



## **Operating Plan 2011-12**

This plan has been approved and submitted by the Board for:

**COMMUNITY FUTURES DEVELOPMENT CORPORATION OF STUART NECHAKO**

P.O. BOX 1078, VANDERHOOF, BC V0J 3A0

Toll Free: 1-800-266-0611

Tel: 250-567-5219

*On behalf of the Board*

**Chair Signature**

**Date**

**Name**

**Title**

*On behalf of the CF Management*

**Signature**

**Date**

**Name**

*(Please Print)*

**Title**

**Date Plan Submitted to WD:**

This plan was submitted to:

Western Economic Diversification

700-333 Seymour Street, Vancouver, BC V6B 5G9

Attention: Steve Jones

## Community Futures Stuart Nechako, Vanderhoof, BC

Fiscal Year: 2011-12

OPERATIONAL PLAN

---

<b>TABLE OF CONTENTS</b>	<b>Page #</b>
Introduction	3
1.0 Basic Information	4
2.0 Description of Organization	5
3.0 Vision	21
4.0 Core Services, Objectives, Priorities & Activities	22

## INTRODUCTION TO OPERATING PLAN

Community Futures Stuart Nechako Region provides Western Economic Diversification (WD) with insight into the goals, accomplishments, measurable results and operating realities in this 2011-2012 Operating Plan. The plan forms both the basis for our funding relationship with WD and management and measurement tools to evaluate our progress as set out in the action plan for the operating year from April 2010 to March 2011.

The operating plan is based on a multi-year strategic plan and some sections of the plan are updated annually. Any section in the multi-year plan that changes significantly will be updated annually, and as well performance indicators and targets are updated annually.

CF's strategic plan sets long-term goals from which the operations plan's short-term strategies set out specific, actionable targets for the current year. The operating plan is submitted annually.

In the interests of making our strategic planning sessions for 2011-2012 as comprehensive as possible, we invited representatives of local government and community agencies to provide their observations and perspectives on the local economy. Presentations were made by the MLA Nechako Lakes, the President of the Vanderhoof Chamber of Commerce, the Edo from the District of Vanderhoof, the President of the Prince George Chamber of Commerce, a Counselor from the Village of Fraser Lake, the Superintendent School District 91 and the CAO from the District of Fort St. James.

The information acquired from these sources was included in the development of the strategic plan as well as the review of the SWOT analysis for the region. The opportunities brought forward through this process led us to increase our emphasis on the mining sector and in supporting skills training/education as an economic generator.

## Community Futures Stuart Nechako, Vanderhoof, BC

Fiscal Year: 2011-12

### OPERATIONAL PLAN

---

## 1.0 BASIC INFORMATION (Annual)

### 1.1 Basic Information

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

### 1.2 List of Staff (Annual)

Name	Position	Phone	% WD Core
Keith Federink	General Manager	(250) 567-5219	100
Stacy Swanson	Administrative Coordinator	(250) 567-5219	100
Graham Stanley	Business Analyst	(250) 567-5219	100
Janine Payne	Financial Support Officer	(250) 567-5219	100
Barry O'Brien	Project Coordinator	(250) 567-5219	0

### 1.3 Board of Directors (Annual)

Name/Position	Committees	Representation
George Winter, Chair	Executive, Finance, Marketing, Business Loans	Cluculz Lake
Gene Mitran, Vice Chair	Executive, Marketing, Business Loans, Finance	Vanderhoof
John Thobo-Carlsen, Treasurer	Executive and Business Loans, Seniors, Finance	Fort St James
Mark Winston, Secretary	Executive, Marketing, Business Loans, Finance	Vanderhoof
Trudy Vandelaar, Director	Nechako Watershed Council	Fort Fraser

## 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 that represents the various communities of the Stuart-Nechako region. Our organization has been known as Community Futures Stuart Nechako (CFSN) since rebranding and organizational restructuring in 2006.

### 2.1 Organization Structure and Operations

#### **2.1.1. Board Structure and Committees**

The CFSN Board of Directors is currently made up of five members; as many as six additional directors can be added to the board at any time in the future. Directors represent the communities of Cluculz Lake, Stellat'en, Fort Fraser, Fort St. James, and Vanderhoof. The Board meets monthly to determine the overall direction, monitor achievement of goals and objectives and policies of CFSN.

The Board maintains five working committees that deal with the following areas of focus:

- **Business Loans**
- **Personnel**
- **Marketing**
- **Education**
- **Finance**

Sub-committees and steering committees are struck from time-to-time to undertake specific projects and initiatives. The Chairperson, members of the Board, business experts and community volunteers from the region are encouraged to participate on our committees and sub-committees.

The board currently serves the communities it represents, and sectors and community excepting for First Nations representation. This involvement continues at a loan or economic development level and is evidenced in the organization's Economic Development programming.

Efforts will be made to recruit one additional board member with specific expertise necessary to fulfill the organization's strategic plan. It is felt that the number and magnitude of projects to be undertaken in the next period with a limited number of staff resource requires the assistance of a larger roster of active volunteers. Deployment of such a large resource will help the organization in engaging and communicating with the communities.

The board and staff are active in the following organizations and therefore via other relationships increase our service to organizations that reflect our community as a whole.

## Community Futures Stuart Nechako, Vanderhoof, BC

Fiscal Year: 2011-12

### OPERATIONAL PLAN

**Table 2.1.1. Volunteer Positions Held by CF-SN Board of Directors, Committee Members and Staff**

Organization Name	Community and/or Region Served	Position Held
Canadian Boxing Federation	Canada / British Columbia	President
Fort St James, Chamber of Commerce	Fort St James	Member
Cluculz Lake Recreational Association	Cluculz Lake	Director
Draft Horse Association of BC	British Columbia	Director - Secretary
Integris Credit Union	Vanderhoof, Fort St James, Prince George	ICU Foundation Board
Nechako Kitamaat Development Fund Society	Nechako River communities	Director
Sinkut Mountain Cattlemen's Association	Regional	Member
Smithers Exploration Group (Mining)	Regional	Member
Omineca Pastoral Charge	Vanderhoof	Treasury
Prince George Recreation Association	Prince George	Chair
Burrard Market Square Development	Vanderhoof	Business Development
Vanderhoof Chamber of Commerce	Vanderhoof	Member
BC Cattlemen's Association	Provincial	Sponsorship Committee
Stellat'en First Nations	Stellat'en First Nations	Administration
Elder Gatherings	Stellat'en First Nations	Administration/Care
Stellat'en First Nations	Stellat'en First Nations	Housing Coordinator

### **2.1.2. Organizational Structure & Responsibilities**

The current full-time staff compliment at CFSN consists of a four staff that 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.

**(1) General Manager** who reports directly to the Board of Directors and is responsible for overall CF operations;

**(2) Administrative Coordinator** who is responsible for office administration and reception;

**(3) Business Analyst** who is responsible for business development and loans;

**(4) Financial Support Officer** who is responsible for bookkeeping, accounts and budget administration;

**(5) Project Coordinator** who is responsible for CFSN projects, and assists with research projects and business analysis.

Temporary employees and/or sub-contractors are hired to implement specific projects that CFSN initiates. CFSN currently has one such on-call contractor to handle the technical aspects of the website maintenance and another for contract writing as required from time-to-time.

**2.1.3 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.

**2.1.4. Staff and Board Training Plans**

Training will be provided to staff and board as opportunities become available. The video conferencing equipment in the CF office will increase instructional opportunities, facilitation of peer group dialogue, enable delivery of training modules and board/volunteer orientation sessions. The video conference facility has the potential to improve regional communications.

**2.1.5. Subsidiaries and Related Entities – None****2.1.6. (A) Committed Long-Term Community and Government Partners**

Western Economic Diversification Canada (WD)	Fort St James Chamber of Commerce
Nechako Kitamaat Development Fund Society	Nak'azdli First Nation
Service Canada	Saik'uz First Nation
Regional District of Bulkley Nechako (Areas C, D & F)	Takla Lake Band
District of Fort St. James	Tl'azt'en Band
Village of Fraser Lake	Yekooche Band
District of Vanderhoof	John Rustad, MLA
Vanderhoof Chamber of Commerce	

**2.1.6. (B) Project Partners**

Junior Achievement of Canada	Ministry of Small Business, Technology and Economic Development
Royal Bank of Canada	School District No. 91 – Nechako Lakes
College of New Caledonia	Community Futures: Nadina, 16/37, Pacific Northwest, Haida Gwaii

**2.1.7. Funding Partners**

- Western Economic Diversification Canada (WD)
- Nechako Kitamaat Development Fund Society
- Northern Development Initiative Trust

**2.1.8. Services Offered**

1. Business Loans Program
2. Business Development Counseling
3. Regional & Community Economic Development
4. Aboriginal Outreach
5. Community Access Point
6. Business Development Library
7. Meeting/Training Facilities
8. Video Conferencing Facilities
9. Business and Entrepreneurial Skills Training

**2.3 Description of Community Futures Stuart Nechako Service Area**

**2.3.1 Demographic Information**

The Stuart Nechako is a sub-region of the Regional District of Bulkley Nechako and is home to 14,860<sup>1</sup> 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 sub-region of the Regional District of the Bulkley Nechako called the Stuart Nechako, had a population decline of 12.9% from 2001-2006.

Without the on-reserve First Nation's population figures included, the population decline is one of the highest overall in the province at 15.6%. The other portion of the Regional District Bulkley Nechako (rural and urban) had some population increases in Burns Lake and Granisle and Electoral District E, but five out of six rural regions declined as well as the Town of Smithers (-3.6%), District of Houston (-11.6%) and the Village of Telkwa (-5.5%).

Continuing the trend of many decades, between 2001 and 2006 the population has become more urbanized, with 85.4% of the provincial population now living in urban areas, up from 85% in 2001, 82% in 1996 and 80% in 1991.<sup>2</sup>

---

<sup>1</sup> 2006 Census Population Figures compiled from: BC Stats, Indian and Northern Affairs and Statistics Canada.

<sup>2</sup> BC Stats, <http://www.bcstats.gov.bc.ca/data/cen06/c2006hl.asp>.



## Community Futures Stuart Nechako, Vanderhoof, BC

Fiscal Year: 2011-12

### OPERATIONAL PLAN

The regional growth in population 2009-2036 is projected at just over 10% compared with the BC average of 36.4%.<sup>3</sup> The region will experience the third lowest population growth in the province.

**Figure 2.3.1. Population of the Stuart Nechako Region's Communities and the Regional District Bulkley Nechako (updated 2010 where data is available).**

<b>Communities – Urban and Rural Population</b>	<b>2001</b>	<b>2006</b>	<b>2010 est.</b>	<b>2014 est.</b>	<b>% change</b>
Regional District Bulkley Nechako*	40,856	38,243	39,028	39,837	+2.07%
* Inc. Indian Reserves Combined Population	3,000	3,117			
Indian Reserve Population as % of total	7.4%	8.2%			
District of Vanderhoof	4,390	4,064			
Electoral Area F "Vanderhoof Rural"	3,384	3,137			
District of Fort St James	1,999	1,355			
Electoral Area C "Fort St James Rural"	1,715	1,665			
Village of Fraser Lake	1,366	1,113			
Electoral Area D "Fraser Lake Rural"	2,108	1,355			
<b>Subtotal Urban &amp; Rural Stuart Nechako</b>	<b>14,962</b>	<b>12,689</b>			

<b>First Nations Communities Total On Reserve</b>	<b>2001</b>	<b>2006</b>	<b>% Change</b>
<i>Nak'azdli First Nation</i>	469	495	
<i>Tl'azt'en First Nation</i>	422	485	
<i>Saik'uz First Nation</i>	413	384	
<i>Takla Lake First Nation</i>	307	375	
<i>Nadleh Whu'ten Nation</i>	200	153	
<i>Stella'ten First Nation</i>	172	186	
<i>Yekooche First Nation</i>	71	93	
<b>Subtotal First Nations On-Reserve</b>	<b>2,054</b>	<b>2,171</b>	
<b>Total Population Stuart Nechako Region including on reserve First Nations</b>	<b>17,016</b>	<b>14,860</b>	<b>-12.67%</b>

**The District of Vanderhoof**, (2006 pop. 4,064), located 97 km west of Prince George at the junction of Highways 16 and 27, is the regional service centre. 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.

<sup>3</sup> BC Stats, Overview of the BC and Regional Population Projections, August 2010.

**The District of Fort St James** (2006 population 1,355) is located on Highway 27 along the southern shores of Stuart Lake 2006. 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** (2006 pop. 1,113), 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 and mining, and to a lesser degree, on tourism. Placer Dome Canada Limited's Endako Mine (now owned and operated by Thompson Creek Mines Ltd.) 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-years 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.

**Fort Fraser** (estimated pop. 950 in 2004) is one of the oldest settlements in British Columbia, located on the Yellowhead Highway, 44 km 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 km 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).

**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 D (Fraser Lake Rural), C (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 km<sup>2</sup> account for about 48.2% of the total area of the Regional District. The landscape is mainly rugged with 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."

### **2.3.2 First Nations Reserves and Population Stats**

**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). The Nadleh Whut'en Band's on reserve population has decreased by 23.5% from 200 members on reserve in 2001, dropping to 153 in 2006. Nadleh Whut'en First Nation is a member of the Carrier Sekani Tribal Council.

**Nak'azdli Band** (*formerly Necoslie*) has 1,560 band members, with 495 living on reserve in 2006, a 5.5% increase from 2001 (469 on reserve). The main community is on Nak'azdli Indian Reserve #1, adjacent to Fort St. James, approximately 45 km northwest of Vanderhoof (total of 16 reserves on 1,458.2 hectares.) Nak'azdli has three major forestry related enterprises, including Tl'Oh Forest Products, and as many as 12 members subcontract to the forest sector. Nak'azdli Band is a member of 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 15 km south of Vanderhoof (10 reserves on 3,235.7 hectares). Saik'uz has 384 members living on reserve in 2006, a 7.0% decrease from 2001 (413 members). 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 Carrier Sekani Tribal Council.

**Stellat'en First Nation** (*formerly Stellaquo*) has 370 band members with 186 on reserve in 2006, 8.1% increase from 2001 when 172 lived on reserve. 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 Wet'suwet'en First Nation.

**Takla Lake First Nation** has approximately 650 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 now has 375 members living on reserve, a 22.1% increase in on reserve population from 2001. It was created by the amalgamation of the Takla Lake and Fort Connelly bands in 1959. The Nation is a member of Carrier Sekani Tribal Council.

## Community Futures Stuart Nechako, Vanderhoof, BC

Fiscal Year: 2011-12

### OPERATIONAL PLAN

---

**Tl'azt'en Nations** (*formerly Stuart-Trembleur*) has 1,399 band members and 485 are living on reserve in 2006, a 13.0% increase in on reserve population from the 422 residents in 2001. 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 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. Tache is the location of the administration, elementary school, daycare, 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). There are 225 band members of which 93 live on reserve (2006) which is a 31% increase from 71 in 2001. The Yekooche First Nation Agreement-In-Principle was officially signed on August 25, 2006.

The Aboriginal Labour Force study<sup>4</sup> underscores the importance of working with Aboriginal population to engage and encourage First Nations in economic development, business formation and financing, and support business counseling for the bands as business units.

---

<sup>4</sup> Labour Market Characteristics of the Off-Reserve Aboriginal Population in BC,  
<http://www.bcstats.gov.bc.ca/pubs/eet/eet0704.pdf>

**LEGEND**

- CFDC Stuart Nechako Service Area
- Parks/Protected Areas
- Reserves

**Scale:** 10 0 10 20 30 Kilometers  
Scale: 1:500,000

**Map Labels:**

- Driftwood 1
- Takla Lake Marine - White Bluff
- Takla Lake (Ferry Landing) 9
- North Takla Lake 7A, 7
- Takla Lake ER
- Mount Blanchet Park
- Takla Lake Marine - Sandy Point
- Gelman 1
- Teesulee 3
- Grand Rapids 5
- Tache 1
- Stuart Lake
- Pinchi 2
- Ucausley 4
- Yekooche 3
- Sowchea 3
- Stellaquo (Stella) 1
- Nadleh 1
- Seaspunkut 4
- Neckako Canyon PA
- Kenny Dam
- Finger Tatuk PA
- Chilako
- Meridian Road/Vanderhoof ER
- Laketown 3
- Stony Creek (Saik'uz) 1
- Bobtail Mountain Park
- Williams
- Prairie Meadow 1A
- Uzya 4, 7
- Nak'azdli 1
- Stuart River Upper PA
- Stuart River Lower PA
- Engen
- Vanderhoof
- Fort St. James
- Manston Creek
- Gorman Landing
- Omineca Park
- Omineca River
- Nation River
- Tchenta Lake
- Mudzenchoot Park
- Trembleur Lake
- Rubyrock Lake Park
- Tezzeron Lake
- Pinchi Lake
- Mount Pope Park

**Directions:**

- TO PRINCE RUPERT
- TO PRINCE GEORGE

### 2.3.3 Description of CFSN's Service Area Industry

Figure 2.3.3. Experienced Labour Force by Primary Industry (2005)

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 Products	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.

#### A. Business and Investment Activity

According to the *BC Major Projects Inventory*, there were no projects under construction during 2010. One green energy development and one proposed molybdenum mine are proposed and recorded – total investment of \$1,160M - for the Stuart Nechako region, a sub-region of the Nechako Development Region (NDR).<sup>5</sup>

“In 2009, the NDR’s economy was affected by the global downturn—the value of building permits declined by 22%,<sup>6</sup> and mine development and mineral exploration virtually came to a standstill. In Northwest BC, estimated expenditures on major and small mine development projects was \$47 million in 2009, down from \$245 million in 2008. Mineral exploration expenditures dwindled to \$65 million from \$140 million.”<sup>7</sup>

Despite fallout from the global economic downturn, there have been positive developments that are helping some Nechako communities weather the storm. The pine beetle epidemic and past US sanctions on Canadian beef have motivated operators to utilize new technologies or diversify. In addition, the Northern Bio-energy Partnership was formed in 2009 to support the growth of the forest-based bio-energy sector, an emerging industry in the largest producing and exporting region of forest and bio-energy products in Canada (<http://www.bioenergypartnership.ca>).<sup>8</sup>

<sup>5</sup> BC Stats, Major Projects Inventory, September 2010, p. 134-136, [http://www.fin.gov.bc.ca/small\\_business/MPI\\_Report\\_Sept2010.pdf](http://www.fin.gov.bc.ca/small_business/MPI_Report_Sept2010.pdf)

<sup>6</sup> BC Stats, British Columbia Building Permits for Development Regions and Regional Districts by Type 2000-2008, February 5, 2009.

<sup>7</sup> Ministry of Energy, Mines and Petroleum Resources Mining and Minerals Division, *Exploration and Mining in British Columbia 2009*, January 2010.

<sup>8</sup> Institute of Chartered Accountants of BC, BC Check-Up 2010: Introduction, Nechako Region, <http://bccheckup.com/bccheckup.php?cat=85>



**B. Preparing for the Economic Recovery through Skills Training**

The region's communities are implementing strategies to train and upgrade the local work force by focusing on skills advancement in vocational and technical areas to better ready the work force for new opportunities in mining, tourism, forest products manufacturing and service sectors. Increasing employment in natural and applied sciences is a key factor in influencing long-term investment and boosting future labour productivity, and according to the 2010 BC Checkup by the Institute of Chartered Accountants of British Columbia, as the trend indicates BC is losing ground to other provinces in technology-related employment.

Projects funded in the Stuart Nechako region under the Community Economic Development Initiative (CEDI), have led to the expansion of the scope of projects to include additional phases such as a Pilot Training Program offered at the CNC. The College of New Caledonia (CNC) has formed a partnership with local business to offer an aviation diploma course to train commercial pilots. This course is unique to Northern BC as it creates the opportunity to establish a training centre for commercial pilots in Vanderhoof.

There is a new skills training facility established at a Saik'uz First Nation facility. CFSN will continue to assist organizations, who were successfully funded under CEDI to continue to advance their cause in later project phases or new initiatives. CNC is also providing skill development for older forestry workers to assist this group in obtaining new skills and self employment and business start-up acumen.

**C. Agriculture Sector Gains**

Agriculture in the Stuart Nechako Valley has traditionally been primarily beef production - cow/calf with some backgrounding (managing steers and heifers between weaning and entry into feedlot) - and one large finishing operation with some smaller niche markets, especially grass- fed beef being implemented. The 2003 BSE issue with closed US borders combined with a few years of on and off drought has taken a heavy toll on the beef cattle numbers in the area. Consequently there is starting to be more diversification taking place in the crop production with more cash crops such as wheat and canola now being grown. The soils in the area plus long summer days allow the area to grow a variety of grain crops and this trend towards diversification will probably continue to expand. Unfortunately because of unpredictable northern climes progress in this area is irregular.

The dairy industry which used to be a large part of agriculture in the area has declined dramatically over the last 10-15 years, but the potential for rebuilding this industry is very high. With the large amount of affordable (probably the least expensive and lowest tax land in the province), the forage growing potential, the same freight rate system for the province, and the stable marketing due to supply management; dairying promises to be as economical in this region as anywhere else in the province. As congestion in the Fraser Valley and Okanagan continue to grow along with land prices and taxes, it is probably a good time to start an awareness advertising campaign to encourage new producers or producers wishing to relocate.

The movement towards consumers wishing to purchase more of their food locally is taking place in this area as it is throughout the country. The Stuart/Nechako area is very fortunate to have an inspected abattoir growing locally grown meat to be available to the local consumer; however there is often a bottle neck at the facility with not enough slaughter space being available for the demand especially at

peak times of the year. Possibly an expansion of the cut and wrap business might take some of the pressure off the slaughter plant and allow for more animals to be processed.

The Stuart/Nechako area is a prime area for market gardens especially root crops and winter vegetables; this is another expanding area of agriculture growing to meet the needs of local consumers. The area is in early stages of establishing a marketing system to educate the consumer about the local options and then to get the product to the consumer. Research could be done as to what other regions of similar size are doing and possibly incorporate some ideas that have already proven themselves to be workable.

#### **D. Forest Sector Declines and Improvements:**

In 2009 and 2010, forestry operations continued to experience temporary layoffs or shut downs in response to reduced demand and price stagnation of forest products. The forest sector slowdown stabilized in the Stuart Nechako region and in the later part of 2010 there is renewed optimism that log harvest levels and market prices for lumber are rebounding.<sup>9</sup>

Lumber prices have risen over 12%<sup>10</sup> in the last quarter of 2010 with market opportunities strengthening in the US and continuing to expand in China and Southeast Asia. World pulp prices have remained strong through 2010 keeping price levels for wood chips and hog fuel strong for 2010.

“However, in 2011, another downturn in pulp prices is forecast, while lumber and newsprint should recover at a slower rate. While export prices are forecast to improve, there are concerns about the longevity of the stimulus-driven American economy recovery, inflation in the Chinese economy, and the Euro Zone crisis, and it is not clear what longer-term effects these factors will have on investor confidence, economic growth, and the export market.”<sup>11</sup>

Pertinent to strategies for CFSN’s support of regional growth are highlighted in the 2010 BC Check-Up:

- BC is well situated, and the growth of the Asian economic powerhouses – particularly China, Korea, and India – will continue to fuel markets for natural resource commodities, with BC exporters at the beneficiaries. The US will continue to be major trading partners with BC, but its market share is expected to decline, creating a more diverse market for the province.
- BC’s land, sea and air transportation hubs already support a large transportation industry and while volume declined in 2009, it is expected to recover and grow. There are indications that opportunities exist to fill empty containers with solid wood products, destined for expanding global markets such as China and that the container logistics are improving at the CN Rail - Prince George trans-load facility.<sup>12</sup>
- BC producers and exporters must continue to evolve value-added production. Exports presently account for approximately one third of BC’s GDP, and are a critical determinant for our provincial wealth. But BC’s export industry – both its product mix and markets – is shifting. The share of softwood lumber and forest products, BC’s traditional major export group, declined significantly, while the volume of coal and other exports rose correspondingly. But BC’s

---

<sup>9</sup> 2009 BC Check-Up, pg. 5.

<sup>10</sup> <http://www.nahb.org/generic.aspx?genericContentID=527>

<sup>11</sup> 2010 BC Check-Up, p.4-5.

<sup>12</sup> <http://initiativespg.com/Documents/FINALDecember2010Newsletter.pdf>, p. 4.



industries cannot compete in commodity markets against producers with lower costs and greater efficiencies. BC needs to better utilize its existing resources and “add value” to its exports to make it less vulnerable to future commodity price cycles.

CFSN has noted the following manufacturing capacity and ability of the region’s manufacturing sector to weather the global financial and supply demands at the time of this report in the 3<sup>rd</sup> quarter of 2010:

- Conifex has remained operating and has recently acquired a sawmill asset in Mackenzie and is now the largest industry employer in Fort St. James (<http://www.conifex.com>)
- Apollo Forest Products Ltd. harvests over 200,000 m3 and operates a sawmill in Fort St. James mainly produces stud lumber (<http://www.apolloforest.com> )
- L & M Lumber Co. Ltd., a commodity stud lumber saw mill based in Vanderhoof, has resumed operations of two shifts per day
- Premium Pellet Ltd., a subsidiary of L&M Lumber Ltd. and Nechako Lumber Co Ltd., and operates at full capacity of 140,000 tonnes/year of high grade wood pellets delivered to a global and domestic marketplace in bag and bulk form (<http://www.premiumpellet.com>)
- Canfor Plateau Division, the largest sawmill in Vanderhoof, is operating two shifts throughout the year (<http://www.canfor.com>)
- The West Fraser Timber Co. Ltd. mill in Fraser Lake has operated without curtailment through the economic downturn(<http://www.westfraser.com>).
- Log harvesting levels have reached their lowest point but there has been more activity in harvesting wood for chips and energy production that is delivered to northern BC pulp mills (Prince George)

### E. Mining Sector:

CFSN involvement to date in the mining industry has been minimal; however CFSN recognizes the potential of this industry and will monitor the progress of this sector as it develops. While direct industry assistance is not anticipated, CFSN will work with the industry’s supply chain to assist in the preparation of the region to serve the mining industry effectively. Procurement of local companies brings higher demands for industry-specific ratings for safety, quality and corporate ratings/audit (COR certification, ISO 9001 (or similar), assurance of financial capacity and capability.

CFSN plans to prepare its own organization to understand the mining industry’s needs better in order to assist in the preparation of the demands of the communities’ services (i.e. supplies, services, accommodations, and more). The region will see both opportunities and challenges with this mining boom, driven by China’s need specifically, and both the exploration and development of its mineral resources.

- Pacific Booker Mineral's **Morrison Copper/Gold Project** is a 30,000 tonnes/day copper-gold-molybdenum mine proposal in British Columbia (Granisle area 75 km northeast of Smithers). The proposal consists of an open pit mining and milling operation, tailings storage facility, and a new transmission line to the British Columbia grid. The project is currently under federal review. The proposed Morrison Copper-Gold Mine is estimated to at \$200 million in development, and is slated to receive approval in 2010 and be operational near the end of 2012.<sup>13</sup>

---

<sup>13</sup> Pacific Booker web site: [http://www.pacificbooker.com/pdf/PBM\\_Fact\\_Sheet.pdf](http://www.pacificbooker.com/pdf/PBM_Fact_Sheet.pdf)

## Community Futures Stuart Nechako, Vanderhoof, BC

Fiscal Year: 2011-12

### OPERATIONAL PLAN

---

- Thompson Creek Metals Company Inc. is working on a project that will substantially increase production and employment at the **Endako Mine** operation located just west of Fraser Lake. The project will be completed near the end of 2011<sup>14</sup>
- Thompson Creek Metals Company announced the acquisition of Terrane Metals Corp. and is expected to proceed with construction in 2011 of the **Mt Milligan project** (est. startup scheduled for mid 2013.)<sup>15</sup> Upgrades min access roads mine began in 2010. The company will soon start the procurement for local contractors. The webpage is found at: <http://www.terranemetals.com/new/ContractorPostings.asp>. The document entitled "*Terrane Metals Team Wheel: A Dynamic and Responsive Team*" captures the depth and scope of jobs, contractor qualifications and job site requirements related to certifications and planning.
- The **Chu Molybdenum Project** (the "Chu Project") located in the Omineca Region of Central British Columbia and is comprised of 45 contiguous mineral claims. The Chu Project covers an area of 15,094 hectares and is approximately 80 kilometers south-southwest of Vanderhoof, BC, and approximately 75 kilometers from the Endako Moly mine and processing facility. Currently drilling operations on the CHU property include resource category upgrading and exploratory activities. TTM Resources Inc. is based in Vancouver, BC. <http://ttmresources.ca>
- Serengeti Resources Inc. are exploring the **Mil/Choo project** located in the Quesnel Trough of northern B.C. (close to Fort St James) 15-25 km east of the Mt Milligan deposit, reported to contain mineable reserves of 6.0 million ounces of gold and 2.1 billion pounds of copper, currently being developed by Terrane Metals. <http://www.serengetiresources.com/s/Choo.asp>.

The development of industry, worker and community relationships with the mining industry is being tackled on many fronts. CFSN will support these efforts as a subset of its overall strategic operational plan and here are some examples:

- Regional District of Bulkley Nechako: have a dedicated mine industry website at: <http://www.mining.rdbn.bc.ca>
- College of New Caledonia and the Smithers Exploration Group and Northwest Community College (Smithers) – NWCC School of Exploration and Mining offer training and certifications: <http://www.smithersexplorationgroup.com/school>
- Industry associations: Association of Mineral Exploration of BC, The Mining Association of BC, Mining Suppliers Association of BC, The British Columbia Aboriginal Mine Training Association.
- The BC Construction Association's Certificate of Recognition (Health and Safety COR) is an employer incentive program developed by Worksafe BC. Small contractors may require support to adapt their company compliance and audit systems and employee training in order to qualify as preferred suppliers. (<http://www.bccsa.ca/COR.html>)

---

<sup>14</sup> Thompson Creek Metals Company Inc., "Endako Mine web page"

<http://www.thompsoncreekmetals.com/s/Endako.asp>

<sup>15</sup> Terrane Metals Corp. web site, "January , 2010 News Release,"

<http://www.terranemetals.com/s/NewsReleases.asp?DateRange=2010/01/01...2010/12/31>

**F. Addressing Financial Services and Capital Investment Gaps for All Sectors:**

CFSN's role will be to continue to assist clients with financing needs as they adapt their business activities related to the operational efficiencies and technologies required to harvest and transport of woody biomass. Additionally, CFSN anticipates that there will be a need to participate in the investment and financing arrangements of some of the larger bio-energy manufacturing businesses that are expected to evolve in the region.

Looking forward, regional forest producers will be able to take advantage of improved transportation systems allowing manufacturers competitive access to global markets. One of the challenges for CFSN will be to provide assistance in the areas of financing and investment capital access to small business planning to achieve the scale necessary to efficiently produce solid wood products and realize the maximum potential of the resulting wood residuals.

The Stuart Nechako Region's financial services are provided by two of the major chartered Banks and the Integrus Credit Union, and all investment dealers, are a subsidiary of the three financial institutions. The ability to mobilize local capital in any form, from community bond issues to local investment, in enterprise is undeveloped.

The troubling issue at the present time is the chartered financial institutions' response to the current economic environment. Anecdotal reports from community lenders indicate the banks are taking a cautious view and are adopting new credit analysis paradigms featuring sustainability. While in the long view this may correct poor financial returns for the financial institutions, in the short run liquidity will suffer and financing for new startups will be curtailed from these sources.

CFSN has responded to this issue within its means, but lacks the resources to impact this issue on a regional scale. CFSN is developing and piloting alternative financing strategies to address the needs of liquidity and inventory financing in the value-added wood sector with the hope a successful pilot will lead to adopting these methods on a wider scale.

**2.3.4 Bulkley Nechako Regional SWOT Analysis**

**Table 2.3.4 Regional SWOT Analysis – Bulkley Nechako/ Nechako Development Region / Stuart Nechako**

**1. Strengths**

- Low costs of living and business taxation
- Geography: rail, road, air, ports
- Well-trained work force in wood manufacturing and related trades
- Base of natural resources
- Potential new forest policy that will drive recovery of more wood for use in bioenergy production
- Investment in mining exploration and mineral processing is expected to increase in the short term
- Base of Agriculture that has the potential to be the foundation for food processing businesses supplying external markets

## **2. Weaknesses**

- Region is under-marketed and not well known as few organizations or businesses have websites
- Stuart Nechako business has limited capacity, experience and confidence in reaching diverse external markets resulting in limited economic diversification
- Historic lack of coordination, collaboration and communication in/from/between the region's many small communities continues
- Local SMEs will be challenged to access capital for start-ups or expansion through traditional institutions
- Regional dependency on softwood lumber manufacturing (largest employer) facing historic loss of customer base/capital market tightening
- Agriculture sector locally largely subsistence farming, further challenged by distance to market and uncoordinated marketing efforts
- Local access to advanced education and technical training remain barriers and contribute to an outflow of potential highly skilled workers and younger population

## **3. Opportunities for the Stuart Nechako Region**

- New market opportunities for the changed forest landscape, including – bioenergy from wood pellets, charcoal, forest litter, which CFSN individuals understand and can assist companies w/ base research
- Shipping opportunities now include Port of Prince Rupert in conjunction w/ Prince George intermodal service – CFSN could assist w/coordinating small manufacturers to share logistics/transport costs
- Proposed Milligan Mine (northeast of Fort St James) now in development phase could bring opportunities for local subcontractors in specialty trades
- Inexpensive property for commercial development can enable new business opportunities
- CFSN could act as communication, business start-up, economic development hub of region, and aid challenged contractors/farmers in communicating with majors and/or each other
- Government procurement provides opportunities for the development of manufacturing and value added enterprises
- Lending opportunity for CFSN for business ownership transitions occurring in the region and CFSN could act as investment catalyst, in conjunction with others like Northern Trust, BDC, so that SMEs can access capital necessary for growth, diversification
- Unconventional oil and gas opportunities exist in the Nechako Basin could be developed when the \$/barrel of oil rises in the future or North American demand warrant

## **4. Threats to the Stuart Nechako Regional Economy**

- Additional potential primary resource industries (mining or oil/gas) require the right market conditions to attract investment capital for start-up exploration/development
- Lack of access to investment capital particularly in the forestry and agriculture sectors
- Aging population
- Centralized government and institutional decision make public resources more efficient to be deploy in larger communities
- Impact of lost economic potential from the fall down of harvestable levels of pine beetle affected wood

### 3.0 VISION, MISSION AND STRATEGIC GOALS

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

**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

**STRATEGIC GOALS:** (Refer to Appendix 1 – Attachment “E” Operating Plan for 2011/2012)

**1. Community Economic Development**

- 1.1. CFSN is monitors all economies and identifies regional economic development opportunities
- 1.2. CFSN works with proponents to advance community economic development (CED) opportunities
- 1.3. CFSN works in the region on the long-term transition to a post-mountain pine beetle economy

**2. Investment Fund**

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

**3. Business Services**

- 3.1. Provide financial management and business administration skill development information to clients
- 3.2. Be a leader in business development for the region

**4. Marketing & Visibility**

- 4.1. CFSN is known for generating economic opportunities

**5. Administration & Management**

- 5.1. Staff and Board maintain necessary skills and competencies to fulfill their roles effectively
- 5.2. Diversified program funding ensures the long term viability of business services to our region
- 5.3. Strategic plan development and review process is iterative

## **4.0 CORE SERVICES, OBJECTIVES, PRIORITIES & ACTIVITIES FOR THE NEXT FISCAL YEAR (Annual Plan for 2011-2012)**

### **4.1 CFSN's Strategic Goals 2011-2012**

For each of our strategic goals, we have identified the objectives (strategies to achieve goals) and supporting activities (short term projects) in columns 3, 4, 5 of Attachment "E". Targets and indicators used to evaluate the projects.

The following areas are covered for the 2011-2012 Fiscal Year: (Found in Schedule A, page x)

- Core service area(s) (repeat for each goal as necessary) - Column 1
- Strategic goals - Column 2
- Long term/short term strategy - Column 3
- Short term activities (annual update) - Column 4
- Targets/Indicators - Column 5
- Evaluation /Measurement (if applicable) - Column 6
- Target groups if applicable - Column 7

### **4.2 Inclusivity – CFSN's Program will be Accessible to the Entire Community**

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, strategies will target 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 were underway in 2007/08 and will continue to be implemented in 2011/2012.

### **4.3 Strategies / activities that CFSN employs to support the social economy and social economy enterprises.**

CFSN has positioned itself to develop co-op models for the benefit of clients; however, no proponent that would like to form a cooperative business structure has come forward with a need for the service.

#### 4.4 Planned Projects and Priorities for 2011-2012

Planned Project or Initiative		Brief Description
1	<b>Facilitating Regional Organizations' Effectiveness</b>	Work with local stakeholders to assist in implementing their organizational strategies
2	<b>Trade</b>	<p>Goals for 2011-2012 include:</p> <ul style="list-style-type: none"> <li>• Campaign in partnership with the Chamber of Commerce: Awareness of benefits of "Buy Local Products"</li> <li>• Supporting local trade initiatives such as the farmer's markets, etc.</li> <li>• Partnering with other CFs (additional organizations to be identified) in developing strategies to bring producers and distributors together at product showcases and other trade events</li> <li>• Partnering with other CFs and other organizations to promote/market procurement strategies that use locally produced goods</li> <li>• Support local business to build value chains from opportunities as they are identified. Services provided would include assistance in research, education, feasibility studies and business planning</li> <li>• Support of local business product development and merchandising activities: new product merchandizing, workshops on business start-ups and management</li> </ul>
3	<b>Facilitating Access to Skilled Workers</b>	In response to demographics and the need for a more highly skilled workforce as a foundation for building economic benefit, CFSN will support the enhancement of the capacity of regional employers to recruit and retain skilled workers. CFSN will work with educational and partners with expertise in human resources to develop and implement initiatives to enhance the capacity of business to recruit and retain skilled workers.
4	<b>Capacity Development /Entrepreneurial and Business Skills Development</b>	CFSN will continue with the successes of the last fiscal by facilitating the delivery of Junior Achievement in School District No. 91 Secondary Schools (Grade 8-12); also a program related to assisting businesses with developing profiles will be attempted in Fort St. James.
5	<b>Innovation in Product Development</b> (see notes below)	To create and maintain a support network that empowers innovative product development by individuals and businesses.

6	<p><b>Finance</b> (see notes below)</p>	<p>CFSN is committed to supporting confidence in the region's ability to transition to a sustainable economy less vulnerable to commodity market fluctuations by engaging both financial institutions and economic development professionals as follows:</p> <ul style="list-style-type: none"> <li>• Create loan partnerships that allow local financial institutions to participate in new opportunities within their revised credit granting criteria</li> <li>• Encourage local residents by increasing awareness and investment analysis to become key investors in local initiatives</li> <li>• CFSN believes that financing programs that best support client needs and local wealth generation are through alternative approaches to equity investment, working capital or guarantees.</li> </ul> <p><b>Northern BC Trade Finance Group:</b>  <b>Introduction:</b> The Northern BC Trade Finance Group is an initiative to bring together the expertise and resources of the Northern CFs to develop inter regional trade networks supported by appropriate financing programs. A successful trade finance program would be based upon providing financing against confirmed orders. Trade arrangements are set out in the terms of delivery and payment. The development approach favoured is to work on trade networks before we work on the financing.</p> <p>Potential strategies identified thus far:</p> <ul style="list-style-type: none"> <li>• Promoting local products and services through supporting the establishment of regional trade events.</li> <li>• Supporting inter-regional trade by assisting local initiatives to establish trade networks.</li> <li>• Support the establishment of rural to urban trade networks</li> <li>• Facilitate workshops with trade partners such as EDC to increase the capacity of local business to participate in international trade</li> <li>• Research trade based financing programs to assist producers in expanding their markets.</li> <li>• Research and pilot alternative financing programs with a view to establish best practices in working capital financing at a cost affordable to the region's producers</li> </ul>
---	---	---

#### 4.4. (A) Innovation in Product Development (notes)

The business community of the Stuart Nechako region faces the challenge of replacing declining margins and revenues with new products and services at improved margins. One of the challenges that small community economies face is a gap in their capacity to develop and bring new products and innovations to the marketplace.



This need has been described by Western Diversification as follows:

*"In an increasingly competitive global economy, we must become better at turning our world-class knowledge into marketable goods and services. We must be more entrepreneurial and responsive to customer needs, whether they originate down the street or on the other side of the ocean. And we must pick our paths." WD also acknowledges that "Western Canadian economies are challenged to position themselves competitively so they can benefit from new and emerging export opportunities."*

Long reliant on contract work, local businesses have not been structured to develop new products as part of their operations. Several business people in the area have stated that if you could tell them what to produce, they can figure out how to produce it. The ability to commercialize and merchandise an innovation is the capacity gap they're missing. In other cases, the effort and resources required to establish a market in sufficient scale to sustain production is prohibitive.

CFSN recognizes the pressing need to induce activities relating to the development of a revised product catalogue for North Central BC in the interests of maintaining gross margins in the face of higher operating and freight costs. CFSN's approach to the issue is to create and maintain a support network that empowers the process of product development. Activities proposed to achieve the organization's goals:

1. To create product development meetings to bring community skills in design and craft into partnership with the community's production assets. Examples of this type of collaboration may be the combination of First Nation and local art and design incorporated into the production of wood building components, such as doors, to establish new design offerings for the market.
2. To explore new product development by introducing industry marketing skills and techniques to the community's business base through seminars and workshops.
3. To engage economic development professionals and organizations in the product development process, educating the organizations on the need for supporting product development activity.
4. To engage the region's economic development funding agencies in understanding the economic benefits of product and innovation development. This would include establishing creative financing programs to assist in bringing new products to market.
5. To establish a program to create product prototypes using the unused manufacturing capacity in the area. Capital investment in manufacturing equipment to prototype products is unnecessary due to the available production capacity that already exists. Utilizing existing production capacity on an outsourced basis lowers the cost of product prototyping while providing the opportunity for business partnerships around the product to develop.
6. To work with local educators to promote and encourage innovation and collaboration to the community's youth.

7. To work with existing business on their product development and merchandising activities. This would include assisting business in creating merchandising programs for new products, workshops and further skill development for business owners.

#### **4.4. (B) Finance (notes)**

In response to our changing economic landscape Community Futures Stuart Nechako has recognized the changing opinion of the financial community with respect to lending practices. With cash flow decreasing, many local small businesses are faced with debt service challenges. Lending institutions are required to take a hard line with respect to the renewal of credit, moving to evaluate credit renewals in terms of hard-ratio analysis. This change in credit management comes at a time when the balance sheets of many area businesses have been under pressure from several years of successive losses. Hard assets, primarily real estate owned by the creditors, have been used to support these credit lines over the past several years, thus there is little equity-to-leverage to raise capital for business transition strategies for many small operators.

The financial industry's lack in confidence in the community's ability to develop sustainability in their local economy could have significant consequences and in turn restrict the community's ability to respond to its economic challenges. We have already seen the local financial institutions reduce the loan-to-value ratio used to qualify mortgage proposals and are aware of internal credit quality reviews that are putting forward concepts such as "organic revenue". Organic revenue can be described as calculating cash flow and other operating ratios discounting depreciation, gains from sale of assets and other non-operational revenue sources. Adopting this credit management practice may lead to stronger balance sheets over time, however in the short term many businesses are ill-equipped to respond to these changes in access to credit.

Community Futures Stuart Nechako's position is that while most analyses focuses on the empirical measurements of the economy, the abstract forces, such as credit granting policies and trade arrangements have begun to play a greater role in whether orderly economic transition can be achieved.

In order to facilitate a more orderly transition for regional businesses in the new credit environment CFSN will pursue the following initiatives during the next reporting period:

1. Work to establish programs that educate business owners to understand and adapt to the changes in credit policy
2. Work to create loan partnerships that allow local financial institutions to participate in new opportunities within their revised credit granting criteria
3. Create interest among the financial institutions in community economic development through dialogue and joint initiatives. This initiative includes engaging local industry professionals in a dialogue regarding economic development in the region
4. Research and develop alternative finance and investment strategies that will support overall wealth creation.

## 5.0 PERFORMANCE INDICATORS (Annual)

### 5.1 Community Economic Development:

In addition to the overall numeric targets requested for Community Economic Development (CED) please describe two CED initiatives planned for the coming year and the measurable results you intend to achieve.

CED Initiative	Description
<div>1</div> <div>Northern BC Trade Finance Group</div>	<p><b>Introduction:</b></p> <p>The Northern BC Trade Finance Group is an initiative to bring together the expertise and resources of the Northern CFs to develop inter regional trade networks supported by appropriate financing programs. A successful trade finance program would be based upon providing financing against confirmed orders. Trade arrangements are set out in the terms of delivery and payment. The development approach favoured is to work on trade networks before we work on the financing.</p> <p>Potential strategies identified thus far:</p> <ul style="list-style-type: none"> <li>• Promoting local products and services through supporting the establishment of regional trade events.</li> <li>• Supporting inter-regional trade by assisting local initiatives to establish trade networks.</li> <li>• Support the establishment of rural to urban trade networks</li> <li>• Facilitate workshops with trade partners such as EDC to increase the capacity of local business to participate in international trade</li> <li>• Research trade based financing programs to assist producers in expanding their markets.</li> <li>• Research and pilot alternative financing programs with a view to establish best practices in working capital financing at a cost affordable to the region's producers</li> </ul> <p><b>Measurable Results</b></p> <ul style="list-style-type: none"> <li>• Increase collaboration among CF's of Northern BC through a Memorandum of Understanding to develop the Northern BC Trade Finance Group</li> <li>• The Northern BC Trade Finance Group Memorandum of Understanding is currently under consideration by five Community Futures prospective partnering organizations.</li> <li>• Increased number of partner organizations with a commitment to inter regional trade and finance.</li> <li>• A minimum of one new product launched or value chain established in 2011-2012</li> </ul>

CED Initiative	Description
<div>2</div> <div>Nechako Markets Development Society</div>	<p><b>Introduction:</b></p> <p>The Nechako Markets Development Society's purpose is to establish all-weather community markets in Stuart Nechako's communities. The marketplaces act as incubators, both for the vendors and local producers as it provides a convenient place for consumers to find locally produced goods. The marketplace concept is based on the Burrard Square Marketplace in Vanderhoof, BC. Each marketplace will feature booths, and/or other small spaces rented within a larger building. On site services will include power and internet/data ports.</p> <p>Once several marketplaces have been established there are opportunities for partnerships for producers and distributors of locally produced goods to build regional distribution networks.</p> <p>CFSN's predominant role initially is to assist the Society in its corporate governance, board development, business and strategic planning.</p> <p>Examples of the scenarios for trade and the possible users/products that the Society will support are:</p> <ul style="list-style-type: none"> <li>• A female handcrafter in Fort St. James making traditional hide products such as purses and footwear is able to partner with a vendor in Vanderhoof expanding into new markets for her goods;</li> <li>• A retiree who does woodturning can augment his pension income by placing goods on consignment with marketplace vendors or doing custom orders; and,</li> <li>• A local beef producer enters into an agreement with a market vendor to increase the market for his private label beef.</li> </ul> <p><b>Measurable Results</b></p> <ol style="list-style-type: none"> <li>1. The establishment and registration of the Society</li> <li>2. Development of the Society vision and mission statement, goals and objectives for the first two years</li> <li>3. Establishing roles and responsibilities of the board members to ensure the board operates in an effective manner</li> <li>4. Development of a job description for marketplace coordinator</li> <li>5. Establishing financial reporting and controls</li> <li>6. Developing a guidebook/ workshop on how to establish community marketplaces, referencing and utilizing best practices from Burrard Square Marketplace</li> </ol>