

# UBCM ANNUAL REPORT AND RESOLUTIONS BOOK

for the period July 1, 2011 to June 30, 2012

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# LETTER OF TRANSMITTAL TO UBCM MEMBERS

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As the President and Executive Director, it is our pleasure to present the Annual Report to the 195 local government and First Nations members of the Union of BC Municipalities.

In the following pages you will find a summary of UBCM's accomplishments from the past year. The breadth of these achievements demonstrate the five characteristics that define how UBCM does its work:

- An **engaged membership** that includes every local government in BC, ensuring a strong, unified voice for our organization;
- A **policy-based approach** to advocacy that seeks positions that are researched, credible and non-partisan;
- An **Executive structure** that reflects the diversity of the membership;
- A **Secretariat** with extensive policy, program and member service expertise;
- A commitment to a "made in BC" **local government system** that includes partners like the Local Government Management Association, Government Finance Officers Association, Municipal Insurance Association, Municipal Finance Authority and CivicInfo.

UBCM's efforts this past year included a range of issues with broad impact on local government. In some cases, our work concerned topics that attracted considerable public debate, such as the implementation of an Auditor General for Local Government and the RCMP contract. In many other cases, our work was undertaken through ongoing provincial and federal working relationships. Regardless of the issue or the forum, though, our message was guided by the policies developed by the membership through successive conventions.

Throughout the year UBCM has also continued its role as a listening post for emerging local government issues. With the complexity and pace of policy development, local governments need to engage in the right place, at the right time. Whether presenting to external bodies like the Expert Panel on Business Taxation, or providing updates to our membership on the provincial review of local government revenue sources, UBCM has strived to keep local governments informed and engaged in legislative and policy processes.

One of the trends in UBCM's membership in recent years is a growing participation of First Nations communities. We are pleased once again this year to welcome a new member: the Uchucklesaht Tribe Government.

It is an honour to serve UBCM, its members and the Province of British Columbia, and we thank you for the opportunity to do so.

A handwritten signature in black ink, appearing to read "Heath Slee".

Heath Slee, President

A handwritten signature in black ink, appearing to read "Gary MacIsaac".

Gary MacIsaac, Executive Director



## **RICHMOND STAFF**

**BACK ROW** (left to right): Susie Koivu, Financial Services Officer; Ken Vance, Senior Policy Advisor; Marylyn Chiang, Policy Analyst; Joslyn Young, Executive Coordinator; Ted Willmer, Manager, Finance & Operations (now retired); Raelene Adamson, Administrative Assistant, Office Services; Rose Hayes, Administrative Assistant, Office & Member Services; Reiko Tagami, Information & Resolutions Coordinator

**FRONT ROW** (seated left to right): Jared Wright, Senior Policy Analyst; Pamela Lewis, Convention Coordinator; Gary Maclsaac, Executive Director; Marie Crawford, Associate Executive Director; Anna-Maria Wijesinghe, Manager, Member & Association Services

**MISSING:** Kathleen Spalek, Manager, Finance & Operations; Angela Turner, Policy Analyst & Convention Coordinator



## **VICTORIA STAFF**

**BACK ROW** (left to right): Peter Ronald, LGPS Program Officer; Gary Maclsaac, Executive Director; Brant Felker, Gas Tax Policy & Program Manager; Tyler Chartrand, Student Intern

**FRONT ROW** (left to right): Shelley Webber, Program Assistant, LGPS & Gas Tax; Brenda Gibson, General Manager, Victoria Operations; Monika Fedyczkowska, Student Intern; Paul Taylor, Relationships & Communications Advisor

**MISSING:** Iris Hesketh-Boles, Executive Coordinator & Office Manager



## UNION OF BC MUNICIPALITIES ACT OF INCORPORATION

Union of BC Municipalities was incorporated by an Act of the provincial legislature in 1959. The “objects” of the UBCM set out in the legislation include: securing united action by members on issues of common interest; representing members on issues affecting them or their citizens; cooperating with other groups on matters under federal jurisdiction; cooperating with government ministries on the development of legislation; discussing and dealing with municipal issues; representing and assisting members in maintaining municipal autonomy; distributing information; holding meetings and fostering a “fraternal spirit among those engaged in municipal work”; and encouraging and promoting local associations.

### MISSION STATEMENT

The **values** we want associated with UBCM as an organization are:

- Credibility and accuracy in what we do.
- Timely and effective in how we respond.
- Valuing teamwork and respecting diversity in everything we do.
- Being non-partisan and objective in how we present ourselves.

Our **vision** is to most effectively represent and serve all local governments in BC.

Guided by our values and to achieve our vision the purpose of UBCM is:

To **represent and serve** all local governments in BC by:

- Being the recognized advocate for their common interests.
- Meeting the members’ common needs.

We will be the recognized **advocate** for local government in BC in:

- Policy development and implementation
- Government relations
- Communications externally
- Liaison with other groups

Our priorities for meeting the **members’ common needs** are through:

- Communication to members
- Advice and training for local government officials
- Convention
- Information sharing

We strive for **continuous improvement** in all that we do.

ADOPTED BY UBCM EXECUTIVE 2003

# 2011-2012 UBCM ACCOMPLISHMENTS IN BRIEF<sup>1</sup>

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## TOP ACTIVITIES OR INVOLVEMENTS

- 100% membership maintained for the 33<sup>rd</sup> consecutive year
- UBCM welcomed the Uchucklesaht Tribe Government, one of the members of the Maa-Nulth First Nation, as our newest member
- total funding received by UBCM under Gas Tax and Public Transit Program reaches \$1.12 Billion
- sixth year of Local Government Leadership Academy training - 8 newly elected officials training sessions held in Richmond (3), Kelowna, Parksville (2 groups), Nelson and Prince George
- UBCM established a Local Government Finance Select Committee in response to Province's Expert Panel on Taxation and the Ministry's internal review of local government revenue
- UBCM, LGMA, Civicinfo, BC School Trustees, Public Works Association of BC and the Province hosted the third year of the renewed Local Government Awareness Week program – May 20-26, 2012
- UBCM presented to the Expert Panel on Business Tax, and tabled a submission with that Panel
- UBCM provided feedback to the Province on the implementation of the *Auditor General for Local Government Act*, including making recommendations for audit council membership, and presenting background and context about local government to the audit council
- Strategic Community Investment Funds agreements successful in protecting small community, regional district and traffic fine revenue sharing, with over \$60 million flowing to local government in March 2012, including \$30 million in traffic fine revenue sharing and \$30 million in small community and regional district grants
- Carbon Action Revenue Incentive Program provided \$5 million in payments to those local governments that have signed the BC Climate Action Charter
- new *Limitation Act* addressed longstanding UBCM policy request: reduced the ultimate limitation period (ULP) – from 30 to 15 years; moved to a single, two-year, basic limitation period for most claims; and finally, changed the start time for the ULP model to the date an “act or omission” occurred, not when discovered
- RCMP Contract Renewal – UBCM organized three webinars and a meeting in Richmond to inform local government about the new contract once an agreement was reached

- UBCM established the Local Government Contract Management Committee in coordination with the Province to oversee the new RCMP contract

## ADVOCACY

### POLICY DEVELOPMENT & IMPLEMENTATION

A top priority is to advocate on behalf of BC local governments for the development of policies that support their needs and to see them implemented in legislation, regulations, programs or policies. UBCM participates in policy development in a number of ways: independent initiatives and making representations directly; and participating in Ministry-UBCM or multi-party policy development processes. The issues are many and varied and some have required sustained involvement, while others may only have required limited intervention.

### POLICY DEVELOPMENT

#### PROVINCIAL GOVERNMENT ADVOCACY

Some of the issues UBCM was consulted on or involved with in the past year related to provincial policies included:

#### *Statutory framework for local government*

- *Auditor General for Local Government Act*
- *Local Government Act*
- *Community Charter*
- *new Limitation Act*
- *Police Act*
- *Motion Picture Act*
- *Liquor Control and Licensing Act*
- *Motor Vehicle Act* – new ticketing system
- *Assessment Act*

#### *Community Safety*

- coordinated conference calls between the RCMP Contract Advisory Committee and the local government representative to the provincial negotiating team to discuss the status of the Federal-Provincial negotiations on the new RCMP contract
- organized three webinars and a meeting in Richmond to inform local government about the RCMP contract
- established Local Government Contract Management Committee (LGCMC) in consultation with the Province to oversee the new RCMP agreement and arranged two meetings to discuss implementation of the new

- contract
- reviewed provincial white paper on changes to the Building Code and developed policy paper
- participated in provincial working group looking at strategies to address marijuana grow-ops in local communities
- arranged several meetings between the local government working group on liquor policy and the Province to discuss changes to provincial liquor policy and the role of local government in the process

#### Finance

- co-chaired Major Industrial Properties Steering Committee, which issued its final report shortly after the year end
- finalized a study, conducted jointly with the Province, on the effect industrial taxes have on significant business decisions of industrial enterprises, and organized a webinar to brief the membership on its findings
- prepared a submission to the Expert Panel on Business Taxation
- met with Ministry of Community, Sport and Cultural Development regarding their internal review of local government revenue
- set in motion a UBCM-led Local Government Finance initiative, including initial cross-jurisdictional research, an academic literature review, and establishment of a Select Committee

#### Assessment

- met with Ministry of Finance to discuss changes that the Province made to the *Assessment Act* regarding the exemption on farm improvements and the status of the farm residence

#### Health

- continued participation on the Ministry of Health's Seniors Healthy Living Advisory Network
- continued participation on the Provincial Health Services Authority's Healthy Built Environment Alliance
- continued participation on the BC Healthy Living Alliance
- continued to chair the Emergency Medical Assistants Education Fund Advisory Committee, which aims to increase the number of Primary Care Paramedics (PCP) in rural areas, and Advanced Care Paramedic (ACP) programs in the province through the provision of bursaries for PCP and ACP students in BC
- worked closely with the Ministry of Children and Family Development on the development of the Regional Community Poverty Reduction Strategy

- worked with the Provincial Health Services Authority to create the resource, *Promoting Healthy Eating and Sustainable Local Food in BC: An Action Framework for Public Institutions - Health Authorities, Educational Institutions, Childcare Facilities, and Local Governments*
- attended a meeting of the Health Officers Council to present information on working with UBCM and local governments on issues of shared priorities
- renewed a Memorandum of Understanding with the BC Recreation and Parks Association, to work together in promoting healthy, active lifestyles and communities in BC
- advocated for the labeling of genetically modified foods on Canadian food products
- worked with the Ministry of Health on the implementation of recommendations from the 2009 Regional Hospital District Cost Sharing Review

#### Environment

- continued the work of the UBCM Small Water Systems Working Group, which is addressing local government concerns on the implementation of the *Drinking Water Protection Act* and Drinking Water Protection Regulation
- continued advisory support to the development of the Water Sustainability Act, which is intended to update the management of water resources
- continued participation in the Collaborative Watershed Governance Initiative Steering Committee, with the submission of a draft Collaborative Watershed Governance Accord to the membership for review and potential ratification
- continued participation in the creation of a provincial approach to protecting species at risk on private lands, and development of a local government policy paper, Working Together To Protect Species at Risk
- provided advisory support on the creation of a new product stewardship program for packaging and printed materials
- established the UBCM Packaging and Printed Paper (PPP) Working Group and developed a policy paper that identifies recommendations for addressing local government issues with the proposed PPP program
- represented local government interests at the provincial Subdivision Best Practices Committee, which is developing best practices for subdivisions that utilize on-site septic systems
- continued participation in the work of the Green Communities Committee, focusing on the

refinement and completion of local government guidance on becoming carbon neutral, including contracted emissions guidance

#### *Trade*

- received briefings from provincial staff on Canada-European Union discussions on a Comprehensive Economic and Trade Agreement (CETA)
- engaged with FCM on BC local government concerns and policy position with respect to CETA

#### *Economic Development*

- continued participation on the Off Road Vehicle (ORV) Advisory Group and the local government working group to ensure interests of local government are represented as the Province develops new ORV management framework
- prepared a submission to the Legislative Assembly's Special Committee on Timber Supply
- coordinated a meeting between federal and provincial officials and AVICC members to discuss new aquaculture management plan
- undertook outreach to various Beetle Action Coalitions and Trusts to coordinate economic development interests
- continued to be represented on the Minister of Forests Advisory Committee
- reviewed amendments to the federal *Fisheries Act* in context of previous UBCM policy related to fish habitat protection and DFO regulations around drainage ditch management

#### *Infrastructure*

- continued to participate on Building Canada Fund Communities Component Joint Secretariat and Management Committee
- as part of the Federal Long Term Infrastructure Plan discussions, advocated for long-term predictable infrastructure funding, with sufficient flexibility to support local government infrastructure priorities
- began preparations for discussions with federal and provincial partners with regard to the permanent Gas Tax Fund

#### *Energy Policy*

- responded to draft BC Hydro Integrated Resource Plan; monitoring discussions related to rate setting process
- appointed Mayor John Dooley, City of Nelson, to serve as UBCM's representative to FortisBC's Resource Planning Advisory Group and Councillor Sav Dhaliwal, City of Burnaby, to serve as UBCM's representative to BC Hydro's

Energy Conservation and Efficiency Advisory Committee

- requested amendments to *Clean Energy Act* to address self-sufficiency provisions enacted by the Province in Bill 30
- received correspondence from members in response to smart meter installation and endorsement of 2011 resolution calling for a moratorium
- monitored discussions/consultations related to Site C
- continued participation on Community Energy Association

#### *Aboriginal*

- continued to advocate for Treaty Advisory Committee funding to support local governments
- undertook research on local governments' experience with non-treaty agreements
- worked with the Province to renew 2008 MOU on Local Government Participation in the New Relationship, with aim of signing the MOU at the 2012 Convention
- reviewed provincial *First Nations Commercial and Industrial Development Act (FNCIDA) Implementation Act - Bill 43* and continue to monitor as Province moves to implement the new legislation
- sought clarification from federal Aboriginal Affairs minister on new Additions to Reserve policy
- held discussions with the Province on Off-Reserve Aboriginal Action Plan
- held Local Government - First Nations pre-conference session at 2011 Convention, profiling 'life after treaty' and tips on developing successful service agreements
- reviewed report and recommendations by James Lornie, Special Representative to the Hon. John Duncan, Minister of Aboriginal Affairs and Northern Development, on how to accelerate treaty negotiations in BC

#### *Transportation*

- UBCM's Ferry Fares Advisory Committee made a submission to Ferry Commissioner and Minister of Transportation in response to the review. The Minister responded by introducing *Coastal Ferry Amendment Act - Bill 47* which reflects many of the recommendations brought forward by the Commissioner. These included additional tools and discretion to the Commissioner when setting price caps, allowing cross-subsidization between routes, conducting routine performance reviews, and approving major capital expenditures, and announced additional funding of \$79.5 million over the next

- 4 years
- participated in workshop on the development of a BC Road Safety Strategy
- rural resource roads – participated in provincial working group looking at the development of a Natural Resource Road Act

#### OTHER POLICY MATTERS REVIEWED

- surveyed the membership regarding abandoned and derelict vessels in BC waterways. Results were provided to Transport Canada for inclusion in their national report on abandoned and derelict vessels
- development of tanning bed regulations
- Off Road Vehicle Management framework
- continued to work with BC Land Title Survey Authority to consult with members on a move to mandatory electronic filing of land title documents.
- delivery of fire services – participated in provincial Fire Services Leadership Group looking at future changes to the *Fire Services Act*

#### FEDERAL GOVERNMENT ADVOCACY ACTIVITIES INCLUDED:

- abandoned and derelict vessels in BC waterways
- new aquaculture management agreement
- infrastructure funding and the federal Long Term Infrastructure Plan
- multiculturalism and community capacity to support services to immigrants
- labeling of genetically modified foods
- new agreement for RCMP services
- amendments to the *Fisheries Act*

#### MEMBER INITIATIVES: RESOLUTIONS

UBCM's policy initiatives are primarily derived from resolutions submitted by members. During 2012, UBCM reviewed many high quality, clearly written, and well-researched resolutions in the course of preparing the Annual Report and Resolutions Book. All Area Associations submitted their resolutions for UBCM comment prior to their annual meetings and subsequently conveyed endorsed resolutions to UBCM for consideration at the 2012 Convention.

#### POLICY IMPLEMENTATION

Policy work over the last year which involved UBCM included:

#### LEGISLATION (IN ORDER OF DEGREE OF UBCM INVOLVEMENT)

Among the legislation reviewed by UBCM:

- Auditor General for Local Government Act*
- Local Government Act* (various sections)
- Assessment Act*

- Clean Energy Act*
- Limitation Act*
- Coastal Ferry Amendment Act*
- FNCIDA Implementation Act*
- Athletic Commission Act*
- Motor Vehicle Amendment Act* (streamline traffic-fine violations)
- Prevention of Cruelty to Animals Amendment Act*
- Forests, Lands & Natural Resource Operations Statutes Amendment Act*
- Criminal Asset Management Act*
- Energy & Mines Statutes Amendment Act*
- Animal Health Act*
- Pension Benefits Standards Act*
- Land Title Act*
- Liquor Control & Licencing Act*
- Greater Vancouver Sewerage & Drainage District Act*
- Wildfire Act*
- Police Act*
- Provincial Sales Tax Act*

#### REGULATIONS (IN ORDER OF DEGREE OF UBCM INVOLVEMENT)

UBCM contributed to the development of many regulations including:

- Land Title & Survey Authority – mandatory e-filing
- Off Road Vehicle Management Framework

#### UBCM RESOLUTIONS RESPONSES

A total of 135 resolutions were forwarded to the provincial government for consideration following the 2011 UBCM Convention. In addition, 26 resolutions were conveyed to the federal government; 9 were conveyed to the FCM; and 15 were conveyed to other organizations. Responses have been conveyed to the resolution sponsors and posted to the UBCM website.

The Province has indicated that 67 issues raised in the 2011 resolutions have already been addressed in whole or in part by provincial initiatives and noted that it was not willing to consider changes proposed in 35 of the resolutions. Provincial support was noted in the case of 5 resolutions and the Province indicated it is willing to consider the changes/suggestions/concerns expressed in 5 other resolutions. Further review and/or action will be undertaken on the changes suggested in 25 resolutions. As well, UBCM is already working with the Province on 2 resolutions and will monitor provincial action in several other policy areas. The Province deferred 3 resolutions to another agency.

## UBCM PROGRAM MANAGEMENT & ADMINISTRATION

### *Gas Tax*

See the Gas Tax report in the Annual Report.

### *Local Government Program Services*

See the LGPS report in the Annual Report.

## GOVERNMENT RELATIONS, EXTERNAL COMMUNICATIONS & LIAISON WITH OTHER GROUPS

Government relations is much more than dealing with policy issues reviewed in earlier sections – it is UBCM acting as a contact point on any number of issues. It extends to UBCM's role in communicating local governments' messages and liaising with other groups.

Our contacts in the past year include:

- provincial Premier, Ministers, Ministry & agency staff at federal & provincial levels
- BC Healthy Living Alliance
- BC Centre for Disease Control
- BC Conservation Lands Forum
- BC Healthy Communities Initiative
- BC Hydro
- BC Recreation & Parks Association
- BC Safety Authority
- BC School Trustees Association
- BC Treaty Commission
- Building Canada Communities Component – Oversight Committee & Joint Secretariat
- Canadian Institute for Health Research
- CivicInfo BC
- Coastal Communities Network
- Communities In Bloom
- Community Energy Association
- Development Finance Review Committee
- Electronic Products Stewardship Canada
- First Nations Summit
- First Nations Tax Commission
- Fortis BC
- Fraser Basin Council
- Government Finance Officers Associations
- Health authorities & other provincial health-related associations
- Healthy Built Environment Alliance
- Health Officers Council
- Land Title & Survey Authority Board and Stakeholders Committee
- Local Government Leadership Academy
- Local Government Management Association
- Municipal Insurance Association of BC
- National Crime Prevention Centre
- Network BC
- other local government associations – all five Area Associations visited; represented on the

FCM board; and maintain relations with neighbouring provincial associations

- presentation of local government issues to groups and foreign delegations: FCM Municipal Economic Development Program (MPED) work with Vietnam and Cambodia
- other provincial associations like the BC Chamber of Commerce, BC Business Council
- Public Works Association of BC
- RCMP
- RuralBC Secretariat
- Seniors' Healthy Living Secretariat
- SPARC BC
- WoodWorks BC

Some relationships are set out in agreements:

- reviewed all MOUs and Agreements as part of annual procedures

## MEMBER SERVICES

UBCM makes a distinction between the member services that all members receive and those optional services that are available on a "user-pay" basis.

## MEMBER COMMUNICATIONS

### *Publications*

- thousands of copies of publications printed and distributed – for example: 1,600 Annual Report & Resolutions books; 550 Convention Minute books; and over 720 Net•work•books sold and distributed
- numerous circulars and email broadcasts distributed throughout the year to the membership
- four issues of the *UBCM News*
- launch in fall 2012 move to e-newsletter replacing 24-page paper/mail distribution
- 2012 local government planners and wall calendars produced with 192 members purchasing 654 planners and 843 wall calendars
- improvements made to the still new on-line system for member updates to the Net•work•book which was distributed; 73 Professional Directory listings
- member notices on the status of the RCMP contract negotiations
- production of new UBCM corporate video

### *External Communications*

- 36 events/joint news releases in communities throughout BC to highlight investments through the Gas Tax Fund
- joint news releases/media events with the Province of BC to highlight:
  - Age Friendly Communities

- Strategic Community Investment Funds
- Audit Council announcement
- Local Government Awareness Week
- Auditor General for Local Government
- Healthy Families BC
- review of BC Transit
- tanning bed ban
- media relations on a range of local government issues, including:
  - Auditor General for Local Government
  - RCMP contract
  - new *Limitation Act*
  - amendments to federal *Fisheries Act*
  - urban wildlife
  - CETA
  - Elections Task Force recommendations
  - Gas Tax Fund
  - government downloading
  - resort municipality legislation

### ADVICE, TRAINING & INFORMATION SHARING

UBCM hosted or participated in a number of training events:

- Municipal Administration Training Institute
- Capilano University Public Administration program, February 17 and March 17
- Local Government Management Association MATI leadership program, August 2011
- supported the annual regional district Chairs and CAOs meeting
- Gas Tax presentations to NC-LGMA and LM-LGMA
- Local Government Leadership Academy's eight elected official training seminars across the province
- Government Finance Officers Association of BC AGM, May, 2012

### MEMBER LIAISON

- 44 special appointments to visit members including trips to Metro Vancouver (Richmond, Port Moody, West Vancouver); Thompson Nicola (Lytton, Ashcroft, Clinton, Logan Lake), Fraser-Fort George (McBride, Valemount, Clearwater, Barrier, Sunpeaks, Kamloops, Thompson-Nicola RD, Chase), Squamish-Lillooet (Lillooet, Squamish, Pemberton, Whistler) Powell River (Powell River, Powell River RD, Sunshine Coast, Sechelt, Sechelt Indian Gov't, Gibsons), North Okanagan (Armstrong, Coldstream, Enderby Lumby, Vernon, Spallumcheen Nakusp, Revelstoke, Sicamous, Salmon Arm, Columbia Shuswap RD)
- Participated at Local Government Management Association and Government Finance Officers Association of BC conference tradeshows

### CONVENTION

The UBCM Convention is an opportunity for our members to gather in one location to focus on policy development, provincial government relationships, training, and to network with colleagues from around the province. Some highlights of the 2011 Convention were:

- high attendance, with 1,956 registered delegates
- Long Service Awards (25 years) given to:
  - Mayor Frank Edward Leonard, District of Saanich
  - Mayor Derek R. Corrigan, City of Burnaby
  - Director Hans Cunningham, Regional District of Central Kootenay
  - Councillor Corinne Lonsdale, District of Squamish
  - Councillor Sharon Anne Fraser, District of Sparwood
  - Director George Holme, Regional District of Nanaimo
- Special Long Service Awards (35+ years) given to:
  - Councillor Merle Olaf Hanson, Village of Salmo, 1965-1999; 2008-2011
  - Councillor William Moncrief, Village of Cumberland, 1967-1993; 1997-2011
  - Mayor Gerry Furney, Town of Port McNeill, 1966-1976; 1978-2011
  - Councillor Harold Steves, City of Richmond, 1968-1975; 1977-2011
  - Mayor Jim Ogilvie, City of Kimberley, 1965 - 2002; 2005-2011
- Life Memberships awarded to:
  - Honourable Ben Stewart, Minister of Community & Rural Development, 2010
  - Honourable Stephanie Cadieux, Minister of Community, Sport & Cultural Development, 2010-2011
  - Dale Wall, Deputy Minister, Ministry of Community & Rural Development, 2008-2011
  - Councillor Barbara Steele, 2010-2011 UBCM President

### OPTIONAL MEMBER SERVICES

There are some services to members that are offered on an optional, pay-as-you-go basis but they are a significant portion of UBCM's activities:

- Group Benefit Association Plan in 30th year of operation with approximately \$13 million in annual premiums; provide coverage and

- administer approximately 250 different plan designs covering approximately 3,000 employees
- following local government elections, UBCM have offered group insurance benefits to elected officials. Many local governments took advantage of this opportunity
- RFP for benefit plan actuarial services executed in 2011 – Aon Hewitt was the successful candidate
- processed over 85 benefit contract amendments
- members purchased dog (70,140) and cat tags (4,980) through UBCM
- \$892,780 distributed to 101 members participating in the 2011 Commercial Vehicle Licensing program
- seven members joined the new Bulk Fuel Purchasing Program: Greenwood, Peachland, Rossland, Salmon Arm, Sparwood, Tahsis and Tumbler Ridge.

### CONTINUOUS IMPROVEMENT

UBCM Executive and staff continue to look for ways to be more effective and in the past year this has included:

- e-newsletter
- updated and launched the new UBCM video at the LGLA's elected officials training seminars.

### **KEY INDICATORS**

- six Executive meetings, including 30 Committee meetings
- UBCM membership expands to include Uchucklesaht Tribe Government, one of the Maa-Nulth First Nation members
- 100% of BC local governments have membership in UBCM
- over the year, numerous meetings with Ministry of Community, Sport and Cultural Development staff and delegations from the Minister as part of UBCM's quarterly Executive meetings. Undertook provincial government outreach as part of our May 2012 Executive meeting in Victoria, including six Minister meetings as part of the Committee schedule

### EXECUTIVE & SECRETARIAT

- confirmed that the GVRD/Metro Vancouver Representative on the UBCM Executive would sit as a permanent member of the Presidents Committee
- in the absence of a Third Vice-President, Chair Al Richmond served as Member at Large to the Presidents Committee

- Staffing:
  - in the Richmond office, Kathleen Spalek became the new Manager of Finance and Corporate Operations in February 2012 with the retirement of Ted Willmer. Angela Turner returned from one-year maternity leave to serve as Policy Analyst and Convention Coordinator.
  - in the Victoria office, Peter Ronald replaced Danyta Welch as LGPS Programs Officer while Danyta is on maternity leave. Sarah Amyot departed BC Healthy Communities.

### ASSOCIATION SERVICES

UBCM provides services to:

- Association of Vancouver Island & Coastal Communities
- Lower Mainland Local Government Association
- BC Healthy Communities initiative - UBCM provides the secretariat support including staffing and offices
- Local Government Leadership Academy

### FINANCE

Auditor Report:

- received an unqualified opinion
- no significant matters arose from the audit
- there were no issues with respect to financial reporting on all funds
- there were no deficiencies identified in internal controls over financial reporting
- no audit misstatements were identified

Financial Position 2011 / 2012:

- \$194M total assets
- \$7M total reserves (internally restricted \$5.3M, unrestricted \$1.7M)
- \$647K total consolidated revenue

A two percent dues increase is approved for fiscal 2012/2013.

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<sup>1</sup> The format for Accomplishments in Brief reflects the Executive's Mission Statement. It is intended to connect accountability for outcomes with the objectives of UBCM.





# COMMITTEES REPORT OUT ON ACCOMPLISHMENTS

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## **PRESIDENTS COMMITTEE**

Director Heath Slee, President  
Mayor Mary Sjostrom, 1<sup>st</sup> Vice-President  
Director Rhona Martin, 2<sup>nd</sup> Vice-President  
Chair/Mayor Greg Moore, GVRD Representative  
Chair Al Richmond, Member at Large  
Councillor Barbara Steele, Past President

## **CONVENTION COMMITTEE**

Mayor Mary Sjostrom, Chair  
Councillor Wesly Graham  
Director Jerrilyn Schembri  
Chair Art Kaehn  
Councillor Harry Kroeker

## **RESOLUTIONS COMMITTEE**

Chair/Mayor Sharon Gaetz, Chair  
Chair/Mayor Greg Moore  
Councillor Sav Dhaliwal  
Chair Joe Stanhope

## **PRESIDENTS COMMITTEE**

Local government elections always create interesting dynamics for UBCM Executive operations. This past year was no different as we lost four board members; the SILGA representative, a Vancouver Metro Area Representative, a Director at Large and the Third Vice-President. In response the Executive chose to fill the vacancies for Vancouver Metro Area Representative and Director at Large and welcomed Councillor Harry Kroeker of Merritt as the new SILGA appointment. The position of Third Vice-President was left vacant as directed by the UBCM bylaws.

Following an open member nomination process, the Executive welcomed Mayor Peter Fassbender, Langley City as Vancouver Metro Area Representative and Councillor Claire Moglove, Campbell River as Director at Large. To fill the vacancy on the Presidents Committee, President Slee invited Chair Al Richmond, sitting Electoral Area Representative, to serve as a member at large. The President extends his thanks to Chair Richmond for adding his voice and direction to the Committee this past year.

One of the key roles of the Presidents Committee is to take the lead on intergovernmental relations. The priorities for the Executive this year have focused on the Auditor General for Local Government (AGLG) and local – provincial financial relations. With respect to the former, members provided direction at the 2011 Convention with respect to scope and role of the AGLG and without our advocacy efforts, a different model may have emerged. The Auditor

General for Local Government legislation has been enacted and implementation is underway. We are pleased that Tim Wood, retired Saanich CAO and UBCM's nominee, has since been appointed to the Audit Council.

The latter issue, local – provincial financial relations came to the fore this year when the Province established an Expert Panel on Taxation and the Ministry of Community, Sport and Cultural Development announced it would be undertaking an internal review on local government revenue sources. While both initiatives, to varying degrees, address property taxation, grants and other financial programs for local governments, neither include UBCM representation. UBCM requested and made a presentation to the Expert Panel on Taxation to ensure that our members' interests were heard. As well the Executive has decided to establish its own local government finance working group to look at the broader local – provincial financial relationship. Expect to hear more on the establishment of this working group at the 2012 UBCM Convention.

In addition to providing overall management responsibility for UBCM affairs between Executive meetings, the Committee took on some specific tasks and provided oversight on the following key projects the past year:

- response to CFIB's Municipal Spending Watch report;
- development of a new UBCM corporate video;
- establishment of the RCMP Contract Management Committee

- support to the FCM’s Municipal Partners in Economic Development program focusing our partnership with Vietnam;
- respond to federal government commitment to legislate permanent gas tax program;
- provide advice on the move to an electronic-based UBCM newsletter; and
- support to the LGLA board with the series of eight newly elected training seminars held across the province over a period of two months.

Annually, the Committee also provides oversight to the UBCM’s Member Services and Group Benefits Programs, Excellence Awards program, Local Government Awareness Week program and UBCM representatives to the Municipal Pension Plan also report through to the Presidents Committee.

## CONVENTION COMMITTEE

The 2011 Convention was held in Vancouver from September 26 to 30, and adopted a “Rethink, Replace & Rejuvenate: *The New 3 R’s*” theme. A total of 1,956 delegates attended the Convention, representing 191 UBCM member communities from all across the province. Delegates rated the Convention well at 4.2 out of 5.0, the highest overall rating since 2006.

A variety of tours and sessions were held this year on topics ranging from the forest economy to keeping your community safe. Programming also included several clinics and workshops, including “Rising Oceans and Raising Dikes”, “Open Government”, and “Canadian-European Trade Negotiations”. Delegates had the opportunity to set policy through Resolutions sessions, and participate in a number of Provincial Policy sessions and Cabinet Panels.

## RESOLUTIONS COMMITTEE

The annual resolutions process is the foundation of UBCM’s ongoing advocacy work on behalf of local governments in BC. Through resolutions, UBCM members speak with one voice to express the needs and concerns of BC communities. Issues raised and solutions proposed in resolutions often result in positive change for the membership.

Recent responses to UBCM resolutions provide examples of the success that we achieve through this process:

- in April 2012 the provincial government introduced a **new *Limitation Act***, addressing longstanding local government concerns related to civil liability (2009-B56, 2007-B1, 2006-A1, 2003-SR1, 1990-A1, 1987-A11, and 1985-SR2). Among the changes welcomed by local governments were a reduction of the ultimate limitation period from 30 years to 15 years; changing the commencement model so that the start of the ultimate limitation period is triggered by an “act or omission”; and setting the basic limitation period at two years.
- resolution 2011-B137 called on the provincial government to create an **independent body to review citizen complaints against the police**. In 2011 the Province introduced legislation to create a civilian-led Independent Investigations Office, which will conduct criminal investigations into police-related incidents involving death, serious harm, or other serious incidents. The provincial government has allocated \$9.3 million to implement the Independent Investigations Office.
- the Province committed \$25 million to continue the **Strategic Wildfire Prevention Initiative** in 2011, assisting at-risk local governments to develop community wildfire protection plans or fuel management prescriptions; implement fuel management demonstration projects; or undertake operational fuel treatment activities. This funding continues to be disbursed as part of the 2012 program, and responds to previous resolutions including 2011-B138, 2010-B68, 2010-B91, 2008-B59, 2007-B74, 2006-B70 and 2005-B125.
- resolution 2011-SR2 called on the federal government to return to negotiations with remaining provinces and territories for the settlement of a new RCMP contract that addressed the issues of partnership, cost containment, and accountability. The UBCM membership made a similar but less urgent request in resolution 2007-B82. In March 2012 the provincial and federal governments signed a **new Provincial Police Services Agreement and Municipal Police Services Agreement**, for a 20-year term expiring in 2032. The new agreements include a range of improvements in the areas of contract management; communication between local, provincial and federal governments and the RCMP; financial and

operational accountability and reporting to local governments; and control over cost increases.

- As a part of the Seniors' Housing & Support Initiative, the provincial government made available \$950,000 for **Age-friendly Community Planning & Projects grants** in 2012. This funding supports community planning initiatives or projects focused on age-friendly communities and the ability of seniors to age in place, and responds to requests made in resolutions 2011-A4, 2010-B114, 2009-B145, 2007-B152, and 2005-B50.
- responding in part to resolution 2010-B150, which called on the Province to prohibit professional fighting events unless regulated by an athletic commission, the provincial government in May 2012 introduced an *Athletic Commission Act*. The Act provides for the establishment of a provincial athletic commissioner to regulate and supervise professional fighting events.
- in May 2012, the Province introduced the *Coastal Ferry Amendment Act*, which grants the Ferry Commissioner greater discretion when setting price caps, allowing cross subsidization between routes. Under the Act the Ferry Commissioner also gains the authority to approve major capital expenditures; conduct routine performance reviews; request ferry operators to prepare plans, review policies, conduct public consultations; and use measures, other than fare increases, to respond to extraordinary situations. The measures in the Act respond in part to resolutions 2011-A3, 2010-B20, 2009-B156, 2007-B18, 2004-B59, 2004-B108, 2002-B8, 2002-B77, and 2001-B64.

- resolution 2010-B74 called on the provincial and federal governments to add funding components to infrastructure grant programs to assist local governments with major facilities projects such as municipal halls, fire halls, public safety buildings and public works yards. The federal government in its 2012 budget committed \$150 million over two years for a **Community Infrastructure Improvement Fund** to support repairs and improvements to existing community facilities.
- responding in part to resolutions 2008-B98 and 2004-A9, the Province announced in January 2012 an **increase to the threshold for the phase-out of the home owner grant**, from \$1,150,000 to \$1,285,000 for the 2012 tax year.

These are some recent success stories. Not all resolutions achieve immediate results, but they bring important local government issues to the attention of the provincial and federal governments.

In 2012, members' concerns reflect a wide range of issues including the conditions around federal infrastructure funding; housing for adults with developmental disabilities; support for the BC Conservation Service and its work to mitigate wildlife conflict; water stewardship and regulation; the potential for international trade agreements to affect local governments; and public safety concerns regarding the release of dangerous offenders and sexual offenders into communities.

# GREEN COMMUNITIES



## ENVIRONMENT COMMITTEE

Director Rhona Martin, Chair

Mayor Sharon Gaetz

Chair Joe Stanhope

Chair Al Richmond

Councillor Lorrie Williams

## PRIORITIES

- Continue to work with the Ministry of Health Services and the Ministry of Community, Sport & Cultural Development on addressing local government concerns around small water systems through the UBCM Small Water Systems Working Group;
- Continue to work with the Ministry of Agriculture & Lands on the development of a framework and toolkit for the redevelopment of former service stations as part of the British Columbia Brownfields Renewal Strategy, and seek solutions to downtown revitalization impediments arising from contamination;
- Create a working group to advise on the development of a packaging and printed paper product stewardship program which maximizes the recovery rate and provides the broadest choice of options for consumers.
- Enhance water governance and management in British Columbia through participation in the *Water Act* Modernization process and the Collaborative Watershed Governance Initiative;
- Continue to work with the Province on assisting local governments in meeting their Climate Action Charter commitments, including carbon neutrality; and
- Monitor and respond to ongoing and emergency environmental policy, legislative, and regulatory issues that affect local government.

Over the past year, the Environment Committee has been actively monitoring and advising on a number of key environmental issues which impact the sustainability and environmental well being of local communities. From the *Water Act* Modernization process, to species at risk protection, to the Recycling Regulation, the Committee has voiced local government concerns and recommendations on a number of key regulations, strategies and policies designed to green BC's communities.

At the forefront of the Committee's agenda has been a series of water issues, including small drinking water systems, collaborative watershed governance, and the modernization of existing water legislation. The UBCM Small Water Systems Working Group continued to work with the Province to identify policy and regulatory options to address outstanding local government concerns with the *Drinking Water Protection Act* and related Drinking Water Protection Regulation. A report out on the Working Group's efforts will take place at the Annual UBCM Convention in September.

Through participation on the Collaborative Watershed Governance Initiative Steering Committee, UBCM has been shaping the development of a multi-stakeholder accord for more collaborative governance within BC watersheds. The draft Accord was submitted to the membership for review, and will be submitted at the 2012 Annual Convention for potential ratification. The Committee has also been providing advisory support to the *Water Act* Modernization process, which seeks to update and streamline one hundred year old legislation through the creation of the Water Sustainability Act. Similarly, through staff participation on the provincial Subdivision Best Practices Committee, efforts are underway to develop best

practices for subdivisions that utilize on-site septic systems.

Following the addition of packaging and printed paper to the Recycling Regulation in May of 2011, UBCM approved the creation of a UBCM Packaging and Printed Paper Working Group. The Working Group is designed to provide a voice for local government on their expectations of an industry product stewardship program; to build local government knowledge and capacity to effectively negotiate community interests with producers; and to identify recommendations for addressing local government issues with the design and implementation of the program. The Working Group has developed a policy paper for the membership's consideration, which identifies key local government issues and concerns with the proposed product stewardship program, as well as makes recommendations for resolving potential local government issues with the design and implementation of the packaging and printed program.

The Committee has also been proactively working with the Province on developing and implementing its "green agenda." Through participation in the BC Brownfield Renewal Strategy Steering Committee, UBCM worked on the creation of a BC Toolkit for Former Service Stations. The toolkit identifies opportunities for redevelopment, and contains tools and resources to make the redevelopment process easier for all parties involved in redevelopment. The Committee has also been involved in the creation of a provincial approach to protecting species at risk on private lands, that will potentially raise awareness, align resources for shared priorities, outline options for local government engagement, and identify tools for species at risk protection. In May of 2012, the Committee endorsed the

recommendations contained within the Species at Risk Local Government Working Group paper, "Working Together To Protect Species at Risk".

The Committee also provided advisory support for the implementation of the Climate Action Charter (CAC), of which one hundred and eighty local governments have voluntarily signed. Through the Green Communities Committee, UBCM and provincial staff have sought to refine and complete local government guidance on becoming carbon neutral, particularly with the creation of the Guidance on Including Contracted Emissions in Local Government Corporate Inventories. The GCC has also developed a multi-year recognition and awards program for climate action, which recognizes the work of local governments in tackling climate change within their communities.

In response to Japanese tsunami debris, UBCM has been actively working through the provincial Tsunami Debris Co-ordination Committee to develop a debris management plan. Through its participation on the Committee, UBCM has advocated for sufficient resources and co-ordination to prevent the management of debris from falling on to local governments. Overall, the Environment Committee has been advocating local government interests on a wide range of regulations, policies, and strategies being devised and implemented by the Province to create and enhance sustainable "green" communities.

# FIRST NATIONS RELATIONS: A YEAR IN REVIEW

## Renewal of 2008 MOU on New Relationship

In 2008, UBCM signed an MOU with the Ministry of Aboriginal Relations and Reconciliation, in which the Province commits to consulting with local governments on non-treaty negotiations that may impact local government jurisdiction. This past year the Committee undertook some research to determine local governments' experience with these other non-treaty agreements and if there was a need to seek amendments to the MOU to address specific concerns. Based on what was heard from members, the Committee determined that the MOU itself is sound, but that work was needed to create a greater awareness about the consultation principles within the agreement for both provincial officials and UBCM members. Once minor amendments to the agreement are made, it is expected that the MOU will be renewed (re-signed) at the 2012 Convention.

## First Nations Commercial & Industrial Development Act (FNCIDA)

On May 3, 2012, the Honourable Mary Polak, Minister of Aboriginal Relations and Reconciliation introduced Bill 43 - *FNCIDA Implementation Act*. The Act will allow provincial laws and regulations to apply to commercial and industrial projects on federal Indian reserve lands, supporting the federal government's own FNCIDA, by enabling agreements with First Nations that will allow applicable provincial statutes and regulations, such as environmental laws, to apply to commercial and industrial projects developed on certain Indian reserves. During their May meeting with Minister Polak, the First Nations Relations Committee inquired about the opportunities the Act would provide to close the regulatory gap for local governments, and were informed that it provides much more leverage for local governments in negotiating service agreements, on a case-by-case basis.

## Pre-Conference Session at 2011 UBCM Convention

At the 2011 UBCM Convention, Chief

Commissioner Sophie Pierre of the BC Treaty Commission spoke to delegates at the pre-conference session entitled Building Communities, Building the Future: Local Government – First Nations Relations. Panel presenters from Delta, Tsawwassen First Nation, Alberni-Clayoquot RD and the Huu-ay-aht First Nation spoke to the relationships between local governments and First Nations in 'life after treaty'. Professor Bob Bish spoke about First Nations as part of the local government system and a second panel discussed negotiating successful service agreements focusing on the work by FCM, the experiences in Burns Lake and legal advice on how to develop sound, fair agreements.

## Minister of Aboriginal Relations & Reconciliation

In May, the Executive held their spring meeting in Victoria. This provided the Committee with an opportunity to meet with the Honourable Mary Polak, Minister of Aboriginal Relations and Reconciliation. The following issues were discussed: the renewal of the 2008 MOU on New Relationship; the federal government's additions to reserve policy; and common table issues and Mr. Jim Lornie's (Special Advisor to Minister John Duncan) report. The Minister also provided an overview of Bill 43 - *FNCIDA Implementation Act*, which had recently been introduced into the Legislature.

Committee members also indicated a desire for the Province to reinstate funding for TACs to assist local governments.

UBCM continued to administer the following programs:

- Regional Community to Community Forum Program; and
- the STIPP program has provided operational funding for TACs/local governments involved in treaty negotiations.

In addition to chairing the Committee over the past year, Councillor Murry Krause was pleased to present and take part in the Tsleil-Waututh Leadership Forum on October 5, 2011.



## FIRST NATIONS RELATIONS COMMITTEE

Councillor Murry Krause,  
Chair

Mayor Peter Fassbender

Mayor Dave Pernarowski

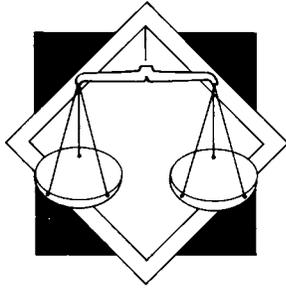
Councillor Claire Moglove

Councillor Kerry Jang

Mayor Ralph Drew, Vice Chair,  
Metro Vancouver Aboriginal  
Relations Committee

## PRIORITIES

- Renew MOU on Local Government Participation in the New Relationship at 2012 Convention.
- Work with the Province on developing a joint approach for educating provincial and federal negotiators about local government generally and, more specifically, on local governments issues related to treaty implementation and non-treaty agreements.
- Monitor implementation of provincial FNCIDA legislation.
- Monitor and respond to changes to federal government's Additions to Reserve policy.
- Seek opportunities to enhance consultation with First Nations.
- Strengthening local government-First Nation relations and promoting best practices.



## COMMUNITY SAFETY COMMITTEE

Councillor Barbara Steele,  
Chair

Councillor Sav Dhaliwal

Director Jerrilyn Schembri

Mayor Peter Fassbender

Councillor Claire Moglove

BC Assoc. of Police Boards

## PRIORITIES

- RCMP Contract Renewal
- Marijuana Grow-ops
- Medicinal Marijuana-Health Canada
- Keep of Prisoner Costs
- Police Costs

# NEW RCMP AGREEMENT REACHED

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The renewal of the RCMP agreement has once again been a major focus of the Community Safety Committee activities over the past year. A special resolution (SR2 – Emergency Resolution on RCMP Contract Negotiations) was endorsed at the 2011 UBCM Convention in an effort to bring the Federal government back to the negotiating table to finalize a new RCMP contract. The Federal government agreed to return to the negotiating table and a new contract for RCMP services was signed between the Federal government and the Province on March 21 2012.

To ensure that local governments were informed about the new RCMP agreement the Committee organized three webinars and a meeting in Richmond. In addition, a number of member releases were sent out to assist local governments in understanding the new agreement. The 62 municipalities with Municipal Police Unit Agreements were given until June 30, 2012 to sign the new agreement.

The Community Safety Committee worked with the Province to establish the Local Government Contract Management Committee (LGCMC), 10 local government representatives were appointed to the Committee. Mayor Peter Fassbender is the co-chair of the LGCMC, and the UBCM representative on the Federal-Provincial Contract Management Committee. The Committee held two meetings, it received updates from the Province on its discussions with the Federal government regarding the

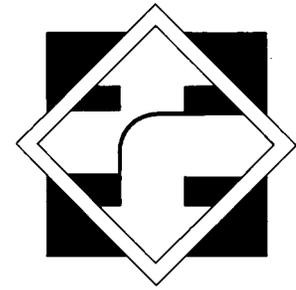
new RCMP agreement and provided local government feedback.

Meetings were held with the Honourable Shirley Bond, Minister of Public Safety and Solicitor General and Assistant Deputy Minister Clayton Pecknold to discuss the justice system review, the development of the BC Policing Plan, and the status of the RCMP agreement. The Committee also met with staff from the Office of Housing and Construction Standards, Ministry of Energy and Mines and Minister Responsible for Housing to discuss changes to the Building Code that the Province is considering.

Over the past year the Committee participated in the Marijuana Grow-op Working Group that is developing a strategy to address marijuana grow-ops in local communities, and the BC Road Safety Strategy that is looking at new measures to improve road safety. The Committee examined local government concerns regarding flood hazard management and the measures needed to address the problem.

And finally, the Committee has worked with the Province on a number of legislative initiatives. The Committee was consulted on changes to the *Liquor Control and Licensing Act* to allow catering services and others to serve liquor at unlicensed venues, a change that had been requested by a number of local governments. The Committee was also informed about amendments to the *Police Act* and the *Motor Vehicle Act*.

# ADVOCACY EFFORTS ON ECONOMIC DEVELOPMENT POLICY



Over the past year, the Community Economic Development (CED) Committee has continued to advocate on a number of policy files related to forestry, energy and aquaculture.

At the May Executive meeting in Victoria, the Committee met with the Honourable Steve Thomson, Minister of Forests, Lands and Natural Resource Operations and the Honourable Pat Bell, Minister of Jobs, Tourism and Innovation. One of the key items discussed was the establishment of the Legislative Assembly's Special Committee on Timber Supply. The Special Committee is undertaking consultations to examine and make recommendations about increasing mid-term timber supply in BC's central interior as a result of the mountain pine beetle infestation. The CED Committee will be preparing a submission to the Special Committee on behalf of UBCM based on member policy but would encourage affected local governments to make their views known. Any recommendations coming forward from the Special Committee need to reflect the unique and diverse circumstances of the communities directly impacted.

Last July, the Committee prepared a submission as part of BC Hydro's Integrated Resource Plan (IRP) consultation process. The Committee has continued to monitor development of the draft IRP and will be comparing the recently released draft with its earlier submission. The Committee will also be hosting a Monday pre-conference session on energy at the 2012 Convention that will explore BC's place within the global energy market, discuss the growing demand for energy, conservation efforts to curb that demand, and the overall implications for local governments. As well the Committee was successful in seeking amendments to the self-sufficiency provisions with the *Clean Energy Act*. The Act was amended this spring under Bill 30 which repealed the requirement that BC Hydro hold rights to an amount

of electricity beyond the amount needed to meet its supply obligations.

The Committee wishes to extend its thanks to Noreen Guenther, who for many years, has served as UBCM's appointment to BC Hydro's Energy Conservation and Efficiency Advisory Committee and Fortis BC's Resource Planning Advisory Group. Ms. Guenther was not re-elected in November 2011 so two new appointments have been made. Councillor Sav Dhaliwal of Burnaby was appointed to serve as the appointment to the BC Hydro Advisory Committee and Mayor John Dooley of Nelson has agreed to serve as our appointment to Fortis BC. Thanks to both of you for serving.

Last November, the Committee worked collaboratively with AVICC to bring federal and provincial staff together with AVICC members to discuss the proposed new Aquaculture Management Planning process. This meeting provided local governments with an opportunity to express their interests in how the aquaculture industry is managed and their role in the process. In follow up, representatives from both the Province and federal government attended the spring AVICC conference to discuss harmonizing the aquaculture approval process, the new regulatory framework and the Integrated Management of Aquaculture Plans (IMAP) process.

And finally, Committee Chair Mayor Mary Sjostrom continues to serve as UBCM's appointment to the Off Road Vehicle (ORV) Joint Advisory Group and Chairs the new ORV local government working group. Both groups are providing advice and input on the development of the new management framework for ORVs. UBCM prepared a submission to the Province reflecting the policy positions adopted by the membership with respect to ORVs. Elements of the new framework related to direct highway crossings have been implemented with work continuing on vehicle registration, licensing and other safety measures.

## COMMUNITY ECONOMIC DEVELOPMENT COMMITTEE

Mayor Mary Sjostrom, Chair

Councillor Harry Kroeker

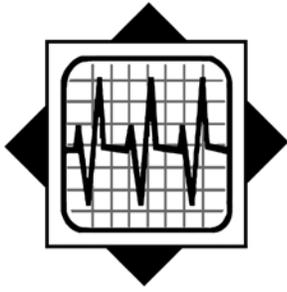
Chair Art Kaehn

Mayor Dave Pernarowski

Mayor Galina Durant

## PRIORITIES

- Prepare submission to the Special Committee on Timber Supply and monitor forthcoming report and recommendations.
- Review draft BC Hydro IRP and respond based on earlier IRP submission.
- Monitor discussions between provincial and federal government officials on new aquaculture management plan to ensure interests of local governments are addressed.
- Support initiatives that promote and assist local governments in the area of energy conservation and efficiency.
- Continue to represent interests of local governments as Province moves to implement new management framework for Off Road Vehicles.
- Continue to work with others to support economic development opportunities for communities.



# Building Healthy Communities

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## HEALTHY COMMUNITIES COMMITTEE

Chair Al Richmond, Chair  
Mayor Galina Durant  
Councillor Murry Krause  
Councillor Lorrie Williams  
Councillor Wesly Graham  
Councillor Kerry Jang

## PRIORITIES

- Support the development and implementation of the Regional Community Poverty Reduction Strategy;
- Continue to work with the Ministry of Health on the implementation of the Healthy Families BC Communities initiative;
- Proactively seek and participate in projects to enhance our capacity to assist local governments in health promotion activities ;
- Monitor rural and remote communities' concerns around health care human resources; and
- Continue to Co-Chair the Emergency Medical Assistants Education Fund Advisory Committee, which works to increase the number of primary and advanced care paramedics in rural and remote communities in BC.

Over the past year, the Healthy Communities Committee has monitored and advised on a number of healthy community related issues with local governments, health authorities, the Province, and other organizations.

Child poverty has been on the Committee's advocacy agenda since 2009, and this year, there were significant developments on this issue. The Committee worked closely with the Ministry of Children and Family Development on the Regional Community Poverty Reduction Strategy, which was announced in April 2012. This initiative will work in seven BC communities to help families struggling to get out of poverty. Based on recommendations by the Committee, the communities of Prince George, Cranbrook, Port Hardy, Surrey, New Westminster, Stewart and Kamloops were chosen as the first to pilot community poverty-reduction strategies. The Committee will continue to support the development and implementation of the Regional Community Poverty Reduction Strategy through participation on the Provincial Steering Committee.

Healthy Families BC Communities has been another major project for the Committee. This initiative is part of a \$68 million health promotion program which would work to improve the relationships between local governments and health authorities to jointly reduce the incidence of chronic disease and

obesity in BC communities. At the request of the Committee, the Ministry conducted 7 consultations with local governments across BC on the strategy. The Committee will continue to work with the Ministry of Health on the implementation of the Healthy Families BC Communities initiative in the coming year.

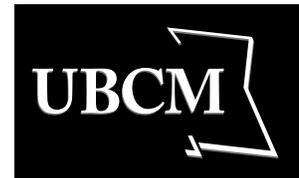
Chair Al Richmond continues to co-chair the Emergency Medical Assistants Emergency Fund Advisory Committee. This \$8 million fund was established by the Emergency and Health Services Commission to increase the number of PCP-licensed paramedics living and working in rural or remote areas of BC, as well as the number of ACP-licensed paramedics in BC. The Advisory Committee oversees the distribution of education bursaries for emergency medical assistants enrolled in the Advanced Care Paramedic (ACP) and the Primary Care Paramedic (PCP) programs in BC.

Additional Committee work has included:

- participating on Ministry of Health's Seniors' Healthy Living Advisory Network;
- renewing a Memorandum of Understanding with the BC Recreation and Parks Association, to work together in promoting healthy, active lifestyles and communities in BC; and
- engaging in advocacy activities as a member of the BC Healthy Living Alliance.

# LOCAL GOVERNMENT PROGRAM SERVICES

...programs to address provincial-local government shared priorities



UBCM has delivered numerous provincially funded programs since 2004. Although no new programs were offered in the past year, many funding opportunities were available to local governments, First Nations and other eligible applicants through a number of existing programs. For additional program information and program outcomes and accomplishments, please refer to any of the status reports developed for individual programs available on our website.

This year's financial statements include audited accounts for the funds received, amounts disbursed and fund balances. It is important to note that LGPS funds are completely separate from regular UBCM accounts.

The following is a summary of programs administered by LGPS on behalf of the province in the past year.

## ***Building Governance Capacity***

Administered for the Ministry of Aboriginal Relations & Reconciliation (\$300,000 in 2008)

This program was developed in 2007 to assist local governments and First Nations that have an established working relationship to address specific capacity gaps related to governance issues. Matching grants of up to \$25,000 have supported partners to work together on common governance-related issues, participate in capacity building activities or events and build governance management skills, knowledge, abilities and understanding. A total of 12 projects were funded under the program, with 11 of these now completed. All available funds are now committed for this program and a final program report will be developed when all projects are completed.

## ***Community Structural Protection Units***

Administered for the Office of the Fire Commissioner/Ministry of Forests, Lands & Natural Resource Operations (\$1 million in 2004)

Structural protection units are available for deployment in the event of a fire in the wildland urban interface. These units are owned by UBCM and managed in cooperation with the Office of the Fire Commissioner and the Ministry of Forests, Lands & Natural Resource Operations. The units were not deployed during the relatively quiet 2011 fire season. The units were used extensively at 14 fires during the 2010 fire season, substantially reducing structural loss.

## ***Community Tourism***

Administered for the Province of British Columbia (\$25 million in 2005)

The Community Tourism program was offered in two phases and provided the opportunity for every local government in BC to undertake tourism planning or projects that were relevant and meaningful in their communities. A broad range of activities, such as planning and marketing, festivals and events, and small capital investments, were funded. A comprehensive report for Phase 1 of the program is available on the UBCM website and an overall program report will be developed when all projects are completed.

## ***Regional Community to Community Forum Program***

Administered for the Ministry of Community, Sport & Cultural Development and Aboriginal Affairs & Northern Development Canada (\$1,070,000 since 1999)

The Regional Community to Community Forum program (C2C) has provided opportunities for local

Administration provided by UBCM

Funding provided by: Province of B.C.



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For more information, visit the  
Funding Programs section at:  
[www.ubcm.ca](http://www.ubcm.ca)

governments and First Nations to come together in dialogue on topics of mutual interest or concern since 1999. To date, more than 383 C2C events have been held across the province.

At least one further round of Regional C2C funding is anticipated for the 2012/13 fiscal year.

### ***School Community Connections***

Administered with the BC School Trustees Association for the Ministry of Education (\$10 million in 2005)

The School Community Connections program was launched in 2005 to promote sustainable and innovative collaboration between boards of education and local governments. To date:

- 55 Boards of Education were funded in at least one phase of the original 2005 program;
- 184 projects were completed under the 2008 program;
- 138 projects have been completed under Rounds 1 & 2 of the 2010 program, with an additional 27 projects to be completed. A final program report will be developed when all projects are completed.

A final round of funding will be offered during the 2012/13 school year.

### ***Seniors' Housing & Support Initiative***

Administered for the Ministry of Community, Sport & Cultural Development and Ministry of Health (\$3,579,123 since 2004)

The seniors' program was launched in 2004 to assist local governments to prepare for an aging population by supporting the ability of BC's older adults to age in place. Since then, 4 program streams have been supported and, to date:

- 48 local governments were funded to hold dialogue events;
- 52 pilot projects were completed;
- 28 age-friendly planning initiatives were completed under the 2008 and 2009 program;
- 23 age-friendly planning initiatives or community projects were completed under the 2010 program and two additional projects will complete this year;
- 52 age-friendly planning initiatives or community projects were funded in 2012 and will be completed in early 2013.

A 2013 round of age-friendly funding is expected to be announced later this year.

### ***Strategic Wildfire Prevention Initiative***

Administered for the Ministry of Forests, Lands & Natural Resource Operations (\$62 million since 2004)

The Strategic Wildfire Prevention program has four separate funding streams:

- community wildfire protection plans (CWPP)
- pilots/fuel management demonstration projects
- fuel management prescriptions
- operational fuel treatments.

Between 2004 and 2010, funding supported the completion of 255 CWPPs, and an additional 27 plans are scheduled to be completed this year. Similarly, 207 fuel management prescriptions were completed and nearly another 45 will be completed in 2012. Under the original program, funding was also committed for local governments and First Nations for 27 fuel management pilot projects and more than 115 operational fuel treatments.

In April 2011, the Province provided an additional \$25 million for the Strategic Wildfire Prevention Initiative. The program was launched in June and applications for all four funding streams were reviewed in July and October 2011, and in January and April 2012. A total of 220 projects received for these intakes have either been approved or are under review, of which 29 are fully completed. A further round of applications will be accepted and reviewed in October 2012.

### ***Supporting Treaty Implementation Pilot Project Program***

Administered for the Ministry of Aboriginal Relations & Reconciliation (\$100,000 in 2007)

Initially, the Supporting Treaty Implementation program provided grants for pilot projects that supported treaty implementation through activities such as developing an agreement between a local government and First Nation, establishing a mentoring program, or undertaking a community education campaign. Four projects were completed under the original program.

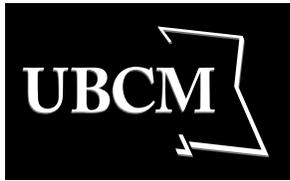
In 2009, UBCM worked with the Ministry to enhance the program in order to support Treaty Advisory Committees (TACs) to participate at treaty tables. This resulted in a program that provided the opportunity for TACs and/or local governments to apply for operating funds for 2009/10, 2010/11, and for 2011/12. In total, 28 TACs and/or local governments received funding in the last 3 years.

### ***West Nile Virus Risk Reduction Initiative***

Administered for the Ministry of Health (\$19 million since 2005)

The West Nile Virus (WNV) Risk Reduction Initiative was developed in 2005 and was available to all local governments and First Nations in BC, with some opportunities for activities on Crown land, until

2009. In early 2010, the Ministry and provincial public health officials engaged in a re-evaluation of the actual risk of WNV in BC and agreed that, largely due to climate factors, large areas of BC are unlikely to be affected by WNV. Based on this, the funding under the 2010 and 2011 WNV program was available only to regional districts (including member municipalities and area First Nations) in the highest risk areas of the province. In early 2012, on the advice of the health officials, the Ministry discontinued the funding program.



# GAS TAX/PUBLIC TRANSIT MANAGEMENT SERVICES

... investing in local government capacity and infrastructure

Administration provided by UBCM  
Funding provided by Government  
of Canada

Canada

In partnership with:



Secretariat

Local Government House  
525 Government Street  
Victoria, BC  
V8V 0A8

Phone: 250-356-2947  
Fax: 250-387-4470

Website:

[www.ubcm.ca](http://www.ubcm.ca)  
under  
Programs & Services

2012 marks UBCM's seventh year delivering funding under the Gas Tax Agreement programs for sustainable infrastructure and capacity building projects in BC.

## Gas Tax Agreement

UBCM's Gas Tax priorities in the first part of 2012 focused on completing the 2010-2011 General Strategic Priorities Fund (GSPF) and Innovations Fund (IF) submission reviews and submitting them to Gas Tax Management Committee for funding decisions.

A total of 51 projects totaling approximately \$100 million were approved throughout the province for a wide range of sustainable infrastructure and capacity building projects under both programs. Announcements for the approved projects occurred between December 2011 and February 2012.

A second intake for both the GSPF and IF programs was announced in early 2012 with a submission closing date of May 2012. The application review for the 2012 intake is currently underway.

The 2011-2014 Regionally Significant Projects Fund program for the eight Tier 2 regions was active through fiscal 2012 with UBCM and provincial Gas Tax staff meeting with all of the Tier 2 regional working groups. The process-based working groups identified eligible infrastructure and capacity building projects regionally, that were larger in scale or regional in impact. The deadline for RSP submissions is September 2012.

According the latest Annual Expenditure Report, 1,300 Gas Tax infrastructure and capacity building projects are completed or in progress in British Columbia. The report also identified an increase in recipient spending on Gas Tax funded projects, especially in the application-based IF, GSPF and RSP programs.

Public transit projects continue to top the list in terms of project category spending, primarily since public transit

has been identified as the priority for Gas Tax funding in the Metro Vancouver area.

Project category reporting by category continues to be split between community energy, local roads/active transportation, water, waste water and capacity building.

## Outreach & Communications

Due to its unique funding model and program scope, one of the key functions of Gas Tax-Public Transit Management Services is provide advice and support to local government concerning the programs eligibility criteria.

Over the past year, administrative staff also presented to chapter meetings of the Local Government Management Association and classes in the public administration program at Capilano University to broaden the general understanding of the program and its potential for communities.

## Reporting & Further Information

UBCM annually produces an Annual Expenditure Report in relation to the Gas Tax Agreement and Public Transit Agreement programs.

In addition to UBCM and recipient financial information, the report provides program details, highlights of projects funded and progress towards the reduced greenhouse gas, cleaner air and cleaner water outcomes expected under the Gas Tax Agreement.

The report is due by September 30 each year and reports on Gas Tax/Public Transit activities for the previous year, with some cumulative information from the inception of the programs. The most recent Annual Expenditure Report is available on our website.

The 2011 Annual Expenditure Report for the 2011 calendar year will also include a wrap up report of the Public Transit Agreement, which delivered funding to March 2011.



Financial Statements of

**UNION OF BRITISH COLUMBIA  
MUNICIPALITIES**

Year ended June 30, 2012



**KPMG LLP**  
**Chartered Accountants**  
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## INDEPENDENT AUDITORS' REPORT

To the Members of the Union of British Columbia Municipalities

We have audited the accompanying financial statements of the Union of British Columbia Municipalities, which comprise the statement of financial position as at June 30, 2012, the statements of operations, changes in net assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Financial Statements*

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

### *Auditors' Responsibility*

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

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

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

KPMG LLP is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. KPMG Canada provides services to KPMG LLP.



*Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Union of British Columbia Municipalities as at June 30, 2012 and its results of operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

*Other Matters*

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The current year's supplementary information included in Schedules 1 through 3 is presented for purposes of additional analysis and is not a required part of the financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

A handwritten signature in black ink that reads 'KPMG LLP' with a horizontal line underneath.

Chartered Accountants

July 20, 2012

Burnaby, Canada

# UNION OF BRITISH COLUMBIA MUNICIPALITIES

## Statement of Financial Position

June 30, 2012, with comparative figures for 2011

	2012	2011
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 10,564,504	\$ 8,058,528
Restricted cash and cash equivalents (note 3)	179,953,239	281,944,386
Accounts receivable	147,026	75,021
Prepaid expenses	100,035	227,640
	<u>190,764,804</u>	<u>290,305,575</u>
Capital assets (note 4)	3,168,546	3,291,210
	<u>\$ 193,933,350</u>	<u>\$ 293,596,785</u>

## Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities	\$ 227,551	\$ 203,406
Convention deposits	36,500	283,783
Deferred revenue and contributions (note 5)	183,329,299	283,424,913
	<u>183,593,350</u>	<u>283,912,102</u>
Other liabilities	111,475	102,862
	<u>183,704,825</u>	<u>284,014,964</u>
Net assets:		
Invested in capital assets (note 6)	3,168,546	3,291,210
Internally restricted (note 7)	5,342,761	4,933,599
Unrestricted	1,717,218	1,357,012
	<u>10,228,525</u>	<u>9,581,821</u>
Trust funds (note 9)		
Commitment (note 10)		
Contingent pension liability (note 11)		
	<u>\$ 193,933,350</u>	<u>\$ 293,596,785</u>

See accompanying notes to financial statements.

Approved on behalf of the Executive Committee:



Director



Director

# UNION OF BRITISH COLUMBIA MUNICIPALITIES

## Statement of Operations

Year ended June 30, 2012, with comparative figures for 2011

	2012	2011
Revenue:		
Annual dues (note 5)	\$ 1,094,350	\$ 1,049,227
Convention and special projects	2,606,656	1,827,500
Members' services	576,355	543,676
Local Government Program Services (note 5)	10,758,613	9,138,440
Gas Tax/ Public Transit (note 5)	219,087,009	228,436,146
Administrative fees (note 8)	893,855	855,138
Investment income	485,323	324,569
	<u>235,502,161</u>	<u>242,174,696</u>
Expenses:		
Salaries and benefits	2,049,653	2,047,672
Executive	226,189	207,920
Members' services	92,150	81,182
Office services and supplies	195,387	212,299
Staff travel	56,316	53,147
Professional fees	55,153	11,984
Office equipment rental	4,050	3,435
Convention and special projects	2,437,718	1,838,542
Local Government Program Services	10,731,632	9,109,316
Gas Tax/ Public Transit	219,007,209	228,363,630
	<u>234,855,457</u>	<u>241,929,127</u>
Excess of revenue over expenses	<u>\$ 646,704</u>	<u>\$ 245,569</u>

See accompanying notes to financial statements.

# UNION OF BRITISH COLUMBIA MUNICIPALITIES

## Statement of Changes in Net Assets

Year ended June 30, 2012, with comparative figures for 2011

	Invested in capital assets (note 6)	Internally restricted	Unrestricted	2012	2011
Balance, beginning of year	\$ 3,291,210	\$ 4,933,599	\$ 1,357,012	\$ 9,581,821	\$ 9,336,252
Excess (deficiency) of revenue over expenses	(158,100)	-	804,804	646,704	245,569
Net change in invested in capital assets	35,436	(35,436)	-	-	-
Interfund transfers	-	444,598	(444,598)	-	-
<b>Balance, end of year</b>	<b>\$ 3,168,546</b>	<b>\$ 5,342,761</b>	<b>\$ 1,717,218</b>	<b>\$10,228,525</b>	<b>\$ 9,581,821</b>

See accompanying notes to financial statements.

# UNION OF BRITISH COLUMBIA MUNICIPALITIES

## Statement of Cash Flows

Year ended June 30, 2012, with comparative figures for 2011

	2012	2011
Cash provided by (used in):		
Operations:		
Excess of revenue over expenses	\$ 646,704	\$ 245,569
Items not involving cash:		
Amortization	158,100	150,717
Other liabilities	8,613	25,000
Changes in non-cash operating working capital:		
Accounts receivable	(72,005)	(2,708)
Prepaid expenses	127,605	(61,218)
Accounts payable and accrued liabilities	24,145	160,936
Convention deposits	(247,283)	257,683
Deferred revenue and contributions	(100,095,614)	42,355,037
	(99,449,735)	43,131,016
Investing:		
Restricted cash and cash equivalents	101,991,147	(42,429,484)
Purchase of capital assets	(35,436)	-
	101,955,711	(42,429,484)
Increase in cash and cash equivalents	2,505,976	701,532
Cash and cash equivalents, beginning of year	8,058,528	7,356,996
Cash and cash equivalents, end of year	\$ 10,564,504	\$ 8,058,528

See accompanying notes to financial statements.

# UNION OF BRITISH COLUMBIA MUNICIPALITIES

Notes to Financial Statements

Year ended June 30, 2012

---

## 1. Operations:

The Union of British Columbia Municipalities (“UBCM”) is incorporated under the Union of British Columbia Municipalities Act and its principal activity is to represent the interests of its members in dealing with other orders of government. The UBCM is a not-for-profit organization and is exempt from income and capital taxes.

The UBCM’s operations include the following significant activities:

- (i) Operating - Reflects the general operating activities and administration functions of the UBCM.
- (ii) Special projects - Administers special services provided to members and to account for the revenue and expenses directly related to the annual convention.
- (iii) Local Government Program Services - The Province of British Columbia has provided funding to the UBCM for shared provincial-local government interests in a variety of fields. The service that the UBCM provides is to control and deliver those funds to members for the purposes of the various programs.
- (iv) Gas Tax / Public Transit - The Government of Canada and the Province of British Columbia have entered into agreements with the UBCM under the Agreement on the Transfer of Federal Gas Tax Revenues under the New Deal for Cities and Communities 2005 - 2015, the Agreement on the Transfer of Funds for Public Transit 2006-2010 and the Public Transit Infrastructure Program to transfer funding to the UBCM to control and deliver the funding to local government organizations in British Columbia. The purpose of the funding is focused on achieving environmental sustainability and the improvement of public transit and infrastructure.

## 2. Significant accounting policies:

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles (“Canadian GAAP”). Significant accounting policies include:

### (a) Financial instruments:

The UBCM accounts for its financial instruments in accordance with the Canadian Institute of Chartered Accountants (“CICA”) Handbook Section 3855, *Financial Instruments – Recognition and Measurement*, and CICA Section 3861, *Financial Instruments – Disclosure and Presentation*, and CICA Section 3865, *Hedges*. These Handbook Sections provide comprehensive requirements for the recognition and measurement of financial instruments, as well as standards on when and how hedge accounting may be applied.

# UNION OF BRITISH COLUMBIA MUNICIPALITIES

Notes to Financial Statements (continued)

Year ended June 30, 2012

---

## 2. Significant accounting policies (continued):

### (a) Financial instruments (continued):

Under these standards, all financial assets and liabilities are classified into one of the following five categories: held for trading, held-to-maturity, loans and receivables, available-for-sale financial assets or other financial liabilities. All financial instruments, including derivatives, are included on the statement of financial position and initially measured at fair market value. Subsequent measurement and recognition of changes in fair value of financial instruments depend on their initial classification.

The UBCM's financial instruments include cash and cash equivalents, restricted cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities and other liabilities. The UBCM classifies its cash and cash equivalents and restricted cash and cash equivalents as held for trading, its accounts receivable as loans and receivables, its accounts payable and accrued liabilities and its other liabilities as other financial liabilities.

The UBCM has elected to defer adoption of CICA Handbook Sections 3862 and 3863 and to continue to apply the financial instrument disclosure and presentation standards in accordance with CICA Handbook Section 3861 as permitted for not-for-profit organizations.

### (b) Cash and cash equivalents:

Cash and cash equivalents includes cash and short-term investments with maturities of three months or less at the date of acquisition. These include Municipal Finance Authority money market funds, which are readily redeemable for cash.

### (c) Capital assets:

Capital assets are recorded at cost less accumulated amortization. Amortization is provided on a straight-line basis over the assets' estimated useful lives as follows:

Asset	Years
Building	25
Office equipment	4

### (d) Revenue recognition:

The UBCM follows the deferral method of accounting for contributions. Accordingly, funding received for specific purposes are deferred and recognized in the period in which the related expenses are incurred.

Donated capital assets are measured at the fair value at the date of contribution. Donated capital assets not subject to amortization, such as land, are recorded as direct increases in net assets in the period the assets are received.

Annual dues and special levies are recorded on the accrual basis of accounting. Accordingly, amounts collected relating to the period subsequent to the year end are recorded as deferred revenue.

# UNION OF BRITISH COLUMBIA MUNICIPALITIES

## Notes to Financial Statements

Year ended June 30, 2012

---

### 2. Significant accounting policies (continued):

(e) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

(f) Capital disclosures:

The UBCM receives its principal source of capital through government agencies and membership dues. The UBCM defines capital to be net assets. In carrying out its purpose, the UBCM regularly distributes its capital through programs, activities and administrative services.

(g) Future accounting changes:

The UBCM is classified as a not-for-profit organization. In December 2010, the Accounting Standards Board of the Canadian Institute of Chartered Accountants ("AcSB") released the accounting standards impacting the future financial reporting framework for not-for-profit organizations. These standards are effective for years beginning on or after January 1, 2012. Organizations have an option to early adopt these new standards.

Under the new accounting standards issued by the AcSB, not-for-profit organizations will apply the Accounting Standards for Not-for-Profit Organizations contained in Part III of the CICA Handbook Accounting. For topics not specifically addressed in Part III, not-for-profit organizations will use Part II: Accounting Standards for Private Enterprises of the CICA Handbook-Accounting.

Not-for-Profit organizations also have the option of adopting International Financial Reporting Standards. The UBCM has elected to adopt the Accounting Standards for Not-for-Profit Organizations and is in the process of reviewing the impact of the new standards.

### 3. Restricted cash and cash equivalents:

Restricted cash and cash equivalents include funds received and interest earned held for specific purposes that are restricted for use by the respective programs.

# UNION OF BRITISH COLUMBIA MUNICIPALITIES

Notes to Financial Statements

Year ended June 30, 2012

## 4. Capital assets:

	Cost	Accumulated amortization	2012 Net book value	2011 Net book value
Land	\$ 252,000	\$ -	\$ 252,000	\$ 252,000
Building	3,347,623	459,691	2,887,932	3,031,917
Office equipment	62,365	33,751	28,614	7,293
	<b>\$ 3,661,988</b>	<b>\$ 493,442</b>	<b>\$ 3,168,546</b>	<b>\$ 3,291,210</b>

## 5. Deferred revenue and contributions:

	Members' dues	Special Projects	Local Government Program Services	Gas Tax / Public Transit	2012	2011
Balance, beginning of year	\$ 532,754	\$ 1,291,712	\$ 43,089,605	\$ 238,510,842	\$ 283,424,913	\$ 241,069,876
Received during the year	1,123,196	2,630,294	911,237	125,348,500	130,013,227	280,084,091
Investment income earned during the year	-	-	-	1,865,148	1,865,148	1,641,691
Recognized as revenue in the year	(1,094,350)	(1,034,017)	(10,758,613)	(219,087,009)	(231,973,989)	(239,370,745)
Balance, end of year	\$ 561,600	\$ 2,887,989	\$ 33,242,229	\$ 146,637,481	\$ 183,329,299	\$ 283,424,913

Under the Gas Tax and Public Transit agreements, the UBCM is required to report on its compliance with the agreement to the Government of Canada and the Province of British Columbia on an annual basis by September 30.

# UNION OF BRITISH COLUMBIA MUNICIPALITIES

Notes to Financial Statements

Year ended June 30, 2012

## 6. Net assets invested in capital assets:

The net assets invested in capital assets are calculated as follows:

	2012	2011
Net assets invested in capital assets, beginning of year	\$ 3,291,210	\$ 3,441,927
Amortization of capital assets	(158,100)	(150,717)
Purchase of capital assets	35,436	-
Net assets invested in capital assets, end of year	\$ 3,168,546	\$ 3,291,210

## 7. Internally restricted net assets:

The internally restricted net assets are comprised of funds allocated by the Executive Committee of the UBCM for future expenditures related to the general operating and special project funds.

## 8. Administrative fees:

The operating fund charges administrative fees to third parties to recover its estimated costs incurred as follows:

	2012	2011
Commercial vehicle license program fund	\$ 16,000	\$ 16,000
UBCM Professional Counsel	838,355	814,138
Local Government Program Services	39,500	25,000
	\$ 893,855	\$ 855,138

# UNION OF BRITISH COLUMBIA MUNICIPALITIES

Notes to Financial Statements

Year ended June 30, 2012

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## 9. Administrative fees:

The UBCM administers the following trust funds where activities and balances are not reflected in the UBCM's financial statements:

(a) Jeff McKelvey scholarship fund:

The Jeff McKelvey scholarship fund was established through contributions from members, the Province of British Columbia and other individuals. Scholarship applications and awards are made within the Union executive's general guidelines by the Board of Examiners.

(b) UBCM / Federation of Canadian Municipalities ("FCM") travel fund:

The UBCM administers the UBCM / FCM travel fund. The purpose of the fund is to assist FCM board members with their travel costs to FCM meetings through per capita levies.

(c) Commercial vehicle license program fund:

Participating municipalities remit license fees collected for commercial vehicles to the UBCM in trust. Surplus funds are distributed to the participating municipalities on December 31 annually.

The funds held by the UBCM, on behalf of the trust funds, as at June 30, are as follows:

	2012	2011
Jeff McKelvey scholarship fund	\$ 91,856	\$ 95,932
UBCM / FCM travel fund	192,426	213,829
Commercial vehicle license program fund	832,637	665,879
	<u>\$ 1,116,919</u>	<u>\$ 975,640</u>

## 10. Commitment:

The UBCM has an operating lease for its office space in Richmond, BC, which expires on June 30, 2017. The annual basic lease payment plus the estimated proportionate share of taxes and operating expenses is \$109,206.

# UNION OF BRITISH COLUMBIA MUNICIPALITIES

Notes to Financial Statements

Year ended June 30, 2012

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## 11. Contingent pension liability:

The UBCM and its employees contribute to the Municipal Pension Plan (the "Plan"), a jointly trustee pension plan. The board of trustees, representing plan members and employers, is responsible for overseeing the management of the Plan, including the investment of the assets and administration of benefits. The Plan is a defined benefit multi-employer contributory pension plan. The Plan has about 173,000 active members and approximately 63,000 retired members. Active members include approximately 35,000 contributors from local governments.

Every three years an actuarial valuation is performed to assess the financial position of the Plan and the adequacy of Plan funding. The latest valuation as at December 31, 2009, indicated an unfunded liability of \$1,024 million for basic pension benefits. The next valuation will be as at December 31, 2012, with results available in 2013. The actuary does not attribute portions of the unfunded liability to individual employers. During the year, the UBCM expensed \$131,811 (2011 - \$111,564) of payments to the Plan.

## 12. Financial Instruments:

### (a) Fair value of financial instruments:

The carrying values of cash and cash equivalents, restricted cash and cash equivalents, accounts receivable, and accounts payable and accrued liabilities approximate their fair values because of their short term to maturity.

### (b) Credit risk:

Credit risk is the risk that a third party to a financial instrument might fail to meet its obligations under the terms of the financial instrument. For cash and cash equivalents, restricted cash and cash equivalents and accounts receivable, the UBCM's credit risk is limited to the carrying value on the statement of financial position. Management does not believe that the UBCM is subject to any significant concentration of credit risk.

### (c) Liquidity risk:

Liquidity risk is the risk that an entity will not be able to meet its obligations associated with financial liabilities. The UBCM manages liquidity risk by maintaining adequate cash and cash equivalents available. The UBCM monitors the cash flow to ensure a sufficient continuity of funding.

### (d) Interest rate risk:

The UBCM is not exposed to significant interest risk as it does not have amounts payable that are charged interest.

## 13. Comparative figures:

Certain 2011 comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year.

# UNION OF BRITISH COLUMBIA MUNICIPALITIES

Notes to Financial Statements

Year ended June 30, 2012

	Operating Fund		Local Government Program Service Fund		Gas Tax / Public Transit Fund		Eliminations	2012		2011	
	Operating Fund	Special Purpose Fund	Government Program Service Fund	Public Transit Fund	Gas Tax / Public Transit Fund	Eliminations		2012	2011		
(Schedule 2)											
Revenue:											
Annual dues	\$ 1,094,350	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,094,350	\$ 1,049,227		
Convention and special projects	-	2,732,692	-	-	-	(126,036)	-	2,606,656	1,827,500		
Members' services	576,355	-	-	-	-	-	-	576,355	543,676		
Local Government Program Services	-	-	10,758,613	-	-	-	-	10,758,613	9,138,440		
Gas Tax / Public Transit	-	-	-	-	219,087,009	-	-	219,087,009	228,436,146		
Administrative fees	1,079,855	-	-	-	-	(186,000)	-	893,855	855,138		
Investment earnings	15,403	71,126	398,794	-	-	-	-	485,323	324,569		
	2,765,963	2,803,818	11,157,407	219,087,009	(312,036)	-	235,502,161	242,174,696			
Expenses:											
Salaries and benefits	2,049,653	-	-	-	-	-	-	2,049,653	2,047,672		
Executive	226,189	-	-	-	-	-	-	226,189	207,920		
Members' services	92,150	-	-	-	-	-	-	92,150	81,182		
Office services and supplies	195,387	-	-	-	-	-	-	195,387	212,299		
Staff travel	56,316	-	-	-	-	-	-	56,316	53,147		
Professional fees	55,153	-	-	-	-	-	-	55,153	11,984		
Office equipment rental	4,050	-	-	-	-	-	-	4,050	3,435		
Convention and special projects	-	2,642,973	-	-	(205,255)	-	-	2,437,718	1,838,542		
Local Government Program Services	-	-	10,758,613	-	(26,981)	-	-	10,731,632	9,109,316		
Gas Tax / Public Transit	-	-	-	-	219,087,009	(79,800)	-	219,007,209	228,363,630		
	2,678,898	2,642,973	10,758,613	219,087,009	(312,036)	-	234,855,457	241,929,127			
Excess of revenue over expenses	87,065	160,845	398,794	-	-	-	-	646,704	245,569		
Net transfer to internally restricted net assets	(10,000)	(35,804)	(398,794)	-	-	-	-	(444,598)	(207,990)		
Excess of revenue over expenses after net transfer to internally restricted net assets	\$ 77,065	\$ 125,041	\$ -	\$ -	\$ -	\$ -	\$ 202,106	\$ 37,579			

# UNION OF BRITISH COLUMBIA MUNICIPALITIES

Schedule of Operations - Special Purpose Fund

Year ended June 30, 2012, with comparative figures for 2011

	Special Projects	Convention	2012	2011
<b>Revenue:</b>				
Convention and seminar fees	\$ 599,068	\$ 849,504	\$ 1,448,572	\$ 1,296,421
Investment earnings	61,175	9,951	71,126	59,290
First Nations (Communities to Communities)	65,612	-	65,612	42,847
BC Healthy Communities	741,783	-	741,783	443,532
Trade show	-	261,817	261,817	950
Sponsorship	-	189,002	189,002	166,440
Other	-	25,906	25,906	1,861
	1,467,638	1,336,180	2,803,818	2,011,341
<b>Expenses:</b>				
Direct	620,992	1,214,586	1,835,578	1,555,073
First Nations (Communities to Communities)	65,612	-	65,612	42,847
BC Healthy Communities	741,783	-	741,783	443,532
	1,428,387	1,214,586	2,642,973	2,041,452
Excess (deficiency) of revenue over expenses	39,251	121,594	160,845	(30,111)
Net transfer from (to) internally restricted net assets	(35,804)	-	(35,804)	39,940
Excess of revenue over expenses after transfers from (to) internally restricted net assets	\$ 3,447	\$ 121,594	\$ 125,041	\$ 9,829

# UNION OF BRITISH COLUMBIA MUNICIPALITIES

Local Government Program Service Fund Deferred Program Revenue

Schedule 3

Year ended June 30, 2012, with comparative figures for 2011

	Program balance, beginning of year	Program funds received during the year	Disbursements to members	Other expenses	Program balance, end of year	2011
Community Wildfire Prevention Program & Fuel Mitigation	\$ 502,168	-	\$ 21,420	\$ 84,790	\$ 395,958	\$ 502,168
Sprinklers (Firestorm)	1,227,930	-	-	103,775	1,124,155	1,227,930
Strategic Wildfire Prevention	39,551,618	-	8,687,197	725,147	30,139,274	39,551,618
Seniors' Housing	505,530	900,000	711,833	30,184	663,513	505,530
Tourism BC	98,734	-	(20,831)	12,203	107,362	98,734
West Nile Virus	1,020,040	-	386,347	16,548	617,145	1,020,040
Other funds	183,585	11,237	-	-	194,822	183,585
	\$ 43,089,605	\$ 911,237	\$ 9,785,966	\$ 972,647	\$ 33,242,229	\$ 43,089,605