



Islands Trust Council Quarterly Meeting Agenda

Date: Tuesday, September 13, 2016

Location: Sidney Pier Hotel
9805 Seaport Pl, Sidney, BC

	Pages
1. CALL TO ORDER: Tuesday, September 13, 2016 at 9:00 a.m.	
2. APPROVAL OF AGENDA	
3. GENERAL BUSINESS ARISING	
3.1 Resolutions Without Meeting - TC-RWM-2016-002; TC-RWM-2016-003	6 - 7
3.2 June 14-16, 2016 Trust Council Meeting Draft Minutes	8 - 25
3.3 Trust Council Follow Up Action List	26 - 29
3.4 Trustee Round Table Session	30 - 30
4. VISIONING SESSION	31 - 87
5. EXECUTIVE	
5.1 Chief Administrative Officer's Report	88 - 89
5.2 Executive Committee Work Program Report	90 - 90
That the Islands Trust Council approves the top priorities of the Executive Committee Work Program Report.	
5.3 Continuous Learning Plan	91 - 96
5.4 Strategic Plan Update	97 - 99

5.5 Amendment to TC Procedures Bylaw to Allow for Electronic Participation

5.5.1 Amendment to TC Procedures Bylaw to Allow for Electronic Participation in TC Meetings 100 - 104

1. That Islands Trust Council Bylaw No. 166, cited as “Islands Trust Council Meeting Procedures Bylaw, 2004, Amendment Bylaw No. 3, 2016” be read a first time.
2. That Islands Trust Council Bylaw No. 166, cited as “Islands Trust Council Meeting Procedures Bylaw, 2004, Amendment Bylaw No. 3, 2016” be read a second time.
3. That Islands Trust Council Bylaw No. 166, cited as “Islands Trust Council Meeting Procedures Bylaw, 2004, Amendment Bylaw No. 3, 2016” be read a third time.

6. TRUST AREA SERVICES

6.1 Director of Trust Area Services Report 105 - 105

6.2 Trust Programs Committee Work Program Report 106 - 107

That the Islands Trust Council approves the top priorities of the Trust Programs Committee Work Program Report.

6.3 Trust Fund Board Report 108 - 109

6.4 Revising Policy Statement Amendment process - RFD 110 - 118

1. That the Islands Trust Council request the Executive Committee to propose amendments to section 9.1 of the Strategic Plan to include a new phase in the Policy Statement amendment process to:

- raise public awareness of the role and importance of the Policy Statement in shaping the future of the islands, and
- develop an effective and progressive program to establish a spirit of reconciliation with First Nations.

2. That the Islands Trust Council include a \$15,000 line item in the proposed 2017/18 budget for revised Policy Statement amendment process, subject to revision prior to Trust Council receiving a final 2017/18 budget in March.

7.	NEW BUSINESS	
7.1	Transition Plan	119 - 265
1.	That Trust Council provides direction to staff on any amendments to the draft Transition Plan.	
2.	That Trust Council adopt the 2016 Islands Trust Transition Plan Regarding the Potential Incorporation of Salt Spring Island.	
3.	That Trust Council direct staff to refer the Transition Plan to the Ministry of Community, Sport and Cultural Development and the Salt Spring Island Incorporation Study Committee.	
4.	That Trust Council direct staff to include the Transition Plan in communication materials provided to the public prior to a Salt Spring Island incorporation vote.	
5.	That Trust Council direct staff to prepare a restructure/transition funding request to the Ministry of Community, Sport and Cultural Development for the implementation of the Transition Plan, should Salt Spring Island incorporation proceed.	
7.2	2017 Trust Council Meeting Schedule – Decision	266 - 266
8.	SAN JUAN COUNTY COUNCIL	267 - 267
9.	US CONSUL GENERAL LYNNE PLATT	
10.	COMMUNITY PRESENTATIONS	
10.1	Mayne Island Syrian Refugee Support Group	268 - 268
11.	DELEGATIONS AND PUBLIC PARTICIPATION	
11.1	Southern Gulf Islands Economic Sustainability Commission	269 - 270
11.2	BC Marine Trails Network Association re Salish Sea Marine Trail	
11.3	Gulf Island Alliance re Islands Trust's Visioning Process	

12.	HOUSING SESSION - Request for Decision - Community Housing Report	271 - 299
1.	That Islands Trust Council endorse a review of the Islands Trust Policy Statement to ensure that it includes a clear and well-thought out definition of 'affordability'; includes a clearly articulated vision, goal and objectives for affordable housing; gives affordable housing a greater profile for its role in sustainable communities; and includes a reference to affordable housing in its policy direction to LTCs and municipalities.	
2.	That Islands Trust Council considers a coordination role for Housing Needs Assessments between the various Local Trust Areas to achieve efficiencies and compatibility, and to allow for consolidation.	
3.	That Islands Trust Council establishes a \$40 000 budget for housing needs assessments to be conducted island by island at the regional level and to be updated with each census.	
4.	That Islands Trust Council requests Local Planning Committee to commission one or more regional housing needs assessment(s) that follow consistent methodologies and can be updated with each census.	
5.	That Islands Trust Council allocate \$15 000 in the 2017-18 fiscal budget to allocate one staff day (based on Grid 24/Step 2) per week to explore and if feasible, design and implement a program to hold and administer housing agreements on behalf of local trust committees.	
6.	That Islands Trust Council explores the potential for expanding its advocacy role to other levels of government for increased funding for affordable housing in the Islands Trust Area.	
7.	That Islands Trust Council directs staff to explore and report back on the potential for Islands Trust entities to hold land for housing purposes.	
13.	LOCAL PLANNING SERVICES	
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13.2	Local Planning Committee Work Program Report That the Islands Trust Council approves the top priorities of the Local Planning Committee Work Program Report.	302 - 303
13.3	LTC Projects Budget Update – Briefing	304 - 305
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14.	ADMINISTRATION AND FINANCIAL SERVICES	
14.1	Director of Administrative Services Report	309 - 310
14.2	Financial Planning Committee Work Program Report That the Islands Trust Council approves the top priorities of the Financial Planning Committee Work Program Report.	311 - 311
14.3	Quarterly Financial Report (1Q 2016/17)	312 - 316

14.4	2015/16 Statement of Financial Information Report	317 - 321
14.5	1st Draft 2017/18 Budget Assumptions and Principles	322 - 329
15.	CLOSED MEETING (Separate Agenda)	330 - 330
	That the Islands Trust Council meeting be closed to the public subject to Section 90(1) of the Community Charter in order to consider matters related to:	
	(c) labour relations or other employee relations,	
	(g) litigation affecting the Islands Trust; and	
	(i) receipt of advice that is subject to solicitor-client privilege;	
	and that CAO Russ Hotsenpiller be invited to attend the closed session.	
16.	SUMMARY / UPDATES	
16.1	Trustee Updates	
16.1.1	BC Ferries (FAC Chairs)	
16.1.2	First Nations	
16.1.3	Gulf Islands National Park Reserve Advisory Committee (Trustee Masselink)	
16.1.4	Salt Spring Island Water Protection Authority (SSIWPA) (Trustee Grams)	
16.1.5	Howe Sound Community Forum (Trustee Stamford)	
16.1.6	Briefing - Update Trust Council Select Committee for Review of Victoria Office Location (Trustee McConchie)	331 - 332
16.2	Priorities Chart	333 - 333
	By General Consent	
16.3	Proposed December Trust Council Agenda Program	334 - 334
	For information.	
16.4	Disposition of Delegations and Town Hall Requests	
	By General Consent	
17.	CORRESPONDENCE	
17.1	Gabrielans Against Freighter Anchorages Society re Proposed Gabriola Island Anchorages	335 - 357
18.	NEXT MEETING: December 6-8, 2016 on Salt Spring Island	
19.	ADJOURNMENT	

**ISLANDS TRUST COUNCIL
RESOLUTION WITHOUT MEETING MINUTES**

RESOLUTION WITHOUT MEETING NO. TC-RWM-2016-002

It was Moved by Trustee Susan Morrison and Seconded by Trustee Peter Luckham:

That Islands Trust Council Bylaw No. 164, cited as "Revenue Anticipation Borrowing Bylaw, 2016 – 2017" be adopted.

<u>TRUSTEES CONTACTED</u>	<u>DATE VOTE RECEIVED</u>	<u>VOTE</u>
Jeanine Dodds	July 7, 2016	In Favour
Tony Law	July 7, 2016	In Favour
George Harris	July 7, 2016	In Favour
Peter Luckham	July 7, 2016	In Favour
Lee Middleton	July 7, 2016	In Favour
Laura Busheikin	July 7, 2016	In Favour
Paul Brent	July 7, 2016	In Favour
David Critchley	July 7, 2016	In Favour
Heather O'Sullivan	July 7, 2016	In Favour
Susan Morrison	July 7, 2016	In Favour
George Grams	July 7, 2016	In Favour
Derek Masselink	July 7, 2016	In Favour
Peter Grove	July 7, 2016	In Favour
Sandy Pottle	July 7, 2016	In Favour
Brian Crumblehulme	July 7, 2016	In Favour
Dan Rogers	July 7, 2016	In Favour
Sue Ellen Fast	July 7, 2016	In Favour
Melanie Mamoser	July 7, 2016	In Favour
Dianne Barber	July 7, 2016	In Favour
Alex Allen	July 7, 2016	In Favour
Timothy Peterson	July 7, 2016	In Favour
Alison Morse	July 9, 2016	In Favour
Kate-Louise Stamford	July 12, 2016	In Favour
Ken Hunter	July 12, 2016	In Favour
Bruce McConchie	July 12, 2016	In Favour

TRUSTEES VOTE NOT AVAILABLE

Wendy Scholefield

FINAL VOTE COUNT

25 IN FAVOUR
OPPOSED
CARRIED

THE CHAIR DECLARED THE ABOVE RESOLUTION CARRIED PURSUANT TO SECTION 13 OF THE ISLANDS TRUST ACT ON JULY 12, 2016.


CHAIR'S SIGNATURE


RECORDER'S SIGNATURE

**ISLANDS TRUST COUNCIL
RESOLUTION WITHOUT MEETING MINUTES**

RESOLUTION WITHOUT MEETING NO. TC-RWM-2016-003

It was Moved by Trustee Susan Morrison and Seconded by Trustee Peter Luckham:

That Islands Trust Council Bylaw No. 165, cited as "Islands Trust Financial Plan Bylaw, 2016/2017" be adopted.

<u>TRUSTEES CONTACTED</u>	<u>DATE VOTE RECEIVED</u>	<u>VOTE</u>
Jeanine Dodds	July 7, 2016	In Favour
Tony Law	July 7, 2016	In Favour
George Harris	July 7, 2016	In Favour
Peter Luckham	July 7, 2016	In Favour
Lee Middleton	July 7, 2016	In Favour
Laura Busheikin	July 7, 2016	In Favour
Paul Brent	July 7, 2016	In Favour
David Critchley	July 7, 2016	In Favour
Heather O'Sullivan	July 7, 2016	In Favour
Susan Morrison	July 7, 2016	In Favour
George Grams	July 7, 2016	In Favour
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Peter Grove	July 7, 2016	In Favour
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Dianne Barber	July 7, 2016	In Favour
Alex Allen	July 7, 2016	In Favour
Timothy Peterson	July 7, 2016	In Favour
Alison Morse	July 9, 2016	In Favour
Kate-Louise Stamford	July 12, 2016	In Favour
Ken Hunter	July 12, 2016	In Favour
Bruce McConchie	July 12, 2016	In Favour

TRUSTEES VOTE NOT AVAILABLE

Wendy Scholefield

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CHAIR'S SIGNATURE


RECORDER'S SIGNATURE



Trust Council

Minutes of Quarterly Meeting

June 14 – 16, 2016
North Pender Island, BC

Present:

Executive Committee:

Peter Luckham, Chair (Thetis)
Laura Busheikin, Vice Chair (Denman)
George Grams, Vice Chair (Salt Spring)
Susan Morrison, Vice Chair (Lasqueti)

Local Trustees:

Alex Allen, Hornby
Dianne Barber, North Pender
Paul Brent, Saturna
David Critchley, Denman
Brian Crumblehulme, Mayne
Jeanine Dodds, Mayne
Peter Grove, Salt Spring
George Harris, Galiano (June 15-16)
Ken Hunter, Thetis
Tony Law, Hornby
Melanie Mamoser, Gabriola (June 14-15)
Derek Masselink, North Pender (June 15-16)
Bruce McConchie, South Pender
Lee Middleton, Saturna (June 14-15)
Heather O'Sullivan, Gabriola
Timothy Peterson, Lasqueti
Sandy Pottle, Galiano
Dan Rogers, Gambier
Wendy Scholefield, South Pender
Kate-Louise Stamford, Gambier

Municipal Trustees:

Sue Ellen Fast, Bowen
Alison Morse, Bowen

Staff Present:

Russ Hotsenpiller, Chief Administrative Officer
Lisa Gordon, Director Trust Area Services
David Marlor, Director Local Planning Services
Cindy Shelest, Director Administrative Services (June 14-15)
Carmen Thiel, Legislative Services Manager
Mandy Giesbrecht, Executive Coordinator (Recorder)
Miles Drew, Bylaw Enforcement Officer (June 15)
Clare Frater, Policy Analyst (June 15)
Pamela Hafey, Communications Specialist (June 15)
Nicole Ranger, Finance Coordinator (June 15)

1. CALL TO ORDER

The meeting was called to order at 1:30 p.m. 24 Trustees were present; Trustees Harris and Masselink were absent. Chair Luckham acknowledged that the meeting was being held in traditional territory of the Coast Salish First Nations people. Local area Trustees welcomed the group to the Pender Islands.

2. APPROVAL OF AGENDA

Chair Luckham called for new business items to be added to the agenda. Trustee Law requested to add item 9.3 Resolution to Oppose the Trans-Pacific Partnership Trade Agreement. Trustee Law noted that the Federal government deadline for written submissions on this issue is June 30.

By General Consent, Trust Council approved the new business item and adopted the agenda of the June 14-16, 2016 Trust Council meeting, as amended.

3. GENERAL BUSINESS ARISING

3.1 Resolutions Without Meeting: TC-RWM-2016-001

Provided for information.

3.2 March 22-24, 2016 Trust Council Draft Minutes

The following amendments were requested to the minutes:

- Correct the spelling of Trustee Critchley's name on page 8;
- Include an additional bullet in the discussion of electronic meeting options on page 10 to read "electronic meetings should include benefit for public and increased accessibility to Trust Council"; and
- BC Ferries update on page 13 to be noted as being provided by Trustees rather than specifically by Trustee Morse.

TC-2016-037

MOVED by Trustee Rogers, SECONDED by Trustee Critchley,

That the Islands Trust Council approve the minutes of the March 22-24, 2016 Trust Council meeting held on Hornby Island, as amended.

CARRIED

3.3. Trust Council Follow Up Action List

Trustee Rogers sought clarification on the processes around First Nations related budget matters; Director Marlbor advised this would be taken on by the Senior Intergovernmental Policy Advisor once the position has been filled.

Trustee Morse queried whether the Minister has approved the 2016/17 Financial Plan Bylaw; CAO Hotsenpiller advised that approval confirmation has not yet been received.

By General Consent, the Follow Up Action List was received for information.

3.4 Trustee Round Table

Trustees participated in a round table session to discuss common issues, concerns and successes.

3.5 Debriefing from June 13 Housing Forum

Trustees provided general commentary as follows:

- Excellent content but breakout sessions could use some more work;
- Appreciated the education around available resources through Canada Mortgage and Housing Corporation;
- Further research needs to occur in respect of housing agreements;
- Excellent networking opportunity;
- Before new homes are built, we should maximize density of current homes;
- Remove obstacles to affordable housing such as making STVRs available year-round;
- Consider opportunities for green housing and innovative ownership options;
- Important to understand specifics relevant to Islands Trust's circumstances;
- Important to find a way to measure the impacts of increased density; and
- Thanks to staff for organizing, this model is recommended as a guide for future collaborative events.

The meeting recessed at 2:52 p.m. and resumed at 3:10 p.m.

4. EXECUTIVE

4.1 Chief Administrative Officer's Quarterly Report

CAO Russ Hotsenpiller discussed the highlights of his report, including:

- A new, linear Trust Council agenda format;
- Plans for a web-based Trust Council package delivery format for future meetings;
- Update on the Victoria office space leases which have now been harmonized;
- Outreach activities since the March Trust Council meeting;
- Capital Regional District's initiatives to advance First Nations governance at the regional level; and
- Update on the Senior Intergovernmental Policy Advisor hiring process.

4.1.1 Transition Plan Update

CAO Hotsenpiller provided an un update on the Transition Plan document, noting:

- Urban Systems has been retained to update the data contained in the impact study with current budget numbers for use in the Plan;
- Attended Bowen Island to review process documents for a better understanding of past incorporation experience; and
- An overview on the anticipated financial implications of an affirmative incorporation vote on Salt Spring Island.

Trustees posed questions in relation to the following:

- How will any potential shortfall be managed?
- Is SSIWPA included in the numbers despite their special tax requisition?
- Why the new numbers are substantially lower than the previously proposed deficit?
- Will the communication strategy focus on benefits other than economic benefits?
- What issues exist which require legal review at this juncture?
- Will information be posted on the website to assist Trustees in answering incorporation questions from constituents?
- Transfer of bylaws does not seem to be addressed in the current documentation, will this be added?

CAO Hotsenpiller provided clarification as follows:

- It is unclear at this time what will be the recommended course of action to address any budgetary shortfall resulting from incorporation;
- General administration costs have been restructured in a manner more reflective of actual resource allocations, resulting in a reduction of the anticipated shortfall;
- A communication strategy is being developed to answer many of the questions arising from staff, Trustees and constituents and will be posted on the website once complete;
- Legal review will not be fulsome at this stage, simply need to understand what legal steps and costs would be associated to the transition phase; and
- Transfer of bylaws will be included in the final document.

4.2 Executive Committee Work Program

The top three priorities in the work program were:

1. Governance, Policy, Strategic Planning, Trust Council;
2. Communications, Advocacy, Policy Statements, Interagency and Public Relations; and
3. Organizational Improvements

TC-2016-038

MOVED by Trustee Morrison, SECONDED by Trustee Stamford,

That the Islands Trust Council approve the top priorities of the Executive Committee Work Program Report.

CARRIED

4.3 Continuous Learning Plan

Trust Council reviewed the Continuous Learning Plan and suggested the following additions:

- Heritage Conservation Act session;
- BC Ombudsperson session;
- Training webinar for using OneNote; and
- Making Meetings Work – best practice guidelines for electronic meeting participation.

By General Consent, the Continuous Learning Plan was received for information.

4.4 Strategic Plan Update

CAO Hotsenpiller provided an overview of the report noting that staff are considering how to synthesize the plan to enhance its usability. CAO Hotsenpiller answered Trustee questions related to content.

By General Consent, the Strategic Plan Update was received for information.

4.5 RFD: Draft Amendments to “Islands Trust Council Meeting Procedures Bylaw 2004” re Electronic Meetings

Legislative Services Manager Carmen Thiel provided a summary of the report. Trustees discussed the following:

- Loss of quorum and duration of loss of quorum;
- Conditions under which Trustees may participate electronically;
- Limited opportunity for any cost savings;

- Limit of one meeting per year doesn't take into account unanticipated illness or mobility issues; and
- Whether Council has the ability to waive these policy requirements in certain circumstances?

TC-2016-039

MOVED by Trustee Brent, SECONDED by Trustee Fast,

That the Islands Trust Council direct staff to prepare a draft bylaw to amend Bylaw No. 101, "Islands Trust Council Meeting Procedures Bylaw, 2004" in order to incorporate requested amendments regarding electronic participation as presented with the following recommendations:

- 4.4(c) – no more than four Council members may participate electronically at a regular meeting;
- 4.4(d) - the person presiding at a regular Council meeting must be present at the physical location of the Council meeting;
- 4.4.(e) - a Council member may not participate electronically in more than one regular Council meeting in any one calendar year;
- 4.5 - a land line connection not be required for closed Council meetings; and
- 4.6(c) - 15 minutes be the time established after which a meeting will be adjourned if communication is lost to one or more electronic participants resulting in the loss of quorum.

There was debate on the motion.

Carmen Thiel, Legislative Services Manager, noted that the amended bylaw would come back to Trust Council for readings and any further concerns could be discussed at that time.

The question was then called on the motion.

CARRIED

4.6 Governance-Administration Session

CAO Hotsenpiller hosted a session on Governance Administration. A copy of the presentation is retained with the agenda package. Key points included:

- Role clarity;
- Good decision making;
- Spheres of influence;
- Best practices;
- Delegation of Authority;
- Accountability; and
- Standards of Conduct.

5. TRUST AREA SERVICES

5.1 Director of Trust Area Services Report

Director Gordon provided an update on the highlights of her report including:

- Policy updates and Committee participation;
- Conference and workshop attendance; and
- All Council meeting packages are now available on the Islands Trust website for reference.

5.2 Trust Programs Committee Work Program Report

The Committee's top three priorities outlined in the report were:

1. Review the Islands Trust Policy Statement;
2. Amend Crown Land Cooperation Agreements; and
3. Protect Quality and Quantity of Water Resources.

Director Gordon advised that a co-op student has now been hired to work on the State of the Islands indicator project and that meetings have and will continue to take place with the Ministry of Forests, Lands and Natural Resources regarding crown land cooperation agreements. Water projects are currently on hold while the first two priorities are addressed.

TC-2016-040

MOVED by Trustee Crumblehulme, SECONDED by Trustee O’Sullivan,

That the Islands Trust Council approve the top priorities of the Trust Programs Committee Work Program Report, as presented.

CARRIED

5.3 Trust Fund Board Quarterly Report

Trustee Law presented the report, which was provided for information, and gave an overview on the board member recruiting process.

5.4 RFD: NAPTEP Application – Link Island

Trustee Law and Director Gordon provided a general overview of the NAPTEP process and the details of this specific application noting this will be the largest NAPTEP property in the Islands Trust.

TC-2016-041

MOVED by Trustee Law, SECONDED by Trustee Morrison,

That the Islands Trust Council request the Secretary issue a Natural Area Protection Tax Exemption Certificate for a portion of the land described as “Section 25, Nanaimo District (Part of DeCourcy Group of Islands),” Parcel Identifier 009-772-138 subject to registration of a conservation covenant and completion of a baseline inventory report consistent with the standards developed for NAPTEP.

CARRIED

5.5 RFD: 2015-16 Annual Report

Director Gordon provided an overview on report format and content. It was noted that the report contains small spelling and formatting errors. Director Gordon requested Trustees to provide feedback by email. The report will be released in September.

TC-2016-042

MOVED by Trustee Busheikin, SECONDED by Trustee Stamford,

That the Islands Trust Council approve the 2015-2016 Draft Annual Report for submission to the Minister of Community, Sport and Cultural Development.

CARRIED

The meeting recessed for the day at 5:12 p.m.

Wednesday, June 15, 2016

The meeting resumed at 8:30 a.m. 26 Trustees were present.

6. LOCAL PLANNING SERVICES

6.1 Director of Local Planning Services Report

Director Marlor provided an update on the highlights of his report including:

- First Nations database;
- Senior Intergovernmental Policy Advisor hiring process;
- LPS Professional Development Day on May 19, 2016; and
- Interagency meetings.

6.2 Local Planning Committee Work Program Report

Trustee Brent presented the report adding that current focus will be on shoreline marine planning. Trustee Brent invited Trustees to provide feedback on areas of focus, noting that the Senior Intergovernmental Policy Advisor will join this process once hired. Director Marlor noted that outcomes from the June 13 Housing Forum will also become an area of focus.

TC-2016-043

MOVED by Trustee Brent, SECONDED by Trustee Peterson,

That the Islands Trust Council approve the top priorities of the Local Planning Committee Work Program Report.

CARRIED

6.3 Bylaw Enforcement Report

This item was deferred pending the arrival of Bylaw Enforcement Manager Miles Drew at the meeting.

6.4 RFD: Grants and Donations Policy

Director Marlor presented the report noting policy updates are necessary as a result of Islands Trust being granted certified donee status. Trustee Morse requested clarification on the wording used in the notification letter from Canada Revenue Agency.

TC-2016-044

MOVED by Trustee Morse, SECONDED by Trustee Crumblehulme,

That the Islands Trust Council approve the draft updated policy "6.5.iv Grants and Donations Administration" subject to clarification of wording regarding Canada Revenue Agency and the definition of donations.

CARRIED

7. ORGANIZATIONAL / FINANCE

7.1 Director of Administrative Services Report

Director Shelest provided an overview of the highlights of her report including:

- Carbon inventory and climate action report;
- Hiring processes;
- Audit process; and
- Excluded staff salaries review.

7.2 Financial Planning Committee Work Program Report

Trustee Grove introduced the work program report. The Committee's top three priorities outlined in the report were:

1. First draft of the 2017/18 budget;
2. Completion of the 2015/16 year-end audit; and
3. Review of Purchasing Procedure Policy 6.5.iii.

TC-2016-045

MOVED by Trustee Grove, SECONDED by Trustee Harris,

That the Islands Trust Council adopt the top priorities of the Financial Planning Committee Work Program Report.

CARRIED

7.3 2015-16 Fiscal Year Financial Analysis

Trustee Grove introduced the 2015-16 Fiscal Year Financial Analysis. Director Shelest provided background on variances noting the biggest contributor to variances is unspent salaries. Director Shelest also clarified the provincial funding model around grant revenues.

By General Consent, the 2015-16 Fiscal Year Financial Analysis was received for information.

7.4 RFD: Audited Financial Statements

Trustee Grove provided an overview on the audit process and thanked staff for their work in this area. Director Shelest presented the Audited Financial Statements.

TC-2016-046

MOVED by Trustee Grove, SECONDED by Trustee Morse,

That the Trust Council approve the audited financial statements of the Islands Trust including the Statement of Financial Position, the Statement of Operations, the Statement of Changes in Net Financial Assets and the Statement of Cash Flows, for the year ended March 31, 2016.

CARRIED

7.5 2015-16 Allocated Financial Statements

Trustee Grove provided an overview on the process and thanked staff for their work in this area. Director Shelest noted that Bowen Island does not appear on this report because their contributions are determined using a municipal calculation.

By General Consent, the 2015-16 Allocated Financial Statements were received for information.

The order of business on the agenda was varied to address sections 11.1.1, 11.1.2 and 11.1.3 ahead of item 8.

11. SUMMARY / UPDATES

11.1 Trustee Updates

11.1.1 BC Ferries

Trustees provided updates on BC Ferries issues as follows:

- Minister Stone cancelled the last meeting of the regional chairs committee and a new date has not yet been established;
- BC Ferries has reinstated the Sunday afternoon Langdale sailing after determining that its initial cancellation resulted in 100% of subsequent Sunday sailings running late;
- Weekend afternoon sailings will be reinstated to Gabriola Island during the summer peak season on a 2-year pilot basis;

- BC Ferry Corporation is considering a request from the Ferry Advisory Committee to implement a pilot project for discounted evening rates but no commitment has been made yet;
- Minimum load on the Experience Card can be difficult for fixed-income families and the Ferry Advisory Committee has requested BC Ferry Corporation to consider more flexibility here;
- Software updates seem to have created more flexibility in sales and fares; and
- Pilot project for walk-on reservations to Pender Island will be implemented this summer, fares can be reserved by phone but not online.

11.1.2 First Nations

Trustees provided First Nations updates as follows:

- Tuesday, June 21 is BC Aboriginal Day;
- Recent events promoting collaboration between First Nation bands continues to highlight First Nations' heavy opposition to LNG;
- Forum of Councils at UVIC was held in May, promoting cross cultural education experiences & better understanding of First Nations issues and interests;
- Gambier Trustees are developing a working group to include First Nations collaboration on OCPs with a focus on large crown land area;
- First Nations Chiefs will be consulting on a Saturna Island logging project, stakeholders are hoping many positives will flow from this meaningful engagement;
- Clam garden presentation recently held at Royal Roads University highlighted the importance of this issue to local First Nation bands and how to promote natural systems to nurture foreshores in a positive way.

11.1.3 Gulf Islands National Park Reserve Advisory Committee

Trustee Masselink advised the Committee will be meeting soon to discuss concerns around economic development operations and review the Committee's mandate and responsibilities under the negotiated Parks Agreement. The Committee hopes to meet on a regular basis to share responsibilities and outcomes to reengage the public in this park reserve. Interests include national marine protected areas and collaborating with the 21 First Nations groups that have overlapping claims in the land.

Trustee Middleton noted that many islands have suffered from the abandonment of oversight in recent years. He encouraged Trustee Masselink to embrace the opportunity to participate on the Parks Advisory Board adding that Trustee Masselink's responsibility is not to Trust Council, but to oversight of the committee and its mandate.

The order of business on the agenda resumed at item 8.

8. COLLABORATION / ENGAGEMENT

8.1 Invited Speakers

8.1.1 Session: Marine Shipping Safety Panel

Misty MacDuffee, Raincoast Conservation Foundation, made a presentation titled *Value of Salish Sea's Biodiversity and Concerns with Increasing Vessel Traffic*, which included information on the following:

- Diverse geography, habitats and species;
- Importance of habitats and processes in the Salish Sea;
- Aquatic habitat contribution to eco-system benefits and services;
- Pressure on Salish Sea habitats due to number of residents in the region;
- Proposed increases in Canadian Salish Sea shipping and associated implications;
- Impacts to Orca populations, which are not recovering despite being a protected species, due to acoustic disturbances and impacts to food supply; and
- Cumulative effects of proposed shipping expansions and the need to fully understand the implications.

Chris Wellstood, Director of Marine Operations & Security and Harbour Master, Port Metro Vancouver, made a presentation titled *Vancouver Fraser Port Authority Shipping Trends* which included information on:

- Canada Marine Act – Purpose and Mandate;
- Mission and vision of the Port Metro Vancouver organization;
- Trade through the Asia-Pacific gateway;
- Organizational business sectors;
- Deep sea shipping developments;
- Shipping trends 1996-2016;
- Island anchorage trends 2009-2015;
- Shipping projections 2016-2026; and
- Balance between thriving communities, healthy environment and economic prosperity.

Robert Dick, Regional Director General, Pacific Region, Transport Canada, spoke about regulations and operating within a marine environment, specifically noting:

- Transport Canada does not operate in isolation and can only operate effectively if procedures are agreed to internationally;
- Canada is signatory to more than 50 conventions on shipping-related matters;
- Regulations are enforced under the Canada Shipping Act, 2001;
- MARPOL (Marine Pollutions Regulation) sets limits on ships' emissions (pollutants and waste);
- Standards of training certification for crews and enforcement of those regulations;
- Oversight through Memoranda of Understanding to share risk information about any vessels of concerns;
- Vessel pilot qualifications; and
- Common law right of anchorages – anchorages can only be prohibited for safety reasons and by federal legislation.

Captain Edward Dahlgren, Director of Operations and Harbour Master, Nanaimo Port Authority, spoke about the port authority's current initiatives including:

- Plans to collaborate with other stakeholders and the public;
- Overview of Nanaimo Port Authority's role and mandate;
- Highlights of environmental efforts in the region including restoration to Nanaimo river and installation of the port walkway to manage public access to the water & reduce industrial pollution;
- Balancing shipping demands with ecological concerns;
- Finding innovative ways to support the interests of the Islands Trust;

- Changes that have been made to date to address some of the environmental concerns;
- Federal ports do not receive funding from anywhere but the ships using the ports and public permission is required for port licensing; and
- The port authority's commitment to building a better marine environment through communication, education and collaboration.

Robert Lewis-Manning, President, Chamber of Shipping of British Columbia, spoke on the following:

- Community concerns have been expressed around pollution, spill response, anchorages, cumulative environment, governance, process, consultation, growth, industrial development;
- The shipping industry consists of a mixture of international trade and North American trade;
- Engagement is a concern for communities and First Nations groups alike;
- The number of stakeholders and competing interests can be a barrier to finding effective solutions;
- Changing governments, political philosophies and government mandates present additional challenges;
- The industry is currently slow which provides a good opportunity to fix what isn't working. The Federal government is in the data collection phase of their mandate and recommendations are expected to come forward in the fall;
- There is some expectation that Minister Leblanc intends to open the Oceans Act for amendments.

The meeting recessed 10:27 a.m. and resumed at 10:42 a.m.

Trustees addressed questions and comments to panel members on the following:

- Concerns that shipping issues are profit-driven.
- A 9-1-1 type callout system should be considered for rapid spill response.
- What processes could be taken to create a more comprehensive report on planning for vessel traffic in the area?
- Processes for assessing cumulative effects – do navigation rights outweigh the rights of residents?
- Need for local bases to address spills quickly due to rapid tide changes in the area.
- Closure of the Comox Coast Guard station is a concern for people in that area.
- Can the offloading of gypsum be relocated from Plumper Sound to a non-nuisance area?
- Are the SIGTTO (Society of International Gas Tanker and Terminal Operators) international standards included in Canada's legal framework?
- What is the ultimate authority for LNG ships if there is a spill in transit?
- What legal authority establishes new anchorages and can letters patent be amended to include sensitive areas?
- What work is being done to investigate the cumulative effects of regional growth?
- The Spill Mitigation Working Group seems to be industry focussed – would there be support for Islands Trust being a part of this table?
- Is there funding opportunity for island residents to become trained in spill response techniques?
- Would the port authority or chamber of shipping engage as leaders in driving for particularly sensitive sea area designation in the Islands Trust area?
- Who is ensuring balance between environmental and economic issues?

- Is there any potential for “slow steaming” to be considered as an alternative to anchorages?

Panel members provided the following responses:

- Canadian Coast Guard is the most frequently used method of spill reporting and generally the fastest responder;
- Comox Coast Guard Station was a housing station for radios only, its closure does not have any impact on response for the area;
- Gypsum is not classified as a marine pollutant but if there are identified safety concerns steps could be taken to address this;
- Port Authorities have adopted some of the SIGTO rules into their jurisdictional procedures for best practices;
- National Energy Board is making adherence to TERMPOL (Technical Review Process of Marine Systems and Transshipment) recommendations a requirement of licensing; Pacific Pilotage Authority has also made this a regulatory regime;
- Transport Canada has no authority to establish, create or designate anchorages. The Canada Shipping Act gives the right to anchorages anywhere under common law. Port Authorities have ability to establish anchorages and anchorage fees within their jurisdictions under the Canada Marine Act.
- Transport Canada is currently drafting a report that will address many of the questions being raised.
- Cumulative effects are being reviewed on many international levels to inform better decision making and understanding of impacts. Research shows the greatest noise impact on ocean life is ferries, not shipping. The bulk of Canada’s goods are moved by ship and while shipping will grow with the economy, it does not necessarily mean more ships but bigger ships.
- The Spill Mitigation Working Group is not a decision making body, rather a place to ensure an opportunity for engagement and public feedback, open to discussion about how to collaborate with the Islands Trust.
- Chamber of Shipping has a mandate to address the topic of particularly sensitive sea area designation but cannot comment further at this time.
- Funding options are being reviewed in relation to spill response training for residents; no funding currently exists but there is potential.
- What occurs at sea cannot be regulated until a vessel is within a port authority jurisdiction.

The meeting recessed at 12:13 p.m. and resumed at 1:30 p.m.

8.2 Community Presentations

8.2.1 Moving Around Pender Alternative Transportation Society

The Moving Around Pender (MAP) Society made a presentation to Trust Council highlighting the four goals of their mandate:

1. To increase pedestrian, cycling and motoring safety on the Penders;
2. To decrease greenhouse gas emissions as mandated by the CRD and the Pender Islands’ Official Community Plans;
3. To provide alternate transportation options to allow seniors and others who can’t, or are apprehensive about driving, to stay on the island;
4. To provide a healthy alternative means of transportation for all residents and visitors.

The MAP Society also discussed funding sources, their current activities on the

islands and requested Trust Council's endorsement of their transportation plan.

8.3 Delegations & Town Hall

8.3.1 Gulf Islands Alliance

Jan Slakov from Gulf Islands Alliance spoke on the Trans Pacific Partnership Trade Agreement and the potential negative implications of this piece of federal legislation. Ms. Slakov circulated a publication from MP Elizabeth May, a copy of which is retained with the agenda package.

8.3.2 Gabriolans Against Freighter Anchorages Society

Mary Colyer from Gabriolans Against Freighter Anchorages Society spoke on the Tetra Tech EBA Environmental Overview Assessment of Proposed Gabriola Island Anchorages. A copy of GAFA's written submission is retained with the agenda package.

8.3.3 Town Hall Participant – Ms. Elizabeth White, Salt Spring Island Agriculture Alliance

Ms. White expressed concerns regarding the loss of ALR land on the islands and that Trust Council may be seeking delegation of authority from the Agricultural Land Commission. Ms. White queried why the Islands Trust policy statement is silent on meeting agricultural objects and requested Trust Council to consider a motion to bring relationships with ALC and ALR forward as a future new business item.

Town Hall Participant – Ms. Anne Macey, Salt Spring Island Natural Growers

Ms. Macey stated that agricultural issues should be a new business item since these can be an economic driver and result in tourism growth. Ms. Macey expressed a desire to see agriculture move higher up in the Islands Trust's priority list in order to ensure lands are protected.

Town Hall Participant – Mr. Michael Sketch, North Pender Island

Mr. Sketch addressed Trust Council on the issue of Agricultural Land Commission, Local Trust Committees, and concerns regarding Island Trust's role in land use decisions and jurisdictions. A copy of Mr. Sketch's written submission is retained with the agenda package.

The order of business on the agenda was varied to address items 9.2 and 9.3 ahead of item 9.1.

9. NEW BUSINESS

9.2 RFD: Trust Council Position on Moratorium for New Anchorages

Trustee O'Sullivan introduced this item noting specifically:

- Transport Canada has the ability to recommend anchorage areas;
- Ports can establish anchorages under the jurisdiction delegated to them by Transport Canada;
- The moratorium is proposed for new anchorages only;
- A better engagement process and strategic plan are key considerations; and
- This area needs to be established as "no-go".

Trustee O'Sullivan requested Trust Council to consider two motions in respect of this issue.

TC-2016-047

MOVED by Trustee O'Sullivan, SECONDED by Trustee Mamoser,

That the Islands Trust Council request the Chair to write to the Minister of Transport to express the Islands Trust Council's opposition to the proposal to establish five new freighter anchorages off the northeast coast of Gabriola Island and ask for a moratorium on any new freighter anchorages within the waters surrounding the Sothern Gulf Islands and Howe Sound until Transport Canada has:

- a) assessed the cumulative risk and impacts associated with projected vessel traffic increases in the Salish Sea,
- b) developed a 20-year mitigation plan that includes measures to minimize anchorage use, and
- c) implemented a process for comprehensive environmental, social and economic impact assessment prior to the establishment of any new anchorages.

Debate ensued. Friendly amendments were accepted by the Mover and Seconder as follows:

- Remove the word "five" from the first paragraph;
- Replace "Southern Gulf Islands and Howe Sound" in the first paragraph to read "Islands Trust Area"

TC-2016-048

MOVED by Trustee Law, SECONDED by Trustee Scholefield,

To amend the motion by replacing "Minister of Transport" with "Prime Minister of Canada".

CARRIED

Trustee Dodds opposed

TC-2016-049

MOVED by Trustee Middleton, SECONDED by Trustee Masselink,

To amend the motion by adding bullet point D to read "engaged in a community consultation with a defined decision making pathway for analysis and potential approval of anchorages."

DEFEATED

Trustees Luckham, Grams, Allen, Brent, Crumblehulme, Mamoser, Masselink, Middleton, Peterson, Scholefield, Morse In Favour

TC-2016-050

MOVED by Trustee Fast, SECONDED by Trustee Dodds,

To amend the motion by removing bullet points A, B, and C entirely.

DEFEATED

Trustees Dodds and Fast In Favour

The vote was called on the amended motion.

CARRIED

TC-2016-051

MOVED by Trustee O'Sullivan, SECONDED by Trustee Mamoser,

That the Islands Trust Council request the Chair to write the Minister of Transport encouraging Transport Canada to engage in full community consultation and a detailed public analysis of the potential implications of extending the jurisdiction of the Nanaimo Port Authority, with a particular focus on compatibility with the Object of the Islands Trust to preserve and protect the waters of the Salish Sea.

CARRIED

9.3 Opposition to Trans-Pacific Partnership Trade Agreement

TC-2016-052

MOVED by Trustee Law, SECONDED by Trustee Morrison,

That the Islands Trust Council request the Chair to write to the Prime Minister of Canada (with copies to Trust Area Members of Parliament) requesting that Canada not proceed with participation in the Trans-Pacific Partnership Trade Agreement without certainty that the agreement will have no impact upon local government authority with respect to regulation, procurement, service provision and environmental protection.

Trustee Law noted the importance of specificity in respect of the impacts of this legislation on local governments.

TC-2016-053

MOVED by Trustee Grove, SECONDED by Trustee McConchie,

To amend the motion to exclude everything following “Trans-Pacific Partnership Trade Agreement”.

The vote was called on the proposed amendment.

DEFEATED

Trustee Brent Opposed

Trustee Brent expressed concern that last minute business placed on the Trust Council agenda precludes staff from conducting the necessary background research to assist Trustees in communicating the rationale to constituents. Trustee Brent requested his opposition to the motion be noted in the minutes.

TC-2016-054

MOVED by Trustee Grams, SECONDED by Trustee Grove,

To amend the last line of the motion to read “...will have no impact upon existing local government authority and potential liability with respect to regulation, procurement, service provision and environmental protection.”

DEFEATED

Trustees Grove, Grams and Middleton In Favour

The vote was called on the original motion.

CARRIED

The meeting was recessed at 3:23 p.m. and resumed at 3:44 p.m.

The order of business on the agenda was varied to address item 6.3 which had previously been deferred pending the arrival of Bylaw Enforcement Manager Miles Drew.

6.3 Bylaw Enforcement Report – Information

Miles Drew, Manager of Bylaw Enforcement, presented the report noting the following:

- Bylaw Enforcement Services are currently closing and opening equal amounts of files;
- Salt Spring Island currently has the greatest number of files;
- Staff are working on a short term vacation rental project and an unlawful dwelling project on Galiano Island; and
- Bylaw enforcement notification bylaws are working very well generally.

The order of business on the agenda was varied to address item 10 ahead of item 9.1.

10. CLOSED SESSION (Separate Agenda Package)

TC-2016-055

MOVED by Trustee Busheikin, SECONDED by Trustee Morrison,

That the Islands Trust Council meeting be closed to the public subject to Section 90(1) of the Community Charter in order to consider matters related to:

- (c) labour relations or other employee relations;
 - (g) litigation affecting the Islands Trust; and
 - (i) receipt of advice that is subject to solicitor-client privilege;
- and that staff be invited to attend the closed session.

CARRIED

The meeting was closed to the public at 3:51 p.m. and reopened at 4:01 p.m. The order of business on the agenda resumed at item 9.1.

9.1 Session: Visioning

CAO Hotsenpiller hosted a preliminary session to establish scope and objectives for engaging in a structured visioning session at a future meeting. Director Gordon provided background on the strategic plan initiatives surrounding organizational visioning.

General discussion ensued and Trustee comments were as follows:

- It is important to deliver on the strategic plan objectives;
- While the islands are a collective federation, they embrace their diversity and have individual community needs;
- It is important to paint a future picture before engaging the public;
- We must identify ways to attract families back to the islands;
- We need to develop resources that educate and promote living on the islands;
- The islands are all different but also have areas of mutual concern and benefit, we need to identify these along with strategies to promote them; and
- Increased provincial funding should form part of future visioning discussions.

TC-2016-056

MOVED by Trustee Fast, SECONDED by Trustee Crumblehulme,

That the Islands Trust Council direct staff to organize a facilitated visioning session of at least half a day at September trust council meeting.

CARRIED

The meeting recessed for the day at 5:24 p.m.

Thursday, June 16, 2016

The meeting resumed at 8:30 a.m. 24 Trustees were present; Trustees Middleton and Mamoser were absent.

10. CLOSED SESSION (reconvened)

TC-2016-057

MOVED by Trustee Busheikin, SECONDED by Trustee Morrison,

That the Islands Trust Council meeting be closed to the public subject to Section 90(1) of the Community Charter in order to consider matters related to:

- (c) labour relations or other employee relations,
 - (g) litigation affecting the Islands Trust; and
 - (i) receipt of advice that is subject to solicitor-client privilege;
- and that CAO Russ Hotsenpiller be invited to attend the closed session.

CARRIED

The meeting was closed to the public at 8:30 a.m. and reopened at 9:26 a.m. No items were reported out from the closed meeting.

11. SUMMARY / UPDATES

11.1 Trustee Updates (continued from previous day)

11.1.4 Watershed Protection Report for SSI-LTC

It was requested this item be renamed SSIWPA on future agendas.

Trustee Grams provided the following updates:

- Members of the steering committee have changed resulting in a loss to the administrative environment but the addition of two FLNRO staff at the table;
- The Committee's mandate is to review water supply to find efficiencies and change usage habits where possible;
- Committee is researching increased capacity options through means such as supply cairns;
- Committee focus has evolved from the health of lake water to balancing the issues surrounding water supply across the island.

Chair Luckham congratulated Trustee Grams for bringing a strong leadership focus to this group.

11.1.5 Howe Sound Community Forum

Trustee Rogers provided the following updates:

- Forum held April 29 at Camp Fircon had the highest attendance to date;
- New MP Pamela Goldsmith-Jones is very engaged with current issues in the region;
- Discussions regarding more consistent approaches to environmentally respectful planning processes are ongoing; and
- Work continues to promote collaboration in the region to elevate the Islands Trust's profile in the region.

11.1.6 Update from Office Relocation Select Committee

Trustee McConchie advised that the Committee has reached consensus to develop a Request for Decision for the September Trust Council meeting to include recommendations regarding locations of key staff positions. Committee minutes continue to be posted on the website.

11.2 Priorities Chart

By General Consent, the Priorities Chart was adopted as presented.

11.3 Proposed September 2016 Trust Council Agenda Program

The following updates were requested to the agenda format:

- BC Ferries Update should reference Ferry Advisory Chairs instead of Trustee Morse specifically; and
- Town Hall should be changed to Public Comments

11.4 Disposition of Delegations and Town Hall Requests

By General Consent, the Chair is requested to send letters of thanks to delegations.

12. CORRESPONDENCE

13. NEXT MEETING: September 13-15, 2016 on Mayne Island

14. ADJOURNMENT

By General Consent, the meeting adjourned at 10:03 a.m.

Peter Luckham, Chair

Certified Correct

Mandy Giesbrecht, Executive Coordinator (Recorder)

DRAFT

Follow Up Action Report

Trust Council

16-Jun-2010

Activity	Responsibility	Target Date	Status
Riparian Areas Regulation (June 2010) Status report to Council until completed LPC (DM) to TC	David Marlor	30-Sep-2016	On Going

10-Jun-2015

Activity	Responsibility	Target Date	Status
First Nations First Nations Training and workshops	Russ Hotsenpiller Lisa Gordon David Marlor Cindy Shelest	31-Mar-2016	On Going
Develop IT adaptation strategy	Russ Hotsenpiller Lisa Gordon Cindy Shelest David Marlor Carmen Thiel	15-Jun-2016	On Going

16-Sep-2015

Activity	Responsibility	Target Date	Status
Freighter anchorages Identify and act on opportunities re freighter anchorages	Lisa Gordon Clare Frater	30-Jun-2016	On Going

09-Dec-2015

Activity	Responsibility	Target Date	Status

**Follow Up Action Report**

Adaptation Strategy - Principles & Objectives Prepare recommendations re excess tax revenues - Salt Spring	Russ Hotsenpiller	31-Dec-2016	On Going
Archaeological Site Protection Advocacy. Topic has been referred to August 31, 2016 EC agenda.	Russ Hotsenpiller	31-Dec-2016	Done

22-Mar-2016

Activity	Responsibility	Target Date	Status
Revenue Anticipation Borrowing Bylaw No. 164 Forward to minister for approval consideration Prepare RWM for 4th reading after ministerial approval.	Cindy Shelest Mandy Giesbrecht Jas Chonk	04-Apr-2016	Done
2016/17 Financial Plan Bylaw No. 165 Forward to minister for approval consideration Prepare RWM for 4th reading after ministerial approval.	Cindy Shelest Mandy Giesbrecht Jas Chonk	04-Apr-2016	Done
Strategic Plan Amend section 7.2.1 regarding the schedule of delivery for the Islands Trust Transition Plan from March 2016 to June 2016. Amend section 2.5 related to shellfish aquaculture in the 2016-17 fiscal year using the new capacity created by the Intergovernmental Policy Advisor position.	Russ Hotsenpiller		On Going
Particularly Sensitive Sea Area Designation for the Salish Sea Chair to send a letter of support to the federal Minister of Transport.	Clare Frater Peter Luckham		On Going
draft changes to the <u>Policy</u> <u>2.4.vi Executive Committee Legislative Role</u> and the <u>Policy</u> <u>5.7.i Bylaw Checklists</u> to remove reference to the Council Commitments and Recommendations Checklist	Carmen Thiel Clare Frater		On Going

Follow Up Action Report

14-Jun-2016

Activity	Responsibility	Target Date	Status
NAPTEP Certificate Issue subject to survey, covenant and baseline report.	Jennifer Eliason		On Going
2015-2016 Annual Report Submit to the Minister of Community, Sport and Cultural Development.	Lisa Gordon Pamela Hafey		On Going
Grants and Donations Policy Circulate and post updated policy.	David Marlor Jas Chonk		Done
Audited Financial Statements Include in Annual Report and post on website.	Cindy Shelest		Done
Trust Council Position on Moratorium for New Anchorages Chair to write to Prime Minister of Canada to express Islands Trust Councils opposition to the proposal to establish new freighter anchorages. Chair to write to Minister of Transport - encouraging to engage in full community consultation and a detailed public analysis of the potential implications of extending the jurisdiction of the Nanaimo Port Authority.	Peter Luckham Clare Frater Lisa Gordon		Done
Opposition to Trans-Pacific Partnership Trade Agreement Chair to write to the Prime Minister of Canada (with copies to Trust Area Members of Parliament) requesting that Canada not proceed with participation in the Trans-Pacific Partnership Trade Agreement without certainty that the agreement will have no impact upon local government authority with respect to regulation, procurement, service provision and environmental protection.	Peter Luckham Lisa Gordon Clare Frater		Done
Trust Council Visioning Staff to organize a facilitated visioning session of at least half a day at the September Trust Council meeting.	Russ Hotsenpiller Mandy Giesbrecht	17-Aug-2016	Done

Follow Up Action Report

Meeting Procedures Bylaw

Carmen Thiel

Done

Staff to prepare a draft bylaw to amend Bylaw No. 101, Islands Trust Council Meeting Procedures Bylaw, 2004 in order to incorporate requested amendments regarding electronic participation.



September 2016 Islands Trust Council

Trustee Roundtable

9:15 a.m. – 10:00 a.m., Tuesday, September 13, 2016

Purpose: To provide trustees an informal opportunity to share LTC and Bowen Island Municipality updates and discuss topics of mutual interest within your respective communities

Resources: Russ Hotsenpiller, Chief Administrative Officer

TIME	TOPIC	WHO
9:15 – 10:00 a.m.	1. Roundtable Discussion	Peter Luckham (Chair)



September 2016 Islands Trust Council

Visioning Session

10:00 a.m. – 3:00 p.m., Tuesday, September 13, 2016
Sidney Pier Hotel, 9805 Seaport Place, Sidney BC

Purpose: To engage in a visioning session for the Islands Trust area.

Chair: Peter Luckham, Chair, Islands Trust Council

Rationale:

1. Direction provided via Trust Council resolution, June 2016.
2. Strategic Plan direction
 - a. T.7.1.4 Increase opportunities for Trust Council to engage in in-depth discussion about its vision, goals, mandate and activities
 - b. T.9.1.3 Implement project charter regarding Phase 1 ('State of the Islands' report) of the targeted update of the Policy Statement
 - c. T.9.1.4 Develop a project charter for a community engagement process to create a vision statement for the Islands Trust Area and to identify Policy Statement topics for amendment
 - d. T.9.1.6 Recommend a vision statement for the Islands Trust Area and Policy Statement topics for amendment

Schedule/Format and Outcomes: Attached

Resources/Facilitator:

Suzanne Hawkes: www.suzannehawkes.com

Avril Orloff: <http://outsidethelines.ca/portfolio/>

Russ Hotsenpiller, Chief Administrative Officer, Islands Trust

Lisa Gordon, Director, Trust Area Services, Islands Trust

Clare Frater, Policy Advisor, Islands Trust

Islands Trust Visioning Session, September 2016: Summary Agenda v. 1

Purpose:

- To capture and distil the emerging shared vision of the Islands Trust trustees. This will provide the basis of a draft vision that will be shared with constituent publics through the Fall for feedback

Outcomes:

- A set of clear themes that capture a shared, draft 10-year vision for the Islands Trust
- A short written summary of the key themes emerging from the session (1-2 pages)

Participants:

- Trustees and staff, amounting to approximately 30-35 people in total
- Facilitator: Suzanne Hawkes; Graphic recorder: Avril Orloff

Pre-reading:

- vision materials forwarded from the Trust Fund Board
- key points from the interim "State of the Islands" report.

9:45	Arrive, settle • Greet colleagues, get refreshments
10:00	Welcome and opening • Acknowledge un-ceded First Nation territory • Review core purpose/mandate of IT; review outcomes and introduce facilitator and graphic recorder (Chair Luckham/CAO Hotsenpiller) • Introductions exercise (Facilitator) • Review agenda, group agreements (Facilitator)
10:35	Context Scan 1: Landscape review of key data and/or projected trends: • Eg. demographics, energy, climate change impacts, water, housing, economy, food, transportation, technology etc.
11:15	BREAK
11:30	Context Scan 2: Group review and reflections. • Q: What stands out? Shared patterns? Major uncertainties?
12:00	Vision 1: Envisioning a vibrant, sustainable future for our islands • Group envisioning exercise and individual/solo exercise
12:15	LUNCH (30 min)
12:45	Energizer ("Yes, And" collaboration exercise)
1:00	Vision 2: Small group "Idea Labs" • Share key ideas • Generate post-it notes or posters with salient ideas, including vivid compelling details to share with large group
1:45	Vision 3: Share creative ideas • Present stories/posters and key ideas to group (5 min/group max.)
2:15	Vision 4: Reflections, patterns and emerging core themes • Quick pair/trio reflections • Large group reflections and discussion
2:45	BREAK
3:00	• Distilling core themes • Rank and/or highlight core ideas and vivid details
3:30	Next steps • Clarify next steps for distilling the vision ideas and carrying them forward for further refinement
3:50	Session Evaluation
4:00	CLOSE

State of the Islands Indicator Project: Interim Report

Explanatory Text

Lisa Gordon, Director, Trust Area Services

Clare Frater, Senior Policy Advisor

Socio-Economic Statistics

Bhupinder Dulku

Sustainability Analyst

GIS Generated Statistics

Nigel Hughes

GIS Technician

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Contemplating the Islands, Mt. Erskine, Salt Spring Island

I. Introduction

Why is a State of the Islands reporting important? Informed discussions about how we can all preserve and protect the Islands Trust Area depend on being firmly grounded in the realities that surround us. All too often, in the absence of insightful indicators, we form opinions and beliefs based on anecdotal experiences or feelings about how things are. This report includes a selection of environmental and socio-economic indicators that illustrate what is happening on our islands and in our communities. Further indicators will be developed through 2016 and additional census-based indicators will be developed in 2017.

The ‘State of the Islands’ indicators will support public engagement and help the current Trust Council, as well as future Trust Councils, to measure the progress of Islands Trust in achieving its’ vision of “preserving and protecting” the Trust Area.

II. Indicators by Trust Area

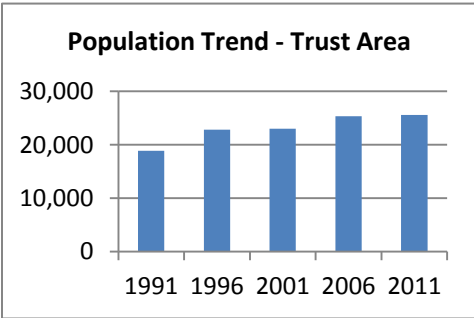
Socio-Economic Indicators

Demographics

Derived from census 1991 to 2011 data, the demographics indicator explains trend information on four key aspects: population, % of children, % of seniors, and median age. For the entire Trust Area this has been compared to trends experienced by the Province of British Columbia. Children are defined as persons aged 0-18 and seniors are defined as persons aged 65+.

Key Findings:

- The population of the Trust Area from 1991 to 2011 has grown approximately 36%, whereas BC has grown 34%.
- Both BC and the Trust Area follow similar trends of decreasing percentage of children, increasing percentage of seniors, and an increasing median age. The Trust Area today has a median age 12 years older than 20 years ago, and 13 years older than the rest of British Columbia today.
- In 2011, the Trust Area's population of 65+ was 26% compared to only 15.7% across BC.
- In 2011, the Trust Area has only 15% youth (0-18) compared to 22% 20 years earlier and BC's 2011 rate of 20.4%.
- Although uneven, the Trust Area's population growth rate is decreasing. Between the years of 2006 and 2011 the following local trust areas decreased in population size: Denman, Gabriola, Galiano, Gambier, Hornby, Mayne, Saturna, South Pender, and Thetis. The biggest population decrease was experienced in the Galiano Island Local Trust Area (120 people). The rest of major islands in the trust area increased in population with the largest absolute growth in the Salt Spring Local Trust Area (540 people) and the largest percentage growth in the Lasqueti Island Local Trust Area (18.1%).

	BC		Trust Area		Trend	
	1991	2011	1991	2011		
Population Trend - Trust Area 	Population:	3.28 M	4.40 M	18,865	25,570	↑
	% of Children (0-18):	25.3%	20.4%	21.8%	14.9%	↓
	% of Seniors (65+):	12.9%	15.7%	20.9%	25.9%	↑
	Median Age:	34.7	41.9	42.9	55	↑

Source: Adapted from Statistics Canada, Custom Tabulations, 1991-2006 Census. This does not constitute an endorsement by Statistics Canada of this product. Adapted from Statistics Canada, Semi-custom Profile, 2011 Census. This does not constitute an endorsement by Statistics Canada of this product.

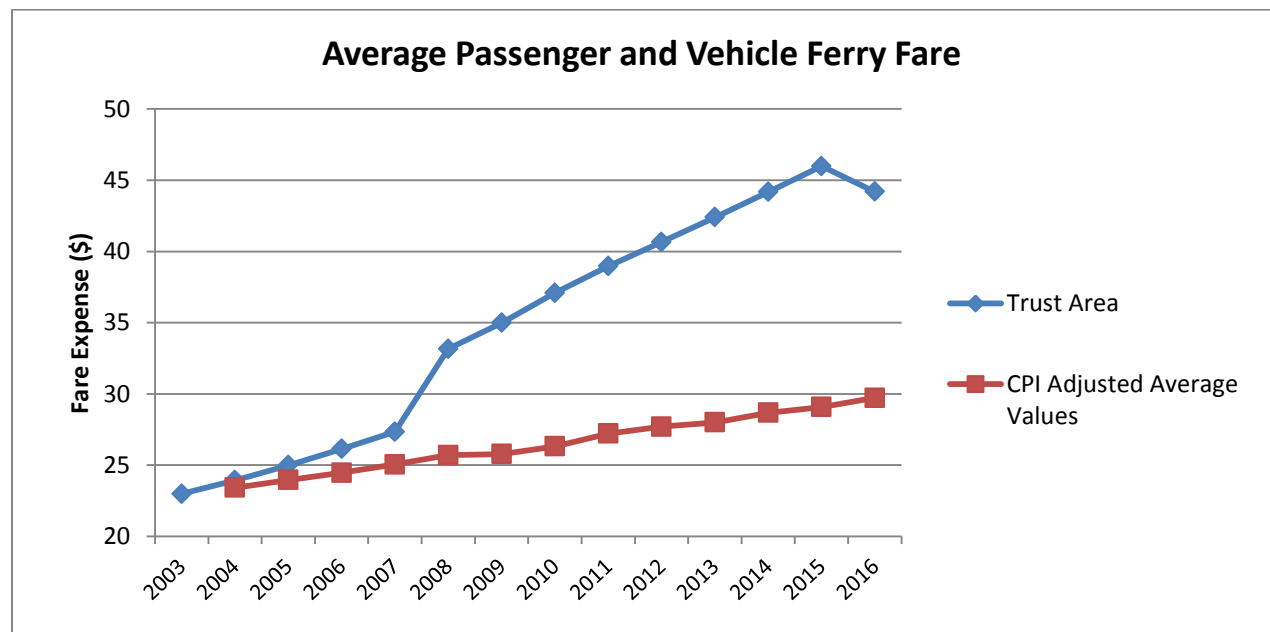
Limitations: See [2011 Statistics Canada Data Quality and Confidentiality Standards and Guidelines](#). The inclusion of 2016 census information, to be available in 2017, will provide a much more robust understanding of prevailing trends.

Transportation: Ferry Fares

Since 1961, when BC Ferries bought out local operators and began to provide a publicly funded ferry service, island communities have received repeated promises from the provincial government that ferries would remain affordable. Businesses and families invested on the islands on the basis of these promises. There are concerns that high fares weaken the economic and social health of island communities, island families and the province.

Key Findings:

- Average ferry fares of passenger and vehicles have significantly outpaced inflation. Since 2003, the cost of BC Ferries to our communities has grown three times faster (92%) than Consumer Price Index (CPI) has risen (30%).
- Since 2003, ferry fares are 40% higher than they would be if CPI was the determining factor. The increases are not consistent across the Trust Area (e.g. the rate is 50% higher on Denman Island).



Source: BC Ferry Commissioner Website

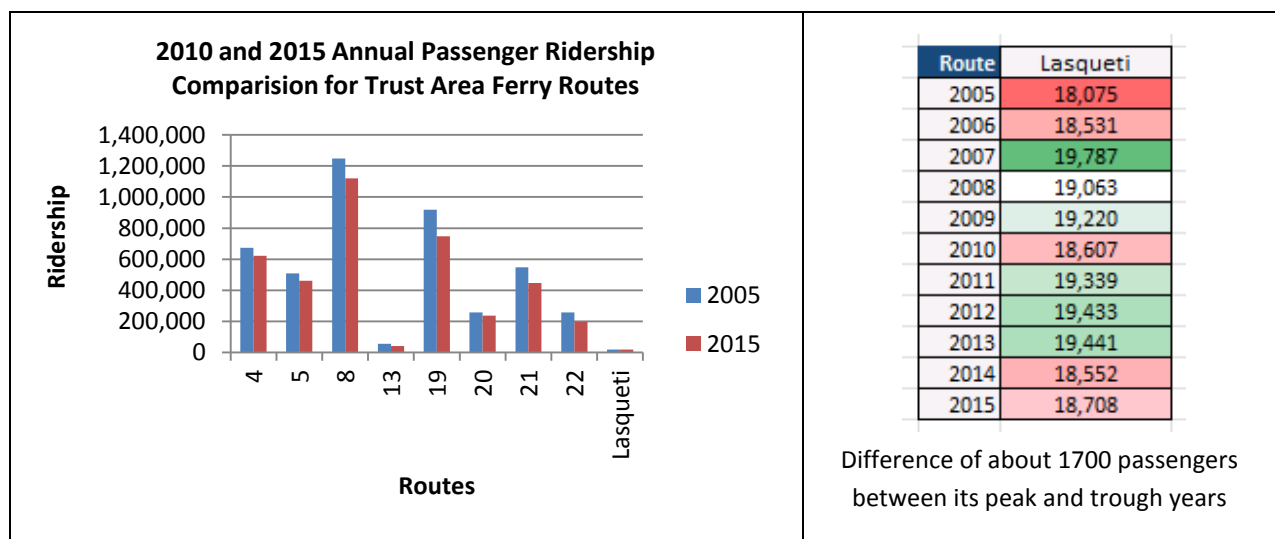
Limitations: The Lasqueti and Gambier ferry routes are not included. These ferries do not take vehicles and were excluded from the analysis.

Transportation: Ferry Ridership

There are many possible reasons why ferry ridership numbers can vary over time. For the last decade or so, coastal communities have been concerned that increasing ferry fares were negatively affecting ferry ridership level and, by extension, local economies.

Key findings:

- Between 2005 and 2016 annual passenger ridership as well as seasonal ridership decreased across all BC Ferries routes in the Islands Trust Area except the private ferry to Lasqueti Island which experienced a ridership increase of about 3.5%. It is interesting to note that the Lasqueti ferry's fare increases stayed generally consistent with inflation while BC Ferries' fares grew three times faster than inflation.



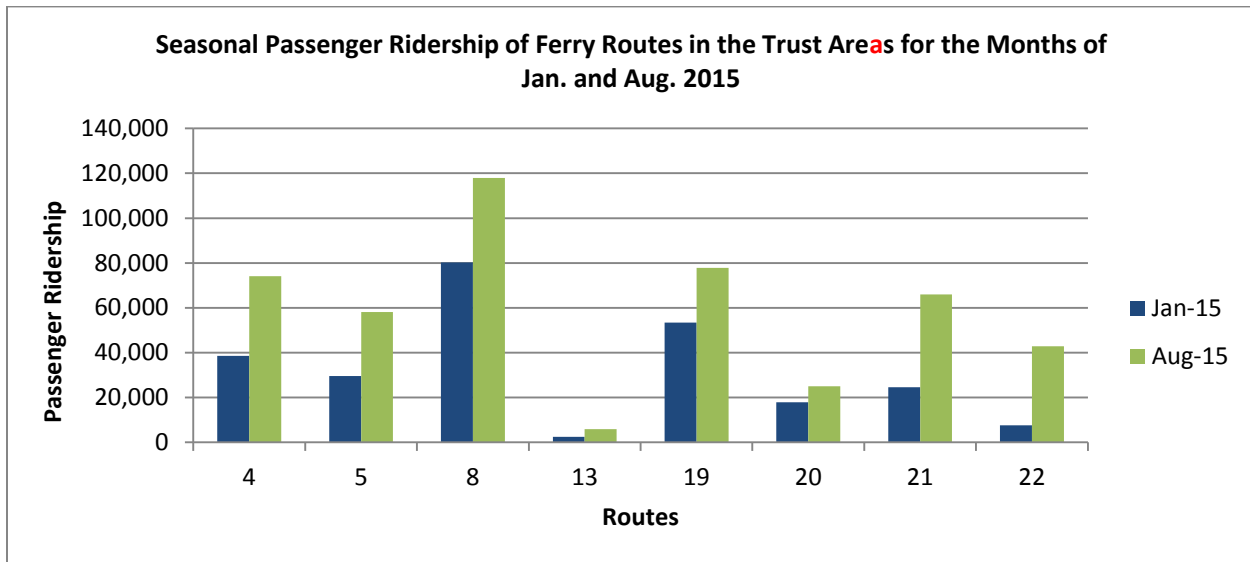
Source: BC Ferry Commission. *BC Ferries' Annual Report to the Commission*. 2005-2015; Western Pacific Marine Ltd. – Lasqueti Ferry Services. *Ridership Report*. 2005-2015.

Seasonal Population Change

The Island Trust Area is cherished by British Columbians as a world-renowned tourism destination. The beauty, climate and culture of the islands make a popular summer holiday destination. The influx in summer visitors stimulates local economies and provides residents with opportunities to share their art, farm products, and services. The seasonal population increase results in increased pressure on water resources at a time when natural systems are often already under stress due to drought, and the increase in people heightens the fire risk.

Key findings:

- In 2015, passenger ridership to the Trust Area is 59% higher in August than in January.



Source: BC Ferries. *Traffic Statistics*. Aug. 2010 – Jan. 2015.

Limitations: Unable to include Lasqueti due to a lack of seasonal ridership information.

Land Title

This indicator uses residential and farm land title information from BC Assessment. The data illustrates four aspects of island property ownership: where owners of Trust Area properties live (local, BC, Canadian and non-Canadian ownership); subdivision rates (rates of increase of parcels / folios); assessed property values and size of land held. The dates of the data include three snapshots: 1978, 2005 and 2016. Staff excluded all Crown and commercial properties to allow a focus on residential trends.

Key findings:

- Between 1978 and 2005, the number of folios (parcels) in the Islands Trust Area doubled from 11,000 to 21,500.
- From 2005 to 2016, assessed values for parcels zoned residential increased from \$7.6B to \$11.7B.
- Island property owners are predominantly local (52%) and from BC (40%). While the proportion of properties owned locally has increased from 10% in 1978 to 52% in 2016 the percent of properties owned internationally has been stable at 4% since 1978.

Land Title Information for the Trust Area

1978					
Trust Area	Folios		Value (\$)		Size (ha)
Local	1,070	9.8%	-	-	-
BC	8,373	76.4%	-	-	-
Canada	1,067	9.7%	-	-	-
International	453	4.1%	-	-	-
Totals	10,963		-		43,212

2005						
Trust Area	Folios	%	Value (\$)	%	Size (ha)	%
Local	11,340	52.8%	4,262,637,254	56.3%	22,771	47.2%
BC	8,334	38.8%	2,678,448,063	35.4%	21,142	43.9%
Canada	972	4.5%	288,357,400	3.9%	1,497	3.1%
International	844	3.9%	339,687,500	4.5%	2,789	5.8%
Totals	21,490		7,569,130,217		48,199	

2016						
Trust Area	Folios		Value (\$)		Size (ha)	
Local	12,019	51.9%	6,534,912,215	56.0%	24,475	49.2%
BC	9,174	39.6%	4,214,404,393	36.1%	21,063	42.4%
Canada	1,077	4.6%	436,733,586	3.7%	1,602	3.2%
International	909	3.9%	485,464,732	4.2%	2,590	5.2%
Totals	23,179		11,671,514,926		49,730	

Source: BC Assessment, 2005, 2016. *Islands Trust: Some Basic Statistical Data for the Designated Islands, 1978.*

Limitations: This data set excludes the Ballenas Winchelsea (Executive Islands). The methodology for the 1978 data is unknown and may be different from the methodology applied to the 2005 and 2016 data.

Environmental Indicators

Eelgrass

Eelgrass (*Zostera marina*) is a flowering marine plant that provides critical habitat to fish, shellfish, birds and mammals. It grows at or below the low tide line in soft sediment. Eelgrass meadows serve as nursery habitat, providing food and protection for over 80% of the region's commercially important fish and shellfish species at some point in their lifetimes. Sometimes called "salmon highways", eelgrass habitat is essential to the survival of all species of salmon along our coast. Activities and structures on land and in the marine environment can negatively impact eelgrass and the species that depend on it.

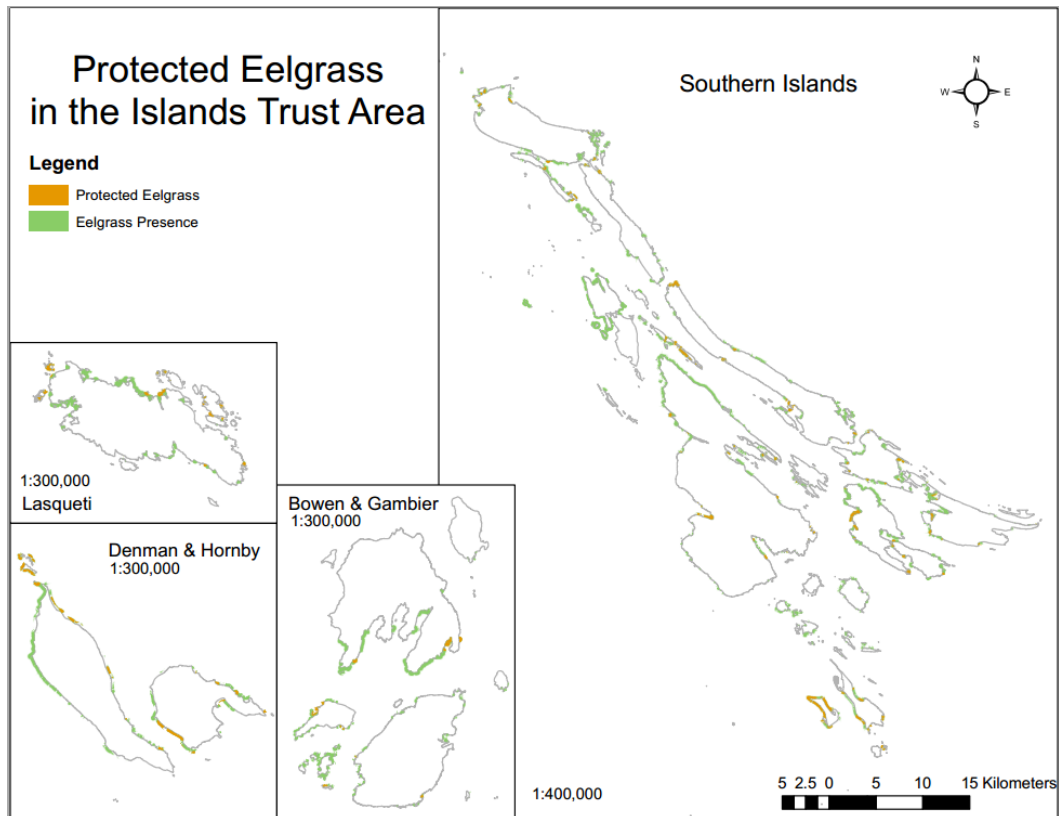
Key findings:

- 19% of the Islands Trust shorelines mapped for eelgrass had eelgrass present.
- 23% of known eelgrass meadows in the Islands Trust Area have some measure of protection through a marine or terrestrial protected area.
- The extent of protection for eelgrass varies from island to island. For example, only 5% of Thetis Island eelgrass meadows and associated foreshores have protection measures in place while 38% of Hornby Island eelgrass meadows and associated foreshores have protection measures.

Source: Islands Trust Area Geographic Information System

Limitations: Between 2012 and 2014, the Islands Trust Fund mapped eelgrass habitats along the shores of the following areas: Ballenas-Winchelsea, Bowen, Denman, Gabriola, Galiano, Gambier, Hornby, Lasqueti, Mayne, North and South Penders and the associated islands of the North Pender Local Trust Area, Thetis and Valdes Islands, Salt Spring Island and Saturna Island. The percentages developed through GIS analysis are estimates only. Eelgrass was given a protected status if it was within a marine park or adjacent to an upland protected area.

Map:



Docks

The Docks indicator provides a baseline on the number of docks and marinas present in the Islands Trust Area. Private docks offer waterfront owners convenient access to the water and are often a lifestyle choice that attract waterfront owners to the Islands Trust Area. However, large docks or large numbers of small docks can reduce the public's enjoyment of their shorelines. Also, depending on where they are located and how they are built, docks can have negative environmental impacts. During dock construction, machines often damage marine plants and the presence of pilings may lessen chances of plant regrowth (Environmental and Aesthetic Impacts of Small Docks and Piers, 2003)). Once built, docks block sunlight necessary for marine life survival and boats using docks may damage marine plants with their props or by stirring up bottom sediments. This is of particular concern for eelgrass and kelp beds which are important fish nurseries. Over time, the wood preservatives applied to pilings or docks can leach into the water and contaminate the food chain.

Fisheries and Oceans Canada bans the harvesting of shellfish, an important First Nations resource for food, social and ceremonial purposes, less than 125 metres from a wharf because of the risk of contamination. As docks age, they can create new problems by shedding Styrofoam which contaminates the ocean and threatens marine life, or become derelict structures that detach from land and threaten navigation.

Key Findings:

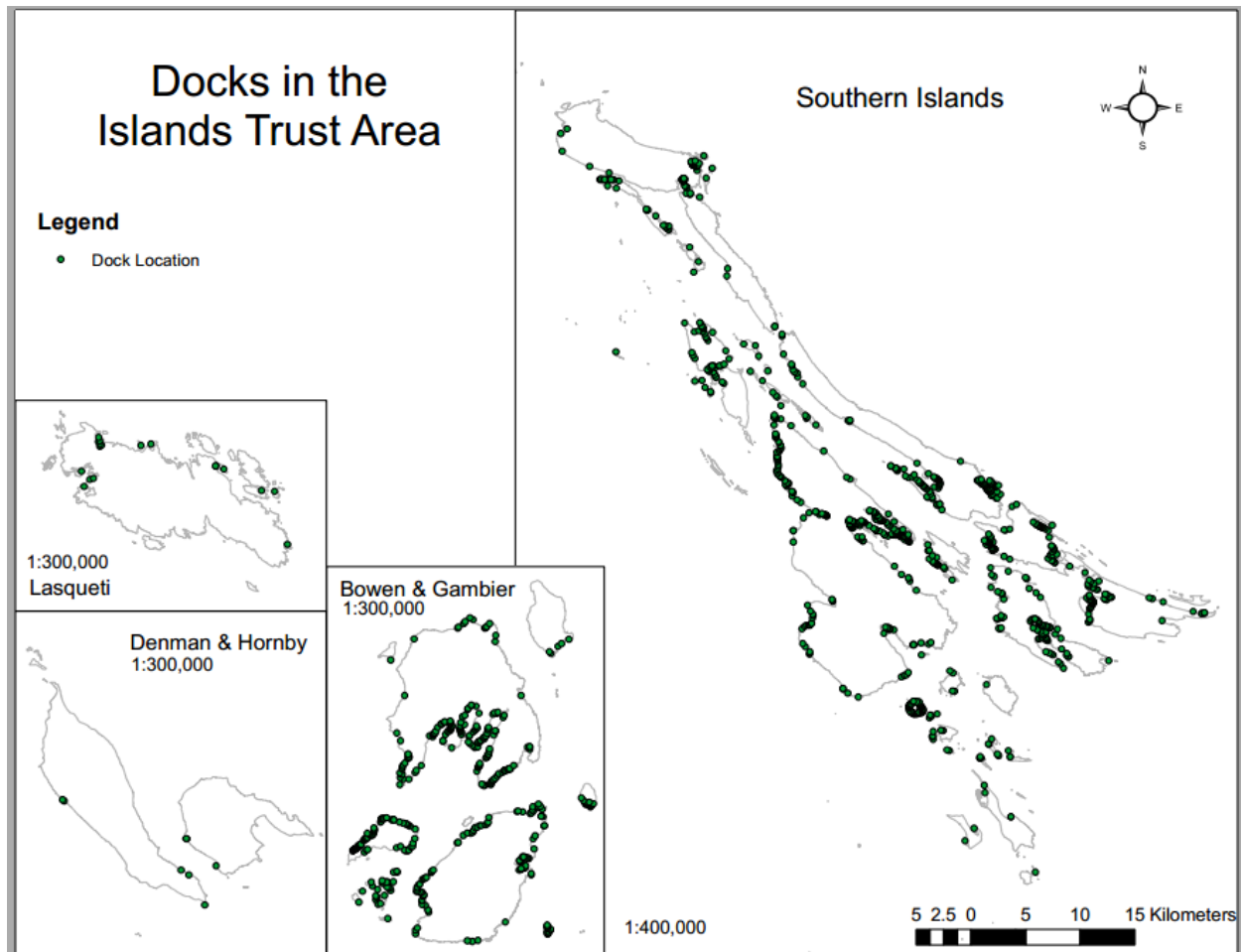
- There are approximately 1275 docks in the Islands Trust Area.
- The number of docks range from two on Hornby Island which has no private docks to 341 on Gambier Island which does not have a vehicle ferry.

Trust Area	Total Docks
Bowen	98
Denman	3
Executive	6
Gabriola	63
Galiano	127
Gambier	341
Hornby	2
Lasqueti	17
Mayne	76
North Pender	104
Salt Spring	312
Saturna	55
South Pender	14
Thetis	57
Islands Trust	1275

Source: Islands Trust Area Geographic Information System

Limitations: The dock numbers are based on a manual count and visual interpretation of docks in Islands Trust aerial photos from 2013-2014. The accuracy of the count could be compromised when docks are obscured by shadow or tree cover. A marina was only counted as one dock and BC Ferries docks were not included.

Map:



Source: Islands Trust Geographic Information System

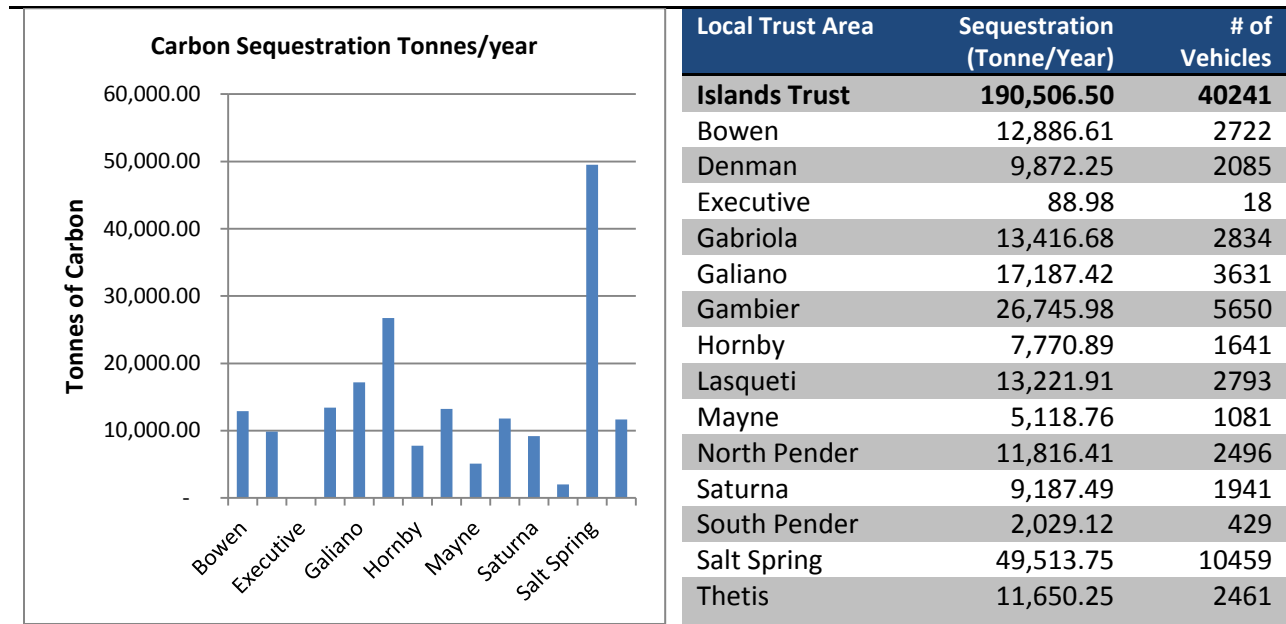
Carbon Sequestration in Forests

According to a 2014 study, the forests of the Islands Trust Area store and sequester more carbon than Coastal Douglas-fir forests outside the Trust area. Carbon storage results may indicate a higher forest density and higher amounts of mature forest in Islands Trust area. Carbon sequestration results are likely due to a higher density of maturing forests, which tend to store and take in more carbon to support their growth.

Key Findings:

- The Trust Area, as a whole, sequesters 190,506 tonnes of carbon per year, which equates to about 40,241 passenger vehicles per year.
- On average, forests in the Islands Trust area store 82% more carbon per hectare than forests in the rest of the Coastal Douglas-fir zone.

- On average, forests in the Islands Trust area have the potential to absorb 43% more carbon per hectare over the next 20 years than forests in the rest of the Coastal Douglas-fir zone.



Source: Islands Trust carbon sequestration and storage statistics were derived in 2014 through a contract between a UBC Grad student, Richard Schuster, and the Islands Trust Fund. The project examined how carbon storage and sequestration within the Islands Trust Area compared with carbon storage and sequestration within other areas of the Coastal Douglas-fir Biogeoclimatic zone.

Limitations: Data obtained is based on Terrestrial Ecosystem Mapping (TEM) and excluded mapping of the Coastal Douglas-fir (CDF) Biogeoclimatic zone on the Lower Mainland, so comparisons of the quality of carbon sequestration and storage for Islands Trust area forests do not account for this area of the CDF zone. Parts of the Islands Trust area are in the Coastal Western Hemlock Biogeoclimatic zone and differences in carbon storage and sequestration in these forests may affect the results. However, because many of the forest types were similar to the CDF and the non-similar forests were small in size, the effect on the data is assumed to be minimal.

The displayed data does not compare each Island's carbon sequestration on a proportional (per km²) basis.

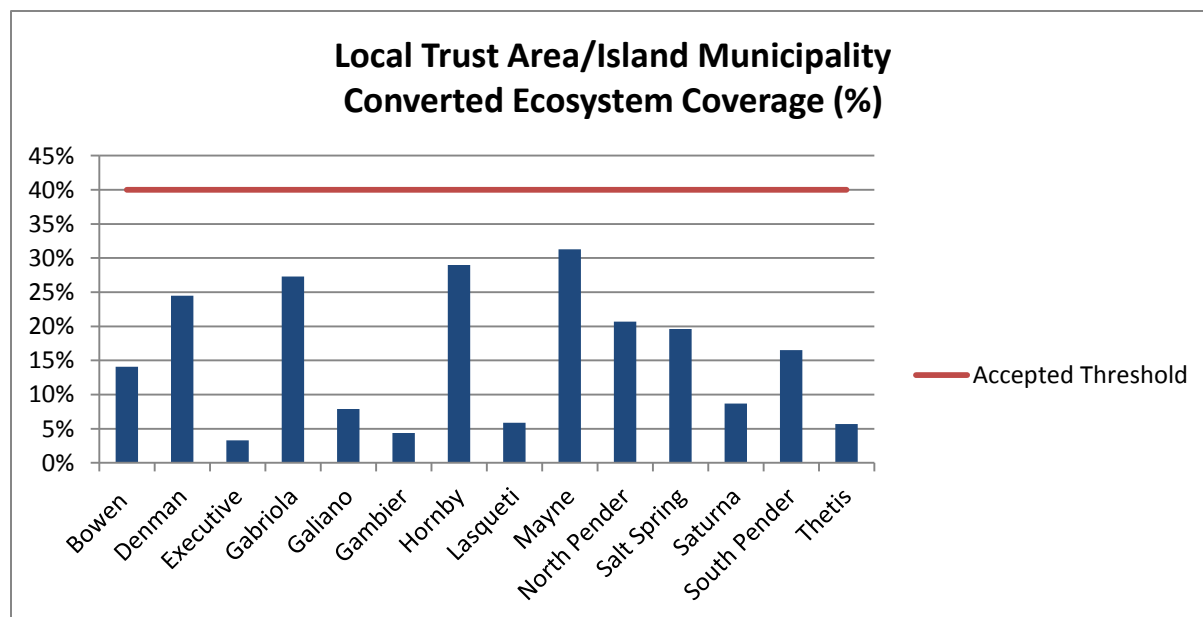
Land Conversion

Converted land is land that is no longer available for nature. It includes: agricultural land, roads, house sites and adjacent areas, towns, industrial lands, etc. Logged forests are not considered 'converted' if they are likely to become reforested either through natural regeneration or replanting. This indicator tells us how much humans have removed from the natural landscape of the Islands Trust Area. It is an important measure because other species require a base amount of natural habitat to survive. As the amount of natural habitat decreases, the number of species lost increases. This relationship is not linear but consists of 'thresholds' at which the rate of species loss increases rapidly. Scientists have varying opinions, but an accepted threshold for our region is approximately 40% converted area for any given habitat. As land conversion begins to go above this threshold the number of species in a given habitat decline more rapidly.

Key Findings:

During 2007-2011

- Approximately 15.4% of the Islands Trust Area's land base had been converted for human use.
- Converted land for local trust areas (LTA) and the Bowen Island Municipality ranged from 4.4% (Gambier LTA) to 31.3% (Mayne LTA).
- Of the converted lands in the Islands Trust Area, more than half (51.8%) is for residential and town sites (51.8%), about 30.5% of converted land is for agriculture and 16.8% is for roads.



Source: All information, with the exception of roads, is derived from the Terrestrial Ecosystem Mapping for the Islands Trust Area which was completed between 2007 and 2011 by the Province of British

Columbia, Parks Canada and the Islands Trust. Road information is derived from a mixture of internal, Islands Trust mapping and information from the Ministry of Transportation and Infrastructure.

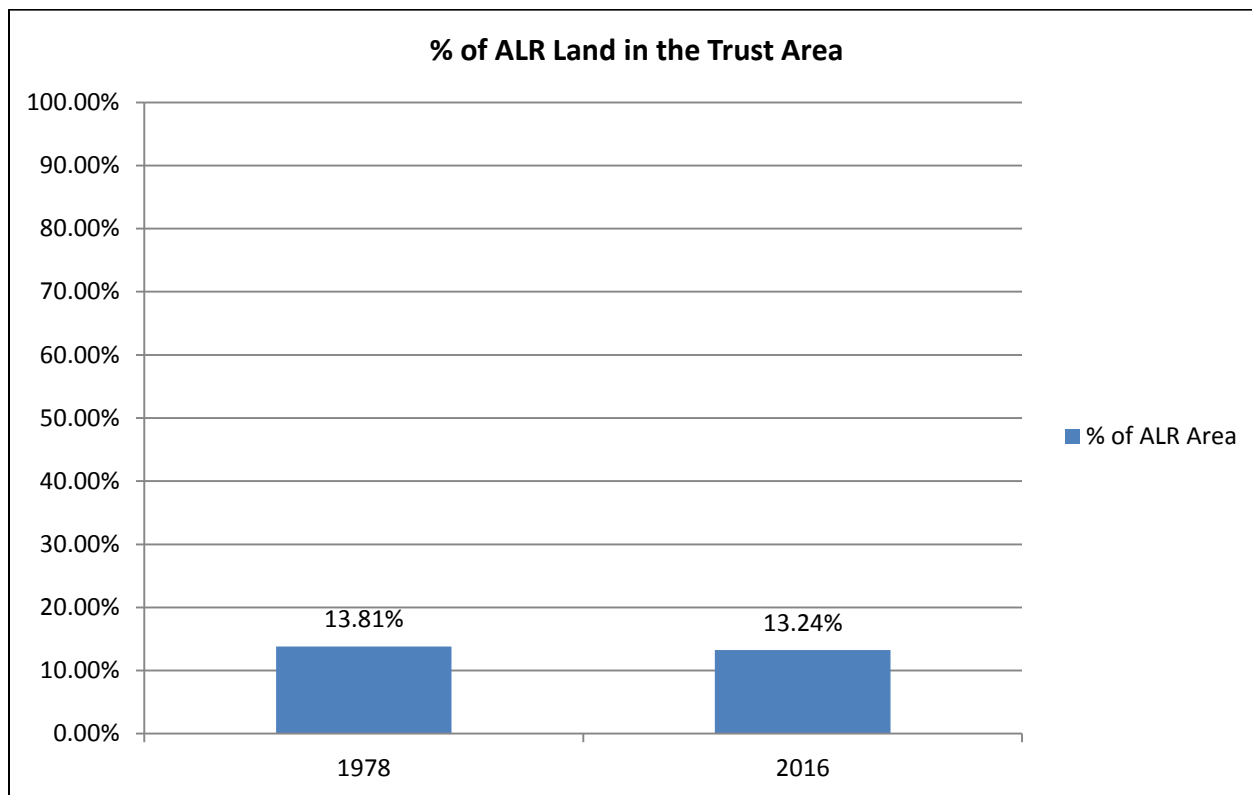
Limitations: The scale of the Terrestrial Ecosystem Mapping (TEM) varied for different islands and was derived from air photos which were flown over a number of years. TEM for the Executive Islands was produced using a mixture of air photos and satellite imagery. Road mapping for Lasqueti was omitted because digital road maps were unavailable when the data was gathered. Other road mapping is accurate as of 2010.

Agricultural Land Reserve

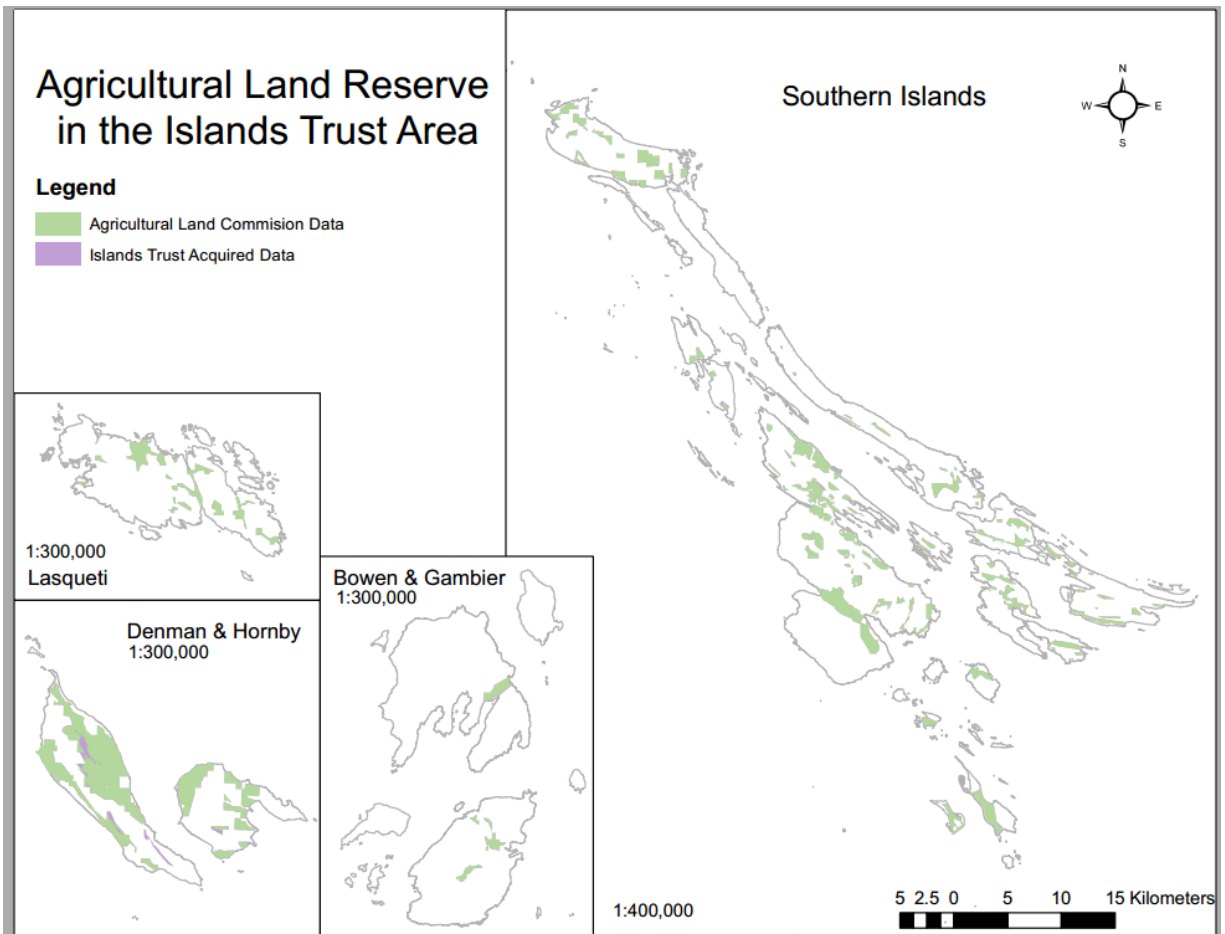
The provincial government created the Agricultural Land Reserve (ALR) in 1973 through the *Land Commission Act* to protect BC's agricultural land. The 4.7 million hectares of the Reserve were identified between 1974 to 1976 through cooperative efforts with regional districts and member municipalities. Local input was gained through a public hearing process. Despite boundary changes over the decades, the Reserve in BC remains approximately the same size (5% of the province).

Key findings:

- Although there have been some small changes to the size of ALR land within local trust areas, generally the amount of ALR land in the Islands Trust Area has remained consistent.



Map:



Source: Agricultural Land Commission, 2016

Limitations: The methods used to measure ALR lands in 1978 differ from the methods used in 2016. The accuracy of the 1978 data is not verified. The results should be treated as estimates only.

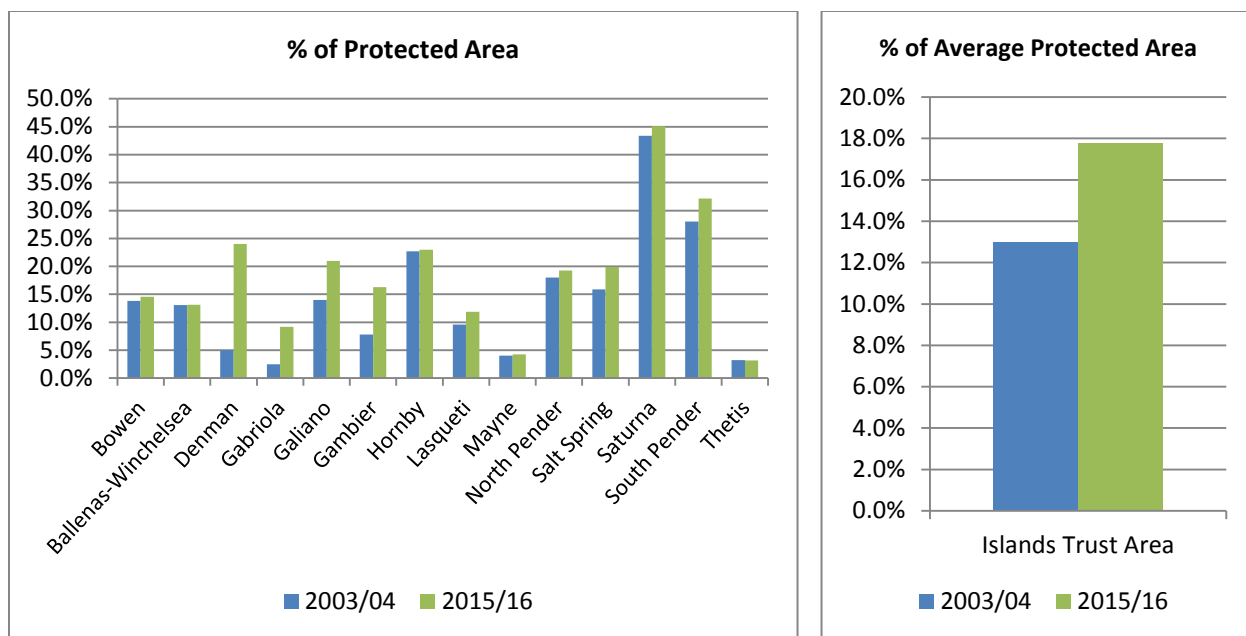
Protected Areas

The Islands Trust Area is home to an exceptional diversity of birds, fish, intertidal life and plant species. Throughout the Islands Trust Area, engaged residents and conservation partners work together to protect natural areas and key wildlife habitat in protected areas that include parks, ecological reserves, watershed protection areas, provincially designated protected areas and nature reserves as well as conservation covenants on private lands.

The ecosystems of the Islands Trust Area are home to many species at risk. At-risk species have a better chance of survival if their homes are protected. To protect species from becoming endangered, some of every type of ecosystem should be protected, despite its sensitivity or threat level.

Key findings:

- Between 2004 and 2016, protected area in the Islands Trust Area grew from 13.0% to 17.8% of the land base. This change represents an addition of over 3,760 ha of protected land.
- Denman Island, Gambier Island and Salt Spring Island local trust areas were responsible for almost 70% of the increase in protected areas in the Islands Trust Area between 2004 and 2016, adding 981 ha, 833 ha and 781 ha respectively to their total amount of protected lands in that period. Increases were due primarily to additional Provincial Park land and local conservancy lands on Denman and Salt Spring islands and the establishment of Provincial Old Growth Management Areas on Gambier Island.
- The Ballenas – Winchelsea Islands (Executive Committee) and Thetis Island local trust areas saw no effective change in protected area between 2004 and 2016 and Hornby Island and Mayne Island local trust areas saw increases of only 6.2 ha and 7.8 ha, respectively in the same time period.



Source: Islands Trust Parks and Protected Areas data

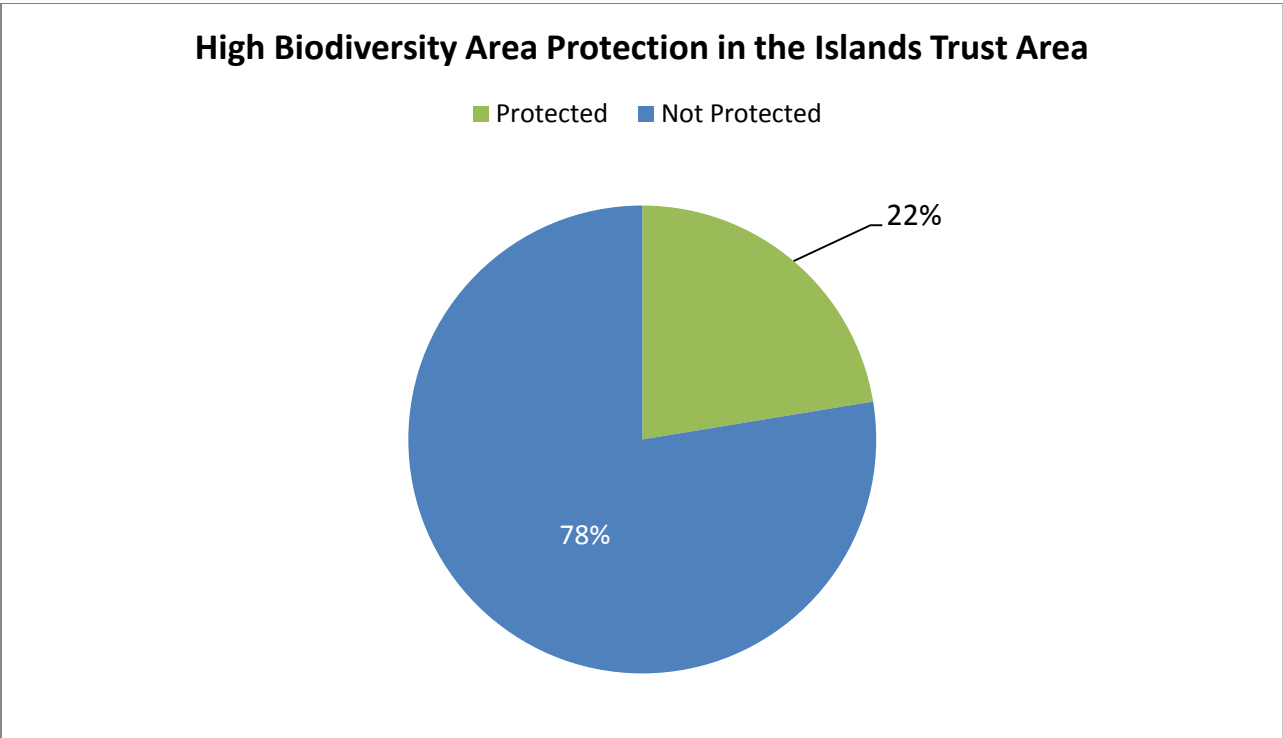
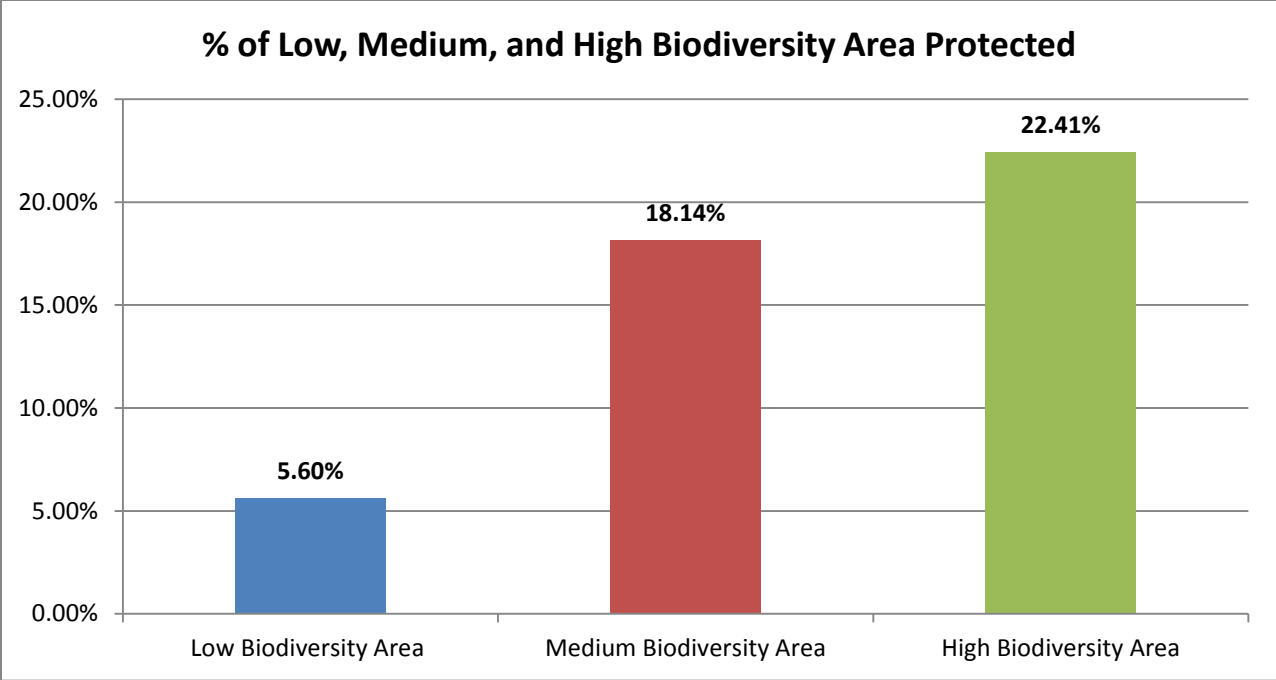
Limitations: Protected area statistics are determined through use of cadastral boundaries (property lines) and an established island area. Both measurements are subject to minor error and can change from year to year in minor ways as cadastral boundaries become more accurate. The data is also limited by the Islands Trust’s ability to track additional parks and protected areas; there may be errors of omission and inclusion from time to time.

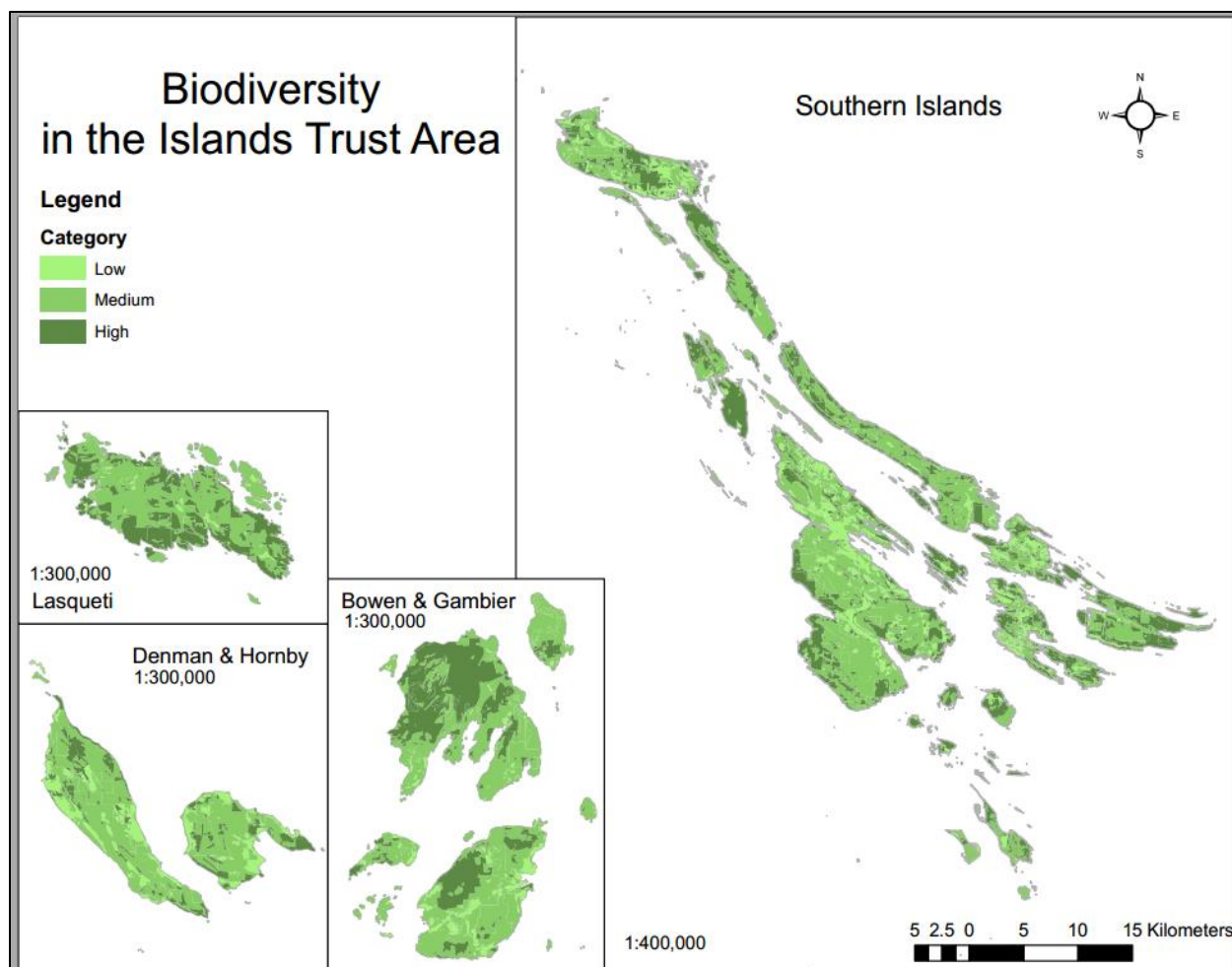
Biodiversity Protection

The Islands Trust Area is home to biologically-rich, sensitive ecosystems and hundreds of rare plants and animals. With more than 65% of the Islands Trust Area in private land ownership, the pressures to develop and change the natural landscape are tremendous. There are limited resources available for land protection so it is important to focus on protecting areas of high biodiversity.

Key findings:

- As of July 2016, only 22% of the high biodiversity areas of the Islands Trust Area have been protected. For this reason, it is important to support continued land protection efforts and for islanders to carefully maintain habitat on their lands so that we can keep our best ecosystems intact, and help sustain the plants and animals that share these beautiful islands.
- Less than 6% of low biodiversity areas have been protected. This means that protected area planners are effectively directing resources towards the most important ecosystems.





Source: Islands Trust Area Geographic Information System

Limitations: High biodiversity areas are defined as the top 30% of natural ecosystems in the Islands Trust mapping system. They were determined by running a custom Geographic Information System (GIS) model. High biodiversity areas are derived from an externally-reviewed Multiple-criteria Decision Analysis (MCDA) of the landscape which was used to rank and prioritize various ecosystem components within a Geographical Information System (GIS). Several criteria were used, including presence of Sensitive Ecosystems, potential for Provincial Ecosystems at Risk, threat level, site 'naturalness' and adequate representation of all habitats. The landscape was then divided into levels of biodiversity. The top 30% was considered 'high', the middle 30% was considered 'moderate', and the bottom 40% was considered 'low'.

Freshwater

The Province of British Columbia operates a provincial observation well network which monitors groundwater availability in areas of high human use. Groundwater levels are sensitive to precipitation, aquifer storage capacity, recharge rate (the rate at which surface water trickles down to refill a groundwater aquifer), and human withdrawal. Long-term groundwater level trends for observation wells in the Islands Trust Area are available at: www.env.gov.bc.ca/soe/indicators/water/groundwater-levels.html.

Next Steps:

The Islands Trust Indicator program is an ongoing program. This interim report describes new indicator information developed between June-August 2016. The Islands Trust will continue to refine and develop indicators on an ongoing basis. Indicators that are still being evaluated or developed as of August 2016 include:

- Housing affordability – ownership
- Housing affordability – rental
- Shoreline protection
- Agricultural Land Reserve trends or trends with number of farm properties
- Shellfish harvesting closures (<http://www.dfo-mpo.gc.ca/shellfish-moullusques/index-eng.htm>)
- Heritage structures
- Greenhouse gas emissions

When the 2016 Census information is released in 2017, the Islands Trust plans to produce additional, updated indicators related to demographics, housing, and economic sustainability.

III. Appendix: The Islands Trust Life of the Islands – Area Resident Survey Final Results, August 2016

The Islands Trust

Life on the Islands - Area Resident Survey

Final Results

Prepared for: **The Islands Trust**



August 2016



Background and Objectives

Background and Objectives

- In 1974, BC's Islands Trust Act created the Islands Trust to be a federation of local government bodies. The federation represents 25,000 people living within the Islands Trust Area and another 10,000 non-resident property-owners. The area covers the islands and waters between the British Columbia mainland and southern Vancouver Island. It includes 13 major islands and more than 450 smaller islands.
- The Islands Trust is responsible for preserving and protecting the unique environment and amenities of the Islands Trust Area through planning and regulating land use, co-operation with other agencies, and land conservation.
- **The Islands Trust required the services of an experienced market research firm to conduct a statistically significant survey of the Islands Trust Area.**
- On behalf of the Islands Trust, Forum Research conducted a survey of island residents and property owners to learn more about life on the island.
- When respondents asked for the purpose of the survey, interviewers explained the Islands Trust Council approved funding this year for a "State of the Islands" project. Islands Trust staff have been using the funds to research and report on social, economic and environmental trends. This poll is part of that project, and will inform Trust Council about the pros and cons of island life today and what might improve island life in the future. The results of the poll will be public as part of the meeting package going to Trust Council in mid-September.



Methodology and Limitations

Methodology

- A sample of respondents was generated based on area and postal codes, along with a qualifying screener at the beginning of the survey to ensure the correct respondents were contacted.
- Forum Research used a CATI (telephone) methodology to conduct the survey.
- **Life on the Islands - Area Resident Survey**
 - (N = 426)
 - **Please note that considering the small sample size, significant findings and differences will be limited.**
 - August 9th to 15th, 2016

Survey Limitations and Opportunities

- The survey was based on a random sample of households in and around the Islands Trust Area.
- The targeted population available was 25,670.
 - **Based on this population, the response rate was 2%.**
 - **The findings collected in this survey should be interpreted with caution.**
- The response rate from some islands was very low due to a number of limiting factors,
 - Residents and property owners on the islands can be wary of government and market researchers.
 - Residents of some islands cannot be reached via telephone methodology..

A suggestion for further research would be to consider two different data collection methodologies.

(1) Paper-based survey methodology

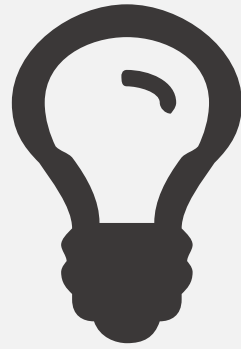
This would create a more personalized experience for the respondent. Telephone methodology may feel intrusive and impersonal. Considering the small population sample, Islands Trust would have the capability to send a survey to every home address available.

(2) In-person surveying via Tablet data collection

Islands Trust should travel to, and canvas popular island spots. This way those respondents without telephone numbers, or temporary residents would be more likely to be approached.

Using a paper-based methodology would result in a higher response rate. The ability to conduct higher level analysis with a larger response rate would provide more conclusive findings.



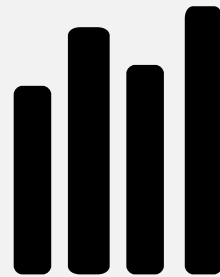


Summary

Summary

- The majority of respondents live or own property on Salt Spring (40%) followed by just under 1-in-5 respondents living or owning property on Bowen (19%) and Gabriola (18%).
- Over one third of respondents live on the island because they like the rural/independent feel to their island and think it's a good place to raise kids (36%), followed by just over 1-in-4 respondents appreciating the natural landscape (28%). 26% of respondents live on the island because they like it for no reason in particular.
- Roughly 1-in-2 respondents enjoy their islands natural beauty (53%) and the community/people who live there (49%).
- 4-in-10 respondents stated that transportation is the biggest challenge facing their island (40%).
- 38% of respondents want the island to stay the same when asked what they hoped would improve 20 to 30 years from now.
- When asked for reasons they would consider moving off their island, 4-in-10 respondents would consider leaving the island in order to gain better access to healthcare (39%).
- 1-in-10 respondents stated they would never consider moving (10%).
- 93% of respondents stated they knew their neighbours well enough to ask for or offer help.
- The majority of respondents prefer to receive information from their local government through local newspapers (63%) and email (55%).
- 2-in-5 respondents prefer to receive information via Canada Post (39%).
- 82% of the respondents were above the age of 55.

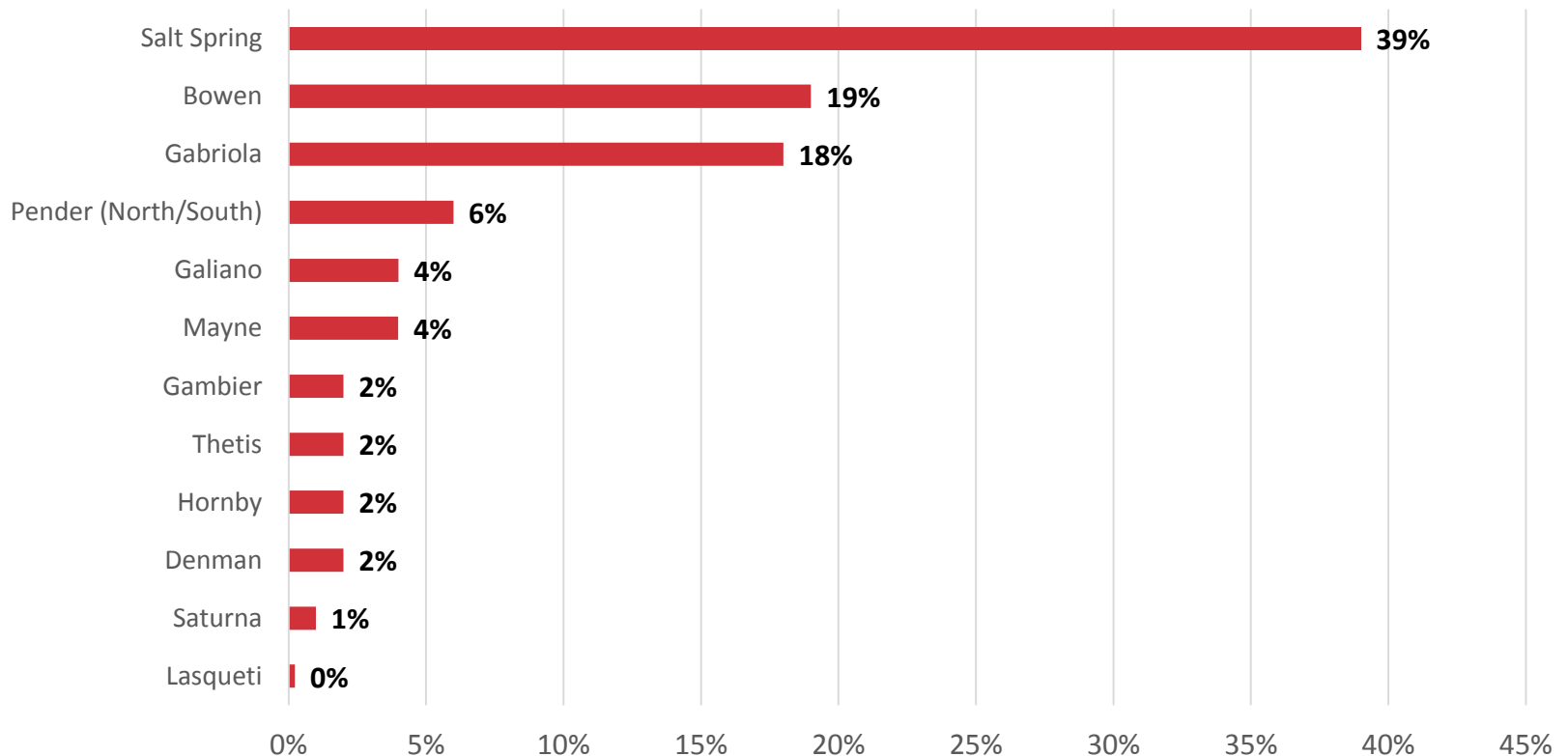




Final Results

Qualifying Screener

- The majority of respondents live on Salt Spring (40%). This is in proportion to the population.
- Just under 1-in-5 respondents live or own property on Bowen (19%) and Gabriola (18%).
- At least one respondent completed the survey from each major island within the Islands Trust area. More specifically, only one respondent completed the survey from Lasqueti Island.



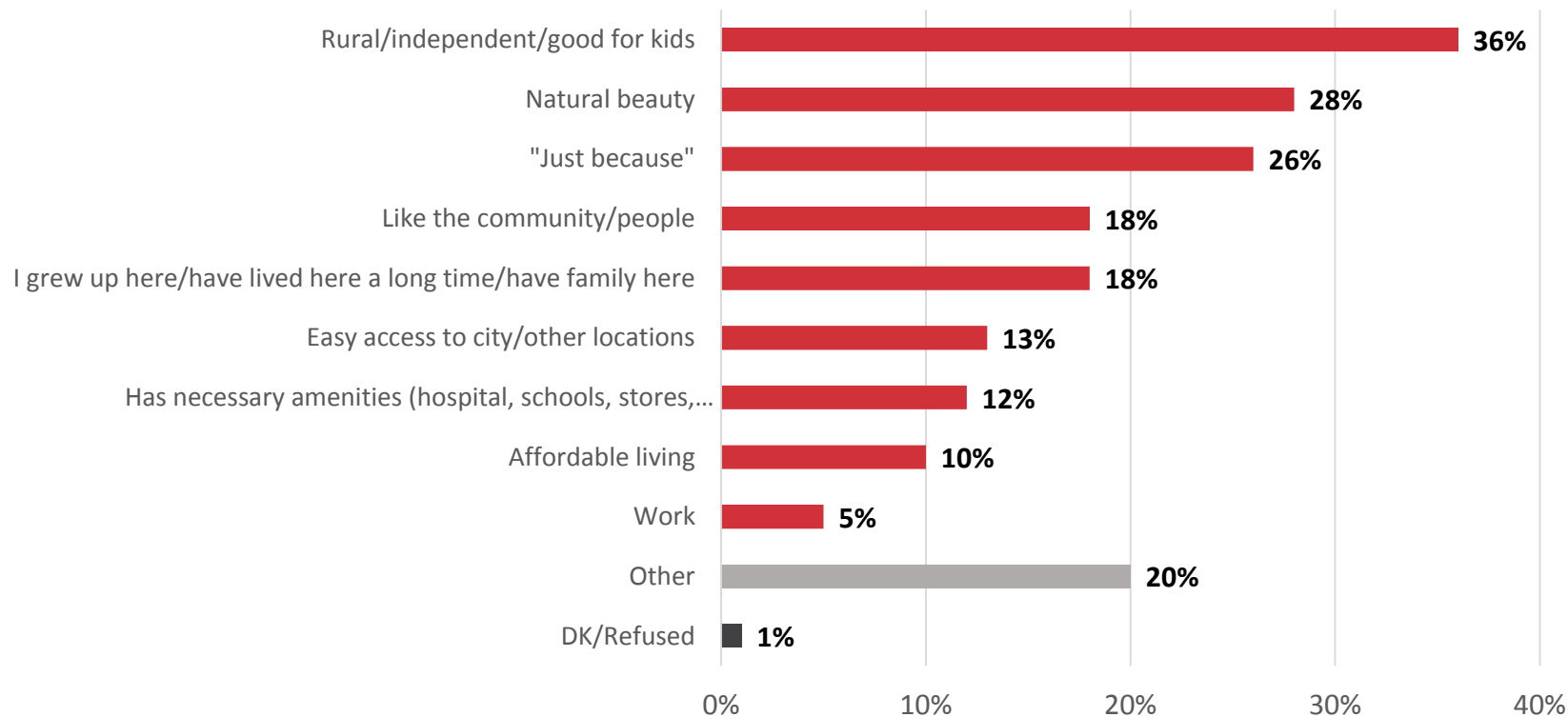
Source:

S1. Which island do you live on, or own property on? If you own multiple properties, please choose the island you spend most of your time on. **S2.** Which island do you live on, or own property on?



Reason for Living on Island

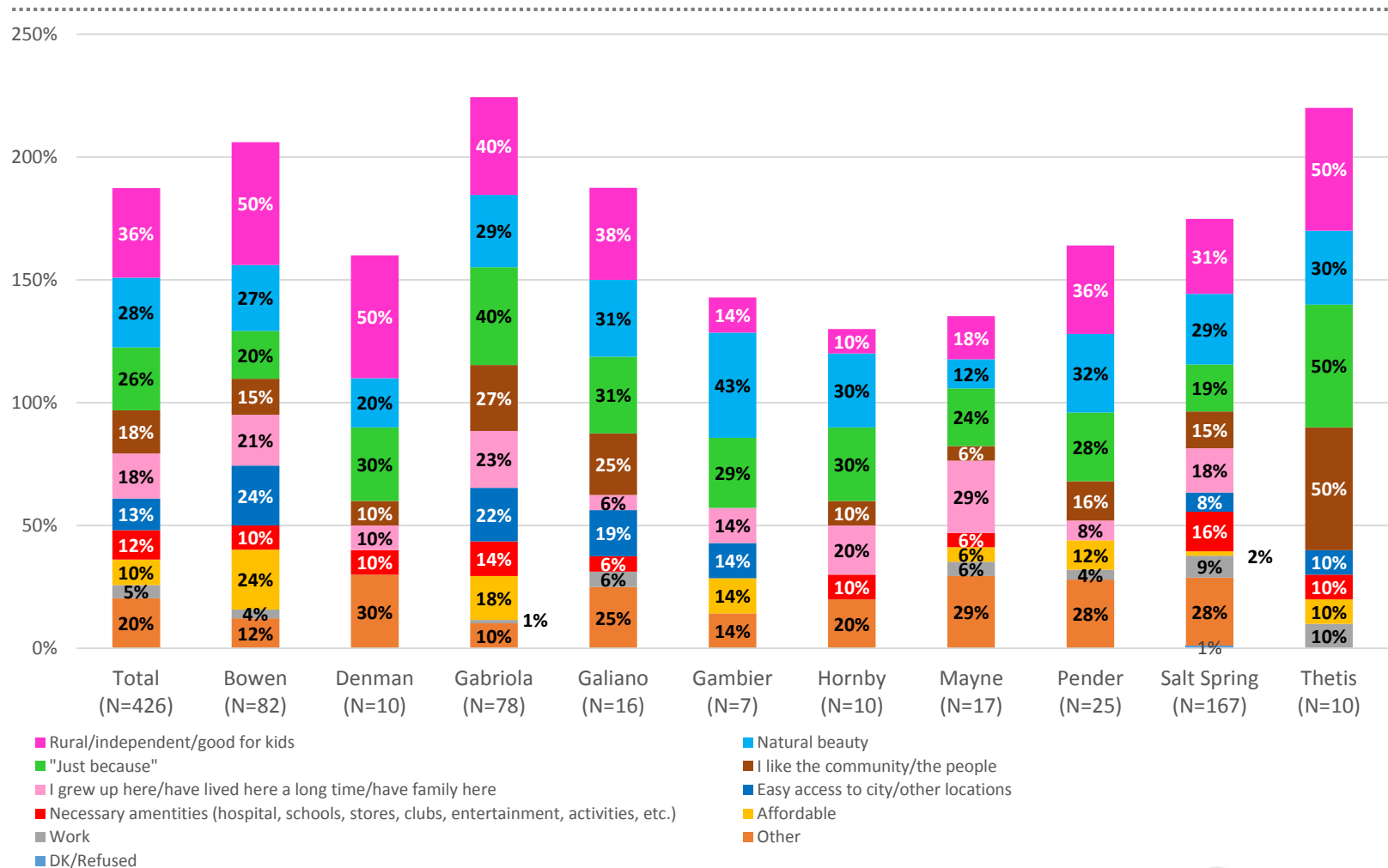
- Over one third of respondents live on the island because they like the rural/independent feel to their island and think it's a good place to raise kids (36%), followed by just over 1-in-4 respondents appreciating the natural landscape (28%). 26% of respondents live on the island because they like it for no reason in particular.
- Respondents over the age of 55 were more likely to mention necessary amenities when compared to the younger population (26%, compared to 12%).



Source:

Q1. Why did you choose to live on your island? (N=426) (multiple mention)

Reason for Living on Island (Island Breakout*)



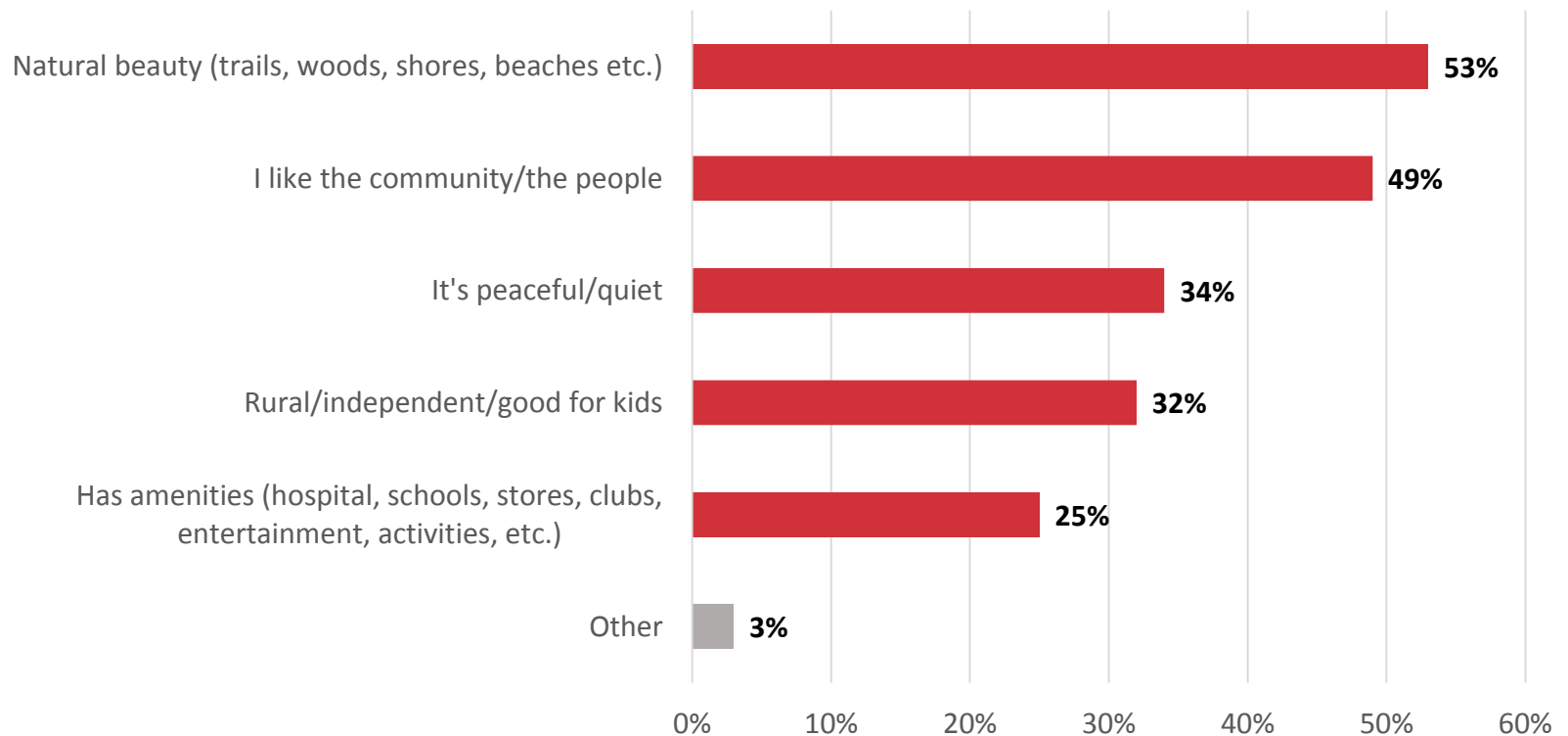
Source:

Q1. Why did you choose to live on your island? (N=426) (multiple mention)

*Lasqueti Island and Saturna Island are not reported on due to a small sample size. One completion came from South Pender specifically. This has been grouped with the twenty four North Pender responses as 'Pender'.

Islands Strengths

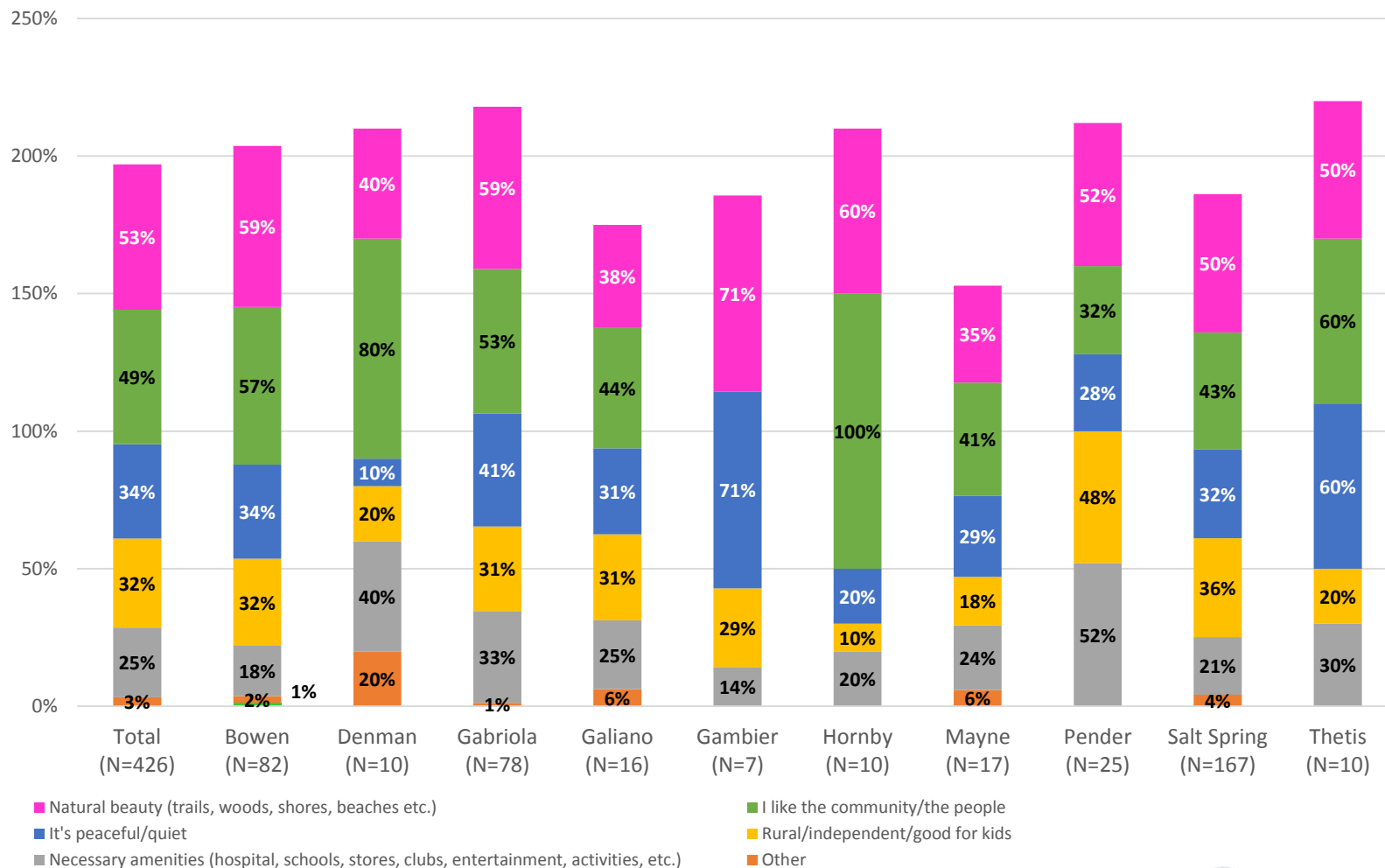
- Roughly 1-in-2 respondents enjoy their islands natural beauty (53%) and the community/people who live there (49%).
- 1-in-3 respondents find it peaceful (34%) and like the rural environment for raising kids (32%).
- 1-in-4 respondents stated the island has all the amenities they need (25%).
- There are no significant differences in opinion based on age and island.



Source:

Q2. What do you enjoy about your island? (N=426) (multiple mention)

Islands Strengths (Island Breakout*)



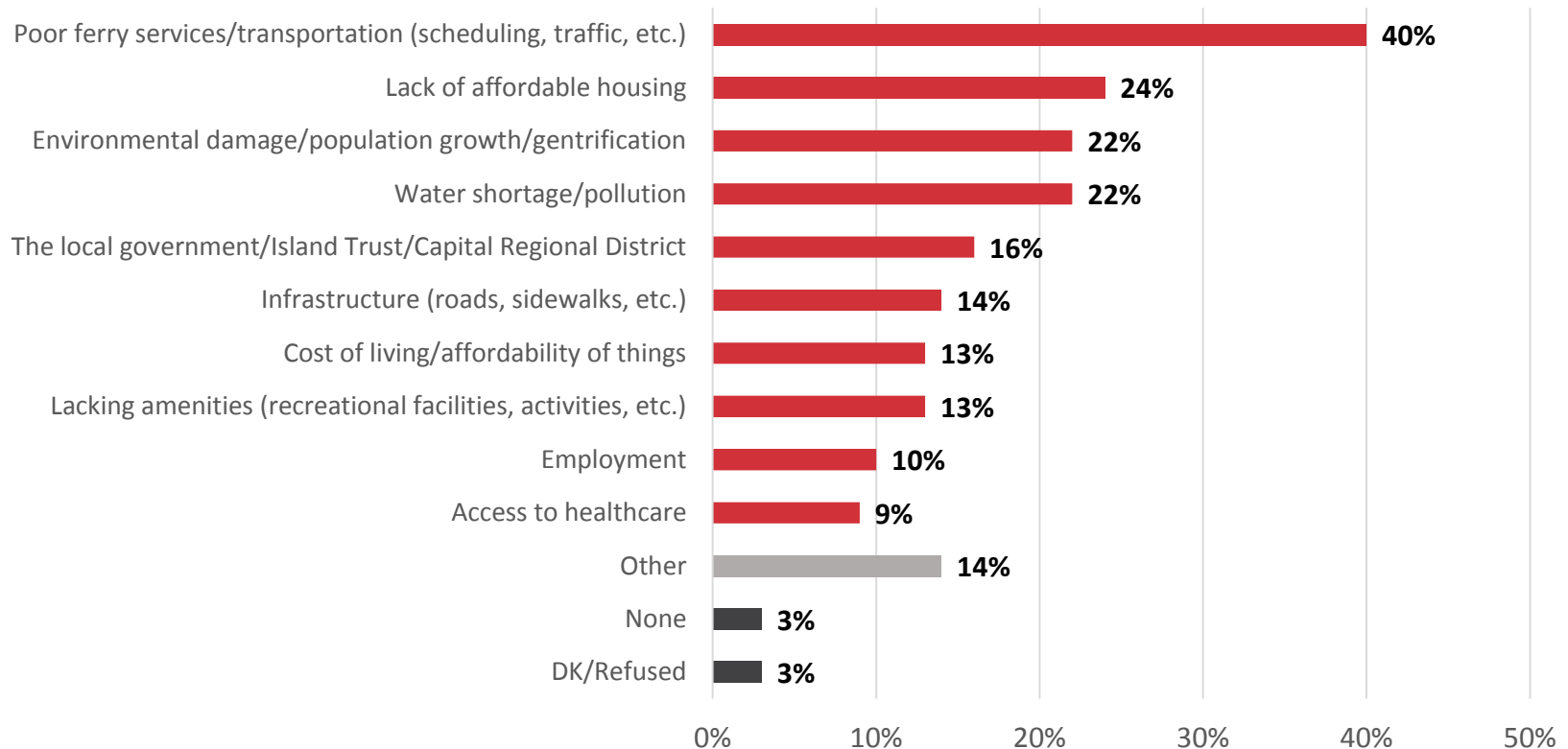
Source:

Q2. What do you enjoy about your island? (N=426) (multiple mention)

*Lasqueti Island and Saturna Island are not reported on due to a small sample size. One completion came from South Pender specifically. This has been grouped with the twenty four North Pender responses as 'Pender'.

Challenges Facing Island

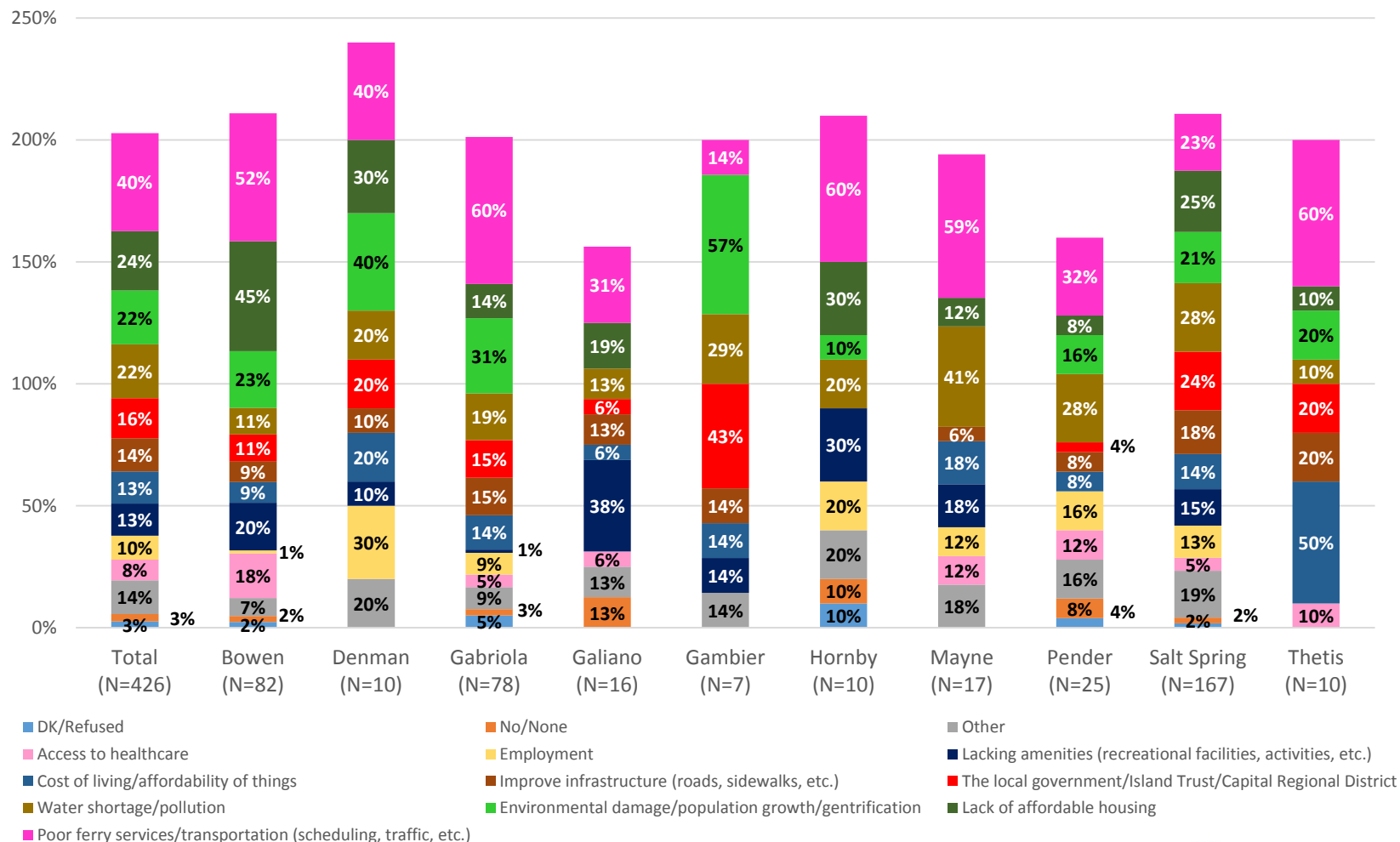
- The majority of respondents stated that transportation is the biggest challenge facing their island (40%).
- 1-in-4 respondents stated there is a lack in affordable housing (24%) while just over 1-in-5 respondents voiced a concern for gentrification/environmental damage and water shortage/pollution (22% for both).



Source:

Q3. What are some challenges facing your island today? (N=426) (multiple mention)

Challenges Facing Island (Island Breakout*)



Source:

Q3. What are some challenges facing your island today? (N=426) (multiple mention)

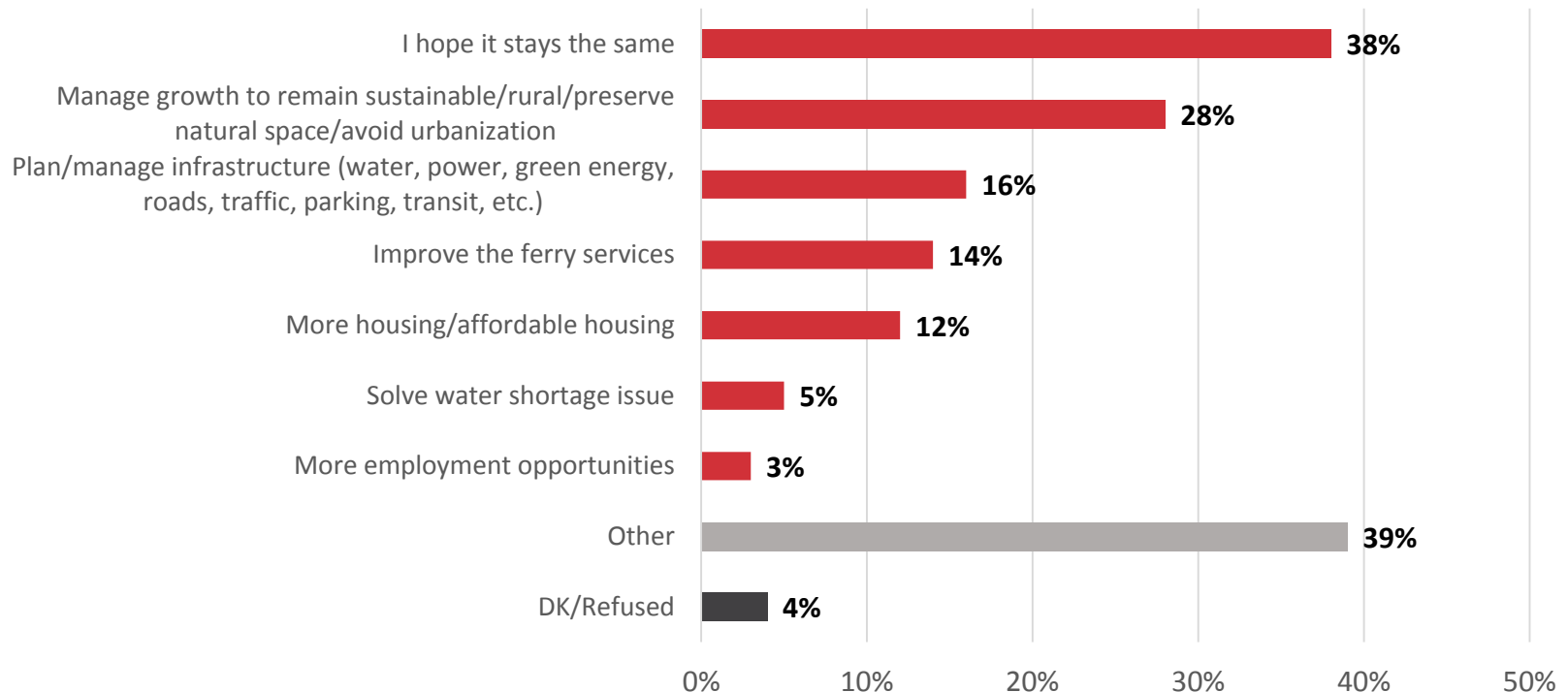
*Lasqueti Island and Saturna Island are not reported on due to a small sample size. One completion came from South Pender specifically. This has been grouped with the twenty four North Pender responses as 'Pender'.



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Perspective on Future of Island

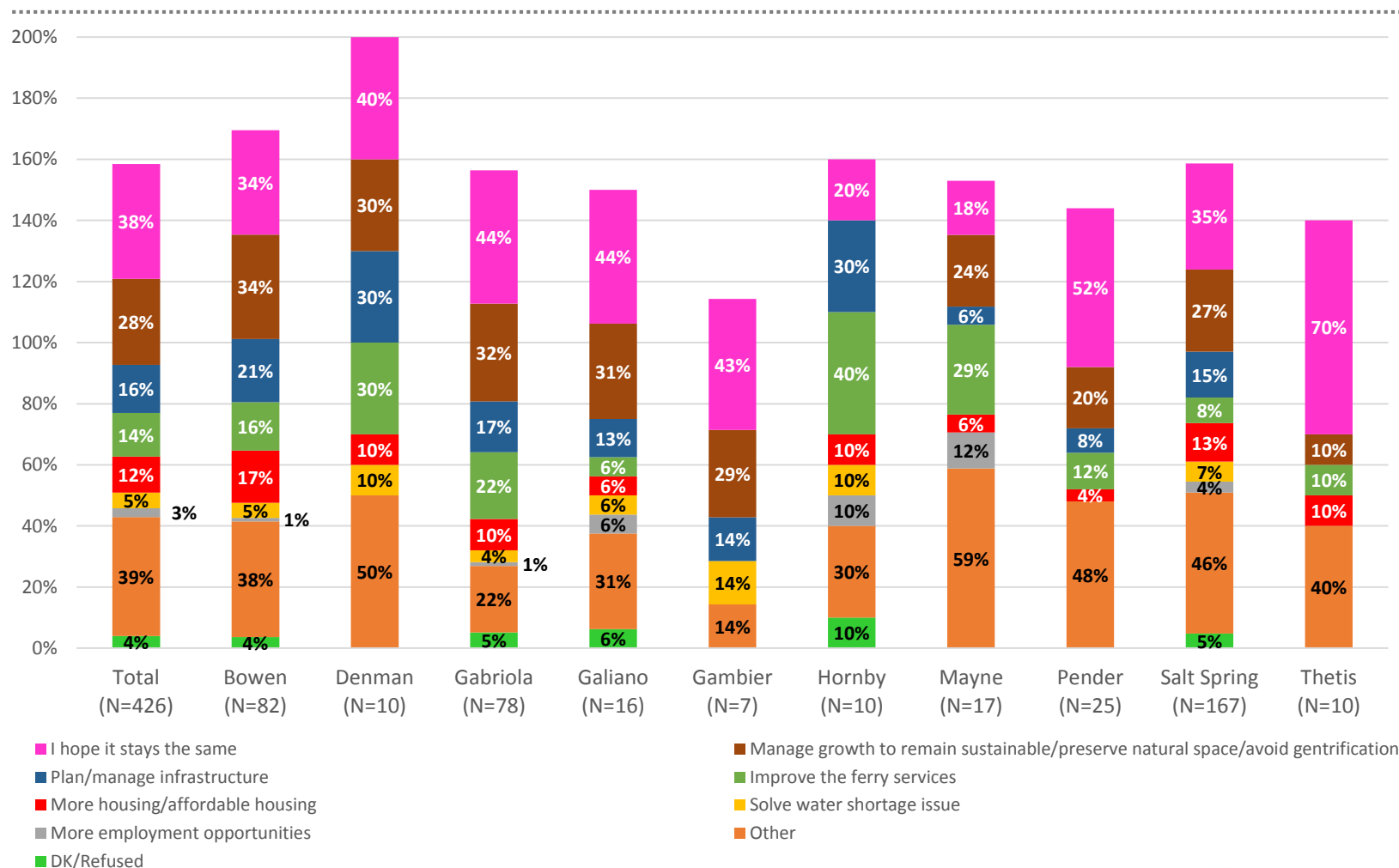
- 38% of respondents want the island to stay the same when asked what they hoped would improve 20 to 30 years from now.
- Just under 3-in-10 respondents want the islands to properly manage growth and remain sustainable while avoiding urbanization (28%).
- Please note that 40% of respondents had other comments that could not be categorized due to their uniqueness.



Source:

Q4. In 20 or 30 years, do you hope island life stays the same or what do you hope will improve? (N=426) (multiple mention)

Perspective on Future of Island (Island Breakout*)

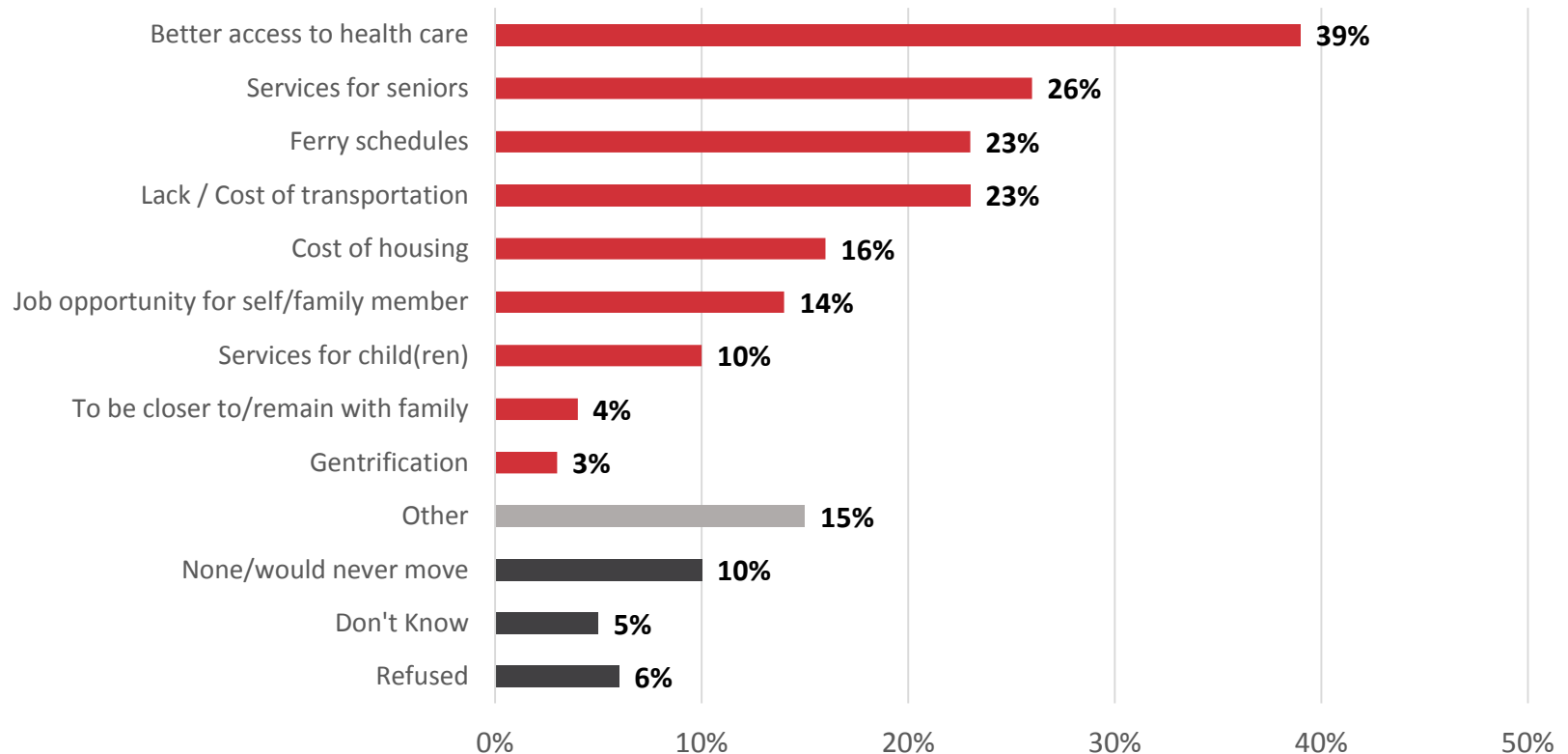


Source:

Q4. In 20 or 30 years, do you hope island life stays the same or what do you hope will improve? (N=426) **(multiple mention)** *Lasqueti Island and Saturna Island are not reported on due to a small sample size. One completion came from South Pender specifically. This has been grouped with the twenty four North Pender responses as 'Pender'.

Reasons to Leave Island

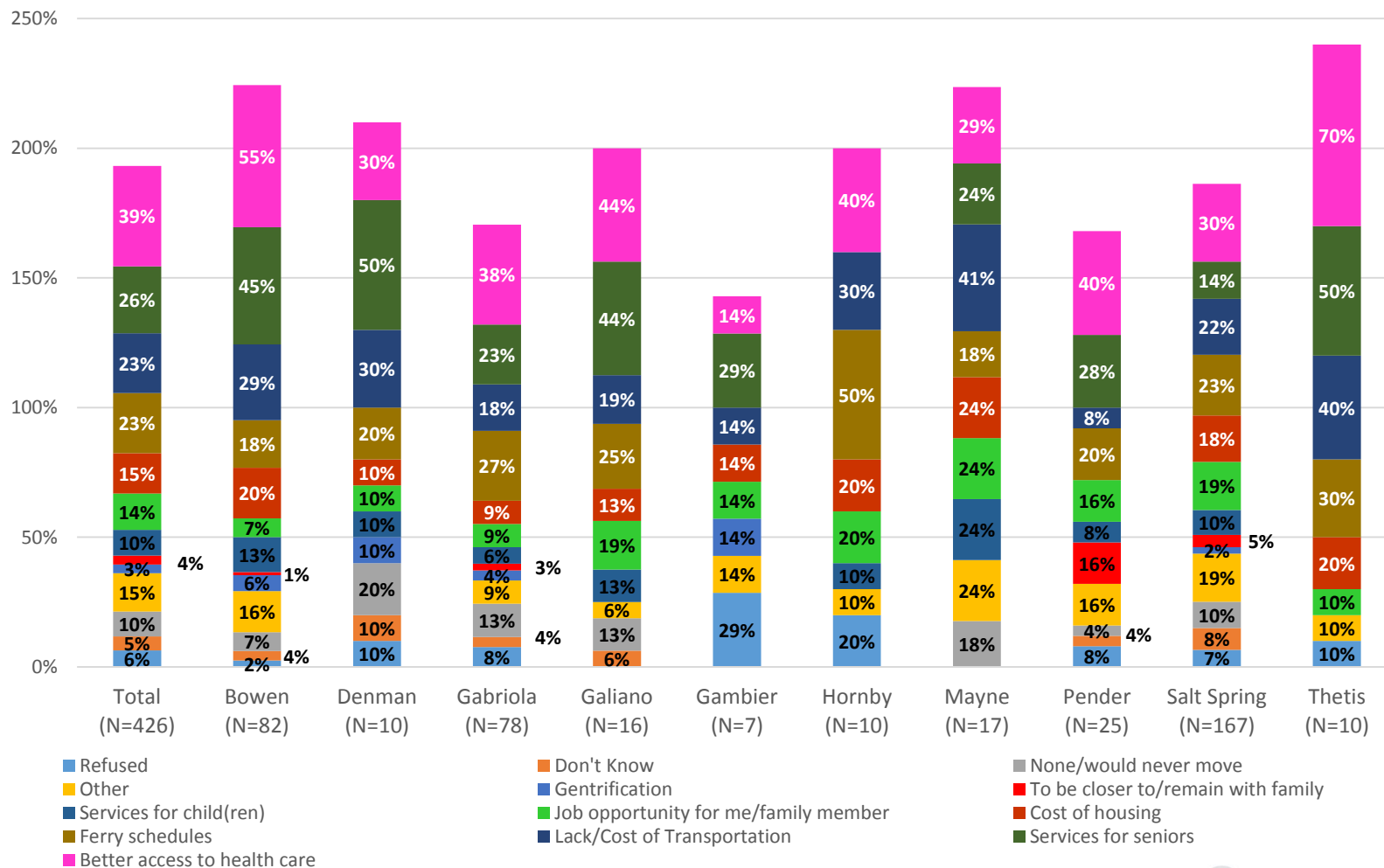
- When asked what are some reasons a resident would consider moving off an island, 4-in-10 respondents would consider leaving the island in order to gain better access to healthcare (39%).
- 1-in-10 respondents stated they would never consider moving (10%).



Source:

Q5. What are some reasons you might consider moving off your island? (N=426) (multiple mention)

Reasons to Leave Island (Island Breakout*)



Source:

Q5. What are some reasons you might consider moving off your island? (N=426) (multiple mention)

*Lasqueti Island and Saturna Island are not reported on due to a small sample size. One completion came from South Pender specifically. This has been grouped with the twenty four North Pender responses as 'Pender'.



FORUM
RESEARCH INC.

Agreement with Statements Regarding Island Life

- When it came to agreeing with statements regarding island life, respondents were most likely to know their neighbours well enough to ask for or offer help (93%).
- A significant number of respondents (41%) say they sometimes worry about their household running out of fresh water.
- 84% of the respondents volunteered or donated to a local organization in the last year and 82% of respondents have access to high-speed internet.
- 79% of respondents agreed that the Islands Trust area requires a high level of environment protection.

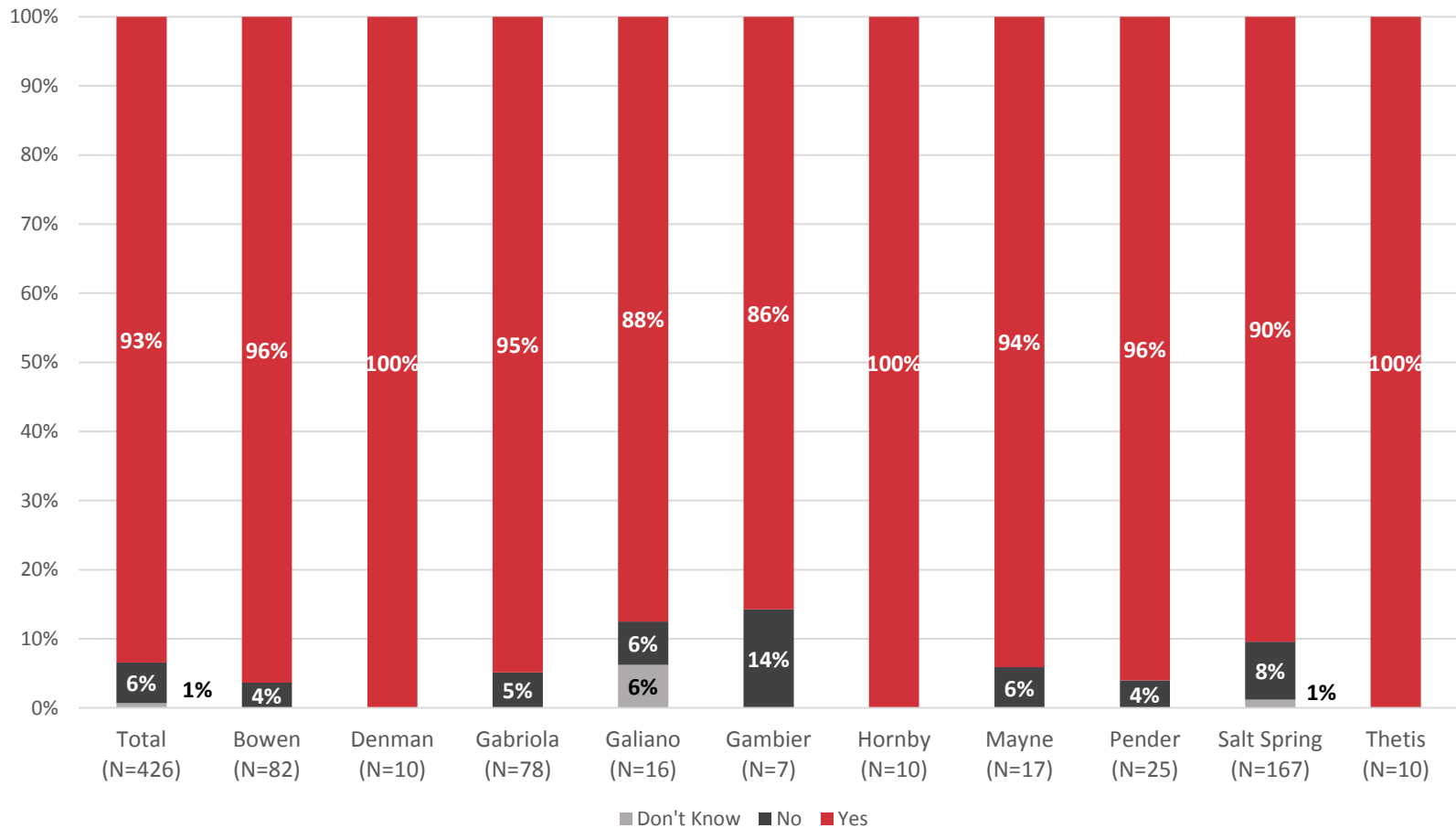


Source:

Q6. I am going to read a series of statements about living on the island. Please answer whether or not each statement applies to you. (N=426)

Agreement with Statements Regarding Island Life (Island Breakout*)

"I know my neighbours well enough to ask for or offer help"



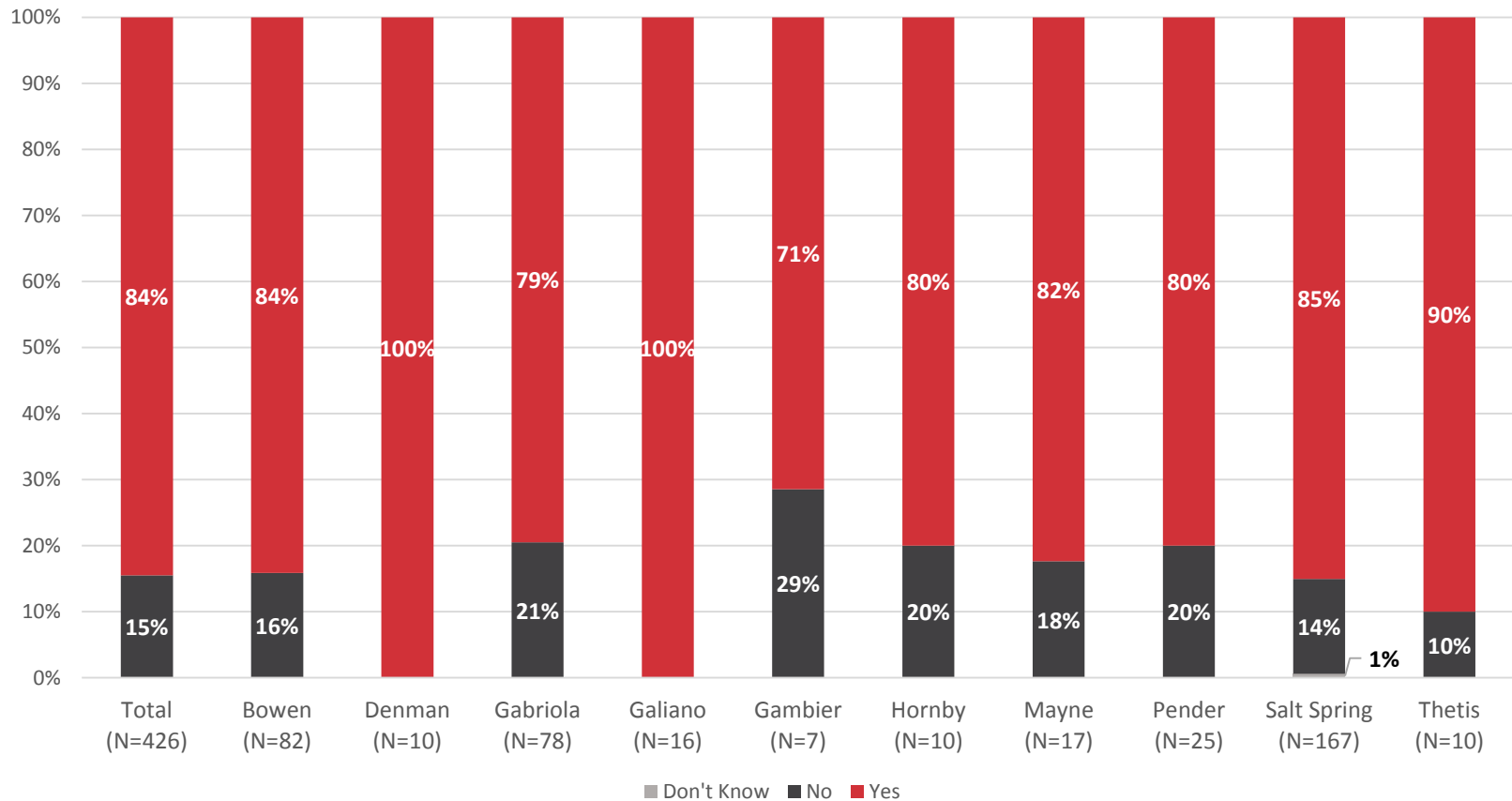
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Agreement with Statements Regarding Island Life (Island Breakout*)

"In the last year, I volunteered or donated to an organization in my island community"



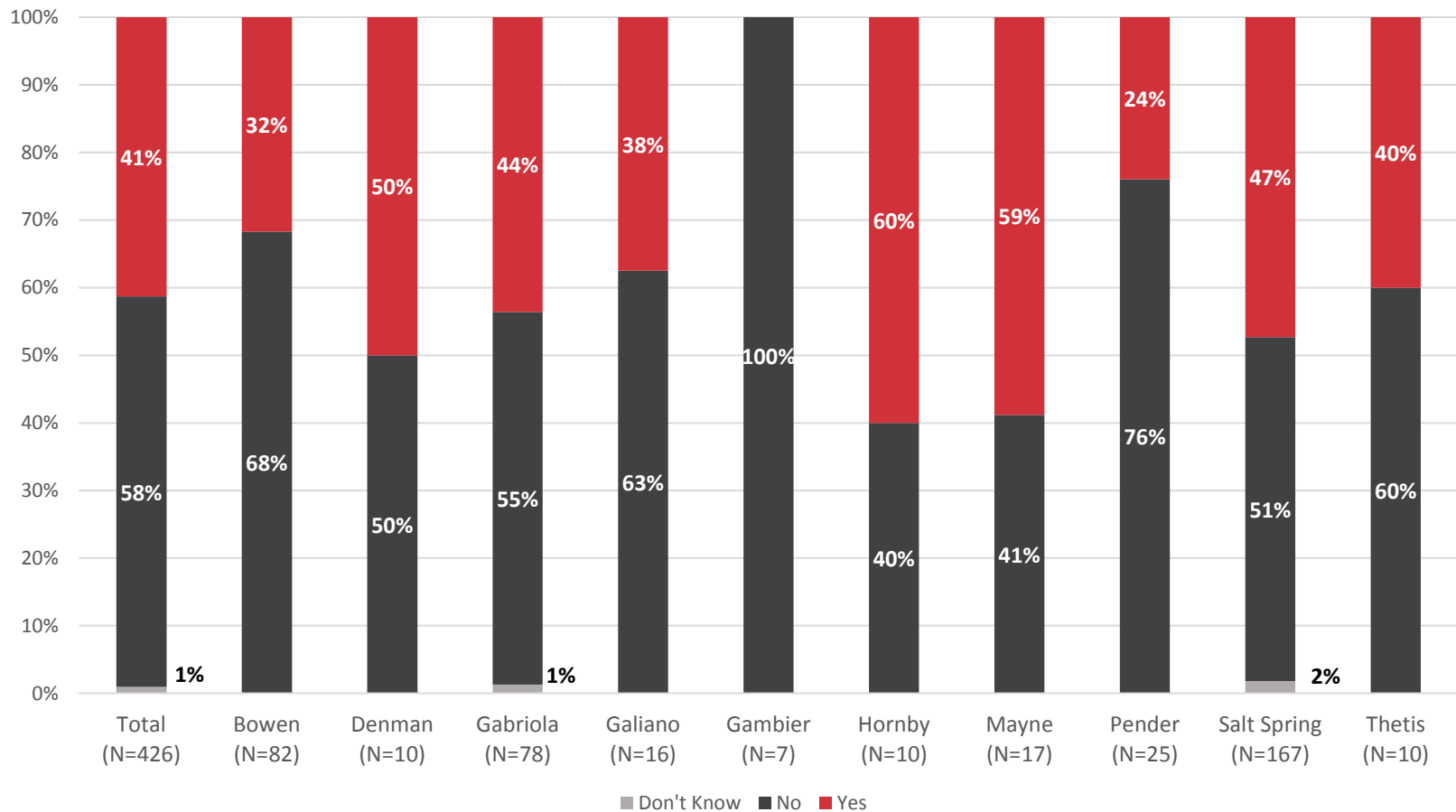
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Agreement with Statements Regarding Island Life (Island Breakout*)

"I sometimes worry about my household running out of fresh water"



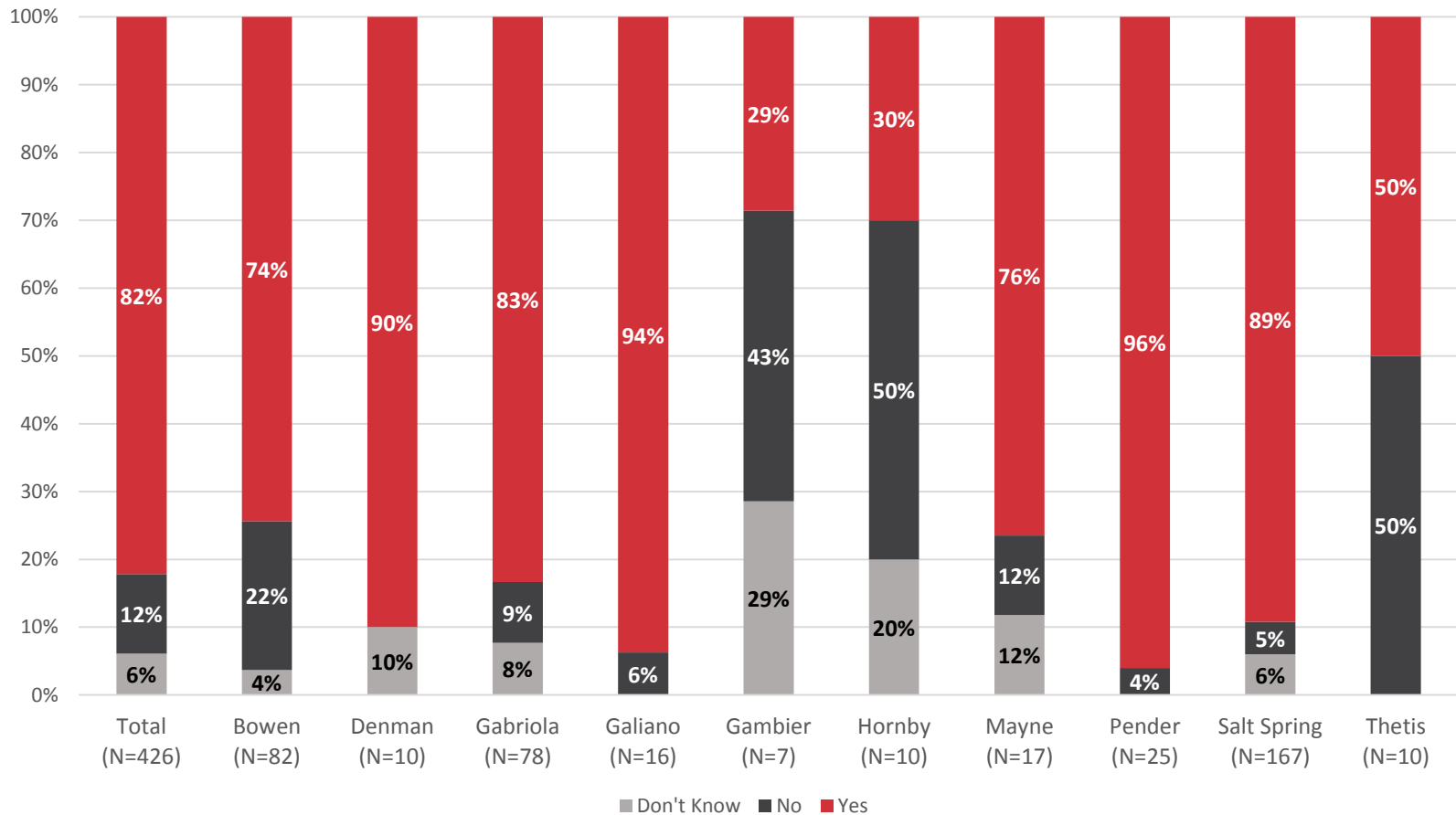
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Agreement with Statements Regarding Island Life (Island Breakout*)

High-speed internet is available in my neighbourhood



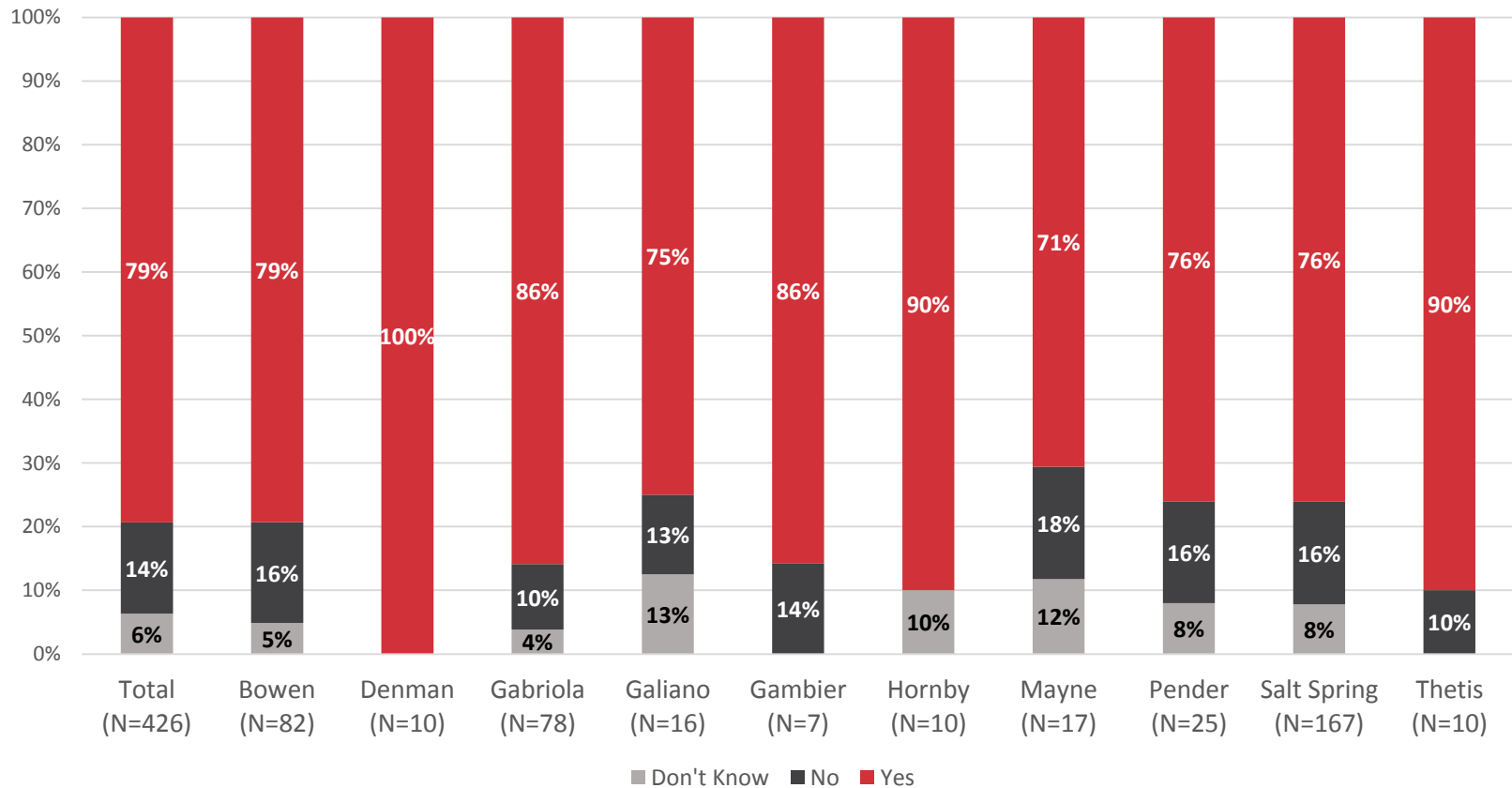
Source:

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Agreement with Statements Regarding Island Life (Island Breakout*)

Agreement that Islands Trust Area requires a high level of environmental protection



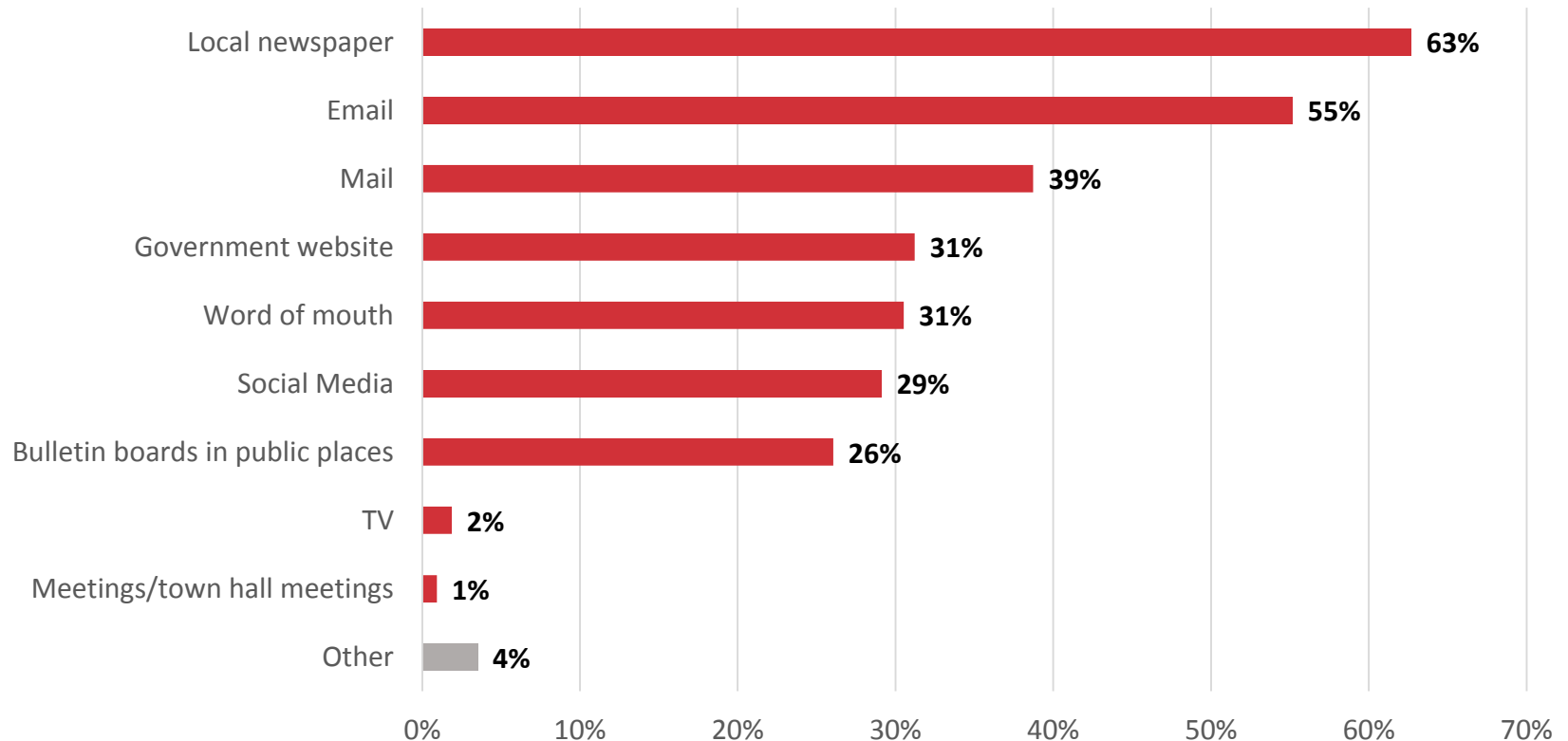
Source:

Q6. I am going to read a series of statements about living on the island. Please answer whether or not each statement applies to you. (N=426)

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Information Preference

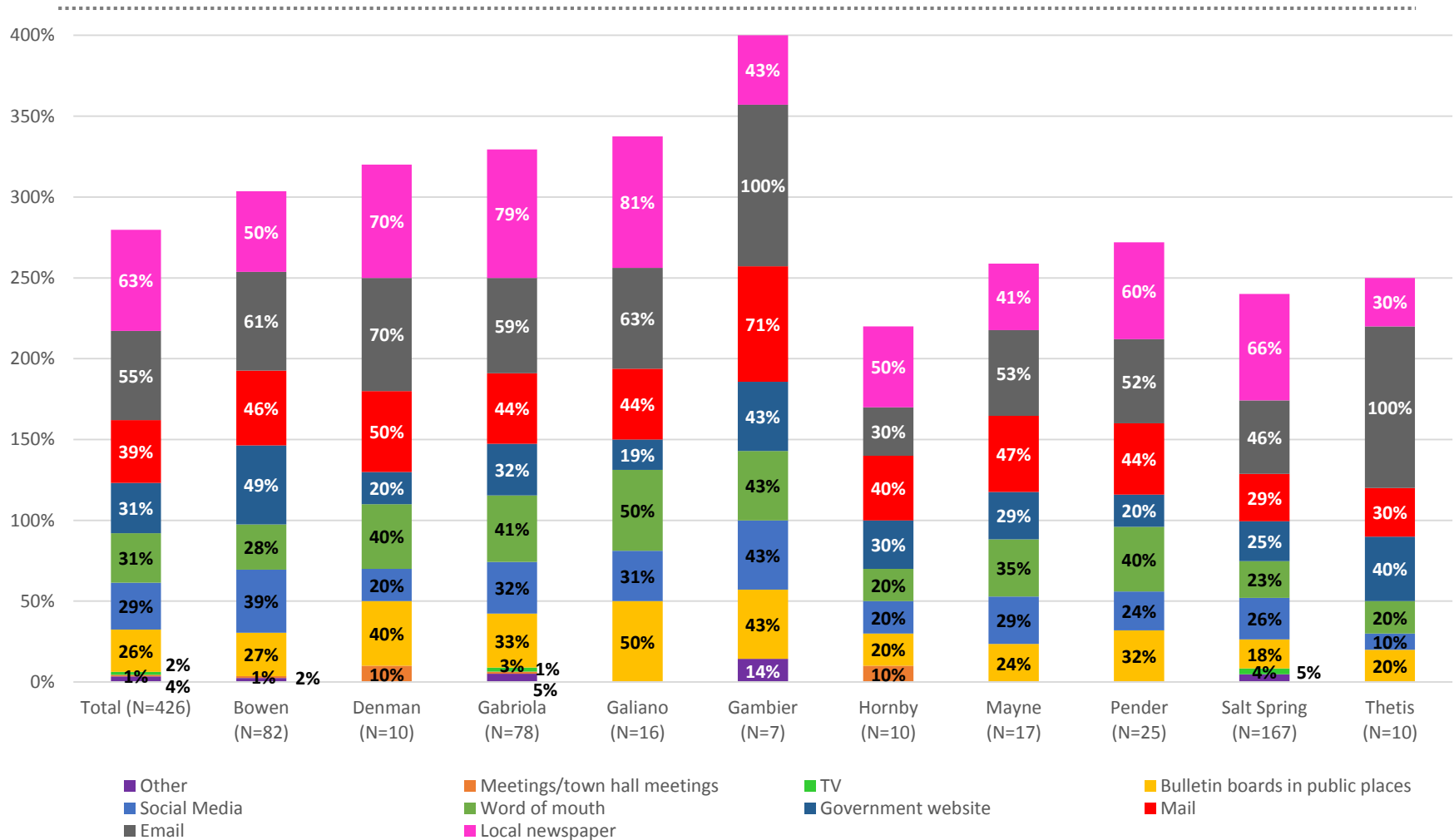
- The majority of respondents prefer to receive information from their local government through local newspapers (63%) and email (55%).
- 2-in-5 respondents prefer to receive information via Canada Post (39%).



Source:

Q7. How do you prefer to receive information from your local government? [Select all that apply] (N=426)

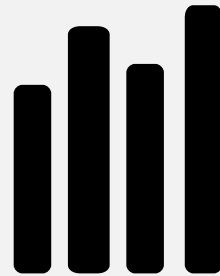
Information Preference (Island Breakout*)



Source:

Q7. How do you prefer to receive information from your local government? [Select all that apply] (N=426)

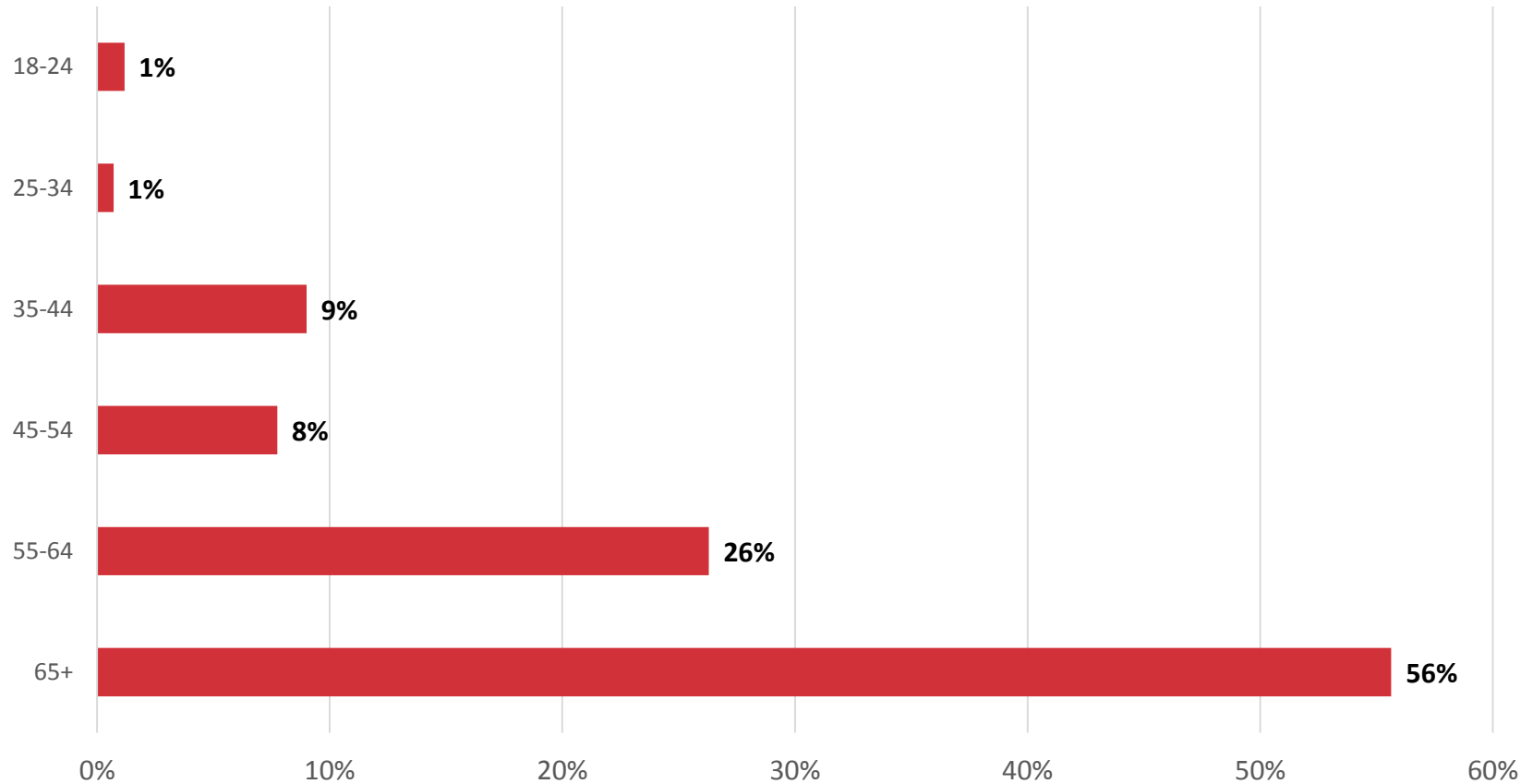
*Lasqueti Island and Saturna Island are not reported on due to a small sample size. One completion came from South Pender specifically. This has been grouped with the twenty four North Pender responses as 'Pender'.



Demographics

Age

- 82% of the respondents were above the age of 55.



Source:

Q8. Which age category do you fall into? (N=426)



SETTING A VISION AND IDENTIFYING CONSERVATION PRIORITIES FOR THE ISLANDS TRUST FUND



Islands Trust Fund's Vision

The islands and waters of Canada's Salish Sea will be a vibrant tapestry of culture and ecology where humans live and work in harmony with the natural world. A network of protected areas will preserve in perpetuity native species and natural systems of the islands. Engaged residents and conservation partners will work together to protect large natural areas and key wildlife habitat. Viable ecosystems will flourish alongside healthy island communities.





Developing a Vision

- TFB held visioning session in 2009 as part of development of long-term funding strategy
- Revisited in 2010 during development of Regional Conservation Plan
 - Staff provided comments collected during 2009 session
 - Feedback was collected from TFB
 - Three options were developed by staff and presented to TFB
 - The TFB approved a version that combined elements of two of the three options
- Public/partner consultation included the vision, as well as the goals and objectives of the Regional Conservation Plan

Long Term Goals – Regional Conservation Plan

1. Secure core conservation areas
2. Research conservation options for working landscapes
3. Work with partners to conserve marine ecosystems
4. Work with Trust Council, LTCs and island municipality to address conservation goals in OCPs and LUBs
5. Promote community stewardship
6. Support and enhance the work of conservation partners
7. Monitor and manage existing conservation areas to maintain and enhance existing biodiversity and cultural features

Date: August 25, 2016

1. Organizational considerations

The last quarter has seen a number of human resource and staffing changes at the Trust. We welcomed Fiona MacRiald to the organization in June as the the Senior Intergovernmental Policy Advisor. Fiona was provided a rapid orientation and is in the process of providing new strategic options for the organization. We also welcomed Melinda Waitzner as the Finance Clerk, a key position for the organization. Mandy Giesbrecht, Executive Coordinator, left the organization in August to move to the Ministry of Technology Innovation and Citizens' Services. As you know, Cindy Shelest, Director of Administration, has provided notice to the islands Trust of her retirement in January 2017. Cindy and I have agreed to a transition process that will put us in a good position to transition her responsibilities to her successor.

Our relationships and interests with First Nations communities has been a focus of the last few months. Recent communications with First Nations on a variety of issues and the deepening work on the Policy Statement Review has highlighted the challenges and opportunities we face as an organization. Expect further information at Trust Council on how we can progress in our relationship building. On June 11 I attended the Forum of Councils, sponsored by the CRDs Special Task Force on First Nations Engagement. This was a well-attended and important event to build local and regional relationships and the Islands Trust should stay connected to the outcomes.

We continue to refine/streamline administrative services including agendas, the strategic plan, records management, electronic meetings and Trustee agenda access. The Trustee agenda access issue has been a priority and we think we have arrived at a solution that can work across the organization. Staff have recommended using a newly created Web Distributed Authoring and Versioning (WebDAV) site to provide agendas. This will provide certainty for Trustees and staff and aid in meeting preparation and flow. Training with the Trustees is ongoing; please let staff know how it is working!

A notable achievement this quarter is a \$273,000 grant from Environment and Climate Change Canada's Habitat Stewardship Program (HSP) for Species at Risk to the Trust Fund Board for fiscal year 2016-2017 to support the purchase of a 21-hectare property on Thetis Island. This is the largest grant ever received by the Islands Trust and results from significant effort by Islands Trust Fund Manager Jennifer Eliason and the Thetis Island Nature Conservancy.

In August, staff conducted a public opinion poll in the Islands Trust Area in support of the State of the Islands project. The results provide a useful sense of the current values and concerns of islanders. This information, along with other indicator information developed by staff this summer will be further examined in the coming months and will inform our work going forward. The Executive Committee plans to share this information at the annual Islands Trust Area electoral area director/MLA breakfast to prompt discussions about trends and shared concerns for the Trust Area.

The dominant work plan items out of the CAOs office over the last quarter has been the Transition Plan and the development of the visioning session for September Trust Council. A draft of the Transition Plan has been included in the September Trust Council package. It is important for Trust Council to be aware of the timing of this report, as well as the Final Salt Spring Island Incorporation Study, which is slated for completion by November 30. I would recommend that Trust Council release the Transition Plan within the fall 2016 so the public will have the information that it needs to formulate their positions on the issues. Please be prepared to offer any amendments to the Transition Plan for September such that, if the Plan substantially meets the needs of Trust Council, it can be amended forthwith and move to a final stage.

The visioning session for Trust Council will present an opportunity to step out of the usual rhythm of the organization and engage on an aspirational level. Trustees will have been introduced to Suzanne Hawkins, our facilitator, through her survey questions. Staff are very interested in participating and look forward to the session.

2. External considerations

The Salt Spring Incorporation Study Committee has received a road condition report on for Salt Spring Island. By the end of November, the Committee is expected to make a recommendation to the Minister of Community, Sport and Cultural Development (MCSD) on whether to hold a referendum on Salt Spring incorporation based upon the study results and a restructure offer from the Province.

Two meetings are being scheduled between the Islands Trust and adjacent Regional Districts to discuss protocol agreements, issues and opportunities. A meeting has been arranged by the Northern Office for September 22 with the Powell River Regional District to be attended by Trustees and staff. A similar meeting is being arranged with the Sunshine Coast Regional District for October. I intend to be present for these meetings in support of Trust Council objectives.

The UBCM meeting occurs in Victoria on September 26-30th. This meeting provides an opportunity for the Islands Trust to meet with senior government officials to seek clarification, assistance or cooperation of matters of importance to the Trust. Requests have been made for meetings with Minister Fassbender, MCSCD, and Minister Stone, Ministry of Transportation.

3. Current Issues

Gabriola anchorage issue: The Pacific Pilotage Authority has responded to stakeholders and partners' concerns about their consultation process with respect to the proposed location of five anchorages off Gabriola by putting a hold on the proposal while they relook at the process. The Pacific Pilotage Authority will notify Islands Trust staff and community stakeholders once they have decided on next steps. Staff will continue to monitor anchorage issues and remain ready to assist the Pacific Pilotage Authority with a public meeting on Gabriola Island in the fall, pending the results of the process review.

Kinder Morgan's Trans Mountain pipeline expansion: On May 19, 2016 the National Energy Board recommended to Cabinet that the Trans Mountain pipeline be approved with 157 conditions. A three-member Ministerial panel is conducting additional consultations and will report to the Minister of Natural Resources on feedback received. The Islands Trust Chair presented to the Panel on August 9, 2016 and submitted written comments. Staff will continue to monitor this topic. The federal cabinet is expected to make a final decision in December.

Proposed Sunshine Coast Fixed Link: The initial consultations with local elected officials, local government staff and First Nations happened in July 2016. Public consultation will occur in fall 2016 and the Ministry of Transportation is expected to receive a consultant report in late 2016. Staff will continue to monitor this topic and will advise the Executive Committee, Gambier Island Local Trust Committee and Bowen Island Municipal staff about any developments.

EXECUTIVE COMMITTEE WORK PROGRAM REPORT

To: Islands Trust Council

Updated: August 25, 2016

WORK PROGRAM (*Top Three Priorities*)

Bold items are identified in Trust Council's Strategic Plan

1. GOVERNANCE, POLICY, STRATEGIC PLANNING, TRUST COUNCIL (RH)

Top Priorities

- 'Initial' Adaptation Strategy (re potential SSI incorporation) (RH)
- **Protocol Agreement with MCSCD re municipal incorporation (RH)**
- CAO Transition planning (RH)

Planned

- Improve policy development program (RH/CT)
- **Seek legislative change regarding TFB name change (RH)**

2. COMMUNICATIONS, ADVOCACY, POLICY STATEMENT, INTERAGENCY AND PUBLIC RELATIONS (LG)

Top Priorities

- 2015-2016 Annual Report
- **Crown land agreements review (LG/DM/TPC)**
- **Oil Spill and Shipping Safety advocacy (LG/CF)**

Planned

- Internal and external communications re SSI Incorporation Study

3. ORGANIZATIONAL IMPROVEMENTS (DM/CS/CT)

Top Priority

- Improve First Nations Relationships (DM)
- Review process for development of RD/LTC protocol agreements (DM)
- TC Electronic Meeting Procedures (CT)

Planned

- Establish consistent use of Policy Statement checklist with planners (DM)
- Establish universal agenda access process for Trust Council

PROVINCIAL LIAISON UPDATE

Completed

Planned

- Meeting with MOTI regarding rural road standards and conditions
- Meeting with Island Panel, Agricultural Land Commission

Russ Hotsenpiller
Chief Administrative Officer

Peter Luckham
Chair



Islands Trust

Islands Trust Council Plan for Continuous Learning 2014-2018

(What other topics would trustees like to propose?)

2016-09-01

Year		Trust Wide and Administrative Topics	Legal and Governance Topics	Planning How-To	Working With Others
2017	March (Denman)				
	June (Lasqueti)				
	September (Gabriola)				
	December (Victoria)				
2016	2015-16 Webinars (dates TBD)	Email management IT Website	Introduction to Roberts Rules of Order Introduction to Freedom of Information/Protection of Privacy		Making meetings work
	September (Sidney)	Visioning Housing Session			San Juan County
	December (Salt Spring)	Draft 2017/18 Budget Session		Effective Advocacy Visioning follow-up	Regional District(?) Species at Risk(?)

POTENTIAL TOPICS/AGENCY LIAISON FOR CONSIDERATION FOR FUTURE SESSIONS:

Suggestions arising during 2014-2018 Term:

- Heritage Conservation Act session
- Office of the Ombudsperson session
- Making Online Meetings Work
- OneNote for meetings
- Public Consultation and Polling
- NMCA – implications for local zoning jurisdiction
- Options for a trustee network
- Introduction to the Island Trust Policy Statement
- Participatory decision-making (using expertise on Bowen Island)
- Effective Communications and Social Media

	<i>SESSIONS/ITEMS COMPLETED IN 2015-18</i>				
Year		Trust Wide and Administrative Topics	Legal and Governance Topics	Planning How-To	Working With Others
2016	June (Pender)	Marine Shipping Safety / Anchorages	Governance/Staff relations	Visioning (prelim)	
	March (Hornby)	Budget Session	Trust Council Electronic Meeting Options		First Nations
2015	2015 Webinars (held)	Annual Budget in Depth			
	Mar (Gabriola)	Introduction to Strategic Planning Annual Budget Session	Standards of Conduct (legal session) Provincial Assessment of Impact on Islands Trust (re potential SSI incorporation)	Community Planning 101 (for newly-elected)	Working with First Nations (introduction)
	June (Galiano)	Visioning/Strategic Planning			San Juan County
	Sept (Bowen)	Introduction to Structured Decision-Making Adaptation Strategy workshop Victoria Office Location Review workshop	Strategic Planning		Working with Bowen Island Municipal Council
	Dec (Victoria)	Draft 2016/17 Budget Session Strategic Plan Implications	Introduction to the Islands Trust Policy Statement		Working with the Trust Fund Board

Suggestions from previous terms:

- Using Special Tax Requisitions
- Introduction to UBCM
- Effective Advocacy (Trustee Steeves suggestion) / advocacy policy
- Dealing with difficult people (Trustee Busheikin suggestion)
- Dispute Resolution for planners and trustees (Trustee Grove suggestion)
- Introduction to the Climate Action Charter
- Effective Conservation Covenants
- Demographics-Aging Population
- Dept. of Fisheries and Oceans – marine sewage, fish farming
- Private Managed Forests Council
- BC Assessment Authority
- Ministry of Transportation
- Local GHG Emissions Inventory (e.g. Lasqueti Island)
- Advocacy and Media Relations
- Succession Planning and Staff Retention
- Soil Removal
- Alternate Energy Sources
- Using Technology – document and information management
- Using Social Media
- Adapting to Sea Level Rise
- Local Government Liability

SESSIONS/ITEMS COMPLETED IN 2011-14

Year		Trust Wide and Administrative Topics	Legal and Governance Topics	Planning How-To	Working With Others
	<i>Webinar Sessions (held)</i>	<i>Email Management (Aug 2013) Carbon Offsets (June 2013)</i>			
2014	<i>Mar (Hornby)</i>	<i>Annual Budget Session</i>			<i>Provincial Treaty Negotiators</i>
	<i>June (Saturna)</i>	<i>Coastal Douglas Fir Zone Conservation Action Plan</i>	<i>Aquaculture Management</i>		<i>San Juan County Respectful Workplaces</i>
	<i>Sept (Gambier)</i>	<i>Term Review</i>	<i>Election Period Best Practices</i>		
	<i>Dec (Victoria)</i>	<i>Orientation Draft 2015/16 Budget Session</i>	<i>Orientation</i>	<i>Orientation</i>	<i>Orientation</i>
2013	<i>June (Mayne)</i>	<i>Carbon Neutral Policy</i>		<i>Making Difficult Decisions</i>	<i>Working with San Juan County</i>
	<i>Mar (Thetis)</i>	<i>Annual Budget Session</i>	<i>Legal Session Conflict of Interest</i>		<i>Working with the Islands Trust Fund</i>
	<i>Sept (Lasqueti)</i>	<i>Advocacy Policy</i>	<i>Freedom of Information and Protection of Privacy</i>	<i>Refresher on admin. fairness in application processes</i>	
	<i>Dec (Victoria)</i>	<i>Draft 2014/15 Budget Strategic Plan Review Invasive Species</i>		<i>Bylaw Enforcement Best Practices</i>	<i>Economic Sustainability Session</i>
2012	<i>Dec (Salt Spring)</i>	<i>Draft Budget Session</i>		<i>Greenshores for Homes re Shoreline Mapping</i>	<i>Agricultural Land Commission</i>
	<i>Sept (Bowen)</i>	<i>Strategic Planning Oil Spill Response</i>	<i>Standards of Conduct and Admin. Fairness Refresher</i>	<i>Best practices in public engagement</i>	<i>Bowen Island Municipality</i>
	<i>June (Penders)</i>	<i>Strategic Planning</i>	<i>Intro to Indemnification</i>		<i>First Nations San Juan County</i>
	<i>Mar (Gabriola)</i>	<i>Annual Budget Session Initial Strategic Planning</i>	<i>Standards of Conduct and Indemnification</i>	<i>Community Planning 101 (for new trustees)</i>	
2011	<i>Dec (Victoria)</i>	<i>Trustee Orientation</i>	<i>'Staying out of Trouble'</i>	<i>Planning Orientation</i>	<i>Making Fair Decisions Islands Trust Human Resources</i>

SESSIONS/ITEMS COMPLETED in 2008 – 2011 TERM					
Year		Trust Wide and Administrative Topics	Legal and Governance Topics	Planning How-To	Working With Others
2008	December (Victoria)	Intro to Budget Session Strategic Plan Discussion	General Orientation Governance (G. Cuff)	General Orientation	General Orientation
2009	Mar (Gabriola)	Annual Budget Session	Strategic Planning Legal Session	Intro to land use planning	
	June (N. Pender)		Procedural Fairness	Introduction to land use planning – part 2	Farm Industry Review Board San Juan County
	September (Mayne)	Climate Change – GHG Emission Reduction Targets		GHG Emission Reduction – planning policies actions	
	December (SaltSpring)	Intro Budget Session History of the Trust	Litigation 101	Comm. Housing Task Force Bill 27 Update	Trust Fund Board
2010	March (Hornby)	Strategic Plan Review Annual Budget Session	Update regarding court case	Comm. Housing Task Force Bill 27 Update	
	June (Saturna)	Marine Shipping Safety	Refresher on Orientation Topics	Refresher on Temporary Use Permits	San Juan County Parks Canada
	Sept (Bowen)	Strategic Plan Update and Review		Food Security through Land Use Planning RAR – QEP perspective	Bowen Island Council
	Dec (Victoria)	Intro Budget Session Strategic Plan Update		Good Planning Practice (Randall Arendt)	Trust Fund Board Regional Conservation Plan (RCP)
2011	March (Galiano)	Annual Budget Session		MAP IT demo Implementing RCP w/ LTCs	
	June (Denman)	Conservation Offsets	Operational Carbon Neutrality and Offsets	Rural By Design Practical examples	Electoral Area Director – Cortes Strathcona RD
	Sept (SaltSpring)	Term & Strategic Plan Review Advice to Incoming Council	Elections Period Best Practice		San Juan County

 Islands Trust	
SEPTEMBER 2016	
PRIORITIES	
1	PROTECT THE NATURAL ENVIRONMENT OF THE ISLANDS TRUST AREA
2	PRESERVE, PROTECT AND ADVOCATE FOR COASTAL SHORELINES AND MARINE AREAS WITHIN THE ISLANDS TRUST AREA
3	REDUCE COMMUNITY ECOLOGICAL FOOTPRINT
4	PROTECT QUALITY AND QUANTITY OF WATER RESOURCES
5	ENHANCE, PROTECT AND RESTORE COMMUNITY CHARACTER, SOCIO-ECONOMIC DIVERSITY AND ECONOMIC SUSTAINABILITY
6	STRENGTHEN RELATIONS WITH FIRST NATIONS
7	IMPROVE ORGANIZATIONAL COST EFFECTIVENESS AND RESILIENCE
8	IMPROVE CO-OPERATION AND INTEGRATION WITH OTHER LEVELS OF GOVERNMENT
9	IMPROVE COMMUNITY AND AGENCY UNDERSTANDING AND SUPPORT FOR THE ISLANDS TRUST
10	IMPROVE COMMUNITY ENGAGEMENT AND PARTICIPATION IN ISLANDS TRUST WORK

Strategic Plan 2014-2018

Quarterly Update – September 2016

The Islands Trust Council adopted its [Strategic Plan for the 2014-18](#) term at its September 2015 meeting on Bowen Island.

QUARTERLY UPDATE

Trust Council receives quarterly updates on Strategic Plan status, with highlights of successes and significant progress.

Detail on status of each Strategic Objective is available under the 'Status' column of the Plan.

PROGRESS

The Islands Trust has made progress on a number of Strategic Plan Objectives and Goals including:

Objective 1. Protect the natural environment

T1.1.2 Opportunity Fund grant provided to Lasqueti Island Nature Conservancy to assist with appraisal of potential conservation property.

T1.5.2 Since December 2014, the Trust Fund Board has protected 22.4 hectares on Salt Spring, N Pender, Galiano and Hornby Islands.

Objective 2. Preserve, protect and advocate for coastal shorelines and marine areas

T2.3.1 The Islands Trust Council Chair sent one letter relating to

shipping safety and one letter related to marine pollution. The Executive Committee met with the Executive Director of Clear Seas Centre for Responsible Shipping.

T.2.6.2 The Islands Trust Council Chair wrote to the Prime Minister opposing proposed anchorages near Gabriola anchorages and to the Minister of Transport requesting community consultation on any Nanaimo Port Authority Expansion.

Objective 6. Strengthen relations with First Nations

T.6.1.2 Hired and oriented new Senior Intergovernmental Policy Advisor.

Objective 7. Improve organizational cost effectiveness and resilience

T.7.1.2 Continued work by Management Team to review and update TC policies and procedures.

T.7.1.4 The September Trust Council schedule includes a session to discussion the vision, goals, mandate and actions of the organization.

T.7.2.4 IT-MCSD protocol agreement has been reviewed by staff at both agencies and update referred to next Trust Council.

T.7.2.1 Sept 2016 Trust Council Meeting - RFD seeking adoption of Islands Trust Transition Plan regarding the potential

incorporation of Salt Spring Island.

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

T.8.1.1 Staff has made progress on revising and consolidating six agreements regarding Crown Land in the Islands Trust Area

Objective 9. Improve community understanding and support for the Islands Trust

T.9.1.1 Staff has made significant progress on the State of the Islands indicator program. In March 2016, Trust Council adopted amendments to policies administering the Islands Trust Policy Statement, and approved funding for a State of the Islands project, a community engagement process to create a vision statement for the Islands Trust Area and to identify Policy Statement topics for amendment.

Objective 10. Improve Community engagement

T10.1.1 FPC approved the public consultation for the 2016/17 budget in January. The public submitted 13 emails and 121 surveys between January 22 and February 17, 2016. This represents a significant increase in public input to the budget process over 2014 and 2015 results.

COMMUNITY HIGHLIGHTS

Local Trust Committees have advanced the following land use planning projects (only changes since last report noted):

BALLENAS-WINCHELSEA

A Development Approval Information (DAI) Bylaw for the Ballenas-Winchelsea Islands Local Trust Area was adopted by Trust Council in April. The Executive Committee Acting as a Local Trust Committee (Ballenas-Winchelsea Islands) has also developed administrative bylaws for development procedures, fees and a Board of Variance, and expects adoption next quarter.

DENMAN

The Denman Island LTC has received funding approval from the Union of BC Municipalities to support a Community to Community (C2C) forum with Komoks First Nation.

GABRIOLA ISLAND

The Gabriola Island LTC has received funding approval from the Union of BC Municipalities (UBCM) to support a Community to Community (C2C) Forum with the Snuneymuxw First Nation.

GAMBIER ISLAND

The Gambier Island Official Community Plan is currently under review.

LASQUETI ISLAND

Lasqueti Island LTC adopted a Riparian Areas Regulation bylaw. The Lasqueti Island LTC has also received funding approval from UBCM for a C2C Forum with the Qualicum First Nation.

MAYNE ISLAND

The Mayne Island LTC is also in the process of completing policies and regulations for Short Term Vacation Rentals.

SALT SPRING

Grantville Neighbourhood project to protect water quality and quantity (Bylaw 484) was adopted by the LTC on June 2, 2016.

The Salt Spring Island LTC is using Temporary Use Permits for affordable rental housing in secondary suites and cottages

Industrial Land Uses (Bylaws 488-490) feedback complete; drafting bylaw for second reading.

First Nations inventory project referred to Archaeology Branch.

SATURNA

The LTC has engaged in community discussions on potential density transfer policies and on amendments to amenity zoning policies.

SOUTH PENDER

The LTC has continued to work on a comprehensive review of its Land Use Bylaw, engaging in extensive community consultation on key issues.

THETIS ISLAND

- The LTC is working towards becoming compliant with the provincial Riparian Areas Regulation,

DELAYS

Objective 1. Protect the natural environment of the Islands Trust Area

T.1.8.1 Encourage CRD to develop a (non-native) fallow deer management plan on Mayne Island. Staff research shows that

the Province may be the agency best suited to effect change on this matter.

Objective 2. Preserve, protect and advocate for coastal shorelines and marine areas within the Islands Trust Area

T.2.3.3 Encourage Canadian oil spill response agencies to coordinate spill response strategies with American counterparts

Objective 6. Strengthen relations with First Nations

T.6.2.1 Trust Council has not yet held an educational session on archaeological protection.

REQUEST FOR DECISION

To: Islands Trust Council

For the Meeting of: September 13-15, 2016

From: Carmen Thiel, Legislative Services
Manager

Date: August 4, 2016

**SUBJECT: AMENDMENT TO TRUST COUNCIL PROCEDURES BYLAW TO ALLOW FOR
ELECTRONIC PARTICIPATION IN TRUST COUNCIL MEETINGS**

RECOMMENDATION:

1. That Islands Trust Council Bylaw No. 166, cited as “Islands Trust Council Meeting Procedures Bylaw, 2004, Amendment Bylaw No. 3, 2016” be read a first time.
2. That Islands Trust Council Bylaw No. 166, cited as “Islands Trust Council Meeting Procedures Bylaw, 2004, Amendment Bylaw No. 3, 2016” be read a second time.
3. That Islands Trust Council Bylaw No. 166, cited as “Islands Trust Council Meeting Procedures Bylaw, 2004, Amendment Bylaw No. 3, 2016” be read a third time.

CHIEF ADMINISTRATIVE OFFICER COMMENTS:

Trust Council has received reporting on electronic meetings on two occasions. The recommended bylaw amendments have incorporated direction from Trust Council and are in support of Trust Council's strategic direction to improve organizational effectiveness.

IMPLICATIONS OF RECOMMENDATION

ORGANIZATIONAL: The bylaw amendment would provide the ability for trustees to participate in Trust Council meetings electronically and to meet 2014-2018 Strategic Plan Objective 7. to improve organizational cost effectiveness and resilience. Proposed Trust Council Bylaw 166 would enable Trust Council members to hold *special* meetings in an entirely electronic fashion and would also enable individual trustees to participate electronically in *regular* meetings that are held in a physical location, with some restrictions. Improved facilities for videoconferencing would make electronic participation by trustees more viable.

FINANCIAL: Additional costs would be incurred if Trust Council decided to upgrade electronic equipment and video conferencing service. A full financial analysis has not yet been undertaken nor has budget been allocated from 2016-2017 for this project. A business case would be developed to present to the Financial Planning Committee during the 2017-2018 budget deliberations.

POLICY: The proposed bylaw changes are consistent with existing policies, the Islands Trust Electronic Meetings Regulation and Trust Council's 2014-2018 Strategic Plan Objective 7.

IMPLEMENTATION/COMMUNICATIONS:

- Staff would prepare a Resolution Without Meeting (RWM) for Council members to consider final adoption of Bylaw No. 166 following the September Trust Council meeting.
- There are special notification requirements for electronic meetings, to ensure the public is aware of opportunities to hear an electronic meeting.

- Staff would prepare guidelines on electronic meeting protocol and etiquette to facilitate optimal electronic participation by trustees.

OTHER:

It is anticipated that *special* meetings, held in an entirely electronic manner, would be primarily considered for urgent items or a RWM that requires discussion.

BACKGROUND

- Draft bylaw wording for amendments to Trust Council's meeting procedures to accommodate electronic participation by Trust Council members was considered at the June 2016 Trust Council meeting. Trust Council directed staff to prepare a bylaw amendment, to include the following points:
 - no more than four Council members, excluding the person presiding, may participate electronically at a regular meeting;
 - a Council member may not participate electronically in more than one regular Council meeting in any one calendar year;
 - a land line connection not be required for closed Council meetings; and
 - 15 minutes be the time established after which a meeting will be adjourned if communication is lost to one or more electronic participants and there is not a quorum.
- Sections 11.11 through 11.14 of Trust Council Procedures Bylaw currently provide for electronic participation by members of Council committees and the Executive Committee.

REPORT/DOCUMENT:

Appendix 1: Proposed Trust Council Bylaw 166 that would amend the existing Islands Trust Council Meeting Procedures Bylaw 101.

KEY ISSUE(S)/CONCEPT(S): To address an objective and activity in the Strategic Plan by providing for trustees to attend Trust Council meetings electronically.

RELEVANT POLICY:

- Islands Trust Electronic Meetings Regulation
- Strategic Plan objective 7. Improve organizational cost effectiveness and resilience;
- Islands Trust Council Meeting Procedures Bylaw, 2004

DESIRED OUTCOME: To improve organizational cost effectiveness and resilience.

RESPONSE OPTIONS

Recommended:

That Islands Trust Council Bylaw No. 166, cited as "Islands Trust Council Meeting Procedures Bylaw, 2004, Amendment Bylaw No. 3, 2016" be read a first, second and third time.

Alternative:

1. That Islands Trust Council not proceed with an amendment to "Islands Trust Council Meeting Procedures Bylaw, 2004" to provide for electronic participation by trustees at Trust Council meetings.
2. That Islands Trust Council amend proposed Bylaw No. 166 prior to consideration of first, second and third readings.

Prepared By: Carmen Thiel, Legislative Services Manager

Reviewed By/Date: Russ Hotsenpiller, Chief Administrative Officer – August 11, 2016
Executive Committee – August 17, 2016

ISLANDS TRUST COUNCIL

BYLAW NO. 166

A BYLAW TO AMEND THE ISLANDS TRUST COUNCIL MEETING PROCEDURES BYLAW

The Islands Trust Council, having jurisdiction in respect of the Trust Area in the Province of British Columbia pursuant to the *Islands Trust Act*, as amended, enacts as follows:

1. Islands Trust Council Meetings Procedures Bylaw, 2004 is amended as follows:
 - a. by adding to the end of PART 4 – OTHER MATTERS REGARDING MEETINGS the following new Sections 4.4 through 4.7 – Electronic Meetings:

“Electronic Meetings

- 4.4 (a) A special meeting of Council to deal with urgent new business may be conducted entirely by means of audio or audio and visual electronic communication facilities if a majority of the members of the Council have agreed by resolution that the meeting may be conducted in this way and provided the Secretary has received sufficient notice and can make the necessary arrangements.
- (b) An individual Council member who is not at the physical location of a special Council meeting or a regular Council meeting may choose to participate by means of audio or audio and visual electronic communication facilities, provided the Secretary has received sufficient notice and can make the necessary arrangements.
- (c) At a regular Council meeting, no more than four Council members may participate by means of electronic communication facilities and in the event that more than four members wish to do so, the first four members to notify the Secretary will be those eligible to participate through electronic communication facilities.
- (d) The person presiding at a regular Council meeting must be present at the physical location of the Council meeting.
- (e) An individual member of Council may not participate by means of electronic communication facilities in more than one regular meeting of the Council in any one calendar year.
- (f) The Council may waive the restrictions in section 4.4(c) and (e) by unanimous resolution, provided the waiver does not conflict with provincial legislation and regulation that enables electronic meetings.
- (g) Council members who use electronic communication facilities to participate in a meeting conducted in accordance with this bylaw are deemed present at the meeting.

- (h) A member of the Council may begin participation in a meeting by electronic communication facilities after the meeting has been called to order.
- (i) Where a member of the Council is participating in a meeting through electronic communication facilities, the facilities must enable all meeting participants to hear, or watch and hear, each other and must provide notice when participants join or leave the meeting.
- (j) Where a member of the Council is participating in a meeting through electronic communication facilities, the facilities must enable the public to hear, or watch and hear, all meeting participants at a place specified in the meeting notice, unless the meeting has been properly closed to the public.
- (k) For the duration of an electronic meeting that is open to the public, a designated staff member must attend at the place specified in the meeting notice for the public to hear, or watch and hear, the participants.

4.5 Cell phone or satellite connections may be used for open Council meetings.

4.6 If communication is lost to one or more electronic participants during a meeting:

- (a) The participant affected will attempt to reestablish the link and, in the interim, will be deemed to have left the meeting and this will be recorded in the minutes.
- (b) If there is not a quorum, the Council Chair or person presiding will call a recess until the link is reestablished.
- (c) If, after 15 minutes, a link cannot be reestablished and there is not a quorum of Council members, the meeting will be deemed adjourned and the item under discussion at the time of loss of communication will be added to the next agenda.

4.7 The costs of electronic participation in a Council meeting will be borne by the Council if the Council member is participating from a location within Canada or has received the approval of the majority of Council members."

- 2. This Bylaw may be cited for all purposes as "Islands Trust Council Meeting Procedures Bylaw, 2004, Amendment Bylaw No. 3, 2016".

READ A FIRST TIME THIS	DAY OF	, 2016
READ A SECOND TIME THIS	DAY OF	, 2016
READ A THIRD TIME THIS	DAY OF	, 2016
ADOPTED THIS	DAY OF	, 2016

SECRETARY

CHAIR

DIRECTOR OF TRUST AREA SERVICES 2016-2017 Second Quarter Report

Date: August 24, 2016

COMPLETED SINCE LAST REPORT	PLANNED FOR NEXT QUARTER
1. <u>TRUST COUNCIL / TRUST PROGRAMS COMMITTEE</u> • Sent letters to two delegates at June Trust Council • Researched possible indicators and presented State of the Islands interim products to TPC with co-op student support • Assisted with Salt Spring Transition Plan • Assisted with Trust Council vision session • Participated in Select Committee to Review Victoria Office Location	• Continue to implement State of the Islands project • Complete guidelines for gift exchange with First Nations • Research water conservation tools and current regulatory environments • Develop revised Policy Statement amendment process • Report to Trust Council re marine protection regimes (e.g. MPA, NMCA & Biosphere Reserve) • Develop advocacy session for future Trust Council • Develop Species at Risk session for future Trust Council • Update legislative monitoring report for Dec. TC
2. <u>AGENCY LIAISON and ADVOCACY</u> • Chair correspondence to: ◦ Transport Canada re oil spill preparedness ◦ Prime Minister re Trans-Pacific Partnership ◦ Prime Minister re anchorages ◦ Federal Transportation Minister re Nanaimo Port expansion ◦ Federal Budget Standing Committee re including provisions for marine pollution and marine shipping safety • Attended meeting of staff from Bowen Municipality, FLNRO, CSCD to consider amendments to protocol about Crown Land	• Continue to negotiate amendments to agreements with the Ministry of Forests, Lands and Natural Resource Operations in partnership with Bowen Island Municipality. • Support consultations re Pacific Pilotage Authority anchorage proposal near Gabriola Island (delayed) • Continued participation in Regional Advisory Council on Oil Spill Response meetings (on-hold pending federal funding availability) • Continued participation in Joint Working Group for Removal of Problem Vessels meetings (September) • Support for UBCM resolution as required • Support for UBCM breakfast meeting • Develop advice re fallow deer • Develop advice re encouraging transboundary oil spill response improvements
3. <u>COMMUNICATIONS</u> • Completed new signage outside Fort St. office • Completed design of 2015-16 Annual Report • Issued one news release: ◦ Sept Council program • Delivered communications plan to accompany Salt Spring Incorporation Study adaptation strategy • Advised CAO re SSI governance communications • Received EC approval for strategic communications strategy for Islands Trust (staff and political) • Issues management and media relations support (FAQs, keys messages and coaching) for: ◦ Affordable housing forum • Twitter: 15 new followers (773) and 4 new tweets (637)	• Distribute 2015-2016 Annual Report to Minister and others • Continue working with LPS and Legislative Services Manager on improving public hearing notices • Continue to explore ways to better manage Islands Trust multimedia assets – images, audio and video data • Promote Islands Trust style guide to trustees and staff • Update Communications Policy • Communications support for State of the Islands project



Top Priorities

Trust Programs Committee

No.	Description	Activity	R/Initiated	Responsibility	Target Date
1	Review The Islands Trust Policy Statement (Strategic plan 9.1)	State of the Islands project		Clare Frater Lisa Gordon	
2	Amend Crown Land Cooperation Agreements (Strategic plan 8.1)	Engage Bowen Island Municipality and the Province of B.C. in updating and consolidating six existing agreements into one.		Lisa Gordon Clare Frater	
3	Protect Quality and Quantity of Water Resources (Strategic plan 4.3)	Prepare to advocate for and educate about water conservation measures (phase 1 staff training and assessment of capacity and scope).		Clare Frater Lisa Gordon	

Projects

Trust Programs Committee

Description	Activity	R/Initiated
Protect quality and quantity of water resources	Advocate for and educate about water conservation measures (phase 2 e.g. rainwater catchment, greywater recycling) (2016-17)	
Enhance (protect / restore) community character, socio-economic diversity and economic sustainability	Work with other agencies to promote economic sustainability (2016-18) Facilitate exploration of intra and inter-island transportation routes (2017-19)	
Strengthen relations with First Nations	Improve protection of archaeological and First Nations cultural resources (2017-20)	



Islands Trust

Print Date: August 31, 2016

Trust Programs Committee

No.	Description	Activity	R/Initiated	Responsibility	Target Date
	Improve cooperation and integration with other levels of government	Explore opportunities and benefits of working with UNESCO and the TFB and others re: UN Biosphere Reserve. (2016-18)			
	Improve community and agency understanding and support of the Islands Trust	Policy statement amendment process (2016-18)			



TRUST FUND BOARD REPORT TO TRUST COUNCIL 2nd Quarter 2016-2017

COMPLETED SINCE LAST REPORT	PLANNED FOR NEXT QUARTER
1. STRATEGIC PLANNING/ADMINISTRATION	
New board member Richard Hoops Harrison appointed to Trust Fund Board, effective August 3rd Approved Audited Financial Statement for 2015-16 fiscal year (see Annual Report) Responded to Canadian Wildlife Service regarding Sharp-tailed Snake Recovery Planning and to Parks Canada regarding Maritime Meadows Critical Habitat Amendment Review Received and incorporated Species at Risk Critical Habitat Mapping into Islands Trust internal mapping system Assisted Trust Area Services staff with State of the Islands indicators for eelgrass, protected areas and carbon sequestration.	Provide orientation for newly appointed TFB member(s) Continue feasibility assessment of a working landscape conservation program (Regional Conservation Plan work item) Continue work on Property Management Strategy and decision support tool (Regional Conservation Plan work item) Continue mapping forage fish habitat for Lasqueti, Galiano, Salt Spring, Secretary, Wallace and Valdes Islands (negotiating contract extension to end of October 2016) Develop Land Securement Strategy to promote voluntary protection of high biodiversity priority areas (Regional Conservation Plan work item)
2. COVENANT AND PROPERTY ACQUISITIONS	
Registered covenant on Hornby Island, protecting 5.5 hectares of Garry oak ecosystems	Negotiate six covenants (Denman, Link, South Pender, Galiano, Salt Spring & Lasqueti) Assist Thetis Island Nature Conservancy with negotiations to purchase 16 hectare Fairyslipper Forest (Lower Burchell Hill) Negotiate transfer of three nature reserves (Denman, Thetis & Keats)
3. COVENANT AND PROPERTY MANAGEMENT	
Consulted First Nations, partner groups and neighbours of Cyril Cunningham Nature Reserve regarding revised management plan (Salt Spring) Completed annual monitoring of all TFB nature reserves and covenants	Obtain covenant holder and board approval for the revised Cyril Cunningham Nature Reserve Management Plan (Salt Spring) and the Burren's Acres Nature Reserve Management Plan (Gabriola) Address continued vandalism of signage at Elder Cedar Nature Reserve sign (Gabriola)

*As of September 2016 the Trust Fund Board
owns 26 properties and holds 73 covenants (of which 24 have NAPTEP certificates)*



TRUST FUND BOARD REPORT TO TRUST COUNCIL 2nd Quarter 2016-2017

Contracted revision of the Singing Woods Nature Reserve (Bowen) Management Plan	Contact all landowners and partners regarding the results of the annual monitoring and follow up with any concerns
4. COMMUNICATIONS	
Updated Cost / Benefit scenarios for NAPTEP information package and supplied Bowen Island Municipality with media package (website blurb and links, social media and e-newsletter) Conducted a Fairyslipper Forest media tour and earned front page coverage in the Chemainus Valley Courier Reviewed ITF communications to identify opportunities to include First Nations rights and interests for TFB discussion Provided a staffed display at Pender Fall Fair (August 27)	Distribute Heron Newsletter (October) Prepare new Hornby Island Conservation Covenant communications Support Trust Fund Board direction regarding improving recognition of First Nations rights and interests in key documents and communications Update 'Conservation Success Stories' webpage Develop e-newsletter directed to covenant landowners to accompany annual monitoring information Provide staffed display at Salt Spring Island Fall Fair, developing a family friendly interpretive game
5. FUNDRAISING AND CONSERVANCY SUPPORT	
Awarded \$5,000 grant from Real Estate Foundation of BC for Coastal Douglas-fir and Associated Ecosystems Conservation Partnership (CDFCP) to support work with local governments (e.g. Islands Trust) Awarded \$273,000 grant from Environment and Climate Change Canada's Habitat Stewardship Program (HSP) for Species at Risk for fiscal year 2016-2017 to support the purchase of a 21-hectare property on Thetis Island Provided Mayne Island Conservancy Society with a list of grant opportunities from foundations and corporations	Continue to identify grant opportunities from foundations and corporations for various projects, including boardwalk at Elder Cedar Nature Reserve (Gabriola) Add Canada Helps 'Donate Now' button to Facebook Continue to support the acquisition of Fairyslipper Forest – apply to HSP funding call in September for fiscal 2017-2018 funding.

*As of September 2016 the Trust Fund Board
owns 26 properties and holds 73 covenants (of which 24 have NAPTEP certificates)*

REQUEST FOR DECISION

To: Trust Council

For the Meeting of: September 13-15, 2016

From: Executive Committee

Date: August 31, 2016

SUBJECT: REVISING THE POLICY STATEMENT AMENDMENT PROCESS

RECOMMENDATION:

1. That the Islands Trust Council request the Executive Committee to propose amendments to section 9.1 of the Strategic Plan to include a new phase in the Policy Statement amendment process to:
 - raise public awareness of the role and importance of the Policy Statement in shaping the future of the islands, and
 - develop an effective and progressive program to establish a spirit of reconciliation with First Nations.
2. That the Islands Trust Council include a \$15,000 line item in the proposed 2017/18 budget for revised Policy Statement amendment process, subject to revision prior to Trust Council receiving a final 2017/18 budget in March.

CHIEF ADMINISTRATIVE OFFICER COMMENTS:

Staff has previously advised that it would be prudent for Trust Council to delay any public consultations associated with reviewing the Policy Statement, until after the Salt Spring Island Incorporation study process and/or referendum (if held) are complete.

Should Salt Spring Island vote to incorporate, staff anticipate that the resulting focus on the Islands Trust's initial adaptation would hinder efforts to meaningfully follow-up on public and First Nations engagement regarding the Policy Statement for at least six months, and possibly longer.

It has become apparent, through analysis by staff and discussions with others, that if we are to be successful, we need to undertake First Nations engagement on the Policy Statement in a way we haven't before. By establishing a foundation for sincere relationship-building with First Nations and raising understanding of the Policy Statement before engaging on potential amendments, the recommended approach will set up Trust Council for long-term success. The proposed new activities would represent a significant accomplishment for this term of Trust Council and would create better circumstances to move forward on Policy Statement bylaw amendments.

IMPLICATIONS OF RECOMMENDATION

ORGANIZATIONAL:

Adding the recommended new phase means that Trust Council could postpone adoption of a Policy Statement amendment bylaw to the 2018-2022 term of office. This carries the risk that the next Trust Council will decide against amending the Policy Statement. Staff has previously advised Trust Council that the Policy Statement project timeline as set out in the Strategic Plan was ambitious and only possible with the addition of new resources and possible curtailment of other planned Strategic Plan activities. Adding the new phase reduces somewhat the organizational effort required in the next year for the Policy Statement project as it postpones the coordination activities associated with the provincial involvement of the Policy Statement amendment process and lessens the number of planned meetings and follow-ups with First Nations.

Adding the new phase also reduces the reputational risks associated with undertaking engagement activities about a Policy Statement amendment process that Trust Council may or may not follow through on depending on the outcome of the potential Salt Spring Incorporation vote.

FINANCIAL:

2016/17

Once the State of the Islands project and Council's visioning session are complete, there will be approximately \$55,000 remaining of the \$82,000 program budget for the 2016/17 year.

The Executive Committee will consider how much of these funds are needed for the proposed activities of the project. The Executive Committee will consult the Financial Planning Committee in November, as needed.

2017/18

A \$15,000 line item will be requested in the proposed 2017/18 budget for the Policy Statement amendment project, subject to revision in December once planning for the new phase is complete.

POLICY: None.

IMPLEMENTATION/COMMUNICATIONS:

In October 2016, the Executive Committee will consider a proposed Policy Statement amendment project plan and associated draft Strategic Plan amendments and a refined 2017/18 budget request.

In November, the Financial Planning Committee will prepare a preliminary 2017/18 budget that includes \$70,000 for Policy Statement amendment project.

In December, the Islands Trust Council will receive a briefing on the proposed project changes and will consider the Executive Committee's proposed Strategic Plan amendments.

Throughout the fall, Trust Area Services staff will continue work on the State of the Islands project and on communications messaging about the Islands Trust and the Policy Statement. Local Planning Services will continue to develop an improved First Nations relations program and associated internal procedure/culture changes.

Staff will provide a report to the Executive Committee that will outline the resources, scope and timelines, including an implementation plan, needed for the creation and implementation of reconciliation principles (discussed in Background section). Staff will also provide advice on how to integrate this into the work in progress items.

OTHER: N/A

BACKGROUND

The Strategic Plan currently sets out that the Islands Trust will implement a process leading to Ministerial approval and adoption of Policy Statement amendments before the end of the term. The proposed timeline is ambitious given the number of stakeholders and First Nations and the broad suite of potential topics. Key elements of the phased program are as follows:

- produce a state of the islands report (2016),
- undertake a community visioning process and topic selection process (Jan-March 2017),
- undertake a targeted topic update (2017/18) and
- amend the Policy Statement (2018/19).

When Trust Council adopted a revised phased approach to the Policy Statement amendments in December 2015, it was with the understanding that the process would be revisited if the timing of the potential Salt Spring Island incorporation vote changed from June 2016 or if there was a 'yes' vote in 2016. The timing of the Salt Spring Island incorporation vote has changed from an anticipated vote in June 2016 to a now uncertain timeframe.

The Strategic Plan also includes the strategy of 'improving engagement with First Nations' with the associated activity:

- research to clarify roles and jurisdictions to consult with First Nations (2015/16 delayed).

In June 2016, the Islands Trust added a Senior Intergovernmental Policy Advisor (SIPA) position to provide additional expertise and capacity related to First Nations relations and marine issues. The SIPA has been meeting with staff and trustees for the last two months to learn more about the organization and the history of First Nations relations. Staff has been also realized that engagement with First Nations regarding the Policy Statement will need to be more thorough and comprehensive than originally planned. Further, staff is now of the opinion that the provincial requirements for process are higher than previously thought. More investment on developing the foundations needed for sincere and genuine long-term relationships founded in mutual respect is advisable. This is particularly true prior to seeking input on the broad suite of topics in the Policy Statement.

On August 17th, 2016 the Executive Committee agreed:

- That the Executive Committee direct staff to develop a Project Charter and draft set of principles that will inform a new organizational approach to First Nations relationship-building.
- That the Executive Committee add "First Nations Relationship Building" as a priority on its work program.
- That staff be requested to present the material on First Nations relationship building principles as an information briefing for Trust Council for the September Trust Council meeting (included in this briefing).

Risks

In an effort to underpin a bold and strategic approach to these issues, it is beneficial to review some of the **key risks** of maintaining status quo or a more conservative program of changes.

1. Given the trajectory of recent case law in the last two years with regard to strengthened First Nations rights and title, courts have urged the Province to significantly increase their respect for Indigenous rights, titles and treaties. Future court decisions may influence governance priorities of Islands Trust.

For example, the expectations of “engagement” have changed considerably in the last 12 months for both First Nations and those of us representing the “honour of the Crown”. In July 2015, in [*Chartrand v. British Columbia \(Forest Lands, and Natural Resource Operations\)*, 2015 BCCA 345](#) the Court left open the possibility that Douglas Treaty First Nations may still have a claim to Aboriginal rights and title; but this will depend on the text of the treaty. The Court also made comments regarding the Crown’s duty to consult, which may result in changes to Crown consultation policies.

2. Trust Area is unique in Canada due to 36 identified First Nations (see Appendix A: List of 36 First Nations Associated with Islands Trust) claiming all or part of the Trust Area as their traditional territory (N.B. most “overlapping interest” areas imply 2-3 First Nations interests). Many of these Nations are currently in negotiations with the Province, working assertively to define their traditional territories and compensation agreements for land and cash settlements for Treaties.

Opportunities

Equally important is the need to agree amongst Islands Trust Council that there is a unique opportunity for Islands Trust to meet their key objective of “preserve and protect” with the help of First Nations. Particularly with respect to marine-related issues, Islands Trust has often been challenged to implement effective tools due to a variety of factors. First Nations could be a considerable ally in this regard and in some cases have stronger tools to achieve a “preserve and protect” mandate in the marine waters of the Trust Area.

1. There is no other municipal government body in Canada with a “preserve and protect” mandate. That is also the overarching common mandate of all First Nations, albeit for different reasons. The environmental drivers of their mandate exist alongside of their more primary objective of establishing rights and title.
2. First Nations have increasing political, economic and social abilities to achieve their mandate and, if a relationship of mutual respect is established, can be a ally for Islands Trust in reaching their “preserve and protect” objectives.

The Proposed Principles of Islands Trust’s relationship with First Nations

Much like the trunk of a tree, the following principles underpin every branch of activities and process of Islands Trust’s desire to have an enduring relationship with First Nations based on trust, honour and goodwill. If agreed to and endorsed from a Trust Council and local trust committee level, that in turn empowers staff and management to make the day-to-day changes necessary to achieve that goal.

To use another metaphor, if the previous state of First Nations relationship-building can be seen as an arm wrestle over constitutional rights and the articulation of the Province’s “duty of consult”, then the acceptance of these principles is like the organization disengaging from the arm wrestle and approaching First Nations instead with a deepened humility and respect.

These principles are sequential in nature and are a standard approach requested by First Nations themselves through national initiatives like the Truth and Reconciliation Commission report (please see attached Appendix B: an excerpt from the Truth and Reconciliation Executive Summary).

They speak of a way forward for non-Aboriginal Canadians to acknowledge how profoundly First Nations have been ignored and disrespected, but these principles also point to a path forward that is genuine and sincere.

Draft Principle #1: *Islands Trust is committed to becoming aware of what it does not know or understand about First Nations.*

- Principle will address a universal acknowledgement from First Nations that non-Native Canadians understand little about the history of conflict between First Nations and government bodies, and their historical connection to their traditional territories.

Draft Principle #2: *Islands Trust is committed to proving sincere desire for reconciliation.*

- Principle will address the inherent scepticism from First Nations that comes from a long history of having their interests ignored or minimized by non-Native Canadians.

Draft Principle #3: *Islands Trust is committed to integrating, where possible, activities that support First Nations reconnecting with the Trust Area lands and waters.*

- Principle will address actions that reflect how to *practise* reconciliation in our daily attitudes and systems in order to establish and maintain respectful relationships with First Nations.

REPORT/DOCUMENT:

- Appendix A: List of 36 First Nations Associated with Islands Trust (August 2016)
- Appendix B: excerpt from Truth and Reconciliation Commission Executive Summary
- Appendix C: Draft Schematic Work Plan for 2016-2017 for First Nations Relationship-Building

KEY ISSUE(S)/CONCEPT(S): Improving First Nations relations; Policy Statement amendment; visioning

RELEVANT POLICY:

- Policy Statement Amendment Policy s.1.2.i

DESIRED OUTCOME: Public, First Nations and provincial agency support for a renewed vision for the Trust Area and updates to the Policy Statement.

RESPONSE OPTIONS:

Recommended:

1. That the Islands Trust Council request the Executive Committee to propose amendments to section 9.1 of the Strategic Plan to include a new phase in the Policy Statement amendment process to:
 - a. raise public awareness of the role and importance of the Policy Statement in shaping the future of the islands, and
 - b. develop an effective and progressive program to establish a spirit of reconciliation with First Nations.
2. That the Islands Trust Council include a \$15,000 line item in the proposed 2017/18 budget for revised Policy Statement amendment process, subject to revision prior to Trust Council receiving a final 2017/18 budget in March.

Alternative:

- 1) Direct the Executive Committee to implement the Policy Statement amendment process as currently presented in the Strategic Plan.
- 2) Direct a different approach to amending the Policy Statement.

Prepared By: Clare Frater, Acting Director, Trust Area Services, August 25, 2016

Reviewed By/Date: Fiona MacRaid, Senior Intergovernmental Policy Advisor, August 25, 2016
David Marlor, Director, Local Planning Services, August 26, 2016
Russ Hotsenpiller, CAO, August 26, 2016

List of 36 First Nations

Claimed Interest in Islands Trust and the Trust Area and Waters, as of Sept. 2016

Code (N.B. listed alphabetically, not in order of weighted claim; as identified by Indian Affairs):

- Douglas Treaty Nations (note: may also simultaneously be in Stage 5 of the BC Treaty Process)
- Nations currently in Stage 5 in the BC Treaty Process (as of September 2016)
- Nations currently in Stage 4 in the BC Treaty Process (as of September 2016)

1. Esquimalt First Nation (also known as Lekwungen, and a Douglas Treaty Nation)
2. Pauquachin First Nation (Douglas Treaty Nation)
3. Tsartlip First Nation (Douglas Treaty Nation)
4. Tsawout First Nation (Douglas Treaty Nation)
5. Tseycum First Nation (Douglas Treaty Nation)
6. Nanaimo First Nation (also known as Snuneymuxz and a Douglas Treaty Nation)
7. Songhees First Nation (also known as Lekwungen and part of the Te'Mexw Treaty Group)
8. Malahat Nation (known as Douglas Treaty Nation and part of the Te'Mexw Treaty Group)
9. Beecher Bay First Nation (Douglas Treaty Nation and part of the Te'Mexw Treaty Group)
10. Sooke First Nation (also known as T'Sou-ke and part of the Te'Mexw Treaty Group)
11. Nanoose First Nation (also known as Snaw-naw-as and part of the Te'Mexw Treaty Group)
12. K'omoks First Nation (part of Nanwakalas Tribal Association)
13. Chemainus First Nation (also known as Stz'uminus, and a part of Hul'quimi'num Treaty Group)
14. Cowichan Tribes (part of Hul'quimi'num Treaty Group)
15. Halalt First Nation (part of Hul'quimi'num Treaty Group)
16. Lake Cowichan First Nation (part of the Hul'quimi'num Treaty Group)
17. Lyackson First Nation (part of the Hul'quimi'num Treaty Group)
18. Penelakut First Nation (part of Hul'quimi'num Treaty Group)
19. Musqueam First Nation
20. Sechelt First Nation
21. Squamish First Nation
22. Tseil-Waututh First Nation
23. Tzeachten First Nation (part of the Sto:lo Nation)
24. Yakweakwoose First Nation (part of the Sto:lo Nation)
25. Aitchelitz First Nation (part of the Sto:lo Nation)
26. Leq'a:mel First Nation (part of the Stolo Nation)
27. Matsqui First Nation (part of the Sto:lo Nation)
28. Popkum First Nation (part of the Sto:lo Nation)
29. Skawahlook First Nation (part of the Sto:lo Nation)
30. Skowkale First Nation (part of the Sto:lo Nation)
31. Campbell River First Nation (also known as Wei Wai Kum)
32. Cape Mudge First Nation (also known as Wei Wai Kai)
33. Hwiltsun First Nation (no reserve lands but engaged independently in BC Treaty Process)
34. Semiahmoo First Nation
35. Sliammon (also known as Tli'amin and ratified modern Treaty in place 2016)
36. Tsawwassen First Nation (ratified modern Treaty in place 2009)

Truth and Reconciliation Commission

An excerpt from the Executive Summary (Introduction section)

Introduction (Reconciliation as Relationship)

...A reconciliation framework is one in which Canada's political and legal systems, educational and religious institutions, the corporate sector and civic society function in ways that are consistent with the principles set out in the *United Nations Declaration on the Rights of Indigenous Peoples*, which Canada has endorsed. Together, Canadians must do more than just *talk* about reconciliation; we must learn how to *practise* reconciliation in our everyday lives—within ourselves and our families, and in our communities, governments, places of worship, schools, and workplaces. To do so constructively, Canadians must remain committed to the ongoing work of establishing and maintaining respectful relationships.

For many Survivors and their families, this commitment is foremost about healing themselves, their communities, and nations, in ways that revitalize individuals as well as Indigenous cultures, languages, spirituality, laws, and governance systems. For governments, building a respectful relationship involves dismantling a centuries-old political and bureaucratic culture in which, all too often, policies and programs are still based on failed notions of assimilation. For churches, demonstrating long-term commitment requires atoning for actions within the residential schools, respecting Indigenous spirituality, and supporting Indigenous peoples' struggles for justice and equity. Schools must teach history in ways that foster mutual respect, empathy, and engagement.

All Canadian children and youth deserve to know Canada's honest history, including what happened in the residential schools, and to appreciate the rich history and knowledge of Indigenous nations who continue to make such a strong contribution to Canada, including our very name and collective identity as a country.

For Canadians from all walks of life, reconciliation offers a new way of living together.

[Draft] Work Plan Schematic

First Nations Relationship Building 2016-2017

Principle #1: *Islands Trust is committed to becoming aware of what it does not know or understand about First Nations*

Principle #2: *Islands Trust is committed to proving sincere desire for reconciliation*

Principle #3: *Islands Trust is committed to integrating, where possible, activities that support First Nations reconnecting with the Trust Area lands and waters*



Leadership to Leadership Activities

- Not transactional based
- Asking for opportunities to “listen and learn”
- Invitations to observe Trust governance meetings
- Seeking FN sponsored events to attend

Identifying Current and Emerging First Nations Issues

- New case law on FN rights and title
- Defining archaeology as a subset of FN “Special Places”
- Marine and shoreline conflict
- Monitoring BC Treaty Process
- FN Database maintenance

Operational Changes

- Revised referral process to elicit more meaningful input from FNs
- Criteria for identifying FN “Special Places”
- FN information training modules
- C2C Policies
- FN database usage policies
- FN-related “Key Messages” for external relations



[Possible] Islands Trust First Nations Advisory Group

(to start: 4-6 Islands Trust/Trust Fund staff, with a minimum of 2 Trustees)
Goal: to monitor and assess progress of above initiatives, to provide advice



Period of Proving up Sincerity to First Nations in all three areas of work
(6-12 months)



A Long Term Program that Reflects a Thriving and Sustainable Relationship with local First Nations

(Example: Island Trust Reconciliation Action Plan)

REQUEST FOR DECISION

To: Trust Council

For the Meeting of: September 14, 2016

From: Russ Hotsenpiller

Date Prepared: August 25, 2016

File No.:

**SUBJECT: REVIEW OF ISLANDS TRUST TRANSITION PLAN REGARDING THE
POTENTIAL INCORPORATION OF SALT SPRING ISLAND**

RECOMMENDATION:

1. That Trust Council provides direction to staff on any amendments to the draft Transition Plan.
2. That Trust Council adopt the 2016 Islands Trust Transition Plan regarding the Potential Incorporation of Salt Spring Island.
3. That Trust Council direct staff to refer the Transition Plan to the Ministry of Community, Sport and Cultural Development and the Salt Spring Island Incorporation Study Committee.
4. That Trust Council direct staff to include the Transition Plan in communication materials provided to the public prior to a Salt Spring Island incorporation vote.
5. That Trust Council direct staff to prepare a restructure/transition funding request to the Ministry of Community, Sport and Cultural Development for the implementation of the Transition Plan, should Salt Spring Island incorporation proceed.

CHIEF ADMINISTRATIVE OFFICER COMMENTS:

Trust Council has received a number of presentations and reports regarding the development of a Transition Plan in response to a potential Salt Spring Island Incorporation. The Draft Transition Plan is now offered for review, amendment and adoption by Trust Council.

The Transition Plan is a detailed, process based document that includes 61 recommended actions and a summary action list to be implemented if a 'YES' vote occurs. The document includes no presumptions about how Trust Council and the public will adapt to the changes incorporation would represent. It does, however, provide a conservative analysis of how the organization may function if staffing levels were affected and taxation levels were held constant. This approach has been adopted to provide a 'baseline' for analysis and insight into the viability of the Islands Trust with regard its mandate.

As this document may have a high public profile on Salt Spring Island and through the Islands Trust Area, staff have prepared an associated communications strategy.

This document also responds to a request made of the Islands Trust by the Ministry of Community, Sport and Cultural Development (MCSCD), in December 2015 to provide a plan of action for the future of the Trust. This plan can be viewed as a first step towards a more fulsome action plan.

This document will provide the basis of an Islands Trust request for restructure/transition assistance funding from the Ministry.

IMPLICATIONS OF RECOMMENDATION

ORGANIZATIONAL: If approved, the Transition Plan will inform the organization on how to initially adapt to a potential Salt Spring Island incorporation. Senior staff will clearly and transparently communicate the implications of the Transition Plan to staff. Communications staff and the CAO will then disseminate the document to the public as per the communications strategy.

FINANCIAL: MCSCD provided a \$5,000 grant to assist in the development of the Transition Plan. Those funds were used to contract Urban Systems to update the Islands Trust Impact Analysis in order to provide current assessment information and to analyze options for the allocation of general administration costs in the case of incorporation. No other funds have been used in development of the Transition Plan.

If Salt Spring Islanders vote “YES” there will be a range of financial impacts to the Islands Trust that are detailed in the attached report. Staff estimates that the costs to the Islands Trust over the three year period would be between \$200,000 to \$250,000. A key recommendation in the Transition Plan is that the Islands Trust Council apply to the Ministry for restructure grant funding.

POLICY: Staff has communicated with the Ministry regarding how the Protocol Agreement between the Ministry and the Islands Trust would be implemented in the event of incorporation, including whether the agreement requires updating. The Protocol Agreement is the guiding document for an incorporation process and will be relied upon if incorporation occurs. It informs the development of any potential Letters Patent and will include the financial provisions that assure the Islands Trust funding for three years at pre-incorporation levels. It was determined that the agreement remains operational and, in combination with the legislative elements in the *Local Government Act* and the *Islands Trust Act*, provides a framework for the municipal incorporation process.

Subsequent policy will need to be developed in the event of incorporation, primarily an agreement between the Islands Trust and the new Salt Spring Island municipality to provide a framework for governance, funding and operations in the long term.

The Islands Trust will be required to undertake substantial bylaw amendments during the Transition Period. These amendments are generally outlined in the Transition Plan but would form a substantial work project if incorporation occurs.

IMPLEMENTATION/COMMUNICATIONS: If Trust Council adopts the Transition Plan:

1. Staff will finalize the Plan with any required amendments.
2. The CAO will communicate with staff as a priority as per the Transition Plan communications strategy.
3. Staff will initiate an external communications process including adding the report to the website, sending it to the Ministry, the Salt Spring Island Incorporation Committee and others.
4. The Chair of the Islands Trust will be provided with key messages for use in the event of media/public engagement.

OTHER: It is important that the Islands Trust Council approve a Transition Plan in a timely manner to inform the community on how the organization would adapt to a possible incorporation. It is recommended that this occur in September 2016.

BACKGROUND

The Islands Trust Council has made the development of a Transition Plan and an Adaptation Strategy top priorities in its Strategic Plan. Given the significance to the organization of a potential 'YES' vote in the incorporation process, the Islands Trust needs to be prepared. Further, the Ministry of Community Sport and Cultural Development has requested that the Islands Trust prepare itself and take a leadership role in defining its future.

The attached first draft of the Transition Plan has been provided to Executive Committee on two occasions for review and comment.

Adoption by Trust Council in September is important for a variety of reasons. A key reason is that the Salt Spring Island Incorporation Study Committee is expected to release their draft final report in late October for public feedback and is expected to provide their final report to the Ministry by November 30, 2016. It is important for the public and the Incorporation Committee to have access to all relevant incorporation information at generally the same time, including the Islands Trust Transition Plan, to support informed community discussions.

REPORT/DOCUMENT:

1. Draft Transition Plan, 2016
2. Islands Trust Impact Analysis (Urban Systems)

KEY ISSUE(S)/CONCEPT(S):

1. Development of an Islands Trust action plan to be used in the event that Salt Spring Island incorporates
2. Providing information about the implications of Salt Spring Island incorporation to the Islands Trust and how the organization will adapt

RELEVANT POLICY:

Strategic Plan Priority 7, Strategy 7.2, requires the Islands Trust to prepare to adapt the organization to the potential incorporation of Salt Spring Island. A Transition Plan is identified as one of the activities to support this preparation.

In December 2015 Trust Council adopted 'Principles and Objectives for a Long Term Adaptation Strategy.' These principles guide the transition and adaptation planning and have been incorporated into the production of the Transition Plan.

DESIRED OUTCOME:

Adoption of a Transition Plan to guide the Islands Trust in the event of the municipal incorporation of Salt Spring Island and securement of sufficient restructure grant funding.

RESPONSE OPTIONS

Recommended:

1. That Trust Council provides direction on any amendments to the draft Transition Plan.
2. That Trust Council adopt the 2016 Islands Trust Transition Plan regarding the Potential Incorporation of Salt Spring Island.
3. That Trust Council direct staff to refer the Transition Plan to the Ministry of Community, Sport and Cultural Development and the Salt Spring Island Incorporation Study Committee.
4. That Trust Council direct staff to include the Transition Plan in communication materials provided to the public prior to a Salt Spring Island incorporation vote.
5. That Trust Council direct staff to prepare a restructure/transition funding request to the Ministry of Community, Sport and Cultural Development for the implementation of the Transition Plan, should Salt Spring Island incorporation proceed.

Alternative:

1. That Trust Council directs the Executive Committee to oversee amendment and finalization of the 2016 Islands Trust Transition Plan Regarding the Potential Incorporation of Salt Spring Island.
2. That Trust Council direct staff to provide an amended version of the 2016 Islands Trust Transition Plan Regarding the Potential Incorporation of Salt Spring Island to Trust Council for potential adoption in December 2016.

Prepared By: Russ Hotsenpiller

Reviewed By/Date: Executive Committee: August 31, 2016

Russ Hotsenpiller, Chief Administrative Officer

TRANSITION PLAN

REGARDING THE
POTENTIAL INCORPORATION OF
SALT SPRING ISLAND



September 1, 2016

DRAFT # 1 to Trust Council



Islands Trust

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1. EXECUTIVE SUMMARY

Many memorable events and people have shaped the Islands Trust since its formation in 1974. The possible incorporation of Salt Spring Island (SSI) is a significant event, but it is not a threat to the existence of the Islands Trust. The organization, its people and its electorate will adapt successfully with the support of the realistic change management process described in this Transition Plan.

The purpose of the Transition Plan is to describe how the Islands Trust would initially adapt to the potential incorporation of Salt Spring Island. The plan focuses on the period between a 'YES' vote to incorporate Salt Spring Island and approximately six months after the date of formal incorporation, a period of six to twelve months. A further Adaptation Strategy will be developed to cover the long-range implications for the organization. The residents of Salt Spring Island, the Islands Trust communities, First Nations communities and others, need to be aware of the potential impacts to the Islands Trust and to understand how it will fulfill its mandate in the future.

SALT SPRING ISLAND GOVERNANCE

The current municipal incorporation process was initiated in 2012 when Salt Spring Island's elected officials requested a governance study from the Ministry of Community, Sport and Cultural Development (MCSCD). The request was the second incorporation initiative on behalf of Salt Spring Island since 2000. The purpose of the study was to examine the financial, governance and service implications of municipal incorporation for Salt Spring Island. Following a Governance Study that was released in 2013, the preliminary Salt Spring Island Incorporation Study (SSIIS) was received by the Incorporation Study Committee (ISC) in October 2015. In February of 2016, the ISC requested and received supplementary funding to aid in delivery of the final Incorporation Study with focus upon a road condition assessment, the hosting of public events, the updating of financial information and any further technical analysis that is required. The study is due in September of 2016.

INCORPORATION

The *Local Government Act* and the *Community Charter* provide statutory direction for local governments in British Columbia. The province has the responsibility to establish and provide the framework for changes to local governance. The act of incorporation of a municipality occurs when Cabinet approves and issues Letters Patent. This document distinguishes the community as an incorporated entity including the name of the municipality, the boundary, area, and classification, as well as certain provisions including the first election of council and any transition requirements or issues. *The Islands Trust Act* also provides direction and guidance during the incorporation process. The Letters Patent, along with a Protocol Agreement between the Ministry of Community Sport and Cultural Development (MCSCD) and the Islands Trust, and a further agreement between the new Salt Spring Island Municipality (SSIM) and the Islands Trust, will be the guiding documents to all participants through this process.

An important factor for the Islands Trust is that the Letters Patent and the Protocol Agreement will ensure that the Islands Trust will receive revenues at pre-incorporation levels from the new municipality for a three year period. This arrangement will be formalized in a contract that sees the Islands Trust continue to provide land use planning services to Salt Spring Island. This arrangement benefits and provides certainty to all parties; it allows the Islands Trust to manage a significant transition in an orderly and stable manner and allows the SSIM to incrementally gain capacity and grow.

IMPLICATIONS TO THE ISLANDS TRUST

The Islands Trust will need to be resilient as it addresses the implications of a Salt Spring Island incorporation. While this report primarily focuses upon the initial Transition Phase, information on the longer Adaptation Phase has been included to inform and prepare the public and Trust Council for decisions that lie ahead. It must be made clear that no decisions have been made about the long-range adaptations that will be required if Salt Spring incorporates, nor does this report presume any outcome. Trust Council will have a three year time period to choose how it wishes to adapt based on public engagement, desired service levels and options for tax adjustments. In contemplating the most challenging circumstances possible, the most significant impacts would be a financial shortfall to the annual budget as a result of Salt Spring Island no longer contributing to the Local Planning Services (LPS) function and the potential reduction of the workforce — with the associated reduction of productive capacity.

The financial shortfall to the Islands Trust is expected to be \$840,000 which represents 12 percent of the overall 2016/17 budget of the organization and 20 percent of the planning budget. Of the \$840,000, approximately \$300,000 is general administration costs that currently support the nine member Salt Spring Island planning team. The savings of \$300,000 in administration costs, leaves a \$540,000 budget shortfall that would need to be addressed. Trust Council could increase taxation rates to accommodate this amount or require operational changes including the reduction of a further three to five planning positions. A progressive and comprehensive change management process would be a priority during the transition period.

If Trust Council determined that taxation levels were to be maintained, there would be a noticeable reduction in planning capacity and service to the remaining members of the Islands Trust. In general terms, this would represent a 20 percent reduction in land use capacity/productivity, given the current structure of the organization. As procedures require certain local trust committee (LTC) meeting frequencies, as well as the provision of the *Local Government Act* Part 14 services to communities, there will be a shift in priority towards daily planning and application processing. The Islands Trust would need to consider alternative ways of providing land use services, including long-range planning to LTCs. Trust Area Services (TAS) will remain funded at pre-incorporation levels as Salt Spring Island will be participating in Trust wide services.

These changes are significant and are likely close to the maximum that could be absorbed by the organization in order to remain effective in light of the Islands Trust obligations under the *Islands Trust Act* and to constituents. Nevertheless, through a combination of a rationalization/change in service delivery model, acceptance of a certain degree of reduction in service levels and the potential for a modest increase in taxation for the remaining LTAs, the Islands Trust should be able to successfully adapt to the future.

In the process of finding a new way forward, the organization will face challenges and may have periods of struggle. We will not have all of the answers at the right time and some difficult choices will need to be made. For instance Trust Council has been emphasizing increased community contact for local planners, providing of increased public outreach at the local level, decentralizing office locations, and increasing application response times. These initiatives could run counter to a need to constrict service levels and find cost savings.

Allowing for some uncertainty ultimately may provide an opportunity for creative thinking and better solutions for the future. The Islands Trust will have an opportunity to re-imagine how it does its business and provide leadership in environmental protection and community well-being.

TRANSITION AND ADAPTION PLANNING RESOURCE NEEDS

Resource requirement	Cost (\$)		Total
	Transition Period	Adaptation Phase	
Funding for the development of an Adaptation Strategy/Plan (during transition period)	\$20,000	\$30,000	\$50,000
Funding for a part-time, temporary Transition Manager (6-8 months)	\$30,000	\$30,000	\$60,000
Funding for legal costs to cover transitional changes	\$15,000-20,000		\$20,000
Funding for auditor costs in devolving part of the corporate body(ies)	\$15,000		\$15,000
Communications costs	\$5,000	\$10,000	\$15,000
Change management including human resources, programming and facilitation	\$30,000		\$30,000
Augmented staff resources to administer transition i.e. overtime, short term contracts	\$30,000	To be determined	\$30,000
Contingency for administration, records management, transportation	\$25,000	Annual budget process	\$25,000
Total			\$215,000

Over the three-year horizon of the adaption process the costs will be approximately \$200,000-250,000.

In order to lessen the financial and staff resource impacts to the Islands Trust through the transition period, a request for a grant to the MCSCD is recommended for assistance with the delivery of a full Adaptation Plan and to fund a Transition Manager. Further, it is recommended that Trust Council create a contingency reserve for the Transition-Adaptation period, funded either through current taxation or reserves.

To assist preparedness in advance of the potential incorporation vote the Trust Council may direct staff to begin initial preparations on key deliverables including applications for grant funding, public engagement, and development of a human resource program.

There are a total of 64 action items identified in the Transition Plan. The most significant tasks have been summarized in Appendix 1: Summary Action Plan, which would be the primary document to be activated in the event of a 'YES' vote.

RECOMMENDATIONS

1. That Trust Council adopts the 2016 Islands Trust Transition Plan regarding the potential incorporation of Salt Spring Island.
2. That Trust Council direct that the Transition Plan be referred to the Ministry of Community, Sport and Cultural Development and the Salt Spring Island Incorporation Committee.
3. That Trust Council direct that the Transition Plan be included in engagement materials provided to public prior to the incorporation vote.
4. That staff be directed to engage with the Ministry of Community, Sport and Cultural Development to access grant funding for the implementation of the Transition Plan.
5. That one month prior to the potential incorporation vote that the Islands Trust initiate a Transition preparation phase.

2. INTRODUCTION

2.1 PURPOSE OF THE TRANSITION PLAN

The Transition Plan is a preparatory document that outlines the organizational, financial and governance implications of a Salt Spring Island municipal incorporation to the Islands Trust. The key purposes of the plan are:

- To describe how the Islands Trust would initially adapt to the potential incorporation of Salt Spring Island. The Transition Plan would focus on the period between a 'YES' vote to incorporate Salt Spring Island and approximately six to twelve months after the date of formal incorporation;
- To establish initial principles, objectives and a timeframe for development of a more detailed Islands Trust Adaptation Strategy, which would only be developed in the event of a 'YES' vote to incorporate Salt Spring Island;
- To provide the public, stakeholders, and First Nations communities information about how the Islands Trust would change and adapt in order to fulfill its mandate in the event of a 'YES' vote to incorporate Salt Spring Island; and
- To develop a list of initial required and discretionary actions, tasks and plans that will be implemented as part of the transition process.

A theoretical timeline of the process is as follows:

Fig. 1: Relationship between Islands Trust Transition Plan and Adaptation Strategy

2.2 OUTLINE OF REPORT

Section 1 provides an Executive Summary.

Section 2 provides an introduction to the Transition Plan.

Section 3 provides background information on the development of the Transition Plan including: the Salt Spring Island Municipal Incorporation (SSIM) process, the obligations and roles of those involved in the SSIM process; the nature of the Islands Trust including its structure and operations, as well as detailed information on services provided by the Islands Trust to Salt Spring Island.

Section 4 reviews the impacts of municipal incorporation of Salt Spring Island on the Islands Trust including governance, financial, administrative and operational implications and identifies specific actions and strategies that would be implemented during the transition period.

Section 5 outlines the longer-term impacts of the incorporation process and identifies the adaptation strategies that will be adopted for 24 to 36 months after the initial Transition period.

Section 6 concludes the report.

Section 7 provides a glossary of terms used throughout the report and important definitions.

Section 8 provides details of reference documentation relevant to this document.

Section 8 contains the Appendices.

2.3 KEY ISSUES

1. To identify impacts and responses by the Islands Trust in the event of the incorporation of Salt Spring Island;
2. To initiate the process of accounting for an anticipated financial shortfall to Islands Trust operations as a result of the incorporation of Salt Spring Island;
3. To develop a rationale for extra resources and funding to accommodate the transition process;
4. To identify anticipated impacts to service levels if incorporation occurs and determine how the Islands Trust will provide services in the future; and
5. To provide information to the Salt Spring Island community and other island communities as to how the Islands Trust will continue to fulfill the mandate of the Trust.

3. ISLANDS TRUST OVERVIEW

3.1 BACKGROUND

3.1.1 SALT SPRING ISLAND INCORPORATION

The current municipal incorporation process was initiated in 2012 when Salt Spring Island's elected officials requested a governance study from the MCSCD. This request was the second incorporation initiative on behalf of Salt Spring Island since 2000. That process generated an incorporation study and subsequent referendum that was defeated by a significant majority. The Islands Trust also sponsored a governance review in 2007 including the potential for expanding the number of Salt Spring Island trustees on the LTC in order to provide broader local representation. This initiative was also defeated at referendum.

The 2012 Governance Study was completed in 2013, its purpose being to identify, through public engagement and review, governance structures on the Island to see if there was support for proceeding to a full incorporation study. The Governance Study Committee recommended to the Minister that an Incorporation Study be undertaken and in 2015 the Ministry agreed to fund this work at a cost of \$120,000. The purpose of the Incorporation Study was to examine the financial, governance and other implications of municipal incorporation for Salt Spring Island. The preliminary SSIS was received by the Incorporation Study Committee (ISC) in October 2015. In February of 2016, the ISC requested and received supplementary funding to aid in delivery of the final SSIS with focus upon a road condition assessment, the hosting of public events, the updating of financial information and any further technical analysis that is required. The final study is due in September of 2016.

The study, and public feedback, will be the basis for a recommendation by the ISC to the Minister for an incorporation vote.

3.1.2 BOWEN ISLAND INCORPORATION, 1999

Originally an unincorporated member of the Islands Trust, in 1999 Bowen Island underwent an incorporate process. That experience provides some relevant information on a potential Salt Spring incorporation. The process was managed through the Protocol Agreement between the Province and the Islands Trust, as it would be for Salt Spring Island. Bowen entered into a three-year contract for planning services that was based upon the pro-rata share of the Islands Trust planning budget which was based upon new taxable assessment of the whole Trust area. The contract provided two full time planners, limited mapping services, administrative services, bylaw enforcement, website provision and a portion of office equipment. Administrative services and enforcement services were reduced as the municipality developed its capacity. The contract concluded after approximately two years by mutual agreement and the planners were offered positions with the municipality but declined.

It is beyond the scope of this report to assess the impact of incorporation process to Bowen Island. Bowen remains a member of the Islands Trust and contributes to Trust wide services and programming.

Impacts to Islands Trust from the Bowen incorporation were modest from an operational point of view. Two planners dedicated to Bowen were affected, one of which stayed with the Islands Trust post-incorporation so significant human resource issues were minimized. Planning contract costs included in the Protocol Agreement with Bowen were as follows:

Year 1: 2000-2001	\$338,000
Year 2: 2001-2002	\$351,000
Year 3: 2002-2003	\$224,000 (partial year)

There were tax implications to the Islands Trust. The conclusion of the planning contract coincided with a reduction in the Provincial Grant that resulted in a 5.7% increase in taxation in 2003-2004. Trust Council at the time adopted a balanced budget approach that saw modest tax increases implemented after the 3 year transition period. (Urban Systems, Islands Trust Impact Analysis, pg. 33)

The impacts of a possible Salt Spring Island incorporation will be of a greater magnitude than the Bowen incorporation. The Salt Spring office houses nine staff, a significant percentage out of 53 employees for the organization. Salt Spring also contributes significantly more funding to Islands Trust operations than Bowen did at the time.

It is apparent from the Bowen experience that there is a need for flexibility between participants. As the new municipality grows and takes on more responsibilities, there will be opportunities for an incremental decrease in Islands Trust services in certain areas.

3.1.3 ISLANDS TRUST IMPACT ANALYSIS

Concurrent to the Governance Study, in 2015 the Ministry funded and oversaw preparation of a companion report, that being the Islands Trust Impact Analysis (ITIA). The purpose of the ITIA was to ‘examine the potential effect of Salt Spring Island incorporation on the Islands Trust in relation to fiscal stability and organizational adaptation.’ Specifically, the ITIA:

- Identified the impact on revenues and expenses of removal of Salt Spring Island planning operations from the Islands Trust budget;
- Reviewed the tax implications on the remaining Trust Area;
- Offered a range of options to maintain service levels in the face of budget constraints; and
- Examined organizational adaptation on the part of the Islands Trust.

In May 2016, Urban Systems was retained to update the ITIA to ensure that assessed valuations and underlying assumptions were compatible with the SSIS and other resource documents. Their report states that:

“Should Salt Spring Island incorporate as an Island Municipality, the Islands Trust would no longer incur direct expenses for the provision of local planning services to Salt Spring Island, and Salt Spring Island would no longer contribute towards the LPS function of the Islands Trust.”

Should Salt Spring Island incorporate, Urban Systems calculated that based on the 2016/17 Budget, there would be “a projected annual funding shortfall of approximately \$840,000” (p. 2), the result of reduced revenue of \$1.98 million, offset by reduced direct expenses of \$1.14 million.

The full report provided by Urban Systems is provided in “Section 8 – Appendices”.

Trust Council received the original ITIA in March 2015 and received the updated version in September 2016.

3.1.4 RELEVANT FINDINGS OF SALT SPRING ISLAND INCORPORATION STUDY

Pending

3.1.5 BACKGROUND TO TRANSITION PLAN

In response to the progression of the Salt Spring Island incorporation process, Trust Council directed the development of an Adaptation Strategy in the event that the incorporation process was successful. Trust Council further refined its preparations for adaptation by requesting a Transition Plan to cover the time from a ‘YES’ incorporation vote until six months after incorporation: approximately 12 months in total, and an Adaptation Strategy to cover the longer adaptation phase during which the Islands Trust fully changes its operations and functions.

Relevant Trust Council Resolutions		
TC-2015-048	<i>That the Islands Trust Council requests the Executive Committee, in consultation with the Financial Planning Committee, to oversee the development of an Islands Trust Adaptation Strategy, to be further developed and implemented in the event of the incorporation of Salt Spring Island.</i>	June 2015
TC-2015-049	<i>That the Islands Trust Council add the development of an Islands Trust Adaptation Strategy to its draft Strategic Plan for 2014-18 and request the Islands Trust Executive Committee, the Financial Planning Committee and the management team to make the development of an Islands Trust Adaptation Strategy one of their top three priorities, until the Islands Trust Council has adopted a strategy.</i>	June 2015

Table 1: Relevant Trust Council resolutions

September 2015: Trust Council Strategic Plan is adopted by resolution of Trust Council

Strategies	Activities/Phases	Funding	Measure success	Status
7.2 Prepare Islands Trust organization to adapt to the <u>potential incorporation of Salt Spring Island</u>	<u>FY 2015/16</u> T.7.2.1 Identify Transition Plan, with principles, objectives and options	\$5000 funding provided by Province. Balance of funding subject to future budget decisions	By whether Trust Council has adopted a Transition Plan, including principles, objectives and options for an Adaptation Strategy regarding the potential incorporation of SSI	Trust Council workshop held Sept/15 <i>Principles and Objectives for an Adaptation Strategy adopted Dec/15</i>
	<u>FY 2016/17</u> T.7.2.2 Develop detailed Islands Trust Adaptation Strategy to implement in the event of municipal incorporation of Salt Spring Island		By whether EC/FPC have developed a detailed Adaptation Strategy	Due to start in 2016/17 Subject to a 'YES' vote regarding SSI incorporation
	<u>FY 2016/17 – 2017/18</u> T.7.2.3 Finalize and adopt detailed Adaptation Strategy to implement in the event of municipal incorporation of Salt Spring Island	Subject to future budgets	By whether Trust Council has finalized and adopted a detailed Adaptation Strategy	Due to start in 2016/17 Subject to a 'YES' vote regarding SSI incorporation
	<u>FY 2015/16</u> T.7.2.4 Review and update existing <u>IT-MCSCD protocol agreement</u> regarding incorporation of municipalities in the Islands Trust Area	Funded by base budget	By whether Trust Council and MCSCD have reviewed and updated protocol agreement regarding incorporation of municipalities in the Islands Trust Area	TC resolution authorizing review: June/15 Briefing to TC: Sept/15

Table 2: Excerpt from Islands Trust Strategic Plan 2014-2018

3.2 INCORPORATION PROCESS

Municipal incorporation in the Islands Trust context is a process that relies on electoral assent, Ministerial approval, delegation of corporate powers by Cabinet, and the development of protocol agreements for full implementation. Municipal incorporation in BC is guided by the *Local Governmental Act* and the *Community Charter*. With regard to incorporation within the Islands Trust, the *Islands Trust Act* also contains policy to inform the process. The province and the Islands Trust further rely on a Protocol Agreement between the Islands Trust and the Ministry that plays a central role in establishing the framework for incorporation in the Islands Trust Area. Finally, post incorporation, the Islands Trust and the newly incorporated SSIM will enter into a separate Protocol Agreement that will form the basis for the relationship in perpetuity.

As per the Ministry website, the following is a summary of the typical municipal incorporation process and that applies to the Salt Spring Island process:

1. An individual or group contacts the Ministry to indicate that there is community support for an incorporation study and to inquire about the process for incorporation.
2. The Ministry, along with local citizens, assess the local context to determine if a broad base of community support exists for considering incorporation and that the community has the characteristics that would make a municipality feasible.

3. An Incorporation Study Committee (ISC) is formed from residents that are broadly representative of the community.
4. The ISC asks the Minister for approval in principle to conduct an incorporation study.
5. If the Minister decides that approval in principle can be given, the ISC establishes terms of reference for both itself and the incorporation study and selects an independent consultant to conduct the study.
6. The ISC makes a formal request to the Minister for a restructure planning grant to fund the study.
7. If the Minister approves the grant, the consultant works with the ISC to produce an objective study on the impact of municipal incorporation.
8. The Ministry provides an offer of provincial assistance, financial and otherwise, that it will give to the municipality if it incorporates. This information is included in the municipal incorporation study.
9. The final study is presented to the community for public discussion and input.
10. Based on community input, the ISC decides whether to recommend to the Minister that a vote be held to decide if the majority of the electorate support municipal incorporation.
11. If the ISC recommends that a vote be held and the Minister agrees, an order to hold the vote will be given. Community meetings are held leading up to the vote so that local citizens have every opportunity to make an informed choice.
12. If local citizens vote in favour of municipal incorporation, and Cabinet approves the incorporation, Letters Patent are prepared for approval; Letters Patent are the legal documents creating the municipality. These include information such as the effective date of incorporation, the name of the municipality, the council size, and identify other transitional issues such as the transfer of services to the municipality from the regional district and any improvement district dissolved as a consequence of incorporation.
13. The Ministry hires an interim municipal administrator to prepare everything necessary for the inaugural meeting of council.
14. The first municipal election takes place on a date set out in the Letters Patent.

3.2.1 PROTOCOL AGREEMENT BETWEEN THE ISLANDS TRUST AND THE MINISTRY OF COMMUNITY, SPORT AND CULTURAL DEVELOPMENT

In 1996 the Ministry of Municipal Affairs and the Islands Trust entered into an agreement to manage the process and for the potential incorporation of any area within the Islands Trust. This agreement was used for the Bowen Island municipal incorporation in 1999. It is still in effect and will apply to any potential Salt Spring Island incorporation. The Protocol Agreement will inform the development of Letters Patent and would include:

- The restructure process and the role of trustees;
- The content of Letters Patent for a new island municipality and the role of the Islands Trust in reviewing and commenting on Letters Patent;
- The election method for municipal trustees;
- Consultation regarding boundaries of a new island municipality;
- Referral and approval of bylaws, including the process to be followed if both the Executive Committee and Trust Council refuse approval of an island municipality bylaw (also partially addressed in the *Islands Trust Act*);

- Communications between Trust Council and an island municipality, including the need to create an agreement and refer specific matters; and
- Transitional relationships, including a contract for planning services and financial arrangements.

More generally, the agreement centers upon three concepts: process policy, financial clarity for the participants, and the relationship between municipal entities, the Ministry and the Islands Trust. This document along with the *Local Government Act*, the *Community Charter* and the *Islands Trust Act* will provide the framework for the incorporation process. It ensures that the Islands Trust is assured an orderly transition period which will contribute to a viable future. It also includes mechanisms for the new island municipality and the Islands Trust to evolve their relationship and make adjustments as conditions change.

The Islands Trust will then develop a distinct and separate Protocol Agreement with the newly incorporated municipality. This is a more detailed document that includes financial commitments, bylaws? referral processes, authorities, amendment and dispute resolution mechanisms.

3.2.2 CONTENT OF LETTERS PATENT

The act of incorporation of a municipality by the province occurs when Cabinet approves and issues a legal document called Letters Patent. This document contains a number of elements that distinguish the community as an incorporated entity. The following list includes, some, but not all, of the elements that would be included:

- Number of councilors, number for a quorum;
- Terms of office;
- Election procedures;
- How municipal trustees will be appointed to the Islands Trust;
- Production of the assessment roll;
- Borrowing power and current expenditures;
- A clause requiring regard for the Islands Trust 'object', Section 39.1 of the *Islands Trust Act*, in adopting a bylaw;
- Provisions for concurrence of the municipal official community plan with the Islands Trust Policy Statement and a requirement to submit an Official Community Plans (OCP) amending bylaw to the Islands Trust pursuant to section 38 of the *Islands Trust Act*;
- Transfer of the bylaws, powers, rights and contracts made by the Salt Spring Island LTC to the new municipality;
- The requirement for a funding arrangement between the Municipality and the Islands;
- Transfer of assets and liabilities;
- Transfer of covenants;
- Powers of cost recovery including the ability to levy, collect and remit taxes;
- Transfer of extended regional district services to the new municipality;
- Transfer of local services to the municipality from the regional district; and
 - Transfer of improvement districts to the municipality.

3.3 GOVERNANCE STRUCTURE

The Islands Trust Area includes 13 large and more than 450 small islands spread across 5,200 square kilometers in the Strait of Georgia and Howe Sound known for strong communities and natural beauty. In recognition of the special nature of the islands, the Province of BC enacted the *Islands Trust Act* in 1974 to create a federation of special-purpose local government bodies and gave the Islands Trust the mandate, through the Islands Trust Object (the “Object”), to:

‘Preserve and protect the Trust Area and its unique amenities and environment for the benefit of residents of the Trust Area and of the province generally, in cooperation with municipalities, regional districts, improvement districts, other persons and organizations and the Government of British Columbia.’

Guided by the Islands Trust Policy Statement, the Object is achieved, at both local and regional levels, through land use planning and regulation, collaboration with residents and agencies, advocacy and land conservation.

The corporate bodies of the Islands Trust: Trust Council, 13 local trust committees (LTCs), Bowen Island Municipality (BIM) and the Trust Fund Board (TFB) – work together to:

- Foster the preservation and protection of the Trust Area's ecosystems;
- Ensure that human activity and the scale, rate and type of development in the Trust Area are compatible with maintaining the integrity of Trust Area ecosystems;
- Sustain island character and healthy communities.



Fig. 2: Islands Trust governance structure

3.3.1 TRUST COUNCIL

Made up of all 26 elected representatives in the Trust Area, the Trust Council sets overall policies, manages finances for the organization, and provides a unified voice for islanders and island ecosystems through its advocacy efforts.

Trust Council also elects members of the Executive Committee to carry out the daily business of the Islands Trust, review bylaws of LTCs and island municipalities for compliance with the Object and the Policy Statement and to act as a LTC for the Ballenas-Winchelsea Islands. Trust Council does not make local land use decisions; this is the responsibility of the LTCs and island municipalities.

3.3.2 LOCAL TRUST COMMITTEES AND THE BOWEN ISLAND MUNICIPALITY

The elected representatives on the islands have the authority under the BC *Local Government Act* to work with residents, agencies and First Nations to develop and adopt official community plans that define their community’s vision. The LTCs also develop land use bylaws and policies (e.g. zoning, subdivision servicing requirements) that represent the desires of their communities and the shared goals of the federation. They also manage development through their decisions about land use applications such as rezoning, development permits and variances.

3.3.3 ISLAND TRUST FUND

Established in 1990 under the *Islands Trust Act*, the Trust Fund is the land conservation arm of the organization governed by the Trust Fund Board, which is legally independent of the Islands Trust Council. The Trust Fund purchases land using only donations and grants, and works with private landowners and conservancy partners to protect natural and cultural features in the Islands Trust Area.

3.4 ORGANIZATIONAL STRUCTURE

The Islands Trust has 53 employees located in offices in Victoria, Salt Spring Island and Gabriola Island.

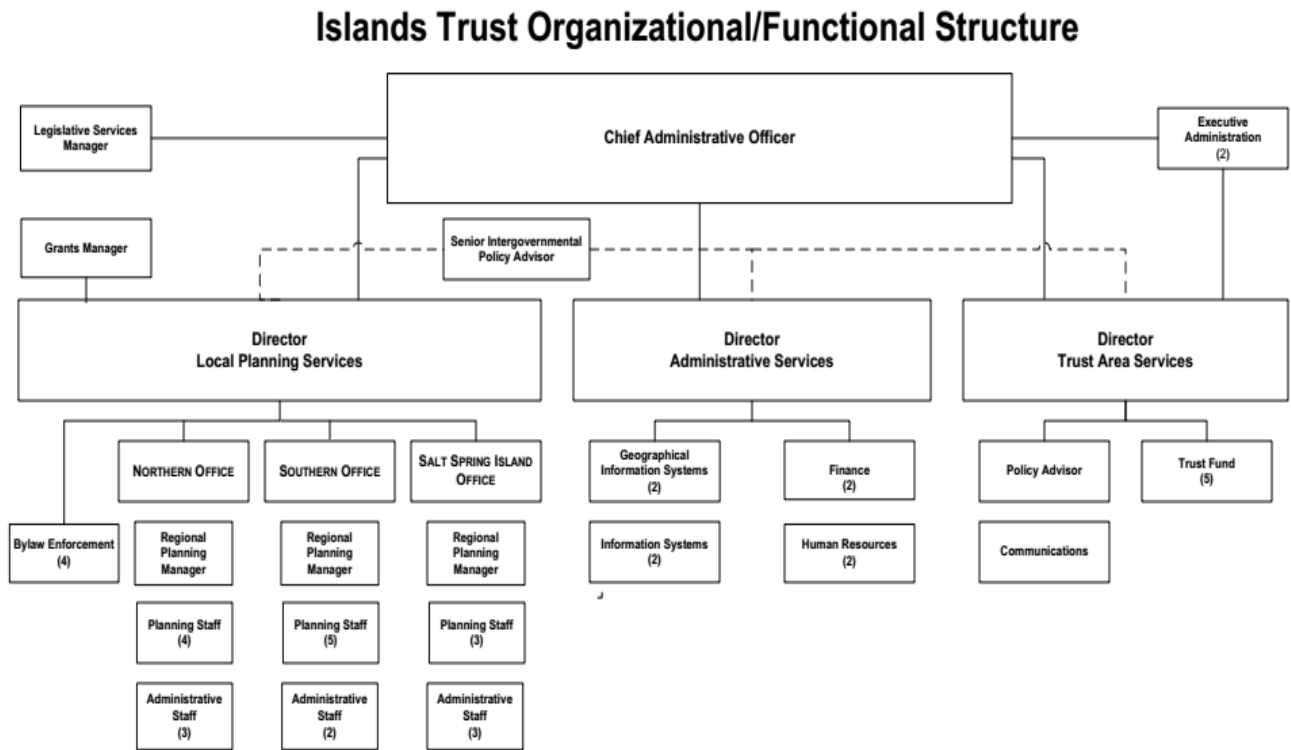


Fig. 3: Islands Trust organizational chart

3.5 ISLANDS TRUST SERVICES TO SALT SPRING ISLAND

3.5.1 LOCAL PLANNING SERVICES

The Islands Trust delivers land use planning and development management services to 13 local trust areas (LTAs), including the Salt Spring Island LTA. The service and number of employees that work on Salt Spring Island have grown as the community has grown and is now the largest planning service to any individual island within the Trust Area.

3.5.1.1 LAND USE PLANNING AND REGULATION

Local Planning and regulations is undertaken by Local Planning Services (LPS). There are three regional offices:

The Southern Office, based in Victoria, provides services to Galiano, Mayne, North Pender, Saturna and South Pender LTAs, as well as undertakes planning work for the Local Planning Committee (LPC) and bylaw referrals to the Executive Committee from Bowen Island Municipality. In addition, the Director of LPS is located in the Victoria Office.

The Northern Office, based on Gabriola Island, provides services to Ballenas-Winchelsea, Denman, Gabriola, Gambier, Hornby, Lasqueti, and Thetis LTAs.

Land use planning on Salt Spring Island is the responsibility of the Salt Spring Island LTC. To support the Salt Spring Island LTC, LPS maintains a planning office on Salt Spring Island. The current staffing is as follows:

- One Regional Planning Manager, Excluded from BCGEU
- One Island Planner
- One Planner 2
- Two Planner 1s
- One Legislative Clerk
- One Planning Team Assistant
- One Office Assistant
- One Bylaw Enforcement Officer

3.5.1.2 OFFICIAL COMMUNITY PLAN DEVELOPMENT

The Salt Spring Island LTA has two OCPs – one that covers Salt Spring Island (and surrounding waters) and one that covers Piers Island and surrounding waters (Appendix 2). Other areas of the LTA are not covered by an OCP. Updates and amendments to the OCPs are undertaken by the local trust committee, with staff support from the Island Planner, Planner 2, and the Regional Planning Manager. The Legislative Clerk and Planning Team Assistant are involved during the public consultation and bylaw adoption processes.

The Official Community Plan is a policy document that guides the growth and protection of the community. The OCP is amended from time to time to ensure the document remains current and relevant; all amendments undergo a public process. An OCP, or any amendments, are adopted after considerable community input through meetings and other public processes and signed off by the Minister of Community, Sport and Cultural Development. As such, the Official Community Plan represents the general community wishes and provincial interests with respect to the future form of the island.

3.5.1.3 COMMUNITY PLANNING PROJECTS

The Salt Spring Island LTC maintains a work program for undertaking community land use planning projects. Current examples of projects under way are watershed management, industrial lands review and the Ganges boardwalk initiative. Generally, there are five priority projects at any given time. These may include targeted reviews and updates of the Official Community Plans or community work to review policy and regulations. From a staff perspective, community planning involves development of a Project Charter that includes scope, timeline and budget of the proposed project; community and agency consultation, including First Nations, research into best practices and legal legislative framework; development of draft bylaws and finalisation and adoption of the bylaws.

Currently, approximately 30 percent of LPS planning time is used to undertake proactive community planning, including updates and reviews of the OCPs and land use bylaws.

3.5.1.4 SALT SPRING ISLAND WATERSHED PROTECTION AUTHORITY

The Salt Spring Island Watershed Protection Authority (SSIWPA) is a co-ordinating body set up by the Salt Spring Island LTC using powers delegated from Trust Council. This group is funded in part by a special tax requisition created by Trust Council Bylaw No. 154. Staff support is provided by allocation of some of the Regional Planning Manager time to attend meetings and undertake related management duties. Through funding from the LTC and from other member agencies, SSIWPA has hired a coordinator to undertake the day-to-day activities. The contract for this position is managed by the Islands Trust Administrative Services division.

3.5.1.5 LAND USE BYLAW AND ZONING BYLAW

The Salt Spring Island LTA is covered by four regulatory bylaws: The Salt Spring Island Land Use Bylaw covers all of Salt Spring Island and the surrounding water (same area as the Salt Spring Island OCP); the Piers Island Land Use Bylaw covers Piers Island and the surrounding water (same area as the Piers Island OCP); Salt Spring Island Zoning Bylaw 123 covers Secretary and Wallace islands; and the CRD Zoning Bylaw 103 provides zoning for the remaining islands and water areas in the LTA east of Salt Spring Island. West of Salt Spring Island there is no zoning in place; this area is covered by BC Reg. 119/90. (Chain Islands and Saanich Inlet).

Updates and amendments to these bylaws are undertaken by the Salt Spring Island Local Trust Committee with advice and support from the Island Planner, and Planner 2s with support from the Regional Planning Manager. Because the Piers Island OCP predates 1992 and because Secretary, Wallace and Prevost islands are not covered by an OCP, any amendments to CRD Bylaw 103, Salt Spring Island Bylaw 123 or Piers Island Land Use Bylaw require the approval of the Minister of Community, Sport and Cultural Development. This would also trigger the provincial consultation process with First Nations similar to the process used for OCP amendments.

For the unzoned areas, planning staff would process land use applications according to the Islands Trust Regulation (BC Reg 119/90). This process is less defined, involves no bylaws, and permission could be granted through a resolution of the relevant LTC.

3.5.1.6 SUBDIVISION SERVICING

Under the *Land Title Act*, subdivision approval is at the discretion of the Ministry of Transportation and Infrastructure (MOTI). The Provincial Subdivision Approving Officer, in considering an application for subdivision must take into account the local government bylaws regarding subdivision regulations and subdivision servicing.

The subdivision servicing regulations are within the relevant land use bylaw. For Prevost, Wallace and Secretary Islands and the unzoned areas, subdivision regulation is controlled by BC Reg 274/69 and servicing requirements by the *Local Services Act*.

Updates and amendments to subdivision servicing are undertaken by the Island Planner and Planner 2s. The Legislative Clerk and Planning Team Assistant would also be involved during the public consultation and bylaw adoption processes. Because the Piers Island OCP predates 1992, any amendment to the Piers Island Land Use Bylaw requires the approval of the Minister of Community, Sport and Cultural Development. This would also trigger the provincial consultation process with First Nations (similar to the process used for OCP amendments).

3.5.1.7 DEVELOPMENT MANAGEMENT (APPLICATION PROCESSING)

Approval of development applications is the responsibility of the Salt Spring Island LTC. Development on Salt Spring Island is regulated by the land use bylaw; development applications are requests to make changes to the land use bylaw to allow development that otherwise would not be allowed. For example, a property owner may want to change the use of the property, or increase the density or site a building closer to a lot line, or build it higher than permitted for a variety of reasons. Landowners make applications for land use changes, and the LTC will consider it after consultation with the community and with consideration of the Official Community Plan policies and the Islands Trust Policy Statement policies. The LTC is required to consider every application made to them. Application processing work is undertaken by the planners. Generally, the more complex applications are handled by the senior planning staff (Island Planner, Planner 2), the more routine applications are handled by the Planner 1 and Planner 2). Applications and referrals can take approximately 20 to 25 percent of the planning staff time.

3.5.1.8 REFERRALS FROM OTHER AGENCIES

Staff implement bylaws adopted by the LTC, by ensuring applications made to other agencies are consistent – and for this purpose, they review referrals from other agencies. Referrals range from the very formal (such as the Agricultural Land Commission) to fairly informal (such as building permits). Other referrals include Crown Land (docks and leases) and Liquor Control and Licensing Board. Applications and referrals can take approximately 20 to 25 percent of the planning staff time.

Review and comment on referrals is a staff function. Referrals range from the very formal (such as the Agricultural Land Commission) to fairly informal (such as building permits). Other referrals include Crown Land (docks and leases) and Liquor Control and Licensing Board. Applications and referrals can take approximately 20 to 25 percent of the planning staff time.

3.5.1.9 PUBLIC ENQUIRIES

Public enquiries include phone calls, emails and walk-in enquiries. Most enquiries are by email and are usually related to early requests for information in regards to what people can and cannot do on their property. Other enquiries include questions about active application and referrals, bylaws under development, and other items not necessarily within the jurisdiction of the LTC. Enquiries are largely handled by all planners, depending on the enquiry. Enquiries can take a significant amount of planning staff time.

3.5.1.10 BYLAW ENFORCEMENT

Bylaw enforcement on Salt Spring Island is undertaken by one Bylaw Enforcement Officer. The officer on Salt Spring Island spends most of his time working on Salt Spring Island files, but also provides support to other islands as needed. The Bylaw Enforcement Officer responds to complaints about bylaw violations (a person using their property contrary to the local zoning regulations), and works to resolve the issue.

3.5.1.11 APPLICATION GUIDES

Application guides have been developed and published for all LTCs' applications. These guides are located on the Islands Trust website and are maintained through coordination between the regional planning managers.

3.5.1.12 FINANCIAL ADMINISTRATION

For each LTC, the Regional Planning Manager proposes program budget request for the LTCs' consideration; the Regional Planning Manager will also make requests for other budget items to support the team operations and manages the budget throughout the fiscal year.

3.5.1.13 GRANT APPLICATIONS

LPS has a 0.4 full-time equivalent (2 days per week) Grants Manager. This position is currently based in the Gabriola Office and is responsible to overseeing the grants program. This includes updating of policy, maintenance of a database, actively seeking grants, working with LTCs to write grant application and manage grants that are awarded.

3.5.1.14 INTER-GOVERNMENT LIAISON

Each Regional Planning Manager is the lead for intergovernmental liaison; this is usually undertaken at the planning level based on the needs of the planning project.

3.5.1.15 FIRST NATIONS LIAISON

LPS and TAS share, on a 75:25 basis, the services of a Senior Intergovernmental Policy Advisor (1.0 FTE) who provides policy development, analysis and outreach on behalf of the organization to First Nations, governments, stakeholders and communities on First Nation and marine environment issues.

3.5.2 TRUST AREA SERVICES

Trust Area Services (TAS) is a team of eight staff who administer the federation-wide mandate, as determined by Trust Council and its committees. All members of the federation, including municipalities fund three TAS programs: 1. a land conservancy, 2. policy, and 3. external relations (communications, advocacy, and intergovernmental relations). TAS spends 17 percent of the Islands Trust budget, with half of that supporting the operations of the Trust Fund Board (TFB).

3.5.2.1 LAND CONSERVANCY PROGRAM (THE ISLANDS TRUST FUND BOARD)

The province of British Columbia created the Islands Trust Fund in 1990 to hold land in support of the object of the Islands Trust. The Trust Fund preserves the region's ecosystems through the acquisition of nature reserves and through registering covenants on private property, but also has the ability to hold land for heritage or agricultural purposes. The province appoints three members to serve, along with three elected trustees on the

six-member TFB. The Board decides which properties to acquire as nature reserves (using grants and private funding) and which land owners to enter into conservation covenant agreements with.

The Natural Area Protection Tax Exemption Program (NAPTEP) is unique to the Islands Trust Area. It is an innovative program that combines ecosystem conservation and tax savings. NAPTEP provides landowners with an annual exemption of up to 65% of their property taxes when they permanently protect the natural features of their land. Natural features eligible for protection includes relatively undisturbed sensitive ecosystems, habitat for rare native species or communities, or special geological features.

The TFB protects 98 properties, totaling 1161 hectares (50 percent owned and 50 percent covenanted). On Salt Spring Island, the TFB owns five nature reserves and holds 13 conservation covenants and 10 NAPTEP covenants, for a total of 28 properties covering 324 hectares. This means that Salt Spring Island has about a third of all the TFB's conservation projects in the Islands Trust Area.

Name	Type	Size (hectares)
Cunningham Covenants (Lots 1-7)	Covenant	12.17
Goldenback Fern Covenant	Covenant	0.289
Keough Covenant	Covenant	0.66
Lot 31 Covenant	Covenant	67.43
Manzanita Ridge Covenant	Covenant	20
Mt. Tuam Covenant	Covenant	13.4
Ruffed Grouse Covenant 1	Covenant	4.1
Ruffed Grouse Ridge Covenant 2	Covenant	7.4
Scott Covenant	Covenant	1
Shacum Covenant	Covenant	4
Tate Covenant	Covenant	72.2
Andreas Vogt Covenant	Covenant	29.739
Where Ere You Walk Covenant	Covenant	0.34
Arthur Lineham NAPTEP Covenant	NAPTEP	23.69
Frog Haven NAPTEP Covenant	NAPTEP	3.599
Leader NAPTEP Covenant	NAPTEP	1.79
My Whim NAPTEP Covenant	NAPTEP	2.199
Old Divide (Appleby) NAPTEP Covenant	NAPTEP	0.809
Owl's Call NAPTEP Covenant	NAPTEP	3.31
Polden NAPTEP Covenant	NAPTEP	3.39
Richardson NAPTEP Covenant	NAPTEP	1.75
Walter Bay NAPTEP Covenant	NAPTEP	2.38
Wennanec NAPTEP Covenant	NAPTEP	1.64
C. Cunningham Nature Reserve	TFB Reserve	3.95
Deep Ridge Nature Reserve	TFB Reserve	14.2
Lower Mt. Erskine Nature Reserve	TFB Reserve	22
McFadden Creek Nature Sanctuary	TFB Reserve	5.09
Ruby Alton Nature Reserve	TFB Reserve	1.6
Total:		324.125

Table 3: Trust Fund Board protected properties

3.5.2.2 POLICY

The TAS team supports Trust Council in reviewing and amending existing policy and creating new policy. The most important policy services relate to the Islands Trust Policy Statement, which is the foundation for all official community plans and bylaws for island municipalities and LTCs. With help from LPS staff, the TAS team is responsible for reviewing municipal bylaws for the Executive Committee where they refer to matters in the Policy Statement.

At Trust Council's direction, the team will engage with the public about the role and importance of the Policy Statement and will engage with First Nations and other government agencies before recommending changes to the Policy Statement.

3.5.2.3 EXTERNAL RELATIONS PROGRAM

Island municipalities and LTCs rely on the TAS team for public relations, policy and intergovernmental relations, including advocacy to other levels of government.

3.5.2.4 COMMUNICATIONS / PUBLIC RELATIONS

The communications program includes basic organizational tools such as the website, media monitoring and a clipping service (includes municipal trustees), all of which are used in support of Salt Spring Island. Publications include the annual report, news releases, posters and brochures. Public relations include consultation on Trust Council's strategic plan, annual budget and other projects requiring public input. The TAS team is also responsible to advise Trust Council and its committees on how to respond to controversial issues and prepares elected officials to speak to the media.

Trust Council hosts a bi-annual Community Stewardship Awards program to celebrate and recognize local groups and people who are committed to stewardship. The TAS team delivers this program.

3.5.2.5 ADVOCACY

The TAS team researches and advises Trust Council and its committees how to cooperate with provincial and federal agencies with mandates that overlap with the interests of the Islands Trust federation. The team uses a wide range of tools to build relationships with other agencies, starting with organizing meetings between trustees and Ministers and by entering into formal agreements. Islands Trust Council has agreements, protocols and letters of understanding to uphold the mandate with the following levels of government: First Nations, federal, provincial, regional, and international (San Juan County).

Trust Council's advocacy program is about more than writing letters to other decision makers. It involves getting to know the decision-makers, actively participating in environmental assessments, attending and delivering workshops at local government conferences, and sponsoring resolutions at the Union of BC Municipalities annual conference.

The TAS team supports the Chair in writing correspondence and position papers to other agencies and in delivering speeches and presentations, for example about protecting water, lowering ferry fares or preventing oil spills. The team monitors court rulings affecting local government and watches for changes in relevant policy and legislation to keep the Islands Trust ahead of the changes.

An increasingly important part of TAS' role is maintaining statistics and research about the state of the islands and both the social and environmental factors affecting the sustainability of island life. This research can inform Trust Council's vision and strategy, provide evidence for advocacy positions and provide support for changes to the Islands Trust Policy Statement.

3.5.3 ADMINISTRATIVE SERVICES

Administrative Services supports Trust Council and key functions across the organization.

3.5.3.1 FINANCIAL PLANNING

The Director of Administrative Services provides support to the Islands Trust Financial Planning Committee (FPC) in the development of the annual budget (\$7.2 million for 2016/17) and manages a timetable of critical deadlines and an accountability framework for budget preparation. The municipal contributions are calculated and confirmed with municipal staff and any special tax requisitions are co-ordinated with LTCs. At its March meeting, Trust Council approves the annual budget and financial plan, after considering the public input received and the recommendations of the FPC. Formal resolutions to approve the Financial Plan Bylaw are made during the Trust Council regular business meeting. The Director of Administrative Services forwards the bylaw to the Ministry and requisitions approved taxes through the Surveyor of Taxes.

3.5.3.2 FINANCIAL ACCOUNTING

General accounting services including accounts payable and receivable, capital assets and general ledger maintenance are reported to Trust Council on a quarterly basis. Financial information is prepared in compliance with the *Financial Administration Act* and ministry policies and procedures related to the annual Statement of Financial Information. An annual external audit is coordinated and audited financial statements are provided to the Trust Council at their June meeting.

Other financial services include monitoring of investments and management of cash flows and ensuring that contracts are written, tendered, awarded and administered in accordance with ministry policies and guidelines.

3.5.3.3 INSURANCE

Islands Trust carries property, crime and commercial general liability insurance through various insurers. Group insurance (health, dental and life) is provided to staff through Pacific Blue Cross and administered by the Public Service Agency. Group insurance is made available to trustees through a separate policy administered by Islands Trust. Accidental Death and Dismemberment insurance is also provided.

3.5.3.4 PAYROLL PROCESSING

Payroll for staff is processed through the Time Leave and Absence Management system and the Public Service Agency. Islands Trust administrative staff provide support and training for staff access as well as processing invoices from the Public Service Agency related to payroll expenses.

3.5.3.5 OFFICE FACILITY MANAGEMENT

Administrative Services at Islands Trust is responsible for maintaining three office locations (Victoria, Gabriola Island and Salt Spring Island) including monitoring and negotiating leases and providing for furniture, equipment and IT services to ensure efficient operations. In addition, offices for trustees are provided on North Pender Island and Galiano Island.

3.5.3.6 HUMAN RESOURCES MANAGEMENT

Effective management of human resources is a significant function that is crucial to the success and effectiveness of an organization. Islands Trust staff are subject to the policies and procedures of the BC Public Service Agency and consist of members of the BCGEU and non-unionized staff. Administrative Services provides

support and advice to managers on all hiring activities, including posting vacancies, assisting with selection processes and orientation of new staff. The Director of Administrative Services provides organizational support on labour relations issues and other collective bargaining issues. Other services provided include coordination of training, staff meetings, and the employee and long term service awards program; ensuring that performance management procedures are followed and ensuring health and safety responsibilities are maintained through the coordination of an Occupational Health and Safety Committee and other related activities.

3.5.3.7 INFORMATION SYSTEMS

The Information Systems Team administers the connectivity, continuity and security of all networks, equipment provisioning (laptops, desktops, phones, and photocopiers), and computer software provision and support.

The Islands Trust mapping department provides Geographic Information System (GIS) and information services to staff, consultants, developers, and the general public. GIS is an organized collection of computer hardware, software, and geographic data designed to efficiently capture, store, update, manipulate, analyze, and display all forms of geographically referenced information.

3.5.4 CORPORATE AND LEGISLATIVE SERVICES

As a local government, the Islands Trust has significant responsibilities to ensure that its operations are effective, efficient and in compliance with a range of legislative requirements. This is the responsibility of the Chief Administrative Officer, Executive Coordinator, Secretary and Legislative Services Manager. Legislative Services is responsible for the planning, coordination and control of functions necessary to carry out the legislative obligations of the corporate bodies of the Islands Trust. The manager delivers services to elected officials, trust bodies, staff and the public by providing advice, support and recommendations on statutory, procedural or privacy matters which may involve legislation, Islands Trust policy, procedures and bylaws and Roberts Rules of Order. As part of this service, the manager acts as corporate Records Manager, Freedom of Information and Protection of Privacy Head, and co-ordinates elections and by-elections. More informally it traditionally deals with an extended suite of corporate responsibilities to ensure the health of the organization, including legal opinions, agendas, meeting procedures, and even business continuity and risk management.

Executive services provide support to Trust Council and the Executive Committee, and maintain overall management of the organization including long range planning and strategic planning.

3.5.4.1 STRATEGIC PLANNING

The Islands Trust Council adopted a strategic plan for its 2014-2018 term of office, which includes 10 priorities, each supported by strategies and activities. The strategic plan provides a focus for Trust Council and committee work programs throughout the Islands Trust and forms a basis for budget preparations for future fiscal years. Trust Council's priorities focus on challenges common to all island communities. Within the 'Local Trust Committees & Bowen Island Municipality Activities' portion of the plan, local trust committees, including the Salt Spring Island LTC, have their own strategies and activities for local projects related to the ten priorities in the strategic plan.

3.5.4.2 POLICY DEVELOPMENT

As well as the Policy Statement, Islands Trust Council has also adopted a suite of policies which apply to all LTCs in the Trust Area. The applicable policies fall under two main categories: Local Trust Committees, Advisory Commissions and Advisory Groups; and Land Use Planning, Bylaws and Mapping. This suite of policies applies to

the Salt Spring Island LTC. In addition, the Salt Spring Island LTC has adopted six policy and standing resolution items. The Salt Spring Island LTC also adopted Meeting Procedures Bylaw No. 391 to establish procedures for meetings of the LTC. In addition, applicable legislation and various Trust Council and management policies and procedures direct the process around notices, agendas, and minutes.

3.5.4.3 RECORDS MANAGEMENT

Local governments in BC are required to carefully maintain and manage the records in their possession for the benefit of the public. The records management system authorized by Islands Trust Council Bylaw No. 144 applies to the records of all Islands Trust's corporate bodies, including the Salt Spring Island LTC. With responsibility for compliance with Freedom of Information and Protection of Privacy legislation, the Islands Trust records management system and processes provide a risk management function.

3.5.4.4 ELECTIONS ADMINISTRATION

Islands Trust elections are administered in accordance with Part 3 of the *Local Government Act* through contracts with seven regional districts in the Trust Area. Islands Trust staff co-ordinate the local trustee elections every four years. Bowen Island Municipality manages its own elections.

3.5.4.5 EXTERNAL LIAISON

As a local government, the Islands Trust falls within the purview of the Office of the Ombudsperson, which receives occasional enquiries and comments about Islands Trust operations. The Islands Trust's Secretary liaises with the Office of the Ombudsperson, ensuring appropriate and effective responses in accordance with internal policies on behalf of the Islands Trust's Salt Spring Island office. Similarly, the Islands Trust must comply with the *Freedom of Information and Protection of Privacy Act*, protecting the public's privacy, and responding to request for information. The Secretary provides a similar function with regard to the Office of the Information and Privacy Commissioner including advice and coordination of complex liaisons with the Office of the Information and Privacy Commissioner related to requests under the *Freedom of Information and Protection of Privacy Act* in relation to the Salt Spring Island LTC.

3.6 ISLANDS TRUST FINANCES

The *Islands Trust Act* Section 14 states that on or before March 31 in each year, the Trust Council must, by bylaw, adopt an annual budget for the Trust for the next fiscal year. Subsection (3) further defines the budget as follows:

(3) The budget must:

- (a) show separately revenues obtained from appropriations, including operating grants and anticipated recoveries from taxes levied under sections 48 and 49, and other sources,
- (b) show appropriated surpluses of prior years, and
- (c) set out separately the anticipated expenditure relating to
 - (i) operations of the trust council and of the executive committee, except the operations of the executive committee acting as a local trust committee under section 23 (5),
 - (ii) general operations of the local trust committees, including the operations of the executive committee acting as a local trust committee under section 23 (5) and excluding the operations referred to in subparagraph (iii),

- (iii) operations of a local trust committee that are additional operations not included within the general operations of all the local trust committees under subparagraph (ii), and
- (iv) administrative operations of the trust fund board.

Table 4 reflects the expenses related to these four areas for the 2016-17 annual budget:

AREA	\$	% of TOTAL
Local Planning Services	\$4,047,829	56%
Trust Council	\$910,214	12%
Trust Fund	\$529,270	7%
Administrative Services	\$1,869,695	25%
Total:	\$7,357,008	

Table 4: 2016-2017 budget excerpt

Figure 4 describes the proportional allocation of expenses:

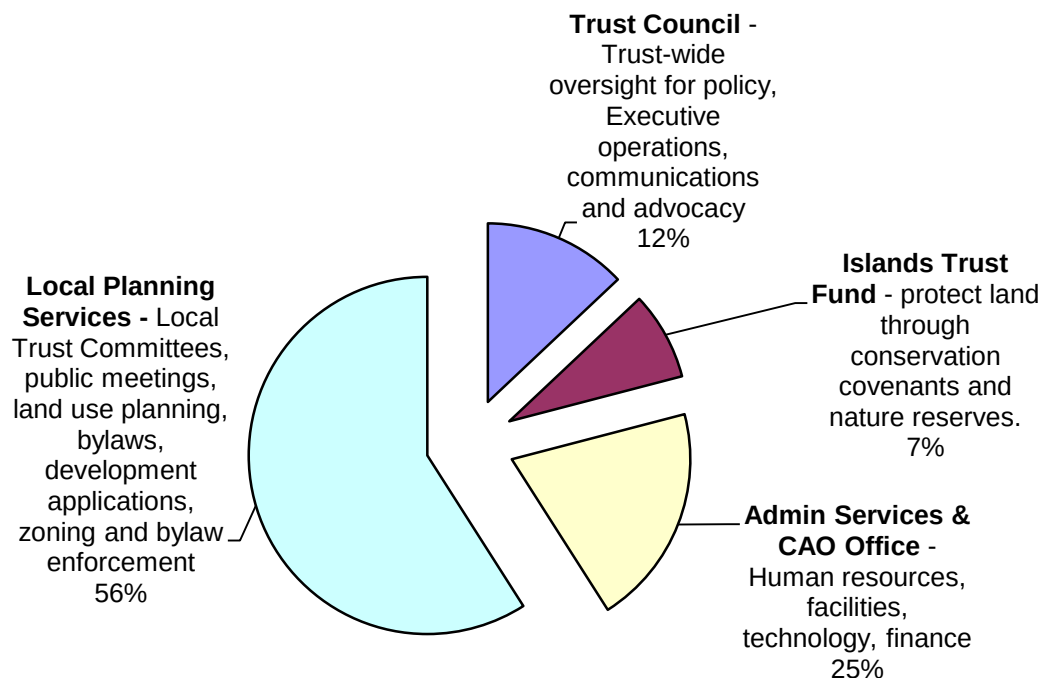


Fig. 4: Islands Trust expense allocations

3.6.1 LOCAL PLANNING SERVICES EXPENSES – SALT SPRING ISLAND

The 2016/17 LPS budget includes \$1,001,013 of expenditures directly attributable to Salt Spring Island. These include expenses such as Trustee remuneration, planner and planning administration wages, the Salt Spring Island office lease and related expenses, and LTC expenses including meetings and LTC projects. In addition there are indirect costs related to LPS administration and an allocated portion of Admin Services and the Chief Administrative Officers (CAOs)' Executive Office.

3.6.2 GENERAL PROPERTY TAX REQUISITION

Once Trust Council has determined the funding needs of the organization through its budget process, the Financial Plan Bylaw is forwarded to the MCSCD for approval. Unlike other local governments, the Islands Trust does not directly collect property tax. The Provincial Surveyor of Taxes sets the rates and collects the tax from LTA taxpayers based on the revenue that the Islands Trust Council requests. The amount of tax charged on a property in a LTA (all Islands Trust Area properties except those on Bowen Island Municipality) depends on four factors: the assessed value, the mill rate, the type of property and the amount of tax revenue the Islands Trust Council needs from the province (called the requisition amount) to fulfil its mandate.

Each January, BC Assessment notifies property owners of their property's assessed value, classification and applicable exemptions. The requisition amount is divided by the total assessed value of all properties in the Islands Trust Area, except Bowen Island, to develop a mill rate (the amount of tax payable per \$1,000 of the assessed value of the property). The same mill rate is applied to every taxpayer in all LTAs.

As of January 2016, the converted assessed values for Salt Spring Island properties as a percentage of all LTAs, is 32.3 percent. Based on the Islands Trust general property tax requisition amount of \$6,249,834, the portion attributable to Salt Spring Island for 2016-17 is \$2,018,696.

3.6.3 MUNICIPAL TAX REQUISITION

The *Islands Trust Act* Sections 47(2)(b) and 47(6) sets out the calculation of the municipal tax requisition for municipalities within the Islands Trust Area. These sections state that the Minister may deliver requisitions to each municipality in the Trust Area in relation to the cost of operations of the Trust Council and the Executive Committee, except the operations of the Executive Committee acting as a local trust committee under Section 23(5), and the cost of administrative operations of the TFB. The amount that is to be recovered by means of requisitions must be apportioned between the municipalities and the LTAs on the basis of the converted value of land and improvements in the Trust Area.

In the 2016/17 Budget, a requisition based upon these calculations was provided to Bowen Island Municipality in the amount of \$223,419.

3.6.4 SPECIAL PROPERTY TAX REQUISITION

The *Islands Trust Act* Section 10 allows for Trust Council to delegate authority which provides Trust Council with the necessary authority to implement a special property tax requisition in respect of a local trust committee activity or program that is deemed by the Islands Trust Council to be:

- i. Programs or services not offered in all LTAs;
- ii. Enhanced service levels that reflect unique demands or additional powers that Trust Council has delegated to a local trust committee by bylaw; and
- iii. Beyond the capacity of the base budget.

A proposed special requisition related to a LTA must be incorporated into the annual Islands Trust budget bylaw and approved by the Islands Trust Council.

In the 2016/17 Budget, Salt Spring Island LTC was approved for a requisition of \$110,500 related to the delegated authority to co-ordinate watershed management through the Salt Spring Island Watershed Protection Authority.

3.6.5 GENERAL REVENUE FUND SURPLUS

Trust Council's policy 6.5.i, section D.6, recommends a minimum level of surplus as "three months of expenses net of three months of revenue, excluding revenue from property taxes or the provincial grant." Based on the 2016/17 budget, the General Revenue Fund surplus balance would be \$2.1 million at March 31, 2017. This amount represents 120 percent of the recommended minimum level of surplus.

4. INITIAL IMPLICATIONS OF SALT SPRING ISLAND INCORPORATION AND TRANSITION

4.1 OVERVIEW OF INITIAL IMPLICATIONS AND TRANSITION ACTIONS

EMBARKING ON A PROCESS OF CHANGE

The incorporation of Salt Spring Island would result in a period of uncertainty and in some cases profound change for the Islands Trust over the longer term. There will be a need to balance the immediate needs associated with the incorporation process with the responsibility to maintain day-to-day services to citizens, LTAs and Trust Council.

The transition period is marked primarily by technical exercises and undertakings. Tasks and actions will focus upon transfer of corporate responsibility, transfer of capital assets, and preparation on the part of the Islands Trust to engage in the more detailed adaptation phase that follows.

The organization will need to adopt a change management model to guide staff and Trust Council. The Islands Trust will wish to adopt a progressive and modern approach to change that reflects best practises and provides for the best outcomes for citizens and employees. These would include a triple bottom line framework delivered with transparency and the understanding that organizational change is a process not a prescriptive set of actions. Effective change management will include:

- Communicating widely and effectively;
- The use of a variety of methods to help employees, trustees and citizens adjust;
- Working to build support within the organization for the change;
- Alignment of strategies, skills, structure and culture of the organization; and
- Adoption of feedback and monitoring mechanisms to reinforce and inform organizational change.

The Islands Trust will be able to access assistance from the BC Public Service Agency with regard to change management, employee assistance programming and human resource analysis.

4.1.1 PRINCIPLES AND OBJECTIVES FOR TRANSITION PLAN

In December 2015 Trust Council adopted a set of principles and objectives to guide the adaptation process for the Islands Trust. They are included in this document in section 5.2. The following objectives focus upon the transition planning period and are designed to prioritize work and maintain an ethical basis for organizational change:

- The Islands Trust Council is committed to effective and sustainable delivery of its provincially legislated mandate throughout the Islands Trust Area, with the assistance, cooperation and collaboration of many stakeholders, including LTCs and island municipalities.
- To continue to provide a high standard of land use services to the Salt Spring Island community through the transition period.
- Effective and sustainable relationships between Islands Trust Council and the SSIM.
- To communicate clearly with the public, First Nations, stakeholders and staff throughout the transition period.
- To initiate the development of a staff transition plan and to maximize certainty for staff during a period of potential organizational change.
- Readiness for effective adaptation to long-term impacts.

- To ensure an orderly transition of governance including bylaws, policies, authorities and documents.
- To cooperate and assist the newly incorporated SSIM as it develops capacity and service delivery.
- To be creative and innovative in developing transitional strategies for the Islands Trust that provides options for the organization.

4.1.2 OVERVIEW OF TIMELINES AND ASSUMPTIONS

This timeline is specific to the period from the referendum date through to six months post incorporation. The Salt Spring Island Incorporation Study Committee (ISC) has a schedule of events beyond this scope and should be referenced if needed for public outreach and communication scheduling.

Process Timelines	
Public communication events and strategies following approval of the Minister to hold a referendum and prior to the vote	Pre-incorporation
Referendum	February 2017
Appointment of interim municipal administrator	April 2017
Municipal Elections	June/July 2017
Contract for land use planning services	June/July 2017
Incorporation of SSIM – Letters Patent for Salt Spring Island	September 2017
Protocol Agreement between SSIM and Islands Trust	December 2017
Islands Trust Contract for land use planning services to SSIM	August 2017 to August 2020

Further, as part of the pre-incorporation process, the Islands Trust may be invited to participate in public meetings or events.

4.2 INITIAL GOVERNANCE IMPLICATIONS AND TRANSITION ACTIONS

4.2.1. SALT SPRING ISLAND GOVERNANCE

A primary function during the transition period is to coordinate elements of the change in governance from the Islands Trust to the new SSIM. Coordination between the two entities will ensure that governance is maintained and that any disruption to public representation and land use decision-making is minimized. This transfer will primarily involve ceasing the activities of the Salt Spring Island LTC, the appointment of municipal trustees from Salt Spring Island to the Islands Trust, and transfer of authorities, bylaws, files and records.

There may also be impacts to current planning services to community. During the actual transition of authority, applications that are in stream may face delays as the SSIM develops its capacity to make land use decisions. There may be a need to reduce or delay new planning initiatives during this period to ensure that land use decisions reflect the priorities of the new municipal council.

4.2.1.1 BOUNDARIES OF SALT SPRING ISLAND MUNICIPALITY

The proposed boundary of the SSIM aligns with boundary for Area F of the CRD. The Islands Trust will make recommendations to the Ministry as per the boundaries of the SSIM, in particular with regard to islets and islands that edge upon the proposed boundary of the new municipality and adjoining LTAs. Decisions about

boundary changes ultimately will be made by the province. Changes would be required to the Islands Trust Regulation to reflect a redistribution of islets to new LTAs:

ACTION 1: Analysis of adjacent islets within the Salt Spring Island LTC jurisdiction, recommendations for changes in mapping to Trust Council for approval and forwarding to Ministry

4.2.1.2 INTERIM MUNICIPAL ADMINISTRATOR

An interim CAO would be appointed by the province to manage the transition of the incorporation process on behalf of Salt Spring Island. The interim CAO will be developing the foundation for governance for the SSIM, focusing particularly upon the election of Mayor and Council. The interim CAO will be the primary contact of the Islands Trust in managing the planning services contract and in establishing a process of transfer of records, bylaws and authorities.

ACTION 2: Islands Trust CAO/Executive Office to co-ordinate transition in governance protocols with Interim Municipal CAO

4.2.1.3 ELECTION OF MAYOR, COUNCIL

During the election for the inaugural SSIM Council, as per the Protocol Agreement with the Ministry, there would be a concurrent election of municipal trustees of the Islands Trust via double direct voting. Election would be administered by the Chief Election Officer of the CRD and the CRD's Election Procedures Bylaw would apply. The Islands Trust would be responsible for orienting the new SSIM council about its roles and responsibilities under the *Islands Trust Act*.

ACTION 3: Orientation for new Salt Spring Island Municipal Council regarding the Islands Trust

4.2.1.4 SALT SPRING ISLAND MUNICIPALITY LETTERS PATENT

The Islands Trust will have the opportunity to make recommendations to the Ministry with regard the development of Letters Patent prior to adoption. As indicated in the Protocol Agreement between the Islands Trust and the Ministry, key areas and any associated Islands Trust actions are as follows:

- Consideration of Islands Trust Object: Section 39.1 of the *Islands Trust Act* requires that a municipality must consider the Object of the Islands Trust. This requirement will be included in Letters Patent and once again included in a subsequent Protocol Agreement between the SSIM and Islands Trust Council.
- SSIM bylaw approvals: member municipalities within the Trust Area have an obligation under S. 38 of the *Islands Trust Act* for approval by the Islands Trust for OCP bylaws. Referral of non-OCP bylaws would be a subject of the Protocol Agreement. The actual process of bylaw approval would be outlined in a Protocol Agreement between the SSIM and the Islands Trust Council, which is expected to be similar to the Protocol Agreement between the Islands Trust and Bowen Island Municipality. It is anticipated that the SSIM will have a much larger volume of bylaw referrals than does Bowen Island Municipality.

ACTION 4: Provide comment to Ministry regarding Letters Patent for the Salt Spring Island Municipality

4.2.1.5 DISSOLUTION OF SALT SPRING ISLAND LOCAL TRUST COMMITTEE

Upon incorporation, as would be detailed in the Letters Patent, the municipality would assume responsibility for the municipal area and the Salt Spring Island LTC would cease to exist.

As indicated by the Bowen Island Letters Patent, it is expected that all bylaws, rights, powers, contracts resolutions, orders, regulations, licenses, and permits that have been passed, adopted or issued by the Salt Spring Island LTC shall remain in effect and will be assumed by the municipality. A process of transfer of records, bylaws, permits, contracts, covenants, assets, liabilities, obligations, and other materials will be initiated. The process would need to be carefully managed to ensure that the transfer is complete and transparent.

Trust Council, via Bylaw No., 154, delegated powers to the Salt Spring Island LTC for the purposes of coordinating the preservation and protection of water resources in the Salt Spring Island LTA through the Salt Spring Island Watershed Protection Authority. A special levy was established to fund the operations related to the delegated powers. This work will become the responsibility of the new municipality in a format and structure of their choosing. Disposition of special levy funds remaining in this function will be required.

ACTION 5: Transfer records related to the Salt Spring Island Watershed Protection Authority and dispose of special levy funds and related contracts.

4.2.1.6 ISLANDS TRUST AGREEMENTS WITH SALT SPRING ISLAND MUNICIPALITY

Section 9.1 of the *Islands Trust Act* provides Trust Council the ability to enter into an agreement with an island municipality. Further, the Letters Patent for the newly incorporated municipality would require such an agreement between the Islands Trust Council and the SSIM Council. Development of this document will be a high priority during the transition phase. Preparatory work will commence early in the transition period to determine principles, policy content, financial arrangements, communications and other protocols.

An important experience from the Bowen Island municipal incorporation process relates to the review of bylaws by the Islands Trust as required by the *Islands Trust Act*. This review requires staff time, and dedication of resources, and is included in the calculation of the financial contribution that each municipality pays the Islands Trust for trust wide services. The number of bylaws that are generated by Salt Spring Island is much larger than in the case of Bowen Island Municipality and may require an amendment to the municipal funding calculation to capture the increase in administrative costs.

ACTION 6: Prepare key policy elements for inclusion in Protocol Agreement between the SSIM and the Islands Trust

ACTION 7: Review municipal funding calculation to account for increased costs associated with administration of bylaw referrals from SSIM

4.2.1.7 AGREEMENTS AND LETTERS OF UNDERSTANDING WITH OTHER PARTIES

The new island municipality will inherit protocol agreements between the Salt Spring Island LTA/the Islands Trust and other parties such as the federal government, the provincial government, First Nations, or local governments. SSIM will presumably review these agreements for relevance within a municipal context. Upon

incorporation, Bowen Island Municipality, via Letters Patent, had a prescribed timeframe by which to consider any inherited protocol agreements and it is presumed Salt Spring Island would have the same alternatives. A list of relevant agreements affecting Salt Spring Island includes:

1. Letter of Understanding between Staff Administrations of the Islands Trust and the CRD
2. Islands Trust Council Bylaw No. 63 - A Bylaw to Adopt a Protocol with the CRD
3. Protocol Agreement Regarding the Provision of Parkland between the Salt Spring Island Trust Committee and the Salt Spring Island Parks and Recreation Commission Representing the CRD
4. Letter of Understanding between Staff Administrations of the Islands Trust and the CRD concerning Withholding of Building Permits
5. Memorandum of Agreement between the Salt Spring Island LTC and the TFB
6. Letters of Understanding with Provincial Ministries

ACTION 8: Provision to the SSIM of a record of protocol agreements and letters of understanding that apply to Salt Spring Island LTC and Salt Spring Island at date of incorporation

4.2.1.8 LEGAL

During the transition period, the Islands Trust will obtain legal analysis leading to a framework for staff and Trustees to coordinate transition projects and tasks. This review will include:

1. Labour and employment: review collective agreement as to obligations of employer, excluded and unionized staff, allocation of employees across organization according to required skill sets, geographic needs, WCB, holiday payments; provision of notice, termination, succession planning, liability: any potential claims by employees
2. Assets and liabilities: identify non-financial assets, identify financial assets, valuations and allocations
3. Third party contracts: identify pending contracts or negotiations, identify existing service contracts, review of contracts in terms of assignment, prohibitions, notice requirements, obligations
4. Licenses: same analysis as for contracts
5. Bylaws and enforcement: identification of all bylaws, all amendments, allocation of responsibility, status of enforcement actions, status of ongoing litigation
6. Insurance: review existing policies, provide notice to insurers
7. Intellectual property: identify all IT intellectual property, corporate trademarks, assignments
8. Any litigation against the Salt Spring Island Local Trust Committee
9. Other

ACTION 9: Legal review of transition process

4.2.2 TRUST COUNCIL AND EXECUTIVE COMMITTEE

The membership of Trust Council will change due to municipal incorporation. The two local trustee positions for Salt Spring Island will be dissolved upon the date of incorporation. During the municipal election process, in conjunction with the general election, two Salt Spring Island municipal trustees would be selected and appointed to Trust Council. Given the anticipated timelines (see Section 4.1.2), the new Municipal Trustees may begin attendance at Trust Council in either September or December 2017. The Islands Trust staff would follow existing procedures for departure of the local trustees and on-boarding of new trustees to facilitate a smooth transition for the new members of Trust Council.

ACTION 10: Follow procedures for departure of local trustees and on-boarding/orientation of new Trust Council municipal trustees

4.2.2.1 EXECUTIVE COMMITTEE (EC)

As one of the Salt Spring Island LTC members is a current member of the Executive Committee, Trust Council will need to elect a new Executive Committee member. Section 8 of the *Islands Trust Regulation* indicates that the election must take place within 90 days of the vacancy.

ACTION 11: Trust Council to elect new Executive Committee member

There will be operational impacts to Executive Committee and other Committees during the transition phase in the form of an increase in the number of meetings, length of meetings, expenses and related administrative support. EC maintains a range of responsibilities on behalf of Trust Council and will have a delegated responsibility to provide governance oversight during the Transition Phase. In particular, there will be an increased focus upon the organizational response to transition and to the transfer of governance. It is anticipated that 10-15% of the Committees' meeting time will involve transition issues for 6 months to a year after incorporation.

4.2.2.2 COUNCIL COMMITTEES

The appointment of members to Council's three standing committees is the responsibility of the Islands Trust Chair. New appointments would need to be considered as follows, after the new SSI Municipal Trustees are sworn in.

Financial Planning Committee (FPC): Both Salt Spring Trustees are currently appointed to the Financial Planning Committee (one representing EC and one at large who currently chairs the committee). All EC members serve on FPC.

ACTION 12: Chair to consider appointing one at-large trustee to FPC, after which FPC will elect its new Chair

Trust Programs Committee: A Salt Spring Trustee is currently appointed to Trust Programs Committee representing EC.

ACTION 13: After Trust Council elects a new EC member, Chair to appoint a new representative to TPC

ACTION 14: Orientation of new FPC and TPC members

4.2.3 OTHER LOCAL TRUST COMMITTEES

Incorporation of Salt Spring Island will affect some other LTCs in terms of membership and their jurisdictional boundaries. As one Salt Spring Island trustee is on the Executive Committee and is an appointed Chair (or alternate Chair) of other LTCs, the Islands Trust Chair would need to appoint a new LTC Chair for the Mayne, North Pender, and Saturna LTCs. Appointment of an Alternate Chair will be required for affected LTCs. In each case, the new Chair will require orientation to their new work.

Not all islands currently within the SSI LTA would become part of a new SSI Municipality, as indicated on Figure 5. Therefore, incorporation of Salt Spring Island is also expected to result in amendments to the boundaries of other LTCs as follows:

- Associated Islands currently within Salt Spring Island LTA would be redistributed to other LTAs, following recommendations from the Islands Trust
- Potential changes to boundaries of Galiano, Mayne, North Pender and Thetis LTAs and jurisdiction of the Executive Committee as an LTC:
 - Galiano or Thetis LTA – potentially would include Hall, Norway, Secretary and Wallace, etc.
 - Mayne LTA – potentially would include Prevost,
 - North Pender LTA – potentially would include Piers, Saanich Inlet/Cowichan Bay
 - Thetis – potentially would include Shoal Islands, etc.

Transfer of related records (bylaws, permits, covenants, etc.), orientation of LTCs regarding their new areas of jurisdiction and notification of affected property owners would be required.

ACTION 15: Appointment of new Chair and Alternate Chair to identified LTCs

ACTION 16: Orientation of new Chair to requirements and responsibilities

ACTION 17: Transfer of bylaws, records and legal documents to LTCs with amended boundaries

ACTION 18: Orientation of LTCs and planning staff regarding changes to jurisdiction boundaries and new areas of responsibility

ACTION 19: Provision of notices to any property owners whose jurisdiction has changed

ACTION 20: Review SSILTC protocols and letters of understanding that would pertain to other LTCs due to boundary changes

ACTION 21: Amendment to bylaws of LTC receiving areas



Fig. 5: Salt Spring Island – current jurisdictional boundaries

4.3 INITIAL SERVICES IMPLICATIONS AND TRANSITION ACTIONS

4.3.1 LOCAL PLANNING SERVICES

As indicated in the Protocol Agreement between the Islands Trust and MCSCD, the Letters Patent for a new SSIM would require it to enter into a contract with the Islands Trust for planning services for the first three years after incorporation. The annual cost payable by SSIM to the Islands Trust for planning services during the three year term will not be less than the amount that would have been contributed from Salt Spring Island if the island municipality had not been incorporated and the local trust committee still existed, unless otherwise agreed.

4.3.1.1 PLANNING SERVICE CONTRACT

The planning services contract will describe the local planning services that will be provided to the new municipality. It will not deal with dollar for value as that amount is set as per above. The contract will include the number of planners, number of support staff, number of bylaw enforcement staff and the number of management staff that will be assigned to the municipality for planning purposes. It will include the reporting structure, monitoring, quality control, dispute resolution and a mechanism to end the contract earlier by mutual agreement.

ACTION 22: Develop terms of reference for service contract

4.3.1.2 MEETING MANAGEMENT

The Islands Trust currently uses meeting management protocols and software to manage the development of meeting agenda packages. It will require review and discussion with the SSIM to determine whether the existing system will continue or a different process be adopted.

ACTION 23: Contract with Municipality should include consideration of meeting management software and how planning functions are added to the Council agendas

4.3.1.3 REPORTING STRUCTURE

The Regional Planning Manager would report to the Director of LPS. Work load management would need to be addressed in the contract and proceed in collaboration with the Chief Administrative Officer for SSIM.

ACTION 24: Land use planning services contract management including integration with municipality, reporting structure and workload management for planning staff

4.3.1.4 LEVEL OF PLANNING SUPPORT

The contract should assume that the level of planning support and services provided by the Islands Trust to Salt Spring Island would be the same as they were just prior to incorporation. New functions, such as Subdivision Approving Officer, would be addressed by the municipality directly.

ACTION 25: Document current level of planning support and accessory services

The contract should assume that the level of planning support and services would be the same as they were just prior to incorporation. New functions, such as Subdivision Approving Officer, would be addressed by the municipality directly.

4.3.1.5 BYLAW ENFORCEMENT

Bylaw Enforcement for Salt Spring Island should be included in the contract in order to support the land use planning function.

ACTION 26: Include bylaw enforcement in land use planning services contract with municipality

4.3.1.6 PLANNING ADMINISTRATIVE SUPPORT

Administrative support currently in place is required to support planning functions and meeting requirements of the LTC. These functions would need to be integrated with municipal staff providing broad administrative and legislative services support to the SSIM Council.

ACTION 27: Land use planning services contract with municipality should include duties of LPS administrative staff in relation to agenda preparation for municipal council

4.3.1.7 LEGAL SERVICES

Planning staff providing services to SSIM should have access to Young Anderson Barristers and Solicitors through LPS; however, ownership and protocols for sharing of legal opinions with the SSIM will need to be established. Further discussion with Young Anderson on this should be undertaken before drafting of a contract.

ACTION 28: Land use planning services contract with the municipality to include wording on access to legal services and sharing of that information

4.3.1.8 WORK PROGRAM

The municipal council would be responsible for determining its work program and priorities. These would have to be managed within the limits of the available resources as detailed in the local planning contract.

4.3.1.9 GRANTS ADMINISTRATION

The focus of the Grants Manager is on LTCs and is not covered by the municipal levy. The Grants Manager could provide service to the SSIM through a separate cost recovery contract.

ACTION 29: Consideration of extending grants administration to the municipalities and including a portion of the position in the municipal levy, or offering the service on a fee-for-service model

4.3.1.10 PLANNING STAFF

A challenge during this period will be staff retention and attraction given that the positions will end on a specific date (on conclusion of the three-year service contract). The Islands Trust may have to hire temporary staff as permanent staff move on to other opportunities, or locate staff in other offices. The Bowen Island situation was different as there was one planner assigned to Bowen who visited the office on a regular basis. Once the contract expired, that position was absorbed into the rest of the organization. That will not be possible in this situation as there are nine staff dedicated to Salt Spring Island.

ACTION 30: Develop a plan and procedures for hiring and retaining staff for Salt Spring Island during the three year transition period

ACTION 31: Develop a strategy that would maximize the retention of knowledgeable planning staff and benefits to SSIM

ACTION 32: Include dispute resolution and reporting clause in local planning services contract with the

4.3.1.11 MAPPING AND TRUST AREA PROPERTY INFORMATION SERVICE (TAPIS)

During the transition period, no change is expected to the mapping support. Mapping services should be included in the contract with Salt Spring Island on the provision of planning services to support the functions of the planners. This would include mapping for public hearings, mapping for rezonings and municipality projects, and update and maintenance of the GIS and TAPIS system. The assumption is that the planners under contract to SSIM would continue to use TAPIS system as a means of managing planning files. It may be that the municipality uses a different system and in this case the planners would use the municipal system.

ACTION 33: Include mapping services in the land use planning contract with the municipality

4.3.1.12 ADMINISTRATIVE/LEGISLATIVE SUPPORT TO PLANNING STAFF

During the transition period, no changes to the current service model are anticipated. Legislative services would continue to be provided by the Legislative Services Manager and Legislative Clerk at the same levels they are provided currently.

ACTION 34: Include legislative services in the land use planning contract with the municipality

4.3.1.13 COMMUNICATION

During the transition period, the level of service provided by TAS communications specialist will be similar to the level of support provided prior to incorporation.

ACTION 35: Include communications specialist services in the land use planning contract with the municipality

4.3.2 TRUST AREA SERVICES

TAS' primary role in the interim phase before and after a municipal incorporation vote is to fulfil one of Trust Council's key objectives: "To communicate clearly with the public, First Nations, stakeholders and staff throughout the transition period."

There is significant work for the Communications Specialist, Director, CAO and Executive Committee to anticipate and respond to inquiries from public, First Nations, stakeholders, staff and media leading up to and after an incorporation vote, whether there is a vote and whether the vote is .yes or no. Even a no vote will require the Islands Trust to respond to expectations of the community.

4.3.2.1 COMMUNICATIONS STRATEGY

Phase 1 of the communications strategy would see significant staff time spent anticipating and providing objective information to internal audiences (staff and trustees) and external audiences (media, public and other levels of government including First Nations) during the incorporation referendum period. Messages will not support campaigns on either side, but will be neutral responses to frequently asked questions, clarifications of misunderstandings and corrections of misinformation about the consequences for the Islands Trust of a 'YES' vote. Messages will not predict consequences for taxpayers or the community, except as it relates to Islands Trust services, staffing, revenue and expenses.

ACTION 36: Implement an internal and external communications strategy for the incorporation referendum period and the six-month transition period following an incorporation vote

RESOURCES FOR ACTION: Significant resources (approx. 25 percent of TAS communications time) will be required for both external and internal communications. While an incorporation campaign is in full swing, there will be little capacity among TAS staff to pursue other communications projects. Trust Council may wish to consider cancelling or scaling back projects such as the Community Stewardship Awards in the spring of 2017. Local Trust Committees may need to build in more lead time for review of its communications by TAS staff. Advocacy will be limited to routine communications.

External Communications Plan Spokespersons: CAO, Islands Trust Council Chair, Salt Spring Island Trustees				
AUDIENCE	MESSAGES	PRODUCTS	METHODS	TIMING
Salt Spring Island property owners	SSIM will continue to be a member of the Islands Trust and be guided by the Object of the Trust to preserve and protect island communities, culture and environment. The Islands Trust is working on a transition plan to ensure a seamless delivery of land use planning services on Salt Spring Island in the event of incorporation.	Urban Systems Impact Study Update memo	Website (with feedback mechanism)	Starting Fall 2016 (leading up to Nov. 30 th final report deadline for the ISC)
		BIM transition process review	Subscriber notices (email)	During public engagement on Islands Trust vision project (Jan-Feb 2017)
		FAQs (SSI specific)	Paid advertising (\$\$)	
		Message from Chair	Newspaper inserts (\$\$)	Before and after incorporation vote
		Graphics explaining before and after for governance, services, both during and after transition	Direct mail (\$\$)	
		Graphics explaining transition timeline (use or adapt existing graphic)	Town Hall (\$\$)	
		PowerPoint	Guest editorial	
Trust Area	Islands Trust is taking a leadership role and working	Transition updates	News release	Same as above
			Trustee office hours at SSI?	

External Communications Plan Spokespersons: CAO, Islands Trust Council Chair, Salt Spring Island Trustees				
residents	to minimize the impacts of potential incorporation on taxpayers and to effectively adapt to long-term impacts by continuously seeking organizational cost effectiveness.	FAQs (general) Graphics explaining transition timeline (use or adapt existing graphic)	(email) Website updates Updates at LTC meetings (standing item)? Trustee updates in local papers	
Incorporation Study Committee (ISC)	Islands Trust will work with the ISC to provide information to help islanders make an informed choice.	Transition updates FAQs (SSI specific) PowerPoint	ISC website Updates at Committee meetings	Overdue since May 2016: ISC said it is beyond its mandate to respond to public comment and questions about Islands Trust and referred these to MCSCD and Islands Trust for response.
General public/other	Our priority is to uphold the democratic principles and adapt as an organization, while continuing to fulfil our Provincial mandate to preserve and protect the islands in the Salish Sea.	Key messages Graphics explaining transition timeline (use or adapt existing graphic)	News releases Website updates	Ongoing, during project milestones and if emergent issues arise

Table 5: External Communications Plan

Internal Communications Plan Spokespersons: CAO, Directors and supervisors				
AUDIENCE	MESSAGE	PRODUCTS	METHODS	TIMING
Islands Trust staff – Salt Spring Island office	Islands Trust is working on a transition plan in the event Salt Spring Island votes to incorporate and will keep you informed to maximize certainty for your employment future, throughout the process.	FAQs (SSI staff specific) Support with issues management in the community (although they are not the official spokespeople).	Meetings between SSI staff and CAO and DLPS – FAQ session Regular email from CAO and phone calls to answer questions (following direct meeting) Staff meetings	Frequent
Islands Trust staff – all	Islands Trust is working on a transition plan in the event Salt Spring Island votes to incorporate to ensure an orderly transition of governance to the new SSIM and will keep you informed throughout the process.	Transition updates FAQs (internal)	Regular email (first one was June 6 th) Staff meetings Meetings with supervisors	Immediately following meeting with SSI staff Ongoing and before public announcements (ISC, Province) and project milestones
Islands Trust Council	Islands Trust will continue to uphold its Object on Salt Spring Island and the entire Trust Area whether Salt Spring Island votes “YES” to incorporate	Updated financial impact analysis from Urban systems Information from BIM Communications strategy	Regular Council meetings Special meeting of TC (if and when appropriate) Emails (if time sensitive and cannot wait for regular business meeting)	September Trust Council December Council meeting (post Nov. 30 th ISC report deadline)

Internal Communications Plan Spokespersons: CAO, Directors and supervisors				
MCSCD	A potential incorporation of Salt Spring Island may have impacts on service delivery and/or tax implications for other islands in the Trust Area in order for Islands Trust to meet its Provincial mandate to preserve and protect the islands in the Salish Sea.	Updated financial impact analysis (Urban Systems) Information from Bowen Island Municipality	Email Electronic and face-to-face meetings Briefings	Before Nov. 30 th ISC report deadline

Table 6: Internal Communications Plan

ACTION 37: Communications regarding new municipal Trustees, new Executive Committee members and new Chair roles on LTCs

ACTION 38: Amend maps and communications products referencing new boundaries, new LTC and Council Committee memberships, and number of municipalities

ACTION 39: Amend website, including menu structure and page content to reflect changes in org chart and Salt Spring Island status

ACTION 40: Amend publications to replace ‘Bowen’ with the more generic ‘Island Municipalities’

Existing staff can achieve these actions, although a central coordinating function would be valuable to manage the many details of the transition and reduce duplication of effort.

ACTION 41: Negotiate updates and or transfers to any coordination agreements that urgently require formal renaming to the SSIM

There is some experience with this from Bowen Island’s incorporation, but the significant time and focus required for this process by all parties to the agreements means that most agreements have still not been updated. This project requires legal advice and significant senior staff time to discern which agreements fall within the Letters Patent and which require re-negotiating with a newly elected municipal government. Ideally, a dedicated project manager would facilitate this process, using TAS staff as required.

4.3.2.2 FIRST NATIONS ENGAGEMENT

The municipal incorporation is a provincially regulated process and as part of the SSIS process, the Province will be responsible for the duty to consult with First Nations communities. For the Islands Trust, it will be important to inform First Nations about the changes to the Trust as soon as possible in terms what this means to the organization, how the Trust will function initially, and what changes may be implemented in the short term. This outreach could be in the form of scheduled meetings.

A deeper engagement could occur during the adaptation phase where the Islands Trust will have an opportunity to engage in a reconciliation effort with aboriginal communities as the organization seeks input on how to adapt.

ACTION 42: Communicate Transition Planning strategy to affected First Nation communities

4.3.3 ADMINISTRATIVE SERVICES

Administration provides human resources services to the Islands Trust and upon incorporation will focus upon delivery of a change management program.

4.3.3.1 STAFFING PLAN

Administrative Services, in conjunction with management, would implement a plan to deal with any impacts to staff levels that are identified in the Adaptation Strategy. A consultation with the Public Service Agency will be initiated to address any displacements that may occur and ensure that staff's rights under their Collective Agreement (BCGEU) or Terms and Conditions of Employment (for non-union staff) are honoured. A hiring freeze may need to be considered and the use of temporary contracts to fill positions that may become vacant. As we may begin to lose staff in critical areas if they anticipate potential job losses, communication with staff early in the process will be important (see section 5.2.1.3.4 Objectives for Human Resources).

ACTION 43: Develop a Change Management/Staffing Plan

4.3.3.3 FACILITY LEASE EXTENSION

The Islands Trust currently leases a professional building on Salt Spring Island to house its planning staff, including front counter space for public access. In anticipation of facility development on behalf of the SSIM and conclusion of the planning contract, Administration would plan for changes to the lease hold including the provision of notification to lessors. This would involve the current office lease (expires February 2018) allowing SSIM to either enter into a new lease with BC Hydro or lease new premises, and new leases for telephone equipment and a photocopier.

ACTION 44: Provide notice to lessors on all lease contracts

4.3.3.4 SALT SPRING ISLAND ASSETS

Islands Trust would provide an inventory of all existing assets and enter into negotiations/agreement with SSIM to rationalize existing capital to SSIM or arrange to dispose of any unwanted assets. Any new assets would be purchased by SSIM.

ACTION 45: Transfer of leased assets

4.3.3.5 RELATED OFFICE CONTRACTS (E.G. MAINTENANCE, JANITOR SERVICES, TELEPHONE SERVICES)

Islands Trust would prepare a list of all existing service contracts and ensure they were transferred to SSIM or cancelled.

ACTION 46: Initiate the process of transfer to SSIM or cancellation of existing service contracts

4.3.3.6 INFORMATION SYSTEMS MANAGEMENT

The provision of information technology to support the planning contract will proceed for three years. The process of transition to a new SSIM IT environment will likely be incremental. Negotiations and/or agreement could be entered beyond the scope of the planning contract. Protocols will need to be developed that maintain the security of the Islands Trust server environment but that allow appropriate access to the new municipality

for their planning dataset. There will also need to be consideration of migration of data across other agencies, including the Capital Regional District for the integration of service data.

ACTION 47: Liaise with SSIM staff on the provision of computer systems, security and setting up internet services

4.3.3.7 MAPPING/GEOGRAPHICAL INFORMATION SYSTEMS

The Islands Trust currently provides some mapping services to the Bowen Island Municipality at a negotiated rate and discussions regarding provision of this service to SSIM during and possibly beyond the planning contract would be part of discussion during the development of the Protocol Agreement between the two parties.

ACTION 48: Include GIS services as a part of the contract with SSIM

4.3.3.8 GENERAL FINANCIAL TRANSFER

ACTION 49: Preparation of financial statements, inventories, cash and investments, allocations, and reserve fund assessments

4.3.4 CORPORATE/LEGISLATIVE SERVICES

Corporate Services will be one of the lead departments during the initial transition process as corporate matters for both organizations are prioritized. This will generate significant staff and contracted resource use, primarily in the areas of records management and applications transfer, bylaw transfer, legal documentation and Freedom of Information. Following incorporation, a schedule to identify and transfer bylaws, contracts, permits, agreements and covenants which would apply to a newly incorporated island municipality would be initiated. Discussion will be required regarding the transfer of material, including original documents that are the property of the Islands Trust and Trust Council. Certain documents generated by the SSI LTC will be deemed, as per Letters Patent, the property of the new municipality.

Legal advice will be needed on records management issues related to legal opinions provided to Trust Council regarding Salt Spring Island, the custody of records and security of transferred records, whether agendas and minutes from the inception of the Salt Spring Island Trust Committee must be transferred, and other matters related to the management of the records transfer process.

4.3.4.1 APPLICATIONS TRANSFER

Applications made by Salt Spring Island and LTA citizens will be transferred to the SSIM to ensure accuracy and history of land use management and regulatory control. There are a variety of application types administered by the Islands Trust that will form the basis of the transfer, including:

Salt Spring Island Application Records (by category)	
Acronym	Application/Referral (R) Type
ALR	Agricultural Land Reserve (R)
BOV	Board of Variance
BP	Building Permit (R)
CL	Crown Lease (R)
DP	Development Permit

Salt Spring Island Application Records (by category)	
DVP	Development Variance Permit
FLR	Forest Land Reserve (R)
HAP	Heritage Alteration Permit
RZ	Rezoning
SC	Strata Conversion
	Soil Removal/Deposit Permit
SUB	Subdivision (R)
TUP	Temporary Use Permit
Additional	Salt Spring Island Street files

Table 7: Types of application records

ACTION 50: Prepare application records for transfer to SSIM

4.3.4.2 BYLAW TRANSFER ACTIONS

Certified copies of all adopted SSLTC bylaws would be provided to the new island municipality or to other LTCs as required. Notice of Development and Development Variance Permits are filed on the title of subject properties and the island municipality could access the permits online. In addition, copies of the permits could be provided if required.

Salt Spring Island Local Trust Committee Bylaws to be Transferred			
Bylaw No.	Amends Bylaw No.	Short Citation	Adopted
CRD 103		Prevost Zoning – covers Acland, Bright, Prevost, Hawkins, Owl, Red Islets, Secret	June 28 72 (Portion repealed)
CRD 207		Subdivision – still applicable to Hall, Jackscrew, Mowgli, Norway, Secretary, Wallace	Feb 11 76 (Portion Repealed by Bylaw 355 June 28 01)
51		Piers Island OCP	Mar 16 82
72	103	Prevost Zoning	Aug 17 82
280	103	Prevost Zoning	Sep 24 91
304		Development Procedure	Apr 13 93
333		FOIPP Procedure	Nov 03 94
339		Affordable Housing Procedure	Jun 01 95
341	103	Prevost Zoning	Dec 21 95
355		Land Use (LUB)	Jun 28 01
358	304	Development Procedure	Jan 13 00
369	355	LUB	Feb 28 02
371	355	LUB	May 24 01
373		Piers Island LUB	Jul 31 03
374	355	LUB	Aug 29 02
377	355	LUB	Jan 25 03

Salt Spring Island Local Trust Committee Bylaws to be Transferred			
378	355	LUB	Apr 11 03
379	355	LUB	Oct 03 02
381	355	LUB	Oct 30 03
384	355	LUB	Aug 28 03
386	355	LUB	Oct 30 03
387	355	LUB	Feb 25 04
388	Housing Agreement Procedure		Sep 30 03
391	LTC Meeting Procedure		Mar 31 04
397	355	LUB	Sep 29 04
399	355	LUB	Sep 22 05
401	355	LUB	Jan 26 05
405	355	LUB	Oct 27 05
407	355	LUB	Jan 08 15
412	355	LUB	Dec 13 15
413	355	LUB	Apr 25 06
418	Removal and Deposit of Soil		Oct 02 08
428	Fees Bylaw		Sep 06 07
429	Housing Agreement Procedure		Jul 03 08
430	355	LUB	Apr 03 08
431	355	LUB	Dec 13 07
432	355	LUB	Apr 07 11
433	355	LUB	Aug 19 11
434	OCP		Oct 02 08
435	355	LUB	Apr 02 09
438	355	LUB	Sep 03 09
439	434	OCP	Oct 08
440	355	LUB	Oct 08 09
441	355	LUB	Sept 02 10
442	Board of Variance		Nov 5 09
443	434	OCP	Aug 05 10
444	355	LUB	Jul 08 10
445	355	LUB	Jan 14 11
446	Bylaw Enforcement Notice		Oct 06 11
448	355	LUB	Sep 01 11
450	355	LUB	May 02 13
451	355	LUB	Oct 06 11
452	355	LUB	Jan 05 12
454	355	LUB	Aug 02 12
455	434	OCP	Aug 02 12
456	355	LUB	Jul 05 12
457	434	OCP	Sep 20 12
458	355	LUB	Sep 20 12
459	355	LUB	Sep 20 12
460	355	LUB	Nov 08 12
461	355	LUB	May 02 13
464	355	LUB	Jul 25 13
466	355	LUB	Jun 20 13
467	APC		May 02 13

Salt Spring Island Local Trust Committee Bylaws to be Transferred			
469		Housing Agreement	Jan 08 15
470	355	LUB	May 08 14
472	355	LUB	Aug 28 14
476	434	OCP	Jun 11 15
477	355	LUB	Jun 11 15
479	355	LUB	May 14 15
480	434	OCP	May 14 15
482	103	Prevost Zoning	May 14 15
484	355	LUB	Jun 2 16
485	355	LUB	Feb 11 16
486	355	LUB	Mar 10 16

Table 8: Salt Spring Island Local Trust Committee Bylaws to be transferred

ACTION 51: Transfer of applicable bylaws to SSIM

4.3.4.3 FREEDOM OF INFORMATION AND PROTECTION OF PRIVACY ACT ACTIONS

It is assumed that municipality would designate an FOI head that would be responsible for responding to all Salt Spring Island FOI requests upon its inception, including those related to planning services. If the request involved records from past years, then it could be transferred to Islands Trust for response. The same conditions that apply to Islands Trust with regard to privacy of records would apply to the new municipality. The custody of records related to Salt Spring Island would have to be determined.

4.3.4.4 OTHER CORPORATE AND LEGISLATIVE SERVICES ACTIONS

Current litigation actions

- Transfer of litigation files upon review and categorization
- Bylaw enforcement litigation review
- Review of legal claims against the Salt Spring Island Local Trust Committee
- Indemnification
- Indemnification of SSI trustees (to end on date of incorporation)

Other records for transfer/review

- Transfer of mapping data, records, TAPIS files
- Transfer of website information
- Transfer of financial records
- Transfer of archival records

In summary, file, record, and bylaw transfer will be an extensive undertaking due to the size and history of the Salt Spring Island planning function. This work will extend throughout the transition period and will require extra resources if current work for the other LTAs is to be maintained.

4.4 OVERVIEW OF FINANCIAL IMPLICATIONS IN TRANSITION PERIOD

There are generally two types of financial implication for the Islands Trust during the transition phase: direct costs or additional resource needs to facilitate the transition process, and the costs associated with preparing for the anticipated financial shortfall to the Islands Trust 3 years after incorporation. Planning for these

Considerations are based on the following assumptions:

- Revenues from Salt Spring Island, in support of local planning services and related administration, will remain at pre-incorporation levels for first three years after incorporation.
- There is the potential for provincial funding for adaptation planning for the 3 year adaptation process
- Temporary extra costs will occur as a function of the transition process itself
- A portion of staff resources will need to be dedicated to the transition process

The Protocol Agreement between the Islands Trust and MCSCD ensures stability in a variety of areas. It allows the Islands Trust to incrementally manage and adapt to a significant change: that being the removal of the Salt Spring Island planning component of the organization. It will also assist in the transition process for community and staff and allow the municipality to increase capacity in an orderly manner.

4.4.1 IMPACTS TO STAFF RESOURCES

Given that revenues are constant, there are no significant financial shortfalls that would lead to service reductions anticipated during the transition period of approximately six to twelve months. However, the process and operation of transition itself will incur extra costs in a variety of areas.

Immediately upon a 'YES' vote, Islands Trust staff, with direction of Trust Council, will activate the Transition Plan, and it will become an item on the Executive Committee and Trust Council work plans. For select staff it is likely that the transition process will account over 50 percent of their capacity over six months. This will necessarily displace current work items and affect the delivery of Strategic Plan priorities of Trust Council. The primary staff positions affected during the transition period will be:

- **Chief Administrative Officer:** Transition processes @ 50 percent.
- **Legislative Services Manager:** Transition processes @ 50 percent
- **Director, LPS:** Transition processes @ 50 percent
- **Director, Administrative Services:** Transition processes @ 25 percent
- **Director, TAS:** Transition processes @ 25 percent
- **Salt Spring Island Planning Office staff:** along with current planning work, Planning staff, including the Regional Planning Manager, will be changing to a contract based work model and assisting in transition tasks such as bylaw administration, procedures, records management and community outreach. Further, as SSIM will have municipal planning instruments available to them such as Development Cost Charges, something the Islands Trust does not have the authority to implement, additional training of staff may be required in certain areas. Transition processes will initially be high and then taper @ 20 percent
- **Finance Team:** The Finance team will also be responsible for managing the financial elements of the Transition Plan, including accounting and auditing considerations. Some issues for review will be:
 - Removal of SSI LTC and land use activities from General Ledger
 - Preparation of financial statements
 - Inventory for resale
 - Cash and investment considerations
 - Inventory allocations, tangible capital asset allocations, equity determination
 - Reserve fund assessment and allocations

- Cost allocations: ex. management expenses associated with planning contract
- Other. Transition processes @ 20 percent

4.4.2 RESOURCES REQUIRED TO IMPLEMENT TRANSITION PLAN

4.4.3.1 ADAPTATION STRATEGY DEVELOPMENT

During the transition period, the Islands Trust will be developing and initiating an Adaptation Plan/Strategy that addresses the long-range implications of incorporation. It is expected that this will be contracted work and not the work of staff. This study will require funding in the range of \$50,000. The strategy would address, amongst other items:

- The mission, vision and direction of the organization in light of organizational change
- Options for delivering services in alternative ways
- A process of public engagement on the future and focus of the Islands Trust
- Potential consideration of changes to legislation
- Options for rationalizing the funding shortfall associated with the incorporation process
- **Approximate cost: \$50,000**

ACTION 52: Develop terms of reference for Adaptation Strategy

ACTION 53: Request provincial grant funding for production of an Adaptation Strategy

ACTION 54: Conduct procurement process for award of Adaptation Strategy contract

4.4.3.2 STAFF CAPACITY

The increased workload on staffing can be mitigated in a number of ways, including hiring additional staff to back-fill positions or reducing the Islands Trust work plan during the transition period. A more focused solution would be to hire a “Transition Manager” on a part time temporary basis who would:

- Report to the Chief Administrative Officer
- Be responsible for the coordination of transition activities
- Manage certain elements of the transition process
- Reduce the need for permanent staff to work on transition issues, allowing for more continuity on current service delivery and Trust Council, LTC and EC work plans
- Act as a clearing house for transition issues
- Support senior management in liaising with the Ministry, new administration of the SSI municipality
- **Approximate cost for 6-8 months overlapping the transition period and Adaptation phase, \$60,000**

This approach has been successful in other municipal incorporation processes, namely the division of the Comox Strathcona Regional District in 2008 into the Comox Valley Regional District and the Strathcona Regional District.

Other anticipated costs or resource needs are included in Table 9.

Resource Requirement	Cost (\$)		Total
	Transition Period	Adaptation Phase	
Funding for the development of an Adaptation Strategy/Plan (during Transition period)	\$20,000	\$30,000	\$50,000
Funding for a part-time, temporary Transition Manager (6-8 months)	\$30,000	\$30,000	\$60,000
Funding for legal costs to cover transitional changes	\$15,000-20,000		\$20,000
Funding for auditor costs in devolving part of the corporate body(ies)	\$15,000		\$15,000
Communications costs	\$5,000	\$10,000	\$15,000
Change management including human resources, programming and facilitation	\$30,000		\$30,000
Augmented staff resources to administer transition i.e. overtime, short term contracts	\$30,000	To be determined	\$30,000
Contingency for administration, records management, transportation	\$25,000	Annual budget process	\$25,000
Total:			\$215,000

Table 9: Anticipated costs and resource needs

Over the three-year horizon of the adaption process, the costs will be approximately \$200-250,000.00

4.4.3.3 SOURCES OF FUNDING

At present, the Islands Trust has no guaranteed funding assistance to cover transitional costs. Trust Council has a number of options to address these unintended costs.

1. Request funding assistance from the MCSCD

The Ministry has previously indicated there may be funding available to assist with the transition process, specifically in relation to the development of a long range Adaptation Plan. The SSIS process has generated funding in excess of \$250,000 over the last 4 years, so while the processes are different, there is presumably some assistance available to address the Islands Trust change management challenges. Further, to relieve current staff overutilization, the cost of the Transition Manager should be included in a request to the Ministry for a transition assistance grant.

2. As the incorporation vote is scheduled for early 2017, Trust Council has the opportunity to create a contingency fund, via taxation, during the 2017 budget process, prior to March 31, 2017
3. As per the 2016 Financial Plan, the Islands Trust has funds in its reserve fund that could be allocated to the Transition process and/or serve as a contingency against any unforeseen consequences

5. LONG TERM IMPLICATIONS

5.1 OVERVIEW OF LONG-TERM IMPLICATIONS

The potential incorporation of Salt Spring Island will require that the Islands Trust address a financial shortfall in its annual operations, adapt to a new governance dynamic as the incorporated/non-incorporated representation on Trust Council shifts, and in a larger sense, examine the future of the organization and how it fulfills its mandate.

The long-range implications and responses to these potential changes are summarized in the following sections. What follows however, represent potential actions and options only. Trust Council has not made decisions, nor determined how it will address the challenges that a Salt Spring incorporation will bring. Trust Council will have a variety of choices available to it to determine how it wants to address the full adaptation of the Islands Trust over a three-year period. These alternatives will include service delivery options as well as either maintenance of taxation levels or increasing them to allow for a higher level of service. Most importantly, Trust Council has adopted a set of principles that emphasize garnering public engagement on how the Islands Trust is to adapt in the future.

5.1.1 RE-CAP OF FINANCIAL IMPLICATIONS OF INCORPORATION

In previewing an Adaptation Strategy, it is worth reviewing the economic impacts to the Islands Trust of a Salt Spring Island incorporation. As described in the 2016 Urban Systems Impact Analysis (2016/17 budget values), Islands Trust direct expenses would decline by \$1,138,272 as a result of Salt Spring Island incorporation:

Expenses	Amount
Staff Salary and Benefits (Planning and Bylaw Enforcement)	\$698,837
Office Lease and Administration	\$90,750
Staff Training and Travel	\$16,950
Legal	\$84,707
Trustee Remuneration, Meetings and Expenses	\$81,528
Program Funding – Watershed Protection*	\$110,500
Program Funding – Other	\$55,000
Total:	\$1,138,272

Table 10: Islands Trust expenses associated directly to Salt Spring Island

There is a corresponding decline in Islands Trust revenue attributed to the incorporation process:

Revenue	Amount
Reduction in General Property Taxes from SSI	(\$1,885,047)
Adjustment to BIM Taxes	(\$1,368)
Special Requisition for Watershed Protection	(\$110,500)
Development Fees	(\$42,346)
Grant Income	\$10,000
Total:	(\$2,029,261)

Table 11: Islands Trust revenues associated directly to Salt Spring Island

To achieve an accurate determination of the financial impact we need to account for indirect expenses such as general administration costs in support of land use planning services. There are two options:

- 1) Transfer the administration costs previously paid by Salt Spring Island LTA to the remaining LTAs on an assessed value basis, or
- 2) Reduce general administration expenses by the amount proportionally allocated to Salt Spring Island planning services. To prepare this section of the Transition Plan, it is assumed that the second option would apply, as it is unclear whether the remaining LTAs would wish to absorb potentially extraneous administrative planning costs.

As there would be an approximate \$300,000 reduction in administrative costs associated with Salt Spring Island planning services, the projected annual budget shortfall for the Islands Trust is \$540,000, as seen in Table 12.

Reductions to Expenses	Amount
Direct Expenses for Salt Spring Island Planning	\$1,138,272
Reduction in Administration Expenses	\$351,745
Subtotal:	\$1,490,017
Reductions to Revenue	
Decline in Revenue	(\$2,029,261)
Net Shortfall:	(\$539,244)

Table 12: Proposed net shortfall to Islands Trust operating budget

This shortfall represents the amount of funding that the Islands Trust needs to address after the three-year adaptation phase concludes through a rationalization of expenses/services or an increase in taxation. By the end of this period, the Islands Trust will have a new governance structure, will have fully adapted to new service delivery needs, and absorbed any short fall in taxation to fund service levels.

5.2 DEVELOPING A LONG-TERM ADAPTATION STRATEGY

5.2.1 PRINCIPLES AND OBJECTIVES OF A LONG-TERM ADAPTATION STRATEGY

On December 9 2015, the Islands Trust Council approved the following principles and objectives for a long-term Adaptation Strategy should Salt Spring Island become an Island Municipality. These principles ensure that a consistent, equitable approach be maintained by the organization throughout the transition process that both honors the right of Salt Spring Island residents to determine their form of governance, and ensures the Islands Trust can deliver upon its mandate.

5.2.1.1 PRINCIPLES FOR ADAPTATION

- The Islands Trust Council is committed to effective and sustainable delivery of its provincially legislated mandate throughout the Islands Trust Area, with the assistance, cooperation and collaboration of many stakeholders, including LTCs and island municipalities
- The Islands Trust Council respects the autonomy of island communities to investigate and decide about municipal incorporation, as provided for in the *Islands Trust Act*

- The Islands Trust Council is responsible for deciding how the Islands Trust will adapt its expenditures and revenues, should the Salt Spring Island community vote in favour of municipal incorporation
- The Islands Trust Council will strive to establish an effective and sustainable balance between any changes to the delivery of its services and any changes to property taxation levels.

5.2.1.2 PRINCIPLES FOR THE ADAPTATION PROCESS

Should it need to adapt to the municipal incorporation of Salt Spring Island, the Islands Trust Council will:

- Develop a detailed Adaptation Strategy to ensure its successful adaptation to the new circumstances by the end of the ‘adaptation phase’
- Focus on innovative, creative, and well-planned methods of adaptation
- Consult with the public before making significant changes to current service levels or property taxes.

5.2.1.3 OBJECTIVES OF ADAPTATION STRATEGY

OBJECTIVES FOR SERVICE LEVELS AND QUALITY

- To continue to meet the statutory responsibilities of all Islands Trust bodies.
- To maintain a high standard of community land use planning, regulation and development management, to unincorporated islands in the Islands Trust Area
- To maintain a high standard of advocacy, communications, policy development and management, and inter-governmental liaison on behalf of the entire Islands Trust Area
- To maintain a high standard of administrative services, including financial management, information technology, and human resource management
- To maintain a high standard of corporate and legislative services, including strategic planning, policy and procedural certainty, records management, and elections administration
- To maintain effective and sustainable operations of the Island Trust Fund

OBJECTIVES FOR COLLABORATION WITH ISLAND MUNICIPALITIES

- To provide effective and efficient services to island municipalities within the Islands Trust Area
- To maintain a positive, effective and sustainable relationship with island municipalities within the Islands Trust Area and:
 - To strive for an orderly transition of governance;
 - To respect each other’s jurisdiction with a commitment to promoting a spirit of mutual understanding and respect;
 - To foster open and direct dialogue about each other’s directions or concerns;
 - To recognize each other’s resource limitations and the benefits of working together;
 - To reflect both island community interests and the provincial mandate associated with the *Islands Trust Act, Local Government Act and Community Charter*;
 - To share information in a manner consistent with legislative or legal requirements.

OBJECTIVES FOR COST EFFECTIVENESS AND RESILIENCE

To minimize the impacts of adaptation on taxpayers, by continuously seeking to improve organizational cost effectiveness and resilience.

OBJECTIVES FOR HUMAN RESOURCES

To maximize attraction and retention of staff during and after the adaptation phase by:

- Ensuring staff are consulted about opportunities for adaptation.
- Maximizing staff certainty about expected organizational changes, through effective communication and engagement.
- Supporting the transition of staff members on the current Salt Spring Island team to new employment positions.
- Supporting development of a Staffing Transition Plan that minimizes the impacts on staff whose positions are affected by the Adaptation Strategy (e.g. use of short-term employment contracts and attrition to reduce staff positions).

5.2.3 TIMELINE FOR DEVELOPMENT OF LONG TERM ADAPTATION STRATEGY

The adaptation phase would start approximately 6 months after incorporation and continue for approximately 2.5 years. The Adaptation Strategy will be developed during the transition period and would include:

- a) development of the terms of reference
- b) request for financial assistance from the MCSCD
- c) a public tender or request for proposal process for delivery of the Adaptation Strategy
- d) drafting of the Adaptation Strategy for Trust Council adoption, Fall 2017-Winter 2018

Implementation of the Strategy would immediately follow adoption by Trust Council and continued until full adaption by December 2020.

5.3 LONG TERM GOVERNANCE IMPLICATIONS AND ADAPTATION

As described earlier, the fundamental change in the governance structure of the Islands Trust would see the loss of two Salt Spring Island Local Trustees, the dissolution of the SSILTC and the addition to Trust Council of two new Municipal Trustees representing Salt Spring Island. Smaller islands within the SSILTA would be redistributed to other LTAs within the greater Islands Trust Area and the affected citizens notified. These technical changes would be substantially completed during the Transition period.

The longer-term issues would be the focus of the Adaptation Strategy and some issues for consideration are as follows:

5.3.1 SELECTION OF A PREFERRED OPTION FOR ADAPTATION OF THE ISLANDS TRUST

Previously Trust Council received the IT Impact Analysis report from Urban Systems in 2015 that identified four options for addressing the funding shortfall. It indicated that Trust Council could choose to reduce service levels - primarily in land use services - and keep taxation levels at generally pre-incorporation levels, or it could choose to raise taxation levels to maintain services, or some combination thereof:

- 1. Adjust expenses**
- 2. Adjust tax rates**
- 3. A and B. Hybrid options of incremental expense adjustments and tax rate changes**
- 4. A fourth option also exists to adjust the municipal pool calculation.**

Trust Council also undertook a workshop in September 2015 to consider these options, however, no preferred option was selected at that time. These options either assume that operations would continue based upon the same structure and processes as were in effect pre-incorporation or do not contemplate in detail alternatives for governance or service provision. A robust process for selecting a preferred option would be to consider options for governance or services as a first step – in other words, what would a future or updated Islands Trust be like? – And, then consider alternative funding arrangements to achieve the future service model.

An Adaptation Strategy will ensure that a decision of this magnitude by Trust Council is made only after full consideration is given to how the Islands Trust wants to fulfill the Object and mandate of the Trust. Key areas of consideration would be:

1. How does the public see the future, vision and services of the Islands Trust?
2. Is the current service delivery model working for Island communities?
3. Could the Islands Trust provide leadership or develop a governance/service model that is motivating or useful to communities with sensitive ecological systems?
4. Will the Islands Trust have the capacity to deliver a full suite of land use tools and powers in support of the Object of the Trust?
5. Are there benefits to consideration of new powers under the *Islands Trust Act* that would allow the Trust to be effective?
6. Would the development of more extensive partnerships with First Nations communities assist in delivery of the Strategic Plan and the work of the Trust?
7. What are the public's priorities for service from the Islands Trust?
8. Are there new or alternative ways to deliver land use services that would be more economical?

ACTION 55: The development of a long-term Adaptation Strategy that incorporates or identifies governance and service delivery options

5.3.1.1 MUNICIPAL/RURAL PRIORITIES

There exists the possibility of a shift in governance balance within the organization as SSIM joins Bowen Island Municipality on Trust Council. Member municipalities may have their constituents requesting direct servicing and an increased priority on local issues with a corresponding loss of focus upon regional or Trust wide issues. There will be greater pressure to ensure that member municipalities are receiving 'value' for their contributions to TAS and Islands Trust operations. Through the development of the Adaptation Strategy, Trust Council will have an opportunity to consider initiatives to ensure maintenance of a federated approach and a common vision reflected in progress on the mandate of the Trust.

5.3.1.2 COST SAVING MEASURES AT THE GOVERNANCE LEVEL

The financial shortfall that the Islands Trust will need to address if there is a 'YES' vote will be addressed primarily through service delivery, the most expensive element of the organization. However, there will likely be opportunities to reduce costs by changing some elements of the current governance delivery model, such as:

- Committee structure: the Islands Trust may consider reorganizing or eliminating LPC or Trust Programs Committee to reduce costs;
- Local Trust Committee meetings in certain communities may be reduced to lower staff and travel costs;
- Trust Council meetings could be less frequent or shorter meetings or meetings could be held in a regular or fewer locations.

5.3.1.3 PROTOCOL AGREEMENT

As described earlier, the Islands Trust will develop a Protocol Agreement with the SSIM to manage operations, protocols, annual meetings, communications and financial agreements. The process of developing the agreement would need to start early during the Transition period with the remainder of the agreement to be developed during the three-year adaptation phase. This may be an incremental process with the adoption of an preliminary agreement by SSIM Council and Trust Council that is then supplemented by administrative letters of understanding.

5.4 LONG TERM SERVICE DELIVERY IMPLICATIONS AND ADAPTATION

5.4.1 LAND USE PLANNING SERVICES

5.4.1.1 TRANSITION STRATEGY FOR PLANNING STAFF

Trust Council has not yet identified a preferred option in how it wishes to adapt to a post-incorporation reality. That choice will be made in the future, and key elements in that decision making process would include:

- A public engagement process
- An Adaptation Strategy that will outline options to deliver services
- Consideration of taxation levels to maintain, increase, or reduce services. Trust Council will have the option of increasing taxation to maintain planning services and to plan for any potential increase over a three-year time frame.

However, in order to gain insight into the options available and provide Trust Council and the public a base line for the sake of comparison, this report provides an analysis based upon a ‘worst case scenario’, that being:

- Taxation levels are not increased in order to make up the funding shortfall associated with a potential Salt Spring incorporation;
- Service levels will decrease, but overall operation ability of the Islands Trust will be maintained;
- The organization will need to change its operations in order to adapt.

Therefore, it is assumed that there will be an \$840,000 shortfall in annual funding; that Trust Council will not increase taxes to make up part or the entire shortfall; the Province will not increase its contribution to the Trust; and the LTCs will not consider special levies to provide additional planning support. Of this \$840,000, approximately \$300,000 of costs would be reduced in administration as a result of Salt Spring Island incorporation. This would leave \$540,000 that would need to be accounted for on a permanent basis.

In this situation, all nine of the Salt Spring Island planning and administrative positions would dissolve at the end of the three-year contract. We must then hypothesize some potential outcomes. Most staff would either have already left for other permanent positions or have accepted a position with the new Municipality. Salt Spring Island staff, who are still working for the Islands Trust, would be placed in accordance with the BCGEU collective agreement, or laid-off in accordance with the BCGEU collective agreement. The one excluded position would be laid-off in accordance with the PSA policies.

In 2016, the annual budget for LPS salaries was \$1,829,213, of which \$485,262 was for Salt Spring Island planning. This leaves \$1,343,951 for planning services for the rest of the LTCs. The bylaw enforcement budget is currently \$202,402 for a total of \$1,546,353. \$540,000 represents 35 percent of the remaining planning budget.

In other words, to cover the \$540,000 shortfall, there may be a need to reduce staff and programs by 35 percent. In reality, a portion of Administrative Services and potentially Trust Area Services would be reduced proportionally to cover this gap in funding. Therefore, in this case it is estimated that LPS staffing would need to be reduced by 20 percent.

Of the 21 remaining positions in planning services a combination of program reductions and reduction of 3 to 5 staff positions would be considered leaving LPS with 16 to 18 positions.

The current levels of service for the 12 LTCs could not be maintained with 16 to 18 positions. Further work would be required to refine the staffing complement and office locations to provide the most efficient service to the LTCs. Other considerations would include reduced frequency of meetings and new ways to provide staff support to those meetings, as well as a reorganization of LPS. In the hypothetical situation presented, a worst case scenario, the following action would be recommended.

ACTION 56: During the three-year transition period, if directed by Trust Council, develop a plan to review and reorganize LPS, including an implementation schedule to reduce impacts on services to the public, LTCs and staff

5.4.1.2 ADAPTED SERVICES LEVELS FOR OTHER LOCAL TRUST COMMITTEES

Significant changes would need to be made to the planning support for the 12 LTCs including impacts to staffing levels of other planning teams. By bylaw, LTCs have a set minimum number of meetings per year. These meetings need to be staffed, including agenda preparation and follow-up. A 20 percent reduction in planning staff would translate into roughly a 20 percent reduction in workload produced, so generally, LTCs could reduce the number of meetings (but not going below the minimum set by bylaw).

The LTCs have a duty to consider any applications that they receive. While we cannot control the volume, processing procedures may require longer timelines to undertake the work with the resources available.

ACTION 57: As part of review of LPS staffing, review processes and frequency of LTC meetings

The Object of the *Islands Trust Act* is generally implemented locally through the development of progressive policies and regulations. This is undertaken through the LTCs' work programs and priorities. If Trust Council chose to operate with 20 percent less staff, the number of projects would be reduced, or would take longer to develop and implement. There is the possibility of using special property tax levies as a means of providing equitable servicing on an LTA basis. If an LTA prioritized a project, a special levy, taxing only the participating LTA could be established. For instance, an enhanced or special project for a given area, would be funded through the affected area only and not on the basis of a Trust wide planning budget.

ACTION 58: Consider development of a core work function for LPS that would be funded through general taxes, with additional planning support by way of program funding or special levies

Municipality bylaw reviews would need to be taken over by TAS, with planning support from LPS for undertaking review of municipality bylaws being included in the municipal calculations.

ACTION 59: Consider covering cost of portion of planning services used to assess municipal bylaws through the municipal levy

5.4.2 TRUST AREA SERVICES

TAS would provide an enhanced coordination and communication function through the adaptation phase.

5.4.2.1 MANAGEMENT OF COOPERATION AGREEMENTS

Only the most urgent cooperative agreements will have been updated during the Transition period. The new municipality may request new cooperation agreements with Trust Council and this would fall to TAS to deliver. If the new municipality requests new cooperation agreements, this will require legal advice and senior staff time.

ACTION 60: Negotiate remaining amendments and/or transfers of coordination agreements that require formal renaming to the SSIM

The longer-term phase of updating coordination agreements requires significant senior staff time to explain and negotiate with a newly elected municipal government and a new Trust Council. Ideally, a dedicated Transition Manager would facilitate this process, using TAS staff as required. Any agreement requiring more than superficial updates could require a few weeks of full-time equivalent staff time and \$2,000-\$5,000 in legal advice.

5.4.2.2 REVIEW OF MUNICIPAL BYLAWS

According to the municipal tax requisition policy, the costs of reviewing municipal bylaws are charged to TAS. TAS staff is responsible for reviewing municipal bylaws going to EC for comment or approval, but there are currently no staff on the TAS team with land use planning experience. TAS has been relying on LPS staff to review the relatively small number of bylaws coming from Bowen Island Municipality. With the greater volume that Salt Spring Island's bylaws would represent, and after the 3-year planning services contract ends with SSIM, it would no longer be reasonable to use LPS staff. The TAS Director will need to either hire staff or contractors with the necessary expertise, or provide training to existing TAS staff.

ACTION 61: Train existing TAS staff, or seek funding to hire contractors to review municipal bylaws for Executive Committee

5.4.2.3 POLICY DEVELOPMENT AND MANAGEMENT SERVICES ON TRUST-WIDE TOPICS

TAS staff would support the CAO with some of the intergovernmental relations aspects of incorporation. TAS staff would assist EC and FPC to conduct public consultation during the budget process about changes to service levels or property taxes arising from incorporation. During the three-year transition, without additional staffing, or a dedicated coordinator, it is unlikely TAS staff can deliver current levels of policy, intergovernmental relations and communications services. Public feedback during previous budget consultations and during the incorporation study has demonstrated that many islanders value federation-wide services, and are willing to pay the same or even higher taxes to maintain it.

5.4.2.4 COMMUNICATIONS SERVICES

A full-time communications position currently allocates 75 percent of its services to Trust-wide services and 25 percent to LPS. If incorporation occurs, the communications services now offered to SSI LTC (occasional news releases on land use planning or bylaw enforcement topics) may change depending upon whether communication services are included in the services contract. Assuming the position remains at full time, there are two options: a) the existing 25 percent could be distributed among the remaining LTCs or b) the ratio could

be reduced to 15 percent, thereby increasing the proportion charged to the municipal pool from 75 to 85 percent. Option A would reduce costs slightly for Salt Spring Island, and option B would increase costs slightly for both Salt Spring Island and Bowen Island. Neither option affects staffing levels.

5.4.2.5 OPERATIONS OF THE ISLANDS TRUST FUND

Islands Trust Fund staff responsibilities should not change during or after the adaptation phase unless there are budget reductions.

5.4.2.6 TRANSITION TO MUNICIPAL ADMINISTRATION OF NAPTEP

The reduced tax base created by NAPTEP properties will have an impact on Salt Spring Island taxpayers. Each NAPTEP new or existing covenant reduces the pool of taxable land within each tax authority area and creates a tax shift, just like adding a new tax-exempt park. Property owners in incorporated areas within the Islands Trust face a more significant tax shift for each new NAPTEP covenant than those in areas where the impact of a reduced assessed value is shared with property owners throughout the regional district or even the Province.

There are currently 10 NAPTEP covenants on Salt Spring Island. This represents 44 hectares of private land with a total assessed land value of \$4 million (2016). Without the 65 percent NAPTEP discount, that same land would be assessed and taxed at \$1.1 billion. New NAPTEP covenants would be at the discretion of the new Salt Spring Island Municipal Council, using criteria agreed upon while negotiating a new Letter of Understanding. The new municipality may wish to assess the impact of the tax shift created by new NAPTEP covenants, once the SSI tax base covers the foregone property tax, instead of the CRD and Provincial tax base.

ACTION 62: Negotiate new Letter of Understanding with SSIM about current and future Natural Area Protection Tax Exemption (NAPTEP) covenants, modeled on the agreement with Bowen Island

ACTION 63: Consideration of a moratorium on new SSI NAPTEP applications until Letter of Understanding is adopted

TAS has the expertise with NAPTEP required to explain the taxation implications of this program to newly elected municipal trustees. Based on the experience with Bowen Island, this process would require at least two weeks of full-time equivalent time to complete, over the course of several months. This would reduce time available for discretionary functions such as external relations. Until this task is complete, Trust Council would not approve any new NAPTEP applications on Salt Spring Island.

5.4.3 ADMINISTRATIVE SERVICES IMPLICATIONS AND ADAPTATION

As a service provider within the Islands Trust organization, Administrative services react to increases and decreases in land use planning and advocacy work and resource requirements. As the Islands Trust absorbs the impact of a revenue shortfall, administrative services will itself be required to adapt to the reduction in land planning staff and resources and the dissolution of the LTC on Salt Spring. It will likely not be possible to proportionally reduce administrative service as can be done with the land use planning function as a base level of service is needed to support the remaining staff, Trust Council, LTCs, Committees and the Trust Fund.

5.4.3.1 BUDGETING

The Budget process would remain unchanged. The impact of removing Salt Spring Island would result in minor reductions in the amount of time needed to prepare these documents (i.e. no need to include LPS salaries for SSI; rent expense for SSI; SSI LTC projects). There would be no need to do a Special Property Tax Requisition for the Water Protection project. There would however be a need to calculate a second Municipal Tax Requisition

for SSIM. Overall, there would be approximately a 10 percent reduction in administrative time allocated to budget. Also, this reduction would flow over into the development of quarterly results and explanations and forecasts developed for the fiscal year.

5.4.3.2 FINANCIAL ADMINISTRATION

There would be a reduction in workloads related to reduced numbers of expense claims for staff, accounts payable invoices, procurement processes and service contracts. There would be a reduction in workloads related to reduced numbers of expense claims for the Trustees. It is difficult to determine the exact impact of these reductions as the number of transactions specific to Salt Spring Island are not currently tracked. Also, the impact would vary from year to year depending upon the activity on Salt Spring Island. A broad estimate would be a 25 percent reduction in time spent on these activities.

5.4.3.3 INFORMATION SYSTEMS

There would be a reduction in workloads related to reduced computer hardware and software support and a smaller network to be provided.

5.4.3.4 ADMINISTRATION SUMMARY

All of the above services are currently provided by eight different roles within Administrative Services. It is reasonable to assume that through minor staffing changes or redistribution, as well as changes related to office maintenance (leases, janitorial services, phones, office equipment and information technology), that a savings of approximately \$300,000 could be attained.

5.4.4 CORPORATE/LEGISLATIVE SERVICES – IMPLICATIONS AND ADAPTATION

Initially upon incorporation there would be an enhanced role for corporate and legislative services and a need for increased resources beyond current staff. As the Islands Trust moves into the adaptation phase and beyond, there will be an incremental reduction in work to below pre-incorporation levels.

There will be a proportionate reduction of service for Salt Spring Island related legislative work including records management, meeting procedures, administrative bylaw review and drafting, and FOIPPA responses. It is approximated that the overall service level reduction by Legislative Services after adaptation is estimated to be 20 to 25 percent and that this estimate would be refined during the Adaptation Strategy. With regard to staffing levels after adaptation, this function is primarily provided by one position - the Legislative Services Manager - and is not easily reduced. To respond to reduced service needs the Legislative Services component could provide assistance with other tasks and functions within the Executive Services branch, including a greater focus on services to Trust Council standing and ad-hoc committees.

5.4.5 RESOURCES AND ROLES IN DEVELOPING A LONG-TERM ADAPTATION STRATEGY

Resources and roles for the long-term adaptation phase will be determined in detail through the Adaptation Strategy. However, it is possible to foresee staff resource requirements and funding needs at a basic level.

- Staff would have a primary role in implementing an Adaptation Strategy as directed by Trust Council. The number of staff directing specific efforts towards the Salt Spring Island incorporation process would decline as would the proportion of work time dedicated by senior staff. The focus of staff time would migrate towards:
 - Human resources efforts, including working with affected staff on Salt Spring Island and throughout the organization.
 - Implementing a change management process if Trust Council directs changes in service levels, processes, Strategic Priorities or other work products.
- The use of a Transition Manager (details in Section 4.4.1)
 - If the Islands Trust indeed hires a Transition Manager, it is recommended that this role overlap for a period of time (3-6 months) into the long-term Adaption Phase. The Chief Administrative Officer would retain the role of the Transition Manager once that contract was concluded, which would require approximately 25 percent of the CAO's time over the three-year adaptation phase.
- Communications services will be required throughout the adaptation phase on a variety of levels. Funding for select communications efforts will be determined through the Adaptation Strategy. However, these will be incremental over the three-year period and addressed during the annual budget process.
- The Chief Administrative Officer would be the project manager for the Adaptation Strategy.
- As described in Section 4.4.1, funding to support the full incorporation effort on behalf of the Islands Trust will overlap between the Transition and Adaptation phases.
- Full funding or resource needs associated with a three-year Adaptation Strategy are unforeseen at this time. It is recommended that Trust Council assume that there will be a need for some budgetary flexibility during this time and that a modest contingency reserve be established during the first budget cycle following a successful incorporation vote.

5.5 WHAT IF SALT SPRING ISLAND VOTES 'NO'?

There is of course the possibility that the 2017 incorporation vote on municipal incorporation for Salt Spring Island results in a 'NO' vote as it did previously in 2002. At that point, there will be no pressing rationale for implementing the Transition Plan, as the governance and service programs at the Islands Trust will be as before the vote.

A 'NO' vote however, may leave unresolved the residual issues that contributed to the Salt Spring Island community undertaking a second incorporation vote. The factors that have contributed to Salt Spring Island seeking an alternative governance model are likely various, and not solely vested with the role of the Islands

Trust in local service delivery, but it would be of benefit to consider what role the Islands Trust has played in contributing to this recurring sentiment. What could these factors be?

- How the mandate or object of the Trust is viewed on Salt Spring Island?
- The question of whether there is equitable taxation levels for Islands Trust participants. Salt Spring Island has been identified as providing the largest share of the Islands Trust annual budget based upon its population and high assessed valuations and there may be a concern in terms of value for service.
- In a more general sense, does Salt Spring Island suffer from having a variety of regulators/service entities, such that the management approach is isolated and less integrated? For instance MOTI provides road maintenance and policing, the Capital Region provides sewer and recreational services, water is provided by a number of water districts and the Islands Trust provides land use planning and development management.

The Islands Trust operates under legislation within a federated model: that being that the funding formula for the Trust is based upon individual assessed values, not upon equity between LTAs. In a federated system, certain jurisdictions provide more resources than others to a common goal. In this case, it is the Object of the Trust itself. So, while each taxpayer within the Islands Trust pays the same rate, the framework itself can highlight differences in contribution levels between participants and can lead to concerns regarding fairness in taxation.

The funding formula is grounded in legislation, the *Islands Trust Act*, which may limit the degree to which this can be reconciled without changing the Act. Nevertheless there is likely an opportunity to consider approaches within the control of the Islands Trust to address this issue, including:

1. Development of a more integrated management model between service agencies;
2. A realignment of how the Islands Trust delivers land use services to LTAs;
3. The consideration of using alternative funding mechanisms, such as the use of special tax requisitions, for more discretionary or specialized land use projects;
4. Possible amendments to the *Islands Trust Act*.

If the incorporation vote results in a 'NO,' it would be of value for the Islands Trust to consider these and other options, as it considers how it will deliver its mandate in the future, both in terms of efficiency of service delivery and to address any real or perceived inequality between service participants.

ACTION 64: Upon delivery of a 'NO' result in an incorporation vote for Salt Spring Island for the Islands Trust to consider a governance and service delivery review

6. CONCLUSIONS

A potential Salt Spring Incorporation would be a significant event in the history of the Islands Trust given the history, size and assessed value of Salt Spring Island in relation to the entire Islands Trust Area.

The financial shortfall to the Islands Trust that would result from Salt Spring incorporation is expected to be approximately \$840,000. Of that \$840,000, approximately \$300,000 is general administration costs that currently support the nine member Salt Spring Island planning team. Savings of \$300,000 would leave a \$540,000 financial shortfall in the Islands Trust budget.

Trust Council has not made a determination as to how it wishes to address service or taxation levels. Those decisions will come - as per the Adaptation Principles and Objectives adopted by Trust Council - after public input and the development of a long-range Adaptation Strategy. However, in a worst case scenario, which being no anticipated increases in taxation or grant revenue, it could require the reduction of a further 3-5 planning positions. There would also need to be a reduction in administrative services that had previously supported the full planning complement. Given the reduction in workforce, the Islands Trust would have human resource challenges to address. A progressive and comprehensive change management process will be a priority during the transition period.

Without an increase in funding or a significant change in operations, there would be a reduction in planning capacity and service to the remaining members of the Islands Trust. In general terms, this would represent a 20 percent reduction in land use capacity/productivity, given the current structure of the organization. As procedures require certain LTC meeting frequencies as well as the provision of Part 14, *Local Government Act* services to communities, there will be a shift in priority towards daily planning and application processing. The Islands Trust would need to consider alternative ways of providing land use services, including long-range planning to LTCs. Trust Area Services will remain funded as Salt Spring would continue to participate in Trust wide services.

These changes would be significant and likely close to the maximum that could be absorbed by the organization in order to remain effective in light of the Islands Trust obligations under the *Islands Trust Act* and to constituents. Nevertheless, through a combination of a rationalization/change in service delivery model, acceptance of a certain degree of reduction in service level and the potential for a modest increase in taxation for the remaining LTAs, the Islands Trust should be able to successfully adapt to the future.

In the process of finding a new way forward, the organization will face challenges and may struggle initially. We will not have all of the answers at the right time and some difficult choices will need to be made. Allowing for some uncertainty ultimately may provide an opportunity for creative thinking and better solutions for the future.

In order to lessen the financial and staff resource impacts to the Islands Trust through the transition period, a grant application is recommended to the MCSCD for assistance with the delivery of a full Adaptation Plan and to fund a Transition Manager to coordinate transition activities. Further, it is recommended that Trust Council create a contingency reserve for the Transition-Adaptation period, funded either through current taxation or reserve.

To assist preparedness in advance of the potential incorporation vote, the Trust Council may direct staff to begin initial preparations on key deliverables - including applications for grant funding, public engagement, and development of a human resource program.

RECOMMENDATIONS

1. That Trust Council adopts the 2016 Islands Trust Transition Plan regarding the potential incorporation of Salt Spring Island.
2. That Trust Council direct that the Transition Plan be referred to the Ministry of Community, Sport and Cultural Development and the Salt Spring Island Incorporation Committee.
3. That Trust Council direct that the Transition Plan be included in materials provided to public and associated with public engagement prior to the incorporation vote.
4. That staff be directed to engage with the Ministry of Community, Sport and Cultural Development to access grant funding for the Transition Plan.
5. That one month prior to the potential incorporation vote, the Islands Trust initiate a transition preparation phase.

7. GLOSSARY OF TERMS AND ACRONYMS

Adaptation Phase: the period (2.5 to 3 years) following an initial transition of approximately six to twelve months after a vote in favour of Salt Spring Island's incorporation.

Adaptation Strategy: The long-range plan that identifies options, including a Preferred Option, for the Islands Trust to adapt to the incorporation of Salt Spring Island.

Bowen Island Municipality (BIM): the only incorporated island municipality in the Trust Area, two of BIM councillors are part of the 26-member Islands Trust Council representing the island communities.

Executive Committee: Appointed from among members of Islands Trust Council, members of the Executive Committee carry out the daily business of the Islands Trust, review bylaws of LTCs and island municipalities for compliance with the Object and the Policy Statement and act as a LTC for the Ballenas-Winchelsea Islands.

Financial Planning Committee (FPC): Elected from among members of Trust Council, the Financial Planning Committee is responsible for developing annual budget process, financial planning and management.

Governance Study Committee (GSC): The community group was formed following the October 2012 announcement by the Minister of Community Sport and Cultural Development of \$60,000 and staff support for a first phase of a governance study. The Governance Study Committee concluded its work in November 2013 and has informed the current incorporation study.

Incorporation: In 1989, the *Islands Trust Act* was amended to allow municipalities to be created within the Islands Trust Area. In 1999, Bowen Island Municipality became the first and only incorporated island municipality within the Trust Area.

Incorporation Study Committee (ISC): A nine-member community volunteer group leading the incorporation study process with funding and logistics support from the Province of B.C.

Islands Trust Act (ITA): In recognition of the special nature of the islands, the Province of BC enacted the *Islands Trust Act* in 1974 to create a federation of special-purpose local government bodies. The *Islands Trust Act* solidified the Province's mandate to preserve and protect the environment and unique nature of the islands.

Islands Trust Council: Made up of all 26 elected representatives in the Trust Area, the Trust Council sets overall policies, manages finances for the organization and provides a unified voice for islanders and island ecosystems through its advocacy efforts

Islands Trust Fund (ITF): Established in 1990 under the *Islands Trust Act*, the Trust Fund is the land conservation arm of the organization governed by the Trust Fund Board (TFB), which is legally independent of the Islands Trust. The Trust Fund purchases land using only donations and grants, and works with private landowners and conservancy partners to protect natural and cultural features in the Salish Sea.

Islands Trust Impact Analysis (ITIA): When funding for the first phase of the Salt Spring Island governance study was announced in October 2012, the then minister also announced a \$20,000 second study - the Islands Trust Impact Analysis - to analyze the potential impact on the Islands Trust, should Salt Spring Island eventually incorporate as a municipality.

Legislative Services: Legislative Services is responsible for the planning, coordination and control of variety of functions necessary to carry out the legislative obligations of the corporate bodies of the Islands Trust.

Letters Patent: The act of incorporation of a municipality by the province occurs when Cabinet approves and issues a legal document called Letters Patent. This document is required to have a number of elements that distinguish it as an incorporated entity including the new name of the municipality, the boundary, area, classification as well as certain provisions including the first election of council and any transition requirements or issues.

Local Government Act (LGA): The legislation under which a local government body is given the authority to oversee certain regulatory functions, including land use planning and elections.

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

Local Trust Committee (LTC): The elected representatives on the islands have the authority under the BC *Local Government Act* to work with residents, agencies and First Nations to develop and adopt official community plans that define their community's vision. The LTCs also develop land use bylaws and policies that represent the desires of their communities and the shared goals of the federation.

Municipal Tax Requisition: The property taxes payable by an Island Municipality to the local government body for the purpose of providing operational and administrative services to the area.

Municipal Pool Calculation: Each year, Islands Trust requisitions municipalities within the Islands Trust for their share of the cost of operations of the Trust Council and the Executive Committee, the cost of the administrative operations of the Trust Fund Board, and a portion of the general administrative costs associated with these cost centers. The requisition amount is defined within the *Islands Trust Act* sections 47(2)(b) and 47(6). The amount that is to be recovered by means of requisitions must be apportioned between the municipalities and the Local Trust Areas on the basis of the converted value of land and improvements in the Trust Area. In the 2016/17 Budget, a requisition was provided to Bowen Island Municipality in the amount of \$223,419.

Natural Area Protection Tax Exemption Program (NAPTEP): An incentive program provided by the Islands Trust Fund which enables landowners in the Islands Trust Area to reduce taxes through land conservation covenants.

Islands Trust Object: "To preserve and protect the Trust Area and its unique amenities and environment for the benefit of residents of the Trust Area and of the province generally, in cooperation with municipalities, regional districts, improvement districts, other persons and organizations and the Government of British Columbia."

Islands Trust Policy Statement: The Policy Statement sets out the Islands Trust's three main goals:

- Foster the preservation and protection of the Trust Area's ecosystems
- 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
- Sustain island character and healthy communities

Protocol Agreement: In 1996, the then Ministry of Municipal Affairs and the Islands Trust entered an agreement to manage the process and establish a framework for the potential incorporation of an area within the Islands Trust Area.

Special Tax Requisition: A special property tax assessed in a specific Local Trust Area to fund additional operations not included within the general operations of all local trust committees.

Transition Period: The period between a 'YES' vote to incorporate Salt Spring Island and approximately six months after the date of formal incorporation, a period of six to twelve months.

Transition Plan: The actions and activities to be undertaken during the Transition Period.

Islands Trust Area: An area within the islands and waters between the British Columbia mainland and southern Vancouver Island, including Howe Sound and as far north as Comox; composed of 13 major islands and more than 450 smaller islands covering approximately 5,200 square kilometres of land and water.

Acronyms:

LPS	Local Planning Services
LPC	Local Planning Committee
LTA	Local Trust Area
LUB	Land Use Bylaw
MCSCD	Ministry of Community, Sports and Cultural Development
OCF	Official Community Plan
PSA	Public Service Agency
RPM	Regional Planning Manager
SSIWPA	Salt Spring Island Watershed Protection Authority
SSILTC	Salt Spring Island Local Trust Committee
TAPIS	Trust Area Property Information Service
TAS	Trust Area Services
TFB	Trust Fund Board
TPC	Trust Programs Committee
TUP	Temporary Use Permit

8. REFERENCES

[Salt Spring Island Incorporation Study – Final Report \(pending\)](#)

9. APPENDICES

1. Summary Action Plan
2. [Islands Trust Impact Analysis](#) (remove hyperlink in final document)

APPENDIX 1 – SUMMARY ACTION PLAN INITIAL TRANSITION TASKS – TIMELINES, RESPONSIBILITIES AND ESTIMATED WORK LOAD

TASK	TIMELINE (To be determined)	RESPONSIBILITY	COMMENTS	ESTIMATED WORK LOAD
A. GOVERNANCE ADAPTATION				
A.1. GOVERNANCE – TRUST COUNCIL				
1.1 Swearing in of new Salt Spring Island municipal Trustees	Aug 2017	LSM	Oath of Office	Low
Orientation of new Salt Spring Island Trustees	Aug 2017	CAO/Dir	Delivery of Trustee orientation program	Medium
Initiate legal review of incorporation matters	April 2017	CAO		Medium
Develop terms of reference for inclusion of transition requirements into the Letters Patent.	June-July 2017	CAO	Request/confirm 3-year funding assurance inclusion in Letters Patent	High
Provide comments to Ministry regarding Letters Patent for the Salt Spring Island Municipality	July 2017	CAO	Develop communication on behalf of Trust Council regarding referral/commentary on Letters Patent	High
Upon delivery of a 'NO' result in an incorporation vote for Salt Spring Island for the Islands Trust to undertake a governance and service delivery review.	Fall 2017	CAO	Development of a strategy on behalf of Trust Council regarding issues associated with incorporation.	High
A.2. GOVERNANCE – EXECUTIVE COMMITTEE				
Election of new Executive Committee member	Sept/Oct 2017			Low
Orientation of new EC members	Fall 2017	CAO/Dir		Medium
Appointment of new EC rep to TPC	Fall 2017	Chair		Low

A.3 GOVERNANCE – FINANCIAL PLANNING COMMITTEE				
Appoint a new Chair of Financial Planning Committee	Fall 2017	DAS		Low
A.4 GOVERNANCE – OTHER LOCAL TRUST COMMITTEES				
Appointment of new LTC Chair	Fall 2017	Chair		Low
Change administrative boundaries for election purposes	Fall 2017			Medium
Changes to all affected maps, public information materials.	Fall 2017	DAS		Medium
Amendment to bylaws of LTC receiving areas	Fall 2017			Medium
Notification to affected property owners				Medium
A.5 LIAISON WITH SALT SPRING ISLAND MUNICIPALITY				
Initial meeting with new SSIM Council	Oct 2017	EC/CAO	Orientation to new Council on Islands Trust	Low
Islands Trust CAO/Executive Office to coordinate transition in governance protocols	May 2017	CAO	Set up a recurring meeting with interim CAO	Medium
Analysis of adjacent islets within the Salt Spring Island Local Trust Committee jurisdiction	TBD	DAS		Medium
Prepare key policy elements for inclusion in Protocol Agreement		CAO/Dir		High
Development of protocol agreement with SSIM	Initiated Summer 2017	CAO		High
Review municipal pool calculation to account for increased costs associated with administration of bylaw referrals from SSIM	TBD	DAS		Medium
Provision to the SSIM of protocol agreements and Letters of Understanding that apply to Salt Spring Local Trust Committee and Salt Spring Island at date of incorporation	As per SSIM/IT Protocol Agreement	DTAS		Medium

B. ADAPTATION OF LOCAL PLANNING SERVICES					
B.1. LOCAL PLANNING SERVICES TO SALT SPRING ISLAND					
Develop contract for local planning services with SSIM	Summer 2017	DLPS/CAO	Key project for Transition process	High	
Develop human resources plan for hiring and retaining staff for Salt Spring during transition period	Initiated summer 2017	DAS/CAO		High	
Transition of Salt Spring Island Watershed Protection Authority	November 2017	DLPS		Medium	
Management of planning service contract and integration with municipal processes	Ongoing upon agreement	DLPS		High	
Include bylaw enforcement in land use planning services contract with municipality					
Consideration of extending grants administration to the municipalities					
B.2 LOCAL PLANNING SERVICES TO OTHER LTCs					
Reassign staff to other LTCs due to boundary adjustments		DLPS		Medium	
C. ADAPTATION OF TRUST AREA SERVICES					
Implement internal and external communications strategy for the period during the incorporation campaign and the six-month period following an incorporation vote	February 2017	DTAS/Comms	Basic plan has already been developed	High	
Amend website: menu structure and page content to reflect changes in org chart and Salt Spring status	Fall 2017			Low	
Amend maps and communications products for new boundaries/functions/participants	Fall 2017			Medium	
Negotiate updates/transfers to coordination agreements that require formal renaming to the Salt Spring Municipality.	Fall 2017			Medium	
Communicate Transition Planning strategy to	Initiated upon			Medium	

affected First Nation communities	Incorporation vote 'ES'			
Conduct public consultation about possible changes to service levels or property taxes	Jan-Mar 2018			High
Support the CAO with intergovernmental relations aspects of incorporation				
Negotiate new Letter of Understanding with Salt Spring Municipality about current and future Natural Area Protection Tax Exemption (NAPTEP) covenants, modeled on the agreement with Bowen Island	TBD			Low
D. ADAPTATION OF ADMINISTRATIVE SERVICES				
Develop a Change Management/Staffing Plan	Initiated late 2017 for 2018 implementation	DAS/CAO	High priority, basic work on this will commence prior to the incorporation vote	High
Liaise with SSIM financial staff on financial and human resource systems	Upon request	DAS		Medium
Provide notice to lessors on all lease contracts	As part of SSIM – IT Protocol Agreement	DAS		Low
Transfer of leased assets		DAS		Low
Initiate the process of transfer to SSIM or cancellation of existing service contracts		DAS		Medium
Develop protocol regarding computer systems, software, security, internet services		DAS		Medium
Manage land use planning contract with SSIM		DAS		Medium
Transfer of GIS/TAPIS data				Medium
E. ADAPTATION OF CORPORATE/LEGISLATIVE SERVICES				
Executive Services				
Request provincial grant funding to hire a Transition Manager to administer and facilitate Transition Plan.	March 2017	CAO	High priority, meeting with Ministry staff, ADM if required, pre-incorporation work required	Medium

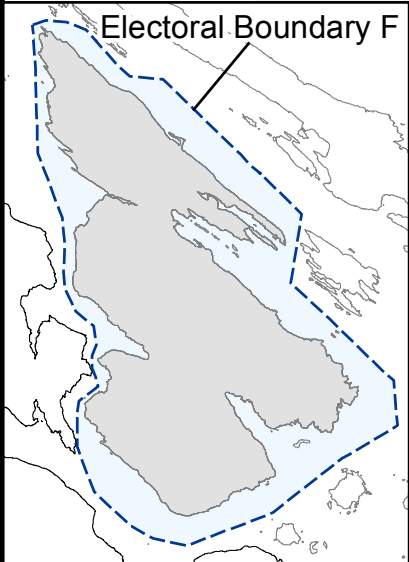
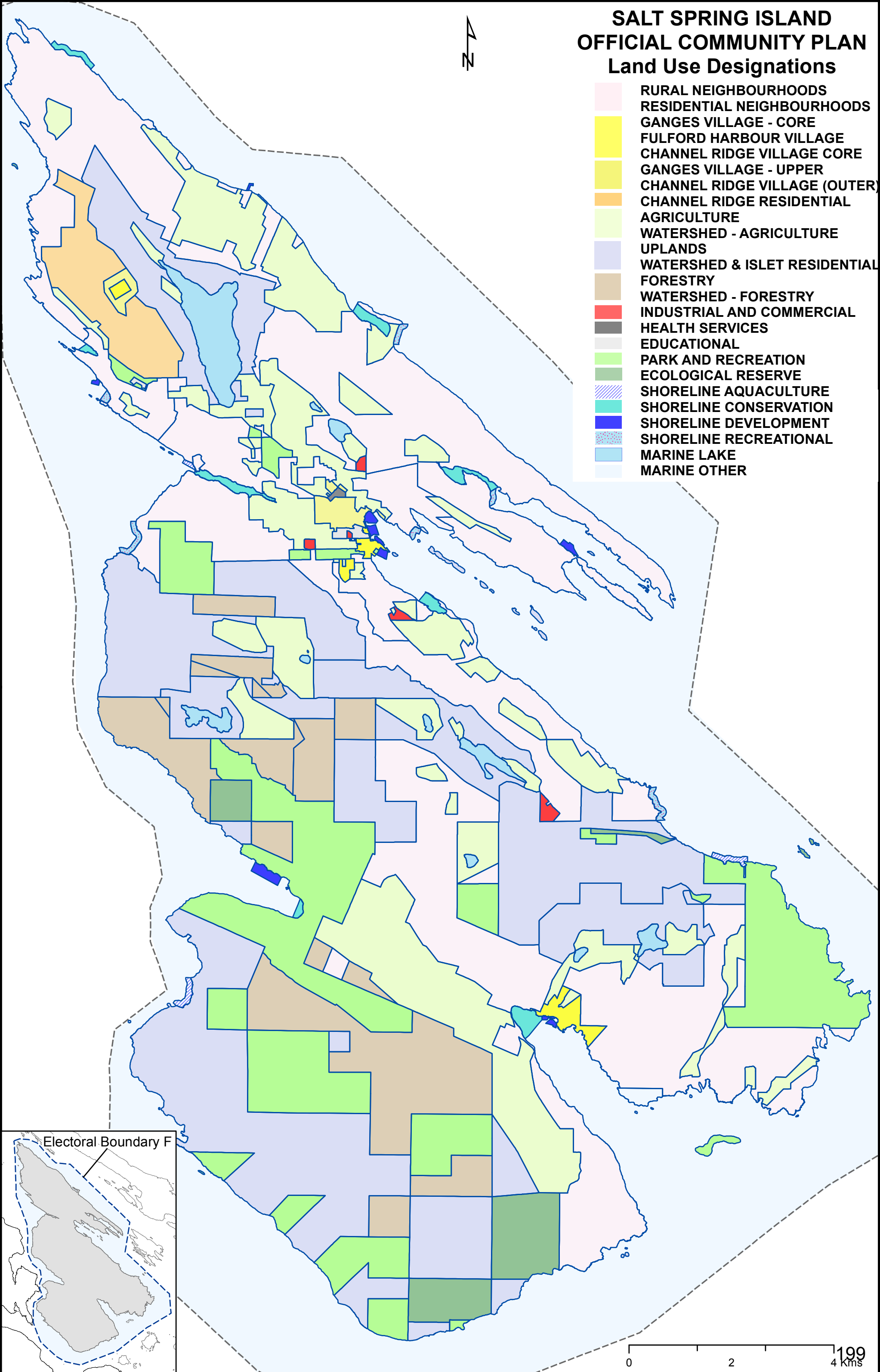
Request provincial grant funding or delivery of an Adaptation Strategy	March 2017	CAO		Medium
Develop Terms of Reference for Adaptation Strategy	Summer 2017	CAO		Medium
Conduct procurement process for award of Adaptation Strategy contract	November 2018			Medium
Develop Terms of Reference and hire Transition Manager	June 2017	CAO		Medium
Transfer of permits, contracts, covenants, legal agreements, and application records	As per SSIM agreement	LSM		Very high
Transfer of litigation files upon review and categorization		LSM		Low
Transfer of bylaw enforcement litigation		LSM/DLPS		Low
Transfer of financial records		LSM		Medium
Transfer of FOI requests and archival records		LSM		
F. DEVELOPMENT OF LONG-TERM ADAPTATION STRATEGY	January 2018-March 2018	CAO	To identify objectives and select a strategy to adapt to upcoming changes in revenues and services provided	High
Implementation of a long-term Adaptation Strategy that incorporates or identifies governance and service delivery options				High

APPENDIX 2 – SALT SPRING ISLAND OCP MAP

APPENDIX 3 – ISLANDS TRUST IMPACT ANALYSIS

SALT SPRING ISLAND OFFICIAL COMMUNITY PLAN Land Use Designations

- RURAL NEIGHBOURHOODS
- RESIDENTIAL NEIGHBOURHOODS
- GANGES VILLAGE - CORE
- FULFORD HARBOUR VILLAGE
- CHANNEL RIDGE VILLAGE CORE
- GANGES VILLAGE - UPPER
- CHANNEL RIDGE VILLAGE (OUTER)
- CHANNEL RIDGE RESIDENTIAL
- AGRICULTURE
- WATERSHED - AGRICULTURE
- UPLANDS
- WATERSHED & ISLET RESIDENTIAL
- FORESTRY
- WATERSHED - FORESTRY
- INDUSTRIAL AND COMMERCIAL
- HEALTH SERVICES
- EDUCATIONAL
- PARK AND RECREATION
- ECOLOGICAL RESERVE
- SHORELINE AQUACULTURE
- SHORELINE CONSERVATION
- SHORELINE DEVELOPMENT
- SHORELINE RECREATIONAL
- MARINE LAKE
- MARINE OTHER





Islands Trust

2016 Update

Islands Trust Impact Analysis

USL File No. 1762.0001.01 | August 3, 2016



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1.0 Introduction

In March 2015, Urban Systems completed an “Islands Trust Impact Analysis” report to review potential impacts to the Islands Trust in the event that Salt Spring Island incorporates as an Island Municipality. As noted in the report, if Salt Spring Island were to incorporate as an Island Municipality, the Salt Spring Island Local Trust Committee would be dissolved, and Salt Spring Island would no longer participate in the Local Planning Services function of the Islands Trust. However, Salt Spring Island would continue to be represented by two municipal trustees on Trust Council, and Salt Spring Island would continue to participate in Trust Area-wide functions and contribute to the operations of the Islands Trust Fund.

Should Salt Spring Island incorporate as an Island Municipality, the Islands Trust would no longer incur direct expenses for the provision of Local Planning Services to Salt Spring Island, and Salt Spring Island would no longer contribute towards the Local Planning Services function of the Islands Trust (including the proportion of Islands Trust General Administration costs allocated to Local Planning Services). Based on the Islands Trust 2014-15 budget, the 2015 report identified a projected annual funding shortfall of approximately \$800,000, should Salt Spring Island incorporate as an Island Municipality. This analysis was based solely on the direct impact of removing Salt Spring Island Local Planning Services from the Islands Trust budget. To address this shortfall, potential response options contemplated adjustments to expenses and/or taxation levels in the remaining local trust areas.

Currently, the Salt Spring Island Incorporation Study is underway, with expected completion of the study in the fall of 2016. At the completion of the study, the Salt Spring Island Incorporation Study Committee will make a recommendation to the Minister of Community, Sport and Cultural Development on whether to proceed to a referendum on municipal incorporation. To assist the Islands Trust with its planning in the event that Salt Spring Island chooses to incorporate, this report:

- a) updates the analysis on the direct impact of removing Salt Spring Island Local Planning Services from the Islands Trust budget, based on the 2016-17 budget; and,
- b) at the request of the Islands Trust, contemplates a scenario in which the portion of administrative expenses allocated to Local Planning Services are proportionately reduced at the same level as the reduction to the core Local Planning Services budget, in the event that Salt Spring Island incorporates.

This report focuses solely on these two items. The full 2014-15 Impact Analysis report is enclosed for reference.

2.0 Direct Impact of Removing Salt Spring Island Local Planning Services

This section of the report update reviews impacts to the Islands Trust 2016-17 budget based on the removal of expenses for Salt Spring Island Local Planning Services. This section also reviews impacts to revenue, focusing on development fees, the current Provincial Grant to the Islands Trust, and revenue from taxation. The analysis identifies a projected annual funding shortfall of approximately \$840,000, should Salt Spring Island incorporate as an Island Municipality. This \$840,000 shortfall is the result of reduced revenue of \$1.98 million, offset by reduced direct expenses of \$1.14 million.

Notably, for the analysis in this section of the report update, the focus is on the impact of removing Salt Spring Island Local Planning Services from the Islands Trust budget. This analysis does not contemplate adjustments to Islands Trust management and administration expenses. Islands Trust management and administration provide indirect support to Salt Spring Island operations, and a Salt Spring Island municipal incorporation would result in incremental reductions in administrative workloads. The process to manage these workload reductions is beyond the scope of this report. However, Section 3 identifies the potential impact if the administrative expenses allocated to Local Planning Services are proportionately reduced at the same level as the reduction to the core Local Planning Services budget.

2.1 Impacts on Expenses

If Salt Spring Island were to become an Island Municipality, the Islands Trust would no longer incur direct expenses for the provision of Local Planning Services to Salt Spring Island, since responsibility for land use planning and regulation would shift to the new municipality.¹ Although expenses vary from year to year, a review of the 2016-17 detailed budget provides a point-in time snapshot of impacts to the Islands Trust if Salt Spring Island were to incorporate today. As illustrated in Table 2.1, the Islands Trust 2016-17 budget identifies approximately \$1.14 million in direct expenses associated with the Local Planning Services on Salt Spring Island. With a municipal incorporation, these expenses would be removed from the Islands Trust budget (following a transition period).

¹ It is noted, however, that the Islands Trust would continue to provide contract planning services for a transition period following municipal incorporation.

Table 2.1 – Direct Expenses Associated with Local Planning Services on Salt Spring Island
(Based on Islands Trust 2016-17 Detailed Budget)

Expenses	Amount
Staff Salary and Benefits (Planning and Bylaw Enforcement)	\$698,837
Office Lease and Administration	\$90,750
Staff Training and Travel	\$16,950
Legal	\$84,707
Trustee Remuneration, Meetings and Expenses	\$81,528
Program Funding – Watershed Protection*	\$110,500
Program Funding – Other	\$55,000
Total:	\$1,138,272

**Coordination of watershed protection is funded through a special requisition*

Further detail is provided below for each of the direct expenses associated with Local Planning Services on Salt Spring Island.

- **Staff Salary and Benefits (Planning and Bylaw):**

On Salt Spring Island, there are several Islands Trust staff positions dedicated solely to the operations of the Salt Spring Island Local Trust Committee. In total, there are nine staff positions on Salt Spring Island, including the following:

- Regional Planning Manager for Salt Spring Island;
- Island Planner;
- Planner 2;
- Planner 1;
- Planner 1;
- Legislative Clerk (Deputy Secretary);
- Planning Team Assistant;
- Office Administrative Assistant; and,
- Bylaw Enforcement Officer.

If Salt Spring Island were to incorporate, the planning and bylaw enforcement functions of the Islands Trust would become a municipal responsibility. As a result, beyond a transition period, the Islands Trust would no longer incur direct expenses to maintain a staff complement on Salt Spring Island, unless the municipality chooses to engage Islands Trust planners and bylaw enforcement officers on a contract basis.

At this stage it is uncertain how the current staff positions would be transitioned if Salt Spring Island incorporates as a municipality. Potentially, current Islands Trust staff on Salt Spring Island may have opportunities to transition to a new municipality or remain with the Islands Trust in a different capacity (e.g. filling existing vacancies). Nevertheless, for the purposes of this analysis, direct expenses associated with nine staff positions are removed from the Islands Trust budget.

- **Office Lease and Administration:**

On Salt Spring Island, the Islands Trust leases a facility at 500 Lower Ganges Road from BC Hydro, with an annual lease cost of \$50,500. Additionally, the Islands Trust incurs several expenses for the administration of this office. Examples include telecommunications charges, equipment leases, maintenance, and supplies.

- **Staff Training and Travel:**

In a Salt Spring Island incorporation scenario, staff training and travel expenses for the Islands Trust Ganges office would no longer be applicable.

- **Legal:**

Throughout the Trust Area, the Islands Trust budgets approximately \$255,000 for legal expenses, primarily for bylaw enforcement litigation and general legal services. Although it is recognized that legal expenses may vary from location to location, estimated legal expenses of \$85,000 are associated with Salt Spring Island based on the 2016-17 Islands Trust budget.

- **Trustee Remuneration, Meetings and Expenses:**

If Salt Spring Island were to incorporate, the Local Trust Committee would be dissolved, and the Islands Trust would no longer incur expenses for the remuneration, meetings, and expenses in relation to the Local Planning Services function. Instead of the current remuneration of approximately \$30,000 for each Salt Spring Island trustee (including benefits), trustees drawn from the municipal council would receive a stipend of approximately \$3,300 for their role on Trust Council. For this role on Trust Council, remuneration and expenses are accounted for separately, associated specifically with Trust Council as opposed to Local Planning Services.

- **Program Funding – Watershed Protection:**

The Salt Spring Island Watershed Protection Authority has a contract watershed coordinator, with funding for this position provided through the special property tax requisition for the coordination of watershed management. With a Salt Spring Island incorporation, the municipality would take the lead role in watershed protection, and the Islands Trust Special Requisition would no longer apply.

- **Program Funding – Other:**

Funding for other planning programs is generally provided through the general property tax levy. Examples of other programs include implementation of the Riparian Areas Regulations, and other special projects such as the Ganges Village Plan or Industrial Land Use Bylaw update. With a Salt Spring Island incorporation, these types of programs would be undertaken by the municipality.

As illustrated in Figure 2.1 and Table 2.2, total Islands Trust expenses are reduced from \$7.36 million to \$6.22 million with the removal of Salt Spring Island Local Planning Services from Islands Trust operations (based on the 2016-17 detailed budget). The reduction of the Local Planning Services budget also has the significant effect of adjusting the Islands Trust's allocation of administrative overhead to each of the program areas. In the Islands Trust budget, there are currently General Administration expenses of \$1.87 million that are allocated to each program area based on its proportion of the total Islands Trust budget. Because of the reductions to the Local Planning Services budget as a result of a Salt Spring Island incorporation, a higher proportion of General Administration expenses would be allocated to Trust Council and the Islands Trust Fund. Resulting General Administration allocation shifts and budget impacts are illustrated in Table 2.2.

**Figure 2.1 – Comparison of Islands Trust Expenses
(2016-17 Budget versus Salt Spring Island Incorporation Scenario)**

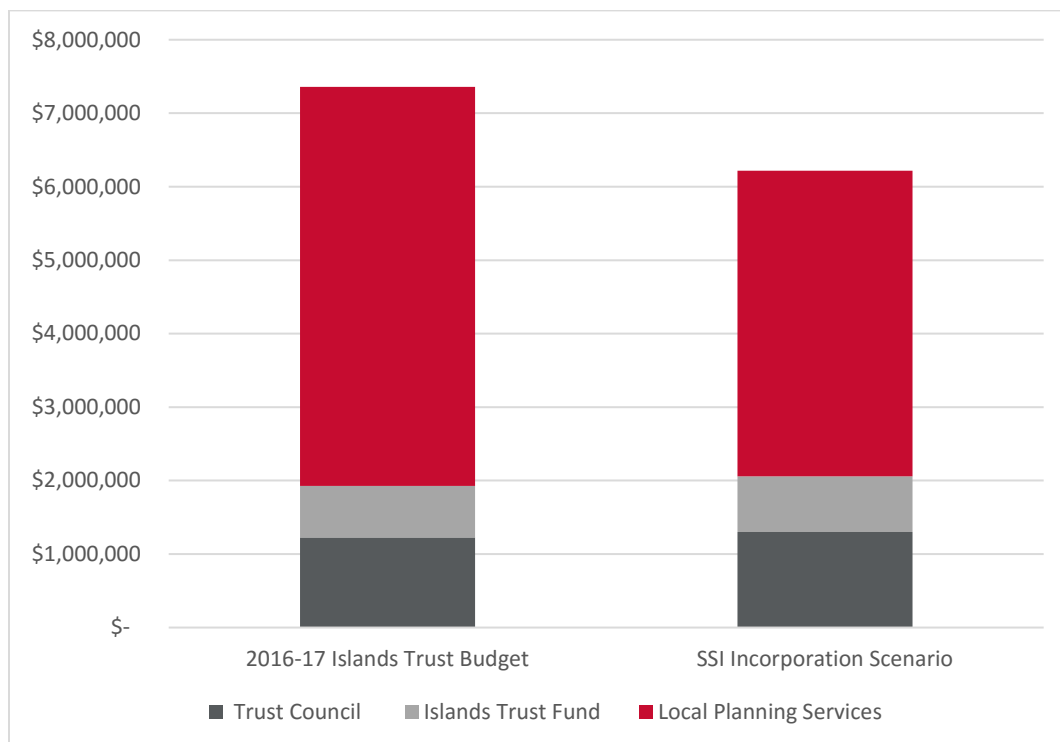


**Table 2.2 – Comparison of Islands Trust Expenses
(2016-17 Budget versus Salt Spring Island Incorporation Scenario)**

Program Area	2016-17 Expenses	2016-17 General Admin. Allocation	Incorporation Scenario Expenses	Incorp. Scenario Admin. Allocation
Trust Council	\$1,228,062	17%	\$1,301,524	21%
Islands Trust Fund	\$697,542	9%	\$756,808	12%
Local Planning Services	\$5,431,404	74%	\$4,160,404	67%
Total	\$7,357,008		\$6,218,736	

2.2 Impacts on Revenue

This section explores the direct impact to Islands Trust revenue as a result of removing Salt Spring Island Local Planning Services operations from the budget, and reducing Salt Spring Island property taxes accordingly. Salt Spring Island's tax revenue is reduced based on a review of Salt Spring Island tax revenue at the current rates, and potential Salt Spring Island tax revenue based on a municipal contribution, if Salt Spring Island were to incorporate as an Island Municipality. As well, there are a number of additional impacts to Islands Trust revenue such as development fees and grant income, as demonstrated below.

Based on current tax rates, a Salt Spring Island municipal incorporation results in a total decrease in Islands Trust revenue in the amount of \$1.98 million, as illustrated in Table 2.3. Because there are \$1.14 million in direct expenses associated with Salt Spring Island operations (as described in Section 2.1), there is a resulting deficit of approximately \$840,000, before contemplating any reductions to general administrative expenses. Section 3 describes a potential scenario with reductions to administrative expenses.

**Table 2.3 – Impacts to Islands Trust Revenue as a Result of a Salt Spring Island Incorporation
(Based on Islands Trust 2016-17 Detailed Budget)**

Revenue	Amount
Reduction in General Property Taxes from SSI	(\$1,851,736)
Adjustment to BIM Taxes	\$15,939
Special Requisition for Watershed Protection	(\$110,500)
Development Fees	(\$42,346)
Grant Income	\$10,000
Total:	(\$1,978,644)

As illustrated in Table 2.3, approximately \$1.85 million of the \$1.98 million impact to revenue is the result of decreases in Salt Spring Island property tax revenue to the Islands Trust, since Salt Spring Island would no longer contribute towards Local Planning Services. The impacts to Islands Trust revenue are described in more detail below.

- **Reduction in General Property Taxes from Salt Spring Island:**

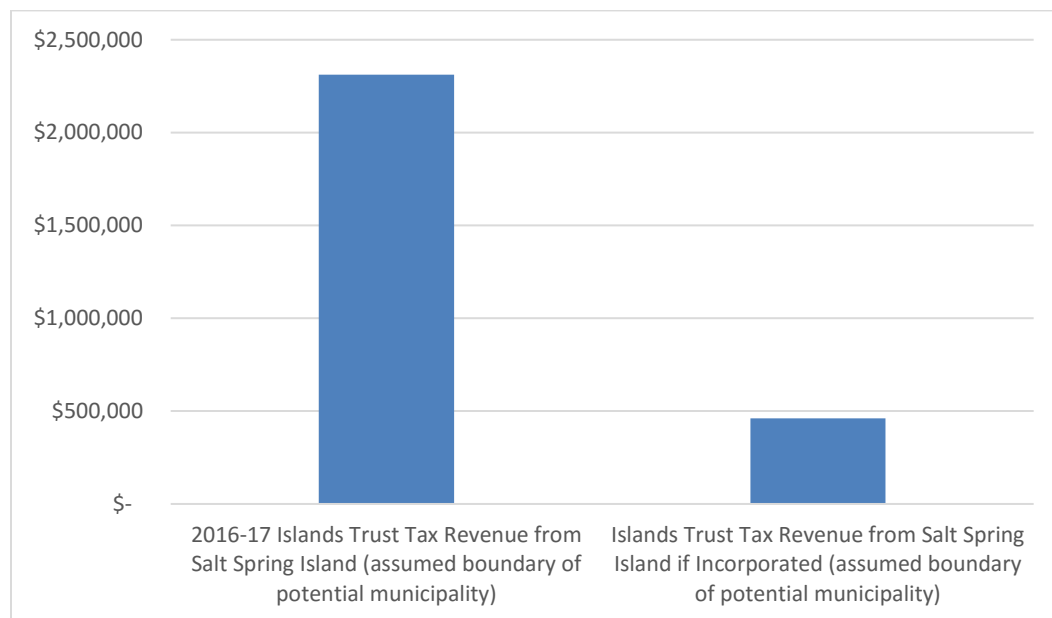
If Salt Spring Island were to incorporate, the primary impact to revenue would be in relation to property taxes. Currently, Salt Spring Island generates \$2.31 million in property taxes for the Islands Trust through the general levy, after deducting the 5.25% Provincial Tax Collection Fee, applicable in unincorporated areas.² As indicated earlier, if Salt Spring Island were to incorporate, it would no longer contribute towards Islands Trust Local Planning Services. The Local Trust Committee would be dissolved, and land use planning services would be taken on by the new municipality (though it is recognized that the Islands Trust could continue to provide land use planning services on a contract basis for a transition period). As a result, in relation to Islands Trust taxes, Salt Spring Island would contribute towards Trust Council and the Islands Trust Fund only.

The Islands Trust municipal requisition (i.e. the amount required in tax revenue) for Salt Spring Island is calculated using the same methodology that is currently employed for BIM. With the removal of Salt Spring Island Local Planning Services from the Islands Trust budget, the Salt

² This calculation is based on the CRD Salt Spring Island electoral area, which is the area under consideration for incorporation (as opposed to the slightly larger Salt Spring Island Local Trust Area, which includes a number of smaller associated islands). Also, this calculation does not include revenue from the Special Requisition for Watershed Protection, identified separately in this report update.

Salt Spring Island tax requisition would be approximately \$460,000, meaning that there would be a \$1.85 million overall decline in Islands Trust tax revenue from Salt Spring Island. Figure 2.2 illustrates this difference.

Figure 2.2 – Islands Trust Tax Revenue from Salt Spring Island



- **Adjustment to BIM Taxes:**

Due to the adjustments in the allocation of General Administration expenses, identified in Section 2.2, there are relatively minor changes to the results of the municipal tax calculation. Because of the adjusted allocations of administrative expenses, the BIM tax requisition shifts from \$223,419 to \$239,357, representing a net increase of approximately \$16,000.

- **Special Requisition for Watershed Protection:**

As discussed in Section 2.2, under a Salt Spring Island incorporation scenario, the municipality would take a lead role in coordinating the approach to watershed protection on Salt Spring Island, and the Islands Trust's special requisition would be discontinued.

- **Development Fees:**

Currently, the Islands Trust budget identifies approximately \$42,000 in development fees attributable to Salt Spring Island. This revenue includes fees for typical development applications such as Development Permits, Official Community Plan Amendments, and Zoning Bylaw Amendments. This revenue does not include fees for Building Permits, which are handled by the Capital Regional District.

- **Grant Income:**

Currently, the Islands Trust receives a grant from the Province, similar to a regional district basic grant. In 2016, the Islands Trust grant was \$180,000. Of this amount, \$120,000 is based on the overall population of the Trust Area, and \$60,000 is based on the population of the unincorporated areas. With a Salt Spring Island incorporation, there would be no change to the \$120,000 grant. For the second component based on the population of the unincorporated areas, the incorporation of Salt Spring Island would shift the Islands Trust's unincorporated area population into a different population category, and the grant would increase to \$70,000. As a result, total Provincial Grant income to the Islands Trust would increase by \$10,000 with a Salt Spring Island incorporation.

2.3 Summary of Projected Shortfall

As identified, there are approximately \$1.14 million in direct expenses associated with Salt Spring Island, and a potential decline in revenue in the order of \$1.98 million. The result is a shortfall of approximately \$840,000, as compared to the current 2016-17 Islands Trust budget. This analysis only accounts for the direct removal of Salt Spring Island Local Planning Services, and it does not contemplate further reductions to general administration. Section 3 outlines a possible scenario with a proportionate reduction to the administrative expenses allocated to Local Planning Services.

3.0 Scenario with Reductions to Administrative Expenses

At the request of the Islands Trust, analysis was prepared for an additional scenario, in which the Islands Trust would reduce a portion of its administrative expenses (i.e. the portion allocated to Local Planning Services) at the same proportionate rate as the reductions to the Local Planning Services budget with the removal of Salt Spring Island. The scope of this review does not include analysis on how these administrative reductions could be achieved. However, the review indicates that the Islands Trust would need to reduce its administrative expenses by approximately \$350,000 in order to proportionately reduce administrative expenses allocated to Local Planning Services at the same rate as the reductions to the Local Planning Services Budget.

The philosophy guiding this approach is that the Islands Trust should be able to reduce its administration expenses allocated to Local Planning Services at the same rate as the reductions to the core budget for Local Planning Services if Salt Spring Island were to incorporate. In practice, it is important to note that reductions to administration expenses would affect the total budgets (including administration) for all program areas. *Based on the Islands Trust's current practices for allocating administration expenses, it is not possible to reduce the administration expenses allocated to one program area and maintain the administration expenses allocated to another program area.* In order to reduce the administration expenses allocated to Local Planning Services (and not reduce the administration expenses allocated to Trust Area Services and Islands Trust Fund), the Islands Trust would need to change the method it uses to allocate administration expenses to program areas. It is noted that any changes would affect the calculation of municipal contributions to the Islands Trust budget.

A \$350,000 reduction in administrative expenses would still result in an overall budget shortfall of approximately \$540,000.³ This shortfall would need to be overcome through further reductions to Islands Trust expenses and/or increases in taxation in the remaining Local Trust Areas.

³ Note that reductions to administrative expenses also result in slightly reduced municipal contributions to the Islands Trust, as reviewed further in Section 3.2.

3.1 Proportionate Reduction to Administrative Expenses

Table 3.1 illustrates the rationale for a \$350,000 reduction to Islands Trust administrative expenses.

Table 3.1 – Calculations to Proportionately Reduce Administrative Expenses

Local Planning Services		Administration	
Original LPS Budget (not including Administration)	\$4,047,829	Allocation of Admin to LPS based on 66.9% (see Section 2.1) of \$1,869,695 Total Admin Budget	\$1,250,847
Direct Expenses for SSI Planning	\$1,138,272	Proportionate Reduction to Admin.	\$351,745
Direct Expenses for SSI as Proportion of Original LPS Budget	28.1%	Reduced Administrative Expenses as Proportion of Admin Allocated to LPS	28.1%

With a \$350,000 reduction in administrative expenses, the Islands Trust General Administration budget would be reduced from \$1.87 million to \$1.52 million. Table 3.2 illustrates the resulting Islands Trust expenses in all program areas.

Table 3.2 – Islands Trust Expenses for Scenario with Reductions to Administration

Program Area	Core Budget (no admin)	Allocation of Administration	Administration	Total
Trust Council	\$910,214	20.9%	\$317,693	\$1,227,907
Islands Trust Fund	\$529,270	12.2%	\$184,731	\$714,001
Local Planning Services	\$2,909,557	66.9%	\$1,015,525	\$3,925,082
Total	\$4,349,041		\$1,517,950	\$5,886,990

3.2 Additional Impacts on Revenue

With the reductions to administration expenses, there are no changes to most of the revenue impacts of a Salt Spring Island incorporation already identified in Section 2.2 of this report update. However, there are changes to the decrease in property tax revenue from Salt Spring Island, and the Bowen Island municipal tax contribution to the Islands Trust.

- **Reduction in General Property Taxes from Salt Spring Island:**

Due to the reduction in administration expenses, there is a resulting decline in the total net municipal pool used for calculating municipal tax requisitions. As a result, in this scenario, Salt Spring Island's estimated municipal contribution to the Islands Trust becomes approximately \$430,000 (as compared to \$460,000 identified in Section 2.2, above). Thus, the total decline in revenue from Salt Spring Island becomes approximately \$1.89 million.

- **Adjustment to BIM Taxes:**

With the reduction to the net municipal pool, there is a slight reduction to the BIM tax requisition in comparison to the actual 2016 municipal tax contribution.

Table 3.3 illustrates the revised impacts to revenue accounting for both: a) the removal of Salt Spring Island from Local Planning Services; and, b) the shifts in municipal contributions to the Islands Trust attributable to the changes in administrative expenses in this scenario.

Table 3.3 – Impacts to Islands Trust Revenue in Scenario with Reductions to Admin. Expenses
(Based on Islands Trust 2016-17 Detailed Budget)

Revenue	Amount
Reduction in General Property Taxes from SSI	(\$1,885,047)
Adjustment to BIM Taxes	(\$1,368)
Special Requisition for Watershed Protection	(\$110,500)
Development Fees	(\$42,346)
Grant Income	\$10,000
Total:	(\$2,029,261)

3.3 Summary of Projected Shortfall

In this scenario, direct expenses for Salt Spring Island Local Planning Services are removed from the Islands Trust budget, and a portion of administrative expenses are also removed, as identified in Section 3.1, above. These adjustments result in a \$1.49 million reduction in Islands Trust expenses. However, Islands Trust revenue also declines by \$2.03 million. As a result, there is a remaining shortfall of approximately \$540,000, as identified in Table 3.4, below.

	Amount
<i>Reductions to Expenses:</i>	
Direct Expenses for Salt Spring Island Planning	\$1,138,272
Reduction in Administration Expenses	\$351,745
Subtotal:	\$1,490,017
<i>Reductions to Revenue:</i>	
Decline in Revenue	(\$2,029,261)
Net Shortfall:	(\$539,244)

4.0 Potential Strategies to Address Identified Shortfall

As indicated above, a remaining budget shortfall of approximately \$540,000 would need to be overcome through further reductions to Islands Trust expenses and/or increases in taxation in the remaining Local Trust Areas. It is not within the scope of this review to identify potential further reductions to Islands Trust expenses. However, for illustrative purposes only, Table 4.1 shows the estimated tax impacts for residential properties within the remaining Local Trust Areas if the Islands Trust were to increase the amount of revenue required from taxation.

Table 4.1 – Potential Property Tax Impacts in Remaining Local Trust Areas

Residential Property	Current IT Taxes	Additional Taxes for:	
		every \$100,000 in IT Revenue*	\$540,000 in IT Revenue*
Islands Trust taxes for every \$100,000 of assessed value	\$76	\$2	\$11
Islands Trust taxes for property assessed at \$350,000	\$266	\$7	\$37
Islands Trust taxes for property assessed at \$500,000	\$380	\$10	\$53

*Calculations account for Provincial Property Tax Collection Fee of 5.25% (i.e. for every \$100,000 in tax revenue to the Islands Trust, the Province collects \$105,250)

5.0 Conclusion

This report update has been prepared to assist the Islands Trust with its planning in the event that Salt Spring Island incorporates as a municipality. This analysis indicates that:

- a) when accounting for the removal of Salt Spring Island Local Planning Services from the Islands Trust budget, there is a shortfall of approximately \$840,000; and,
- b) if the Islands Trust makes proportionate reductions to the portion of its administration expenses allocated to Local Planning Services, there is a remaining shortfall of approximately \$540,000.

Potentially, to address a \$540,000 shortfall the Islands Trust could:

- a) further reduce its expenses directly within program areas and/or general administration;
- b) adjust taxes within the remaining Local Trust Areas; or,
- c) combine expense reductions with tax rate adjustments.

The 2015 Islands Trust Impact Analysis provided further details on these options. As indicated, it is beyond the scope of this review to identify strategies for expense reductions to the Islands Trust budget. However, this updated analysis indicates that for every \$100,000 in additional revenue that the Islands Trust requires from the Local Trust Areas, the tax increase would be approximately \$10 on a \$500,000 residential property.

2014-2015

Islands Trust Impact Analysis



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Executive Summary

In 2013, a Salt Spring Island Governance Study was completed to engage the public in a review of all governance structures on the Island, and to outline the differences between rural and municipal governments. This study process concluded in December 2013 with a recommendation from the Governance Study Committee to the Minister of Community, Sport and Cultural Development, highlighting community interest in completing a municipal incorporation study. In addition to and separate from the review of the current state of governance, the first phase of work also included an opportunity to examine the potential impacts of a Salt Spring Island municipal incorporation on the Islands Trust. Therefore, the purpose of this Islands Trust Impact Analysis is to examine the potential effect of a Salt Spring Island municipal incorporation on the Islands Trust in relation to fiscal stability and organizational adaptation.

As identified in Figure E1, the Islands Trust Area is currently organized into twelve 'Local Trust Areas' (LTAs) and one 'Island Municipality' (Bowen Island). Within each Local Trust Area, a Local Trust Committee is responsible for land use planning and regulation of development. Each Local Trust Committee is comprised of the two local trustees and a member of the Executive Committee, who is appointed as chair of the three-person Local Trust Committee.

Figure E1 – Islands Trust Governance Structure



Source: Islands Trust

If Salt Spring Island were to incorporate as an Island Municipality, the Salt Spring Island Local Trust Committee would be dissolved, and Salt Spring Island would no longer participate in the Local Planning Services function of the Islands Trust. However, Salt Spring Island would continue to be represented by two municipal trustees on Trust Council, and Salt Spring Island would continue to participate in Trust Area-wide functions such as work on policy and advocacy-related issues, and the management of the Islands Trust Fund.

Should Salt Spring Island incorporate as an Island Municipality, the Islands Trust would no longer incur direct expenses for the provision of Local Planning Services to Salt Spring Island, and Salt Spring Island would no longer contribute towards the Local Planning Services function of the Islands Trust (including the proportion of Islands Trust General Administration costs allocated to Local Planning Services). Based on the Islands Trust 2014-15 budget, the Islands Trust Impact Analysis identifies a projected annual funding shortfall of approximately \$800,000, should Salt Spring Island incorporate as an Island

Municipality. This \$800,000 shortfall is the result of reduced revenues of \$1.9 million, offset by reduced direct expenses of \$1.1 million.¹

To understand how the Islands Trust could adapt if Salt Spring Island were to incorporate as a municipality, a series of response options was identified. Beyond the removal of Salt Spring Island from the Local Planning Services function, these response options illustrate the potential required magnitude of additional changes to Islands Trust expenses and/or revenues to address the identified shortfall. The response option scenarios are as follows:

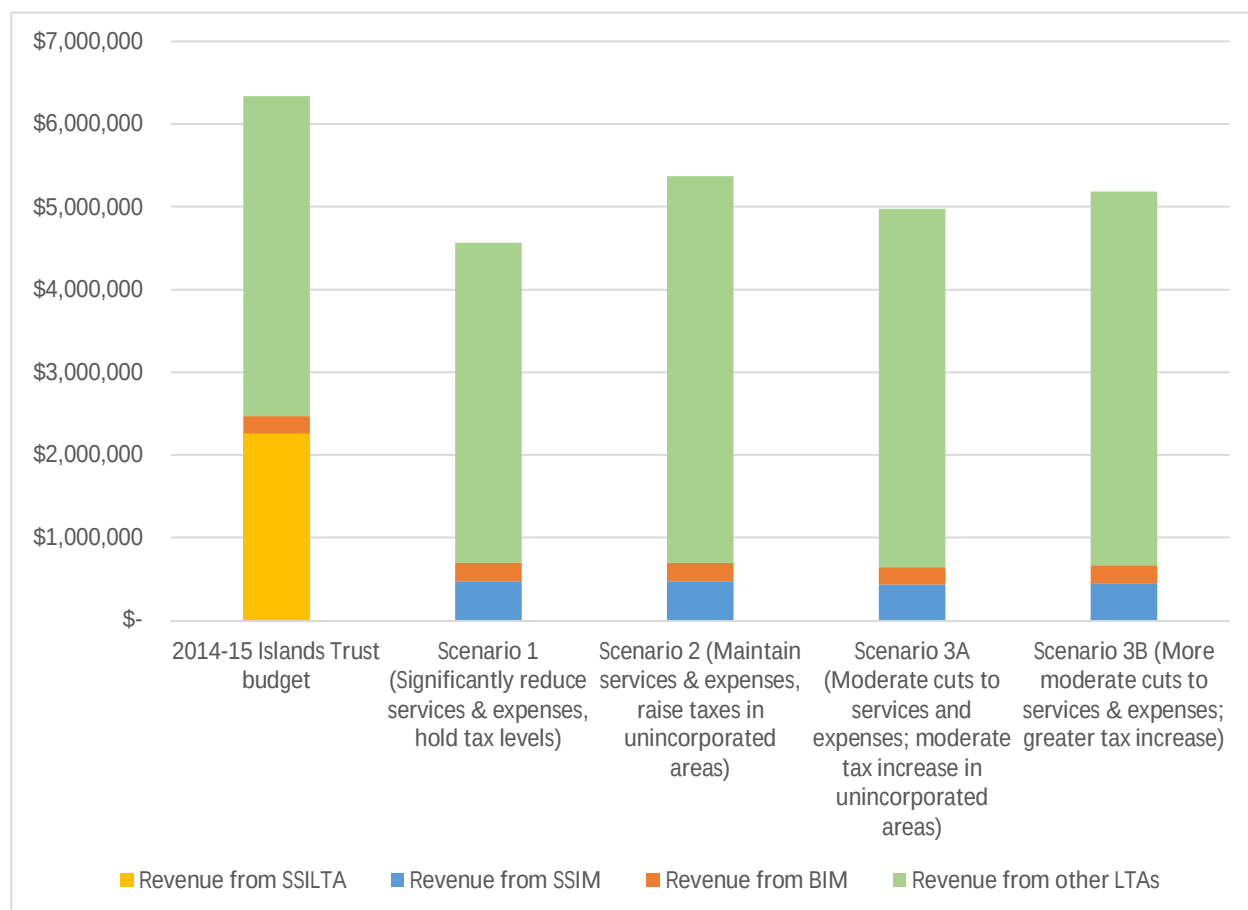
- **Scenario 1** explores using service delivery reductions to overcome the \$800,000 shortfall identified above. In this scenario, tax rates for the Local Trust Areas are held at current levels.
- **Scenario 2** explores the impact of adjusting tax rates for the Local Trust Areas in order to maintain service levels and avoid impacting current expenses for management and administration, as well as current expenses for Local Planning Services for the remaining Local Trust Areas.
- **Scenarios 3A and 3B** are two hybrid scenarios that explore both reductions to General Administration and Local Planning Services expenses, and adjustments to tax rates to offset the remaining shortfall. Scenario 3A identifies the impact of approximately \$400,000 in expense reductions (over and above the removal of expenses associated with Salt Spring Island Local Planning Services), and Scenario 3B identifies the impact of approximately \$200,000 in expense reductions.

Figure E2 summarizes the potential revenue requirements for each scenario, as compared to the Islands Trust 2014-15 budget. As indicated, with significant reductions in tax revenues from Salt Spring Island, the Islands Trust would face choices as to whether it should significantly reduce services and expenses, raise taxes in unincorporated areas, or deploy some combination of these two potential strategies.

For the Local Trust Areas, property tax impacts for each scenario were reviewed using a \$350,000 Class 1 (Residential) property for a point of comparison. Based on current tax rates, a \$350,000 property pays about \$265 in Islands Trust property taxes. In Scenario 1, there is no change. In Scenario 2, there is an \$800,000 deficit to be overcome through property taxation. As a result, Islands Trust property taxes increase to \$327 for a \$350,000 property in an unincorporated area. In Scenarios 3A and 3B, which involve a combination of decreases to expenses and adjustments to property taxation, property taxes are \$303 and \$316 respectively, for a \$350,000 property in an unincorporated area.

¹ As described in more detail in Section 3 of this report, this analysis is based on reviewing the impact of removing Salt Spring Island Local Planning Services from the Islands Trust budget. Potential adjustments to Islands Trust management and administration expenses are contemplated in a series of response options.

Figure E2 – Sources of Islands Trust Taxation Revenue²
2014-15 Budget vs. Possible Scenarios to Respond to Potential Incorporation of Salt Spring Island



Ultimately, if Salt Spring Island were to incorporate, the preferred adaptation strategy would be developed at the discretion of the Islands Trust. A Salt Spring Island municipal incorporation would require the approval of the Salt Spring Island electorate, and there are many steps that would be required prior to a potential municipal incorporation. Nevertheless, if a Salt Spring Island municipal incorporation study proceeds in the future, there are several recommended actions for consideration by the Islands Trust. These recommended actions include the following:

- Establish a multi-year budget and financial plan to address the potential reduced revenue associated with the removal of Salt Spring Island operations, if municipal incorporation goes

² For illustrative purposes, Scenario 1 illustrates a potential Salt Spring Island tax requisition of \$470,000, consistent with the analysis in Section 3 of this report, and consistent with the municipal requisition in Scenario 2. In practice, if Scenario 1 included reductions in administration (as opposed to further reductions in Local Planning Services), municipal requisitions would decline accordingly, based on the current municipal tax requisition calculation.

ahead. While the scenarios outlined in Section 4 of this study are hypothetical, the financial analysis should assist in forming the basis for development of long term financial strategies to address the potential incorporation of Salt Spring Island.

- Develop a staffing plan to address the potential removal of Salt Spring Island operations and the potential incorporation of Salt Spring Island as an Island municipality.
- Enter into short-term leases for the Salt Spring Island office to maintain flexibility in the event that Salt Spring Island votes in favour of municipal incorporation.
- To make the organization more resilient to a potential incorporation, consider greater use of special requisitions to fund Local Trust Committee programs that are beyond a base level of service.
- Consider property tax increases to establish special reserves for transitional funding should Salt Spring Island vote in favour of municipal incorporation. As demonstrated with Bowen Island Municipality (BIM), the property tax impact for the Islands Trust is felt immediately following the completion of the contract for the provision of planning services during the transition period following incorporation.
- Discuss the merits of a two year (as opposed to three year) transition period for Local Planning Services following a municipal incorporation.
- Consider additional options to enhance the strength and resilience of the Islands Trust, such as amendments to the Islands Trust Policy Statement and adjustments to strengthen the relationship between the Policy Statement and adopted Official Community Plans for both municipal members and Local Trust Areas.

1.0 Introduction

1.1 Study Purpose

In October 2012, grant funding was approved from the provincial government for a Salt Spring Island Governance Study. Because of the complex history of governance on Salt Spring Island, it was determined that a phased study approach would be taken. In 2013, the first phase of the study engaged the Salt Spring Island public in a review of all governance structures on the Island, generally outlining the differences between rural and municipal governments. That study process concluded in December 2013 with a recommendation from the Governance Study Steering Committee to the Minister of Community, Sport and Cultural Development. The Committee's recommendation highlighted community interest in proceeding to a second phase, a municipal incorporation study.

In addition to and separate from the review of the current state of governance, the first phase also included an opportunity to examine the potential impacts of a Salt Spring Island municipal incorporation on the Islands Trust. This Islands Trust Impact Analysis is the focus of this report, which was completed separately from the Governance Study based upon Terms of Reference developed by the Province with input from the Islands Trust. The purpose of the Impact Analysis is to examine the potential effect of a Salt Spring Island municipal incorporation on the Islands Trust in relation to fiscal stability and organizational adaptation.

This Islands Trust Impact Analysis study explores several key questions:

- What is the impact of removing the Salt Spring Island operations from the Islands Trust budget?
- What is the impact of removing Salt Spring Island tax revenues from the Islands Trust budget at the current rates?
- How could the tax impact on unincorporated islands and island municipalities be managed while maintaining an acceptable level of service?
- How would the Islands Trust continue to provide community planning and regulate development on unincorporated islands within the Trust Area, and continue to support the work of the Islands Trust Council and the Trust Fund Board?
- How could the transition phase and transfer of services from the Islands Trust to a new municipality be managed?

To assist in answering these questions, the study also includes a brief review of the actual impact of the 1999 Bowen Island municipal incorporation on the Islands Trust.

1.2 Report Outline

This Study Report is organized as follows:

Section 2 provides an overview of the Islands Trust, focusing on its mandate, governance structure, services, and finances.

Section 3 reviews the potential implications of an incorporation of Salt Spring Island, focusing on impacts to Islands Trust expenses and revenues with the removal of Salt Spring Island operations and reduction in tax revenues.

Section 4 sets out a series of options to address the reduced level of funding to be received from Salt Spring Island, post incorporation, including potential changes to Islands Trust staffing levels and changes to tax rates. The analysis identifies a variety of scenarios to manage the tax impact on unincorporated islands while maintaining a satisfactory level of services across the entire Trust Area.

Section 5 reviews the actual implications of the 1999 Bowen Island incorporation on the Islands Trust, and discusses several key considerations related to the potential transition phase and ongoing operations of the Islands Trust.

Section 6 outlines potential next steps and provides recommendations to begin to address the potential implications of an incorporation of Salt Spring Island, should a municipal incorporation study proceed.

2.0 Islands Trust Overview

2.1 Background

The Islands Trust (the Trust) is a unique federation of local government bodies that represents approximately 25,000 people living within the Islands Trust Area. The Trust Area includes thirteen major islands and more than 450 smaller islands located in the Strait of Georgia and Howe Sound, covering approximately 5,200 square kilometres of land and water. Within this area, the Trust is responsible for preserving and protecting the unique amenities and environment through land use planning and regulation, development management, education, cooperation with other agencies, and land conservation.

The Islands Trust was established by Provincial legislation, the *Islands Trust Act* (the Act) in 1974. As set out in the Act, the Islands Trust object 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 the province generally, in cooperation with municipalities, regional districts, improvement districts, other persons and organizations and the Government of British Columbia.”

The *Islands Trust Act* requires Trust Council to adopt a Policy Statement with the policies it will use to achieve this object. The current Policy Statement sets out the Trust's three main goals, which are:

- to foster the preservation and protection of the Trust Area's ecosystems;
- to ensure that human activity and the scale, rate and type of development in the Trust Area are compatible with the maintenance of the integrity of Trust Area ecosystems; and,
- to sustain island character and healthy communities.

2.2 Membership and Governance Structure

2.2.1 CURRENT STRUCTURE

The Islands Trust Area is currently organized into twelve 'Local Trust Areas' (LTAs) and one 'Island Municipality' (Bowen Island). During British Columbia's local government elections, two trustees are elected from each of the Local Trust Areas and Bowen Island Municipality (BIM). All twenty-six trustees sit on the Trust Council, which is the governing and legislative body charged with carrying out the provincial mandate to preserve and protect the Islands.

The Trust Council structure (with two representatives from each area) is one of the more unique features of the Islands Trust, as it reflects the notion that all local areas and island municipalities should be represented equally on the Trust's governing body. In creating a body with equal representation from all areas, the Province deliberately emphasized the importance of having Trust Council focus on the welfare of the broader Trust Area. Trust Council holds quarterly public meetings, and it elects a four member Executive Committee that also conducts regular business. This overall governance structure is illustrated in Figure 2.1.

Figure 2.1 – Islands Trust Governance Structure



Source: Islands Trust

Within each Local Trust Area, a Local Trust Committee is responsible for land use planning and regulation of development. Each Local Trust Committee is comprised of the two local trustees and a member of the Executive Committee, who is appointed as chair of the three-person Local Trust Committee. For the virtually unpopulated Ballenas-Winchelsea Islands, also known as the Executive Islands, the Executive Committee acts as the Local Trust Committee. Within the Local Trust Areas it is noted that governance – other than for the purposes of land use planning and regulation of development – is provided by the seven corresponding regional districts (e.g. Capital, Comox, Cowichan Valley, Greater Vancouver, Nanaimo, Powell River, Sunshine Coast) which operate under the *Local Government Act*. Services are generally provided directly by the regional districts, as well as from improvement districts and private utilities.

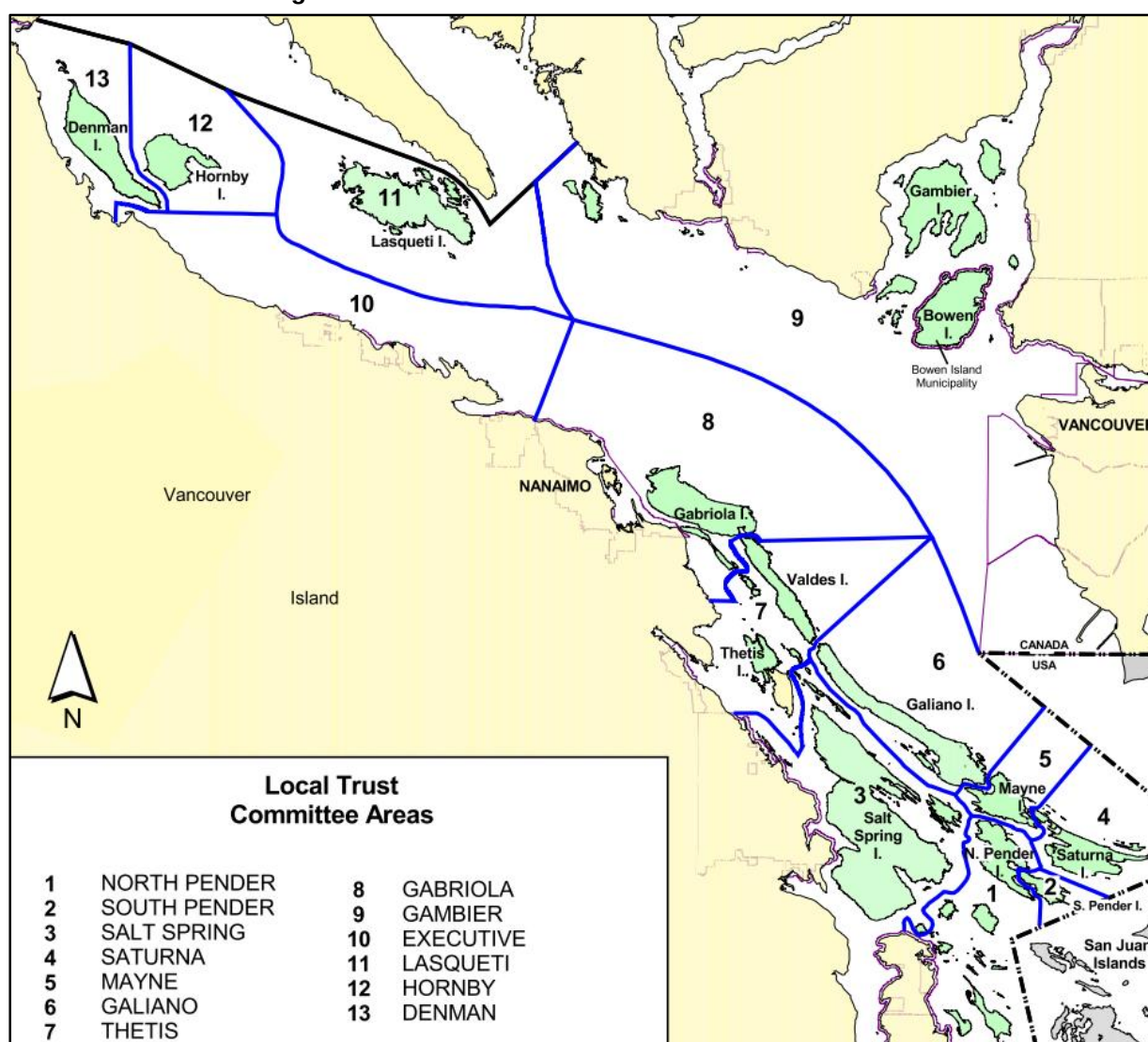
On the Bowen Island municipality (BIM), the seven-member municipal council is responsible for local government services, including land use planning. BIM appoints two BIM council members to represent

the municipality on Trust Council as determined by the electorate. This provision for 'double direct' voting was included in Letters Patent for BIM.

According to the Letters Patent for BIM, as a member of the Islands Trust, BIM is required to support the object of the Islands Trust as identified by the *Islands Trust Act*. As such, the municipality must have regard to the object of the Islands Trust when adopting a bylaw or issuing a permit or licence, and the municipality must work to ensure that there is no conflict between its actions and the object of the Islands Trust and the Trust Policy Statement. As with the Local Trust Areas, BIM is also a member of a regional district (Greater Vancouver). However, the majority of local government services are provided by the municipality.

The Islands Trust administrative boundaries for the Local Trust Committee Areas are illustrated in Figure 2.2.

Figure 2.2 – Islands Trust Administrative Boundaries



Source: Islands Trust

Table 2.1 illustrates the population within the Islands Trust Area. As indicated, the Salt Spring Island Local Trust Area is the most populated, with a population of approximately 10,300 residents. Salt Spring Island's population represents approximately 40 percent of the total Islands Trust Area population.

Table 2.1 – Trust Area Population (2011)

	Population (2011 Census)	Percentage of Total Population
Bowen Island Municipality	3,402	13.3%
Denman Island LTA	1,022	4.0%
Gabriola Island LTA	4,045	15.8%
Galiano Island LTA	1,138	4.5%
Gambier Island LTA	275	1.1%
Hornby Island LTA	958	3.7%
Lasqueti Islands LTA	426	1.7%
Mayne Island LTA	1,071	4.2%
North Pender Island LTA	2,035	8.0%
Salt Spring Island LTA	10,322	40.4%
Saturna Island LTA	335	1.3%
South Pender Island LTA	201	0.8%
Thetis Island LTA	340	1.3%
Executive Islands	n/a	n/a
Non-Designated Areas	n/a	n/a
Total	25,570	100.0%

Table 2.2 illustrates the **net taxable assessment** and the **converted value of land and improvements** within the Islands Trust Area. The **net taxable assessment** is the appraised value of taxable land and improvements within the Trust Area. It is important to note that all taxable properties (or portions thereof) belong to one of nine specific property classes based on use (e.g. Residential, Utility, Major Industry, and Business & Other). The largest property class in the Islands Trust (accounting for over 95% of total Net Taxable Assessment) is the Residential Class (Class 1).

The **converted value of land and improvements** is equal to the net taxable assessment for each property class multiplied by a prescribed percentage set by the "Converted Value Percentages Regulation" (BC Reg 371/2003). For example, the prescribed percentage is 10% for the Residential Class (Class 1) and 24.5% for the Business & Other Class (Class 6). Thus, if the total net taxable value for all residential properties on Salt Spring Island is \$2.85 Billion, the converted value is \$285 million (or \$2.85 Billion x 10%).

The primary use of converted value of land and improvements is to apportion the joint costs of the Islands Trust to individual islands (within the Trust) in such a way that every property within a property class (e.g. Residential) pays the same tax rate, and that the ratio of tax rates between different property classes

(Residential and Business) are consistent. For example, the converted percentage is 10% for the Residential Class (Class 1) and 24.5% for the Business & Other Class (Class 6), thus the tax rate for the Business & Other Class will always be 2.45 times Residential tax rate (equal to $24.5\%/10\%$).

Therefore, for budget purposes, converted assessment (rather than net taxable assessment) is used in determining the annual tax requisition that the Islands Trust submits to the appropriate taxing authority (i.e. municipalities in incorporated areas and the Province in rural areas). The converted value of land and improvements is also used in tax requisitions for other public authorities like hospital districts and regional districts.

As illustrated in Table 2.2, the Salt Spring Island Local Trust Area has the highest assessment, with over \$3 billion in net taxable assessment and approximately \$325 million in converted values. Salt Spring Island's assessment represents approximately 32 percent of the total assessment in the Islands Trust Area. With the highest single tax base, the Salt Spring Island Local Trust Area is the largest single contributor to the funding of Island Trust operations.

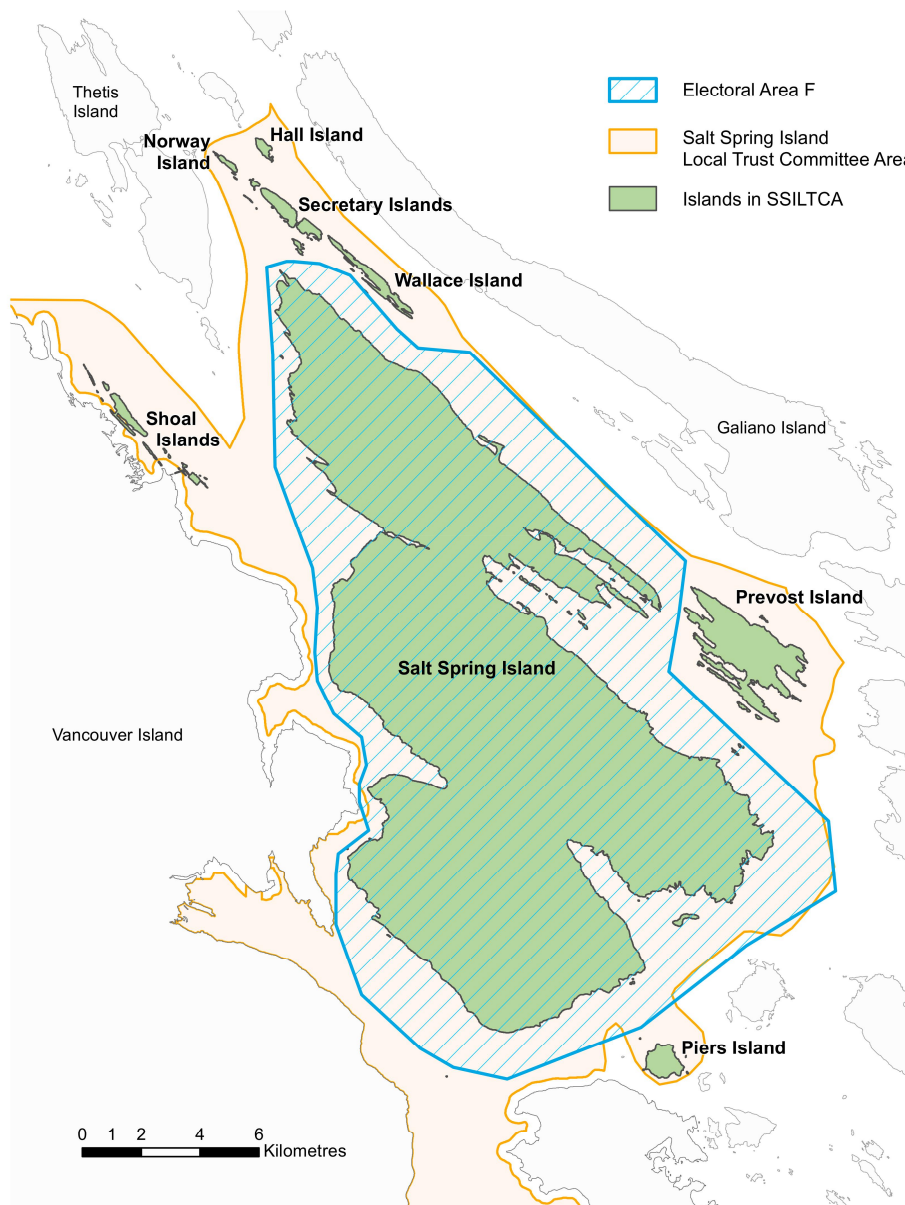
Table 2.2 – Trust Area Net Taxable Assessment and Converted Value of Land and Improvements (2014)

	Net Taxable Assessment (2014)	Percentage of Total Net Taxable Assessment	Converted Value of Land and Improvements (2014)	Percentage of Total Converted Value
Bowen Island Municipality	\$1,445,308,600	15.0%	\$151,127,834	15.1%
Denman Island LTA	\$331,918,710	3.5%	\$33,900,093	3.4%
Gabriola Island LTA	\$1,114,555,094	11.6%	\$115,135,470	11.5%
Galiano Island LTA	\$531,597,567	5.5%	\$55,347,585	5.5%
Gambier Island LTA	\$556,898,687	5.8%	\$56,748,127	5.7%
Hornby Island LTA	\$464,701,774	4.8%	\$47,338,441	4.7%
Lasqueti Islands LTA	\$130,712,108	1.4%	\$13,451,461	1.3%
Mayne Island LTA	\$502,123,903	5.2%	\$51,884,137	5.2%
North Pender Island LTA	\$911,500,705	9.5%	\$93,832,002	9.4%
Salt Spring Island LTA	\$3,048,272,838	31.7%	\$324,275,191	32.3%
Saturna Island LTA	\$231,907,983	2.4%	\$24,086,410	2.4%
South Pender Island LTA	\$140,745,327	1.5%	\$14,379,158	1.4%
Thetis Island LTA	\$196,460,862	2.0%	\$20,586,746	2.1%
Executive Islands	\$2,548,100	0.0%	\$254,810	0.0%
Non-Designated Areas	\$930,500	0.0%	\$324,175	0.0%
Total	\$9,610,182,758	100.0%	\$1,002,671,640	100.0%

The Salt Spring Island Local Trust Area includes approximately twenty-five associated islands, including Piers Island and Prevost Island. If Salt Spring Island were to incorporate as a municipality, it is likely that the municipal boundary would more closely reflect the current Salt Spring Island Electoral Area (i.e. Capital Regional District Electoral Area F) boundary. This geographic area mainly includes Salt Spring Island itself, with fewer associated islands than the Salt Spring Island Local Trust Area. Figure 2.4 juxtaposes the Salt Spring Island Electoral Area boundary against the Salt Spring Island Local Trust Area boundary. Within the Salt Spring Island Electoral Area boundary, there is a 2011 Census population of 10,234, and a 2014 net taxable assessment of \$2,942,974,772. In comparison, the Salt Spring Island Local Trust Area has a 2011 Census population of 10,322 and a 2014 net taxable assessment of \$3,048,272,838.

If the Salt Spring Island Electoral Area boundary were used for a new municipality, it is assumed that the remaining associated islands (e.g. Piers Island, Prevost Island) within the Salt Spring Island Local Trust Area would be redistributed to other Local Trust Areas.³ For the purposes of the analysis in this report, no additional costs have been projected to provide Local Planning Services to these associated islands.

Figure 2.4 – Comparison of Salt Spring Island Electoral Area Boundary (CRD) with Salt Spring Island Local Trust Area Boundary (Islands Trust)



Source: Islands Trust

³ Although minor in comparison to the financial impacts, the jurisdictional redistribution of associated islands is another transitional item that would need to be addressed if Salt Spring Island becomes an Island Municipality.

2.2.2 HISTORIC EVOLUTION OF THE TRUST

Since it was established in 1974, the Islands Trust has evolved in significant ways. For example, when the Islands Trust was originally established, land use planning jurisdiction remained with regional districts, and Local Trust Committees only reviewed the land use planning and regulatory efforts of the regional districts. However, in 1977, the *Islands Trust Act* was amended, transferring land use planning jurisdiction from regional districts to the Local Trust Committees. In 1989, the Trust also went through significant change, as Trust Council was formally established as the Trust's governing and legislative body, responsible for matters such as adoption of an Islands Trust Policy Statement and oversight of the Trust's financial management. The 1989 amending legislation also restructured the Executive Committee of Council, and changed the structure of the Local Trust Committees to the current three-member format.

Significantly, the 1989 amendments allowed for the incorporation of island municipalities within the Trust Area. Subsequently, in 1999, Bowen Islanders voted to incorporate. As a result, BIM became the first (and only) municipal government within the Islands Trust Area.

2.3 Islands Trust Services

2.3.1 TRUST-WIDE SERVICES

Trust Council:

Trust Council has a wide range of responsibilities. Trust Council has created a strategic plan and policy manual to guide its decisions. As required by the *Islands Trust Act*, Trust Council has also adopted an Islands Trust Policy Statement to establish a vision for the future of the Trust Area and to provide a general strategy for land use planning, in order to guide the formulation of bylaws, plans, and policies. Trust Council also engages in region-wide policy and advocacy on issues such as transportation, local food, and marine shipping safety. Additionally, Trust Council is responsible for the financial management of the Trust, with the exception of the Islands Trust Fund.

Trust Council and Executive Committee operations are funded primarily through property tax levies. All parts of the Islands Trust Area contribute towards Trust Council and Executive Committee operations.

Islands Trust Fund:

The Islands Trust Fund is a separate conservation land trust that was established by the *Islands Trust Act* to protect land through voluntary measures. The Islands Trust Fund Board is legally independent from the Islands Trust, and the land and money donated to the Islands Trust Fund is owned and managed by the land trust.

The Islands Trust Fund's operating expenses are paid for primarily through property tax levies. All parts of the Islands Trust Area contribute towards the Islands Trust Fund's operating expenses.

2.3.2 LOCAL PLANNING SERVICES AND SPECIAL PROJECTS

The *Islands Trust Act* provides each Local Trust Committee with the power and authority of a regional board in relation to the land use planning provisions of the *Local Government Act*. Therefore, on Salt Spring Island and in the other Local Trust Areas, the Islands Trust's primary local responsibility is for land use planning and regulation of development, as carried out by the Local Trust Committee. The Local Trust Committee is also responsible for any issues to which it has been delegated authority by the Island Trust Council. For example, in June 2013, Islands Trust Council voted to delegate some of its coordinating and advocacy powers to the Salt Spring Island Local Trust Committee in relation to water protection issues. In the history of the Islands Trust, this represents the first delegation of authority from Trust Council to a Local Trust Committee on a particular issue.

All Local Trust Committee operations are funded entirely by the Local Trust Areas (together as one unit). Island municipalities do not contribute towards Local Trust Committee costs. Additionally, on Salt Spring Island only, the Salt Spring Island Local Trust Committee has requested a special tax requisition to fund the additional operations of the Salt Spring Island Watershed Protection Authority (a working group comprised of provincial and local government agency representatives).

2.4 Islands Trust Finances

Every year, the Islands Trust develops a financial plan, adopted by bylaw, which sets out proposed expenses, funding sources, and transfers to and between funds. After accounting for expected funding sources other than property taxes, the Islands Trust then determines the amounts required from property taxation. As with other local governments throughout British Columbia, the Islands Trust relies primarily on property taxes as the most significant source of revenue.

In the 2014-15 fiscal year, the Islands Trust has just over \$7 million in budgeted expenses (see Appendix A – Islands Trust 2014-15 Budget Summary). As set out in Section 14 of the *Islands Trust Act*, the Islands Trust budget differentiates between expenses for the following specific decision-making bodies:

- Operations of the Trust Council and the Executive Committee;
- General Operations of the Local Trust Committees;
- Operations of a Local Trust Committee that are additional operations (e.g. coordination of water protection issues on Salt Spring Island); and,
- Administrative operations of the Trust Fund Board.

In addition to the expenses that the Islands Trust has for these decision-making bodies, the Islands Trust also has administrative overhead in a variety of areas. For example, Finance, Human Resources, and Information Services serve all the employees and activities in the Islands Trust. Budgets for Islands Trust administration are not mentioned in the *Islands Trust Act*. However, it is common to allocate administrative overhead to all service areas, and this approach has also historically been used by the Islands Trust. As outlined in the *Islands Trust Policy Manual*, the Islands Trust's approach is to allocate General Administrative expenses to Trust Council, Local Planning Services, and the Islands Trust Fund in the detailed budget and in all financial planning. General Administrative expenses are allocated to these

program areas based on each program area's proportionate share of the overall Islands Trust budget. In the Islands Trust 2014-15 budget, General Administration allocations were as follows:

- Trust Council: 16% of General Administration Expenses
- Local Planning Services: 75% of General Administration Expenses
- Trust Fund: 9% of General Administration Expenses

Approximately 92 percent of Islands Trust revenues are generated through property taxation. Within the Islands Trust Area, the following taxes are applicable:

- **General Property Tax Levy in all Local Trust Areas**

This tax provides revenue to fund the operations of Trust Council, the Executive Committee, and the administrative operations of the Islands Trust Fund Board. These costs are shared between the Local Trust Areas and any island municipalities (e.g. BIM), which fund these services separately through the municipal property tax levy. As well, the general property tax levy provides funding for the general operations of the Local Trust Committees. Costs for Local Trust Committees are paid for entirely by the Local Trust Areas (together as one unit for the purposes of taxation). The BIM does not contribute funding towards Local Trust Committee activities.

- **Special Property Tax Requisition for Water Protection on Salt Spring Island**

The *Islands Trust Act* provides for special property tax requisitions to fund any additional operations of Local Trust Committees not already funded through the general property tax levy. Currently, there is one special property tax requisition for the coordination of water protection on Salt Spring Island. The property tax for this service applies to the Salt Spring Island Local Trust Area only.

- **Municipal Property Tax Levy for BIM**

The municipal property tax levy for BIM reflects the municipal portion of the taxes required to fund the operations of Trust Council, the Executive Committee, and the administrative operations of the Islands Trust Fund Board. Sections 47(2)(b) and 47(6) of the *Islands Trust Act* set out the method for the calculation of the municipal tax requisition, currently applied to BIM only. The overall intent is to ensure that any municipal members of the Islands Trust only contribute towards those services that include their participation, and to ensure that municipal members do not contribute towards the costs of the Local Trust Committees.

To determine the municipal tax requisition, the Islands Trust calculates a "Municipal Pool" from the approved budget. The "Municipal Pool" represents the net amount of expenses and revenues that a municipality is responsible for contributing towards, along with the Local Trust Areas. Once the "Municipal Pool" is calculated, the amount attributed to the municipality is calculated based on the portion of converted assessed values of the municipality compared with the total converted assessed values for the entire Islands Trust Area.

The Islands Trust Policy Manual sets out a specific methodology for the calculation of the "Municipal Pool." In general, all Trust Council and all Islands Trust Fund expenses are included

in the “Municipal Pool,” while expenses for “Local Planning Services” are not included in the “Municipal Pool.” There are a variety of exceptions. For example, some Trust Council expenses are specifically excluded from the “Municipal Pool,” and Mapping Services are allocated to the “Municipal Pool” at a rate of 20 percent based on a staff assessment of the proportionate amount of time spent on providing mapping services for the Trust Area as a whole (as opposed to Local Trust Committees).⁴

Unlike municipalities, the Islands Trust does not directly collect property taxes. Each year the Islands Trust provides the Province with a requisition amount (similar to the approach used for regional district electoral areas) for local planning services and Trust-wide services. Based on the Provincial Class Multiples, the Provincial Surveyor of Taxes then sets the tax rates to generate the necessary revenue, and collects these property taxes in the Local Trust Areas on behalf of the Islands Trust. This approach is also used for the special property tax requisition for the coordination of water protection on Salt Spring Island. For BIM (and for any potential future municipal members of the Islands Trust), the Islands Trust provides the municipality with a requisition amount, and the municipality collects property taxes on behalf of the Islands Trust.

In addition to property tax revenues, other Islands Trust revenue sources include a provincial grant to the Islands Trust, revenue from fees and sales, and interest income.

⁴ The method for the “Municipal Pool” calculation is described in more detail in the Islands Trust Policy Manual Section 7.2.vi. (Municipal Tax Requisition Calculation), available at:

<http://www.islandstrust.bc.ca/media/232919/72vimunicipaltaxrequisitioncalculation.pdf>

3.0 Impacts of Salt Spring Island Incorporation

3.1 Overview

This section of the report reviews impacts to the Islands Trust 2014-15 budget based on the removal of expenses for Salt Spring Island Local Planning Services. This section also reviews impacts to revenues, focusing on development fees, the current Provincial Grant to the Islands Trust, and revenue from taxation. The analysis identifies a projected annual funding shortfall of approximately \$800,000, should Salt Spring Island incorporate as an Island Municipality. This \$800,000 shortfall is the result of reduced revenues of \$1.9 million, offset by reduced direct expenses of \$1.1 million.

Notably, for the analysis in this Section of the report, the focus is on the impact of removing Salt Spring Island Local Planning Services from the Islands Trust budget. This analysis does not contemplate adjustments to Islands Trust management and administration expenses. Islands Trust management and administration provide indirect support to Salt Spring Island operations, and a Salt Spring Island municipal incorporation would result in incremental reductions in administrative workloads. The process to manage these workload reductions is beyond the scope of this report. However, Section 4 provides a range of possible Islands Trust response options to a Salt Spring Island municipal incorporation, including potential adjustments to management and administration expenses.

3.2 Impacts on Expenses

If Salt Spring Island were to become an Island Municipality, the Islands Trust would no longer incur direct expenses for the provision of Local Planning Services to Salt Spring Island, since responsibility for land use planning and regulation would shift to the new municipality.⁵ Although expenses vary from year to year, a review of the 2014-15 detailed budget provides a point-in time snapshot of impacts to the Islands Trust if Salt Spring Island were to incorporate today. As illustrated in Table 3.1, the Islands Trust 2014-15 budget identifies approximately \$1.13 million in direct expenses associated with the Local Planning Services on Salt Spring Island. With a municipal incorporation, these expenses would be removed from the Islands Trust budget (following a transition period).

⁵ It is noted, however, that the Islands Trust would likely continue to provide contract planning services for a transition period following municipal incorporation.

**Table 3.1 – Direct Expenses Associated with Local Planning Services on Salt Spring Island
(Based on Islands Trust 2014-15 Detailed Budget)**

Expenses	Amount
Staff Salary and Benefits (Planning and Bylaw Enforcement)	\$707,092
Office Lease and Administration	\$97,725
Staff Training and Travel	\$17,900
Legal	\$82,611
Trustee Remuneration, Meetings and Expenses	\$83,899
Program Funding – Watershed Protection*	\$110,000
Program Funding – Other	\$28,500
Total:	\$1,127,727

**Coordination of watershed protection is funded through a special requisition*

Further detail is provided below for each of the direct expenses associated with Local Planning Services on Salt Spring Island.

- **Staff Salary and Benefits (Planning and Bylaw):**

On Salt Spring Island, there are several Islands Trust staff positions dedicated solely to the operations of the Salt Spring Island Local Trust Committee. In total, there are nine staff positions on Salt Spring Island, including the following:

- Regional Planning Manager for Salt Spring Island;
- Island Planner;
- Planner 2;
- Planner 1;
- Planner 1;
- Legislative Clerk (Deputy Secretary);
- Planning Team Assistant;
- Office Administrative Assistant; and,
- Bylaw Enforcement Officer.

Up until 2014, bylaw enforcement services were provided out of the Islands Trust Victoria office. However, one bylaw enforcement position has recently been relocated to Salt Spring Island.

If Salt Spring Island were to incorporate, the planning and bylaw enforcement functions of the Islands Trust would become a municipal responsibility. As a result, beyond a transition period, the Islands Trust would no longer incur direct expenses to maintain a staff complement on Salt Spring Island, unless the municipality chooses to engage Islands Trust planners and bylaw enforcement officers on a contract basis.

At this stage it is uncertain how the current staff positions would be transitioned if Salt Spring Island incorporates as a municipality. Potentially, current Islands Trust staff on Salt Spring Island may have opportunities to transition to a new municipality or remain with the Islands Trust in a

different capacity (e.g. filling existing vacancies). Nevertheless, for the purposes of this analysis, direct expenses associated with nine staff positions are removed from the Islands Trust budget.

- **Office Lease and Administration:**

On Salt Spring Island, the Islands Trust leases a facility at 500 Lower Ganges Road from BC Hydro, with an annual lease cost of \$48,000. The current lease term expires in February, 2015. Additionally, the Islands Trust incurs several expenses for the administration of this office. Examples include telecommunications charges, equipment leases, maintenance, and supplies.

- **Staff Training and Travel:**

In a Salt Spring Island incorporation scenario, staff training and travel expenses for the Islands Trust Ganges office would no longer be applicable.

- **Legal:**

Throughout the Trust Area, the Islands Trust budgets approximately \$250,000 for legal expenses, primarily for bylaw enforcement litigation and general legal services. Although it is recognized that legal expenses may vary from location to location, estimated legal expenses of \$83,000 are associated with Salt Spring Island based on the 2014-15 Islands Trust budget.

- **Trustee Remuneration, Meetings and Expenses:**

If Salt Spring Island were to incorporate, the Local Trust Committee would be dissolved, and the Islands Trust would no longer incur expenses for the remuneration, meetings, and expenses in relation to the Local Planning Services function. Instead of the current remuneration of approximately \$29,000 for each Salt Spring Island trustee, trustees drawn from the municipal council would receive a stipend of \$3,200 for their role on Trust Council. For this role on Trust Council, remuneration and expenses are accounted for separately, associated specifically with Trust Council as opposed to Local Planning Services.

- **Program Funding – Watershed Protection:**

The Salt Spring Island Watershed Protection Authority has a contract watershed coordinator, with funding for this position provided through the special property tax requisition for the coordination of watershed management. With a Salt Spring Island incorporation, the municipality would take the lead role in watershed protection, and the Islands Trust Special Requisition would no longer apply.

- **Program Funding – Other:**

Funding for other planning programs is generally provided through the general property tax levy. Examples of other programs include implementation of the Riparian Areas Regulations, and other special projects such as the Ganges Village Plan or Industrial Land Use Bylaw update. With a Salt Spring Island incorporation, these types of programs would be undertaken by the municipality.

As illustrated in Figure 3.1 and Table 3.2, total Islands Trust expenses are reduced from \$7.06 million to \$5.93 million with the removal of Salt Spring Island Local Planning Services from Islands Trust operations (based on the 2014-15 detailed budget). The reduction of the Local Planning Services budget also has the significant effect of adjusting the Islands Trust's allocation of administrative overhead to each of the

program areas. In the Islands Trust budget, there are currently General Administration expenses of \$1.49 million that are allocated to each program area based on its proportion of the total Islands Trust budget, as identified in Section 2.4. Because of the reductions to the Local Planning Services budget as a result of a Salt Spring Island incorporation, a higher proportion of General Administration expenses would be allocated to Trust Council and the Islands Trust Fund. Resulting General Administration allocation shifts and budget impacts are illustrated in Table 3.2.

**Figure 3.1 – Comparison of Islands Trust Expenses
(2014-15 Budget versus Salt Spring Island Incorporation Scenario)**

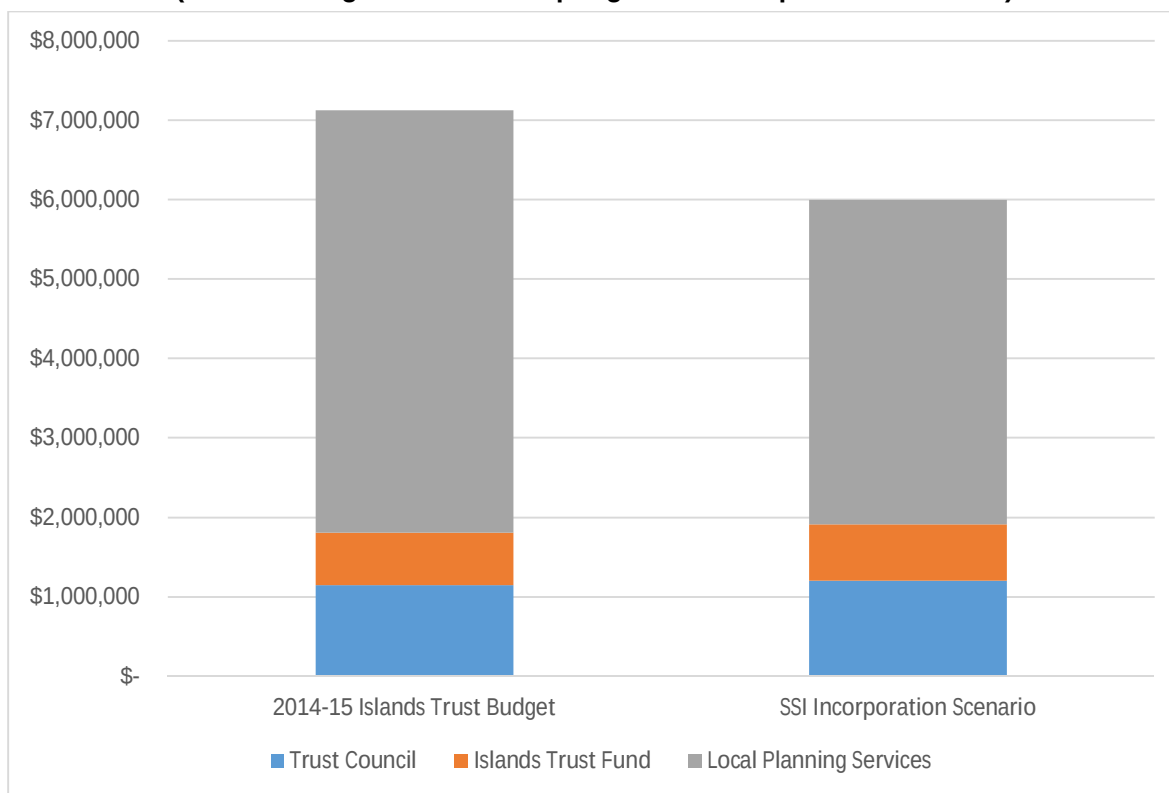


**Table 3.2 – Comparison of Islands Trust Expenses
(2014-15 Budget versus Salt Spring Island Incorporation Scenario)**

Program Area	2014-15 Expenses	2014-15 General Admin. Allocation	Incorporation Scenario Expenses	Incorp. Scenario Admin. Allocation
Trust Council	\$1,149,508	16%	\$1,208,937	20%
Islands Trust Fund	\$659,877	9%	\$704,450	12%
Local Planning Services	\$5,314,695	75%	\$4,082,966	68%
Less Amortization	-\$65,000		-\$65,000	
Total	\$7,059,080		\$5,931,353	

3.3 Impacts on Revenues

This section explores the direct impact to Islands Trust revenues as a result of removing Salt Spring Island Local Planning Services operations from the budget, and reducing Salt Spring Island property taxes accordingly. Salt Spring Island's tax revenues are reduced based on a review of Salt Spring Island tax revenues at the current rates, and potential Salt Spring Island tax revenues based on a municipal contribution, if Salt Spring Island were to incorporate as an Island Municipality. As well, there are a number of additional impacts to Islands Trust revenues such as development fees and grant income, as demonstrated below.

Based on current tax rates, a Salt Spring Island municipal incorporation results in a total decrease in Islands Trust revenues in the amount of \$1.94 million, as illustrated in Table 3.3. Because there are \$1.13 million in direct expenses associated with Salt Spring Island operations (as described in Section 3.2), there is a resulting deficit of approximately \$800,000, which would need to be overcome. Potential scenarios to overcome this deficit are described in Section 4 of this report.

**Table 3.3 – Impacts to Islands Trust Revenues as a Result of a Salt Spring Island Incorporation
(Based on Islands Trust 2014-15 Detailed Budget)**

Revenues	Amount
Reduction in General Property Taxes from SSI	-\$1,785,259
Adjustment to BIM Taxes	\$12,056
Special Requisition for Watershed Protection	-\$110,000
Development Fees	-\$41,285
Appropriation from Surplus	-\$25,000
Grant Income	\$10,000
Total:	-\$1,939,488

As illustrated in Table 3.3, approximately \$1.79 million of the \$1.94 impact to revenues is the result of decreases in Salt Spring Island property tax revenues to the Islands Trust, since Salt Spring Island would no longer contribute towards Local Planning Services. The impacts to Islands Trust revenues are described in more detail below.

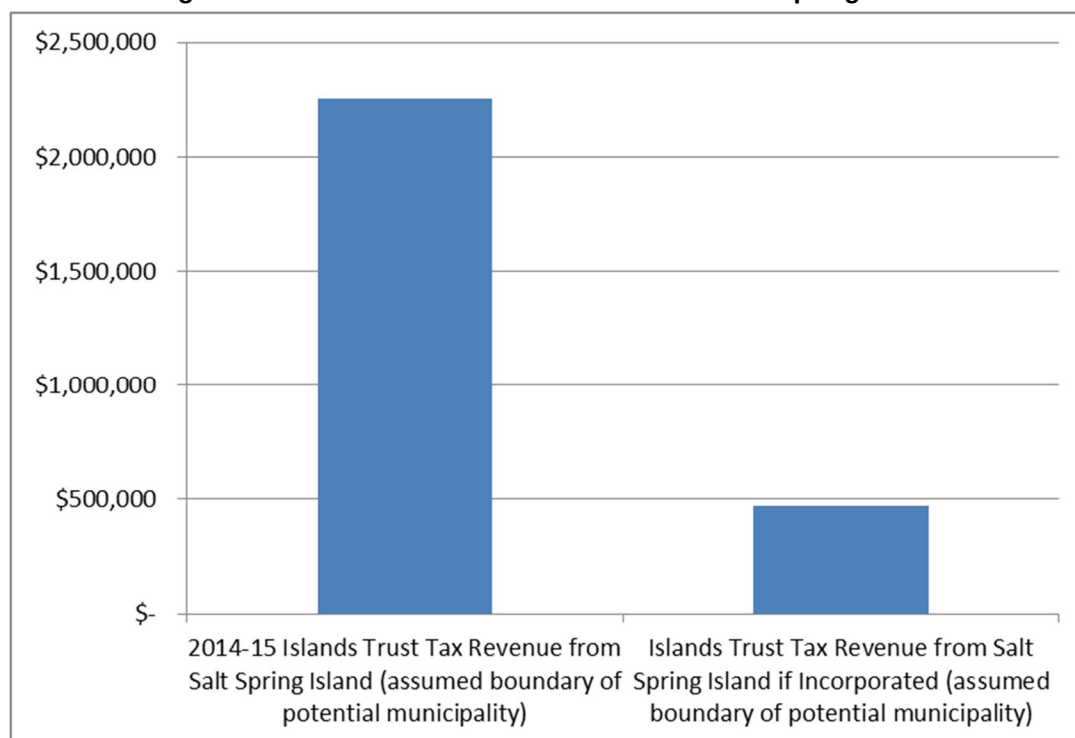
- **Reduction in General Property Taxes from Salt Spring Island:**

If Salt Spring Island were to incorporate, the primary impact to revenues would be in relation to property taxes. Currently, Salt Spring Island generates \$2.26 million in property taxes for the Islands Trust through the general levy, after deducting the 5.25% Provincial Tax Collection Fee, applicable in unincorporated areas. As indicated earlier, if Salt Spring Island were to incorporate, it would no longer contribute towards Islands Trust Local Planning Services. The Local Trust Committee would be dissolved, and land use planning services would be taken on by the new municipality (though it is recognized that the Islands Trust could continue to provide land use planning services on a contract basis for a transition period). As a result, in relation to Islands

Trust taxes, Salt Spring Island would contribute towards Trust Council and the Islands Trust Fund only.

The Islands Trust municipal requisition (i.e. the amount required in tax revenue) for Salt Spring Island is calculated using the same methodology that is currently employed for BIM. With the removal of Salt Spring Island Local Planning Services from the Islands Trust budget, the Salt Spring Island tax requisition would be \$470,000, meaning that there would be a \$1.79 million overall decline in Islands Trust tax revenue from Salt Spring Island. Figure 3.2 illustrates this difference.

Figure 3.2 – Islands Trust Tax Revenue from Salt Spring Island



- **Adjustment to BIM Taxes:**

Due to the adjustments in the allocation of General Administration expenses, identified in Section 3.2, there are relatively minor changes to the results of the municipal tax calculation. Because of the adjusted allocations of administrative expenses, the BIM tax requisition shifts from \$214,653 to \$226,709, representing a net increase of approximately \$12,000.

- **Special Requisition for Watershed Protection:**

As discussed in Section 3.2, under a Salt Spring Island incorporation scenario, the municipality would take a lead role in coordinating the approach to watershed protection on Salt Spring Island, and the Islands Trust's special requisition would be discontinued.

- **Development Fees:**

Currently, the Islands Trust budget identifies approximately \$41,000 in development fees attributable to Salt Spring Island. This revenue includes fees for typical development applications

such as Development Permits, Official Community Plan Amendments, and Zoning Bylaw Amendments. This revenue does not include fees for Building Permits, which are handled by the Capital Regional District.

- **Appropriation from Surplus:**

The 2014-15 budget identifies a \$25,000 appropriation from surplus associated with Salt Spring Island.

- **Grant Income:**

Currently, the Islands Trust receives a grant from the Province, similar to a regional district basic grant. In 2014, the Islands Trust grant was \$180,000. Of this amount, \$120,000 is based on the overall population of the Trust Area, and \$60,000 is based on the population of the unincorporated areas. With a Salt Spring Island incorporation, there would be no change to the \$120,000 grant. For the second component based on the population of the unincorporated areas, the incorporation of Salt Spring Island would shift the Islands Trust's unincorporated area population into a different population category, and the grant would increase to \$70,000. As a result, total Provincial Grant income to the Islands Trust would increase by \$10,000 with a Salt Spring Island incorporation.

3.4 Summary

As identified, there are approximately \$1.13 million in direct expenses associated with Salt Spring Island, and a potential decline in revenues in the order of \$1.94 million. The result is a shortfall of approximately \$800,000, as compared to the current 2014-15 Islands Trust budget. This shortfall could be addressed by adjusting tax rates for the other members of the Trust Area, by adjusting management, administrative and/or other expenses, or by using some combination of the two strategies. Scenarios with potential response options are explored in further detail in Section 4.

4.0 Response Options

4.1 Overview

The Islands Trust is a legislated entity, with corporate responsibilities that would continue after a potential municipal incorporation of Salt Spring Island. To understand how the Islands Trust could adapt after a Salt Spring Island municipal incorporation, a series of response options was identified. This analysis is intended to review potential required levels of changes to expenses and/or tax revenues, in order to ensure that the Trust continues as a viable entity, capable of carrying out its provincially mandated object.

The response options are based on four potential scenarios:

- **Scenario 1** explores the extent of service delivery reductions that would be required to overcome the \$800,000 shortfall identified in Section 3 of this report. In this scenario, tax rates for the Local Trust Areas are held at current levels.
- **Scenario 2** explores the impact of adjusting tax rates for the Local Trust Areas in order to maintain service levels and avoid impacting current expenses for management and administration, as well as current expenses for Local Planning Services for the remaining Local Trust Areas.
- **Scenarios 3A and 3B** are two hybrid scenarios that explore both reductions to General Administration and Local Planning Services expenses, and adjustments to tax rates to offset the remaining shortfall.

4.2 Scenario 1 – Reduce Service Levels

This scenario removes \$1.13 million in expenses from the Islands Trust budget, based on the direct expenses associated with Salt Spring Island Local Trust Committee and Local Planning Services (as identified in Section 3 of this report and as based on the Islands Trust 2014-15 detailed budget). This scenario also has reduced Islands Trust revenues in the order of \$1.94 million (as identified in Section 3 of this report). Most of this reduction in revenues is attributable to the removal of Salt Spring Island from the Local Planning Services function, which results in a reduction of \$1.79 million in Islands Trust tax revenues from Salt Spring Island.⁶ For the remaining Local Trust Areas, revenues from taxation are maintained at current levels in this scenario. The resulting impact is an overall shortfall of approximately \$800,000.

⁶ As illustrated in Section 3, the removal of Salt Spring Island from the Local Planning Services function results in a reduction of \$1.79 million in Islands Trust tax revenues from Salt Spring Island.

Because direct facility and other expenses related to the Salt Spring Island office have already been eliminated in this scenario, most of this \$800,000 shortfall would need to be overcome through additional service reductions and/or organizational changes to the Islands Trust. For illustrative purposes, it is noted that this shortfall is equivalent to about nine full-time staff positions based on typical remuneration levels.⁷ However, there may also be other opportunities to eliminate expenses, such as reducing the Islands Trust's real estate footprint.

The current Islands Trust organization chart is included in Appendix B. As illustrated, in total, there are 51 staff positions within the organization, including those positions currently associated with the Salt Spring Island office. After accounting for the transition of the nine Salt Spring Island positions, there are 42 remaining staff positions.⁸ If nine further positions had to be eliminated to make up the deficit associated with the removal of Salt Spring Island expenses and revenues from the Islands Trust budget, the total staff complement would be reduced by a further 21 percent, to a total staff complement of 33.

This impact would be substantial, making it difficult for the Islands Trust to carry out its mandate in the way it does now. In response, the Islands Trust would need to reduce the current levels of Local Trust Committee planning services (e.g. land use planning and regulation, development application processing) and/or Trust Area Services (e.g. advocacy, communications, policy work, and Islands Trust Fund management). As a result, Scenarios 2 and 3 explore the alternatives of maintaining services levels and adjusting tax rates (Scenario 2), or combining reduced expenses with adjustments to tax rates (Scenario 3).

4.3 Scenario 2 – Maintain Service Levels

In this scenario, no additional changes are made to Islands Trust expenses, beyond removing the direct expenses associated with Salt Spring Island Local Trust Committee and Local Planning Services, as identified in Section 3 of this report. Islands Trust tax revenues from Salt Spring Island are based on the current municipal calculation formula, resulting in municipal requisitions of:

- \$470,000 for Salt Spring Island (based on the net taxable assessment in the Salt Spring Island Electoral Area, which would most likely reflect the municipal boundary); and,
- \$227,000 for BIM (as compared to \$215,000 in the 2014-15 budget year).

Because of the previously described adjustments to the allocation of administrative overhead, the BIM requisition represents an increase of approximately \$12,000 compared to the current municipal requisition. On BIM, this increase translates into a Class 1 property tax rate difference of 0.0080 per \$1,000 of assessed value, or an increase of \$4.00 for a residential property assessed at \$500,000.

⁷ Staff salary calculation assumes \$70,000 base salary plus 24% in benefits.

⁸ As indicated previously, at this stage it is uncertain how staff transitions may occur. Potentially staff may have opportunities to join a newly incorporated municipality or transition to other roles (e.g. existing vacancies) in the Islands Trust.

In this scenario, property taxes are raised for the remaining Local Trust Areas (not including Salt Spring Island), to a level sufficient to overcome the previously identified shortfall of approximately \$800,000. This approach maintains the same staffing levels for Trust Area-wide services, as well as Local Planning Services for the remaining Local Trust Areas. As with the current situation, the General Levy for the Local Trust Areas assists in funding Trust Council and Islands Trust Fund functions throughout the Trust Area, and fully funds the Local Planning Services in the Local Trust Areas.

In this scenario, for the remaining Local Trust Areas, the total requirement for revenue from taxation is \$4.68 million. This revenue requirement represents a 21 percent increase over the \$3.87 million currently generated in property tax revenue from the Local Trust Areas (not including Salt Spring Island). As a result, after accounting for the 5.25 percent Provincial tax collection fee, the Class 1 tax rate for the general levy increases from 0.7573 per \$1,000 of assessed value to 0.9348 per \$1,000 of assessed value. This increase results in a Class 1 property tax difference of 0.1775 per \$1,000 of assessed value, or an overall increase in property taxes of 23 percent, when accounting for the 5.25 percent Provincial tax collection fee. Table 4.1 illustrates these property tax impacts on sample residential properties.

Table 4.1 – Scenario 2 Property Tax Impacts in Remaining Local Trust Areas

Residential Property	Current IT Taxes	Projected IT Taxes	Tax Increase
Islands Trust taxes for every \$100,000 of value	\$76	\$93	\$18
Islands Trust taxes for \$350,000 property (avg. for area)	\$265	\$327	\$62
Islands Trust taxes for \$500,000 property	\$379	\$467	\$89

4.4 Scenarios 3A and 3B - Hybrids

In these two related scenarios, strategies are pursued to achieve further reductions in Islands Trust expenses, while also adjusting tax rates to overcome a remaining shortfall. The first scenario (Scenario 3A) identifies the impact of approximately \$400,000 in expense reductions, while the second scenario (Scenario 3B) identifies the impact of approximately \$200,000 in expense reductions. The remaining shortfalls (of about \$400,000 in Scenario 3A and \$600,000 in Scenario 3B) would need to be made up through increases taxation.

4.4.1 SCENARIO 3A – REDUCE EXPENSES BY \$400,000

To determine an appropriate target for further reductions in Islands Trust expenses, one method is to use Salt Spring Island's current proportionate share of the General Administration allocation to the Local Planning Services budget. Salt Spring Island's proportionate share of this General Administration allocation represents the best approximation of overall indirect support currently provided to Salt Spring Island operations through the General Administration budget. Based on a review of the General Administration expenses allocated to the Local Planning Services budget, it is estimated that Salt Spring Island's proportionate share of the General Administration allocation is just over \$400,000, based on

converted assessment.⁹ This figure also represents approximately half of the \$800,000 deficit associated with the removal of Salt Spring Island Local Planning Services from the Islands Trust budget.

In pursuing strategies to further reduce Islands Trust expenses in the order of \$400,000, there would be inherent difficulties in focusing solely on reductions to staffing for General Administration. Given that there are currently less than 10 FTE (full-time equivalent) positions allocated to the General Administration functions of the Islands Trust, it is unlikely that budget reductions of this magnitude could be achieved solely from the General Administration budget. As a result, a more multi-faceted strategy would be required, involving a variety of program areas.

In order to achieve reductions in the order of \$400,000, there are a variety of approaches that could be taken, and further analysis would be required to identify a preferred strategy. For the purposes of this report, to illustrate the magnitude of changes that would be required in this scenario, and to identify the impact of changes in a variety of program areas (as opposed to focusing only on General Administration), the following adjustments were made to the Islands Trust 2014-15 budget:

- Reduced GIS/mapping budget by \$14,000 to reflect reduced workload associated with the removal of Salt Spring Island from the Local Planning Services function;
- Reduced budget for administration/finance/communications by \$176,000; and,
- Reduced budget for Local Planning Services by \$210,000.¹⁰

These budget adjustments are examples only. Ultimately, adaptation strategies would be undertaken at the discretion of the Islands Trust.

While budget reductions of this magnitude reflect Salt Spring Island's proportionate share of the General Administration expenses that are currently allocated to the Local Planning Services function, it is important to note that in actual fact, it is unlikely that workloads would be reduced at these levels. Salt Spring Island is currently one of twelve Local Trust Areas. In many cases, certain staff may have a slightly reduced workload (e.g. GIS/mapping staff would no longer be required to prepare mapping for Salt Spring Island bylaws, and communications staff would no longer be responsible for providing communications support in relation to planning issues on Salt Spring Island). However, staff would still be responsible to carry out their duties for the remaining eleven Local Trust Areas. As well, if Salt Spring Island incorporated, it would be an Island Municipality, with a continued role in relation to Trust Council and the Islands Trust Fund. Therefore, from a workload perspective, it would be difficult to reduce resources for those positions that provide significant support to Trust Council and Islands Trust Fund.

In this scenario, there are slight adjustments to the calculation of municipal tax contributions to the Island Trust, due to reductions in the level of expenses for administration and mapping. As a result, municipal requisitions change to:

- \$433,000 for Salt Spring Island (as compared to \$470,000 in Scenario 2); and,

⁹ Calculation is based on \$1.11 million in General Administration expenses allocated to the Local Planning Services budget. Salt Spring Island represents approximately 37 percent of the converted assessment in the Local Trust Areas.

¹⁰ It is understood that program funding requirements for Local Planning Services may be reduced in upcoming years with the completion of a project to implement the Provincial Riparian Areas Regulation and complete significant OCP reviews. As well, with the removal of Salt Spring Island operations, there may be an opportunity to streamline the management of Local Planning Services.

- \$209,000 for BIM (as compared to \$227,000 in Scenario 2 and \$215,000 in the 2014-15 budget year).

For Class 1 (Residential) properties, these reductions in municipal requisitions result in modest decreases in Islands Trust taxes. The Class 1 property tax rate difference is 0.0120 per \$1,000 of assessed value, or a decrease of approximately \$6.00 for every \$500,000 of assessed value.

In this scenario, property taxes are increased for the remaining Local Trust Areas (not including Salt Spring Island). For the general levy applicable to the Local Trust Areas, the requirement for revenue from taxation is \$4.34 million. This revenue requirement represents a 12 percent increase over the \$3.87 million currently generated in property tax revenue from the Local Trust Areas (not including Salt Spring Island). As a result, after accounting for the 5.25 percent Provincial tax collection fee, the Class 1 tax rate for the general levy increases from 0.7573 per \$1,000 of assessed value to 0.8654 per \$1,000 of assessed value. This increase results in a Class 1 property tax difference of 0.1081 per \$1,000 of assessed value, or an overall increase in property taxes of 14 percent, when accounting for the 5.25 percent Provincial tax collection fee. Table 4.2 illustrates these property tax impacts on sample residential properties.

Table 4.2 – Scenario 3A Property Tax Impacts in Remaining Local Trust Areas

Residential Property	Current IT Taxes	Projected IT Taxes	Tax Increase
Islands Trust taxes for every \$100,000 of value	\$76	\$87	\$11
Islands Trust taxes for \$350,000 property (avg. for area)	\$265	\$303	\$38
Islands Trust taxes for \$500,000 property	\$379	\$433	\$54

4.4.2 *SCENARIO 3B – REDUCE EXPENSES BY \$200,000*

It is recognized that beyond the removal of direct Salt Spring Island expenses from the Islands Trust budget, it may be ambitious to eliminate an additional \$400,000 from the annual budget, as identified in Scenario 3A. Therefore, an additional scenario (3B) was identified, reflecting a reduction of just under \$200,000 in expenses. For this scenario, the following adjustments were made to the Islands Trust budget:

- Reduced GIS/mapping budget by \$14,000 to reflect reduced workload associated with the removal of Salt Spring Island from the Local Planning Services function;
- Reduced budget for administration/finance/communications by \$91,000; and,
- Reduced budget for Local Planning Services by \$87,000.

As with Scenario 3A, these budget adjustments are examples only. Ultimately, adaptation strategies would be undertaken at the discretion of the Islands Trust.

This scenario represents a more modest adjustment to Islands Trust expenses, likely necessitating the reductions in the order of two to three FTE positions in addition to those directly associated with Salt Spring Island operations.

As with Scenario 3A, in this scenario, there are slight adjustments to the calculation of municipal tax contributions to the Island Trust, due to reductions in the level of expenses for administration and mapping. As a result, municipal requisitions change to:

- \$452,000 for Salt Spring Island (as compared to \$470,000 in Scenario 2); and,
- \$218,000 for BIM (as compared to \$227,000 in Scenario 2 and \$215,000 in the 2014-15 budget year).

For Class 1 (Residential) properties, these reductions in municipal requisitions result in very modest decreases in Islands Trust taxes. The Class 1 property tax rate difference is .0057 per \$1,000 of assessed value, or a decrease of about \$3.00 for every \$500,000 of assessed value.

In this scenario, property taxes are increased for the remaining Local Trust Areas (not including Salt Spring Island). For the general levy applicable to the Local Trust Areas, the requirement for revenue from taxation is \$4.52 million. This revenue requirement represents a 17 percent increase over the \$3.87 million currently generated in property tax revenue from the Local Trust Areas (not including Salt Spring Island). As a result, after accounting for the 5.25 percent Provincial tax collection fee, the Class 1 tax rate for the general levy increases from 0.7573 per \$1,000 of assessed value to 0.9018 per \$1,000 of assessed value. This increase results in a Class 1 property tax difference of 0.1446 per \$1,000 of assessed value, or an overall increase in property taxes of 19 percent, when accounting for the 5.25 percent Provincial tax collection fee. Table 4.3 illustrates these property tax impacts on sample residential properties.

Table 4.3 – Scenario 3B Property Tax Impacts in Remaining Local Trust Areas

Residential Property	Current IT Taxes	Projected IT Taxes	Tax Increase
Islands Trust taxes for every \$100,000 of value	\$76	\$90	\$14
Islands Trust taxes for \$350,000 property (avg. for area)	\$265	\$316	\$51
Islands Trust taxes for \$500,000 property	\$379	\$451	\$72

4.5 Summary

Each of the above scenarios represents a possible Islands Trust response to the potential incorporation of Salt Spring Island. As indicated, the response options are hypothetical in nature at this stage. If Salt Spring Island were to incorporate as a municipality, the ultimate shape of the Islands Trust response would be at the discretion of the Islands Trust. Nevertheless, the hypothetical response options illustrate the potential magnitude of changes to expenses and/or revenues that would be required if Salt Spring Island were to become a municipality. Figure 4.1 summarizes the potential revenue requirements for each scenario, as compared to the Islands Trust 2015-15 budget. As indicated, with significant reductions in tax revenues from Salt Spring Island, the Islands Trust would face choices as to whether it should significantly reduce services and expenses, raise taxes in unincorporated areas, or deploy some combination of these two potential strategies.

Figure 4.1 – Sources of Islands Trust Taxation Revenue¹¹
2014-15 Budget vs. Possible Scenarios to Respond to Potential Incorporation of Salt Spring Island

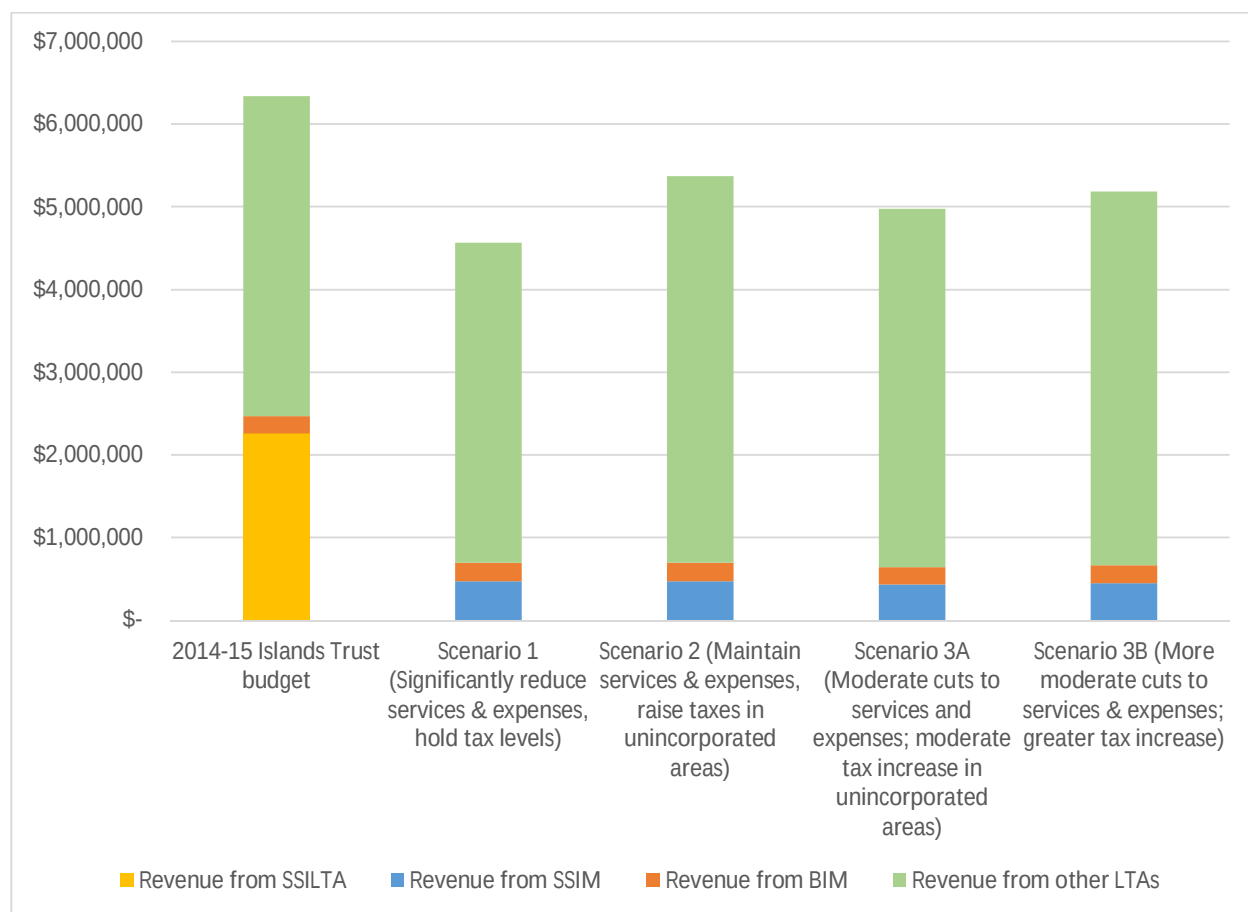
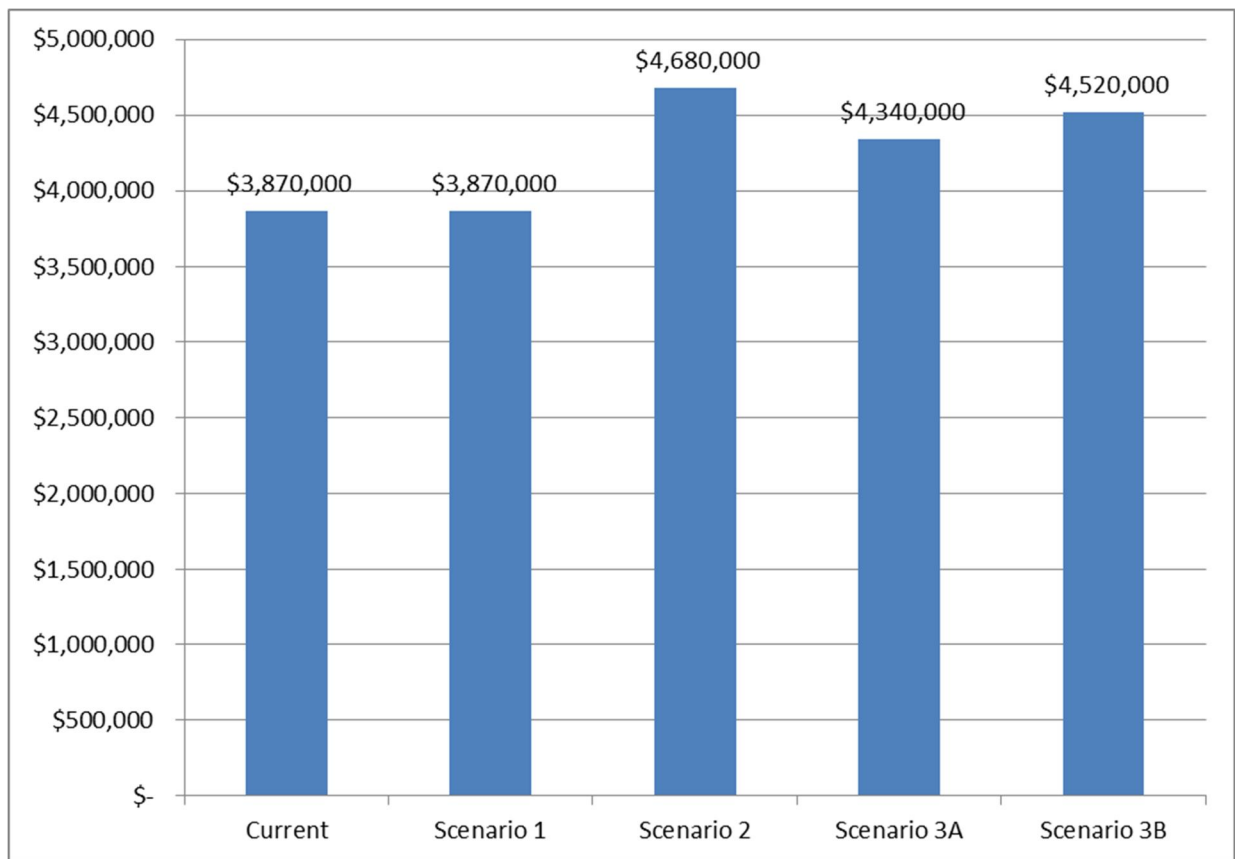


Figure 4.2 illustrates the different property taxation requirements for the Local Trust Areas in relation to each scenario. As demonstrated, Scenario 1 reflects the current property tax contributions from the Local Trust Areas (not including Salt Spring Island), but it would also necessitate reductions in expenses in the order of \$800,000. These reductions are over and above those identified with the removal of Salt Spring Island Local Planning Services from the Islands Trust budget. Scenario 2 identifies the property taxation requirement if no further reductions were made to the Islands Trust budget beyond the removal of Salt Spring Island operations. Scenarios 3A and 3B illustrate the property taxation requirements associated with two hybrid scenarios, which reduce expenses by about \$400,000 and \$200,000 respectively.

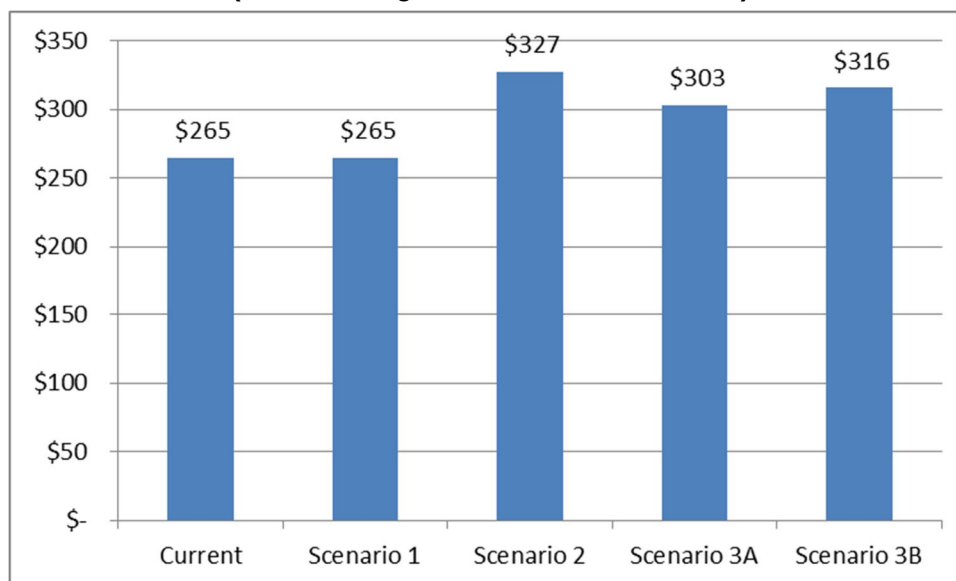
¹¹ For illustrative purposes, Scenario 1 illustrates a potential Salt Spring Island tax requisition of \$470,000, consistent with the analysis in Section 3 of this report, and consistent with the municipal requisition in Scenario 2. In practice, if Scenario 1 included reductions in administration (as opposed to further reductions in Local Planning Services), municipal requisitions would decline accordingly, based on the current municipal tax requisition calculation.

**Figure 4.2 – Estimated Property Taxation Requirements from Local Trust Areas
(Current Budget versus Scenarios 1 to 3)**



For the Local Trust Areas, property tax impacts for each scenario are summarized in Figure 4.3, using a \$350,000 Class 1 (Residential) property for a point of comparison. This figure represents the average assessed value of Class 1 (Residential) properties in Local Trust Areas not including Salt Spring Island. As illustrated, based on current tax rates, a \$350,000 property pays about \$265 in Islands Trust property taxes. In Scenario 1, there is no change. In Scenario 2, there is an \$800,000 deficit to be overcome through property taxation. As a result, Islands Trust property taxes increase to \$327 for a \$350,000 property in an unincorporated area. In Scenarios 3A and 3B, which involve a combination of decreases to expenses and adjustments to property taxation, property taxes are \$303 and \$316 respectively, for a \$350,000 property in an unincorporated area.

**Figure 4.3 – Islands Trust Property Taxes for \$350,000 Class 1 (Residential) Property
(Current Budget versus Scenarios 1 to 3)**



To maintain current tax levels, Scenario 1 would involve a high level of reductions in Islands Trust expenses beyond those directly associated with the removal of Salt Spring Island operations from the Islands Trust Budget. Conversely, Scenario 2 involves property tax increase of 23 percent to offset the deficit. Therefore, it is likely that a version of Scenario 3A or 3B would need to be pursued to balance potential property tax increase with the need to ensure that the Islands Trust remains capable of continuing to fulfil its Provincial mandate with a reasonable complement of staff.

5.0 Historical Review and Transition Management

5.1 Overview

The 1999 municipal incorporation of Bowen Island provides a precedent for the establishment of an Island municipality within the Islands Trust Area. A brief review of the Bowen Island experience highlights a number of considerations related to the transition period and transfer of services following a municipal incorporation. Additionally, with the possibility of a Salt Spring Island municipal incorporation, there are several other Islands Trust-related considerations not already discussed in this report. Examples of these considerations include impacts to staffing, taxation approaches in the remaining Local Trust Areas, and the overall strength and resilience of the Islands Trust.

5.2 Bowen Island Experience

5.2.1 *FRAMEWORK FOR INCORPORATION OF MUNICIPALITIES*

In 1996, a few years after the *Islands Trust Act* was amended to allow for the incorporation of Island Municipalities, the Province and the Islands Trust entered into an agreement establishing a framework for incorporation of municipalities within the Trust area.¹² This agreement clarified the new legislative provisions and identified a number of issues to be addressed in the Letters Patent of any new Island municipality. This agreement is still in effect. Highlights of the agreement include:

- further detail on the restructure process, including the role of the study committee;
- provision for “double direct” voting to identify those municipal councillors are appointed to the Islands Trust Council;
- clarification on the policy relationship between Trust Council and an Island municipality, including a requirement for Islands Trust approval of Official Community Plan bylaws, and a requirement for the municipality in all its actions to have regard for the Trust Policy Statement and Trust object (now contained in *Islands Trust Act*, sections 16, 38 and 39.1);
- a requirement for an Island municipality to enter into discussions with the Trust for the purposes of establishing a protocol agreement regarding inter-jurisdictional communications;
- transition provisions to ensure that all existing Local Trust Committee bylaws have effect as municipal bylaws (now contained in *Local Government Act*, section 24), and that all assets and liabilities of a Local Trust Committee be transferred to a municipality; and,
- administrative and financial provisions to ensure that an Island municipality contributes to costs of operations of Trust Council, Executive Committee and Trust Fund Board (now contained in

¹² Ministry of Municipal Affairs. Government of British Columbia. “Agreement Between the Trust Council and the Ministry of Municipal Affairs Establishing a Framework for the Incorporation of Municipalities Within the Trust Area.” February 20, 1996. Available online at: <http://islandstrust.bc.ca/tc/pdf/orgagrfeb201996pro.pdf>

Islands Trust Act, section 47(2)(b)), and also enters into a three year contract for Local Planning Services unless otherwise agreed by the Trust and the Island municipality.

When Bowen Island incorporated as an Island municipality in 1999, many of these provisions were written directly into the Letters Patent for the new municipality.

5.2.2 *BOWEN ISLAND INCORPORATION*

At the time of Bowen Island's incorporation as an Island Municipality in 1999, the Islands Trust maintained a small Bowen Island office with two full-time planners. These planners worked under the direction of the Islands Trust Executive Director, based out of Victoria, but were responsible for carrying out a work program and other land use decisions of BIM. Prior to opening the Bowen Island office, the Bowen Island planners worked originally out of the Victoria office, and then the Gabriola Island office.

With the incorporation of Bowen Island, the municipality entered into a three year contract with the Islands Trust whereby the Islands Trust continued to provide local planning services to the municipality. In addition, the BIM continued to pay its share of the costs of Trust Council and the Trust Fund Board in accordance with the legislation. The planning contract cost represented the pro-rata share of the Islands Trust Local Planning Services budget, net of fees, charges and other revenues, based on the value of net taxable assessment in the municipality in relation to the net taxable assessment of the Trust Area as a whole. During this transition period, BIM paid approximately the same contributions to the Islands Trust as it made pre-incorporation. However, development application fees were received by the municipality.

It is important to note that during this transition period, Islands Trust revenues were virtually unchanged, because of the agreement that was in place for the provision of contract planning services. Throughout the transition period, BIM provided office space, while the Islands Trust provided office equipment. During the three year period following incorporation, the Islands Trust also provided transitional assistance with mapping services, bylaw enforcement services on request, and planning clerk and secretarial services for a short period until BIM took on these responsibilities. The Islands Trust also hosted the BIM land use bylaws on the Islands Trust website for a short period.

Following municipal incorporation, the BIM had a desire to take on local planning services prior to the completion of the contract, and an agreement was reached for early termination of the contract. Near the end of the three-year contract, the municipality hired its own planning staff, and Islands Trust staff provided orientation. At this time, mapping and bylaw enforcement responsibilities were also transferred to the municipality. As outlined in the *Islands Trust Act*, the Islands Trust continues to have a role in land use planning on BIM, through the requirement for Islands Trust approval of Official Community Plan amendments, to ensure that Trust Policy Statement and the object of the Trust is upheld. As well, there are continued, regular opportunities for staff collaboration and joint training on planning issues facing both the Island municipality and the Local Trust Areas.

As indicated previously, BIM continues its participation as a member of the Islands Trust through its involvement on Trust Council, where it has two representatives, drawn from its municipal council. In all its actions, BIM has a responsibility to uphold the Islands Trust object. In 2000, following up on a requirement in the Letters Patent, the municipality and the Islands Trust entered into a Protocol

Agreement, which was subsequently rewritten in 2010.¹³ With a focus on mutual respect and the benefits of a positive working relationship, the Protocol Agreement sets out processes for referral and consideration of amendments to the Trust Policy Statement, Bowen Island Official Community Plan bylaws, and other BIM bylaws. The Protocol Agreement also deals with financial and administrative arrangements, setting out a process for the annual review of the municipal tax requisition, and providing channels for information sharing. Finally, the Agreement encourages regular communication between the Islands Trust and the municipality on matters that may affect either party, and it establishes basic communications protocols to ensure that there is regular and ongoing discussion between the parties.

5.2.3 *IMPACT OF BOWEN ISLAND INCORPORATION ON ISLANDS TRUST*

When BIM incorporated, only the two Islands Trust planners were impacted from a direct staff perspective. The new municipality offered at least one of the planners a position, and the planner declined. One of the two planners stayed with the Islands Trust, and was able to fill a Local Planning Services position for the other Local Trust Areas.

The BIM planning contract costs were approximately \$338,000 in Year 1 (2000-01), \$351,000 in year 2 (2001-02), and \$224,000 in Year 3 (2002-03), when the contract was in place only for part of the year. In 2003-04, when the BIM contract for planning services ended, the Islands Trust also experienced a significant decrease to the Provincial Grant to the Islands Trust (as part of Province-wide grant reductions unrelated to the Bowen Island municipal incorporation). As a result, revenues in the 2003-04 Islands Trust budget decreased by \$244,000, and there was a resulting 5.7 percent property tax increase over the previous year. At this time, the Islands Trust's general strategy was to combine base budget reductions, staffing adjustments, and tax increases to achieve a balanced budget, with the expectation that beyond this transition period, only modest annual tax increases would be required.

When BIM incorporated, the Islands Trust did not need to make major staffing adjustments, since the impact of the incorporation was substantially smaller than the potential impact of a Salt Spring Island incorporation. However, at the time, the Islands Trust combined the former Executive Director position with the Director of Trust Area Services position, formally creating a new Chief Administrative Officer (CAO) position. In making this adjustment, cost savings were realized by combining two positions. As well, at the time, the Islands Trust eliminated the equivalent of about 0.6 FTE for a receptionist position. Nevertheless, in the years following the BIM incorporation, the Islands Trust re-established both the Director of Trust Areas Services position and the receptionist position to meet organizational needs.

5.3 Implications and Other Considerations

The Bowen Island experience is instructive in illustrating how the transition phase and transfer of services occurs following the incorporation of an Island municipality. With the possibility of a Salt Spring Island municipal incorporation, additional Islands Trust-related considerations, beyond those already discussed

¹³ *Islands Trust Council/Bowen Island Municipality Protocol Agreement. September 14, 2010. Available online at: <http://islandstrust.bc.ca/tc/pdf/orgagrsep142010oth.pdf>*

in this report, involve staffing, approach to taxation for the remaining Local Trust Areas, redistribution of smaller islands within the current Salt Spring Island Local Trust Area, and overall strength and resilience of the Islands Trust as an organization. These considerations are discussed below.

5.3.1 *TRANSITION PHASE AND STAFFING*

Based on the agreement between the Province and the Islands Trust establishing a framework for the incorporation of municipalities in the Trust Area, there would be a three year transition phase for Local Planning Services. During this period, the Islands Trust would continue to provide contract planning services to a new municipality, and the municipality would contribute the same property tax revenues to the Islands Trust as it currently contributes for these services. This transition period allows the new municipality time to build up its own capacity to undertake the planning function, and it also provides a three year period following an incorporation for the Islands Trust to plan for the transition of services and the resulting budget impacts.

In the Bowen Island experience, it was felt that three years was too long for the transition of planning services, and as described above, the municipality requested an earlier completion to the planning contract. Given this experience, there is likely merit to considering a two year period for the provision of contract planning services. This shorter timeframe would help to alleviate any uncertainty for Islands Trust staff, providing earlier clarity on potential new roles within the municipal organization. Should two years not be sufficient to achieve a smooth transition of services, the municipality and the Islands Trust could, by mutual agreement, extend contract planning services for a third year.

At the Islands Trust, staff are appointed subject to the Public Service Act, and any human resources policies relevant to the Public Service Agency apply. Islands Trust union staff are members of the BC Government Employees Union (BCGEU), which has negotiated a collective agreement with the Public Service Agency. Any labour implications as a result of a Salt Spring Island incorporation would require consideration from the Public Service Agency at that time.

5.3.2 *SPECIAL PROPERTY TAX LEVIES*

In the past, the Islands Trust has considered greater use of special property tax levies to fund services provided to the Local Trust Areas. At present, there is one special property tax levy on Salt Spring Island for the coordination of watershed protection, as described earlier in this report. Potentially, further use of special property tax levies could help to ensure that all Local Trust Areas receive a base level of service, with lower funding requirements. Special projects beyond the day to day Local Planning Services functions would then be funded through special requisitions. Such an approach would help to ensure that Local Trust Areas with additional program requirements contribute directly towards those program requirements without spreading the costs to other Local Trust Areas that may not necessarily benefit. In the context of increased funding requirements for the Local Planning Services function of the Islands Trust, this strategy could be useful in maintaining a lower general levy that includes a base level of planning services.

The Islands Trust Policy Manual includes a Special Property Tax Requisition policy that currently permits an individual Local Trust Committee to request a special requisition for additional operations that are not

included within the general operations of all Local Trust Committees. Special requisitions are approved by Trust Council for:

- programs or services not offered in all Local Trust Areas;
- enhanced service levels that reflect unique demands or additional powers that the Islands Trust has delegated to a Local Trust Committee by bylaw (i.e. the Salt Spring Island requisition for coordination of watershed protection); or,
- activities and programs beyond the capacity of the base budget.

Special requisitions should not be used to fund regular initiatives such as scheduled Official Community Plan reviews or bylaw updates. However, if Local Trust Committees wish to undertake additional significant projects that are unique to their Local Trust Area, special requisitions should be considered. According to the Islands Trust Policy Manual, a special requisition will not be considered for an amount less than \$5,000 per Local Trust Committee. Recognizing the administrative effort required to initiate a special requisition, consideration should be given to raising this minimum amount that would be required for further special requisitions.

5.3.3 *REDISTRIBUTION OF SMALLER ISLANDS WITHIN SALT SPRING ISLAND LTA*

As identified previously, if Salt Spring Island were to incorporate as a municipality, it is likely that the municipal boundary would match the current boundary of the Salt Spring Island Electoral Area. The Salt Spring Island Electoral Area boundary does not include some associated islands (e.g. Piers Island, Prevost Island) that are currently part of the Salt Spring Island Local Trust Area (LTA). As a result, with a municipal incorporation, there would be a need to redistribute these islands to other adjacent Local Trust Areas. For these islands, local planning services would continue to be provided by the Islands Trust; however, planning services would be provided by the Islands Trust Victoria office rather than the current Salt Spring Island office. In determining the administrative redistribution of these smaller islands, care should be taken to ensure that islands within one Local Trust Area would be located within the same regional district.

5.3.4 *STRENGTH AND RESILIENCE OF THE ISLANDS TRUST*

If Salt Spring Island were to incorporate as a municipality, Trust Council would have one less Local Trust Area, and one more Island Municipality. As the Islands Trust is a federation with equal representation from each of its members, Trust Council would continue to have twenty-six elected trustees in total. However, rather than having two trustees from incorporated areas (i.e. Bowen Island), Trust Council would have four trustees from incorporated areas (i.e. Bowen Island and Salt Spring Island).

Should Salt Spring Island incorporate as a municipality, the main functional change would be the removal of Salt Spring Island from the Islands Trust's Local Planning Services function. The Islands Trust is already structured to provide some functions to the entire Trust Area, while the Local Planning Services function is provided only to the unincorporated islands. With the removal of Salt Spring Island from Local Planning Services, over half of the Trust Area population would no longer receive Local Planning Services from the Islands Trust. In relation to its core mandate, the Islands Trust would continue to provide Trust Area-wide functions (e.g. area-wide policy and advocacy work, management of the Islands

Trust Fund) for the entire Trust Area, and Local Planning Services for eleven (rather than twelve) Local Trust Areas.

If Salt Spring Island were to become an island municipality, the majority of the Islands Trust's constituency would receive Trust Area-wide services only. To enhance the strength of the Islands Trust with two municipal members, one possibility (raised for discussion purposes only) may be to enhance the relationship between the Islands Trust Policy Statement and Official Community Plans for Island Municipalities and Local Trust Areas. Currently, adopted Official Community Plans must be consistent with the Islands Trust Policy Statement. Potentially, an enhanced Trust Policy Statement could effectively function as a high-level land use plan for the entire Trust Area. The Trust Policy Statement could stipulate content to be included in all Official Community Plans in the Trust Area, and Official Community Plans could be required to include Context Statements to demonstrate how they conform to the Trust Policy Statement. This approach would be similar to the approach undertaken in many regional districts today (i.e. regional context statements consistent with a Regional Growth Strategy). It is noted that this approach is within the purview of the Islands Trust, and no legislative changes would be required.

In relation to the resilience of the Islands Trust, another significant issue is the potential loss of revenue for Local Planning Services, should Salt Spring Island incorporate. Currently, the Islands Trust's Local Planning Services are unique in the Province as they are tied to a unique mandate (i.e. the Islands Trust object), and not directly connected to service delivery (which is provided by regional districts, improvement districts, and other bodies throughout the Trust Area). With another municipal incorporation beyond BIM, Local Planning Services is the most vulnerable program area of the Islands Trust, as it would be provided to and funded by the remaining Local Trust Areas and not the municipal members. While the scope of this study is limited to the primary potential response options of adjustments to service levels and property taxation (as identified in Section 4), additional strategies may need to be considered, such as a restructuring in the way that Local Planning Services are delivered and/or funded.

5.3.5 *TRANSITION ASSISTANCE*

To address the strength and resilience of the Islands Trust, it is understood that the Ministry of Community, Sport and Cultural Development could potentially provide transition funding to the Islands Trust. This transition funding would be similar to the restructure assistance that is provided to new municipalities. Further review would be required within the context of a municipal incorporation study to determine the potential extent of transition funding that could be made available to the Islands Trust.

6.0 Conclusions

Following the completion of the Salt Spring Island Governance Review in December 2013, this study focuses exclusively on the potential effect of a Salt Spring Island municipal incorporation on the Islands Trust. As indicated, based on the Islands Trust 2014-15 detailed budget, the Islands Trust would experience a shortfall of approximately \$800,000 with the potential municipal incorporation of Salt Spring Island. This study provides a range of possible strategies that could be used to address this shortfall, recognizing that a preferred strategy would be developed at the discretion of the Islands Trust.

At this time, the Minister of Community, Sport and Cultural Development has not made a formal decision on whether or not to proceed with a full Salt Spring Island municipal incorporation study. It is noted that if the Minister does approve the completion of a municipal incorporation study, there are several steps that would be required prior to a referendum vote on Salt Spring Island municipal incorporation. Major steps would typically include:

- formation of a study committee;
- completion of a detailed technical study, focusing on the financial impacts of municipal incorporation;
- consultation with First Nations and other potentially affected parties;
- service analysis;
- preparation of an offer of restructure assistance;
- study committee recommendation on whether or not to proceed with a municipal incorporation vote; and,
- decision by Minister of Community, Sport and Cultural Development on whether to proceed with a municipal incorporation vote.

Upon the completion of these steps, Salt Spring Island electorate would then have an opportunity to decide, in a referendum vote, whether they wish to incorporate as a municipality. If the vote were successful, further required steps would include the preparation of Letters Patent for the new municipality, and preparation of transitional arrangements.

As indicated, there is a significant process that would still need to be undertaken prior to a potential municipal incorporation of Salt Spring Island. Nevertheless, should a Salt Spring municipal incorporation study proceed in the future, there are several recommended actions for consideration by the Islands Trust. These recommended actions include the following:

- Establish a multi-year budget and financial plan to address the potential reduced revenue associated with the removal of Salt Spring Island operations, if municipal incorporation goes ahead. While the scenarios outlined in Section 4 of this study are hypothetical, the financial analysis should assist in forming the basis for development of long term financial strategies to address the potential incorporation of Salt Spring Island.
- Develop a staffing plan to address the potential removal of Salt Spring Island operations and the potential incorporation of Salt Spring Island as an Island municipality.

- Enter into short-term leases for the Salt Spring Island office to maintain flexibility in the event that Salt Spring Island votes in favour of municipal incorporation.
- To make the organization more resilient to a potential incorporation, consider greater use of special requisitions to fund Local Trust Committee programs that are beyond a base level of service.
- Consider property tax increases to establish special reserves for transitional funding should Salt Spring Island vote in favour of municipal incorporation. As demonstrated with BIM, the property tax impact for the Islands Trust is felt immediately following the completion of the contract for the provision of planning services during the transition period following incorporation.
- Discuss the merits of a two year transition period for Local Planning Services following a municipal incorporation.
- Consider additional options to enhance the strength and resilience of the Islands Trust, such as amendments to the Islands Trust Policy Statement and adjustments to strengthen the relationship between the Policy Statement and adopted Official Community Plans for both municipal members and Local Trust Areas.

APPENDIX A

Islands Trust 2014-15 Budget Summary



Annual Budget For The Year Ending March 31, 2015

(Approved March 5, 2014)

	<u>Description</u>	<u>Annual Budget</u>
Revenue		
	Fees & Sales	110,000
	Provincial Grant	119,121
	Property Tax Levy General	6,126,684
	Special Property Tax Requisition	110,000
	Property Tax Levy Bowen	214,655
	Transfer from General Revenue Fund Surplus	268,620
	Interest Income	50,000
	Other Revenues	60,000
	Total Revenue	<u>7,059,080</u>
Expenses		
Trust Council		
	Trust Council	397,412
	Executive Committee	96,637
	Trust Area Services	417,739
	General Admin Allocation - 16%	237,720
	Total Council Expenses	<u>1,149,507</u>
Local Planning Services		
	Local Trust Committees & Programs	959,661
	Planning Staff & Facilities	2,696,960
	Mapping Services	248,422
	Bylaw Enforcement	295,342
	General Admin Allocation - 75%	1,114,310
	Total Local Planning Services Expenses	<u>5,314,695</u>

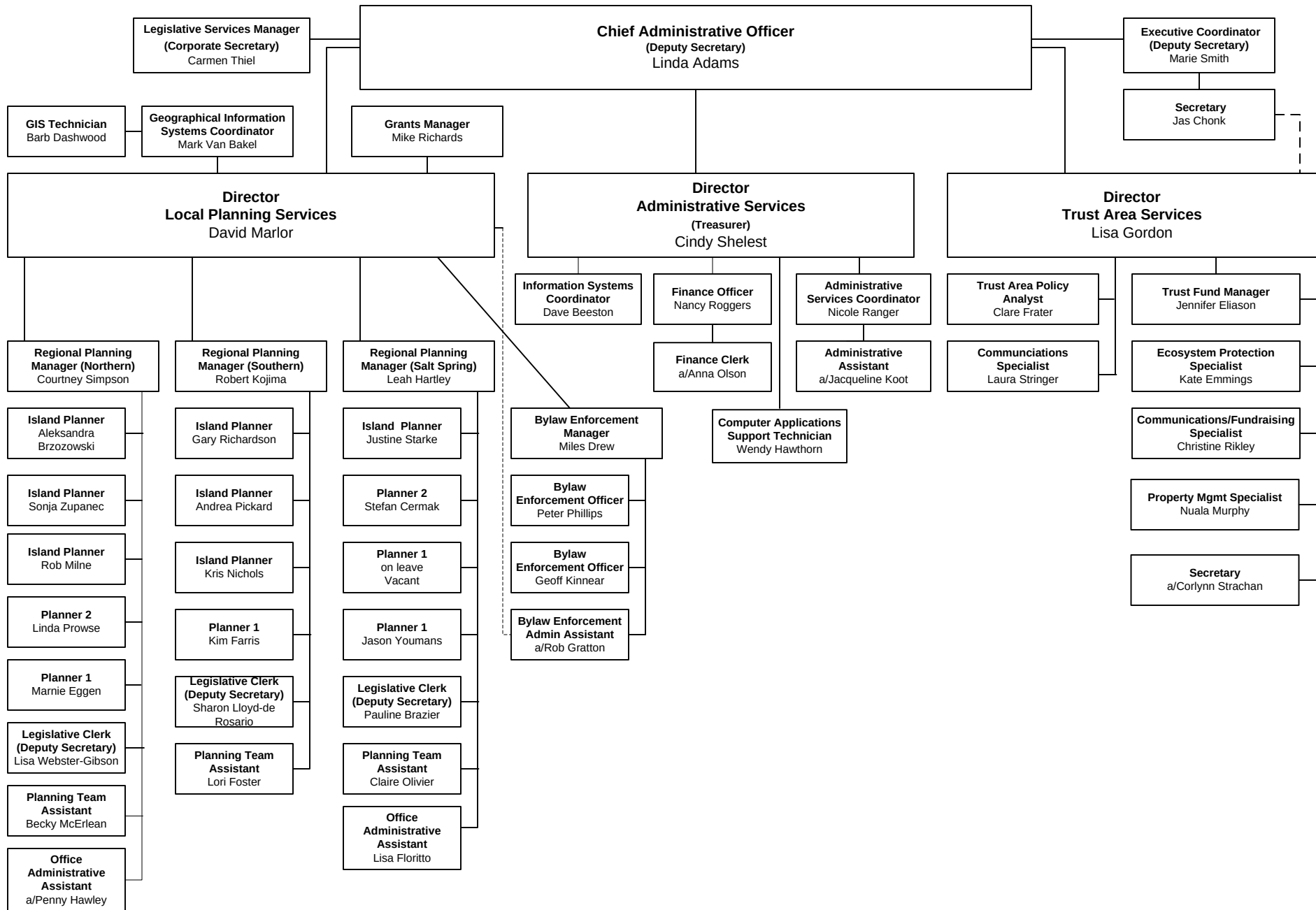
Annual Budget For The Year Ending March 31, 2015*(Approved March 5, 2014)*

Description	Annual Budget
Trust Fund	
Board	92,000
Administration	403,160
Operations	31,000
General Admin Allocation - 9%	133,717
Total Trust Fund Expenses	659,878
General Admin	
Senior Management	327,864
Financial, HR and Admin Services	846,084
Office Operations	176,800
Computer/Furniture & Equipment Purchases	70,000
Amortization Expense	65,000
General Admin Recovery	-1,485,747
Net General Admin Expenses After Allocation	0
Less Non-Cash Expenditures - amortization	-65,000
Total Expenses	7,059,080
Contribution to Surplus	0

APPENDIX B

Islands Trust Organizational Chart

Islands Trust Organization Chart





Islands Trust Council 2017 Quarterly Meetings Schedule

Revised August 17, 2016

Resolution:

That the Islands Trust Council establish the following meeting schedule for 2017:

March 14-16, 2017 – Denman

June 20-22, 2017 – Lasqueti

September 12-14, 2017 – Gabriola

December 5-7, 2017 – Victoria



September 2016 Islands Trust Council

Dialogue with San Juan County Council

10 a.m., Wednesday, September 14, 2016

Purpose: To discuss issues of mutual interest, share information and provide an opportunity for trustees and councilors to learn from each other's experiences in island governance.

Chair: Peter Luckham, Chair, Islands Trust Council

Guests: San Juan County Council:
Jamie Stephens, Chair, Dist. 3 Rep. (Lopez/Shaw) January 2011 – Present
Rick Hughes, Vice-Chair, Dist. 2 Rep. (Orcas) January 2013 - Present
Bob Jarman, Dist. 1 Rep. (San Juan) January 2013 – Present

Resources: Russ Hotsenpiller, Chief Administrative Officer

	Welcome and Introductions • Discussion of issues of mutual interest • Cross-Border Transportation • Cross-Border Economic Development • Transborder Island Agreement (2007) – time for an update?	Peter Luckham Councillors and Trustees
 Bob Jarman	 Rick Hughes	 Jamie Stephens
References: Islands Trust Council/San Juan County Council Protocol Agreement San Juan County – Declaration of Vision and Commitment to the Future of San Juan County		

Mayne Island Syrian Refugee Support Group

Early in 2016, 44 Mayne Islanders met to discuss what they could do to help Syrian refugees who were arriving in B.C. After deciding to work with the Vancouver Victoria Immigrant Refugee Centre Society, the group initiated three projects. We are now close to wrapping up these activities, which have been a major success for fundraising, goodwill between the refugees and islanders, and island pride in general. Our half-hour presentation on this project will cover the following points, and will include a slide show

1. how & why the group got started
2. background on Syrian refugee situation
3. various agendas considered before we settled on 3 projects
4. what those projects involved
5. a report on the family day picnic (178 Syrians visited Mayne Island for the day)
6. slide show on family day picnic
7. what we did right and wrong
8. other tasks we still plan to complete
9. reaction and interest from other Gulf Islands, and what other islands are doing

Paul LeBlond,
CRD- SGI CESC
250-539-3050
directoraltsgi@crd.bc.a
Sept 14 2016

A SUPPORTIVE VISION
from the CRD
Southern Gulf Islands
Community Economic Sustainability Commission

Local government services in the Southern Gulf Islands are provided by the Islands Trust, which has jurisdiction over land use, guided by its *Preserve and Protect* mandate, and the Capital Regional District through a series of commissions (Parks and Recreation, Fire Protection, Emergency Preparedness, Libraries, Small Craft Harbours....), the latest of which, the Community Economic Sustainability Commission (CESC) was created in 2012.

CRD bylaw 3803, establishing the CESC defined its objectives as:

- 1- The Commission will work toward achieving a resilient and sustainable local economy that improves and maintains the Southern Gulf Islands' economic prosperity, social equity and environmental quality;*
- 2- The Commission will assist in preserving and strengthening existing business, attracting new business, and coordinating local economic development initiatives that contribute to economic prosperity, social equity and environmental quality.*

Over the past four years, the CESC has launched a number of initiatives, described in more detail on the Commission's website

www.sustainableislands.ca/.

The CESC's flagship initiative, EXPERIENCE THE GULF ISLANDS, is a "community tourism " initiative to enrich the lives of residents and visitors through outdoor recreation and direct contact with the land and waters, communities, people, events and heritage of the Gulf Islands. This project depends on the development of an efficient on- and inter-island passenger TRANSPORTATION system, another CESC initiative

EDUCATION - the development and coordination of unique island-based learning programs, such as currently offered by the Galiano Conservancy Learning Centre or the Gulf Islands Centre for Environmental Learning.

The AGRICULTURE initiative has gathered an inventory of resources and is working on a strategic plan for food production and marketing on the islands.

The SOCIAL CAPITAL initiative explores financial models for funding other CESC initiatives. A model predicated on maximizing financial returns to shareholders and endless growth is not appropriate and will not work on the islands, with finite resources and human carrying capacity. Therefore, there is a need to adopt a model consistent with steady state economics (not endless growth), the triple bottom line approach stated in the CESC's establishing bylaw, and the preserve and protect mandate of the Islands Trust. The Commission is also studying administrative and funding mechanisms for implementing its recommendations within an appropriate financial framework.

In summary, the CESC is working on a strategy to promote appropriate and sustainable economic development on the Southern Gulf Islands. It aims to think more deliberately and creatively about how SGI communities can manage their economies so they generate income for residents while protecting both their environments and the character of their communities, guided by the following vision of the future:

CESC's Vision:

The economic future for the Southern Gulf Islands is a clean, carbon free, knowledge based economy for our Archipelago, under the protection of the Islands Trust preserve and protect umbrella. The islands strive for diversity in population, economy and infrastructure....

The Islands Trust and the CRD work for everyone of us, each in its own way. Recognition of the similarity and complementarity of each other's visions and close collaboration will ensure that we move forward together as happy communities in a healthy environment.



September 2016 Islands Trust Council

Housing Session

3:15 p.m. – 4:15 p.m., Wednesday, September 14, 2016

Purpose:

1. To present the final report from the Community Housing Forum and allow for discussion and debate around the recommendations.

Resources: Justine Starke, Island Planner
David Marlor, Director, Local Planning Services

TIME	TOPIC	WHO
3:15 – 3:30 p.m.	1. Presentation of the findings from the June 13, 2016 Community Housing Forum	Justine Starke
3:30 - 4:15 a.m.	2. Discussion on the seven recommendations in the Request for Decision	Chair Luckham

Documents:

- Request for Decision titled “Local Planning Committee Top Priority: Community Housing Needs”
- Final Report: Community Housing in the Islands Trust Area (August 2016).

REQUEST FOR DECISION

To: Trust Council

For the Meeting of: September 13-15, 2016

From: Local Planning Committee
Justine Stark, Island Planner

Date Prepared: August 25, 2016

SUBJECT: LOCAL PLANNING COMMITTEE TOP PRIORITY: COMMUNITY HOUSING NEEDS

RECOMMENDATIONS:

1. That Islands Trust Council endorse a review of the Islands Trust Policy Statement to ensure that it includes a clear and well-thought out definition of 'affordability'; includes a clearly articulated vision, goal and objectives for affordable housing; gives affordable housing a greater profile for its role in sustainable communities; and includes a reference to affordable housing in its policy direction to LTCs and municipalities.
2. That Islands Trust Council considers a coordination role for Housing Needs Assessments between the various Local Trust Areas to achieve efficiencies and compatibility, and to allow for consolidation.
3. That Islands Trust Council establishes a \$40 000 budget for housing needs assessments to be conducted island by island at the regional level and to be updated with each census.
4. That Islands Trust Council requests Local Planning Committee to commission one or more regional housing needs assessment(s) that follow consistent methodologies and can be updated with each census.
5. That Islands Trust Council allocate \$15 000 in the 2017-18 fiscal budget to allocate one staff day (based on Grid 24/Step 2) per week to explore and if feasible, design and implement a program to hold and administer housing agreements on behalf of local trust committees.
6. That Islands Trust Council explores the potential for expanding its advocacy role to other levels of government for increased funding for affordable housing in the Islands Trust Area.
7. That Islands Trust Council directs staff to explore and report back on the potential for Islands Trust entities to hold land for housing purposes.

CHIEF ADMINISTRATIVE OFFICER COMMENTS: The recommendations come directly from the Housing Forum, follow on earlier work undertaken by the Local Planning Committee and are designed to improve the ability for local trust committees to address affordable housing on their island. Implementation of some of these recommendations would require additional resources and/or a realignment of priorities of Trust Council committees. Housing affordability is a Strategic Plan item.

IMPLICATIONS OF RECOMMENDATION

ORGANIZATIONAL: The recommendations of this report have the following organizational implications:

- Dedication of one staff member to spend one day per week on designing and implementing a program for Trust Council to hold and administer housing agreements;
- Expansion of staff role to include management and administration of housing agreements for local trust committees;
- Additional Local Planning Committee work on housing needs assessments would have an effect on resources available and priorities for other Local Planning Committee work program items;
- Exploration of a possible role for the Trust Fund Board to address the affordable housing needs throughout the Trust Area;
- Expansion of advocacy role to senior levels of government for increased affordable housing funding would have an effect on resources available and priorities for other advocacy topics.

FINANCIAL: This project is requesting \$40 000 for regional housing needs assessments and \$15 000 for staff to manage housing agreements in the 2017-18 fiscal. Funding would also be increased to cover the one day per week staff time for management and administration of housing agreements.

POLICY:

- Recommends amendments to the Islands Trust Policy Statement and review of Trust Fund Board scope and authority.
- Recommends additions to the list of advocacy items undertaken by Trust Council.
- Recommendations would result in a review of Islands Trust Fund Board policies.

IMPLEMENTATION/COMMUNICATIONS: Communication will be by regular updates to Trust Council from the Local Planning Committee.

OTHER: No other implications.

BACKGROUND

Local Planning Committee hosted a community housing forum to address housing challenges and solutions in the Trust Area. The forum was an invite only event and was attended by 70 people, including community members, staff from other agencies, trustees, and Islands Trust staff. The forum was supported by a Baseline Report to inform the discussion. This Baseline Report is a reference document for local trust committees, planning staff, and community groups to use when drafting policy or working to address housing needs within the Trust Area. The report combines in one document the planning context of each Local Trust Area (LTA) and includes the Official Community Plan (OCP) policies, Land Use Bylaw (LUB) regulations and definitions used to address affordable housing on islands within the Trust Area. The report also includes an inventory of all known community housing projects throughout the Trust Area (Appendix 1).

The final report is presented here for review and input. It summarizes the discussions and feedback heard at the forum and makes recommendations for Trust Council action in advancing affordable housing throughout the islands. There are 15 recommendations in total, with seven recommendations identified as high priority.

REPORT/DOCUMENT:

1. Final Report: Community Housing in the Islands Trust Area, August, 2016

KEY ISSUE(S)/CONCEPT(S):

- Foster a collaborative approach to dealing with affordable/attainable housing in the Trust Area;
- Facilitate networking, information sharing, and relationship building amongst those working on affordable housing initiatives throughout the Trust Area;

- Better understand housing needs and challenges;
- Identify tools to assist with achieving housing objectives;
- Prepare recommendations for additional actions by Trust Council, local trust committees and Bowen Island Municipality.

RELEVANT POLICY:

Trust Council Policy 2.3.ii – Local Planning Committee Terms of Reference

DESIRED OUTCOMES:

1. A final report that documents the June 13, 2016 Islands Trust Housing Forum.
2. Recommendations for Trust Council to assist Local Trust Committees and Bowen Island Municipality to address housing challenges and solutions.

RESPONSE OPTIONS

Recommended:

1. THAT Islands Trust Council endorse a review of the Islands Trust Policy statement to ensure that it includes a clear and well-thought out definition of 'affordability'; includes a clearly articulated vision, goal and objectives for affordable housing; gives affordable housing a greater profile for its role in sustainable communities; and includes a reference to affordable housing in its policy direction to LTCs and municipalities.
2. THAT Islands Trust Council considers a coordination role for Housing Needs Assessments between the various Local Trust Areas to achieve efficiencies and compatibility, and to allow for consolidation.
3. THAT Islands Trust Council establishes a \$40 000 budget for housing needs assessments to be conducted island by island at the regional level and to be updated with each census.
4. THAT Islands Trust Council requests Local Planning Committee to commission one or more regional housing needs assessment(s) that follow consistent methodologies and can be updated with each census.
5. THAT Islands Trust Council allocate \$15 000 in the 2017-18 fiscal budget to allocate one staff day (based on Grid 24/Step 2) per week to explore and if feasible, design and implement a program to hold and administer housing agreements on behalf of local trust committees.
6. THAT Islands Trust Council explores the potential for expanding its advocacy role to other levels of government for increased funding for affordable housing in the Islands Trust Area.
7. THAT Islands Trust Council directs staff to explore and report back on the potential for Islands Trust entities to hold land for housing purposes.

Alternative:

1. That Islands Trust Council does not endorse the high priority recommendations in the Aug 16, 2016 “Final Report: Community Housing in the Islands Trust Area.” In this case, no further work on behalf of Trust Council would be undertaken on affordable housing. Local trust committees would continue to work on affordable housing in their trust areas.
2. That Islands Trust Council endorses only some of the high priority recommendations in the August 16, 2016 “Final Report: Community Housing in the Islands Trust Area.” In this case, Trust Council could focus its resources on one or more of the eight recommendations. This would reduce resources available, but could lengthen the timeframe for dealing with affordable housing in the Trust Area.

Prepared By: Justine Starke
Island Planner

Reviewed By/Date: David Marlor, DLPS / August 25, 2016
Local Planning Committee/ August 25, 2016

FINAL report

community housing in the Trust Area



Islands Trust

August 2016



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Introduction

Purpose of Report

This report presents the results of the Islands Trust Community Housing Forum held on June 13, 2016, in Cowichan Bay, and makes recommendations for improving Islands Trust's ability to meet community housing needs across the Trust Area. It has been prepared for the Islands Trust Local Planning Committee (LPC), a sub-committee of Trust Council whose responsibilities include identifying and reporting to Council on emerging issues and responding to local trust committee planning needs applicable throughout the Trust Area. After consulting with staff and trustees from across the organization, Local Planning Committee identified "community housing needs" as a top priority for its planning work in 2016. LPC hosted the Community Housing Forum as a way to bring people together to share information, tools, and connections on community housing challenges and solutions from across our islands. The forum was an opportunity to showcase different affordable housing projects and create linkages between agencies, individuals, and community groups working to create affordable housing in the Islands Trust Area. The recommendations in this report offer strategies for how Trust Council can apply its authority to support local trust committees and Bowen Island Municipality in creating and implementing affordable housing in Islands Trust communities.

Background

This report accompanies the [Islands Trust Affordable Housing Baseline Report](#) which was presented at the Community Housing Forum and can be used as a reference document for local trust committees, Bowen Island Municipality, planning staff, and for community groups working to address housing needs of residents on islands within the Trust Area. The baseline report combines in one document the planning context of each Local Trust Area (LTA, including Bowen Island Municipality) and includes the Official Community Plan (OCP) policies, Land Use Bylaw (LUB) regulations and definitions used to address affordable housing on islands within the Trust Area.

Work in the area of affordable housing has been addressed previously by Trust Council in 2010 through the creation of a subcommittee Housing Task Force which resulted in the creation of an [affordable seniors housing strategy](#). Also in 2010, the Islands Trust Council commissioned the [Islands Trust Community Housing Tool Kit: A Guide to Tools Available to Support the Development of Affordable Housing in the Trust Area](#) (Gauthier, J), which presented 45 strategic recommendations for Trust Council, local trust committees (LTCs) and Bowen Island Municipality to consider in advancing affordable housing. These recommendations are still critically relevant today. They are used as



a basis of analysis and have been included again in the recommendations of this current report. A compilation of the Housing Tool Kit recommendations were excerpted from the Tool Kit and are included as Appendix 2 of the [Baseline Report](#).

Appendix A of the [Housing Tool Kit](#) (2010) includes a literature review of affordable housing reports done throughout the Trust. There are other relevant studies that have been undertaken by individual local trust committees, most notably the [Salt Spring Island Community Affordable Housing Strategy](#) (2011), the [Bowen Island Affordable Housing Strategy](#), and the [North Pender Island Affordable Housing Task Force Report \(2008\)](#). The recommendations of this current report are rooted by the common themes found in the numerous reports that have been produced over the years:

- Housing affordability, particularly rental housing, is needed throughout the Trust Area.
- A lack of affordable housing leads to a loss of diversity in our communities.
- Affordable, year round rental stock is limited on many islands.
- Affordable rental stock is often sub-standard and does not provide adequate security of tenure.
- Single parent families, low income seniors, youth and those with special needs are impacted the most.
- There is need for supportive housing for seniors and people with special needs.
- Our island communities include the homeless and those at risk of homelessness.
- There is a lack of affordable housing for service providers and employees in the business sectors.

Policy Context

The [Islands Trust Area](#) includes 12 island Local Trust Areas and one island municipality, with a population of approximately 25,000 people (another 10,000 people are non-resident property-owners). The Province of B.C. established the Islands Trust under the [Islands Trust Act](#) in 1974 to protect island communities, culture and environment for the benefit of island residents and the province. The act also established the [Trust Fund Board](#) to manage the [Islands Trust Fund](#), a land conservancy with its own board and staff who work with private landowners and conservancy partners to protect ecosystems in the Salish Sea.

Each of the 13 major islands in the Trust Area has an elected local trust committee or an island municipal council that makes land use decisions under the Islands Trust Act and the BC Local Government Act. At the regional level, the Islands Trust Council sets priorities and policies, manages finances, and provides oversight. Trust Council also provides a unified voice to advocate for the interests of islanders and island ecosystems to other levels of government and industry.

Under this legislative framework, land use planning decisions are made according to a hierarchy of policy approvals. All land use bylaws and official community plans in the Islands Trust Area must conform to the general policies in the [Islands Trust Policy Statement](#). Directive Policies require local trust committees to address certain issues when considering regulatory changes.

The Islands Trust Policy Statement does not have a directive policy to specifically address affordable housing. The following directive policies are used to guide local trust committee and Executive Committee consideration of regulatory changes that would result in the creation of affordable housing:

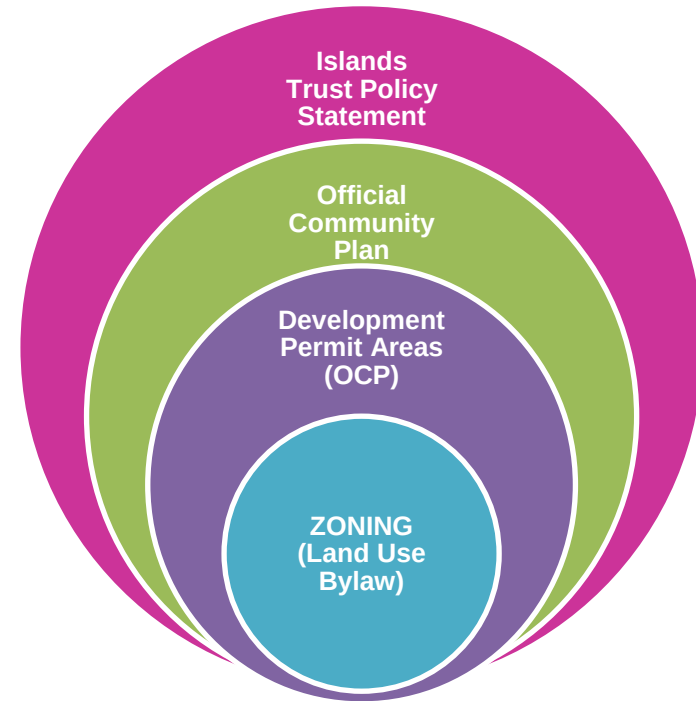
5.2.3 Local trust committees and island municipalities shall, in their official community plans and regulatory bylaws, address policies related to the aesthetic, environmental and social impacts of development.

5.2.4 Local trust committees and island municipalities shall, in their official community plans and regulatory bylaws, address any potential growth rate and strategies for growth management that ensure that land use is compatible with preservation and protection of the environment, natural amenities, resources and community character.

5.2.5 Local trust committees and island municipalities shall, in their official community plans and regulatory bylaws, address means for achieving efficient use of the land base without exceeding any density limits defined in their official community plans.

As is noted in the Islands Trust Affordable Housing [Baseline Report](#), at the local level, each local trust area addresses affordable housing in a different way. The baseline report reveals that where local trust areas do have official community plan (OCP) policies to address affordable housing, it is often identified as an exception to the density limits of the OCP.

The Islands Trust Policy Statement should be reviewed to address affordable housing. Without directive policies, local trust committees, planners, and the Islands Trust Executive Committee do not have enough guidance to adequately consider if an affordable housing proposal is in compliance with the Islands Trust Policy Statement.



Results: Community Housing Forum 2016

The Islands Trust Community Housing Forum was attended by over 70 people from across the Islands Trust Area. Participants were invited to attend the event based on their work or expertise in working to create or support affordable housing in the Trust Area. The agenda, notes and presentations from the forum have been posted on the [Islands Trust website](#). The forum showcased a number of community housing projects from across the region, presented by community members using “Petcha Kucha,” a fast paced presentation format that allows a large scope of information to be presented in a short time and with an engaging presentation style.

Islanders Secure Land Association (ISLA), Hornby Island

Michael McNamara’s presentation provided background the island’s history of affordable housing, and the current issues that residents face. He outlined the solutions currently in use, and reported on the success and challenges of those projects. Issues discussed related to the long and expensive rezoning process, the great need for affordable housing, and the successes of conducting broad and extensive community consultation.



Islands Trust trustees helping facilitate the housing forum

Mud Girls Natural Building Collective, Gulf Islands

The Mud Girls Natural Building Collective is a network of women builders that specializes in using local, natural and recycled materials with the goal to promote sustainable housing through the techniques of natural building. Molly Murphy provided an overview of the Mud Girls’ construction philosophy, and highlighted the benefits that alternative building strategies offer for the structures, the environment, and the community. She discussed the general resistance against increasing density on the Gulf Islands and outlined strategies that developers can use to mitigate this issue.

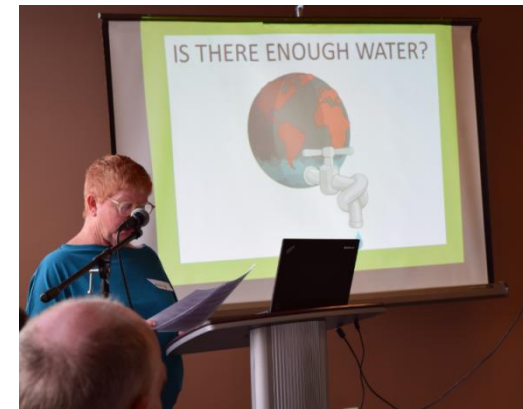
Triple Rock Land Cooperative, Denman Island

Laura Busheikin, Denman Island Trustee and Executive Committee Member, gave a presentation on the Triple Rock Land Cooperative. Her presentation included an overview of the project’s history and its inception process. She also highlighted the core values of the Cooperative and the structures that sustain it as an affordable housing option.

Plum Tree Court, North Pender Island

Wendy MacDonald presented a Petcha Kucha on the subject of Plum Tree Court, a Housing Facility on North Pender Island.

- Existing affordable seniors housing units
- Operated by a non-profit society
- Supported through an operating agreement with BC Housing which will expire in 2023, at which point the units will not be able to cover costs.
- Currently requesting assistance with conducting a housing needs assessment, a requirement for further funding requests.



Wendy MacDonald gives a presentation on Plum Tree Court, North Pender Island

Murakami Gardens, Salt Spring Island

Island Planner Justine Starke provided an overview of Murakami Garden's history and application process that led its development. She highlighted the influence that the site has had on the creation of affordable housing on Salt Spring Island and in other Trust Areas, including a detailed review of affordable housing agreements.

Micro-living in the Capital Region

Victoria City Councillor and Capital Regional District Director, Marianne Alto, provided an overview of the Micro-Housing Victoria Society's project. She outlined the benefits of micro-housing in the creation of affordable housing for a variety of demographics.

Affordable Housing on Bowen Island and Beyond

Affordable housing specialist Tim Wake presented on the challenges for affordable housing and explained the impact that housing market failure has on the Gulf Islands. He offered an overview of potential solutions, including his current project, the Foxglove Community Trust.

Canadian Mortgage and Housing Corporation (CMHC)

Debra Yipp, CMHC, provided a presentation which addressed:

- Recent changes to the CMHC Seed Funding program.
- Programs and initiatives under the new Federal Government budget.
- Below market affordability criteria and how it is established.

- CMHC website and available online tools.
- Application requirements and features of a successful application.

BC Housing

Joe Carrierra from BC Housing provided an overview of BC Housing's role in facilitating the creation of affordable housing and acknowledged the challenges faced on the smaller islands. He discussed the factors that increase a project's likelihood of success, including the role of a project manager and a housing consultant.

SMALL GROUP DISCUSSIONS:

Participants at the housing forum assembled in small focus groups to discuss different topics that were chosen for their relevance as thorny issues in the creation of affordable housing in the Trust Area. Each group was charged with making recommendations for what Trust Council can do to advance the issue. The results of these small group discussions are reported below.

Housing Needs Assessments

A Housing Needs Assessment is a quantitative analysis of the housing needs relative to the housing stock of a community. In assessing the supply of available rental stock and demonstrating the specific need for housing by demographic, housing needs assessments can be useful to affordable housing proponents as well as to the planning and policy work of local trust committees and municipalities.

In this session, affordable housing consultant Janis Gauthier of JG Consulting led a discussion on housing needs assessments. The following notes were recorded during the session:

- Identify what the needs actually are vs. perceived needs (can be very different!)
- Go for tangible low hanging fruit projects to tackle housing issues vs. more studies and reports
- Identify problems today, as well as population projections and housing flexibility so it can be put to other uses in the future
- Ensure a broad community evaluation of population and housing stock; use census data to capture trends in family sizes; income; demographics
- Develop an ideal housing profile for your community (% of low income; middle; high) and compare to what housing actually exists from various sources of data
- A housing proposal should fill an identified housing profile GAP;



Janis Gauthier hosts a discussion on housing needs assessments.

- Housing needs assessment (HNA) should do a good job of fostering community conversations on the ideal housing profile for a community
- Ensure service providers, residents can talk about what research shows; needs and community priorities (rental housing, market, tiny, large etc)
- HNA should be updated at every census to ensure it is relevant and less onerous to do than starting from scratch every time

What Can Trust Council Do?

- Trust Council should be proactive in addressing housing needs across the region, instead of relying on local trust committees to find time and resources within the LTC work program top priorities. This is not unlike the Trust Fund's work on Trust wide biodiversity reporting across the local trust areas.
- Develop a template housing needs assessment methodology for all local trust areas.
- Support local trust committees in completing housing needs assessments and ensure they are updated at each census so we can evaluate trust wide housing trends and the effectiveness of policies and regulations.

Staff Comments:

Housing needs assessments provide baseline information on housing needs that is essential to advancing and implementing affordable housing policies. However, housing needs assessments are also not within the reach of local trust committee project budgets. This is an excellent area for collaboration with regional districts, and within the Capital Region there is currently consideration of supporting a housing needs assessment for the southern gulf islands. However, other regional districts are not as proactive in addressing the housing needs of islands within the Trust Area. There is a role for Trust Council to support conducting Housing Needs Assessments on a regional basis. Such support would greatly assist Local Trust Areas and community groups working to develop affordable housing. Housing needs assessments should follow consistent methodologies and be updated regularly with each new census. The recent indicator work that is being conducted to inform the Islands Trust Council Policy Statement review has also emphasised the need for a coordinated approach to understanding housing needs throughout the Trust Area.

Staff Recommendations:

THAT Trust Council establish a budget for housing needs assessments to be conducted at the regional level and to be updated with each census.

THAT Trust Council request Local Planning Committee to commission one or more regional housing needs assessment(s) that follow consistent methodologies and can be updated with each census.

Ensuring Affordability

Housing agreements are legislative tools local governments can use to impose rent controls or deed restrict the resale price of properties. This is how LTCs can ensure an affordable housing proposal is implemented, and the housing units actually remain affordable for the intended income group - whether it be low income seniors, families, or median income earners, etc.

However, within Islands Trust, local trust committees do not currently have the staff resources to properly monitor and administer such agreements. Because of this, some LTCs have partnered with other agencies to take on housing agreement administration. This is not as straight forward as it seems, however. In the Southern Region and on Salt Spring Island, the Capital Regional District has sometimes partnered with local trust committees to administer housing agreements on specific projects, but this has been negotiated on a case by case basis and cannot be relied on or applied to LTAs that are located within other regional districts. Often times, it is not-for-profit groups that have the scope and mandate to administer affordable housing, but under the Islands Trust Act, a local trust committee can only partner with municipalities, regional districts, boards of school trustees and francophone education authorities to coordinate activities within a local trust area.



During the break out groups, Robert Kojima, Regional Planning Manager at Islands Trust, facilitated the discussion on “ensuring affordability.” The following notes were taken:

- Islands Trust could provide templates or boiler plate housing agreements for potential applicants to review, consider, and negotiate
- Islands Trust could work with others to ensure that there are authorities willing to administer housing agreements
- There is a tension between when is a housing agreement necessary and when is another planning tool an effective guarantee of affordability (i.e. small maximum floor area)
- How can cost recovery be supported? Through EC sponsorship of Legal Review?

Staff Comments

For affordable housing proponents, the request to enter into a housing agreement can be an expensive, complicated and frustrating exercise –especially if the LTC also requires the proponent find an acceptable third party to administer the agreement. Some projects have been delayed for years as a result of such circumstances. As one participant at the housing forum stated, “if Islands Trust requires the housing agreement, Islands Trust should administer it.”

Depending on the agreement, administering housing agreements could require:

- Monitoring and tracking existing agreements
- Filing and tracking statutory declarations on an annual basis
- Overseeing changes in ownership/occupancy of rental units.

- Ensuring compliance with terms of the agreement

While staff have long advised that Local Trust Committees do not have the staff resources to undertake administering the terms of housing agreements, across the Islands Trust there is capacity to take this on as a service to all local trust committees.

Recommendations

THAT Trust Council allocate a budget to have in-house staff design and implement a program for Trust Council to hold and administer housing agreements on behalf of local trust committees.

Seniors Housing

Recent indicator data has shown that Islands Trust has a much higher population of seniors than other places in British Columbia. (In 2011, 26% of the Trust Area's population was 65+ compared to only 15.7% across BC). The 2010 Seniors' strategy states: "...affordability is one of the most difficult housing issues facing many older adults in island communities. As the prices of new and resold units continue to climb, fewer units remain affordable to older adults. The renovation and modification of existing units can also be expensive." Some islands have conducted seniors' housing strategies which include recommendations that may be applicable throughout the Trust Area. Please refer to the [Age Friendly North Pender Island Action Plan](#) (van Hemert, J, 2015) and stay tuned with the [Lasqueti Island Aging at Home Project](#) (currently underway).

The housing forum session on seniors housing was facilitated by James van Hemert, van Hemert and Company. The question that was discussed was, "how can island communities adapt to accommodate aging populations?" The following notes were recorded in the session:

- Trends more exacerbated on the islands
- Seniors want to stay in their homes, housing not well suited
- Need funding to put in universal accessibility
- Need people to provide services, seniors who cant get services leave the island
- Need supportive housing
- People who support seniors need housing too
- Real estate boom – Mayne with a population of 1100 sold 168 properties, still selling
- Story of Mayne Island Community Centre – found matching funds, is going ahead, added water requirements, and water district approval
- Zoning bylaw can be impediment to affordable housing
- No one size fit all solution
- LTCs can allow secondary suites
- Medical needs – paramedicine programs – Gulf Islands didn't qualify.
- Ferry fares compound housing costs

- Vacation homes – often offered before affordable home for family

What can Trust Council Do?

1. Encourage smaller footprint homes, especially on smaller lots
2. Advocate for more paramedical services on the islands
3. Advocate to BC Housing to provide more support for development of housing agreements (templates)
4. Encourage a diversity of housing types as seniors want to live in demographically diverse communities.

Staff Comments:

Seniors comprise a large sector of Trust Area residents in need of a more accessible, affordable housing stock. Local trust committees should ensure the official community plans and land use bylaws are addressing the needs of seniors. However, there is also a role for Trust Council to advocate on behalf of seniors for additional funding for seniors housing, funding for support services, funding for commercial establishments to upgrade with universal design standards (accessible public places), public transportation options, and medical services.

Staff Recommendation:

THAT on behalf of seniors living within the Trust Area, Trust Council advocate senior levels of government provide additional funding for seniors housing, support services, public transportation options, medical services, and for commercial establishments to upgrade with universal design standards.

Tenure Arrangements

Affordable housing can include housing provided by the private, public and not-for-profit sectors as well as different forms of housing tenure: rental, individual ownership and cooperative or shared ownership. Alternative tenure arrangements sometimes offer a level of affordability that cannot be realized with individual, fee-simple ownership. Other examples of tenure types include corporate co-ops, land trusts, bare land strata subdivisions, building stratas, and co-housing (or a combination therein). The session on tenure arrangements was hosted by Matt Thompson, of the Sunshine Coast Affordable Housing Society.

Overview

- Ultimately housing need should determine what tenure types are developed, both from island to island and for the Islands Trust as a whole
- The main issue is around that small organizations may not always have the required capacity and the lack of regional coordination

Challenges

- Lack of ability to develop density
- Capacity of small organizations is limited in managing multiple types of tenures or multiple types of developments
- Small organizations may not have extensive management capacity (managing rental vs. co-op ownership requires different

Considerations

- Ability to have flexibility in tenure is key
- Tenure types are not mutually exclusive (e.g. strata co-housing, or mixed rental and ownership), but they may require different governance structures and different levels of capacity

What can Trust Council Do?

- Trust Council could provide resources so LTCs can use housing agreements to control the tenure, when applicable
- Trust Council could resource a regional body to support the housing groups, including the provision of funding to help facilitate local groups.
- Islands Trust could create its own regional housing body/authority
 - Would require Trust Fund changes or new entity.
 - Support non-profits to do housing development work (and where necessary take leadership on housing development)
 - Help manage a range of tenure types and housing agreements (and help develop capacity of smaller organizations)
 - Provide umbrella administrative support to all the small non-profits on the Islands
 - This could be a new body (regional housing non-profit) or existing body (contracted to support all the housing organizations).

Staff Comments:

Trust Fund Board can own land and currently has a property acquisition role, however it is not currently mandated with a housing function. This should be explored in the context of the Trust Fund Board role, mandate, and legislative authority. Trust Council could consider expanding the role of the Trust Fund Board to create an affordable housing land trust. This would be a fundamental change to the Islands Trust and should be explored in the context of the Trust Fund Board role, mandate, and legislative authority. The Housing Tool Kit included similar recommendations:

- THAT Trust Council explore the potential for and required changes to the Trust Fund to allow it to hold land on an interim basis for affordable housing.
- THAT Trust Council explore the potential for the creation of an affordable housing Land Trust.

Staff Recommendations:

THAT Trust Council request staff to explore the potential for and required changes to the Trust Fund Board to allow it to hold land for affordable housing.

THAT Trust Council request staff to explore the potential for the creation of an affordable housing Land Trust.

Bricks and Mortar

The bricks and mortar of building housing is a fundamental determinant of housing cost and the ability for the private sector to build affordable housing. With escalating land values and building costs that average at \$200/ ft², without government assistance it is often not viable for the private sector to develop affordable housing. This session discussed cost saving strategies while staying compliant with the BC Building Code. It was hosted by Dick Stubbs, Building and Water Consultant (and former Senior Building Inspector for Salt Spring Island).

What Can Trust Council Do?

- Adopt a Trust Wide policy on application fee forgiveness for affordable housing
- Lobby for changes to BC Building code and provincial building policies to support alternative building practices and technologies
 - Example - reduce insulation requirements and other standards that apply equally to small buildings as big ones; small buildings are easier to heat and should not be held to as high an insulating standard.
- Develop model bylaws that LTCs can use to enable a higher density of smaller sized limited dwellings

Staff Comments:

Application fees are determined by the fees bylaws of each Local Trust Committee. Some local trust committees already have set lower application fees for affordable housing applications by not-for- profit societies. Current policies allow Executive Committee to sponsor applications under certain circumstances, including, “when the applicant is a non-profit agency or organization seeking to establish, expand or modify a facility for the benefit of the community at large and consistent with goals in the OCP”.

Trust Council could include alternative building practices as a topic for advocacy. The Trust Council position on this matter should be considered in the context of a thorough review of what options would be available and where the BC Building Code would need to be relaxed. The Housing Tool Kit identified this as a priority as well, and the recommendation from the Tool Kit is provided for consistency.

Recommendation:

THAT Trust Council advocate, where appropriate, to other regulatory agencies to permit alternative solutions for affordable housing pilot projects.

DIY Housing

Many islanders have taken affordability into their own hands and constructed what was referred to at the forum as “do it yourself” housing. This is the informal housing stock of yurts and “ten by tens”, cob houses, and handmade buildings using upcycled materials, that may not currently be eligible for a building permit. The session focused on unpermitted housing as an island reality, and asked, “are alternative standards needed or desirable for the islands, and how can we ensure the health and safety of DIY housing?” The discussion was hosted by Miles Drew, Islands Trust Bylaw Enforcement Manager. The following notes were taken:

- Change zoning bylaws to allow for a wider range of housing options
- Relax enforcement policy for DIY housing units
- Require inspections of housing (some local trust areas don’t have mandatory building inspections - should ensure that all housing is inspected for health and safety standards or compliance with the BC Building Code).
- Allow single family dwellings + very small other accommodations in zoning
- Temporary use permits –broad issuance?
- Proactive enforcement of short term vacation rentals.
- Central hub with kitchen, laundry bathroom, etc and separate sleeping huts.
- Enforce standards vs “dwellings”
- Review enforcement policies and give lower priority to “unauthorized” housing.

What can Trust Council Do?

- Acknowledge there is a need/role for this option
- Lobby for changes to BC Building code for alternative building practices and technologies

Staff Comment:

Like the previous section on Bricks and Mortar, the DIY housing session focussed on matters that are largely outside of Islands Trust authorities and would be considered as topics for Trust Council advocacy. Local trust committees are responsible for enforcing their own bylaws, and can dictate strategies to only enforce under certain circumstances.

The Alternative Owner Builder Code on Galiano Island that was explored by the Capital Regional District as a pilot project in the 1990s could be reviewed. Additionally, the cost of building can be reduced with alternative servicing such as rainwater collection instead of well drilling and composting toilets/grey water systems as alternative to a septic disposal fields. To have approval of such alternatives requires professional engineers to design and approve the systems. The staff recommendation that follows from this session is the same as above.

Recommendation:

THAT Trust Council advocate, where appropriate, to other regulatory agencies to permit alternative solutions for affordable housing pilot projects.

Redefining Density:

Is affordable housing possible in the context of rural island culture and limited capacities for growth? Islands Trust bylaws count kitchens, but other jurisdictions use Floor-Area-Ratios to measure density. Do islands need to reimagine density in order to better meet community needs within the context of the Preserve and Protect Mandate? The discussion on density was hosted by Tony Law, Hornby Island Trustee and the following notes were taken:

- Density can also mean looking at the carrying capacity of islands and calculating population per square area
- Density is happening anyway in an unregulated manner (barns, boats)
- Everyone has a different definition of “rural” (vegetation vs density, character)
- Clustering leads to more rural areas
 - British model
 - How does this work if water aquifer becomes compromised?
 - Rainwater harvesting
- Clustering is good for greenhouse gas emissions but can pose water issues
- Do we need to increase density?
- We can increase the number of units within the existing housing stock
- Traffic congestion, waste issues, island character may not be compatible
- People moving to rural areas want rural properties, maybe not seniors
- Are kitchens the best measure of density?
- Measure in sustainability units?
- Encourage more people living in existing housing stock
- Need to look 50-100 years ahead – look at Vail, Aspen, can middle income people afford to buy?
- SSI needs up to 3000 units
- Need to re-envision how we preserve and protect
- Depress rents and house prices or build economies so people get paid more.
- The market can’t solve the problem
- Comprehensive new approach needed
- Whistler got started 20 years ago
- BC Non-Profit housing association is a good resource for community organizations
- Need to redefine density as we cannot create new densities.

What can Trust Council Do?

- Keep rainwater on properties: advocate for more rainwater harvesting options within BC Building code
- Advocate for luxury house flipping tax, directing money towards affordable housing
- Create model bylaws that measure density as total floor area rather than counting dwelling units

Staff Comment

A change in approach on how density is measured would require intensive land use bylaws and official community plan reviews throughout the Trust Area. More research would be required to determine if changes in how density is measured would have the desired outcome of enabling a more affordable approach to residential development without impacting the carrying capacities of our islands.

Recommendations

THAT Trust Council request staff to bring forward a thorough analysis of alternative ways of measuring density and how to manage any corresponding impacts before consideration of requesting model bylaws be developed for local trust committees.

Summary of Recommendations:

Many of the recommendations that followed from the housing forum re-inforce the recommendations made in the 2010 housing tool kit. Please see appendix 1 for a summary of these recommendations, staff comments, and prioritization, and recommended time frames (short term, medium term, and long term). Short term recommendations are considered the low hanging fruit – they can be accomplished without major changes to current policy or staffing assignments, and with minimal resources. Medium term recommendations are considered to be able to be addressed without major policy changes or staffing levels, but would need to have budget allocated before work could begin. Long term recommendations may require policy reform, legislative change, or changes to the staffing levels within Islands Trust. While some high priority long term recommendations may be advanced now, they are considered long term because they require more time to enable a thorough examination relative to budget and legislative authority.

Although it is beyond the scope of this report to provide a scope of work, timeline, and budget for each recommendation, next steps should include such scoping. Below are the high priority recommendations that should be initiated right away:

1. THAT Trust Council review the Islands Trust Policy statement to ensure that it:
 - includes clear and well-thought out definition of ‘affordability’
 - includes clearly articulated vision, goal and objectives for affordable housing
 - gives affordable housing a greater profile for its role in sustainable communities

- includes a reference to affordable housing in its policy direction to LTCs and municipalities
2. THAT Trust Council consider a coordination role for Housing Needs Assessments between the various Local Trust Areas to achieve efficiencies, compatibility, and allow for consolidation.
 3. THAT Trust Council establish a budget for housing needs assessments to be conducted at the regional level and to be updated with each census.
 4. THAT Trust Council request Local Planning Committee to commission one or more regional housing needs assessment(s) that follow consistent methodologies and can be updated with each census.
 5. THAT Trust Council allocate a budget to have in-house staff design and implement a program to hold and administer housing agreements on behalf of local trust committees.
 6. THAT Trust Council explore the potential for expanding their advocacy role to senior levels of government for increased funding for affordable housing.
 7. THAT Trust Council direct staff to explore and report back on the potential for the creation of an affordable housing Land Trust.

Conclusion

A healthy supply of affordable housing supports vibrant and diverse communities. The recommendations in this report offer strategies for Trust Council to support local trust committees and island communities in tackling common obstacles to a more affordable housing stock. This report is a companion report to the Islands Trust Affordable Housing Baseline Report, and provides a summary of the Islands Trust Housing Forum which took place on June 13, 2016, in Cowichan Bay. It is framed as a “final report” and provides recommendations for Trust Council to address affordable housing – through policy changes, budget priorities, advocacy, and support to local trust committees.

The Community Housing Forum brought people together to make connections and share information on community housing challenges and solutions from across our islands. The forum showcased a variety of affordable housing projects from across the Trust Area and discussions focused on what Islands Trust Council can do to help improve the affordability of our island communities. While local trust committees have authority over land use planning, official community plans and land use bylaws are adopted under the umbrella policies of the Islands Trust Policy Statement. Trust Council policies should provide a framework and guide local trust committee consideration of affordable housing decisions. Other areas where Trust Council can support affordable housing objectives include budget allocations for housing needs assessments, and staffing changes that would enable Islands Trust Council to hold and administer housing agreements on behalf of local trust committees. An examination of the *Islands Trust Act* and Islands Trust policies could offer new ways of understanding the role of Trust Fund Board in consideration of creating an affordable housing land trust or other innovations that may give Trust Fund Board a role in affordable housing. Islands Trust Council currently engages in advocacy to other levels of government. There are a number of suggestions in this report for advocacy that would support affordable housing objectives. As always, Trust Council consideration of the recommendations in this report will be guided by the “preserve and protect” mandate, to ensure support for affordable housing is in the context of observable limits to growth and resources, protection of the environment, and the rural community character that defines our collective sense of place.

Appendix 1:Table of Recommendations

	Recommendation	Source	Priority	Timing	Staff Comment
ISLANDS TRUST POLICY STATEMENT					
1.	Review the Islands Trust Policy statement to ensure that it: a) includes clear and well-thought out definition of 'affordability' b) includes clearly articulated vision, goal and objectives for affordable housing c) gives affordable housing a greater profile for its role in sustainable communities d) includes a reference to affordable housing in its policy direction to LTCs and municipalities	Housing Tool Kit	High	Medium – align with policy statement review	Islands Trust Council is currently reviewing the Policy Statement. Strong direction from Trust Council to LTCs assist in interpreting the Islands Trust mandate and in defining how affordable housing fits into Trust Council's vision for the future. Policy Statement directives shape the OCP policies and LUB regulations within local trust areas.
2.	Consider initiating a Trust-wide Affordable Housing Strategy, with direction to LTCs to develop Local Trust Area-specific components.	Housing Tool Kit	low	Medium – align with policy statement review	The Islands Trust Policy Statement could give LTCs such direction. Trust Council should follow the recommendations and include affordable housing in its Policy Statement review. The Policy Statement is a legislative tool and has more teeth than an Affordable Housing Strategy would.
HOUSING NEEDS ASSESSMENTS					
3.	Consider a coordination role for Housing Needs Assessments between the various Local Trust Areas to achieve efficiencies, compatibility, and allow for consolidation.	Housing Tool Kit	High	Short Term	Housing Needs Assessments are costly and not within available project budgets for LTCs. Trust Council support in conducting Housing Needs Assessments would greatly assist Local Trust Areas and community groups working to develop affordable housing. Housing needs assessments should follow consistent methodologies and be updated regularly with each new census.

4.	Establish a budget for housing needs assessments to be conducted at the regional level and to be updated with each census.	Housing Forum Final Report	High	Short term	See report
5.	Request Local Planning Committee to commission one or more regional housing needs assessment(s) that follow consistent methodologies and can be updated with each census.	Housing Forum Final Report	High	Short term	See report
HOUSING AGREEMENTS					
6.	Explore the potential striking and staffing a Housing Committee for the administration of Housing Agreements; or	Housing Tool Kit	low	Short term	Rather than striking a committee, Trust Council could request this be done under current staff allocations and use an existing staff member to dedicate one day a week to administering housing agreements.
7.	Explore the potential with BC Housing to negotiate administration of Housing Agreements on behalf of all the Local Trust Committees	Housing Tool Kit	Low	Long term	This could be explored with BC Housing if Trust Council does not agree to handle housing agreement administration internally.
8.	Allocate a budget to have in-house staff design and implement a program to hold and administer housing agreements on behalf of local trust committees.	Housing Tool Kit	High	Short term	See report
ADVOCACY					
9.	Advocate, where appropriate, to other regulatory agencies to permit alternative solutions for affordable housing pilot projects.	Housing Tool Kit	Medium	Long Term	This is an advocacy item that requires discussion by Trust Council. Trust Council could advocate the BC Building Code include minimum standard exemptions that ensured environmental standards are met, as are health and safety standards of buildings.
10.	Initiate an ongoing Housing Council consisting of membership from a broad range of stakeholders.	Housing Tool Kit	Low	Long Term	The Islands Trust governance structure is prescribed by the Islands Trust Act. This

					recommendation is best directed at community groups. A community based Housing Council could be initiated by community groups to coordinate affordable housing initiatives and speak with one voice to government agencies such as Trust Council.
11.	Explore the potential for expanding their advocacy role to senior levels of government for increased funding for affordable housing.	Housing Tool Kit	High	Long Term	Affordable housing proponents need funding support which is a Provincial and Federal role.
12.	Advocate senior levels of government provide additional funding for seniors housing, support services, public transportation options, medical services, and for commercial establishments to upgrade with universal design standards.	Housing Forum Final Report	Medium	Long Term	See report
TRUST FUND BOARD					
13.	Explore the potential for the creation of an affordable housing Land Trust.	Housing Tool Kit	High	Long Term	Trust Council could consider expanding the role of the Trust Fund Board to create an affordable housing land trust. This would be a fundamental change to the Islands Trust and should be explored in the context of the Trust Fund Board role, mandate, and legislative authority.
14.	Explore the potential for and required changes to the Trust Fund Board to allow it to hold land on an interim basis for affordable housing.	Housing Tool Kit	Medium	Long Term	As above, Trust Fund Board can own land and currently has a property acquisition role, however it is not currently mandated with a housing function. This should be explored in the context of the Trust Fund Board role, mandate, and legislative authority.
MODEL BYLAWS					
15.	Bring forward a thorough analysis of alternative ways of measuring density and how to manage any	Housing Forum	Medium	Long Term	See report

	corresponding impacts before consideration of requesting model bylaws be developed for local trust committees.	Final Report			

Director of Local Planning Services REPORT JUNE 2016 TO SEPTEMBER 2016

Date: 25/08/2016

COMPLETED SINCE LAST REPORT	PLANNED FOR NEXT QUARTER
Executive Committee and Council - Hired a Senior Intergovernmental Policy Advisor (SIPA). - Worked with SIPA on orientation and development of a work program in cooperation with the Director of Trust Area Services.	Executive Committee and Council - SIPA is working on procedures for maintaining the First Nations database. - SIPA is providing advice on as-needed basis to the trustees - SIPA is travelling to Gabriola and Salt Spring on a regular basis to support planning staff.
Local Planning Committee Final report on the Housing Committee presented to Local Planning Committee on August 25, 2016.	Local Planning Committee - Next steps to be determined by Local Planning Committee on August 25, 2016 - Planning support from September, 2016 to March 31, 2017 for LPC will be provided by Aleksandra Brzozowski
Management of Local Planning Services Unit - Local Planning Services Management Meetings with regional planning managers (RPMs) held on June 21 and July 26. - Attended the Northern Office on June 8, 2016, July 27 - Attended the Salt Spring Office on June 9, June 21, July 20 and August 17 - Held a Local Planning Services professional development day on May 19, 2016 with a focus on First Nations relations. - Attended the Canadian Institute of Planners Conference July 5 to 8. - The Director of Local Planning Services was on vacation during this reporting period from August 11 to 16 inclusive.	Management of Local Planning Services Unit - Local Planning Services Management Meetings planned monthly. - Local Planning Services professional development day planned for September 7, 2016 – topic will be legal session on variety of issues. - Attend the Northern Office on regular basis. - Attend the Salt Spring Office on a regular basis. - As we were a third time unsuccessful in hiring an Island Planner for Salt Spring, we have developed a plan to provide senior planning services from other offices and use consultants where necessary. This has resulted in some reassignments in other offices. - The DLPS will be on vacation September 19 to 30 inclusive.
Planning Support to Local Trust Committees - RPM facilitated interagency meeting between Salt Spring Island Local Trust Committee and members of Lyackson First Nations and Cowichan Tribes. - RPM facilitated interagency meetings between Salt Spring Island Local Trust Committee and North Salt Spring Waterworks District (NSSWD) directors to coordinate management of supply and demand of fresh water in NSSWD area - RPM advised Salt Spring Island Local Trust Committee of relationships between local regulation and provincial regulations in cases of overlapping or concurrent jurisdictional issues - Local Planning Services completed review of Staff Report templates. - Local Planning Services developed a public hearing	Planning Support to Local Trust Committees - Coordinate interagency meeting between the Capital Regional District and Salt Spring Island Local Trust Committee for waste management, industrial land uses, and development of a Ganges Harbour walk. - Coordinate and assist in the determination and implementation of multiple agencies' policies for management of fresh water on Salt Spring Island. - Coordinate interagency meeting between Lasqueti Local Trust Committee and Powell River Regional District. - Coordinate meeting between Gabriola Island Local Trust Committee and Snuneymuxw representatives - Local Planning Services to implement revised Staff Report templates - Local Planning Services to seek confirmation of new

COMPLETED SINCE LAST REPORT	PLANNED FOR NEXT QUARTER
script for Northern LTCs. Local Planning Services advertised for new Board of Variance members for Northern LTCs.	Board of Variance members for Northern Local Trust Committees.
Support for the CAO - Management meetings weekly (Tuesday mornings) - Review and analysis of LPS regarding Transition Plan	Support for the CAO - Participate in management meetings. - Continue to work on revising the operations policy manual and incorporating local trust committee standing resolutions. - Monitor new time collection system. - Assist with next stages of the implementation plan
Grants Administration - Continued to maintain grants database - Continued to research for grant opportunities and notify relevant parties. - Updated website. - Conducted requested grant research - Reviewed and updated Community Group funding opportunities database. - Completed and submitted First Nations Database procedures. - Updated FNDB as required - Completed Lasqueti Community Energy Project follow-up including assets disbursement agreements. - Maintained funder relations – UBCM, CEA, FBC, MoEM - Met with UBCM on Capital Work Fund - Successful C2C funding applications for Denman, Gabriola and Lasqueti	Grants Administration - Prepare and present information session on Grants Management for Local Planning Services Pro- D Day. - Meet with SIPA re First Nations Database content and procedures. - Update Grants Database as needed. - Research and Review fall grant application opportunities - Update Community Grants listings as needed. - Maintain funder relations. - Meet with UBCM on Strategic Priorities Fund - Grant research and applications as requested.
Bylaw Enforcement - Carrying out proactive enforcement to support Galiano Island Local Trust Committee's new Short-term Vacation Rental (STVR) bylaw. - Developed debt collection procedures for unpaid bylaw violation notices - Updated Galiano Local Trust Committee Bylaw Enforcement Notification Bylaw - Began process for adopting Ballenas-Winchelsea Local Trust Committee Bylaw Enforcement Notification Bylaw.	Bylaw Enforcement - Develop mediation process for Denman Island Local Trust area. - Assess bylaw enforcement resources and advise Local Planning Committee - Take first batch bylaw enforcement violations notices through the adjudication process.



Top Priorities

Local Planning Committee

No.	Description	Activity	R/Initiated	Responsibility	Target Date
1	Community Housing Needs	Current: Report to Trust Council on Housing Workshop Planned: To be determined by the Local Planning Committee.	03-Mar-2016	Justine Starke	13-Jun-2016
2	Shoreline Marine Planning	Current: Establish a Project Charter Planned: To be determined by the Local Planning Committee	03-Mar-2016		
3	Appropriate Economic Development	Current: Monitor to determine interests Planned: To be determined by the Local Planning Committee	03-Mar-2016		

Projects

Local Planning Committee

Description	Activity	R/Initiated
Development Approval Information Model Bylaw	Staff to draft amendments to Trust Council Policy 2.1 viii in order to develop a Development Approval Information Model Bylaw.	03-Mar-2016
Letter of Agreement with the Ministry of Transportation and Infrastructure - including discussion around access to water bodies.	Staff working with the MOTI to address the Letter of Agreement; next meeting planned for May 17, 2016. Local Planning Committee is monitoring the process.	03-Mar-2016
Domestic Wind Power	Update report as required.	03-Mar-2016
Blue Dot Campaign	Consideration of this proposal (added per resolution May 2015)	03-Mar-2016



Top Priorities

Local Planning Committee

No.	Description	Activity	R/Initiated	Responsibility	Target Date
	Land Use Consultation for Radio Communication Towers	Request from the Trust Council for the Local Planning Committee to make recommendations on policy that includes public consultation procedures and development guidelines for the siting and design of antenna systems, which may then be adapted and implemented by local trust committees.			25-Aug-2016

BRIEFING

To: Trust Council

For the Meeting of: September 13, 2016

From: David Marlor

File No.:

SUBJECT: LOCAL PLANNING SERVICES – PROJECT UPDATES

DESCRIPTION OF ISSUE:

The purpose of this briefing note is to provide Trust Council with an update on the status of local trust committees' planning projects budgets.

BACKGROUND:

Between June and September 2015, local trust committees were asked to submit budget requests for their proposed program items for the 2016-17 fiscal year. A similar process is already underway for the 2017-18 fiscal year.

The following chart lists the projects approved for the 2016-17 fiscal year budget and indicates the status of the budget as of June 30, 2016. As most of the funding for the projects is usually for public engagement, public hearings and legal review, the bulk of spending of the allocated funds on projects usually occurs in the second half of the fiscal year.

As of June 30, 2016 (three months (25%) into the fiscal year, of the \$212,100 allocated to local trust committees' planning projects, \$11,413 (5%) has been spent.

The attached table lists the local trust committees' projects and includes the budgeted amount and amount spent as of June 30, 2016.

ATTACHMENT(S):

Local Planning Services Projects Expenditures to June 30, 2016.

AVAILABLE OPTIONS:

Receive for information.

FOLLOW-UP:

No followup recommended.

Prepared By: David Marlor

Reviewed By: Chief Administration Officer

Date: August 23, 2016

LOCAL PLANNING SERVICES PROJECT EXPENDITURES TO JUNE 30, 2016

Account number	Project Name	YTD Actual	Annual Budget	% of Budget
73001-615-4011	Denman Agriculture Plan	0	6,500	0%
73001-615-4062	Denman First Nations Relations	0	1,500	0%
73001-610-4061	Executive Islands First Nations Relations	0	1,500	0%
73001-620-4064	Gabriola Attainable Housing	0	3,500	0%
73001-620-4063	Gabriola First Nations Relations	0	1,500	0%
73001-620-2001	Gabriola OCP/LUB	32	1,500	2%
73001-625-4065	Galiano Dock Review	0	4,000	0%
73001-625-2002	Galiano OCP/LUB	0	4,000	0%
73001-630-4066	Gambier First Nations Relations	0	1,500	0%
73001-630-4052	Gambier Howe Sound Community Forum	1,400	1,000	140%
73001-630-2016	Gambier OCP/LUB	0	5,000	0%
73001-630-3003	Gambier RAR	0	2,500	0%
73001-635-4067	Hornby First Nations Relations	0	1,500	0%
73001-635-2004	Hornby OCP/LUB	841	3,600	23%
73001-640-7001	Lasqueti Ageing at Home (covered by grants)	1,190	0	0%
73001-640-2015	Lasqueti OCP/LUB	20	5,000	0%
73001-640-3004	Lasqueti RAR	1,068	2,500	43%
73001-590-4076	LPC - Housing Needs Assessment Strategy	5,189	18,000	29%
73001-645-4059	Mayne Commercial Land Use Review	0	4,000	0%
73001-645-3005	Mayne RAR	0	4,000	0%
73001-650-4074	North Pender Affordable Housing Review	0	4,000	0%
73001-650-2006	North Pender OCP/LUB	0	3,000	0%
73001-650-4073	North Pender STVR Review	0	4,000	0%
73001-650-4054	North Pender Waste Management Review	1,057	7,000	15%
72001-590	Project - Projects funded by grants	0	50,000	0%
73001-655-4009	Salt Spring Affordable Housing	0	4,000	0%
73001-655-4058	Salt Spring First Nations Heritage Sites	0	3,000	0%
73001-655-4020	Salt Spring Ganges Village Area Plan	0	8,000	0%
73001-655-4015	Salt Spring industrial land use bylaw	566	5,000	11%
73001-655-4068	Salt Spring Integrated Community Sustainability Plan	0	20,000	0%
73001-655-4075	Salt Spring Land Use Rural Watershed	0	2,000	0%
73001-655-2007	Salt Spring OCP/LUB	0	4,000	0%
73001-655-4021	Salt Spring Secondary Suites Implementation	0	2,000	0%
73001-655-4014	Salt Spring watershed management	0	5,000	0%
73001-655-4030	Sat Spring National Marine Conservation Reserve	0	2,000	0%
73001-660-4017	Saturna Density Review	0	3,000	0%
73001-660-4069	Saturna Integrated Sustainability Plan	0	3,000	0%
73001-665-4070	South Pender Heritage Conservation	0	1,000	0%
73001-665-2011	South Pender OCP/LUB	51	4,000	1%
73001-665-4071	South Pender Waste Management	0	1,000	0%
73001-670-4072	Thetis First Nations Relations	0	3,000	0%
73001-670-3008	Thetis RAR	0	1,500	0%
TOTAL		11,413	212,100	5%

To: Trust Council

For the Meeting of: September 2016

From: Local Planning Committee

Date: Aug 25, 2016

SUBJECT: RIPARIAN AREAS REGULATION IMPLEMENTATION UPDATE

DESCRIPTION OF ISSUE: To update the Islands Trust Council, through the Local Planning Committee, on the status of implementation of the Riparian Areas Regulation (RAR) in the Islands Trust Area.

BACKGROUND: The Ministry of Forests, Lands and Natural Resource Operations, West Coast Region, Resource Stewardship Division, issued a letter dated July 20, 2011 to the Islands Trust confirming the verified and unverified watershed categories on all the major islands, with the exception of Gambier Local Trust Area.

On two islands (Lasqueti and Hornby) the Ministry has introduced a temporary category of “unverified” for several watersheds until such time as they are able to confirm whether these watersheds fall under the Riparian Areas Regulation. This designation has also been applied to Gambier.

Section 1 - Status of Local Trust Committee Bylaws

Local trust committees are in the process of reviewing their bylaws and assessing the options available to them to reach compliance with Section 12 of the *Fish Protection Act* (commonly referred to as being compliant with RAR).

The following chart indicates the status of compliance with the Riparian Areas Regulation (**Bold** indicates changes since the last report in September 2015).

Local Trust Area	Regulatory Bylaw No.	Comments	Compliance with RAR
Denman	OCP No. 185 LUB No. 186	Bylaws 212 and 213 adopted on May 17, 2016	Yes
Executive (Winchelsea/Bellenas)	OCP No. 27 LUB No. 28	No streams as defined by the Riparian Areas Regulation identified.	Not applicable
Gabriola	OCP No. 166 (Gabriola) LUB No. 177 (Gabriola)	Completed.	Yes
	OCP No. 227 (Mudge) LUB No. 228 (Mudge)	No streams as defined by the Riparian Areas Regulation identified on Mudge Island. Further work may be required.	May require further work.

	OCP No. 16 (De Courcey) Zoning No. 44 (De Courcey)	No streams as defined by the Riparian Areas Regulation on De Courcey Island. Further work may be required.	May require further work
Galiano	OCP No. 108 LUB No. 127	Completed.	Yes
Gambier	OCP No. 73 (Gambier) LUB No. 86 (Gambier)	Bylaws 140 and 141 - Public hearing planned for end of August.	In Progress
	OCP No. 77 (Keats) LUB No. 78 (Keats)	Bylaws 129 and 130 at First Reading.	In progress
	OCP No. 109 (Associated) LU No. 120 (Associated)	Bylaw 131 OCP for all associated islands at First Reading. Bylaw 132 (all associated except Bowyer and Passage) at First Reading. Bylaw 133 (Bowyer and Passage islands) at First Reading	In Progress
Hornby	OCP No. 104 LUB No. 86	Bylaws 151 and 152 adopted on June 10, 2016.	Yes
Lasqueti	OCP No. 77 LUB No. 78	Bylaw 90 adopted on June 9, 2016	Yes
Mayne	OCP No. 144 LUB No. 146	Project charter in place. Assessing stream mapping.	In Progress
North Pender	OCP No. 171 LUB No. 103	Completed.	Yes
	OCP No. 147 (Associated) LUB No. 148 (Associated)	Completed.	Yes
Saturna	OCP No. 70 LUB No. 78	Completed.	Yes
Salt Spring	OCP No. 434 (Salt Spring) LUB No. 355 (Salt Spring)	Completed.	Yes
	OCP No. 51 (Piers) LUB No. 373 (Piers)	No streams as defined by the Riparian Areas Regulation. May require further work.	May require further work
	CRD Zoning 103 (Prevost)	Completed.	Yes

	Zoning 123 (Secretary, Wallace, Outer Islands)	No streams as defined by the Riparian Areas Regulation. May require further work.	May require further work
South Pender	OCP No. 91 LUB No. 107	Completed.	Yes
Thetis	OCP No. 50 (Thetis) LUB No. 56 (Thetis)	Work to undertake RAR bylaw is a priority but no work has begun.	In progress
	OCP/LUB No. 42 (Valdes)	No streams as defined by the Riparian Areas Regulation. May require further work.	May require further work
	OCP No. 93 (Associated Islands) LUB No. 94 (Associated)	Bylaw 93 and 94 adopted March 7, 2016	Yes

ATTACHMENT: No

FOLLOW-UP: DLPS will continue to monitor and report upon the completion RAR bylaws in the Trust Area.

Prepared By: David Marlor, Director of Local Planning Services

Reviewed By/Date: Local Planning Committee – August 25, 2016
Executive Committee – August 31, 2016

Russ Hotsenpiller, Chief Administrative Officer

DIRECTOR OF ADMINISTRATIVE SERVICES 2016-2017 SECOND QUARTER REPORT

Date: 25/08/2016

COMPLETED SINCE LAST REPORT	PLANNED FOR NEXT QUARTER
Trust Council, Executive Committee, Financial Planning Committee - Completed 1st Quarter Financial Results Analysis - FPC meeting August 24, 2016 - Invited BMO to the August 24, 2016 FPC meeting - Completed 2017/18 Budget Assumptions & Principles for presentation to Trust Council	Trust Council, Executive Committee, Financial Planning Committee - FPC meetings October 19 and November 18, 2016 - Participate on Select Committee to Review Victoria Office Location - Reviewing Purchasing Procedure Policy and provide feedback to FPC - Complete 1st Draft of 2017/18 budget for FPC review - Support development of Transition Plan as needed
Human Resources and Payroll (Employee Services) - All Staff Meeting June 29, 2016 - Completed several hiring processes - Implemented new organizational structure within HR and Finance - Trained new staff member in HR - OSH Committee Meeting – August 24, 2016	Human Resources and Payroll (Employee Services) - Develop training for managers on hiring processes - Review HR policies in operations manual - Staff Meeting September 2016 - Consider myPerformance software to replace existing PMDP process - Development comprehensive orientation plan for new staff - Continue with monthly OSH Committee Meetings
Financial Management - Implemented new investment strategy with BMO - Implemented new organizational structure within HR and Finance - Trained new staff member in Finance - Drafted 2015/16 Statement of Financial Information - Implemented new Asset Management System - Further developed system of Electronic Funds Transfer (EFT) payments to vendors	Financial Management - Review Finance policies in operations manual - Complete 2015/16 Statement of Financial Information - Complete 2nd Q Financial Results - Complete 2016/17 Forecast
Information Systems - Developed the new Trustee Agenda Delivery Process development and training - Sourced equipment through a Request for Proposals for a new telephone system on SSI	Information Systems - Complete implementation of the new Trustee Agenda Delivery Process development and training - Draft staff report in response to KPMG Review - Begin work on an Information Systems Strategic Plan - Complete eSCRIBE functionality review - Participate on Electronic Documents Management Project with Legislative Services Manager - Implement new telephone system on SSI - Review IS policies in operations manual

General	General • Continued participation on Operations Manual Review Project • Develop orientation materials for new Director of Administrative Services



FINANCIAL PLANNING COMMITTEE REPORT

To: Trust Council

Date: August 24, 2016

WORK PROGRAM

1. First Draft of the 2017/18 Budget

Current

Review budget assumptions and principles at FPC August 24, 2016 meeting.

Planned

Review first drafts with FPC at October 18 and November 16 meetings.

Prepare first draft of budget for December Trust Council.

2. Review Purchasing Procedure Policy 6.5.iii

Planned

Staff to review the existing Purchasing Procedure Policy 6.5.iii and recommend any changes in light of present practice to FPC at their November 16, 2016 meeting.

3. Response to KPMG Information Technology Report

Planned

Staff to provide comments and identify measures being taken to address recommendations to FPC at their October 19, 2016 meeting.

WORK PROGRAM STATUS *(Completed, Changed, and Future Priorities)*

The Financial Planning Committee has adopted the above noted priorities for the third quarter of fiscal 2016/2017. New work program items will be reviewed and assessed throughout the year.

UPDATE *(on Meetings, Agency Liaison, Resource Requirements, etc.)* The Financial Planning Committee met on August 24, 2016. The next meetings of the Financial Planning Committee are proposed to be held October 19 and November 16, 2016. The Committee's financial resources are sufficient at this time.

Cindy Shelest
Designate Staff

Peter Grove
Chair

REQUEST FOR DECISION

To: Trust Council

For the Meeting of: September 13-15, 2016

From: Financial Planning Committee

Date Prepared: August 16, 2016

SUBJECT: JUNE 30, 2016 QUARTERLY FINANCIAL REPORT

RECOMMENDATION: That the Islands Trust Council approve the June 30, 2016 Quarterly Financial Report as presented.

CHIEF ADMINISTRATIVE OFFICER COMMENTS: The financial report indicates that Islands Trust is generally following the financial plan for 2016/17.

IMPLICATIONS OF RECOMMENDATION

ORGANIZATIONAL: There are no organizational implications to the recommendation.

FINANCIAL: Expenditures to June 30, 2016 are within approved budgets.

POLICY: There are no implications for existing policy.

IMPLEMENTATION/COMMUNICATIONS: Managers and Directors will receive ongoing reporting throughout the year.

OTHER: None.

BACKGROUND

Islands Trust Policy 2.3.iii. Financial Planning Committee Terms of Reference requires the Financial Planning Committee to report to Trust Council regarding the organization's financial management practices.

REPORT/DOCUMENT: Islands Trust Statement of Net Financial Position (Balance Sheet) and Consolidated Statement of Revenue and Expenditure to June 30, 2016 attached.

KEY ISSUE(S)/CONCEPT(S):

Statement of Net Financial Position

Differences are due to timing of expenditures, receipt of revenues, and reversal of accruals following fiscal year end.

Consolidated Statement of Revenue and Expenditure

The benchmark for revenues and expenditures after three months (first quarter) of operations is 25% of the annual budget. The revenue and expense areas that vary significantly from the 25% benchmark include:

REVENUE

- Fees and Sales are higher than budget in the first quarter of this year primarily due to an increase in zoning amendment applications received in the first quarter of this year as compared to last year's first quarter. It is difficult to say if this trend will continue through the fiscal year.
- The general property, special property and Bowen Island property tax requisitions will be received in the second quarter
- Investment income is below budget expectations due to draw down of invested funds. Interest will increase in the second quarter as the property tax requisition will be received and invested to maximize the interest income.
- Other Revenues are lower due to a decrease in grant revenue over prior year where grant revenue for the Lasqueti Community Integrated Energy Project was recognized and the project was completed.

EXPENSES

Council Expenses

- Trust Council expenses are lower than budget due to underspending on Strategic Plan projects.
- Trust Area Services expenses are lower than budget due to underspending of the Policy Statement Review Project which will occur later in the fiscal year.

Local Planning Services

- Projects are lower than budget due to timing of the projects anticipated to occur later in the fiscal year, as LTCs advance their project work.

Trust Fund

- Board expenses are lower than budget due to the timing of meetings which will occur later in the fiscal year.
- Operations expenses are lower than budget due to spending on communications which will occur later in the fiscal year. There are also flexible working arrangements for staff that are making this lower than budget.
- Property management expenses are lower than budget due to the timing of property monitoring which will occur later in the fiscal year.

Administration

- Financial, HR and Admin Services expenses are lower than budget due to underspending of salaries.
- Office Operations are higher than budget. Further review will be conducted to assess the need for additional funding in this expenditure classification.
- Computer, Furniture & Equipment purchases are higher than budget due to the timing of purchases made at the beginning of the fiscal year to achieve the benefit of new equipment for the full fiscal period.

FINANCIAL PROJECTIONS TO March 31, 2015 FISCAL YEAR-END

A detailed forecast of the 2016/17 year-end results will be conducted in the fall for presentation to the Financial Planning Committee and to December Trust Council.

RELEVANT POLICY: Bylaw No. 155, Islands Trust Financial Plan Bylaw 2016/17

DESIRED OUTCOME: Approval of the June 30, 2016 Quarterly Financial Report.

RESPONSE OPTIONS

Recommended: That the Islands Trust Council approve the June 30, 2016 Quarterly Financial Report as presented.

Alternative: None identified.

PREPARED BY: Nancy Roggers, Finance Officer

REVIEWED BY: Cindy Shelest, Director, Administrative Services
Financial Planning Committee, August 24, 2016
Executive Committee, August 31, 2016

Russ Hotsenpiller, Chief Administrative Officer

Islands Trust
Statement of Net Financial Position

	June 30 2016	Mar 31 2016
Financial Assets		
Cash & Short-term Investments	2,261,031	3,714,688
Accounts Receivable	122,630	358,102
Total Financial Assets	2,383,661	4,072,790
Liabilities		
Wages & benefits payable	1,071,222	931,366
Accounts payable & accrued liabilities	195,146	521,009
Development Application Deposits	42,038	29,038
Deferred Revenue	42,918	44,108
Employee Benefit Obligations	105,443	105,443
Capital Lease Obligations	82,569	93,776
Cost Recovery Deposits	5,977	6,642
Total Liabilities	1,545,312	1,731,382
Net financial assets	838,349	2,341,409
Non-Financial Assets:		
Tangible Capital Assets	121,738	137,397
Prepaid Expenses	97,288	40,913
Total Non-Financial Assets	219,025	178,310
General Revenue Surplus Fund	1,057,374	2,519,719

Islands Trust

Statement of Revenue and Expenditure

For The 3 Months Ending June 30, 2016

		Prior YTD Actual	YTD Actual	Annual Budget	% of Budget
	Description				
Revenue:					
	Fees	16,996	45,778	110,000	42%
	Provincial Grant	123,052	177,880	180,000	99%
	Property Tax Levy General	0	0	6,249,833	0%
	Special Property Tax Requisition	0	0	110,500	0%
	Property Tax Levy Bowen	0	0	223,418	0%
	Investment Income	3,653	735	50,000	1%
	Other Revenues	39,627	2,561	50,000	5%
Total Revenue		183,327	226,954	6,973,751	3%
Expenses					
Council					
	Trust Council	71,112	67,785	317,798	21%
	Executive and Council Committees	37,428	28,277	120,108	24%
	Trust Area Services	88,022	92,187	472,307	20%
	General Admin Allocation - 16%	57,550	76,740	317,849	24%
Total Council Expenses		254,112	264,989	1,228,062	22%
Local Planning Services					
	Local Trust Committees	182,987	188,705	726,000	26%
	Projects	104,630	37,107	322,600	12%
	Planning Staff	540,469	563,132	2,360,257	24%
	LPS Facilities	82,255	80,886	339,392	24%
	Bylaw Enforcement	70,427	75,692	299,581	25%
	General Admin Allocation - 74%	266,167	334,046	1,383,574	24%
Total Local Planning Services Expenses		1,246,936	1,279,569	5,431,404	24%
Trust Fund					
	Board	3,413	3,615	20,000	18%
	Operations	87,304	85,565	431,270	20%
	Property Management	32,226	14,934	78,000	19%
	General Admin Allocation - 10%	35,969	40,627	168,272	24%
Total Trust Fund Expenses		158,911	144,741	697,542	21%
General Admin					
	CAO Office	61,429	90,409	326,283	28%
	Financial, HR and Admin Services	164,661	175,398	870,712	20%
	Office Operations	104,188	85,660	311,200	28%
	Information Systems	61,318	59,314	200,000	30%
	Computer/Furniture & Equipment Purchases	19,645	24,974	96,500	26%
	Amortization Expense	9,763	15,659	65,000	24%
	General Admin Recovery	(359,685)	(451,414)	(1,869,695)	24%
Total General Admin Expenses		61,318	0	0	0%
Less Non-Cash Expenditures - Amortization				(65,000)	
Transfer from General Revenue Surplus Fund				(318,257)	
Total Expenses		1,721,277	1,689,299	6,973,751	24%
Surplus (Deficit) to date		(1,537,950)	(1,462,345)	0	
General Revenue Surplus Fund, beginning of the period		2,466,469	2,519,719		
General Revenue Surplus Fund, end of the period		928,519	1,057,374		

BRIEFING

To: Trust Council

For the Meeting of: Sept. 13-15, 2016

From: Financial Planning Committee

Date prepared: August 24, 2016

SUBJECT: STATEMENT OF FINANCIAL INFORMATION (SOFI)

DESCRIPTION OF ISSUE:

The 2015/16 Statement of Financial Information (SOFI) is provided to Trust Council for information.

BACKGROUND:

Financial Information Regulation (B.C. Reg. 371/93, including amendments to B.C. Reg. 249/2002 approved September 6, 2002); Schedule 1, sections 1 to 4, requires that:

For consistency with the Budget Transparency and Accountability Act respecting Public Accounts reporting, the FIA states that corporations must prepare

within six (6) months after the corporation's fiscal year end, a statement of financial information which includes:

- a schedule showing remuneration and expenses paid to or on behalf of employees; and
- a schedule showing payments for suppliers of goods or services.

Under the direction of the Director of Administrative Services, Islands Trust's Finance Officer prepares this financial information annually and submits the Statement of Financial Information (SOFI) report to the Ministry.

It has been the practice at Islands Trust to provide the report to Trust Council prior to submitting the report by September 30.

ATTACHMENT(S):

2015/16 Statement of Financial Information.

AVAILABLE OPTIONS:

Receive for information.

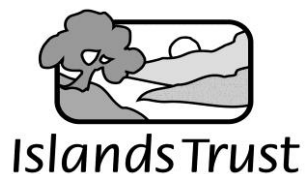
FOLLOW-UP:

The Director of Administrative Services will forward the complete Statement of Financial Information report to the Ministry by September 30, 2016.

Prepared By: Cindy Shelest,
Director Administrative Services

Reviewed By/Date: Russ Hotsenpiller,
Chief Administrative Officer
August 16, 2016

Financial Planning Committee
August 24, 2016



SCHEDULE OF REMUNERATION & EXPENSES FOR TRUSTEES

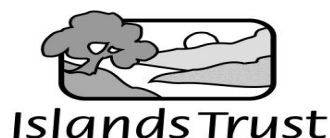
APRIL 1, 2015 TO MARCH 31, 2016

LAST NAME	FIRST NAME	POSITION	REMUNERATION including taxable benefits	TOTAL EXPENSES
Allen	Alexander	Trustee	\$11,757.30	\$1,694.92
Atha	Dereck	TFB	\$1,800.00	\$174.80
Barber	Diane	Trustee	\$14,714.58	\$1,396.94
Bertrand	Ronald	Trustee	\$750.00	\$1,134.11
Brent	Paul	Trustee	\$10,316.94	\$760.40
Busheikin	Laura	Trustee/Vice Chair	\$43,300.92	\$15,832.03
Critchley	David	Trustee	\$11,581.50	\$2,249.12
Crumblehulme	Brian	Trustee	\$12,634.98	\$1,144.71
Dodds	Jeanine	Trustee	\$12,634.98	\$732.05
Fast	Sue Ellen	Trustee	\$3,231.96	\$1,296.68
Glover	Julia	TFB	\$600.00	\$706.90
Grams	George	Trustee/Vice Chair	\$63,399.30	\$10,966.00
Grove	Peter	Trustee	\$31,018.98	\$3,207.28
Harris	George	Trustee	\$10,317.34	\$1,005.26
Hunter	Kenneth	Trustee	\$10,528.02	\$409.39
Law	Tony	Trustee/TFB Chair	\$12,547.80	\$3,784.78
Luckham	Peter	Trustee/TFB/Vice Chair/Council Chair	\$51,598.80	\$13,760.15
Mamoser	Melanie	Trustee	\$18,812.28	\$2,174.07
Masselink	Derek	Trustee	\$14,878.08	\$1,315.14
McConchie	Bruce	Trustee	\$9,760.50	\$1,555.72
Middleton	Lee	Trustee	\$9,760.44	\$919.17
Morrison	Susan	Trustee/TFB/Vice Chair	\$42,949.08	\$21,156.57
Morse	Alison	Trustee	\$3,231.96	\$2,034.92
O'Sullivan	Heather	Trustee	\$19,558.32	\$1,503.08
Peterson	Timothy	Trustee	\$9,541.80	\$1,219.41
Pottle	Sandy	Trustee	\$11,887.80	\$1,082.18
Rogers	Dan	Trustee	\$10,958.52	\$2,665.95
Scholefield	Wendy	Trustee	\$9,760.50	\$1,580.59
Stamford	Kate-Louise	Trustee/TFB	\$12,604.56	\$3,112.70
TOTAL 2015/16			\$476,437.24	\$100,575.02
TOTAL 2014/15			\$471,310.63	\$89,764.06

RECONCILIATION

Total Remuneration - Elected Officials	476,437.24
Reconciling Items - non-remuneration Council Services	543,642.76
Subtotal	1,020,080.00
Total per Statement of Operations - Council Services	1,020,080.00
Variance	0.00

Note: Trustee expenses are paid in accordance with Islands Trust policies (7.2.i. Trustee Remuneration and 7.2.iii Trustee Travel). The amount of expenses incurred reflects the number of activities a Trustee is involved in (eg: Executive Committee Member, Executive Chairs of Local Trust Committee, Committee involvement such as Financial Planning Committee, Local Planning Committee and Trust Programs Committee) and the distance traveled to attend Islands Trust activities. Expenses for travel vary year to year based on the locations of Executive Committee and quarterly Trust Council meetings. Remuneration includes taxable benefits.



SCHEDULE OF PAYMENTS TO SUPPLIERS

APRIL 1, 2015 TO MARCH 31, 2016

SUPPLIERS OVER \$25,000	Aggregate amount paid to Supplier
AON REED STENHOUSE	\$94,340.00
BC HYDRO CAD	\$52,946.16
BLACKMAN SUPPORT SERVICES	\$84,199.12
CHRISTINE FERRIS	\$27,616.29
COLLIERS MACAULEY NICOLLS	\$271,568.19
COMPASS RESOURCE MANAGEMENT LTD	\$29,356.30
*DARING SKY SOLAR	\$40,263.06
*DOUG HOPWOOD	\$25,283.65
*FRASER BASIN COUNCIL	\$47,796.61
GRAND & TOY	\$26,545.15
*HAKAI ENERGY SOLUTIONS INC	\$188,178.91
IPS ISLAND PLANNING SERVICES	\$44,662.02
KPMG	\$37,235.63
LINDA PROWSE	\$25,902.42
MEADOWWOOD VILLAGE DEVELOPMENT	\$42,063.00
MINISTER OF FINANCE - Employee Benefits	\$802,365.37
MINISTER OF FINANCE - Trustee MSP	\$27,514.60
OPEN STORAGE SOLUTIONS	\$27,146.56
OPUS DAYTONKNIGHT CONSULTANTS LTD	\$57,340.54
PACIFIC BLUE CROSS	\$42,122.64
PEOPLE POWER PRODUCTIONS INC (SSIWPA Coordination)	\$91,258.78
RECEIVER GENERAL - Trustee Remunerations	\$88,623.15
SHAW BUSINESS SOLUTIONS	\$33,015.78
TELUS	\$37,246.87
TELUS MOBILITY	\$39,487.78
YOUNG ANDERSON	\$393,450.78
Total Aggregate Amount Paid to Suppliers over \$25,000	\$2,677,529.36

Total Consolidated Payments of \$25,000 or less	\$48,663.20

Total Expenditures for Goods & Services	\$2,726,192.56

RECONCILIATION

Total Expenditures by Object per Financial Statements	7,092,373.00
Less: Amortization	(49,688.00)
salaries and benefits	(4,003,460.00)
expenses paid to or on behalf of employees this fiscal year	(212,457.42)
expenses paid to or on behalf of trustees this fiscal year	(100,575.02)

Net expenditures to Suppliers	<u><u>2,726,192.56</u></u>

*During 2015-16, the Islands Trust has been one of the partners in the Lasqueti Community Integrated Energy Project. This local solar power conversion project needed a local government partner to receive and administer \$343,000 from eight different sources of funding.



Islands Trust

SCHEDULE OF REMUNERATION & EXPENSES FOR EMPLOYEES

APRIL 1, 2015 TO MARCH 31, 2016

Employees whose remuneration exceeds \$75,000 (in alphabetical order)	POSITION	REMUNERATION including taxable benefits over \$75K	EXPENSES
Adams, Linda	Chief Administrative Officer (to January 2016)	\$130,761.06	\$6,560.18
Beeston, David	Information Systems Coordinator	\$77,146.37	\$1,062.42
Brzozowski, Aleksandra	Island Planner	\$80,014.74	\$4,340.82
Cermak, Stefan	Island Planner	\$88,997.65	\$6,449.12
Eggen, Marnie	Acting Island Planner	\$76,051.58	\$4,434.02
Frater, Clare	Trust Area Policy Analyst	\$79,855.86	\$2,305.89
Gordon, Lisa	Director of Trust Area Services	\$98,973.19	\$9,226.13
Kojima, Robert	Regional Planning Manager	\$93,437.48	\$2,980.93
Marlor, David	Director of Local Planning Services	\$103,352.33	\$9,943.77
Milne, Robert	Island Planner	\$80,032.86	\$6,941.95
Richardson, Gary	Island Planner	\$77,925.20	\$7,411.08
Shelest, Cindy	Director of Administrative Services	\$103,545.60	\$8,385.67
Starke, Justine	Island Planner	\$79,393.64	\$4,657.51
Thiel, Carmen	Legislative Services Manager	\$89,809.37	\$3,652.64
TOTAL		\$1,259,296.93	\$78,352.13
All Other Employees		\$2,003,881.40	\$134,105.29
TOTAL		\$3,263,178.33	\$212,457.42

RECONCILIATION

Total Remuneration - Employees	3,201,094.63
Plus taxable benefits	62,083.70
Subtotal	3,263,178.33
Plus non-taxable benefits	740,281.67
Total	4,003,460.00
Total per Statement of Revenue & Expenditure - Salaries & Benefits	4,003,460.00
Unreconciled Variance	0.00



BRIEFING

To: Trust Council

For the Meeting of: September 13-15,
2016

From: Financial Planning Committee

Date prepared: August 24, 2016

SUBJECT: DRAFT BUDGET ASSUMPTIONS AND PRINCIPLES 2017/18 BUDGET PROCESS

DESCRIPTION OF ISSUE: Each year, budget assumptions and principles are developed for the next budget cycle. The assumptions and principles provide the underlying basis for developing many of the individual revenue and expense budget lines.

BACKGROUND: Policy 6.3.i Budget Process Policy, section C.2.d states “Budget Principles and Assumptions shall be addressed in December of each year”. However, the issues are introduced in September to inform Trustees of the preliminary draft assumptions and principles that staff and the Financial Planning Committee will use in developing the first draft of the 2017/18 budget.

In some cases the assumptions are well-defined and unlikely to change during the budget development process. Other assumptions are less certain at this point, and will likely be amended during the budget development process.

ATTACHMENT(S):

Draft Budget Assumptions and Principles for the 2017/18 Budget Process.
Budget Timelines 2017/18

AVAILABLE OPTIONS:

Modify the assumptions and principles as presented.

FOLLOW-UP:

In an iterative process, as more information becomes available, the budget assumptions and principles will be updated and presented to the December 2016 Trust Council.

Prepared By: Cindy Shelest, Director Administrative Services

Reviewed By/Date: Russ Hotsenpiller, Chief Administrative Officer/August 17, 2016
Financial Planning Committee/August 24, 2016

**ISLANDS TRUST
2017/2018 FINANCIAL PLAN
ASSUMPTIONS AND PRINCIPLES – Draft September 2016**

PROCESS: Each line of the Detailed Budget is reviewed on a needs-basis by the responsible budget manager, giving consideration to previous years' spending and future work programs and services (including Trust Council's Strategic Plan initiatives). Local Trust Committees (LTCs) are asked to provide their project needs and review their LTC expense budgets, passing any resolutions required to adopt/modify their budget proposals. The Trust Fund Board requests budget changes to support the goals in its Regional Conservation Plan. Directors review their respective Committee work programs to ensure work plan activities are appropriately funded. The Director of Administrative Services reviews the detailed spending and projects costs on behalf of the organization with respect to completeness and accuracy and compiles the Detailed Budget for the year. The overall Detailed Budget is reviewed by Islands Trust Management Team prior to being submitted to the Financial Planning Committee for review and consideration. A first draft of the budget is forwarded to Trust Council in December.

A. Inflation

Assumption/Principle

- Where applicable, estimated general growth in expenditures will be based on the Consumer Price Index (CPI) for Victoria, as reported by Statistics Canada.

Status

- The proposed Detailed Budget for 2017/18 presented to Trust Council in December 2016 will reflect estimated growth in Victoria CPI and will be adjusted as the actual CPI is made available through the Statistics Canada reports in December 2016.

B. Non-market Growth in Property Taxes

Assumption/Principle

- The property tax base within the Islands Trust Area will grow by 1.0% due to new development activity.
- The Islands Trust uses a report from BC Assessment on non-market growth for the Southern Gulf Islands and Salt Spring to estimate the non-market growth for the Islands Trust Area as a whole, since the assessment value of this area represents approximately 65% of the total for the Islands Trust Area.

Status

- BC Assessment will provide the report on non-market growth for the Southern Gulf Islands in December 2016. Once received, data in the report will be used to adjust assumptions about non-market growth.

C. Alternate Funding Through Grants

Assumption/Principle

- The Grants Administrator monitors grant programs to seek opportunities to obtain funding for local trust committees to cover the expense of their program items.
- Management provides the Grants Administrator with an outline of local trust committee proposed projects so specific funding opportunities can be explored.
- Funding of local trust committee programs by grants reduces the requirement for funding through other sources of revenue.
- The annual budget normally includes an estimated amount of contingent grant revenue, to allow for revenue not yet identified. This amount is offset by an equal expense budget for contingent grant expenses. The result is no net effect on the bottom line.

Status

- The Grants Administrator position is a .4 FTE and is focused on LTC projects only. As in previous years', the draft 2017/18 budget will include \$50,000 in contingent grant revenue and offsetting expenses.

D. Staffing Levels

Assumption/Principle

- In most cases, current staffing levels are appropriate to carry out the existing level of services and functions provided by the Islands Trust.
- Decreased staffing levels would result in a reduced level of services or functions.
- New functions or services may require either additional staffing or the deletion of some existing functions or service levels.

Status

- In support of Trust Council resolution TC-2016-004 (March 22, 2016 TC meeting), it is proposed that the temporary, full-time Senior Intergovernmental Policy Advisor position continue to be funded for the period April 1, 2017 to March 31, 2018.

E. Staffing Costs

Assumption/Principle

- In accordance with the *Islands Trust Act*, staff members at the Islands Trust are appointed subject to the *Public Services Act* and the *Public Service Labour Relations Act*. Unionized staff members at the Islands Trust are members of the BCGEU. Their compensation and benefits are subject to union contracts negotiated between the Public Services Agency and BCGEU.
- Excluded (non-union) management staff members are also subject to the *Public Service Act*. They are compensated according to a salary grid approved by the Executive Committee and consistent with the Public Service Agency Policy on Salary Administration for Management Employees. Benefits and related costs are also defined by the Public Service Agency.

Status

- A BCGEU agreement for the period April 1, 2014 to March 31, 2019 is currently in effect. During the fiscal year 2017/18 two reviews are applicable: one on April 2, 2017 (.5% increase) and a further Economic Stability Dividend effective February 4, 2018 (potential 1.0% increase).
- BCGEU contract employees are also eligible for “step” increases as they progress in their positions. A review of eligibility will be undertaken and estimates provided within the budget (in most cases it is assumed that existing staff will have reached the top step during the 2017/18 budget cycle).
- Excluded staff within the Islands Trust received a wage increase in July 2016 (ranging from 2 – 4 %). This budget does not include a provision for an increase during 2017/18.

F. Trustee Remuneration

Assumption/Principle

- Trust Council's Policy 7.2 Trustee Remuneration defines the process for determining the remuneration received by Trustees. As per Section D.2. remuneration is calculated based on four factors.
- The defined annual compensation amounts and the methodology for making adjustments are incorporated into a Trust Council Remuneration Bylaw.
- Section E.5.a) states that “In fiscal years where census results are not available, the previous year's remuneration will be adjusted on an annual basis, coinciding with the fiscal year, based on the annual change in the Victoria Consumer Price Index as reported by BC Statistics in December.”

Status

- A new census is not anticipated prior to the first draft of the 2017/18 budget.
- Any increases will be included in the budget once the Consumer Price Index (CPI) for Victoria is known for this budget cycle (see Section A).

G. Office facilities

Assumption/Principle

- The Islands Trust maintains office facilities for staff in Victoria, and on Salt Spring and Gabriola islands.
- The Islands Trust will continue to lease office space for trustees on Denman, Galiano and North Pender, subject to trustee needs, and subject to Policy 7.4.iv (On-Island Trustee Offices).
- No further increase in space requirements is anticipated at this time.

Status

- The Victoria office lease term expires in September 2017.
- The Northern office (Gabriola Island) lease term expires in November 2017.
- In June 2015, the Islands Trust Council approved the creation of a Select Committee to review the location of the Victoria office. Should the review being undertaken in 2016/17 result in recommendations to relocate the office, the related costs would be subject to Trust Council's 2017/18 annual budget. In addition, an anticipated referendum on Salt Spring Island in March 2017 is expected to indicate whether Salt Spring Island will be incorporated as a municipality (potentially by late 2017). Both of these factors could impact future office needs and related leases.
- Should Salt Spring Island vote to incorporate, the Islands Trust expects to contract with the new municipality to provide planning services until 2020. The Salt Spring office lease term expires in February 2017. Future lease decisions will be guided by the Islands Trust Adaptation Strategy, should incorporation proceed.

H. General Revenue Fund Surplus

Assumption/Principle

- Trust Council's policy 6.5.i, section D.6, recommends a minimum level of Surplus as "three months of expenses net of three months of revenue, excluding revenue from property taxes or the provincial grant".
- The Islands Trust receives annual property tax funds in August of each year.

Status

- Based on the 2016/17 budget, the General Revenue Fund Surplus balance would be \$2.1 million at March 31, 2017. As this amount represents 120% of the recommended minimum level of Surplus, no increase in the General Revenue Fund Surplus is required at this time.
- Islands Trust has not had to borrow funds in the last five years to fund operations prior to receiving the annual property tax funds.
- In the 2016/17 Budget several projects related to the Strategic Plan adopted by Trust Council in September 2015 were funded from the General Revenue Surplus Fund. It is anticipated that a similar request may be included in the 2017/18 budget.

I. Provincial Funding

Assumption/Principle

- The provincial government provides annual funding grants to the Islands Trust, consistent with funding levels provided to other small local governments

Status

- For the 2017/2018 fiscal year, the estimated grant amount provided by the Ministry of Community, Sport, and Cultural Development is \$180,000.

J. Local Planning Services

Assumption/Principle

- The Islands Trust Council provides sufficient funding for LTCs to carry out their primary function, which is land use planning and regulatory activities within their local trust area as permitted by the *Islands Trust Act* and consistent with Islands Trust Council Policy 5.9.1. These activities include the development of Official Community Plans and land use regulations and the processing of development applications and referrals from other agencies. Other activities may be undertaken where the Islands Trust Council has delegated additional powers to an LTC.
- LTC development application fees are intended to partially fund the costs of development application processing.
- Local Planning Services' Planner positions are fully staffed to the levels approved by the Islands Trust Council following the 2007 Local Planning Services Review. The budget process may propose new or modified positions.
- Local Planning Services' Bylaw Enforcement positions are fully staffed to the levels approved by the Islands Trust Council following the 2008 Bylaw Enforcement Function Review. The budget process may propose new or modified positions.
- OCP and land use planning project budgets over the long-term will be distributed between LTCs

based on their relative percentage of assessed value, per the resource allocation model.

Status

- All Local Planning Services positions will be fully staffed, with some minor fluctuations due to normal levels of turnover, leaves and workload variations.

K. Planner Resource Allocation

Assumption/Principle

- The current work program system which allocates planner time to LTCs will be maintained.
- Resources will continue to be fairly evenly distributed between the three planning regions (North, South, Salt Spring)

Status

- No updates at this time.

L. LTC Program and Strategic Plan Budget items in 2017/18 Proposed Budget

Assumption/Principle

- The Strategic Plan provides a framework to guide the overall direction of activities for the Islands Trust, to focus finite resources, and to achieve efficiencies where there are common LTC projects.
- Trust Council adopted a new Strategic Plan in September 2015. Estimated budget implications related to these strategies will be reviewed in the fall of 2016 for inclusion in the proposed 2017/18 budget.
- Early in the budget cycle (i.e. July-Sept) LTCs propose budget items for the next fiscal year on the basis of local priorities.
- Management evaluates initial LTC budget proposals against a number of criteria including: Does the proposal support work that is a provincial requirement?; Does the proposal directly support an activity identified in the Strategic Plan?; Does the proposal support work that is a continuation of a current OCP/LUB program?; and Does the proposal support recently adopted OCP policies? Management then prepares a draft budget for FPC discussion and consideration in November.
- FPC considers the draft budget prepared by management and evaluates all budget proposals, including those from LTCs, before recommending a draft budget to Trust Council in December.
- Trust Council provides FPC with direction regarding a further draft of the budget, to be released for public consultation in January and February. Following receipt of public comment and further recommendations from FPC, Trust Council makes the final decision on the overall budget and the individual components in March.
- LTCs have the option of requesting a Special Tax Requisition to raise funds for land use planning activities (or activities related to delegated powers) within their Local Trust Area that were not approved within the general Trust Council budget (see Trust Council Policy 6.3.ii).

Status

- Each LTC has been asked to identify LTC Budget requests for 2017/18, giving consideration to planning capacity to complete requests. In December, trustees will have an opportunity to review and suggest changes to the proposed budgets prior to final adoption of the budget in March 2017.

- It is anticipated that a Special Property Tax Requisition request will be received from the Salt Spring Island Local Trust Committee related to the delegated authority to coordinate watershed management through the Salt Spring Island Watershed Protection Authority.

M. Potential Salt Spring Island Incorporation

Assumption/Principle

- The current Salt Spring Island municipal incorporation process was initiated in 2012 when Salt Spring Island's elected officials requested a governance study from the MCSCD.
- The 2012 Governance Study was completed in 2013, its purpose being to identify, through public engagement and review, governance structures on the Island to see if there was support for proceeding to a full incorporation study. The Governance Study Committee recommended to the Minister that an incorporation study be undertaken and in 2015 the Ministry agreed to fund the study at a cost of \$120,000. The purpose of the study was to examine the financial, governance and other implications of municipal incorporation for Salt Spring Island.
- The Incorporation Study Committee (ISC) received a preliminary Salt Spring Island Impact Study (SSIIS) in October 2015. In February of 2016, the ISC requested and received supplementary funding to aid in delivery of the final SSIIS with focus upon a road condition assessment, the hosting of public events, the updating of financial information and any further technical analysis that is required. The study is due in September of 2016
- Concurrent to the SSIIS, in 2015 the Ministry funded a companion report, that being the Islands Trust Impact Analysis (ITIA). The purpose of the ITIA was to 'examine the potential effect of Salt Spring Island incorporation on the Islands Trust in relation to fiscal stability and organizational adaptation.'
- In May 2016, Urban Systems was retained to update the ITIA to ensure that assessed valuations and underlying assumptions were compatible with the SSIIS and other resource documents.

Status

- A Transition Plan has been prepared by the CAO for Trust Council's consideration at September Trust Council. It is estimated that over the three year horizon of the adaption process the costs will be approximately \$200-250,000.
- In order to lessen the financial and staff resource impacts to the Islands Trust through the transition period, application for a grant to the MCSCD is recommended for assistance with the delivery of a full Adaptation Plan and to fund a Transition Manager. Further, it is recommended that Trust Council create a contingency reserve for the Transition-Adaptation period, funded either through current taxation or reserves.

ISLANDS TRUST

TIMELINE FOR 2017/18 BUDGET PROCESS

Date	Activity
Fri June 24/16	Budget sheets for LTCs distributed to Director LPS and RPMs
July/Aug/1st part Sept	Planners to put Budget topic on first available LTC agenda LTCs and Trustees discuss 2017/18 budget requests and work programs with Planning Staff
Wed Aug 24/16	FPC reviews draft budget principles
Fri Aug 26/16	Budget documents distributed to all Managers for development of departmental budgets. Managers review requests with Staff for input and feedback into the budget process. Director Admin Services begins consultation with Bowen Island and Trust Fund Board
Tues Sept 13/16	All LTC budget requests forwarded to the Director LPS. Director LPS discusses budget requests with Grants Administrator to review for available grants/funding.
Fri Sept 16/16	All budget requests forwarded to Director, Admin Services
Fri Oct 7/16	Management finalizes budget recommendation to FPC
Wed Oct 12/16	Draft 1 of Budget submitted to FPC
Wed Oct 19/16	FPC reviews and discusses first draft of the Budget
Oct 19-Nov 4/16	Staff make revisions to draft budget as directed by FPC
Wed Nov 16/16	FPC approves the Draft Budget and budget principles to be submitted to December Trust Council
Nov 2016	- continued research and planning to improve estimates for proposed operational changes - Planning staff develop "additional operations" budget proposals on behalf of LTCs to go to December Trust Council; preparation for potential local tax requisitions for individual LTCs (see policy 6.3.ii Special Property Tax Requisition)
Fri Nov 25/16	Draft Budget distributed to Trust Council Trustees
Tues Dec 6/16	- Trust Council endorses budget principles and preliminary budget after debate - Budget debate includes consideration of "additional operations" budgets from LTCs - Trust Council approves public consultation process
January 2017	- Consultation with Bowen Island and Trust Fund Board - Further refinement of 2017/18 Base Budget and discretionary spending requests - Public consultation on proposed budget conducted - LTCs who want to fund "additional operations" from special tax requisition pass a resolution to do so
February 2017	- LTCs proposing a special tax requisition hold public consultation meetings - Executive and FPC review of Proposed Budget and Program List - FPC recommendations on Property Tax Requisition and Bowen Island Municipality Tax Levy and LTC special tax requisitions - review public suggestions/comments regarding the budget
March 2017	- Trust Council approval of Base Budget and Program List, along with approval of bylaw for Property Tax Requisition, Bowen Municipality Tax Levy and LTC special tax requisitions - forward Budget Bylaw to the Minister - Budget information and news release prepared



September 2016 Islands Trust Council

Closed Session

8:30 a.m. – 9:15 a.m., Thursday, September 15, 2016

Purpose:

1. To provide an update regarding general employee relations and provide trustees with an opportunity to ask questions regarding confidential labour relations and employee relations at the Islands Trust.
2. To approve previous minutes from Trust Council's closed meeting June 2016.
3. To provide trustees with an update regarding bylaw enforcement and litigation matters.

Resources: Russ Hotsenpiller, Chief Administrative Officer (Sections 1-2)
Carmen Thiel, Legislative Services Manager (Section 2)

Resolution:

That the Islands Trust Council meeting be closed to the public subject to Sections 90(1)(c),(g) and (i) of the Community Charter in order to consider matters related to:

- *labour relations or other employee relations*
- *litigation affecting the Islands Trust, and*
- *receipt of advice that is subject to solicitor-client privilege;*

and that CAO Russ Hotsenpiller be invited to attend the entire meeting, that other Islands Trust staff be invited to attend Part 2 of the meeting.

TIME	TOPIC	WHO
8:30 - 9:00 a.m.	1. Council/CAO Session	Russ Hotsenpiller
9:00 - 9:05 a.m.	2. Previous Closed Meeting Minutes* a. June 2016	Carmen Thiel

BRIEFING

To: Trust Council **For the Meeting of:** September 13-15, 2016
From: Bruce McConchie, Chair **Date prepared:** August 25, 2016
SUBJECT: UPDATE ON THE WORK OF SELECT COMMITTEE FOR REVIEW OF THE VICTORIA OFFICE LOCATION

DESCRIPTION OF ISSUE: The Select Committee for Review of Victoria Office Location wishes to update Trust Council on the progress of its work.

BACKGROUND:

- Since its creation, the Select Committee has had five meetings; October 21, 2015; November 18, 2015; January 19, 2016; and May 31, 2016; August 24, 2016.
- The Committee members have received input from the CAO, the Director of Administrative Services, and the Chair of the Trust Fund Board.
- The Committee has reviewed and discussed potential office relocation options. All analysis to date has been based on the premise that the status quo would be maintained in the Salt Spring Island Local Trust area.
- The Committee discussions are summarized in the committee's approved minutes, available on the Islands Trust website.
- The Committee is not yet prepared to provide recommendations to the Islands Trust Council. However, at its August 24th meeting the following motion was passed:

"The Committee supports the Management Team, their administrative support staff and the Trust Fund Board remain within the greater Victoria area for the foreseeable future."
- The intent of this motion was to provide certainty to Victoria office staff regarding remaining within the 32 km contractual radius. This does not prevent any initiatives to explore other locations within this limit.
- The Committee, at the discretion of Trust Council plans to focus its future work on:
 - Investigating the possible pros and cons to establishing a satellite office in Sidney. The committee will examine how it might affect delivery of services to the Southern Gulf Islands and affect staff, especially the Southern Planning team.
 - Learning about the provincial government's "Leading Workplace Strategies" program.

AVAILABLE OPTIONS:

- 1) Receive for information.
- 2) Pass a motion that the Management Team, their administrative support staff and the Trust Fund Board remain within the greater Victoria area for the foreseeable future.
- 3) Direct the Select Committee to suspend further work until the Salt Spring Island incorporation referendum initiative is resolved
- 4) Direct the Select Committee to engage an independent consultant to investigate whether relocation of some or all of the Islands Trust Victoria office staff positions might better serve the interests of the Trust Area constituents.
- 5) Provide alternate direction to the Select Committee.

FOLLOW-UP:

The Select Committee for Review of Victoria Office Location next meeting is scheduled for October 19, 2016.

The committee will continue its work unless otherwise directed by Trust Council.

Prepared By:	Bruce McConchie, Chair, SCR VOL	August 25, 2016
Reviewed By/Date:	Paul Brent, Committee member, SCR VOL	August 25, 2016
	Clare Frater, Committee member, SCR VOL	August 25, 2016
	Russ Hotsenpiller, CAO	August 26, 2016

Islands Trust Council Goals	Executive Committee (RH)	Trust Fund Board (JE)
1. Ecosystem Preservation and Protection 2. Ensure human activity and development are compatible with maintenance of Trust Area ecosystems 3. Sustain Island Character and Healthy Communities 4. Effective, Efficient and Collaborative Governance	1. Governance, Policy, Strategic Planning, Trust Council (RH) 2. Communications, Advocacy, Policy Statement, Interagency and Public Relations (LG) 3. Organizational Improvements (DM/CS/CT)	1. Strategic Planning/Administration 2. Covenant and Property Acquisitions 3. Property and Covenant Management 4. Communications 5. Fundraising and Conservancy Support
Financial Planning Committee (CS)	Local Planning Committee (DM)	Trust Programs Committee (LG)
1. First draft of the 2017/18 Budget 2. Review Purchasing Procedure Policy 6.5.iii 3. Response to KPMG Information Technology Report	1. Community Housing Needs 2. Shoreline and Marine Planning 3. Appropriate Economic Development	1. Islands Trust Policy Statement 2. Amend Crown Land Cooperation Agreements 3. Quality and Quantity of Water Resources
Southern Team (RK) Galiano, Mayne, N. Pender, S Pender, Saturna	Northern Team (AK) Ballenas-Winchelsea (EC), Denman, Gabriola, Gambier, Hornby, Lasqueti and Thetis	Salt Spring Team (SC) Salt Spring
LTC Planning Priorities • Galiano – Telecommunication Strategy (KF); Dock Review (KF); Affordable Housing. • Mayne – Commercial Land Use Review (GR); OCP/LUB amendments (TUP policies and STVR review - finalizing) (GR); Fallow Deer Eradication Plan participation; RAR Implementation (GR). • North Pender – Land Use Planning for Waste Management (JS); Housing (STVR review – 1st phase) (JS). • Saturna – Review of Density Transfer Mechanisms (GR); LUB Technical Review (GR); Amenity Zoning Review (GR). • South Pender - LUB Review and Update (RK).	LTC Planning Priorities • Ballenas-Winchelsea (EC): Approval of Administrative Bylaws (SZ/LWG); Protection and Appropriate Use of Crown Islets (SZ); Nanoose FN Relationship Building (SZ). • Denman: Farm Plan Implementation (RM); Marine issues (RM); K'omoks FN Relationship Building (AK). • Gabriola: Roadside Signage Strategy (TR); Attainable Housing (SZ); Water taxi feasibility at or near Descanso Bay (unassigned). • Gambier: RAR implementation (AB); Gambier OCP review (AB); Foreshore protection/stewardship (AB); OCP advocacy implementation & support (trustees). • Hornby (RM): K'omoks First Nations Relationship Building (AK); Review of community housing definition and setback requirements for the 8.3A, Community Housing zone of Bylaw No. 150 (RM); Develop a TOR for APC review of vacation home rentals (RM). • Lasqueti: OCP & LUB review (SZ); Aging at Home (SZ); • Thetis: RAR implementation (ME); ; OCP/LUB Amendments (ME); Land Use & Clam Gardens (AK).	LTC Planning Priorities • Salt Spring: Land Use Bylaw Update - Rural Watershed Uses (JY); Watershed Management & Salt Spring Island Watershed Protection Authority (JS); Ganges Village Area Planning – Harbourwalk (JY); Land Use Bylaw Update: Industrial (SC); Secondary Suites & Cottages – Temporary Use Permits (SW).

Planning Priorities – taken from top priorities established by each local trust committee. RH – Russ Hotsenpiller; LG – Lisa Gordon; DM – David Marlor; CS – Cindy Shelest; JE – Jennifer Eliason

Southern Team: RK – Robert Kojima; GR – Gary Richardson; JS – Justine Starke; KF – Kim Farris

Northern Team : AK – Ann Kjerulf; AB - Aleksandra Brzozowski; ME – Marnie Eggen; RM - Rob Milne; TR – Teresa Ritemann; SZ – Sonja Zupanec;

Salt Spring Team: SC – Stefan Cermak; JY – Jason Youmans; SW-Seth Wright; JS – Justine Starke (seconded for Watershed Management Project till March 31, 2017)

Trust Council Quarterly Meeting Schedule
December 6-8, 2016
Community Gospel Chapel, 147 Vesuvius Road, Salt Spring Island

DRAFT

Tuesday, December 6	Wednesday, December 7	Thursday, December 8
	7:30 Breakfast – Harbour House Hotel	7:30 Breakfast – Harbour House Hotel
Ferries to Salt Spring Island: Swartz Bay – lv 11:00 am; arv 11:40 am Crofton – lv 11:00 am; arv 11:20 am Tsawwassen – lv 10:20 am; arv 1:35 pm Galiano – lv 11:15 am; arv 1:10 pm Mayne – lv 11:55 am; arv 1:10 pm Pender – lv 12:30 pm; arv 1:10 pm	8:30 New Business Items* 10:00 2017/18 Draft Budget Session 10:30 Break 11:00 2017/18 Draft Budget Session (continued) 12:00 Lunch/Tour 1:00 Community Presentations 2:00 Delegations & Town Hall 3:00 Break 3:30 Trust Area Services Director's Report * TPC Work Program Report Trust Fund Board Report 4:00 Administrative Services Director's Report FPC Work Program 5:00 Adjourn for the day 6:00 Dinner	8:30 Closed meeting 9:15 Effective Advocacy 11:00 Break 11:30 Summary/Updates Trustee Updates Priorities Chart Proposed March TC Draft Agenda Program 1:00 Lunch – Community Gospel Chapel 12:30 Correspondence 1:00 Adjournment (approx.) Ferries from Salt Spring Island: Vesuvius to Crofton – 3:00 pm (1:55 pm DC) Long Harbour to Galiano/Mayne/Pender/Tsawwassen - 3:15 pm Fulford Harbour to Swartz Bay – 3:50 pm
12:00 Executive Committee Meeting 1:00 Lunch – Community Gospel Chapel 1:45 Call to Order and Approval of Agenda RWMs * Adoption of Minutes FUAL Trustee Round Table 2:45 Break 3:15 Visioning Follow Up Session 4:15 Executive CAO's Report * EC Work Program Continuous Learning Plan 4:45 Local Planning Services Director's Report * LPC Work Program Bylaw Enforcement Briefing 5:00 Adjourn for the day 6:00 Dinner with Former Trustees		

* Denotes resolution/decision items

Members of the public are invited to attend all sessions except any closed meetings and meals.

GABRIOLANS AGAINST FREIGHTER ANCHORAGES SOCIETY

P.O. Box 359, Gabriola Island, B.C., V0R 1X0
www.gabriolaanchorage.org | gabriolaanchorage@gmail.com

VIA EMAIL AND REGISTERED MAIL

August 23, 2016

The Honourable Dominic LeBlanc
Minister of Fisheries, Oceans and Coast Guard
House of Commons
Ottawa, Ontario
Canada
K1A 0A6

The Honourable Marc Garneau
Minister of Transport
House of Commons
Ottawa, Ontario
Canada
K1A 0A6

The Honourable Catherine McKenna
Minister of Environment and Climate Change
House of Commons
Ottawa, Ontario
Canada
K1A 0A6

Dear Honourable Ministers,

**Re: Letter of Fisheries Protection Program to Pacific Pilotage Authority (PPA) dated June 27, 2016
("DFO Letter") regarding proposed Gabriola Island Anchorages**

This letter is a request for reconsideration by the Minister of Fisheries Oceans and the Coast Guard of the decision by DFO that the proposal to establish five anchorages for cape-size vessels along the Northeast coast of Gabriola Island BC ("the project") requires neither a review nor an authorization under the Fisheries Act (the "DFO decision"). The DFO decision is set out in the letter of Fisheries Protection Program Officer Alain Magnan, Manager, Regulatory Reviews (the "DFO Letter"), a copy of which is attached.

This letter is addressed to all three of your Honourable Ministers because the DFO decision raises Important Policy Considerations (see below) that are directly relevant to the reviews currently underway by your departments of the following:

- The Fisheries Act
- The Canadian Environmental Assessment Act
- The Navigation Protection Act
- The Canadian transportation system, in particular the marine component

Further, PPA, the lead proponent of the project and to whom the DFO Letter is addressed, is a federal crown corporation under the responsibility of the Minister of Transport

GAFA's understanding of the DFO decision

The DFO Letter states: *'Based on the information provided, your proposal has been identified as a project where Fisheries Act authorization is not required. Specifically, please refer to the following website [Projects*

Near Water <http://www.dfo-mpo.gc.ca/pnw-ppe/index-eng.html>], which includes “Moorings’ on the ‘List of Project activities and criteria where DFO review not required’. (the “List”). While the DFO Letter goes on to recommend that the PPA follow guidance tools and consider design options, this is merely advisory.

We have reviewed the various Guidance Documents to which the DFO Letter refers and our understanding of the basis for the decision is set out below. If our understanding is wrong in any respect we ask that you provide clarification/correction.

- The conclusion that a *Fisheries Act* authorization is not required was based on the information provided by PPA in its Application for Review dated April 28, 2016 (the “Application”) and the Environmental Overview Assessment of the Proposed Gabriola Island Anchorages prepared by Tetra Tech EBA and marked ‘Issued for Review’ April 26, 2016 (the “EOA”). Mr. Obermeyer, President and CEO of the PPA, has advised that some meetings were held between Tetra Tech EBA and DFO, however we understand that no information material to the DFO decision was exchanged in those meetings.
- The List reflects DFO policy that projects meeting certain criteria are considered to be of low potential to result in serious harm to fish and should receive ‘light touch’ treatment (i.e.) acceptance of proponents’ findings, without review. The activities described on the List are all comparatively small in scale or involve no increase of an existing footprint, are of limited duration and low incidence of recurrence.
- For these types of activities, DFO’s policy is to require only qualitative assessment of key impacts. (Ref. Fisheries Protection Policy Statement, Guidance Documents).
- The policy rationale for the List and for requiring only qualitative assessment of the impacts of project activities on the List, is to promote administrative efficiency for DFO, and certainty for proponents. (Ref. Fisheries Protection Policy Statement)

Reasons the DFO Decision Should be Reconsidered

We submit that the DFO decision should be withdrawn and reconsidered for the following reasons:

1. *Policy/Precedent.* If allowed to stand, the DFO decision sets a precedent that carries with it the potential for cumulative, large-scale transformation of the entire ecosystem of the Strait of Georgia. On the basis of the DFO decision future anchorages projects also covering an area that is more than twice the size of Vancouver’s Stanley Park, can proceed with no DFO review and on the basis of no meaningful scientific baseline information or impact assessment.

The proponents of these anchorages have already stated that a further five anchorages are required – thus, another area of productive habitat in the Strait of Georgia at least twice the size of Stanley Park will soon be similarly altered or destroyed without any actual knowledge of what was there and how it contributed or could have contributed, not only to the sustainability and productivity of commercial, recreational or Aboriginal fisheries (CRA fisheries), but also to the survival of marine mammals and birds, including *species at risk*. There is no rational basis for assuming that the currently planned ten anchorages will be the final number of anchorages sought by the marine industry.

2. *Fisheries Act Review.* There was no urgency for the DFO decision and no emergency in the context of which it could be argued that a decision had to be made on the basis of inadequate information.

On May 30, 2016, we wrote to your predecessor, Minister Tootoo, asking that the review of this proposal be postponed pending completion of your government's promised review of the *Fisheries Act* and restoration of lost protections. The DFO Letter was issued without any acknowledgement of, or reply to, that request.

On June 20, 2016, before the DFO decision was issued, your government announced a review of the *Fisheries Act*. In making that announcement, Canadians were assured that your government would "implement new processes to monitor the development of projects".

The DFO decision regarding the project reflects the regressive changes made to the *Fisheries Act* by the previous government, and a policy approach that gives priority to administrative efficiency for DFO and cost-effectiveness for proponents, over DFO's mandate to protect fish and fish habitat. The policies that resulted in the DFO decision are inconsistent with your government's commitment to protect our oceans and safeguard our marine and coastal habitats.

In the circumstances, the issuance of the DFO decision, *in regard to a federally-sponsored project*, on the basis of policies that your government has acknowledged fail to adequately protect important resources, was ill-timed and ought to have been postponed until the announced legislative review is completed.

3. *Patently Unreasonable and Incorrect Interpretation of Guidelines.* It is well-established that while guidelines such as the List and policy guidance regarding assessment methodology are useful, they are not legally binding and are not intended to be exhaustive or restrictive. Adherence to the aforementioned guidelines in relation to the project has produced a result that is inconsistent with the principles of sound, science-based decision-making and a precautionary approach.

3.1 *Misapplication of the List.* There are many aspects of the project and the activities associated with it that make it functionally and substantially different from the activities described under "Moorings" on the List:

- a) This project is not small in scale. It involves 970 hectares of previously undisturbed habitat - an area more than twice the size of Stanley Park.
- b) The project comprises five anchorages for which there are no enforceable restrictions on timing, frequency or duration of use. The anchorages will be used at all times of the year, including during sensitive spawning and rearing periods for fish that support CRA fisheries, and fish that are part of CRA fisheries. It is evident from the Application and the EOA that there is no intention of avoiding use of the anchorages during spawning and rearing periods and there is no credible evidence that the proposed mitigation measures, which are not binding, would be effective to avoid residual serious harm to fish or fish habitat.
- c) The type of activities described under 'Moorings' on the List are clearly of limited duration and low incidence of recurrence. In contrast, the impacts of activities associated with the proposed anchorages will be substantively different in frequency,

duration, footprint and impact. The frequently-repeated deployment of anchors and chains and the associated scouring of the sea floor as ships change position with wind and current while at anchor for days or weeks, year after year, will mean virtually perpetual disturbance of benthic habitat, turbidity and sedimentation. The resulting alteration and destruction of habitat that contributes to sustainability and productivity of CRA fisheries will be functionally permanent. This type of activity is not contemplated under “Moorings”.

- d) The project is not within a ‘harbour’, as contemplated by the heading “Harbours and Marine Commercial Activities”. It is clear from a plain reading of the List that the activities under ‘Harbours and Marine Commercial Activities’ are activities that take place in a harbour. There is no other meaning for the term ‘Harbours’ in this context and no other purpose for the term to be part of the title of this section.
- e) There is no reasonable basis for equating ‘anchorage’ and ‘moorings’. Firstly, the List describes *activities* that are exempt from review – not projects. It does not exempt every type of activity in relation to each of the project-types listed, only the specific activities listed. Installation, repair and removal of moorings are functionally different activities than the activities that will be associated with the proposed anchorages.

Secondly, it is significant that the terms ‘moorings’ and ‘anchorage’ are used distinctively, and not interchangeably, in the *Canada Shipping Act*, the *Navigable Waters Protection Act*, the *Marine Transportation Security Regulations*, and by Vessel Traffic Services. It is evident from the Application that neither PPA nor its consultant considered ‘moorings’ to include anchorages. Although ‘Moorings’ is an option available for selection under “What work categories apply” on the Application form, neither PPA nor its consultant selected ‘Moorings’. Instead, they checked the box “Other” and inserted the words ‘Anchorage sites’.

- 3.2 *Guidelines Regarding Acceptable Methodology.* Whether applied to ‘moorings’ or ‘anchorage’, it is axiomatic that a policy of accepting qualitative assessment of impacts is premised on the existence of an adequate body of relevant quantitative scientific information from which a reasonable science-based assessment can be made. A decision based on a qualitative assessment in the absence of such information would be inconsistent with the overall legislative scheme of the *Fisheries Act*, and would not constitute ‘science-based decision-making’.

It is readily apparent from a review of the EOA that there is insufficient quantitative scientific information available to permit a reasonable assessment of the project on a qualitative basis. In this regard, please see the enclosed statements of Dr. Richard Beamish and Dr. D. Furnell, each of whom has considerable expertise in fisheries-related matters. These experts are of the view that the available quantitative scientific information is inadequate to properly assess the potential impacts of the project. The proposed area of the project is understudied and its’ significance to the productivity of CRA fisheries has not been evaluated. Publicly available information and information returned in response to an ATIP request indicates that DFO has very limited information on the area and that the information it does have is dated.

The proponent's own consultant warns repeatedly in the EOA "*There is potential that expert advice or quantitative information, should it become available, would change the effects characterization and significance determination(s)*".

Significant Risks Associated with DFO Decision. The consequences of relying solely upon qualitative assessment methodology in the absence of an adequate body of sound quantitative scientific information that is relevant to the project area, are serious. They include:

- Uncertainty regarding whether all potential key impacts on fish habitat, fish and other aquatic species have been identified and assessed;
- No meaningful basis upon which to evaluate the sufficiency or effectiveness of proposed mitigation measures and therefore no ability to make a science-based decision as to whether an authorization of the project is required under existing legislation or whether, if required, an authorization should be granted to permit damage to fish habitat or fish;
- No reliable baseline information about fish habitat, fish and other aquatic species from which actual impacts of the project could be properly assessed or monitored going forward; and
- A lack of credible evidence to support the conclusions of the EOA.

The overall effect of DFO relying solely upon qualitative assessment methodology in the absence of an adequate body of sound scientific information is that DFO's ability to fulfill its mandate is seriously compromised, as is the overall legislative scheme of the Act.

4. *Unsubstantiated Conclusions, Evidence Misconstrued.* The lack of relevant quantitative evidence to support conclusions in the EOA is compounded when, as appears to have occurred, available quantitative scientific information is also *misconstrued and incorrectly modelled* with the result that an important species such as Pacific Sand Lance is not assessed, and noise impacts, which can have significant adverse effects on, among other things, productivity of fish and other aquatic species including *species at risk*, are not properly assessed. We refer you to our letter of July 4, 2016 and the statements attached thereto (attached again for your reference).

Important Policy Considerations Raised by the DFO Decision

1. As noted above, the DFO decision sets a precedent that carries with it the potential for cumulative, large-scale transformation of the entire ecosystem of the Strait of Georgia in the absence of reliable scientific baseline information about fish, fish habitat, marine mammals and other aquatic species and without any meaningful assessment of potential impacts.

One has only to look at the vast number of large and cape size ships idling and anchored outside ports such as the Port of Singapore to realize that the Strait of Georgia could soon be choked with ships at anchor and its marine environment damaged or destroyed for generations.

- Is this vision of the Strait of Georgia in keeping with the environmental, social and economic values and priorities of Canadians and the platform on which your government was elected?

- Are policies and interpretations that have this effect consistent with sound stewardship of Canada's marine resources?
2. The recent comprehensive study of DFO statistics by Oceana Canada revealed the inadequacy and unreliability of DFO data.
- <http://www.oceana.ca/en/publications/reports/heres-catch-how-restore-abundance-canadas-oceans>.
- Is it reasonable to adhere to operational policies that prioritize administrative efficiency and cost-effectiveness for commercial projects and fail to take advantage of opportunities to address knowledge gaps and improve our scientific knowledge base of Canada's marine resources?
 - Who should be responsible for producing a credible scientific basis for decision-making? Although the proposed anchorages are sponsored by the Ministry of Transport, marine terminals, cargo and other shipping interests will benefit from them. It is consistent with a 'user pay' model that the parties undertaking / benefitting from an action associated with potential serious harm should be responsible.
 - Is it possible for DFO to fulfill its mandate if it lacks credible scientific information on which to assess whether there has been a violation of the prohibitions in the Act?
3. Current DFO policies focus on the productivity of CRA fisheries. The limitations of a productivity model are now well-recognized. The method focusses on valuing those resources that are inputs to producing fish for CRA fisheries. However ecosystems also include resources that may not be directly related to that outcome, or whose relationship is not well-understood, and thus the importance of such resources, both to the ecosystem and society, are likely to be seriously undervalued.
- Is it appropriate, given what is now understood about the importance of biodiversity, the significance of interdependencies, the substantial knowledge gaps that have been identified, and your government's commitment to protect our oceans, and safeguard our marine and coastal habitats, that an economic productivity model alone should continue to inform DFO policy?
4. Despite the wide array of long term adverse environmental, social and economic impacts associated with ships sitting at anchorages, more anchorages are being sought as a short term solution for inefficiencies in Canada's transportation system.
- Is this an appropriate balancing of interests?
 - Is it consistent with the environmental, social and economic values and priorities of Canadians, and Canada's status as a developed nation and climate action leader?
5. The establishment of anchorages, *even in a legislatively protected area*, is not subject to any prescribed environmental assessment process, yet the nature of anchoring activities and the activities that can take place at anchorages (transshipping, bunkering) are of high potential to result

in serious adverse environmental, social and economic effects. Proponents are permitted to self-assess and to determine what, if any, level of environmental review to undertake. There are no enforceable standards or criteria regarding the scope of the assessment. Important environmental, social and economic consequences can be ignored.

- While this may have been considered satisfactory more than 40 years ago when the last anchorages outside a port were established in the southern Strait of Georgia (before the creation of the Islands Trust), given what is now known about ecosystems, the importance of biodiversity, interdependence of species, health, and climate impacts among others, is this lack of review, independent oversight and standards in keeping with the social, environmental and economic values and priorities of Canadians and the platform on which your government was elected?

Reconsideration Request

Having made a decision based on legislation and policy recognized as inadequate to protect fish and fish habitat and having unreasonably and incorrectly interpreted and applied administrative guidelines, we submit that it is in the public interest, and necessary for restoration of public trust in governmental processes relating to Canada's marine resources, that:

- the decision to assess the project on the basis of the List and the decision that the project does not require an authorization, be withdrawn;
- no decision be made in respect of the project or any alternative project, such as mooring buoys, in this legislatively protected area until:
 - the *Fisheries Act* review is complete;
 - a reliable scientific baseline of the proposed project area has been completed including fish surveys, bottom fauna and sediment sampling, and underwater noise measurement; and
 - there has been a rigorous, sound and credible assessment of the risks and potential impacts of the project on fish, fish habitat, and other aquatic species.; and
- the legislative provisions and policies applicable to future consideration of such project be those that reflect restoration of comprehensive habitat protection.

Further, we ask that the scope of further study and assessment be determined by a party independent of the proponents of the project and after First Nations and local consultation with the Gabriola Island community to ensure all valued components are identified and assessed. With the improved science capability within DFO resulting from the recently announced addition of science positions, we urge DFO to take on the task of completing the necessary studies to ensure there is a reliable scientific baseline for the area.

Given the potentially far-reaching implications of the DFO decision, we submit that taking these steps is fundamental to DFO's present and future ability to fulfill its mandate. There is no prejudice to the proponents of the proposed anchorages in taking these steps. The PPA has said that the proposed anchorages are not currently needed.

We ask the Minister of Fisheries, Oceans and Coast Guard to confirm that the DFO decision will be withdrawn and we ask the Minister of Fisheries, Oceans and Coast Guard and the Minister of Transport to confirm that any further consideration of the project or any alternative project proposed for this area will be postponed pending completion of the *Fisheries Act* review and restoration of lost protections and completion of the further studies referred to above under "*Reconsideration Request*".

Thank you for your consideration. We look forward to your reply.

Sincerely,

/S/ Franz Gigl

On behalf of **Gabrielans Against Freighter Anchorages Society**

encl. DFO Letter

Statement – Dr. Richard Beamish

Statement – Dr. D. Furnell

Statement – Dr. Ross Chapman

Statement – R. Chapman

cc. Sheila Malcolmson, Member of Parliament, Nanaimo - Ladysmith

Douglas Routely, MLA, Nanaimo - North Cowichan

Islands Trust Council, Executive Committee and Chair

Gabriola Island Local Trust Committee



Fisheries and Oceans Pêches et Océans
Canada Canada

Fisheries Protection Program
3190 Hammond Bay Road
Nanaimo, BC V9T 6N7

Your file Votre référence

JUN 27 2016

Our file Notre référence
16-HPAC-00473

Isabelle Forget
Pacific Pilotage Authority
Suite 1000 – 1130 West Pender Street
Vancouver, BC V6E 4A4

Via e-mail: forgeti@ppa.gc.ca

Dear Isabelle Forget:

Subject: Serious harm to fish can be avoided or mitigated

The Fisheries Protection Program (the Program) of Fisheries and Oceans Canada received your proposal on April 29, 2016.

Based on the information provided, your proposal has been identified as a project where a *Fisheries Act* authorization is not required. Specifically, please refer to the following website (<http://www.dfo-mpo.gc.ca/pnw-ppe/mesures-mesures/index-eng.html>), which includes “Moorings” on the list of “Project activities and criteria where DFO review is not required”. In order to comply with the *Fisheries Act*, it is recommended that you follow our guidance tools which can also be found on that website. In addition, it is recommended that you consider project design options, such as the installation of fixed moorings buoys to reduce anticipated disturbance to the seabed.

It remains your responsibility to meet the other requirements of federal, provincial and municipal agencies.

Should your plans change or if you have omitted some information in your proposal such that your proposal meets the criteria for a site specific review, as described on our website (<http://www.dfo-mpo.gc.ca/pnw-ppe/index-eng.html>), you should complete and submit the request for review form that is also available on the website.

Should you have any questions or concerns about the compliance of your proposal with the *Fisheries Act* and/or those prohibitions of the *Species at Risk Act* that apply to listed aquatic species*, you may wish to engage an environmental professional familiar with measures to avoid impacts to fish and fish habitat (<http://www.dfo-mpo.gc.ca/pnw-ppe/env-pro-eng.html>).

*Those sections most relevant to the review of development proposals include 20 and 35 of the *Fisheries Act* and sections 32, 33 and 58 of the *Species at Risk Act*. For more information please visit www.dfo-mpo.gc.ca.

Canada

.../2

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Alain Magnan', with a long horizontal flourish extending to the right.

Alain (Al) Magnan, RPBio
A/Manager, Regulatory Reviews

Statement – Dr. Richard Beamish

Re: Anchoring freighters off Gabriola Island

The area off the Strait of Georgia side of Gabriola Island is productive rearing habitat for a number of species including important commercial and recreational fishes. In particular, rockfish and lingcod are common and both are species that have been overfished and now are being rebuilt. This area, Area 17-10, is an important part of the rebuilding effort. These species depend on specific bottom features as well as an abundance of prey. It is essential that any human intervention into this ecosystem does not alter the habitat in a way that significantly changes the productivity and the capacity of the habitat to provide prey and protect adult and juvenile rockfish and lingcod. Providing this assurance of stewardship is not an easy task, but it is essential. The area is also a common fishing area for Chinook salmon. Most likely this is because of the abundant prey which in turn depend on the plankton production. Chinook salmon have been declining in abundance since the mid-1980s. The declines result from increased early marine mortality which appears to result from needing more energy to find prey. Juvenile Chinook salmon that grow quicker, faster, survive better. Small changes in food for the juvenile Chinook can have major impacts on their subsequent survival. It is known that the area off the east side of Gabriola Island is an important rearing area for the young Chinook salmon and it is necessary to understand how any intervention into this ecosystem will affect the food for juvenile chinook salmon. Stewardship is now recognized as maintaining the health and productivity of ocean habitats. All changes to habitats in the Strait of Georgia need to include a professional understanding of the consequences to the inhabitants in general and the species that we are trying to rebuild in particular.

Dr. Richard J. Beamish

Dr. Richard Beamish, C.M., O.B.C., Ph.D., D.Sc., F.R.S.C. is an Emeritus Scientist at the Pacific Biological Station in Nanaimo.

He was the Head of the Groundfish Section from 1977-1979 and Director from 1980-1993.

After retiring, in 2011, he continued as an Editor for Transactions of the American Fisheries Society and a member of the Science Panel for the North Pacific Research Board. He was a chairman of the Scientific Steering Committee for the North Pacific Anadromous Fish Commission and an active member of PICES. He was also the Department's representative on the Pacific Fisheries Resource Conservation Council, one of two scientists on the Deputy Ministers' Science Management Board, a former Canadian Commissioner for the International Pacific Halibut Commission and Professor at Vancouver Island University.

Dr. Beamish has been honoured with a number of awards including the Order of Canada and the Order of British Columbia. He was made a Fellow of the Royal Society of Canada and became the first foreign scientist to be made an honorary member of the fisheries centre, TINRO in Vladivostok, Russia. Recently, he received the first award given by the North Pacific Andromous Fish Commission for significant contributions in scientific research, on Pacific salmon, and the Wooster award given by PICES for career achievements in fisheries and ocean science.

Statement – Dr. D. Furnell

Review of Environmental Overview Assessment of Proposed Anchorages, Gabriola Island BC

Introduction

The Pacific Pilotage Authority (PPA) is currently proposing establishing five near shore anchorage sites for Cape size freighters off the Georgia Strait side of Gabriola Island along the 50 m depth contour. PPA contracted Tetra Tech EBA to conduct an environmental overview assessment of the proposed site. The resulting report is based on a review of existing published and government literature with a minor component of direct observation using a remotely operated vehicle (ROV). An organization concerned about this proposal, Gabriolans Against Freighter Anchorages Society (GAFA), asked that I review the Tetra Tech report based on my professional experience in fisheries biology, my great familiarity with the area, having recreationally fished and SCUBA dove extensively there for over 30 years, and my long term residence on Gabriola Island. It was hoped my familiarity with the area could provide credible local knowledge to inform the anchorage proposal discussion.

The Tetra Tech Report

The main conclusion I reach, after reviewing the information presented by Tetra Tech, is that we actually have relatively little knowledge of the marine environment in the anchorage area or the effects of the project on the species that occur there. This lack of information is compounded by the meager literature on the effects of anchorages on the marine environment. Although the Tetra Tech report considers several potential impacts, the two that I will focus on for this discussion are the effect of anchor and anchor chain scour on the benthic environment and the effect of the resulting turbidity and subsequent sedimentation on the surrounding benthos. This will be done for select species and species groups that are known to occur in the anchorage and contribute to either the recreational fishery, commercial fishery or both.

The Tetra Tech report uses the British Columbia Marine Conservation Analysis data set (<http://bcmca.ca/>) and interactive mapping program to describe the marine environment in the immediate area of the anchorages. Unfortunately the resolution of these data is far too coarse to evaluate the effect of the proposal on the Gabriola foreshore. As well, the information is often incorrect. For example, the report states the existence of a Chinook and Coho salmon gill net fishery in the area. This fishery has not existed in the time frame cited by Tetra Tech.

Pacific Sand Lance (*Ammodytes hexapterus*)

Pacific sand lance are a forage fish critical to the diet of many predatory species such as chinook and coho salmon, both of which occur in relative abundance in the anchorage area. Sand lance are also important components of marine bird diets. Although the Tetra Tech report concludes that no suitable sand lance burying or spawning habitat exists in the anchorage area, that conclusion is based on Robinson et al. (2013) which is a habitat suitability model that has not been evaluated by direct observation and validated. Sand lance are geographically faithful to an area once they settle from the plankton and seldom range more than two to four kilometers from their overwintering and wintering benthic habitat, either to forage or to spawn. Numerous Gabriola fishers have reported finding sand lance in the stomachs of chinook and coho salmon taken in the immediate area of the anchorages and the Gabriola Stream Keepers have photographs of dead sand lance washed ashore on Sandwell Beach, at the northwest end of the anchorage area. Stream Keepers also report observations of schooling sand lance in the waters of adjacent Lock Bay. The benthic substrate in many areas of the anchorage is sand and while overall currents may not be entirely suitable for sand lance, current velocity also varies locally. Given the local observations of washed up, dead sand lance, live schooling sand lance and their presence in locally caught salmon, it cannot be concluded there would be no loss of sand lance habitat or direct mortality from anchor scour. The extent to which sedimentation, from anchorage caused turbidity, would affect possible sand lance eggs buried along the northern Sandwell Beach is unknown. An evaluation of sand lance presence should include a proper egg survey of the beach, which is currently scheduled by the Island Trust.

Spot Prawns (*Pandalus platyceros*)

The anchorage area is located on one of the most important recreational spot prawn fisheries in the southern Gulf Islands for individuals from Nanaimo to Ladysmith. The area also supports a significant commercial spot prawn fishery. The extent to which First Nations harvest prawns in the area is unknown.

Female spot prawns begin spawning in August in the anchorage area and berried females (females carrying eggs) begin to appear in local catches in August. Females carry their eggs until early the following spring when they release pelagic larvae into the zooplankton. After several instars, or developmental stages, the larvae settle to the bottom in 2 – 50 m of water (Butler 1964) and assume a benthic existence. Juvenile and adult Spot prawns are detritivores and predators of small benthic invertebrates which also rely on detritus (decaying material that settles to the bottom). After a summer growing inshore, the juvenile spot prawns migrate to deeper water and join the adult population. They begin appearing in recreational traps in May and June of their second year.

Tetra Tech does not consider the effect of anchor scour to be significant on motile benthic invertebrates and does not report any observations of spot prawns in their ROV survey. This absence of spot prawns in the ROV data is in direct contradiction to observations in local

recreational and commercial fisheries. Detritivorous organisms require an undisturbed benthic surface on which to feed. It is obvious, direct anchor scour would eliminate that foraging area; however, sedimentation from turbidity would cause a much farther distribution of disturbance than scour alone, burying food resources.

To what extent a scoured and silt coated bottom would reduce food for local adult and migrating juvenile spot prawns is unknown. A possible comparison to areas with heavy anchorage use such as Burrard Inlet and lesser used anchorages such as Nanaimo Harbour would shed data on anchorage effects on spot prawn populations.

Rockfish (*Sebastes* Spp.) and Lingcod (*Ophiodon elongatus*) Nursery Areas

The general anchorage site is bounded on its northwest and southeast ends by two rockfish conservation areas (RCA) which were established to harbor adult spawning populations of several *Sebastes* species (primarily copper and quillback rockfish). Their disbursing live born, planktonic larvae find nearby nursery areas to rear, growing to join the fishable unprotected populations outside the RCA's.

The Georgia Strait side of Gabriola Island is a rockfish nursery that also harbours ling cod juveniles produced in RCA's. Greenling, in these nurseries, are often the target of recreational fishers. A common and increasingly prevalent by catch of greenling fishers is juvenile rockfish. There are no studies which document the effect of heavy sediment loads on juvenile rockfish habitat although these young fish do consume juvenile invertebrates such as spot prawns as well as forage fish such as sand lance and post larval herring which may be affected by the anchorage.

Geoducks (*Panope generosa*)

Geoduck clams are fished commercially in the area of the proposed anchorages. These extremely valuable bivalves occur in depths ranging from the intertidal zone to 100 meters, clearly within the depth range of the proposed anchorages. Direct anchor scour would kill benthic, immotile geoducks and perhaps, as importantly, the resulting sedimentation would burry surrounding geoducks. As a long-lived, large clam, geoducks have very limited vertical movement in the substrate. To maintain contact with the surrounding water the clams can extend their necks a limited distance. Sedimentation beyond this causes mortality as has been shown on west coast Vancouver Island beaches experiencing severe storms and high corresponding geoduck mortality (Lohead et al. 2012).

Although the Tetra Tech ROV survey does not document the occurrence of geoducks, the existence of a commercial fishery emphasizes the limited information the ROV survey provided. It is hoped that the PPA will be consulting the Underwater Harvesters Association, representing fishers that prosecute this fishery.

Pacific Sand Dab (*Citharichthys sordidus*)

The Pacific sand dab is a small left eyed flatfish which is common throughout the anchorage area, often appearing as by catch in the salmon troll fishery and as a target species for off season anglers and families with children. There is little or no information on the effect of anchor scour on resident flatfish populations. Despite being motile and perhaps not directly killed by anchor chains, the disturbance to the benthic substrate would likely have devastating effects on their benthic prey such as infaunal and epibenthic polychaetes, crustaceans and juvenile fish.

Again the Tetra Tech ROV survey did not observe any Pacific sand dab, it did however record an English sole, although this could easily have been a misidentification of similar appearing sand dab, which ROV surveys are prone to make. As well, given the survey was conducted on a single day in December, it cannot represent the seasonal variation in benthic fish abundance or observability. Interestingly, an increasingly common flatfish occurring in the middle of the proposed anchorages and some adjacent areas is the Pacific Halibut. Although virtually absent from recreational catches several decades ago, the Pacific halibut is now found in the local catch almost every year.

Other Species

The anchorage area is home to many species not documented, or dismissed as not significant in the Tetra Tech report. The Lock Bay beach, adjacent to the area, is likely a spawning site for Surf Smelt (*Hypomesus pretiosus*) which are common throughout Puget Sound, but their reproduction has not been examined in many Canadian Gulf Island locations. The Island's Trust is conducting a forage fish survey in the Canadian Gulf Islands and the results of this survey would be important to understanding the ecology of the anchorage area. Herring spawn at Orlebar Point, immediately northwest of the anchorage. The effect of sedimentation on herring spawn during the first two hours after deposition is negative, causing reduced growth, survival and deformities (Griffen et al. 2009). Various sculpins (Cottidae), alligator fish and poachers (Agonidae), and eelpouts (Zorichidae) are common by catch in prawn traps set in the proposed anchorages. During SCUBA dives, I have, in the past, observed pinto abalone (*Haliotis kamtchatkana*) in the southeastern and northwestern portions of the anchorage as well as wolf eels. Whether these still occur in the area is unknown, but given the threatened COSEWIC status of the pinto abalone, further examination should be undertaken.

Summary

It is clear that little is known about the short and long term effects of anchorages on the benthic community. The obvious effects of anchor scour and subsequent sedimentation will impact several species in recreational, commercial and First Nations fisheries. It is also clear that relatively little is known about the biota in the area of the anchorages with the level of

resolution needed to make informed decisions. BCMCA mapping data, although useful for large scale, preliminary project planning, do not provide information on localized situations from either a biological or sociological perspective. The presence of similar, although smaller anchorages off the east coast of Protection Island, adjacent to Gabriola, the nearby facilities of the Pacific Biological Station in Nanaimo, and a relatively unexamined proposed site off Gabriola should at least provide opportunity to examine the effect of anchorages on local aquatic resource use. Inclusion of research sites in heavily used Burrard Inlet and the less frequently used Plumper Sound anchorages could provide comparative insights into the effect of the proposed anchorages off Gabriola. As Port Metro Vancouver expands with increased marine traffic, responding to developments such as a Kinder Morgan pipeline and further U.S. coal shipments, an understanding of the short and long term effect that increased anchorage activity will have must be developed through further research prior to Ministry of Transport approval.

Citations

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--Don Furnell (Ph.D.)

Chair, Fisheries and Aquaculture Department, Vancouver Island University (Retired).

Statement – Dr. Ross Chapman

Review of the analysis of impacts of underwater noise in ‘Environmental Overview Assessment of Proposed Anchorages off Gabriola Island, BC’

Underwater sound generated by ships has the potential to alter the behaviour and threaten the livelihood of marine mammals and fish in their ocean habitats. The acoustic impact study was carried out to determine the impact of noise generated by the anchorage ships on marine mammals and fish.

The overall impression about the report is that it was prepared with the expectation that there would not be serious scrutiny of the methods and findings. I have seen several acoustic noise assessment reports in the past, and from this experience, there is no way that the report in Appendix C prepared by Tetra Tech for the Environmental Overview Assessment of Proposed Anchorages off Gabriola Island, BC would pass review by a scientific committee. Consequently, the conclusions in the main report based on the findings in the Appendix must be questioned.

The report contains statements that suggest only superficial understanding of critical aspects of underwater acoustics. For instance, the authors write: ‘Cylindrical spreading assumes energy radiates at a logarithmic rate’. This is a meaningless statement. Another is related to Figure 4 where the authors claim to show ‘broadband underwater results’. The figure shows the acoustic field for a single frequency and not a broad band of frequencies. Even the figure caption states that the transmission loss is for a single frequency at 500 Hz. With statements like these, a review panel would send the report back to the authors.

The many comments about the impact of underwater noise from the ships in the main report are based on the findings in Appendix C. At best, the comments can only be considered as unsubstantiated claims.

Specific comments on the findings in Appendix C of the impact of underwater noise.

Section 3.0 Noise modeling scenarios.

Ships at rest:

The noise level of tones (single frequency sound transmissions) from ship machinery and generators will be about the same level as that for a ship under way. There is no discussion about the noise level of the single frequency tones that are continuously transmitted.

The broadband ship noise scenario does not consider the noise power output from a scenario when the ship is operating dynamic ship positioning (DSP) power. This is required to hold position at anchor during storms. Wind speeds of 20 knots will trigger a response from the ship to hold position. The noise level of this noise source is at least as great as the 171 dB re 1 μ Pa level for the moving ship scenario. Nor does the report consider the noise

levels from working ships during trans-shipping and/or bunkering. Noise levels from these operations are also at least as high as those for the transiting ship scenario.

Section 4.0 Underwater sound propagation modeling.

The text of this section consists of broadly general statements pieced together from various references. In some instances as mentioned above, the statements do not make sense. The careless presentation of the methodology for calculating transmission losses of the sound sources causes concern about the results themselves. My criticism should not be taken lightly, as I have about 40 years' experience developing and using underwater sound propagation models such as the parabolic equation (PE) method. In short, the PE is not fool proof even for experts, and it takes a very experienced hand to know whether the results produced by the model make any sense at all. There is no indication in the report of any tests that were done to make sure that the model results are correct (that is, were the control parameters correctly set?).

The version of PE used in the noise assessment was two-dimensional (2-D), that is, it calculates sound propagation in a range-depth plane. This level of effort is not satisfactory for a coastal shallow water scenario in which sound propagation can follow refraction paths out of the 2-D plane and propagate along the shore. A report that generated only 2-D findings would not pass review in any competent and serious scrutiny. There are several 3-D versions accessible to users.

The discussion of the sea bed geoacoustic model parameters is at best superficial. The sound level in the ocean in the shallow water scenario is strongly influenced by the geoacoustic properties of the sand; for instance, in more highly reflective (coarser) sand material, the sound field (and hence the impact effect of the sound) can be much stronger than the sound levels calculated in this report. What tests were done to determine the sensitivity of the sound field in the water to the geoacoustic model parameters of the sand bottom? The reflectivity of the sea bottom may be much more strongly reflective than assumed in the report.

Section 5.0. Underwater noise modeling results.

In short, there is not enough information given to create belief in the results shown in the Table 4. Instead, the report consists of unsubstantiated claims.

Already indicated previously, there are some inaccurate statements that cause concern about the care that was taken in determining the final results for critical ranges of noise impact. Figure 4 is not a broadband sound field. Instead, the figure displays the sound field of a single tone. The quantity needed for determining the sound pressure level (SPL) variation with range from the sound source is the broadband transmission loss. There is no information given about the broadband transmission loss versus range for the various frequency bands. Instead, the report moves directly to the final results of SPL at the receiver ranges in Table 4. The conclusions about the impact of sound from the ships are based on the results presented there. How are we able to determine if any of the results given in the

table for critical ranges are correctly done? If we cannot see the path of the calculations that were done, the results cannot be trusted.

Signal excess above the ambient sound level is critical in determining the real impact of the sound at any distance from the source. The report indicates that there is little information known about the present day ambient noise conditions at the site. Regardless, the claim is made throughout the main report that serious impacts are not expected because the present day noise level is already high. There is no concrete evidence about the noise conditions to support this statement. With only conjectural information about present day noise levels, the conclusions stated for instance on p 39 of the main report are unsubstantiated.

Summary

There is not sufficient information about critical components of the calculation of sound levels to determine whether the conclusions presented in Appendix C and throughout the main report can be trusted. As a result, the claims made in the report are not adequately substantiated. More information about the procedures in calculating the quantities used in the analysis, and full disclosure intermediate data is necessary for a critical review of the findings. Without this additional information, the question of the extent of the impact of noise from the anchorage ships on marine mammals and fish is not resolved.

As a final remark, I can attest that the questions addressed in the Environmental Overview Assessment of Proposed Anchorages off Gabriola Island, BC are the subject of current research investigations worldwide. For instance, at the recent 171st Meeting of the Acoustical Society of America, (Salt Lake City, 23-27 May 2016) there were no fewer than 39 papers presented in four special sessions on impacts of underwater noise on marine animals and marine ecosystems. The papers from eminent researchers covered investigations of noise from industrial activity and shipping to new studies of responses of animals and fish. The message from the meeting is that there are no satisfactory definitive answers to the questions posed in the report prepared by Tetra Tech EBA. The unsubstantiated claims in the report do not pass serious scrutiny.

--Dr. Ross Chapman

Emeritus Professor, University of Victoria

Fellow, Institute of Electrical and Electronics Engineers

Fellow, Acoustical Society of America

Dr. Ross Chapman recently retired from the University of Victoria following a career of over 35 years in underwater acoustics, signal processing and acoustical oceanography. He obtained a PhD in physics at the University of British Columbia in 1975, and started work in Defence Research in Canada as Leader of the Ocean Acoustics Group (1976-1995), before moving on to the University of Victoria as a Research Chair in Ocean Acoustics, and Director of the Centre for Earth and Ocean Sciences at the University of Victoria (2000-2006). He has published over 130 papers and book chapters, and continues to maintain his research interests in ocean acoustic propagation and modelling, advanced signal processing, ocean ambient noise measurement and modeling, and inversion of ocean seabed properties from acoustic field data. He is an elected Fellow of the Institute of Electrical and Electronic Engineers and the Acoustical Society of America, and is Editor in Chief of the IEEE Journal of Oceanic Engineering.

Statement – Ruby Chapman

Evaluation of EOA Conclusions Regarding Presence of Pacific Sand Lance and Pacific Sand Lance Habitat in Area of Proposed Anchorages

The following is an extract from a letter sent to Rebecca Reid, Regional Director General, Pacific Region, on June 16, 2016:

“My purpose in this letter is to give you one specific example of the failure of the EOA to accurately identify potential harm to fish and adjacent habitat, specifically to the forage fish forage/burying and spawning habitat.

One of the fish species discussed in the EOA is the Pacific Sand Lance.

Pacific sand lance (PSL) are acknowledged in the EOA as one of the most important benthic fish. They, along with Surf Smelt (SS) and herring are considered foundation food. They are essential to the food web.

The EOA acknowledges in their section: ‘Release of Deleterious Substances’ that chronic oil release from ships at anchor as well as large oils spills would cause harm to benthic fish in their foraging areas and, as it washes ashore, possible death in the spawning beds. My understanding is that the forage fish habitat, including spawning beaches, are protected under the Fisheries Act.

There is no credible evidence in this EOA to support Tetra Tech’s conclusions that suggest that there is an absence of suitable sand lance habitat in the area of the proposed anchorage site or adjacent shores. Establishing the presence or absence of PSL habitat requires extensive physical testing on site over an extended period of time. The Tetra Tech authors admit in the EOA that: ‘No site specific fish surveys were conducted at the Gabriola proposed anchorages’.

Examples of inadequate measures in the assessment include:

- 1) While an ROV survey was part of the overall report, it cannot be considered adequate in relation to forage fish habitat assessment. It covered less than 1/1000th of the total proposed anchorage area and the ROV was very limited in scope and capability.
- 2) The TetraTech report cites the Robinson et al. (2013) research publication as the sole source of context on which the EOA conclusions are based. Robinson et al. (2013) do not claim to identify confirmed PSL habitat with their approach. Instead they describe a research project designed to test the validity of a model that might be used in future for selecting likely suitable habitat for sand lance.

- 3) As an example of erroneous conclusions in the report, Figure 9 (page 9) in Appendix D in the EOA has been cut and pasted from the cited publication. The Figure has been 're-labeled' by the EOA author who removed the original caption and added her own caption that reads: 'Sand Lance Habitat in the Southern Strait of Georgia'.

The original caption (with Figure 3 in the cited paper) reads:

'Figure 3. The results from the habitat suitability model identifying Pacific Sand Lance (PSL) burying habitat....etc.'

The cited paper identifies 'likely', not confirmed, Sand lance habitat sites.

- 4) Robinson et al. qualify their findings: 'It should be noted at additional biological and habitat sampling will be required to confirm the details of burying and foraging preferences within these large areas.'

Comprehensive information about the marine ecosystem adjacent to the anchorage sites will be collected in the Islands Trust Fund Forage Fish Habitat Assessment (FFHA) research initiative that is in progress within the Gulf Islands, with the focus on spawning habitat for PSL and SS. Positive results within this initiative have shown that PSL and SS spawning beaches were found in areas that do not conform to all '3 key factors' suggested in the research model promoted in the Robinson et al. article. Gabriola Island is part of the Islands Trust Fund FFHA initiative but this vital assessment has not yet started on this island.

Threats to Forage Fish in and near the proposed anchorage site:

- 1) To PSL Foraging Habitat: anchor scouring could destroy the burying habitat of adult PSL
- 2) To PSL and SS Spawning Beaches:
 - Acute spills or chronic oiling from tankers at anchorage.
 - Wave action from large displacement vessels in motion.
 - PSL is a species that is recognized as having site fidelity. There are possible spawning beaches adjacent to anchor sites #3, 4, 5 and another possible spawning beach just south of #1, and 2.
- 3) To Eel Grass and Kelp beds in the adjacent intertidal areas that act as shelters for forage fish: - Harm from contamination with chronic oiling and/or bilge.'