

REGIONAL DISTRICT OF NANAIMO

COMMITTEE OF THE WHOLE

TUESDAY, MAY 14, 2013

7:10 PM

(immediately following the Nanaimo Regional Hospital District Board meeting)

(RDN Board Chambers)

A G E N D A

PAGES

CALL TO ORDER

DELEGATIONS

- 5 **Judith Roux, Island Futures / Gabriola Community Bus Committee**, re proposed funding of \$30,000 for buses on Gabriola Island.
- 6 **Cory Vanderhorst, Meyers Norris Penney LLP**, re 2012 Audited Financial Statements and Audit Findings Report.

MINUTES

- 7-11 Minutes of the Regular Committee of the Whole meeting held Tuesday, April 9, 2013.

BUSINESS ARISING FROM THE MINUTES

COMMUNICATIONS/CORRESPONDENCE

- 12-25 **Debra Oakman, North Island 9-1-1 Corporation**, re NI 9-1-1 Corporation Articles – Amendment.
- 26-27 **James G. Smith, StopSmartMeters.ca Society**, re Support for a Citizens’ Initiative Petition for Democratic Process on the BC Hydro Smart Metering Program.
- 28 **Len Walker**, re OCP Application No. 2011-060 – Baynes Sound Investments – Electoral Area ‘H’.

UNFINISHED BUSINESS

BYLAW ADOPTION

- 29-32 Bylaw No. 975.58 – Pump & Haul Bylaw Amendment to Include Lot 18, District Lot 78, Nanoose District, Plan 19688 (Electoral Area ‘E’).

FINANCIAL SERVICES

- 33-81 2012 Financial Statements and Audit Findings Report.
- 82-89 Operating Results for the Period Ending March 31, 2013.
- 90-101 Recommendations for 2013 Applications to the Regionally Significant Projects Program (Gas Tax Revenue Transfer Programs).
- 102-108 Recommendations for the 2013 Use of Community Works Program Funds.
- 109-111 Strategic Community Investment Funds Agreement.
- 112-114 Gabriola Island Recreation Service Reserve Fund Establishment Amending Bylaw 1671.01.

STRATEGIC AND COMMUNITY DEVELOPMENT

LONG RANGE PLANNING

- 115-117 Industrial Land Supply and Demand Study.

BUILDING, BYLAW, AND EMERGENCY SERVICES

- 118-122 872 Reid Road, Electoral Area 'G' – Unsightly Premises.
Delegations wishing to speak to 872 Reid Road, Electoral Area 'G' – Unsightly Premises.
- 123-128 1802 Stalker Road, Electoral Area 'B' – Unsightly Premises.
Delegations wishing to speak to 1802 Stalker Road, Electoral Area 'B' – Unsightly Premises.
- 129-132 1155 Leffler Road, Electoral Area 'F' – Building Bylaw Contravention.
Delegations wishing to 1155 Leffler Road, Electoral Area 'F' – Building Bylaw Contravention.

REGIONAL AND COMMUNITY UTILITIES

WASTEWATER SERVICES

- 133-143 Nanaimo Community Gardens Society Agreement – Greater Nanaimo Pollution Control Centre Greenhouses.

- 144-150 Bylaw 975.59 – Pump and Haul Bylaw Amendment – 610 Gallagher Way, Gabriola Island, Electoral Area ‘B’.

UTILITIES

- 151-164 Bylaws No. 813.50, 869.09 and 889.64 – Inclusion of 691 Wembley Road into Sewer and Streetlighting Service Areas, Electoral Area ‘G’.

RECREATION AND PARKS

RECREATION SERVICES

- 165-180 Cedar Heritage Centre Lease and Site Licence Agreement (2013-15) / Cedar School and Community Enhancement Society.

COMMISSION, ADVISORY & SELECT COMMITTEE MINUTES AND RECOMMENDATIONS

Transit Select Committee

- 181-183 Minutes of the Transit Select Committee meeting held Thursday, April 18, 2013.

- 184-188 **Cruise Ship Shuttle Service - 2013**

That the application made by the Nanaimo Port Authority for the Regional District of Nanaimo to provide bus service for cruise ships arriving in Nanaimo on May 11, 2013, May 12, 2013 and September 15, 2013, at the cost of Nanaimo Port Authority, be approved.

- 189-206 **Annual Operating Agreement Amendment #1 between RDN and BC Transit for 2012-2013**

That the 2012/2013 Conventional and Custom Annual Operating Agreement (AOA) Amendment #1 with BC Transit be approved.

ADDENDUM

BUSINESS ARISING FROM DELEGATIONS OR COMMUNICATIONS

NEW BUSINESS

BOARD INFORMATION

- 207 **Mary Sjostrom, Union of BC Municipalities**, re 2013 UBCM Provincial Election Platform.

IN CAMERA

That pursuant to Sections 90 (1) (f), (i), and (j) of the Community Charter the Board proceed to an In Camera meeting for discussions related to law enforcement, solicitor-client privilege, and third-party interests.

ADJOURNMENT

O'Halloran, Matt

From: Judith/Patrick <rouxmackay@shaw.ca>
Sent: Friday, April 19, 2013 12:02 PM
To: O'Halloran, Matt
Subject: Request to appear as a delegation at the COW meeting of the RDN on May 14

To Matt O'Halloran:

The Gabriola Community Bus Committee, under the umbrella of the non-profit society, Island Futures, would like to make a 10 minute presentation to the Committee of the Whole at the meeting scheduled for May 14 at 7 pm.

The public transit research we have been engaged in over the past five years is materializing as a pilot study of 3 years with the two-pronged objective of launching a meaningful initiative to reduce our greenhouse gas emissions and demonstrating that there is sufficient potential ridership on Gabriola and Mudge Islands to justify a public transit system. In order for this pilot study to satisfy these objectives we are seeking funding for Area B under the Community Works Fund for a capital expenditure which will significantly reduce greenhouse emissions: \$30,000 is being requested for the purchase of two used buses, their retrofit and communication equipment.

Both Howard Houle, our Regional Director, and Dennis Trudeau, of the RDN's Transportation Branch, have been provided with detailed documents outlining the full scope of the project. Please do not hesitate to ask for any further information which you would require to consider our request to appear as a delegation.

Sincerely,

Judith Roux, Director of Island Futures and member of the Gabriola Community Bus Committee

O'Halloran, Matt

From: Idema, Wendy
Sent: Thursday, May 02, 2013 5:00 PM
To: O'Halloran, Matt
Cc: Cory Vanderhorst (Cory.Vanderhorst@mnt.ca)
Subject: Auditor presentation at May 14 meeting

Follow Up Flag: Follow up
Flag Status: Completed

Hi Matt

Cory Vanderhorst from MNP will be presenting their audit findings info at the meeting and will have a powerpoint. Can you please remind us of what you need from him on that.

Thanks

Wendy

*Wendy Idema, CGA
Director of Finance
Regional District of Nanaimo
Phone: (250) 390-6528
Fax: (250) 390-6572
widema@rdn.bc.ca*

REGIONAL DISTRICT OF NANAIMO

MINUTES OF THE REGULAR COMMITTEE MEETING OF THE WHOLE
OF THE REGIONAL DISTRICT OF NANAIMO HELD ON
TUESDAY, APRIL 9, 2013 AT 7:33 PM IN THE
RDN BOARD CHAMBERS

In Attendance:

Director J. Stanhope	Chairperson
Director D. Brennan	Deputy Chairperson
Director A. McPherson	Electoral Area A
Director H. Houle	Electoral Area B
Director M. Young	Electoral Area C
Director G. Holme	Electoral Area E
Director J. Fell	Electoral Area F
Director W. Veenhof	Electoral Area H
Director B. Dempsey	District of Lantzville
Director J. Ruttan	City of Nanaimo
Director G. Anderson	City of Nanaimo
Director B. Bestwick	City of Nanaimo
Director T. Greves	City of Nanaimo
Director D. Johnstone	City of Nanaimo
Director J. Kipp	City of Nanaimo
Director M. Lefebvre	City of Parksville
Director D. Willie	Town of Qualicum Beach

Also in Attendance:

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

CALL TO ORDER

The Chairperson called the meeting to order.

COMMITTEE OF THE WHOLE MINUTES

MOVED Director Ruttan, SECONDED Director Holme, that the minutes of the Committee of the Whole meeting held March 12, 2013, be adopted.

CARRIED

COMMUNICATION/CORRESPONDENCE

Alistair Bryson, Chair, Capital Regional District, re Island Corridor Foundation and VIA Rail Negotiations.

MOVED Director Lefebvre, SECONDED Director Dempsey, that the correspondence from the Capital Regional District regarding Island Corridor Foundation and VIA Rail Negotiations be received.

CARRIED

ADMINISTRATIVE SERVICES

Update on Board Appointments to Advisory Bodies.

MOVED Director Holme, SECONDED Director Johnstone, that the information report on Board appointments to advisory bodies be received.

CARRIED

INFORMATION TECHNOLOGY

2013 Report – Rogers Cell Tower Agreement and Renewal Extension.

MOVED Director Bestwick, SECONDED Director Willie, that the Board approve the acceptance of a yearly rental rate of \$11,550 for the June 1, 2013 – May 31, 2018 agreement term and to extend the Statutory Right of Way Agreement for two additional five-year terms commencing June 1, 2023 and June 1, 2028.

DEFEATED

MOVED Director Willie, SECONDED Director Johnstone, that the Board approve the acceptance of a yearly rental rate of \$11,500 for the June 1, 2013 – May 31, 2018 agreement term and that staff investigate other cell tower rates before future renewals.

CARRIED

FINANCIAL SERVICES

Bylaws No. 1679, 1680, 1681 and 1682 – Authorize the Use of Development Cost Charge Funds.

MOVED Director Holme, SECONDED Director Anderson, that “Northern Community Sewer Service Area Development Cost Charge Reserve Fund Expenditure Bylaw No. 1679, 2013” be introduced and read three times.

CARRIED

MOVED Director Holme, SECONDED Director Anderson, that “Northern Community Sewer Service Area Development Cost Charge Reserve Fund Expenditure Bylaw No. 1679, 2013” be adopted.

CARRIED

MOVED Director Holme, SECONDED Director Anderson, that “Southern Community Sewer Service Area Development Cost Charge Reserve Fund Expenditure Bylaw No. 1680, 2013” be introduced and read three times.

CARRIED

MOVED Director Holme, SECONDED Director Anderson, that "Southern Community Sewer Service Area Development Cost Charge Reserve Fund Expenditure Bylaw No. 1680, 2013" be adopted.

CARRIED

MOVED Director Holme, SECONDED Director Anderson, that "Northern Community Sewer Service Area Development Cost Charge Reserve Fund Expenditure Bylaw No. 1681, 2013" be introduced and read three times.

CARRIED

MOVED Director Holme, SECONDED Director Anderson, that "Northern Community Sewer Service Area Development Cost Charge Reserve Fund Expenditure Bylaw No. 1681, 2013" be adopted.

CARRIED

MOVED Director Holme, SECONDED Director Anderson, that "Southern Community Sewer Service Area Development Cost Charge Reserve Fund Expenditure Bylaw No. 1682, 2013" be introduced and read three times.

CARRIED

MOVED Director Holme, SECONDED Director Anderson, that "Southern Community Sewer Service Area Development Cost Charge Reserve Fund Expenditure Bylaw No. 1682, 2013" be adopted.

CARRIED

Bylaws 1683 and 1684 – Authorize Expenditure of Bulk Water Development Cost Charge Funds.

MOVED Director Holme, SECONDED Director Brennan, that an amount of \$126,505 be released from the French Creek Bulk Water general reserve fund to be applied to 2012 and 2013 bulk water infrastructure expenditures.

CARRIED

MOVED Director Holme, SECONDED Director Brennan, that "Nanoose Bay Bulk Water Local Service Area Development Cost Charge Reserve Fund Expenditure Bylaw No. 1683, 2013" be introduced and read three times.

CARRIED

MOVED Director Holme, SECONDED Director Brennan, that "Nanoose Bay Bulk Water Local Service Area Development Cost Charge Reserve Fund Expenditure Bylaw No. 1683, 2013" be adopted.

CARRIED

MOVED Director Holme, SECONDED Director Brennan, that "French Creek Bulk Water Local Service Area Development Cost Charge Reserve Fund Expenditure Bylaw No. 1684, 2013" be introduced and read three times.

CARRIED

MOVED Director Holme, SECONDED Director Brennan, that "French Creek Bulk Water Local Service Area Development Cost Charge Reserve Fund Expenditure Bylaw No. 1684, 2013" be adopted.

CARRIED

STRATEGIC AND COMMUNITY DEVELOPMENT

BUILDING, BYLAW AND EMERGENCY SERVICES

Animal Control and Licensing Amendment Bylaw No. 939.03, 2013; Animal Control Amendment Bylaw No. 941.04, 2013; Bylaw Enforcement Ticket Regulation Amendment Bylaw No. 1418.02, 2013.

MOVED Director Anderson, SECONDED Director Greves, that "Animal Control and Licensing Amendment Bylaw No. 939.03, 2013" be introduced and read three times.

CARRIED

MOVED Director Anderson, SECONDED Director Greves, that "Animal Control and Licensing Amendment Bylaw No. 939.03, 2013" be adopted.

CARRIED

MOVED Director Anderson, SECONDED Director Greves, that "Animal Control Amendment Bylaw No. 941.04, 2013" be introduced and read three times.

CARRIED

MOVED Director Anderson, SECONDED Director Greves, that "Animal Control Amendment Bylaw No. 941.04, 2013" be adopted.

CARRIED

MOVED Director Anderson, SECONDED Director Greves, that "Regional District of Nanaimo Bylaw Enforcement Ticket Regulation Amendment Bylaw No. 1418.02, 2013" be introduced and read three times.

CARRIED

MOVED Director Anderson, SECONDED Director Greves, that "Regional District of Nanaimo Bylaw Enforcement Ticket Regulation Amendment Bylaw No. 1418.02, 2013" be adopted.

CARRIED

REGIONAL AND COMMUNITY UTILITIES

WASTEWATER SERVICES

Bylaw No. 975.58 – Pump & Haul Bylaw Amendment to Include Lot 18, District Lot 78, Nanoose District, Plan 19688 (Electoral Area 'E').

MOVED Director Holme, SECONDED Director Brennan, that the boundaries of the "Regional District of Nanaimo Pump and Haul Local Service Establishment Bylaw No. 975, 1995" be amended to include Lot 18, District Lot 78, Nanoose District, Plan 19688 (Electoral Area 'E').

CARRIED

MOVED Director Holme, SECONDED Director Brennan, that "Regional District of Nanaimo Pump and Haul Local Service Amendment Bylaw No. 975.58, 2013" be introduced and read three times.

CARRIED

WATER SERVICES

Westurne Heights Study Area Petition Results and Service Area Establishing and Borrowing Bylaws (Bylaws 1677 and 1678).

MOVED Director Fell, SECONDED Director McPherson, that Regional District of Nanaimo "Westurne Heights Water Service Study Area Establishing Bylaw No. 1677, 2013" be introduced, read three times and forwarded to the Inspector of Municipalities for approval.

CARRIED

MOVED Director Fell, SECONDED Director McPherson, that Regional District of Nanaimo "Westurne Heights Water Service Study Area Loan Authorization Bylaw No. 1678, 2013" be introduced, read three times and forwarded to the Inspector of Municipalities for approval.

CARRIED

NEW BUSINESS

Agricultural Area Plan Recommended Implementation Action 1.1A.

MOVED Director Veenhof, SECONDED Director Fell, that the Agricultural Area Plan Recommended Implementation Action 1.1A, "consider updating the Agricultural Advisory Committee (AAC) Terms of Reference to allow the AAC to make comments on every application (exclusion, non-farm use, subdivision) that is forwarded to the Agricultural Land Commission (ALC)", be referred to staff for a report on options to proceed; including in those options, the opportunity for optional Area Director comment to be incorporated into the process.

MOVED Director Johnstone, SECONDED Director Brennan, that this item be referred back to the Agricultural Advisory Committee to provide a recommendation on the proposed amendment to the terms of reference.

CARRIED

Rural Signage.

MOVED Director Veenhof, SECONDED Director Fell, that staff be directed to prepare a report to the Board on a proposed consultative process with the intent of identifying rural signage concerns and reducing any impediments to effective signage.

CARRIED

IN CAMERA

MOVED Director Holme, SECONDED Director Young, that pursuant to Section 90 (1) (c), (e), (g), (i) and (j) of the *Community Charter* the Board proceed to an In Camera meeting for discussions related to labour relations, land acquisitions, litigations, solicitor-client privilege and third-party interests.

CARRIED

TIME: 8:06 PM

CHAIRPERSON

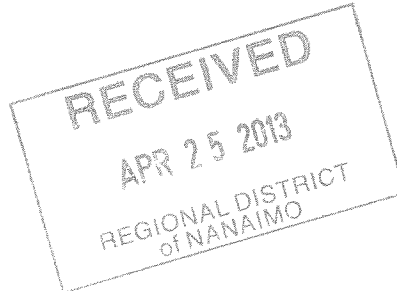
CORPORATE OFFICER



File: 9-CORP

April 11, 2013

Regional District of Nanaimo
6300 Hammond Bay Road
Nanaimo, B.C.
V9T 6N2



Dear Sir:

Re: NI 9-1-1 Corporation articles - amendment

At the March 15, 2013 meeting of the board, the North Island 9-1-1 Corporation adopted a motion to amend the corporate articles and to request a resolution from each of the NI 9-1-1 shareholders in favour of the amendment to the articles.

Please find enclosed a copy of the shareholders resolution to amend the articles of the NI 9-1-1 Corporation (appendix 'A') and waiver of notice (appendix 'B') for signature. Please consider the following recommendation at your regional board meeting.

“THAT the Regional District of Nanaimo is in favour of executing the special resolution (appendix 'A') to make select alterations to the Articles of North Island 9-1-1 Corporation, as recommended by Singleton Urquhart LLO, AND FURTHER THAT a waiver of notice (appendix 'B') be executed.”

To assist with your discussions please find attached a copy of the 9-1-1 Corp staff report (appendix 'C') dated March 6, 2013. If further clarification is required please do not hesitate to contact me, your regional district admin staff rep or appointed elected representative.

Yours truly,

Debra Oakman
Secretary

Enclosures:

- Appendix 'A' – Shareholders resolution of NI911 Corp
- Appendix 'B' - Waiver of notice
- Appendix 'C' – Staff report dated March 6, 2013

\ml

SHAREHOLDERS RESOLUTION

OF

NORTH ISLAND 9-1-1 CORPORATION

(the "Company")

RESOLVED, as a special resolution, that the Articles of the Company be altered:

1. Section 8 of the Articles:

- (a) The existing Section 8.1. be deleted and replaced with the following new Section 8.1:

8.1 The Company, if authorized by the Directors, may:

(a) borrow money in the manner and amount, on the security, from the sources and on the terms and conditions that they consider appropriate;

(b) issue bonds, debentures and other debt obligations either outright or as security for any liability or obligation of the Company and at such discounts or premiums and on such other terms as they consider appropriate; and

(c) mortgage, charge (whether by way of specific or floating charge) grant a security interest in, or give other security on, the whole or any part of the present and future assets and undertaking of the Company.

- (b) Section 8.5. of the Articles of the Company be deleted without any replacement.

2. Section 12 of the Articles of the Company.

- (a) The existing Section 12.1. be deleted and replaced with the following new Section 12.1:

12.1.

(a) The Subscribers to the Memorandum of the Company are the first Directors;

(b) At every annual general meeting:

(i) the Members entitled to vote at the annual general meeting for the election of Directors must elect, a board of Directors consisting of the number of

*Directors for the time being set under these Articles;
and*

- (ii) all the Directors cease to hold office immediately before the election or appointment of Directors under Article 12.1(b)(i), but are eligible for re-election or re-appointment.*
- (c) If:*
 - (i) the Company fails to hold an annual general meeting, and all the Members who are entitled to vote at an annual general meeting on or before the date by which the annual general meeting is required to be held under the Business Corporations Act; or*
 - (ii) the Members fail, at the annual general meeting to elect or appoint any Directors;*

then each Director then in office continues to hold office until the earlier of:

- (iii) the date on which his or her successor is elected or appointed; and*
- (iv) the date on which he or she otherwise ceases to hold office under the Business Corporations Act or these Articles.*

- (b) The existing Section 12.2. be deleted and replaced with the following new Section 12.2:*

12.2. Each Member of the Company shall be entitled to appoint one (1) Director. In the event that a position on the Board of Directors shall be vacant for any reason whatsoever, the Member whose nominee formerly occupied such position shall be entitled to nominate a new Director to fill such vacancy. Without limiting the foregoing, the Directors shall be appointed as follows:

- (a) one (1) Director appointed by the Comox Valley Regional District;*
- (b) one (1) Director appointed by the Powell River Regional District;*
- (c) one (1) Director appointed by the Strathcona Regional District;*

- (d) *one (1) Director appointed by the Regional District of Alberni-Clayoquot;*
- (e) *one (1) Director appointed by the Regional District of Mount Waddington; and*
- (f) *one (1) Director appointed by the Regional District of Nanaimo.*

The number of Directors, excluding additional Directors, may be fixed or changed from time to time by unanimous resolution, whether previous notice thereof has been given or not, but notwithstanding anything contained in these Articles, the number of Directors shall never be more than ten (10).

3. Section 14. of the Articles:

The existing Section 14.3 of the Articles be deleted and replaced with the following new Sections 14.3 through to 14.10:

14.3. Any Director (the "Original Director") may by notice in writing received by the Company request the Member (the "appointor"), which appointed that original Director, to appoint any person (an "appointee") who is qualified to act as a Director to be the Original Director's alternate to act in his or her place at meetings of the Directors or Committees of the Directors at which the Original Director is not present.

14.4. Every alternate Director so appointed is entitled to receive notice of meetings of the Directors and of Committees of the Directors of which his or her Original Director is a member and to attend and vote as a Director at any such meetings at which his or her Original Director is not present.

14.5. A person may be appointed as an alternate director for more than one Director, and an alternate Director:

- (a) *will be counted in determining the quorum for a meeting of Directors once for each of his or her Original Director and, in the case of an appointee who is also a Director, once more in that capacity;*
- (b) *has a separate vote at a meeting of Directors for each of his or her Original Directors and, in the case of an appointee who is also a Director, an additional vote in*

that capacity;

- (c) will be counted in determining the quorum for a meeting of a committee of Directors once for each of his or her Original Directors who is a member of that committee and, in the case of an appointee who is also a member of that committee as a Director, once more in that capacity; and*
- (d) has a separate vote at a meeting of a committee of Directors for each of his or her Original Directors who is a member of that committee and, in the case of an appointee who is also a member of that committee as a Director, an additional vote in that capacity.*

14.6. Every alternate Director, if authorized by the notice appointing him or her, may sign in place of his or her Original Director any resolutions to be consented to in writing.

14.7. Every alternate Director is deemed not to be the agent of his or her Original Director.

14.8. An appointor may at any time, by notice in writing received by the Company, revoke the appointment of an alternate Director appointed by him or her.

14.9. The appointment of an alternate Director ceases when:

- (a) his or her Original Director ceases to be a Director and is not promptly re-elected or re-appointed;*
- (b) the alternate Director dies;*
- (c) the alternate Director resigns as an alternate Director by notice in writing provided to the Company or a lawyer for the Company;*
- (d) the alternate Director ceases to be qualified to act as a Director; or*
- (e) his or her appointor revokes the appointment of the alternate Director.*

14.10. The Company may reimburse an alternate Director for the reasonable expenses that would be properly reimbursed if he or she were a Director.

4. Section 15 of the Articles of the Company

Section 15 of the Articles of the Company be altered by adding the following Section 15.6. to the Articles of the Company:

15.6. A Director who holds a “disclosable interest” (as that term is used in the Business Corporations Act) in a contract or transaction into which the Company has entered or proposes to enter is liable to account to the Company for any profit that accrues to the Director under or as a result of the contract or transaction only if and to the extent provided in the Business Corporations Act.

5. Section 16 of the Articles of the Company

- (a) The existing Section 16.4. of the Articles be deleted and replaced with the following new Section 16.4.:

16.4. A Director may participate in a meeting of the Board of Directors or of any committee of the Directors in person or by telephone if all Directors participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other. A Director may participate in a meeting of the Board of Directors or of any committee of the Directors by a communications medium other than telephone if all Directors participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other and if all Directors who wish to participate in the meeting agree to such participation. A Director who participates in a meeting in a manner contemplated by this Article 16.4 is deemed for all purposes of the Business Corporations Act and these Articles to be present at the meeting and to have agreed to participate in that manner.

- (b) The existing Section 16.7. of the Articles be deleted and replaced with the following new Section 16.7.:

16.7. The quorum necessary for the transaction of the business of the Directors shall be not less than two-thirds (2/3) of the Directors eligible to vote on such business.

6. Section 24 of the Articles of the Company

- (a) The existing Section 24.1 and 24.2. be deleted.

- (b) The following provisions be added as new Section 24:

24.1 Unless the Business Corporations Act or these Articles provides otherwise, a notice, statement, report or other record required or permitted by the Business Corporations Act or these Articles to be sent by or to a person may be sent by any one of the following methods:

- (a) *mail addressed to the person at the applicable address for that person as follows:*
 - (i) *for a record mailed to a Member, the Member's registered address;*
 - (ii) *for a record mailed to a Director or officer, the prescribed address for mailing shown for the Director or officer in the records kept by the Company or the mailing address provided by the recipient for the sending of that record or records of that class;*
 - (iii) *in any other case, the mailing address of the intended recipient;*
- (b) *delivery at the applicable address for that person as follows, addressed to the person:*
 - (i) *for a record delivered to a Member, the Member's registered address;*
 - (ii) *for a record delivered to a Director or officer, the prescribed address for delivery shown for the Director or officer in the records kept by the Company or the delivery address provided by the recipient for the sending of that record or records of that class;*
 - (iii) *in any other case, the delivery address of the intended recipient;*
- (c) *sending the record by fax to the fax number provided by the intended recipient for the sending of that record or records of that class;*
- (d) *sending the record by email to the email address provided by the intended recipient for the sending of that record or records of that class; and*
- (e) *physical delivery to the intended recipient.*

24.2 *A record that is mailed to a person by ordinary mail to the applicable address for that person referred to in Article 24.1 is deemed to be received by the person to whom it was mailed on the day, Saturdays, Sundays and holidays excepted, following the date of mailing.*

24.3 *A certificate signed by the Secretary, if any, or other officer of the Company or of any other corporation acting in that behalf for the Company stating that a notice, statement, report or other record was addressed as required by Article 24.1, prepaid and mailed or otherwise sent as permitted by Article 24.1 is conclusive evidence of that fact.*

24.4. *A notice, statement, report or other record may be provided by the Company to the joint Members of a share by providing the notice to the joint Member first named in the central securities register in respect of the share.*

24.5 *A notice, statement, report or other record may be provided by the Company to the persons entitled to a share in consequence of the death, bankruptcy or incapacity of a Member by:*

- (a) mailing the record, addressed to them:*

 - (i) by name, by the title of the legal personal representative of the deceased or incapacitated Member, by the title of trustee of the bankrupt Member or by any similar description; and*
 - (ii) at the address, if any, supplied to the Company for that purpose by the persons claiming to be so entitled; or*

- (b) if an address referred to in Article 24.1 has not been supplied to the Company, by giving the notice in a manner in which it might have been given if the death, bankruptcy or incapacity had not occurred.*

- 7. The aforesaid changes be adopted as new provisions of the Articles of the Company.
- 8. These resolutions may be executed in several counterparts, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same resolution and that reproduction of signatures by way of email, facsimile or telecopying device will be treated as though such reproductions were executed originals.

Dated effective: _____, 2013

COMOX VALLEY REGIONAL DISTRICT

Per: _____
Authorized Signatory

POWELL RIVER REGIONAL DISTRICT

Per: _____
Authorized Signatory

REGIONAL DISTRICT OF ALBERNI-CLAYOQUOT

Per: _____
Authorized Signatory

REGIONAL DISTRICT OF MOUNT WADDINGTON

Per: _____
Authorized Signatory

REGIONAL DISTRICT OF NANAIMO

Per: _____
Authorized Signatory

STRATHCONA REGIONAL DISTRICT

Per: _____
Authorized Signatory

WAIVER OF NOTICE

The undersigned, being all of the shareholders of North Island 911 Corporation irrevocably waive notice of the meeting of shareholders concerning the passing of the special resolution attached hereto as Schedule A and consent to the holding of such meeting and the passing of the special resolution

Dated: _____, 2013

COMOX VALLEY REGIONAL DISTRICT

Per: _____
Authorized Signatory

POWELL RIVER REGIONAL DISTRICT

Per: _____
Authorized Signatory

REGIONAL DISTRICT OF ALBERNI-CLAYOQUOT

Per: _____
Authorized Signatory

REGIONAL DISTRICT OF MOUNT WADDINGTON

Per: _____
Authorized Signatory

REGIONAL DISTRICT OF NANAIMO

Per: _____
Authorized Signatory

STRATHCONA REGIONAL DISTRICT

Per: _____
Authorized Signatory



DATE: March 6, 2013

FILE: 9-CORP

TO: President and Directors
Corporation Board

FROM: Debra Oakman
Secretary

RE: North Island 9-1-1 Corporation - Articles

Purpose

To recommend that the Articles of the North Island 9-1-1- Corporation be altered.

Policy analysis

A review of the North Island 9-1-1 Corporation was initiated in early 2012. In April 2012, Roger Holland of Singleton Urquhart LLP, the solicitor for the North Island 9-1-1 Corporation identified that as a general note the Articles are fairly old as they date back to January 1995 when the company was first incorporated. The governing corporate legislation in place at the time was the *British Columbia Company Act* which has since been replaced with the *British Columbia Corporations Act* (BCCA).

Executive summary

The solicitor has advised that any alternations to the existing Articles would need to be completed in accordance with part 14 of the BCCA, 'which in itself is not a particularly onerous process; it is just merely the process for such alternations.'

The April 5, 2012 letter from the solicitor further identified that 'while the language of the Articles is slightly outdated and verbose, the Articles of the company are still, on the whole satisfactory, even when compared to the more recent versions of articles which are now typically in use.' We did identify that section 12.2 required amendment to correctly reflect whom the directors of the company are (altered to specifically include Powell River and Strathcona Regional District). In addition the solicitor provided other possible amendments for consideration.

The North Island 9-1-1 administration committee and subsequently the board discussed the alternations and provided direction to prepare a shareholder resolution for future consideration.

Below is a summary of the six primary alterations (amendments) being recommended:

1. Section 8.1 - Expands borrowing authority from short-term to long term.
2. Section 12 - Amended to reflect the existing practise of appointment by the constituent shareholder.
3. Section 15.6 - Amended for conflict of interest disclosure.
4. Section 16 - Amended for current meeting provisions.
5. Section 16.7 - Amended for clarity with regard to quorum.
6. Section 24.1 and 24.2 - Amended to expand notice provisions.

It is recommended that the North Island 9-1-1 Corporation send a letter to each shareholder requesting that they vote in favour of and execute the attached special resolution (Appendix B) to make select alterations to the Articles of North Island 9-1-1 Corporation, as recommended by Singleton Urquhart LLP, and to further execute the attached waiver of notice (Appendix C).

Recommendation(s) from the secretary:

THAT a letter be sent to each Shareholder requesting that they vote in favour of and execute the attached special resolution to make select alterations to the Articles of North Island 9-1-1 Corporation, as recommended by Singleton Urquhart LLP, and to further execute the attached waiver of notice.

Respectfully:

D. Oakman

Debra Oakman, CMA
Secretary

Attachments:

- Appendix A – February 22, 2013 Singleton Urquhart ‘Amendments to the Articles of the North Island 9-1-1 Corporation’
- Appendix B – Shareholders Resolution
- Appendix C – Waiver of Notice
- Appendix D – Articles of the North Island 9-1-1 Corporation (current)

SINGLETON
LEGAL COUNSEL
URQUHART

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Roger E. Holland
D 604 673 7413
rholland@singleton.com
54840.002

Our File

February 22, 2013

Via Email

North Island 9-1-1 Corporation
600 Comox Road
Courtenay, B.C., V9N 3P6

Attention: Debra Oakman

Dear Sirs/Mesdames:

Re: Amendments to the Articles of North Island 9-1-1 Corporation (the "Company")

Further to our previous discussions and correspondence, in particular, our letter to you of April 5, 2012, we enclose herein the draft Shareholders Resolutions whereby various sections of the existing Articles of the Company are amended.

You may recall in our letter to you of April 5, 2012 we suggested various revisions to the Articles, and based upon further discussions between yourself and the undersigned we have made revisions to many of the items we referenced in our April 5 letter. In addition to the various matters discussed in our April 5 letter, we have also made amendments to section 16 of the Articles, respecting directors participating in board meetings by way of telephone and also with respect to amending section 16.7 with respect to the necessary quorum for the directors.

With respect to the specific revisions set out within the draft Shareholders Resolution we wish to comment as follows:

1. We have deleted the existing section 8.1 of the Articles and replaced it with a new section so as to give greater latitude to directors in authorising the Company to borrow money and issue security and, in particular, the pre-existing section 8.1 placed limitations whereby the Company could only borrow for short term needs. We have eliminated this limitation so as to give the Company greater borrowing latitude where necessary, in part, because it was not clear as to what constituted "short term needs".
2. We have deleted the existing sections 12.1 and 12.2 and replaced them with new provisions. The intention of these revisions is to change and to reflect the current reality with respect to the appointment of directors, in particular, with respect to expanding

section 12.2 to make it clear that one director is appointed by each of the constituent Shareholders. We have also provided for the appointment of alternate directors.

3. Section 15.6, this clause has been amended to provide that a director must disclose any potential conflict of interest and also that any such director will be required to account to the Company for any profits he made under any such proposed contract or transaction which the Company enters into.
4. Section 16. We have deleted the existing sections 16.4 and 16.7. With respect to 16.4 we have made specific provision for the meetings to take place by telephone or by other communications media provided that all such people participating by such telephone or communications media are able to communicate with each other and if all directors who wish to participate in the meeting agree to such participation.
5. With respect to section 16.7, we previously discussed with you that the existing section 16.7 with respect to quorum was awkwardly worded and we have amended same to further provide that a quorum necessary will not be less than two directors eligible to vote on any such business being put forward at a board meeting.
6. With respect to sections 24.1 and 24.2, we have expanded the notice provisions in terms of how and when notices are provided to shareholders with respect to Company annual meetings and general meetings to which the shareholders are entitled to attend. In particular, we have provided for notices of such meetings to be sent by facsimile and other electronic means of providing notice and we have accordingly updated this section to provide that, for example, notices can now be sent by email.

We look forward to receiving your comments or questions with respect to the attached resolutions. We are sending these to you both in draft form and with the draft watermark stamp removed, in the event the board finds them acceptable as is that you have a non-draft version available for execution.

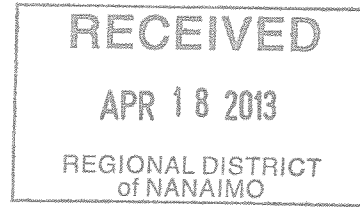
Yours truly,

Singleton Urquhart LLP

Roger E. Holland

REH/SH

Enclosures



2013-04-15

StopSmartMeters.ca Society
PO Box 41068
RPO Woodgrove
Nanaimo, BC V9T 6M7

Regional District of Nanaimo
6300 Hammond Bay Road
Nanaimo, BC V9T 6N2

SUBJECT: Support for a Citizens' Initiative Petition for Democratic Process on the BC Hydro Smart Metering Program

Attn: Board of Directors

It is a matter of public record that your Board has voted in support of a resolution supporting either a moratorium on the installation of BC Hydro wireless smart meters, or an opt out provision for those not wanting them to be installed on their premises. Collectively, the 59 Councils that have voted in favour of these resolutions represent over 2.5 million British Columbians—a fact that the current provincial government and traditional political parties have chosen to ignore.

StopSmartMeters.ca Society was formed for the purpose of organizing a Citizens' Initiative Petition using the BC Recall and Initiative Act, to restore the democratic process that has been by-passed with respect to the implementation of this program.

The purpose of this letter is to provide your Board with an opportunity to add some additional weight to your adopted resolution(s) by publicly endorsing the pursuit of an Initiative Petition. Endorsement of the petition will send a strong message of support for democratic process to your constituents and to all people across the province of British Columbia.

The wording of such a petition must be in the form of a legislative proposal, and capable of being tabled in the legislature in Victoria. Although the exact wording has not yet been formalized, the key components to be included are:

- The proposal itself will be an amendment to Section 17 of the BC Clean Energy Act. It is this existing legislation that currently mandates the installation of a smart meter (not a **wireless smart meter**) on the premises of every BC Hydro account holder by the end of 2012.
- The proposed amendment will be that an Opt Out provision be available to **any** BC Hydro account holder that does not want a wireless smart meter installed on the premises to which their BC Hydro account applies.
- The proposed amendment will forbid the charging to the account holder of any additional fees or levies for the privilege of exercising their right to Opt Out.
- Any BC Hydro account holder shall have the right to exercise the Opt Out at their discretion and retroactively with respect to any wireless smart meter having been installed on their premises prior to the amendment being made.

It is our intent to issue a press release to inform the public of the outcome of this request. As this is a time sensitive issue, please kindly let us know within a few days of your next Board meeting if you are willing to get behind this cause on behalf of the people of British Columbia.

We can be contacted directly via the phone number and e-mail shown below or we can be contacted via return mail at:

StopSmartMeters.ca
PO Box 41068
RPO Woodgrove
Nanaimo, BC.
V9T 6M7

We thank you in advance for your consideration of this very important matter.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Smith", written in a cursive style.

James G Smith
President, StopSmartMeters.ca Society
(250) 756-0934
jim@stopsmartmeters.ca

O'Halloran, Matt

From: Bowser Bonkers <bowserbonkers@gmail.com>
Sent: Thursday, May 02, 2013 4:28 PM
Subject: A paragraph from someone who has been around the development block...

We live in a world of "work arounds". Developers have sensed that there is little appetite on the part of staff to allow densification of rural areas that are not identified as a village centre or near a village centre. Therefore the work around is "create a village centre" - a phoney one if necessary. Unfortunately, just like Fairwinds these things that they proposed are NOT real village centres - and not even the intent to create a centre that will drive the honest development of truly self-sustaining communities. When it comes right down to it the chambers of commerce in Courtenay and Nanaimo won't allow it. At best, the developers' ideas are a couple of stores. Most services and "heavy duty shopping" will still be sought in Nanaimo or Courtenay.

REGIONAL DISTRICT OF NANAIMO

BYLAW NO. 975.58

**A BYLAW TO AMEND THE BOUNDARIES OF THE
PUMP & HAUL LOCAL SERVICE**

WHEREAS the Regional District of Nanaimo established a *Pump and Haul Service* pursuant to Bylaw No. 975, cited as "Regional District of Nanaimo Pump & Haul Local Service Establishment Bylaw No. 975, 1995";

AND WHEREAS the Board of the Regional District of Nanaimo has been petitioned by the property owner to expand the boundaries of the service area to include the land legally described as:

Lot 18, District Lot 78, Plan 19688, Nanoose District

AND WHEREAS at least 2/3 of the service participants have consented to the adoption of this bylaw in accordance with section 802 of the *Local Government Act*;

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

1. Citation

This bylaw may be cited for all purposes as "Regional District of Nanaimo Pump & Haul Local Service Amendment Bylaw No. 975.58, 2013".

2. Amendment

"Regional District of Nanaimo Pump & Haul Local Service Establishment Bylaw No. 975, 1995" is amended by deleting Schedule 'A' and replacing it with the Schedule 'A' attached to this bylaw.

Introduced and read three times this 23rd day of April, 2013.

Adopted this ___ day of _____, 2013.

CHAIRPERSON

CORPORATE OFFICER

Chairperson

Corporate Officer

BYLAW NO. 975.58

SCHEDULE 'A'

Electoral Area 'B'

1. Lot 108, Section 31, Plan 17658, Nanaimo Land District.
2. Lot 6, Section 18, Plan 17698, Nanaimo Land District.
3. Lot 73, Section 31, Plan 17658, Nanaimo Land District.
4. Lot 26, Section 12, Plan 23619, Nanaimo Land District.
5. Lot 185, Section 31, Plan 17658, Nanaimo Land District.
6. Lot A, Section 31, Plan VIP84225, Gabriola Island, Nanaimo District
7. Lot 120, Section 31, Plan 17658, Nanaimo Land District.
8. Lot 108, Section 12, Plan 23435, Nanaimo Land District.
9. Lot 75, Section 13, Plan 21531, Nanaimo Land District.
10. Lot 85, Section 18, Plan 21586, Nanaimo Land District.
11. Lot 14, Section 21, Plan 5958, Nanaimo Land District.
12. Lot 108, Section 13, Plan 21531, Nanaimo Land District.
13. Lot 84, Sections 12 & 13, Plan 21531, Nanaimo Land District.
14. Lot 72, Section 13, Plan 21531, Nanaimo Land District.

Electoral Area 'E'

1. Lot 1, District Lot 72, Plan 17681, Nanoose Land District.
2. Lot 17, District Lot 78, Plan 14212, Nanoose Land District.
3. Lot 32, District Lot 68, Plan 26680, Nanoose Land District.
4. Lot 13, Block E, District Lot 38, Plan 13054, Nanoose Land District.
5. Lot 13, District Lot 78, Plan 25828, Nanoose Land District.
6. Lot 58, District Lot 78, Plan 14275, Nanoose Land District.
7. Lot 28, District Lot 78, Plan 15983, Nanoose Land District.
8. Lot 23, District Lot 78, Plan 14212, Nanoose Land District.
9. Lot 23, District Lot 78, Plan 28595, Nanoose Land District.
10. Lot 53, District Lot 78, Plan 14275, Nanoose Land District.
11. Lot 12, District Lot 8, Plan 20762, Nanoose Land District.
12. Lot 57, District Lot 78, Plan 14275, Nanoose District
13. Lot 18, District Lot 78, Plan 19688, Nanoose District

Electoral Area 'F'

1. Lot 2, District Lot 74, Plan 36425, Newcastle Land District.

Electoral Area 'G'

1. Lot 28, District Lot 28, Plan 26472, Nanoose Land District.
2. Lot 1, District Lot 80, Plan 49865, Newcastle Land District.

Electoral Area 'H'

1. Lot 22, District Lot 16, Plan 13312, Newcastle Land District.
2. Lot 29, District Lot 81, Plan 27238, Newcastle Land District.
3. Lot 46, District Lot 81, Plan 27238, Newcastle Land District.
4. Lot 9, District Lot 28, Plan 24584, Newcastle Land District.
5. Lot 41, District Lot 81, Plan 27238, Newcastle Land District.
6. Lot 20, District Lot 16, Plan 13312, Newcastle Land District.
7. Lot 1, District Lot 40, Plan 16121, Newcastle District.
8. Lot 27, Plan 16121, District Lot 40, Newcastle Land District.

City of Nanaimo

1. Lot 43, Section 8, Plan 24916, Wellington Land District.

District of Lantzville

1. Lot 24, District Lot 44, Plan 27557, Wellington Land District.
2. Lot A, District Lot 27G, Plan 29942, Wellington Land District.
3. Lot 1, District Lot 85, Plan 15245, Wellington Land District.



RDN REPORT		
CAO APPROVAL		
EAP	<input type="checkbox"/>	
COW	<input checked="" type="checkbox"/>	
MAY 02 2013		
RHD	<input type="checkbox"/>	
BOARD	<input type="checkbox"/>	

MEMORANDUM

TO: Wendy Idema
Director of Finance

DATE: April 30, 2013

FROM: Manvir Manhas
Senior Accountant

FILE:

SUBJECT: 2012 Financial Statements and Audit Findings Report

PURPOSE:

To request approval of the 2012 financial statements of the Regional District of Nanaimo (RDN) and to present MNP LLP's audit findings report related to the audit of the Regional District of Nanaimo for the year ended December 31, 2012.

BACKGROUND:

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

MNP LLP has completed the audit of the Regional District of Nanaimo for the year ended December 31, 2012 and has submitted the attached audit findings report to the Board to ensure management and the Board's understanding of the important issues and decisions that were made during the audit and financial statement preparation process, as well as the results of the audit.

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

DISCUSSION:

AUDIT FINDINGS REPORT

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

CONSOLIDATED FINANCIAL STATEMENTS

Attachment 2, immediately following the Audit Findings Report, is the consolidated financial statements of the Regional District of Nanaimo (including notes and supporting schedules). The consolidated financial statements allow the Board, the management team, and the public to assess the overall results of all of our activities for the fiscal year ending December 31, 2012. The statements present the financial position of the Regional District as a whole incorporating the operating, reserve and capital funds based on Public Sector Accounting Board standards for governments as legislated under the *Local Government Act*.

INDEPENDENT AUDITORS' DRAFT REPORT

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

ALTERNATIVES:

1. Receive the Audit Findings Report and 2012 Financial Statements and approve the 2012 consolidated financial statements of the Regional District of Nanaimo for final signatures.
2. Receive the Audit Findings Report and provide alternate direction to staff.

FINANCIAL IMPLICATIONS:

The annual audit fee of \$32,400 is included in the Finance Department's budget annually. There are no additional costs at this time.

STRATEGIC PLAN IMPLICATIONS:

Recent changes to the Public Sector Accounting Board Standards for financial reporting and auditing require Board approval of final consolidated financial statements prior to the signing of the audit report. Compliance with this change directly supports the Board value to *Be Transparent and Accountable*, which demands transparency in financial reporting and that Directors are accountable to the public. Based on feedback from MNP LLP, who have formally acknowledged the excellent cooperation of staff through the audit process, it is evident that this Board value has trickled through the organization, influencing how staff conduct themselves in their work. In addition, the auditors conclude that the financial sustainability of the RDN is healthy and trending in a positive direction. This shows that the RDN is effectively balancing the Board's vision for the region and pursuit of innovation with fiscal responsibility.

SUMMARY/CONCLUSIONS:

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


MNP LLP has completed the audit of the Regional District of Nanaimo for the year ended December 31, 2012 and has submitted the attached audit findings report to the Board to ensure management and the Board's understanding of the important issues and decisions that were made during the audit and financial statement preparation process, as well as the results of the audit.

The 2012 Consolidated Financial Statements have been prepared and audited within the framework of the accounting policies applicable to local governments in BC. The statements present, in all significant respects, the financial position of the Regional District of Nanaimo as at December 31, 2012. This is confirmed by the Audit Findings Report and the draft Independent Auditors' Report attached with this report. The approved financial statements will be incorporated into the Regional District's Annual Report and Statement of Financial Information to be presented to the Board in June.

Staff recommend that these reports be received and approved.

RECOMMENDATION:

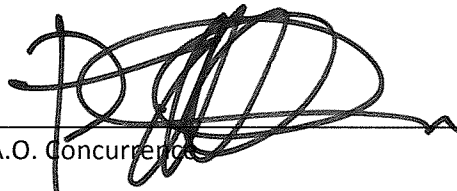
1. That the Audit Findings Report and the financial statements of the Regional District of Nanaimo for the year ended December 31, 2012 be received.
2. That the consolidated financial statements of the Regional District of Nanaimo for the year ended December 31, 2012 be approved as presented.



Report Writer



Director of Finance Concurrence



C.A.O. Concurrence



**REGIONAL DISTRICT OF NANAIMO
AUDIT FINDINGS REPORT**
Year Ending December 31, 2012
For presentation at the Board of Directors Meeting
May 14, 2013



May 14, 2013

Members of the Board of Directors of Regional District of Nanaimo

Dear Members of the Board of Directors:

We are pleased to put forward this report to discuss the results of our audit of the consolidated financial statements of Regional District of Nanaimo ("the Regional District") for the year ended December 31, 2012. In this report, we cover those significant matters which, in our opinion, you should be aware of as members of the Board of Directors.

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

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

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

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

Yours truly,

MNP LLP

MNP LLP

CV/mb
encls.

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1. MNP AUDIT PROCESS

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

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



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

2. SIGNIFICANT AUDIT FINDINGS

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

AREAS OF AUDIT EMPHASIS

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

FINAL MATERIALITY

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

DIFFICULTIES ENCOUNTERED - NONE

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

SIGNIFICANT DEFICIENCIES IN INTERNAL CONTROL - NONE

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

IDENTIFIED OR SUSPECTED FRAUD - NONE

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

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

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

MATTERS ARISING IN CONNECTION WITH RELATED PARTIES - NONE

- All related party transactions identified were in the normal course of business.

GOING CONCERN

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

SIGNIFICANT ACCOUNTING POLICIES

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

SIGNIFICANT MANAGEMENT ESTIMATES

- The preparation of the consolidated financial statements is subject to significant accounting estimates made by management. All significant management estimates were reviewed for the current period and no material differences were noted.
- The following is a summary of significant management estimates and provisions:
 - Allowance for doubtful accounts –no provision deemed necessary.
 - Provision for legal contingencies – no provision deemed necessary.
 - Amortization period of tangible capital assets – amortized over the estimated useful life of the respective assets.
 - Fair value measurement of in-kind additions to tangible capital assets – fair value estimated using BCAA assessed values for land. Total for 2012 was \$1,475,000 for land (2011 - \$751,686 for land and engineered structures).

- The unfunded liabilities for landfill closure costs and post-closure monitoring costs represent a significant liability in the Regional District's financial statements. For 2012 the estimate for landfill closure costs was \$6,252,913 (2011 - \$6,895,993), and for post closure maintenance costs was \$3,827,321 (2011 - \$5,540,729) for a total landfill liability of \$10,080,234 (2011 - \$12,526,722). These costs are an estimate, based on factors such as landfill capacity, remaining unused capacity, projected future costs to close and to monitor the site, and an appropriate discount rate used to determine a present value of these future costs. The amounts have declined significantly from 2011 due to a change in the discount rate being used to estimate the amount of the liability in today's dollars. The rate was changed from a 10 year rate to a 20 year rate to better reflect the long-term nature of the liability. It is also important to note that the landfill remaining unused capacity amount used in the calculation is based on the impact of board-approved capital projects as at the reporting date. Projects not yet approved that may further increase capacity and useful life are not factored into the calculation. Changes to the underlying assumptions and estimates or legislative changes in the new term could have a material impact on the provision recognized. We have concluded that the accounting related to the Landfill Closure and Post-Closure Liabilities was appropriate.
- Employee retirement benefits include payouts of accumulated, unused sick leave upon an employee's retirement. As at December 31, 2012, estimated sick leave reserve and management severance reserve was \$1,573,129 (2011 - \$1,658,805). An expense and corresponding liability is recorded now for the estimate of the future costs of these payouts, related to current service by current employees. This liability is an estimate, based on factors such as number of current employees in various age groups, number of recent employees over age 40 who have been employed with the Regional District until retirement, and an appropriate discount rate used to determine a present value of these future costs. Changes to the underlying assumptions and estimates or union contract changes in the new term could have a material impact on the reserve recorded. The estimate also includes assumptions regarding retirement dates, hours worked and sick time. We have concluded that the accounting related to Employee Retirement Benefits was appropriate.

MATTERS ARISING FROM MANAGEMENT DISCUSSIONS

- We would like to formally acknowledge the excellent cooperation and assistance we received from the management and staff.
- There were no disagreements with management, significant difficulties or other irregularities encountered during the course of our audit.
- The Regional District does not use an actuary to determine values associated with sick and severance liabilities. The calculations associated with these liabilities are quite complex, thus the risk of misstatement is greater if values are not actuarially determined. While using an actuary is not required, given the level of complexity involved in the calculations, we recommend analyzing the cost/benefit of using an actuary to determine if it would be economically feasible.

DIFFERENCES

- Two significant differences were noted by us and discussed with management with respect to the December 31, 2012 consolidated financial statements. Both items were corrected.
- A summary of differences, adjusted and unadjusted, is included as Appendix C to this report.

MODIFICATIONS TO THE INDEPENDENT AUDITORS' REPORT

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

INDEPENDENCE

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

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



APPENDIX A: DRAFT INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying consolidated financial statements of the Regional District of Nanaimo, which comprise the consolidated statement of financial position as at December 31, 2012 and the consolidated statements of operations and accumulated surplus, change in net financial assets and cash flows and related schedules for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Regional District of Nanaimo as at December 31, 2012 and the results of its operations, change in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Other Matter

We do not express an opinion on the Gas Tax Revenue Transfer Programs schedule or the General Revenue Fund schedules because our examination did not extend to the detailed information therein.

Nanaimo, British Columbia

May 14, 2013

MNP LLP

Chartered Accountants

APPENDIX B: AREAS OF AUDIT EMPHASIS

The completeness of grant revenue for capital projects: We reviewed the funding for significant capital asset additions for 2012, considering whether the projects should be funded by a new grant or whether funding is from existing deferred grant revenue, reserves or other funding sources. We did not note any unrecorded grant revenues.

The completeness of accounts payable for capital projects: In our search for unrecorded liabilities, we reviewed invoice payments made between January 2013 and early April 2013. We did not note any significant unrecorded liabilities.

The reasonableness of the estimate of the liability for landfill closure and post-closure maintenance costs: We reviewed the data and assumptions for the calculation with management in the finance and solid waste departments. We noted that the liability is based on consultants' current data. We did not note any errors in this liability amount other than two issues concerning discount rates. See Appendix C for more information on this.

The reasonableness of the estimate of the liability for the employee retirement benefits: We reviewed the data and assumptions for the calculation with management in the finance and payroll departments.

APPENDIX C: SUMMARY OF DIFFERENCES

SIGNIFICANT ADJUSTED DIFFERENCES

DIFFERENCES NOTED	CONSOLIDATED FINANCIAL STATEMENT ITEMS AFFECTED	INCREASE (DECREASE) TO SURPLUS FOR THE YEAR
Calculation adjustment impacting the landfill closure and post-closure costs liability.	Unfunded liabilities decreased, wastewater and solid waste management expenses decreased, surplus for the year and ending accumulated surplus increased.	\$589,765
Discount rate for the landfill closure and post-closure costs liability was changed from a 10 year rate to a 20 year rate to better reflect the long term nature of the liability.	Unfunded liabilities decreased, wastewater and solid waste management expenses decreased, surplus for the year and ending accumulated surplus increased.	\$684,056
TOTAL ADJUSTED DIFFERENCES (INCOME EFFECT)		\$1,273,821

SIGNIFICANT UNADJUSTED DIFFERENCES – NONE NOTED

APPENDIX D: AUDITOR INDEPENDENCE LETTER

May 14, 2013

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

Dear Members of the Board of Directors:

We have been engaged to audit the consolidated financial statements of Regional District of Nanaimo ("the Regional District") for the year ending December 31, 2012.

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

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

We are not aware of any relationship between the Regional District and MNP LLP that, in our professional judgment, may reasonably be thought to bear on our independence, which have occurred from January 1, 2012 to May 14, 2013.

Generally Accepted Auditing Standards require that we confirm our independence to the Board of Directors. Accordingly, we hereby confirm that MNP is independent with respect to the Regional District within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of British Columbia as of May 14, 2013.

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

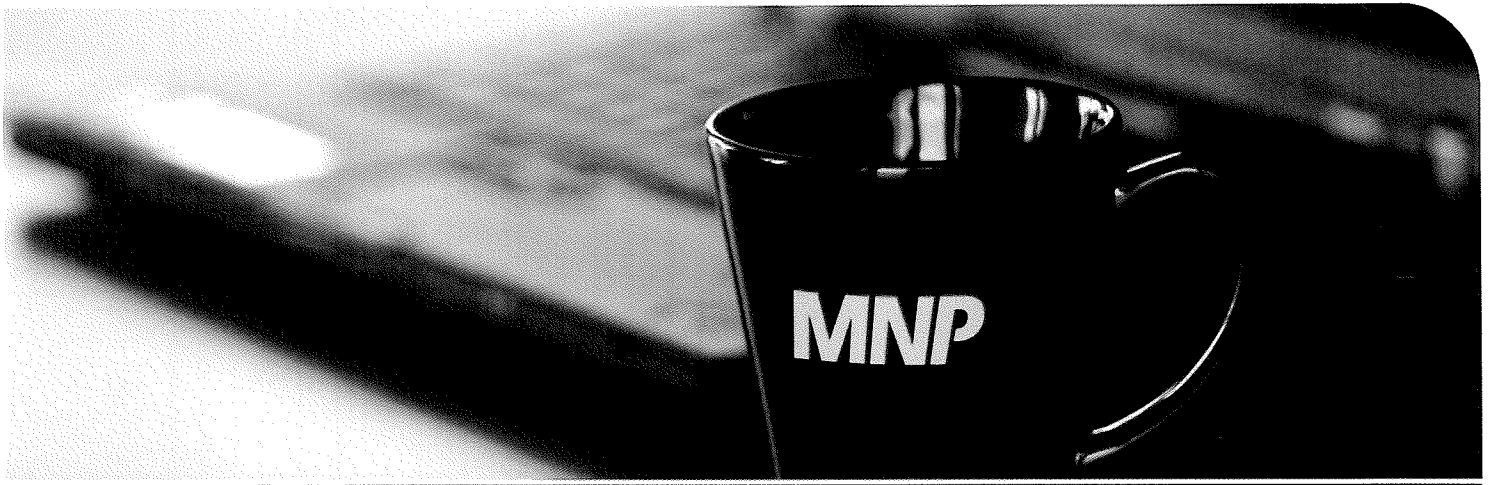
We look forward to discussing with you the matters addressed in this letter as well as other matters that may be of interest to you. We will be prepared to answer any questions you may have regarding our independence as well as other matters.

Yours truly,

MNP LLP

MNP LLP

CV/mb



ABOUT MNP

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

It's knowing your vision, your business and you.



Visit us at mnp.ca




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

**REGIONAL DISTRICT OF NANAIMO
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2012**

		<u>2012</u>	<u>2011</u>
Financial Assets			
Cash and short-term deposits	(Note 2)	\$ 38,552,617	\$ 40,858,988
Accounts receivable	(Note 3)	7,302,072	5,794,149
Investments	(Note 4)	25,241,225	25,395,950
Other jurisdictions debt receivable	(Note 12)	42,805,447	45,196,676
Other assets	(Note 5)	13,739	13,739
		<u>113,915,100</u>	<u>117,259,502</u>
Financial Liabilities			
Short term loans	(Note 6)	2,437,653	2,842,400
Accounts payable	(Note 7)	6,280,619	6,376,284
Other liabilities	(Note 8)	4,220,171	3,728,510
Unfunded liabilities	(Note 9)	9,935,870	12,639,922
Deferred revenue	(Note 10)	18,697,842	22,631,513
Obligation under capital lease	(Note 13)	1,205,499	1,149,924
Long-term debt	(Note 11)	54,996,955	58,659,510
		<u>97,774,609</u>	<u>108,028,063</u>
Net Financial Assets		<u>16,140,491</u>	<u>9,231,439</u>
Non-financial Assets			
Tangible capital assets	(Note 14)	173,018,966	161,138,331
Prepaid expenses		401,843	328,514
Inventories		32,638	28,932
		<u>173,453,447</u>	<u>161,495,777</u>
Accumulated Surplus	(Note 15)	<u>\$ 189,593,938</u>	<u>\$ 170,727,216</u>

APPROVED:



W. Idema, CGA
Director of Finance

See notes to consolidated financial statements

**REGIONAL DISTRICT OF NANAIMO
CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Budget</u> (Unaudited) (Note 18)	<u>2012</u>	<u>2011</u>
Revenue			
Property taxes	\$ 38,257,002	\$ 38,223,043	\$ 36,009,344
Operating revenues	20,704,874	20,149,347	19,383,685
Operating & other grants	7,909,086	6,911,392	7,040,436
Developer contributions	13,210,921	9,117,231	3,607,263
Other	1,336,863	907,467	796,701
Interest on investments	150,000	1,025,738	879,971
Grants in lieu of taxes	161,180	259,546	226,696
	<u>81,729,926</u>	<u>76,593,764</u>	<u>67,944,096</u>
Expenses			
General Government	1,605,228	1,340,401	1,777,165
Planning & Development	4,344,887	3,566,228	2,846,070
Wastewater & Solid Waste management	17,814,286	17,311,785	24,289,535
Water, Sewer & Street lighting	4,666,061	4,737,210	4,279,554
Public Transportation	16,432,854	15,907,321	15,180,321
Protective Services	3,593,174	3,973,328	3,876,012
Parks, Recreation & Culture	10,996,325	10,890,769	10,644,525
	<u>59,452,815</u>	<u>57,727,042</u>	<u>62,893,182</u>
Surplus for the year	\$ 22,277,111	\$ 18,866,722	\$ 5,050,914
Accumulated surplus, Beginning of the year	170,727,216	170,727,216	165,676,302
Accumulated surplus, End of the year (Note 15)	<u>\$ 193,004,327</u>	<u>\$ 189,593,938</u>	<u>\$ 170,727,216</u>

See notes to consolidated financial statements

**REGIONAL DISTRICT OF NANAIMO
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Budget</u> (Unaudited) (Note 18)	<u>2012</u>	<u>2011</u>
Surplus for the year	\$ 22,277,111	\$ 18,866,722	\$ 5,050,914
Acquisition of tangible capital assets	(29,588,737)	(17,860,026)	(15,187,321)
Amortization of tangible capital assets	-	5,908,569	5,591,354
Proceeds on disposal of tangible capital assets	-	80,344	282,427
Loss on disposal of tangible capital assets	-	(9,522)	88,308
Change in prepaid expenses	-	(73,329)	(50,077)
Change in inventories	-	(3,706)	1,313
Increase (decrease) in Net Financial Assets	(7,311,626)	6,909,052	(4,223,082)
Net Financial Assets, Beginning of the year	9,231,439	9,231,439	13,454,521
Net Financial Assets, End of the year (Pg. 3)	<u>\$ 1,919,813</u>	<u>\$ 16,140,491</u>	<u>\$ 9,231,439</u>

See notes to consolidated financial statements

**REGIONAL DISTRICT OF NANAIMO
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>2012</u>	<u>2011</u>
Operating Transactions		
Surplus for the year	\$ 18,866,722	\$ 5,050,914
Non-cash items included in surplus		
Amortization of tangible capital assets	5,908,569	5,591,354
Contributed tangible capital assets	(1,475,000)	(751,686)
(Gain) Loss on disposal of tangible capital assets	(9,522)	88,308
Debt actuarial adjustments	(431,798)	(376,383)
Change in non-cash working capital balances related to operations		
(Increase) Decrease in accounts receivable	(1,507,923)	1,925,925
Decrease (Increase) in other assets	-	7,450
Increase (Decrease) in accounts payable	(95,665)	764,509
Increase (Decrease) in deferred revenues	(3,933,671)	(447,234)
Increase (Decrease) in other liabilities	491,661	317,498
(Increase) Decrease in prepaid expenses	(73,329)	(50,077)
Decrease (Increase) in inventory	(3,706)	1,313
Increase (Decrease) in unfunded liabilities	(2,704,052)	2,585,831
Cash provided by operating transactions	<u>15,032,286</u>	<u>14,707,722</u>
Capital Transactions		
Acquisition of tangible capital assets	(16,385,026)	(14,435,635)
Proceeds on disposal of tangible capital assets	80,344	282,427
Cash used in capital transactions	<u>(16,304,682)</u>	<u>(14,153,208)</u>
Investment Transactions		
Decrease (Increase) in long term investments	154,725	10,154,302
Other jurisdictions debt receivable	-	(8,000,000)
Cash provided by (used in) investment transactions	<u>154,725</u>	<u>2,154,302</u>
Financing Transactions		
Short and long term debt issued	-	10,994,695
(Decrease) Increase in capital lease obligation	55,575	122,917
Repayment of short and long-term debt	(1,244,275)	(1,081,589)
Cash provided by (used in) financing transactions	<u>(1,188,700)</u>	<u>10,036,023</u>
Net change in cash and short-term deposits	(2,306,371)	12,744,839
Cash and short-term deposits, Beginning of the year	40,858,988	28,114,149
Cash and short-term deposits, End of the year (Pg. 3)	(Note 2) \$ 38,552,617	\$ 40,858,988

See notes to consolidated financial statements

REGIONAL DISTRICT OF NANAIMO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended December 31, 2012

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

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

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

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

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

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Principles of Consolidation

The Regional District follows Canadian public sector accounting standards issued by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants (CICA).

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

(b) Short-term deposits

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

(c) Long-term investments

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

(d) Non-Financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

i. Tangible capital assets

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

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

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

ii. Contributions of tangible capital assets

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

iii. Leases

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

iv. Inventories

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

(e) Debt servicing cost

Interest is recorded on an accrual basis.

Long-term debt is obtained through the Municipal Finance Authority (MFA) whose policy is to issue debt denominated in Canadian dollars.

REGIONAL DISTRICT OF NANAIMO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended December 31, 2012

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Financial Instruments

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

(g) Revenue recognition

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

Property tax revenues in the form of local government requisitions are recognized on an accrual basis. Interest and operating grants are recognized as earned. Capital grants and developer contributions are recognized as revenues in the year in which related expenditures are incurred. Operating revenues such as user fees, tipping fees, garbage and recycling collection fees are recognized as revenues on an accrual basis. Other revenues are recognized when received or receivable.

Government transfers are recognized as revenues in the period in which events giving rise to the transfer occur in accordance with existing PS 3410. PS 3410 requires recognition when a transfer is authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

(h) Expense recognition

Operating expenses are recorded on an accrual basis.

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

(i) Contingent liabilities

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

(j) Use of Estimates

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

REGIONAL DISTRICT OF NANAIMO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended December 31, 2012

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Recent accounting pronouncements

In February 2010, the Public Sector Accounting Board (PSAB) issued PS 3510 *Tax Revenue* to provide guidance on how to account for and report tax revenue in municipal financial statements. This section establishes recognition, measurement, presentation and disclosure requirements for tax revenue. PS 3510 is effective for fiscal years beginning on or after April 1, 2012. The Regional District expects to apply PS 3510 for its consolidated financial statements dated December 31, 2013. The Regional District does not expect the adoption of the new section to have a material impact on its consolidated financial statements.

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

In March 2011, the Public Sector Accounting Board replaced and revised existing section PS 3410 *Government Transfers* with a newly amended section PS 3410. Newly issued PS 3410 establishes standards on how to account for and report government transfers to individuals, organizations and other governments from both a transferring government and a recipient government perspective. This section permits a recipient government to recognize government transfers as revenue when the transfer is authorized by the transferring government, unless the transfer creates a liability for the recipient. A liability is created as a result of the recipient government not yet meeting eligibility criteria or the existence of stipulations in the transfer agreement.

When a government transfer results in recognition of a liability, revenue is recognized by a recipient government as the liability is settled. A transferring government recognizes an expense when the transfer is authorized and the recipient has met all eligibility criteria.

Newly revised and issued PS 3410 may be applied prospectively or retroactively and is effective for fiscal years beginning on or after April 1, 2012; however, earlier adoption is encouraged. The Regional District expects to apply newly issued PS 3410 for its consolidated financial statements dated December 31, 2013. PS 3410 will be applied prospectively and the Regional District does not expect the adoption of the newly issued section to have a material impact on its consolidated financial statements.

2. CASH AND SHORT-TERM DEPOSITS

In 2012, all cash and short-term deposits were held by the General Revenue Fund. Interest income has been allocated to restricted receipt accounts (development cost charges), reserve accounts/funds and unexpended loan proceeds for capital projects based on the relative equity in each account.

REGIONAL DISTRICT OF NANAIMO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended December 31, 2012

3. ACCOUNTS RECEIVABLE

	<u>2012</u>	<u>2011</u>
Province of British Columbia	\$ 51,283	\$ 36,907
Government of Canada	1,108,614	1,106,460
Regional and local governments	1,356,058	1,619,355
Gas Tax Revenue Transfer program	858,613	295,921
BC Transit Annual Operating Agreement	1,695,436	755,624
Accrued investment interest	204,818	201,100
Solid Waste commercial accounts	615,708	542,277
Utility services customers	439,231	375,157
Developer DCC instalments	316,454	274,453
Other trade receivables	655,857	586,895
	<u>\$ 7,302,072</u>	<u>\$ 5,794,149</u>

4. INVESTMENTS

All investments are held by the General Revenue Fund and consist of term notes and bonds with varying yields and extendible maturity dates ranging from 2013 to 2018.

	<u>2012</u>	<u>2011</u>
Investments at cost less amortized premium	\$ 25,241,225	\$ 25,395,950

As at December 31, 2012, the following investments were held by the Regional District:

Investment	Amortized Purchase Price	Accrued Interest	Total Book Value	Market Value at December 31, 2012
BMO 2.00% extendible note	5,000,000	32,617	5,032,617	4,995,171
RBC 2.05% extendible note	5,000,000	10,952	5,010,952	5,000,000
RBC 4.84% deposit note	2,806,406	41,213	2,847,619	2,858,131
BNS 4.99% extendible note	2,809,114	36,365	2,845,479	2,858,147
CIBC 5.15% extendible note	2,815,926	9,877	2,825,803	2,851,149
BMO 5.05% deposit note	1,942,008	31,694	1,973,702	2,003,098
MUN 4.15% deposit note	2,077,329	18,414	2,095,743	2,208,127
RBC 5.45% extendible note	2,790,442	23,686	2,814,128	2,892,021
	<u>\$ 25,241,225</u>	<u>\$ 204,818</u>	<u>\$ 25,446,043</u>	<u>\$ 25,665,844</u>

5. OTHER ASSETS

	<u>2012</u>	<u>2011</u>
Security deposits for building or development permit applications	\$ 13,739	\$ 13,739

REGIONAL DISTRICT OF NANAIMO
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 for the year ended December 31, 2012

6. SHORT TERM LOANS

Municipal Finance Authority interim financing program loans totalling \$2,437,653 (2011, \$2,842,400) with interest only payable monthly, for the purchase of land to establish the Moorecroft Regional Park. During 2012, the principal amount of this short term loan was reduced by \$404,747. Interest rate at December 31, 2012 was 1.73%, an increase of 0.03% from 1.70%, the rate at January 1, 2012.

7. ACCOUNTS PAYABLE

	<u>2012</u>	<u>2011</u>
Payable to Provincial Government	\$ 277,124	\$ 292,373
Payable to other local governments	414,779	241,584
Trade and other payables	5,588,716	5,842,327
	<u>\$ 6,280,619</u>	<u>\$ 6,376,284</u>

8. OTHER LIABILITIES

	<u>2012</u>	<u>2011</u>
Wages and benefits payable	\$ 1,623,989	\$ 1,393,573
Retirement benefits payable	1,944,367	1,767,509
Other benefits payable	141,904	136,006
Permit deposits	509,911	431,422
	<u>\$ 4,220,171</u>	<u>\$ 3,728,510</u>

9. UNFUNDED LIABILITIES

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

(a) Employee Benefits

- i. Retirement Benefits - Employees who retire qualify for a one time payout of up to 60 days of their accumulated unused sick leave. The Regional District calculates the value of this liability for employees aged 40 or older based on a statistical analysis of the age and length of service of its workforce. The reported liability reflects the likelihood that employees 55 or older will retire and become eligible for this benefit. The unfunded portion of the estimated employee retirement benefit liability is the difference between the total estimated liability of \$1,573,129 (2011, \$1,658,805) and the amount recorded in other liabilities (Note 8) of \$1,944,367 (2011- \$1,767,509). Employee retirement benefit payments are being funded by an accounting charge on wages paid in the year.
- ii. Other – Includes vacation pay adjustments and statutory and other benefits provided for in the collective agreement and which are paid in the normal course of business in the following year. The vacation pay liability at December 31, 2012 is \$100,442 (2011, \$104,383). The statutory benefits liability at December 31, 2012 is \$126,432 (2011, \$117,521).

REGIONAL DISTRICT OF NANAIMO
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 for the year ended December 31, 2012

9. UNFUNDED LIABILITIES (CONTINUED)

(b) Landfill Closure and Post Closure Maintenance Costs

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

- i. Landfill Closure costs - are estimated based on the open area of the remaining unused capacity of the landfill site. In 2009 a revised design and operations plan was approved for the landfill which provides additional airspace for future needs. This plan extended the estimated life of the landfill to 2030 which has since been updated to 2034 based on most recent usage data. The plan includes remediation and reuse of previously filled areas as well as extending perimeter berms for the development of new airspace.

At December 31, 2012, there were approximately 1,952,171 cubic meters of airspace available for waste and daily cover. Landfill Closure costs are estimated at \$6,252,913 (2011, \$6,985,993). As at December 31, 2012, \$1,394,240 (2011, \$1,364,462) has been set aside in reserves for this purpose. The balance of Landfill Closure costs are expected to be funded by a combination of future reserve account contributions, operating budgets and/or borrowing.

- ii. Post Closure Maintenance costs – are costs estimated to manage the closed landfill for a statutory period of 25 years. Post Closure Maintenance costs are estimated using a number of factors including the percentage of landfill capacity already filled, the probable closure date, the regulated monitoring period, the estimated annual maintenance costs and a present value discount rate which is the difference between the long-term MFA borrowing rate and the current Consumer Price Index. The current estimate for annual Post Closure Maintenance costs is \$575,000 (2011, \$575,000). Total Post Closure Maintenance costs are estimated to be \$3,827,321 (2011, \$5,540,729) based on 59% of the total landfill capacity being filled at this date, a 22 year lifespan to 2034, final closure in 2034, and a discount rate of 2.34%. Post Closure Maintenance costs are expected to be funded by annual budget appropriations in the years in which they are incurred.

<u>Unfunded Liability Balances</u>	<u>2012</u>	<u>2011</u>
Employee Retirement Benefits	\$ (371,238)	\$ (108,704)
Employee Other Benefits	226,874	221,904
Landfill Closure Costs	6,252,913	6,985,993
Post Closure Maintenance Costs	3,827,321	5,540,729
Unfunded Liability	<u>\$ 9,935,870</u>	<u>\$ 12,639,922</u>
Reserves On Hand	<u>\$ 1,394,240</u>	<u>\$ 1,364,462</u>

(c) Change in Estimates

During the year, the Regional District decreased its liability for Landfill Closure costs to \$6,252,913 and Post Closure Maintenance costs to \$3,827,321 to reflect long-term interest rates for discounting the value of the liability. This change was applied prospectively and prior year results have not been restated. The effect in the current year of this change in estimate was to decrease Unfunded liabilities by \$684,056 and to decrease Wastewater & Solid Waste management expense by \$684,056.

REGIONAL DISTRICT OF NANAIMO
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 for the year ended December 31, 2012

10. DEFERRED REVENUE

	<u>2012</u>	<u>2011</u>
Parkland Cash-in-Lieu receipts	\$ 1,565,009	\$ 1,509,889
Development Cost Charges	<u>11,965,183</u>	<u>16,958,535</u>
Subtotal (Pg. 30)	13,530,192	18,468,424
Gas Tax Revenue Transfer program – Community Works Fund	4,104,552	3,499,633
Community Tourism Grant Program	575,480	-
Towns for Tomorrow Grant Program	99,702	177,217
General Revenue Fund	<u>387,916</u>	<u>486,239</u>
	<u>\$ 18,697,842</u>	<u>\$ 22,631,513</u>

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

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

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

Towns for Tomorrow Grant Program – is a provincial program providing funding towards sustainability initiatives in smaller communities.

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

11. LONG-TERM DEBT

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

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

	<u>2012</u>	<u>2011</u>
Long term debt - Regional District services	\$ 12,191,508	\$ 13,462,834
Vancouver Island Regional Library	7,857,359	8,000,000
Member municipalities	34,948,088	37,196,676
Total Long Term Debt	<u>\$ 54,996,955</u>	<u>\$ 58,659,510</u>

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

<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>TOTAL</u>
\$982,261	\$853,292	\$853,390	\$710,152	\$701,265	<u>\$ 4,100,360</u>

REGIONAL DISTRICT OF NANAIMO
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 for the year ended December 31, 2012

12. OTHER JURISDICTIONS DEBT RECEIVABLE

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

	<u>2012</u>	<u>2011</u>
City of Parksville	\$ 3,093,834	\$ 3,412,754
City of Nanaimo	31,854,254	33,783,922
Vancouver Island Regional Library	7,857,359	8,000,000
	<u>\$ 42,805,447</u>	<u>\$ 45,196,676</u>

13. OPERATING AND CAPITAL LEASES

The Regional District has financed assets under capital leases in the amount of \$1,375,073 (2011, \$1,308,775). The assets include two fire trucks; one Zamboni ice cleaner, several road vehicles, landfill site mobile equipment and photocopiers. The 2012 capital lease principal payments totalled \$379,775 (2011, \$564,147). The outstanding obligation balance for leased capital assets as at December 31, 2012 was \$1,205,499 (2011, \$1,149,924).

All capital leases are held by the MFA Leasing Corporation. While payments are fixed for the term of the lease, interest rates are variable daily based upon the Canadian prime rate minus 1.0%. An interest adjustment is made at the time of the final payment. In 2012, interest expenditures related to lease liabilities were \$20,695 (2011, \$26,381).

Lease payment commitments for the next five years are:

Capital Leases

<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>TOTAL</u>
\$323,501	\$257,615	\$477,151	\$196,312	\$0	\$ 1,254,579
	Less: Imputed Interest				(49,080)
					<u>\$ 1,205,499</u>

Operating Leases – there are no operating lease commitments as at December 31, 2012.

14. TANGIBLE CAPITAL ASSETS

Net Book Value	<u>2012</u>	<u>2011</u>
Land	\$ 37,954,882	\$ 36,525,748
Land improvements	3,997,934	3,874,284
Buildings	33,027,851	26,031,450
Engineered structures	77,669,005	78,858,291
Equipment, furniture and vehicles	9,399,429	9,561,064
Assets under construction	10,969,865	6,287,494
	<u>\$ 173,018,966</u>	<u>\$ 161,138,331</u>
Owned tangible capital assets	\$ 171,643,893	\$ 159,829,556
Leased assets	1,375,073	1,308,775
	<u>\$ 173,018,966</u>	<u>\$ 161,138,331</u>

REGIONAL DISTRICT OF NANAIMO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended December 31, 2012

14. TANGIBLE CAPITAL ASSETS (CONTINUED)

In 2012, parkland dedications valued at \$1,475,000 were accepted and recorded as contributed assets. During 2011 parkland dedications and water systems built by others valued at \$751,686 were accepted and recorded as contributed assets.

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

15. ACCUMULATED SURPLUS

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

	<u>2012</u>	<u>2011</u>
Surplus		
General Revenue Fund Net Operating Surplus (Note 16)	\$ 9,385,386	\$ 10,994,084
Net investment in Tangible capital assets (Note 17)	157,184,306	143,683,173
Capital Fund advances	(3,990,217)	(817,945)
Unfunded liabilities	(9,935,870)	(12,639,922)
	<u>152,643,605</u>	<u>141,219,390</u>
General Revenue Fund Reserve Accounts		
Landfill expansion	262,678	257,068
Landfill closure	1,394,240	1,364,462
Property insurance deductible-fire departments	37,535	38,267
Liability insurance deductible	141,523	138,500
Regional Sustainability Initiatives	97,787	112,053
Regional parks and trails donations	12,027	10,385
Vehicle fleet replacement (various departments)	502,681	460,574
	<u>2,448,471</u>	<u>2,381,309</u>
Statutory Reserve Funds (Pg. 29)	\$ 34,501,862	\$ 27,126,517
Total Reserves	<u>\$ 36,950,333</u>	<u>\$ 29,507,826</u>
Accumulated Surplus (Pg. 3)	<u>\$ 189,593,938</u>	<u>\$ 170,727,216</u>

16. CONSOLIDATION ADJUSTMENTS

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

	<u>2012</u>	<u>2011</u>
Net Operating Surplus (Pg. 32)	\$ 9,264,932	\$ 10,871,001
Add: Water User Fee Revenue year end accrual (billed May 2013)	120,454	123,083
Net Operating Surplus adjusted for statement presentation (Note 15)	<u>\$ 9,385,386</u>	<u>\$ 10,994,084</u>

REGIONAL DISTRICT OF NANAIMO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended December 31, 2012

17. NET INVESTMENT IN TANGIBLE CAPITAL ASSETS

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

	<u>2012</u>	<u>2011</u>
Tangible capital assets (Pg. 3)	\$ 173,018,966	\$ 161,138,331
Short term loans (Pg. 3)	(2,437,653)	(2,842,400)
Obligation under capital lease (Pg. 3)	(1,205,499)	(1,149,924)
Long-term debt - Regional District only (Note 11)	(12,191,508)	(13,462,834)
Net investment in Tangible capital assets (Note 15)	<u>\$ 157,184,306</u>	<u>\$ 143,683,173</u>

18. BUDGET FIGURES

Budget figures are unaudited and represent the Financial Plan Bylaw adopted by the Board on April 24, 2012. The financial plan includes capital expenditures but does not include amortization expense. The financial plan forms the basis for taxation and fees and charges rates which may be required for a particular year. The following reconciliation of the budgeted "Surplus for the year" shown on Pg. 4 is provided to show which items must be added or removed to reflect to the budgeted financial plan values which are shown compared to actual expenditures on Pg.32 (General Revenue Fund Schedule of Revenue and Expenditures).

		<u>2012 Budget</u>
Budgeted Surplus for the year (Pg. 4)	\$	22,277,111
Add:		
Transfers from reserves		4,371,925
Proceeds of borrowing		4,919,545
Prior year operating surplus		10,860,007
Less:		
Capital expenditures		(29,588,737)
Debt principal repayments/actuarial adjustments		
Budgeted principal payments	4,287,712	
Add: Actuarial Adjustments	431,798	
Less: Principal payments for member municipalities	<u>(1,870,890)</u>	(2,848,620)
Capital lease principal payments included in equipment operating expenditure		(309,575)
Transfer to reserves		<u>(5,416,036)</u>
Consolidated Budgeted Surplus, per Regional District of Nanaimo Financial Plan Bylaw No.1658.01 (Pg. 32)	\$	<u>4,265,620</u>

19. MUNICIPAL FINANCE AUTHORITY RESERVE DEPOSITS

The Regional District secures its long term borrowing through the Municipal Finance Authority. As a condition of these borrowings a portion of the debenture proceeds are retained by the Authority as a debt reserve fund. As at December 31, 2012 the Regional District had debt reserve funds of \$365,431 (2011, \$354,715).

REGIONAL DISTRICT OF NANAIMO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended December 31, 2012

20. NORTH ISLAND 9-1-1 CORPORATION

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

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

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

21. PENSION LIABILITY

The Regional District of Nanaimo and its employees contribute to the Municipal Pension Plan (the Plan), a jointly trustee pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the Plan, including investment of the assets and administration of benefits. The Plan is a multi-employer contributory pension plan. Basic pension benefits provided are defined. The Plan has about 176,000 active members and approximately 67,000 retired members. Active members include approximately 35,000 contributors from local governments.

Every three years an actuarial valuation is performed to assess the financial position of the Plan and the adequacy of plan funding. The most recent valuation as at December 31, 2009 indicated an unfunded liability of \$1.024 billion for basic pension benefits. The next valuation will be as at December 31, 2012 with results available in 2013. Defined contribution plan accounting is applied to the Plan as the Plan exposes the participating entities to actuarial risks associated with the current and former employees of other entities, with the result that there is no consistent and reliable basis for allocating the obligation, Plan assets and cost to individual entities participating in the Plan. This note represents the most current information at the time of the financial audit. The Regional District of Nanaimo paid \$1,534,741 (2011, \$1,448,443) for employer contributions to the plan in fiscal 2012.

22. CONTINGENT LIABILITIES

Contingent liabilities are recognized by the Regional District in accordance with PS3300.15. As at December 31, 2012 there were outstanding claims against the Regional District, however, no liability has been accrued because amounts are undeterminable and the likelihood of the Regional District having to make payment is uncertain.

23. ENVIRONMENTAL REGULATIONS

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

REGIONAL DISTRICT OF NANAIMO
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 for the year ended December 31, 2012

24. EXPENDITURES BY OBJECT

	<u>Budget</u>	<u>2012</u>	<u>2011</u>
Operating goods and services	\$ 32,179,433	\$ 28,641,379	\$ 29,600,852
Wages and benefits	25,800,571	24,739,747	23,933,486
Debt interest	1,472,811	1,141,399	1,181,659
Amortization expense	-	5,908,569	5,591,354
Unfunded expenditures (Note 9)	-	<u>(2,704,052)</u>	<u>2,585,831</u>
Total Expenditures by Object	<u>\$ 59,452,815</u>	<u>\$ 57,727,042</u>	<u>\$ 62,893,182</u>

25. COMPARATIVE FIGURES

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

REGIONAL DISTRICT OF NANAIMO
CONSOLIDATED SCHEDULE OF REVENUE AND EXPENSES BY SEGMENT
as at December 31, 2012

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

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

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

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

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

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

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

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

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

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

REGIONAL DISTRICT OF NANAIMO
CONSOLIDATED SCHEDULE OF REVENUE AND EXPENSES BY SEGMENT
as at December 31, 2012

	General Government	Planning & Development	Wastewater & Solid Waste	Water, Sewer & Street lighting	Public Transportation	Protective Services	Parks, Recreation & Culture	2012 Total	2011 Total
Revenues									
Property taxes	\$ 1,176,878	\$ 1,893,783	\$ 9,246,149	\$ 3,629,862	\$ 7,474,780	\$ 4,041,105	\$ 10,760,486	\$ 38,223,043	\$ 36,009,344
Operating revenues	-	1,202,692	11,760,659	1,229,632	4,426,374	85,629	1,444,361	20,149,347	19,383,685
Operating grants	50,000	883,958	78,891	311,244	5,349,952	59,716	177,631	6,911,392	7,040,436
Developer contributions	-	-	7,503,315	112,350	-	1,566	1,500,000	9,117,231	3,607,263
Other	306,497	820	114,437	93,390	47,210	15,547	329,566	907,467	796,701
Interest on investments	335,480	7,751	486,846	57,597	1,981	102,970	33,113	1,025,738	879,971
Grants in lieu	59,021	7,634	81,552	3,232	84,033	13,477	10,597	259,546	226,696
MFA debt surplus refunds	-	-	-	-	-	-	-	-	-
	<u>1,927,876</u>	<u>3,996,638</u>	<u>29,271,849</u>	<u>5,437,307</u>	<u>17,384,330</u>	<u>4,320,010</u>	<u>14,255,754</u>	<u>76,593,764</u>	<u>67,944,096</u>
Expenses									
Operating goods & services	(2,022,732)	1,722,933	11,610,268	2,409,435	6,436,842	3,003,880	5,480,753	28,641,379	29,600,852
Wages and benefits	3,216,498	1,813,113	5,011,445	1,326,723	9,132,568	318,560	3,920,840	24,739,747	23,933,486
Debt interest	-	-	118,363	270,331	-	125,023	627,682	1,141,399	1,181,659
Amortization expense	404,198	30,182	3,018,197	730,721	337,911	525,865	861,495	5,908,569	5,591,354
Unfunded expenses	(257,564)	-	(2,446,488)	-	-	-	-	(2,704,052)	2,585,831
	<u>1,340,400</u>	<u>3,566,228</u>	<u>17,311,785</u>	<u>4,737,210</u>	<u>15,907,321</u>	<u>3,973,328</u>	<u>10,890,770</u>	<u>57,727,042</u>	<u>62,893,182</u>
Surplus for the year	<u>\$ 587,476</u>	<u>\$ 430,410</u>	<u>\$ 11,960,064</u>	<u>\$ 700,097</u>	<u>\$ 1,477,009</u>	<u>\$ 346,682</u>	<u>\$ 3,364,984</u>	<u>\$ 18,866,722</u>	<u>\$ 5,050,914</u>

REGIONAL DISTRICT OF NANAIMO
CONSOLIDATED SCHEDULE OF REVENUE AND EXPENSES BY SEGMENT
as at December 31, 2011

	General Government	Planning & Development	Wastewater & Solid Waste	Water, Sewer & Street lighting	Public Transportation	Protective Services	Parks, Recreation & Culture	2011 Total	2010 Total
Revenues									
Property taxes	\$ 1,144,053	\$ 1,650,467	\$ 8,829,820	\$ 3,463,556	\$ 6,810,780	\$ 3,876,694	\$ 10,233,974	\$ 36,009,344	\$ 33,801,776
Operating revenues	-	1,122,691	11,519,926	1,263,614	4,037,854	35,875	1,403,725	19,383,685	18,481,263
Operating grants	77,843	260,153	299,703	420,969	5,752,005	106,266	123,497	7,040,436	12,039,769
Developer contributions	-	-	2,628,608	511,370	-	79,700	387,585	3,607,263	1,093,675
Other	284,076	7,841	12,023	137,668	-	101,466	253,627	796,701	1,355,108
Interest on investments	327,234	1,050	412,707	59,505	608	48,773	30,094	879,971	747,154
Grants in lieu	52,612	5,908	72,644	3,135	72,860	11,329	8,208	226,696	220,326
MFA debt surplus refunds	-	-	-	-	-	-	-	-	443,321
	<u>1,885,818</u>	<u>3,048,110</u>	<u>23,775,431</u>	<u>5,859,817</u>	<u>16,674,107</u>	<u>4,260,103</u>	<u>12,440,710</u>	<u>67,944,096</u>	<u>68,182,392</u>
Expenses									
Operating goods & services	(1,827,375)	968,896	13,669,210	2,112,052	6,383,052	2,996,221	5,298,796	29,600,852	25,895,281
Wages and benefits	3,217,708	1,840,335	4,967,712	1,193,288	8,532,026	321,406	3,861,011	23,933,486	21,244,100
Debt interest	-	-	118,363	292,922	-	93,017	677,357	1,181,659	1,746,824
Amortization expense	387,762	36,839	2,947,489	681,292	265,243	465,368	807,361	5,591,354	4,995,447
Unfunded expenses	(930)	-	2,586,761	-	-	-	-	2,585,831	441,190
	<u>1,777,165</u>	<u>2,846,070</u>	<u>24,289,535</u>	<u>4,279,554</u>	<u>15,180,321</u>	<u>3,876,012</u>	<u>10,644,525</u>	<u>62,893,182</u>	<u>54,322,842</u>
Surplus for the year	<u>\$ 108,653</u>	<u>\$ 202,040</u>	<u>\$ (514,104)</u>	<u>\$ 1,580,263</u>	<u>\$ 1,493,786</u>	<u>\$ 384,091</u>	<u>\$ 1,796,185</u>	<u>\$ 5,050,914</u>	<u>\$ 13,859,550</u>

See notes to consolidated financial statements

**REGIONAL DISTRICT OF NANAIMO
SCHEDULE OF TANGIBLE CAPITAL ASSETS
AS AT DECEMBER 31, 2012**

	Land	Land Improvements	Buildings	Engineered Structures	Equipment, Furniture & Vehicles	Assets Under Construction	Total 2012	Total 2011
COST								
Balance, beginning of year	\$ 36,525,748	\$ 4,641,148	\$ 37,602,960	\$ 122,108,629	\$ 17,979,326	\$ 6,287,495	\$ 225,145,306	\$ 210,720,565
Add:								
Additions	1,429,134	343,117	8,233,854	1,618,639	1,552,912	4,682,370	17,860,026	15,187,321
Less:								
Disposals	-	-	-	-	570,844	-	570,844	762,580
Balance, end of year	37,954,882	4,984,265	45,836,814	123,727,268	18,961,394	10,969,865	242,434,488	225,145,306
ACCUMULATED AMORTIZATION								
Balance, beginning of year	\$ -	\$ 766,863	\$ 11,571,509	\$ 43,250,338	\$ 8,418,262	\$ -	\$ 64,006,972	\$ 58,807,466
Add:								
Amortization	-	219,468	1,237,454	2,807,925	1,643,722	-	5,908,569	5,591,354
Less:								
Accumulated amortization on disposals	-	-	-	-	500,019	-	500,019	391,845
Balance, end of year	-	986,331	12,808,963	46,058,263	9,561,965	-	69,415,522	64,006,975
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	\$ 37,954,882	\$ 3,997,934	\$ 33,027,851	\$ 77,669,005	\$ 9,399,429	\$ 10,969,865	\$ 173,018,966	\$ 161,138,331
					Owned capital assets		\$ 171,643,893	\$ 159,829,556
					Leased assets		1,375,073	1,308,775
							<u>\$ 173,018,966</u>	<u>\$ 161,138,331</u>

See notes to consolidated financial statements

**REGIONAL DISTRICT OF NANAIMO
LONG-TERM DEBT SUMMARY BY FUNCTION
DECEMBER 31, 2012**

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
REGIONAL DISTRICT					
RAVENSONG AQUATIC CENTRE	\$ 1,903,052	\$ 1,669,319	\$ 1,423,900	\$ 1,166,210	\$ 895,635
OCEANSIDE PLACE ARENA	5,913,621	5,618,288	5,311,142	4,991,710	4,659,501
COMMUNITY PARKS	437,875	418,734	398,776	377,962	356,256
SOLID WASTE MANAGEMENT	447,612	-	-	-	-
WASTEWATER MANAGEMENT - Northern Community (District 69)	3,063,226	1,925,401	730,684	498,905	255,536
FIRE PROTECTION	191,555	168,997	1,918,946	1,834,993	1,747,681
SEWER SERVICES	865,699	1,957,794	2,119,818	2,090,564	2,004,725
WATER SUPPLY SERVICES	2,996,345	2,877,367	2,670,530	2,502,490	2,272,174
VANCOUVER ISLAND REGIONAL LIBRARY	-	-	-	8,000,000	7,857,359
TOTAL REGIONAL DISTRICT	<u>15,818,985</u>	<u>14,635,900</u>	<u>14,573,796</u>	<u>21,462,834</u>	<u>20,048,868</u>
MEMBER MUNICIPALITIES	<u>45,486,177</u>	<u>42,921,851</u>	<u>40,342,070</u>	<u>37,196,676</u>	<u>34,948,088</u>
TOTAL LONG TERM DEBT (Pg. 3)	<u>\$ 61,305,162</u>	<u>\$ 57,557,751</u>	<u>\$ 54,915,866</u>	<u>\$ 58,659,510</u>	<u>\$ 54,996,956</u>

See notes to consolidated financial statements

**REGIONAL DISTRICT OF NANAIMO
SCHEDULE OF LONG-TERM DEBT
DECEMBER 31, 2012**

FUNCTION	ISSUER	FUNDS	BYLAW NUMBER	MATURITY DATE	INTEREST RATE	ORIGINAL VALUE	2012 DEBT O/S	2011 DEBT O/S
RAVENSONG AQUATIC CENTRE								
	MFA 61	CDN	981	Dec 01, 2015	5.970	4,098,635	\$ 895,635	\$ 1,166,210
TOTAL RAVENSONG AQUATIC CENTRE						4,098,635	895,635	1,166,210
OCEANSIDE PLACE ARENA								
	MFA 97	CDN	1365	Apr 19, 2023	4.830	6,470,646	4,659,501	4,991,710
TOTAL OCEANSIDE PLACE ARENA						6,470,646	4,659,501	4,991,710
COMMUNITY PARKS ELECTORAL AREA B								
	MFA 78	CDN	1299	Dec 03, 2022	5.250	100,000	61,961	66,653
	MFA 79	CDN	1303	Jun 03, 2023	5.250	80,000	53,322	56,897
	MFA 81	CDN	1304	Apr 22, 2024	4.900	80,000	56,897	60,301
	MFA 93	CDN	1305	Apr 06, 2025	5.100	80,000	56,446	60,070
	MFA 97	CDN	1306	Apr 19, 2026	4.660	80,000	62,180	65,449
	MFA 101	CDN	1307	Apr 11, 2027	4.520	80,000	65,450	68,592
TOTAL COMMUNITY PARKS						500,000	356,256	377,962
FIRE PROTECTION SERVICES								
MEADOWOOD FIRE								
	MFA 110	CDN	1587	Apr 08, 2030	4.500	1,773,410	1,651,919	1,713,856
COOMBS HILLIERS FIRE								
	MFA 92	CDN	1396	Apr 06, 2015	4.550	232,725	79,625	104,152
NANAIMO RIVER FIRE								
	MFA 99	CDN	1488	Apr 19, 2027	4.430	20,761	16,137	16,985
TOTAL FIRE PROTECTION SERVICES						2,026,896	1,747,681	1,834,993
NORTHERN COMMUNITY WASTEWATER								
	MFA 69	CDN	1101	Sep 24, 2013	4.250	2,785,000	255,536	498,905
TOTAL NORTHERN COMMUNITY WASTEWATER						\$ 2,785,000	\$ 255,536	\$ 498,905
SEWER SERVICES								
BARCLAY CRESCENT SEWER								
	MFA 102	CDN	1486	Dec 01, 2027	4.820	895,781	732,848	768,039
CEDAR SEWER								
	MFA 106	CDN	1571	Oct 13, 2029	4.130	926,180	829,090	862,730
	MFA 106	CDN	1572	Oct 13, 2029	4.130	27,200	24,349	25,337
	MFA 106	CDN	1573	Oct 13, 2029	4.130	108,800	97,395	101,346
	MFA 106	CDN	1574	Oct 13, 2029	4.130	61,200	54,784	57,007
	MFA 110	CDN	1584	Apr 08, 2030	4.500	232,286	216,373	224,485
	MFA 117	CDN	1626	Oct 12, 2031	3.250	51,620	49,886	51,620
TOTAL SEWER SERVICES						1,407,286	1,271,877	1,322,525
TOTAL SEWER SERVICES						\$ 2,303,067	\$ 2,004,725	\$ 2,090,564

See notes to consolidated financial statements

**REGIONAL DISTRICT OF NANAIMO
SCHEDULE OF LONG-TERM DEBT
DECEMBER 31, 2012**

FUNCTION	ISSUER	FUNDS	BYLAW NUMBER	MATURITY DATE	INTEREST RATE	ORIGINAL VALUE	2012 DEBT O/S	2011 DEBT O/S	
WATER - SAN PAREIL									
	MFA74	CDN	1221	Jun 01, 2016	5.900	193,979	66,268	80,911	
	MFA81	CDN	1367	Apr 22, 2019	4.900	89,476	49,880	55,715	
	MFA97	CDN	1395	Apr 19, 2021	4.660	40,000	26,750	29,180	
	MFA106	CDN	1395	Oct 13, 2024	4.130	94,439	79,716	84,817	
	MFA 117	CDN	1395	Oct 12, 2026	3.250	49,056	46,606	49,056	
						466,950	269,220	299,679	
WATER - DRIFTWOOD									
	MFA80	CDN	1301	Oct 03, 2023	4.900	100,614	67,062	71,558	
						100,614	67,062	71,558	
WATER - MELROSE TERRACE									
	MFA103	CDN	1539	Apr 23, 2018	4.650	14,349	9,274	10,618	
						14,349	9,274	10,618	
BULK WATER - FRENCH CREEK									
	MFA69	CDN	1127	Sep 24, 2018	4.650	503,655	205,132	233,854	
						503,655	205,132	233,854	
BULK WATER - NANOOSE									
	MFA69	CDN	1128	Sep 24, 2018	4.650	864,095	351,934	401,211	
	MFA74	CDN	1226	Jun 01, 2021	5.900	2,195,223	1,252,046	1,360,187	
	MFA80	CDN	1239	Oct 03, 2023	4.900	176,295	117,506	125,383	
						3,235,613	1,721,486	1,886,781	
	TOTAL WATER SUPPLY MANAGEMENT						4,321,181	2,272,174	2,502,490
DEBT HELD FOR OTHER JURISDICTIONS									
VANCOUVER ISLAND REGIONAL LIBRARY									
	MFA 117	CDN	1634	Oct 12, 2041	3.250	8,000,000	7,857,359	8,000,000	
	TOTAL - VANCOUVER ISLAND REGIONAL LIBRARY						\$ 8,000,000	\$ 7,857,359	\$ 8,000,000
TOTAL LONG TERM DEBT - REGIONAL DISTRICT						\$ 30,505,425	\$ 20,048,868	\$ 21,462,834	

See notes to consolidated financial statements

**REGIONAL DISTRICT OF NANAIMO
SCHEDULE OF LONG-TERM DEBT
DECEMBER 31, 2012**

FUNCTION	ISSUER	FUNDS	BYLAW NUMBER	MATURITY DATE	INTEREST RATE	ORIGINAL VALUE	2012 DEBT O/S	2011 DEBT O/S	
CITY OF PARKSVILLE									
	MFA68	CDN	1109	Mar 24, 2018	4.650	1,200,000	488,744	557,176	
	MFA69	CDN	1129	Sep 24, 2018	4.650	1,970,000	802,355	914,698	
	MFA74	CDN	1227	Jun 01, 2021	5.900	290,000	165,402	179,687	
	MFA75	CDN	1238	Dec 01, 2021	5.690	1,050,000	598,867	650,593	
	MFA78	CDN	1283	Dec 03, 2022	5.250	765,000	474,003	509,894	
	MFA93	CDN	1420	Apr 06, 2025	5.100	800,000	564,463	600,706	
	TOTAL CITY OF PARKSVILLE						6,075,000	3,093,834	3,412,754
CITY OF NANAIMO									
	MFA61	CDN	GNWD 50	Dec 01, 2015	4.000	1,166,086	358,282	466,520	
	MFA72	CDN	1197	Jun 01, 2020	6.450	4,500,000	2,319,585	2,556,226	
	MFA73	CDN	1219	Dec 01, 2020	6.360	4,100,000	2,113,400	2,329,006	
	MFA73	CDN	1220	Dec 01, 2015	6.360	247,947	64,621	84,333	
	MFA99	CDN	1489	Oct 19, 2026	4.430	15,000,000	11,658,796	12,271,656	
	MFA101	CDN	1489	Apr 11, 2027	4.520	15,000,000	12,271,656	12,860,945	
	MFA 102	CDN	1530	Dec 01, 2027	4.820	3,750,000	3,067,914	3,215,236	
	TOTAL CITY OF NANAIMO						48,099,738	31,854,254	33,783,922
TOTAL LONG TERM DEBT - MEMBER MUNICIPALITIES						\$ 54,174,738	\$ 34,948,088	\$ 37,196,676	
TOTAL LONG TERM DEBT						\$ 84,680,163	\$ 54,996,956	\$ 58,659,510	

Note:

1. The City of Nanaimo assumed the outstanding debt of the Greater Nanaimo Water District in 2004

See notes to consolidated financial statements

REGIONAL DISTRICT OF NANAIMO
SCHEDULE OF STATUTORY RESERVE FUND ACTIVITY AND FUND BALANCES
AS AT DECEMBER 31, 2012

	Balance January 1, 2012	Interest Income	Contributions by Developers & Others	MFA surplus and refunds	Contributions from/(to) Operating Fund	Transfers to Capital Funds	Feasibility, legal & other costs or transfers	Balance December 31, 2012
General Government & Planning								
Feasibility Studies	\$ 67,492				(413)			\$ 67,079
Administration Information Systems/Building	\$ 1,377,510	31,211			145,050			\$ 1,553,771
Local Government Elections	\$ 49,369	1,078						\$ 50,447
Regional Growth Strategy	\$ 46							\$ 46
Building Inspection	\$ 186,865	4,463			50,000			\$ 241,328
Planning legal	\$ -	253			33,000			\$ 33,253
Carbon Action Revenue Incentive Program	\$ 114,362	3,472	72,814			(16,854)		\$ 173,794
Carbon Neutral	\$ -	323			42,125			\$ 42,448
	\$ 1,795,644	\$ 40,800	\$ 72,814		\$ 269,762	\$ (16,854)	\$ -	\$ 2,162,166
Wastewater & Solid Waste Management								
Solid Waste Management	\$ 3,564,243	77,854			19,997	(7,097)		\$ 3,654,997
Nanoose Wastewater	\$ 403,317	9,642			73,925			\$ 486,884
Northern Community Wastewater	\$ 1,923,872	52,876	120,079		1,864,083	(120,785)		\$ 3,840,125
Southern Community Wastewater	\$ 13,609,826	362,041			2,030,536	(31,780)		\$ 15,970,623
Duke Point Wastewater	\$ 59,258	1,567			35,685			\$ 96,510
	\$ 19,560,516	503,980	120,079	-	4,024,226	(159,662)	-	\$ 24,049,139
Water, Sewer & Street lighting								
Surfside Sewer	\$ 32,093	850			19,440			\$ 52,383
Pacific Shores Sewer	\$ 2,051							\$ 2,051
French Creek Sewer	\$ 483,614	10,725	41,196					\$ 535,535
Barclay Cres Sewer DCCs	\$ -		1,059					\$ 1,059
Cedar Estates Stormwater					3,000			\$ 3,000
Englishman River Stormwater	\$ 2,000	47			5,000			\$ 7,047
French Creek Water	\$ 137,580	3,003						\$ 140,583
Madrona Water	\$ 194,406	4,243						\$ 198,649
Fairwinds Water								\$ -
Surfside Water	\$ 7,226	174			3,250			\$ 10,650
Arbutus Park Estates Water								\$ -
West Bay Estates Water	\$ 39,281	857						\$ 40,138
Decourcy Water	\$ 5,895	111			1,000			\$ 7,006
Melrose Water					1,000			\$ 1,000
Nanoose Bay Peninsula Water	\$ 270,654	7,177	5,803		163,303			\$ 446,937
Nanoose Bay Water	\$ 202,656	4,424						\$ 207,080
Englishman River Water	\$ 120,849	3,286			84,500			\$ 208,635

See notes to consolidated financial statements

REGIONAL DISTRICT OF NANAIMO
SCHEDULE OF STATUTORY RESERVE FUND ACTIVITY AND FUND BALANCES
AS AT DECEMBER 31, 2012

	Balance January 1, 2012	Interest Income	Contributions by Developers & Others	MFA surplus and refunds	Contributions from/(to) Operating Fund	Transfers to Capital Funds	Feasibility, legal & other costs or transfers	Balance December 31, 2012
San Pareil Water	\$ 1,640	76			8,000			\$ 9,716
Whiskey Creek Water	\$ 52,451	1,275			17,000			\$ 70,726
Nanoose AWS Bulk Water	\$ 67,430	1,072	2,346		4,320			\$ 75,168
French Creek AWS Bulk Water	\$ 709,407	16,334			160,565	(13,534)		\$ 872,772
Drinking Water/Watershed Protection	\$ 109,541	2,391			(111,932)			\$ -
Englishman River Street lighting					2,500			\$ 2,500
Fairwinds Street lighting	\$ 17,053	372						\$ 17,425
Morningstar Street lighting	\$ 10,220	243			2,500			\$ 12,963
	<u>\$ 2,466,047</u>	<u>56,660</u>	<u>50,404</u>	<u>-</u>	<u>363,446</u>	<u>(13,534)</u>	<u>-</u>	<u>\$ 2,923,023</u>
Public Transportation								
Transit	0	1,362			1,177,410			\$ 1,178,772
Descanso Bay Emergency Wharf	\$ 27,663	619			2,000			\$ 30,282
	<u>\$ 27,663</u>	<u>1,981</u>	<u>-</u>	<u>-</u>	<u>1,179,410</u>	<u>-</u>	<u>-</u>	<u>\$ 1,209,054</u>
Protective Services								
Coombs Hilliers Fire	\$ 227,605	6,115			113,800			\$ 347,520
Errington Fire	\$ 381,865	8,419	1,566		40,925			\$ 432,775
Extension Fire	\$ 146,791	3,602			51,940			\$ 202,333
Nanoose Fire	\$ 323,853	7,416			105,000			\$ 436,269
Dashwood Fire	\$ 470,762	10,583			60,000	(68,867)		\$ 472,478
Bow Horn Bay Fire	\$ 129,180	3,086			38,420			\$ 170,686
Nanaimo River Fire	\$ 52,513	1,245			12,947			\$ 66,705
Cassidy Waterloo Fire	\$ -				2,175			\$ 2,175
Emergency Planning	\$ 29,575	740			12,275	(42,000)		\$ 590
Bylaw Enforcement	\$ 54,011	1,256			32,019			\$ 87,286
District 68 911 Service	\$ 129,451	2,825						\$ 132,276
	<u>\$ 1,945,606</u>	<u>45,287</u>	<u>1,566</u>	<u>-</u>	<u>469,501</u>	<u>(110,867)</u>	<u>-</u>	<u>\$ 2,351,093</u>
Parks, Recreation & Culture								
Area B Recreation	\$ -				5,554			\$ 5,554
Extension Recreation	\$ 35,902	772					(812)	\$ 35,862
Community Parks	\$ 819,281	18,752	25,000		99,800	(84,325)		\$ 878,508
Regional Parks	\$ 141,371	5,908			367,635			\$ 514,914
Regional Parks Development	\$ -	67			10,000			\$ 10,067
Recreation & Culture	\$ 334,487	7,614			104,700	(84,319)		\$ 362,482
	<u>\$ 1,331,041</u>	<u>33,113</u>	<u>25,000</u>	<u>-</u>	<u>587,689</u>	<u>(168,644)</u>	<u>(812)</u>	<u>\$ 1,807,387</u>
TOTAL ALL RESERVE FUNDS	<u>\$ 27,126,517</u>	<u>\$681,821</u>	<u>\$269,863</u>	<u>\$0</u>	<u>\$6,894,034</u>	<u>(\$469,561)</u>	<u>(\$812)</u>	<u>\$ 34,501,862</u>

See notes to consolidated financial statements

REGIONAL DISTRICT OF NANAIMO
SCHEDULE OF DEVELOPMENT COST CHARGES AND PARKLAND ACQUISITION FUNDS
AS AT DECEMBER 31, 2012

	Northern Wastewater DCCs (1)	Southern Wastewater DCCs (2)	Bulk Water DCCs (3)	Duke Point Sewer DCCs (4)	Parkland Acquisition FUNDS (5)	Total 2012	Total 2011
ASSETS:							
Due from Revenue Fund	\$ 4,174,429	\$ 6,242,952	\$ 936,820	\$ 294,528	\$ 1,565,009	\$ 13,213,738	\$ 18,193,971
Developer Installments Receivable	139,747	176,707	-	-	-	316,454	274,453
DEFERRED REVENUE BALANCE (Note 10)	4,314,176	6,419,659	936,820	294,528	1,565,009	13,530,192	18,468,424
ACTIVITY:							
Balance, Beginning of the year	3,855,233	12,070,467	798,457	234,378	1,509,889	18,468,424	18,860,240
Add:							
Contribution by developers & others	915,785	985,026	181,056	54,717	22,000	2,158,584	1,908,603
Interest earned	86,908	203,652	19,253	5,433	33,120	348,366	444,064
Less:							
Transfer DCCs to Revenue Fund	(543,750)	(6,839,486)	(61,946)	-	-	(7,445,182)	(2,744,483)
BALANCE, End of the year	\$ 4,314,176	\$ 6,419,659	\$ 936,820	\$ 294,528	\$ 1,565,009	\$ 13,530,192	\$ 18,468,424

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

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

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

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

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

See notes to consolidated financial statements

REGIONAL DISTRICT OF NANAIMO
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
GAS TAX REVENUE TRANSFER PROGRAMS
DECEMBER 31, 2012
(UNAUDITED)

	COMMUNITY WORKS PROGRAM²	OTHER GAS TAX PROGRAMS⁴	TOTAL 2012	TOTAL 2011
Opening balance of unspent (spent) funds	\$ 3,499,633	\$ (295,921)	\$ 3,203,712	\$ 462,890
Add:				
Amount received during the year	1,038,524	-	1,038,524	4,201,374
Interest earned	76,496	-	76,496	78,842
Less:				
Amount spent on projects (Notes 2 to 4)	(423,997)	(562,692)	(986,689)	(1,524,879)
Amount spent on administration	(86,104)	-	(86,104)	(14,515)
Closing balance of unspent (spent) funds	<u>\$ 4,104,552</u>	<u>\$ (858,613)</u>	<u>\$ 3,245,939</u>	<u>\$ 3,203,712</u>
	(see note 10)	(see note 3)		

Notes to Schedule:

1. Gas Tax Revenue Transfer Programs

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

2. Community Works Program 2012 Activity

The Regional District applied \$148,295 towards green building and regional sustainability programs as well as \$105,910 towards an Area A village plan and Rural Village study. In addition, \$59,850 was applied towards construction of a water treatment plant, \$70,585 was used to construct a bioengineered bank for the Miller Road Community Park and \$27,750 was spent in upgrades to the Cedar Heritage Centre.

3. Public Transit Program

Over the 2011/2012 fiscal years the Regional District received \$2,355,871 under the Public Transit Program. Funds were used for bus shelter and exchange upgrades, custom transit software, biodiesel vehicles, 2 Nova buses and the purchase and install of electronic fareboxes.

4. Other Gas Tax Programs 2012 Activity

Under this portion of the program, expenditures are reimbursed on a claims made basis. Projects completed under these programs in prior years were Solid Waste Transfer Station Upgrade, Southern Community Wastewater Treatment Plant - Gravity Thickener and the Northern Community Wastewater Treatment Plant - Solids Contact Tank Expansion. At December 31, 2012, construction of a cogeneration facility at the Greater Nanaimo Wastewater treatment plant and the Aquifer Storage Reservoir project, in conjunction with the Englishman River Service Joint Venture, was in progress in 2012.

<u>Project</u>	<u>Year Approved</u>	<u>Total Project value</u>	<u>Approved Grant</u>	<u>Grant Amount Expended to date</u>	<u>Amount Received to date</u>
Innovations Fund					
a. Southern Community Wastewater Treatment Plant - Cogeneration	2006	2,950,000	2,300,000	2,300,000	1,925,188
b. Englishman River Joint Venture - Aquifer Storage Reservoir Project	2012	7,525,853	1,334,230	483,801	-
Total Other Gas Tax Program Activity		<u>\$ 10,475,853</u>	<u>\$ 3,634,230</u>	<u>\$ 2,783,801</u>	<u>\$ 1,925,188</u>

See notes to consolidated financial statements

**REGIONAL DISTRICT OF NANAIMO
GENERAL REVENUE FUND
SCHEDULE OF REVENUE AND EXPENDITURES
as at December 31, 2012
(UNAUDITED)**

	Corporate Services (Schedule A)	Strategic & Community Development (Schedule B)	Regional & Community Utilities (Schedule C)	Recreation & Parks & Services (Schedule D)	Transportation & Solid Waste Services (Schedule E)	Actual 2012	Budget 2012	Actual 2011
REVENUES								
Tax requisition	\$ 6,418,111	\$ 2,343,783	\$ 12,533,976	\$ 9,110,358	\$ 7,816,815	\$ 38,223,043	\$ 38,218,133	\$ 36,009,344
Grants	50,000	960,230	390,135	177,631	5,349,952	6,927,948	7,909,086	7,040,436
Grants in Lieu	72,132	8,000	82,110	10,597	86,707	259,546	161,180	226,696
Interest	344,574	-	-	-	-	344,574	150,000	285,199
Permit fees & other	-	283,650	-	321,499	1,123,006	1,728,155	3,166,225	8,785,897
Operating revenues	-	1,288,321	1,642,691	1,444,361	7,951,661	12,327,034	12,486,687	12,048,599
Disposal fees	-	-	-	-	7,824,951	7,824,951	8,312,610	7,678,386
Other	10,507,066	-	9,481,663	-	-	19,988,729	30,428,151	22,039,465
	17,391,883	4,883,984	24,130,575	11,064,446	30,153,092	87,623,980	100,832,072	94,114,022
EXPENDITURES								
General administration	1,009,292	764,572	936,641	722,186	3,903,248	7,335,939	7,894,386	7,084,233
Professional fees	267,245	572,077	571,362	93,624	425,352	1,929,660	3,311,576	1,549,412
Community grants	39,819	19,950	-	78,421	-	138,190	188,688	132,778
Legislative	321,351	-	-	-	-	321,351	318,495	333,568
Program costs	-	99,899	-	129,632	-	229,531	245,870	134,189
Equipment operating	79,827	2,559	-	74,099	3,374	159,859	215,046	167,955
Building operating	254,759	68,578	266,479	834,808	470,493	1,895,117	2,015,408	1,668,486
Vehicle operating	160,676	40,706	855,507	86,549	4,489,406	5,632,844	6,224,875	5,793,216
Other operating	335,045	157,327	3,522,073	323,576	6,164,051	10,502,072	11,755,705	9,837,088
Wages & benefits	3,227,083	2,121,088	3,279,701	3,920,840	12,191,035	24,739,747	25,800,571	23,933,486
Capital expenditures	2,624,518	212,902	10,965,267	444,938	1,963,999	16,211,624	29,588,737	16,791,155
	8,319,615	4,059,658	20,397,030	6,708,673	29,610,958	69,095,934	87,559,357	67,425,566
OPERATING SURPLUS	9,072,268	824,326	3,733,545	4,355,773	542,134	18,528,046	13,272,715	26,688,456
Debt retirement								
- interest	2,495,394	-	388,694	680,202	-	3,564,290	3,843,182	3,852,061
- principal	1,898,450	-	346,027	1,461,942	-	3,706,419	4,287,712	3,498,187
Contingency	-	-	-	-	-	-	311,665	-
Reserve contributions	582,977	136,274	4,553,252	611,464	1,216,332	7,100,299	5,416,036	7,151,109
Transfers to other govts	3,795,176	432,428	2,224	1,533,279	-	5,763,107	6,008,507	13,168,222
	8,771,997	568,702	5,290,197	4,286,887	1,216,332	20,134,115	19,867,102	27,669,579
CURRENT YEAR SURPLUS (DEFICIT)	300,271	255,624	(1,556,652)	68,886	(674,198)	(1,606,069)	(6,594,387)	(981,123)
Prior year's surplus applied	1,083,019	1,100,486	4,531,945	1,271,157	2,884,394	10,871,001	10,860,007	11,852,124
NET OPERATING SURPLUS	\$ 1,383,290	\$ 1,356,110	\$ 2,975,293	\$ 1,340,043	\$ 2,210,196	\$ 9,264,932	\$ 4,265,620	\$ 10,871,001

See notes to consolidated financial statements

Independent Auditors' Report

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

We have audited the accompanying consolidated financial statements of the Regional District of Nanaimo, which comprise the consolidated statement of financial position as at December 31, 2012 and the consolidated statements of operations and accumulated surplus, change in net financial assets and cash flows and related schedules for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Regional District of Nanaimo as at December 31, 2012 and the results of its operations, change in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Other Matter


We do not express an opinion on the Gas Tax Revenue Transfer Programs schedule on page 31 or the General Revenue Fund schedules on pages 32 to 46 because our examination did not extend to the detailed information therein.

Nanaimo, British Columbia

May 14, 2013

MNP LLP
Chartered Accountants



RDN REPORT	
CAO APPROVAL 	
EAP	<input checked="" type="checkbox"/>
COW	<input checked="" type="checkbox"/>
MAY 06 2013	
RHD	
BOARD	

MEMORANDUM

TO: Wendy Idema
Director of Finance

DATE: May 14, 2013

FROM: Manvir Manhas
Senior Accountant

FILE:

SUBJECT: Operating Results for the Period Ending March 31, 2013

PURPOSE:

To present a summary of the operating results for the period ending March 31, 2013.

BACKGROUND:

The Regional Board reviews quarterly financial progress statements in order to identify both positive and negative budget trends as they occur. This report provides information on the operating results for the period January 1st to March 31st, 2013.

The year-to-date statements are prepared primarily on a cash paid/received or invoiced basis. Exceptions are property taxes and debt payments, which are recorded or accrued at 1/12 of the annual amount each month and the prior year surpluses (deficits), which are recorded in full at the beginning of the year.

Assuming an even distribution of revenues and expenses throughout the year, the current financial performance benchmark would be approximately 25% versus budget. Where significant variances have been observed staff have provided comments in the individual sections below.

Attached as appendices to this report are the following:

- Appendix 1 Overall Summary by Division
- Appendix 2 Summary of Total Revenues/Total Expenditures by Department

Overall Summary by Division (Appendix 1)

This appendix provides an overview of the year to date results at an organizational level.

Revenues

Total Revenues are at 26% of budget with property tax revenues at the expected 25%. Grant Revenues are at 14%, and Other Revenues at 11% (includes transfers from reserves for capital projects) mainly due to timing of large projects which don't begin until budgets are finalized in March. Capital projects use a drawdown accounting approach where revenues are recorded as project expenses are incurred.

Operating revenues are at 20% of the budget as they do not yet reflect the first utility services billings which occur at the end of May.

Expenditures

Overall expenditures are at 16% of budget. Expenditure items noticeably under budget include Community Grants (2%), Professional Fees (7%), and Capital Expenditures (8%). Professional fees and capital expenditures are directly related to the timing of payments for projects and the bulk of community grant funds will be allocated during the summer and fall. Wages & Benefits are at the expected 25%. Further details are provided under results by department below.

Expenditures for Debt Interest (5%) and Debt Principal (7%) are lower than budget at this time because of the timing of debt payments made on behalf of municipalities. Transfers to Reserve (0%) are completed and recorded in August every year.

Summary of Operating Results by Department (Appendix 2)

This appendix lists the total year to date revenues and expenditures for functions within each organizational division. This listing illustrates at a glance the overall status of an individual service as at March 31 compared to the overall budget for that service.

Corporate Services

The Corporate Services division of Appendix 2 shows year to date total revenues at 24% and expenditures at 15% which is largely related to the Fire Protection and Municipal Debt Transfer service areas.

Under Fire Services, the French Creek (36% revenue/0% expenditures), Parksville Local (54% revenue/0% expenditures), and Wellington (35% revenue/1% expenditures) fire service areas have service contracts with Parksville and Qualicum where the contract payments will be transferred to their Fire Departments in August after the tax revenues are received from the province.

As noted above, Municipal Debt Transfers will catch up to the budget during the year when the payments are made.

Development Services

The Development Services division of Appendix 2 shows year to date total revenues at 43% and expenditures at 20%. The service areas showing variances in revenue and expenditures are as follows:

- VIHA Homeless Grants (100% revenue/0% expenditures) is because additional grants will be issued at a later date as new initiatives are funded.
- Economic Development South (25% revenue/0% expenditures) reflects that the transfer of the funds to the Nanaimo Economic Development Corporation will occur in August.
- Economic Development North (45% revenue/0% expenditures) shows variances in both revenue and expenses. The revenue includes prior year surplus which is recorded in full at the beginning of the year. On the expense side grant funds will be disbursed as applications are received and approved during the year.

- Community Works Funds (15% revenue/15% expenditures) reflects the drawdown approach to these grants where revenues are brought in as expenses are incurred. Community Works includes projects under the Recreation and Parks Services area such as the Cedar Heritage Centre upgrades carried over from 2012 and Greenways Strategy Study for the Electoral Areas.

Regional and Community Utilities

The Regional and Community Utilities division of Appendix 2a shows year to date total revenues at 26% and expenditures at 13%. The service areas with variances at March 31 are as follows:

- Wastewater Management Plan (64% revenues/17% expenditures) reflects unspent program costs pending approval of the liquid waste management plan by the Ministry.
- Southern Community Wastewater (22% revenue/13% expenditures) and Northern Community Wastewater (30% revenue/13% expenditures) are both a result of the timing of capital projects where revenues will be accrued as the expenses are incurred.
- Under the Water Supply service areas lower than anticipated expenditures are shown in San Pareil Fire Improvements (4% revenue/5% expenditures), Whiskey Creek (22% revenue/9% expenditures), Nanoose Bay Bulk (33% revenue/6% expenditures), French Creek Bulk (29% revenue/2% expenditures). These also reflect the timing of capital projects.
- The Nanoose and French Creek Bulk Water budgets include transfers to the Englishman River Joint Venture capital work for \$428,000 funded by DCC's and reserves which have not been completed.

Recreation and Parks Services

The Recreation and Parks division of Appendix 2b shows year to date total revenues at 30% and expenditures at 13%. The service areas with variances at March 31 are as follows:

- Regional Parks (32% revenue/10% expenditures) and all of the Community Parks Service areas have capital projects where the timing is impacting revenues and expenditures as well. This is particularly noticeable in Area A (8% revenue/5% expenditures), Area F (30% revenue/11% expenditures) and Area H (31% revenue/11% expenditures) which have capital projects underway funded by both grants and reserve transfers such as Henry Morgan Park, Meadowood Way Park, and the Cedar Skatepark.
- Gabriola Island Recreation is at 42% for expenditures because of the timing impact on expenditures where the transfers of funds to the Gabriola Recreation Society is done in two installments (January 1st & June 1st) during the year.
- Southern Community Recreation is at 0% for expenditures because the transfers of funds to the City of Nanaimo for these services will be completed in August.

Transportation and Solid Waste Services

The Transportation and Solid Waste division of Appendix 2b shows year to date total revenues at 23% and expenditures at 19%. The service areas with variances at March 31 are as follows:

- Solid Waste Disposal (23% revenue/13% expenditures) reflects lower than anticipated expenditures mainly under capital expenditures due to timing of large projects which are planned for the summer and fall.

- Solid Waste Collection and Recycling is at 11% of its revenue budget vs. 19% of expenses because the annual utility billing is largely completed in May each year.

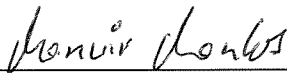
SUMMARY:

The attached appendices reflect the operating activities of the Regional District recorded up to March 31, 2013. Appendix 1 summarizes the overall results across the organization. To date 26% of budgeted revenues and 16% of budgeted expenditures have been recorded. Grants (14%) and other revenues (11%) are below the benchmark for seasonal and other timing reasons noted above.

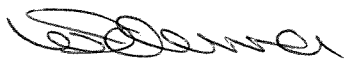
Expenditures across all services are lower overall (16%) due to the summer time commencement for many capital projects (8%) which also impacts professional fees (7%). Across all services, wages and benefits are in line with expectations at 25% of the budget.

RECOMMENDATION:

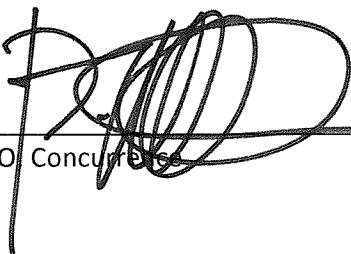
That the summary report of financial results from operations to March 31, 2013 be received for information.



Report Writer



Director of Finance Concurrence



C.A.O. Concurrence



GENERAL REVENUE FUND
March 31, 2013

	CORPORATE SERVICES			DEVELOPMENT SERVICES			REGIONAL & COMMUNITY UTILITIES			RECREATION & PARKS SERVICES			TRANSPORTATION AND SOLID WASTE SERVICES			TOTAL REVENUE FUND		
	Actual 2013	Budget 2013	% Var	Actual 2013	Budget 2013	% Var	Actual 2013	Budget 2013	% Var	Actual 2013	Budget 2013	% Var	Actual 2013	Budget 2013	% Var	Actual 2013	Budget 2013	% Var
REVENUES																		
TAX REQUISITION	\$1,791,610	\$7,166,442	25%	\$610,269	\$2,441,076	25%	\$3,172,453	\$12,689,801	25%	\$2,366,959	\$9,467,830	25%	\$2,083,846	\$8,335,384	25%	\$10,025,137	\$40,100,533	25%
GRANTS	90,506	143,590	63%	(4,212)	274,050	-2%	31,782	193,515	16%	6,159	725,927	1%	892,963	5,889,105	15%	1,017,198	7,226,187	14%
OPERATING REVENUE	34,364	183,550	19%	332,207	1,125,731	30%	101,046	1,642,530	6%	458,129	1,475,856	31%	3,226,684	16,735,656	19%	4,152,430	21,163,323	20%
OTHER REVENUE	1,088,200	9,514,083	11%	70,481	258,457	27%	1,381,126	11,491,215	12%	9,310	905,617	1%	272,880	4,220,912	6%	2,821,997	26,390,284	11%
PRIOR YEAR'S SURPLUS (DEFICIT)	1,383,288	1,383,289	100%	1,356,102	1,356,101	100%	2,975,303	2,975,447	100%	1,340,037	1,340,037	100%	2,210,196	2,210,196	100%	9,264,926	9,265,070	100%
TOTAL REVENUES	4,387,968	18,390,954	24%	2,364,848	5,455,415	43%	7,661,710	28,992,508	26%	4,180,594	13,915,267	30%	8,686,569	37,391,253	23%	27,281,689	104,145,397	26%
EXPENSES																		
OFFICE OPERATING	390,831	1,272,835	31%	206,916	907,997	23%	217,129	1,123,104	19%	153,368	793,544	19%	929,099	4,119,531	23%	1,897,343	8,217,011	23%
COMMUNITY GRANTS	0	517,916		0	39,857		0	0		13,846	103,200	13%	0	0		13,846	660,973	2%
LEGISLATIVE	81,468	337,085	24%	0	0		0	0		0	0		0	0		81,468	337,085	24%
PROFESSIONAL FEES	14,602	345,989	4%	58,165	498,770	12%	22,223	753,098	3%	6,348	263,010	2%	61,701	612,110	10%	163,039	2,472,977	7%
BUILDING - OPER & MAINT	75,949	251,704	30%	17,079	75,763	23%	54,704	300,862	18%	145,118	953,721	15%	113,467	491,737	23%	406,317	2,073,787	20%
VEH & EQUIP - OPER & MAINT	81,045	304,357	27%	23,022	43,755	53%	117,721	872,618	13%	32,777	190,886	17%	944,247	5,815,150	16%	1,198,812	7,226,766	17%
OTHER OPERATING COSTS	2,468	329,000	1%	41,818	178,900	23%	780,038	4,336,116	18%	63,382	468,296	14%	1,073,616	6,778,335	16%	1,961,322	12,090,647	16%
WAGES & BENEFITS	907,991	3,534,320	26%	566,854	2,409,419	24%	896,915	4,175,807	21%	1,078,497	4,206,346	26%	3,543,529	13,484,697	26%	6,993,786	27,810,589	25%
PROGRAM COSTS	0	0		16,714	50,000	33%	0	0		18,317	143,555	13%	0	0		35,031	193,555	18%
CAPITAL EXPENDITURES	50,282	1,466,500	3%	14,192	72,890	19%	1,480,566	11,723,984	13%	12,776	1,740,317	1%	77,632	4,365,880	2%	1,635,448	19,369,571	8%
DEBT FINANCING - INTEREST	83,500	2,608,080	3%	0	0		18,573	417,077	4%	68,697	730,119	9%	0	0		170,770	3,755,276	5%
DEBT FINANCING - PRINCIPAL	91,860	2,004,385	5%	0	0		86,507	346,035	25%	103,489	1,483,075	7%	0	0		281,856	3,833,495	7%
CONTINGENCY	0	0		0	0		0	0		0	35,000		0	278,725		0	313,725	
TRSF TO RESERVE FUND	(704)	669,814	0%	5,143	112,490	5%	0	3,481,782		0	763,502		0	329,345		4,439	5,356,933	0%
TRSF TO OTHER GOVT/AGENCIES	949,965	3,990,401	24%	8,000	365,300	2%	839	6,000	14%	111,204	1,542,524	7%	0	0		1,070,008	5,904,225	18%
TOTAL EXPENDITURES	2,729,257	17,632,386	15%	957,902	4,755,141	20%	3,675,215	27,536,483	13%	1,807,819	13,417,095	13%	6,743,291	36,275,510	19%	15,913,484	99,616,615	16%
OPERATING SURPLUS (DEFICIT)	\$1,658,711	\$758,568		\$1,406,947	\$700,274		\$3,986,495	\$1,456,025		\$2,372,775	\$498,172		\$1,943,278	\$1,115,743		\$11,368,206	\$4,528,782	

**REGIONAL DISTRICT OF NANAIMO
SUMMARY OF OPERATING RESULTS
March 31, 2013**

APPENDIX 2

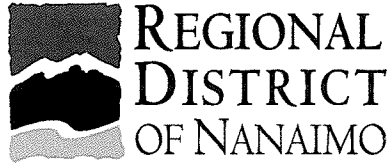
	Revenues			Expenditures			Surplus	
	2013 Actual	2013 Budget	Variance	2013 Actual	2013 Budget	Variance	2013 Actual	2013 Budget
<u>CORPORATE SERVICES</u>								
General Administration	\$2,138,775	\$6,487,302	33%	\$1,290,131	\$6,064,694	21%	\$848,644	\$422,608
Electoral Areas Administration	263,055	710,299	37%	137,027	605,478	23%	126,028	104,821
Public Safety								
D68 E911	33,955	119,496	28%	21,406	117,530	18%	12,549	1,966
D69 E911	183,502	592,912	31%	31	543,880	0%	183,471	49,032
Community Justice	23,561	87,580	27%	0	87,580		23,561	0
Fire Protection - Volunteer								
Coombs-Hilliars	88,441	733,012	12%	125,487	733,012	17%	(37,046)	0
Errington	78,188	312,351	25%	101,831	312,351	33%	(23,643)	0
Nanoose	404,875	821,063	49%	70,508	775,325	9%	334,367	45,738
Dashwood	111,151	584,630	19%	177,498	584,630	30%	(66,347)	0
Meadowood	45,056	139,363	32%	16,474	139,360	12%	28,582	3
Extension	87,450	194,794	45%	14,097	194,794	7%	73,353	0
Nanaimo River	4,451	17,797	25%	220	17,795	1%	4,231	2
Bow Horn Bay	71,938	731,464	10%	115,729	731,464	16%	(43,791)	0
Fire Protection - Service Contracts								
French Creek (Area G)	173,234	479,998	36%	158	428,950	0%	173,076	51,048
Parksville Local (Area G)	86,933	162,004	54%	125	89,733	0%	86,808	72,271
Cassidy/Waterloo (Area A & C)	74,555	218,402	34%	66,120	218,401	30%	8,435	1
Wellington (Area C)	25,043	70,943	35%	457	59,865	1%	24,586	11,078
Regional Library	378,436	2,145,614	18%	481,484	2,145,614	22%	(103,048)	0
Municipal Debt Transfers	109,994	3,760,430	3%	109,994	3,760,430	3%	0	0
House Numbering	5,375	21,500	25%	375	21,500	2%	5,000	0
	\$4,387,968	\$18,390,954	24%	\$2,729,257	\$17,632,386	15%	\$1,658,711	\$758,568
<u>DEVELOPMENT SERVICES</u>								
EA Community Planning	\$846,594	\$1,922,035	44%	\$355,035	\$1,647,839	22%	\$491,559	\$274,196
VIHA Homeless Grants	\$188,000	\$188,000	100%	\$0	\$188,000		\$188,000	
Economic Development South	\$34,250	\$137,000	25%	\$0	\$137,000		\$34,250	
Economic Development North	\$24,901	\$54,857	45%	\$0	\$54,857		\$24,901	
Community Works Fund - Dev Svcs	35,594	240,025	15%	35,446	240,025	15%	\$148	0
Regional Growth Management	372,970	675,478	55%	95,733	521,620	18%	277,237	153,858
Emergency Planning	64,054	344,191	19%	57,576	320,386	18%	6,478	23,805
Search & Rescue	10,736	41,484	26%	6,000	41,300	15%	4,736	184
Building Inspection	635,888	1,325,830	48%	284,354	1,099,612	26%	351,534	226,218
Bylaw Enforcement								
Animal Control F	21,184	29,437	72%	11,688	19,810	59%	9,496	9,627
Animal Control A, B, C & Lantzville	22,170	69,862	32%	16,165	68,255	24%	6,005	1,607
Animal Control E, G & H	24,430	90,720	27%	21,730	88,860	24%	2,700	1,860
Nuisance Premises	8,400	38,339	22%	1,830	33,055	6%	6,570	5,284
Hazardous Properties	3,038	18,438	16%	1,774	17,420	10%	1,264	1,018
Noise Control								
Electoral Area A	4,469	8,759	51%	1,805	6,920	26%	2,664	1,839
Electoral Area B	1,457	7,901	18%	1,785	7,865	23%	(328)	36
Electoral Area C	1,682	7,037	24%	1,772	6,865	26%	(90)	172
Electoral Area E	1,225	6,903	18%	1,772	6,865	26%	(547)	38
Electoral Area G	2,139	8,447	25%	1,772	7,915	22%	367	532
General Enforcement	61,666	240,672	26%	61,668	240,672	26%	(2)	0
	\$2,364,847	\$5,455,415	43%	\$957,905	\$4,755,141	20%	\$1,406,942	\$700,274

REGIONAL DISTRICT OF NANAIMO
SUMMARY OF OPERATING RESULTS
March 31, 2013

	Revenues			Expenditures			Surplus	
	2013 Actual	2013 Budget	Variance	2013 Actual	2013 Budget	Variance	2013 Actual	2013 Budget
REGIONAL & COMMUNITY UTILITIES								
Regional & Community Utilities Administration	\$34,174	\$352,242	10%	\$34,183	\$352,241	10%	(\$9)	\$1
Community Works Fund - Eng Serv	0	0		0	0		0	0
Wastewater Management								
Wastewater Management Plan	239,581	374,318	64%	37,435	223,978	17%	202,146	150,340
Southern Community Wastewater	3,139,045	14,085,208	22%	1,800,678	13,887,778	13%	1,338,367	197,430
Northern Community Wastewater	1,643,012	5,544,779	30%	674,268	5,277,206	13%	968,744	267,573
Duke Point Wastewater	159,237	320,961	50%	39,660	240,695	16%	119,577	80,266
Water Supply								
San Pareil fire	29,444	707,200	4%	32,713	707,200	5%	(3,269)	0
Whiskey Creek	40,508	187,907	22%	14,774	169,696	9%	25,734	18,211
French Creek	49,984	167,338	30%	23,203	144,546	16%	26,781	22,792
Surfside	22,728	44,252	51%	7,733	31,353	25%	14,995	12,899
Decourcey	7,951	14,661	54%	939	9,929	9%	7,012	4,732
San Pareil	37,960	189,968	20%	41,104	179,807	23%	(3,144)	10,161
Dritwood	1,972	7,860	25%	791	7,850	10%	1,181	10
Englishman River	75,581	161,303	47%	14,286	105,630	14%	61,295	55,673
Melrose Terrace	9,433	28,788	33%	4,216	26,327	16%	5,217	2,461
Nanoose Bay Peninsula	537,739	1,967,194	27%	303,668	1,820,154	17%	234,071	147,040
Drinking Water/Watershed Protection	350,429	838,079	42%	197,697	746,715	26%	152,732	91,364
Nanoose Bay Bulk	352,084	1,082,589	33%	61,130	954,590	6%	290,954	127,999
French Creek Bulk	93,303	327,345	29%	6,714	309,417	2%	86,589	17,928
Sewer Collection								
French Creek	144,677	966,718	15%	194,113	960,169	20%	(49,436)	6,549
Nanoose (Fairwinds)	418,931	908,570	46%	90,977	774,812	12%	327,954	133,758
Pacific Shores	48,944	92,138	53%	12,667	76,097	17%	36,277	16,041
Surfside	8,063	77,070	10%	3,268	76,606	4%	4,795	464
Cedar	64,733	179,214	36%	20,614	158,734	13%	44,119	20,480
Englishman River Stormwater	12,371	15,915	78%	370	8,480	4%	12,001	7,435
Cedar Estates Stormwater	8,006	11,550	69%	306	10,500	3%	7,700	1,050
Barclay Crescent	68,156	215,820	32%	39,887	194,935	20%	28,269	20,885
Pump & Haul	300	2,400	13%	600	2,400	25%	(300)	0
Streetlighting	63,364	121,121	52%	12,495	78,640	16%	50,869	42,481
Engineering Services	0	0		4,722	0		(4,722)	0
	\$7,661,710	\$28,992,508	26%	\$3,675,211	\$27,536,485	13%	\$3,986,499	\$1,456,023

**REGIONAL DISTRICT OF NANAIMO
SUMMARY OF OPERATING RESULTS
March 31, 2013**

	Revenues			Expenditures			Surplus	
	2013 Actual	2013 Budget	Variance	2013 Actual	2013 Budget	Variance	2013 Actual	2013 Budget
<u>RECREATION & PARKS SERVICES</u>								
Regional Parks	\$886,414	\$2,780,345	32%	\$269,933	\$2,700,288	10%	\$616,481	\$80,057
Community Parks								
Electoral Area A	65,996	804,068	8%	37,152	787,572	5%	28,844	16,496
Electoral Area B	108,038	259,547	42%	34,969	216,119	16%	73,069	43,428
Electoral Area C	50,805	97,651	52%	10,119	81,208	12%	40,686	16,443
Electoral Area D	27,388	106,261	26%	16,390	98,406	17%	10,998	7,855
Electoral Area E	23,840	138,001	17%	20,999	118,532	18%	2,841	19,469
Electoral Area F	63,216	211,383	30%	20,715	189,726	11%	42,501	21,657
Electoral Area G	63,888	140,320	46%	23,014	118,437	19%	40,874	21,883
Electoral Area H	102,952	330,079	31%	33,574	310,134	11%	69,378	19,945
Area A Recreation & Culture	76,106	190,695	40%	9,454	163,527	6%	66,652	27,168
Northern Community Recreation	451,374	1,534,987	29%	278,137	1,524,852	18%	173,237	10,135
Oceanside Place Arena	793,065	2,674,843	30%	479,879	2,563,266	19%	313,186	111,577
Ravensong Aquatic Centre	1,164,281	3,450,413	34%	534,102	3,349,301	16%	630,179	101,112
Gabriola Island Recreation	23,857	93,630	25%	39,269	92,803	42%	(15,412)	827
Southern Community Recreation	259,062	1,023,024	25%	113	1,023,024	0%	258,949	0
Hotel Room Tax	0	0		0	0		0	0
Port Theater Contribution	20,312	80,020	25%	0	79,900		20,312	120
	\$4,180,594	\$13,915,267	30%	\$1,807,819	\$13,417,095	13%	\$2,372,775	\$498,172
<u>TRANSPORTATION AND SOLID WASTE SERVICES</u>								
Gabriola Island Emergency Wharf	\$6,695	\$10,959	61%	\$38	\$6,150	1%	\$6,657	\$4,809
Southern Community Transit	4,717,014	18,756,557	25%	4,004,934	18,362,720	22%	712,080	393,837
Northern Community Transit	587,768	1,827,266	32%	365,650	1,581,770	23%	222,118	245,496
Solid Waste Disposal	2,928,466	12,769,296	23%	1,639,373	12,363,525	13%	1,289,093	405,771
Solid Waste Collection & Recycling	446,626	4,027,175	11%	733,296	3,961,344	19%	(286,670)	65,831
	\$8,686,569	\$37,391,253	23%	\$6,743,291	\$36,275,509	19%	\$1,943,278	\$1,115,744
TOTAL ALL SERVICES	\$27,281,688	\$104,145,397	26%	\$15,913,483	\$99,616,616	16%	\$11,368,205	\$4,528,781



RDN REPORT		TH
CAO APPROVAL		
EAP		
COW	✓	
MAY 03 2013		
RHD		
BOARD		

MEMORANDUM

TO: Paul Thorkelsson
Chief Administrative Officer

DATE: May 14, 2013

FROM: Wendy Idema
Director of Finance

FILE:

SUBJECT: Recommendations for 2013 Applications to the Regionally Significant Projects Program (Gas Tax Revenue Transfer Program)

PURPOSE:

To obtain Board endorsement of projects to be submitted for funding under the Regionally Significant Projects portion of the Strategic Priorities Funding area of the Gas Tax Revenue Transfer Program.

BACKGROUND:

Under the agreement to transfer gas tax revenues, a portion of the available funding in the Strategic Priorities Fund (SPF) is reserved for each of the Tier 2 regions for Regionally Significant Projects (RSPs). The criteria for RSPs is slightly different from the pooled application based SPF funds in that they do not need to benefit the entire region, nor do they necessarily need to be inter-jurisdictional. However in order to be eligible for RSP funding, a project must meet the following criteria:

- Qualify as an eligible project under the Gas Tax Agreement (e.g., fall within one of the eligible project categories);
- Lead towards reduced greenhouse gas emissions, cleaner air or cleaner water;
- Be larger in scale or regional in impact;
- Be identified by a Tier 2 region as an RSP;
- Meet certain objective-based standards; and
- Be approved by the Gas Tax Agreement’s Management Committee.

At this time the Union of BC Municipalities (UBCM) has advised that the Regional District of Nanaimo has \$7,451,489 available under this program and have asked us to provide a list of possible projects approved by the Board to apply this funding to.

The funding announcement letter and project information/criteria documents from UBCM are included with this report for information (Attachment 1). Originally the projects were to be submitted in 2012, however as there were delays in awarding funding to projects under the pooled funding application based programs, UBCM extended the deadline for submitting RSP projects until districts were aware of which other projects had approved funding.

The Chief Administrative Officer of the RDN has discussed possible projects with the CAO's of member municipalities and with UBCM Gas Tax Program staff to review eligibility and the list of projects submitted below for Board review have been agreed to by the CAO working group. In past years, the focus for RSP funding has been towards large regional service area infrastructure. The approach proposed with the list of projects outlined in this report is less singularly focused on large infrastructure and more strategically aimed towards a broader scope of projects that, while still allocating funding for large infrastructure, also focuses on the implementation of regional policies and priorities relating to the regional solid waste, transit, trail systems and support for rural village centre development.

ALTERNATIVES:

1. Support the projects as recommended.
2. Recommend alternative projects.

FINANCIAL IMPLICATIONS:

Alternative 1

The following list provides a brief outline of each project and its merits under the Gas Tax Program criteria.

Regional Trails System

E&N Regional Trail – \$ 2.6 Million.

In 2009, the E&N Rail- Trail Feasibility Study was completed and presented to the Board for approval. The Feasibility Study addressed the portions of the corridor that pass through Electoral Areas A, E, F, G, and H and the municipalities of Lantzville, Parksville and Qualicum Beach – a total length of about 98.6 km with a rough estimate of cost at that time provided at \$28.2 million. The Alberni Highway to French Creek (Victoria Line) and Church Road to Coombs (Alberni Line) portions of the trail would be the first part of the implementation plan and has an estimated cost of \$2.6 million with \$100,000 allocated initially to produce detailed design work and information for proceeding to tender. Aerial images indicating the general route of the trail projects (Attachment 2) is included with this report for the Board member's reference.

The E&N Rail trail meets the Gas Tax Program criteria as it will provide a generally level and comfortable alternate transportation route suitable for use by a range of active transportation modes which will aid in reducing greenhouse gas emissions in the region while promoting community connection and personal activity. This project is a major step forward in linking rural and municipal communities in the region and is a direct action on goals and priorities established in existing local area plans, the Regional Growth Strategy, and the Board Strategic Plan. In addition, this multi-jurisdictional trail project is an example of the cooperation amongst jurisdictions within the federation that the RDN is noted for.

Regional Growth Strategy Implementation

Rural Village Centre Sewer Servicing Projects – \$350,000

This project relates to implementation of the Regional Growth Strategy in relation to development of rural village centres. The two proposed projects, while different in content and focus of study, are both working towards the provision of adequate sewer servicing to village centres. The recently completed Rural Village Centre (RVC) Study indicated that one of the major restraints from the successful development of complete communities in the existing village centres is the lack of, or limits to, sewer service. The RVC Study also indicated that the Cedar and Bowser Villages were amongst those centres with the greatest potential to develop as the complete community envisioned in the local area plans and the Regional Growth Strategy.

At this time there is the opportunity through RSP funds to build upon existing information and knowledge to further the development of these two key village centres. Two outcomes are to be expected, the first, a review and update of capacity at the Duke Point Pollution Control Centre (DPPCC) and an examination of options for the re-allocation of existing capacity to support the forthcoming village plan for the Cedar Main Street area. The second, aimed at building upon the work of the Bowser Village Plan, is to provide a detailed design and cost estimate for the provision of sewage treatment in the Bowser Village. This work will be implementing the design and costing for collection and treatment systems following up on earlier study work that identified treatment options for the area. Costs are estimated at \$350,000 for these projects.

As both projects implement existing Regional Growth Strategy Plan priorities, they meet the Gas Tax Program criteria and also represent significant steps forward in the support of village centre development in the region. Beyond meeting policy goals and priorities both projects are directly supportive of the broader environmental goals of the RDN and the Gas Tax program (reduced emissions, complete/compact community development, efficient use of resources, etc.) and, in addition, are an example of the cooperation amongst jurisdictions on established priorities.

Regional Solid Waste Management

Recycling Drop-off Centres – \$100,000

This project is to establish recycling drop-off centres on Gabriola Island in Electoral Area B (for Mudge Island residents) and in Electoral Area H. The RDN operates a very successful Zero Waste Program that has a strong fundamental reliance on commitment to recycling.

Areas in B and H have been identified as having challenges within the existing programs due to location and geography. These two projects are aimed at closing an existing gap in the current system and making the recycling program function more efficiently and effectively for all citizens of the region. The intent is not to replace existing residential pick-up programs where they are in operation, but to address difficulties residents of the areas have in getting materials not included in residential pickup to the geographically distant transfer and landfill locations. The provision of drop-off locations will reduce travel distance and other challenges faced by residents of the areas. Costs are estimated at \$100,000 for this work.

The Zero Waste Program and the RDN Solid Waste services, in general, are recognized as a significant contributor to the reduction of emissions in the RDN. The Board will recall that corporate carbon

neutral operations have been achieved for 2012 by the RDN and most of the member municipalities through the participation in the existing diversion programs. These two projects will directly contribute to the ongoing success of Zero Waste and meet the Gas Tax Program criteria by continuing to support emission reductions and cleaner air for our region.

Regional Transit System

Compressed Natural Gas Refueling Station – \$750,000

The purchase of compressed natural gas (CNG) buses and the related capital improvement work in partnership with BC Transit has been approved previously by the Board. As part of the introduction of the CNG bus fleet, a CNG refueling station is to be established at the RDN Transit facility. The cost of the refueling station (compressor, pipe work and ancillary equipment) is shared with BC Transit and has an estimated cost of up to \$2.0 million. The proposed RSP funding amount of \$750,000 represents the RDN's portion of costs for the capital infrastructure necessary to service the new CNG fleet.

The introduction of CNG buses to the RDN fleet represent a significant opportunity for the RDN to reduce the use of fossil fuels in the fleet and substantially reduces the emissions and particulates produced by the existing diesel powered buses. This project meets the criteria of the Gas Tax Program and will provide a key component of the requirements for the switch to the CNG fleet which will be directly responsible for reduced emissions and improved air quality in the region.

Regional Liquid Waste System

Southern Communities Wastewater Service, Departure Bay Outfall – \$2,000,000

This project represents replacement of the land section of the outfall at the Greater Nanaimo Pollution Control Centre (GNPCC) which has been identified as a new priority project for the Regional Liquid Waste Management Plan. Studies of the outfall have identified multiple areas of weakness and deterioration which have the potential, if left unaddressed, to result in effluent leaks with environmental impacts to both land and ocean.

The project is part of the five year capital plan in conjunction with replacement of the marine outfall section as well. The contribution from the RSP funding to this project would be \$2.0 million of the \$3.5 million estimate to replace the land section, with the remainder funded from DCC and general reserves. Total project cost to replace the entire outfall (land and marine) is estimated at \$18.0 million.

This project meets the Gas Tax program criteria and goes directly to the protection of the environment's water resources through ongoing improvements to the region's pollution control and disposal systems.

Northern Communities Wastewater Service, Stage 3C Upgrades – \$200,000

This project represents a set of upgrades to improve capacity and effluent quality at the French Creek Pollution Control Centre (FCPCC). The proposed RSP funding allocation to the works is \$200,000. Specific work relates to trickling filter upgrades, effluent pumping capacity and a 5th digester (ATAD) and is slated in the existing financial plan for completion over the next few years. The RSP contribution will benefit the tax contribution of local residents serviced by the facility and will permit additional flexibility to the Regional and Community Utilities Department in scheduling the work.

This project meets the criteria of the Gas Tax program and, similar to the proposed funding for the GNPCC outfall, is directly influential on the protection of the environment and water resources through ongoing improvements to the region's pollution control centres and disposal systems.

Regionally Significant Water Systems

Englishman River Water Service – Water Treatment Plant – \$400,000

This project is for the water treatment plant design which is a component of the future bulk water infrastructure joint venture between Parksville and the RDN. The total cost estimate for the engineering and construction of the first phase of the water treatment plant is \$16.2 million. The proposed RSP fund contribution is for \$400,000 towards the cost of detailed design.

This project meets the Gas Tax Program criteria. The proposed contribution directly supports the ongoing development of safe and secure clean water supplies for residents of the region.

City of Nanaimo, Water Treatment Plant – \$1,000,000

This RSP funding proposal is for a contribution to the City of Nanaimo's \$65 million water treatment plant project currently underway. The City of Nanaimo water system and the future water treatment plant provides clean secure drinking water to the largest population in the region including residents of the City of Nanaimo, IR#1 and IR#2 of the Snuneymuxw First Nation (SFN), and parts of the southwest Extension area. In addition, the City is currently working with these and other partners in the region on the boundary of the municipality to secure clean water supply to additional residents of the SFN (IR #4) and to the District of Lantzville.

This project meets the criteria of the Gas Tax program and the proposed contribution from the RSP program of \$1.0 million will help to ensure the ongoing provision of clean drinking water to a significant portion of the region's residents.

SUMMARY/CONCLUSIONS:

Under the agreement to transfer gas tax revenues, a portion of the available funding in the Strategic Priorities Fund (SPF) is reserved for each of the Tier 2 regions for Regionally Significant Projects (RSPs). At this time the Union of BC Municipalities has advised that the Regional District of Nanaimo has \$7,451,489 available under this program and have asked us to provide a list of possible projects approved by the Board to apply this funding to. Information regarding the RSP program is provided as Attachment 1 to this report.


The Chief Administrative Officer of the RDN has discussed possible projects with the CAO's of member municipalities and with UBCM Gas Tax Program staff to review eligibility, and the list of projects described above for Board review have been agreed to by the CAO working group.

The approach undertaken to select the list of proposed projects is less singularly focused on large infrastructure and more strategically aimed towards a broader scope of projects that, while still allocating funding for large infrastructure, also focuses on the implementation of regional policies and priorities relating to the regional solid waste, transit, trail systems, and support for rural village centre development. In undertaking this approach, staff have aimed at a broad distribution of funding dollars

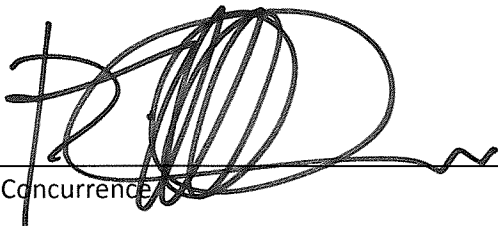
across a variety of priority projects as well as across the region, with the aim of continuing to support local and regional priorities and the on-going cooperation amongst jurisdictions that the RDN is noted for.

RECOMMENDATIONS:

1. That the Board supports the projects as outlined in the staff report for the allocation of the \$7,451,489 identified by UBCM for Regionally Significant Project funding.
2. That staff be directed to forward the list of projects to UBCM for funding under the Regionally Significant Project Funding Program.



Report Writer



CAO Concurrence

Gas Tax/Public Transit Management Services

...delivering the federal gas tax and public transit agreement funding in British Columbia

October 7, 2010

Dear Chair and Board:

RE: GAS TAX AGREEMENT REGIONALLY SIGNIFICANT PROJECTS FUND

We are pleased to advise that Gas Tax Agreement's Partnership Committee has approved a Strategic Priorities Fund program model. The Committee has again agreed to set aside, or reserve, a portion of the funding for Regionally Significant projects (RSPs) within Tier 2 regions.

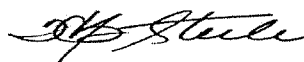
We invite the regional district, on behalf of itself and its member municipalities, to contact UBCM indicating your interest in entering a RSP Working Group with UBCM and the Province.

UBCM is interested in working with you throughout the development process. The RSP Working Group, consisting of staff from UBCM and the Province, will facilitate the discussion with staff from your region on the process for developing an RSP proposal that meets the Gas Tax outcomes of lower greenhouse gas emissions, cleaner air, or cleaner water, and which is large in scale and regional in impact.

RSPs are unique as they will not be competing for funding against applications from other regions, and funding will be provided for approved RSP projects up to the lesser of the eligible costs of the projects and the amount reserved for the region.

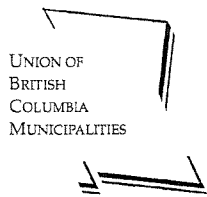
Further information about RSP proposals is set out in the enclosed Question and Answer document. If you would like further information about the RSP program, or would like to initiate discussions with the RSP Working Group, please contact Brant Felker, Gas Tax Program Officer by email at bfelker@ubcm.ca or by phone at 250 356-0893.

Yours truly,



Barbara Steele
UBCM President

pc: Chief Administrative Officer



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MUNICIPALITIES

Administration provided
By UBCM

Funding provided by:
Government of Canada



In partnership with:



Gas Tax/Public Transit
Management Services
Secretariat

Local Government House
525 Government
Victoria BC V8V 0A8

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

Website:

www.ubcm.ca
under
Funding Programs/
Current Programs/
Gas Tax Fund

Questions and Answers

Gas Tax Regionally Significant Projects – 2010

1. What are Regionally Significant Projects?

A portion of the available funding in the Strategic Priorities Fund (SPF) has been reserved for each of the Tier 2 regions for Regionally Significant Projects (RSPs). RSPs do not need to benefit the entire region, nor do they necessarily need to be inter-jurisdictional. In order to be eligible for RSP funding, a project must:

- Qualify as an Eligible Project under the Gas Tax Agreement (e.g., fall within one of the eligible project categories);
- Lead towards reduced greenhouse gas emissions, cleaner air or cleaner water;
- Be larger in scale or regional in impact;
- Be identified by a Tier 2 region as an RSP;
- Meet certain objective-based standards; and
- Be approved by the Gas Tax Agreement's Management Committee

2. How much funding has been reserved for RSPs?

The amounts reserved are equivalent to 50% of the funding in the SPF pool originating from the per-capita allocations for each of the Tier 2 regions. Reservations for each of the Tier 2 regions, including the regional district and its member municipalities, are:

Capital:	\$18,552,747
Central Okanagan:	\$8,722,420
Cowichan Valley:	\$4,134,974
Fraser Valley:	\$13,815,552
Nanaimo:	\$7,451,489
North Okanagan:	\$4,154,969
Okanagan Similkameen:	\$4,271,823
Squamish Lillooet:	\$1,893,362

3. What are the program changes to the RSP program?

There are two changes to the RSP program for the 2010 intake.

- a. Extended intake period to September 30, 2012.
- b. Application process is driven by a Region/UBCM/BC working group.

4. What are the objectives of the RSP working group?

The RSP working group will meet once the region is prepared to enter the process of applying for RSP funding. The working group first meeting is intended be a starting point for project development. UBCM and Province of British Columbia have agreed to employ this collaborative approach to work with regions to develop RSP projects that produce regional, larger in scale projects that produce strong outcomes.

5. Who decides what project are RSP?

Although UBCM and the Province of BC will be working with the region early on through the working group to discuss project eligibility and outcome considerations and process development, it is ultimately the Regional District who are asked to take a leadership role in development of the proposals. The Gas Tax Management Committee reviews and approves RSP proposals.

6. Why are RSPs only available to Tier 2 local governments?

The tier structure established under the Gas Tax Agreement recognizes the differing community characteristics throughout the province, particularly in the areas of population density, degree of urbanization, adjacency of communities to urbanized areas and the need for intra-regional infrastructure. This recognition is implemented in the Agreement through different allocations to Community Works Funds and SPF for the two tiers. 25% of Tier 1 per-capita allocations are pooled, whereas fifty percent of the Tier 2 per-capita allocations are pooled. This difference takes into consideration a potentially more acute need for Tier 2 local governments to work cooperatively in setting and implementing regional infrastructure priorities; RSPs provide a mechanism for facilitating this cooperation.

7. When is a RSP proposal needed, and what should it contain?

The RSP proposal should be submitted by September 30, 2012. Details of the proposal shall be discussed at the RSP working group, but should have a list of the projects, along with sufficient detail for each project for Management Committee to make a determination as to eligibility and appropriate standards.

8. Who determines eligibility?

In order to be eligible, a project must be included in one of the project categories under Schedule A of the Gas Tax Agreement and result in reduced greenhouse gas emissions, cleaner air or cleaner water. In addition, RSPs must be larger in scale or regional in impact, will be subject to objectives-based standards and funding must represent incremental spending for the recipient. The Management Committee will assess each proposed RSP project to ensure that it meets these requirements; regions will be asked to provide sufficient information for Management Committee to make this assessment.

9. Why do these projects need to meet objectives-based standards?

In a typical application-based program, funding can be directed towards projects that best meet objectives, allowing for maximization of program outcomes. However, since RSP funding is reserved, it is not necessarily directed towards projects that will achieve maximum outcomes. RSP standards are intended to ensure that each of the projects funded will meet a certain outcome threshold.

10. Who decides what the standards are?

The standards for RSP projects will become part of the Management Committee approval of individual RSP proposals. UBCM Staff will work with local government staff to develop recommended standards for each type of RSP project under consideration.

11. What happens after Management Committee approves a RSP proposal?

UBCM will enter into a funding agreement with eligible recipients identified in the RSP proposal. Usually, the eligible recipient will be the local government that will undertake the project, and, in the case of capital project categories, that will own the asset resulting from the project.

12. When will the funding be provided to the recipient?

Payments will be made available to recipients in accordance with the terms and conditions of the funding agreement. There are a number of factors that will affect the timing of payments, including: cash flow considerations; estimated costs vs. actual costs; or other requirements under the funding agreement.



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MUNICIPALITIES

Administration provided
By UBCM

Funding provided by:
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In partnership with:



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Website:

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under
Funding Programs/
Current Programs/
Gas Tax Fund

Gas Tax/Public Transit Management Services

...delivering the federal gas tax and public transit agreement funding in British Columbia

October 7, 2010

Dear Mayor and Council:

**RE: GAS TAX AGREEMENT REGIONALLY SIGNIFICANT PROJECTS
FUND**

We are pleased to advise that Gas Tax Agreement's Partnership Committee has approved a Strategic Priorities Fund program model. The Committee has again agreed to set aside, or reserve, a portion of the funding for regionally significant projects (RSPs) within Tier 2 regions.

Enclosed is a copy of a letter sent to your regional district announcing the reservation and inviting it to take a leadership role in developing RSP proposals for the region. The reservation represents an opportunity for the region to work collaboratively in setting and implementing regional infrastructure priorities and I encourage you to fully engage in this process.

RSPs are unique as they will not be competing for funding against applications from other regions, and funding will be provided for approved RSP projects up to the lesser of the eligible costs of the projects and the amount reserved for the region.

Further information about the RSP program can be found on our website at www.ubcm.ca. If you would have any questions, please contact Brant Felker, Gas Tax Program Officer by email at bfelker@ubcm.ca or by phone at 250 356-0893.

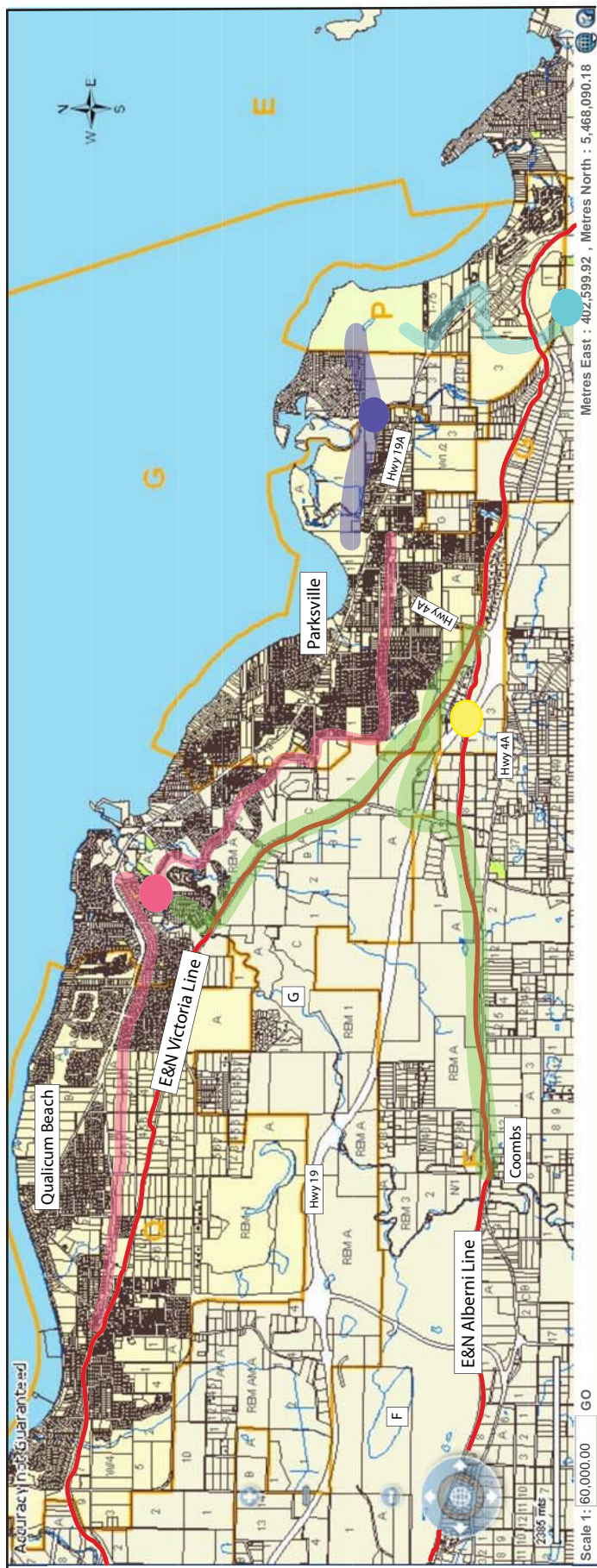
Yours truly,

Barbara Steele
UBCM President

pc: Chief Administrative Officer

Regional Trail Overview: Parksville-Qualicum Beach and West to Coombs

28 February 2013



Regional Trail Route in Planning Stages

- French Creek to Parksville to Coombs rail trail
- Blockage: cannot 'rail trail' under Hwy 19 between PV and F
- Parksville to Rath Trevor with proposed bridge over the Englishman River

Regional Trail Route in Place

- Parksville-Qualicum Beach Links (road route) with bridge over French Crk
- Top Bridge Regional Trail with bridge over the Englishman River



RDN REPORT	
CAO APPROVAL	
EAP	
COW	✓
MAY 06 2013	
RHD	
BOARD	

MEMORANDUM

TO: Paul Thorkelsson
Chief Administrative Officer

DATE: April 30, 2013

FROM: Wendy Idema
Director of Finance

FILE:

SUBJECT: Recommendations for the 2013 Use of Community Works Program Funds

PURPOSE

To obtain Board approval for the use of Community Works funds in 2013.

BACKGROUND

Under the Agreement on the Transfer of Federal Gas Tax revenues, local governments are receiving annual sums which may be used for local priorities which improve public infrastructure and the organization’s/community’s capacity to implement measures which will reduce greenhouse gas emissions and result in cleaner air and cleaner water. The funds received by the Regional District of Nanaimo are designated for use in the Electoral Areas – each municipality within the Regional District receives funds separately for the same purposes.

A broad spectrum of projects are eligible for funding including those within the following categories:

- Active transportation infrastructure - bike lanes and walking paths;
- Community energy systems - community energy systems, alternative energy systems and retrofit of local government buildings;
- Public transit- rapid transit, bus ways, sea-buses, commuter rail, etc.
- Local roads, bridges & tunnels - rehabilitation and innovative technologies;
- Water & wastewater – improve water quality or reduce water use, secure water in face of drought, develop/upgrade wastewater systems to improve water quality & aquatic habitat, innovative technologies;
- Solid Waste management – encourage recycling and re-use, support full cost recovery through improved user charges, composting and bio gas recovery;
- Capacity building – increase capacity to undertake integrated sustainability planning such as regional growth strategies, community energy planning, transportation plans, greenhouse gas reduction plans, liquid & solid waste management plans.

Community Works Funds are distributed to the Regional District on the basis of the population in each Electoral Area, plus a base amount of \$50,000. Based on 2012 year end balances plus expected funding

for 2013/14 less funds required to complete projects started in 2012, estimated balances available by area are:

Electoral Area A	\$963,210
Electoral Area B	\$631,025
Electoral Area C	\$428,570
Electoral Area E	\$413,510
Electoral Area F	\$1,114,810
Electoral Area G	\$1,039,970
Electoral Area H	\$354,425
Total Unexpended	\$4,945,520

Each year at this time staff prepare a list of eligible projects for the coming year (Schedules A & B) and report on the outcomes of work done in the prior year (Schedule C).

For 2013 there is a combination of carry forward projects from 2012 to be completed per Schedule A, and the electoral area directors have identified new initiatives estimated currently at \$1,573,000, pending final approvals, as shown on Schedule B to this report. The projects recommended for 2013 provide a broad range of outcomes including the development of community water supplies, walking/cycling trails, building upgrades, continuing to actively engage the community in green building education and best practices, establishing a land conservation plan to allow for rural area carbon reserves, as well as the development of corporate monitoring programs.

New to 2013, as a result of the amended agreement signed with the Union of BC Municipalities (UBCM) in 2012, there will be funding transferred to other eligible recipients (other local governments or not-for-profit societies). For 2013 two projects are included. The first is to transfer \$30,000 to the Island Futures Society on Gabriola Island for the purchase of buses to implement their community bus system. The second is a \$31,580 (estimated fees) transfer to the North Cedar Improvement District for their Water Supply and Storage Infrastructure Master Plan update. Assuming approval of these projects at this time, staff will make arrangements with the recipients to complete sub-agreements with the RDN for the funding and to ensure compliance with all Gas Tax Program requirements.

The 2013 list of identified projects meet the intent of the Community Works Fund agreement to improve infrastructure and/or implementation of long term plans which will reduce greenhouse gas emissions and result in cleaner air and cleaner water. Funds received under this program up to March 31, 2014 must be used on projects that meet the existing criteria by December 31, 2018.

ALTERNATIVES:

1. Endorse the 2013 Community Works Funds program as presented.
2. Recommend changes to the proposed projects and endorse an amended plan.

FINANCIAL IMPLICATIONS:

Alternative 1

A list and description of the 2013 recommended projects is attached to this report as Schedules A and B. In staff's opinion all are eligible for funding by the Community Works Program. Under this alternative an estimated \$1,573,000 would be targeted for new projects and \$197,550 would be carried forward from 2012 to complete previously approved projects, for a total in estimated expenditures of \$1,770,550. Use of Community Works funds for these projects means they can be completed without increasing property taxes for Electoral Area taxpayers.

The use of Community Works funds can be authorized at any time. Should the Board identify further projects during 2013, they can be authorized to proceed at a later date.

SUMMARY/CONCLUSIONS:

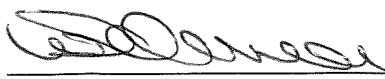
The Regional District's Electoral Areas receive funds annually under the Federal Gas Tax Revenue Transfer Program in the form of Community Works Funds. The funds are targeted for electoral area based priorities which lead to reduced greenhouse gas emissions and provide cleaner air and cleaner water.

Schedule A attached to this report lists the carry forward projects from 2012 and Schedule B lists the new recommended projects for 2013. New projects are estimated at \$1,573,000 and \$197,550 will be carried forward from 2012 to complete projects currently underway. The recommended projects at this time total \$1,770,550. The use of Community Works funds can be authorized at any time. Should the Board identify further projects during 2013, it can authorize those to proceed at a later date. Funds received under this program up to March 31, 2014 must be used on projects that meet the existing criteria by December 31, 2018.

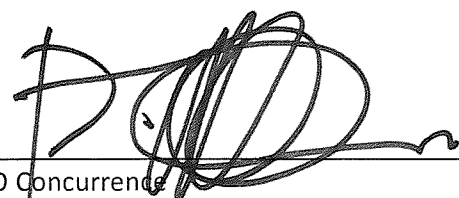
Schedule C attached to this report lists the 2012 projects. In 2012 the total budget approval was \$579,410 for completed project work. Of that amount \$424,000 was spent by the end of 2012.

RECOMMENDATIONS:

1. That the 2013 Community Works Funds program attached as Schedules A and B be approved and that staff be authorized to commence work immediately.
2. That staff be directed to complete an agreement with the North Cedar Improvement District to transfer Community Works funding allocated to Electoral Area A for their Water Supply and Storage Infrastructure Study.
3. That staff be directed to complete an agreement with the Island Futures Society to transfer Community Works funding allocated to Electoral Area B for their purchase of buses to be used in the Gabriola Island Community Bus system.
4. That the report on the use of Community Works Funds in 2012 be received for information.



Report Writer



CAO Concurring

**SCHEDULE A
 2012 CARRY FORWARD COMMUNITY WORKS PROJECTS**

Rural Village Study	\$500	In depth examination of elements for successful village centres– allowance for final completion work only
Alternatives to BC Building Code/Best Practices Guide	\$19,000	Continue to review and develop compendium of alternative solutions to BC Building Code – 2013 topic is residential scale renewable energy systems
Staff education	\$ 2,000	Staff training on alternative building systems as noted above and other green building action plan policies
Community Outreach and Speaker Series	\$20,000	Green building information sessions – covers speakers, open house costs and hall rentals
Rural Areas Carbon Reserve	\$30,000	To complement provincial initiatives - land conservation program for rural land owners to protect portion of property in perpetuity for carbon reserve
Corporate Performance Monitoring	\$12,500	In conjunction with RGS monitoring - development of reporting tool to assist reporting on progress toward Strategic Plan Goals (50% cost shared with General Admin)
Area A Recreation – Cedar Heritage Centre	\$38,050	Building energy upgrades – final planned upgrade for ductless heat pump installation
Community Parks Greenways Standards – all Electoral Areas	\$19,500	The intent of this strategy is to inform community parks and trails planning, acquisition, dedication, and capital works in the Electoral Areas while being consistent with existing regional plans and policies and Electoral Area OCP's <ul style="list-style-type: none"> • Review parks and trails classifications for the Electoral Area Community Parks system • Review community parkland acquisition and park dedication guidelines • Develop trail design guidelines and maintenance standards
Community Parks Greenways Strategy – Electoral Areas E, F, G and H	\$50,000	Building on the groundwork of the Electoral Areas Greenway Strategy this plan will more specifically identify specific strategic actions within Electoral Areas E, F, G & H <ul style="list-style-type: none"> • Develop a vision for parks and greenways for Electoral Areas E, F, G and H • Identify community park needs and priorities • Identify ecological and recreational greenways • Identify trail linkages that will enhance and complement the regional parks and trails system • Identify implementation policy, funding and partnership requirements
Electoral Area G Community Park service	\$6,000	For monitoring only. Construction of a bioengineered bank for the Miller Road Community Park along approximately 140 meters of eroded river bank was largely completed in 2012
TOTAL All Projects	\$197,550	

SCHEDULE B
2013 COMMUNITY WORKS PROJECTS

	Budget	Purpose
Electoral Area A – Agreement with North Cedar Improvement District for Water Supply and Storage Infrastructure Master Plan update	\$60,000	Transfer of funding for professional fees to undertake plan update. Outcome will be detailed analysis of system deficiencies and capital plan for improvements to distribution and storage facilities.
Morden Colliery Bridge Crossing (Nanaimo River) – update to 1999 Herold Engineering Plan	\$100,000	Phase 1 - Undertake environmental, hydrology, geotec and archaeology studies to update original 1999 plan to current regulatory standards. Engage community and Ministry of Environment on use of bridge and design implications. Outcome will be detailed design and cost estimates for construction.
Electoral Area A - Community Busing Review	RDN resources only at this time	Review community busing options in conjunction with BC Transit and residents to provide alternatives and cost estimates for more detailed planning in 2014.
Tin Can Alley Trail (North Road to South Road Gabriola Island) Phase 1	\$65,000	Development of detailed design plan incorporating surveys, environmental studies, landowner, community and MoTI consultation.
Gabriola Island Community Bus – Agreement with the Island Futures Society	\$30,000	Transfer of funding for purchase of two used buses for the Society to provide community bus service on Gabriola Island.
Electoral Area C – South Forks hydrant water service	\$8,000	Contribution to City of Nanaimo for water main service to fire hydrants in area. Protection of water treatment plant in significant interface fire risk area.
Jingle Pot Road Trail Design – Electoral Area C	\$200,000	Detailed design plans incorporating surveys, environmental studies, landowner, community and MoTI consultation. Will result in a plan for a trail encompassing area from city boundary to city boundary.
Extension Miners Bridge and Trail – Electoral Area C	\$55,000	Bridge design is underway (donated by local firm). Funding is for trail and bridge implementation with bridge cost estimated at \$20,000 to \$30,000.
French Creek Bridge Sidewalk Widening – Electoral Area G	Varies depending on option up to \$750,000	Approval by Electoral Area Director will be confirmed pending discussions with local residents associations. Project will provide a widened sidewalk which enhances the use of alternate modes of transportation.
San Pareil Water System Improvements	\$90,000 to \$100,000	Approval by Electoral Area Director will be confirmed pending discussions with local residents associations. Project is for improved pump station reservoir enhancing capacity for future water treatment.

Wembley Road to Hwy 19A to Parksville Boundary Trail	\$100,000	Approval by Electoral Area Director will be confirmed pending discussions with local residents associations. Detailed design plans incorporating surveys, environmental studies, landowner, community and MoTI consultation.
Traffic Calming in Rural Villages – Electoral Area H	\$5,000	Study being undertaken by VIU to identify traffic calming options for area.
Dunsmuir to Deep Bay Trail – Electoral Area H	\$200,000	Review of route options, selection of route, detailed design plans incorporating surveys, environmental studies, landowner, community and MoTI consultation.
Total	\$1,573,000	

Note: Work related to community trails planning projects will be combined where possible to obtain efficiencies and may require phasing depending on MoTI staff availability. Survey costs may be significant in some areas depending on information available and obstacles encountered (such as driveways). Type of trail and level of accessibility would be decided through the design process.

SCHEDULE C
2012 COMMUNITY WORKS PROJECTS

	Budget	Purpose	Expended in 2012
Rural Village Study	\$65,000	In depth examination of elements for successful village centers	\$63,785
Sustainable rural development review	\$50,000	Consideration of policy initiatives to encourage alternative development patterns	\$49,445
Electoral Area A Village Plan	\$50,000	Plan completion	\$42,145
Electoral Area Agricultural Plan	\$20,000	Cost shared with Community Planning	\$10,000
Land Inventory & Water Balance Model	\$22,500	Cost sharing with Drinking Water/Watershed Protection regarding development of water use model in rural areas	\$22,800
Alternatives to BC Building Code for Green Buildings/ Best Practices Guide	\$21,000	Rainwater harvesting guide completed	\$18,965
Community Outreach and Speaker Series	\$17,500	Green Building information sessions in each Electoral Area	\$16,655
Community Parks Greenways Standards – all Electoral Areas	\$57,500	The intent of this strategy is to inform community parks and trails planning, acquisition, dedication, and capital works in the Electoral Areas while being consistent with existing regional plans and policies and Electoral Area OCP's <ul style="list-style-type: none"> • Review parks and trails classifications for the Electoral Area Community Parks system • Review community parkland acquisition and park dedication guidelines • Develop trail design guidelines and maintenance standards 	\$30,430
Electoral Area G Community Park service	\$125,000	Construction of a bioengineered bank for the Miller Road Community Park along approximately 140 meters of eroded river bank was largely completed in 2012. Monitoring costs to be incurred in 2013 only for \$6,000	\$70,590
Area A Recreation - Cedar Heritage Centre	\$60,910	Building energy upgrades – first portion of upgrades completed in 2012, remainder will be done in 2013	\$27,750
Nanoose Peninsula water treatment plant	\$60,000	Construction commenced in 2011 – completed in 2012	\$59,845
Upgrade bus stops in Areas A, E and G	\$30,000	Completion of project started in 2011	\$11,590
Total all projects	\$579,410		\$424,000

The remainder of \$116,075 was used to reduce borrowing in place for Moorecroft Regional Park. By reducing long term borrowing, the overall costs to the acquisition/development budget was reduced by approximately \$8,400 annually (at the 2012 10 year rate of 3.9%), or close to \$168,000 over a twenty year period.

ALTERNATIVES:

There are no alternatives to be provided, this report is for information purposes only to meet provincial reporting requirements.

FINANCIAL IMPLICATIONS:

There are no costs to the RDN resulting from this report.

STRATEGIC PLAN IMPLICATIONS:

\$116,075 of the 2012 Strategic Community Investment Funds was used to reduce borrowing in place to acquire Moorecroft Regional Park. The use of these funds is supported by the 2013-2015 Board Strategic Plan goal of seeking opportunities for funding support to acquire high-priority acquisition areas for parks.

Reducing members' requisitions is also consistent with the 2013-2015 Board Strategic Plan. The application of these funds reduced consolidated tax requirements by \$68,000 in 2012 and reduced long term expenditures by almost \$168,000 over a twenty year period.

Reinstating the toilet rebate program continued efforts to reduce water consumption and at the same time added new purchases to the local economy.

SUMMARY/CONCLUSIONS:

RDN has a Strategic Investment Funds agreement with the Province of BC covering the period from March 31, 2012 to June 30, 2015. At this time the requirement is that the RDN report publicly on the use of the funds. Local governments are entirely at liberty to decide how best to use the funds to benefit their communities. The funds have been primarily used to reduce property taxes.

The amount received in 2012 was \$184,075 and was utilized as planned as follows:

Electoral Areas Administration	\$ 18,000	(as budgeted – offsets total costs)
Electoral Areas Administration	\$ 20,000	(re-instate toilet rebate program for 2012)
Regional Parks	\$ 30,000	(offset cost of NALT and goose control program)
Regional Parks	<u>\$116,075</u>	(reduce Moorecroft Regional Park borrowing)
	<u>\$184,075</u>	

RECOMMENDATION:

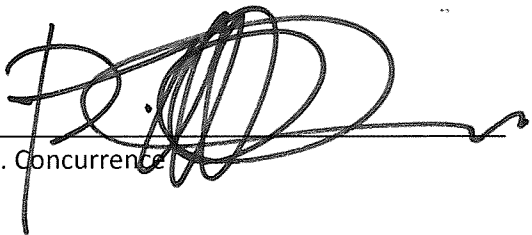
That this report be received as the final public statement of the use of \$184,075 of Strategic Investment funds for 2012.



Report Writer



Director of Finance



C.A.O. Concurrence



RDN REPORT		
CAO APPROVAL		
EAP	<input type="checkbox"/>	
COW	<input checked="" type="checkbox"/>	
MAY 06 2013		
RHD	<input type="checkbox"/>	
BOARD	<input type="checkbox"/>	

MEMORANDUM

TO: W. Idema
Director of Finance

DATE: May 2, 2013

FROM: T. Moore
Manager, Accounting Services

FILE:

SUBJECT: Gabriola Island Recreation Service Reserve Fund Establishment Amending Bylaw 1671.01

PURPOSE:

To consider amendments to Regional District of Nanaimo Gabriola Island Recreation Service Reserve Fund Establishment Bylaw No. 1671, 2012.

BACKGROUND:

At a meeting of the Electoral Area 'B' Director, RDN staff and the Gabriola Recreation Society held on Wednesday, April 17, 2013, the Gabriola Recreation Society expressed interest in contributing some excess funds they have available from their society to the Gabriola Island Recreation Service Reserve Fund. At the same meeting, Gabriola Island Recreation Service Reserve Fund Establishment Bylaw No. 1671, 2012 was reviewed and there was a recommendation to amend the bylaw.

The amendment to the bylaw expands the use of the reserve fund to include 'providing recreation services' as well as the other approved uses which were 'to acquire, construct, manage and otherwise provide property for pleasure, recreation and similar public uses, including recreation and cultural facilities of all types'. It also is amended to ensure consultation with Gabriola Recreation Society on the spending of reserves because they are funding a share of the reserves.

ALTERNATIVES:

1. Consider amendments to Regional District of Nanaimo Gabriola Island Recreation Service Reserve Fund Establishment Bylaw No. 1671, 2012.
2. Not consider amendments and provide staff with further direction.

FINANCIAL IMPLICATIONS:

There are no added financial costs to the RDN resulting from the amendments to this bylaw.

The Gabriola Recreation Society will contribute \$44,000 of their surplus funds to the reserve fund.

STRATEGIC PLAN IMPLICATIONS:

The amendment to Regional District of Nanaimo Gabriola Island Recreation Service Reserve Fund Establishment Bylaw No. 1671, 2012 is supported by the 2013-2015 Board Strategic Plan goal of enhancing the reputation of the RDN as a valuable and effective level of government for creating opportunities for dialogue with residents by engaging stakeholders about RDN decision-making and to support volunteer opportunities for residents.

The amendment is also congruent with the Board's affirmed values of cooperating and collaborating.

SUMMARY/CONCLUSIONS:

At a meeting of the Electoral Area 'B' Director and the Gabriola Recreation Society held on Wednesday, April 17, 2013, the Gabriola Recreation Society expressed interest in contributing some excess funds they have available from their society to the Gabriola Island Recreation Service Reserve Fund. At the same meeting, Gabriola Island Recreation Service Reserve Fund Establishment Bylaw No. 1671, 2012 was reviewed and there was a recommendation to amend the bylaw.


The amendment to the bylaw expands the use of the reserve fund to include 'providing recreation services' as well as the other approved uses which were 'to acquire, construct, manage and otherwise provide property for pleasure, recreation and similar public uses, including recreation and cultural facilities of all types'. It also is amended to ensure consultation with Gabriola Recreation Society on the spending of reserves because they are funding a share of the reserves.

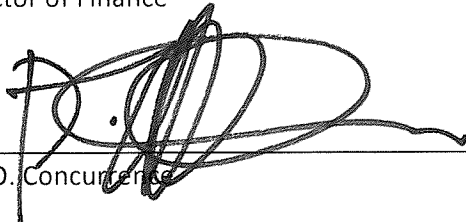
The amendment is supported by the 2013-2015 Board Strategic Plan.

RECOMMENDATION:

1. That "Gabriola Island Recreation Service Reserve Fund Establishment Amendment Bylaw No. 1671.01, 2013" be introduced and read three times.
2. That "Gabriola Island Recreation Service Reserve Fund Establishment Amendment Bylaw No. 1671.01, 2013" be adopted.


Report Writer


Director of Finance


C.A.O. Concurrance

REGIONAL DISTRICT OF NANAIMO

BYLAW NO. 1671.01

A BYLAW TO ESTABLISH A RESERVE FUND FOR
THE GABRIOLA ISLAND RECREATION SERVICE

WHEREAS the Board of the Regional District of Nanaimo wishes to amend "Gabriola Island Recreation Service Reserve Fund Establishment Bylaw No. 1671, 2012";

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

1. **Citation**

This Bylaw may be cited as "Gabriola Island Recreation Service Reserve Fund Establishment Amendment Bylaw No. 1671.01, 2013".

2. **Amendments**

"Gabriola Island Recreation Service Reserve Fund Establishment Bylaw No. 1671, 2012" is amended as follows:

1. By deleting the second paragraph beginning with "AND WHEREAS", and replacing it with the following:

"AND WHEREAS it is considered desirable to establish a reserve fund in order to provide recreation services or to acquire, construct, manage or otherwise provide property for pleasure, recreation and similar public uses, including recreation and cultural facilities of all types for the Gabriola Island Recreation Service established pursuant to Bylaw No. 1023, cited as "Gabriola Island Recreation Service Establishment Bylaw No. 1023, 1996"."

2. By deleting section 4 and replacing it with the following:

"4. Money in the reserve fund shall be used to provide recreation services or to acquire, construct, manage or otherwise provide property for pleasure, recreation and similar public uses, including recreation and cultural facilities of all types in consultation with the Gabriola Recreation Society."

Introduced and read three times this ____ day of _____, 2013.

Adopted this ____ day of _____, 2013.

CHAIRPERSON

CORPORATE OFFICER



RDN REPORT		#/#/#
CAO APPROVAL		
EAP		
COW	✓	
MAY 01 2013		
RHD		
BOARD		

MEMORANDUM

TO: Geoff Garbutt
GM Strategic and Community Development

DATE: April 30, 2013

FROM: Paul Thompson
Manager of Long Range Planning

FILE: 6780 30 IND

SUBJECT: Industrial Land Supply and Demand Study

PURPOSE

To receive the 'Industrial Land Supply and Demand Study' prepared by Urbanics Consultants Ltd. and Golder Associates Ltd.

BACKGROUND INFORMATION

During the Regional Growth Strategy (RGS) Review questions were raised about the amount of land that was available for industrial use in the region. The main concern being that the Regional District of Nanaimo (RDN) and its member municipalities needed to maintain their competitiveness for attracting and keeping industrial development by ensuring that enough land was available in the right locations. As it had been several years since the last industrial assessment was completed in 2001, there was a lack of up-to-date information on whether there was enough land available for industrial use. As well, other factors needed to be considered as there had been many changes in the local economy since that time. Further, there has also been a push for the RDN to play a greater role in supporting economic development by providing information that could be used by both the private sector and government decision makers.

In recognition of these factors, the Regional Growth Strategy identified a need for conducting an Industrial Land Supply and Demand Study. The study would provide the RDN with an assessment of the supply and capacity of existing industrial lands within the Regional District that the RDN and its member municipalities could then use in future land use decisions, community planning and monitoring. As well, the study would provide medium and long term demand for industrial land. The study was to address: availability, location, constraints, demand, need, supply and eco-industrial networking opportunities.

After a broadly advertised request for proposal process, the proposal from Urbanics and Golder Associates was chosen. In their report, the consultants have provided a comprehensive review of the industrial situation in the RDN that includes: a demographic analysis; an economic base review; a regulatory framework assessment; a supply analysis (including GIS analysis); an assessment of the RDN's competitive position in the industrial market; a demand analysis; stakeholder input; a sustainability analysis; a summary of the findings; and, recommendations. A copy of the report was provided to the Board.

ALTERNATIVES

1. To receive the report titled 'Industrial Land Supply and Demand Study'.
2. To receive the report and provide staff with further direction on this initiative.

FINANCIAL IMPLICATIONS

The RDN allocated \$50,000 for the Industrial Land Supply and Demand Study which was approved in the 2012 RDN budget. The source of funding for the project was the Regional Growth Management function.

LAND USE IMPLICATIONS

Development Implications

Overall, the RDN has a sufficient amount of land zoned for industrial activity to accommodate the projected industrial land demand for 2011-2021 within the Growth Containment Boundary (GCB) and in locations that meet RDN sustainability goals. The Nanaimo Central and Qualicum Beach areas might run out of land zoned for Mixed Light Industry during 2011-2021. However, the excess demand for industrial uses at these locations could easily be accommodated in other industrial areas. The study projects the demand for industrial land to be in the range of 30 hectares to 44 hectares during 2011-2021. This is well below the amount of land currently available as there is approximately 437 hectares of vacant industrial land and a further 313 hectares that is underutilized.

Public Consultation Implications

The main purpose of the project was to provide an assessment of the supply and demand of industrial land for the regional district and member municipalities. As such it was intended primarily as a technical exercise. The study did utilize input from affected stakeholders who were asked to provide input and participate in a stakeholders workshop. The information gained from the stakeholders was used to inform the study. The results of the study are intended for use by local governments, business and economic development organizations, and the private sector.

Sustainability Implications

Goal 4 of the RGS is: Concentrate housing and jobs in Rural Village and Urban Growth Centres. This is directly applicable to industrial lands as they are an important source of employment. The RDN is doing well in this regard as there is ample land available within the Growth Containment Boundary to meet the projected demand for industrial land. Further, some industrial areas in the region best support this goal as they are close to where people live, served by transit, easily accessible by different forms of transportation and served by both community sewer and water.

A second implication of the study is that it highlights that there are good opportunities for eco-industrial networking. The RDN could provide leadership by creating regional policy, investigating new forms of regulations and incentives, engage in education and awareness activities, and pursue partnerships.

SUMMARY/CONCLUSIONS

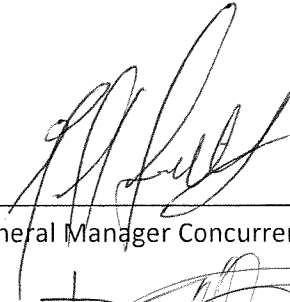
Identified as an RGS implementation item, an Industrial Land Supply and Demand Study was prepared by Urbanics Consultants and Golder Associates. The key finding of the study was that the RDN and its member municipalities have enough industrial zoned land to meet projected demand for at least the next ten years. The main conclusion is that the RDN and its member municipalities are well situated to compete with other areas on Vancouver Island for new industrial operations as there is ample land available for industrial use.

RECOMMENDATION

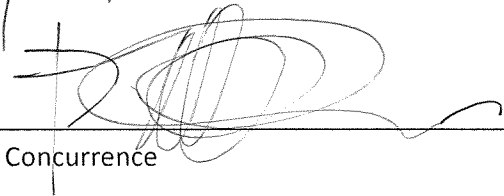
1. To receive the report titled 'Industrial Land Supply and Demand Study'.
2. To forward copies of the study to the member municipalities and economic development organizations.



Report Writer



General Manager Concurrence



CAO Concurrence



RDN REPORT	
CAO APPROVAL ###	
EAP	
COW	✓
MAY 02 2013	
RHD	
BOARD	

MEMORANDUM

TO: Tom Armet, Manager
Building, Bylaw & Emergency Planning Services

DATE: May 1, 2013

FROM: Jack Eubank
Bylaw Enforcement Officer

FILE: CE201200223

SUBJECT: 872 Reid Road, Electoral Area "G" – Unightly Premises

PURPOSE

To obtain Board direction regarding an ongoing property maintenance contravention on the subject property.

BACKGROUND

Property: 872 Reid Rd. Electoral Area "G" (see "Attachment No. 1")
 Legal Description: Lot A District Lot 29 Nanoose District Plan 83024
 Property Owner: Robert J Lindberg
 796 Miller Road, Parksville, BC V9P 1Z1

Regional District staff has received several complaints over the past four (4) months concerning the unightly condition of the subject property which is situated in an area of well-maintained homes.

An inspection by staff on October 15, 2012 confirmed the property contains an extensive amount of debris including derelict vehicles, piles of lumber, rigid foam, metal fencing & machinery in the front and rear yards. (see photos Attachment No. 2). On November 5, 2012 the owner was directed in writing to clean up the property and was given a lengthy period of time to do so. Follow up inspections confirmed there was no improvement in the property. The property owner has contacted staff to advise he intends on building on the property however in the ensuing months has not obtained nor applied for a building permit. In fact Building Inspection staff has initiated enforcement action against an unlawful structure on the property.

It is apparent based on the history of the previously described events, that this owner will not maintain the property in compliance with Regional District of Nanaimo regulations.

ALTERNATIVES

1. That the property owner be directed to bring the property into compliance with Regional District of Nanaimo regulations.
2. That no further action be taken with respect to the condition of the subject property.

FINANCIAL IMPLICATIONS

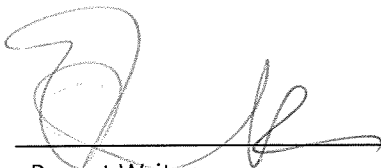
If the Board adopts a resolution to have the identified discarded and disused material removed from the property, any costs incurred by the Regional District of Nanaimo or its agents with respect to the removal may be recovered from the property owner. If unpaid on December 31st in the year in which the work is done, the expense may be added to taxes in arrears or be collected as a debt.

CONCLUSION

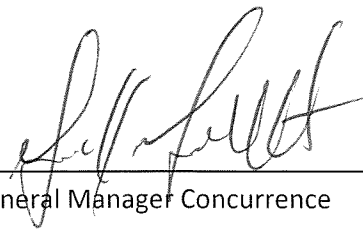
Regional District staff has received numerous complaints concerning the substantial and unsightly accumulation of derelict vehicles, piles of lumber, rigid foam, metal fencing and machinery on the subject property. Despite efforts by staff, the property owner has demonstrated an unwillingness or inability to comply with the provisions of the Unsightly Premises bylaw or to maintain the property to a reasonable standard as compared to surrounding properties. Board direction appears to be the only remaining option available to bring this property into compliance with Regional District of Nanaimo regulations.

RECOMMENDATION

That the Board directs the owner of the property at 872 Reid Road, to remove from the premises those items as set out in the attached Resolution within thirty (30) days, or the work will be undertaken by the Regional District of Nanaimo’s agents at the Owner’s cost.



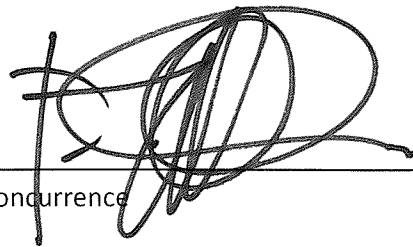
Report Writer



General Manager Concurrence

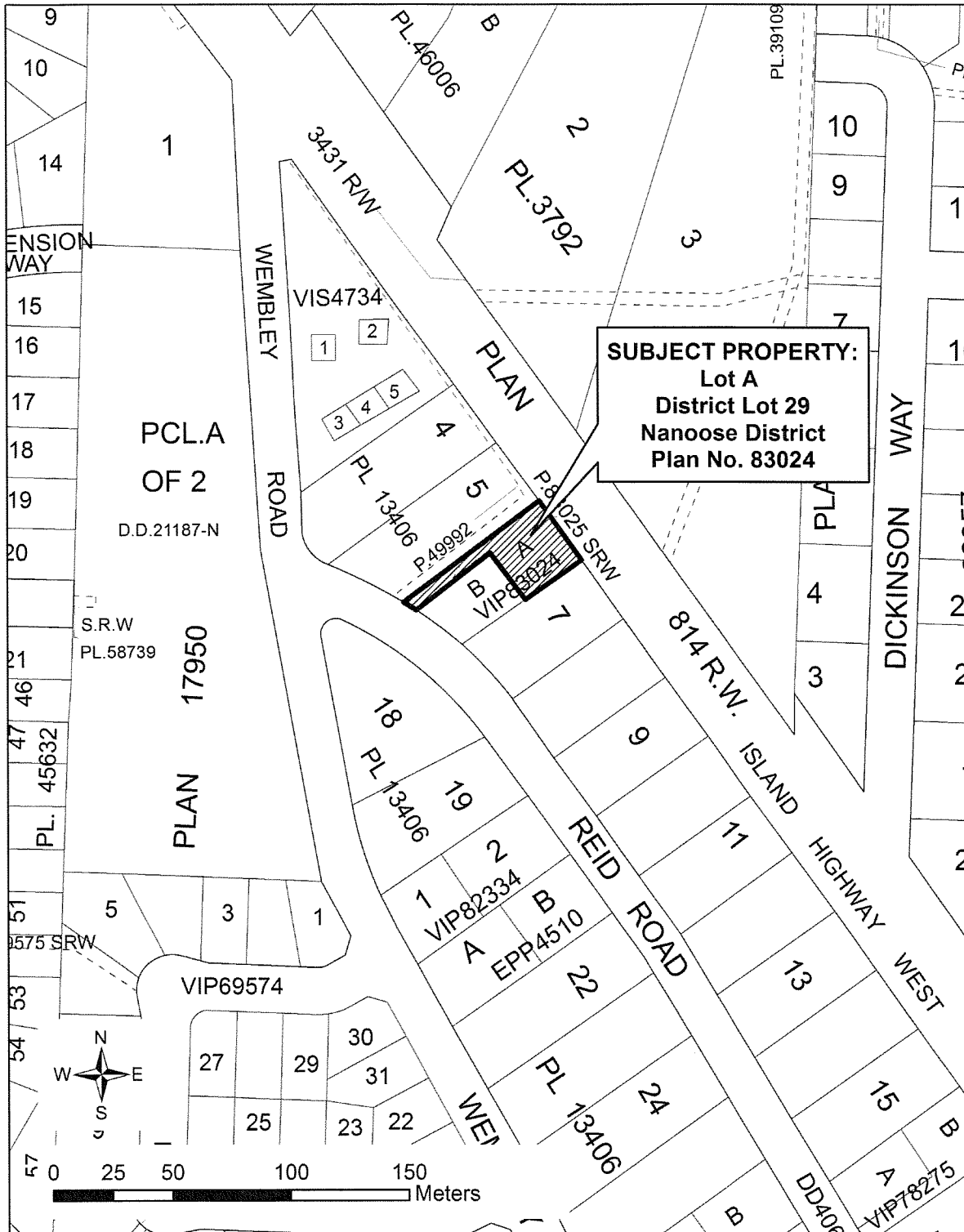


Manager Concurrence



CAO Concurrence

Attachment No. 1



Attachment No. 2



Attachment No. 2

Regional District of Nanaimo

RESOLUTION

“UNSIGHTLY PREMISES REGULATORY BYLAW NO. 1073, 1996”

MOVED Director _____, SECONDED Director _____ that pursuant to the provisions of the “*Unsightly Premises Regulatory Bylaw No 1073, 1996*,” and amendments thereto, IT IS HEREBY RESOLVED that the Owner(s)/Occupier(s) of the respective premises set forth below be notified to remove the accumulation of discarded and disused material/debris and to take such remedial measures as are specified:

PROPERTY DESCRIPTION: Lot A, District Lot 29, Nanoose District, Plan 83024

LOCATION: 872 Reid Road

OWNER: Robert J Lindberg
796 Miller Road, Parksville, BC V9P 1Z1

UNSIGHTLY ACCUMULATION: Derelict and unlicensed vehicles, derelict industrial machinery, discarded automotive parts, rigid foam, metal fencing, machinery, wood, metal, building materials and other debris.

REMEDIAL MEASURES: To remove derelict and unlicensed vehicles, derelict industrial machinery, discarded automotive parts, rigid foam, metal fencing, machinery, wood, metal, building materials and other debris, leaving the property clean and tidy.

AND BE FURTHER RESOLVED that the Bylaw Enforcement Officer of the Regional District of Nanaimo BE AND IS HEREBY AUTHORIZED in default of such removal or remedial measures being undertaken by the Owner(s)/Occupier(s) within thirty (30) days of receipt of Notice to do so, to carry out or have such work carried out, and the expense charged to the Owner(s)/Occupier(s). If unpaid by December 31st in the year in which the work is done, the expenses shall be added to and form part of the taxes payable on that real property as taxes in arrears.

I hereby certify the foregoing to be a true and correct copy of a Resolution passed by the Board at its regular meeting, held May 28, 2013.

DATED at Nanaimo, BC this 29th day of May, 2013

Corporate Officer



RDN REPORT	
CAO APPROVAL ###	
EAP	
COW	✓
MAY 02 2013	
RHD	
BOARD	

MEMORANDUM

TO: Tom Armet, Manager
Building, Bylaw & Emergency Planning Services

DATE: May 1, 2013

FROM: Brian Brack
Bylaw Enforcement Officer

FILE: CE201200113

SUBJECT: 1802 Stalker Road, Electoral Area "B" – Unsightly Premises

PURPOSE

To obtain Board direction regarding an ongoing property maintenance contravention on the subject property.

BACKGROUND

Property: 1802 Stalker Rd. Electoral Area "B" (see "Attachment No. 1")
Legal Description: Lot 3, Section 4, Gabriola Island, Nanaimo District, Plan 16716
Property Owner: John Bishop
1802 Stalker Road, RR7, Gabriola, BC V0R 1X7

The subject property is located in a rural residential neighbourhood on the Southern tip of Gabriola Island, in an area of neat, well maintained properties. In June 2012, a complaint was received that the subject property was in an unsightly condition. On June 27th, 2012, staff conducted an inspection and confirmed the property contained an accumulation of derelict and unlicensed vehicles, household garbage, cardboard boxes, plastics, disused furniture, appliances, building materials and other debris contrary to Regional District of Nanaimo regulations. (see photos "Attachment No. 2")

On November 26th, 2012, staff issued a written order to clean up the property. Several site inspections followed with no work being done. It is apparent based on the history of the previously described events, that this owner will not maintain the property in compliance with Regional District of Nanaimo regulations.

ALTERNATIVES

1. That the property owner be directed to bring the property into compliance with Regional District of Nanaimo regulations.
2. That no further action be taken with respect to the condition of the subject property.

FINANCIAL IMPLICATIONS

If the Board adopts a resolution to have the identified discarded and disused material removed from the property, any costs incurred by the Regional District of Nanaimo or its agents with respect to the removal may be recovered from the property owner. If unpaid on December 31 in the year in which the work is done, the expense may be added to taxes in arrears or be collected as a debt.

CONCLUSION

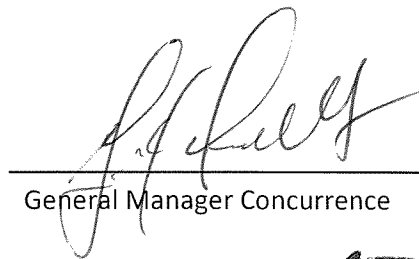
Regional District staff has received numerous complaints concerning the substantial and unsightly accumulation derelict and unlicensed vehicles, household garbage, cardboard boxes, plastics, disused furniture, appliances, building materials and other debris on the subject property. Despite efforts by staff, the property owner has demonstrated an unwillingness or inability to comply with the provisions of the Unsightly Premises bylaw or to maintain the property to a reasonable standard as compared to surrounding properties. Board direction appears to be the only remaining option available to bring this property into compliance with Regional District of Nanaimo regulations.

RECOMMENDATION

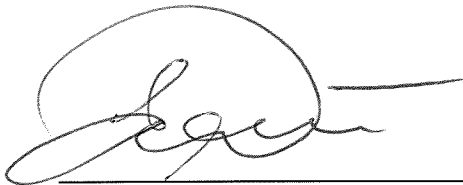
That the Board directs the owner of the property at 1802 Stalker Road, to remove from the premises those items as set out in the attached Resolution within thirty (30) days, or the work will be undertaken by the Regional District of Nanaimo’s agents at the Owner’s cost.



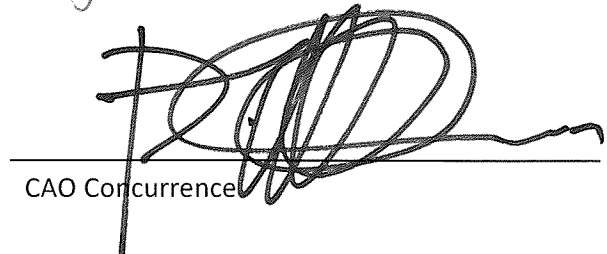
Report Writer



General Manager Concurrence

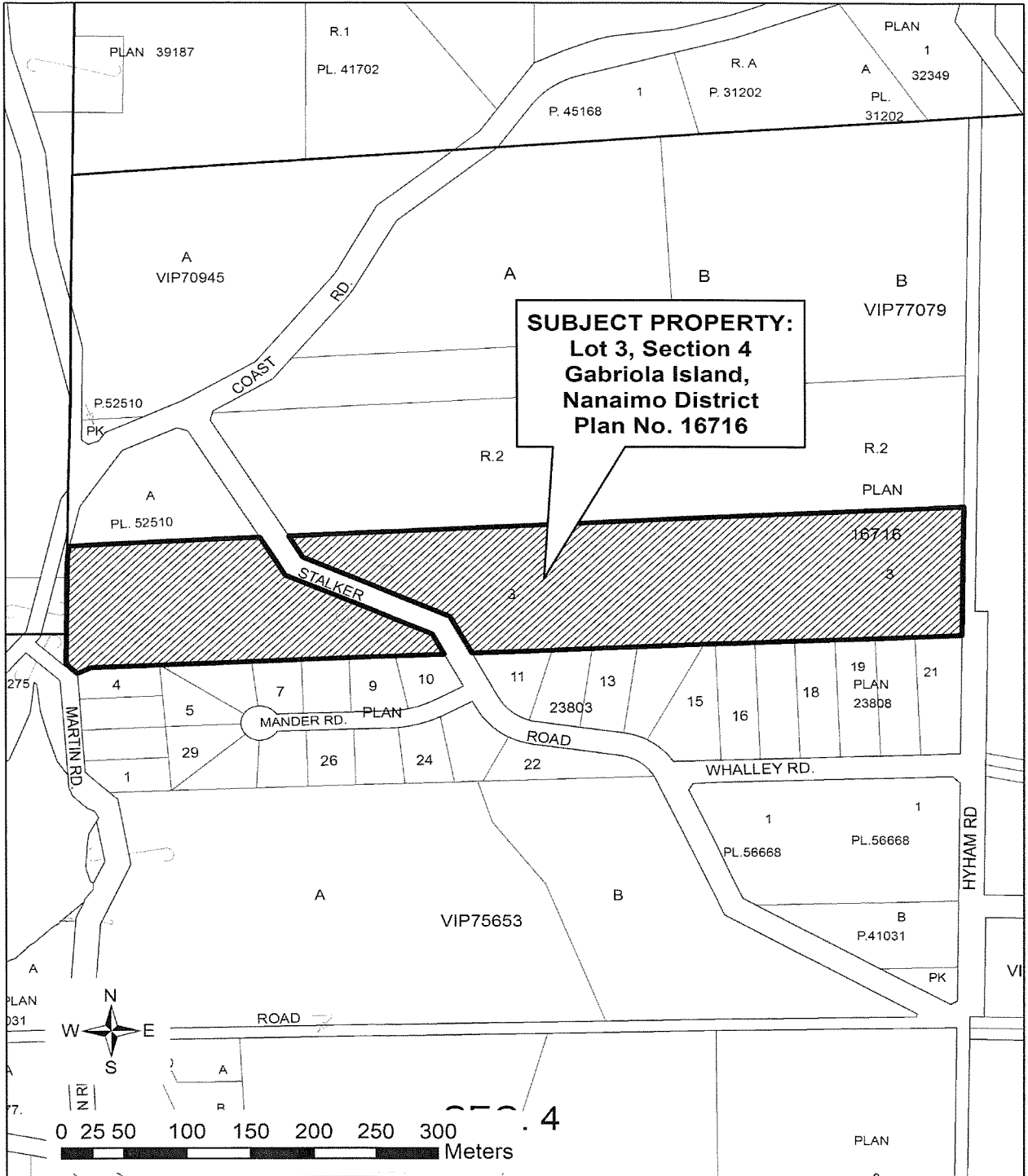


Manager Concurrence

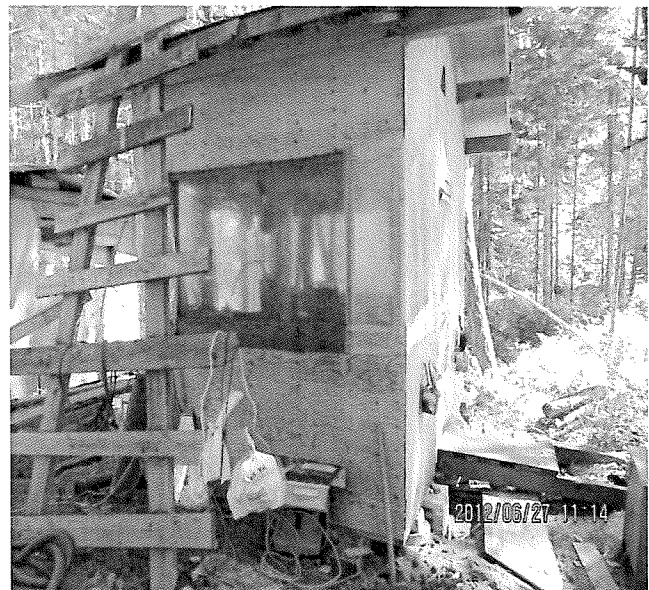


CAO Concurrence

Attachment No. 1



Attachment No. 2



Attachment No. 2



Attachment No. 3

Regional District of Nanaimo

RESOLUTION

“UNSIGHTLY PREMISES REGULATORY BYLAW NO. 1073, 1996”

MOVED Director _____, SECONDED Director _____ that pursuant to the provisions of the “*Unsightly Premises Regulatory Bylaw No 1073, 1996*,” and amendments thereto, IT IS HEREBY RESOLVED that the Owner(s)/Occupier(s) of the respective premises set forth below be notified to remove the accumulation of discarded and disused material/debris and to take such remedial measures as are specified:

PROPERTY DESCRIPTION: Lot 3, Section 4, Gabriola Island, Nanaimo District Plan 16716

LOCATION: 1802 Stalker Road

OWNER: John Bishop
1802 Stalker Road, RR7, Gabriola, BC V0R 1X7

UNSIGHTLY ACCUMULATION: Derelict and unlicensed vehicles, household garbage, cardboard boxes, plastics, disused furniture, appliances, building materials and other debris.

REMEDIAL MEASURES: To remove derelict and unlicensed vehicles, household garbage, cardboard boxes, plastics, disused furniture, appliances, building materials and other debris, leaving the property clean and tidy.

AND BE FURTHER RESOLVED that the Bylaw Enforcement Officer of the Regional District of Nanaimo BE AND IS HEREBY AUTHORIZED in default of such removal or remedial measures being undertaken by the Owner(s)/Occupier(s) within thirty (30) days of receipt of Notice to do so, to carry out or have such work carried out, and the expense charged to the Owner(s)/Occupier(s). If unpaid by December 31st in the year in which the work is done, the expenses shall be added to and form part of the taxes payable on that real property as taxes in arrears.

I hereby certify the foregoing to be a true and correct copy of a Resolution passed by the Board at its regular meeting, held May 28, 2013.

DATED at Nanaimo, BC this 29th day of May, 2013

Corporate Officer



RDN REPORT		#
CAO APPROVAL		
EAP		
COW	✓	
MAY 06 2013		
RHD		
BOARD		

MEMORANDUM

TO: Geoff Garbutt
General Manager, Strategic & Community Development

DATE: April 30, 2013

FROM: Tom Armet, Manager
Building, Bylaw & Emergency Planning Services

FILE: CE20130000001

SUBJECT: 1155 Leffler Road – Electoral Area ‘F’ - Building Bylaw Contravention

PURPOSE

To obtain Board approval to file a Notice of Bylaw Contravention on the title of the above-noted property.

BACKGROUND

- Property: 1155 Leffler Road, Electoral Area ‘F’ (see “Attachment No. 1”)
- Legal: Lot 1, District Lot 139, Plan 18583, Nanoose District
- Owner: Gene and Gloria Martini, PO Box 152, Errington, BC V0R 1V0
- Zoning: Agriculture 1 (A-1) – Bylaw 1285

The subject property is in the ALR and the provisions of the *Agricultural Land Commission Act* and *Electoral Area ‘F’ Zoning and Subdivision Bylaw No. 1285, 2002* apply to the land use and number of houses that are permitted. Under these regulations, two dwellings are permitted on the property, provided that one is a manufactured home.

Between 2009 and 2012, the property owners made several subdivision applications and appeals to the Agricultural Land Commission (ALC), all of which were refused by the ALC.

In early January 2013, in response to a complaint, bylaw enforcement officers inspected the 6.8 acre property and confirmed the presence of two houses under construction at the rear and two occupied dwellings at the front of the property. The new houses, approximately 50 meters apart, were at the “lock-up” stage and nearing completion (see Attachment No. 2). Once complete there would be a total of 4 constructed dwelling units on the property.

On January 17th, 2013, Stop Work Orders were issued in accordance with *Building Regulations Bylaw No. 1250, 2010*. Building Permits cannot be approved for these buildings as they are not allowed under ALC and RDN regulations. Correspondence was sent to the owners advising them of the contraventions. Following another complaint, RDN staff inspected the property on February 21, 2013 and determined that work was continuing on the interior of one of the new houses, contrary to the posted Stop Work Order.

On April 25, 2013, the ALC issued a Compliance Order to the owners in relation to three non-compliant residential structures on the property (two new dwellings and one existing occupied non-manufactured home).

Section 57 of the *Community Charter* authorizes the Board to consider a resolution that directs the Corporate Officer to file a Notice on the title of a property that results from the contravention of a bylaw, a Provincial building regulation, or any other enactment, that relates to the construction or safety of buildings or other structures, or work that was carried out without the necessary permit(s). The two residential buildings are being constructed without approvals and permits, in contravention of Provincial and RDN zoning and building regulations.

ALTERNATIVES

1. Register a Notice of Bylaw Contravention on the title of the property.
2. Not register a Notice of Bylaw Contravention on title and provide alternate direction to staff.

FINANCIAL IMPLICATIONS

There are no financial implications in the registration of a Notice on title. Once the bylaw contravention has been corrected, the property owner may apply to have the Notice removed upon payment of a \$500 fee in accordance with *Building Regulations Fees and Charges Bylaw No. 1595, 2010*.

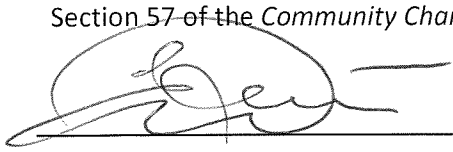
CONCLUSION

The subject property is in the ALR and the provisions of the *Agricultural Land Commission Act* and *Electoral Area 'F' Zoning and Subdivision Bylaw No. 1285, 2002* apply to the land use and number of houses that are permitted. Under these regulations, two dwellings are permitted on the property, provided that one is a manufactured home.

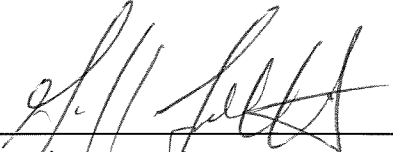
The owners have made several subdivision applications and appeals to the Agricultural Land Commission to facilitate non-farm use and the legalization of additional residential dwellings on the property. All appeals were dismissed by the ALC. Despite the absence of ALC and RDN approvals, the owners proceeded with the construction of two additional dwelling units on the property which are near completion. As building permits cannot be approved for these buildings, Stop Work Orders were issued to cease any further work or occupancy. A follow-up inspection determined that interior work continued on one structure in contravention of the Order. Staff is recommending that a Notice be registered on title to alert prospective purchasers or others having an interest in the property, to the contravention.

RECOMMENDATION

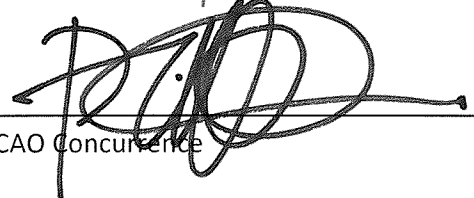
That staff be directed to register a Notice of Bylaw Contravention on the title of the subject property legally described as Lot 1, District Lot 139, Plan 18583, Nanoose District (1155 Leffler Road), pursuant to Section 57 of the *Community Charter*.



Report Writer

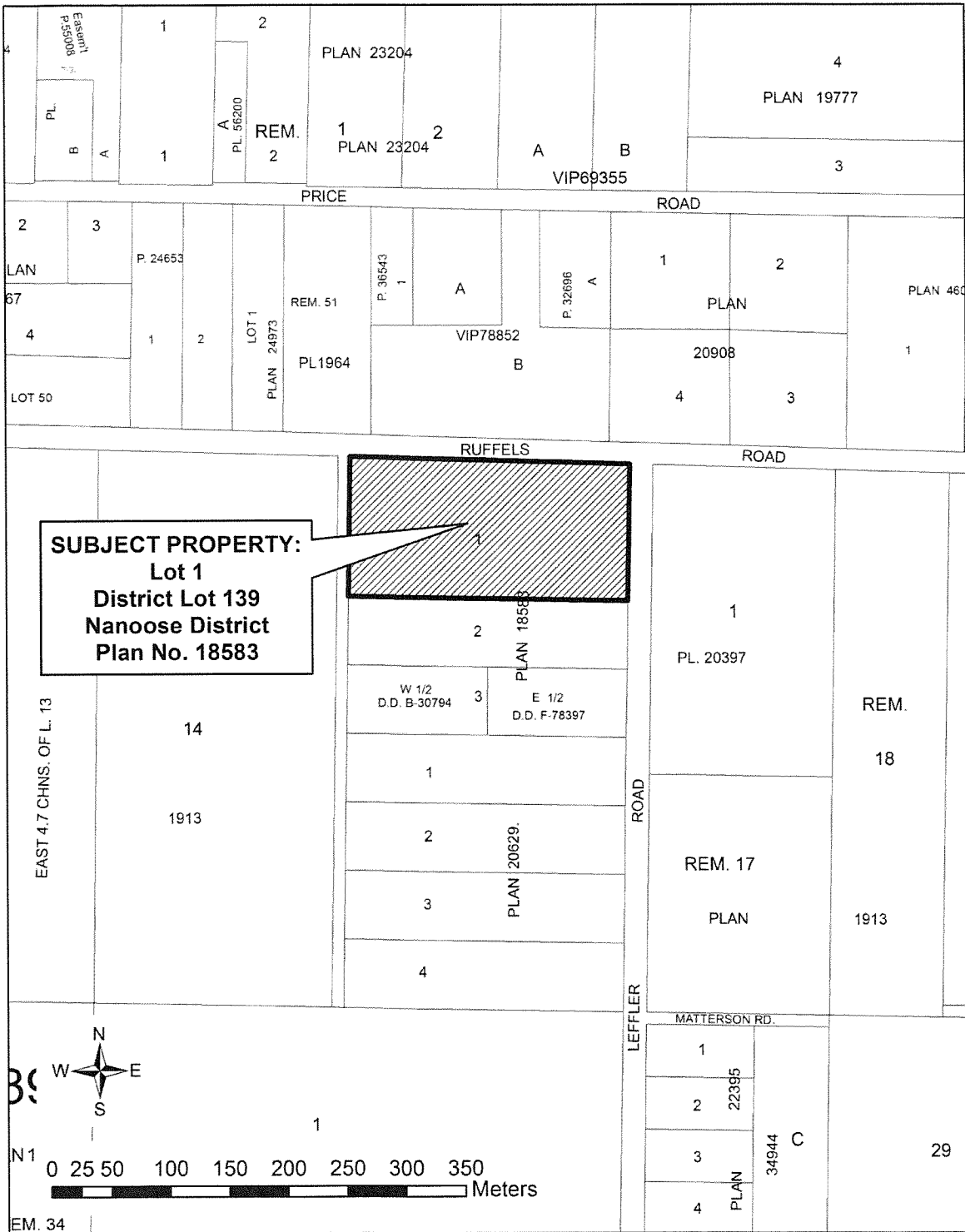


General Manager Concurrence



CAO Concurrence

ATTACHMENT NO. 1



ATTACHMENT NO. 2





RDN REPORT		
CAC APPROVAL		
EAP		
COW	<input checked="" type="checkbox"/>	
MAY 06 2013		
RHD		
BOARD		

MEMORANDUM

TO: Sean De Pol
Manager, Wastewater Services

DATE: April 26, 2013

FROM: Jessica Dorzinsky
Wastewater Program Coordinator

FILE: 2240-20-NCGS

SUBJECT: Nanaimo Community Gardens Society Agreement –
Greater Nanaimo Pollution Control Centre Greenhouses

PURPOSE

To obtain Board approval to enter into a time-limited agreement with the Nanaimo Community Gardens Society to use the greenhouses located on the Greater Nanaimo Pollution Control Centre site at 4600 Hammond Bay Road.

BACKGROUND

The greenhouses located at the Greater Nanaimo Pollution Control Centre were installed when the facility was originally built in 1971-74, and were used to dry sludge produced in the treatment process. With the completion of the dewatering facility in 1992, the greenhouses were no longer required.

For more than 12 years, the Nanaimo Community Gardens Society has been using these greenhouses to grow fruit and vegetable seedlings to support their education programs. The programs run by the Nanaimo Community Gardens Society work directly to increase food security in the Regional District by facilitating the access to land, skills and resources needed to assist people in growing and accessing healthy local food. Use of the greenhouses was first formalized by an agreement in 2001.

Expansions and upgrades at the Greater Nanaimo Pollution Control Centre are currently underway, with larger projects planned for the near future. Construction will affect all areas of the site, and include major excavation work, rock blasting and removal, pipe realignments, and construction of new tankage. In the future, these activities could present safety and liability concerns to those using the greenhouses.

Consequently, a new Agreement between the RDN and the Nanaimo Community Gardens Society was developed in 2011. The agreement has a fixed two year term, from September 1, 2011 to August 31, 2013, after which time the Nanaimo Community Gardens Society would no longer have access to the greenhouses. The Nanaimo Community Gardens Society indicated that they would require the full two years in order to investigate alternative arrangements for their greenhouse program. The Board approved this agreement in June 2011 (see Attachment 1).

Since signing this Agreement, the Nanaimo Community Gardens Society has submitted a proposal to relocate to Bowen Park; however, this move cannot be completed until after the development of a Master Plan for Bowen Park, scheduled for late Fall 2013. This would mean that the Society will be unable to operate a greenhouse, and its corresponding programs, in 2014.

An assessment of the space needed for site expansion at the Greater Nanaimo Pollution Control Centre has confirmed that, for the duration of the new Agreement, the space occupied by the greenhouses is not required. As well, signing a new Agreement will not present a safety concern to those using the greenhouses.

As a result of the issues with relocating to Bowen Park, a new, one year agreement between the RDN and the Nanaimo Community Gardens Society has been prepared and reviewed by our legal counsel, Stewart McDannold Stuart. The agreement would have a fixed term from September 1, 2013 to August 31, 2014, after which time, the Nanaimo Community Gardens Society will no longer have access to the greenhouses. Please refer to Attachment 2 for a copy of the proposed agreement.

ALTERNATIVES

1. Enter into a one year agreement from September 1, 2013 to August 31, 2014, with the Nanaimo Community Gardens Society for the use of the greenhouses at Greater Nanaimo Pollution Control Centre.
2. Provide alternate direction to staff.

FINANCIAL IMPLICATIONS

There are no financial implications associated with Alternative 1. It is anticipated that the use of the greenhouses through to August 31, 2014 will not interfere with the current operations of the facility.

INTERGOVERNMENTAL IMPLICATIONS

The City of Nanaimo Parks, Recreation and Culture Commission has approved Greenhouse Proposal made by the Nanaimo Community Gardens Society. The Greenhouse Proposal will be added to the Beban Park Master Plan (scheduled for Council approval in Fall 2013).

SUMMARY/CONCLUSIONS

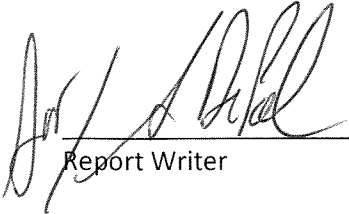
Nanaimo Community Gardens Society has used the greenhouses at the Greater Nanaimo Pollution Control Centre for more than 12 years to grow fruit and vegetable seedlings to support their education programs. Use of the greenhouses was first formalized by an agreement in 2001, and most recently, by a two year agreement that expires on August 31, 2013.

The Nanaimo Community Gardens Society is in the process of organizing their relocation to Bowen Park, and this is expected to be finalized following the development of a Master Plan for Bowen Park, slated for late Fall 2013. Without an agreement for an additional year, licensing the use of the RDN greenhouses, the Nanaimo Community Gardens Society will be unable to operate their greenhouse programs in 2014.

The site expansion and construction activities at Greater Nanaimo Pollution Control Centre will not require the space occupied by the greenhouses for the term of a new, one year Agreement. As such, it is possible for Nanaimo Community Gardens Society to continue to occupy the greenhouses until August 31, 2014.

RECOMMENDATION

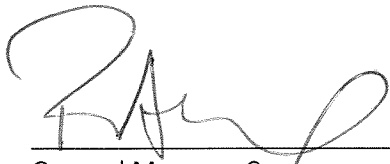
1. That the RDN enter into a one year agreement from September 1, 2013 to August 31, 2014 with the Nanaimo Community Gardens Society for the use of the greenhouses at Greater Nanaimo Pollution Control Centre.



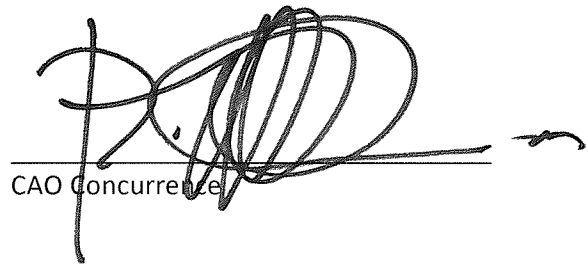
Report Writer



Manager Concurrence



General Manager Concurrence



CAO Concurrence

11. It shall be the sole responsibility of the Society to determine what additional insurance coverage, if any, including but not limited to Workers' Compensation and Participants Insurance, are necessary and advisable for its own protection and/or to fulfil its obligations under this License. Any such additional insurance shall be maintained and provided at the sole expense of the Applicant.
12. Any buildings, furniture, equipment, machinery, fixtures and improvements placed on the Lands or in or about the Premises by the Society shall be entirely at the risk of the Society.
13. The Society agrees to maintain the Premises and the improvements therein in good repair and in a neat and tidy condition, and to not do or permit any act or neglect which may in any manner directly or indirectly be or become a nuisance or interfere with the comfort of any person occupying land in the vicinity of the Premises.
14. The Society shall exercise the greatest care in the use and occupation of the said Premises and shall provide a competent and trustworthy adult who will personally undertake to be responsible for the due observance of the rules and regulations governing the said premises.
15. The Society shall not permit liquor, beer or any other alcoholic beverages on or in the said Premises.
16. The Society shall not construct or place on the Lands any improvements without first obtaining the prior written consent of the Regional District and obtaining all required building or development permits.
17. The Society shall report all damages to the Premises and improvements thereon and the Lands to the Operations Supervisor, Wastewater Services.
18. The Society agrees to comply promptly at its expense with all laws, bylaws, regulations, requirements and recommendations, which may be applicable to the manner of use or occupation of the Premises, made by any and all federal, provincial, local government and other authorities or association of insurance underwriters or agents and all notices in pursuance of same, provided however that the Society shall have no liability to make any improvements, alterations or additions to the Premises which may be required by authorities or associations unless due to the use or occupation of the Premises by the Society.
19. The Society agrees to indemnify and save harmless the Regional District, its elected and appointed offices and employees, from any and all claims, suits, actions, costs, fees and expenses of any kind whatsoever brought against or incurred by the Regional District or its elected and appointed officers and employees in any way relating to the Society's use or occupation of the Premises during the Term of this License or any breach of this License. Such indemnity shall extend to legal expenses incurred by the Regional District in defending against such liability or alleged liability or in enforcing this right of indemnity.

INSPECTION

20. The Regional District and its employees, servants and agents may at any time and from time to time during the Term of this License enter the Premises and every part thereof to examine the condition thereof, and if any want or repair shall be found on such examination and notice thereof is given, the Society will, within thirty (30) days of the giving of that notice, well and truly repair in accordance with that notice.

sole discretion, and the cost of such removal will be a debt due to the Regional District and paid by the Society forthwith to the Regional District.

REPAIRS

30. The Society must repair and maintain the Premises in good condition. If the Society fails to repair or maintain the Premises in accordance with this Licence, the Regional District may, by its agents, employees or contractors enter the Lands and make the required repairs or do the required maintenance and the cost of the repairs or maintenance is a debt due from the Society to the Regional District. In making the repairs or doing the maintenance the Regional District may bring and leave upon the Lands the necessary materials, tools and equipment and the Regional District is not liable to the Society for any inconvenience, annoyance, loss of business or other injuries suffered by the Society by reason of the Regional District effecting the repairs or maintenance.
31. If the Society fails to do anything required of the Society under this Licence, (the "Society Requirement") the Regional District may fulfil or complete the Society Requirement at the cost of the Society and may, if necessary, by its agents, employees or officers enter into the Land to fulfil in complete the Society Requirement. The Society releases the Regional District, its elected officials, appointed officers, employees and agents from and waives any claim, right, remedy, action, cause of action, loss, damage, expense, fee or liability which the Society may have against any or all of them in respect of an act of the Regional District under this section except insofar as such claim, right, remedy, action, cause of action, loss, damage, expense, fee or liability arises from the negligence of the Regional District, its elected and appointed officers, employees and agents.

DEFAULT AND EARLY TERMINATION

32. The Society further covenants with the Regional District that if the Society shall violate or neglect any covenant, agreement or stipulation herein contained on its part to be kept, performed or observed and any such default on the part of the Society shall continue for thirty (30) days after written notice thereof to the Society by the Regional District or if the Premises are abandoned for more than thirty (30) days, then by law the Regional District may at its option forthwith re-enter and take possession of the Premises immediately and may remove any persons and property therefrom and may use such force and assistance in making such removal as the Regional District may deem advisable to recover at once full and exclusive possession of the Premises.
33. If during the Term hereof, any of the goods or chattels of the Society shall at any time be seized or taken in execution or attachment by any creditor of the Society or if the Society shall make any assignment for the benefit of creditors or commit any other act of bankruptcy or shall become bankrupt or insolvent or shall take the benefit of any bankruptcy or insolvency legislation or in the case that the Lands are used by any other person or for any other purpose than is herein provided without the written consent of the Regional District or if any other shall be made for the winding up or dissolution of the Society or it should otherwise cease to exist, then the Term hereof or any renewal thereof shall become forfeit and void, and it shall be lawful for the Regional District any time thereafter to re-enter into or upon the Premises or any part thereof in the name of the whole and the same to have again, repossess and enjoy as of its former estate, notwithstanding anything herein contained to the contrary and neither this License nor any interest therein nor any estate hereby created shall pass to or enure to the benefit of any trustee in bankruptcy or any receiver or any assignee for the benefit of creditors or otherwise by operation of law.
34. Either party to this Agreement may terminate the Agreement at any time upon thirty (30) days notice in writing to the other party. If the Regional District exercises this right of termination then it may recover possession of the Premises in accordance with paragraph 28.

LICENSE TO USE OR OCCUPY

THIS LICENSE ISSUED the day of , 2013

BETWEEN:

REGIONAL DISTRICT OF NANAIMO
6300 Hammond Bay Road
Nanaimo, BC
V9T 6N2

(hereinafter called the "Regional District")

OF THE FIRST PART

AND:

NANAIMO COMMUNITY GARDENS SOCIETY
271 Pine Street
Nanaimo, BC
V9R 2B7

(hereinafter called the "Society")

OF THE SECOND PART

WHEREAS:

The Regional District is the registered owner in fee simple of lands legally described as:

Lot 1, Plan 26263
District Lot 51, Wellington Land District

(the "Lands").

Located at 4600 Hammond Bay Road, Nanaimo, BC and more commonly known as the Greater Nanaimo Pollution Control Centre.

AND WHEREAS the Society wishes to use and occupy those portions of the facility on the Lands known as the greenhouses and shown on Schedule A attached hereto, hereinafter called the "Premises".

NOW THEREFORE THIS AGREEMENT WITNESSES THAT in consideration of the rents, covenants, agreements and conditions to be performed and observed by the Society:

1. The Regional District hereby grants the Society a license to occupy and use the said Premises for the sole purposes of training in the use of greenhouse cultivation of domestic garden plants.
2. The Society agrees that it is the sole responsibility of the Society to determine the suitability of the Premises for its intended use and occupation.

10. The Regional District shall be named as an additional insured under such liability policy or policies of insurance.
11. It shall be the sole responsibility of the Society to determine what additional insurance coverage, if any, including but not limited to Workers' Compensation and Participants Insurance, are necessary and advisable for its own protection and/or to fulfil its obligations under this License. Any such additional insurance shall be maintained and provided at the sole expense of the Applicant.
12. Any buildings, furniture, equipment, machinery, fixtures and improvements placed on the Lands or in or about the Premises by the Society shall be entirely at the risk of the Society.
13. The Society agrees to maintain the Premises and the improvements therein in good repair and in a neat and tidy condition, and to not do or permit any act or neglect which may in any manner directly or indirectly be or become a nuisance or interfere with the comfort of any person occupying land in the vicinity of the Premises.
14. The Society shall exercise the greatest care in the use and occupation of the said Premises and shall provide a competent and trustworthy adult who will personally undertake to be responsible for the due observance of the rules and regulations governing the said premises.
15. The Society shall not permit liquor, beer or any other alcoholic beverages on or in the said Premises.
16. The Society shall not construct or place on the Lands any improvements without first obtaining the prior written consent of the Regional District and obtaining all required building or development permits.
17. The Society shall report all damages to the Premises and improvements thereon and the Lands to the Operations Supervisor, Wastewater Services.
18. The Society agrees to comply promptly at its expense with all laws, bylaws, regulations, requirements and recommendations, which may be applicable to the manner of use or occupation of the Premises, made by any and all federal, provincial, local government and other authorities or association of insurance underwriters or agents and all notices in pursuance of same, provided however that the Society shall have no liability to make any improvements, alterations or additions to the Premises which may be required by authorities or associations unless due to the use or occupation of the Premises by the Society.
19. The Society agrees to indemnify and save harmless the Regional District, its elected and appointed offices and employees, from any and all claims, suits, actions, costs, fees and expenses of any kind whatsoever brought against or incurred by the Regional District or its elected and appointed officers and employees in any way relating to the Society's use or occupation of the Premises during the Term of this License or any breach of this License. Such indemnity shall extend to legal expenses incurred by the Regional District in defending against such liability or alleged liability or in enforcing this right of indemnity.

INSPECTION

20. The Regional District and its employees, servants and agents may at any time and from time to time during the Term of this License enter the Premises and every part thereof to examine the condition thereof, and if any want or repair shall be found on such examination and notice thereof is given, the Society will, within thirty (30) days of the giving of that notice, well and truly repair in accordance with that notice.

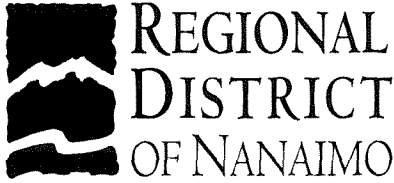
sole discretion, and the cost of such removal will be a debt due to the Regional District and paid by the Society forthwith to the Regional District.

REPAIRS

30. The Society must repair and maintain the Premises in good condition. If the Society fails to repair or maintain the Premises in accordance with this Licence, the Regional District may, by its agents, employees or contractors enter the Lands and make the required repairs or do the required maintenance and the cost of the repairs or maintenance is a debt due from the Society to the Regional District. In making the repairs or doing the maintenance the Regional District may bring and leave upon the Lands the necessary materials, tools and equipment and the Regional District is not liable to the Society for any inconvenience, annoyance, loss of business or other injuries suffered by the Society by reason of the Regional District effecting the repairs or maintenance.
31. If the Society fails to do anything required of the Society under this Licence, (the "Society Requirement") the Regional District may fulfil or complete the Society Requirement at the cost of the Society and may, if necessary, by its agents, employees or officers enter into the Land to fulfil in complete the Society Requirement. The Society releases the Regional District, its elected officials, appointed officers, employees and agents from and waives any claim, right, remedy, action, cause of action, loss, damage, expense, fee or liability which the Society may have against any or all of them in respect of an act of the Regional District under this section except insofar as such claim, right, remedy, action, cause of action, loss, damage, expense, fee or liability arises from the negligence of the Regional District, its elected and appointed officers, employees and agents.

DEFAULT AND EARLY TERMINATION

32. The Society further covenants with the Regional District that if the Society shall violate or neglect any covenant, agreement or stipulation herein contained on its part to be kept, performed or observed and any such default on the part of the Society shall continue for thirty (30) days after written notice thereof to the Society by the Regional District or if the Premises are abandoned for more than thirty (30) days, then by law the Regional District may at its option forthwith re-enter and take possession of the Premises immediately and may remove any persons and property therefrom and may use such force and assistance in making such removal as the Regional District may deem advisable to recover at once full and exclusive possession of the Premises.
33. If during the Term hereof, any of the goods or chattels of the Society shall at any time be seized or taken in execution or attachment by any creditor of the Society or if the Society shall make any assignment for the benefit of creditors or commit any other act of bankruptcy or shall become bankrupt or insolvent or shall take the benefit of any bankruptcy or insolvency legislation or in the case that the Lands are used by any other person or for any other purpose than is herein provided without the written consent of the Regional District or if any other shall be made for the winding up or dissolution of the Society or it should otherwise cease to exist, then the Term hereof or any renewal thereof shall become forfeit and void, and it shall be lawful for the Regional District any time thereafter to re-enter into or upon the Premises or any part thereof in the name of the whole and the same to have again, repossess and enjoy as of its former estate, notwithstanding anything herein contained to the contrary and neither this License nor any interest therein nor any estate hereby created shall pass to or enure to the benefit of any trustee in bankruptcy or any receiver or any assignee for the benefit of creditors or otherwise by operation of law.
34. Either party to this Agreement may terminate the Agreement at any time upon thirty (30) days notice in writing to the other party. If the Regional District exercises this right of termination then it may recover possession of the Premises in accordance with paragraph 28.



CAO APPROVAL	
EAP	
COV	✓
MAY 07 2013	
RHD	
BOARD	

MEMORANDUM

TO: Sean De Pol
 Manager of Wastewater Services

DATE: April 23, 2013

FROM: Jessica Dorzinsky
 Wastewater Coordinator

FILE: 4520-20-77

SUBJECT: Pump and Haul Bylaw Amendment
 610 Gallagher Way, Gabriola Island, Electoral Area 'B'

PURPOSE

To consider an amendment to Bylaw 975 which established the Regional District of Nanaimo’s Pump and Haul program.

BACKGROUND

The pump and haul service was established to provide a solution for those properties unable to obtain a permit for an on site septic disposal system. In order to apply for a rate reduction under this bylaw the following conditions must be met:

- the applicant must have a valid holding tank permit issued by Vancouver Island Health Authority;
- the parcel must be greater than 700 m²;
- the parcel is for existing uses and the disposal system has failed, or the parcel is currently vacant and will only be used for the construction of a single family residence;
- the parcel cannot be further subdivided or stratified according to existing zoning or a restrictive covenant;
- a community sewer system is not available;
- including the parcel will not facilitate development of any additional units on the property;
- the development conforms to zoning bylaws.

A person wishing to incorporate a property into the Pump and Haul Service Area must first apply to the Regional District of Nanaimo to amend Pump and Haul Bylaw No. 975. A Restrictive Covenant shall be registered against the title of the land in question in accordance with section 219 of the Land Title Act. The Restrictive Covenant shall require the owners of the lot to (a) maintain a continuous contract with a pump out company and deposit a copy of the contract with the Regional District of Nanaimo; (b) connect to sewers when they become available; and (c) prohibit subdivision or construct of any additional units on the property.

A request has been received to include the following property into the Pump and Haul function:

Lot 61, Section 18, Plan 21586, Nanaimo District
 610 Gallagher Way, Gabriola Island, Electoral Area 'B'.

The property owner has petitioned the RDN to include their property in the Regional District of Nanaimo Pump and Haul Local Service Area, Bylaw No. 975. The property is a residential home. A permit from the Environmental Health Officer at the Central Vancouver Island Health Region approved the property for a holding tank. The property is greater than 700 m² in area and the property currently conforms to the existing zoning bylaw. The Restrictive Covenant will be registered on the property.

ALTERNATIVES

1. Do not accept the application.
2. Accept the application.

FINANCIAL IMPLICATIONS

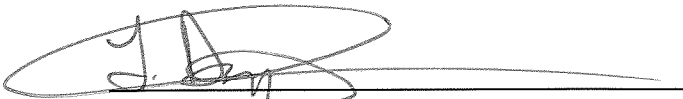
There are no financial implications. The applicant pays an application fee and an annual user fee. The Pump and Haul program is a user pay service.

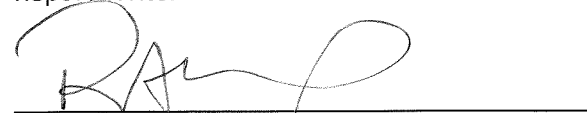
SUMMARY/CONCLUSIONS

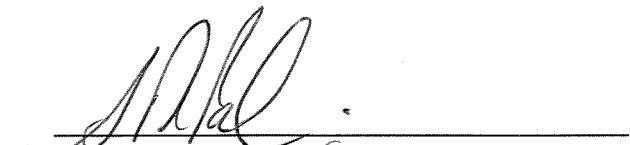
The application meets all requirements for inclusion into the Pump and Haul function, specifically the parcel size is greater than 700 m², a community sewer is not available, a holding tank permit was obtained under the Provincial Sewage Disposal Regulation and the property currently conforms to the existing zoning bylaw. The Restrictive Covenant shall require the owners of the lot to (a) maintain a continuous contract with a pump out company and deposit a copy of the contract with the Regional District of Nanaimo; (b) connect to sewers when they become available; and (c) prohibit subdivision or construction of any additional units on the property.

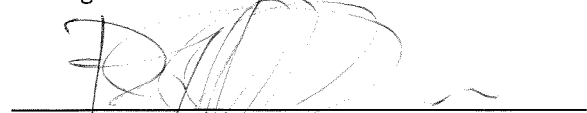
RECOMMENDATIONS

1. That the boundaries of the RDN Pump and Haul Local Service Area Bylaw No. 975 be amended to include Lot 61, Section 18, Plan 21586, Gabriola Island, Nanaimo District (Electoral Area B).
2. That "Regional District of Nanaimo Pump & Haul Local Service Area Amendment Bylaw No. 975.59, 2013" be introduced and read three times.

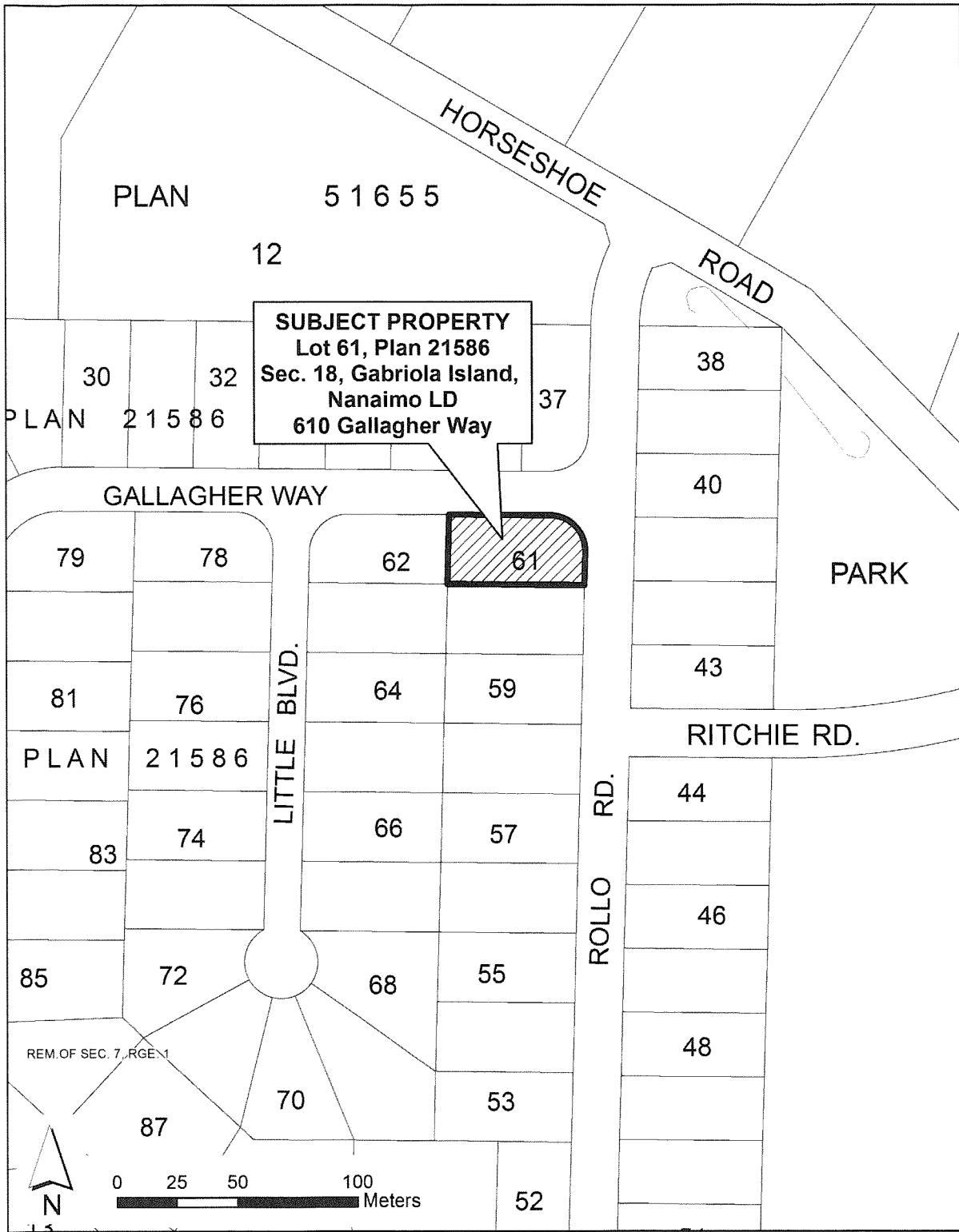

Report Writer


General Manager Concurrence


Manager Concurrence


CAO Concurrence

COMMENTS:



BCGS MAPSHEET: 92G.011.4.4

REGIONAL DISTRICT OF NANAIMO

BYLAW NO. 975.59

A BYLAW TO AMEND THE BOUNDARIES OF THE
PUMP & HAUL LOCAL SERVICE

WHEREAS the Regional District of Nanaimo established a Pump and Haul Service pursuant to Bylaw No. 975, cited as "Regional District of Nanaimo Pump & Haul Local Service Establishment Bylaw No. 975, 1995";

AND WHEREAS the Board of the Regional District of Nanaimo has been petitioned by the property owner to expand the boundaries of the service area to include the land legally described as:

- Lot 61, Section 18, Plan 21586, Gabriola Island, Nanaimo District.

AND WHEREAS at least 2/3 of the service participants have consented to the adoption of this bylaw in accordance with section 802 of the *Local Government Act*;

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

1. Citation

This bylaw may be cited for all purposes as "Regional District of Nanaimo Pump & Haul Local Service Amendment Bylaw No. 975.59, 2013".

2. Amendment

"Regional District of Nanaimo Pump & Haul Local Service Establishment Bylaw No. 975, 1995" is amended by deleting Schedule 'A' and replacing it with the Schedule 'A' attached to and forming part of this bylaw.

Introduced and read three times this day of , 2013.

Adopted this day of , 2013.

CHAIRPERSON

CORPORATE OFFICER

Schedule 'A' to accompany "Regional District of Nanaimo Pump & Haul Local Service Amendment Bylaw No. 975.59, 2013".

Chairperson

Corporate Officer

BYLAW NO. 975.59

SCHEDULE 'A'

Electoral Area 'B'

1. Lot 108, Section 31, Plan 17658, Nanaimo Land District.
2. Lot 6, Section 18, Plan 17698, Nanaimo Land District.
3. Lot 73, Section 31, Plan 17658, Nanaimo Land District.
4. Lot 26, Section 12, Plan 23619, Nanaimo Land District.
5. Lot 185, Section 31, Plan 17658, Nanaimo Land District.
6. Lot A, Section 31, Plan VIP84225, Gabriola Island, Nanaimo District
7. Lot 120, Section 31, Plan 17658, Nanaimo Land District.
8. Lot 108, Section 12, Plan 23435, Nanaimo Land District.
9. Lot 75, Section 13, Plan 21531, Nanaimo Land District.
10. Lot 85, Section 18, Plan 21586, Nanaimo Land District.
11. Lot 14, Section 21, Plan 5958, Nanaimo Land District.
12. Lot 108, Section 13, Plan 21531, Nanaimo Land District.
13. Lot 84, Sections 12 & 13, Plan 21531, Nanaimo Land District.
14. Lot 72, Section 13, Plan 21531, Nanaimo Land District.
15. Lot 61, Section 18, Plan 21586, Gabriola Island, Nanaimo District.

Electoral Area 'E'

1. Lot 1, District Lot 72, Plan 17681, Nanoose Land District.
2. Lot 17, District Lot 78, Plan 14212, Nanoose Land District.
3. Lot 32, District Lot 68, Plan 26680, Nanoose Land District.
4. Lot 13, Block E, District Lot 38, Plan 13054, Nanoose Land District.
5. Lot 13, District Lot 78, Plan 25828, Nanoose Land District.
6. Lot 58, District Lot 78, Plan 14275, Nanoose Land District.
7. Lot 28, District Lot 78, Plan 15983, Nanoose Land District.
8. Lot 23, District Lot 78, Plan 14212, Nanoose Land District.
9. Lot 23, District Lot 78, Plan 28595, Nanoose Land District.
10. Lot 53, District Lot 78, Plan 14275, Nanoose Land District.
11. Lot 12, District Lot 8, Plan 20762, Nanoose Land District.
12. Lot 57, District Lot 78, Plan 14275, Nanoose District
13. Lot 18, District Lot 78, Plan 19688, Nanoose District

Electoral Area 'F'

1. Lot 2, District Lot 74, Plan 36425, Newcastle Land District.

Electoral Area 'G'

1. Lot 28, District Lot 28, Plan 26472, Nanoose Land District.
2. Lot 1, District Lot 80, Plan 49865, Newcastle Land District.

Electoral Area 'H'

1. Lot 22, District Lot 16, Plan 13312, Newcastle Land District.
2. Lot 29, District Lot 81, Plan 27238, Newcastle Land District.
3. Lot 46, District Lot 81, Plan 27238, Newcastle Land District.
4. Lot 9, District Lot 28, Plan 24584, Newcastle Land District.
5. Lot 41, District Lot 81, Plan 27238, Newcastle Land District.
6. Lot 20, District Lot 16, Plan 13312, Newcastle Land District.
7. Lot 1, District Lot 40, Plan 16121, Newcastle District.
8. Lot 27, Plan 16121, District Lot 40, Newcastle Land District.

City of Nanaimo

1. Lot 43, Section 8, Plan 24916, Wellington Land District.

District of Lantzville

1. Lot 24, District Lot 44, Plan 27557, Wellington Land District.
2. Lot A, District Lot 27G, Plan 29942, Wellington Land District.
3. Lot 1, District Lot 85, Plan 15245, Wellington Land District.



RDN REPORT	
CAO APPROVAL	
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COW	✓
MAY 02 2013	
RHD	
BOARD	

MEMORANDUM

TO: Mike Donnelly
Manager of Water Services

DATE: April 29, 2013

FROM: Deb Churko, ASCT
Engineering Technologist

FILE: 5500-20-FC-01

SUBJECT: Bylaws No. 813.50, 869.09, and 889.64 - Inclusion of 691 Wembley Road
into Sewer and Streetlighting Service Areas, Electoral Area 'G'

PURPOSE

To consider a request to include 691 Wembley Road (Lot 1, DL 81, Nanoose District, Plan 1799) into the French Creek Sewer and Northern Community Sewer Service Areas for the purpose of sanitary sewer connection, and into the Morningstar Streetlighting Service Area for the purpose of adding streetlights (see Location Plan in Figure 1).

BACKGROUND

The subject property is located near the corner of Yellowbrick Road and Wembley Road, just west of Parksville, B.C. The property has been occupied by one single family dwelling for over 30 years, but has never been connected to the RDN sanitary sewer system. The new owners of 691 Wembley Road (0928323 BC Ltd and PLAND Corp) wish to develop this 10 acre lot into smaller lots with community sewer service from the RDN. The owners have petitioned the RDN to be included in the French Creek and Northern Community Sewer Local Service Areas for the purpose of joining the community sewer system.

The subject property is located within the engineered sewer catchment area for the French Creek Pollution Control Centre, and the French Creek Official Community Plan (OCP) recognizes that sewer servicing boundary expansions may be required in order to avoid potential future problem areas from on-site sewage disposal systems. The French Creek Sewer Local Service Area boundary is located immediately adjacent to the subject property, thereby making an expansion to the community sewer system possible. Community water in this area is supplied by EPCOR Water Services, so there will be no application by the owner/developer to join an RDN community water system. The property owners are also applying to join the adjacent Morningstar Streetlighting Service Area.

Two Capital Charges are payable when a property is being brought into the community sewer service areas. A Capital Charge of \$726 (per lot) is payable pursuant to French Creek Sewer Local Service Area Capital Charge Bylaw No. 1330, 2003 (for sewage collection), and a Capital Charge of \$2,081 (per lot) is payable pursuant to Northern Community Sewer Local Service Area Capital Charge Bylaw No. 1331, 2003 (for sewage treatment).

ALTERNATIVES

- 1. Accept the application to include the property at 691 Wembley Road into the French Creek and Northern Community Sewer Local Service Areas, and into the Morningstar Streetlight Service Area.
2. Do not accept the application for sewer servicing or streetlight servicing. The owners would explore options for privately-owned and operated ornamental streetlighting, and on-site sewage treatment and disposal.

FINANCIAL IMPLICATIONS

Under Option 1, if the application for 691 Wembley Road is approved for inclusion into the sewer and streetlighting local service areas, there are no financial implications to the RDN. All costs associated with connection to the community sewer, and installation of streetlights would be at the expense of the applicants. The owners have paid Capital Charges on the “parent” lot in the amount of \$2,807.

Capital Charges are normally payable on the full development potential of the lot at the time a property joins the local service area. In this regard, however, the owners of 691 Wembley Road, have paid Capital Charges for the parent lot, and registered a restrictive covenant on the land title indicating that additional Capital Charges will be payable to the Regional District in the future when subdivision and/or multi-family development is being considered.

A signed covenant has been received and registered on the land title of 691 Wembley Road to ensure payment of the remaining Capital Charges on the full development potential of the land at the time of subdivision. Cost recovery for sewer and streetlighting service is done through parcel taxes. Annual user fees are also collected for sewer use.

Under Option 2, if the application for sewer servicing and streetlighting is not approved, the owners would explore options for privately-owned ornamental streetlighting, and on-site sewage treatment and disposal. The initial Capital Charge paid by the property owners would be refunded.

SUSTAINABILITY IMPLICATIONS

By including the subject property in the French Creek and Northern Community Sewer Service Areas, domestic sewage would be collected by the community sewer system and treated at the French Creek Pollution Control Centre. The property at 691 Wembley Road would be able to subdivide and develop into several single-family lots with sewer servicing. The provision of community sewer servicing would help avoid potential future problem areas from on-site sewage disposal systems installed in an urban setting. Staff suggest that connecting this property to the community sewer system would be a more sustainable option than designing on-site treatment and disposal systems for new homes in an urban setting.

By expanding the local streetlighting service area, more streetlights would be installed in the Morningstar Area. New streetlighting installations are required to be low-energy use, and dark-sky compliant under the RDN Engineering Specifications. Staff suggest that the installation of up to 10 new streetlights would have very little impact to the sustainability of the existing Morningstar Streetlighting Service Area. An expansion to the adjacent Morningstar Area would make the streetlighting service not only possible, but desirable.

DEVELOPMENT IMPLICATIONS

The subject property is located within a “Neighbourhood Residential” land use designation pursuant to the *Electoral Area ‘G’ Official Community Plan (OCP) Bylaw No. 1540, 2008*. The subject property is located within the engineered sewer catchment area for the French Creek Pollution Control Centre, and the Electoral Area ‘G’ OCP recognizes that sewer servicing boundary expansions may be required in order to avoid potential future problem areas from on-site sewage disposal systems.

The property is zoned Rural RU1-F pursuant to *Regional District of Nanaimo Land Use and Subdivision Bylaw No. 500, 1987*. The “F” subdivision district provides a minimum parcel size of 700 m² when a property is serviced with community sewer. The subject property is greater than 41,000 m² in size; therefore subdivision into several lots is possible under the current zoning. An application has been

received by the Regional District for rezoning to a higher density. However, sewer servicing to the parent parcel is the only application being considered in this report.

SUMMARY/CONCLUSIONS

Petitions have been received from the owners of 691 Wembley Road to amend the boundaries of the French Creek and Northern Community Sewer Service Areas in order to connect the subject property to the Regional District community sewer system. The Electoral Area 'G' OCP supports the connection of this property to community sewer. All costs associated with the connection of the subject property to community sewer would be paid by the owners. The owners have paid \$2,807 in Capital Charges and a signed covenant has been received and registered on the land title of 691 Wembley Road to ensure that future payment of Capital Charges is received on the full development potential of the land. Cost recovery for sewer servicing is done through parcel taxes and annual user fees.

The owners of 691 Wembley Road have also petitioned the RDN to include the subject property into the adjacent Morningstar Streetlighting Service Area. There are no cost implications to the RDN to expand the adjacent streetlighting service area. Cost recovery for streetlight service is done through parcel taxes.

RECOMMENDATIONS

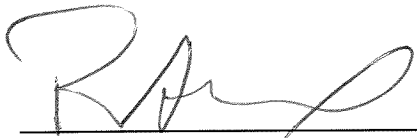
1. That "French Creek Sewerage Facilities Local Service Boundary Amendment Bylaw No. 813.50, 2013" be introduced and read three times.
2. That "Morningstar Streetlighting Local Service Area Boundary Amendment Bylaw No. 869.09, 2013" be introduced and read three times.
3. That "Regional District of Nanaimo Northern Community Sewer Local Service Boundary Amendment Bylaw No. 889.64, 2013" be introduced and read three times.



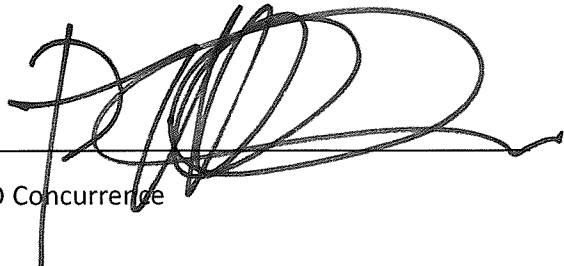
Report Writer



Manager Concurrence

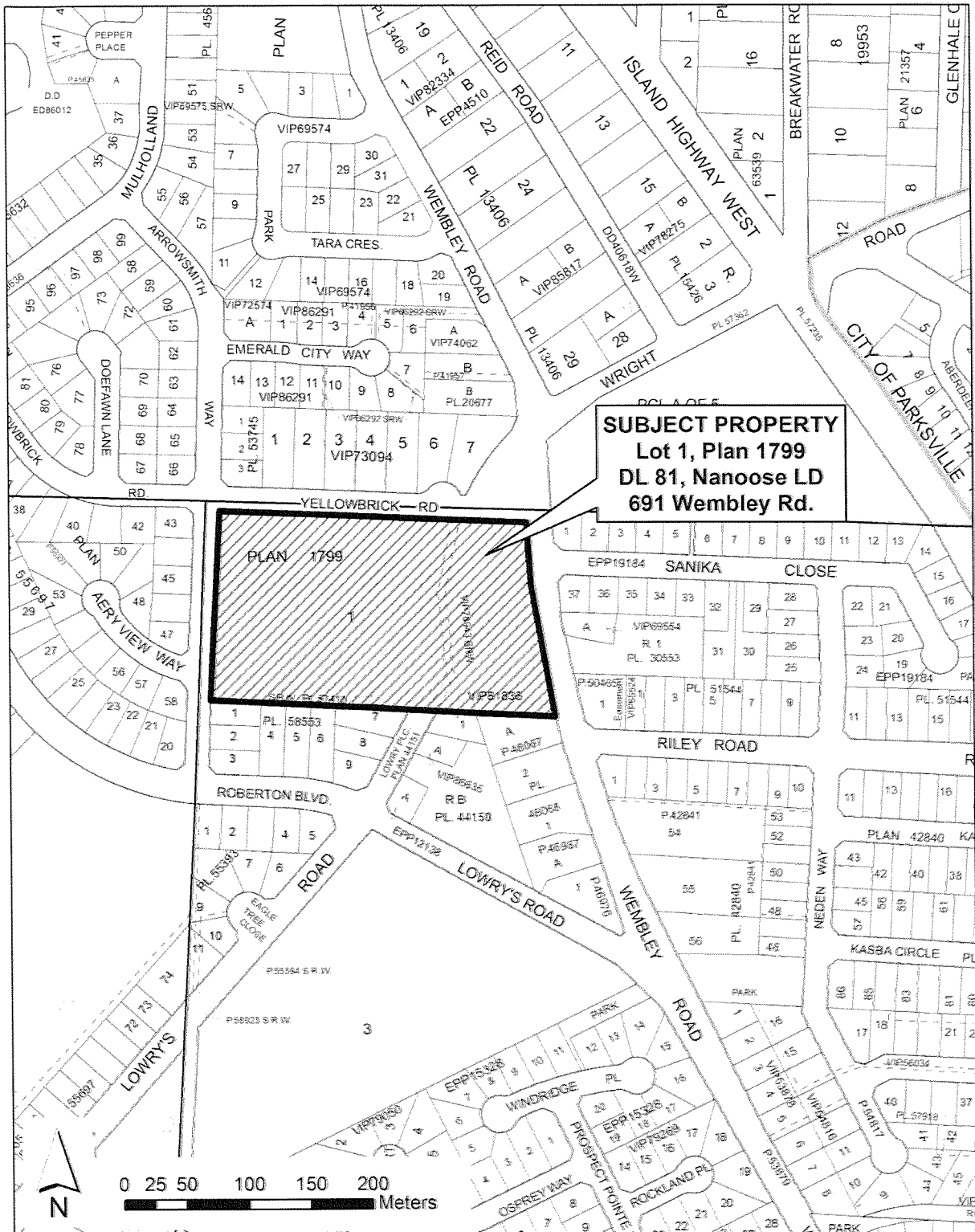


General Manager Concurrence



CAO Concurrence

Figure 1 - Location Plan



REGIONAL DISTRICT OF NANAIMO

BYLAW NO. 813.50

A BYLAW TO AMEND THE BOUNDARIES OF THE
FRENCH CREEK SEWER SERVICE

WHEREAS the Regional District of Nanaimo established the French Creek Sewer Service pursuant to Bylaw No. 813, cited as "French Creek Sewerage Facilities Local Service Establishment Bylaw No. 813, 1990";

AND WHEREAS the Board of the Regional District of Nanaimo has been petitioned by the property owner (s) to extend the boundaries of the service area to include the land (s) shown outlined in black on Schedule 'B' of this bylaw and legally described as:

- Lot 1, District Lot 81, Nanoose District, Plan 1799;

AND WHEREAS at least 2/3 of the service participants have consented to the adoption of this bylaw in accordance with section 802 of the *Local Government Act*;

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

1. Citation

This bylaw may be cited for all purposes as "French Creek Sewerage Facilities Local Service Boundary Amendment Bylaw No. 813.50, 2013".

2. Amendment

"French Creek Sewerage Facilities Local Service Establishment Bylaw No. 813, 1990" is amended as follows:

By deleting Schedule 'A' of Bylaw No. 813 and replacing it with Schedule 'A' attached to and forming part of this bylaw.

Introduced and read three times this ____ day of _____, 2013.

Adopted this ____ day of _____, 2013.

CHAIRPERSON

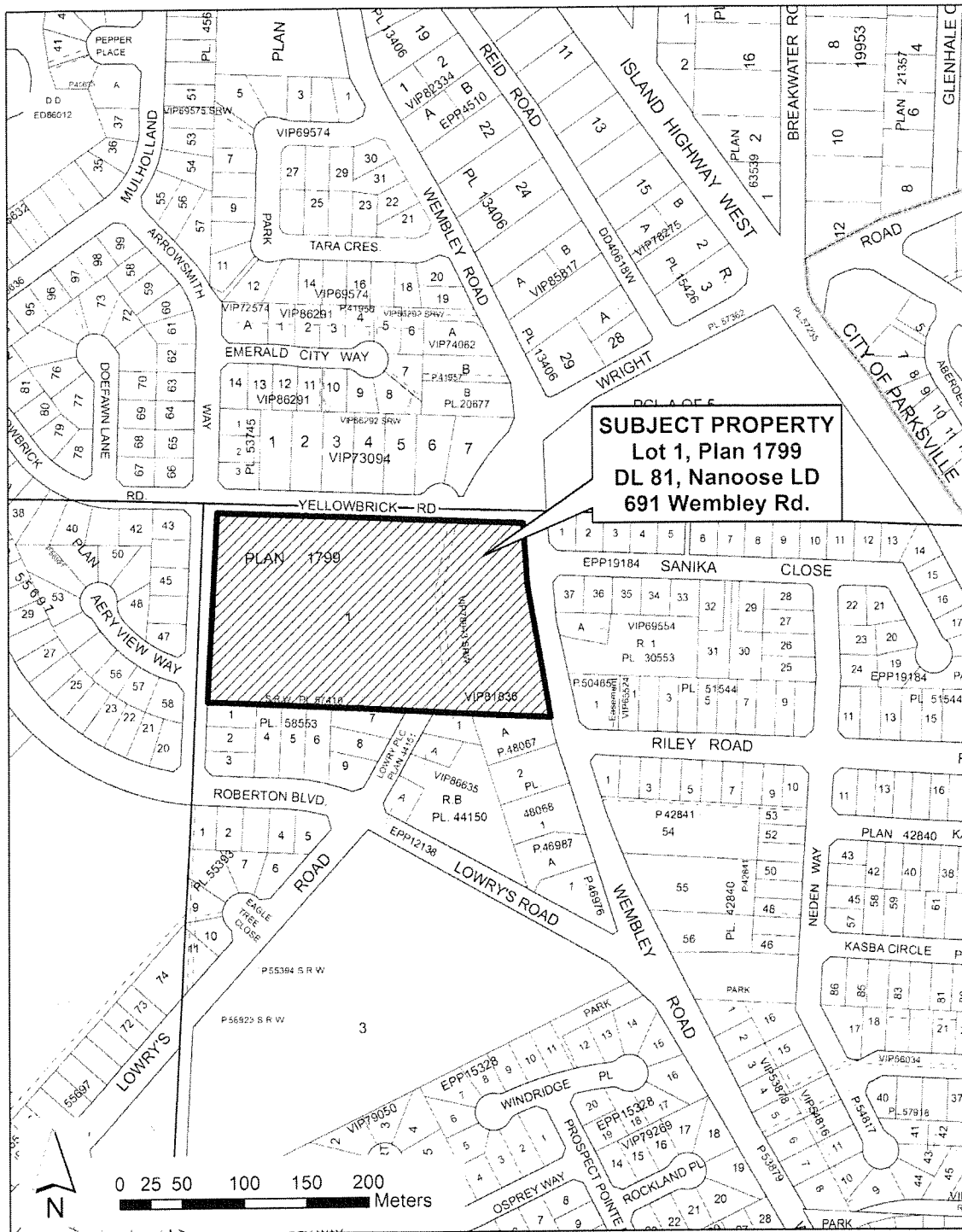
CORPORATE OFFICER

Schedule 'A'

MAP OF REVISED SERVICE AREA BOUNDARIES
TO BE ATTACHED ONCE ADOPTED,
AND IS AVAILABLE FOR VIEWING
WITH THE CORPORATE OFFICER

Chairperson

Corporate Officer



REGIONAL DISTRICT OF NANAIMO

BYLAW NO. 869.09

A BYLAW TO AMEND THE BOUNDARIES OF THE
MORNINGSTAR STREETLIGHTING SERVICE

WHEREAS the Regional District of Nanaimo established the Morningstar Streetlighting Service pursuant to Bylaw No. 869, cited as "Morningstar Streetlighting Local Service Area Establishment Bylaw No. 869, 1992";

AND WHEREAS the Board of the Regional District of Nanaimo has been petitioned by the property owner to extend the boundaries of the service area to include the land shown outlined in black on Schedule 'B' of this bylaw and legally described as:

- Lot 1, District Lot 81, Nanoose District, Plan 1799.

AND WHEREAS at least 2/3 of the service participants have consented to the adoption of this bylaw in accordance with Section 802 of the *Local Government Act*;

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

1. Citation

This bylaw may be cited as "Morningstar Streetlighting Local Service Area Boundary Amendment Bylaw No. 869.09, 2013".

2. Amendment

"Morningstar Streetlighting Local Service Area Establishment Bylaw No. 869, 1992" is amended as follows:

By deleting Schedule 'A' of Bylaw No. 869 and replacing it with Schedule 'A' attached to and forming part of this bylaw.

Introduced and read three times this ____ day of _____, 2013.

Adopted this ____ day of _____, 2013.

CHAIRPERSON

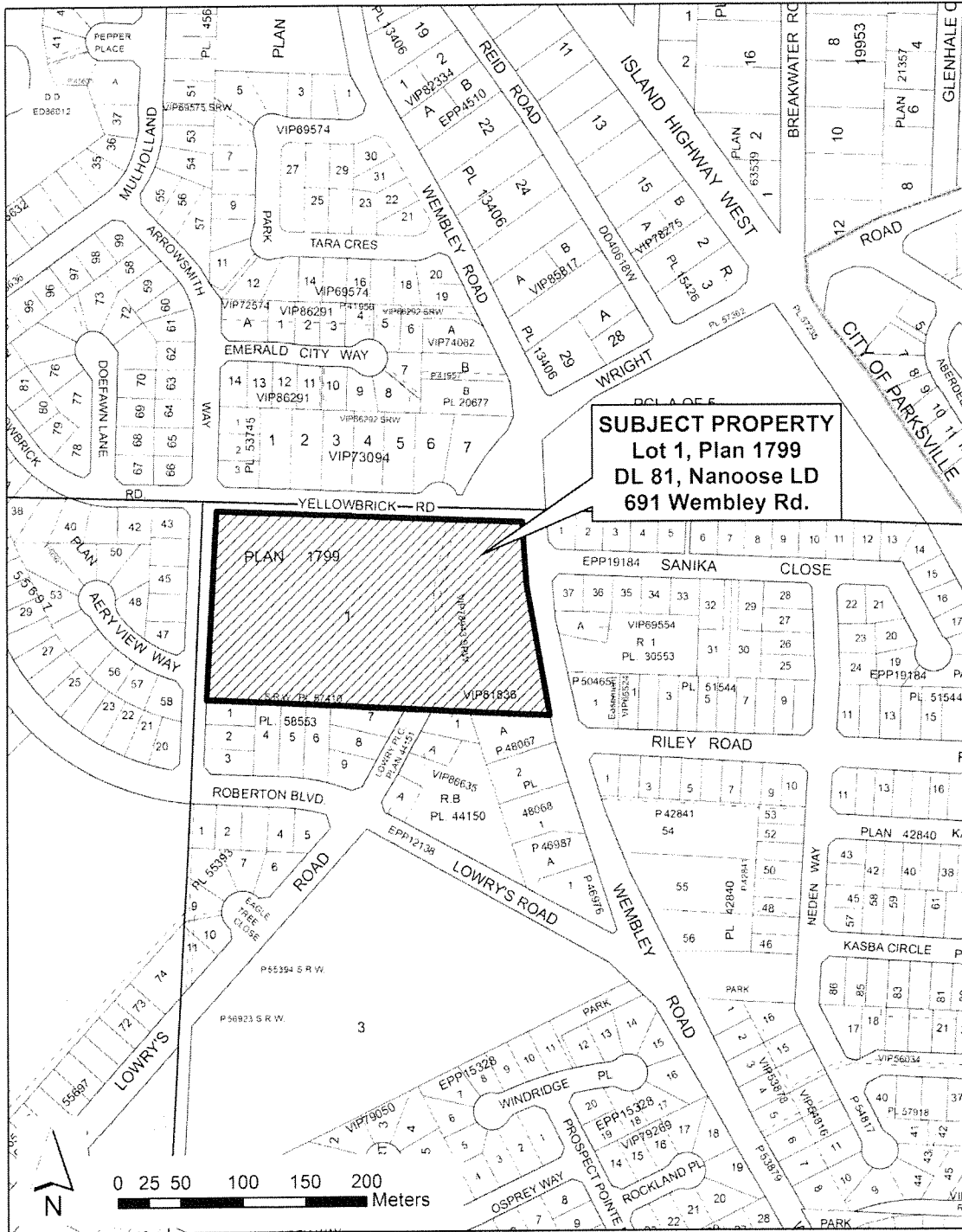
CORPORATE OFFICER

Schedule 'A'

MAP OF REVISED SERVICE AREA BOUNDARIES
TO BE ATTACHED ONCE ADOPTED,
AND IS AVAILABLE FOR VIEWING
WITH THE CORPORATE OFFICER

Chairperson

Corporate Officer



REGIONAL DISTRICT OF NANAIMO

BYLAW NO. 889.64

A BYLAW TO AMEND THE BOUNDARIES OF THE
NORTHERN COMMUNITY SEWER SERVICE

WHEREAS the Regional District of Nanaimo established the Northern Community Sewer Service pursuant to Bylaw No. 889, cited as “Regional District of Nanaimo Northern Community Sewer Local Service Conversion Bylaw No. 889, 1993”;

AND WHEREAS the Board of the Regional District of Nanaimo has been petitioned by the property owner (s) to extend the boundaries of the service area to include the land (s) shown outlined in black on Schedule ‘B’ of this bylaw and legally described as:

- Lot 1, District Lot 81, Nanoose District, Plan 1799;

AND WHEREAS at least 2/3 of the service participants have consented to the adoption of this bylaw in accordance with section 802 of the *Local Government Act*;

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

1. Citation

This bylaw may be cited as “Regional District of Nanaimo Northern Community Sewer Local Service Boundary Amendment Bylaw No. 889.64, 2013”.

2. Amendment

“Regional District of Nanaimo Northern Community Sewer Local Service Conversion Bylaw No. 889, 1993” is amended as follows:

By deleting Schedules ‘C’ and ‘E’ of Bylaw No. 889 and replacing them with Schedules ‘C’ and ‘E’ attached to and forming part of this bylaw.

Introduced and read three times this ____ day of _____, 2013.

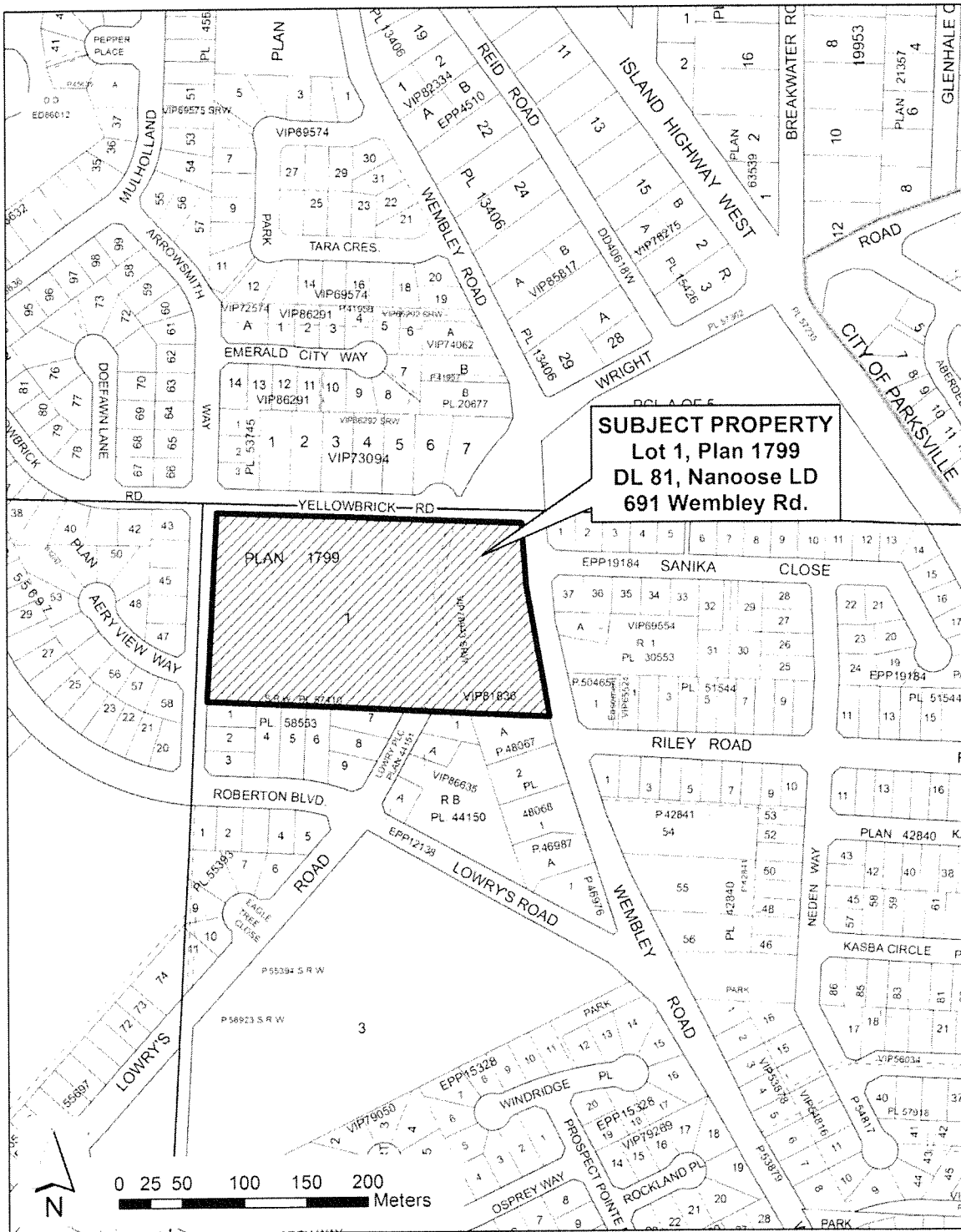
Adopted this ____ day of _____, 2013.

CHAIRPERSON

CORPORATE OFFICER

Chairperson

Corporate Officer



Schedule 'C'

MAP OF REVISED SERVICE AREA BOUNDARIES
TO BE ATTACHED ONCE ADOPTED,
AND IS AVAILABLE FOR VIEWING
WITH THE CORPORATE OFFICER

Schedule 'E'

MAP OF REVISED SERVICE AREA BOUNDARIES
TO BE ATTACHED ONCE ADOPTED,
AND IS AVAILABLE FOR VIEWING
WITH THE CORPORATE OFFICER



RDN REPORT		[Handwritten initials]
CAO APPROVAL		
EAP		
COW	✓	
APR 29 2013		
RHD		
BOARD		

MEMORANDUM

TO: Dean Banman
 Manager of Recreation Services

DATE: April 25, 2013

FROM: Sandra Pearson
 Superintendent of Recreation Program Services

FILE:

SUBJECT: Cedar Heritage Centre Lease and Site Licence Agreement (2013-15) /
 Cedar School and Community Enhancement Society

PURPOSE

To obtain Board approval to enter into a new Lease and Site Licence agreement with Cedar School and Community Enhancement Society in Electoral Area A for Cedar Heritage Centre.

BACKGROUND

For more than a decade, the Cedar School and Community Enhancement Society (CSCES) Society, on behalf of the Regional District of Nanaimo (RDN), has managed the daily operations of the Cedar Heritage Centre with the resources available to them, and has been a dependable tenant of the building. The land of which the Centre is situated is owned by School District 68 (Nanaimo-Ladysmith) and the Regional Board has a separate agreement in place with the School District for the land, parking spaces, playground and grounds. The Regional District owns the building.

In July 2011, the RDN and CSCES entered into a three year License to Use agreement of the RDN owned Cedar Heritage Centre (CHC) located at 1644 MacMillan Road. This agreement reflected the provision of office space in the Centre for a full-time RDN Recreation Programmer and no-cost rentals for recreation programs. In April 2012, the Regional District of Nanaimo discontinued direct programming of recreation and culture programs in Electoral Area 'A'. A new agreement is now required to reflect the new status of the relationship and use of the building between the two parties. The proposed agreement is a 'Lease and Site Licence', rather than a 'Licence to Use'.

In September 2012, staff were given direction by the Electoral Area 'A' Parks, Recreation and Culture Commission to enter into discussions with CSCES to discuss possible amendments to the current agreement and report back on proposed amendments for Commission and Board review and consideration. Staff met with the Society in October 2012 to review the existing agreement and discuss necessary changes to the agreement as well as identify capital facility projects for 2013. Regional District staff proposed a new management fee to assist the Society in operating the facility, as well as a monthly utility fee towards the centre's utility costs which would be in effect until identified energy-efficiency improvements are completed in 2013. The Society asked for clarity on the number, extent and fees for Regional Board rental use of the centre.

The two parties met again in January 2013 to review the proposed value of management and utility fees, specified use of the facility by the Regional District and review the draft agreement. The proposed agreement provides no-cost meeting space for regular and special meetings to carry out the work of the

Commission. In addition, the Regional District will have access to three meeting rentals per year at no cost for Electoral Area 'A' purposes and a \$10 per hour fee or \$50 per day fee for additional meetings. Lastly, regular rental fees will apply to any rentals for general RDN purposes (non-specific to Electoral Area 'A'). The Society was receptive of the proposed \$6,000 annual management fee and \$125 monthly utility fee until the energy-efficient capital improvements are completed in 2013. However, the Society raised a number of questions regarding insurance and liability.

Therefore, the draft agreement was sent to the RDN lawyer for review of these issues, and it was recommended to change the agreement from a 'License for Use', back to the original purpose of a Lease and Site Use Agreement. A final draft agreement was sent to the Society and has been reviewed by their lawyer; the Society is agreeable to sign the proposed agreement.

In broad terms, the major differences between the existing agreement and the proposed agreement are: to revert back to a lease and site license agreement for Regional District use, to add management and utility fees to assist the Society in facility operations, and to clarify the rental fees charged to the Regional District for use of the facility.

The new Agreement, attached as *Appendix 'A'*, reflects the Regional District's interests as facility owner and provides significant support to the Society to operate and manage the facility for the District.

ALTERNATIVES

1. To approve the Lease and Site Licence Agreement between the Regional District and the Cedar Community School and Enhancement Society for the operation and use of the Cedar Heritage Centre (as attached in *Appendix 'A'*).
2. To not approve the Lease and Site Licence Agreement and provide staff with alternative direction.

FINANCIAL IMPLICATIONS

1. The proposed Lease and Site Licence Agreement with CSCES introduces the payment of a management fee of \$6,000 annually to CSCES to assist in the operations and expenses of running the facility. In addition, a monthly utility fee of \$125 will be paid until specified building energy improvements have been completed, up to a cost of \$1,500 per year. These improvements should be completed in 2013; the remaining project is to replace the wooden exterior doors. The proposed Lease required additional monies to be added to the approved Electoral Area 'A' Recreation budget. Additional capital budget items for the facility have been approved in the 2013 budget (i.e., 2013: \$36,200 capital building projects and \$3,900 for minor building repairs)
2. If the Agreement is not approved, the RDN may need to consider other alternatives in terms of managing the facility without the assistance of CSCES. Without the Society managing the facility, the RDN would either have to manage the facility on its own which may incur higher costs, or find other means to manage the facility.

SUSTAINABILITY IMPLICATIONS

The proposed Agreement reflects the most cost-effective method for the facility to be operated. The increase in operating funds through a management fee and utility costs will support the Society to run the facility without constant concern regarding budget and society sustainability.

CONCLUSION

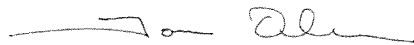
The proposed Lease and Site Licence Agreement reflects the current needs and desired relationship with CSCES and use of the Cedar Heritage Centre. The terms outlined in the Agreement provide an approach that benefits all parties involved. The residents of Electoral Area 'A' continue to have access to a local heritage facility and community centre space; the Society benefits from receiving additional financial support to operate the facility, and the RDN benefits from having a long-term tenant to oversee the daily operations in an efficient manner. Staff are recommending the approval of the Lease and Site Licence Agreement attached as *Appendix 'A'*.

RECOMMENDATION

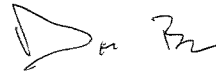
That the proposed Lease and Site Licence agreement (*Appendix 'A'*) between the Regional District of Nanaimo and the Cedar Community School and Enhancement Society for the operation and use of the Cedar Heritage Centre for a for two (2) years, seven (7) months Term from June 1, 2013 – December 31, 2015 be approved.



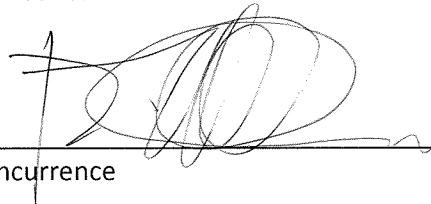
Report Writer



General Manager Concurrence



Manager Concurrence



CAO Concurrence

APPENDIX 'A'

LEASE AND SITE LICENCE

THIS AGREEMENT DATED FOR REFERENCE THIS ____ DAY OF _____, 2013.

BETWEEN:

REGIONAL DISTRICT OF NANAIMO

6300 Hammond Bay Road
Nanaimo, B.C.
V0R 2H0

(the "**Regional District**")

OF THE FIRST PART

AND:

CEDAR SCHOOL AND COMMUNITY ENHANCEMENT SOCIETY

(Inc. No. S-37396)

1644 MacMillan Rd.
Nanaimo, B.C.
V9X 1L9

(the "**Tenant**")

OF THE SECOND PART

WHEREAS:

- A. By Agreement dated the 3rd day of October 2000, made between The Board of School Trustees of School District 68 (Nanaimo-Ladysmith), referred to as the Board and the Regional District of Nanaimo referred to as the Regional District, attached as Schedule "A", the Board owns the Lands and Premises described as that part of Lot A, Section 16, Range 8, Cranberry District and of Section 16, Range 1, Cedar District, Plan 48768, shown as "Lease Area" on Plan VIP 71705 (the "**Land**"), and the Regional District owns the Building and Improvements on the Land, formerly known as the North Cedar Elementary School (the "**Building**"), the Land and the Building both being situated at 1644 MacMillan Road, Nanaimo, British Columbia;
- B. The Tenant has requested and the Regional District has agreed to grant a Lease of the Building and a Licence to Occupy the Land, including the parking spaces and playground on the Land, all collectively referred to as the "**Premises**";
- C. The Board has consented in writing to the grant of the Licence to Occupy the Land;

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the rents and agreements to be paid and performed by the Tenant, the parties hereto covenant and agree with each other as follows:

1.0 PREMISES

- 1.1. The Regional District leases to the Tenant the Building on the terms and conditions as set out in this Lease; and
- 1.2. The Regional District grants to the Tenant the right and Licence to Occupy the Land, including the parking spaces and playground on the Land during the term of this Lease;

2.0 TERM

- 2.1. The Term of this Lease and the Term of the Licence to Occupy granted under section 1 shall be for two (2) years, seven (7) months commencing on the 1st day of June, 2013, and ending on the 31st day of December, 2015, renewable for a further term of two (2) years on the same terms and conditions or such other terms and conditions agreed upon by the Regional District and the Tenant.

3.0 USE

- 3.1. The Tenant shall use the Premises solely for a community centre, which for the purposes of the Lease and Licence includes community uses such as but not limited to, special events, programs/activities, meetings, rentals, community gatherings for all ages, community internet and preschool/daycare uses.

4.0 RENT

- 4.1. The Tenant shall pay to the Regional District an annual rental of Ten (\$10.00) Dollars due and payable in advance at the commencement of the Term for the Lease and Licence to Occupy granted under this Agreement.

5.0 COVENANTS OF THE TENANT

The Tenant covenants with the Regional District:

5.1. Rent

- (a) to pay rent;

5.2. Rates and Utilities

- (a) to pay as they become due all water, sewer, garbage and other rates in respect of the Premises and charges for all gas, oil, telephone and electric power used on the Premises;

5.3. Taxes

- (a) to pay all taxes, rates, duties and assessments whatsoever, whether municipal, provincial, federal, or otherwise, charged upon the Tenant or the Regional District as a result of the Tenant's occupation of or use of the Premises unless exempted by municipal bylaw;

5.4. Construction

- (a) that it will not construct nor alter any buildings or structures on the Premises unless, prior to any construction, it has obtained:
 - (i) the Regional District's approval in writing to the site plan, working drawings, plans, specifications, and elevations, and
 - (ii) a building permit if required from the Regional District authorizing the construction of the buildings and structures set out in the permit and the plans and specifications attached to it, and
 - (iii) all required inspections,and all work shall be carried out at the cost of the Tenant;
- (b) that it will not make any alterations in the structure, plan or partitioning of the Premises nor install any plumbing, piping, wiring or heating apparatus without the prior written consent of the Regional District;

5.5. Builders' Liens

- (a) that it will indemnify the Regional District from and against all claims for liens for wages or materials or for damage to persons or property caused during the making of or in connection with any excavation, construction, repairs, alterations, installations and additions which the Tenant may make or cause to be made on, in or to the Premises; and will allow the Regional District to post and will keep posted on the premises any notice that the Regional District may desire to post under the provisions of the Builders' Lien Act;

5.6. Repair

- (a) that it will repair, reasonable wear and tear excepted, at the cost and expense of the Tenant, all portions of the Premises which may at any time be damaged by the Tenant;
- (b) that it will keep and leave whole and in good repair all water, gas, and electrical fixtures, glass, pipes, faucets, locks, fastenings, hinges, heating and cooling apparatus, in, on, or attached to the Premises;
- (c) that the Tenant shall leave the Premises in good repair, reasonable wear and tear excepted;
- (d) that the Regional District may enter and view the state of repair and the Tenant shall repair according to any notice given by the Regional District and if the Tenant fails to so repair, the Regional District may, at its option, repair such damage or injury in which case the Tenant shall reimburse the Regional District for all costs and expenses of repair and an additional amount for administration and overhead forthwith upon receipt by the Tenant of invoices therefore;

5.7. Maintenance

- (a) to maintain the Premises, at all times to an excellent standard of maintenance;

5.8. Regional District's Right of Entry

- (a) that the Regional District, its employees, servants, or agents shall at all times and for all purposes have full and free access to any and every part of the Premises and of any building erected thereon in the presence of the Tenant;
- (b) that the Regional District, its employees, agents, other licensees, contractors, sub-contractors and any other bodies or organizations the Regional District may allow for purposes associated with:
 - (i) Electoral Area 'A' Parks, Recreation and Culture Commission (Area 'A' PRC) regular or special meetings, and Area 'A' PRC community meetings or workshops for the purposes of carrying out the work of the Commission, at no charge.
 - (ii) Electoral Area 'A' meetings or workshops for RDN purposes of three per year at no charge. Any additional Electoral Area 'A' meetings for the Regional District will be charged a rental rate of \$10 per hour up to \$50 per day.
 - (iii) The RDN shall pay the Tenant regular rental charges for any meeting or workshop not contemplated in 5.8.(b)(i) or (ii).
 - (iv) All RDN and Commission bookings will be booked according to CHC procedures and based on availability.

5.9. Assign or Sublet

- (a) that it will not assign nor sublet without leave of the Regional District and School Board;
- (b) that the Regional District's consent to assignment or subletting shall not release or relieve the Tenant from its obligations to perform all the terms, covenants and conditions that this Agreement requires the Tenant to perform, and the Tenant shall pay the Regional District's reasonable costs incurred in connection with the Tenant's request for consent;

5.10. Regulations

- (a) that it will comply promptly at its own expense with the legal requirements of all authorities and all notices issued under them that are served upon the Regional District or the Tenant, and

5.11. Insurance

- (a) That the Tenant will take out and maintain during the term of policy of general public liability insurance in the amount of not less than Three Million (\$3,000,000) per single occurrence covering the Tenant's indemnity in clause (5.12(a)) and naming the Regional

District as an insured party to it and in a form satisfactory to the Regional District, and the Tenant shall provide the Regional District with a certified copy of the policy;

- (b) If alcohol is to be consumed at the facility, the Tenant is responsible to ensure the appropriate licences are acquired, and that the Regional District is named as an additional insured.
- (c) that all policies of insurance taken out by the Tenant shall contain a waiver of subrogation clause in favour of the Regional District and shall also contain a clause requiring the insurer not to cancel or change the insurance without giving the Regional District thirty (30) days prior written notice;
- (d) that if the Tenant does not provide, maintain or enforce the insurance required by this Agreement, the Regional District may take out the necessary insurance and pay the premium for periods of one year at a time and the Tenant shall pay to the Regional District as additional rent, the amount of the premium immediately on demand;
- (e) The Tenant shall take out and keep in full force and effect insurance upon property of every description and kind owned by the Tenant or for which the Tenant is legally liable and which is located on the Premises in an amount of not less than ninety percent (90%) of the full replacement value thereof and with coverage against at least the perils of fire, flood, lightning, earthquake and standard extended coverage.
- (f) If both the Regional District and the Tenant have claims to be indemnified under any insurance required by this Agreement, the indemnity must be applied first to the settlement of the claim of the Regional District and the balance, if any, to the settlement of the claim of the Tenant.
- (g) The deductible on the policy of insurance must be not more than five thousand dollars (\$5,000).

5.12. Indemnification

- (a) that it will indemnify the Regional District from and against all law suits, damages, losses, costs or expenses which the Regional District may incur by reason of the use of the Premises by the Tenant or the carrying on upon the Premises of any activity in relation to the Tenant's use of the Premises and in respect of any loss, damage or injury sustained by any person while on the Premises for the purpose of doing business with the Tenant or otherwise dealing with the Tenant, and this indemnity shall survive the expiry or sooner determination of this Lease and License.

5.13. Possession

- (a) that at the expiration or sooner determination of this Lease peaceably surrender and give up possession of the Premises without notice from the Regional District, any right to notice to quit or vacate being hereby expressly waived by the Tenant despite any law or custom to the contrary;

6.0 REGIONAL DISTRICT'S COVENANTS

- (a) The Regional District covenants with the Tenant for quiet enjoyment provided however that nothing in this clause will limit the rights of access reserved by the Regional District under sections 5.6. (d) and 5.8.(a) of this Agreement, the right of inspection and repair under section 5.7.(a) of this agreement.
- (b) The Regional District will take out and maintain during the term of this Lease and Licence to Occupy a policy of insurance insuring the Building against the risk of loss or damage caused by or resulting from fire or any additional peril against which the Regional District normally insures regional property;
- (c) If the Building is destroyed by fire or any other means, the Regional District has the sole discretion to decide whether to rebuild it, and before making that decision, will consult with the Tenant, and will take into consideration whether
 - (i) the Board, as owner of the Land and the Regional District's Landlord under the Agreement referred to in recital A of this Lease and Site Licence, will permit the Building to be rebuilt of the Lands;
 - (ii) there are sufficient proceeds from the insurance policy referred to in paragraph (b) of this section 6, together with any funds held or raised by the Tenant, to pay all costs of rebuilding;
 - (iii) there is sufficient time remaining in the Terms of both the Agreement referred to in clause (ii) and this Lease and Site Licence to justify rebuilding on the Lands; and
 - (iv) there is another site available to the Regional District of the Tenant where a replacement for the Building may be constructed; and
- (d) if the considerations in (c)(i) or (iii) and (iv) are not favourable or if they are favourable but there are insufficient funds acquired or raised under (c)(ii) within 180 days of the destruction of the Building, then the Regional District may elect not to rebuild and in that case, this Lease and Site Licence will terminate.

6.1. Management Fee and Utilities Fee

- (a) The Regional District shall pay a management fee to the Tenant to assist the Tenant with maintaining and repairing the building and therefore to assist the Tenant in providing community centre services to members of the public. The management fee will be paid in two installments of \$3,000 on or before January 31 and July 31 of each calendar year, for a total of \$6,000 annually, backdated to start January 1, 2013.
- (b) The Regional District shall pay a monthly utility fee of \$125/month towards utility fees until the HVAC and exterior emergency doors energy upgrades are completed, up to a cost of \$1,500 per year (estimated completion in 2013). The utility fee will be paid in quarterly installments, backdated to start January 1, 2013.

6.2. Improvements and Capital Projects

- (a) Notwithstanding the Tenant's covenants to repair the Premises stated in sections 5.6. (a), (b), and (c) of this Agreement, the Regional District agrees to provide capital facility improvements associated with the Premises when the cost is above \$2,000 per capital project. When possible, the Regional District will schedule capital work to minimize its effect on scheduled facility use.
- (b) Decisions regarding whether an improvement is a capital facility improvement shall be made by the Regional District in its sole discretion and will be made in accordance with the Regional District Policy A2.5 *Capital/Operating Expenditures Policy*.
- (c) The Regional District agrees to work with the Tenant and meet annually prior to the annual budget preparation to consider discuss capital improvements requested.
- (d) The Tenant will not make any alterations or improvements, nor construct any structures on the Premises, unless it has obtained Regional District approval in writing to make such alterations, improvements or construction.

7.0 MANAGEMENT COVENANTS

7.1. The Tenant covenants and agrees with the Regional District:

- (a) That the Tenant will not carry on or do or allow to be carried on or done on the Premises anything that:
 - (i) May be or become a nuisance to the Landlord or the public,
 - (ii) Increases the hazard of fire or liability of any kind,
 - (iii) Increases the premium rate of insurance against loss by fire or liability upon the Premises or
 - (iv) Invalidates any policy of insurance for the Premises; or
 - (v) Directly or indirectly causes damage to the Premises.
- (b) to spend any grant money that may be received from the Regional District on the Building and Land only and not on other Tenant's projects or purposes;
- (c) to use revenue from the Tenant's rental of all or part of the Building to pay for the maintenance and operation of the Building;
- (d) to provide an annual report to the Regional District of the Tenant's fund raising activities for the building and the operation by the Tenant of the Premises;

8.0 MISCELLANEOUS COVENANTS

It is hereby mutually agreed:

8.1. Re-entry

- (a) that the Regional District may re-enter the Premises on non-payment of rent or additional rent, or non-performance of covenants;

8.2. Effect of Waiver

- (a) that the Regional District by waiving or neglecting to enforce the right to forfeiture of this Lease or the right of re-entry upon breach of any covenants, condition or agreement in it does not waive its rights upon any subsequent breach of same or any other covenant or condition of this Agreement;

8.3. Distress

- (a) that if the Regional District is entitled to levy distress against the goods and chattels of the Tenant, the Regional District may use enough force necessary for the purpose and for gaining admittance to the Premises and the Tenant releases the Regional District from liability for any loss or damage sustained by the Tenant as a result;

8.4. Termination

- (a) the Regional District may at any time terminate this Lease by giving to the Tenant ninety (90) days notice in writing and the Tenant thereupon and also in the event of the termination of the Lease in any other manner if required by the Regional District shall forthwith remove from the Premises all structures, machinery, supplies, articles, materials, effects and things at any time brought or placed thereon or therein by the Tenant and shall also, to the satisfaction of the Regional District, repair any damage and injury occasioned to the Premises by reason of such removal and the Tenant shall not be entitled for any compensation for such removal. It is further agreed that unless required by the Regional District, the Tenant shall not remove any goods, chattels, materials, effects or things from the Premises until all rent or additional rent due or to become due under the Lease is fully paid; and
- (b) the Tenant may at any time terminate this Lease by giving to the Regional District ninety (90) days notice in writing to the Regional District;

8.5. Insolvency

- (a) that if
 - (i) the Term or any of the goods or chattels on the Premises are at any time seized or taken in execution or attachment by any creditor of the Tenant, or
 - (ii) if a writ of execution issues against the goods or chattels of the Tenant, or
 - (iii) if the Tenant makes any assignment for the benefit of creditors, or
 - (iv) if the Tenant becomes insolvent or bankrupt, or
 - (v) if the premises or any part of them becomes vacant and unoccupied for a period of thirty (30) days or is used by any other person or persons for any purpose

other than permitted in this Lease without the written consent of the Regional District (Ryan used 'Landlord'), or

- (vi) being an incorporated company or society if proceedings are begun to wind up the company or society, the Term shall, at the option of the Regional District, immediately become forfeited and the then current month's rent for the three months next following shall immediately become due and payable as liquidated damages to the Regional District, and the Regional District may re-enter and repossess the Premises despite any other provision of this Lease.

8.6. Amendments

- (a) The parties hereto may consent from time to time to amend the terms of the Agreement. Notice of a proposed change shall be made in writing to the other party (thirty) 30 days before the date upon which such amendment is to take effect, unless the notice period is waived by consent of both parties. The parties agree that no amendment shall take effect until approved in writing by the Board.

8.7. Removal of Goods

- (a) if the Tenant removes its goods and chattels from the Premises, the Regional District may follow them for thirty (30) days;

8.8. Notices

- (a) that any notice required to be given under this Lease shall be deemed to be sufficiently given:
 - (i) if delivered, at the time of delivery, and
 - (ii) if mailed from any government post office in the Province of British Columbia by prepaid, registered mail and addressed as follows:

if to the Regional District:

6300 Hammond Bay Road
Nanaimo, BC
V9T 6N2

if to the Tenant:

1644 MacMillan Road
Nanaimo, BC
V9X 1L9

or at the address a party may from time to time designate, then the notice shall be deemed to have been received 48 hours after the time and date of mailing. If, at the time of mailing of the notice, the delivery of mail in the Province of British Columbia has been interrupted in whole or in part by reason of a strike, slow down, lock-out or other labour dispute, then the notice may only be given by actual delivery of it;

8.9. Fitness of Premises

- (a) that the Regional District has made no representations or warranties as to the condition, fitness or nature of the Premises and by executing this Agreement, the Tenant releases the Regional District from any and all claims which the Tenant now has or may in future have in that respect;
- (b) that the Tenant admits that it has inspected the Premises in their present state and that they are suitable for the Tenant's purposes;

8.10. Fixtures

- (a) that, unless the Tenant, upon notice from the Regional District, removes them, all buildings, structures or improvements constructed on the Premises by the Tenant, save and except for moveable business fixtures of the Tenant, shall, at the determination of the Lease, become the sole property of the Regional District at no cost to the Regional District.

8.11. Payments by the Regional District

- (a) that if the Regional District incurs any damage, loss or expense or makes any payment for which the Tenant is liable under this Agreement, then the Regional District may add the cost or amount of the damage, loss, expense or payment to the rent and may recover it as if it were rent or additional rent in arrears;

8.12. Holding Over

- (a) that if the Tenant holds over following the term and the Regional District accepts rent, this Agreement becomes a tenancy-at-will subject to those conditions in this Agreement applicable to a tenancy-at-will, and in the event the termination of the tenancy-at-will, any rent prepaid shall be adjusted for the period of actual occupation, it being expressly agreed that the acceptance of rent, or any implied condition or any implication of law shall in no way renew this lease or create any tenancy other than a tenancy-at-will;

8.13. Lease

- (a) the parties hereto acknowledge that the Licence to Occupy granted by this Agreement requires, as a condition precedent, that the consent of the head Landlord under the Regional District's lease of the Land, must be obtained and upon such consent the Tenant covenants and agrees with the Regional District to perform all covenants, conditions and provisos to be performed by the Regional District under the lease between the Regional District and its Landlord as amended to the intent and for the purpose that no default shall arise from the tenancy created by this Agreement.

8.14. Net Lease

- (a) that this Lease shall be a complete carefree net lease to the Regional District as applicable to the Premises and the Regional District shall not be responsible during the Term for any cost, charges, expenses or outlays of any nature whatsoever in respect of the Premises or its contents except those mentioned in this Lease.

8.15. Annual Meeting

- (a) that either the Regional District or the Tenant may request a meeting, once each year of the Term of the Agreement, to be attended by the Manager of Recreation Services, of the Regional District and the Tenant's Chairperson for the purpose of discussing any matter or issues relating to the Buildings or Land;

8.16. Interpretation

- (a) that when the singular or neuter are used in this Agreement they include the plural or the feminine or the masculine or the body politic or corporate where the context or the parties require;
- (b) that the headings to the clauses in this Agreement have been inserted as a matter of convenience and for reference only and in no way define, limit or enlarge the scope or meaning of this Agreement or any provision of it;

8.17. Binding Effect

- (a) this Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors, administrators and permitted assignees;

8.18. Law Applicable

- (a) that this Agreement shall be construed in accordance with and governed by the laws applicable in the Province of British Columbia.

9.0 TREE CUTTINGS, EXCAVATIONS AND HAZARDOUS SUBSTANCE

- 9.1. (a) The Licensee must not carry on or do or allow to be carried on or done on the land any cutting, clearing or removal of trees, bushes or other vegetation or growth or any excavation or disturbance of the surface of the Land and must not bring on or deposit any soil or fill on the Land except with the written consent of the Regional District.
- (b) The Licensee must not bring on, deposit, store, spray or apply nor cause or permit to be brought on, deposited, stored, sprayed or applied on or to the Land or any trees, bush or vegetation on the Land any chemical fertilizer, herbicide, pesticide, chemical product, petroleum product or any other substance which is capable of contaminating the Land or any water on the Land.

10.0 ENVIRONMENTAL MATTERS

10.1. For the purposes of paragraph 10.2 below:

- (a) **"Contaminants"** means any pollutants, contaminants, deleterious substances, underground or above-ground tanks, asbestos materials, hazardous, corrosive, or toxic substances, special waste or waste of any kind, or any other substance which is now or hereafter prohibited, controlled, or regulated under Environmental Laws; and
- (b) **"Environmental Laws"** means any statutes, laws, regulations, orders, bylaws, standards, guidelines, permits, and other lawful requirements of any governmental authority

having jurisdiction over the Premises now or hereafter in force relating in any way to the environment, environmental assessment, health, occupational health and safety, or transportation of dangerous goods, including the principles of common law and equity.

10.2. The Licensee covenants and agrees as follows:

- (a) not to use or permit to be used all or any part of the Premises for the sale, storage, manufacture, handling, disposal, use, or any other dealing with any Contaminants, without the prior written consent of the Regional District, which consent may be unreasonably withheld;
- (b) to strictly comply, and cause any person for whom it is in law responsible to comply, with all Environmental Laws regarding the use and occupancy of the Premises;
- (c) to promptly provide to the Regional District a copy of any environmental site assessment, audit, report, or test results relating to the Premises conducted by or for the Licensee at any time;
- (d) to maintain all environmental site assessments, audits, reports, and test results relating to the Premises in strict confidence and not to disclose their terms or existence to any third party (including without limitation any governmental authority) except as required by law, to the Licensee's professional advisers and lenders on a need-to-know basis, or with the prior written consent of the Regional District, which consent may be unreasonably withheld;
- (e) to promptly notify the Regional District in writing of any release of a Contaminant or any other occurrence or condition at the Premises or any adjacent property which could contaminate the License Area or subject the Regional District or the Licensee to any fines, penalties, orders, investigations, or proceedings under Environmental Laws;
- (f) on the expiry or earlier termination of this License, or at any time if requested by the Regional District or required by any governmental authority under Environmental Laws, to remove from the Premises all Contaminants, and to remediate by removal any contamination of the Premises or any adjacent property resulting from Contaminants, in either case brought onto, used at, or released from the Premises by the Licensee or any person for whom it is in law responsible. The Licensee shall perform these obligations promptly at its own cost and in accordance with Environmental Laws. All such Contaminants shall remain the property of the Licensee, notwithstanding any rule of law or other provision of this License to the contrary and notwithstanding the degree of their affixation to the Premises; and
- (g) to indemnify the Regional District and its directors, appointed officers, employees, agents, successors, and assigns from any and all liabilities, actions, damages, claims, remediation cost recovery claims, losses, costs, orders, fines, penalties, and expenses whatsoever (including all legal and consultants' fees and expenses and the cost of remediation of the Premises and any adjacent property) arising from or in connection with:
 - (i) any breach of or non-compliance with the provisions of this paragraph 10.2 by the Licensee; or

DISTRICT OF NANAIMO

MINUTES OF THE TRANSIT SELECT COMMITTEE MEETING HELD ON THURSDAY, APRIL 18, 2013 AT 12:00 NOON IN THE COMMITTEE ROOM

Present:

Director D. Brennan	Chairperson
Director A. McPherson	Electoral Area 'A'
Director M. Young	Electoral Area 'C'
Director G. Holme	Electoral Area 'E'
Director J. Stanhope	Electoral Area 'G'
Director B. Veenhof	Electoral Area 'H'
Director M. Lefebvre	City of Parksville
Director D. Willie	Town of Qualicum Beach
Director B. Dempsey	District of Lantzville
Director B. Bestwick	City of Nanaimo
Director T. Greves	City of Nanaimo
Director G. Anderson	City of Nanaimo

Also in Attendance:

P. Thorkelsson	Chief Administrative Officer, RDN
D. Trudeau	Gen. Mgr, Transportation & Solid Waste Services, RDN
D. Pearce	Manager, Transit Operations, RDN
Brian Clemens	Director of Finance, City of Nanaimo
F. McFarlane	Recording Secretary, RDN

CALL TO ORDER

The meeting was called to order at 12:00 pm by the Chair.

Chair Brennan noted that regrets had been received from Myrna Moore, Senior Regional Transit Manager, BC Transit.

MINUTES

MOVED Director Holme, SECONDED Director Stanhope that the minutes of the regular Transit Select Committee meeting held January 17, 2013 be adopted. CARRIED

CORRESPONDENCE

Correspondence from Gary MacIsaac, Chair, Management Committee, Gas Tax Program Services, re Gas Tax General Strategic Priorities Fund and Innovations Fund Applications.

D. Trudeau advised that the application for ARBOC buses made by the RDN for funding under the Gas Tax Program was not approved.

Diane Brennan, Chair, RDN Transit Select Committee, re invitation to Kirsten Brooker, Chairperson Elect, VIU Students' Union, to meet and discuss any concerns regarding transit.

D. Trudeau noted that an invitation has been extended to Kirsten Brooker, Chairperson Elect, VIU Students' Union, to attend the May 16th meeting of the Transit Select Committee (TSC).

MOVED Director Stanhope, SECONDED Director Veenhof, that the correspondence be received.

CARRIED

REPORTS

Annual Operating Agreement Amendment #1 between RDN and BC Transit for 2012-2013.

D. Trudeau noted that because of the difference in fiscal years with BC Transit and the Regional District of Nanaimo, an Amendment Agreement is required to allow for billing of the small increases resulting from the March 3, 2013 service expansion.

MOVED Director Veenhof, SECONDED Director Lefebvre that the 2012/2013 Conventional and Custom Annual Operating Agreement (AOA) Amendment #1 with BC Transit be approved.

CARRIED

Cruise Ship Shuttle Service - 2013.

D. Pearce discussed the details of the report, noting that Transit will be able to supply buses for the weekend dates only.

MOVED Director Holme, SECONDED Director Veenhof, that the application made by the Nanaimo Port Authority for the Regional District of Nanaimo to provide bus service for cruise ships arriving in Nanaimo on May 11, 2013, May 12, 2013 and September 15, 2013, at the cost of Nanaimo Port Authority, be approved.

CARRIED

NEW BUSINESS

RDN Future Plan

Director Veenhof asked if additional service for Electoral Area 'H' would be considered in the next service expansion. D. Pearce noted that it would be addressed in the RDN Future Plan.

Oceanside Health Centre

Director Lefebvre asked about bus service to and from the new Oceanside Health Centre and whether this service will coincide with the opening of the building. D. Pearce noted that there has been a change in routing to accommodate this new facility. A bus stop is located at Despard and Moilliet, in close proximity to the new centre.

Director Lefebvre also suggested that promotion be done in advance of the opening of the Oceanside Health Centre that would include both Parksville and Qualicum Beach.

Telephone Survey

Director McPherson related that he had received a call from BC Transit to participate in a transit survey. When the BC Transit representative asked whether anyone in the family worked for the RDN, he responded positively. At this point, the BC Transit representative ended the call. D. Trudeau will contact BC Transit and follow up.

ADJOURNMENT

MOVED Director Holme, SECONDED Director Stanhope, that the meeting be adjourned.

CARRIED

NEXT MEETING

The next meeting of the Transit Select Committee is set for Thursday, May 16, 2013, in the RDN Committee Room.

CHAIRPERSON

TO: Dennis Trudeau
General Manager, Transportation & Solid Waste Services

DATE: April 8, 2013

FROM: Daniel Pearce
Manager, Transit Operations

FILE: 0550-20-TSC

SUBJECT: Cruise Ship Shuttle Service – 2013

PURPOSE

To consider the Special Event busing request submitted by the Nanaimo Port Authority for cruise ships arriving in Nanaimo on May 11, 2013, May 12, 2013, May 14, 2013, May 16, 2013, September 15, 2013, September 17, 2013 and September 27, 2013.

BACKGROUND

Correspondence dated March 26, 2013 (*Appendix 1*) was received from the Nanaimo Port Authority requesting the participation of the Regional District of Nanaimo (RDN) Transit for upcoming cruise ship arrivals on May 11, 2013, May 12, 2013, May 14, 2013, May 16, 2013, September 15, 2013, September 17, 2013 and September 27, 2013.

The Nanaimo Port Authority has requested that a shuttle bus service be established on the dates of cruise ship arrivals to provide service to the cruise ship passengers. It is anticipated there will be approximately 2,000 to 2,200 passengers on board each vessel, with potentially three-quarters of the passengers disembarking the ship and using the shuttle service.

The Nanaimo Port Authority will be paying all costs associated with the shuttle bus service.

In 2011 and 2012 the RDN partnered with the Nanaimo Port Authority to provide shuttle service to cruise ships. The service both years was a huge success for both the RDN and Nanaimo Port Authority.

Staff have recommended to the Nanaimo Port Authority that five (5) Nova buses be used from 0830 to 1130 hours in order to transport the majority of passengers from the cruise ship terminal. After 1130 hours two (2) Nova buses would be removed from service, leaving three (3) Nova buses for the remainder of the day.

The RDN will have sufficient spare vehicles to accommodate the request for Saturday, May 11, 2013, Sunday, May 12, 2013 and Sunday, September 15, 2013. In order to maintain regular scheduled service, the RDN will not have sufficient spare vehicles to provide shuttle service on Tuesday, May 14, 2013, Thursday, May 16, 2013, Tuesday, September 17, 2013 and Friday, September 27, 2013.

This request meets the RDN policy on the use of buses for Special Events in that the event is within the transit service area and the event is community oriented; however, only cruise ship passengers would be able to use the service.

BC Transit has been advised of the request.

ALTERNATIVES

1. Approve the application from the Nanaimo Port Authority to provide shuttle bus service for cruise ships on May 11, 2013, May 12, 2013 and September 15, 2013.
2. Do not approve the application from the Nanaimo Port Authority to provide shuttle bus service and provide alternate direction to staff.

FINANCIAL IMPLICATIONS

Staff has confirmed the Nanaimo Port Authority will pay all costs associated with providing shuttle bus service on May 11, 2013, May 12, 2013 and September 15, 2013. The estimated cost of the proposed service for all three days is \$16,500.

SUSTAINABILITY

Given the essential role of public transit in a sustainable region, all efforts of the Transportation Services Department are founded on generating positive implications for the sustainability of the region. In particular, providing residents a meaningful alternative to the private automobile, which in turn reduces greenhouse gas emissions and mitigates the effects of climate change, is one of the primary goals of the Transit Department.

CONCLUSIONS

The Nanaimo Port Authority has made an application under the Special Events Policy requesting that bus shuttle service be established in the downtown core, on the dates of cruise ship arrivals, to provide bus service for cruise ship passengers.

The RDN will have sufficient spare vehicles to accommodate the request for Saturday, May 11, 2013, Sunday, May 12, 2013 and Sunday, September 15, 2013. To maintain regular scheduled service, the RDN will not have sufficient spare vehicles to provide shuttle service on Tuesday, May 14, 2013, Thursday, May 16, 2013, Tuesday, September 17, 2013 and Friday, September 27, 2013.

Staff recommend the requests for May 11, 2013, May 12, 2013 and September 15, 2013 since this provides a good opportunity to raise the profile of RDN Transit, costs are covered by the Nanaimo Port Authority and adequate resources are available for the service.

RECOMMENDATION

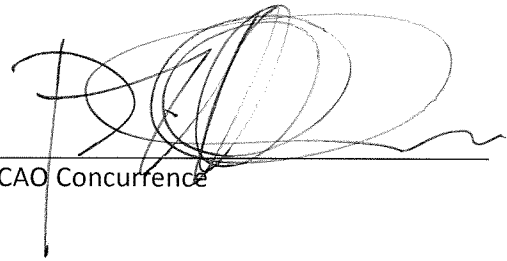
That the application made by the Nanaimo Port Authority for the Regional District of Nanaimo to provide bus service for cruise ships arriving in Nanaimo on May 11, 2013, May 12, 2013 and September 15, 2013, at the cost of Nanaimo Port Authority, be approved.



Report Writer



GM Concurrence



CAO Concurrence

APPENDIX 1



Box 131-100 Port Drive
Nanaimo, British Columbia
Canada V9R 5K4

C. P. 131-100 Port Drive
Nanaimo, Colombie-Britannique
Canada V9R 5K4

T 250 753 4146
F 250.753 4899
info@npa.ca
www.npa.ca

March 26, 2013

Mr. Daniel Pearce
Manager Transit & Planning
Regional District of Nanaimo
6300 Hammond Bay Road
Nanaimo, BC V9T 6N2

Dear Mr. Pearce:

Re: RDN Shuttle Buses – Nanaimo Cruise Days

The shuttle bus service for cruise passengers in 2012 was a huge success, and the Port would request that the Regional District of Nanaimo work with us again for a closed network system using the RDN buses to shuttle passengers through downtown Nanaimo.

I have attached the cruise vessel schedule for 2013, and in May we have four vessels over a six-day period which of course will require some very careful coordination for the buses to assure their availability over this short period. Each of the Norwegian vessels is expected to have approximately 2000 - 2200 passengers on board, and as a rule of thumb I expect that 60 percent of the passengers will make their way into the community for independent exploration with the balance going on shore excursions or preferring to walk into the downtown. The first three vessels will be arriving at 0700 and departing at 1700 hours; the exception being the Norwegian Jewel on May 16 which is currently showing arrival at 0800. Normally the shore excursions start around 0830 and most are gone by 1030 hours. If prior history holds true, the majority of the self-guided visitors will start coming off the ship at 0930 and most will have left the ship by noon. The ships also have approximately 900 crew and they will likely start departing prior to noon and will return to the ship no later than 1500 hours.

Our plan will be to utilize the same route as in 2012, which provides for a consistent cycle time and reduction of any potential waiting time for the cruise passengers queuing at the terminal.

We look forward to working with the RDN and await your confirmation that the buses can provide cruise transportation services from our terminal through the downtown area.

Yours truly,

A handwritten signature in black ink, appearing to read "Doug Peterson", is written over a horizontal line.

Doug Peterson
Manager of Marketing & Sales

/jw

Canada



**Nanaimo Port Authority
2013 Cruise Vessel Schedule**

<u>Vessel Name</u>	<u>Date</u>		<u>Time</u>	<u>Coming From</u>
Norwegian Pearl	May 11, 2013	Saturday	0700 -1700 hours	Victoria
Norwegian Sun	May 12, 2013	Sunday	0700 – 1700 hours	Victoria
Norwegian Jewel	May 14, 2013	Tuesday	0700 – 1700 hours	Victoria
Norwegian Jewel	May 16, 2013	Thursday	0800 – 1700 hours	Vancouver
Celebrity Millennium	September 15, 2013	Sunday	0700 – 1700 hours	Victoria
Norwegian Sun	September 17, 2013	Tuesday	0800 – 1700 hours	Vancouver
Celebrity Century	September 27, 2013	Friday	0700 – 1700 hours	Vancouver

Revised February 14, 2013

TO: Dennis Trudeau
General Manager, Transportation & Solid Waste Services

DATE: March 14, 2013

FROM: Daniel Pearce
Manager, Transit Operations

FILE: 2240-20-TROA

SUBJECT: 2012/2013 Conventional Transit Annual Operating Agreement Amendment #1
- Regional District of Nanaimo / BC Transit

PURPOSE

To bring forward the 2012/2013 Conventional and Custom Annual Operating Agreement (AOA) Amendment #1 for the Regional District of Nanaimo Transit System, with BC Transit, for consideration and approval.

BACKGROUND

The Annual Operating Agreement Amendment #1 (see *Appendix 1*) between the Regional District of Nanaimo (RDN) and BC Transit is an amendment to the original 2012/2013 AOA and provides the cost sharing service arrangements for Conventional and Custom Transit services in Districts 68 and 69 for the period of March 3, 2012 to March 31, 2013. The AOA Amendment #1 reflects an additional 368 Conventional hours and 269 Custom hours of annual service enhancement for the remainder of 2012/2013 (5,000 Conventional hours and 3,750 Custom hours on an annualized basis that were implemented on March 3, 2012).

Highlights of the Conventional service enhancement include:

- #25 BC Ferries - weekday service from Departure Bay ferry terminal and the Country Club Centre transit exchange to the Prideaux Street transit exchange;
- #90 Intercity Connector - 15 additional weekday trips;
- #88 Parksville - 6 additional trips, Monday to Saturday;
- #15 VIU Connector - 6 additional weekday trips and 10 trips operating the entire length of Jingle Pot Road;
- #4 VI University - increased service (3 additional weekday trips); and,
- #7 Cinnabar/Cedar - one additional trip daily.

Highlights of the Custom service enhancement include:

- One additional handyDART vehicle in Parksville and Qualicum Beach four days a week. The remaining hours will be allocated to general coverage in District 68, eliminating the subscription wait list.

The AOA is an agreement governing items such as service specifications, payment schedules, fares and days/hours of service that will be provided for cost sharing purposes.

FINANCIAL ANALYSIS

Conventional Transit:

The main changes in the AOA that should be noted include:

Conventional	2012/2013 AOA	2012/2013 Amendment #1 AOA	\$ Change	% Change
Fixed Costs (total cost, overhead, admin. wages)	\$895,700	\$895,700	\$0	0%
Variable Hourly (total cost, drivers' wages and benefits)	\$5,231,000	\$5,249,500	\$18,500	0.4%
Variable Distance (total cost, fuel and tires)	\$1,981,400	\$1,989,700	\$8,300	0.4%
Fleet Maintenance (total cost, running, major and accident repairs)	\$1,073,900	\$1,073,900	\$0	0%
Fleet Insurance (total cost)	\$58,900	\$59,100	\$200	0.3%
Lease Fees (local share, buses and equipment)	\$1,110,500	\$1,115,500	\$5,000	0.5%
BC Transit Management Services (local share)	\$629,300	\$629,300	\$0	0%

The costs above reflect a new schedule that was expanded by an additional 368 hours of annual service for the remainder of 2012/2013. The changes noted above are the line items that make up the majority of the overall costs outlined in the AOA. Transit costs are cost shared with BC Transit at a current rate of 46.67%.

The main increases to the Conventional system in the Amendment #1 2012/2013 AOA are for increased variable hourly costs that include drivers' wages and variable distance costs, which include fuel and tires. The expansion included three additional conventional vehicles being added to the fleet.

Custom Transit:

The main changes in the AOA that should be noted include:

CUSTOM	2012/2013 AOA	2012/2013 Amendment #1 AOA	\$ Change	% Change
Fixed Costs (total cost, overhead, admin. wages)	\$199,300	\$199,300	\$0	0%
Variable Hourly (total cost, drivers' wages and benefits)	\$856,500	\$866,500	\$10,000	1.2%
Variable Distance (fuel and tires)	\$152,700	\$154,500	\$1,800	1.2%
Fleet Maintenance (total cost, running, major and accident repairs)	\$129,800	\$129,800	\$0	0%
Lease Fees (local share, mainly buses)	\$136,000	\$139,000	\$3,000	2.2%
BC Transit Management Services (local share)	\$109,500	\$109,500	\$0	0%

The costs above reflect a new schedule that was expanded by an additional 269 hours of annual service for the remainder of 2012/2013. The main increases to the Custom Amendment #1 2012/2013 AOA are for variable hourly and distance costs that include drivers' wages and the cost of fuel and tires.

ALTERNATIVES

1. That the Board approve the 2012/2013 Conventional and Custom Annual Operating Agreement Amendment #1 as presented.
2. That the Board not approve the 2012/2013 Conventional and Custom Annual Operating Agreement Amendment #1 and provide further direction to staff.

FINANCIAL IMPLICATIONS

Under Alternative 1, the 2012/2013 Conventional and Custom AOA Amendment #1 budget of \$13,155,700 will be cost shared between the RDN and BC Transit. This represents a \$47,200 increase to the RDN from the 2012/13 original AOA budget.

Under Alternative 2, if the Board does not approve the AOA Amendment #1, it will remove BC Transit's obligation to cost share in the service.

SUSTAINABILITY IMPLICATIONS

The Transportation Services Department is working continuously on improving the viability and efficiency of public transit. The Annual Operating Agreement is a fundamental agreement that allows the Regional District of Nanaimo to enter into a cost sharing arrangement with BC Transit. Residents within the RDN rely on public transit, whether it is for conventional or custom transit. The options provided by public transit enable residents to leave their cars at home while they take the bus to work, to school, to medical appointments or for other equally important reasons.

SUMMARY/CONCLUSION

BC Transit has forwarded the Annual Operating Agreement Amendment #1 covering the period March 3, 2013 to March 31, 2013 for the RDN Conventional and Custom Transit Systems. Transportation Services staff and Financial Services staff have reviewed this AOA Amendment #1 in conjunction with the RDN 2013 budget for transit services.

The 2012/2013 Conventional and Custom AOA Amendment #1 indicates a budget of \$13,155,700 that is cost shared between the RDN and BC Transit. Staff have reviewed the AOA costs for Conventional transit and these can be explained by actual increases in service.

Staff recommend that the Board approve the 2012/2013 Conventional and Custom Annual Operating Agreement Amendment #1 with BC Transit.

RECOMMENDATION

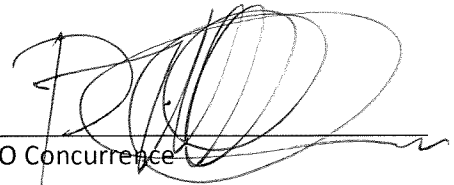
That the 2012/2013 Conventional and Custom Annual Operating Agreement (AOA) Amendment #1 with BC Transit be approved.



Report Writer



General Manager Concurrence



CAO Concurrence

APPENDIX 1

NANAIMO

ANNUAL OPERATING AGREEMENT

Between

THE REGIONAL DISTRICT OF NANAIMO

And

BRITISH COLUMBIA TRANSIT

**APRIL 1, 2012 TO MARCH 31, 2013
(Amendment #1 Effective March 3, 2013)**

INFORMATION CONTAINED IN SCHEDULE "C" – BUDGET AND SCHEDULE "D" – PAYMENT SCHEDULE IS SUBJECT TO FREEDOM OF INFORMATION & PROTECTION OF PRIVACY ACT.

CONSULT WITH BC TRANSIT PRIOR TO RELEASING INFORMATION IN THESE SCHEDULES TO INDIVIDUALS OR COMPANIES OTHER THAN THOSE WHO ARE PARTY TO THIS AGREEMENT.

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Nanaimo A.O.A. Amendment #1

2

2012/13

ANNUAL OPERATING AGREEMENT

BETWEEN: THE REGIONAL DISTRICT OF NANAIMO
(the “Municipality” and the “Operating Company”)

AND: BRITISH COLUMBIA TRANSIT
(the “Authority”)

WHEREAS the Municipality and the Authority are authorized to share in the costs of providing a Public Passenger Transportation System pursuant to the British Columbia Transit Act

WHEREAS the Municipality is authorized to operate, manage and maintain a Public Passenger Transportation System within the Nanaimo Regional Transit Service Area.

WHEREAS the parties hereto have entered into a Master Operating Agreement effective which sets out the general rights and responsibilities of the parties hereto

AND WHEREAS the parties hereto wish to enter into an Annual Operating Agreement which sets out, together with the Master Agreement, the specific terms and conditions for the operation of the Public Passenger Transportation System for the upcoming term.

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the premises and of the covenants herein contained, the parties covenant and agree with each other as follows:

SECTION 1 – DEFINITION OF TERMS

- 1.1 Definitions: Unless agreed otherwise in the Annual Operating Agreement, the definitions set out in the Master Agreement shall apply to this Annual Operating Agreement including:
- (a) “**Annual Operating Agreement**” shall mean this Annual Operating Agreement and any Annual Operating Agreement Amendment negotiated and entered into by the parties subsequent hereto;
 - (b) “**Master Agreement**” shall mean the Master Joint Operating Agreement, including any amendments made thereto;

SECTION 2 – INCORPORATION OF MASTER AGREEMENT

- 2.1 Incorporation of Master Agreement into Annual Operating Agreement: Upon execution, this Annual Operating Agreement shall be deemed integrated into the Master Agreement and thereafter the Master Agreement and the current Annual Operating Agreement shall be read together as a single integrated document and shall be deemed to be the Annual Operating Agreement for the purposes of the British Columbia Transit Act, as amended from time to time.
- 2.2 Amendments to Master Agreement: The parties agree to amend the Master Agreement as follows:
- (a) To remove Section 13 in its entirety and replace it with the following:

“SECTION 13 - INSURANCE

13.1 Insurance: The Operating Company and the Authority shall purchase and maintain in force throughout the term of this Master Agreement, insurance policies covering the perils specified herein as set out below. As evidence of insurance coverage, the Operating Company shall deposit with the Authority, copies of the insurance policies the Operating Company is required to purchase in accordance with this Master Agreement and the Annual Operating Agreement.

13.2 Minimum Insurance Coverage Requirements: The following insurance coverage shall be purchased and maintained throughout the term of this Master Agreement and the Annual Operating Agreement:

1. Vehicle Insurance:
 - a) The Operating Company shall purchase and maintain insurance on all vehicles used by the Operating Company in the operation of the Public Passenger Transportation System under this Master Agreement as follows:
 - i) Third party liability insurance of Five Million Dollars (\$5,000,000.00) per occurrence purchased from the Insurance Corporation of British Columbia.
 - b) The Authority shall purchase and maintain insurance on all revenue vehicles used by the Operating Company in the operation of the Public Passenger Transportation System under this Master Agreement as follows:
 - i) Third Party Liability insurance in excess of Five Million Dollars (\$5,000,000.00) to a minimum limit of Twenty-Five Million Dollars (\$25,000,000.00).
 - ii) Collision or upset insurance \$5,000.00 deductible.
 - iii) Comprehensive insurance covering hazards such as fire, theft, vandalism, glass breakage, falling trees, wind-storms, etc. \$500.00 deductible.
2. Physical Assets Leased from the Authority : (where applicable)
 - a) The Authority shall purchase and maintain insurance on all Physical Assets leased from the Authority, pursuant to the terms of the individual lease agreements with the Operating Company and respecting said Physical Assets.
 - b) Without limiting the generality of the foregoing, such insurance shall be in the name of the Authority and shall include a waiver of subrogation against the Operating Company. The insurance shall be in accordance with the laws in force and in effect in the Province of British Columbia and Canada.
 - c) The amount of such insurance for the respective categories of Physical Assets shall be not less than as follows:
 - i) Buildings and Structures Including Leasehold Improvements. The Authority shall purchase and maintain insurance on all buildings and structures on a standard all risk form including boiler explosion, flood and earthquake where applicable, in an amount not less than the full replacement value thereof as determined by the Authority.
 - ii) Other Chattels and Equipment. The Operating Company shall purchase and maintain insurance on all chattels and equipment not otherwise insured under this Schedule against loss or damage from all risks, in an amount not less than the full replacement value thereof.
 - d) The Authority may, in its sole discretion, self insure part or all of the insurance requirements hereunder.
3. Physical Assets Owned by the Operating Company or Leased from a Party other than the Authority
 - a) The Operating Company shall purchase and maintain insurance on all Physical Assets owned or leased by them from a party other than the Authority, to the same extent as specified in Section (2), above, except that contrary to Section (2) the Operating Company shall determine the full replacement value thereof.
4. Comprehensive General Liability Insurance:
 - a) The Authority shall take out and maintain comprehensive general liability insurance (CGL) covering the operation of the Public Passenger Transportation System specified in Schedule "B" of the Annual Operating Agreement on an occurrence basis in an amount not less than Twenty-Five Million Dollars (\$25,000,000.00). Such insurance shall include the Operating Company and the Municipality as an additional insured party and further, the policy shall apply to each insured in the same manner and to the same extent as if a separate policy has been issued to each of the insured parties.
 - b) The Authority's CGL does not extend to cover non-transit activities a company may be engaged in. If the Operating Company performs work outside of the terms of this Master Agreement and/or the Annual Operating Agreement, the Operating Company will require separate insurance coverage for that work which provides a waiver of subrogation in favour of BC Transit.

5. Additional Covenants:

- a) The Operating Company covenants that it shall not knowingly permit, suffer, allow or connive at the use or operation of any vehicle in respect of this Master Agreement by any person, or in any way, or for any purpose, contrary to the provisions of this Master Agreement or the provisions of the Insurance (Vehicle) Act or any other applicable legislation and related regulations. The Operating Company shall indemnify and save harmless the Authority from any breach of this covenant.
- b) It is mutually understood and agreed that the responsibilities to acquire and maintain policies of insurance pursuant to this Master Agreement and/or the Annual Operating Agreement shall be restricted and limited to the provisions of this Section 13."

SECTION 3 – TERM AND RENEWAL

- 3.1 Term and Renewal: The term of this agreement shall be from April 1, 2012 to March 31, 2013 except as otherwise provided herein. It is acknowledged by the parties that in the event of termination or non-renewal of the Annual Operating Agreement, the Master Agreement shall likewise be terminated or not renewed, as the case may be.

SECTION 4 – SCHEDULES

- 4.1 Schedules: The schedules attached hereto shall form part of the Annual Operating Agreement and be binding upon the parties hereto as though they were incorporated into the body of this Agreement.
- a) Schedule "A" – Transit Service Area
 - b) Schedule "B" - Service Specifications
 - c) Schedule "C" - Budget
 - d) Schedule "D" – Payment Schedule
 - e) Schedule "E" – Tariff-Fares

SECTION 5 – MISCELLANEOUS PROVISIONS

- 5.1 Amendment: This Annual Operating Agreement and the Schedules attached hereto may be amended only with the prior written consent of all parties.
- 5.2 Assignment: This Annual Operating Agreement shall not be assignable without the prior written consent of the other parties.
- 5.3 Enurement: The Annual Operating Agreement shall be binding upon and enure to the benefit of the parties hereto and their respective successors.
- 5.4 Pets on Buses: Notwithstanding the provisions of Section 9.7 of the Master Joint Operating Agreement, pets on buses are permitted under guidelines agreed to by the parties to this agreement.
- 5.5 Alternative Funding Arrangements: For the period beginning on April 1, 2012 and ending on March 31, 2013, the Municipality shall contribute 100% of the Municipal Flex Funded amount identified in Schedule C, and the Municipality and the Authority shall share the balance of the remaining costs according to their funding contribution shares as per Section 7 of the British Columbia Transit Regulation, B.C. Reg 30/91.

SECTION 6 – NOTICES AND COMMUNICATION

All notices, claims and communications required or permitted to be given hereunder shall be in writing and shall be sufficiently given if personally delivered to a responsible officer of the party hereto to whom it is addressed or if mailed by prepaid registered mail, to:

Regional District of Nanaimo
c/o Manager of Transportation Services
6300 Hammond Bay Road
Nanaimo, BC V9T 6N2

and to

BC Transit
c/o Chief Operating Officer
520 Gorge Road East
Victoria, BC V8W 2P3

and, if so mailed during regular mail service, shall be deemed to have been received five (5) days following the date of such mailing.

Nanaimo A.O.A. Amendment #1

6

2012/13

**AMENDMENT #1
Nanaimo Conventional & Custom
2012/13 ANNUAL OPERATING AGREEMENT**

This will confirm our agreement to amend, Schedule "B" – Service Specification and Schedule "C" Budget of the Annual Operating Agreement Schedule.

IN WITNESS WHEREOF the parties hereto have hereunto set their hands and seals and where a party is a corporate entity the seal of such party has been affixed hereto in the presence of its duly authorized officer this day of

THE CORPORATE SEAL OF THE
REGIONAL DISTRICT OF NANAIMO has
been hereto affixed in the presence of:

THE COMMON SEAL OF BRITISH
COLUMBIA TRANSIT
has been hereto affixed in the presence of:

CHIEF OPERATING OFFICER

CHIEF FINANCIAL OFFICER

SCHEDULE "A" - Transit Service Area Boundaries

The boundaries of the Municipal Transit Service Area shall be defined as follows:

The boundaries of the Nanaimo Regional Transit Service Area shall include the corporate boundaries of the City of Nanaimo, the City of Parksville, the Town of Qualicum Beach and the District of Lantzville and Electoral Areas A, D, E, G and H of the Regional District of Nanaimo.

Nanaimo A.O.A. Amendment #1

8

2012/13

SCHEDULE "B" – Service Specifications

Nanaimo Regional Base Budget Official AOA Amendment # 1 2012/2013

Schedule 'B'

Effective Apr 01, 2012

Scheduled Revenue Service

12/13 Apr to Jun (Apr 01, 2012 to Jun 29, 2012)											
	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Apr 06, 2012	Apr 09, 2012	May 21, 2012	
Hrs/Day	357.23	357.23	357.23	357.23	358.98	258.40	136.15	0.00	136.15	136.15	
Kms/Day	8,519.92	8,519.92	8,519.92	8,519.92	8,570.31	6,135.99	3,635.79	0.00	3,635.79	3,635.79	
12/13 Jun to Sep (Jun 30, 2012 to Sep 01, 2012)											
	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Jul 01, 2012	Jul 02, 2012	Aug 06, 2012	
Hrs/Day	304.00	304.00	304.00	304.00	304.00	258.40	136.15	136.15	136.15	136.15	
Kms/Day	7,304.94	7,304.94	7,304.94	7,304.94	7,304.94	6,135.99	3,635.79	3,635.79	3,635.79	3,635.79	
12/13 Sep to Dec (Sep 02, 2012 to Dec 22, 2012)											
	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Sep 03, 2012	Oct 08, 2012	Nov 11, 2012	Nov 12, 2012
Hrs/Day	357.23	357.23	357.23	357.23	358.98	258.40	136.15	136.15	136.15	136.15	136.15
Kms/Day	8,519.92	8,519.92	8,519.92	8,519.92	8,570.31	6,135.99	3,635.79	3,635.79	3,635.79	3,635.79	3,635.79
12/13 Dec to Jan (Dec 23, 2012 to Jan 05, 2013)											
	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Dec 26, 2012			
Hrs/Day	304.00	304.00	304.00	304.00	304.00	258.40	136.15	136.15			
Kms/Day	7,304.94	7,304.94	7,304.94	7,304.94	7,304.94	6,135.99	3,635.79	3,635.79			
12/13 Jan to Mar (Jan 06, 2013 to Mar 02, 2013)											
	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Feb 18, 2013			
Hrs/Day	357.23	357.23	357.23	357.23	358.98	258.40	136.15	136.15			
Kms/Day	8,519.92	8,519.92	8,519.92	8,519.92	8,570.31	6,135.99	3,635.79	3,635.79			
12/13 Mar to Mar (Mar 03, 2013 to Mar 31, 2013)											
	Mon	Tue	Wed	Thu	Fri	Sat	Sun				
Hrs/Day	375.00	375.00	375.00	375.00	375.00	258.02	136.70				
Kms/Day	9,151.53	9,151.53	9,151.53	9,151.53	9,151.53	6,429.82	3,219.00				

Extra Revenue Service

	Apr, 2012	May, 2012	Jun, 2012	Jul, 2012	Aug, 2012	Sep, 2012	Oct, 2012	Nov, 2012	Dec, 2012	Jan, 2013	Feb, 2013	Mar, 2013
Extra Overload Hours	33.00	33.00	33.00	73.69	26.00	33.00	33.00	33.00	33.00	33.00	33.00	45.00
Extra Overload Kilometres	693.00	693.00	693.00	1,134.24	566.00	693.00	693.00	693.00	693.00	693.00	693.00	645.00

Adjusted Revenue Service

	Apr, 2012	May, 2012	Jun, 2012	Jul, 2012	Aug, 2012	Sep, 2012	Oct, 2012	Nov, 2012	Dec, 2012	Jan, 2013	Feb, 2013	Mar, 2013

2012/2013 Calendar Specification

Period	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Exceptions	Total	Exception Days
Apr 01, 2012 to Apr 30, 2012	4	4	4	4	3	4	5	2	30	Apr 06, 2012 Good Friday 2012 (Fri)
May 01, 2012 to May 31, 2012	3	5	5	5	4	4	4	1	31	Apr 09, 2012 Easter Monday 2012 (Mon)
Jun 01, 2012 to Jun 29, 2012	4	4	4	4	4	5	4	0	29	May 21, 2012 Victoria Day 2012 (Mon)
Jun 30, 2012 to Jun 30, 2012	0	0	0	0	0	0	1	0	1	Jul 01, 2012 Canada Day 2012 (Sun)
Jul 01, 2012 to Jul 31, 2012	4	5	4	4	4	4	4	2	31	Jul 02, 2012 Canada Day Stat 2012 (Mon)
Aug 01, 2012 to Aug 31, 2012	3	4	5	5	4	5	4	1	31	Aug 06, 2012 BC Day 2012 (Mon)
Sep 01, 2012 to Sep 01, 2012	0	0	0	0	0	0	1	0	1	Sep 03, 2012 Labour Day 2012 (Mon)
Sep 02, 2012 to Sep 30, 2012	3	4	4	4	4	4	5	1	29	Oct 06, 2012 Thanksgiving Day 2012 (Mon)
Oct 01, 2012 to Oct 31, 2012	4	5	5	4	4	4	4	1	31	Nov 11, 2012 Remembrance Day 2012 (Sun)
Nov 01, 2012 to Nov 30, 2012	3	4	4	5	5	4	3	2	30	Nov 12, 2012 Remembrance Day 2012 (Tue)
Dec 01, 2012 to Dec 22, 2012	3	3	3	3	3	3	4	0	22	Dec 25, 2012 Christmas Day 2012 (Tue)
Dec 23, 2012 to Dec 31, 2012	2	0	0	1	1	1	2	2	9	Dec 26, 2012 Boxing Day 2012 (Wed)
Jan 01, 2013 to Jan 05, 2013	0	0	1	1	1	1	0	1	5	Jan 01, 2013 New Years Day 2013 (Tue)
Jan 06, 2013 to Jan 31, 2013	4	4	4	4	4	3	4	1	26	Feb 18, 2013 Family Day 2013 (Mon)
Feb 01, 2013 to Feb 28, 2013	3	4	4	4	4	4	4	1	28	Mar 29, 2013 Good Friday 2013 (Fri)
Mar 01, 2013 to Mar 02, 2013	0	0	0	0	1	1	0	0	2	
Mar 03, 2013 to Mar 31, 2013	4	4	4	4	3	4	5	1	28	
Total	44	50	51	52	50	52	51	15	363	15 Exceptions

Monthly Summary

Month	Conventional Transit							
	Revenue Hours				Revenue Kilometers			
	Scheduled	Extra	Adjusted	Total	Scheduled	Extra	Adjusted	Total
April, 2012	8,643.12	33.00		8,676.12	208,388.35	693.00		209,081.35
May, 2012	9,580.41	33.00		9,613.41	230,362.71	693.00		231,055.71
June, 2012	9,347.18	33.00		9,380.18	224,393.38	693.00		225,086.38
July, 2012	8,234.50	73.69		8,308.19	189,782.44	1,134.24		200,896.06
August, 2012	8,402.35	26.00		8,430.35	203,411.59	566.00		204,019.59
September, 2012	8,603.27	33.00		8,636.27	214,574.73	693.00		215,267.73
October, 2012	9,580.41	33.00		9,613.41	230,362.71	693.00		231,055.71
November, 2012	9,224.83	33.00		9,257.83	221,890.18	693.00		222,583.18
December, 2012	8,688.60	33.00		8,721.60	209,707.31	693.00		210,400.31
January, 2013	9,282.82	33.00		9,315.82	223,074.48	693.00		223,767.48
February, 2013	8,508.72	33.00		8,541.72	204,802.95	693.00		205,495.95
March, 2013	9,482.95	45.00		9,527.95	230,472.85	645.00		231,117.85
Total	107,869.27	443.69	0.00	108,312.96	2,601,226.88	8,904.24	0.00	2,610,131.92

SCHEDULE "B" – Service Specifications

Nanaimo Custom Base Budget Official AOA Amendment # 1 2012/2013

Schedule 'B'

Effective Apr 01, 2012

Scheduled Revenue Service

12/13 Apr to Feb (Apr 01, 2012 to Feb 28, 2013)									
	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Jul 02, 2012	Nov 12, 2012
Hrs/Day	86.00	80.00	92.00	80.00	80.00	32.00	8.00	32.00	32.00
Kms/Day	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

March (Mar 01, 2013 to Mar 31, 2013)									
	Mon	Tue	Wed	Thu	Fri	Sat	Sun		
Hrs/Day	82.00	104.00	104.00	102.00	100.00	24.00	8.00		
Kms/Day	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Flexible Hours

	Apr, 2012	May, 2012	Jun, 2012	Jul, 2012	Aug, 2012	Sep, 2012	Oct, 2012	Nov, 2012	Dec, 2012	Jan, 2013	Feb, 2013	Mar, 2013
	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	53.20

Extra Revenue Service

	Apr, 2012	May, 2012	Jun, 2012	Jul, 2012	Aug, 2012	Sep, 2012	Oct, 2012	Nov, 2012	Dec, 2012	Jan, 2013	Feb, 2013	Mar, 2013

Adjusted Revenue Service

	Apr, 2012	May, 2012	Jun, 2012	Jul, 2012	Aug, 2012	Sep, 2012	Oct, 2012	Nov, 2012	Dec, 2012	Jan, 2013	Feb, 2013	Mar, 2013

2012/2013 Calendar Specification

Period	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Exceptions	Total	Exception Days
Apr 01, 2012 to Apr 30, 2012	4		4	4	3	4	5	2	30	Apr 06, 2012 Good Friday 2012 (Fri)
May 01, 2012 to May 31, 2012	3	5	5	5	4	4	4	1	31	Apr 09, 2012 Easter Monday 2012 (Mon)
Jun 01, 2012 to Jun 30, 2012	4	4	4	4	5	5	4	0	30	May 21, 2012 Victoria Day 2012 (Mon)
Jul 01, 2012 to Jul 31, 2012	4	5	4	4	4	4	4	2	31	Jul 01, 2012 Canada Day 2012 (Sun)
Aug 01, 2012 to Aug 31, 2012	3	4	5	5	5	4	4	1	31	Jul 02, 2012 Canada Day Stat 2012 (Mon)
Sep 01, 2012 to Sep 30, 2012	4	5	4	4	4	4	5	1	30	Aug 06, 2012 BC Day 2012 (Mon)
Oct 01, 2012 to Oct 31, 2012	4	5	5	4	5	4	4	1	31	Sep 03, 2012 Labour Day 2012 (Mon)
Nov 01, 2012 to Nov 30, 2012	5	4	4	5	5	4	3	2	30	Oct 08, 2012 Thanksgiving Day 2012 (Mon)
Dec 01, 2012 to Dec 31, 2012	5	3	3	4	4	5	5	2	31	Nov 11, 2012 Remembrance Day 2012 (Sun)
Jan 01, 2013 to Jan 31, 2013	4	4	5	5	4	4	4	1	31	Nov 12, 2012 Remembrance Day Stat 2012 (Fri)
Feb 01, 2013 to Feb 28, 2013	3	4	4	4	4	4	4	1	28	Dec 25, 2012 Christmas Day 2012 (Tue)
Mar 01, 2013 to Mar 31, 2013	4	4	4	4	4	5	5	1	31	Dec 26, 2012 Boxing Day 2012 (Wed)
Total	44	50	51	52	50	52	51	15	365	15 Exceptions

Monthly Summary

Month	Revenue Hours				Revenue Kilometers			
	Scheduled	Extra	Flexible	Adjusted	Scheduled	Extra	Adjusted	Total
April, 2012	1,760.00		40.00	1,800.00	0.00			0.00
May, 2012	1,998.00		40.00	2,038.00	0.00			0.00
June, 2012	1,944.00		40.00	1,984.00	0.00			0.00
July, 2012	1,944.00		40.00	1,984.00	0.00			0.00
August, 2012	1,998.00		40.00	2,038.00	0.00			0.00
September, 2012	1,786.00		40.00	1,826.00	0.00			0.00
October, 2012	2,004.00		40.00	2,044.00	0.00			0.00
November, 2012	1,930.00		40.00	1,970.00	0.00			0.00
December, 2012	1,786.00		40.00	1,826.00	0.00			0.00
January, 2013	2,004.00		40.00	2,044.00	0.00			0.00
February, 2013	1,746.00		40.00	1,786.00	0.00			0.00
March, 2013	2,128.00		53.20	2,181.20	0.00			0.00
Total	23,028.00	0.00	493.20	23,521.20	0.00	0.00	0.00	0.00

Schedule C

Nanaimo Regional Conventional Transit

**Official AOA Amendment # 1
 2012/2013**

TRANSIT REVENUE	
Farebox Cash	\$1,392,284
Tickets & Passes	\$1,771,998
BC Bus Pass	\$746,031
Advertising	\$49,221
TOTAL REVENUE	\$3,959,535
EXPENDITURES	
Fixed Costs	\$895,658
Variable Hourly Costs - Scheduled Service	\$5,228,004
Variable Hourly Costs - Extra Service	\$21,501
Variable Fuel Costs - Scheduled Service	\$1,914,556
Variable Fuel Costs - Extra Service	\$6,554
Variable Tire Costs - Scheduled Service	\$68,324
Variable Tire Costs - Extra Service	\$234
Fleet Maintenance	\$1,039,867
Accident Repairs	\$33,990
ICBC Insurance	\$103,981
Fleet Insurance	\$59,183
Information Systems	\$25,936
H.S.T.	\$36,945
TOTAL DIRECT OPERATING COSTS	\$9,434,734
Training (Education & Seminars)	\$14,703
Marketing	\$79,568
Municipal Administration	\$172,218
BCT Management Services	\$629,268
TOTAL OPERATING COSTS	\$10,330,491
Lease Fees - Vehicles (Local Share)	\$1,180,764
Lease Fees - Equipment (Local Share)	\$50,148
Lease Fees - PTIP (Local Share)	-\$115,425
TOTAL LEASE FEES - LOCAL SHARE	\$1,115,486
TOTAL COSTS	\$11,445,977
COST SHARING	
Municipal Share of Costs	\$6,154,609
Municipal Flex Funded Amount	\$878,000
Less: Total Revenue	\$3,959,535
Less: Municipal Administration	\$172,218
Net Municipal Share of Costs	\$2,900,856
Authority Share of Costs*	\$4,413,368
STATISTICS	
Scheduled Revenue Hours	107,889.27
Extra Revenue Hours	443.69
Scheduled Revenue Kilometres	2,601,226.68
Extra Revenue Kilometres	8,904.24
Total Passengers	2,753,742
Conventional Passengers	2,753,742

*Does not include Authority share of Lease Fees

Schedule C

Nanaimo Custom Transit

**Official AOA Amendment # 1
 2012/2013**

TRANSIT REVENUE	
Farebox Cash	\$222,094
TOTAL REVENUE	\$222,094
EXPENDITURES	
Fixed Costs	\$199,314
Variable Hourly Costs - Scheduled Service	\$866,450
Variable Fuel Costs - Scheduled Service	\$146,833
Variable Tire Costs - Scheduled Service	\$7,679
Fleet Maintenance	\$88,176
Major Repairs Contingency	\$39,000
Accident Repairs	\$2,575
Taxi Supplement	\$40,000
Taxi Saver Program	\$20,000
Taxi Saver Recoveries	-\$10,000
ICBC Insurance	\$13,940
Fleet Insurance	\$4,460
H.S.T.	\$6,258
TOTAL DIRECT OPERATING COSTS	\$1,424,686
Training (Education & Seminars)	\$3,172
Marketing	\$5,305
Municipal Administration	\$28,028
BCT Management Services	\$109,480
TOTAL OPERATING COSTS	\$1,570,670
Lease Fees - Vehicles (Local Share)	\$138,226
Lease Fees - Equipment (Local Share)	\$833
TOTAL LEASE FEES - LOCAL SHARE	\$139,059
TOTAL COSTS	\$1,709,729
COST SHARING	
Municipal Share of Costs	\$620,950
Municipal Flex Funded Amount	\$123,984
Less: Total Revenue	\$222,094
Less: Municipal Administration	\$28,028
Net Municipal Share of Costs	\$494,813
Authority Share of Costs*	\$964,795
STATISTICS	
Scheduled Revenue Hours	23,521.20
Total Passengers	72,314
Custom/Para Passengers - Vans	68,272
Custom/Para Passengers - Taxi Supplement	2,234
Taxi Saver Passengers	1,808

*Does not include Authority share of Lease Fees

Schedule "D" - Payment Schedule

Nanaimo Regional Conventional Transit and Custom Transit 2012/2013 AOA BUDGET

1) Payment Schedule

The Authority agrees to pay the Operating Company a monthly payment on the following basis:

a) **for Specified Service in Schedule "B":**

- i) \$74,638.19 for Fixed Monthly Payment for conventional transit service; plus
- ii) \$16,609.49 for Fixed Monthly Payment for custom transit service; plus
- iii) \$48.46 per Revenue Hour for conventional transit service; plus
- iv) \$36.84 per Revenue Hour for custom transit service; plus
- v) \$0.7360 per Revenue Kilometre for fuel for conventional transit service; plus
- vi) \$0.0263 per Revenue Kilometre for tires for conventional transit service.

b) for Deleted Fixed Costs as outlined in Section 6 (2), an amount equal to 1/365 of the Fixed Monthly Costs amount contained in Schedule "C" shall be deducted for each day or part day.

c) for Added Service or Deleted Service within the regular hours of system operation specified in Schedule "B":

- i) \$48.46 per Revenue Hour for conventional transit service; plus
 - ii) \$36.84 per Revenue Hour for custom transit service; plus
 - iii) \$0.7360 per Revenue Kilometre for fuel for conventional transit service.
 - iv) \$0.0263 per Revenue Kilometre for tires for conventional transit service.
- with allowance for wage premium payments (up to 1.5 times the regular Revenue Hour payment), if applicable, when service is added beyond the regular hours of operation.

d) for Maintenance:

- i) \$42.32 per hour for labour by a licensed mechanic for the maintenance of transit vehicles.

e) for fuel costs, in the event diesel fuel costs should exceed \$1.2600 / litre a payment will be made in accordance with Section 6 (3) of this agreement to compensate the Operating Company for the actual cost of all diesel fuel consumed to a maximum of 1,513,281.15 litres for Scheduled Revenue Kilometres in Schedule "B". This maximum number of litres will be adjusted in proportion to Extra or Deleted Revenue Service Kilometres.

f) Prior to conducting a Special Group Trip, the Operating Company must apply for and receive from BC Transit, a pre-approval to conduct the trip, the cost recovery rates to be charged and the method of payment.

Information contained in Schedule "C" - Budget and Schedule "D" - Payment Schedule is subject to the Freedom of Information and Protection of Privacy Act.

Consult with BC Transit prior to releasing information in these Schedules to individuals or companies other than those who are party to the Agreement.

SCHEDULE "E" – Tariff-Fares

Fare Zones:

The boundaries of fare zones for this Tariff are described as follows:

Zone 1 - Regional District of Nanaimo

This zone encompasses that area within the existing transit service area.

Fares:

Conventional Transit Service:

Effective as of March 1, 2012

a) Single Cash Fares:	<u>Zone 1</u>
i) Adult	\$2.50
ii) Senior	\$2.25
iii) Youth (6-18 yrs)	\$2.25
iv) University Student	\$2.50
iv) Child under 6 years,	Free when accompanied by an adult.
v) Accessible Transit Attendant,	Free
b) Tickets:	
i) 10 x \$2.50 fares, sold for	\$22.50
ii) 10 x \$2.25 fares, sold for	\$20.25
c) BC Bus Pass valid for the current calendar year and available through the Government of British Columbia BC Bus Pass Program.	
c) CNIB Identification Card available from the local office of the CNIB.	
d) BC Transit Employee Bus Pass	
e) One-Day Pass:	
i) Adult	\$6.25
ii) University Student**	\$6.25
ii) Senior/Youth	\$5.50
f) Monthly Pass	
i) Adult	\$67.50
ii) University Student**	\$55.00
iii) Senior/Youth	\$41.00
g) University Student Semester Pass	\$176.00

**Passes are available on VIU campus only.

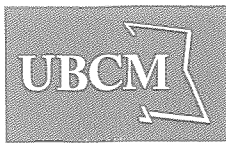
Custom Transit Service:

Effective April 1, 2007

Registered User and Companion:

a) 5 Prepaid Tickets	\$17.50
b) 20 Prepaid Tickets	\$65.00
Attendant accompanying registered user	Free

Note: Visitors may register for temporary handyDART service. Proof of registration in another jurisdiction or proof of eligibility is required.



Union of BC Municipalities
 Suite 60 10551 Shellbridge Way
 Richmond, BC, Canada V6X 2W9

Phone: 604.270.8226
 Email: ubcm@ubcm.ca

April 26, 2013

Chair Joe Stanhope and Board
 Regional District of Nanaimo
 6300 Hammond Bay Road
 Nanaimo, BC V9T 6N2

RDN CAO'S OFFICE			
CAO	<input checked="" type="checkbox"/>	GM R&P	
GMS&CD		GM T&SW	
GM R&CU		DF	
APR 29 2013			
DCS		BOARD	<input checked="" type="checkbox"/>
CHAIR			

Dear Chair Joe Stanhope and Board:

The 2013 Provincial election provides an opportunity for local governments to engage with candidates about the broad priorities shared by BC communities.

Last month, the Union of BC Municipalities released our 2013 Provincial Election Platform *Building Tomorrow Together*. The platform sets out five themes of interest to local government throughout the province - governance, finance, infrastructure, economic development and the environment. The platform also poses questions for response from the four main parties. UBCM will be posting the responses we receive on our website throughout the campaign so you can compare how the party platforms will impact local governments.

Throughout the campaign, I will be looking for opportunities to meet with each of the leaders of the four main parties. I will also be speaking with our Executive later this week about the need for all of us to work together to engage with candidates from our respective regions, to make sure they have received a copy of the platform, and have heard from us personally on how local and regional issues play into the five themes. In my meetings so far, I have sat down with NDP leader Adrian Dix to go over the platform. I have also met with candidates seeking re-election, including Bill Bennett, Pat Bell and Steve Thompson, Norm McDonald and Bob Simpson. The responses that I have received leaders and candidates so far have been appreciative of the constructive, non-partisan approach UBCM is taking.

If you and the members of your Board have not yet had a look at the platform, I encourage you to do so by visiting our website (www.ubcm.ca). My hope is that this resource will support your outreach to local candidates, and that together we can make sure that the future Members of the Legislative Assembly are aware of topics we will be discussing with the next provincial government.

Sincerely,

Mayor Mary Sjoström
 President