

REGIONAL DISTRICT OF NANAIMO

COMMITTEE OF THE WHOLE

TUESDAY, MAY 12, 2015

7:10 PM

(RDN Board Chambers)

A G E N D A

PAGES

CALL TO ORDER

DELEGATIONS

4 **Cory Vanderhorst, MNP**, re Audited Financial Statements.

MINUTES

5-10 Minutes of the Regular Committee of the Whole meeting held Tuesday, April 14, 2015.

BUSINESS ARISING FROM THE MINUTES

COMMUNICATIONS/CORRESPONDENCE

FINANCE

11-59 2014 Financial Statements and Audit Findings Report.

60-112 UBCM/First Nations Tax Commission Report on First Nation Property Tax, Services, and Economic Development in British Columbia.

113-125 Automatic Response Agreement for Fire Services in District 68 Departments.

CORPORATE SERVICES

ADMINISTRATION

126-132 Alternative Approval Process to Establish a Taxi Saver Service on Gabriola Island.

ADVISORY AND SELECT COMMITTEE, AND COMMISSION

133-135 **East Wellington and Pleasant Valley Parks and Open Space Advisory Committee.**

Minutes of the East Wellington and Pleasant Valley Parks and Open Space Advisory Committee meeting held Monday, March 30, 2015 (For Information).

136-140 **Electoral Area 'A' Parks, Recreation, and Culture Commission.**

Minutes of the Electoral Area 'A' Parks, Recreation, and Culture Commission meeting held Wednesday, April 15, 2015 (For Information).

Grant Approvals

That the following Electoral Area 'A' Recreation Grant-in-Aid Applications be approved:

Cedar Family of Community Schools	To purchase preschool equipment for a 5 week summer preschool camp at the Cedar Heritage Centre and for the preschool gymnastics program at Woodbank School. Items include 3 bikes and helmets and an Obstacle Course Kit.	\$678.00
1 st Cedar Scouts	To purchase 15 pairs of snowshoes and 4 GPS equipment.	\$1500.00
Cedar 4-H Club	To purchase signage, copy paper, shavings (animal bedding), animal lease or purchase, animal feed, portable toilet, cell phone rental, rakes, forks, shovels, nails, paint, crayons, cleaners, hand washing supplies, buckets, and brooms.	\$1500.00

141-142 **Emergency Management Select Committee.**

Minutes of the Emergency Management Select Committee meeting held Wednesday, April 22, 2015 (For Information).

ADDENDUM

BUSINESS ARISING FROM DELEGATIONS OR COMMUNICATIONS

NEW BUSINESS

IN CAMERA

That pursuant to Sections 90(1)(f) and (k) of the Community Charter the Committee proceed to an In Camera Meeting for discussions related to law enforcement and the proposed provision of municipal services.

ADJOURNMENT

Re: Audited Financial Statements

From: Idema, Wendy

Sent: Friday, April 17, 2015 1:17 PM

Subject: auditor to attend May 12 meeting

Cory Vanderhorst will be attending the May 12 meeting and won't present for the NRHD Board meeting (available for questions only), but will present with a powerpt for RDN CoW meeting.

Wendy Idema, CPA, CGA

Director of Finance

Regional District of Nanaimo

Phone: (250) 390-6528

Fax: (250) 390-6572

widema@rdn.bc.ca

REGIONAL DISTRICT OF NANAIMO

MINUTES OF THE REGULAR COMMITTEE OF THE WHOLE MEETING
OF THE REGIONAL DISTRICT OF NANAIMO HELD ON
TUESDAY, APRIL 14, 2015 AT 7:00 PM IN THE
RDN BOARD CHAMBERS

In Attendance:

Director C. Haime	A/Chairperson
Director A. McPherson	Electoral Area A
Director H. Houle	Electoral Area B
Director M. Young	Electoral Area C
Director B. Rogers	Electoral Area E
Director J. Fell	Electoral Area F
Alternate	
Director L. Derkach	Electoral Area G
Director B. Veenhof	Electoral Area H
Director J. Hong	City of Nanaimo
Director I. Thorpe	City of Nanaimo
Director B. Yoachim	City of Nanaimo
Director M. Lefebvre	City of Parksville
Alternate	
Director B. Avis	Town of Qualicum Beach

Regrets:

Chairperson J. Stanhope	Electoral Area G
Director B. McKay	City of Nanaimo
Director B. Bestwick	City of Nanaimo
Director J. Kipp	City of Nanaimo
Director W. Pratt	City of Nanaimo
Director T. Westbroek	Town of Qualicum Beach

Also in Attendance:

P. Thorkelsson	Chief Administrative Officer
J. Harrison	Director of Corporate Services
W. Idema	Director of Finance
R. Alexander	Gen. Mgr. Regional & Community Utilities
G. Garbutt	Gen. Mgr. Strategic & Community Development
T. Osborne	Gen. Mgr. Recreation & Parks
D. Pearce	A/Gen. Mgr. Transportation & Solid Waste
J. Hill	Mgr. Administrative Services
C. Golding	Recording Secretary

CALL TO ORDER

The Chairperson called the meeting to order and welcomed Alternate Directors Avis and Derkach to the meeting.

DELEGATIONS

Dr. Paul Hasselback, Island Health, re Presentation on the Local Health Area Profiles for the Nanaimo Area.

Dr. Paul Hasselback delivered a slide presentation and overview of local area health profiles within Districts 68 and 69.

Gail Adrienne and Paul Chapman, Nanaimo and Area Land Trust, re Nanaimo River Watershed Roundtable.

Gail Adrienne provided the Board with a brief history of the Nanaimo River Watershed and how it has evolved to where it is today. Paul Chapman spoke about the events which have been held throughout the community and the hope that participation with stakeholders will increase in the future.

COMMITTEE OF THE WHOLE MINUTES

Minutes of the Regular Committee of the Whole meeting held Tuesday, March 10, 2015.

MOVED Director Veenhof, SECONDED Director Thorpe, that the minutes of the regular Committee of the Whole meeting held March 10, 2015, be adopted.

CARRIED

COMMUNICATION/CORRESPONDENCE

Ken Cossey, Snuneymuxw First Nation, re Appointment to the Liquid Waste Management Plan Monitoring Committee.

MOVED Director Lefebvre, SECONDED Director Houle, that the correspondence received from Ken Cossey, Snuneymuxw First Nation, regarding appointment to the Liquid Waste Management Plan Monitoring Committee be received.

CARRIED

Laurie Gourlay, Vancouver Island & Coast Conservation Society, re World Water Day Request re Cassidy Aquifer.

MOVED Director Lefebvre, SECONDED Director Houle, that the correspondence received from Laurie Gourlay, Vancouver Island & Coast Conservation Society, regarding the World Water Day request regarding the Cassidy Aquifer be received.

CARRIED

Gary Fribance, Third Crossing Society, re Request for Letter of Support in Principle.

MOVED Director Lefebvre, SECONDED Director Houle, that the correspondence received from Gary Fribance, Third Crossing Society, regarding a request for a letter of support in principle be received.

CARRIED

Norman Abbey, Neighbours of Nob Hill Society, re Support for the Rail Trail Extension.

MOVED Director Lefebvre, SECONDED Director Houle, that the correspondence received from Norman Abbey, Neighbours of Nob Hill Society, regarding support for the Rail Trail extension be received.

CARRIED

UBCM, re Rural Advisory Council Announced.

MOVED Director Lefebvre, SECONDED Director Houle, that the correspondence received from the Union of BC Municipalities regarding the Province's new Rural Advisory Council be received.

CARRIED

UBCM, re Deadline Approaching for Urban Deer Recommendations.

MOVED Director Lefebvre, SECONDED Director Houle, that the correspondence received from the Union of BC Municipalities regarding the deadline approaching for urban deer recommendations be received.

CARRIED

FINANCE

2015 Gas Tax Transfer and Community Works Fund Project Update.

MOVED Director Veenhof, SECONDED Director Houle, that the report on the renewed Gas Tax Funding Program and on the use of Community Works Funds in 2014 be received for information.

CARRIED

MOVED Director Veenhof, SECONDED Director Houle, that the 2015 and future Community Works Funds program attached as Schedules A and B be approved and that staff be authorized to continue work on the projects as needed.

CARRIED

REGIONAL AND COMMUNITIES UTILITIES

WASTEWATER

French Creek Pollution Control Center Trickling Filter Roof Replacement Project Award.

MOVED Director Houle, SECONDED Director Lefebvre, that the Board award the French Creek Pollution Control Center Trickling Filter Roof Replacement Project to Island West Coast Developments for \$574,302.00.

CARRIED

MOVED Director Houle, SECONDED Director Lefebvre, that the Board award the engineering services for the French Creek Pollution Control Center Trickling Filter Roof Replacement Project to AECOM for \$25,000.

CARRIED

SepticSmart Education Program Progress Report.

MOVED Director Avis, SECONDED Director Thorpe, that the Board receive the report for information.

CARRIED

STRATEGIC AND COMMUNITY DEVELOPMENT

ENERGY AND SUSTAINABILITY

Community Works Fund Contribution – Arrowsmith Agricultural Association.

MOVED Director Fell, SECONDED Director Rogers, that the Board supports the use of Community Works Funds allocated to Regional District of Nanaimo Electoral Area 'F' to contribute to a proposed new on-site wastewater treatment system for Arrowsmith Hall.

CARRIED

MOVED Director Fell, SECONDED Director Rogers, that the Board direct staff to draft and execute a Contribution Agreement between the Arrowsmith Agricultural Association and the Regional District of Nanaimo to provide up to \$15,000 in Community Works Funds toward eligible costs for a proposed new on-site wastewater treatment system for Arrowsmith Hall.

CARRIED

ADVISORY AND SELECT COMMITTEE, AND COMMISSION

Agricultural Advisory Committee.

Minutes of the Agricultural Advisory Committee meeting held Friday, March 27, 2015.

MOVED Director Houle, SECONDED Director Veenhof, that the minutes of the Agricultural Advisory Committee meeting held Friday, March 27, 2015, be received for information.

CARRIED

District 69 Recreation Commission.

Minutes of the District 69 Recreation Commission meeting held Thursday, March 19, 2015.

MOVED Director Veenhof, SECONDED Director Lefebvre, that the minutes of the District 69 Recreation Commission meeting held Thursday, March 19, 2015, be received for information.

CARRIED

Grant Approvals.

MOVED Director Veenhof, SECONDED Director Thorpe, that the following District 69 Youth Recreation Grant applications be approved:

893 Beaufort Squadron - training activities	\$2,500
Ballenas Secondary School - Dry Grad	\$1,200
Errington War Memorial Hall Association - Intercultural Music Project	\$1,100
The Nature Trust of BC - Brant Wildlife Festival/Youth Photo Exhibit	\$700
Oceanside Minor Lacrosse Association - Shark Attack Tournament	\$2,500

CARRIED

MOVED Director Avis, SECONDED Director Yoachim, that the following District 69 Community Recreation Grant applications be approved:

Arrowsmith Community Recreation Association - Coombs Community Picnic	\$529
Corcan Meadowood Residents Association - Canada Day event	\$2,350
Errington Elementary School PAC - grade 3 swim program	\$2,500
Errington Elementary School - Tribune Bay subsidies for low-income families	\$2,500
Errington Therapeutic Riding Association - program expenses, horses, arena, and insurance	\$1,000
Oceanside Elementary School PAC - new playground construction	\$2,500
Town of Qualicum Beach - Select Committee on Beach Day Celebrations	\$1,500

CARRIED

BUSINESS ARISING FROM DELEGATIONS OR COMMUNICATIONS

URBAN DEER RECOMMENDATIONS

MOVED Director Veenhof, SECONDED Director Hong, that staff write a letter to the Union of BC Municipalities providing the Board's comments regarding the draft urban deer recommendations as outlined in Director Veenhof's email.

CARRIED

NEW BUSINESS

Board Procedure Bylaw.

MOVED Director Veenhof, SECONDED Director Rogers, that staff be directed to schedule an Executive Committee meeting for the purposes of reviewing the existing Board Procedure Bylaw and that the Executive Committee work to develop options for amendments to the Bylaw for consideration by the Board.

CARRIED

Southern Community Economic Development Funding Agreement.

This item was withdrawn.

Liquid Waste Management Plan Monitoring Committee.

The Chairperson announced the appointments of Directors McPherson, Thorpe, Rogers and Lefebvre to the Liquid Waste Management Plan Monitoring Committee.

IN CAMERA

MOVED Director Avis, SECONDED Director Hong, that pursuant to Sections 90(1)(a), (c), and (f) of the *Community Charter* the Committee proceed to an In Camera Meeting for discussions related to Board appointments, labour relations, and law enforcement.

CARRIED

TIME: 7:56 PM

ADJOURNMENT

MOVED Director Houle, SECONDED Director Lefebvre, that this meeting be adjourned.

CARRIED

TIME: 8:12 PM

CHAIRPERSON

CORPORATE OFFICER



CON REPORT	THH
COW APPROVAL	THH
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MAY 06 2015	
RHD	
BOARD	

MEMORANDUM

TO: Wendy Idema
Director of Finance

DATE: April 23, 2015

FROM: Manvir Manhas
Senior Accountant

MEETING: COW May 12, 2015

FILE:

SUBJECT: 2014 Financial Statements and Audit Findings Report

RECOMMENDATIONS:

1. That the Audit Findings Report and the financial statements of the Regional District of Nanaimo for the year ended December 31, 2014 be received.
2. That the consolidated financial statements of the Regional District of Nanaimo for the year ended December 31, 2014 be approved as presented.

PURPOSE:

To request approval of the 2014 financial statements of the Regional District of Nanaimo (RDN) and to present MNP LLP's audit findings report related to the audit of the Regional District of Nanaimo for the year ended December 31, 2014.

BACKGROUND:

The Canadian Institute of Chartered Accountants auditing standards require that audit firms communicate the results of the audit process to the organization's board of directors as well as to management staff, and that the financial statements of an organization be approved by their board of directors prior to the signing of the audit report.

MNP LLP has completed the audit of the Regional District of Nanaimo for the year ended December 31, 2014 and has submitted the attached audit findings report to the Board to ensure management and the Board's understanding of the important issues and decisions that were made during the audit and financial statement preparation process, as well as the results of the audit.

The approved financial statements will be incorporated into the RDN's Annual Report and Statement of Financial Information to be presented to the Board in June with a further analysis of year end results.

DISCUSSION:

AUDIT FINDINGS REPORT

Attachment 1 to this report is the Audit Findings Report of MNP LLP. The audit findings report summarizes key elements of the audit procedures, the roles and responsibilities of the auditors, and contains a discussion of their conclusions on the information included in the financial statements.

CONSOLIDATED FINANCIAL STATEMENTS

Attachment 2, immediately following the Audit Findings Report, is the consolidated financial statements of the Regional District of Nanaimo (including notes and supporting schedules). The consolidated financial statements allow the Board, the management team, and the public to assess the overall results of all of our activities for the fiscal year ending December 31, 2014. The statements present the financial position of the Regional District as a whole incorporating the operating, reserve and capital funds based on Public Sector Accounting Board standards for governments as legislated under the *Local Government Act*.

INDEPENDENT AUDITORS' DRAFT REPORT

Attachment 3 is the Independent Auditors' draft report to be signed after approval of the financial statements by the Board. The firm of MNP LLP is responsible for reporting to the Board the results of their audit. As in prior years, the auditor's draft report is unqualified, assuring readers that based on the audit procedures conducted; the financial statements are considered to be free of material errors.

ALTERNATIVES:

1. Receive the Audit Findings Report and 2014 Financial Statements and approve the 2014 consolidated financial statements of the Regional District of Nanaimo for final signatures.
2. Receive the Audit Findings Report and provide alternate direction to staff.

FINANCIAL IMPLICATIONS:

The annual audit fee of \$33,600 is included in the Finance Department's budget annually. The post-employment benefit calculation was performed by an independent actuary which cost \$3,000 for 2014. There are no additional costs at this time.

STRATEGIC PLAN IMPLICATIONS:

The Public Sector Accounting Board Standards for financial reporting and auditing require Board approval of final consolidated financial statements prior to the signing of the audit report. Compliance with this requirement directly supports the Board value to *Be Transparent and Accountable*, which demands transparency in financial reporting and that Directors are accountable to the public. Based on feedback from MNP LLP, who have formally acknowledged the excellent cooperation of staff through the audit process, it is evident that this Board value has trickled through the organization, influencing how staff conduct themselves in their work. In addition, the auditors conclude that the financial

sustainability of the RDN is healthy and trending in a positive direction. This shows that the RDN is effectively balancing the Board's vision for the region and pursuit of innovation with fiscal responsibility.

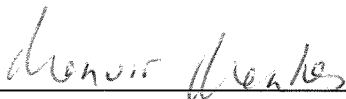
SUMMARY/CONCLUSIONS:

The Canadian Institute of Chartered Accountants auditing standards require that audit firms communicate the results of the audit process to the organization's board of directors as well as to management staff, and that the financial statements of an organization be approved by their board of directors prior to the signing of the audit report.

MNP LLP has completed the audit of the Regional District of Nanaimo for the year ended December 31, 2014 and has submitted the attached audit findings report to the Board to ensure management and the Board's understanding of the important issues and decisions that were made during the audit and financial statement preparation process, as well as the results of the audit.

The 2014 Consolidated Financial Statements have been prepared and audited within the framework of the accounting policies applicable to local governments in BC. The statements present, in all significant respects, the financial position of the Regional District of Nanaimo as at December 31, 2014. This is confirmed by the Audit Findings Report and the draft Independent Auditors' Report attached with this report. The approved financial statements will be incorporated into the Regional District's Annual Report and Statement of Financial Information to be presented to the Board in June.

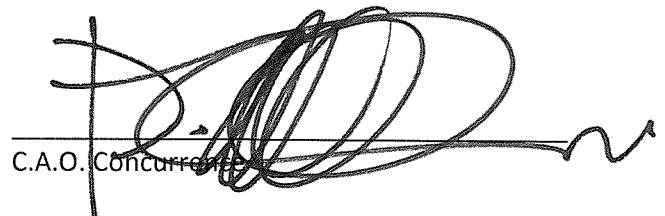
Staff recommend that these reports be received and approved.



Report Writer



Director of Finance Concurrence



C.A.O. Concurrence



**REGIONAL DISTRICT OF NANAIMO
AUDIT FINDINGS REPORT**

Year Ending December 31, 2014

For presentation at the Board of Directors Meeting
May 12, 2015



May 12, 2015

Members of the Board of Directors of Regional District of Nanaimo

Dear Members of the Board of Directors:

We are pleased to put forward this report to discuss the results of our audit of the consolidated financial statements of Regional District of Nanaimo ("the Regional District") for the year ended December 31, 2014. In this report, we cover those significant matters which, in our opinion, you should be aware of as members of the Board of Directors.

We have completed our audit of the consolidated financial statements of the Regional District and are prepared to sign our independent auditors' report after the Board of Directors' review and approval of the consolidated financial statements.

Our report will provide an unqualified opinion to the Board of Directors of the Regional District. A draft copy of our proposed independent auditors' report is included as Appendix A to this report.

We would like to express our appreciation for the excellent cooperation we have received from management and employees with whom we worked.

We appreciate having the opportunity to meet with you and to respond to any questions you may have about our audit, and to discuss any other matters that may be of interest to you.

Yours truly,

MNP LLP

MNP LLP

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encls.

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1. MNP AUDIT PROCESS

As auditors, we report to the Board of Directors on the results of our examination of the Regional District's consolidated financial statements. This report summarizes our audit process and discusses issues that are of relevance to the Board of Directors of the Regional District.

- Our audit was carried out in accordance with Canadian generally accepted auditing standards.
- Our audit procedures included a review of all significant accounting and management reporting systems.
 - Each material year-end balance, key transaction and other event considered significant to the consolidated financial statements was separately examined.
- Our audit process focused on understanding the controls utilized in management's reporting systems to the extent necessary to identify overall and specific financial reporting risks.
 - This risk assessment enabled us to concentrate our audit procedures on the areas where differences were most likely to arise.
 - Where possible, reliance was placed on the controls within these systems to reduce the extent of our testing of transactions and year-end balances.
- Our assessment was not, nor was it intended to be, sufficient to conclude on the effectiveness or efficiency of internal controls.



- During the course of our audit, we have:
 - Examined, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements;
 - Assessed the accounting principles used and significant estimates made by management;
 - Obtained an understanding of the Regional District and its environment, including management's internal controls (regardless of whether we relied on them for the purpose of the audit), sufficient to identify and assess the risks of material misstatement of the consolidated financial statements and to design and perform audit procedures;
 - Reviewed and assessed those accounting systems deemed necessary to support our audit opinion;
 - Evaluated the overall consolidated financial statement presentation;
 - Performed a subsequent events review with management;
 - Reviewed and assessed the status of contingencies, commitments and guarantees;
 - Reviewed and assessed exposure to environmental liabilities.
- We have obtained written representations from management in order to confirm oral representations given to us and reduce the possibility of misunderstanding. Specifically, we have obtained written confirmation of significant representations provided on matters that are:
 - Directly related to items that are material, either individually or in the aggregate, to the consolidated financial statements;
 - Not directly related to items that are material to the consolidated financial statements, but are significant, either individually or in the aggregate, to the engagement; and
 - Matters relevant to management judgments or estimates that are material, either individually or in the aggregate, to the consolidated financial statements.

2. SIGNIFICANT AUDIT FINDINGS

As a part of our commitment to providing superior client service we strive to maintain effective two-way communication. To aid the Board of Directors in its role overseeing the financial reporting process, including its review and approval of the consolidated financial statements and reporting thereon to the Board of Directors, we are pleased to provide you with the following significant findings:

AREAS OF AUDIT EMPHASIS

- The following lists the key areas of our audit emphasis for your Regional District:
 - The reasonableness of the estimate of the liability for landfill closure and post-closure maintenance costs.
 - Detailed information on Areas of Audit Emphasis is included as Appendix B to this report.

FINAL MATERIALITY

- Final materiality used to assess the significance of misstatements or omissions identified during the audit and determine the level of audit testing performed was \$1,000,000.

DIFFICULTIES ENCOUNTERED - NONE

- We have satisfactorily completed our audit procedures for each of the significant account balances and transaction streams. No significant limitations were placed on the scope or timing of our audit.

SIGNIFICANT DEFICIENCIES IN INTERNAL CONTROL - NONE

- While our review of controls was not sufficient to express an opinion as to their effectiveness or efficiency, no significant deficiencies in internal control have come to our attention. However, we may not be aware of all the significant deficiencies in internal control that do, in fact, exist.

IDENTIFIED OR SUSPECTED FRAUD - NONE

- No incidents of fraud, or suspected fraud, came to our attention in the course of our audit.

IDENTIFIED OR SUSPECTED NON-COMPLIANCE WITH LAWS AND REGULATIONS - NONE

- Nothing has come to our attention that would suggest there is non-compliance with laws and regulations that would have a material effect on the financial statements.

MATTERS ARISING IN CONNECTION WITH RELATED PARTIES - NONE

- All related party transactions identified were in the normal course of business.
- During the course of our audit, we selected a sample of expense claims submitted by the Board and Senior Management of the Regional District of Nanaimo and reviewed those expense claims for approvals and compliance with the related bylaws or policies. We did not find any issues or irregularities to bring to your attention.

GOING CONCERN

- We have not identified any material uncertainties related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern.

SIGNIFICANT ACCOUNTING POLICIES

- The accounting policies used by the entity are appropriate and have been consistently applied.
- No significant changes to accounting policies were noted.

SIGNIFICANT MANAGEMENT ESTIMATES

- The preparation of the consolidated financial statements is subject to significant accounting estimates made by management. All significant management estimates were reviewed for the current period and no material differences were noted.
- The following is a summary of significant management estimates and provisions:
 - Allowance for doubtful accounts –no provision deemed necessary.
 - Provision for legal contingencies – no provision deemed necessary.
 - Amortization period of tangible capital assets – amortized over the estimated useful life of the respective assets.
 - Fair value measurement of in-kind additions to tangible capital assets – fair value estimated using BCAA assessed values for land. Total for 2014 was \$139,000 (2013 - \$0).
 - The unfunded liabilities for landfill closure costs and post-closure monitoring costs represent a significant liability in the Regional District's financial statements. For 2014 the estimate for landfill closure costs was \$7,196,204 (2013 - \$6,206,141), and for post closure maintenance costs was \$5,111,015 (2013 - \$3,541,694) for a total landfill liability of \$12,307,219 (2013 - \$9,747,835).

These costs are an estimate, based on factors such as landfill capacity, remaining unused capacity, projected future costs to close and to monitor the site, and an appropriate discount rate used to determine a present value of these future costs. The increase in the landfill liability this year is due to a change in interest rates used to calculate the expected future payments. It is important to note that the landfill remaining unused capacity amount used in the calculation is based on the impact of board-approved capital projects as at the reporting date. Projects not yet approved that may further increase capacity and useful life are not factored into the calculation. Changes to the underlying assumptions and estimates or legislative changes in the new term could have a material impact on the provision recognized. We have concluded that the accounting related to the Landfill Closure and Post-Closure Liabilities was appropriate.

- Employee retirement benefits include payouts of accumulated, unused sick leave upon an employee's retirement. As at December 31, 2014, estimated sick leave reserve and management severance reserve was \$1,733,207 (2013 - \$1,681,452). An expense and corresponding liability is recorded now for the estimate of the future costs of these payouts, related to current service by current employees. This liability is an estimate, based on factors such as number of current employees in various age groups, number of recent employees over age 40 who have been employed with the Regional District until retirement, and an appropriate discount rate used to determine a present value of these future costs. Changes to the underlying assumptions and estimates or union contract changes in the new term could have a material impact on the reserve recorded. The estimate also includes assumptions regarding retirement dates, hours worked and sick time. We have concluded that the accounting related to Employee Retirement Benefits was appropriate. This estimate is calculated by an actuary hired by the Regional District.

MATTERS ARISING FROM MANAGEMENT DISCUSSIONS

- We would like to formally acknowledge the excellent cooperation and assistance we received from the management and staff.
- There were no disagreements with management, significant difficulties or other irregularities encountered during the course of our audit.

DIFFERENCES - NONE

- We did not note any significant or insignificant differences requiring adjustment.

MODIFICATIONS TO THE INDEPENDENT AUDITORS' REPORT

- Our independent auditors' report will provide an unqualified opinion to the Board of Directors.
- An 'other matter' paragraph was included in the independent auditors' report, to highlight that the Gas Tax Revenue Transfer Programs schedule and the General Revenue Fund schedules are unaudited.

INDEPENDENCE

- We confirm to the Board of Directors that we are independent of the Regional District.
- Our letter to the Board of Directors discussing our independence is included as Appendix C in this report.

At our upcoming meeting we would also be pleased to discuss any other issues and/or concerns of the Board of Directors.



APPENDIX A: DRAFT INDEPENDENT AUDITORS' REPORT

To the Members of the Board of the Regional District of Nanaimo:

We have audited the accompanying consolidated financial statements of the Regional District of Nanaimo, which comprise the consolidated statement of financial position as at December 31, 2014 and the consolidated statements of operations and accumulated surplus, change in net financial assets and cash flows and related schedules on pages 20 to 30 for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Regional District of Nanaimo as at December 31, 2014 and the results of its operations, change in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Other Matter

The supplementary information on pages 31 to 46 have been presented for purposes of additional analysis and are unaudited. We do not express an opinion on these schedules because our examination did not extend to the detailed information therein.

Nanaimo, British Columbia

[To be signed]

[To be dated]

Chartered Accountants

APPENDIX B: AREAS OF AUDIT EMPHASIS

The reasonableness of the estimate of the liability for landfill closure and post-closure maintenance costs:

We reviewed the data and assumptions for the calculation with management in the finance and solid waste departments. We noted that the liability is based on consultants' current data. We did not note any errors in this liability.

APPENDIX C: AUDITOR INDEPENDENCE LETTER

May 12, 2015

The Board of Directors
Regional District of Nanaimo
6300 Hammond Bay Rd.
Nanaimo, BC V9T 6N2

Dear Members of the Board of Directors:

We have been engaged to audit the consolidated financial statements of Regional District of Nanaimo ("the Regional District") for the year ending December 31, 2014.

CAS 260 Communication With Those Charged With Governance ("the Standard"), requires that we communicate at least annually with you regarding all relationships between the Regional District and MNP LLP ("MNP") that, in our professional judgment, may reasonably be thought to bear on our independence. In determining which relationships to report, we are required to consider relevant rules and related interpretations prescribed by the appropriate provincial institute and applicable legislation, covering such matters as:

- (a) Holding a financial interest, either directly or indirectly, in a client;
- (b) Holding a position, either directly or indirectly, that gives the right or responsibility to exert significant influence over the financial or accounting policies of a client;
- (c) Personal or business relationships of immediate family, close relatives, partners or retired partners, either directly or indirectly, with a client;
- (d) Economic dependence on a client; and
- (e) Provision of services in addition to the audit engagement.

We are not aware of any relationship between the Regional District and MNP LLP that, in our professional judgment, may reasonably be thought to bear on our independence, which have occurred from January 1, 2014 to the date of this letter.

Generally Accepted Auditing Standards require that we confirm our independence to the Board of Directors. Accordingly, we hereby confirm that MNP is independent with respect to the Regional District within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of British Columbia as of the date of this letter.

The total fees charged to the Regional District for audit services relating to the 2014 audit were \$25,648 (with a remaining \$6,412 to be invoiced, for a total of \$32,060). An additional \$1,000 was charged in early 2015 for assistance with GST audit. The total fees charged to the Regional District for audit services relating to the 2013 audit were \$33,000, of which \$6,600 was charged in the period from May 14, 2014 to May 12, 2015.

The logo for MNP, consisting of the letters "MNP" in a bold, white, sans-serif font, set against a dark grey background.

This report is intended solely for the use of the Board of Directors, management and others within the Regional District and should not be used for any other purposes.

We look forward to discussing with you the matters addressed in this letter as well as other matters that may be of interest to you. We will be prepared to answer any questions you may have regarding our independence as well as other matters.

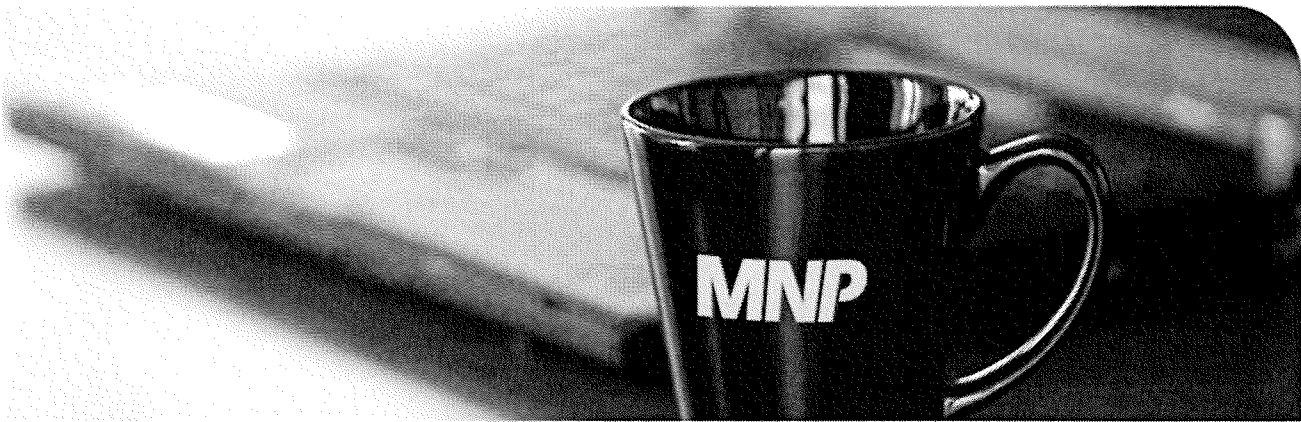
Yours truly,

MNP LLP

MNP LLP

CV/jvo

MNP



ABOUT MNP

MNP is one of the largest chartered accountancy and business consulting firms in Canada. For more than 65 years, we have proudly served and responded to the needs of our clients in the public, private and not-for-profit sectors. Through partner-led engagements, we provide a cost-effective approach to doing business and personalized strategies to help you succeed.



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By Nick Paschke

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Praxity, AISBL, is a global alliance of independent firms. Organised as an international not-for-profit entity under Belgium law, Praxity has its administrative office in London. As an alliance, Praxity does not practice the profession of public accountancy or provide audit, tax, consulting or other professional services of any type to third parties. The alliance does not constitute a joint venture, partnership or network between participating firms. Because the alliance firms are independent, Praxity does not guarantee the services or the quality of services provided by participating firms.



Management's Responsibility

To the Members of the Board of the Regional District of Nanaimo:

This statement is provided to clarify and outline the roles and responsibilities of the management team, the elected Board of Directors and the independent auditors in relation to the preparation and review of the Regional District of Nanaimo's annual financial results.

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Regional Board of Directors is composed entirely of Directors who are neither management nor employees of the Regional District. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for delegating the authority for approval of the consolidated financial statements. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management. The Board is also responsible for recommending the appointment of the Regional District's external auditors. The external auditors have full and free access to, the Board and management to discuss their audit findings.

MNP LLP, an independent firm of Chartered Accountants, has been appointed by the Regional Board of Directors to audit the consolidated financial statements and report to them; their report follows.

April 24, 2015

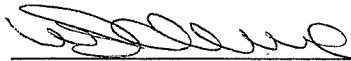
A handwritten signature in black ink, appearing to be "D. Brown", written over a horizontal line.

Director of Finance

**REGIONAL DISTRICT OF NANAIMO
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2014**

		<u>2014</u>	<u>2013</u>
Financial Assets			
Cash and short-term deposits	(Note 2)	\$ 60,315,919	\$ 51,867,495
Accounts receivable	(Note 3)	\$ 6,098,751	3,794,065
Investments	(Note 4)	\$ 20,023,422	20,104,371
Other jurisdictions debt receivable	(Note 12)	\$ 68,171,086	62,222,825
Other assets	(Note 5)	\$ 25,264	13,739
		<u>\$ 154,634,442</u>	<u>138,002,495</u>
Financial Liabilities			
Short term loans	(Note 6)	\$ -	2,895,000
Accounts payable	(Note 7)	\$ 2,795,083	4,213,499
Other liabilities	(Note 8)	\$ 5,115,987	4,480,947
Unfunded liabilities	(Note 9)	\$ 11,998,266	9,545,108
Deferred revenue	(Note 10)	\$ 19,724,406	16,097,394
Obligation under capital lease	(Note 13)	\$ 682,677	900,726
Long-term debt	(Note 11)	\$ 83,800,102	75,138,413
		<u>\$ 124,116,520</u>	<u>113,271,087</u>
Net Financial Assets		<u>\$ 30,517,922</u>	<u>24,731,408</u>
Non-financial Assets			
Tangible capital assets	(Note 14)	\$ 176,514,186	175,540,459
Prepaid expenses		\$ 425,002	454,809
Inventories		\$ 39,133	29,421
		<u>\$ 176,978,321</u>	<u>176,024,689</u>
Accumulated Surplus	(Note 15)	<u>\$ 207,496,243</u>	<u>\$ 200,756,097</u>

APPROVED:



 W. Idema, CPA, CGA
 Director of Finance

See notes to consolidated financial statements

REGIONAL DISTRICT OF NANAIMO
CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Budget</u> (Note 18)	<u>2014</u>	<u>2013</u>
Revenue			
Property taxes	\$ 40,359,527	\$ 40,355,182	\$ 38,357,564
Operating revenues	21,226,208	21,227,537	20,891,235
Grant Revenues	11,927,616	9,110,177	6,819,458
Developer contributions	4,245,620	739,951	4,356,188
Other	520,420	831,593	887,904
Interest on investments	150,000	1,188,036	1,070,287
Grants in lieu of taxes	149,645	280,391	278,947
	<hr/> 78,579,036	<hr/> 73,732,867	<hr/> 72,661,583
Expenses			
General Government	2,330,985	2,003,596	1,515,275
Strategic & Community Development	3,600,915	3,320,302	3,199,919
Wastewater & Solid Waste management	19,845,122	23,864,939	20,331,212
Water, Sewer & Street lighting	4,084,956	5,349,418	4,906,528
Public Transportation	19,429,001	18,031,571	17,476,189
Protective Services	4,012,840	4,357,647	4,047,770
Parks, Recreation & Culture	9,537,692	10,065,248	10,022,531
	<hr/> 62,841,511	<hr/> 66,992,721	<hr/> 61,499,424
Surplus for the year	\$ 15,737,525	\$ 6,740,146	\$ 11,162,159
Accumulated surplus, Beginning of the year	200,756,097	200,756,097	189,593,938
Accumulated surplus, End of the year	(Note 15) \$ 216,493,622	\$ 207,496,243	\$ 200,756,097

See notes to consolidated financial statements

**REGIONAL DISTRICT OF NANAIMO
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>2014</u>	<u>2013</u>
Operating Transactions		
Surplus for the year	\$ 6,740,146	\$ 11,162,159
Non-cash items included in surplus		
Amortization of tangible capital assets	6,752,591	6,459,785
Contributed tangible capital assets	(139,000)	-
Gain on disposal of tangible capital assets	(1,420)	(17,429)
Debt actuarial adjustments	(411,555)	(495,658)
Change in non-cash working capital balances related to operations		
(Increase) Decrease in accounts receivable	(2,304,685)	3,508,007
Decrease (Increase) in other assets	(11,525)	-
Decrease in accounts payable	(1,418,418)	(2,067,121)
Increase (Decrease) in deferred revenues	3,627,012	(2,600,448)
Increase in other liabilities	635,040	260,776
Decrease (Increase) in prepaid expenses	29,807	(52,966)
(Increase) Decrease in inventory	(9,712)	3,217
Increase (Decrease) in unfunded liabilities	2,453,158	(390,762)
Cash provided by operating transactions	<u>15,941,439</u>	<u>15,769,560</u>
Capital Transactions		
Acquisition of tangible capital assets	(7,562,893)	(8,981,278)
Proceeds on disposal of tangible capital assets	1,420	17,429
Cash used in capital transactions	<u>(7,561,473)</u>	<u>(8,963,849)</u>
Investment Transactions		
Decrease in long-term investments	80,949	5,136,854
Other jurisdictions debt receivable	-	(8,604,294)
Cash provided by (used in) investment transactions	<u>80,949</u>	<u>(3,467,440)</u>
Financing Transactions		
Short and long term debt issued	3,904,600	13,663,653
(Decrease) Increase in capital lease obligation	(242,474)	(304,773)
Repayment of short and long-term debt	(3,674,617)	(3,382,273)
Cash provided by (used in) financing transactions	<u>(12,491)</u>	<u>9,976,607</u>
Net change in cash and short-term deposits	8,448,424	13,314,878
Cash and short-term deposits, Beginning of the year	51,867,495	38,552,617
Cash and short-term deposits, End of the year (Pg. 3)	(Note 2) \$ 60,315,919	\$ 51,867,495

See notes to consolidated financial statements

**REGIONAL DISTRICT OF NANAIMO
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Budget</u> (Note 18)	<u>2014</u>	<u>2013</u>
Surplus for the year	\$ 15,737,525	\$ 6,740,146	\$ 11,162,159
Acquisition of tangible capital assets	(24,954,456)	(7,726,318)	(8,981,278)
Amortization of tangible capital assets	-	6,752,591	6,459,785
Proceeds on disposal of tangible capital assets	-	1,420	17,429
Gain on disposal of tangible capital assets	-	(1,420)	(17,429)
Change in prepaid expenses	-	29,807	(52,966)
Change in inventories	-	(9,712)	3,217
Increase (decrease) in Net Financial Assets	(9,216,931)	5,786,514	8,590,917
Net Financial Assets, Beginning of the year	24,731,408	24,731,408	16,140,491
Net Financial Assets, End of the year (Pg. 3)	<u>\$ 15,514,477</u>	<u>\$ 30,517,922</u>	<u>\$ 24,731,408</u>

See notes to consolidated financial statements

REGIONAL DISTRICT OF NANAIMO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended December 31, 2014

The Regional District was incorporated in 1967 under the provisions of the British Columbia Municipal Act. Its principal activities are the provision of district wide local government services to the residents of seven electoral areas and four municipalities within its boundaries. These services include general government administration, bylaw enforcement, planning and development services, building inspection, fire protection and emergency response planning, public transportation, parks and recreation, water supply and sewage collection, wastewater disposal, solid waste collection and disposal, and street lighting.

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Principles of Consolidation

The Regional District follows Canadian public sector accounting standards issued by the Public Sector Accounting Board (PSAB) of CPA Canada.

Consolidated financial statements have been prepared in accordance with the recommendations of the Public Sector Accounting Board (PSAB). The consolidated financial statements include the activities related to all funds belonging to the one economic entity of the Regional District. In accordance with those standards inter-departmental and inter-fund transactions have been removed to ensure financial activities are recorded on a gross basis. The consolidated financial statements have been prepared on a going concern basis.

(b) Short-term deposits

Short-term deposits are carried at the lower of cost and market value.

(c) Long-term investments

Long-term investments are carried at cost less any amortized premium. It is the intention of the Regional District to hold these instruments to maturity. Any premium has been amortized on a straight-line basis using the earlier of the date of maturity or call date.

(d) Non-Financial Assets

i. Tangible capital assets

Tangible capital assets are physical assets that are to be used on a continuing basis, are not for sale in the ordinary course of operations and have useful economic lives extending beyond a single year. Section 3150 of Public Sector Accounting Handbook requires governments to record and amortize the assets over their estimated useful lives. Tangible capital assets are reported at historical cost and include assets financed through operating budgets, short-term and long-term debt, and leases. Tangible capital assets when acquired are recorded at cost which includes all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. Tangible capital asset cost less any estimated residual value, is amortized on a straight-line basis over estimated useful lives as follows:

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Asset Category	Useful Life Range (years)
Land	n/a
Land Improvements	15 - 50
Building	20 - 50
Equipment, Furniture & Vehicles	5 - 20
Engineering Structures	
Water	25 - 75
Sewer	45 - 75
Wastewater	30 - 75
Solid Waste	20 - 50
Transportation	20 - 50

In the year of acquisition and in the year of disposal, amortization is recorded as half of the annual expense for that year. Assets under construction are not amortized until the asset is available for productive use.

ii. Contributions of tangible capital assets

Tangible capital assets received as contributions (examples are parklands as a result of subdivision, donated land and infrastructure built by property developers which is transferred to the Regional District) are recorded as assets and revenues at their fair value at the date of receipt.

iii. Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of a property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

iv. Inventories

Inventories held for consumption are recorded at the lower of cost and replacement cost.

(e) Debt servicing cost

Interest is recorded on an accrual basis.

(f) Financial Instruments

Financial instruments consist of cash and short-term deposits, accounts receivable, investments, other jurisdictions debt receivable, short-term loans, accounts payable, other liabilities and long-term debt. Unless otherwise noted, it is management's opinion that the Regional District is not exposed to significant interest, currency or credit risk arising from these financial instruments.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Revenue recognition

Revenues are recorded on an accrual basis and are recognized in the period in which they are earned.

Property tax revenues and grants in lieu are recognized as revenue when levied. Operating revenues such as user fees, tipping fees, garbage, and recycling collection fees are recognized when charged to the customer, when amounts are measurable and when collectability is reasonably assured. Interest on investments is recorded when earned on an accrual basis. Developer contributions are recorded as deferred revenues when received and recognized as revenue in the year in which the associated expenditures are incurred. Donations of tangible assets are recognized as revenue on the date of receipt. Other revenues are recognized as revenue when amounts can be reasonably estimated and collectability is reasonably assured.

The Regional District recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the Regional District recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

(h) Expense recognition

Operating expenses are recorded on an accrual basis.

Estimates of employee future benefits are recorded as expenses in the year they are earned. Landfill closure and post closure costs are recognized as costs as landfill capacity is used.

(i) Contingent liabilities

Contingent liabilities are recognized in accordance with PS 3300, which requires that an estimate be recorded when it is likely that a future event will confirm that a liability has been incurred by the financial statement date and that the amount can be reasonably estimated.

(j) Use of Estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Significant areas requiring management estimates are the determination of employee retirement benefits, landfill closure and post closure liabilities, likelihood of collection of accounts receivable, useful lives of tangible capital assets and provisions for contingencies. Actual results may vary from those estimates and adjustments will be reported in operations as they become known. Changes to the underlying assumptions and estimates or legislative changes in the near term could have a material impact on the provisions recognized.

REGIONAL DISTRICT OF NANAIMO
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 for the year ended December 31, 2014

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Recent accounting pronouncements

In June 2010, the Public Sector Accounting Board (PSAB) issued PS 3260 *Liability for Contaminated Sites* to establish recognition, measurement and disclosure standards for liabilities associated with the remediation of contaminated sites. The new section defines activities included in a liability for remediation, establishes when to recognize and how to measure a liability for remediation, and provides the related financial statement presentation and disclosure requirements. PS 3260 is effective for fiscal years beginning on or after April 1, 2014. The Regional District expects to apply PS 3260 for its consolidated financial statements dated December 31, 2015. The Regional District has not yet determined the effect of the new section on its consolidated financial statements.

2. CASH AND SHORT-TERM DEPOSITS

In 2014, all cash and short-term deposits were held by the General Revenue Fund. Interest income has been allocated to restricted receipt accounts (development cost charges), reserve accounts/funds and unexpended loan proceeds for capital projects based on the relative equity.

3. ACCOUNTS RECEIVABLE

	<u>2014</u>	<u>2013</u>
Province of British Columbia	\$ 78,734	\$ 75,754
Government of Canada	355,633	555,802
Regional and local governments	507,508	743,503
Gas Tax Revenue Transfer program	2,359,675	123,208
BC Transit Annual Operating Agreement	130,397	390,053
Accrued investment interest	165,812	165,082
Solid Waste commercial accounts	598,095	455,172
Utility services customers	415,513	451,029
Developer DCC instalments	408,198	66,841
Other trade receivables	1,079,186	767,621
	<u>\$ 6,098,751</u>	<u>\$ 3,794,065</u>

REGIONAL DISTRICT OF NANAIMO
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 for the year ended December 31, 2014

4. INVESTMENTS

All investments are held by the General Revenue Fund and consist of term notes and bonds with varying yields and extendible maturity dates ranging from 2015 to 2021.

	<u>2014</u>	<u>2013</u>
Investments at cost less amortized premium	\$ 20,023,422	\$ 20,104,371

As at December 31, 2014, the following investments were held by the Regional District:

Investment	Amortized Purchase Price	Accrued Interest	Total Book Value	Market Value at December 31, 2014
BMO 1.52% deposit note	\$5,000,000	7,496	5,007,496	5,000,000
VANCITY 1.70% deposit note	\$1,973,755	8,457	1,982,212	1,973,755
CWB 1.75% deposit note	\$2,802,000	34,929	2,836,929	2,802,000
CWB 2.00% deposit note	\$3,492,000	5,549	3,497,549	3,492,000
LAUR 3.70% extendible note	\$2,022,893	11,962	2,034,855	2,036,138
BMO 3.979% extendible note	\$2,675,101	49,885	2,724,986	2,730,191
MUN 4.15% deposit note	\$2,057,673	18,413	2,076,086	2,116,049
	<u>\$ 20,023,422</u>	<u>\$ 136,691</u>	<u>\$ 20,160,113</u>	<u>\$ 20,150,133</u>

5. OTHER ASSETS

	<u>2014</u>	<u>2013</u>
Security deposits for building or development permit applications	\$ 25,264	\$ 13,739

6. SHORT-TERM LOANS

During 2014 the Municipal Finance Authority interim financing program loan of \$2,895,000, with interest only payable monthly, to fund the construction of the Nanoose Bay Volunteer Fire Hall was converted to long-term debt. The principal amount of this short-term loan was reduced by \$105,000 to \$2,790,000 prior to it being converted. Interest rate at time of conversion was 1.75%, an increase of 0.03% from 1.72%, the rate at January 1, 2014.

7. ACCOUNTS PAYABLE

	<u>2014</u>	<u>2013</u>
Payable to Provincial Government	\$ 461,776	\$ 328,579
Payable to other local governments	316,005	409,104
Trade and other payables	2,017,302	3,475,816
	<u>\$ 2,795,083</u>	<u>\$ 4,213,499</u>

REGIONAL DISTRICT OF NANAIMO
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 for the year ended December 31, 2014

8. OTHER LIABILITIES

	<u>2014</u>	<u>2013</u>
Wages and benefits payable	\$ 2,229,061	\$ 1,798,830
Retirement benefits payable - see note 9(a) i	2,385,987	2,179,164
Other benefits payable	152,099	149,388
Permit deposits	348,840	353,565
	<u>\$ 5,115,987</u>	<u>\$ 4,480,947</u>

9. UNFUNDED LIABILITIES

Unfunded liabilities represent the estimated amount of cumulative future expenditures required to meet obligations which result from current operations. These liabilities are related to contractual employment obligations, and landfill operations which are governed by Provincial statute. Special reserves which have been set aside to meet those obligations are described below.

(a) Employee Benefits

- i. Retirement Benefits - The Regional District provides vested sick leave benefits to its employees who retire where they can qualify for a one time payout of up to 60 days of their accumulated unused sick leave. The amount recorded for these benefits is based on an actuarial evaluation done by an independent firm using a projected benefit actuarial valuation method prorated on service. The actuarial valuation was calculated at December 31, 2014.

The accrued post-employment benefits are as follows:

	<u>2014</u>	<u>2013</u>
Balance, beginning of year	\$ 1,681,452	\$ 1,573,129
Current service costs	126,125	121,853
Benefits paid	(109,946)	(75,040)
Interest cost	57,358	61,510
Amortization of Net Actuarial Loss/ (Gain)	(21,782)	-
Balance, end of year	<u>\$ 1,733,207</u>	<u>\$ 1,681,452</u>

The significant actuarial assumptions adopted in measuring the Regional District's post-employment benefits are as follows:

	<u>2014</u>	<u>2013</u>
Discount Rate	3.00%	3.90%
Expected Inflation Rate and Wage & Salary Increases	2.50%	2.50%

	<u>2014</u>	<u>2013</u>
Balance reported in Note 8		
Retirement benefits payable	\$ 2,385,987	\$ 2,179,164
Consolidation adjustment for actuarial valuation	(652,780)	(497,712)
Accrued benefit balance, end of year	<u>\$ 1,733,207</u>	<u>\$ 1,681,452</u>

REGIONAL DISTRICT OF NANAIMO
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 for the year ended December 31, 2014

9. UNFUNDED LIABILITIES (CONTINUED)

- ii. Other – Includes vacation pay adjustments and statutory and other benefits provided for in the collective agreement and which are paid in the normal course of business in the following year. The vacation pay liability at December 31, 2014 is \$117,422 (2013, \$108,255). The statutory benefits liability at December 31, 2014 is \$226,405 (2013, \$186,730).

(b) Landfill Closure and Post Closure Maintenance Costs

In accordance with PS 3270 liabilities with respect to permanently closing and monitoring a landfill are incurred as landfill capacity is used. Landfill Closure costs include placing a permanent cover over the face of the landfill. Post Closure Maintenance costs include landfill gas monitoring, leachate collection system operation and general site maintenance for a period of 25 years after the landfill is permanently closed.

- i. Landfill Closure costs - are estimated based on the open area of the remaining unused capacity of the landfill site. In 2009 a revised design and operations plan was approved for the landfill which provides additional airspace for future needs. This plan extended the estimated life of the landfill to 2030 which has since been updated to 2040 based on most recent usage data. The plan includes remediation and reuse of previously filled areas as well as extending perimeter berms for the development of new airspace.

At December 31, 2014, there were approximately 1,819,800 cubic meters of airspace available for waste and daily cover. Landfill Closure costs are estimated at \$7,196,204 (2013, \$6,206,141). As at December 31, 2014, \$1,447,724 (2013, \$1,418,974) has been set aside in reserves for this purpose. The balance of Landfill Closure costs are expected to be funded by a combination of future reserve account contributions, operating budgets and/or borrowing.

- ii. Post Closure Maintenance costs – are costs estimated to manage the closed landfill for a statutory period of 25 years. Post Closure Maintenance costs are estimated using a number of factors including the percentage of landfill capacity already filled, the probable closure date, the regulated monitoring period, the estimated annual maintenance costs and a present value discount rate which is the difference between the long-term MFA borrowing rate and the 5 year average Consumer Price Index. The current estimate for annual Post Closure Maintenance costs is \$575,000 (2013, \$575,000). Total Post Closure Maintenance costs are estimated to be \$5,111,015 (2013, \$3,541,694) based on 62% of the total landfill capacity being filled at this date, a 26 year lifespan to 2040, final closure in 2040, and a discount rate of 1.45%. Post Closure Maintenance costs are expected to be funded by annual budget appropriations in the years in which they are incurred.

<u>Unfunded Liability Balances</u>	<u>2014</u>	<u>2013</u>
Employee Retirement Benefits	\$ (652,780)	\$ (497,712)
Employee Other Benefits	343,827	294,985
Landfill Closure Costs	7,196,204	6,206,141
Post Closure Maintenance Costs	5,111,015	3,541,694
Unfunded Liability	<u>\$ 11,998,266</u>	<u>\$ 9,545,108</u>
Reserves On Hand	<u>\$ 1,447,724</u>	<u>\$ 1,418,974</u>

REGIONAL DISTRICT OF NANAIMO
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 for the year ended December 31, 2014

10. DEFERRED REVENUE

	<u>2014</u>	<u>2013</u>
Parkland Cash-in-Lieu receipts	\$ 1,662,844	\$ 1,604,970
Development Cost Charges	<u>11,250,480</u>	<u>9,040,748</u>
Subtotal (Pg. 30)	12,913,324	10,645,718
Gas Tax Revenue Transfer program – Community Works Fund	6,118,541	4,920,058
Community Recreation Grant Program	-	145,566
General Revenue Fund	<u>692,541</u>	<u>386,052</u>
	<u>\$ 19,724,406</u>	<u>\$ 16,097,394</u>

Parkland Cash-in-Lieu - are amounts collected from developers under the authority of Section 941 of the Local Government Act, where the Board has determined that cash rather than land for parkland purposes may be accepted as a condition of subdivision. These funds are held for the purpose of purchasing parkland.

Development Cost Charges - are amounts collected or payable as a result of new subdivision or building developments under the authority of Section 933 of the *Local Government Act*. The purpose of Section 933 is to collect funds for infrastructure which will be built as a result of population growth. Development Cost Charge bylaws have been enacted for the future expansion of wastewater treatment facilities and a bulk water system.

Community Works Fund - is a program component of the federal government's "New Building Canada Fund" which was established to transfer a portion of gas tax revenues to local governments to address infrastructure deficits. Additional information on the Regional District of Nanaimo's use of the Community Works Fund grants is included in the schedule on Pg. 31.

General Revenue Fund - consists of payments in advance for recreation programs, unredeemed recreation program awards, facility rental deposits and miscellaneous deferred revenue.

11. LONG-TERM DEBT

Debt is recorded and payable in Canadian dollars. It is the current policy of the Municipal Finance Authority to secure debt repayable only in Canadian dollars.

Details of long-term debt, including debt issue numbers, maturity dates, interest rates and outstanding amounts, are summarized in the Schedule of Long-Term Debt on pages 24 to 27.

	<u>2014</u>	<u>2013</u>
Long-Term debt - Regional District services	\$ 15,629,016	\$ 12,915,588
Vancouver Island Regional Library	15,957,989	16,319,013
Member municipalities	<u>52,213,097</u>	<u>45,903,812</u>
Total Long-Term Debt	<u>\$ 83,800,102</u>	<u>\$ 75,138,413</u>

Payments of principal on issued debt of the Regional District, not including member municipalities, for the next five years are:

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>TOTAL</u>
\$1,260,221	\$1,116,984	\$1,108,097	\$1,108,202	\$1,065,750	<u>\$ 5,659,254</u>

REGIONAL DISTRICT OF NANAIMO
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 for the year ended December 31, 2014

12. OTHER JURISDICTIONS DEBT RECEIVABLE

Pursuant to the *Local Government Act*, the Regional District acts as the agency through which its member municipalities and other jurisdictions borrow funds from the Municipal Finance Authority. The annual cost of servicing this debt is recovered entirely from the borrowing jurisdiction. However, the Regional District is joint and severally liable for this debt in the event of default.

	<u>2014</u>	<u>2013</u>
City of Parksville	\$ 2,410,090	\$ 2,759,856
City of Nanaimo	49,803,007	43,143,956
Vancouver Island Regional Library	15,957,989	16,319,013
	<u>\$ 68,171,086</u>	<u>\$ 62,222,825</u>

13. OPERATING AND CAPITAL LEASES

The outstanding obligation balance for leased capital assets as at December 31, 2014 was \$682,677 (2013, \$900,726). The Regional District has financed assets under capital leases with a net book value of \$715,776 (2013, \$1,104,449). The assets include one fire truck, one road vehicle, one tractor and trailer and landfill site mobile equipment. The 2014 capital lease principal payments totalled \$242,474 (2013, \$304,775).

All capital leases are held by the MFA Leasing Corporation. While payments are fixed for the term of the lease, interest rates are variable daily based upon the Canadian prime rate minus 1.0%. An interest adjustment is made at the time of the final payment. In 2014, interest expenditures related to lease liabilities were \$15,549 (2013, \$22,192).

Lease payment commitments for the next five years are:

Capital Leases

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>TOTAL</u>
\$482,290	\$201,449	\$5,137	\$5,137	\$2,997	\$ 697,010
	Less: Imputed Interest				(14,333)
	Net Obligation under Capital Lease (Pg. 3)				<u>\$ 682,677</u>

Operating Leases – there are no operating lease commitments as at December 31, 2014.

14. TANGIBLE CAPITAL ASSETS

Net Book Value	<u>2014</u>	<u>2013</u>
Land	\$ 38,096,795	\$ 37,957,795
Land improvements	5,907,469	4,535,606
Buildings	31,992,029	32,152,213
Engineered structures	90,102,863	89,163,815
Equipment, furniture and vehicles	8,989,229	9,482,318
Assets under construction	1,425,801	2,248,712
	<u>\$ 176,514,186</u>	<u>\$ 175,540,459</u>
Owned tangible capital assets	\$ 175,798,410	\$ 174,436,010
Leased assets	715,776	1,104,449
	<u>\$ 176,514,186</u>	<u>\$ 175,540,459</u>

REGIONAL DISTRICT OF NANAIMO
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 for the year ended December 31, 2014

14. TANGIBLE CAPITAL ASSETS (CONTINUED)

In 2014, parkland dedications valued at \$139,000 were accepted and recorded as contributed assets. During 2013 no parkland dedications were accepted or recorded as contributed assets.

The Consolidated Schedule of Tangible Capital Assets (Pg. 23) provides details of acquisitions, disposals and amortization for the year.

15. ACCUMULATED SURPLUS

The financial operations of the Regional District are divided into three funds; capital fund, general revenue fund and reserve fund. For accounting purposes each fund is treated as a separate entity.

General Revenue Fund – represents the accumulated operating surplus of the Regional District which has not otherwise been allocated by the Board as reserves for special purposes.

Capital Fund – represents amounts which have been expended by or returned to the General Revenue Fund or a Reserve Fund for the acquisition of tangible capital assets and includes related debt and refunds of debenture debt sinking fund surpluses.

Reserves - represents that portion of the accumulated operating surplus that has been set aside to fund future expenditures. It includes both statutory reserves created by bylaw under the authority of the *Local Government Act* and reserve accounts, which may be used by the Board without legislative restrictions.

The Accumulated Surplus consists of individual fund surpluses (deficits) and reserves as follows:

	<u>2014</u>	<u>2013</u>
Surplus		
General Revenue Fund Net Operating Surplus (Note 16)	\$ 11,415,855	\$ 10,056,262
Net investment in Tangible capital assets (Note 17)	160,202,493	158,829,145
Capital Fund advances	(430,123)	(995,924)
Unfunded liabilities	(11,998,266)	(9,545,108)
	<u>159,189,959</u>	<u>158,344,375</u>
General Revenue Fund Reserve Accounts		
Landfill expansion	272,755	267,338
Landfill closure	1,447,724	1,418,974
Property insurance deductible-fire departments	30,879	34,871
Liability insurance deductible	146,952	144,033
Regional Sustainability Initiatives	90,989	89,182
VIHA Homelessness Grant	-	188,000
Island Corridor Foundation	404,500	404,500
Regional parks and trails donations	17,459	11,704
Vehicle fleet replacement (various departments)	553,677	523,378
	<u>2,964,935</u>	<u>3,081,980</u>
Statutory Reserve Funds (Pg. 29)	\$ 45,341,349	\$ 39,329,742
Total Reserves	\$ 48,306,284	\$ 42,411,722
Accumulated Surplus (Pg. 3)	<u>\$ 207,496,243</u>	<u>\$ 200,756,097</u>

REGIONAL DISTRICT OF NANAIMO
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 for the year ended December 31, 2014

16. CONSOLIDATION ADJUSTMENTS

The figures reported in the consolidated financial statements differ from the supporting schedules due to differences in grouping and presentation as well as the elimination of inter-fund and inter-departmental transactions. The Net Operating Surplus in the General Revenue Fund Schedule of Revenue and Expenditures has been adjusted as follows to conform to PSAB requirements:

	<u>2014</u>	<u>2013</u>
Net Operating Surplus (Pg. 32)	\$ 11,280,931	\$ 9,916,380
Add: Water User Fee Revenue year end accrual (billed May 2015)	134,924	139,882
Net Operating Surplus adjusted for statement presentation (Note 15)	<u>\$ 11,415,855</u>	<u>\$ 10,056,262</u>

17. NET INVESTMENT IN TANGIBLE CAPITAL ASSETS

Net investment in Tangible capital assets represents the historic cost of capital expenditures less debt obligations incurred to purchase and develop the infrastructure.

	<u>2014</u>	<u>2013</u>
Tangible capital assets (Pg. 3)	\$ 176,514,186	\$ 175,540,459
Short term loans (Pg. 3)	-	(2,895,000)
Obligation under capital lease (Pg. 3)	(682,677)	(900,726)
Long-term debt - Regional District only (Note 11)	(15,629,016)	(12,915,588)
Net investment in Tangible capital assets (Note 15)	<u>\$ 160,202,493</u>	<u>\$ 158,829,145</u>

18. BUDGET FIGURES

Budget figures represent the Financial Plan Bylaw adopted by the Board on March 25, 2014. The financial plan includes capital expenditures but does not include amortization expense. The financial plan forms the basis for taxation and fees and charges rates which may be required for a particular year. The following reconciliation of the budgeted "Surplus for the year" shown on Pg. 4 is provided to show which items must be added or removed to reflect to the budgeted financial plan values which are shown compared to actual expenditures on Pg.32 (General Revenue Fund Schedule of Revenue and Expenditures).

	<u>2014 Budget</u>
Budgeted Surplus for the year (Pg. 4)	\$ 15,737,525
Add:	
Transfers from reserves	9,990,997
Proceeds of borrowing	1,482,800
Prior year operating surplus	9,916,390
Less:	
Capital expenditures	(24,954,456)
Debt principal repayments/actuarial adjustments	
Budgeted principal payments	4,062,581
Add: Actuarial Adjustments	423,195
Less: Principal payments for member municipalities	<u>(2,474,071)</u>
Capital lease principal payments included in equipment operating expenditure	(242,475)
Transfer to reserves	<u>(5,085,277)</u>
Consolidated Budgeted Surplus, per Regional District of Nanaimo Financial Plan Bylaw No.1698 (Pg. 32)	<u>\$ 4,833,799</u>

19. MUNICIPAL FINANCE AUTHORITY RESERVE DEPOSITS

The Regional District secures its long term borrowing through the Municipal Finance Authority. As a condition of these borrowings a portion of the debenture proceeds are retained by the Authority as a debt reserve fund. As at December 31, 2014 the Regional District had debt reserve funds of \$399,479 (2013, \$349,855).

20. NORTH ISLAND 9-1-1 CORPORATION

A 9-1-1 emergency call answering service is provided by the North Island 9-1-1 Corporation, which is owned by the Regional Districts of Comox Valley, Strathcona, Mount Waddington, Alberni Clayoquot, Nanaimo and Powell River. The shares in the corporation are owned as follows:

Alberni Clayoquot	3 shares
Comox Valley	6 shares
Strathcona	4 shares
Mount Waddington	1 share
Nanaimo	5 shares
Powell River	2 shares

The Regional District's investment in shares of the North Island 911 Corporation is recorded at cost as it does not fall under the definition of a government partnership (PS3060.06). The Regional District's share of the corporation is equal to 23.8% and the degree of control is proportionate to the ownership share. As no benefits are expected from the ownership, it has not been accounted for as an equity investment.

21. PENSION LIABILITY

The Regional District of Nanaimo and its employees contribute to the Municipal Pension Plan (the Plan), a jointly trustee pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the Plan, including investment of the assets and administration of benefits. The Plan is a multi-employer contributory pension plan. Basic pension benefits provided are based on a formula. The Plan has about 182,000 active members and approximately 75,000 retired members. Active members include approximately 320 contributors from the Regional District of Nanaimo.

The most recent actuarial valuation as at December 31, 2012 indicated an unfunded liability of \$1.370 billion funding deficit for basic pension benefits. The next valuation will be as at December 31, 2015 with results available in 2016. Employers participating in the Plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the Plan records accrued liabilities and accrued assets for the Plan in aggregate, with the result that there is no consistent and reliable basis for allocating the obligation, assets and cost to the individual employers participating in the Plan.

The Regional District of Nanaimo paid \$1,783,224 (2013, \$1,635,703) for employer contributions to the Plan in fiscal 2014.

22. CONTINGENT LIABILITIES

Contingent liabilities are recognized by the Regional District in accordance with PS3300.15. As at December 31, 2014 there were outstanding claims against the Regional District, however, no liability has been accrued because amounts are undeterminable and the likelihood of the Regional District having to make payment is uncertain.

REGIONAL DISTRICT OF NANAIMO
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 for the year ended December 31, 2014

23. ENVIRONMENTAL REGULATIONS

The Regional District is subject to environmental regulations which apply to a number of its operations. These regulations may require future expenditures to meet applicable standards and subject the Regional District to possible penalties for violations. Amounts required to meet these obligations will be charged to operations when incurred and/or when they can be reasonably estimated.

24. EXPENDITURES BY OBJECT

	<u>Budget</u>	<u>2014</u>	<u>2013</u>
Operating goods and services	\$ 33,398,355	\$ 29,426,565	\$ 27,802,363
Wages and benefits	28,231,410	27,148,660	26,441,064
Debt interest	1,211,746	1,211,746	1,186,973
Amortization expense	-	6,752,591	6,459,787
Unfunded expenditures (Note 9)	-	2,453,159	(390,763)
Total Expenditures by Object	<u>\$ 62,841,511</u>	<u>\$ 66,992,721</u>	<u>\$ 61,499,424</u>

25. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the presentation adopted in the current year.

REGIONAL DISTRICT OF NANAIMO
CONSOLIDATED SCHEDULE OF REVENUE AND EXPENSES BY SEGMENT
as at December 31, 2014

PS2700 requires that governments define and disclose additional information related to its activities, by segment. Regional Districts are required by the Local Government Act to charge or allocate all expenses directly or reasonably attributable to a service, to that service. The information in these financial statements conforms in all respects to the requirements of the Local Government Act.

For the purposes of PS2700 the segmented information above corresponds to the classification of expenses shown on the Consolidated Statement of Operations. The expense classifications on the Consolidated Statement of Operations represent the major activities provided by the Regional District of Nanaimo.

The following activities are included in the segments shown on Pg. 21:

General Government includes overall administration, legislative services including elections and feasibility studies. These services are paid for by multiple member jurisdictions of the Regional District and affect most taxpayers residing in the Regional District of Nanaimo. Schedule A on Pg. 34 of this report provides additional details with respect to revenues and expenditures for services falling under General Government.

Planning & Development includes community and regional land use planning, house numbering and building inspection. Planning & Development services are largely paid for by Electoral Areas of the Regional District of Nanaimo. Schedules B and B-1 on Pgs. 37-38 of this report provide additional details with respect to revenues and expenditures for each of these services.

Wastewater & Solid Waste includes sewage treatment plants and solid waste disposal activities, including programs for garbage collection and recycling. The Regional District operates two treatment plants in both the northern and southern portions of the Regional District. A solid waste landfill and transfer station are funded at a regional level, with garbage collection & recycling services provided in areas outside of the City of Nanaimo. Detailed revenue and expenditure information on wastewater treatment plants is found on Schedule C-1, Pg. 40 of this report. Detailed revenue and expenditure information on solid waste management is found on Schedule E, Pg. 46.

Water, Sewer & Street lighting includes neighbourhood water supply, sewage collection systems and street lights. Only taxpayers within these areas pay for the service. Detailed revenue and expenditure information on these services can be found on Schedules C-2, C-3 and C-4 (Pgs. 41-43) of this report.

Public Transportation includes conventional and HandyDart bus service. Public transit services are available to the City of Nanaimo, City of Parksville, Town of Qualicum Beach, Electoral Area G and portions of Electoral Areas A, E and C. Detailed revenue and expenditure information on transportation services is found on Schedule E, Pg. 46 of this report.

Protective Services includes volunteer and contract fire protection services, emergency planning, bylaw enforcement and the Regional District's participation in E911 services. Detailed revenue and expenditure information on protective services is found on Schedules A-1 and A-2, Pgs. 35-36 of this report.

Parks, Recreation & Culture includes operations and development of community and regional parks, provision of recreation programming, operation of a multiplex arena and aquatic centre and includes some services provided by agreement with municipalities within the Regional District of Nanaimo. Detailed revenue and expenditure information on parks, recreation & culture services is found on Schedules D and D-1, Pgs. 44-45 of this report.

REGIONAL DISTRICT OF NANAIMO
CONSOLIDATED SCHEDULE OF REVENUE AND EXPENSES BY SEGMENT
as at December 31, 2014

	General Government	Planning & Development	Wastewater & Solid Waste	Water, Sewer & Street lighting	Public Transportation	Protective Services	Parks, Recreation & Culture	2014 Total	2013 Total
Revenues									
Property taxes	\$ 1,320,167	\$ 2,018,986	\$ 10,141,332	\$ 3,819,121	\$ 8,721,464	\$ 4,485,467	\$ 9,848,645	\$ 40,355,182	\$ 38,357,564
Operating revenues	-	1,238,470	12,503,506	1,379,421	4,503,348	15,586	1,587,206	21,227,537	20,891,235
Grant revenues	43,660	3,511	2,168,727	750,234	5,700,703	-	443,342	9,110,177	6,819,458
Developer contributions	-	-	486,724	100,227	-	-	153,000	739,951	4,356,188
Other	253,118	3,044	23,487	139,203	40,291	74,874	297,576	831,593	887,904
Interest on investments	348,933	7,606	613,687	66,042	35,776	65,232	50,760	1,188,036	1,070,287
Grants in lieu	66,360	7,747	81,303	4,338	95,665	13,359	11,619	280,391	278,947
	<u>2,032,238</u>	<u>3,279,364</u>	<u>26,018,766</u>	<u>6,258,586</u>	<u>19,097,247</u>	<u>4,654,518</u>	<u>12,392,148</u>	<u>73,732,867</u>	<u>72,661,583</u>
Expenses									
Operating goods & services	(1,971,283)	1,316,866	12,261,940	2,817,783	7,436,731	3,175,468	4,389,060	29,426,565	27,802,363
Wages and benefits	3,695,021	1,975,138	5,422,398	1,398,118	10,184,577	447,595	4,025,813	27,148,660	26,441,064
Debt interest	-	-	-	309,777	-	-	704,701	1,211,746	1,186,973
Amortization expense	386,084	28,298	3,621,216	823,740	410,263	537,316	945,674	6,752,591	6,459,787
Unfunded expenses	(106,226)	-	2,559,385	-	-	-	-	2,453,159	(390,763)
	<u>2,003,596</u>	<u>3,320,302</u>	<u>23,864,939</u>	<u>5,349,418</u>	<u>18,031,571</u>	<u>4,357,647</u>	<u>10,065,248</u>	<u>66,992,721</u>	<u>61,499,424</u>
Surplus for the year	<u>\$ 28,642</u>	<u>\$ (40,938)</u>	<u>\$ 2,153,827</u>	<u>\$ 909,168</u>	<u>\$ 1,065,676</u>	<u>\$ 296,871</u>	<u>\$ 2,326,900</u>	<u>\$ 6,740,146</u>	<u>\$ 11,162,159</u>

REGIONAL DISTRICT OF NANAIMO
CONSOLIDATED SCHEDULE OF REVENUE AND EXPENSES BY SEGMENT
as at December 31, 2013

	General Government	Planning & Development	Wastewater & Solid Waste	Water, Sewer & Street lighting	Public Transportation	Protective Services	Parks, Recreation & Culture	2013 Total	2012 Total
Revenues									
Property taxes	\$ 1,656,860	\$ 1,958,780	\$ 9,498,031	\$ 3,540,645	\$ 7,986,509	\$ 4,248,909	\$ 9,467,830	\$ 38,357,564	\$ 36,572,915
Operating revenues	-	1,213,764	12,200,287	1,322,777	4,586,541	38,501	1,529,365	20,891,235	20,149,347
Grant revenues	66,475	52,537	72,876	364,340	5,529,027	6,436	727,767	6,819,458	6,911,392
Developer contributions	-	-	4,170,183	84,403	-	3,329	98,273	4,356,188	9,117,231
Other	210,925	8,303	129,386	100,376	-	45,603	393,311	887,904	907,467
Interest on investments	330,044	5,272	470,284	52,222	23,760	154,798	33,907	1,070,287	1,025,738
Grants in lieu	66,078	7,733	81,973	7,027	90,894	13,981	11,261	278,947	259,546
	<u>2,330,382</u>	<u>3,246,389</u>	<u>26,623,020</u>	<u>5,471,790</u>	<u>18,216,731</u>	<u>4,511,557</u>	<u>12,261,714</u>	<u>72,661,583</u>	<u>74,943,636</u>
Expenses									
Operating goods & services	(2,311,265)	1,256,197	11,892,248	2,512,683	7,083,657	3,018,077	4,350,766	27,802,363	26,991,251
Wages and benefits	3,454,419	1,912,478	5,362,518	1,328,266	9,985,370	322,672	4,075,341	26,441,064	24,739,747
Debt interest	-	-	86,583	278,962	-	139,362	682,066	1,186,973	1,141,399
Amortization expense	430,484	31,244	3,322,263	786,617	407,162	567,659	914,358	6,459,787	5,908,569
Unfunded expenses	(58,363)	-	(332,400)	-	-	-	-	(390,763)	(2,704,052)
	<u>1,515,275</u>	<u>3,199,919</u>	<u>20,331,212</u>	<u>4,906,528</u>	<u>17,476,189</u>	<u>4,047,770</u>	<u>10,022,531</u>	<u>61,499,424</u>	<u>56,076,914</u>
Surplus for the year	<u>\$ 815,107</u>	<u>\$ 46,470</u>	<u>\$ 6,291,808</u>	<u>\$ 565,262</u>	<u>\$ 740,542</u>	<u>\$ 463,787</u>	<u>\$ 2,239,183</u>	<u>\$ 11,162,159</u>	<u>\$ 18,866,722</u>

See notes to consolidated financial statements

**REGIONAL DISTRICT OF NANAIMO
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
AS AT DECEMBER 31, 2014**

	Land	Land Improvements	Buildings	Engineered Structures	Equipment, Furniture & Vehicles	Assets Under Construction	Total 2014	Total 2013
COST								
Balance, beginning of year	\$ 37,957,795	\$ 5,781,419	\$ 46,354,772	\$ 138,267,861	\$ 20,478,047	\$ 2,248,712	\$ 251,088,606	\$ 242,434,488
Add:								
Additions	139,000	1,676,169	1,273,152	4,231,774	1,229,134	(822,911)	7,726,318	8,981,278
Less:								
Disposals	-	-	-	-	157,214	-	157,214	327,160
Balance, end of year	38,096,795	7,457,588	47,627,924	142,499,635	21,549,967	1,425,801	258,657,710	251,088,606
ACCUMULATED AMORTIZATION								
Balance, beginning of year	\$ -	\$ 1,245,813	\$ 14,202,559	\$ 49,104,046	\$ 10,995,729	\$ -	\$ 75,548,147	\$ 69,415,522
Add:								
Amortization	-	304,306	1,433,336	3,292,726	1,722,223	-	6,752,591	6,459,785
Less:								
Accumulated amortization on disposals	-	-	-	-	157,214	-	157,214	327,160
Balance, end of year	-	1,550,119	15,635,895	52,396,772	12,560,738	-	82,143,524	75,548,147
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS								
	\$ 38,096,795	\$ 5,907,469	\$ 31,992,029	\$ 90,102,863	\$ 8,989,229	\$ 1,425,801	\$ 176,514,186	\$ 175,540,459
					Owned capital assets		\$ 175,798,410	\$ 174,436,010
					Leased assets		715,776	1,104,449
							<u>\$ 176,514,186</u>	<u>\$ 175,540,459</u>

See notes to consolidated financial statements

**REGIONAL DISTRICT OF NANAIMO
LONG-TERM DEBT SUMMARY BY FUNCTION
DECEMBER 31, 2014**

	<u>2010</u>		<u>2011</u>		<u>2012</u>		<u>2013</u>		<u>2014</u>
REGIONAL DISTRICT									
RAVENSONG AQUATIC CENTRE	1,423,900	\$	1,166,210		895,635		611,532	\$	313,224
OCEANSIDE PLACE ARENA	5,311,142		4,991,710		4,659,501		4,314,003		3,954,686
REGIONAL PARKS	-		-		-		2,053,653		1,984,688
COMMUNITY PARKS	398,776		377,962		356,256		333,617		310,004
WASTEWATER MANAGEMENT - Northern Community (District 69)	730,684		498,905		255,536		-		-
FIRE PROTECTION	1,918,946		1,834,993		1,747,681		1,656,878		4,352,441
SEWER SERVICES	2,119,818		2,090,564		2,004,725		1,915,450		1,822,604
WATER SUPPLY SERVICES	2,670,530		2,502,490		2,272,174		2,030,455		2,891,369
VANCOUVER ISLAND REGIONAL LIBRARY	<u>8,000,000</u>		<u>7,857,359</u>		<u>16,319,013</u>		<u>15,957,989</u>		15,957,989
TOTAL REGIONAL DISTRICT	14,573,796		21,462,834		20,048,868		29,234,601		31,587,005
MEMBER MUNICIPALITIES	<u>40,342,070</u>		<u>37,196,676</u>		<u>34,948,088</u>		<u>45,903,812</u>		52,213,097
TOTAL LONG-TERM DEBT (Pg. 3)	<u><u>54,915,866</u></u>		<u><u>58,659,510</u></u>		<u><u>54,996,956</u></u>		<u><u>75,138,413</u></u>	\$	<u><u>83,800,102</u></u>

See notes to consolidated financial statements

**REGIONAL DISTRICT OF NANAIMO
SCHEDULE OF LONG-TERM DEBT
DECEMBER 31, 2014**

FUNCTION	ISSUER	FUNDS	BYLAW NUMBER	MATURITY DATE	INTEREST RATE	ORIGINAL VALUE	2014 DEBT O/S	2013 DEBT O/S
RAVENSONG AQUATIC CENTRE								
	MFA 61	CDN	981	Dec 01, 2015	5.970	4,098,635	\$ 313,224	\$ 611,532
TOTAL RAVENSONG AQUATIC CENTRE						<u>4,098,635</u>	<u>313,224</u>	<u>611,532</u>
OCEANSIDE PLACE ARENA								
	MFA 97	CDN	1365	Apr 19, 2023	4.830	6,470,646	3,954,686	4,314,003
TOTAL OCEANSIDE PLACE ARENA						<u>6,470,646</u>	<u>3,954,686</u>	<u>4,314,003</u>
REGIONAL PARKS								
	MFA 126	CDN	1629	Sep 26, 2033	3.850	2,053,653	1,984,688	2,053,653
TOTAL OCEANSIDE PLACE ARENA						<u>2,053,653</u>	<u>1,984,688</u>	<u>2,053,653</u>
COMMUNITY PARKS ELECTORAL AREA B								
	MFA 78	CDN	1299	Dec 03, 2022	5.250	100,000	51,862	57,035
	MFA 79	CDN	1303	Jun 03, 2023	5.250	80,000	45,628	49,569
	MFA 81	CDN	1304	Apr 22, 2024	4.900	80,000	49,569	53,322
	MFA 93	CDN	1305	Apr 06, 2025	5.100	80,000	48,918	52,730
	MFA 97	CDN	1306	Apr 19, 2026	4.660	80,000	55,246	58,781
	MFA 101	CDN	1307	Apr 11, 2027	4.520	80,000	58,781	62,180
TOTAL COMMUNITY PARKS						<u>500,000</u>	<u>310,004</u>	<u>333,617</u>
FIRE PROTECTION SERVICES								
MEADOWOOD FIRE								
	MFA 110	CDN	1587	Apr 08, 2030	4.500	1,773,410	1,520,515	1,587,506
COOMBS HILLIERS FIRE								
	MFA 92	CDN	1396	Apr 06, 2015	4.550	232,725	27,589	54,118
NANAIMO RIVER FIRE								
	MFA 99	CDN	1488	Apr 19, 2027	4.430	20,761	14,337	15,254
NANOOSSE BAY FIRE								
	MFA 130	CDN	1617	Oct 14, 2034	3.000	2,790,000	2,790,000	-
TOTAL FIRE PROTECTION SERVICES						<u>4,816,896</u>	<u>4,352,441</u>	<u>1,656,878</u>
SEWER SERVICES								
BARCLAY CRESCENT SEWER								
	MFA 102	CDN	1486	Dec 01, 2027	4.820	895,781	658,185	696,248
CEDAR SEWER								
	MFA 106	CDN	1571	Oct 13, 2029	4.130	926,180	757,718	794,103
	MFA 106	CDN	1572	Oct 13, 2029	4.130	27,200	22,253	23,321
	MFA 106	CDN	1573	Oct 13, 2029	4.130	108,800	89,010	93,285
	MFA 106	CDN	1574	Oct 13, 2029	4.130	61,200	50,068	52,473
	MFA 110	CDN	1584	Apr 08, 2030	4.500	232,286	199,161	207,936
	MFA 117	CDN	1626	Oct 12, 2031	3.250	51,620	46,209	48,084
TOTAL SEWER SERVICES						<u>1,407,286</u>	<u>1,164,419</u>	<u>1,219,202</u>
						<u>\$ 2,303,067</u>	<u>\$ 1,822,604</u>	<u>\$ 1,915,450</u>

See notes to consolidated financial statements

**REGIONAL DISTRICT OF NANAIMO
SCHEDULE OF LONG-TERM DEBT
DECEMBER 31, 2014**

FUNCTION	ISSUER	FUNDS	BYLAW NUMBER	MATURITY DATE	INTEREST RATE	ORIGINAL VALUE	2014 DEBT	2013 DEBT	
							O/S	O/S	
WATER - SAN PAREIL									
	MFA74	CDN	1221	Jun 01, 2016	5.900	193,979	34,749	50,893	
	MFA81	CDN	1367	Apr 22, 2019	4.900	89,476	37,322	43,754	
	MFA97	CDN	1395	Apr 19, 2021	4.660	40,000	21,593	24,222	
	MFA106	CDN	1395	Oct 13, 2024	4.130	94,439	68,893	74,411	
	MFA 117	CDN	1395	Oct 12, 2026	3.250	49,056	41,408	44,058	
						466,950	203,965	237,338	
WATER - SAN PAREIL FIRE IMPROVEMENTS									
	MFA127	CDN	1689	Apr 07, 2034	3.300	1,114,600	1,114,600	-	
						1,114,600	1,114,600	-	
WATER - DRIFTWOOD									
	MFA80	CDN	1301	Oct 03, 2023	4.900	100,614	57,386	62,341	
						100,614	57,386	62,341	
WATER - MELROSE TERRACE									
	MFA103	CDN	1539	Apr 23, 2018	4.650	14,349	6,422	7,876	
						14,349	6,422	7,876	
BULK WATER - FRENCH CREEK									
	MFA69	CDN	1127	Sep 24, 2018	4.650	503,655	143,308	174,974	
						503,655	143,308	174,974	
BULK WATER - NANOOSE									
	MFA69	CDN	1128	Sep 24, 2018	4.650	864,095	245,866	300,194	
	MFA74	CDN	1226	Jun 01, 2021	5.900	2,195,223	1,019,272	1,138,498	
	MFA80	CDN	1239	Oct 03, 2023	4.900	176,295	100,550	109,234	
						3,235,613	1,365,688	1,547,926	
	TOTAL WATER SUPPLY MANAGEMENT						5,435,781	2,891,369	2,030,455
DEBT HELD FOR OTHER JURISDICTIONS									
VANCOUVER ISLAND REGIONAL LIBRARY									
	MFA 117	CDN	1634	Oct 12, 2041	3.250	8,000,000	7,554,732	7,709,013	
	MFA 126	CDN	1674	Sep 26, 2038	3.850	8,610,000	8,403,257	8,610,000	
	TOTAL - VANCOUVER ISLAND REGIONAL LIBRARY						\$ 16,610,000	\$ 15,957,989	\$ 16,319,013
TOTAL LONG-TERM DEBT - REGIONAL DISTRICT							\$ 42,288,678	\$ 31,587,005	\$ 29,234,601

See notes to consolidated financial statements

**REGIONAL DISTRICT OF NANAIMO
SCHEDULE OF LONG-TERM DEBT
DECEMBER 31, 2014**

FUNCTION	ISSUER	FUNDS	BYLAW NUMBER	MATURITY DATE	INTEREST RATE	ORIGINAL VALUE	2014 DEBT O/S	2013 DEBT O/S
CITY OF PARKSVILLE								
	MFA68	CDN	1109	Mar 24, 2018	4.650	1,200,000	341,444	416,890
	MFA69	CDN	1129	Sep 24, 2018	4.650	1,970,000	560,536	684,394
	MFA74	CDN	1227	Jun 01, 2021	5.900	290,000	134,651	150,401
	MFA75	CDN	1238	Dec 01, 2021	5.690	1,050,000	487,529	544,556
	MFA78	CDN	1283	Dec 03, 2022	5.250	765,000	396,748	436,318
	MFA93	CDN	1420	Apr 06, 2025	5.100	800,000	489,182	527,297
TOTAL CITY OF PARKSVILLE						6,075,000	2,410,090	2,759,856
CITY OF NANAIMO								
	MFA61	CDN	GNWD 50	Dec 01, 2015	4.000	1,166,086	125,299	244,632
	MFA72	CDN	1197	Jun 01, 2020	6.450	4,500,000	1,813,877	2,072,295
	MFA73	CDN	1219	Dec 01, 2020	6.360	4,100,000	1,652,643	1,888,091
	MFA73	CDN	1220	Dec 01, 2015	6.360	247,947	22,495	44,021
	MFA99	CDN	1489	Oct 19, 2026	4.430	15,000,000	10,358,552	11,021,422
	MFA101	CDN	1489	Apr 11, 2027	4.520	15,000,000	11,021,422	11,658,796
	MFA 102	CDN	1530	Dec 01, 2027	4.820	3,750,000	2,755,356	2,914,699
	MFA 126	CDN	1688	Sep26, 2033	3.850	13,300,000	12,853,363	13,300,000
	MFA 127	CDN	1694	Apr 07, 2034	3.300	9,200,000	9,200,000	-
TOTAL CITY OF NANAIMO						66,264,033	49,803,007	43,143,956
TOTAL LONG-TERM DEBT - MEMBER MUNICIPALITIES						\$ 72,339,033	\$ 52,213,097	\$ 45,903,812
TOTAL LONG-TERM DEBT						\$ 114,627,711	\$ 83,800,102	\$ 75,138,413

See notes to consolidated financial statements

RESERVE ACCOUNT ACTIVITY - 2014
SCHEDULE OF STATUTORY RESERVE FUND ACTIVITY AND FUND BALANCES
AS AT DECEMBER 31, 2014

	Balance January 1, 2014	Interest Income	Contributions by Developers & Others	MFA surplus and refunds	Contributions from/(to) Operating Fund	Transfers to Capital Funds	Feasibility, legal & other costs or transfers	Balance December 31, 2014
2014 ACTIVITY								
Feasibility Studies	\$ 66,893	-	-	-	(53,433)	-	-	\$ 13,460
Administration Information Systems/Building	\$ 1,714,804	35,054	-	-	132,945	(114,137)	-	\$ 1,768,666
Local Government Elections	\$ 51,342	1,040	-	-	-	-	-	\$ 52,382
Regional Growth Strategy	\$ 25,733	686	-	-	25,000	-	-	\$ 51,419
Building Inspection	\$ 255,674	5,620	-	-	50,000	-	-	\$ 311,294
Planning legal	\$ 53,982	1,358	-	-	30,000	-	-	\$ 85,340
Carbon Action Revenue Incentive Program	\$ 211,494	5,360	112,558	-	(15,057)	(48,499)	-	\$ 265,856
Carbon Neutral	\$ 43,201	958	-	-	7,700	-	-	\$ 51,859
	<u>\$ 2,423,123</u>	<u>\$ 50,076</u>	<u>\$ 112,558</u>	<u>\$ -</u>	<u>\$ 177,155</u>	<u>\$ (162,636)</u>	<u>\$ -</u>	<u>\$ 2,600,276</u>
Wastewater & Solid Waste Management								
Solid Waste Management	\$ 3,718,599	75,107	-	-	415,725	(576,075)	-	\$ 3,633,356
Nanoose Wastewater	\$ 552,863	11,951	-	-	85,000	-	-	\$ 649,814
Northern Community Wastewater	\$ 4,497,900	100,744	51,432	-	1,565,700	-	-	\$ 6,215,776
Southern Community Wastewater	\$ 18,329,484	441,256	33,346	-	1,605,115	(312,987)	-	\$ 20,096,214
Duke Point Wastewater	\$ 123,406	2,853	-	-	40,000	-	-	\$ 166,259
	<u>\$ 27,222,252</u>	<u>631,911</u>	<u>84,778</u>	<u>-</u>	<u>3,711,540</u>	<u>(889,062)</u>	<u>-</u>	<u>\$ 30,761,419</u>
Water, Sewer & Street lighting								
Surfside Sewer	\$ -	-	-	-	-	-	-	\$ -
Pacific Shores Sewer	\$ 22,213	538	-	-	10,000	-	-	\$ 32,751
French Creek Sewer	\$ 475,364	9,785	16,456	-	13,794	(43,819)	-	\$ 471,580
Cedar Sewer Collection	\$ 10,060	206	-	-	3,500	-	-	\$ 13,766
Barclay Cres Sewer DCCs	\$ 2,118	-	-	-	-	-	-	\$ 2,118
Cedar Estates Stormwater	\$ 9,054	166	-	-	2,000	-	-	\$ 11,220
Englishman River Stormwater	\$ 12,204	274	-	-	3,000	-	-	\$ 15,478
French Creek Water	\$ 144,084	2,963	-	-	5,000	-	-	\$ 152,047
Madrona Water	\$ 202,173	4,096	-	-	-	-	-	\$ 206,269
Fairwinds Water	\$ -	-	-	-	-	-	-	\$ -
Surfside Water	\$ 11,834	249	-	-	1,000	-	-	\$ 13,083
Arbutus Park Estates Water	\$ -	-	-	-	-	-	-	\$ -
West Bay Estates Water	\$ 40,841	827	-	-	-	-	-	\$ 41,668
Decourcey Water	\$ 10,130	177	-	-	-	-	-	\$ 10,307
Melrose Water	\$ 1,000	-	-	-	-	-	-	\$ 1,000
Nanoose Bay Peninsula Water	\$ 478,360	10,408	-	-	81,288	-	-	\$ 570,056
Nanoose Bay Water	\$ 210,753	4,270	-	-	-	-	-	\$ 215,023
Englishman River Water	\$ 215,359	4,407	-	-	5,000	-	-	\$ 224,766

See notes to consolidated financial statements

RESERVE ACCOUNT ACTIVITY - 2014
SCHEDULE OF STATUTORY RESERVE FUND ACTIVITY AND FUND BALANCES
AS AT DECEMBER 31, 2014

	Balance January 1, 2014	Interest Income	Contributions by Developers & Others	MFA surplus and refunds	Contributions from/(to) Operating Fund	Transfers to Capital Funds	Feasibility, legal & other costs or transfers	Balance December 31, 2014
San Pareil Water	\$ 9,877	172	-	-	-	-	-	\$ 10,049
Whiskey Creek Water	\$ 10,927	257	-	-	-	(3,649)	-	\$ 7,535
Nanoose AWS Bulk Water	\$ 302,487	8,831	-	-	395,150	(83,771)	-	\$ 622,697
French Creek AWS Bulk Water	\$ 862,609	16,636	-	-	(56,679)	-	-	\$ 822,566
Drinking Water/Watershed Protection	\$ -	-	-	-	-	-	-	\$ -
Englishman River Street lighting	\$ 5,013	68	-	-	1,500	-	-	\$ 6,581
Fairwinds Street lighting	\$ 17,729	395	-	-	4,000	-	-	\$ 22,124
Morningstar Street lighting	\$ 15,708	327	-	-	500	-	-	\$ 16,535
Rural EA E & G Street lighting	\$ -	83	-	-	10,000	-	-	\$ 10,083
	<u>\$ 3,069,897</u>	<u>65,135</u>	<u>16,456</u>	<u>-</u>	<u>469,053</u>	<u>(131,239)</u>	<u>-</u>	<u>\$ 3,499,302</u>
Public Transportation								
Transit	\$ 1,524,987	35,067	-	-	723,000	-	-	\$ 2,283,054
Descanso Bay Emergency Wharf	\$ 32,827	709	-	-	5,000	(4,130)	-	\$ 34,406
	<u>\$ 1,557,814</u>	<u>35,776</u>	<u>-</u>	<u>-</u>	<u>728,000</u>	<u>(4,130)</u>	<u>-</u>	<u>\$ 2,317,460</u>
Protective Services								
Coombs Hilliers Fire	\$ 515,027	11,254	-	-	105,891	(8,694)	-	\$ 623,478
Errington Fire	\$ 531,111	10,457	-	-	112,332	(126,544)	-	\$ 527,356
Extension Fire	\$ 272,023	5,945	310	-	49,200	-	-	\$ 327,478
Nanoose Fire	\$ 577,938	12,094	-	-	50,000	-	-	\$ 640,032
Dashwood Fire	\$ 356,604	7,445	-	-	76,492	(66,720)	-	\$ 373,821
Bow Horn Bay Fire	\$ 244,632	5,052	4,388	-	58,168	(41,205)	-	\$ 271,035
Nanaimo River Fire	\$ 84,182	1,848	-	-	16,175	-	-	\$ 102,205
Cassidy Waterloo Fire	\$ 21,362	785	-	-	39,960	-	-	\$ 62,107
Emergency Planning	\$ 34,385	1,010	-	-	38,545	(47,979)	-	\$ 25,961
Bylaw Enforcement	\$ 82,048	1,399	-	-	5,500	-	(5,500)	\$ 83,447
District 68 911 Service	\$ 134,623	2,725	-	-	-	(5,111)	-	\$ 132,237
	<u>\$ 2,853,935</u>	<u>60,014</u>	<u>4,698</u>	<u>-</u>	<u>552,263</u>	<u>(296,253)</u>	<u>(5,500)</u>	<u>\$ 3,169,157</u>
Parks, Recreation & Culture								
Area B Recreation	\$ 51,045	1,025	-	-	3,701	-	-	\$ 55,771
Extension Recreation	\$ 35,817	717	-	-	-	-	(680)	\$ 35,854
Community Parks	\$ 879,355	17,711	14,000	-	83,596	(93,623)	-	\$ 901,039
Regional Parks	\$ 716,550	19,336	-	-	554,180	-	-	\$ 1,290,066
Regional Parks Development	\$ 12,513	562	-	-	35,000	-	-	\$ 48,075
Recreation & Culture	\$ 507,441	11,409	-	-	144,080	-	-	\$ 662,930
	<u>\$ 2,202,721</u>	<u>50,760</u>	<u>14,000</u>	<u>-</u>	<u>820,557</u>	<u>(93,623)</u>	<u>(680)</u>	<u>\$ 2,993,735</u>
TOTAL ALL RESERVE FUNDS	<u>\$ 39,329,742</u>	<u>\$893,672</u>	<u>\$232,490</u>	<u>\$0</u>	<u>\$6,458,568</u>	<u>(\$1,576,943)</u>	<u>(\$6,180)</u>	<u>\$ 45,341,349</u>

See notes to consolidated financial statements

REGIONAL DISTRICT OF NANAIMO
SCHEDULE OF DEVELOPMENT COST CHARGES AND PARKLAND ACQUISITION FUNDS
RESERVE ACCOUNT BALANCES-DEC 31, 2014

ACTIVITY	Northern Wastewater DCCs (1)	Southern Wastewater DCCs (2)	Bulk Water DCCs (3)	Duke Point Sewer DCCs (4)	Parkland Acquisition FUNDS (5)	Total 2014	Total 2013
ASSETS:							
Due from Revenue Fund	\$ 5,792,645	\$ 3,992,278	\$ 807,735	\$ 313,397	\$ 1,662,844	\$ 12,568,899	\$ 10,578,877
Developer Installments Receivable	262,570	81,855	-	-	-	344,425	66,841
DEFERRED REVENUE BALANCE (Note 10)	6,055,215	4,074,133	807,735	313,397	1,662,844	12,913,324	10,645,718
ACTIVITY:							
Balance, Beginning of the year	4,472,995	3,388,844	873,946	304,963	1,604,970	10,645,718	13,530,192
Add:							
Contribution by developers & others	1,519,181	979,843	0	2,246	25,300	2,526,570	1,158,929
Interest earned	98,852	71,579	17,560	6,188	32,574	226,753	204,012
Less:							
Transfer DCCs to Revenue Fund	(35,813)	(366,133)	(83,771)	-	-	(485,717)	(4,247,415)
BALANCE, End of the year	\$ 6,055,215	\$ 4,074,133	\$ 807,735	\$ 313,397	\$ 1,662,844	\$ 12,913,324	\$ 10,645,718

(1) Northern Wastewater DCC collection areas include the City of Parksville, Town of Qualicum Beach, portions of Electoral Area G and portions of Electoral Area E.

(2) Southern Wastewater DCC collection areas include the City of Nanaimo and the District of Lantzville.

(3) Bulk Water service areas have been established in the French Creek area of Electoral Area G and the Nanoose Bay Peninsula in Electoral Area E.

(4) Duke Point Sewer DCC collection area includes properties in Electoral A (Cedar).

(5) Parkland acquisition funds consist of payments received from developers in lieu of parkland for each electoral area in the Regional District plus interest earned on these funds. The funds are reserved for future parkland purchases.

See notes to consolidated financial statements

REGIONAL DISTRICT OF NANAIMO
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
GAS TAX REVENUE TRANSFER PROGRAMS
DECEMBER 31, 2013
(UNAUDITED)

	COMMUNITY WORKS PROGRAM ²	OTHER GAS TAX PROGRAMS ⁴	TOTAL 2013	TOTAL 2012
Opening balance of unspent (spent) funds	\$ 4,104,552	\$ (858,613)	\$ 3,245,939	\$ 3,203,712
Add:				
Amount received during the year	1,038,063	1,346,176	2,384,239	1,038,524
Interest earned	76,416	-	76,416	76,496
Less:				
Amount spent on projects (Notes 2 to 4)	(263,973)	(610,771)	(874,744)	(986,689)
Amount spent on administration	(35,000)	-	(35,000)	(86,104)
Closing balance of unspent (spent) funds	<u>\$ 4,920,058</u>	<u>\$ (123,208)</u>	<u>\$ 4,796,850</u>	<u>\$ 3,245,939</u>
	(see note 10)	(see note 3)		

Notes to Schedule:

1. Gas Tax Revenue Transfer Programs

The Government of Canada through the Union of BC Municipalities (UBCM) has and is transferring Gas Tax Revenue funds to local governments in British Columbia. The use of funding is established by agreements between the local government and the UBCM. Funding may be used towards public transit, community energy, water, wastewater and solid waste infrastructure and capacity building projects, as specified in the agreements.

2. Community Works Program 2013 Activity

The Regional District applied \$34,960 towards green building programs and \$3,100 towards a Rural Village study as well as \$4,800 for the Westurne Heights water system master plan and transferred \$31,580 for North Cedar Improvement District Water Supply and Storage Infrastructure study. In addition, \$6,485 was used to complete construction of a bioengineered bank for the Miller Road Community Park and \$37,820 was spent for upgrades to the Cedar Heritage Centre.

3. Public Transit Program

In 2013, the Regional District, in agreement with Island Futures Society, transferred funding to purchase two used buses for the Society to provide community bus services on Gabriola Island.

4. Other Gas Tax Programs 2013 Activity

Under this portion of the program, expenditures are reimbursed on a claims made basis. Projects completed under these programs in prior years were Solid Waste Transfer Station Upgrade, Southern Community Wastewater Treatment Plant - Gravity Thickener and the Northern Community Wastewater Treatment Plant - Solids Contact Tank Expansion. During 2013, the construction of a cogeneration facility at the Greater Nanaimo Wastewater Treatment Plant - Solids Contact Tank Expansion was completed. At December 31, 2013, the Aquifer Storage Reservoir project, in conjunction with the Englishman River Service Joint Venture, was in progress.

<u>Project</u>	<u>Year Approved</u>	<u>Total Project value</u>	<u>Approved Grant</u>	<u>Grant Amount Expended to date</u>	<u>Amount Received to date</u>
Innovations Fund					
a. Southern Community Wastewater Treatment Plant - Cogeneration	2006	2,950,000	2,300,000	2,300,000	2,300,000
b. Englishman River Joint Venture - Aquifer Storage Reservoir Project	2012	7,525,853	1,334,230	1,094,572	971,364
Total Other Gas Tax Program Activity		<u>\$ 10,475,853</u>	<u>\$ 3,634,230</u>	<u>\$ 3,394,572</u>	<u>\$ 3,271,364</u>

See notes to consolidated financial statements

REGIONAL DISTRICT OF NANAIMO
GENERAL REVENUE FUND
SCHEDULE OF REVENUE AND EXPENDITURES
as at December 31, 2014
(UNAUDITED)

	Corporate Services (Schedule A)	Strategic & Community Development (Schedule B)	Regional & Community Utilities (Schedule C)	Recreation & Parks Services (Schedule D)	Transportation & Solid Waste Services (Schedule E)	Actual 2014	Budget 2014	Actual 2013
REVENUES								
Tax requisition	\$ 7,144,225	\$ 2,532,803	\$ 13,604,600	\$ 9,848,645	\$ 9,077,317	\$ 42,207,590	\$ 42,211,935	\$ 40,100,533
Grants	43,660	3,511	2,918,961	443,342	5,700,703	9,110,177	11,885,276	6,819,458
Grants in Lieu	79,215	8,251	83,074	11,619	98,232	280,391	165,770	278,947
Interest	296,365	-	-	-	-	296,365	150,000	392,150
Permit fees & other	-	481,355	-	183,277	1,934,194	2,598,826	3,455,040	2,013,743
Operating revenues	-	1,254,056	2,128,295	1,587,206	8,838,553	13,808,110	12,562,071	13,182,127
Disposal fees	-	-	-	-	7,447,196	7,447,196	8,285,750	7,722,570
Other	10,573,118	-	2,326,088	-	-	12,899,206	24,927,602	23,381,004
	18,136,583	4,279,976	21,061,018	12,074,089	33,096,195	88,647,861	103,643,444	93,890,532
EXPENDITURES								
General administration	175,639	396,266	783,281	541,736	2,032,326	3,929,248	4,105,520	7,777,293
Professional fees	343,013	120,919	407,607	167,304	404,139	1,442,982	2,865,021	1,497,751
Community grants	56,032	26,890	-	75,744	-	158,666	667,871	188,771
Legislative	467,612	-	-	44	-	467,656	492,385	322,545
Program costs	-	23,561	104,545	356,876	-	484,982	605,213	228,988
Vehicle and Equip operating	313,606	78,272	1,092,851	176,879	4,987,323	6,648,931	7,861,012	6,340,467
Building operating	448,598	66,020	1,146,564	769,918	497,677	2,928,777	3,063,862	1,980,378
Other operating	1,039,723	638,125	3,556,633	741,957	8,266,346	14,242,784	15,692,623	10,709,808
Wages & benefits	3,706,030	2,312,664	3,726,212	4,025,813	13,277,881	27,048,600	28,231,410	26,441,064
Capital expenditures	518,833	70,300	5,359,741	892,594	1,565,624	8,407,092	24,954,455	9,414,184
	7,069,086	3,733,017	16,177,434	7,748,865	31,031,316	65,759,718	88,539,372	64,901,249
OPERATING SURPLUS	11,067,497	546,959	4,883,584	4,325,224	2,064,879	22,888,143	15,104,072	28,989,283
Debt retirement								
- interest	3,509,664	-	309,777	704,701	-	4,524,142	4,461,601	3,655,614
- principal	2,668,702	-	271,664	1,128,133	-	4,068,499	4,062,581	3,976,332
Contingency	-	-	-	-	-	-	311,831	-
Reserve contributions	642,358	178,185	3,886,337	820,557	1,143,725	6,671,162	5,085,277	6,166,656
Transfers to other govts	4,299,610	366,300	-	1,582,216	11,663	6,259,789	6,265,363	14,539,233
	11,120,334	544,485	4,467,778	4,235,607	1,155,388	21,523,592	20,186,653	28,337,835
CURRENT YEAR SURPLUS (DEFICIT)	(52,837)	2,474	415,806	89,617	909,491	1,364,551	(5,082,581)	651,448
Prior year's surplus applied	1,583,993	1,184,751	2,975,132	1,209,490	2,963,014	9,916,380	9,916,380	9,264,932
NET OPERATING SURPLUS	\$ 1,531,156	\$ 1,187,225	\$ 3,390,938	\$ 1,299,107	\$ 3,872,505	\$ 11,280,931	\$ 4,833,799	\$ 9,916,380

See notes to consolidated financial statements

Independent Auditors' Report

To the Members of the Board of the Regional District of Nanaimo:

We have audited the accompanying consolidated financial statements of the Regional District of Nanaimo, which comprise the consolidated statement of financial position as at December 31, 2014 and the consolidated statements of operations and accumulated surplus, change in net financial assets and cash flows and related schedules on pages 20 to 30 for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Regional District of Nanaimo as at December 31, 2014 and the results of its operations, change in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

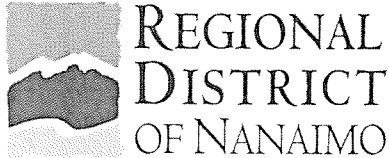
Other Matter

The supplementary information on pages 31 to 46 have been presented for purposes of additional analysis and are unaudited. We do not express an opinion on these schedules because our examination did not extend to the detailed information therein.

Nanaimo, British Columbia

May 12, 2015

Chartered Accountants



RDN REPORT		###
CAO APPROVAL		
EAP		
COW	✓	
APR 28 2015		
RHD		
BOARD		

STAFF REPORT

TO: Paul Thorkelsson
Chief Administrative Officer

DATE: April 27, 2015

FROM: Wendy Idema
Director of Finance

MEETING: May 12, 2015 COW

SUBJECT: UBCM/First Nations Tax Commission Report on First Nation Property Tax, Services and Economic Development in British Columbia

FILE:

RECOMMENDATION

That this report be received as information and that the suggestions included in the *First Nation Property Tax, Services and Economic Development in British Columbia* report released by UBCM and the First Nations Tax Commission be supported in principle.

PURPOSE

To provide summary information and recommendations related to the *First Nation Property Tax, Services and Economic Development in British Columbia* report.

BACKGROUND

At the October 28, 2014 Board meeting, the following motion was passed regarding the request from UBCM and the First Nations Tax Commission (FNTC) for feedback on the *First Nation Property Tax, Services and Economic Development in British Columbia* report jointly released by the two groups (Attachment 1).

MOVED Director de Jong, SECONDED Director Brennan, that this matter be referred to staff to bring a report forward for the Board's consideration.

The report was prepared by Professor Robert Bish and Fiscal Realities Economists for the First Nations Tax Commission and UBCM and provides information on the evolution of First Nation taxation, the development of local government service agreements, and related legislative developments. The report includes the following five recommendations meant to build on the recent positive history between First Nations and local governments in BC and to continue the working relationship between UBCM and the FNTC.

1. Promote and support collaboration and cooperation between the Tulo Centre of Indigenous Economics and universities that support the local government officers association such as Capilano, Northwest and UVIC.

Tulo is an independent not-for-profit educational and research institution whose mission is to educate and train First Nations administrators. It delivers two certificate programs in partnership with Thompson Rivers University and the First Nations Tax Commission which focus on specific First Nation taxation and economics. Providing additional options for First Nation focused education opportunities, through other institutions, will provide enhanced opportunities for these programs to a broader range of participants. Many local government staff participate in the LGMA programs and inclusion of more First Nation focused curriculum in these programs would be beneficial to all local governments.

2. Develop processes to remove First Nations from municipal boundaries on the request of First Nations to clarify service and representation responsibilities.

This recommendation is meant to provide a potential solution to the problem that arises when First Nation members, and leaseholders on reserves within municipal boundaries, are allowed to vote in municipal elections even though none of the municipality's services, regulations, or taxes are provided to the reserve unless it is through a contract with the First Nation government.

Exclusion of reserve lands from municipal boundaries will make it clear that First Nations are responsible for their residents, both First Nation and non-First Nation, including arrangements for both services and taxes, and that municipalities are governed by their citizens who also receive services and pay taxes. With this clarification, the two governments can proceed to make joint service arrangements for the mutual benefit of their citizens. The report recommends it should be the policy of the provincial government to respond favourably to requests from a municipal council for removal of a reserve from within its legal boundaries. This transfer of decision making about boundaries and services to the local government/First Nations involved provides additional autonomy to those communities and allows for First Nations to have more control over their taxation.

There may be some questions for a regional district if the First Nation is removed from municipal boundaries with regard to inclusion of that population in the regional district as an alternative which would need to be resolved with the Province.

3. Consider a pilot project coordinated by the FNTC and UBCM with a non-treaty First Nation to directly participate in regional district governance, planning, services and infrastructure.

Direct participation by local First Nations at the regional district committee level would allow for involvement and financial contribution to regional programs and services that those First Nations may wish to participate in such as fire services, waste management and hospital districts. Such a process would allow for a more direct connection between regional districts and First Nations vs the current consultation process which has not always had positive results.

4. Consider other First Nation regional participation opportunities such as those associated with hospital districts.

Barriers to accessing adequate healthcare has been identified as an ongoing issue for First Nations in Canada. Providing the opportunity for direct participation in local hospital districts again will allow for improved opportunities by First Nations to influence these services and to contribute either through taxation or service agreements to community healthcare facilities.

5. The UBCM and the FNTC should work together to encourage the provincial legislative changes necessary to ensure the First Nations Fiscal Management Act (FMA) applies to First Nations in a post treaty environment so that they have access to institutional services and long term infrastructure capital.

The intent of the FMA is to provide First Nations with a regulatory framework and to promote inclusion in the Canadian market economy allowing for better access to capital markets and infrastructure financing. Maintaining this access will allow for continued support to First Nations as they move through various phases of development whether they are subject to a treaty agreement or not.

ALTERNATIVES

1. That this report be received as information and that the suggestions included in the *First Nation Property Tax, Services and Economic Development in British Columbia* report released by UBCM and the First Nations Tax Commission be supported in principle.
2. Provide alternate direction to staff.

FINANCIAL IMPLICATIONS

There are no direct financial implications related to this report.

INTERGOVERNMENTAL/REGIONAL IMPLICATIONS

The RDN Board is committed to taking actions to develop improved working relationships with the Qualicum, Snaw-Naw-As and Snuneymuxw First Nations. Currently, there are agreements in place with Qualicum for Fire Services, Snaw-Naw-As for handyDart service, and the June 2009 Protocol Agreement with Snuneymuxw First Nation, as well as a number of ongoing discussions to address shared interests and areas for potential collaboration. The recommendations supported by this report all allow for continued relationship building and development of additional service agreements with these residents.

STRATEGIC PLAN IMPLICATIONS

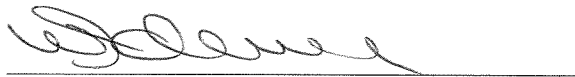
The RDN 2013 – 2015 Board Strategic Plan specifically identifies facilitating effective dialogue about matter of mutual interests between the RDN ... and other orders of government including First Nations, as a priority. The content and suggestions of the *First Nation Property Tax, Services and Economic Development in British Columbia* report would allow for enhanced opportunities for discussion and development of new relationships between the RDN and local First Nations.

SUMMARY/CONCLUSIONS

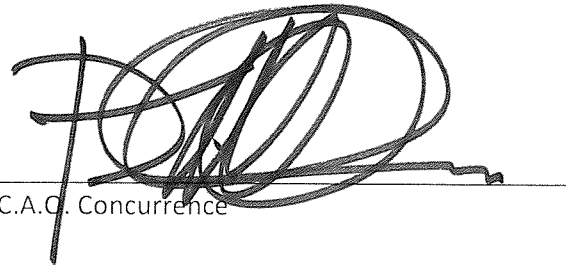
At the October 28, 2014 Board meeting, a motion was passed for staff to report back on the request from UBCM and the First Nations Tax Commission (FNTC) for feedback on the *First Nation Property Tax, Services and Economic Development in British Columbia* report jointly released by the two groups (Attachment 1).

The report was prepared by Professor Robert Bish and Fiscal Realities Economists for the First Nations Tax Commission and UBCM, and provides information on the evolution of First Nation taxation, the development of local government service agreements, and related legislative developments. The report includes five suggestions meant to build on the recent positive history between First Nations and local governments in BC and to continue the working relationship between UBCM and the FNTC as detailed above.

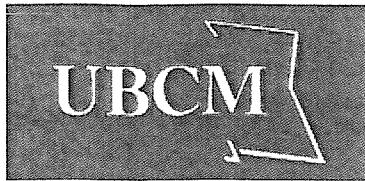
Staff recommend support for the content and suggestions included in the *First Nation Property Tax, Services and Economic Development in British Columbia* report, and that UBCM be advised of that support.



Report Writer



C.A.C. Concurrence



Feedback Requested on First Nation Tax Report

Oct 22, 2014

For the next 4 weeks, local governments will have an opportunity to provide feedback on a report that explores First Nation taxation, the development of local government service agreements, and related legislative developments. The report was prepared by Professor Robert Bish and Fiscal Realities Economists, and jointly released for discussion by the First Nations Tax Commission and UBCM. Member feedback is requested by November 19, 2014.

This report *First Nation Property Tax, Services and Economic Development in British Columbia* provides information on the evolution of First Nation taxation, the development of local government service agreements, and related legislative developments. Members will also have an opportunity to examine and comment on five suggestions for future action presented by the authors, who hope to build on the positive relationships that currently exist between First Nations and local governments (including UBCM) in British Columbia.

Senior local government staff are invited to comment on the report. The feedback received will be presented at the November UBCM First Nations Committee meeting. Comments may be submitted to UBCM Policy Analyst Bhar Sihota at (604) 270-8226 x113.

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First Nation Property Tax, Services and Economic Development in British Columbia

**Presented to:
the First Nations Tax Commission and
the Union of BC Municipalities**

This paper reflects the views of the authors only and not necessarily those of the First Nations Tax Commission or the Union of BC Municipalities.



**Prepared by:
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I. First Nation Property Tax, Services, and Economic Development in British Columbia

First Nations in British Columbia have made more progress toward becoming part of the Canadian federal system in the 26 years since the introduction of First Nation taxation in 1988 than they did in the more than one hundred previous years, dating back to the passage of the *Indian Act* in 1876. In this short policy analysis we will briefly review the problems that led to the 1988 *Indian Act* amendments, the progress since that time, and the kinds of policies that will contribute most toward continued benefits for First Nations, other governments, and all citizens of Canada.



II. First Nation Taxation and Service Issues before First Nation Property Tax (pre-1988)

Before 1988, forty five reserves were considered within the boundaries of municipalities and the remaining reserves within regional districts, school districts, and other kinds of local governments. These local governments all levied property taxes on leaseholds held by non-Aboriginals on reserves, as did the provincial government on reserves outside of municipal boundaries. None of these governments had any legal requirement to provide services to the lease-paying taxpayers.¹ The levying of taxes by the local and provincial government on reserve lands, a practice abandoned in other provinces, while generating significant revenues for a few local governments, also resulted in problems for both First Nations and local governments, especially municipalities.

Complaints about the levying of property taxes on reserves by non-Aboriginal governments had been voiced by First Nations since the 1970's. The complaints from First Nations included that such taxation lowered the market value of leaseholds because leaseholders had to pay taxes but did not receive service benefits in return. First Nations also objected to their lack of political control over taxation levied on their territories.

The findings of a study of taxation and service relationships in 1987 concluded²:

- Overall tax revenues from reserve lands for all governments in BC were \$7.6 million, less than 1% of all provincial property tax revenues.
- Some municipalities obtained significant revenues (Vancouver, West Vancouver, District of North Vancouver) and others derived a significant share of their property tax revenue (Burns Lake 28.9%, Duncan 15%) from reserve leaseholds.

¹ In a technical sense these BC governments were not levying a "property tax" on reserve lands, but rather were levying a tax on the non-Aboriginal leaseholder with the amount calculated as if it were a property tax.

² Robert L. Bish, Property Taxation and the Provision of Government Services on Indian Reserves in British Columbia. Center for Public Sector Studies, University of Victoria, March 1987. (53pp).



- On average, only 25% of the on-site services provided to other municipal tax payers were provided to leaseholders without additional contractual relationships and payment, but some municipalities provided full services while others provided none (on-site services include fire protection, water, sewers, roads, etc).

The most important problem for local governments was that there was no way to enforce the collection of delinquent taxes, but as collectors for the provincial government (school taxes), regional districts and other local governments, they had to pass on the amounts levied by those governments whether or not they actually collected the taxes from leaseholders. With no way to enforce collection, and the lack of cooperation from First Nations who objected to the taxation in the first place, delinquency rates were very high. While delinquency data for individual municipalities was not available, the Provincial Surveyor of Taxes reported that delinquencies on current and back taxes were 59.8% of the 1986 levy on reserve.

Complicating the tax-service-delinquency issues were several other issues in the relationship between First Nations and other governments. While provincial legislation required municipalities to tax leaseholders on reserves, there was no obligation to provide services, and municipal regulatory by-laws such as zoning, noise, and animal control were not applicable to reserve lands. Further complicating matters for both First Nations and municipalities was the uncertain status of legal contracts between First Nations and municipalities, and subsequently, regional districts. While the *BC Municipal Act* provided that municipalities had the authority to contract with First Nations and court decisions concluded that First Nations had the power to contract without Indian and Northern Affairs Canada (INAC) involvement, some British Columbia lawyers advised their clients that contracts with First Nations had to be signed by the Minister. Earlier research indicated that the Minister was historically involved in contracts for capital projects between First Nations and municipalities, but that INAC also was a very poor contract manager, a problem that was complicating First Nation-local government relationships in several communities. In spite of these difficulties there were many contracts for services between First Nations and municipalities that were working well and did not have the involvement of INAC.



Provincial government property taxes in rural areas are used to provide partial funding for policing and roads. Policing was always provided to reserves under the subsidized provincial contract with the RCMP, but because roads on First Nation reserves were not owned by the Provincial government, they provided no roads or road maintenance to the tax-paying leaseholders on reserve. Throughout the province, the provincial and municipal governments collected property taxes for schools. Because these taxes are submitted to the provincial government, which in turn provides financing to school districts on a formula basis, there is no relationship between school property taxes and school services. All children in the province are entitled to attend public schools and this included children residing on reserve leaseholds. The federal government also finances public schooling for Aboriginal children with transfer payments to the province.



III. Clarifying Property Taxation and Service Responsibility on Reserves: Bills C-115 and 64 (post-1988)

While the 1987 study of tax-services relationships was underway, Kamloops Indian Band Chief Manny Jules and INAC developed Bill C-115, the 1988 amendment to the *Indian Act*. The amendment clarified that conditionally surrendered reserve lands (land leased to non-Aboriginals and called "designated lands" in the legislation) remained under jurisdiction of the First Nation and that all First Nations were authorized to levy property taxation. The Bill did not exclude provincial and local government taxation of leasehold land on reserves, but legal opinions held that if a First Nation introduced property tax that was specifically for the benefit of the First Nation, courts would rule to exclude provincially sponsored taxation. A consequence of the legislation was the creation of the Indian Taxation Advisory Board (ITAB) to regulate First Nation property tax. Following the passage of the legislation, ITAB proceeded to sponsor information workshops, provide informative publications, conduct research, and provide training in implementing property tax to representatives of interested First Nations.

As part of INAC funded research, a very detailed analysis of the implications of Bill C-115 was published in 1991³. Because of its use of specific case studies, it revealed an additional problem in the relationship between local property taxes and service provision that was not revealed by the previous province-wide study. This study analyzed taxes, service arrangements, service costs, and the revenue-service cost balance for the Cowichan, Musqueam, Westbank, Burns Lake, and Lake Babine First Nations and all BC governments within whose tax jurisdiction they were located. The leaseholds on these reserves accounted for approximately 30% of all leasehold property taxes in the province and represented a variety of situations.

³ Robert L Bish, Eric G. Clemens, and Hector G. Topham. Study of the Tax and Service Implications of Bill C-115 (Taxation amendments to the Indian Act). Center for Public Sector Studies, University of Victoria, October 1991. (134pp).



The study concluded that where leaseholds were primarily commercial (Cowichan, Burns Lake) or very high-value residential (Musqueam), property tax revenues exceeded the average share of service costs funded by property taxes in the respective local governments. However, where leaseholds were primarily residential (Westbank), especially if low-valued, property tax revenues did not cover the average share of service costs financed from property tax revenues.⁴ It was also recognized that by selecting case studies where revenues were significant, most service delivery issues had been resolved by local agreements in the past. Such agreements were not as common for First Nations where lesser revenues were involved. The mismatch between property tax revenue and service costs continues to be a problem for some First Nations just as it is for small municipalities that lack a balanced tax base.

The initial provincial government response to Bill C-115 (the taxation amendments to the *Indian Act*), the *Indian Land Tax Co-operation Act* (Bill 77), authorized the British Columbia Assessment Authority, the Surveyor of Taxes and local governments to provide tax administration services to First Nations. It did not, however, end the main issues under dispute: the taxation of First Nation lands without the permission of the First Nation and without the provision of services.

Bill 77 was replaced in 1990 by Bill 64, the *Indian Self Government Enabling Act*. This act provided three options for First Nations:

1. **Concurrent property tax jurisdiction:** This would be an arrangement where both BC local governments and the First Nation would levy taxes on leasehold lands, with an agreement on tax sharing and service responsibility worked out between them.
2. **Independent property taxation:** First Nations could exclude all other taxing jurisdictions, levy their own property taxes, and make their own purchase of service agreements with other governments.

⁴ The most important reason for this result is that in BC it is common for property tax rates to be much higher on commercial and industrial property than on residential. Thus commercial and industrial property taxes tend to be much higher than the costs of services to those properties while residential property taxes do not cover the costs of servicing residential property.



3. **Indian Districts:** If the federal government granted corporate status (similar to Sechelt) the First Nation could use either property tax option and participate in provincial programs for municipalities including provincial revenue sharing, the Municipal Finance Authority, and other grant programs.

With all of the options, the First Nation could contract with the BC Assessment Authority, other BC government agencies, or local governments, for tax administration and services. Bill 64 clearly recognized that First Nation governments had both tax and service responsibility for reserve lands. However, for any First Nation that did not implement property taxation, the provincial government and local governments would continue to tax the leaseholds on those lands. There are still some First Nation lands in BC (such as the Okanagan First Nation) where the provincial and regional district governments continue to collect taxes from First Nation lessees.



IV. The Implementation of First Nation Property Tax

There were four very important changes with the passage of Bills C-115 and 64. They were:

1. The legislation clarified jurisdiction on First Nation reserves. It was now clear that the First Nation government had regulatory control and exclusive jurisdiction for taxation of leasehold lands on reserves.
2. The legislation changed bargaining power between local governments and the First Nations. Local governments lost jurisdiction to impose taxes on leaseholders without providing services. Future relationships would be between equal parties who could make service arrangements for mutual benefit.
3. The legislation provided for First Nations to have an independent revenue base. Such a revenue base could be used to finance infrastructure to promote economic development on reserve lands.
4. The Indian Taxation Advisory Board was established in 1989 to regulate and make recommendations to the federal Minister of Indian and Northern Affairs Canada on the approval of property tax by-laws enacted pursuant to the Indian Act. The Board included both First Nation and non-First Nation members. All of the non-First Nation members were experts in property taxation and some of whom also represented taxpayers.

ITAB proceeded to develop an extensive body of policy and assisted First Nations with the development and implementation of their property tax systems. It also maintained a policy that First Nation property tax systems should be compatible with their respective provincial systems to ensure a smooth transition to First Nation jurisdiction. This policy meant that First Nations would use compatible assessment practices and classifications as those used by other property taxing governments in the province.



The implementation of First Nation property tax and renegotiation of existing contracts went reasonably well, although some local governments, who wanted a veto over First Nation property tax within their area until service revenue sharing contracts were in place, objected to the implementation of property tax by First Nations⁵. ITAB played a major role in providing research, consulting, training, and dispute resolution services. The provincial Ministries of Aboriginal Affairs, Finance, and Municipal Affairs all facilitated implementation of the Bill 64 legislation. The BC Assessment Authority provided the First Nations with initial assessment rolls at no cost and entered into contracts to continue the assessment function for most First Nations entering into taxation. The Ministry of Finance also agreed to withdraw from school taxation⁶ with no reduction in education services. This freed up tax revenues for First Nation use that were often in excess of the costs of providing other local government services. The Ministry also agreed that if a First Nation submitted school taxes to the province, it would rebate the funds for homeowner grants.

Because there was considerable variety in First Nation-municipal tax-service relationships, there was less uniformity in the response by local governments to a First Nation's implementation of taxation on a reserve within municipal boundaries where the municipality had previously received tax revenue—whether or not it provided services to leaseholders or the entire reserve. It was also becoming clear that some First Nations outside of municipal boundaries could potentially benefit from either contracting with the regional district or participating directly in regional district functions to obtain services in the most efficient manner.

⁵ See for example UBCM Resolutions 1993:B22, 1995:LR4, and 1995:A16. Online at <http://www.ubcm.ca/resolutions/default.aspx>

⁶ School taxes are collected under that designation by the provincial government and go into provincial general revenue. School district funding is through a formula by the provincial government and has no relationship to the "school taxes" collected. Provincial "school taxes" cover only one-third of school expenditures with the remainder coming from other provincial revenue sources. However, if the deduction of the Home owner Grants are taken into account school tax revenues are even less, perhaps no more than 10% of the cost of schools. School districts themselves do not levy property taxes.



Tzeachten and Chilliwack – A Model Service Agreement

In 1991, Tzeachten signed a service agreement with Chilliwack. The negotiations were acrimonious and neither party was particularly satisfied with the agreement because the First Nation felt they were paying too much for the services they received and the local government felt uncertainty about future development on Tzeachten lands. In 2006, the parties renegotiated their service agreement. It included a comprehensive land use planning process, an agreement about development cost charges and a new pricing approach for services provided on First Nation lands. As a second generation service agreement it not only represents a model that has been used by other First Nations in the Chilliwack area and Fraser Valley, but it demonstrates how both parties can realize mutual benefits when they focus on their common interest – regional economic growth.

Many of the early service contracts have been renegotiated and renewed. There were also mediations and some arbitrations where disputes arose. There are now many contracts between First Nations, municipalities and regional districts.⁷ In general, contracts provide for the provision of on-site services to reserve lands (in some cases just leaseholds; in others the entire reserve). The common services negotiated within these agreements are fire protection, water provision, sanitary sewage collection and disposal, and 911 emergency dispatch. In some cases, they can also include such services as building inspection, transit, storm water management, dog control, noxious weed control, parks and recreation, and libraries. Payment approaches vary with the two most common being a negotiated price for the service package or a payment equal to the municipal taxes that would have otherwise been collected from the leaseholders. Different approaches are taken because reserve lands vary

considerably both in their land use and in the relationship between taxes that would be raised at municipal rates and the costs of services. In general, reserves with commercial or high valued residential properties would raise more tax revenue than service costs while reserve lands that are residential, especially if occupied by low-valued mobile homes, do not generate sufficient taxes revenues to cover service costs. Some municipalities have entered into contracts to provide services at a tax-equivalent price to residential reserves because they recognize that the reserve leaseholders are part of their community and that everyone will benefit if reserves maintain higher service quality and have future economic development.

⁷ Appendices A and B contain examples of many of these agreements in British Columbia.



The creation of an independent revenue source has also provided First Nations with the resources and greater incentive to promote economic development. The development of property tax powers allowed several First Nations to either finance capital improvements necessary to attract further investment or to provide investors with the certainty that services would be available through the life of their investment. The former was more often the case where property tax room was assumed from a local government. In some cases, such as Osoyoos, the assumption of tax authority also provided an impetus for the courts to clarify the status of land over which the adjacent jurisdiction had claimed a right of way.

The Squiala First Nation is a more recent success story. The enactment of tax laws in this case allowed the First Nation to ensure services for Walmart. This resulted in an increase in annual tax revenues from roughly \$9,000 per annum to \$800,000. There are many other examples throughout the province where the implementation of taxation has led to revenues to finance infrastructure, which in turn led to additional economic development on the reserve. Other First Nations that have used tax revenues to finance major economic development on their reserve include the Tsawout, Squamish, Shuswap, Tk'emlups and Skeetchestn First Nations.

Education and Training

ITAB

When the amendments to the *Indian Act* permitting property taxation on reserve were passed, followed shortly by Bill 64 in BC, there was virtually no experience with property taxation in First Nation communities or within INAC. One of the first education and training priorities for ITAB was to provide the opportunity for First Nation administrators to become knowledgeable about the steps in property taxation, including assessment policies and practices, assessment appeals, budgeting and rate setting, collection systems and enforcement.



To achieve this end, ITAB contracted with experienced professionals to prepare and teach courses. These included a course in setting budget-based property tax rates, a course in establishing a financial management by-law, and a course in using ITAB's proprietary tax administration software at that time: CLASS. Over 60 students, representing 32 tax collecting First Nations, took these courses.

In addition to these courses, ITAB also developed spreadsheet applications to help First Nations and local governments establish pricing arrangements for service agreements and to help First Nations conduct a preliminary property tax revenue potential estimate. The service agreement application was used in 12 service agreement negotiations and the revenue potential application was used by 15 First Nations who eventually passed property tax by-laws.

All of the early ITAB software, spreadsheet applications and courses were updated or replaced and are still in use by the First Nations Tax Commission (FNTC), the successor to ITAB. For example, the CLASS software was replaced by the Tax Administrator's Software (TAS), the service agreement application was updated to include the latest formulas, and all of the early courses were updated and rewritten for use in the accredited First Nation Tax Administration Certificate offered by the Tulo Centre of Indigenous Economics (Tulo) and Thompson Rivers University (TRU).



University of Victoria

The School of Public Administration at the University of Victoria had the most developed courses for local government officials among the universities in the province. Courses in Local Government were offered as a Certificate Program, as part of a Diploma in Public Sector Management and as part of the MPA. The courses also met requirements for provincial government issued certificates in Local Government Administration. In 1994, the School received a grant from the Donner Canadian Foundation to begin a course in Property Tax Policy and Administration with a First Nation focus and to create the First Nations Tax Administrators Institute. The property tax course covered the components of property tax administration plus the issues of service delivery contracting from local governments. This course was offered in Victoria and Vancouver and enrolled both First Nation and non-First Nation students beginning in 1995. With Professor Bish's retirement in 1998, the course evolved into a course in local government finance and finally into a focus on local government financial management (its title was changed to Local Government Finance). The course continues to be offered as part of the Local Government Administration Certificate, Diploma in Public Sector Management, and is available as part of the MPA program. However, it no longer has either a property tax or First Nation emphasis. The University also offered a Certificate in the Administration of Aboriginal Governments for several years but, following Professor Frank Cassidy's death, Professor Robert Bish's retirement, and the administrator moving to Camosun College, it has been discontinued due to lack of interest among other faculty. More recently Capilano University and Northwest College have been enrolling First Nation students in their local government courses and representatives from the Tulo Centre of Indigenous Economics have been participating in discussions about local government education opportunities with the local government community.



The First Nations Tax Administrators Institute (FNTAI) began in 1994. The Institute was modeled on the Municipal Officers Association of British Columbia (now the Local Government Management Association) and its purpose was to bring together First Nation tax administrators annually to provide continuing education in taxation. Annual meetings included updates on assessment appeals, ITAB policies, and other issues related to First Nation taxation. The Institute also included sessions for new Tax Administrators. The FNTAI was run for its first 5 years by the Local Government Institute at the University of Victoria, and then its operation was turned over to a committee of First Nation tax administrators who incorporated it as the First Nations Tax Administrators Association (FNTAA). The FNTAA continues to hold annual conferences and provides advice to the FNTC on tax policy issues. Its 21st annual conference will be held in Songhees in September 2014.

The education and training provided during produced a large number of First Nation tax administrators who are knowledgeable in property taxation. By 2013, 183 First Nations across Canada collected over \$70 million in property taxes.



V. The Evolution of First Nation Institutions

The development of First Nation taxation after the passage of Bill C-115 created a need for an agency to support First Nations in implementing taxation. There was also a need to provide a regulatory framework that would ensure the integrity and fairness of the system and supported its evolution in a way that would eventually allow low administration costs and participation in regional systems. However, at the time that Bill C-115 passed there was virtually no familiarity with property taxes, limited experience with municipal type services and very limited experience with relationships between First Nations and local governments. To fill this gap, the Indian Taxation Advisory Board (ITAB) was created to advise the Minister of Indian Affairs and Northern Development Canada on the approval of by-laws passed pursuant to s.83 of the *Indian Act*.

The establishment of ITAB to support the implementation of First Nation property tax led to the development of a considerable body of expertise within ITAB and the establishment of a fully specified regulatory framework. It was successful beyond expectations in terms of the growth of revenues and the number of participating First Nations. However, taxation-supported developments on First Nation lands led to a new type of challenge: integrating First Nation economies more fully into the economic union of Canada. Related to this was the challenge of integrating First Nation governments into more fully specified fiscal and service relationships, particularly at the local and regional level.



Several new pieces of legislation were passed to address this new challenge, including, most importantly, the *First Nations Fiscal Management Act* (FMA) in 2005, which established the First Nations Tax Commission (FNTC), as well as the *First Nations Commercial and Industrial Development Act* (FNCIDA), the *First Nations Land Management Act* (FNLMA) and the proposed *First Nation Property Ownership Act* (FNPOA). These acts are designed to increase the capacity of First Nations to become part of the Canadian market economy. The FNTC has also created the Tulo Centre of Indigenous Economics to provide education and research to support the FNTC objectives, including greater coordination with other governments and creating the statutory and regulatory environment for First Nations to become full participants in the Canadian economy.

First Nations Fiscal Management Act (FMA)

The *First Nations Fiscal Management Act* (FMA) was enacted in 2005. The FMA transferred Ministerial authority over First Nation property taxation from the former ITAB to the First Nations Tax Commission (FNTC), a shared-governance institution with federal law-approval powers. The reassignment of law-approval powers was intended partly to improve the efficiency of the First Nations tax system. When Ministerial approval was required, laws would take two months to be approved. The same laws can now be approved in one to four weeks. First Nations are now much more responsive to opportunity as a result. In addition, the FMA also allowed First Nations to address the issues of economic development, services, and fiscal integration. It provided First Nations with important new revenue authorities and also created a regulatory regime which will better support First Nations accessing financing and attracting investment. It is also intended to serve as a better platform for developing partnerships with other governments. This legislation was designed to raise First Nations local revenue powers to the same level as local governments in Canada, improve First Nations access to capital markets for infrastructure financing, and enhance the First Nations investment climate. However, it should be noted that First Nations still have the option to collect property tax using the *Indian Act*.



The FMA established three institutions⁸ to support participating First Nations in the implementation of their local revenue, financial management, and long term financing powers. These three institutions create a regulatory framework for First Nations equivalent to the provincial regulatory framework for local governments.

First Nations Tax Commission (FNTC) – The FNTC creates the regulatory framework for First Nation local revenue and expenditure systems and provides supportive services to help First Nations implement their local revenue and expenditure powers, including debenture financing. The regulatory system includes ensuring First Nation laws comply with the FMA, FMA regulations, and FNTC standards. It includes resolving taxpayer or First Nation complaints about the local revenue system through an administrative tribunal process and establishing the criteria for First Nations local revenue borrowing laws. The regulatory system is intended to provide investor and taxpayer confidence and certainty. FNTC services include sample laws, law development, and review, university accredited education and training, tax administration software, the *First Nations Gazette*, service agreement negotiations support and dispute management. Nine members of the Commission are appointed by Canada and one by the Native Law Centre and include both First Nation and non-First Nation members. In sum, the FNTC provides many functions and services similar to provincial ministries responsible for regulating local governments. Through a memorandum of understanding with the Minister of Aboriginal Affairs and Northern Development Canada, the FNTC provides advice to the Minister on the approval of by-laws enacted pursuant to the *Indian Act*.

⁸ Originally, the FMA included a First Nations Statistical Institute as well as the other three institutions. However, FNSI never became operational. The sections of the FSMA, as it was then, pertaining to FNSI were removed and the legislation became the FMA.



First Nations Financial Management Board (FMB) – The FMB provides First Nations with a regulatory framework for financial management. This includes review and approval of financial administration laws, creating and certifying First Nation financial management standards, education and training, creating and reviewing First Nation local and other revenue auditing and financial reporting standards and, if required, providing intervention services to rectify issues related to improper application of local revenue laws or debenture non-payment. The FMB provides confidence in First Nation financial management systems to taxpayers, investors, and First Nation members. Six members of the FMB are appointed by Canada, three members by the Aboriginal Financial Officer Association, and include both First Nation and non-First Nation members. Together with the FNTC, the FMB provides regulatory functions that are similar to the inspector of municipalities within provincial governments.

First Nations Finance Authority (FNFA) – The FNFA is similar to the Municipal Finance Authority of BC except it is based on voluntary participation. It helps to create First Nation borrowing pools and then markets and issues debentures on behalf of that pool. It secures these debentures with local or other (non-local) revenues.

The legislation and institutions created by the FMA changed the fiscal framework within which First Nations entering into property taxation can operate. The most important features include:

- First, and most important, the FMA created a system of regulatory oversight and enforcement to support First Nations in improving accountability and transparency beyond that possible through the commitment of a Chief and Council alone. One important feature was the development of an enforcement regime that can impose 3rd party management (the FMB) in the event of non-compliance with regulation. The regulatory system is supported by training and templates that encourage more transparency in financial management and reporting. It is working to ensure that both expenditures and revenues made out of the local revenue account are consistent with local purposes. This allows First Nations to replicate, in many important respects, the system used by other governments.



- Second, the FMA expanded the range of revenue options available to First Nations. Some of the most important expansions were to allow for Development Cost Charges (DCCs) similar to those used by municipalities; hotel taxes to encourage the development of tourism on First Nation lands; taxation for the provision of services, business activity taxes and long term debentures. All of these new revenue options will help First Nations overcome the challenge of needing to finance initial infrastructure improvements in order to realize the potential of land development.
- Third, First Nations may now create laws that specify that, in the event of property tax non-payment or a violation of land-use rules, individual's property rights can revert or be appropriated back to the First Nation. This resolves one of the most difficult aspects of property taxation: clear enforcement powers.
- And finally, the FMA provides for a voice by taxpayers in tax decisions accompanied by provisions to reconcile conflicts of interests and provide measures for facilitating solutions, including mediation.

It is important to note that the initiative for the FMA came from First Nations and was passed by Parliament with all party support.

First Nations Commercial and Industrial Development Act (FNCIDA)

First Nations are increasingly advancing major on-reserve projects that are: (1) large in scale, (2) long term, (3) complex (i.e. involve First Nations, industry, provinces, and multiple federal departments), and/or (4) have revealed regulatory gaps.

Accordingly, FNCIDA was introduced in the House of Commons on November 2, 2005 and came into force on April 1, 2006. It came about as an initiative led by the Squamish Nation (British Columbia), Fort McKay First Nation (Alberta), Tsuu T'ina Nation (Alberta), Carry the Kettle First Nation (Saskatchewan) and Fort William First Nation (Ontario). FNCIDA was intended to develop First Nation economies, provide additional tools for management of reserves, increase quality of life and allow First Nations to become more self-sufficient.



This optional, First-Nation-led legislation also received all-party support in Parliament. It is an innovative piece of legislation designed to fill the regulatory gaps⁹ on First Nation lands. In particular, it enables the federal government to develop regulations that allow provincial legislation and regulations to apply on First Nation lands, with the concurrence of the relevant province. These regulations would also allow First Nations to contract with provincial regulatory bodies as required.¹⁰

It is important to note that the FNCIDA deals only with provincial regulatory legislation and not local government regulation. The UBCM has expressed concerns regarding regulatory and liability issues related to servicing reserve land and has requested federal and provincial assistance in resolving these issues.¹¹ There are likely to be cases where First Nations will want to contract with local governments to extend local government regulations to First Nation leasehold lands. Those kinds of agreements are already in some service agreements and are done through contracts with the respective parties.

⁹ A regulatory gap creates uncertainty with respect to the process, time and costs associated with a project, and can divert potential investors from First Nation reserve lands to off-reserve jurisdictions where an established and familiar regulatory framework exists. Off-reserve commercial and industrial activities are governed by comprehensive provincial statutes and regulations that the province updates periodically. However, the elements of provincial regulatory regimes that relate to land use do not apply to reserve lands. Source: Indian and Northern Affairs Canada, 2008, "Frequently Asked Questions - First Nations Commercial And Industrial Development Act," Online at <http://www.ainc-inac.gc.ca/ecd/cid/faq-eng.asp>.

¹⁰ Alcantara, C., Flanagan, T., & LeDressay, A., "Beyond The Indian Act: Restoring Aboriginal Property Rights," McGill-Queen's University Press, 2010.

¹¹ See UBCM Resolution 2012:SR1 "Service Agreements with First Nations and the Regulatory Gap" online at <http://www.ubcm.ca/resolutions/>



First Nations Land Management Act (FNLMA)

The *Framework Agreement on First Nation Land Management* was signed by the Minister of Indian Affairs and Northern Development and 13 First Nations in 1996, and was ratified and implemented by Canada in the *First Nations Land Management Act*, in 1999. A First Nation signatory to the Framework Agreement can exercise land management powers outside of the *Indian Act* by creating its own Land Code, approved through a community ratification process and entering into a further Individual Transfer Agreement with Canada. Participation is voluntary, and the Framework Agreement creates an indigenous institution, the Lands Advisory Board, to help implement the jurisdiction. 36 First Nations have operational land codes and a further 58 are in development ¹².

First Nations under the FNLMA can assume authority over many land management jurisdictions. This means First Nations using the FNLMA can provide certainty to investors with respect to a number of land management responsibilities including land use planning, zoning, development processes, leasing and rules associated with land usage. In particular, First Nations have the power to make laws in respect of the development, conservation, protection, management, use, and possession of their First Nation land.

The FNLMA also has the potential to significantly reduce the costs of doing business on First Nation lands. Well crafted and administered land laws can provide transparency and certainty to investors. The FNLMA can also allow First Nations to establish more secure and tradable land tenure. Local administrations can provide these services and reduce investor transaction costs.

The powers provided for in the FNLMA are common to all local governments in Canada and are essential for First Nation governments that want to cooperate with adjacent local governments and participate in regional district growth strategies.

¹² Department of Aboriginal Affairs and Northern Development, First Nations Land Management - Operational and Developmental First Nations), on line at www.aadnc-aandc.gc.ca



First Nation Property Ownership Act (FNPOA)

FNPOA is a proposed piece of legislation for First Nations who want to opt out of the *Indian Act* reserve land system, and have greater jurisdiction and title to their lands:

- First Nations would have the option (requiring majority support of members) to hold the legal title to the land currently held by the Crown as "reserves" under the Indian Act;
- Individual First Nations would have the power to transfer title in fee simple (with any restrictions they would deem fit) to individuals without any loss of their jurisdiction over the land despite any possible change in ownership;
- First Nation jurisdiction over First Nation Land would be substantially expanded;
- A number of important safeguards should be included to preserve the First Nation character of the land; and
- The new First Nation Land would be registered in a "Torrens" style land registry

Recognizing the work and commitment of the proponent First Nations and the FNTC, in January 2014, the House of Commons Standing Committee on Finance recommended that the FNPO legislation be developed and passed in the near future. They recommended that the federal government should "*Move forward with a First Nations property ownership act in order to provide Aboriginal Canadians with the same property rights as other Canadians.*"

The FNTC is pleased that it has received support for this initiative from the Minister of Aboriginal Relations and Reconciliation. There are now twelve First Nations that have indicated their support for FNPOA and ten of them are from BC. The FNTC believes that this initiative, by providing First Nations with greater certainty over their own lands and jurisdictions, will create economic benefit for First Nations, increase their stake in the economic success of the province as a whole, and thus create better conditions for the conclusion of Treaties and the resolution of other outstanding issues.



Tulo Centre of Indigenous Economics

The Tulo Centre of Indigenous Economics (Tulo) was created by the First Nations Tax Commission to operate as an independent non-for-profit educational and research institution. It is governed by a three person board of Directors. The chair is Chief Mike Lebourdais of Whispering Pines First Nations, the Academic Chair is University of Victoria Professor Emeritus Robert Bish, and the Vice Chair is Bud Smith, the former Attorney General of BC.

Tulo's mission is to continue the education and training formerly provided by ITAB and the University of Victoria and to expand its efforts to include a broader range of activities to assist First Nations and their members to participate in the Canadian governance and market systems. One specific objective is to help interested First Nations build the legal, administrative and infrastructure frameworks to support markets on their lands. Tulo currently delivers two certificate programs in partnership with Thompson Rivers University and the First Nations Tax Commission – an eight course - 17 credit certificate in First Nation Tax Administration, and a six course - 18 credit certificate in First Nation Applied Economics. Each course in these certificate programs has the applied economics (APEC) designation within the Business School. Twelve of the courses involve original curriculum only offered by Tulo-TRU that focus on specific First Nation legal, administrative, infrastructure or communications requirements to reduce the high costs of doing business on First Nation lands.

Tulo Centre of Indigenous Economics Courses

First Nation Tax Administration

APEC 1610: Introduction to First Nation Taxation

APEC 1620: Establishing First Nations Tax Rates & Expenditures

APEC 1630: Assessment and Assessment Appeals

APEC 1640: Administration – Tax Notices, Collecting and Enforcement

APEC 1650: Communications and Taxpayer Relations

APEC 1660: Service Agreements and Joint Contracts

APEC 1670: Development Cost Charges

APEC 1680: Capital Infrastructure & Debenture

First Nation Applied Economics

ENGL 1810: Business, Professional, and Academic Composition

ECON 1220: Introduction to Basic Economics

ECON 2630: Issues in Aboriginal Economics

ECON 2640: Residential and Commercial Development on First Nation Lands

ECON 2650: Investment Facilitation on First Nation Lands

ECON 2700: Economic Feasibility and Impact Analysis on First Nation Lands



Courses are delivered in either an online or intensive format. Online courses are taught online in a paced, cohort, tutor-led model over the space of eight to twelve weeks. They are offered through Thompson Rivers University Open Learning. Intensive courses are delivered in a classroom format. This format condenses the content from the full 8-12 week course into an intensive one-week session. Students attend the classes on the Thompson Rivers University campus.¹³

The courses developed by Tulo and Thompson Rivers University offer a wide range of course work in tax administration and economic development for First Nations. They are the most comprehensive on these topics available and the most extensive in the province.

Other Colleges and Universities

While Tulo-TRU courses serve First Nation students directly, a variety of courses in local government administration and finance are also available to First Nation students, with Northwest College and Capilano University specifically including First Nation content in their local government courses. Other universities and colleges with courses directly focussed on local government administration and service delivery for entering students include Camosun College, College of the Rockies, and the University of Northern BC. Their courses meet the requirements for the beginning certificate for local government administrators from the provincial government Board of Examiners. Local government courses for the more advanced certificates are offered by the University of Victoria, School of Public Administration. Tulo is currently working with UVIC and possibly Capilano to ensure transferability of courses and programs and to encourage more students to register in these programs.

¹³ Tulo Centre of Indigenous Economics. (2011). Online at <http://www.tulo.ca/default.htm>.



VI. Emerging Policy Issues: Where do First Nations go from here?

Institutions necessary for First Nations to take their place among Canadian governments and participate in the market economy have been created over the past two decades. The task is not complete, however, and both opportunities and problems remain. Some of these are described below.

Implementing New Revenue Options

The FMA is providing First Nations with revenue raising options similar to other local governments. In 2013/14, the first FMA development cost charges law (Tk'emlups te Secwepemc), and the first FMA property transfer tax law (Tzeachten First Nation) were approved by the FNTC.

FMA Development Cost Charges (DCCs) are similar to municipal DCCs and charge a one-time tax on new developments to help finance infrastructure. The revenue is used for specific projects identified in the community's long term capital plan. Tk'emlups te Secwepemc's capital projects include a highway traffic interchange and a water reservoir, and the DCC law will play an important part in funding their capital infrastructure enhancements over the long term. Having the capacity to impose DCC's will also facilitate service contracts with adjacent local governments where similar treatment of new developments is desired.

Another revenue option for First Nations under the FMA is Business Activity Taxes which includes collecting hotel taxes on reserve. Some First Nations in BC are interested in developing a hotel tax that would duplicate the hotel tax collected elsewhere in the Province. This tax would provide First Nations with needed revenues and also give them a greater stake in the successful development of the recreational potential of British Columbia. It would provide them with improved opportunities to participate in resort development by ensuring that more of the resultant tax benefits are made available to them.



First Nations in BC are currently exploring other FMA revenue options including taxation for the provision of services, and other business activity taxes.

In 2013, the first FMA long term capital borrowing law (Tsawout First Nation) was approved. This law enabled the Tsawout First Nation to borrow \$2.15 million through the First Nations Finance Authority (FNFA)'s pooled debentures for the completion of much needed upgrades to Tsawout's sewage treatment plant. This means that Tsawout will be able to access capital at costs similar to those for BC municipalities, over a longer amortization period, and without requirements for collateral.

These new revenue options mean that First Nations have similar revenue raising powers to local governments in BC and will hopefully begin to close the substantial infrastructure gap that exists on First Nation lands compared to local governments.

Pricing Contracts for Services

An extensive range of service contracts between First Nations, municipalities and regional districts is listed in Appendix A and Appendix B. Because of the variable rate property tax system used in British Columbia those reserves with significant commercial property may generate property tax revenue in excess of service costs. Those First Nations with residential lands often do not generate sufficient revenue to cover service costs when the First Nation uses the same tax rates as adjacent jurisdictions, which most First Nations do.



One result of equivalent tax rates is that those First Nations with commercial property are reluctant to enter into service contracts based on tax revenues instead of actual costs. At the same time, municipalities are reluctant to sell services on a tax revenue equivalent basis when those revenues do not cover the costs of the services, as is the case for reserves that are substantially residential unless that residential is of very high value. The provincial government policy to exit the collection of school taxes on First Nation lands has left many First Nations with additional resources to improve infrastructure and obtain services beyond what could be provided with only the tax equivalent of municipal or regional district and provincial rural taxes. At the same time commercial reserves may generate large surpluses. The mismatch between property tax revenues and service costs caused by the use of variable tax rates the same as those used in adjacent jurisdictions is the root cause of these problems. They need to be understood during the service contract process.¹⁴

The alternative to First Nations using the same variable tax rates as adjacent jurisdictions is for First Nations to go to budget-based tax rate setting the same as is done by municipalities. This would result in property tax rates being either higher or lower than those in adjacent jurisdictions—the same as occurs between adjacent municipalities. Because municipalities must add provincially determined school tax rates to their municipal rates, this could mean that municipal rates may be higher than the rates on reserves and many would regard this tax competition as unfair. However, it must be recognized that for residences the Provincial Home Owner Grant (especially where the carbon tax abatement program applies) off-sets most of the “school tax” and for low-valued residences offsets part of their municipal taxes as well. There is no obvious reason to make a change in the existing situation, especially as earlier research also called into question whether the Federal government was paying the province too much per student for the education of First Nation students.

¹⁴ Not everyone understands that when equivalent tax rates are used by a First Nation, the First Nation residential taxpayers may actually pay higher property taxes than residents in the municipality because in some cases the First Nation may not implement the provincial Home Owner grant program or, more recently, the provincial carbon tax abatement program that uses the Home Owner grant program. Tax equivalency only results for non-residential properties unless the First Nation has implemented an equivalent Home Owner grant program that includes carbon tax abatement.



Political Representation

Prior to First Nation taxation municipalities taxed reserve lands without being required to provide services to those lands. At the same time the leaseholders occupying those lands, as well as First Nation members, were allowed to vote in municipal elections. Now that First Nations exercise jurisdiction over First Nation lands for both taxes and services the issue of political representation needs to be revisited.

Two problems exist. First, in the past, First Nation leaseholders have had no voice in First Nation policies on taxes and services on leasehold lands. However, it is in the direct financial interest of the First Nation to maximize the value of leasehold lands and that is done by providing the mix of services at reasonable tax prices to satisfy leaseholders. In addition, the FMA provides First Nations with the jurisdiction to provide a voice in decisions over leasehold lands. To fulfil this responsibility, the FNTC has worked with taxpayers and interested First Nations to develop the legal and administrative framework for greater participation of taxpayers in decisions that impact them. In particular, the FNTC has developed a sample taxpayer representation law that ensures that taxpayers have a forum for their input and a local mechanism to resolve any disputes that arise. This model system is comparable and perhaps more inclusive than the system developed to support treaties.

The second problem is that First Nation members and leaseholders on reserves within municipal boundaries are allowed to vote in municipal elections even though none of the municipality's services, regulations, or taxes are provided to the reserve unless it is through a contract with the First Nation government.¹⁵

¹⁵ This problem was the topic of a discussion paper by the Lower Mainland Treaty Advisory Committee entitled "Voting in Local Government Elections and Referenda by Residents Living on Indian Reserves" online at http://www.metrovancouver.org/region/aboriginal/LMTAC/LMTACDocs/VotingInLocalGovernmentElectionsAndReferendaByResidentsLivingOnIndianReserves%20_22-Sept-2011.pdf



One solution to the voting in municipal elections by voters who do not receive its services or pay its taxes would be to exclude these reserve lands from municipal boundaries. This would be accomplished using an Order in Council to redefine the municipality boundaries to exclude reserve lands. This would make absolutely clear that First Nations are responsible for their residents, both First Nation and non-First Nation, including arrangements for both services and taxes, and that municipalities are governed by their citizens who also receive services and pay taxes. With this clarification, the two governments can proceed to make joint service arrangements for the mutual benefit of their citizens. It should be the policy of the provincial government to respond favourably to requests from a municipal council that requests removal of a reserve from within its legal boundaries. This leaves this as a local option where the local council knows the relationship with the First Nation and makes the decision¹⁶.

While relations between First Nations and municipalities need the most clarification, especially in regard to voting and representation, there are other situations where First Nation members and leaseholders vote in general local government elections for an electoral area director of a regional district outside of municipal boundaries. While this issue has not been as prominent as the mismatch between representation and taxation in reserves within municipal boundaries, the uncertainty of the relationship between First Nations and regional districts poses some problems.

¹⁶ Removing a population from a municipality will also require adjustments within regional districts, where the population may need to be assigned to an electoral area if the First Nation itself is not becoming a member of the regional district. Such new arrangements will need to be worked out between the regional district and the Ministry of Community, Sport and Cultural Development—the current incarnation of Municipal Affairs.



Some Regional Districts provide services that are available to all residents within the area. These include recreation facilities and libraries that both First Nation members and leaseholders can make use of. One of the benefits of having First Nations as participating members within regional districts would be that First Nations could participate in the decisions and make financial contributions, including financial contributions based on the assessed value of all lands on the reserve instead of only on leasehold lands¹⁷.

One solution for service cooperation is for a First Nation representative to sit on the Regional District committee that supervises that particular service and makes payments for that service as if it were a member municipality. This provides for more flexibility in service decisions, especially when capital investments are involved, than simple service contracts. As most Regional District Committee decisions are simply ratified by the Board, this would provide a useful approach to integrating First Nations into the governmental system without going immediately to full Board membership (although this option should be considered). This approach is especially relevant because First Nations are unlikely to enter into full membership where regional growth strategies are involved because they were not part of the regional growth strategy planning process. However, the prospect of full regional district participation would be an incentive for both First Nation and non-First Nation consideration of First Nation lands in future growth strategy planning.

Other Tax-Service Relationships

In addition to matching representation to taxation, there are other tax-service relationships that would benefit from resolution. The relationship of First Nations to Hospital Districts is one example. Hospital Districts levy small property taxes to provide for hospital planning and capital construction. Their governing board is usually the same members as the directors of the regional district.

¹⁷ For First Nations to become full members of a regional district the aboriginal residents need to be included. This could include having a member on the regional district. Regional districts do not levy property taxes on individual properties; they send a requisition to the member municipality with the price based on their tax rate applied to the tax roll.



All First Nation members and leaseholders have access to hospitals across the province and it would appear appropriate that First Nations collect and submit equivalent hospital taxes to the hospital boards. First Nation members themselves are covered by transfers from the federal to provincial government on their behalf, although it is uncertain what is actually passed through to individual Hospital Boards.

One special issue in the lower mainland is TRANSLINK. Translink is essentially a provincial government body that levies significant property taxes to provide transportation throughout the Greater Vancouver Regional District and adjacent areas that wish to become members. All residents benefit from their services. We are unaware that any First Nations have been included in either the planning or governance of TRANSLINK. Our recommendation would be that, if TRANSLINK would like to obtain tax equivalent revenues from First Nations, their governing system would need to be revised to include First Nation participation in governance at the same time. At present, such participation is a decision to be made by each individual First Nation.

Planning and Mutual Boundary Coordination

Forty-five reserves are geographically within municipal boundaries - whether or not they are included in the legal definition of the municipality. Others are adjacent to municipalities. Physical proximity provides opportunities for cooperation for mutual benefit, rivalry to attract business and residents, and the potential for conflict over spillovers from developments within one government to the other. These situations are no different from those of adjacent municipalities with one major exception—the provincial government has created regional districts to deal with most of the boundary issues that arise and many regional districts have growth strategies that have not included First Nation participation.



Regional districts were specifically designed to provide a forum to promote cooperation on services and land use planning among local governments. While some regional planning functions have been abandoned, members still create growth strategies and have access to a provincially designated mediation-arbitration dispute resolution function. First Nations lack these institutions in dealing with municipalities or regional districts and although dispute resolution processes are included in many service contracts, they are specific to that contract.

One of the problems that face First Nations wanting to engage in major economic development is that they were never included in any planning or growth strategy processes at either the municipal or regional level. One approach to boundary problems is simple: First Nations will take impacts on adjacent governments into account to the same degree those governments took First Nation interests into account in their past decisions—a position that is certainly justified by past municipality and regional district decision-making. There would, however, be mutual benefits by having more regular processes for cooperation and dispute resolution. A problem is that no single senior government has the jurisdiction to impose such an institutional arrangement. This is because the provincial government creates the legal structure for municipalities, regional districts and other local governments and it is the federal government and FNTC which creates the legal structures for First Nations.



Because the provincial government has already created institutional arrangements specifically to facilitate cooperation among local governments—regional districts—the obvious solution is for the provincial government to enter into discussions with First Nations and local governments regarding First Nations membership on regional district boards. Presently this option is open only to Treaty First Nations, but many First Nations do not plan on entering into treaty arrangements. To exclude non-treaty First Nations from potential regional district membership is to exclude most First Nations from this option for the foreseeable future, including the largest and most economically developed First Nations, which would benefit most from better coordination with other local governments. The provincial government needs to revisit their policies on how First Nation participate in regional districts to enable First Nations to coordinate their activities with other governments at the local level for the mutual benefit of all parties¹⁸.

¹⁸ The inclusion of First Nations in regional districts will require some participation to be different from municipal members. Most important is that First Nations would use the First Nations Finance Authority for debt finance instead of the Municipal Finance Authority. The regulatory system for First Nations under the FMA is similar in many ways to that for municipalities under Municipal Affairs but there are other differences that result from the FMA applying nationally instead of provincially.



Treaties and FMA

The FMA represents a major step to provide the regulatory framework for First Nations to participate in the Canadian federal-provincial governance system and to promote the inclusion of First Nations and First Nation members in to the Canadian market economy. Without certainty and stability for taxpayers, lenders, and investors, economic development equivalent to that outside of reserves is simply not possible. These are the most likely paths for improving conditions found on many First Nations. These developments are also consistent with the objectives of all governments in treaty negotiations. Many policies the provincial or federal government have requested be included in treaties are also provided by the legislation, policies and regulations that have evolved within the institutions encompassed by the FMA. These institutions are also an appropriate option for First Nations within treaty agreements. It is much better policy to provide treaty First Nations with the option of the FMA regulatory framework, which mainly parallels provincial practices, than it is for each of them to operate their own independent taxation system without a regulatory framework, as seems to be the case after the treaty is signed.

The FNTC is currently working with interested First Nations, BC and Canada to develop a regulation under the authority of the FMA to ensure that the services and products of the FMA institutions remain available to First Nations with modern treaties.



VII. Conclusions and Suggestions

First Nations continue to be successful in implementing property tax jurisdiction on First Nation lands and providing services to their communities. There are now more than 150 taxing First Nations across Canada collecting a total of over \$70 million¹⁹ each year and 62 of those are located in BC. Generally, service agreements are working well for both First Nations and municipalities. Economic development is expanding, and assessment values continue to rise, and in some cases even surpass those in adjacent municipalities. Using local revenues as well as other revenue sources, First Nations are being able to build and finance the infrastructure needed to support continued economic expansion. Regulatory and educational gaps that have been hindering First Nation economic development are being addressed by progressive First Nations institutions. First Nations are increasingly participating in and benefiting from their regional economies. However, there is still more to do that will benefit all governments providing local services and their citizens.

This paper makes these suggestions to build on the recent positive history between First Nations and local governments in BC and to continue the strong working relationship between the UBCM and the FNTC:

1. Promote and support collaboration and cooperation between the Tulo Centre of Indigenous Economics and universities that support the local government officers association such as Capilano, Northwest and UVIC.
2. Develop processes to remove First Nations from municipal boundaries on the request of First Nations to clarify service and representation responsibilities.
3. Consider a pilot project coordinated by the FNTC and UBCM with a non-treaty First Nation to directly participate in regional district governance, planning, services and infrastructure.
4. Consider other First Nation regional participation opportunities such as those associated with hospital districts.

¹⁹ www.fntc.ca



5. The UBCM and the FNTC should work together to encourage the provincial legislative changes necessary to ensure the FMA applies to First Nations in post treaty environment so that they have access to institutional services and long term infrastructure capital.

None of the changes proposed on these issues entail radical change; they all simply continue the evolution of greater participation of First Nations in the British Columbia local government system and Canadian federalism and they provide a base for raising the productivity of First Nation lands and citizens within the Canadian market economy. No one expects these changes to occur quickly. Two suggestions, however, should help. First, the participation of First Nation and local government administrators in the same classrooms at our universities will contribute to greater understanding of how similar administration issues are for all small governments. Second, a renewed strong working relationship between the FNTC and UBCM will provide the institutional support and coordination necessary to implement these possible changes.



VIII. Appendix A – Service Agreement Examples

CivicInfo #	Agreement	Participants	Year	Services	Cost
2	Agreement	RD East Kootenay and Akisqnuq First Nation	2007 2012	<ul style="list-style-type: none"> ▪ Building and plumbing inspection 	Actual wages of the building inspector plus 38.5% (for benefits, administration and vehicle costs).
3	Agreement	RD East Kootenay and Columbia Lake Indian Band	2002 2006	<ul style="list-style-type: none"> ▪ Fire Protection services 	<p>Annual fee of \$1,575.00 for the fire protection services provided by the Fairmont Hot Springs Volunteer Fire Department.</p> <p>Annual fee of \$2,625.00 for the fire protection services provided by the Windermere Volunteer Fire Department.</p>
4	Agreement	RD East Kootenay and Tobacco Plains Band	2009 2013	<ul style="list-style-type: none"> ▪ 911 Emergency Dispatch 	Annual Operating and capital costs for 911 plus total number of dwellings in RDEK. This is multiplied by the number of dwellings on Reserve including Leased Reserve Land.
20	General Servicing Agreement	Central Saanich and Tsawout First Nation	2007	<ul style="list-style-type: none"> ▪ General Government Services ▪ 911 Emergency Dispatch ▪ Fire Protection ▪ Public Works ▪ Parks and Recreation ▪ Contingency Wages ▪ Reserves and Contingency Funds 	\$80,251 per year (adjusted slightly every year based on tax levy - 5% max increase per year).
22	Leaseholder Service Agreement	Campbell River and Campbell River Indian Band	2005	<ul style="list-style-type: none"> ▪ "Municipal services that are ordinarily provided to the City's residents." ▪ Maintenance and Repair is taken care of by the city. 	<p>72.5% of the property taxes using the city's tax rates.</p> <p>Water and Sewer: User fee is charged by the city for water and sewer services.</p>



CivicInfo #	Agreement	Participants	Year	Services	Cost
70	Services Agreement	Campbell River and Homalco Indian Band	1992	<ul style="list-style-type: none"> ▪ Domestic Water (repair and maintenance also) ▪ Sanitary sewage collection and disposal (repair and maintenance also), ▪ Fire protection 	<p>Water and Sewer: User fee is charged by the city for water and sewer services.</p> <p>Fire Protection: \$90 per residential unit and \$360 for non-residential (CPI increase every year).</p>
71	Services Agreement	Central Okanagan RD and Westbank First Nation	2007	<ul style="list-style-type: none"> ▪ Mt. Boucherie Arena ▪ Johnson-Bentley Aquatic Centre ▪ Westside Seniors Activity Centre ▪ Westside Transit Services ▪ Handi-dart Transit ▪ Regional Parks ▪ Okanagan Basin Water Board ▪ Effluent/Water Disposal ▪ Regional Rescue Service ▪ 911 Emergency Number ▪ Crime Stoppers ▪ Victims/Witness Assistance ▪ Westside Sanitary Landfill 	<p>Net taxable values of lands and improvements in the First Nation multiplied by District service annual requisition.</p> <p>Landfill: Number of parcels in the First Nation multiplied by parcel tax (cost of district services divided by number of parcels in district electoral areas [Westside and Eastside]).</p>



CivicInfo #	Agreement	Participants	Year	Services	Cost
72	Service Agreement	Campbell River and Cape Mudge Indian Band	2004	<ul style="list-style-type: none"> ▪ Water ▪ Sanitary Waste ▪ Storm Water Management ▪ Fire Protection 	<p>Water: \$10 per year for each building on-reserve.</p> <p>Collection, Treatment and Disposal of Sanitary Waste: \$39 per year for each building on-reserve and \$1700/year for sewer system maintenance (CPI increase per year).</p> <p>Water and Sewer: User fee is charged by the city for water and sewer services.</p> <p>Storm Water Management: Parcel tax (according to local government bylaw).</p> <p>Fire Protection: \$80 per year for each residential building (CPI increase per year) and equivalent district property taxes multiplied by % of total district budget to fire services for every other development.</p>
73	Service Agreement	Pitt Meadows and Katzie Indian Band	2007	<ul style="list-style-type: none"> ▪ Water supply ▪ Sanitary sewage disposal ▪ Fire Response 	<p>Water: \$2057 per month.</p> <p>Disposal of Sanitary Sewage: Number of buildings on the Reserve Area multiplied by the rate per single-family residential building as the City charges.</p> <p>Fire Response: operating costs for previous year plus fire services capital costs from previous year divided by total population of Pitt Meadows plus Katzie Reserve multiplied by the total population of the Katzie reserve</p>



CivicInfo #	Agreement	Participants	Year	Services	Cost
74	Service Agreement	RD East Kootenay and Akisqnuq First Nation	2007 2011	<ul style="list-style-type: none"> ▪ Building and plumbing inspection ▪ Dog control ▪ Emergency 911 ▪ Eddie Mountain Memorial Arena ▪ Parks and Trails ▪ Emergency response and recovery program ▪ Fire protection ▪ Grants in aid ▪ Libraries ▪ Regional hospital district ▪ Regional parks ▪ Septage disposal ▪ Solid waste disposal ▪ Weed control 	Sum of the levies made by RDEK for the services for that calendar year multiplied by the assessment of all non-native interests on-Reserve as determined by the First Nation.
75	Service Agreement	RD East Kootenay and Shuswap Indian Band	2007 2011	<ul style="list-style-type: none"> ▪ Dog Control ▪ Emergency 911 ▪ Eddie Mountain Memorial Arena ▪ Parks and Trails ▪ Emergency response and recovery program ▪ Grants in aid ▪ Libraries ▪ Noxious weed control ▪ Regional Hospital District ▪ Regional Parks ▪ Septage Disposal ▪ Solid Waste Disposal 	Sum of the levies made by RDEK for the services for that calendar year multiplied by the assessment of all non-native interests on-Reserve as determined by the Band.



CivicInfo #	Agreement	Participants	Year	Services	Cost
76	Service Agreement & Bylaw	Tofino and Tlaouquiaht First Nation	2009	<ul style="list-style-type: none"> ▪ Water (maintenance and repair also) ▪ Sanitary Sewer Service (maintenance and repair also) ▪ Fire Protection 	<p>Water: Rates, rents or charges as set forth in the Tofino Water Utility Rates and Regulation by-laws.</p> <p>Sanitary Sewer: Rates, rents or charges as set forth in the Tofino Sanitary Sewer Utility Rates and Connection Regulation by-laws.</p> <p>Fire Protection: Annual sum based on the assessed value for land and improvements. The parties (re-calculated annually based on assessed value of lands and improvements and fire protection costs).</p>
77	Servicing Agreement	District of North Vancouver and Tsleil-Waututh Nation	2005	<ul style="list-style-type: none"> ▪ Discharge of storm water (maintenance and repair also) ▪ Discharge of Sanitary Sewage (maintenance and repair also) ▪ Provision of water (maintenance and repair also) ▪ Fire fighting protection 	<p>\$484,852.15 per year and an increase or decrease in the Annual Service Charge equal to % change in total resident tax levy of the District on District ratepayers (single and multifamily residential properties) and a % increase or decrease in the Annual Service Charge equal to the number of additional completed units of any development as a % of the total number of units of any development existing the previous calendar year.</p>
89	General Servicing Agreement	Central Saanich and Tsawout First Nation	2001	<ul style="list-style-type: none"> ▪ General Government Services (related to services) ▪ 911 Emergency dispatch ▪ Fire Protection ▪ Emergency Measures ▪ Public Works ▪ Parks and Recreation ▪ Contingency Wages ▪ Reserves and Contingency Funds 	<p>Property tax (rate multiplied by assessment) of all property classes multiplied by (Gross expenditure minus non tax revenue) divided by (General and debt tax levy plus Tsawout First Nation's contribution).</p>



IX. Appendix B – Specific Service Agreements

CivicInfo #	Agreement	Participants	Year	Cost
Fire Protection				
9	Fire Protection Agreement	Central Saanich and Tsawout First Nation	2007	(Number of band buildings/ [Number of band buildings + Total number of buildings within district and reserve]) x Cost
10	Fire Protection Agreement	Enderby and Splotsin First Nation	2009	\$11,457/year
11	Fire Protection Agreement	Kamloops and Kamloops Indian Band	2008	Property Tax fee x parcels (\$604,890 in 2009)
12	Fire Protection Agreement	Kitimat and Kitimaat Village	1990	Fee schedule not attached
13	Fire Protection Agreement	Kitimat Stikine RD Kitselas Band	2004	Not outlined clearly in agreement.
14	Fire Protection Agreement	North Cowichan and Chemainus Band	2009	Building fee (per month per building; set out in schedule A till 2014) x Number of buildings
15	Fire Protection Agreement	North Cowichan and Halalt Band	2009	Building fee (per month per building; set out in schedule A till 2014) x Number of buildings
16	Fire Protection Agreement	North Cowichan and Penelakut Band	2009	Building fee (per month per building; set out in schedule A till 2014) x Number of buildings
17	Fire Protection Agreement	Osoyoos Osoyoos Indian Band*	2002	<p>Native non-residential Structures: Assessed net taxable value of non-residential improvements for school and hospital purposes x 1000 x appropriate tax rate</p> <p>Non-native leased properties: Net taxable assessed value of land and improvements for school and hospital purposes * 1000 x appropriate tax rate</p> <p>Dwelling structures: Number of dwelling units x average Osoyoos residential dwelling assessment x appropriate tax rate</p>



CivicInfo #	Agreement	Participants	Year	Cost
19	Fire Services Agreement	Port Coquitlam and Coquitlam Indian Band	1996	Assessed value of land and improvements on-reserve / Assessed value of land and improvements in city (incl. reserve) x Fire Dept. budget for that year.
88	Fire Protection Agreement	Central Saanich and Tsawout First Nation	2001	(Number of band buildings/ [Number of band buildings + Total number of buildings within district and reserve]) x Cost
Sanitary Sewer				
69	Sanitary Sewer Agreement	Kamloops and Kamloops Indian Band	1996	Capital Development Fee (consists of a DCC and ACC) based on a schedule outlined in the agreement. Sanitary sewer user fee equal to a meter rate in the City Sanitary Sewer By-law. Services user fee of \$200 per year for each dwelling unit (amended each year by CPI).
79	Sewage Treatment Service Agreement	Penticton and Penticton Indian Band	2008	Operating Service Fee Includes all direct and indirect operating costs and relevant admin costs and overhead during period of connection with services plus 10% of the total (recalculated every year). Capital Costs Portion of the capital depreciation costs of the annual value of the Advanced Waste Water Treatment Plant over it's life allocated to the band based on contribution to the waste water stream during the period determined by the city (recalculated every year). This equals PIB Sewage Flows/(PIB Sewage Flows + City Sewage Flows) x capital depreciation (as set out in a schedule). Service Fee An amount not exceeding 10% of the total costs of the Capital and Operating fees.



CivicInfo #	Agreement	Participants	Year	Cost
80	Sewer Agreement	Enderby and Splitsin First Nation	2009	\$747.90/year
82	Sewer Service Agreement	Kitimat Stikine RD Kitselas Band	2003	Annual user fee based on number of Household Equivalent Units on the Reserve connected to the RDKS x annual sanitary sewer user fee prescribed by the board of the RDKS in the Sewer Regulation Bylaw. Connection fee based on charge described in the Sewer Regulation bylaw x number of Household Equivalents (paid on every additional connection of any premises).
Transit				
85	Transit Agreement	Campbell River and Homalco Indian Band	2004	<i>Not included</i>
86	Transit Agreement	Kitimat Stikine RD Gitxsan Government Commission	2005	45% of the local share of costs incurred by RDKS for the Hazelton Regional Transit System (apportioned to the four band councils).
87	Transit System Partnership Agreement	Kitimat Stikine RD Kitamaat Kitselas Kitsumkalum Kitimat Terrace	2006	Actual local net share of costs incurred by the RD. It is apportioned as follows: <ul style="list-style-type: none"> ▪ Kitamaat Village Council (15%) ▪ District of Kitimat (26%) ▪ Kitselas Band Council (11%) ▪ Kitsumlakum Band Council (10%) ▪ City of Terrace (18%) ▪ Regional District of Kitimat-Stikine (20%)
Wastewater Treatment Project				
91	Wastewater Treatment Project Agreement	Capital Regional District and Beecher Bay Nation	2008	<i>Not included</i>
92	Wastewater Treatment Project Agreement	Capital Regional District and Songhees Nation	2008	<i>Not included</i>



CivicInfo #	Agreement	Participants	Year	Cost
Water				
90	Water Servicing Agreement	Central Saanich and Tsawout First Nation	2001	Charge calculated using the metered water rate, excluding any fixed charges set out in the Water Rates by-law.
93	Watershed Accord	Sechelt Indian Band and Sunshine Coast Regional District	2003	Not Included
94	Water Agreement Lassertie Subdivision	Enderby and Splitsin First Nation	2009	\$231.00/year for each unit connected to the system.
95	Water Agreement Mabel Lake Road	Enderby and Splitsin First Nation	2009	\$488.50/year for each unit connected to the system.
96	Water Metered Agreement	Enderby and Splitsin First Nation	2009	\$470.25/year for each unit connected to the system and \$2.15 per 4,500 litres that consumption exceeds 180,000 litres.
97	Water Servicing Agreement	Central Saanich and Tsawout First Nation	2007	Charge calculated using the metered water rate, excluding any fixed charges set out in the Water Rates By-law.
98	Water Sewer Services Agreement	Ucluelet Yuutluthaht Ucluelet First Nation	2008	One time capital payment of \$354,710.36 towards Ucluelet's sewer infrastructure. 50% of the monthly water rate charges to cover sewer treatment and disposal
N/A	Sewer and Water Agreement	City of Chilliwack and Tzeachten Indian Band	2006	Lessee must pay the city all costs incurred to design and construct the connections or an extension to the services system, operating fees (city engineer assesses based on previous year and adjustments), additional off-site costs, and other costs and expenses incurred by the city with respect to extensions. The city and the band agree that the tax sharing formula is 75% city and 25% band.



X. References

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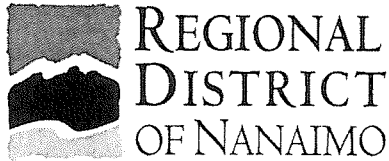
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RDN REPORT	
CAO APPROVAL	
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BOARD	

STAFF REPORT

TO: Paul Thorkelsson
Chief Administrative Officer

DATE: April 30, 2015

FROM: Wendy Idema
Director of Finance

MEETING: May 12, 2015 COW

FILE:

SUBJECT: Automatic Response Agreement for Fire Services in District 68 Departments

RECOMMENDATION

That the Automatic Response Agreement between the North Cedar Improvement District, the Cranberry Fire Protection District and the Regional District of Nanaimo (RDN) for coverage in the Cassidy-Waterloo, North Cedar Improvement District and Cranberry Fire Protection areas be approved and that the Board Chair and Corporate Officer be authorized to sign the Automatic Response Agreement on behalf of the Regional District of Nanaimo.

PURPOSE

To endorse the Automatic Response Agreement between the North Cedar Improvement District (NCID), the Cranberry Fire Protection District (CFPD) and the Regional District of Nanaimo (RDN) for coverage in the Cassidy- Waterloo, Cedar-Yellowpoint, South Wellington and Cranberry areas.

BACKGROUND

The Regional District of Nanaimo has an agreement with the Cranberry Fire Protection District for managing and providing manpower to the Cassidy Waterloo Fire Service area and the fire hall at 3500 Hallberg Road which is owned by the RDN. As well, there is an ongoing Mutual Aid Agreement between CFPD and NCID in place.

The CFPD and the NCID have met and developed the automatic aid agreement included as Attachment 1. The Automatic Aid response is for confirmed structure fires and the mutual aid agreement will apply in other cases. For smaller departments such as these, automatic aid agreements are important to ensure sufficient manpower is available to respond, especially during daytime hours. Having adequate resources available at the initial stages of an emergency event is critical to the outcome of the incident. As well these agreements assist each department in being able to respond with the appropriate equipment as recommended by the Fire Underwriters Survey. The Automatic Response Agreement assists the Incident Commander at an event as it is one less decision that person has to make in responding to a confirmed structure fire.

ALTERNATIVES

1. Adopt the Automatic Response Agreement as attached.
2. Amend the agreement as written and adopt an amended agreement.
3. Not adopt an Automatic Response Agreement.

FINANCIAL IMPLICATIONS

Alternative 1

The Automatic Response Agreement contains a cost recovery section. The intent of this section is to cover costs for consumable materials used by the requested party. It is anticipated that the overall cost of implementing this agreement should be cost neutral as the Fire Departments would be responding to incidents in other areas and vice versa.

Alternative 2

The financial implications of alternative 2 are unknown at this time and would depend on what amendments were made. There would be a delay in implementation of the agreement however, and additional resources would have to be allocated to make changes to the agreement.

Alternative 3

Under alternative 3 (not adopting an Automatic Response Agreement), each department would revert back to the use of the Mutual Aid Agreement which has similar cost recovery requirements. Use of the mutual aid agreement does result in a potential for a time delay in additional equipment being requested.


STRATEGIC PLAN IMPLICATIONS

The RDN 2013 – 2015 Board Strategic Plan specifically identifies enhancing relationships and facilitating effective dialogue about matters of mutual interest between the RDN and other orders of government. Automatic Aid agreements between neighbouring fire service areas allows for development of joint initiatives in the area of fire protection across the Regional District.

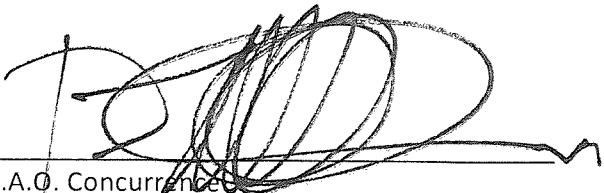
SUMMARY/CONCLUSIONS

The Regional District of Nanaimo has had an agreement with the Cranberry Fire Protection District since 2008 for managing and providing manpower to the Cassidy Waterloo Fire Service area and the fire hall at 3500 Hallberg Road which is owned by the RDN. As well, there is an ongoing Mutual Aid Agreement between CFPD and NCID in place.

The CFPD and the NCID have met and developed the automatic aid agreement included as Attachment 1. The Automatic Aid response will be for confirmed structure fires and the mutual aid agreement will apply in other cases. For smaller departments such as these, automatic aid agreements are important to ensure sufficient manpower is available to respond, especially during daytime hours. It is anticipated that the overall cost of implementing this agreement should be cost neutral as the Fire Departments would be responding to incidents in other areas and vice versa.



Report Writer



C.A.O. Concurrance

THIS AGREEMENT Dated for Reference this day of , 2015

BETWEEN:

NORTH CEDAR IMPROVEMENT DISTRICT

PO Box 210
2100 Yellow Point Rd
Cedar BC
V9X 1W1

(“NCID”)

AND

CRANBERRY FIRE PROTECTION DISTRICT

1555 Morden Rd
Nanaimo BC
V9X 1S2

(“CFPD”)

AND

REGIONAL DISTRICT OF NANAIMO

6300 Hammond Bay Road
Nanaimo, BC
V9T 6N2

(“RDN”)

(Collectively, the “Parties”)

WHEREAS

A. The Parties are incorporated as improvement districts and a Regional District under the Local Government Act (“LGA”) of British Columbia and, under section 745(2)(b) of the LGA, an improvement district may make agreements with one or more other improvement districts or local authorities to provide each other with emergency resources;

B. The Parties wish to make their respective fire fighting resources and facilities available to each other and to cooperate in the event of any reported structure fire emergency within their respective jurisdictions; and

C. By entering into this Agreement, the intention of the Parties is to provide and/or receive assistance from the closest available fire department to structure fire emergencies within their respective jurisdictions and to supplement each other’s firefighting resources in order to provide more effective, efficient and timely responses to those incidents.

NOW, THEREFORE, THIS AGREEMENT WITNESSES that in consideration of the mutual covenants and provisions herein contained, the Parties covenant and agree as follows:

DEFINITIONS

1. For the purposes of this Agreement:

“Ancillary Equipment” means firefighting, emergency and life saving equipment, and portable water supply.

“Area of Jurisdiction” means the area over which the Fire Department of a Party has legal authority to operate.

“Assistance” means the equipment and personnel provided by one Party to another Party as described in section 7 of this Agreement.

“Automatic Aid” means the automatic dispatch of and the provision of Assistance by the Fire Departments of both Parties to a structure fire emergency in either Party’s Area of Jurisdiction.

“Designate” means a person who is designated by the Fire Chief of one of the Parties to have the powers and authority of the Fire Chief in the Fire Chief’s absence.

“FireComm” means the fire dispatch service provided by the City of Nanaimo to the Parties to this Agreement.

“Fire Chief” means the Fire Chief of a Fire Department.

“Fire Department” means the fire department of a Party to this Agreement.

“Incident Commander” means the individual responsible for the management of all operations at a structure fire emergency or other emergency incident site.

“Mutual Aid” means the receiving and providing of additional resources to emergency incidents on a case by case basis by way of contractual agreement between parties.

“Officer in Charge” means the Senior Officer in attendance at an emergency, representing a fire department rendering assistance at an emergency, pursuant to this Agreement.

“Party” means a party to this Agreement.

“Providing Party” means a Party providing Assistance under this Agreement.

“Receiving Party” means the Party in whose Area of Jurisdiction the Assistance is provided under this Agreement.

“Senior Officer” means the senior officer in attendance at a fire emergency, i.e. Fire Chief, Deputy or Designate.

OBJECTIVES

2. The objectives of all Parties are:

(1) To ensure that the resources of the Fire Department nearest to a reported structure fire emergency are dispatched automatically, regardless of the Area of Jurisdiction of that emergency.

(2) To provide sufficient firefighting personnel, water and equipment that would not otherwise be available, so that fire extinguishment and rescue evolution may be activated in a timely manner at a structure fire emergency.

(3) To provide for an enhanced, effective and economical level of rescue, fire extinguishment and mitigation services for residents who could benefit from response time savings of automatic aid as compared to Mutual aid.

(4) To ensure that the Fire Departments of the Areas of Jurisdiction entering into this Automatic Aid Agreement implement Standard Operating Guidelines (SOG) that address resource requirements and the actions necessary to respond to emergency events that may occur within their own jurisdictions or neighboring Areas of Jurisdiction.

(5) Annual meetings shall be held between the parties to review Operational Guidelines and or pre-plans for properties with significant risk including commercial or industrial occupancies.

STRUCTURE FIRES ONLY

3. Automatic Aid will be provided under this Agreement to structure fire emergencies only; response is provided to other emergencies and types of fire in the Areas of Jurisdiction as directed by the Mutual Aid Agreement between the Parties to this Agreement dated May 10, 1990, as renewed or replaced, and under any other Mutual Aid Agreements.

DISPATCH

4.1 The Parties will request FireComm to initiate a response from the Fire Departments of both Parties when a structure fire emergency is reported within either of their Areas of Jurisdiction, with the first call for response going to the Fire Department in whose Area of Jurisdiction the emergency occurs and the second call going immediately after to the other Providing Party.

- 4.2 The Parties will provide FireComm with a copy of this Agreement upon its execution and approval by the Boards of all Parties.

ADDITIONAL SUPPORT

5. If, in addition to Assistance, more support or coverage is needed for a structure fire emergency, it shall be initiated through existing Mutual Aid Agreements with other fire departments.

RESPONSE AREAS

6. Responses under this Agreement are limited to within the Areas of Jurisdiction of the Parties.

TYPE OF ASSISTANCE

- 7.1 NCID will provide the following Assistance to CFPD:

Personnel: Sufficient members to man equipment.

Equipment: Water Tender and Engine.

- 7.2 CFPD will provide the following Assistance to NCID:

Personnel: Sufficient members to man equipment.

Equipment: Water Tender and Engine.

- 7.3 RDN will provide the following assistance to NCID subject to the terms and conditions of the Agreement between the RDN and CFPD for fire protection management in the Cassidy Waterloo Fire Protection Service Area:

Personnel: Sufficient members to man equipment.

Equipment: Water Tender and Engine.

LIMITATIONS

8. If, at the time of Automatic Aid notification, Assistance from a Providing Party is unavailable, temporarily depleted or required elsewhere within its Area of Jurisdiction or to another jurisdiction by a Mutual Aid Agreement, the Providing Party will notify the Receiving Party immediately of the circumstances by the fastest means of communication.

JURISDICTIONAL PRIORITY

9. This Agreement does not commit any Fire Department to take action if in the opinion of the Senior Officer of the Providing Party, a response would unduly jeopardize the response capability or safety of that Department within its own Area of Jurisdiction, in which case, the Providing Party will notify the Receiving Party immediately of the circumstances by the fastest means of communication.

JOINT TRAINING

10. Joint training exercises are to be conducted by the Parties at least semiannually under the coordination and supervision of the Parties' respective Fire Chiefs or Training Officers, to ensure their procedures for firefighting, equipment preparation and communications are consistent.

COMMUNICATIONS

- 11.1 The Parties shall provide FireComm with a copy of this Agreement at least one month prior to the commencement date and the Parties shall jointly coordinate with FireComm on the implementation of the Automatic Aid procedures.
- 11.2 Prior to the commencement of this Agreement, the Parties will develop communications procedures, equipment and documents for verifying response and communicating at incidents and will maintain and update them throughout the Term.

INCIDENT COMMAND

12. Where a response under this Agreement is made, the first Fire Department to arrive on scene with a full crew will utilize the Incident Command System and assume the role of Incident Command. The Incident Commander shall have command and control of the incident and all manpower and equipment until relieved by the Senior Officer of the Fire Department having jurisdiction where the incident is occurring. The Incident Commander will be in command over all responding fire crews and will communicate with them in a manner designed to ensure their operations are coordinated.

FIRE INCIDENT REPORTING

13. Each Party will be responsible for completing any reports required by law or by request for structure fires within their respective Areas of Jurisdiction and the other Party will cooperate in providing necessary information in its possession.

GUIDELINES AND PROTOCOLS

14. Each Party will respect the guidelines and protocols set out in Schedule A to this Agreement in their performance of this Agreement.

INDEMNIFICATION

- 15.1 The Receiving Party shall release, indemnify and save harmless the Providing Party, its elected and appointed officials, employees, contractors, volunteers, servants or agents, from any and all claims, causes of action, suits and demands whatsoever and by whomsoever, including those of the Receiving Party and those arising out of any Assistance rendered by the Providing Party or the Providing Party's failure to respond to a call for Assistance pursuant to this Agreement or to render adequate Assistance or arising out of any other reason.

15.2 The indemnity provided in section 15.1 will not apply:

- (a) Where there has been gross negligence or willful misconduct by the Providing Party in connection with operations at a scene of an emergency; or
- (b) In connection with any damage caused or injury suffered to Firefighters of the Providing Party's fire hall in connection with an Automatic Aid activation, or caused by the Providing Department travelling to the scene of an emergency; or
- (c) Any costs associated with WorkSafe BC claims.

15.3 Under this Agreement, responding personnel of the Providing Department will not be considered employees of the Receiving Department. Any WorkSafe BC claims for members of the Providing Department arising out of, or related to Automatic Aid activation or response, will be the responsibility of the Providing Party or the Governing Body of the Providing Party.

INSURANCE

16.1 Each Party shall procure and maintain in force at their own cost during the entire term of this Agreement, and provide certificates of to the other Party, a commercial general liability insurance policy, policies and/or program with a limit of not less than FIVE MILLION (\$5,000,000.00) DOLLARS inclusive per occurrence for bodily injury (including death), personal injury and property damage. Insurance policy coverage amounts should be reviewed periodically by the party's to ensure acceptable coverage amounts are maintained. The policy, policies and/or program shall include but not be limited to the following coverage/provisions:

- (a) all premises and operations necessary or incidental to the performance of this Agreement;
- (b) products and completed operations;
- (c) blanket contractual liability;
- (d) cross liability.

16.2 Each Party shall procure and maintain at its own cost during the entire term of this Agreement, automobile insurance for owned and/or leased vehicles as required by the laws of British Columbia and as required under any motor vehicle lease agreement. The minimum limit of third party liability shall be TEN MILLION (\$10,000,000.00) DOLLARS inclusive per occurrence for bodily injury, or death of another, or loss or damage to property of another.

16.3 If either Party proposes to withdraw from insurance coverage provided under the certificates of insurance provided by the other Party, the withdrawing Party shall provide the other Party with a minimum One Hundred and Twenty (120) days written notice of the proposed effective date of withdrawal so that the other Party may either satisfy itself, in its sole discretion, that appropriate insurance coverage

will be in place for the remainder of the Term or serve notice of termination of this Agreement on the withdrawing Party pursuant to section 17 of this Agreement.

TERM

17. This Agreement shall remain in force until either Party provides written notice of termination to the Fire Chief of the other Party at least One Hundred and Twenty (120 days) prior to the desired date of termination.

FEE FOR SERVICE

18. The Receiving Party under this Agreement shall not be responsible for costs associated with the response provided by the Providing Party with the exception of:
- (a) consumable materials such as foam extinguishing agents.
 - (b) apparatus used by the Receiving Party that becomes damaged or inoperable due to misuse to a maximum of \$5000.00.
 - (c) ancillary equipment supplied to, and used by the Receiving Party that becomes damaged or lost to a maximum of \$5000.00.
 - (d) a Party making a claim under 18B or 18C, must make such claim within 60 days of the emergency incident where the damage occurred.

MUTUAL AID AGREEMENTS

19. This Automatic Aid Agreement shall not replace any existing Mutual Aid Agreements made between the Parties, or with other Parties.

EFFECTIVE DATES AND ADMENDMENTS

20. This Automatic Aid agreement shall take effect upon its signing by both Parties and shall be reviewed by them on an annual basis.

WAIVER

21. The waiver by a Party or Parties of any failure on the part of another Party or Parties to perform in accordance with any of the terms or conditions of this Agreement shall not be construed as a waiver of any future or continuing failure, whether similar or dissimilar.

AMENDMENT

22. This Agreement may only be amended by written agreement of the Parties in the form of a formal Amending Agreement.

NOTICE

23. Unless otherwise specified herein, any notice required to be given under this Agreement by any Party will be deemed to have been given if addressed to the Secretary or Administrator of the other Party and mailed by prepaid registered mail, or sent by facsimile transmission, or delivered to the address of the other Party set forth on the first page of this Agreement or at such other address as the other Party may from time to time direct in writing.

Any such notice will be deemed to have been received if mailed or faxed, Five (5 days) after the time of mailing or faxing and, if delivered, upon the date of delivery.

If normal mail service or facsimile service is interrupted by strike, slow down, force majeure or other cause, then a notice sent by the impaired means of communication will not be deemed to be received until actually received, and the Party sending the notice must utilize any other such services which have not been so interrupted or must deliver such notice in order to ensure prompt receipt thereof.

DISPUTE RESOLUTION

24.1 Should a dispute arise regarding any matter involving this Agreement it will be adjudicated by a panel of one appropriately qualified staff person designated by each of the Local Government Parties to this Agreement. The decision of the panel will be by simple majority.

24.2 Notwithstanding section 24.1, all disputes arising out of or in connection with this Agreement, or in respect of any defined legal relationship associated therewith or derived therefrom, may at the instance of any Party, be referred to a court of competent jurisdiction or to arbitration by delivery of a Notice of Arbitration in writing. If the Parties cannot agree on a choice of arbitrator then each party may appoint an arbitrator and the two arbitrators so appointed must appoint a third arbitrator failing which the third arbitrator must be appointed by a Judge of the Supreme Court of British Columbia. Arbitration will be governed by the Commercial Arbitration Act (British Columbia). The place of arbitration will be Nanaimo, British Columbia, Canada and the costs will be borne equally by the Parties.

HEADINGS

25. Section and paragraph headings are inserted for identification purposes only and do not form a part of this Agreement.

LANGUAGE

26. Wherever the singular, masculine and neuter are used throughout this Agreement, the same shall be construed as meaning the plural or the feminine or the body corporate or politic as the context so requires.

LAW APPLICABLE

27. This Agreement shall be construed in accordance with and governed by the laws applicable in the Province of British Columbia.

ASSIGNMENT

28. This Agreement shall not be assigned by a Party without the written consent of the other Party.

BINDING AGREEMENT

29. This Agreement shall endure to the benefit of and be binding upon the Parties, their respective heirs, executors, administrators and assignees.

REGIONAL DISTRICT OF NANAIMO

30. The Regional District of Nanaimo, by signing this Agreement, consents to the use of its equipment in the possession of the Cranberry Fire Protection District for the purpose of providing Assistance to NCID under this Agreement subject to the terms and conditions of the Agreement between the RDN and CFPD for fire protection management in the Cassidy Waterloo Fire Protection Service Area.

IN WITNESS WHEREOF the Parties hereto have set their hands and seals as of the Date of Reference on the first page of this Agreement.

The Corporate Seal of the **NORTH CEDAR IMPROVEMENT DISTRICT**)
 was hereto affixed in the presence of:) (seal)
)
)
 _____)
 Chairperson)
)
 _____)
 Administrator)

The Corporate Seal of the **CRANBERRY FIRE PROTECTION DISTRICT**)
 was hereto affixed in the presence of:) (seal)
)
)
 _____)
 Chairperson)
)
 _____)
 Secretary)

The Corporate Seal of the **REGIONAL DISTRICT OF NANAIMO**)
 was hereto affixed in the presence of:) (seal)
)
)
 _____)
 Chairperson)
)
 _____)
 Corporate Officer)

SCHEDULE A
AUTOMATIC AID AGREEMENT between NORTH CEDAR IMPROVEMENT
DISTRICT, the CRANBERRY FIRE PROTECTION DISTRICT and the
REGIONAL DISTRICT of NANAIMO

GUIDELINES FOR AUTOMATIC AID ACTIVATION

1. The Fire Department of the jurisdiction in which a structure fire emergency occurs is required to respond to the incident with the resources available at the time of the incident.
2. The dispatching of additional resources in a jurisdiction experiencing a structure fire emergency may be necessary. Additional resources must be ordered into action immediately as required.
3. Mutual Aid agreements and associated responsibilities continue to be the priority. Therefore, a local jurisdiction may not be in a position to provide Automatic Aid should its resources be committed or involved in support of an emergency activated through Mutual Aid.
4. Jurisdictions participating in the Automatic Aid Agreement are qualified to participate only if they are capable of providing service in accordance with the requirements of the Agreement and are supported by Standard Operating Guidelines.

PROTOCOLS FOR AUTOMATIC AID ACTIVATION AND PARTICIPATION

1. Automatic Aid response services are restricted to reported structure fire emergencies. "Reported" includes notification made by an individual through the 911 system, a monitored alarm or direct reporting.
2. Automatic Aid will be available twenty-four (24) hours a day, seven (7) days a week.
3. The Fire Department providing Automatic Aid will be dispatched at the same time as the Department whose jurisdiction where the incident is occurring to ensure a timely response to the structure fire event.
4. Apparatus response by the Fire Department providing Automatic Aid may include an engine and water tender and crew.
5. The initial crew of firefighters responding in Automatic Aid will assemble at the fire station prior to responding in the designated apparatus.
6. Additional firefighters not on scene at the structure fire emergency will remain at the fire station on standby until released from duty.

7. The Fire Department responding as Automatic Aid shall not allow all of its firefighters to be committed to the event that is occurring outside of its jurisdiction unless arrangements have been made for fire protection from another Mutual Aid provider.
8. It is understood that a Fire Department's primary responsibility is life safety, property protection and the environment within the jurisdiction it serves. Should another emergency event occur while providing Automatic Aid, the Providing Fire Department may be redirected during response to Automatic Aid or be cleared from Automatic Aid to respond to the emergency within its own jurisdiction.
9. The local jurisdiction receiving Automatic Aid will provide a complete response to the structure fire emergency and will make every effort to release the Automatic Aid provider in a timely manner.



RDN REPORT		###
CAO APPROVAL		
EAP		
COW		
MAY 05 2015		
RHD		
BOARD		

STAFF REPORT

TO: J. Harrison
Director, Corporate Services

DATE: May 1, 2015

FROM: J. Hill
Manager, Administrative Services

MEETING: COW - May 12, 2015

SUBJECT: Alternative Approval Process to Establish a Taxi Saver Service on Gabriola Island

RECOMMENDATIONS:

1. That "Gabriola Island Taxi Saver Service Establishment Bylaw No. 1725, 2015" be introduced and read three times.
2. That the Board establish 4:00 pm on Tuesday, September 8, 2015, as the deadline for receiving elector responses for the alternative approval process.
3. That the Board approve the Elector Response Form as provided in Attachment 2.
4. That the Board determine the total number of electors to which the approval process applies to be 3,361.

PURPOSE:

To initiate an alternative approval process (AAP) for the purpose of obtaining elector approval to adopt a service establishment bylaw for the purpose of providing a Taxi Saver Service on Gabriola Island.

BACKGROUND:

At the February 24, 2015 Regular Board meeting, the RDN Board adopted the following motion:

MOVED Director Houle, SECONDED Director McPherson, that the Board direct staff to proceed with the alternative approval process to establish a Taxi Saver Service on Gabriola Island.

As part of the AAP, the Board must provide three readings to a service establishment bylaw, set the deadline for receiving elector response forms, approve the elector response form, and determine the total number of electors of the area to which the AAP applies (Gabriola Island).

For consideration of Board approval, "Gabriola Island Taxi Saver Service Establishment Bylaw No. 1725, 2015" is attached for the Board's review (Attachment 1). Should the Board give Bylaw No. 1725 three readings and adopt the recommendations relating to the AAP, staff will forward the bylaw to the Ministry of Community, Sport and Cultural Development for the approval of the Inspector. Following approval, Staff will proceed with publishing the notice of the AAP. The deadline for receiving elector

response forms must be established by the Board and be at least 30 days after the second publication of the notice. Staff suggest a deadline of 4:00 pm on Tuesday, September 8, 2015.

Staff have drafted an elector response form for the Board's consideration (Attachment 2). This form must be approved by the Board.

Pursuant to section 86(1) of the *Community Charter*, approval of the electors has been obtained if, at the end of the time period for receiving elector response forms, the number of response forms received is less than 10% of the number of electors of the area to which the approval process applies. This AAP process applies to Gabriola Island, and the number of electors on Gabriola Island is determined to be 3,361. Therefore, if less than 336 elector response forms are received prior to 4:00 pm on Tuesday, September 8, 2015, elector approval is deemed to have been obtained and the Board can proceed to adopt Bylaw No. 1725.

ALTERNATIVES:

1. Proceed with first, second and third readings of Bylaw No. 1725 and adopt the recommendations relating to the alternative approval process.
2. Do not proceed with bylaw readings or adopt the recommendations relating to the alternative approval process.

FINANCIAL IMPLICATIONS:

The cost to obtain elector approval by the alternative approval process is approximately \$1,600 for advertising costs which will be recovered by the service area if established. If the service is not established, costs will be recovered through the feasibility function for Electoral Area 'B'.

STRATEGIC PLAN IMPLICATIONS:

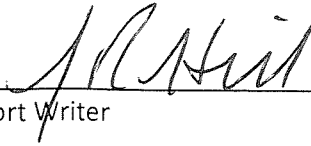
N/A

SUMMARY/CONCLUSIONS:

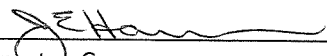
At the February 24, 2015 Regular Board meeting the Board directed staff to proceed with the alternative approval process to establish a Taxi Saver Service on Gabriola Island. As part of the AAP, the Board must provide three readings to a service establishment bylaw (Attachment 1), set the deadline for receiving elector response forms, approve the elector response form (Attachment 2) and determine the total number of electors of the area to which the AAP applies (Gabriola Island).

The number of electors of the proposed service area is determined to be 3,361. Staff suggest that the deadline for submitting elector response forms be established as 4:00 pm on Tuesday, September 8, 2015.

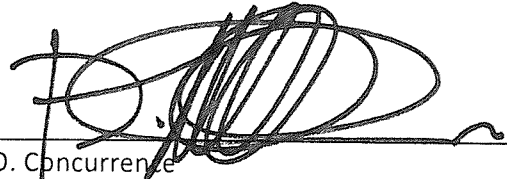
Staff recommend the Board proceed with providing three readings to Bylaw No. 1725 and adopt the recommendations relating to the alternative approval process. If less than 336 (10% of the number of electors on Gabriola Island) of elector response forms are received by 4:00 pm on Tuesday, September 8, 2015, elector approval is deemed to have been obtained and the Board can adopt Bylaw No. 1725.



Report Writer



Director Concurrence



C.A.O. Concurrence

Attachment 1

REGIONAL DISTRICT OF NANAIMO

BYLAW NO. 1725

A BYLAW TO ESTABLISH A TAXI SAVER SERVICE ON GABRIOLA ISLAND

WHEREAS under sections 796 and 800 of the *Local Government Act* a regional district may, by bylaw, establish and operate any service the Board considers necessary or desirable for all or part of the regional district;

AND WHEREAS the Board of the Regional District of Nanaimo wishes to establish a Taxi Saver Service on Gabriola Island for the purpose of providing a Taxi Saver Program to provide assistance to residents of Gabriola Island who are persons with disabilities or seniors with low incomes;

AND WHEREAS the approval of the Inspector of Municipalities has been obtained under section 801(1)(a) of the *Local Government Act*;

AND WHEREAS the approval of the electors in the participating area has been obtained by an alternative approval process under section 801.3 of the *Local Government Act*;

NOW THEREFORE the Board of the Regional District of Nanaimo, in open meeting assembled, enacts as follows:

1. **Citation**

This bylaw may be cited for all purposes as the "Gabriola Island Taxi Saver Service Establishment Bylaw No. 1725, 2015".

2. **Service**

A Taxi Saver Service is hereby established to provide a Taxi Saver Program on Gabriola Island to provide assistance to residents of Gabriola Island who are persons with disabilities or seniors with low incomes (the "Service").

3. **Boundaries**

The boundaries of the Service Area are coterminous with the boundaries of Gabriola Island (the "Service Area").

4. **Participating Area**

Electoral Area 'B' is the sole participating area in the Service.

5. **Cost Recovery**

In accordance with section 803 of the *Local Government Act*, the annual cost of providing the Service may be recovered by one or more of the following:

- (a) property value taxes imposed in accordance with Division 4.3 of the *Local Government Act*;
- (b) parcel taxes imposed in accordance with Division 4.3 of the *Local Government Act*;
- (c) fees and charges imposed under section 363 of the *Local Government Act*;
- (d) revenues raised by other means authorized by the *Local Government Act* or another Act;
- (e) revenues received by way of agreement, enterprise, gift, grant or otherwise.

6. **Maximum Requisition**

In accordance with section 800.1 (1)(e) of the *Local Government Act*, the maximum amount that may be requisitioned for the Service is the greater of:

- (a) fifteen thousand dollars (\$15,000); or
- (b) the amount obtained by applying a property value tax rate of \$0.0152 per \$1,000 to the net taxable value of land and improvements in the Service Area.

Introduced and read three times this ___ day of _____, 2015.

Received the approval of the Inspector of Municipalities this ___ day of _____, 2015.

Received the approval of the electors under section 801.3 of the *Local Government Act* this ___ day of _____, 2015.

Adopted this ___ day of _____, 2015.

CHAIRPERSON

CORPORATE OFFICER



ALTERNATIVE APPROVAL PROCESS
ELECTOR RESPONSE FORM

Gabriola Island

“Gabriola Island Taxi Saver Service Establishment Bylaw No. 1725, 2015” to establish a Taxi Saver Service on Gabriola Island for the purpose of providing a Taxi Saver Program to provide assistance to residents of Gabriola Island who are persons with disabilities or seniors with low incomes.

Pursuant to section 86 of the *Community Charter*, I certify that:

- I am a person entitled to be registered as an elector (pursuant to the *Local Government Act*) of Gabriola Island;
- I have not previously signed an Elector Response Form with respect to this Bylaw; and
- I am **OPPOSED** to the adoption of “Gabriola Island Taxi Saver Service Establishment Bylaw No. 1725, 2015” to establish a Taxi Saver Service on Gabriola Island for the purpose of providing a Taxi Saver Program to provide assistance to residents of Gabriola Island who are persons with disabilities or seniors with low incomes, without first obtaining the assent of the electors in a voting proceeding (referendum).

FULL NAME OF ELECTOR: _____
(Please Print Full Name)

ELECTOR’S RESIDENTIAL ADDRESS: _____
(State Full Address)

SIGNATURE OF ELECTOR: _____

DATE: _____

To be completed by Non-Resident Property Electors only
I am entitled to register as a non-resident property elector as an owner of the property located at the following address: _____

Deadline: For this Elector Response Form to be counted, it must be submitted in person or by mail to be received by the Corporate Officer **NO LATER THAN 4:00 PM ON TUESDAY, SEPTEMBER 8, 2015.**

- Postmarks **WILL NOT** be accepted as the date of submission.
- **ORIGINAL SIGNATURES ARE REQUIRED**, therefore the Elector Response Forms may not be returned by email or by fax.

Approval of the electors by the alternate approval process is obtained if less than 336 Elector Response Forms are received by the stated deadline. Submit the Elector Response Form to:

Corporate Services Department
Regional District of Nanaimo
6300 Hammond Bay Road, Nanaimo, BC V9T 6N2
Phone: 250-390-4111/1-877-607-4111

Office Hours: (Monday, Tuesday, Thursday, Friday, 8:30 AM – 4:30 PM / Wednesday 8:30 AM – 5:30 PM)
excluding Statutory Holidays.

INFORMATION REGARDING QUALIFICATIONS FOR ELECTORS

Resident electors:

- age 18 or older;
- a Canadian citizen;
- a resident of British Columbia for at least 6 months immediately before signing this elector response form;
- a resident of Gabriola Island for at least 30 days before signing this elector response form; and
- not disqualified by any enactment from voting in an election or otherwise disqualified by law.

Non-resident property elector:

- not entitled to register as a resident elector of Gabriola Island;
- age 18 or older;
- a Canadian citizen;
- a resident of British Columbia for at least 6 months immediately before signing this elector response form;
- a registered owner of real property on Gabriola Island for at least 30 days before signing this elector response form;
- the only persons who are registered owners of the real property, either as joint tenants or tenants in common, are individuals who are not holding the property in trust for a corporation or another trust;
- not disqualified by any enactment from voting in an election or otherwise disqualified by law;
- **if there is more than one registered owner of the property (either as joint tenants or tenants in common), only one of those individuals, with the written consent of the majority of the owners, may register as a non-resident property elector; and**
- **a person may only register as a non-resident property elector in relation to one parcel of real property in a jurisdiction.**

Note: No corporation is entitled to be registered as an elector or have a representative registered as an elector and no corporation is entitled to vote.

An accurate copy of this Elector Response Form may be utilized (either single-sided or double-sided), provided that it is made of the form prior to any electors signing such form, so that only Elector Response Forms with original signatures are submitted.

REGIONAL DISTRICT OF NANAIMO

**MINUTES OF THE EAST WELLINGTON AND PLEASANT VALLEY
PARKS AND OPEN SPACE ADVISORY
REGULAR COMMITTEE MEETING HELD
MONDAY, MARCH 30, 2015
7:00PM**

(EAST WELLINGTON FIRE HALL, 3269 JINGLE POT ROAD)

Attendance: Maureen Young, Director, RDN, Chair
Rick Heikkila
Bruce Erickson
Leo Boon

Staff: Elaine McCulloch, Park Planner

Others: Charles Pinker, Alternate Director, RDN Director

Regrets: Doug Cawthorne
Judith Wilson

CALL TO ORDER

Chair Young called the meeting to order at 7:04 P.M.

WELCOME NEW MEMBER

Leo Boon was welcomed as a new member of East Wellington and Pleasant Valley POSAC.

ELECTION OF SECRETARY

B. Erickson accepted nomination for secretary.

DELEGATIONS

Randy O'Donnell – Mount Benson Regional Park Trail Head Parking Issues

MOVED R. Heikkila, SECONDED L. Boon to receive late delegation - Randy O'Donnell.

CARRIED

Mr. O' Donnell explained the parking at Witchcraft Lake is inadequate. There are up to 45 cars parked along road and emergency access area on weekends and holidays. Need a much larger parking area. The land around the parking lot is Nanaimo City Park but parking lot services the trail to Mount Benson Regional Park.

MINUTES

MOVED R. Heikkila, SECONDED B. Erickson that the minutes of the East Wellington and Pleasant Valley Parks and Open Space Advisory Committee regular meeting held October 27, 2014 be approved.

CARRIED

BUSINESS ARISING FROM THE MINUTES

Letter from RDN Staff to MoTI pertaining to expanding and paving of Jingle Pot Road by 1.5 meters on both sides for safety of pedestrian / cyclist.

Meadow Drive Community Park: discussed that the burying of two water tanks on the fire department's leased park land is on hold for now.

REPORTS

Monthly Update of Community Parks and Regional Parks and Trails Projects - October, 2014

Monthly Update of Community Parks and Regional Parks and Trails Projects - Nov-Dec 2014

Ms. McCulloch took questions from the committee regarding the two monthly reports.

Benson Meadow Roadside Path Update

- Benson Meadow Roadside Pathway was remediated the full length along Meadow Drive.
- The cost of the pathway remediation project was \$42,000 and funded by Electoral Area 'C' Community Works Funds (Gas Tax Funds).
- RDN is now responsible for maintenance of pathway.
- Discussed that walkers, cyclist, and equestrian use the pathway. No motorcycle or ATV's are permitted.

Anders and Dorrit's Park House Removal Update

- Cost of house removal was \$17,000 for asbestos removal and \$11,000 for house and shed removal and lot cleanup.
- Saved grape arbor and grape vines and also saved concrete foundations. A wood stove was reclaimed and is currently stored at the parks yard.
- Five concept designs have been done by VIU students for the plaza / picnic area.
- Main gate to be locked open for parking.

MOVED R. Heikkila, SECONDED L. Boon that the Reports be received for information.

CARRIED

BUSINESS ARISING FROM DELEGATION

The committee discussed the issues Mr. O'Donnell spoke in his delegation about park at Witchcraft Lake.

MOVED L. Boon, SECONDED B. Erickson that the information regarding the parking issues at Mount Benson Regional Park trailhead be forwarded to the Regional Parks and Trails Select Committee.

CARRIED

NEW BUSINESS

2014 Accomplishments

Discussed 2014 accomplishments.

2015 Work Plan

Discussed 2015 Work Plan

EW/PV 5 Year Planning Review (2015-2019) (handout)

EW /PV 5 year planning was reviewed.

Meadow Drive Park: \$32,000 budget for shelter / barbecue area.
\$1,000 for benches
\$42,000 for Meadow Drive roadside path

ADJOURNMENT

MOVED R. Heikkila, SECONED L. Boon that the meeting be adjourned at 9:10pm.

CARRIED

Chairperson

REGIONAL DISTRICT OF NANAIMO

MINUTES OF THE ELECTORAL AREA 'A' PARKS, RECREATION AND
CULTURE COMMISSION REGULAR MEETING
HELD WEDNESDAY, APRIL 15, 2015
7:00PM
(CEDAR HERITAGE CENTRE)

Attendance: Alec McPherson, RDN Director, Chair
Jim Fiddick
Bernard White
Patti Grand
Andrew Thornton
Graham Gidden
John O'Connor
Kerri-Lynne Wilson

Staff: Hannah King, Superintendent of Recreation Program Services
Elaine McCulloch, Parks Planner
Ann-Marie Harvey, Recording Secretary

Regrets: Angela Vincent

CALL TO ORDER

Chair McPherson called the meeting to order at 7:04 PM.

DELEGATIONS/PRESENTATION

Chair McPherson noted the move of the presentation of the Arrowsmith Community Recreation Association Representative from New Business to a Delegation/Presentation so that Mr. Nosworthy could leave after his presentation.

Reg Nosworthy - Arrowsmith Community Recreation Association (ACRA) Representative

Mr. Nosworthy gave a history of ACRA and the organization's structure. He explained to the Commission members about how they assist the non-profit organizations that run a lot of their programs with grant writing. He showed the commission some examples of the publications and advertising that the ACRA organization provides to the community.

MINUTES

MOVED Commissioner Grand, SECONDED Commissioner Gidden that the Minutes of the Regular Electoral Area 'A' Parks, Recreation and Culture Commission meeting held February 18, 2015 be received.

CARRIED

MOVED Commissioner Wilson, SECONDED Commissioner Gidden that the Minutes of the Grant in Aid Sub-Committee Meeting held March 5th, 2015 via email.

CARRIED

BUSINESS ARISING FROM THE MINUTES

Grant Approvals

MOVED Commissioner White, SECONDED Commissioner Gidden that the following Electoral Area 'A' Recreation Grant in Aid applications be approved:

Organization	Description	
CEDAR FAMILY OF COMMUNITY SCHOOLS	To purchase preschool equipment for a 5 week summer preschool camp at the Cedar Heritage Centre and for the preschool gymnastics program at Woodbank School. Items include 3 bikes and helmets and an Obstacle Course Kit.	\$678.00
1 st CEDAR SCOUTS	To purchase 15 pairs of snowshoes and 4 GPS equipment.	\$1,500.00
CEDAR 4-H CLUB	To purchase signage, copy paper, shavings (animal bedding), animal lease or purchase, animal feed, portable toilet, cell phone rental, rakes, forks, shovels, nails, paint, crayons, cleaners, hand washing supplies, buckets, and brooms.	\$1,500.00

Carried

The Commission discussed mentioning perpetual funding in the letter of notification so that applicants know that funding is not always guaranteed and that reliance on the funding for operating should not be assumed. No motion was made.

COMMUNICATIONS/CORRESPONDENCE

There was no Communications/ Correspondence.

REPORTS

PARKS

Monthly Update of Regional and Community Parks and Trail Projects – Jan-Feb 2015

Monthly Update of Regional and Community Parks and Trail Projects – March 2015 (handout)

Ms. McCulloch took any questions from the Commission regarding the monthly reports.

Commissioner White asked about the flooding of the Skate Park porta potty surround and what it entailed. Ms. McCulloch clarified that the porta potty tanks are being monitored as they have been filling up and requiring frequent pumping. Staff are reviewing if ground water is seeping in due to a leak or if it may be being used as a sani dump.

She noted that the picnic table is ready to be installed at the Skate Park but the concrete accessible pad that originally was to be installed will cost upwards of \$3,000 vs gravel that would be more cost efficient but also has maintenance issues. Commissioner Gidden said that in his experience, using galvanized steel at the bottom of the picnic table would eliminate the problem of scratching the bottom of the table. The commissioners agreed that if gravel is still accessible it would be a better option for continuity and budget.

5 Year Planning Worksheet - April 2015

Ms. McCulloch reviewed the 5 year planning worksheet. Commissioner Gidden asked how the document was developed. Ms. McCulloch explained this was a working document that is reviewed each year and adjustable to realignment with commission priorities.

Chair McPherson noted that the maintenance costs had not been itemized on this worksheet before. The \$8,500 that appears on the worksheet is a budgeted amount not the actual cost, any unspent money is put into roll over to the next year as surplus.

Commissioner O'Connor asked if the \$8,500 for maintenance was per year or over the 5 years. Ms. McCulloch confirmed it was for each year. Commissioner O'Connor noted that if we take on a park, then it's automatic that we take on the continued costs of maintenance. Ms. McCulloch said that up until now the cost of mowing maintenance has been contracted out. No maintenance contract has included the required weeding, pruning etc. which is really what is needed to maintain a park to a reasonable standard. The maintenance costs were highlighted on this report for the very reason Commissioner O'Connor spoke of - when a park is acquired and/or developed there are costs associated.

Beach Access Report Commission Update (verbal)

Chair McPherson and Commissioner Fiddick acknowledged that they had not arranged a time to meet at the priority beach access. Chair McPherson said he would email the Committee with his availability and they can arrange a day that works for most to visit the four priority sites and then arrange to meet with Ms. McCulloch to discuss their preferences.

RECREATION

Recreation Services Report

Ms. King gave a summary of the Recreation Services Report in the agenda.

Chair McPherson noted that School District 68 did make an announcement about their Community School Coordinators that would go from 3-2 positions but he thinks given last Thursdays meeting of the School Board, that may change so advised the Commission to monitor for time being.

Ms. King noted that the Cedar Community Enhancement Society's agreement for the management of the Cedar Heritage Centre is expiring at the end of the year and in New Business of the agenda she will be looking for the Commission's direction whether to extend their agreement.

Cedar Sport Court Update

Chair McPherson updated that they have met a couple of times with Herold Engineering and Snuneymuxw First Nations. The project group is gathering a list of volunteers and their skills and equipment and their availability to coordinate the activities so that when Snuneymuxw First Nations sign the agreement with the RDN for Community Works Funding including an agreement for community use they intend to move quite quickly and completing it in a 2-3 week period so that it may be done for the end of June, ready for the July 10-12 Cedar Ball Hockey Tournament. He says having this ready will get more teams to enter knowing it is at this facility. He believes this is a great integration of the two communities and working together allows for community recreation services not to be duplicated and under used.

MOVED Commissioner O'Connor, SECONDED Commissioner Grand that the reports be received for information.

CARRIED

NEW BUSINESS

Gabriola Recreation Society Representatives

Chair McPherson noted that the Gabriola Representatives could not attend due to the dangerous load sailings on Wednesday's and offered to come over any other day. Ms. King suggested maybe GRS could attend and present on a planning day in the future.

Cedar School and Community Enhancement Society Agreement

Chair McPherson said that he has not come to a decision as what we might do in regard to the agreement with the Society to manage the Cedar Heritage Centre. Having ACRA here to talk about their structure was a start and the Commission will have to make a decision sometime this year where we decide how we will provide those services, whether an RFP or other things. He knows people in the community who have expressed an interest in providing the service and they have spoken to the First Nations about doing their recreation coordinating as well. He noted Snuneymuxw First Nations have a gymnasium on Reserve 1 and they are talking about putting another one out here on Reserve 2, so if you have a single coordinator, whether it is a society or a single person working on both and can access grants etc., it makes a lot of sense.

Ms. King asked about possible direction on the Cedar Heritage Society Agreement and whether a motion to extend it is necessary to move forward as next meeting is June. Chair McPherson questioned if we need to do it now? The Chair preferred staff wait to see what happens in the next couple of months to know if that is something we will need to do or if we will have an alternate way to address the matter. The concern of the Chair was he wouldn't want to extend the agreement and then go for an RFP and they not be the group who gets it. Ms. King stated that the comfort time for contact negotiations would be September. Chair McPherson said that because of the change last time from a Licence of Use to a Lease Agreement that many of the issues were covered so and extension would just be a discussion with the Society.

EA 'A' Budget Detail – Recreation & Parks

There was no discussion

Heritage and Beautification Project

Commissioner Grand asked what are we doing for the Sesquicentennial Celebration and enhancing the natural beauty of Cedar seemed like a good way to go. She is going to attend the Vancouver Island and Coast Conservation Society for info and would like to talk about what we can do and what we are doing for Heritage. Chair McPherson noted the RDN has supported the Gary Oakes in other ways. She will attend the VICCS meeting and report any applicable information.

Cedar Sport Court (revisited)

Commissioner Gidden asked Chair McPherson if he meant the completion of the sport court was June of this year? Chair McPherson said Herold Engineering seems to think it could be accomplished by the end of June. Commissioner Gidden said it is a great idea and something that worked for the Cowichan area was to ask the First Nation group for an Open House – Big House experience for people in our community and lets the community come and understand and breaks down barriers. He feels it's vital for the community as a whole to be invited to an open house because if not, the sport court may not be used due to a lack of comfort.

Chair McPherson said things have been done to possibly incorporate cultural activities to the Ball Hockey tournament but that will develop. He expects an open house type activity will happen later on.

Discussion of Commission Priorities

Chair McPherson said this was added to the agenda so that Commission members could think about items they'd like to see on the agenda could be discussed.

Ms. McCulloch noted that there's no problem in calling staff to discuss a topic, but typically in other Parks Committees the agenda items come through the Director/Chair. It was requested that the Commission contact Director McPherson and he will inform staff to put it on the agenda.

COMMISSIONER ROUND TABLE

Commissioner Grand requested an update regarding the effect of school closures and the availability of recreation services to the local community.

Commissioner Thornton is looking forward to the BCRPA Symposium.

Commissioner Gidden said he pulled more Daphne at Thelma Griffith Park. He told Ms. McCulloch that the motorbike spring is loose on the playground and its clunking when moved.

Commissioner Wilson has cleared broom and blackberries on the trail at the back of her property that links Nairne Rd to the Mordon Colliery Trail.

Commissioner White expressed concerns over the loss of the recreation programmer and consideration being given to a not for profit service to provide the service in the future.

Commissioner O'Connor asked about the questionnaire in the BCRPA survey.

ADJOURNMENT

MOVED Commissioner Grand that the meeting be adjourned at 9:37pm.

CARRIED

Chair

REGIONAL DISTRICT OF NANAIMO

**MINUTES OF THE EMERGENCY MANAGEMENT SELECT COMMITTEE
MEETING HELD ON WEDNESDAY, APRIL 22, 2015 AT 11:05 AM
IN THE RDN COMMITTEE ROOM**

Present:

Director M. Young	Chairperson
Director A. McPherson	Electoral Area A
Director H. Houle	Electoral Area B
Director B. Rogers	Electoral Area E
Director J. Fell	Electoral Area F
Director J. Stanhope	Electoral Area G
Director B. Veenhof	Electoral Area H

Also in Attendance:

G. Garbutt	General Manager Strategic & Community Development
T. Armet	Manager Building, Bylaw & Emergency Planning
J. Drew	Emergency Coordinator
B. Ritter	Recording Secretary

Regrets:

Director C. Haime	District of Lantzville
P. Thorkelsson	Chief Administrative Officer

CALL TO ORDER

The meeting was called to order at 11.05 AM by the Chair.

MINUTES

MOVED Director Houle, SECONDED Director Veenhof, that the minutes of the Emergency Management Select Committee meeting held on Wednesday April 22, 2015, be adopted.

CARRIED

REPORTS

December 2014 Winter Storm – Emergency Response Summary.

T. Armet provided an overview of the December 2014 winter storm emergency response.

MOVED Director Houle, SECONDED Director Rogers, that the report on the Regional District of Nanaimo's response to emergency events during the December 2014 winter storm be received.

CARRIED

Emergency Program Update Power Point (Verbal).

J. Drew presented a detailed presentation of the actions and emergency responses that took place in December 2014.

MOVED Director Houle, SECONDED Director Fell, that the verbal Emergency Program Update report be received.

CARRIED

NEW BUSINESS

No new business.

ADJOURNMENT

MOVED Director Stanhope, SECONDED Director Houle, that this meeting be adjourned.

CARRIED

TIME: 12.40 PM

CHAIRPERSON