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**TO:** CITY MANAGER **DATE:** 2014 March 5

**FROM:** DIRECTOR PLANNING AND BUILDING **FILE:** 2125 20  
*Reference: UBCM Resolutions*

**SUBJECT:** 2014 LMLGA AND UBCM RESOLUTIONS

**PURPOSE:** To present resolutions for submission to the 2014 Lower Mainland Local Government Association (LMLGA) Annual General Meeting and Union of BC Municipalities (UBCM) Convention.

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#### RECOMMENDATIONS:

1. **THAT** Council endorse the resolutions outlined in Section 2.1 of this report for submission to the 2014 LMLGA Annual General Meeting and UBCM Convention.
2. **THAT** staff be authorized to forward a copy of this report, accompanied by supporting background reports and information, to the LMLGA and to the UBCM, both located at Suite 60, 10551 Shellbridge Way, Richmond, BC V6X 2W9.
3. **THAT** copies of this report be forwarded for information to: Burnaby MLAs, MPs, and the Federation of Canadian Municipalities.

### REPORT

#### 1.0 INTRODUCTION

Each year, resolutions are considered for submission to the Lower Mainland Local Government Association (LMLGA) Annual General Meeting (AGM). The adopted resolutions from the LMLGA are then forwarded to the Union of B.C. Municipalities (UBCM) Convention. These resolutions are a means to request amendments to the *Community Charter, Local Government Act* and other Provincial or Federal legislation and policies to address issues of significance to local government.

This report presents one new resolution, to oppose Kinder Morgan's Trans Mountain Pipeline system expansion application, for Council's consideration as a submission to the 2014 LMLGA Annual General Meeting (AGM) and UBCM Convention. The deadline for submissions to the LMLGA AGM, which will take place from 2014 May 7 – 9 in Whistler, BC, is 2014 March 21. The UBCM Convention will take place from 2014 September 22 – 26, also in Whistler, BC. The deadline for any resolution submissions made directly to the UBCM is 2014 June 30.

For the convenience of Council, this report also details the Provincial response to resolutions previously approved by Council and submitted to the LMLGA AGM and the UBCM Convention in 2013 and 2012.

## **2.0 2014 LMLGA AND UBCM RESOLUTIONS**

This section provides background information on one new resolution that has been developed for Council's consideration and possible submission to the 2014 LMLGA AGM and the UBCM convention. As well, for consolidation purposes, this section provides an overview of four additional resolutions that have already been endorsed by Council. All resolutions are presented in the context of their significance to local governments in British Columbia, including Burnaby.

### **2.1 Resolution: Comprehensive Pipeline and Energy Transport Plan for Urban Areas**

On 2013 December 16, Kinder Morgan filed an application with the National Energy Board (NEB) to expand the capacity of the Trans Mountain Pipeline system from 300,000 barrels per day (bpd) to 890,000 bpd. The purpose of the proposed expansion, which is generally referred to as the Trans Mountain Expansion Project (TMEP), is to develop a second pipeline from Strathcona County, Alberta to Burnaby, British Columbia, for the purpose of transporting heavy crude petroleum products (i.e. diluted bitumen) for export to and refinement in other foreign markets (i.e. United States, Asia).

Within Burnaby, as the proposed terminus for the proposed expansion, the scope of the TMEP is as follows:

- New pipeline routing through dense urban areas, residential neighbourhoods, school sites, park lands, commercial corridors, and major City infrastructure and transportation networks;
- New pipeline routing and infrastructure expansion within environmentally sensitive areas, including the Burrard Inlet, Burnaby Mountain and Burnaby watersheds;
- Expansion of the Burnaby Mountain Terminal, such that the petroleum storage tank facilities would double in number and the storage capacity would more than triple; from 13 to 26 storage tanks; and from 1.7 million barrels of oil to 5.6 million barrels;
- Expansion of the Westridge Marine Terminal, which currently accommodates 1 'Aframax' tanker, to accommodate up to 3 'Aframax' tankers, at any given time, along the south shore of the Burrard Inlet and Burnaby frontage; and
- Increased marine traffic within the Burrard Inlet.

The TMEP poses significant concerns for the City, given the impacts and risks the project would have on Burnaby and its residents, including human health and safety risks, oil spill/accidents risks and emergency response issues, seismic risk impacts, land use impacts, environmental impacts, and socio-economic impacts.

Council, at its meeting on 2011 August 29, endorsed a resolution to the UBCM (*Oil Pipelines and Tanker Traffic in BC*) outlining concerns regarding Kinder Morgan's then-plans to expand its oil

pipeline system and significantly increase its shipping capacity out of Burrard Inlet. This resolution was also similar to one forwarded by the City of Victoria and both communities were considered as sponsors of the resolution. The resolution was subsequently endorsed at the 2011 UBCM Convention.

Further to this motion, at its meeting of 2012 May 28, Council adopted a City Manager’s report which included a recommendation that Burnaby oppose the proposed Kinder Morgan Trans Mountain Pipeline (TMPL) expansion through Burnaby.

On 2014 February 3, the City of Burnaby filed an application with the NEB to participate as an Intervenor in a NEB Public Hearing for the TMEP application and to formally oppose the project. Burnaby is not the appropriate terminus for the project, given the urban transformation and significant population growth that the City and broader Metro Vancouver region has experienced since the early 1950s when the original pipeline and terminal were built. The impacts and implications of such an expansion, today, would pose significant risks and impacts to Burnaby residents, the City’s infrastructure, and its environmental areas. From an economic (including other port activities and tourism), environmental, public health – quality of life, and social perspective, the impacts of an accident could be catastrophic at both the local and regional levels, posing irreparable damage to the economic diversity and viability of a Port-based region, and to the environment, municipal operations, and quality of life of its citizens.

***RESOLUTION: Comprehensive Pipeline and Energy Transport Plan***

**WHEREAS** on 2013 December 16, Kinder Morgan submitted an application to the National Energy Board (NEB) for the Trans Mountain Expansion Project (TMEP);

**AND WHEREAS** the proposed expansion project in the existing dense urban context represents an intensification of related risks and impacts for Burnaby and the broader Metro Vancouver area, with the benefits distributed elsewhere on a regional, provincial and national basis:

**THEREFORE BE IT RESOLVED** that the Lower Mainland Local Government Association (LMLGA) and the Union of BC Municipalities (UBCM) call on the Federal Government and National Energy Board, through the Federation of Canadian Municipalities and other avenues as appropriate, to oppose Kinder Morgan’s Trans Mountain pipeline system expansion application.

**AND BE IT FURTHER RESOLVED** that the Lower Mainland Local Government Association (LMLGA) and Union of BC Municipalities call on the Provincial and Federal Governments, through their appropriate and respective roles, to develop, in consultation with local governments, First Nations, and members of the public, a comprehensive pipeline and energy transport plan, including adequately funded provisions for emergency response, for the movement of related goods.

**2.2 Resolution: Canada Post**

At its meeting of 2014 February 17, Council approved a motion contained in a report regarding the suspension of Canada Post’s home delivery service.

This report provided, for Council’s information, a broad overview of the major identified issues and impacts of the Canada Post service delivery change and its specific implications for the City of Burnaby and other local governments. These issues include the lack of consultation with the public and local governments; mail security, safety and access for seniors and persons with limited mobility; public notification requirements under Provincial statutes; and issues associated with the location of community mailboxes in urban areas, including the impacts on the operations and legal liabilities for municipalities.

As a result of these concerns, the resolution was endorsed. This resolution has already been submitted to the FCM. In order to provide for the consolidation of Council’s resolutions to the 2014 LMLGA AGM and UBCM Convention, the resolution is again presented below:

***RESOLUTION: Suspension of Canada Post Home Delivery Service***

**WHEREAS** local governments have a direct interest in the security and stability of Canada’s postal system, both in terms of municipal corporate operations and services available to citizens;

**AND WHEREAS** the service delivery changes would directly impact local governments, including in relation to land-use policy, requirements for municipal land and rights-of-ways, infrastructure for paving, lighting, and waste management, and public safety considerations;

**THEREFORE BE IT RESOLVED** that the Lower Mainland Local Government Association (LMLGA) and the Union of BC Municipalities (UBCM) call on the Federal Government and Canada Post, through the Federation of Canadian Municipalities and other avenues as appropriate, to suspend the Canada Post delivery changes until a sustained, substantive consultation process with local governments and the public is completed and identified issues are addressed.

**2.3 Resolution: Coal Exports**

At its meeting of 2014 January 13, Council approved a motion opposing the proposed expansion of coal shipment facilities at the Fraser Surrey Docks and Neptune Terminals. This motion was based upon a review by the Chief Medical Health Officers of Fraser Health Authority and Vancouver Coastal Health regarding the project’s ‘Environmental Impact Assessment’ (EIA). This review by the Medical Health Officers concluded that the EIA did not adequately address the human health impacts of the proposal.

In light of these concerns, the following resolution was prepared and submitted to the LMLGA and UBCM. In order to provide for the consolidation of Council’s resolutions to the 2014 LMLGA AGM and UBCM Convention, the resolution is again presented below:

***RESOLUTION: Coal Exports***

**WHEREAS** Port Metro Vancouver is in the process of making a decision to significantly increase coal exports by expanding the Fraser Surrey Docks and Neptune Terminals facilities;

**AND WHEREAS** the Environmental Impact Assessment report produced by SNC-Lavalin is deemed unsatisfactory by the Chief Medical Health Officers of the Fraser Health Authority and Vancouver Coastal Health:

**THEREFORE BE IT RESOLVED** that the City of Burnaby strongly oppose any expansion of coal shipment facilities at the Fraser Surrey Docks and Neptune Terminals until:

- a) a more comprehensive and transparent assessment of coal dust impact on human health is completed by independent experts; and
- b) Port Metro Vancouver holds formal public hearings on the proposed expansion of coal exports from the Surrey Fraser Docks and Neptune Terminals facilities.

#### **2.4 Resolution: Housing Crunch**

The Community Development Committee, at its meeting of 2014 January 28, received correspondence from the Federation of Canadian Municipalities (FCM) regarding their ‘Fix Canada’s Housing Crunch’ campaign. FCM research demonstrates that one-third of Canadian families are struggling with the growing cost of housing, and the campaign seeks a coordinated response from FCM members to call upon the Federal Government to develop a credible long-term housing plan.

Given the fundamental importance of this issue, a resolution was prepared by the FCM and circulated to its members. The Committee endorsed the resolution at its meeting, which was subsequently adopted by Council at its 2014 February 3 meeting. This resolution has already been forwarded to the FCM. In order to provide for the consolidation of Council’s resolutions to the 2014 LMLGA AGM and UBCM Convention, the resolution is again presented below:

***RESOLUTION: Development of a New Long-Term Federal Plan to Fix Canada’s Housing Crunch***

**WHEREAS**, a stable and secure housing system that creates and maintains jobs and allows for a range of living options is essential to attracting new workers, meeting the needs of young families and supporting seniors and our most vulnerable citizens; and,

**WHEREAS** the high cost of housing is the most urgent financial issue facing Canadians with one in four people paying more than they can afford for housing, and mortgage debt held by Canadians now standing at just over \$1.1 trillion; and,

**WHEREAS** housing costs and, as the Bank of Canada notes, household debt, are undermining Canadians’ personal financial security, while putting our national economy at risk; and,

**WHEREAS** those who cannot afford to purchase a home rely on the short supply of rental units, which is driving up rental costs and making it hard to house workers in regions experiencing strong economic activity; and,

**WHEREAS** an inadequate supply of subsidized housing for those in need is pushing some of the most vulnerable Canadians on to the street, while \$1.7 billion annually in federal investments in social housing have begun to expire; and,

**WHEREAS** coordinated action is required to prevent housing issues from being offloaded onto local governments and align the steps local governments have already taken with regard to federal/provincial/territorial programs and policies; and,

**WHEREAS**, the Federation of Canadian Municipalities (FCM) has launched a housing campaign, “Fixing Canada’s Housing Crunch,” calling on the federal government to increase housing options for Canadians and to work with all orders of government to develop a long-term plan for Canada’s housing future; and,

**WHEREAS** FCM has asked its member municipalities to pass a council resolution supporting the campaign;

**AND WHEREAS**, our community has continuing housing needs that can only be met through the kind of long-term planning and investment made possible by federal leadership;

**THEREFORE BE IT RESOLVED** that Council endorses the FCM housing campaign and urges the Minister of Employment and Social Development to develop a long-term plan for housing that puts core investments on solid ground, increases predictability, protects Canadians from the planned expiry of \$1.7 billion in social housing agreements and ensures a healthy stock of affordable rental housing for Canadians.

**BE IT FURTHER RESOLVED** that a copy of this resolution be sent to the Minister noted above, to the BC Minister of Natural Gas Development and Minister Responsible for Housing, to Burnaby’s Members of Parliament, to the Federation of Canadian Municipalities and to the Union of BC Municipalities.

## **2.5 Resolution: National Dementia Strategy**

At its meeting of 2014 February 17, Council adopted a resolution regarding Bill C-356, An Act Respecting a National Strategy for Dementia. This Act, drafted by New Democrat Member of Parliament, Claude Gravelle, underlines the importance of developing a national dementia care strategy. According to the Canadian Medical Association (CMA), Canada is the only country among the G8<sup>1</sup> not to have such a strategy in place. Also according to the CMA, approximately 1.4 million Canadian are predicted to be diagnosed with dementia by 2031. In British Columbia, approximately 70,000 persons are currently living with dementia, with approximately 15,000 additional persons diagnosed each year.

The Honourable Rona Ambrose, Federal Health Minister, participated in a G8 summit focusing on dementia in 2013 December. As a product of the convention, a declaration was released outlining

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<sup>1</sup> The G8 is a forum for governments from eight of the world’s largest economies including Canada, France, Germany, Italy, Japan, Russia, the United Kingdom, the United States, and the European Union.

12 commitments to which G8 member countries have agreed. For example, Canada and France will co-lead academic industry partnership development for partnership and innovation, including co-hosting a workshop on dementia in Canada in 2014. A date has not yet been set for this workshop.

Given the widespread importance and impact of dementia upon the well-being of Canadian families and the efficient operation of the health care system, Burnaby Council adopted the resolution as presented. This resolution has already been forwarded to the FCM. In order to provide for the consolidation of Council's resolutions to the 2014 LMLGA AGM and UBCM Convention, the resolution is again presented below:

***RESOLUTION: National Dementia Strategy***

**WHEREAS** Alzheimer's disease and other dementias are progressive, degenerative diseases of the brain that cause thinking and memory to become seriously impaired; and

**WHEREAS** Alzheimer's disease and other dementias most often occur in people over the age of 65 but can strike adults at any age; and

**WHEREAS** Alzheimer's disease and other dementias affect more than 500,000 Canadians currently and that this figure is projected to reach 1.1 million within a generation; and

**WHEREAS** Alzheimer's disease and other dementias also takes their toll on hundreds of thousands of families and care partners; and

**WHEREAS** an estimated further three million Canadians face the burden and challenges of providing care for those suffering with Alzheimer's disease and other dementias; and

**WHEREAS** there is no known cause or cure for this devastating illness; and

**WHEREAS** the cost related to the health care system is in the billions and only going to increase, at a time when our health care system is already facing enormous financial challenges; and

**WHEREAS** Canada, unlike many countries, does not have a national dementia strategy; and

**WHEREAS** there is an urgent need to plan and raise awareness and understanding about Alzheimer's disease and other dementias for the sake of improving the quality of life of the people it touches; and

**WHEREAS** MP Claude Gravelle Nickel Belt has introduced Bill C-356, *An Act Respecting a National Strategy for Dementia*, as he works for broad, all party and non partisan support for an issue that touches us all. His legislation calls for a national plan that includes the development of strategies in primary health care, in health promotion and prevention of illness, in community development, in building community capacity and care partner engagement, investments in research and other (advisory board, objectives, investment in research, and caregivers and more).

**THEREFORE BE IT RESOLVED**, the City of Burnaby calls on all levels of government and the Federation of Municipalities to adopt a national dementia strategy, and urges all citizens of our communities to become more aware and engaged concerning the far-reaching effects of this devastating disease.

### **3.0 STATUS OF ACTIVE 2013 RESOLUTIONS**

#### **3.1 Resolution: Reduce Liability for Local Government in Conducting Building Inspections**

On 2012 April 16, the Provincial Justice Minister and Attorney General introduced new legislation (Bill 34) updating the *Limitation Act*. Bill 34 received Royal Assent on 2012 May 14 and came into effect 2013 June 1. The updated *Limitation Act* contains several key reforms relevant to local governments including decreasing the ultimate limitation period for filing a claim to 15 years from 30 years, introducing a single, two-year basic limitation period<sup>2</sup>, and changing the initiation of the ultimate limitation period from an ‘accrual’ model to a model that ‘starts the clock running’ on the 15 year ultimate limitation period from the occurrence or omission that gives rise to a potential claim.

Burnaby, along with the UBCM and other local governments in the province, has been steadily advocating since the mid-1980’s for an updated *Limitation Act*. Specifically, Burnaby has submitted three resolutions to the UBCM (2007-B2, 2008-B2, and 2009-B56) on the topic, all of which were subsequently endorsed. While these resolutions, along with those submitted by other local governments, requested a 10-year ultimate limitation period, the UBCM has stated that it is supportive of the changes contained in the updated Act as a ‘significant improvement’ from the previous standard.

This recent resolution, approved by Council at its meeting of 2013 March 18, recognized this improvement, but sought additional changes regarding the issue of joint and several liability<sup>3</sup>, which is another long-standing issue of concern to local governments in the Province including Burnaby.

Within the previous resolutions noted above, Burnaby has repeatedly advocated that the Province consider updates to the *Negligence Act* to move from a system of joint and several liability to a system of proportional liability, under which defendants would be responsible for any financial judgments only to the degree to which they contributed to any damages. The resolution was endorsed by the LMLGA and the UBCM, and was forwarded to the Province for response.

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<sup>2</sup> Starting from when a plaintiff realizes that they have the right to bring a legal claim, for most civil legal actions within the 15 year ultimate limitation period. Exceptions are the enforcement of monetary judgements, which continue to have a 10-year limitation period, and any statutes that set their own limitation periods: <http://www.ag.gov.bc.ca/legislation/limitation-act/2012.htm>.

<sup>3</sup> Under the current system of joint and several liability, if two or more defendant parties are found liable for damages, the winning plaintiff may collect the entire financial judgment from any one of the parties, or from the parties in combination, until the payment is complete. In other words, if one of the defendants is unable to pay an equal share of the judgment, the other defendant becomes liable for the remaining share.



A response from the Ministry of Community, Sport and Cultural Development received 2014 February 5 stated that the Office of Housing and Construction Standards is “continuing to work with industry and local governments to address issues of roles and responsibilities [...] approval of alternative solutions and a proposed random audit of construction projects to assist in assessing risks”. The response also stated that there is a “need to fairly apportion responsibility across all parties involved in design and construction” and that the UBCM is encouraged to continue to work with the Province on these important issues.

### **3.2 Resolution: Ensure Sustainability of Canada’s Existing Social Housing Stock**

This resolution, approved by Council at its meeting of 2013 March 18, references the approximately 36,400 social housing units in Metro Vancouver (with approximately 4,984 located in Burnaby) managed under operating agreements with the Provincial and Federal governments that are set to expire over the next twenty years.

The operating agreements are contracts which outline the subsidies that will be provided by both senior levels of government, and the obligations of the housing provider for obtaining the subsidy. The subsidies support housing providers to offer units on a ‘rent geared to income’, or RGI, basis where the household pays no more than 30% (or some other percentage specified by the housing operator) of its income on housing costs. In many instances, the expiration of these operating agreements will have significant impacts on housing providers and resident tenants. Foreseen impacts include higher average rents, a reduced number of deeply subsidized units, and/or a net loss of more affordable units.

As such, the approaching expiration of these operating agreements affects local governments across the country. Given the depth and severity of these impacts, the resolution was put forward and approved by Council. The resolution calls for the examination and/or renewal of the subsidy, rent supplements, and other supports for operating agreements set to expire and also for renewed Federal efforts on a National Action Plan on housing for Canada. This resolution was endorsed by both the LMLGA and the UBCM.

On 2013 November 21, the Canadian Mortgage and Housing Corporation announced that social housing providers whose operating agreements allow for the establishment of a Subsidy Surplus Fund (SSF)<sup>4</sup> can now retain any money they may have in this fund to use after their operating agreements mature. These funds, though in most cases not extensive, can be used to continue to lower the cost of housing for low-income households living in existing social housing. The announcement also stated that this change would occur retroactively, and that housing providers whose agreements had already expired, and that are still managing the same housing sites, would be able to get a refund of the applicable monies. According to BC Housing, approximately four non-profit managed housing projects in Burnaby will be affected by this announcement.

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<sup>4</sup>Subsidy Surplus Funds are a component of some operating agreements entered into between CMHC and non-profit housing providers. The Fund is established by housing providers so that they can retain unused Federal funding, up to a certain limit, to lower rents for low-income households.

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The Co-op Housing Federation of Canada has welcomed the announcement, and BC Housing and the B.C. Non-Profit Housing Association are currently reviewing the changes. Further response from the Provincial or Federal government(s) is still forthcoming, and staff will keep Council informed of any further updates.

### **3.3 Resolution: Impose Moratorium on Hydraulic Fracturing**

At its meeting of 2013 February 18, Council adopted a report from the Environment Committee proposing a resolution to the LMLGA on hydraulic fracturing (or ‘fracking’). The report proposed a resolution requesting a moratorium on hydraulic fracturing until senior governments give full consideration to the potential human and environmental impacts of ‘fracking’ and undertake a comprehensive public consultation process.

There are currently no Federal guidelines applicable to Provinces for ‘fracking’. Across Canada, provinces have taken a wide variety of stances on the subject. British Columbia currently allows ‘fracking’, and regulates it under the Provincial *Oil and Gas Activities Act* which came into effect in 2010. As referenced in the resolution, further work is needed to assess the risks associated with ‘fracking’ and other shale gas development in Canada, including quantity of water used, surface and groundwater contamination, and emissions of greenhouse gases and air pollutants from shale gas facilities.

The resolution was discussed at the LMLGA AGM but was not endorsed, and therefore was not forwarded to the UBCM for further consideration. At the time of Council approval, a copy of the resolution was also sent to the Federation of Canadian Municipalities (FCM). No specific response from the FCM has yet been received. However, the issue of ‘fracking’ was referenced in the organization’s 2013 *The State of Canada’s Cities and Communities* report, with a call for more consistent and coordinated policy direction in this area from the appropriate authorities.

## **4.0 STATUS OF ACTIVE 2012 RESOLUTIONS**

In 2012, Council advanced five resolutions to the UBCM Convention. The following section summarizes these resolutions and provides an update on their status.

### **4.1 Resolution: HST to GST/PST Transition Date**

This resolution, calling for an earlier HST to GST/PST transition date, was originally endorsed by Council at its meeting of 2012 January 23. The resolution was based on concerns arising from the housing construction industry and the Real Estate Board of Greater Vancouver regarding the timeline for and details of this transition, which was scheduled for 2013 April 1. Staff subsequently submitted the resolution to the LMLGA and the UBCM.

Staff were later apprised by the Real Estate Board of Greater Vancouver that the 2012 February 17 Provincial announcement regarding *HST-PST/GST Transition Rules for Housing* had adequately addressed the Board’s concerns. The UBCM also advised staff that the resolution would not be considered for debate at the LMLGA and the UBCM, as the matter had been resolved to the satisfaction of the Real Estate Board of Greater Vancouver and the home building industry. This

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information was forwarded to Council at its 2012 March 19 meeting. Council requested staff to amend the resolution, removing reference to the Real Estate Board of Greater Vancouver, the cost of home ownership and the impact of the changeover on the start of new construction, and to re-submit the resolution to the LMLGA and the UBCM.

The amended resolution was subsequently endorsed at the LMLGA 2012 AGM and forwarded to the UBCM for consideration. However, it was not endorsed at the UBCM and the transition from the HST back to the GST/PST occurred as scheduled on 2013 April 1.

#### **4.2 Resolution: Federal Infrastructure Funding**

The resolution, calling for no restrictions within Federal infrastructure funding programs as to the type of funding model (P3 or other) utilized by recipients for project completion, stemmed from correspondence received by Council from the Canadian Union of Public Employees, British Columbia Division (CUPE BC) at its 2012 February 6 meeting.

This resolution was endorsed by the LMLGA and was also subsequently discussed and endorsed by the UBCM. It was similar to other resolutions put forward by the District of Port Edward, the City of Pitt Meadows, and the Town of Princeton, although Burnaby was identified as the ultimate sponsor of the resolution. The resolution was then forwarded to the Federation of Canadian Municipalities (FCM) for further consideration.

No response from the Federal Government or from the FCM has yet been received. Staff will continue to monitor any progress of Federal consideration on this issue, and will report back to Council on any arising results.

#### **4.3 Resolution: Local Government Involvement in Provincial Review of Municipal Taxation**

This resolution, calling for more significant opportunity to participate in the Provincial *Expert Panel Review of Business Taxation* and the *Local Government Revenue Sources Review*, was approved by Council at its 2012 March 19 meeting. It was endorsed by the LMLGA and the UBCM. In response, the Ministry of Finance and the Ministry of Community, Sport and Cultural Development stated that all efforts were being made to work with the UBCM on these matters in order to incorporate local government perspectives.

##### **4.3.1 Bill 20 – Auditor General for Local Government**

The two reviews referenced above are related to Bill 20 (*Auditor General for Local Government Act*), which was introduced in the Legislature on 2011 November 24 and came into force 2012 April 25. This Bill established an Office of the Auditor General for Local Government, which conducts a limited number of performance audits each year to evaluate existing local government service models and to share best practices. The Auditor General has the sole discretion to select which performance audits will be conducted. On 2012 November 7, the Province appointed Ms. Basia Ruta as the Auditor General for Local Government (AGLG). Ms. Ruta began a 5-year term in January 2013.

In 2013 May, the AGLG announced planned audits in the following topic areas and local governments:

- Achieving value for money in operational procurement: City of Vernon, Corporation of Delta, City of Revelstoke, Comox Valley Regional District, Fraser-Fort George Regional District and District of West Vancouver.
- Local government performance in managing policing agreements and police budget oversight: City of Port Alberni, City of Surrey, City of Merritt, City of Williams Lake, City of Victoria and City of New Westminster.
- Learnings from Local Government Capital Procurement Projects and Asset Management Programs: City of Cranbrook, City of Rossland, District of Sechelt, District of North Vancouver, City of Dawson Creek and City of Campbell River.

Associated reports are expected by 2014 March. Two additional audit topic areas – “Local Governments Role in Ensuring Clean Drinking Water” and “Managing the Inherent Risks of Limited Human Resources within Small Local Governments” – have been announced but the selected local governments have not yet been made public. More information and/or associated reporting for these areas is expected by 2014 August.

#### **4.3.2 Expert Panel on Business Taxation**

The *Expert Panel on Business Taxation* was formed through the Ministry of Finance, and under the *Canada Starts Here: BC Jobs Plan*. The seven-member Panel was named by the Province on 2012 January 10 and included representatives from business, industry, and higher education.

The Panel was tasked with generating ideas and providing recommendations for a business taxation system that balances the principles of competitiveness, fairness and simplicity. As part of its review, the Panel considered submissions from 43 organizations, including the UBCM. In addition, on 2012 June 19, members of the UBCM Executive appeared before the Expert Panel to present on behalf of local governments.

The final report of the *Panel Review*, submitted to the Province on 2012 August 31, outlines 38 recommendations on business tax competitiveness and administrative improvements to streamline the PST<sup>5</sup>. The review also included a component which examined local government property taxation of business and its impact on competitiveness and investment. As a result of this examination, the review made seven recommendations<sup>6</sup> to the Province in this area. These recommendations focus on setting benchmarks for measuring municipal business taxation, and synchronizing municipal and Provincial efforts at building the economy.

#### **4.3.3 Local Government Revenue Resource Review**

Related to the *Expert Panel's* work, in August 2012, the Ministry of Community, Sport and Cultural Development released the results of its internal *Local Government Revenue Sources*

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<sup>5</sup>For a full version of the review, see: [www.fin.gov.bc.ca/experts\\_panel\\_tax.htm](http://www.fin.gov.bc.ca/experts_panel_tax.htm).

<sup>6</sup>Recommendations 24 – 30.

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*Review.* The Review resulted in eight detailed papers on topics including ‘An Analysis of Property Taxation’ and ‘Financial Best Practices Inventory’. The papers raise a variety of points for further reflection and research but do not make any specific recommendations.

In response, the UBCM, in November 2012, convened a *Select Committee on Local Government Finance* to undertake inter-jurisdictional research, comparative and economic analysis, and consultations with local governments. During 2013, this Committee developed a ‘blue print’ for strengthening the local government financial system, entitled *Strong Fiscal Futures (July 2013)*. This Committee has recently had a term extension to 2014 September.

This report found that B.C.’s system of local finance has competitiveness in that per capita local government costs are among the lowest in the country, residential property taxes are the lowest nationally, and the share of business taxes have been reduced in overall local revenue over the past several years. However, the report also highlighted current and emerging concerns about the current system including heavy reliance on the limited and regressive property tax system, the increasing high costs of infrastructure upgrades, and limited avenues of higher government support. In response to these concerns, the report presents a ‘blue print’ for review consisting of five high-level value-based approaches<sup>7</sup> with numerous, detailed sub-actions<sup>8</sup>.

This Policy Paper was a primary focus of debate at the 2013 UBCM Convention, and its recommendations were ultimately endorsed by the membership. Staff will continue to monitor the work of the Select Committee and will apprise Council of any related developments.

#### **4.4 Resolution: Public Procurement Under the Comprehensive and Economic Trade Agreement**

This resolution calls for the Federal government to enact strong domestic policy to preserve the rights of sub-national governments and boards to utilize public procurement and investment as a social tool to support the local economy and help achieve local sustainability goals. The context for this resolution was the then-continuing rounds of negotiations, between the Government of Canada and the European Union, related to the Canada-E.U. Comprehensive Economic and Trade Agreement (CETA). This resolution was not presented at the LMLGA but was discussed and endorsed at the UBCM. Further to this, Burnaby has also sponsored two other resolutions relating to CETA – resolutions 2010-C24 (Comprehensive Economic and Trade Agreement) and 2011-B143 (Blue Community). As well, discussed below in Section 4.5, in 2011, Burnaby sponsored an additional resolution (B48) relating to the regulation of public water services in relation to CETA.

An agreement-in-principle for CETA was announced by the Federal Government and by the E.U. on 2013 October 18. This far-reaching deal, both deeper and broader in terms of scope than the North American Free Trade Agreement (NAFTA), refers to – broadly speaking – the following areas in terms of expanding secured market access and reducing tariffs:

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<sup>7</sup> Resilience, Value, Excellence, Responsiveness and Fairness.

<sup>8</sup> For a copy of the full report, please visit: <http://www.ubcm.ca/EN/main/resolutions/policy-areas/finance/ubcm-select-committee-on-local-government-finance.html>.

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- Trade in Goods;
- Investment, Services and Related Matters;
- Intellectual Property; and
- Government Procurement.<sup>9</sup>

The inclusions on Government Procurement also impact municipal purchasing, as well as those of academic institutions, school boards and hospitals. To the understanding of staff, the threshold-value for procurement contracts in CETA ranges from \$130,000 to \$5 million. According to information from Foreign Affairs, Trade and Development Canada, these thresholds were included in order that governments could retain the ability to prioritize local businesses at lower purchasing thresholds and for excluded procurement items<sup>10</sup>. As well, the Agreement maintains the ability, in certain areas, for social and environmental criteria to be included in contract requirements.

The Federation of Canadian Municipalities (FCM) issued a statement following announcement of the agreement-in-principle stating that the organization was supportive of the results and that it was felt local government perspectives had been taken into consideration<sup>11</sup>.

Staff, while supportive of efforts taken by the FCM during the negotiation process to advocate for the perspectives of local government, are of the opinion that the full implications of CETA for local governments have yet to be fully understood. Finalization of the Agreement is pending approval by all twenty-eight European Union member nations and Canada's provinces and territories. It is expected that this process may take up to two years. As the Agreement is finalized, the actuality of specific provisions relating to Government Procurement, and other relevant areas, will become clearer, and staff will apprise Council of any pertinent developments.

#### **4.5 Resolution: Regulation of Public Water Services**

This resolution, approved by Council at its meeting of 2012 April 23, requests that water services, including the provision of drinking water and waste-water management, be excluded from the scope of Canada's international trade agreements and remain as a public service. The resolution stemmed from a UBCM *Member Release*, dated 2012 February 22 and received by the Executive Committee of Council, which summarized a 2012 statement by the Honourable Ed Fast, Federal Minister of International Trade, made to the FCM regarding CETA. Arising from its discussion, the Committee requested staff to prepare an additional resolution relative to CETA, with specific focus on the regulation of public water services.

The resolution was endorsed at the UBCM, and a response from the Ministry of Jobs, Tourism and Skills Training and Minister Responsible for Labour stated that "Canada's international trade

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<sup>9</sup> For more information on the technical details of the agreement, please visit:

<http://www.actionplan.gc.ca/en/page/ceta-aecg/agreement-overview>

<sup>10</sup> Exceptions for cultural industries, Aboriginal businesses, defence, research and development, financial services, and services in the fields of recreation, sport and education as well as social and health-care services.

<sup>11</sup> For more information, please visit: <http://www.fcm.ca/home/media/news-releases/2013/statement-by-fcm-president-following-the-signing-of-the-canada-europe-trade-agreement.htm>

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agreements do not prevent governments from setting standards to ensure that Canadians have access to safe drinking water”<sup>12</sup>.

As outlined above, an agreement-in-principle for CETA was announced by the Federal Government on 2013 October 18. The *Technical Summary of Final Negotiated Outcomes*, which accompanied the announcement, also clarified the position of the CETA trade committee that “water in its natural state is not a good or product, so is not subject to CETA”<sup>13</sup>. However, as stated above, staff will continue to monitor the finalization of the Agreement, and will apprise Council of any related, specific issues.

## **5.0 UPDATE ON “RESOLUTION: INTRODUCTION OF UNIFORM PROVINCIAL SMOKING STANDARDS”**

This resolution, approved by Council at its meeting of 2011 March 21, calling for further uniform non-smoking standards province-wide, arose from an Environment Committee consideration of smoking bylaws from fifteen other local governments in the province. Since this time, several updates in the area have occurred.

In a Provincial response to this resolution, the Ministry of Health stated that it was pleased to have strong support from local government on tobacco control initiatives and that it would give the UBCM’s request to have the buffer zone around doorways, windows and air intakes increased from 3 meters to 7.5 meters serious consideration. To date, this change has not been made.

In further response to related resolutions put forward at the 2012 UBCM Convention by the Town of Sidney, the City of Kamloops, and the District of North Saanich, the Ministry then stated that Provincial guidelines present a baseline of protection, and that local governments are encouraged to implement stronger regulations in their particular communities as appropriate.

More recently, Council, at its meeting of 2013 November 4, approved staff recommendations to repeal Burnaby’s Smoking Regulation Bylaw. The Bylaw was adopted by Council in 1996 in response to the *Tobacco Control Act* that had been introduced by the Provincial government the same year. The Bylaw outlined additional restrictions indoors and in vehicles.

The staff report referenced above, analyzed Burnaby’s Bylaw in light of the subsequent 2008 Provincial *Tobacco Control Act*, and found it was no longer required given the prevailing Provincial regulations. As such, a repeal of the Bylaw was recommended and approved.

Staff will continue to monitor any further changes to the *Tobacco Control Act* and will apprise Council of impacts upon Burnaby.

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<sup>12</sup> For a full copy of the response, please visit: <http://www.ubcm.ca/EN/main/resolutions/resolutions/resolutions-responses.html>

<sup>13</sup> Canadian-European Union Economic Free Trade Agreement, *Technical Summary of Final Negotiated Outcome (2013)*, Section, “Committees”: <http://www.actionplan.gc.ca/en/page/ceta-aecg/technical-summary>

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## 6.0 SUMMARY AND CONCLUSION

This report proposes one new resolution for submission to the 2014 LMLGA Annual General Meeting and UBCM Convention, as well as, for consolidation purposes, four additional resolutions that have already been endorsed by Council. The report also provides an update on resolutions submitted in 2013 and 2012 to the LMLGA, the UBCM and the Federation of Canadian Municipalities.

It is recommended that Council endorse the one new resolution, as outlined in Section 2.1, for submission to the 2014 LMLGA Annual General Meeting and UBCM Convention. It is also recommended that staff be authorized to forward a copy of this report, accompanied by supporting background reports and information, to the LMLGA, the UBCM and the Federation of Canadian Municipalities. Finally, it is recommended that a copy of this report be circulated to all Burnaby MLAs and MPs for information.

Any additional resolutions which may come forward subsequent to this report, and prior to the 2014 June 30 UBCM deadline, may be submitted directly to the UBCM for possible consideration at the 2014 UBCM Convention.

  
Lou Pelletier, Director  
PLANNING AND BUILDING

RM:sa/sla

cc:	Deputy City Managers	Fire Chief
	Director Engineering	Chief Building Inspector
	Director Finance	Chief Librarian
	Director Parks, Recreation and Cultural Services	City Solicitor
	OIC – RCMP	Deputy City Clerk