communities and Aboriginal organizations. Thanks to our relationship with Carrier Sekani Tribal Council, the bands and many band members are more aware of Community Futures and what we do. This association has benefited CFDC-SN in the way of referrals and walk-in traffic as is demonstrated in the following contact numbers: 2004 (284), 2005 (335) and (186) during the first six months of 2006.

- FNALA;
- IndiGo Horizons Youth Development;
- Valley Garbage Service (keyoh holder)

- Nulki Hills Contracting (keyoh holder)
- Saik'uz Development Corporation
- Tin Toh Logging (Saik'uz)
- Takla Trading Post
- Labour Market Partnership

5. Build long-term relationships amongst Aboriginal communities

It is recognized that prior to the Aboriginal Outreach Program, relationships already existed amongst the aboriginal communities specifically through Tribal councils and the treaty making process. Therefore, the approach used by CFDC to build long-term relationships, between aboriginal communities and with non-aboriginal communities, was to focus on manageable projects, which could benefit more than a single community. Some examples of these projects would be:

- Fresh water fish Enhancement program / Interpretive centre;
- Bednesti Arts and Cultural Centre;
- Intra community trade;
- Native broadcasting;
- Waterfront development / Co-ownership of a local ski hill;
- Entrepreneurial training

6. CFDC Stuart-Nechako's staff and board of directors become more culturally aware.

Staff and board members have attended courses, conferences and actively worked with First Nation groups and communities in an effort to learn more about the aboriginal culture and protocols. While all these venues have proven to be interesting, they have not provided the one component necessary for strong relationships – actually working together. It has been our experience that closely working together, getting to know each other has provided the best opportunity to learn about each other. We have participated in the following to build a greater awareness: Saik'uz Good Neighbours Committee; CNC courses; lending activities (Keyoh/House system); UNBC course; meetings with elders; regular dialogue with community EDO's; Economic Development Forums.

7. Strong Aboriginal participation in the governance and organization of the CFDC:

CFDC-SN has made every effort to include aboriginal participation in the governance of the organization. However, as a result of our efforts; we have determined two things;

- (1) First Nations persons within the region that could make a valuable addition to the board, tend not be interested in participating on boards outside their own community.
- (2) Secondly, those with interest and necessary skills are already overloaded with duties in their own communities.

We have, however, not achieved First Nation participation on projects at the committee level where the time commitment and capacity requirement is somewhat less. Going forward, we see this as a stepping-stone to reaching our objective in terms of First Nations participation in governance.

8. Increase the level of lending and business counselling activities:

- (1) We have advanced 3 loans totalling \$ 178,910;
- (2) We have provided counselling to First Nation individuals considering various business ideas from logging contracting and log home building to operating a local garbage service and various retail projects. Traffic in this area has been steadily increasing and we believe successfully completing loan transactions to Keyoh holders (who's influence in the Saik'uz community is significant) has been a factor. We are committed to providing fair and honest service sensitive to individual needs. We are also flexible regarding loan structure and try to develop solutions that best ensure the client's success while maintaining portfolio integrity.

9. Increase the number of Aboriginal business start-ups and expansions.

Business succession due to an aging population in the area offers a unique opportunity to First Nation entrepreneurs to purchase turnkey operations. Entering self-employment at this level provides a greater certainty of success. An example of this is one individual's purchase of Valley Garbage Service, a business that serves the Saik'uz community that was purchased by a First Nations client. We have planned to host business succession workshops for business owners and plan to interface this activity with a First Nation component where possible.

General impediments to continued/sustained engagement with First Nations communities include:

- Communities don't have commercial base and haven't developed one. (From an economic point of view – where do you start?)
- Outside influences relating to the development of strategies for industry overshadowing the planning of the community and in this way restricting the development of the capacity of the community to develop “made in community solutions”. I.e. Forestry off-loading responsibilities to First Nations (NRFL's given to FN – cost to maintain – no markets for wood).
- Mentorship and business infrastructure not being available creates isolation for entrepreneurs, which lessens the chance of success.
- Lending practices must be easier for the communities to understand and work with— every business we have worked with in these communities lack the balance sheet strength to cover off cycles. Innovations in repayment options, among other techniques, need to be researched. A possible solution is to employ different methods of developmental lending.

4.6.2 Canadian Broadband Project: Canadian Broadband is a partnership in which CFDC-SN holds a minority position. The purpose of the project is to provide an additional 600 ports of ADSL equivalency in internet service to Vanderhoof and Fraser Lake. This is to be accomplished through the use of technology to co-locate with the existing TELUS system. Three hundred (300) ports are to be reserved for on-line learning through the Nechako E-Bus, a locally located online learning K-12 service for children and adults that currently serves 1,200 students throughout the province. Should there not be enough uptake for online learning purposes, the remaining ports will be available to the public at-large. Recently, difficulties have developed in association with TELUS, and a resulting CRTC hearing is pending.

4.6.3. Village of Fraser Lake Arena Rehabilitation/Renovations: The Village of Fraser Lake is threatened to close without upgrades of ice making equipment and surface. CFSN was instrumental in creating a socio-economic impact report for the Fraser Lake Arena and providing the guidance for Fraser Lake staff and council to complete applications for funding from 2010 Olympic/Paralympic Live Sites, Nechako-Kitamaat Development Fund Society (NKDF), Northern Development Initiative Trust (NDIT) to match their borrowed funds to finance the \$727,000 rehabilitation. This is considered Phase One of the project. Additional funds may be sought in 2007/08 for additional upgrades to the dressing rooms, building exterior and common areas which will enhance the community's ability to host provincial, regional and national events in cooperation with the District of Vanderhoof Arena.

5 CORE SERVICES, OBJECTIVES, PRIORITIES & ACTIVITIES FOR THE NEXT FISCAL YEAR (ANNUAL PLAN)**5.1 Community Futures Development Corporation of Stuart-Nechako ANNUAL OPERATIONS PLAN FISCAL YEAR 2007/08. See attached - Appendix A.**

The core programming areas have been established under the planning headings as per the standard annual operations plan, however newly created strategic planning has come as part of the Forest Communities Program for the Canadian Forest Service. These broad categories enable CFSN to target, promote, nurture and develop the priority areas as identified by our communities, changing landscape, shifting economies and global impacts on business, industry and government policies. The eight (8) priority areas within which several (or many) projects will be identified that tie into the organization's long and short term strategies as outlined in Appendix A.

1. **Training and Skill Development:** To assist individuals and businesses to develop the skills necessary to respond effectively to change through access to information and education initiatives.
2. **Business Development:** To pilot projects that assist in making the potential industries of the region viable and sustainable. The list of industrial categories may include, but not limited to, are: Forestry, Tourism, Agriculture, Mining, Transportation and Services.
3. **Marketing Intelligence:** To pilot marketing intelligence initiatives designed to assist local business, and potential new businesses to the region, and make them more aware of new and secondary market opportunities.
4. **R&D in New Technologies:** To investigate opportunities to utilize existing forest resources using new technology, particularly in secondary wood products and alternate energy clusters.
5. **Development of New Technology:** To assist the community and its members in taking advantage of new technology and applying it, including the commercialization of products.
6. **Development of Processes and Decision Support Tools:** To evaluate the local economic impacts due to changes in industry practices, such as adopting the principles of market driven production, and help local contractors understand the changes in work cycles, the impact on cash flows and human resources practices and other considerations.
7. **Financial Capital Incubation:** To develop financial instruments and pilot programs that explore the financing needs of local business in a changing economy and how to mobilize local capital to make local investment by area residents feasible. The objective is to develop best practices to make "made-in-the-community" financing options a reality.
8. **Community Bridging, Networking and Capacity Building:** All the communities are working on community and economic development plans, and most notably First Nations in the region are inching towards treaty. In this process they are building their governance and land management capacity. New relationships and partnerships are integral to the entire region and its ability to move forward in skills development, adoption of leading-edge technologies and obtaining valuable land and forestry management protocols. Best practices in joint ventures, business partnerships, clusters, and new business models are coming from a landscape under unprecedented rate of change (MPB).

5.2 Inclusivity

Promoting the inclusion and participation of all community members fully and effectively in the local and regional Socio-Economic Development is a core value of CFSN. Where applicable, we have identified strategies targeted at exclusive sectors that we provide (e.g. First Nations, Women, Youth, Disabled Entrepreneurs, Francophones, Social Enterprise clients, and others that are identified from time to time). Our plans for board member development to include these groups and better represent our communities that we serve are underway in 2007/08.

5.3 Support of Social Economy and Social Economy Enterprises

Background:

- The BC Council of the Canadian Community Economic Development (CED) Network is working on a proposal for the provincial government that would allow a 30% tax credit for equity investments in social enterprise.
- CFDC's of British Columbia agree that solid successes are contingent on the ability of social enterprises ability to access better organizational development and management skills.
- At a recent meeting of investors at the Canadian SE Conference, participants concluded that the issue was not so much lack of capital as it was the need for technical assistance and better management of social enterprises.
- Vancity Capital Corp. and ENP staff have indicated that they would like to see higher quality proposals/applications.

The Discussion of January 31, 2007 included Keith Federink of Community Futures Stuart Nechako. In agreement was the understanding that social enterprise is a tool that can be useful as a part of community revitalization efforts, but working with non-profit organizations, small community elected councils and staff, and First Nations communities (boards and staff) on business development comes with challenges not associated with working with individual business clients or entrepreneurs. Simply – it is more complex and tends to take longer.

Community Futures Stuart Nechako is interested in playing a role in expertise, coaching, document development, as well as financing and equity investment. Given the CFs existing accounting and management structures for lending, perhaps they are the ideal host organizations to create Venture Capital Corporations (e.g. in Nova Scotia they are known as Community Economic Development Investment Funds). The Corporations could possibly pool investments for the purposes of social enterprise and make the investments in their regions as warranted. Further meetings and discussions are occurring to develop this vehicle.

Implicit in our goals and objectives are continued efforts to provide leadership, business development advice and expertise to emerging social enterprise initiatives that are seeking to undertake business-like initiatives to produce goods and services for the market economy, but are managing their operations and redirecting their surpluses to address social and environmental needs in our region.

6 PERFORMANCE MEASUREMENT INDICATORS

A. Inputs		Targets 07/08		
<i>Measures resources committed by CFDCs</i>	1	\$ Amount invested in CED or Business Development projects	\$10,000	
	2	\$ Amount contributed in resources (including in-kind)	\$70,452	
	3	# Staff	6	
	4	# Hours of staff time	\$10,255	
	5	# Volunteer board members	7	
	6	# Hours committed by volunteer board members	600	
B. Outputs		Targets 07/08		
<i>Measures services provided by CFDCs</i>	7	# CED or Business Development projects and/or events	2	
	8	# Projects or activities providing leadership and/or expertise	25	
	9	# Community Planning exercises undertaken	3	
	10	# Instances facilitating community involvement	20	
	11	# Partnerships developed/maintained	20	
	12	\$ Amount leveraged through lending activities	\$2,000,000	
	13	\$ Amounts leveraged through CED or Business Development projects and/or events	\$1,000,000	
	14	\$ Amount leveraged by Business Development clients	\$500,000	
	15	# Clients served	140	
	16	# Advisory services provided by clients	240	
	17	# Information services provided by clients	1,000	
	18	# Web site information services provided to clients	250	
	19	# Training sessions delivered	1	
	20	# Clients trained	10	
	21	# Self-employment programs clients		
	22	# Persons with disabilities served	3	
	23	# Aboriginal clients served	15	
	24	# Youth served	10	
	25	# Social Enterprise clients served	10	
	26	# Other volunteers leveraged	50	
	27	# Hours leveraged from other volunteers	500	
	28	\$ Amount Leveraged from Self-Employment program clients		
	29	# Marketing activities	20	
	C. Outcomes		Targets 07/08	
	<i>Measures end results in the community of CFDC resource commitment & service provision.</i>	30	# Instances of increased capacity in community organizations	5
		31	# Instances of development of economic stimuli	5
		32	# Enhanced community services or facilities	3
		33	# Instances of community stability	2
		34	# Jobs created/maintained/expanded	95
35		# Businesses created/maintained/expanded	15	
36		# Instances of increased CFDC organizational capacity	4	