



# Alberni-Clayoquot Regional District

BOARD OF DIRECTORS MEETING  
WEDNESDAY, APRIL 22, 2020, 1:30 pm

Due to COVID-19, the meeting will be held via Zoom Video Conferencing and will be livestreamed on the ACRD website at <https://www.acrd.bc.ca/>

## AGENDA

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	PAGE #
<b>1. <u>CALL TO ORDER</u></b>	
Recognition of Territories.	
<b>2. <u>APPROVAL OF AGENDA</u></b>	
<i>(motion to approve, including late items requires ALL VOTE 2/3 majority vote)</i>	
<b>3. <u>DECLARATIONS</u></b>	
<i>(conflict of interest or gifts exceeding \$250 in value as per section 106 of the Local Government Act)</i>	
<b>4. <u>ADOPTION OF MINUTES</u></b>	
(ALL VOTE/UNWEIGHTED)	
a. <b>Board of Directors Meeting – April 8, 2020</b>	<b>6-12</b>
<i>THAT the minutes of the Board of Directors meeting held on April 8, 2020 be adopted.</i>	
<b>5. <u>PETITIONS, DELEGATIONS &amp; PRESENTATIONS (10 minute maximum)</u></b>	
a. <b>Daniel Healey and Lenora Lee, KPMG, regarding Alberni-Clayoquot Regional District Audit Findings Report for year ended December 31, 2019.</b>	<b>13-44</b>
<b>6. <u>CORRESPONDENCE FOR ACTION</u></b>	
<b>7. <u>CORRESPONDENCE FOR INFORMATION</u></b>	
<b>8. <u>REQUEST FOR DECISIONS &amp; BYLAWS</u></b>	
a. <b>REQUEST FOR DECISION</b>	<b>45-50</b>
Resolution Submissions – 2020 UBCM Convention (ALL VOTE/UNWEIGHTED)	



- f. **REQUEST FOR DECISION** **92-110**  
Beaver Creek Volunteer Fire Department Asset Management Plan  
Version 1  
(ALL VOTE/UNWEIGHTED)

*THAT the Alberni-Clayoquot Regional District Board of Directors adopt the Beaver Creek Volunteer Fire Department Asset Management Plan Version 1.*

- g. **REQUEST FOR DECISION** **111-131**  
General Government Asset Management Plan Version 1  
(ALL VOTE/UNWEIGHTED)

*THAT the Alberni-Clayoquot Regional District Board of Directors adopt the General Government Asset Management Plan Version 1.*

- h. **REQUEST FOR DECISION** **132-133**  
West Coast Multi-use Path  
(ALL VOTE/UNWEIGHTED)

*THAT the ACRD Board of Directors direct staff to defer completion of phase 2 of the ICE-T Economic Infrastructure & Innovation Grant Application for the West Coast Multi-Use Path until 2021.*

- i. **REQUEST FOR DECISION** **134-136**  
Burning Regulation Public Engagement Plan  
(ALL VOTE/UNWEIGHTED)

*THAT the Board of Directors instruct staff to direct the burning regulation public engagement plan as outlined in the report.*

## **9. PLANNING MATTERS**

### **9.1 ELECTORAL AREA DIRECTORS AND TOFINO** (ALL PARTICIPANTS/UNWEIGHTED)

- a. **DEVELOPMENT APPLICATION PROCESS DURING COVID-19** **137-139**  
**PROVINCIAL STATE OF EMERGENCY**  
Request for Decision

*THAT the Board of Directors:*

- 1. Direct staff to present staff reports and recommendations for proceeding with development applications, without referring to the applicable Advisory Planning (APC) Commission while Ministerial Order*

*M083 is in effect;*

2. *Direct staff to prepare staff reports and provide recommendations for rezoning applications, which include a recommendation to waive holding of a public hearing where section 464 (2) of the Local Government Act applies for the duration of Ministerial Order M083; and*
3. *Direct staff to notify all ACRD APCs of this procedural change and provide updates to the applicable Electoral Area APC after the Board has reviewed development applications.*

## **9.2 ALL DIRECTORS**

(ALL PARTICIPANTS/UNWEIGHTED)

- a. **MEAT SLAUGHTER LICENSING IN THE ACRD** **140-144**  
Request for Decision

*THAT the Board of Directors write a letter to the Ministry of Agriculture to reiterate the ACRD's request to be included as a designated region for Class 'D' and 'E' slaughter licensing under the Meat Inspection Regulation noting increased urgency during the COVID-19 pandemic.*

## **10. REPORTS**

### **10.1 STAFF REPORTS**

(ALL VOTE/UNWEIGHTED)

- a. Meeting Schedule – May 2020 **145**

*THAT the Board of Directors receive this report.*

### **10.2 COMMITTEE REPORTS**

### **10.3 MEMBER REPORTS**

(ALL VOTE/UNWEIGHTED)

- a. 9-1-1 Corporation – J. McNabb
- b. Vancouver Island Regional Library – P. Cote
- c. Alberni Valley Chamber of Commerce – Sharie Minions
- d. Air Quality Council, Port Alberni – D. Bodnar
- e. West Coast Aquatic Board – J. Osborne
- j. Association of Vancouver Island & Coastal Communities – P. Cote

- k. Beaver Creek Water Advisory Committee – J. McNabb
- h. West Island Woodlands Advisory Group – J. McNabb
- i. Other Reports

*THAT the Board of Directors receives the Member Reports.*

**11. UNFINISHED BUSINESS**

**12. LATE BUSINESS**

**13. QUESTION PERIOD**

**Questions/Comments from the Public can be emailed to the ACRD at [responses@acrd.bc.ca](mailto:responses@acrd.bc.ca) and will be read out by the Corporate Officer.**

**14. IN CAMERA**

(ALL VOTE/UNWEIGHTED)

*Motion to close the meeting to the public as per the Community Charter, section(s):*

- i. 90 (1) (l): discussions with regional district officers and employees respecting regional district objectives, measures and progress reports for the purposes of preparing an annual report under section 98 [annual regional district report];*
- ii. 90 (1) (a ): personal information about an identifiable individual who holds or is being considered for a position as an officer, employee or agent of the regional district or another position appointed by the regional district;*
- iii. 90 (1) (j) : information that is prohibited, or information that if it were presented in a document would be prohibited, from disclosure under section 21 of the Freedom of Information and Protection of Privacy Act;*
- iv. 90 (1) (k): negotiations and related discussions respecting the proposed provision of a regional district service that are at their preliminary stages and that, in the view of the board, could reasonably be expected to harm the interests of the regional district if they were held in public;*

**15. RECOMMENDATIONS TO THE BOARD FROM IN-CAMERA**

**16. ADJOURN**

(ALL VOTE/UNWEIGHTED)

**Next Board of Directors Meeting: Wednesday, May 13, 2020, 1:30 pm**



# Alberni-Clayoquot Regional District

## MINUTES OF THE BOARD OF DIRECTORS MEETING HELD ON WEDNESDAY, APRIL 8, 2020, 1:30 PM

Due to COVID-19 pandemic, meeting conducted via Zoom video/phone conferencing

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### **DIRECTORS**

John Jack, Chairperson, Councillor, Huu-ay-aht First Nation

### **PRESENT:**

Josie Osborne, Vice-Chair, Mayor, District of Tofino  
Bob Beckett, Director, Electoral Area "A" (Bamfield)  
Tanya Shannon, Director, Electoral Area "B" (Beaufort)  
Kel Roberts, Director, Electoral Area "C" (Long Beach)  
Penny Cote, Director, Electoral Area "D" (Sproat Lake)  
John McNabb, Director, Electoral Area "E" (Beaver Creek)  
Dianne Bodnar, Director, Electoral Area "F" (Cherry Creek)  
Sharie Minions, Mayor, City of Port Alberni  
Debbie Haggard, Councillor, City of Port Alberni  
Rachelle Cole, Councillor, District of Ucluelet  
Wilfred Cootes, Councillor, Uchucklesaht Tribe Government  
Kirsten Johnsen, Member of Council, Toquaht Nation  
Alan McCarthy, Member of Legislature, YuułuꞀiꞀꞀathꞀ Government

### **STAFF PRESENT:**

Douglas Holmes, Chief Administrative Officer  
Teri Fong, Chief Financial Officer  
Mike Irg, General Manager of Planning and Development  
Rob Williams, General Manager of Environmental Services  
Wendy Thomson, General Manager of Administrative Services  
Janice Hill, Executive Assistant

Note: Due to the COVID-19 pandemic and to respect social distancing efforts, all Regional District Directors and Staff participated in the Board of Directors Meeting via zoom video or phone conferencing.

### **1. CALL TO ORDER**

The Chairperson called the meeting to order at 1:34 pm.

The Chairperson recognized the meeting this afternoon is being held throughout the Nuuchah-nulth territories.

### **2. APPROVAL OF AGENDA**

*MOVED: Director McNabb*

*SECONDED: Director Cootes*

*THAT the agenda be approved as circulated with the addition of the following late item: Section 12: Letter from the District of Ucluelet to the Ministry of Transportation and Infrastructure regarding Highway 4 – Kennedy Hill Upgrades.*

**CARRIED**

**3. DECLARATIONS**

**4. ADOPTION OF MINUTES**

**a. Board of Directors Meeting – March 11, 2020**

*MOVED: Director McNabb*

*SECONDED: Director Roberts*

*THAT the minutes of the Board of Directors meeting held on March 11, 2020 be adopted.*

**CARRIED**

**b. Committee-of-the-Whole Financial Planning Meeting – March 11, 2020**

*MOVED: Director Roberts*

*SECONDED: Director Shannon*

*THAT the minutes of the Committee-of-the-Whole Financial Planning meeting Held on March 11, 2020 be adopted.*

**CARRIED**

**c. Special Board of Directors Meeting – March 31, 2020**

*MOVED: Director McNabb*

*SECONDED: Director Johnsen*

*THAT the minutes of the Special Board of Directors meeting held on March 31, 2020 be adopted.*

**CARRIED**

**5. PETITIONS, DELEGATIONS & PRESENTATIONS**

**6. CORRESPONDENCE FOR ACTION**

- a. March 17, 2020 correspondence from the Port Alberni Port Authority requesting a nominee to represent the Alberni-Clayoquot Regional District on the Port Advisory Nominating Committee.**

*MOVED: Director Haggard*  
*SECONDED: Director Roberts*

*THAT the Board of Directors re-appoint Mr. Douglas Holmes, CAO as the Regional District nominee on the Port Alberni Port Authority's Advisory Nominating Committee.*

**CARRIED**

**7. CORRESPONDENCE FOR INFORMATION**

- a. CITY OF PRINCE GEORGE**  
Sharing Payments from Opioid Class Action Lawsuit
- b. REGIONAL DISTRICT OF CENTRAL OKANAGAN**  
911 Call Answer Levy on Cellphones
- c. MINISTRY OF FOREST, LANDS, NATURAL RESOURCE OPERATIONS AND RURAL DEVELOPMENT**  
Grant for Alberni Valley Regional Airport
- d. UNION OF BC MUNICIPALITIES**  
Provincial Response to 2019 Resolutions

*MOVED: Director McNabb*  
*SECONDED: Director Roberts*

*THAT the Board of Directors receive items a-d for information.*

**CARRIED**

**8. REQUEST FOR DECISIONS & BYLAWS**

- a. Request for Decision regarding Fayette and Lamarque Road Water Main Upgrade.**

*MOVED: Director McNabb*  
*SECONDED: Director Johnsen*

*THAT the Alberni-Clayoquot Regional District Board of Directors award the Fayette and Lamarque Road water main upgrade to Leuco Construction Inc. for the tender price of \$755,698.17 including GST.*

**CARRIED**

- b. Request for Decision regarding Late Payment Penalties.**

*MOVED: Director McNabb*  
*SECONDED: Director Cole*

*THAT the ACRD Board of Directors direct staff to not apply a 2% penalty to overdue water payments for the next three months, April, May, June 2020.*

**CARRIED**

*MOVED: Director McNabb  
SECONDED: Director Minions*

*THAT the ACRD Board of Directors direct staff to terminate any commercial solid waste tipping fee accounts at the Alberni Valley and West Coast Landfills that have outstanding payments after 30 days of receipt of invoice and re-access at the end of the month.*

**CARRIED**

*MOVED: Director Roberts  
SECONDED: Director Cootes*

*THAT the ACRD Board of Directors direct staff to not apply a 2% penalty to overdue airport lease payments for the next three months, April, May, June 2020.*

**CARRIED**

**c. Request for Decision regarding Open Burning Regulations.**

*MOVED: Director McNabb  
SECONDED: Director Beckett*

*THAT Regional District of Alberni-Clayoquot Solid-Fuel Burning Appliance Emission Regulation Bylaw No. R1030, 2019 be adopted.*

**DEFEATED**

*MOVED: Director McNabb  
SECONDED: Director Shannon*

*THAT the ACRD Board of Directors instruct staff to bring back an amended Solid-Fuel Burning Appliance Emission Regulation Bylaw for consideration by the Board of Directors.*

**CARRIED**

*MOVED: Director McNabb  
SECONDED: Director Roberts*

*THAT third reading of Alberni-Clayoquot Outdoor Burning Smoke Control Regulation Bylaw No. R1032, 2019 be repealed.*

**CARRIED**

*MOVED: Director McNabb*  
*SECONDED: Director Beckett*

*THAT Regional District of Alberni-Clayoquot Outdoor Burning Smoke Control Regulation Bylaw No. R1032, 2019 be amended as presented.*

**CARRIED**

*MOVED: Director McNabb*  
*SECONDED: Director Beckett*

*THAT Regional District of Alberni-Clayoquot Outdoor Burning Smoke Control Regulation Bylaw No. R1032, 2019 be given third reading as amended.*

**CARRIED**

*MOVED: Director McNabb*  
*SECONDED: Director Cote*

*THAT the Board of Directors direct staff to engage in a public information campaign with regards to Bylaw R1032, ACRD Outdoor Burning Smoke Control Regulation, 2019.*

**CARRIED**

## **9. PLANNING MATTERS**

### **9.1 ELECTORAL AREA DIRECTORS ONLY**

#### **a. TUP19024, SPROAT LAKE LANDING INC, 10695 LAKESHORE ROAD (SPROAT LAKE)**

*MOVED: Director Cote*  
*SECONDED: Director McNabb*

*THAT the Board of Directors issue Temporary Use Permit TUP19024.*

**CARRIED**

#### **b. RE18010, COWLEY & GRANT, 5628 TOMSWOOD ROAD (BEAVER CREEK) Rezoning Application - Memorandum and Bylaw P1381**

*MOVED: Director McNabb*  
*SECONDED: Director Shannon*

*THAT Regional District of Alberni-Clayoquot Zoning Atlas Amendment Bylaw P1381 be adopted.*

**CARRIED**

**c. RE19007, HILTUNEN & BURNETT, 7565 DAVENPORT ROAD (BEAVER CREEK)**

*MOVED: Director McNabb*

*SECONDED: Director Shannon*

*THAT Beaver Creek Official Community Plan Amendment Bylaw P1401 be adopted.*

**CARRIED**

*MOVED: Director McNabb*

*SECONDED: Director Roberts*

*THAT Regional District of Alberni-Clayoquot Zoning Atlas Amendment Bylaw P1402 be adopted.*

**CARRIED**

**10. REPORTS**

**10.1 STAFF REPORTS**

**10.2 COMMITTEE REPORTS**

**10.3 OTHER REPORTS**

**11. UNFINISHED BUSINESS**

**12. LATE BUSINESS**

**a. Letter from the District of Ucluelet to the Ministry of Transportation and Infrastructure regarding Highway 4 – Kennedy Hill Upgrades.**

Director Cole reported the District of Ucluelet has sent a letter to the Minister of Transportation and Infrastructure regarding the lack of consultation with local communities and changing of closure schedules.

**13. QUESTION PERIOD**

No questions/commente from the media or public.

**14. RECESS**

*MOVED: Director McNabb*

*SECONDED: Director Johnsen*

*THAT the Regular Board of Directors meeting be recessed in order to conduct the Regional Hospital District meeting.*

**CARRIED**

The meeting was recessed at 3:09 pm

**15. RECONVENE**

The meeting was reconvened at 3:31 pm

**16. IN-CAMERA**

*MOVED: Director Cootes  
SECONDED: Director Roberts*

*THAT the meeting be closed to the public as per the Community Charter, sections:*

- i. 90 (2) (b): the consideration of information received and held in confidence relating to negotiations between the regional district and a provincial government or the federal government or both, or between a provincial government or the federal government or both and a third party;*
- ii. FOIPPA Act Section 21 (c) (i) the disclosure of which could reasonably be expected to harm significantly the competitive position or interfere significantly with the negotiations position of the third party.*

**CARRIED**

The meeting was closed to the public at 3:32 pm.

The meeting was re-opened to the public at 3:41 pm.

**17. RECOMMENDATIONS TO THE BOARD FROM IN-CAMERA**

**18. ADJOURN**

*MOVED: Director Osborne  
SECONDED: Director McNabb*

*THAT this meeting be adjourned at 3:42 pm*

**CARRIED**

Certified Correct:

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John Jack,  
Chairperson

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Wendy Thomson,  
General Manager of Administrative Services



# Alberni-Clayoquot Regional District

Audit Findings Report for the year ended  
December 31, 2019

*KPMG LLP*

Prepared on April 15, 2020, for presentation on  
April 22, 2020

[kpmg.ca/audit](http://kpmg.ca/audit)



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# Summary of audit findings



## Purpose of this report

The purpose of this Audit Findings Report is to assist you, as members of the Board of Directors, in your review of the results of our audit of the financial statements of the Alberni-Clayoquot Regional District (“the District”) as at and for the year ended December 31, 2019. This Audit Findings Report builds on the Audit Planning Letter we provided to the Board on January 9, 2020. There have been no significant changes regarding our audit from the Audit Planning Letter previously presented to you.



## Finalizing the audit

As of the date of this report, we have completed the audit of the financial statements, with the exception of certain remaining procedures, which include:

- Review of the findings report by the Board of Directors
- Obtaining evidence of the Board’s approval of the financial statements;
- Obtaining the signed management representation letter

We will update the Board, and not solely the Chair (as required by professional standards), on significant matters, if any, arising from the completion of the audit, including the completion of the above procedures. Our auditors’ report will be dated upon the completion of any remaining procedures.



# Summary of audit findings (continued)



## Areas of audit focus

Our audit is risk-focused. We have not identified any significant risks. However, as part of our audit, we identified areas of audit focus which include:

- Revenue, including deferred revenue
- Tangible capital assets
- Landfill closure liability
- Liability for contaminated sites

See page 4 for the audit findings related to these areas of audit focus.



## Adjustments and differences

Adjustments and differences identified during the audit have been categorized as “Corrected adjustments” or “Uncorrected differences”. These include disclosure adjustments and differences.

We identified adjustments that were communicated to management and subsequently corrected in the financial statements.

We did not identify differences that remain uncorrected.

The management representation letter in Appendix 2 includes all adjustments identified as a result of the audit.



# Summary of audit findings (continued)



## Significant accounting policies and practices

There were no changes to the critical accounting policies and practices. There was no financial reporting impact from the new accounting standard PS 3430 Restructuring transactions effective for the 2019 fiscal year-end.

The presentation and disclosure of the financial statements are, in all material respects, in accordance with Canadian public sector accounting standards. Misstatements, including omissions, if any, related to disclosure or presentation items are in the management representation letter.

See page 7 for further details.



## Control and other observations

We did not identify any control deficiencies that we determined to be significant deficiencies in internal controls over financial reporting.

See page 10 for further details.



## Independence

We confirm that we are independent with respect to the District within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulation from January 1, 2019 up to the date of this report.



## Current developments

Current developments are included in Appendix 5.



# Areas of audit focus and results

We highlight our significant findings in respect of areas of audit focus, as well as any additional areas of audit focus identified during the audit.

## Area of audit focus

## Why are we focusing here?

- Revenue, including deferred revenue
- Tangible capital assets
- Landfill closure liability
- Liability for contaminated sites

We have determined these accounts to be considered higher risk, due to a variety of factors including: the current year balance, the nature of the account and related accounting standards, any historical accounting issues, and if there are any related estimates.

## Our response and significant findings

### Revenues

- We substantively tested a sample of conditional and unconditional government transfers by agreeing the amount recognized in revenue to supporting documentation and cash receipt.
- We substantively tested a sample of tax requisitions from members by agreeing the amount of the requisition to the approved budget bylaw and cash receipt. No issues were noted.
- We substantively tested a sample of sale of services and miscellaneous revenue by agreeing amounts recorded to supporting documentation and cash receipt. No issues were noted.

### Capital projects funding:

- In 2019, the District recognized approximately \$7.2M of conditional government transfers revenue. This is comprised primarily of grants through the Gas Tax Community Works Fund and the Airport Capital Assistance Program for the runway and taxiway improvements at Long Beach Airport. Funding was also received for costs claimed for the Somass Basin Watershed Flood Mapping.
- We read and understood the financial terms and conditions of the cost sharing agreements.
- We agreed receipt of grant funds to bank statements with no differences noted.
- We inspected the tangible capital assets schedule and verified amounts claimed had been capitalized as assets and spent on the eligible project costs.
- We agreed the grants receivable not yet collected to grant claims submitted noting amounts spent prior to December 31, 2019 and verified amounts claimed related to eligible project costs.

# Areas of audit focus and results (continued)

## Our response and significant findings

### Revenues (continued)

#### Gas Tax funding:

- We agreed the unspent portion of the gas tax funds to the amounts included in the District's reserve.
- We substantively tested spending from the gas tax reserve to assess eligibility of project costs incurred during the year. No issues were noted.
- We concur with the accounting for such project costs and noted no differences or adjustments.

### Deferred revenue

- We performed substantive testing over deferred and restricted revenues and deposits, both received and spent in the year, tracing selected items to supporting cash receipt, invoice or terms of sale respectively. No issues were noted.

### Tangible Capital Assets

- Tangible capital additions during 2019 totalled \$7,886,427, related mostly to the Long Beach airport, Sproat Lake Fire Equipment and Beaver Creek water system. We substantively tested a sample of tangible capital asset additions by agreeing a sample of additions to supporting invoices and cash payment. We recommended the cost and amortization related to lowering the road at Long Beach airport of \$579,099 be removed as a capital addition of the District.
- We performed a substantive analytical procedure over amortization expense by comparing the current year expense, adjusting for current year additions, to prior year. We identified an audit difference relating to the capitalization and amortization of the airport road lowering costs. The audit difference does not impact the surplus for the year. Please refer to the management representation letter in Appendix 2 for the details of the adjusted difference.
- We assessed the presentation of tangible capital assets in the notes to the financial statements against the relevant accounting guidance and noted the District's presentation of assets is not in accordance with public sector accounting standards based on how assets are categorized by service rather than by type of asset. This is consistent with previous years and has been noted as a disclosure difference in the management representation letter in Appendix 2.

### Landfill closure liability

- See "Critical Accounting Estimates" below on page 9.

### Liability for contaminated sites

- See "Critical Accounting Estimates" below on page 9.





# Audit risks

## Professional requirements

Fraud risk from management override of controls.

## Why is it significant?

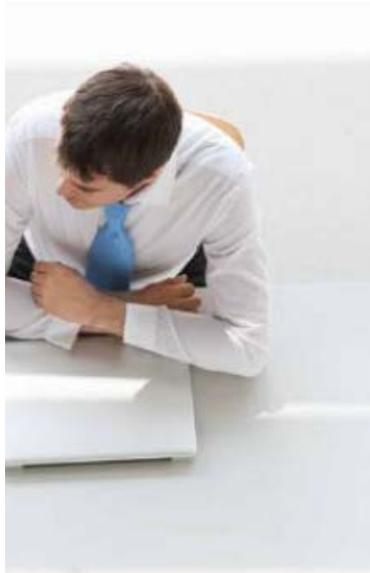
This is a presumed fraud risk. We have not identified any specific additional risks of management override relating to this audit.

## Our response and significant findings

Our audit methodology incorporates the required procedures in professional standards to address this risk. These procedures include:

- Testing of journal entries and other adjustments;
- Performing a retrospective review of significant estimates; and
- Evaluating the business rationale of significant unusual transactions.

There were no significant issues noted in our testing.



# Audit risks

## Audit response to COVID-19

- Subsequent to December 31, 2019, the COVID-19 outbreak was declared a pandemic by the World Health Organization and has had a significant financial market and social dislocating impact. In line with guidance from the Provincial government, the District closed its facilities to public access and activated its emergency response plan.
- There are two types of subsequent events, with the accounting treatment dependent on the categorization as follows:
  - Events that provide future evidence of conditions that existed at the financial statement date. For these conditions, the financial statements should be adjusted for measurable impact to the assets, liabilities, revenues and expenditures.
  - Events that are indicative of conditions that rose subsequent to the financial statement date. For these conditions, disclosures, at a minimum, should include a description of the event and an estimate of the financial impact, when practicable or a statement that an estimate cannot be made.

## Our response and significant findings

- KPMG discussed the impact of the pandemic with management. At this time management considers it not practicable to calculate the impact on the District of future cash flows, any significant changes to assets or liabilities and the magnitude of impact on future operations.
- Management has included a subsequent events note in the financial statements; KPMG concurs this is not an adjusting event and disclosure provided is appropriate.

# Significant accounting policies and practices

The following items relate to the qualitative aspects of accounting practices of the District:



## Significant accounting policies

- There were no changes to the critical accounting policies and practices.
- There were no changes in significant accounting policies.
- There were no significant accounting policies in controversial or emerging areas.
- There were no issues noted with the timing of the District's transactions in relation to the period in which they are recorded.
- There were no issues noted with the extent to which the financial statements are affected by a significant unusual transaction and extent of disclosure of such transactions.
- There were no issues noted with the extent to which the financial statements are affected by non-recurring amounts recognized during the period and extent of disclosure of such transactions.



## Significant accounting estimates

- There were no issues noted with management's identification of accounting estimates.
- There were no issues noted with management's process for making accounting estimates.
- There were no indicators of possible management bias.
- There were no significant factors affecting the District's asset and liability carrying values.
- Please see page 9 for further discussion on significant accounting estimates



## Significant disclosures

- There were no issues noted with the judgments made, in formulating particularly sensitive financial statement disclosures.
- There were no issues noted with the overall neutrality, consistency, and clarity of the disclosures in the financial statements.
- There were no significant potential effects on the financial statements of significant risks, exposures and uncertainties.

# Critical Accounting Estimates

## Liabilities

## Balance

- |                              |               |
|------------------------------|---------------|
| - Landfill closure liability | - \$3,186,292 |
| - Contaminated sites         | - \$nil       |

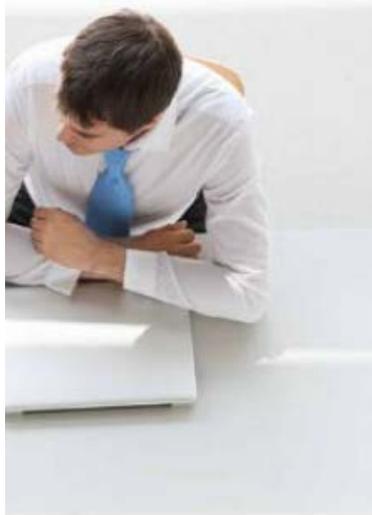
## KPMG Comments

### Landfill closure liability

- We audited the landfill closure liability recorded on the statement of financial position, assessed it against the relevant public sector accounting guidance, reviewed the assumptions used by Management's expert, McGill and Associates Engineering Ltd., and assessed them for reasonability.
- We note that management uses an inflation adjusted discount rate for the calculation of the liability although the expected cash flows provided by Management's expert are in today's dollars. Additionally, we note that management uses the spot long-term MFA interest rate at the date closest to year-end, which results in year-over-year volatility in the calculation.
- The above inputs to the liability calculation results in Management's estimate being very conservative and higher than the amount that would otherwise be necessary based on accounting standards; however, given the length of time remaining until closure and the related estimation uncertainty, including both the discount rates and the closure amounts likely to be incurred, we have concurred with the amount recorded in the financial statements.
- Furthermore, we note that with the introduction of the Asset Retirement Obligations accounting standard effective for the 2022 fiscal year, the new standard will require the entire liability be recognized in the financial statements, rather than based only on usage. This will result in a significant liability being recognized in the year of adoption.

### Contaminated sites.

- We obtained an understanding of the process management used to perform the assessment of contaminated sites.
- Management prepared a reconciliation of the District's sites based on British Columbia Assessment Authority's records to the sites recorded in the District's records. Management did not identify any unrecorded assets.
- We inquired with management regarding unexpected environmental events and it was noted soil contamination was found at the Long Beach airport in April 2018. We reviewed supporting transfer and assumptions agreements and agree that the contamination is not the responsibility of the District.
- We concur that no liability is required to be recorded with respect to contaminated sites at this time.



# Financial statement presentation and disclosure

The presentation and disclosure of the financial statements are, in all material respects, in accordance with the District's relevant financial reporting framework. Misstatements, including omissions, if any, related to disclosure or presentation items are in the management representation letter included in the Appendices.

We also highlight the following:

## Financial Statement Areas

- Form, arrangement, and content of the financial statements
- Disclosure differences
- Application of account pronouncements issued but not yet effective

## KPMG Comments

### Form, arrangement, and content of the financial statements

- The presentation and disclosure of the financial statements are, in all material respects, in accordance with the District's relevant financial reporting framework.

### Disclosure differences

- Schedule 2 of the financial statements contains the classification of the District's tangible capital assets (TCAs). We noted TCAs are currently classified by function as follows: airport, fire department, office and administration, land, landfills, parks, salmon beach, water systems, beaver creek water system and under construction while public sector accounting standards require categorization by nature: equipment, buildings, parks, infrastructure, etc.
- Similarly, disclosure of expenses is presented only by function and not by object (salaries, goods and services, amortization), as required by public sector accounting standards.
- Please refer to the other matters section. We understand the District's current presentation is preferred and aligned with its decision making process. We have noted the classification difference as an uncorrected misstatement, that was not material nor did it have an impact on the conclusion of our audit report.

### Application of account pronouncements issued but not yet effective

See Appendix 5 for discussion of current developments in public sector accounting standards. The adoption of Asset Retirement Obligations in 2022 will have a material impact on the District.

# Control observations

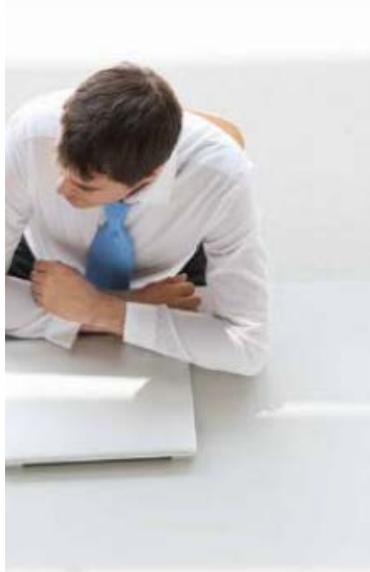


As your auditors, we are required to obtain an understanding of internal control over financial reporting (“ICFR”) relevant to the preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on internal control. Accordingly, we do not express an opinion on the effectiveness of internal control.

Our understanding of ICFR was for the limited purpose described in the preceding paragraph and was not designed to identify all control deficiencies that might be significant deficiencies and there can be no assurance that all significant deficiencies and other control deficiencies have been identified. Our awareness of control deficiencies varies with each audit and is influenced by the nature, timing and extent of audit procedures performed, as well as other factors.

In accordance with professional standards, we are required to communicate to the Board any control deficiencies that we identified during the audit and have determined to be material weaknesses or significant deficiencies in internal control over financial reporting. No significant deficiencies have been identified.

Other control deficiencies may be identified during the audit that do not rise to the level of material weakness or significant deficiency. No other control deficiencies have been identified.



## Other matters

Professional standards require us to communicate to the Board of Directors Other Matters, such as material inconsistencies or material misstatements between the annual report and the audited financial statements, identified fraud or non-compliance with laws and regulations, consultations with other accountants, significant matters relating to the District's related parties, significant difficulties encountered during the audit, and disagreements with management.

We did not identify any issues related to the above noted matters in the current year. We have highlighted below other matters discussed previously that we would like to bring to your attention:

### Matters previously discussed

- Expense reimbursement policies
- Accumulated surplus

### KPMG Comments

#### Expense reimbursement policies

- We perform testing of expense reports submitted by members of the Board as well as employees of the District.
- We test expense reports by agreeing the reported amounts to underlying receipts for each claim and by looking for appropriate approval in compliance with the District's expense reimbursement policies. In addition, we consider the nature of the expense and applicability to District business.
- In the prior year, we inspected Bylaw No. A1084 for Board Member remuneration, expenses, and benefits effective November 1, 2018 which replaced Bylaw No. A1078. We noted the new policy states the Finance Department's role in reviewing claims and clearly outlines the process for any issues, discrepancies or conflict in interpretation of the bylaw. While good practice would include a process for review of Board member expenses by the Chair, there are compensation controls in the form of public reporting of expense reimbursements that may detect error or non-compliance with the bylaw.
- We reviewed the employee expense approval and expense claim form and explanatory notes. We noted previously there was no formal policy in place for expenses which outlines the hierarchy of review and approval, or acceptable authorizers of employee expense reimbursements.
- In the current year the District drafted a policy which outlined appropriate approval authorities for all members, including allowing for processing of expenses ahead of approvals in order to process payment in a timely manner. The new policy appropriately addresses our previous concerns.

# Other matters previously discussed (continued)

## KPMG Comments

### Accumulated surplus

- We assessed the presentation of accumulated surplus balances including reserves against the relevant accounting guidelines. We noted the District does not include a breakdown of accumulated surplus balances in the notes to the financial statements.
- We continue to recommend that the District disclose the breakdown of surplus balances including the amount of reserves, equity in tangible capital assets and unrestricted balances. This is not a required disclosure under public sector accounting standards but enhances consistency between budgeting, financial reporting and long-term planning.





# Adjustments and differences

Adjustments and differences identified during the audit have been categorized as “Corrected adjustments” or “Uncorrected differences”. These include disclosure adjustments and differences. Professional standards require that we request of management and the Board that all identified differences be corrected. We have already made this request of management

## Adjustments and differences

- Corrected adjustments	\$579,099
- Uncorrected differences	\$nil

## KPMG Comments

### Corrected.

- We identified an audit difference related to the capitalization of the airport road lowering costs. The road itself is not an asset of the Regional District and accordingly, we proposed to management that the amount be accounted for as an expense. Management had capitalized and fully amortized the costs, so there is no impact on the annual surplus.
- The management representation letter includes all adjustments identified as a result of the audit, communicated to Management and subsequently corrected in the financial statements

### Uncorrected differences.

- There are no uncorrected differences.

# Appendices



**Appendix 1: Required communications**



**Appendix 2: Management representation letter**



**Appendix 3: Other information**



**Appendix 4: Audit Quality and Risk Management**



**Appendix 5: Current developments**

# Appendix 1: Required communications



In accordance with professional standards, there are a number of communications that are required during the course of and upon completion of our audit.

These include:



## Auditors' Report

The conclusion of our audit is set out in our draft auditors' report attached to the draft financial statements.



## Management representation letter

In accordance with professional standards, a copy of the management representation letter is provided to the Board in Appendix 2.



## Independence

In accordance with professional standards, we have confirmed our independence.

# Appendix 2: Management representation letter



KPMG LLP  
St. Andrew's Square II  
800-730 View Street  
Victoria, BC V8W 3Y7

April 22, 2020

Ladies and Gentlemen:

We are writing at your request to confirm our understanding that your audit was for the purpose of expressing an opinion on the financial statements (hereinafter referred to as "financial statements") of Alberni-Clayoquot Regional District ("the Entity") as at and for the period ended December 31, 2019.

*General:*

We confirm that the representations we make in this letter are in accordance with the definitions as set out in [Attachment I](#) to this letter.

We also confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

*Responsibilities:*

- 1) We have fulfilled our responsibilities, as set out in the terms of the engagement letter dated December 7, 2017. including for:
  - a) the preparation and fair presentation of the financial statements and believe that these financial statements have been prepared and present fairly in accordance with the relevant financial reporting framework.
  - b) providing you with all information of which we are aware that is relevant to the preparation of the financial statements ("relevant information"), such as financial records, documentation and other matters, including:
    - the names of all related parties and information regarding all relationships and transactions with related parties;
    - the complete minutes of meetings, or summaries of actions of recent meetings for which minutes have not yet been prepared, of the board of directors and committees of the board of directors that may affect the financial statements. All significant actions are included in such summaries.
  - c) providing you with unrestricted access to such relevant information.
  - d) providing you with complete responses to all enquiries made by you during the engagement.

- e) providing you with additional information that you may request from us for the purpose of the engagement.
- f) providing you with unrestricted access to persons within the Entity from whom you determined it necessary to obtain audit evidence.
- g) such internal control as we determined is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. We also acknowledge and understand that we are responsible for the design, implementation and maintenance of internal control to prevent and detect fraud.
- h) ensuring that all transactions have been recorded in the accounting records and are reflected in the financial statements.
- i) ensuring that internal auditors providing direct assistance to you, if any, were instructed to follow your instructions and that we, and others within the entity, did not intervene in the work the internal auditors performed for you.

*Internal control over financial reporting:*

- 2) We have communicated to you all deficiencies in the design and implementation or maintenance of internal control over financial reporting of which we are aware.

*Fraud & non-compliance with laws and regulations:*

- 3) We have disclosed to you:
  - a) the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
  - b) all information in relation to fraud or suspected fraud that we are aware of that involves:
    - management;
    - employees who have significant roles in internal control over financial reporting; or
    - otherswhere such fraud or suspected fraud could have a material effect on the financial statements.
  - c) all information in relation to allegations of fraud, or suspected fraud, affecting the financial statements, communicated by employees, former employees, analysts, regulators, or others.
  - d) all known instances of non-compliance or suspected non-compliance with laws and regulations, including all aspects of contractual agreements, whose effects should be considered when preparing financial statements.

- e) all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.

*Subsequent events:*

- 4) All events subsequent to the date of the financial statements and for which the relevant financial reporting framework requires adjustment or disclosure in the financial statements have been adjusted or disclosed.

*Related parties:*

- 5) We have disclosed to you the identity of the Entity's related parties.
- 6) We have disclosed to you all the related party relationships and transactions/balances of which we are aware.
- 7) All related party relationships and transactions/balances have been appropriately accounted for and disclosed in accordance with the relevant financial reporting framework.

*Estimates:*

- 8) Measurement methods and significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.

*Going concern:*

- 9) We have provided you with all information relevant to the use of the going concern assumption in the financial statements.

*Misstatements:*

- 10) We approve the corrected misstatements identified by you during the audit described in [Attachment II](#).

*Non-SEC registrants or non-reporting issuers:*

- 11) We confirm that the Entity is not a Canadian reporting issuer (as defined under any applicable Canadian securities act) and is not a United States Securities and Exchange Commission (“SEC”) Issuer (as defined by the Sarbanes-Oxley Act of 2002).
- 12) We also confirm that the financial statements of the Entity will not be included in the group financial statements of a Canadian reporting issuer audited by KPMG or an SEC Issuer audited by any member of the KPMG organization.

Yours very truly,

---

Douglas Holmes, Chief Administrative Officer

---

Teri Fong, Chief Financial Officer

cc: Board of Directors

## ***Attachment I – Definitions***

### *Materiality*

Certain representations in this letter are described as being limited to matters that are material. Misstatements, including omissions, are considered to be material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. Judgments about materiality are made in light of surrounding circumstances, and are affected by the size or nature of a misstatement, or a combination of both.

### *Fraud & error*

Fraudulent financial reporting involves intentional misstatements including omissions of amounts or disclosures in financial statements to deceive financial statement users.

Misappropriation of assets involves the theft of an entity's assets. It is often accompanied by false or misleading records or documents in order to conceal the fact that the assets are missing or have been pledged without proper authorization.

An error is an unintentional misstatement in financial statements, including the omission of an amount or a disclosure.

**Attachment II – Summary of Audit Misstatements Schedule**

**Corrected misstatements in the current period**

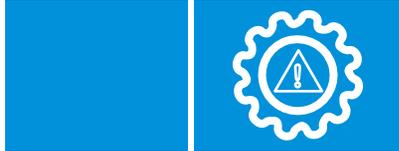
The following misstatements were identified during the audit and subsequently corrected in the financial statements:

	Annual surplus effect	Financial position		
Description	(Decrease) Increase	Assets (Decrease) Increase	Liabilities (Decrease) Increase	Accumulated Surplus (Decrease) Increase
To remove asset road lowering costs from capital assets and to reclassify the amount amortized to grants	\$ 579,099 (\$ 579,099)	\$ 579,099 (\$ 579,099)	\$ -	\$ -
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Disclosures**

Various recommendations around best practice disclosures and consistency with other local government financial statements.

# Appendix 3: Other information



## **Documents containing or referring to the audited financial statements**

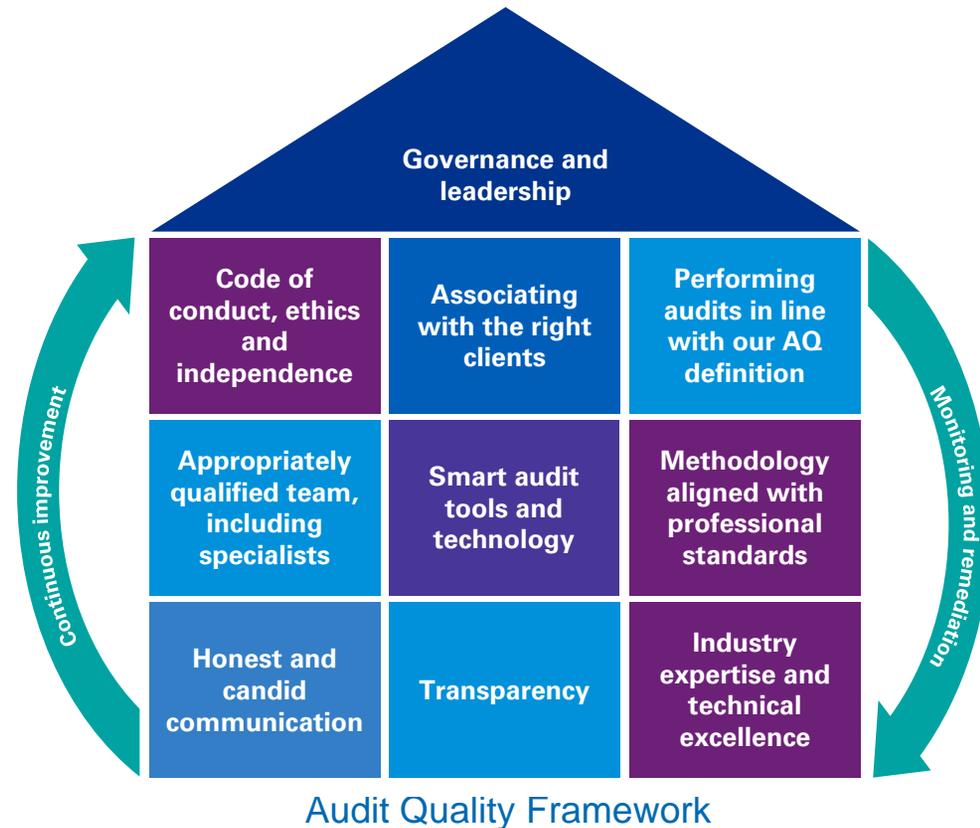
We are required by our professional standards to read only documents containing or referring to audited financial statements and our related auditors' report that are available through to the date of our auditors' report. The objective of reading these documents through to the date of our auditors' report is to identify material inconsistencies, if any, between the audited financial statements and the other information. We also have certain responsibilities, if on reading the other information for the purpose of identifying material inconsistencies, we become aware of an apparent material misstatement of fact.

We are also required by our professional standards when the financial statements are translated into another language to consider whether each version, available through to the date of our auditors' report, contains the same information and carries the same meaning.

# Appendix 4: Audit Quality and Risk Management

KPMG maintains a system of quality control designed to reflect our drive and determination to deliver independent, unbiased advice and opinions, and also meet the requirements of Canadian professional standards.

Quality control is fundamental to our business and is the responsibility of every partner and employee. The following diagram summarizes the key elements of our quality control system.



## What do we mean by audit quality?

Audit Quality (AQ) is at the core of everything we do at KPMG.

We believe that it is not just about reaching the right opinion, but how we reach that opinion.

We define 'audit quality' as being the outcome when audits are:

- Executed consistently, in line with the requirements and intent of applicable professional standards within a strong system of quality controls and
- All of our related activities are undertaken in an environment of the utmost level of **objectivity, independence, ethics, and integrity**.

Our AQ Framework summarises how we deliver AQ. Visit our [Audit Quality Resources page](#) for more information including access to our [Audit Quality and Transparency report](#).

# Appendix 5: Current developments

## Resources related to COVID-19 Pandemic

Resources	
<b>Resources for Management, Board and Committee members</b>	<p><a href="#">COVID-19 Alerts (Live Link)</a></p> <p>Please visit our COVID-19 website for resources regarding the topics below. This site is being <u>updated daily</u> based on information being released by Federal, Provincial and Municipal news releases.</p> <ul style="list-style-type: none"><li>— Tax relief available for local governments and employees (deferral of employer health tax, work share and employee benefit programs)</li><li>— Business continuity guide</li><li>— Immediate actions to take</li><li>— Medium to long-term actions</li><li>— Tax considerations and a summary of Federal and Provincial programs</li><li>— Legal considerations</li><li>— Financial reporting and audit considerations</li><li>— Global perspectives</li></ul>

# Public Sector Accounting Standards

Standard	Summary and implications
Asset Retirement Obligations (“ARO”)	<ul style="list-style-type: none"> <li>– A new standard has been approved that is effective for fiscal years beginning on or after April 1, 2021.</li> <li>– The new standard addresses the recognition, measurement, presentation and disclosure of legal obligations associated with retirement of tangible capital assets in productive use. Retirement costs will be recognized as an integral cost of owning and operating tangible capital assets. PSAB currently contains no specific guidance in this area.</li> <li>– The ARO standard will require the public sector entity to record a liability related to future costs of any legal obligations to be incurred upon retirement of any controlled tangible capital assets (“TCA”). The amount of the initial liability will be added to the historical cost of the asset and amortized over its useful life.</li> <li>– As a result of the new standard, the public sector entity will have to:               <ul style="list-style-type: none"> <li>• consider how the additional liability will impact net debt, as a new liability will be recognized with no corresponding increase in a financial asset;</li> <li>• carefully review legal agreements, senior government directives and legislation in relation to all controlled TCA to determine if any legal obligations exist with respect to asset retirements;</li> <li>• begin considering the potential effects on the organization as soon as possible to coordinate with resources outside the finance department to identify AROs and obtain information to estimate the value of potential AROs to avoid unexpected issues.</li> </ul> </li> </ul>
Revenue	<ul style="list-style-type: none"> <li>– A new standard has been approved that is effective for fiscal years beginning on or after April 1, 2022.</li> <li>– The new standard establishes a single framework to categorize revenues to enhance the consistency of revenue recognition and its measurement.</li> <li>– The standard notes that in the case of revenues arising from an exchange, a public sector entity must ensure the recognition of revenue aligns with the satisfaction of related performance obligations.</li> <li>– The standard notes that unilateral revenues arise when no performance obligations are present, and recognition occurs when there is authority to record the revenue and an event has happened that gives the public sector entity the right to the revenue.</li> </ul>

Standard	Summary and implications
International Strategy	<ul style="list-style-type: none"> <li>– PSAB is in the process of reviewing its current approach towards International Public Sector Accounting Standards. This project may result in changes to the role PSAB plays in setting standards in Canada.</li> <li>– Consultation papers were released for comment in May 2018 and March 2019, and have closed. The consultation papers described the decision-making criteria PSAB expects to consider in evaluating the international strategy that best serves the public sector. It also introduced four proposed international strategies.</li> <li>– PSAB is expected to make a final decision about its international strategy at its April 2020 meeting.</li> </ul>
Purchased Intangibles	<ul style="list-style-type: none"> <li>– In October 2019, PSAB approved a proposal to allow public sector entities to recognize intangibles purchased through an exchange transaction. The proposal does not include guidance on how to account for intangibles. Instead, the definition of an asset, the general recognition criteria and the GAAP hierarchy is expected to provide guidance on how to account for intangibles. The accounting for intangibles may be addressed through future PSAB projects.</li> </ul>
Employee Future Benefit Obligations	<ul style="list-style-type: none"> <li>– PSAB has initiated a review of sections PS3250 <i>Retirement Benefits</i> and PS3255 <i>Post-Employment Benefits, Compensated Absences and Termination Benefits</i>. Given the complexity of issues involved and potential implications of any changes that may arise from this review, the project will be undertaken in phases. Phase I will address specific issues related to measurement of employment benefits. Phase II will address accounting for plans with risk sharing features, multi-employer defined benefit plans and sick leave benefits.</li> <li>– Three Invitations to Comment were issued and have closed. The first Invitation to Comment sought guidance on whether the deferral provisions in existing public sector standards remain appropriate and justified and the appropriateness of accounting for various components of changes in the value of the accrued benefit obligation and plan assets. The second Invitation to Comment sought guidance on the present value measurement of accrued benefit obligations. A third Invitation to Comment sought guidance on non-traditional pension plans. PSAB is currently deliberating on the comments received from the three Invitations to Comment.</li> <li>– The ultimate objective of this project is to issue a new employment benefits section to replace existing guidance.</li> </ul>

Standard	Summary and implications
Public Private Partnerships (“P3”)	<ul style="list-style-type: none"> <li>– PSAB has proposed new requirements for the recognition, measurement and classification of infrastructure procured through a public private partnership. An exposure draft has been approved by PSAB and will be issued in November 2019, with comments due by February 29, 2020.</li> <li>– The exposure draft proposes that recognition of infrastructure by the public sector entity would occur when it controls the purpose and use of the infrastructure, when it controls access and the price, if any, charged for use, and it controls any significant interest accumulated in the infrastructure when the P3 ends.</li> <li>– The exposure draft proposes that the public sector entity recognize a liability when it needs to pay cash or non-cash consideration to the private sector partner for the infrastructure.</li> <li>– The infrastructure would be valued at cost, with a liability of the same amount if one exists. Cost would be measured by discounting the expected cash flows by a discount rate that reflects the time value of money and risks specific to the project.</li> </ul>
Concepts Underlying Financial Performance	<ul style="list-style-type: none"> <li>– PSAB is in the process of reviewing the conceptual framework that provides the core concepts and objectives underlying Canadian public sector accounting standards.</li> <li>– A Statement of Concepts (“SOC”) and Statement of Principles (“SOP”) were issued for comment in May 2018 and has closed. PSAB is in the process of developing two exposure drafts for comment.</li> <li>– The SOC proposes a revised, ten chapter conceptual framework intended to replace PS 1000 <i>Financial Statement Concepts</i> and PS 1100 <i>Financial Statement Objectives</i>. The revised conceptual framework would be defined and elaborate on the characteristics of public sector entities and their financial reporting objectives. Additional information would be provided about financial statement objectives, qualitative characteristics and elements. General recognition and measurement criteria, and presentation concepts would be introduced.</li> <li>– The SOP includes principles intended to replace PS 1201 <i>Financial Statement Presentation</i>. The SOP proposes: <ul style="list-style-type: none"> <li>• Removal of the net debt indicator, except for on the statement of net debt where it would be calculated exclusive of financial assets and liabilities that are externally restricted and/or not available to settle the liabilities or financial assets.</li> <li>• Changes to common terminology used in the financial statements, including re-naming accumulated surplus (deficit) to net assets (liabilities).</li> <li>• Restructuring the statement of financial position to present non-financial assets before liabilities.</li> <li>• Removal of the statement of remeasurement gains (losses) with the information instead included on a new statement called the statement of changes in net assets (liabilities). This new statement would present the changes in each component of net assets (liabilities).</li> <li>• A new provision whereby an entity can use an amended budget in certain circumstances.</li> </ul> </li> <li>– Inclusion of disclosures related to risks and uncertainties that could affect the entity’s financial position.</li> </ul>



[kpmg.ca/audit](https://kpmg.ca/audit)



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## REQUEST FOR DECISION

**To:** ACRD Board of Directors

**From:** Wendy Thomson, General Manager of Administrative Services

**Meeting Date:** April 22, 2020

**Subject:** Resolution Submissions – 2020 UBCM Convention

---

### **Recommendation:**

THAT the Alberni-Clayoquot Regional District Board of Directors submit possible ideas for resolutions for consideration at the 2020 Union of British Columbia Municipalities Convention to the General Manager of Administrative Services no later than May 22, 2020, AND FURTHER Regional District staff be instructed to bring back drafted resolutions and background materials for consideration by the ACRD Board of Directors at the regular Board of Directors meeting on June 10, 2020.

### **Desired Outcome:**

To consider resolutions for submission to the 2020 Union of British Columbia Municipalities (UBCM) Convention.

### **Background:**

The 2020 UBCM Convention is scheduled for September 21<sup>st</sup> to 25<sup>th</sup> in Victoria, BC. Attached are procedures for submitting resolutions to UBCM. The deadline to submit resolutions is June 30<sup>th</sup>, each year.

UBCM encourages all local governments to submit resolutions through their area associations. With the cancellation of area association sessions (AVICC) due to the COVID-19 pandemic, resolutions will need to be endorsed and submitted directly from the ACRD Board of Directors.

The main forum for UBCM policy-making is the annual resolutions cycle. It provides an opportunity for local governments of all sizes and from all areas of the province to express concerns, share their experiences and take a united position. The issues identified in each resolution should be relevant to other local governments across the province. This will support productive debate and assist UBCM to represent local government issues/concerns effectively with the provincial or federal government.

In order to meet the UBCM submission deadline and give Regional District staff enough time to research, draft resolutions and background materials, we recommend Directors submit their ideas to staff no later than Friday, May 22<sup>nd</sup>. Staff will bring forward a report with any resolutions and back-up materials for consideration of endorsement by the ACRD Board of Directors at the June 10<sup>th</sup> regular meeting.

**Time Requirements – Staff & Elected Officials:**

Staff time will be required to research and draft the resolutions and background materials.

**Financial:**

Associated staff time charged through General Government services.

**Policy or Legislation:**

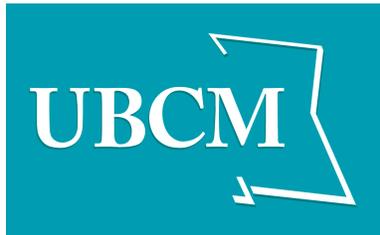
UBCM policies and procedures apply.



Submitted by: \_\_\_\_\_  
Wendy Thomson, General Manager of Administrative Services



Approved by: \_\_\_\_\_  
Douglas Holmes, BBA, CPA, CA, Chief Administrative Officer



## Procedures for Submitting Resolutions to UBCM

### 1. Submit Resolutions to Area Associations

Both UBCM and its member local governments have observed that submitting resolutions first to Area Associations results in better quality resolutions overall. UBCM encourages all members to submit resolutions first to Area Associations for consideration.

Resolutions endorsed by Area Associations at their annual meetings are submitted automatically to UBCM for consideration and do not need to be re-submitted to UBCM by the sponsor. (Resolutions that an Area Association has considered but not endorsed are not conveyed to UBCM.)

Please contact your Area Association for resolution submission procedures at the regional level.

Association of Kootenay and Boundary Local Governments (AKBLG)	akblg.ca
Association of Vancouver Island and Coastal Communities (AVICC)	avicc.ca
Lower Mainland Local Government Association (LMLGA)	lmlga.ca
North Central Local Government Association (NCLGA)	nclga.ca
Southern Interior Local Government Association (SILGA)	silga.ca

### 2. Direct Submission to UBCM

If necessary, local governments may submit council- or board-endorsed resolutions directly to UBCM until **June 30**, each year.

Resolutions should be submitted with background documents included.

Electronic form is preferred.

The resolution and background information should be submitted to:

Jamee Justason  
Information & Resolutions Coordinator  
Union of British Columbia Municipalities  
[jjustason@ubcm.ca](mailto:jjustason@ubcm.ca)

If submission by email is not possible, a hard copy of the resolution and background information may be mailed to:

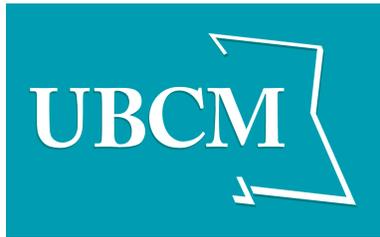
60 – 10551 Shellbridge Way  
Richmond BC V6X 2W9

When clarification of a resolution is required, UBCM will contact the sponsor, and the sponsor will be given one week to respond. If the sponsor does not respond within one week, then the resolution will not be printed in the *Resolutions Book* and will not be considered at Convention. This is to avoid using extra time during policy debate to clarify a poorly written resolution.

### 3. Resolutions Received After the Deadline

Resolutions received after the submission deadline of June 30 will not be printed in the *Resolutions Book* and may only be admitted for debate by special motion during Convention. The process for handling resolutions received after the deadline is outlined below.

- The resolution and background information (email or hard copy) must be received at the UBCM Richmond office before 12:00 p.m. on the Friday preceding the Annual Convention.
- Resolutions received after the deadline will be examined by the Resolutions Committee and separated into the following categories:
  - **Late** resolutions, not recommended to be admitted for debate; or
  - **Emergency** resolutions, recommended to be admitted for debate.
- A resolution may be deemed emergency in nature **only if the topic has arisen since the June 30 deadline.**
- Emergency resolutions may be discussed only after all Section A resolutions have been debated, but not before the time printed in the Convention Program.
- No other late resolutions will be admitted for debate—they will instead be entered automatically into the resolutions cycle for the following year, starting with consideration by the appropriate Area Association. Referral to the following year ensures that these issues are not lost and that the broader membership may still consider the resolutions.



## Writing Guidelines for Resolutions

### 1. Structure of a Resolution

All resolutions consist of a preamble and an enactment. The preamble describes the issue and the enactment outlines the action being requested. A resolution should answer three questions:

- (a) What is the problem?
- (b) What is causing the problem?
- (c) What is the best way to solve the problem?

#### *Preamble*

The preamble begins with "WHEREAS", and is a concise sentence about the nature of the problem or the reason for the request. It answers questions (a) and (b) above, stating the problem and its cause, and should explain, clearly and briefly, the reasons for the resolution.

The preamble should contain no more than two "WHEREAS" clauses. If explaining the problem requires more than two clauses, then provide supporting documents to describe the problem more fully. Do not add extra clauses.

#### *Enactment*

The enactment begins with the phrase "THEREFORE BE IT RESOLVED", and is a concise sentence that answers question (c) above, suggesting the best way to solve the problem. The enactment should propose a specific action by UBCM.

Keep the enactment as short as possible, and clearly describe the action being requested. The wording should leave no doubt about the proposed action.

### 2. Writing Tips

*(a) Address one subject in the text of the resolution.*

Since your community seeks to influence attitudes and inspire action, limit the scope of a resolution to one specific subject or issue. Delegates will not support a resolution if it is too complex for them to understand quickly.

*(b) Use simple, action-oriented language and avoid ambiguous terms.*

Explain the situation briefly and state the desired action clearly. Delegates can then consider the resolution without having to parse complicated wording or vague concepts.

*(c) Provide factual background information.*

Even a carefully written resolution may not be able to convey the full scope of the problem or the action being requested. Provide factual background information to ensure that the resolution is understood fully.

Submit background information in one of the following two formats:

- i. **Supplementary Memo**  
A brief, one-page memo from the sponsor local government, which outlines the background that led to the adoption of the resolution by the council or board.
- ii. **Council/Board Report**  
A report on the subject matter, presented to council or board in conjunction with the resolution. If it is not possible to send the entire report, then extract the essential information and submit it with the resolution.

Resolutions submitted without background information will not be considered until the sponsor has provided adequate background information.

*(d) Construct a brief, descriptive title.*

A title identifies the intent of the resolution and is usually drawn from the "enactment clause". For ease of printing in the Resolutions Book and for clarity, the title should be no more than three or four words.

*(e) Check legislative references for accuracy.*

Where necessary, identify:

- the correct legislation, including the title of the act or regulation
- the correct jurisdictional responsibility (responsible ministry or department, and whether it is provincial or federal)

*(f) Focus on issues that are province-wide.*

The issue identified in the resolution should be relevant to other local governments across the province. This will support productive debate and assist UBCM to represent your concern effectively to the provincial or federal government on behalf of all BC regional districts and municipalities.



## REQUEST FOR DECISION

**To:** ACRD Board of Directors

**From:** Wendy Thomson, General Manager of Administrative Services

**Meeting Date:** April 22, 2020

**Subject:** **Bylaw 791-3, Port Alberni Airport Extended Service Area Establishment Amendment, 2020**

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### **Recommendation:**

THAT the Alberni-Clayoquot Regional District Board of Directors adopt Bylaw 791-3, Port Alberni Airport Extended Service Area Establishment Amendment, 2020.

### **Desired Outcome:**

To amend the boundaries of the Alberni Valley Regional Airport (AVRA) service to include the Uchucklesaht Tribe Government as a service participant.

### **Background:**

On February 4, 2020 the Alberni-Clayoquot Regional District (ACRD) Board of Directors received a letter from the Uchucklesaht Tribe Government requesting to join the AVRA service as a participating member. The current members of this service are: Beaufort, Sproat Lake, Beaver Creek, Cherry Creek and the City of Port Alberni.

As instructed by the ACRD Board, Regional District staff drafted a bylaw amending the boundaries of the Alberni Valley Regional Airport service to include the Uchucklesaht Tribe Government as a participant. Bylaw 791-3, *Port Alberni Airport Extended Service Area Establishment Amendment, 2020* was presented to the Board at their regular meeting on February 26, 2020 and received three readings.

Prior to adopting Bylaw 791-3, consent of at least 2/3 of the current participants of the service area is required. The Corporate Officer has received consent in writing from all the current participants. The ACRD Board of Directors may now consider adoption of Bylaw 791-3.

If this Bylaw is adopted, the Uchucklesaht Tribe Government will be a full participating member of the Alberni Valley Regional Airport service.

### **Time Requirements – Staff & Elected Officials:**

Minimal

### **Financial:**

The cost for the provision of this service is borne by the service area participants. If this Bylaw is adopted, the apportionment of cost will be expanded to include the Uchucklesaht Tribe Government.

A review of the cost apportionment methods for this service could be considered by the participants at a future Alberni Valley & Bamfield Services Committee meeting. Any changes to the current apportionment method would require consent of the service participants as well as Inspector of Municipalities approval.

**Policy or Legislation:**

*Local Government Act* and the Maa-nulth Final Agreement apply.



Submitted by: \_\_\_\_\_  
Wendy Thomson, General Manager of Administrative Services



Approved by: \_\_\_\_\_  
Douglas Holmes, BBA, CPA, CA, Chief Administrative Officer



ALBERNI-CLAYOQUOT REGIONAL DISTRICT

**BYLAW NO. 791-3**

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**A bylaw to amend the boundaries of the Alberni Valley Regional Airport Service Area**

**WHEREAS** the Board of the Alberni-Clayoquot Regional District established and operates the service known as the Alberni Valley Regional Airport as described in Bylaw 791 cited as, *Port Alberni Airport Extended Service Area Establishment, 1992*;

**AND WHEREAS** the Regional District Board wishes to extend the boundaries of the service area to include the Uchucklesaht Tribe Government;

**AND WHEREAS** the Uchucklesaht Tribe Government has requested in writing to join the Port Alberni Airport Extended service area;

**AND WHEREAS** the participants of the service area have consented, in writing, to the adoption of this Bylaw;

**NOW THEREFORE**, the Alberni-Clayoquot Regional District Board of Directors in open meeting assembled, enacts as follows:

**1. CITATION**

This Bylaw shall be cited for all purposes as Bylaw 791-3, *“Port Alberni Airport Extended Service Area Establishment Amendment, 2020.”*

**2. AMENDMENTS**

Bylaw No. 791, *“Port Alberni Airport Extended Service Area Establishment Bylaw, 2020”* is hereby amended as follows:

**Section 2 – Participants**

The participants of the service established under this Bylaw shall be:

- Electoral Area “B” (Beaufort)
- Electoral Area “D” (Sproat Lake)
- Electoral Area “E” (Beaver Creek)
- Electoral Area “F” (Cherry Creek)
- City of Port Alberni
- Uchucklesaht Tribe Government

**Addition of New Section – Boundaries**

The boundaries of the services area are as shown on Schedule “A” attached to and forming part of this Bylaw.

Read a first time this 26<sup>th</sup> day of February , 2020.

Read a second time this 26<sup>th</sup> day of February , 2020.

Read a third time this 26<sup>th</sup> day of February , 2020.

ADOPTED this day of , 2020

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Chairperson

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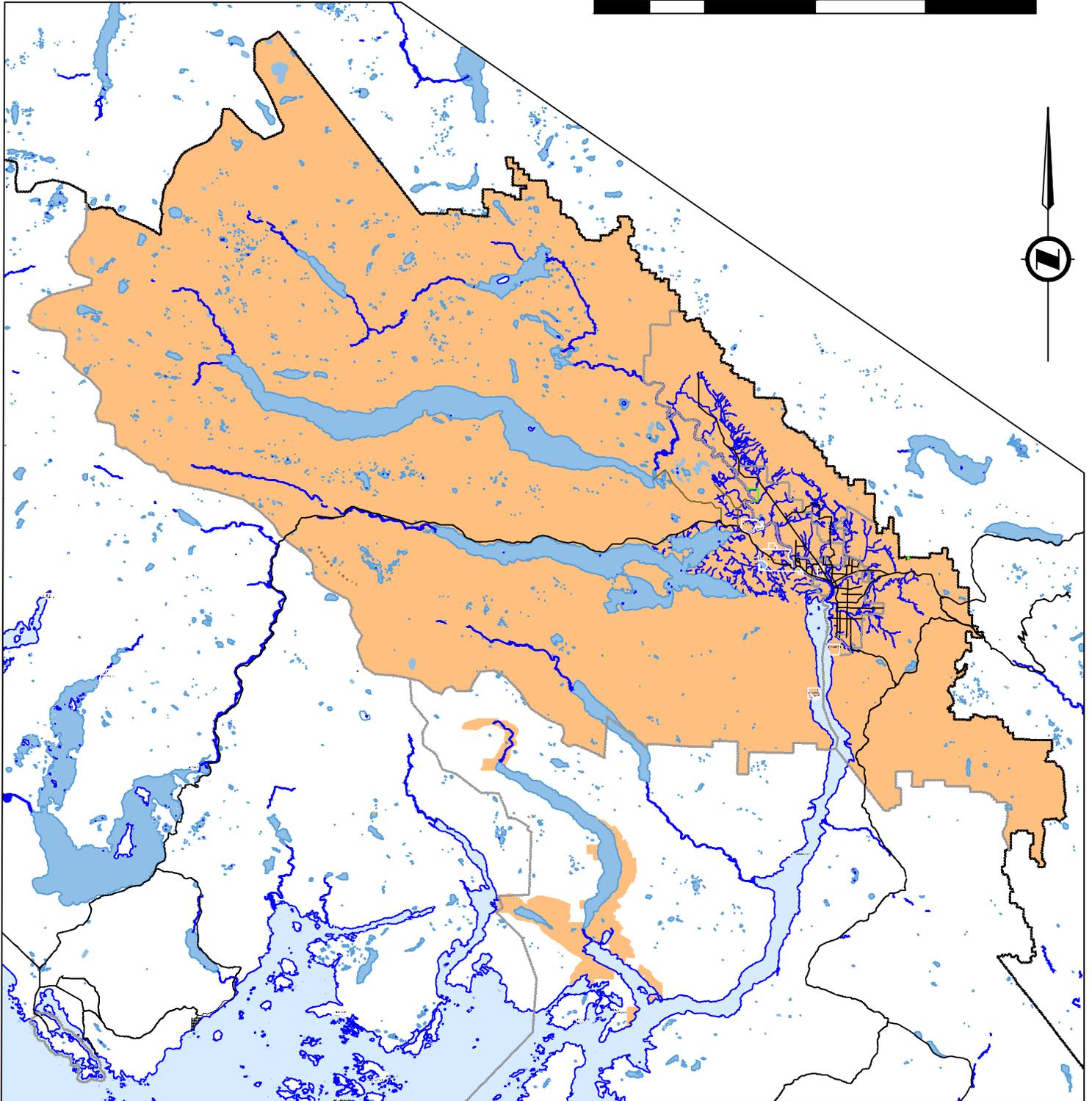
General Manager of Administrative Services

# Schedule 'A'



ALBERNI-CLAYOQUOT  
REGIONAL DISTRICT

This schedule is attached to and forms part  
of Bylaw 791-3 Alberni Valley Regional Airport  
Extended Service Area Establishment Bylaw



Service Area: City of Port Alberni, Electoral Area "B" (Beaufort), Electoral Area "D" (Sproat Lake),  
Electoral Area "E" (Beaver Creek), Electoral Area "F" (Cherry Creek) and Uchucklesaht Tribe  
Government.



## REQUEST FOR DECISION

**To:** Board of Directors  
**From:** Teri Fong, CPA, CGA, Chief Financial Officer  
**Meeting Date:** April 22, 2020  
**Subject:** Alberni-Clayoquot Regional District Financial Statements

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**Recommendation:**

**That the Alberni-Clayoquot Regional District Board of Directors approve the 2019 Audited Financial Statements for the Alberni-Clayoquot Regional District as presented.**

**Summary:**

The draft 2019 Alberni-Clayoquot Regional District Financial statements have been attached for consideration of approval. The statements have been developed by staff and audited by KPMG. The statements require approval by the Board of Directors prior to being finalized. KPMG will be a delegation at the April 22, 2020 Board of Directors meeting and their audit findings letter can be found in the delegation section of this agenda.

Finance staff will continue to implement the recommendations from the auditors regarding procedures and financial statement presentation.

**Policy or Legislation:**

The statements comply with Public Sector Accounting Standards.

Submitted by: \_\_\_\_\_  
Teri Fong, CPA, CGA, Chief Financial Officer

Approved by: \_\_\_\_\_  
Douglas Holmes, BBA, CPA, CA, Chief Administrative Officer

**Regional District of Alberni-Clayoquot**  
**Financial Statements**  
**Year Ended December 31, 2019**

**Regional District of Alberni-Clayoquot**  
**Index to Financial Statements**  
**Year Ended December 31, 2019**

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Canada  
Tel (250) 480-3500  
Fax (250) 480-3539

## INDEPENDENT AUDITORS' REPORT

To Board of Directors of the Alberni-Clayoquot Regional District

### ***Opinion***

We have audited the financial statements of Alberni-Clayoquot Regional District (the District), which comprise:

- the statement of financial position as at December 31, 2019
- the statement of operations for the year then ended
- the statement of changes in accumulated surplus for the year then ended
- the statement of changes in net financial assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Alberni-Clayoquot Regional District as at December 31, 2019, and its results of operations, its changes in accumulated surplus, its changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### ***Basis for Opinion***

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the “Auditors’ Responsibilities for the Audit of the Financial Statements” section of our auditors’ report.

We are independent of the District in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

***Responsibilities of Management and Those Charged with Governance for the Financial Statements***

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

In preparing the financial statements, management is responsible for assessing the District's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the District or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the District's financial reporting process.

***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the District's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the District to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**DRAFT**

Chartered Professional Accountants

April 22, 2020

Victoria, Canada

**Regional District of Alberni-Clayoquot**  
**Statement of Financial Position**  
**Year Ended December 31, 2019**

	2019	2018
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents	\$ 18,071,480	\$ 18,038,352
Portfolio investments (Note 2)	2,630	2,459
Accounts receivable (Note 3)	1,400,197	1,148,383
Term receivables from municipalities (Note 4)	12,722,638	13,457,719
Municipal Finance Authority debt reserve deposit (Note 5)	353,896	345,841
Inventories for resale	65,012	46,941
	<b>32,615,853</b>	<b>33,039,695</b>
<b>FINANCIAL LIABILITIES</b>		
Accounts payable and accrued liabilities	1,791,314	1,615,350
Deferred revenue	260,437	207,855
Deposits (Note 6)	15,050	91,397
Restricted revenues (Note 7)	464,550	405,864
Landfill closure liability (Note 9)	3,186,292	2,880,624
Municipal Finance Authority debt reserve	272,182	267,662
Debt (Note 10, Schedule 1)	19,585,003	20,511,280
	<b>25,574,828</b>	<b>25,980,032</b>
<b>NET FINANCIAL ASSETS</b>	<b>7,041,025</b>	<b>7,059,663</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Note 11, Schedule 2)	46,656,895	41,446,653
Inventories of supplies	74,183	69,163
Prepaid expenses	71,547	86,752
	<b>46,802,625</b>	<b>41,602,568</b>
<b>ACCUMULATED SURPLUS</b>	<b>\$ 53,843,650</b>	<b>\$ 48,662,231</b>

Contingent liabilities and commitments (Notes 5 and 16)

Contractual rights (Note 17)

Subsequent event (Note 20)

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Teri Fong, CPA, CGA  
Chief Financial Officer

The accompanying notes are an integral part of these financial statements.

# Regional District of Alberni-Clayoquot

## Statement of Operations

Year Ended December 31, 2019

	2019 Budget (Note 18)	2019 Actual	2018 Actual
<b>REVENUE</b>			
Tax requisitions	\$ 6,564,231	\$ 6,564,227	\$ 6,133,154
Grants in lieu of taxes	30,500	106,299	100,048
Services provided to other governments	39,600	44,430	37,524
Sales of services	3,983,092	4,480,497	4,433,596
Miscellaneous revenue	786,000	1,206,626	1,977,236
Government transfers			
Conditional	13,509,179	7,212,479	2,276,260
Unconditional	125,000	192,792	192,213
	25,037,602	19,807,350	15,150,031
<b>EXPENSES</b>			
General government services	1,812,450	1,782,740	1,520,137
Electoral area administration	949,364	828,769	168,236
Management of development - rural	512,700	458,669	320,613
Regional planning services	679,328	589,862	233,862
Building inspection services	279,000	234,319	214,971
Park services	265,850	209,786	178,728
Fire protection services	861,100	800,080	853,276
Landfill services	3,445,600	3,363,793	3,269,322
AV water study	6,000	-	6,000
Custom transit	590,000	494,311	468,885
Airport services	1,844,596	2,638,560	1,619,086
Street lighting	2,600	2,441	2,414
Emergency planning	422,355	231,303	147,234
E911 telephone services	309,000	302,489	304,447
Vancouver Island library services	492,000	491,844	453,044
South Long Beach bike path	7,200	7,100	7,179
Grant-in-aid	341,938	312,598	277,680
Noise control	9,300	7,385	4,302
Animal control	9,100	4,568	3,652
Multi-purpose arena contribution	226,902	198,109	198,374
Water systems	1,329,800	1,359,097	1,198,905
Salmon Beach	406,440	308,108	311,277
	14,802,623	14,625,931	11,761,624
<b>ANNUAL SURPLUS</b>	\$ 10,234,979	\$ 5,181,419	\$ 3,388,407

The accompanying notes are an integral part of these financial statements.

**Regional District of Alberni-Clayoquot**  
**Statement of Changes in Accumulated Surplus**  
**Year Ended December 31, 2019**

	2019 Budget (Note 18)	<b>2019 Actual</b>	2018 Actual
<b>ACCUMULATED SURPLUS - BEGINNING OF YEAR</b>	\$ 48,662,231	<b>\$ 48,662,231</b>	\$ 45,273,824
ANNUAL SURPLUS	10,234,979	<b>5,181,419</b>	3,388,407
<b>ACCUMULATED SURPLUS - END OF YEAR</b>	\$ 58,897,210	<b>\$ 53,843,650</b>	\$ 48,662,231

The accompanying notes are an integral part of these financial statements.

**Regional District of Alberni-Clayoquot**  
**Statement of Changes in Net Financial Assets**  
**Year Ended December 31, 2019**

	2019 Budget (Note 18)	<b>2019 Actual</b>	2018 Actual
<b>ANNUAL SURPLUS</b>	\$ 10,234,979	\$ <b>5,181,419</b>	\$ 3,388,407
Use (acquisition) of prepaids	-	<b>15,205</b>	(33,252)
Use (acquisition) of inventory of supplies	-	<b>(5,020)</b>	110,658
Acquisition of tangible capital assets	-	<b>(7,307,323)</b>	(3,540,775)
Amortization	1,566,200	<b>2,097,081</b>	1,563,226
	1,566,200	<b>(5,200,057)</b>	(1,900,143)
<b>CHANGE IN NET FINANCIAL ASSETS</b>	11,801,179	<b>(18,638)</b>	1,488,264
<b>NET FINANCIAL ASSETS - BEGINNING OF YEAR</b>	7,059,663	<b>7,059,663</b>	5,571,399
<b>NET FINANCIAL ASSETS - END OF YEAR</b>	\$ 18,860,842	\$ <b>7,041,025</b>	\$ 7,059,663

The accompanying notes are an integral part of these financial statements.

**Regional District of Alberni-Clayoquot**  
**Statement of Cash Flows**  
**Year Ended December 31, 2019**

	2019	2018
<b>OPERATING ACTIVITIES</b>		
Annual surplus	\$ 5,181,419	\$ 3,388,407
Item not affecting cash:		
Amortization of tangible capital assets	2,097,083	1,563,226
Developer contributions of tangible capital assets	-	(739,000)
Contribution to Municipal Finance Authority debt reserve deposit	(3,535)	(6,519)
Landfill closure liability	305,668	262,600
Actuarial adjustments of debt	(15,201)	(9,636)
	<b>7,565,434</b>	<b>4,459,078</b>
Changes in non-cash working capital (Note 12)	<b>(48,815)</b>	<b>(204,662)</b>
	<b>7,516,619</b>	<b>4,254,416</b>
<b>FINANCING ACTIVITIES</b>		
Proceeds from debt	-	492,245
Repayment of debt	(175,997)	(157,676)
	<b>(175,997)</b>	<b>334,569</b>
<b>CAPITAL ACTIVITIES</b>		
Purchase of tangible capital assets	<b>(7,307,323)</b>	<b>(2,801,775)</b>
<b>INVESTING ACTIVITIES</b>		
Addition to portfolio investments	<b>(171)</b>	<b>(204)</b>
<b>INCREASE IN CASH FLOW</b>	<b>33,128</b>	<b>1,787,006</b>
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<b>18,038,352</b>	<b>16,251,346</b>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b>18,071,480</b>	<b>18,038,352</b>
<b>CASH AND CASH EQUIVALENTS CONSISTS OF:</b>		
Bank balances	<b>\$ 18,071,480</b>	<b>\$ 18,038,352</b>

The accompanying notes are an integral part of these financial statements.

# Regional District of Alberni-Clayoquot

## Notes to Financial Statements

Year Ended December 31, 2019

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Basis of presentation

The financial statements of the Regional District of Alberni-Clayoquot (the "District") are prepared by management in accordance with Canadian generally accepted accounting principles for local governments as prescribed by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

#### Budget reporting

The budget information reported in the statement of operations, the statement of changes in accumulated surplus and the statement of changes in net financial assets represents the 2019 budget as adopted by the District's Board on March 27, 2019 and as amended on October 9, 2019.

#### Investments

Investments are carried at cost which approximate market value.

#### Portfolio investments

Portfolio investments include investments in equity securities. Portfolio investments are reported using the cost method, a basis of accounting for portfolio investments whereby the investment is initially recorded at cost and the earnings from such investments are recognized only to the extent received or receivable. When the investment is in the form of shares, dividends received in excess of the District's pro rata share of post acquisition income are recorded as a reduction of the carrying value of the investment.

#### Inventory

- (a) Inventories for resale - Fuel inventory is valued at the lower of cost or net realizable value.
- (b) Inventories of supplies - Supplies inventory is valued at the lower of cost and net realizable value with the cost being determined on a first in, first out basis.

#### Revenue and expenditure recognition

Revenue is recorded in the period in which the transactions or events that gave rise to the revenue occur, when earned and measurable. Amounts that have been received in advance of services being rendered are recorded as deferred revenue until the District discharges the obligations that led to the collection of funds.

Revenues from other levels of governments, classified as grants in lieu of taxes, are recorded in the District's records as they are received.

Each Municipality, Treaty First Nation and Electoral Area within the Regional District is requisitioned for their portion of each service in which they participate. These funds are then levied by the Municipalities, Treaty First Nations and the Province (for Electoral Areas) to individual taxpayers. Instead of levying individual taxpayers, the Treaty First Nations also have the option of paying for the requisition from their consolidated revenue fund. The requisitioned amounts are turned over to the District by August 1 of each year.

# Regional District of Alberni-Clayoquot

## Notes to Financial Statements

Year Ended December 31, 2019

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Revenue and expenditure recognition (continued)

Expenditures are recorded on an accrual basis and are recognized in the period in which the goods and services are acquired and a liability is incurred or transfers are due. Expenditures include the accrual interest payable on debt to the end of the fiscal period.

Government transfers are recognized in the financial statements as revenues in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

#### Deferred and restricted revenues

- (a) Deferred revenue includes amounts received related to the curbside garbage program but not yet earned. These amounts will be recognized as revenue in the next fiscal year.
- (b) Restricted revenue include amounts received for specified projects that are unspent. These amounts will be recognized as revenue when the related expenditures are incurred, services performed or tangible capital assets acquired, thereby extinguishing the related liability.

#### Accrued Employee Benefits

Based on obligations as determined by collective agreements and contractual arrangements, employee benefit accruals, which include an allowance for vacation entitlement and overtime benefits, are recorded in the year in which they are earned.

#### Post Employment Benefits

Leave benefits such as vacation, along with retirement allowance benefits, are also available to the District's employees. The costs of these benefits are determined based on service and best estimates of retirement ages and expected future salary and benefit increases. The obligation under this benefit plan is accrued based on projected benefits as the employees render services necessary to earn the future benefits.

#### Debt

Debt is recorded net of any related repayments and actuarial additions. Interest expense is recorded in the period incurred. The debt schedule indicates the amount of debt payable in accordance with schedules received from the Municipal Finance Authority.

#### Tangible capital assets

Tangible capital assets (TCAs) are recorded at cost and amortized on a straight-line basis, based on their expected useful life. The expected useful life of the District's TCAs are as follows:

Airport	10 to 50 years
Fire department	5 to 50 years
Office and administration	5 to 40 years
Land	not amortized

# Regional District of Alberni-Clayoquot

## Notes to Financial Statements

Year Ended December 31, 2019

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Tangible capital assets (continued)

Landfills	Projected closures - 2078 and 2093, 10 to 40 years
Parks	5 to 25 years
Salmon beach	10 to 50 years
Water systems	25 years
Beaver Creek water system	5 to 60 years

Capital projects under construction are not amortized until the asset is put into use. Assets contributed to the Regional District are recorded at fair value at the time of contribution.

Tangible capital assets are written down when conditions indicate that they no longer contribute to the District's ability to provide goods and services or when the value of the future economic benefits associated with the asset is less than the book value of the asset.

#### Landfill liability

The liability for closure of operational sites and post-closure care has been recognized based on the present value of estimated future expenses, estimated inflation and the usage of the site's capacity during the year. The change in liability during the year is recorded as a charge to operations.

#### Measurement uncertainty

The preparation of financial statements in conformity with Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses, gains, and losses during the reporting period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they became known. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant. Since a precise determination of many assets and liabilities depends on future events, actual results may differ from such estimates and approximations. Significant areas requiring the use of estimates include the amortization of tangible capital assets and landfill closure obligations.

### 2. PORTFOLIO INVESTMENTS

	2019	2018
Alberni District Co-op Association equity shares	\$ 2,630	\$ 2,459

## Regional District of Alberni-Clayoquot

### Notes to Financial Statements

Year Ended December 31, 2019

#### 3. ACCOUNTS RECEIVABLE

	2019	2018
Trade and other receivables	\$ 500,164	\$ 475,859
Goods and services tax recoverable	101,563	79,729
Government of Canada	551,210	93,499
Province of British Columbia	128,268	412,278
Local governments	129,368	107,022
Subtotal	1,410,573	1,168,387
Less allowance for doubtful accounts	(10,376)	(20,004)
Accounts receivable - net	\$ 1,400,197	\$ 1,148,383

#### 4. TERM RECEIVABLES FROM MUNICIPALITIES

Pursuant to the Local Government Act, the District acts as the agency through which its member municipalities borrow funds from the Municipal Finance Authority of British Columbia ("MFA"). The annual cost of servicing this municipal debt is recovered entirely from the borrowing member municipality. However, in the event of default the District is contingently liable to the MFA for this debt.

	2019	2018
City of Port Alberni	\$ 9,784,994	\$ 10,119,935
District of Tofino	736,984	786,349
District of Ucluelet	1,935,250	2,024,215
Multiplex Arena	265,410	527,220
	\$ 12,722,638	\$ 13,457,719

#### 5. MUNICIPAL FINANCE AUTHORITY DEBT RESERVE FUND

MFA provides capital financing for Regional Districts and their member Municipalities. The MFA is required to establish a Debt Reserve Fund into which each Regional District and member Municipality, who share in the proceeds of a debt issue through the District, are required to pay certain amounts set out in the debt agreements. Interest earned on these funds (less administrative expenses) becomes an obligation of the MFA to the District. If at any time insufficient funds are provided by the District or member Municipalities, MFA will then use these funds to meet payments on its obligations. When this occurs, the District may be called upon to restore the fund. The balance of the Debt Reserve Fund deposits at December 31, 2019 is \$353,896 (2018 - \$345,841).

As a condition of the borrowing, the District is also obligated to lodge security by means of demand notes based on the amount of the borrowing. The notes, which are contingent in nature, are held by the MFA to act as security against the possibility of debt repayment default and are not recorded in the financial statements. Upon maturity of a debt issue, the demand notes are released. As of December 31, 2019, there are contingent demand notes of \$551,841 (2018 - \$551,841). Of these amounts, \$420,517 (2018 - \$420,517) relate to borrowing of member municipalities.

## Regional District of Alberni-Clayoquot

### Notes to Financial Statements

Year Ended December 31, 2019

#### 6. DEPOSITS

Performance deposits are funds collected from various property developers and held as security to ensure the completion of specified agreed on works. These funds will be released once the related works are completed, or used by the District to complete the works for which they are held.

	2019	2018
Performance deposits	\$ 15,050	\$ 91,397

#### 7. RESTRICTED REVENUES

	2019	2018
Development cost charges	\$ 94,171	\$ 67,278
Parkland deferred contributions	370,379	338,585
	\$ 464,550	\$ 405,863

- (a) The District receives contributions from developers for the development of the water and sewer infrastructure. These restricted contributions are recognized as revenue in the years in which the capital projects are undertaken. Developer contributions paid in advance of infrastructure works are recorded as restricted revenue. Developer contributions received during the year were \$25,115 (2019 - \$nil). Interest earned on developer contributions is restricted and deferred; interest earned during the year was \$1,778 (2019 - \$1,234). Developer contributions expended on capital projects during the year was \$nil (2019 - \$nil).
- (b) The District receives contributions from developers for the future acquisition of parkland. These restricted contributions are recognized as revenue in the years in which the parkland is subsequently acquired. Developer contributions received during the year were \$24,250 (2019 - \$nil). Interest earned on parkland contributions is restricted and deferred; interest earned during the year was \$nil (2019 - \$6,212). Parkland acquired during the year was \$nil (2019 - \$nil).

## Regional District of Alberni-Clayoquot

### Notes to Financial Statements

Year Ended December 31, 2019

#### 8. COMMUNITY WORKS FUNDS

The Federal Gas Tax Fund is provided by the Government of Canada. The Community Works Fund provides funding to local governments for eligible expenditures of eligible projects in accordance with an agreement between the Regional District and the Union of British Columbia Municipalities. The following amounts are unspent funds held within accumulated surplus of the District:

	2019	2018
Opening balance of unspent funds	\$ 2,895,830	\$ 2,494,682
Add amount received during the year	950,301	488,809
Add interest earned	62,526	48,706
Less eligible expenditures made during the year	(802,012)	(136,367)
Closing balance of unspent funds	\$ 3,106,645	\$ 2,895,830

#### 9. SOLID WASTE LANDFILL CLOSURE AND POST CLOSURE LIABILITY

The District operates the Alberni Valley Landfill and the West Coast Landfill sites. The liability for closure of operational sites and post-closure care has been recognized based upon the usage of the site's capacity during the year. The costs were based upon the 2012 budget and inflation adjusted at 1.46% (2018 - 1.46%) per annum to the estimated year of closure. These costs were then discounted to December 31, 2019 using a discount rate of 2.24% (2018 - 2.95%). Post-closure care is estimated to be required for 25 years from the date of site closure.

The liability for closure and post-closure as at December 31, 2019 is \$3,186,292 (2019 - \$2,880,624). Estimated expenses for closure and post-closure care are \$17,121,625 (2019 - \$17,121,625). The liability remaining to be recognized is \$13,935,333 (2019 - \$14,241,001). It is estimated that the life of the Alberni Valley Landfill is 65 (2018 - 75) years and the West Coast Landfill is 59 (2018 - 60) years.

## Regional District of Alberni-Clayoquot

### Notes to Financial Statements

Year Ended December 31, 2019

#### 10. DEBENTURE DEBT

All borrowings for the District are with the MFA. Debt interest costs recognized as expense as incurred. The debenture debt "Schedule 1" reflects the amount of debenture debt payable.

Principal payments and sinking fund installments due within the next five years and thereafter are as follows:

2020	\$	938,510
2021		707,986
2022		728,850
2023		755,661
2024		783,471
Thereafter		<u>15,670,525</u>
	\$	<u>19,585,003</u>

Sinking fund installments are invested by MFA and earn income which, together with principal payments, are expected to be sufficient to retire the debt at maturity.

#### 11. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	2019 Net book value	2018 Net book value
Airport	\$ 22,897,094	\$ 4,493,489	\$ 18,403,605	\$ 13,915,218
Fire department	5,874,816	2,876,835	2,997,981	2,511,190
Office and administration	2,209,469	1,617,728	591,741	622,375
Land	6,271,253	-	6,271,253	6,271,253
Landfills	11,502,818	2,428,178	9,074,640	11,286,003
Parks	724,420	263,494	460,926	624,041
Salmon beach	881,861	388,534	493,327	386,172
Water systems	5,187,869	2,066,857	3,121,012	3,284,114
Beaver Creek water system	8,227,378	3,601,494	4,625,884	4,342,744
Under construction	616,526	-	616,526	703,278
	<u>\$ 64,393,504</u>	<u>\$ 17,736,609</u>	<u>\$ 46,656,895</u>	<u>\$ 43,946,388</u>

Land includes a right of way value of \$16,300 that relates to the land where the Bamfield Fire Department building is situated. For additional information about tangible capital assets, see Schedule 2.

## Regional District of Alberni-Clayoquot

### Notes to Financial Statements

Year Ended December 31, 2019

#### 12. CHANGE IN NON CASH WORKING CAPITAL AND CASH FLOW SUPPLEMENTARY INFORMATION

	2019	2018
Accounts receivable	\$ (251,814)	\$ (299,769)
Inventories for resale	(18,071)	10,133
Inventories of supplies	(5,020)	110,658
Accounts payable and accrued liabilities	175,964	18,965
Deferred revenue	52,582	(42,191)
Prepaid expenses	15,205	(33,252)
Deposits	(76,347)	23,347
Restricted revenues	58,686	7,447
	<b>\$ (48,815)</b>	<b>\$ (204,662)</b>

#### 13. FINANCIAL INSTRUMENTS

For cash, accounts receivable, term receivables from municipalities, debt reserve deposits, accounts payable and accrued liabilities, the carrying value of these financial statements approximated their fair market values due to their short term maturity or capacity for prompt liquidation. The District is exposed to credit risk on the receivables from its customers and municipalities. In order to reduce its credit risk, the District has adopted credit policies which include the analysis of the financial position of its customers and the regular review of their credit limits. The District does not have a significant exposure to any individual customer or counterpart. Unless otherwise noted, it is management's opinion that the District is not exposed to significant interest, currency, or credit risk arising from these financial instruments.

#### 14. THE NORTH ISLAND 9-1-1 CORPORATION

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

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

The District's investment in shares of the North Island 9-1-1 Corporation is recorded at cost. The District, through approval of the annual budget, is responsible for its share in funding ongoing operations. The District's share of the corporation is equal to 14.3% and the degree of control is proportionate to the ownership share. As no benefits are expected from the ownership, it has not been accounted for as an equity investment.

## **Regional District of Alberni-Clayoquot**

### **Notes to Financial Statements**

**Year Ended December 31, 2019**

#### **15. RELATED PARTIES**

The District is related to the Alberni Clayoquot Regional Hospital District (the "Hospital District"), as the same individuals are members of the Board of Directors of both organizations. As legislated by the Hospital District Act, the officers and employees of the District are the corresponding officers and employees of the Hospital District. Each of the District and the Hospital District are separate legal entities as defined by separate Letters Patent and authorized by separate legislation. During the year, the Alberni Clayoquot Regional Hospital District purchased, at cost, \$22,000 of administrative support services from the District.

#### **16. CONTINGENT LIABILITIES AND COMMITMENTS**

##### **a) CLAIMS**

In the normal course of a year, the District is faced with lawsuits for damages of diverse natures. At year end the District's estimated exposure to each such liability is either not determinable or is not considered to be significant. Claims paid by the District as a result of litigation are reported as expenditures.

##### **b) ENVIRONMENTAL REGULATIONS**

The District is subject to environmental regulations which cover different aspects of its operations. These regulations may require future expenditures to meet applicable standards and subject the District to possible penalties for past violations. Any amounts required to meet obligations will be charged to operations or capitalized, as appropriate. No amounts can be estimated at this time and therefore no liabilities have been recorded at December 31, 2019.

##### **c) PENSION LIABILITY**

The District and its employees contribute to the Municipal Pension Plan (a jointly trustee pension plan). The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of benefits. The Plan is a multi employer defined benefit pension plan. Basic pension benefits provided are based on a formula. As at December 31, 2019, the plan has about 205,000 active members and approximately 101,000 retired members. Active members include 40,000 contributors from local governments.

Every three years, an actuarial valuation is performed to assess the financial position of the plan and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plan. The actuary's calculated contribution rate is based on the entry age normal cost method, which produces the long term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plan. This rate may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

The most recent valuation for the Municipal Pension Plan as at December 31, 2018 indicated a \$2,866 million funding surplus for basic pension benefits on a going concern basis. The District paid \$220,723 for employer contributions to the plan in fiscal 2019 (2019 - \$159,061). Employees contributed \$199,503 to the plan in fiscal 2019 (2019 - \$141,275). The next valuation will be as at December 31, 2021 with results available in 2022.

# Regional District of Alberni-Clayoquot

## Notes to Financial Statements

Year Ended December 31, 2019

### 16. CONTINGENT LIABILITIES AND COMMITMENTS (CONTINUED)

c) PENSION LIABILITY (continued)

Employers participating in the Plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the Plan records accrued liabilities and accrued assets for the Plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to the individual employers participating in the Plan.

d) SICK LEAVE ENTITLEMENTS

Based on obligations as determined by collective agreements and contractual arrangements for sick leave, employees' sick leave entitlements accumulate. However, as sick leave benefits are only payable for sick leave and are not payable upon leaving the District, the amounts are recognized as an expense only when a claim is made. As at December 31, 2019 accumulated sick leave amounted to \$505,119 (2019 - \$399,665).

e) CONTRACTUAL OBLIGATIONS FOR LEASED PREMISES

As a result of the conversion of the Beaver Creek Improvement District to an electoral area of the regional district, the District assumed the long-term lease previously entered into by the Beaver Creek Improvement District effective November 1, 1961 with respect to the land on which the Improvement District's Stamp River pump house facilities are located. The agreement has a 99-year term and provides for annual rent of \$1 per annum. In addition, as Lessee the District will pay all taxes, levies and assessments which may be assessed, charged or levied against the lands and leasehold improvements erected thereon.

f) COMMITMENTS

At December 31, 2019, the District has outstanding commitments to capital projects totaling \$758,669 and operating contracts as follows:

2020	\$	1,545,737
2021		326,383
2022		86,100
2023		66,000
2024		22,000
		<hr/>
	\$	<u>2,046,220</u>

## Regional District of Alberni-Clayoquot

### Notes to Financial Statements

Year Ended December 31, 2019

#### 17. CONTRACTUAL RIGHTS

The District has entered into various contracts for rental revenue within the normal course of operations. The estimated contractual rights under these contracts are as follows:

2020	\$	164,756
2021		117,442
2022		49,088
2023		29,833
2024		26,716
Thereafter		<u>332,619</u>
	\$	<u>720,454</u>

#### 18. BUDGET RECONCILIATION

Budget figures represent the Financial Plan Bylaw adopted by the Board on March 27, 2019 and as amended on October 9, 2019. The financial plan budgeted for capital expenditures rather than amortization expense, and reflects the use of prior year operating surpluses as part of its annual budget. The carry forward of operating surpluses by department is a requirement under the Local Government Act of BC. The financial plan forms the basis for taxation and fees and charges rates which may be required for a particular year. The budget contains certain revenue and expense recognition principles that do not comply with Public Sector Accounting Standards, therefore, certain budget amounts have been restated to conform to the general purpose financial statement presentation.

##### Adjustments to the 2019 budgeted annual surplus

Consolidated financial plan balanced cash budget as approved March 27, 2019	\$	17,820
Add transfers to reserves		14,635,769
Add principal debt payments		176,576
Less surplus from prior years		(2,209,988)
Less committed surplus from prior years		(818,998)
Less amortization		<u>(1,566,200)</u>
<b>Accrual budgeted annual surplus</b>	<b>\$</b>	<b><u>10,234,979</u></b>

#### 19. CONTAMINATED SITES

During 2019, the ACRD evaluated all sites for which an environmental standard exists and for which it is directly responsible, and has concluded that no contamination exists that exceeds an environmental standard. Accordingly, no amount has been accrued in the financial statements as a liability for contaminated sites.

#### 20. SUBSEQUENT EVENT

Subsequent to December 31, 2019 the COVID-19 outbreak was declared a pandemic by the World Health Organization. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the District are not known at this time.

**Regional District of Alberni-Clayoquot**  
**Schedule of Debenture Debt**  
**Year Ended December 31, 2019**

*(Schedule 1)*

	By-law	MFA Issue	Maturity date	Term	Rate	Amount Borrowed	Total Instalments to date	Actuarial addition	2019 Balance	2018 Balance
Arena F1027	F1037	73	01 Dec 2020	20	1.67%	\$ 3,579,209	\$ 2,160,680	\$ 1,163,077	\$ 255,452	\$ 512,508
Arena F1027	F1041	75	01 Dec 2021	20	1.75%	68,332	37,198	21,177	9,957	14,712
Port Alberni F1062	1062	97	19 Apr 2031	25	1.75%	3,375,064	1,053,545	331,625	1,989,894	2,123,181
Port Alberni F1111	1111	130	14 Oct 2044	30	3.00%	5,750,000	512,615	47,417	5,189,968	5,310,918
Port Alberni F1114	F1114	131	08 Apr 2035	20	2.20%	912,000	128,997	10,403	772,600	809,262
Port Alberni F1114	F1114	131	08 Apr 2045	30	2.20%	2,000,000	154,970	12,497	1,832,533	1,876,575
Salmon Beach F1079	F1096	117	12 Oct 2031	20	3.25%	939,800	252,481	40,864	646,455	688,343
Tofino F1062	1062	97	19 Apr 2031	25	1.75%	1,250,000	390,195	122,821	736,984	786,350
Ucluelet F1074	F1095	117	12 Oct 2036	25	3.25%	1,948,000	374,203	60,564	1,513,233	1,575,316
Ucluelet F1130	F1130	141	07 Apr 2032	15	2.80%	475,000	51,078	1,905	422,017	448,898
AVRA F1120	F1120	142	04 Oct 2047	30	3.15%	6,000,000	252,231	5,630	5,742,139	5,872,972
BWS F1126	F1126	146	19 Sep 2038	20	3.20%	492,245	18,319	155	473,771	492,245
									<b>\$ 19,585,003</b>	<b>\$ 20,511,280</b>

The accompanying notes are an integral part of these financial statements.

**Regional District of Alberni-Clayoquot**  
**Schedule of Tangible Capital Assets**  
**Year Ended December 31, 2019**

*(Schedule 2)*

	Cost				Accumulated Amortization					2019	2018
	Opening Balance	Acquisitions	Transfers	Disposals	Closing Balance	Opening Balance	Amortization	Disposals	Closing Balance	Net Book Value	Net Book Value
Airport	\$ 17,176,423	\$ 5,621,087	\$ 99,584	\$ -	\$ 22,897,094	\$ (3,261,205)	\$ (1,232,284)	\$ -	\$ (4,493,489)	\$ <b>18,403,605</b>	\$ 13,915,218
Fire department	5,249,553	658,807	21,732	(55,276)	5,874,816	(2,738,364)	(193,749)	55,278	(2,876,835)	<b>2,997,981</b>	2,511,189
Office and administration	2,208,431	30,964	-	(29,926)	2,209,469	(1,586,056)	(61,598)	29,926	(1,617,728)	<b>591,741</b>	622,375
Land	6,271,253	-	-	-	6,271,253	-	-	-	-	<b>6,271,253</b>	6,271,253
Landfills	11,286,003	312,858	(96,043)	-	11,502,818	(2,260,719)	(167,459)	-	(2,428,178)	<b>9,074,640</b>	9,025,284
Parks	624,041	44,800	55,579	-	724,420	(239,015)	(24,479)	-	(263,494)	<b>460,926</b>	385,026
Salmon beach	742,938	133,023	5,900	-	881,861	(356,766)	(31,768)	-	(388,534)	<b>493,327</b>	386,172
Water systems	5,150,413	37,456	-	-	5,187,869	(1,866,299)	(200,557)	-	(2,066,856)	<b>3,121,013</b>	3,284,114
Beaver Creek water system	7,759,050	468,328	-	-	8,227,378	(3,416,306)	(185,189)	-	(3,601,495)	<b>4,625,883</b>	4,342,744
Under construction	703,278	-	(86,752)	-	616,526	-	-	-	-	<b>616,526</b>	703,278
	<b>\$ 57,171,383</b>	<b>\$ 7,307,323</b>	<b>\$ -</b>	<b>\$ (85,202)</b>	<b>\$ 64,393,504</b>	<b>\$ (15,724,730)</b>	<b>\$ (2,097,083)</b>	<b>\$ 85,204</b>	<b>\$ (17,736,609)</b>	<b>\$ 46,656,895</b>	<b>\$ 41,446,653</b>

The accompanying notes are an integral part of these financial statements.



## REQUEST FOR DECISION

**To:** Board of Directors  
**From:** Teri Fong, CPA, CGA, Chief Financial Officer  
**Meeting Date:** April 22, 2020  
**Subject:** Director Remuneration

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### **Recommendation:**

*Board of Directors approval is required if any of the following meetings are to be eligible for remuneration:*

1. EOC updates for elected officials
2. EOC spokesperson video development or radio interviews
3. Age Friendly meetings
4. Old Growth strategy meeting (held January 30<sup>th</sup>)

### **Desired Outcome:**

To provide guidance on Director meeting remuneration.

### **Summary:**

Director meeting remuneration is governed by Board Remuneration, Expenses and Benefits Bylaw No. A1084 and A1084-1 (attached). Section 4 of the bylaw outlines the different meetings that the Directors are eligible to make claims for and includes the following:

- a. Regional District Board or Committee meetings;
- b. External board, committee or commission meetings in which Directors have been appointed to sit on by the Regional District Board;
- c. Policy Committee meeting in relation to an activated Emergency Operations Centre;
- d. Union of BC Municipalities Convention;
- e. Association of Vancouver Island and Coastal Communities Convention;
- f. Any other meeting, convention or seminar approved by the Regional District Board;
- g. Administrative tribunal or court proceeding;
- h. Public hearings

As indicated in Section 4f the Board may approve attendance at other meetings. Directors have made inquiries about the following meetings that would require approval by the Board of Directors to be eligible for remuneration:

1. EOC updates for elected officials
2. EOC spokesperson video development or radio interviews
3. Age Friendly meetings
4. Old Growth strategy meeting (held January 30<sup>th</sup>)

**Time Requirements – Staff & Elected Officials:**

Minimal staff time will be required to process additional Director claims.

**Financial:**

The financial implications of the meetings depend on the length of duration. The following are the current meeting rates:

MEETING REMUNERATION:	AMOUNT
Committee meeting or Public Hearing up to 3 hours in length	\$79 per meeting
Committee meeting or Public Hearing between 3 and 5 hours in length	\$128 per Meeting
Attendance at conferences, conventions, committee meetings or Public Hearing exceeding 5 hours in length	\$180 per day

**Policy or Legislation:**

Board Remuneration, Expenses and Benefits Bylaw No. A1084 and A1084-1 provide the authority for Director meeting remuneration.

**Options Considered:**

If not motion is passed then these meeting will be ineligible based on the bylaw.



Submitted by: \_\_\_\_\_

Teri Fong, CPA, CGA, Chief Financial Officer



Approved by: \_\_\_\_\_

Douglas Holmes, BBA, CPA, CA, Chief Administrative Officer



## Alberni-Clayoquot Regional District

### **Bylaw No. A1084**

#### **A Bylaw to Provide for Board Member Remuneration, Expenses and Benefits**

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**WHEREAS** the Board of the Alberni-Clayoquot Regional District, may by bylaw, provide for remuneration, expenses and benefits for Directors and Alternate Directors.

**NOW THEREFORE** the Board of the Alberni-Clayoquot Regional District, in open meeting assembled, enacts as follows:

#### **Definitions**

1. In this Bylaw:
  - a. **“Director”** means a person elected or appointed as a Director to the Regional District of Alberni-Clayoquot Board, and includes alternate Directors when that alternate Director is acting in place of a Director;
  - b. **“Regional District”** means the Alberni-Clayoquot Regional District;

#### **Remuneration**

2. The Remuneration for Directors is set out in Schedule “A” of this bylaw.

#### **Expenses**

3. In addition to the Remuneration paid in Section 2, a Director is entitled to:
  - a. Be reimbursed for out of pocket costs or to otherwise have the Regional District pay the cost of the following:
    - i. Standard accommodation;
    - ii. Ferry fares for vehicle and driver and other passengers, if any, travelling on Regional District business;
    - iii. Taxi or shuttle bus;
    - iv. Parking;
    - v. Motor vehicle rental, including mileage and insurance costs;
    - vi. Air fare;
  - b. Be paid an expense allowance:
    - i. for each meal at the following per diem rates:
      - Breakfast \$20.00

**Bylaw No. A1084, 2018**  
**Board Remuneration, Expenses and Benefits**

---

- Lunch \$25.00
- Dinner \$30.00

for Vancouver, Victoria, Whistler or Kelowna, the following allowances shall be paid for each meal that is taken during the trip:

- Breakfast \$25.00
- Lunch \$30.00
- Dinner \$35.00

- ii. of \$20.00 per night away from home for incidental costs;
  - iii. of \$0.52 per kilometer, or the provincial government mileage rate as reviewed by staff each April, whichever is higher, for travel on paved roads and an additional \$0.20 per kilometer for travel on gravel roads where the Director provides a vehicle;
  - iv. where private lodging is used in lieu of a hotel, reimbursement of \$50 per day;
- c. Be reimbursed for long distance telephone charges for calls on Regional District business.
4. No payment will be made, under Section 2 or 3, to a Director for any costs incurred unless they were incurred in the conduct of the Regional District's affairs to attend:
- a. Regional District Board or Committee meetings;
  - b. External board, committee or commission meetings in which Directors have been appointed to sit on by the Regional District Board;
  - c. Policy Committee meeting in relation to an activated Emergency Operations Centre;
  - d. Union of BC Municipalities Convention;
  - e. Association of Vancouver Island and Coastal Communities Convention;
  - f. Any other meeting, convention or seminar approved by the Regional District Board;
  - g. Administrative tribunal or court proceeding;
5. Notwithstanding Section 4, the Chairperson of the Board of Directors may authorize any Director or the Chairperson to attend any meeting related to Regional District business without prior approval of the Board of Directors and shall be entitled to payments under Section 2 and 3. The Chairperson shall report the meeting and purpose to the Chief Administrative Officer and the Regional District Board at the next regular meeting.

6. The Regional District will not reimburse travel and expenses for Director's spouses at conferences and conventions and will not pay for partners programs at AVICC, UBCM or any other conference and conventions.

### **Expense Submissions**

7. Directors must submit expense claims within 60 days of incurring the expense. No claims for the previous year will be accepted after January 31<sup>st</sup> of each year.
8. Expense claims **must** be supported by all appropriate receipts.
9. The finance department's role in reviewing claims is to verify the amounts in accordance with this bylaw. Any issues, discrepancies or conflict in interpretation shall be referred to the Chairperson together with the Chief Administrative Officer for review and adjudication. If the matter is not resolved to the satisfaction of the Director, the matter will be referred to the Board of Directors.
10. The Remuneration payable under section 2 and 3 of this bylaw shall be paid monthly through the Regional District payroll system.

### **No Double Dipping**

11. In no case will the Regional District reimburse or pay for any costs claimed by a Director where those costs have been or will be paid by any other organization.

### **Benefits**

12. Directors are, subject to insurance carrier requirements, eligible for medical, extended health, dental and group life insurance benefits for themselves and their dependents on the same basis that the Regional District provides those benefits to its employees, provided that all costs for those benefits are paid in full by the Director.
13. The Regional District shall obtain and pay the premiums for accident insurance coverage for Directors while on Regional District business.

### **Regional District Purchased Equipment**

14. At the end of a Director's term, all equipment purchased by the Regional District for that Director will be returned to the Regional District or be offered to that Director for a depreciated value.

### **Future Changes to Annual Remuneration**

15. An independent review of Directors Remuneration, allowances and benefits shall be conducted every 4 years prior to the next local government election.

**Citation**

16. This Bylaw may be cited for all purposes as ***“Board Remuneration, Expenses and Benefits Bylaw No. A1084, 2018”***

**Repeal**

17. Bylaw No. A1078, Board Remuneration, Expenses and Benefits Bylaw is repealed on October 31, 2018.

**Effective Date**

18. This bylaw shall come into effect on November 1, 2018.

**Read a first time the 22<sup>nd</sup> day of August, 2018**

**Read a second time this 22<sup>nd</sup> day of August, 2018**

**Read a third time this 22<sup>nd</sup> day of August, 2018**

**Adopted this 22<sup>nd</sup> day of August, 2018**



\_\_\_\_\_  
Chairperson



\_\_\_\_\_  
Manager of Administrative Services

**Schedule "A"**

1. Director Remuneration is as follows:

	<i>Effective November 1, 2018</i>
Director's Remuneration – includes 21 Board meetings & 12 Regional Hospital District meetings per year	\$7,150 per year
Director's Remuneration for attendance at additional Board meetings (above the 2 regular Board meetings)	\$176 per meeting
Electoral Areas – additional amount	\$2,860 per year
Chairperson – additional amount	\$7,150 per year
Vice-chairperson – additional amount	20% of chairperson additional amount
West Coast Directors (Electoral Areas A & C, Districts of Tofino & Ucluelet) – additional amount	\$2,310 per year
Additional amount where travel to the meeting is greater than 60km	\$75 for first meeting in a day
Committee meeting up to 3 hours in length	\$77 per meeting
Committee meeting between 3 and 5 hours in length	\$125 per meeting
Attendance at conferences, conventions, or committee meetings exceeding 5 hours in length	\$176 per day
Alternate Director – attendance at Board meetings where travel to the meeting is less than 60km	\$176 per meeting
Alternate Director – attendance at Board meeting where travel to the meeting is 60km or greater	\$198 per meeting

2. The rates included in Part 1 above will be increased by the Consumer Price Index (CPI) percentage change each year on November 1. The CPI increase will be calculated as the greater of Zero (0.0%) and the percentage change of the CPI from the last two (2) years. CPI shall be defined as the Consumer Price Index for Victoria, BC, All Items, annual average, not seasonally adjusted, as published by Statistics Canada.
3. After the first missed Board meeting the following amount will be deducted from the Remuneration, unless the absence is excused by a resolution of the Board of Directors:
- a. Alberni Valley Directors      \$77 per meeting
  - b. West Coast Directors          \$160 per meeting



**Alberni-Clayoquot Regional District**

**Bylaw No. A1084-1**

**A Bylaw to Amend the Board Member Remuneration, Expenses and Benefits**

**WHEREAS** the Board of the Alberni-Clayoquot Regional District, may by bylaw, provide for remuneration, expenses and benefits for Directors and Alternate Directors;

**AND WHEREAS** the Board of the Alberni-Clayoquot Regional District wishes to amend the Board Remuneration, Expense and Benefits Bylaw to include Public Hearings;

**NOW THEREFORE** the Board of the Alberni-Clayoquot Regional District, in open meeting assembled, enacts as follows:

1. Bylaw A1084 cited as, "Board Remuneration, Expenses and Benefits Bylaw No. A1084, 2018" is hereby amended by
  - a. Adding the following meeting type to Section 4:
    - h. Public Hearings
  - b. Changing the effective date in Section 18 to October 29, 2018.
  - c. Replacing Schedule "A" with Schedule "A", attached to and forming part of this Bylaw.
2. This Bylaw may be cited for all purposes as ***"Board Remuneration, Expenses and Benefits Bylaw Amendment No. A1084-1, 2018"***

**Read a first time the 12<sup>th</sup> day of December, 2018**

**Read a second time this 12<sup>th</sup> day of December, 2018**

**Read a third time this 12<sup>th</sup> day of December, 2018**

**Adopted this 12<sup>th</sup> day of December, 2018**

Chairperson

Manager of Administrative Services

**Schedule "A"**

1. Director Remuneration is as follows:

	<i>Effective October 29, 2018</i>
Director's Remuneration – includes 21 Board meetings & 12 Regional Hospital District meetings per year	\$7,150 per year
Director's Remuneration for attendance at additional Board meetings (above the 2 regular Board meetings)	\$176 per meeting
Electoral Areas – additional amount	\$2,860 per year
Chairperson – additional amount	\$7,150 per year
Vice-chairperson – additional amount	20% of chairperson additional amount
Directors who reside where travel to Board meetings is 60km or greater – additional amount	\$2,310 per year
Additional amount where travel to the meeting is greater than 60km	\$75 for first meeting in a day
Committee meeting or Public Hearing up to 3 hours in length	\$77 per meeting
Committee meeting or Public Hearing between 3 and 5 hours in length	\$125 per meeting
Attendance at conferences, conventions, committee meetings or Public Hearing exceeding 5 hours in length	\$176 per day
Alternate Director – attendance at Board meetings where travel to the meeting is less than 60km	\$176 per meeting
Alternate Director – attendance at Board meeting where travel to the meeting is 60km or greater	\$198 per meeting

2. The rates included in Part 1 above will be increased by the Consumer Price Index (CPI) percentage change each year on November 1. The CPI increase will be calculated as the greater of Zero (0.0%) and the percentage change of the CPI from the last two (2) years. CPI shall be defined as the Consumer Price Index for Victoria, BC, All Items, annual average, not seasonally adjusted, as published by Statistics Canada.
3. After the first missed Board meeting the following amount will be deducted from the Remuneration, unless the absence is excused by a resolution of the Board of Directors:
- a. Alberni Valley Directors      \$77 per meeting
  - b. West Coast Directors          \$160 per meeting



## REQUEST FOR DECISION

**To:** ACRD Board of Directors  
**From:** Teri Fong, Chief Financial Officer  
**Meeting Date:** April 22, 2020  
**Subject:** Extension of Relaxation of a Portion of the ACRD Payment Processing Policy, 2012

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### **Recommendation:**

THAT, due the COVID-19 pandemic, the Alberni-Clayoquot Regional District (ACRD) Board of Directors waive Section 2 – Approval of Payments, of the ACRD Payment Processing Policy, 2012 in order to protect the health and safety of staff, directors and the public until May 27, 2020 when it is to be reviewed by the Board of Directors.

### **Desired Outcome:**

To protect the health and safety of ACRD staff, directors and the public and minimize in person contact during the COVID-19 pandemic.

### **Background:**

At the Special Board of Directors meeting on March 31<sup>st</sup> staff brought forward a recommendation that the ACRD Board of Directors waive Section 2 – Approval of Payments of the ACRD Payment Processing Policy, 2012 (attached).

### **Section 2 – Approval of Payments**

2. Payments over \$5,000 will be individually signed by the Board appointed signing authorities.

This recommendation was presented in order to protect the health and safety of staff, directors and the public during the COVID-19 pandemic and practice social distancing. At that meeting the following resolution was passed:

*THAT, during the COVID-19 pandemic, the Alberni-Clayoquot Regional District (ACRD) Board of Directors waive Section 2 – Approval of Payments, of the ACRD Payment Processing Policy, 2012 in order to protect the health and safety of staff, directors and the public AND FURTHER this be reviewed at the April 22 Board of Directors Meeting.*

The relaxation of this section of the ACRD Payment Processing Policy has eliminated the need for Directors to come into the office to hand sign cheques over \$5,000. Finance staff are looking into other procedures such as the use of digital signatures but have not had a chance to develop a new process as staff have been focused on the completion of the 2019 audit. As a result, staff are requesting an extension of the temporary relaxation of the manual signing requirements to the May 27, 2020 Board meeting to develop a new recommended process.

### **Time Requirements – Staff & Elected Officials:**

Some staff time is required to investigate other approval options such as digital signatures.

**Financial:**

n/a

**Policy or Legislation:**

ACRD Payment Processing Policy



Submitted by: \_\_\_\_\_

Teri Fong, CPA, CGA, Chief Financial Officer



Approved by: \_\_\_\_\_

Douglas Holmes, BBA, CPA, CA, Chief Administrative Officer

Alberni-Clayoquot Regional District  
PAYMENT PROCESSING POLICY

Policy Issued by: Board of Directors  
Date Adopted: August 8, 2012

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***Purpose:***

The objective of this policy is to outline the accounting process for the payment of invoices.

***Scope:***

This policy applies to all Regional District payables.

***Definitions:***

**Cheque** is a document that orders a payment of money from a bank account.

**Electronic Funds Transfer (EFT)** is the electronic exchange or transfer of money from one account to another, either within a single financial institution or across multiple institutions, through computer-based systems.

***Policy:***

Vendors will be given the choice of receiving payments by either cheque or EFT.

**Approval of Payments**

Payments, whether by EFT or cheque, will be subjected to the following approval process:

1. Payments under \$5,000 will be approved by the Manager of Finance and the Chief Administrative Officer. In the absence of either, another member of management will approve on their behalf.
2. Payments over \$5,000 will be individually signed by the Board appointed signing authorities.

**Payments by Cheque**

Payments by cheques will be made by sequentially pre-numbered cheques. This is the default payment method.

**Payments by EFT**

Suppliers who have requested to be paid by EFT will fill in an EFT Application form for the Finance Department to change their payment preference.



## REQUEST FOR DECISION

**To:** Alberni-Clayoquot Regional District Board of Directors

**From:** Tricia Bryant, CPA, CGA, Asset Management Coordinator

**Meeting Date:** April 22, 2020

**Subject:** Beaver Creek Volunteer Fire Department Asset Management Plan Version 1

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### **Recommendation:**

***That the Alberni-Clayoquot Regional District Board of Directors adopt the Beaver Creek Volunteer Fire Department Asset Management Plan Version 1.***

### **Desired Outcome:**

The Alberni-Clayoquot Regional District (ACRD) Board of Directors adopts the Beaver Creek Volunteer Fire Department (BCVFD) Asset Management Plan (the Plan) to guide decision-making and facilitate sustainable service delivery.

### **Summary:**

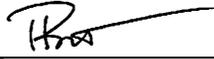
The BCVFD Asset Management Plan is the sixth plan created by the ACRD with the assistance of Management and staff. The purpose of the Plan is to better guide the Board, management and staff in decision-making and sustainable service delivery. It is also a communication tool for public awareness. The Plan has already provided significant value by gathering data from BCVFD to identify areas and projects that are priority in the budgeting and long-term financial planning process. In order to make relevant and reliable long-term financial plans, Asset Management Plans are a necessity. The Plan is a key tool to become more proactive than reactive. Prior to the Plan's creation, an Asset Registry was created in which component valuations and approximate expiration dates are used to calculate required annual financial contribution from tax requisition in order to maintain desired levels of service. This version of the Plan will be dated with the date of adoption.

Asset Management Plans identify any financial gaps that potentially could be filled with grants or require other funding sources such as taxation. Asset Management Plans are now a requirement for grant applications as well as accurate and reliable long-term financial plans.

The ACRD Asset Management Policy has been included for reference.

### **Time Requirements – Staff & Elected Officials:**

There is a dedicated full-time position until late 2020 for Asset Management. Most Asset Management Plans can take a significant amount of time to compile necessary information, analyze and present it in a way that provides value to staff, management, the Board and users of the service. Additionally, time must be taken to properly include the information in Asset Management Plans in the 5 year financial plan of the Regional District.

Submitted by:   
Tricia Bryant, CPA, CGA, Asset Management Coordinator

Reviewed by:   
Teri Fong, CPA, CGA, Chief Financial Officer

Approved by:   
Douglas Holmes, CPA, CA, Chief Administration Officer



ALBERNI-CLAYOQUOT  
REGIONAL DISTRICT



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# Beaver Creek Volunteer Fire Department

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## Asset Management Plan Version 1



DATE OF ADOPTION: TBD



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## 1 EXECUTIVE SUMMARY

### 1.1 Purpose of the Plan

The Beaver Creek Volunteer Fire Department (BCVFD) Asset Management Plan (AMP) is part of the ACRD Asset Management Program to facilitate informed decision-making and effective allocation of resources for infrastructure. The purpose of an AMP is to deliver sustainable, cost effective services to ACRD communities in a socially, economically, and environmentally responsible manner, while providing the Level of Service (LOS) agreed upon by the Board.

### 1.2 Asset Description

The Beaver Creek Volunteer Fire Department assets include:

- Hall, parking lot, septic system and generator
- Firefighting apparatuses and equipment
- Self-Contained Breathing Apparatus (SCBA) Equipment
- Electronics

### 1.3 Levels of Service

The present funding levels are insufficient to continue to provide the existing services at current levels in the medium-term. The main service consequences will be more frequent service interruptions, a decline in service quality or loss of service.

### 1.4 Future Demand

The main demands for new services are created by:

- Growth rate
- Education programs
- Board of Directors and resident level of service expectations
- Legislative and industry regulations

These will be managed through a combination of managing existing assets, upgrading of existing assets and providing new assets to meet demand and demand management. Demand management practices include non-asset solutions, insuring against risks and mitigating failures.

### 1.5 Lifecycle Management Plan

Asset Management assists in conscious and calculated decisions for all assets covered in AMPs from acquisition, operation, maintenance, disposal and renewal or upgrade. During the course of an assets life, the replacement value is known along with an estimated date of replacement based on age and condition. Annual contributions required are calculated for each component in each service to measure the funding gap between current and future levels of service in order to align funding and service expectations. The AM Program achieves responsible and reliable lifecycle management practices.



The Asset Management Coordinator has created the Beaver Creek Volunteer Fire Department AMP with the assistance of the Fire Chief and Deputy Chief and operations staff. Asset Management systems will continue to be maintained once this position expires by ACRD staff. Estimated service life (ESL) and replacement cost of the infrastructure were determined using industry standards and requirements. The BCVFD Chief provided risk assessments and goals.

### 1.6 Financial Summary

The BCVFD assets have a total current replacement value of \$5.6 million in 2020 dollars. With an estimated inflation rate of 1.5% (CPI 10-year average), estimated future replacement costs are \$7.2 million for current infrastructure at the end of the components estimated service life. Not included in the estimates are projections for future demand and projected capital upgrades. Beaver Creek hasn't grown since the system was first established so future growth is not expected unless the fire service boundaries were extended.

**Renewals vs Upgrades?**

**Renewals:** Returning infrastructure to the expected level of service with no added efficiency or benefit.

**Upgrades:** to improve quality, efficiency and level of service of infrastructure.

Beaver Creek has an assessed converted value of \$47.3 million with a converted residential tax rate of \$0.614 to cover all fire department expenditures. In 2019, \$290,467 was collected through property taxes. The current funding levels are sufficient for the short term but do not allow for adequate capital reserve contributions. Large expenditures such as a new hall or fire apparatus aren't within the current financial means of BCVFD. Without adequate requisition levels, debt may need to be used to maintain levels of service in the future. Renewal of assets will occur in cycles based on asset life, legislative renewal requirements and according to their condition and use. The Fire Underwriters Survey (FUS) also dictates the replacement of key firefighting apparatuses based on asset age.

The first significant capital renewal project is in 2020 at \$675,000 for a new Pumper Fire Apparatus from Fort Garry Fire Trucks to replace the current first line response apparatus. Based on age regulations from the FUS, a second new fire apparatus is also required in 2025 to stay in compliance with



First and Second Line apparatus maximum age restrictions; BCVFD is currently considering applying for an exception with FUS. Due to financial constraints, the Fire Chief estimates the next apparatus purchase will be in another 15 years.



Because the new apparatus has not been fully completed and delivered, it has not been included in the financial calculations for this plans. It will be included in subsequent plans at which time service lives of current fire apparatuses will be adjusted based on FUS regulations.

### 1.7 Asset Management Practices

Assets are managed using a combination of FirePro2, Microsoft Office and Vadim. Registries and AMPs will be reviewed and updated on an annual basis prior to the release of the following version.

### 1.8 Monitoring and Improvement Plan

At the end of this AMP there will be an Improvement Plan intended to improve Asset Management practices within Beaver Creek Volunteer Fire Department and the Asset Management Program as a whole. Generally included in Improvement Plans are suggested changes or additions to documented inspections and condition assessments, monitoring of asset-specific operational and maintenance procedures and giving present risks a numerical rating in order to measure mitigation success.

## 2 INTRODUCTION

### 2.1 Background

This AMP encompasses all Beaver Creek Volunteer Fire Department assets, including fleet. The purpose of the plan is to facilitate the strategic management of the system infrastructure and the services provided by it, giving guidance on new and existing infrastructure to maximize use of financial resources long term, reduce risk and provide a prioritized view for service continuity and improvements over a 20 year planning period and beyond.

The ACRD AM Program follows the advice of the Asset Management BC Framework; Plans are designed to be living documents that change with the organization to reflect progress made while continuously striving for sustainable service delivery. Consideration of community priorities and an understanding of trade-offs between resources and desired services is the foundation of sound AM practices.

The AMBC Roadmap guides organizations through basic, intermediate and advanced Asset Management Practices. It is the goal of the ACRD to achieve a basic to intermediate level of understanding.

This AMP should be read in the context of the ACRD's Asset Management Policy and Strategy. The Beaver Creek Volunteer Fire Department AMP is a living document and will develop with AM practices and with the influence of the following corporate documents:

- Annual strategic priorities
- Short-term and long-term financial plans
- Maintenance policies and industry regulations
- Grant applications and funding



Asset Management Plans are designed for several reasons. First, to guide Fire Chiefs, Management and the Board in planning and decision-making. Second, to aid in the creation of short term and long term financial plans as well as operational plans. Last, to spark community engagement for the service.

As the ACRD moves through the AM program, knowledge and understanding of the AM program increases and it is expected that this plan will evolve further, solidifying assumptions made and filling in any present information gaps where further research or information is required.



## 2.2 Asset Inventory

The Beaver Creek Volunteer Fire Department consists of many components including:

- Fire Trucks including pickup trucks
- Fire Hall including septic system
- Larger or Specialized Electronics
- SCBA Equipment
- Rescue Equipment
- Storage containers

Current replacement costs were estimated by the Fire Chief and Asset Management Coordinator using historical costs. Unit costs include all installation and remediation activities. Remaining useful life estimates were based on installation dates and expected service life based on knowledge and experience.

Any land associated with the BCFVD is not included in this AMP as there are no future plans for expansion, revival or rejuvenation of the current land.

## 2.3 Emergency Preparedness

The BCFVD does not have a formal Emergency Response Program but operates under 5 simple principles aimed towards firefighters:

1. Take care of your family (shelter at home if safe to do so)
2. Take care of your neighbours
3. Communicate your situation to BCFVD if possible
4. Respond to the BCFVD when safe to do so, otherwise report to the nearest firehall
5. Prepare for deployment as required

All of this is with the expectation that the BCFVD Fire Hall will survive the emergency event. The Hall is powered by a 150kW generator that is large enough to power the entire building and is stocked with fuel to last several days. There are no food supplies at the Hall and firefighters are expected to bring



whatever food they can from home before reporting during an emergency. BCVFD has both fire department and amateur radio communications available as needed.



## 2.4 Levels of Service

Levels of Service (LOS) are defined using two terms, customer levels of service and technical levels of service.

**Customer LOS:** measure how the resident receives the service and measure of value provided.

**Technical LOS:** technical measures of performance relating to the resources of service activities to achieving the desired outcomes and demonstrate effective performance.

- Operations – ongoing activities, day-to-day operations
- Maintenance – activities enabling an asset to provide service for its planned life
- Renewal – activities that return the service capability to near original capacity
- Upgrade – activities that provide a higher level of service

For the purposes of this report, customer's level of service expectations are set upon the annual adoption of the financial plan and strategic priorities as it is a reflection of the values, policies, and priorities of the Board of Directors with input from committees and public engagement sessions. Because residents' expectation of a Fire Department is quite simple, for the purposes of this AMP, only Technical LOS have been included.

The current and expected Technical Levels of Service detailed in Table 2.1 shows the expected levels of service based on resource levels in the current financial plan. Organizational objective measures are measures of fact related to the service delivery outcome.



**Table 2.1 - Technical Levels of Service**

Service	Service Objective	Objective Measure	Current Performance	Desired Outcome
<b>Operations</b>  <b>\$106,240</b> <b>Average</b> <b>Budget</b>	Safe and reliable equipment and equipment training to facilitate prompt fire response times	Firefighters are trained to use and regularly exercise equipment during practice times to ensure proper function at fire scenes	Truck checks performed after every use by Duty Crew  Small equipment is tested monthly and hoses annually  Currently no access to a hose tester	All equipment aside from hoses tested on a weekly basis by a Duty Crew   Hose tester available for efficiency with annual tests
<b>Maintenance</b>  <b>\$22,860</b> <b>Average</b> <b>Budget</b>	Reliable, consistent fire services without interruption or delay of service	Regular maintenance and condition assessments	Regular annual inspections on major equipment  No documented condition assessments	Condition assessments built through FirePro2 using bar codes and iPads with synchronization to AM Program
<b>Renewal</b>  <b>No Renewal</b> <b>Budget</b>	Fire Service assets meet needs to provide quality services to customers	Renewals are performed where required, without sacrifice to quality when upgrade is a more suitable option  Equipment and apparatuses are safe and in good running order	Seismic upgrades on building completed in 2014 to extend service life and functionality in the event of a seismic emergency	Renewals are proactive rather than reactive  Aging equipment is renewed before it fails
<b>Upgrade/</b> <b>New</b>  <b>\$645,000</b> <b>Budgeted for</b> <b>2019-2020</b> <b>for a new</b> <b>First Line fire</b> <b>apparatus</b>	Newer fire apparatus at the First and Second Line response positions for reliable service delivery	Fire apparatuses are kept in compliance with the Fire Underwriters Survey guidelines	A new fire apparatus is due to be delivered in Spring 2020  The current First Line apparatus will become Second Line and the Second will become Reserve; however, the Second Line will still be nearly out of date after the arrival of the new apparatus	All fire apparatus are budgeted and replaced within the timeline specified by the Fire Underwriters Survey

It is important to monitor the service levels provided regularly as these will change as regulations and expectations change. The current performance is influenced by work efficiencies, technology, and Fire Underwriters Survey regulations that will change over time. Review and establishment of the agreed position that achieves the best balance between service, risk and cost is essential.



## 2.5 Required Replacements

The Fire Underwriters Survey (FUS) dictates replacement schedules for fire apparatuses. Table 2.2 shows the guidelines for First Line, Second Line, and Reserve. Based on population, Beaver Creek is designated as a Medium Size community and as such is required to adhere to these guidelines to retain recognition. One consequence in the loss of recognition would result in a large spike in residential fire insurance rates. During discussion with the Regional Director at the FUS, it was mentioned that many small communities are having financial difficulty maintaining these standards given the increasing cost to build a fire apparatus (fire engine) and the current tax bases. While First and Second Line have a max age on the chart, apparatuses can be up to 25 years old in these positions. In addition, only one apparatus per department can be applied to have an age exception applied; only special circumstances will allow for two apparatuses being considered for exception. Leniency for these rules may change in the future but for the purposes of this AMP, a maximum apparatus age of 25 was applied in order to determine replacement dates and contribution levels.

Currently, BCVFD is awaiting the arrival of their newest fire apparatus, due for delivery in Spring 2020. This will bump their current First Line truck into the Second Line, and so on. After the arrival, the Second Line apparatus, Truck #51, will be due for replacement in 2025 and the Reserve, Truck #53, will be due for replacement or exception in 2020.

**Table 2.2 - Fire Underwriters Survey Fire Apparatus Age Guidelines**

Apparatus Age	Major Cities <sup>3</sup>	Medium Sized Cities <sup>4</sup> or Communities Where Risk is Significant	Small Communities <sup>5</sup> and Rural Centres
0 – 15 Years	First Line	First Line	First Line
16 – 20 Years	Reserve	2 <sup>nd</sup> Line	First Line
20 – 25 Years <sup>1</sup>	No Credit in Grading	No Credit in Grading or Reserve <sup>2</sup>	No Credit in Grading or 2 <sup>nd</sup> Line <sup>2</sup>
26 – 29 Years <sup>1</sup>	No Credit in Grading	No Credit in Grading or Reserve <sup>2</sup>	No Credit in Grading or Reserve <sup>2</sup>
30 Years +	No Credit in Grading	No Credit in Grading	No Credit in Grading

<sup>1</sup> All listed fire apparatus 20 years of age and older are required to be service tested by recognized testing agency on an annual basis to be eligible for grading recognition. (NFPA 1071)

<sup>2</sup> Exceptions to age status may be considered in a small to medium sized communities and rural centres conditionally, when apparatus condition is acceptable and apparatus successfully passes required testing.

<sup>3</sup> Major Cities are defined as an incorporated or unincorporated community that has:

- a populated area (or multiple areas) with a density of at least 400 people per square kilometre; AND
- a total population of 100,000 or greater.

<sup>4</sup> Medium Communities are defined as an incorporated or unincorporated community that has:

- a populated area (or multiple areas) with a density of at least 200 people per square kilometre; AND/OR
- a total population of 1,000 or greater.

<sup>5</sup> Small Communities are defined as an incorporated or unincorporated community that has:

- no populated areas with densities that exceed 200 people per square kilometre; AND
- does not have a total population in excess of 1,000.



### 3 CURRENT STATE OF BCVFD INFRASTRUCTURE

#### 3.1 Inventory

**Table 3.1 - Assets covered by this Plan**

Asset Category	Quantity	2020 Replacement Value
Electronics (server, tablets)	6	39,600
Fire Engines & Rescue Vehicles	5	2,131,800
Hydraulic Rescue Tools	5	50,200
Generator – 150kW	1	83,900
Main Building & Septic	1	2,976,500
SCBA Backpack Frames	18	173,500
SCBA Fill Station	1	15,200
SeaCans	2	74,300
Parking lots	2	111,500
<b>TOTAL</b>		<b>\$5,656,500</b>

Assets that are part of operations and expensed at the time of purchase are not included in Table 3.1. Small equipment such as desktop computers, pagers, turnout gear, SCBA tanks, ladders, hoses, fittings and hand-held tools were not included in the asset listing as they did not meet the capitalization threshold.

#### 3.2 Replacement Costs and Dates

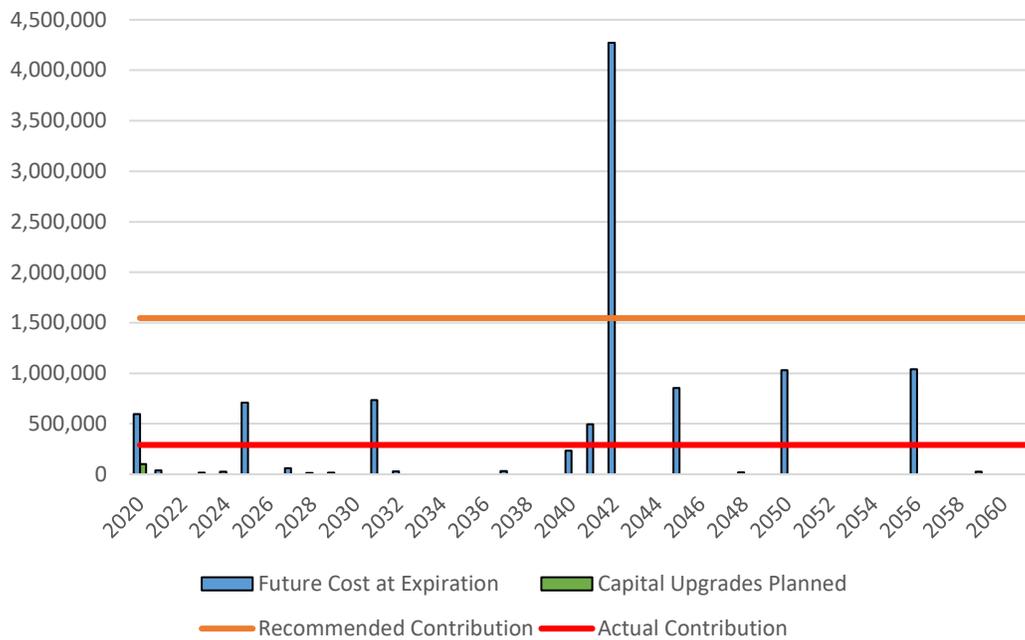
Asset management changes the financial focus from historical cost and annual amortization included in the ACRD’s financial statements to estimated replacement value, estimated service life, and annual capital investment required.

Nearly a third of the BCVFD assets are due for replacement within 10 years. Table 3.2 summarizes suggested infrastructure replacement dates and estimated costs by year until 2060. Renewals in 2042 approximately will make up over \$4.3 million in component replacements costs alone, stressing the need for a capital renewal plan now to meet future financial gaps. Collecting the recommended annual contribution from users shown in Table 3.2 of \$1.47 million, or a residential tax rate of \$3.107, will alleviate these spikes in capital, operational and maintenance costs. These amounts are intended as a financial depiction of the state of the assets and funding gap at BCVFD as it would be challenging for the taxpayers in Beaver Creek to support such a large increase from the current residential tax rate of \$0.612. Contribution rates are at the discretion of the Board and the recommended contribution rates will fluctuate as contributions and demands change. Recommended residential tax rates included in this plan also include the 5-year average operating and maintenance expenditures as the only revenue stream for BCVFD is through tax requisition.



The BCVFD Fire Hall received seismic upgrades in 2014; however, every building’s lifespan is finite and after upgrades the expected service life has been extended to 65 years, well beyond the 40-year amortization period applied to buildings within the ACRD. It is entirely possible that future upgrades will extend the service life beyond this timeframe but the buildings integrity will be questionable at such time. Qualicum Beach, for example, recently replaced their aging Fire Hall at 65 years old. Comparable seismic buildings of scale were used to determine the replacement cost of the building based on the current square footage, with required replacement projected to occur in 2042. Using an inflation rate of 1.5% and interest savings on reserve balances of 2%, it is expected a new Hall will cost over \$4 million at expiry.

**Table 3.2 - Projected Timing for Capital Renewal**

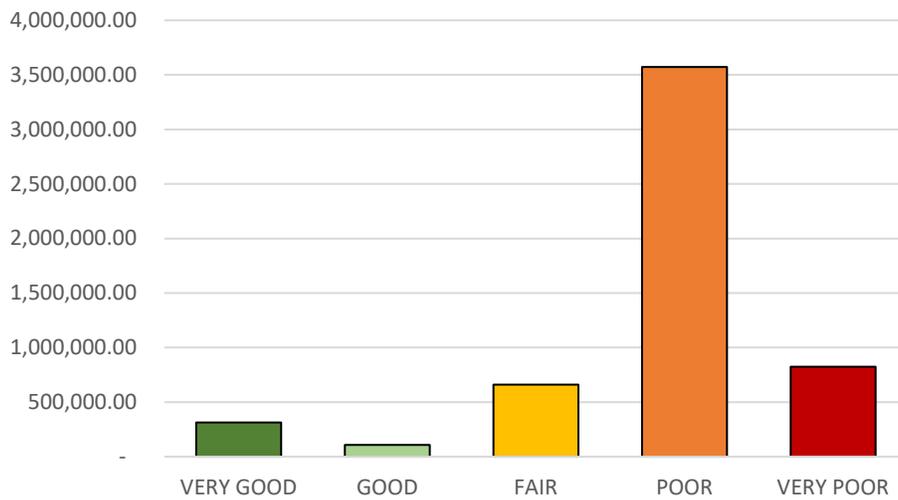


### 3.3 Condition Assessments

Major pieces of equipment receive annual inspections, trucks are inspected after every use, small pieces of equipment are tested monthly and hoses are tested annually. Currently, these condition assessments are logged into FirePro2 with hopes for a more automated barcode system being implemented in the future. Currently there is no hose tester available for BCVFD; access to a hose tester would increase efficiencies. In other ACRD systems, the condition rating is calculated along with the estimated service life remaining to determine the overall condition rating of the asset. Assigning condition assessment rankings on capital equipment is part of the Improvement Plan. For the purposes of this Plan, estimated remaining service life was the only basis for our condition assessments. Based on estimated service life alone, 80% of the BCVFD assets assessed have a fair to very poor physical condition. Table 3.3 shows the current cost to replace assets based on the percentage of estimated useful service life remaining.



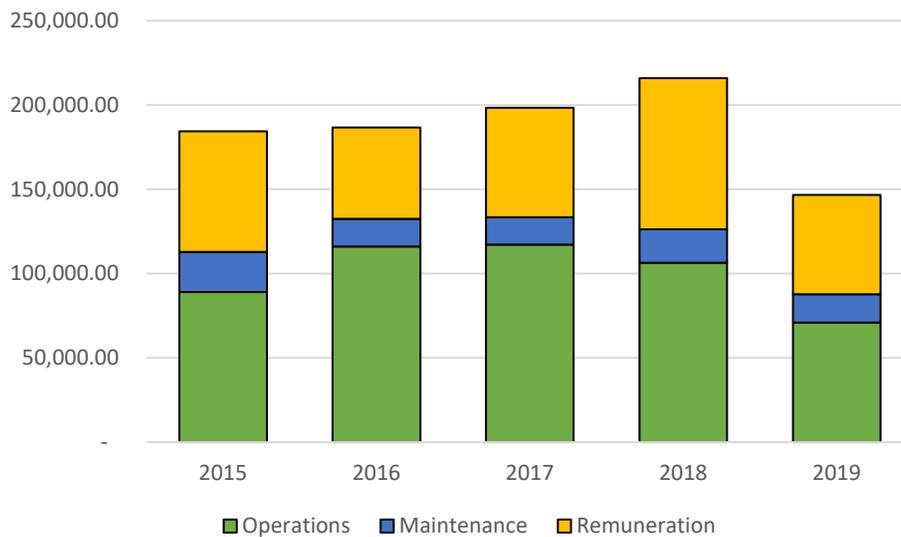
**Table 3.3 – Current Replacement Cost by Percentage of ESL Remaining**



### 3.4 Current Operations and Maintenance Costs

A key function of Asset Management is to track maintenance costs separate from operations costs to identify areas that are requiring more repairs as an indication of failing infrastructure. Table 3.4 shows the trend in combined operations and maintenance costs since 2015.

**Table 3.4 – Operations and Maintenance Cost Trends**



Average operation and maintenance costs total \$186,400 per year, including remuneration and firefighter expenses. Operations costs are associated with day-to-day expenses aimed at achieving levels of service goals while maintenance costs are associated with repairs and keeping equipment in good running order.



### 3.5 Future Demands

It should be noted that there are areas within the Beaver Creek Fire Protection area that are not serviced with hydrants. In these areas, the Department relies on the Automatic Mutual Aid agreement that has been signed with neighbouring Fire Departments with access to tenders. Tenders are able to transport large amounts of water to areas where access to hydrants aren't available. BCVFD currently does not have a tender in the fleet. If future demand for fire services increases or the boundaries for BCVFD expand into areas not currently covered under



fire protection, a tender will be required to be certified to service these areas. Similar to Sproat Lake Volunteer Fire Department, tenders would fill up using an on-site hydrant and bring the water to the fire scene either as a designated Standard Tanker Shuttle Service or Superior Tanker Shuttle Service (STSS). BCVFD is also considering the option to not sell their aging apparatuses after the arrival of their new apparatus in Spring 2020 to avoid potential future financial spikes resulting from changes in LOS or FUS requirements because of possible boundary expansions or growth. This apparatus cannot be considered a first or second line apparatus but is appropriate as a reserve vehicle. Expansion of service boundaries would depend on several aspects; fire coverage for insurance purposes cannot be offered if certain grading factors aren't met through FUS such as tender capacity, flow rates and response times. These factors should be considered in detail if neighbouring communities were to reach out to BCVFD for fire protection to determine if adequate value can be provided.

BCVFD is trained in auto extrications and therefore carry hydraulic tools on apparatuses capable of cutting and spreading hardened steel in vehicles. In order to facilitate continued education, safety and environmental conservation, there has been expressed interest in the construction of an auto extrication pit for training purposes with drainage and filters to prevent petroleum products from leaching into the ground or nearby watercourses. This project could cost upwards of \$30,000 but has not been built due to budgetary constraints.

All hoses are only inspected on an annual basis due to time constraints and the lack of a hose tester. Access to a hose tester would allow for multiple hoses to be tested at a time and would facilitate increased frequency of inspections to identify failing hoses. If future demand on the Fire Department rises, it is expected the increased strain on equipment will require more frequent inspections to ensure



functionality. Sproat Lake Volunteer Fire Department recently reached out and offered to lend their hose tester after hearing of BCVFD's need through the AM Program.

### 3.6 Risk Management Plan

Risk management is a key objective set out in our Asset Management Policy. With acceptable Levels of Service in mind, we have adopted a risk management framework to assess and rank criticality of the ACRD's infrastructure assets. One of the outcomes of implementing risk management is the ability to prioritize required capital expenditures based on criticality for the BCVFD.



The goal in adopting a framework is to have a consistent accurate understanding of the state of the BCVFD's infrastructure. The framework includes a standardized grading system that is easily repeatable, enables comparison of the status of infrastructure condition over time and across municipalities for comparison. A risk matrix has been prepared and will be used for risk ratings throughout the ACRD. This matrix will also be used in conjunction with regular condition assessments to properly evaluate new and existing risks.

The risk assessment process identifies credible risks, the likelihood of the risk event occurring, the consequences should the event occur, develops a risk rating, evaluates the risk and develops a risk treatment plan for non-acceptable risks. Critical risks are those assessed with 'Very High' (requiring immediate corrective action) and 'High' (requiring corrective action) risk ratings identified in the assessment process.

According to the BCVFD Fire Chief, the following are credible risks that could create a "High" risk rating at this time:

1. Major disaster or seismic event causing critical damage to Hall and access bridges
2. Structure fire at Hall or wildfire impacting Fire Department operations and response, causing further destruction
3. Ground disturbance event causing a gas line rupture or break at Hall



## 4 ASSET MANAGEMENT IMPROVEMENT PLAN

### 4.1 Infrastructure Replacement Priority Ranking

Table 4.1 lists the components within the BCVFD in order of their required estimated replacement. This information can be used to aid in creating a Long-Term Financial Plan (LTFP) for this class of assets.

When budgeting for future projects, it is recommended that a 30% general contingency and a 30% allowance for construction, engineering, financial, legal and admin costs be added to total project costs. It is important to note the volatile prices of fire apparatuses. Many factors can change the costs of materials required for projects and while the actual costs may differ, only the most current and available costs are used.

**Table 4.1 – Infrastructure Replacement Priority Ranking**

Asset	Current Replacement Cost Estimate	Risk
2 <sup>nd</sup> New Fire Apparatus per FUS Guidelines	600,000	High
Replace aging SCBA equipment	188,800	High
<b>Replacement Cost – High Risk</b>	<b>\$ 788,800</b>	
Budget for Hall and septic replacement	2,976,500	Moderate
Replace concrete in front of truck bays	18,300	Moderate
<b>Replacement Cost – Moderate Risk</b>	<b>\$ 2,994,800</b>	
Replace aging hydraulic tools	50,200	Low
<b>Replacement Cost – Low Risk</b>	<b>\$ 50,200</b>	
<b>Total</b>	<b>\$ 3,833,800</b>	

Not all assets at BCVFD have been included in this listing. Only those assets that have exceeded approximately half of their expected service lives or assets with poor condition ratings have been included.

Table 4.1 is intended as a guide for replacements based on ages and known conditions. Circumstances, grant funding availability, taxpayer funding availability, governing bodies priorities, levels of service and changes in fire service boundaries will all have influences on priority replacement. This listing will be updated during each revision of the AMP.

### 4.2 Improvement Plan

The tasks identified in the Table 4.2 are required to achieve the BCVFD asset management objectives, manage risks, and close the gap between current and targeted levels to achieve within the AMBC Road Map. The table also identifies the integration of these tasks into the organization as recommended by the AMBC Framework.



**Table 4.2 – Improvement Plan**

Task#	Task	Responsibility	Timeline
1	Implement a Department-wide numerical condition grading system to be used for projecting replacements for non-regulated assets	Fire Chief, Asset Management Coordinator	Spring 2020
2	Consult with FirePro2 technicians about adding a barcode system for increased accuracy and efficiency during inspections	BCVFD	Spring 2020
3	Aging equipment is identified and slated for replacement or renewal	BCVFD	Spring 2020
4	Regional asset identification system for specific assets to record expenses at the asset level, when appropriate	Asset Management Coordinator	Spring 2020
5	Increase frequency of equipment testing and inspections by Duty Crew, aiming to assess all equipment aside from hoses on a weekly basis	Fire Chief, Duty Crew	December 2020
6	Update and monitor asset specific operations and maintenance costs	Fire Chief, ACRD Finance Department	Ongoing
7	Update inventory for additions, disposals and changes in useful life	Fire Chief, Asset Management Coordinator	Ongoing
8	Identification of funding for capital projects	BCVFD, Asset Management Coordinator as applicable	Ongoing
9	Annually review Risk Framework for changes	Fire Chief, Asset Management Coordinator	Annually
10	Financial budgets for fire apparatus purchases align with Fire Underwriters Survey minimum guidelines	Fire Chief, ACRD Finance Department	2021



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## REQUEST FOR DECISION

**To:** Alberni-Clayoquot Regional District Board of Directors

**From:** Tricia Bryant, CPA, CGA, Asset Management Coordinator

**Meeting Date:** April 22, 2020

**Subject:** General Government Asset Management Plan Version 1

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### **Recommendation:**

***That the Alberni-Clayoquot Regional District Board of Directors adopt the General Government Asset Management Plan Version 1.***

### **Desired Outcome:**

The Alberni-Clayoquot Regional District (ACRD) Board of Directors adopts the General Government Asset Management Plan (the Plan) to guide decision-making and facilitate sustainable service delivery.

### **Summary:**

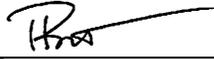
The General Government Asset Management Plan is the seventh plan created by the ACRD with the assistance of Management and staff. The purpose of the Plan is to better guide the Board, management and staff in decision-making and sustainable service delivery. It is also a communication tool for public awareness. The Plan has already provided significant value by gathering data from various departments to identify areas and projects that are priority in the budgeting and long-term financial planning process. In order to make relevant and reliable long-term financial plans, Asset Management Plans are a necessity. The Plan is a key tool to become more proactive than reactive. Prior to the Plan's creation, an Asset Registry was created in which component valuations and approximate expiration dates are used to calculate required annual financial contribution from tax requisition in order to maintain desired levels of service. It can also be used to identify necessary adjustments to user rates. This version of the Plan will be dated with the date of adoption.

Asset Management Plans identify any financial gaps that potentially could be filled with grants or require other funding sources such as taxation. Asset Management Plans are now a requirement for grant applications as well as accurate and reliable long-term financial plans.

The ACRD Asset Management Policy has been included for reference.

### **Time Requirements – Staff & Elected Officials:**

There is a dedicated full-time position until late 2020 for Asset Management. Most Asset Management Plans can take a significant amount of time to compile necessary information, analyze and present it in a way that provides value to staff, management, the Board and users of the service. Additionally, time must be taken to properly include the information in Asset Management Plans in the 5 year financial plan of the Regional District.

Submitted by:   
Tricia Bryant, CPA, CGA, Asset Management Coordinator

Reviewed by:   
Teri Fong, CPA, CGA, Chief Financial Officer

Approved by:   
Douglas Holmes, CPA, CA, Chief Administration Officer



ALBERNI-CLAYOQUOT  
REGIONAL DISTRICT

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# General Government

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## Asset Management Plan

Version 1



DATE OF ADOPTION: TBD



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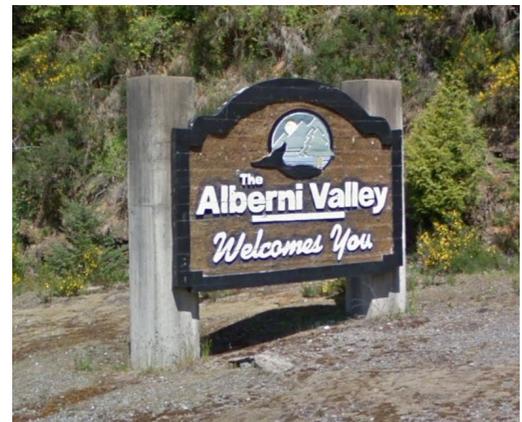
## 1 EXECUTIVE SUMMARY

### 1.1 Purpose of the Plan

The General Government Asset Management Plan (AMP) is part of the ACRD Asset Management program to facilitate informed decision-making and effective allocation of resources for infrastructure. The purpose of an AMP is to deliver sustainable, cost effective services to ACRD communities in a socially, economically, and environmentally responsible manner, while providing the Level of Service agreed upon by the Board.

### 1.2 Asset Service Areas

The General Government assets are used by various departments such as IT, Finance, Planning, Building Inspection, Administration, Environmental and Emergency Services. Assets include computer and large office equipment and accessories, main office building including leased space, parking lots, street and overhead lighting, building signage and a Welcome sign along Highway 4 east of Elkford Road. Some other assets are not budgeted under the General Government umbrella but do not warrant a separate AMP so they have been included in this plan including street lighting, the South Long Beach Bike Path and a diesel generator.



### 1.3 Levels of Service

The present funding levels are insufficient to continue to provide the existing services at current levels in the long-term. The main service consequences will be more frequent service interruptions, a decline in service quality or loss of specific services.

### 1.4 Future Demand

The main demands for new services are created by:

- Education and programs
- Board of Directors and resident level of service expectations
- Legislative regulations
- Growth rate – both in population and staff

These will be managed through a combination of managing existing assets, upgrading of existing assets and providing new assets to meet demand and demand management. Demand management practices include non-asset solutions, insuring against risks and mitigating failures.



### 1.5 Lifecycle Management Plan

Asset Management assists in conscious and calculated decisions for all assets covered in AMPs from acquisition, operation, maintenance, disposal and renewal or upgrade. During the course of an assets life, the replacement value is known along with an estimated date of replacement based on age and condition. Annual contributions required are calculated for each component in each service so we can measure the funding gap between current and future levels of service in order to align funding and service expectations. The AM Program achieves responsible and reliable lifecycle management practices.

The Asset Management Coordinator has created the General Government AMP with the assistance of the Property Maintenance Coordinator, Department Managers and staff. Asset Management systems will continue to be maintained once this position expires by ACRD staff. Estimated service life replacement cost of the infrastructure were determined using historical data and industry standards. Management staff provided risk assessments and goals.

### 1.6 Financial Summary

The General Government infrastructure has a total current replacement value of \$8.7 million in 2020 dollars. This does not include a contingency for construction, engineering, financial, legal or administration costs. With an estimated inflation rate of 1.5%, estimated future replacement costs are \$11.3 million for current infrastructure at the end of the components estimated service life. Between 2011 and 2016, the Alberni-Clayoquot Regional District experienced no growth per Statistics Canada so projections for future demand and projected capital upgrades are not included in estimates.

The participating areas of the Alberni-Clayoquot Regional District have an assessed value of \$6.43 billion with General Government services collecting a converted mill rate of \$0.008 dedicated towards capital. Based on the projected renewal costs and the current reserve level, funding the General Government service for the next 20 years will require annual investments of approximately \$818,300 or a converted mill rate of \$0.112. In reality, renewal of system components will occur in cycles based on asset life, completion of major improvements and according to their condition and use.

Based on estimated service life, approximately \$25,000 is required annually for capital renewal projects for the next 10 years. Following that period is a projected \$8.58 million in 2038 for a new office building based on current replacement costs plus inflation.

### 1.7 Asset Management Practices

Assets are managed using a combination of various IT tracking software, Microsoft Office and Vadim. Registries and AMPs will be reviewed and updated on an annual basis prior to the release of the following version.



## 1.8 Monitoring and Improvement Program

At the end of this AMP there will be an Improvement Plan intended to improve Asset Management practices within General Government and the Asset Management Program as a whole. Generally included in Improvement Plans are suggested changes or additions to documented inspections and condition assessments, monitoring of asset-specific operational and maintenance procedures and assigning present risks a numerical rating in order to measure mitigation success.



## 2 INTRODUCTION

### 2.1 Background

This AMP encompasses all General Government assets located at 3008 Fifth Avenue, excluding vehicles. Also included in this plan is Arvay Road street lighting, South Long Beach street lighting and bike path and the Highway 4 Welcome sign. The purpose of the plan is to facilitate the strategic management of the system infrastructure and the services provided by it, giving guidance on new and existing infrastructure to maximize use of financial resources long term, reduce risk and provide a prioritized view for service continuity and improvements over a 20-year planning period and beyond.

The ACRD AM Program follows the advice of the Asset Management BC Framework; Plans are designed to be living documents that change with the organization to reflect progress made while continuously striving for sustainable service delivery. Consideration of community priorities and an understanding of trade-offs between resources and desired services is the foundation of sound AM practices.

The AMBC Roadmap guides organizations through basic, intermediate and advanced Asset Management Practices. It is the goal of the ACRD to achieve a basic to intermediate level of understanding.

This AMP should be read in the context of the ACRD's Asset Management Policy and Strategy. The General Government AMP is a living document and will develop with AM practices and with the influence of the following corporate documents:

- Annual strategic priorities
- Short-term and long-term financial plans
- Maintenance policies
- Grant applications and funding



Asset Management Plans are designed for several reasons. First, to guide Management and the Board in planning and decision-making. Second, to aid in the creation of short term and long term financial plans as well as operational plans. Last, to spark community engagement for the service.

As the ACRD moves through the AM implementation process, knowledge and understanding of the AM program increases and it is expected that this plan evolve further, solidifying assumptions made and filling in any present information gaps where further research or information is required.

## 2.2 Asset Inventory

The General Government infrastructure consists of many components including:

- Technical office equipment
- Building & HVAC system
- 100kW diesel generator
- Parking lots, lighting & signage

Current replacement costs were estimated using historical data by Department Managers, staff and market research. Unit costs include all installation and estimated applicable taxes. Remaining useful life estimates were based on installation dates and expected service life provided by the Manager of Information Technology and the Property Maintenance Coordinator based on knowledge and experience.

Any land associated with General Government is not included in this AM Plan as there are no future plans for expansion, revival, sale or rejuvenation of the current land.





### 2.3 Levels of Service

Levels of Service (LOS) are defined using two terms, customer levels of service and technical levels of service.

**Customer LOS:** measure how the customer receives the service and measure of value we provide.

**Technical LOS:** technical measures of performance relating to the allocation of resources to service activities to best achieve the desired outcomes and demonstrate effective performance.

- Operations – ongoing activities, day-to-day operations
- Maintenance – activities enabling an asset to provide service for its planned life
- Renewal – activities that return the service capability to near original capacity
- Upgrade – activities that provide a higher level of service

The current and expected customer Levels of Service detailed in Tables 2.1 and 2.2 shows the expected levels of service based on resource levels in the current financial plan. Organizational measures are measures of fact related to the service delivery outcome e.g. number of occasions when service is not available, condition percentages of Very Poor through Very Good.

**Table 2.1 - Customer Level of Service Objectives**

Values	Expectation	Performance/ Organizational Measure	Current Performance	Forecasted with Current Budget
<b>Quality</b>	Facilities and components are kept in good running order	Regular maintenance on public facilities	Repairs are arranged in a timely manner by the Property Maintenance Coordinator	No change
<b>Function</b>	Building is accessible for all users  Building Permits are completed within industry average times for similar local governments of scale	Number of complaints related to accessibility  Building Permits are completed within 3 weeks (preferred timeline)	Approx. 3 complaints annually that wheelchair access door isn't clearly marked or accessible  Building Permits are completed within 4 weeks currently	Wheelchair access improvements for markings and accessibility  Implementation of GIS and full utilization of CityView to improve processes and reduce time
<b>Capacity and Use</b>	Adequate waiting and counter space for customers	Complaints related to seating and counter space at peak times	No customer complaints related to seating  Customers at the Planning counter are impeded by the current configuration of the Boardroom door	No change  Reconfigured Board Room door to not impede Planning space



**Table 2.2 - Technical Levels of Service**

Service	Service Objective	Objective Measure	Current Performance	Desired Outcome
<b>Operations</b>  <b>2019 Budget:</b> <b>\$204,800</b>	Safe, accessible and comfortable environment for staff	<p>Systems in place to ensure employee safety</p>           <p>Building and office spaces are easily accessible and meet BC Fire Code regulations</p>	<p>Staff voiced concerns over front counter safety. No panic system or barriers in place for dangerous customers</p>           <p>Building meets BC Fire Code regulations and maintains an updated Fire Safety Plan</p>	<p>Safety protocols or equipment in place for hostile situations</p>           <p>Building continues to meet BC Fire Code requirements as staffing and service needs evolve and grow</p>
<b>Maintenance</b>  <b>2019 Budget:</b> <b>\$15,000</b>	Building, facilities and equipment are kept in good running order	No interruption of services due to maintenance	<p>Maintenance is the responsibility of the Property Maintenance Coordinator and is on a reactive basis</p>           <p>Replacements are typically done with upgraded components to extend asset life</p>	Repairs are on a proactive basis and without interruption to daily business activities
<b>Renewal</b>  <b>2019 Budget:</b> <b>\$15,000</b>	Infrastructure is replaced when quality falls below accepted levels	Useful life of General Government infrastructure increases over time as renewals are performed. Renewal needs identified by Management and Staff	Renewals are the responsibility of Managers. IT equipment is replaced as required based on user needs	Office furniture and equipment are scheduled for replacement based on age and condition on a proactive basis
<b>Upgrade/ New</b>  <b>2019 Budget:</b> <b>\$78,000</b>	Infrastructure is upgraded to accommodate increased capacity and use as services and staff levels grow	<p>Adequate office space for all staff. All areas of office are accessible and maintain space per the BC Fire Code</p>           <p>Technology and equipment is up-to-date and adequate for staff needs</p>	<p>Office space is very near capacity. Future expansion needs will require either a significant space reconfiguration or a larger office footprint</p>           <p>Additional service requirements that require increase staffing drive the need for more space</p>           <p>Computers are shuffled and upgraded based on staff needs and computer age</p>	<p>Future expansion will consume more of the lower floor of the building or current meeting space as staffing needs arise</p>           <p>Office expansion occurs before staffing needs exceed current space</p>           <p>Computer replacement plan schedule will remain proactive</p>



For the purposes of this report, customer's level of service expectations are set upon the annual adoption of the financial plan and strategic priorities as it is a reflection of the values, policies, and priorities of the Board of Directors with input from committees and public engagement sessions. This will assist the ACRD's Board of Directors and stakeholders in matching the level of service required, service risks and consequences with the community's ability and willingness to pay for the service.

It is important to monitor the service levels provided regularly as these will change as regulations and expectations change. The current performance is influenced by work efficiencies, technology, and regulations that will change over time. Review and establishment of the agreed position that achieves the best balance between service, risk and cost is essential.

## 2.4 Emergency Preparedness

Created in 2003, the Alberni Valley Emergency Plan describes the responsibilities and actions required to protect and mitigate additional loss to critical infrastructure. The Alberni-Clayoquot Regional District office is home to the Alberni Valley Emergency Operations Centre (EOC): a physical facility designated for the gathering and dissemination of information plus disaster analysis.

It is also the facility in which decisions and policies governing the emergency response are planned and implemented. The EOC must identify and use available resources, especially human and financial, to help prepare for, respond to and recover from disaster. In the event of a disaster, the information gathered through the Asset Management Program will be used as a resource in the EOC but, ultimately, the replacement of assets involved in a disaster will be at the discretion of the EOC staff and not the AM Plans recommended schedule for asset replacements.



A 100kW diesel generator was installed on site in 2016 and is designed to provide power to the entire building, including the EOC area and equipment in the event of a power outage. Replacement of the generator is included in this AM Plan and funding is provided through the Emergency Planning service.



The ACRD building is not currently rated for seismic events. This could be a catastrophic issue if the EOC is activated due to a large seismic event and the building has been compromised. It is recommended that the ACRD find a more suitable location for EOC operations in a seismic event such as keeping a space within a newer building in the valley on retainer. Smaller EOC events such as wildfires can still be operated out of the current building, either in the EOC or from a workspace.

## 2.5 Safety Improvements

Currently, wheelchair access is only available on the side of the building rather than at the main entrance and members of the public have complained that signage for the accessible entrance is inadequate. In order to gain access, a doorbell signals one of the staff to open the door and direct the customer through either the Boardroom or through the Planning department and behind reception. Ideally, the main entrance of the building should be wheelchair accessible and there is currently room available to construct a ramp. Customers with mobility issues tend to use the front steps rather than going around the building and walking through the office as it's a much shorter distance. This could result in injury to the public and creates a liability. The current walking surfaces leading up to and at the front entrance can easily become slippery in the rain or freezing temperatures.



Another challenge with the current front entrance is the size, density and placement of the bushes that line the front of the building. There have been instances of illegal and unsanitary actions by outside individuals in the bushes and this not only creates a safety concern for staff and the public that are in the area but also for the staff and community members tasked with cleaning up the area. The front entrance should be redesigned with Crime Prevention Through Environmental Design (CPTED) in mind. CPTED is defined as a multi-disciplinary approach to deterring criminal behaviour and nuisance activity through environmental design. An upgraded front entrance with ramp and power doors is prioritized in section 4.1 and has been budgeted for in 2020.

There have been instances with members of the public becoming agitated while discussing Regional District matters with staff at the front counter. It is the employer's responsibility to establish and maintain safety protocols. Possible solutions to the current lack of protection include either panic button-type equipment or reinforced glass barriers.



Planning staff experience occasions in which the public being served at the front counter are interfered with by the opening and closing of the door to the Boardroom. Reconfiguring the swing of the door will remedy this while making the full counter more useful.

The building is 41 years old and at the time of construction, buildings were intended to be usable for 45-60 years. The ability of the office building to withstand a seismic event is unknown as it would require the assessment of a seismic engineer. The construction and quality of the supports, foundation and floor and roof diaphragms are unknown. As mentioned, it's very questionable if the building is equipped to withstand a seismic event. If the "big one" were to happen, it is likely the building would collapse or, at minimum, no longer be structurally safe enough for human entry. Building a new office including an EOC Centre that is seismically rated, adequately sized and LEED® certified would cost approximately \$6.5 million to construct in 2020 dollars or approximately \$8.5 million in 2038 when the building reaches 60 years of age after accounting for estimated inflation. This is before the purchase of land, if required. Building replacement costs were calculated using the final square meter cost of construction for other municipal buildings constructed on Vancouver Island within the last 5 years. Currently, a purchase of that magnitude is out of reach for the contributing services and renovations to fully utilize the space will continue to take place until it is no longer feasible. Over the past five years, \$106,000 has been spent renovating the office to suit staffing changes and requirements; \$180,000 is budgeted over 2020-2024 for further renovations. No seismic improvements to the building have



occurred in the past or have been budgeted for the future. If reserves were used to fund the construction, approximately \$340,000 would have to be allocated annually to future construction.

### 3 CURRENT STATE OF GENERAL GOVERNMENT INFRASTRUCTURE

#### 3.1 Inventory

**Table 3.1 - Assets covered by this Plan**

Contributing Service	Asset Category	Current Replacement Value	Annual Contribution Required
General Government	Building & HVAC	6,661,900	340,200
General Government	Street Lighting & Signage	21,700	17,350
General Government	Office Technology	88,100	45,560
General Government	Parking Lots (asphalt)	54,300	6,500
Planning	Office Technology	32,900	16,550
Emergency Planning	Diesel Generator for EOC	106,200	3,600
Arvay Road	Overhead Lighting	21,200	21,150
South Long Beach	Overhead Lighting	21,200	21,150
South Long Beach	Bike Path	1,719,400	87,400
	<b>TOTAL</b>	<b>\$8,716,900</b>	<b>\$559,460</b>

For the purposes of this AMP, Rural Development and Regional Planning are combined under the “Planning” umbrella due to shared equipment. Assets that are nearing or at the end of their service lives are associated with high annual contribution requirements as the current replacement values are spread over the remaining ESL.

#### 3.2 Replacement Costs and Dates

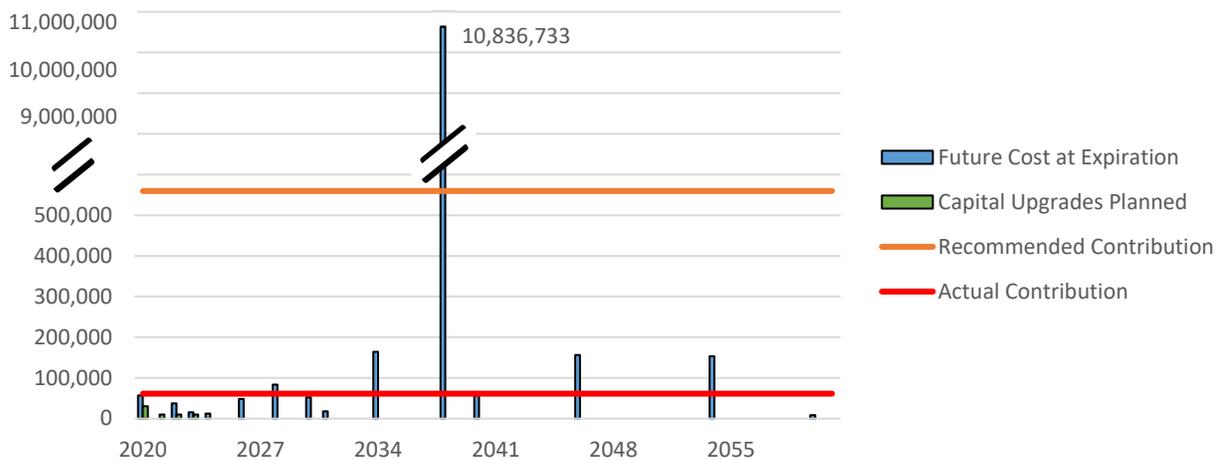
Asset management changes the financial focus from historical cost and annual amortization included in the ACRD’s financial statements to estimated replacement value, estimated service life, and annual capital investment required.

Office furniture and small equipment including phones and computers are not included as they do not meet the capitalization threshold. Software is expensed in the year in which it was purchased and it is not capitalized. Vehicles are not included in this AMP; the ACRD Fleet AM Plan has been created as an internally approved document to highlight the needs of the organization and to ensure necessary future purchases are calculated and planned in the most financially and environmentally responsible manner. Residential tax rate recommendations included in this plan have been broken down to not include previously prescribed required contributions for fleet. Furniture is not replaced on a regular interval and is typically used for alternative purposes once it is removed from a workspace. The Emergency Operations Centre, for example, is furnished using original desks from the time of the



Regional Districts inception. Typically, computers do not meet capitalization thresholds and are cycled and replaced at the discretion of the Manager of Information Technology based on job requirements. Aside from the main office building, half of General Government assets are due for replacement within 10 years. Table 3.2 summarizes suggested infrastructure replacement dates and estimated costs by year until 2060. Renewals in 2038 make up over \$8.5 for a required building replacement, stressing the need for a capital renewal plan now to meet future financial gaps. Collecting the recommended annual contribution from users shown below of \$425,000 for capital expenditures will alleviate these spikes in capital expense.

**Table 3.2 - Projected Timing for Capital Renewal**



### 3.3 Condition Assessments

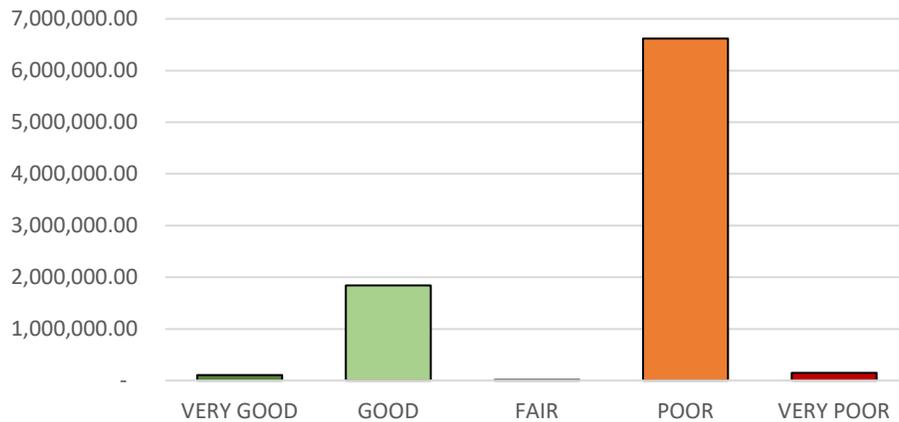
Regular condition assessments are not performed on components. In other ACRD systems, the condition assessment is calculated along with the estimated service life remaining to determine the overall condition rating of the asset. Regular condition assessments are part of the improvement works outlined in this Plan for specific assets. For the purposes of this Plan, estimated remaining service life was the only basis for our condition assessments. Based on estimated service life, 97% of General Government assets assessed have a poor to very poor physical condition based on age.





Table 3.3 shows the current cost to replace assets based on the percentage of estimated useful service life remaining.

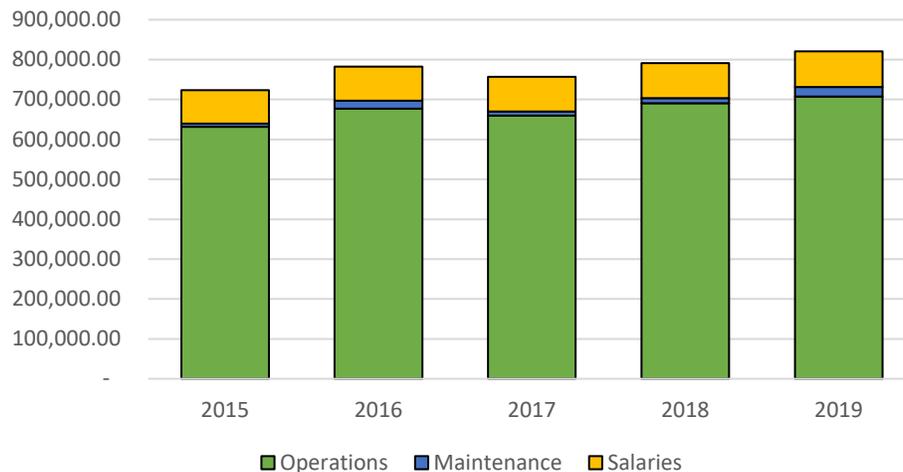
**Table 3.3 – Current Replacement Cost by Percentage of ESL Remaining**



### 3.4 Current Operations and Maintenance Costs

A key function of Asset Management is to track maintenance costs separate from operations costs to identify areas that are requiring more repairs as an indication of failing infrastructure. Table 3.4 shows the trend in combined operations and maintenance costs since 2014.

**Table 3.4 – Operations and Maintenance Cost Trends**



Average operation and maintenance costs total \$746,141 per year, including salaries and benefits for the Property Maintenance Coordinator. Operations costs are associated with day-to-day expenses aimed at achieving levels of service goals while maintenance costs are associated with repairs and keeping equipment in good running order.



### 3.5 Current Building Expansion Possibilities

Currently, there is office space for 24 staff on the main floor. Office spaces average approximately 9 square meters, comparable to the industry standard of 9.5 square meters for small offices. It is possible to remove walls and either split larger offices into smaller offices to increase the number of workspaces or remove walls entirely, excluding the removal of offices for Management, and turn the remaining space into cubicle workspaces. Converting larger offices into smaller offices will create an additional 2 small office spaces given the current configuration. Removing the majority of the current walls in the building will result in the creation of approximately 3 more workspaces, giving allowance for areas for reception, large office equipment, filing cabinets and walkways. The removal of walls should be at the discretion of a structural engineer to ensure that the integrity of the building is not compromised. The current Boardroom would allow for the creation of approximately 7 workspaces if it were to be converted from a meeting space. This would require the ACRD to either rent, borrow or purchase another meeting space. Considering long-term occupancy of the building and potential future staffing levels, it would be more cost-effective to convert the Boardroom into office spaces.



The ACRD office building is also home to the Coastal Community Credit Union (CCCU). The CCCU is a long-term tenant that contributes proportionately to utilities and taxes in addition to rent. Currently, the ACRD office has a limited amount of expansion space remaining, with part-time and temporary staff utilizing the EOC area for workstations. In the event of an emergency, this space will need to be immediately made available and clear for emergency operations. During Exercise Coastal Response in 2016, the ACRD's entire downstairs area was utilized and it was clear that in the event of a real disaster, the same amount of space will be required at a minimum. Another expansion opportunity for the creation of workspaces would be to utilize the space currently occupied by the CCCU in order to not compromise current public, meeting and EOC spaces available. At such time that space is at a critical level, the discussion of tenancy will need to occur with the Board of Directors and Management.



### 3.6 Risk Management Plan

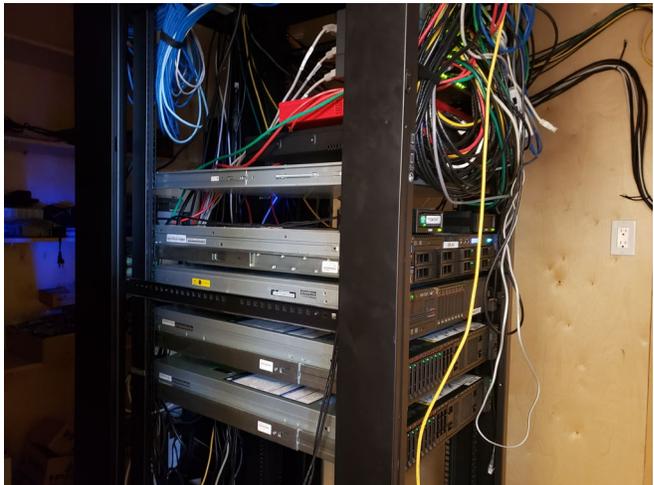
Risk management is a key objective set out in our Asset Management Policy. With acceptable Levels of Service in mind, we have adopted a risk management framework to assess and rank criticality of the ACRD's infrastructure assets. One of the outcomes of implementing risk management is the ability to prioritize required capital expenditures based on criticality for the General Government.

The goal in adopting a framework is to have a consistent accurate understanding of the state of the General Government's infrastructure. The framework includes a standardized grading system that is easily repeatable, enables comparison of the status of infrastructure condition over time and across municipalities for comparison.

A risk matrix has been prepared and will be used for risk ratings throughout the ACRD. This matrix will also be used in conjunction with regular condition assessments to properly evaluate new and existing risks.

The risk assessment process identifies credible risks, the likelihood of the risk event occurring, the consequences should the event occur, develops a risk rating, evaluates the risk and develops a risk treatment plan for non-acceptable risks. Critical risks are those assessed with 'Very High' (requiring immediate corrective action) and 'High' (requiring corrective action) risk ratings identified in the assessment process.

According to the Property Maintenance Coordinator and Asset Management Coordinator, the following are credible risks that could create a "High" risk rating at this time:



1. Seismic event causing injuries/fatalities or severe damage making EOC inaccessible
2. Property damage due to an increase in localized crime
3. Cyber threat to data stored on servers
4. Wheelchair access isn't direct and could result in customers with accessibility issues using the steps resulting in injury
5. Electrical conduit is corroded posing a fire risk
6. Fire detection system is outdated and proper fire mitigation infrastructure is not in place



## 4 ASSET MANAGEMENT IMPROVEMENT PLAN

### 4.1 Infrastructure Priority Ranking

Table 4.1 lists the components within the General Government in order of their required estimated replacement. This information can be used to aid in creating a Long-Term Financial Plan (LTFP) for this class of assets.

When budgeting for future projects, it is recommended that a 30% general contingency and a 30% allowance for construction, engineering, financial, legal and admin costs be added to total project costs.

It is important to note the volatile prices of construction materials. Many factors can change the costs of materials required for projects and while the actual costs may differ, only the most current and available costs are used.

**Table 4.1 – Infrastructure Priority Ranking**

Component	Current Cost Estimate	Risk of Failure/ Injury
Replace photocopier	13,800	High
Replace laminator	6,400	High
Replace ProLiant ML370 G6 Server	14,900	High
Improve building fire detection	10,000	High
Improve building accessibility	45,000	High
<b>Replacement Cost – High Risk</b>	<b>\$ 90,100</b>	
Resurface upper parking lot	26,500	Moderate
Resurface lower parking lot	27,800	Moderate
Replace overhead lighting in parking lots	10,600	Moderate
Budget for seismic building replacement	6,569,700	Moderate
<b>Replacement Cost – Moderate Risk</b>	<b>\$ 6,634,600</b>	
Replace Welcome sign on Highway 4	4,800	Low
Replace road sign at 3008 5 <sup>th</sup> Avenue	6,400	Low
<b>Replacement Cost – Low Risk</b>	<b>\$ 11,200</b>	
<b>Total Current Replacement</b>	<b>\$ 6,735,900</b>	

**Table 4.2 – Infrastructure Priority Ranking – Non-General Government Assets**

Component	Current Cost Estimate	Risk of Failure/ Injury
Replace Arvay Road Overhead Lighting	21,300	Low
Replace South Long Beach Overhead Lighting	21,300	Low
<b>Total Current Replacement</b>	<b>\$ 42,600</b>	



## 4.2 Improvement Plan

The tasks identified in the Table 4.2 are required to achieve the General Government asset management objectives, manage risks, and close the gap between current and targeted levels to achieve within the AMBC road Map. The table also identifies the integration of these tasks into the organization as recommended by the AMBC Framework.

**Table 4.2 – Improvement Plan**

Task#	Task	Responsibility	Timeline
1	Begin documented condition assessments on critical assets	Property Maintenance Coordinator	Spring 2020
2	Regional asset identification system for specific assets to record expenses at the asset level, where appropriate	Asset Management Coordinator	Spring 2020
3	Financial budgets consider required works identified in Asset Management Plan	Finance Department	Fall 2020
4	Annually review Risk Framework for changes	Property Maintenance Coordinator, Asset Management Coordinator	December 2020
5	Aging infrastructure is identified and slated for replacement or renewal	Department Managers, Property Maintenance Coordinator	Ongoing
6	Update and monitor asset specific operations and maintenance costs	Finance Department	Ongoing
7	Update inventory for additions, disposals and changes in useful life	Asset Management Coordinator	Ongoing
8	Identification for funding for capital projects	Asset Management Coordinator, Property Maintenance Coordinator	Ongoing



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## REQUEST FOR DECISION

**To:** ACRD Board of Directors  
**From:** Rob Williams, General Manager of Environmental Services  
**Meeting Date:** April 22, 2020  
**Subject:** West Coast Multi-use Path

---

### **Recommendation:**

***THAT the ACRD Board of Directors direct staff to defer completion of phase 2 of the ICE-T Economic Infrastructure & Innovation Grant Application for the West Coast Multi-Use Path until 2021.***

### **Desired Outcome:**

Complete the ACRD section of the West Coast Multi-use Path in order to have one continuous trail between Ucluelet and Tofino.

### **Background:**

The ACRD Board of Directors adopted the following resolutions at their February 12<sup>th</sup>, 2020 meeting:

*THAT the ACRD Board of Directors add the unconstructed Electoral Area C – Long Beach portion of West Coast Multi Use Path (MUP) into Regional Parks in order to provide a governance structure for this new trail and support the ICE-T and BC Active Transportation Grant Applications.*

*THAT the ACRD Board of Directors allocate \$50,000 of the Regional Parks Capital Reserve and \$240,000 of Community Works Funds as a portion of matching funds for the construction of the Electoral Area C – Long Beach portion of West Coast Multi Use Path.*

*THAT the ACRD Board of Directors direct staff to apply with current available information to the Ministry of Transportation and Infrastructure's (MoTI) BC Active Transportation Grant for \$500,000 towards the construction of the Electoral Area C – Long Beach portion of West Coast Multi Use Path.*

### **BC Active Transportation Grant**

ACRD staff applied to the Ministry of Transportation and Infrastructure's BC Active Transportation Grant on February 20<sup>th</sup>, 2020. If successful, the grant will provide \$500,000 towards the trail construction cost. The application included available project information but did not confirm matching funds as this is still to be determined. Engineering and detailed design work was also excluded as this work has not yet been completed. This application may not progress through the screening process due its incompleteness.

ACRD staff had intended on moving ahead with the engineering, environmental assessment and detailed design work with the allocated \$50,000 from the Regional Parks Reserve budget. Initial estimates for this work were \$40,000. When following up with the contractor to move ahead with the work, a new updated quote was provided with the cost

estimate increasing to \$88,000. The increase included geotechnical work that was originally planned for the construction phase of the project. However, the contractor has urged the ACRD to complete the geotechnical work before detailed design as the results of this work could impact the overall design. There are currently no additional funds available to complete the geotechnical work alongside the engineering, environmental assessment and detailed design.

**ICE-T Grant**

The ACRD was successful with phase 1 of the Tourism Destination Trails stream of the Economic Infrastructure & Innovation Program. This grant opportunity provides up to \$200,000 of matching funding. Phase 2 of the application process requires much more detail and costing of the proposed project. This also includes outlining all public engagement activities completed with respect to the application. Detailed design and confirmed matching funds are also required at this stage. Applicants are expected to initiate the project within 6 months of being awarded grant funds. The program guidelines estimate that phase 2 of the application could take between 4 months to a year to complete and must be submitted by May 31<sup>st</sup>, 2020.

Considering ACRD matching funds have not been secured and that other projects components such as a geotechnical study and detailed design have not been completed, staff are recommending that the ACRD defer completion of phase 2 of the ICE-T grant application until 2021. This will allow time to try and confirm funding and sufficiently complete all grant requirements.

**Time Requirements – Staff & Elected Officials:**

A significant amount of staff time is required to complete the ICE-T phase 2 grant application, as well as work through governance, engineering/design and matching funds for this project.

**Financial:**

The following provides a breakdown of project costs for the ACRD MUP:

<b>Estimated Project Cost</b>	<b>\$1,367,252</b>
Max ICE-T Grant	\$200,000
Max BC Active Transportation Grant (70% of cost up to \$500,000)	\$500,000
<b>Outstanding Balance</b>	<b>\$667,252*</b>

\*This amount does not include the allocation of Regional Parks reserve or Community Works funds.

**Options Considered:**

Complete the phase 2 ICE-T grant application with available staff resources and information.

Submitted by:   
Rob Williams, MSc, General Manager of Environmental Services

Approved by:   
Douglas Holmes, BBA, CPA, CA, Chief Administrative Officer



## REQUEST FOR DECISION

**To:** ACRD Board of Directors

**From:** Alex Dyer, MCIP, RPP, Planner

**Meeting Date:** April 22, 2020

**Subject:** Burning Regulation Public Engagement Plan

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### **Recommendation:**

THAT the Board of Directors instruct staff to direct the burning regulation public engagement plan as outlined in the report.

### **Summary:**

At their April 8, 2020 meeting, the Board of Directors considered two burning bylaws that would regulate the emission of smoke from burning in the ACRD: the Solid-Fuel Burning Appliance Emission Regulation Bylaw No. R1030 and the Outdoor Burning Smoke Control Regulation Bylaw No. R1032.

The Board deferred adoption of Bylaw R1030 and instructed staff to bring back an amended bylaw for consideration by the Board that would provide exemptions for wood burning appliances used for agricultural purposes. The Board also deferred adoption of Bylaw R1032 and instructed staff to engage in a public information campaign prior to the Board considering the bylaw for adoption.

### **Public Engagement Plan:**

Staff propose the following public engagement plan for open burning regulations in the ACRD. The plan is focused on digital engagement reflecting the challenges faced during the current COVID-19 pandemic.

1. Create a webpage dedicated to burning regulations in the ACRD that would share resources and information, detail the two proposed burning bylaws and provide an opportunity for public feedback. The webpage would be highlighted on the ACRD home page during the engagement process.

2. Develop an online survey to gather public feedback on burning regulations. Questions would focus on the public sentiment for increased burning regulation and highlight specific provisions within the bylaws. A PDF copy of the survey would be linked to the webpage for those who wish to print a hard copy.
3. Send a newsletter to all households in the ACRD by bulk mail detailing the proposed burning regulations and highlighting the opportunity for public feedback.
4. Refer the bylaws to the Agricultural Development Committee members for their consideration regarding the impact to agriculture.
5. Refer the bylaws by email to the Advisory Planning Commission members to gather their individual feedback.
6. Refer to the Port Alberni Air Quality Council and ask that the group share the bylaws with stakeholder groups that have an interest in air quality and public health.
7. Send formal referral of the two bylaws to the Ministry of Environment and Island Health.
8. Share details of the public engagement process through ACRD social media and share with local media outlets.

Staff anticipate that the public engagement program can be conducted over a two-month time period allowing the public at least one month to respond to the online survey or provide feedback by email, phone or mail. At the end of the public engagement program, staff would compile feedback and report to the Board.

#### **Time Requirements – Staff & Elected Officials:**

Significant staff time will be required to develop the resources required for the webpage, online survey and newsletter and to engage with the public and report on feedback received. Staff time will also be required to refer the bylaws to the Ministry of Environment, Island Health, Air Quality Council and Advisory Planning Commissions.

#### **Financial:**

The Board included 0.5 FTE staff resourcing in the 2020-2024 Financial Plan to implement, monitor and enforce the burning bylaws. The public engagement campaign would form part of the bylaw implementation process.

#### **Options Considered:**

1. Engaging in a more limited public information campaign to reduce staff time required to manage the project.

Submitted by: Alex Dyer  
Alex Dyer MCIP, RPP, Planner

Reviewed by: Michael Irg  
Mike Irg MCIP, RPP, General Manager of Planning and Development

Approved by: Douglas Holmes  
Douglas Holmes BBA, CPA, CA, Chief Administrative Officer



## REQUEST FOR DECISION

**To:** ACRD Board of Directors

**From:** Mike Irg, GM Planning and Development

**Meeting Date:** April 22, 2020

**Subject:** Development Application Process During COVID-19 Provincial State of Emergency

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### **Recommendation:**

That the Board of Directors;

1. Direct staff to present staff reports and recommendations for proceeding with development applications, without referring to the applicable Advisory Planning (APC) Commission while Ministerial Order M083 is in effect;
2. Direct staff to prepare staff reports and provide recommendations for rezoning applications, which include a recommendation to waive holding of a public hearing where section 464 (2) of the *Local Government Act* applies for the duration of Ministerial Order M083; and
3. Direct staff to notify all ACRD APCs of this procedural change and provide updates to the applicable Electoral Area APC after the Board has reviewed development applications.

### **Desired Outcome:**

To continue to provide good public service and meet the statutory requirements required for considering land use applications during the COVID-19 crisis while adhering to the advice of BC's Public Health Officer.

### **Summary:**

Advisory Planning Commission (APC) meetings and public hearings must both be open to the public and were not exempted by the March 26, 2020 Ministerial Order M083 which allowed open meetings to be held without the public present for the duration of the BC State of Emergency.

Under the *Local Government Act (LGA)*, appointing an APC is an option for local governments, not a requirement. Therefore, the Board has the option of proceeding with development applications if a resolution is passed to not refer applications to APCs for the duration of the COVID-19 crisis. Holding APC meetings at this time is challenging as it is not an option to exclude members of the public from an APC meeting as this is a requirement of the (*LGA*).

The Board also has the option to waive the requirement to hold a public hearing for a rezoning application when an Official Community Plan (OCP) amendment is not required. If a public hearing is waived, public notification is still required and the public is provided the opportunity to provide written comments to the Board, similar to a development variance or temporary use permit application.

**Policy or Legislation:**

A per section 266 of the *LGA*, open meeting rules of the *Community Charter* apply to Regional District. Ministerial Order M083 states that Regional Districts are not required to allow members of the public to attend open meetings. This order only applies during the period that the declaration of a state of emergency made March 18, 2020 under section 9 (1) of the *Emergency Program Act* and any extension of the duration of that declaration is in effect. This order applies to Board meetings, select committees, and standing committees. Unfortunately, advisory planning commissions and public hearings were not captured in this order.

Section 464 (2) of the *LGA* provides an option for local governments to waive the holding of a public hearing on a proposed zoning bylaw if an official community plan is in effect for the area and the zoning bylaw is consistent with the official community plan.

If a public hearing is waived, section 467 of the *LGA* requires that notice of the proposed rezoning is placed in two consecutive issues of a newspaper, a notice is mailed or delivered to residents and property owners within 100 meters of the subject property, and the notice is posted on the subject property. The notice will provide members of the public the opportunity to provide written comments to the Board.

Section 461 of the *LGA* establishes the criteria for APCs and a local government has the option to refer planning matters to an APC or not (this is at the discretion of the ACRD Board). While the ACRD has an APC bylaw, the Board can choose if matters are referred to APCs. APC meetings are required to be open to the public.

Staff have received a legal opinion confirming the above.

**Time Requirements – Staff & Elected Officials:**

There is no additional time requirements for staff.

**Financial:**

There are no financial implications to the ACRD.

**Other Options Considered:**

1. Continue to hold public hearings and APC meetings which must be open to the public.
2. Not process or consider development applications that require a public hearing or APC meeting.



Submitted by: \_\_\_\_\_

Mike Irg MCIP, RPP  
General Manager of Planning & Development



Approved by: \_\_\_\_\_

Douglas Holmes BBA, CPA, CA  
Chief Administrative Officer



## REQUEST FOR DECISION

**To:** ACRD Board of Directors

**From:** Alex Dyer, MCIP, RPP, Planner

**Meeting Date:** April 22, 2020

**Subject:** Meat Slaughter Licensing in the ACRD

---

### **Recommendation:**

THAT the Board of Directors write a letter to the Ministry of Agriculture to reiterate the ACRD's request to be included as a designated region for Class 'D' and 'E' slaughter licensing under the Meat Inspection Regulation noting increased urgency during the COVID-19 pandemic.

### **Summary:**

At their April 14, 2020 meeting, the Agricultural Development Committee passed a motion requesting that the ACRD write a letter to the Minister of Agriculture to follow up on the Regional District's previous requests for Class 'D' and 'E' meat slaughter licensing in the region. The ACRD has previously submitted formal requests to the Ministry in 2017 and September 2019.

The COVID-19 pandemic has highlighted the urgent need for a more local food supply chain and the opportunity for licensed meat slaughtering in the ACRD would benefit food security and support agriculture within the region.

The Agricultural Development Committee recommended that the ACRD Board write a letter to the Minister of Agriculture to:

1. Reiterate the longstanding request for designation with increased urgency during the COVID-19 pandemic;
2. Request that any potential mobile devices for farm slaughter are also suitable for Class 'D' and 'E' slaughter and that they have virtual inspection capability if used as Class 'B' facilities;
3. Request transparency about the Province's intended direction for changes to slaughter regulations and related Provincial initiatives;
4. Request that on-farm slaughter with direct sales to the public be permitted as an immediate emergency measure during the COVID-19 pandemic; and
5. Distribute the letter widely to the MLA office, MP office and UBCM.

## **Background:**

In 2016, the Regional District undertook a study to assess the feasibility of developing a red meat abattoir in the Alberni Valley. Following release of the study, and after significant discussion and deliberation, the local producers came to a consensus that the region did not have the agricultural capacity to support a Class 'A' facility at that time. As an alternative, producers requested that the ACRD be classed as a 'designated region' under the Provincial Meat Inspection Regulation in order to allow for licensed, small-scale Class 'D' and 'E' slaughter facilities.

On behalf of the agricultural community and guided by the Agricultural Development Committee, the ACRD Board and staff have undertaken the following efforts in pursuit of changes to the regulatory framework:

- In May 2017, the ACRD Board provided a letter of support to the Alberni Farmers' Institute endorsing their formal request for the region to be permitted Class 'D' and 'E' licenses.
- In July 2017, the ACRD Board sent a letter directly to the Minister of Agriculture endorsing the request.
- In June 2018, the ACRD participated in a Meat Inspection Consultation process initiated by the provincial Select Standing Committee on Agriculture, Fish and Food where staff reiterated the request.
- In July 2019, the ACRD submitted a package in response to a Ministry of Agriculture Discussion Paper soliciting feedback from local governments about Class 'D' licenses.
- In September 2019, the ACRD followed up with an updated response to the Discussion Paper after the deadline was extended to solicit additional feedback. The September 2019 letter is attached to this memo as Appendix 'A' for reference.

Class 'D' and 'E' licenses are currently only available in designated Regional Districts. They are smaller on-farm facilities overseen by the local Health Authority where the meat can only be sold within the Regional District and where a limited number of animals may be slaughtered per year. Regional District boundaries were used as an arbitrary measure for designation based on travel distance from existing Class 'A' and 'B' facilities, which do not take into account travel constraints within regions. Designated areas on the coast include qathet Regional District and Mount Waddington Regional District.

In 2020, one of the Class 'A' facilities in the mid-island will be closing which will reduce the number of red meat abattoirs on Vancouver Island to two facilities, with the closest to the ACRD being in the Comox Valley. Red meat abattoirs are licensed for processing beef, pigs, lamb, deer, rabbit and similar domestic livestock for commercial sale. The COVID-19 pandemic has accelerated a need for improved access to slaughter services in the region.

**Time Requirements – Staff & Elected Officials:**

Minimal staff time to prepare a letter to the Ministry of Agriculture.

**Policy or Legislation:**

The Meat Inspection Regulation of the *Food Safety Act* was established in 2004 to provide a provincial meat inspection and licensing system.

The Alberni Valley Agricultural Plan was adopted in 2011 which sets out goals and objectives to support agriculture and increase food security in the region and the Agricultural Development Committee provides direction to the Board on agriculture initiatives in the region. Improved access to local meat slaughter services has been identified as a priority by local producers.

**Financial:**

The Agricultural Plan initiatives project is managed by the Planning Department through the Regional Planning service.

**Options Considered:**

1. Not sending a letter and waiting on a response to the September 2019 call for feedback on the Ministry of Agriculture Discussion Paper on Class 'D' licenses.

Submitted by:   
\_\_\_\_\_  
Alex Dyer MCIP, RPP, Planner

Reviewed by:   
\_\_\_\_\_  
Mike Irg MCIP, RPP, General Manager of Planning and Development

Approved by:   
\_\_\_\_\_  
Douglas Holmes BBA, CPA, CA, Chief Administrative Officer

**ALBERNI-CLAYOQUOT  
REGIONAL DISTRICT**

3008 Fifth Avenue, Port Alberni, BC, CANADA V9Y 2E3 Telephone (250) 720-2700 Fax (250) 723-1327

September 25, 2019

Honourable Lana Popham  
Minister of Agriculture  
PO Box 9043 Stn Prov Gov  
Victoria, BC V8W 9E2

**RE: Discussion paper to solicit feedback from local governments about Class D Licenses**

Dear Honourable Popham,

This letter serves as an addition to the Alberni-Clayoquot Regional District's (ACRD) response for feedback from local governments about Class D licenses. Our response, including this letter, reiterates the ACRD's request for regional designation under the Meat Inspection Regulation of the *Food Safety Act*. Since formally requesting regional designation for Class D and E licensing in 2017, the ACRD has continued to actively support agricultural producers in our region and has worked hard to improve food security within our communities.

The ACRD's original submission to the Province's Request for Feedback was submitted prior to the first due date of July 19, 2019. We have a long-standing commitment to support our producers and a strong understanding of the related regulatory frameworks. Our submission includes a summary of the significant resources we have committed to finding a solution for the slaughter services crisis and the extensive stakeholder consultations we have undertaken since 2014. It also includes the many ways which we can inform and support the recommendations of the Select Standing Committee and various letters of support from committed industry allies.

The ACRD has directly funded an Agricultural Support Program since 2014. We have developed significant capacity and excellent relationships with industry stakeholders. We look forward to working within these networks to ensure implementation of a safe and efficient system for slaughter services within our region and to assess the impacts of these changes. Stakeholders with whom we have consulted include the Province, regional Environmental Health Officers, Alberni and District A Farmers' Institutes, the BC Abattoir Association, individual producers, North Island College, and veterinary and meat inspection experts.

The lack of access to red meat slaughter services has been a key roadblock to sustaining livestock production within our region. Our producers are suffering due to the competitive disadvantage of having to transport out of region and the lack of access to services. Our numerous studies and producer engagement sessions have questioned the feasibility of

establishing Class A or B facilities within the region without a stepping-stone that serves to stimulate production and slaughter capacity. We have a better understanding now of the local implications of the provincial meat inspection regulations and how deeply the regulations have affected the local red meat industry in our region.

While regional designation for red meat slaughter would tremendously support agricultural producers within the Alberni Valley, fledgling producers within the ACRD's coastal communities – Tofino, Ucluelet, Area "A" Bamfield, Area "C" Long Beach, four Maa-Nulth Treaty First Nations and four non-treaty First Nations – would also benefit from Class D/E poultry facilities. As such, a solution under the current regulatory framework is to consider granting regional designation to the ACRD as a whole.

We realize that the Ministry of Agriculture is considering other changes to the Meat Inspection Regulation. Should the Regulation be amended as a result of recent consultation processes, we request that the ACRD be granted any provision that would result in an outcome similar to regional designation. The ACRD is requesting that producers within the region be able to apply for a license that will permit the on-farm slaughter of their own and their neighbouring producer's animals, through a legitimate and accessible process.

Thank you for the opportunity to re-submit our Request for Designation and for your continued support of agriculture and food security throughout the Province of BC.

Sincerely,



John Jack, Chairperson  
Alberni-Clayoquot Regional District Board of Directors



Alberni-Clayoquot Regional District

## Board of Directors Meeting Schedule MAY 2020

DATE	MEETING	TIME & LOCATION	ATTENDEES
Wednesday, May 6 <sup>th</sup>	Alberni Valley & Bamfield Services Committee Meeting	10:00 am – Zoom Meeting	Committee, Staff
	Electoral Area Directors Committee Meeting	1:30 pm – Zoom Meeting	Committee, Staff
Wednesday, May 13 <sup>th</sup>	Board of Directors Meeting	1:30 pm – Zoom Meeting	Directors, Staff
	Regional Hospital District Meeting	Immediately Following Board of Directors Meeting – Zoom Meeting	Directors, Staff
Thursday, May 21 <sup>st</sup>	Alberni Valley Regional Airport Advisory Committee Meeting	1:30 pm – Zoom Meeting	Committee, Staff
Wednesday, May 27 <sup>th</sup>	Board of Directors Meeting	1:30 pm – Zoom Meeting	Directors, Staff

April 17, 2020