2013 – 2014 UBCM EXECUTIVE

President
Director Rhona Martin
Columbia Shuswap RD

First Vice-President
Councillor Sav Dhaliwal
Burnaby

Second Vice-President
Chair Al Richmond
Cariboo RD

Third Vice-President
Councillor Claire Moglove
Campbell River

Past President
Mayor Mary Sjostrom
Quesnel

Vancouver Rep.
Councillor Kerry Jang
Vancouver

Metro/GVRD Rep.
Councillor Linda Hepner
Surrey

Small Community Rep.
Mayor Galina Durant
Stewart

Electoral Area Rep.
Chair Art Kaehn
Fraser-Fort George RD

Vancouver Metro Area Reps.
Councillor Michael Morden
Maple Ridge
Councillor Neal Nicholson
Coquitlam

AKBLG
Director Andy Shadrack
RD Central Kootenay

AVICC
Mayor Larry Cross
Sidney

LMLGA
Councillor Patricia Heintzman
Squamish

NCLGA
Councillor Bruce D. Christensen
Fort St. John

SILGA
Councillor Marg Spina
Kamloops

Directors at Large
Director Wendy Booth
East Kootenay RD
Mayor Sharon Gaetz
Chilliwack
Councillor Murry Krause
Prince George
Councillor Cheryl Shuman
Dawson Creek
Councillor Arjun Singh
Kamloops
# General Index

Tuesday Clinics .................................................................................................................. 1
Electoral Area Directors Forum .......................................................................................... 1
Small Talk Forum ................................................................................................................ 1
Mid-Sized Communities Forum ......................................................................................... 2
Large Urban Communities Forum ..................................................................................... 2
Plenary Session: Impacts of the Tsilhqot’in Decision on Local Governments .................. 2
Provincial Policy Sessions .................................................................................................. 3
Welcome Reception ............................................................................................................ 3
Wednesday Clinics ............................................................................................................. 3
Convention Opening Session ............................................................................................. 3
Annual Meeting .................................................................................................................. 4
Keynote Address, Rex Murphy ........................................................................................... 5
Principal Policy Session – Resolutions ............................................................................... 5
Address by Mayor Brad Woodside, FCM President ......................................................... 30
Address by the Honourable Coralee Oakes, Minister of Community, Sport and Cultural Development .................................................................................................................. 31
Cabinet Panels .................................................................................................................... 31
Thursday Clinics .................................................................................................................. 32
Community Excellence Awards ............................................................................................ 32
Address by John Horgan, MLA, Leader of the Official Opposition ................................. 33
Policy Session – Resolutions .............................................................................................. 33
Address by Adam Olsen, Interim Leader of the Green Party of British Columbia ........... 41
Delegates’ Lunch .................................................................................................................. 41
Workshops ........................................................................................................................... 41
UBCM Annual Banquet ....................................................................................................... 41
Policy Session – Resolutions .............................................................................................. 42
Address by the Honourable James Moore, Minister of Industry ....................................... 45
Installation of President-Elect ............................................................................................. 55
Address by the Honourable Christy Clark, Premier of British Columbia ....................... 55
Convention Closing ............................................................................................................ 55
## Index of Appendices

<table>
<thead>
<tr>
<th>Appendix</th>
<th>Subject</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Address by Director Rhona Martin, UBCM President</td>
<td>56</td>
</tr>
<tr>
<td>B</td>
<td>Address by Mayor Brad Woodside, FCM President</td>
<td>60</td>
</tr>
<tr>
<td>C</td>
<td>Address by the Honourable Coralee Oakes, Minister of Community, Sport and Cultural Development</td>
<td>64</td>
</tr>
<tr>
<td>D</td>
<td>Address by the Honourable James Moore, Minister of Industry</td>
<td>69</td>
</tr>
<tr>
<td>E</td>
<td>Address by the Honourable Christy Clark, Premier of British Columbia</td>
<td>75</td>
</tr>
<tr>
<td>F</td>
<td>Report on Attendance at the 2014 Convention</td>
<td>82</td>
</tr>
<tr>
<td>G</td>
<td>Resolutions Not Admitted for Debate</td>
<td>83</td>
</tr>
<tr>
<td>H</td>
<td>Pre-Conference Study Sessions and Study Tours</td>
<td>84</td>
</tr>
<tr>
<td>I</td>
<td>Policy Paper #1 – Socioeconomic Impact Analysis of BC Ferries</td>
<td>85</td>
</tr>
</tbody>
</table>
# Index To Endorsed Resolutions

<table>
<thead>
<tr>
<th>Resolution No.</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>A1</td>
<td>Strategic Wildfire Prevention Initiative</td>
<td>6</td>
</tr>
<tr>
<td>A2</td>
<td>Medical Emergency Service Alarm Cost Recovery</td>
<td>6</td>
</tr>
<tr>
<td>A3</td>
<td>Agricultural Land Reserve &amp; Agricultural Land Commission</td>
<td>6</td>
</tr>
<tr>
<td>A4</td>
<td>Worker Camp Permitting</td>
<td>7</td>
</tr>
<tr>
<td>A5</td>
<td>Industrial Taxation of Liquefied Natural Gas Industry</td>
<td>7</td>
</tr>
<tr>
<td>A6</td>
<td>Recycling Services in Rural &amp; Small Communities</td>
<td>8</td>
</tr>
<tr>
<td>B1</td>
<td>Municipal Boundary Extensions</td>
<td>8</td>
</tr>
<tr>
<td>B2</td>
<td>Breach of Closed Meeting Confidentiality</td>
<td>20</td>
</tr>
<tr>
<td>B3</td>
<td>Resources to Support Sexually Exploited Children &amp; Youth</td>
<td>8</td>
</tr>
<tr>
<td>B4</td>
<td>Adequate Funding to Support Police Based Victim Services</td>
<td>9</td>
</tr>
<tr>
<td>B5</td>
<td>Restorative Justice Program Funding</td>
<td>9</td>
</tr>
<tr>
<td>B6</td>
<td>Rural RCMP Staffing Levels</td>
<td>9</td>
</tr>
<tr>
<td>B7</td>
<td>Licenses Issued Under Medical Marijuana Access Regulations</td>
<td>20</td>
</tr>
<tr>
<td>B8</td>
<td>9-1-1 Calls on Cellular Phones</td>
<td>9</td>
</tr>
<tr>
<td>B9</td>
<td>Medical Transportation</td>
<td>10</td>
</tr>
<tr>
<td>B10</td>
<td>Port Property Tax Caps</td>
<td>10</td>
</tr>
<tr>
<td>B11</td>
<td>Payment in Lieu of Taxes</td>
<td>10</td>
</tr>
<tr>
<td>B12</td>
<td>Income Exemption for Child Support Payments</td>
<td>11</td>
</tr>
<tr>
<td>B13</td>
<td>Fire &amp; Police Services Collective Bargaining Act</td>
<td>11</td>
</tr>
<tr>
<td>B14</td>
<td>ICBC Claims</td>
<td>11</td>
</tr>
<tr>
<td>B15</td>
<td>Road Rescue Services Funding to Communities or Societies</td>
<td>11</td>
</tr>
<tr>
<td>B16</td>
<td>Direct Sharing of Proceeds of Crime</td>
<td>12</td>
</tr>
<tr>
<td>B17</td>
<td>Library Funding as a Dedicated Line Item</td>
<td>12</td>
</tr>
<tr>
<td>B18</td>
<td>Unconditional Grants</td>
<td>12</td>
</tr>
<tr>
<td>B19</td>
<td>Flexible Matching Grants</td>
<td>12</td>
</tr>
<tr>
<td>B20</td>
<td>Protection of Small Community Grants</td>
<td>13</td>
</tr>
<tr>
<td>B21</td>
<td>Invasive Species – Quagga &amp; Zebra Mussels</td>
<td>13</td>
</tr>
<tr>
<td>B22</td>
<td>Japanese Knotweed Management Plan</td>
<td>13</td>
</tr>
<tr>
<td>B23</td>
<td>Derelict Vessels</td>
<td>14</td>
</tr>
<tr>
<td>B24</td>
<td>Multi-Material BC</td>
<td>14</td>
</tr>
<tr>
<td>B25</td>
<td>Environmental Assessment Review Process</td>
<td>14</td>
</tr>
<tr>
<td>B26</td>
<td>Greenhouse Gas Emissions</td>
<td>14</td>
</tr>
<tr>
<td>B27</td>
<td>Implementation of Nearly Net-zero Building Regulations</td>
<td>15</td>
</tr>
<tr>
<td>B28</td>
<td>Provincial Energy Efficiency Programs</td>
<td>15</td>
</tr>
<tr>
<td>Resolution No.</td>
<td>Title</td>
<td>Page</td>
</tr>
<tr>
<td>---------------</td>
<td>----------------------------------------------------------------------</td>
<td>------</td>
</tr>
<tr>
<td>B29</td>
<td>Agriculture Funding in BC</td>
<td>15</td>
</tr>
<tr>
<td>B30</td>
<td>Liquefied Natural Gas Projects</td>
<td>15</td>
</tr>
<tr>
<td>B31</td>
<td>Trades &amp; Technology Skills Training</td>
<td>16</td>
</tr>
<tr>
<td>B32</td>
<td>Geothermal Power</td>
<td>16</td>
</tr>
<tr>
<td>B33</td>
<td>Anti-idling</td>
<td>16</td>
</tr>
<tr>
<td>B34</td>
<td>Concurrent Disorders &amp; Chronic Offenders</td>
<td>16</td>
</tr>
<tr>
<td>B35</td>
<td>Regional Hospital District Capital Funding</td>
<td>17</td>
</tr>
<tr>
<td>B36</td>
<td>Insurance Corporation of British Columbia &amp; Fire Insurance</td>
<td>17</td>
</tr>
<tr>
<td>B37</td>
<td>Inter-governmental Communication</td>
<td>17</td>
</tr>
<tr>
<td>B38</td>
<td>Domestic Natural Gas Supply</td>
<td>17</td>
</tr>
<tr>
<td>B39</td>
<td>$10/day Child Care</td>
<td>18</td>
</tr>
<tr>
<td>B40</td>
<td>Child Poverty</td>
<td>18</td>
</tr>
<tr>
<td>B41</td>
<td>Poverty Reduction</td>
<td>18</td>
</tr>
<tr>
<td>B42</td>
<td>Rental Subsidies for Low Income Households</td>
<td>18</td>
</tr>
<tr>
<td>B43</td>
<td>Affordable Housing</td>
<td>18</td>
</tr>
<tr>
<td>B44</td>
<td>Rental Assistance for Housing Cooperatives</td>
<td>19</td>
</tr>
<tr>
<td>B45</td>
<td>Seniors' Housing</td>
<td>19</td>
</tr>
<tr>
<td>B46</td>
<td>Development of a New Long Term Federal Plan to Fix Canada’s Housing Crunch</td>
<td>19</td>
</tr>
<tr>
<td>B47</td>
<td>Suspension of Canada Post Home Delivery Service</td>
<td>20</td>
</tr>
</tbody>
</table>

SECTION B – PART 2-a RESOLUTIONS

<table>
<thead>
<tr>
<th>Resolution No.</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>B48</td>
<td>Mass Causality Medical Preparedness</td>
<td>21</td>
</tr>
<tr>
<td>B49</td>
<td>Volunteer Fire Departments/Fire Underwriters Survey Classes</td>
<td>21</td>
</tr>
<tr>
<td>B50</td>
<td>Changes to BC Ambulance Service Resource Allocations</td>
<td>22</td>
</tr>
<tr>
<td>B51</td>
<td>Revisions to the <em>Residential Tenancy Act</em></td>
<td>22</td>
</tr>
<tr>
<td>B52</td>
<td>Transport Canada Divestiture of Assets</td>
<td>22</td>
</tr>
<tr>
<td>B53</td>
<td>Centre Line &amp; Shoulder Line Highway Marking</td>
<td>22</td>
</tr>
<tr>
<td>B54</td>
<td>Highways in British Columbia</td>
<td>23</td>
</tr>
<tr>
<td>B55</td>
<td>Rail Transportation Safety</td>
<td>23</td>
</tr>
<tr>
<td>B56</td>
<td>Railway Speed Limits Within Municipal Boundaries</td>
<td>23</td>
</tr>
<tr>
<td>B57</td>
<td>Regulation of Party Buses &amp; Limousines</td>
<td>23</td>
</tr>
<tr>
<td>Resolution No.</td>
<td>Title</td>
<td>Page</td>
</tr>
<tr>
<td>--------------</td>
<td>----------------------------------------------------------------------</td>
<td>------</td>
</tr>
<tr>
<td>B58</td>
<td>Communities in Bloom</td>
<td>24</td>
</tr>
<tr>
<td>B59</td>
<td>Resource Extraction Revenue Sharing</td>
<td>24</td>
</tr>
<tr>
<td>B60</td>
<td>Liquor Revenue Allocation</td>
<td>24</td>
</tr>
<tr>
<td>B61</td>
<td>Local Road Eligibility Under the New Building Canada Fund</td>
<td>25</td>
</tr>
<tr>
<td>B62</td>
<td>Derelict Vessels &amp; Marine Environment</td>
<td>25</td>
</tr>
<tr>
<td>B63</td>
<td>Water Pricing Principles</td>
<td>25</td>
</tr>
<tr>
<td>B64</td>
<td>Local Improvement Charge for Energy Efficiency Retrofits</td>
<td>25</td>
</tr>
<tr>
<td>B65</td>
<td>Provincial Woodstove Program</td>
<td>26</td>
</tr>
<tr>
<td>B66</td>
<td>Aerodrome Placement</td>
<td>26</td>
</tr>
<tr>
<td>B67</td>
<td>Industry Resource Benefit</td>
<td>26</td>
</tr>
<tr>
<td>B68</td>
<td>Progress Report on Regional District Governance</td>
<td>26</td>
</tr>
<tr>
<td>B69</td>
<td>National Dementia Strategy</td>
<td>27</td>
</tr>
<tr>
<td>B70</td>
<td>Sobering &amp; Assessment Centres</td>
<td>27</td>
</tr>
<tr>
<td>B71</td>
<td>Assertive Community Treatment Teams</td>
<td>28</td>
</tr>
<tr>
<td>B72</td>
<td>Access to Natural Gas</td>
<td>28</td>
</tr>
<tr>
<td>B73</td>
<td>BC Ambulance Service as an Essential Service</td>
<td>28</td>
</tr>
<tr>
<td>B75</td>
<td>Province as Diking Authority</td>
<td>29</td>
</tr>
<tr>
<td>B76</td>
<td>Flood Mitigation</td>
<td>29</td>
</tr>
<tr>
<td>B77</td>
<td>BC Building Code Changes</td>
<td>29</td>
</tr>
<tr>
<td>B78</td>
<td>Equal Standards for Federal &amp; Provincial Building Codes</td>
<td>29</td>
</tr>
<tr>
<td>B79</td>
<td>Automatic Fire Sprinklers</td>
<td>30</td>
</tr>
<tr>
<td>B80</td>
<td>Funding for Retrofitting Older Multi-family Wood-frame Dwellings with Fire Suppressing Sprinkler Systems</td>
<td>30</td>
</tr>
<tr>
<td>B81</td>
<td>Asia-Pacific Northern Transportation Infrastructure Strategy</td>
<td>33</td>
</tr>
<tr>
<td>B83</td>
<td>Establishing a Youth Caucus</td>
<td>34</td>
</tr>
<tr>
<td>B84</td>
<td>UBCM Committees</td>
<td>34</td>
</tr>
<tr>
<td>B85</td>
<td>Handling of Resolutions</td>
<td>34</td>
</tr>
<tr>
<td>B86</td>
<td>Standing Committee on Arts, Culture &amp; Heritage</td>
<td>34</td>
</tr>
<tr>
<td>B87</td>
<td>Dedicated Ministry for Local Government Affairs</td>
<td>35</td>
</tr>
<tr>
<td>B88</td>
<td>Protection of Local Water Resources &amp; Watershed Land</td>
<td>35</td>
</tr>
<tr>
<td>B89</td>
<td>Remediation for Brownfields Acquired Through Tax Sale</td>
<td>36</td>
</tr>
<tr>
<td>B92</td>
<td>Environmental Assessments for Coal Transport</td>
<td>36</td>
</tr>
<tr>
<td>B93</td>
<td>Home Energy Labeling</td>
<td>37</td>
</tr>
<tr>
<td>B94</td>
<td>Benchmarking Tools for Building Energy Use</td>
<td>37</td>
</tr>
<tr>
<td>B95</td>
<td>Climate Change Action &amp; Economic Risks of Natural Disasters</td>
<td>38</td>
</tr>
<tr>
<td>B96</td>
<td>Streetlights &amp; Carbon Neutrality</td>
<td>38</td>
</tr>
<tr>
<td>Resolution No.</td>
<td>Title</td>
<td>Page</td>
</tr>
<tr>
<td>---------------</td>
<td>-------------------------------------------------------------------------------------------</td>
<td>------</td>
</tr>
<tr>
<td>B97</td>
<td>Extended Producer Responsibility for Mattresses</td>
<td>39</td>
</tr>
<tr>
<td>B98</td>
<td>Elected Officials Coverage Under <em>Workers Compensation Act</em></td>
<td>39</td>
</tr>
<tr>
<td>B102</td>
<td>Parking Enforcement in Rural Areas</td>
<td>45</td>
</tr>
<tr>
<td>B103</td>
<td>Equitable Penalty &amp; Sentencing Powers for Regional Districts</td>
<td>45</td>
</tr>
<tr>
<td>B104</td>
<td>Absence of Director Due to Illness</td>
<td>45</td>
</tr>
<tr>
<td>B106</td>
<td>Port Improvements Tax Exemption</td>
<td>46</td>
</tr>
<tr>
<td>B107</td>
<td>Liquid Natural Gas Development</td>
<td>46</td>
</tr>
<tr>
<td>B108</td>
<td>BC Hydro &amp; Independent Power Producers</td>
<td>46</td>
</tr>
<tr>
<td>B109</td>
<td>Property Reclassification of Medical Marijuana Production Facilities</td>
<td>47</td>
</tr>
<tr>
<td>B110</td>
<td>Classification Split on Accommodation Hotels</td>
<td>47</td>
</tr>
<tr>
<td>B111</td>
<td>BC Assessment Authority</td>
<td>47</td>
</tr>
<tr>
<td>B112</td>
<td>Farm Assessment</td>
<td>47</td>
</tr>
<tr>
<td>B113</td>
<td>Marijuana Production on Agricultural Lands</td>
<td>48</td>
</tr>
<tr>
<td>B115</td>
<td>Secondary Dwellings</td>
<td>49</td>
</tr>
<tr>
<td>B116</td>
<td>Mines Act Alignment with Official Community Plans</td>
<td>49</td>
</tr>
<tr>
<td>B117</td>
<td>Ownership of Abandoned Rail Corridors</td>
<td>49</td>
</tr>
<tr>
<td>B118</td>
<td>Funding Assistance for Project Proposal Evaluation</td>
<td>50</td>
</tr>
<tr>
<td>B119</td>
<td>Municipalities With No Residents</td>
<td>50</td>
</tr>
<tr>
<td>B120</td>
<td>Lease Agreements with Provincial Government</td>
<td>50</td>
</tr>
<tr>
<td></td>
<td><strong>SECTION B – PART 3-a RESOLUTIONS</strong></td>
<td></td>
</tr>
<tr>
<td>B121</td>
<td>CSA Certified Standard for Recreational &amp; Sport Helmets</td>
<td>51</td>
</tr>
<tr>
<td>B122</td>
<td>National Park in the South Okanagan-Similkameen</td>
<td>51</td>
</tr>
<tr>
<td>B123</td>
<td>Provincial Social Policy Framework</td>
<td>51</td>
</tr>
<tr>
<td></td>
<td><strong>SECTION B – PART 3-b RESOLUTIONS</strong></td>
<td></td>
</tr>
<tr>
<td>B124</td>
<td>Fukushima Daiichi Nuclear Disaster</td>
<td>52</td>
</tr>
<tr>
<td>B126</td>
<td>DOT-111 &amp; DOT-111A Rail Tanker Cars</td>
<td>52</td>
</tr>
<tr>
<td>B127</td>
<td>Westray Criminal Code Amendments</td>
<td>53</td>
</tr>
<tr>
<td>B128</td>
<td>Priority Phone Service Restoration</td>
<td>53</td>
</tr>
<tr>
<td>B130</td>
<td>Utilization of the Community Paramedicine Model for Ambulatory Service</td>
<td>53</td>
</tr>
<tr>
<td>B131</td>
<td>Smoking &amp; E-cigarettes</td>
<td>54</td>
</tr>
<tr>
<td>Resolution No.</td>
<td>Title</td>
<td>Page</td>
</tr>
<tr>
<td>---------------</td>
<td>----------------------------------------------------------------------</td>
<td>------</td>
</tr>
<tr>
<td>B132</td>
<td>Shortage of Physicians &amp; Specialists in BC</td>
<td>54</td>
</tr>
<tr>
<td></td>
<td>SECTION C – PART 2 RESOLUTION</td>
<td></td>
</tr>
<tr>
<td>C19</td>
<td>Representation on Health Authority Boards</td>
<td>39</td>
</tr>
<tr>
<td></td>
<td>RESOLUTIONS RECEIVED AFTER THE DEADLINE</td>
<td></td>
</tr>
<tr>
<td>LR1</td>
<td>National Energy Board Public Hearing Process</td>
<td>43</td>
</tr>
<tr>
<td>LR2</td>
<td>Environmental Assessment of Trans Mountain Expansion Project</td>
<td>43</td>
</tr>
<tr>
<td>LR3</td>
<td>Requiring Consequence &amp; Response Capacity Assessment for Sunken or Submerged Diluted Bitumen</td>
<td>43</td>
</tr>
<tr>
<td>LR4</td>
<td>Discontinuation of Community Library Training Program</td>
<td>44</td>
</tr>
<tr>
<td>LR9</td>
<td>Local Authority for Animals in Critical Distress</td>
<td>44</td>
</tr>
<tr>
<td></td>
<td>SPECIAL RESOLUTION</td>
<td></td>
</tr>
<tr>
<td>SR1</td>
<td>Strong Fiscal Futures</td>
<td>6</td>
</tr>
</tbody>
</table>
# Index To Non-Endorsed Resolutions

<table>
<thead>
<tr>
<th>Resolution No.</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SECTION B – PART 2-b RESOLUTIONS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B74</td>
<td>Community Specific First Responder Agreements</td>
<td>28</td>
</tr>
<tr>
<td>B82</td>
<td>Comprehensive Pipeline &amp; Energy Transport Plan</td>
<td>33</td>
</tr>
<tr>
<td>B89</td>
<td>Environmental Appeal Board</td>
<td>35</td>
</tr>
<tr>
<td>B90</td>
<td>Groundwater Use Determination Under the BC Contaminated Sites Regulation</td>
<td>36</td>
</tr>
<tr>
<td>B99</td>
<td>Local Government Tax Sale Dispute Process</td>
<td>39</td>
</tr>
<tr>
<td>B100</td>
<td>Boundary Extension Guidelines</td>
<td>40</td>
</tr>
<tr>
<td>B101</td>
<td>Part 26 of <em>Local Government Act</em> &amp; Related Legislation</td>
<td>40</td>
</tr>
<tr>
<td>B105</td>
<td>Business Class Exemption</td>
<td>46</td>
</tr>
<tr>
<td>B114</td>
<td>Owner-occupancy Requirement for Secondary Suites</td>
<td>48</td>
</tr>
<tr>
<td><strong>SECTION B – PART 3-b RESOLUTIONS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B125</td>
<td>Whistle Cessation</td>
<td>52</td>
</tr>
<tr>
<td>B129</td>
<td>Disaster Relief Fund</td>
<td>53</td>
</tr>
<tr>
<td>B133</td>
<td>Strengthening Telecommunications Infrastructure</td>
<td>54</td>
</tr>
<tr>
<td>B134</td>
<td>Protecting Children Through Effective Family Dispute Resolution – Parenting Plan</td>
<td>54</td>
</tr>
</tbody>
</table>
Minutes of the One Hundred Eleventh Annual Convention of the Union of BC Municipalities held in Whistler, BC on September 23, 24, 25 and 26, 2014

Tuesday Clinics

On Tuesday, September 23, 2014 the Electoral Area Directors, Small Talk, Mid-Sized Communities and Large Urban Communities Forums were preceded by the following clinics at 7:30 a.m.:

- Assessing and Understanding Community Wildfire Risk
- Asset Management and LTFP “Confessions”
- Auditor General for Local Government: Learning from Local Government Capital Procurement Projects and Asset Management Programs
- Facilitating Rural Development – An Update on the Rural BC Project
- Urban Deer Management in BC

Electoral Area Directors Forum

Chair Art Kaehn, Electoral Area Representative, called the session to order at 9:00 a.m. on Tuesday, September 23, 2014. The Forum opened with a panel discussion on Product Stewardship. The first presenters on the panel were: Gwenda Laughland, Director of Waste Prevention, Ministry of Environment and Meegan Armstrong, A/ Manager, Waste Prevention, Ministry of Environment who addressed compliance efforts. The third presenter was David Lawes, Executive Director, BC Used Oil Management Association speaking on behalf of the BC Product Stewardship Council on the issue of rural challenges.

Following a short break, at 10:40 a.m. the Honourable Coralee Oakes, Minister of Community, Sport and Cultural Development addressed delegates. The Minister then assisted UBCM President Rhona Martin in the presentations to electoral area directors who had earned their Level 1 and Level 2 certificates from the Local Government Leadership Academy.

After the certificate presentations, delegates received a presentation from Trudy Rotgans, Executive Director, Building and Safety Standards Branch, Ministry of Natural Gas Development and Ministry responsible for Housing on the Province’s proposal for a Uniform Building Code. This presentation was followed by a brief open mic session with delegates.

The session adjourned at 12:00 p.m. for a lunch sponsored by the Municipal Finance Authority of BC.

Small Talk Forum

The session convened at 9:00 a.m. on Tuesday, September 23, 2014 with Mayor Galina Durant, Small Community Representative, in the Chair. Mayor Durant welcomed the delegates to the session and provided an overview of UBCM’s work over the past year on issues of specific interest to small communities. Mayor Durant was assisted throughout the Forum by facilitator Dan Rogers.

The Forum opened with Councillor Rick Thompson from the Village of McBride sharing his community’s success story of designing and building an eco-sensitive wastewater management system.

Following the success story, Dave Aharonian, Senior Policy Analyst – Carbon Neutral Government, from the provincial Ministry of Environment, provided information about community forests and carbon offsets and how small communities may be able to benefit from these programs. Facilitator Dan Rogers then chaired a discussion of issues relating to community economic development.

The second success story presentation featured a waste wood heating program piloted by the Village of Telkwa. Councillor Rimas Zitkauskas explained how the Village uses waste wood from local lumber processors to power a district heating system that heats several public buildings. After the presentation, Dan Rogers resumed the chair for a discussion of local government finance. Attendees then took a brief refreshment break.

Attendees reconvened for a success story presentation by Councillor Brian Frenkel from the Village of Vanderhoof, who profiled the recently opened Nechako White Sturgeon Conservation Centre. Beverley Shaw, A/ Director, Libraries Branch with the provincial Ministry of Education then spoke briefly about public libraries in small communities, and the different types of support provided by the Libraries Branch.
For the last discussion session of the morning, Facilitator Dan Rogers covered a range of selected issues that had been raised by small communities. A final success story presentation was given by Janine North, CEO of the Northern Development Initiative Trust (NDIT) and Anne Yanciw, CAO, Village of Valemount. The presentation focused on the success of the NDIT Internship Program in supporting capacity building and succession planning for local government staff in small communities in northern and interior BC.

At 11:35 a.m., UBCM President, Director Rhona Martin introduced the Honourable Coralee Oakes, Minister of Community, Sport & Cultural Development, who spoke briefly to delegates. Minister Oakes also presented awards to elected officials from small communities who had earned a Level 1 or 2 certificate from the Local Government Leadership Academy.

The Forum adjourned at 12:00 p.m. for a lunch sponsored by Spectra Energy.

**Mid-Sized Communities Forum**

Councillor Patricia Heintzman convened the session at 9:00 a.m. on September 23, 2014.

The Forum opened with UBCM President Rhona Martin introducing the Honourable Coralee Oakes, Minister of Community, Sport and Cultural Development, who spoke briefly to delegates. The Minister then assisted President Martin in the presentations to councillors and mayors who had earned their Level 1 and Level 2 certificates from the Local Government Leadership Academy.

In the first half of the forum on economic development, John McDonald, Executive Director, Strategic Investments, Ministry of International Trade, provided an overview of provincial efforts to support the attraction and retention of foreign investment to mid-sized communities. Christian Saint Cyr, Publisher and Editor of BC Labour Market Report, then presented on current and future demographic trends, as well as key government programs, that can help communities attract foreign investment.

Following a break, the Forum reconvened at 10:45 a.m. with a panel of local government representatives who shared their experiences with attracting foreign investment. The panel included Heather Oland, Chief Executive Officer, Initiatives Prince George; Scott Randolph, Manager of Economic Development, City of Powell River; Kate Zanon, Chief Executive Officer, Pitt Meadows Economic Development Commission; and Lori Graham, Economic Development Co-ordinator, Pitt Meadows Economic Development Commission. Key initiatives and best practices were shared with the delegates in attendance.

The session adjourned at 12:00 p.m. for a lunch sponsored by the Municipal Finance Authority of BC.

**Large Urban Communities Forum**

Councillor Linda Hepner called the session to order at 9:00 a.m. on Tuesday, September 23, 2014.

The Forum opened with a presentation by Andrew Ramlo, Urban Futures, a prominent demographer, urbanist and planning consultant. He outlined a number of demographic challenges facing local government in British Columbia. Following the presentation, UBCM President Rhona Martin introduced the Honourable Coralee Oakes, Minister of Community, Sport, and Cultural Development, who spoke briefly to the delegates.

In the second half of the Forum, a panel looked at the development of a healthy city. Dr. Gary Bloch, a family physician with St. Michael’s Hospital in Toronto, discussed his research on the intersection of poverty and health and the need for local government to address poverty in the development of a healthy city. Mary Clare Zak, Managing Director Social Policy, City of Vancouver outlined the City of Vancouver’s research, framework and public engagement strategy in creating a healthy city.

The session adjourned at 12:00 p.m. for a lunch sponsored by TELUS.

**Plenary Session: Impacts of the Tsilhqot’in Decision on Local Governments**

The Plenary Session was opened at 1:45 p.m. by Councillor Murry Krause, Chair, First Nations Relations Committee. After brief opening remarks, Councillor Krause introduced the following panel of presenters: Greg Cockrill, Partner at Young Anderson Barristers and Solicitors; Chief Roger William, Xeni Gwet’in First Nation, and Director, Cariboo Regional District; and Chief Percy Guichon, Alexis Creek First Nation. Councillor Krause provided some background information regarding the Tsilhqot’in land title decision prior to the commencement of the presentations.
The session began with Gregg Cockrill describing the historical, legal and practical significance of the Supreme Court of Canada’s decision. Chief Roger William, the plaintiff in the Tsilhqot’in Nation v. British Columbia case, presented next, going into detail regarding the lengthy legal process and what it means for First Nations, and the Tsilhqot’in Nation. Chief William also looked forward, and addressed the notion of reconciliation between government and First Nations. Echoing the need for reconciliation, Chief Guichon’s presentation spoke largely towards relationship building, as he also noted the efforts undertaken by Premier Clark and the Province to acknowledge Aboriginal title. Following the presentations, Councillor Krause moderated a brief question and answer period, prior to delivering his concluding remarks.

The plenary session adjourned at 3:00 p.m.

**Provincial Policy Sessions**

Four concurrent provincial policy sessions convened at 3:15 p.m. The sessions were:

- Accessible Communities
- BC Ferries Report
- Healthy Competition, Healthy Communities
- What Candidates Need to Know for the 2014 General Local Elections

**Welcome Reception**

The Welcome Reception was held from 6:00 – 8:00 p.m. at the Grand Foyer and Ballroom B/C, Whistler Conference Centre and was hosted by the Resort Municipality of Whistler and UBCM.

**Wednesday Clinics**

On Wednesday, September 24, 2014, the Convention commenced at 7:30 a.m. with the following clinics:

- ALC Act – Amending Regulations
- Offloading – Who’s Picking Up the Tab?
- Strengthening Communities through Leading Edge Partnerships
- The BC Rental Housing Index: An Introduction

**Convention Opening Session**

Pipe Corporal Rebecca Mair from the J.P. Fell Pipe Band led the procession, which included President Martin and members of the Executive, as well as the Honourable Judith Guichon, Lieutenant Governor of British Columbia; Honourable Coralee Oakes; Mayor Nancy Wilhelm Morden from the Resort Municipality of Whistler; and Teresa Rezansoff, President of the BC School Trustees Association. Singing of the national anthem was led by Ms. Rachel Thom.

The President, Director Rhona Martin, called the 111th Annual Convention to order at 8:30 a.m. on Wednesday, September 24, 2014 at the Whistler Conference Centre.

**President’s Address**

The President, Director Rhona Martin, provided the Opening Address to delegates. The President’s Address is annexed to these Minutes as Appendix A.
Annual Meeting
The First Vice-President, Councillor Sav Dhaliwal, in the Chair opened the Annual Meeting.

Adoption of Conference Rules and Procedures
On regular motion, duly moved and seconded, the Conference Rules and Procedures as printed in the Annual Report and Resolutions Book were adopted.

Adoption of Minutes of 2013 Convention
On regular motion, duly moved and seconded, the Minutes of the One Hundred and Tenth Annual Convention of the Union of British Columbia Municipalities, held in Vancouver, British Columbia, on September 16 – 20, 2013 were adopted as prepared and distributed.

Annual Report
The President, Director Rhona Martin, presented the Annual Report which, on regular motion, duly moved and seconded, was adopted.

Adoption of Financial Statements
Third Vice-President, Councillor Claire Moglove presented the Audited Financial Statements of the Union of British Columbia Municipalities for the year ending May 31, 2014. On regular motion, duly moved and seconded, the statements were adopted. The Audited Financial Statements were circulated in the Annual Report. A copy of the budget for the year commencing June 1, 2014, as approved by the Executive, was also circulated to the membership for their information.

Appointment of Auditors
On regular motion, duly moved and seconded, that the Executive be empowered to appoint auditors for the year commencing June 1, 2014, was adopted.

First Report of the Nominating Committee for the Positions of Table Officers
Mayor Mary Sjostrom, Chair of the Nominating Committee, presented the first report with the nominations for Table Officer positions:

- President: Councillor Sav Dhaliwal, City of Burnaby
- First Vice-President: Director Al Richmond, Cariboo Regional District
- Second Vice-President: Councillor Claire Moglove, City of Campbell River
- Third Vice-President: Councillor Murry Krause, City of Prince George

Appointment of Committees
The First Vice-President, Councillor Sav Dhaliwal, announced the appointment of the following Convention Committees and officials:

Nominating Committee
Mayor Mary Sjostrom, Immediate Past President, UBCM
Mayor Christina Benty, Association of Kootenay & Boundary Local Governments
Mayor Larry Cross, Association of Vancouver Island & Coastal Communities
Councillor Chuck Puchmayr, Lower Mainland Local Government Association
Councillor Marg Spina, Southern Interior Local Government Association
Councillor Bruce D. Christensen, North Central Local Government Association
**Constitution Committee**
Councillor Sav Dhaliwal, Chair  
Mayor Mary Sjostrom, Vice Chair  
Councillor Kerry Jang  
Director Wendy Booth  
Mayor Larry Cross  
Councillor Arjun Singh

**Scrutineers**
Elsie Lemke, CAO, District of Peachland, Chief Scrutineer  
Leslie Groulx, CAO, District of Clearwater, Deputy Chief Scrutineer  
David Allen, CAO, City of Courtenay  
Patti Bridal, Corporate Administrator, City of Vernon  
Paul Gipps, CAO, Fraser Valley RD  
Fred Manson, CAO, City of Parksville  
Ron Poole, CAO, District of Kitimat  
Patrick Robins, CAO, District of Central Saanich  
Corien Speaker, CAO, District of Squamish  
Melinda Stickney, CAO, City of Armstrong  
Lynda Tynan, CAO, Village of Nakusp

**Parliamentarian**
Ian Izard, Q.C., Clay and Company  
Former Law Clerk and Clerk Assistant, Legislative Assembly of BC

**Keynote Address, Rex Murphy**
Councillor Sav Dhaliwal thanked ICBC for sponsoring the Keynote Address, and proceeded to introduce Rex Murphy. A brief question and answer session followed Mr. Murphy’s address. UBCM President, Director Rhona Martin then thanked Mr. Murphy.

**Principal Policy Session – Resolutions**
The first Resolutions session began at 10:30 a.m. with Mayor Sharon Gaetz, Chair of the UBCM Resolutions Committee, in the Chair.

Mayor Gaetz was joined by the other members of the Resolutions Committee: Councillor Sav Dhaliwal, Councillor Claire Moglove and Chair Art Kaehn. They were assisted by Parliamentarian Ian Izard, UBCM Executive Director Gary Maclsaac and other UBCM staff.

Rules for dealing with resolutions adopted during the Annual Meeting were reviewed by the Chair. The Convention then commenced with consideration of the policy paper, “Socioeconomic Impact Analysis of BC Ferries.”

**Policy Paper #1 – Socioeconomic Impact Analysis of BC Ferries**
Councillor Claire Moglove assumed the Chair and presented the policy paper, “Socioeconomic Impact Analysis of BC Ferries.” The policy paper “Socioeconomic Impact Analysis of BC Ferries” is annexed to these Minutes as Appendix I.

A motion, duly moved and seconded, that the recommendations outlined in the policy paper “Socioeconomic Impact Analysis of BC Ferries” be approved, was endorsed.
**Special Resolution**

Mayor Gaetz assumed the Chair and introduced Special Resolution SR1.

**SR1 Strong Fiscal Futures**

Whereas the UBCM membership unanimously endorsed the Strong Fiscal Futures report at the 2013 Convention;

And whereas UBCM has sought to engage the Province on strengthening the local government finance system and improving taxpayer value through a spirit of collaboration and partnership;

And whereas the Province, through the “Core Review” process, without consultation with UBCM, identified areas of provincial concern with the local government finance system:

Therefore be it resolved that UBCM urge the Province to commit to meaningful engagement under the Strong Fiscal Futures framework in order to meet our respective mandates of strengthening the local government finance system.

*On motion, was Endorsed*

**Section A Resolutions**

Mayor Gaetz then commenced consideration of Section A resolutions.

**A1 Strategic Wildfire Prevention Initiative**

Whereas the Strategic Wildfire Prevention Initiative is a suite of funding programs administered through the Provincial Fuel Management Working Group and has supported communities to mitigate wildfires within the urban interface since 2004;

And whereas the Regional District of Okanagan-Similkameen has been participating in the Strategic Wildfire Prevention Initiative from the beginning, and over 150 hectares of fuel management projects have been completed, although since 2011 there has been significant reduction in the funding levels:

Therefore be it resolved that UBCM request the Province of BC increase the funding to ensure continued sustainability of the Strategic Wildfire Prevention Initiative program.

*On motion, was Endorsed*

**A2 Medical Emergency Service Alarm Cost Recovery**

Whereas the number of first responder or medical emergency service alarm (MESA) calls that the City of Langley responds to represents 78 per cent of all calls received by the Langley City Fire Rescue Service (LCFRS);

And whereas the City of Langley incurs significant direct costs as a result of responding to MESA calls to compliment the services provided by BC Ambulance Service (BCAS);

And whereas the intermediate patient care can greatly enhance patient outcomes and significantly reduce short term and long term costs to the overall health care system and the City of Langley acknowledges the community will benefit from the LCFRS supporting BCAS to provide first responder services to the patient while the ambulance is en-route:

Therefore be it resolved that the Province of BC work with UBCM to develop a fair and equitable cost recovery model to compensate local governments for responding to medical first responder calls.

*On motion, was Endorsed*

**A3 Agricultural Land Reserve & Agricultural Land Commission**

Whereas the Agricultural Land Commission, created as an autonomous body in 1974, has served to protect over four million hectares of farmland in the Province of British Columbia;

And whereas measures to protect farmland and support farmers and regional food systems are essential to provide food security in the face of increasing global transportation and energy costs and the impacts of climate change:
Therefore be it resolved that UBCM request that the provincial government respect the integrity of the province wide Agricultural Land Reserve and support its management by an independent and adequately funded Agricultural Land Commission;

And be it further resolved that the provincial government work with the agricultural community, UBCM and local governments to identify and implement additional measures that will increase the viability of farming and food production in British Columbia.

On motion, was Endorsed

A4 Worker Camp Permitting  Peace River RD

Whereas current provincial licensing requirements for establishment of worker camps involve multiple authorities without effective inter-agency coordination thereby detracting from local government’s ability to achieve maximum regional prosperity and social equity:

Therefore be it resolved that as a condition to establishing a worker camp, the Province be requested to establish a single window approval process for all industries that allows for comment from any agency, regulator or local government that has interest in the location, operation, safety, health and socio-economic impacts associated with the camp.

A motion, duly moved and seconded, to amend the enactment clause as proposed by adding a second enactment clause, was endorsed.

The resolution, with amendment as proposed, then read:

Therefore be it resolved that as a condition to establishing a worker camp, the Province be requested to establish a single window approval process for all industries that allows for comment from any agency, regulator or local government that has interest in the location, operation, safety, health and socio-economic impacts associated with the camp;

And be it further resolved that the Province establish an overarching authority to coordinate work camp development and monitor work camp operations.

On motion, with amendment as recommended, was Endorsed

A5 Industrial Taxation of Liquefied Natural Gas Industry  NCLGA Executive

Whereas the provincial government has indicated that it is considering, as part of a liquefied natural gas (LNG) regime for the Province of BC, capping increases of property tax rates for LNG-related industrial properties;

And whereas UBCM, with the support of the provincial government, has long held to the following principles, most recently affirmed in the member-endorsed 2008 policy paper, “Financing Local Government: Achieving Fiscal Balance:”

- The ultimate determination of the local public interest in terms of local responsibilities lies with locally elected representatives; including the freedom to determine the level of local services, expenditures and taxation;
- Local government should have the necessary legislative powers to meet its responsibilities, the power to ensure its policies and financial programs are mutually supporting, and the discretion and flexibility to determine the most appropriate methods of meeting the local needs; and
- Property taxation distribution must be the responsibility of local government; it should be based on actual value assessment and grants in lieu of taxes paid by other governments and their agencies should be paid on the same basis as the ordinary taxpayer:

Therefore be it resolved that UBCM urge the provincial government to refrain from considering or implementing a cap on local government’s ability to set property tax rates for industrial properties related to the liquefied natural gas industry.

On motion, was Endorsed
A6 Recycling Services in Rural & Small Communities  Fraser-Fort George RD

Whereas the Minister of Environment approved a Packaging and Printed Paper Stewardship Plan that allows the producers of packaging and printed paper to achieve a province wide recovery rate of 75% and the producers can meet this recovery rate by focusing service delivery in denser and more populated regions of the province and consequently avoid service delivery in rural and small communities;

And whereas many of the rural and small communities will not have access to collection services even though these communities have retail services that will be paying fees to a stewardship agency in support of the operation of collection services for residential packaging and printed paper products:

Therefore be it resolved that UBCM request that the Minister of Environment amend the Recycling Regulation to require that stewardship plans ensure that in any community where a regulated product or material is retailed to a residential consumer that collection services for these same products be made available.

On motion, was Endorsed

Section B – Part 1 Resolutions

Chair Art Kaehn assumed the Chair and commenced consideration of Section B – Part 1 resolutions.

Chair Kaehn reviewed the procedures for handling Section B resolutions.

A motion, duly moved and seconded, that all Section B resolutions be admitted for debate was endorsed.

A motion, duly moved and seconded, that the recommendations of the Resolutions Committee for the resolutions in Section B – Part 1 be considered as a block, was endorsed.

A motion, duly moved and seconded, that resolution B7 be removed from the Section B – Part 1 block for individual consideration, was endorsed.

A motion, duly moved and seconded, that resolution B12 be removed from the Section B – Part 1 block for individual consideration, was not endorsed.

A motion, duly moved and seconded, that resolution B2 be removed from the Section B – Part 1 block for individual consideration, was endorsed.

A motion, duly moved and seconded, that the recommendations of the Resolutions Committee for the resolutions in the Section B – Part 1 block as amended be adopted, was endorsed.

The resolutions remaining in the Section B – Part 1 block were endorsed as follows:

B1 Municipal Boundary Extensions  Central Kootenay RD

Whereas municipalities have the ability to apply for boundary expansions with no ability for affected rural residents to influence such applications;

And whereas such boundary expansions can have a significant impact on the rural residents and funding of the services they receive within the proposed expansion area:

Therefore be it resolved that UBCM request the Province of British Columbia to review their policy in regards to boundary expansions to include an assent by referendum for those areas to be annexed.

On motion, was Endorsed

B3 Resources to Support Sexually Exploited Children & Youth  Prince George

Whereas the issue of sexual exploitation of children and youth is an increasing problem in communities throughout the province;

And whereas the provincial government has ceased funding toward services that support communities to develop prevention, education, enforcement and intervention strategies to address the sexual exploitation of children and youth:
Therefore be it resolved that UBCM request the provincial government to identify the issue of sexual exploitation of children and youth as a priority and reinstate long term, dedicated funding for communities throughout the province to develop and maintain services for sexually exploited children and youth.

On motion, was Endorsed

B4 Adequate Funding to Support Police Based Victim Services  
Alberni-Clayoquot RD

Whereas the Provincial Police Based Victim Services Program provides valuable support and referral services to victims of crime and trauma in BC communities;

And whereas the provincial government does not fully fund this program which is affecting the ability for community victim services programs to provide proper services to support our victims of crime:

Therefore be it resolved that UBCM request the Province of British Columbia to provide adequate funding to support the Police Based Victim Services Program.

On motion, was Endorsed

B5 Restorative Justice Program Funding  
Chilliwack

Whereas the Restorative Justice program provides a great value to communities and to the provincial government by resolving certain criminal incidents outside of the formal criminal justice system, therefore reducing provincial costs of the court system;

And whereas current provincial funding to the program is limited:

Therefore be it resolved that UBCM request that the provincial government consider greater funding to cost share in the Restorative Justice programs across the province.

On motion, was Endorsed

B6 Rural RCMP Staffing Levels  
Vanderhoof

Whereas the RCMP provides policing in rural communities;

And whereas RCMP staff shortages produce a grave threat to the public;

And whereas staff shortages can be identified by RCMP audit:

Therefore be it resolved that the provincial government increase the number of RCMP members at detachments that have identified staff shortages through RCMP audit.

On motion, was Endorsed

B8 9-1-1 Calls on Cellular Phones  
Comox Valley RD

Whereas the North Island 9-1-1 Corporation is comprised of six shareholder regional districts and was established to provide and manage emergency 9-1-1 services to the regional districts of Alberni-Clayoquot, Comox Valley, Mount Waddington, Nanaimo, Powell River and Strathcona;

And whereas the increased costs associated with abandoned 9-1-1 calls are affecting the sustainability of the service and impacting the RCMP resources to follow up and investigate;

And whereas statistics obtained from the primary call answer service indicate a high percentage of abandoned calls are caused by the accidental activation of a dedicated ‘9-1-1’ button and enabled 9-1-1 autodial calls on mobile devices:
Therefore be it resolved that UBCM request the Canadian Radio-Television and Telecommunications Commission to:

- regulate the telephone service providers to discontinue the use of dedicated ‘9-1-1’ buttons on cell phones and the pre-
  programming of 9-1-1 on all communication devices; or
- require that handsets sold in Canada include a minimum two (2) button push that includes a call confirmation or
  acknowledgement for access to 9-1-1 emergency services,

to discourage the accidental dialing of 9-1-1 which leads to increased abandoned calls.

On motion, was Endorsed

B9 Medical Transportation

Whereas patients in rural and remote communities require medical attention in larger centres within the Province;

And whereas a current lack exists for accessible transportation to return patients to their home communities after treatment:

Therefore be it resolved that UBCM urge the provincial Health Minister to provide residents requiring medical care within the
province with appropriate means to return to their homes in rural and remote communities.

On motion, was Endorsed

B10 Port Property Tax Caps

Whereas in 2004 the provincial government introduced temporary municipal tax rate restrictions (caps) until 2018 on ports under
the Ports Property Tax Act in order to make BC ports more attractive to Canadian and international investors;

And whereas these port property tax rate caps were made permanent in 2014;

And whereas the provincial government does not compensate local governments with ports for the full loss of property tax
revenue resulting from these port property tax rate caps;

And whereas these provincially imposed port property tax caps therefore interfere with the ability of:

- local governments with ports to access adequate financial resources to support community needs, contrary to Section
  1(2)(a) of the Community Charter; and
- local governments to determine the appropriate level of municipal taxation, contrary to Section 1(2)(d) of the Community
  Charter:

Therefore be it resolved that the provincial government eliminate port property tax rate caps by repealing the applicable provisions
of the Ports Property Tax Act in the fall of 2014.

On motion, was Endorsed

B11 Payment in Lieu of Taxes

Whereas when a Prince Rupert Port Authority (PRPA) property within local government boundaries is under the administration
and control of the federal government and is not leased out to a third party, the PRPA makes payments in lieu of taxes (PILT) for
these services because the PRPA in its capacity as a federally incorporated agency has a constitutional exemption from paying
property taxation;

And whereas the PRPA, not BC Assessment, decides on the eligibility, class and value of the land and improvements used to
calculate the PILT on a PRPA property;

And whereas the PRPA’s valuation of the PRPA property is generally less than the valuation which would be made by BC Assessment;

And whereas the property valuations are therefore inconsistent and as a result the PRPA is not paying a fair and equitable share
of property taxes compared to other municipal taxpayers, which contradicts the broader policy of the PILT Act:
Therefore be it resolved that port authorities immediately begin using BC Assessment eligibility, class and valuation information for the purposes of calculating payments in lieu of taxes on a consistent basis for port properties within local government boundaries.

On motion, with amendment as recommended, was Endorsed

B12  Income Exemption for Child Support Payments  Maple Ridge

Whereas one out of seven children in BC live in poverty and the poverty rate for children headed by lone-parent families is one of the highest poverty rates of any family type;

And whereas the Ministry of Social Development and Social Innovation claws back child support payments dollar for dollar although the financial loss to families far outweighs the gains for the provincial government, and it is recognized that child support payments are the right of the child:

Therefore be it resolved that the provincial government amend the Employment and Assistance Regulation and the Employment and Assistance for People with Disabilities Regulation to add an unearned income exemption for child support payments up to $300 per family unit per month.

On motion, was Endorsed

B13  Fire & Police Services Collective Bargaining Act  Nelson

Whereas in resolution 2011-B3, UBCM requested the Minister of Labour review the impact of the Fire and Police Services Collective Bargaining Act (Act) on collective bargaining to determine if it had met its goals of facilitating collective bargaining as results were that the Act had not led to improved collective bargaining;

And whereas the Ministry of Labour, Citizens’ Services and Open Government responded it had no plans at that time to undertake a review of the impact of the Act, however the Ministry would continue to actively monitor collective bargaining in the sectors covered by the Act:

Therefore be it resolved that UBCM request the Ministry of Labour to agree at this time to review the impact of the Fire and Police Services Collective Bargaining Act on collective bargaining, as to date results are still indicative that the Act has not met its established goal.

On motion, was Endorsed

B14  ICBC Claims  Penticton

Whereas ICBC is no longer paying the full claims submitted by municipalities for vehicular damage done to municipal infrastructure;

And whereas if the actual expenses are not fully recovered, the remainder will be borne by the municipal tax payers:

Therefore be it resolved that UBCM urge the Ministry of Transportation and Infrastructure to direct ICBC to reimburse the full costs of damages caused by their insured drivers.

On motion, was Endorsed

B15  Road Rescue Services Funding to Communities or Societies  Chase

Whereas many small communities and not-for-profit societies in BC provide road rescue services in large service areas outside the communities’ jurisdictions;

And whereas while Emergency Management BC does provide reimbursements for some of the operational costs associated with the service, not all costs are recoverable, and none of the capital costs are covered, leaving the communities or the societies to subsidize the service as well as to pay for capital equipment at a large cost to the communities’ taxpayers/societies:
Therefore be it resolved that the provincial government be asked to review how road rescue services are funded, particularly the capital costs for vehicles and equipment, and that the provincial government be asked to initiate a better funding arrangement for the operational expenses of the service and the larger capital costs associated with purchase of vehicles and equipment in order that smaller communities and societies can continue to provide this valuable service.

*On motion, was Endorsed*

**B16  Direct Sharing of Proceeds of Crime**  
*Chase*

Whereas some crimes perpetrated in communities have direct monetary and social effects on the communities in which the crimes occur;

And whereas, when confiscated, profits from various crimes and proceeds from associated forfeited property must all be remitted to the provincial government:

Therefore be it resolved that the provincial government once again be asked to consider expanding the legislation governing proceeds of crime to allow local governments to share directly in some of the proceeds from those crimes which have direct monetary and social impacts on communities.

*On motion, was Endorsed*

**B17  Library Funding as a Dedicated Line Item**  
*Sunshine Coast RD*

Whereas resolution 2012-B71 ‘Reinstatement of Dedicated Line Item Library Funding in BC’ was endorsed by the UBCM membership;

And whereas the inclusion of the provincial library budget in the overall budget for Ministry of Education programs continues to result in hardship and lack of security for BC’s public libraries:

Therefore be it resolved that the UBCM re-affirm support for reinstating library funding as a separate line item in the provincial budget.

*On motion, was Endorsed*

**B18  Unconditional Grants**  
*Prince Rupert*

Whereas many grants are very restrictive in their nature which limits the ability of local governments to use the money to service the best needs of their citizens and cause inappropriate allocation of scarce local resources:

Therefore be it resolved that grant requirements be more flexible to allow for local governments to determine how the money would best be used to meet the needs of their population.

*On motion, was Endorsed*

**B19  Flexible Matching Grants**  
*Prince Rupert*

Whereas most federal and provincial grant programs require from one-third to one-half matching funds in order to qualify for grant funding programs;

And whereas many local governments are struggling with overwhelming infrastructure needs and lack of adequate revenue to address those needs, including the amount of money required to match funds to apply for these grants:

Therefore be it resolved that UBCM request the provincial and federal governments to provide other options for communities to take advantage of these grants including forgivable loans, the ability to pay the matching portion over a number of years, lower levels for matching (i.e. one-tenth for smaller local governments), and/or providing grants that do not require matching funding.

*On motion, was Endorsed*
B20 Protection of Small Community Grants

Chetwynd

Whereas local governments provide important and vital services to the residents of British Columbia;

And whereas small communities have come to rely on provincial revenues, in the form of ‘Unconditional’ or ‘Small Community Protection’ grants (also known as ‘Community Strategic Investment’ grants), in order to support their ability to provide such services to the residents of this province;

And whereas the Government of Canada has just recently recognized the true importance and value of strategic, predictable and long term investments in local government infrastructure to Canada:

Therefore be it resolved that UBCM encourage the Government of British Columbia to commit to ensuring stable, predictable and sustainable funding for small communities in British Columbia to ensure adequate revenue resources for these communities to allow them to continue to provide essential infrastructure and local government services to the residents and businesses of their respective communities and to the Province of British Columbia as a whole.

On motion, was Endorsed

B21 Invasive Species – Quagga & Zebra Mussels

Osoyoos

Whereas aquatic invasive species pose a significant and growing threat to British Columbia’s and Canada’s freshwater and marine ecosystems with devastating consequences to multiple economic sectors in both BC and Canada;

And whereas Zebra and Quagga mussels in particular are an invasive species that if introduced into BC waters they are known to create toxic algae blooms, ruin beaches with sharp shells, destroy boat motors, foul water intakes and outfalls, put the ecology of the water at risk – including its fishery – and could cost the Okanagan alone more than $43 million a year just to manage;

And whereas Zebra and Quagga mussels have been found in thirty-three (33) states in the United States of America and are currently in the Great Lakes in Ontario and Quebec and in October, 2012 were found in Lake Winnipeg, Manitoba and there is as yet no proven method to eradicate the mussels once they are found in a body of water;

And whereas British Columbia has legislation in the Controlled Alien Species Regulations that provides fines and imprisonment for possession, breeding, transporting, releasing or allowing to be released or escape into BC waters but has no inspection stations to check or decontaminate boats and trailers that might be carrying these mussels; and since it is the jurisdiction of the federal government to regulate or ban the importation of these mussels and it does not currently have regulations in place to make it possible for Canadian Border Services Agency staff to inspect or stop contaminated boats from entering Canada from the United States:

Therefore be it resolved that UBCM call upon the provincial government to provide the Ministry of Environment additional and sufficient financial and human resources to undertake boat inspections at interprovincial points of entry and within the province;

And be it further resolved that UBCM call upon the provincial government to urge the federal government to pass its pending regulations under the federal Fisheries Act to prevent the introduction of aquatic invasive species into Canadian waters and to control and manage their establishment and spread once introduced, as soon as possible and that the provincial government offer its cooperation to partner with CBSA to ensure appropriate inspection and enforcement at international border crossings in the province.

On motion, was Endorsed

B22 Japanese Knotweed Management Plan

Sunshine Coast RD

Whereas Japanese Knotweed is an invasive plant which is spread by both cutting and digging and is therefore proliferating at an alarming rate on public roadways;

And whereas Japanese Knotweed causes erosion, damages infrastructure and compromises motorist and cyclist visibility;

And whereas local governments lack the jurisdiction and resources to manage invasive species on Crown land and provincial road rights-of-way:
Therefore be it resolved that UBCM work with the Ministry of Environment and Ministry of Transportation and Infrastructure to recognize the emergency nature of this invasive plant and adequately plan for and resource its removal from provincial roadways.

*On motion, was Endorsed*

**B23 Derelict Vessels**

Squamish

Whereas in 2012 UBCM endorsed a resolution to call upon the federal and provincial governments to implement a derelict vessel removal program modeled after the Washington State program and to designate the Canadian Coast Guard as the receiver of wrecked vessels in the case of every abandoned or derelict vessel in the waters of coastal British Columbia;

And whereas the District of Squamish and other coastal communities continue to have issues with derelict vessels that are causing harm to the coastal marine environment:

Therefore be it resolved that the Union of British Columbia Municipalities strongly encourage the federal and provincial governments to immediately implement a derelict vessel removal program modeled after the Washington State program, and to designate the Canadian Coast Guard as the receiver of wrecked vessels in the case of every abandoned or derelict vessel in the waters of coastal British Columbia.

*On motion, was Endorsed*

**B24 Multi-Material BC**

SILGA Executive

Whereas stakeholders have indicated issues have not been resolved with Multi-Material BC implementation;

Therefore be it resolved that UBCM request the Province ensure full and robust consultation in the implementation of Multi-Material BC to ensure financial fairness to our constituents and maximize diversion rates.

*On motion, was Endorsed*

**B25 Environmental Assessment Review Process**

Sunshine Coast RD

Whereas the guiding principles of the BC Environmental Assessment Office (EAO) include a commitment to undertaking objective environmental assessments, giving full and fair consideration to all interests, and to providing opportunities for all interested parties to participate in the environmental assessment process;

And whereas the allocated 30-day public consultation period is not adequate for meaningful public consideration and comment on projects under review, nor does it provide opportunities for public comment on the EAO’s report before a Ministerial decision is made public:

Therefore be it resolved that UBCM urge the provincial government to revise the Environmental Assessment Process to increase opportunities for public engagement by providing a longer public consultation period and by making the EAO’s report available for public comment prior to announcing the Ministerial decision.

*On motion, was Endorsed*

**B26 Greenhouse Gas Emissions**

Okanagan-Similkameen RD

Whereas a lack of funding has made it increasingly difficult for local governments to meet targets for reducing greenhouse gas emissions (GHGs);

And whereas provincial and federal governments appear to be withdrawing from their commitment to reduce CO2 and CH4 emissions on a national scale:

Therefore be it resolved that UBCM request that provincial and federal governments renew their commitment to meeting GHG reduction targets;
And be it further resolved that renewed funding be provided to local governments to ensure that climate action plans and projects continue to be implemented.

On motion, was Endorsed

B27  Implementation of Nearly Net-zero Building Regulations  Powell River City

Whereas the Province of British Columbia has signed the Pacific Coast Action Plan on Climate Change and Energy, committing to “Transform the market for energy efficiency and lead the way to “net-zero” buildings;

And whereas communities in British Columbia have set climate action targets in order to comply with Climate Action Charter requirements that will require significant gains from the building sector in terms of greenhouse gas emissions targets and are now developing a broad suite of mechanisms to achieve high levels of building energy performance;

Therefore be it resolved that the Province of British Columbia draft a plan to get to “Nearly Net-Zero” buildings with an implementation timeline, suggested incremental improvements to the BC Building Code and an opt-in regulation for local governments.

On motion, was Endorsed

B28  Provincial Energy Efficiency Programs  Nanaimo RD

Whereas the Government of BC has discontinued the successful LiveSmart BC residential efficiency incentive program, shifting support to product based incentives offered through major utilities;

And whereas this program shift results in the loss of funding for comprehensive actions recommended through home energy assessments, and a reduced understanding of the overall energy performance of a home:

Therefore be it resolved that UBCM request the Province ensure incentives remain available for comprehensive actions to address overall residential energy efficiency, including incentives for home energy assessments and post-retrofit evaluations.

On motion, was Endorsed

B29  Agriculture Funding in BC  Cowichan Valley RD

Whereas provincial funding for agriculture in British Columbia as a percentage of agriculture Gross Domestic Product (GDP) is the lowest in Canada;

And whereas it is imperative that BC farmers obtain the financial support necessary to sustain their industry:

Therefore be it resolved that UBCM request the provincial government raise agriculture funding in British Columbia to the national average.

On motion, was Endorsed

B30  Liquefied Natural Gas Projects  Skeena-Queen Charlotte RD

Whereas the Province is actively supporting the development of liquefied natural gas (LNG) as British Columbia’s future economic driver;

And whereas multiple proposals and applications for LNG and other large scale industrial projects are creating a drain on the limited resources of many small communities and regional districts:

Therefore be it resolved that UBCM urge the provincial government to develop an LNG plan to provide immediate and meaningful assistance to local governments in British Columbia that have limited staffing capacity and resources to deal with the demands and challenges associated with major industrial project development.

On motion, with amendment as recommended, was Endorsed
B31  Trades & Technology Skills Training  Delta

Whereas there is expected to be a significant growth in job opportunities in British Columbia in the next decade, with a specific demand for trades and technology occupations;

And whereas the provincial government has implemented a 10-year action plan for skills training for youth and older workers seeking to retrain;

And whereas the 2014 provincial budget included no additional funding for skills training:

Therefore be it resolved that the provincial government be requested to provide a funding commitment to enhance and improve training facilities and expand opportunities for youth training in trades and technology.

On motion, was Endorsed

B32  Geothermal Power  Valemount

Whereas geothermal power has the potential to supply clean and sustainable power and heat, reduce the cost of power transmission for BC Hydro, strengthen the power grid by supplying consistent baseload power without transmission line outages and increase the standard of living in remote communities;

And whereas electricity required for new industries, including proposed pipelines, require firm baseload power resulting in greater loads on the existing transmission system; possibly requiring new diesel generation even as renewable power options are being dismissed;

And whereas BC Hydro has removed geothermal power production from its latest Integrated Resource Plan while every other developed nation on the Pacific Ring of Fire uses geothermal to generate electricity;

And whereas inadequacies in the province’s geothermal permitting and leasing process have failed to produce a single operating geothermal power plant:

Therefore be it resolved that the provincial government support development of geothermal power in British Columbia, by addressing deficiencies in the province’s geothermal permitting and leasing process, by encouraging GeoScienceBC to survey provincial heat resources, by including geothermal as a resource option in BC Hydro’s Integrated Resource Plan, and by working with BC Hydro to facilitate interconnection and a payment structure that promotes geothermal power.

On motion, was Endorsed

B33  Anti-idling  Cariboo RD

Whereas vehicle emissions create a public health risk of chronic diseases including cancer as well as cardiovascular and respiratory diseases;

And whereas Idle Free BC supports efforts to reduce unnecessary vehicle idling:

Therefore be it resolved that UBCM request the provincial government to increase the focus on health risks in the Idle Free BC initiative and to increase efforts to raise public awareness of this campaign.

On motion, was Endorsed

B34  Concurrent Disorders & Chronic Offenders  Delta

Whereas many chronic offenders suffer from both mental health and addiction issues (concurrent disorders);

And whereas the corrections system is not equipped to deal with people who have concurrent disorders which result in criminal activity;

And whereas chronic offenders suffering from concurrent disorders are repeatedly involved with the criminal justice system with little or no chance of rehabilitation:
Therefore be it resolved that the provincial government be requested to develop a long-term, multi-faceted strategy to help people suffering from concurrent disorders to avoid becoming chronic offenders, including integrated health and psychiatric care, criminal justice reform, and access to affordable housing.

On motion, was Endorsed

B35 Regional Hospital District Capital Funding Fraser-Fort George RD

Whereas provincial funding for capital equipment and projects for hospitals and health facilities has been on decline despite urgent needs for facility upgrades and equipment repairs;

And whereas regional hospital districts and local tax payers cannot be expected to increase their funding contributions to address critical gap;

Therefore be it resolved that the provincial government properly fund the operating and equipping of hospitals and health facilities in British Columbia.

On motion, was Endorsed

B36 Insurance Corporation of British Columbia & Fire Insurance Central Kootenay RD

Whereas the Union of BC Municipalities endorsed resolution 2013-B141 – a resolution to allow the Insurance Corporation of BC to issue house insurance;

And whereas there is a need to progress quickly with implementation of the resolution:

Therefore be it resolved that UBCM urge the Province to allow ICBC to offer house insurance and to implement as soon as possible.

On motion, was Endorsed

B37 Inter-governmental Communication West Kelowna

Whereas effective local government decision-making requires substantial knowledge of provincial plans and activities;

And whereas local governments sometimes encounter difficulties acquiring this knowledge from provincial ministries therefore being required to use methods such as Freedom of Information requests:

Therefore be it resolved that UBCM urge the provincial government to review its communication policy and procedures with a view to fostering a timelier and more cooperative partnership with local governments.

On motion, was Endorsed

B38 Domestic Natural Gas Supply Peace River RD

Whereas the singular energy policy direction of the Province of British Columbia is to export natural gas in significant volumes;

And whereas Australia has already focused on the export of natural gas to the detriment of their domestic, business, manufacturing and institutional communities:

Therefore be it resolved that the Premier develop priority policies to ensure that the domestic supply for citizens, business, manufacturing and institutional needs will remain readily accessible and priced to be affordable.

On motion, was Endorsed
B39  $10/day Child Care  Williams Lake

Whereas the current lack of adequate, qualified and affordable daycare for working families in BC is hindering economic growth, job opportunities for workers and a child's well-being;

And whereas in 2012 the Union of BC Municipalities endorsed the Community Plan for a Public System of Integrated Early Care and Learning in BC which provides a framework for early childhood services so that children, families, communities and our economy are served by a high quality, universal, democratic and accountable system of early care and learning:

Therefore be it resolved that UBCM advocate the Province of BC for the implementation of the Community Plan for a Public System of Integrated Early Care and Learning and call for action to begin steps toward implementing a $10/Day Childcare Program for BC.

On motion, was Endorsed

B40  Child Poverty  Delta

Whereas British Columbia has the highest child poverty rate in Canada, with one in five children living in poverty;

And whereas British Columbia's child poverty rate has been higher than the Canadian average since 1999, and the highest of all provinces most years in the last decade:

Therefore be it resolved that the provincial government be requested to adopt a comprehensive poverty reduction plan with legislated targets and timelines, and a goal to eradicate child poverty in British Columbia by 2020.

On motion, was Endorsed

B41  Poverty Reduction  Prince Rupert

Whereas the Province of British Columbia is one of only two provinces in all of Canada that does not have a Poverty Reduction Plan;

And whereas there is a need for such a plan to help support those who suffer from poverty in our province, in particular children and seniors:

Therefore be it resolved that UBCM request the provincial government to create and implement a Poverty Reduction Plan, as well as set aside the resources to support this plan.

On motion, was Endorsed

B42  Rental Subsidies for Low Income Households  Kitimat

Whereas the District of Kitimat is concerned that the current economy has resulted in high rental rates and has affected the ability of residents on low and fixed incomes to acquire housing in Kitimat and throughout the region;

And whereas access to safe, affordable housing is a requirement to create healthy communities:

Therefore be it resolved that UBCM call on the provincial government to increase BC Housing rental subsidies for low-income households in communities affected by industrial development.

On motion, with amendment as recommended, was Endorsed

B43  Affordable Housing  Terrace

Whereas the lack of affordable and/or co-operative housing in northern communities is having a deleterious effect on local economies and the quality of life for many British Columbians;

And whereas affordable housing is essential to support vibrant and healthy communities, and will continue to be required:
Therefore be it resolved that UBCM advocate to the provincial government to increase the number of new affordable housing units constructed in British Columbia as soon as possible.

On motion, with amendment as recommended, was Endorsed

B44  Rental Assistance for Housing Cooperatives

Whereas non-profit cooperative housing provides valuable mixed income housing for a range of households, with low-income cooperative members benefiting from rent subsidies geared to income assistance;

And whereas in the next twenty years operating agreements with over 180 cooperative housing providers will expire, affecting almost 11,000 units in Metro Vancouver and more than 14,500 units across the province; in the short term, by 2017, rent-geared-to-income subsidies for low-income members will cease for one-quarter of housing cooperatives in BC:

Therefore be it resolved that local governments throughout British Columbia urge the federal and provincial governments to work together to reduce the uncertainty for vulnerable members of housing cooperatives by ensuring that long-term, cost-shared rental assistance programs are in place as federal cooperative housing agreements expire.

On motion, was Endorsed

B45  Seniors’ Housing

Whereas the lack of appropriate affordable housing, particularly in small rural BC communities makes it difficult for seniors and those with special needs to age in place;

And whereas access to safe, affordable and appropriate housing helps to create vibrant, sustainable communities:

Therefore be it resolved that UBCM urge the provincial and federal governments to work with community partners to develop solutions to the lack of seniors’ housing and to provide the necessary long-term funding to support the construction of a full range of affordable seniors’ housing choices across British Columbia.

On motion, was Endorsed

B46  Development of a New Long Term Federal Plan to Fix Canada’s Housing Crunch

Whereas a stable and secure housing system that creates and maintains jobs and allows for a range of living options is essential to attracting new workers, meeting the needs of young families and supporting seniors and our most vulnerable citizens;

And whereas the high cost of housing is the most urgent financial issue facing Canadians with one in four people paying more than they can afford for housing, and mortgage debt held by Canadians now standing at just over $1.1 trillion;

And whereas housing costs and, as the Bank of Canada notes, household debt, are undermining Canadians’ personal financial security, while putting our national economy at risk;

And whereas those who cannot afford to purchase a home rely on the short supply of rental units, which is driving up rental costs and making it hard to house workers in regions experiencing strong economic activity;

And whereas an inadequate supply of subsidized housing for those in need is pushing some of the most vulnerable Canadians on to the street, while $1.7 billion annually in federal investments in social housing have begun to expire;

And whereas coordinated action is required to prevent housing issues from being offloaded onto local governments and align the steps local governments have already taken with regard to federal/provincial/territorial programs and policies;

And whereas the Federation of Canadian Municipalities (FCM) has launched a housing campaign, “Fixing Canada’s Housing Crunch,” calling on the federal government to increase housing options for Canadians and to work with all orders of government to develop a long-term plan for Canada’s housing future;
And whereas FCM has asked its member municipalities to pass a council resolution supporting the campaign;

And whereas BC local governments have continuing housing needs to support a diverse range of residents to access affordable and appropriate housing choices, such as specialized subsidized rental with supports, affordable rental, and entry level homeownership, that can only be met through the kind of long-term planning and investment made possible by federal leadership:

Therefore be it resolved that UBCM endorse the FCM housing campaign and urge the minister of employment and social development to develop a long-term plan for housing that puts core investments on solid ground, increases predictability, protects Canadians from the planned expiry of $1.7 billion in social housing agreements and ensures a healthy stock of affordable rental housing for Canadians.

On motion, was Endorsed

B47  Suspension of Canada Post Home Delivery Service  Burnaby

Whereas local governments have a direct interest in the security and stability of Canada’s postal system, both in terms of municipal corporate operations and services available to citizens;

And whereas the service delivery changes would directly impact local governments, including in relation to land-use policy, requirements for municipal land and rights-of-ways, infrastructure for paving, lighting, and waste management, and public safety considerations:

Therefore be it resolved that UBCM call on the federal government and Canada Post, through the Federation of Canadian Municipalities and other avenues as appropriate, to suspend the Canada Post delivery changes until a sustained, substantive consultation process with local governments and the public is completed and identified issues are addressed.

On motion, was Endorsed

Chair Kaehn then commenced consideration of the resolutions that had been removed from the Section B – Part 1 block for individual consideration.

B2  Breach of Closed Meeting Confidentiality  Nanaimo City

Whereas all duly elected council and regional district board members swear an Oath of Office to uphold important ethical standards in compliance with the Community Charter and Local Government Act;

And whereas it is incumbent upon each council and board member to maintain absolute confidentiality in all matters discussed during a closed meeting and to protect the confidentiality of documents under section 117 of the Community Charter:

Therefore be it resolved that the Community Charter and Local Government Act be amended to provide that a council or board member who breaches the confidentiality obligations under section 117 of the Community Charter will be subject to disqualification from office in the same manner as if they have a pecuniary interest in a matter in respect of which they participate in the debate and voting.

On motion, was Not Endorsed

B7  Licenses Issued Under Medical Marijuana Access Regulations  Abbotsford

Whereas the City of Abbotsford and other local governments, and their residents are concerned about public safety regarding marijuana grow operations licenced under Medical Marijuana Access Regulations, certified by Health Canada, in operation within the boundaries of local governments;

And whereas Health Canada, as the regulator of grow operations licenced under Medical Marijuana Access Regulations, and who is responsible to for regular monitoring and enforcement of Health Canada Regulations to those grow operations licenced under Medical Marijuana Access Regulations to ensure compliance with its regulations, including any other conditions of specific licences as may be applicable;
And whereas Health Canada has not provided addresses of existing locations of any grow operations licenced under Medical Marijuana Access Regulations, and this absence of information makes it difficult to ensure the safety of local government residents from life, building, fire safety and police perspectives:

Therefore be it resolved that in light of the changes to Health Canada’s Medical Marijuana Access Regulations, as of April 1, 2014, that the UBCM petition Health Canada to provide addresses of all grow operations licenced under Medical Marijuana Access Regulations in all local government jurisdictions to permit these properties to be inspected to ensure safety of all residents and to bring the properties into compliance with relevant provincial and local government regulations;

And be it further resolved that the UBCM petition Health Canada to undertake ongoing and regular monitoring and enforcement of all relevant legislation and guidelines of grow operations licenced under Medical Marijuana Access Regulations to ensure compliance with regulations, including any other conditions of specific licences as may be applicable.

On motion, was Endorsed

Section B – Part 2-a Resolutions

Councillor Sav Dhaliwal assumed the Chair and commenced consideration of Section B – Part 2-a resolutions.

A motion, duly moved and seconded, that the recommendations of the Resolutions Committee for the resolutions in Section B – Part 2-a be considered as a block, was endorsed.

A motion, duly moved and seconded, that the recommendations of the Resolutions Committee for the resolutions in the Section B – Part 2-a block be adopted, was endorsed.

The resolutions were endorsed as follows:

B48  Mass Causality Medical Preparedness  Ucluelet

Whereas in the event of a major disaster, in particular a Cascadia Subduction Zone (CSZ) event (i.e., an earthquake with a magnitude 8 or greater followed by a subsequent tsunami) within BC’s southwest seismic activity zone, the system of mass causality medical emergency preparedness in the province of BC is ineffective for high risk remote communities that do not have Vancouver Island Health Authority (VIHA) hospitals and clinics;

And whereas fast and wide reaching mass causality medical strategies are necessary to save lives for communities that will potentially have no access to medical centres and/or hospitals due to catastrophic damage;

Therefore be it resolved that UBCM and the Federation of Canadian Municipalities urge the provincial and federal governments to establish a world-class Mass Causality Medical Emergency Preparedness Plan for high risk communities in BC’s seismic activity zone that do not have hospitals or clinics.

On motion, with amendment as recommended, was Endorsed

B49  Volunteer Fire Departments/Fire Underwriters Survey Classes  Fraser-Fort George RD

Whereas the Fire Underwriters Survey has a system for classifying local government fire protection services for the insurance industry to determine fire protection coverage risks and the premiums;

And whereas small community volunteer fire departments are coming under pressure to meet ever-increasing regulatory standards and criteria with respect to the delivery of structural fire protection services including the Fire Underwriters Survey classification system:

Therefore be it resolved that UBCM encourage the Fire Underwriters Survey to review its classification system with a goal to introduce new classes that recognize those small community volunteer fire departments that may not meet current minimum Fire Underwriters Survey classification criteria but still provide a meaningful benefit to the communities they serve and the insurance industry.

On motion, was Endorsed
B50  Changes to BC Ambulance Service Resource Allocations  

Whereas the Provincial Health Services Authority (PHSA) within the Ministry of Health made the unilateral decision to change service delivery for the BC Ambulance Service (BCAS) has created an unprecedented downloading of costs and risk onto local government first responders;

And whereas the October 2013 changes by BCAS to the Resource Allocation Plan (RAP) has created a negative impact on response time and patient safety:

Therefore be it resolved that the Province of BC develop an effective, well integrated, patient centred emergency response service for our citizens provided by fire and rescue services and BC Ambulance Service working together.

On motion, was Endorsed

B51  Revisions to the Residential Tenancy Act  

Whereas the Province of British Columbia has enacted the Residential Tenancy Act to provide equal grounds for resolution of issues arising between landlords and tenants and to protect the rights of both landlords and tenants;

And whereas issues that may threaten life and safety of other tenants, the property or neighbourhood, or breach of local bylaws that continue to arise with respect to landlords’ inability to deal with or evict problem tenants in a timely manner, and conversely a tenant’s ability to deal with landlords taking advantage of gaps that may exist in the provincial legislation;

And whereas a number of jurisdictions have adopted and/or support crime free multi-family housing standards which include clauses within a recommended addendum that does not address a timely adjudication period, issues a violation may have on a neighbourhood or how such violation may affect the life and safety of other tenants and/or a neighbourhood:

Therefore be it resolved that UBCM urge the Province of British Columbia to initiate a complete review of the Residential Tenancy Act in order to address gaps within the legislation which adversely impact both landlords and tenants.

On motion, was Endorsed

B52  Transport Canada Divestiture of Assets  

Whereas Transport Canada is actively working to divest essential infrastructure in remote coastal communities;

And whereas this infrastructure is vital to small communities with limited resources to assume responsibility for these assets:

Therefore be it resolved that UBCM work with FCM to ensure the federal government continues to own, operate and manage its infrastructure especially in small remote communities.

On motion, was Endorsed

B53  Centre Line & Shoulder Line Highway Marking  

Whereas there is a deterioration of line markings, missing reflectors and unmarked shoulders on many of British Columbia’s roads and highways, and the safety of motorists travelling on provincial highways, especially at night, is enhanced with clearly defined reflective centre line and shoulder line marking;

And whereas wear and tear of line marking is not solely attributed to weather, high-volume traffic, and snow-clearing equipment:

Therefore be it resolved that the BC Ministry of Transportation and Infrastructure review the effectiveness of the products used for current centre line and shoulder line marking in response to the degradation caused by weather and high-volume traffic; and that all provincial highways be adequately marked.

On motion, was Endorsed
B54  Highways in British Columbia

Stewart

Whereas rural and remote communities in British Columbia are experiencing renewed economic development;

And whereas accessing communities through established transportation routes is a vital component for fostering economic development:

Therefore be it resolved that UBCM recommend that the provincial Transportation Minister take a proactive approach and refurbish existing highways accessing rural and remote British Columbia communities.

On motion, with amendment as recommended, was Endorsed

B55  Rail Transportation Safety

Smithers

Whereas the Transportation Safety Board has recommended:

• tougher standards for Class III tank cars;
• strategic route planning and safer train operations for all trains carrying dangerous goods; and
• emergency response assistance plans along routes where large volumes of hazardous materials are being shipped:

Therefore be it resolved that UBCM request the federal government to legislate rail carriers to carry out the Transportation Safety Board’s recommendations and provide local governments with:

• timely information regarding the frequency of Class III tank cars travelling through communities carrying hazardous materials;
• emergency response plans, including estimated response times from emergency response bases to communities; and
• personnel and stockpiles of emergency equipment situated as to ensure adequate and timely responses to railcar emergencies.

On motion, was Endorsed

B56  Railway Speed Limits Within Municipal Boundaries

Vanderhoof

Whereas rail traffic continues to increase throughout the province of British Columbia;

And whereas current legislation permits rail traffic to regularly travel at unsafe speeds through municipalities:

Therefore be it resolved that Transport Canada reduce rail speed limits within municipal borders.

On motion, was Endorsed

B57  Regulation of Party Buses & Limousines

Vancouver

Whereas:

• A series of incidents, including the death last year of a Surrey teenager found dying at a gas station, have highlighted the lack of appropriate regulation for the limousine and party bus industry;
• Responsible industry operators have themselves, supported by the regional taxi industry, called on the Province to impose appropriate regulations through the Passenger Transportation Board to regulate the industry, ensuring the safety of customers; and
• The Minister of Transportation promised action last year which has not materialized:

Therefore be it resolved that the provincial government, through the Minister of Transportation, act on the recommendations of the industry and implement appropriate regulations for the limousine and party bus sector.

On motion, was Endorsed
B58  Communities in Bloom  Clinton
Whereas the Province of British Columbia is currently transferring the Provincial Communities in Bloom program from a Crown Corporation to the Ministry of Community, Sport and Cultural Development;

And whereas the Provincial Communities in Bloom Program was receiving funding from the Provincial Capital Commission in the amount of $10,000 per year, there is a concern the funding will be dropped or reduced;

And whereas the Communities in Bloom Program has been a benefit to the province and the communities who have chosen to take part:

Therefore be it resolved that UBCM request the Ministry of Community, Sport and Cultural Development to maintain or increase the funding for the Communities in Bloom Program.

On motion, was Endorsed

B59  Resource Extraction Revenue Sharing  Fort St. James
Whereas resource extraction taxation from northern British Columbia constitutes a large portion of total provincial revenues;

And whereas communities located near resource projects (such as Mount Milligan Mine) have been and will continue to be economically impacted by the development and operations of such projects;

And whereas the Province has entered into agreements for mining revenue sharing with First Nations and “Fair Share” agreements for oil and gas revenue with certain local governments in the northeast:

Therefore be it resolved that UBCM seek to engage the Province in discussions about the recommendations within the 2013 Strong Fiscal Futures Policy Paper that seeks to:

- improve the resiliency of the existing local government finance system by maintaining and building its strongest features;
- improve value to taxpayers by tightening the management of shared provincial-local mandates and ensuring that regulatory requirements imposed on local governments achieve value for money;
- advance a local government agenda to both grow the economy and to have local governments share in the benefits of that growth through an Infrastructure Development and Community Building Bank;
- work to expand local government revenue tools to make the distribution of local government costs both fairer and more responsive to economic growth; and
- building the local government partnership (i.e. developing best practices)

On motion, with amendment as recommended, was Endorsed

B60  Liquor Revenue Allocation  Victoria
Whereas the Province of BC is relaxing liquor regulations, which will increase the accessibility of alcoholic beverages;

And whereas it is expected that provincial liquor revenues will increase as a result the easier availability of alcoholic beverages;

And whereas the consumption of alcoholic beverages can have negative health and social impacts, including addiction and social disorder:

Therefore be it resolved that UBCM request the Province to allocate a portion of their liquor revenues to fund increased:

- resourcing for provincial liquor licence inspectors;
- resourcing to alcohol addiction and treatment services;
• policing of liquor licensed establishments and liquor related offences; and
• late night transit services to reduce drinking and driving offences and late night disorder.

On motion, was Endorsed

B61 Local Road Eligibility Under the New Building Canada Fund Golden

Whereas the Government of Canada has introduced the New Building Canada Fund, a nation-wide partnered infrastructure funding program for municipalities to address Canada's alarming infrastructure deficit, including $1 billion for communities under 100,000 in population as the Small Communities Fund;

And whereas because the majority of critical infrastructure renewal needs require projects addressing all three of water, wastewater, and road components together, the New Building Canada Fund’s elimination of local road applicability will jeopardize the financial ability for most small communities to undertake such infrastructure renewal projects:

Therefore be it resolved that the Union of British Columbia Municipalities petition the Province to negotiate the inclusion of local road applicability for infrastructure projects submitted by municipalities under the New Building Canada Fund’s Small Communities Fund component.

On motion, was Endorsed

B62 Derelict Vessels & Marine Environment Squamish

Whereas many vessels in the coastal marine environment fail to comply with the federal regulations regarding the discharge of effluent from marine vessels;

And whereas the sewage discharge is compromising the marine environment in coastal communities and is harmful to swimmers, boaters, fish and wildlife:

Therefore be it resolved that the Union of British Columbia Municipalities strongly encourage the federal government to actively enforce the federal environmental regulations with respect to discharge of sewage in the coastal marine environment.

On motion, was Endorsed

B63 Water Pricing Principles Sunshine Coast RD

Whereas the Province of BC has introduced new water pricing principles as part of the Water Sustainability Act which will increase the annual rental costs for the waterworks licenses held by local governments;

And whereas the Water Pricing Strategy is tantamount to downloading the costs of the implementation of the Water Sustainability Act:

Therefore be it resolved that UBCM encourage the Province to ensure local government water purveyors are not subjected to increased costs for waterworks licenses.

On motion, was Endorsed

B64 Local Improvement Charge for Energy Efficiency Retrofits North Cowichan

Whereas energy efficiency and renewable energy retrofits in existing buildings offer the best opportunities to reduce community energy use and greenhouse gas emissions in the medium and short term;

And whereas a lack of suitable financing options are a key barrier to residential and commercial building energy efficiency and renewable energy retrofits:
Therefore be it resolved that the Province:

- Amend the BC Community Charter, the City of Vancouver Charter and other legislation as required to enable local governments to use local improvement financing mechanisms for energy efficiency and renewable energy improvements on residential and commercial private properties in BC.
- Work together with BC local governments and energy utilities to develop standards and guidelines for effective municipally-run residential and commercial energy retrofit financing programs.

On motion, was Endorsed

B65  Provincial Woodstove Program  Nanaimo RD

Whereas the Provincial Wood Stove Exchange Program is a successful locally delivered program that improves air quality province-wide; supports local, renewable and affordable wood-fuel use; and stimulates small business activity in participating communities;

And whereas the ability of local governments to plan and deliver the Program efficiently and effectively to local residents and small businesses is negatively impacted by uncertainty in the availability and timing of funding:

Therefore be it resolved that UBCM request the Province consider providing stable funding to support the Woodstove Exchange Program for a five year period beginning in 2014.

On motion, was Endorsed

B66  Aerodrome Placement  Central Kootenay RD

Whereas under current aviation regulation communities and local government have inadequate opportunities for input into the establishment and placement of airports, aerodromes and helicopter pads in built up areas and residential rural areas:

Therefore be it resolved that UBCM work with the Federation of Canadian Municipalities to have input into Transport Canada’s Canadian Aviation Regulation Advisory Council Modernization Project to address the noise, traffic, emergency management and loss of property values that result from such installations;

And be it further resolved that UBCM request Transport Canada’s approval process for the location of commercial aerodromes include a proactive public consultation process to weigh public and financial impact of locating new commercial and private airports, aerodromes and helicopter pads and hangars.

On motion, was Endorsed

B67  Industry Resource Benefit  Hudson’s Hope

Whereas BC resources such as water and natural gas may be transported over long distances through pipelines;

And whereas BC residents are frequently unable to access the resource being transported through their area in those pipelines:

Therefore be it resolved that UBCM work with the Province to develop a system that enables BC residents to cost-effectively access resources which are being transported through their area.

On motion, was Endorsed

B68  Progress Report on Regional District Governance  Nelson

Whereas the Province of British Columbia in cooperation with UBCM has been refining the Community Charter to improve the function of local government:

Therefore be it resolved that the Province of British Columbia provide a progress report and evaluation of the recommendations from the 2010 Regional District Task Force Report and conduct a review of the current regional district governance structure with
the intention to continue to improve the relationship between municipalities and regional districts in British Columbia.

On motion, was Endorsed

B69 National Dementia Strategy

Whereas Alzheimer’s disease and other dementias are progressive, degenerative diseases of the brain that cause thinking and memory to become seriously impaired;

And whereas Alzheimer’s disease and other dementias most often occur in people over the age of 65 but can strike adults at any age;

And whereas Alzheimer’s disease and other dementias affect more than 500,000 Canadians currently and that this figure is projected to reach 1.1 million within a generation;

And whereas Alzheimer’s disease and other dementias also takes their toll on hundreds of thousands of families and care partners;

And whereas an estimated further three million Canadians face the burden and challenges of providing care for those suffering with Alzheimer’s disease and other dementias;

And whereas there is no known cause or cure for this devastating illness;

And whereas the cost related to the health care system is in the billions and only going to increase, at a time when our health care system is already facing enormous financial challenges;

And whereas Canada, unlike many countries, does not have a national dementia strategy;

And whereas there is an urgent need to plan and raise awareness and understanding about Alzheimer’s disease and other dementias for the sake of improving the quality of life of the people it touches;

And whereas MP Claude Gravelle, Nickel Belt, has introduced Bill C-356 – An Act Respecting a National Strategy for Dementia, as he works for broad, all party and non-partisan support for an issue that touches us all, and his legislation calls for a national plan that includes the development of strategies in primary health care, in health promotion and prevention of illness, in community development, in building community capacity and care partner engagement, investments in research and other (advisory board, objectives, investment in research, and caregivers and more):

Therefore be it resolved that all levels of government and the Federation of Municipalities adopt a national dementia strategy, and urge all citizens of our communities to become more aware and engaged concerning the far-reaching effects of this devastating disease.

On motion, was Endorsed

B70 Sobering & Assessment Centres

Whereas there is significant concern for the well-being and safety of individuals who are under the influence or acutely intoxicated on the street or in police custody, there is recognition that first responders and emergency services lack the capacity to safely support these individuals during times of acute intoxication;

And whereas the number of calls for service for individuals who are acutely intoxicated places a heavy burden on first responder and emergency services and without the necessary resources first responders are left with very few options to ensure the safety of these individuals;

Therefore be it resolved that the provincial government provide resources to establish sobering and assessment centres at key locations that are identified by first responders and regional health authorities across the province.

On motion, was Endorsed
B71  Assertive Community Treatment Teams  Maple Ridge

Whereas Assertive Community Treatment (ACT) Teams provide community based support for adults with serious and persistent mental illness and significant functional impairments who have not connected with, or responded well to, traditional outpatient mental health care and rehabilitation services; thereby greatly improving their quality of life, overall functioning and housing stability;

And whereas the intervention of ACT Teams decreases visits to the local emergency department, stays in hospitals and reduces contacts with police and correction services currently a great demand on local government resources:

Therefore be it resolved that the provincial government provide additional funding to health authorities to provide ACT Teams in local governments across the province where the impact on resources and citizens warrants this type of intervention.

On motion, was Endorsed

B72  Access to Natural Gas  Peace River RD

Whereas we are aware there is an abundance of natural gas in BC;

And whereas there are many residents and businesses who, for economic, health and environmental reasons, are requesting access to our resource;

And whereas the people need to require the British Columbia Utilities Commission to examine the natural gas extension test and connection policies in order to provide a more reasonable Utility System Extension Test:

Therefore be it resolved that the Province of BC, through the British Columbia Utilities Commission and in consultation with the Union of British Columbia Municipalities, review natural gas extension policies such that more residents and business throughout British Columbia can take advantage of the economic and environmental benefits of natural gas.

On motion, was Endorsed

Section B – Part 2-b Resolutions

Councillor Dhaliwal then commenced consideration of Section B – Part 2-b resolutions.

B73  BC Ambulance Service as an Essential Service  Kitimat-Stikine RD

Whereas the current model for providing ambulance service throughout BC is not working in rural communities, resulting in BC Ambulance Service having numerous out of service shifts in rural communities and patients not being able to receive timely, essential health care;

And whereas recruiting initiatives in rural communities have produced only short term results due to unsustainable wages paid to call-out attendants:

Therefore be it resolved that UBCM request that the provincial government recognize BC Ambulance Service as an essential service and establish a new model for rural communities that would ensure full time ambulance coverage and timely access to health care.

On motion, was Endorsed

B74  Community Specific First Responder Agreements  Taylor

Whereas local governments that choose to provide additional pre-hospital care to their citizens, through the First Responder Program, must sign an agreement to follow a model that is used province-wide, from metropolitan areas to the most rural parts of the province, and which may not address their individual needs or circumstances;

And whereas collaborative pilot projects have proven successful in both addressing the needs and capacities of individual communities as well as being beneficial to the care of the citizens of British Columbia:
Therefore be it resolved that the UBCM request the provincial government, through BC Emergency Health Services, enter into dialogue with individual local governments and tailor agreements for pre-hospital care to the specific needs and abilities of individual communities.

On motion, was Not Endorsed

B75  Province as Diking Authority

Whereas the Province of British Columbia has designated municipalities as diking authorities, and established a wide range of authoritative powers over them including requirements to fully administer and resource ongoing dike maintenance, flood protection planning, monitoring, inspection, reporting, and other associated work as well as to substantively fund disaster prevention and relief initiatives;

And whereas notwithstanding s. 2(b) of the Community Charter, the administrative and financial resources required to undertake these responsibilities are an increasingly unsustainable burden to small communities:

Therefore be it resolved that the Province of British Columbia be re-established as the diking authority in municipalities less than 20,000 in population and in rural electoral areas.

On motion, was Endorsed

B76  Flood Mitigation Central

Whereas sections 7 and 8 of the Emergency Program Act grant the Minister, and the pertinent local authority, the power to act where an emergency is “imminent” or “threatens;” section 10 grants the Minister the power to act “to prevent;” and section 10(k) specifically grants the power to “construct works” ... “to prevent;”

And whereas a local authority has the same powers as those granted to the Minister in accordance with section 13(1)(c):

Therefore be it resolved that UBCM ask the said Minister to authorize payment of up to fifty per cent (50%) of the cost to “construct works” approved “to prevent” “imminent” and/or threats of “disasters.”

On motion, was Endorsed

B77  BC Building Code Changes

Whereas the BC Building Code fire department response time of ten minutes is an unrealistic expectation to impose on municipalities with paid on-call fire departments;

And whereas the new unprotected opening and sprinklering requirements for fire department response times of greater than ten minutes significantly impacts the affordability of homes and imposes unrealistic costs and potential safety risks for municipalities required to upgrade to larger water connections for sprinklering:

Therefore be it resolved that the BC Building Code be amended allowing municipalities with paid on-call fire departments a fire department response time of fifteen minutes.

On motion, was Endorsed

B78  Equal Standards for Federal & Provincial Building Codes

Whereas the provincial government building codes are to a higher standard than the Federal building codes;

And whereas there is concern this discrepancy can impact health and safety:

Therefore be it resolved that UBCM work with the Federation of Canadian Municipalities to bring the federal building code to a standard which equals the provincial standards.

On motion, was Endorsed
Whereas fire kills eight individuals in Canada every week, residential property fires account for 40% of all fires, and 73% of all fire deaths occur in residential properties;

And whereas automatic fire sprinkler technology exists, which is proven to be effective, reliable and affordable (approximately 94 cents per square foot for residential construction), that will virtually eliminate fire deaths in residential properties thereby enhancing the safety of first responders including firefighters, paramedics, police and the public:

Therefore be it resolved that UBCM request that the British Columbia provincial government enact legislation to require automatic fire sprinklers be installed in every new occupancy where individuals will sleep through its 2015 BC Building Code.

On motion, was Endorsed

Whereas many communities in Canada are home to older wood frame multi-family dwellings;

And whereas these buildings provide a large inventory of affordable housing in our communities;

And whereas many of these buildings were constructed prior to the mandatory implementation of fire suppressing sprinkling systems:

Therefore be it resolved that UBCM and the Federation of Canadian Municipalities work with senior levels of government in an effort to have infrastructure funding made available to building owners, including care facilities, so that these buildings can be retrofitted with sprinkling systems;

And be it further resolved that this be accomplished with minimal impact to the residents.

On motion, was Endorsed

At 11:55 a.m., Mayor Mary Sjostrom, Chair of the Nominating Committee, called for nominations from the floor for Table Officer positions in addition to those already placed in nomination. Those nominated at the close of the nominations for Table Officer positions were:

For President: Councilor Sav Dhaliwal, City of Burnaby
First Vice-President: Director Al Richmond, Cariboo Regional District
For Second Vice-President: Councilor Claire Moglove, City of Campbell River
For Third Vice-President: Councilor Murry Krause, City of Prince George

At the conclusion of nominations, Mayor Sjostrom declared the positions of President, First Vice-President, Second Vice-President and Third Vice-President elected by acclamation.

The Convention adjourned for lunch at 12:00 p.m. All Area Associations hosted lunches during this period.

The Convention re-convened at 1:45 p.m.

Address by Mayor Brad Woodside, FCM President

At 1:45 p.m., UBCM President, Director Rhona Martin, introduced Mayor Brad Woodside, President of the Federation of Canadian Municipalities, who spoke to the assembly about current FCM activities. Director Martin thanked Mayor Woodside. The FCM President’s address is annexed to these Minutes as Appendix B.
Address by the Honourable Coralee Oakes, Minister of Community, Sport and Cultural Development

At 2:00 p.m., UBCM President, Director Rhona Martin, introduced the Minister of Community, Sport & Cultural Development, The Honourable Coralee Oakes and invited the Minister to address the Convention. The Minister’s address is annexed to these Minutes as Appendix C. Councillor Sav Dhaliwal thanked the Minister.

Cabinet Panels

At 3:00 p.m. the following concurrent panels were held:

Panel on Strong Economy and Jobs
Honourable Mike de Jong, Minister of Finance
Honourable Teresa Wat, Minister of International Trade, Responsible for the Asia Pacific Strategy and Multiculturalism
Honourable Naomi Yamamoto, Minister of State for Tourism and Small Business
Honourable Todd Stone, Minister of Transportation and Infrastructure
Honourable Shirley Bond, Minister of Jobs, Tourism and Skills Training, Responsible for Labour
Honourable Amrik Virk, Minister of Advanced Education
Honourable Andrew Wilkinson, Minister of Technology, Innovation and Citizens’ Services

Panel on Strong Communities
Honourable Terry Lake, Minister of Health
Honourable Stephanie Cadieux, Minister of Children and Family Development
Honourable Don McRae, Minister of Social Development and Social Innovation
Honourable Peter Fassbender, Minister of Education
Honourable Coralee Oakes, Minister of Community, Sport and Cultural Development
Honourable Suzanne Anton, Attorney General and Minister of Justice

Panel on Responsible Resource Development
Honourable Norm Letnick, Minister of Agriculture
Honourable Steve Thomson, Minister of Forests, Lands and Natural Resource Operations
Honourable John Rustad, Minister of Aboriginal Relations and Reconciliation
Honourable Rich Coleman, Minister of Natural Gas Development, Responsible for Housing
Honourable Mary Polak, Minister of Environment

Presentation of 2014 Climate & Energy Action Awards

At 4:15 p.m., MLA Linda Reimer assisted with the presentation of the 2014 Energy and Climate Action Awards sponsored by the Community Energy Association.

Open for Business Awards

The Honourable Naomi Yamamoto, Minister of State for Tourism and Small Business and the Honourable Coralee Oakes, Minister of Community, Sport and Cultural Development presented the Open for Business Awards at 4:30 p.m. in the Garibaldi Room, Whistler Conference Centre. The Awards recognize local policies, projects and programs that support small business. The 2014 recipients received $10,000 to fund a local, small-business friendly program that aligns with the principles of the BC Small Business Accord: Grand Forks, Kelowna, City of Langley, Parksville, Port Coquitlam, Salmon Arm, Smithers, Surrey and Vernon.

FCM Workshop: Federal Election 2015 – Amplifying the Municipal Message

Councillor Sav Dhaliwal chaired the workshop on the upcoming 2015 federal election, and the Federation of Canadian Municipalities’ election strategy. Councillor Raymond Louie from the City of Vancouver facilitated a discussion on election readiness, and solicited feedback from delegates in an effort to inform the FCM election strategy.

The Convention adjourned at 5:30 p.m.
Thursday Clinics
On Thursday, September 25, 2014 the Convention commenced at 7:30 a.m. with the following clinics:

- BC’s Log Export Policy: Review Needed?
- Creating Supportive Communities for People with Dementia
- Investing in Green Energy without Getting Burned
- Rail Safety: A Partnership Model
- War Stories from Rural BC – How a Small Town Kept Their Hospital Open

Community Excellence Awards
Winners received their awards at a special awards breakfast, held on Thursday, September 25, 2014. Winners of the 2014 Community Excellence Awards were:

Best Practices, Operations

Winner: City of Surrey, Erosion and Sediment Control Permit – On-line Reporting and Inspection Management

Best Practices, Social Media

Winner: City of Vancouver

Honourable Mention: City of Port Moody

Best Practices, Civic Engagement

Winner: Town of Smithers, “Let’s Talk” Community Engagement Program

Leadership & Innovation, Accessibility & Inclusion

Winner: City of Vancouver, City of Vancouver’s Year of Reconciliation

Honourable Mention: City of Colwood, A Guide to User Friendly Trails

Leadership & Innovation, Climate Action

Winner: City of Campbell River, Power Down Campbell River

Honourable Mention: Township of Langley, Green Building Permit Rebate Program

Partnerships (Double first place)

Winner: Joint Submission and win by Columbia Shuswap Regional District, Thompson-Nicola Regional District and North Okanagan Regional District for the Shuswap Lake Integrated Planning Process (SLIPP)

Winner: District of Clearwater, Transforming Health Policy and Evidence into a Sustainable Transportation Facility Framework

Second Report of the Nominating Committee for Executive Positions

At 8:30 a.m., Mayor Mary Sjostrom gave the second report of the Nominating Committee for the positions of Small Community Representative, Electoral Area Representative, Vancouver Metro Area Representative and Director at Large. Those nominated were:

Small Community Representative: Councillor Ellen Cranston, Village of Queen Charlotte
Mayor Galina Durant, District of Stewart

Electoral Area Representative: Director Art Kaehn, Fraser-Fort George Regional District

Vancouver Metro Area Representative: Councillor Michael Morden, District of Maple Ridge
Councillor Neal Nicholson, City of Coquitlam
Address by John Horgan, MLA, Leader of the Official Opposition

The President, Director Rhona Martin, introduced John Horgan, MLA, Leader of the Official Opposition, at 8:35 a.m. Mr. Horgan addressed the Convention, and following his address, Director Martin thanked Mr. Horgan.

Policy Session – Resolutions

The policy session resumed at 8:55 a.m. with Councillor Sav Dhaliwal in the Chair. Councillor Dhaliwal was joined by the other members of the Resolutions Committee: Mayor Sharon Gaetz, Councillor Claire Moglove and Chair Art Kaehn. They were assisted by Parliamentarian Ian Izard, UBCM Executive Director Gary MacIsaac and other UBCM staff.

Councillor Dhaliwal continued with consideration of Section B – Part 2-b resolutions.

B81  Asia-Pacific Northern Transportation Infrastructure Strategy  Terrace

Whereas economic development growth in the Northwest is resulting in a steady increase to road and rail traffic along the Highway 16 corridor which is creating safety concerns and negatively impacting communities;

And whereas Highway 16 is the northern link to the Asia-Pacific Gateway, and upgrading key road transportation corridors to support trade is a priority in the Province of BC’s “Pacific Gateway Transportation Strategy 2012 – 2020:”

Therefore be it resolved that UBCM advocate for the provincial government to initiate an Asia-Pacific northern infrastructure strategy to address barriers to trade and transportation and impacts to northern communities along Highway 16, and that such a strategy include participation by northern stakeholder communities and industry.

On motion, was Endorsed

B82  Comprehensive Pipeline & Energy Transport Plan  Burnaby

Whereas on 2013 December 16, Kinder Morgan submitted an application to the National Energy Board for the Trans Mountain Expansion Project;

And whereas the proposed expansion project in the existing dense urban context represents an intensification of related risks and impacts for Burnaby and the broader Metro Vancouver area, with the benefits distributed elsewhere on a regional, provincial and national basis:

Therefore be it resolved that UBCM call on the federal government and National Energy Board, through the Federation of Canadian Municipalities and other avenues as appropriate, to oppose Kinder Morgan’s Trans Mountain pipeline system expansion application;

And be it further resolved that UBCM call on the provincial and federal governments, through their appropriate and respective roles, to develop, in consultation with local governments, First Nations, and members of the public, a comprehensive pipeline and energy transport plan, including adequately funded provisions for emergency response, for the movement of related goods.

On motion, was Not Endorsed
B83 Establishing a Youth Caucus

Whereas young adults in our communities are less likely to vote in municipal elections and engage in civic affairs;

And whereas the City of Williams Lake has offered a successful Junior Council program to the community over the past four years which has provided an opportunity for youth to learn about municipal affairs and participate in the civic affairs of the community:

Therefore be it resolved that UBCM establish a youth caucus that would provide an opportunity for youth to participate in sessions to engage youth in civic affairs and that the UBCM’s member communities be encouraged to establish youth councils in their communities.

A motion, duly moved and seconded, to replace the enactment clause entirely, was endorsed.

The resolution, as amended, then read:

Therefore be it resolved that UBCM establish a youth engagement committee with the purposes of:

- connecting with local youth councils across the province to increase their participation in UBCM; and
- supporting and helping to network young elected officials within UBCM.

On motion, as amended, was Endorsed

B84 UBCM Committees

Whereas local government appointees to the Union of British Columbia Municipalities represent diverse stakeholders and require the ability to consult with such stakeholders;

Therefore be it resolved that the terms of reference for UBCM committees include provisions for local government appointees to such committees to enable them to consult with appropriate stakeholders unless they are precluded from doing so by legislation.

On motion, was Endorsed

Councillor Claire Moglove assumed the Chair and continued with consideration of Section B – Part 2-b resolutions.

B85 Handling of Resolutions

Whereas it is nearly impossible for UBCM to set priorities and many resolutions are not appropriately dealt with each year due to the great number of resolutions;

And whereas it may take up to a year to have a resolution dealt with;

Therefore be it resolved that UBCM adopt a form of FCM’s policy for handling resolutions, as follows:

- Resolutions that are in line with existing policy are dealt with and forwarded as they are received, with the sponsor notified.
- Resolutions that need quick action are dealt with by staff and executive when received if they are non-contentious.
- Resolutions that create new policy and/or resolutions that the sponsor specifically requests debate on are forwarded to the AGM.
- Results of how each resolution is being dealt will reported out in The Compass

On motion, was Endorsed

B86 Standing Committee on Arts, Culture & Heritage

Whereas municipalities in British Columbia are the largest per capita government funders of arts, culture and heritage in BC;
And whereas the Province of BC launched BC Creative Futures in 2013, acknowledging that cultural industries create job growth, turn ordinary cities in “destination cities,” create interconnections between arts and business, revitalize urban areas, attract skilled workers, and create spin-off businesses:

Therefore be it resolved that the UBCM strike a standing committee on arts, culture and heritage in order to support and promote arts, culture and heritage to the province.

On motion, was Endorsed

B87  Dedicated Ministry for Local Government Affairs

Whereas there used to be a dedicated provincial ministry of local government affairs, focused principally on local government affairs;

And whereas the range of issues local governments are required to manage is becoming more complex; other orders of government are devolving more and more responsibilities on to local governments; and the Province has diminished the importance of, and reduced support for local governments by its previous removal of the Ministry of Municipal Affairs:

Therefore be it resolved that the Union of British Columbia Municipalities petition the Province to consider the reestablishment of a ministry to focus solely on local government affairs.

On motion, was Endorsed

B88  Protection of Local Water Resources & Watershed Land

Whereas it is recognized that water is a public trust and the UBCM membership has consistently endorsed resolutions emphasizing protection and control of local water resources, and that adequate tools are required to enable local authorities to enact measures for protection of watersheds;

And whereas the provincial government has recently released further details concerning implementation of its commitment to modernize the Water Act, which includes a strategy to protect water flows for fish and the environment; regulate groundwater; improve governance; and promote conservation, in order to address issues of source water protection, industrial pollution and land-use changes:

Therefore be it resolved that UBCM request the Ministry of Environment to proceed in its efforts to modernize the Water Act including full consultation with First Nations, to ensure that the new Water Sustainability Act establishes a strong enabling framework, in the context of provincial and federal oversight and regulatory backstop, that:

- increases the local role in key decisions affecting the health of watersheds;
- ensures protection for water for fish and the environment in the context of local conditions;
- regulates groundwater;
- promotes water conservation;
- recognizes First Nations Rights and Title; and
- establishes a meaningful role for local government, First Nations, and local watershed authorities regarding approvals and control.

A motion, duly moved and seconded, to amend the enactment clause by removing the phrase “recognizes First Nations Rights and Title,” was not endorsed.

On motion, was Endorsed

B89  Environmental Appeal Board

Whereas the Water Branch and Environmental Appeal Board have acknowledged water shortages and over licensing in Okanagan watersheds yet continue to “double license” fully licensed water which is causing adverse effects on municipalities and the environment;
And whereas there is inconsistency and a lack of transparency in the statutory decision making in the Water Branch and Environmental Appeal Board:

Therefore be it resolved that the Environmental Appeal Board be eliminated and that a judicial review process be conducted by the courts in its place with the cost savings applied to enforcement of the new Water Sustainability Act.

On motion, was Not Endorsed

B90 Groundwater Use Determination Under the BC Contaminated Sites Regulation Delta

Whereas in 2011, the Ministry of Environment issued a technical guidance document that changed how a site’s groundwater use was determined in the context of contaminated sites remediation;

And whereas this document requires all sites within BC to begin with the assumption that groundwater will need to be remediated to the drinking water standard which is the most stringent standard, regardless of historical or current groundwater use which is adding delays and costs to the remediation process;

And whereas there are areas in the province where groundwater is not used for drinking due to a number of factors including the natural characteristics of the groundwater and the existence of a reliable supply of potable water through municipal distribution system:

Therefore be it resolved that the provincial government be requested to initiate discussions with interested municipalities to exempt areas where groundwater is not used, and will not be used in the future, as a drinking water source in the context of the Contaminated Sites Regulation.

On motion, was Not Endorsed

B91 Remediation for Brownfields Acquired Through Tax Sale Vanderhoof

Whereas rural communities acquire brownfield properties through tax sale;

And whereas rural communities continue to lack resources to remediate brownfields:

Therefore be it resolved that the Province of British Columbia commit to a funding program to assist local governments in remediating brownfield sites acquired through a tax sale.

On motion, was Endorsed

B92 Environmental Assessments for Coal Transport Sunshine Coast RD

Whereas assessment studies provided to Port Metro Vancouver have not assessed the environmental or health impacts related to the release of coal dust during barge transfer and transport over coastal waters between the Port of Metro Vancouver and Texada Island;

And whereas there is currently no mechanism that provides oversight or ensures the implementation of mitigation measures to minimize environmental and health impacts of coal transport over coastal waters:

Therefore be it resolved that a comprehensive environmental and health impact assessment for the shipment of coal over coastal waters be conducted;

And be it further resolved that an appropriate federal and/or provincial agency be named to monitor barge transfer and transport of coal over coastal waters to ensure oversight and implementation of environmental and health protection measures.

A motion, duly moved and seconded, to amend both enactment clauses by inserting the word “thermal” before the word “coal,” was endorsed.

The resolution, as amended, then read:

Therefore be it resolved that a comprehensive environmental and health impact assessment for the shipment of thermal coal over coastal waters be conducted;
And be it further resolved that an appropriate federal and/or provincial agency be named to monitor barge transfer and transport of thermal coal over coastal waters to ensure oversight and implementation of environmental and health protection measures.

A motion, duly moved and seconded, to amend the first enactment clause by inserting the phrase “by rail and” after the phrase “thermal coal;” and to amend the second enactment clause by inserting the phrase “rail transport” before the phrase “barge transfer,” was endorsed.

The resolution, as amended, then read:

Therefore be it resolved that a comprehensive environmental and health impact assessment for the shipment of thermal coal by rail and over coastal waters be conducted;

And be it further resolved that an appropriate federal and/or provincial agency be named to monitor rail transport, barge transfer and transport of thermal coal over coastal waters to ensure oversight and implementation of environmental and health protection measures.

On motion, as amended, was Endorsed

B93  Home Energy Labeling

Whereas home ownership represents the most significant investment many British Columbians will make in their lifetime;

And whereas the Province of British Columbia has introduced new energy performance requirements into the BC Building Code for Part 9 buildings (e.g. residential up to three-storeys and under 600 square metres) effective December 2014 but measurement and verification of energy performance will not be required for Part 9 residential building permitting to provide consumer information and ensure quality construction;

Therefore be it resolved that the Province of British Columbia consider adding an energy assessment and EnerGuide label to the requirements for new Part 9 residential buildings.

On motion, was Endorsed

B94  Benchmarking Tools for Building Energy Use

Whereas:

- a study by the United States Environmental Protection Agency has shown that energy benchmarking has resulted in an average 7% reduction in energy use of participating buildings over a period of 3 years;
- on September 24, 2013 Vancouver City Council endorsed: F. THAT as part of a comprehensive strategy on building retrofit to enable reaching Greenest City GHG goals, Council direct City staff to develop recommendations for Council consideration on energy reporting requirements for larger existing buildings in the City of Vancouver, and staff have identified provincial action as important to achieving this goal;
- energy benchmarking is a low cost practice that enables building owners to identify savings opportunities;
- nine municipalities in the US require energy benchmarking for larger buildings (typically 50,000 square feet or larger);
- energy benchmarking software called ENERGY STAR Portfolio Manager is available for free through Natural Resources Canada and is the same platform being used by all nine municipalities in the US that are currently regulating energy benchmarking;
- energy benchmarking identifies the highest energy consuming buildings to target building energy performance support and inform public policy and program design; and
- energy benchmarking enables evaluation of the effectiveness of municipal strategies to reduce energy use in existing buildings (measure progress over time) that are developed in response to the Local Government Act section 877(3), “An official community plan must include targets for the reduction of greenhouse gas emissions in the area covered by the plan, and policies and actions of the local government proposed with respect to achieving those targets:”
Therefore be it resolved that UBCM:

- request provincial amendments to the Vancouver Charter, Local Government Act and the Community Charter in order to empower local governments to require annual reporting of building energy use data to be submitted by building owners or designate, that enables normalized comparison benchmarking between similar buildings (area, use, type of equipment, etc.); and

- request additional amendments to grant local governments the authority to enable the public release of non-confidential and non-competitive building energy benchmarking information via a municipal website or that of a delegated organization, two years following the submission of reporting data by building owners to local governments and following an accuracy review by owners.

A motion, duly moved and seconded, to amend the enactment clause by removing the term “Local Government Act,” was not endorsed.

A motion, duly moved and seconded, to amend the enactment clause by inserting the phrase “excluding single family residential” after the phrase “building energy use data,” was not endorsed.

On motion, was Endorsed

B95  Climate Change Action & Economic Risks of Natural Disasters  Saanich

Whereas the provincial government committed to meeting the goals of BC’s Climate Action Plan released June 2008, recent reports, including the Fifth Assessment Report by the Intergovernmental Panel on Climate Change (IPCC) and the TD Economics Special Report on Natural Catastrophes: A Canadian Economic Perspective highlight financial implications of climate change, and that “economic cost of severe weather is under-appreciated;”

And whereas the frequency of weather events has increased, and local governments have finite financial resources, and under-investing relative to needs to mitigate costs of these events, could become unmanageable:

Therefore be it resolved that UBCM call upon the Province to establish a process, in partnership with local governments, to evaluate BC’s climate change targets in the context of the recent reports from the IPCC;

And be it further resolved that UBCM bring a resolution to the Federation of Canadian Municipalities’ 2015 Annual General Meeting calling upon the Government of Canada to work with other countries at the 2015 Climate Change Convention in Paris to develop an international treaty to replace the Kyoto Protocol.

On motion, was Endorsed

B96  Streetlights & Carbon Neutrality  Port Clements
Queen Charlotte
Masset
New Hazelton
Stewart

Whereas BC municipalities who signed the Climate Action Charter were supposed to achieve carbon neutrality by 2012 and streetlights represent a significant portion of electrical usage, especially for small northern communities;

And whereas BC Hydro owns a significant percentage of the streetlights under the 1701 designation, especially in smaller communities, which is preventing those communities from being able to address their carbon footprint by changing to LED streetlights:

Therefore be it resolved that UBCM request the provincial government to make the necessary changes to BC Hydro to allow all communities to reach locally appropriate solutions to switch BC Hydro owned streetlights to LED lights.

On motion, was Endorsed

Chair Art Kaehn assumed the Chair and continued with consideration of Section B – Part 2-b resolutions.
B97  Extended Producer Responsibility for Mattresses  Maple Ridge

Whereas the Province is transitioning responsibility for end-of-life management of goods to industry through the use of product stewardship program as governed by the BC Ministry of Environment Recycling Regulation;

And whereas there is currently no product stewardship program for used mattresses and improperly discarded mattresses have to be disposed of by local government at taxpayers’ expense:

Therefore be it resolved that UBCM request the provincial government to require industry to develop a product stewardship program to adequately address end-of-life management of waste mattresses.

On motion, was Endorsed

A motion, duly moved and seconded, to admit resolution C19 for debate, was endorsed.

C19  Representation on Health Authority Boards  North Okanagan RD

Whereas the intent of the 1991 Seaton Commission: Closer to Home was to provide greater public scrutiny and control of health care;

And whereas the current governance by appointment has created a managerial form of accountability to the Ministry of Health and not to the local communities, as intended:

Therefore be it resolved that the Ministry of Health be requested to initiate legislative change to require the composition of the Interior Health Authority (IHA) Board to include representation from each of the nine regional districts within the IHA boundary.

A motion, duly moved and seconded, to amend the enactment clause by replacing “Interior Health Authority (IHA) Board” with the phrase “health authority boards,” and by replacing the phrase “each of the nine regional districts within the IHA boundary” with the phrase “regional districts,” was endorsed.

The resolution, as amended, then read:

Therefore be it resolved that the Ministry of Health be requested to initiate legislative change to require the composition of health authority boards to include representation from regional districts.

On motion, as amended, was Endorsed

B98  Elected Officials Coverage Under Workers Compensation Act  Sechelt District

Whereas all duly elected council and regional board members are not considered workers or employers and are therefore not covered under the Workers Compensation Act in their capacity as elected officials;

And whereas the Personal Optional Protection Insurance is not available to elected officials;

Therefore be it resolved that the Province of British Columbia review the Workers Compensation Act in consultation with local governments and make the necessary amendments to include all duly elected council or board members in the definition of “worker.”

On motion, was Endorsed

B99  Local Government Tax Sale Dispute Process  Prince Rupert

Whereas municipalities become the owners of properties arising through the mandatory provisions of Community Charter/Local Government Act legislation that regulates Municipal Property Tax Sales;

And whereas the municipal title to the property can then be disputed in a court of law or other tribunal;

And whereas the property title disputes prevent municipalities from transferring title to another purchaser and thereby hinder the sale of the property;
And whereas the holding costs, the legal costs as well as opportunity costs while title is resolved can be extremely expensive and burdensome to a municipality:

Therefore be it resolved that UBCM request that the Province amend the Community Charter and Local Government Act so that a municipality’s clear title to a property as a result of the Municipal Tax Sale Process cannot be disputed in a court of law or other tribunal more than once.

On motion, was Not Endorsed

---

**B100 Boundary Extension Guidelines**

Whereas the Ministry of Community, Sport and Cultural Development’s boundary extension guidelines for obtaining rural property owners’ opinions can be calculated by utilizing either:

- one opinion per property owner (regardless of the number of properties); or
- one opinion per parcel (regardless of the number of property owners as some properties may have more than one individual on title) without taking into consideration assessed value or parcel size that results in large parcel owners being at a disadvantage;

And whereas rural property owners’ opinions should be calculated using the Community Charter’s local area service project formula which is 50% of the property owners who have over 50% of the assessed value of land and improvements for fairness and equity:

Therefore be it resolved that UBCM request the Province of BC to amend their boundary extension guidelines to utilize the local area service project calculation formula to gauge rural property owners’ opinions.

On motion, was Not Endorsed

---

**B101 Part 26 of Local Government Act & Related Legislation**

Whereas current legislation governing subdivision and development is dated and does not adequately serve the needs of local governments or the development community;

And whereas legislation in neighbouring jurisdictions provides greater certainty for both developers and the public through more responsive provisions for permitting and approvals:

Therefore be it resolved that the Province of British Columbia be requested to initiate a review of Part 26 of the Local Government Act and related planning and development legislation, and consult with UBCM regarding appropriate changes.

On motion, was Not Endorsed

---

**Nominations from the Floor for Executive Positions**

At 11:25 a.m. Mayor Mary Sjostrom, Chair of the Nominating Committee, called for nominations from the floor for the positions of Small Community Representative, Electoral Area Representative, Vancouver Metro Area Representative and Director at Large. Those nominated at the close of nominations were:

- **Small Community Representative:** Councillor Ellen Cranston, Village of Queen Charlotte
  Mayor Galina Durant, District of Stewart

- **Electoral Area Representative:** Director Art Kaehn, Fraser-Fort George Regional District

- **Vancouver Metro Area Representative:** Councillor Rick Glumac, City of Port Moody
  Councillor Michael Morden, District of Maple Ridge
  Councillor Neal Nicholson, City of Coquitlam
Mayor Sjostrom declared the position of Electoral Area Representative elected by acclamation and declared there would be elections for the positions of Small Community Representative, Vancouver Metro Area Representative and Director at Large.

**Candidates’ Speeches**
The delegates heard brief two-minute presentations from each of the candidates for the positions of Small Community Representative, Vancouver Metro Area Representative and Director at Large.

**Address by Adam Olsen, Interim Leader of the Green Party of British Columbia**
At 11:55 a.m., UBCM President, Director Rhona Martin introduced the Interim Leader of the Green Party, Adam Olsen, who then addressed the delegates. Mr. Olsen outlined the current work and priorities of the Green Party of BC, and was thanked by Director Martin.

**Delegates Lunch**
The Annual Delegates’ Lunch was held at the Roundhouse Lodge, Whistler Mountain. The lunch was sponsored by Central 1 Credit Union in co-operation with the Credit Unions of BC.

**Concurrent Workshops**
At 3:00 p.m. the following concurrent workshops were held:

- Creating A Successful Resort Community Tour
- Improving Civic Engagement and Voter Turnout
- Linking Citizen Voices to Policy Decisions
- Skills Blueprint and Community Partnerships
- Tackling Poverty at the Community Level

**UBCM Annual Banquet**
In the evening, the Annual Banquet was held for delegates and guests at the Whistler Conference Centre. The banquet reception was sponsored by FortisBC, while the banquet had the following sponsors: FortisBC, The Partnership Group – Sponsorship Specialists, MNP LLP and KPMG.

Director Rhona Martin, UBCM President, presented Long-Service Awards recognizing 25 years of service in local government to:

- Councillor Donald Hunter Bell, District of North Vancouver
- Mayor Carman Graf, Village of Telkwa
- Councillor Robert Hobson, City of Kelowna
- Councillor Albert Conrad Hoglund, City of Kimberley
- Mayor Bill (William) Irving, District of Ucluelet
- Director Art Kaehn, Fraser Fort George RD
- Councillor Marguerite Rotvold, Village of Midway
• Councillor Jack French, District of Vanderhoof
• Councillor Judy Villeneuve, City of Surrey

President Martin presented Special Long-Service Awards in recognition of 35+ years of service in local government to:

• Mayor Ralph E. Drew, Village of Belcarra
• Mayor Frederick David Jarvis, District of Taylor
• Director Michael Kokura, Alberni-Clayoquot RD
• Councillor Earl Shipmaker, City of Enderby (presented post-convention)

Councillor Sav Dhaliwal, President-Elect, presented a Life Membership to Director Rhona Martin, UBCM President.

Policy Session – Resolutions

On Friday September 26, 2014 the Plenary reconvened and the Policy session resumed at 8:00 a.m. with Councillor Sav Dhaliwal in the Chair. Councillor Dhaliwal was joined by the other members of the Resolutions Committee: Mayor Sharon Gaetz, Councillor Claire Moglove and Chair Art Kaehn. They were assisted by Parliamentarian Ian Izard, UBCM Executive Director Gary MacIsaac and other UBCM staff.

Report on Resolutions Received After the Deadline

Councillor Dhaliwal presented the “Report on Resolutions Received After the Deadline.”

A point of order was made that some voting delegates had not received copies of the “Report on Resolutions Received After the Deadline.”

A motion, duly moved and seconded, to proceed with consideration of the “Report on Resolutions Received After the Deadline” rather than delaying in order to print more hard copies, was endorsed.

Councillor Dhaliwal continued with consideration of the “Report on Resolutions Received After the Deadline.”

A. Emergency Resolutions: Admit for Plenary Debate Friday, September 26 as Issues Emerging Since the Deadline

<table>
<thead>
<tr>
<th>Resolution</th>
<th>Description</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>LR1</td>
<td>National Energy Board Public Hearing Process</td>
<td>Burnaby</td>
</tr>
<tr>
<td>LR2</td>
<td>Environmental Assessment of Trans Mountain Expansion Project</td>
<td>Victoria</td>
</tr>
<tr>
<td>LR3</td>
<td>Requiring Consequence &amp; Response Capacity Assessment for Sunken or Submerged Diluted Bitumen</td>
<td>Vancouver</td>
</tr>
<tr>
<td>LR4</td>
<td>Discontinuation of Community Library Training Program</td>
<td>Taylor</td>
</tr>
</tbody>
</table>

B. Refer to UBCM Executive

N/A

C. Late Resolutions: Not Appropriate for Debate (issues known before the June 30 deadline for resolutions)

<table>
<thead>
<tr>
<th>Resolution</th>
<th>Description</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>LR5</td>
<td>Regional Governance Models</td>
<td>Coquitlam</td>
</tr>
<tr>
<td>LR6</td>
<td>Support for Proactive Action to Protect Workers</td>
<td>Fort St. John</td>
</tr>
<tr>
<td>LR7</td>
<td>Proactive Action to Protect Workers</td>
<td>Trail</td>
</tr>
<tr>
<td>LR8</td>
<td>Worker Protection Through the Westray Act</td>
<td>Powell River City</td>
</tr>
<tr>
<td>LR9</td>
<td>Local Authority for Animals in Critical Distress</td>
<td>Kamloops</td>
</tr>
</tbody>
</table>

A motion, duly moved and seconded, that the “Report on Resolutions Received After the Deadline” be amended to admit resolution LR9 for debate, was endorsed.

A motion, duly moved and seconded, that the “Report on Resolutions Received After the Deadline” as amended be adopted, was endorsed.
Resolutions LR1, LR2, LR3, LR4 and LR9 were then considered.

LR1 National Energy Board Public Hearing Process  Burnaby

Whereas on 2013 December 16, Kinder Morgan submitted an application to the National Energy Board (NEB) for the Trans Mountain Expansion Project;

And whereas the NEB made an arbitrary decision on July 15, 2014 to remove from the standard public hearing for a major pipeline project long-standing protocols which provided opportunities for public review through open meetings, oral hearings and cross examination;

And whereas the loss of the standard public hearing from the application review process constitutes a significant erosion of the democratic rights of provinces, territories, local governments, First Nations and citizens to cross-examine evidence presented, articulate concerns and voice opposition to applications;

And whereas the loss of all opportunities for intervenors to participate in oral hearing and to cross-examine evidence within the NEB regulatory review process, has broad social, environmental and economic implications that would impact all local governments and their citizens:

Therefore be it resolved that UBCM call on the federal government and National Energy Board, through the Federation of Canadian Municipalities and other avenues as appropriate, to oppose the loss of the standard public hearing process from the National Energy Board’s application review and tribunal process;

And be it further resolved that UBCM call on the provincial and federal governments, through their appropriate and respective roles, to develop, in consultation with local governments, First Nations, and citizens, the restoration of a full public hearing process to the National Energy Board’s consideration of all applications.

On motion, was Endorsed

LR2 Environmental Assessment of Trans Mountain Expansion Project  Victoria

Whereas the Environmental Assessment Office of the Province of British Columbia (“the EAO”) entered into an Agreement in 2010 with the National Energy Board (“NEB”) under which the EAO accepts that the NEB assessment of a pipeline constitutes the equivalent of an assessment under the British Columbia Environmental Assessment Act;

And whereas Trans Mountain’s responses to motions filed in early July 2014 by intervenors in the NEB hearing process for the Trans Mountain Expansion Project demonstrate that Trans Mountain is failing to adequately respond to written information requests, which are the only opportunity for intervenors to test and clarify Trans Mountain’s evidence;

And whereas this failure to respond to written information requests means that intervenors are not able to properly prepare their own evidence and participate meaningfully in the assessment process for the Trans Mountain Expansion Project, in contravention of the preamble to the Agreement, which states that any assessment of a project pursuant to the National Energy Board Act would take into account any comments submitted during the assessment process by the public and Aboriginal peoples:

Therefore be it resolved that the UBCM request that the Province direct the EAO to withdraw formally from the Agreement pursuant to Clause 6 thereof and undertake its own Environmental Assessment process for the Trans Mountain Expansion Project, which should include sufficient opportunity for meaningful participation by all interested British Columbians.

On motion, was Endorsed

LR3 Requiring Consequence & Response Capacity Assessment for Sunken or Submerged Diluted Bitumen  Vancouver

Whereas on December 16, 2013, Kinder Morgan submitted an application to the National Energy Board for the Trans Mountain Pipeline Expansion Project to increase the transportation of diluted bitumen via pipeline through British Columbian communities, across more than 700 streams and water-crossings in 12 BC watersheds;
And whereas diluted bitumen has been shown to submerge and/or sink when spilled into freshwater environments, resulting in prolonged and costly response operations with limited success and negative impacts to local ecosystems, public and environmental health, local economies, and cultural and recreational resources;

And whereas, as per Trans Mountain’s response on July 11, 2014 to intervenors in the NEB hearing, Trans Mountain maintains that in the event of a diluted bitumen spill sunken or submerged oil “would be treated as a post-emergency response function” and declined to provide any specific information about how response plans or equipment stockpiling for the project would address submerged or sunken diluted bitumen, thereby raising serious concerns about the capacity to respond to the risk currently posed to local communities and watersheds by the existing Trans Mountain pipeline:

Therefore be it resolved that, for the protection of communities and ecosystems reliant on the health of watersheds across BC, the Union of BC Municipalities call on the National Energy Board to compel Trans Mountain and all other pipeline operators shipping diluted bitumen, to provide site specific consequence analyses and response plans and tactics for submerged and sunken oil to be subject to public review and approval by impacted communities;

And be it further resolved that UBCM call on the provincial government to conduct a full assessment of the response plans, tactics, equipment and capacity currently available within the Province of BC to respond to sunken or submerged oil.

On motion, was Endorsed

LR4 Discontinuation of Community Library Training Program Taylor

Whereas the Community Library Training Program (CLTP) was a distance education model coordinated by the provincial government’s Libraries Branch that provided professional training and certification opportunities for public library staff without the burden and expense of having to be away from their community;

And whereas the provincial government has announced the discontinuation of the CLTP without identifying alternative training and certification opportunities, leaving current CLTP participants uncertain whether they will be able to complete the program or obtain certification, and would leave public library staff across the province with a lack of options for professional training and certification:

Therefore be it resolved that the Ministry of Education share with BC public libraries the details from the CLTP program review and communicate as soon as possible its plan for establishing or identifying professional training and certification opportunities for library staff at a level equivalent to the Community Library Training Program.

On motion, was Endorsed

LR9 Local Authority for Animals in Critical Distress Kamloops

Whereas authority to remove animals in critical distress from hot vehicles is specifically established in the Prevention of Cruelty to Animals Act and is limited to special provincial constables under the Police Act, such as the Society for the Prevention of Cruelty to Animals (SPCA) and police officers, but not bylaw enforcement officers;

And whereas the Community Charter, which provides authority for local governments to establish bylaws for animal control, including seizure of animals “suffering” and entry onto and into property, cannot be interpreted in the same manner as the Prevention of Cruelty to Animals Act because specified authority has not been provided to bylaw enforcement officers by the Act;

Therefore be it resolved that the Union of British Columbia Municipalities request the Province of British Columbia to:

- Amend the Prevention of Cruelty to Animals Act to:
  - Empower bylaw enforcement officers as “authorized agents” for the purpose of enforcing the provisions of the Act;
  - Grant specific authority for local governments to establish, by bylaw, the authority to enter without a warrant into any premises (other than a dwelling house) and any vehicle, aircraft, or vessel for the purpose of seizing any animal in critical distress to relieve the critical distress of the animal; and
• Amend the Community Charter to:
  o Amend Section 48 to provide authority to seize animals in “critical distress” rather than suffering;
  o Add a definition for “critical distress” similar to the definition in the Prevention of Cruelty to Animals Act; and
  o Amend Section 16 to include authority to enter without a warrant into any premises (other than a dwelling house) and any vehicle, aircraft, or vessel for the purpose of seizing an animal in critical distress to relieve the critical distress of the animal, in the same manner as the Prevention of Cruelty to Animals Act.

On motion, was Endorsed

Chair Art Kaehn assumed the Chair and continued with consideration of Section B – Part 2-b resolutions.

B102 Parking Enforcement in Rural Areas Sunshine Coast RD

Whereas the RCMP are responsible for enforcing parking regulations in rural areas;
And whereas the process required to ticket and/or tow parking offenders is time consuming and takes policing resources away from other priorities:
Therefore be it resolved that regional districts be granted the authority to enforce parking regulations within their boundaries.

On motion, was Endorsed

B103 Equitable Penalty & Sentencing Powers for Regional Districts Squamish-Lillooet RD

Whereas Section 263 of the Community Charter provides municipalities with the power to set minimum fines and the power to set maximum fines up to $10,000;
And whereas there is no corresponding provision in the Local Government Act to provide regional districts with the same powers:
Therefore be it resolved that the Province of BC enact an amendment to the Local Government Act to provide regional districts with the power to set minimum fines and the power to set maximum fines up to $10,000.

On motion, was Endorsed

B104 Absence of Director Due to Illness Kootenay Boundary RD

Whereas the role of an Electoral Area Director in electoral area and regional district decision-making is absolutely vital;
And whereas the current legislation is severely lacking when the absence of the director is due to illness or injury:
Therefore be it resolved that UBCM petition the Province of British Columbia to provide clearer legislation that establishes respectful, reasonable and responsible guidance as to how Electoral Area Directors and regional districts are to manage extended absences by Electoral Area Directors due to illness or injury.

On motion, was Endorsed

Address by the Honourable James Moore, Minister of Industry

At 9:00 a.m., UBCM President, Director Rhona Martin, introduced the Honourable James Moore, Minister of Industry for the Government of Canada. Following his address, Councillor Sav Dhaliwal thanked Minister Moore for his address. Minister Moore’s remarks are annexed to these Minutes as Appendix D.

The policy session resumed at 9:30 a.m. with Chair Art Kaehn in the Chair, who continued with consideration of Section B – Part 2-b resolutions.
B105  Business Class Exemption  Vernon

Whereas the statutory property exemption for business Class 6 assessments is $10,000, regardless of the property value;
And whereas the business Class 6 exemption has remained unchanged since implementation in 1984 despite increasing assessments:

Therefore be it resolved that the provincial government review the business class exemption for Class 6 assessments and consider an increase to $50,000 for the statutory property exemption, in order to provide small businesses, in the province of British Columbia, a fair exemption for their increased assessed property value.

On motion, was Not Endorsed

B106  Port Improvements Tax Exemption  Prince Rupert

Whereas the Port Improvements (Berth Corridor) Tax Exemption Regulation, BC Reg. 198/2004 exempts berth corridor improvements including breakwaters, crane rails on wharves or piers, docks including caissons and rock mattresses, dolphin floats, jetties, piers, wharves, and specified piles from property taxation in specified circumstances;

And whereas this berth corridor taxation exemption interferes with the ability of

- local governments with ports to access adequate financial resources to support community needs, contrary to Section 1(2)(s) of the Community Charter; and
- local governments to determine the appropriate level of local government taxation, contrary to Section 1(2)(d) of the Community Charter:

Therefore be it resolved that the provincial government repeal the Port Improvements (Berth Corridor) Tax Exemption Regulation in the fall of 2014.

On motion, was Endorsed

B107  Liquid Natural Gas Development  Queen Charlotte

Whereas liquid natural gas (LNG) development in northeastern BC and proposed pipelines, terminal facilities, and tanker transportation from the north coast will have large, cumulative environmental, social and economic impacts;

And whereas this development is happening across BC impacting the land and communities of northern BC both civic and First Nation, without the means of meaningful consultation and involvement;

And whereas comprehensive planning and cumulative impact assessment have been lacking to date:

Therefore be it resolved that UBCM request that the Province of BC and First Nations convene and co-chair a strategic economic and environmental impact assessment of LNG development in British Columbia;

And be it further resolved that UBCM request that the Province and First Nations invite the federal government to participate in this joint planning process.

On motion, was Endorsed

B108  BC Hydro & Independent Power Producers  New Westminster

Therefore be it resolved that UBCM ask the provincial government to create legislation that will address the huge utility rates paid to independent power producers to allow the Province the ability to purchase electricity from the open North American market, in the same manner as previously, if those rates are competitive;

And be it further resolved that the provincial government take action through legislation that would permit BC Hydro to produce power from existing public facilities as opposed to forcing it to buy expensive power from independent power producers at rates higher than BC Hydro’s;
And be it further resolved that all independent power producers contracts that have yet to be built be frozen;

And be it further resolved that the BC Utilities Commission investigate and produce a position on the impacts of independent power producers on businesses, residents and non-profits of British Columbia.

*On motion, was Endorsed*

Mayor Sharon Gaetz assumed the Chair and continued with consideration of Section B – Part 2-b resolutions.

**B109  Property Reclassification of Medical Marijuana Production Facilities**  
*Delta*

Whereas land used for the commercial production of medical marijuana may qualify for farm classification under the *Assessment Act*;

And whereas the commercial production of medical marijuana may occur in commercial and industrial zones;

And whereas the assessment value of farmland can be significantly lower than assessment values for other property classifications;

And whereas this could have a significant effect on property tax revenue for local governments:

Therefore be it resolved that the provincial government be requested to amend the *Assessment Act* and its respective regulations to preclude the commercial production of medical marijuana from qualifying for farm classification.

*On motion, was Endorsed*

**B110  Classification Split on Accommodation Hotels**  
*Ucluelet*

Whereas BC Assessment in 2007 introduced a new classification methodology that permitted “strata accommodation properties” to be split-classified between Class 6 and Class 1 – residential to reflect a dual use of these properties (personal residential and commercial use);

And whereas the re-assessment of certain properties, which continue to be zoned for commercial uses only, has significantly reduced the tax base of smaller tourist based communities throughout BC which planned in accordance to the proposed uses and commercial land base within their OCPs, tax and budget forecast:

Therefore be it resolved that the Government of BC review its methodology for split classification in cases where the zoning precludes residential uses as a permitted use.

*On motion, was Endorsed*

**B111  BC Assessment Authority**  
*Skeena–Queen Charlotte RD*

Whereas limited and infrequent property sales may not accurately reflect market values in many rural areas of British Columbia;

And whereas the BC Assessment Authority is legislated to use mandated formulas based on market data when assessing residential properties, and this has historically contributed to significant shifts in the assessed values of properties in some rural communities:

Therefore be it resolved that UBCM urge the provincial government to provide the BC Assessment Authority with more flexibility when assessing properties in rural British Columbia.

*On motion, was Endorsed*

**B112  Farm Assessment**  
*Chilliwack*

Whereas the *Assessment Act* allows land with commercial or industrial zoning to be classified as farm for assessment and taxation purposes;
And whereas inequities between property owners may result because farm land is assessed at a significantly lower rate than commercial or industrial land:

Therefore be it resolved that the Union of BC Municipalities request that the provincial government amend the Assessment Act or associated regulation, as appropriate, so that land cannot be reclassified as farm if the lands are zoned for commercial, industrial or business purpose unless the farm use pre-dates the zoning, is the principal use, and the lands are continuously used for farm purposes.

On motion, was Endorsed

B113  Marijuana Production on Agricultural Lands  Nanaimo City

Whereas the Province, through BC Assessment, regards medical marijuana production as a ‘farm use’ for assessment purposes;

And whereas the Province, through the Agricultural Land Commission Act and Farm Practices Protection (Right to Farm) Act, includes medical marijuana production as a ‘farm use’;

Therefore be it resolved that UBCM request the Province amend legislation and regulations in order to remove the production of medical marijuana as a ‘farm use’ in terms of taxation assessment;

And be it further resolved that UBCM request the Province amend legislation and regulations in order to allow communities to regulate the production of medical marijuana within the Agricultural Land Reserve through land use planning provisions provided in the Local Government Act.

On motion, was Endorsed

B114  Owner-occupancy Requirement for Secondary Suites  View Royal

Whereas communities want to see well-maintained residential neighbourhoods where neighbours are mutually respectful;

And whereas there is generally a higher duty of care shown to neighbours in communities with owner-occupied properties and by tenants when owners are present:

Therefore be it resolved that the Province of British Columbia be required to amend Part 26 of the Local Government Act granting the authority to require secondary suites be permitted in owner-occupied homes only.

On motion, was Not Endorsed

Results of Election for Small Community Representative, Vancouver Metro Area Representative and Director at Large

Mayor Mary Sjostrom, Chair of the Nominating Committee, assumed the Chair and presented the election results for:

Small Community Representative:  Mayor Galina Durant, District of Stewart

Vancouver Metro Area Representative:  Councillor Rick Glumac, City of Port Moody
                Councillor Neal Nicholson, City of Coquitlam

Director At Large:  Director Wendy Booth, Regional District of East Kootenay
                Director Willow Macdonald, Thompson-Nicola Regional District
                Director Jerrilyn Schembri, Peace River Regional District
                Councillor Cheryl Shuman, City of Dawson Creek
                Councillor Arjun Singh, City of Kamloops

A motion, duly moved and seconded, to destroy the ballots, was endorsed.

Mayor Gaetz resumed the Chair and continued with consideration of Section B – Part 2-b resolutions.
B115  Secondary Dwellings

Whereas the smaller working farms in British Columbia have been struggling financially because of numerous changes in provincial legislation, a large increase in land values, an aging generation of farmers, as well as other hardships;

And whereas allowing a permanent second residence and existing second residences to be used by family members, retiring farmers who want to remain on the farm, or renters for an additional source of income and to help smaller farms remain in operation:

Therefore be it resolved that UBCM urge the Ministry of Agriculture and the Agricultural Land Commission to allow a permanent second residence to a maximum size of 2,000 square feet within a “home plate” footprint and away from viable farmland to help supplement farm income and/or to provide accommodations for aging family members.

On motion, was Endorsed

B116  Mines Act Alignment with Official Community Plans

Whereas the provincial Mines Act governs the issuance of permits relative to the mining and extraction of natural resources across the province without first having a permit applicant confirm local government support for such activity;

And whereas local governments may have established official community plans designating specific areas for such mining and extraction of natural resources:

Therefore be it resolved that UBCM prevail upon the provincial government to amend the Mines Act to first require a mines permit applicant to confirm such mining activity is within an area designated by a local official community plan permitting such mining activity.

On motion, was Endorsed

B117  Ownership of Abandoned Rail Corridors

Whereas transportation corridors are vital to the transportation of goods and people throughout the province;

And whereas some corridors are being abandoned, especially some rail corridors;

And whereas these abandoned rail corridors can become vital and valuable corridors for recreational uses such as hiking, cycling, skiing and snowshoeing;

And whereas these corridors should be open to all residents of BC:

Therefore be it resolved that UBCM become the owner of these abandoned rail corridors;

And be it further resolved that UBCM ask the Province to institute a province-wide parcel tax similar to the Municipal Finance Authority tax to help in the purchase and maintenance of abandoned rail corridors.

A motion, duly moved and seconded, to amend the first enactment clause by replacing the phrase “UBCM become the owner of these abandoned rail corridors” with the phrase “the provincial government facilitate public acquisition and ownership of abandoned transportation corridors;” to amend the second enactment clause by replacing the phrase “UBCM ask the Province to institute” with the phrase “the Province work with UBCM to develop a funding mechanism – for example;” and to amend the second enactment clause by replacing the phrase “to help in the purchase and maintenance of abandoned rail corridors” with the phrase “– to assist governments or community groups to purchase and maintain abandoned transportation corridors for public recreational use,” was endorsed.
The resolution, as amended, then read:

Therefore be it resolved that the provincial government facilitate public acquisition and ownership of abandoned transportation corridors;

And be it further resolved that the Province work with UBCM to develop a funding mechanism – for example, a province-wide parcel tax similar to the Municipal Finance Authority tax – to assist governments or community groups to purchase and maintain abandoned transportation corridors for public recreational use.

On motion, as amended, was Endorsed

**B118  Funding Assistance for Project Proposal Evaluation**  
Prince Rupert

Whereas North Coastal British Columbia is experiencing a large volume of industrial development project proposals;

And whereas small communities do not have the financial capacity to sufficiently evaluate the positive and negative impacts to the area of such project proposals:

Therefore be it resolved that the Province provide funding assistance to communities to help evaluate large-scale industrial project proposals.

On motion, was Endorsed

**B119  Municipalities With No Residents**  
Invermere

Whereas the Jumbo Glacier Mountain Resort Municipality (JGMRM) has no residents, no taxable assessment, and an appointed council;

And whereas the draft JGMRM five-year financial plan shows $1 million of Provincial grant funding sustaining their operations for the next five years;

And whereas the Association of Kootenay and Boundary Local Governments (AKBLG) is working on a shoe string budget to assist elected local government within the Kootenay and Boundary regions of British Columbia;

Therefore be it resolved that the UBCM inform the Province of British Columbia that it is strongly opposed to the funding of any municipalities without residents.

On motion, was Endorsed

**B120  Lease Agreements with Provincial Government**  
Clinton

Whereas there are circumstances where local government requires a lease agreement with the Province of British Columbia;

And whereas the provincial government has a standard agreement which is very one sided for the Province and local governments are left with a “take it or leave it” situation it makes it very difficult to protect the interests of the local government (for example, the lease agreement might not allow for an escape clause for the local government):

Therefore be it resolved that UBCM work with the Province of British Columbia to produce lease agreements which would be fair for both the provincial government and local government.

On motion, was Endorsed

**Section B – Part 3-a Resolutions**

Councillor Clair Moglove assumed the Chair and commenced consideration of Section B – Part 3-a resolutions.

A motion, duly moved and seconded, that the recommendations of the Resolutions Committee for the resolutions in Section B – Part 3-a be considered as a block, was endorsed.
A motion, duly moved and seconded, that the recommendations of the Resolutions Committee for the resolutions in the Section B – Part 3-a block be adopted, was endorsed.

The resolutions were endorsed as follows:

**B121  CSA Certified Standard for Recreational & Sport Helmets**  
Powell River City

Whereas brain injury occurs at a rate of 50 per 100,000 persons in Canada, or 60,000 persons, at a cost of over $150 million dollars per year;

And whereas the severity of acquired brain injury could be lessened significantly with the use of CSA certified standards in helmets for all sports, as is mandated for ice hockey players:

Therefore be it resolved that the Government of Canada mandate the use of CSA standards for all recreational and sport helmets sold in Canada through product legislation, as with ice hockey helmets.

*On motion, was Endorsed*

**B122  National Park in the South Okanagan-Similkameen**  
Osoyoos

Whereas a proposed national park in the South Okanagan-Similkameen would protect more species at risk, more endangered habitat types, and encompass a greater diversity of ecosystems than any national park in Canada;

And whereas a national park in the South Okanagan-Similkameen would play an important role in British Columbia’s economy as a substantial and recurring source of economic stimulus particularly through tourism, a source of increased community economic development and new investment, and would provide over 500 new, permanent jobs;

And whereas many governing bodies, such as five regional districts, the BC Chamber of Commerce, the Thompson Okanagan Tourism Association, and local First Nations, have passed formal resolutions asking the Province of British Columbia to return to national park discussions with the Government of Canada;

And whereas the federal government has waited for the provincial government to follow the recommendation of the steering committee and take the next step toward bringing the economic benefits of the proposed national park to British Columbians:

Therefore be it resolved that the provincial government sign an agreement with the Government of Canada to continue to formal discussions regarding a proposed South Okanagan-Similkameen National Park.

*On motion, was Endorsed*

**B123  Provincial Social Policy Framework**  
Duncan  
Nelson  
Burnaby  
North Vancouver District  
Vancouver

Whereas every British Columbian depends on social services, healthcare, justice and education services;

And whereas our communities are partners in the delivery of many of these services and are facing increasingly complex social challenges requiring coordination between multiple social ministries of government, municipalities and the community agencies and organizations that deliver services to the public:

Therefore be it resolved that UBCM call upon the Premier to begin a consultation with British Columbians to initiate the development of a social policy framework that will set out key policy directions, values, priorities, roles and expectations, and guide the creation of public policy to meet our social needs now and into the future.

*On motion, was Endorsed*
Section B – Part 3-b Resolutions

Mayor Sharon Gaetz assumed the Chair and commenced consideration of Section B – Part 3-b resolutions.

**B124 Fukushima Daiichi Nuclear Disaster**

Whereas the Fukushima Daiichi nuclear disaster of March 11, 2011 resulted in the catastrophic failure of three nuclear reactors and associated fuel rod storage pools causing the release of significant amounts of radionuclide contamination into the atmospheric and marine environments; and the owners of the Daiichi facility (TEPCO) and the Japanese government have not been able to contain the marine and atmospheric radionuclide contamination originating from the failed Fukushima Daiichi facility;

And whereas the 80% of British Columbians who live within 10 miles of the Pacific Ocean, as well as the wide variety of marine and coastal economic stakeholders who rely on ocean and coastal environments deserve to have access to detailed information regarding possible radionuclide contamination associated with the Fukushima Daiichi nuclear disaster:

Therefore be it resolved that UBCM support those British Columbians who are affected by the Fukushima Daiichi nuclear disaster by calling on the Province of British Columbia and the Government of Canada to immediately enact the following:

- convene a panel of institutional and citizen scientists to determine what type and frequency of marine and atmospheric monitoring is required to maintain clear understanding of the environmental impacts of the Fukushima Daiichi Nuclear Disaster on coastal British Columbia;
- determine the locations where a comprehensive network of marine and terrestrial sensors or other monitoring methodologies will be maintained;
- commission a website that would both list the raw findings of sensor and environment testing and interpret these data in a clear and transparent manner; and
- open negotiations directly with the government of Japan regarding both the accelerated containment of radionuclide contamination, and full financial support of the cost of the Fukushima Daiichi Nuclear Disaster Monitoring Program on the west coast of BC and Canada.

On motion, was **Endorsed**

**B125 Whistle Cessation**

Whereas rail traffic continues to increase throughout the province of British Columbia;

And whereas locomotive whistles severely infringe upon citizens’ quiet, peace, rest, enjoyment, comfort and convenience:

Therefore be it resolved that Transport Canada require rail corporations provide a safe environment in which whistle sounding will be discontinued.

On motion, was **Not Endorsed**

**B126 DOT-111 & DOT-111A Rail Tanker Cars**

Whereas the Transportation Safety Board has identified safety concerns with the Dot-111 and Dot-111A rail tanker cars;

And whereas these cars have been identified as being in need of replacement or at the very least, significant safety upgrades:

Therefore be it resolved that the Federation of Canadian Municipalities urge the federal government to introduce legislation to accelerate the phase-out of these identified sub-standard liquid commodity cars;

And be it further resolved that the federal government immediately restrict these cars from carrying commodities identified as dangerous goods.

On motion, was **Endorsed**
Whereas the Westray amendments to the Criminal Code were brought forward to address incidents of workplace death or injury that were determined to be caused by negligence or a failure to take reasonable steps to ensure safety:

Therefore be it resolved that UBCM urge the provincial government, specifically the Attorney General and the Minister of Labour, to ensure that:

- Crown attorneys are educated, trained and directed to apply the Westray amendments;
- dedicated prosecutors are given the responsibility for health and safety fatalities;
- police are educated, trained and directed to apply the Westray amendments; and
- there is greater coordination among regulators, police and Crown attorneys so that health and safety regulators are trained to reach out to police when there is a possibility that Westray amendment charges are warranted.

On motion, was Endorsed

Whereas access to telephone service is critical during medical emergencies;

And whereas priority must be given to rural residents living outside of cell phone coverage areas when service to telephone land lines is disrupted, as this is their only means of contacting emergency services:

Therefore be it resolved that UBCM request the provincial and federal governments to require that telephone service providers restore service to those customers without access to cell phone coverage on an emergency basis, in the event of a telephone service disruption.

On motion, was Endorsed

Whereas sections 20(1) and (2) of the Emergency Program Act specifically state that:

The Lieutenant Governor in Council may, by regulation, establish criteria by which the eligibility of a person to receive disaster financial assistance is to be determined.

The Lieutenant Governor in Council or the minister may provide disaster financial assistance in accordance with the regulations to persons who suffer loss as a result of a disaster:

Therefore be it resolved that UBCM ask the Lieutenant Governor in Council to create a disaster relief fund open to all property owners, when such disaster is as a result of natural and/or non human causes;

And be it further resolved that UBCM ask the Lieutenant Governor in Council to create a disaster relief fund, such that it will collect a fee of 1 cent per $1,000 per annum from each property owner.

A motion, duly moved and seconded, to amend the resolution by removing the second enactment clause, was not endorsed.

On motion, was Not Endorsed

Whereas Community Paramedicine is the practice that represents the intersection of health care, public health, and public safety to promote optimal quality of life;

And whereas this Community Paramedicine model has the potential to prevent and reduce high cost medical treatment:
Therefore be it resolved that UBCM request the BC government and BC Emergency Health Services (BCEHS) to research the Community Paramedicine Model of health care for use in all of rural and remote BC communities;

And be it further resolved that UBCM request of the BC government and BCEHS that paramedics of the BC Ambulance Service be employed full time to deliver the paramedicine model of health to rural and remote BC communities.

*On motion, was Endorsed*

**B131  Smoking & E-cigarettes  Harrison Hot Springs**

Whereas the introduction of new smoking products that include electronic cigarettes, cigars, cigarillos and pipes, as well as cartridges of nicotine solutions and related products are regulated by Health Canada under the *Food and Drugs Act*, and that the sale of these products are not authorized in Canada;

And whereas, due to the lack of scientific research, the long term effects of electronic cigarettes and all related products that include nicotine solutions are not known:

Therefore be it resolved that the provincial government regulate the use and sale of electronic cigarettes and other vaporizing systems intended to replicate the smoking experience under the British Columbia *Tobacco Control Act* and Regulations.

*On motion, was Endorsed*

**B132  Shortage of Physicians & Specialists in BC  Alberni-Clayoquot RD**

Whereas there is a shortage of physicians and medical specialists in British Columbia;

And whereas the Province of BC is recruiting physicians and medical specialists from other countries to practice in British Columbia to address this shortage:

Therefore be it resolved that UBCM encourage the Province of British Columbia and the BC College of Physicians and Surgeons to allow Canadian students who have obtained a medical degree outside of Canada to do their clinical residency and practice in British Columbia.

*On motion, was Endorsed*

**B133  Strengthening Telecommunications Infrastructure  Valemount**

Whereas many communities and First Nations are underserved by the existing telecommunications infrastructure in BC;

And whereas from time to time utilities or corporations make application to the provincial government for permission to establish new rights-of-way or new construction on existing rights-of-way on Crown land:

Therefore be it resolved that the provincial government require utilities or corporations to lay fibre optic cable in the construction of any new rights-of-way on Crown land or new construction on existing rights-of-way on Crown land, in order to broaden and strengthen telecommunications infrastructure around the province.

*On motion, was Referred to UBCM Executive*

**B134  Protecting Children Through Effective Family Dispute Resolution – Parenting Plan  Metchosin**

Whereas under the current Family Law model no one is charged is advocating for the rights and interests of children, and that research shows that children suffer emotional, psychological and spiritual harm from parental conflict;

And whereas there is no requirement for a parental plan that describes the division of parental responsibilities before parents access the court system;

And whereas the court system is expensive, adversarial, escalates conflict and hostility between the parents and can take many months to obtain a court date:
Therefore be it resolved that the Province develop policies and regulations that require that parents of underage children must develop, through mutual agreement or mediation, a prescribed parenting plan that includes division of parental responsibilities, before the parents may apply to court for a parenting order;

And be it further resolved that the Province create an agency similar to the Civil Dispute Tribunal that would be structured to encourage parents to use a broad range of non-litigation based dispute resolution tools, including mediation delivered online, via video-conferencing or in person to help parents resolve disputes as early as possible.

*On motion, was Not Endorsed*

**Installation of President-Elect**

At 10:45 a.m., Director Rhona Martin, UBCM Past President introduced the new President-Elect, Councillor Sav Dhaliwal from the City of Burnaby.

**Port Metro Vancouver Cruise Draw**

Naomi Horsford, Municipal Executive Liaison at Port Metro Vancouver presented the Alaskan cruise prize to Chair Barry Pages, Skeena-Queen Charlotte Regional District.

**Air Canada Ticket Giveaway**

UBCM Past President, Director Rhona Martin presented two round trip Air Canada tickets to anywhere Air Canada flies in North America to Councillor Rick Marcotte, District of Port Hardy.

**Address by the Honourable Christy Clark, Premier of British Columbia**

At 11:00 a.m., UBCM Past President, Director Rhona Martin introduced Premier Clark, who then addressed the delegates. Premier Clark’s address is annexed to these Minutes as Appendix E. Following her address, UBCM President-Elect, Councillor Sav Dhaliwal thanked Premier Clark.

**Convention Closing**

Councillor Dhaliwal closed the Convention. The Convention was adjourned at 12:00 p.m.

Certified Correct
Gary MacIsaac
Executive Director
Address by Director Rhona Martin
UBCM President

Honouring Local Government & Greetings

This year marks the 24th that I have served in local government. Over that time many issues have come and gone, but one thing remains unchanged and that is the love that I feel for the work that we share as local government leaders.

Local governments deliver the services that are the foundation for every community in British Columbia.

- Water, solid waste, and wastewater systems;
- Roads;
- Public transit;
- Protective services
- Recreational services

Each of these touch the lives of BC residents every day, and they have been developed over generations by men and women like us.

If our chief aim in life was to make a buck, we picked the wrong line of work! Thankfully our motivation comes from deeper sources. We care about the places we live; we care about our fellow community members; and we are prepared to put in long hours to help our communities to grow and prosper.

So it has been an honour to represent you. And it has also been an honour to represent an organization that is policy focused as we seek to advance the interests of BC communities.

We live in a time where communications move at such an incredible speed that novelty often trumps understanding. It takes time to think critically, define an issue, work collaboratively among differing viewpoints, and find creative compromises that serve the public interest.

UBCM, though, is cut from a different cloth. Long ago we recognized that there is an inescapable need for sound policy. Governments can rush ahead with ideas that have all of the political support in the world, but if the policy is not sound, our citizens will be no further ahead.

I believe you value UBCM’s policy-based approach, and that’s why once again this year 100% of BC local governments have renewed membership in UBCM. We are also very pleased to support our First Nations members, and we thank you also for renewing with us again.

One of our strengths as an organization is the depth provided by our Past Presidents who continue to serve at a local level. A number of our past presidents are with us today — please join me in thanking — Robert Hobson, John Ranta, Frank Leonard, Jim Abram, Harry Nyce, Susie Gimse, Hans Cunningham, Barbara Steele and Pat Wallace (applause). Thank you all for your continuing support for local government in BC. I should also mention that it has been good to see MLA Marvin Hunt in the halls this week — Marvin is a big supporter of local government, and we are glad he is here.

Local governments are also blessed with a network of agencies that support our work. I’m thinking of groups like the Local Government Management Association, Municipal Insurance Association, Municipal Finance Authority and CivicInfo.

One of our valued partners is BC Assessment which is 40 years old this year. Vice-Chair Richard Taylor is with us today — let’s show him our appreciation.

BC Ferries Policy Paper

To begin with today, I want to highlight the policy paper that will come before you later in our agenda.

BC Ferries has been the subject of numerous resolutions over the years. And here’s why: it turns out that British Columbia has an extensive coastline along with numerous islands inhabited by quite a few citizens (!) And those British Columbians, along with everyone else in the province, rely on the ferry service to move goods, services, vehicles and foot passengers back and forth
between the mainland, the islands and across inland waterways. Unfortunately though, the cost of using the ferry system has become so great that fewer and fewer people are using it, and there are social and economic impacts as a result.

Back in the spring, UBCM partnered with AVICC to commission a study to look at how ferry fare increases over a ten-year period affected ridership, and how those changes impacted economic growth. We undertook this work having advised the Ministry of Transportation that we were doing so because no one else had done it. Or, it they did, they did not make the information public.

What we found is that ridership on BC Ferries is indeed price sensitive. By our estimate, if increases were held to the rate of inflation, ridership would have gone up by 19% across the system. Instead, it declined by 11% — a total loss of about 25 million riders — over the decade. The loss to provincial GDP as British Columbians and out of province visitors went elsewhere was 2.3 billion dollars.

On Friday, Minister Stone released a letter in response to our report. I am glad we have his attention, but despite his claims to the contrary, the case made in the paper still stands.

I look forward to your consideration of the report later in our session. Thank you also to the Special Committee who provided great support and direction to our contractor Peter LaRose. I am also pleased that the Premier, Minister Stone, and Minister Bond will be meeting with the Coastal RD Chairs along with our 3rd Vice President Claire Moglove later today.

Gas Tax Fund & Building Canada

When I last spoke to you at the Area Association meetings, we were in the final stages of negotiations with the federal and provincial governments for the Renewed Gas Tax Fund. This program will deliver nearly $2.7 billion to BC local governments over the next 10 years. I want to thank the federal government for the significant commitment it has made to community infrastructure through this program.

As you now know, we were able to secure a number of changes through these negotiations that reflect the majority of feedback provided by local governments:

- The program was streamlined;
- The scope was expanded;
- The role of Metro Vancouver was enhanced in the decision making for funds earmarked for it; and
- A greater portion of the funding is now allocated.

On top of that, we were able to plough $8 million in accumulated interest from the first agreement back into the program to benefit communities over the next two years.

With all of the changes to the program, there are some information gaps that need to be filled. There are insufficient details on some of the new project categories to support local decision-making. We also have had questions about the asset management commitment and how outcomes will be measured going forward. Our staff will be participating in a national workshop following convention, and we will be communicating what we learn through the Compass and on our website.

And, for those of you looking forward to the next round of pooled funding, a call for applications will be made later this fall.

The story with the Building Canada Fund is different altogether. We all saw the announcement in March of this year: “Building Canada Fund Open for Business”. Six months later we are all still awaiting further details.

What we have heard from the Ministry is that the province and the federal government will be meeting shortly to discuss program design. Once the eligible project categories have been determined, there will be a call for applications, but there is no time line as of yet for this announcement. It should be noted that as yet there has been no significant local government input into program design, which is a matter of concern that we have conveyed to Minister Oakes.
Agricultural Land Commission

I would like to touch briefly on the change introduced to the agricultural land commission earlier this year. This is a challenging file for UBCM because of the range of views among the membership.

After the legislative changes had been passed into law, the Ministry of Agriculture invited UBCM to participate in the development of new regulations to implement the legislation. The Executive indicated that it would work with the ministry to ensure the regulations preserved farmland and helped the farming community.

On Sunday, prior to Convention, Executive met with Minister Norm Letnick to discuss the government’s consultation process for the regulations. The government also provided an update at a clinic earlier this morning. These changes will require continued monitoring and UBCM will stay engaged as they are implemented.

Strong Fiscal Futures

I will conclude my address by discussing Strong Fiscal Futures — the key policy document from the 2013 Convention — and where we stand with the government on the matter of local government finance.

Last year we brought forward a broad framework to review the system for local government finance in British Columbia. Our message was that while the overall system was sound at present, continuing cost pressures threatened to make the property tax unaffordable for some British Columbians.

The solution we proposed was that the province and local government should work together to look at both sides of the system — revenues along with expenditures. We were not looking for a cash grab, but a thoughtful look at revenue sources, to see if there are options that are responsive to economic growth that could ease some of the pressure on the property tax. We also wanted to look at measures to provide cost containment, such as shared mandates and the promotion of excellence.

Our Select Committee and President Mary Sjostrom met with the Premier in advance of convention, and in the scrum following her address, the Premier indicated that she liked the aspect of the report that talked about growing the economy and responsive revenue sources.

And that is pretty much where the discussion with the province ended.

When we followed up with Minister Oakes to seek action, she told us that all of the Ministry’s resources were committed to delivering the elections legislation, but hopefully once that was completed there would be time to talk about local government finance.

In April we reached out again by bringing executive to the legislature to meet with Ministers as well as MLAs from both sides of the house. We wanted government to understand the scope of what we were proposing, and that the ultimate beneficiaries of this process would be British Columbians. The individual meetings all went well, and a general level of support was indicated for working together. But still this did not lead to a commitment from the government.

Fast forward to a couple of weeks ago. A chance encounter with Minister Bennett leads to a decision to share a report on compensation with UBCM. This is quickly followed by a message from Minister Oakes indicating this report would be publicly released. Minister Oakes also requested that UBCM sign a letter of intent for a formal partnership with reference to this compensation report.

I wrote to you last week through the Compass to share my response to the Minister and a number of reasons why the compensation review is an inadequate starting point for “ongoing collaboration”.

I also invited the Ministry to come and present the findings of the report at Convention. The government declined to do so, but has offered to have Minister de Jong provide comments during his Cabinet Panel session later today.

BC local governments have said that changes are needed to the total system for local government finance — both expenditures and revenues. We need to do this work for the sake of the citizens of British Columbia and we need to do it soon.

There is no reason why compensation should not be part of that discussion. But there is also no reason why we should not look at all aspects of the system together. So what I am saying to our Minister and to the government today is what we have been saying for a year: you bring your principles and goals, we’ll bring ours, and let’s sit down and begin working together.
Concluding Comments

[Appreciative comments for Columbia Shuswap Regional District and staff]

We are now just over a month away from the local government election. To those of you who have decided that this is your last term, I want to thank you for your service. To those who are running, I wish you all the best as you campaign — I will be watching the results with great interest. The province has developed a set of materials for the new election rules in place this year; given the complexity of those changes, I encourage you to review them thoroughly.

Thank you for your attention this morning and have a great convention!
Address by Mayor Brad Woodside
FCM President

Good day, my friends! Bonjour à tous!

It’s great to be here today and to have this opportunity to speak to you.

But first I want to say … can you believe the stunning views outside our hotel windows?

Whistler is breathtaking as always, and it’s just one more reason why your license plates read … “Beautiful British Columbia”!

I always have a wonderful time when I come to BC, and I’m already looking forward to being here again next March when FCM’s Board of Directors meets in Burnaby.

Before then, FCM will be hosting another important event of interest to the municipalities across BC and indeed, across Canada — our 2015 Sustainable Communities Conference. It will run from February 10th to 12th in London, Ontario.

BC cities and communities are known innovators and are always working hard to stay at the leading edge of sustainable development, so I anticipate that many will want to join us in London, Ontario.

Now let’s turn to the main part of my talk today …

I’ll be discussing FCM and the work we do for our members in British Columbia and across the country …

I’ll update you on the priority issues we’ll be focusing on during the year ahead.

And lastly, I’ll discuss the 2015 federal election and the opportunity it brings to our municipal sector.

Through all of this, I’ll be emphasizing the importance of our hometowns.

As municipal leaders, we know that a strong Canada starts with strong hometowns.

Hometowns with strong infrastructure that creates jobs and supports our local, provincial and national economy …

With affordable housing for Canadians young and old …

And with safe streets and neighborhoods …

Hometowns that drive our nation forward as hubs for social and environmental innovation.

Hometowns we can all be proud of.

That’s what UBCM is working for, as are we at FCM.

As the national voice for municipalities across Canada, FCM is focusing its energies on federal policies and programs that affect our 2,000 members.

Our work has resulted in the indexed Gas Tax Fund, the GST rebate, programs for infrastructure and social housing investment, and most recently, tighter rail safety regulations, to name a few.

So we’re making gains for all communities, working in partnership with our membership.

Since last year, we have welcomed more than 120 new member-municipalities across Canada.

Here in BC, we have an exceptionally strong membership in your municipalities – thank you for your support!

In case you’re wondering how BC municipalities are heard within FCM, I want you to know that you have 10 representatives on our Board of Directors.

YOU have a voice within FCM, and we listen.

A number of FCM Board members are here at the conference. I will call their names and ask them to stand if they are in the audience …
Let’s begin with my friend and colleague Raymond Louie, Councillor for the City of Vancouver, and a vital member of our leadership team at FCM as our First Vice-President. Raymond …

Next we have Vancouver Mayor Gregor Robertson, who plays a key role within FCM as Chair of our Big City Mayors’ Caucus. Gregor …

We also have …

- Rhona Martin, your President
- Sav Dhaliwal, Councillor, City of Burnaby
- Linda Hepner, Councillor, City of Surrey
- Lorrie Williams, Councillor, City of New Westminster

We also have committee members, who kindly share their expertise and insights.

They include:

- Heather Deal, Councillor, City of Vancouver
- Dave Hodgins, Councillor, Township of Esquimalt
- Jerrilyn Schembri, Director, Regional District of Peace River

Ladies and gentlemen, thank you for devoting time and energy to FCM’s activities and for representing BC municipalities so well.

I want to take a moment to discuss FCM International and our efforts to help build strong local government overseas.

And let me begin by thanking UBCM and the many municipalities represented here who contribute their time, expertise and global insight to our international programming.

In the last two years, UBCM and Capital Regional District have been recognized for their work in support of our programs in Asia and Africa. I want to thank you again for your great work!

In addition, your President, Rhona Martin, has taken an active role in FCM International.

Last February, she travelled to Vietnam to support our Municipal Partners for Economic Development Program.

She contributed to the program Steering Committee meeting and played a crucial role in capacity building and sharing know-how around asset management and infrastructure development. Thank you, Rhona!

As we develop new programming in Latin America aimed at building more sustainable and inclusive communities in areas affected by mining, we will look to BC’s resource communities to mobilize Canadian municipal experts in this field.

Now, let’s turn to some of the priority areas FCM is focusing on this year …

Canada’s Housing Crunch is a key issue that we face as municipal leaders, and we all know that it affects millions of people in British Columbia.

Housing that is affordable for newcomers, young families, the middle class and seniors is the core building block for a healthy community.

Municipalities know that protecting federal investments in social housing and creating incentives to increase rental housing will make a real difference in our hometowns …

Allowing more seniors to continue living in their homes …

Making housing more affordable for the one-third of Canadians who rent …
And taking the pressure off the housing market and household debt.

Leading up to the next federal budget and beyond, municipalities are committed to breaking down silos between governments so we can work together to build a healthy housing system that works for all Canadians.

Infrastructure is another priority area for FCM members ...

Always top of mind at FCM is the fact that predictable and dedicated investments in core municipal infrastructure are vital to keeping goods moving and businesses operating.

At the same time, a strong partnership is needed on important wastewater system upgrades to allow communities to meet new federal standards.

And reducing crippling gridlock through improved public transit is critical for returning tens of billions of dollars in lost productivity and improving our environment.

Now let's turn to disaster mitigation.

Disasters caused by flooding, wildfires and other forces are wreaking havoc on communities across Canada.

We are all well aware of the extensive wildfires here in BC.

And flooding? We won't soon forget how dozens of communities across the BC Interior were left underwater following weeks of wet weather and melting snow a few years ago.

Last summer we witnessed the most expensive natural disaster in Canada's history when floods swept over southern Alberta.

Meanwhile, the horrific train crash in Lac-Mégantic provided us with a stark reminder that not all disasters are the result of extreme weather or natural causes.

As municipal officials, how do we lead our communities back from the brink of such destruction?

The truth is … it can't be done alone.

These devastating events highlight the importance of a coordinated effort by all orders of government to mitigate the impact of large-scale disasters.

The job of keeping Canadians safe starts in our hometowns, and it must involve municipalities, provinces and territories, and federal authorities working together.

We must focus on establishing critical disaster mitigation strategies and improving the resiliency of local infrastructure.

The federal government recently introduced a National Disaster Mitigation Program, allocating $200 million over five years to mitigation initiatives.

This program is an important first step. But it is just the beginning of the disaster mitigation work across governments that must take place.

Now, I want to finish up by discussing the 2015 federal election and what it means for municipalities.

Election 2015 represents a tremendous opportunity that our municipal sector must seize upon … an opportunity to create a buzz around our issues and put them at the top of the election agenda.

To make this happen, FCM is launching a national campaign that will focus on the issues Canadians face at the community level.

We know that Canadians care about their communities — the places where they live, work, build a life or raise a family.

And we know Canadians expect all orders of government to work together to improve the quality of life in their hometowns.

Our campaign will harness this public support for municipal initiatives in the lead-up to the 2015 Federal election.
We will be encouraging all Hometown Champions — starting with you, our municipal leaders — to join in a national movement to showcase Canada’s cities and communities.

Our campaign is revving up now. And you can make a difference.

Visit the dedicated section of our website — fcm.ca/hometown — and sign up to join the campaign.

Your participation is vital.

With your help, we will build momentum and demonstrate to political parties, their leaders and candidates how strongly Canadians want to see an investment in “hometowns”.

This strong message will be leveraged to advance our policy themes for the 2015 Federal election, including how….

- Local jobs create local growth
- Livable hometowns are critical for all Canadians
- Safe Cities and Communities are a must
- We can develop environmentally sustainable communities, and finally …. 
- How we support Globally Connected Municipalities

We will aim to ensure our municipal priorities are embraced by federal parties and their candidates.

Together we will make it clear: A strong Canada starts with strong hometowns.

Thank you! Merci!
Address by the Honourable Coralee Oakes
Minister of Community, Sport and Cultural Development

Thank you very much President Martin. President Woodside. First, may I say thank you to both for your leadership and your commitment to important organizations, so thank you.

I’d like to recognize too today that we are on the traditional territory of the Lil’wat Nation and the Squamish Nation. I would like to thank the spectacular resort municipality of Whistler for hosting us, your volunteers, your community, your businesses, for a spectacular time that we’ve had over the last few days.

As minister responsible for local government I truly am delighted to participate in UBCM. I would like to start by acknowledging and thanking the staff of UBCM for the tremendous work that they have done leading up to this conference and all year long.

I would like to especially thank too my team of individuals, our staff through the Ministry of Community, Sport and Cultural Development. We have had 70 meetings in the — You know, I’m not going to call it speed dating anymore. I heard a much better terminology and it’s the dragon’s den. Do you not think that that’s a great analogy for really the dance that we do here at UBCM? But I have to tell you our staff works so hard and take the commitment to helping each of your communities. You know, some of the highlights that I’ve had over the last few days was hearing councillors and mayors come into our 15 minutes of dragon’s den and say, “You know, minister, we actually don’t need to talk to you because we talked to your staff before and we were able to resolve that boundary issue. We were able to resolve that infrastructure project. We were able to fix things.” So, I just personally want to say thank you to our great team. We have 211 people working in the ministry. They’re not all here but just for the tremendous job they do in helping support your communities.

President Woodside, I’m going to go off script a little bit, which I generally do, because I want to thank you for bringing our attention to what is happening in the Ukraine and internationally. We should never ever forget. Last year I finished my speech to you all about the highlight that I’d had last year when I had the true pleasure of accepting the torch for the Canada Winter Games in Sherbrooke, Quebec and it was spectacular. I tell the story about how I was so excited and so proud when I saw Team BC that I almost put out the flame. As a new minister that can be very career limiting.

This year my highlight is a much more humbling moment and actually it happened a week ago and it’s happening right now in Holland and I’m glad that my colleagues are here from Quesnel. A WWII veteran, our Tommy Moffatt, who I’ve known my entire life — I’ve watched him year after year at all of the veterans events, a man that I greatly admire and respect but really we don’t often know the full story of what happened during the war. He came in and the Holland government is recognizing ten people in the world — two Canadians and one our Tommy Moffatt. Tommy — it was Friday and he was leaving on Monday and really there was not much fanfare because he didn’t really want anyone to know. He came in and he was trying to get a few things lined up. His birthday is this — last week? 92-years-old — 92-years-young. He said, you know, when the Holland government phoned him he turned it down. He says, “Why should I be recognized when I was the lucky one?” And he had tears in his eyes. Then I just lost it because that’s just — It was truly emotional.

Tommy over the years has researched and done the story of the 21 people that we lost in our community. I tell you this story and maybe ask that if you have a piece of paper handy maybe to pull it out because there will be good news later and you might want to take notes, but I have an important message for you all. It’s not always the big fanfares, the torch lighting, the spectacular things that happen in your communities that you know make a difference. It’s those humbling moments, those things that you know in your community that you have worked on for years, sometimes decades, to ensure that your community would be a much better place.

I think sometimes in this crazy world of politics that we live in, when we’re criticized, when we have all this noise at us — that sometimes we truly forget the spectacular contributions that each of us make in our communities. As we head into an election year, and I know many of you have decisions to make about what you are going to do, I want you to hold that piece of paper and hold it with pride, because you are the champions in your communities. You are the people that while you often don’t hear that level of respect that you so rightly deserve, know the tremendous contribution that you’ve made in your communities.

So, as local elected officials you truly are on the frontline of local democracy in BC and that’s why the theme this year for UBCM — leading edge — is so perfect. BC is truly leading the way. By controlling spending our government under the leadership of our premier, Christy Clark, has achieved a balanced budget and a modest surplus this year. We are among only two provinces in Canada to achieve this and it wasn’t easy.
My ministry is excited to announce a few things today to really help support communities in making sure that they’re the hometowns that we can all be extremely proud of. The first is we recently developed an innovative new product called the lifecycle infrastructure costing tool to support this work. Piloted in six BC communities it allows local governments to effectively estimate their infrastructure costs based on different development scenarios over a 75 year period. We’ll be making this available to all communities before the end of this year on our ministry website and it’s another example of how we can lead the way when we work closely together.

We’re also working to reduce red tape. This past spring we passed legislation to reduce unnecessary regulatory burden to make doing business easier in BC’s large cities. The legislation reformed the Local Government Act, the Community Charter, and the Vancouver Charter, to modernize local government legislative frameworks. The amendments remove barriers to development and increase certainty and transparency for developers and landowners. For example, under the previous framework outdated land use contracts — many from the 1970s — were constraining modern development and limiting options for affordable housing. The reforms allow land use contracts to be replaced by new modern planning, smart growth ideas and development provisions and reduce costly delays in projects. This common sense approach was developed and implemented thanks to the strong partnerships we’ve had with UBCM, large communities’ representatives including Surrey, Richmond, Kelowna, Prince George, and the township of Langley. For all levels of government being on the leading edge is about working together effectively across jurisdictional boundaries to benefit people and help build strong successful communities and regions.

Let me also mention a success story that was just announced earlier this week. The District of Tumbler Ridge. Where are we? Are we out there? They might still be celebrating. Stand up. Stand up! I have to tell you. So, Tumbler Ridge Global Geopark was named UNESCO recognized Geopark. Let me explain how significant this is. This is the first geopark recognized in the west. Two in North America and only one of only 111 supported by UNESCO worldwide. This is such a tremendous honour and congratulations to mayor and council, the Tumbler Ridge Museum Foundation, and the entire team that worked to gain this recognition.

I would also like to congratulate the regional district of East Kootenay and the City of Fernie for taking a device — They found a solution to a local challenge facing many of their local citizens. Residents of West Fernie needed a major upgrade to their water infrastructure system. Their improvement district had ceased to function so they could not replace their deteriorating pipes that brought water to the community from the city of West Fernie. Does it sound familiar to any other communities? This situation continued for years until the two local governments joined forces to find a solution together. They found a way that supported the replacement of the old water system. So, subject to final approval — and we wish them the best of luck at the local level — the needed infrastructure upgrades will be completed in phases with grant support from the local, provincial and federal governments. Please stand up the regional district of East Kootenay and the City of Fernie so we may recognize you for your tremendous efforts.

At last year’s convention UBC endorsed Strong Fiscal Futures: A Blueprint for Strengthening BC’s Local Government Finance System. It is my pleasure to talk about this report today. Let me outline the many actions we have taken as a government to respond to the recommendations in this report. Let me begin with infrastructure. Number one, under the theme of resilience the report called for action on the renewed gas tax agreement between the federal government, the government of BC and UBCM and check, we have accomplished this. Earlier this year I was very proud to sign an agreement that will deliver $2.76 billion to British Columbians’ local government over the next decade so future projects in your hometown can ensure that they happen.

Number two, under the theme of resilience the Strong Fiscal Futures called for an action on a new three-way infrastructure agreement with the three levels of government. We’ve taken action on this recommendation. We’ve been collaborating with relevant ministries and stakeholders to maximize federal funding opportunities to support this recommendation. In fact — get your pen — it is my pleasure to announce to all delegates today that the province will soon be accepting applications under the Small Communities Fund of the larger new Build Canada Fund with the federal government. The Small Communities Fund will invest more than $327 million over the next ten years for local infrastructure projects for communities with populations under 100,000. As part of sharing the program the province, the federal government, and third parties each contribute one third or approximately $109 million towards the program. While the Small Communities Fund has several eligible project categories there will be a strong focus on drinking water, wastewater, and other green infrastructure projects. I’m happy to announce that will have the first intake under this fund. It will be launched and open for applications by the end of October.
We are accelerating our intake for this program because we recognize how important these resources are for local governments across the province to improve critical infrastructure. We also recognize the important role that UBCM can play in making this program a success, therefore we will be inviting UBCM to be a key player in the oversight of this program as it proceeds.

Also under the theme of resilience in the Strong Fiscal Future it called for renewed commitment to small community grants. The province recognizes how important these grants are to your small communities and I’m pleased to tell you that you can expect that those grants will continue in the future. Since 2009 the government has provided $678 million in small community, regional district and traffic fine revenues. This year alone communities in BC will share close to $74 million in unconditional grants through the Small Community Grant and Traffic Fine Revenue Sharing programs that can be invested in local policing, community safety services and local priority projects.

Number five under the theme of responsiveness — the Strong Fiscal Futures report called for the development of an infrastructure development and strong community building bank. This is exactly the idea that we want to explore as part of the new work underway with the rural dividend. Just yesterday Parliamentary Secretary Donna Barnett announced a Rural Advisory Council to provide input to government on policy decisions to best support thriving rural communities, including moving forward on the rural dividend. I’ll talk a little bit more about that in a few minutes. I truly am confident that this council, which will have representation from throughout BC will be able to take a strong look at UBCM’s proposal as they assist us in defining this important initiative.

While Strong Fiscal Futures identifies priorities we hold in common there are other broader priorities where we have a shared interest, including fiscal discipline and taxpayer accountability. As I mentioned, BC is only one of two provinces in Canada to achieve a balanced budget. Balanced budget 2014 includes forecast surpluses in all three year of our fiscal plan. Governments invested $3.2 billion in capital projects last fiscal year through the BC such as schools, roads, public transit, hospitals, which include $1 billion in BC’s transportation network, $980 million to build, upgrade and modernize K – 12 and post-secondary schools, and $690 million for health facilities.

But, governments have finite resources. You and I both know the reality of serving in a community where you set the taxes that your next door neighbor pays. Citizens expect all of us to live within our means and deliver services in a fiscally responsible manner. It’s about being disciplined for taxpayers today and being fair to future generations. There is only one taxpayer and indeed when the unexpected happens there’s not just one taxpayer, there’s one citizen. If I may be personal for a moment this past summer Mount Polley happened in my riding and while I may have been elected last year as an MLA I say that this summer is how I learned to be an MLA. I’d like to recognize my friend and colleague MLA Donna Barnett for her tremendous work and support on that. I would like to recognize the Cariboo Regional District Chair Al Richmond and electoral director Joan Sorley. Can they please stand up so I may formally recognize you?

When something significant happens in our communities it’s important that we all work together. I can tell you the significant growth in leadership that each of us have week to week — We know we’ve got a long way to go but the only way we are successful in BC is if we work together.

And now I go back to the script. I fully acknowledge that we don’t always agree on the solutions. This is a crazy dance that sometimes we play but we share a common commitment to making our communities stronger and finding the most effective way of delivering services to our citizens. That’s why our government is undertaking the core review process. The Cabinet Working Group on Core Review asked Ernst & Young to review compensation across the BC public sector. The report helped inform the taxpayer accountability principles announced by Premier Christy Clark in June. This report contains data detailing compensation trends across the entire public sector, including Crown corporations and local governments. The report showed that there is great progress and alignment in some areas while also highlighted there is more work that we can do to use taxpayer dollars wisely.

As a former local councillor and a member that I sat on several executive committees, I can attest, especially in smaller communities, the needs for local governments to have access to benchmark information. When we’re doing hiring practices and we’re working with unions and moving things forward sometimes we don’t have in small communities a large staff compliment. We need to find ways that we can support communities by benchmarking information and providing tools that support you making good decisions. I provided a copy of the report to UBCM and offered our support for a formal partnership with UBCM to explore shared principles and objectives within our taxpayer accountability principles and the Strong Fiscal Futures.
Earlier this month I did write President Martin suggesting a letter of intent be developed that would outline the key principles to provide the foundation for ongoing collaboration as well as identify initial priorities for the partnership that we could pursue as pilot projects. I firmly believe we achieve greater success by working together. We all know all levels of government strive to do a good job but we know that we can all do more.

In addition to fiscal discipline we’re also doing our part to support a strong economy. Just over three months ago I received my mandate letter from Premier Christy Clark and it includes direction to work with Parliamentary Secretary Donna Barnett and the Ministry of Forests, Lands and Natural Resource Operations to create and implement the rural dividend. The concept of a dividend recognizes that when investments in our economy yield results we need to ensure that communities are able to share those benefits. Yesterday it was a proud moment when Donna made the announcement because I know how tireless she has worked for rural BC for all these years. So, I brought Donna up here so that she could formally be recognized.

We are also working very hard with the Northwest Readiness Project. Preparing for the economic growth is often daunting but it’s a great type of challenge to have. For example, earlier this year I had the true delight to travel to Terrace and announce up to $1 million in grants to support work underway in these communities to update community plans, bylaws, conduct studies to support sustainable growth and support asset management capacity building, but we’re not stopping there.

We understand that asset management best practices can benefit all local government in every region. Providing future services in cost effective manner begins with a good knowledge of current physical assets and the future infrastructure needs. That is why today I am very pleased to announce that my ministry will fund a new $1.5 million asset management planning grant program in collaboration with UBCM. This program will allow local governments from across BC to access funding to develop and enhance their asset management practices. It will be very similar to the Infrastructure Planning Grant but with a focus on asset management. I am confident that this program will benefit making local governments throughout BC support evidence based decision making and ultimately help them be more successful in their grant applications. Strong local democracy is an essential part of our strong communities. I’d like to commend all of the local representatives for your service to your communities.

Next month in Grand Forks, BC — Where is Grand Forks? In the back. — a unique gathering called Project Progress will bring together leading female community leaders to discuss leadership in politics. I think that’s in partnership with FCM so thank you for your support and other partners that have supported that. This conference is designed to increase awareness and interest in local politics specifically for young women. I commend FCM and look forward to working with UBCM to look at how we can move this forward.

I would like to recognize our dynamic duo Parliamentary Secretary Linda Reimer for her tremendous efforts of traveling throughout the province. You know, when you get into this position and they give you mass amounts of legislation that goes forward they don’t tell you that you can’t leave the house. It’s difficult when we want to consult and we want to engage and when we want to listen to you in your communities it’s critically important that you have a strong partner that you can rely on to support you in the work that needs to be done out there in communities while we bring in important legislation.

So, this year the government of BC in partnership with UBCM took steps to strengthen and modernize local elections in our province. The Local Elections Statutes Amendment Act and the new Local Elections Campaign Financing Act represented the most significant modernization of local government elections in 20 years. The legislation is reforming local elections campaign financing to enhance transparency, fairness, accessibility and ultimately public confidence in local elections. Mr. President, all things that you had discussed earlier today. They’re all based on recommendations of the joint BC government UBCM Local Government Elections Task Force. I want to thank Rhona and everyone at UBCM for your collaboration and partnership in this work. Linda has provided outstanding support to spread the word about the legislative reform and what you need to know when I hope all of you decide to put your name forward.

There is one additional aspect of local election reform that we committed to deliver as part of the second phase of legislation, which is the establishment of expense limits. As you know, the Local Government Elections Task Force recommended that expense limits be established in local government elections but did not recommend how those limits should be set. As I’ve said before, we fully intend to put this in place. We adopted a two phase report supported by UBCM focusing on election campaign expense reform first for 2014, followed by expense limits in time for the local government elections in the fall of 2018. I am pleased today to announce that the government will seek approval of the Legislative Assembly to appoint a special committee to make
recommendations on establishing expense limits in local elections. The special committee will have all the powers of a select standing committee and its members will get to work on this mandate this fall. The committee will be encouraged to consult with all key stakeholders including UBCM. Formal terms of reference for the all party committee will be presented in the Legislative Assembly when it convenes shortly.

Again, democracy is central to traditions of government. It plays a key role in our history. This year Canadians and British Columbians commemorate the hundredth anniversary of the outbreak of the First World War. The war impacted BC profoundly. Many historians believe it was one of the most important events that helped build Canada as a nation. I believe it's important — I believe it is very important to provide young British Columbians with opportunities to appreciate their democratic heritage and understand why Canada has defended these democratic principles. That’s why I’m pleased today to announce that my ministry is supporting a pilot program with the Rotary Clubs of BC to support a unique youth democratic conference that will happen in Victoria next month. This program will bring a small group of about 30 youth from across BC to Victoria for an enriched educational experience.

It will be an opportunity to understand the privileges and the responsibilities of citizenship, engage actively in their civic duties as youth leaders when they go back into their communities and help get out the vote for the upcoming election and finally to represent their communities this November. We are working with local rotary clubs throughout the province to bring about this exciting pilot project and when it's tremendously successful we’ll open it up and ensure that there is a significantly more amount of numbers so let’s hope it’s successful.

Finally, looking ahead 2015 is shaping up to be a great year in sport. With excellent potential to showcase BC and I believe change our province the World Cup is bringing 24 of the best women soccer teams in the world to Canada in 2015. It is the largest women’s sporting event in the world and I believe that the media coverage and the opportunities we have as a province to host this event will change how we look at women in professional sports in BC, in Canada, and be an international leader in these types of activities. Our government is investing $2 million to ensure that this is successful and it’s estimated that the Women’s World Cup will generate $52 million in economic activity throughout the province.

Sport is an important economic driver that helps build strong communities. In my region we are very fortunate and so excited to be having the 2015 Canada Winter Games hosted by Prince George and Northern BC. With a forecasted economic impact of $70 million to $80 million these games are building on community pride throughout the north. It is our opportunity to rebrand the north and showcase why we are such a spectacular place to live, raise families, the best hometowns in the world. In fact, organizers have provided a list of three communities that will host the 2015 Canada Winter Games regional community torch celebrations.

Communities chosen for the honor through a combination of online voting and formal proposals represent all the regions in northern BC and I had nothing to do with the selection, just so that you all know, but it truly is my pleasure today to announce the communities publicly for the first time now on behalf of the Canada Games Host Society. I’m not sure — I saw them earlier. I’m not sure if they’re here in the audience today but they have done such an outstanding job. I see the mayor and council and our Canada Winter Games host committee for all of your tremendous work, for drawing attention to the north, for drawing attention to BC. We thank you for all of your work. So, drumroll please. Representing the northwest region, the successful community is the city of Terrace. Representing the northeast region the city of Fort St John. Representing the central interior the City of Quesnel. Congratulations to these communities for everyone who got out and voted online and for the tremendous support that we’ve had for the host committee of the Winter Games.

So, in conclusion I trust that this convention over the past few days has been educational and inspirational. I truly appreciate the opportunity to meet with so many of the delegations. My only wish is that there was more time because its — 70 meetings — I want to hear what’s going on in all of your communities. I’m excited to know how we can move this great province forward. So, as you head into November and the elections please know that whatever you decide, whether you decide to seek re-election this fall I truly and humbly want to say thank you for all of the tremendous work that you have done.
Address by the Honourable James Moore  
Minister of Industry

Thank you for inviting me to join you today.

I’m pleased you could all join us today.

In 2011, after Canadians had elected three minority Parliaments in a row, Prime Minister Harper went to Canadians, and specifically asked for a majority mandate from Canadians so we could focus on one big task — from which a number of benefits would also flow.

We asked for a majority mandate to focus on the economy to protect and improve the quality of life of Canadians.

That’s what we asked for.

Canadians offered us the opportunity of that mandate, and we have delivered.

We are continuing our focus on the great project of building a prosperous Canadian economy.

Canada is a leading global example of a tax-competitive economy.

In 2012, our Government reduced Canada’s federal corporate income-tax rate to 15 percent, bringing the combined provincial and federal rate to an average of 26 percent across Canada.

26 percent.

This is well below the comparable rates of most other G-7 countries, and, it is more than 13 percentage points below that of the United States.

Which, of course, is in part why global corporate leaders are looking to put roots in Canada, everyone from Google and their now 4 campuses in Canada, Microsoft’s new footprint in downtown Vancouver, and Burger King’s shift from Florida to Canada.

Across the board, our Government has lowered taxes in every way in which the Government collects taxes: sales taxes, income taxes, taxes on small business, taxes on investment.

Taxes in Canada today are at the lowest point they have been in 55 years.

This Spring, Canada’s Parliamentary Budget Officer reported to Canadians that since 2005, the tax relief we have implemented has put $30 billion back into the pockets of Canadian families, so that Canadians can have more power, influence and choice in how they want to live their lives.

We have lowered taxes, we have helped families, we have made our country more competitive, and we have controlled Government spending.

And we are on a path to balance the budget next year.

We are in this position because we have budgeted responsibly, we have kept program spending under control, and we have grown the Canadian economy.

We are second only to the United States in growth amongst G7 countries in growth during the recession and recovery.

And the American recession was longer and much deeper than ours here in Canada.

All credit rating agencies have affirmed Canada’s AAA credit rating, and for the sixth consecutive year the World Economic Forum has declared our banking system to be the most sound in all the world.

KPMG recently released a report that declared that Canada is the most tax competitive country for business in the world.

So what does all this mean for Canadians?
In a recent speech, Hillary Clinton asserted a fact, when she said: “Canadian middle class incomes are now higher than in the United States. Canadians are working fewer hours for more pay, living longer on average, and facing less income inequality.”

She’s right.

Over 1.1 million net new jobs that have been created since we came out of the recession.

We have more than gained back all the jobs lost in the recession, and the job growth has been realized in every region of Canada.

But even better than that, as this slide shows, we have outperformed all other G7 economies in job creation over the recovery.

And even better than that, the jobs that have been created — over a million net new jobs — have typically been high-wage, full-time, private sector job gains.

87% full time.

71% high wage.

80% in the private sector.

The leadership of the late Jim Flaherty was indeed impressive:

- taxes are down
- we have effectively balanced the budget
- we have controlled spending and are investing in key areas
- we’re on a stable path

But we’re not going to stop there, we need to keep moving forward.

I want to tell you about two policy initiatives by the federal government that will help keep British Columbia and Canada united and strong economically.

FIRST, is infrastructure.

Our new Building Canada Plan is unprecedented — it is the largest and longest infrastructure plan in Canadian history.

Over the next ten years, our Government will invest $70 billion in Canada’s infrastructure.

The New Building Canada Plan provides provinces, territories and municipalities, who own and manage over 95% of public infrastructure in Canada, with significant, long-term and predictable funding.

For British Columbia, this represents almost $3.9 billion in dedicated federal funding, including almost $1.1 billion under the New Building Canada Fund and, as I announced back in May with the Province and the UBCM, an estimated $2.76 billion under the federal Gas Tax Fund over the next ten years.

British Columbia also has the opportunity to propose projects for the $4 billion National Infrastructure Component and the renewed $1.25 billion P3 Canada fund.

And, significantly, we didn’t develop the New Building Canada Plan in a vacuum.

We worked with stakeholders, including the UBCM, and the result is a plan that takes into account your ideas and builds on our past successes.

We understand that you are best positioned to represent the needs of your own communities. Which is why we have made some key changes to the Gas Tax Fund.

The Gas Tax Fund has been doubled from $1 billion to $2 billion annually.

We have turned what began as a temporary measure into a permanent source of federal infrastructure funding for municipalities. The UBCM asked for this, and we delivered.
And we’ve expanded the number of eligible categories — providing more flexibility than ever — within the Gas Tax fund, creating 11 new categories, including: disaster mitigation, recreation, tourism, and culture.

This means the Gas Tax Fund is now providing municipalities even more choices in your local infrastructure priorities.

The UBCM asked for this, and we delivered.

And, the renewed Gas Tax Fund is being indexed at 2% per year, which means that the Fund will grow by $1.8 billion nationally over the next decade.

Let me repeat that.

We doubled the funding.

We made it permanent.

We expanded the eligible project categories, and, we indexed the fund above the inflation rate going forward.

Again, the UBCM asked for these changes, and we delivered.

At close to $22 billion over 10 years, the Gas Tax Fund is the largest component of the New Building Canada Plan.

Between 2006 and 2012, British Columbia’s local governments benefitted from funding from the Gas Tax Fund Agreement to support nearly 2000 local infrastructure projects.

But, of course, we don’t stop there.

Comprised of two components, the $4 Billion National Infrastructure Component for projects of national significance and the $10 billion Provincial-Territorial Infrastructure Fund, the New Building Canada Fund will allow local communities and provincial governments to fund projects of national, regional, and local significance.

And, the Small Communities Fund will provide dedicated funding for our smaller communities.

Taken together, the Gas Tax Fund and the New Building Canada Fund, for the first time in Canadian history, will provide the long term funding that local governments have asked for.

Our Government is eager to see shovels in the ground on new infrastructure projects here in BC.

I look forward to the Province of British Columbia opening their intake for project proposals, and encourage all of you to begin discussing projects with your UBCM and BC government representatives.

Investments in infrastructure are connecting our communities, growing our economy and improving the quality of life for all British Columbians.

And, some of that infrastructure money will be going to boost Canada’s ability to continue to expand our trade with the world.

Because Canada is, has been, and always will be a trading nation.

Since our election in 2006, our Government has pursued an aggressive free-trade agenda.

When Stephen Harper became Prime Minister of Canada in January of 2006, Canada had free trade agreements with only 5 countries.

After years of hard work, Canada now has binding free trade agreements with 43 countries around the world.

5 when we took office. 43 today.

Those 43 countries constitute half the global marketplace.
This includes the historic Canada-European Union Comprehensive Trade Agreement, creating 500 million new European customers for Canadian goods and services.

We have signed the Canada-South Korea Free Trade Agreement — a 50 million person market in a geographic footprint the size of New Brunswick, and our first Asia-Pacific Free Trade Agreement.

And here, British Columbia, our province will benefit greatly from the massive growth in Canadian trade to South Korea that will transit through BC.

In fact, over 55% of Canada’s trade with South Korea is from British Columbia.

In addition to this, we’re expanding bilateral FTA negotiations with other key markets like Japan.

And we have put in place new and expanded air transport agreements covering almost 80 countries, improving Canada’s connectivity with our most important trading partners around the world.

And here in North America we just renewed our funding to create a second crossing between Windsor and Detroit, the most important economic border crossing in the world to expand our trade with the recovering U.S. economy.

On the trade side, it is no exaggeration to say, the Government of Prime Minister Harper is the most pro-free trade Government in Canada’s history.

What’s next?

To build a stronger Canada.

To improve our nation.

And grow our economy.

I submit to you that it needs to be this: breaking down barriers between Canada’s provinces and territories and opening up the Canadian economy.

I believe the primary job of any government should be one of nation-building — through policies and projects that build our economy and strengthen our country.

No doubt, our ambitious international trade expansion plan is working.

We are seeing some tangible results on the world stage.

However, trade within our own borders has not kept up with the success of our international trade agreements.

When Canada’s “Agreement on Internal Trade” was signed in 1994, Canada had Free Trade Agreements with 2 countries — Mexico and the U.S.

Today, we have free trade agreements with 43 countries around the world.

And the sad reality is that currently Canada provides greater trade benefits to foreigners than we do to our fellow Canadians.

We have too many barriers to commerce, trade, mobility and growth within Canada.

For example, try driving a transport truck across this country and you’ll soon discover what a problem this is.

Provinces have different rules on truck weights and dimensions, various requirements for tire sizes, and so on.

We are the 2nd largest country on earth, and we don’t have basic transportation standards synchronized across Canada.

This leads to firms focusing their economic growth plans south to the U.S., rather than east and west across Canada, thereby limiting our economic growth and economic integration.

Here’s an example of just that: Beau’s Brewery based in Vankleek Hill, Ontario.

Beau’s is an award winning brewery located 20kms away from the Quebec border.
But they can’t sell their product in Quebec, but they can sell freely into the United States.

As a result, they’re expanding in New York state, and taking all the associated Canadian jobs in manufacturing, trucking, retailing, bottling and labelling with them.

And, Canadian consumers are denied choice.

Canadian comedian Tom Green was recently on Jimmy Fallon, and he brought some of Beau’s Beer with him.

As a New Yorker, Jimmy Fallon will be able to buy this award winning Canadian product….

But Canadians, who live 20kms from the factory, are legally prohibited from buying the product.

Another example, this one from the Dairy Processors Association of Canada.

Coffee creamers.

Provinces have different regulations on the sizes of coffee creamers.

So… dairy producers have to make coffee creamers for a local economy or regional economy or provincial economy only.

But they won’t invest in the cost to package and ship creamers to other provinces.

SO, we get isolated local economies, competition isn’t realized (which gets reflected in higher prices), firms don’t grow, opportunities are lost, and consumers are denied choice.

And of course we all know the example of B.C.’s wine industry and their struggle to get our award winning product to the Canadian marketplace.

And I should note — that even within the much praised “New West Partnership” between BC, Alberta and Saskatchewan — we still can’t sell our BC wine freely to Saskatchewan or Alberta.

Barriers like these and many more are punishing business and consumers alike as companies are forced to pass along the costs to their customers.

Canada needs a bold policy to break down barriers to trade within Canada.

Foreign firms operating in Canada should not have a systemic advantage over Canadian firms operating in Canada.

The opportunity to take action is here.

All of Canada’s provinces and territories — ALL of them — for the first time in 20 years, have expressed a willingness to aggressively pursue a new free trade agreement for Canada.

Just last year, this was not the dynamic.

Today it is.

We need leaders across Canada at the provincial and territorial level to pick up the torch of the great Peter Lougheed, who used to assert:

“I am a proud Albertan…. But I am a Canadian First.”

As Canada’s Minister of Industry, I have made modernizing Canada’s Agreement on Internal Trade my top priority.

This problem cannot be allowed to continue.

And this is too important an opportunity for us to let it slide by.

We are reaching out to businesses.

We are identifying irritants that we can address for immediate and tangible results.
Over the last eight months, I have engaged businesses, Premiers, Provincial and Territorial Ministers across the country about the urgent need to free trade within Canada.

Last month I published a position paper called “One Canada, One National Economy” that outlines paths to move forward on opening trade across Canada.

This proposal outlines two paths to advance a modern internal trade framework.

One involves making targeted reforms that address priority areas of concern — labour mobility, specific commodities, government procurement and education credits — for example.

The other is more comprehensive — a complete redesign of the Agreement to bring it in line with recent international trade agreements.

And following last week’s Council of the Federation meeting in Charlottetown, I was pleased to see Premiers agree to make progress on our joint efforts for more free trade within Canada.

First, B.C. and Saskatchewan have agreed to move forward on liberalized trade of wines and spirits between the two western provinces.

Second, B.C. and New Brunswick signed a memorandum of understanding on labour mobility between their jurisdictions.

While this progress is good, it is still far too timid for a country like ours if we truly aspire to meet our economic potential.

But more significantly was the news out of the Premiers meeting that the provinces agreed in principle to expand and modernize free trade more broadly within Canada.

Premiers agreed to undertake a comprehensive renewal of the outdated Agreement on Internal Trade.

This reflects the sentiment I heard from all of Canada’s provinces and territories as I have travelled across the country urging for this kind of commitment.

And to keep progress moving in the right direction, our government will be looking at additional measures that will contribute to greater free trade and economic growth within Canada.

As we approach Canada’s 150th anniversary, the time has come to build a true open domestic market.

To move forward, build a stronger, more open Canada, where businesses can flourish within our own borders.

The task of Confederation is not done.

The task of uniting Canadians as a people and an economy, is not done.

We want to strengthen our economic union and show the world that our confederation is solid.

This is the next step to build our nation.
Good morning.

I’d like to acknowledge the traditional territory of the Coast Salish peoples, specifically the Squamish Nation and Lil’wat First Nation. This is a special year for most of you.

It’s when you stand up. Stand up for your values, and ask for your communities’ support to lead.

I want to talk to you today about the responsibilities that come with that privilege.

What it means to lead.

What’s at stake in our province. The role of rural communities — how rural and urban communities are connected.

I want to talk to you about resource development.

Done responsibly. Done right. That’s at the heart of our history.

It powers what all of us do in this room. And it’s the key to our future.

First, I want to acknowledge some of the titans of BC municipal politics who have chosen not to run again next month.

It’s going to be a lot different here next year without people like John Kettle and Walter Grey — and a lot less colourful.

It was John who told a packed room recently that nudity is the best form of birth control as we age.

It’s a good thing we have so many natural resources — because we’d all be naked without them.

To everyone wrapping up your career in elected public service: thank you. I also want to thank Rhona Martin for everything she’s accomplished at UBCM.

We didn’t always see eye to eye, but that’s okay. I don’t need or want to be surrounded by people who agree with me.

In fact, I relish it. There really is no other explanation for me running in Vancouver-Point Grey.

Rhona, you’ve been a tireless advocate for municipalities across the province, and I thank you for calling it like you see it.

And I want to congratulate incoming president Sav Dhaliwal. I’m looking forward to working through the issues with you together.

One of the things we have done best in British Columbia is ensure we meet regularly, face to face.

This isn’t always the case in other provinces. But there is tremendous value in bringing together local and provincial leaders…

To discuss the issues that matter to the people who have entrusted us with the privilege of representing them.

Two weeks ago, I convened a very different meeting of leaders, when I invited 400 First Nations chiefs from across the province to meet with my cabinet and my deputies. It wasn’t modeled on UBCM, and obviously the issues are very different — but the concept is basically the same.

The first step towards solutions is dialogue.

Meeting face to face…

Talking our way through problems…

It’s what made this province the place it is today.

My grandfather used to take me out fishing on the Fraser River. A river whose rich resources sustained my family for generations.

It’s part of who I am.
In that rugged, beautiful river, there’s a story at the heart of our identity.

The gold rush of 1858 was a dangerous time.

When gold was discovered here just a mere nine years after the California rush…

It attracted thousands of American prospectors north across the border - which was disputed at the time.

The mark they left lasts to this day along the Fraser, with names like Boston Bar, Texas Bar, and Yankee Flat.

As they moved farther and farther upstream, they came into increasing contact with First Nations.

And with increasing contact came increasing tensions, until one day bodies started to appear in the river.

The colonial government in Victoria was too far away to intervene. Motivated by revenge, two different American militias formed to attack nearby First Nations, led by Chief Spintlum.

One of those American militias was led by Captain Snyder. Perhaps he was motivated by purer instincts…

Or perhaps he knew they were hugely outnumbered.

What he didn’t know was Chief Spintlum was also counselling peace. Spintlum knew this was just the first wave. His people might defeat this rabble, but thousands upon thousands more were coming.

Think about that moment when they eventually met.

It must have been unimaginably tense. They both arrived thinking thought the other side was spoiling for a fight.

And in a way, they were both right: plenty of people on both sides wanted one.

Instead, there was peace. Because there was leadership - Snyder and Spintlum.

Both with the courage to shape history, even when surrounded by people who disagree.

They found the best way forward.

They found a way to work together.

And they changed the future of our province and our country - forever.

Two men who probably never grasped the impact of their decision that day.

Two men who stood up to be counted despite opposition.

Two men who did what they sincerely believed was right for the people they led.

Why haven’t we heard more about this story?

For starters, Governor Douglas hated it, because it showed how little control he had, and how vulnerable B.C. was.

Can you imagine what would have happened if a bunch of American prospectors had been killed by First Nations?

The US army would have been up here. And they might not have left. I might not have gotten to enjoy those afternoons on the Fraser with my grandfather.

And in Hope, where a lot of those prospectors started their journey north - next month, you might have been voting to send a congressman to a deadlocked government in Washington, DC.

Snyder and Spintlum understood the special role they had as leaders.

The same special role that has been given to each of you…

To shape the future.
To make history happen, instead of letting it happen to you.

But Snyder and Spintlum didn’t just lead by looking forward…they also led by reaching back.

Back to the men who followed them. And persuaded enough of them to take another path.

A path of peace, rather than conflict.

It’s how the BCTF and provincial government solved the teacher’s strike: leadership on both sides.

The BCTF could have decided to force the government’s hand — and government could have decided to legislate them back to work.

But we didn’t.

Because we were determined to come to a negotiated settlement.

Determined to call a truce, and start a new kind of relationship.

One that focuses first and foremost on kids.

And while determination and a square focus on the long game is part of leadership…

It’s not the whole story.

We were able to reach this historic agreement because leadership on both sides of the table had the support of those who entrusted us with leadership.

Teachers who, in the end, voted 86 per cent in favour of the agreement, and the thousands and thousands of British Columbians who were prepared to endure the long strike…

Because they wanted this ended the right way.

Today, none of us is leading our communities to war — thank Goodness.

But all of us, we hope, are leading our communities to greater health and wealth.

Everyone wants prosperity.

None of us should think we can benefit from economic development… and then excuse ourselves from rolling up our sleeves and making it happen.

I met with Mayor Frank Armitage yesterday.

There are less than 3,000 people in Princeton, yet Frank tells me they contribute $750 million per year to the provincial economy, via forestry, and the Copper Mountain Mine.

They came to see me yesterday about getting some help to install an elevator in their town hall, so their courtroom is accessible to everyone. Despite all the wealth they produce for all of us, they still struggle to meet the needs of their small but mighty community.

This isn’t a new story. Wealth has always flowed from rural BC down to the urban centres, then over our borders or across the sea.

It is how we create wealth together — urban and rural.

The dispute between Snyder and Spintlum. It all started because of mineral wealth — gold.

But here’s something we in urban centres sometimes forget…

Spintlum didn’t want to stop the gold mines. He just wanted the miners to leave some of that wealth behind.

It’s the same today in Rural BC. It’s the same with First Nations.
They’re for economic development. They just want to see more of the benefits extracted from the land they live on to come back.

That’s why I asked Donna Barnett to lead a Rural Advisory Committee. Because we have to do a better job making sure places like Princeton, and Terrace, and Fort Nelson, and 100 Mile…

Get their fair share.

That starts with getting development right. Getting to “yes” doesn’t mean skipping the necessary steps.

There’s anxiety in places like Squamish and Burnaby, where they’re debating development projects. And that’s understandable.

To earn social license, you can’t hide from people’s real concerns

That’s what the 5 Conditions are about.

An articulation of our core principles for development.

There needs to be a formal environmental review…

World-leading practices on land and in the water in place for prevention and response in case of accidents…

Aboriginal rights must be addressed…

And we need a fair share of the benefits that reflect the risk.

These conditions are an articulation of the ways we do business in BC.

It works. Others can learn from it.

It’s the same approach I take with liquefied natural gas. I see a tremendous opportunity for British Columbians from LNG.

It’s because it’s the cleanest-burning fossil fuel.

Because it’s safe to transport.

Because we have the highest standards for worker safety.

Because we have a 50-year record of environmental safety.

It’s because we are doing it right that I see opportunities for businesses across the province, through the LNG Buy BC program.

Opportunities for thousands of people, trained for new careers through the Skills for Jobs Blueprint

In July we allocated almost $7 million for additional foundation and apprenticeship seats.

We’re already hearing stories about students who are making the most of this chance.

Students like Andrew Broadbent of Summerland, who got one of the new seats at Okanagan College.

My priority is people like Andrew across this province who are thinking about their future.

But Andrew doesn’t have that future without the visionary leadership from all of you.

Because of people like Andrew and all those workers in BC, that we have to be tough regulators.

Vigilant about protection and safety.

After the tailings pond breach at Mount Polley, I went up there to meet with the people affected. They were devastated.

That can’t happen again.

The inquiry and investigation underway will let us get to the bottom of what happened, so it won’t.

In British Columbia we do have a record of developing resources that is better than almost anywhere else in the world.
We must strive every day to improve and keep our status as tough regulators with responsible, sustainable resource industries.

Equivocation, evasion, and caving in don’t count as doing better.

Standing up for what we do…

Striving to improve — that’s what leadership is.

And just as wealth from our forests, mines, and gas reserves flow from Rural BC, part of our job as leaders is putting each other in a position for success.

Linda McGuire and her council are here. They are finally — finally — going to be able to bring broadband access to Granisle.

Basic infrastructure that will allow Mayor McGuire’s small community to reach its full potential.

They need it — as all small communities do — for economic development, for health care, and for education.

You can imagine how disappointed they were to learn that fibreoptic was coming down the highway, but stopped 2 kilometres short of the community.

We’re finding a way to fix that. And we want to fix it for other small communities.

This will be a significant initiative across government, coming out over this coming year.

And it will build on so many good stories…so much possibility around the province.

Dancin’ Dave MacDonald says there’s a house on the market in Port Ed for $445,000. Probably the highest listing ever in the town.

It’s the same in Salmon Arm. Where’s Mayor Nancy Cooper? Housing, retail, and tourism — all up.

And Janice Perrino told me there’s 100 new building permits been issued in Summerland.

Terrace saw an average of 1 residence built per year. They’ve had 190 in the last 24 months.

Joe Stanhope is thinking about how to take the 30 % cut in gas rates recently announced by the province, and turn it into economic opportunity for Vancouver Island.

The foundation for all of this success is getting our own house in order. We can’t ever forget: there’s only one taxpayer funding multiple levels of government and important public services.

It’s up to the provincial and local governments to ensure we’re working together to ensure those services aren’t costing citizens more than necessary.

That’s why we commissioned the Ernst & Young report. It shows we’ve had some successes. And it shows there’s a lot more work to do.

Some local governments are paying more than the province for people to do similar jobs.

And in those cases, compensation levels are simply too high.

It’s not just local governments. The report also shows we need to keep working to manage compensation and spending at Crown corporations…

That’s why we’ve taken steps towards addressing that with the Taxpayer Accountability Principles.

I’m not here to point a finger — this is a healthy process that all governments at all levels need to go through.

And I understand only too well just how difficult and heated negotiation can be with public sector unions.

But we all have to stick to our guns.

We will not raise taxes.
We will not commit to something we cannot afford.
We will not kick the ball down for the next generation to figure out.
There are success stories here, too. I met with Mayor Carman Graf of Telkwa yesterday.
They have some of the lowest per capita expenditures in B.C.
Their plan is fairly simple:
Grow, then spend more. Not vice versa.
But it’s not just about wages.
We are in the midst of our first major core review in 12 years, but some of you got to it before I did.
Dan Ashton led a successful review in Penticton that led to property taxes being frozen - with no cuts.
But the road to prosperity — the road to economic growth — can be bumpy. Things can happen along the way that are unexpected.
Back to Captain Snyder for a moment.
Remember he was the leader of just one of two American militias bent on revenge against the First Nations.
But after deciding to seek peace himself, he went to his fellow American leader, Captain Graham, and persuaded him to do the same.
But in a moment of weakness, Graham changed his mind and went off anyway in search of a fight.
Instead of igniting a full-scale war, he got himself killed — possibly by his own men.
Captain Graham could have reached Spintlum first. And if he had, the US army, already sent from California to northern Washington State, could have been sent in. Thousands more people might have died on all sides. And the national motto, from sea to sea, would be something quite different.
The lessons of Snyder and Spintlum have never been more relevant.
They remind us our province wasn’t shaped by destiny alone.
It was shaped by men and women who made choices.
156 years after two brave men decided to find a better way forward, we’ve encountered another fork in the road.
The Supreme Court of Canada has told us Aboriginal title exists.
As leaders, we have a decision to make. We can ignore it, encourage more litigation, and put economic development and all of our futures on hold.
Or we can follow that fork in the road. We can begin a journey down a new road together. Embrace it as an opportunity to start down a new path.
A path with First Nations as partners. Sharing in all the benefits of a growing economy. Sharing in access to education, job opportunities, new revenues. Wanting more of the resources of this province to go back to their communities, just as you do to yours.
You have decisions to make in your communities, too.
Because as one politician to another: I know this is a big year.
Public service is more than a full-time job, and if that wasn’t enough to fill your evenings and weekends… You’re getting into the home stretch in your re-election campaigns.
And when you’re competing for people’s attention — talking about the things that bring us together, rather than fighting about the things that divide us…

But as Captain Graham learned…

The path to glory can be very short-term indeed.

Like them, we need to understand the reality of our times.

We need to summon the courage to shape history, even when surrounded by people who disagree.

We need to keep searching for the best way forward, and new ways to work together.

We’ve come a long way.

Think about what our resource economy makes possible.

If you get cancer — anywhere in BC — you have best treatment centres, with the best outcomes in anywhere in the world.

That’s largely due to research and work done in Vancouver. And we’ve been able to make significant investments, because of the wealth generated in our resource sector.

Think about what our post-secondary institutions are achieving on the world stage.

Next month, I’m leading my sixth trade mission, this time to India.

We’ll be visiting the University of the Fraser Valley’s campus there. They wanted to form partnerships with B.C. institutions because of what we’re achieving here.

That’s only possible because of the wealth generated in our resource sector.

Universities with campuses and partnerships across the Globe…

Think about the opportunities that opens up for young British Columbians from every corner of this province.

We’ve talked about our history — but that’s our future.

And if we learn those lessons, and stay true to our shared vision…

If we’re not afraid to work hard, and make the tough decisions…

We’ll find we are so much stronger. As a province. Together.

Thank you.
The registration for the One Hundred and Eleventh Annual Convention of the Union of British Columbia Municipalities held in Whistler, BC, September 23 – 26, 2014, was as follows:

<table>
<thead>
<tr>
<th>UBCM Membership</th>
<th>Represented at Convention</th>
<th>Number of Voting Delegates</th>
<th>Number of Non-voting Delegates</th>
<th>Number of Partners</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>49 Cities</td>
<td>49</td>
<td>212</td>
<td>46</td>
<td>63</td>
<td>321</td>
</tr>
<tr>
<td>56 Districts</td>
<td>56</td>
<td>227</td>
<td>56</td>
<td>73</td>
<td>356</td>
</tr>
<tr>
<td>14 Towns</td>
<td>14</td>
<td>51</td>
<td>11</td>
<td>24</td>
<td>86</td>
</tr>
<tr>
<td>48 Villages</td>
<td>44</td>
<td>117</td>
<td>30</td>
<td>43</td>
<td>190</td>
</tr>
<tr>
<td>28 Regional Districts</td>
<td>28</td>
<td>135</td>
<td>34</td>
<td>52</td>
<td>221</td>
</tr>
<tr>
<td>195</td>
<td>191</td>
<td>742</td>
<td>177</td>
<td>255</td>
<td>1,174</td>
</tr>
</tbody>
</table>

Member Representation 98%

<table>
<thead>
<tr>
<th>Others</th>
<th>Number of Delegates</th>
<th>Number of Partners</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal MPs/Senators</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Federal Staff</td>
<td>2</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Provincial Ministers &amp; MLAs</td>
<td>83</td>
<td>7</td>
<td>90</td>
</tr>
<tr>
<td>Provincial Staff</td>
<td>195</td>
<td>4</td>
<td>199</td>
</tr>
<tr>
<td>Observers &amp; Others</td>
<td>262</td>
<td>20</td>
<td>282</td>
</tr>
<tr>
<td>Special Guests</td>
<td>7</td>
<td>3</td>
<td>10</td>
</tr>
<tr>
<td>Sponsors</td>
<td>90</td>
<td>6</td>
<td>96</td>
</tr>
<tr>
<td>UBCM Staff/Contracts</td>
<td>38</td>
<td>7</td>
<td>45</td>
</tr>
</tbody>
</table>

Grand Total 1,899
Resolutions Not Admitted For Debate

Section C — Part 1 Resolutions
C1 Coastal Ferries: Restoration of Service Levels, Fiscal Fairness & Long-term Strategy

Section C — Part 2 Resolutions
C2 First Responder Protocols
C3 Rail Transport of Hazardous Materials
C4 Coal Exports
C5 Party Bus Industry
C6 First Responder Financial Assistance
C7 ICBC Billing Practices
C8 Liquor Tax
C9 Medical Marijuana
C10 Medical Marijuana Production on Agricultural Land Reserve Land
C11 Increased Resources for the Agricultural Land Commission
C12 Agricultural Land Reserve Zone 2
C13 Need for Consultation: Bill 24 Agricultural Land Reserve
C14 Agricultural Lands
C15 Work Camp Development & Monitoring
C16 Amendments to the Canada Postal System
C17 Mail Delivery
C18 Provincial Social Policy Framework

Resolutions Received After the Deadline
LR5 Regional Governance Models
LR6 Support for Proactive Action to Protect Workers
LR7 Proactive Action to Protect Workers
LR8 Worker Protection Through the Westray Act

APPENDIX G
Skeena-Queen
Charlotte RD
Kootenay Boundary RD
Cranbrook
Logan Lake
Burnaby
Maple Ridge
Squamish
Vernon
New Westminster
Lake Country
West Kelowna
Coldstream
Nelson
LMLGA Executive
Central Kootenay RD
Terrace
Greenwood
Langley Township
Fort St. James
Coquitlam
Fort St. John
Trail
Powell River City
Pre-Conference Study Sessions and Tours

Monday, September 22, 2014

Study Tours
8:15 a.m. – 5:00 p.m.  Agriculture Study Tour

Study Sessions
9:00 a.m. – 4:30 p.m.  Reconciliation in Action
9:00 a.m. – 12:00 p.m.  Are You Ready for the Big One? Managing a Catastrophic Event
                           LNG in BC: Opportunities and Challenges
1:30 p.m. – 4:30 p.m.  Improving Health for Remote and Rural Communities
Policy Paper #1 – Socioeconomic Impact Analysis of BC Ferries
1. DECISION REQUEST

That the UBCM membership endorse the recommendations in Policy Paper #1 in response to the findings of the attached socioeconomic impact analysis (SEIA) of BC Ferries.

2. INTRODUCTION

The purpose of this policy paper is to:

- provide the UBCM membership with an overview of the work undertaken to date by the joint AVICC-UBCM Special Committee on BC Ferries; and
- seek member endorsement of proposed recommendations arising from the findings of the SEIA, *Boatswains to the Bollards: A Socioeconomic Impact Analysis of BC Ferries*.

The first part of this paper provides the background to the establishment of the Special Committee on BC Ferries. A brief overview of the Special Committee’s work is followed by a summary of the key findings from the SEIA. The final section proposes a course of action in response to the findings of the SEIA and seeks the endorsement of the UBCM membership.

3. BACKGROUND

UBCM member interest in BC Ferries has been consistent for over a decade. Members have endorsed a number of resolutions related to ferry fares, operations, service levels, with the majority requesting that ferries be funded, administered and managed as an extension of the provincial highway system (2001-B64; 2002-B77; 2004-B59; 2007-B18; 2010-B20; 2010-B110; 2011-A3; 2012-B6; 2013-B12). Note that resolution 2014-C1 regarding coastal ferries, sponsored by Skeena-Queen Charlotte RD, is printed in the 2014 Resolutions Book and has been referred to this policy paper.
Consequently, when the Minister of Transportation and Infrastructure announced changes to BC Ferries service levels and fares in November 2013\(^1\), UBCM members, specifically coastal communities, expressed significant concerns. What was most disconcerting for local governments was the fact that the Province planned to commence implementation of these changes as early as April 2014, in the absence of any socioeconomic impact analysis. Both fare increases and service reductions, for minor routes, were implemented this past April.

UBCM and AVICC voiced concerns to the Minister about implementing the changes. On February 7, 2014, the two associations agreed to establish a Special Committee on BC Ferries. In the absence of information about the potential socioeconomic impacts of the announced changes, the Special Committee was charged with overseeing the work of a consultant to fill the information gap. The Executive extends its thanks to the members of the Special Committee for their significant contribution to this project; their dedication, expertise and knowledge have been invaluable.

Comprised of elected officials from UBCM, AVICC, Ferry Advisory Committee Chairs and Coastal Regional District Chairs, the Special Committee met from February to July 2014, and oversaw two phases of work. The first phase consisted of a survey of local governments, chambers of commerce, ferry advisory committees, and other stakeholders, focusing on ferry service reductions. A majority of some 400 respondents indicated that they expected negative impacts to business and tourism in response to fare increases and service reductions, and expressed concerns that there would be resulting declines in population, employment and property values for coastal communities. While the survey data was qualitatively significant, it did not quantify the socioeconomic impacts of ferry service reduction. Both associations supported the Special Committee extending its term to oversee Phase 2, a socioeconomic impact analysis (SEIA) to assess the relationship between ferry fare increases, passenger ridership levels and socioeconomic outcomes for BC communities.

Peter Larose of Larose Research and Strategy was contracted to undertake the research work. Under the direction of the Special Committee and working with a tight timeline, he framed his research to answer the following questions:

1. Have ferry passenger fare increases from 2003-2013 reduced ridership levels? If so, how significant were the impacts and on which communities / routes?
2. What are the main factors that explain passenger volumes in the ferry system?
3. What is the economic impact of BC Ferries and how can we estimate its impact on not only coastal communities in BC, but throughout the province?

---

4. **Has reduced ridership from 2003-2013 resulted in “downstream” impacts in coastal communities, such as business formations and failures, population migration, property values, consumer prices, and other areas?**

5. **In light of historical trends in fare and passenger levels, what are the expected future trends?**

---

**4. REVIEW AND DISCUSSION OF FINDINGS**

The SEIA undertaken by the consultant is the first piece of research work, to UBCM’s knowledge, that has attempted to quantify the socioeconomic impact of BC Ferries, not only to coastal communities, but to the province as a whole. The report by Peter Larose, *Boatswains to the Bollards: A Socioeconomic Impact Analysis of BC Ferries*, is attached for reference. The following provides a summary of his findings related to fares and ridership and overall economic impact of BC Ferries.

**Ridership**

- Ferry ridership has declined on nearly every route, with overall ridership declining by 11%, from 2004/05 to 2013/14;
  - The Northern Routes - most severe passenger declines of approximately 20-40%.
  - The Minor Routes - significant ridership declines of approximately 10-20%.
  - The Major Routes - lowest level of ridership declines of approximately 5-8%.
- Ferry ridership declines run counter to the trend of transportation volume increases in most other modes of transport in BC, including vehicle and air transport;
- Ferry passenger volumes are strongly (negatively) correlated with fares, and fare increases contributed to passenger volume declines from 2003-2013;
- The factors that most strongly explain variations in ferry passenger levels are changes in fares, provincial GDP, and provincial population;
- Ferry ridership declines are most strongly associated with declines in business incorporations and housing starts in coastal communities; while population migration and real estate prices in coastal communities have begun a downward trend since 2009 relative to historical trends, and when compared to non-coastal communities;
- Ferry passenger price sensitivity is estimated to be moderate overall, and increasing slightly over time.
Economic Activity

- BC Ferries stimulates a total of $1.8 billion in expenditures in BC each year, which produce $1.5 billion annually in total value-added (GDP) for the BC economy;
- The total *organizational* GDP of BC Ferries is estimated to be $545 million as of 2013, employing approximately 8,400 people (directly and indirectly);
- BC Ferries supports an estimated $394 million in annual taxation revenues to:
  - federal ($210 million),
  - provincial ($150 million), and
  - municipal ($34.2 million) governments;
- Using a gross cash-on-cash Return on Investment (ROI) formula, for every $1.00 of tax revenues invested in BC Ferries, $8.40 of economic activity was generated – much of which is in communities that are *not* coastal or ferry dependent.

Foregone Economic Activity

- If fare increases had been limited to the rate of inflation from 2003-2013, it is estimated that passenger volumes would have grown 19% over the period, to 25.7 million in 2013 (compared with an actual ridership of 19.9 million in 2013);
- Foregone economic activity (gross) resulting from ferry traveller declines from 2003-2013 represents a reduction in GDP of $2.3 billion over the ten year period (2003-2013);
- The foregone economic activity (gross) related to historical fare increases from 2003-2013 resulted in an estimated cumulative loss of $609 million in tax revenues, including $325 million to the federal government, $231 million to the provincial government, and $53 million to municipal governments.

The economic impact of BC Ferries on coastal communities and the provincial economy as a whole is substantial. Over 2003-2013, when nearly all modes of transportation in BC reported volume increases (ranging from 5 to 68%), BC Ferries recorded a decrease (-6.8%). Not only has a negative correlation between increasing fares and ridership been established, the quantitative impact of this reduced ridership across both coastal and non-coastal communities is significant. Equally noteworthy is the analysis of foregone tax revenues that could have accrued to all orders of government if fare increases had been capped at the rate of inflation. Based on these findings, and others reported in the SEIA, it appears that ferry fares are having a negative impact on ridership and this decrease in ridership is significantly impacting overall provincial GDP and tax revenues accruing to all orders of government. While some routes are more price sensitive than others, in the longer term, overall ridership will continue to decline as fares
continue to increase. This downward trend does not bode well for coastal ferry sustainability.

In its November 2013 announcement the provincial government articulated the goal of “an affordable, efficient and sustainable system” of coastal ferry service. It is difficult to see how the present policy of increasing ferry fares while reducing ferry service will enable the achievement of such a goal. In fact, the SEIA findings suggest that it would be wise to take a time out, or pause, in order to reflect on the policy path that has been chosen for coastal ferry service in BC, and consider whether other courses of action might now be more appropriate. UBCM does not profess to have all the answers, but in light of the SEIA findings it does appear to be time to revisit the existing policy direction and consider other options and strategies.

Also in the November 2013 announcement, the Province identified a number of strategies under consideration to create an affordable and sustainable ferry system beyond 2016. Included on the list were: introduction of a gaming pilot project on major routes, looking at standardized and no-frills vessels, liquefied natural gas propulsion, other alternative technologies, a new reservation and point-of-sale system, increased operational efficiencies, passenger-only vessels, and seeking federal infrastructure funding to renew the fleet and terminals.

Based on the SEIA, the strategy put forward by the Province to seek additional federal infrastructure funding has merit and could certainly be justified. Figure 18 in the SEIA indicates that while it makes an annual investment of approximately $27 million in BC Ferries, the federal government accrues $210 million annually in tax revenues. In contrast the Province finds itself in a break-even position, contributing approximately $150 million, receiving a similar amount in tax revenues. This SEIA could serve to support the Province’s funding request to the federal government. Since the federal government is a primary beneficiary of a strong and sustainable ferry system, a request to have larger return of those tax revenues invested in the system seems justifiable.

The findings of the SEIA confirm that:

- ferry ridership has been impacted negatively by increasing fares;
- all orders of government – federal, provincial and local – benefit from annual tax revenues generated from BC Ferries;
- all regions of the province are impacted by BC Ferries; whether through the economic activity generated in both coastal and non-coastal communities or from the tax revenues that are returned to all regions of the province by the provincial and federal government; and
- new strategies and policy options need to be considered in order to ensure an affordable, efficient and sustainable coastal ferry system well into the future.
5. OPTIONS FOR A WAY FORWARD

Learnings from the SEIA suggest that BC needs to move beyond the existing policy options and seek other approaches that will support the development of a sustainable coastal ferry system. In his January 2012 report, BC Ferry Commissioner Gord Macatee announced, “fares have reached the tipping point, imposing a hardship on coastal communities and passengers, and ridership has declined as a result.” Unfortunately the Commissioner’s recommendation to cap fare increases at the rate of inflation was not implemented, and fares on all routes are expected to continue to increase at nearly double the rate of inflation. And as the SEIA has indicated, increasing fares will only continue the downward trend of reduced ridership, resulting in significant economic impact for the province as a whole.

The Province has indicated that it is looking at a number of other strategies that will reduce costs and improve the existing ferry system. While UBCM members support provincial efforts to improve the ferry system, there is concern that proposals to date reflect “one-off” approaches to deal with the shortfall in revenue, instead of taking a more comprehensive, forward looking approach that examines the ferry system in a holistic manner. It is for this reason that UBCM members have repeatedly asked the Province to develop a long-term strategy to ensure the sustainability of the coastal ferry system. Recognizing the importance of this ferry system in connecting our province, coastal communities have sought to be part of the discussion that will lead to the development of that long-term strategy.

However, before steps can be taken to establish a way forward, better and more information needs to be provided to interested parties so that decisions and plans can be made with the best information possible. While the attached SEIA does not proclaim to have all the answers, it goes a long way to providing such information, and can serve as a first step toward dialogue and further analysis. We would hope that the findings of the SEIA could act as a catalyst for the provincial government to undertake further socioeconomic impact analyses that would support the development of a long-term strategy.

Obviously one element of a long-term strategy would be an examination of how the ferry service is funded. The SEIA highlights the fact that fare increases are not sustainable and other options need to be considered. Founded on the SEIA findings, the Province can build a rationale for seeking additional funding from the federal government to support the coastal ferry system, based on the significant tax revenues returned to federal coffers through the positive economic impact of BC Ferries. The request for federal funding assistance could be made even stronger if the Province acknowledged that the coastal ferry system was an extension of the highway system. As such, the coastal ferry system could then be seen as the final transportation link that connects coastal BC with the rest of the highway system that then ties this country together.
The purpose of this policy paper and the attached SEIA is to encourage the Province to take action. The SEIA findings are significant and warrant consideration. If we are to find a way forward, we must recognize the existing course is not viable and more needs to be done. We hope this policy paper and the SEIA findings stimulate discussion, serve as a call to action, and set BC on the path to developing a long-term strategy for affordable, efficient and sustainable coastal ferry service.

6. RECOMMENDATION

That the UBCM membership endorse the following actions:

- Request that the Province reverse its November 2013 decision, and restore service levels and ferry fares to 2013 levels.

- Request that the Province take a ‘pause’ or ‘time out’ to consider the results of this SEIA and commit to undertaking further socioeconomic impact analysis that will build on these findings.

- Request that the Province take action to recognize the coastal ferry system as an extension of the highway system and administer and fund it accordingly.

- Request that the Province work cooperatively with coastal communities and other interested parties on the development and implementation of a long-term strategy for the coastal ferry system, based on solid socioeconomic impact analysis, that will ensure the sustainability of coastal communities and the ferry service.
ACKNOWLEDGEMENTS

This report would not have been possible without the advice and input of several individuals, including the members of the UBCM / AVICC Special Committee on BC Ferries:

- Mayor Larry Cross, AVICC President, Town of Sidney
- Tony Law, Co-Chair, Ferry Advisory Committee Chairs, Hornby Island Trustee, Islands Trust
- Chair Colin Palmer, Coastal Regional District Chairs, Powell River Regional District
- Chair Jim Abram, Coastal Regional District Chairs, Strathcona Regional District
- Chair Joe Stanhope, Past President AVICC / Coastal Regional District Chairs, Nanaimo Regional District
- Chair Sheila Malcolmson, Coastal Regional District Chairs / Islands Trust
- Chair Art Kaehn, UBCM Community Economic Development Committee Chair, Regional District Fraser Fort George
- Chair Barry Pages, Skeena Queen Charlotte Regional District
- Chair Garry Nohr, Sunshine Coast Regional District
- Councillor Claire Moglove, AVICC Executive, UBCM Third Vice-President, City of Campbell River
- Councillor Barbara Price, Second Vice President, AVICC, Town of Comox

Additional advice and assistance was provided by Brian Hollingshead, Nicole Vaugeois, Ken Peacock, Mike Tretheway, Frank Bourree, and Bruce Carter.

Marie Crawford and Gary Maclsaac of UBCM provided many helpful comments and direction during the development of the report.

Several others provided information and perspectives to assist with this report, but asked to remain anonymous.

Finally, a special thank you to Gordon Clark, whose advice and assistance with the regression analysis and elasticity estimates strengthened the report’s findings considerably.

DISCLAIMER

The results in this report are estimates only, and are developed in order to provide initial assessments and guidance with respect to the impacts of ferry services on British Columbia’s coastal communities. While all efforts were made to ensure the accuracy of information presented herein, the report relies extensively on third party data and analysis, and as such the author cannot be held responsible for any errors or omissions resulting from this third party data.
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Pages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Background</td>
<td>07</td>
</tr>
<tr>
<td>Summary of Findings</td>
<td>08 - 09</td>
</tr>
<tr>
<td>Section I: Report Purpose and Research Questions</td>
<td>10 - 11</td>
</tr>
<tr>
<td>Section II: BC Ferries in Context</td>
<td>12 - 23</td>
</tr>
<tr>
<td>Section III: Economic Impact Analysis</td>
<td>24 - 33</td>
</tr>
<tr>
<td>Section IV: Passenger Sensitivity Analysis (Consumer Price Elasticity of Demand)</td>
<td>34 - 45</td>
</tr>
<tr>
<td>Section V: Socioeconomic Impact Analysis</td>
<td>46 - 55</td>
</tr>
<tr>
<td>Section VI: Risk Analysis</td>
<td>56 - 58</td>
</tr>
<tr>
<td>Section VII: Conclusion</td>
<td>59</td>
</tr>
<tr>
<td>Section VIII: Appendix I - Case Studies</td>
<td>60 - 85</td>
</tr>
<tr>
<td>End Notes</td>
<td>86 - 89</td>
</tr>
</tbody>
</table>
BACKGROUND

Since 2003 BC Ferries has embarked on a series of fare increases and, more recently, service level rationalizations aimed at improving the overall financial position of the organization, and containing the level of required public investment in the organization. According to a BC Ministry of Transportation release in March 2003, the revitalized ferry system would result in “[i]mproved service and customer choice... [g]uaranteed service levels and fair rates... and [e]nhanced economic development and job creation.”

Over the next ten years, ferry fares increased at an unprecedented rate across the ferry system, with more pronounced increases on the Minor and Northern Routes, accompanied by ridership declines of varying degrees on nearly all routes. In May 2012 the BC Government amended the Coastal Ferry Act, which removed the requirement for all routes to move toward full cost-recovery, eliminated the prohibition against cross-subsidization of the Minor and Northern routes by the Major routes, and clarified the interests of ferry users with particular reference to the impacts of future fare increases on ferry travellers.

On October 1, 2012 the BC Ferry Commissioner announced the final Price Cap for the remainder of Performance Term 3, covering April 2013 through April 2015, and setting maximum fare increases to 4.1% (2013), 4.0% (2014), and 3.9% (2015). This was based on provincial government funding decisions for BC Ferries over the period, and was soon accompanied by a series of announced service level reductions, including the permanent cancellation of Route 40, which operated between Port Hardy and Bella Coola.

During this period, the provincial government and BC Ferries maintained that fare increases were required for the sustainability of the organization, and that fare increases have had little impact on past ridership levels. At the same time, numerous community representatives and business organizations were expressing concerns about declines in ferry ridership to and from their communities, citing ridership declines as the primary cause of various socioeconomic challenges, including business foreclosures, property value declines, population out-migration, and a variety of other concerns.

In response to these recent changes to the ferry system, and amid growing concerns within coastal communities, the Union of BC Municipalities (UBCM) and the Association of Vancouver Island & Coastal Communities (AVICC) commissioned Larose Research & Strategy to undertake a Socioeconomic Impact Assessment (SIEA) to assess the relationship between ferry fare increases, passenger ridership levels, and socioeconomic outcomes in coastal communities.

This report fills an important information gap. The report urges all stakeholders to send the boatswains (the head of the ship’s deck) to the bollards (mooring posts to which anchors are secured) so that we might all take a collective pause to review the evidence. In a system fraught with such entrenched and polarized opinions, accompanied by such paucity of objective evidence and analysis, a systematic review of the facts is long overdue.
This report is an initial assessment of the relationship between BC Ferries passenger fares, ridership levels, and socioeconomic outcomes in coastal communities. Findings are summarized below.

GENERAL OPERATIONAL PERFORMANCE

- BC Ferries is among global leaders in most major ferry system operational performance categories, including on-time performance, farebox recovery, labour cost ratios, safety, customer satisfaction, and other areas;
- One of the weakest areas of relative performance (and deteriorating slightly over time) is the customer satisfaction category of “Value for Money”;

FARES AND RIDERSHIP

- Ridership has declined on nearly every route, with overall “peak-to-trough” ridership declining 11% from 2004/05 to 2013/14;
- Ferry ridership declines run counter to the trend of transportation volume increases in most other modes of transport in BC, including vehicle and air transport;
- Ferry passenger volumes are strongly (negatively) correlated with fares (R-value = -0.73), and fare increases contributed to passenger volume declines from 2003-2013;
- The factors that most strongly explain variations in ferry passenger levels are changes in fares, provincial GDP, and provincial population;
- Ferry passenger price sensitivity (consumer price elasticity of demand - PED) is estimated to be moderate overall, and increasing slightly over time;
- The Northern Route Group has witnessed the most severe passenger declines from 2003-2013 (approx. 20-40%), and these passengers are highly price sensitive;
- The Minor Route Group has witnessed significant ridership declines on most routes (approx. 10-20%), and users of these routes are moderately price sensitive;
- The Major Route Group has had the lowest level of ridership declines (5-8%), but has also witnessed the lowest fare increases, suggesting that its users are among the most price sensitive in the system;

| PED – Major Routes: | -0.85 |
| PED – Minor Routes: | -0.30 |
| PED – Northern Routes: | -0.59 |
ECONOMIC IMPACTS

- BC Ferries stimulates a total of $1.8 billion in expenditures in BC each year, which produce $1.5 billion annually in total value-added (GDP) for the BC economy;

- The total organizational GDP of BC Ferries is estimated to be $545 million as of 2013, employing approximately 8,400 people (directly and indirectly);

- BC Ferries supports an estimated $394 million in annual taxation revenues to federal ($210 M), provincial ($150 M), and municipal ($34.2 M) governments;

- Using a gross cash-on-cash Return on Investment (ROI) formula, for every $1.00 of tax revenues invested in BC Ferries, $8.40 of economic activity was generated – much of which is in communities that are not coastal / ferry dependent;

- If fare increases had been limited to the rate of inflation from 2003-2013, it is estimated that passenger volumes would have grown 19% over the period, to 25.7 million in 2013 (compared with an actual ridership of 19.9 million in 2013);

- Foregone economic activity (gross) resulting from ferry traveller declines from 2003-2013 represents a reduction in GDP of $2.3 billion over the ten year period (2003-2013), including $203 million in Finance, Insurance, and Real Estate, $161 million in manufacturing, and $67 million in construction;

- The foregone economic activity (gross) related to historical fare increases from 2003-2013 resulted in an estimated cumulative loss of $609 million in tax revenues, including $325 million to the federal government, $231 million to the provincial government, and $53.0 million to municipal governments;

- These economic impacts do not include impacts related to industrial input costs (including labour), export costs, commuter costs, and other non-ferry traveller related impacts.

SOCIOECONOMIC OUTCOMES IN COASTAL COMMUNITIES

- Using a combination of historical trend analysis, statistical analysis, and comparative analysis, the impacts of ridership declines were assessed in socioeconomic areas such as population migration, business development, real estate prices & sales, employment, and others;

- Ferry ridership declines are most strongly associated with declines in business incorporations and housing starts in coastal communities;

- In socioeconomic areas characterized as “lagging indicators” the evidence is less conclusive regarding the impact of ridership declines on coastal communities:
  - Population migration and real estate prices have begun trending downward since 2009 relative to historical trends and non-coastal communities;
  - There appears to be no relationship between reduced ridership levels and coastal community (un)employment, nor with inflation.
SECTION I: REPORT PURPOSE AND RESEARCH QUESTIONS

REPORT PURPOSE

The purpose of this report is to explore the relationship between historical ferry fare increases and passenger ridership, identifying quantifiable impacts on coastal communities. It is primarily retrospective in nature, but also develops some initial forward-looking projections.

The report is intended to guide coastal community representatives, provincial and federal transportation policymakers, the business community, and other relevant stakeholder groups in understanding the impacts and risks of ferry fare increases on coastal communities, as well as the province as a whole.

RESEARCH QUESTIONS

This report addresses the following questions:

1. Have ferry passenger fare increases from 2003-2013 reduced ridership levels? If so, how significant were the impacts and on which communities / routes?

2. What are the main factors that explain passenger volumes in the ferry system?

3. What is the economic impact of BC Ferries and how can we estimate its impact on not only coastal communities in BC, but throughout the province?

4. Has reduced ridership from 2003-2013 resulted in “downstream” impacts in coastal communities, such as business formations and failures, population migration, property values, consumer prices, and other areas?

5. In light of historical trends in fare and passenger levels, what are the expected future trends?

GUIDING PRINCIPLES

In light of the polarized and politically charged environment in which British Columbia’s coastal ferries operate, this report was developed with the following guiding principles:

- **Transparency** - project objectives, processes, methodologies, and consultations were made available to stakeholder groups.

- **Objectivity** - all evidence was assessed and included in the development of this report, regardless of whether it supports the interests and/or positions of any particular stakeholder group.

- **Inclusivity** - diverse perspectives were sought of stakeholders with specialized knowledge and/or information regarding BC’s coastal ferry system.

- **Clarity** - to the extent possible, the report is written in non-technical language in order to assist with non-specialist understanding.
CAVEATS AND LIMITATIONS

This report covers vast and complex territory. Due to its breadth, it should be considered an initial “scoping analysis” that provides initial insights into trends, impacts, and possible relationships among socioeconomic factors.

The report is guided by existing studies that have used best practices in socioeconomic impact analysis and transportation logistics. Where possible, these prior analyses have been updated with current data. Where primary research and analysis is undertaken, accepted best practices in econometric analysis, socioeconomic impact methodology, and comparative analysis are used.

Trend analysis is challenged by the fact that the reporting of BC Ferries has changed over time, making historical comparisons difficult. In many instances definitions and methodologies have also changed. Base fares began incorporating fuel surcharges from 2008/09 onward, and have also evolved from having multiple and variable rates (peak, off-peak, and shoulder rates) into a single fare for each route/user type. In some cases specific routes have alternated between Route Groups. Ferry fares also vary depending on the type of user, with frequent residential users typically utilizing Experience Cards, which have different fare structures, and for which rates of fare changes have varied from traditional cash-paying customers. All these factors compound the difficulties of this analysis, and are noted throughout.

This initial analysis should be validated using information held by government agencies and BC Ferries. Economic impact analyses using secondary sources should be updated with the BC Stats Input-Output Model. The regression analysis and elasticity modeling could be further expanded to include alternate methodologies.

Nonetheless, despite these limitations and challenges, the report’s findings are considered reliable, and it is expected that any further review and analysis will support the findings.
This section provides an overview of BC Ferries’ structure, ridership and fare history, operational performance, and comparisons with other ferry operators around the world.

BC FERRIES – STRUCTURE AND GOVERNANCE

The BC Ferry Authority (BC Ferries) was established in 2003 by an Act of the Legislative Assembly of British Columbia - The Coastal Ferry Act. It is a non-share capital corporation, meaning it is a quasi-independent authority that is technically “owned” by the Government of British Columbia, its sole shareholder, but whose management is guided as an independent corporation, with an elected and appointed Board of Directors, as well as a Chief Executive Officer.

THE GOVERNANCE OF BC FERRIES INVOLVES THREE PRIMARY ENTITIES

1. The Government of British Columbia, through the Ministry of Transportation, which provides annual funding to the organization (the “Service Fee”), which is one of the main determinants of passenger fares. The government also sets high-level policy for the organization’s structure and governance.

2. The BC Ferry Commissioner, whose role is to provide guidance to BC Ferries on the fares it can charge to customers, as well as the frequency and capacity of sailings, based on funding provided by the Government of BC, among other expense and revenue factors. The Ferry Commissioner establishes a maximum price on fares (the fare "price cap") which is established for Performance Terms (PTs) of four years in duration. The price cap has been historically set for three “route groups” – the Major Routes, Minor Routes, and Northern Routes.

3. BC Ferries, which develops organizational policies and procedures and manages the day-to-day operations of the organization.

FARE HISTORY AND RIDERSHIP

Since 2003, BC Ferries has, under the direction of the provincial government and guided by the Ferry Commissioner, embarked on a strategy to recover an increasing proportion of its operational expenses, primarily by increasing fares charged to customers, and reducing service capacity (number of sailings) on routes and specific sailings that have relatively lower utilization rates (percentage of capacity filled by passengers).

Figure 1, (right) summarizes passenger volumes and price changes for each route group from 2003-2013.
As Figure 1 shows, ferry ridership has declined by 1.47 million passengers per year (including passengers in vehicles), which is a 6.8% decline from 2003/04-2012/13. Vehicle traffic declined slightly less (-6.2%). The initial published returns of BC Ferries for 2013/14 show ridership dropping further to 19.6 million passengers, resulting in an 11% “peak-to-trough” decline in ridership from 2004/05 to 2013/14.

In the same period, average fares increased the most for Minor Routes (74.8%), followed by the Northern Routes (65.9%) and the Major Routes (51.2%).

**INDIVIDUAL ROUTE SUMMARIES**

From 2003 to 2013 passenger volume changes for individual routes varied significantly. In general, more significant ridership declines were witnessed on the Northern Routes, where the routes are longer and average fares much higher.

---

*AEQs are “automobile equivalencies” – a standardized measure of the typical automobile, used by BC Ferries to account for variation in vehicle lengths. Source: BC Ferries*
Figure 2. Passenger Volume Changes – All Routes

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Inside Passage (Port Hardy to Prince Rupert)</td>
<td>10</td>
<td>61,178</td>
<td>38,108</td>
<td>-37.7%</td>
</tr>
<tr>
<td>Skidegate Inlet (Graham Isl to Moresby Isl)</td>
<td>26</td>
<td>126,016</td>
<td>87,441</td>
<td>-30.6%</td>
</tr>
<tr>
<td>Discovery Coast (Port Hardy to Bella Coola)</td>
<td>40</td>
<td>9,321</td>
<td>6,949</td>
<td>-25.4%</td>
</tr>
<tr>
<td>Hecate Strait (Pr Rupert to Haida Gwaii via Skidegate)</td>
<td>11</td>
<td>46,462</td>
<td>35,791</td>
<td>-23.0%</td>
</tr>
<tr>
<td>Lambert Channel (Denman Isl to Hornby Isl)</td>
<td>22</td>
<td>260,901</td>
<td>208,253</td>
<td>-20.2%</td>
</tr>
<tr>
<td>Broughton Strait (Port McNeill to Alert Bay)</td>
<td>25</td>
<td>265,996</td>
<td>218,417</td>
<td>-17.9%</td>
</tr>
<tr>
<td>Discovery Passage (Campbell River to Quadra Isl)</td>
<td>23</td>
<td>926,054</td>
<td>785,170</td>
<td>-15.2%</td>
</tr>
<tr>
<td>Northumberland Channel (Nanaimo to Gabriola Isl)</td>
<td>19</td>
<td>907,645</td>
<td>771,783</td>
<td>-15.0%</td>
</tr>
<tr>
<td>Baynes Sound (Buckley Bay to Denman Isl)</td>
<td>21</td>
<td>544,105</td>
<td>463,752</td>
<td>-14.8%</td>
</tr>
<tr>
<td>Sutil Channel (Quadra Isl to Cortes Isl)</td>
<td>24</td>
<td>112,970</td>
<td>96,918</td>
<td>-14.2%</td>
</tr>
<tr>
<td>Active Pass (Tsawwassen to Salt Spring/South Gulf Isl)</td>
<td>9</td>
<td>501,502</td>
<td>434,839</td>
<td>-13.3%</td>
</tr>
<tr>
<td>Malaspina Strait (Powell River to Texada Isl)</td>
<td>18</td>
<td>193,330</td>
<td>170,604</td>
<td>-11.8%</td>
</tr>
<tr>
<td>Swanson Channel (Swartz Bay to Southern Gulf Isl)</td>
<td>5</td>
<td>505,797</td>
<td>459,393</td>
<td>-9.2%</td>
</tr>
<tr>
<td>Satellite Channel (Swartz Bay to Salt Spring Isl)</td>
<td>4</td>
<td>670,916</td>
<td>619,939</td>
<td>-6.6%</td>
</tr>
<tr>
<td>S Georgia Strait (Tsawwassen to Swartz Bay)</td>
<td>1</td>
<td>5,968,303</td>
<td>5,589,971</td>
<td>-6.3%</td>
</tr>
<tr>
<td>Jervis Inlet (Sunshine Coast to Powell River)</td>
<td>7</td>
<td>353,591</td>
<td>331,679</td>
<td>-6.2%</td>
</tr>
<tr>
<td>Georgia Strait Central (Nanaimo to Horseshoe Bay)</td>
<td>2</td>
<td>3,514,507</td>
<td>3,310,473</td>
<td>-5.8%</td>
</tr>
<tr>
<td>Queen Charlotte Channel (Horseshoe Bay to Bowen Isl)</td>
<td>8</td>
<td>1,198,828</td>
<td>1,132,383</td>
<td>-5.5%</td>
</tr>
<tr>
<td>N Georgia Strait (Powell River to Comox)</td>
<td>17</td>
<td>372,008</td>
<td>352,820</td>
<td>-5.2%</td>
</tr>
<tr>
<td>North Stuart Channel (Cheminus to Thetis/Kuper Isl)</td>
<td>20</td>
<td>258,647</td>
<td>247,556</td>
<td>-4.3%</td>
</tr>
<tr>
<td>South Stuart Channel (Crofton to Saltspring Isl)</td>
<td>6</td>
<td>496,454</td>
<td>478,733</td>
<td>-3.6%</td>
</tr>
<tr>
<td>Howe Sound (Horseshoe Bay to Langdale)</td>
<td>3</td>
<td>2,555,463</td>
<td>2,501,900</td>
<td>-2.1%</td>
</tr>
<tr>
<td>Mid-Island Express (Tsawwassen to Nanaimo)</td>
<td>30</td>
<td>1,341,917</td>
<td>1,374,878</td>
<td>2.5%</td>
</tr>
<tr>
<td>Thornbrough Channel (Langdale to Gambier/Keats Isl)</td>
<td>13</td>
<td>43,970</td>
<td>46,964</td>
<td>6.8%</td>
</tr>
<tr>
<td>Saanich Inlet (Brentwood Bay to Mill Bay)</td>
<td>12</td>
<td>121,549</td>
<td>154,384</td>
<td>*27.0%</td>
</tr>
</tbody>
</table>

Total: 21,367,530 19,919,098 -6.8%

* Route 12 ridership was down significantly in 2003/04 due to the main vessel being out of service for a prolonged period. Ridership was back up to 154,000 in 2004/05, making the trend essentially flat from 2003-2013. Source: BC Ferries

Overall, passenger volumes on Northern Routes (#10, #26, #40, #11) decreased the most. Most of the Minor Routes witnessed volume declines in the range of 10-20%, whereas the major routes(#1, #2, #3) typically lost 2% to 6% of their passenger traffic, with the exception of Route #30 which saw a slight (2.5%) increase over the period.

Two smaller routes – one a passenger-only service (#13) and the other a short commuter route (#12)
— witnessed passenger volume increases during the study period.

As Figure 3 (below) demonstrates, passenger volumes increased dramatically from 1985 to the mid-1990s, stabilized for approximately ten years, then began to decline once again from 2005 onward.

Figure 3. BC Ferries Historical Passenger Volumes

As Figure 3 shows, passenger levels in 2013 were at approximately the same level as 1991.
Source: BC Ferries

COMPARISONS WITH OTHER JURISDICTIONS

In order to help contextualize this analysis, ferry systems from around the world were assessed to determine overall trends in operational performance, pricing, passenger volumes, and other general characteristics of this common mode of transport.

SAILING COMPLETION AND ON TIME SERVICE DELIVERY

In 2012/13, BC Ferries completed 99.8% of its scheduled sailings. Of these, 92.3% of sailings were delivered on time, which is roughly equal to the 94% average of fourteen (14) ferry systems assessed
in a 2010 study conducted by Washington State Department of Transportation. In light of the fact that BC Ferries operates in the second most northern (and volatile) climate of the fourteen regions that were assessed, and operates a number of relatively lengthy routes, this is a notable achievement.

LABOUR COSTS

BC Ferries’ labour costs in fiscal 2012/13 were $263 million, in an operating budget of $525 million, which equates to 50.1%. This is just slightly higher than the average of fourteen (14) ferry operators included in the Washington State survey of operational performance, which averaged 45.1%. Most of these entities operate in less heavily regulated jurisdictions, with fewer lengthy routes, and with passenger ridership concentrated on a smaller number of major routes. A number of these were also in less developed countries, with lower labour standards and relative income levels.

Despite the very public criticism leveled at BC Ferries by various organizations for its seemingly excessive compensation levels, the organization’s labour costs remain competitive with other ferry service providers around the world.

CUSTOMER SATISFACTION

In 2012/13 BC Ferries had an overall customer satisfaction level of 88%, up from 82% in 2003/04. Its average rating was 4.2 / 5.0 in 2012/13, an increase over its score of 4.0/5.0 in 2003/04.

In the service sector, satisfaction levels of 88% and 4.2/5.0 are very high, with most travel-related industries typically scoring in the 70-80% range, with the exception of airlines which trend between 65-70%.

The notable exception in BC Ferries’ high customer satisfaction levels is in the category of “value for money,” which is the lowest satisfaction area, scoring only 2.98/5.0 in FY 2012/13, which is down from 3.3/10 in FY 2003/04.

FAREBOX RECOVERY – BC FERRIES

A common measure of operational performance by transportation providers – typically publicly funded agencies – is “farebox recovery” – which measures the proportion of operating expenses that are “recovered” through user fees. In the case of BC Ferries, this would be the total amount of revenues collected from fares relative to its operating expenses.

Compared with other global ferry systems and other modes of transit, BC Ferries has operated with high levels of farebox recovery, whether using only fares or fares combined with ancillary revenues (e.g., cafeteria and retail sales).
As Figure 4 demonstrates, BC Ferries has a relatively high farebox recovery rate when compared with its competitive set in other jurisdictions, and particularly with other modes of publicly supported transit systems, including Translink in Metro Vancouver and Calgary Transit.

Historically, BC Ferries has always had a high farebox recovery rate, though this has increased from 79% in 2003/04 to 92% in 2012/13. When ancillary revenues are included, the farebox recovery rate increases to 109% in 2012/13.

**Figure 5. BC Ferries Farebox Recovery Rates (2003-2013)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Operating Expenditures ($mill)</th>
<th>Tariff Revenues ($mill)</th>
<th>Total Revenues* ($mill)</th>
<th>Farebox Recovery</th>
<th>Farebox Recovery (all revenues)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003/04</td>
<td>$411.2</td>
<td>$323.00</td>
<td>$394.70</td>
<td>78.6%</td>
<td>96.0%</td>
</tr>
<tr>
<td>2004/05</td>
<td>$426.4</td>
<td>$345.90</td>
<td>$422.20</td>
<td>81.1%</td>
<td>99.0%</td>
</tr>
<tr>
<td>2005/06</td>
<td>$425.2</td>
<td>$353.60</td>
<td>$435.90</td>
<td>83.2%</td>
<td>102.5%</td>
</tr>
<tr>
<td>2006/07</td>
<td>$445.5</td>
<td>$363.20</td>
<td>$452.30</td>
<td>81.5%</td>
<td>101.5%</td>
</tr>
<tr>
<td>2007/08</td>
<td>$472.3</td>
<td>$382.20</td>
<td>$480.70</td>
<td>80.9%</td>
<td>101.8%</td>
</tr>
<tr>
<td>2008/09</td>
<td>$501.2</td>
<td>$429.10</td>
<td>$522.60</td>
<td>85.6%</td>
<td>104.3%</td>
</tr>
<tr>
<td>2009/10</td>
<td>$514.3</td>
<td>$450.50</td>
<td>$549.40</td>
<td>87.6%</td>
<td>106.8%</td>
</tr>
<tr>
<td>2010/11</td>
<td>$527.5</td>
<td>$458.00</td>
<td>$557.20</td>
<td>86.8%</td>
<td>105.6%</td>
</tr>
<tr>
<td>2011/12</td>
<td>$530.4</td>
<td>$470.10</td>
<td>$550.00</td>
<td>88.6%</td>
<td>103.7%</td>
</tr>
<tr>
<td>2012/13</td>
<td>$524.9</td>
<td>$484.10</td>
<td>$571.40</td>
<td>92.2%</td>
<td>108.9%</td>
</tr>
</tbody>
</table>

* Includes “ancillary revenues” which are primarily on-board sales of foods and gift shop items. Source: BC Ferries
It should be noted that farebox recovery is a complicated performance measure, in that higher farebox recovery may also mean lower levels of public investment, and lost opportunities for stimulating traffic through lower fares. This report will not comment on this matter of public policy but merely presents the data.

**TOTAL COST RECOVERY**

Another common and related measure of performance is total cost recovery, which is the proportion of all revenues to all expenditures, including the cost of capital (e.g., new vessel construction and financing costs).

This measure has fluctuated between 2003-2013, primarily due to the increasing costs of capital. BC Ferries has undertaken an aggressive shipbuilding program in the past ten years, in order to modernize the fleet and maintain operational capacity. Of note, the total operating capacity of the organization has remained virtually unchanged in the past ten years, due to the retirement of a number of ageing vessels and from the replacement of the Queen of the North.

![Figure 6. Total Cost Recovery – BC Ferries](source: BC Ferries)

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Expenditures ($mil)</th>
<th>Cost of Capital ($mil)</th>
<th>Total Cost Recovery %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003/04</td>
<td>$480.9</td>
<td>$69.7</td>
<td>82.1%</td>
</tr>
<tr>
<td>2004/05</td>
<td>$497.9</td>
<td>$71.5</td>
<td>84.8%</td>
</tr>
<tr>
<td>2005/06</td>
<td>$502.5</td>
<td>$77.3</td>
<td>86.7%</td>
</tr>
<tr>
<td>2006/07</td>
<td>$519.4</td>
<td>$73.9</td>
<td>87.1%</td>
</tr>
<tr>
<td>2007/08</td>
<td>$572.2</td>
<td>$99.9</td>
<td>84.0%</td>
</tr>
<tr>
<td>2008/09</td>
<td>$644.4</td>
<td>$143.2</td>
<td>81.1%</td>
</tr>
<tr>
<td>2009/10</td>
<td>$697.1</td>
<td>$182.8</td>
<td>78.8%</td>
</tr>
<tr>
<td>2010/11</td>
<td>$714.2</td>
<td>$186.7</td>
<td>78.0%</td>
</tr>
<tr>
<td>2011/12</td>
<td>$740.6</td>
<td>$210.2</td>
<td>74.3%</td>
</tr>
<tr>
<td>2012/13</td>
<td>$732.7</td>
<td>$207.8</td>
<td>78.0%</td>
</tr>
</tbody>
</table>

**SUMMARY**

Despite common criticism – and possibly broadly held public perceptions – BC Ferries compares favourably with its competitors in nearly all categories of operational performance. In fact, the only area where its performance could be questioned is in the overall “value for money” provided to its customers.
DETAILED COMPARISON – WASHINGTON STATE FERRIES

BC Ferries is often compared with Washington State Ferries, owing to the similar size, geographic regions of operation, and generally similar political and economic systems in the Pacific Northwest.

From a comparative perspective, the two organizations also operate with somewhat different models, with BC Ferries operating a relatively “higher end” service (particularly on the Major Routes with newer vessels) compared with its more bare-bones competitor to the south, which generally operates with fewer on-board amenities and services. On a related note, Washington State Ferries are directly integrated within and managed by the Washington State Department of Transportation.

From 1999 to 2011, average vehicle fares (unadjusted) in Washington State increased by 84%, whereas average foot passenger fares increased by approximately 101%. This increase in fares in Washington State was largely in order to address revenue shortfalls associated with the passing of Initiative 695 in November 1999, which repealed the Motor Vehicle Excise Tax (MVET), eliminating more than 20% of its operational funding and 75% of its capital funding.

During the same period (1999 to 2011), Washington State Ferries total passenger volumes declined from 26.8 million per year, to 22.2 million – a decline of 17%.

Figure 7. Washington State Ferries Fare and Passenger Volume Changes (1999-2011)

<table>
<thead>
<tr>
<th>Fare Increases</th>
<th>101%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vehicle Fare Increases</td>
<td>84%</td>
</tr>
<tr>
<td>Passenger Volume Change (actual)</td>
<td>-4.6 million</td>
</tr>
<tr>
<td>Passenger Volume Changes (per cent)</td>
<td>-17%</td>
</tr>
</tbody>
</table>

Source: Washington State Department of Transport (WSDOT)

While recognizing that external events played a role in passenger volume declines – particularly fuel price inflation (increases) and the economic recession in 2008/09, the majority of passenger declines were more closely correlated with ferry fare increases. As Figure 8 (following page) demonstrates, the most significant passenger volume declines occurred following steep fare hikes in 2001 (20% fare hike; 4% passenger decline), and another in 2002 (12.5% fare hike; 3% passenger decline).
Figure 8 demonstrates a clear relationship between ferry fares and ridership changes in Washington State. During the recession of 2008 onward, ridership remained relatively flat. The 2007 decline in ridership was due primarily to the retirement of the Steel Electric Line.
Figure 9 (below) demonstrates a similar trend in British Columbia, with ridership declines (expressed as a percentage change year-over-year) occurring following more significant fare increases. However, there are a number of years when passenger traffic increased following fare increases, which means that fares alone provide an incomplete explanation of passenger volume variations. As we will see in later sections, there are a number of other factors, such as BC’s population and GDP levels, when combined with fare increases, provide a more robust explanatory model.

Figure 9. BC Ferries Year-Over-Year Traffic Change (1990-2014)

OTHER TRANSPORTATION VOLUME COMPARISONS

In order to provide further context of BC Ferries passenger declines since 2003, a number of other modes of transport were evaluated, including major and regional airports, as well as highway vehicle traffic volumes from across British Columbia.

None of these transportation modes showed a decline over the study period of 2003-2013, with the exception of a single highway juncture (Hwy 97 at Kersley, near Prince George), which is likely due to a decline in traffic associated with the major downturn in the region’s main employer, the forest sector, related to the mountain pine beetle epidemic.
The only transportation system that did experience passenger volume declines in the period was the BC inland ferries, which are operated by the BC Ministry of Transportation and which do not have any passenger nor vehicle fares. From 2004/05 ridership on inland ferries declined from 2.7 million passengers to 2.2 million passengers in 2011/12.

However, there have been notable changes to the inland ferry network during this period, including the decommissioning of the Albion Ferry in July 2009 after construction of the Golden Ears Bridge that year. In addition, a number of alternate highway routes were improved throughout the province, particularly in the Kootenay-Rockies region, which may have altered transportation patterns.

Additionally, from both a common sense perspective and a transportation logistics perspective, it is not logical that inland ferry passengers would be decoupled from highway traffic patterns in the same region(s), unless one wishes to state that there is a widespread “ferry aversion” factor dissuading ferry travel. To some extent this is possible, if prior inland ferry users have had poor experiences (delayed sailings, long waits), and have chosen more reliable and predictable highway travel where possible. But even this speaks more to the impacts of inland ferry capacity constraints as opposed to a prima facie case of ferry use declining unrelated to factors such as user prices and relative convenience.
SUMMARY

In the past 10 years, BC’s coastal ferry system is virtually the only major transportation mode that has witnessed passenger volume declines.

Notably, all these modes of transportation were subject to the same external forces as BC Ferries, including fuel price inflation and the global financial crisis. However, in British Columbia the ferry system was the only one transport mode to experience passenger volume declines over the period.

Washington State Ferries are often held up as an example for BC to emulate, owing to its relatively lower passenger fares and, often, its lower compensation levels for executives. However, both entities have displayed similar trends in passenger volume increases during a more stable fare regime (1985-1999 in Washington State; 1990-2003 for BC) followed by ridership declines that coincided with significant fare increases. And in key measures of competitiveness, including farebox recovery and overall labour cost impacts, BC Ferries compares favourably with Washington State and other global ferry operators.
SECTION III: ECONOMIC IMPACT ANALYSIS

This section examines the overall value of BC Ferries to the British Columbia economy, using different but complementary methods.

ESTIMATING ECONOMIC IMPACTS OF BC FERRIES

Estimating the economic (and social) impact of BC Ferries is a challenging task due to the sheer magnitude and complexity of the coastal ferry system and its interlinkages with various communities, economic sectors, and user groups. Some goods that are transported by BC Ferries are less price sensitive because they can be substituted for alternate goods; others cannot. Some producers using BC Ferries can absorb fare increases in their costs, while others must pass along these cost increases onto their customers, whether wholesalers or final retail sellers. Consumers of some types of goods are more and less sensitive, depending on whether suitable locally produced goods can be purchased, and based on the very nature of the goods. The system is characterized by widespread heterogeneity in its pricing and consumption patterns, making economic impact analysis difficult.

Adding to this is the complexity of a coastal economy that has various external factors (e.g., global recession) that are not easily separated from the impacts of rising fares on ferry ridership.

Nonetheless, economists and statisticians have devised numerous methods that can be used to develop estimates of the organization's total value and impact on coastal communities, and to separate these impacts from broader external factors in the economy.

THE VALUE OF BC FERRIES - ECONOMIC IMPACT ANALYSIS

There are a number of ways to describe the “value” of an entity – the total benefits derived from its activity – whether it is an individual business, an economic system, or a region.

The most common is through “economic impact analysis,” which measures or estimates the change in economic activity – typically sales revenue, employment, GDP, or other economic measures – of a change in policy, a project, a specific organization, business, or a region. This study employs two complementary but not mutually exclusive methodologies to estimate the Economic Impact of BC Ferries.

### Estimating the Economic Impact of BC Ferries – Two Methods

1. The total economic output of the corporate entity, itself, based on operational revenues, spending by supplier industries, and recirculated BC Ferries staff wages and salaries in the economy.
2. The revenues of businesses “downstream” of BC Ferries and related impacts in the local economy from this stimulated business activity.

**METHOD 1: ORGANIZATIONAL ECONOMIC IMPACT ANALYSIS**

The economic impact of BC Ferries as a corporation comprises the following components:

- **Direct economic impact** – the total businesses expenditures (the dollar value of all goods and services produced by BC Ferries)
• **Indirect economic impact** – the total value of goods and services produced by suppliers to BC Ferries – including manufactured goods, machinery, food and beverage, and other goods and services

• **Induced economic impact** – the sum of all employee spending throughout the BC economy

The sum of these three components is the **total economic impact**.

The economic impact of BC Ferries has been estimated in the past, and has been updated for the purposes of this analysis. xviii

**Figure 11: Economic Impact of BC Ferries**

<table>
<thead>
<tr>
<th></th>
<th>2005/06</th>
<th>2012/13</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Business Revenues ($ millions)</strong></td>
<td>$436*</td>
<td>$574</td>
</tr>
<tr>
<td><strong>Direct Economic Impacts</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GDP ($ millions - current)</td>
<td>$219</td>
<td>$276</td>
</tr>
<tr>
<td>Labour Income ($ millions)</td>
<td>$141</td>
<td>$263</td>
</tr>
<tr>
<td>Employment (Person-Years)</td>
<td>3,714</td>
<td>4,200</td>
</tr>
<tr>
<td><strong>Indirect Impacts</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GDP ($ millions - current)</td>
<td>$119</td>
<td>$156</td>
</tr>
<tr>
<td>Labour Income ($ millions)</td>
<td>$75</td>
<td>$98</td>
</tr>
<tr>
<td>Employment (Person-Years)</td>
<td>1,903</td>
<td>2,498</td>
</tr>
<tr>
<td><strong>Induced Impacts</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GDP ($ millions - current)</td>
<td>$87</td>
<td>$114</td>
</tr>
<tr>
<td>Labour Income ($ millions)</td>
<td>$52</td>
<td>$68</td>
</tr>
<tr>
<td>Employment (Person-Years)</td>
<td>1,326</td>
<td>1,741</td>
</tr>
<tr>
<td><strong>Total Impacts</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GDP ($ millions - current)</td>
<td>$415</td>
<td>$545</td>
</tr>
<tr>
<td>Labour Income ($ millions)</td>
<td>$268</td>
<td>$429</td>
</tr>
<tr>
<td>Employment (Person-Years)</td>
<td>6,943</td>
<td>8,439</td>
</tr>
</tbody>
</table>

* This is the figure from Glislason et al. BCF financial statements for 05/06 indicate revenues of $436 million. Economic output figures in this table were adjusted to reflect the BC Ferries financial statement revenues of $436 million.

According to the updated analysis, BC Ferries had a total (current) GDP of $545 million in 2012/13, generated $429 million in labour income, and resulted in 8,439 person-years in employment. These are estimates and should be used as a guideline only (see notes for more details).

According to this estimate, the total value-added of BC Ferries (GDP) increased 31% from 2006-2013.
METHOD 2: “DOWNSTREAM” BUSINESS STIMULATION

Another method of estimating the impact of BC Ferries is by examining the total business revenues that are dependent on ferry travellers.

Whereas the “indirect” economic impacts identified in Figure 11 (previous page) identifies the economic impacts of businesses that supply products and services to BC Ferries (e.g., engine machinery), the analysis below estimates the economic impacts on businesses that serve the travellers using BC Ferries.

MODELLING PASSENGER TRAFFIC IMPACTS

One method of estimating economic impacts of BC Ferries is by assessing the travel and expenditure patterns of ferry users and estimating the impacts that these expenditures have in communities and regions that serve ferry travellers.

There is a wealth of current and reliable information on travel patterns of both residents and non-residents of British Columbia, through the Travel Survey of Residents of Canada (TSRC) and the International Travel Survey (ITS). These detail the specific activities that resident and non-resident travellers undertake while travelling in B.C. and specific regions of BC, the average travel party size, visitor origins, demographics, and other useful information for modeling social and economic impacts.

When these individuals and groups travel, they utilize services directly, such as transportation services (including but not limited to BC Ferries), recreation and entertainment services (e.g., skiing, movie theatres, sporting events), as well as accommodation services (hotels, motels, campgrounds, lodges), food and beverage services (restaurants, pubs/bars/lounges), and they purchase retail items.

In turn, these above-named “industry groups” require and purchase items to support their business operations. The most significant beneficiary (supplier) industries to the travel-related industries include those in Finance, Insurance, and Real Estate (the so-called “FIRE” industries), construction, manufacturing, energy/utilities, other transportation and warehousing.

Finally, individuals employed in the travel-related industries (transportation, recreation/entertainment, accommodation, etc.) also earn wages and salaries that are recirculated throughout local and regional economies. These expenditures are classified as “induced” economic impacts. It should be noted here that the expenditures of individuals in the “indirect” industries mentioned above (Finance, Construction, etc.) are NOT included in these economic impact calculations, as this would result in possible double-counting of impacts.

ECONOMIC IMPACTS OF BC FERRIES TRAVELLERS

In order to estimate traveller expenditures on BC Ferries, we must first categorize them as either “tourists” (for the purposes of the analysis) or “non-tourists.”

In the past, BC Ferries has estimated that 22% of its passengers are “tourists” – however, this excludes any coastal community residents, including those of the Lower Mainland. This exclusion...
fundamentally and significantly under-estimates the number of tourists, as travel by BC residents constitutes approximately 63% of visitors to Vancouver Island and more than half of these are from the Lower Mainland.

**COMBINING BC STATS ESTIMATES WITH TRAVEL SURVEY DATA**

B.C. Stats estimates that 92% of ferry users are classified as “tourists” because they travel at least 70 km for pleasure, business, or other purposes and outside of their normal sphere of interaction. \(^{xxiii}\) The remaining eight per-cent (8%) of ferry travellers are estimated by BC Stats (and verified by BC Ferries) to be commuters.

The combined data from the two main travel surveys (ITS and TSRC) referenced earlier also separate travellers into “overnight” and “same day” categories, with 55% of visitors to Vancouver Island being overnight travellers, and the other 45% being same-day travellers. \(^{xxiv}\) This helps with enhancing the accuracy of our estimates.

**ECONOMIC IMPACT CALCULATIONS – BC STATS METHODOLOGY**

According to BC Stats, 92% of the 19.9 million ferry travellers in 2012/13 were tourists, and of these, current and reliable travel survey estimates identify 55% of these as being overnight travellers, while 45% were same-day travellers. We assume that each traveller takes two ferry trips on each travel event, \(^{xxv}\) we can then be divided into domestic (Canadian), U.S., and international travellers, as summarized in Figure 12, (below).

**Figure 12.** BC Ferries Overnight Passenger Spending (Annual) in British Columbia – 2012/13

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic (Can resident) travellers</td>
<td>3,698,714</td>
<td>3.3</td>
<td>1.8</td>
<td>$132</td>
<td>$895,088,780</td>
</tr>
<tr>
<td>U.S. travellers</td>
<td>835,000</td>
<td>3.5</td>
<td>2.5</td>
<td>$282</td>
<td>$329,658,009</td>
</tr>
<tr>
<td>Other international travellers</td>
<td>505,818</td>
<td>8.7</td>
<td>2</td>
<td>$110</td>
<td>$242,033,820</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>1,466,780,609</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

As Figure 12 shows, the majority of ferry passenger spending is attributed to Canadian residents.

**Figure 13.** BC Ferries Same-day Passenger Spending (Annual) in British Columbia – 2012/13

<table>
<thead>
<tr>
<th></th>
<th># Same-day Travellers</th>
<th>Avg. Party Size</th>
<th>Avg. Daily Expenditures*</th>
<th>Total Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Same-day travellers</td>
<td>4,123,253</td>
<td>1.8</td>
<td>$132</td>
<td>$302,371,908</td>
</tr>
</tbody>
</table>

* These estimates assume that all same-day passengers were residents of BC, which makes these estimates somewhat conservative.
When overnight and same-day traveller expenditures are combined, we can reliably estimate that total BC Ferries passenger spending in the BC economy is approximately $1.8 billion per year.

**Figure 14. Total Annual BC Ferries Passenger Spending in BC Economy**

<table>
<thead>
<tr>
<th>Traveller Category</th>
<th>Total Direct Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overnight Traveller Expenditures</td>
<td>$1,466,780,609</td>
</tr>
<tr>
<td>Same-day Traveller Expenditures</td>
<td>$302,371,908</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$1,769,152,516</strong></td>
</tr>
</tbody>
</table>

**AN ALTERNATIVE APPROACH**

In developing this report, a number of community representatives and specialists in transportation economics suggested that an alternative way to measure the total ferry traveller spending in the economy would be to segment travellers by evaluating usage of the “Experience Card” and considering these travellers to be residents (non-tourists) with the non-Experience Card travellers being “tourists” for whom the travel surveys (ITS and TSRC) can be applied.

**Figure 15. Alternative Economic Impact Calculation**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic (Can resident) travellers</td>
<td>3,865,741</td>
<td>3.3</td>
<td>1.8</td>
<td>$132</td>
<td>$935,509,291</td>
</tr>
<tr>
<td>U.S. travellers</td>
<td>872,707</td>
<td>3.5</td>
<td>2.5</td>
<td>$282</td>
<td>$344,544,739</td>
</tr>
<tr>
<td>Other international travellers</td>
<td>528,660</td>
<td>8.7</td>
<td>2</td>
<td>$110</td>
<td>$252,963,608</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>1,533,017,638</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Using non-Experience Card users as a proxy for “tourists” we get a similar, but slightly lower estimate of BC Ferry passenger expenditures in the BC economy compared with using the BC Stats traveller proportion estimates and detailed travel survey expenditure data. This method also does not capture the expenditures of the approximately 50% of users who are not Experience Card users.

However, these estimates are within the same order of magnitude, and this cross-referencing of estimates helps to validate the initial estimate ($1.8 billion) of total direct ferry traveller expenditures in the BC economy.

**ESTIMATING OTHER SECTORAL IMPACTS OF BC FERRIES**

A number of industries supply products and services directly to those businesses that would directly benefit from traveller spending in the economy. These can be estimated using input-output tables that model ferry traveller spending in the economy.
The U.S. Transportation Research Board stresses the “importance of community involvement in all steps of the impact assessment process” in order to identify the range of relevant impacts (benefits, costs, and risks) of undertaking a specific project, altering existing cost structures, or changing travel preferences. xxviii

For this reason, the industries that are the focus of this section are those for which communities expressed the greatest concern, through a survey of more than 400 community representatives as part of the initial stages of this initiative.

The main industries for which community representatives expressed the greatest concern were as follows:

• Tourism
• Construction
• Real estate
• Transportation
• Manufacturing
• Retail

ECONOMIC IMPACTS OF BC FERRIES – INDUSTRY IMPACTS

The estimated impacts of ferry passenger spending in the entire BC economy is summarized in the table below:

Figure 16. Impact of Ferry Passenger Spending in BC Economy

<table>
<thead>
<tr>
<th>Gross Domestic Product (GDP) - All Industries (current)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct</td>
<td>$751,188,565</td>
</tr>
<tr>
<td>Indirect</td>
<td>$393,501,460</td>
</tr>
<tr>
<td>Induced</td>
<td>$346,402,406</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$1,491,092,431</td>
</tr>
</tbody>
</table>

The total annual GDP of BC Ferries in the BC economy is estimated at $1.5 billion (2012/13). By way of comparison, the GDP of forestry and logging in BC is $1.6 billion in 2012, and the GDP of agriculture is $1.2 billion. xxix

The following table provides a breakdown of select industries that are impacted by ferry traveller expenditures in the BC economy.
As the above table demonstrates, the majority of impacts of tourism-related industries are direct impacts, in that the GDP can be directly attributed to ferry travel spending directly in businesses within these industry groups. These impacts are accrued in industries such as Accommodation Services, Food and Beverage Services, Transportation and Warehousing, Retail, as well as Arts, Entertainment and Recreation.

However, just as notable are the indirect and induced impacts, which flow from industries that supply goods and services to businesses that directly serve ferry travellers. The largest indirect and induced economic impacts are in the Finance, Insurance and Real Estate (FIRE) industries, with approximately $131 million in GDP impacts – all of which are indirect and induced.

Calculating a high-level gross cash-on-cash Return on Investment (ROI) analysis based on these estimates, the total government funding of $177 million for FY 2012/13 yielded a total GDP of $1.49 billion, resulting in a total ROI of 8.4-to-1. It should also be noted that a significant portion of this economic activity occurs outside of ferry dependent communities.

### TAX REVENUE IMPACTS

The $1.5 billion in total annual GDP attributed to BC Ferries traveller spending in the BC economy also results in significant revenues to all three levels of government, in the form of income taxes, property taxes, other fees, licences, and payments. These are summarized right.

---

**Figure 17. Direct and Total Annual GDP of Ferry Passenger Expenditures in BC**

<table>
<thead>
<tr>
<th>Industry Sub-totals</th>
<th>Direct GDP</th>
<th>Indirect &amp; Induced GDP</th>
<th>Total GDP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arts, Entertainment and Recreation</td>
<td>$63,735,554</td>
<td>$8,508,849</td>
<td>$72,244,403</td>
</tr>
<tr>
<td>Accommodation Services</td>
<td>$218,836,129</td>
<td>$3,051,473</td>
<td>$221,887,602</td>
</tr>
<tr>
<td>Food &amp; Beverage Services</td>
<td>$112,165,678</td>
<td>$12,586,654</td>
<td>$124,752,332</td>
</tr>
<tr>
<td>Other Transportation and Warehousing</td>
<td>$97,780,842</td>
<td>$37,005,762</td>
<td>$134,786,604</td>
</tr>
<tr>
<td>Information and Cultural Industries</td>
<td>$4,442,187</td>
<td>$37,703,214</td>
<td>$42,145,401</td>
</tr>
<tr>
<td>Other Finance, Insurance, and Real Estate (FIRE)</td>
<td>$0</td>
<td>$130,986,188</td>
<td>$130,986,188</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>$75,500,250</td>
<td>$53,042,077</td>
<td>$128,542,327</td>
</tr>
<tr>
<td>Construction</td>
<td>$0</td>
<td>$43,882,392</td>
<td>$43,882,392</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>$0</td>
<td>$99,886,821</td>
<td>$99,886,821</td>
</tr>
<tr>
<td><strong>Subtotal (select industries above)</strong></td>
<td>$572,460,640</td>
<td>$426,653,430</td>
<td>$999,114,070</td>
</tr>
<tr>
<td><strong>TOTAL (all industries)</strong></td>
<td>$751,188,565</td>
<td>$739,903,866</td>
<td>$1,491,092,431</td>
</tr>
</tbody>
</table>

*Source: Tourism Regional Economic Impact Model (TREIM)*
Considering the tax revenue Return on Investment (ROI) for government funding, we can estimate that the combined investments of the federal and provincial government of approximately $177 million in 2012/13 resulted in tax revenues of $394 million, for an estimated ROI of 2.2-to-1. This means that for every $1.00 invested in BC Ferries by governments, they generated $2.20 in tax revenues.

For the BC provincial government, the returns are lower, as they provide the bulk of public investments through the annual Transportation Fee, which was $149 million in 2012/13. With tax revenues of $150 million returned to the Province each year, this equates to a rough break-even point, or a ROI of 1-to-1.

**OTHER COMMERCIAL IMPACTS**

While the above analysis focused on impacts of ferry traveller spending in the economy, another facet of economic impacts that is much harder to quantify are those impacts of increasing shipping costs on wholesale and consumer items. As noted earlier, this is beyond the scope of this report, however, initial considerations were developed, based on structured interviews with commercial transport providers and relevant sector groups.

**COMMERCIAL TRANSPORT OF GOODS**

BC Ferries is a near-monopoly provider of “live load” commercial transport services in British Columbia, meaning for commercial transport shipments that are accompanied by a driver. These “live loads” are further divided into commercial transportation providers that are “less than truckloads” (LTLs) – which undertake multiple pickups and deliveries during shipments of goods – and “full truckloads” (TLs) – which only make one pickup and delivery for each shipment.

According to industry estimates, for LTL carriers, ferry travel on the main routes constitutes approximately 30-50% of total transportation costs, and increases to approximately 40-60% for minor and northern routes.

For a typical semi trailer, delivery cost is approximately $2,000 (end-to-end), of which ferry transport is approximately $800 (return). For TL carriers, the total shipment cost is lower (approximately $1,300 for a typical load), of which the ferry transport remains approximately $800 (return).

According to these same industry estimates, transportation costs are approximately 10% of the wholesale and/or retail price for most goods transported by ferry in B.C. In a “typical” hypothetical scenario of commercial fare increasing by 70% from 2003-2013, the flow-through impacts of ferry fare increases alone on end user prices would be approximately 2.8% for the major routes and 3.5% for the minor routes. While a 3-4% increase in prices over a 10-year period may not seem significant,
this increase would place downward pressure on production and consumption of a similar magnitude (3-4%) just due to ferry fare increases.

**CONSUMER PRICES**

Economic theory would suggest that as transportation costs increase the prices of consumer goods across a broad spectrum would increase. With an increase in transportation costs associated with ferry travel, this should be reflected in the data.

However, it does not, at least initially, appear to be the case.

BC Stats tracks and reports consumer prices in Vancouver and Victoria, and from 2002 to April 2014, consumer prices in Vancouver increased by 19.4% whereas in Victoria they increased at a slightly slower rate, by 16.4%.

**MINOR ROUTES AND MAJOR ROUTES**

In consultation with trucking sector representatives, it was noted several times that for commercial goods, ferry fare increases on the major routes doubly impact the cost of goods on minor routes, as in most cases goods must first use a major route prior to being delivered in communities served by minor routes. For commercial entities domiciled in communities served by minor routes, these goods typically will also require shipment over a major route in order to access markets. Therefore it should be noted that fare increases on the major routes also impact the prices of imported goods as well as the costs of exported goods. For the tourism sector, major routes are often a precursor to a Gulf Islands visit, so increasing major route fares to support minor route fares does not assist in reducing overall cost burden of travellers to minor routes.

**SUMMARY**

BC Ferries has a large impact on the economy not just of ferry dependent communities, but of the entire province and beyond. In fact, B.C. residents outside of coastal communities are significant beneficiaries of both economic activity and tax revenues generated by users of the ferry system.

The economic impact of BC Ferries as an organization has grown to an estimated $545 million in 2012/13, and employing over 8,400 workers (full-year equivalents), which is approximately double the organization’s direct labour complement of 4,200 workers.

However, the organization’s total economic impact as a facilitator of transportation of people (in particular) dwarfs its organizational economic impact. BC Ferries generates over $1.5 billion annually in total (current) GDP – nearly three-times more than is generated just by BC Ferries as an organization. The total taxes generated by this economic activity is over $394 million each year, based an annual public investment of just under $180 million, yielding a system-wide ROI of approximately 2.2-to-1.
SECTION IV: PASSENGER SENSITIVITY ANALYSIS (CONSUMER PRICE ELASTICITY of DEMAND)

A fundamental area of interest in analyses of BC Ferries and other passenger transportation systems is the relative sensitivity of travellers to price changes. If fares increase by a certain percentage, analysts and stakeholders want to know how much they can expect demand to decrease. For example, if fares increase by 50%, will we see a 10% decrease in customer traffic? An 80% decrease?

To determine the relative sensitivity of consumers to price changes, economists use a measure known as the Price Elasticity of Demand (PED – henceforth “elasticity”). This is defined as “a measure used in economics to show the responsiveness of the quantity demanded of a good or service to a change in its price.”

ELASTICITY IN ITS MOST FUNDAMENTAL FORM IS EXPRESSED BY THE FOLLOWING FORMULA:

\[
e(R) = \frac{dQ/Q}{dP/P}
\]

Where elasticity \( e(R) \) is the ratio of the change in the quantity of goods (Q) demanded relative to the change in prices of goods (P). By way of a simple example, if the quantity of goods consumed decreases by 40% as a result of a 50% increase in price, then the elasticity \( e(R) = -0.4 / 0.5 = -0.8 \).

Elasticity is typically negative, indicating that an increase in price almost always results in a decrease in consumption. Across the entire economy, the elasticity is “-1”. In other words, when prices increase by 10%, all things equal, consumption will decrease by 10%.

Fortunately, numerous studies have been conducted on the elasticity of transportation, ferry travel, and for BC Ferries, itself. Unfortunately, these analyses have highly divergent results. However, with updated ferry passenger and pricing information, we can reasonably estimate the elasticity of the ferry system, route groups, and individual routes.

PRIOR PRICE ELASTICITY STUDIES

There are a number of elasticity studies that have been conducted regarding ferry transportation, and BC Ferries in particular. Some of the more notable ones are listed in Figure 19 (below).

These reports have highly divergent findings. The Pritchard study would suggest that if fares increased 10%, we would witness a 30% ridership decline. The InterVISTAS report suggests that if fares on the Major Routes were to increase by 10%, ridership would decline by approximately 3%.
Of the three reports cited above, only the InterVISTAS report actually undertook data modelling based on actual ferry passenger volume changes relative to prices, which is generally considered a more reliable method than consumer surveys, which were used for the Pritchard and Bennion studies. For this reason, it will be used as a comparative benchmark for the updated analyses.

**ESTIMATING FERRY ELASTICITIES (2003-2013)**

This report calculates updated elasticity estimates for BC Ferries, using data from 2003-2013. With the addition of three years of data since the most recent elasticity estimates, some trends are becoming evident that may not have been apparent in the past.

**Figure 20.** Price Elasticity of Demand of BC Ferries, 2003-2013

<table>
<thead>
<tr>
<th>Route Group</th>
<th>Average Elasticity ('03-'13)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Majors</td>
<td>-0.85</td>
</tr>
<tr>
<td>Minors</td>
<td>-0.30</td>
</tr>
<tr>
<td>Northern</td>
<td>-0.59</td>
</tr>
</tbody>
</table>

Returning to the example used above, we can estimate that a 10% fare increase would, all things equal, result in an 8.5% ridership decline on the Major Routes, a 3% ridership decline on the Minor Routes, and a 5.9% ridership decline on the Northern Routes, when adjusted for inflation and income.

Perhaps the most surprising finding is with regard to the Major Route Group. The common understanding (and misconception) of the Major Routes is that its users are less price sensitive, as these routes have not witnessed as significant a ridership decline as the Minor Routes and particularly the Northern Routes. However, the Major Route Group prices have not increased nearly as much as for the Minor and Northern groups, and when adjusting for inflation (CPI) and Gross Domestic Product (GDP), nearly all the price increases were eliminated from the elasticity equation. As a result, the elasticity was estimated to be much more significant than is commonly understood.

The Minor Route Group elasticity increased (became more negative) compared with the 2011 estimate, due to a combination of sharp ridership declines in recent years even with more modest relative price increases. Interestingly, the Northern Route Group elasticity estimate is nearly equal to that estimated in 2011, at -0.59.
**Figure 21. Elasticity of demand of BC Ferries service fares and demand volumes, 2003-2013 (year over year)**

<table>
<thead>
<tr>
<th>Route</th>
<th>2004/05</th>
<th>2005/06</th>
<th>2006/07</th>
<th>2007/08</th>
<th>2008/09</th>
</tr>
</thead>
<tbody>
<tr>
<td>Majors</td>
<td>1.185146785</td>
<td>-0.292899519</td>
<td>0.058360722</td>
<td>0.470713271</td>
<td>-0.226456931</td>
</tr>
<tr>
<td>Minors</td>
<td>0.810155084</td>
<td>-0.258433846</td>
<td>-0.398379302</td>
<td>-0.767281577</td>
<td>0.114718202</td>
</tr>
<tr>
<td>Northern</td>
<td>0.524227414</td>
<td>-1.743556504</td>
<td>-0.684212052</td>
<td>-0.606672706</td>
<td>0.139875495</td>
</tr>
<tr>
<td>Individual routes</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>-0.459108557</td>
<td>0.07455643</td>
<td>-12.11326089</td>
<td>15.98669174</td>
<td>-0.37211229</td>
</tr>
<tr>
<td>22</td>
<td>-0.522682338</td>
<td>-1.407971935</td>
<td>-0.05101587</td>
<td>-1.547028303</td>
<td>-0.34974077</td>
</tr>
<tr>
<td>23</td>
<td>-0.032426182</td>
<td>-0.33973257</td>
<td>-0.269435045</td>
<td>-0.509404346</td>
<td>-0.247346469</td>
</tr>
<tr>
<td>19</td>
<td>0.458837072</td>
<td>-0.870074426</td>
<td>-0.938885248</td>
<td>-0.33502054</td>
<td>-0.218150991</td>
</tr>
<tr>
<td>5</td>
<td>0.272309384</td>
<td>0.756807306</td>
<td>-0.191447273</td>
<td>-0.02567284</td>
<td>-0.20798047</td>
</tr>
<tr>
<td>1</td>
<td>-4.602941102</td>
<td>-4.707044784</td>
<td>-0.697212321</td>
<td>3.141866492</td>
<td>-0.365193313</td>
</tr>
<tr>
<td>7</td>
<td>3.913302222</td>
<td>1.793004544</td>
<td>-0.627650576</td>
<td>0.129695549</td>
<td>-0.26859354</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Majors</td>
<td>0.287413122</td>
<td>-0.047545077</td>
<td>-0.698792326</td>
<td>-0.164379119</td>
<td>-0.846845432</td>
</tr>
<tr>
<td>Minors</td>
<td>-0.588487409</td>
<td>0.152723529</td>
<td>-1.01523601</td>
<td>0.306182716</td>
<td>-0.296737059</td>
</tr>
<tr>
<td>Northern</td>
<td>-2.870573906</td>
<td>0.264998157</td>
<td>-1.995173449</td>
<td>0.457778178</td>
<td>-0.592333323</td>
</tr>
<tr>
<td>Individual routes</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>-1.01940292</td>
<td>-0.170090548</td>
<td>-2.143910741</td>
<td>-1.296339899</td>
<td>-1.235803898</td>
</tr>
<tr>
<td>22</td>
<td>0.93000294</td>
<td>-0.446680478</td>
<td>-1.900350601</td>
<td>-1.594751192</td>
<td>-0.908015933</td>
</tr>
<tr>
<td>23</td>
<td>0.133344228</td>
<td>-0.74006729</td>
<td>-1.064810133</td>
<td>-0.827452005</td>
<td>-0.67115324</td>
</tr>
<tr>
<td>19</td>
<td>0.287541484</td>
<td>-0.873684741</td>
<td>-2.008034466</td>
<td>-0.240048454</td>
<td>-0.68607354</td>
</tr>
<tr>
<td>5</td>
<td>0.311467385</td>
<td>-0.943862731</td>
<td>-0.856208826</td>
<td>-0.512883873</td>
<td>-0.447506391</td>
</tr>
<tr>
<td>1</td>
<td>0.383915422</td>
<td>-0.007350723</td>
<td>4.415644593</td>
<td>-0.31859399</td>
<td>-1.10042728</td>
</tr>
<tr>
<td>7</td>
<td>0.202843297</td>
<td>-0.594040764</td>
<td>-1.27900374</td>
<td>-0.71407825</td>
<td>-0.45033992</td>
</tr>
</tbody>
</table>

*accounting for CPI and GDP*
WHAT OTHER FACTORS IMPACT PASSENGER VOLUMES?

A variety of factors impact passenger volumes on BC Ferries: the state of the BC (and global) economy, population changes in BC and for each ferry dependent community, alternative transportation options, and others.

Statisticians and econometricians are able to identify which factors are more closely inter-related than others, using multiple regression analysis. While regression analysis does not provide irrefutable evidence of a causal relationship, the relative strength of correlated variables gives us great insight into whether these relationships are merely coincidental or whether they are directly inter-related, and perhaps causal relationships.

**Figure 22. Correlation Coefficients (Price:Demand) – by Route Group and Select Routes**

<table>
<thead>
<tr>
<th>Route</th>
<th>Price-demand correlation R (nominal)</th>
<th>Price-demand correlation R (CPI and GDP adjusted)</th>
</tr>
</thead>
<tbody>
<tr>
<td>All routes</td>
<td>-0.85</td>
<td>-0.84</td>
</tr>
<tr>
<td>Majors</td>
<td>-0.70</td>
<td>-0.65</td>
</tr>
<tr>
<td>Minors</td>
<td>-0.88</td>
<td>-0.79</td>
</tr>
<tr>
<td>Northern</td>
<td>-0.92</td>
<td>-0.84</td>
</tr>
<tr>
<td>Route 10 (Port Hardy to Prince Rupert)</td>
<td>-0.67</td>
<td>-0.53</td>
</tr>
<tr>
<td>Route 22 (Denman to Hornby Island)</td>
<td>-0.94</td>
<td>-0.86</td>
</tr>
<tr>
<td>Route 23 (Campbell River to Quadra Isl)</td>
<td>-0.96</td>
<td>-0.89</td>
</tr>
<tr>
<td>Route 19 (Nanaimo to Gabriola Isl)</td>
<td>-0.96</td>
<td>-0.85</td>
</tr>
<tr>
<td>Route 5 (Swartz Bay to Southern Gulf Isl)</td>
<td>-0.85</td>
<td>-0.82</td>
</tr>
<tr>
<td>Route 1 (Swartz Bay to Tsawwassen)</td>
<td>-0.81</td>
<td>-0.72</td>
</tr>
<tr>
<td>Route 7 (Sunshine Coast to Powell River)</td>
<td>-0.76</td>
<td>-0.81</td>
</tr>
</tbody>
</table>

INITIAL FINDINGS – FERRY FARES AND PASSENGER VOLUMES

To determine the degree to which ferry fares may be impacting ridership, a number of variables were tested against ferry ridership levels.

The first was passenger fares, which produced the following correlation coefficients (R-values).

The correlation coefficient is a measure of the correlation (dependence) between two variables, and have values between 1 (perfect positive correlation) and -1 (perfect negative correlation).

*Figure 22* demonstrates that for all routes and route groups examined, as fares increased, passenger volumes decreased.

To test the relative strength of these relationships, we can calculate further regression statistics, as summarized below.
SECTION IV | PASSENGER SENSITIVITY ANALYSIS (CONSUMER PRICE ELASTICITY OF DEMAND)

Figure 23. Regression Statistics for Fares: Passenger Demand

<table>
<thead>
<tr>
<th>Regression Statistics</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Multiple R</td>
<td>0.85</td>
</tr>
<tr>
<td>R Square</td>
<td>0.73</td>
</tr>
<tr>
<td>Adjusted R Square</td>
<td>0.70</td>
</tr>
<tr>
<td>Standard Error</td>
<td>384613.9431</td>
</tr>
<tr>
<td>Observations</td>
<td>11</td>
</tr>
</tbody>
</table>

The notable statistic is the “R Square,” which, with a value of 0.73, is interpreted as meaning “73% of the variation in passenger volumes can be explained by variation in ferry prices.”

In a statistical sense, this is considered a relatively strong correlation between fares and prices, but it is far from a "perfect" linear relationship. In some years, fares increased while ridership decreased, and vice versa. Therefore, other factors must be at play.

Fares, Population, and GDP

The strength of the correlation can be increased significantly when other factors are taken into consideration, particularly population and GDP (for British Columbia).

When these variables are combined, the following regression statistics are produced:

Figure 24. Fares, Population and GDP: Passenger Volumes

<table>
<thead>
<tr>
<th>Regression Statistics</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Multiple R</td>
<td>0.947642838</td>
</tr>
<tr>
<td>R Square</td>
<td>0.898026949</td>
</tr>
<tr>
<td>Adjusted R Square</td>
<td>0.854324212</td>
</tr>
<tr>
<td>Standard Error</td>
<td>267701.3483</td>
</tr>
<tr>
<td>Observations</td>
<td>11</td>
</tr>
</tbody>
</table>

These results demonstrate a much stronger correlation between the explanatory variables (ferry fares, population, GDP), and the outcome (passenger volumes). In this case, we can say that 90% of the variation in passenger volumes can be explained by the variation in ferry fares, population, and GDP. Put another way, at any point in history we can estimate passenger volumes to within 10% if we know the passenger fares, population, and GDP for British Columbia.

Similar tests were run with other variables, such as employment rates, inbound tourism visitation and spending, but these did not yield correlations that were as strong.

USING REGRESSION ANALYSIS TO PREDICT FUTURE RIDERSHIP

We can use the same regression analysis to predict future trends in passenger volumes, provided that we know or can accurately estimate future prices, population levels, and GDP levels.
An interesting observation from Figure 25 is that it correctly predicted further ridership declines for the 2013/14 fiscal year based on the prior trends in fares, population, and GDP. However, the model predicted a slightly sharper drop-off in passenger demand than actually occurred in 2013/14, though it was only “off” by 1.5%.

FARE-TO-DEMAND CHANGES OVER TIME: TIPPING POINT?

Another area of interest to coastal community stakeholders is whether we may be at a “tipping point” for ferry fares, wherein future price increases begin to have an increasingly significant impact on ridership.

This can be assessed by plotting the elasticity levels (sensitivity of consumers to price increase) of the system over time, and determining whether they are increasing or decreasing.

Generally speaking, elasticity rates have been increasing over time, meaning the system is becoming more price sensitive, all things being equal. When plotted as a simple linear relationship (Figure 26) it can be seen that the elasticity is increasing (becoming more NEGATIVE) over time.
To further assess the changing sensitivity of consumers to price changes over time, econometricians often use logarithmic functions to apply a curvilinear line of best fit over the data points to indicate rates of change in data over time. In this case, using all years from 2003-2013 the rate of change (an upward sloping line) seems to suggest that while demand elasticity is increasing overall, the rate of change suggests that ferry travellers were becoming increasingly price sensitive in earlier years, and more recently have become less price sensitive. However, this trend appears to be due to the highly inelastic results from 2004/05 fiscal, in which fares increased and yet passenger volumes also increased. Accounting for some lag-time impacts of increasing fares, when the same results are plotted from 2004/05 onward, the curvilinear elasticity trend increases (becomes more negative) over
time, as would be expected. This means that ferry users have actually become slightly more price sensitive over time and after successive fare increases, as one would expect.

Figure 28. Curvilinear Elasticity (Fares: Demand) 2004/05 – 2012/13

It should be noted that overall, the downward trend in elasticity is very slight. When assessing the data, one trend became quite apparent, which could explain this lower than expected elasticity change over time. Experience Card use by coastal community residents has increased overall since its inception and is only now starting to flatline and decrease slightly. On the other hand, cash paying customers, who are more likely to be discretionary travellers, have declined substantially as a proportion of overall travellers.

PREDICTING “WHAT MIGHT HAVE HAPPENED” – THE COUNTERFACTUAL CASE

Another helpful tool of regression analysis is to predict what could have happened in an alternate situation, given different circumstances. While there always remains some uncertainty with data modeling, “predicting” scenarios that might have happened in the past has the benefit of using trends and patterns that already occurred, increasing the reliability of estimates. In Figure 29 (next page) we use the same formula to estimate passenger volumes if fare increases had been set to the rate of inflation from 2003-2013.
As Figure 29 shows, if overall ferry fares had increased at the rate of inflation from 2003-2013, which averaged approximately 1.5% per year over the period, the model predicts that passenger volumes would have increased from 21.6 million to approximately 25.7 million annual passengers, a differential of 28.8% above the actual of 19.9 million.

While this potential growth from 2003-2013 may seem implausible in light of the actual experience of ridership declines, it should be noted that this growth represents only an 18.7% increase over ten years. This is lower than the passenger growth rate for BC’s two largest airports (YVR and YYJ), which grew at 23% and 32%, respectively over that period. It is also roughly equal to the average highway travel (vehicle-only) growth over the period, but somewhat higher than BC’s population growth (11%) over the period.

**ASSESSING FOREGONE OPPORTUNITIES**

Under the above scenario where rates were tied to inflation, ridership increases from 21.6 million in 2003 to 25.7 million in 2013 Figure 29 (above).
From 2003-2013 we estimate that more than 31 million fewer passengers travelled on BC Ferries than otherwise would have, in a scenario in which fare increases were held to the rate of inflation.

Of these 31 million passengers, some would not have travelled at all, including business and pleasure travellers. A proportion of these 31 million travellers would have opted for another BC-based destination, while others would have chosen another destination outside British Columbia altogether. Estimating these hypothetical decisions is beyond the scope of this analysis, and, accordingly, the economic impact estimates that follow should be considered gross estimates.

Applying the same economic impact methodology as in Section III of this report, we arrive at the following potential ridership losses related to not constraining fare rate growth to the rate of inflation from 2003-2013.

### Figure 30. Potential Ridership Loss

<table>
<thead>
<tr>
<th>Year</th>
<th>Ridership Difference (Reduced Fare Scenario Minus Actual Ridership)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>-4,178</td>
</tr>
<tr>
<td>2004</td>
<td>904,788</td>
</tr>
<tr>
<td>2005</td>
<td>873,700</td>
</tr>
<tr>
<td>2006</td>
<td>1,910,414</td>
</tr>
<tr>
<td>2007</td>
<td>2,543,493</td>
</tr>
<tr>
<td>2008</td>
<td>2,809,764</td>
</tr>
<tr>
<td>2009</td>
<td>3,484,475</td>
</tr>
<tr>
<td>2010</td>
<td>3,579,153</td>
</tr>
<tr>
<td>2011</td>
<td>4,294,572</td>
</tr>
<tr>
<td>2012</td>
<td>5,197,156</td>
</tr>
<tr>
<td>2013</td>
<td>5,740,043</td>
</tr>
<tr>
<td><strong>TOTAL:</strong></td>
<td><strong>31,333,380</strong></td>
</tr>
</tbody>
</table>

### Figure 31. Estimated Traveller Expenditures Lost to Fare Increases (overnight travellers)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic (Can resident) travellers</td>
<td>5,818,196</td>
<td>3.3</td>
<td>1.8</td>
<td>$132</td>
<td>$1,408,003,339</td>
</tr>
<tr>
<td>U.S. travellers</td>
<td>1,313,482</td>
<td>3.5</td>
<td>2.5</td>
<td>$282</td>
<td>$518,562,614</td>
</tr>
<tr>
<td>Other international travellers</td>
<td>795,668</td>
<td>8.7</td>
<td>2.0</td>
<td>$110</td>
<td>$380,726,957</td>
</tr>
<tr>
<td><strong>OVERNIGHT TOTAL</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>$2,307,292,910</strong></td>
</tr>
</tbody>
</table>
Figure 32. Estimated Traveller Expenditures Lost to Fare Increases (same-day travellers)

<table>
<thead>
<tr>
<th>Same-day Travellers</th>
<th>Avg. Party Size</th>
<th>Avg. Daily Expenditures</th>
<th>Same-Day Traveller Total Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total same-day travellers</td>
<td>6,486,010</td>
<td>1.8</td>
<td>$132</td>
</tr>
</tbody>
</table>

Figure 33. Estimated Traveller Expenditures Lost to Fare Increases (Total)

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Overnight Traveller Expenditures</td>
<td>$2,307,292,910</td>
</tr>
<tr>
<td>Same-day Traveller Expenditures</td>
<td>$476,640,702</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$2,782,933,613</td>
</tr>
</tbody>
</table>

As Figure 33 (above) demonstrates, estimated foregone ferry passenger expenditures were $2.8 billion from 2003-2013. This is the direct revenue that could have accrued to businesses had ferry fare increases been limited to the rate of inflation, using our regression model of passenger trends.

ASSESSING INDIRECT AND INDUCED LOSSES

Once the total direct expenditures are known, the Direct, Indirect, and Induced GDP can be calculated, as well as the total taxation impacts.
The estimated total unrealized GDP is approximately $2.3 billion, with a nearly equal split between direct GDP and indirect/induced GDP.

**UNREALIZED TAXATION IMPACTS**

We can also estimate the total unrealized taxes (gross) if fare increases had been kept at the rate of inflation from 2003-2013.

**Figure 35. Unrealized Taxes (2003-2013)**

<table>
<thead>
<tr>
<th>Tax Jurisdiction</th>
<th>Tax Revenues ($ mil)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal</td>
<td>$325</td>
</tr>
<tr>
<td>Provincial</td>
<td>$231</td>
</tr>
<tr>
<td>Municipal</td>
<td>$53.0</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$609</strong></td>
</tr>
</tbody>
</table>

As **Figure 35** demonstrates, it is estimated that over $600 million in taxes were foregone when compared with a scenario in which ferry fare increases had been kept at the rate of inflation from 2003-2013.
SECTION V: SOCIOECONOMIC IMPACT ANALYSIS

Socioeconomic impacts are any changes in social or economic outcomes in a defined area that can be traced to a specific policy, event, organizational change, or other factors in a defined unit of analysis. In socioeconomic impact analysis, factors that are typically addressed are changes in income, economic stability, measures of “social cohesion,” health, education, or essentially any factor that is deemed to be of social and/or economic importance.

In light of the diversity of possible areas of focus, the U.S. Transportation Research Board stresses the “importance of community involvement in all steps of the impact assessment process” in order to identify the range of relevant impacts (benefits, costs, and risks) of undertaking a specific project, altering existing cost structures, or changing travel preferences.

In a Spring 2014 survey of more than 400 coastal community stakeholders from local government, business, transportation, and other groups, the top priorities for analysis were identified. These included:

- Business formations and failures
- Housing starts, values, and sales
- Employment
- Population changes

For the above measures, the post-2009 period is also examined separately from the 2003-2013 period in order to highlight issues related to “economic resilience” – i.e. how well these communities have recovered from the global financial crisis of 2008/09. In order to measure the above, three distinct but complementary methodologies are employed:

1. Longitudinal (historical) trend analysis – do outcomes change over time, particularly after more significant fare increases and ridership declines?
2. Statistical (regression) analysis – are there strong statistical correlations between ridership declines and socioeconomic outcomes?
3. Comparative analysis – do outcomes in coastal (ferry dependent) communities differ from those in non-coastal communities?

For the purposes of this analysis, “coastal” typically does not include the Lower Mainland, because while the Lower Mainland is impacted by ferry activity, these are not “ferry dependent” to the same extent as other communities for whom ferries are the primary linkage.

Due to a lack of available data and limitation of resources, a number of “social” measures are not able to be assessed in this analysis, including those identified by the OECD as core measures of “social cohesion,” including “trust in institutions,” “solidarity,” “political participation,” socio-cultural participation,” “formal relations” and “substantive relations.”
BUSINESS FORMATIONS AND FAILURES

We begin by assessing leading economic indicators (business incorporations, property sales, and housing starts) and their relationship with ferry fares strengthens.

One of the most notable trends is with regard to total business incorporations, which accounts for both business formations and failures.

As Figure 36 (below) demonstrates, the rate of change in business incorporations in coastal regions and non-coastal regions was similar from 1993-2002 in British Columbia (coastal regions lost 8.1% of their businesses, non-coastal regions lost 8.6% of their businesses).

However, from 2003 onward, non-coastal region business incorporations grew by 44.6%, just slightly higher than for coastal regions in the same period (31.1%). Perhaps more concerning, since 2009 business incorporations in non-coastal regions have increased at nearly 3-times the rate of that in coastal regions, at 23.8% for non-coastal communities versus only 8.4% in coastal communities over the four years from 2009-2013.

Figure 36. British Columbia Incorporations by Development Region

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>COASTAL</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vancouver Island/Coast DR</td>
<td>-6.1%</td>
<td>29.9%</td>
<td>7.2%</td>
</tr>
<tr>
<td>North Coast DR</td>
<td>-48.1%</td>
<td>71.4%</td>
<td>55.3%</td>
</tr>
<tr>
<td><strong>TOTAL COASTAL</strong></td>
<td>-8.1%</td>
<td>31.1%</td>
<td>8.4%</td>
</tr>
<tr>
<td><strong>NON-COASTAL</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nechako DR</td>
<td>-32.0%</td>
<td>37.4%</td>
<td>88.9%</td>
</tr>
<tr>
<td>Mainland Southwest DR</td>
<td>-7.0%</td>
<td>43.7%</td>
<td>24.9%</td>
</tr>
<tr>
<td>Thompson/Okanagan DR</td>
<td>-17.5%</td>
<td>46.6%</td>
<td>12.4%</td>
</tr>
<tr>
<td>Kootenay DR</td>
<td>-17.7%</td>
<td>25.2%</td>
<td>-6.7%</td>
</tr>
<tr>
<td>Cariboo DR</td>
<td>-31.2%</td>
<td>73.5%</td>
<td>35.7%</td>
</tr>
<tr>
<td>Northeast DR</td>
<td>50.3%</td>
<td>79.4%</td>
<td>59.6%</td>
</tr>
<tr>
<td><strong>TOTAL NON-COASTAL</strong></td>
<td>-8.6%</td>
<td>44.6%</td>
<td>23.8%</td>
</tr>
</tbody>
</table>

Source: BC Stats. xliii

This emerging trend is one that should be watched very carefully, as the ability to attract new businesses and maintain existing businesses in a post-recessionary environment is a key indicator of economic resilience.
RESIDENTIAL REAL ESTATE PRICES

Residential real estate in British Columbia is one of the most important economic drivers, as the majority of the wealth of Canadians is in real estate. And in addition to individual wealth, construction and real estate (including finance and insurance) are immense industrial sectors in the economy, in terms of economic impact and employment.

**Figure 37. Residential Real Estate Prices (2003-2013)**

<table>
<thead>
<tr>
<th>Coastal Communities</th>
<th>2003</th>
<th>2005</th>
<th>2007</th>
<th>2009</th>
<th>2011</th>
<th>2013</th>
<th>Chg 2003-2013</th>
<th>% Chg 03-13</th>
<th>% Chg 09-13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Powell River</td>
<td>127,703</td>
<td>167,839</td>
<td>241,083</td>
<td>237,125</td>
<td>223,183</td>
<td>223,848</td>
<td>96,145</td>
<td>75.3%</td>
<td>-5.6%</td>
</tr>
<tr>
<td>Vancouver Island</td>
<td>169,578</td>
<td>235,095</td>
<td>311,472</td>
<td>316,118</td>
<td>326,513</td>
<td>314,831</td>
<td>145,253</td>
<td>85.7%</td>
<td>-0.4%</td>
</tr>
<tr>
<td>Victoria</td>
<td>280,084</td>
<td>379,686</td>
<td>466,974</td>
<td>476,137</td>
<td>498,300</td>
<td>480,997</td>
<td>200,913</td>
<td>71.7%</td>
<td>1.0%</td>
</tr>
<tr>
<td>Coastal Total</td>
<td>192,455</td>
<td>260,873</td>
<td>339,843</td>
<td>343,127</td>
<td>349,332</td>
<td>339,892</td>
<td>147,437</td>
<td>76.6%</td>
<td>-0.9%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Non-Coastal Communities</th>
<th>2003</th>
<th>2005</th>
<th>2007</th>
<th>2009</th>
<th>2011</th>
<th>2013</th>
<th>Chg 2003-2013</th>
<th>% Chg 03-13</th>
<th>% Chg 09-13</th>
</tr>
</thead>
<tbody>
<tr>
<td>BC Northern (Cariboo)*</td>
<td>110,347</td>
<td>137,798</td>
<td>195,487</td>
<td>211,805</td>
<td>219,061</td>
<td>243,665</td>
<td>133,318</td>
<td>120.8%</td>
<td>15.0%</td>
</tr>
<tr>
<td>Chilliwack</td>
<td>169,082</td>
<td>228,392</td>
<td>299,592</td>
<td>296,601</td>
<td>296,695</td>
<td>301,492</td>
<td>132,410</td>
<td>78.3%</td>
<td>1.6%</td>
</tr>
<tr>
<td>Fraser Valley</td>
<td>260,360</td>
<td>326,312</td>
<td>423,761</td>
<td>425,796</td>
<td>502,562</td>
<td>490,433</td>
<td>230,073</td>
<td>88.4%</td>
<td>15.2%</td>
</tr>
<tr>
<td>Greater Vancouver</td>
<td>329,447</td>
<td>425,745</td>
<td>570,795</td>
<td>592,441</td>
<td>779,730</td>
<td>767,765</td>
<td>438,318</td>
<td>133.0%</td>
<td>29.6%</td>
</tr>
<tr>
<td>Kamloops</td>
<td>143,134</td>
<td>177,065</td>
<td>275,638</td>
<td>300,349</td>
<td>301,300</td>
<td>312,460</td>
<td>169,326</td>
<td>118.3%</td>
<td>4.0%</td>
</tr>
<tr>
<td>Kootenay</td>
<td>136,531</td>
<td>173,280</td>
<td>272,138</td>
<td>274,118</td>
<td>269,025</td>
<td>276,535</td>
<td>140,004</td>
<td>102.5%</td>
<td>0.9%</td>
</tr>
<tr>
<td>Northern Lights</td>
<td>88,624</td>
<td>119,449</td>
<td>175,818</td>
<td>222,294</td>
<td>216,470</td>
<td>269,791</td>
<td>181,167</td>
<td>204.4%</td>
<td>21.4%</td>
</tr>
<tr>
<td>Okanagan-Mainline</td>
<td>197,538</td>
<td>271,605</td>
<td>387,523</td>
<td>379,711</td>
<td>379,837</td>
<td>375,601</td>
<td>178,063</td>
<td>90.1%</td>
<td>-1.1%</td>
</tr>
<tr>
<td>South Okanagan</td>
<td>163,873</td>
<td>229,036</td>
<td>325,667</td>
<td>314,833</td>
<td>308,261</td>
<td>299,254</td>
<td>135,381</td>
<td>82.6%</td>
<td>-4.9%</td>
</tr>
<tr>
<td>Non-Coastal Total</td>
<td>177,660</td>
<td>232,076</td>
<td>325,158</td>
<td>335,328</td>
<td>363,660</td>
<td>370,777</td>
<td>193,118</td>
<td>108.7%</td>
<td>10.6%</td>
</tr>
<tr>
<td>BC TOTAL</td>
<td>259,835</td>
<td>332,137</td>
<td>439,119</td>
<td>465,725</td>
<td>561,304</td>
<td>537,414</td>
<td>277,579</td>
<td>106.8%</td>
<td>15.4%</td>
</tr>
</tbody>
</table>

*Source: BC Stats, via Multiple Listing Service (MLS)*

**Figure 37** demonstrates some notable trends with respect to residential real estate prices. In the period 2003-2013 coastal and non-coastal regions experienced significant real estate price gains, with non-coastal regions increasing by 108.7% and coastal regions increasing by a significant 76.6%.
However, the growth trend for coastal communities ends in 2009. Post-recession, the average price in all coastal regions combined has declined (in nominal terms) by 0.9% - far from a housing market crash, but notably lower than the 10.6% price increase realized by non-coastal communities in this period.

This is another trend wherein post-recession, coastal regions appear to be detached from the economic circumstances of non-coastal regions.

Property value deflation also serves to reduce the source of funding for local governments, rely on property taxes as a primary though not exclusive funding source. As Figure 38 (below) demonstrates, the total assessed value of all properties in several coastal communities has decreased substantially, particularly from 2011 to 2014.

Figure 38. Total Assessed Values - Ferry Dependent Communities

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Route</th>
<th>2006</th>
<th>2011</th>
<th>2014</th>
<th>Chg '06-14</th>
<th>Chg '11-14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Saltspring</td>
<td>9, 4, 6</td>
<td>$2,591,433,027</td>
<td>$3,198,127,473</td>
<td>$2,925,767,013</td>
<td>12.9%</td>
<td>-8.5%</td>
</tr>
<tr>
<td>Pender (N&amp;S)</td>
<td>9, 5</td>
<td>$737,151,501</td>
<td>$1,002,507,921</td>
<td>$890,652,304</td>
<td>20.8%</td>
<td>-11.2%</td>
</tr>
<tr>
<td>Mayne</td>
<td>9, 5</td>
<td>$391,957,700</td>
<td>$626,794,102</td>
<td>$498,377,402</td>
<td>27.2%</td>
<td>-20.5%</td>
</tr>
<tr>
<td>Galiano</td>
<td>9, 5</td>
<td>$440,964,501</td>
<td>$548,852,302</td>
<td>$467,473,002</td>
<td>6.0%</td>
<td>-14.8%</td>
</tr>
<tr>
<td>Saturna</td>
<td>9, 5</td>
<td>$172,438,711</td>
<td>$258,911,003</td>
<td>$221,492,103</td>
<td>28.4%</td>
<td>-14.5%</td>
</tr>
<tr>
<td>Thetis</td>
<td>20</td>
<td>$82,405,900</td>
<td>$134,066,900</td>
<td>$127,462,600</td>
<td>54.7%</td>
<td>-4.9%</td>
</tr>
<tr>
<td>Gabriola</td>
<td>19</td>
<td>$822,859,750</td>
<td>$1,124,677,000</td>
<td>$1,000,832,600</td>
<td>21.6%</td>
<td>-11.0%</td>
</tr>
<tr>
<td>Hornby</td>
<td>22</td>
<td>$357,720,500</td>
<td>$505,921,200</td>
<td>$497,280,500</td>
<td>39.0%</td>
<td>-1.7%</td>
</tr>
<tr>
<td>Denman</td>
<td>21, 22</td>
<td>$282,812,900</td>
<td>$388,276,600</td>
<td>$355,370,300</td>
<td>25.7%</td>
<td>-8.5%</td>
</tr>
<tr>
<td>Bowen</td>
<td>8</td>
<td>$1,103,306,303</td>
<td>$1,574,434,296</td>
<td>$1,453,052,196</td>
<td>31.7%</td>
<td>-7.7%</td>
</tr>
<tr>
<td>Quadra</td>
<td>23</td>
<td>$397,380,000</td>
<td>$561,910,100</td>
<td>$509,526,200</td>
<td>28.2%</td>
<td>-9.3%</td>
</tr>
<tr>
<td>Powell River</td>
<td>17</td>
<td>$893,374,991</td>
<td>$1,383,784,000</td>
<td>$1,235,583,200</td>
<td>38.3%</td>
<td>-10.7%</td>
</tr>
</tbody>
</table>

Source: BC Assessment Authority

While the total assessed value of all properties increased substantially from 2006 to 2011 for all coastal communities identified above, there was a notable decline from 2011 onward for all but two communities, with an average decline in total assessed values of 8.4% from 2011 to 2014.

However, it should be noted that while there may be a pattern of declining property values in recent years in coastal communities, this trend has a low correlation with ferry fares (correlation coefficient of -0.39). We would therefore urge caution in using ferry fare increases and/or ridership declines as a primary explanatory factor for housing prices.
HOUSING STARTS AND SALES

Two areas with much stronger correlations to ferry fares and ridership levels are housing starts and sales, two important leading economic indicators that can often be used to predict future levels of economic activity in related areas.

From 2003 to 2013 housing starts in coastal communities declined by 22%, compared with a growth of 8% in non-coastal communities. Notably, since 2009 housing starts have nearly doubled from the recessionary lows in non-coastal communities, while they have only increased by approximately 11% in coastal communities since 2009.

**Figure 39. Housing Starts**

<table>
<thead>
<tr>
<th>Coastal Communities</th>
<th>2003</th>
<th>2005</th>
<th>2007</th>
<th>2009</th>
<th>2011</th>
<th>2013</th>
<th>2013/03</th>
</tr>
</thead>
<tbody>
<tr>
<td>Victoria</td>
<td>2,008</td>
<td>2,058</td>
<td>2,579</td>
<td>1,034</td>
<td>1,642</td>
<td>1,685</td>
<td>-16.09%</td>
</tr>
<tr>
<td>Nanaimo</td>
<td>605</td>
<td>905</td>
<td>833</td>
<td>801</td>
<td>720</td>
<td>415</td>
<td>-31.40%</td>
</tr>
<tr>
<td>Campbell River</td>
<td>97</td>
<td>339</td>
<td>269</td>
<td>131</td>
<td>155</td>
<td>262</td>
<td>170.10%</td>
</tr>
<tr>
<td>Courtenay</td>
<td>452</td>
<td>713</td>
<td>650</td>
<td>245</td>
<td>265</td>
<td>131</td>
<td>-71.02%</td>
</tr>
<tr>
<td>Duncan</td>
<td>185</td>
<td>388</td>
<td>281</td>
<td>168</td>
<td>163</td>
<td>163</td>
<td>-11.89%</td>
</tr>
<tr>
<td>Parksville-Qualicum Beach</td>
<td>248</td>
<td>289</td>
<td>216</td>
<td>100</td>
<td>149</td>
<td>126</td>
<td>-49.19%</td>
</tr>
<tr>
<td>Port Alberni</td>
<td>31</td>
<td>83</td>
<td>104</td>
<td>41</td>
<td>83</td>
<td>40</td>
<td>29.03%</td>
</tr>
<tr>
<td>Powell River</td>
<td>17</td>
<td>89</td>
<td>35</td>
<td>42</td>
<td>19</td>
<td>13</td>
<td>-23.53%</td>
</tr>
<tr>
<td>Prince Rupert</td>
<td>1</td>
<td>4</td>
<td>6</td>
<td>1</td>
<td>4</td>
<td>2</td>
<td>100.00%</td>
</tr>
<tr>
<td><strong>TOTAL COASTAL</strong></td>
<td>3,644</td>
<td>4,868</td>
<td>4,973</td>
<td>2,563</td>
<td>3,200</td>
<td>2,837</td>
<td>-22.21%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Non-Coastal Communities</th>
<th>2003</th>
<th>2005</th>
<th>2007</th>
<th>2009</th>
<th>2011</th>
<th>2013</th>
<th>2013/03</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abbotsford</td>
<td>1,056</td>
<td>1,012</td>
<td>1,088</td>
<td>365</td>
<td>537</td>
<td>749</td>
<td>-29.07%</td>
</tr>
<tr>
<td>Kelowna</td>
<td>2,137</td>
<td>2,755</td>
<td>2,805</td>
<td>657</td>
<td>934</td>
<td>1,013</td>
<td>-52.60%</td>
</tr>
<tr>
<td>Vancouver</td>
<td>15,626</td>
<td>18,914</td>
<td>20,736</td>
<td>8,339</td>
<td>17,867</td>
<td>18,696</td>
<td>19.65%</td>
</tr>
<tr>
<td>Chilliwack</td>
<td>539</td>
<td>966</td>
<td>1,352</td>
<td>368</td>
<td>354</td>
<td>443</td>
<td>-17.81%</td>
</tr>
<tr>
<td>Kamloops</td>
<td>301</td>
<td>589</td>
<td>763</td>
<td>420</td>
<td>510</td>
<td>479</td>
<td>59.14%</td>
</tr>
<tr>
<td>Prince George</td>
<td>103</td>
<td>284</td>
<td>328</td>
<td>145</td>
<td>157</td>
<td>195</td>
<td>89.32%</td>
</tr>
<tr>
<td>Vernon</td>
<td>318</td>
<td>415</td>
<td>548</td>
<td>265</td>
<td>163</td>
<td>194</td>
<td>-38.99%</td>
</tr>
<tr>
<td>Cranbrook</td>
<td>67</td>
<td>187</td>
<td>192</td>
<td>106</td>
<td>75</td>
<td>82</td>
<td>22.39%</td>
</tr>
<tr>
<td>Dawson Creek</td>
<td>29</td>
<td>40</td>
<td>138</td>
<td>84</td>
<td>69</td>
<td>193</td>
<td>565.52%</td>
</tr>
<tr>
<td>Fort St. John</td>
<td>204</td>
<td>153</td>
<td>382</td>
<td>100</td>
<td>152</td>
<td>385</td>
<td>88.73%</td>
</tr>
<tr>
<td>Penticton</td>
<td>219</td>
<td>406</td>
<td>295</td>
<td>137</td>
<td>89</td>
<td>80</td>
<td>-63.47%</td>
</tr>
<tr>
<td>Quesnel</td>
<td>21</td>
<td>41</td>
<td>117</td>
<td>36</td>
<td>35</td>
<td>43</td>
<td>104.76%</td>
</tr>
<tr>
<td>Salmon Arm</td>
<td>84</td>
<td>154</td>
<td>190</td>
<td>62</td>
<td>45</td>
<td>62</td>
<td>-26.19%</td>
</tr>
</tbody>
</table>
Another notable point regarding housing starts is the relatively strong correlation (-0.91) between ferry fares and property sales in coastal regions.

Residential real estate sales paint a different picture from housing starts. While the correlation between ferry fares and real estate sales in coastal regions is quite strong (-0.9) there is also a strong correlation between ferry fares and real estate sales in non coastal regions (-0.84). This suggests that a broader underlying economic trend is causing this variation in housing sales – likely the availability of credit (i.e., interest rates) and overall economic conditions.

Figure 40. Residential Real Estate Sales

* From 1998 on, BC Northern (formerly Cariboo) includes Northwest. Source: Canadian Real Estate Association and BC Real Estate via BC Stats
As *Figure 40* demonstrates, real estate sales have declined by similar amounts for coastal and non-coastal regions, whether assessing trends from 2003-2013 or from 2009-2013.

**POPULATION CHANGE**

For much of recent history, BC’s coastal regions have been an attractive destination for “amenity migrants” – people who relocate to areas with desirable geography, climate, culture, and other lifestyle-related factors (as opposed to relocating for strictly financial reasons).

Coastal community representatives have expressed concerns that their communities are increasingly becoming isolated and depopulated, in large part due to accessibility challenges associated with increasing costs to access their communities.

The relationship between ferry fares and population levels is complex. As *Figure 41* (below) shows, they may have some justification in being concerned about population declines and out-migration. However, these relationships are not considered to be strongly statistically significant when correlated to ferry fares and/or passenger demand.

From 2003-2013, coastal community populations grew by 6.4%, whereas non-coastal communities grew at slightly less than double that rate (12.2%) over the ten-year period. Perhaps more concerning, in the four years since the 2009 global financial crisis, coastal communities have experienced little population growth (1.3%) while non-coastal communities have continued to grow at historical levels (4.5%).

When assessing the statistical validity of these relationships, however, and correlating them with ferry ridership declines, the picture becomes less clear. Over the 2003-2013 and the 2009-2013 period, there is actually a stronger correlation between ferry fares and population changes in non-coastal communities.

However, as the right-hand chart in *Figure 41* (below) demonstrates, since 2009 the correlation between fares and population becomes stronger in coastal communities. As population is typically a lagging socioeconomic indicator, the impact of historical fare increases and ridership declines may only be beginning, and should be monitored and evaluated in the coming years.

*Figure 41*. Coastal Community Correlation Analysis (Ferry Demand: Population Change)

| Correlation summary (ferry demand & population change, 2003-2013) |
|-----------------------------|-----------------------------|
| Coastal                    | Non-Coastal                 |
| -0.764781939               | -0.874005921               |
**Figure 42** (below) summarizes population trends from 2003 – 2013 for all regional districts in BC. A notable trend is that the four regional districts with the most significant population declines were all coastal regions: Skeena Queen Charlotte (-11.5%), Central Coast (-10.9%), Mount Waddington (-9.5%), and Kitimat / Kitimat-Stikine combined (-8.6%).

This is an immensely important area of future analysis, as the ability to attract and retain populations is considered to be a key determinant of socioeconomic stability and well-being.

**Figure 42. Population Changes 2003-2013 (Coastal and Non-coastal Regional Districts)**

<table>
<thead>
<tr>
<th>Regional District (Coastal/Ferry Dependent)</th>
<th>2003</th>
<th>2006</th>
<th>2009</th>
<th>2013</th>
<th>Chg 2003-2013</th>
<th>% Chg 03-13</th>
<th>Chg 2009-2013</th>
<th>% Chg 2009-2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alberni-Clayoquot</td>
<td>30,471</td>
<td>31,076</td>
<td>31,313</td>
<td>30,712</td>
<td>241</td>
<td>0.8%</td>
<td>-601</td>
<td>-1.9%</td>
</tr>
<tr>
<td>Capital</td>
<td>345,729</td>
<td>355,438</td>
<td>363,571</td>
<td>370,912</td>
<td>25,183</td>
<td>7.3%</td>
<td>7,341</td>
<td>2.0%</td>
</tr>
<tr>
<td>Central Coast</td>
<td>3,599</td>
<td>3,211</td>
<td>3,139</td>
<td>3,208</td>
<td>-391</td>
<td>-10.9%</td>
<td>69</td>
<td>2.2%</td>
</tr>
<tr>
<td>Comox-Strathcona*</td>
<td>98,921</td>
<td>103,089</td>
<td>107,214</td>
<td>107,580</td>
<td>8,659</td>
<td>8.8%</td>
<td>366</td>
<td>0.3%</td>
</tr>
<tr>
<td>Cowichan Valley</td>
<td>75,057</td>
<td>78,400</td>
<td>80,435</td>
<td>81,704</td>
<td>6,647</td>
<td>8.9%</td>
<td>1,269</td>
<td>1.6%</td>
</tr>
<tr>
<td>Kitimat / Kitimat-Stikine*</td>
<td>41,987</td>
<td>39,922</td>
<td>39,009</td>
<td>38,371</td>
<td>-3,616</td>
<td>-8.6%</td>
<td>-638</td>
<td>-1.6%</td>
</tr>
<tr>
<td>Mount Waddington</td>
<td>12,765</td>
<td>11,948</td>
<td>11,835</td>
<td>11,546</td>
<td>-1,219</td>
<td>-9.5%</td>
<td>-289</td>
<td>-2.4%</td>
</tr>
<tr>
<td>Nanaimo</td>
<td>133,552</td>
<td>141,211</td>
<td>146,321</td>
<td>149,244</td>
<td>15,692</td>
<td>11.7%</td>
<td>2,923</td>
<td>2.0%</td>
</tr>
<tr>
<td>Powell River</td>
<td>19,658</td>
<td>19,704</td>
<td>19,864</td>
<td>20,493</td>
<td>835</td>
<td>4.2%</td>
<td>629</td>
<td>3.2%</td>
</tr>
<tr>
<td>Skeena-Queen Charlotte</td>
<td>20,978</td>
<td>19,992</td>
<td>19,148</td>
<td>18,561</td>
<td>-2,417</td>
<td>-11.5%</td>
<td>-587</td>
<td>-3.1%</td>
</tr>
<tr>
<td>Sunshine Coast</td>
<td>26,450</td>
<td>27,921</td>
<td>28,528</td>
<td>29,017</td>
<td>2,567</td>
<td>9.7%</td>
<td>489</td>
<td>1.7%</td>
</tr>
<tr>
<td><strong>COASTAL SUB-TOTALS</strong></td>
<td><strong>809,167</strong></td>
<td><strong>831,912</strong></td>
<td><strong>850,377</strong></td>
<td><strong>861,348</strong></td>
<td><strong>52,181</strong></td>
<td><strong>6.4%</strong></td>
<td><strong>10,971</strong></td>
<td><strong>1.3%</strong></td>
</tr>
</tbody>
</table>
### Employment & Unemployment

Employment and unemployment levels are another area of concern for coastal stakeholders related to increasing ferry fares and declining ridership.

Once again this is another area where there is a trend, but it is not considered to be a robust statistical trend. In the years prior to ferry fare increases (from 1995-2002) the coastal unemployment rate increased by 2.0%, compared with an unemployment rate increase in non-coastal communities of 1.1%.

---

**Figure 42 cont. Population Changes 2003-2013 (Coastal and Non-coastal Regional Districts)**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Bulkley-Nechako</td>
<td>40,009</td>
<td>38,834</td>
<td>39,005</td>
<td>39,589</td>
<td>113</td>
<td>-1.0%</td>
<td>584</td>
<td>1.5%</td>
</tr>
<tr>
<td>Cariboo</td>
<td>64,795</td>
<td>63,173</td>
<td>63,343</td>
<td>62,685</td>
<td>-1,170</td>
<td>-3.3%</td>
<td>-658</td>
<td>-1.0%</td>
</tr>
<tr>
<td>Central Kootenay</td>
<td>57,596</td>
<td>56,452</td>
<td>58,650</td>
<td>58,543</td>
<td>2,054</td>
<td>1.6%</td>
<td>-107</td>
<td>-0.2%</td>
</tr>
<tr>
<td>Central Okanagan</td>
<td>158,324</td>
<td>167,323</td>
<td>182,172</td>
<td>184,595</td>
<td>21,492</td>
<td>16.6%</td>
<td>2,423</td>
<td>1.3%</td>
</tr>
<tr>
<td>Columbia-Shuswap</td>
<td>48,974</td>
<td>50,705</td>
<td>51,941</td>
<td>50,684</td>
<td>839</td>
<td>3.5%</td>
<td>-1,257</td>
<td>-2.4%</td>
</tr>
<tr>
<td>East Kootenay</td>
<td>56,233</td>
<td>56,052</td>
<td>58,037</td>
<td>56,833</td>
<td>1,085</td>
<td>1.1%</td>
<td>-1,204</td>
<td>-2.1%</td>
</tr>
<tr>
<td>Fraser Valley</td>
<td>253,849</td>
<td>266,635</td>
<td>278,951</td>
<td>287,688</td>
<td>24,756</td>
<td>13.3%</td>
<td>8,737</td>
<td>3.1%</td>
</tr>
<tr>
<td>Fraser-Fort George</td>
<td>97,065</td>
<td>94,436</td>
<td>93,583</td>
<td>94,351</td>
<td>-935</td>
<td>-2.8%</td>
<td>768</td>
<td>0.8%</td>
</tr>
<tr>
<td>Greater Vancouver</td>
<td>2,131,780</td>
<td>2,198,496</td>
<td>2,303,086</td>
<td>2,451,783</td>
<td>278,781</td>
<td>15.0%</td>
<td>148,697</td>
<td>6.5%</td>
</tr>
<tr>
<td>Kootenay-Boundary</td>
<td>31,744</td>
<td>30,814</td>
<td>31,713</td>
<td>30,523</td>
<td>-738</td>
<td>-3.8%</td>
<td>-1,190</td>
<td>-3.8%</td>
</tr>
<tr>
<td>North Okanagan</td>
<td>75,960</td>
<td>78,796</td>
<td>82,510</td>
<td>81,436</td>
<td>3,750</td>
<td>7.2%</td>
<td>-1,074</td>
<td>-1.3%</td>
</tr>
<tr>
<td>Northern Rockies</td>
<td>6,007</td>
<td>6,284</td>
<td>5,784</td>
<td>6,076</td>
<td>-247</td>
<td>1.1%</td>
<td>292</td>
<td>5.0%</td>
</tr>
<tr>
<td>Okanagan-Similkameen</td>
<td>77,767</td>
<td>80,247</td>
<td>82,488</td>
<td>80,781</td>
<td>1,996</td>
<td>3.9%</td>
<td>-1,707</td>
<td>-2.1%</td>
</tr>
<tr>
<td>Peace River</td>
<td>55,888</td>
<td>59,318</td>
<td>60,260</td>
<td>63,553</td>
<td>4,921</td>
<td>13.7%</td>
<td>3,293</td>
<td>5.5%</td>
</tr>
<tr>
<td>Squamish-Lillooet</td>
<td>35,385</td>
<td>36,639</td>
<td>38,074</td>
<td>40,344</td>
<td>4,519</td>
<td>14.0%</td>
<td>2,270</td>
<td>6.0%</td>
</tr>
<tr>
<td>Thompson-Nicola</td>
<td>123,394</td>
<td>125,575</td>
<td>130,705</td>
<td>131,166</td>
<td>6,970</td>
<td>6.3%</td>
<td>461</td>
<td>0.4%</td>
</tr>
<tr>
<td><strong>NON-COASTAL SUB-TOTAL</strong></td>
<td>3,314,770</td>
<td>3,409,779</td>
<td>3,560,302</td>
<td>3,720,630</td>
<td>405,860</td>
<td>12.2%</td>
<td>160,328</td>
<td>4.5%</td>
</tr>
<tr>
<td><strong>BC (TOTAL)</strong></td>
<td>4,123,937</td>
<td>4,241,691</td>
<td>4,410,679</td>
<td>4,581,978</td>
<td>458,041</td>
<td>11.1%</td>
<td>171,299</td>
<td>3.9%</td>
</tr>
</tbody>
</table>

Source: BC Stats. * Comox-Strathcona and Kitimat/Kitimat-Stikine Regional Districts changed boundaries and hence populations in this time period, and were recombined in order to assess historical trends.*
Since 2003, unemployment levels in coastal communities declined by 3.6% (from 10% to 6.4%), compared with a 3.1% decline in non-coastal communities (from 9.0% to 5.9%). However, since the recession, the unemployment rate in coastal communities has not declined as much (-2.55%) compared with non-coastal communities (-2.84%).

With (un)employment being another lagging indicator, and in light of the shifting trend since the recession, this is another area to be monitored and evaluated in the future.

**Figure 43. Unemployment & Employment Trends**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Coastal Unemployment Rate</td>
<td>+2.0%</td>
<td>-3.6%</td>
</tr>
<tr>
<td>Non-Coastal Unemployment Rate</td>
<td>+1.1%</td>
<td>-3.1%</td>
</tr>
<tr>
<td>Employment – Coastal</td>
<td>1.7%</td>
<td>13.2%</td>
</tr>
<tr>
<td>Employment – Non Coastal</td>
<td>11.3%</td>
<td>16.1%</td>
</tr>
</tbody>
</table>

Source: BC Stats

APPENDIX 1 of this report provides additional detail on eight routes and the communities they serve. This analysis has been undertaken to provide a more comprehensive understanding between ferry fares, passenger volumes and other socioeconomic considerations.
SECTION VI: RISK ANALYSIS

This section provides a summary of the major risks identified in this report, based on the data that was reviewed.

A Cautionary Note:
This is a high-level risk analysis based on the initial assessment of data. As risk analyses have the potential to become self-fulfilling prophecies, caution should be employed with interpreting and communicating these preliminary findings.

The risks evaluated in this report are interrelated, making it difficult to isolate them and establish independent risk rankings in each category. For example, continued reductions in ferry ridership could result in business foreclosures, which in turn could reduce employment, and put downward pressure on housing prices. However, the evaluation methods (historical/trend, statistical, comparative, and economic impact) help us to determine which categories of risks are more or less likely to be related to ferry fares and ridership levels, and their severity.

Risks are typically evaluated based on the “likelihood” of a risk occurring and the “severity” of the risk, if it were to occur. Risks that are both more severe and that have a higher probability of occurring have higher overall risk scores, while the reverse holds true for risks that are lower in severity and probability.

OUTPUT AND OUTCOME RISKS

There are two types of risks: “output” risks and “outcome” risks. Output risks are related to the actual outputs of the system – in this case, ridership levels. Outcome risks, on the other hand, describe the downstream impacts that could result from changes in the ferry system, such as population migration, housing prices, and other outcomes.

These are summarized in Figure 44 (right).
### Output Risks

<table>
<thead>
<tr>
<th>Risk</th>
<th>Low</th>
<th>Moderate</th>
<th>High</th>
</tr>
</thead>
<tbody>
<tr>
<td>Significant Northern and Minor Route ridership declines</td>
<td></td>
<td></td>
<td>*</td>
</tr>
<tr>
<td>Significant Major Route ridership declines</td>
<td></td>
<td></td>
<td>*</td>
</tr>
</tbody>
</table>

### Outcome Risks

<table>
<thead>
<tr>
<th>Risk</th>
<th>Low</th>
<th>Moderate</th>
<th>High</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fewer business incorporations</td>
<td></td>
<td></td>
<td>*</td>
</tr>
<tr>
<td>Reduced housing starts</td>
<td></td>
<td></td>
<td>*</td>
</tr>
<tr>
<td>Population declines</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Residential real estate price declines</td>
<td>*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unemployment rate increases</td>
<td>*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inflation increases</td>
<td>*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Residential real estate sales declines</td>
<td>*</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

With regard to Output Risks, ferry ridership has declined substantially on the Northern Routes and slightly less on the Minor routes. Mounting capital costs will continue to put upward pressure on fares, though the Northern and Minor Routes are less likely to witness future fare increases and ridership declines as severe as in recent years, particularly with the recent amendments to the *Coastal Ferry Act* that mandate a single fare rate change for all route groups. The apparent high price sensitivity of Major Route passengers also suggests that ridership could continue to stagnate or even decline more rapidly in the future on these routes.

Accordingly, in the present context and based on the initial projections to 2016, it is expected that ridership will continue to decline, albeit not dramatically. However, much of this will depend on the trends in the provincial economy, population migration, and the evolution of ferry user price sensitivity.

Regarding Outcome Risks, business incorporations and housing starts are considered the highest risks, due to strong historical, comparative, and statistical evidence suggesting that they are highly correlated with ferry fare increases and ridership declines.

Population declines were given a moderate risk score, despite having a lower correlation with ferry fares and ridership, because more current trends suggest that this relationship is strengthening, and population declines can have enormous impacts on the social and economic fabric of communities.

Real estate prices were similarly given a moderate risk score, due to the fact that more recent trends suggest a downturn in coastal communities that is not present in the majority of non-coastal communities. However, real estate prices in some other rural regions of British Columbia have also stagnated or declined post-recession, suggesting that ferry fares and ridership may only have a modest impact on real estate prices in coastal communities.
Notably, employment levels do not appear to be related to ferry fares nor ridership levels, despite the fact that business incorporations have already shown signs of weakness. As a lagging indicator, it is possible that employment could begin to turn downward, but to date it has not shown any signs of doing so.

Real estate sales volumes in coastal communities may continue to be lower than the provincial average, but unless this results in price impacts, the overall effects may not be as severe. In addition, to date there is limited evidence regarding the impact of ferry ridership declines and real estate sales volumes. In real estate market cycles, sales typically lead prices, but in the case of coastal communities the reverse seems to hold true, suggesting that other factors (interest rates, availability of credit, population, inventory) may be responsible for these mixed outcomes.

Finally, widespread inflation could be highly damaging to coastal communities, but there is little or no evidence of inflation being correlated with ferry fares nor ridership levels.
SECTION VII: CONCLUSION

This initial analysis of the socioeconomic impact of BC Ferries has demonstrated that there are reasonable grounds to conclude that increases in ferry fares have had an impact on ridership throughout the ferry system, including the Major, Minor, and Northern Route Groups. Overall, most routes display moderate consumer price sensitivity (price elasticity of demand), and this appears to be increasing over time, albeit slowly.

The analysis also concludes that the economic impact of BC Ferries on coastal communities and the overall BC economy is enormous. When measured by the amount of economic activity generated by businesses that directly and indirectly benefit from ferry traveller spending in the economy, BC Ferries is shown to be a critical element of BC’s transportation infrastructure that impacts the very fabric of coastal communities and the province overall. Measured this way, the total GDP of BC Ferries is estimated at $1.5 billion per year, and contributing an estimated $394 million annually in taxes to the federal, provincial, and local governments.

The sheer magnitude of the ferry system means that its management has significant implications far beyond just coastal communities. As one of the largest marine passenger transportation systems in the world, BC Ferries has impacts on every community in the province.

While this is an initial scoping analysis, we are confident that the results are accurate beyond an order of magnitude level. Refinement of these initial findings should be undertaken, using primary data where available, and using complementary but alternate methodologies for estimating economic impacts, elasticity, and downstream socioeconomic impacts.

One notable finding in this study was the apparent disjuncture between the typically negative public opinion regarding BC Ferries, and the organization’s strong operational performance relative to its competitors around the world. One way to bridge this divide may be to develop a stakeholder survey to be conducted in concert with the annual customer satisfaction survey, to gauge and better manage stakeholder opinions regarding the organization’s performance.

As the economic impact section of this report has indicated, the true value of BC Ferries extends far beyond its role as a business, as it facilitates economic activity in all facets of the economy. Managing the organization using private sector yield management and cost recovery approaches may maximize the organizational bottom line, but could result in foregone opportunities to stimulate economic activity and enhance government tax revenues.

The recent amendment of the Coastal Ferry Act in 2012 to better clarify and address the interests of ferry users is a positive outcome that may help to moderate fare increases in the future. This analysis may help to further clarify the value and impacts of fares on ridership and the overall health and vitality of coastal communities.
This section provides additional detail on a selection of specific routes and the communities they serve, in order to develop a more comprehensive understanding of the relationship between ferry fares, passenger volumes, and other socioeconomic considerations.

A broad cross-section of routes was chosen, including Major Routes, Minor Routes, and Northern Routes. Some routes have experienced significant passenger declines and related socioeconomic challenges, while others have had more positive experiences.

The routes reviewed in this analysis are:

- Route 7 – Sunshine Coast to Powell River (Earls Cove to Saltery Bay)
- Route 1- Swartz Bay to Tsawwassen
- Route 10 - Inside Passage - Port Hardy to Prince Rupert
- Route 22 – Denman Island to Hornby Island
- Route 23 – Campbell River to Quadra Island
- Route 19 – Nanaimo to Gabriola Island
- Route 5 – Swartz Bay to Southern Gulf Islands (Galiano, Mayne, Pender, Saturna)
- Route 3 - Horseshoe Bay to Langdale / Sunshine Coast

The following variables are assessed for each route/community pair:

- Change in ferry fares
- Change in passenger traffic
- Estimated demand elasticity
- Estimated lost business revenues, GDP, and employment
- Property values (if avail)
- Population (if avail)

Unless otherwise stated, all residential real estate values and sales data are from the Canadian Real Estate Association and BC Real Estate Association, via BC Stats. BC Ferries passenger fares are from BC Ferries’ published fares and Annual Reports. GDP, population, and employment data are from BC Stats.
ROUTE 7 – SUNSHINE COAST TO POWELL RIVER (EARLS COVE TO SALTERY BAY)

Route 7 from the Sunshine Coast to Powell River is the main route travelled from the Lower Mainland region to the Sunshine Coast, via Sechelt Peninsula. Powell River is a special case in that it is also served by Route 17 from Comox on Vancouver Island. In order to access Powell River from the Lower Mainland (and vice versa), individuals must also take at least two ferries.

FARE CHANGES

From 2003 to 2014 passenger fares increased from $8.00 to $14.95 on Route 7, a nominal increase of 86.9% over the period. In the same period, vehicle fares increased from $26.95 to $49.65, an increase of 89.1%.

PASSENGER VOLUME CHANGES

From 2003/04 to 2012/13 total passenger levels decreased from 353,591 to 331,679. This represents a 6.2% passenger decline. However, the peak of passenger traffic was in 2005/06, with more than 375,000 passengers. The total drop from peak to trough was 11.6%.

Figure 45. Passenger Volumes (Route 7; 2003-2013)
By way of comparison, the “other” Powell River ferry, Route 17 to Comox, lost 1.7% of its traffic between 2003 and 2013. However, from the peak in 2008/09 when the route saw 405,586 total passengers, the route has lost 9.8% of its passenger volumes.

Figure 46. Route 17 Passenger Volumes (2003-2013)

---

**ESTIMATED DEMAND ELASTICITY**

Route 7 has an estimated demand elasticity (inflation and GDP adjusted) of -0.45 over the period, which is slightly more elastic than the Minor Route Group average of -0.30. This means that ferry travellers on this route are slightly more price sensitive than the average for all Minor Routes.
PROPERTY SALES

From 2003-2013 property sales declined by 31.5% in Powell River.

Figure 47: Property Sales (Powell River, 2003-2013)

By way of comparison, the number of residential property sales for non-coastal regions in BC over the same period decreased by 21.3%.
PROPERTY VALUES

From 2003-2013, average residential real estate values in Powell River increased from $127,000 to $224,000 - an increase of 75% over the period.

Figure 48: Residential Real Estate Prices (Powell River, 2003-2013)
**POPULATION CHANGES**

The population of the Powell River Regional District has increased from 19,658 in 2003 to 20,493 in 2013, representing an increase of 4.2% over the period.

**Figure 49: Population Change (Powell River, 2003-2013)**

This rate of increase is roughly one-third of the rate of population increase of non-coastal regions during the same period, which grew by an average of 12.2%.
ROUTE 1 - SWARTZ BAY TO TSAWWASSEN

Route 1 is the largest route in the BC Ferries system, in terms of total passenger and vehicle volumes. The service operates between Tsawwassen, approximately 30 km from Vancouver, and Swartz Bay terminal near Sidney on Vancouver Island (approximately 32 km from downtown Victoria, British Columbia).

As mentioned previously, Route 1 is the primary ferry service between Vancouver and Victoria. While Vancouver is not traditionally considered a “ferry dependent community” due to the fact that access to Vancouver is not predominately dependent on ferry service. However, any impacts on the ferry system will have notable impacts on Vancouver, as well as Victoria.

FARE CHANGES

From 2003-2014 passenger fares on Route 1 increased from $9.50 to $16.25 – an increase of 71.1% over the period. In the same period, standard vehicle fares increased from $31.50 to $53.25 – an increase of 69%.

PASSENGER VOLUME CHANGES

From 2003/04 to 2012/13 the total passenger traffic on Route 1 declined from approximately 5.97 million passengers to 5.59 million passengers, representing a decline of 6.3% over the period. From its peak passenger year in 2004/05, when nearly 6.3 million passengers used the service, passenger volumes have declined by 10.8%, representing 673,000 fewer passengers each year.

Perhaps a more alarming statistic is that the total passenger volumes have declined by 9.5% between 2007/08 and 2012/13, meaning that in only five years total ridership declined by 585,000 travellers.
**ESTIMATED DEMAND ELASTICITY**

The demand elasticity of Route 1 from 2003-2013 is estimated at -1.1. This result may seem surprising in light of the fact that it is often cited that Route 1 has “only” lost 6% of its traffic since 2003. However, the average fare increases on Route 1 (and other Major Routes) was significantly lower than for nearly all other routes in the system. When inflation and GDP growth are factored-in, the average fare increase is actually quite negligible, particularly when calculated as a ratio of passenger volume declines.

**PROPERTY SALES**

Total annual residential real estate sales have declined by 24% between 2003 and 2013. This is roughly equivalent to the 21.3% decline that occurred throughout non-coastal communities in British Columbia over the same period.
Figure 51: Residential Real Estate Sales – Victoria (2003-2013)
PROPERTY VALUES

Residential real estate prices increased by 72% over the period 2003-2013, compared with a 109% increase for non-coastal regions throughout British Columbia.

Figure 52: Residential Real Estate Prices (Victoria, 2003-2013)

Another notable trend is the continued softness of residential real estate prices in Victoria since the recession, declining 0.9% from 2009-2013.
POPULATION CHANGES

Populations in the Capital Regional District grew throughout the period 2003-2013, from 346,000 to 371,000. This represents an increase in population of 7.3% over the period, slightly higher than the average for all coastal communities (6.4%) but well below the growth rate of non-coastal British Columbia over the same period (12.2%).

Figure 53: Population Change (Capital Region, 2003-2013)
ROUTE 10 - INSIDE PASSAGE - PORT HARDY TO PRINCE RUPERT

Route 10 is the longest and most expensive route in the BC Ferries system, travelling 274 nautical miles (507 kilometres) between Port Hardy on the northern end of Vancouver Island, and Prince Rupert in Northwestern BC.

Route 10 is a heavily travelled service that is a major tourism “Circle Route” connector for northern Vancouver Island, the Central Coast, and the North Coast, including not only Prince Rupert but also connecting traffic travelling to Haida Gwaii.

FARE CHANGES

Route 10 has had significant fare increases for both passengers and vehicles, due to the fact that the route had a lower relative cost recovery ratio than most other routes in the system, and the provincial government has sought to improve the cost recovery ratio for all Minor Routes and Northern Routes since 2003.

Since 2003, peak season passenger fares have increased from $99.00 (one-way) to $197.50 – an increase of 100% in ten years.

In the same period, peak season vehicle fares increased from $223 (one-way) to $451 representing an increase of 102%.

PASSENGER VOLUME CHANGES

Route 10 has experienced the sharpest drop-off in passenger volume out of all BC Ferries routes since 2003, losing 37.7% of its ridership over the period.
It should be noted that in 2006/07 ridership declined significantly due to the loss of the queen of the north and resulting capacity constraints.

### ESTIMATED DEMAND ELASTICITY

Route 10 between Prince Rupert and Port Hardy has the highest demand elasticity of all the routes in BC Ferries, estimated at -1.24. This means that for every 1% increase in fares, we can expect a 1.24% reduction in passenger demand.

This conforms with economic theory, which has demonstrated that, all things equal, more expensive items are more elastic, as a similar percentage increase in price will have a relatively higher overall price increase. For example, an 20% increase in the price of a candy bar from $1.00 to $1.20 will not result in as significant a demand reduction as a 20% increase in the price of a television from $1,000 to $1,200.

### PROPERTY SALES/VALUES AND POPULATION CHANGES

Due to the context and orientation of Route 10 being primarily a non-primary linkage to major population centres for the North Island, Prince Rupert, and the Central Coast, it is not advisable to assess linkages between fares or passenger volumes with downstream impacts in areas such as real estate and population migration.
**ROUTE 22 - DENMAN ISLAND TO HORNBY ISLAND**

Route 22 is a relatively short route (1.2 nautical miles) that traverses Lambert Channel, between Denman Island and Hornby Island, between Parksville and Courtenay on Vancouver Island.

The route sees a significant proportion of tourists during the summer season, and also services the resident populations on both Hornby and Denman Islands.

**FARE CHANGES**

From April 2003 to April 2014 passenger fares increased on Route 22 by 98%, increasing from $5.00 to $9.90. Vehicle fares increased by 119%, from $10.50 to $23.00.

Prepaid fares – typically purchased by residents – increased even more, from $2.27 to $5.75 for passengers (153%) and from $5.63 to $13.80 for vehicles (145%).

**PASSENGER VOLUME CHANGES**

Passenger volumes have declined substantially on Route 22 since 2003, with more than a 20% drop over the ten-year period. In 2003 there were 261,000 passengers on the route, which decreased to 208,000 in 2013, a decline of nearly 53,000 riders.

*Figure 55: Passenger Volumes (Route 22, Denman Isl. To Hornby Isl, 2003-2013)*
ESTIMATED DEMAND ELASTICITY

Route 22 has high demand elasticity relative to other routes, estimated at -0.91. Only Route 10 and Route 1 have higher estimated elasticities. This means that users of the Route 22 ferry service will be more sensitive to price changes, reducing their use of the service when prices increase, and increasing their use of the service when prices decrease.

These results are also quite conclusive, as the statistical measure for the relationship (correlation) is very strong, at -0.94. In statistical terms, this is a nearly perfect linear relationship between fares and ridership, meaning that the two move in nearly perfect lockstep with one-another.

PROPERTY VALUES

The total value of all assessed residential properties on Hornby Island increased by 39% from 2006-2014. However, from 2011 to 2014 the total assessed value declined by 1.7%.

POPULATION CHANGES

The population of Hornby Island increased from 960 residents in 2001 to 1,070 residents in 2006, but then declined by 10.7% from 2006 to 2011, to 955 residents.

Figure 56: Population Change – Hornby Island (2001-2011)

This decrease in population is the greatest of all jurisdictions in the Islands Trust over the period, which averaged a 3.3% population decrease from 2006-2011.
ROUTE 23 - CAMPBELL RIVER TO QUADRA ISLAND

Route 23 is a highly travelled route between Campbell River and Quadra Island. The ferry travels a relatively short distance of approximately two kilometres across the Discovery Passage.

FARE CHANGES

Fares on Route 23 have also increased substantially, percentage-wise. In 2003 the standard off-peak passenger fare was $4.75, while the vehicle fare was $11.00. By April 2014 the passenger fare increased to $9.90 (+108% over 2003) while vehicle fares increased to $23.00 (+109% over 2003).

PASSENGER VOLUME CHANGES

Passenger volumes also declined substantially on Route 23 over the ten-year period of 2003 to 2013, decreasing from 923,000 travellers in 2003 to 785,000 travellers in 2013. This represents a passenger decline of 15.2% over the period, or 140,000 fewer travellers each year.

An interesting finding from the analysis of passenger volume changes relative to fares is that Route 23 had the strongest correlation between fare increases and passenger volume declines. The correlation between fare increases and ridership declines was -0.96, nearly a perfect linear relationship between the two variables.

ESTIMATED DEMAND ELASTICITY

The demand elasticity for Route 23 from 2003-2013 is estimated at -0.67, which is more than double the rate of the Minor Routes overall (-0.30). This means that for every 10% increase in fares (inflation and GDP-adjusted), we can expect to see a 6.7% decrease in overall ridership.
PROPERTY VALUES

Like many other coastal regions, assessed property values on Quadra Island increased from 2006-2011, then decreased from 2011-2014.

For Quadra Island, as Figure 57 (below) demonstrates, the total assessed value of all residential real estate increased from $397 million in 2006 to $561 million in 2011, prior to declining to $509 million in 2014. From 2006-2014 this still represents a 28.2% increase in total assessed value, though the total assessed value decreased by 9.3% in the past three years.

Figure 57: Total Assessed Value, Residential Real Estates (Quadra Island, 2006-2014)

Source: Multiple Listing Service (MLS) via BC Stats
POPULATION CHANGES

The population trend of Quadra Island has been somewhat counter to that of other coastal communities, registering a 3% decline from 2,555 residents to 2,470 residents between 2001 and 2011, before increasing to 2,601 residents in 2011. Over the ten year period, the population increased by 5.3%.

Figure 58: Population Changes (Quadra Island, 2001-2011)

Source: BC Stats
ROUTE 19 - NANAIMO TO GABRIOLA ISLAND

Route 19 between Nanaimo and Gabriola Island is one of the larger Minor Routes in terms of passenger volumes. The route traverses a total distance of 3.7 nautical miles across Northumberland Channel, and is a popular tourist destination as well as being commonly utilized by both residents of Nanaimo and Gabriola Island, due to its close proximity. The route also services a number of commuters, particularly from Gabriola Island to Nanaimo.

FARE CHANGES

From 2003 to April 2014 passenger fares increased from $5.25 to $10.80, an increase of 106%. During the same period, vehicle fares increased from $12.50 to $25.45, for an increase of 104%.

PASSENGER VOLUME CHANGES

Passenger volumes on Route 19 also declined substantially from 2003 to 2013, decreasing from 908,000 passengers in 2003 to 772,000 in 2013, a total decline of 136,000 annual passengers.

Figure 59: Passenger Volumes (Route 19, Nanaimo-Gabriola Island, 2003-2013)

It is also notable that Route 19 has a very strong correlation between ferry prices and ridership levels, with a correlation coefficient of -0.96. This is nearly a perfect linear relationship between fares and ridership, meaning that whenever fares increase, a proportional decrease in ridership can be consistently witnessed.
ESTIMATED DEMAND ELASTICITY

The calculated demand elasticity (price sensitivity) for Route 19 is -0.67, which is more than twice the elasticity of the Minor Routes overall.

This means that when real (inflation adjusted) ferry fares increase by 10%, we can expect a 6.7% decline in ridership.

PROPERTY VALUES

Assessed property values on Gabriola Island followed similar patterns to other coastal communities, increasing substantially from 2006 to 2011 prior to retracting from 2011 to 2014.

Figure 60: Residential Real Estate Prices (Gabriola Island, 2006-2014)

The total assessed value increased from $823 million to $1.12 billion from 2006 to 2011, prior to dropping back to $1.00 billion in 2014, a loss of $120 million.

POPULATION CHANGES

The population dynamics on Gabriola Island followed those of other coastal communities, increasing from 2001 to 2006 prior to declining from 2006 to 2011. In 2001 the total population of the island was 3,525 residents, which increased by 14.6% to 2011, prior to declining by less than 1% by 2014.
ROUTE 5 - SWARTZ BAY TO SOUTHERN GULF ISLANDS (GALIANO, MAYNE, PENDER, SATURNA)

The ferry from Swartz Bay (Vancouver Island) to the Southern Gulf Islands is one of two services to the Southern Gulf Islands, alongside Route 9 (from Tsawwassen). The two routes combined carry nearly one million passengers per year, making them among the largest of the Minor Routes.

As Route 5 and Route 9 have similar price histories and passenger volume changes, Route 5 will be used to describe the overall situation for the Southern Gulf Islands.

FARE CHANGES

Passenger fares along Route 5 increased by 102% from 2003 to 2014, from $6.25 to $12.60. Vehicle fares similarly increased by 102% over the same period, increasing from $19.50 to $39.45.

PASSENGER VOLUME CHANGES

Ridership of Route 5 declined by approximately 46,000 passengers between 2003 and 2013, representing a 9.2% drop, which is slightly lower than the average for all minor routes.

Figure 61: Passenger Volumes (Route 5, Swartz Bay to Southern Gulf Islands, 2003-2013)

There is a relatively strong correlation between fare increases and passenger volumes, with an R-value of -0.85. This means that there is a strong relationship between the changes in fares and the changes in ridership; when fares increase, ridership decreases by a relatively consistent and proportional amount.
**ESTIMATED DEMAND ELASTICITY**

The demand elasticity for Route 5 from 2003 to 2013 was calculated at -0.45, meaning that when fares increase by 10% we can expect a 4.5% decrease in passenger ridership.

This demand elasticity is slightly higher than the average for all minor routes, meaning that users of this route are slightly more sensitive to price increases (and, in theory, price decreases).

**PROPERTY VALUES**

Total assessed property values on the Southern Gulf Islands all followed similar trends as the majority of coastal communities, increasing substantially from 2006 to 2011, then declining from 2011 to 2014.

For all four islands combined, the total value of residential real estate increased from $1.74 billion to $2.44 billion between 2006 and 2011, prior to declining to $2.08 billion – a drop of 14.7% in only three years.

*Figure 62: Total Assessed Real Estate Values – Southern Gulf Islands (2006-2014)*
POPULATION CHANGES

The populations of all four Southern Gulf Islands increased from 2001 to 2006, then decreased by 2011. In total, the four islands increased in population from 4,210 to 4,960 between 2001 and 2006, then declined to 4,772 by 2011. Over the period of 2001-2011 the total population increased by 13.3%, however from 2006-2011 the population declined by 3.8%.

Figure 63: Population Change, Southern Gulf Islands (2001-2011)
ROUTE 3 - HORSESHOE BAY TO LANGDALE / SUNSHINE COAST

The ferry from Horseshoe Bay (Vancouver) to Langdale Terminal is the third-largest route by ridership, carrying more than 2.5 million passengers each year.

FARE CHANGES

Passenger fares along Route 3 increased by 81.9% from 2003 to 2014, increasing from $8.00 to $14.55 for a one-way trip. Vehicle fares increased slightly more, at 86.9% over the period, from $26.25 to $49.05 for a standard vehicle.

PASSENGER VOLUME CHANGES

Ridership of Route 3 declined by only 0.6% from 2003/04 to 2012/13, and from the peak year of 2004/05 passenger volumes declined slightly more, at 5.1%.

Figure 64: Passenger Volumes (Route 3, Horseshoe Bay to Langdale, 2003-2013)
PROPERTY VALUES

Property values on the Sunshine Coast followed similar trends as other coastal regions, increasing in the earlier portion of the study period then flatlining and even declining in more recent years.

According to the MLS, property values on the Sunshine Coast increased from its Home Price Index (HPI®) of 1.3.6 in May 2005 to a high of 131.3 in April 2011 – an increase of 27.7%. This was followed by a slight decline of 7.7% from April 2011 to May 2014.

**Figure 65:** Property Values – Sunshine Coast
POPULATION CHANGES

The population of the Sunshine Coast has increased over the period 2003-2013, however the majority of this increase occurred from 2003-2008. Since 2012 the population has declined slightly.

Figure 66: Population Trend – Sunshine Coast
http://www.wsdot.wa.gov/research/reports/fullreports/750.1.pdf

http://www.coastalferriesengagement.ca

Hotel News Now, “Comparing Customer Satisfaction Across Sectors,” October 2012,

Different organizations account for farebox recovery with different methods, with some using all revenue sources and others using only tariff revenues (from fares). Capital costs should not be included in farebox recovery calculations. The estimate for BC Ferries in Bennion (Ibid.) for BC Ferries appears to include capital costs, despite the report defining farebox recovery as being only tariff revenue as a percentage of operating expenses. Farebox recovery rates of other operators that were not taken from the Bennion report used tariff revenue as a percentage of operating costs (excluding capital).

Bennion, op. cit., p. 58.

http://www.transport.govt.nz/ourwork/tmif/accesstothetransportsystem/am023/

Bennion, op. cit., p. 58.

Washington State Ferries, “FY2012 Route Statements,”

Wikipedia, “Farebox Recovery Ratio,”
http://en.wikipedia.org/wiki/Farebox_recovery_ratio

Wikipedia, Ibid.

Bennion, op. cit., p. 58.

BC Transit, “Annual Report 2012/13,”

Bennion, op. cit., p. 58.


Washington State Ferries, Ibid., p. 3.

Sources: Highway traffic data are taken directly from the BC Ministry of Transportation Traffic Data Program, at http://www.th.gov.bc.ca/trafficData/. Airport volumes are from published
Annual Reports of Vancouver International Airport (www.yvr.ca), Victoria International Airport (www.victoriaairport.com), and Comox Valley Airport (www.comoxairport.com).

Source: BC Ministry of Transportation, direct communication (April 2014).

This analysis updates the comprehensive analysis of the “Oceans Sector Economy” in British Columbia. See Glislason et al., “Economic Contribution of the Oceans Sector in British Columbia,” April 2007. The report uses the Statistics Canada Provincial Input-Output Model (2003) which has similar economic multipliers as the current BC Stats multipliers (2004) in use. These multipliers will have changed in the past ten years, though the analysis still provides relatively reliable estimates beyond an order of magnitude level. This analysis should be updated with the release of the BC Stats I/O Model, which will use multipliers from 2010 economic indicators.


Vancouver Island travel patterns and expenditures are used in these economic impact estimates because the majority of ferry travellers are travelling to or from the Vancouver Island region, which includes the Gulf Islands and some regions of the Georgia Strait North.

It is recognized that some travellers will only take one ferry if they use different modes of transport to enter and/or exit a ferry dependent community, (e.g., taking a ferry to Vancouver Island then flying out of Victoria), and some will take more than two ferries for each travel event, particularly those visiting and/or departing from Minor Route communities.

It should be noted that Experience Cards are not used on the Major Routes. The estimates assume that the proportion of discretionary traffic (non E-card users) is the same on the Majors and the Minors.

For these estimates, Ontario’s Tourism Regional Economic Impact Model (TREIM) is used. http://www.mtc.gov.on.ca/en/research/treim/treim.shtml. Due to the similarities in the structure of the two province’s tourism sectors, particularly the ratios of industry group revenues to total sector revenues, as well as similar compensation structures, the TREIM
was utilized for this analysis. The TREIM also uses more current data sources than British 
Columbia’s I/O model (TREIM data have been updated with 2009 ITS and TSRC data). To 
validate these estimates, a subsequent run of these figures should be undertaken with the BC 
Stats I/O Model, which was being updated at the time of report development.

xxviii United States Transportation Research Board, “Guidebook for Assessing the Social and 
Economic Effects of Transportation Projects,” 2001, p. 3.

xxix BC Stats, in constant 2007 dollars. Note that forestry and logging GDP excludes wood 
products manufacturing and pulp & paper manufacturing.

xxx Taxation impacts are estimated using ratios established through the BC Input-Output Model, 
from Destination BC, “Economic Value of the Commercial Nature-Based Tourism Industry in 
http://www.destinationbc.ca/getattachment/Research/Research-by-Activity/Land-based/

xxxi See Seaspan Coastal Intermodal Company, “Response to British Columbia Ferry Service 
Inc’s Submission to the BC Ferry Commissioner Regarding Section 45.1(1) of the Coastal 
Submission_to_BCFC_2010-11-26.pdf

xxxii BC Stats, “Consumer Price Index latest monthly periodical, Highlights,” April 2014, 
http://www.bcstats.gov.bc.ca/Files/498df2fa-75fc-48ce-aa1c-eaf6dfe3dcef/
ConsumerPriceIndex-HighlightsApril2014.pdf

xxxiii Wikipedia, “Price elasticity of demand,”

xxxiv Mark P. Pritchard, “Tourist price sensitivity and the elasticity of demand: The case of BC 
http://ertr.tamu.edu/files/2012/09/275_a-1-4-4.pdf

xxxv Bennion, op. cit., p. 32.

xxxvi InterVISTAS Consulting, “Performance Term 3 Forecast and Measurement of Demand 
Elasticity for British Columbia Ferry Services Inc.,” May 2011. 
report-for-BCFS.pdf

xxxvii Elasticities are adjusted for inflation and GDP. Price increases are based on the published 
fare index of the BC Ferry Commissioner, except for individual routes, for which data is from 
the Ferry Advisory Committee Chairs.

xxxviii This assumes no major change in other factors such as population, incomes, and total GDP. 
It also adjusts prices based on inflation and income (represented by GDP).

xxxix As noted in the InterVISTAS report (2011, op. cit.) using regression analysis for projections 
can be made more challenging by “simultaneous equations” issues, wherein changes in one
variable (say, price) may alter another variable (demand), which could lead to alteration in the future supply and therefore demand and price. This can be ameliorated using 2-Stage Least Squares (2SLS) regression analysis. Due to time and resource limitations for the development of this report, a 2SLS analysis was not undertaken. It is recommended that such analysis be undertaken in the future.

xl All estimates derived from the Tourism Regional Economic Impact Model (TREIM), op. cit.

xli TRB, op. cit., p. 3.


xliii BC Stats, “Business Formations and Failures – Incorporations,”
http://www.bcstats.gov.bc.ca/StatisticsBySubject/Economy/BusinessFormationsandFailures.aspx
## 2014 – 2015 UBCM Executive

**President**  
Councillor Sav Dhaliwal  
**Burnaby**

**First Vice-President**  
Chair Al Richmond  
**Cariboo RD**

**Second Vice-President**  
Councillor Murry Krause  
**Prince George**

**Third Vice-President**  
Vacant *(additional Director at Large appointed to attain full board complement)*

**Past President**  
Director Rhona Martin  
**Columbia Shuswap RD**

**Vancouver Rep.**  
Councillor Kerry Jang  
**Vancouver**

**Metro/GVRD Rep.**  
Mayor Wayne Baldwin  
**White Rock**

**Small Community Rep.**  
Mayor Galina Durant  
**Stewart**

**Electoral Area Rep.**  
Chair Art Kaehn  
**Fraser-Fort George RD**

**Vancouver Metro Area Reps.**  
Councillor Rick Glumac  
**Port Moody**  
Councillor Alison Morse  
**Bowen Island**

**AKBLG**  
Mayor Gerry Taft  
**Invermere**

**AVICC**  
Councillor Barbara Price  
**Comox**

**LMLGA**  
Councillor Chuck Puchmayr  
**New Westminster**

**NCLGA**  
Councillor Brian Frenkel  
**Vanderhoof**

**SILGA**  
Councillor Marg Spina  
**Kamloops**

**Directors at Large**  
Director Jim Abram  
**Strathcona RD**  
Director Wendy Booth  
**East Kootenay RD**  
Mayor Nils Jensen  
**Oak Bay**  
Director Willow Macdonald  
**Thompson-Nicola RD**  
Councillor Cheryl Shuman  
**Dawson Creek**  
Councillor Arjun Singh  
**Kamloops**

* as of January 2015