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**TO:** Regional District of Nanaimo Board      **MEETING:** January 24, 2017

**FROM:** Daniel Pearce      **FILE:** 8620-01  
A/General Manager, Transportation  
and Emergency Services

**SUBJECT:** AVICC Resolution Vancouver Island Transportation Master Plan

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**RECOMMENDATION**

That the following resolution be forwarded to the Association of Vancouver Island Coastal Communities for consideration at their annual meeting:

WHEAREAS a Vancouver Island Transportation Master Plan would outline Inter-Regional necessary improvement to the Islands transportation network

AND WHEREAS the Ministry of Transportation and Infrastructure has the ultimate responsibility for transportation planning on Vancouver Island

THEREFORE BE IT RESOLVED that the Province of British Columbia prepare a Vancouver Island Transportation Master Plan.

**SUMMARY**

In 2014, the Province of British Columbia created a 10 year Transportation Plan titled *B.C. on the Move*. This plan includes some areas of enhancement for Vancouver Island however, it does not specify the creation of inter-regional transportation plans for Vancouver Island. An Association of Vancouver Island Coastal Communities (AVICC) and Union of British Columbia Municipalities (UBCM) resolution would assist in ensuring that the Province is aware of the growing demands of transit and alternative travel choices on Vancouver Island.

**BACKGROUND**

Vancouver Island has never had an Inter-Regional Transportation Plan. The current B.C. Transportation Plan (*BC On The Move*) includes some areas of enhancement to transportation infrastructure for Vancouver Island however, there is no specific mention of enhancements to transit on Vancouver Island or creating an inter-regional transit plan to link Island communities together.

Vancouver Island's population is growing, increasing 3% from 748,488 in 2012 to 773,282 in 2016. This growth coupled with increasingly important factors such as an aging demographics and climate change will continue to place even more pressure on the existing transportation and transit networks.

The importance of linking Vancouver Island communities together by inter-regional transit, as well as other modes of transportation, is crucial for Vancouver Island's economic growth.

## **ALTERNATIVES**

1. The Association of Vancouver Island Coastal Communities be requested to consider the resolution to request that the Province create a Vancouver Island Master Transportation Plan that includes inter-regional transit solutions.
2. The Board provide alternate direction.

## **FINANCIAL IMPLICATIONS**

There are no financial implications.

## **STRATEGIC PLAN IMPLICATIONS**

The report supports the Board's Strategic Priority of viewing transportation as a core element of service and organizational excellence.



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Daniel Pearce  
[dpearce@rdn.bc.ca](mailto:dpearce@rdn.bc.ca)  
January 12, 2017

Reviewed by:

- P. Carlyle, Chief Administrative Officer
- Corporate Leadership Group

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**TO:** Regional District of Nanaimo Board      **MEETING:** January 24, 2017  
**FROM:** Wendy Idema, Director of Finance      **FILE:** 0230-20-AVICC  
**SUBJECT:** AVICC Proposed Resolution – *Bill C-15* Federal Banking “Bail-In” Legislation

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**RECOMMENDATION**

That the following resolution be forwarded to the Association of Vancouver Island and Coastal Communities for consideration at their annual meeting:

**WHEREAS** the *Canada Economic Plan (2014)* and *Bill C-15 (2016)* enact legislation for a Bail-in regime for “domestic - systemically important” banks (D-SIBs) providing power to the Canada Deposit Insurance Corporation to convert prescribed debt of a non-viable bank into common shares (Bail-in);

**AND WHEREAS** local governments in British Columbia accumulate large financial reserves through taxation to hold for future infrastructure development both directly with banks and through the Municipal Finance Authority investment program, the loss of which through a Bail-in program would widely harm all local governments;

**THEREFORE BE IT RESOLVED** that the Provincial Government take measures to reduce the risk of local government reserves being used for Bail-In conversion, either by promoting changes to federal legislation to specifically exclude local government reserves from Bail-in or by promoting legislation such as *Glass-Steagall* rules; or if unable to do this, by creation of a secure repository for reserve funds, and/or by providing advice to local governments to avoid Bail-In risk.

**SUMMARY**

Director Fell has advised of his concern relating to local government bank deposits and requested that the above motion be presented to the RDN Board for approval for submission to the Association of Vancouver Island and Coastal Communities (AVICC) for consideration at their annual meeting. Banking regulations and the particulars of *Bill C-15*’s Bail-in legislation are very complex and it is difficult to determine the specific impacts to local government reserves if one of the D-SIB banks was to fail and the Bail-in process was undertaken. Summary information is attached that provides background on *Bill C-15* and the Bail-in legislation. It should be noted there could be some future exposure for local government funds. The motion requests that the Province review the legislation and identify measures to ensure the safety of local government deposits.

**BACKGROUND**

Director Fell’s motion requires the RDN Board’s approval for submission to the Association of Vancouver Island and Coastal Communities (AVICC) for consideration at their annual meeting. Summary

documents provided by Director Fell, as well as some additional information that provides background on *Bill C-15* and the Bail-in legislation included in Attachment 1.

*The Budget Implementation Act 2016 (Bill C-15)* amended the *Canada Deposit Insurance Corporation Act (CDIC Act)* and *Bank Act* to provide a legislative framework for a bail-in regime for Canada’s domestic systemically important banks (D-SIBs - i.e. Bank of Montreal, The Bank of Nova Scotia, Canadian Imperial Bank of Commerce, National Bank of Canada, Royal Bank of Canada, and The Toronto-Dominion Bank) and includes accompanying enhancements to CDIC’s authority to govern the banks in the event of failure.

The bail-in regime will allow the CDIC and other federal authorities to convert certain prescribed debt of a failing D-SIB into common shares in order to recapitalize the bank and allow it to remain open and operating. The CDIC information received indicates that only prescribed long-term debt would be subject to the bail-in power, and all deposits would be excluded. The CDIC also indicate the regulations required to bring these new legislative powers into effect have not yet been published, but the Department of Finance is drafting the guidelines and details for the legislation, which will be published in 6-8 weeks in the Canada Gazette. The publication will confirm what are bail-in and convertible investments and provide sufficient clarity around the 400 day rule (initial information is that only debt held for over 400 days would be included for possible conversion). The regulations will provide guidance for CDIC to manage and incorporate the regulations into their mandate. The legislation will only apply to prescribed debt instruments that are issued or amended after the regulations come into force.

Bail-in legislation is extremely complex and it is difficult to determine the impacts on local government reserves should a D-SIB be at risk of failure and be taken under the control of the CDIC. There are many different perspectives on the legislation’s potential impacts; however it should be noted that most G20 countries are enacting similar legislation the intent of which is to put responsibility for bank failure on investors rather than taxpayers. As well, the Canadian banking system is considered to be one of the safest in the world as seen after the 2008 financial crisis in comparison to the United States.

Staff have been in discussion with other local government finance staff to determine whether others have similar concerns. At this time all those contacted have indicated they are waiting for the regulations to be published and implementation notice provided before requesting any provincial response.

If there was a significant Canadian financial crisis as seen by the United States in 2008 including bank failures, there would likely be far reaching impacts that likely would include local governments. RDN Finance staff endeavor to ensure diversification of our financial portfolio in a broad range of investments in order to reduce systemic risk exposure as does the MFA. The Local Government Act and Community Charter limit where funds can be invested and our funds are held in senior debt instruments only as a result of this. It is possible that the Province will increase restrictions on what investments can be made in order to avoid risk related to any Bail-in impacts in response to this legislation.

The *Glass-Steagall* type legislation, suggested by Director Fell as an alternative, relates to U.S. banking legislation enacted during the 1930’s and subsequently repealed in 1999. A Wikipedia description of it is attached as well.

## **ALTERNATIVES**

1. That AVICC be requested to consider the resolution requesting the Province review impacts to local government reserves as a result of the Bail-in component of *Bill C-15*.
2. That AVICC not be requested to consider the resolution requesting the Province review impacts to local government reserves as a result of the Bail-in component of *Bill C-15*.

## **FINANCIAL IMPLICATIONS**

There are no current financial implications to the RDN related to this motion and it is very difficult to assess any future impacts resulting from potential bank failures.

## **STRATEGIC PLAN IMPLICATIONS**

Director Fell’s concern for local government deposits and his corresponding request for a provincial review of impacts related to Bill C-15 is supported by the Strategic Plan’s Governing Principle to Anticipate and Act and to be proactive to prevent problems before they arise.



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Wendy Idema (widema@rdn.bc.ca)

January 6, 2017

### **Reviewed by:**

- P. Carlyle, Chief Administrative Officer
- Corporate Leadership Group

### **Attachments:**

1. Background Information regarding Bill C-15 Bail-in provisions
2. Wikipedia extract regarding *Glass-Steagall* legislation

## Attachment 1

### Legislative Summary of Bill C-15: An Act to implement certain provisions of the budget tabled in Parliament on March 22, 2016 and other measures \*

Copy of section on Bail-in only from this website

[http://www.lop.parl.gc.ca/About/Parliament/LegislativeSummaries/bills\\_ls.asp?Language=E&ls=C15&Mode=1&Parl=42&Ses=1&source=library\\_prb](http://www.lop.parl.gc.ca/About/Parliament/LegislativeSummaries/bills_ls.asp?Language=E&ls=C15&Mode=1&Parl=42&Ses=1&source=library_prb)

#### 2.6.5 Bank Recapitalization Regime (Bail-in Regime)

Division 5 creates a bank recapitalization – or bail-in – regime that would attempt to restore a Canadian bank to viability in the event that it has reached or is approaching non-viability. Bail-in regimes aim to limit taxpayer exposure – known as "bail-out" exposure – by having a failing systemically important financial institution's shareholders and creditors absorb any losses. Domestic systemically important banks (D-SIBs) are said to be "too big to fail," meaning that they cannot be wound down using a conventional bankruptcy and liquidation process without imposing significant costs on the country's financial system and its economy.<sup>17</sup>

In particular, Division 5 contains three main components that establish and implement a bail-in regime for Canada:

- ② the maintenance, by D-SIBs, of a minimum capacity to absorb losses;
- ② the ability of the Canada Deposit Insurance Corporation (CDIC) to control a D-SIB on a temporary basis; and
- ② the ability of the CDIC to recapitalize a D-SIB by converting its non-common shares, subordinated debt and prescribed senior liabilities into common shares.

Clauses 156 to 162 comprise the first component of the regime. They amend the Bank Act to allow the Superintendent of Financial Institutions to designate or revoke a bank's status as a D-SIB; require D-SIBs to maintain a minimum capacity to absorb losses; and outline the measures that the superintendent may take in the event that a D-SIB does not maintain the required minimum capacity to absorb losses. The amount and type of capital that constitutes the required minimum capacity to absorb losses will be prescribed in forthcoming regulations.

Division 5 also amends the Canada Deposit Insurance Corporation Act. Clauses 127 to 129 provide the CDIC with the ability to assess and report on the capacity of a member institution – which may be a D-SIB – to absorb losses and on its legislative and regulatory compliance. They also enable the CDIC to assume a member institution's liabilities.

Clauses 133(4) and 142 relate to the second component of the regime. The clauses amend the Canada Deposit Insurance Corporation Act to broaden the CDIC's powers to control a D-SIB on a temporary basis when the Superintendent of Financial Institutions believes that the D-SIB has reached or is approaching non-viability. Following an order by the Governor in Council, the CDIC is appointed as receiver in relation

to the D-SIB during a stabilization process that can last up to five years. Clause 133(4) provides the CDIC with the power to remove or appoint directors to the D-SIB's board after the order for receivership has been made. Clause 142 sets out the compensation owed to the member institution that is under receivership in transactions that the CDIC carries out on the institution's behalf.

Finally, clauses 131(2), 131(3) and 139 are focused on the regime's third component. The clauses amend the Canada Deposit Insurance Corporation Act to allow the CDIC to recapitalize the D-SIB by converting non-common shares, subordinated debt and prescribed senior liabilities into common shares only when the Governor in Council has made a vesting or receivership order. These clauses also give the CDIC the power to convert the member institution's shares and liabilities into common shares.

Clauses 130, 131(1), 131(4) to 131(11), 132, 133(1) to 133(3), 133(5) to 133(7), 134 to 138, 143 to 145 and 149 relate to vesting, receivership or bridge institution orders. Once an order has been made, the following actions take place:

☐ The CDIC manages the shares and subordinated debt subject to the order, gives directions to the member institution's board of directors, makes or amends the member institution's bylaws, and recovers costs incurred in operating the member institution.

☐ The rights of the member institution's shareholders are suspended.

☐ The powers of any party that holds an interest in the member institution, including its directors, are limited so as not to interfere with the powers of the CDIC.

Clauses 131(5) to 131(11) identify the means by which the member institution's shareholders holding converted capital may seek compensation for financial loss occurring as a result of the conversion after a vesting, receivership or winding-up order has been issued.

Clause 137 specifies that a federal member institution that becomes a subsidiary or a bridge institution of CDIC as a result of an order is not an agent of CDIC or a Crown corporation.

Clause 138 sets out the monitoring and reporting roles of the Office of the Superintendent of Financial Institutions once an order has been made.

Clause 149 mandates the Treasury Board to assume liability for the financial loss that, acting lawfully or in good faith, the directors and officers of a CDIC member institution under a vesting or receivership order might suffer in any domestic or international civil or criminal action against them.

Clauses 141 and 142 set out the conditions, timing and compensation owed to shareholders, creditors and other interested parties with respect to the winding-up of a CDIC member institution.

UBCM 2016

## ARE RESERVE DEPOSITS OF BC MUNICIPALITIES AT RISK IN BILL C-15 "BAIL IN" ACT?

In April of 2016 the Federal Liberal Government introduced Bill C-15 entitled ***An Act to implement certain provisions of the budget tabled in Parliament on March 22, 2016 and other measures***. The bill concerns the potential of a domestically significant bank becoming insolvent and causing a collapse of the Canadian banking system. The six banks listed are: Bank of Montreal, Bank of Nova Scotia, Canadian Imperial Bank of Commerce, National Bank of Canada, Royal Bank of Canada, and Toronto-Dominion Bank. These banks have been so designated by the Office of the Superintendent of Financial Institutions ("OSFI") which under Bill C-15, is empowered to make a determination of near insolvency of such a bank. If that determination is made, the "OSFI" then instructs the government to appoint the Canada Deposit Insurance Corporation ("CDIC") as trustee with the power to convert certain debt and liabilities of such a bank into common shares to forestall insolvency.

What type of deposits, debt or liabilities of the failing bank that would be converted to common stock, "bail-in," has yet to be set out in Bill C-15. This feature, according to Bill C-15, is to be specified in regulations to the ***Canada Deposit Insurance Corporation Act***, which have yet to be prescribed. What appears to be the case is that rather than engendering opposition over who will have their funds wiped out by a "bail-in," the specifics of implementation are being left open for when a bank crisis occurs. The main question then is, are the reserve deposits in banks of BC municipalities at risk in the event of a failing domestically significant bank? Yes, they are.

The most disturbing feature of Bill C-15 is that it does not specify whether deposits are exempt from conversion to worthless stock. There is a fundamental principle in banking which is being altered. Deposits are being put in the same category as investments. Traditionally when a bank fails, it is the depositors who are most protected and the investors less protected. This is because deposits are not investments, and are the basis of the day to day commercial lending activity vital to the community. In preventing the insolvency of a domestically systemically important bank, it is contracts on leveraged speculation, such as derivatives, which are the most protected and not the depositors. This is the case because when a major bank default occurs on leveraged speculation contracts, it does not just wipe out that one bank, it wipes out the whole banking system. In this context, regardless of the impact of the loss of municipal bank reserves on communities, the municipal bank reserves are not considered by either the banks, or the Federal government at this time to be "systemically important."

There is another way of dealing with this. That is to break up the domestically systemically important banks, such that there is once again a separation between commercial banking and



investment banking. In Canada this was called the "four pillars," the same thing in the U.S. was called "Glass-Steagall." The "four pillars" separation of investment and deposit laws were repealed in Canada in 1987 in order to help establish "universal banking." In the U.S. the repeal of Glass-Steagall bank separation laws occurred in 1999. Restoring bank separation measures allows the investment part of the bank to fail, while the commercial part, the part dealing with the real economy, can remain in operation without converting deposits to worthless stock.

This is a vital issue for all communities. Reports abound of the Royal Bank of Canada being in trouble, or internationally, banks like Deutsche Bank, and many others being in trouble on a much larger scale. The question then is, what can the UBCM, the BC Provincial Legislative Assembly, and the BC government do to protect the Province and the its communities from the fall-out of a financial crisis "bail in?" This is a question that every participant at the 2016 UBCM conference needs to be considering. What follows are some ideas about how to approach this situation.

The political power of all BC institutions collectively on the Federal Level is quite considerable. Provisions either do exist for the Bank of Canada, or could easily be established, such that Bill C-15 could be overridden in a financial crisis, and instead of a "bail-in," one could have sweeping bank separation instead. If other Provinces are brought into this with similar concerns for their communities, the combined political clout of the Provinces could impact the manner in which a financial crisis of the "too big to fail" is handled. As it stands now, the Federal Government of Canada has not made clear which way they will go in the event of such a bank crisis. This is a matter which will be politically determined, and the Provinces need to weigh in on the side of their interests, in the welfare and wellbeing of their communities, and not allow other interests to set the agenda and determine the outcome of who takes the hit in a bank crisis.

The other issue is, what measures could the Province adopt on their own to separate the depositors from the investors? What existing BC Provincial laws could help in doing so, and what potential Provincial laws could be passed to do so?

These are the questions that need to be seriously examined by all attendees of the 2016 UBCM Convention in Victoria. Proper forethought on these matters could save our communities in a banking crisis.

Paul Glumaz

International LaRouche Movement

BC Chapter

For further contact, email:

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## Idema, Wendy

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**From:** Clarke Olsen <COlsen@cdic.ca>  
**Sent:** Friday, December 16, 2016 12:58 PM  
**To:** Idema, Wendy  
**Cc:** CDIC Info - Info SADC  
**Subject:** RE: Question re: your Jun 24 Media Release on Bail In

Dear Ms. Idema:

Thank you for your e-mail dated December 8, 2016.

Please note that [info@cdic.ca](mailto:info@cdic.ca) is our address for public inquiries.

In addition to insuring deposits held in Canadian banks, trust companies, loan companies and cooperative credit associations, Canada Deposit Insurance Corporation (CDIC) is Canada's resolution authority for such entities. This means that CDIC takes the lead in handling failure of these member institutions – from smallest to largest – to protect eligible deposits.

*Bill C-15, the Budget Implementation Act 2016* amended the *Canada Deposit Insurance Corporation Act (CDIC Act)* and *Bank Act* to provide a legislative framework for a bail-in regime for Canada's systemically important banks (i.e. Bank of Montreal, The Bank of Nova Scotia, Canadian Imperial Bank of Commerce, National Bank of Canada, Royal Bank of Canada, and The Toronto-Dominion Bank) and includes accompanying enhancements to CDIC's resolution toolkit. These amendments strengthen Canada's resolution authorities' ability to protect taxpayers and depositors in the unlikely event of a failure of a systemically important bank.

The bail-in regime will allow resolution authorities to convert certain prescribed debt of a failing systemically important bank into common shares in order to recapitalize the bank and allow it to remain open and operating. Only prescribed long-term debt would be subject to the bail-in power, and all deposits would be excluded. Bail-in would not change the insurance protection that CDIC offers to depositors – their deposits would remain protected.

To support authorities' ability to undertake a bail-in and resolve a failing bank, the legislative amendments will include the following:

- they permit the Superintendent of Financial Institutions to designate individual banks to which the bail-in regime would apply as "domestic systemically important banks";
- they provide new powers for CDIC to undertake a bail-in by converting prescribed debt of a non-viable domestic systemically important bank into common shares;
- they enhance CDIC's powers that are necessary to resolve a failed bank and to undertake a bail-in conversion—including powers for CDIC to take temporary control or ownership of a non-viable bank;
- they require domestic systemically important banks to maintain a minimum amount of regulatory capital and debt subject to the new bail-in conversion power; and,
- they authorize the Governor in Council to make regulations respecting the features described above.

The regulations required to bring these new legislative powers into effect have not yet been published, but are expected to clarify which debt of systemically important banks will be eligible for conversion under the new bail-in power. As noted above, bail-in is not meant to capture deposits and, as specified in the legislation, is not intended to be retroactive – in other words, it will only apply to prescribed debt instruments that are issued or amended after the regulations come into force.

Sincerely,

Clarke Olsen

*Information Agent/Agente d'information*

*Canada Deposit Insurance Corporation/Société d'assurance-dépôts du Canada*

Please Note: CDIC does not provide legal advice to third parties and does not issue rulings on the interpretation or application of the Canada Deposit Insurance Corporation Act ("CDIC Act"), its by-laws, or any related legislation. These are legal matters for which only the courts can provide decisive answers. This reply is subject to those caveats.

Veuillez Noter que la SADC ne fournit pas de conseils juridiques à des tiers. En outre, elle ne rend pas de décisions quant à l'interprétation ou à l'application de la Loi sur la Société d'assurance-dépôts du Canada (Loi sur la SADC), de ses règlements administratifs ou d'autres lois connexes. Seuls les tribunaux peuvent donner une réponse décisive à de telles questions de droit. La réponse qui suit est donnée sous bénéfice de cette mise en garde.

**From:** Idema, Wendy [mailto:WIdema@rdn.bc.ca]

**Sent:** Thursday, December 08, 2016 9:19 PM

**To:** Media <Media@cdic.ca>

**Subject:** Question re: your Jun 24 Media Release on Bail In

Hello

I'm hoping you can put me in touch with someone at the CDIC who can talk about what *Bill C-15, the Budget Implementation Act 2016* actually means in relation to the section on Bail In and Deposit Protection and whether the related regulation has been implemented. We have a Board member who believes the legislation will put our reserves and deposits at risk and that legislation similar to Glass-Steagall should be enacted in Canada. I have been tasked with obtaining additional information on what this section of Bill C-15 means and what liabilities of a bank would be considered at risk for conversion to common shares, etc.

Any and all help would be much appreciated.

Wendy

*Wendy Idema, CPA, CGA*

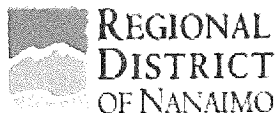
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May 3, 2016

## Update on Canada's Bail-in Regime

Author(s): Victoria Graham, Kashif Zaman

On April 20th, the Canadian Federal Government introduced legislation to implement a bank recapitalization or “bail-in” regime for domestic systemically important banks (D-SIBs). The Office of the Superintendent of Financial Institutions (OSFI) has designated six Canadian institutions as D-SIBs: Bank of Montreal, Bank of Nova Scotia, Canadian Imperial Bank of Commerce, National Bank of Canada, Royal Bank of Canada, and Toronto-Dominion Bank of Canada. The draft legislation provides a framework for the conversion of certain eligible shares and liabilities of the D-SIB into common equity of the bank (or any of its affiliates) in the event the D-SIB becomes non-viable. The purpose of the conversion is to recapitalize the bank and allow it to continue operating without the need for a government bail-out. The initiative is consistent with international efforts to address the potential risks to the global financial system of institutions that are perceived as being “too-big-to-fail.”

### BAIL-IN PROCESS

The legislation amends the *Canada Deposit Insurance Corporation Act (CDIC Act)* to, among other things, permit the Canada Deposit Insurance Corporation (CDIC) to be appointed as the receiver of the D-SIB and for the CDIC to convert certain shares and liabilities of the D-SIB into common shares of the bank (or any of its affiliates) where the Superintendent of the Office of the Superintendent of Financial Institutions is of the opinion that the bank has ceased, or is about to cease, to be viable, and that its viability cannot be restored through the exercise of the Superintendent's powers.

The types of shares and liabilities subject to the conversion will be set out in regulations to the *CDIC Act*. While these regulations have not yet been prescribed, in its previous consultation paper, the government had proposed that “long-term senior debt” (i.e., senior unsecured debt that is tradable and transferable with an original term to maturity of over 400 days) would be subject to conversion through the exercise of the statutory conversion power (consumer deposits are proposed to be excluded from the application of the bail-in regime). The terms and conditions of the conversion, including its timing, will also be set out in the regulations.

The proposed statutory conversion supplements the existing Non-Viable Contingent Capital (NVCC) regime which requires the contractual conversion of subordinated debt and preferred equity into common equity upon the occurrence of certain trigger events. As of January 1, 2013, all Canadian banks' newly issued non-common capital must be NVCC compliant in order to qualify as regulatory capital.

## MINIMUM “LOSS ABSORPTION” CAPACITY

The draft legislation also amends the *Bank Act* to require D-SIBs to maintain a minimum capacity to absorb losses to be determined by the Superintendent in consultation with the other members of the committee established under Section 18(1) of the *Office of the Superintendent of Financial Institutions Act*. Loss absorption instruments for these purposes include regulatory capital as well as shares and liabilities subject to the statutory conversion power.

## TIMING AND NEXT STEPS

There is no established timetable for the draft legislation and it will need to go through the normal parliamentary process before coming into force. Much of the detail of the proposed new Canadian bank bail-in regime will be set out in regulations which have yet to be established. The consequences of the mechanics, including tax consequences arising on the conversion of debt to common shares, will need to be examined carefully, including any impact on non-resident investors. For example, we expect that the bail-in regime would require changes to D-SIBs’ domestic and international funding programs. As well, a number of D-SIBs have traditionally issued senior notes in the Canadian market using simple term sheets and note documents and these documents would also need to be reviewed and revised. Osler has considered the implications of bail-in regime in the context of recent transactions and similar instruments.

## CONTACT US

For more information, please visit [osler.com](http://osler.com) or contact the following individual(s):

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# Joe Oliver: How the budget's bank 'bail-in' changes could cost Canadian depositors



JOE OLIVER, SPECIAL TO FINANCIAL POST | April 20, 2016 2:32 PM ET  
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Joe Oliver: Bank customers have a right to know for certain that the government does not intend to undermine the safety of their unsecured deposits.

Special to Financial Post

**Customers have to pay an 'insurance' premium to keep our banks safe.**

The arcane world of bank regulation is not everyone's cup of tea. However, it can have important implications for taxpayers, bank creditors and customers, which is to say most Canadians. One example is a "bail-in" regime for banks in financial trouble.

The story begins with the financial crisis of 2007–09. International banks "too big to fail" were bailed out by governments in order to avert financial contagion that could have had disastrous consequences for a global economy reeling from the Great Recession. Taxpayers ended up footing a bill in the trillions of dollars for imprudent risks assumed by the big banks, inadequate oversight of systemic risk by regulators, failure of rating agencies to properly evaluate credit, money laundering, insider trading and speculators who shorted the market.

Fortunately, not a single Canadian bank had to be bailed out because of conservative bank practices and prudent oversight by the Office of the Superintendent of Financial Institutions (OSFI). That prudence continues. Indeed, the World Economic Forum declared our banking system the soundest in the world, for the eighth year in a row.

### Related

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Alas, no good deed goes unpunished. As a participant in the international financial system Canada has to harmonize with other jurisdictions when they decide, however belatedly, to get their own houses in order. To reduce global systemic risk and not expose taxpayers to the cost of another bail-out, they came up with a bail-in process for non-viable banks.

The basic concept is that a failing domestic systemically important bank (D-SIB) could have its eligible contingent capital permanently converted into common shares to allow it to continue operating. Our six largest banks were designated as D-SIBs by OSFI. Last year's budget provided that only unsecured debt that is tradable and transferable and with an original term to maturity of 400 days or more would be subject to conversion. That would have excluded all deposits.

This year's budget says that responsibility for banks' risks will rest with shareholders and creditors who hold eligible long-term debt. It is curiously silent about depositors, who are also creditors. And remember that GICs can have a maturity up to 10 years. Subsequently, the Finance Department indicated that all deposits, including guaranteed deposits, would be exempt from a bail-in. Yet it did not specifically refer to unsecured deposits, i.e., those deposits in excess of the \$100,000 guaranteed by the Canada Deposit Insurance Corp. Assuming this is not studied ambiguity, it appears they are also exempt, which would be a good thing.

The implications of a different approach were dramatically illustrated in the spring of 2013 when desperate Cypriots lined up to withdraw their bank deposits. Ultimately, 47.5 per cent of bank deposits over 100,000 euros were converted into equity, for a loss of roughly 4 billion euros. Since confidence is absolutely central to any banking system, that scenario, however unlikely, should not even be a theoretical possibility here.

While the bail-in regimes elsewhere apply to uninsured deposits, we do not need to mimic their every detail. Also, their deposits are insured for more — US\$250,000 or roughly \$325,000 in the U.S. and 100,000 euros or almost \$150,000 in Europe. Furthermore, our sound banking system is arguably in less need of protection. Then there is the issue of fairness and confidence. Canadians deposit their savings in banks with the expectation of getting their money back. They certainly do not contemplate that their savings might be converted into common stock when a bank is in trouble. People may use banks for longer-term savings or to park money temporarily in a safe place, for example when they sell their home or a family business. Concern about the safety of bank deposits would erode confidence in the banking system.

The new system is not without cost. When a bank issues non-viable contingent bonds or preferred shares, it must pay investors a higher rate than for senior debt. The result is an increased cost of capital for the banking system, which will be transferred to consumers. So, while taxpayers are protected from an unlikely financial disaster, bank customers (which is to say, pretty much all of us) have to pay an "insurance" premium to keep our banks safe.

There is another unintended consequence. When the financial crisis hit Canada, several banks raised equity to bolster their capital. The recapitalization process will make that unlikely. After all, who would want to invest in a bank's common stock if its contingent capital is about to be converted into equity, with massive shareholder dilution?

Overall, Canadians will benefit from the greater safety of a bail-in regime. However, the Parliamentary Budget Office called this year's budget less transparent than previous Conservative and Liberal budgets. Unnecessary doubt about who can be bailed-in is another instance of that. Bank customers have a right to know for certain that the government does not intend to undermine the safety of their unsecured deposits.

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# Glass–Steagall legislation

From Wikipedia, the free encyclopedia

The **Glass–Steagall Act** describes four provisions of the U.S. Banking Act of 1933 that limited securities, activities, and affiliations within commercial banks and securities firms.<sup>[1]</sup>

The Glass–Steagall Act also is used to refer to the entire Banking Act of 1933, after its Congressional sponsors, Senator Carter Glass (Democrat) of Virginia, and Representative Henry B. Steagall (D) of Alabama.<sup>[2]</sup> This article deals with only the four provisions separating commercial and investment banking. The article 1933 Banking Act describes the entire law, including the legislative history of the Glass–Steagall provisions separating commercial and investment banking. A separate 1932 law also known as the Glass–Steagall Act is described in the article Glass–Steagall Act of 1932.

Starting in the early 1960s, federal banking regulators interpreted provisions of the Glass–Steagall Act to permit commercial banks and especially commercial bank affiliates to engage in an expanding list and volume of securities activities.<sup>[3]</sup> Congressional efforts to "repeal the Glass–Steagall Act", referring to those four provisions (and then usually to only the two provisions that restricted affiliations between commercial banks and securities firms),<sup>[4]</sup> culminated in the 1999 Gramm–Leach–Bliley Act (GLBA), which repealed the two provisions restricting affiliations between banks and securities firms.<sup>[5]</sup>

By that time, many commentators argued Glass–Steagall was already "dead."<sup>[6]</sup> Most notably, Citibank's 1998 affiliation with Salomon Smith Barney, one of the largest US securities firms, was permitted under the Federal Reserve Board's then existing interpretation of the Glass–Steagall Act.<sup>[7]</sup> President Bill Clinton publicly declared "the Glass–Steagall law is no longer appropriate."<sup>[8]</sup>

Many commentators have stated that the GLBA's repeal of the affiliation restrictions of the Glass–Steagall Act was an important cause of the financial crisis of 2007–08.<sup>[9][10]</sup> Economists at the Federal Reserve, such as Ben Bernanke, have argued that the activities linked to the financial crisis were not prohibited (or, in most cases, even regulated) by the

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## Sponsors

The sponsors of both the Banking Act of 1933 and the Glass–Steagall Act of 1932 were southern Democrats: Senator Carter Glass of Virginia (who in 1932 had been in the House, Secretary of the Treasury, or in the Senate, for the preceding 30 years), and Representative Henry B. Steagall of Alabama (who had been in the House for the preceding 17 years).

## Legislative history

Between 1930 and 1932 Senator Carter Glass (D-VA) introduced several versions of a bill (known in each version as the Glass bill) to regulate or prohibit the combination of commercial and investment banking and to establish other reforms (except deposit insurance) similar to the final provisions of the 1933 Banking Act.<sup>[14]</sup> On June 16, 1933, President Roosevelt signed the bill into law. Glass originally introduced his banking reform bill in January 1932. It received extensive critiques and comments from bankers, economists, and the Federal Reserve Board. It passed the Senate in February 1932, but the House adjourned before coming to a decision. The Senate passed a version of the Glass bill that would have required commercial banks to eliminate their securities affiliates.<sup>[15]</sup>



Sen. Carter Glass (D–Va.) and Rep. Henry B. Steagall (D–Ala.-3), the co-sponsors of the Glass–Steagall Act.

The final Glass–Steagall provisions contained in the 1933 Banking Act reduced from five years to one year the period in which commercial banks were required to eliminate such affiliations.<sup>[16]</sup> Although the deposit insurance provisions of the 1933 Banking Act were very controversial, and drew veto threats from President Franklin Delano Roosevelt, President Roosevelt supported the Glass–Steagall provisions separating commercial and investment banking, and Representative Steagall included those provisions in his House bill that differed from Senator Glass's Senate bill primarily in its deposit insurance provisions.<sup>[17]</sup> Steagall insisted on protecting small banks while Glass felt that small banks were the weakness to U.S. banking.

Many accounts of the Act identify the Pecora Investigation as important in leading to the Act, particularly its Glass–Steagall provisions, becoming law.<sup>[18]</sup> While supporters of the Glass–Steagall separation of commercial and investment banking cite the Pecora Investigation as supporting that separation,<sup>[19]</sup> Glass–Steagall critics have argued that the evidence from the Pecora Investigation did not support the separation of commercial and investment banking.<sup>[20]</sup>

This source states that Senator Glass proposed many versions of his bill to Congress known as the Glass Bills in the two years prior to the Glass–Steagall Act being passed. It also includes how the deposit insurance provisions of the bill were very controversial at the time, which almost led to the rejection of the bill once again.

The previous Glass Bills before the final revision all had similar goals and brought up the same objectives which were to separate commercial from investment banking, bring more banking activities under Federal Reserve supervision and to allow branch banking. In May 1933 Steagall's addition of allowing state chartered banks to receive federal deposit insurance and shortening the time in which banks needed to eliminate securities affiliates to one year was known as the driving force of what helped the Glass–Steagall act to be signed into law.

## Separating commercial and investment banking

The Glass–Steagall separation of commercial and investment banking was in four sections of the 1933 Banking Act (sections 16, 20, 21, and 32).<sup>[1]</sup> The Banking Act of 1935 clarified the 1933 legislation and resolved inconsistencies in it. Together, they prevented commercial Federal Reserve member banks from:

- dealing in non-governmental securities for customers
- investing in non-investment grade securities for themselves
- underwriting or distributing non-governmental securities
- affiliating (or sharing employees) with companies involved in such activities

Conversely, Glass–Steagall prevented securities firms and investment banks from taking deposits.

The law gave banks one year after the law was passed on June 16, 1933 to decide whether they would be a commercial bank or an investment bank. Only 10 percent of a commercial bank's income could stem from securities. One exception to this rule was that commercial banks could underwrite government-issued bonds.

There were several "loopholes" that regulators and financial firms were able to exploit during the lifetime of Glass–Steagall restrictions. Aside from the Section 21 prohibition on securities firms taking deposits, neither savings and loans nor state-chartered banks that did not belong to the Federal Reserve System were restricted by Glass–Steagall. Glass–Steagall also did not prevent securities firms from owning such institutions. S&Ls and securities firms took advantage of these loopholes starting in the 1960s to create products and affiliated companies that chipped away at commercial banks' deposit and lending businesses.

While permitting affiliations between securities firms and companies other than Federal Reserve member banks, Glass–Steagall distinguished between what a Federal Reserve member bank could do directly and what an affiliate could do. Whereas a Federal Reserve member bank could not buy, sell, underwrite, or deal in any security except as specifically permitted by Section 16, such a bank could affiliate with a company so long as that company was not "engaged principally" in such activities. Starting in 1987, the Federal Reserve Board interpreted this to mean a member bank could affiliate with a securities firm so long as that firm was not "engaged principally" in securities activities prohibited for a bank by Section 16. By the time the GLBA repealed the Glass–Steagall affiliation restrictions, the

Federal Reserve Board had interpreted this "loophole" in those restrictions to mean a banking company (Citigroup, as owner of Citibank) could acquire one of the world's largest securities firms (Salomon Smith Barney).

By defining commercial banks as banks that take in deposits and make loans and investment banks as banks that underwrite and deal with securities the Glass–Steagall act explained the separation of banks by stating that commercial banks could not deal with securities and investment banks could not own commercial banks or have close connections with them. With the exception of commercial banks being allowed to underwrite government-issued bonds, commercial banks could only have ten percent of their income come from securities.

The Glass–Steagall Legislation page specifies that only Federal Reserve member banks were affected by the provisions which according to secondary sources the act "applied direct prohibitions to the activities of certain commercial banks".

## Decline and repeal

It was not until 1933 that the separation of commercial bank and investment bank was considered controversial. There was a belief that the separation would lead to a healthier financial system.<sup>[21]</sup> As time passed, however, the separation became so controversial that in 1935, Senator Glass himself attempted to "repeal" the prohibition on direct bank underwriting by permitting a limited amount of bank underwriting of corporate debt.

In the 1960s the Office of the Comptroller of the Currency issued aggressive interpretations of Glass–Steagall to permit national banks to engage in certain securities activities. Although most of these interpretations were overturned by court decisions, by the late 1970s bank regulators began issuing Glass–Steagall interpretations that were upheld by courts and that permitted banks and their affiliates to engage in an increasing variety and amount of securities activities. Starting in the 1960s banks and non-banks developed financial products that blurred the distinction between banking and securities products, as they increasingly competed with each other.

Separately, starting in the 1980s Congress debated bills to repeal Glass–Steagall's affiliation provisions (Sections 20 and 32). In 1999 Congress passed the **Gramm–Leach–Bliley Act**, also known as the Financial Services Modernization Act of 1999,<sup>[22]</sup> to repeal them. Eight days later, President Bill Clinton signed it into law.

## Aftermath of repeal

After the financial crisis of 2007–08, some commentators argued that the repeal of Sections 20 and 32 had played an important role in leading to the housing bubble and financial crisis. Economics Nobel prize laureate Joseph Stiglitz, for instance, argued that "[w]hen repeal of Glass-Steagall brought investment and commercial banks together, the investment-bank culture came out on top," and banks which had previously been managed conservatively turned to riskier investments to increase their returns.<sup>[10]</sup> Another laureate, Paul Krugman, contended that the repealing of the act "was indeed a mistake," however it was not the cause of the financial crisis.<sup>[23]</sup>

Other commentators believed that these banking changes had no effect, and the financial crisis would have happened the same way if the regulations had still been in force.<sup>[24]</sup> Lawrence J. White, for instance, noted that "it was not [commercial banks'] investment banking activities, such as underwriting and dealing in securities, that did them in."<sup>[25]</sup>

At the time of the repeal, most commentators believed it would be harmless. Because the Federal Reserve's interpretations of the act had already weakened restrictions previously in place, commentators did not find much significance in the repeal, especially of sections 20 and 32.<sup>[13]</sup> Instead, the five year anniversary of its repeal was marked by numerous sources explaining that the GLBA had not significantly changed the market structure of the banking and securities industries. More significant changes had occurred during the 1990s when commercial banking firms had gained a significant role in securities markets through "Section 20 affiliates."

## Post-financial crisis reform debate

Following the financial crisis of 2007-08, legislators unsuccessfully tried to reinstate Glass–Steagall Sections 20 and 32 as part of the Dodd–Frank Wall Street Reform and Consumer Protection Act. Currently, bills are pending in United States Congress that would revise banking law regulation based on Glass–Steagall inspired principles. Both in the United States and elsewhere banking reforms have been proposed that also refer to Glass–Steagall principles. These proposals raise issues that were addressed during the long Glass–Steagall debate in the United States, including issues of “ring fencing” commercial banking operations and “narrow banking” proposals that would sharply reduce the permitted activities of commercial banks.

Please see the main article, Glass–Steagall in post-financial crisis reform debate, for information about the following topics:

- Failed 2009-10 efforts to restore Glass–Steagall Sections 20 and 32 as part of Dodd–Frank
- Post-2010 efforts to enact Glass–Steagall inspired financial reform legislation
- Volcker Rule ban on proprietary trading as Glass–Steagall lite
- Further financial reform proposals that refer to Glass–Steagall
  - UK and EU “ring fencing” proposals
    - Similar issues debated in connection with Glass–Steagall and “firewalls”
  - Limited purpose banking and narrow banking
    - Wholesale financial institutions in Glass–Steagall reform debate
  - Glass–Steagall references in reform proposal debate

## See also

- American International Group
- Arthur H. Vandenberg
- Commodity Futures Modernization Act of 2000
- Corporate law

- Decline of the Glass–Steagall Act
- Financial crisis of 2007–08
- Subprime mortgage crisis
- Systemic risk

## Notes

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2. Wilmarth 2008, p. 560.
3. CRS 2010a, p. 10
4. Reinicke 1995, pp. 104-105. Greenspan 1987, pp. 3 and 15-22. FRB 1998.
5. Macey 2000, p. 716. Wilmarth 2002, p. 219, fn. 5.
6. Wilmarth 2002, pp. 220 and 222. Macey 2000, pp. 691-692 and 716-718. Lockner and Hansche 2000, p. 37.
7. Simpson Thacher 1998, pp. 1-6. Lockner and Hansche 2000, p. 37. Macey 2000, p. 718.
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18. Patrick 1993, pp. 168-172. Burns 1974, pp. 41-42 and 79. Kennedy 1973, pp. 212-219.
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20. Perino 2010
21. Bentson 1990, pp. 47-89. Cleveland and Huertas 1985, pp. 172-187.
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## External links

- Glass–Steagall Act – further readings (<http://law.jrank.org/pages/7165/Glass–Steagall-Act.html>)

- On the systematic dismemberment of the Act from PBS's *Frontline* (<http://www.pbs.org/wgbh/pages/frontline/shows/wallstreet/weill/demise.html>)
- Full text of the Glass–Steagall Act followed by New York Federal Reserve Bank Explanation ([https://fraser.stlouisfed.org/scribd/?item\\_id=15952&filepath=/docs/historical/ny%20circulars/1933\\_01248.pdf](https://fraser.stlouisfed.org/scribd/?item_id=15952&filepath=/docs/historical/ny%20circulars/1933_01248.pdf))
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- The Southeast Missourian, March 10, 1933 (<https://news.google.com/newspapers?id=LOsoAAAAIBAJ&sjid=39IEAAAAIBAJ&pg=6593%2C3084741>) details legislative debate when passing the bill

Retrieved from "[https://en.wikipedia.org/w/index.php?title=Glass-Steagall\\_legislation&oldid=758621757](https://en.wikipedia.org/w/index.php?title=Glass-Steagall_legislation&oldid=758621757)"

Categories: 1933 establishments in the United States | 1933 in law | 73rd United States Congress | Federal Deposit Insurance Corporation | History of the United States (1918–45) | Legal history of the United States | United States federal banking legislation | United States repealed legislation | Financial regulation in the United States | Separation of investment and retail banking | History of banking in the United States

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# District of Port Hardy

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February 17, 2017

Association of Vancouver Island and Coastal Communities (AVICC)  
525 Government Street  
Victoria, BC  
V8V 0A8

## **RE: 2017 RESOLUTION FUNDING FOR FIRE EQUIPMENT**

Dear Sir/Madam

The District of Port Hardy is submitting the attached resolution to the AVICC for consideration of the membership at the 2017 AGM to assist small communities in purchasing fire equipment.

Since 2001 there have been several resolutions put forward to assist Local Governments and Regional Districts in relieving the burden of taxes for the purchase of emergency equipment to no avail from the Province (resolutions B-23 2001, B-14 2003 and B-14 2005 attached).

Fire Truck purchases can range in price from \$350,000 to more than \$1,500,000. Frontline vehicles must be replaced, as per the Fire Underwriters Survey, every 20 years. Resolutions have been endorsed in the past requesting a change to the Fire Underwriters Survey requirements (resolution B-2 2011 attached) there has been no response.

With all of the resolutions having been put forward, the District chose a different approach; request grants be made available that help offset the costs to taxpayers. Funding opportunities in the late 1990's and early 2000's were widely subscribed to, however in recent years those opportunities have not been made available.

We want to ensure that all small communities are able to provide emergency services to our communities at a reasonable cost to the taxpayer.

If you should have any questions please feel free to contact me.

Sincerely,  
**The District of Port Hardy**

Heather Nelson-Smith, CRM  
Director of Corporate & Development Services



# District of Port Hardy

7360 Columbia Street ♦ PO Box 68  
Port Hardy BC V0N 2P0 Canada  
Telephone: (250) 949-6665 ♦ Fax (250) 949-7433  
Email: [general@porthardy.ca](mailto:general@porthardy.ca) ♦ [www.porthardy.ca](http://www.porthardy.ca)



February 17, 2017

Our file: 0550-05

Certified to be a true copy of Resolution 2017-029 adopted by Council of the District of Port Hardy at its regular meeting on February 14, 2017:

---

**WHEREAS** *Communities are required to provide essential services including fire safety. The cost of emergency vehicles and equipment for fire safety are costly;*

**AND WHEREAS** *grants for emergency equipment have all but disappeared since the early 2000's. Small communities are required to fund 100% of emergency equipment through taxation;*

**THEREFORE BE IT RESOLVED THAT** *the Association for Vancouver Island Coastal Communities and the Union of British Columbia Municipalities request the Province of British Columbia create grants for emergency vehicles and equipment and make them available to Municipalities and Regional Districts with populations less than 100,000 at a cost share of no less than 50%.*

---

Certified this 17<sup>th</sup> day of February, 2017.

Heather Nelson-Smith,  
Director of Corporate & Development Services



## Resolutions Detail

| Year | Number | Resolution Title  | Sponsor             |
|------|--------|---|---------------------|
| 2001 | B23    | Provincial Sales Tax Exemption - Fire Fighting Equipment & Supplies | Central Kootenay RD |

### Resolution Text

WHEREAS the Provincial Government provides a provincial sales tax exemption for individuals purchasing work-related safety equipment, however, no corresponding exemption applies to local Fire Departments for the purchase of critical equipment and supplies such as fire trucks, the fire fighting apparatus and supplies such as foam and fire retardant; AND WHEREAS local Fire Departments depend upon local taxation as their primary source of revenue and an additional 7% charge on the cost of critical supplies and equipment can place an unreasonable financial burden on local taxpayers: THEREFORE BE IT RESOLVED that the Provincial Government be requested to provide an exemption from provincial sales tax for fire protection equipment and supplies for Fire Departments within the Province.

### Convention Decision

Endorsed

### Executive Decision

### Committee Decision

### Provincial Response

MINISTRY OF FINANCE In general, schools, universities, hospitals and municipal governments pay the PST on taxable purchases. Providing a PST reduction or exemption for fire fighting equipment would set a very significant, difficult and potentially costly precedent.

### Federal Response



**Other Response**

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## Resolutions Detail

| Year | Number | Resolution Title             | Sponsor |
|------|--------|------------------------------|---------|
| 2003 | B14    | Tax on Life-Saving Equipment | Quesnel |

### Resolution Text

WHEREAS life-saving and fire equipment is essential in ensuring the safety of all citizens within the province of British Columbia; AND WHEREAS the citizens of this province provide monies to the federal and provincial governments through general and municipal taxation: THEREFORE BE IT RESOLVED that the Union of BC Municipalities petition the federal and provincial governments to exempt municipalities from the Provincial Sales Taxes and Federal Goods and Services Tax on the purchase of fire trucks and other life-saving equipment.

### Convention Decision

Endorsed

### Executive Decision

### Provincial Response

MINISTRY OF FINANCE Schools, universities, hospitals and municipal governments pay the provincial sales tax (PST) on taxable purchases including, in the case of municipal governments, fire trucks and other taxable emergency equipment. Similarly, all not-for-profit organizations and registered charities in British Columbia pay the PST on their taxable purchases. The provision of a municipal PST exemption for fire trucks and other life saving equipment would set a significant and potentially costly precedent which could make it difficult for the provincial government to continue to meet its commitments to protect health care, education and other important public services while achieving and maintaining a balanced budget.

### Committee Decision

### Federal Response

**Other Response**

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## Resolutions Detail

| Year | Number | Resolution Title                     | Sponsor           | Resolution Text  | Convention Decision | Executive Decision | Committee Decision |
|------|--------|--------------------------------------|-------------------|--|---------------------|--------------------|--------------------|
| 2005 | B14    | PST Exemption on Emergency Equipment | Sunshine Coast RD | <p>WHEREAS life-saving and fire equipment is essential in ensuring the safety of all citizens within the Province of British Columbia, including during provincial States of Emergency; AND WHEREAS the federal government now rebates one hundred percent of federal Goods and Services Tax paid for local government service delivery: THEREFORE BE IT RESOLVED that the Union of BC Municipalities petition the provincial government to exempt local governments from the Provincial Sales Taxes on the purchase of fire trucks and other life-saving equipment.</p>   | Endorsed            |                    |                    |
|      |        |                                      |                   | <p><b>Provincial Response</b></p> <p>Ministry of Finance The province has traditionally chosen to support municipal governments in ways other than through sales tax exemptions because they complicate the tax system and set precedents that could ultimately reduce the effectiveness of the tax as an important provincial revenue source. Municipal governments have received significant financial support from both senior levels of government over the past year. On the federal side, the GST rebate for municipalities was increased to 100 percent and a portion of federal fuel tax revenue is being shared. Recent provincial support includes: • the transfer of 100 percent of traffic fine revenue to 70 local governments for community policing, crime prevention and other initiatives to help make communities safer; and • the \$80 million British Columbia Community Water Improvement Program to help ensure safe, reliable and accessible drinking water and improved waste water systems.</p> |                     |                    |                    |

**Federal Response**

**Other Response**

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## Resolutions Detail

| Year | Number | Resolution Title                             | Sponsor          | Resolution Text  | Convention Decision | Executive Decision | Committee Decision |
|------|--------|--|------------------|--|---------------------|--------------------|--------------------|
| 2011 | B2     | First Line Fire Truck Replacement Guidelines | East Kootenay RD | <p>WHEREAS the Fire Underwriters Survey requires that all first line fire apparatus (fire trucks) for small communities and rural centres be replaced after 20 years in order to retain fire insurance grading recognition for that apparatus; AND</p> <p>WHEREAS fire apparatus in small communities and rural centres is still in excellent condition after 20 years due to very low hours of operational use; the cost to apply for a limited extension past 20 years is not economical; and the cost of replacement of first line fire apparatus every 20 years is onerous on taxpayers; THEREFORE BE IT RESOLVED that UBCM lobby for change to the Fire Underwriters Survey requirements for replacement for first line fire apparatus such as fire trucks and other fire fighting vehicles to ease the financial burden to taxpayers in small and rural centres.</p> | Endorsed            |                    |                    |

### Provincial Response

### Federal Response

### Other Response

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## VILLAGE OF SAYWARD

February 22, 2017

Association of Vancouver Island and Coastal Communities  
525 Government Street  
Victoria, BC V8V 0A8

Attention: L Cookson

Re: AVICC Resolutions 2017

Attached are the resolutions submitted for the 2017 AVICC meeting. I noted on the confirming email that the submitting local government was the Alberni-Clayoquot Regional District; I hope this has been corrected to read the Village of Sayward. Sorry, not sure how that happened.

**HIGHWAYS RESOLUTION:** This is brought forward as a SAFETY ISSUE for everyone that drives our Highways from Sayward to Campbell River and throughout the province. On a dark rainy night, or on a snow covered road you cannot tell where you are, especially when meeting oncoming traffic, until you hit the rumble Strip. This is extremely dangerous. We need a well defined center and side lines, and reflective strips that will withstand the fury of our aggressive snow plows. A well defined highway edge that will mark the distance a driver is from the ditch is critical for road safety. There should never be a "Dollar" value placed on human lives. We ask that a better line product be used on our roads, PROVINCE WIDE, that would add to the longevity of the road markings, as well as our lives.

1. WHEREAS in many driving areas, driving is made unsafe for the public due to faded line markings both on the shoulder and the center of highways;

AND WHEREAS the Department of Transportation has contractor line painting guidelines which do not respond adequately to the adverse weather conditions faced by drivers;

THEREFORE BE IT RESOLVED, to increase public safety on roads the Department of Transportation be requested to change the guidelines to increase the frequency and visibility of shoulder and center line painting on all Provincial roads.



**Strategic Priorities Fund/ Community Works Fund for small communities:** Small communities with a limited tax base should not be competing for funding at the same sharing level as larger communities. This is more about the "COMPETING" for grants against larger towns. Funding to 75% or in some cases to 100% for small communities should be based on priority and ability for the community to fund needed infrastructure projects. Similarly, small communities should be considered for a higher base level of funding through the Community Works Fund.

2. WHEREAS many communities are wrestling with increased infrastructure costs for essential services and in finding adequate sources of funding;

AND WHEREAS, small communities have very limited funding options for providing basic infrastructure for their residents;

THEREFORE BE IT RESOLVED the UBCM work with the Province to change the base level of Community Works Funding to \$100,000 for communities under 5,000.

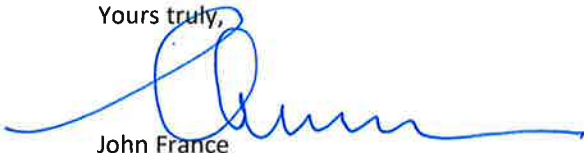
3. WHEREAS many communities are wrestling with increased infrastructure costs for essential services and in finding adequate sources of funding;

AND WHEREAS, small communities have very limited funding options for providing basic infrastructure for their residents;

THEREFORE BE IT RESOLVED the UBCM work with the Province to change the Strategic Priorities Fund funding level to a lower share threshold for communities under 5,000.

Thank you for your assistance.

Yours truly,

A handwritten signature in blue ink, appearing to read "John France", with a long horizontal flourish extending to the right.

John France  
Chief Administrative Officer

# **E&N Transportation Corridor Development Cost Charge**

## **Background Information**

Development Cost Charges (DCCs) are an important tool available to local governments for the funding of infrastructure to service the needs of new growth, including the effective and efficient movement of people. While DCCs can be collected for the provision of roads, sidewalks and bike lanes, currently there is no Provincial legislation permitting the collection of DCCs from developments to fund transportation works and services on a publicly owned railway corridor such as the E&N Corridor.

The Province of British Columbia is in discussions with Metro Vancouver Mayors concerning a proposal for a “transit-supporting levy”.<sup>\*</sup> This type of levy, such as a DCC, can be fairly and equitably applied to the E&N Corridor on Vancouver Island based on a formula such as distance and number of new dwelling units (density gradient) from the Corridor.

With funds allocated through the collection of a E&N Transportation Corridor DCC, that Corridor can be redeveloped to provide transportation of various types within and between communities on Vancouver Island and, in turn, will be a positive, transformational influence on the shape of future growth and development.

<sup>\*</sup>see attached 2017 02 09 Globe and Mail article “*B.C. minister Peter Fassbender proposes ‘transit-supporting levy’*” by F. Bula

**THE GLOBE AND MAIL**AdChoices

A Skytrain, shown in Vancouver in June, 2016, is just one kind of transit that has contributed to urban densification.

The Globe and Mail

VANCOUVER

## B.C. minister Peter Fassbender proposes 'transit-supporting levy'

FRANCES BULA

Published Thursday, Feb. 09, 2017 10:01PM EST

Last updated Thursday, Feb. 09, 2017 10:01PM EST

B.C.'s TransLink Minister is exploring whether to require developers who build dense projects near transit to contribute some of their profits back into the transportation system.

Peter Fassbender's proposal for a "transit-supporting levy," which he has been pitching to cities and developers, is the latest idea for how to continue expanding transit in a huge region with a growing population, but where local governments have few ways to raise money for major infrastructure projects.

"If you build transit corridors and you invest billions of dollars in transportation, there is a benefit to densification as a result of that, and should a portion of that benefit accrue to the very transportation corridors that have helped to build that?" Mr. Fassbender said in an interview.

Mr. Fassbender said he has already conducted two roundtables about the idea in the past six months with cities, developers and others, and he is planning another one for this month. He acknowledged that one of the big challenges of this new levy is possible resistance from municipalities, who will worry that the province is taking away revenue that some of them are already using to solve other problems.

The minister's suggestion follows years of fierce debates over funding transit improvements, including a failed plebiscite two years ago that rejected an additional sales tax in the Vancouver region. Other ideas have included additional gas taxes, a regional carbon tax, a vehicle levy or mobility pricing – a complex system for charging drivers based on where and how far they drive. The province has rejected most of those.

Other cities, notably Metro Toronto, have considered this kind of "land-value capture" system for financing transit, as well. Some look to the City of Vancouver's existing method of community-amenity contributions as a model. Vancouver negotiates with developers to give back community benefits equivalent to 75 per cent of the land-value increase they see when their land is rezoned.

Vancouver is especially likely to be concerned how its approach would be disrupted by a new transit levy.

The city collected \$105-million in 2015 in community amenity contributions from developers who got rezonings. Half of that went to an affordable-housing fund, while the remainder was spent on heritage, parks, community centres and child-care facilities.

Some, though not all, other cities in the Lower Mainland negotiate similar deals with developers getting rezonings.

Mr. Fassbender said he recognizes that.

"I don't want the cities to feel like we're trying to rob their piggy-bank. But we're trying to have a really open and far-reaching discussion of what is the art of the possible," Mr. Fassbender said.

"We are at a very opportune time to have some of those broader, deeper, far-reaching discussions because we know we can't just find money all over the place," he said.

And, if governments are going to invest billions in new rapid-transit lines, rapid-bus lines, ferries, trains and more, there needs to be a negotiation about "a benefit back to transportation if we're going to build densified communities." The minister said the transit-supporting levy could be applied, not just to rapid-transit lines in the Lower Mainland, but also to rapid-bus lines and other improvements, and to cities such as Victoria and Kamloops.

He insisted the levy wouldn't go to the province's general revenue fund, but would be dedicated to transportation.

Mr. Fassbender's exploration of the idea comes as the province and cities are waiting to see how much money the federal government is going to commit to transit in this February's budget.

The federal Liberal government, which campaigned in the west specifically on a platform of investing in transit, already committed \$340-million last year to a first phase of transit investment. The province put in \$246-million and local cities \$125-million.

But everyone is expecting much bigger numbers for Phase 2 in this year's federal budget.

Local mayors, gritting their teeth and doing something they said they were opposed to, agreed last December to raise property taxes and fares to come up with more money to throw into the Phase 2 spending. The mayors also asked for another new tax, a development fee on all building projects that would go directly to transit.

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## **SUPPORTING DOCUMENTATION**

### ***COMPREHENSIVE REPORTING OF COMMUNITY ENERGY AND EMISSIONS INVENTORY (CEEI)***

The most recent 2012 CEEI reports for British Columbian municipalities, provides information on GHG emission estimates in four primary sectors:

- Buildings
- On-road Transportation
- Solid Waste
- Changes in Land Use (deforestation).

However, GHGe from deforestation has not been consistently reported to municipalities and only buildings, on-road transportation, and solid waste are actually reported out by most local governments. (This information can be found on the CEEI website:

<http://www2.gov.bc.ca/gov/content/environment/climate-change/reports-data/community-energy-emissions-inventory>

Some emissions are easier than others to account for. Simple tools already exist to account for:

- Embodied energy emissions of materials used in construction of buildings (On line carbon calculators)
- Emissions from deforestation. (As mentioned the provincial website is inconsistently reporting this to local governments, and municipalities are not generally including this in their public reporting).

Some emissions are more difficult to measure, however, even though there are currently no mechanisms to account for these listed significant sources of GHG's, these sources should still be acknowledged so that local governments and citizens can be aware and take steps to reduce them:

- Loss of soil carbon from agriculture and deforestation. (Loss of soil carbon is said to account for about one-third of ALL GHGe globally)
- Embodied energy in all of our manufactured consumer goods. (Data gaps occur due to multiple source locations where emissions may or may not be counted). Suggest that embodied energy emissions should be accounted for at the end use location.
- Aviation (federal jurisdiction)

Emissions like aviation represent the elephant in the room that currently no one seems willing to address. The federal government has jurisdiction over aviation, but is not counting these emissions. The average single seat on a flight produces GHGe similar to driving a car for one year. The data is available to account for these emissions, however we currently lack the political and social will to address emissions from aviation.

Our communities are directly responsible for these emissions regardless of whether these emissions are released locally or released in other geographic areas. These sources of emissions should not be ignored due to difficulty in accounting or due to our cultural bias.

All emissions contribute to climate change. According to the latest science, the earth is on track to warm by up to 4.5 deg Celsius by 2100, which is thought NOT to be compatible with human civilization due to extreme weather, collapsing ecosystems, water and food shortages, conflicts over resource scarcity, and rising sea levels. Complete accounting of GHGe is essential if we are going to make an honest effort to reduce our emissions and avoid the business as usual catastrophic effects of climate change.



## **RESOLUTION:**

### ***COMPREHENSIVE REPORTING OF COMMUNITY ENERGY AND EMISSIONS INVENTORY (CEEI)***

**WHEREAS** the Province of BC provides CEEI numbers to BC municipalities, the Province omits or has inconsistent reporting of emissions from:

- Manufactured goods (Embodies emissions in vehicles, building materials, and all consumer goods)
- Aviation for individuals and commercial transport
- Loss of soil carbon from agriculture
- Deforestation (loss of sequestered CO<sub>2</sub>);

**AND WHEREAS** these emissions account for a significant amount of total emissions;

**THEREFORE BE IT RESOLVED** that UBCM request the provincial government to improve the CEEI to account for these significant sources and where not possible, fully acknowledge these sources of emissions when reporting to local governments.

*Council Motion:  
Special Meeting of Council, February 14, 2017*

**MOTION:** 051 / 2017  
**MOVED BY:** COUNCILLOR ANN BAIRD  
**SECONDED:** COUNCILLOR GORD BAIRD

That Council resolves to forward the resolution "Comprehensive reporting of Community Energy and Emissions Inventory (CEEI)" to the 2017 AVICC Convention by the deadline of February 21, 2017.

CARRIED





## **Preventing polystyrene foam pollution in the marine environment**

WHEREAS foam from marine infrastructure is an increasing source of pollution on British Columbia's beaches;

AND WHEREAS there is concern that plastic-associated chemicals from polystyrene and other types of rigid foam are harming the marine environment and contaminating food webs;

THEREFORE BE IT RESOLVED that UBCM request the provincial and federal governments to implement measures that prevent rigid foam pollution in the marine environment.

---

### **Background**

Polystyrene foams (e.g. Styrofoam) and other types of rigid foam are an increasing source of pollution on BC's beaches. They are also a significant source of microplastics in the marine environment<sup>i, ii</sup>. The foam escapes from docks, floats, aquaculture facilities and other marine infrastructure and breaks up in the marine environment. Aside from the visual pollution, there are serious ecological impacts as many species of marine life, including fish, eat the small pieces of foam which breakdown into microplastics and ultimately contaminate food webs.

The federal and provincial governments could undertake measures such as the following to prevent rigid foam pollution in the marine environment:

- Enact laws or regulations.
  - Oregon State has a foam encapsulation law which requires any marine construction project that uses expanded polystyrene "white bead" foam for flotation to get a Foam Encapsulation Certificate from the Oregon State Marine Board.  
(<https://www.oregon.gov/OSMB/boater-info/Pages/Foam-Encapsulation.aspx>)
- Require leaseholders to comply with guidelines.
  - The Washington State Department of Natural Resources can require its leaseholders to implement the following measure "All foam material whether used for flotation or for any other purpose must be encapsulated within a shell that prevents breakup or loss of the foam material into the water and is not readily subject to damage by ultraviolet radiation or abrasion. During maintenance, existing unencapsulated foam material must be removed or replaced.  
(<http://www.ecy.wa.gov/programs/sea/shorelines/smp/handbook/chapter12.pdf>)
- Undertake public education campaigns
- Fund shoreline clean-up projects
- Provide financial incentives

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<sup>i</sup> M. Cole, P. Lindeque, C. Halsband, T. S. Galloway, Microplastics as contaminants in the marine environment: A review. Mar. Pollut. Bull. 62, 2588–2597 (2011).

<sup>ii</sup> Hildago-Ruz, V., L. Gutow, R. C. Thompson and M. Thiel (2012). Microplastics in the marine environment: a review of the methods used for identification and quantification. Environmental Science and Technology 46(6): 3060-3075.





## SUNSHINE COAST REGIONAL DISTRICT

### AVICC BACKGROUNDER FOR AGRICULTURAL LAND COMMISSION POLICY ON BREWERIES, DISTILLERIES AND MEADERIES

#### I. BACKGROUND:

At the Sunshine Coast Regional District Regular Board meeting of February 16, 2017 the following recommendation was adopted:

072/17      **Recommendation No. 4**      *AVICC Resolution regarding ALC Policy L-21 and L-03*

THAT Legislative Services staff prepare an Association of Vancouver Island Coastal Communities (AVICC) resolution regarding the issue of the differing treatment of breweries, distilleries and meaderies under Agricultural Land Commission Policy L-21 versus the treatment of wineries and cideries under Policy L-03 which allows the purchase of product under contract with another BC grower to meet the 50% farm product requirement.

#### II. DISCUSSION:

The Agricultural Land Commission (ALC) have developed various policies to assist with the interpretation of the *Agricultural Land Commission Act, 2002*, and the *Agricultural Land Reserve Use, Subdivision and Procedure Regulation*, including amendments as of August 2016. ALC Policy L-21 and Policy L-03 set out the legislative references and interpretation for "Activities Designated as Farm Use" for breweries, distilleries and meaderies (Policy L-21) and for wineries and cideries (Policy L-03) within the Agricultural Land Reserve (ALR).

##### (a) Policy L-21 Brewery, Distillery, and Meadery in the ALR

Licensed breweries, distilleries, and meaderies are farm uses provided at least 50% of the farm product used are grown on the farm. The uses may not be prohibited by a local government bylaw.

The 50% is measured by the annual quantity (measured by volume or weight) of farm product. For beer, the farm product is grain and not hops. In the case of distilled products, neutral grain spirits (imported alcohol) is not a farm product and the 50% is based on the farm product used to make the alcohol (grains, corn, potatoes, sugar beets, etc.) and not the botanicals or other flavouring. Water is not a farm product.

Breweries, distilleries, and meaderies cannot purchase product under contract with another grower to meet the 50% farm product requirement (Note: this is a difference from wineries and cideries). Ancillary retail sales of alcohol produced on the farm, tours and food and beverage service in a lounge are allowed.

##### (b) Policy L-03 Wineries and Cideries in the ALR

Licensed wineries and cideries are farm uses provided at least 50% of the farm product used are grown on the farm. If the farm is greater than two hectares then the 50% may

include produce from other BC farms purchased under minimum three-year contract. In order to purchase fruit under contract from another BC farm, the farm on which the winery or cidery is located must be growing a minimum of two hectares of farm product (fruit) and utilizing the farm product to make the wine or cider. The 50% is measured by the annual quantity (measured by volume or weight) of farm product. Multiple parcels can make up the farm.

Other than the 50% requirement the same limitations/allowances are set out for wineries/cideries as for breweries, distilleries and meaderies.

The Sunshine Coast Regional District (SCRD) is advocating for equity between ALC regulations that apply to breweries, distilleries and meaderies and to wineries and cideries operating in the ALR. In particular, that breweries, distilleries and meaderies be afforded the same allowances contained within Policy L-03 which permits wineries and cideries to contract with another BC grower to meet the 50% farm product requirement needed to receive Farm Use designation with the ALR.

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**TO:** Committee of the Whole**MEETING:** January 10, 2017**FROM:** Tom Armet, Manager  
Building & Bylaw Services**FILE:****SUBJECT: AVICC Resolution (2017)  
Hazardous Property Clean-ups and Environmental Remediation Costs**

---

**RECOMMENDATION**

That the Board endorse the attached resolution requesting that the Province honour any outstanding charges or lien(s) on a property in favour of a regional district that are the result of a hazardous property clean up or environmental remediation and that the resolution be forwarded to the Association of Vancouver Island and Coastal Communities (AVICC) for consideration at the 2017 Annual General Meeting and Convention.

**SUMMARY**

Staff have been requested to draft a resolution for consideration by the Board that requests the Province to honour any costs or lien(s) on a property in favour of a regional district as a result of the clean-up of a property to remediate hazardous conditions or environmental contamination. The deadline for submission of resolutions to Association of Vancouver Island and Coastal Communities is February 21, 2017.

**BACKGROUND**

In situations where there are significant community concerns, hazardous conditions or environmental risks associated with the condition of a property, a regional district may direct a property owner(s) to remediate a property in accordance with the *Community Charter* or other enactments. When an owner fails to mitigate the concern or hazardous condition, a regional district may undertake the work and recover the costs from the owner. Should an owner default on payment, the outstanding amount is then transferred to the Surveyor of Taxes for collection of the debt through payment of taxes by the owner or from the proceeds of the sale of the property.

If after a period of two years a tax debt remains unpaid, the property is absolutely forfeited to the Province and all charges and liens are cleared from the title in accordance with the *Taxation (Rural Area) Act*. The only recourse remaining for a regional district to recover the debt is through adjustments to the tax requisition for that service.

The Regional District of Nanaimo (RDN) has remediated several hazardous properties in recent years pursuant to Section 73 of the *Community Charter*. The following are examples of properties where the ability of the RDN to recover the costs of remediation have been or may be impacted by current

provincial legislation that extinguishes that ability upon forfeiture of a property to the Province under the *Taxation (Rural Area) Act*.

1. An abandoned house on Gabriola Island was being frequented by youth and transients and was in such a dilapidated condition that it posed a significant risk to the public. The property owner refused to take steps to make it safe therefore, the Board authorized its removal at the owner's expense. The owner failed to pay the costs and the RDN completed the process to transfer the outstanding amount of \$36,000 to the Surveyor of Taxes for recovery upon the sale of the property or payment of outstanding taxes by the owner. The property was eventually forfeited to the Province and the title was cleared of all outstanding charges and debt in accordance with the *Act*. The outstanding costs were subsequently assigned back to the hazardous property service for multi-year recovery through increased taxes.
2. A large property in Electoral Area 'H' had a significant accumulation of debris and equipment, prompting community concerns about safety and environmental damage to the land and aquifer due to contaminants stored on the property. The owner failed to comply with Board direction to clean up the property and the RDN subsequently undertook the work at a cost of approximately \$38,000. The owner is refusing to pay the costs and the amount will be transferred to the Surveyor of Taxes.
3. An abandoned hotel in Electoral Area 'A' was being used by transients and was deemed a hazard by the local fire department and RDN staff. Additionally, the property had several unprotected ground openings that posed a risk of injury to persons accessing the property. Shortly after the owner was directed by the Board to remove the building and secure the property, the building was destroyed by fire. The owner has failed to remove the contaminated debris or properly secure the property to prevent injury and environmental damage. Remediation work is underway by the RDN contractor at a cost of approximately \$90,000. If the owner does not pay the costs owing to the RDN, the outstanding debt will be assigned to taxes.

In the foregoing example # 1, the Province acquired a property that was free of hazardous conditions, due to the actions and payment of costs by the RDN. In examples #2 and #3, the Province could also acquire properties that are free of hazardous conditions. In the latter example, the RDN consulted with Ministry of Forests, Lands and Natural Resource Operations staff to seek "pre-approval" of cost reimbursement prior to undertaking the remediation work. A formal acknowledgement of that request has not been received however the work is proceeding in the interests of public and environmental safety.

As illustrated by these examples, staff is proposing that reimbursement of hazard remediation costs incurred at a regional district level is warranted for the following reasons and it is recommended that the Board supports the attached resolution:

- Significant and pressing safety and environmental issues with a property need to be dealt with promptly with assurances that service area tax payers are not bearing the remediation costs should the property owner default on payment.
- If a regional district were to refrain from remediating hazardous properties and a property subsequently forfeited to the Province in default of taxes, the Province would be inheriting a significant liability and potential obligation to remediate the property.

- If the Province does not reimburse a regional district that undertakes a hazardous property remediation, it would be the beneficiary of a substantial asset that would have been a significant liability were it not for the actions of a regional district.

## **ALTERNATIVES**

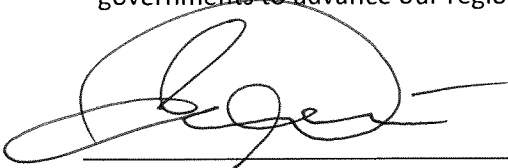
1. That the Board endorse and forward the attached resolution to AVICC.
2. That the Board provides alternate direction.

## **FINANCIAL IMPLICATIONS**

Under current legislation, when a property is forfeited to the Province, all outstanding liens, notices on title and unpaid amounts become null and void pursuant to the *Taxation (Rural Area) Act*. This includes any outstanding costs incurred by a regional district for the remediation of hazardous conditions, which are typically expensive undertakings. In such cases, there is no alternative for a regional district but to assign those costs back to the service area participants. Changes to provincial legislation that would permit a regional district to recover remediation costs after property forfeiture would lessen the burden on the regional district taxpayer.

## **STRATEGIC PLAN IMPLICATIONS**

The preparation of draft resolutions for consideration of the Board and submission to the AVICC aligns with the Board's key focus area within the Strategic Plan of 'Relationships'. Through the AVICC resolutions process, the Board is provided with opportunities for the RDN to partner with other governments to advance our regions interests.



Tom Armet  
[tarmet@rdn.bc.ca](mailto:tarmet@rdn.bc.ca)  
2016.12.23

### **Reviewed by:**

- J. Hill, Manager, Administrative Services
- P. Thompson, Acting General Manager
- P. Carlyle, Chief Administrative Officer

### **Attachments:**

1. AVICC Resolution

**Attachment No. 1 – AVICC Resolution**

**Hazardous Properties Remediation Costs**

WHEREAS regional districts exercise their legislated authority to remediate properties of hazardous conditions and/or environmental contamination, the cost of which may be recovered from the property owners or added to taxes in arrears if unpaid on December 31<sup>st</sup> in the year in which the work is done;

AND WHEREAS if the taxes and debts remain unpaid, pursuant to the *Taxation (Rural Area) Act* a property may be forfeited to the Province and the Province is under no obligation to reimburse a regional district for the cost of remediating properties of hazardous conditions and/or environmental contamination;

THEREFORE BE IT RESOLVED that the Union of British Columbia Municipalities urges the Province to enact legislation or provisions that enables regional districts to be reimbursed for the costs of remediating properties of hazardous conditions and/or environmental contamination that are subsequently forfeited to the Province on default of payment of the costs by the property owner.

area of the approval process must not sign an elector response form.

### **Matters requiring approval or assent may be combined**

**87** (1) If two or more related matters require approval of the electors or assent of the electors, instead of seeking that approval or assent in relation to each matter, the council may seek the approval or assent in relation to the related matters as if they were a single matter.

(2) As a restriction, if any of the related matters referred to in subsection (1) requires the assent of the electors, approval of the electors under that subsection may only be obtained by assent of the electors.

### **Agreements requiring approval or assent**

**88** (1) If an agreement is in relation to a matter that requires approval of the electors or assent of the electors, the requirement also applies to an amendment to the agreement in relation to that matter.

(2) As an exception, subsection (1) does not apply if the amendment is authorized by regulation or is made with the approval of the minister.

## **Division 3 — Open Meetings**

### **General rule that meetings must be open to the public**

**89** (1) A meeting of a council must be open to the public, except as provided in this Division.

(2) A council must not vote on the reading or adoption of a bylaw when its meeting is closed to the public.

### **Meetings that may or must be closed to the public**

**90** (1) A part of a council meeting may be closed to the public if the subject matter being considered relates to or is one or more of the following:

- (a) personal information about an identifiable individual who holds or is being considered for a position as an officer, employee or agent of the municipality or another position appointed by the municipality;
- (b) personal information about an identifiable individual who is being considered for a municipal award or honour, or who has offered to provide a gift to the municipality on condition of anonymity;
- (c) labour relations or other employee relations;
- (d) the security of the property of the municipality;
- (e) the acquisition, disposition or expropriation of land or improvements, if the council considers that disclosure could reasonably be expected to harm the interests of the municipality;

February 15, 2017

File: 5400-01

Chair and directors  
Committee of the whole

The Ministry of Transportation and Infrastructure delivers highway maintenance through contract. Many regional districts have identified highway maintenance deficiencies that are not being re-mediated in timely manner. In addition no maintenance schedule is publicly available so it is difficult to ascertain whether the maintenance deficiency has been identified and when it might be remedied. The public has come to expect timely reporting in this day of readily available communication. Knowing that a deficiency has been identified and when it will be re-mediated allows for appropriate planning and will reduce the economic impact that deficiency causes. A sample of problematic issues include: poor maintenance of the highways drainage system resulting in property damage; insufficient maintenance of road surfaces resulting in extra wear and damage to vehicles; lack of communication as to when a street can expect snow removal/de-icing resulting both potential safety issues and possible economic losses. Further, ensuring that sufficient funding is available to maintain and improve the highways infrastructure is critical to protecting our communities.

I would ask that you please consider supporting [us](#) in having the Comox Valley Regional District board submit the following resolution to the Association of Vancouver Island and Coastal Communities (AVICC) convention. The deadline for submitting resolutions to the AVICC is February 21, 2017 and the convention is scheduled for April 7 to 9, 2017 in Campbell River.

WHEREAS the Ministry of Transportation and Infrastructure is responsible for highway maintenance and provides service delivery performance requirements within their maintenance contracts and no independent process is provided to ensure the timely delivery of those services and communication of when those services will be delivered;

AND WHEREAS community and neighbourhood concerns in electoral areas suggests that the Ministry of Transportation and Infrastructure needs to fund its highways and road maintenance programs in a more effective manner;

THEREFORE BE IT RESOLVED THAT the Association of Vancouver Island Coastal Communities request that the Ministry of Transportation and Infrastructure

- a) review how it provides performance measures to its public and how it keeps its public informed as to when it can expect the remediation of a maintenance deficiency so that it can devise a process that will assure the public that it is delivering its highway maintenance obligations and

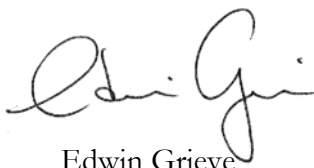


- b) ensure adequate resourcing is available to administer and monitor highways and road maintenance contracts such that public safety and traveling conditions are enhanced on rural roads.

Sincerely,

A stylized, handwritten signature in dark ink, appearing to read 'Rod Nichol'.

Rod Nichol  
Director

A stylized, handwritten signature in dark ink, appearing to read 'Edwin Grieve'.

Edwin Grieve  
Director



## VILLAGE OF SAYWARD

February 22, 2017

Association of Vancouver Island and Coastal Communities  
525 Government Street  
Victoria, BC V8V 0A8

Attention: L Cookson

Re: AVICC Resolutions 2017

Attached are the resolutions submitted for the 2017 AVICC meeting. I noted on the confirming email that the submitting local government was the Alberni-Clayoquot Regional District; I hope this has been corrected to read the Village of Sayward. Sorry, not sure how that happened.

**HIGHWAYS RESOLUTION:** This is brought forward as a SAFETY ISSUE for everyone that drives our Highways from Sayward to Campbell River and throughout the province. On a dark rainy night, or on a snow covered road you cannot tell where you are, especially when meeting oncoming traffic, until you hit the rumble Strip. This is extremely dangerous. We need a well defined center and side lines, and reflective strips that will withstand the fury of our aggressive snow plows. A well defined highway edge that will mark the distance a driver is from the ditch is critical for road safety. There should never be a "Dollar" value placed on human lives. We ask that a better line product be used on our roads, PROVINCE WIDE, that would add to the longevity of the road markings, as well as our lives.

1. WHEREAS in many driving areas, driving is made unsafe for the public due to faded line markings both on the shoulder and the center of highways;

AND WHEREAS the Department of Transportation has contractor line painting guidelines which do not respond adequately to the adverse weather conditions faced by drivers;

THEREFORE BE IT RESOLVED, to increase public safety on roads the Department of Transportation be requested to change the guidelines to increase the frequency and visibility of shoulder and center line painting on all Provincial roads.

**TO:** Regional District of Nanaimo  
Committee of the Whole

**MEETING:** January 10, 2017

**FROM:** Phyllis Carlyle  
Chief Administrative Officer

**FILE:** 7400

**SUBJECT:** AVICC Resolution Victim Services Programs

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### **RECOMMENDATION**

That the following resolution be forwarded to the Association of Vancouver Island Coastal Communities (AVICC) for consideration at their annual meeting:

WHEREAS Victim Services Programs provide support and assistance to victims of crime

AND WHEREAS the Ministry of Public Safety has the ultimate responsibility for the Victim Services Programs and yet does not fully fund these programs

THEREFORE BE IT RESOLVED that the Province of British Columbia fully fund all Victim Services Programs.

### **SUMMARY**

In British Columbia, the 160 police-based and community-based Victim Services Programs are jointly funded by municipalities and the Province but increased provincial financial support is required for the Programs. An AVICC and a UBCM resolution would assist in ensuring that the Province is aware of the growing demand that exists in the RDN community and across the province for this service.

### **BACKGROUND**

For many years, the provision of Victim Services Programs has been only partially funded by the Province. The Programs assist victims of crime to obtain the services they need to address the consequences of the criminal activity and provides the victims with the necessary support to participate in the criminal justice system. As such, the program actually decreases costs, for social service agencies, health care systems and the administration of justice that would otherwise be borne by the Province. As well, the work of Victim Services staff and volunteers assists by permitting frontline police officers to address fundamental policing responsibilities at crime scenes. Referrals to Victim Services Programs are typically made by the police officers on scene but individuals can also self-refer through a 24/7 provincial help line.

The Victim Services program has traditionally been delivered by municipally funded staff seconded to the RCMP or working for another policing agency. To minimize costs, the program is heavily supplemented by volunteers who respond to the calls for assistance on a 24/7 basis. As with any volunteer program of this nature, there is the challenge of recruiting, training and motivating people to respond to extremely challenging situations on a regular basis.

In 2015, the Province provided over \$70 million for services to support victims of crime: \$12 million for the Crime Victim Assistance Program; \$16 million for violence against women programs and \$32 million for transition house services<sup>1</sup>. The Province also provides:

1. VictimLinkBC - a phone service that refers crime victims to help 24-hours a day
2. Crime Victim Assistance Program - assists victims, immediate family members and some witnesses in coping with the effects of violent crime
3. Victim Safety Unit - provides victims with information about the accused or offender
4. Victim Travel Fund - provides funds for a family or victim to attend justice-related proceeding in B.C.
5. Protection Order Registry - a database of all civil and criminal protection orders that is designed to reduce violence against vulnerable people

The issue of funding the Programs has been the subject of previous resolutions at the UBCM from 2003 to 2015<sup>2</sup>. In 2008, the RDN submitted a similar resolution, *“that the Province of BC and the Government of Canada provide additional and adequate funding to fully support Restorative Justice and Victim Services Programs in BC.”* The funding of this service has been a long standing topic of discussion between the municipal sector and the Province.

In July 2016, the Government of Canada, Department of Justice, announced funding of \$3,411,450 over 5 years to *“enhance and support services to victims and survivors of crime in British Columbia”*. The funding will be used by the Province of British Columbia to:

1. provide enhanced information, supports and services to family members of homicide victims;
2. implement responsive victim services in four remote and/or First Nations communities in British Columbia;
3. establish provincial networks for Child Advocacy Centres and for Domestic Violence Units;
4. provide multi-disciplinary trauma-informed practice training, education and awareness curriculum for the justice and public safety sector, in response to recommendations from British Columbia's Fifth Justice Summit;
5. develop training initiatives to strengthen the knowledge and capacity of victim service workers and other front-line service providers working with victims of crime in British Columbia; and
6. undertake various activities and training to support the implementation of the Canadian Victims Bill of Rights, including the provision of new testimonial accommodations.

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<sup>1</sup> Ministry of Public Safety and Solicitor General 2015 response to UBCM resolution 2015 B4; UBCM resolution 2014 B4

<sup>2</sup> UBCM 2003, 2006-B9; 2008-B4; 2010-B12, 2014 B4; 2015 B4

The provincial Minister of Public Safety and Solicitor General commented on the federal announcement “...*With a five-year funding commitment now in place, services provides working with victims of crime can access targeted education and training opportunities ensuring we have a responsive system of supports in British Columbia...*”.

The above initiatives will not likely see the municipal sector’s costs reduced but may assist with the training of the victim service responders.

## **ALTERNATIVES**

1. The Association of Vancouver Island Coastal Communities be requested to consider the resolution to again request that the Province fully fund the Victim Services Programs; or,
2. The Province fund the Victim Services Programs at historic levels which necessitates continued Regional District of Nanaimo funding.

## **FINANCIAL IMPLICATIONS**

In 2016, the RDN funded the Nanaimo RCMP Victim Services (\$10,000), the Oceanside Victim Services (\$64,342) and the Ladysmith Victim Services (\$3,500) programs.

## **STRATEGIC PLAN IMPLICATIONS**

The report supports the Board’s Strategic Priority of viewing emergency services as core elements of community safety.



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P. Carlyle  
pcarlyle@rdn.bc.ca  
December 30, 2016

Reviewed by:

- Corporate Leadership Group



## The Corporation of the District of Tofino

# REPORT TO COMMITTEE OF THE WHOLE

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**MEETING DATE** 30/01/2017

A/T #: CR-

**TO** Mayor & Council

File #:

**FROM** Mayor Osborne

**SUBJECT** Split Classification for Short-term Overnight Accommodation

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### PROPOSED RESOLUTION

WHEREAS B.C. Reg. 438/81 'Prescribed Classes of Property Regulation' enables BC Assessment to split-classify two specific Short Term Overnight Commercial Accommodation Properties (strata accommodation properties and 'bed and breakfast' residential properties) between Class 1 and Class 6 to reflect the dual residential and commercial use of these properties; and

WHEREAS the regulation does not capture residential properties that are also used commercially for short-term overnight accommodation (known as "short term rentals" or "vacation rentals"), creating a tax fairness issue;

THEREFORE BE IT RESOLVED that the Province amend legislation so that all residential properties used for short-term overnight accommodation be eligible to be split-classified between Class 1 and Class 6, and that classification methodology for short-term rentals be developed in consultation with stakeholders.

### BACKGROUND

BC Assessment develops and maintains real property assessments throughout British Columbia, in addition to providing real property information, in compliance with the Assessment Act.

B.C. Reg. 438/81 'Prescribed Classes of Property Regulation' describes the nine property classes used by BC Assessment to classify properties. Classification is based on property type and/or use; municipal zoning does not determine property class, although it may be a factor in some cases.

Some properties are used for a dual purpose, as a residence and as a short-term commercial accommodation. Accordingly, in the past ~20 years the legislation has been amended to permit the split-classification of certain properties as a residential property (Class 1 - Residential) and as a short-term overnight commercial accommodation property, or 'STOCAP' (Class 6 – Business and Other).

Currently, the legislation permits the split classification of two particular cases of personal and

commercial use: strata accommodation properties (SAPs) and bed and breakfasts (B&B). In both cases, B.C. Reg. 438/81 'Prescribed Classes of Property Regulation' clarifies the rules around classification; there is a specific and prescribed set of criteria used by BC Assessment for consistent classification. (Note: Not all SAPs or B&Bs are split-classified. For example, there are threshold criteria, including a minimum of four rooms, that B&Bs must meet to be split classified.)

In both cases (SAPs and B&Bs), legislation was amended to address tax fairness issues raised by stakeholders such as municipal governments and industry, and in both cases, lobbying and government consultation with affected parties took place before legislative amendments were realized.

The legislation has not kept up with the current practice of using residential properties as short-term vacation rentals in which a single family dwelling may be used for part or all of the year as a vacation rental, in which an entire dwelling is rented out for periods of less than 30 days. Split classification of properties with such vacation rentals is not possible under current legislation, and this legislative 'gap' can only be addressed by a legislative amendment.

While municipal governments can address tax fairness between property classes to a certain extent by adjusting municipal tax rates on each class, municipalities do not have the authority to determine or alter property class. Municipalities' need to address tax fairness issues with residential properties used for commercial accommodation (and vice versa) has been raised through UBCM resolutions about property classification in 1992, 1994, 2006 and 2014, with considerable success.

To address the legislative gap that exists for vacation rentals, an effective way to for Tofino to lobby the Province to amend the legislation is by submitting a resolution to UBCM via the AVICC resolution process.

#### Appendix:

##### 1. B.C. Reg 438/81 - Prescribed Classes of Property Regulation



February 08, 2017

**REPORT TO:** MAYOR AND COUNCILLORS

**FROM:** DEBBIE R. COMIS, CHIEF ADMINISTRATIVE OFFICER

**SUBJECT:** GOOSE MANAGEMENT RESOLUTION TO ASSOCIATION OF VANCOUVER ISLAND COASTAL COMMUNITIES (AVICC)

**PURPOSE:** *To obtain Council approval of a resolution to the 2017 AVICC Conference.*

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**EXECUTIVE SUMMARY:**

The City of Parksville has undertaken various goose management strategies to preserve the estuaries, beaches and wildlife habitat in the City of Parksville. Unfortunately the over-abundant goose population is a problem all along the east coast of Vancouver Island and therefore without a coordinated, regional approach the goose population will not be reduced to a manageable, less destructive level.

**RECOMMENDATIONS:**

1. THAT the report from the Chief Administrative Officer dated February 08, 2017, entitled "Goose Management Resolution to Association of Vancouver Island Coastal Communities " be received.
2. THAT Council approve the resolution attached to the report from the Chief Administrative Officer dated February 08, 2017, and submit the approved resolution to the AVICC for consideration at the 2017 Annual Conference.

**BACKGROUND:**

The Guardians of the Mid-Island Estuaries Society have worked diligently for many years to control the goose population on Vancouver Island in order to protect priceless ecosystems; estuaries, beaches, wildlife habitat, fish habitat etc.

In 2015 the Guardians published the "Canada Goose Management Strategy for Mount Arrowsmith Biosphere Region" which was presented to Council at that time.

The document, available at [http://www.guardiansmie.org/Guardians of Mid-Island Estuaries/Welcome.html](http://www.guardiansmie.org/Guardians%20of%20Mid-Island%20Estuaries/Welcome.html) "outlines scientifically-based management solutions to reduce and control locally overabundant Canada Geese populations". The Executive Summary is attached to this report for information.



In 2016 the City of Parksville undertook the first successful goose harvest on Vancouver Island fulfilling the kill permit issued by the Province of BC by harvesting almost 500 geese. Virtually all of the harvested geese provided food to First Nations and to local wildlife rescue centers. This event had a very positive impact on the City of Parksville beaches, ball fields, school fields and estuaries for the balance of the year, however in order to allow these areas, wildlife and fish habitat and estuary to return to its natural, healthy state more work is required.

The overabundance of geese is a concern along the entire east coast of Vancouver Island. The geese move from community to community and destroy natural ecosystems wherever they land. As a result a co-ordinated, regional effort is needed to manage this problem. It is important to note the focus of this initiative is not to eradicate the Canada Geese population. The focus is to bring the population down to a level where it can be managed and not destroy valuable ecosystems. The focus is to find a balance between the health of natural ecosystems and the goose population.

The Guardians of the Mid Island Estuaries Association have initiated discussions with First Nations, specifically K'omoks and Weywakum as well as the City of Nanaimo and other local governments to develop a regional co-ordinated approach to management of this issue. K'omoks First Nation is particularly interested in a harvest for 2017 which should also benefit other areas on the Island.

Because the geese are mobile and travel all along the coast, wherever the population can be reduced will provide a benefit to all areas over time.

For the City of Parksville to continue alone in this initiative would not see a level of success that a regional program would provide; therefore Council is requested to approve the attached resolution and request the Association of Vancouver Island Coastal Communities to support a regional approach to this problem. With support from AVICC, the Guardians, First Nations and local governments will work together to create a regional body to work together to manage this problem.

#### **OPTIONS:**

1. Approve the resolution and submit it to the AVICC.
2. Amend the resolution and submit it to the AVICC.
3. Provide alternate direction to staff.

#### **ANALYSIS:**

Left unchecked, the continued growth of the Canada Goose population will continue to destroy valuable eco-systems, wildlife and fish habitat, beaches, ball fields, school fields, impact water quality and generally carry on such a destructive path our eco-systems will likely not recover.

The problem is extensive and more than one local government acting alone can resolve, therefore a coordinated effort is required to ensure the health of eco-systems throughout Vancouver Island and particularly along the east coast.

The support of the Association of Vancouver Island Coastal Communities is a very important step to save the estuaries, wildlife and fish habitat as well as our beaches, ball fields and other infrastructure, whose decimation will be a high and ongoing cost to local governments and their taxpayers. By approving this initiative, AVICC communities will be indicating their recognition of the severity of the problem, acknowledging we need to take the necessary steps to work together to resolve this issue and when the time comes, will positively consider their participation in a regional program to control the goose population.

#### **FINANCIAL IMPACT:**

The financial impact will be the staff time to participate on the regional body and the cost of a contribution, likely \$5,000 to \$10,000 toward a regional program. Currently Council has approved \$35,000 in the 2017 operating budget for a goose harvest this year, so the actual financial cost should be reduced by participating in a regional effort.

#### **STRATEGIC PLAN IMPLICATIONS:**

**Maintain or Enhance Quality of Life** - Parksville's natural beauty and beaches are a huge draw to people moving to the Community, staying in the community and visiting the community. Preservation of our natural assets is the essence of the quality of life people enjoy in Parksville.

**Renewal and Maintenance of Infrastructure** – The cost of destruction by Canada Geese to ball fields, beaches, water quality at our beaches, the estuary, parks etc. is not quantifiable at this time, however we can be assured that left unchecked there will be large costs to the City as these areas will require rehabilitation over time.

**Maintain or Enhance Levels of Service** – Not applicable

**Maintain or Reduce Actual Property Tax Burden** – By contributing to a regional program the cost will be less than for the City of Parksville to undertake harvesting without regional support.

**Environmentally Sustainable** – Returning our estuaries and habitats to their natural healthy state is critical to ensuring the long term environmental sustainability of the planet.

**Economic Development** – The economic foundation of the City of Parksville is a tourism based economy. Tourists come here to enjoy our beaches and natural environment, but this will not continue if our beaches, parks and natural assets are destroyed overtime by an overabundant goose population.

**REFERENCES:**

- Proposed resolution to be submitted to the AVICC for consideration (attached)
- Canada Goose Management Strategy for Mount Arrowsmith Biosphere Region: Towards the Restoration of Goose-Damaged Estuaries, Prepared for the Guardians of Mid-Island Estuaries Society, Prepared by Clermont, H. 2015 (*Executive Summary attached*).

Respectfully submitted,



DEBBIE R. COMIS  
Chief Administrative Officer

**CITY OF PARKSVILLE**

**CANADA GOOSE POPULATION MANAGEMENT**

**WHEREAS** in the 1950's wildlife managers began relocating Canada Geese to the east coast of Vancouver Island, leading to the over abundant goose population which has devastated agricultural lands, estuaries, wildlife and critical fish habitat across Vancouver Island, bringing some of these vital ecosystems to the brink of extinction;

**AND WHEREAS** the City of Parksville, Regional District of Nanaimo and Guardians of the Mid Island Estuaries Society have employed sound science and a series of management actions designed to reduce resident geese numbers to levels consistent with estuary recovery in 2010;

**NOW THEREFORE BE IT RESOLVED THAT** the Association of Vancouver Island Coastal Communities fully supports a regional coordinated approach to resident Canada Goose management, including population controls needed to protect natural assets and promote sustained recovery of vital estuary habitats.

## Executive Summary

Beginning in the 1950s, enthusiastic wildlife managers across North America began relocating Canada Geese and enhancing potential goose habitats in a concentrated effort to grow their populations. This highly successful assisted migration led to many locally overabundant goose populations. Unwanted geese were transplanted to unfilled sites where their offspring would eventually become a problem for farmers or municipalities and the phenomenon would repeat.

Once a small population was established, site fidelity, a tendency to return again and again to the same places, ensured it would continue to grow. Young breeding females in particular precipitated exponential growth in local goose populations by returning to nest where they were hatched or reared. It is a myth that geese have become a problem because of a failure to migrate.

In fact, many geese in the area do migrate, if only for short distances (e.g., to the Saanich Peninsula or Washington State), debunking the notion that geese stay in the area because all of their needs are met right here. Fourteen different migrant types have been found among geese that were presumed resident, banded at the nest or during the moulting (or flightless) period. These ranged from local residents, present for all five seasons of the Canada Goose life cycle (i.e., spring migration, nesting, moulting, fall migration, and overwintering) to birds that flew long distances (e.g., to California, Alberta). Although local residents are the foundation of our year-round Canada Goose population, other migrant types are always present. Migrants are attracted to areas where local residents gather, and within a few days can have a major impact on those habitats.

Such findings are key to effective management decisions. Since 2000, members of the Guardians of Mid-Island Estuaries Society have helped manage Canada Geese to protect conservation lands damaged by burgeoning goose populations, and in 2008 began marking individual birds ahead of surveys to better understand their population dynamics and distributions. Birds were banded at the Little Qualicum River (LQRE), Englishman River (ERE), and Craig Creek (CCE) estuaries. More than 12,707 survey records, some dating back to 1989, as well as 1,663 nest records and 4,746 records of re-sighted marked birds were used to examine our regional Canada Goose population and develop this strategy.

Still, we were unable to determine whether the regional population is significantly increasing or decreasing. Comparable external datasets, such as those from Bird Studies Canada, showed weakly increasing or possibly cyclic trends. Notably, goose populations are unlikely to be limited by the ecological carrying capacity of the region. They were observed on only 232 of 342 sites identified as available goose habitat.

There were two times of year when large numbers of geese were observed. Overwintering and summer moult counts were higher than counts in other seasons, peaking at ~1,500 birds in 2014. These peaks, partly attributed to additional survey sites, may be of management concern. Only continued monitoring will determine whether these represent a new trend upwards, peaks in a recurring cycle, or standalone highs.

The least amount of mixing between local residents and other migrant types occurred during the nesting season. The maximum count during the nesting season was 443 in 2013, not including undetected nesting birds and geese that left the region to moult. If surveys of both breeding and non-breeding were conducted on and near the nesting grounds, a trend for local resident populations might emerge.



Across all seasons, goose counts were highest at the estuaries. During the moult, they concentrated on the estuaries and in marine and freshwater habitats, such as Hamilton Marsh. In fall and winter, estuaries were preferred roosting and loafing sites, and destinations when other areas were exposed to hunting pressure or were frozen. Our estuaries experienced a reprieve of sorts only after the moulting period prior to the first hunting season, when flocks tended to forage elsewhere.

Estuaries are critical and year-round habitats for Canada Geese, but they are also used by an estimated 80% of coastal fish and wildlife and provide many services to humankind (e.g., flood control, water filtration, carbon sequestration). Geese have overgrazed mid-island estuarine marshes, and grubbed the roots and rhizomes along channel edges, exposing the thick marsh platform to erosion. Built up over millennia, this platform has washed away in many areas, channels have become shallow, and productive habitats have been reduced to gravel. When a similar scenario occurred in northern salt marshes, primarily from overabundant snow geese, entire plant communities were eliminated and areas exclosed from geese remained denuded 20 years later.

Even without the additional burden of overgrazing geese, many mid-island marsh ecosystems are at-risk of extinction; at least four ecological communities are provincially imperiled, and another three are of special concern. Geese have also introduced invasive plants into imperiled Garry Oak ecosystems, and may be overgrazing eelgrass, a keystone species in estuarine and subtidal environments.

Urban and agricultural areas have also suffered. When the size of habitats were taken into account, goose densities were found to be highest in the Parksville Church Road and Parksville Bay/City areas, and on sites with access to freshwater in particular.

High concentrations of geese may lead to contamination of drinking water, and fouling of beaches, parks, school grounds, sports fields and other sites, all of which pose risks to human and animal health. Island Health inspectors have found no significant issues with water samples taken from Qualicum Beach, Parksville, or Rattray Provincial Park's popular beaches. However, other areas remain unsampled. Young children playing in sand may have a greater exposure to goose-borne bacteria, as bacteria persist longer in sand than in water. Some dogs participating in hazing programs have become unwell. A 2010 health risk assessment, commissioned by the Canadian Wildlife Service (CWS), found there were insufficient data to conduct a meaningful assessment. It recommended fecal waste management, a working group to develop national standards for the management of peri-urban (or 'rurban') goose populations, and investments in monitoring and research.

Our survey of stakeholders identified many concerns. The Department of National Defense was concerned about bird strikes near its helicopter pad in Nanoose Bay. Local farmers had experienced crop damage. Some respondents suspected contamination of drinking water, shellfish beds, and areas used by farm animals. People complained about damage to landscaping, noise issues, and aggression towards people and pets. Many had incurred costs associated with goose control or damage. Importantly, the survey revealed Canada Geese had diminished the quality of life of area residents by keeping them from enjoying special places and activities. Some local businesses were affected by off-put tourists. Although it appears that our communities have exceeded our tolerance, or 'social carrying capacity' for geese, additional community members should be surveyed to augment our limited survey data.

In Canada, they may be an icon, but in many other countries Canada Geese are considered one of their worst invasive species and a serious threat to biodiversity. In some U.S. jurisdictions, they are classified as 'overly abundant', although areas without this designation appear to have considerable latitude in dealing with nuisance geese. The U.S. Fish and Wildlife Service provides management support, including, among other things, capture and euthanasia, egg addling, and hazing. It maintains an e-permits website whereby anyone in the conterminous U.S. (i.e., the lower 48 States) can register for federal authorization to destroy Canada Goose nests and eggs. The U.S. Department of Agriculture (USDA) provides management services on a cost-reimbursable basis. There are also State-funded control programs. Due in part to the direct involvement of senior governments, culled geese suitable for human consumption are typically donated to food banks or other charitable organizations. USDA economists found that for every dollar spent controlling Canada Geese, U.S. \$1.31 to \$5.56 could be saved in damage and maintenance costs.

In general, a combination of hunting, egg sterilization, culling, and hazing are used to control Canada Geese. Elsewhere in B.C., organized hunts, kill permits, and large-scale egg addling programs have been used with some success. The first cull of geese on Vancouver Island was held in the Capital Region in the summer of 2015.

Hunting has been promoted as the best way to address nuisance geese. Twenty-one percent of our marked geese were shot by hunters, and 68% of these were killed within our region. Seventy-two percent of marked geese shot outside of the region had never been observed on huntable sites here. More than half of marked geese shot by hunters were banded at the Little Qualicum River estuary. All LQRE-banded birds had been observed on huntable sites in the region, whereas only one third of ERE-banded birds and two thirds of CCE birds were huntable.

If Canada Geese were designated as 'overabundant', exceptional hunting methods and equipment could be used. Hunting pressure may also be increased by opening new areas to hunting, even for a limited period, and by creating incentives for hunters, encouraging landowners with geese to allow hunters, and further reducing hunting restrictions. However, many studies have shown that hunting alone will not control goose populations.

Egg sterilization is a common management tool. The mid-island egg addling program has focused on the Englishman River and Little Qualicum River estuaries, and to a lesser degree on the Nanoose Bay unit of the Qualicum National Wildlife Area. Nest densities were highest at the Little Qualicum River estuary, however nest and egg numbers there are now trending downward. By contrast, the number of nesting geese at the other estuaries has increased. Despite these conflicting trends, we can unequivocally say the addling program has made a significant impact. From 2002 through 2014, it prevented at least 5,345 eggs from hatching, or at least 2,088 new breeding birds, despite a lack of consistent funding and personnel. Given an average clutch size of 5.8 eggs per goose, and using a very rough calculation, the addling program has prevented more than 6,000 additional eggs *per year*.

There are other ways to control geese, used with varying levels of success. What works well for one site may be unsuitable for another, and there is a legitimate concern that birds kept out of one area will wreck havoc elsewhere. Even hunting and egg addling move birds and impacts to other areas. Some survey

respondents had used damage or danger permits, however these are probably underutilized due to a lack of awareness that such permits exist, onerous permitting processes, and a reluctance to perform the tasks. A provincial compensation program for farmers was also underutilized; while compensation is not a control measure, it is a form of management.

Culling - the selective, lethal removal of wild animals, is a sensitive topic and has been considered a measure of 'last resort'. Yet, it has some distinct advantages over other types of control methods. Like hunting and permits to kill adult birds, it decreases the breeding population. However, it typically targets a larger number of birds at one time, can be applied directly to a problem population, its effects are obvious and immediate, and there are fewer risks that surviving members will cause problems elsewhere. Still, repopulation is anticipated, as individuals (e.g., moult out-migrants) that escaped the cull return, nearby populations continue to grow, and suitable habitats remain available.

Fewer people are opposed to culling of nuisance geese when they are utilized in some way. Other game animals have been culled, processed, donated, and even sold and exported, and our provincial agencies support the use of culled meat. There are revisions proposed to the *Migratory Birds Regulations* that would allow consumption of culled geese, requiring the development of standards with public health and food inspection agencies. A made-in-B.C. solution may also be possible, should the provincial inspection program take the lead and donated meat remain in the province.

Also anticipated are revisions to the *Migratory Birds Regulations* that allow First Nations to harvest migratory birds and their eggs throughout the year; to sell down and non-edible by-products; and to barter, exchange, trade, or sell birds and eggs with other Aboriginal communities. However, collaboration and consultation with First Nations is important for reasons aside from their potential contributions to goose management. Canada Geese frequent reserve lands and traditional use areas.

We encourage local governments and regulatory agencies to work together with affected landowners and land managers to reduce and control the regional Canada Goose population. It is appropriate that CWS leads a regional working group that dedicates and pools resources to address the full breadth of problems caused by geese. It is important that CWS, B.C. Ministry of Environment (MoE) and Ministry of Forests, Lands and Natural Resource Operations (MFLNRO) develop a communications protocol to bridge the mostly-siloed goose management initiatives in B.C. so that efforts are cohesive, and experiences and expertise are shared. Some frank discussions should ensue, such as how CWS might set population objectives for Canada Geese based on the ability of habitats to support them, and the merits of an overabundance designation for temperate-breeding geese. The group should also develop a monitoring program in advance of predictive population modeling.

This strategy has been designed to serve individuals and groups coping with nuisance geese and/or tasked with creating and implementing management plans. There were three mostly distinct, but sometimes overlapping subpopulations in the region, corresponding to geese banded at the LQRE, ERE, and CCE. These subpopulations merit individual management plans, as they are composed of unique blends of migrant types, experience different levels of hunting pressure, and pose challenges that may not be relevant across the entire region. Recommendations for each plan are provided in Chapter 14.



February 21, 2017

File: 0250-20 UBCM

AVICC  
525 Government Street  
Victoria, BC V8V 0A8

Dear Sir/Madam:

**Re: Resolution re: Non-Tenured Value-Added Wood Processors**

I write to advise that the North Cowichan Municipal Council, at its February 15, 2017, Regular Council meeting endorsed the above-noted resolution for consideration at the upcoming UBCM conference.

Enclosed for your information is the proposed resolution and accompanying background documentation. If you have any questions, please contact me at 250-746-3100.

Sincerely



Mark Ruttan, BA, MPA, CMC,  
Director of Corporate Services / Deputy CAO

[mark.ruttan@northcowichan.ca](mailto:mark.ruttan@northcowichan.ca)

Enclosures

c: Mayor and Council

## **Non-Tenured Value-Added Wood Processors**

## **Municipality of North Cowichan**

"Whereas British Columbia's non-tenured value-added wood processors find it increasingly difficult to access a share of public wood resources for further processing in British Columbia due to the consolidation and control of the non-competitive harvest into very few hands;

And whereas British Columbia's non-tenured value-added wood processors have had their access to the U.S. market impeded by the dispute between the U.S. Lumber Coalition and the tenured companies that have exclusive access to B.C.'s non-competitive and administratively-priced wood resource;

Therefore be it resolved that the Province of British Columbia be requested to take whatever steps are necessary to ensure that B.C.'s non-tenured value-added wood processors have access to a share of the B.C.'s non-competitive wood resource for the purpose of processing it in B.C. and that B.C.'s non-tenured value-added wood processors have unimpeded access to the U.S. market for their products;

And be it further resolved that in the event of a quota based Softwood Lumber Agreement with the United States that the Province of British Columbia allocate quota in such a way that it does not impede the survival and growth of B.C.'s non-tenured value added wood processors".

## **The Advantages of a Quota based SLA 20??**

With respect to forest policy, SLA 2006 prevented GBC from doing anything not contained in the Agreement.

Having to pay Border Taxes under SLA 2006 was the primary reason given for the business failures of over 50% BC's non-tenured value added producers. Lack of supply due to Consolidation was second.

BC's non-tenured producers simply cannot survive paying a tax designed to reduce their ability to compete in their primary market. The tax is an off-set to the benefits enjoyed by those having exclusive access to the BC Public's non-competitive administratively priced timber resource. We do not enjoy those benefits. BC's non-tenured producers need the tenured producers to pay the entire cost of retaining their benefits.

If intelligently allocated, a Quota based Agreement can solve many of BC's problems, obtain the greatest socioeconomic benefit per cubic meter harvested, and free BC from US oversight of its forest policy.

### **Allocation**

- GBC will allocate the entire quota to the tenured primaries, but not distribute it all
- the tenured primaries can decide among themselves who is going to get what %
- non-tenured remanufacturers and primaries, would hold no quota so we will call them the 'non-quota sector'
- GBC will estimate the volume required for the shipment of products produced by the 'non-quota sector'
- GBC will establish a 'pool' equal to that estimate plus a provision for growth
- GBC will distribute all the remaining quota to the tenured primaries for their use
- GBC will provide 'pool' quota to the products produced by the 'non-quota sector' at time of the shipment
- withdrawal of 'pool' quota for wholesaling cannot be permitted due to circumvention concerns
- periodically and at year end, GBC will return to the primaries any quota that is not drawn from the 'pool'
- at year end, GBC establishes a new 'pool' for the 'non-quota sectors' use in the following year

### **The effect**

- it is easy to implement
- it simplifies the allocation process as the tenured primaries, can slug it out among themselves
- it is revenue neutral to the primaries as in the absence of quota, we pay the same price as the US
- there would be no need to transfer price-distorting quota with the lumber
- there would be an increase in sales of lumber to BC's non-quota holding producers (non-tenured)
- this would result in a volume reduction going to the US due to:
  - trim loss in value added reprocessing
  - some products going to off-shore markets
  - falldown products going to local markets
- therefore, it would result in a lower use of BC's quota per mfbm of primary production
- the quota saved can be used for increased primary processing
- that means increased harvesting, primary, and secondary jobs
- that results in an increase government stumpage and general revenues
- new entrants and First Nations could be accommodated through annual "pool" adjustments
- GBC could expand the 'pool' to allow small tenured producers access (<200,000 m3)
- GBC could adjust Y/E quota allocations to reward tenured producers for selling in BC as opposed to adjusting them based upon history of sales to the USA
- BC would be free of US oversight of our Forest Policy



## The Independent Wood Processors Association (IWPA)

Is an Association of 71 of BC's non-tenured wood processors and has represented the sector since 1971.

## Local IWPA members include

- Centurion Lumber Manufacturing Ltd
- Aquila Cedar Products Ltd
- B&L Forest Products Ltd
- Coastland Wood Industries Ltd
- Errington Cedar Products Ltd
- Harmac Pacific

## BC's current challenges

- The decline of primary processing due to declining AAC
- The decline of secondary processing due to
  - The consolidation of control of 70% of the Public's non-competitive forest resource by 5 companies = loss of access to wood supply
  - Our products being subjected to SLA penalties = loss of access to market
  - The result has been the loss of over half of BC's non-tenured specialty and value added wood processors (54 of 107 IWPA members)

## No new jobs from the Licensees

- The 5 big stewards of the BC public's forest resource
- Have purchased 39 sawmills in the USA
- Will be closing more BC sawmills
- Are not good at Value Added processing
- Can only employ non-tenured remanufacturers to do the work
- WFP just closed another reman plant and has one left
- New jobs will have to come from the Value Added sector

## The Softwood Lumber Dispute

- In the absence of an Agreement we will soon have more curtailments and closures

But

- The Softwood Lumber dispute may also be the solution to our problems

**Please take our word for it**

(unless you have 2 hours to listen to why)

- We have 2 choices
  - A Quota Based Softwood Lumber Agreement
  - or No Agreement with CVD and ADD

## The good thing about Quota

- It frees BC from US oversight of our Forest Policy

## The bad things about Quota

- The 1996 Quota allocation method produced winners and losers
- The losers tend to be the smaller non-tenured wood processors
- Quota means shipping less to the USA than we presently ship
- BC's Value added jobs are therefore reduced and capped
- Past Quota allocation has been based upon US shipment history resulting in an incentive for primaries to prefer to sell to US customers instead of BC customers
- There are alternate markets for Commodity products
- Alternate markets for Specialty products are very limited



The Independent Wood Processors Association (IWPA) would like to present a SLA Quota allocation system that will work for all

There is a way to allocate Quota to:

- ✓ obtain the greatest socioeconomic benefit per cubic metre of timber harvested and per unit of quota available
- ✓ rebuild the non-tenured specialty and value added sector
- ✓ accommodate new entrants and 1<sup>st</sup> Nations
- ✓ avoid creating winners and losers



## Allocation

- Only tenured companies would be allocated quota, and on their terms
- GBC would estimate the quota necessary for non-tenured producers shipments
- GBC would withhold and administer a quota pool' with provision for growth and the remaining quota would be distributed to tenured companies
- The 'pool' used for non-tenured producer shipments would be bottomless
- The 'pool' would be used at time of shipment for titled products produced (SLA defined processes) by non-tenured companies
- Any 'pool' Quota remaining at year end would be distributed pro-rata to quota holders and a new 'pool' would be established for the next year

## Only tenured companies would be allocated quota, and on their terms

Allow the tenured companies to determine how quota will be allocated between them

- Which tenure holders manufacture and need quota?
- Who ships greater percentages of production to the USA?
- What percentage of tenure is held vs mill requirements?
- How to transfer quota among themselves and to affiliates ?
- How to handle quota transfers to wholesalers?
- What to do if export markets change?
- etc

GBC would estimate the quota needed for non-tenured producers  
GBC data Jan 2010 – June 2015

| In scope           | \$ billions | % \$ | Mfbm/msm   | % volume |
|--------------------|-------------|------|------------|----------|
| 4407.10.10 framing | \$12.253    | 92 % | 29,327,378 | 95 %     |
| Other value added  | \$1.069     | 8 %  | 1,570,691  | 5 %      |
| Total              | \$13.322    |      | 30,898,069 |          |
| Annual (/4.5yrs)   | \$2.960     |      | 6,866,237  |          |

GBC would withhold and administer a 'pool' with provision for growth and remaining quota would be distributed to tenured companies  
... estimate ...

- 5% to cover present shipments of value added products produced by non-tenured remanufacturers
- 2% to cover that portion of the 95% of 4407.10.10 produced by non-tenured specialty primaries
- 2% to allow for non-tenured producer growth
- So perhaps 9% of BC's quota allocation in the first year?

The 'pool' used for US shipment of products produced by non-tenured processors would be bottomless

For example:

- BC could withhold 25% for the first 6 months to measure growth
- Once the needs are known, remaining quota could be distributed to the licensees
- But enough would be kept in the pool to ensure it never goes dry

The 'pool' would be used at time of shipment for titled products produced by non-tenured companies

- Only non-quota holders would be able to access the pool
- Only for products produced (SLA processes) by non-quota holders
- Products would carry a sticky pool use 'qualification' if sold within BC
- Quota would only come out of the pool as the product enters the USA
- No pool access for wholesaling products produced by quota holders
- Quota holders would provide quota to wholesalers if necessary

Any 'pool' Quota remaining at year end would be distributed pro-rata to Quota holders and a new 'pool' would be established for the next year

- To ensure that no quota goes unused, at year end, the GBC would distribute to quota holders pro-rata, any quota remaining in the pool
- And establish a new bottomless pool for the following year based upon the new projected demand
- The pool could be expanded to accommodate new entrants and 1<sup>st</sup> Nations as they enter the industry with titled wood over the years
- Any redistribution of quota among the quota holders would not be based entirely upon history of shipments to the USA
- Sales for further processing within BC would not penalize them

## The Effect

there are no losers

### It is revenue neutral to the tenured producers

- There would be no need to transfer price distorting quota
- In the absence of price distorting quota transfers, BC's non-tenured producers pay the same price for their wood as the Americans

### There will be an increase in sales to BC's non-tenured specialty and value added processors

- Free access to the US market would be restored for the non-tenured specialty and value added producers
- Tenured primaries would have more BC based customers to sell to and ...
- There would be an incentive for Licensees to sell in BC as the quota used would come from the pool instead of from their allocation

The more lumber the tenured primaries sell to BC remanufacturers, the more harvesting and primary processing they can do

- 1000 bd ft of lumber direct from the tenured primary to a US customer requires 1000 bd ft of quota
- 1000 bd ft of lumber to a BC remanufacturer might only require 700 bd ft of quota after trim loss, falldown, and local sales
- The 300 bd ft quota saving remains in the pool and can in effect be used twice

## Freedom from US oversight of BC Forest policy

- Under a quota system, the US Coalition has no interest in BC forest policy as it does not effect the volume shipped to the USA
- The less framing and the more value added products shipped under the quota, the happier the US Coalition
- The GBC has been Forest Policy hamstrung for 9 years
- GBC needs the freedom to deal with the collapse of value added activities in BC, changing commodity markets, fibre availability, pine beetle issues, 1<sup>st</sup> Nations issues, stumpage issues, etc

## Bottom line

the greatest socio-economic benefit per m3  
harvested and per unit of quota available

- ✓ an increase in harvesting jobs
- ✓ an increase in GBC stumpage revenue
- ✓ an increase in primary and secondary processing jobs
- ✓ an increase in GBC small business and payroll tax revenues
- ✓ renewed opportunity for growth of value added in BC
- ✓ freedom from US oversight of BC forest policy

We would like to get the following Resolution before the UBCM

- Where as British Columbia's non-tenured value added wood processors are finding it increasingly difficult to access a share of the BC Public's wood resource for further processing in British Columbia due to the consolidation and control of the BC Public's non-competitive harvest into very few hands and ...
- Where as British Columbia's non-tenured value added wood processors have had their access to the US market impeded by the dispute between the US Coalition and the tenured companies that have exclusive access to the BC Public's non-competitive administratively priced wood resource ...

*Continued...*

- Be it resolved that the UBCM ask the BC Provincial Government to take whatever steps are necessary to ensure that BC's non-tenured value added wood processors have access to a share of the BC Public's non-competitive wood resource for the purpose of processing it in BC and that BC's non-tenured value added wood processors have unimpeded access to the US market for their products ...
- And be it further resolved that in the event of a quota based Agreement with the United States that the BC Provincial Government allocate quota in such a way that it does not impede the survival and growth of BC's non-tenured value added wood processors.



# B.C.'s plan to bolster forestry industry rolls out some help, remains work in progress



*DERRICK PENNER*

[More from Derrick Penner](http://VANCOUVERSUN.COM/AUTHOR/DEPENNER) ([HTTP://VANCOUVERSUN.COM/AUTHOR/DEPENNER](http://VANCOUVERSUN.COM/AUTHOR/DEPENNER))

Published on: September 6, 2016 | Last Updated: September 6, 2016 8:45 PM PST



Russ Camerson, president of the Independent Wood Processors association, with value added wood products at Leslie Forest Products in Delta. *GERRY KAHRMANN / PNG*

Buried in the middle of the province's new plan for making the forest industry more competitive is a commitment to make the so-called value-added sector exempt from export duties that might come in a new softwood lumber trade agreement with the U.S.

"That's the thing we're really, really pleased that (Forests Minister Steve Thomson) is acknowledging," said Russ Cameron, president of the Independent Wood Processors Association of B.C., "because that's the thing that's going to kill us if we have to once again pay a tax."

It was a small measure in the overall plan, unveiled last week as the province comes under pressure to bolster what remains a key industry in many regions, but is being squeezed by uncertainties including the renewal of the U.S. trade dispute and the decline in timber supplies caused by the mountain pine beetle infestation.

NDP forestry critic Harry Bains wrote the plan off as a "series of half-measures" that sounded more like electioneering by the Liberal government rather than policy changes that will help the industry.

However, the government's comment on export taxes was more than a small victory for the secondary manufacturers that Cameron's organization represents. His group has long argued that its members were unfairly burdened duties under the previous Canada-U.S. softwood lumber agreement since they typically don't have secure access to timber under tenure arrangements with government, but have to buy it at market prices.

Over the past 15 years, Cameron said, the part of the value-added industry — companies such as cedar-siding manufacturers and makers of indoor wooden mouldings — that the his group represents has shrunk almost by half.

"If we're exempted (from trade taxes), we're hopeful that will provide an incentive for big (timber) licensees to make more wood available to us," Cameron said.

Thomson's document lists 49 "strategic actions," many of which require further consultation or mean adding to existing programs, such as the promoting B.C. wood products in other markets and developing non-traditional uses for wood and wood-pulp fibres.

In unveiling the document, government said it's "focused on maintaining the forest sector's position" as a key part of the economy, especially in rural B.C.

The forest industry was hit with a deep round of consolidation through the late 1990s and then the downturn of the U.S. housing market, with the closure of dozens of mills and thousands of job losses.

However, forestry remains a mainstay of the province's outlying regions, employing some 65,500 people directly and accounting for about \$8.8 billion of the province's economy as measured by gross domestic product, according to provincial figures.

Thomson's plan encompasses three broad themes: forest health, maintaining competitive conditions for the industry and supporting communities and First Nations.

The value-added sector factors heavily in the program that Thomson is rolling out.

"Access to timber is definitely one of the challenges facing the value-added sector," Thomson said Tuesday in an emailed statement to Postmedia News.

And while he unveiled no new programs to direct more timber their way, Thomson suggested producers could get into joint ventures with First Nations and community forest licensees. Another measure, he added, was a \$200,000 commitment to a marketing program for the value-added sector's smaller producers that lack such expertise.

Industry representatives for the large forest licensees also like the plan.

"Ensuring that we have the conditions in our province that allow our industry to compete successfully is critical if we are going to sustain

our sector and attract investment,” said Susan Yurkovich, CEO of the Council of Forest Industries, which represents the Interior’s large lumber producers.

Forestry critic Bains, however, argued that the plan only deals partly with long-standing problems with poorly managed reforestation and the lack of timber supply for the value-added sector.

“Now we’re just getting closer to the election and I think they need to say something (about the forest industry),” Bains said.

Government should be making bigger investments in reforestation and silviculture, Bains said, and work more on encouraging companies, particularly those on the coast that export logs, to make more B.C. timber available to companies that can create jobs here.

“It’s about showing leadership and saying ‘look, this is a public asset, we want to create more jobs with that public asset,’” Bains said “That isn’t happening.”

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## Vancouver Flyers

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## Comments

We encourage all readers to share their views on our articles and blog posts. We are committed to

## UBCM Resolutions Committee comments:

The Resolutions Committee advises that the UBCM membership has not previously considered a resolution requesting the federal and provincial governments to include all electoral areas in future government funding programs aimed at supporting rural and remote communities.

The Committee would observe that while the sponsor indicates that the "BC Rural Dividend" program is not available, the bulk of funding programs offered to electoral areas in BC do include the electoral areas from the Capital Regional District.

The Committee would suggest that, as written, the resolution raises an issue that is regional in nature, and advocacy of this matter would best be pursued by the area association. The Committee also notes that this resolution has not been considered by the area association.

**C27 Protection of Old-growth Forests****Metchosin**

Whereas old-growth forest is increasingly rare on Vancouver Island, and is gone for centuries once logged;

And whereas old-growth forest has significant economic, social and environmental value as wildlife habitat, tourism resource, carbon sink and much more;

And whereas current plans on provincial Crown land call for logging the remaining old-growth forest, outside of protected areas, Old-Growth Management Areas, and similar reserves, over the next 10-20 years:

Therefore be it resolved that the old-growth forest on provincial Crown Land on Vancouver Island be protected from logging;

And be it further resolved that AVICC send a letter to the provincial government—Minister of Forests, Lands and Natural Resource Operations—as well as relevant government organizations requesting that the Vancouver Island Land Use Plan be amended to protect all of Vancouver Island's remaining old growth forest on provincial Crown land.

*Endorsed by the Association of Vancouver Island and Coastal Communities*

## UBCM Resolutions Committee comments:

The Resolutions Committee advises that the UBCM membership has not previously considered a resolution calling on the provincial government to protect all old-growth forest on provincial Crown land from being logged, and to reflect this protected status in the Vancouver Island Land Use Plan.

However, the Committee notes that in 1992 members endorsed resolution LR5, which asked the Province to "take the necessary measures to ensure that the proposed protected areas are not compromised before the Protected Areas Strategy has been completed." This resolution was brought forward in part, to protect the old growth in the area until the Protected Area Strategy had been finalized.

Regarding old growth forests, the Province has reported that:

- there are more than 25 million hectares of old growth forests in BC of which 4.5 million hectares are fully protected, representing an area larger than Vancouver Island;
- land use planning processes in the 1990s engaged the public, First Nations, environmental groups, and communities to identify protected areas on Vancouver Island and the South Coast, with the resulting percentage of protected areas in both regions exceeding the United Nations recommended target of 12 per cent; and
- of the 1.9 million hectares of Crown forest on Vancouver Island, 840,125 hectares are considered old-growth—but only 313,000 hectares are available for timber harvesting.

The Committee would suggest that the protection of old-growth forest on provincial Crown land on Vancouver Island is a regional issue, therefore advocacy on the issue would best be pursued by the area association.

**Subject:** District of Metchosin Resolution "Aboriginal Day' Background  
**Date:** Monday, February 20, 2017 at 11:17:50 AM Pacific Standard Time  
**From:** Tina Hansen  
**To:** 'lcookson@ubcm.ca'  
**CC:** tammie van swieten

Hi Liz,

As discussed, please see the background below for National Aboriginal Day:

**Background** - National Aboriginal Day, a non-statutory national day of recognition, celebrates the cultures and contributions of the [First Nations](#), [Inuit](#) and [Métis](#) peoples of Canada. Most Aboriginal organizations and agencies give this day to their staff as a statutory holiday; for all other Canadians (Native and non-Native) it is usually another work day. Since it often falls on a workday, it is difficult for most Canadians to help celebrate Canada's First Nations heritage and to show respect and support for their history and cultures.

Number 80 of the Calls to Actions from the Truth and Reconciliation Commission of Canada states: We call upon the federal government, in collaboration with Aboriginal peoples, to establish, as a statutory holiday, a National Day for Truth and Reconciliation to honour Survivors, their families, and communities, and ensure that public commemoration of the history and legacy of residential schools remain a vital component of the reconciliation process.

As both provincial and federal governments move towards a sincere reconciliation of past policies that brought much harm to Aboriginal individuals, families and communities, designating a national statutory holiday celebrating Aboriginal culture and history would allow all Canadians to participate. Through participation, bridges are built that connect Canada's first cultures with the many others that have since found a home here.

Please let me know if you require anything further.

Thank you,

**Tina Hansen**  
Executive Assistant  
District of Metchosin  
4450 Happy Valley Road  
Victoria, BC V9C 3Z3  
Phone: 250-474-3167  
Fax: 250-474-6298

*Please note my hours in the office are Monday, Thursday and Friday. I will respond to your email as soon as possible. Thank you for your patience.*





RECEIVED  
FEB 21 2017

February 10, 2017

Councillor Barbara Price, President  
Association of Vancouver Island and Coastal Communities (AVICC)  
525 Government Street  
Victoria, BC V8V 0A8

Dear Councillor Price:

**Re: Resolution for 2017 AVICC Convention**

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Please be advised that at its February 6, 2017 meeting, Council passed the following resolution for consideration at the 2017 Convention:

*WHEREAS at the 2016 AVICC AGM & Convention in Nanaimo, membership gave direction to the AVICC to "advance the use of social procurement policies";*

*AND WHEREAS the AVICC Executive has received presentations and proposals from an ad hoc Working Group of volunteer elected officials and subject matter experts (see attached Backgrounder) about how to advance this membership direction so as to best assist interested local governments in implementing social procurement (AKA community benefit procurement) policies and practices;*

*THEREFORE be it resolved that the AVICC Executive appoint a liaison to the Working Group;*

*AND THAT the Working Group undertake a feasibility assessment of a "Community Benefit Procurement Hub" as per the information circulated at the AVICC 2017 Convention for the AVICC membership and report back to the AVICC at the 2018 AGM.*

If you have any questions on this resolution, please contact Councillor Colleen Evans at 250-286-5708 or email [councillor.evans@campbellriver.ca](mailto:councillor.evans@campbellriver.ca)

Yours truly,

  
Peter F. Whipper  
City Clerk

PFW/je

Attachment: AVICC Resolution & Social Procurement Backgrounder

cc: Councillor Colleen Evans

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**Legislative Services**

301 St. Ann's Road, Campbell River, BC V9W 4C7  
Telephone: 250.286.5700; Fax: 250.286.5760

G:\Legislative Services\Council Correspondence\Acknowledgement\2017\Correspondence\Barbara Price, AVICC re Social Procurement Resolution.docx

## AVICC Resolution and Social Procurement Backgrounder

This backgrounder will briefly explain what social procurement is, provide details on activities that have occurred since the 2016 AVICC convention, and make a **call to action** to support the continued development of social procurement learning resources for AVICC member local governments.

### *Why social procurement?*

Every year, local governments across BC award contracts for goods and services with public funds. Research shows that there are actions that can be taken to address the systemic causes of poverty, using and leveraging existing resources. Adopting social procurement community benefits practices is one of these actions.

### *What is social procurement?*

Social procurement is the achievement of strategic social, economic and workforce benefit goals by using the process of purchasing goods, services and infrastructure, through existing public tax dollars, to leverage those dollars to achieve desired outcomes and impact.

In other words, social procurement is a new approach to inclusive (or sustainable) economic development. Social procurement leverages existing public sector spend to achieve key socio-economic public policy goals (Hamilton 2014).

### *What are some of the benefits and impacts we can achieve by leveraging public funding through social procurement?*

- Workforce and skills development benefits – leveraging existing public spend to increase the number of employment, apprenticeship and training opportunities for those living in poverty, newcomers and youth.
- Economic and social benefits - increasing employment opportunities for disadvantaged groups who may face barriers in accessing the labour market will lead to further economic and social benefits for communities overall.
- Increased diversity of supply chain benefits – increasing the diversity of companies currently competing for public funded contracts, by providing businesses owned by diverse suppliers and non-profit organizations or social enterprises, with equal opportunity to compete for contracts to 'do business with the municipality/region.
- Creating jobs and driving economic growth benefits – Encouraging companies already doing business within the municipality/region to work with diverse suppliers and suppliers delivering community benefits
- Innovation and capacity building benefits – More competition through a diversified supply chain, increased diversity in the workforce and encouraging innovation can lead to more innovative products and services and build economic capacity and prosperity across communities.



### *What else is happening? Why is this important now?*

- CETA: Effective March 2016, social procurement is law across Europe. Advancing social public procurement will stimulate the creation of social value capacity in our local markets and supply chains
- Social procurement is in Prime Minister Trudeau's mandate letter to Procurement Minister Judy Foote
- October 2016, Federal Bill C-227, Community Benefit in Infrastructure, passed second reading and advanced to committee;
- July 2015: In Ontario, Bill 6 now requires Community Benefits in Public Infrastructure contracts;
- Aug 2015: Sandra Hamilton wrote BC's first Social Procurement Framework for the Village of Cumberland, and piloted a Social Tender
- AVICC 2016: Resolution R-6 to advance social procurement passed;
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- Dec 2016: City of Courtenay Council voted to conduct a social procurement pilot;
- Jan 2017: In Victoria, the Mayor's Task Force on Social Enterprise and Social Procurement developed a set of recommendations to advance in both of these areas.
- The municipalities of Victoria, Qualicum Beach and Campbell River are participating in a Social Procurement Infrastructure Pilot with Vancouver Island Construction Association and Construction Foundation of BC, facilitated and led by Sandra Hamilton, Canada's First Social MBA;

### *What's next for AVICC and its member local governments?*

Since the convention, an ad hoc Working Group comprised of elected officials from each sub-region of the AVICC has met quarterly, on a volunteer basis, to discuss their interest in advancing social procurement across the AVICC region and developing a "Community Benefit Hub" that all interested local governments could access to learn, share experiences, and advance social procurement within their own communities.

Representatives from the Working Group appeared before the AVICC Executive during summer 2016. In dialogue with the AVICC Executive, the working group has put together a motion and proposed resolution with this backgrounder for consideration at the 2017 AVICC convention. The working group would like to continue its work, with a liaison from the AVICC Executive to continue to advance social procurement in the AVICC region and to bring back a formal proposal to the AVICC membership at the 2018 conference.

- |   |   |
|---|---|
| • Shirley Ackland, Mayor of Port McNeill    | • Rob Southcott, Councillor, Powell River   |
| • Leslie Baird, Mayor of Cumberland         | • Teunis Westbroek, Mayor of Qualicum Beach |
| • Colleen Evans, Councillor, Campbell River | • Silas White, Councillor, Gibsons          |
| • Lisa Helps, Mayor of Victoria             |   |
| • Josie Osborne, Mayor of Tofino            |   |
| • Aaron Stone, Mayor of Ladysmith           |   |

## DRAFT BACKGROUNDER FOR AVICC CONVENTION

### Backgrounder

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The most important thing governments can do with regard to procurement is to provide fair opportunities for people to compete using known ground rules. Social procurement is a procurement process that lays out clear, transparent ground rules for procurement that also aim to achieve strategic social, economic and workforce benefit goals. This is done by using the process of purchasing goods, services and infrastructure, through existing public tax dollars, to leverage those dollars to achieve desired outcomes and impact.

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## ***Backgrounder On Social / Community Benefit Procurement in AVICC Region***

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- Based on the work and research of Social Procurement Advisor Sandra Hamilton