

2024 Annual Report



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THE ANNUAL REPORT IS
TO BE CONSIDERED AT THE
2024 UBCM CONVENTION.

MORE DETAILS: UBCM.CA



Letter of Transmittal

On behalf of the Union of BC Municipalities, we are pleased to present the Annual Report for the fiscal year ending in 2024.

With a mandate to be the voice of local governments in BC, UBCM's work is guided by the issues our member communities have identified, and is prioritized with strategic direction from the UBCM Executive.

Core priorities for UBCM this year have centred on interrelated issues: stable funding for long term infrastructure, affordable housing and **homelessness**, and the exponential increase in calls for police and fire services related to the opioid crisis, mental health, and pre-hospital care. These issues were raised in meetings with the Premier, Cabinet Ministers, opposition leaders and MLAs during the year.

In the spring we hosted a second housing summit to provide a platform for local governments to respond to the wholesale changes to housing policy introduced by the Province months before. Key focuses

were infrastructure funding to support the growth, and calls for the federal government to integrate **immigration targets** with housing support.

UBCM opposed new provincial legislation that provided instructions for the courts regarding applications for decampment (Bill 45). Once the details of the legislation were made known, UBCM called upon the Province to **withdraw it**. Our analysis showed that, if brought into force, the legislation would make it practically impossible for local government to attain injunctions for decampments, which would lead to greater numbers of encampments. The Province recently announced that it has no plans to bring the legislation into force at this time.

This year also saw the Province change course on its approach to decriminalization in response to broad feedback from local governments. UBCM organized a special session to highlight issues in relation to public consumption at the 2023 Convention. Your Executive also brought forward a resolution calling for greater restrictions on public consumption. Subsequent provincial legislation and changes by Health Canada for the decriminalization trial period have helped to ameliorate local government concerns.

We were pleased to reach a successful conclusion to negotiations with the Government of Canada and the Province to renew the Canada Community-Building Fund. This program has delivered more than \$4.5 billion for infrastructure since its inception, and the new agreement

will deliver another \$1.6 billion over the next five years. We are appreciative of the role played by the Ministry of Municipal Affairs throughout the negotiations, and also want to acknowledge the unique commitment shown by the federal government to this program which is now set to run uninterrupted into its 30th year.

In advocacy, sometimes good things take time. Negotiations concerning new regulations for the *Fire Safety Act* have been happening since 2016 when enactment was delayed due to concerns raised by UBCM and regional districts around the ability to meet the single standard for fire safety in vast unincorporated areas of the province. This year we reached an agreement with the Office of the Fire Commissioner to take on the inspection and investigation work for regional districts, and the Act came into force in August.

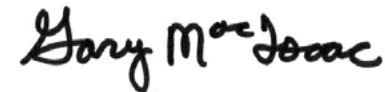
Many more asks, negotiations, and working groups are underway on behalf of our members at the time of writing. The provincial election scheduled for October 2024 will provide an opportunity for UBCM to raise core issues with the four main parties as candidates campaign for support.

As your President and Executive Director, we are proud to share with you the successes from last year and are looking forward to continuing the progress throughout next year. Please feel free to contact us with your questions or comments.

Thank you for your continued support and participation in the Union of BC Municipalities. We remain committed to the goals of strengthening communities in BC through empowering our members.



Councillor Trish Mandewo
UBCM President



Gary Maclsaac
Executive Director



Executive Director Gary Maclsaac



Councillor Trish Mandewo, UBCM President
2023-2024



Corporate Operations

Executive Priorities

Each summer the Executive determines priorities for the year ahead, including policy and advocacy engagement, special projects, and internal initiatives. They are reviewed and adjusted as needed at the inaugural meeting of the new Executive in November.

These priorities provide direction to Executive and staff throughout the year, and help identify local government issues for UBCM's annual Advocacy Days program. Highlights from the 2023-2024 work plan follow.

HOUSING

Housing remains a core focus as British Columbians continue to grapple with finding adequate homes, and local governments respond to the suite of provincial housing legislation passed in 2023.

While we recognize the significant new investments that have been made towards housing, UBCM continues to advocate for provincial action to address challenges

around local capacity, infrastructure costs and the need for increased investments in affordable housing. Refer to the [Advocacy Priorities section on housing and homelessness](#) for more details on this file.

REVIEWING THE FINANCE MODEL FOR LOCAL GOVERNMENTS

UBCM has long been advocating for changes to the local government finance model. Currently, local governments are primarily limited to using property taxes to fund operations and capital investments needed locally. It is widely acknowledged that this is not sufficient to the task.

At the same time the economy has been shifting towards service-based jobs, e-commerce, and remote work, which impact the property tax base. In addition, local governments have been stepping up to take on roles outside their historical mandate, such as housing and the impacts of homelessness and addiction, putting even more pressure on already stretched budgets. A large infrastructure deficit already exists, and climate change and additional regulations from other levels of government mean more money will be needed to provide the infrastructure required.



UBCM Executive met with Minister of Municipal Affairs Anne Kang at each quarterly board meeting.

Since 2022 a [Finance Working Group](#) with staff from UBCM, the Ministry of Finance and the Ministry of Municipal Affairs has been studying these impacts and exploring options and solutions focused on local government cost drivers, as well as evaluating the 20 recommendations from UBCM's 2021 report, [Ensuring Local Government Financial Resiliency](#). The Working Group is expected to continue next year, following a review of the MOU and the Working Group's Terms of Reference. Currently, implementation of any recommendations is on hold due to the pending 2024 provincial election.

CANADA COMMUNITY-BUILDING FUND RENEWAL

The Canada Community-Building Fund was renewed in BC for another 10 years (2024-2034) after lengthy negotiations between the federal and provincial government. The program remains largely the same, with some additional eligible funding categories. BC expects to receive around \$3.5 billion over the next 10 years.

The Investing in Canada Infrastructure Program is winding down, and UBCM is prepared to work with BC and Canada on the development and delivery of any new Provincial/Federal bipartite funding agreement(s).

Read more about CCBF in the [Funding Programs](#) section.



President Mandewo and Housing Minister Ravi Kahlon at UBCM's 2024 Housing Summit

FIRE SAFETY ACT

After many years of advocacy, discussion and collaboration, UBCM is pleased to have come to an agreement with the Office of the Fire Commissioner about how regional districts will meet the new responsibilities laid out in the *Fire Safety Act*.

The Act passed in 2016 with the goal of establishing a single standard of fire safety across the province. But the Province did not enact it due to concerns raised by UBCM about requirements for regional districts to take on responsibility for fire inspections and investigations in the unincorporated areas of the province. Because of continued opposition by UBCM, the Province agreed to collaborate to find a solution, and UBCM established the Single Standard of Fire Safety Working Group (SSFSWG) with the Office of the Fire Commissioner (OFC).

This year the SSFSWG agreed on an approach: Regional districts will still be required to designate inspectors and investigators, but upon request the OFC will do the inspections and investigations for the regional district, at no charge. Outstanding issues related to administration, processing requests and training continue to be worked through by the SSFSWG.

PROVINCIAL ENGAGEMENT WITH LOCAL GOVERNMENTS ON RECONCILIATION AGREEMENTS

UBCM has an MOU with the Province that acknowledges local governments as an order of government and establishes a commitment from BC to consult directly with affected local governments on specific local negotiations both in and outside the treaty process. As First Nations and the Province work on new reconciliation agreements, UBCM continues to advocate for local governments to be engaged throughout

the process on issues that impact them. These issues include land management, local government access to resources for public purposes, property taxation, servicing, and economic development.

UBCM has heard from members that consultation by the provincial government during the negotiation of these agreements with First Nations has largely been inadequate. As such,



President Trish Mandewo facilitates a Q&A with federal Minister of Housing, Infrastructure and Communities, Sean Fraser at the 2024 UBCM Housing Summit.

UBCM has advocated for a strengthened commitment from the Province in the form of an MOU implementation plan prior to renewing the MOU.

UBCM is currently collaborating with the Ministries of Municipal Affairs and Indigenous Relations and Reconciliation on ways to reinvigorate the Province’s commitment to consultation with local governments which will form an addendum to the MOU.

RESOURCING FOR CLIMATE ACTION

Climate change is having a significant impact on local government operations and UBCM is working directly with the provincial government and related organizations to create targeted resources and support climate action initiatives.

This includes peer-to-peer learning networks to help connect local

governments that are facing similar issues or grappling with regionally-specific challenges to collaborate and learn from each other. A guidebook is in the works that will share best practices for several relatively attainable solutions to common climate action challenges, such as reducing emissions from buildings and transportation, and preparing for climate-driven disasters such as floods and wildfires.

UBCM is also actively engaged with the Province and our membership to discuss support and resources that local governments will need to complete the risk assessments now required under the *Emergency and Disaster Management Act*, which passed in November 2023. UBCM is also advocating for dedicated infrastructure funding to support communities facing climate adaptation pressures.

RESPONSIBLE CONDUCT BY LOCAL ELECTED OFFICIALS

Over the past decade, local governments have issued calls for tools and resources that would strengthen responsible conduct by local elected officials. A Working Group on Responsible Conduct, made up of staff from UBCM, the Province and the Local Government Management Association, has been tasked with advancing policy work to strengthen the responsible conduct framework for BC’s Councils and Boards.

At the time of writing, the Working Group is preparing a new resource for local governments that explores concepts aimed at further strengthening BC’s responsible conduct framework

View reports and resources developed by the Working Group on Responsible Conduct. 

UBCM GOVERNANCE DOCUMENTS REVIEW

In 2020, due to the prescriptiveness of UBCM’s governance documents, UBCM required a special Ministerial Order to conduct a virtual Convention during COVID. This prompted the Executive to approve a multi-year special project

to conduct a thorough review to modernize and update UBCM’s governance documents including the *UBCM Act*, UBCM Bylaws, Executive Policies and Conference Rules and Procedures.

Extensive work took place over 2021-2022 culminating in two Extraordinary Resolutions being brought forward to the 2022 Convention. The first **ER1** directed UBCM to work with the Province to seek amendments to the *UBCM Act*. The second, **ER2**, proposed a series of bylaw amendments to update and modernize how UBCM conducts its business. Both extraordinary resolutions were endorsed. An update to the Conference Rules and Procedures was also completed subsequent to UBCM Bylaw amendments.

This year the *UBCM Act* was updated to update the language to specifically identify regional districts, Islands Trust and First Nations as UBCM members, not just municipalities.

Resolution 2022–ER1

Amendments to the final governance document under review, the Executive Policies, was completed in July 2024 with both

modernized wording as well as updates to the Executive’s compensation framework.

CONVENTION SPONSORSHIP

In 2022 UBCM Executive discussed ways that UBCM could build a climate lens into the sponsorship policy. After consideration by the Convention Committee, Executive adopted the Committee’s recommendations to:

- Adjust registration and reporting practices to increase transparency around regarding non-member participation.
- Consolidate and improve access to sponsorship information to better communicate UBCM’s sponsorship approach, and increase transparency about sponsor contribution to the Convention revenue.
- Develop messaging and background information to communicate these measures to UBCM members and the public.

A **Frequently Asked Questions** page has been created with information about UBCM’s sponsorship approach, financial contributions, and participation of sponsors and non-members at Convention. At Convention 2024 participant badges for non-members will be distinctly coloured.

FCM SMALL COMMUNITIES TRAVEL FUND

The UBCM-FCM Small Communities Travel Fund was established in 1989 to provide financial support to local government elected officials from BC attending Federation of Canadian Municipalities (FCM) Board and Standing Committee meetings.

While it was previously administered by FCM, UBCM Executive determined it would be better able to manage the Fund if it was within UBCM operations. In November 2023 UBCM held preliminary discussions with FCM to define the necessary steps to move the Fund under UBCM. This spring, the transfer was completed. Discussions will begin in fall 2024 to discuss how best to administer the Fund going forward to suit the needs of the membership.



UBCM Executive 2023-2024



TRISH MANDEWO

President
Councillor, City of Coquitlam
Committees: Presidents



ART KAEHN

First Vice-President
Director, Regional District of Fraser-Fort George
Committees: Presidents, Resolutions



WES GRAHAM

Second Vice-President
Councillor, City of Cranbrook
Committees: Presidents, Community Economic Development



JENNA STONER

Third Vice-President
Councillor, District of Squamish
Committees: Presidents, Convention



JEN FORD

Past President
Councillor, Resort Municipality of Whistler,
Committees: Presidents, Convention, Environment, Resolutions
Served: Sept 2023 - Feb 2024



CRAIG HODGE

Metro Vancouver/GVRD Representative
Councillor, City of Coquitlam
Committees: Presidents, Community Economic Development, Community Safety



SARAH KIRBY-YUNG

Vancouver Representative
Councillor, City of Vancouver
Committees: Indigenous Relations, Community Safety



JERRILYN KIRK

Electoral Area Representative
Director, Regional District of Fraser-Fort George
Committees: Convention, Indigenous Relations



SARAH FOWLER

Small Community Representative
Councillor, Village of Tahsis
Committees: Community Economic Development, Environment
Served: Sep 2023 - Jul 2024



PETE FRY

Vancouver Metro Area Representative
Councillor, City of Vancouver
Committees: Health and Social Development, Resolutions



NICOLE MACDONALD

Vancouver Metro Area Representative
Mayor, City of Pitt Meadows
Committees: Indigenous Relations, Community Safety



KEITH PAGE

AKBLG Representative
Councillor, City of Nelson
Committees: Community Economic Development, Convention

UBCM Executive 2023-2024



PENNY COTE

AVICC Representative

Director, Alberni-Clayoquot Regional District

Committees: Environment, Indigenous Relations



PATRICIA ROSS

LMLGA Representative

Councillor, City of Abbotsford

Committees: Convention, Environment



SHEILA BOEHM

NCLGA Representative

Councillor, City of Williams Lake

Committees: Community Safety, Environment



AIMEE GRICE

SILGA Representative

Councillor, Town of Oliver

Committees: Health and Social Development, Indigenous Relations



GORD KLASSEN

Director at Large

Councillor, City of Fort St. John

Committees: Community Safety, Resolutions



CORI RAMSAY

Director at Large

Councillor, City of Prince George

Committees: Health and Social Development, Resolutions



MICHAEL MOSES

Director at Large

Councillor, City of Williams Lake

Committees: Indigenous Relations, Health and Social Development

Served: Sept 2023 - May 2024



SARRAH STOREY

Director at Large

Mayor, Village of Fraser Lake

Committees: Community Economic Development, Health and Social Development



SEAN WOOD

Director at Large

Councillor, City of Parksville

Committees: Community Safety, Health and Social Development



UBCM Staff



[Click for the full staff list](#)

UBCM staff were hard at work throughout the year to advance advocacy goals, engage with other governments on initiatives that affect our members, and distribute funding to local governments and First Nations through our various funding programs.



UBCM Executive Director Gary Maclsaac welcoming members to Convention 2023.



Local Government Program Services staff Jonas Woodrow, Rebecca Bishop, and Lynsay Pacey on a site visit to a FireSmart fuel management project at Mount Tzouhalem in North Cowichan.



Policy analysts Jamee Justaston, Bhar Sihota, Marylyn Chiang, and Josh van Loon presiding over the resolutions sessions.



Jamee Justason, Zoë Ducklow, and Bhar Sihota at Convention 2023.



Manager of Local Government Program Services Danyta Welch speaks on a panel at Convention 2023, with Paul Gipps, Lake Country CAO.



Kelsey Mackay-Smith, Ashley Ferguson, and Raisa Jose at the close of Convention 2023.



Claudia de Haan-Hewett greeting members at the UBCM booth in the 2023 Trade Show.



Advocacy Priorities

Core Advocacy Priorities

UBCM’s mandate is to advocate on behalf of BC local governments and member First Nations for the development and implementation of legislation, regulation, policies, and programs that support the membership’s needs.

Our goal is to effect change that will benefit our members. UBCM participates in policy development and implementation processes in several ways.

- Proactively – presenting our own independent initiatives to other governments.
- Reactively – responding to proposed provincial or federal policy.
- Ongoing involvement – participating in Ministry-UBCM or multi-party policy development processes, which are many and varied, some requiring sustained involvement while others may only require limited intervention.

Some of our key policy and advocacy work over the past year focused on **housing and homelessness, community safety, and infrastructure**. The resolutions process heavily informs UBCM policy priorities, and is included in this section.



Minister of Municipal Affairs Anne Kang, Councillor Craig Hodge, UBCM President Trish Mandewo, Premier David Eby, Councillor Jenna Stoner, Councillor Wes Graham, Director Art Kaehn.

Executive members met with the Premier, Cabinet Ministers, opposition party leaders, and MLAs during April advocacy meetings.

ADVOCACY DAYS 2024

UBCM Executive held its 11th annual Advocacy Days in April, coinciding with the quarterly Executive meetings, to discuss local government priorities with the Province. Over two days, Executive members met with 30 MLAs from all parties, including Premier David Eby, 11 Cabinet ministers, leader of the Official Opposition Kevin Falcon, BC Green party leader Sonia Furstenau, and BC Conservative Party leader John Rustad.

Meetings focused on housing and homelessness, community safety, and infrastructure.



Mayor Nicole MacDonald, Minister of Mental Health and Addictions Jennifer Whiteside, Mayor Sarrah Storey, Councillor Pete Fry.



Councillor Michael Moses, Councillor Jenna Stoner, MLA Karin Kirkpatrick, Councillor Pete Fry.

Housing and Homelessness

A transformational suite of legislation passed in 2023 aims to make inroads on the crisis of availability and affordability of housing in BC. UBCM continues to advocate for accompanying support for funding and capacity.

HOUSING

The Province passed four housing-related bills (Bills 44, 46, 47 in 2023 and Bill 16 in 2024) which established a framework for densification, updated the development finance framework, and responded to UBCM and member advocacy for new tools for tenant protection and inclusionary zoning.

UBCM hosted a Housing Summit to engage with members around the new housing policies, and to explore paths forward. The Province also made significant commitments to increase funding for affordable housing.

UBCM notes that even with these investments, the magnitude of the crisis continues to overwhelm communities and their resources.

The projected population growth of 1 million new British Columbians by 2032 will only amplify these pressures and reinforce the need for further provincial action.

UBCM Advocacy Focus:

- Scale up investments in affordable housing, supportive housing, complex care facilities, and shelter spaces.
- Improve BC Housing operations to minimize delays in affordable and shelter housing projects.
- Create new strategies and supports to address the unique needs of rural and remote communities and incentivize affordable development in those areas.



A panel of mayors discussed the challenge of developing housing for the one million new British Columbians expected by 2034 at the UBCM Housing Summit

HOMELESSNESS

On the issue of homeless encampments, the Province passed a bill in November 2023 (Bill 45) with a section that requires local governments who seek injunctions for removing encampments to ensure there is reasonably available shelter to a certain standard. UBCM pointed out that the Province is not providing adequate shelter space to the quality established by the legislation, therefore making it highly unlikely that a court would grant local governments an injunction for decampment.

UBCM hosted consultation sessions with members, published an **op-ed** in the Vancouver Sun, and had the UBCM President meet with Housing Minister Ravi Kahlon to ask for a full deferral of the legislation until there was thorough consultation with local governments on

the potential unintended consequences.

In response, the Province has decided not to bring into force the sections of Bill 45 related to homeless encampments at this time. UBCM is pleased with this decision, and continues to call on the Province to invest in shelter spaces, supportive housing and complex care facilities, affordable housing, and outreach services to help address homelessness.

UBCM remains committed to working with the provincial and federal governments to address the housing crisis while ensuring that local governments remain well positioned to deliver the infrastructure needed for complete, resilient communities. UBCM will also continue to seek opportunities for local government engagement as new housing initiatives are developed.



Community Safety

Maintaining community safety is a core service for local governments. Pressures have increased this year, between overlapping health crises, rising costs, and Provincial downloading.

Local first responders are frequently asked to answer calls for service outside their core expertise, to support the most vulnerable in our communities. This includes local police and fire departments providing front line services to those struggling with substance abuse, mental health issues, homelessness, and other complex situations. As locally funded resources are being used to respond to Provincial areas of responsibility, there is a need for ongoing investments and co-ordination to address this cost pressure for local governments.

UBCM has consistently called for a comprehensive strategy for the provision of protective and health services to address these complex and overlapping issues. In addition to delivering this request through UBCM's Advocacy Days meetings with provincial MLAs, the joint UBCM-Province Local Government Financial Review Working Group has begun work on reversing the downloading of jurisdictional responsibility for mental health, addiction, and homelessness services on local governments.

UBCM has also advocated for the Province to respond to the all-party Special Committee on Reforming the Police Act **recommendation #4** that the provincial government create and fund a continuum of response to mental health, addictions and other complex social issues.

[Click for more work by the Community Safety Committee.](#)



Community Safety Committee members met with the Minister for Public Safety and Solicitor General during the 2024 advocacy days meetings. L-R: Councillor Craig Hodge, Minister Mike Farnworth, Councillor Sarah Kirby-Yung, Councillor Wes Graham.



Infrastructure

Climate change, increasing regulatory standards, and population growth are all exacerbating pressures local governments deal with when managing, building, and planning for the infrastructure needed for critical community services.

The need to integrate climate change into core services – both to reduce emissions and respond to the increased scope and frequency of extreme weather events like fires, floods, droughts and heat domes – is stretching the capacity and coffers of nearly every local government in BC.

On top of this, there are costly regulatory requirements imposed at provincial and federal levels for drinking water, wastewater, and solid waste management. And, the provincial government is adding housing targets and pushing increased housing density across the province to address the housing crisis and BC’s growing population, which comes with substantial infrastructure needs.

This year UBCM met with the Premier, the Minister of Finance and others to call for long-term, stable and predictable infrastructure funding that supports the shared local-provincial objectives of ensuring regulatory compliance, climate resilience, and servicing population growth. Capital costs required for local infrastructure is also a specified focus of the Local Government Finance Working Group made up of UBCM and Provincial staff.



AN ESTIMATED \$5.3 BILLION IN ANNUAL INVESTMENT IS NEEDED IN MUNICIPAL INFRASTRUCTURE TO ADAPT TO CLIMATE CHANGE IN CANADA.

THIS NUMBER IS VERY LIKELY CONSERVATIVE.

In Port Alberni a paper mill’s surplus effluent lagoons were purchased and repurposed for water treatment for the region’s 18,000 residents. The project was completed with funding from the Canada Community-Building fund.

UBCM also administers several funding programs funded by the federal and provincial governments that support infrastructure. Refer to the **Program Services** section for more information.



Bottom left: Vanderhoof Aquatic Centre was built with funding support from the Canada Community-Building Fund.

Bottom right: the Village of Valemount used funding to decommission an old pump station and construct a replacement.



Resolutions: Grassroots to Advocacy

Advocacy led by UBCM starts with our members through the hundreds of resolutions submitted every year. More than 200 resolutions are considered every year at Convention, and those that are endorsed form the basis of UBCM policy going forward.

Resolutions range from addressing environmental issues, housing, healthcare gaps, community safety, and more. At the heart of many of these resolutions are challenges being faced by British Columbians that local governments want to address — and to do so, they require the authorization or help from other orders of government.

THE PROCESS

Many resolutions are first submitted to the local Area Associations for consideration at their annual spring conferences. Resolutions that are endorsed locally have the benefit of entering the UBCM Convention floor with the backing of their region.

Before resolutions are published, the Resolutions Committee makes a recommendation for each resolution to ‘endorse’, ‘not endorse’, or to give ‘no recommendation’, according to whether the resolution aligns with, is contrary to, or is not covered by existing UBCM policy.

At Convention, members can highlight any resolution for

In 2023 161 resolutions were endorsed by UBCM members.

a public debate before voting. Endorsed resolutions become part of UBCM’s policy position and are conveyed to the provincial or federal government. Wherever possible, UBCM will work to see those requests fulfilled.

In the spring the Province shares a response to each resolution conveyed, indicating if it agrees, disagrees, or is working on the matter. These responses are shared with the resolution’s sponsor and are **posted** to UBCM’s searchable **resolutions database**.

THE RESULTS

Resolutions often lead to substantive, province-wide changes, though they can sometimes take years to be realized.

- This year the *Fire Safety Act* came into force. It will achieve a single standard of fire safety in BC, while also accounting for the limited capacity of many regional districts that are responsible for large, unincorporated areas. UBCM jointly chaired a working group to lead to this result, with direction from three resolutions: **2019-A1**, **2018-SR3**, and **2015-A3**
- UBCM members supported **decriminalization** of illicit drugs through resolutions, but called for better guardrails on the three-year pilot program to maintain safe public spaces. A **special resolution** endorsed last year asked for more specific regulation on the public consumption of illicit drugs. Changes to the rules around BC’s decriminalization trial were **made** in 2023 by the Province, and again in 2024 by the federal government.



Our long time parliamentarian, Ian Izard, retired last year after 36 years of overseeing the UBCM resolutions process. L-R: Councillor Pete Fry, Councillor Gord Klassen, Ian Izard, Councillor Laurey-Anne Roodenburg.

Reviewing the efforts of the provincial and federal governments over time demonstrate that endorsed resolutions do help move the needle, and often lead to positive outcomes for local governments and their citizens.

Read on to learn about more action related to resolutions that’s been taken since the 2023 Convention.



Policy Highlights

Beyond the three core priorities, UBCM has focused on several other policy files of importance to local governments.

DECriminalIZATION

A significant file over the past year for UBCM members has been the decriminalization of illicit drugs in BC. This is a pilot program that began in January 2023 and runs until January 2026, removing criminal penalties for people who possess a small amount of certain illicit substances for personal use.

Local governments raised concerns regarding the use of illicit drugs in public spaces, including parks, playgrounds, sports fields, beaches, and bus stops. Health Canada amended the exemption. The first change was made in September 2023 to add additional places such as playgrounds, spray pools, wading pools, and skate parks as areas where the possession of illegal drugs was prohibited. The second amendment was made in May 2024, to prohibit the use of illegal substances in all public spaces, including hospitals, on transit, in playgrounds, parks, and other areas.

Local governments continue to provide feedback on this issue through the Decriminalization Local Government Working Group, which is co-chaired by UBCM and the Ministry of Mental Health and Addictions.

The provincial government also addressed local government concerns and passed the *Controlled Drugs and Substances Act* in



The Decriminalization and Public Use session at 2023 Convention featured Dr. Bonnie Henry and a panel of local government representatives.

November 2023, however this legislation has not come into force due to an injunction from a BC Supreme Court Case. UBCM applied for intervenor status for this injunction application, but withdrew the application after Health Canada's second amendment nullified the reason an intervention was needed.

EMERGENCY AND DISASTER MANAGEMENT ACT

The *Emergency and Disaster Management Act* (EDMA) received royal assent in November 2023, adding several new and enhanced responsibilities for local governments. The Province is taking a phased approach to implementation, with some provisions not coming into force until associated regulations are developed.

Through endorsed resolutions, the joint UBCM-Province Local Government Financial Review Working Group, Advocacy Days meetings with provincial MLAs, and other forums, UBCM has consistently requested a long-term funding and capacity building framework to address new and ongoing local government emergency management responsibilities. UBCM and the Ministry of Emergency Management and Climate Readiness have also agreed to form a working group to ensure local government input into the development of regulations associated with EDMA.



POLICE ACT AND PUBLIC SAFETY REVIEW

In 2020, the Province announced its intent to review the *Police Act*, subsequently creating the all-party Special Committee on Reforming the Police Act (SCRPA). The SCRPA final report was released in April 2022, and includes 11 recommendations to modernize policing and public safety in British Columbia.

Local governments are involved in the *Police Act* and public safety review through the Local Government Policing Modernization Roundtable (LGPMR). The LGPMR, co-chaired by UBCM and the Ministry of Public Safety and Solicitor General, is a forum for local government priorities and concerns to be raised as part of broader work to research policing issues, explore options and advise on courses of action. The Province has also committed to including local governments as part of the process to co-develop any new public safety legislation.

LOCAL GOVERNMENT AND FIRST NATIONS RELATIONS

UBCM is working to support relationships between First Nations and local governments in several ways.

We are in discussions with the Ministry of Indigenous Relations and Reconciliation about renewing the MOU that establishes a commitment for provincial consultation with local governments on First Nation negotiations where local government jurisdiction is impacted. UBCM surveyed members for feedback on how well the MOU was implemented across BC, prior to moving forward with renewal.

Over the past year, UBCM has been developing a relationship with the First Nations Leadership Council, comprised of leaders from First Nations Summit, Union of BC Indian Chiefs, and BC Assembly First Nations. Discussions have commenced on the benefits of entering into a Relationship Protocol to support partnership and collaboration on advancing reconciliation, and other shared goals and priorities.

UBCM secured funding to hold a province-wide Community to Community Forum and has been collaborating with the First Nations Leadership Council to host the forum at the 2024 UBCM Convention.





Funding Programs

Local Government Program Services

Since 2004, UBCM has delivered dozens of funding programs intended to strengthen BC communities' resilience and capacity across priority issues.

In 2023 and 2024, numerous funding streams were available to local governments, First Nations, and other eligible applicants. Amidst awarding funding to hundreds of applications, UBCM's local government program services team also introduced a new online application tool to make future applications more efficient.

Two of the most looked for programs – FireSmart Community Funding & Supports and the Next Generation 911 fund – had allocation-based funding streams added, saving time and resources by removing the requirement to file applications.



Firefighting training in Comox with funding support from the Community Emergency Preparedness Fund

\$132.7 million was awarded in grants through UBCM-administered programs this year

Active Transportation Planning

Funded by the Ministry of Transportation and Infrastructure

Supports local governments to incorporate or enhance active transportation components of formal planning documents. This can include research, consultation, and policy development. This program will continue in 2024/25.

Since 2020:

- Total fund: \$965,600
- 32 applications received
- \$440,700 awarded to date

Asset Management Planning

Funded by the Ministry of Municipal Affairs

Supports local governments to deliver sustainable services by extending and deepening asset management practices. Accrued interest from other Local Government Program Services programs are allocated to this fund. This program will continue in 2024/25.

Since 2014:

- Total fund: \$6.3 million
- 415 applications received
- \$3.8 million awarded to date

Community Child Care Planning and Space Creation

Funded by the Ministry of Education and Child Care

Helps local governments plan for and develop childcare spaces for children under the age of five. Some funding came from the Canada-British Columbia Early Learning and Child Care Agreement. No further intakes are planned for this program.

Since 2018:

- Total fund: \$21.5 million
- 93 applications received
- Nearly \$20 million awarded

Community Resiliency Investment

Funded by the Ministry of Forests

Funding for community-based FireSmart planning and activities that reduce the community's risk from wildfire. The 2024 intake added an allocation-based component, and has an open intake for application-based funding until September 30, 2024. The program will continue in 2024/25.

Since 2018:

- Total fund: \$175.1 million, including the FireSmart Economic Recovery Fund
- 811 applications received
- \$84.6 million awarded to date

Community Emergency Preparedness Fund

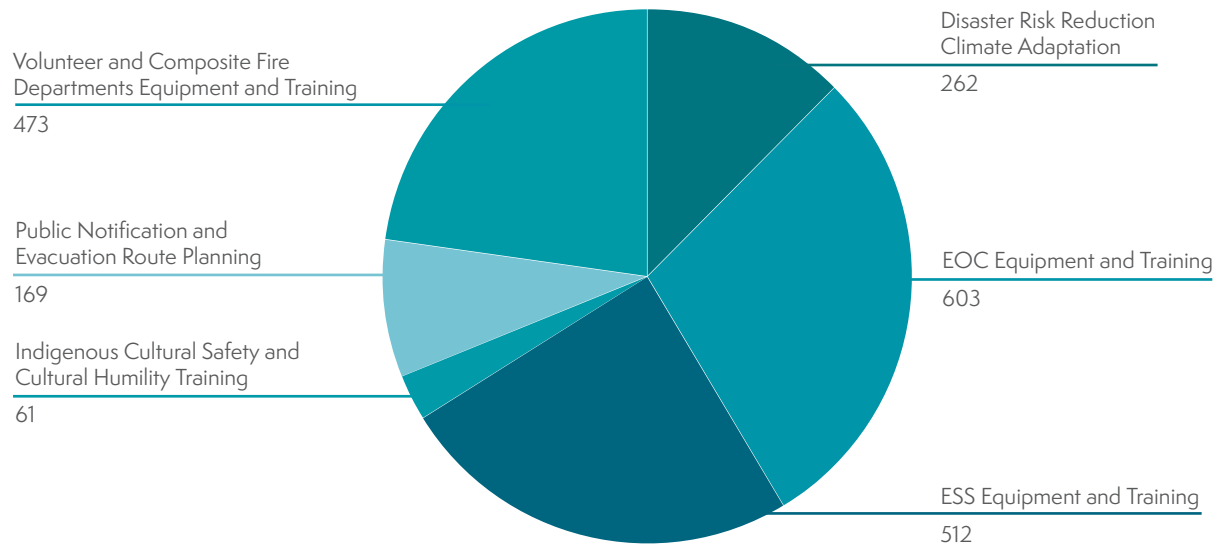
Funded by the Ministry of Emergency Management and Climate Readiness

Supports First Nations and local governments to prepare for disasters and reduce risks from natural hazards in a changing climate. This fund is divided into several streams aimed at specific emergency needs. This program will continue in 2024/25.

Since 2017:

- Total fund: \$368.4 million
- 2,471 applications received, including current and previous funding streams
- \$223.5 million awarded to date

Breakdown of applications by Funding stream within the Community Emergency Preparedness Fund since 2017



Complete Communities

Funded by the Ministry of Housing

Enhances evidence-based land use planning decisions through assessments of current community completeness; analysis and identification of strengths, opportunities, challenges, and potential actions that align with identified community goals; and supports creating more complete communities and implementation plans.

Since 2022:

- Total fund: \$10 million
- 66 applications received
- \$8.2 million has been awarded to date

Local Government Development Approvals

Funded by the Ministry of Housing

Supports the implementation of established best practices and to test innovative approaches to improve development approvals processes while meeting local government planning and policy objectives. Funded through the Canada-BC Safe Restart Agreement.

Since 2021:

- Total fund: \$25 million
- 142 applications received
- \$17.4 million has been awarded to date

Poverty Reduction Planning and Action

Funded by the Ministry of Social Development and Poverty Reduction

Helps reduce poverty at the local level in alignment with the Province's poverty reduction strategy, TogetherBC.

Since 2019:

- Total fund: \$5 million
- 106 applications received
- \$4.6 million awarded

Regional Community to Community Forum

Funded by the Ministry of Municipal Affairs and Indigenous Services Canada

Provides funding for local governments and First Nations to come together in dialogue on topics of mutual interest or concern. Includes a contribution of accrued interest from LGPS programs. This year the program expanded to fund up to \$10,000 in C2C forums as well as up to \$10,000 for agreements, plans, and bylaw review that supports reconciliation and relationship building. This program will continue into 2024/25.

Since 1999:

- Total fund: \$3.4 million, including Provincial C2C events
- 953 applications received
- \$2.3 million awarded

Next Generation 911

Funded by the Ministry of Citizens' Services

Supports local preparedness for the implementation of Next Generation 911, including the transition and operational readiness of existing 911 services to NG911 in compliance with the CRTC Mandate. An application-based program is expected in 2024/25.

Since 2023:

- Total fund: \$60 million
- 199 applications approved through allocation-based funding
- \$36.5 million awarded to date

Strengthening Communities' Services

Funded by the Ministry of Municipal Affairs

Supports local governments and Treaty First Nations take action in providing urgent assistance to individuals currently experiencing unsheltered homelessness. Funded through the Canada-BC Safe Restart Agreement.

Since 2021:

- Total fund: \$100 million
- 88 applications received
- \$95.4 million awarded

Urban Communities Partnering for Reconciliation Pilot

Funded by the Ministry of Indigenous Relations and Reconciliation

This pilot program supports local governments and eligible Indigenous societies develop events and activities that provide a time and place for dialogue to build on opportunities, support reconciliation efforts, resolve issues of common responsibility, interest or concern, and/or to advance tangible outcomes.

Since 2019:

- Total fund: \$220,000
- 25 applications received
- \$122,600 awarded

SUBSCRIBE HERE

Keep up to date with grant stream intakes. Subscribe to UBCM's weekly newsletter, The Compass

Canada Community-Building Fund

The Canada Community-Building Fund is a federal transfer that delivers predictable and reliable funding to local governments for community infrastructure investments. In BC, the fund is administered by UBCM.

The current CCBF program was renewed and expanded in 2024, committing another 10 years of predictable funding for BC communities. The expansion included allowing investments in resilience infrastructure, fire truck purchases, and housing planning.

Investment Category	Spend in 2023	Estimated Total Project Costs	# of projects
Local Roads, Bridges, and Active Transportation	\$91.07 m	\$526.87 m	291
Public Transit - GVRF	\$34.03 m	\$899.45 m	19
Recreation and Sports	\$33.21 m	\$297.57 m	247
Wastewater	\$20.41 m	\$167.65 m	88
Drinking Water	\$11.45 m	\$84.47 m	125
Community Energy Systems	\$7.90 m	\$32.29 m	57
Other	\$6.84 m	\$157.08 m	33
Tourism and Cultural	\$5.77 m	\$33.08 m	62
Solid Waste	\$5.13 m	\$33.15 m	28
Capacity Building	\$3.78 m	\$21.60 m	109
Fire Halls and Fire Stations	\$3.59 m	\$94.31 m	37
Public Transit	\$0.31 m	\$6.89 m	13



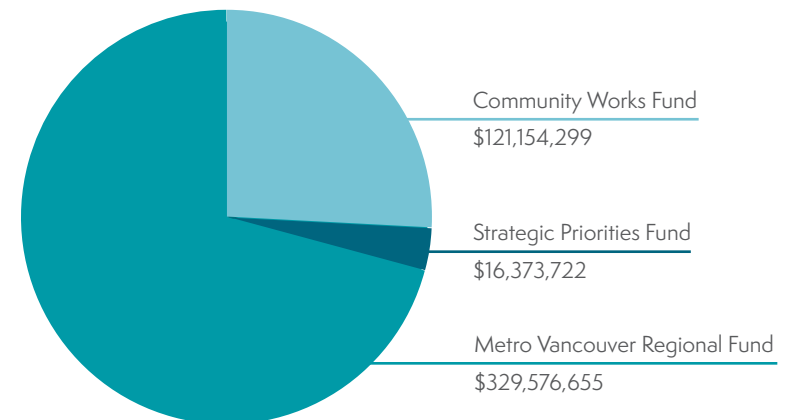
A new pedestrian bridge in the Thompson-Nicola Regional District connected popular recreation trails in Blue River.

\$1.6 billion will be distributed to BC communities over the next five years.

Funding is delivered through three distinct funding programs:

- Community Works Fund
- Strategic Priorities Fund
- Metro Vancouver Regional Fund

Funds distributed in 2023



Learn more in the CCBF Annual Report





Member Services & Programs

Municipal Innovation – Women in Local Leadership

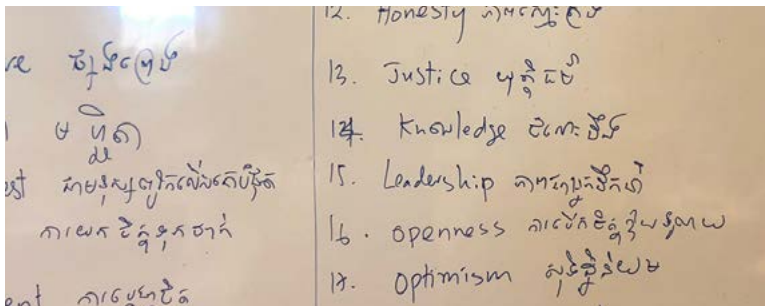
For more than 20 years UBCM has participated in international initiatives that support local democracy through the Federation of Canadian Municipalities. This year we continued to support a program called FCM Partnerships for Municipal Innovation – Women in Local Leadership, which runs from 2022 to 2026.

The program aims to increase women’s capacity to get involved and lead in local government, as well as increase local governments’ capacity to deliver inclusive, gender-responsive services. UBCM’s involvement is with the National League of Communes in Cambodia.

In October 2023, UBCM hosted a study tour in BC for National League of Communes members in British Columbia. UBCM Past President Jen Ford and UBCM President Trish Mandewo shared their experiences of local government leadership with visiting Cambodian leaders and FCM members. The tour included an overview of the operations of the Local Government Leadership Academy, information from UBCM staff about Convention workshops, and UBCM’s financial operations and approach to sponsorship.

In February 2024, UBCM and FCM staff traveled to Cambodia to offer World Café workshops, and explore the issues, barriers and solutions for women elected officials in Cambodia.

UBCM President Trish Mandewo delivered a two-day interactive session on Developing a Leadership Mindset and embracing opportunities and challenges.



Member Services & Benefits



Learn more about the UBCM Group Benefits Plan here



GROUP BENEFITS PLAN

UBCM offers a group benefits plan for local governments, First Nations, and affiliated provincial associations through Pacific Blue Cross. The UBCM Group Benefit Plan leverages the buying power of \$20 million every year in claims from more than 4,000 employees from 130 individual group plans to get competitive rates.

Members also receive professional actuary services, a dedicated administration service, flexible benefits to suit local needs, and regular plan reviews.

The plan includes:

- Extended Health
- Dental
- Group Life, Dependent Life and Optional Life
- Accidental Death & Dismemberment
- Short and Long Term Disability
- Administrative Services Only
- Critical Illness Benefits
- Employee and Family Assistance Plan
- Health Spending Accounts
- Benefits for Elected Officials

UBCM is committed to providing a strong governance model for the Group Benefits Plan so that members receive the best possible service. George & Bell Consultants provide actuarial services for the annual renewal and give detailed financial analysis and advice on the plan. As partners, we are committed to working together to ensure that local governments and affiliated associations receive value, economies of scale, excellence in service, and strong advocate representation.

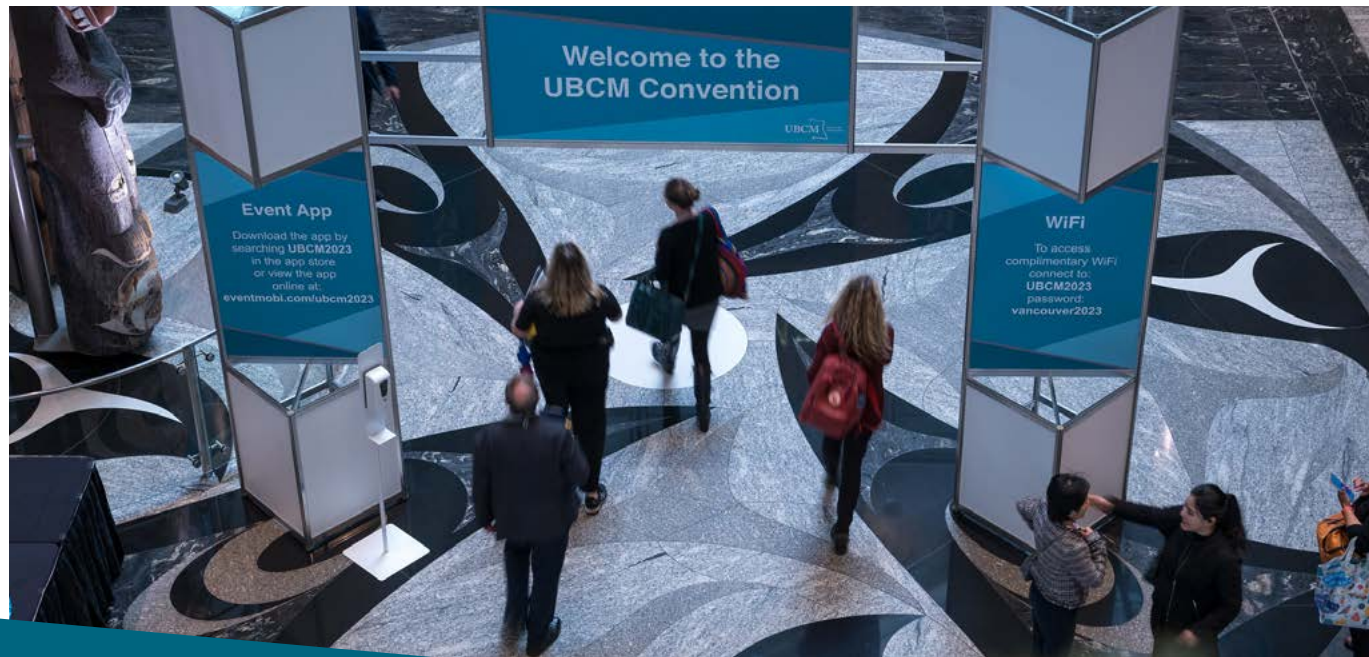
Negotiations with Pacific Blue Cross are completed each year in July and August by George & Bell Consulting. The renewal timeline runs from April 1 to August 31 with new rates provided in September and effective October 1.

BULK PURCHASED DOG & CAT TAGS


UBCM provides a discounted rate on dog and cat tags which local governments sell to their residents. In 2024, 57 members participated generating \$14,796 in revenue. Revenues and participants have been declining over the past few years as members move to permanent tags that don't have to be replaced each year.

WALL CALENDARS

UBCM provides an annual wall calendar with key legislative dates to our membership for a nominal fee. The 2024 calendar generated approximately \$9,320.



Community Excellence Awards

 See more from the 2023 winners here

Community Excellence Awards recognize and celebrate UBCM member communities that have implemented projects or programs that go above and beyond in meeting the purposes of local government in BC. The awards are intended to showcase outstanding initiatives and share them with other members to implement in their own communities. Here are your 2023 winners.

PRESIDENTS COMMITTEE CHOICE AWARD

Tk'emlúps te Secwépemc and the City of Kamloops: Building Relationships Towards Reconciliation



Six years ago, Tk'emlúps te Secwépemc and the City of Kamloops co-hosted their first Community to Community forum after the Truth and Reconciliation Commission issued its 95 Calls to Action.

That gathering, and momentum from the national TRC process, inspired the City and First Nation to commit to building genuine relationships to work towards progress on the Calls to Action that were within a local government's purview.

What started with a formal Letter of Understanding in 2019 has evolved into integrated service delivery models, regular back-and-forth support, consultation, learning, and shared decision-making. And, perhaps most importantly a deepened level of trust.

EXCELLENCE IN GOVERNANCE

District of Oak Bay: Bridging the Gap Between Council's Aspirations and Project Delivery

Aligning a council's strategic aspirations with the significant operational requirements, while being mindful of financial and workforce capacity, is a common challenge for local governments.

What distinguished Oak Bay's project was the method and process they used. It started with a needs analysis: asking colleagues what wasn't working, what tools they needed or couldn't part with, and then involved the senior leadership team to build support across the organization.



Early versions of the new system were tested in small groups and expanded as success was found until it included everything from firefighting to financial planning, from how staff reported to the Council, to how Oak Bay residents were engaged.

EXCELLENCE IN ASSET MANAGEMENT

District of Summerland: Water and Road Infrastructure Asset Management Plan

"Nothing symbolizes inefficiency in local government more than when a municipality paves a road one year, only to go dig it up a year or two later to replace a water main," said Summerland's mayor Doug Holmes.

To avoid this, Summerland embarked on a strategic initiative to review the state of its infrastructure. They categorized information on road quality, the life span of water mains and more, which enabled staff and council to come up with a long-term financial investment plan to maintain and upgrade physical infrastructure. Importantly, it also meant Summerland could coordinate maintenance and replacement work between water mains and roads, to avoid the situation Mayor Holmes described off the top.



EXCELLENCE IN SUSTAINABILITY

Metro Vancouver Regional District: Lulu Island Renewable Natural Gas Facility

The Lulu Island Renewable Natural Gas Facility captures and cleans excess biogas from wastewater treatment and sells the scrubbed gas to FortisBC for residential distribution. The facility takes waste and turns it into a resource. The reused gas is expected to heat 600 homes a year. Capturing and reselling the gas also means less biogas is burned off (known as flaring). That reduction is estimated at the equivalent of 550 cars off the road each year.



EXCELLENCE IN SERVICE DELIVERY

City of Surrey: Anti-Gang Family Empowerment

The City of Surrey took action to proactively address community safety concerns in response to increasing gun and gang violence. It developed a collaborative program, called the Surrey Anti-Gang Family Empowerment Program (“SAFE”), which brought together 11 partner agencies to deliver support to at-risk youth.

“The SAFE Program provides direct services to some of Surrey’s most at-risk residents. SAFE clients often have identities that expose them to intersectional forms of marginalization such as gender, socioeconomic status, language, religion, newcomer status, and trauma experiences. Many SAFE initiatives fill gaps where no service existed prior to implementation,” the City says of the program.



Get notified when next year’s Community Excellence Awards applications open. Subscribe to UBCM’s weekly newsletter, The Compass.

SUBSCRIBE HERE



Financial Statements

Financial Statements of

**UNION OF BRITISH COLUMBIA
MUNICIPALITIES**

And Independent Auditor's Report thereon

Year ended May 31, 2024

**KPMG LLP**

PO Box 10426 777 Dunsmuir Street
Vancouver BC V7Y 1K3
Canada
Telephone (604) 691-3000
Fax (604) 691-3031

INDEPENDENT AUDITOR'S REPORT

To the Members of Union of British Columbia Municipalities

Opinion

We have audited the financial statements of Union of British Columbia Municipalities (the "Entity"), which comprise:

- the statement of financial position as at May 31, 2024
- the statement of operations for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at May 31, 2024, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "**Auditor's Responsibilities for the Audit of the Financial Statements**" section of our auditor's report.

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

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



Union of British Columbia Municipalities
Page 2

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.



Union of British Columbia Municipalities
Page 3

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Chartered Professional Accountants

Vancouver, Canada
July 19, 2024

UNION OF BRITISH COLUMBIA MUNICIPALITIES

Statement of Financial Position

May 31, 2024, with comparative information for 2023

	2024	2023
Assets		
Current assets:		
Cash	\$ 26,119,031	\$ 16,886,405
Investments (note 3(a))	792,552,068	754,562,045
Accounts receivables	249,600	131,553
Prepaid expenses	192,133	198,942
	<u>819,112,832</u>	<u>771,778,945</u>
Capital assets (note 4)	1,579,576	1,725,896
Intangible asset (note 5)	-	101,568
	<u>\$ 820,692,408</u>	<u>\$ 773,606,409</u>

Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities (note 6)	\$ 235,068	\$ 238,436
Convention deposits	285,955	315,550
Deferred revenue (note 7)	835,379	786,374
Deferred contributions (note 8)	795,798,137	754,116,356
	<u>797,154,539</u>	<u>755,456,716</u>
Other liabilities	108,463	90,721
	<u>797,263,002</u>	<u>755,547,437</u>
Net assets:		
Invested in capital and intangible assets (note 9)	1,579,576	1,740,852
Internally restricted (note 10)	5,120,000	5,120,000
Unrestricted	16,729,830	11,198,120
	<u>23,429,406</u>	<u>18,058,972</u>
Commitment (note 13)		
	<u>\$ 820,692,408</u>	<u>\$ 773,606,409</u>

See accompanying notes to financial statements.

Approved on behalf of the Executive Committee:



Director



Director

UNION OF BRITISH COLUMBIA MUNICIPALITIES

Statement of Operations

Year ended May 31, 2024, with comparative information for 2023

	2024	2023
Revenue:		
Annual member dues (note 7)	\$ 1,357,078	\$ 1,302,415
Convention	2,524,118	1,549,280
Members' services	1,331,498	1,124,561
Administrative fees (note 11)	79,360	146,121
Investment income (note 3(b))	5,594,208	4,440,882
Government grants (note 8):		
Local Government Program Services	156,772,589	61,760,400
Canada Community-Building Fund	146,500,433	456,881,144
Other government funding	151,287	174,000
	<u>314,310,571</u>	<u>527,378,803</u>
Expenses:		
Salaries and benefits	2,119,017	1,942,834
Executive	307,854	313,391
Office services and supplies	325,144	297,582
Staff travel	76,302	61,483
Professional fees	146,511	118,047
Convention	1,706,158	1,076,523
Members' services	834,842	858,019
Government programs (note 8):		
Local Government Program Services	156,772,589	61,760,400
Canada Community-Building Fund	146,500,433	456,881,144
Other government funding	151,287	174,000
	<u>308,940,137</u>	<u>523,483,423</u>
Excess of revenue over expenses	\$ 5,370,434	\$ 3,895,380

See accompanying notes to financial statements.

UNION OF BRITISH COLUMBIA MUNICIPALITIES

Statement of Changes in Net Assets

Year ended May 31, 2024, with comparative information for 2023

	Invested in capital and intangible assets (note 9)	Internally restricted (note 10)	Unrestricted	Total
Balance, May 31, 2022	\$ 1,887,805	\$ 5,120,000	\$ 7,155,787	\$ 14,163,592
Excess (deficiency) of revenue over expenses	(146,953)	-	4,042,333	3,895,380
Balance, May 31, 2023	1,740,852	5,120,000	11,198,120	18,058,972
Excess (deficiency) of revenue over expenses	(161,276)	-	5,531,710	5,370,434
Balance, May 31, 2024	\$ 1,579,576	\$ 5,120,000	\$ 16,729,830	\$ 23,429,406

See accompanying notes to financial statements.

UNION OF BRITISH COLUMBIA MUNICIPALITIES

Statement of Cash Flows

Year ended May 31, 2024, with comparative information for 2023

	2024	2023
Cash provided by (used in):		
Operations:		
Excess of revenue over expenses	\$ 5,370,434	\$ 3,895,380
Items not involving cash:		
Change in fair value of investments	(706,377)	(120,376)
Non-cash accrued investment income	(3,784,931)	(3,617,245)
Amortization of capital assets	146,320	151,330
Amortization of intangible asset	101,568	121,884
Amortization of deferred capital contributions	(86,612)	(126,261)
Amortization of deferred lease inducement	-	(798)
	1,040,402	303,914
Changes in non-cash operating working capital:		
Accounts receivable	(118,047)	46,251
Prepaid expenses	6,809	72,633
Accounts payable and accrued liabilities	(3,368)	63,196
Convention deposits	(29,595)	227,050
Deferred revenue	49,005	19,655
Deferred contributions	7,369,678	50,289,454
Other liabilities	17,742	9,185
	8,332,626	51,031,338
Investments:		
Purchase of investments	(203,500,000)	(325,000,000)
Proceeds on disposal of investments	204,400,000	284,000,000
	900,000	(41,000,000)
Increase in cash	9,232,626	10,031,338
Cash, beginning of year	16,886,405	6,855,067
Cash, end of year	\$ 26,119,031	\$ 16,886,405
Non-cash activities:		
Investment income accrued and recorded to deferred revenue and contributions	\$ 34,398,715	\$ 20,362,568

See accompanying notes to financial statements.

UNION OF BRITISH COLUMBIA MUNICIPALITIES

Notes to Financial Statements

Year ended May 31, 2024

1. Operations:

Union of British Columbia Municipalities (“UBCM”) is incorporated under the *Union of British Columbia Municipalities Act* (British Columbia) and its principal activity is to represent the interests of its members in dealing with other orders of government. UBCM is a not-for-profit organization and is exempt from income taxes.

UBCM’s operations include the following significant activities:

- (a) Operating: Reflects the general operating activities and administration functions of the UBCM.
- (b) Convention: Activities directly related to the annual convention.
- (c) Local Government Program Services (“LGPS”): The Province of British Columbia (the “Province”) has provided funding to UBCM for shared provincial-local government interests in a variety of fields. The service that UBCM provides is to control and deliver those funds to members for the purposes of the various programs.
- (d) Canada Community-Building Fund (“CCBF”): The Government of Canada (“Canada”), the Province, and UBCM had entered into the Administrative Agreement on the Federal Gas Tax Fund in British Columbia (the “CCBF Agreement”) to transfer funding to UBCM to control and deliver the funding to local government organizations in British Columbia. The federal CCBF provides predictable, longterm and stable funding to local governments in British Columbia for investment in infrastructure and capacity building projects. The existing CCBF Agreement was effective from April 1, 2014 until March 31, 2024. A new agreement was signed and is effective from April 1, 2024 until March 31, 2034.
- (e) Other government funding: Canada and the Province provides funding to UBCM for various special projects. The service that UBCM provides is to control and deliver those funds to members for the purposes of the various special projects.

2. Significant accounting policies:

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Canada Handbook - *Accounting*. Significant accounting policies include:

- (a) Revenue recognition: UBCM follows the deferral method of accounting for contributions which include government grants. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

UNION OF BRITISH COLUMBIA MUNICIPALITIES

Notes to Financial Statements (continued)

Year ended May 31, 2024

2. Significant accounting policies (continued):

(a) Revenue recognition (continued): Externally restricted contributions are recorded as deferred contributions in the year received, and recognized as revenue in the year in which the related expenses are recognized. Unrestricted investment income is recognized as revenue when earned. Restricted investment income is recorded as deferred contributions in the year earned, and recognized as revenue in the year in which the related expenses are recognized. Revenue from annual member dues, special levies, fees and contracts is recognized when the services are provided. Amounts collected relating to subsequent periods are recorded as deferred revenue. Contributed capital assets are measured at the fair value at the date of contribution. Contributed capital assets not subject to amortization, such as land, are recorded as direct increases in net assets in the period the assets are received. Contributed capital assets subject to amortization and contributions restricted for the purchase of capital assets and intangible asset are deferred and amortized into revenue on a straight-line basis, at a rate corresponding with the amortization rate for the related capital asset and intangible asset.

(b) Capital assets:

Capital assets are recorded at cost less accumulated amortization. Amortization is provided on a straight-line basis over the assets' estimated useful lives as follows:

Asset	Years
Building	25
Office equipment	4
Leasehold improvements	Lesser of useful life of asset and lease term

UBCM reviews the carrying amount of capital assets for impairment whenever events or changes in circumstances indicate that the asset no longer contributes to UBCM's ability to provide services, or that the value of future economic benefits or service potential associated with the asset is less than its carrying amount. If such conditions exist, an impairment loss is measured and recorded in the statement of operations at the amount by which the carrying amount of the capital asset exceeds its fair value or replacement cost.

(c) Intangible asset: Intangible asset is recorded at cost less accumulated amortization. Amortization is provided on a straight-line basis over the asset's estimated useful life as follows:

Asset	Years
CCBF management software	7

UNION OF BRITISH COLUMBIA MUNICIPALITIES

Notes to Financial Statements (continued)

Year ended May 31, 2024

2. Significant accounting policies (continued):

- (c) Intangible asset (continued): UBCM reviews the carrying amount of intangible asset for impairment whenever events or changes in circumstances indicate that the asset no longer contributes to UBCM's ability to provide services, or that the value of future economic benefits or service potential associated with the asset is less than its carrying amount. If such conditions exist, an impairment loss is measured and recorded in the statement of operations at the amount by which the carrying amount of the intangible asset exceeds its fair value or replacement cost.

- (d) Financial instruments: Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. UBCM has elected to carry its investments at fair value. Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method. Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, UBCM determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount UBCM expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

- (e) Deferred lease inducement: Deferred lease inducement relates to tenant inducements received in a lease agreement, including any rent-free periods and step-rent increases. Amortization of deferred lease inducements is recognized over the initial term of the lease on a straight-line basis against office services and supplies expense.

- (f) Employee future benefits: UBCM and its employees contribute to the Municipal Pension Plan. Defined contribution plan accounting is applied to the multi-employer defined benefit plan and, accordingly, contributions are expensed when paid or payable.

UNION OF BRITISH COLUMBIA MUNICIPALITIES

Notes to Financial Statements (continued)

Year ended May 31, 2024

2. Significant accounting policies (continued):

- (g) Use of estimates: The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

3. Investments:

- (a) Investments:

	2024	2023
Money market funds	\$ 784,897,941	\$ 747,614,295
Exchange traded funds ("ETFs"):		
Equity indexed ETFs	3,041,572	4,096,579
Fixed income indexed ETFs	4,596,817	2,811,843
Other	15,738	39,328
	<u>\$ 792,552,068</u>	<u>\$ 754,562,045</u>

- (b) Investment income:

	2024	2023
Interest income	\$ 4,887,831	\$ 4,320,506
Other	706,377	120,376
	<u>\$ 5,594,208</u>	<u>\$ 4,440,882</u>

4. Capital assets:

	2024		2023	
	Cost	Accumulated amortization	Net book value	Net book value
Land	\$ 252,000	\$ -	\$ 252,000	\$ 252,000
Building	3,347,623	2,025,153	1,322,470	1,456,375
Office equipment	138,598	136,045	2,553	6,930
Leasehold improvements	140,931	138,378	2,553	10,591
	<u>\$ 3,879,152</u>	<u>\$ 2,299,576</u>	<u>\$ 1,579,576</u>	<u>\$ 1,725,896</u>

UNION OF BRITISH COLUMBIA MUNICIPALITIES

Notes to Financial Statements (continued)

Year ended May 31, 2024

5. Intangible asset:

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
CCBF management software	\$ 832,872	\$ (832,872)	\$ -	\$ 101,568

6. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities as at May 31, 2024 are government remittances payable of \$75,490 (2023 - \$21,663) for sales and payroll-related taxes.

7. Deferred revenue:

	Members' dues	Other	Total
Balance, May 31, 2022	\$ 750,390	\$ 16,329	\$ 766,719
Amounts received	1,324,861	14,575	1,339,436
Recognized as revenue	(1,302,415)	(17,366)	(1,319,781)
Balance, May 31, 2023	772,836	13,538	786,374
Amounts received	1,403,812	44,716	1,448,528
Recognized as revenue	(1,357,078)	(42,445)	(1,399,523)
Balance, May 31, 2024	\$ 819,570	\$ 15,809	\$ 835,379

8. Deferred contributions:

	LGPS	CCBF (a)	Other government funding	Total
Balance, May 31, 2022	\$ 380,937,312	\$ 301,780,631	\$ 872,652	\$ 683,590,595
Amounts received	272,846,883	293,162,604	886,000	566,895,487
Restricted investment income earned	11,497,795	10,948,023	-	22,445,818
Recognized as revenue	(61,760,400)	(456,881,144)	(174,000)	(518,815,544)
Balance, May 31, 2023	603,521,590	149,010,114	1,584,652	754,116,356
Amounts received	900,000	305,908,817	237,000	307,045,817
Interfund transfer	(169,009)	-	169,009	-
Restricted investment income earned	23,789,504	14,270,769	-	38,060,273
Recognized as revenue	(156,772,589)	(146,500,433)	(151,287)	(303,424,309)
Balance, May 31, 2024	\$ 471,269,496	\$ 322,689,267	\$ 1,839,374	\$ 795,798,137

UNION OF BRITISH COLUMBIA MUNICIPALITIES

Notes to Financial Statements (continued)

Year ended May 31, 2024

8. Deferred contributions (continued):

(a) UBCM is required to annually report in accordance with the CCBF Agreement to Canada and the Province by September 30. As at May 31, 2024, included in CCBF deferred contributions is deferred capital contributions of nil (2023 - \$86,612). During the year ended May 31, 2024, amortization of deferred capital contributions recognized as revenue was \$86,612 (2023 -\$126,261).

9. Net assets invested in capital and intangible assets:

Net assets invested in capital and intangible assets is calculated as follows

	2024	2023
Capital assets	\$ 1,579,576	\$ 1,725,896
Intangible asset	-	101,568
Amount financed by deferred capital contributions (note 8(a))	-	(86,612)
Net assets invested in capital and intangible assets, end of year	\$ 1,579,576	\$ 1,740,852

Change in net assets invested in capital and intangible assets is calculated as follows:

	2024	2023
Net assets invested in capital and intangible assets, beginning of year	\$ 1,740,852	\$ 1,887,805
Excess of revenue over expenses:		
Amortization of capital assets	(146,320)	(151,330)
Amortization of intangible asset	(101,568)	(121,884)
Amortization of deferred capital contributions	86,612	126,261
	(161,276)	(146,953)
Net assets invested in capital and intangible assets, end of year	\$ 1,579,576	\$ 1,740,852

UNION OF BRITISH COLUMBIA MUNICIPALITIES

Notes to Financial Statements (continued)

Year ended May 31, 2024

10. Internally restricted net assets:

Internally restricted net assets are comprised of reserves restricted by the Executive Committee of UBCM for future expenditures related to specific purposes. The Executive Committee approved the establishment of the following reserves:

(a) Business Stabilization Reserve:

This reserve relates to:

- 50% of budgeted member dues restricted for the purposes of providing a stabilization fund in the event of unforeseen future revenue losses or events; and
- 50% of the normal convention expenses in reserve restricted for the purposes of providing funding in the case of an emergency event such as cancellation of a convention.

(b) Technology Reserve: This reserve is restricted for providing sustainable funding to support new technology solutions; to upgrade of legacy systems; and to purchase new and to upgrade existing hardware and software.

(c) Legal Reserve: This reserve is restricted for providing funding for the assistance of appeals of court decisions that impact members.

(d) Building and Equipment Maintenance Reserve: This reserve is restricted for providing funding for replacing hardware, equipment and furniture at the convention; and for repairs and maintenance at the Richmond office and the Local Government House.

(e) Building Replacement Reserve: This reserve is restricted for providing funding for the replacement of the Local Government House building.

(f) Amounts restricted are as follows:

	2024	2023
Business Stabilization Reserve	\$ 1,500,000	\$ 1,500,000
Technology Reserve	1,500,000	1,500,000
Legal Reserve	500,000	500,000
Building and Equipment Maintenance Reserve	500,000	500,000
Building Replacement Reserve	1,120,000	1,120,000
	\$ 5,120,000	\$ 5,120,000

UNION OF BRITISH COLUMBIA MUNICIPALITIES

Notes to Financial Statements (continued)

Year ended May 31, 2024

11. Administrative fees:

UBCM charges administrative fees to third parties to recover its costs incurred. Administrative fees are comprised as follows:

	2024	2023
UBCM professional counsel	\$ 79,360	\$ 143,721
Rental fee	-	2,400
	\$ 79,360	\$ 146,121

12. Trust funds:

UBCM administers the following trust funds where activities and balances are not reflected in UBCM's financial statements:

- (a) Jeff McKelvey Scholarship Fund: The Jeff McKelvey Scholarship Fund was established through contributions from members, the Province of British Columbia and other individuals. Scholarship applications and awards are made within the Union executive's general guidelines by the Board of Examiners.
- (b) UBCM / Federation of Canadian Municipalities ("FCM") Travel Fund: UBCM administers the UBCM / FCM Travel Fund. The purpose of the Fund is to assist FCM Board Members with their travel costs to FCM meetings through per capita levies.
- (c) Commercial Vehicle License Program Fund: Participating municipalities remit license fees collected for commercial vehicles to the UBCM in trust. Surplus funds are distributed to the participating municipalities on December 31 annually. UBCM ceased administering the Commercial Vehicle License Program on behalf of local governments on December 31, 2019.
- (d) Local Government Leadership Academy ("LGLA"): UBCM holds investments in trust for the LGLA. The LGLA provides local government and First Nations elected officials and senior administrators with leadership development opportunities in the interest of improving governance at the local level.

The funds held by UBCM on behalf of the trust funds are as follows:

	2024	2023
Jeff McKelvey Scholarship Fund	\$ 83,642	\$ 79,003
UBCM / FCM Travel Fund	323,637	331,627
Commercial Vehicle License Program Fund	-	1
Local Government Leadership Academy	1,464,388	1,399,842
	\$ 1,871,667	\$ 1,810,473

UNION OF BRITISH COLUMBIA MUNICIPALITIES

Notes to Financial Statements (continued)

Year ended May 31, 2024

13. Commitment:

Effective October 1, 2021, the UBCM extended the operating lease for its office space in Richmond, British Columbia for a period of five years with expiry on June 30, 2027.

The UBCM is committed to annual basic lease payment plus estimated proportionate share of taxes and common area maintenance costs as follows:

2025	\$ 106,620
2026	108,260
2027	130,130
2028	10,840
	\$ 355,850

14. Municipal Pension Plan:

UBCM and its employees contribute to the Municipal Pension Plan (a jointly trustee pension plan). The board of Trustees, representing plan members and employers is responsible for administering the plan, including investment of assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2022, the plan has about 240,000 active members and approximately 124,000 retired members. Active members include approximately 43,000 contributors, of which 33 (2023 -28) are UBCM's employees.

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

The most recent actuarial valuation as at December 31, 2021, indicated a \$3.761 billion funding surplus for basic pension benefits on a going concern basis. UBCM paid \$282,527 (2023 -\$278,768) for employer contributions to the plan in fiscal 2024.

The next valuation will be as at December 31, 2024, with results available in 2025.

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

UNION OF BRITISH COLUMBIA MUNICIPALITIES

Notes to Financial Statements (continued)

Year ended May 31, 2024

15. Financial risks:

- (a) **Market risk:** Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. UBCM manages its investment portfolio to earn investment income and invests according to approved policy. UBCM is not involved in any hedging relationships through its operations and does not hold or use any derivative financial instruments for trading purposes. Management does not believe that UBCM is subject to significant market risk arising from its investments as investments are comprised of primarily of money market funds.
- (b) **Credit risk:** Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. For cash, investments, and accounts receivable, UBCM's credit risk is limited to the carrying value on the statement of financial position. Cash is held by a large provincial credit union, investments in money market funds are held with the Municipal Finance Authority of BC and investments in ETFs are held with a large federal financial institution.
- (c) **Liquidity risk:** Liquidity risk is the risk that UBCM will be unable to fulfill its obligations on a timely basis or at a reasonable cost. UBCM manages liquidity risk by maintaining adequate cash. UBCM monitors the cash flow to ensure a sufficient continuity of funding.
- (d) **Interest rate risk:**
- UBCM is not exposed to significant interest risk as it does not have amounts payable that are charged interest.

There has been no change to the financials risk exposures outlined above from 2023.

16. Comparative information:

Certain comparative information has been reclassified to conform to this year's financial statement presentation. These reclassifications do not impact the excess of revenue over expenses or net assets reported in the prior year.



2024 Annual Report

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