

SIDIT EVALUATION

Subsection:
LEGISLATIVE REVIEW PROCESS
SOUTHERN INTERIOR DEVELOPMENT INITIATIVE TRUST
ACT (BILL 8 – 2005)



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1.0 PROJECT OVERVIEW/OBJECTIVES

“ (1) Subject to section 10 (3), on or before the fifth anniversary of the coming into force of this section, and on or before every fifth anniversary after that, the directors must, if the Southern Interior Development Initiative Trust has not by that date been dissolved and disestablished under section 23, appoint a committee of qualified individuals to review this Act and evaluate how it is functioning.”

Bill 8 – 2005,
Southern Interior Development Initiative Trust Act

1.1 The Southern Interior Development Initiative Trust

On February 27, 2006 the Southern Interior Development Initiative Trust (SIDIT) was officially established pursuant to Bill 8-2005, the Southern Interior Development Initiative Trust Act. With establishment came an initial capitalization of \$50 million and a mandate to stimulate and facilitate the realization of positive, long lasting and measurable benefits within the Southern Interior of British Columbia geographically encompassing the Columbia-Kootenay region and the Thompson-Okanagan region (roughly the area from Hope east to the Alberta Border and from Blue River south to the US border).

Other matters of note:

1.1.1 Governance: As defined by the Act and as constituted, SIDIT is governed by a thirteen member Board of Directors. This Board is comprised of eight members appointed by SIDIT's Regional Advisory Committees (Columbia-Kootenay RAC and Thompson-Okanagan RAC) and five members independently appointed by the Provincial Government. All members of the SIDIT Board are from within the SIDIT area.

1.1.2 Focus: As specifically defined within the ACT, SIDIT activities are intended to specifically support regionally strategic investments in forestry; pine beetle recovery; transportation; tourism; mining; Olympic opportunities; small business; economic development; energy; and/or agriculture.

In practice SIDIT has undertaken a broad and diverse sectoral focus with an emphasis on prudent and conscientious decisions. Financial support includes grants, loans and equity participation with an emphasis on leveraged participation and a concern for overall fund sustainability.

1.1.3 Impact: Since inception there have been a broad range of tangible and intangible impacts and benefits accruing within the SIDIT Region as a consequence of SIDIT activities. By way of example, according to the most recent Annual Report (to March 31, 2010) there was \$24 million approved by SIDIT for development initiatives, grants and education awards; \$93 million in total project value created through SIDIT loans and equity participation; \$69 million leveraged from other sources as part of overall project funding; 893 direct and indirect jobs created with the potential for significant additional employment over the next five years; and 2,696 students given educational support in accredited trades and technology programs.

1.1.4 Organizational Goals and Objectives: SIDIT's core goals include the following:

1. Strengthen and expand alliances with lending institutions and identify new co-lending opportunities
2. Attract sufficient qualifying projects and such other funding opportunities as necessary to reach SIDIT's annual disbursement target of \$7.5 million (cumulative target of \$22.5 million to fiscal 2010 year-end)
3. Enhance the profile of SIDIT through strategic sponsorships, presentations, event attendance and networking
4. Execute an effective communications plan ensuring all communities are aware and have equitable access to funds for eligible programs within funding guidelines
5. Improve monitoring and reporting processes
6. Continuous improvement in process design and decision making
7. Establish staff requirements as necessary to support SIDIT disbursement targets

1.2 Evaluation of The Southern Interior Development Initiative Trust

In December 2010 the Southern Interior Development Initiative Trust issued a call for proposals seeking an independent contractor to *“...set-up a framework to be used to evaluate SIDIT’s functioning pursuant to the Southern Interior Development Initiative Trust Act (the “Act”) as required by section 26 of the Act and to conduct such evaluation. [And that] the purpose of the evaluation framework was to provide the Evaluation Committee with a consistent, comparable and objective means of conducting the mandatory evaluation pursuant to the Act, including assessing the effectiveness and efficiency of SIDIT’s operations within the scope of the Act, and the impact of SIDIT’s Investments at the regional and community level along with the compliance of such investments in accordance with the Act.”*

In January 2011 SIDIT awarded Lochaven Management Consultants Ltd a contract to undertake the aforesaid evaluation. By way of background, Lochaven Management Consultants Ltd. is a client focused firm with substantive experience and expertise undertaking organizational/operational evaluations including assignments on behalf of the Province of British Columbia, Columbia Basin Trust and a variety of local governments and local authorities within the Southern interior.

1.2.1 LMC’s Approach to the Performance Evaluation of The Southern Interior Development Initiative Trust:

Inasmuch as *“public sector organizations* [implying those created pursuant to or substantially supported by public sector funding from the Province of British Columbia] *are accountable to the people of British Columbia.”* the overall objective of a proper evaluation must necessarily include a broad, credible and transparent review of SIDIT’s performance in terms of effectiveness and efficiency of delivery complete with the identification and articulation of best practices, lessons learned and recommendations for going forward.

The key methodological elements proposed by LMC in the evaluation process included the following:

- An open, participatory process to ensure this broad based evaluation is thorough, objective and transparent.
- The design and application of a proven performance assessment criteria within a logical model/framework;

- A comprehensive review and testing of available internal/external information, reports and documents; and
- Substantive engagement of key stakeholders/beneficiaries/partners utilizing a series of focused questions and formats to ensure that a substantive base of geographical, sectoral, program and stakeholder stratified information is collected and analyzed.

In subsequent discussions between SIDIT and LMC following the award of contract, it was agreed by Lochaven Management Consultants Ltd that the performance review would also include the specific task of:

- A legislative review.

1.3 Legislative Review

As noted above, the Southern Interior Initiative Trust was established in 2005 by the Southern Interior Development Initiative Trust Act. Pursuant to the Act and particularly Section 26 there is a requirement to undertake a review of the Act. Specifically:

“(1) Subject to section 10 (3), on or before the fifth anniversary of the coming into force of this section, and on or before every fifth anniversary after that, the directors must, if the Southern Interior Development Initiative Trust has not by that date been dissolved and disestablished under section 23, appoint a committee of qualified individuals to review this Act and evaluate how it is functioning.

(2) The review committee may consult with business, labour, education providers, government and any other person or organization it considers appropriate.

(3) If a review committee is appointed, it must publish a report of its findings in a manner that can reasonably be expected to bring the report to the attention of the public.”

According to the Province of British Columbia (Ministry Of Regional Economic And Skills Development), a legislative review shall adhere to the following key principles:

1. The review should be undertaken **independently** to ensure impartiality in its findings , analysis and conclusions.
2. The review should be **transparent** to ensure that in perception and reality a reasonable person would see the review to be rigorous, objective and impartial.

3. The review should indicate **accountability** and be based on evidence based conclusions.

1.3.1 The SIDIT Legislative Review Committee (LRC): The structure and mandate of the Legislative Review Committee is defined within Section 26 of the Act (Bill 8-2005, the Southern Interior Development Initiative Trust Act).

In terms of committee representation, the Act defines a "*qualified individual*" as an individual who is not:

- "(a) an elected official of a municipality or a regional district,*
- (b) a Member of the Legislative Assembly,*
- (c) an employee of the government,*
- (d) a member of the board of directors of the Southern Interior Development Initiative Trust,*
- (e) a member of a regional advisory committee, or*
- (f) a person who is: (i) the spouse, parent or child of any individual referred to in paragraph (d) or (e), or (ii) any other relative residing with that individual."*

For the purposes of this review effort, the Board of Directors of SIDIT further specified that a "qualified individual" would be one who:

- a) is resident within the geographic area in which SIDIT services (Columbia-Kootenay region and the Thompson-Okanagan region) and is generally knowledgeable of the circumstances and context of development programming within that area;
- b) is familiar with the language and intent of legislation; and,
- c) is well versed in the principles, purpose and scope of economic development.

Pursuant to the suggestion of the Ministry of Regional Economic and Skills Development The Board of Directors of the Southern Interior Development Initiative Trust accepted the premise that "*in appointing a review committee under section 26(1) the directors are to be guided by*": a) the Governance and Disclosure Guidelines for Governing Boards of British Columbia Public Sector Organizations published by the British Columbia Board Resourcing and Development Office; and, b) The Review of the Governance Framework for Canada's Crown Corporations - Meeting the Expectations of Canadians published by the Treasury Board of Canada Secretariat.

Appointed by the Board of Directors of the Southern Interior Initiative Trust, the members of the SIDIT Legislative Review Committee included the following:

Members of LRC	Affiliation
Mr. Kevin Poole	City of Vernon Economic Development Office
Ms. Luanne Chore	Business Development Bank of Canada, Kelowna
Dr Nancy Van Wagoner	Thompson Rivers University, Kamloops
Mr. Martin Yuill	Accelerate Okanagan, Kelowna
Ms. Wendy McCulloch	CFDC Boundary, Grand Forks
Mr. Greg Deck	Former Mayor of Radium and a former Board Member of SIDIT

Careful to ensure the independence of the Legislative Review Committee and at the same time provide support as necessary to ensure the process was facilitated, the Board of Directors of SIDIT provided an “approved” array of resources including Lochaven Management Consultants Ltd. (coordination, facilitation and documentation) and SIDIT CEO Ms. Luby Pow (technical resource).

In terms of **mandate** the Legislative Review Committee approved the following tasks:

- a) Review and make recommendations in respect to the legislative evaluation framework;
- b) Assist with the recruitment of qualified candidates for the Legislative Review Committee (LRC);
- c) Familiarize themselves with the mandate and offerings of SIDIT;
- d) Attend a focus group meeting (Tuesday April 12, 2011) and make themselves available for supplementary one on one interviews if required to provide their input to the Legislative Review;
- e) Where deemed appropriate/advantageous to seek additional input/comments from other stakeholders/interested individuals; and,
- f) Make recommendations regarding the Act and its functioning.

2.0 PERFORMANCE EVALUATION FRAMEWORK

“The introduction of the Southern Interior Development Initiative Trust Act honours a government commitment that was made to communities of the southern interior region in the same way that Bill 7 lives up to the commitments we made with regard to the north Island and coastal region. The new act delivers on our commitment to create a \$50 million initiative trust for this region, the same as was the case for the north Island–coast. It is to be free of provincial government interference. It is to develop economic growth and create new jobs for communities throughout this region.

The bill enables the southern interior trust to operate as a corporation independent of government, with a requirement to report publicly to the region's residents. Accountability tools and measures include the preparation and publication of strategic plans, annual reports and audited financial statements. The act will undergo a review and evaluation by an independent committee every five years to provide further public accountability.”

Hon. C. Hansen,
Official Report of Debates Of The Legislative Assembly,
(Hansard). Tuesday, October 18, 2005

2.1 LRC Approach to the Legislative Review

The Legislative Review Committee’s approach to the evaluation of Southern Interior Development Initiative Trust Act was one that focussed on the Southern Interior Development Initiative Trust Act specifically, taking into account how the Act was perceived to impact on the mandate, priorities, and impacts of the the Southern Interior Development Initiative Trust generally.

The following questions guided their deliberations:

Overarching

1. How does the ACT contribute to/detract from SIDIT's efficiency and effectiveness?
2. How might the Act be improved/amended to enhance SIDIT performance?

And specifically

Taking into account: values and guiding principles; outputs and impacts; cost (value for money); access and awareness; and good governance:

3. What particular parts of the Act are especially enabling?
4. What particular parts of the Act are especially disabling?

2.2 LRC Deliberations

Each member of the Legislative Review Committee was contacted in advance by Lochaven Management Consultants and/or the Southern Interior Development Initiative Trust to confirm their interest and participation in the evaluation; to explain their responsibilities; and to provide them with briefing materials/background information on SIDIT, the Act and the evaluation review process. On Tuesday April 12, 2011 the members of the Legislative Review Committee met in Vernon as a focus group to undertake the initial review discussions. The meeting was facilitated by Lochaven Management Consultants who also kept records of the discussions. Ms. Luby Pow was in attendance as a resource person to the LRC. The discussions that occurred were focused on the task at hand and comprehensive. Very few issues were contentious and for the most part there was a consensus of opinions on the majority of issues. After the meeting each member was given the opportunity to: (1) seek out and input other information they thought was relevant from colleagues or other stakeholders within the SIDIT region; and, (2) review/comment and change the draft report as they saw fit.

Subsequently a follow-up email was sent to each member of the Legislative Review Committee requesting their inputs with the Draft Report. Adjustments were made accordingly. What follows has the support of all members.

3.0 EVALUATION AND RECOMMENDATIONS

“The purpose of legislation is to control and regulate ... to define responsibilities, functions and obligations And also to provide the necessary powers to administer, to undertake, to facilitate and to empower...”

3.1 Consensus View/Opinion on the Act

All LRC members advised that they had read the Act, were generally aware of its intended purpose, and were generally aware of how this intended purpose had translated into the actions, activities and beneficial impacts of the Southern Interior Development Initiative Trust within the region (Columbia-Kootenay region and the Thompson-Okanagan region).

Without exception all members of the Legislative Review Committee felt that the Act as currently written facilitated/contributed to the success of the Southern Interior Development Initiative Trust by giving the Organization, the Board and the staff broad flexibility to design and implement programs and initiatives relevant to the region’s economic needs and interests. While some individuals felt that it would benefit by some fine tuning, overall the LRC held to the position that *“if it ain’t broke, don’t fix it.”*

3.2 Consensus View/Opinion On Specific Clauses Within The Act

Within the context of evaluating each clause within the Act, there was only one recommended change that garnered a consensus opinion.

Respecting: *Operating expenses and remuneration*

13 (1) *The directors may use money from the Regional Account to satisfy those expenses that are reasonably and necessarily incurred in order to allow the directors and officers to perform their obligations under this Act.*

(2) A director of the Southern Interior Development Initiative Trust must not accept remuneration from that corporation other than for reasonable travelling and out of pocket expenses necessarily incurred by the director in discharging his or her duties.

It was the view of the LRC that this clause unduly discriminated against proposed and actual Board Members and/or Directors located in the more rural or far reaching parts of the SIDIT region versus those located closer by compensating only travel costs and not taking into consideration the time lost due to travel. As such it was recommended that some daily fee of up to \$200/day be claimable by all Board and RAC members for travel to and from meeting venues but that as presently structured no fee be allowable for the actual attendance at meetings.

Respecting: Definitions...

1 In this Act:

"Columbia-Kootenay region" has the meaning prescribed by regulation;

"qualified individual" means an individual who is not

- (a) an elected official of a municipality or a regional district,
- (b) a Member of the Legislative Assembly,
- (c) an employee of the government,
- (d) a member of the board of directors of the Southern Interior Development Initiative Trust,
- (e) a member of a regional advisory committee, or
- (f) a person who is
 - (i) the spouse, parent or child of any individual referred to in paragraph (d) or (e), or
 - (ii) any other relative residing with that individual;

It was the view of the LRC that **clause1 (c)** be amended to read *"an employee of the government of British Columbia"* so as not to preclude the valued participation of representatives of municipal and federal government agencies and authorities where the organization (SIDIT) might benefit by their participation.

3.3 General Comments/Concerns on Specific Aspects of the Act

Notwithstanding the general view that there should be no substantive changes to the Act, there were several issues that arose in discussions and were voiced as concerns by in some

cases several individuals. That being said no consensus was achieved in respect to these perceived issues and concerns.

The following list of concerns is presented in order of those with the highest level of near consensus to those with the least.

Given the purpose of the Southern Interior Development Initiative Trust to support economic development within the region there is insufficient importance afforded the representation of business or the private sector on the various RAC's and on the Board.

Provincial appointments as Directors (approximately 40% of the total membership) is inordinately high and there is a lack of transparency in their selection.

In terms of Clause 20 (1) Purpose of Regional Account the identification of categories of supportive investments lacks consistency in categorization. This in turn can lead to misreporting

It seems at best inconvenient and at worse misleading to undertake a Legislative Review (Evaluation) without having a proper performance evaluation at the same time.

The approach/operations adopted by the Southern Interior Development Initiative Trust is one of ensuring that the fund is sustained in the long term yet the importance of building a legacy through long-term sustainability is not built into the Act.

Appendix A: **SOUTHERN INTERIOR DEVELOPMENT INITIATIVE TRUST ACT**

This Act is Current to April 6, 2011

SOUTHERN INTERIOR DEVELOPMENT INITIATIVE TRUST ACT

[SBC 2005] CHAPTER 39

Assented to November 24, 2005

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Part 1 – Interpretation

Definitions

1 In this Act:

"Columbia-Kootenay region" has the meaning prescribed by regulation;

"qualified individual" means an individual who is not

- (a) an elected official of a municipality or a regional district,
- (b) a Member of the Legislative Assembly,
- (c) an employee of the government,
- (d) a member of the board of directors of the Southern Interior Development Initiative Trust,
- (e) a member of a regional advisory committee, or
- (f) a person who is
 - (i) the spouse, parent or child of any individual referred to in paragraph (d) or (e), or
 - (ii) any other relative residing with that individual;

"region" means the Columbia-Kootenay region or the Thompson-Okanagan region;

"Regional Account" means the account established under section 7 (2) (a);

"regional advisory committee" means a regional advisory committee established under this Act;

"Southern Interior area" means that area of British Columbia comprising the Columbia-Kootenay region and the Thompson-Okanagan region;

"Southern Interior Development Initiative Trust" means the Southern Interior Development Initiative Trust established under section 5 (1);

"Southern Interior one-time development allocation" means any money paid by the government to the Southern Interior Development Initiative Trust;

"Thompson-Okanagan region" has the meaning prescribed by regulation.

Part 2 — Southern Interior Development Initiative Trust

Division 1 — Regional Advisory Committees

Establishment of regional advisory committees

- 2 (1) There is established, for each region, a regional advisory committee comprising the following:
- (a) the mayors of each of the municipalities that
 - (i) is within the region, and
 - (ii) on the coming into force of this Act, has a population greater than 500;
 - (b) the chairs of each regional district that is, in whole or in part, within the region;
 - (c) the Members of the Legislative Assembly who have been elected, in whole or in part, by electors from the region.
- (2) The term of membership on a regional advisory committee for each individual referred to in subsection (1) expires on the earlier of
- (a) the date that is 6 months after the coming into force of this Act, and
 - (b) the date on which he or she ceases to hold the position referred to in subsection (1).
- (3) Within 6 months after the coming into force of this Act, each of the regional advisory committees must
- (a) appoint 4 directors of the Southern Interior Development Initiative Trust in accordance with sections 6 (2) (a) and 8 (1), and
 - (b) subject to section 3,
 - (i) determine the size of, and the manner of appointing members to, the regional advisory committee, and
 - (ii) determine the role of, and the manner of appointing, the chair of the regional advisory committee.
- (4) On the coming into force of this Act, the following persons are the first chairs of the regional advisory committees:

(a) for the regional advisory committee for the Columbia-Kootenay region, the mayor of Nelson;

(b) for the regional advisory committee for the Thompson-Okanagan region, the mayor of Kamloops.

(5) The first chair of a regional advisory committee must call and chair the meeting or meetings necessary to allow that regional advisory committee to perform its obligations under subsection (3).

Composition of regional advisory committees

3 A regional advisory committee, whether under section 2 (3) (b) or otherwise, may from time to time determine the size of, and the manner of appointing members to, the regional advisory committee and the role of, and the manner of appointing, the chair of the regional advisory committee, but in doing so the members of the regional advisory committee must

(a) ensure that the only persons who are eligible to become members of the regional advisory committee are

(i) elected officials of municipalities or regional districts that are, in whole or in part, within the region, or

(ii) Members of the Legislative Assembly who have been elected, in whole or in part, by electors from the region,

(b) provide an opportunity for municipalities or regional districts within the region that have populations of less than 500 to be represented on the regional advisory committee,

(c) establish the terms of office for members of the regional advisory committee, and

(d) ensure that if a member of the regional advisory committee ceases to meet the qualifications for membership set out under paragraph (a), that individual immediately ceases to be a member of the regional advisory committee.

Procedures

4 The members of a regional advisory committee must appoint one of their number as chair and may, subject to section 3, otherwise establish their own procedures.

Division 2 – Establishment and Structure of the Southern Interior Development Initiative Trust

Southern Interior Development Initiative Trust established

5 (1) There is established a corporation known as the Southern Interior Development Initiative Trust consisting of the directors referred to in section 6.

(2) The Southern Interior Development Initiative Trust has the powers and capacity of an individual of full capacity.

(3) The Southern Interior Development Initiative Trust is not an agent of the government.

Directors of the Southern Interior Development Initiative Trust

6 (1) Directors of the Southern Interior Development Initiative Trust must be appointed in accordance with this Division.

(2) Subject to section 7 and to subsection (8) of this section, the board of directors of the Southern Interior Development Initiative Trust is to consist of 13 individuals of whom

(a) 8 are to be appointed by the regional advisory committees, with each of the 2 regional advisory committees appointing 4 of their number as directors, and

(b) 5 are to be appointed by the Lieutenant Governor in Council.

(3) Subject to section 7 (3), the term of office of a director of the Southern Interior Development Initiative Trust is,

(a) if the director is appointed under subsection (2) (a) of this section, 2 years from the expiry of the term of the retiring director that he or she replaces, and

(b) if the director is appointed under subsection (2) (b) of this section, 3 years from the expiry of the term of the retiring director whom he or she replaces.

(4) Nothing in this Act prevents

(a) a regional advisory committee from removing and replacing, in accordance with any procedures it has established for that purpose, any individual the regional advisory committee has appointed as a director of the Southern Interior Development Initiative Trust, and

(b) the Lieutenant Governor in Council from removing and replacing any individual the Lieutenant Governor in Council has appointed as a director of the Southern Interior Development Initiative Trust.

(5) If a director is removed and replaced under subsection (4),

(a) the regional advisory committee or the Lieutenant Governor in Council, as the case may be, must promptly notify the directors of the Southern Interior Development Initiative Trust of the replacement appointment, and

(b) the term of office of the replacement director is the remainder of the term of the director he or she replaces.

(6) A director of the Southern Interior Development Initiative Trust is removed

as, and ceases to be, a director of the Southern Interior Development Initiative Trust on the passing of a resolution to that effect by all of the remaining directors.

(7) An act or proceeding of the directors of the Southern Interior Development Initiative Trust is not invalid merely because fewer than the number of directors required by subsection (2) are in office or in attendance.

(8) An individual who is a Member of the Legislative Assembly must not be appointed as a director of the Southern Interior Development Initiative Trust.

First directors of the Southern Interior Development Initiative Trust

- 7 (1) On the coming into force of this Act, the first directors of the Southern Interior Development Initiative Trust are
- (a) from the regions, the following persons:
 - (i) from the Columbia-Kootenay region, the mayors of Cranbrook, Trail, Golden and Grand Forks;
 - (ii) from the Thompson-Okanagan region, the mayors of Kelowna, Vernon, Princeton and Salmon Arm, and
 - (b) 5 individuals appointed as directors by the Lieutenant Governor in Council.
- (2) The first directors of the Southern Interior Development Initiative Trust
- (a) must establish a Regional Account,
 - (b) must receive the Southern Interior one-time development allocation and deposit it into the Regional Account,
 - (c) subject to section 22, may invest any or all of the Southern Interior one-time development allocation and any other money in the Regional Account, and
 - (d) subject to paragraphs (b) and (c) of this subsection and to section 20 (2), must not make any use of the Southern Interior one-time development allocation.
- (3) The term of office of the first directors of the Southern Interior Development Initiative Trust expires 6 months after the date of the coming into force of this Act.

Subsequent directors

- 8 (1) On or before the expiry of the term of any directors it appoints under section 6 (2) (a) and on or before the expiry of the term of the directors from its region referred to in section 7 (1) (a), a regional advisory committee must appoint 4 of their number as directors to replace the retiring directors, and must promptly notify the directors of the Southern Interior Development Initiative Trust of those replacement appointments.

(2) On or before the expiry of the term of directors appointed under section 6 (2) (b) or 7 (1) (b), the Lieutenant Governor in Council must appoint 5 individuals to replace those directors, and must promptly notify the directors of the Southern Interior Development Initiative Trust of those appointments.

Vacancies among the directors

- 9 (1) A director of the Southern Interior Development Initiative Trust ceases to hold office when
- (a) the director's term of office expires,
 - (b) the director ceases to be a member of the regional advisory committee by which he or she was appointed, or
 - (c) the director dies, resigns or is removed from office.
- (2) If one of the directors of the Southern Interior Development Initiative Trust ceases to hold office, a replacement for that director must be appointed in the same manner as that director was appointed.
- (3) A replacement director appointed under subsection (2) holds office until the end of the term of the director he or she replaces.

Proceedings of directors

- 10 (1) The directors of the Southern Interior Development Initiative Trust
- (a) must appoint one of their number as chair, and
 - (b) may, subject to this Division, otherwise establish their own procedures.
- (2) Subject to section 22, the directors of the Southern Interior Development Initiative Trust may invest any or all of the Southern Interior one-time development allocation.
- (3) In appointing a chief executive officer and a chief financial officer under section 11 (1) and a review committee under section 26 (1), the directors are to be guided by the guidelines set out in the following as amended or replaced from time to time:
- (a) the *Governance and Disclosure Guidelines for Governing Boards of British Columbia Public Sector Organizations* published by the British Columbia Board Resourcing and Development Office;
 - (b) the *Review of the Governance Framework for Canada's Crown Corporations — Meeting the Expectations of Canadians* published by the Treasury Board of Canada Secretariat.

Appointment of chief executive officer and chief financial officer

- 11 (1) Subject to section 10 (3), the directors must appoint a qualified individual

as the chief executive officer of the Southern Interior Development Initiative Trust, and the same or a different qualified individual as the chief financial officer of the Southern Interior Development Initiative Trust, to carry out

(a) the functions and duties of the chief executive officer and chief financial officer, respectively, under this Act, and

(b) the functions and duties that the directors specify.

(2) The directors may set the remuneration of the chief executive officer and chief financial officer.

Officers and employees

12 (1) The chief executive officer, to the extent authorized by the directors, may do one or more of the following:

(a) enter into contracts on behalf of the Southern Interior Development Initiative Trust to carry out any of its purposes;

(b) appoint other officers and employees considered necessary to carry out the operations of the Southern Interior Development Initiative Trust;

(c) define the duties and set the remuneration of the individuals appointed under paragraph (b);

(d) provide a system of organization to establish responsibility and promote efficiency.

(2) The *Public Service Act*, the *Public Service Benefit Plan Act*, the *Public Sector Pension Plans Act* and the *Public Service Labour Relations Act* do not apply to the Southern Interior Development Initiative Trust, the chief executive officer, the chief financial officer or a director, officer or employee of the Southern Interior Development Initiative Trust.

Operating expenses and remuneration

13 (1) The directors may use money from the Regional Account to satisfy those expenses that are reasonably and necessarily incurred in order to allow the directors and officers to perform their obligations under this Act.

(2) A director of the Southern Interior Development Initiative Trust must not accept remuneration from that corporation other than for reasonable travelling and out of pocket expenses necessarily incurred by the director in discharging his or her duties.

Part 3 — Public Accountability

Strategic plans

- 14** (1) For the purposes of public accountability, the directors must prepare strategic plans in accordance with this section.
- (2) The directors must
- (a) each year establish a 3 year strategic plan for the Southern Interior Development Initiative Trust including goals for each year of the strategic plan relating to the fulfillment of the purposes identified in section 20 in relation to the Regional Account,
 - (b) provide a copy of each strategic plan prepared under this section to each of the regional advisory committees, and
 - (c) publish each strategic plan prepared under this section in a manner that can reasonably be expected to bring the plan to the attention of the public.
- (3) The directors must prepare
- (a) the first strategic plan required under subsection (1) on or before the earlier of
 - (i) the date on which the Southern Interior Development Initiative Trust makes any of the payments contemplated by section 20, and
 - (ii) the first anniversary of the coming into force of this section, and
 - (b) after that, a strategic plan before the first day of each fiscal year of the Southern Interior Development Initiative Trust.

Annual reports

- 15** (1) Within 4 months after the end of each fiscal year of the Southern Interior Development Initiative Trust, the directors must
- (a) prepare an annual report that complies with subsection (2) (a), and
 - (b) prepare, in accordance with generally accepted accounting principles, financial statements for the Southern Interior Development Initiative Trust for that fiscal year and have those financial statements audited in accordance with section 16.
- (2) The directors must,
- (a) in each annual report referred to in subsection (1) of this section,
 - (i) report on the goals set by the directors for the preceding fiscal year under section 14 (2), indicate how, if at all, those goals have been met and detail how those achievements met the intent of the purposes identified in section 20 in relation to the Regional Account,

- (ii) compare actual results for the preceding fiscal year with the expected results identified in the strategic plan for that fiscal year, and
 - (iii) include the audited financial statements referred to in subsection (1) (b),
- (b) provide a copy of that annual report to each of the regional advisory committees, and
- (c) publish each annual report in a manner that can reasonably be expected to bring the annual report to the attention of the public.

Audit

- 16** (1) The Southern Interior Development Initiative Trust must, on or before the end of each fiscal year, appoint, as auditor for the Southern Interior Development Initiative Trust, an individual who is authorized to be an auditor of a company under section 205 of the *Business Corporations Act* to audit the accounts, transactions and financial statements of the Southern Interior Development Initiative Trust for the following fiscal year.
- (2) The accounts, transactions and financial statements of the Southern Interior Development Initiative Trust must, at least once in every year, be audited and reported on by the auditor and the costs of the audit must be paid by the Southern Interior Development Initiative Trust.
- (3) An oral or written statement or report made under this Act by the auditor or a former auditor of the Southern Interior Development Initiative Trust has qualified privilege.

Part 4 — Allocations

Limit on the Southern Interior one-time development allocation

- 17** Despite any other enactment, if the government makes Southern Interior one-time development allocation payments to the Southern Interior Development Initiative Trust, the total of those payments must not exceed \$50 million.

Management of Regional Account

- 18** (1) The Southern Interior Development Initiative Trust must manage the Regional Account.
- (2) If any donation is made to the Southern Interior Development Initiative Trust, the directors of the Southern Interior Development Initiative Trust must deposit that money into the Regional Account.

Interest and other income on invested money

- 19 The interest or other income earned in relation to the Regional Account must be paid into that account.

Purpose of Regional Account

- 20 (1) The purpose of the Regional Account is to support investment in the following in the Southern Interior area:
- (a) forestry;
 - (b) pine beetle recovery;
 - (c) transportation;
 - (d) tourism;
 - (e) mining;
 - (f) Olympic opportunities;
 - (g) small business;
 - (h) economic development;
 - (i) energy;
 - (j) agriculture.
- (2) Without limiting section 18 (1), money may be paid out of the Regional Account for any of the purposes referred to in subsection (1) or section 13, including, without limitation, any payments required under sections 11 (2) and 12 (1) (c).

Regional advisory committees may advise on projects

- 21 (1) Each regional advisory committee may identify, for the directors of the Southern Interior Development Initiative Trust, projects that the regional advisory committee considers are appropriate for application of the money in the Regional Account.
- (2) The directors of the Southern Interior Development Initiative Trust may reject any recommendation made to them by a regional advisory committee under subsection (1).

Investments

- 22 The Southern Interior Development Initiative Trust must invest the Southern Interior one-time development allocation, and any other money in the Regional Account, only as permitted under the provisions of the *Trustee Act* respecting the investment of trust property by a trustee.

Part 5 – General

Winding up

23 (1) Promptly after the Regional Account has been reduced to a nil balance, the directors must

(a) in accordance with the direction of the regional advisory committees, distribute the remaining assets of the Southern Interior Development Initiative Trust, if any,

- (i) firstly in satisfaction of any outstanding liabilities of the Southern Interior Development Initiative Trust, and
- (ii) after that, to the municipalities and regional districts in the Southern Interior area, or to any of them, in the proportions or amounts the regional advisory committee may direct,

(b) close the account, and

(c) publish notice of the closing of the account, and the consequent dissolution of the Southern Interior Development Initiative Trust, in a manner that can reasonably be expected to bring those matters to the attention of the public.

(2) On the closing of the Regional Account,

(a) the Southern Interior Development Initiative Trust is dissolved and disestablished,

(b) the appointment of each member of the board of directors of the Southern Interior Development Initiative Trust is rescinded, and

(c) the regional advisory committees are dissolved and disestablished.

Offence Act

24 Section 5 of the *Offence Act* does not apply to this Act.

Power to make regulations

25 The Lieutenant Governor in Council may make regulations referred to in section 41 of the *Interpretation Act*.

Review of this Act

26 (1) Subject to section 10 (3), on or before the fifth anniversary of the coming into force of this section, and on or before every fifth anniversary after that, the directors must, if the Southern Interior Development Initiative Trust has not by that date been dissolved and disestablished under section 23, appoint a committee of qualified individuals to review this Act and evaluate how it is

functioning.

(2) The review committee may consult with business, labour, education providers, government and any other person or organization it considers appropriate.

(3) If a review committee is appointed, it must publish a report of its findings in a manner that can reasonably be expected to bring the report to the attention of the public.

Commencement

27 This Act comes into force by regulation of the Lieutenant Governor in Council.

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Appendix B: LRC FOCUS GROUP DISCUSSION




SIDIT LEGISLATIVE REVIEW

Project Outline

- Legislative Review
- Performance Review

Max Jones & Associates Ltd



Agenda

9:00 am	Introductions & Housekeeping
9:10 am	Purpose and Intent of Legislative Review
9:20 am	Background of SIDIT
9:30 am	Terms of Reference for LRC
9:45 am	Review Evaluation Framework
10:00 am	Break
10:15 am	Review Act
11:15	Next Steps
11:30 am	Wrap up

WHAT ARE THE REQUIREMENT FOR A LEGISLATIVE REVIEW:

- SIDIT was established in 2005 by the Southern Interior Development Initiative Trust Act Pursuant to the ACT and particularly Section 22
- (1) Subject to section 10(4) on or before the fifth anniversary of the coming into force of this section, and on or before every fifth anniversary thereafter, the director must, if the Southern Interior Development Initiative Trust has not by that date been dissolved and disestablished under section 26, appoint a committee of qualified individuals to review this Act and evaluate how it is functioning.
- (2) The review committee may consult with business, labour, education providers, government and any other person or organization it considers appropriate.
- (3) If a review committee is appointed, it must publish a report of its findings in a manner that can reasonably be expected to bring the report to the attention of the public.

PRINCIPLES OF THE LEGISLATIVE REVIEW

- Independent
- Transparent
- Indicate Accountability

About SIDIT

Legislative Premise

The introduction of the Southern Interior Development Initiative Trust Act honors a government commitment that was made to communities of the southern interior region in the same way that Bill 7 lives up to the commitments we made with regard to the north and coast region. The trust delivers on our commitment to create a \$50 million initiative trust for the region, the same as was the case for the north and coast. It is in the best of provincial government interests that it be developed as a growth and credit multiplier for communities throughout this region.

The bill enables the southern interior trust to operate as a corporation independent of government, with a requirement to report publicly to the region's residents. Accountability tools and measures include the preparation and publication of a strategic plan, annual reports and audited financial statements. The act will undergo a review and evaluation by an independent committee every five years to provide further public accountability.

Hon. C. Hansen,
Official Report of Debates Of The Legislative Assembly,
(Hansard), Tuesday, October 14, 2008

Terms of Reference LRC

- Review of Terms of Reference
- Suggestions for change
- Adoption

LRC Input to Evaluation Framework

➤ Four Key Questions

Overarching

- How does the ACT contribute to or support SIO's efficiency and effectiveness?
- How might the Act be improved/amended to enhance SIO's performance?

Specifically

1. What particular parts of the Act are especially enabling relative to:
 - Values And Guiding Principles
 - Outputs and Impacts
 - Cost
 - Access and Awareness
 - Governance
2. What particular parts of the Act are especially disabling relative to:

Review Act

Four Key Questions

Overarching

- How does the ACT contribute to or support SIO's efficiency and effectiveness?
- How might the Act be improved/amended to enhance SIO's performance?

Specifically

1. What particular parts of the Act are especially enabling relative to:
 - Values And Guiding Principles
 - Outputs and Impacts
 - Cost
 - Access and Awareness
 - Governance
2. What particular parts of the Act are especially disabling relative to:

Next Steps

- Digest
- Deliberate with other stakeholders
- Draft
- Review Feedback

Thank you!



Appendix C: **SOUTHERN INTERIOR DEVELOPMENT INITIATIVE TRUST**

Southern Interior

DEVELOPMENT INITIATIVE TRUST

Legislative Review - April 12, 2011

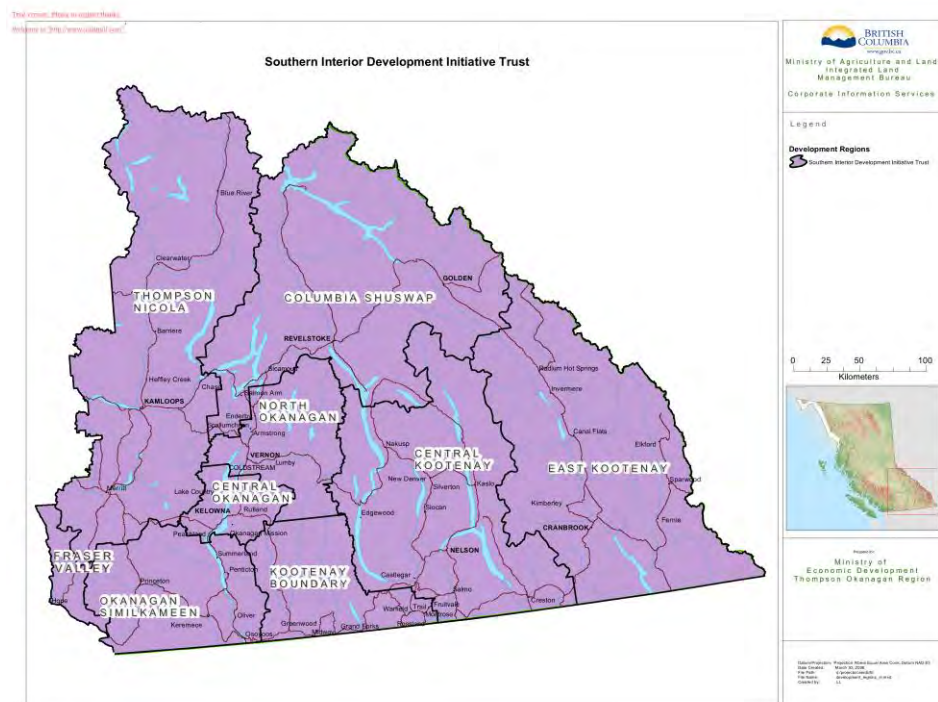
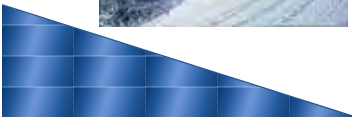
Southern Interior
DEVELOPMENT INITIATIVE TRUST

History

- *Created by an Act of Legislation (Bill 8 - 2005)
February 27, 2006*
- *Set up as a Corporation, independent of
government*
- *One time \$50 million allocation from the
Province*
- *Commenced operations October, 2006*

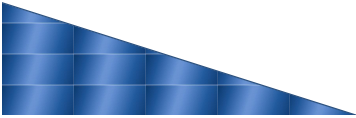
Mission

The mission of the Southern Interior Development Initiative Trust is to support regionally strategic investments in economic development projects that will have long-lasting and measurable regional benefits for the Southern Interior.



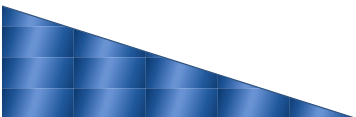
Trust Model

- ▶ *\$30 million disbursed at an annual rate of \$7.5 million per year commencing 2007.*
- ▶ *Annual Grant Funding distributions: \$750,000 maximum \$50,000 per applicant.*
- ▶ *Based on projected returns from market investments and return of principal and investment gains on project funding it is anticipated a continuous lending stream will be created and an endowment will be established.*

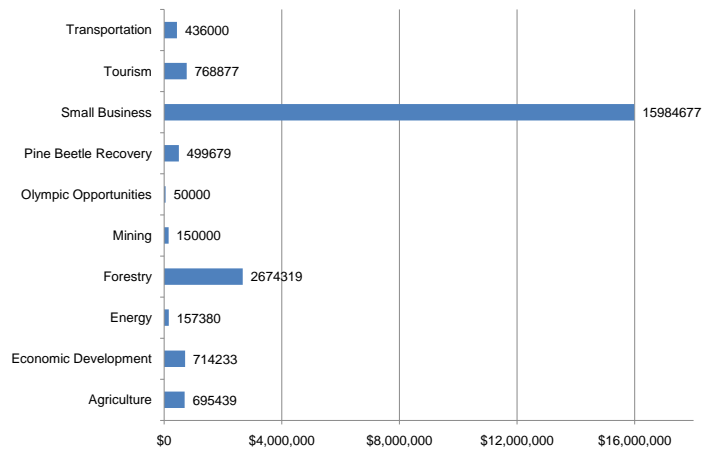


Goals

- ▶ *To support initiatives that will have regional economic impact within the Southern Interior*
- ▶ *To support economic diversification and sustainability within Southern Interior communities*
- ▶ *To support and create sound, economically viable communities*
- ▶ *To encourage investment in the Southern Interior through leveraging and by acting as a catalyst*
- ▶ *To be open, transparent and accountable*
- ▶ *To support the creation, enhancement or preservation of employment in the Southern Interior*
- ▶ *To strive, to the best extent possible, that all regions of the Southern Interior have fair and equitable access to the SIDIT Funds*
- ▶ *To grow SIDIT's \$50 million trust fund*



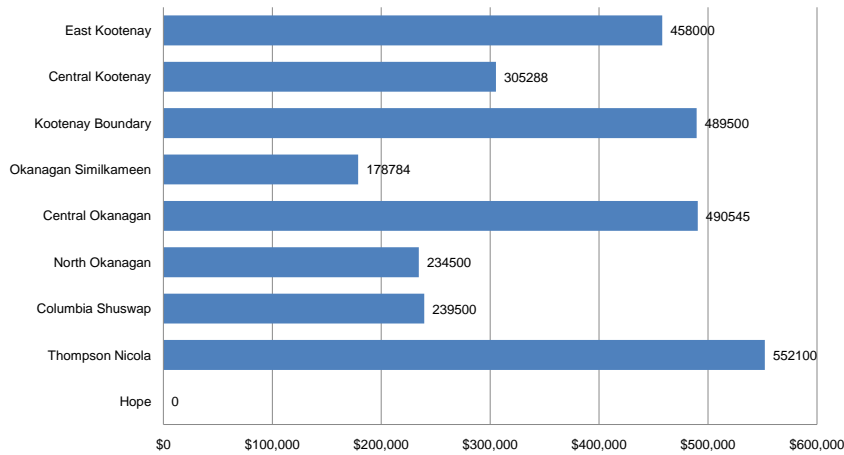
Funding by Investment Sectors



Education Funding

<u>College/University</u>	<u>Amount</u>	<u>Population</u>	<u>\$ per capita</u>
▶ Okanagan College	\$1,434,000		
▶ Thompson River	<u>\$1,290,000</u>		
▶ Thompson Okanagan Region	\$2,724,000	533,837	\$5.10
▶ College of the Rockies	\$ 588,000		
▶ Selkirk College	<u>\$ 588,000</u>		
▶ Columbia Kootenay Region	\$1,176,000	149,769	\$7.85

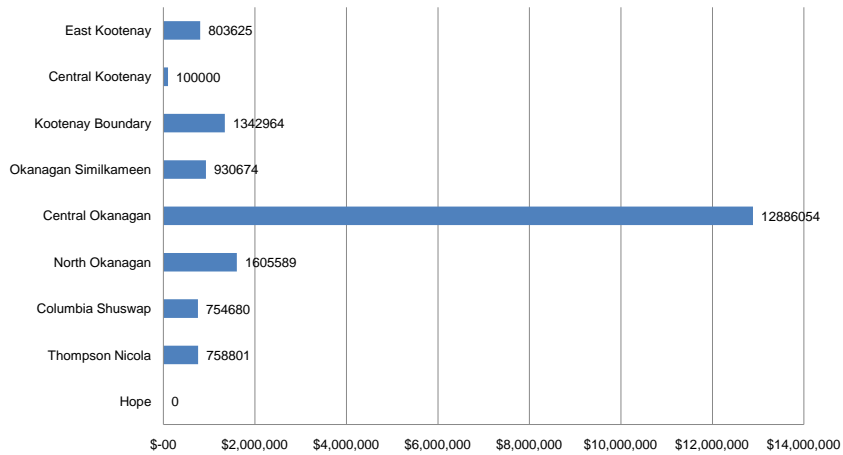
Grants Approved by Region



Grant Funding per Capita

Region	Funded Grants	Population	\$ per capita
Hope	0	6,185	0
Thompson Nicola	\$552,100	130,132	\$ 4.24
North Okanagan	\$234,500	81,932	\$ 2.86
Central Okanagan	\$490,545	180,114	\$ 2.72
Okanagan Similkameen	\$178,784	82,436	\$ 2.17
Total T/O Grants	\$1,455,929	533,837	\$2.73
Columbia Shuswap	\$239,500	53,038	\$ 4.52
Kootenay Boundary	\$489,500	31,921	\$15.33
Central Kootenay	\$305,288	58,824	\$ 5.19
East Kootenay	\$458,000	59,024	\$ 7.76
Total C/K Grants	\$1,492,288	149,769	\$ 9.96

Loans and Equity Funded by Region

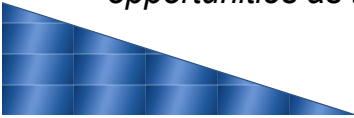


Loan Funding per Capita

Region	Funded Loans	Population	\$ per Capita
Fraser Valley	\$ 0	6,185	0
Thompson Nicola	\$ 758,801	130,132	\$ 5.83
North Okanagan	\$ 1,605,589	81,932	\$19.60
Central Okanagan	\$12,886,054	180,114	\$71.54
Okanagan Similkameen	\$ 930,674	82,436	\$13.46
Total Loans T/O Region	\$16,181,118	533,837	\$16.18
Kootenay Boundary	\$ 1,342,964	31,921	\$42.07
Central Kootenay	\$ 100,000	58,824	\$ 1.70
East Kootenay	\$ 803,625	59,024	\$13.62
Columbia Shuswap	\$ 754,680	53,038	\$16.11
Total Loans C/K Region	\$ 3,001,269	149,769	\$20.04

Future Direction

The Directors of the Southern Interior Development Initiative Trust are committed to funding strategic economic development initiatives that focus on regional benefits and diversify local economies. Financing business opportunities enhances job creation, innovation and market diversification. Through leverage and partnerships the resources of the Trust will benefit from a multiplier effect allowing participation in a greater number of projects and ensure resources are available to respond to future challenges and opportunities as they evolve.



Appendix D: LEGISLATIVE REVIEW COMMITTEE BIOGRAPHIES

Ms. Luanne Chore

Partner Consulting
Business Development Bank
Kelowna , BC

In her role as Partner Consulting, Luanne brings with her over 25 years of banking experience in the financial service industry and five years of BDC experience. Over the years she has worked with many entrepreneurs both provincially and nationally. Luanne has successfully added value to entrepreneurs throughout the Okanagan Valley with her consulting solutions, in turn making her transition to the Consulting Division of BDC seamless.

Mr. Greg Deck

Director Columbia Basin Trust and the Columbia Power Corporation
Radium Hot Springs, BC

Greg Deck is a long-time resident of Radium Hot Springs, where he has been active in local government and the tourism industry. He is a founding director of the Columbia Basin Trust. He also sits on the board of the Columbia Power Corporation and the BC board of the Nature Conservancy of Canada. Greg has also served his community by being a past Mayor of the Village of Radium Hot Springs serving for six terms; past Chair Regional of the District of East Kootenay; and, past Chair of the Southern Interior Development Initiative Trust (SIDIT). Greg also has an extensive entrepreneurial history as a founding Partner of NanoFibre Networks Ltd as well as co-owner/operator of Canyon RV.

Ms. Wendy McCulloch

General Manager
CFDC Boundary
Grand Forks, BC

Wendy is currently the General Manager, CFDC Boundary. She is a results-driven professional with a proven track record of accomplishment as a people/project manager and facilitator for both private and public sectors. She is highly skilled and accomplished in Community Economic Development Initiatives and events. Professional highlights including:

- General Manager, Community Futures Development Corporation Boundary, Grand Forks, BC
- Community Project/Events Manager for Community Futures of Okanagan
- Similkameen, Penticton, BC
- Westside Program Continuing Education Manager, Okanagan University
- College, Kelowna, BC
- Over twenty years at the Business Development Bank of Canada as the
- Senior Manager, Management Services and Account Manager, Financial Services, Kelowna, BC
- Successfully owned and operated five small businesses from 1967-1978 in Brandon, Manitoba and KelownaBC

Mr. Kevin Poole

City of Vernon
Economic Development Officer
Vernon, BC

Kevin Poole is the Economic Development Officer for the City of Vernon. The economic development function for Vernon was created in 2009 and is responsible managing, coordinating and promoting economic development activities in Greater Vernon.

Kevin has worked in a variety of community and economic development capacities since joining the profession in 1998. He has held positions with Community Futures Thompson Country, Venture Kamloops and most recently as the Manager of Economic Development for the District of Mission prior to joining the City of Vernon.

Kevin holds a Bachelor of Business Degree from Thompson Rivers University where he received a major in marketing and is currently working towards completing the Economic Development Certification program through the University of Waterloo. Kevin was recently re-elected as President of the Economic Development Association of British Columbia and in 2009 received the Meyers Norris Penny Economic Development Officer of the year award.

Nancy Van Wagoner

Associate Vice President of Research and Graduate Studies
Thompson Rivers University
Kamloops, BC

Nancy Van Wagoner is currently the Associate Vice President of Research and Graduate Studies for Thompson Rivers University (TRU), and a volcanologist. Dr. Van Wagoner joined TRU in 2006 when it was a new university, and led the development of the research culture and infrastructure, resulting in increased research capacity and opportunities for faculty and students. Prior to joining TRU, Dr. Van Wagoner was a faculty member at Acadia University (1983-2005) where she developed a successful research program in physical and chemical volcanology. During the last 16 years of her tenure at Acadia she was also the Director of Continuing and Distance Education and she has led a number of new initiatives including outreach programs for youth, the Acadia Centre for Lifelong Learning, the Peace Operations Summer Institute, and innovations in distance education. She holds a Bachelor of Science degree in Geology from California State University, a PhD in Geology from Dalhousie, and was a postdoctoral fellow at the University of Manitoba.

Mr. Martin J. Yuill

Marketing Director

Accelerate Okanagan Technology Association

Kelowna, B.C.

Born in Cape Town, South Africa, Martin is a graduate of the University of South Africa and has an MBA degree with specializations in advanced strategic management, services marketing and change management.

With a background in international business development consulting, Martin is a high-impact manager with industry transferable business development, strategic marketing, and general management skills. He has enjoyed past successes in leading business start-up, turn-around and restructuring programs and extracting value across a range of organizations and industry sectors.

Martin relocated to Canada in December 2008 to launch the ORIC Kelowna Innovation Centre in Kelowna, BC as the BC interior's first best-practice aligned technology business incubator. In December 2010, ORIC amalgamated with the Okanagan Science and Technology Council to form Accelerate Okanagan, with the mission to increase the number of technology companies that start and grow in the Okanagan.

A strong conceptualiser, strategic thinker, marketer, business developer and growth agent, Martin has solid general management accomplishments and varied international work experience. Martin currently serves as an Advisory Board Director of the Central Okanagan Economic Development Commission.