

# Ministry of Community, Sport and Cultural Development

## 2013/14 Estimate Notes - July

as of July 12, 2013

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# Ministry of Community, Sport and Cultural Development

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## ADVICE TO MINISTER

<p><b>CONFIDENTIAL</b></p> <p><b>ESTIMATES NOTE</b></p> <p>Ministry of Community, Sport and Cultural Development Updated: July 10, 2013 Minister Responsible: Hon. Coralee Oakes</p>	<p><b>Amalgamation</b></p>
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### ADVICE AND RECOMMENDED RESPONSE:

- Municipal amalgamation is voluntary in British Columbia and the Province will not impose an amalgamation process on unwilling municipalities.
- There are many different ways to balance regional and local interests and to achieve efficiency and good governance. For example, many services that benefit from regional economies of scale are already provided on that scale through the regional district, which also provides sub-regional and local services.
- There is always value in constructive and balanced dialogue in municipalities and regional districts about whether current governance structures meet current community needs. I am happy to provide further information to any communities considering such discussions.

#### *If pressed on role of/impact on regional districts...*

- Amalgamated municipalities will not eliminate the important role of regional districts.
- Regional districts are fundamental to accessing affordable local government financing and provision of services in rural areas and across regions.

#### *If pressed on financial assistance from province for a formal process...*

- The Province has limited resources to support major restructure studies and processes; therefore each initiative is considered on a case-by-case basis and in light of other restructure priorities throughout B.C.

### KEY FACTS REGARDING THE ISSUE:

- Government legislated a prohibition on forced amalgamations within the Community Charter.
- The creation of a new municipality out of two or more existing municipalities requires the cooperation of the existing councils and the support of the electors in each existing municipality.
- As in any new incorporation, a substantial process that examines the financial, service, and governance implications of the change, would need to precede a formal Minister-ordered vote on the creation of a new municipality.
- Since the 2011 local government general elections, the issue of amalgamation has again arisen in the Capital region.

- Advocates are not necessarily in agreement on a specific amalgamation proposal. There has been discussion of having a question put on the ballot in 2014 local government general elections. Each municipality and regional district have the authority to seek indications of non-binding community opinion by whatever means they wish.
- On July 8, Colwood council endorsed a motion to have a question on the 2014 municipal election ballot *“asking Colwood residents if they would like their City to participate in exploring the process of amalgamation or integration of services should the opportunity present itself”*. On the other hand, “Amalgamation Yes” (an amalgamation advocacy organization) is proposing to municipalities that they ask *“Are you in favour of reducing the number of municipalities in the CRD through amalgamation”*.
- Amalgamation has also been raised (less frequently) in other regions, including parts of Metro Vancouver.
- The last municipal amalgamation in BC occurred in 1995, when the Districts of Abbotsford and Matsqui merged to form the City of Abbotsford.
- Regional districts generally already do a good job of providing critical infrastructure on a regional and sub-regional scale (economies of scale). What amalgamation advocates generally focus on are services that are entwined with Provincial interests/jurisdiction, such as regional transportation, policing, and emergency communications.
- The financial stability of the local government system is based on regional districts (e.g. they are the governments which secure long term financing on behalf of their municipal members through the Municipal Finance Authority, secured by the collective liability of members).

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## ADVICE TO MINISTER

**CONFIDENTIAL**  
**ESTIMATES NOTE**

Ministry of Community, Sport and Cultural  
Development

Date: June 10, 2013

Minister Responsible: Hon. Coralee Oakes

## B.C. Mayors' Caucus

### ADVICE AND RECOMMENDED RESPONSE:

#### General

- I welcome any dialogue with municipalities about how best to provide services to BC families.
- I am always interested in discussing innovative ways to make our system even better.
- The government of BC and local governments have a common interest in providing our citizens with the level of services they require at a cost they can afford.
- Provincial financial supports for local governments are strong. In fact, they have increased during the past decade in spite of the many challenges our government faces in maintaining critical health, social and educational services.

#### Provincial record of support

- Provincial transfers to local governments are at an all-time high under our government.
- Since 2001, our government has provided approximately \$3 billion in additional funding support to B.C.'s local governments above and beyond what previously existed.
- Almost half of this investment has supported local government capital and infrastructure investments, while the remainder has supported local government operations.

In addition to this provincial investment, since 2001 we have secured more than \$2.1 billion in federal funds for local governments to enhance community infrastructure.

These investments are part of our continuing partnership with local communities to build infrastructure, maintain stability and keep British Columbians working through the current economic downturn.

#### On future federal infrastructure funding

- I believe we have the same goals as local governments when it comes to federal infrastructure funding.
- We want to ensure a long-term commitment to funding is achieved and that the program is flexible enough to address local priorities.

## KEY FACTS REGARDING THE ISSUE:

- The inaugural B.C. Mayors' Caucus, B.C.'s largest ever stand-alone gathering of mayors, was held May 16-18, 2012, in Penticton.
- The 10 mayors of the steering committee state that local governments do not receive their fair share of the tax pie, receiving only eight cents on every tax dollar collected. The Province receives 42 per cent and the federal government receives 50 per cent.
- The Caucus contends that local governments want a new deal with the provincial and federal governments that would give them a more reasonable share of tax revenue.
- The second all-day meeting of the full Caucus was held Sept. 24, 2012, which coincided with the opening day of the UBCM Convention in Victoria. Agenda items included: Infrastructure 2014 and beyond, and a discussion of local government expenses and the development of a sustainable financial strategy.
- A further meeting was held April 29th and April 30<sup>th</sup>, 2013, in Prince George.
- The Spring 2013 meeting included discussions around identifying key policy issues of common concern to local governments and next steps in addressing those issues with the federal and provincial governments.
- UBCM has not been involved in planning the Mayors' Caucus.

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## ADVICE TO MINISTER

<p><b>CONFIDENTIAL</b></p> <p><b>ESTIMATES NOTE</b></p> <p>Ministry of Community, Sport &amp; Cultural Development Updated: June 18, 2013 Minister Responsible: Hon. Coralee Oakes</p>	<p><b>Business and Municipal Taxation</b></p>
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### ADVICE AND RECOMMENDED RESPONSE:

- We understand this is a sensitive issue and it's always a balancing act between finding the resources to deliver essential services and overburdening taxpayers.
- On January 11, 2012, as part of Canada Starts Here: the B.C. Jobs Plan, government appointed an Expert Panel on Tax to provide analysis and recommendations to the Province on business tax competitiveness and administrative improvements to streamline the Provincial Sales Tax.
- The review included an examination of municipal property taxation of business and its impact on business competitiveness and investment.
- Additionally, the Province completed a review of municipal revenue sources in British Columbia.
- The Expert panel's report (released on Sept. 17, 2012), includes recommendations regarding affordability and sustainability for local governments within the framework of the Community Charter.
- The Municipal Revenue Review papers are available on the Ministry's website.

### KEY FACTS REGARDING THE ISSUE:

- The communications director of the Canadian Federation of Independent Businesses wrote an op-ed in the Vancouver *Sun*, published June 28, 2011, that argues small businesses are taxed at an unfair rate by BC municipalities.
- The CFIB argues that a fair ratio of taxation between business and residential rates would be 2:1. Meanwhile, columnist Don Cayo of the *Sun* estimates that a fair ration would be 2.5:1 or 3:1.
- According to a CFIB report, small businesses in the province will pay, on average, three times what residents with the same assessed property value will pay this year. A business owner in Vancouver receives a tax bill of \$17,854 based on average property values, compared to \$4,043 for a homeowner.
- The CFIB also argues that because businesses were stripped of their municipal vote in the 1990s, they are effectively being taxed without representation.



**Background re: Expert Panel on Tax:**

- The panel considered the competitiveness of British Columbia's tax environment for business and developed recommendations about which taxes most influence competitiveness and economic growth.
- Dale Wall was appointed as an adjunct member to support the discussions of the panel as they relate to municipal taxation.

**Background re: Internal Review on Tax:**

- The review of the tax formula provided the Ministry with the opportunity to do some proactive analysis on various aspects of municipal taxation and revenue, including:
  - An analysis of the tax objectives and policies statutorily required in the municipal financial plan. How are these being used and are municipalities abiding by the objectives and policies?
  - An inter-provincial analysis of different assessment and property tax systems; and
  - An inter-municipal analysis of different revenue choices for services.

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## ADVICE TO MINISTER

<p>CONFIDENTIAL</p> <p><b>ESTIMATES NOTE</b></p> <p>Ministry of Community, Sport &amp; Cultural Development Updated: July 10, 2013 Minister Responsible: Hon. Coralee Oakes</p>	<p><b>By-election Exemptions</b></p>
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### ADVICE AND RECOMMENDED RESPONSE:

- Council members who have been elected as MLAs, and their councils, have a number of choices.
  - Council members can resign and the municipality then holds a by-election to fill the vacancy.
  - Council members can remain both local government and provincial elected representatives – assuming that they can fulfill the important obligations of both offices.
  - Councils may grant leave to their members (e.g. from attending council meetings).
- A council considering granting leave to a council member would need to carefully weigh various factors in making this decision, including: the ability of council to function, including maintaining quorum; the duties of the elected official; the cost and timing of the by-election; the length of time for the leave; and public expectations for representation.
- I trust that council members and their councils will make the choices that are best for their communities and their electors.

*If pressed on whether the province will grant an exception to the need to hold by-elections:*

- If UBCM members indicate their interest (i.e. through a resolution passed at UBCM Convention), the Ministry is always prepared to review legislative provisions to determine if any change is needed.

*If pressed on whether the province will provide financial assistance for by-election costs:*

- By-elections (and associated costs) are the responsibility of the local government under the *Local Government Act*.

### KEY FACTS REGARDING THE ISSUE:

- In the May 2013 provincial election, a number of local government members (e.g. mayors; councillors) were elected as provincial MLAs. Some concerns have been expressed about the cost of by-elections for the local governments affected.
- An elected MLA does not have to resign from council – in other words, there is no legislated bar on holding the office of both a council member and a provincial MLA. Practical and legal implications could arise, however, as the member is obligated to fulfill the duties of both offices.
- If a council member does resign, a by-election must be held as soon as reasonably possible after vacancy occurs. Under the *Local Government Act*, a council may decide

not to hold a by-election if the vacancy on Council occurs after January 1 in the year of the general election and quorum is met; in any event, council does not need to hold a by-election if the vacancy occurs after July 1 in the year of the general election (2014).

- The Premier was quoted as indicating that such council members have the option to take unpaid leave from their council duties and then resign after January 1, 2014. In past years, municipal elected officials elected to provincial office during their municipal term have resigned from council and a by-election was called. By-elections (and associated costs) are the responsibility of the local government under the *Local Government Act* s. 40.
- Under the Community Charter, municipal councils have authority to grant council members leave from attending council meetings. The legislation is silent on further details of a leave (e.g. addressing council member compensation; responsibilities during such leave; time frame for leave). But municipal councils also have corporate powers (e.g. to determine matters related to the remuneration of council members), and powers to pass bylaws to govern council procedures.
- Communities and council members are taking different approaches to this matter. For example, MLA Dan Ashton, former Mayor of Penticton has resigned as Mayor (but suggested he would personally pay the costs of a by-election). Coquitlam Council granted leaves of absence for MLAs Linda Reimer and Selina Robinson for one month and recently (July 8) Council decided not to grant further leaves but to proceed to a by-election (following pressure from the public). Minister of Education Peter Fassbender has been granted an unpaid “leave of absence” by City of Langley council until the end of 2013 on the understanding he will resign early in 2014 (an acting mayor will be chosen from council members to be in place for the next 16 months).
- Mayor of Coquitlam, Richard Stewart has indicated that he plans to bring a motion to UBCM seeking to change the *Local Government Act* to avoid by-elections in these circumstances. He also called on the Province for an exemption (e.g. by Minister’s order) from holding a by-election for council members who have been elected as MLAs. The Minister’s letter in response indicated that councils have a number of choices for dealing with leaves and any UBCM resolution would be looked at to see if change is warranted.
- Changes to legislated requirements must typically be made by legislation amendment. There are some exceptions:
  - *Local Government Act* s. 155 enables the Minister to make orders in relation to elections where there are special circumstances. It is unlikely that these circumstances would be considered legally “special” and therefore this authority could not be used;
  - *Community Charter* s. 281 provides a regulation-making authority for Cabinet to provide an exception to a legislative requirement for a specific municipality or class of municipalities. While this section could apply, it has not previously been used to provide an exemption to a by-election. Therefore, further legal/policy analysis would be required to determine if such an exemption is consistent with the intent of this section, along with other issues such as precedent and provincial interest.

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## ADVICE TO MINISTER

<p style="text-align: center;"><b>CONFIDENTIAL</b></p> <p style="text-align: center;"><b>ESTIMATES NOTE</b></p> <p>Ministry of Community, Sport &amp; Cultural Development Updated: July 11, 2013 Minister Responsible: Hon. Coralee Oakes</p>	<p style="text-align: center;"><b>Climate Action Charter</b></p>
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### ADVICE AND RECOMMENDED RESPONSE:

- Local governments have an essential role to play in reducing B.C.'s greenhouse gas emissions.
- Since 2007, 182 of B.C.'s 189 local governments and the Islands Trust have signed on to the *BC Climate Action Charter*, voluntarily committing to reducing emissions in their communities and corporate operations.
- This means that 96 per cent of B.C. communities have committed to working to reduce their greenhouse gas emissions and create vibrant, energy efficient communities for B.C. families.
- Since the introduction of the Charter in 2007, we have been working closely with the Union of BC Municipalities (UBCM) to support local governments in meeting their commitments.
- 2013 is also the first year that local governments will be reporting progress made towards achieving corporate carbon neutrality.
- I look forward to sharing the details of local governments' progress on corporate carbon neutrality and of their overall climate action successes in the coming months.

### KEY FACTS REGARDING THE ISSUE:

- In 2007 the Province and UBCM invited local governments to sign on to *BC Climate Action Charter* (Charter), a voluntary commitment that demonstrates the shared interest of signatories in taking action on climate change.
- Under the Charter, local governments commit to the following three goals:
  1. Being carbon neutral in corporate operations by 2012.
  2. Measuring and reporting on their communities GHG profile.
  3. Working to create compact, more energy efficient communities.
- To date 182 of 189 local governments and the Islands Trust – 96 per cent - have signed on to the Charter.

- Only eight communities in B.C. have not signed on to the Charter, however, this does not preclude a more general interest by the community in taking local climate actions:
  - Alberni-Clayoquot Regional District
  - Burnaby
  - Hazelton
  - Stewart
  - Zeballos
  - Jumbo
  - Sun Peaks
  - Sechelt Indian Government District
- To assist local government signatories in achieving their climate action goals, the Charter establishes the Joint Provincial-UBCM Green Communities Committee (GCC). The GCC comprises two representatives from MCSCD and two representatives from UBCM.
- Since 2008, the GCC has been working with local governments to ensure they have the necessary tools, information and incentives to take action to reduce both community-wide and corporate emissions.
- Part of this work was to develop a credible approach to local government corporate carbon neutrality that would be practical and flexible while also providing opportunities for local governments to keep 'offset dollars' in communities to create jobs and foster the local green economy.
- Recognizing that the Charter is a voluntary commitment and that communities differ in their capacity to achieve carbon neutrality, local governments can choose to be fully carbon neutral for 2012 or demonstrate how they are 'making progress' toward that goal.
- Both options require local governments to report publicly and to the Province on their progress and climate actions.
- Over the coming months, GCC will review the progress that local governments have made towards the achievement of corporate carbon neutrality to determine if any changes to the approach are needed for 2013/14.
- 2012 reports were due to the Province in June. Results from these reports, including the data on progress towards carbon neutrality, are currently being compiled and analysed

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## ADVICE TO MINISTER

<p><b>CONFIDENTIAL</b></p> <p><b>ESTIMATES NOTE</b></p> <p>Ministry of Community, Sport &amp; Cultural Development Updated: July 11, 2013 Minister Responsible: Hon. Coralee Oakes</p>	<p><b>Climate Action Revenue Incentive Program (CARIP)</b></p>
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### ADVICE AND RECOMMENDED RESPONSE:

- Local government signatories to the *BC Climate Action Charter* who report annually on actions taken to reduce their carbon footprint are eligible for the Climate Action Revenue Incentive Program (CARIP) conditional grant.
- CARIP provides conditional grants to local governments equal to 100 per cent of their carbon taxes paid.
- Program goals are two-fold:
  - Assist local governments to become carbon neutral in internal operations and to take other actions to reduce GHG emissions within their communities.
  - Ensuring that the cost of providing local government services (and therefore taxpayers) are not adversely impacted by carbon taxes paid.

### KEY FACTS REGARDING THE ISSUE:

- Annual CARIP reporting requirements enable monitoring of local government climate action progress year over year, assist in measurement of intended program outcomes and support public transparency and accountability.
- Currently, 182 out of 190 (96%) of local governments have signed the *BC Climate Action Charter*.
- CARIP actual payments 2012/13 total \$6,215,000 and 2013/14 estimated payments total \$8,115,000.

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## ADVICE TO MINISTER

<p>CONFIDENTIAL</p> <p><b>ESTIMATES NOTE</b></p> <p>Ministry of Community, Sport &amp; Cultural Development Updated: June 17, 2013 Minister Responsible: Hon. Coralee Oakes</p>	<p><b>Conflict of Interest – BCCA Decision</b></p>
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### ADVICE AND RECOMMENDED RESPONSE:

- The legislation for locally elected officials' conflict of interest is generally based on the process of "declare and step away". This means that a council member declares a conflict of interest in relation to an issue at the council table and abstains from discussion of/involvement in that issue.
- The *Community Charter* sets out a process for making declarations, but it is court decisions over the years that have defined, on a case-by-case basis, what constitutes a prohibited conflict of interest. The recent BC Court of Appeal's (BCCA) decision in *Schlenker v. Torgimson* is an example of that – providing additional clarity on what is a conflict of interest.
- The provincial government is currently monitoring this issue, and is in contact with the Union of BC Municipalities and the Local Government Management Association, as local governments and their legal advisors work through the implications of the BCCA decision.

### KEY FACTS REGARDING THE ISSUE:

- In the BCCA decision in *Schlenker v. Torgimson* case, two elected trustees were also directors of societies. The trustees voted to give money to each society for specific purposes and did not disclose their director roles. A group of electors challenged the trustees in court on the basis of conflict of interest.
- On January 11, 2013, the BCCA overturned the decision of the BC Supreme Court, which had found that the two trustees did not have a personal pecuniary interest in conflict with their public duties. The BCCA found that they did have a pecuniary interest and declared them in violation of the *Community Charter*.
- Local governments are seeking a provincial response to the case as they see it as affecting many societies with which local governments engage. It is anticipated that a UBCM Resolution on this topic will be forthcoming at September's Convention, potentially seeking some type of exception to be made by regulation.
- Ministry staff are working with UBCM and LGMA as they develop some potential advisory materials. Consideration is also underway of the implications of the case and the breadth and scope of any potential exception by regulation.
- The legislated rules require that if an elected official considers they are not entitled to participate on a matter because of a direct/indirect pecuniary interest, they must declare their conflict officially in a council meeting, and then refrain from attending future meetings, participating in discussions, voting, and influencing others on the matter.

- Authority exists for a Cabinet regulation to provide exceptions to the conflict of interest restrictions. Such a regulation has never been adopted.
- The legislated provisions do not generally define what is/is not a “direct or indirect pecuniary interest”. That is left to the courts. This means that, to date, elected officials have received the benefit of decisions that have tended in their favour.
- A possible consequence of not declaring a pecuniary conflict of interest is disqualification, if an action of the elected official is challenged in court.
- Conflict of interest may also raise issues of quorum. A quorum is a majority of elected officials on a council or board and is required for valid council or board decisions.
- Local governments may apply to the courts, who may allow conflicted elected officials to discuss and vote on the matter despite their conflict, if the council or board lacks a quorum because of their conflict. For practical reasons, regional district elected officials have alternates who can act for conflicted members.

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## ADVICE TO MINISTER

**CONFIDENTIAL**  
**ESTIMATES NOTE**

Ministry of Community, Sport and Cultural  
Development  
Updated: July 10, 2013  
Minister Responsible: Hon. Coralee Oakes

## CRD Wastewater Treatment Project

### ADVICE AND RECOMMENDED RESPONSE:

- The Province has committed to contributing one-third of eligible costs to a maximum of \$248 million, dependent on the completion of all project components.
- This represents approximately one-third of the eligible capital costs as determined by the CRD in 2010.
- To ensure the project meets its goals and objectives, and to protect provincial interests, the provincial contribution will be made at substantial completion and after final commissioning of the entire wastewater system.
- The expectation is for these payments to occur in fiscal 2017/18 and fiscal 2018/19. This type of funding commitment is not uncommon for projects with high degrees of complexity.
- We're pleased by the decision of the CRD Board to accept government's model to have an expert commission lead and approve the RFP and RFQ processes and we understand the Commission is now fully established and functioning.
- The PPP model allows the cost of inevitable scope changes to be part of the competitive bid process and to be negotiated up-front – this is of significant benefit to taxpayers with projects of this size.
- We prefer that the CRD and the Core Area municipalities, including the Township of Esquimalt, work together to identify appropriate facility locations.

### KEY FACTS REGARDING THE ISSUE:

- Minister Bill Bennett signed the Contribution Agreement on March 26, 2013. The CRD Board Chair, Alistair Bryson, signed March 18, 2013.
- The federal contribution agreements are awaiting signature by federal Minister Lebel, and the CRD anticipates receiving the signed agreements soon. The Project involves four separate senior-government contribution agreements, two with Infrastructure Canada, one with PPP Canada, and one with the Province.
- Work on the project has begun, although mainly in the design phase.
- Recently, the issue of siting the two facilities has been in the media.
- The wastewater treatment plant is to be located at McLoughlin Point in the Township of Esquimalt. The Mayor of Esquimalt has publicly stated that the CRD has reminded her that the Township must accept this location because the site is identified in the approved Liquid Waste Management Plan (LWMP).

- According to the Environmental Management Act, an approved waste management plan takes precedence over a municipal zoning bylaw.
- The LWMP includes McLoughlin Point as the location for the wastewater treatment plant and the Hartland Landfill as the location for the Energy Centre (EC). Any change to the LWMP will require a decision of the CRD Board and the approval of the provincial Minister of Environment.
- The CRD recently purchased a property on Viewfield Road, in Esquimalt, as a possible alternative site to the Hartland Landfill. The Mayor of Esquimalt and local residents have raised concerns about locating such a facility within a residential area and about having both facilities in Esquimalt. The CRD Board recently voted to abandon the idea of locating the Energy Centre in Esquimalt – in favour of the original location at the Hartland Landfill.
- Any decision to change the location of the EC from Hartland will not be made until the public consultation process with the residents of all the municipalities contributing to the Core Area Wastewater Treatment Program is complete (seven open houses occur in various locations from June 17 – June 26). If such a decision is made, the CRD will submit a rezoning application to the municipality.

#### **Funding:**

- The project costs have changed over time. The original cost estimate of \$1.2 billion was reduced in the CRD's 2010 Business Case to \$743 million (capital costs only, not including land, financing.) The capital cost estimate was further reduced in the CRD's 2012 Business Case to approximately \$700 million, but additional inflation, financing and risk transfer costs brought the 2012 total project estimate to approximately \$884 million.
- The Provincial contribution of \$248 million is 1/3 of the 2010 cost estimate of \$743 million and meets the Provincial public commitment for funding of 1/3 of the best, lowest-cost solution (subject to PPP consideration) at UBCM 2006 and in the 2007 Throne Speech.
- In a joint announcement with the federal government on July 16, 2012, the Province communicated a formal commitment to provide its share of the project costs – 1/3 of provincial eligible costs to a maximum contribution of \$248 million. The federal government committed to funding up to \$253.4 million.
- MCSCD led the development of the provincial contribution agreement with input from key Provincial stakeholders: OCG, TB Staff and MJAG Legal & Risk Management Branch.
- Provincial funding will support the two PPP components of the project – the wastewater treatment plant and the biosolids/energy centre.
- Provincial policy stipulates that major capital projects with provincial funding in excess of \$50 million be evaluated to consider the value of a partnership arrangement.
- Payment in fiscal 2018/19 ensures full risk transfer for successful construction and performance of the facilities. It also aligns with the Province's fiscal plan.

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## ADVICE TO MINISTER

<p><b>CONFIDENTIAL</b></p> <p><b>ESTIMATES NOTE</b></p> <p>Ministry of Community, Sport &amp; Cultural Development Updated: June 17, 2013 Minister Responsible: Coralee Oakes</p>	<p><b>Expert Tax Panel Recommendations Pertaining to Local Governments</b></p>
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### ADVICE AND RECOMMENDED RESPONSE:

- The Expert Tax Panel's report provided some useful observations on local government finances in British Columbia.
- I understand it was referred to government's budget consultation committee for review.
- I look forward to working with local governments and UBCM to review the report's findings and discuss the potential for their implementation.

### KEY FACTS REGARDING THE ISSUE:

- The Expert Tax Panel's Review report, made public on Sept. 17, 2012, included "an examination of municipal taxation of business and its impact on business competitiveness and private investment."
- The panel commissioned well-known Canadian local government finance experts Dr. Enid Slack and Dr. Harry Kitchen to undertake independent research. The panel also met with UBCM reps and received submissions from a number of business groups that included a discussion of business property taxation. As well, adjunct panel member Dale Wall met with the full UBCM executive during the course of the panel's work.
- The report outlines several recommendations on municipal taxation. The panel found that, in general, municipal taxes on business are not one of the primary influences on B.C.'s overall competitive position but that "they can be a serious concern to firms in specific situations."
- The panel found that non-residential taxes in B.C. are higher than residential taxes and "not dissimilar with non-residential taxes in other provinces."
- According to the panel, actions to manage the pressure on property taxation are best focused on:
  - Managing cost drivers, including those created by federal and provincial regulatory requirements, rather than searching for new revenues. Management of cost pressures requires collaborative action between the provincial and local governments.
  - Improving co-ordination between provincial, regional and local actions to improve economic performance. Where improved economic results are achieved, local government should share in the resulting revenue gains.

- The report says that “this is a good time to take reasonable corrective actions. . .”  
Recommendations include:
  - The BC government, through CSCD, should initiate and lead a process with local government and business groups to arrive at agreement on a set of benchmarks for measuring municipal business taxation.
  - CSCD should measure municipal taxation against these benchmarks and advise municipalities of where they stand relative to these benchmarks before they make their annual tax rate decisions.
  - CSCD should negotiate with UBCM to develop an appropriate action plan for practical remedial steps to be taken when particular local tax rates move outside the benchmarked range.
  - CSCD should work with business groups and local government organizations to develop a best practice guide to municipal business tax policy, including tax rate setting and the use of revitalization tax incentives.
  - The BC government and UBCM should negotiate an agreement that creates an effective framework for ongoing dialogue and joint action on containing municipal costs.
  - BC Assessment, through its Board or CAO, should be given the capacity to phase in sharp increases in assessed value.
  - The Province should work with local governments to improve the integration of economic development strategies so that local, regional and provincial efforts at building the economy are more effectively synchronized.

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## ADVICE TO MINISTER

<p><b>CONFIDENTIAL</b></p> <p><b>ESTIMATES NOTE</b></p> <p>Ministry of Community, Sport &amp; Cultural Development Updated: July 12, 2013 Minister Responsible: Hon. Coralee Oakes</p>	<p><b>Gas Tax Agreement</b></p>
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### ADVICE AND RECOMMENDED RESPONSE:

- Since 2005, the Gas Tax Fund (GTF) has provided B.C. local governments with a significant source of funding for core infrastructure needs.
- These investments have supported the achievement of public health and environmental outcomes, significant job creation and assisted in building the foundations required for a robust and prosperous economy.
- We support the commitment of the Federal Government to establish a permanent GTF and ensure that new Agreements are in place by next spring.
- We look forward to working with our federal and local government partners to continue to ensure that predictable, long-term infrastructure funding is available to support the needs of communities, while at the same time contributing to provincial and national priorities and the growth and prosperity of Canada.

### KEY FACTS REGARDING THE ISSUE:

#### *Gas Tax Agreement*

- The BC Gas Tax Agreement (GTA) is a tri-partite agreement between the federal and provincial governments and the Union of BC Municipalities (UBCM) that delivers federal funding to local governments and other eligible recipients for investments in sustainable infrastructure and capacity building.
- The GTA was established to provide local governments with predictable, long-term funding to assist them in building and revitalizing public infrastructure as well as to support capacity building and integrated community sustainability planning.
- The federal government initially established B.C.'s share of GTA funds as \$635.6 million over five years, starting in 2005 with \$76 million, and ramping up to \$254 million by 2009/10.
- The GTA was extended for four years from 2010-2014 for an additional \$1 billion for B.C. communities.
- UBCM is responsible for administering GTA funds within B.C., in accordance with the Agreement.

## ***Permanent Gas Tax Fund***

- On December 15, 2011, the federal government passed legislation that provides for an annual \$2 billion contribution for the Gas Tax Fund (GTF), beginning in 2014.
- This reflects the current amount of Gas Tax funding distributed annually to all provinces and territories (P/Ts), of which B.C.'s share is approximately \$250 million per year.
- The federal government initially engaged with GTA partners on what the permanent Gas Tax Fund could look like as part of a series of roundtables on the Long Term Infrastructure Plan, held in the summer of 2012.
- The Province made a written submission to the Honourable Minister Denis Lebel on the current Gas Tax Agreement model. This submission broadly indicated that the Province supports the current approach as it provides for a flexible program design and stable funding, and outcomes based goals and objectives.
- On March 21, 2013, the federal government announced the new Building Canada Plan (BCP), which provides over \$53 billion for local government infrastructure projects (see Building Canada IN for additional detail).
- \$32.2 billion of this is to be allocated to the Community Improvement Fund (CIF), which consists of the Gas Tax Fund (\$21.8 billion over 10 years) and the incremental GST rebate for municipalities (\$10.4 billion over 10 years).
- It is expected that Canada will initiate a discussion on the permanent GTF by presenting elements of a national level program design this summer and then commence negotiations on individual P/T agreements.

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- UBCM is undertaking a comprehensive consultation with their membership during April through August, to solicit feedback on the current allocation model and inform the permanent CIF/GTF negotiations:
  - **Tier 3** (Metro and members): UBCM held a workshop with the Metro Board and senior staff on April 12 to provide information on negotiation status and initiate conversations on regional infrastructure priorities. It is anticipated that additional discussion will be required before Metro's feedback and interests are fully refined.
  - **Tier 2** (high growth regions): UBCM has completed in-person consultations with each Tier 2 region. Additional follow up will be undertaken in the coming month.
  - **Tier 1** (all other local governments): UBCM is considering options for consultations with Tier 1 communities, although at a minimum, will conduct a membership-wide survey.
- Once UBCM has completed its engagement process, BC will be working with UBCM and Canada to review feedback and consider opportunities to further enhance program design.

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## ADVICE TO MINISTER

CONFIDENTIAL

### ESTIMATES NOTE

Ministry of Community, Sport and Cultural  
Development

Updated: June 14, 2013

Minister Responsible: Hon. Coralee Oakes

## Infrastructure Funding – Moving Forward

### ADVICE AND RECOMMENDED RESPONSE:

- Program staff are collaborating with other Ministry staff as well as Federal staff in preparations for upcoming negotiations between the Province and the Federal Government on the New Building Canada Plan Agreement.
- The Federal Government publicly confirmed that the New Building Canada Plan will be implemented prior to the expiry of the existing Building Canada Plan.  
*[Minister Lebel's (Infrastructure Canada) June 1<sup>st</sup>, 2013, FCM address stated: "... that the new plan will be in place before the old plan ends... We won't lose a construction season."]*
- *[Note to Minister: The Federal Government has prioritized the negotiations and finalization of the Gas Tax Fund agreement over the New Building Canada Plan.]*

### KEY FACTS REGARDING THE ISSUE:

- On March 21, 2013, the federal government announced its \$70 billion Economic Action Plan.
- Canada intends to initiate further discussions, this fall, with P/T's on the national program design for the New Building Canada Plan (BCP) that have a P/T partnership component.
- Local government drinking water and wastewater infrastructure projects represent a significant demand for funding and are considered a priority for the Ministry. A gap analysis estimated that over the next 10-15 years, it will cost \$1.75 to \$2.6 billion to ensure all drinking water systems meet regulations and \$4 to \$5.25 billion for wastewater systems.
- Ministry of Transportation and Infrastructure (MOTI) is the lead negotiator with the federal government on this program. MOTI collaborates with MCSCD on development of infrastructure programs with community components that support local government infrastructure. The federal \$70 billion, 10-year Economic Action Plan includes the following programs:
  - New Building Canada Plan - \$53 billion
  - First Nations Infrastructure - \$7 billion
  - Federal Infrastructure - \$10 billion
- The New Building Canada Plan combines new and existing funding, including the Gas Tax Fund (see Gas Tax Agreement note for more details), and is made up of the following four programs (Table 2 on page 2 provides more details): Community Improvement Fund; Building Canada Fund (BCF); P3 Canada Fund; and the existing/remaining Building Canada Fund.

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- No confirmation of the requirement for matching provincial funding is needed. Past programs have had a provincial contribution. (See Infrastructure Investment note).
- The federal cash-flow for the New BCF is identified in Table 1 below.

Table 1 - New Building Canada Fund Cash-flow Profile for entire country (\$ millions)										
2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	Total
210	210	780	1,000	1,500	2,000	2,000	2,100	2,100	2,100	14,000

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Table 2 – Building Canada Plan Summary Table					
Status	Amount (billions)	Program Name	Sub-Program Name and Project Types	Amount (billions)	Possible New BC Allocation (billions)
Previously announced	\$32.22	Community Improvement Fund	<b>Gas Tax Fund</b>	\$21.8	\$2.79
			<b>GST Rebate for LGs</b>	\$10.4	TBD

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Renewal	\$1.25	P3 Canada Fund	Wide variety of project types	\$1.25	n/a
Existing	\$6	Existing Building Canada Fund		\$6.03	n/a
<b>TOTAL</b>	<b>\$53.45</b>				<b>\$53.45</b>
					<b>\$4.57</b>

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## ADVICE TO MINISTER

<p>CONFIDENTIAL</p> <p><b>ESTIMATES NOTE</b></p> <p>Ministry of Community, Sport and Cultural Development Updated: June 14, 2013 Minister Responsible: Hon. Coralee Oakes</p>	<p><b>Infrastructure Investments</b></p>
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### ADVICE AND RECOMMENDED RESPONSE:

- The Province remains committed to helping local governments meet the infrastructure and job creation needs of their communities.
- Since 2001, our government has provided approximately \$3 billion to B.C.'s local governments over and above previously existing funding streams. This includes:
  - Canada-BC Infrastructure Program (\$267 million)
  - BC Community Water Improvement Program (\$80 million)
  - Municipal-Rural Infrastructure Program (\$75 million)
  - Building Canada Fund including Top-Up (\$176 million)
  - Infrastructure Stimulus Fund (\$100 million)
  - Traffic Fine Revenue Sharing and Small Community and Regional District Grants (\$1,106 million)
  - Towns for Tomorrow (\$70 million)
  - LocalMotion (\$40 million)
  - B.C. Spirit Squares (\$20 million)
  - Community Recreation Program (\$30 million)
  - Peace River Regional District MOU (approximately \$342 million)
  - Climate Action Revenue Incentive Program (\$13.2 million)
- The Ministry is working closely with UBCM, the Ministry of Transportation & Infrastructure and the federal government to secure ongoing infrastructure funding for local governments.
- *[For Minister's information only: Minister Lebel (Infrastructure Canada) addressed the FCM conference on June 1<sup>st</sup>, 2013. In his speech he confirmed that the New Building Canada Plan will be implemented prior to the expiry of the existing Building Canada Plan. In his words: "We won't lose a construction season."]*

### KEY FACTS REGARDING THE ISSUE:

- The Ministry works in partnership with the Federal Government and other provincial Ministries (MOTI and MJAG) to provide infrastructure funding and technical expertise to the Province's 189 local governments.

#### Federal-Provincial Programs

##### **Building Canada Fund – Communities Component (BCF-CC) and Top-Up Funding 2008–2009**

- BCF-CC was announced in 2007, \$136 million provincial share allocated to local government priorities, which includes \$111 million with an additional \$25 million for flood mitigation.

- In 2009, 125 projects in communities with populations under 100,000 were approved, 58 of which were funded under this Top Up funding and designated as BCF Top Up (BCF-TU) funded projects.
- On Dec. 2, 2010, the federal government announced an extension to the deadline for BCF-TU projects to Oct. 31, 2011. The 'standard' BCF-CC projects have until March 31, 2015 to complete project construction and March 31, 2016 to meet all program requirements.

#### **Infrastructure Stimulus Fund (ISF) 2009**

- ISF was introduced to accelerate infrastructure projects provided they are substantively complete by March 31, 2011.
- \$100 million in provincial funding was allocated for local government priorities.
- In 2009, 68 projects were approved for local government priorities.
- Additional projects were designated as provincial assets or not for profit projects and are managed by the Ministry of Transportation and Infrastructure or Ministry of Forests, Lands and Natural Resource Operations.
- On Dec. 2, 2010, the federal government announced an extension to the deadline for completion of ISF projects to Oct. 31, 2011.

#### **Canada-British Columbia Municipal Rural Infrastructure Fund (MRIF) 2007-2008**

- MRIF was announced in 2006 with project approvals in 2007.
- 102 projects were approved, representing approximately \$75 million in provincial spending.
- \$150 million in federal/provincial funding (2/3) and a total funding envelope of approximately \$225 million.
- Projects under this program were to be completed by March 31, 2010. This program has been extended to March 31, 2013.

#### **Canada-BC Infrastructure Program (CBCIP) 2001-2004**

- CBCIP was announced in 2001.
- 309 projects have received funding with a provincial contribution in excess of \$267 million.
- \$537 million in federal/provincial funding (2/3) and a total funding envelope of more than \$800 million.
- All projects under this program were completed by March 31, 2010.

### **Provincial Programs**

#### **Community Recreation Program (CRP) 2011/2012**

- CRP was announced in fall 2011 to enhance recreation infrastructure province-wide.
- Provided funding up to 80 per cent of eligible costs.
- 98 projects were funded with a provincial contribution of \$30 million.
- An additional 2 projects (Burns Lake and Quesnel) originally applied for under the program

## **ADVICE TO MINISTER**

were funded separately (\$6.4 million).

- Projects include trails, bike paths, walkways, playgrounds and other indoor or outdoor recreation centres.

### **Towns for Tomorrow (T4T) 2006-2011**

- T4T announced in 2006.
- 80/20 funding split for under 5,000 population; 75/25 for communities under 15,000.
- 201 projects have been funded to date with a provincial contribution of close to \$70 million (including the 47 projects approved in 2011 final round).

### **Infrastructure Planning Grant Program – annual (currently on hold)**

- Annual allocation of up to \$10,000 grants to local governments and regional districts for studies to assist infrastructure planning. (previously, approximately \$1.0 million per year allocated).

### **BC Spirit Squares Program 2007-2008**

- Announced in 2006.
- 64 projects have been funded with a provincial contribution of \$20 million.

### **LocalMotion (LM) 2006-2009**

- Announced in 2006 – a four-year, \$40-million program.
- 122 projects have been funded with a provincial contribution of \$40 million.

### **British Columbia Community Water Improvement Program (BCCWIP) 2005-2006**

- Announced in 2005.
- 87 projects were approved with a provincial contribution of \$80 million.
- Total capital costs of \$122 million for projects approved under the program.

### **Additional Local Government Investments:**

#### **Strategic Community Investment Fund (SCIF)**

- The Strategic Community Investment Fund restructures the Traffic Fine Revenue Sharing program (TFRS) and Small Community and Regional District Grants (SCG).
- Through SCIF, communities receive the same amount of money they would have received, but instead of being paid once per year, more of that money is provided sooner to increase financial certainty for the grant recipients.
- SCG assists local governments in providing basic services.
- TFRS program assists eligible municipalities that pay police enforcement costs directly.
- The Province provided \$45.1 million in Small Community and Regional District Grants and \$51.1 million in net traffic fine revenues through the Strategic Community Investment Fund in June 2012, with a further \$10 million for each program provided in March 2013.
- This represents a total of \$1,106 million in SCG and TFRS funds since 2001.

#### **Climate Action Revenue Incentive Program (CARIP)**

- A conditional grant program that provides funding to Climate Action Charter signatories equivalent to 100 per cent of the carbon taxes they pay directly.
- This funding supports local governments in their efforts to reduce greenhouse gas emissions and work toward achieving their Charter goals.
- The Province provided a total of more than \$5 million province-wide in March 2012.
- This is a total of \$13.2 million since the program began in 2008.

#### **Trees for Tomorrow 2008-2009**

- Program announced in 2008.
- 129 projects announced in 2009 for \$3 million in provincial funding (includes funding to non Local Government organizations).

#### **Gas Tax Program (technical assistance to the program) NO PROVINCIAL FUNDING**

- Announced in 2005.
- Transferred \$635.6 million to B.C. communities from 2005-2010.
- Program extended for four years from 2010-2014 for an additional \$1 billion.
- All pooled funding (GSPF and IF) has been allocated.
- Federal government announced in January 2013, an extension to 2018 for current allocations.
- Gas Tax is now federally legislated as a permanent program with a fixed, indexed allocation.
- The Province, UBCM and Federal government are developing the new agreement. (Note: Federal government has prioritized the negotiation/implementation of this over the Building Canada Plan).
- The Province provides technical expertise to UBCM in assessing projects.

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## ADVICE TO MINISTER

<p><b>CONFIDENTIAL</b></p> <p><b>ESTIMATES NOTE</b></p> <p>Ministry of Community, Sport &amp; Cultural Development Updated: June 14, 2013 Minister Responsible: Hon. Coralee Oakes</p>	<p><b>Infrastructure Planning Grant Program</b></p>
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### ADVICE AND RECOMMENDED RESPONSE:

- The Infrastructure Planning Grant Program (IPGP) offers grants to support local government in projects related to the development of sustainable community infrastructure.
- We're pleased this program helps local governments create a vision for the future – a future that embraces sustainability and livability.
- The next round of approvals for the Infrastructure Planning Grant Program has not been determined at this time.
- Grants can be used for a range of activities related to assessing the technical, environmental and/or economic feasibility of local government infrastructure projects.
- The infrastructure Planning Grant Program provides a solid foundation for larger capital projects helping ensure successful implementation.

### KEY FACTS REGARDING THE ISSUE:

- Grants up to \$10,000 are available to help improve or develop long-term comprehensive plans that include, but are not limited to: capital asset management plans, community energy plans, integrated stormwater management plans, water master plans and liquid waste management plans.
- Grants can be used for a range of activities related to assessing the technical, environmental and/or economic feasibility of local government infrastructure projects.
- Grants are based on a formula that provides 100 per cent of the first \$5,000 and 50 per cent of the next \$10,000.
- The provision of a planning grant demonstrates our direct support for local government efforts to plan for construction and replacement of infrastructure, focusing on planning, designing, constructing and managing sustainable community infrastructure.
- The IPGP is highly regarded by local governments as an effective program. It is well subscribed by small and medium sized local governments; however, most local governments have applied to the program.
- In past years, there were two rounds of approvals, one early in the fiscal year, and a second with notifications that occur the week of the UBCM annual Convention, where the Minister has the opportunity to announce approved projects during individual local government meetings.

- In fiscal 2011/12 no funding decisions were made. A small number of grants were awarded in the 2012/13 fiscal year. There were over 230 applications submitted for consideration.

s13, s17

s13, s17

- The Minister approves the final list of funded projects and approval letters are sent under the Minister's signature.

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## ADVICE TO MINISTER

<p><b>CONFIDENTIAL</b></p> <p><b>ESTIMATES NOTE</b></p> <p>Ministry of Community, Sport &amp; Cultural Development Updated: June 14, 2013 Minister Responsible: Coralee Oakes</p>	<p><b>Johnson's Landing Provincial Response</b></p>
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### ADVICE AND RECOMMENDED RESPONSE:

- The landslide at Johnson's Landing was a tragic event – one for which there aren't quick answers or simple solutions. I understand that, in the last year since the landslide struck, residents have been working hard to put their homes, lives and community back together.
- Provincial response and recovery has been an inter-ministry effort, with EMBC, MoTI, Ministry of Health, Interior Health Authority and MCSCD. Collectively the Province has spent over \$1 million dollars.
- The Ministry of Community, Sport & Cultural development provided \$40,000 towards planning & engineering costs associated with rehabilitating the community water system.
- *[For the Ministers information only: EMBC is the lead agency on this file. Questions beyond MCSD role should be directed to Minister of Justice, Honourable Suzanne Anton.]*

### KEY FACTS REGARDING THE ISSUE:

- On July 12, 2012, a landslide occurred in Johnson's Landing, in the Regional District of Central Kootenay (RDCK) that resulted in four fatalities, destruction of four homes and damage to two others. Critical infrastructure was disrupted – the community water system, road access, and hydro power. There is continuing disruption to 12 properties and two roads.
- Approximately 10 percent of the rural community was severely impacted by the slide.
- Response and recovery has been an inter-ministry effort with Emergency Management BC (EMBC), Ministries of Transportation and Infrastructure (MoTI), Health (MoH), Community, Sport and Cultural Development (MCSCD) and the Interior Health Authority (IHA).
- In March 2013, after a joint Minister's meeting, including Minister Bennett (MCSCD), Minister Bond (JAG), Minister Polak (MoTI), and Minister MacDiarmid (MoH), as well as representatives from the RDCK and IHA, Minister Bennett approved \$40,000 in funding support toward non-capital and planning/engineering costs associated with the community water system. Funding was provided to the RDCK who will manage the provincial funding. Note that the water system is owned by the residents and not the RDCK.
- EMBC has provided over \$300,000 through the Disaster Financial Assistance program.

- The Regional District commissioned a geotechnical study and EMBC provided the funding (\$850,000). The study was released on May 23, 2013 and is available on the RDCK website:  
[http://www.rdck.bc.ca/community/emergency/johnsons\\_landing\\_landslide.html](http://www.rdck.bc.ca/community/emergency/johnsons_landing_landslide.html).
- RDCK hosted a community information session, with provincial representatives present on May 23, 2013.
- The study noted that a landslide of similar size has not occurred in the Johnson's Landing area since the glaciers receded (about 12,000 years ago).
- The Province and RDCK are currently reviewing the content and recommendations of the geotechnical study.

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## ADVICE TO MINISTER

<p><b>CONFIDENTIAL</b></p> <p><b>ESTIMATES NOTE</b></p> <p>Ministry of Community, Sport &amp; Cultural Development Updated: June 13, 2013 Minister Responsible: Coralee Oakes</p>	<p><b>Jumbo Incorporation Judicial Review</b></p>
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### ADVICE AND RECOMMENDED RESPONSE:

- The issue is before the courts and it would be inappropriate for me to respond to the issues raised by the petitioners
- The Province will assert that it was acting within its constitutional authority and in accordance with the governing statutes.

### KEY FACTS REGARDING THE ISSUE:

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s13, s14

**Contact:**

Gary Paget

Local Government ADMO

250 953-4129

## ADVICE TO MINISTER

<p style="text-align: center;"><b>CONFIDENTIAL</b></p> <p style="text-align: center;"><b>ESTIMATES NOTE</b></p> <p>Ministry of Community, Sport and Cultural Development Updated: June 10, 2013 Minister Responsible: Hon. Coralee Oakes</p>	<p style="text-align: center;"><b>Jumbo – Mountain Resort Municipality Incorporation</b></p>
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### ADVICE AND RECOMMENDED RESPONSE:

- On February 19, 2013, Jumbo Glacier Mountain Resort Municipality became B.C.'s 162<sup>nd</sup> municipality.
- The Minister appointed a three-member municipal council to oversee the operations of the municipality at this time.
- The decision to incorporate a mountain resort municipality reflects government's belief that the municipal governance structure is the most appropriate model for the area of the resort.
- Our government believes that establishing Jumbo Glacier Mountain Resort Municipality provides the strong foundation necessary for a well planned resort community.
- The year-round ski resort will be located at the foot of Jumbo Mountain and Jumbo Glacier, 55 kilometres west of Invermere.
- The planned \$450-million resort will ultimately include 5,500 bed-units in a 104-hectare resort base area and is projected to provide approximately 3,750 person years of construction employment and create 750 to 800 permanent full-time jobs.

### KEY FACTS REGARDING THE ISSUE:

- In early May 2012, government amended the *Local Government Act* to clarify the Province's authority to incorporate a mountain resort municipality whether or not there are residents in the area at the time of incorporation. The incorporation of a mountain resort municipality for Jumbo Glacier was requested by the Regional District of East Kootenay in 2009. The purpose of the incorporation of a resort municipality for Jumbo is to provide the most appropriate form of governance for the resort.

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## ADVICE TO MINISTER

<p style="text-align: center;"><b>CONFIDENTIAL</b></p> <p style="text-align: center;"><b>ESTIMATES NOTE</b></p> <p>Ministry of Community, Sport &amp; Cultural Development Updated: June 17, 2013 Minister Responsible: Hon. Coralee Oakes</p>	<p style="text-align: center;"><b>Kelowna Water Endorsement</b></p>
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### ADVICE AND RECOMMENDED RESPONSE:

- The Province recognizes the unique situation and circumstances faced by water purveyors within the City of Kelowna.
- The Province will honour the commitment made to the City of Kelowna and the four Improvement Districts, closely monitoring the criteria established by Minister Bill Bennett.
- I also recognize the importance of protecting public health, through the delivery of safe, potable drinking water. This pilot is an effort to not only support public health protection, but to support improved management and governance of water within the boundaries of the City of Kelowna.
- The Province's current policy of excluding improvement districts from accessing senior government funding is not altered by the exception we are making for the pilot project for the four improvement districts in Kelowna.

### KEY FACTS REGARDING THE ISSUE:

- There are five large water purveyors within the City of Kelowna (City); the City and four improvement districts (IDs) (South East Kelowna Irrigation District, Black Mountain Irrigation District, Rutlands Waterworks and Glenmore-Ellison Improvement District).
- The IDs have requested to be considered eligible for senior government funding. The four large improvement districts within the City boundaries are required to make significant improvements in order to meet the Interior Health Authority drinking water standards.
- As identified in the *Improvement District Governance: Policy Statement (2006)*, the Ministry recognizes that municipalities and RDs are, and will continue to be, the primary components of the local government system in the Province.
- The Ministry's vision is to encourage the conversion of IDs to RD service areas and municipal jurisdiction. Consistent with that direction, it is important to maintain the existing financial incentives for conversion. Specifically, the Ministry has restricted sewer and water infrastructure grants to RDs and municipalities only. This has been a consistent policy for the past 20 years.
- In 2010, then Minister of Community, Sport and Cultural Development, Bill Bennett, tasked all five water purveyors to work together and identify a regional water solution based on key principles, with the ministry to support the outcome, provided the key principles were adhered to. The key principles are as follows:

1. Best-Lowest Cost Solutions

2. Flexibility
3. Achievement of Public Health Outcomes
4. Agricultural Interests

- With the direction and provincial participation provided by the Ministry, the Ministry of Health, the Ministry of Agriculture and the Interior Health Authority, the 2011 Kelowna Integrated Water Supply Plan (KIWSP), was produced and follows the key principles outlined above. In addition, in March 2013, an Implementation Plan (IP) was submitted to the Ministry that identified how KIWSP would move forward.
- In an April 2013 letter to the Chair of the Kelowna Joint Water Committee and the Mayor of Kelowna, Minister Bennett identified that the Ministry would move forward with a 'pilot', whereby projects identified under KIWSP would be considered eligible for senior government funding under the following criteria:
  - The City will be the entity that will apply for projects, should capital funding programs be available in the future, on behalf of the Kelowna Joint Water Committee, based on the KIWSP and IP;
  - The Kelowna Joint Water Committee will keep the Ministry up to date with all activities/actions within the KIWSP and IP, and submit when applicable, documents and reports. This includes results from operational audits which should measure/analyze efficiencies;
  - The pilot allows for projects identified under the KIWSP and IP to be applied for under capital funding programs administered by the Ministry, but capital funding programs often have additional eligibility criteria and requirements, which may not already be identified within the KIWSP and IP. As an example, Value Engineering, implemented by a Certified Value Specialist is often an eligibility requirement for larger projects;
  - Within the timelines of the KIWSP and the implementation of the eight stages, a holistic review/analysis of the KIWSP and IP will need to be done, which will include an open, thorough and transparent review of governance. This should be done between stages four and five; and
  - The continuation of the pilot will be based on a regular evaluation of the KIWSP and IP in ensuring that the four principles continue to be met.

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## ADVICE TO MINISTER

<p style="text-align: center;"><b>CONFIDENTIAL</b></p> <p style="text-align: center;"><b>ESTIMATES NOTE</b></p> <p>Ministry of Community, Sport &amp; Cultural Development Date: June 17, 2013 Minister Responsible: Hon. Coralee Oakes</p>	<p style="text-align: center;"><b>Lillooet CAO Defamation Suit</b></p>
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### ADVICE AND RECOMMENDED RESPONSE:

- The *Local Government Act* does not specifically deal with a municipality's indemnification of a municipal officer or employee where the officer/employee is the one initiating the legal action.
- However, the Act does set out specific provisions regarding the authority of a municipality to indemnify one of its council members or an officer/employee in relation to defending an action brought against them.
- Municipalities have what is known as 'natural person powers' which includes the authority to enter into contracts with their officials and employees.
- Therefore, what can and cannot be included in an employment agreement between an officer/employee and the municipality is generally a matter of the common law and is negotiated between the two parties.

If pressed on whether the Province will consider a change to the Act:

- If UBCM members indicate their interest (e.g. through a resolution passed at UBCM Convention), the Ministry is always prepared to review legislative provisions to determine if any change is needed.

### KEY FACTS REGARDING THE ISSUE:

- In a Vancouver Sun article on May 2<sup>nd</sup>, 2013, the BC Civil Liberties Association called for the provincial government to amend the *Local Government Act* to ban municipal governments from paying for any defamation suits initiated by one of its officials and/or agents. Currently, the *Local Government Act* does not specifically deal with indemnification of an officer where the officer is the one initiating the action.
- In 2009, a BC Supreme Court (BCSC) ruling determined that local governments cannot sue for defamation, as freedom of expression includes the right of citizens to criticize their governments. However, individual officers or employees of a local government may sue for defamation to their personal reputations. The circumstances in Lillooet would likely require a court to determine if there are circumstances in Lillooet that are at odds with the 2009 BCSC ruling.

#### Contact:

Michelle Dann      Advisory Services

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## ADVICE TO MINISTER

**CONFIDENTIAL**  
**ESTIMATES NOTE**

Ministry of Community, Sport and Cultural  
Development

Updated: June 28, 2013

Minister Responsible: Coralee Oakes

## Lillooet Water Issues

### ADVICE AND RECOMMENDED RESPONSE:

- Since the 2005 Dickie Creek fire, and subsequently the 2009 Mt. Mclean fire that destroyed Town Creek, we have been working closely with Lillooet to develop a sustainable water system that will be resilient enough to withstand the impact of wildfires and other natural disasters.
- The Ministry required that the District develop a plan that looked at all possible options to ensure that the best possible solution was being put forward.
- The Plan, developed by a respected engineering firm and reviewed by MoH, MoE and IHA, has two phases to address short and long-term needs:
  - Phase 1 will develop a well field drawing water that meets Canadian Drinking Water Quality Guidelines from Cayoosh Creek – providing for short-medium term water quantity issues.
  - Phase 2 was originally scoped to extend supply pipes to the BC Hydro Seton Canal and address any additional treatment requirements. Before Phase 2 can be implemented, the District must provide sufficient evidence to the UBCM and the Ministry that all appropriate measures have been made to ensure the long-term solution will be successful.
  - The District has formally submitted a scope change request to the project, which is currently under review and it is too soon to comment on the merits of the request.
- The Plan has been supported with Gas Tax funding for up to approximately \$10 million.
- Ministry staff continue to be involved directly with District staff through the implementation process.

### KEY FACTS REGARDING THE ISSUE:

- The Lillooet Rate Payers Association continually disputes direction and actions taken by the District on matters pertaining to water, wastewater, stormwater, governance, etc. MCSCD staff have met with some of the Association members, but a community meeting has not been held.
- The two creeks, Dickie and Town Creeks that the community used to use as their primary source of water have both burnt to the ground in wild forest fires, both times

rendering the towns water un-potable at the driest time of year placing them in a near state of emergency situation.

- Dickie Creek Creek burnt in 2005, then we provided support in repair and development of redundant supply and storage options as well as the movement towards better asset management with water meters being included.
- Town Creek Creek burnt in 2009, since then we have been working with them on a solution.
- For its water supply upgrade, Lillooet will receive close to \$5.6 million from the Gas Tax fund for Phase 2 (having already received \$4.5 million toward Phase 1).
- The Gas Tax project addresses both the short and long term plan, with a hold-back at the completion of Phase 1 to ensure all the appropriate measures and agreements are in place for the successful completion of Phase 2.
- The Plan was developed by a very reputable engineering firm, which is required to look at all possible options. The MoE, MoH and IHA have all been involved in the development of the short term (Phase 1) and long term (Phase 2) water supply plan for Lillooet.
- The District has formally submitted a scope change request to the UBCM as the District was not successful in negotiating an agreement with BC Hydro and the local First Nation to run the main water supply pipe across their land to access the BC Hydro canal.
- UBCM has asked Ministry staff to review the request for technical merits, which is currently in process. The request is proposing to use Cayoosh Creek as the new primary long term source, instead of going to the BC Hydro Seton Canal.
- The Ministry will continue to closely monitor activities in Lillooet. The Ministry will see how effectively all council members can work together, with the support of municipal staff, to further good governance in the municipality.

**Contact:**

Liam Edwards

Local Government Infrastructure  
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## ADVICE TO MINISTER

<p style="text-align: center;"><b>CONFIDENTIAL</b></p> <p style="text-align: center;"><b>ESTIMATES NOTE</b></p> <p>Ministry of Community, Sport &amp; Cultural Development Updated: June 27, 2013 Minister Responsible: Coralee Oakes</p>	<p style="text-align: center;"><b>Liquefied Natural Gas (LNG) Communities</b></p>
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### ADVICE AND RECOMMENDED RESPONSE:

- The development of LNG facilities will bring major economic opportunities to communities in Northwest B.C. – in the form of jobs and growth.
- We recognize that along with those opportunities come some of the challenges of change for local governments and their citizens.
- We will work to understand the needs of these communities and develop ways to deliver provincial support.

### KEY FACTS REGARDING THE ISSUE:

- The Premier's June 10, 2013 commitment letter mandates the Minister of Community Sport and Cultural Development to: "Create the framework for the rural dividend for communities in the Northwest that will be impacted by the opportunities and challenges that will arise from the LNG opportunity."
- LNG development could create on average 39,000 new full-time jobs during a nine-year construction period and as many as 75,000 new, annual full-time jobs once all LNG plants are in full operation.
- There are five LNG project proposals that have been formally announced. The cumulative gross domestic product of five LNG plants could add up to \$1 trillion by 2046.
- The communities that are most directly affected by proposed LNG construction and operations are: Kitimat, Prince Rupert and Port Edward, with indirect effects felt in Terrace and other areas within the regional districts of Kitimat-Stikine and Skeena-Queen Charlotte.
- The scope and scale of the workforce and services required by LNG development could challenge these communities in providing housing, transportation, local infrastructure, public safety, health, education and social services. Co-ordination between the province, regional agencies and local and regional governments will be required.
- Preliminary discussions have been held between ministry and local government senior staff on working together to determine community needs and a framework for the Province's support of these communities.
- The government has a history of customized support for communities and regions facing different and difficult development challenges. The most recent example is the April 2013 agreement with the Northern Rockies Regional Municipality for up to \$10 million a year for 20 years to be used for future infrastructure projects to prepare for growth.

### Contact:

Director                      Cathy Watson                      Community Relations                      250 387-4057

## ADVICE TO MINISTER

<p style="text-align: center;"><b>CONFIDENTIAL</b></p> <p style="text-align: center;"><b>ESTIMATES NOTE</b></p> <p>Ministry of Community, Sport &amp; Cultural Development Updated: June 13, 2013 Minister Responsible: Hon. Coralee Oakes</p>	<p style="text-align: center;"><b>Local Governance Studies/ Restructures</b></p>
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### ADVICE AND RECOMMENDED RESPONSE:

- **British Columbia has a strong tradition of self-determination and elector choice in local governance matters.**
- **The Ministry is aware of several unincorporated (rural) communities interested in municipal incorporation and several municipalities interested in fundamentally changing their boundaries to include significant area, population, or industrial assets.**
- **When Government makes decisions on these matters, it is vital that we do so with the informed support of the communities and the stakeholders affected, including other affected governments.**

### KEY FACTS REGARDING THE ISSUE:

- Municipal incorporation and/or restructure consolidates local service delivery, governance and representation within the municipal government model. Cabinet makes the final decision (by issuing new/amended letters patent), based on the recommendation of the Minister and the results of electors approval.
- The transition of service responsibilities affects not just the municipality involved, but also the regional district, improvement district/s, and the Province of BC.
- The fiscal impacts for the local taxpayers may be moderate or substantial, and the transition may be supported by financial assistance in the form of restructure assistance and implementation grants.
- The structure program supports elector choice through locally-led examinations of the current and alternative governance and service delivery structures – either through an all-in-one study of municipal incorporation or a staged process starting with a thorough study of current governance.
- The annual budget for restructure assistance is limited and varies each year; it needs to cover not only new studies, but also further commitments arising from studies already underway (e.g. if Salt Spring Island governance study were to result in a subsequent incorporation study).
- There are some restructure initiatives formally or informally underway; restructure assistance has been provided to -- or requests for study/assistance grants could be anticipated from -- these communities:
  - *City of Fernie*

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s13 To date, Province has contributed \$20,000 for a study that examined the impacts of the restructure on the City.

- *City of Campbell River* – locally-funded study underway – restructure proposal to include a significant portion of the population in Electoral Area D immediately south of the City’s municipal boundary. It is opposed by the Electoral Area Director.
- *Strathcona Regional District* has secured significant funding under Building Canada Fund to install sewer infrastructure in the area. The City and Regional District have been unable to agree upon terms for access to the City operated treatment plant. Ministry would anticipate a request for restructure implementation funding in the order of \$300,000.
- *Regional District of Kitimat-Stikine* – Province has contributed \$40,000 for the Regional District to explore the impact of extending their boundaries to include parts of the unincorporated Stikine region.
- *City of Trail* – locally-funded study underway – significant industrial boundary extension to include the site of the Waneta Dam. The elected officials from the adjacent Beaver Valley rural and Montrose and Fruitvale have expressed opposition as the boundary extension will impact the number of property owners who will contribute to services in the remaining portion of the electoral area. No funding assistance is required from the Ministry.
- *City of Fort St. John* and *City of Prince Rupert* – significant industrial boundary extensions – see Municipal Boundary Extensions in LNG Communities note.
- *Salt Spring Island* – Provincially-funded governance study underway – see Salt Spring Island Governance Study note.

**Contact:**

Director

Marijke Edmondson

Local Government  
Structure

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## ADVICE TO MINISTER

### CONFIDENTIAL ESTIMATES NOTE

Ministry of Community, Sport and Cultural  
Development

Updated: June 14, 2013

Minister Responsible: Hon. Coralee Oakes

## Metro Vancouver Integrated Liquid Waste Management

### ADVICE AND RECOMMENDED RESPONSE:

- Many communities are looking at aging and deficient water and wastewater infrastructure. It's a balancing act to meet the needs of residents without overburdening them with taxation.
- Metro Vancouver has developed an integrated liquid waste and resource management plan that responds to the pressure of population growth and the need to bring an aging infrastructure up to provincial federal regulatory standards. They have identified the North Shore Lions Gate wastewater treatment plant as the first to need upgrading.
- This is an important project, both for the people of Metro Vancouver and for the environment. Metro Vancouver's initiative in moving this project forward in a timely manner is commendable.

*If asked whether the Province will fund the Metro Vancouver wastewater treatment plants that need to be updated (Lions Gate and Iona):*

- We are ready to work with Metro Vancouver communities to look at financing options to address infrastructure challenges.

### KEY FACTS REGARDING THE ISSUE:

- In 2012, the federal government announced a new regulation for municipal wastewater treatment.
- Municipalities across Canada will now be required to implement secondary treatment (dissolved organics are removed), in addition to primary treatment (solids are removed).
- Metro Vancouver (Metro) operates five wastewater treatment plants, three of which provide secondary treatment with the other two currently providing primary treatment.
- The new regulations mean upgrades will be required to the Lions Gate treatment plant in North Vancouver, which treats wastewater for the North Shore, and the Iona facility in Richmond that treats the wastewater for Vancouver.
- Metro Vancouver has identified that the Lions Gate plant will be upgraded by 2020. Work on the project is at a preliminary stage and public consultation on the concept is underway. The existing plant is to be replaced with a new plant built at a site a few kilometers to the east of the current site.
- Minister Oakes may be asked to comment on whether the Province will provide funding for the project, as it did with the CRD.

- Metro's Integrated Liquid Waste Management Plan (ILWMP) was approved by the Minister of Environment in 2012 and stipulates upgrades to secondary treatment for Lions Gate by 2020 and 2030 for Iona. To meet this timeline, construction would need to start in 2016 and 2025, respectively.
- The cost of the two upgrades combined is estimated to be about \$1.4 billion.
- The new Lions Gate facility is estimated at about \$400 million.
- Metro's public messaging consistently states they require senior government funding support for the facility.
- Metro has approached both senior governments for funding. The Province has not made any funding commitment.

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- It should be noted that Metro has had several years to prepare for the required upgrades. The previous LWMP had more aggressive timelines than the current plan as well as requirements similar to those now required by the federal regulation.

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## ADVICE TO MINISTER

<p><b>CONFIDENTIAL</b></p> <p><b>ESTIMATES NOTE</b></p> <p>Ministry of Community, Sport and Cultural Development Updated: June 10, 2013 Minister Responsible: Hon. Coralee Oakes</p>	<p><b>Metro Vancouver Regional Growth Strategy</b></p>
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### ADVICE AND RECOMMENDED RESPONSE:

- Metro is a large, diverse region with complex growth management issues.
- The unanimously accepted Metro Regional Growth Strategy provides important guidance to local governments within the region as they work to create livable, economically resilient, compact and energy-efficient communities in the midst of fast population growth.
- I recognize the work of all of the parties who are working together on implementation, including the development of regional context statements.
- If pressed: If there are any regional context statements that the Metro RD cannot accept, the dispute resolution provisions for regional growth strategies contained in the *Local Government Act* can be utilized to resolve a conflict.

### KEY FACTS REGARDING THE ISSUE:

- Under Part 25 of the *Local Government Act* (LGA), a regional district can develop a regional growth strategy (RGS) and adopt a bylaw. A RGS is a strategic regional planning policy document promoting settlement that is socially, economically and environmentally healthy which also makes efficient use of public facilities, land and other resources.
- A RGS is initiated, prepared and implemented by a regional district with full involvement, and acceptance, of its member municipalities and adjacent regional districts. The Province, First Nations and others are consulted.
- The legislation requires that, within a region that has adopted a RGS, each municipality is required to prepare and submit a regional context statement (RCS) to the regional district board for acceptance within two years of when the RGS was adopted by the regional district.
- A RCS forms the portion of a municipality's official community plan (OCP) and identifies the relationship between the OCP and the content of a RGS. The municipality has flexibility in determining what the RCS should look like.
- If a regional district does not accept a municipality's RCS, a statutory dispute resolution process is triggered. At this point, under section 859 of the *Local Government Act*, the Minister must either require a non-binding resolution process in an attempt to help the parties reach agreement, or direct the parties to arbitration if satisfied that resolution through a non-binding resolution process is unlikely.

**Metro:**

- The Metro Vancouver Regional District (Metro) board unanimously adopted a new regional growth strategy (RGS), after it was accepted by all its member municipalities, adjacent regional districts, TransLink and Tsawwassen First Nation, on July 29, 2011.
- In Metro Vancouver the two year deadline for the submission of municipal a RCS is July 29, 2013.
- There are 22 municipalities within the regional district that must submit a RCS to the Metro board within that timeframe.
- To smooth the path for Board acceptance of municipal RCSs, Metro has been working with member municipalities to ensure that, as much as possible, the RCSs submitted to the Metro board will clearly indicate how the municipalities' OCPs are consistent, or how over time they will work towards consistency, with the RGS goals and objectives for the region.
- Given the large number of diverse municipalities within the Metro Vancouver region, it is possible that one or more municipalities may submit RCSs that are not acceptable to the Metro board. This would trigger the statutory dispute resolution process.
- One area where there may be a dispute is with regard to the Township of Langley (Township) RCS. Over the past year, the Township has expressed concerns about the RGS. The controversy primarily relates to a proposed "university district" development initiative that would require an amendment to the Township's Official Community Plan. Metro RD has stated that the proposed amendment would also require an amendment to the Township's previous regional context statement. The Township disagrees. The Ministry of Community, Sport and Cultural Development has offered to help facilitate a focussed discussion between the parties to resolve this issue and is waiting for a response from the Township.
- The "university district" issue is related to the Township's request to secede from Metro and join the Fraser Valley Regional District.

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## ADVICE TO MINISTER

<p><b>CONFIDENTIAL</b></p> <p><b>ESTIMATES NOTE</b></p> <p>Ministry of Community, Sport &amp; Cultural Development Updated: June 13, 2013 Minister Responsible: Hon. Coralee Oakes</p>	<p><b>Municipal Boundary Extensions in LNG Communities</b></p>
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### ADVICE AND RECOMMENDED RESPONSE:

- We are aware that communities across the province are interested in sharing in the benefits that will come from investments in Liquefied Natural Gas infrastructure.
- The Ministry will work with municipalities and the Ministry of Natural Gas Development to address areas of concern and opportunity in relation to LNG development to ensure the interests of communities are protected.

### KEY FACTS REGARDING THE ISSUE:

- Municipal boundary extensions are a conventional means of providing municipal access to industrial tax assets that drive demands for municipal services.
- Across the province, some industrial assets are taxed at the prevailing municipal rates, while others are limited as a condition of a boundary extension.
- Municipal boundaries and tax rate limitations are established in Letters Patent under an Order-in-Council upon the recommendation of the minister responsible for local government.
- Although the Ministry has not yet received formal proposals, staff anticipate significant municipal interest in accessing industrial tax revenues related to LNG development and in managing land use decisions related to LNG infrastructure construction.
- Both the City of Fort St John and City of Prince Rupert have discussed preliminary boundary extension proposals with Ministry staff. Fort St John is seeking to take in lands related to the proposed Site C Dam. Prince Rupert is seeking an extension to take in vast tracts of Crown land. Both of these proposals require further work by the municipalities before formal submission to the Ministry.
- The typical time frame for implementation of a well-crafted municipal boundary extension proposal is 6-12 months. However, in LNG communities, other factors may affect time frames, including referrals to other agencies; First Nation considerations, and sequencing in connection with overall policy work on LNG benefit sharing.

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Local Government Structure

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## ADVICE TO MINISTER

<p><b>CONFIDENTIAL</b></p> <p><b>ESTIMATES NOTE</b></p> <p>Ministry of Community, Sport &amp; Cultural Development Date: June 27, 2013 Minister Responsible: Hon. Coralee Oakes</p>	<p><b>Salaries of Municipal Managers</b></p>
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### ADVICE AND RECOMMENDED RESPONSE:

- The Province established requirements for local governments to disclose compensation in the financial disclosure act - this is part of being open and accountable to the public.
- Local governments are autonomous and self-governing with the authority to determine compensation for managers – that boils down to the fact that councils are ultimately accountable to the electors for their decisions.
- We recognize that municipalities operate in a competitive labour market.
- These are challenging economic times and all levels of government should make every effort to find efficiencies, cut costs and minimize the financial burden on individual taxpayers and families.

*If asked how the province supports municipalities:*

- Provincial financial supports for local governments are strong. In fact, they have increased during the past decade in spite of the many challenges our government faces in maintaining critical health, social and educational services.
- Since 2001, our government has provided approximately \$3 billion in additional funding support to B.C.'s local governments. Almost half of this investment has supported local government capital and infrastructure investments, while the remainder has supported local government operations.
- My government has also helped to secure more than \$2.1 billion in federal funds for local governments to enhance community infrastructure.
- These investments are part of our continuing partnership with local communities to build infrastructure, maintain stability and keep British Columbians working through the current economic downturn.

### KEY FACTS REGARDING THE ISSUE:

- Over recent weeks a number of media stories have emerged noting the high salaries of senior managers as well as service severance payments at city halls. This is because local governments are going through the yearly process of disclosing their financial information.
- The Canadian Federation of Independent Business reported earlier this year that municipal spending in B.C. has jumped to “nearly four times the rate of population growth over the last decade,” even after spending was adjusted for inflation.

- They continue to say that with pay rates and hikes such as those given to senior managers at city halls, its little surprise that B.C. ratepayers would have saved over \$4 billion if local government spending had simply kept pace with inflation and population growth.
- The Mayor of Kelowna, Walter Gray, is on record as having said that he would prefer that municipalities not have to disclose the total remuneration it pays its workers as part of the mandatory annual financial reporting it must make public each year.

**Contact:**

Gary Paget

Local Government ADMO

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## ADVICE TO MINISTER

**CONFIDENTIAL**  
**ESTIMATES NOTE**

Ministry of Community, Sport & Cultural  
Development  
Updated: July 4, 2013  
Minister Responsible: Coralee Oakes

**Northern Rockies  
Regional  
Municipality (NRRM)  
Agreement**

### ADVICE AND RECOMMENDED RESPONSE:

- Growing the natural gas sector is a provincial priority and is one that will bring significant benefits to the people of British Columbia.
- We recognize that this growth will result in local impacts and are committed to assisting communities to prepare for the Liquefied Natural Gas (LNG) opportunity.
- The recently signed Northern Rockies Infrastructure Development Contribution Agreement is an example of this commitment, and a clear demonstration of how the Province is supporting communities as we work to grow the economy and create jobs.

### KEY FACTS REGARDING THE ISSUE:

- In April 2013 the Province entered into the Northern Rockies Infrastructure Development Contribution Agreement (the Agreement).
- The intention of the Agreement is to provide funding support for community infrastructure that will facilitate and accommodate the growth of the NRRM as a service centre for the regional natural gas industry.
- Under the Agreement, commencing in fiscal 2015 and subject to required approvals, the Province may provide the NRRM with an annual contribution up to a maximum of \$10,000,000.
- The term of the Agreement runs to March 31, 2036 with the potential for extension.

### Background:

- The NRRM has been concerned that the potential growth of the shale gas industry will place significant demands on the community for housing, infrastructure and community services that it will not be able to meet through property taxes.
- In July 2012, the Province and the NRRM signed an MOU that established a working group to undertake a community development and infrastructure planning project that evaluated the need for community and regional infrastructure based on different LNG growth scenarios, and the capacity of NRRM to finance such infrastructure.
- Key findings of the report suggest that under a moderate growth scenario, the current population of about 5,800 could increase to 11,000 to 13,000 by 2025.

- Capital costs of the infrastructure identified as necessary to accommodate that growth were estimated to be \$293 million. NRRM has an annual deficit in the order of \$20 million per year in its capacity to finance these works.
- Following this report, the Province entered into a 20-year contribution Agreement with the NRRM.

**Contact:**

Jessica Brooks

Intergovernmental Relations and  
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250 387-4071

## ADVICE TO MINISTER

<p><b>CONFIDENTIAL</b></p> <p><b>ESTIMATES NOTE</b></p> <p>Ministry of Community, Sport and Cultural Development Updated: June 17, 2013 Minister Responsible: Hon. Coralee Oakes</p>	<p><b>Peace River MOU</b></p>
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### ADVICE AND RECOMMENDED RESPONSE:

- The Ministry appreciates the interest of the Peace River Regional District board in discussing potential financial arrangements that could replace the current MOU when it expires in 2019.
- I agree that after seven years in its latest iteration, it might be a good time to evaluate the MOU and the successes achieved through it.
- The Province is committed to achieving continued growth in the northeast oil and gas industries and Peace River communities have a major role to play in realizing that goal.

### KEY FACTS REGARDING THE ISSUE:

#### The Peace River Agreement

- The Peace River MOU is a 15-year agreement signed in 2005 that provides provincial funding to the Peace River Regional District (PRRD) based on a formula. The formula provides a base amount of \$20 million plus an escalator for increases in the region's industrial assessment base since 2004.
- Funding under the MOU provides a stable source of revenue to local governments in the PRRD. Oil and gas industry assessments produce a limited contribution to local government through local property taxation because of the dispersed location of assessments within the Peace River farming areas.
- The PRRD allocates all funds received under this MOU to the municipalities within the PRRD and its electoral areas, based on a formula and procedures set out in the MOU. The participating municipalities are also signatories to the MOU. Funds are primarily directed to Fort St. John and Dawson Creek, the region's two major service centers, but all jurisdictions receive something each year.
- The accumulated funding total since 2005 is approximately \$254.7 million, bringing significant benefits to the region by reducing the local property tax burden, and addressing historical deficits in local infrastructure.
- As a result of the escalator element of the funding formula, MOU payments have increased from \$20 million in 2005 to \$32.17 million in 2011. The payments are projected to grow to \$63 million by the final year of the current agreement in 2019, creating a significant budget issue for the Ministry. The PRRD elected representatives appear to recognize this and have recently indicated in writing that they are prepared to discuss the terms of a renewed MOU with a more permanent funding arrangement enshrined in legislation.

- As part of Budget 2012/13, Government re-profiled \$39.6 million of the payments to the PRRD, in exchange for no payment in 2013/14.

### **Recent Developments**

- In April of 2013 the Province entered into an Infrastructure Development Contribution Agreement with the Northern Rockies Regional Municipality (NRRM). This agreement commits the Province to provide up to \$10 million a year for 20 years to support for infrastructure projects that accommodate future growth associated with expansion of the natural gas industry.
- The BC Liberal Party platform document, Strong Economy Secure Tomorrow, committed to *“begin discussions with Peace River Region to possibly extend the agreement between the government of B.C. and the Peace River region to ensure communities in Northeast B.C. are able to meet the needs that accompany significant resource development”*.

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### **Contact:**

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## ADVICE TO MINISTER

<p style="text-align: center;"><b>CONFIDENTIAL</b></p> <p style="text-align: center;"><b>ESTIMATES NOTE</b></p> <p>Ministry of Community, Sport &amp; Cultural Development Updated: July 10, 2013 Minister Responsible: Hon. Coralee Oakes</p>	<p style="text-align: center;"><b>Salt Spring Island Governance Study</b></p>
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### ADVICE AND RECOMMENDED RESPONSE:

- British Columbia has a strong tradition of self-determination and elector choice in local governance matters.
- The public on Salt Spring Island currently has an opportunity to determine if their existing governance system is the right one for seeing them into the future.
- Governance on Salt Spring Island is particularly complex, with service decisions being made by the Capital Regional District and 5 Improvement Districts, while land use planning and development decisions are made by the Islands Trust.
- The purpose of this study is to review the current state of governance with factual, objective information and to identify the general differences between rural and municipal governments. This study responds to requests from local elected officials and the public to update the community's understanding of the current governance situation.
- I expect to receive a report from the committee, after completion of the study and engagement, on what the community makes of this information and the level of interest in further exploring the possibility of governance change in the future.

### KEY FACTS REGARDING THE ISSUE:

- In October 2012 Minister Bill Bennett committed \$60,000 for the governance study and an additional \$20,000 to examine the impacts of a municipal incorporation of Salt Spring Island on the Islands Trust as an organization.
- At the invitation of the Minister, the elected officials for Salt Spring Island (Electoral Area Director and two Local Trustees) appointed a 10-member volunteer Governance Study Committee to oversee the study and ensure its credibility within the community.
- The Committee has recently selected a consultant to conduct the study (Urban Systems).
- The Committee will make a recommendation to the Minister about the study findings and whether there is community interest in proceeding to a municipal incorporation study.
- The governance study will not provide detailed technical or financial information on the impact of municipal incorporation for the community. If approved by the Minister, this information would be provided in a subsequent incorporation study which would be expected to conclude in a referendum on the issue.

#### Contact:

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Local Government Structure

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## ADVICE TO MINISTER

<p style="text-align: center;"><b>CONFIDENTIAL</b></p> <p style="text-align: center;"><b>ESTIMATES NOTE</b></p> <p>Ministry of Community, Sport &amp; Cultural Development Updated: June 28, 2013 Minister Responsible: Coralee Oakes</p>	<p style="text-align: center;"><b>District of Sechelt Wastewater Treatment</b></p>
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### ADVICE AND RECOMMENDED RESPONSE:

- The District has been working with Ministry on this project for several years.
- The District is proposing a highly innovative solution to a challenging problem, and has formally requested scope change approvals from appropriate program areas.
- These scope change assessments are currently underway and it is too soon to comment on the outcome of the request.
- Ministry staff will continue to work closely with the District toward a solution for the community and their wastewater treatment needs.

### KEY FACTS REGARDING THE ISSUE:

- 2009 awarded \$3.2 million in provincial-federal funding under the Build Canada Fund (BCF) for bio-solids treatment:
  - The wastewater treatment plant was at capacity and out of compliance with MoE.
  - This project only addressed part of the overall treatment plant issues.
  - This project would extend the life of the current facility by a few years and address some of the compliance issues allowing them to come up with a more fulsome approach to the broader issue.
- 2011/12 awarded \$8 million in federal funding under the Gas Tax Fund (GTF) Innovations Fund (IF) for complete upgrades to their entire wastewater treatment plant.
- The GTF award provided the District the opportunity to combine that funding with the previously awarded \$3.2 million in provincial-federal funding awarded under the Build Canada Fund (BCF).
- By combining the two funding pools, the District was able to develop one, centralized treatment facility rather than separately undertaking the wastewater treatment component and the sludge/bio solids component.



- To achieve this new scope, the District needs scope change approval from both funding sources.
- Scope change approvals are currently in process and are likely to be approved.
- The new wastewater treatment facility is scheduled to be commissioned in September, 2014.
- Some residents are opposed to the high cost of the project, and the District's approach/project management feeling that there has not been adequate public consultation.
- Ministry staff continue to work closely with the District and responding to concerned citizens.

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250 387-4060

## ADVICE TO MINISTER

<p><b>CONFIDENTIAL</b></p> <p><b>ESTIMATES NOTE</b></p> <p>Ministry of Community, Sport &amp; Cultural Development Updated: June 28, 2013 Minister Responsible: Coralee Oakes</p>	<p><b>Small Water Systems</b></p>
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### ADVICE AND RECOMMENDED RESPONSE:

- Failing small water systems, through support by local governments, often become the subject of capital grant applications. This includes extremely high demand within the Ministry's capital grant programs that are generally oversubscribed by a margin of 10:1.
- Provincially, in partnership with Union of British Columbia Municipalities (UBCM) we are developing a Small Water Systems Strategy to help ensure small water systems meet current and emerging drinking water quality standards.
- Work under UBCM for developing Best Practice Guidelines for Small Water Systems has completed.
- Financial Best Management Practices for Small Water Systems have also been completed and are being piloted.
- UBCM is currently determining the ability of the working group to deliver solutions effectively. The future of the working groups is in question.
- While the Ministry does not have a regulatory role with respect to small water systems (under Ministry of Health/Health Authorities), there are several strong linkages, including local governments, regional districts and improvement districts.

### KEY FACTS REGARDING THE ISSUE:

- The Union of British Columbia Municipalities (UBCM) established a Small Water System Working Group in 2010 to work through issues and develop practical and workable solutions.
- The Ministry was an active participant that included membership from UBCM, Ministry of Health, Health Authorities, Ministry of Transportation and Ministry of Forests, Lands and Natural Resource Operations.
- Best Practice Guidelines for Subdivision that Utilize Small Water Systems that were designed to:
  - Be applicable province wide (with an implementation strategy).
  - Ensure that small water systems, when used in subdivision, are sustainable.
  - To build awareness/knowledge for local governments to understand their role and authority in ensuring rural development is supported and sustainable.

- Financial Best Management Practices for Small Water Systems are being designed to:
  - Help community water suppliers implement effective long-term financial plans, and reinforce the need for a business focused approach to operation.
  - Cover provision for infrastructure upgrading including appropriate water treatment, and for charging the full costs of water supply – this was identified as a critical component in making small water systems sustainable.

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250 387-4060

## ADVICE TO MINISTER

**CONFIDENTIAL**  
**ESTIMATES NOTE**

Ministry of Community, Sport & Cultural  
Development  
Updated: June 18, 2013  
Minister Responsible: Hon. Coralee Oakes

# **Strategic Community Investment Fund (SCIF)**

### **ADVICE AND RECOMMENDED RESPONSE:**

- The Strategic Community Investment Fund (SCIF) helps to ensure grant funding is certain and stable in this tough economy.
- Under the SCIF program, the Province is providing more funding sooner for Small Community and Regional District Grants and Traffic Fine Revenue Sharing grants (from 2011/12 to 2014/15).
- This will benefit communities and give them better financial flexibility and certainty, helping to create jobs and boost the economy.
- Communities are receiving the same amount of money – however, instead of being paid once a year, the payments were restructured to give communities more money sooner through 2013, with tapered payments to follow.
- We're delivering 100 per cent of net traffic fine revenues to eligible communities – so far that's meant an additional \$464.5 million since 2004.
- This is money in the hands of local governments: to provide local services, to provide important local programs and to invest in community safety.

***If asked about reduction from September 2012 to March 2013:***

- 2011/12 & 2012/13 accelerated payments are now being offset by reductions in 2013/14 and 2014/15. i.e., the communities were provided accelerated funding for the first two years and reduced funding in the following two years.

### **KEY FACTS REGARDING THE ISSUE:**

- Announced in early spring 2009, the Strategic Community Investment Fund restructured provincial grant programs (namely Traffic Fine Revenue Sharing and Small Community and Regional District grants) so communities received more funding sooner. A second round of the program was announced for the 2011/12 and 2012/13 fiscal years. And this third round will apply to the 2012/13-2014/15 fiscal years.
- The SCIF payment in September, 2012 was over \$93 million. The SCIF payment in March 2013, was just over \$20 million and it is possible that local governments will perceive this as a significant reduction. However, the formula used to calculate the grants remains unchanged; the timing of the payments is adjusted to meet the needs of local governments today and in the coming years.
- By adjusting the timing and making more instalments, we are giving greater certainty and improved financial flexibility.

### **About Traffic Fine Revenue Sharing:**

- Since the commitment to return 100 per cent of net traffic fine revenues was made in 2004 more than \$554 million has been returned to communities across the province.
- Taxpayers in rural communities and municipalities with populations under 5,000 benefited from a reduction of \$2.6 million in the police tax each year since 2007/08.
- Individual municipal allocations are relative to actual police spending in a previous fiscal year. Typically, 25 per cent of actual police spending is done by Vancouver.
- Although the expansion was announced in the context of increased resources to public safety and crime prevention, there were no conditions placed on the use of the funds.
- Local governments were asked to publicly report on the use of these funds.

### **About Small Community/Regional District Grants:**

- *Small Community Grants* are allocated using the formula described in section 3 of the Local Government Grants Regulations. This grant assists smaller municipalities with funding general administration services. The formula provides the sum of three components

1. A **Base Amount** = \$200,000

2. A **Per Capita Amount** =

- Per Capita Funding = \$50 per person up to 5,000 people
- Per Capita Clawback = \$25 per person reduction for each person over 5,000 (e.g. if the population of a municipality is 5,001, the Clawback is only applied to one person).

The minimum value of the “Funding” less the “Clawback” = Zero (i.e. no negative numbers)

**Note:** this provides a gradual phase-out of the grant for larger municipalities

3. A **Property Assessment Based Amount** = \$50,000 x (P/M)

- Where the maximum value of (P/M = 2) and:
- $P = \frac{\text{Total Province-wide Municipal Assessment}}{\text{Total Province-wide Municipal Population}}$
- $M = \frac{\text{Total Assessment for a Specific Municipality}}{\text{Total Population for a Specific Municipality}}$

*Both Population and Assessment data are based on an average of the previous three years.*

**Note:** this portion of the grant formula awards additional funding to poorer municipalities with a lower assessment base relative to the provincial average.

The amount of the grant is equal to the sum of these three components, however, if the sum is less than \$100,000, the municipality does not receive a grant. Historically, recipients of the grants have had populations under 20,000 people.

## ADVICE TO MINISTER

- *Regional District Basic Grants* are allocated using a formula described in section 8 of the Local Government Grants Regulations. This grant assists regional districts with funding general administration services. The formula provides the sum of three components:

1. **A Base Amount** – base funding is based on a sliding scale of population:

Total Regional Population	Funding
0 – 49,999	\$120,000
50,000 – 99,999	\$100,000
100,000 – 149,999	\$80,000
150,000 – 199,999	\$60,000
200,000 and over	\$0

2. **A Rural Amount** – additional funding based on regional population that does not reside within the boundaries of a municipality. This recognizes the greater administrative pressure in serving rural areas without the aid of a municipal government.

Total Rural Population	Funding
0 – 9,999	\$80,000
10,000 – 19,999	\$70,000
20,000 – 29,999	\$60,000
30,000 – 39,999	\$50,000
40,000 – 49,999	\$40,000
50,000 and over	\$30,000

3. **A Local Community Commission Amount** – funding of \$5,000 per Local Community Commission within a regional district. Local Community Commissions assist in the provision of local services. This portion of the grant recognizes the additional administrative costs associated with Local Community Commissions.

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## ADVICE TO MINISTER

**CONFIDENTIAL**  
**ESTIMATES NOTE**

Ministry of Community, Sport & Cultural  
Development  
Updated: June 14, 2013  
Minister Responsible: Hon. Coralee Oakes

# **Treaty First Nation Access To Pooled Borrowing**

### **ADVICE AND RECOMMENDED RESPONSE:**

- The Province supports Canada's commitment to provide Treaty First Nations with access to pooled borrowing through the First Nations Finance Authority.
- This issue is being actively worked on by the Province, Canada, the First Nations Finance Authority and Treaty First Nations.

*If pressed on membership for Treaty First Nations in the Municipal Finance Authority...*

- Treaty First Nation membership in the Municipal Finance Authority is not appropriate, because the financial and governance controls that the Province has put in place for local governments do not apply to a Treaty First Nation.
- A Treaty First Nation has autonomous, independent financial authority.

### **KEY FACTS REGARDING THE ISSUE:**

- During the election campaign, seven Treaty First Nations (TFN) that are implementing Final Agreements in the BC Treaty process publicly asked the Province to support their access to pooled borrowing to finance capital projects, either through the Municipal Finance Authority (MFA) or the First Nations Financing Authority (FNFA).
- Canada committed to providing TFN access to the FNFA during treaty negotiations, and the federal legislation creating the FNFA provides that Canada can add "self-governing" First Nations as members by regulation. However, Canada is now expressing concerns that there is no mechanism to ensure that TFN follow the same rules as non-treaty First Nation FNFA members, which could open Canada to covering the costs of a TFN default.
- B.C. is part of a working group that includes Canada, FNFA and TFNs. s13

s13

- The FNFA is modelled after the MFA, which has provided technical support to FNFA. Because the MFA was created as a local government-owned corporation, the Province has no role in MFA's management and the provincial treasury is insulated from liabilities associated with local borrowing.
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s13, s16

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## ADVICE TO MINISTER

<p style="text-align: center;"><b>CONFIDENTIAL</b></p> <p style="text-align: center;"><b>ESTIMATES NOTE</b></p> <p>Ministry of Community, Sport and Cultural Development Updated: June 11, 2013 Minister Responsible: Hon. Coralee Oakes</p>	<p style="text-align: center;"><b>Tsawwassen and Greater Vancouver – Sewerage Services</b></p>
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### ADVICE AND RECOMMENDED RESPONSE:

- **Membership in the Greater Vancouver Sewerage and Drainage District would enable the Tsawwassen First Nation to:**
  - **secure long-term and cost-effective waste management services,**
  - **ensure waste services meet provincial standards, and**
  - **proceed with development of their land in accordance with the treaty.**
- **At this point, it is up to the parties involved to reach agreement about the terms and conditions of membership.**

### KEY FACTS REGARDING THE ISSUE:

- Tsawwassen First Nation (TFN) is concerned about gaining access to sewer service and Greater Vancouver Sewerage and Drainage District (the District) membership. Discussions between the TFN, District and the Corporation of Delta (Delta) continue.
- For over two years, the Ministry of Community, Sport and Cultural Development (the Ministry) staff have met with the TFN and the District to assist with facilitating an agreement whereby the TFN can connect to the District's Annacis Island sewage treatment plant through pipes owned by Delta. Various concerns of the parties have been discussed, including a possible interim service agreement.
- In spring 2012 at the request of the TFN and District, the Ministry put forward legislation to enable TFN membership in the District comparable to that of other members. The *Greater Vancouver Sewage and Drainage District Act* (Bill 41) amendment is consistent with the approach taken with the TFN's membership in the Greater Vancouver Water District. The amendment also provides broad provincial authority to settle the terms and conditions of TFN membership, and if agreement is not reached with the District, the TFN can request the Province to arbitrate.
- In December 2012, the District recognized that "further due diligence work" was required to determine capacity, asset values and upgrade costs. Following discussions between Ministry staff, the District and TFN, a high-level technical assessment study of servicing options was undertaken by the District, with the TFN providing the \$40,000 funding.
- On April 8, 2013, Delta endorsed a recommendation that on-going discussions between the District and TFN "need to be conducted without the involvement of [Delta]" and an interim sewer agreement with TFN would not be considered.
- On April 17, 2013, three study options were presented to the District, TFN and the Ministry:
  - a) TFN-built wastewater treatment plant (WWTP) on treaty land with marine outfall;



- b) TFN-built WWTP on treaty land with river outfall; or
- c) Access Annacis Island WWTP through Delta's trunk sewer infrastructure.
- On May 24, 2013, the Board resolved to accept the report for information and continue discussions with the TFN on a TFN-built WWTP with marine outfall (option a).

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## ADVICE TO MINISTER

### CONFIDENTIAL ESTIMATES NOTE

Ministry of Community, Sport and Cultural  
Development  
Updated: June 16, 2013  
Minister Responsible: Hon. Coralee Oakes

## UBC and Metro Vancouver Land Use

### ADVICE AND RECOMMENDED RESPONSE:

#### *Regional Growth Strategy*

- The legislation introduced in the spring of 2010 makes it clear that the Regional Growth Strategy (RGS) continues to apply on the UBC campus. The UBC Land Use Plan must be consistent with it.
- Metro Vancouver continues to have the planning and land use authority for the foreshore lots, which are beyond the campus boundaries.
- UBC is required, through legislation, to develop a “regional context statement” and the Minister is required to consider the consistency of this statement with the RGS before adopting the plan.
- Metro Vancouver and UBC have reached agreement on a process whereby Metro Vancouver will review the Regional Context Statement before UBC submits it to the Province for adoption. UBC and Metro are actively engaged in discussions regarding the content of UBC’s RCS and are making progress.

#### *Public Process*

- The Province gave direction to UBC on consultation and public processes to be followed in preparing or amending the Land Use Plan.  
(This direction is contained in the *Municipalities Enabling and Validating Act* (3) Part 10 and a Minister’s order enacted in accordance with that Act.)
- These provisions are modelled on provisions in the *Local Government Act* that apply to municipalities and regional districts.
- It is the responsibility of UBC to carry out these public consultations and to conduct a public hearing in accordance with the legal requirements.
- On Feb. 28, 2011, the Minister of Community, Sport and Cultural Development adopted UBC Land Use Plan amendments put forward by UBC. Subsequently, in August of 2012 the Minister adopted further amendments to the Land Use Plan. All of these amendments were reviewed in accordance with legislation and the Minister was satisfied that the amendments balanced the interests of UBC, the community, region and Province.

### KEY FACTS REGARDING THE ISSUE:

#### Background:

- In October 2009, Metro Vancouver proposed a number of additional land use controls for the UBC campus, including a zoning bylaw and establishment of a set of development permit areas. In mid-December 2009, at a meeting of UBC, Metro Vancouver and government representatives (Ministries of Science and Universities and Community, Sport and Cultural Development), Metro Vancouver indicated it did not wish to fill the role

of local government for the UBC Point Grey Campus. It was agreed that alternative governance options needed to be considered for the campus lands.

- To support this, the Province introduced amendments to legislation on April 29, 2010 to exempt UBC from Metro Vancouver local planning bylaws and clarify UBC's authority regarding land use planning. (Previously, land use planning responsibilities were set out in a Memorandum of Understanding between UBC and Metro Vancouver).
- On June 24, 2010, Part 10-2010 of the *Municipalities Enabling and Validating Act* was brought into force. The legislation transferred local land use planning responsibility on the UBC Point Grey campus lands from Metro Vancouver to the Minister of Community, Sport and Cultural Development (the Minister). The legislation contains provisions designed to ensure the public is fully consulted by UBC prior to the submission of a proposed land use plan or amendments to a land use plan to the Minister for adoption.
- The Minister committed that UBC will be required to follow process requirements that meet or exceed the public process and consultation requirements established for local governments under the *Local Government Act*. To meet this commitment, the Minister enacted the *Land Use Plan Adoption Process Order* on Aug. 18, 2010.
- On Feb. 28, 2011, the Minister adopted major amendments to the UBC Land Use Plan.
- On Aug. 27, 2012 the Minister adopted minor amendments to the UBC Land Use Plan.

#### **About the Legislation:**

- The Province decided that planning roles on campus lands had to be clarified. The Minister of Community, Sport and Cultural Development should be responsible for adopting the local land use plan, and Metro Vancouver should continue to be responsible for its regional plan and regional services.
- In this pivotal role, the Minister ensures the public is heard, and the interests of Metro Vancouver, the Province, and UBC are balanced.
- The *Land Use Plan Adoption Process Order* (introduced in the summer of 2010) mandates consultation and public involvement requirements that meet or exceed those laid out in the *Local Government Act* for municipalities and regional districts.
- The legislation requires that if UBC proposes land use plan amendments it must provide a report on public consultations to the Minister. If the Minister is not satisfied with the consultations the Minister can choose to not adopt proposed amendments to UBC's Land Use Plan.
- The legislation requires UBC to prepare a Regional Context Statement (RCS) which indicates the relationship between the Land Use Plan and Metro Vancouver's Regional Growth Strategy.
- UBC is required to submit its proposed RCS to Metro Vancouver for review prior to submitting it to the Ministry of Community, Sport and Cultural Development for adoption.
- UBC and Metro Vancouver are currently engaged in discussions about the process of review and the content of the RCS.

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## ADVICE TO MINISTER

<p><b>CONFIDENTIAL</b></p> <p><b>ESTIMATES NOTE</b></p> <p>Ministry of Community, Sport &amp; Cultural Development Updated: June 27, 2013 Minister Responsible: Coralee Oakes</p>	<p><b>UBCM Select Committee on Local Government Finance</b></p>
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### ADVICE AND RECOMMENDED RESPONSE:

- BC has a strong local government system – the result of a collective effort, which is the envy of many jurisdictions.
- Provincial financial supports for local governments are strong and, in fact, have increased over the past decade in spite of the many challenges the Province faced in maintaining critical health, social and educational services.
- BC is interested in innovative ways to make a great system even better.
- There is always value in discussions on the efficient use of resources to better address the challenges of delivering services to citizens.
- Dialogue between UBCM and the Province is welcomed to get a shared understanding of the opportunities and challenges for the local government system.

### KEY FACTS REGARDING THE ISSUE:

- In late 2012, UBCM established the Select Committee on Local Governance Finance. The mandate is “to report to UBCM executive by July, 2013 about whether local governments have the revenue tools for the services they now deliver or whether changes are needed”. Details are at: <http://www.ubcm.ca/EN/main/resolutions/policy-areas/finance/ubcm-select-committee-on-local-government-finance.html>
- The committee is comprised of;
  1. Chair Al Richmond, Cariboo Regional District
  2. Mayor Greg Moore, Chair, Metro Vancouver
  3. Mayor Frank Leonard, District of Saanich
  4. Mayor Taylor Bachrach, Town of Smithers
  5. Carol Mason, CAO, Metro Vancouver
  6. Paul Macklem, General Manager Corporate Services, City of Kelowna
- The committee is being supported by Dale Wall, former Deputy Minister of the Ministry of Community, Sport and Cultural Development.
- The impetus for the committee is both internal and external. The *internal* motivation is to respond to the activist stance of the Mayors Caucus. The *external* impetus is to respond to the report of the Finance Minister’s Expert Panel on Business Taxes and a series of business community reports challenging local government taxes and expenditures.

- For the purposes of discussion with UBCM members, the Committee has indicated that it will be making recommendations under the following key directions:
  1. Strengthening resilience: protecting what they have and seizing opportunities to strengthen existing tools.
  2. Developing a process to address cost drivers which are driven externally: This is primarily focussed on provincial regulations.
  3. Partnering with the province on building the economy and sharing in the benefits of that growth.
  4. Developing options for long term realignment of revenues.
  5. Championing innovative local government practices.
- The UBCM spent the spring presenting and seeking feedback at the five area association conventions this spring. This includes a questionnaire seeking views on issues and preferred directions.
- This input will be consolidated into a policy paper which will be introduced to the delegates on the afternoon of Tuesday, September 17 and debated on either Wednesday or Thursday at Convention.

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## ADVICE TO MINISTER

CONFIDENTIAL  
**ESTIMATES NOTE**

Ministry of Community, Sport & Cultural  
Development  
Updated: June 12, 2013  
Minister Responsible: Hon. Coralee Oakes

### **University Endowment Lands (UEL) – Block F and Other Rezoning Applications**

#### **ADVICE AND RECOMMENDED RESPONSE:**

- The 2008 Reconciliation Agreement transferred Block F lands to the Musqueam for their economic benefit.
- The Agreement provides multi-family residential zoning for Block F Lands, as well as the ability to apply for a zoning designation change (like any other landowner).
- Any proposal for development outside the existing multi-family zoning on the land needs to follow due process, which will incorporate significant community consultation.
- Any future decision that I may be asked to make on the zoning designation of Block F Lands will be informed by the public engagement process.
- At this stage there are no formal proposals, so I can't comment on any specifics.

#### **KEY FACTS REGARDING THE ISSUE:**

- UEL is currently responding to its first major rezoning application in over a decade (**Regent College**) and is anticipating receipt this Summer of a second unprecedented application (**Musqueam Block F development**).

#### **UEL:**

- The Ministry is responsible for the University Endowment Lands in accordance with the *University Endowment Land Act*. The Minister is, in effect, the Mayor and Council and adopts bylaws and hears appeals of land use and other decisions of the UEL Manager in accordance with the Act.
- The UEL Administration provides the community (approximately 4,000 people) with community planning, water, sewer, garbage collection, local roads and other typical municipal services. The Minister appoints a Manager to administer the day-to-day operations of the UEL. Specific powers and functions are delegated from the Minister, as well as a general power to operate and administer the UEL.
- The community is represented through an elected Community Advisory Council (CAC), constituted under the *Society Act*, and an Advisory Design Panel (ADP) that provides technical input.

#### **Rezoning process:**

- As rezoning requires an amendment to the UEL *Land Use, Building and Community Administration Bylaw* (the Bylaw), rezoning decisions are made by the Minister.
- The applicant leads a public engagement process and undertakes studies to develop a proposed development concept.

- The UEL then undertakes a full review of the proposal and provides feedback to the applicant. The application may be revised in light of this.
- The UEL then refers the application to the Minister, seeking delegated authority to undertake consultation steps in the process (CAC / ADP referral and a public meeting). Once these steps are complete, a report is brought forward to the Minister for decision on the application.
- The UEL has an Official Community Plan (OCP), setting out the objectives and policies to guide local decisions on planning and land use management. Rezoning applications that are not fully consistent with these policies and amendments will be accompanied by proposed amendments to the OCP, which are considered as part of the rezoning process.

### **Regent College (Current Rezoning Application)**

- Regent College, a private theological institution, is seeking a rezoning for its expansion. The UEL's review of the application and the consultation are complete and the UEL Manager has been given delegated authority from the Minister to undertake a public meeting. That public meeting would be anticipated in early September, to ensure that UBC and other interests can fully participate. Once these steps are complete, a report will be brought forward to the Minister for decision on the application.

### **Musqueam Block F (Anticipated Rezoning Application)**

- The 2008 Reconciliation Agreement between the Provincial Government and the Musqueam First Nation transferred Block F lands (in fee simple), along with some other land parcels and a cash payment, to the Musqueam for their economic benefit. Block F, which lies in the UEL's jurisdiction, was formerly part of Pacific Spirit Regional Park. The land is still forested, and occupies a very strategic 8.5 hectare site on a stretch of University Boulevard that is the gateway to the University of British Columbia.
- The Reconciliation Agreement provides multi-family residential zoning for Block F Lands, as well as the ability to apply for a zoning designation change, like any other landowner. The Musqueam's advisors have undertaken a public consultation process (three "open house" meetings) to inform their proposals, and are currently preparing their application, expected in mid-summer. Based on consultation to date, this application will include a wider range of uses, including a hotel, commercial area, and a range of building forms, including some high-rise development (residential towers).
- Development of Block F will be unprecedented in the UEL in its nature and scale (potentially doubling the UEL's population) and will have significant implications for site servicing, community amenities, and the UEL OCP.
- Once an application is received, a decision on the proposals will remain some months away, but early Ministerial direction on significant issues relating to the application, such as the approach to negotiating community amenities, may be required sooner.
- The UEL Administration has established application requirements for a major development of this kind, working with the help of retained professionals. Further work is underway on an amendment to UEL rezoning fees, the development of an approach to negotiating community amenities with the applicant, and procedures for a formal public meeting.

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## ADVICE TO MINISTER

<p style="text-align: center;"><b>CONFIDENTIAL</b></p> <p style="text-align: center;"><b>ESTIMATES NOTE</b></p> <p>Ministry of Community, Sport &amp; Cultural Development Updated: June 12, 2013 Minister Responsible: Hon. Coralee Oakes</p>	<p style="text-align: center;"><b>University Endowment Lands Incorporation</b></p>
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### ADVICE AND RECOMMENDED RESPONSE:

- The UEL has a unique governance arrangement, which is historically tied to the development of the University of British Columbia.
- To date there has been no community consensus on changes to governance structures on the Point Grey peninsula.
- I remain interested in hearing how discussions are evolving on the peninsula and within its communities.

### KEY FACTS REGARDING THE ISSUE:

- The Point Grey peninsula, comprised of the University Endowment Lands (UEL) and the University of B.C. (UBC), are within Electoral Area (EA) A of the Greater Vancouver Regional District (known as Metro Vancouver).
- As the UEL predates regional governments in B.C., the conventional governance and servicing roles of the regional district are fulfilled by others:
  - by the Minister in the UEL, who may exercise the powers of a municipal council and provides the majority of direct services through the UEL Administration, and
  - by UBC in the case of its campus lands, which provides direct services.
- Two previous restructure studies (1990 and 1995) considered UEL and UBC campus neighbourhoods together, and included options to join Vancouver. The incorporation vote in 1995 was defeated.
- Members of the UEL Community Advisory Committee (CAC) have been advocating for incorporation of the UEL by itself as a village municipality; activity around Block F (and the potential doubling of UEL population) is a major catalyst for the interest in municipalisation (see UEL Block F and Other Rezoning Applications note). Other issues have also been raised (e.g. EA Director's concerns re UEL and UBC paying non-Greater Vancouver Water District member rates).

s13

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## ADVICE TO MINISTER

<p><b>CONFIDENTIAL</b></p> <p><b>ESTIMATES NOTE</b></p> <p>Ministry of Community, Sport &amp; Cultural Development Updated: June 13, 2013 Minister Responsible: Hon. Coralee Oakes</p>	<p><b>WHISTLER OCP JUDICIAL REVIEW</b></p>
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### ADVICE AND RECOMMENDED RESPONSE:

- As this issue is before the courts, I cannot comment.

s13, s14, s16

s13, s14, s16

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## ADVICE TO MINISTER

<p><b>CONFIDENTIAL</b></p> <p><b>ESTIMATES NOTE</b></p> <p>Ministry of Community, Sport and Cultural Development Date: June 14, 2013 Minister Responsible: Hon. Coralee Oakes</p>	<p><b>2013 Assessment Roll Inquiry and Complaint Statistics</b></p>
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### ADVICE AND RECOMMENDED RESPONSE:

- Our government is committed to fair and equitable treatment for all property owners.
- BC Assessment (BCA) is an independent Crown corporation with the responsibility for setting fair and consistent assessments across the province and classifying properties according to their use or type.
- On December 31, 2012, more than 1.9 million assessment notices were mailed out to property owners providing information regarding their 2013 Assessment.
- If a property owner was not satisfied with the assessment, he/she had the option to file a complaint with the Property Assessment Review Panel (PARP) by January 31, 2013.

### KEY FACTS REGARDING THE ISSUE:

- The total number of inquiries province-wide (as of February 2, 2013) was 37,895, a decrease of 3 per cent from 2012 (39,086).
- Submission of appeals has mostly been through electronic means, with 87 per cent of appeals using either the online appeal form or email. Comparatively, the total percentage of appeals that were submitted by electronic means in 2012 was 83.7 per cent.
- Letters of appeal or complaint are tracked separately from inquiries. For 2013, the total number of complaints filed was 14,119, an increase of 10.1 per cent from the total number of complaints filed in 2012 (12,823).
- The following chart illustrates the total number of complaints filed in 2013 by BC Assessment field office compared to the total number of complaints received by each office in 2012.

BCA Office	No. of Complaints Received		
	2013	Trend	2012
	Total		Total
Capital	924	↓	1,303
Nanaimo	940	↑	864
Courtenay	311	↓	412
Vancouver	3,987	↑	3,398
North Fraser (Burnaby, New West)	952	↑	880
Richmond, Delta	1,143	↑	723
Surrey	1,612	↑	746
Fraser Valley (Abbotsford, Maple Ridge)	866	↓	914
Penticton	363	↓	452
Kelowna	434	↓	461
Vernon	471	↑	463
Nelson, Trail	157	↓	197
East Kootenay (Creston)	273	↓	305
Kamloops	412	↓	423
Cariboo	192	↓	210
Northwest (Terrace, Rupert, QCI)	270	↓	291
Prince George	513	↑	445
Peace River (Dawson, Fort St John)	299	↓	336
<b>Province</b>	<b>14,119</b>	<b>↑</b>	<b>12,823</b>

- BCA's 2013 Assessment Roll represents over 1.9 million properties with a general taxable value of \$983 billion. This is a 1.90 per cent increase from the 2012 Roll total taxable value of \$964 billion. It provides a stable base for local governments and taxing authorities in B.C. to raise over \$6.2 billion in property taxes for schools and important local services.
- BC Assessment determines a property's market value and sends the owner(s) a Property Assessment Notice in early January. Taxing authorities establish the property tax rate, apply it to the assessed value and send the owner a tax notice.
- There are 629 full-time employees at the 16 BCA offices throughout the province.
- The 2013 Assessment Notices were sent out December 31, 2012. If a property owner was not satisfied with the assessment, he/she had the option to file a complaint with the Property Assessment Review Panel (PARP) by January 31, 2013.
- Panels begin to hear complaints in early February and all hearings must be completed before March 16 each year.
- The 2013 hearings resulted in a \$2.2 billion decrease (0.20 per cent) to the total value of real estate reflected on the 2013 Assessment Roll.

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## ADVICE TO MINISTER

<p><b>CONFIDENTIAL</b> <b>ESTIMATES NOTE</b></p> <p>Ministry of Community, Sport &amp; Cultural Development Updated: June 13, 2013 Minister Responsible: Hon. Coralee Oakes</p>	<p><b>PAAB Decision – BC Ferry Services and NavCan Properties</b></p>
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### ADVICE AND RECOMMENDED RESPONSE:

- I am aware that the Property Assessment Appeal Board (PAAB) decisions to reduce some BC Ferry Services (BCFS) and NavCan properties to a nominal value of \$20 has the potential to impact the municipal property tax and provincial school tax revenue across the Province.
- While Government respects the independence of the assessment appeal system and the role and authority of the judiciary in the appeal process, I am also aware that it is important to ensure stability and certainty for property tax payers, all local government jurisdictions and the Province.
- Government also expects that all taxable owners and occupiers pay their fair share of reasonable property and school taxes.
- Government will continue to closely monitor the appeal process and is reviewing options to address the outcomes including a legislated resolution if appropriate.

### KEY FACTS REGARDING THE ISSUE:

#### BCFS:

- In October, 2012, PAAB ruled to reduce the assessment on the BCFS Horseshoe Bay terminal located in the District of West Vancouver to a nominal value of \$20. This ruling, if implemented, would result in a loss of about \$230,000 in annual property tax revenue for the municipality and about \$300,000 in school tax revenue to the Province.
- BC Assessment (BCA) and the District of West Vancouver filed a stated case appeal of the PAAB decision to the Supreme Court of BC. The District of North Saanich and the City of Nanaimo had intervener status in this appeal.
- If the PAAB decision were applied to all 47 BCFS terminal properties on a go forward basis, the impact would be a total annual revenue loss of \$6.1 million in taxes (\$2.9 million in school taxes and \$3.2 million municipal and other taxes).
- BCFS and BCA resumed negotiations in late 2012 and reached a five year agreement (2013 – 2017) valuing all BCFS properties. The agreement includes provision for Consumer Price Index (CPI) value adjustments. Under this agreement, the 2013 assessed values are on average about 20 percent lower than the original 2012 values.
- BCFS has agreed to withdraw all appeals for the four year period 2010-2013. During the term of the agreement, neither BCFS nor BCA can appeal the values. The District of West Vancouver will not be required to refund any property taxes to BCFS.

- The District of West Vancouver and the intervener municipalities are supportive of the agreement and no significant criticism has been received from other municipalities where BCFS terminals are located. However, this does not preclude local governments from appealing future assessments, as the agreement is only binding on BCA and BCFS.

### **NavCan Properties:**

- NavCan is a non-profit federal corporation under the federal government contract to provide aircraft safety and guidance services to airports across the country. NavCan charges a fee for services to the airport users (primarily airlines), but it is limited by its corporate charter to its primary non-profit model.
- NavCan leases a small portion of the larger airport properties on which the control towers and facilities (mostly communication equipment) are located. The lease also restricts and limits the use of the properties to the provision of the contracted services.
- NavCan appealed the assessments in four municipalities (North Saanich, Penticton, Castlegar and Pitt Meadows). The PAAB decisions to reduce the assessments to nominal values of \$20 will result in an impact on municipal property taxes (about \$39,000 based on 2012 tax rates). School tax will also be reduced about \$25,000.
- BCA appealed the PAAB decision on the NavCan properties to the BC Supreme Court and unless varied by the Court, or government intervenes, the decision will apply to the other 138 NavCan properties in the Province.
- Applying the PAAB decision to all the NavCan properties would have annual tax impacts in an order of magnitude of about \$500,000 in municipal property taxes and \$250,000 in school taxes.

s13, s14

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## ADVICE TO MINISTER

CONFIDENTIAL

### ESTIMATES NOTE

Ministry of Community, Sport and Cultural  
Development

Updated: June 13, 2013

Minister Responsible: Hon. Coralee Oakes

## Concord Pacific Development Lands Property Assessment

### ADVICE AND RECOMMENDED RESPONSE:

- The False Creek Residents Association (FCRA) appealed the assessments on part of the Concord Pacific properties in the North East False Creek area. Their concern was that the designated undeveloped park land was not correctly valued for assessment purposes, and therefore Concord Pacific was not paying a fair amount of taxes on the property.
- As there are open appeals still before the Property Assessment Appeal Board (PAAB), I am unable to comment further.

### KEY FACTS REGARDING THE ISSUE:

- Since April 30, 2009, the media has been following a story regarding part of the Concord Pacific Development lands in the North East False Creek area of Vancouver (formerly Expo Lands). The multi-acre waterfront property was valued at \$400,000 for the last three years.
- The issue has been why the assessment is so low, especially since Trillium Park, a similar property near the same area, has been valued at \$18.4 million on the 2012 assessment roll. The Concord Pacific property has no associated density and must be handed over to the City of Vancouver (City) for \$1 and developed into a park for an estimated cost in the \$17 million to \$20 million range. The "Trillium Park" site is zoned as industrial property and is therefore assessed as such. In the future, it may be used as a park.
- In 1990, Concord and the City negotiated development terms for the land. Concord agreed to place certain amenities on the site in exchange for permission to develop the lands. This included building a park on the site in question, completing the sea wall infrastructure and turning the improved land over to the City for \$1.
- The *Assessment Act* requires BC Assessment (BCA) to take into consideration any restrictions placed upon the use of the property by the City. The property is highly encumbered with complex legal arrangements between the City and Concord.
- The FCRA appealed the 2010 and 2011 assessments to the PAAB, which are still pending. No appeal was filed for 2012 or 2013.
- The assessor takes the position that both the 2010 and 2011 roll values are correct. The property's assessed value is \$410,000 for the 2012 assessment roll.

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## ADVICE TO MINISTER

<p><b>CONFIDENTIAL</b></p> <p><b>ESTIMATES NOTE</b></p> <p>Ministry of Community, Sport and Cultural Development Updated: June 12, 2013 Minister Responsible: Hon. Coralee Oakes</p>	<p><b>Impact of Increased Exemptions to Farm Improvements</b></p>
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### ADVICE AND RECOMMENDED RESPONSE:

- It is acknowledged that the municipal revenue losses associated with the changes to the farm outbuilding exemptions were greater than originally estimated, especially for communities in the lower mainland and Fraser Valley.
- However, this change is one of the key changes enacted by government to ensure the agriculture industry in B.C. remains sustainable by encouraging the development of more intensive farming operations through improving and expanding farm infrastructure.
- Government has carefully considered but will not be compensating municipalities impacted by the change as, overall, tax rate adjustments necessary to mitigate the revenue impacts are very modest and municipalities have the expertise and experience to manage any required tax shifts.

### KEY FACTS REGARDING THE ISSUE:

- Bill 8 implemented four Farm Assessment Review Panel (FARP) recommendations, including an increase in the exemption for farm outbuildings (excluding the residence) in municipalities to the greater of \$50,000 (the current exemption) or 87.5 per cent of the assessed value. Farm outbuildings located in rural taxation areas are already fully exempt.
- Other changes included simplifying the administration of farm classification, providing more flexibility in production models by additions to the list of qualifying farm products and benefits for retired farmers to support them remaining on their farms. As a total package, the changes to farm assessment policies were widely supported, particularly by the farm industry.
- All changes were supported by UBCM, with the exception that compensation was requested for lost property tax revenue associated with increasing the exemptions on farm outbuildings.
- Due to some anomalies in the data base and the earlier calculation methodology, the impact on municipalities was underestimated by about \$1 million. The revised estimate of total municipal impact will be about \$2 million. Because the distribution of the higher capital cost improvements, such as greenhouses and dairy farms, is concentrated in municipalities in the Fraser Valley, the revenue impacts are primarily in Abbotsford, Chilliwack, Langley and Delta.
- The impacts do not represent additional costs for municipalities, but rather will require decisions regarding shifting the tax burden to other property classes, or increasing the tax rate for farm properties. For example, shifting the whole impact to residential properties will



result in increases to an average residence in the range of \$5 to \$25.

- The implementation of the change was delayed until the 2013 taxation year so municipalities would have lead time to consider how they will redistribute the municipal tax rates to offset the impact.
- There have been two local press articles detailing the impacts (Abbotsford \$900,000 and Chilliwack \$400,000) and commenting on how the municipalities will have to offset the reduction in revenue.
- Government has considered the requests from the Union of British Columbia Municipalities (UBCM) and the two municipalities for compensation for the impacts of the increased exemptions. Government has responded by confirming that no compensation will be provided.

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## ADVICE TO MINISTER

**CONFIDENTIAL**  
**ESTIMATES NOTE**

Ministry of Community, Sport and Cultural  
Development

Updated: June 12, 2013

Minister Responsible: Hon. Coralee Oakes

# Port Metro Vancouver Property Assessments

## ADVICE AND RECOMMENDED RESPONSE:

- I understand that all assessment appeals (2009-2013) relating to the Port Metro Vancouver (PMV) lands under lease from the federal government have now been settled. I appreciate that the port municipalities believed the assessments were too low and as a result they are receiving less property taxes.
- However, PMV properties that are not leased to private occupiers are exempt from taxation and the PMV makes payments in lieu of taxes (PILT) to the appropriate municipalities.
- The PILT payments are prescribed under federal law and the PMV does not consult with the Province, BC Assessment (BCA) or municipalities in determining the PILTs.

## KEY FACTS REGARDING THE ISSUE:

- Municipalities that are home to PMV properties believe the assessments of federally owned PMV lands were too low and, as a result, they are receiving less property taxes than would otherwise be payable based on the assessed values.
- BCA determines assessed values for all PMV properties. Those leased to private operators are subject to property tax, the non-leased properties are subject to PILT payments to the appropriate municipalities.
- The process leading to calculation of payments under the federal PILT Act is confidential to PMV. The PMV does not consult with the provincial government or BCA. (Note: It is not clear how assessed values may be used by the PMV in determining PILT payments.)
- The municipalities estimated that if these PILTs were based on BCA assessed values and the applicable municipal tax rates, the port municipalities would receive an additional \$10 million in annual revenue.
- Now that the outstanding assessment appeals have been settled, BCA is no longer indirectly implicated in the issue. However, it is still not clear what impact, if any, there may be on future PILT payments.
- PILT payments are primarily an issue between the municipalities and the federal government and there is an active federal review process on the issue.

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## ADVICE TO MINISTER

<p><b>CONFIDENTIAL</b></p> <p><b>ESTIMATES NOTE</b></p> <p>Ministry of Community, Sport &amp; Cultural Development Updated: June 13, 2013 Minister Responsible: Coralee Oakes</p>	<p><b>BC Senior Living Association (BCSLA) Property Assessments</b></p>
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### ADVICE AND RECOMMENDED RESPONSE:

- The BCSLA has filed a number of property assessment appeals on behalf of a number of operators of senior living properties.
- These appeals are currently before the Property Assessment Appeal Board (PAAB).
- The PAAB operates independently of government and BC Assessment (BCA). As such, it would be inappropriate for me to comment on the specifics of appeals that are currently before the Board.

### KEY FACTS REGARDING THE ISSUE:

- The BCSLA is concerned with the methodology used by BCA to value senior living properties and its impact on property values.
- The BCSLA is an organization that represents operators of seniors independent/assisted living and care facilities, some of which are privately owned for-profit facilities.
- Over a period of several years beginning in 2004, BCA undertook a review of seniors housing facilities across the Province. During this review, BCA revised its method used to value these properties, moving to a methodology based on the income generated by the property.
- By adopting the income approach, the value of these properties increased on average by 20 to 30 per cent.
- The BCSLA disagrees with the income approach used by BCA, contending that it creates major inconsistencies in assessments by not adequately and consistently removing non-assessable business value from the value of the real estate.
- The BCSLA filed a number of appeals to the PAAB on behalf of several of its members, seeking to have the methodology approach changed. A settlement of these appeals was reached by agreement between BCA and the BCSLA in early 2012.
- Under the direction of the PAAB, BCA agreed to use a "hybrid apartment" valuation model based on rental rates for apartments to value 21 properties, resulting in value reductions of about 15 percent for 2010 through 2012. However, the settlement agreement only applied to these specific properties for the four appeal years and was not broadly applied to other properties.

- For 2013, BCA reverted to the former valuation method based on income. As a result, the BCSLA has again filed a number of appeals on behalf of its members. These appeals remain outstanding.
- Valuation methodology continues to be the source of disagreement. BCA maintains the “hybrid apartment” model does not develop defensible market values for senior facilities, while the BCSLA contends this model eliminates the business value issue and should be used to value all senior living facilities across the Province.
- The BCSLA approached the previous Minister in late February, 2013, seeking assistance in achieving a resolution to their concerns. In response, the prior Minister requested that staff review the issue and prepare a report with options and potential solutions. This report has been put on hold because BCA and the BCSLA are making progress in their negotiations.
- Specifically, BCA and the BCSLA are currently working independent of the Board to achieve a resolution to these appeals. If a negotiated resolution cannot be achieved, the PAAB will be asked to intervene and schedule dates for formal proceedings.
- Ministry staff are monitoring the progress of the negotiations between the two parties and will provide periodic updates as required.

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## ADVICE TO MINISTER

CONFIDENTIAL

### ESTIMATES NOTE

Ministry of Community, Sport and Cultural  
Development

Updated: June 13, 2013

Minister Responsible: Hon. Coralee Oakes

## Strata Accommodation Properties (SAPs) – Resort Municipalities of Whistler (RMOW)

### ADVICE AND RECOMMENDED RESPONSE:

- I understand that the grandparented residential classification for some SAP units impacts property tax revenues for resort municipalities in particular.
- It's always a fine line between not overburdening taxpayers and ensuring local governments have the resources they need to meet service requirements.
- In this case, however, a 15 year old issue was resolved after significant consultation and the legislative changes have only been in place for six years.
- Although government will continue to work with the RMOW to address concerns regarding the classification of SAPs, it is not considering any further legislative changes at this time.

### KEY FACTS REGARDING THE ISSUE:

- SAPs are condominium-like complexes that are operated as hotels, largely in resort municipalities. The individual units are owned by one or multiple share owners who often have restricted access to the units for personal use. For the majority of the year, the units are rented out for short-term use to visitors to the resort. Prior to 2008 assessment year SAP complexes were classified as either fully residential (Class 1) or fully business and other (Class 6).
- This anomaly/inequity of classifying some complexes as residential and other, basically identical, complexes as business created inequities between SAPs and with the non-strata traditional commercial hotel operations (note: property tax rates for Class 6 properties are on average three or four times higher than tax rates for residential properties).
- Government introduced changes to the *Assessment Act* and the Prescribed Classes of Property Regulation in 2007, which amended the classification treatment of SAPs for the 2008 assessment year.
- These changes had the effect of split classifying SAPs that would have previously been classified as entirely Class 6. The changes permitted the SAPs to be classified in part as Class 6 and in part as Class 1 based on their actual rental use. However, those SAPs that had previously been classified as entirely Class 1 under the previous legislation/rules were grandparented as long as they continued to meet the specified criteria. (They have to maintain the practice of operating two or more management companies and service desks for each complex).
- The RMOW is calling for the Province to eliminate grandparented SAPs. This has been an ongoing issue with RMOW since 2008.

- Before implementing these changes, the Province consulted extensively with RMOW, ministries (Finance and Tourism) and various industry advisory groups. RMOW was opposed to the changes because about 5,000 of the 13,000 grandparented SAP's were located in RMOW.
- Specifically, RMOW was opposed to the changes because of potential foregone tax revenue losses (i.e., if the grandparenting was not put in place, RMOW would have received a substantial revenue increase due to the implementation of split classification). In addition, RMOW was, and still is, concerned that the multiple service desks are impacting the tourism experience and resulting in reduced overall occupancy at the resort.
- RMOW's proposal to eliminate the grandparenting provisions does have merit in that it would result in all SAPs being classified and taxed the same and it would eliminate the incentive for complexes to operate multiple front desks. However, repealing the grandparenting provisions would likely generate strong opposition from the unit owners who would be losing their full residential status (Class 1).
- In recent years, government has clearly communicated to RMOW that it has no intention of revisiting SAP legislation at this time.

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## ADVICE TO MINISTER

**CONFIDENTIAL**  
**ESTIMATES NOTE**

Ministry of Community, Sport & Cultural  
Development

Updated: June 13, 2013

Minister Responsible: Coralee Oakes

# **Changes to the Tourist Accommodation (Assessment Relief) Act (TAARA)**

### **ADVICE AND RECOMMENDED RESPONSE:**

- We are aware of the property assessment and taxation issues raised by resort owners and their concerns that increased property taxes are placing significant pressure on the economic viability of some resort properties.
- I also appreciate that an increase to the assessment exemption for accommodation properties contained in the TAARA legislation proposed by the industry would be of assistance to the owners.
- Government has made a public commitment (as per its election platform) to modernize the TAARA legislation to reflect increased property values.
- Future changes to TAARA may be considered through budget legislation because of the potential revenue impacts to the province (school tax) and local governments (property taxes).

### **KEY FACTS REGARDING THE ISSUE:**

- Many resort owners have approached government to raise concerns over their levels of property assessment and taxation, suggesting that increased property taxes are placing significant pressure on the economic viability of some of these accommodation properties.
- Industry representatives have proposed an increase to the assessment exemption contained in the TAARA legislation as a solution to the issues they have raised.
- A resolution was also put forward at the Union of British Columbia Municipalities (UBCM) 2012 convention, requesting an increase in the assessment exemption contained in TAARA legislation for rural accommodation operators.
- Currently, TAARA exempts the assessed value of tourist accommodation properties up to a maximum of \$150,000 or 50 per cent of value, whichever is less (the exempted amount is not subject to property taxes). This exemption is phased out for properties valued higher than \$2 million and disappears for properties valued over \$3 million.
- The proposal put forward by UBCM, applied only to rural properties, would raise the exemption to \$500,000 or 50 per cent, whichever is less. In addition, the phase out threshold would be raised to \$4 million and the exemption eliminated for properties valued over \$5 million.
- The current TAARA legislation/exemption does not differentiate between rural and urban areas of the Province, applying consistently, regardless of location.
- Increasing the benefit for only those operators in rural areas (as requested in the UBCM resolution) would be difficult to justify from a tax policy perspective, as owners across the Province have all seen increases in their property values in recent years. If the UBCM

proposal were applied to all qualifying properties (rural and urban) the revenue loss to taxing jurisdictions (tax savings for property owners) is approximately \$6 million.

s13, s14

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## **2013/2014 Estimates Note Advice to the Minister**

**Ministry:** Ministry of Community, Sport and Cultural Development  
**Minister Responsible:** Hon. Coralee Oakes

**Title:** Diversion of Funding to 2010 Legacies Now and viaSport.

**Revised:** June 28, 2013

**Issue:** Some media reports claim that government diverts taxpayer dollars to these organizations.

**Recommended Response:**

- British Columbia has the highest physical activity rates in the country; has the best programming and facilities to train Canada's top athletes; and has an international reputation as one of the best sport host locations in the world.
- Those results are directly due to the investments this government has made in sport.
- Similar to how health services and education services are funded, government enters agreements with Agencies to manage the province's investment. 2010 Legacies Now and viaSport are the organizations that have managed the investment. The results speak for themselves.
- Every dollar is invested in programming that the citizens of British Columbia benefit from. Examples of programs include:
  - KidSport which reaches over 5,500 kids from lower income homes each year;
  - the After School Sport Initiative which provides free after-school programming in 17 communities,
  - training and development of coaches and officials in communities across the province;
  - Sport on the Move grants to schools so their teams can travel to high school championships;
  - hosting grants; and
  - Team BC development grants.

**Background/Status:**

- viaSport recently replaced 2010 Legacies Now as government's primary funding agent which oversees government's investment in sport (2010 Legacies Now wound down its operations after its 2010 Olympic and Paralympic Games mandate was complete).

## **2013/2014 Estimates Note Advice to the Minister**

**Ministry:** Ministry of Community, Sport and Cultural Development  
**Minister Responsible:** Hon. Coralee Oakes

- Approximately \$17 million will be transferred to viaSport in fiscal 2013/14. viaSport will use roughly \$2 million to directly deliver programs and services and will transfer (through contribution agreements) the remaining \$15 million to provincial sport organizations (close to 60 Provincial Sport Organizations (PSOs) will receive over \$9 million in funding support – e.g. BC Soccer Association, Orienteering BC) and multisport organizations such as the Canadian Sport Institute Pacific and the BC Sport Hall of Fame and Museum.
- Funding is (and was under 2010 Legacies Now) transferred through an annual agreement that sets out the terms and conditions of funding including annual reports on results and accomplishments.
- The funding relationship for sport is similar in concept to how health and education funding is provided: government transfers funding to governing bodies (health authorities, school districts, colleges and universities) who are accountable to government to ensure government's investment is managed in an efficient, effective manner. That's the role 2010 Legacies Now and viaSport play. They oversee and manage government's investment in sport and the program metrics clearly demonstrate results.

**Contact:**

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## **2013/2014 Estimates Note Advice to the Minister**

**Ministry:** Ministry of Community, Sport and Cultural Development  
**Minister Responsible:** Hon. Coralee Oakes

**Title:** Expenditure in 2011/12 and 2012/13 of \$3.25M from the 2010 Sport and Arts Legacy (SAL)

**Revised:** July 2, 2013

**Issue:** Members of the opposition, media and cultural community have raised concerns regarding the use of SAL funding outside the allocation to the BC Arts Council.

**Recommended Response:**

- During 2011/12 and 2012/13, in addition to providing \$6.75 million to the BC Arts Council, the 2010 Sports and Arts Legacy supported regional initiatives through programs such as:
  - artsVest BC;
  - Multiple Municipalities' 2012 City Anniversaries;
  - BC Creative Spaces; and
  - BC Creative Communities.
- Despite challenging fiscal times, the government has demonstrated its commitment to this sector, with an increase to the base budget for culture in 2013/14.
- In Budget 2013, the Province provided the BC Arts Council with a historically high program budget of \$24.0 million, with new resources from the BC Creative Futures strategy.

**Background/Status:**

- The \$60 million 2010 Sport and Arts Legacy (SAL) was introduced in Budget 2010, with \$10 million per year over three years for arts and culture. Held in contingencies, SAL was focused "on enhancing opportunities among all British Columbians in the arts, such as visual art, music, theatre, dance and digital media".
- In both 2011/12 and 2012/13, \$6.75 million from the SAL was allocated to the BC Arts Council's (the Council), maintaining its program budget at 2008/09 levels of approximately \$16.8 million.
- In both years, the remaining \$3.25 million was allocated to fund a range of initiatives including the Celebration of Light, artsVest and the arts pilot for the After School Sport and Arts Initiative. Please see list in the table below.

## 2013/2014 Estimates Note Advice to the Minister

**Ministry:** Ministry of Community, Sport and Cultural Development  
**Minister Responsible:** Hon. Coralee Oakes

- Other notable grants in 2011/12 included: 2012 City Anniversaries (\$800,000); the Grey Cup Festival Society (\$550,000); Knowledge Network (\$300,000); Vancouver Opera Association (\$250,000); Arts Umbrella (\$200,000); and Royal Roads University (\$200,000).
- In 2012/13, with support from SAL, the BC Creative Spaces program funded 37 projects totalling \$1.125 million and the BC Creative Communities program supported 67 projects totalling \$1.0 million. In both programs, priority was given to underserved groups, including rural and remote communities.

<b>Arts &amp; Culture – 3.25M</b>	<b>11/12 Annual Budget (\$Ms)</b>	<b>12/13 Annual Budget (\$Ms)</b>
<b>BC Creative Spaces</b>	-	1.000
<b>BC Creative Communities</b>	-	1.250
<b>Vancouver Fireworks Society - Celebration of Lights</b>	0.125	0.150
<b>Grey Cup Festival Society</b>	0.550	-
<b>Music BC</b>	0.050	0.050
<b>Directorate of Agencies for School Health in British Columbia (DASH BC) After School Program</b>	0.150	0.300
<b>Multiple Municipalities 2012 City Anniversaries Program</b>	0.800	-
<b>Council for Business and the Arts in Canada (Business for the Arts) ArtsVest</b>	0.150	0.300
<b>Other Priority Projects –Vancouver Opera, Arts Umbrella, Knowledge Network, Royal Roads, and others</b>	1.425	-
<b>Creative BC</b>	-	0.200
<b>Total</b>	<b>3.25</b>	<b>3.25</b>

**Contact:**

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## **2013/2014 Estimates Note Advice to the Minister**

**Ministry:** Ministry of Community, Sport and Cultural Development  
**Minister Responsible:** Hon. Coralee Oakes

**Title:** Designation of Amateur Combat Sports

**Revised:** June 25, 2013

**Issue:** Under changes to the Criminal Code of Canada the Province will need to designate amateur combat sports in order to allow events in these sports to continue to be held.

**Recommended Response:**

- BC welcomes the changes to the Criminal Code of Canada which bring clarity to the regulation of professional and amateur combat sport events.
- BC intends to see amateur combat sport events continue to be held in the province.
- This will require that the Province designate amateur combat sports where events can be held without a license from a sanctioning body and designate amateur combat sports where events require a license from a sanctioning body.
- In the latter case the Province must also designate the sanctioning body.
- BC intends to make these designations in a timely fashion so that the current calendar of planned amateur combat sport events can take place as planned.

**Background/Status:**

- Federal Bill S-209 took effect on June 19<sup>th</sup>, 2013. This Bill amends the Criminal Code of Canada (section 83) and clarifies the regulation of professional and amateur combat sport events.
- The amended legislation will require provinces/territories to designate amateur combat sports in order for events to be legally held in that sport. Amateur sports can be designated as either needing/not needing a license from a sanctioning body. In the former case the sanctioning body must also be designated.
- Designation will take place through Order-in-Council (OIC). The Ministry has drafted an OIC which designates amateur combat sports, taking into consideration the risk of injury associated with a given sport as well as history of its governing body with respect to the regulation of events.
- The attached Decision Note provides more detail on the proposed plan to designate amateur combat sports – those that will require a license, those that will not, and the sanctioning bodies for each sport where licensing will be required.

## **2013/2014 Estimates Note Advice to the Minister**

**Ministry:** Ministry of Community, Sport and Cultural Development  
**Minister Responsible:** Hon. Coralee Oakes

**Contact:**

ADM	David Galbraith	Arts, Culture, Gaming Grants and Sport Division	250 356-7139
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Ministry of Community, Sport and Cultural Development  
**BRIEFING NOTE FOR MINISTER**

Ref #:153339

**FOR DECISION**

**Date:** June 12, 2013

**Title:** Amateur Combat Sports - Sanctioning of Events

**Issue:** Upcoming changes to the Criminal Code of Canada will require provinces to establish oversight for amateur combat sport events. These events will not be legal without provincial oversight.

**Background:**

Currently, under Section 83 of the Criminal Code of Canada, “prize fighting” is prohibited. One of the existing exceptions is a “boxing contest between amateur sportsmen, where the contestants wear boxing gloves of not less than one hundred and forty grams each in mass or any boxing contest held with the permission or under the authority of an athletic board or commission or similar body established by or under the authority of the legislature of a province for the control of sport within the province.”

Boxing BC, the provincial sport organization recognized by the Province, governs some amateur boxing programs and events in BC. Other amateur combat sports and their contests (e.g. karate, kickboxing, judo, mixed martial arts) are not regulated at the federal or provincial level at present.

In 2012, a Private Members Bill (S-209) to amend the Criminal Code was approved in the federal Senate. This Bill amends Section 83 of the Criminal Code to “allow a contest between amateur athletes in a combative sport with fists, hands or feet held in a province if the sport is on the programme of the International Olympic Committee or the International Paralympic Committee and, in the case where the province’s lieutenant governor in council or any other person or body specified by him or her requires it, the contest is held with their permission”. It also permits a “contest between amateur athletes in a combative sport with fists, hands or feet held in a province with the permission of the province’s lieutenant governor in council or any other person or body specified by him or her”.

The Bill was passed by the Senate and the House of Commons voted in favour of passing it on June 5, 2013). It will become law upon Royal Assent, likely during June 2013.

Once passed, amateur combat sport events in B.C. will only be permitted if approved by the Province through one of two possible means:

- The Province can designate, with Cabinet approval, amateur combat sports where events can take place without regulation and supervision from a sanctioning body. No license will be required; or,
- The Province can designate, with Cabinet approval, amateur combat sports where events can take place but only with regulation and supervision from a sanctioning body designated by the Province. Licenses will be required. In such cases Cabinet will also need to approve the unique sanctioning body for each sport.

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Honourable Coralee Oakes  
Minister

Date:

Approved / Not Approved

Contact: David Galbraith  
Telephone: 250 356-7139

## **2013/2014 Estimates Note Advice to the Minister**

**Ministry:** Ministry of Community, Sport and Cultural Development  
**Minister Responsible:** Hon. Coralee Oakes

**Title:** Low per capita ranking on arts and culture

**Revised:** July 2, 2013

**Issue:** Despite increased spending on arts and culture, BC continues to rank low in per capita investment.

**Recommended Response:**

- Despite challenging fiscal times, the government has demonstrated its commitment to this sector, through a significant increase in arts funding through the BC Creative Futures strategy. BC Arts Council is at its highest level of funding ever at \$24 million.
- My ministry supports culturally-rich communities that foster sustainable jobs, economic growth, and a vibrant social fabric.
- We are very proud of the achievements of our arts and culture community and plan to work together with artists and cultural organizations to enrich the lives of British Columbians.

**Background/Status:**

- The latest publication “Overview of the 2012-13 Provincial and Territorial Budgets from the Perspective of the Arts and Culture Sector” was released by the Canadian Conference of the Arts in the spring of 2013.
- Statistics Canada data on government expenditures on Arts and Culture are published once a year, usually in the summer and pertain to a fiscal year two years prior; i.e. the data published in 2012 accounts for fiscal 2009/10.
- For 2009/10, provincial per capita spending averaged \$90 — only Ontario and B.C. came in under that figure, with B.C. last of all at \$54.
- Accurately comparing per capita arts funding across Canada is difficult because not all provinces support the arts in the same manner. The data can also be distorted by large-scale infrastructure investments and/or specific policy priorities that one particular jurisdiction pursues.
- In addition to this, not all investments in culture are expenditure based.
- For example, B.C. makes significant investments in the film, television and interactive digital media sector through tax credits that are not reported as expenditures.
- In 2013/14, it is estimated that B.C. will provide over \$341 million to this sector. In addition, B.C. will provide an estimated \$2.0 million in publishing tax credits.

## **2013/2014 Estimates Note Advice to the Minister**

**Ministry:** Ministry of Community, Sport and Cultural Development  
**Minister Responsible:** Hon. Coralee Oakes

### **Ministry Commitment:**

- Goal Three of the Ministry Service Plan is to support: “Culturally-rich communities that foster sustainable jobs, economic growth, and a vibrant social fabric.”
- The Ministry of Community, Sport and Cultural Development values the contribution of B.C.’s arts and culture sector to healthy, vibrant communities.
- In Budget 2013, the BC Creative Futures Strategy provided \$18.75 million over 3 years of new investment to support youth engagement in the arts and culture.

### **Contact:**

David Galbraith	Assistant Deputy Minister	Arts, Culture, Gaming Grants & Sport Division	250 356-7139
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## **2013/2014 Estimates Note Advice to the Minister**

**Ministry:** Ministry of Community, Sport and Cultural Development  
**Minister Responsible:** Hon. Coralee Oakes

**Title:** BC Arts and Culture Endowment

**Revised:** June 12, 2013

**Issue:** The BC Arts and Culture Endowment demonstrates BC's ongoing commitment to a strong arts and culture sector.

**Recommended Response:**

In addition to the significant annual provincial investment in the arts and culture sector through the BC Arts Council and Community Gaming Grants, the Province of BC also invests in key arts and culture opportunities through the BC Arts and Culture Endowment.

**Background/Status:**

- The \$170 million BC Arts and Culture Endowment Fund supports arts activities through two sub-accounts: the BC150 Cultural Fund (BC150) and the Arts Legacy Fund (ALF).
- Earnings on the endowment are disbursed each year, while the principle of \$170 million remains untouched.
- Total spending authority available, as reflected in the estimates, is projected at \$7.4 million for 2013/14. This is \$7.4 million in accrued interest on the original \$170 million principal investment.

**BC 150 Cultural Fund (BC150):**

- Annual proceeds from the BC150 are allocated to established programs offered by the BC Arts Council.
- The earnings on the BC150 vary on an annual basis. Annual distribution has ranged from \$1.15 million to \$3.48 million. The 2013/14 allocation for BC 150 is \$2.15 million.

**Arts Legacy Fund (ALF):**

- ALF "supports the creation, development or presentation of works of art at events or venues the Minister considers will provide significant exposure of those works of art" (Special Account Appropriation and Control Act).

## **2013/2014 Estimates Note Advice to the Minister**

**Ministry:** Ministry of Community, Sport and Cultural Development  
**Minister Responsible:** Hon. Coralee Oakes

- During 2012/13, the Minister approved 29 grants through ALF, ranging from \$2,000 to \$60,000.
- The earnings on the ALF vary on an annual basis. Annual distribution has ranged from \$350,000 to \$850,000. The 2013/14 allocation for ALF is \$350,000. No funds have been spent to date.

**Contact:**

Executive Director	Gillian Wood	Arts, Culture and the BC Arts Council	250-356-1725
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## **2013/2014 Estimates Note Advice to the Minister**

**Ministry:** Ministry of Community, Sport and Cultural Development  
**Minister Responsible:** Hon. Coralee Oakes

**Title:** BC Arts Council 2013/14 Grants Budget

**Revised:** June 13, 2013

**Issue:** BC Arts Council (BCAC) grants budget increases from \$16.8 million (2012/13) to historic high level of \$24 million (2013/14).

**Recommended Response:**

- This is an increase to the BCAC's core funding, to the highest level in its history.
- The increase will contribute to funding new programs that support youth, such as Arts Scholarships, Creative Youth Initiatives, Co-op, Internships and Mentorships.
- The programs will develop creative, innovative thinkers critical for the growth in the creative economy.

**Background/Status:**

- In January 2013, Minister Bill Bennett announced that the BC Arts Council's 2013/14 budget will reach the historical level of \$24.0 million.
- Budget 2013 builds the funding into the base of the Arts, Culture and BC Arts Council Branch for the three years of the fiscal plan.
- The increase of \$7.2 million includes \$5.25 million from the BC Creative Futures Strategy which highlights arts and culture's important role in two critical areas: the development of the next generation of creative thinkers; and the growth of the creative economy.
- More specifically, the \$5.25 million is allocated to one new and four existing programs, all which enhance youth engagement in the arts. The remaining \$2.0 million of new funding will address demonstrated need in other council programs.

**Contact:**

Executive Director	Gillian Wood	Arts, Culture and the BC Arts Council	250-356-1725
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## **2013/2014 Estimates Note Advice to the Minister**

**Ministry:** Ministry of Community, Sport and Cultural Development  
**Minister Responsible:** Hon. Coralee Oakes

**Title:** 1999 Memorandum of Agreement between Government and the BC Association of Charitable Gaming (BCACG)

**Revised:** July 2, 2013

**Issue:** The BCACG is asking for reinstatement of funding for the Community Gaming Grants based on the 1999 MOA, which they insist entitles them to a formula that ensures charity entitlement to an amount, after accounting for retained bingo revenues, equal to 1/3 of ongoing casino gaming revenue. Their projection for 2011 by pre-2009 provincial policy is \$162 million. The program is currently funded at \$135 million.

**Recommended Response:**

- BC is still in recovery mode after the worldwide economic downturn and has not yet returned to pre-2009 fiscal levels in all sectors.
- The MOA was agreed to based on a lucrative bingo industry, which has since declined. Charities were licensed to operate bingo halls, and as bingo revenues declined, they received bingo affiliation grants. In 2010/11 the bingo affiliation grant program was rolled into the Community Gaming Grants program in order that charities could still access funding.
- It should be noted that the revenue government receives from gaming is used to fund government programs like health care and education along with gaming grants to local communities.
- Many of the key recommendations provided in the Community Gaming Grants Review, led by Skip Triplett, have been implemented, including increasing the gaming grant budget from \$120 to \$135 million.

**Background/Status:**

- Funding in 2008/09 was \$156.2 million, which included \$11.7 million of special grant programs that are no longer offered: BC 150 grants, Playground and Major Capital project grants and Special One Time Grants.



## 2013/2014 Estimates Note

### Advice to the Minister

**Ministry:** Ministry of Community, Sport and Cultural Development  
**Minister Responsible:** Hon. Coralee Oakes

- Funding history (in millions)

	Regular	Special	Total
	Grants	Grants	Grants
○ 2008/09	\$144.469	\$11.7	\$156.167
○ 2009/10	\$112.542	\$47.5	\$160.071
○ 2010/11	\$120.0	\$15.0	\$135.0
○ 2011/12	\$120.0	\$15.0	\$135.0
○ 2012/13	\$135.0		\$135.0
○ 2013/14	\$135.0		\$135.0

**Contact:**

Executive Director	Ursula Cowland	Gaming Policy and Enforcement Branch	250 356-2975
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## 2013/2014 Estimates Note

### Advice to the Minister

**Ministry:** Ministry of Community, Sport and Cultural Development  
**Minister Responsible:** Honourable Coralee Oakes

**Title:** BC Athletic Commissioner

**Revised:** July 2, 2013

**Issue:** The government recently instituted a new regulatory regime for professional boxing and mixed martial arts in the province.

**Recommended Response:**

- The British Columbia Athletic Commissioner oversees the conduct of professional boxing and mixed martial arts (MMA) events throughout the Province of B.C.
- The Athletic Commissioner is committed to the safety and integrity of professional boxing and MMA.
- The BC Athletic Commissioner was established under the *Athletic Commissioner Act*, which came into force May 30, 2013.
- The BC Athletic Commissioner was established to regulate professional boxing and MMA events in the Province.

**Background/Status:**

- Currently, under Section 83 of the Criminal Code of Canada, “prize fighting” is prohibited. One of the existing exceptions is a “boxing contest between amateur sportsmen, where the contestants wear boxing gloves of not less than one hundred and forty grams each in mass or any boxing contest held with the permission or under the authority of an athletic board or commission or similar body established by or under the authority of the legislature of a province for the control of sport within the province.”
- The BC Athletic Commissioner was established to regulate professional boxing and MMA events in the Province.
- Beginning on May 30, 2013, the BC Athletic Commissioner commenced operations. Promoters, contestants, matchmakers, seconds, and officials require licenses issued by the Athletic Commissioner before they can plan or participate in a professional boxing or MMA event. In addition, licensed promoters must ensure their planned event is permitted by the Athletic Commissioner.
- Similar provincial Athletic Commissioner offices have been or are being established across Canada as it is a requirement under the Federal Criminal Code. The function of the Office of the BC Athletic Commissioner is similar to other offices such as Gaming Policy and Enforcement Branch which operate a

## **2013/2014 Estimates Note Advice to the Minister**

**Ministry:** Ministry of Community, Sport and Cultural Development  
**Minister Responsible:** Honourable Coralee Oakes

licensing and permitting framework with an ability to audit and enforce that framework.

- The BC Athletic Commissioner has received permit enquiries for events in August, September, and November of this year.
- The first permits should be issued by the end of July 2013.

**Contact:**

BC Athletic Commissioner	Dave Maedel	CSCD	250 952 6735
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## 2013/2014 Estimates Note Advice to the Minister

**Ministry:** Ministry of Community, Sport and Cultural Development  
**Minister Responsible:** Hon. Coralee Oakes

**Title:** BC Creative Futures Strategy

**Revised:** June 12, 2013

**Issue:** Opportunity to expand youth engagement in arts and culture across BC.

**Recommended Response:**

Youth engagement in the arts expands creativity, teaches diversity, builds community and preserves cultural traditions. The BC Creative Futures strategy is crucial to the development of B.C.'s next leaders in the creative economy.

**Background/Status:**

- The BC Creative Futures strategy impacts school-aged children to the next generation of leaders in the creative economy. It strengthens opportunities for creativity, particularly through increasing engagement in the arts, as well as on-the-job skills training in the creative sector. This involves:
  - skills training and participation in the creation, exhibition and performance of various art forms;
  - the engagement with exemplary works of art; and
  - opportunities to train and work alongside creative professionals.

**GOAL ONE: Increase skills training and participation in the creation, exhibition and performance of various art forms**

**Artists in the Classroom Program**

- *Artists in the Classroom* is a BC Arts Council program for artist residencies, providing funding to support approximately 55 short-term, hands-on projects for over 3,000 students. Projects use contemporary art forms and technology to engage youth and stimulate creativity. BC Creative Futures will make a new investment to triple the number of residencies, engaging approximately 8,000 students and allowing for more substantial projects. *New annual investment: \$0.5 million.*

**After School Sport and Arts Initiative**

- Youth-at-risk benefit from a program of activities that vary by school, but can include: dance, singing and music, story-writing, acting and playwriting, painting,

## 2013/2014 Estimates Note

### Advice to the Minister

**Ministry:** Ministry of Community, Sport and Cultural Development  
**Minister Responsible:** Hon. Coralee Oakes

drawing and sculpture activities – and, in Aboriginal communities, working with Elders on transferring cultural knowledge.

- The program is a partnership with DASH BC (Directorate of Agencies for School Health) and builds on the success of the after-school sport program. It helps build confidence and creativity for vulnerable youth. BC Creative Futures will expand the partnership to reach up to 65 schools and up to 1,300 students. *New annual investment: \$1.0 million.*

### **GOAL TWO: Increase opportunities for engagement with art**

#### **Artists in Education Program**

- *Artists in Education* is a BC Arts Council program that supports school districts in presenting professional touring artists and groups in B.C. schools. BC Creative Futures will invest in the Artists in Education program to triple the number of performances in schools, reaching 600,000 students each year. This supports our artists and our students. *New annual investment: \$1.0 million.*

### **GOAL THREE: Increase opportunities to train and work alongside creative professionals**

#### **Scholarship Program**

- The BC Arts Council Scholarship Program supports post-secondary school students studying dance, theatre, music, visual, literary and digital arts. This year, our scholarship students studied at Emily Carr University of Art + Design, UBC and SFU, as well as The Julliard School and the Royal Winnipeg Ballet School. BC Creative Futures will raise the grant level and triple the number of students supported through the Scholarship Program. *New annual investment: \$0.75 million.*

#### **Co-op Placement Program**

- The BC Arts Council Co-op Placement Program assists arts and cultural organizations in hiring students in the creative sector for work terms. This provides students critical opportunities to gain hands-on experience in their chosen field. Last year, the work term at DOXA Documentary Film Festival set a new record for applications at UBC's Arts Co-op program.
- Increased investment here will support new opportunities for an expanded program of apprenticeships, internships and mentorships. This funding will quadruple the number of participating students, creating an additional 60 places for work experience for the next generation of leaders in the creative sector. *New annual investment: \$1.0 million*

## 2013/2014 Estimates Note

### Advice to the Minister

**Ministry:** Ministry of Community, Sport and Cultural Development  
**Minister Responsible:** Hon. Coralee Oakes

#### **Creative Youth Initiatives**

- British Columbia is home to many artists, as well as non-profit arts and cultural organizations like Arts Umbrella and VSO School of Music specializing in creative training. We also have internationally recognized groups that produce touring work specifically for young audiences and orchestras, dance and theatre companies, museums, galleries and festivals offering outreach programs for children and youth.
- With BC Creative Futures investment, the BC Arts Council will launch a new program to support Creative Youth Initiatives. This will create up to 50 large-scale, multi-year partnerships reaching a total of 6,000 students. *Annual investment: \$2.0 million.*

**Total BC Creative Futures Investment: \$6.25 million.**

#### **Contact:**

Executive Director	Gillian Wood	Arts, Culture and BC Arts Council	250-356-1725
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## **2013/2014 Estimates Note Advice to the Minister**

**Ministry:** Ministry of Community, Sport and Cultural Development  
**Minister Responsible:** Hon. Coralee Oakes

**Title:** BC Games and BC Seniors Games

**Revised:** June 11, 2013

**Issue:** B.C. communities host the annual BC Seniors Games, as well as the biennial BC Winter, and BC Summer Games.

**Recommended Response:**

- The BC Games have been generating significant economic benefits and creating lasting community legacies for host communities since 1978.
- The BC Summer and Winter Games are often the first multi-sport event for many of our future Olympians and Paralympians. BC Games Alumni include 2012 Giro d'Italia winner Ryder Hesjedal, 2012 Olympic Bronze Medalist Brent Hayden and 2010 Olympic Gold Medalist Maelle Ricker.
- The BC Seniors Games encourage individuals to be active for life and provide opportunities for British Columbians aged 55 and older to benefit from the positive health and social outcomes that sport and physical activity provide.

**Background/Status:**

- The BC Games are supported through government's annual investment of \$2.2 million.
- Just over \$2 million supports the BC Summer and Winter Games and provides grants to host communities (approximately \$600,000 to BC Summer Winter Games and \$525,000 to BC Winter Games); funding for athlete transportation and accommodation; and funding for BC Games Society staff to provide event management guidance to key volunteers delivering Games.
- The BC Seniors Games receive \$175,000 – a minimum of \$85,000 goes to the host community, \$55,000 supports a contract with the BC Games Society to provide event management services to the host society; and; the remainder supports BC Seniors Games Society operational costs.
- The BC Games Society reports to government as a Crown Agency. The Minister of Community, Sport and Cultural Development appoints an up to 15-member community-based board which includes a representative from the Province.
- The BC Seniors Games Society is an independent not-for-profit society.

## **2013/2014 Estimates Note Advice to the Minister**

**Ministry:** Ministry of Community, Sport and Cultural Development  
**Minister Responsible:** Hon. Coralee Oakes

- Economic benefits are estimated at: \$1.79 million (2008 Kimberley-Cranbrook BC Winter Games), \$2.8 million (2008 Kelowna BC Summer Games), \$2 million (2009 Richmond BC Seniors Games).

**Contact:**

Sport Consultant   Sharon White   Sport Branch   250 387-5651



## 2013/2014 Estimates Note

### Advice to the Minister

**Ministry:** Ministry of Community, Sport and Cultural Development  
**Minister Responsible:** Honorable Coralee Oakes

**Title:** Community Gaming Grants

**Revised:** June 11, 2013

**Issue:** Community Gaming Grants allow eligible organizations to apply for gaming revenues to support a broad range of programs and services. This program currently distributes \$135 million to non-profits annually.

**Recommended Response:**

- Gaming grants are designed to fit the needs of a wide variety of non-profit organizations throughout British Columbia.
- The program for which a grant is requested must fall into one of the following sectors: Arts and Culture; Sport; Environment; Public Safety; Human and Social Services; or Parent Advisory Councils and District Parent Advisory Councils. (These organizations are aligned with public, private and first nations schools).

**Community Gaming Grants**

- For eligible non-profit community organizations.
- Funds must be used to support the direct delivery of a program that benefits the broader community.
- Only one grant application per year.
- Amount of Grants:
  - Local organizations may apply for up to \$100,000/year. Up to \$20,000 of this may be used for minor capital projects
  - Regional organizations may apply for up to \$225,000/year. Up to \$20,000 of this may be used for minor capital projects.
  - Province-wide organizations may apply for up to \$250,000/year. Up to \$20,000 of this may be used for minor capital projects.

**Parent Advisory Councils and District Parent Advisory Councils Grants**

- PACs receive \$20/student per year, based on the previous year's enrolment figures from the Ministry of Education's Schoolsbook.
- DPACs receive \$2,500/year to foster parental involvement in the school system.
- The funds are required to remain in the management and control of the PAC or DPAC, i.e. cannot be transferred to the school.

## **2013/2014 Estimates Note Advice to the Minister**

**Ministry:** Ministry of Community, Sport and Cultural Development  
**Minister Responsible:** Honorable Coralee Oakes

### **Background/Status:**

#### **Community Gaming Grant Review**

- In 2011/12, the Ministry initiated the Province's independent Community Gaming Grant Review to improve the governance and funding formula of gaming grants in the province. Skip Triplett conducted the review, which heard from more than 1,700 British Columbians, visited 14 communities across the province and engaged with a full range of community organizations including charities, industry representatives and local governments.
- Implementation of Mr. Triplett's review options continues:
  - \$15 million restored to base budget (previously \$120 million in 2011/12).
  - Reinstatement of Adult Arts, Adult Sports, Environment and full funding for Service Clubs and applicants in Community Education subsector.
  - Multiyear funding is not an option, so a Short Form Application was created, for returning applicants, to simplify the process for applicants. This application will be available online shortly.
  - Lean exercise completed for the grants process and we continue to work on implementation.
  - Updates to Guidelines and website continue to provide greater clarification for applicants.

#### **Contact:**

Executive Director   Ursula Cowland   Licensing and Grants   250 356-2975

## **2013/2014 Estimates Note Advice to the Minister**

**Ministry:** Ministry of Community, Sport and Cultural Development  
**Minister Responsible:** Hon. Coralee Oakes

**Title:** Community Gaming Grant Review – Recommendations in the report prepared by Skip Triplett

**Revised:** July 4, 2013

**Issue:** Why isn't government implementing all of Skip Triplett's gaming recommendations

### **Recommended Response**

- Many of the options proposed in the report have been implemented.
- The Province implemented the key recommendations we heard:
  - 1) Announced on Jan. 11, 2012 that it would be implementing a number of changes to the allocation of community gaming grants.
  - 2) Reinstated funding eligibility for environmental, animal welfare and adult arts and sports groups. The June 2012 Guidelines were updated to include this eligibility change.
  - 3) Increased gaming grant funding by \$15 million in the government's base budget, beginning in 2012/2013 fiscal and going forward.
  - 4) During November 2012, introduced and implemented the new Short Form Application. This new short form has simplified the application process.
  - 5) Maintain the status quo by continuing the adjudication of applications and the administration of grants by the Gaming Grants Branch and consider re-naming "community gaming grants" as "community investments".
- The Province is currently working on:
  - 1) A new online version that will eliminate the paper process, thus further streamlining the process while decreasing paper and administration processing costs.
  - 2) Enhancing the online application process and developing more interactive functions including the ability to save and print functions.
  - 3) During April 2013, new informational tools, such as sample documents were posted to the new one-stop location for all grant related documents, tools, templates and guidelines in an effort to assist applicants.

## **2013/2014 Estimates Note Advice to the Minister**

**Ministry:** Ministry of Community, Sport and Cultural Development  
**Minister Responsible:** Hon. Coralee Oakes

### **Background/Status:**

- In July 2011, Premier Christy Clark asked Skip Triplett to conduct an independent review of the Province's Community Gaming Grant system. More than 1,700 people participated in the review, sharing their views about how to improve the governance and funding formula of gaming grants through 14 community forums, written submissions, and five video-conferences to remote communities.
- Final Report to Government was received on October 31, 2011.

The following are recommendations that have not been pursued.

## **2013/2014 Estimates Note Advice to the Minister**

**Ministry:** Ministry of Community, Sport and Cultural Development  
**Minister Responsible:** Hon. Coralee Oakes

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**Contact:**

Executive Director	Ursula Cowland	Gaming Policy and Enforcement Branch	250 356-2975
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## **2013/2014 Estimates Note Advice to the Minister**

**Ministry:** Ministry of Community, Sport and Cultural Development  
**Minister Responsible:** Hon. Coralee Oakes

**Title:** Provincial Cultural Policy

**Revised:** July 2, 2013

**Issue:** The Province of B.C. does not have a provincial cultural policy.

**Recommended Response:**

- Government recognizes the critical importance of arts and culture in the development of B.C.'s creative sector.
- This year, the Province will invest over \$60 million in arts and culture, an increase of approximately \$7.0 million over 2012/13.
- The Province has placed a high priority on the arts and culture sector, as demonstrated by the BC Creative Futures Strategy.
- The BC Arts Council also has a 5 year Strategic Plan that guides decision making.

**Background/Status:**

**What is a cultural policy?**

- A cultural policy is a provincial decision-making framework for short, medium and long-term investments in culture, heritage and arts activities.
- It articulates the social and economic contributions made by the sector.
- It provides context, justification, objectives, goals and strategies and a set of outcome targets for investment in culture.
- A number of jurisdictions in Canada have adopted a formal provincial cultural policy in recent years, including Saskatchewan and Alberta. New Brunswick and the North-West Territories are currently updating their older policies.

**Current Status in BC:**

- B.C. does not have a current, comprehensive cultural policy: with a set of identified values and an overarching cultural vision for the province.
- Arts and culture groups have identified the creation of a cultural policy framework as a priority.
- The Alliance of Arts and Culture hosted an Arts Summit in June 2013 to begin work on a provincial cultural policy framework. The group plans to have a document prepared by the time of the next summit in June 2014.

## **2013/2014 Estimates Note Advice to the Minister**

**Ministry:** Ministry of Community, Sport and Cultural Development  
**Minister Responsible:** Hon. Coralee Oakes

- Senior Ministry staff attended the event and gathered feedback from stakeholders.
- Setting a provincial cultural policy is the role of the Province of BC; to be done in partnership with stakeholder groups.
- The creation of a policy requires consultation with communities across the province; it also needs to include a wide range of cultural activities (from grass roots through to professional) in order to carry meaning for citizens across B.C.

**Contact:**

David Galbraith	Assistant Deputy Minister	Arts, Culture, Gaming Grants & Sport Division	250 356-7139
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## **2013/2014 Estimates Note Advice to the Minister**

**Ministry:** Ministry of Community, Sport and Cultural Development  
**Minister Responsible:** Hon. Coralee Oakes

**Title:** Provincial Capital Commission (the Capital Commission)

**Revised:** July 5, 2013

**Issue:** Blackball Ferry dock replacement

**Recommended Response:**

- The Capital Commission, in partnership with Shared Service BC, is working on negotiations for a new long-term lease arrangement for Blackball Ferry beyond 2014.

**Background/Status:**

- The Blackball Ferry Line is an international ferry service linking Washington State and Victoria. The M.V. Coho can accommodate 1,000 passengers and 120 vehicles on any one sailing.
- According to a 2006 study, it ferries more than 400,000 passengers and 120,000 vehicles and brings \$123 million into the Victoria economy annually. The company estimates the economic impact of the M.V. Coho to be \$160 million annually, accounting for about 60 per cent of total visitor entries to the Inner Harbour.
- As part of 2009 lease extension, Black Ball Ferry has introduced incremental site improvements to ferry terminal operations for the M.V. Coho, including security and circulation upgrades as well as funding contributions for repairs to the Capital Commission owned timber wharf to accommodate the revised traffic flow for the ferry.
- The western parcel containing the terminal facility for the Victoria Clipper was divested from the federal government to the Capital Commission in December 2001, along with \$1.5 million cash, as part of the port divestiture process. The Capital Commission has approximately \$0.4 million remaining for eligible expenses to operate the port facility. These will be expended by March 31, 2014.
- The Capital Commission 2010 capital plan identified key medium/long term requirements including future replacement of aging infrastructure on the Capital Commission inner harbour properties. A July 2012 engineering update (original was January 2009) on the aging timber wharf, gauged the remaining service life at five years or less, with replacement recommended in three years to avoid maintenance costs for years four and five at up to \$1 million. Preliminary estimates to replace the aging wooden ferry wharf with a 40 year structure is up to \$10 million.



## **2013/2014 Estimates Note Advice to the Minister**

**Ministry:** Ministry of Community, Sport and Cultural Development  
**Minister Responsible:** Hon. Coralee Oakes

- The current Blackball Ferry lease expires June 2014. The ferry operators have secured a long term lease in Port Angeles and are seeking a lease extension in Victoria. The Capital Commission, in partnership with Shared Service BC, is working on negotiations for a new long-term lease arrangement for beyond 2014, contingent on an agreed funding framework for wharf replacement.

**Contact:**

ADM	David Galbraith	Arts, Culture, Gaming Grants & Sport Division	250-356-7139
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## 2013/2014 Estimates Note Advice to the Minister

Ministry: Ministry of Community, Sport and Cultural Development  
Minister Responsible: Hon. Coralee Oakes

**Title:** The Royal BC Museum (RBCM)

**Revised:** June 12, 2013

**Issue:** Capital Plans for the RBCM

**Recommended Response:**

- The RBCM has recently engaged a team of architects led by John McAslan and Partners, of London, working with Victoria firm Merrick Architecture to perform master planning.
- In June 2013, the RBCM will host a series of Town Hall meetings in various BC communities to discuss the museum's future plans.
- Once this is complete, a capital funding request to government is not expected until later in 2013/14.

### **Background/Status:**

The Royal BC Museum (RBCM) was established as a Crown Corporation in 2003 under the *Museum Act*. Its mandate is to:

- Develop and preserve collections for current and future generations.
- Share the natural history and human story of British Columbia with the world through the physical environs of the RBCM site, regional programs and internet access to the collections and archives.
- Support education through the provision of materials, programs and complimentary student admissions.
- Support research through projects by providing access to the collections and archives.
- Manage the archival records of the government of British Columbia.

The RBCM contributes to the provincial economy as a tourism destination of choice.

## 2013/2014 Estimates Note Advice to the Minister

**Ministry:** Ministry of Community, Sport and Cultural Development  
**Minister Responsible:** Hon. Coralee Oakes

### Financial Information (high level):

	2013/2014	2014/2015	2015/2016
	<b>Budget (\$millions)</b>		
<b>Revenue</b>	19.364	19.533	19.636
<b>Expenses</b>	19.258	19.432	19.535
<b>Net income (loss)</b>	0.106	0.101	0.101
<b>Debt</b>	0	0	0
<b>Retained Earnings</b>	12.972	13.073	13.174

### Capital Plans:

- In March 2013, RBCM announced that it has engaged a team of architects led by John McAslan and Partners, of London, working with Victoria firm Merrick Architecture.
- A priority will be to make better use of existing spaces: such as the ground floor and the front entranceway. The aim is to end up with a master plan that sets out phased redevelopment, leading to greater access to the museum's collections and archives.
- In June 2013, the RBCM hosted a series of Town Hall meetings in various B.C. communities to discuss the museums future plans. The first Town Hall meeting was scheduled June 22, 2013 in Victoria.
- Once this is complete, a capital funding request to government is not expected until later in 2013/14.

### Contact:

Executive Director    Gillian Woods    Arts, Culture and    250-356-1725  
BC Arts Council

## **2013/2014 Estimates Note Advice to the Minister**

**Ministry:** Ministry of Community, Sport and Cultural Development  
**Minister Responsible:** Hon. Coralee Oakes

**Title:** Sport Event Hosting – Hosting BC and Major Sport Events

**Revised:** June 12, 2013

**Issue:** BC communities host major sporting events for economic, sport, social and community benefits.

**Recommended Response:**

- The Province supports smaller international, national and provincial events through the Hosting BC program, administered by viaSport.
- The Province also supports larger international and national events through a major events program administered directly by the Ministry.
- In 2012/13 each program had a budget of \$500,000 for total hosting support of \$1 million.

**Background/Status:**

**Hosting BC:**

- Building on the success of the 2010 Olympic and Paralympic Winter Games and to maintain B.C.'s exceptional reputation as a sport event destination, Hosting BC provides grants for international, national, regional, and provincial level sport events that promote sport, economic, social and community development.
- Since the inception of the Hosting BC program in 2004, just over \$4 million has been awarded to 467 events in more than 60 communities throughout the province.
- Hosting BC funded 96 sport events in 34 B.C. communities in 2012/13 with the majority of grants ranging from \$2,500-\$10,000.
- Hosting BC has two annual application periods (Spring and Fall).

**Medium Scale events**

- The remainder of the hosting budget is for specific mid-sized sport events such as:
  - 2012 Davis Cup Tie – Canada vs. France – UBC (\$0.1M).
  - 2013 World Luge Championships – Whistler (\$0.1M);
  - 2014 Tim Hortons Brier – Kamloops (\$0.1M);

## **2013/2014 Estimates Note Advice to the Minister**

**Ministry:** Ministry of Community, Sport and Cultural Development  
**Minister Responsible:** Hon. Coralee Oakes

### **Large/Major Events:**

- Large sport events such as the 2015 Canada Winter Games (\$11M) and the 2015 FIFA Women's World Cup (Soccer - \$2.0M) are considered on an individual basis.
- Because of the significant funding going into these events, the Minister may be asked to defend this investment and provide assurance that these events run on schedule and on budget, particularly with the national spotlight on the 2015 Canada Winter Games in Prince George.
- To protect Government's investment, there is clear language in the negotiated contribution agreements that caps government funding and that stipulates that the Province is not responsible for cost overruns.
- Budgets and business plans are also reviewed extensively before budget commitments are made and Sport Branch staff and/or contracted financial analysts determine if these projections and plans are realistic and sound.
- Branch staff also provide oversight, advice and direction to organizers to ensure that events are managed appropriately, government's investment is secured and, if necessary, that contingency plans are set in motion.

### **Upcoming events and commitments include:**

- The 2015 Canada Winter Games in Prince George will bring together approximately 3,600 athletes, coaches and managers from the 13 provinces and territories to compete in 20 winter sports. The Province is providing \$11 million with economic impact estimated over \$70 million.
- Other significant hosting efforts include (with Province's investment):
  - 2014 Special Olympics Canada Summer Games (\$1M);
  - 2015 FIFA Women's World Cup (\$2M).

### **Contact:**

Director                      Doug Wrean                      Sport Branch                      (250) 356-0364

## **2013/2014 Estimates Note Advice to the Minister**

**Ministry:** Ministry of Community, Sport and Cultural Development  
**Minister Responsible:** Hon. Coralee Oakes

**Title:** 2010 Sport Legacy Fund

**Revised:** June 13, 2013

**Issue:** Stable funding provided for sport sector

**Recommended Response:**

- The Select Standing Committee on Finance and Government Services recommended continuation of the Sport Legacy Fund within the Ministry's base budget as part of the 2013 budget consultation process.
- Balanced Budget 2013 implemented that recommendation.
- Government's three year fiscal plan provides stable funding for the sport sector to continue to grow sport participation rates; to help diversify local economies through sport event hosting; and to maintain B.C.'s position as the best place in Canada to train Olympians and Paralympians.

**Background/Status:**

- Budget 2010 announced the creation of a three year, \$60 million Sport and Arts Legacy Fund as a legacy of the 2010 Olympic and Paralympic Games.
- This fund supported \$10 million annually in sport programming. Funding was invested in initiatives to:
  - help eliminate barriers to sport participation (e.g. KidSport and the After-School Sport Initiative help children from lower income families participate and the Aboriginal Sport Strategy provides regional funding to aboriginal youth across the province);
  - help diversify local economies through the Hosting BC Program (grants to smaller size regional, provincial, national and international events in communities throughout the province) and the Mid-sized events Program which provides funding to larger national and international events such as the 2013 Men's Ford World Cup, Davis Cup Tennis, and the 2014 Special Olympics Canada Summer Games; and
  - support youth development and contribute to Canada's international success at the Olympic and Paralympic Games.

**Contact:**

Executive Director    Margo Ross                      Sport Branch                      250 356-7168

## 2013/2014 Estimates Note Advice to the Minister

**Ministry:** Ministry of Community, Sport and Cultural Development  
**Minister Responsible:** Hon. Coralee Oakes

**Title:** Sport Safety (injury / concussion prevention)

**Revised:** June 11, 2013

**Issue:** Increased attention concerning sport safety

**Recommended Response:**

- Government wants all British Columbians to be physically active and healthy. Participating in sport is a great way to be physically active.
- Improved medical research is helping society become aware of safety concerns associated with certain activities.
- Government wants parents and families to have access to the best available information concerning safety issues – such as concussions.
- Education and protective equipment are the keys to preventing injuries.
- Our Ministry works closely with the Ministry of Health and a number of other injury prevention organizations across the province to educate and train parents, coaches, and health care professionals on the most current concussion management and return-to-play protocols.
- *(Specific to bodychecking)* Our government accepts the decision by Hockey Canada to ban bodychecking at the Pee Wee level and congratulates Hockey Canada on a courageous decision.
- Research has shown that bodychecking in Pee Wee level hockey (ages 11 and 12) increases injuries, particularly concussions. Medical experts say that waiting until Bantam level—age 13—to introduce bodychecking can significantly reduce injury and concussions.
- I applaud the sport groups and health agencies that are working to promote a safer sport environment.

**Background/Status:**

**Background to the body checking Issue**

- A growing body of research is highlighting the frequency and severity of injuries – particularly concussions – as a result of bodychecking in pre-Bantam hockey.
- Pressure has been mounting over the past couple of years to ban bodychecking at the Pee Wee (ages 11-12) level.

## 2013/2014 Estimates Note

### Advice to the Minister

**Ministry:** Ministry of Community, Sport and Cultural Development  
**Minister Responsible:** Hon. Coralee Oakes

- Former MCSCD Minister Bill Bennett issued a statement in April 2013 calling for those involved in hockey to educate themselves about the issue. BC Hockey members were to vote on a resolution to ban bodychecking at Pee Wee levels at its June AGM. On May 25th, 2013, however, Hockey Canada, voted to remove bodychecking from Pee Wee level hockey and below starting in 2013/2014. Saskatchewan was the only provincial association opposed.

#### Background to safety issues in general

- The Ministry of Health is government's lead agency on injury prevention. However, the sport branch:
  - requires each funded provincial sport organization to have up to date codes of conduct for athletes and coaches as well as other safety initiatives as a condition of funding.
  - funds SportMed BC which:
    - provides health care professionals and the public with injury prevention information; and
    - monitors the work being done by the BC Concussion Advisory Network (the Sport Branch is a member) to ensure the most recent concussion standards are being communicated in B.C.
  - Co-chairs (with the Ministry of Health which is the lead on injury prevention) – the BC Sport and Recreation Injury Prevention Advisory Group. This group meets twice a year to share information and work collaboratively on strategies to prevent and reduce sport and recreation injuries in B.C. These organizations provide the most recent statistics and information on safety initiatives.

#### **Contact:**

Sport Consultant    Sharon White                      Sport Branch                      250 387-5651



## **2013/2014 Estimates Note Advice to the Minister**

**Ministry:** Ministry of Community, Sport and Cultural Development  
**Minister Responsible:** Hon. Coralee Oakes

**Title:** Provincial Funding – Whistler Sport Legacies Society (WSL)

**Revised:** July 2, 2013

**Issue:** Sustainability of the Sliding Centre

**Recommended Response:**

- The Province has provided WSL with \$8.9 million in funding to ensure transition to a sustainable business model.
- This funding is in addition to the \$55 million invested by the Province in the Games Operating Trust (GOT).
- The Province is supporting WSL through this transition period to ensure that British Columbians see long-term benefits from B.C.'s investment in these critical winter sport facilities.

**Background/Status:**

- WSL is the non-profit society to which ownership and operation of the Olympic Legacy facilities (operated by VANOC up to May 31, 2010) were transferred after the 2010 Games.
- The Legacy facilities are the Whistler Olympic Park (nordic sports – cross-country skiing, biathlon, ski jumping), the Whistler Sliding Centre (luge, skeleton, bobsleigh) and the Whistler Athlete Centre (training/accommodation).
- The Province and the federal government each invested \$55 million in the GOT. The income and capital of the GOT support high-performance sport programming at the Whistler Legacy facilities and the Olympic Oval in Richmond.
- Low-investment returns on the GOT (consistent with generally low investment returns) have limited the ability of the Trust to support this programming. To offset these low investment returns the capital in the GOT is being eroded. Otherwise very little funding would be flowing to WSL and to the City of Richmond (which operates the Oval).
- WSL has been developing business lines (cross country skiing, public rides at the Sliding Centre) and reorganizing itself into a lower-cost structure than the one operated by VANOC.

**Contact:**

Director                      Doug Wrean                      Sport Branch                      250 356-0364

## **2013/2014 Estimates Note Advice to the Minister**

**Ministry:** Ministry of Community, Sport and Cultural Development  
**Minister Responsible:** Hon. Coralee Oakes

**Title:** National Soccer Development Centre (Whitecaps/UBC)

**Revised:** June 14, 2013

**Issue:** Government is contributing up to \$14.5 million in support of a new national soccer development centre located at the University of British Columbia (UBC).

**Recommended Response:**

- Community sport, students, our Canadian national teams and the Whitecaps will all benefit from this partnership.
- The Vancouver Whitecaps are contributing \$15 million and UBC is contributing land and its capital construction expertise.
- Over 50 per cent of field time will be devoted to community use. Other users include the Canadian Women's team as it prepares to compete at the upcoming 2015 Women's World Cup; youth development camps, the men's national team and the Vancouver Whitecaps.
- Annual operating costs will be fully covered by UBC and the Whitecaps.
- A temporary field house has been built and construction on the fields and the field house will commence once details have been finalized between UBC and the Whitecaps.

**Background/Status:**

- The National Soccer Development Centre (NSDC) is a \$32.5-million state-of-the-art field house and five new, refurbished or improved soccer fields (including two artificial ones at Simon Fraser University) that will serve as a major training and development centre in B.C.
- The Province is contributing up to \$14.5 million; Whitecaps FC \$15 million (with an option to request up to a further \$3 million from the Province in 10 years for artificial turf resurfacing.)
- Located at UBC's Thunderbird Park, the NSDC will devote more than 50 per cent of field time for community use including the Whitecaps FC's community programs that reach more than 30,000 community players annually (about 30 per cent of the youth players registered in B.C.) The partnership will also create important recreational and high-performance sport legacies and help develop players, coaches and referees.

## **2013/2014 Estimates Note Advice to the Minister**

**Ministry:** Ministry of Community, Sport and Cultural Development  
**Minister Responsible:** Hon. Coralee Oakes

- In addition to accommodating youth soccer players, the centre will be the home of Whitecaps FC men's, women's and residency teams, and UBC's soccer teams, as well as serving as the west coast base for Canada's men's, women's, and youth national teams.
- The NSDC will help Vancouver attract and host major sporting events - including the 2015 FIFA Women's World Cup, a Major League Soccer all-star game, and major international friendlies - as well as the associated business opportunities that come with providing a world-class training facility for visiting athletes and teams.
- The project will create more than 170 direct jobs and 90 indirect jobs during the construction phase. Whitecaps FC moved to the club's new training grounds in spring 2013 when the first phase of the project was completed. This first phase included a refurbished grass field and locker room access for Whitecaps FC. The balance of the project will be completed in advance of the 2015 FIFA Women's World Cup.
- Annual operating costs of the centre will be fully covered by Whitecaps FC and UBC.
- UBC and the Whitecaps are in the final stages of their negotiations. It is expected that an agreement will be finalized before the end of summer with construction commencing shortly thereafter.

**Contact:**

Executive Director    Margo Ross                      Sport Branch                      250 356-7168

## ADVICE TO MINISTER

<p style="text-align: center;"><b>CONFIDENTIAL</b></p> <p style="text-align: center;"><b>ESTIMATES NOTE</b></p> <p>Ministry of Community, Sport &amp; Cultural Development Updated: July 5, 2013 Minister Responsible: Coralee Oakes</p>	<p style="text-align: center;"><b>Auditor General for Local Government</b></p>
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### ADVICE AND RECOMMENDED RESPONSE:

- Specific questions about the Auditor General for Local Government (AGLG) budget and its operations will be discussed during Estimates debate on the AGLG vote (Vote 52).
- On the advice of the Audit Council which oversees the position, Government appointed Basia Ruta as B.C.'s first Auditor General for Local Government on November 7<sup>th</sup>, 2012. Ms. Ruta took up her position on January 15<sup>th</sup>, 2013.
- The AGLG is about value for money for local governments. I am confident that the performance audits conducted by the AGLG will help local governments find efficiencies and improve the effectiveness of their operations and I look forward to the results. Ultimately, all British Columbians will benefit.
- The AGLG is an independent office that operates separately from the provincial government. Government has had no input on the selection of audit topics or local governments.
- Like all auditors general, the AGLG will make recommendations for improvements, not impose solutions.
- It will be up to local governments to decide what action to take on the recommendations provided by the AGLG.
- The AGLG has publicly announced that she plans to have her first audits completed in the last quarter of 2013/14.

### KEY FACTS REGARDING THE ISSUE:

- The *Auditor General for Local Government Act* was passed in February 2012. The Act provides for the appointment, structure and operation of an Auditor General for Local Government (AGLG) and sets out the AGLG's powers and responsibilities for conducting local government performance audits.
- Basia Ruta was appointed as BC's first Auditor General for Local Government on November 7<sup>th</sup>, 2012 and began her position at her Surrey office on January 15<sup>th</sup>, 2013.
- The AGLG is an independent office that conducts performance audits of the operations of local governments in order to provide them with objective information and recommendations that will assist them in their accountability to their communities for the stewardship of public assets and the achievement of financial efficiency. Performance audits and recommendations do not call into question the merits of policy decisions or objectives of a local government – their ability to make policy decisions about taxation, land use and others services will not be restricted.

- **AGLG Reporting** - The AGLG is required to prepare an Annual Service Plan regarding its planned activities. The AGLG released its Service Plans for the 2012/13-2014/15 and 2013/14-2015/16 periods in March 2013. The AGLG must also release an Annual Report on its performance; however, as the office has only recently been set up, the AGLG has not yet released an Annual Report.
- On May 29<sup>th</sup>, 2013, the AGLG announced its plans for its first performance audits (see attached). The first three audits relate to the theme of cost-containment and are expected to be released in the last quarter of 2013/14. The final two are related to key risks to local governments and are expected to be released in the summer of 2014.
- **Audit Council** - The AGLG is accountable to the Audit Council, a separate, neutral, advisory body which monitors and reviews the performance of the AGLG. Secretariat support is provided to the Audit Council by staff of the Ministry of Community, Sport, and Cultural Development.
- All questions regarding AGLG operations should be directed to the Office of the AGLG.

**Contact:**

Heather Brazier

Integrated Policy, Legislation and  
Operations

250 387-3860

## Planned Performance Audits

The Office of the Auditor General for Local Government is planning to report on five performance audits involving a number of local governments over the next 12 months as listed below.

These planned audits were informed from the audit themes contained in our 2013/14-2015/16 Service Plan following best efforts for a comprehensive audit planning process which involved extensive consultation and input from local governments and other stakeholders.

The Office of the Auditor General for Local Government is committed to providing an updated list of planned audits over a 12 month rolling period following the release of each annual service plan.

*The planned audits and reporting dates are subject to change. Local governments initially identified as part of the survey phase (planning phase) may be revised.*

Learn more about the phases of a performance audit and the AGLG principles for engagement with local governments.

[Download Phases of a Performance Audit »](#)

## Achieving Value for Money in Operational Procurement

Individual audit reports for each local government are expected for web release in the last quarter of 2013/14.

Initial local governments scoped for audit: City of Vernon, Corporation of Delta, City of Revelstoke, Comox Valley Regional District, Fraser-Fort George Regional District and District of West Vancouver.

## Local Government Performance in Managing Policing Agreements and Police Budget Oversight

Individual audit reports for each local government are expected for web release in the last quarter of 2013/14.

Initial local governments scoped for audit: City of Port Alberni, City of Surrey, City of Merritt, City of Williams Lake, City of New Westminster and City of Victoria.

## Learnings from Local government Capital Procurement Projects and Asset Management Programs

Individual audit reports for each local government are expected for web release in the last quarter of 2013/14.

Initial local governments scoped for audit: City of Cranbrook, City of Rossland, District of Sechelt, District of North Vancouver, City of Campbell River and City of Dawson Creek

## Local Government's Role in Ensuring Clean Drinking Water

Individual audit reports for each local government are expected for web release in the summer of 2014.

Initial local governments scoped for audit: to be determined and will be disclosed once they have been identified.

## Managing the Inherent Risks of Limited Human Resources within Small Local Governments

Individual audit reports for each local government are expected for web release in the summer of 2014.

Initial local governments scoped for audit: to be determined and will be disclosed once they have been identified.



# OFFICE OF THE AUDITOR GENERAL FOR LOCAL GOVERNMENT – VOTE 52

UPDATED July 3, 2013

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## 1. BUDGET VOTE DESCRIPTION

	<p><b>Q:</b> <i>What is the Vote Description for the Office of the Auditor General for Local Government (Vote 52)?</i></p>
	<p><b>A:</b> [VOTE 52 IS ON PAGE 68 OF THE ESTIMATES BLUE BOOK]</p> <ul style="list-style-type: none"><li>• This vote provides for the operations and oversight of the Office of the Auditor General for Local Government.</li><li>• The Auditor General for Local Government, appointed under the <i>Auditor General for Local Government Act</i>, functions independently and is overseen by an OIC appointed Audit Council.</li><li>• The Auditor General for Local Government exists to undertake performance audits of the operations of local governments and develop recommendations and practices arising from the audits for use by local governments. The completion of performance audits with accompanying recommendations provide local government officials with objective assessments of the cost-effectiveness of their activities and operations, services provided by local government bodies, procedures to measure effectiveness, accountability relationships and protection of public assets.</li><li>• Costs may be recovered from Ministries, Crown Agencies, other levels of government, organizations and individuals external to government for projects and services described within this vote.</li></ul>

## 2. AGLG'S ACCOUNTABILITY TO THE MINISTER AND THE LEGISLATIVE ASSEMBLY

	<p><b>Q:</b> <i>How is the AGLG accountable to the Minister and the Legislative Assembly?</i></p>
	<p><b>A:</b></p> <ul style="list-style-type: none"> <li>• Although the AGLG is functionally independent from core government, the office adheres to core administrative and financial policies.</li> <li>• The AGLG is overseen for meeting annual service plan commitments and for engaging with local governments by an OIC appointed Audit Council.</li> <li>• The AGLG has two key accountability documents which it must make available publicly each year and which accounts for its appropriations. The first is the Annual Service Plan with a 3 year rolling outlook which must be published by March 31 of a fiscal year under way at the latest. No audits can be undertaken until the service plan is delivered for that fiscal year.</li> <li>• The AGLG published two Annual Service Plans concurrently on March 28, 2013 – to ensure the legislated requirements were met for 2012/13 (even though the AGLG had only been appointed for 90 days) and for 2013/14 so that the AGLG could begin to conduct performance audits.</li> <li>• The second accountability document is the Annual Performance Report with audited financial statements (unaudited for the inaugural year as per legislation) and with an annual statement from the Audit Council on the AGLG's performance in meeting Annual Service Plan deliverables.</li> <li>• I am advised that the AGLG is planning to publish its first annual report for 2012-13 by September 2013.</li> </ul>

### 3. BUDGET – ALLOCATION PERCENTAGES

**Q:** *How was the Vote 52 budget allocated?*

**A:**

- The Vote 52 operating budget outlined in the Supplement to the Estimates for the fiscal year ending March 31, 2014 are:

(\$'000)	2012/13 Estimates	2013/14 Estimates	%
Salaries and Benefits	1180	880	34%
Boards - Fees & Expenses	35	35	1%
Travel	120	120	5%
Central Services Costs	390	390	15%
Contracts	350	650	25%
Information Systems Operating	225	225	9%
Office and Business Expense	300	300	12%
Amortization	0	0	0%
Building Occupancy	0	0	0%
Government Transfers	0	0	0%
Other	3	3	0%
<b>Subtotal before recoveries</b>	<b>2,603</b>	<b>2603</b>	<b>100%</b>
Internal Recoveries	-1	-1	0%
External Recoveries	-2	-2	0%
<b>Subtotal before recoveries</b>	<b>2,600</b>	<b>2600</b>	<b>100%</b>

\* (For FY 2013/14 approximately \$300,000 in capital funding has been provided by SSBC from its capital funding envelope to AGLG for leasehold improvements and the acquisition of auditing software. The capital dollars are being used to address information and physical security requirements that were identified through security threat risk assessments conducted by the Ministry of Justice and the Office of the Chief Information Officer.)

#### 4. BUDGET – MANDATE COVERAGE

**Q:** *Is the \$2.6 million operating budget sufficient to meet the mandate?*

**A:**

- We believe the budget is sufficiently resourced for the start-up stages of a new province-wide mandate (190 local governments).
- The mandate is limited to performance audits. Annual financial audits will remain a local government responsibility.
- Key considerations include:
  - ensuring the office is sufficiently resourced to conduct audits and thus protecting its operational independence;
  - maintaining the functional independence of the AGLG to plan, deliver operations and allocate resources;
  - scaling up the staffing over the first years of operations;
  - focusing resources on audits and not corporate services, e.g. HR, finance;
  - meeting the requirements to ensure the confidentiality provisions in the *Auditor General for Local Government Act* and the exemption from the *Freedom of Information and Protection of Privacy Act*;
  - meeting the legislative requirements to publish annual service plans and annual reports;
  - meeting the legislative requirements to prepare audited financial statements;
  - conducting performance audits of local governments and publishing reports with recommendations;
  - disseminating information to local governments on recommended practices;
  - respecting the reality of the current fiscal situation; and
  - supporting the Audit Council's governance role.

## 5. OPERATIONAL COST JUSTIFICATION

**Q:** *Can the operational costs be justified?*

**A:**

- The Office of the Auditor General salaries and benefits represents about 34% of the budget; leaving 66% for operational.
- There are a number of differences between the AGLG and Officers of the Legislature. Key differences are the:
  - office is in a start-up phase;
  - office is located in the lower mainland;
  - AGLG functionally reports through a separate Audit Council and not to the Minister or the Legislative Assembly although it is answerable to the Legislative Assembly;
  - the geographic mandate of the AGLG is over the 190 local governments province-wide;
  - to deliver credible results the audit teams must travel to local governments across the province and many in remote areas to conduct audits which include, field work, fact clearing, and seeking comments on proposed final reports and recommendations;
  - audit professionals have been contracted to support the audit program; and
  - the AGLG is committed to meeting professional standards in Canada for assurance engagements outside of historical financial statements, including during the start up years, as expressed in the AGLG's Annual Service Plan.

## 6. OPERATIONAL COST COMPARISON

	<b>Q:</b> <i>How does the budget compare to other Officers of the Legislature?</i>
	<b>A:</b> <ul style="list-style-type: none"><li>• The AGLG is not an Officer of the Legislature — it reports publicly but is overseen by an Audit Council for meeting audit commitments and engagement with stakeholders.</li><li>• While the overall operating budget is stable year over year, the AGLG salary and benefit portion of the budget was reduced in 2013/14 over 2012/13 as the AGLG is in a start up phase and needs to count on more professional services. The AGLG has indicated that the Office's medium to long term permanent staffing needs will become evident once the AGLG has conducted performance audits this fiscal year and into next.</li></ul>

## 7. OPERATIONAL COST COMPARISON – NUMBER OF AUDITS

	<b>Q:</b> <i>How many performance audits will be completed each year?</i>
	<b>A:</b> <ul style="list-style-type: none"><li>• In the AGLG's 2013/14 – 2015/16 Annual Service Plan it is stated that the Office will conduct 3 planned performance audits (audit topics) in 2013/14 and up to 5 (five) in each of the following 2 years involving a number of local governments and subject to appropriations.</li><li>• Under the legislation, the AGLG has the sole discretion to select the performance audits to be conducted in any given year and these are to be consistent with the audit themes in the AGLG's Annual Service Plan for that period.</li><li>• The three planned performance audits for 2013/14 and 2 (two) for 2014/15 were announced by the AGLG on May 29 and are consistent with both the 2012-2015 and 2013-2016 annual service plans published concurrently on March 28, 2013.</li><li>• 6 local governments are included in each of the first 3 performance audit topics being conducted. Each local government will receive its own performance audit report with recommendations, as noted by the AGLG, in her public information and a special consolidated report on key messages will be published on AGLG website concurrently.</li></ul>

## 8. AGLG PERFORMANCE AUDITS

Q: *What are the performance audits to be conducted by the AGLG?*

A:

- The planned performance audits announced by the AGLG for publishing by March 31, 2014 are:
  - Achieving Value for Money in Operational Procurement  
The initial local governments scoped for audit are:
    - Vernon, Delta, Revelstoke, Comox Valley Regional District, Fraser-Fort George Regional District and West Vancouver
  - Local Government Performance in Managing Policing Agreements and Police Budget Oversight  
The initial local governments scoped for audit are:
    - Port Alberni, Surrey, Merritt, Williams Lake, New Westminster and Victoria
  - Learnings from Local Government Capital Procurement Projects and Asset Management Programs  
The initial local governments scoped for audit are:
    - Cranbrook, Rossland, Dawson Creek, Campbell River, Sechelt and District of North Vancouver.
  - Local Government's Role in Ensuring Clean Drinking Water  
The initial local governments to be included in the scope are still to be determined to be disclosed in the fall.
  - Managing the Inherent Risks of Limited Human Resources within Small Local Governments.  
The initial local governments to be included in the scope are still to be determined to be disclosed in the fall.
- The AGLG has said her office will issue 18 performance audit reports this year plus 3 other reports which will be consolidated reports based on the three planned performance audits.



## 9. SELECTION OF AUDIT TOPICS AND LOCAL GOVERNMENTS

Q: *How were the audit topics and local governments chosen?*

A:

- As the AGLG's Annual Service Plans notes, the audit planning process began with face to face consultations and a workshop with representatives of UBCM, Government Finance Officers Association, Local Government Management Association, experts in performance audits at the local, provincial and federal level, and staff from the Ministry of Community, Sport and Cultural Development.
- An audit planning workshop was held in February 2013 with 20 senior staff from a representative sample of local governments who were asked to rank potential audit themes according to relevance, significance and risk. The workshop results were used to devise a survey which was sent to all local governments with a 60% response rate. In addition, a further 25 elected officials, stakeholders from the business sector and other local government staff were interviewed.
- The audit planning also involved a comprehensive media scan of local government issues, a review of correspondence received by the Office, a review of relevant legislation and consideration of requests for audits made by local governments.
- These inputs and reviews were used to generate the audit themes published in the 2013/14-2015/16 service plan.
- Since January, the AGLG has also spoken at over 12 local government events and meetings including UBCM area association annual conventions and executive meetings, the Regional District Chairs and CAOs forum, the BC Mayors' Caucus, and the Local Government Management Association CAO's forum. Questions and comments made by participants at these events have also informed the audit planning process.
- The AGLG advises that the audits were selected based on further assessment, review and expert advice.
- Under the *Auditor General for Local Government Act*, the AGLG has the sole discretion to select audits.

## 10. AGLG OFFICE LEASE (STOB 59)

	<b>Q:</b> <i>What are the annual lease costs for the AGLG Surrey Office?</i>
	<b>A:</b> <ul style="list-style-type: none"><li>• The annual least cost is \$204,700 which includes repayment to the landlord for a tenant improvement allowance. The tenant improvement allowance was used to pay for the initial retrofit of the office in preparation for occupancy by the AGLG and staff.</li><li>• The office is located in space formerly occupied by the Ministry of Environment. The Ministry of Environment reduced its office square footage by about half in 2012. SSBC negotiated a lease on behalf of the AGLG for this office space. The 5 year lease began July 1, 2012. The AGLG office is currently being retrofitted to meet physical and information security requirements (further details in Note #12).</li></ul>

## 11. 2012/13 YTD COSTS

	<p><b>Q:</b> <i>How much was spent in 2012/13 on the AGLG?</i></p>
	<p><b>A:</b></p> <ul style="list-style-type: none"> <li>• The AGLG began her 5 year term on January 15, 2013 so expenditures prior to that date were focused on creating the office. Although the 2012/13 public accounts are not yet complete, the estimated year to date cost for setting up the Office of the Auditor General for the first 2 and a half months of operation were \$940,000 in operating, and \$68,000 in capital. This included:             <ul style="list-style-type: none"> <li>• The Audit Council's activities in recruiting, interviewing, and in recommending a qualified individual to be appointed as the AGLG;</li> <li>• Developing the AGLG website;</li> <li>• Preparing the Surrey office for occupancy including purchasing furniture, desktop and laptop computers and related items;</li> <li>• From January 15, 2013 to year end – the first period of operation, costs were focused on:                 <ul style="list-style-type: none"> <li>• preparing and publishing two annual service plans, as required by the <i>Auditor General Local Government Act</i>. This included contracts for assistance with writing and editing the annual service plan;</li> <li>• audit planning which included contracts with auditing firms for assistance in the preparing the AGLG's audit plan and development of the potential audit themes; and</li> <li>• stakeholders consultations with local government and other stakeholders, and recruiting and hiring staff.</li> </ul> </li> </ul> </li> </ul>

## 12. AGLG OFFICE LEASEHOLD IMPROVEMENTS

**Q:** *Did the AGLG have leasehold improvements and what was the cost?*

**A:**

- The office was renovated during summer and fall 2012 to meet the basic requirements in preparation for occupancy by the AGLG and staff. The leasehold improvements cost was \$197,000 which was paid by the landlord. This tenant improvement allowance paid by the landlord has been incorporated into the AGLG building occupancy charges to be repaid over the term of the lease.
- The AGLG office will undergo additional leasehold improvements during July 2013. These improvements are necessary to ensure the physical and information security requirement of the office are met.
- The Office of the Chief Information Officer and the Ministry of Justice, Corporate Security Office conducted security threat risk assessments of the AGLG's physical and information security risks. Both agencies made recommendations for improvement which are being addressed through the leasehold improvements.
- The leasehold improvements are estimated to cost \$265,500.00 the capital funding is being provided by Shared Services BC from its capital funding envelope. AGLG is responsible for the amortization payment which will be made over a 36 month period (this is close to \$90K per year in operating).
- The amortization figures are included in the AGLG budget estimates above.

### 13. AGLG'S INDEPENDENCE

	<p><b>Q:</b> <i>How is the AGLG's independence ensured?</i></p>
	<p><b>A:</b></p> <ul style="list-style-type: none"><li>• The AGLG has the sole discretion to select the audits, subject to the annual service plan which she prepares and publishes independently.</li><li>• The AGLG reports and recommendations are issued by the AGLG without Ministerial or other approvals.</li><li>• The AGLG has professional independence and standards, as a qualified auditor.</li><li>• The AGLG is appointed by Lieutenant Governor-in-Council, not by the minister or government.</li><li>• AGLG reports to a neutral advisory Audit Council (non political or government individuals) on matters respecting AGLG performance in relation to annual service plan commitments and engagement with local governments.</li><li>• The AGLG has a separate voted appropriation to fund the office.</li><li>• Limited ability by government to suspend or remove the AGLG.</li><li>• Personal liability protection in the <i>Auditor General for Local Government Act</i>.</li></ul>

## 14. CSCD RELATIONSHIP TO AGLG AND AUDIT COUNCIL

**Q:** *What role does the Ministry play in relation to the AGLG and Audit Council?*

**A:**

- During the transition, the Ministry (CSCD) and Shared Services BC have both assisted the AGLG in providing support services – financial, accommodation, IM/IT and HR.
- The intent of the AGLG is to enter into a service level agreement with a provincial government ministry in order to receive the services needed to support operations and meet their statutory obligations, e.g., to produce audited financial statements and the responsibilities in support of the AGLG.
- The service level agreement is to ensure that the AGLG receives level of service so that operations are supported. It is also important that the parties agree to operationalizing the spirit of independence as is explicit in the *Auditor General for Local Government Act*. The AGLG's operational independence would not be affected by a service level agreement.
- The Audit Council currently receives secretariat support from Ministry staff as a start-up strategy. The Ministry's intent is to ensure that the Audit Council is fully supported and that they operate at arm's length from government as the legislation intends.

## 15. AUDIT COUNCIL SELECTION PROGRESS (STOB 55)

**Q:** *How were the audit council members selected?*

**A:**

- Audit council members were selected through a transparent and merit-based process.
- The Audit Council vacancies were posted on the Board Resourcing and Development Office website allowing all interested citizens to apply.
- In addition, my Ministry consulted with the UBCM and organizations representing business, taxpayers and local government professionals to make them aware of the call for members, in accordance with the requirements of the *Auditor General for Local Government Act*.
- Applicants who met or exceeded the appointment criteria set out in the *Auditor General for Local Government Act* were then interviewed by a panel.
- Based on the interviews and background checks, the panel made recommendations to the former minister who then recommended their appointments to her cabinet colleagues.
- There is no separate staff unit in the AGLG to support the Audit Council.

## 16. AUDIT COUNCIL OIC APPOINTMENT TERMS (STOB 55)

	<p><b>Q:</b> <i>How long are the Audit Council appointments for?</i></p>
	<p><b>A:</b></p> <ul style="list-style-type: none"><li>• The Chair has been appointed until March 31, 2015.<ul style="list-style-type: none"><li>• Tony Ariganello FCGA, is the President and Chief Executive Officer for the Certified General Accountants Association of Canada;</li><li>• previously, he was the President of Avon Canada Inc.;</li><li>• is a Director for the BC Paraplegic Association; and</li><li>• holds his Bachelor of Commerce in Accounting from McGill University.</li></ul></li><li>• Two members have been appointed for a term ending March 31, 2014.<ul style="list-style-type: none"><li>• J. Rick Heney is a Partner and Lawyer with Fulton and Company LLP. He is a Director with the Kamloops Chamber of Commerce.</li><li>• Donalda MacDonald is the Vice President of Finance and Controller with Westminster Savings Credit Union.</li></ul></li><li>• Two members have been appointed for a term ending March 31, 2015.<ul style="list-style-type: none"><li>• Lisa Payne CGA is currently the Chief Operating Officer and Vice President Finance for Colligo Networks.</li><li>• Tim Wood retired as the Chief Administrative Officer for the District of Saanich in May 2012.</li></ul></li></ul>



## 17. AUDIT COUNCIL (STOB 55)

**Q:** *What were the Audit Council expenses last year?*

**A:**

- For 2012/13, the Audit Council spent \$21,700.
- The amount of the remuneration or the per diem for the chair is \$350 per meeting and for the members is \$250.
- The per diem rates are in accordance with the maximum (Level 2) remuneration allowable under Treasury Board Directive 3/11 for advisory boards.
- When four members and the chair attend a meeting, the cost is \$1,350 plus expenses.
- Under the legislation, the Audit Council must meet at least 3 times a year so that they can ensure that the role they're playing with assisting the auditor general for local government can be done effectively.
- The legislation makes it possible for the audit council to conduct meetings electronically. This means that they may not have to meet in a certain place —saving time and travel costs.
- The expectation is that once the audit council and the auditor general are appointed, the number of meetings needed face-to-face may be reduced.

<b>Name</b>	<b>Meeting Per Diem</b>	<b>Travel</b>	<b>Total</b>
Anthony Ariganello	\$3,150.00	\$1,781.50	\$4,931.50
Rick Heney	\$1,250.00	\$5,717.02	\$6,967.02
Donnie MacDonald	\$2,750.00	\$1,471.95	\$4,221.95
Lisa Payne	\$2,000.00	\$633.73	\$2,633.73
Tim Wood	\$625.00	\$2,339.01	\$2,964.01
<b>Total</b>	<b>\$9,775.00</b>	<b>\$11,943.21</b>	<b>\$21,718.21</b>

## 18. AUDIT COUNCIL DECISION MAKING AUTHORITY (STOB 55)

	<p><b>Q:</b> <i>If the audit council does not have any decision-making authority, what is its value and why is it needed?</i></p>
	<p><b>A:</b></p> <ul style="list-style-type: none"><li>• The Audit Council under the statute is primarily responsible for reviewing and monitoring the performance of the AGLG in terms of her delivery against the commitments in the Annual Service Plan and for engaging with local governments. The Audit Council's assessments of the AGLG's legislated responsibilities will be included in the AGLG's Annual Report.</li><li>• The AGLG has the sole discretion to choose which audits to conduct. The Audit Council serves as a valuable asset and sounding board to the AGLG.</li><li>• The Audit Council reviews performance audit reports, annual service plans and annual reports issued by the AGLG.</li></ul>

## 19. AUDIT COUNCIL (STOB 55)

	<b>Q:</b> <i>What will the Audit Council secretariat cost?</i>
	<b>A:</b> <ul style="list-style-type: none"><li>• There is no separate staff unit to support the Audit Council.</li><li>• The Ministry staff resources which may be provided to the audit council will be primarily administrative or logistical e.g. scheduling, distributing meeting packages, to allow the Chair and council to carry on its responsibilities.</li><li>• The cost of that administrative staff support for the Audit Council comes from the CSCD budget, and it is entirely absorbed within the Ministry.</li><li>• We are not adding additional costs to the CSCD budget in order to assist with the administrative duties of the appointed Audit Council.</li><li>• Only the Audit Council meeting fees, travel costs and out-of-pocket expenses will be part of Vote 52.</li><li>• There will not be additional costs to the \$2.6 million that has been budgeted for the AGLG salaries and operations.</li><li>• The Audit Council Members fees and expenses allocated under STOB 55 are \$0.035 million.</li></ul>

## 20. COMPLAINTS BY CITIZENS TO AGLG

**Q:** *Can citizens file complaints with the AGLG about their local governments?*

**A:**

- The AGLG is not a complaints office like the BC Ombudsperson which has the mandate to receive complaints about local governments.
- The AGLG has the sole discretion to choose which audits to conduct.
- The AGLG has stated in her annual service plan that information from a range of sources – local governments, citizens, stakeholders, environmental scan, relevant legislation – is relied on in developing the audit themes for the next 3 years which serve as the basis for the audit topics and audits to be performed on a rolling 3-year basis.
- One of the AGLG's audit themes is emerging issues. The AGLG has said that it is important that her office maintain flexibility to report to issues that emerge in the complex and ever changing world at local government. By including this theme in the annual service plan, the AGLG has the flexibility in the event circumstances and issues change significantly over the short term.
- The AGLG has also said the audit topics and the selection of the local governments involved in the current planned performance audits were developed following the best efforts for a comprehensive performance audit planning process that began in February. This process included significant consultations with local governments and other stakeholders on issues most relevant to them, or at risk to them or meaningful to citizens including potential recommended practices in their efforts to deliver value for the tax dollar they spend.
- The AGLG website includes a webmail function so citizens can contact the AGLG directly. Citizens from communities across the province may wish write to share their ideas for future audits.

## 21. PROVINCE OF QUEBEC – MUNICIPAL POLITICIANS

### CORRUPTION ARRESTS

	<p><b>Q:</b> <i>Is the AGLG intended to investigate corruption of local government officials as in Quebec?</i></p>
	<p><b>A:</b></p> <ul style="list-style-type: none"> <li>• Since early 2011, Quebec's special anti corruption police unit has made 101 arrests including 5 mayors – Michael Applebaum (Montreal), Michael Elliot (Hudson), Gilles Vaillancourt (Laval), Richard Marcotte (Masouche) and Michel Lavoie (St.Remi)</li> <li>• British Columbia has not experienced any of these issues that we are aware of.</li> <li>• In British Columbia, local elected officials, as elsewhere in the country, are expected to serve their communities with integrity and dedication to the public interest.</li> <li>• British Columbia's local government system has several checks balances such as the requirement for annual audited financial statements by external auditors that help to ensure integrity and public confidence. This is an important first step. Another great step is the set-up of an Auditor General for all local governments to look at stewardship of assets and operational performance.</li> <li>• Should the AGLG identify any concerns or irregularities during an audit, those issues will be dealt with under the Act.</li> </ul>

## 22. FTE - TOTAL (STOB 50-52)

**Q:** *How many staff members does the AGLG have?*

**A:**

- The AGLG began her 5 year term on January 15, 2013, with a potential renewal for another 5 years subject to a recommendation by the Audit Council and approval by the Lieutenant Governor-in-Council.
- Staff were hired after that date. The Ministry had one staff person leading the project to create the office prior to the AGLG's appointment. His salary was paid out of the AGLG budget.
- Since January 15, the AGLG has hired six employees – a Deputy Auditor General, a Senior Audit Manager, a Senior Auditor, a Project Manager, a Communications Manager, and an Executive Assistant. The office also has a receptionist arranged through a temporary assistance agency.
- For 2012/13, the total salaries and benefits expended was \$232,000 which was primarily after January 15, 2013.
- The AGLG has contracted with two auditing firms – KPMG and Grant Thornton – to provide auditing assistance with the three planned performance audits being conducted this fiscal year.
- KPMG and Grant Thornton were two of the five firms, and one individual qualified through a Request for Qualified Suppliers, issued by the Ministry of Community, Sport and Cultural Development in April 2012.
- KPMG and Grant Thornton were selected through a competitive price based bid process – an invitation to quote – which was managed entirely by Shared Services BC for the AGLG.
- KPMG and Grant Thornton submitted the lowest bids so they were awarded the contracts for the audits.
- In addition, the AGLG has some advisors on contract to provide advice on individual audits and methodology to comply with auditing standards for other assurance engagements.

## 23. FTE - CLASSIFICATIONS (STOB 50-52)

Q: *What are the classifications for the AGLG position?*

A:

<u>Position</u>	<u>Classification*</u>
AGLG	Associate Deputy Minister
Deputy AGLG	Strategic Leadership
Senior Audit Manager	Business Leadership
Project Manager	Business Leadership
Senior Auditor	Applied Leadership
Communications Manager	Applied Leadership
Executive Administrative Assistant	EAA (E14)
	*All AGLG staff are excluded from union membership as per the <i>Public Service Act</i> under the provisions of the <i>Public Service Labour Relations Act</i> (s.1(1) (hh))

- The AGLG has also contracted with auditing firms to provide assistance with the AGLG's planned performance audits this fiscal year.

## 24. FTE - STAFFING DIVERSITY

**Q:** *What actions are being taken to ensure the AGLG has diversity of underrepresented groups?*

**A:**

- The Auditor General for Local Government hiring is based on merit.
- She has assembled the most qualified team available, adhering to core BC public service policies and yet with a diversity of:
  - extensive local and provincial government experience;
  - audit qualifications, e.g., CIA, CGA; and
  - value for money/ performance audit experience.
- Building an audit team with diverse experience or points of view enables the development of innovative recommendations.
- The issue of diversity on teams is not a challenge unique to the Auditor General for the Local Government or the public sector.
- The AGLG staff is 30% visible minorities and 70% female.
- Despite early successes in recruiting the right talent, as indicated in the AGLG's latest Annual Service Plan, maturing the Office will take a few years. The AGLG is committed to making significant advances each year.



## 25. EXECUTIVE SEARCH FOR AGLG

	<p><b>Q:</b> <i>How much was spent to conduct the executive search to find Auditor General for Local Government?</i></p>
	<p><b>A:</b></p> <ul style="list-style-type: none"><li>• In April 2012 the Public Service Agency engaged Odgers Berndtson an executive search firm to:<ul style="list-style-type: none"><li>• serve as a resource to the Audit Council in the identification and evaluation of the qualified candidates; and</li><li>• provide the Audit Council with the confidence that a national search had been completed. Odgers Berndtson conducted a thorough executive search beginning in May 2012 which lead to the Audit Council interviewing several candidates through the summer and fall of 2012.</li></ul></li><li>• The Audit Council has the statutory responsibility to recommend to the Minister a qualified individual to be appointed by the AGLG.</li><li>• Odgers Berndtson was paid \$56,033 for their services.</li></ul>

## 26. SALARIES & BENEFITS (STOB 50-52)

**Q:** *What is included in the Salary and Benefits budget of \$0.880M?*

**A:**

- The AGLG has the discretion to determine how best to allocate her budget in order to deliver on the AGLG's mandate.
- The Ministry has no role in the AGLG's budget preparation other than to provide the AGLG with financial information.
- The salary and benefits budget will cover the staffing costs for the Office of the Auditor General for Local Government.
- This cost represents about 34% of the overall budget.
- In 2013/14 these costs are projected to be less than \$100,000/per month [ $\$0.880\text{M} / 12 \text{ months} = \$73\text{K}$ ].
- It is the AGLG's responsibility to operate within the \$2.6M voted appropriation for operating and capital funding of \$300,000; which is from the SSBC capital funding envelope.
- The actual salary costs will depend on a number of factors and will be known once the AGLG has confirmed :
  - staffing;
  - classifications;
  - qualifications of new hires; and
  - recruitment.
- Salary and benefit budget was reduced in 2013/14 over 2012/13 as the AGLG is in a start up phase to provide more in professional services. The medium to long term permanent staffing needs will become evident once the AGLG has conducted performance audits this fiscal year and into next.

## 27. AUDITOR GENERAL SALARY (STOB 50)

	<b>Q:</b> <i>What is the new auditor general for local government salary?</i>
	<b>A:</b> <ul style="list-style-type: none"><li>• The auditor general for local government has a narrower mandate than the provincial Auditor General. Her office conducts performance (value for money) audits only but for a much expanded scope in terms of auditees than the provincial auditor but she does not conduct financial audits of financial statements of local governments.</li><li>• The AGLG's salary is \$200,000 per year.</li><li>• Her salary is stated in her OIC (#723) which was approved and ordered on November 7, 2012.</li></ul>

## 28. PUBLIC SERVANT TRAVEL COSTS (STOB 57)

Q: *What is included the STOB 57 budget of \$120K?*

A:

- The STOB 57 Public Servant Travel budget is \$120,000.
- This cost represents about 5% of the overall budget.
- This is to cover the provincial-wide mandate of the 190 municipalities and regional districts, corporations and other bodies of municipalities and regional districts they control and the greater boards (e.g., the Greater Vancouver Water District).
- This equates to approximately \$2,300 per week.
- The AGLG has announced she is conducting planned performance audits that will include 18 local governments for three audit topics, and a further scope for an additional two audit topics will be identified in the fall.
- The STOB 57 budget will cover these travel costs related to conducting the performance audits, as well as consultations with local government including presentations to UBCM area associations.

## 29. CENTRAL SERVICE COSTS (STOB 59)

**Q:** *What is included in the STOB 59 budget of \$390K?*

**A:**

- The STOB 59 Centralized Management Support Services budget is \$390,000 (15%).
- The area of the appropriation includes a range of central agency charges for services including:
  - building lease charges through Shared Services BC; and
  - Corporate Accounting System charges.
- To limit administrative overhead, the finance, human resources, IM/IT and facility support the intent is that the AGLG will receive these “back office” supports under a Service Level Agreement with the Ministry of Community, Sport and Cultural Development.
- The budget also includes a notional allocation to cover the anticipated costs of the initial Service Level Agreement in the amount of \$80,000.

### 30. SERVICE LEVEL AGREEMENT

	<b>Q:</b> <i>Who provides the corporate services for the AGLG?</i>
	<b>A:</b> <ul style="list-style-type: none"><li>• The AGLG intends to enter into a service level agreement – in the near term with CSCD – for corporate services.</li><li>• This will allow the AGLG to focus resources on audits and not corporate services (e.g. financial services, HR, IM/IT support).</li><li>• A Service Level Agreement is in the process of being being completed. Initial estimates suggest that the amount would be equivalent to one FTE across several disciplines or about \$80,000 per year. Some of the tasks covered under a agreement will include at a minimum:<ul style="list-style-type: none"><li>• expert advice and support on budget development, forecasting and reporting and meeting audit level assurance for AGLG financial statements;</li><li>• capital budgeting and financial analysis;</li><li>• serving as primary contact with Treasury Board;</li><li>• assistance on CORE policies, practices and procedures;</li><li>• risk management plans;</li><li>• business continuity planning process;</li><li>• financial operations (AP, payroll, HR etc); and</li><li>• IM/IT support.</li></ul></li></ul>

### 31. CONTRACTING (STOB 60)

**Q:** *What is included in the STOB 60 contracting budget of \$650K?*

**A:**

- The contract budget provides for fees and expenses for professional services in assistance with performance audits.
- The AGLG has contracted with auditing firms and other professionals to:
  - assisting in preparing an audit manual;
  - developing an assurance framework in relation to local governments;
  - advice on auditing standards and audit quality assurance;
  - writing and editing content for the AGLG website; and
  - assistance in conducting performance audits of local governments.
- The AGLG established a List of Qualified Suppliers through a Request for Qualifications (RFQ) who, the Auditor General for Local Government, can use on an “as, if, and when requested” basis if desired.
- Ultimately the level and use of contract resources, is an operational decision of the Auditor General for Local Government.

## 32. CONTRACTING YTD (STOB 60)

	Q: <i>What STOB 60 contracts were issued in 2012/13 YTD?</i>
	A: <ul style="list-style-type: none"><li>• In 2012/13, the AGLG expended \$227,000 in operational contracts</li><li>• (See Tab A for complete details on all AGLG contracts)</li></ul>



### 33. CONTRACTING THRESHOLDS (STOB 60)

Q: *What policy does AGLG follow to direct award contracts?*

A:

- The Office of the AGLG operates in accordance with the Provincial Government's Core Policy.

[excerpt from core policy]:

a. Direct Awards (6.3.3.)

1. Contracts for acquisitions (of goods, services, and construction) and disposals may be negotiated and directly awarded without competitive process where one of the following exceptional conditions applies:

- the contract is with another government organization;
- the Ministry can strictly prove that only one contractor is qualified, or is available, to provide the goods, services or construction or is capable of engaging in a disposal opportunity;
- an unforeseeable emergency exists and the goods, services or construction could not be obtained in time by means of a competitive process;
- a competitive process would interfere with a Ministry's ability to maintain security or order or to protect human, animal or plant life or health; or
- the acquisition is of a confidential or privileged nature and disclosure through an open bidding process could reasonably be expected to compromise government confidentiality, cause economic disruption or be contrary to the public interest....."
- there may be instances when the AGLG will need to direct award contracts, especially if a competitive process would potentially compromise the legislative confidentiality requirement of performance audits, or the AGLG's objectivity and impartiality.

### 34. INFORMATION SYSTEMS OPERATING (STOB 63)

	<b>Q:</b> <i>What is included the STOB 63 budget of \$225K?</i>
	<b>A:</b> <ul style="list-style-type: none"><li>• The STOB 63 is \$225,000 (9%).</li><li>• This includes fees and costs related to voice and IM/IT processing charges.</li><li>• Since AGLG positions will be spent on audit and consultations throughout the province many staff require mobile computing and smart phones.</li><li>• The AGLG intends to acquire auditing software that meets the Office's operational and information security requirements. The software will protect the confidentiality of audit working papers and support audit budgeting.</li></ul>

### 35. OFFICE AND BUSINESS EXPENSE (STOB 65)

	<b>Q:</b> <i>What is included the STOB 65 budget of \$300K?</i>
	<b>A:</b> <ul style="list-style-type: none"><li>• The STOB 63 is \$300,000 (12%).</li><li>• This includes supplies and services required for the operation of offices.</li><li>• This may be for a range of expenses including:<ul style="list-style-type: none"><li>• office supplies;</li><li>• courier costs;</li><li>• training and course fees to assist employees to maintain professional designations; and</li><li>• minor purchase of office equipment.</li></ul></li></ul>

### 36. ADVERTISING (STOB 67)

	<b>Q:</b> <i>What is the STOB 67 advertising budget for the AGLG and how was the cost of the ad to recruit the auditor general?</i>
	<b>A:</b> <ul style="list-style-type: none"><li>• The Office of the Auditor General for Local Government does not have an appropriation for informational advertising and publications under STOB 67.</li><li>• For the recruitment of the Auditor General for Local Government position, the Public Service Agency contracted with Odgers Berndtson, a national executive recruitment firm. Odgers Berndtson conducted a marketing campaign as part of their contract with the PSA. Odgers Berndtson was paid \$56,000 for their services in assisting the Audit Council in recruiting, interviewing and recommending for appointment an Auditor General for Local Government.</li></ul>

### 37. COST RECOVERY (STOB 89/90)

**Q:** *The Vote Description states that “Costs may be recovered from Ministries, Crown Agencies, other levels of government, organizations, and individuals external to government ....”. What costs will the AGLG be recovering from local governments?*

**A:**

- The AGLG is provincially funded. It is not the intent to recover costs from local government — it is to look for better ways of delivering services and recognize where local government are doing a great job and opportunities for improvement.
- If money is saved from the performance audit recommendations in his or her reports, local citizens and business will reap the benefits.
- The role of the Auditor General should not result in any direct costs to local governments.
- The Act provides that in addition to the general business of the AGLG set out in the AGLG’s annual service plan, the AGLG may, **if permitted by regulation**, enter into an agreement with an interested local government to conduct a performance audit of agreed-to operations of that local government.
- A regulation would be required to provide that authority, and that regulation would be cover things such as when the AGLG could enter into such agreements and what fees the local government would be expected to pay under such an agreement.
- The vote description is enabling, intended to provide the flexibility needed by the Auditor General for Local Government in the future to broaden its mandate, but cost recovery will only contemplated subject to:
  - Treasury Board has reviewed the rates and
  - an Order in Council is passed.

### 38. AGLG PERFORMANCE AUDIT OF THE CITY OF ROSSLAND

	<b>Q:</b> <i>Why is the AGLG auditing the City of Rossland?</i>
	<b>A:</b> <ul style="list-style-type: none"><li>• I am aware that the Rossland city council passed a resolution in January of this year asking the AGLG to conduct an audit in relation to issues arising from an arena improvement project.</li><li>• I understand the AGLG responded in writing to the council's request.</li><li>• The AGLG has included Rossland as one of six local governments included in the scope of a planned performance audit on Learning's from Local Government Capital Procurement Projects and Asset Management Programs.</li><li>• The AGLG has sole discretion to select which local governments to audit.</li><li>• Any questions regarding the audit should be directed to the AGLG.</li></ul>

### 39. AGLG PERFORMANCE AUDIT OF THE DISTRICT OF SEHELDT

	<b>Q:</b> <i>Why is the AGLG auditing the District of Sechelt?</i>
	<b>A:</b> <ul style="list-style-type: none"><li>• I am aware that some citizens have expressed concerns regarding a wastewater treatment facility planned for construction in the District of Sechelt.</li><li>• The AGLG has included Sechelt as one of six local governments included in the scope of a planned performance audit on learning's from Local Government Capital Procurement Projects and Asset Management Programs</li><li>• The AGLG has sole discretion to select which local governments to audit.</li><li>• Any questions regard the audit should be directed to the AGLG.</li></ul>

## 40. TAB A – CONTRACT INFORMATION

ARCS#	Contract #	Supplier Name	Services	Term	Amount Value	Amount Billed/ Paid	Details
1070-20/KPMG	AGLG-2012-01	KPMG LLP	Development of Audit Plan work	January 18, 2013 – April 30, 2013	\$24,999.00	\$24,999.00	Selected Vendor from Qualified Suppliers List  RFQ12-AGLG-01-01
1070-20/APO	C13-AGLG-001	Apollo Communications LTD.	Communications materials  Communication plan  Media strategy	April 19, 2012 – July 1, 2012	\$24,000.00 original  \$31,500.00 Amended	\$28,207.76	Direct Award (based on recommendations from GCPE).  (Ref: Core Policy 6.3.3.1 Direct Award)
n/a	AGLG-2012-02	Number was not used in FY 2012/13					
1070-20/MIN	AGLG-2012-03	Shahid Minto	Professional advice on the establishment of the Office of the Auditor General for Local Government	February 1, 2013 – May 31, 2013	\$15,000.00	\$11,970.45	Direct Award. Mr. Minto is a former assistant auditor general with the federal auditor general's office, the former procurement ombudsman for the federal government, a lawyer and a CA. His specialized experience and qualifications are ideally suited for this role. (Ref: Core Policy 6.3.3.1 Direct Award)



1070-20/BAR	AGLG-2012-04	Barrados Consulting, Inc.	Professional advice on the establishment of the Office of the Auditor General for Local Government	February 1, 2013 – May 31, 2013	\$12,000.00	\$10,768.28	<p><i>Direct award. Ms. Barados is a former assistant auditor general with the federal auditor general's office and the former president of the federal public service commission. Her specialized experience and qualifications are ideally suited for this role.</i></p> <p><i>(Ref: Core Policy 6.3.3.1 Direct Award)</i></p>
1070-20/MNP	AGLG-2012-05	MNP LLP	Development of business and operation processes.	January 15, 2013 – March 31, 2013	\$24,999.00	\$24,999.00	<p><i>Selected Vendor from Qualified suppliers List</i></p> <p><i>RFQ12-AGLG-01</i></p>
1070-20/FLA	AGLG-2012-06	Richard Flageole	Provide on-going professional consulting advice to the Office regarding the planning, execution, communication, and reporting on performance audits under the AGLG Act.	February 1, 2013 – May 31, 2013	\$15,000.00	\$3,986.96	<p><i>Direct Award. Mr. Flageole is the past chair of the Auditing and Assurance Standards Board of the Canadian Institute of Chartered Accountants.</i></p> <p><i>(Ref: Core Policy 6.3.3.1 Direct Award)</i></p>

1070-20/MNP	AGLG-2012-07	MNP LLP	Prepare an annotated TOC that presents on a side-by-side basis the main sections and related messaging for two service plans.	February 22, 2013- April 19, 2013	\$24,900.00	\$19,800.00	Selected Vendor from Qualified Suppliers List  RFQ12-AGLG-01
1070-20/APO	AGLG-2012-08						

**Apollo Communications LTD.**

	The AGLG requires the services of writing and editing of the AGLG's annual service plans for 2012-15 and 2013-16 to be published by March 28, 2013	March 9, 2013- April 30, 2013	\$24,000.00	\$6,430.20	Direct Award based on receiving price bids from three suppliers all of whom had the skills and expertise to perform the work. The contract was awarded to the supplier who had the lowest price bid.  (Ref: Core Policy 6.3.3.1 Direct Award)		
1070-20/PWC	AGLG-2013-01	PricewaterhouseCoopers LLP	Auditing Assurance Framework	April 26, 2013 – June 30, 2013	\$24,900.00	\$0	Selected Vendor from Qualified Suppliers List  RFQ12-AGLG-01  (Ref: Core Policy 6.3.1 Procurement Planning; 6.3.2 Pre-Award and Solicitation; 6.3.3 Contract Award)
1070-20/PWC	AGLG-2013-02	PricewaterhouseCoopers LLP	Audit Methodology – Performance Audit Manual	April 26, 2013 – June 30, 2013	\$24,900.00	\$0	Selected Vendor from Qualified Suppliers List  RFQ12-AGLG-01

							<i>(Ref: Core Policy 6.3.1 Procurement Planning; 6.3.2 Pre-Award and Solicitation; 6.3.3 Contract Award)</i>
1070-20/BDO	AGLG-2013-03	BDO Canada LLP	Independent Financial Reporting, Policy & Procedures	April 22, 2013 – June 30, 2013	\$24,900.00	\$16,541.82	Selected Vendor from Qualified Suppliers List  RFQ12-AGLG-01
1070-20/GRA	AGLG-2013-04	Grant Thornton LLP	Planning, conducting and reporting one performance audit project.	May 21, 2013 – February 15, 2014	\$180,000.00	\$0	Competitive Process RFQ12-AGLG-01 ITQ432013  <i>(Ref: Core Policy 6.3.1 Procurement Planning; 6.3.2 Pre-Award and Solicitation; 6.3.3 Contract Award)</i>
1070-20/KPMG	AGLG-2013/14-05	KPMG LLP	Planning, conducting and reporting two performance audit projects.	May 21, 2013- March 31, 2014	\$425,000.00	\$0	Competitive Process RFQ12-AGLG-01 ITQ432013  <i>(Ref: Core Policy 6.3.1 Procurement Planning; 6.3.2 Pre-Award and Solicitation; 6.3.3 Contract Award)</i>
1070-20/APO	C14AGLG06	Apollo Communications LTD.	Communication activities, products, plans (successful bidder of ITQ #452013)	May 13, 2013 – May 12, 2014	\$65,000.00	\$4,200	Competitive Process ITQ4252013  <i>(Ref: Core Policy 6.3.1 Procurement Planning; 6.3.2 Pre-Award and Solicitation; 6.3.3 Contract Award)</i>
1070-20/CRA	C14AGLG07	James R. Craven & Associates LTD.	Professional advice on performance	June 5, 2013- March	\$20,000.00	\$0	Direct Award. Mr. Craven is the former

			<i>audit reports on behalf of the Office of the Auditor General for Local Government.</i>	<i>31, 2014</i>			<i>CEO of the Municipal Finance Authority and has vast experience working with local governments. It is also critical that members of the audit advisory committees have no direct or indirect affiliation with any local government.</i>  <i>(Ref: Core Policy 6.3.3.1 Direct Award)</i>
<i>1070-20/BEG</i>	<i>C14AGLG08</i>	<i>Kevin Begg</i>	<i>Professional advice on performance audit reports on behalf of the Office of the Auditor General for Local Government. Member of the Advisory Committee – Project 2</i>	<i>June 17, 2013 – March 31, 2014</i>	<i>\$15,000.00</i>	<i>\$0</i>	<i>Direct Award. Mr. Begg is the former Assistant Deputy Minister of the Policing and Community Safety Branch, Ministry of Justice. He is an expert on all areas of policing including governance and the RCMP contract.</i>  <i>(Ref: Core Policy 6.3.3.1 Direct Award)</i>
<i>1070-20/HAB</i>	<i>C14AGLG09</i>	<i>Allison Habkirk</i>	<i>Delivery of local government workshop to the AGLG audit teams</i>	<i>June 25, 2013 – December 31, 2013</i>	<i>\$7,000.00</i>	<i>\$0</i>	<i>Direct Award</i>  <i>(Ref: Core Policy 6.3.3.1 Direct Award)</i>

## ADVICE TO MINISTER

**CONFIDENTIAL**  
**ESTIMATES NOTE**

Ministry of Community, Sport and Cultural  
Development

Updated: June 10, 2013

Minister Responsible: Coralee Oakes

# Contribution Limits in Local Government Elections

### ADVICE AND RECOMMENDED RESPONSE:

*If asked about why the task force chose not to impose contribution limits or ban union or corporate contributions:*

- **After considering many submissions from the public, local governments, academics and others, the Local Government Elections Task Force made a number of recommendations for improvements to local election rules that would apply in all B.C. communities including:**
  - **requiring earlier disclosure of campaign finance disclosure statements;**
  - **banning of anonymous contributions; and**
  - **implementing expense limits to create a level playing field for all candidates and to reduce the incentive for large contributions and expensive campaigns.**
- **The local government elections task force chose not to recommend contribution limits, focusing instead on enhanced campaign finance disclosure rules and expense limits to improve the transparency of local campaigns and ensure they do not become unaffordable.**

*If asked about concepts Vancouver supports, such as alternative voting systems:*

- **I understand that the City of Vancouver has expressed interest in seeing changes to local elections rules that would apply only to Vancouver under the City's own legislation, the Vancouver Charter.**
- **The task force felt that consistency in the rules for local governments across the Province was an important principle in making changes to local elections rules.**

*If asked about indirect contributions:*

- **Indirect contributions (i.e., contributions made with the money or property of another) are prohibited under the Local Government Act.**

*If asked about continuous disclosure of contributions and expenses:*

- **All campaign participants (candidates, elector organizations and campaign organizers) are required to record and disclose all campaign contributions received in relation to a campaign, regardless of when those contributions were received.**

- All campaign participants are required to record and disclose all election expenses in relation to a campaign if incurred during the calendar year of the election.

## KEY FACTS REGARDING THE ISSUE:

s13, s16

- During the Local Government Elections Task Force process, many individuals' submissions to the Task Force called for establishment of contribution limits (sometimes referring to dollar amount limits), or for outright bans on foreign, corporate and/or union contributions.

s13, s16

- Of the 13 Canadian jurisdictions:
  - Six (currently including B.C.) have no contribution limits;
  - Three provide the choice to impose limits (not yet implemented by any jurisdiction); and
  - Four have contribution limits and appear to limit contributions to residents of the province (Alberta, Quebec, Ontario, Manitoba).

## Contact:

Meagan Gergley

Integrated Policy, Legislation and  
Operations

250 387-4052

## ADVICE TO MINISTER

CONFIDENTIAL

### ESTIMATES NOTE

Ministry of Community, Sport and Cultural  
Development

Updated: July 12, 2013

Minister Responsible: Coralee Oakes

## Local Government Elections Legislation

### ADVICE AND RECOMMENDED RESPONSE:

- The Province is committed to implementing Local Government Elections changes in time for the 2014 local elections.
- While the Task Force report was issued in 2010, it was not feasible to legislate changes in time for the 2011 local elections.
- As the Task Force recommendations constitute the most significant changes to the local elections process in nearly two decades, we want to ensure that we get the legislative changes right.
- We remain committed to developing legislation to implement changes to Local Government Elections and continue to work with stakeholders including UBCM, Elections BC, the Local Government Management Association and the BC School Trustees' Association to ensure improvements are made for the 2014 elections.

### KEY FACTS REGARDING THE ISSUE:

- The Province announced in July 2010 that it had given the “green light” to proceed with the 31 recommendations of the joint UBCM provincial Local Government Elections Task Force for Spring 2011 legislation, so that the changes could be in effect for the November 2011 local elections.
- In April 2011 government announced that the changes would not proceed for the 2011 elections. The Province reaffirmed its commitment to the Task Force recommendations, and its intention to implement the changes for the 2014 elections.
- Some locally elected officials and media commentators publicly criticized the decision not to proceed for 2011.
- UBCM's president publicly expressed some disappointment that the legislation did not precede in 2011.
- Government remains committed to implementing the legislative changes in time for the 2014 local elections. Work is well underway to fulfill this commitment, including developing legislation, designing details of Elections BC's new role and delivering educational materials (e.g., candidates guides).

- The new rules for local government elections will be made public at least a year in advance of the Fall 2014 elections, either through Fall 2013 legislation or a White Paper.

**Contact:**

Meagan Gergley

Integrated Policy, Legislation and  
Operations

250 387-4052



## **Estimates Note Advice to the Minister**

**Ministry:** Ministry of Community, Sport and Cultural Development  
**Minister Responsible:** Hon. Coralee Oakes

**Title:** Audits

**Revised:** June 14, 2013

**Issue:** Summary of Audit Work Performed in Fiscal Year 2012/13

**Recommended Response:**

The Ministry was involved in **three (3) audits** in fiscal 2012/13.

The Internal Audit and Advisory Services Branch of the Office of the Comptroller General released the following three audit reports during this fiscal year:

**1. 2011/12 Review of Transfers Under Agreement: Canada-BC Municipal Rural Infrastructure Fund (CBCMRIF) & Canada-BC Building Canada Fund Communities Component (BCF-CC) (April 24, 2012)**

The CBCMRIF and BCF-CC contribution agreements were managed in partnership between the Ministry of Transportation and Infrastructure and CSCD. The purpose of this audit was to provide reasonable assurance to the ministries' executive that individual project costs financed under the programs comply with the terms and conditions of the contribution agreements and that all project costs are supported by appropriate documentation.

The fieldwork occurred between November 2011 and March 2012 and included a review of twenty (20) project files, accounting for 1,186 transactions. The findings from the audit included:

- Overall, there was a high level of compliance (99%) with program eligibility requirements across the projects.

**2. Report on the Building Canada Fund – Communities Component Review (BCF-CC) (June 25, 2012)**

The BCF-CC agreement was managed in partnership between the Ministry of Transportation and Infrastructure, the Ministry of Attorney General and Justice and CSCD. The purpose of this audit was to provide assurance to ministries' management that the program practices were in compliance with the terms and conditions in the contribution agreement between Canada and British Columbia.

The fieldwork was completed by March 2012 and included a review of six (6) approved funding applications. The findings from the audit included:

- There was a high level of compliance (99%) with program eligibility requirements across the projects. Overall, the controls, program management, financial systems, procedures and transactions were in compliance with the contribution agreement.

## **Estimates Note Advice to the Minister**

**Ministry:** Ministry of Community, Sport and Cultural Development  
**Minister Responsible:** Hon. Coralee Oakes

### **3. 2012/13 Review of Transfers Under Agreement: Canada-BC Municipal Rural Infrastructure Fund (CBCMRIF) & Canada-BC Building Canada Fund Communities Component (BCF-CC) (October 22, 2012)**

The CBCMRIF and BCF-CC contribution agreements were managed in partnership between the Ministry of Transportation and Infrastructure and CSCD. The purpose of this audit was to provide reasonable assurance to the ministries' executive that individual project costs financed under these programs comply with the terms and conditions of the contribution agreements and that all project costs are supported by appropriate documentation.

The fieldwork occurred between September 2012 and October 2012 and included a review of ten (10) project files, accounting for 848 transactions. The findings from the audit included:

- Overall, there was a high level of compliance (99%) with program eligibility requirements across the projects.

### **Background/Status: Crown Corporations and Agencies**

There were no audits apart from the annual financial statements audit within: BC Assessment, the BC Games Society and the Provincial Capital Commission in the past fiscal year. The only exception within the crowns and agencies that CSCD is responsible for relates to the Royal BC Museum's annual Payment Card Industry (PCI) audit.

The annual PCI audit ensures merchants do not hold any credit card information in any of their systems.

s13

s13

PCI-DSS compliance means that the Province is assuring its citizens that payment card transaction with government meet the most stringent standards and everything is being done to ensure security of cardholder data.

### **Contact:**

CFO/Director      Jim MacAulay      Finance and Admin      250-387-9179

## Estimates Note Advice to the Minister

**Ministry:** Ministry of Community, Sport and Cultural Development  
**Minister Responsible:** Hon. Coralee Oakes

**Title:** Contracting

**Revised:** June 14, 2013

**Issue:** Summary of Contracts Awarded in Fiscal Year 2012/13

**Recommended Response:**

The Ministry issued **one hundred and one (101) new contracts** in fiscal 2012/13, with a total value of **\$3,148,000**.

The Ministry spent **\$2,708,000 for professional services** contracts. This total is made up of ninety-three (93) contracts. The breakdown by contracts in excess of \$75,000:

- **City Spaces Consulting Limited** – development of Block F lands in the UEL (University Endowment Lands - \$500,000);
- **Imperial Paving Limited** – road repairs in the UEL (University Endowment Lands - \$500,000);
- **Davey Tree Expert Co** – tree maintenance and planting in the UEL (University Endowment Lands - \$300,000);
- **Mar-Tech Underground Services Ltd** – sewer inspection and cleaning in the UEL (University Endowment Lands - \$200,000); and
- Eighty-nine (89) small contracts each under \$75,000 (\$1,208,000).

The Ministry spent **\$440,000 for information systems services** (operating) contracts. This total is made up of eight (8) contracts. The breakdown by contracts in excess of \$75,000:

- **CGI Information System and Management Consultants Inc** – maintenance services (Information Systems Branch - \$300,000); and
- Seven (7) small contracts each under \$75,000 (\$140,000).

The Ministry did **not** enter into any new **capital systems** contracts this fiscal.

The Ministry also issued **nineteen (19) new government transfer under agreements** this fiscal, with a total value of **\$16,908,000**. The breakdown by

## Estimates Note Advice to the Minister

**Ministry:** Ministry of Community, Sport and Cultural Development  
**Minister Responsible:** Hon. Coralee Oakes

agreements in excess of \$75,000:

- **Viasport BC Society** – administer sustainable legacies (Arts, Culture and Gaming - \$9,710,000);
- **BC Games Society** – oversee provincial sport events (Arts, Culture and Gaming - \$2,160,000);
- **Art Starts in School Society** – program delivery (Arts, Culture and Gaming - \$1,500,000);
- **Directorate of Agencies for School Health BC (DASH)** – oversee provincial competitive sport events (Arts, Culture and Gaming - \$1,000,000);
- **Film Development Society of BC** – support artists and companies working in the field of interactive digital media (Arts, Culture and Gaming - \$650,000);
- **BC Association of Aboriginal Friendship Centres** – deliver aboriginal sport, recreation and activity strategy (Arts, Culture and Gaming - \$500,000);
- **First Peoples' Heritage Language and Culture Council** – deliver aboriginal arts development awards program (Arts, Culture and Gaming - \$480,000);
- **BC Touring Council** – deliver community presenters assistance program (Arts, Culture and Gaming - \$373,000);
- **Jumbo Glacier Mountain Resort Municipality** – restructure grant (Local Government - \$200,000);
- **BC Seniors Games Society** – provide policy and governance for zone competition (Sport - \$120,000); and
- Nine (9) small agreements all under \$75,000 (\$215,000)

### **Background/Status:**

N/A

### **Contact:**

CFO/Director      Jim MacAulay      Finance and Admin      250-387-9179

## **Estimates Note Advice to the Minister**

**Ministry:** Ministry of Community, Sport and Cultural Development  
**Minister Responsible:** Hon. Coralee Oakes

**Title:** Executive Compensation (Crowns)

**Revised:** July 11, 2013

**Issue:** Executive Compensation in Ministry Crown Corporations to be reported by PSEC

**Recommended Response:**

- Each year the government discloses publically executive compensation for public sector employers.
- My understanding is the reports for 2012/13 will be released through Public Sector Employers' Council (PSEC) Secretariat in the coming weeks.
- Taxpayers should know how their money is spent – this is why government made it mandatory to disclose the salaries of executives from Crown agencies, boards and commissions.
- We believe the compensation they receive is fair and they do great work on behalf of British Columbians.
- This disclosure process includes all compensation – base pay, pensions and other benefits including health and insurance plans.
- We want to ensure we can continue to attract and retain highly-skilled people who can effectively deliver quality services to British Columbians by compensating them fairly and competitively.
- B.C. has become a leader in best practices in Canada with our standards of reporting that require annual public disclosures of total compensation for executives.

**Background/Status:**

- In 2008, amendments were made to the Public Sector Employers Act (PSEA) requiring employers to disclose proactively their senior executive compensation within six months of their fiscal year end, and in a form and manner directed by the CEO of PSEC. Each year the government discloses publically executive compensation for public sector employers.
- These requirements apply to the CEOs and the next four highest ranking/paid executives earning \$125,000 or more in base pay.
- Each disclosure statement includes base salary, bonuses, incentive pay, pension, all other compensation and the total compensation paid for the two previous years.

## **Estimates Note Advice to the Minister**

**Ministry:** Ministry of Community, Sport and Cultural Development  
**Minister Responsible:** Hon. Coralee Oakes

**Contact:**  
Executive Director      Robert Easton      Corporate Planning  
and Priorities      250 356-9416

## Estimates Note Advice to the Minister

**Ministry:** Ministry of Community, Sport and Cultural Development  
**Minister Responsible:** Hon. Coralee Oakes

**Title:** Direct Awards

**Revised:** June 14, 2013

**Issue:** Summary of Direct Award Contracts Issued in Fiscal Year 2012/13

**Recommended Response:**

The Ministry issued **fifty-six (56) direct award contracts** in fiscal 2012/13, with a total value of **\$978,000**. Fifty (50) of these contracts (89%) were classified as direct award under \$25,000 – with an average contract value of \$14,480.

The Ministry also issued **nineteen (19) direct award transfer under agreements** in fiscal 2012/13, with a total value of **\$16,908,000**. These agreements were classified as either issued to another government organization, or issued to a specially created umbrella organization that were created to fund other agencies. The following 10 agreements were over the \$75,000 threshold:

- **Viasport BC Society** – administer sustainable legacies (Arts, Culture and Gaming - \$9,710,000);
- **BC Games Society** – oversee provincial sport events (Arts, Culture and Gaming - \$2,160,000);
- **Art Starts in School Society** – program delivery (Arts, Culture and Gaming - \$1,500,000);
- **Directorate of Agencies for School Health BC (DASH)** – oversee provincial competitive sport events (Arts, Culture and Gaming - \$1,000,000);
- **Film Development Society of BC** – support artists and companies working in the field of interactive digital media (Arts, Culture and Gaming - \$650,000);
- **BC Association of Aboriginal Friendship Centres** – deliver aboriginal sport, recreation and activity strategy (Arts, Culture and Gaming - \$500,000);
- **First Peoples' Heritage Language and Culture Council** – deliver aboriginal arts development awards program (Arts, Culture and Gaming - \$480,000);
- **BC Touring Council** – deliver community presenters assistance program (Arts, Culture and Gaming - \$373,000);

## **Estimates Note Advice to the Minister**

**Ministry:** Ministry of Community, Sport and Cultural Development  
**Minister Responsible:** Hon. Coralee Oakes

- **Jumbo Glacier Mountain Resort Municipality** – restructure grant (Local Government - \$200,000);
- **BC Seniors Games Society** – provide policy and governance for zone competition (Sport - \$120,000).

**Background/Status:**

N/A

**Contact:**

CFO/Director	Jim MacAulay	Finance and Admin	250-387-9179
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## **Estimates Note Advice to the Minister**

**Ministry:** Ministry of Community, Sport and Cultural Development  
**Minister Responsible:** Hon. Coralee Oakes

**Title:** Fees

**Revised:** June 27, 2013

**Issue:** Fees Approved in Fiscal Year 2012/13

**Recommended Response:**

During fiscal 2012/13, Treasury Board approved **two** fees.

**BC Athletic Commissioner**

- The BC Athletic Commissioner office was created on May 30, 2012. To support the regulation and supervision of professional boxing and mixed martial arts in the Province, Treasury Board approved eleven (11) **new** licences, permits, fees and in some cases fines. The revenue generated will defray the operating costs the Athletic Commissioner's Office (projected to be \$250,000). It is expected that BC will host twenty-six (26) events in fiscal 2013/14, including one major Ultimate Fighting Championship (UFC).

**University Endowment Lands (UEL)**

- Although there has not been an rezoning application on the UEL for over 10 years, a number of landowners in the UEL are currently contemplating rezoning applications, including the Musqueam First Nation who are the owners of Block F, an undeveloped 21.4 acre parcel of land. The costs associated with the Block F re-zoning application are hard to establish, as they will reflect issues arising, however a range of \$350,000 to \$450,000 is currently estimated.
- The new fee structure imposes a flat fee of \$1,500 plus the costs of professional services, as applicable, beyond the beyond the initial \$1,500. Municipalities currently using the flat fee and invoice-based approach for re-zoning application include Whistler and Qualicum Beach.

**Background/Status:**

N/A

**Contact:**

CFO/Director      Jim MacAulay      Finance and Admin      250-387-9179

## **Estimates Note Advice to the Minister**

**Ministry:** Ministry of Community, Sport & Cultural Development  
**Minister Responsible:** Hon. Coralee Oakes

**Title:** Freedom of Information Statistics

**Revised:** June 13, 2013

**Issue:** Ministry's response time for Information Access requests

**Recommended Response:**

- We are committed to Open Government and improving the timeliness of our responses to Information Access requests.
- The goal of our ministry is to meet all its Freedom of Information deadlines and our current timeliness rate is 96%.
- In Fiscal 12/13, the ministry experienced an increased volume of information access requests: we closed 135 files last year, up from 91 in fiscal 11/12.
- To further improve timeliness the ministry completed a LEAN project to streamline its information access processes and also added one permanent FTE to its internal team.

**Background/Status:**

- In comparison with all other ministries, our ministry's timeliness is one of the best.
- We are now implementing the LEAN process improvements and expect our timeliness to improve.
- We currently have 2.5 FTEs supporting this important process.
- We continue to work to streamline our internal processes to improve our response times for fiscal 13/14.

**Contact:**

ADM                      George Farkas                      Management Services                      250-387-9180

## **Estimates Note Advice to the Minister**

**Ministry:** Ministry of Community, Sport and Cultural Development  
**Minister Responsible:** Hon. Coralee Oakes

**Title:** Payments

**Revised:** June 14, 2013

**Issue:** Summary of Contract Related Payments Made in Fiscal Year 2012/13

### **Recommended Response:**

The Ministry made **667** contract related payments in fiscal 2012/13, for a total value of **\$1,898,000**. These contracts include a blend of contracts that were created in prior years, as well as new contracts that were issued in fiscal 2012/13.

**NOTE:** Some of the listed suppliers have multiple contracts with the Ministry, and as such the aggregate payment values have been provided.

These contract related payments link to the following types of contracts:

**Professional services:** 518 payments (77%) worth \$1,191,000 (63%)

**Information systems:** 137 payments (21%) worth \$569,000 (30%)

**Capital projects:** 12 payments (2%) worth \$138,000 (7%)

**(note:** these payments all relate to contracts that were created in prior years)

Of these 667 contract related payments, only five (5) suppliers received in excess of \$75,000 in fiscal 2012/13:

**W&C CBT Solutions Inc** (\$152,000) (information systems)

**TP Systems Ltd** (\$152,000) (information systems)

**Encompass Management Inc** (\$138,000) (capital)

**Aecom Canada Ltd** (\$118,000) (professional services)

**Encompass Management Inc** (\$98,000) (information systems)

The Ministry made **305** transfer under agreement (TUA) related payments in fiscal 2012/13, for a total value of **\$68,653,000**. Two hundred and eighty-eight (288) of these TUAs (94%) were with local governments. Of these 305 TUA related payments, seventy (70) suppliers received in excess of \$75,000. The following fourteen (14) suppliers received payments in excess of \$1 million:

**Royal BC Museum** (\$12,166,000) – operating grant

**Viasport BC Society** (\$9,710,000) – administer sustainable legacies

## **Estimates Note Advice to the Minister**

**Ministry:** Ministry of Community, Sport and Cultural Development  
**Minister Responsible:** Hon. Coralee Oakes

**City of Vancouver** (\$6,735,000) – University Endowment Lands fire services and Killarney Seniors Centre

**City of New Westminster** (\$3,241,000) – Building Canada Fund

**City of Prince George** (\$2,171,000) – Building Canada Fund and Municipal Rural Infrastructure Fund

**BC Games Society** (\$2,160,000) – oversee provincial sport events

**Regional District of Okanagan-Similkameen** (\$1,949,000) – Building Canada Fund, Infrastructure Planning and Structure Programs

**District of West Kelowna** (\$1,825,000) – Building Canada Fund

**Capital Regional District** (\$1,761,000) – Building Canada Fund and Infrastructure Planning

**Regional District of Fraser Valley** (\$1,561,000) - Building Canada Fund and Municipal Rural Infrastructure Fund

**District of Lake Country** (\$1,523,000) - Building Canada Fund, Municipal Rural Infrastructure Fund and Small Community

**City of Dawson** (\$1,108,000) – Building Canada Fund

**Town of Creston** (\$1,040,000) – Building Canada Fund

**Directorate of Agencies for School Health BC** (\$1,000,000) – oversee provincial competitive sport events

### **Background/Status:**

N/A

### **Contact:**

CFO/Director	Jim MacAulay	Finance and Admin	250-387-9179
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## **Estimates Note Advice to the Minister**

**Ministry:** Ministry of Community, Sport and Cultural Development  
**Minister Responsible:** Hon. Coralee Oakes

**Title:** Vendor Complaint Review Process (VCRP)

**Revised:** June 14, 2013

**Issue:** Report on the Vendor Complaints received in Fiscal Year 2012/13

**Recommended Response:**

➤ The Ministry did **not** received any vendor complaints in fiscal 2012/13.

**Background/Status:**

N/A

**Contact:**

CFO/Director      Jim MacAulay      Finance and Admin      250-387-9179