



**VILLAGE OF SAYWARD  
REGULAR COUNCIL MEETING AGENDA  
DECEMBER 19, 2023 - 7:00 PM  
COUNCIL CHAMBERS**

*The Village of Sayward respectfully acknowledges that the land we gather on is on the unceded territory of the K'ómoks First Nation, the traditional keepers of this land.*

**1. Call to Order**

**2. Public Input (Maximum of 2 minutes per speaker, 15 minutes total)**

**Mayor:** "Public input is for the purpose of permitting people in the gallery to provide feedback and shall be no longer than 15 minutes unless approved by majority vote of Council; each speaker may provide respectful comment on any topic they deem appropriate and not necessarily on the topics on the agenda of the meeting. Each speaker may not speak for longer than 2 minutes but may have a second opportunity if time permits. Each speaker must not be allowed to speak regarding a bylaw in respect of which a public hearing has been held. For the record, please state your name and address."

**3. Introduction of Late Items**

**4. Approval of Agenda**

Recommended Resolution:

THAT the agenda for the Regular Meeting of Council for December 19, 2023, be approved.

**5. Minutes of Previous Meetings – None**

**6. Petitions and Delegations**

- a) Alex Turner, Area A resident, RE: information workshop on disincorporation (dissolution) of the Village of Sayward.

**7. Correspondence**

- a) Request for Support, from Sayward Community Food Table Society.
- b) Vancouver Island Regional Library RE: 2024 Board Appointments
- c) Letter from Ravi Kahlon, Minister of Housing RE New legislation to support government housing initiatives
- d) MOWI, A Responsible Plan to Transition Salmon Farming in BC

e) Canada Community-Building Fund BC / UBCM, Canada Community-Building Fund: Second Community Works Fund Payment for 2023/2024

f) Joyce Ellis, Sayward Tour de Rock Secretary/Treasurer RE: Thank you for Donation

Recommended Resolution:

THAT correspondence a) to 7) be received.

**8. Council Reports - None**

**9. Reports of Committees - None**

**10. Mayor's Report**

a) **Verbal - Request for free use of gazebo and unused campground fire pits for Hobo Christmas Event**

Recommended Resolution:

THAT the Village of Sayward donate the use of the gazebo and unused campground fire pits for a Hobo Christmas event on December 21, 2023 being organized by residents.

**11. Unfinished Business - None**

**12. Staff Reports**

a) **Fire Protections Services Agreement – Keir Gervais, CAO (handout)**

Recommended Resolutions:

TBD

b) **Regional Grant Opportunity – UBCM Emergency Support Services – Keir Gervais, CAO**

Recommended Resolutions:

THAT Council receive the Regional Grant Opportunity – UBCM Emergency Support Services staff report for information and discussion; and,

THAT as part of the Village of Sayward's ongoing work in relation to emergency planning that an application for financial assistance under the Community Emergency Preparedness Fund 2024 Emergency Support Services grant be authorized for submission to the UBCM, in collaboration with the Strathcona Regional District (SRD); and,

That the Village of Sayward agrees to the Strathcona Regional District submitting an application on their behalf, and that if funded, agrees to the Strathcona Regional District managing the grant and being the recipient of all funding.

c) **Public Sector Accounting Board Standard on Asset Retirement Obligations and Proposed Asset Retirement Obligation Policy – Keir Gervais, CAO**

Recommended Resolutions:

THAT Council receive the Public Sector Accounting Board Standard on Asset Retirement Obligations and Proposed Asset Retirement Obligation Policy staff report for information and discussion; and,

THAT Council adopts the Asset Retirement Obligation Policy as presented.

**d) Regular Council Meeting Schedule – Keir Gervais, CAO**

Recommended Resolution:

THAT Council approves the attached 2024 Regular Council Meeting Schedule as presented noting that the January, July, August, September and December meetings are varied from Council Procedure Bylaw No. 416, 2015.

**e) Grant Applications – Approved Funding – Keir Gervais, CAO**

Recommended Resolutions:

THAT Council receives the Grant Applications – Approved Funding staff report for information and discussion.

THAT the 2023-2027 Financial Plan be amended to incorporate \$123,600 from the Community to Community (C2C) Program Grant, and \$10,000 from the UBCM Community to Community (C2C) Program grant, to fund the projects identified in the December 19, 2023 report from the CAO.

**13. Emergency Services/Public Works/Recreation Department Reports - None**

**14. Bylaws – None**

**a) 2023-2027 Five Year Financial Plan Amendment Bylaw – Keir Gervais, CAO (handout)**

Recommended Resolution:

THAT Five Year Financial Plan Amendment Bylaw No. 504, 2023 be given first, second and third reading.

**15. New Business – None**

**16. Public Question Period (maximum 15 minutes)**

**Mayor:** “The purpose of the public question period is to enable citizens to ask questions of Council about issues that are important to the citizen asking the question. Speakers are asked to limit their questions to one each and, if time permits after everyone has had an opportunity to ask questions, speakers may ask a second question. Citizens will be asked to state their name and address.”

**17. In Camera**

Recommended Resolution:

THAT in accordance with Section 92 of the *Community Charter*, this Council meeting will be closed to the public at this time in order that Council may give consideration to matters in accordance with the following sections of the *Community Charter*:

- Section 90(1)(c) labor relations or other employee relations,
- Section 90(1)(g) Litigation or potential litigation impacting the local government; and,
- Section 90(1)(i) the receipt of advice that is subject to solicitor-client privilege, including communications necessary for that purpose.

**18. Adjournment**

1727 Sayward Road,  
Sayward, B.C.  
November 1, 2023

Mayor and Council  
Village of Sayward, B.C.,

Dear Mayor and Council:

There has recently been some public discussion regarding a possible disincorporation of the Village of Sayward. There are some who believe that there would be savings to the taxpayer by eliminating the local administrative center. Others are concerned with a possible loss of authority over local services like the Kelsey Centre. This is a topic that deserves well considered and well informed public consideration.

I would propose a one evening workshop process that would include the following elements:

***Panel Presentation***

Each of the members of the panel would present information based on their experience and expertise, (Each presentation 5 -8 minutes)

A staff representative from the S.R.D, (Tom Yates, the corporate officer at the S.R.D. Is well informed)

A representative of a Water Improvement District  
(Union Bay has a W.I.D.)

A representative from Municipal Affairs, Province of B.C.  
Village of Sayward C.A.O.

An experienced present or retired S.R.D, elected representative

***Breakout Group Discussions***

The main objective of the small group discussions is to develop further questions to be addressed to the panelists for the final panel discussion.

***Refreshment Break***

The refreshment break will provide an opportunity for informal discussion. During the break the facilitators will organize the questions for presentation to the panel.

***Panel Answers Questions***

The panelists respond and possibly debate responses to the questions. The moderator may allow clarifying questions to the panelists from the audience but will discourage argumentative statements.

Yours truly, Alex Turner





October 18, 2023  
SCFTS  
713 Ruby Road,  
Sayward, BC V0P1R0

May this email find you well and enjoy the shift into Autumn.

We are excited to announce that the Sayward Community Food Table is now a registered **Not-For-Profit Society (SCFTS)**!

Our mandate is to *develop long-range food security* in the Sayward area by providing storage, distribution and access to rescued and donated food **for anyone in need**.

We are dedicated to exploring, promoting and supporting opportunities for food security, growth, and diversity in the Sayward area.

Our initiative is to develop and strengthen the pulse of the community relationships with local farmers, businesses, school, health services, front line emergency services, individuals and others to build a strong foundation to ensure the ongoing success of our mandate.

Our first grant application includes the purchase of an accessible storage unit with space to store frozen, cold, and non-perishable food.

We are asking our community to fully embrace this project by writing Letters of Support for this Sayward Community Food Table Society grant application.

*Your Letter of Support* will emphasize the strength of our community network and diverse relationships that work collaboratively to always help those in need of food security.

We look forward to receiving Letters of Support from you soon as they are needed to support this grant application by the deadline of November 1, 2023.

Thank you for your support in making this a community effort.

Respectfully,  
The SCFTS Team  
Sheri Braun  
250-282-5503  
[scfts2023@gmail.com](mailto:scfts2023@gmail.com)

## Keir Gervais

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**From:** Mariah Patterson <MPatterson@virl.bc.ca>  
**Sent:** October 17, 2023 1:53 PM  
**To:** Mark Baker  
**Cc:** Keir Gervais; Lisa Clark; Ben Hyman  
**Subject:** 2024 Appointments: Vancouver Island Regional Library Board  
**Attachments:** 2024 Contact Form - Fillable.pdf; 2024 Financial Disclosure Form.pdf; 2024 VIRL Trustee Recording Release Form - fillable.pdf; 2023 Direct Deposit Authorizations - Fillable.pdf; 2023 10 17 Sayward re\_ 2024 VIRL Board Appointments.pdf

Greetings Mayor Baker,

Please find attached a letter regarding 2024 Appointments to the Vancouver Island Regional Library Board.

By December 4, please submit your Trustee and Alternate appointments, supported by:

1. Certified copy of Resolution
2. VIRL 2024 Contact Forms (includes recording release & direct deposit authorization)
3. 2024 Financial Statement of Disclosure

If you have any questions, you may contact my colleague Mariah Patterson, Executive Assistant, at 250-729-2310 or [mpatterson@virl.bc.ca](mailto:mpatterson@virl.bc.ca).

Sincerely,  
Ben

Sent on behalf of Ben Hyman, Executive Director



**Mariah Patterson**  
Executive Assistant  
Vancouver Island Regional Library  
Phone: 250-729-2310  
Email: [mpatterson@virl.bc.ca](mailto:mpatterson@virl.bc.ca)  
Web: [virl.bc.ca](http://virl.bc.ca)

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BRITISH  
COLUMBIA

VIA EMAIL

Ref. 63442

December 8, 2023

His Worship Mark Baker  
Mayor of the Village of Sayward  
Email: [mayor@saywardvalley.ca](mailto:mayor@saywardvalley.ca)

RE: New legislation to support local government housing initiatives

Dear Mayor Mark Baker:

As you are aware, last week, the Province passed three bills that change the way local governments plan for new housing in their communities: Bills 44, 46, and 47, along with Bill 35, which regulates short-term rentals. While the legislation establishes the framework for the new rules, many of the details that describe how these changes will work on the ground are set out in regulation, and site standards and expectations around development are laid out in provincial policy manuals.

We have prioritized releasing the regulations and policy manuals to help local governments meet the June 30, 2024 requirements for small-scale multi-unit housing and transit-oriented development areas (TOD areas). Yesterday, the regulations and policy manuals for those requirements were released and are posted online here: [Local government housing initiatives - Province of British Columbia](#).

The regulation for small-scale multi-unit housing sets out the minimum number of dwelling units by parcel size and proximity to frequent transit, prescribes the frequency of transit bus stops, and establishes the minimum population threshold for legislation to apply to certain communities. It also includes an exemption to the legislation for hazardous conditions.

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Office of the  
Minister of Housing

Website:  
[www.gov.bc.ca/housing](http://www.gov.bc.ca/housing)

Mailing Address:  
PO Box 9074 Stn Prov Govt  
Victoria BC V8W 9E9  
Phone: 236 478-3970

Location:  
Parliament Buildings  
Victoria BC V8V 1X4  
Email: [HOUS.Minister@gov.bc.ca](mailto:HOUS.Minister@gov.bc.ca)



The policy manual supports local governments to implement the zoning bylaw amendments required under the legislation. It establishes provincial expectations for implementation of the requirements, which must be considered when preparing, amending, or adopting a zoning bylaw to permit the use and density required by the small-scale multi-unit housing legislation. Further information will be provided in January about the criteria and process for extensions.

The regulations for TOD Areas designate the 52 TOD Areas that are now in effect by regulation (see attachment 1) and the full list of TOD Areas that must be designated by June 30, 2024 (see attachment 2). They also bring the provisions of Bill 47 into effect and set out the details for those provisions, such as the minimum allowable density (see attachment 3) and the applicable distance from transit stations. Bill 47 allows the Province to designate TOD Areas by order if a local government does not or designates incorrectly.

The TOD manual establishes provincial expectations for municipalities to implement the requirements, such as when designating TOD Areas by bylaw, making zoning decisions, and updating parking bylaws.

The regulations for the *Short-Term Rental Accommodation Act* (STRAA) set out where the principal residence requirement applies, exemptions, and how local governments and entities can opt-in or out of the requirement. The policy guidance provides information about how the STRAA, and related amendments to the *Local Government Act*, *Community Charter*, and *Vancouver Charter* apply to local governments, including local government bylaws related to short-term rentals. Yesterday, the regulations and policy guidance were released and are posted online here: [Policy guidance for local governments](#).

Early in the new year, we will be releasing regulations and a policy manual for updating Housing Needs Reports and policy guidance for implementing the new development finance tools [expanded Development Cost Charges (Levies) and Amenity Contribution Costs Charges.]

In my previous letter, I mentioned that we are exploring policy options and additional tools for facilitating the delivery of affordable housing, including the potential for inclusionary zoning and other tools to support a range of outcomes. I look forward to being able to share more in 2024 on these initiatives.

.../3

I appreciate how much work is in front of your local government to meet the requirements. The Ministry is committed to supporting your team in this work. We will be notifying you later this month of the amount your local government will receive from the \$51 million funding to support planning and capacity to meet these new requirements. Ministry staff will also be in touch with your administration about a webinar series for local government staff leading the work to implement the changes.

Sincerely,



Ravi Kahlon  
Minister of Housing

#### Attachments

pc: The Honourable Rob Fleming, Minister of Transportation and Infrastructure  
The Honourable Anne Kang, Minister of Municipal Affairs  
Teri Collins, Deputy Minister, Ministry of Housing  
Kaye Krishna, Deputy Minister, Ministry of Transportation and Infrastructure  
Okenge Yuma Morisho, Deputy Minister, Ministry of Municipal Affairs  
Tara Faganello, Assistant Deputy Minister, Ministry of Municipal Affairs  
Bindi Sawchuk, Assistant Deputy Minister, Ministry of Housing  
Kevin Volk, Assistant Deputy Minister, Ministry of Transportation and Infrastructure  
Keir Gervais, Chief Administrative Officer, Village of Sayward  
(cao@saywardvalley.ca)

#### Links:

- Local Government Housing Initiatives webpage with links to Bill 44 and 47 Housing Statute Regulations and the Provincial policy manuals for small-scale multi-unit housing and Transit-Oriented Development Areas:  
<https://www2.gov.bc.ca/gov/content/housing-tenancy/local-governments-and-housing/housing-initiatives>
- Bill 35 Policy Guidance for Local Governments: [Policy guidance for local governments](#).

## Attachment 1: Transit-Oriented Development Areas Designated by Regulation (in effect)

### Burnaby

- Brentwood Town Centre Station
- Burquitlam Station\*
- Joyce – Collingwood Station\*
- Lougheed Town Centre Station
- Metrotown Station
- Patterson Station
- Rupert Station\*
- Sperling – Burnaby Lake Station

### Chilliwack

- Downtown Chilliwack Exchange

### Coquitlam

- Burquitlam Station
- Coquitlam Central Station
- Inlet Centre Station\*
- Lafarge Lake – Douglas Station
- Lincoln Station
- Lougheed Town Centre Station\*
- Moody Centre Station\*

### Kamloops

- Lansdowne Exchange
- North Shore Exchange

### Kelowna

- Okanagan College Exchange
- Rutland Exchange

### Maple Ridge

- Port Haney Station

### Mission

- Mission City Station

### New Westminster

- Columbia Station
- New Westminster Station

### North Vancouver (District)

- Phibbs Exchange

### Port Coquitlam

- Coquitlam Central Station\*
- Lincoln Station\*

### Port Moody

- Inlet Centre Station
- Moody Centre Station

### Richmond

- Aberdeen Station
- Bridgeport Station
- Capstan Station
- Lansdowne Station
- Marine Drive Station\*
- Richmond – Brighthouse Station

### Saanich

- Uptown Exchange

### Surrey

- 152nd Street Station
- 160th Street Station
- 166th Street Station
- 184th Street Station
- 190th Street Station
- Columbia Station\*

### Vancouver

- 29th Avenue Station
- Arbutus Station
- Bridgeport Station\*
- Broadway – City Hall Station
- Great Northern Way – Emily Carr Station
- Joyce – Collingwood Station
- King Edward Station
- Langara – 49th Avenue Station
- Marine Drive Station
- Mount Pleasant Station
- Nanaimo Station
- Oak – VGH Station
- Oakridge – 41st Avenue Station
- Olympic Village Station
- Renfrew Station
- Rupert Station
- South Granville Station
- Stadium – Chinatown Station
- VCC – Clark Station
- Waterfront Station

### Victoria

- Legislature Exchange

\*Overlap TOD Area from adjacent municipality

**Attachment 2: TOD Areas that must be designated by June 30, 2024**

140th Street Station	Haney Place Exchange	Patterson Station
152nd Street Station	Holdom Station	Peachtree Square Exchange
160th Street Station	Hospital Exchange	Penticton Plaza Exchange
166th Street Station	Inlet Centre Station	Phibbs Exchange
184th Street Station	Joyce – Collingwood Station	Pitt Meadows Station
190th Street Station	King Edward Station	Port Coquitlam Station
196th Street Station	King George Station	Port Haney Station
203rd Street Station	Kootenay Loop Exchange	Production Way – University Station
22nd Street Station	Lafarge Lake – Douglas Station	Renfrew Station
29th Avenue Station	Lake City Way Station	Richmond – Brighthouse Station
Aberdeen Station	Langara – 49th Avenue Station	Royal Oak Exchange
Arbutus Station	Langford Exchange	Royal Oak Station
Bourquin Exchange	Langley Centre Exchange	Rupert Station
Braid Station	Lansdowne Exchange	Rutland Exchange
Brentwood Town Centre Station	Lansdowne Station	Sapperton Station
Bridgeport Station	Legislature Exchange	Scott Road Station
Broadway – City Hall Station	Lincoln Station	Scottsdale Exchange
Burquitlam Station	Lonsdale Quay Exchange	South Granville Station
Burrard Station	Lougheed Town Centre Station	Sperling – Burnaby Lake Station
Capilano University Exchange	Main Street – Science World Station	Stadium – Chinatown Station
Capstan Station	Maple Meadows Station	Surrey Central Station
Columbia Station	Marine Drive Station	TRU Exchange
Colwood Exchange	Metrotown Station	UNBC Exchange
Commercial – Broadway Station	Mission City Station	Uptown Exchange
Coquitlam Central Station	Moody Centre Station	UVic Exchange
Country Club Exchange	Mount Pleasant Station	Vancouver City Centre Station
Downtown Chilliwack Exchange	Nanaimo Station	VCC – Clark Station
Downtown Exchange	New Westminster Station	VGH Exchange
Dunbar Loop Exchange	Newton Exchange	Village Green Centre Exchange
Edmonds Station	North Shore Exchange	VIU Exchange
Gateway Station	Oak – VGH Station	Waterfront Station
Gilmore Station	Oakridge – 41st Avenue Station	Woodgrove Exchange
Gondola Exchange	Okanagan College Exchange	Yaletown – Roundhouse Station
Granville Station	Olympic Village Station	
Great Northern Way – Emily Carr Station	Orchard Park Exchange	
Guildford Mall Exchange		

### Attachment 3: Distances, Transit Stations and Densities by Category

Municipality	Transit Hub Type	Prescribed Distance	Minimum Allowable Density (FAR)	Minimum Allowable Height (Storeys)
Burnaby Delta Coquitlam	Sky Train/ Canada Line (Rapid Transit Stop)	200m or less	Up to 5.0	Up to 20
Langley (City + Township) Maple Ridge		200m – 400m	Up to 4.0	Up to 12
North Vancouver (City + District) New Westminister Pitt Meadows		400m – 800m	Up to 3.0	Up to 8
Port Coquitlam Port Moody Richmond Surrey	Prescribed Bus Exchange or West Coast Express Station	200m or less	Up to 4.0	Up to 12
Vancouver		200m – 400m	Up to 3.0	Up to 8
Abbotsford Chilliwack Colwood Kamloops Kelowna Langford Mission Nanaimo	Prescribed Bus Exchange	200m or less	Up to 3.5	Up to 10
Prince George Saanich District Vernon Victoria View Royal		200m – 400m	Up to 2.5	Up to 6

## A Responsible Plan to Transition Salmon Farming in BC

### Situational Analysis for Mowi Canada West (MCW):

The federal government's decisions to not issue salmon farming licences in British Columbia's Laich-kwil-tach territory / Discovery Islands region in December 2020 and again in February 2022 continues to negatively impact all MCW's BC operations in 2023:

- Farm sites: only 18 farms are currently growing fish (three fallow this year); 14 have been decommissioned as a result of the government's decisions. Most of these farms have been or were in operation for more than 30 years.
- Production: MCW's total harvest of Atlantic salmon in 2023 is expected to be only 18,665 tonnes, less than half of normal harvest volumes pre-DI Decision (2019 = 40,574 tonnes, 2020 = 39,965 tonnes).
- Employment: 322 employees in 2023, down from 762 in 2019.
- MCW's operations, including hatcheries, processing facilities, other fixed assets (machinery and equipment), as well as existing supplier contracts, are optimized to 40,000 tonnes of production. With the 50%+ loss that MCW has sustained since 2019, MCW's cost per kg of fish produced has increased substantially, affecting our ability to be cost competitive in the marketplace.
- Without a pathway to certainty and future growth, MCW will have to make significant, permanent adjustments to "right-size" our operations which will negatively impact Indigenous communities, suppliers, our employees, their families, and all communities where we farm in BC.

### Critical Need for a Clear Pathway Forward:

Mowi Canada West (MCW) supports the Department of Fisheries & Oceans (DFO) Transition Framework objective to:

*"Advance innovation and growth in sustainable aquaculture in British Columbia that progressively minimizes or eliminates interactions between salmon open-net pens and wild salmon while also taking into account social, cultural and economic objectives."*

MCW needs a clear pathway to certainty and a return to growth in order to invest in new innovations and technologies under any responsible transition plan for British Columbia salmon farming.

This includes an immediate imperative to bring companies and First Nations Rightsholders to a table with Fisheries and Oceans Canada and the BC provincial government to define a transition framework and to inform the June 2024 renewal of salmon farming licences in British Columbia.

### Key Principles for Responsible and Successful Transition:

- **First Nations Right to Self-Determination:** Transition must fully encompass and support Indigenous Title, the rights of First Nations to self-determination, and the rights of First Nations to meaningful participation in decisions within their territories.

- **Reconciliation:** In keeping with United Nations Declaration of the Rights of Indigenous Peoples (UNDRIP), and the British Columbia Declaration on the Rights of Indigenous Peoples Act (DRIPA), all salmon grown in BC is done under agreements with the Nations in whose territories we farm. By acknowledging these rights and working with First Nations governments, MCW is demonstrating reconciliation in action. Transition must support a framework that establishes lasting relationships, supports capacity building, and promotes economic equity.
- **Governance:** Transition must be led through tripartite governance by the rights holder Nation(s) and federal and provincial governments. The governance model must include a robust role in monitoring and oversight for the Indigenous rights holders in whose territories we farm.
- **Whole-of-Government Approach:** This approach allows BC and Canada to streamline approvals for green innovation and to help Canada lead the global blue economy, beginning with aquaculture. By expediting approvals for research and development, Canada will also benefit from access to private equity which is focused on global green investment.
- **Alignment with Federal Initiatives:** The UN strategy on Blue Economy recognizes the imperative to capitalize on blue foods to support growing global population. Transition can only be successful if it aligns with, and supports, the goals of other federal government strategies such as the Climate Change Plan, Blue Economy Strategy, Net Zero Emissions By 2050 Goal, among others.
- **Sustainable Sector Growth:** Transition must support the creation of an attractive investment climate that signals Canada is committed to advancing growth in sustainable salmon farming in coastal BC. As the sector grows, economies of scale will bring down the cost of safe, nutritious salmon for the consumer, further supporting Canada’s objectives for food security and affordability.
- **Wild AND Farmed:** For a successful transition, a robust regulatory framework at both federal and provincial levels is essential. This framework should offer flexibility for license holders to collaborate with Indigenous Nations to select suitable tools and technology for their territory, all while safeguarding and supporting wild salmon populations.
- **Trust and Transparency:** The Transition Plan should prioritize trust and transparency by fostering open lines of communication and engagement with Nations, government, and industry. Success will hinge on a comprehensive, inclusive approach to assess innovation trials and new scientific findings for informed decision-making.

## MCW Commitments:

**Transition will be led by the Nations in whose territories we farm:** The leadership of the transition will rest with the Indigenous Nations in the regions where we operate. Mowi Canada West is fully committed to transparent and inclusive cooperation with federal, Indigenous, and provincial governments. We are working closely with the seven Nations in whose territories we farm to develop a transition plan that complements their own transition strategies that:

- Address the needs and interests of the First Nations in whose territories we farm.
- Harness the power of innovation, traditional knowledge, and expertise through a broad range of pathways.
- Continue to minimize the footprint of salmon farming on the environment locally and globally.

- Take into account social, cultural, and economic objectives and financial realities.
- Establish evidence-based performance objectives.

**Meet Meaningful Performance Targets by 2030:** MCW is developing transition plans with First Nations that:

- Reduce interactions between salmon farms and wild fish as measured against 2019 BC production / technology baseline to achieve 50% reduction in harmful interactions by 2030, and to progressively improve thereafter.
- Continue to work toward Mowi’s broader sustainability objectives benchmarked to the Science Based Targets (SBT) and the Sustainable Development Goals.
- Implement Indigenous oversight by the Nations in whose territories we operate on 100% of farms by 2030.
- Enhance our collaboration with rights holder Nations on their wild salmon recovery programs.

**Use Multiple Risk-Reducing Innovation Pathways:** Overall reduction of interaction between salmon farms and wild fish will be achieved using multiple risk-reducing innovation pathways that may include:

- Artificial intelligence for fish health that reduces spread of viruses / disease through the treatment / removal of sick fish through early identification.
- Accelerating new vaccines to protect wild and farmed salmon from pathogens.
- Extending time in land- or closed ocean-based rearing systems to produce larger fish reducing ocean exposure between and contact with wild fish.
- Utilizing barrier technology in low-energy sites to prevent sea lice from infecting farmed salmon, thereby decreasing sea lice levels and the need for treatments.
- Exploring additional experimental technologies to further minimize interactions, including:
  - Aeration Systems: bubblers that can bring cooler, non-sea lice bearing water from deeper water, and decrease sea lice prevalence
  - Fish waste collection / treatment / upcycling
  - New approaches to net material and design

## Critical Next Steps (December 2023 to June 2024):

**Clarify Key Terms:** Key terms must be clearly defined to facilitate ongoing work on Transition planning with First Nations. For example, the term “interactions” is defined by DFO in the *Framework for Aquaculture Risk Management (FARM)* in June 2019 to mean the complex range of stressors and possible effects identified in DFO’s scientifically peer-reviewed Aquaculture Pathways of Effects model.<sup>1</sup> But some discussions surrounding Transition have adopted an overly simplistic interpretation of interactions that assumes only barrier technologies are appropriate to minimize or eliminate interactions.

- Our shared objective, government, and salmon farmers together, must be to ensure that our operations do not lead to population level effects in other species, especially species at risk.

<sup>1</sup> “A Pathways of Effects (PoE) model is a tool that conveys complex interactions between human activities, the type of cause-effect relationships that are known to exist, and the mechanisms by which stressors ultimately lead to effects in the aquatic environment. The model recognizes that a single environmental stressor can have multiple source activities and can lead to one or more environmental effects. It also recognizes that a single environmental effect can be influenced by one or more stressors or activities.” (Fisheries and Oceans Canada, 2019. Framework for Aquaculture Risk Management, p. 15)



- We must continue to apply a risk-based approach to assessing impacts by ensuring that: hazards or stressors are rapidly identified and characterized; risks are assessed and, where possible, quantified; appropriate measures are put in place, and the effectiveness of the measures is assessed.
- From our perspective, minimal risk means that with appropriate measures in place, the residual risk is acceptable. It should be a dynamic process where the sustainability performance is assessed, and changes are made based on results, new information, and emerging innovation.

**Establish a Renewed Process:** The deadline for license renewals (June 2024) is fast approaching; there is an urgent need for a renewed, outcomes-based approach for the Transition process, with:

- Clear timelines for Transition consultation on critical topics, such as metrics and reporting, science-based targets, innovation pathways / pilots, and evaluation / joint reviews.
- Clear management objectives for transition identified so that the appropriate science advisory processes can be engaged as soon as possible to determine science-based metrics, targets, and public reporting frameworks for quantifiable reductions in environmental footprint.
- A process to gather necessary information and expertise to fully assess the economic and social impacts of Transition on First Nations and other affected communities and regions in BC.

**Refresh the Regulatory Regime:** The current regulatory regime needs to be updated to enable investment in alternative production systems and technologies in BC. Some specific needs are:

- Regulatory changes to allow for successful trials of new technology, but also to acknowledge the inherent risk of failure – providing the required security for companies to continue to pursue new technology, tools, and operating models.
- Additional biomass licensed to support at-scale pilot projects and reduce financial burden of testing losses.
- Pathway to new production sites and areas established with rights holder Nations.

**Re-Issue Licenses for nine years:** Licences to be renewed in 2024 for nine years to provide business certainty and signal a positive climate to attract investment in innovation.

## Implementation of Transition (2025 and beyond)

**Financial Risk Sharing:** The high capital costs, permitting uncertainties, unproven commercial track records, and extended timelines to positive cash flow hinder investments in alternative production systems. These challenges make it hard for project proponents to secure traditional funding. To reduce the risk of these systems, the government should consider measures such as providing loan guarantees, co-shared grants, and contributions, expanding provincial sales tax exemptions, accelerating capital cost allowances, and other innovative financial support mechanisms to attract conventional financing.

- Long-term funding set out to support the implementation of territorial transition plans co-developed with each Nation consistent with the co-management principles of the Reconciliation Tables.
- Regular evidence-based review of sustainability targets against sector performance, national and global priorities, and emerging knowledge.
- Regular periodic joint evaluation of pilot projects success as per established criteria and successful pilot projects scaled up to other growing regions or to full production to support decisions on government and sector investment and planning cycles.

November 28, 2023

Mayor Mark Baker and Council  
Village of Sayward  
PO Box 29  
Sayward, BC V0P 1R0

Dear Mayor Mark Baker and Council:

**RE: CANADA COMMUNITY-BUILDING FUND: SECOND COMMUNITY WORKS FUND  
PAYMENT FOR 2023/2024**

I am pleased to advise that UBCM is in the process of distributing the second Community Works Fund (CWF) payment for fiscal 2023/2024. An electronic transfer of \$37,574.68 is expected to occur in December 2023. This payment is made in accordance with the payment schedule set out in your CWF Agreement with UBCM (see section 4 of your Agreement).

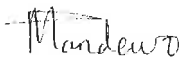
This payment marks the final CWF disbursement of the current 10-year Canada Community-Building Fund agreement. Spanning from 2014 to 2024, this agreement has successfully allocated over \$1.25 billion in CWF funding to local governments in British Columbia. Looking ahead, UBCM anticipates the implementation of a new agreement in April 2024. Information on a renewed program will be communicated in the following months.

CWF is made available to eligible local governments by the Government of Canada pursuant to the Administrative Agreement. Funding under the program may be directed to local priorities that fall within one of the eligible project categories.

Further details regarding use of CWF and project eligibility are outlined in your CWF Agreement and details on the Canada Community-Building Fund can be found on our [website](#).

For further information, please contact Canada Community-Building Fund Program Services by e-mail at [ccbf@ubcm.ca](mailto:ccbf@ubcm.ca) or by phone at 250-356-5134.

Sincerely,



Councillor Trish Mandewo  
UBCM President



## **SAYWARD TOUR DE ROCK 2023**

December 1, 2023

Village of Sayward  
Kelsey Centre  
652 H'Kusam Way  
Sayward, BC V0P 1R0

On behalf of the Sayward Tour de Rock Committee, we would like to thank you for the in-kind donation of the use of the Kelsey Centre gymnasium as sleeping accommodations for the Riders and support staff September 25, 2023. We would also like to thank you for the use of the Kelsey Centre tables that were taken to the School for the Potluck Dinner and Breakfast.

The Village has supported the event for many years and we hope that you will support it again next year. The Sayward Tour de Rock raised \$8664.55 for Pediatric Cancer and Camp Good times.

Thank you.  
Joyce Ellis  
Sayward Tour de Rock Secretary/Treasurer



## STAFF REPORT

For: Mayor and Council  
Prepared by: Keir Gervais, CAO  
Subject: **Regional Grant Opportunity – UBCM Emergency Support Services**  
Meeting date: December 19, 2023

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### PURPOSE

To consider a regional grant application to the Community Emergency Preparedness Fund 2024 Emergency Support Services (ESS) program from the Union of BC Municipalities (UBCM). This application would be in partnership with the Strathcona Regional District (SRD) and other municipal and First Nation entities in order to enhance post-disaster mass care capacity in Sayward.

### DISCUSSION

The Community Emergency Preparedness Fund (CEPF) is a suite of funding programs intended to enhance the resiliency of local governments, First Nations and communities in responding to emergencies. The intent of the ESS funding stream is to support eligible applicants to build local capacity to provide emergency support services through volunteer recruitment, retention and training, including in-house training, and the purchase of ESS equipment. Eligible applicants can submit one application per intake, or as a partnering applicant in a regional application. It is proposed that the SRD will be the primary applicant in a regional application with the Village of Sayward as a partner applicant. The deadline submission for this grant is January 26, 2024. In order to be considered as a partner, the Village of Sayward is required to submit a Council Resolution that clearly states that they authorize the SRD receive and manage the funds on behalf of the Village. The SRD would provide overall supervision and management of the grant, including procurement and delivery of all items.

The proposed budget for this grant is below and the mass case supplies would be stored in the Emergency Support Services Seacans behind the Kelsey Centre.

Item	Quantity	Cost	Total Cost
50-year shelf life canned emergency water	150 1 Case = 24 255ml cans	\$55 each	\$8,250
25-year shelf life freeze dried food	2,160 servings	\$7,500	\$7,500
<b>Total</b>			<b>\$15,750</b>

**RECOMMENDATIONS**

THAT Council receive the Regional Grant Opportunity – UBCM Emergency Support Services staff report for information and discussion; and,

THAT as part of the Village of Sayward’s ongoing work in relation to emergency planning that an application for financial assistance under the Community Emergency Preparedness Fund 2024 Emergency Support Services grant be authorized for submission to the UBCM, in collaboration with the Strathcona Regional District (SRD); and,

THAT the Village of Sayward agrees to the Strathcona Regional District submitting an application on their behalf, and that if funded, agrees to the Strathcona Regional District managing the grant and being the recipient of all funding.

Written by: Tom Tinsley – Emergency Program Coordinator  
 Shaun Koopman – Manager of Emergency Services

Respectfully submitted,

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Keir Gervais, CAO



## STAFF REPORT

For: Mayor and Council  
Prepared by: Keir Gervais, CAO  
Subject: **Public Sector Accounting Board Standard on Asset Retirement Obligations and Proposed Asset Retirement Obligation Policy**  
Meeting date: December 19, 2023

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### PURPOSE

To present the Asset Retirement Obligation Policy for adoption.

### BACKGROUND

In March 2018, the Public Sector Accounting Board (PSAB) approved the accounting standard PS 3280, mandating all public sector entities, including municipalities, to account for asset retirement obligations (AROs). AROs are legal obligations associated with retiring tangible capital assets, such as asbestos and underground oil tanks. Before PS 3280, there was no specific guidance on ARO accounting; environmental responsibilities were covered under PS 3260 (Liability for Contaminated Sites) and PS 3270 (Solid Waste Closure and Post-closure Liability).

Initially, the PS 3280 would need to be implemented by 2022, but it was postponed due to the pandemic impacts. Now, the ultimate deadline to implement it is 2023.

In Sayward, staff have not identified any potential AROs; however, an in-depth investigation must be conducted to assess the Village's AROs and liabilities. The draft policy brings the framework to accomplish this work carefully, and the assessment and liability calculations must be completed early in 2024.

### DISCUSSION

The Village has not completed any required work relating to PS 3280. Many local governments began this work in 2021; with that said, there is a considerable amount of work to be completed in a brief period, including:

- Creation of a Village ARO policy
- Development of a project plan to complete the required work by fiscal 2023. This project is defined by three distinct phases: scoping, measurement, and reporting.

As noted in the background section, public sector organizations must start to disclose future asset retirement obligations, such as the cost of future asbestos removal, rehabilitation of aggregate properties, and removal of underground oil/gas tanks when the assets are projected to be retired.

The process of identifying, assessing, and estimating an asset retirement obligation requires collaboration from various Village departments, as well as relying on the expertise of external consultants where internal expertise and capacity may be limited.

The scoping phase of the project will identify Village assets for further consideration and measurement for ARO, such as:

- Facilities (potential to contain various contaminants such as asbestos, lead, silica, etc.)
- Underground storage tanks (fuel/oil/firewater holding tanks)
- Land leases and leasehold improvements
- Roads containing asbestos
- Aggregate pits
- Closed landfills

The measurement phase of the project, e.g., further investigation and quantifying projected future costs for the Village when assets are retired, will be completed by Village staff and consultants. The results of this work will be included in future Village of sayward financial statements as future financial obligations for the Village. To ensure the Village's compliance with PS 3280, the Village has developed a proposed Asset Retirement Obligation Policy (attached to this report) for approval.

## RECOMMENDATIONS

THAT Council receive the Public Sector Accounting Board Standard on Asset Retirement Obligations and Proposed Asset Retirement Obligation Policy staff report for information and discussion; and,

THAT Council adopts the Asset Retirement Obligation Policy as presented.

Respectfully submitted,




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Keir Gervais, CAO

Attachments:

- **Asset Retirement Obligation Policy**
- **PSAB 3280 Overview, Chan Nowosad Boats Chartered Professional Accountants**

	<b>Village of Sayward</b>	
	<b>Title: Asset Retirement Obligation Policy</b>	<b>Policy # 300-09</b>
	<b>Category: Finance</b>	

**1.0 PURPOSE**

The objective of this Policy is to stipulate the accounting treatment for asset retirement obligations (ARO) so that users of the financial report can discern information about these assets and their end-of-life obligations. The principal issues in accounting for AROs are the recognition and measurement of these obligations.

**2. SCOPE**

2.1. This Policy applies to all departments of the Village of Sayward, that possess asset retirement obligations, including:

- a) Assets with legal title held by the Village;
- b) Assets controlled by the Village; and
- c) Assets that have not been capitalized or recorded as a tangible capital asset for financial statement purposes

2.2. The legal obligation, including obligations created by promises made without formal consideration, associated with the retirement of tangible capital assets controlled by the Village, will be recognized as a liability in the books of the Village of Sayward, in accordance with PS3280, which the Village will be adopting effective the fiscal year beginning January 1, 2023.

**3. PRINCIPLES**

The Village of Sayward shall account for and report on asset retirement obligations (ARO) in compliance with the Public Sector Accounting Board (PSAB) Handbook, section 3280.

**4. DEFINITIONS**

In this Policy:

*Accretion expense* is the increase in the carrying amount of liability for asset retirement obligations due to the passage of time.

*Asset retirement activities* include all activities related to an asset retirement obligation. These may include, but are not limited to:

- Decommissioning or dismantling a tangible capital asset that was acquired, constructed, developed, or leased.
- Remediation of contamination of a tangible capital asset created by its normal use.



- Post-retirement activities such as monitoring.
- Constructing other tangible capital assets to perform post-retirement activities.

*Asset retirement cost* is the estimated amount required to retire a tangible capital asset.

*Asset retirement obligation* is a legal obligation associated with the retirement of a tangible capital asset.

*Legal obligation* establishes a clear duty or responsibility to another party that justifies recognition of a liability.

*Retirement of a tangible capital asset* is the permanent removal of a tangible capital asset from service. This term encompasses sale, abandonment, or disposal in some other manner but not its temporary idling.

## 5. REQUIREMENTS

### 5.1. Recognition

5.1.1. A liability should be recognized when, as at the financial reporting date:

- a) There is a legal obligation to incur retirement costs in relation to a tangible capital asset.
- b) The past transaction or event giving rise to the liability has occurred.
- c) It is expected that future economic benefits will be given up.
- d) A reasonable estimate of the amount can be made.

5.1.2. A liability for an asset retirement obligation cannot be recognized unless all of the criteria above are satisfied.

5.1.3. The estimate of the liability would be based on requirements in existing agreements, contracts, legislation, or legally enforceable obligations, and technology expected to be used in asset retirement activities.

5.1.4. The estimate of liability should include costs directly attributable to asset retirement activities. Costs would include post-retirement operation, maintenance, and monitoring which are an integral part of the retirement of the tangible capital asset.

5.1.5. Directly attributable costs would include but are not limited to, payroll and benefits, equipment and facilities, materials, legal and other professional fees, and overhead costs directly attributable to the asset retirement activity.

5.1.6. Upon initial recognition of a liability for an asset retirement obligation, the Village will recognize an asset retirement cost by increasing the carrying amount of the related tangible capital asset (or a component thereof) by the same amount as the liability. Where the obligation relates to an asset that is no longer in service and not providing economic benefit or to an item not recorded by the Village as an asset, the obligation is expensed upon recognition.

5.1.7. The capitalization thresholds applicable to the different asset categories will also be applied to the asset retirement obligations to be recognized within each of those asset categories.

## **5.2. Subsequent Measurement**

5.2.1. The asset retirement costs will be allocated to accretion expense in a rational and systemic manner (straight-line method) over the useful life of the tangible capital asset or a component of the asset.

5.2.2. On an annual basis, the existing asset retirement obligations will be assessed for any changes in expected cost, term to retirement, or any other changes that may impact the estimated obligation. In addition, any new obligations identified will also be assessed.

## **5.3. Presentation and Disclosure**

5.3.1. The liability for asset retirement obligations will be disclosed.

## **6. RESPONSIBILITIES**

### **6.1. Finance Department**

6.1.1. The Finance Department is responsible for the development of and adherence to policies for the accounting and reporting of asset retirement obligations in accordance with Public Sector Accounting Board section 3280. This includes responsibility for:

- a) Reporting asset retirement obligations in the financial statements of the Village and other statutory financial documents.
- b) Monitoring the application of this Policy.
- c) Managing related finance processes.
- d) Investigating issues and working with asset owners to resolve issues.
- e) Monitoring/Contraventions.

### **6.2. Departments**

6.2.1. Departments are required to:

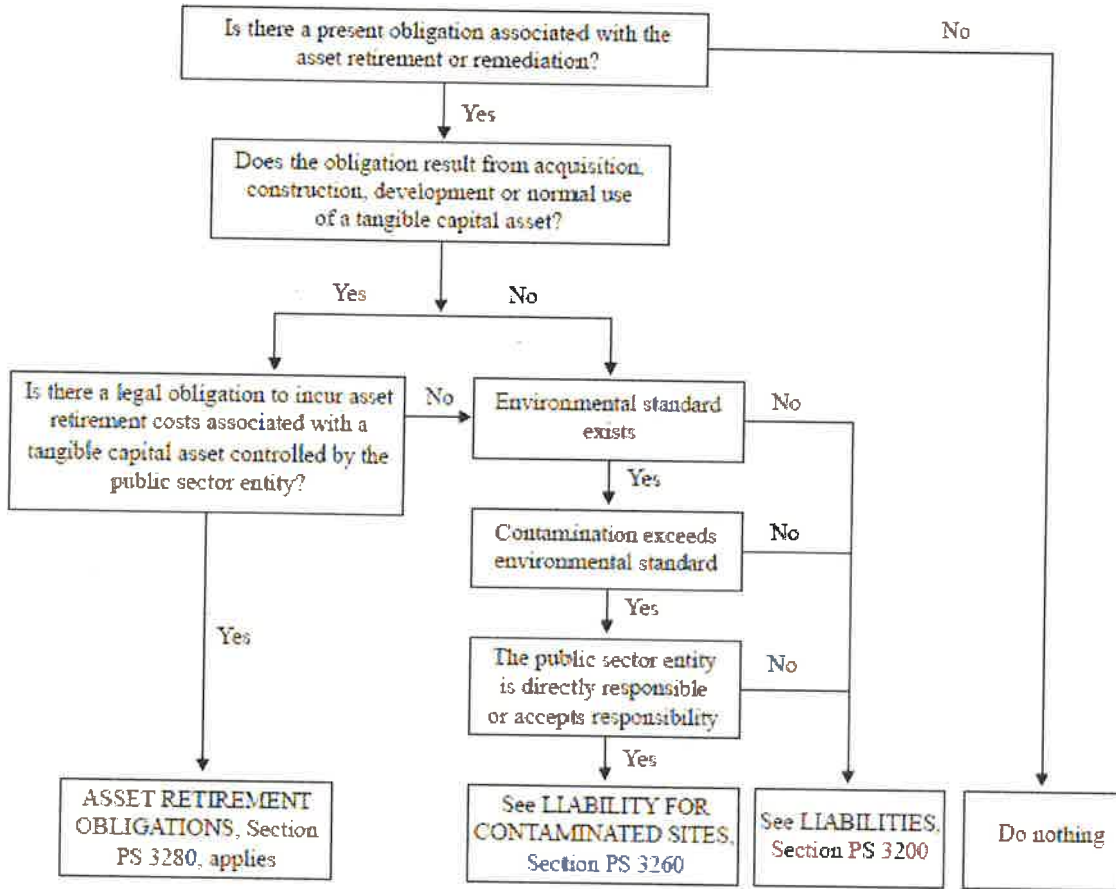
- a) Communicate with Finance on retirement obligations and any changes in asset condition or retirement timelines.
- b) Assist in the preparation of cost estimates for retirement obligations.
- c) Inform Finance of any legal or contractual obligations at the inception of any such obligation.

## **7. REFERENCES**

- Public Sector Accounting Board, Public Sector Handbook, Section PS 3280 Asset Retirement Obligations

# Appendix A

## Decision tree – Scope of applicability



## Keir Gervais

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**From:** Derek Lamb <Derek@cncbcpa.ca>  
**Sent:** November 20, 2023 4:44 PM  
**Cc:** Gaby Martin; Danna Chan  
**Subject:** Asset Retirement Obligations - PSAS 3280  
**Attachments:** PSAS 3280 Overview.pdf

With year-end approaching for our municipal clients, we wanted to connect with respect to the upcoming implementation of public sector accounting standard (PSAS) 3280, Asset Retirement Obligations.

The standard will be implemented for municipalities for the first time for the year ending December 31, 2023.

The good news with this standard is that it has already been implemented by First Nations and Hospitals (year ends of March 31, 2023) and School Districts (year ends of June 30, 2023), so at this point there is a great deal of data and information available to assist in the adoption of the standard.

As a quick summary, for entities that report under PSAS, with fiscal years beginning on or after April 1, 2022, they are required to adopt the new standard which requires the entity to assess whether they have any legal obligations to dispose of or retire a tangible capital asset that they own. The fact that the retirement or remediation date of the asset is not known is not relevant to whether there is an obligation. Likewise, the fact that the remediation or disposal may be funded by government funding or other sources in the future is also not relevant to whether there is an obligation (and liability).

The most common asset retirement obligations relate to:

- Asbestos
- Lead paint and pipes
- Waste and water treatment plants
- Wharfs and Piers
- In ground oil or fuel tanks

We have been kindly provided permission by one of our clients on the North Island, School District No. 85, to share the information they obtained on the retirement costs associated with Asbestos and other materials in order to reduce unnecessary additional costs for government organizations. We would be happy to share this information if you have already begun to undertake the process of preparing your ARO estimate.

I am also attaching a slide deck that we have previously presented on to our clients at a professional development session.

Should you require any information on the new standard or where to begin in your community's own assessment, please do not hesitate to contact us. There is absolutely no charge or cost to you by us for answering your questions on this standard or on where to begin in your assessment if you have not already begun. If there is additional assistance required with the implementation of the standard and calculating any liability, we would first establish that with you prior to commencing our work.

**Derek M. Lamb, CPA, CA**

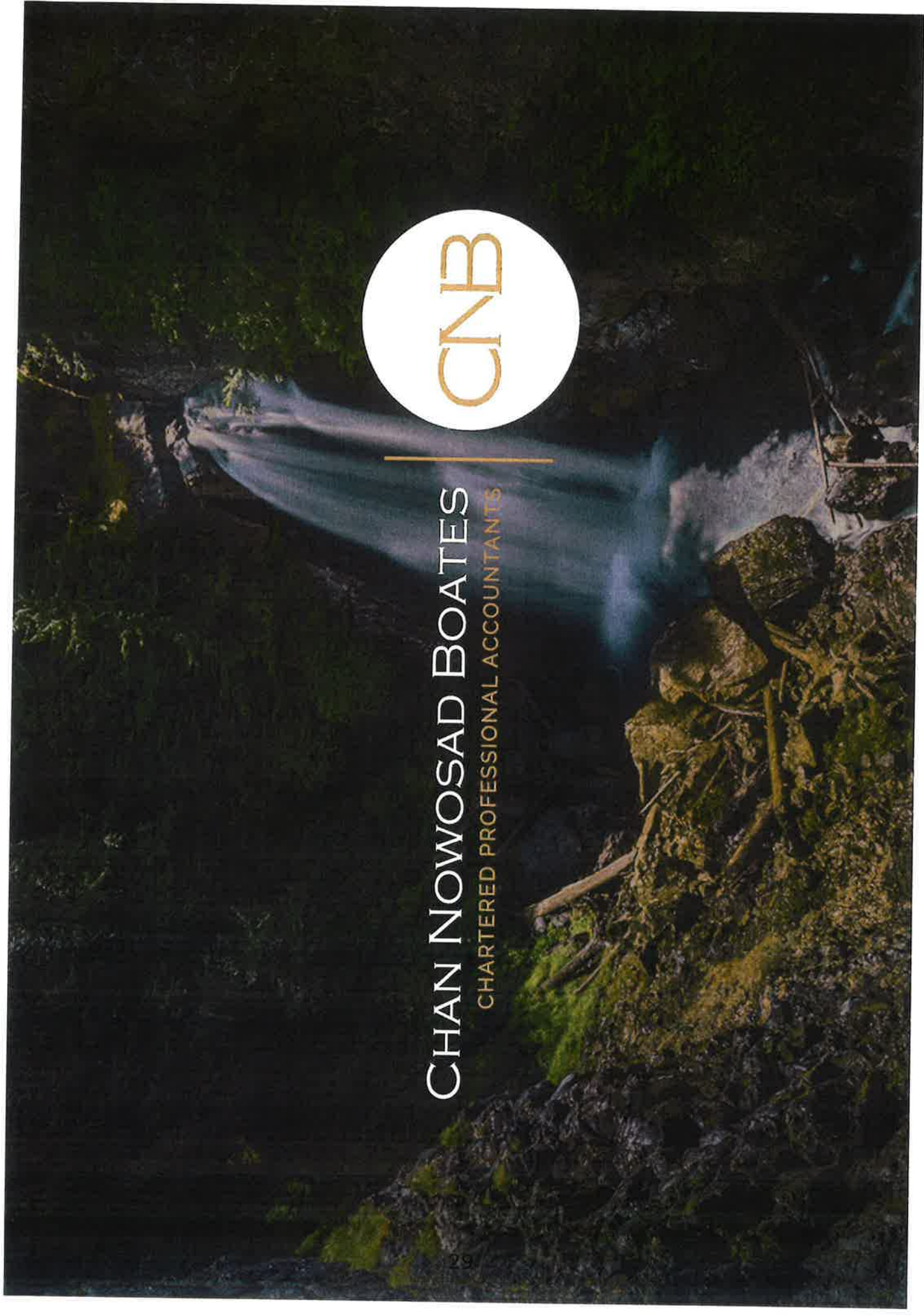
[derek@cncbcpa.ca](mailto:derek@cncbcpa.ca)

Phone: (250) 238-0194 ext. 111

Fax: (250) 238-1067

[www.cncbcpa.ca](http://www.cncbcpa.ca)

CHAN NOWOSAD BOATES  
CHARTERED PROFESSIONAL ACCOUNTANTS



# PSAS 3280: Asset Retirement Obligations (“ARO”)



Introduction and scope of PS 3280

When to recognize an ARO

Initial measurement of AROs

<sup>3</sup>Subsequent measurement of AROs

ARO for landfills

Presentation and disclosure

Transitioning the new standard

Planning and timeline for applying the new standard



## Introduction

PS 3280 is a new accounting standard introduced in August 2018 to establish an accounting standard for public sector entities for legal obligations associated with the retirement of tangible capital assets.

Effective Date: fiscal years beginning on or after April 1, 2022

- <sup>32</sup>Applicable for fiscal years ending March 31, 2023, or December 31, 2023

Previously, there was no PSAS guidance for ARO's. Related guidance includes:

- PS 3260, Liability for Contaminated Sites
- PS 3270, Solid Waste Closure and Post-closure Liability (*withdrawn*)



scope

Assets to consider in relation to the presentation today:

- Buildings with asbestos
  - Landfills
  - Fuel storage tanks
  - <sup>3</sup>Wastewater or sewage treatment facilities
  - Firewater holding tanks
  - Septic beds
  - End of lease provisions
  - Restoration of land subject to a timber lease
- legal obligations only



## Scope (continued)

PS 3280 does not deal with costs to:

- Acquire, construct, develop TCAS;
- Replacement and maintenance of TCAs;
- Remediation of contaminated sites (PS 3260, Liability for Contaminate Sites);
- Improper use of a TCA;
- Activities necessary to prepare a TCA for an alternative use;
- Unexpected events, such as an unexpected contamination (PS 3260);
- Obligations created by waste or byproducts produced by a TCA;
- Sell or otherwise dispose of a TCA.

## Recognition

This guidance deals with obligations to retire tangible capital assets (TCAs) that are predictable and unavoidable. This guidance deals with TCAs that are **controlled** by the entity (ie. owned).

The following four requirements must all be met to recognize an AR:

- i. There must be a legal obligation to permanently remove a TCA;
- ii. A past transaction or event giving rise to a liability has occurred;
- iii. It is expected that future economic benefits will be given up; and
- iv. A reasonable estimate of the amount can be made.

## recognition

- legal obligations:

- Federal, provincial or municipal laws and regulations;
- A government's own legislation;
- <sup>36</sup>Contracts or agreements; or
- Promissory estoppel - a promise conveyed to a third party that imposes a reasonable expectation of performance upon the promisor.

# Legal Obligations

## Laws and Regulations – Examples:

Provincial Laws and Regulations	Addresses
Environmental Assessment Act	<ul style="list-style-type: none"> <li>• New major projects</li> </ul>
Environmental Management Act	<ul style="list-style-type: none"> <li>• Hazardous waste</li> <li>• Waste management / sewage</li> <li>• Storage Tanks</li> <li>• Contaminated Sites</li> <li>• Mineral exploration sites and mines</li> <li>• Air contaminants</li> </ul>
Water Sustainability Act	<ul style="list-style-type: none"> <li>• Well decommissioning</li> <li>• Dams</li> <li>• Groundwater and water</li> </ul>
Occupational Health and Safety Regulation	<ul style="list-style-type: none"> <li>• Asbestos</li> <li>• Other harmful substances</li> </ul>
Municipal Wastewater Regulation	<ul style="list-style-type: none"> <li>• Wastewater treatment systems</li> </ul>
Contaminated Sites Regulation	<ul style="list-style-type: none"> <li>• Fuel tanks</li> </ul>

# Legal Obligations

## Laws and Regulations – Examples:

General Laws and Regulations	Addresses
Hazardous Products Act and Regulations	<ul style="list-style-type: none"><li>• Hazardous substances</li></ul>
Specific Aquaculture Regulations	<ul style="list-style-type: none"><li>• Aquaculture activities in BC</li></ul>
Pest Control Products Act and Regulation	<ul style="list-style-type: none"><li>• Pesticides</li></ul>
Prohibitions of Asbestos and Products Containing Asbestos Regulations	<ul style="list-style-type: none"><li>• Asbestos</li></ul>
Wastewater Systems Effluent Regulations	<ul style="list-style-type: none"><li>• Wastewater treatment systems</li></ul>

## Asset Transactions or Events

ARO can result from the acquisition, construction, development or normal use of a TCA.

The obligating event occurs when the asset is acquired.

Liabilities are not exempt from recognizing an ARO if the retirement can be postponed.

If new legislation requires the retirement of an existing TCA, an ARO would be recognized in the current period since the new legislation is a current period event (ie. no prior period adjustment would occur).

# Asset Transactions or Events (continued)

Transaction or Event	Example	Explanation
<p>Initial Use (incurred when asset is into production)</p>	<p>Purchasing a building that contains asbestos. Regulations require that asbestos be removed in a prescribed manner.</p>	<p>The obligation is incurred on acquisition of the building as existing regulations require the entity to handle and dispose of asbestos in a prescribed manner when it is disturbed. The ability to postpone the asbestos removal does not relieve the entity of the obligation.</p>

The obligation is incurred in full when the entity starts accepting waste because it is linked to the normal use of the water treatment plant, but not the volume of waste accepted.

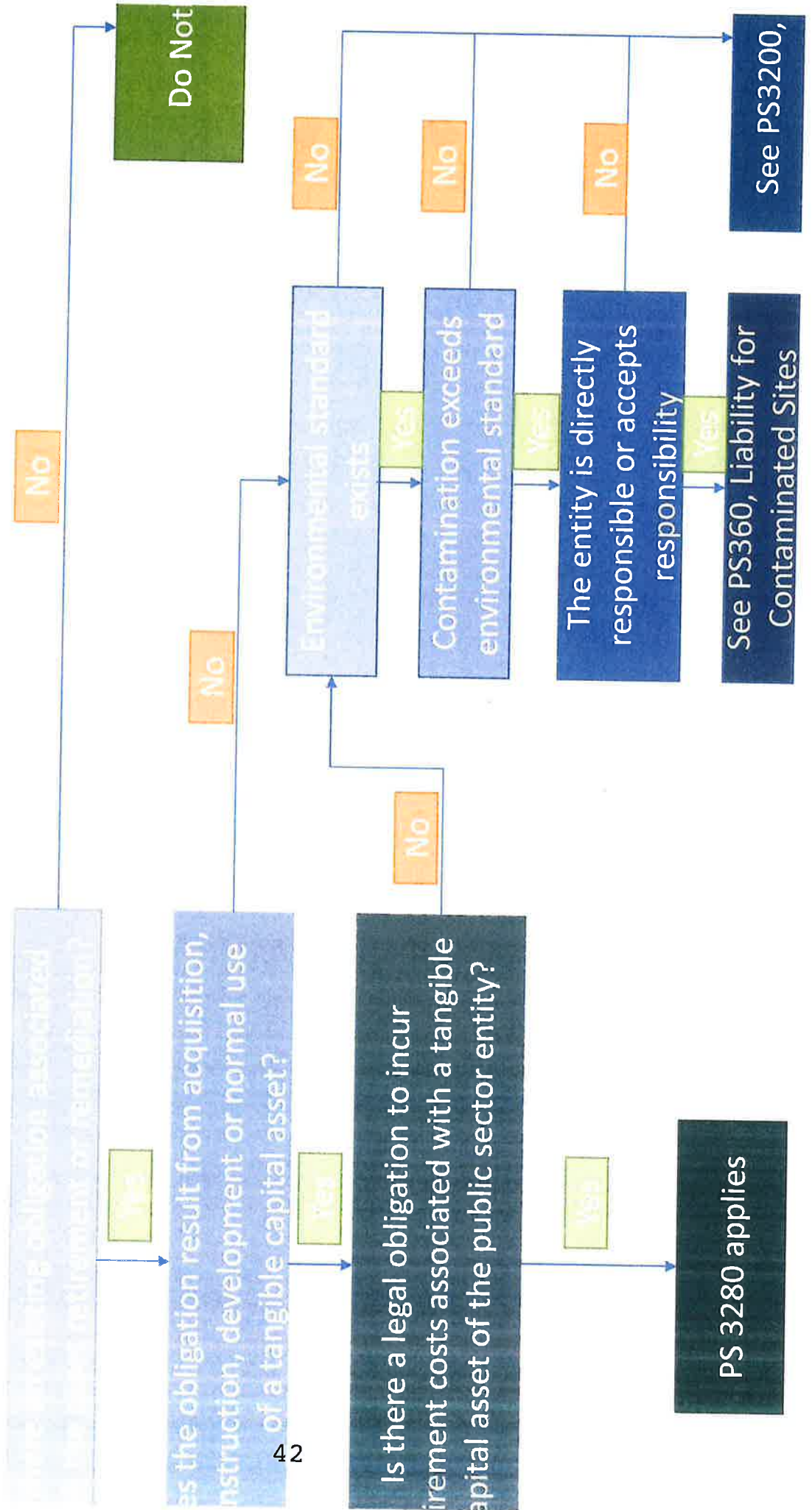


# Asset Transactions or Events (continued)

Asset Transaction or Event	Example	Explanation
Normal Use (incurred incrementally with use)	Public sector entity opens a sewage lagoon. Environmental approval requires post-closure activities that are directly linked to the volume of waste accepted.	The obligation is incurred incrementally with use of the sewage lagoon because it is linked to the normal use of the sewage lagoon and the volume of waste accepted.

If there are doubts about an ARO, for example if you're uncertain about an obligation through promissory stoppage, the existence of a liability may rely on a future determination (i.e., court ruling), PS 3300, Contingent Liabilities, would provide additional guidance.

# Decision Tree – Scope of Applicability



## Initial Recognition

On initial recognition of the ARO, the carrying amount of the TCA is increased and an ARO is recognized.

The expense is then amortized over the life of the asset.

If the ARO is expected to be material or long in the future you will likely need to discount it to account for the time value of money.

If you discount your liability then you will have an annual accretion expense to increase the liability from the date it is recognized to the date it settled.

# Initial Recognition (continued)

## Allocating asset retirement costs

Transactions associated with fully amortized TCA that is in productive use

- TCA is currently in use and the net book value is zero.
- For example, a fully amortized building containing asbestos.
- The liability for the costs associated with asbestos removal would be added to the cost of the building.
- The costs would be amortized over the revised estimate of remaining useful life of the building.

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Transactions associated with TCAs that have not been recognized as assets

- There is no relevant TCA recorded as an asset.
- The ARO would be expensed since there is no TCA cost to add to the asset.
- This is consistent with the principle that there is no separate asset associated with AROs because there is no expected future economic benefit associated with them.

Transactions associated with TCAs that are no longer in productive use

- An ARO may arise for an asset that is no longer in use.
- For example, new legislation that requires the asset to be removed in a prescribed manner.
- Since there is no future benefit, ARO costs are expensed.

# Initial Measurement of AROs

Measurement of an ARO should result in the best estimate of the amount required to retire a TCA as of the financial statement date. Requires professional judgement and could be supplemented with a experienced third-party quote or reports from independent experts.

The following will need to be considered:

- Which costs to include?
- Estimation technique
- Discount rate

# Initial Measurement of AROs (continued)

## Considerations

- Which costs to include?
- Costs that are directly attributable to the ARO
  - Examples: professional fees, payroll, materials, overhead, etc.
  - Requirements of existing agreements, contracts, legislation, and/or legally enforceable obligations

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- Estimation Technique
- The Present Value (PV) technique is often the best to estimate the liability due to the long-term nature of many AROs

# Initial Measurement of AROs (continued)

## Considerations

- The standards do not provide a specific prescribed rate.
  - Reflects the time value of money and risks specific to the ARO for which future cash flow estimates have not been adjusted.
  - Generally, it would be appropriate to use a rate similar to long-term debt rates of similar term length.
- Example of the effects of a discount rate on initial liabilities:
- \$1,000,000 ARO with a 10-year discount period
  - Outcomes with variable discount rates (present value of ARO):
    - 7.0% = \$508,000
    - 3.5% = \$700,000
    - 1.5% = \$862,000

## Example 1 – Building with asbestos

- Case facts:
  - Building with asbestos purchased for \$6,000,000 on April 1, 2X21 by an entity with a fiscal year end of March 31, 2X22.
  - The estimated useful life of the building is 10 years.
  - Relevant legislation requires that asbestos be removed in a prescribed manner.
  - Estimated cost to remove asbestos is \$1,000,000
  - Time before retirement is 10 years (useful life of asset before retirement)
  - Discount rate is 3% (current 10-year borrowing rate for the entity)





## Example 1 – Building with asbestos

- **Step 1:** Determine the inputs:
  - Rate = %
  - Periods = nper = years
  - Payments = pmt =
  - Costs to retire = Future Value (FV) = \$



Break Time -  
take 10 mins



## Example 1 – Building with asbestos

- **Step 1:** Determine the inputs:
  - Rate = 3%
  - Periods = nper = 10 years
  - Payments = pmt = 0 (no annual payments expected)
  - Costs to retire = Future Value (FV) = \$1,000,000



# Example 1 – Building with asbestos

- **Step 2: Determine the present value of the ARO at the time the asset is purchased (amount to capitalize and set up as your ARO)**

- = \$744,094

## Assessment of How Much to Capitalize

We use a present value technique in excel to determine the present value of the ARO liability at April 1, 2X21. Our inputs have been identified above and are stated below:

Building Cost	Formula Code	\$ 6,000,000.00	(Original Cost of the Building)
Rate	rate	3%	(Borrowing rate for the organization for a similar term)
Periods	nper	10	(Useful life of the building)
Payments	pmt	0	(No annual payment, one time cost at end of life)
Future Value	[FV]	\$ (1,000,000.00)	(Represents the payment required to retire the building / Asbestos)
Type	[type]	0	(Payment are at the beginning or end of the periods, not applicable so)

Formula Used in Excel to determine the present value of the asset retirement obligation.

Period	Years PV (nper)	PV April 1	Accretion Expense	PV March 31	Amortization
2X21 - 2X22	10	=PV(\$C\$9,B18,\$C\$11,\$C\$12,\$C\$13)		\$756,417	\$74,409
2X22 - 2X23	9	PV(rate, nper, pmt, [fv], [type])		\$739,409	\$74,409
2X23-2X24	8			\$813,092	\$74,409

# Example 1 – Building with asbestos

- **Step 3: Determine** the present value of the ARO at the end of the fiscal year (liability at the year end)

- = \$766,417

## Assessment of How Much to Capitalize

We use a present value technique in excel to determine the present value of the ARO liability at April 1, 2X21. Our inputs have been identified above and are stated below:

Building Cost	Formula Code	\$ 6,000,000.00	(Original Cost of the Building)
Rate	rate	3%	(Borrowing rate for the organization for a similar term)
Periods	nper	10	(Useful life of the building)
Payments	pmt	0	(No annual payment, one time cost at end of life)
Future Value	[FV]	\$ (1,000,000.00)	(Represents the payment required to retire the building / Asbestos)
Type	[type]	0	(Payment are at the beginning or end of the periods, not applicable so)

Formula Used in Excel to determine the present value of the asset retirement obligation.

Period	Years	PV (nper)	PV April 1	Accretion Expense	PV March 31	Amortization
2X21 - 2X22	10		\$744,094	\$22,323		=PV(\$C\$9, B19, \$C\$11, \$C\$12, \$C\$13)
2X22 - 2X23	9		\$766,417	\$22,993		PV(rate, nper, pmt, [fv], [type])
2X23 - 2X24	8		\$788,808	\$23,607		

## Example 1 – Building with asbestos

- **Step 4:** Determine the accretion expense (increase in the liability from the date of purchase to the year end date)
  - Equal to results from Step 3 minus Step 2
  - $\$766,417 - 744,095 = \$22,323$

## Example 1 – Building with asbestos

- **Step 5:** Determine the amortization expense for the ARO asset
- Equal to results from Step 2 divided by useful life
- $\$744,095 / 10 \text{ years} = \$74,409$



## Example 1 – Building with asbestos

- **Step 6:** Determine journal entries:

- To record the initial ARO liability and ARO asset

Dr. Building ARO Asset	\$ _____
Cr. ARO Liability	\$ _____

- To record the accretion expense

Dr. Accretion Expense	\$ _____
Cr. ARO Liability	\$ _____

- To record the amortization of the ARO asset

Dr. Amortization Expense	\$ _____
Cr. Amortization – Building	\$ _____



# Example 1 – Building with asbestos

- Step 6: Determine journal entries

<u>Journal Entries Required (Year 1 Only)</u>	<u>Purpose</u>	<u>Account Names</u>	<u>Debit</u>	<u>Credit</u>
	To record purchase of building	Building Cash (or debt to finance purchase)	\$ 6,000,000.00	\$ 6,000,000.00
	To record the initial ARO liability	Building ARO asset ARO Liability	\$ 744,094.00	\$ 744,094.00
	To record accretion expense (yr 1)	Accretion Expense ARO Liability	\$ 22,323.00	\$ 22,323.00
	To record building amortization	Amortization Expense (6M/10) Acc. Amortization - Building	\$ 600,000.00	\$ 600,000.00
	To record amortization of the ARO asset	Amortization Expense (744,094/10) Acc. Amort - Building ARO Asset	\$ 74,409.00	\$ 74,409.00

## Subsequent Measurement

Liability for an ARO should be considered at each financial reporting date

- This is because an ARO is generally long-term in nature and the measurement of the amount is likely to change as new information becomes available over the useful life of the TCA.
- A liability for an ARO continues to be recognized until it is settled or otherwise extinguished.

## Subsequent Measurement (Revisions)

Changes in the liability are recognized from period-to-period, subsequent to initial measurement, resulting from:

- Revisions to the timing
- Changes in amounts to settle (i.e., \$1M to \$1.2M estimated costs)
- Discount rate (i.e., 3% to 4%)

Changes are recognized in the cost of the TCA and amortized over the remaining useful life. Changes will also be reflected in the ARO liability and the related accretion expense.

## Example 2 – Building with asbestos with revisio

- Case facts:
  - Same case facts as Example # 1 on initial recognition.
  - In year 2X26, the estimated cost of removal of the asbestos is revised to \$1.2M (from \$1M), and a discount rate of 4% is more appropriate.

## Example 2 – Building with asbestos with revisio

- **Step 1:** Revise the estimated ARO liability at the time of the change. To do this you must use the revised estimates to determine the new present value (PV) at the date of the change (in this case, March 31, 2x26).
- The revised inputs are as follows:
  - Rate = 4%
  - Periods remaining = nper = 5 years
  - Payments = pmt = 0 (no annual payments expected)
  - Costs to retire = Future Value (FV) = \$1,200,000

# Example 2 – Building with asbestos with revisio

- **Step 2:** Determine the present value of the ARO at the time of the change (March 31, 2X26)

- = \$986,313

We use a present value technique in excel to determine the present value of the ARO liability at April 1, 2X21. Our inputs have been identified above and are stated below:

	Formula Code	Original	Revised
1 Building Cost		\$ 5,000,000.00	
2 Rate	rate	3%	4%
3 Periods	nper	10	
4 Payments	pmt	0	
5 Future Value	[FV]	\$ (1,000,000.00)	\$ (1,200,000.00)
6 Type	[type]	0	0

Period	Years PV	PV April 1	Accretion Expense	PV March 31	Adjustment	Revised PV March 31	Amortizat
2X21 - 2X22	10	\$744,094	\$22,323	\$766,417		\$766,417	\$74,409
2X22- 2X23	9	\$766,417	\$22,993	\$789,409		\$789,409	\$74,409
2X23-2X24	8	\$789,409	\$23,682	\$813,092		\$813,092	\$74,409
2X24-2X25	7	\$813,092	\$24,393	\$837,484		\$837,484	\$74,409
2X25-2X26	6	\$837,484	\$25,125	\$862,609	\$123,704	\$123,704	\$74,409
2X26-2X27	5	\$986,313	\$39,453	\$1,025,765		\$1,025,765	\$74,409
2X27-2X28	4	\$1,025,765	\$41,031	\$1,066,796		\$1,066,796	\$74,409
2X28-2X29	3	\$1,066,796	\$42,672	\$1,109,467		\$1,109,467	\$74,409

$$=PV(\$D\$12, B33, \$C\$14, \$D\$1, \$C\$16)$$

PV(rate, nper, pmt, ...)

## Example 2 – Building with asbestos with revisio

- **Step 3:** Determine the journal entry to adjust the ARO liability and ARO asset  
March 31, 2X26 (year 5).
- Since this happens at the end of the fiscal year there is no impact on the accretion or amortization expense for the year and it will only impact the accretion expense in the subsequent period

### Journal Entries Required (Year 5 Only) For the Change in Estimate

<u>Purpose</u>	<u>Account Names</u>	<u>Debit</u>	<u>Credit</u>
To record the subsequent change ARO liability	Building ARO asset ARO Liability	\$123,704	\$123,704

# Example 2 – Building with asbestos with revisio

- **Step 4:** Determine the change in accretion expense for the year ending March 31, 2X27.
- Once the March 31, 2X26 value has been updated, the PV's for the remainder of the useful life are adjusted for the following years to reflect the updated estimates.
- The accretion expense is calculated similar to before by taking the PV at the end of year less the PV at the beginning of the year. The value of the ARO at April 1, 2x26 is equal to our closing balance in the previous year ending March 31, 2x26 after the adjustment.

Period	Years PV	PV April 1	Accretion Expense	PV March 31	Adjustment	Revised PV March 31	Amortization
2X21 - 2X22	10	\$744,094	\$22,323	\$766,417			\$74,409
2X22 - 2X23	9	\$766,417	\$22,993	\$789,409			\$74,409
2X23 - 2X24	8	\$789,409	\$23,682	\$813,092			\$74,409
2X24 - 2X25	7	\$813,092	\$24,393	\$837,484			\$74,409
2X25 - 2X26	6	\$837,484	\$25,125	\$862,609	\$123,704	\$986,313	\$74,409
2X26 - 2X27	5	\$986,313	\$39,453	\$1,025,765		\$1,025,765	\$99,150
2X27 - 2X28	4	\$1,025,765	\$42,672	\$1,066,796		\$1,066,796	\$99,150
2X28 - 2X29	3	\$1,066,796	\$44,379	\$1,109,467		\$1,109,467	\$99,150
2X29 - 2X30	2	\$1,109,467	\$46,154	\$1,153,846		\$1,153,846	\$99,150
2X30 - 2X31	1	\$1,153,846		\$1,200,000		\$1,200,000	\$99,150
2X31 - 2X32	0	\$1,200,000					\$99,150



## Example 2 – Building with asbestos with revisio

- **Step 5:** Determine the change in amortization expense of the ARO asset for the year ending March 31, 2X27.
  - Equal to the original amortization plus the adjustment divided by the remaining useful life of the asset
  - $(\$744,095 / 10 \text{ years}) + (\$123,704 / 5 \text{ years}) = \$99,150$

Original amortization

Adjustment amortization

# Example 2 – Building with asbestos with revisio

- **Step 6: Determine** journal entries at March 31, 2x27 (year 6).

<u>Journal Entries Required (Year 6 Only) For the Change in Estimate</u>		
<u>Purpose</u>	<u>Account Names</u>	<u>Debit</u>
To record accretion expense	Accretion Expense ARO Liability	\$39,453
To record amortization of the ARO asset	Amortization Expense Acc. Amort - Building ARO Asset	\$99,150
To record building amortization	Amortization Expense (6M/10) Acc. Amortization - Building	\$ 600,000.00
		\$ €

## RO for Landfills

Formerly covered under PS 3270, Solid Waste Closure and Post Closure Liability (now withdrawn).

Obligations for closure and post closure limited to legal obligations and obligations associated with the retirement of a TCA.

Recognizing the liability as incurred rather than incrementally with use:

- Provides a better reflection of the extent of the entity's liability; and
- Will enhance users' understanding regarding the resources required to support future outflows.

# ARO for Landfills (continued)

	New Section PS 3280	Old Section PS 3270
Liability Total Liability (estimated total expenditure)	Recognized as incurred – earlier recognition Generally the same	Recognized incrementally as landfill is used – later recognition
Assets	ARO assets are capitalized – increase the carrying amount of the related assets	N/A – expensed
Annual Expenses (over time)	Generally the same	
Annual Expenses	Differences in annual expenses are due to differences in methodology used in recognizing the liability. Amortization of ARO asset and accretion expense.	Expensed as incurred / as liability is setup.

## ARO for Landfills (continued)

For landfills, for each obligation the entity must consider whether the obligation is incurred on the landfill acquisition, construction or development, or normal use.

When the obligation is incurred will determine the timing of the recognition of the ARO.

- For example, is the obligation incurred when the landfill starts accepting waste, or is it incrementally incurred with the use of the landfill?

# RO for Landfills (continued)

Event	Example	Explanation
<p>Construction</p>	<ul style="list-style-type: none"> <li>Public sector entity constructs a landfill.</li> <li>Environmental approval requires that a final cover and vegetation be put in place irrespective of landfill site use.</li> </ul>	<ul style="list-style-type: none"> <li>The obligation is incurred on construction of the landfill as the environmental approval requires that the final cover and vegetation be put in place irrespective of landfill site use.</li> </ul>
<p>Normal use (incurred when landfill starts accepting waste)</p>	<ul style="list-style-type: none"> <li>Public sector entity opens a landfill.</li> <li>Environmental approval requires closure activities to be performed irrespective of volume of waste accepted.</li> </ul>	<ul style="list-style-type: none"> <li>The obligation is incurred in full when the entity starts accepting waste because it is linked to the normal use of the landfill, but not to the volume of waste accepted.</li> </ul>
<p>Normal use (incurred incrementally with use)</p>	<ul style="list-style-type: none"> <li>Public sector entity opens a landfill.</li> <li>Environmental approval requires post closure activities that are directly linked to the volume of waste accepted.</li> </ul>	<ul style="list-style-type: none"> <li>The obligation is incurred incrementally with use of the landfill because it is linked to the normal use of the landfill and the volume of waste accepted.</li> </ul>

## ARO for Landfills (continued)

The new PS 3280 (ARO) is similar to existing PS 3260 (Liability for Contaminated Sites)

Which standard to apply depends on:

- Cause for the retirement or remediation obligation
- Type of obligation
- Extent of contamination

# ARO for Landfills (continued)

PS 3280 (ARO)	PS 3260 (Liability for Contaminated Sites)
<b>Use for the retirement or remediation obligation</b>	
Acquisition, construction, development, normal use	<ul style="list-style-type: none"><li>• Unexpected event or improper use</li></ul>
Not necessarily associated with contamination	
<b>Time of Obligation</b>	
Legal obligation related to TCA of the entity	<ul style="list-style-type: none"><li>• Legal, constructive and equitable obligations (direct responsibility and assumed)</li></ul>
<b>Level of Contamination</b>	
Does not need to exceed the environmental standard	<ul style="list-style-type: none"><li>• Must exceed environmental standard</li></ul>

For example, normal use at a fueling station could create an ARO, however a fuel spill elsewhere could create a contaminated site.



## Example 3 – Landfill Liability

- Case facts:
  - Public entity constructs a landfill with construction completed December 31, 2X22.
  - Estimated useful life of the landfill is 10 years, depreciated using straight line amortization.
  - Regulations require closure and post-closure activities.
    - Closure requirements include final cover vegetation in 2X34 (year 11 for \$1.1M, and building of facilities for \$450K
    - Post-closure activities will cost \$25K annually at the end of the reporting period and are required for 30 years starting in year 2X35 (year 12)
  - Inflation is expected to be 1.15% and the entity is able to borrow long-term debt at 3%

## Example 3 – Landfill Liability

- **Step 1: Determine the inputs**
  - Closure costs (one-time payment) – vegetation = \$ \_\_\_\_\_
  - Closure costs (one-time payment) – facilities = \$ \_\_\_\_\_
  - Post-closure cost (annual cost after year 11) = \$ \_\_\_\_\_
  - Inflation = \_\_\_\_\_%
  - Discount rate = \_\_\_\_\_%
  - Years until payment of closure costs = \_\_\_\_\_ years
  - Years until payment of post-closure costs = \_\_\_\_\_ years
  - Years of post-closure costs = \_\_\_\_\_ years

## Example 3 – Landfill Liability

- **Step 1: Determine the inputs**
  - Closure costs (one-time payment) – vegetation = \$1,100,000
  - Closure costs (one-time payment) – facilities = \$450,000
  - Post-closure cost (annual cost after year 11) = \$25,000
  - Inflation = 1.15%
  - Discount rate = 3%
  - Years until payment of closure costs = 11 years (10-year useful life, 11<sup>th</sup> year closure costs)
  - Years until payment of post-closure costs = 12 (10-year useful life, 11<sup>th</sup> year closure costs, 12<sup>th</sup> year post-closure begins)
  - Years of post-closure costs = 30 years

# Example 3 – Landfill Liability

- **Step 2:** Determine the total closure costs adjusted for inflation in the 11<sup>th</sup> year using a future value analysis to arrive at \$1,757,747

Inputs		Vegetation		Facilities		Total		NPV (Sum of Below)	
Inflation	1.15%	\$	1,100,000.00	\$	450,000.00	\$	1,550,000.00	\$	1,269,894.10
Discount Rate	3%	\$		\$		\$	25,000.00	\$	469,679.53
Closure Costs									
Post Closure Costs									
<b>\$1,739,513.63 Total ARO Liability and Asset</b>									
Year	Years for FV	Years for PV	Construction	Monitoring/ Maintenance	Cash Flow plus Inflation (FV Calc)	NPV Calculation	Description		
2X34	11	11	\$ 1,550,000.00		=FV(\$0, \$1,550,000, 1.15%, 11)		Closure cost for vegetation and facilities		
2X35	12	12					Maintenance Costs		
2X36	13	13					Maintenance Costs		

# Example 3 – Landfill Liability

- **Step 3:** Determine the Post Closure costs for each year adjusted for inflation starting in year 12 using the future value analysis (note each year will require its own calculation to determine the FV). This is equal to \$28,677.

inputs		Vegetation		Facilities		Total		NPV (Sum of Below)	
inflation	1.15%	\$	1,100,000.00	\$	450,000.00	\$	1,550,000.00	\$	1,269,834.10
Discount Rate	3%								\$469,679.58
Closure Costs									<u>\$1,739,513.68</u>
Post Closure Costs									Total ARO Liability and Asset

Year	Years for FV	Years for PV	Construction	Cash Flow Monitoring/ Maintenance	Cash Flow plus Inflation (FV Calc)	NPV Calculation	Description
2X34	11	11	\$ 1,150,000.00	\$	\$1,757,747.37	\$1,269,834.10	Closure cost for vegetation and facilities
2X35	12	12		\$ 25,000.00	=FV(\$25,000,-E13,D)		Post Closure Maintenance Costs
2X36	13	13		\$ 25,000.00			Maintenance Costs
2X64	41	41		\$ 25,000.00			Maintenance Costs

# Example 3 – Landfill Liability

- **Step 4:** Determine the PV of the inflation adjusted closure costs resulting in PV of \$1,269,834

Inputs		Vegetation		Facilities		Total		NPV (Sum of Below)	
1	Inflation								
2	Discount Rate								
3	Closure Costs	\$ 1,100,000.00	\$ 450,000.00	\$	\$			\$1,269,834.10	
4	Post Closure Costs							\$469,679.53	
5								<u>\$1,739,513.63</u>	Total ARO Liability and Asset

Year	Years for FV	Years for PV	Cash Flow	NPV Calculation	Description
2X34	11	11	Construction	$=PV(\$859,177.0)$	Construction and facilities
2X35	12	12	Monitoring/ Maintenance	$PV(\text{rate}, \text{nper}, \text{pmt}, [\text{fv}], [\text{type}])$	
2X36	13	13	Monitoring/ Maintenance		
				\$28,676.80	
				\$29,006.58	
				<u>\$1,757,747.37</u>	

- The current cost estimate to complete the closure is \$1,550,000. However, due to inflation it is expected to cost \$1,757,747 in 2X34. Because of the time value of money, that means the cost in today's money would be \$1,269,834 to complete the vegetation and facilities. Remember, that is how much money today would be required to be able to cover the cost of \$1,757,747 at closure.

# Example 3 – Landfill Liability

- **Step 5:** Determine the present value of the adjusted post closure costs (note that each year will require its own calculation to determine the PV. This is equal to \$20,113.

Inputs		Vegetation		Facilities		Total		NPV (Sum of Below)	
Inflation	1.15%								
Discount Rate	3%								
Closure Costs		\$ 1,100,000.00	\$ 450,000.00	\$ 1,550,000.00				\$ 1,269,834.10	
Post-Closure Costs					\$ 25,000.00			\$ 469,679.53	
								<u>\$ 1,739,513.63</u>	Total ARC Liability and Asset

Year	Years for FV	Years for PV	Cash Flow		NPV Calculation	Description	
			Construction	Monitoring/ Maintenance			
2X24	11	11	\$ 1,550,000.00		\$ 1,757,747.87	\$ 1,269,834.10	Closure cost for vegetation and facilities
2X25	12	12		\$ 25,000.00	$=PV(\$25,000, 12, 0.03)$		Post-Closure Costs
2X26	13	13		\$ 25,000.00	$=PV(\$25,000, 13, 0.03)$		
2X64	41	41		\$ 25,000.00	$=PV(\$25,000, 41, 0.03)$		

# Example 3 – Landfill Liability

- **Step 6:** Sum the total of the present value calculations for all 30 years of the post closure activities to determine the cumulative PV for the post closure activities. This equal to \$469,679.

Inputs:		115%	3%			NPV (Sum of Below)	
Initiation	Disposal Fee	Vegetation	Facilities	Total			
Closure Costs	\$ 1,100,000.00	\$ 460,000.00	\$ 1,560,000.00				
Post Closure Costs							=SUM(G18:G47)
							= SUM(number1, number2, ...)

Year	Years for F Years for PV	Cash Flow		Description
		Construction	Monitoring/Maintenance	
2X34	11	#####	\$1,757,747.37	Closure cost for vegetation and facilities
2X35	12		\$28,676.60	Post Closure Maintenance Costs
2X36	13		\$29,008.68	Post Closure Maintenance Costs
2X37	14		\$29,340.16	Post Closure Maintenance Costs
2X38	15		\$29,677.57	Post Closure Maintenance Costs
2X39	16		\$30,016.86	Post Closure Maintenance Costs
2X40	17		\$30,364.08	Post Closure Maintenance Costs
2X41	18		\$30,713.26	Post Closure Maintenance Costs
2X42	19		\$31,066.47	Post Closure Maintenance Costs
2X43	20		\$31,423.70	Post Closure Maintenance Costs
2X44	21		\$31,785.10	Post Closure Maintenance Costs
2X45	22		\$32,150.63	Post Closure Maintenance Costs
2X46	23		\$32,520.37	Post Closure Maintenance Costs
2X47	24		\$32,894.35	Post Closure Maintenance Costs
2X48	25		\$33,272.63	Post Closure Maintenance Costs
2X49	26		\$33,655.27	Post Closure Maintenance Costs
2X50	27		\$34,042.31	Post Closure Maintenance Costs
2X51	28		\$34,433.79	Post Closure Maintenance Costs
2X52	29		\$34,829.72	Post Closure Maintenance Costs
2X53	30		\$35,230.32	Post Closure Maintenance Costs
2X54	31		\$35,635.47	Post Closure Maintenance Costs
2X55	32		\$36,045.28	Post Closure Maintenance Costs
2X56	33		\$36,459.80	Post Closure Maintenance Costs
2X57	34		\$36,879.09	Post Closure Maintenance Costs
2X58	35		\$37,303.20	Post Closure Maintenance Costs
2X59	36		\$37,732.18	Post Closure Maintenance Costs
2X60	37		\$38,166.10	Post Closure Maintenance Costs
2X61	38		\$38,605.01	Post Closure Maintenance Costs
2X62	39		\$39,048.97	Post Closure Maintenance Costs
2X63	40		\$39,498.04	Post Closure Maintenance Costs
2X64	41		\$39,952.25	Post Closure Maintenance Costs



# Example 3 – Landfill Liability

- **Step 7:** Add together the PV of the closure costs and sum the PV's for the post closure costs to determine the ARO (ARO is equal to the PV of total closure and post closure costs):

Inputs	Inflation	2.15%	Discount Rate	3%	Vegetation	Facilities	Total	NPV (Sum of Below)
Closure Costs	\$	1,100,000.00	\$	450,000.00	\$	1,550,000.00	\$	\$1,269,834.10
Post Closure Costs						25,000.00	\$	\$469,679.53
								\$1,739,513.63

Total ARO Liability and Asset

# Example 3 – Landfill Liability

- Step 8:** Determine the accretion expense. This is calculated by using the same calculation as we used initially except, we modify the year for the PV to determine end of year liability (i.e., 10 years instead of 11), remembering that the initial calculation was to determine the initial asset and liability at the beginning of the year. At the end of the year, 10 years is the appropriate term since 1 year has effectively passed. The difference between the initial NPV and the new NPV becomes the accretion expense:

Year	Years for FV	Years for PV (Updated)	Construction	Cash Flow Monitoring/ Maintenance	Cash Flow plus Inflation (FV Calc)	NPV Calculation (Updated)	Description
2X34	11	10	\$ 1,550,000.00		\$1,757,747.37	\$1,307,929.12	Closure cost for vegetation and facilities
2X35	12	11		\$ 25,000.00	\$28,676.80	\$20,716.73	Post Closure Maintenance Costs
2X36	13	12		\$ 25,000.00	\$29,006.58	\$20,344.63	Post Closure Maintenance Costs
2X63	40	39		\$ 25,000.00	\$39,498.04	\$12,471.64	Post Closure Maintenance Costs
2X64	41	40		\$ 25,000.00	\$39,952.26	\$12,247.64	Post Closure Maintenance Costs
				Accretion Expense	Initial	Adjusted	Accretion
				Closure Cost	\$1,269,894.10	\$1,307,929.12	\$38,095.02
				Post Closure Maintenance	\$469,679.53	\$483,769.92	\$14,090.39
							<u>\$52,185.41</u>

# Example 3 – Landfill Liability

- **Step 9:** Determine the journal entries (note the dates that these are recorded):

<u>Entry Required</u>	<u>Account Name</u>	<u>Debit</u>	<u>Credit</u>	
the initial ARO liability related to closure (final cover and vegetation and facilities) as of 31, 2X22)	Landfill ARO Asset ARO Liability	\$ 1,269,834.10	\$ 1,269,834.10	This is recorded in the year that the construction is completed. As they have this closure liability regardless of use
the ARO liability related to post closure (January 1, 2X23)	Landfill ARO Asset ARO Liability	\$ 469,679.53	\$ 469,679.53	This is recorded in January as the liability is incurred at the first start accepting waste and based on environmental approval being regardless of volume.
accrual expense (Year 1, December 31,	Accretion Expense ARO Liability	\$ 52,185.41	\$ 52,185.41	
amortization expense (Year 1, December 31,	Amortization Expense (1,739,514/10) Acc. Amortization - Landfill ARO Asset	\$ 173,952.00	\$ 173,952.00	

# Quick Break

## Measurement Uncertainty

- There may be some cases where the settlement date or amount of the ARO are uncertain.
- The uncertainty around the settlement of the ARO does not remove the obligation but will affect the measurement.
- Uncertainty may require the use of professional judgement, and be supplemented with experience, third party quotes or reports from independent experts.
- These uncertainties are disclosed in accordance with PS 2130, Measurement Uncertainties.

## recoveries

If a liability for an ARO is mitigated by a claim against a third party, the amount of the recovery is a separate asset and is not offset against the measurement of the liability.

Recoveries may occur when the entity is able to recover costs associated with asset retirement from a third party.

A recovery relating to an ARO is recognized when:

- The recovery can be appropriately measured;
- A reasonable estimate of the amount can be made; and
- It is expected that future economic benefits will be obtained.

# Representation and Disclosure

## Representation

The ARO liability is presented as a separate line item in liabilities on the Statement of Financial Position. There is a related offset (debit) to TCA<sub>s</sub> (included within the TCA line item).

Subsequent changes to the ARO liability (accretion expense) and amortization of the asset retirement costs are recorded as an expense.

# resentation

Note that the ARO liability is presented as its own line item

The ARO asset is included in the TCAs line item

Consolidated Statement of Financial Position  
 December 31, 2022, with comparative figures for 2021  
 (In thousands of dollars)

	2022	2021
<b>Financial assets:</b>		
Cash and cash equivalents	\$ 18,500	\$ 13
Accounts receivable (note 3)		
Taxes receivable	48,000	46
Other	56,400	54
Land for resale	2,700	2
Investments (note 4)	283,600	231
Investment in Example Government Business Enterprise (note 5)	79,000	75
Debt charges recoverable (note 6)	158,800	158
	647,000	581
<b>Liabilities:</b>		
Accounts payable and accrued liabilities	130,900	116
Deferred revenue (note 7)	58,200	24
Long-term liabilities (note 8)	329,000	351
Employee benefits and other liabilities (note 9)	68,200	64
Asset retirement obligation (note 10)	96,534	94
	682,834	650
<b>Net financial assets (net debt)</b>	<b>(35,834)</b>	<b>(68)</b>
<b>Non-financial assets:</b>		
Tangible capital assets (note 11)	1,051,600	1,042
Inventories of supplies	3,400	3
Prepaid expenses	700	-
	1,055,700	1,046
Accumulated Surplus (note 12)	\$ 1,015,866	\$ 977
Accumulated remeasurement gains (losses)	4,000	-
	1,019,866	977



# Representation and Disclosure

## Disclosure

The following information should be disclosed in relation to AROs:

- A general description of the liability for an ARO and associated TCA
- The amortization method used
- The basis for the estimate of the liability (estimated total undiscounted expenditures, time period over which costs will be incurred, estimated time of settlement of the expenditures, discount rate)
- A reconciliation of the beginning and ending carrying amount of the liability
- If a reasonable estimate for the amount of an ARO cannot be made, the fact and reasons therefore; and
- Estimated recoveries, if any.

## Accounting policies

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

#### (k) Employee future benefits (continued):

For those self-insured benefit obligations that arise from specific events that occur from time to time, such as obligations for workers' compensation and life insurance and health care benefits for those on disability leave, the cost is recognized immediately in the period the events occur. Any actuarial gains and losses that are related to these benefits are recognized immediately in the period they arise.

(ii) The costs of multi-employer defined contribution pension plan benefits, such as the Provincial Municipal Employees Retirement System ("PMERS") pensions, are the employee contributions due to the plan in the period.

#### (l) Asset retirement obligation:

An asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

- There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- The past transaction or event giving rise to the liability has occurred;
- It is expected that future economic benefits will be given up; and
- A reasonable estimate of the amount can be made.

The liability for closure of operational sites and post-closure care relating to landfill sites has been recognized based on estimated future expenses. An additional liability for the removal of asbestos in several of the buildings owned by the City has also been recognized based on estimated future expenses on closure of the site and post-closure care. Under the modified retrospective method, the discount rate and assumptions used on initial recognition are those as of the date of adoption of the standard. Assumptions used in the subsequent calculation are revised yearly.

The liability is discounted using a present value calculation, and adjusted yearly for accretion expense. The recognition of a liability resulted in an accompanying increase to the respective tangible capital assets. The landfill capital asset is being amortized using the units production method, while the buildings capital assets affected by the asbestos liability are being amortized with the building following the depreciation accounting policies outlined in (m).

## Asset Retirement Liability

### 10. Asset retirement obligation:

The City's Asset retirement obligation consists of several obligations as follows:

#### a) Landfill obligation

The City owns and operates a number of landfill sites. The liability for operational sites and post-closure care has been recognized under the **Asset Retirement Obligation**. The costs were based upon the presently known obligations exist at the estimated year of closure of the sites and for 25 years post this had an estimated useful life of 20 years when they were purchased, of which Post-closure care is estimated to be required for 25 years from the date of closure. Costs were discounted to December 31, 2022 using a discount rate of 2.00%.

#### b) Asbestos obligation

The Entity owns and operates several buildings that are known to have asbestos. The entity represents a health hazard upon demolition of the building and there is a liability to remove it. Following the adoption of PS3280 – Asset Retirement Obligation, the entity recognized an obligation relating to the removal and post-removal care for these buildings as estimated at January 1, 2021. The buildings had an estimated useful life of 10 years when they were purchased in 2018, of which 5 years remain. Post-closure care is estimated to extend for up to a year post the closure of the building, while construction continues. Estimated costs have been discounted to the present value using a discount rate of 2.00% per annum.

The transition and recognition of asset retirement obligations involved an accrual to the Buildings and Landfill capital assets and the restatement of prior year results.

Changes to the asset retirement obligation in the year are as follows:

Asset Retirement Obligation	Landfill closure	Asbestos removal	Balance at December 31, 2021
Opening balance	\$ -	\$ -	\$ -
Accretion expense	60,950	31,836	92,786
Closing balance	\$ 60,950	\$ 31,836	\$ 92,786
	1,219	637	1,856
	\$ 62,169	\$ 32,473	\$ 94,642

Asset Retirement Obligation	Landfill closure	Asbestos removal
Opening balance	\$ 62,169	\$ 32,473
Accretion expense	1,243	637
Closing balance	\$ 63,412	\$ 33,110

11. Tangible Capital Assets:

2022

	Land	Landfill and Land Improvements	Building and Building Improvements	Vehicles, Machinery and Equipment	Water and Wastewater Infrastructure	Roads Infrastructure	Assets under construction	Total
<b>Cost</b>								
Balance, beginning of year	\$157,400	\$97,900	\$469,100	\$355,200	\$188,300	\$432,300	\$37,300	\$1,737,500
Additions	4,800	3,100	5,500	11,500	1,100	20,400	19,700	66,100
Disposals	-	-	-	(2,400)	-	(2,900)	-	(5,300)
<b>Balance, end of year</b>	<b>162,200</b>	<b>101,000</b>	<b>474,600</b>	<b>364,300</b>	<b>189,400</b>	<b>449,800</b>	<b>57,000</b>	<b>1,798,300</b>
<b>Accumulated Amortization</b>								
Balance, beginning of year	-	53,600	169,200	233,100	40,800	198,300	-	695,000
Disposals	-	-	-	(2,300)	-	(2,500)	-	(4,800)
Amortization Expense	-	4,800	13,500	19,400	2,400	16,400	-	56,500
<b>Balance, end of year</b>	<b>-</b>	<b>58,400</b>	<b>182,700</b>	<b>250,200</b>	<b>43,200</b>	<b>212,200</b>	<b>-</b>	<b>746,700</b>
<b>Net Book Value, end of year</b>	<b>\$162,200</b>	<b>\$42,600</b>	<b>\$291,900</b>	<b>\$114,100</b>	<b>\$146,200</b>	<b>\$237,600</b>	<b>\$57,000</b>	<b>\$1,051,600</b>

11. Tangible Capital Assets (continued):

	2021							
Cost	Land	Landfill and Land Improvements	Building and Building Improvements	Vehicles, Machinery and Equipment	Water and Wastewater Infrastructure	Roads Infrastructure	Assets under construction	Total
Balance, beginning of year	\$157,400	\$46,500	\$409,300	\$348,600	\$184,400	\$415,400	\$16,200	\$1,577,800
Adjustment relating to recognition of Asset Retirement Obligation (Note 10)	-	50,000	30,000	-	-	-	-	80,000
Balance, beginning of year, as restated	\$157,400	\$96,500	\$439,300	\$348,600	\$184,400	\$415,400	\$16,200	\$1,657,800
Additions	-	1,400	29,800	9,600	5,500	19,600	21,100	87,000
Disposals	-	-	-	(3,000)	(1,600)	(2,700)	-	(7,300)
Balance, end of year	157,400	97,900	469,100	355,200	188,300	432,300	37,300	1,737,500
Accumulated Amortization								
Balance, beginning of year	-	23,600	147,300	216,600	39,600	184,800	-	611,900
Adjustment relating to recognition of Asset Retirement Obligation (Note 10)	-	25,000	9,000	-	-	-	-	34,000
Balance, beginning of year, as restated	-	\$48,600	\$156,300	216,600	39,600	184,800	-	\$645,900
Disposals	-	-	-	(3,000)	(1,000)	(2,300)	-	(6,300)
Amortization Expense	-	5,000	12,900	19,500	2,200	15,800	-	55,400
Balance, end of year	-	\$3,600	169,200	233,100	40,800	198,300	-	\$695,000
Net Book Value, end of year	\$157,400	\$44,300	\$299,900	\$122,100	\$147,500	\$234,000	\$37,300	\$1,042,500
Net Book Value, beginning of year	\$157,400	\$47,900	\$263,000	\$132,000	\$144,800	\$230,600	\$16,200	\$1,011,900

# Transition

Three possible methods for transitioning to PS 3280 are acceptable:

- Retroactive application;
- Modified retroactive application; or
- Prospective application.

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Retroactive application:

- Requires an entity to apply PS 3280 to events and transactions from the date of origin of such items using historical assumption: and discount rates

Modified retrospective application:

- Requires an entity to apply PS 3280 to events and transactions from the date of origin using current assumptions and discount rates.

## Transition (continued)

For both the retrospective and modified retrospective methods, there is an adjustment recorded in the comparative period to adjust the opening balance of accumulated surplus (deficit).

Retrospective application:

- Requires an entity to apply PS 3280 to current and subsequent periods.
- No cumulative catch-up adjustment is made.
- Adjustments are recorded in the statement of operations in the year of adoption.

## Transition (continued)

Prospective application does not limit the amount of work required in applying the new standards. The full amount of all AROs, including pre-existing AROs, still have to be booked in the year the standard becomes effective.

Modified retrospective application is likely to be the most common application method.



## Example 4 – Modified Retrospective Application

- **Significant Assumptions / Case Facts:**

- The TCA to which the ARO relates was acquired on April 1, 2005 and is estimated to have a useful life of 20 years
- The entity incurred 100% of the ARO on acquisition (April 1, 2005)
- The entity used straight line amortization
- At April 1, 2025, undiscounted expected cash flows will be required to satisfy the ARO on March 31, 2025 are \$250K
- The April 1, 2022 discount rate is 3%
- Current year end date is March 31, 2023

## Example 4 – Modified Retrospective Application

- **Step 1:** Determine the inputs:
  - Term: 4 years (for the April 1, 2021 balance – opening balance)
  - Rate: 3%
  - Payment: \$250,000

Recall that for the modified retrospective application, comparative figures are restated, an adjustment to opening accumulated surplus is made, and the liability is measured as of the date it was incurred.

The discount rate and assumptions used are those as of the beginning of the current fiscal year (i.e., discount rate of 3% used).

# Example 4 – Modified Retrospective Application

- **Step 2:** Determine the PV for the first comparative period to be restated on the financial statements (equal to \$222,122):

Term	Rate	FV
	4	(for the April 1, 2021 balance - opening balance)
	3%	
	\$	(250,000)

Information	Years Remaining	Liability Balance April 1	Accretion Expense	Liability Balance March 31
2021 - 2022	4	=PV(\$856,812, 3%, 5857, 0)		\$ 228,785
2022 - 2023	3		PV(rate, nper, pmt, [fv], [type]) ,864	\$ 235,649
2023 - 2024	2		\$ 7,069	\$ 242,718
2024 - 2025	1		\$ 7,282	\$ 250,000

- The date of transition (your first entry) will be April 1, 2021 (the first day of the fiscal year before your current fiscal year – the “comparative period”)

# Example 4 – Modified Retrospective Application

- Step 3:** Determine the PV for prior year end reporting – i.e., the ARO liability amount at March 31, 2022 (equal to \$228,785):

Term	Rate	FV	4 (for the April 1, 2021 balance - opening balance)
	3%		
		\$ (250,000)	

Information	Years Remaining	Liability Balance April 1	Accretion Expense	Liability Balance March 31
2021 - 2022	4	\$ 222,122	\$ 6,664	$=PV(\$6,664, 3, 0, \$857, 0)$
2022 - 2023	3	\$ 228,785	\$ 5,864	$\{ PV(rate, nper, pmt, [fv], [t])$
2023 - 2024	2	\$ 235,649	\$ 7,069	\$ 242,718
2024 - 2025	1	\$ 242,718	\$ 7,282	\$ 250,000

(a) \$228,785.41 = PV of \$250,000, 3%, 3 Years and the balance of the liability at the first year end rep

## Example 4 – Modified Retrospective Application

- **Step 4:** Determine the amount to capitalize for the ARO. To do this, you will need to determine the value of the asset discounted to when the asset would have been originally recorded (i.e., in April 2005)

PV of ARO at April 1, 2005 = PV of \$250,000, discounted at 3%, 20 years: \$ 138,419

`=PV(0.03,20,0,250000,0)`

PV(rate, nper, pmt, [fv], [type])

## Example 4 – Modified Retrospective Application

- **Step 5:** Determine the accumulated amortization on the asset at the prior year reporting date for comparative purposes:

Accumulated Amortization on the Asset (138,418.94 / 20 years \* 16)      \$      110,735

# Example 4 – Modified Retrospective Application

- **Step 6:** Determine the journal entries to setup the comparative information for April 1, 2021 (first day of comparative year end – March 31, 2022):

To record the ARO on April 1, 2021:			
	Debit	Credit	
Asset Retirement Asset	\$ 138,419		
Acc. Amortization - Asset Retirement Asset		\$ 110,735	
Opening Accumulated Surplus Deficit	\$ 194,437		(Note on Calculation below)
Asset Retirement Obligation Liability		\$ 222,121	
<b>Note: Opening Accumulated Surplus Adjustment</b>			
April 1, 2021 Liability	\$ 222,122		
Less: Original Asset / Liability	\$ 138,419		
	\$ 83,703		
Add: Accumulated Amortization Adjustment	\$ 110,735		
	\$ 194,438		

# Example 4 – Modified Retrospective Application

- 10 • **Step 7: Determine the prior year end (March 31, 2022) entries for amortization and accretion:**

To record amortization and accretion expense for the year ending March 31, 2022:

	<u>Debit</u>	<u>Credit</u>
1. Amortization Expense	\$ 6,921	
Acc. Amortization asset Retirement Asset		\$ 6,921
2. Accretion Expense	\$ 6,664	
Asset Retirement Obligation Liability		\$ 6,664



# Example 4 – Modified Retrospective Application

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- **Step 7: Determine the current year end (March 31, 2023) entries for amortization and accretion:**

To record amortization and accretion expense for the year ending March 31, 2023:

	<u>Debit</u>	<u>Credit</u>
1. Amortization Expense	\$ 6,921	
Acc. Amortization asset Retirement Asset		\$ 6,921
2. Accretion Expense	\$ 6,864	
Asset Retirement Obligation Liability		\$ 6,864

# Example 4 – Modified Retrospective Application

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- **Step 8:** Calculate the balance per financial statements based on the adjustments that were posted:

	<u>March 31, 2023</u>	<u>March 31, 2022</u>	<u>April 1, 2021</u>
Tangible Capital Asset	\$ 138,419	\$ 138,419	\$ 138,419
Accumulated Amortization	\$ (124,577)	\$ (117,656)	\$ (110,735)
Net Book Value	\$ 13,842	\$ 20,763	\$ 27,684
Asset Retirement Obligation	\$ 235,649	\$ 228,785	\$ 222,122

## Why is my entity likely to have an ARO?

If you have an existing landfill closure and post closure liability, you **definitely** have an ARO (previously reported under PS 3270)

If you have buildings constructed before 1970, you **most likely** have an ARO

If you have buildings built before the asbestos ban in 1990, you **likely** have an ARO

Other likely common areas:

- Specialized medical equipment (X-Rays machines)
- Oil and other storage tanks
- Water and sewer treatment plants
- In-ground piping with asbestos insulation or other hazardous material

# Planning

Develop an ARO policy

Identify TCAs and sites

- i. Develop a complete inventory of TCAs with possible AROs (compare your inventory with departmental records and financial statement TCA listing)
- ii. Document why you have or do not have an ARO
- iii. Review lease agreements where your entity is the lessee

Measure identified AROs

- i. Perform assessments to develop estimates

Report on AROs

- i. Assemble documentation and assumptions to support estimates



# THANK YOU

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CHARTERED PROFESSIONAL ACCOUNTANT



## STAFF REPORT

**For:** Mayor and Council  
**From:** Keir Gervais, CAO  
**Subject:** 2024 Regular Council Meeting Schedule  
**Meeting date:** December 19, 2023

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### BACKGROUND

Pursuant to Section 127 (1) of the *Community Charter* a Council must:

- a) make available to the public a schedule of the date, time and place of regular council meetings, and,
- b) give notice of the availability of the schedule in accordance with section 94 [*public notice*] at least once a year.

### DISCUSSION

On December 5, 2023, Council approved the 2024 Regular Council Meeting Schedule, which included the removal of the second meeting in December.

Following the December 5, 2023 regular Council meeting, staff recognized that the first meeting in January is scheduled to occur on the first day the Village Office reopens after Christmas break and staff return to work. With little to no time to prepare a meeting agenda, staff are recommending that the January 2, 2024 regular Council meeting be removed from the 2024 regular Council meeting schedule. The revised schedule is attached.

### STAFF RECOMMENDATIONS

THAT Council approves the revised 2024 Regular Council Meeting Schedule as presented noting that the January, July, August, September, and December meetings are varied from Council Procedure Bylaw No. 416, 2015.

Respectfully submitted,

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Keir Gervais, CAO

Attachments:

- **2024 Regular Council Meeting Schedule**



# Village of Sayward

## Notice of Regular Council Meetings

The Village of Sayward Regular Council Meetings for the year 2024 will be held in Council Chambers located at 652 H'Kusam Way at 7:00 PM on the following dates:

January	Tuesday	16
February	Tuesday	6
February	Tuesday	20
March	Tuesday	5
March	Tuesday	19
April	Tuesday	2
April	Tuesday	16
May	Tuesday	7
May	Tuesday	21
June	Tuesday	4
June	Tuesday	18
July	Tuesday	16
August	Tuesday	20
September	Tuesday	3
September	Tuesday	24
October	Tuesday	1
October	Tuesday	15
November	Tuesday	5
November	Tuesday	19
December	Tuesday	3

### Notes:

1. LGLA Elected Officials Series – AVICC Session April 12-14 in Victoria
2. AVICC Convention 2024, April 12-14 in Victoria
3. UBCM Convention 2024, September 16-20 in Vancouver



## STAFF REPORT

For: Mayor and Council  
Prepared by: Keir Gervais, CAO  
Subject: **Grant Applications – Approved Funding**  
Meeting date: December 19, 2023

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### BACKGROUND

On May 2, 2023 Council approved the 2023-2027 Financial Plan. Since that time staff have submitted several grant applications for various projects, and the Village has since been informed certain grant funding has been approved. To incorporate this grant funding and the associated project costs into the financial plan a resolution by Council is required.

### DISCUSSION

#### ***UBCM Complete Communities Program Grant Application***

On June 6, 2023 Council passed the following resolution:

#### **MOTION R163/23**

#### **MOVED AND SECONDED**

THAT Council receive the UBCM Complete Communities Program staff report for information and discussion; and,

THAT Council directs Staff to contract with Urban Systems to complete the application for up to \$1,2000; and

THAT Staff be directed to submit the application to UBCM.

On August 25, 2023 the Village was notified that this grant application was successful. A Council resolution to incorporate this funding and the associated project costs into the FP is required. The funding from this grant is for the following Village project:

Item	Budget
<b><i>Land Use and Infrastructure Analysis for Zoning Bylaw Modernization</i></b>	<b>\$123,600</b>



**UBCM Community to Community (C2C) Program Grant Application**

On August 15, 2023 Council passed the following resolution:

**MOTION R224/23**

**MOVED AND SECONDED**

THAT Council receive the UBCM Community to Community (C2C) Program Grant Application staff report for information and discussion; and,

THAT Council authorize staff to apply to receive the UBCM Community to Community (C2C) Program September 1, 2023 intake for an amount up to \$20,000; and,

THAT the Village of Sayward agrees to provide overall grant management; and,

THAT Staff engage with the First Nations to set firm dates and agendas for a series of forums in late 2023 and 2024.

***On October 27, 2023 the Village was notified that this grant application was successful. A Council resolution to incorporate this funding and the associated project costs into the FP is required.***

***The funding from this grant is for the following Village project:***

<i>Item</i>	<i>Budget</i>
<b><i>C2C Forums</i></b>	<b><i>\$10,000</i></b>

**RECOMMENDATIONS**

THAT Council receives the Grant Applications – Approved Funding staff report for information and discussion.

THAT the 2023-2027 Financial Plan be amended to incorporate \$123,600 from the Community to Community (C2C) Program Grant, and \$10,000 from the UBCM Community to Community (C2C) Program grant, to fund the projects identified in the December 19, 2023 report from the CAO.

Respectfully submitted,



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Keir Gervais, CAO