



Islands Trust

Islands Trust  
**Annual Report**  
2017–2018



Preserving *island* communities, culture and environment



# Contents

<b>4</b>	<b>Message from the Islands Trust Council Chair</b>
<b>7</b>	<b>Message from the Islands Trust Fund Board Chair</b>
<b>9</b>	<b>Message from the Chief Administrative Officer</b>
<b>13</b>	<b>The Islands Trust Area</b>
<b>16</b>	<b>2017–2018 Accomplishments</b>
<b>16</b>	1. Executive Summary of Strategic Plan and Policy Statement Accomplishments
<b>20</b>	2. Islands Trust Council
<b>34</b>	3. Islands Trust Council Committees
<b>42</b>	4. Trust Fund Board
<b>57</b>	5. Local Trust Committees and Bowen Island Municipality
<b>66</b>	6. Climate Change Action
<b>68</b>	7. Legislative Services – Administrative Fairness and Freedom of Information
<b>69</b>	8. Enforcement and Legal Action
<b>71</b>	<b>Appendix A: Strategic Plan 2014–2018</b>
<b>95</b>	<b>Appendix B: Islands Trust Financial Statements</b>
<b>113</b>	<b>Appendix C: Islands Trust Fund Financial Statements</b>

# Message from the Islands Trust Council Chair

I am honoured to be on the ancestral homeland and waters of the First Peoples of the Salish Sea. The Islands Trust Area includes the traditional territories of numerous First Nations, and I want to thank them for allowing us to call this beautiful place home. I further want to acknowledge and recognize that the Trust Area is unceded territory.

These are exciting and challenging times nationally, provincially, and also at the regional level. The Islands Trust has been asked to address a myriad of issues, including: pipelines, oil spill prevention, and freighter anchorages; the impacts of forestry and aquaculture; and balancing a serious shortage of affordable housing with stresses on freshwater resources.

It is against this backdrop, and with less than five months remaining in this term, that I reflect on the past year, and our efforts to advance the Islands Trust's legislated mandate to preserve and protect the islands in the Salish Sea.

In 2014, the current Trust Council began the first year of a four year term, a first for local government in British Columbia. This change from three to four years was received with mixed feelings as the then new council of 26 trustees from across the Trust Area reviewed the previous council's work program, the strategic plan, and laid out its own ambitious plans for the term ahead.

The main strategic items included: affordable housing; preparation for the potential incorporation of Salt Spring Island; potential legislative amendments; Policy Statement amendments; and First Nations engagement.

We have now substantially completed housing needs assessments for both the southern and northern regions. These in-depth analyses will aid our communities in planning for future housing needs. The Islands Trust and our partner, the Capital Regional District, can be proud of initiating this work ahead of the recently announced provincial requirements for such assessments across the province.

We invested significant resources in planning for a potential “yes vote” outcome from the Salt Spring Island incorporation referendum. The vote asked citizens whether their community would be better served by being a municipality within the Islands Trust, rather than being governed under the current system. The outcome was a resounding vote against incorporation. Throughout the debates it was heartening to hear clear support for the preserve and protect mandate of the Islands Trust. The discussions prior to the vote highlighted both strengths and possible areas of improvements in the present form of governance, as well as confidence in the Islands Trust to seek necessary improvements.

The concerns on Salt Spring Island about delivery of services are not unique to that island. Trust Council has directed its Trust Programs Committee to review service delivery issues and opportunities for better coordination with partner agencies in the delivery of those services. This exciting work, which includes a commitment to community outreach, is ongoing.

The Islands Trust Policy Statement outlines the guiding principles under which the Islands Trust operates. The need for amendments to this document and legislative changes has been on Trust Council’s agenda for many years. Partially as a result of the Salt Spring referendum, we are now reviewing the tools we use to govern and the powers we have been given through the *Islands Trust Act* with the intention of determining how we might be able to govern better and work more effectively with other agencies to fulfill the needs of our communities. A central part of this review is exploring the questions of whether we are using all the powers we currently have to our best ability and following the intention of the existing legislation.

The task of conducting a full review of the Policy Statement is enormous yet, as witnessed most strikingly by the referendum, there is a need for change. As a result, Trust Council has chosen to undertake a limited review, focussing on the introductory sections. I am pleased that we have turned our minds to undertake this necessary work and that we are using a measured approach.

A significant theme for this term has been relationship building with First Nations with an interest in the Trust Area. Trust Council has adopted new policies and principles to guide us, and I want to thank those that have engaged with us to help us along this important journey.

It is an honour to serve our communities as Chair of the Islands Trust Council. It is also an honour to witness the dedication and commitment of First Nations, trustees, Islands Trust staff, advisory committees, community members, activist groups, and other non-profit and government

agencies who work to preserve and protect this beautiful place we are privileged to call home.

I would like to thank our minister, the Honourable Selina Robinson, and the province for their engagement in and support of our work. I would like to thank the federal government, particularly MP Marc Garneau, Minister of Transport, for the Oceans Protection Plan, which addresses many marine protection priorities the Islands Trust has advocated for. I am optimistic that the voices represented by the Island Trust Council are being heard and that together we can continue to improve how we do business, and how we preserve and protect the islands and waters of the Salish Sea for generations to come.

We can be proud of the work we have done and the seeds we are planting for the future work of the Islands Trust. I, for one, am thankful to have had this final – and fourth – year of our current mandate to complete this ambitious work of the Islands Trust Council.



Peter Luckham  
Chair, Islands Trust Council



# Message from the Islands Trust Fund Board Chair

On January 30, 2018, the Trust Fund Board approved a new ten-year (2018–2027) Regional Conservation Plan to guide the work of the Islands Trust Fund to protect fragile ecosystems in the islands in the Salish Sea. While many special places have been protected in the past 28 years of the Islands Trust Fund’s history, there is still more work to do. Sensitive ecosystems account for 40 per cent of the Trust Area land base, but only 21 per cent of those ecosystems are protected. These islands provide habitat for hundreds of species of concern. That is why the Islands Trust Fund relies on the Regional Conservation Plan – a science-based and community informed plan – to focus our efforts and resources on what’s most urgently in need of protection.

As we approached the end of the 2011–2017 Regional Conservation Plan, we reached out to experts, partners, the public, and First Nations with interests in the land and waters in the Islands Trust Area to ask for their input on the direction of a new plan. In the process of drafting the new ten-year Regional Conservation Plan, we examined our past successes and reviewed lessons learned to identify new high-level goals to guide our work. We learned how much our partners value our collaborative, science-based approach.

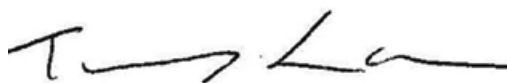
Just as species and the ecosystems of the islands in the Salish Sea are interdependent, so is the process of land conservation in the Islands Trust Area. Local conservancies and island groups are often the driving force behind fundraising campaigns, a lesson that was emphasized in the previous Regional Conservation Plan. We are proud and humbled by the passion and dedication islanders and our partners have for the beautiful islands in the Salish Sea and their desire to see the special properties on these lands endure into the future. This support truly enables us to do what we do.

The 2011–2017 Regional Conservation Plan set an objective to protect 500 hectares of priority conservation areas. Through strong partnerships, 491 hectares of priority lands were protected by or with the assistance of the Islands Trust Fund. A highlight is the recent creation

of two new nature reserves on Thetis Island, including Fairyslipper Forest — Thetis Island’s first and only publicly accessible nature reserve. In addition, two recently finalized strategies regarding land securement and property management will help us prioritize and focus our resources on protecting and managing the most at risk and highest value ecosystems.

Over the duration of the last Regional Conservation Plan we completed eelgrass mapping for the entire Islands Trust Area as well as forage fish suitable habitat mapping for most of the region. This information was shared with multiple agencies including First Nations, industry, government, and non-profits for use in oil spill planning, evaluation of applications affecting shorelines, marine protected area planning, and more — all contributing to better protection for marine and shoreline habitat in the region.

With the continued support of our partners, islanders, and other agencies working in concert for ecosystem protection, we look forward to the next ten years of science-based decision making to continue to deliver excellent service to ensure the protection of nature for future generations.



Tony Law  
Chair, Trust Fund Board



# Message from the Chief Administrative Officer

The Islands Trust entered the year with a measure of uncertainty. The prospect of Salt Spring Island, the largest of our local trust areas, becoming a municipality through an incorporation process was a distinct possibility. As the Salt Spring community pondered its way forward, the Islands Trust itself also had to imagine a different future: we would be a smaller organization; we would have to reimagine how we deliver our mandate; we would need to be resilient. In the end, the result of the incorporation vote left the governance structure of the Islands Trust as it was, with Salt Spring a full member. The process of the vote and the result however has led the trust to ask how it can do better. How can we deliver upon our land use authority in a way that both encourages community and protects the environment? How can we work better with other government service providers, regional districts, and improvement districts to coordinate and cooperate on services? To address this challenge, the Islands Trust set up a working committee to investigate what progress we can make. We look forward to the result of their work in 2018.

The uncertainty around the outcome of the incorporation process put pressure on the organization. We found it hard to hire new staff and, in the absence of governance certainty, we were challenged to complete projects. We needed to plan for a variety of futures and be optimistic in all of them. I think we did that and we are now stronger as a result. We saw how much the trust mattered to people on the islands, how it is unique, how that, even though it can be complicated and unwieldy sometimes, the Islands Trust has value and will endure.

The profile of the Islands Trust was bolstered in other ways. We were asked to provide comments to the federal Standing Committee of Transport, Infrastructure and Communities as an expert witness on abandoned vessels. These comments helped to inform the committee's review of Bill C-64, *An Act respecting wrecks, abandoned, dilapidated or hazardous vessels and salvage operations*. We were able to provide a

perspective that is unique in the country. No other region has the same relationship to the marine environment: an inland sea that features high populations and high residential values, with high per capita, year-round recreational boating, all set within some of the most sensitive ecosystems in the country. We also engaged directly with the federal Minister of Transport on anchorages within the Trust Area and remain committed to engaging to render the best result possible for the Trust Area. We were one of the first organizations to voice concern over Kinder Morgan's Trans Mountain Expansion Project and remained steadfast as the project has unfolded.

If nothing else, the 2018 Budget process was more predictable than that of 2017. The organization moved past the financial uncertainty of the incorporation process on Salt Spring, which, if it had been successful, would have required a significant financial restructuring of the organization. Trust Council passed a budget based upon planning services and strategic planning and included a specific focus on freshwater and First Nations issues.

The 2014–2018 Strategic Plan was an effort in optimism: ten major strategic priorities, featuring over 50 objectives and 100 individual activities and tasks. Progress has been made across the board, from protection of sensitive habitats through the Islands Trust Fund to advancing our ability to protect the marine environment. Our work to prepare an amendment to the Policy Statement continues. A foundational document that provides the directive policies that are reflected in our land use planning and regulation, the Policy Statement is being updated to reflect current realities. First among those is engaging with First Nations in a meaningful way and seeking their input to the Policy Statement review process. We have reached out to over thirty First Nations communities to see if they want to be involved in this work. Over the next year we will see how this project matures and whether we can make the progress we need to make. Trust Council also initiated work to develop a process for identification and prioritization of potential amendments to the *Islands Trust Act*. Appropriate changes to the Act could give the Islands Trust additional tools it needs to fulfill its mandate given increasing land use pressures and environmental challenges.

In my opinion, our staff has done a wonderful job this year. We have had a number of challenging rezoning and community information meetings throughout the local trust areas and staff continued to exhibit high standards of professionalism. The high consequences associated with land use decisions can lead to heated public engagements, which can tip over the edge on occasion. Staff present their professional opinions and then offer counsel and assistance as community and elected

officials make their civic contributions. Far from being a removed bureaucracy, our staff are island people whether they work, play and/or live in on the islands — they all care deeply about the Trust Area... that's why they work for us.

I want to thank Trust Council and trustees for a productive year. We will have a local government election in October 2018 and inevitably there will be change. The Islands Trust has developed a level of respectful civic discussion that would be the envy of any local government and much of that is due to the quality of the elected officials and, no doubt, the next term will render the same result.

Local government in B.C. is itself changing. The relationship between elected officials, staff and public is being affected by social media, strong interests and an amplified 'win or lose' rhetoric.

However, that is not the case at the Islands Trust. This body is remarkable in its level of civic discourse and it has been wonderful to see it in action.

I want to express my gratitude to the staff of the Islands Trust, both for their work and for their support as I have become part of the Islands Trust family. Our staff demonstrates a deep commitment and pride in the mandate and mission of the Islands Trust and support of Trust Council.



## Behind the Scenes — Staff Recognition Awards

The ninth annual staff recognition awards, presented in December 2017, gave staff an opportunity to recognize the achievements and contributions of their colleagues.

The **Innovation Award** goes to an individual (or team) who goes over and above their job description by creating or overseeing a particularly innovative program, project, system or process that could lead to cost savings or efficiencies. Mark van Bakel, Information Services/GIS Manager, received this award for spearheading projects to bring Islands Trust into the modern age. Mark has improved the accuracy of our mapping products, rolled out a new phone system, standardized hardware support, and implemented an improved conferencing system.

The **Champion Award** goes to an individual, as demonstrated through a project or actions, who champions the Islands Trust Policy Statement or Strategic Goals. The award went to Kate Emmings (Ecosystem Protection Specialist) for a significant body of work that resulted in a ten year Regional Conservation Plan for the Islands Trust Fund.

The **Exceptional Team Effort** award goes to a regular, ad hoc team, or special team formed for a specific project. This year's recipients were Claire Olivier (Legislative Services Clerk), Jason Youmans (Island

Planner), and Fiona MacRaid (First Nations Specialist). This ad hoc team demonstrated exceptional effort and exceeded normal expectations to overcome the major challenges in guiding referrals to First Nations.

The **Excellence in Leadership** is awarded to an individual for supervising staff, leading a special project team, encouraging teamwork, empowering the team, mentoring staff, and/or communicating well. This year's award went to Ann Kjerulf, Regional Planning Manager for the Northern Office. Ann's workload this past year was especially heavy, and Ann's professionalism, resilience, and ability to cope with and adapt to change never waivers — she is always positive, upbeat, and is able to help whenever it's needed.

The **Service Excellence** award is presented to a staff member for excellent customer service, courtesy, co-operation, dependability, assisting others, and/or being an excellent team member. The award went to Nicole Miller, Employee Services Coordinator, for her positive attitude and unwavering commitment to providing exceptional customer service to both internal and external customers.

The **Canada 150** award was presented to Jennifer Eliason (Trust Fund Board Manager) and Kate Emmings (Ecosystem Protection Specialist) on behalf of the Land Trust Alliance of BC. This award was in recognition of their outstanding contribution to the conservation and protection of British Columbia's environment.



Russ Hotsenpiller  
Chief Administrative Officer



# The Islands Trust Area

The Islands Trust Area covers the islands and waters between the British Columbia mainland and southern Vancouver Island, including Howe Sound and as far north as Comox, with the exception of Texada Island. It is approximately 5,200 square kilometres (2,000 square miles) in size and has a resident population of more than 26,000 and an additional 10,000 non-resident property-owners.

Located in the Strait of Georgia and Howe Sound, the Islands Trust Area is a unique and special place – a scenic archipelago of 13 large islands and more than 450 smaller islands and islets.



The Islands Trust Area provides habitat for an exceptional variety of species: more than 200 types of migratory and resident birds and numerous species of fish and other marine and intertidal life, terrestrial wildlife and vegetation. Outstanding scenery and recreational resources include panoramic viewpoints, sheltered bays, protected marine waterways and anchorages, all of which contribute to the beauty, appeal and tranquility of this area.

The unique natural environment of the islands in the Strait of Georgia and Howe Sound has given the area national recognition. Realizing this, the government of British Columbia enacted special protective legislation in 1974 entitled the *Islands Trust Act*. The act states that the object of the Islands Trust is to “preserve and protect the Trust Area and its unique amenities and environment for the benefit of the residents of the Trust Area and of British Columbia generally, in co-operation with the municipalities, regional districts, improvement districts, other persons and organizations, and the Government of British Columbia.”

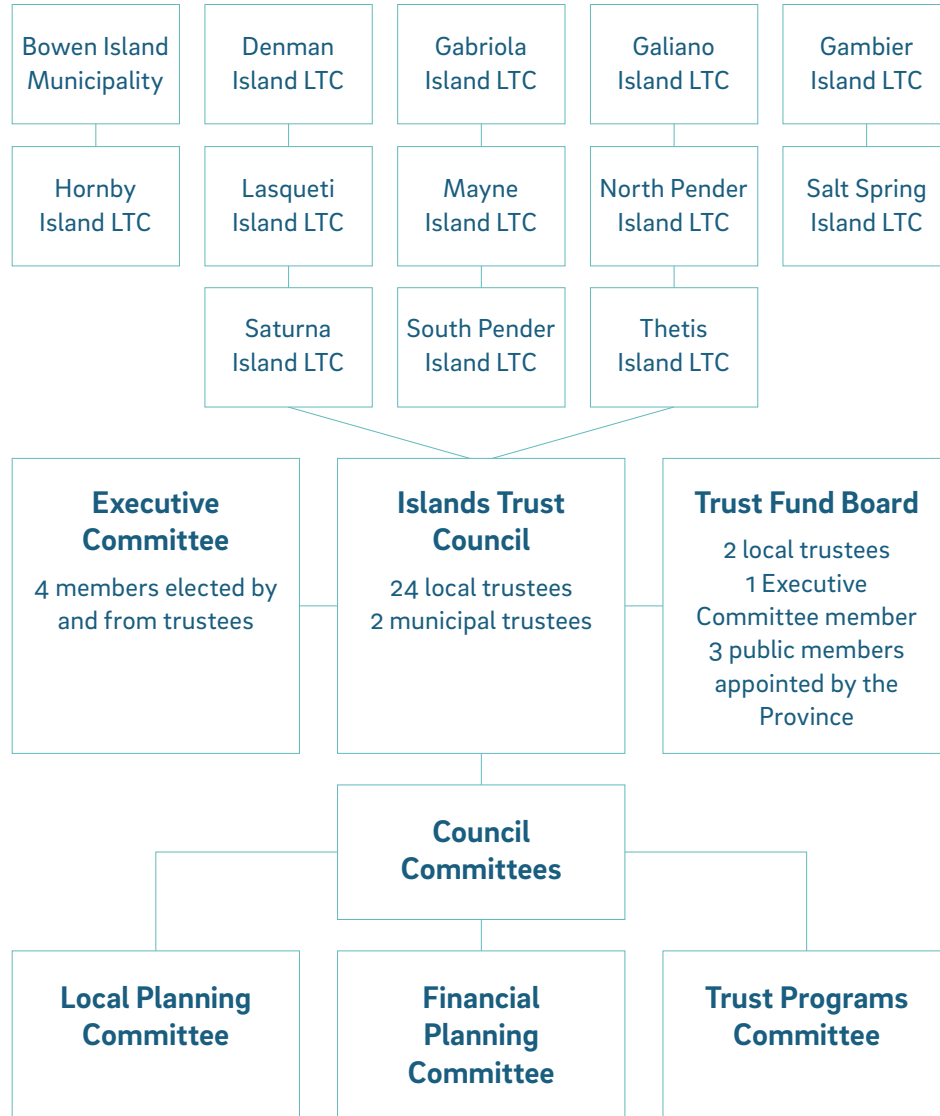
## Organization & Responsibilities

The Islands Trust is a unique federation of 12 special-purpose local government bodies and Bowen Island Municipality, all of which plan land use and regulate development in the Islands Trust Area. The Islands Trust consists of a number of distinct corporate entities: Islands Trust Council, Executive Committee, 12 local trust committees, Bowen Island Municipality, and Trust Fund Board.

Like other communities in British Columbia, island communities currently elect their local representatives every four years. Each group of islands, designated as a local trust area or island municipality, elects two local trustees. For the 12 local trust areas, the two local trustees, together with an appointed chair from the Executive Committee, are responsible for the land use decisions within their local area. For Bowen Island Municipality, the two local trustees are part of a seven-member council that is responsible for all functions of a local government, including land use decisions. Unlike the Bowen Island Municipal Council, each local trust committee also has jurisdictional authority for the smaller islands and waters that surround the major island in that local trust area.

# Islands Trust Legislative Structure

## Local Trust Committees and Island Municipalities





# 2017–2018 Accomplishments

## 1. Executive Summary of Strategic Plan and Policy Statement Accomplishments

Islands Trust Council uses the three main categories in the Islands Trust Policy Statement to organize its strategic plan, which in turn sets priorities and goals for each term. Trust Council adopted its 2014–2018 Strategic Plan in September 2015 and updates it at every quarterly meeting to align its strategic priorities with its staff resources and budget. Trust Council is focusing on 11 priorities, each supported by a number of strategies and activities. Selected accomplishments from this year are highlighted on the following pages.

## Policy Statement Goal A: To Foster Preservation and Protection of the Trust Area's Ecosystems

- The Islands Trust Fund, through tremendous support by donors and partners, acquired Fairyslipper Forest Nature Reserve (16.6 hectares) on Thetis Island.
- The Trust Fund Board approved a property management strategy to assist with prioritizing work regarding invasive species and species at risk and implemented a securement strategy to prioritize lands for protection.
- The Trust Fund Board provided an Opportunity Fund grant to Mayne Island Conservancy to assist with legal costs associated with the protection of St. John Point.
- In January, the Chair of the Islands Trust Council wrote to the Minister of Fisheries and Oceans to request an ecosystem-based study of the potential impacts on the health of the Salish Sea of the Integrated Geoduck Management Framework 2017. In February, the Executive Committee also submitted a resolution to Association of Vancouver Island and Coastal Communities/Union of BC Municipalities requesting that Fisheries and Oceans Canada (DFO) conduct an ecosystem-based study of potential and cumulative impacts of increased geoduck clam aquaculture and consider increased monitoring and enforcement. The Chair also wrote to DFO staff in February to provide comments on the draft 2017/2018 Pacific Herring Integrated Fisheries Management Plan.
- In December, Transport Canada staff made a presentation to Trust Council to inform trustees about how the federal Ocean Protection Plan will be implemented in the Salish Sea region and current and upcoming consultation opportunities. In December, the Chair also wrote to Transport Canada staff about the proposed Interim Anchorages Protocol and responded with a news release when it was issued.
- In February, the Chair travelled to Ottawa where he presented as an expert witness on abandoned vessels to the federal Standing Committee of Transport, Infrastructure and Communities. While in Ottawa, the Chair also met Marc Garneau, federal Minister of Transport, MP Kelly Block, Transport Critic for the Conservative Party, MP Pamela Goldsmith-Jones, MP Elizabeth May, and MP Sheila Malcolmson to discuss freighter anchorages, abandoned vessels, and oil spill risks and prevention measures.



\$550k+

*in cash  
and land  
donations*

- Trust Council held a session in March to provide information on climate change adaptation as it applies to the Islands Trust Area.
- On March 22, 2018, World Water Day, the Islands Trust hosted a freshwater sustainability forum featuring presentations by provincial ministry staff, regional district staff, an Islands Trust trustee, Islands Trust staff, and a registered water utilities professional. The event was attended by approximately 50 people and facilitated conversations about freshwater sustainability in the Islands Trust Area. Discussions covered water sustainability strategies under the *Water Sustainability Act*, jurisdictional challenges for achieving collaborative approaches to freshwater sustainability, and the history of water resource development in the Islands Trust Area.

### **Policy Statement Goal B: To Ensure that Human Activity and the Scale, Rate and Type of Development in the Trust Area are Compatible with Maintenance of the Integrity of Trust Area Ecosystems**

- From June to August, the Islands Trust co-delivered with the Ministry of Forests, Lands, Natural Resource Operations and Rural Development a series of workshops on wells and groundwater. The well-attended workshops were offered on 13 islands. The Islands Trust developed a brochure called *Our Water, Our Responsibility* for the workshops.
- The Islands Trust hosted a March 2018 Islands Trust Area Freshwater Sustainability Forum featuring presentations by provincial ministry staff, regional district staff, an Islands Trust trustee, Islands Trust staff, and a registered water utilities professional. The event was attended by approximately 50 people.
- The Salt Spring Island Local Trust Committee (SSI LTC) continued to coordinate the Salt Spring Island Watershed Protection Alliance (SSIWPA) in implementing a Watershed Protection Plan and developing a Strategic Planning Project and a Groundwater Supply Project. The SSI LTC also advanced bylaws to protect drinking watersheds from potential agricultural impacts.

## Policy Statement Goal C: To Sustain Island Character and Healthy Communities

- A First Nations Language and Tone Guide was developed to assist trustees and staff in their communications with the First Nations who have an expressed interest in the Trust Area. A final version of the guide is expected to be ready next year.
- The Salt Spring Island Local Trust Committee advanced securing a tenure for a Ganges Harbourwalk and advanced bylaws that would meet the needs for commercial and industrial lands for the next 25 years.

## Policy Statement Goal D: Effective, Efficient and Collaborative Governance

- The Islands Trust Council adopted a visual identity guide to ensure a consistent look for all Islands Trust publications produced for the public.
- The Executive Committee adopted an engagement plan for the Policy Statement amendment project and in November the Chair wrote to First Nations in the Trust Area, inviting them to participate in conversations with Islands Trust about possible amendments to the Policy Statement.
- The Executive Committee met with the Honourable Selina Robinson, Minister of Municipal Affairs and Housing to discuss, among other topics, amending the *Islands Trust Act*.
- The Salt Spring Island Local Trust Committee continued to coordinate the Salt Spring Island Watershed Protection Alliance.

## 2. Islands Trust Council

### Role

The 26-member Islands Trust Council establishes general policies for carrying out the object of the Islands Trust. Islands Trust Council also adopts an operational budget for the Islands Trust and manages the financial undertakings of all parts of the Islands Trust except for the Islands Trust Fund, which manages its own operations. Islands Trust Council appoints staff and auditors and adopts an annual budget. Tax levies on properties within the Trust Area are the primary funding source for the operations of the Islands Trust. Additional revenue comes from a provincial grant and development application fees.

The *Islands Trust Act* requires Islands Trust Council to implement the Trust Policy Statement that is applicable to the whole Trust Area. The Minister of Municipal Affairs and Housing approves it, before the Policy Statement is adopted. The Policy Statement provides broad policy guidelines for Islands Trust Council, the Trust Fund Board, and the local trust committees and island municipality regarding the protection of ecosystems, the stewardship of resources and the promotion of sustainable communities. The positions and philosophy of Islands Trust Council contained in the Policy Statement also constitute a policy framework for reference by the public and other agencies such as the regional districts of the Islands Trust Area, the province, and its agencies.

Islands Trust Council has three standing committees of trustees — the Local Planning Committee, Trust Programs Committee, and the Financial Planning Committee — which provide policy advice to Trust Council on a range of issues.





## Members of Islands Trust Council

<b>Bowen</b>	Alison Morse, Sue Ellen Fast
<b>Denman</b>	David Critchley, Laura Busheikin
<b>Gabriola</b>	Heather O'Sullivan, Melanie Mamoser
<b>Galiano</b>	George Harris, Sandy Pottle
<b>Gambier</b>	Dan Rogers, Kate-Louise Stamford
<b>Hornby</b>	Alex Allen, Tony Law
<b>Lasqueti</b>	Susan Morrison, Timothy Peterson
<b>Mayne</b>	Brian Crumblehulme, Jeanine Dodds
<b>North Pender</b>	Derek Masselink, Dianne Barber
<b>Salt Spring</b>	George Grams, Peter Grove
<b>Saturna</b>	Lee Middleton, Paul Brent
<b>South Pender</b>	Bruce McConchie, Wendy Scholefield
<b>Thetis</b>	Ken Hunter, Peter Luckham



## 2017–2018 Advocacy

The Islands Trust Council's advocacy program is guided by the Islands Trust Policy Statement, which states: to achieve its object, the Islands Trust must be an educator, co-ordinator, and initiator, guiding individuals, organizations and other agencies in support of the object. While the Islands Trust can provide the necessary leadership, responsibility for stewardship of the Trust Area rests with many. Individuals, other government agencies, organizations, and the Province itself all have important roles to play. Co-operative actions are required of other agencies, organizations, and individuals to ensure that activities are carried out in a manner that is sensitive to the needs of Trust Area ecosystems and island communities.

Most of this advocacy work is overseen and implemented by Islands Trust Council's Executive Committee and is guided by the Advocacy Policy (Policy 6.10.iii). In response to concerns raised by communities through their elected trustees and supported by the objectives laid out in its 2014–2018 Strategic Plan, Islands Trust Council continued to place a high priority on its advocacy program during 2017–2018. The Islands Trust Council advanced its advocacy priorities by writing letters, making submissions to consultation processes, hosting meetings, passing resolutions, and working with partners under the following topics:

14

Letters sent

### Ecosystem Preservation and Protection

#### Marine shipping safety and oil spill preparedness and response

In November, the Islands Trust Chair [wrote](#) to the Honourable Marc Garneau, Minister of Transport, offering the Islands Trust support for Bill C-352, an act to amend the Canada Shipping Act, 2001.

In November, the Chair and staff attended a Transport Canada Oceans Protection Plan South Coast Dialogue Forum in Vancouver.

In December, the Islands Trust Council hosted a presentation from Transport Canada staff about the federal Ocean Protection Plan and anchorage management.

In December, the Chair [wrote](#) to Vija Poruks at Transport Canada to provide comment on the Interim Anchorages Protocol for Anchorages in the South Coast of B.C. When the interim protocol was issued, staff drafted and issued a [news release](#) in response.

In February, the Chair and staff met in Victoria with Robert Manning-Lewis, President of the Chamber of Shipping of British Columbia, to discuss anchorage and shipping safety issues.

In February, the Chair [welcomed](#) the announcement of Transport Canada's Interim Anchorages Protocol, although expressed disappointment that industrial transfers in Plumper Sound were to continue.

In February, the Chair met with Transport Canada staff in Vancouver to discuss implementation of an interim protocol for anchorages in the southern Gulf Islands.

In February, the Chair met with the Honourable Marc Garneau, Minister of Transport in Ottawa to discuss Islands Trust's concerns with freighter anchorages. While in Ottawa, the Chair also took the opportunity to discuss anchorage issues with MP Kelly Block, Transport Critic for the Conservative Party; MP Pamela Goldsmith-Jones; MP Sheila Malcolmson; MP Elizabeth May; and Senior Transport Canada staff.

In March, the Chair [wrote](#) to the Honourable Marc Garneau, Minister of Transport Canada, to thank him for the February meeting with Islands Trust and to follow up on anchorages.

The Minister [responded](#) on May 9, 2018.

In March, the Chair, Trustee Fast, and staff attended a Transport Canada's [Oceans Protection Plan](#) South Coast Dialogue Forum. As a side meeting, the Chair and staff met with representatives from the Shipping Federation of Canada to discuss anchorage management and railway supply chain issues.

### Abandoned and derelict vessels

In November, the Chair sent a [letter](#) to the Minister of Transport Canada thanking him for the Abandoned Boats Program and offering support for Transport Canada's Bill C-64 and Sheila Malcolmson's Bill C-352 that would provide a national strategy for dealing with abandoned vessels.

In February, the Chair [presented](#) to the federal Standing Committee of Transport, Infrastructure and Communities in Ottawa, as an expert witness on abandoned vessels, to inform the committee's review of Bill C-64, *An Act respecting wrecks, abandoned, dilapidated or hazardous vessels and salvage operations*.



*The Islands Trust Chair raised concerns over freighter anchorages before a standing committee in Ottawa.*

## Ecosystem Protection

In April, the Chair [wrote](#) to the Honourable Steve Thomson, Minister of Forests, Lands and Natural Resource Operations in regards to the Notice of Amendments to the Private Moorage Program.

In September, the Executive Committee met with the Minister of Environment and Climate Change to discuss provincial funding for Coastal Douglas-fir and Associated Ecosystems Conservation Partnership, Islands Trust's opposition to the Trans Mountain pipeline expansion, and concerns with the BC environmental assessment process and B.C.'s "professional reliance" system.

In January, the Chair [wrote](#) to the Ministry of Forests, Lands, Natural Operations and Rural Development in regards to a proposal to establish protected areas for Coastal Douglas-fir bioclimatic zone.

In January, at a meeting with provincial staff, Trust Area Services staff encouraged provincial action on the Islands Trust's 2016 Union of British Columbia Municipalities resolution regarding increased funding for the Coastal Douglas-fir Conservation Partnership.

## Stewardship of Resources

In November, the Chair [wrote](#) to the Honourable Dominic LeBlanc, Minister of Fisheries and Oceans Canada in regards to the Baynes Sound Cleanup and a request for research.

In January, the Chair [wrote](#) to the Honourable Dominic LeBlanc, Minister of Fisheries and Oceans Canada, to request, as a priority, for an ecosystem-based study on the potential and cumulative impacts of the Integrated Geoduck Management Framework 2017 on the health of the Salish Sea.

In January, the Chair [wrote](#) to the Honourable George Heyman, Minister of Environment and Climate Change Strategy, regarding revisions to the Agricultural Waste Control Regulation (AWCR).

In January, the Chair [wrote](#) to the Honourable George Heyman, Minister of Environment and Climate Change Strategy, regarding the review of Professional Reliance Model.

In February, the Islands Trust submitted its 2018 resolution to the Association of Vancouver Island and Coastal Communities/Union of British Columbia Municipalities:

WHEREAS Fisheries and Oceans Canada (DFO) approved the Integrated Geoduck Management Framework in 2017 (IGMF);

AND WHEREAS the IGMF will lead to increased applications for geoduck aquaculture which has the potential to negatively impact the marine environment;

THEREFORE BE IT RESOLVED that UBCM request that DFO conduct an ecosystem-based study of potential and cumulative impacts of increased geoduck clam aquaculture and consider increased monitoring and enforcement.

### Sustainable Communities

In September, the Executive Committee met with the Minister of Transportation and Infrastructure to discuss reducing fares on minor ferry routes, Islands Trust Council's opposition to a bridge across Howe Sound, and concern about privatization of Tucker Bay Road on Lasqueti Island.

In January, the Executive Committee met with the Minister of Municipal Affairs and Housing to request support for *Islands Trust Act* amendments, ministry funding and involvement in a process to identify service integration opportunities, input into clarification regarding foreshore jurisdictions within the trust, and affordable housing grant programs for rural communities.

In February, the Chair [wrote](#) to Fisheries and Oceans Canada in regards to the Draft 2017/2018 Pacific Herring Integrated Fisheries Management Plan,

In March, the Chair [wrote](#) to the Honourable Carole James, Minister of Finance, in regards to the proposed Speculation Tax.

In March, the Chair [wrote](#) to the Honourable Selina Robinson, Minister of Municipal Affairs and Housing, to thank her for a recent meeting and to follow up.



*Islands Trust advocated for reduced fares on minor ferry routes.*

### Community Stewardship Awards

The Islands Trust recognizes individuals and groups who support the Islands Trust mandate with significant contributions towards preserving the community, culture, or the natural environment of an island. In 2017, Trust Council recognized, from among 18 nominees, four individuals and four groups for their support of the Islands Trust's mandate to preserve and protect the Trust Area and its unique environment and amenities.

The individual awards went to Bob Turner of Bowen Island for raising awareness and promoting conservation of Howe Sound; and to Liz Ciocea of Gabriola Island for 30 years of advocating for wildlife and the environment.

The organizational awards went to the Denman Island Memorial Society for creating the Denman Island Natural Burial Cemetery and the Gabriola Arts Council for 20 years of supporting and enhancing the artistic, cultural, and social environment of their island.

The Enduring Achievement awards went to Bob Weeden of Salt Spring Island for 21 years of leadership in conservation and environmental stewardship; Everhard van Lidth de Jeude of Bowen Island for 30 years of fostering ecological sustainability; Hornby and Denman Community Health Care Society for 38 years of providing health care services; and Saturna Community Club for 80 years of promoting social and environmental well-being.

*Community Stewardship Awards recognized four individuals and four groups for their contributions to preserve and protect the Islands Trust Area.*

## Delegations and Presentations to Islands Trust Council in 2017–2018

Trust Council invited the following guests to attend its 2017–2018 quarterly meetings:

- Brad Langman, Environment Canada, spoke about the legislation guiding species at risk protection within British Columbia and the methods available to protect habitat.
- Pamela Zevit, Registered Professional Biologist, gave a presentation on the tools and resources for conserving species at risk and critical habitat.
- BC Ferries staff, Brian Green, Terminal Development Manager, and Ivan Leung, Assistant Manager of Terminal Development, gave a presentation on the Denman East and Hornby Terminal Development Plans and associated processes.
- Member of Parliament, Sheila Malcolmson, gave a presentation on how to achieve effective advocacy, advocacy versus regulatory initiatives, and the importance of relationship building.
- Lorraine Gill, Vija Poruks, and Jeff Johnson of Transport Canada, presented via teleconference, the National Ocean Protection Plan and were joined by Tim McCann and Sarah Hughes from the Coast Guard, who contributed to the session which included derelict vessel removal and initiatives related to anchorages.
- James Gordon, Project Manager, and Lisa Joe, First Nations Coordinator, Protected Areas Establishment Branch, Parks Canada presented on the National Marine Conservation Reserve establishment process and First Nations consultation coordination.
- Councillors Bill Watson, Rick Hughes, and Jamie Stephens from San Juan County gave a presentation on issues of mutual interest between our communities such as vessel management, killer whale/salmon recovery plans, First Nations relationships, cross-border economic initiatives, and updating out trans-border agreement.
- Gillian Aubie Vines, a consultant from Pinna Sustainability, presented on climate change adaptation.

At each quarterly meeting of Islands Trust Council, members of the public are encouraged to make presentations and participate in a town hall session, to promote dialogue between islanders and trustees.

At the June 2017 Islands Trust Council meeting on Lasqueti Island, Trust Council heard from:

- Lasqueti's Last Resort Society and Judith Fisher Centre where staff and trustees learned about its health services, respite care, elder care, and its off-grid power sources.
- Gordon Scott, President of Lasqueti Island Nature Conservancy, who gave a presentation on conservation within the Coastal Douglas-Fir Zone.
- Peter Johnson, who spoke about his desire to see Trust Council meet only on islands within the Trust Area and to see a public engagement activity built into Trust Council schedules.
- Jack Barret who spoke about sustainability within the Trust Area and asked will the Islands Trust create a policy that limits population growth.

At the September 2017 Islands Trust Council meeting on Denman Island, Trust Council heard from:

- The Association for Denman Island Marine Stewards (ADIMS) members Dorrance Woodward and Barbara Mills, who gave a presentation on marine ecosystem protection, which focused on geoduck aquaculture.
- Howard Stewart, for Edina Johnston of the Denman Island Residents Association, who spoke about marine damage in Baynes Sound and the future of marine farming.
- Zdenek Brich who spoke about anchorages around Thetis and the Southern Gulf Islands.
- Harlene Holm of the Denman Community Land Trust Association, who asked Trust Council to consider expanding the Islands Trust Policy Statement to address affordable housing.
- Member of Parliament, Sheila Malcolmson, who spoke to Council about abandoned vessels legislation and requested that Trust Council encourage Parliament to adopt Bill C-352.
- Graham Brazier of the Gulf Islands Alliance who presented on marine stewardship and planning and expressed concern about increasing pressures on shorelines.
- Des Kennedy who congratulated the people of Salt Spring Island regarding the incorporation vote.

At the December 2017 Islands Trust Council meeting in Victoria, Trust Council heard from:

- Michael Sketch of Pender Island regarding the significance of the joint confederation and federation governance model in preserving and protecting Trust Area agricultural soil ecosystems.
- Peter Lamb and Patricia Lockie who spoke on behalf of the Salt Spring Island group “Positively Forward,” in support of governance, legislative, and other changes that would allow the Trust to better implement its mandate and offered suggestions regarding the *Islands Trust Act* amendment process.
- Marion Cumming, Board of the Salish Sea Biosphere Initiative, who voiced her concerns over the Kinder Morgan pipeline and anchorages.
- Ray Zimmerman who gave a response to the Ocean Protection Plan session which included concerns over the information given regarding Transport Canada not having authority over anchorages, that the fund is inadequate if there is a bad oil spill, and that species at risk are not being given proper consideration.
- Chris Straw of Gabriolans Against Freighter Anchorages Society, who expressed his frustration over the Ocean Protection Plan and lack of legislation and regulation in place to govern anchorages.
- Joan Russow who spoke about the United Nations Declaration on the Rights of Indigenous Peoples— article 19— as well as her concerns over the Kinder Morgan pipeline.
- Akasha Forest of Galiano Island, who expressed her appreciation for the blessing from First Nations and her desire to see Trust Council’s relationships with First Nations continue to improve.

At the March 2018 Islands Trust Council meeting on Salt Spring Island, Trust Council heard from:

- Christine Torgrimson of the Salt Spring Island Conservancy, who toured trustees and staff around the Blackburn Lake Nature Reserve, a project restored from a former golf course.
- David Denning of the Salt Spring Community Energy Group and the Salt Spring Climate Action Group, who presented on the need for climate action change.
- Michael Sketch who spoke regarding the Agricultural Land Commission policy and Islands Trust planning policy.

- Kisa Petersen, on behalf of the Salt Spring Island Housing Council Society and Island Women Against Violence, who gave a presentation on affordable housing on Salt Spring Island and jurisdictional issues.
- Samantha Sanderson for the Salt Spring Community Alliance, who spoke to how working groups are developing economic, environment, infrastructure, housing, health, and communication initiatives.
- Peter Lamb who expressed support for climate change adaptation and mitigation and urged Trust Council to take action and amend its budget to include climate change actions.
- Elizabeth White who expressed support for climate change actions and called Islands Trust to develop the role of a project champion who would look through a climate change lens at issues such as the Agricultural Land Reserve, food production, and affordable housing.
- Ron Pither, a local organic farmer on Salt Spring Island, who spoke to the importance of bee pollinators, presented to Trust Council a handout on how to safeguard pollination services.
- Wayne Hewitt who said Development Permit Application (DPA) fees should be reviewed and increased as many applicants are asking for forgiveness after construction through DPAs.
- Graham Bruce of Denman Island, on behalf of the Gulf Islands Alliance, who requested that Trust Council's budget for First Nations reconciliation be funded through a tax levy.
- Myna Lee Johnstone who noted that Salt Spring Island's noise levels and other emissions have increased over the past 30 years, that the seniors demographic is growing, and challenged all to hang up their car keys.
- Akasha Forest from Galiano Island, who shared news from a new group called the Salish Sea Renewable Energy Co-op which advocates moving away from fossil fuels.

Members of the public may address Islands Trust Council at any of its quarterly scheduled meetings held in March, June, September, and December. Public can address Trust Council through a formal delegation or petition, or informally at the town hall session. All correspondence, formal delegation presentations, and petitions are available to the public.



## Communications

### News Releases

The Islands Trust issued 12 news releases in 2017–2018. Topics included: details on each the quarterly Islands Trust Council meetings; the 15th Islands Trust Community Stewardship Awards program; information on a series of well and groundwater workshops; details on a Supreme Court of Canada decision on the validity of a Denman Island Local Trust Committee bylaw; the result of the Salt Spring Island incorporation; anchorage management in the Trust Area; and the 2018–2019 Islands Trust budget.

The Islands Trust Fund issued three news releases providing information on new protected areas on Salt Spring Island, Denman Island, and Thetis Island. The Islands Trust Fund also produced and distributed its newsletter, *The Heron*, which was mailed to 968 subscribers and organizations.

### Electronic Communications

To keep the public and our stakeholders informed about the work of the Trust and other relevant issues, Islands Trust has a range of topic-based notices which are e-mailed directly to subscribers. Subscribers can receive copies of our news releases, correspondence, and notifications of public meetings and events. To subscribe, click on Connect with Us at [islandstrust.bc.ca](http://islandstrust.bc.ca) and provide your email address.

The Islands Trust is on Twitter with the username [Islands\\_Trust](#) and has a YouTube channel under the username [IslandsTrust](#).

The Islands Trust Fund also sent out 13 e-notifications to 673 subscribers. *The Heron* is also available online at their website: [islandstrustfund.bc.ca](http://islandstrustfund.bc.ca).

The Islands Trust Fund is on Twitter at [IsldsTrustFund](#) and Facebook at [IslandsTrustFundBC](#).

### Videos

The Islands Trust contracted the development of three videos. The topics included: trustees discussing the preserve and protect mandate; fresh-water sustainability; and working for the Islands Trust. The videos will be launched online in May and June 2018.

## 3. Islands Trust Council Committees

### Executive Committee

#### Role

The Executive Committee (EC) comprises the Chair of Islands Trust Council and three Vice-Chairs, elected for a four-year term by Trust Council from among its members. In addition to the responsibilities of individual members, who serve as the chair of local trust committees, the committee oversees external communications for the Islands Trust, liaises with the provincial government, reviews and implements the Islands Trust Policy Statement, and conducts other functions as directed by Trust Council.

The Executive Committee carries out the daily business of the Islands Trust, reviews the bylaws of local trust committees to ensure compliance with the Islands Trust object and the Trust Policy Statement and acts as a local trust committee for the Ballenas/Winchelsea Island group north of Nanaimo.

#### Members

##### **Serving during the 2014–2018 term**

Peter Luckham, Thetis Island (Chair)

Laura Busheikin, Denman Island (Vice-Chair)

George Grams, Salt Spring Island (Vice-Chair)

Susan Morrison, Lasqueti Island (Vice-Chair)

### Union of British Columbia Municipalities Annual Convention – September 25–29, 2017

Annually, at the Union of British Columbia Municipalities (UBCM) convention, Islands Trust representatives meet and share ideas with Members of the Legislative Assembly (MLAs) and local government representatives from across the province. Chair Peter Luckham, Vice-Chairs Laura Busheikin, George Grams, and Susan Morrison attended the 2017 convention on behalf of the Islands Trust Council. Chief Administrative Officer, Russ Hotsenpiller, and Director of Trust Area Services, Clare Frater, also attended.

The Islands Trust Executive Committee hosted a breakfast for Electoral Area Directors and MLAs who serve the Islands Trust Area. Chair Peter Luckham highlighted upcoming UBCM resolutions that would benefit the Islands Trust Area and advance Trust Council's 2014–2018 Strategic Plan. The main topics of discussion were advocacy and the Salt Spring Island incorporation vote.

While at the convention, the Islands Trust Executive Committee met with the Honourable Claire Trevena, Minister of Transportation and Infrastructure to discuss BC Ferries fares, including reducing fares on minor ferry routes, the Islands Trust Council's opposition to a bridge across Howe Sound, the Trust Council's interest in exploring whether the Islands Trust could assume subdivision authority, and concerns about privatization of Tucker Bay Road on Lasqueti Island. The Executive Committee also met with the Honourable George Heyman, Minister of Environment and Climate Change Strategy, to discuss provincial funding for the Coastal Douglas-fir and Associated Ecosystems Conservation Partnership, Islands Trust Council's opposition to the Kinder Morgan pipeline expansion project, and concerns with the provincial environmental assessment process and the provincial "professional reliance" system.

The UBCM delegates voted to endorse the Islands Trust's resolution calling on the provincial and federal governments to implement measures that prevent rigid foam pollution in the marine environment.



*Islands Trust is working to prevent plastic pollution in the environment.*

## Bylaws Approved by Executive Committee

Before a local trust committee can adopt a bylaw, the Executive Committee must approve it for compliance with the Islands Trust Policy Statement. Before Bowen Island Municipal Council adopts an Official Community Plan Bylaw or an amendment to an Official Community Plan bylaw, the Executive Committee must approve the bylaw for compliance with the Islands Trust Policy Statement. Under the Letters Patent for Bowen Island, the Executive Committee also comments on other bylaws that reference a matter included in the Islands Trust Policy Statement. In 2016–2017, the Executive Committee approved 35 bylaws.

## Local Planning Committee

### Role

The Local Planning Committee (LPC) provides policy and planning advice to the Trust Council by identifying and reporting on emerging issues related to the committee's areas of responsibility: development management, community planning, and sustainable community. The committee also develops guidelines, policies, and models for use by staff and local trust committees.

### Members

#### Members serving during the 2014–2018 term

Paul Brent, Saturna Island (Chair 2014–June 14, 2017)

Melanie Mamoser, Gabriola Island (Vice-Chair, 2014–August 17, 2017;  
Chair, August 17, 2017–present)

Alex Allen, Hornby Island (Vice-Chair, August 17, 2017–present)

Tony Law, Hornby Island

Lee Middleton, Saturna Island

Timothy Peterson, Lasqueti Island

Sandy Pottle, Galiano Island

Wendy Scholefield, South Pender Island (resigned August 14, 2017)

Laura Busheikin, Denman Island (Executive Committee Representative)

Peter Luckham, Thetis Island (Ex Officio Member)

The Local Planning Committee held 4 regular business meetings in the 2017–2018 fiscal year.

Work for this period focused on advancing the committee's priority to continue implementing Trust Council's housing objectives by conducting a housing needs assessment for the Islands Trust's northern region and having staff collaborate with the Capital Regional District for a housing needs assessment for the Southern Gulf Islands. The committee also initiated the hiring of a Housing Agreement Program Coordinator, a temporary position to review existing housing agreements and create supporting materials for local trust committees to use when considering entering into affordable housing agreements.

The LPC also advanced key projects including a Model Strategy for Antenna Systems and Telecommunications Infrastructure within the Trust Area.

## Trust Programs Committee

### Role

The Trust Programs Committee (TPC) provides policy advice to the Islands Trust Council on Trust-wide issues related to the committee's areas of responsibility, for example water, marine, sustainable communities, public awareness and education, and proposes amendments to the Islands Trust Policy Statement.

### Members

#### Members serving for the 2014–2018 term

Derek Masselink, North Pender (Chair 2014–November 14, 2016; resigned November 2016)

Brian Crumblehulme, Mayne Island (Vice-Chair 2014–November 14, 2016; Chair November 14, 2016–present)

Paul Brent, Saturna Island (January 24, 2018–present)

David Critchley, Denman Island

Sue Ellen Fast, Bowen Island

George Grams, Salt Spring Island, Executive Committee Representative

Peter Grove, Salt Spring Island (January 24, 2018–present)

Tony Law, Hornby Island

Bruce McConchie, South Pender Island (resigned March 2016)

Melanie Mamoser, Gabriola Island (January 24, 2018–present)

Heather O'Sullivan, Gabriola Island Trustee

(Vice Chair November 14, 2016–present)

Dan Rogers, Gambier Island Trustee

Peter Luckham, Thetis Island, Ex Officio Member

### 2017–2018 Highlights

The Trust Programs Committee reviewed nominations and provided advice to the Islands Trust Council on the Community Stewardship Awards.

In partnership with staff from the Ministry of Forests, Lands and Natural Resource Operations, the committee offered a well-received workshop series on wells and groundwater that took place on twelve islands.

Throughout the year, the committee oversaw continuing work to develop an agreement with the Ministry of Forests, Lands and Natural

Resource Operations, and the Bowen Island Municipality about Crown lands decisions. The committee also reviewed and recommended that the Executive Committee adopt the draft Policy Statement Amendment Engagement Plan.

In January 2018, the committee began work to identify potential governance or operational changes that could be adopted in order to improve the delivery and integration of all the types of services that are delivered to the Islands Trust Area. Three new members joined the committee to support this work.

In March 2018, the committee hosted a Freshwater Forum in Cowichan Bay. The committee also began work towards a 2018 Baynes Sound/Lambert Channel Forum.

In March 2018, Trust Council approved the Trust Programs Committee's request for \$25,000 in the 2017–2018 budget for research and education on various topics.



## Financial Planning Committee

### Role

The Financial Planning Committee (FPC) is responsible for facilitating Trust Council's involvement in the annual budget process. This includes aligning the annual strategic planning process with the annual budget process, reporting and making recommendations to Trust Council regarding the organization's financial management practices, and reviewing audit reports and recommendations. Further, the committee monitors and reviews the organization's financial management, budget, and financial practices. The committee also provides advice to the Trust Fund Board on financial services and support.

### Members

The Financial Planning Committee consists of 10 trustees from across the Islands Trust Area: one member from Trust Programs Committee (the chair, unless otherwise appointed), one member from the Local Planning Committee (the chair, unless otherwise appointed), the four members of Executive Committee, one member from the Trust Fund Board, and three other locally-elected or municipal trustees. The chair of the committee is elected from amongst the three other locally-elected or municipal trustees.

#### **Members serving for the 2014–2018 term**

Peter Grove, Salt Spring Island, Chair

Alison Morse, Bowen Island, Vice-Chair

Derek Masselink, North Pender Island, Trust Programs Committee  
(April 1–May 31, 2016)

Brian Crumblehume, Mayne Island, Trust Programs Committee  
(May 31, 2016–present)

Paul Brent, Saturna Island, Local Planning Committee

Dereck Atha, Mayne Island, Trust Fund Board appointee  
(April 1, 2015–March 31, 2016)

Robin Williams, Salt Spring Island, Trust Fund Board appointee  
(April 4, 2017–present)

George Harris, Galiano Island

Laura Busheikin, Denman Island, Executive Committee

George Grams, Salt Spring Island, Executive Committee

Peter Luckham, Thetis Island, Executive Committee

Susan Ann Morrison, Lasqueti Island, Executive Committee

The Audit Committee is a sub-committee of the Financial Planning Committee and includes all members with the exception of the four Executive Committee members. The Audit Committee convenes a minimum of twice annually to meet with the external auditors and review the year-end audit work program, the audit findings report and any management letter recommendations, and to determine follow-up actions if required.

## 2017–2018 Highlights

As part of its ongoing responsibilities, the committee oversaw, through its Audit Committee, the completion of the annual financial statement audit for the Islands Trust and the Islands Trust Fund for the fiscal year ending March 31, 2017. The Audit Committee met with external auditors, KPMG LLP, to review their audit findings reports and, at a separate meeting, initiated planning for the March 31, 2018 financial statement audit.

The Financial Planning Committee facilitated Trust Council’s development of the 2018–2019 budget, recommending that Trust Council adopt a budget reflecting a 2 per cent general tax increase to trust area landowners, excluding Bowen Island whose tax requisition is based on Trust Council’s approved [Policy 7.2.6 Municipal Tax Requisition Calculation](#). Bowen Island Municipality’s contribution increased due to higher assessed values and a greater administrative contribution rate. Salt Spring Island Local Trust Committee requested an additional Special Property Tax Requisition for co-ordination of the Salt Spring Island Watershed Protection Alliance, which was approved by Trust Council upon recommendation from the committee.

Quarterly financial updates on actual results, as well as forecasts based on the 2nd and 3rd quarter results, were provided to the committee for information and review.

During the 2017–2018 fiscal year, the committee contributed to the following Trust Council Strategic Plan initiative:

### ***Strategic Plan Objective 7, Improve organizational cost-effectiveness and resilience***

The Financial Planning Committee completed the review and update of several Trust Council policy changes, including:

- Purchasing Procedure Policy 6.5.iii
- Trustee Remuneration Policy 7.2.i
- General Revenue Fund Surplus Policy 6.5.i
- Municipal Tax Requisition Calculation Policy 7.2.vi





## 4. Trust Fund Board

### Role

The Islands Trust Fund was established in 1990 by the *Islands Trust Act* to preserve natural landscapes and ecosystems in the Islands Trust Area, which covers most of Canada's islands in the Salish Sea. As the regional land trust for the Islands Trust Area, the Islands Trust Fund works with landowners and communities to protect places of natural or cultural significance in perpetuity. The Islands Trust Fund receives donations of land, conservation covenants and cash, monitors and manages land to conserve and restore biodiversity and works with islanders on private land stewardship. As a *qualified donee* the Trust Fund Board provides receipts for income tax purposes for all eligible donations received.

### Members

Tony Law, Hornby Island (1996–2005, 2011–2014, 2014–2018;  
Chair, 2012–present)

Susan Morrison, Lasqueti Island (2011–2014, 2014–2018)

Kate-Louise Stamford, Gambier Island (2014–2018)

Ron Bertrand, Abbotsford and North Pender Island  
(Appointed Member, 2014–2015, 2015–2018)

Hoops Harrison, Vancouver and Saturna Island  
(Appointed Member, 2016–2019)

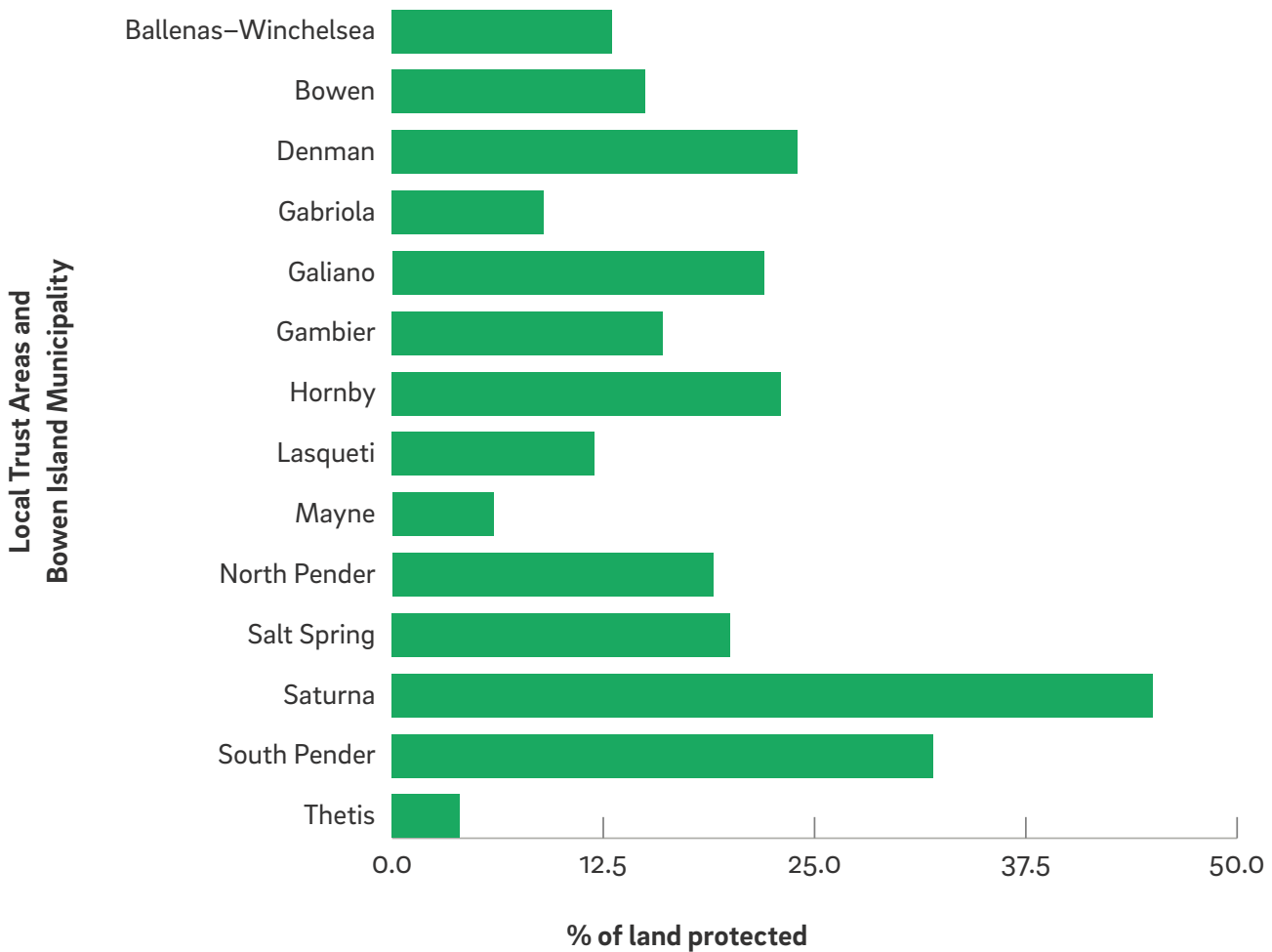
Robin Williams, Salt Spring Island  
(Appointed Member, 2017–2019)



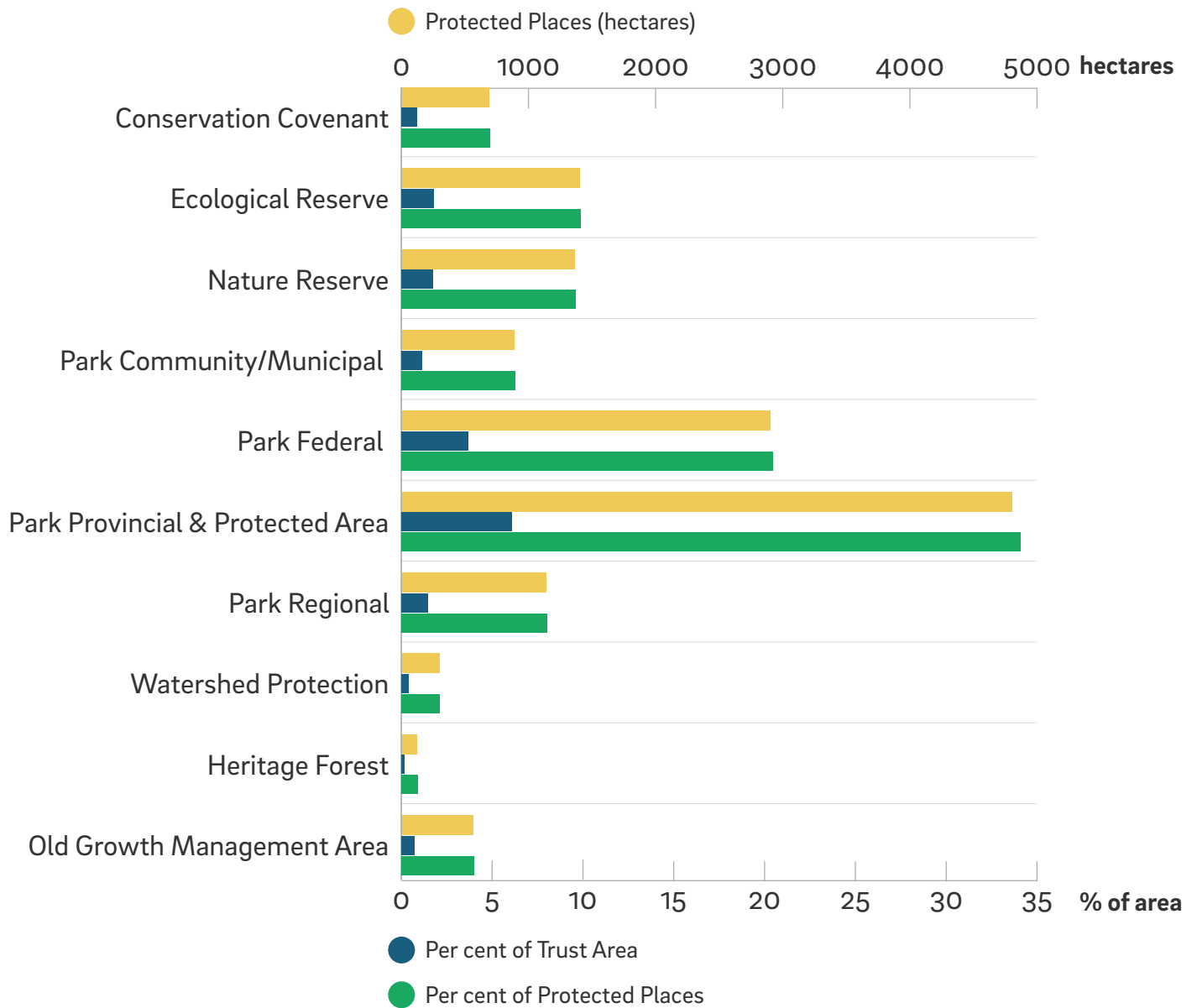
## Protected Places in the Islands Trust Area

As of March 2018, the Trust Fund Board reached an important milestone, protecting over 1,270 hectares of natural and cultural values on 103 properties. By the same date, public and non-profit conservation organizations (including the Islands Trust Fund) had protected 14,177.78 hectares (17.93 per cent) of the Islands Trust Area.

### Protected Places in Each Local Trust Area and Island Municipality as of March 31, 2018



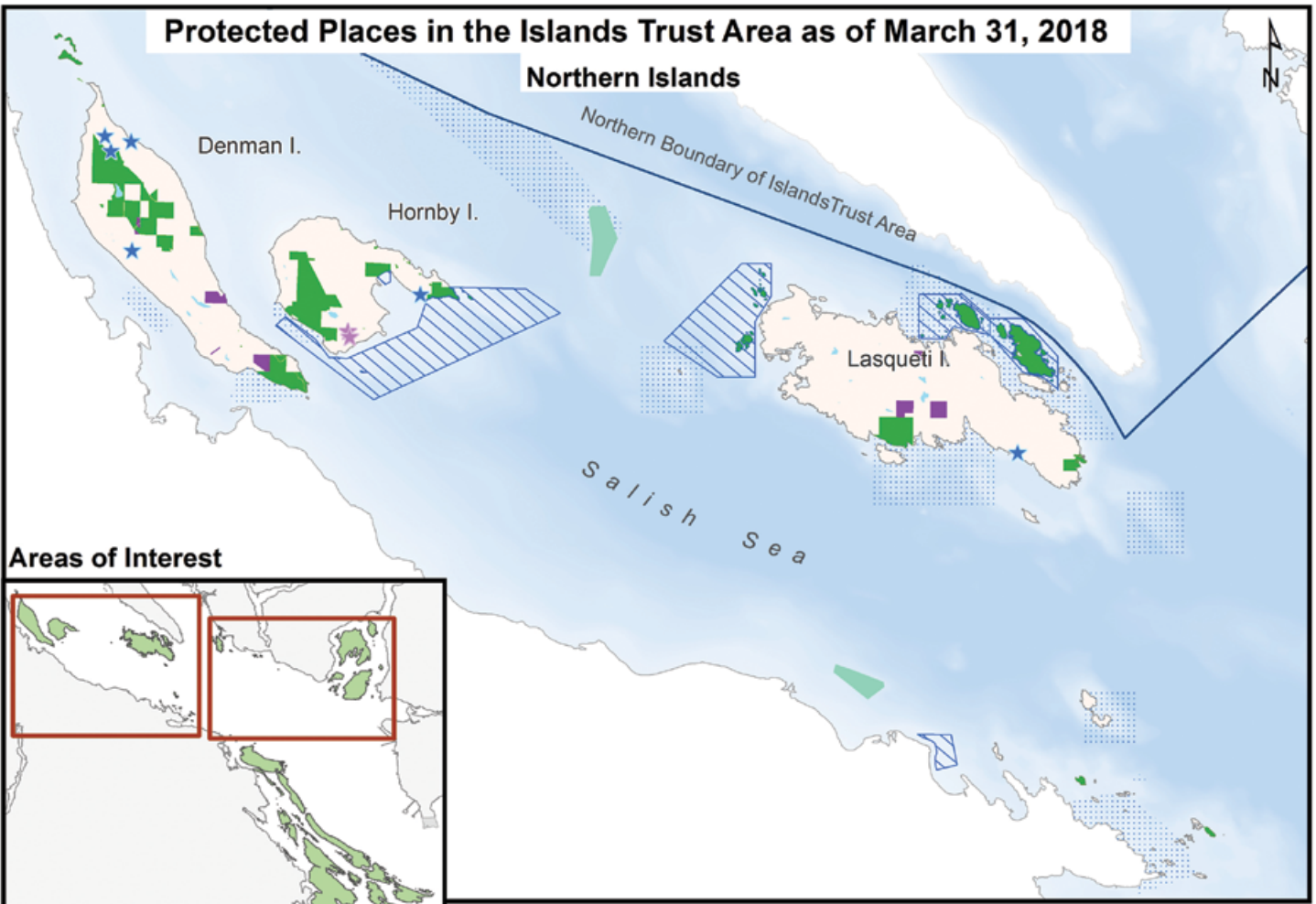
## Types of Protected Places in the Islands Trust Area



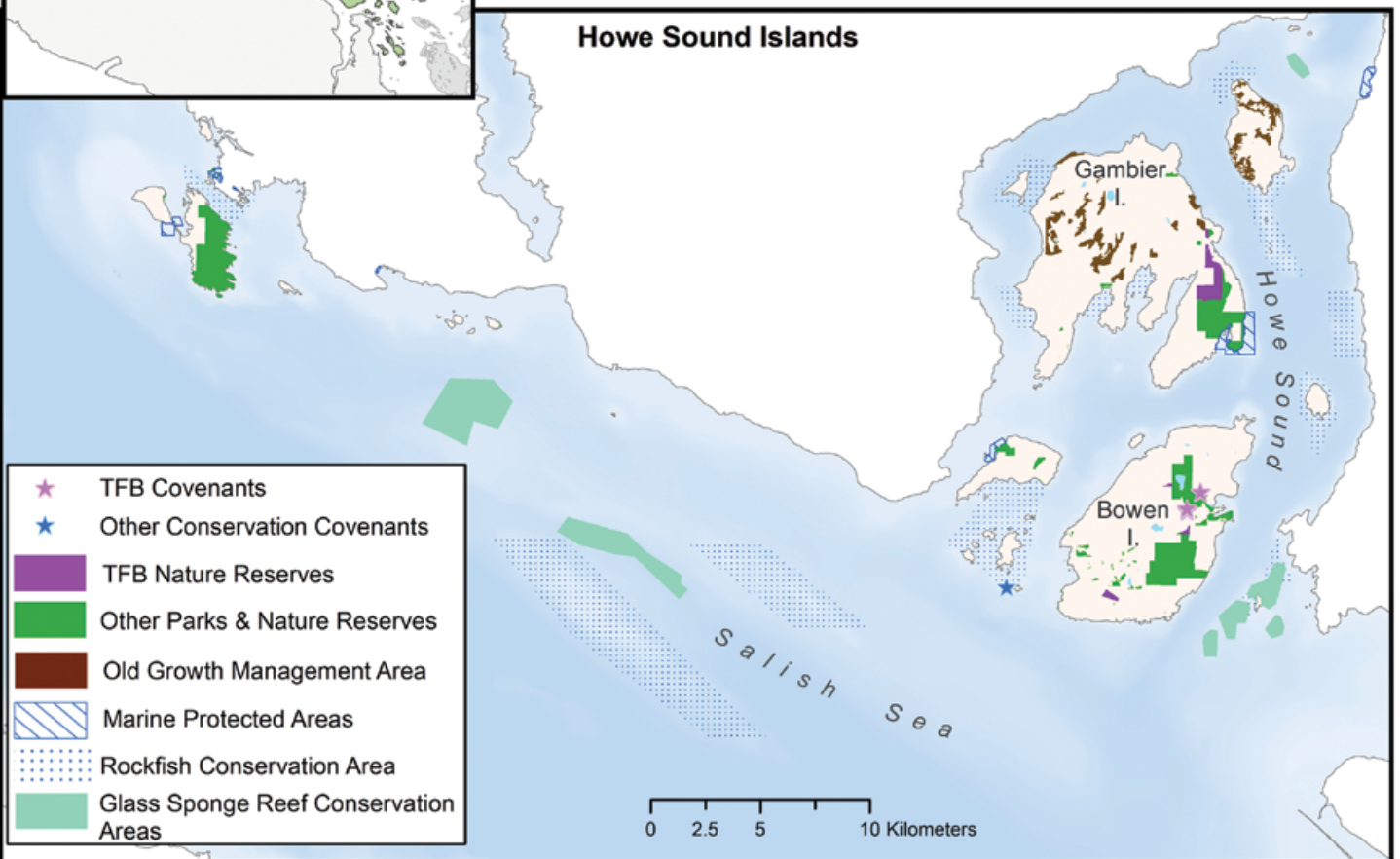


# Protected Places in the Islands Trust Area as of March 31, 2018

## Northern Islands



## Howe Sound Islands

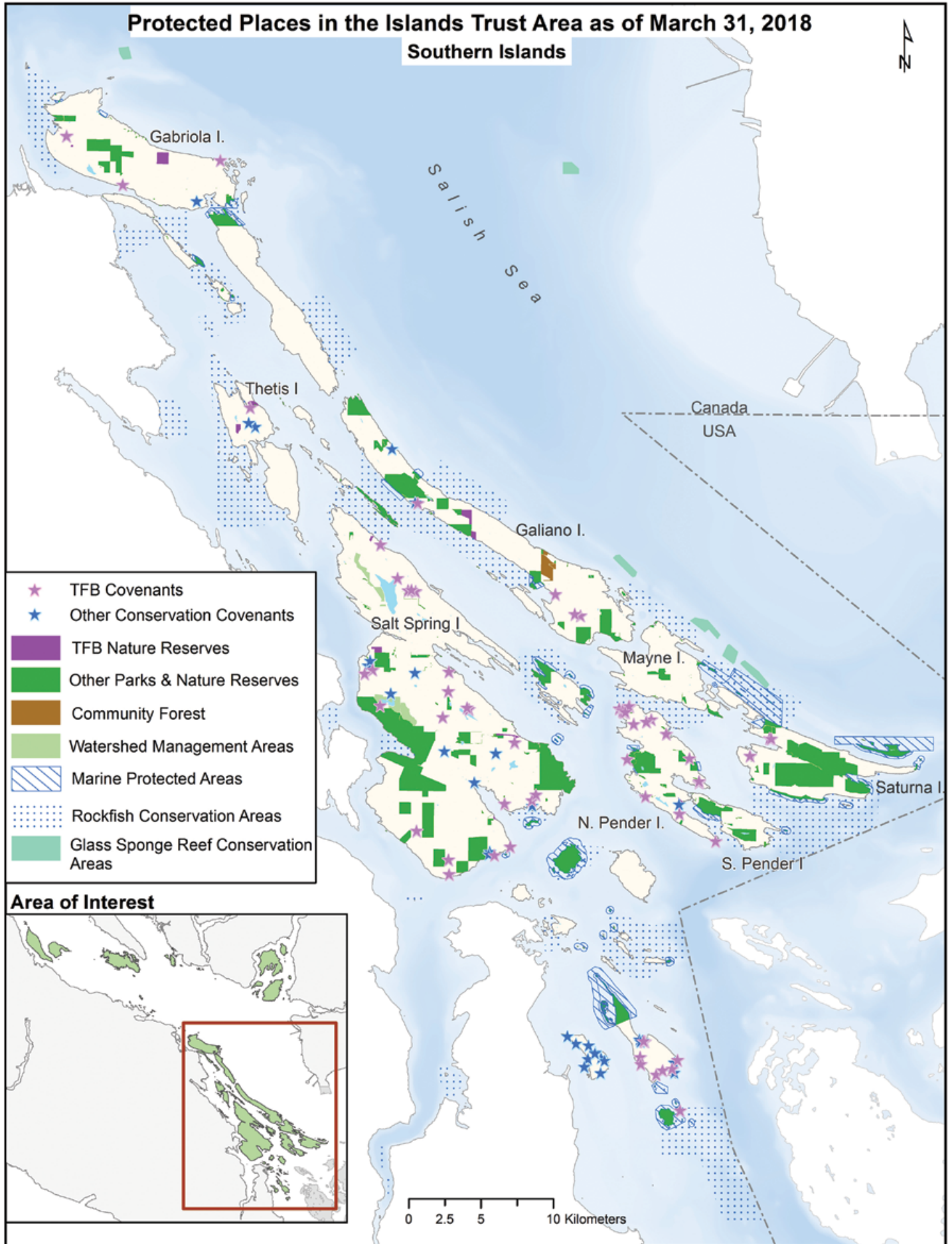


- ★ TFB Covenants
- ★ Other Conservation Covenants
- TFB Nature Reserves
- Other Parks & Nature Reserves
- Old Growth Management Area
- ▨ Marine Protected Areas
- ⋯ Rockfish Conservation Area
- Glass Sponge Reef Conservation Areas

Document Path: E:\IT\GIS\PROJECTS\Trust\_Area\TFP\AnnualReport\Maps\NorthernProtected2018.mxd

# Protected Places in the Islands Trust Area as of March 31, 2018

## Southern Islands



- ★ TFB Covenants
- ★ Other Conservation Covenants
- TFB Nature Reserves
- Other Parks & Nature Reserves
- Community Forest
- Watershed Management Areas
- ▨ Marine Protected Areas
- ⋯ Rockfish Conservation Areas
- Glass Sponge Reef Conservation Areas



0 2.5 5 10 Kilometers

## Regional Conservation Plan

The Islands Trust Fund's Regional Conservation Plan (RCP) identifies the region's species and habitats most in need of protection and the actions needed to protect these biodiversity priorities. The Regional Conservation Plan sets short-term conservation targets for the Islands Trust Fund and its partners that will help achieve the broader vision and long-term goals of the Plan. In 2014, the Trust Fund Board extended the Regional Conservation Plan until 2017. Nearing the end of the current plan, the Islands Trust Fund spent 2017 seeking feedback from experts, partners, the public and First Nations with interests in the lands and waters in the Trust Area to re-define long-term goals for the next Regional Conservation Plan (2018–2027) for the Islands Trust Area.

On January 30, 2018, the Trust Fund Board approved its new ten-year, 2018–2027 Regional Conservation Plan to guide the work of the Islands Trust Fund to protect ecosystems in the islands in the Salish Sea. Over the course of the 2018–2027 Regional Conservation Plan, the Trust Fund Board will reassess the priorities and goals to continue to move towards effective protection of the natural landscape of the islands.

The following is a summary of the Islands Trust Fund's progress in reaching the seven long-term goals of the current Regional Conservation Plan in 2017–2018:

### Goal 1: Protect Core Conservation Areas

The Islands Trust Fund strives to secure core conservation areas (through land donation, direct purchase and covenants) that conserve biodiversity priorities within the Islands Trust Area. Since adoption of the 2011–2017 Regional Conservation Plan, conservation agencies have cumulatively protected 1,335 hectares of habitat in the Islands Trust Area, 1,066 hectares of which were mapped as having high conservation value by the Islands Trust Fund. The Islands Trust Fund contributed 189 hectares of that figure, 157 hectares of which were mapped as having high conservation value.



*1,335 hectares of habitat protected by conservation agencies since 2011*

## 2017–2018 Conservation Covenants

Covenants are the best conservation tool currently available to permanently protect natural features on private property while allowing landholders to retain ownership of their land. The Islands Trust Fund also offers Islands Trust Area landholders the Natural Area Protection Tax Exemption Program (NAPTEP), a covenant program that provides landholders with an annual 65% property tax reduction on portions of their land protected by a conservation covenant. NAPTEP is available throughout the Islands Trust Area.

- **Settlement Lands Covenant (64 hectares), Denman Island**

The Settlement Lands Covenant protects 64 hectares (157 acres) of regenerating forest, including remnant old-growth Douglas-firs, marshy wetlands and breeding habitat for the federally endangered Taylor’s Checkerspot butterfly. The location of these lands provides important habitat connectivity between already conserved lands, including the Denman Island Provincial Park, the Islands Trust Fund’s Inner Island Nature Reserve and the Denman Conservancy Association’s Winter Wren Wood. The Denman Conservancy Association acquired the Settlement Lands in 2006 as part of the settlement in a legal case. In 2015, the Conservancy asked the Islands Trust Fund to hold a conservation covenant on the Settlement Lands, adding a second layer of permanent protection for the property. The Trust Fund Board registered the covenant in September 2017.



## **2017–2018 Land Acquisitions**

The Islands Trust Fund acquires land to be protected and managed as nature reserves.

- **Fairyslipper Forest Nature Reserve (16.6 hectares), Thetis Island**  
Fairyslipper Forest is the first publicly accessible protected area on Thetis Island and is named after the fairyslipper orchid that dots the forest floor with its pink blossoms every spring. The 16-hectare (40 acre) reserve on lower Burchell Hill is home to several species at risk, including the red-legged frog. Fairyslipper Forest also has significant watershed values and contains sensitive Douglas-fir and arbutus woodland which is considered to be endangered or threatened in British Columbia. By protecting the property as a nature reserve, Fairyslipper Forest will mature into an old growth forest. Community members and visitors will enjoy the property's hiking trail, local students will benefit from using the land as an outdoor classroom and habitat will be maintained for species at risk.

## **Geographically Restricted Funds**

Some people who donate to the Islands Trust Fund prefer to designate their donation to a specific island. To accommodate this request, the Trust Fund Board has the ability to hold geographically-specific accounts, and currently maintains acquisition funds for Lasqueti Island, Gambier Island, and Thetis Island.

## **Mapping and Data Analysis**

Mapping and data analysis help the Trust Fund Board implement and accentuate Regional Conservation Plan goals and objectives. Over the past year, the Trust Fund Board updated Terrestrial Ecosystem Mapping and refined terrestrial ecosystem data to include sand ecosystems to improve identification of sensitive shorelines. The Conservation Priority Area data model was also updated with new data.

## Goal 2: Protect Biodiversity in Working Landscapes

In 2017–2018, the Trust Fund Board Chair attended an Agricultural Land Commission (ALC) review committee meeting. The Trust Fund Board Chair provided information on the Islands Trust Fund, and informed attendees that the Trust Fund Board would like to work in partnership with the ALC on protecting conservation priorities, noting that the ALC and Trust Fund Board both have a provincial mandate. The Trust Fund Board Chair followed up by submitting a letter to the ALC.

## Goal 3: Conserve Marine Ecosystems

The Islands Trust Fund works with partner organizations to conserve marine ecosystems and nearshore habitats. The Islands Trust Fund also maintains and updates mapping of eelgrass and forage fish habitat, and marine protected area data from partner agencies including marine parks, Rockfish Conservation Areas and Glass Sponge Reef Fishing Closure Areas. Marine data and mapping is shared with our partners on request.



#### Goal 4: Encourage Local Governments to Prioritize Biodiversity

The Islands Trust Fund strives to work with the Islands Trust Council, local trust committees and island municipalities to implement regional conservation goals and objectives within Official Community Plans and Land Use Bylaws. In 2017–2018, the Islands Trust Fund provided ongoing support for Islands Trust Local Planning Services' use of sensitive ecosystem mapping, shoreline mapping (eelgrass and forage fish) and Species at Risk mapping. It also facilitated a joint project between the Coastal Douglas-fir and Associated Ecosystems Conservation Partnership and the Gambier Island Local Trust Committee to undertake mapping to inform the Gambier Island's Official Community Plan review. The Islands Trust Fund also played a key role in obtaining new data for use by Local Planning Services and local trust committees, including working with Environment and Climate Change Canada to obtain new Species at Risk Critical Habitat data and working with the Islands Trust to procure land disturbance data for the period between 2004 and 2014.

#### Goal 5: Empower Islanders to Conserve the Islands

##### **Stewardship Education**

The Islands Trust Fund encourages islanders to get involved in conserving and stewarding private land by supporting conservation education and sharing information on best practices. In 2017–2018, the Islands Trust Fund promoted private land conservation through its website, *the Heron* newsletter (printed and online), e-news updates to subscribers, Facebook posts and Twitter. Islands Trust Fund brochures are also available in local libraries, real estate offices, and various other offices and businesses throughout the islands.



## Island Outreach

Islands Trust Fund staff and Trust Fund Board members hosted an information booth and interpretive eelgrass display at the busy Hornby Island Fall Fair. Staff and board members reached over 250 people, educating children, locals, and visitors about the role of eelgrass beds as nature's nurseries and the opportunity for NAPTEP covenants to protect sensitive island ecosystems.

## Goal 6: Building Strong Conservation Partners

The Islands Trust Fund strives to support and enhance the work of conservation partners working in the Islands Trust Area.

- **Fairyslipper Forest Campaign**

Initiated in 2014, the Islands Trust Fund partnered with the Thetis Island Nature Conservancy and Cowichan Community Land Trust on a three-year fundraising campaign to purchase and protect Fairyslipper Forest, on Lower Burchell Hill, Thetis Island. The campaign was completed in January 2018. Island Trust Fund staff and Trust Fund Board members hosted a board to board celebration event in February 2018 to thank all the partners involved in the successful acquisition.

- **Opportunity Fund**

The Opportunity Fund raises public support for key opportunities to protect biodiversity in the Islands Trust Area. The fund provides support for 'hard to fundraise' costs associated with land protection or to leverage increased donations for specific land acquisition projects. Grants from the Opportunity Fund support acquisitions led by either the Islands Trust Fund or our partners. The disbursement of funds is guided by the Regional Conservation Plan, and each opportunity is considered by the Trust Fund Board.

In 2017–2018, the Opportunity Fund received \$5,131.47 in donations, grants and calendar sales. The Trust Fund Board distributed the following Opportunity Fund grant: \$5,000 to Mayne Island Conservancy Society for an ecological assessment and legal fees associated with the acquisition of St. John Point.

- **National Land Summit**

Islands Trust Fund staff and board members participated in the National Land Summit hosted by the Land Trust Alliance of B.C. and Land Trusts Canada in Victoria in 2017. Islands Trust Fund staff presented a session on Conservation Planning.



\$5k

*distributed  
to projects  
to protect  
biodiversity  
in the Trust  
Area.*



THETIS ISLAND NATURE CONSERVANCY

- **Coastal Douglas-fir and Associated Ecosystems Conservation Partnership**

The Islands Trust Fund Ecosystem Protection Specialist sits on the Steering Committee for the Coastal Douglas-fir and Associated Ecosystems Conservation Partnership (CDFCP). In 2017–2018, the Islands Trust Fund worked with the CDFCP to conclude its joint pilot project with the Gambier Island Local Trust Committee (GM LTC) to evaluate whether CDFCP mapping can be integrated into the GM LTC Official Community Plan. The GM LTC is considering the use of the mapping. The CDFCP is also working on a resource for land use planners and decision makers that outlines land use planning tools that can protect Coastal Douglas-fir and associated ecosystems. This project will inform future work of the Local Planning Committee on land use planning resources for Coastal Douglas-fir conservation in the Islands Trust Area.

- **Conservation Tax Incentive Project**

Islands Trust Fund staff have been working with both the Land Trust Alliance of B.C. and the Species and Ecosystems at Risk Local Government Working Group to explore the feasibility of expanding a NAPTEP-like conservation tax incentive program to the rest of the Province of B.C.

- **Regional Conservation Plan Development Workshops**

In May 2017, Islands Trust Fund staff hosted two workshops for partners with interest in the Islands Trust Area to provide an opportunity to provide feedback and input into the development of the new ten-year 2018–2027 Regional Conservation Plan. The workshops were attended with representation from: four Regional Districts; nineteen local, regional, provincial and national land trusts; six First Nations with interests in the lands and waters of the Islands Trust Area; American Friends of Canadian Land Trusts; and the Coastal Douglas-fir and Associated Ecosystems Conservation Partnership.

- **Trust Fund Board Retreat**

In October 2017, the Trust Fund Board participated in a full-day retreat to determine Trust Fund Board priorities and opportunities. The day included round table discussions and a facilitated session with a fundraising specialist.

## Goal 7: Take Care of What We Have

Acquiring a property or signing a conservation covenant is just the first step in ecosystem protection. The Islands Trust Fund monitors and manages its core conservation areas to maintain and enhance existing biodiversity features and support ecosystem functionality.

### **Property Monitoring and Management**

The Islands Trust Fund monitors and manages its nature reserves according to management plans that identify long-term conservation, as well as restoration goals. In 2017–2018 the Islands Trust Fund undertook many property management projects in partnership with island conservancy partners, including:

- Monitored all properties protected by the Trust Fund Board to ensure compliance
- Revised a management plan for Singing Woods Nature Reserve (Bowen)
- Initiated revision of management plans for Morrison Marsh Nature Reserve (Denman) and Medicine Beach Nature Sanctuary (North Pender Island) by surveying for species at risk, updating ecological inventories and undertaking public engagement through a survey and two open houses
- Removed exotic and invasive species from nature reserves on Denman, Galiano, and Salt Spring Islands
- Designed and constructed a cedar boardwalk around the large western red cedar tree and maintained trails at Elder Cedar Nature Reserve (Gabriola)
- Continued Sharp-tailed Snake and Cormorant nest monitoring program at Trincomali Nature Sanctuary (Galiano)
- Monitored planting projects at Lindsay Dickson Nature Reserve (Denman), Mt Trematon Nature Reserve (Lasqueti), Trincomali Nature Sanctuary (Galiano), and Long Bay Wetland and Brigade Bay Nature Reserves (Gambier)
- Planted and fenced riparian areas at the edge of the wetland on John Osland Nature Reserve (Lasqueti)



## 5. Local Trust Committees and Bowen Island Municipality

A local trust committee exists for each group of islands designated as a local trust area under the *Islands Trust Act*, except for Bowen Island, which is an island municipality.

Each local trust committee has three members — two locally elected trustees and one Executive Committee member serving as the Chair.

A local trust committee is responsible for land use planning and regulation for its area of jurisdiction. The responsibilities include preparation and adoption of official community plans, land use bylaws, zoning and subdivision bylaws, regulation of soil removal and deposit, and authorization of permits under Part 26 of the *Local Government Act*.

A seven-member Council serves the Bowen Island Municipality, which holds broad municipal powers including land use planning. The community elects two of the municipal councillors to Trust Council.

### Ballenas-Winchelsea Islands (Executive) Local Trust Committee

The Executive Committee Acting as a Local Trust Committee (Ballenas-Winchelsea Islands) held two regular business meetings in the 2017–2018 fiscal year.

The committee's top priorities for the fiscal year included advocacy for the protection and appropriate use of Crown islets and building a relationship with the Snaw-Naw-As (Nanoose) First Nation. Work on these priorities included referrals of advocacy issues to Trust Council committees and participation in the Mount Arrowsmith Biosphere Region Roundtable.

## Bowen Island Municipality

Alison Morse and Sue Ellen Fast are the Bowen Island municipal trustees on the Islands Trust Council. Bowen Island Municipality produces its own annual report, available online at [bowenislandmunicipality.ca/reports-publications](http://bowenislandmunicipality.ca/reports-publications).



## Denman Island Local Trust Committee

The Denman Island Local Trust Committee (DE LTC) held nine regular business meetings in the 2017–2018 fiscal year, as well as two Community Information Meetings, and two public hearings.

Work for this period focused on advancing the DE LTC priorities to address protection of the marine environment by restricting driving on the foreshore, implementing the Denman Island Farm Plan, and building relationships with First Nations. For the latter, the DE LTC working jointly with the Hornby Local Trust Committee, applied for and received a Union of British Columbia Municipalities 2017/18 grant to hold a Community to Community Forum with K'ómoks First Nation. During the forum, the DE LTC and K'ómoks participants visited Denman Island by boat and discussed First Nations presence and interests on the islands and ways in which the DE LTC and the K'ómoks First Nation can work together into the future.

The DE LTC also initiated projects including the Denman Community Design Charrette in collaboration with Vancouver Island University Community Planning students and faculty, which included an intensive multi-day design process with island residents. The DE LTC also updated their Meeting Procedure Bylaw to allow for electronic meetings,

and amended their Fees Bylaw to reduce the rezoning application fee to \$1,000 for not-for-profit affordable housing projects.

The DE LTC received and considered applications for one development variance permit, three development permits, one rezoning, one crown land referral, and 16 siting and use permits.

## Gabriola Island Local Trust Committee

The Gabriola Island Local Trust Committee (GB LTC) held 11 regular business meetings in the 2017–2018 fiscal year, as well as two special meetings, four Community Information Meetings, and four public hearings.

Work for this period focused on advancing the GB LTC priorities to address the following key projects: Gabriola Island Housing Options Review Project, Phase 1; Mudge Island OCP and Land Use Bylaw review regarding lot coverage regulations; and relationship-building with Snuneymuxw First Nation.

As part of the Housing Options Review Project, the GB LTC considered Bylaw Nos. 292 and 293 to amend the Gabriola Island OCP and LUB to increase options for secondary suites on lots two hectares and larger. OCP Bylaw No. 292 was sent to the Minister of Municipal Affairs and Housing for consideration.

The Gabriola Local Trust Committee also received and considered applications for two development variance permits, two development permits, and one temporary use permit.

169

## Galiano Island Local Trust Committee

The Galiano Island Local Trust Committee (GM LTC) held 10 regular business meetings in the 2017–2018 fiscal year as well as one Community Information Meeting, one special meeting, and one public hearing.

Work for this period focused on advancing the Local Trust Committee's priorities to address telecommunications, affordable housing, and a review of private moorage regulations.

The GM LTC received and considered applications for six development variance permits, four development permits, four Temporary Use Permits, and four rezoning applications.

Another initiative for this period was relationship building with the Penelekaut First Nation, including collaborating on a GM LTC project to review private moorage regulations.

Local planning  
meetings

## Gambier Island Local Trust Committee

The Gambier Island Local Trust Committee (GM LTC) held nine regular business meetings in the 2017–2018 fiscal year, as well as two special meetings, and one Community Information Meeting.

Work for this period focused on advancing the GM LTC priorities to address the following key projects: Gambier Official Community Plan Review and shared narrative of place; streamside protection on Bowyer, Anvil, and Keats Islands; and shoreline protection on Keats Island.

The GM LTC also received and considered applications for two development variance permits and one rezoning application. Planning staff processed 24 building permit referrals and ten crown lease referrals for the Gambier Local Trust Area.

The GM LTC adopted Bylaws 129, 130, 131, and 132 to enable new streamside and riparian area protection regulations on Bowyer, Anvil, and Keats Islands.

## Hornby Island Local Trust Committee

The Hornby Island Local Trust Committee (HO LTC) held seven regular business meetings in the 2017–2018 fiscal year, as well as one special meeting.

Work for this period focused on advancing the HO LTC's priorities to address the following key projects: ongoing relationship-building with K'ómoks First Nation; a review of the Official Community Plan (OCP) policies and Land Use Bylaw (LUB) regulations for vacation home rentals; housing amendments regarding a Community Housing zone; and opportunities to communicate information to new residents and property owners regarding Hornby's OCP Policies and LUB regulations in general.

The HO LTC received and considered applications for: 18 siting and use permits; four development variance permits; three development permits, two Crown referrals, and one rezoning.

The HO LTC, in partnership with the Denman Island LTC, applied for and received a Union of British Columbia Municipalities Community to Community Forum grant to develop a greater understanding of the history and potential shared interests the HO LTC might have with the K'ómoks First Nation. This was achieved through a meeting and site visit boat tour.



K'ómoks pole raising on Hornby Island. TONY LAW

As well, HO LTC considered the following draft bylaws:

- Bylaw No. 154 to amend the Hornby Island Land Use Bylaw, to create a Community Housing (R3A) zone for Islanders Secure Land Association (ISLA). Bylaw given first reading on January 27, 2017 and is still in development.
- Bylaw No. 155 to amend the Hornby Island Land Use Bylaw, to address housekeeping items for vacation home rentals. Bylaw adopted February 9, 2018.

## Lasqueti Island Local Trust Committee

The Lasqueti Island Local Trust Committee (LA LTC) held seven regular business meetings in the 2017–2018 fiscal year, as well as two special meetings.

Work for this period was initiated on two LA LTC priorities to advance the Aging at Home Implementation and also the Shoreline Protection project. Both were put on hold pending a future Official Community Plan review.

The LA LTC also received and considered one development variance permit application.



## Mayne Island Local Trust Committee

The Mayne Island Local Trust Committee (MA LTC) held eight regular business meetings in the 2017–2018 fiscal year, as well as five Community Information Meetings, and one special meeting and two public hearings.

Work for this period focused on advancing the MA LTC priorities to address compliance with the Riparian Areas Regulation and undertaking a commercial land use review.

The MA LTC received and considered applications for four development variance permits, two temporary use permits, and one rezoning application.

## North Pender Island Local Trust Committee

The North Pender Island Local Trust Committee (NP LTC) held nine regular business meetings in the 2017–2018 fiscal year, as well as four Community Information Meetings, two special meetings, and three public hearings.

Work for this period focused on advancing the NP LTC priorities to address short-term vacation rental regulations, waste management land use, and secondary suite regulations.

The North Pender Island Local Trust Committee received and considered applications for three rezonings, five development variance permits, two development permits, and four temporary use permits.

Another initiative of the NP LTC for this period was relationship building with First Nations through planning for a community workshop.

## Salt Spring Island Local Trust Committee

The Salt Spring Island Local Trust Committee (SSI LTC) held 13 regular business meetings, four special business meeting, six public hearings, and five community information meetings.

The SSI LTC has worked to ensure that human activity and the scale, rate, and type of development in the Trust Area are compatible with maintaining the integrity of the Trust Area ecosystem. The SSI LTC has done this primarily through two priority projects: watershed management (island wide) and through specific consideration of land uses in rural watershed zones.

Through its watershed management project, the SSI LTC led cooperation with the regional district, improvement districts, the Government of British Columbia, and other persons and organizations to protect freshwater quality and quantity. This work has primarily been done through coordination of the Salt Spring Island Watershed Protection Alliance (SSIWPA). SSIWPA members continued to develop a Watershed Protection Plan, advance a Groundwater Supply Project, and began a Strategic Planning Project. (Strategic Plan: 4.1; 4.2; 4.3; 4.4).

The SSI LTC continued to consider various land use planning tools to protect drinking watersheds from potential agricultural impacts through the advancement of the Land Uses in Rural Watershed Zones project. Proposed bylaws were given Executive Committee approval and referred to the Minister for approval. (Strategic Plan: 4.2; 4.4).

The SSI LTC pursued sustaining island character and a healthy community through the Ganges Village Planning—Harbourwalk project. This priority initiative recognizes Ganges as the commercial, social,

cultural, and institutional heart of Salt Spring Island and would create a local area plan to guide future development. The SSI LTC has focused the initial phase of this project on completing the Ganges Harbourwalk in order to realize the longstanding community goal of a continuous harbourside walkway. (Strategic Plan: 5.2; 5.4).

The SSI LTC further sustained island character and a healthy community by engaging the public and advancing bylaws that would encourage socio-economic diversity and enhance community economic sustainability and



security on Salt Spring by meeting the needs for commercial and industrial lands for the next 25 years. These bylaws have been advanced to a third reading. (Strategic Plan: 5.2; 5.4).

The volume of development applications continues to be high. Approximately 130 new applications were opened with several complex applications remaining ongoing. Some notable development applications include affordable housing rezoning applications for “Croftonbrook” (74 units), “Dragonfly” (30 units), and a substantial revision of a Housing Agreement for “Salt Spring Commons” (24 units).

Finally, as part of an effort to address the need for affordable housing, the SSI LTC requested bylaw enforcement officers to proactively take action on unlawful short-term vacation rentals operating on Salt Spring Island.

## Saturna Island Local Trust Committee

The Saturna Island Local Trust Committee (SA LTC) held three regular business meetings in the 2017–2018 fiscal year, as well as one Community Information Meeting, two special meetings and one public hearing.

Work for this period focused on advancing the SA LTC priorities to address First Nations relationship building, and technical amendments to the Land Use Bylaw. The LTC also initiated a new project to permit and regulate secondary suites.

The Saturna Island Local Trust Committee received and considered applications for one development variance permit and two rezonings.

As part of its initiative to build relationships with First Nations, the SA LTC held a community workshop in December 2017 with First Nations elders and community members.

The SA LTC adopted two bylaws to allow a density transfer that would permit subdivision of a property with multiple dwellings.



## South Pender Island Local Trust Committee

The South Pender Island Local Trust Committee (SP LTC) held five regular business meetings in the 2017–2018 fiscal year, as well as two Community Information Meetings, two special meetings, and one public hearing.

Work for this period focused on completion of a Land Use Bylaw review, and advancing the Local Trust Committee priorities to address heritage conservation and designation of pedestrian and cycle routes.

The SP LTC received and considered one development permit application.

Another initiative of the South Pender Island Local Trust Committee for this period was relationship building with First Nations through planning for a community to community event.

## Thetis Island Local Trust Committee

The Thetis Island Local Trust Committee (TH LTC) held seven regular business meetings in the 2017–2018 fiscal year, as well as three Community Information Meetings, one special meeting, and one public hearing.

Work for this period focused on advancing the TH LTC priorities to address Ruxton Island private moorage structures, implementing the Riparian Areas Regulation, and building relationships with First Nations. For the latter, TH LTC applied for, and received, a Union of British Columbia Municipalities 2017–2018 grant to hold a Community to Community Forum with Lyackson First Nation in which TH LTC and Lyackson participants shared a lunch and discussed the First Nations' presence and interests on the Islands and ways in which to work together in the future.

The TH LTC also met with and discussed with the Cowichan Valley Regional District's proposed New Regional Tax — Water Service Function.

The TH LTC received and considered applications for one temporary use permit, one rezoning, two crown land referrals, and 16 building permit referrals.



## 6. Climate Change Action

From oceans to shorelines to forests, climate change will have serious consequences on our island ecosystems and the economies and communities that depend on them.

Islands Trust Council is a signatory to the B.C. Climate Action Charter, with a focus on operational carbon neutrality (now achieved for six years with the purchase of carbon offsets from the Community Carbon Marketplace) and reducing community greenhouse gas emissions and participation in the Capital Regional District Organic Waste Diversion Project.

The Islands Trust is taking the following steps to reduce its operational carbon footprint:

- Encouraging trustees and staff to share vehicles and use the Modo car share program
- Supporting flexible staff work schedules, which results in less carbon emissions related to travel to and from work
- Using paperless meeting management software to reduce paper consumption
- Researching software programs that will allow certain office operations to operate on a paperless basis (such as a paperless accounts payable system)

Detailed information is available in our [Climate Action Revenue Incentive Public Report](#) for 2017.

In 2016, Trust Council amended its Meeting Procedures Bylaw to allow some trustees to participate via electronic meetings under specific circumstances. This new bylaw was embraced and is widely used by trustees for various committee meetings.

The Islands Trust Fund continues to protect mature and maturing forests through acquisition and covenants. The forests of the Islands Trust Area have a high carbon storage capacity, with the potential to act as a major sink for carbon produced in the region. In 2017–2018, the Islands Trust Fund acquired the 16.6-hectare Fairyslipper Forest Nature Reserve on Thetis Island and protected 64 hectares of regenerating forest on Denman Island with a voluntary conservation covenant.

Local trust committees and Bowen Island Municipality continue to explore innovative ways of using planning tools to implement official community plan policies that would reduce greenhouse gas emissions. All Islands Trust land use planning staff reports include discussion of climate change and greenhouse gas emission reductions, and staff recommendations reflect best practices for mitigating climate change.

During the 2017–2018 fiscal year, the Denman, Gabriola, and Galiano Local Trust Committees amended their respective meeting procedures bylaws to facilitate electronic meetings and, correspondingly, reduce travel-related greenhouse gas emissions. This adds to similar electronic meeting bylaws already in place for all of Trust Council’s standing committees and some other local trust committees.

*Official community plans include policies to reduce greenhouse gases.*

## 7. Legislative Services – Administrative Fairness and Freedom of Information

The Legislative Services Manager is responsible for the planning, coordination, and control of a variety of functions necessary to carry out the legislative obligations of the 16 corporate bodies of the Islands Trust. The manager delivers direct services to trust bodies, staff, and the public by providing advice, support, and recommendations on statutory, procedural, or privacy matters. As part of this service, the manager acts as corporate Records Manager, Freedom of Information and Protection of Privacy Head, and coordinates elections and by-elections. The manager also oversees the orientation of elected officials and the training of staff regarding legislative and administrative matters, such as Freedom of Information and Protection of Privacy, minute taking guidelines, and email and records management.

In the area of records management, a project has been launched to convert the current Storage Area Network structure for electronic documents to a shared drive structure which is connected to the three geographically separated Islands Trust offices and which mirrors the records classification system currently applied to hard copy records.

Islands Trust policy requires the reporting of the number of administrative fairness complaints received each year. There were three complaints received during the period, one each from Gabriola, North Pender, and Thetis islands. Also during 2017–2018, there were 18 requests for records received pursuant to the Freedom of Information and Protection of Privacy Act. Of these, 11 were received from Salt Spring Island, three from Denman Island, and one each from Gabriola, Hornby, Mayne, and North Pender islands.

18

*Freedom of  
Information  
requests*



## 8. Enforcement and Legal Action

In accordance with Islands Trust policies, an enforcement action is primarily triggered when the Islands Trust receives a complaint from a community member indicating that individuals or corporations are not complying with the land use regulations that their locally-elected representatives have adopted. Efforts are then made to investigate the complaints, educate violators, and obtain voluntary compliance with the community's bylaws. In most cases, violators have a variety of options, including ceasing or amending their operations, or applying for variances or required permits.

Islands Trust staff estimate that more than 95 per cent of bylaw investigation files are resolved before legal action is required and staff continue to look for ways to increase compliance. Local trust committees may request legal action if other avenues for achieving bylaw compliance fail. The Executive Committee considers, and is responsible for, approving the funding of any legal action requested by a local trust committee.

On some of the islands, a bylaw enforcement notification system is used as an alternative approach to resolving some bylaw violations out of the court system. The first step is a ticket that informs the recipient of the alleged bylaw violation, the penalty amount, and how to pay the penalty or how to dispute the ticket. The recipient can either pay the penalty, dispute the ticket, or work with bylaw enforcement staff to comply. Subsequent tickets can be issued for the same violation until compliance is achieved.

During the fiscal year, three new court actions were initiated. Bylaw Enforcement issued 32 tickets in the reporting period, most of which resulted in compliance or a commitment to compliance. As of 31 March 2018, five of these 32 are currently disputed and are part of an active adjudication process.

In March 2018, Trust Council adopted a resolution to withdraw from the North Shore Bylaw Notice Adjudication Registry and create a new adjudication registry to be managed by Islands Trust. This new registry will work with Mediate BC to establish a roster of adjudicators who have experience with land use law. Under the previous system respondents and staff had to travel to North Vancouver if they wished to attend a hearing in person. This was a great inconvenience, especially for property owners travelling from islands in the Trust Area. The new system will allow for hearings to be held closer to home with an experienced adjudicator either on the appropriate island or on Vancouver Island.



## Appendix A

# Strategic Plan 2014–2018

**Policy Statement Goal A: 'To Foster preservation and protection of the Trust Area's ecosystems'**

**1 PROTECT the natural environment of the Islands Trust Area**

**1.1 Encourage voluntary stewardship of the natural environment**

Activity and Phase	Who would work on it?	Is funding required or in place?	Comment	Status
T.1.1.1 Promote community participation in conservation through information sharing and education about private land stewardship options	TFB	Funded by operational budget and grant funding	By whether the Islands Trust Fund is actively promoting its conservation programs at community events, in publications and online	In progress
T.1.1.2 Support island-based land trusts with partnerships, funding and capacity building opportunities	TFB	Funded by operational budget and donations	By the number of island conservation projects supported from private donations through the Opportunity Fund and the number of projects competed through partnerships	\$3,250 granted in 2016-17 to Lasqueti Conservancy, provided support to Gulf Islands Conservation Convention (Mayne, Mar.2016) and LTABC Seminar Series (Nov.2016) and Thetis Is. Marine Nearshore Workshop (Apr. 2017)
T.1.1.3 Investigate collaborative opportunities for promoting voluntary stewardship options on mixed-use landscapes	TFB	Subject to future budget requests and grant funding	By whether TFB has considered tools, resources requirements and opportunities associated with mixed use landscape conservation.	Not initiated
T.1.1.4 Monitor and manage existing conservation areas to maintain and enhance biodiversity	TFB	Funded by operational budget	By the percentage of TFB properties being actively managed to enhance biodiversity	In progress
T.1.1.5 Create a Property Management Strategy incorporating monitoring and management of species at risk, invasive species and ecological restoration	TFB	Funded by operational budget	By whether the TFB approves a Property Management Strategy for implementation	Complete

**1.2 Expand Natural Areas Protection Tax Exemption Program (NAPTEP) program to entire Islands Trust Area**

Activity and Phase	Who would work on it?	Is funding required or in place?	Comment	Status
T.1.2.2 Finalize letter of understanding with BIM re NAPTEP	EC	Funded by operational budget	By whether Trust Council and BIM have adopted a letter of understanding re NAPTEP	Complete
T.1.2.3 Launch NAPTEP on Bowen Island	TFB	Funded by operational budget	By whether TFB has launched NAPTEP on Bowen Island	Complete
T.1.2.4 Support efforts by Land Trust Alliance of BC to expand a conservation tax exemption program province-wide	TFB	Funded by operational budget	By whether the Province considers the implementation of a NAPTEP-like program	Complete. Staff presented at Species and Ecosystems at Risk Local Government Symposium

**1.3 Protect fish habitat by implementing Riparian Areas Regulation**

Activity and Phase	Who would work on it?	Is funding required or in place?	Comment	Status
L.1.3.1 Identify RAR watersheds on Gambier and Lasqueti	LTCs	Funded in the 2014/15 program budget	By whether all RAR watersheds on Gambier and Lasqueti have been identified	Complete
L.1.3.2 Improve mapping of additional riparian areas in Gambier and Lasqueti LTAs	LTCs	Funded in 2015/16 program budget (\$15,000 for mapping in Gambier and Lasqueti LTAs)	By whether new mapping of riparian areas is complete	Complete
L.1.3.3 Adopt new bylaws to implement RAR on selected islands (Gabriola, Mayne, Salt Spring/Prevost, Thetis)	LTCs	Funded by 2015/16 program budget (\$1,500 for bylaw development on Thetis)	By whether Gabriola, Lasqueti, Mayne and Thetis are RAR compliant through bylaw development	Gabriola, Salt Spring, Prevost bylaws completed. Thetis in progress. Mayne has given direction to proceed with bylaws.
L.1.3.4 Adopt new bylaws to implement RAR on all islands where still required (Denman, Lasqueti, Hornby, Gambier, various associated islands)	LTCs	Funded by 2015/16 program budget (\$5,000)	By whether Ballenas/Winchelsea, Denman, and Hornby are compliant with RAR through bylaw development	Complete

L.1.3.5 Adopt new bylaws to implement RAR on all Lasqueti and Gambier watersheds	LTCs	Funded by 2015/16 program budget.	By whether all Gambier and Lasqueti watersheds are compliant with RAR through bylaw development	Gambier RAR bylaws in progress; Lasqueti RAR bylaw completed
--	------	-----------------------------------	---	--

**1.4 Establish reliable, adequate and sustainable funding for the Islands Trust Fund**

Activity and Phase	Who would work on it?	Is funding required or in place?	Comment	Status
T.1.4.1 Seek legislative change regarding TFB corporate structure and name	EC/TFB	Funded by operational budget	By whether EC/TFB have requested legislative changes re TFB corporate structure and name	In progress
T.1.4.2 Develop and implement strategy to transition to new organizational name	TFB	Subject to future program budget	By whether TFB has implemented corporate status and name changes	Not initiated Not due unless province makes the requested legislative changes
T.1.4.3 Review and launch long-term funding	TFB	Subject to future program budget	By whether TFB has reviewed and launched long-term funding strategy	Not initiated Not due unless province makes the requested legislative changes

**1.5 Protect high biodiversity areas identified in TFBs Regional Conservation Plan**

Activity and Phase	Who would work on it?	Is funding required or in place?	Comment	Status
T.1.5.1 Develop a land conservation strategy to protect high biodiversity areas (e.g. Coastal Douglas-fir)	TFB	Funded by operational budget	By whether TFB has developed a land conservation strategy to protect high biodiversity areas	Strategy in development project charter and outline approved
T.1.5.2 Protect land with high biodiversity, through acquisition, donation, or conservation covenant	TFB	Partial funding through base budget; acquisitions funded by donations and external grants	By whether TFB has protected at least 200 hectares of high biodiversity land in the timeframe of the Regional Conservation Plan 2011-2017	140.1 priority hectares protected since 2011 (172.6 protected in total)
T.1.5.3 Secure 20 hectares of conservation land on Thetis Island	TFB	Subject to external funding (grants and	By whether a publically-accessible nature	\$273,000 grant received for Thetis land acquisition;

			(donations)	reserve is created on Thetis Island	Fairyflipper Forrest campaign at 50%
--	--	--	-------------	-------------------------------------	--------------------------------------

**1.6 Use land use planning tools to protect highbiodiversity areas, using criteria from TFBs Regional Conservation Plan**

Activity and Phase	Who would work on it?	Is funding required or in place?	Comment	Status
L.1.6.1 Amend land use bylaws to improve protection of high biodiversity areas.	LTCs/BIM	Subject to program budgets	By whether LTCs have amended land use bylaws to improve protection of high biodiversity areas	Not started Will be topic area in Gambier OCP Review.

**1.7 Use land use planning tools and decisions to protect Coastal Douglas-fir and associated ecosystems**

Activity and Phase	Who would work on it?	Is funding required or in place?	Comment	Status
T.1.7.1 Develop a planning tool kit to illustrate how to protect Coastal Douglas-fir and associated ecosystems	LPC	Subject to funding in future program budgets	By whether recommendations for planning tools have been prepared	LPC Second Priority. Project Charter expected to be presented to February 2018 LPC Meeting
L.1.7.1 Use land use planning tools to protect Coastal Douglas-fir and associated ecosystems through land use planning.	LTCs	Subject to operational and program budgets	By the amount of Coastal Douglas fir and associated ecosystems that have been protected.	Pending T.1.7.1

**1.8 Advocacy re protection of ecosystems**

Activity and Phase	Who would work on it?	Is funding required or in place?	Comment	Status
T.1.8.1 Hire biologist to do a fallow-deer management plan in cooperation with First Nations	EC	Funded by operational budget	By whether the Trust Council Chair has hired a biologist to do a management plan in cooperation with First Nations	Pending review

**2. PRESERVE, PROTECT and ADVOCATE for coastal shorelines and marine areas within the Islands Trust Area**

**2.1 Use land use planning tools for shoreline protection**

Activity and Phase	Who would work on it?	Is funding required or in place?	Comment	Status
T.2.1.1 Develop a project charter to guide the work of LPC regarding shoreline/marine planning advice for LTCs/BIM	LPC	Funded by Operational budget	By whether LPC has adopted a project charter regarding shoreline/marine planning advice for LTCs/BIM	Not initiated
T.2.1.2 Undertake work outlined in project charter regarding shoreline/marine planning	LPC	Subject to funding in 2016/17 program budget	By whether LPC has implemented project charter regarding shoreline/marine planning advice for LTCs/BIM	Not initiated
T.2.1.3 Develop an inventory of available local government land use planning marine protection tools and develop general categories as to the level of protection these tools can provide (i.e. low, medium, high levels of protection.)	EC		Reported to TC at June Council meeting	Complete
T.2.1.4 Compile an inventory of the marine protection tools each local trust committee/island municipality utilizes.	EC			In progress
L.2.1.1 Improve public knowledge about sensitive shorelines	LTCs/BIM	Funded by operational budget	By whether mapping and other documents have been made available to public	Complete
L.2.1.2 Amend OCPs to improve shoreline protection	LTCs/BIM	Subject to program budget	By whether LTCs have amended their OCPs to improve shoreline protection	Ballenas-Winchelsea OCP includes a Shoreline Development Permit Area Identified as a future project on Hornby
L.2.1.3 Amend LUBs to improve shoreline protection	LTCs/BIM	Subject to program budget	By whether LTCs have amended their LUBs to improve shoreline protection	BIM has adopted a bylaw that regulates dock size for a part of Bowen. South Pender LUB requires

						rezoning for any new docks Galiano is working on a review of dock regulations
--	--	--	--	--	--	---

## 2.2 Encourage Voluntary Stewardship of Nearshore Ecosystems

Activity and Phase	Who would work on it?	Is funding required or in place?	Comment	Status
T.2.2.1 Complete mapping of forage fish habitat for major islands	TFB	Funded by operational budget and external grants	By whether TFB has completed forage fish habitat mapping for major islands	Denman, Hornby, Thetis, N&S Pender, Gambier, Keats, Bowen, Lasqueti, Galiano, Salt Spring, Wallace and Valdes complete
T.2.2.2 Develop public outreach strategy including information about eelgrass and forage fish nearshore habitats to private landowners on selected i	TFB	Funded by operational budget	By whether TFB has provided information to private landowners	Due to start in December/January
L.2.2.1 Support Green Shores for Homes Program on Thetis Island	Thetis LTC/TFB	Subject to budget	By whether a pilot green shores for homes is undertaken on Thetis Island.	Complete

## 2.3 Advocate for oil spill prevention and response

Activity and Phase	Who would work on it?	Is funding required or in place?	Comment	Status
T.2.3.1 Chair correspondence regarding shipping safety	EC	Funding by operational budget	By whether the Chair has sent correspondence to advocate for shipping safety	In progress
T.2.3.2 Chair participation through a letter of comment to hearings related to Kinder Morgan tanker traffic	EC	Funding by operational budget	By whether the Chair has sent a letter of comment regarding the Kinder Morgan pipeline proposal	Complete

## 2.4 Advocate for management of derelict and abandoned vessels

Activity and Phase	Who would work on it?	Is funding required or in place?	Comment	Status
T.2.4.1 - Continue to advocate for senior government solutions to abandoned and derelict vessels	EC	Funded by operational budget	By whether the Islands Trust has continued to advocate for abandoned and derelict vessel solutions	In progress
T.2.4.2 - Staff participation in Joint Working Group for the Removal of Problem Vessels in BC	EC	Funded by operational budget	By whether staff are participating as members	Delayed pending federal Ocean Protection Plan announcement

**2.5 Advocate to reduce negative impacts of shellfish aquaculture practices**

Activity and Phase	Who would work on it?	Is funding required or in place?	Comment	Status
T.2.5.1 Develop project charter and budget requests to build organizational capacity (knowledge and time) related to shellfish aquaculture advocacy	EC	Funded by operational budget	By whether EC has adopted a project charter and budget request for the 2017/18 budget	In progress

**2.6 Advocate to reduce impacts of other industrial marine activities**

Activity and Phase	Who would work on it?	Is funding required or in place?	Comment	Status
T.2.6.1 Participate in Howe Sound Community Forum	EC	Funded by operational budget	By whether Chair has attended the Howe Sound Forum	Chair and CAO attended on May 5, 2017 Vice-Chair Grams attended Saanich Inlet Roundtable on May 24, 2017
T.2.6.2 Advocate to reduce impacts of freighter anchorage activities	EC	Funded by operational budget	By the number of contacts with regulatory agencies	Chair and two trustees attended Chamber of Shipping of BC roundtable meeting on April 18, 2017
T.2.6.3 Assist with community meetings about proposed anchorages near Gabriola Island and Plumper Sound	EC	Funded by operational budget	By whether staff have provided liaison support to Gabriola and Plumper Sound community	Trust-wide anchorage meeting held Nov 4, 2015. Staff will assist with

			members	community meeting on Gabriola if needed
--	--	--	---------	---

**Policy Statement Goal B: "To ensure that human activity and the scale, rate and type of development in the Trust Area are compatible with maintenance of the integrity of trust area ecosystems"**

**3. REDUCE community ecological footprints**

**3.1 Develop Integrated Community Sustainability Plans**

Activity and Phase	Who would work on it?	Is funding required or in place?	Comment	Status
L.3.1.1 Create a community survey as a basis for future planning in the Saturna LTA	Saturna LTC	Funded by 2015/16 operational budget	By whether a Saturna community profile has been created	Completed
L.3.1.2 Create a project charter and cost estimates for development of an Integrated Community Sustainability Plan for one or more LTAs	LTCs	Funded by 2015/16 operational budget	By whether one or more LTCs has completed a project charter and cost estimates for development of an Integrated Community Sustainability Plan.	Funding denied
L.3.1.3 Develop one or more Integrated Community Sustainability Plan	LTCs	Subject to funding in 2016/17 program budget	By whether one or more LTC has developed an Integrated Community Sustainability Plan.	Not initiated

**3.2 Support efficient and sustainable transportation systems and infrastructure**

Activity and Phase	Who would work on it?	Is funding required or in place?	Comment	Status
T.3.2.1 Develop a toolkit to assist LTCs and BIM in using land use planning tools to reduce community ecological footprints	LPC	Subject to funding in future budget	By whether LPC has developed a toolkit regarding land use planning tools to reduce community ecological footprints	Priority for LPC
L.3.2.4 Develop land use regulations to encourage cycling and electric vehicles	LTCs/BIM	Subject to program funding	By whether LTCs/BIM have developed land use regulations	GB LTC includes DPA guidelines for electric

					to encourage cycling and electric vehicles.	vehicles and land use regulations for bicycle parking (applicable to multi-family and commercial uses)
L.3.2.6 Use land use planning tools to reduce community ecological footprint	LTCs/BIM		Subject to funding in future budget		By whether LTCs have developed bylaws or other measures based on the toolkit to reduce community ecological footprint.	Not initiated

## 4. PROTECT quality and quantity of water resources

### 4.1 Coordinate with other agencies to protect water quality and quantity

Activity and Phase	Who would work on it?	Is funding required or in place?	Comment	Status
L.4.1.1 Coordinate implementation of the St. Mary Lake Integrated Watershed Management Plan	Salt Spring LTC	Funded by special tax requisition in future budgets	By whether the SSILTC is coordinating implementation of the St. Mary Lake Integrated Watershed Management Plan.	St Mary Lake Integrated Watershed Management Plan released Oct/15. Various agencies in process of implementing.

### 4.2 Use land use planning tools to address issues of water quantity

Activity and Phase	Who would work on it?	Is funding required or in place?	Comment	Status
L.4.2.1 Use land use planning tools to promote water conservation, such as through rainwater catchment and greywater recycling	LTCs/BIM	Funded by program budget in 2015/16. Subject to funding in 2016/17 program budget	By whether LTCs have amended land use regulations to promote water conservation.	Hornby OCP includes objectives and policies to promote water conservation; Hornby LUB includes DPA Guidelines.; SSILTC Watershed Management Project and SSIWPA includes addressing water quantity

**4.3 Advocate for and educate about water conservation measures (e.g. rainwater catchment, greywater recycling)**

Activity and Phase	Who would work on it?	Is funding required or in place?	Comment	Status
T.4.3.1 Develop project charter and budget requests to build organizational capacity (knowledge and time) related to advocacy and education re water conservation tools, such as through rainwater catchment and greywater recycling	TPC	Funded by operational budget	By whether TPC has adopted a project charter and budget request for building organizational capacity (knowledge and time) related to advocacy and education re water conservation tools	Well Water Workshops complete and brochure created
T.4.3.2 Develop project charter for water conservation advocacy and education	TPC	Subject to approval of budget request (see T.4.3.1)	By whether TPC has adopted a project charter for water conservation advocacy and education	Charter adopted to TPC in March 2017
T.4.3.3 Implement project charter for water conservation advocacy and education	EC	Subject to approval of budget request (see T.4.3.1)	By whether TPC has implemented a project charter for water conservation advocacy and education	11 workshops organized with associated communications products

**4.4 Use land use planning tools to protect water quality and quantity**

Activity and Phase	Who would work on it?	Is funding required or in place?	Comment	Status
T.4.4.1 Use land use planning tools to protect the quality of well water	LTCs/BIM	Funded by base budget in 2015/16	By whether LTCs have amended land use regulations to protect well water quality.	SSIL TC - Grantville Neighborhood project Bylaw 484 adopted July 21, 2016 SSI LTC gave first reading to bylaws and hosted several working groups to address potential impacts of agricultural activities in rural watershed zones

					GB LTC and GM LTC have considered restrictive covenants to address water issues in conjunction with major rezoning applications
--	--	--	--	--	---

## Policy Statement Goal C: 'To sustain island character and healthy communities'

### 5. ENHANCE (protect/restore) community character, socio-economic sustainability

**5.1 Use land use planning tools and decisions to improve the availability of affordable, accessible, appropriate housing (e.g. as described in Trust Council**

Activity and Phase	Who would work on it?	Is funding required or in place?	Comment	Status
T.5.1.1 Develop a project charter to guide the work of LPC regarding affordable housing advice for LTCs/BIM	LPC	Funded by operational budget	By whether LPC has adopted a project charter regarding affordable housing advice for LTCs/BIM	Complete
T.5.1.2 Undertake work outlined in project charter regarding affordable housing (community housing forum held June 2016)	LPC	Subject to funding in 2016/17 program budget.	By whether LPC has implemented project charter regarding affordable housing (by holding a community housing workshop)	Complete
T.5.1.3 Implement a co-ordination role for housing needs assessments between the various local trust areas and island municipalities to achieve efficiencies and compatibility, and to allow for consolidation.	LPC	Funded by operational budget		Work underway on Housing Needs Assessments for the southern islands (by CRD) and for northern islands (by Islands Trust contract), using same methodology as Salt Spring Housing Needs Assessment. Discussions with Bowen Municipality about interest in cost-sharing to update their

					housing needs assessment using same methodology.
T.5.1.4 Commissions one or more regional housing needs assessment(s) that follow consistent methodologies, and update with each census.	LPC/EC	Subject to funding in 2017/18 program budget			Housing Needs Assessments underway. Final reports expected by end of 2017/18 Fiscal year.
T.5.1.5 Explore and report back on the potential for Islands Trust entities to hold land for housing purposes.	LPC	Funded by operational budget			In progress Report to council expected before end of 2017/18 Fiscal Year
L.5.1.1 Amend OCPs to include affordable housing policies	LTCs/BIM	Funded by 2015/16 program budget. Subject to funding in future program budgets		By whether LTCs and BIM have amended their OCPs to include new affordable housing policies	Gabriola considering OCP and LUB amendments. The Salt Spring Island LTC drafting a bylaw permitting year round occupation of seasonal cottages; next priority likely to re-address bylaw 471 permitting use of TUPs for cottages and secondary suites Hornby OCP includes policies respecting affordable, rental and special needs housing North Pender reviewing policies and regulations to permit secondary suites
L.5.1.2 Amend LUBs to improve availability of affordable housing	LTCs/BIM	Funded by 2015/16 program budget. Subject to funding in future program budgets		By whether LTCs and BIM have amended their LUBs to improve availability of affordable housing.	Galiano secondary suites and cottage size bylaws adopted. North Pender has completed review of housing affordability re STVRs and is currently considering permitting secondary suites.

						SSILTC drafting bylaw permitting year round occupation of seasonal cottages
--	--	--	--	--	--	---

## 5.2 Use land use planning tools to promote economic sustainability

Activity and Phase	Who would work on it?	Is funding required or in place?	Comment	Status
T.5.2.1 Develop a project charter to guide the work of LPC regarding economic sustainability	LPC	Funded by operational budget	By whether LPC has adopted a project charter regarding economic sustainability	Not initiated
T.5.2.2 Undertake work outlined in project charter regarding economic sustainability	LPC	Subject to funding in future program budgets	By whether LPC has implemented project charter regarding economic sustainability	Not initiated
L.5.2.1 Review commercial land use requirements and issues in Mayne LTA	Mayne LTC	Funded by 2015/16 program budget	By whether Mayne LTC has completed a review of commercial land use requirements and issues.	Community consultation underway
L.5.2.2 Amend LUB to ensure an appropriate supply of land zoned for emerging industrial and /or commercial needs in the Salt Spring Island LTA	Salt Spring LTC		By whether SSILTC has amended one LUB to ensure an appropriate supply of land zoned for emerging industrial and commercial needs	SSILTC Industrial Advisory Planning Commission Report received. Bylaws out on agency referral
L.5.2.3 Improve planning for island villages	Salt Spring LTC	Funded by program budget in 2015/16	By whether SSILTC has completed one village planning project (Salt Spring Ganges Village Harbourwalk Project)	Project underway. Referrals for Bylaw 491 received, further community and First Nations engagement Denman LTC partnered with VIU Master of Community Planning Program to undertake a design charrette (community visioning) for the Denman Downtown/Village in September 2017.
L.5.2.4 Amend land use regulations in the Galiano LTA regarding home industry	Galiano LTC	Funded by program budget in 2015/16	By whether Galiano LTC has amended OCP and LUB to	Complete Bylaw adopted June 6, 2016

				address home industry (Gallano Home-based Contractor Yards Review)	
L.5.2.7 Identify appropriate locations and scope for waste management facilities in the North Pender LTA	North Pender LTC	Funded by program budget in 2016/17	By whether North Pender LTC has determined appropriate locations and scope of waste management facilities (Land Use Planning for Waste Management Project)	Bylaws have received First Reading and are on referral	
L.5.2.8 Amend land use regulations regarding waste management facilities in the North Pender LTA	North Pender LTC	Subject to funding in future program budgets	By whether North Pender LTC has amended land use regulations regarding waste management facilities	Bylaws have received First Reading and are on referral	

### 5.3 Use land use planning tools to address challenges of an aging population

Activity and Phase	Who would work on it?	Is funding required or in place?	Comment	Status
L.5.3.1 Create an age-friendly community plan in one LTA	North Pender LTC	Funded by grant and program budget in 2015/16	By whether North Pender LTC creates an age-friendly community plan	Completed December 2015

### 5.4 Work with other agencies to promote economic sustainability

Activity and Phase	Who would work on it?	Is funding required or in place?	Comment	Status
T.5.4.1 Develop project charter and budget requests to build organizational capacity (knowledge and time) regarding advocacy for sustainable and appropriate agricultural policies	TPC	Funded by operational budget	By whether TPC has adopted a project charter and budget request regarding advocacy for sustainable and appropriate agricultural policies	Not initiated
T.5.4.2 Develop project charter for sustainable and appropriate agricultural advocacy	TPC	Subject to approval of budget request (see T.5.4.1)	By whether TPC has adopted a project charter for sustainable and appropriate agricultural advocacy	Not initiated
T.5.4.3 Implement project charter for sustainable and	EC	Subject to approval	By whether TPC has	Not initiated

appropriate agricultural advocacy			of budget request (see T.5.4.1)	implemented project charter for sustainable and appropriate agricultural advocacy
-----------------------------------	--	--	---------------------------------	---

**5.5 Investigate whether relocation of some or all of the Islands Trust Victoria Head Office might better serve the interests of Trust Area constituents**

Activity and Phase	Who would work on it?	Is funding required or in place?	Comment	Status
T.5.5.1 Develop Terms of Reference and appoint a Select Committee to study options for Victoria Office and/or job locations	MGMT	Funded by operational budget	By whether Trust Council has adopted Terms of Reference for a Select Committee and appointed members	Complete
T.5.5.4 Undertake study regarding Victoria office and/or job locations and make recommendations to Trust Council	Select Committee	Subject to funding in 2016/17 program budget	By whether Select Committee has completed study regarding Victoria office and/or job locations	Complete
T.5.5.5 Implement Trust Council decision regarding Victoria office and/or job locations	EC	Subject to funding in future program budgets	By whether Trust Council has implemented decision regarding Victoria office and/or job locations	Office upgrades in progress

**5.6 Facilitate exploration of intra and inter-island transportation routes**

Activity and Phase	Who would work on it?	Is funding required or in place?	Comment	Status
T.5.6.1 Develop a project charter and budget request regarding facilitation of exploration of intra and inter-island transportation routes	TPC	Funded by operational budget	By whether TPC has adopted a project charter regarding facilitation of exploration of intra and inter-island transportation routes	Funding request in 2018/19 budget
T.5.6.2 Carry out project charter work regarding facilitation of exploration of intra and inter-island transportation routes	TPC	Subject to future funding (see 5.6.1)	By whether TPC has completed work identified in project charter regarding facilitation of exploration of intra and inter-island transportation routes	Pending 5.6.1

**5.7 Advocate for prevention of inter-islands bridges**

Activity and Phase	Who would work on it?	Is funding required or in place?	Comment	Status
T.5.7.1 Develop response to Gabriola bridge study	EC	Funded by operational budget	By whether EC responds to the Gabriola bridge study	Complete

**Policy Statement Goal D: 'Effective, efficient and collaborative governance'**

**6. STRENGTHEN relations with First Nations**

**6.1 Improve engagement with First Nations (please see section 9.1.4 - 9.1.7 for complementary activities)**

Activity and Phase	Who would work on it?	Is funding required or in place?	Comment	Status
T.6.1.1 Design and populate a contact database for staff and trustee use based on the provincial consultative database	EC	Funded by 2015/16 program budget \$10,000	By whether EC has created and populated a First Nations database.	Complete
L.6.1.1 Match UBCM Community to Community (C2C) funding for local meetings, including honoraria and travel for First Nation participation	LTCs	Funded by the 2015/16 program budget \$10,000	By whether one or more Community-to-Community meeting has been held.	Complete Gambier LTC and Squamish First Nation C2C Forum took place on March 31, 2016 Gabriola, Lasqueti and Denman received funding for C2C forum.
L.6.1.2 Develop an agreement with First Nations	LTCs/BIM	Subject to funding in future budgets	By whether an agreement with First Nations has been developed	Denman work program includes development of an agreement with the K omoks First Nation Thetis work program includes development of agreements with Penelakut Tribe and Lyackson First

				Nation
--	--	--	--	--------

**6.2 Improve protection of archaeological and First Nations cultural resources (please see sections 9.1.4 - 9.1.7 for complementary activities)**

Activity and Phase	Who would work on it?	Is funding required or in place?	Comment	Status
T.6.2.1 Hold an educational Trust Council session about archeological site protection concerns.	EC	Funded by operational budget	By whether Trust Council has held an educational session about archeological site protection concerns.	Complete
L.6.2.1 Amend OCPs/LUBs to improve archaeological site protection in one LTA	LTCs	Subject to funding in future budgets	By whether the OCP/LUB has been amended to improve archaeological site protection in one LTA	Not initiated

**7. IMPROVE organizational cost effectiveness and resilience**

**7.1 Improve cost-effectiveness and quality of Trust Council operations**

Activity and Phase	Who would work on it?	Is funding required or in place?	Comment	Status
T.7.1.1 Amend Trust Council Meeting Procedures Bylaw to enable electronic attendance at TC meetings (re Electronic Meetings Regulation)	EC	Funded by operational budget	By whether Trust Council has amended the Meeting Procedures Bylaw	Complete
T.7.1.2 Review and update Trust Council policies and procedures	EC	Funded by operational budget	By whether Trust Council has adopted a program for review and update of its policies and procedures	In progress
T.7.1.3 Undertake Information Technology system audit and performance review	FPC	Funded by operational budget	By whether FPC has completed an Information Technology System audit and performance review.	Complete
T.7.1.4 Increase opportunities for Trust Council to engage in in-depth discussion about its vision, goals,	EC	Funded by operational budget	By whether Executive Committee has been scheduled	Vision statement referred to December 2017 Trust

mandate and activities				time for in-depth Trust Council discussions	Council meeting
------------------------	--	--	--	---	-----------------

**7.2 Prepare Island Trust organization to adapt to the potential incorporation of Salt Spring Island**

Activity and Phase	Who would work on it?	Is funding required or in place?	Comment	Status
T.7.2.1 Identify Transition Plan, with principles, objectives and options	EC/FPC	\$5000 funding provided by Province. Balance of fun	By whether Trust Council has adopted a Transition Plan, including principles, objectives and options for an Adaptation Strategy regarding the potential incorporation of SSI	Complete
T.7.2.2 Develop detailed Islands Trust Adaptation Strategy to implement in the event of municipal incorporation of Salt Spring Island	EC/FPC	Subject to future budget	By whether EC/FPC have developed a detailed Adaptation Strategy	Not applicable
T.7.2.3 Finalize and adopt detailed Adaptation Strategy to implement in the event of municipal incorporation of Salt Spring	EC/FPC	Subject to future budgets	By whether Trust Council has finalized and adopted a detailed adaptation strategy	Not applicable
T.7.2.4 Review and update existing IT-MCSCD protocol agreement regarding incorporation of municipalities in the Islands Trust Area	EC	Funded by operational budget	By whether Trust Council and MCSCD have reviewed and updated protocol agreement regarding incorporation of municipalities in the Island Trust Area	Complete

**8. Improve cooperation and integration with other levels of government**

**8.1 Negotiate new protocol agreement and letter of understanding with the Ministry of Forests, Lands and Natural Resources Operations in regards to Crown land tenures**

Activity and Phase	Who would work on it?	Is funding required or in place?	Comment	Status
<u>FY 2016/17</u> T.8.1.1 Revise and consolidate six agreements with	EC/TPC	Funded by operational budget	By whether the Trust Council and the Minister responsible	In progress

the Province regarding Crown Land in the Islands Trust Area			have amended and approved new protocol agreement and letter of understanding regarding Crown Land in the Islands Trust Area.	
---	--	--	--	--

**8.2 Explore opportunities and benefits of cooperating with First Nations and others to seek nominations of the Trust Area as a UN Biosphere Reserve**

Activity and Phase	Who would work on it?	Is funding required or in place?	Comment	Status
T.8.2.1 Develop project charter and budget request re Biosphere Reserve	TPC	Funded by operational budget	By whether TPC has adopted a project charter re Biosphere Reserve	Funding requested in 2018/19 fiscal year budget
T.8.2.2 Implement project charter re Biosphere Reserve	TPC	Subject to funding in future program budget (See 8.3.1)	By whether TPC has implemented project charter re Biosphere Reserve	Pending T.8.2.1

**9. Improve community and agency understanding and support of the Islands Trust**

**9.1 Review the Islands Trust Policy Statement**

Activity and Phase	Who would work on it?	Is funding required or in place?	Comment	Status
T.9.1.1 Amend policies administering the Islands Trust Policy Statement	TPC	Funded by operational budget	By whether Trust Council has amended the policies administering the Islands Trust Policy Statement	Complete
T.9.1.2 Develop a project charter and budget request regarding a Phase 1 (State of the Islands report) of targeted update of the Islands Trust Policy Statement	TPC	Funded by operational budget	By whether TPC has recommended a project charter and budget request regarding a Phase 1 of targeted update of the Islands Trust Policy Statement	Complete
T.9.1.3 Implement project charter regarding Phase A (State of Island report) of the targeted update of the	TPC	Funded by Policy Statement project	By whether Trust Council has endorsed TPCs State of the	Report delivered in Sept 2016. Communications

Policy Statement			budget	Islands Report as Phase 1 of a targeted update of the Policy Statement	products in progress
T.9.1.4 Develop a project charter regarding Phase B of targeted update of the Policy Statement (First Nations and public engagement process to prepare for Policy Statement amendment topics)	TPC		Funding by Policy Statement project budget	By whether Trust Council has endorsed TPCs project charter for a First Nations and public engagement process to prepare for Policy Statement topics amendment process	Complete
T.9.1.5 Undertake a First Nations and public engagement process to prepare for Policy Statement amendment topics	TPC/EC		Funded by Policy Statement project budget and base communications budget with some activities subject to 2017/18 program funding	By whether TPC/EC has undertaken a First Nations public engagement process	In progress
T.9.1.6 Develop a project charter and budget request regarding Phase C of the targeted update of the Policy Statement (Cooperative review with First Nations and planning of Policy Statement amendment process)	TPC		Subject to funding in 2016/17 program budget	By whether Trust Council has endorsed TPC	Complete
T.9.1.7 Implement project charter regarding Phase C (Cooperative review with First Nations and planning of Policy Statement amendment process)	TPC/EC		Subject to funding in 2017/18 program budget	By whether TPC/EC has undertaken a cooperative review with First Nations and planning of Policy Statement amendment process	In progress
T.9.1.8 Develop a draft bylaw to update selected Policy Statement topics	TPC/EC		Subject to funding in 2017/18 program budget	By whether EC and TPC have developed a draft bylaw to update selected Policy Statement topics	Due to start 2018/19, subject to TC decision re budget request
T.9.1.9 Develop a draft bylaw to update selected Policy Statement topics	TPC/EC		Subject to funding in 2017/18 program budget	By whether EC and TPC have undertaken a multi-stakeholder engagement process and developed a draft bylaw to update selected Policy Statement topics	Not initiated
T.9.1.10 Develop a bylaw for Trust Council third	TPC/EC		Subject to funding in	By whether by Trust Council has	Not initiated

reading to update selected Policy Statement topics			2017/18 program budget	given third reading to a bylaw and forwarded for ministerial approval	
T.9.1.11 Adopt bylaw to update selected Policy Statement topics	EC		Funded by operational budget	By whether Trust Council has adopted a bylaw to update selected Policy Statement topics	Not initiated
T.9.1.12 Raise public awareness of the role and importance of the Policy Statement in shaping the future of the islands	EC		Funded by operational program budget		See 9.1.6
T.9.1.13 Develop an effective and progressive program to establish a spirit of reconciliation with First Nations	EC		Funded by program budget	Variety of changes in first nations outreach implemented	In Progress

**9.2 Improve communications about the Islands Trust object and history**

Activity and Phase	Who would work on it?	Is funding required or in place?	Comment	Status
T.9.2.2 Implement adopted communications plan for 2015/16	EC	Funded by operational budget	By whether EC has implemented communications plan	Complete

**9.3 Engage communities and agencies in reviewing and updating planning bylaws**

Activity and Phase	Who would work on it?	Is funding required or in place?	Comment	Status
L.9.3.1 Update Land Use Bylaws	LTCs	Funded by operational budget and projects budget	By whether communities have been engaged in the review and updating of planning bylaws	By whether communities have been engaged in the review and updating of planning bylaws Bylaw reviews underway on Galiano, Gabriola, North Pender, South Pender. Five Galiano bylaws adopted June 2016 South Pender bylaw adopted

					October 2017 Hornby OCP and LUB adopted Lasqueti OCP review commenced (phase 1: Aging at home project SSI LTC Technical Updates to Land Use Bylaw adopted
--	--	--	--	--	--

**9.4 Investigate the use of Alternative Dispute Resolution in Bylaw Enforcement**

Activity and Phase	Who would work on it?	Is funding required or in place?	Comment	Status
T.9.4.1 Review Bylaw Enforcement policy to consider potential amendments to recognize Alternate Dispute Resolution	EC	TBD	By whether EC has reviewed Trust Council	Preliminary report prepared for EC regarding Alternate Dispute Resolution

**10. IMPROVE community engagement and participation in Islands Trust work**

**10.1 Improve communications and availability of information about Islands Trust activities**

Activity and Phase	Who would work on it?	Is funding required or in place?	Comment	Status
T.10.1.1 Enhance public engagement on 2016/17 budget consultations	EC/FPC	Funded by operational budget	By whether public engagement regarding the 2016/17 budget was increased	Public Consultation process approved by FPC January 19, 2016. The public submitted 13 emails and 121 surveys between January 22 and February 17, 2016 public. This represents a significant increase over the 35 email comments received in 2015.

**11. INVESTIGATE the principle of amending the Islands Trust Act**

**11.1 INVESTIGATE the principle of amending the Islands Trust Act**

Activity and Phase	Who would work on it?	Is funding required or in place?	Comment	Status
	EC	TBD	TBD	

## Appendix B

# Islands Trust Financial Statements

Financial Statements of

# **ISLANDS TRUST**

Year ended March 31, 2018

# ISLANDS TRUST

Financial Statements

Year ended March 31, 2018

## Financial Statements

Management's Responsibility for the Financial Statements	1
Independent Auditors' Report	2
Statement of Financial Position	3
Statement of Operations	4
Statement of Change in Net Financial Assets	5
Statement of Cash Flows	6
Notes to Financial Statements	7

## MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The accompanying financial statements of Islands Trust (the "Trust") are the responsibility of the Trust's management and have been prepared in compliance with legislation, and in accordance with generally accepted accounting standards for local governments as established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. A summary of the significant accounting policies are described in note 1 to the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Trust's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the financial statements. These systems are monitored and evaluated by management.

The Trust, acting through its Audit Committee, meets with management and the external auditors to review the financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the financial statements.

The financial statements have been audited by KPMG LLP, independent external auditors appointed by Trust Council. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the Trust's financial statements.



---

Chief Administrative Officer  
Services



---

Director of Administration



KPMG LLP  
St. Andrew's Square II  
800-730 View Street  
Victoria BC V8W 3Y7  
Canada  
Telephone (250) 480-3500  
Fax (250) 480-3539

## INDEPENDENT AUDITORS' REPORT

To the Trustees of Islands Trust and the Minister of Municipal Affairs and Housing

We have audited the accompanying financial statements of Islands Trust, which comprise the statement of financial position as at March 31, 2018, the statements of operations, change in net financial assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

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

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

### *Auditors' Responsibility*

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

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

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

### *Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of Islands Trust as at March 31, 2018, its results of operations, changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Professional Accountants

Victoria, Canada  
June 20, 2018

# ISLANDS TRUST

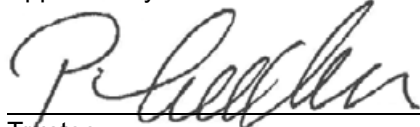
## Statement of Financial Position

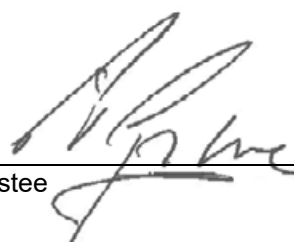
March 31, 2018, with comparative information for 2017

	2018	2017
<b>Financial assets:</b>		
Cash and cash equivalents (note 2)	\$ 846,842	\$ 858,607
Accounts receivable	53,917	187,821
Investments (note 3)	3,530,012	3,532,520
	<u>4,430,771</u>	<u>4,578,948</u>
<b>Liabilities:</b>		
Accounts payable and accrued liabilities	483,454	482,084
Wages and benefits payable	1,154,784	1,116,701
Deferred revenue	37,491	29,983
Employee benefit obligations (note 4)	119,140	138,864
Obligations under capital leases (note 5)	78,309	58,059
Cost recovery deposits (note 13(b))	22,979	13,251
	<u>1,896,157</u>	<u>1,838,942</u>
Net financial assets	2,534,614	2,740,006
<b>Non-financial assets:</b>		
Tangible capital assets (note 6)	204,083	123,111
Prepaid expenses	110,726	57,370
	<u>314,809</u>	<u>180,481</u>
Commitments (note 11)		
Contingent liabilities (note 12)		
<b>Accumulated surplus</b> (note 7)	<u>\$ 2,849,423</u>	<u>\$ 2,920,487</u>

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

Approved by the Trust Council:

  
Trustee

  
Trustee

# ISLANDS TRUST

## Statement of Operations

Year ended March 31, 2018, with comparative information for 2017

	Budget (note 9)	2018	2017
Revenue:			
Property tax - general	\$ 6,312,330	\$ 6,312,332	\$ 6,249,834
Property tax levy - Bowen Island municipality	242,680	242,680	223,418
Property tax - special requisition	98,500	98,500	110,500
Government transfers (note 8)	180,000	180,000	185,380
Fees and sales	110,000	139,199	136,863
Interest income	50,000	71,295	63,629
Other income	150,000	16,795	19,680
Total revenue	7,143,510	7,060,801	6,989,304
Expenses (note 10):			
Council services	1,180,470	1,117,190	1,071,007
Local trust committee services	5,850,352	5,311,724	4,887,902
Trust fund services (note 13)	737,688	702,951	629,627
Total expenses	7,768,510	7,131,865	6,588,536
Annual surplus (deficit)	(625,000)	(71,064)	400,768
Accumulated surplus, beginning of year	2,920,487	2,920,487	2,519,719
Accumulated surplus, end of year	\$ 2,295,487	\$ 2,849,423	\$ 2,920,487

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

# ISLANDS TRUST

## Statement of Change in Net Financial Assets

Year ended March 31, 2018, with comparative information for 2017

	Budget (note 9)	2018	2017
Annual surplus (deficit)	\$ (625,000)	\$ (71,064)	\$ 400,768
Acquisition of tangible capital assets	-	(104,684)	(27,647)
Acquisition of tangible capital assets through capital lease	-	(69,007)	(25,735)
Amortization of tangible capital assets	65,000	76,262	67,668
Loss on disposal of capital assets	-	16,457	-
	(560,000)	(152,036)	415,054
Acquisition of prepaid expenses	-	(53,356)	(16,457)
Change in net financial assets	(560,000)	(205,392)	398,597
Net financial assets, beginning of year	2,740,006	2,740,006	2,341,409
Net financial assets, end of year	\$ 2,180,006	\$ 2,534,614	\$ 2,740,006

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

# ISLANDS TRUST

## Statement of Cash Flows

Year ended March 31, 2018, with comparative information for 2017

	2018	2017
Cash provided by (used in):		
<b>Operating activities:</b>		
Annual surplus	\$ (71,064)	\$ 400,768
Items not involving cash:		
Amortization of tangible capital assets	76,262	67,668
Loss on disposal of tangible capital assets	16,457	-
Extinguishing of obligations under capital leases	(22,912)	-
Changes in non-cash operating assets and liabilities:		
Accounts receivable	133,904	170,281
Wages and benefits payable	38,083	51,881
Accounts payable and accrued liabilities	1,370	65,492
Deferred revenue	7,508	(14,125)
Employee benefit obligations	(19,724)	33,421
Cost recovery deposits	9,728	6,609
Prepaid expenses	(53,356)	(16,457)
Net change in cash from operating activities	116,256	765,538
<b>Capital activities:</b>		
Acquisition of tangible capital assets	(104,684)	(27,647)
<b>Investing activities:</b>		
Redemption of investments	3,532,520	-
Purchase of investments	(3,500,000)	(2,500,000)
Investment interest reinvested	(30,012)	(29,323)
	2,508	(2,529,323)
<b>Financing activities:</b>		
Principal payments on obligations under capital leases	(25,845)	(61,452)
Change in cash and cash equivalents	(11,765)	(1,852,884)
Cash and cash equivalents, beginning of year	858,607	2,711,491
Cash and cash equivalents, end of year	\$ 846,842	\$ 858,607
Supplemental cash flow information:		
Assets acquired under capital lease	\$ 69,007	\$ 25,735

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

# ISLANDS TRUST

## Notes to Financial Statements

Year ended March 31, 2018

---

Islands Trust (the "Trust") is incorporated under the Islands Trust Act of British Columbia (as amended). The objectives of the Trust are to preserve and protect the Trust area and its unique amenities and environment for the benefit of the residents of the Trust area and of the Province generally.

### 1. Significant accounting policies:

The financial statements of Islands Trust are prepared by management in accordance with Canadian public sector accounting principles for local governments as recommended by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada. Significant accounting policies adopted by the Trust are as follows:

#### (a) Reporting entity:

The financial statements include a combination of all the assets, liabilities, revenues, expenses, and changes in fund balances and in financial position of the trust council and the local trust committees.

The Trust occasionally conducts work on behalf of development applicants on a cost-recovery basis. These trust activities are not included in the financial statements.

#### (i) Consolidated entities:

The Trust does not control any significant external entities and accordingly no entities have been consolidated with the financial statements.

#### (ii) Funds held in trust:

The Trust administers operations of The Islands Trust Fund. The annual expenses of The Islands Trust Fund are reported by the Trust in accordance with The Islands Trust Act (note 13).

#### (b) Basis of accounting:

The Trust follows the accrual method of accounting for revenues and expenses. Revenues are normally recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay.

#### (c) Revenue recognition:

Government transfers are recognized in the financial statements as revenues in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made, except when and to the extent that the transfer gives rise to an obligation that meets the definition of a liability under section PS 3200 of public sector accounting standards.

Revenue unearned in the current period is recorded as deposits or deferred revenue.

Tax revenue is recognized on an accrual basis.

# ISLANDS TRUST

Notes to Financial Statements

Year ended March 31, 2018

---

## 1. Significant accounting policies (continued):

### (d) Cash and cash equivalents:

Cash and cash equivalents include short-term highly liquid investments with a term to maturity of 90 days or less at acquisition.

### (e) Investment income:

Investment income is reported as revenue in the period earned. When required by the funding government or related Act, investment income earned on restricted funds is added to the investment and forms part of the deferred revenue balance.

### (f) Employee future benefits:

The Trust and its employees make contributions to the Public Service Pension Plan, which provides benefits directly to employees upon retirement. These contributions are expensed as incurred.

A gratuity is also available to employees upon retirement. The cost of this benefit is paid by the Public Service Pension Plan.

### (g) Liability for contaminated sites:

A liability for contaminated sites is recognized when a site is not in productive use and the following criteria are met:

- (i) an environmental standard exists;
- (ii) contamination exceeds the environmental standard;
- (iii) the Trust is directly responsible or accepts responsibility
- (iv) it is expected that future economic benefits will be given up; and
- (v) a reasonable estimate of the amount can be made.

The liability is recognized as management's estimate of the cost of post-remediation including operation, maintenance and monitoring that are an integral part of the remediation strategy for a contaminated site.

### (h) 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.

# ISLANDS TRUST

Notes to Financial Statements

Year ended March 31, 2018

---

## 1. Significant accounting policies (continued):

(h) Non-financial assets (continued):

(i) Tangible capital assets:

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets, excluding land, are amortized on a straight line basis over their estimated useful lives as follows:

Asset	Useful life - years
Furniture and equipment	5
Computers	3
Leasehold improvements	lesser of remaining term of the lease and useful life

Amortization is charged annually, including in the year of acquisition and disposal. Assets under construction are not amortized until the asset is available for productive use.

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

(ii) Contributions of tangible capital assets:

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and also are recorded as revenue.

(iii) Works of art and historical treasures:

Works of art and historical treasures are not recorded as assets in these financial statements.

(iv) Interest capitalization:

The Trust does not capitalize interest costs associated with the acquisition or construction of a tangible capital asset.

(v) Leased tangible capital assets:

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

# ISLANDS TRUST

## Notes to Financial Statements

Year ended March 31, 2018

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

(i) Use of estimates:

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Significant estimates include assumptions used in estimating provisions for accrued liabilities. Actual results could differ from these estimates.

(j) Adoption of new accounting standards:

On April 1, 2017, the Trust adopted PS2200, *Related Party Disclosures*, PS 3420, *Inter-entity Transactions*, PS3210 *Assets*, PS3320 *Contingent Assets* and PS3380 *Contractual Rights*. There were no transitional adjustments recorded to accumulated surplus, annual surplus or disclosures as a result of adoption of the new standards.

### 2. Cash and cash equivalents:

	2018	2017
Bank account balances	\$ 846,842	\$ 858,607

### 3. Investments:

Investments consist of guaranteed investment certificates with a cost plus accrued interest that approximates market value. The stated interest rates are between 1.50% and 1.60% and the maturity dates range from April 2018 to September 2018.

### 4. Employee benefit obligations:

	2018	2017
Vacation pay	\$ 90,190	\$ 100,608
Compensatory time off	28,950	38,256
	\$ 119,140	\$ 138,864

Vacation pay and compensatory time off represent the liability for accumulated banks for draw down at future dates and/or for payout on approved retirement, or upon termination or death.

# ISLANDS TRUST

Notes to Financial Statements

Year ended March 31, 2018

---

#### 4. Employee benefit obligations (continued):

##### Other pension plans:

The Trust and its employees contribute to the Public Service Pension Plan (a jointly trustee pension plan). The Public Service Pension Board of Trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at March 31, 2017, the plan has about 59,000 active members and approximately 46,000 retired members.

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

The latest actuarial valuation as at March 31, 2017, indicated a funding surplus of \$1,896 million for basic pension benefits on a going concern basis. The next valuation will be as at March 31, 2020, with results available in early 2021. Employers participating in the plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the plan records accrued liabilities and accrued assets for the plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the plan.

The Trust paid \$308,487 (2017 - \$307,473) for employer contributions to the plan in fiscal 2018.

#### 5. Obligations under capital leases:

The amounts due for obligations under capital leases are as follows:

---

2019	\$	20,082
2020		19,310
2021		18,169
2022		14,391
2023 and thereafter		17,502
Total minimum lease payments		89,454
Less amounts representing interest (at rates ranging from 4.70% to 5.25%)		11,145
Present value of net minimum capital lease payments		\$ 78,309

---

Interest of \$2,812 (2017 - \$3,111) relating to capital lease obligations has been included in expenses on the statement of operations.

# ISLANDS TRUST

## Notes to Financial Statements

Year ended March 31, 2018

### 6. Tangible capital assets:

	Denman Island Site	Furniture and equipment	Computers	Leasehold improvements	Total 2018	Total 2017
<b>Cost:</b>						
Balance, beginning of year	\$ 10,000	\$ 195,689	\$ 245,427	\$ 257,622	\$ 708,738	\$ 655,356
Additions	-	107,819	65,873	-	173,692	53,382
Disposals	-	(93,141)	(76,784)	-	(169,925)	-
Balance, end of year	10,000	210,367	234,516	257,622	712,505	708,738
<b>Accumulated amortization:</b>						
Balance, beginning of year	10,000	117,168	216,278	242,181	585,627	517,959
Additions	-	39,176	32,844	4,242	76,262	67,668
Disposals	-	(76,683)	(76,784)	-	(153,467)	-
Balance, end of year	10,000	79,661	172,338	246,423	508,422	585,627
Net book value, end of year	\$ -	\$ 130,706	\$ 62,178	\$ 11,199	\$ 204,083	\$ 123,111

#### Contributed tangible capital assets:

There were no contributed assets received during 2018 or 2017.

In fiscal 1994, the Denman Island Ratepayers' Association donated \$10,000 which was used by the Trust to purchase the Denman Island Old School Site from School District #71. The Trust agreed to facilitate the sale of the school site between School District #71 and the Ratepayers' Association and to hold title to the property on behalf of the community. The Denman Island Ratepayers' Association has leased the building on the site from the Trust for 99 years for a total fee of \$10.

Included in tangible capital assets is assets under capital leases with a net book value of \$78,309 (2017 - \$58,059).

### 7. Accumulated surplus:

Accumulated surplus consists of:

	2018	2017
Invested in tangible capital assets	\$ 125,774	\$ 65,052
General Revenue Fund	2,716,673	2,848,329
Special property tax requisition fund	6,976	7,106
	\$ 2,849,423	\$ 2,920,487

# ISLANDS TRUST

## Notes to Financial Statements

Year ended March 31, 2018

### 8. Government transfers:

Government transfers recorded as revenue on the statement of operations are comprised of:

	2018	2017
Provincial operating grant	\$ 180,000	\$ 177,880
Salt Spring Island Water Protection Project	-	2,500
Province of BC grant - Saltspring Island potential incorporation transition strategy	-	5,000
	\$ 180,000	\$ 185,380

### 9. Budget data:

The budget data presented in these financial statements is based upon the 2018 operating budget approved by Trust Council on March 15, 2017. The following reconciles the approved budget to the budget figures reported in these financial statements.

	Budget amount
Operating budget:	
Revenue	\$ 7,703,510
Less appropriation from surplus	560,000
	7,143,510
Expenses	7,703,510
Plus amortization expense	65,000
	7,768,510
Annual deficit	\$ (625,000)

### 10. Classification of expenses by object:

	2018	2017
Staff salaries and benefits	\$ 4,232,814	\$ 4,137,903
Traveling/training and recruitment	228,305	201,207
Council and trustee costs	844,643	810,697
Office operations	963,333	930,099
Programs	555,607	384,020
Legal	214,444	56,942
Amortization	76,262	67,668
Loss on disposal of Assets	16,457	-
	\$ 7,131,865	\$ 6,588,536

# ISLANDS TRUST

Notes to Financial Statements

Year ended March 31, 2018

---

## 11. Commitments:

The Trust is committed to leases for rented premises. Minimum future payments in the next five years are as follows:

---

2019	\$	322,647
2020		307,123
2021		271,312
2022		274,930
2023		255,830

---

## 12. Contingent liabilities:

In the normal course of operations, claims for alleged damages are made against the Trust. The Trust records an accrual in respect of legal claims that are likely to be successful and for which a liability amount is reasonably determinable. The remaining claims, should they be successful as a result of litigation, will be recorded when a liability is likely and determinable. The Trust is covered through an independent insurance program against certain claims.

## 13. Trust activities:

### (a) Trust Fund:

The Trust pays the administration expenses of The Islands Trust Fund (the "Fund") which is related through the composition of the Fund's Board. The Fund is empowered to accept donations, grants and bequests and to hold land and other property in compliance with a plan approved by the Ministry of Municipal Affairs and Housing. The Fund's Board is comprised of three members from Trust Council and up to three members appointed by the Minister of Municipal Affairs and Housing.

For financial reporting purposes, the Trust and the Fund are reported on separately. These financial statements present the financial position and results of operations of the Trust.

The Fund's annual expenses are funded by and reported as part of the Trust in accordance with The Islands Trust Act. These expenses are summarized as follows:

---

	2018	2017
Operations and Property Management	\$ 515,807	\$ 459,775
Board	23,098	15,566
Administration	164,046	154,286
	<hr/> \$ 702,951	<hr/> \$ 629,627

---

# ISLANDS TRUST

Notes to Financial Statements

Year ended March 31, 2018

---

## 13. Trust activities (continued):

### (b) Cost-recoveries:

The Trust administers trust activities on behalf of development applicants on a cost-recovery basis. These activities are included in cost recoveries and are as follows:

	2018	2017
Cash received during the year	\$ 38,381	\$ 27,825
Cash paid during the year	29,177	14,447

---

The net payable from development applicants of \$22,979 (2017 - \$13,251) is included in cost recoveries on the statement of financial position.

## 14. Comparative information:

Certain comparative information has been reclassified to conform to the financial statement presentation adopted in the current year.

## Appendix C

# Islands Trust Fund Financial Statements

Financial Statements of

**THE ISLANDS TRUST FUND**

Year ended March 31, 2018

## MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The accompanying financial statements of Islands Trust (the "Trust") are the responsibility of the Trust's management and have been prepared in compliance with legislation, and in accordance with generally accepted accounting standards for local governments as established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. A summary of the significant accounting policies are described in note 1 to the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Trust's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the financial statements. These systems are monitored and evaluated by management.

The Trust, acting through its Audit Committee, meets with management and the external auditors to review the financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the financial statements.

The financial statements have been audited by KPMG LLP, independent external auditors appointed by Trust Council. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the Trust's financial statements.



---

Chief Administrative Officer  
Services



---

Director of Administration



KPMG LLP  
St. Andrew's Square II  
800-730 View Street  
Victoria BC V8W 3Y7  
Canada  
Telephone 250-480-3500  
Fax 250-480-3539

## INDEPENDENT AUDITORS' REPORT

*To the Trustees of the Islands Trust Fund Board, the Trustees of the Islands Trust Council and the Minister of Municipal Affairs and Housing*

We have audited the accompanying financial statements of The Islands Trust Fund, which comprise the statement of financial position as at March 31, 2018, the statements of operations, changes in fund balances and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

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

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

### *Auditors' Responsibility*

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

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



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

*Basis for Qualified Opinion*

In common with many charitable organizations, The Islands Trust Fund derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of The Islands Trust Fund. Therefore, we were not able to determine whether as at March 31, 2018 and for the years ended March 31, 2018 and March 31, 2017, any adjustments might be necessary to revenue and excess of revenue over expenses reported in the statement of operations, statement of cash flows, statement of changes in fund balances and assets and fund balances reported in the statement of financial position as at March 31, 2018. This caused us to qualify our audit opinion on the financial statements as at and for the year ended March 31, 2017.

*Qualified Opinion*

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of The Islands Trust Fund as at March 31, 2018, its results of operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P', with a small upward tick at the end.

Chartered Professional Accountants

Victoria, Canada  
July 17, 2018

# THE ISLANDS TRUST FUND

## Statement of Financial Position

March 31, 2018, with comparative information for 2017

	Opportunity Fund	Restricted Fund	Capital Fund	Endowment Fund	2018 Total	2017 Total
<b>Assets:</b>						
Current assets:						
Cash	\$ 29,214	\$ 184,597	\$ -	\$ -	\$ 213,811	\$ 249,356
Short-term investments (note 2)	-	164,772	-	88,000	252,772	253,452
Accounts receivable	-	-	-	-	-	27,300
Inventory of fundraising items	667	-	-	-	667	1,342
	29,881	349,369	-	88,000	467,250	531,450
Investments (note 3)	-	66,522	-	-	66,522	64,870
Land (notes 4 and 6)	-	-	7,624,169	6,176,601	13,800,770	13,250,504
	\$ 29,881	\$ 415,891	\$ 7,624,169	\$ 6,264,601	\$ 14,334,542	\$ 13,846,824
<b>Liabilities:</b>						
Current liabilities:						
Property tax payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 498
Due to Islands Trust	-	-	-	-	-	2,921
Deferred revenue	-	-	-	-	-	541
	-	-	-	-	-	3,960
<b>Fund Balances:</b>						
Unrestricted	29,881	-	-	-	29,881	31,950
Investment in land (note 4)	-	-	7,624,169	-	7,624,169	7,073,903
Internally restricted (note 5)	-	23,439	-	-	23,439	24,327
Externally restricted (note 5)	-	392,452	-	-	392,452	420,783
Restricted for endowment purposes (note 6)	-	-	-	6,264,601	6,264,601	6,291,901
	29,881	415,891	7,624,169	6,264,601	14,334,542	13,846,864
	\$ 29,881	\$ 415,891	\$ 7,624,169	\$ 6,264,601	\$ 14,334,542	\$ 13,846,824

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

Approved by the Trust Fund Board:

 Board member

 Board member

# THE ISLANDS TRUST FUND

## Statement of Operations

Year ended March 31, 2018, with comparative information for 2017

	Opportunity Fund	Restricted Fund	Capital Fund	Endowment Fund	2018 Total	2017 Total
<b>Revenue:</b>						
Donations:						
Cash	\$ 3,475	\$ 466,755	\$ -	\$ -	\$ 470,230	\$ 260,724
Land	-	-	-	-	-	156,000
Grants	2,041	23,660	-	-	25,701	281,371
Rental income	-	10,200	-	-	10,200	10,200
Investment income	20	1,417	-	-	1,437	16,089
Sale of fundraising items	136	-	-	-	136	133
	5,672	502,032	-	-	507,704	724,517
<b>Expenses:</b>						
Repairs and maintenance - Alton property	-	1,962	-	-	1,962	1,181
Cost of sales of fundraising items	675	-	-	-	675	270
Bank charges	61	1,637	-	-	1,698	235
Donations to conservancy groups	5,000	-	-	-	5,000	6,460
Consultant fees	2,005	4,686	-	-	6,691	8,995
	7,741	8,285	-	-	16,026	17,141
<b>Excess (deficiency) of revenue over expenses</b>	\$ (2,069)	\$ 493,747	\$ -	\$ -	\$ 491,678	\$ 707,376

(Schedule 2)

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

# THE ISLANDS TRUST FUND

## Statement of Changes in Fund Balances

Year ended March 31, 2018, with comparative information for 2017

	Opportunity Fund	Restricted Fund	Capital Fund	Endowment Fund	Total
Fund balances, March 31, 2016	\$ 36,113	\$ 540,871	\$ 7,073,903	\$ 5,484,601	\$ 13,135,488
Excess of revenue over expenses	(4,163)	282,539	-	429,000	707,376
Interfund transfer	-	(378,300)	-	378,300	-
Fund balances, March 31, 2017	31,950	445,110	7,073,903	6,291,901	13,842,864
Excess of revenue over expenses	(2,069)	493,747	-	-	491,678
Interfund transfer (note 7)	-	(522,966)	550,266	(27,300)	-
Fund balances, March 31, 2018	\$ 29,881	\$ 415,891	\$ 7,624,169	\$ 6,264,601	\$ 14,334,542

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

# THE ISLANDS TRUST FUND

## Statement of Cash Flows

Year ended March 31, 2018, with comparative information for 2017

	2018	2017
<b>Cash provided by (used in):</b>		
<b>Operating activities:</b>		
Excess of revenue over expenses	\$ 491,678	\$ 707,376
Item not involving cash:		
Donation of land	-	(156,000)
Changes in non-cash operating working capital:		
Inventory of fundraising items	675	270
Accounts receivable	27,300	(27,300)
Property tax payable	(498)	498
Due to Islands Trust	(2,921)	2,921
Deferred revenue	(541)	541
	515,693	528,306
<b>Capital activities:</b>		
Cash paid to acquire land	(550,266)	(624,000)
<b>Investing activities:</b>		
Increase (decrease) in short-term investments	680	(13,667)
(Decrease) in long-term investments	(1,652)	(1,613)
	(972)	(15,280)
<b>(Decrease) in cash</b>	<b>(35,545)</b>	<b>(110,974)</b>
Cash, beginning of year	249,356	360,330
<b>Cash, end of year</b>	<b>\$ 213,811</b>	<b>\$ 249,356</b>

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

# THE ISLANDS TRUST FUND

Notes to Financial Statements

Year ended March 31, 2018

---

The Islands Trust (the “Trust”) is incorporated under The Islands Trust Act of British Columbia (as amended). The objectives of the Trust are to preserve and protect the Trust area and its unique amenities and environment for the benefit of the residents of the Trust area and of the Province generally.

The Islands Trust Fund (the “Trust Fund”) is also incorporated under The Islands Trust Act of British Columbia and is empowered to accept donations, grants and bequests on behalf of the Trust and to hold land and other property in compliance with a Trust Fund plan approved by the Ministry of Municipal Affairs and Housing.

The Trust Fund is administered by the Trust and for financial reporting purposes, the Trust and the Trust Fund are reported on separately. The Trust Fund’s annual expenses are funded by and reported as part of the Trust in accordance with The Islands Trust Act. These financial statements present the financial position and changes in fund balances of the Trust Fund.

On May 31, 2018, the Islands Trust Fund changed its legal name from Islands Trust Fund to Islands Trust Conservancy.

## 1. Significant accounting policies:

The financial statements have been prepared in accordance with Canadian Public Sector Accounting Standards including the 4200 standards for government not-for-profit organizations:

### (a) Fund accounting:

The Trust Fund follows the restricted fund method of accounting for contributions.

The Opportunity Fund reports unrestricted resources.

The Restricted Fund reports the assets, liabilities, revenue and expenses related to internally and externally restricted assets.

The Capital Fund reports the assets, liabilities, revenue and expenses related to the Trust Fund’s capital assets.

The Endowment Fund reports resources that are contributed for endowment purposes.

### (b) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Derivative instruments and equity instruments that are quoted in an active market are reported at fair value. All other financial instruments are subsequently recorded at cost or amortized cost unless management has elected to carry the instruments at fair value. Management has elected to record all investments at fair value as they are managed and evaluated on a fair value basis.

Unrealized changes in fair value are recognized in the statement of remeasurement gains and losses until they are realized, when they are transferred to the statement of operations.

# THE ISLANDS TRUST FUND

Notes to Financial Statements

Year ended March 31, 2018

---

## 1. Significant accounting policies (continued):

### (b) Financial instruments (continued):

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

All financial assets are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss is reported in the statement of operations and any unrealized gain is adjusted through the statement of remeasurement gains and losses. When the asset is sold, the unrealized gains and losses previously recognized in the statement of remeasurement gains and losses are reversed and recognized in the statement of operations. During the years presented, there are no unrealized gains and losses, and as a result, no statement of remeasurement gains and losses has been included in these financial statements. All investments held by the Trust Fund are classified as Level 2 investments for fair value measurement and there were no changes in classification in the years presented.

### (c) Land:

Purchased land is recorded at cost. Contributed land is recorded at estimated fair value at the date of contribution.

### (d) Revenue recognition:

Restricted contributions are recorded as revenue of the appropriate restricted fund when received or receivable, if the amount can be reasonably estimated and collection is reasonably assured.

Unrestricted contributions are recorded as revenue of the Opportunity Fund in the year received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

Contributions for endowment are recorded as revenue in the Endowment Fund balance.

Interest income earned on Endowment Fund resources is restricted for the purpose of maintaining certain specified property and is recorded in the Restricted Fund. Interest income of internally restricted funds is recorded as revenue of the Restricted Fund. Other interest income is recorded as revenue of the Opportunity Fund when earned.

All other forms of income are recorded as revenue of the Opportunity Fund when received or receivable.

# THE ISLANDS TRUST FUND

Notes to Financial Statements

Year ended March 31, 2018

---

## 1. Significant accounting policies (continued):

### (e) Liability for contaminated sites:

A liability for contaminated sites is recognized when a site is not in productive use and the following criteria are met:

- (i) an environmental standard exists;
- (ii) contamination exceeds the environmental standard;
- (iii) the Trust Fund is directly responsible or accepts responsibility;
- (iv) it is expected that future economic benefits will be given up; and
- (v) a reasonable estimate of the amount can be made.

The liability is recognized as management's estimate of the cost of post-remediation including operation, maintenance and monitoring that are an integral part of the remediation strategy for a contaminated site.

### (f) Use of estimates:

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the period. Significant estimates include assumptions used in estimating the fair value of contributed land at the date of contribution. Actual results could differ from those estimates.

### (g) Adoption of new accounting standards:

On April 1, 2017, the Trust adopted PS2200, *Related Party Disclosures*, PS 3420, *Inter-entity Transactions*, PS3210 *Assets*, PS3320 *Contingent Assets* and PS3380 *Contractual Rights*. There were no transitional adjustments recorded to accumulated surplus, annual surplus or disclosures as a result of adoption of the new standards.

## 2. Short-term investments:

Short-term investments consist of an endowment fund with the Victoria Foundation and Municipal Finance Authority of British Columbia ("MFA") Short Term Bond and Money Market Funds. Investments in MFA Funds are recorded at market value.

## 3. Investments:

Investments consist of a guaranteed investment certificate that matures on April 16, 2019. It has an interest rate of 2.55%.

# THE ISLANDS TRUST FUND

Notes to Financial Statements

Year ended March 31, 2018

## 4. Land:

	Acquisition date	2018	2017
Inner Island Nature Reserve, Denman Island	1992	\$ 70,000	\$ 70,000
Coats Millstone Reserve, Gabriola Island	1994	100,000	100,000
Medicine Beach Nature Sanctuary, North Pender Island	1996	477,000	477,000
Cunningham Reserve, Salt Spring Island	1994	265,000	265,000
Deep Ridge Reserve, Salt Spring Island	1992	255,000	255,000
Lower Mt. Erskine Nature Reserve, Salt Spring Island	1996	284,000	284,000
Kwel Nature Sanctuary, Lasqueti Island	1997	195,497	195,497
Singing Woods Nature Reserve, Bowen Island	1999	157,000	157,000
Trincomali Nature Sanctuary, Galiano Island	2001	242,406	242,406
Horton Bayviary Nature Reserve, Mayne Island	2002	210,000	210,000
Morrison Marsh Nature Reserve, Denman Island	2006	438,000	438,000
Brigade Bay Bluffs Nature Reserve, Gambier Island	2006	150,000	150,000
Long Bay Wetland Nature Reserve, Gambier Island	2006	305,000	305,000
Elder Cedar Nature Reserve, Gabriola Island	2007	658,000	658,000
Mount Artaban Nature Reserve, Gambier Island	2009	1,177,000	1,177,000
Fairy Fen Nature Reserve, Bowen Island	2011	1,817,000	1,817,000
Laughlin Lake Nature Reserve, Galiano Island	2013	56,000	56,000
Vanilla Leaf Land Nature Reserve, Galiano Island	2014	217,000	217,000
Fairy Slipper Forest Nature Reserve, Thetis Island	2017	550,266	-
		<b>\$ 7,624,169</b>	<b>\$ 7,073,903</b>

## 5. Restricted Fund balances:

	2018	2017
Internally restricted:		
McFadden Creek management fund	\$ 23,439	\$ 24,327
Externally restricted:		
Alton Nature Reserve - maintenance fund	115,080	102,043
Morrison Fund	20,070	20,062
Covenant Defense Fund	105,534	103,824
Lasqueti Acquisition Fund	34,114	33,344
Gambier Acquisition Fund	116,368	116,891
Thetis Island Acquisition Fund	1,286	44,619
	<b>392,452</b>	<b>420,783</b>
	<b>\$ 415,891</b>	<b>\$ 445,110</b>

# THE ISLANDS TRUST FUND

Notes to Financial Statements

Year ended March 31, 2018

## 6. Restricted for endowment purposes:

	Acquisition date	2018	2017
Short-term investments			
Alton Nature Reserve – maintenance	2002	\$ 88,000	\$ 88,000
Land:			
Lindsay Dickson Nature Reserve, Denman Island	2001	\$ 2,200,000	\$ 2,200,000
Alton Nature Reserve, Salt Spring Island	2002	454,000	454,000
McFadden Creek Nature Sanctuary, Salt Spring Island	2015	422,601	422,601
Properties acquired under the Federal Government Ecological Gifts program:			
Mt. Trematon Nature Reserve, Lasqueti Island	2006	320,000	320,000
David Otter Nature Reserve, Bowen Island	2007	620,000	620,000
John Osland Nature Reserve, Lasqueti Island	2012	890,000	890,000
Valens Brook Nature Reserve, Denman Island	2013	280,000	280,000
Burren's Acres Nature Reserve, Gabriola Island	2014	210,000	210,000
Moore Hill Nature Reserve, Thetis Island	2017	780,000	780,000
		6,176,601	6,176,601
		\$ 6,264,601	\$ 6,264,601

Investment gains (losses) on endowment funds for the year of (\$157) (2017 - \$12,306) have been recorded in the Restricted Fund.

Two properties owned by the Trust Fund, the Lindsay Dickson property on Denman Island, and the Alton property on Salt Spring Island, were donated on the condition that the properties be used and managed in certain ways. The Lindsay Dickson property was donated "for so long as the land is used as a nature reserve for the use, benefit and enjoyment of the residents of B.C.". The Alton property is to be held, managed and preserved for its ecological environment and scenic features and not as a recreational park. The residence, gardens and driveway are to be preserved and managed for non-profit purposes.

In the event that these properties are not managed accordingly, the properties could revert to the Province of British Columbia in the case of the Lindsay Dickson Nature Reserve and to the Executors of the donor's estate in the case of the Alton Nature Reserve.

In 2015, the McFadden Creek Nature Sanctuary on Salt Spring Island was donated to the Trust Fund on the condition that the property was to be protected, preserved and maintained in its natural state. Should a disposition of this property ever be triggered, there is a Right of First Refusal on the property in favor of the Wild Bird Trust of BC.

Certain properties as listed in the preceding table were acquired under the Federal Government Ecological Gift program. Recipients of ecological gifts are responsible for maintaining the biodiversity and environmental heritage values of the property in perpetuity.

# THE ISLANDS TRUST FUND

Notes to Financial Statements

Year ended March 31, 2018

---

## 7. Interfund transfer:

During the year, there were interfund transfers of \$550,266 (2017 - \$nil) from the Restricted Fund to the Capital Fund, representing cash paid to acquire the Fairy Slipper Forest Nature Reserve on Thetis Island, and \$27,300 from the Endowment Fund to the Restricted Fund representing grant monies received for the purchase of Moore Hill Nature Reserve in the previous fiscal period.

## 8. Related party:

The Trust is related to the Trust Fund through the composition of the Trust Fund's Board. The Trust Fund's Board is comprised of three members from the Trust's Council and up to three members appointed by the Minister of Municipal Affairs and Housing.

The Trust Fund's annual expenses are funded by and reported as part of the Trust in accordance with The Islands Trust Act. The expenses are summarized as follows:

	2018	2017
Operations and property management	\$ 515,807	\$ 459,775
Board	23,098	15,566
Administration	164,046	154,286
	<u>\$ 702,951</u>	<u>\$ 629,627</u>

For the year ended March 31, 2018, amounts payable to Islands Trust were \$nil (2017 - \$2,921).

## 9. Financial risks and concentration of risk:

The Trust Fund's financial instruments consist of cash, short-term investments, accounts receivable, investments, property tax payable and due to Islands Trust. It is management's opinion that the Trust Fund is not exposed to significant interest, currency or credit risk arising from these financial instruments. The maximum exposure to credit risk at March 31, 2018 is the carrying value of cash, accounts receivable, short-term investments and investments. The Trust Fund deals with creditworthy counterparties to mitigate credit risk. The Trust Fund manages its liquidity risk by monitoring its operating requirements. Interest rate risk is not significant due to the short term nature of investments held. There have been no significant changes to risk exposure in the years presented.

# THE ISLANDS TRUST FUND

Statement of Financial Position

Schedule 1

March 31, 2017

	Opportunity Fund	Restricted Fund	Capital Fund	Endowment Fund	2017 Total
<b>Assets:</b>					
Current assets:					
Cash	\$ 34,144	\$ 215,212	\$ -	\$ -	\$ 249,356
Short-term investments (note 2)	-	165,452	-	88,000	253,452
Accounts receivable	-	-	-	27,300	27,300
Inventory of fundraising items	1,342	-	-	-	1,342
	35,486	380,664		115,300	531,450
Investments (note 3)	-	64,870	-	-	64,870
Land (notes 4 and 6)	-	-	7,073,903	6,176,601	13,250,504
	\$ 35,486	\$ 445,534	\$ 7,073,903	\$ 6,291,901	\$ 13,846,824
<b>Liabilities:</b>					
Current liabilities:					
Property tax payable	-	498	-	-	498
Due to Islands Trust	2,995	(74)	-	-	2,921
Deferred revenue	541	-	-	-	541
	3,536	424	-	-	3,960
<b>Fund Balances:</b>					
Unrestricted	31,950	-	-	-	31,950
Investment in land (note 4)	-	-	7,073,903	-	7,073,903
Internally restricted (note 5)	-	24,327	-	-	24,327
Externally restricted (note 5)	-	420,783	-	-	420,783
Restricted for endowment purposes (note 6)	-	-	-	6,291,901	6,291,901
	31,950	445,110	7,073,903	6,291,901	13,842,864
	\$ 35,486	\$ 445,534	\$ 7,073,903	\$ 6,291,901	\$ 13,846,824

# THE ISLANDS TRUST FUND

Statement of Operations

Schedule 2

Year ended March 31, 2017

	Opportunity Fund	Restricted Fund	Capital Fund	Endowment Fund	2017 Total
<b>Revenue:</b>					
Donations:					
Cash	\$ 2,480	\$ 258,244	\$ -	\$ -	\$ 260,724
Land	-	-	-	156,000	156,000
Grants	2,959	5,412	-	273,000	281,371
Rental income	-	10,200	-	-	10,200
Investment income	21	16,068	-	-	16,089
Sale of fundraising items	133	-	-	-	133
	5,593	289,924	-	429,000	724,517
<b>Expenses:</b>					
Repairs and maintenance - Alton property	-	1,181	-	-	1,181
Cost of sales of fundraising items	270	-	-	-	270
Bank charges	31	204	-	-	235
Donations to conservancy groups	6,460	-	-	-	6,460
Consultant fees	2,995	6,000	-	-	8,995
	9,756	7,385	-	-	17,141
<b>Excess (deficiency) of revenue over expenses</b>	\$ (4,163)	\$ 282,539	\$ -	\$ 429,000	\$ 707,376



If you are reading a print version of this report, you can access hyperlinks by going to the online version at [islandstrust.bc.ca/annualreports](http://islandstrust.bc.ca/annualreports)

**Victoria Office**

200-1627 Fort Street, Victoria BC V8R 1H8  
Telephone 250.405.5151

**Salt Spring Office**

1-500 Lower Ganges Road, Salt Spring Island BC V8K 2N8  
Telephone 250.537.9144

**Northern Office**

700 North Road, Gabriola Island BC VoR 1X3  
Telephone 250.247.2063

[islandstrust.bc.ca](http://islandstrust.bc.ca)



ISLANDS TRUST FUND



Islands Trust



BC CLIMATE ACTION  
COMMUNITY 2017