



**ANNUAL
REPORT
2012**



SAFETY CODES COUNCIL



BUILDING

The Safety Codes Council is a statutory corporation that formulates and oversees the development and administration of safety codes and standards throughout the province. Working with its partners in government, labour, industry and education, the Safety Codes Council provides innovative, effective, and efficient public safety programs to industry and communities. The Council also provides training to safety codes officers, and administers a province-wide suite of electronic systems in support of the safety codes system. In 2011, the Council also started administering the Master Electrician Program on behalf of the Minister of Alberta Municipal Affairs.

The Safety Codes Council is responsible to the Minister of Alberta Municipal Affairs and works under authority of the Safety Codes Act, which was passed in June 1991. In 2004, the Safety Codes Act was amended to allow for the creation of a Barrier Free Council. The Barrier Free Council's objectives include working with the nine technical councils regarding the subject of barrier free design and access, and how this applies to the technical disciplines.

For more information about the Safety Codes Council, please contact us at:

1000, 10665 Jasper Avenue
Edmonton, AB T5J 3S9

Telephone: 780.413.0099
Toll-free in Alberta: 1.888.413.0099

Fax: 780.424.5134
Toll-free in Alberta: 1.888.424.5134

Website: www.safetycodes.ab.ca
Email: info@safetycodes.ab.ca

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BARRIER FREE



MANDATE, VISION, MISSION, AND VALUES

MANDATE

The Safety Codes Council derives its mandate directly from the Safety Codes Act and the Minister to:

- Review, formulate and recommend codes and standards to the Minister for the nine technical disciplines covered under the Act;
- Develop and administer a system to accredit municipalities, regional service commissions, corporations and agencies to carry out specific activities under the Act;
- Develop and administer a program to train, certify and designate safety codes officers;
- Administer a program to certify Master Electricians;
- Administer an appeal process for decisions made in the accreditation and certification programs and for orders and written notices issued under the Act;
- Promote uniform safety standards and principles of barrier free design and access;
- Provide support for our partners; and
- Carry out activities on behalf of the Minister.

VISION

Alberta: a safe place to live, work, and play.

MISSION

Working with our partners and stakeholders, the Safety Codes Council provides an effective and sustainable safety codes system for structures, facilities, and equipment.

VALUES

The Safety Codes Council is focused on the safety of Albertans and guided by these core values:

Innovation: We encourage and promote excellence.

Empowerment: We promote accountability, celebrate successes, and recognize achievements.

Integrity: We conduct ourselves in a fair, responsible, and transparent manner.

Teamwork: We are committed to effective partnerships.

Leadership: We foster leadership at all levels.





PLUMBING



ELEVATORS

MAX. CAPACITY 1160 Kg.
OR 16 PERSONS

CHAIRMAN'S REPORT

I am pleased to present, on behalf of the Coordinating Committee of the Safety Codes Council, our report on the activities and successes in the 2012 calendar year.

As Chair of the Council, it is my role, together with the other members of the Coordinating Committee, to oversee the activities of the Council itself. In this role, we work closely with the Technical Coordinating Committee, the ten sub councils, and in partnership with Alberta Municipal Affairs.

The Coordinating Committee met seven times in 2012. Some of the highlights of the year include a new Mandate Agreement between the Minister of Municipal Affairs and the Coordinating Committee, the new awards for Safety Codes Officers and accredited municipalities and corporations, and the work done in creating the audit team. In 2012, we have also redefined our Mission and Values, and aligned them with our strategic plan to promote positive action within all aspects of the provincial safety code system.

I would particularly like to draw your attention to the more than 130 volunteer members of Council, who are identified by name and industry association later in the document, who supported the Safety System and their fellow Albertans.

Also in the report are activity reports from the Chairs of the ten sub councils, including highlights of their meetings where you will see specific examples of how the Safety Codes Council is fulfilling the vision of making Alberta a safe place to live, work, and play. The dedication of the Council members, who represent business, trades, associations, unions, educational institutions, and more, is what moves the Safety Codes System forward.

I would like to thank our membership for their dedicated service, for their time, energy, and knowledge, which helps evolve our provincial safety code system. This volunteer and largely unheralded contribution is second to none!

I deeply respect the dedication of our volunteer Council members and those people within our partner organizations. I would like to express my thanks and appreciation to Brian Alford and his staff at the Safety Codes Council, for their hard work and dedication in achieving the many goals set out for them by the Coordinating Committee. I also want to thank Ivan Moore, Chris Tye, and the staff at Alberta Municipal Affairs for their continued support and partnership as we continue to work toward an Alberta that is a safe place to live, work, and play.

[Original Signed]

Robert Blakely, Chair
Safety Codes Council



PRESIDENT AND CEO'S REPORT

It has been another busy year for the volunteers and staff of the Safety Codes Council. I am pleased to submit the following report covering the business activities, including sub council activities, for the 2012 calendar year, the nineteenth year of operation of the Safety Codes Council.

Council members participated in one or several of over 30 regular meetings of the Technical Coordinating Committee and the ten sub councils. Many also attended working group meetings or heard appeals. Members new to the Council attended an orientation session and appeal training while new Chairs and Vice-Chairs attended training on how to Chair meetings.

The Alberta economy has continued to rebound in 2012 and housing starts continued to recover some of their robustness, which had a positive impact on revenues for the Council.

The Council continues to strive for excellence, and is constantly reaching for higher standards of performance as it sets its goals for the year. Readers of this report will find Council administered activities and the goals outlined in the 2011 - 2013 Business Plan consistently being met. We had regular collaboration with our safety codes system partners in areas of education and training, consultations regarding fee and levy changes, appeals, and support for the Province in developing legislation and regulation. We recognize not only the value of the interdependence between all aspects of the safety codes system, but the necessity of it for a strong, effective safety codes system.

I would like to thank the management and staff at the Council for all their hard work in 2012. The Council staff continues to grow, adding people to the accreditation field officer team, eSITE development and support, and internal support staff, in order to achieve its mandate and many of the goals set

out in the business plan. There were some changes to the management team in 2012. Gerry Baron became the new Director of Operations, a newly created senior role within the Council. Michelle Plazier became the new Administrator of Accreditation. In addition, the Council welcomed Tyler Wightman as the Administrator of Certification and Erin Stroud took over the role of Manager of Stakeholder Relations after Doug Clough's retirement.

My thanks go out to the members of the Safety Codes Council Coordinating Committee. In 2012, the Committee had the following members; Bob Blakely, Mark Gerlitz, Darlene Halwas, Rick Noonan, Cliff Ayrey, Cal Ploof, John Whaley, and Jim Wheadon. The Coordinating Committee members have been very supportive of the safety codes system while at the same time, challenging the status quo, all with the intention of ensuring that the safety codes system will continue to serve the citizens of Alberta well.

I would like to extend a special thank you to Ivan Moore, Chris Tye, James Orr and all the staff at Alberta Municipal Affairs who provide technical and public policy support and advice to the Safety Codes Council.

[Original Signed]

Brian Alford, President and CEO





BOILERS AND
PRESSURE VESSELS



AMUSEMENT RIDES

BUSINESS OPERATIONS

As of December 31, 2012 there were 2,329 safety codes officers (SCO) certified in the nine technical disciplines which fall under the *Safety Codes Act*. This is up slightly from 2011. Nearly half of all SCOs continue to be represented by the fire discipline. There were 122 designations of powers for permit issuance only.

There were 63 agencies, 103 corporations, and 312 municipalities accredited under the Safety Codes Act at year-end.

The Council administers an appeal process under Part 5 of the Safety Codes Act. In 2012 the Council heard 21 appeals of an order issued by a safety codes officer. The building discipline made up the majority of appeals heard at 18 appealed orders. The fire, gas, and plumbing disciplines all heard one appeal each. To support the appeal process, the Council ensures that members and Council staff have access to annual training.

The Master Electrician Program was successfully transitioned to the Safety Codes Council administration in May 2011. Numbers remained stable; 4210 active Master Electricians were recorded. 2230 were expired, as of December 30, 2012, and 1,051 still in abeyance, which is an inactive status often selected by Master Electricians who retire or choose to pursue another career.

The Education & Training Department grew in 2012 with the addition of a multi-media developer position and three temporary building subject matter experts (SMEs). The building SMEs have begun the extensive task of revising and updating all the building courses and developing code update

training for when the new Alberta Building Code is adopted. In 2012, there were 1,146 course registrations which included the following delivery methods: classroom, distance, webinar, challenge exams and third party delivery. One of the key initiatives for the year was to develop and deliver a train the trainer course to support our instructors and advisors in the work they do for the Council.

electronic Business Solutions (eBS) was hard at work implementing enhancements to electronic Safety Tracking Environment (eSITE) and exploring new technologies. The Council's website was enhanced to provide online annual conference registration with a PayPal interface, online Master Electrician lookup and access to on-line annual renewal for Master Electricians. As well, an Interactive Voice Response system was implemented to process frequently asked questions regarding the Master Electrician Program. Migrating the aging Petroleum Tank Management System to eSITE was terminated as a project due to insufficient funds. The Petroleum Tank Management Association of Alberta (PTMAA) has engaged a software development company to complete their Tank Management System rewrite. eBS Resources continue to focus on developing further enhancements to eSITE and, providing IT support to eSITE users and Council staff. Projects currently in progress include the Orders management system, Variance management system, and public accessible on-line Orders and Variances Search (compliance search).

PERFORMANCE REPORT — MEASURING RESULTS AGAINST TARGETS

In this section, key business components of the Safety Codes Council report on their successes in relation to the goals declared in the current business plan.

ACCREDITATION

- Encourage and enable qualified organizations to administer the safety codes system within their respective jurisdictions. This goal was met.
- Monitor and coach accredited organizations to ensure they meet terms and conditions established in their quality management plans. 2012 goal benchmarks met; goal remains in progress.
- Augment and refine the accreditation model by enhancing monitoring of accredited organizations and incorporating risk management principles. This goal is in progress.
- Enhance compliance with and enforcement of Orders. This goal is in progress.

SAFETY CODES AND STANDARDS

- Review, formulate, and recommend to the Minister new codes and standards. No codes were brought forward for review, therefore no codes were recommended to the Minister for adoption in 2012. This goal was met.
- Work with partners to develop and revise STANDATA, guides, and handbooks. Sub councils worked with Municipal Affairs on several STANDATAs in 2012, but no guides or handbooks were in need of review or revision. This goal was met.
- Incorporate appropriate codes into eSITE. This goal is under review.
- Identify key documents and include them in an internal electric library. This goal is deferred, pending redevelopment of internal staff SharePoint site.

CERTIFICATION

- Review certification policies to ensure that requirements remain relevant and appropriate. This goal was met.
- Support the Education and Training department's research into barriers to safety codes officer (SCO) recruitment and retention. This goal was met.
- Complete applications for certification are processed within two weeks (average). This goal was met.
- Complete applications for designation of powers are processed within one week (average). This goal was met.
- Cancel or suspend certification and designation of powers for SCOs who no longer meet requirements. This goal was met.
- Investigate complaints received regarding the conduct, performance and/or competency of SCOs. This goal was met.
- Research elements of continuing education and present findings to the Technical Coordinating Committee. This goal was met.
- Develop draft Safety Codes Officer Code of Ethics and present it to the Coordinating Committee for approval. This goal was met.
- Support the integration of the Master Electrician Program into Council policies and procedures. This goal was met.

EDUCATION AND TRAINING

- Develop and begin delivery of Plumbing Group A Code Update Training. This goal was met.
- Revise existing Plumbing Group A technical course and exam. This goal was met.
- Revise existing SEM 1-2 Plumbing and Gas course materials. This goal was met.
- Work with CSA to develop an online course for Canadian Electrical Code training for Group A Electrical SCOs. This goal was met. Course rollout will happen upon the Code's adoption in Alberta.
- Revise Electrical Group A technical course. In progress and will be completed in early 2013.
- Develop promotional video for SCO training and certification. In progress and will be completed in early 2013.
- Work with eBS on implementing eCommerce for collecting course fees. This goal is incomplete.
- Begin revision of building courses. In progress.
- Act on requests for courses, mentoring, exams, and grades within five business days 90% of the time. This goal was met.

- 85% student satisfaction rating with training materials, instructors, course advisors, mentors and the variety of training delivery options available to them. This goal was met.
- 85% completion rate for students who register for courses or the mentoring program. This goal was met.
- SCO recruitment and retention report was completed in January 2012.
- Develop and deliver a Train the Trainer course for SCC classroom and webinar instructors. This goal was met.
- The Council's Education and Training Working Group will work with the Manager of Training to achieve these goals. The Education and Training Working Group met twice in 2012.

GOVERNANCE AND ACCOUNTABILITY

- Develop and publish planning documents and reports as required by the Safety Codes Act and Mandate Document. This goal was met.
- Provide support to Board as needed. This goal was met.
- Policy and Information Manual is reviewed and revised to ensure that it is relevant and up to date. 15 policies were reviewed or revised in 2012. This goal is in progress.
- At year-end, an RFP had been released to hire a consultant to lead the Levy consultation as a means of ensuring long-term financial stability of the Safety Codes Council. This goal is in progress.
- Strengthen representation on technical sub councils. This goal is in progress.
- Develop training for new Board and Council members. This goal was met.

- Improve support for technical sub councils. This goal was met.
- Review matrices of sub councils. This goal is ongoing.
- Develop and deliver training for Chairs and Vice-Chairs. This goal was met.

Electronic Business Solutions

- Provide stable IT infrastructure to Safety Codes Council internal staff on a 24/7 basis. This goal was met.
- Provide Service Desk services to eSITE users during business hours. This goal was met.
- Ensure eSITE components and services are stable and available to the eBS user community during business hours. This goal was met.
- Ensure eBS user community is provided communication in a timely manner. This goal was met. Partner newsletter updated with eBS activities, eSITE updated with notifications, Council website updated with training information.



FIRE

- Ensure eBS user community is provided training in a timely manner. Training was scheduled to accommodate new eSITE subscribers, but eBS did not track proposed date statistics.
- Effectively use SharePoint for collaboration with Council's internal office staff, external stakeholders, and Board/Technical/ Executive members by migrating to SharePoint. This goal was not met but, the project is in progress.
- Provide information through eSITE-R to assist in providing accountability reporting to Municipal Affairs. This goal was not met. eBS resources focused on higher priority work.
- Define the scope of eSITE and its relationship to the provincial safety system. Document is in progress.
- Expand the functionality of eSITE to include more integration with other safety system information. (GIS, mapping, finances, other Council discipline systems). On-going. eBS collaborated with a 3rd party software firm and developed a eSITE Webservice to provide permit information to their MuniSight application. The Webservice is currently in production and available for use by any 3rd party software package. AEDARSA related data was added to the eSITE Reporting database.
- Migrate the aging Petroleum Tank Management System (currently hosted by PTMAA) to eSITE. This goal was not met. The project was terminated. A review of the work completed (estimate compared to actual time required) at a checkpoint confirmed original projected costs were significantly underestimated and it was further determined to be "not economically feasible" to continue. PTMAA subsequently engaged a software development company to complete their Tank Management System rewrite.

- Build collaborative relationships between EBS and other Safety Codes Council business units to enhance service and foster innovation. This goal was met.
 - eBS managed the development of the Master Electrician Tracking system, now in production. The system is a registry of the Master Electricians in the province and manages the annual renewal process as well. Annual renewals may be completed via the Safety Codes Council website's PayPal interface. The Council website was enhanced to provide a Master Electrician lookup for use by permit issuers.
 - eBS implemented a Master Electrician Interactive Voice Response system to answer the most common telephone inquiries.
 - eBS managed the enhancement of the Council website to allow for on-line Safety Codes Council conference registration and accept on-line payments (PayPal) as well.
 - SharePoint Online Migration. eBS is working with the Council Stakeholder Relations area and managing a service provider to upgrade the Council website content management software and host our website in a "cloud" environment. This initiative supports our Business Continuity Planning and simplifies the Council infrastructure.
- Redevelop remaining POSSE applications into eSITE.
 - Orders Management System is underway. The system is a repository of all Orders issued in the Province. Some of the features include the ability for SCO's to manage and issue



- Orders on-line and manage their personal information as well. The project is scheduled for completion in the 1st quarter of 2013 and a phased (some features will be released to pilot groups first) production rollout is planned to occur shortly after that.
- Variance Management System is underway. The system is a repository of all Variances issued in the Province. Some of the features include the ability for SCO's to manage and issue Variances on-line and manage their personal information as well. The project is scheduled for completion in the 1st quarter of 2013 and a phased (some features will be released on a pilot basis first) production rollout is planned to occur shortly after that.
- On-line Compliance Search project is underway. The Safety Codes Council website is being modified to provide the public with access to Orders and Variance information.

COUNCIL ACTIVITIES

The Safety Codes Council is industry based and composed of a Council Chair, a Coordinating Committee, Technical Coordinating Committee and 10 sub councils representing amusement rides, barrier free, boilers & pressure vessels, building, electrical, elevators, fire, gas, passenger ropeways, and plumbing discipline. Safety Codes Council members are nominated by associations and societies representing business, labour, municipalities, technical organizations, educational institutes, the public at large and persons with disabilities. Except for the Coordinating Committee, members are volunteers and are reimbursed only for their expenses. They meet on a regular basis to discuss issues within the sub council they represent.

This section offers a review of major issues discussed, codes, standards, or STANDATA put forward by the sub councils and safety initiatives across all disciplines represented within the Safety Codes Council.

Amusement Rides Technical Council

The Amusement Rides Technical Council (ARTC) held one meeting in 2012. Highlights of this meeting included the following:

- Reviewed and recommended adoption of the proposed Elevating Devices Passenger Ropeways and Amusement Rides Permit Regulation. This Regulation has since been adopted for use in Alberta.
- Received a presentation from the Chief Amusement Rides Administrator on go-kart regulation research in Alberta. The Council will review go-kart incident data at the first meeting in 2013 in order to determine the need to regulate go-karts in Alberta.
- Reviewed and recommended adoption of the proposed changes to the Amusement Rides Standards Regulation in response to the Scorpion Ride accident in Calgary in 2010. The regulation has since been adopted in Alberta.
- Heard a presentation from the Chief Amusement Rides Administrator on the CSA Z267 and ASTM F24 Amusement Rides standards, and the plan to consolidate these standards. Members were encouraged to become members of the ASTM to better influence change.

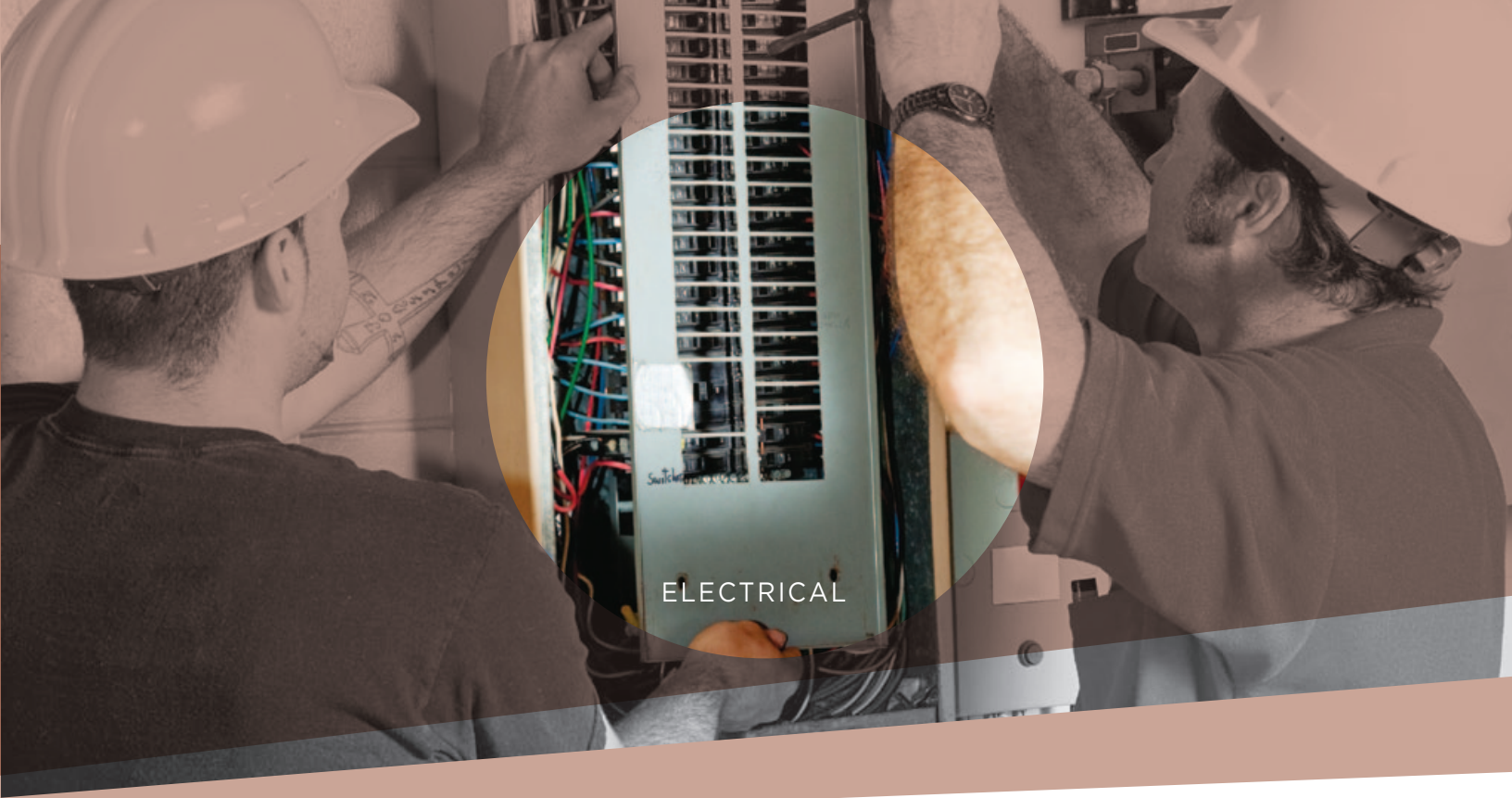
- Received a report on zip-line incidents in other jurisdictions and established a working group to review available documentation and make recommendations regarding regulating zip-lines in Alberta.
- Received a slideshow presentation on the proposed challenge rope course in West Edmonton Mall. It was agreed muscle powered challenge rope courses are not within the scope of the ARTC and should not be regulated.
- After deciding in 2011 that Walk On Water Spheres were not considered amusement rides and should not be regulated in Alberta, members agreed to monitor incident statistics during 2012 and revisit the issue at the first meeting of 2013.
- Heard a presentation from the Administrator on a new database to collect infractions and directives. Further data analysis will be provided to members at the first meeting in 2013.
- Moved to support and ratify the proposed Safety Codes Officer Code of Ethics.

There were no appeals received or heard by the Amusement Rides Technical Council in 2012.

Barrier Free Council

The Barrier Free Council held four meetings in 2012. Highlights of these meetings included the following:

- Continued discussion on the topic of Maintenance Enforcement when code items addressing accessibility are not being met. The question has been forwarded to all sub councils for consideration.
- Developed and approved the definition of *Accessible Hotel Room*.
- Recommended a policy change to require 1% of hotel/motel units have barrier free (accessibility) requirements.
- Recommended a policy change regarding barrier free event seating in assembly occupancies, including seat location and number of seats. Also recommended Barrier Free Event Seating has its own section in the Alberta Building Code and not be part of the current Barrier Free Path of Travel.
- Received a presentation on the Home for Life initiative and attempts to get new home builders to showcase accessibility in show homes.
- Received a presentation on a modular ramping system that allows wheelchair access while at the same time being safe and easy to install and remove.
- Received a presentation from the Premier's Council on the Status of Persons with Disabilities on Universal Design.



ELECTRICAL

- Explored the creation and sponsorship of an Access Development Award to be awarded annually at the Council Conference, recognizing builders who construct accessible buildings.
- Began discussion of a presentation to be made at the Council's 2013 Conference on the topic of marketing accessible single family homes, and emerging market trends.
- Met with representatives of Alberta Disabilities Forum regarding that organizations work to improve barrier free design provisions in the Alberta Building Code.
- Continued research and communications on barrier free access around construction sites.
- Continued research and communications on barrier free access parameters for building alteration situations.
- Continued liaison work with the Building Technical Council, and have expanded to coordinate efforts to include the Fire Technical Council.
- Met with the Premier's Council on the Status of Persons with Disabilities and the Seniors Advisory Committee of Alberta in order to coordinate future efforts with all three entities.
- Appointed Bob Macklon and Harold Wicke as Vice-Chairs.
- Moved to support and ratify the proposed Safety Codes Officer Code of Ethics.

Boilers and Pressure Vessels Technical Council

The Boilers & Pressure Vessels Technical Council held three meetings in 2012. Highlights of these meetings included the following:

- Continued consideration of proposed amendments to the Power Engineers Regulation. The proposed amendments, which were subject to public consultation in 2011 and will continue to be considered by the sub council in 2013, address:
 - Alternative instrumentation, control and remote monitoring technologies;
 - Training and certification requirements for power engineers, operators of steam powered traction engines and thermal liquid heating systems;
 - Building operations;
 - Thermal liquid heating systems; and
 - Integrated steam process plants and processes.



All members of the sub council are commended for devoting significant time and effort to reviewing the proposed amendments to the Power Engineers Regulation over the past year.

- Reviewed the qualifications for Non-Destructive Examination personnel.
 - Continued work with the Overpressure Protection by System Design (OPPSD) Task Group on clarifying related provisions in the Pressure Equipment Safety Regulation and identifying acceptable use of OPPSD. Agreed that the Administrator move ahead with the development of a recommendation on the subject and seek endorsement from Technical Coordinating Committee.
 - Heard a presentation from industry on certification and training for B Pressure Welders.
 - Discussed and reviewed proposed changes to the ASME Boilers and Pressure Vessel Codes and established a task group to address potential issues arising from adoption of Section VIII, Division 2 of the 2013 Code.
 - Added an additional seat on the sub council to represent “Large Refinery and Petrochemical Sites” to ensure that all segments of Alberta industry are appropriately represented. The Alberta Refinery and Petroleum Inspection Association was identified as the nominating organization for this industry segment.
 - Received reports from the CSA B51 and CSA B52 Technical Committees.
 - Heard a presentation from SAIT on Power Engineer demographics, recruitment strategies and career progression in various segments of industry.
 - Established a Working Group to review the issue of recruitment under the current Power Engineers Regulation across various industries.
 - Elected Brian Lade as the new Chair of the sub council and Izak Roux as Vice-Chair of the sub council.
 - Discussed and provided input on the Safety Codes Officer Code of Ethics and the Objective-Based Industrial Electrical Code.
- There were no appeals received or heard by the Boilers & Pressure Vessels Technical Council in 2012.
- ### Building Technical Council
- The Building Technical Council held four meetings in 2012. Highlights of these meetings included the following:
- Recommended that revision to the Building SCO certification levels matrix be approved in principle.
 - Recommended to the Technical Coordinating Committee that research be conducted to determine which discipline or organization should have jurisdiction over medical gas and medical gas inspections.
 - Established an engineering judgments for fire stop systems task group.
 - Heard presentations on various topics, including:
 - Code change proposals review, and Alberta Municipal Affairs’ legislative process for safety codes in Alberta;
 - Conditional grant agreements, the Objective Based Industrial Electrical Code (OBIEC) and risk-based inspections;
 - Proposed revision to the building SCO certification levels matrix; and
 - Medical gas.
 - Discussed various issues, including the following:
 - Building permit vs. occupancy permit in multi-discipline situations, e.g. building/fire;
 - ICF combustible foaming on non-combustible buildings;
 - Unvented ethyl-alcohol fuel burning decorative appliances;
 - Engineering judgments for fire stops;
 - Depressurization in houses;
 - Developing a definition for group homes;
 - Developing a definition for green roofs;
 - Building additions or renovations, especially in upgrading barrier free provisions to the current code;
 - Graspability of handrails;
 - Barrier free seating in arenas and stadiums; and
 - Enforcement of barrier free issues.
 - Reviewed and provided feedback on the Safety Code Officer Code of Ethics.
 - Elected Don Dessario as the new Chair of the BTC.



GAS

- Continued the work of the following working groups and special committees:
 - Professional and constructor responsibilities working group; and
 - Relocatable structures working group.
- Discussed developing two STANDATAs on:
 - Waterless Urinals; and
 - Firefighter Emergency Operation of Elevators.

There were 12 appeals received in 2012 and 11 carried forward from 2012. Of these, 18 were heard by the Building Technical Council in 2012.

Electrical Technical Council

The Electrical Technical Council held four meetings in 2012. Highlights of these meetings included the following:

- Consideration to add another large municipality to the matrix.
- Consideration towards various electrical code training venues.
- Continuation of working groups “Electrical Utility Code Committee,” “Oil & Gas Code Committee,” and “Canadian Electrical Code Advisory Committee”.
- Review of the Objective Based Industrial Electrical Code report with recommendation that it and CSA C22.4 OBIEC – Safety Management System be adopted for use in Alberta.
- Formation of a Master Electrician Advisory Group.
- Reviewed and supported the SCO Code of Ethics.
- Encouraged the expediting of the code adoption process.

- Issuance of industry STANDATAs respecting fire rated cables.

There were no appeals received or heard by the Electrical Technical Council in 2012.

Elevators Technical Council

The Elevators Technical Council held one meeting in 2012. Highlights of this meeting included the following:

- Reviewed the new ASME A17.1/CSA B44-10 safety code for elevators and escalators.
- Reviewed a 3-Column document outlining proposed changes to the Alberta Elevating Devices Code Regulation.
- Received the Chief Elevators Administrator’s update on Emergency Evacuation training for elevator technicians, building operators, fire and other emergency responders, who may be first on the scene of an elevator incident.
- Heard the Administrator’s progress report on a joint STANDATA between the fire and building disciplines that will clarify the Firefighter Emergency Operation (FEO) requirements adopted in Regulation.
- Received the Administrator’s update on a new initiative to achieve better compliance with outstanding deficiencies, including a new database of directives. The Council agreed that Municipal Affairs and AEDARSA staff should meet with representatives of the elevator companies to discuss how this can be improved. Council Members were invited to observe the meetings.

- Moved to support and ratify the proposed Safety Codes Officer Code of Ethics.

There were no appeals received or heard by the Elevators Technical Council in 2012.

Fire Technical Council

The Fire Technical Council held five regular meetings in 2012 and a two day special meeting on the Alberta Fire Code consultation. Highlights of these meetings included the following:

- Discussed and approved the Alberta Fire Code consultation process.
- Reviewed AFC 2006 5.6.1.2 – Protection of Adjacent Buildings During Construction.
- Reviewed the SCO certification levels and designation of powers policy.
- Discussed permits, fees and levies within the fire discipline.
- Discussed and recommended that the Safety Codes Council develop a central registry for certified commercial hood cleaning companies and qualified persons as required in the Alberta Fire Code.
- Received information on upcoming care facilities guidelines.
- Discussed two-stage fire alarm systems in daycares, and referred the issue to Building Technical Council.
- FTC member participated on the BFC’s event seating task group and provided updates on progress.
- Received information from the Chief Gas Administrator on gas-fired appliances at special events.

- Received the Chief Fire Administrator's report on PTMAA.
 - Discussed Duroair™ collapsible mobile paint booths.
 - Received a report on conditional grant agreements regarding the Objective Based Industrial Electrical Code (OBIEC) and risk-based inspections.
 - Received report on fire investigations and reports and integration of Office of the Fire Commissioner (OFC) projects into Fire Technical Council planning.
 - Received the Chief Fire Administrator's reports on the ULC committees, subcommittees and working groups.
 - Received updates on the FTC/BTC joint task group.
 - Reviewed and approved the Fire Certification and Training Working Group terms of reference, and continued to receive updates from the working group.
 - Discussed Transport Canada/CSA hydrostatic testing of fire extinguishers.
 - Discussed the option to adopt National Fire Code of Canada (NFCC) with amendments. FTC recommended to the Technical Coordinating Committee their support of changes that would expedite the code adoption process.
 - Received information on the non-compliant storage of flammable liquids, such as windshield washer antifreeze.
 - Discussed various STANDATA, including:
 - Joint Fire/Building STANDATA development on timelines for water supply and fire department access during construction.
 - Joint Fire/Building STANDATA development on joint plan review and final inspection of Part 3 buildings.
 - Draft STANDATA on updating alarms systems.
 - Appointed Brian Wiese as the new Chair of the FTC, and Dale Miller volunteered to be the primary FTC member liaison with BTC.
 - Received an update on the Safety Codes Officer Code of Ethics.
 - Conducted extensive work on the AFC Alberta specific code changes and recommendation process. A special two day meeting was held to review the results of the three month online Alberta Fire Code consultation and to accept or revise AMA staff recommendations. Final recommendations regarding code changes will be made to the Minister upon completion of this process in March 2013.
 - Approved several STANDATA, including:
 - Code Interpretation STANDATA on used oil heaters.
 - Joint Fire/Building/Elevator STANDATA on elevator fire alarm code requirements. This document awaits approval from BTC and ETC.
 - Fire Code Interpretation STANDATA on guidelines for fixed suppression systems. This will be issued once a companion document on cooking suppression systems is approved.
 - Fire Code Interpretation STANDATA on the application of appropriate codes and standards editions by SCOs, qualified persons and tradespersons.
- Nine fire Orders were appealed in 2012. One Order went to appeal hearing, and the other Orders were complied with and did not go to hearing.
- ### Gas Technical Council
- The Gas Technical Council held three meetings in 2012. Highlights of these meetings included the following:
- Reviewed Objective Based Industrial Electrical Code for potential impacts to gas discipline.
 - Reviewed maintenance enforcement under the Safety Codes Act.
 - Reviewed several gas issues, including:
 - Oilfield Gasfitter designations used in other jurisdictions;
 - Sheet Metal Contractors status;
 - Outdoor intake and exhaust openings;
 - Side wall vent terminations;
 - Pyrotechnics;
 - Propane vaporizers and tank heaters;
 - Use of corrugated stainless steel tubing;
 - *Equipment* definition and application.



PASSENGER
ROPEWAYS

- Formed several working groups including:
 - Digester Gas and Landfill Gas working group;
 - Gas/Plumbing course working group;
 - Third Party Certification working group;
 - National Code Changes working group.
- Supported policy change to safety codes officer certification and fees.
- Reviewed Safety Codes Officer Code of Ethics.
- Issued a STANDATA Variance on Direct-fired Make-up Heaters.

There was one appeal received and heard by the Gas Technical Council in 2012.

Passenger Ropeways Technical Council

The Passenger Ropeways Technical Council held one meeting in 2012. Highlights of this meeting included the following:

- Reviewed and recommended adoption of the proposed Elevating Devices Passenger Ropeways and Amusement Rides Permit Regulation. This Regulation has since been adopted for use in Alberta.
- Received a report on incidents in the industry and will monitor this going forward. Agreed to have Incident Reports added as a standing agenda item for future meetings.
- Considered a BC Safety authority Service Bulletin regarding Leitner Poma X-Y Bolt Failures in that province and their approach was not believed necessary in Alberta. The PRTC moved to have the Administrator ask Leitner Poma to re-issue an updated version of an earlier (2009) Service Notice on tower adjustment procedures to assist operators.

- Discussed aging equipment and concluded there were no significant safety issues at this time. The Chief Passenger Ropeways Administrator was asked to report further at the next meeting.
- Received a copy of the TSSA's Policies and Procedures – Ski Lift Mechanic Certification Program as information, along with a summary of certified mechanics in other jurisdictions.
- After further discussion regarding the Owner's Safety Management Safety Plan it was agreed to take no further action at this time but to monitor future safety directives to determine the need to revisit this matter.
- Rod Chisholm was appointed as Chair of the PRTC.
- Moved to support and ratify the proposed Safety Codes Officer Code of Ethics.

There were no appeals received or heard by the Passenger Ropeways Technical Council in 2012.

Plumbing Technical Council

The Plumbing Technical Council held five meetings in 2012. Highlights of these meetings included the following:

- Completed activities related to adoption of the 2010 National Plumbing Code (NPC) in Alberta in September 2012. This included revising and reissuing all existing STANDATA for consistency with the 2010 NPC.
- Continued work on the next edition of the Alberta Private Sewage Systems Standard of Practice through the Private Sewage Task Group. The task group held two meetings in 2012 and put forward recommendations to council for their consideration and decision. Two Private Sewage recommendations approved by the sub council were issued as province-wide variances.

- Reviewed and approved a factsheet for Water Reuse Alternative Solutions.
- Received the Administrator's report on the development of the CSA B128.3-12 Performance of Non-Potable Water Reuse Systems standard.
- Heard a presentation from industry on the use of recycled water in car washes.
- Discussed the current lack of an existing referenced standard or required certification of cisterns.
- Reviewed Council policy provision that allows only the Technical Administrator to issue a variance for equipment and established a task group to help clarify this provision by defining "Equipment."
- Established the following task groups:
 - Drainage Systems with Municipal Requirements STANDATA task group
 - Composting Toilets task group.
- Approved a new Plumbing Group A SCO course and 2010 NPC Plumbing Code Update Training.
- Provided input on revisions to the Plumbing and Gas Seminar for Group A SCOs in those disciplines.
- Discussed the implications for plumbing discipline on potential changes to the certification levels and training structure for Building safety codes officers.
- Approved STANDATA for Expansion and Contraction for Drainage, Venting and Water Distribution Systems.
- Discussed and provided input on the Safety Codes Officer Code of Ethics, the Objective-Based Industrial Electrical Code, and maintenance and enforcement issues under the *Safety Codes Act*.

The plumbing technical council heard one appeal of a plumbing Order in 2012.

COORDINATING COMMITTEE/BOARD

The adoption of revised Bylaws by the Safety Codes Council membership at the 2008 Annual General Meeting, allowed the Council to implement a new corporate governance structure in early 2009.

In accordance with the Council's Bylaws, the Council delegates all of its duties and powers to the Coordinating Committee, with the exception of making Bylaws. The Coordinating Committee is the Board of Directors of the Safety Codes Council.

Robert Blakely, Chair of the Safety Codes Council
Mark Gerlitz, Chair (appointed Sept. 7, 2012) Legal Standing Committee
Darlene Halwas, Chair – Finance, Audit and Risk Management Committee
Rick Noonan, Chair – Governance and Compensation Committee
Jim Wheadon, Chair – Governance and Nominating Committee
Cal Ploof, Chair of the Technical Coordinating Committee
John Whaley – Alberta Municipal Districts and Counties
Cliff Ayrey - Alberta Urban Municipalities Association

COORDINATING COMMITTEE ATTENDANCE

The Coordinating Committee met seven times in 2012:

- **John Whaley** was absent from one meeting (December 14).
- **Cal Ploof** was absent from three meetings (May 18, May 31, December 14)
- **Darlene Halwas** was absent from one meeting (September 7)
- **Jim Wheadon** was absent from one meeting (October 26)
- **Cliff Ayrey** was absent from one meeting (December 14)

TECHNICAL COORDINATING COMMITTEE

Cal Ploof, Chair
Brian Wiese, Vice-Chair (Fire)
Brian Andrus / Alan Kabotoff (Training Institutes)
John Whaley (Alberta Association of Municipal Districts and Counties)
Cliff Ayrey (Alberta Urban Municipalities Association)
Barbara Peter (Amusement Rides)
Mark Iantkow (Barrier Free)
Brian Lade (Boilers and Pressure Vessels)
Maurice Otto (Building)
Stan Misyk (Electrical)
Jim Brownlee (Elevators)
Keven Lefebvre / Brian Wiese (Fire)
Darrel Hilman / Keith Carter (Gas)
Bob Bell (Passenger Ropeways)
Richard Burk (Plumbing)

SUB COUNCILS

Amusement Rides Technical Council

Barbara Peter, Chair – Risk & Insurance Management
Dean Treichel, Vice-Chair – Small Outdoor Amusement Parks
John Hewitt, Vice-Chair – Professional Engineers
Kevin Stanger – Fairs and Exhibitions
Michael Klebanov – Large Indoor Amusement Parks
Mike Kryzanowski Jr. – Small Portable Ride Operators
Paul Burgess – Large Portable Ride Operators
Norman Mathew – Public at Large

Barrier Free Council

Mark Iantkow, Chair – Visual Disabilities
Bob Macklon, Vice-Chair N. – Agility Disabilities
Harold Wicke, Vice-Chair S. – Code Enforcement
Cindy Gordon – Hearing Disabilities
Braden Hirsch / Yvette Werenka – Public at Large
Bill Partridge / Stan Lennox – Non-residential Building Management
Jean Greer McCarthy – Home Construction
Roger Laing – Aging Population
Edgar Jackson – Mobility Disabilities
Todd Werre – Residential Apartment & Condominium Owners/Managers
Rhonda Kajner – Communication Disabilities
Vacant – Construction
Ron Wickman – Barrier Free Design

Boilers & Pressure Vessels Technical Council

Brian Lade, Chair – Heavy Oil & Oil Sands
Izak Roux, Vice-Chair – Contract Chief Inspectors
Tony Robinson / Marvin Kossowan – Pressure Vessel
Manufacturing Industry
Gary Codner – Power Engineers
John Wolff – Electrical Utilities
Ron Muller / Magdi Ghobrial – Professional Engineers
Allan Belter – Pressure Welders
Todd Loran – Petroleum Industry
Jon Wilson – Pulp and Paper Industry
Dénis Côté – Education and Training
John Gillen – Construction and Maintenance
of Pressure Equipment
T.J. Sheptycki – Petrochemical Industry
Mike Clancy – Building and Heating Plants
Terry Wiseman – Public at Large

Building Technical Council

Maurice Otto, Chair (to Nov. 8, 2012) – Large
Municipalities (City of Edmonton)
Don Dessario, Chair (from Nov. 8, 2012) –
House Builders
Russell Croome, Vice-Chair N. – Fire Officials
Ann Perry, Vice-Chair, S. – Large Municipalities
(City of Calgary)
North Darling – Urban Municipalities
Bruce Schultz – Building Officials
Gregory Beck – Architecture
Barry Laviolette – Professional Engineers
David Dixon / Ken Gibson – General Contractors
Steve Walton – Building Owners
Vacant – Rural Municipalities
Kenneth Roskell – Mechanical Contractors
Scott Lee – Consumer Protection
Colin Friesen – Large Developments
Vacant – Labour
Robert Zifkin – Public at Large

Electrical Technical Council

Stan Misyk, Chair – Electrical Safety Codes Officers
Kevin Harrison, Vice-Chair N. –
Education and Training
Jim Porth, Vice-Chair S. – Large Electrical Utilities
John Bronius / John Briegel – Labour
Brian Magega – Large Municipalities
(City of Edmonton)
Darcy Teichroeb – Electrical Contractors
Allan Nagel – Rural Electrification Areas

Daryl Schmidt – Electrical Manufacturers
Ron Mah – Professional Engineers
Bill McAllister – Municipalities
René Leduc – Oil and Gas Processing Industry
Vacant – Petrochemical Industry
Larry DeWald – Electrical Standards/Testing/
Certification Organizations
Garfield Lee – Small Municipal Electrical Utilities
James Rivait – Public at Large
Shane Hoogenboom (from Nov. 2012) –
Large Municipalities (City of Calgary)

Elevators Technical Council

Jim Brownlee, Chair – Professional Engineers
John Carswell, Vice Chair S. – Elevator Owners
Brent Hannah, Vice-Chair N. (to May 2012)
Calvin Austrom – Small Manufacturer and
Handicapped Lifts Industry
Bob Palamarek, Vice-Chair N. (from May 2012) –
Real Estate Industry
Scott Gavin – Elevator Maintenance
Jeff Hunter – Large Manufacturers
Mike Conkin / Robert Logee – Labour
Amir Hemani – Architecture
Rod Murray – Building Owners
Trevor Doell – Construction Contractors
Suresh Sundaram – Public at Large

Fire Technical Council

Brian Wiese, Chair – Large Municipalities
(City of Calgary)
Ron Schaller, Vice Chair – Public at Large
Dale Miller, Vice-Chair – Building Officials
Keven Lefebvre / Peter Wemyss – Electrical Industry
Ken Knox / Bob Boudreau – Alberta Fire Fighters
Bruce Cummins – Municipalities
Bob Galloway – Fire Officials
Michael Cham / Ulrik Seward – Architecture
Michael Walker – Insurance Industry
Randy Brown / Bob Husereau – Building Owners
Jodi Nypuik – Petroleum Industry
Clarence Cormier – Professional Engineers
Ron Foxcroft – Fire Safety Industry

Gas Technical Council

Keith Carter, Chair – Large Gas Utilities
Larry Robinson, Vice-Chair – Inspection Authorities
Darrel Hilman / Denis Turgeon –
Education and Training
Russell Wintersgill – Small Gas Utilities

Lawrence Unser – Large Municipalities
Glen Aspen – Labour
Dell Wickstrom – Municipalities
Dave Scheideman – Rural Gas Utilities
Brad Diggins – Mechanical Contractors
Mel Hess – Professional Engineers
Darren Smith / Marcel Mandin – Natural Gas and
Propane Vehicle Conversion – Industry
Bob Bush / Hal Austin – Propane Gas Industry
Dave Schroeder – Sheet Metal Contractors
Verne Quiring – Manufacturers or Suppliers
Bradley Gaida – Public at Large

Passenger Ropeways Technical Council

Bob Bell, Chair (to May 2012) –
Large Above-Surface-Lift Operators
Rod Chisholm (Chair from Oct. 2012) –
Medium Above-Surface – Lift Operators
Marlin Van Zandt, Vice-Chair – Conveyor Operators
Bruno Mannsberger – Professional Engineers
Chris Dewitt – Large Above-Surface-Lift Operators
Dave McCleary – Medium
Above-Surface-Lift Operators
Kevin Grogan – Small Surface Operators
Pat Boyle – Manufacturers
Dean McKernon – Code Enforcement
Bob Heinrichs / Stephen Kozelenko – Public at Large
Tony Van der Linden – Risk & Insurance Management

Plumbing Technical Council

Richard Burk, Chair – Mechanical Inspections
Sean Leonard, Vice-Chair N. / David Hughes –
Manufacturers and Suppliers
John van Weenen, Vice-Chair S. –
Education and Training
Gerald Byer – Large Municipalities
(City of Edmonton)
Ken Padfield / Garnet Young –
Mechanical Inspections
Cameron Braun – Professional Engineers
Wayne Ducharme – Urban Municipalities
Greg Francis – Labour
Charles Hallett – Private Sewage
Disposal Contractors
Kenneth Wigmore – Rural Municipalities
Mark Cardwell – Public at Large
Dean Taylor – Large Municipalities (City of Calgary)

MANAGEMENT'S COMMENTS ON THE 2012 FINANCIAL STATEMENTS

Due to a buoyant Alberta economy, the Council's finances ended 2012 on a positive note with an excess of revenues over expenses of \$1,232,557. Total revenues increased 27% over those of 2011 and were accompanied by an 18.5% increase in expenses over the prior year. Management considers these excellent results taking into account the Council's achievements in executing a number of key deliverables, that position us to pursue our vision to make Alberta a safe place to live, work and play.

Looking beyond Canada's borders, 2012 saw ongoing issues in the Eurozone, Chinese and Japanese economies as well as weaker than expected growth in large emerging countries such as Brazil and India. Economic stagnation continued in the US with a slight acceleration towards year end that will likely continue into 2013. These struggles highlighted the weakness and downside risks facing the global economy. To counteract the sluggish economies, ultra-loose monetary conditions prevailed and are set to endure with major central banks poised to maintain the record low interest rates of 2012 throughout 2013 and possibly beyond.

Over the past few years, Alberta has held a steady course through turbulent times, however in 2012 we were not immune to economic forces beyond our borders. Being a resource based economy, the Province is vulnerable to swings in resource prices. Rapidly growing levels of Canadian oil production, coupled with an inability to move all of this production economically to market, produced a large price differential between Alberta and US oil – royalty revenues received by the Government of Alberta were \$6 billion under budget in 2012 and the trend is expected to continue for the foreseeable future.

Irrespective of economic fluctuations, the Council is responsible under its Ministerial mandate to review, formulate and manage significant components of the administration of the safety system. To do so requires careful financial management as the Council is funded primarily by levies from construction which are sensitive to economic ups and downs.

During the year the Council successfully navigated a carefully plotted course that permitted us to achieve our Business Plan goals while maintaining fiscal responsibility that produced the positive financial result. Reflective of our revenue philosophy, the Council is focused on being an effective and sustainable organization that will continue with enhancements to its oversight and risk management programs that increase accountability in the safety codes system; the end result being a safer Alberta.

As directed by the Coordinating Committee, the Council issued a request for proposals to select an auditing firm to conduct the Council's 2012 financial audit and beyond. Qualifying respondents were rated against weighted selection criteria to allow the Council to evaluate the firm, service team, technical expertise and proposed fees. The choice was made to reappointment KPMG for a three year period. In addition, the Council's insurance program was remarketed in 2012 and a new insurer appointed who will provide increased coverage with lower premiums.

REVENUES

Total revenues were \$7,450,480 in 2012 as compared to \$5,846,150 in 2011, a 27% increase year over year.

The Council's primary source of revenue continues to be operating fees of which the majority are provided by levies on permits issued by municipalities and agencies. This levy revenue is sensitive to construction starts across the Province. Canada Mortgage and Housing Corporation (CMHC) reports annual housing production in 2012 was 33,396 starts, up 30% from 2011's total of 25,704. A lower level of inventory of completed and unoccupied dwelling units along with less competition from the resale market helped lift housing starts, as did rising migration and employment. In 2012, the Council also implemented a risk based annual fee for corporate and agency accreditations that provided additional \$530,000 in revenue over 2011.

In 2012 the Council recognized revenues of \$78,498 from work on the eSITE enhancement and IT in Support of the Safety System grants. The final reports have been provided to Municipal Affairs and the unspent grant monies work will be repaid to the Province in early 2013. Grant money of \$45,600 was repurposed to enable the Council to develop an IT solution to receive safety and permitting data in eSITE from one of our partners, the Petroleum Tank Management Association of Alberta (PTMAA).

Investment income is generated from the Council's investment portfolio that is managed according to policy to ensure preservation of capital and conservative growth. In 2012, the Council was able to add \$990,000 to the investment portfolio. Under the new government not for profit accounting standards, only realized investment income is recognized in the statement of operations. Unrealized changes in fair value are recognized as accumulated remeasurement gains in the statement of financial position.

2012 was the first full year of operations within the Council for the Master Electrician Program. Revenues generated by the program were comparable to those of 2011 on an annualized basis.

The 2012 Annual Conference and AGM was held in downtown Calgary, and was an abbreviated function compared to prior years. The shortened program produced a dip in conference revenues over 2011. The 2013 Conference will return to Banff and a full four day program.

Application development revenue was generated by IT project work for two of our partners, Alberta Elevating Devices and Amusement Rides Safety Association (AEDARSA) and PTMAA.

All other revenue category results were similar to those of 2011.

EXPENDITURES

Total expenditures ended the year at \$6,217,923, an 18.5% increase over those of 2011. As previously reported, the Council established six new positions in 2011; in 2012 the hiring into those positions commenced generating additional personnel and ancillary costs in the areas of the field audit program and training. In addition, the Council completed the expansion project to become the sole tenant of the 10th floor of First Edmonton Place. This expansion to accommodate the additional personnel increased rent and amortization costs related to the leasehold improvements and capital asset purchases.

Education and Training and eBS are the two departments who typically utilize consultants and contractors to manage

their activities through the workload peaks and valleys. In 2012, contractor expenses were \$434,400, a 57% increase over the \$277,412 reported in 2011. The various expenses in this category relating to the Education and Training department fluctuate depending on the cycle of review and adoption of the various codes. As planned for 2012, the department hired two subject matter experts to prepare the material required for the Building Code revisions. Decreased expenses over those of 2011 in course and seminar costs, new course version and special training programs were experienced. eBS continued to provide enhancements and updates to eSITE and complete work on two grants using a blend of staff and contracted resources. After extensive consultation with PTMAA, the decision was made to halt the IT application development project to allow PTMAA to take advantage of newer technology that is more compatible with eSITE, resulting in the \$91,386 one time charge. The Council will continue to work with PTMAA to ensure that the new application will submit all permitting data to eSITE's provincial repository.

Bank and investment service charges increased due to the volume of transactions generated by the levy remittances, plus in 2012 the Council began offering online payments for the Master Electrician Program payments. Going forward, online payment options will be expanded to include course and certification payments and the annual conference. As the value of our investment portfolio grows, the investment service charges will increase. In 2013, the Council will issue an RFP to identify a company to provide investment management services.

All other expense category results are similar to those of 2011.

FINANCIAL STATEMENTS OF SAFETY CODES COUNCIL

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KPMG LLP
Chartered Accountants
Commerce Place
10125-102 Street
Edmonton, Alberta T5J 3V8
Canada

Telephone (780) 429-7300
Fax (780) 429-7379
Internet www.kpmg.ca

INDEPENDENT AUDITORS' REPORT

To the Members of Safety Codes Council

We have audited the accompanying financial statements of Safety Codes Council (the "Council"), which comprise the statement of financial position as at December 31, 2012, and the statements of operations, changes in net assets, remeasurement gains and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Basis for Qualified Opinion

Operating fees received from municipalities and agencies are collected on behalf of the Council, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of operating fees revenue from municipalities and agencies was limited to the amounts recorded in the records of the Council and we were not able to determine whether any adjustments might be necessary to operating fees revenue, excess of revenues over expenses, accounts receivable and unrestricted net assets.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the Council as at December 31, 2012, and the results of its operations, changes in net assets, remeasurement gains and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

[Original Signed]

Chartered Accountants

April 5, 2013
Edmonton, Canada

SAFETY CODES COUNCIL

Statement of Financial Position

December 31, 2012, with comparative figures for 2011

	2012	2011
Assets		
Current assets:		
Cash	\$ 269,631	\$ 452,336
Accounts receivable	473,760	489,554
Prepaid expenses and deposits	121,134	118,377
	<u>864,525</u>	<u>1,060,267</u>
Investments (note 2)	5,715,054	4,474,585
Capital assets (note 3)	1,096,396	1,110,489
	<u>\$ 7,675,975</u>	<u>\$ 6,645,341</u>

Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities	\$ 422,198	\$ 475,193
Grants repayable (note 4)	74,438	140,594
Deferred revenue (note 4)	185,638	329,439
Current portion of deferred lease inducement	6,491	6,491
	<u>688,765</u>	<u>951,717</u>
Deferred lease inducement	26,507	32,998
Net assets:		
Unrestricted	2,676,050	1,429,400
Internally restricted (note 5)	3,000,000	3,000,000
Invested in capital assets	1,096,396	1,110,489
	<u>6,772,446</u>	<u>5,539,889</u>
Accumulated remeasurement gains	188,257	120,737
	<u>6,960,703</u>	<u>5,660,626</u>
Commitments (note 6)		
	<u>\$ 7,675,975</u>	<u>\$ 6,645,341</u>

See accompanying notes to financial statements.

On behalf of the Council:

_____ [Original Signed] Member _____ [Original Signed]

Member

_____ [Original Signed] Member

SAFETY CODES COUNCIL

Statement of Operations

Year ended December 31, 2012, with comparative figures for 2011

	2012	2011
Revenues:		
Operating fees:		
Municipalities and agencies	\$ 5,379,842	\$ 4,261,031
Corporations	942,000	409,920
Grants (note 4)	78,498	369,584
Course and exam fees (note 4)	415,522	371,853
Investment income	184,786	104,091
Master Electricians Program certification fees	215,043	149,915
Certification (note 4)	63,229	50,326
Annual conference	21,745	43,827
Other revenues and recoveries	38,140	27,551
Application development	84,950	24,277
Designation of powers	17,825	20,275
Appeals	5,000	9,000
Accreditation	3,900	4,500
	<u>7,450,480</u>	<u>5,846,150</u>
Expenses:		
Salaries and benefits	3,622,426	3,003,647
Office rental	486,949	374,461
Contractors and consultants	434,400	277,412
Amortization of capital assets	231,420	164,423
Annual conference	194,043	198,707
Electronic business solutions	173,559	113,574
Travel (note 7)	163,435	101,769
Office and general	149,706	120,903
Publications	123,731	105,240
Appeals	99,178	100,041
Course and seminar costs	98,577	168,499
Abandonment of application development project	91,386	-
Meetings	59,857	67,095
New course development	57,358	60,241
Honoraria (note 7)	47,810	31,375
Bank and investment service charges	43,458	30,585
Professional fees	42,694	63,314
Insurance	36,454	38,867
Consulting fees	20,064	15,968
New course version	18,717	122,168
Special training programs	13,065	58,324
Loss on disposal of capital assets	3,842	7,549
Corporate memberships	3,274	4,884
Test bank validations	1,569	7,971
Code update training	951	150
Electronic conversion	-	4,725
	<u>6,217,923</u>	<u>5,241,892</u>
Excess of revenues over expenses	<u>\$ 1,232,557</u>	<u>\$ 604,258</u>

See accompanying notes to financial statements.

SAFETY CODES COUNCIL

Statement of Changes in Net Assets

Year ended December 31, 2012, with comparative figures for 2011

	Unrestricted	Internally restricted	Invested in capital assets	2012 Total	2011 Total
Balance, beginning of year	\$ 1,429,400	\$ 3,000,000	\$ 1,110,489	\$ 5,539,889	\$ 4,935,631
Excess (deficiency) of revenues over expenses	1,467,819	-	(235,262)	1,232,557	604,258
Investment in capital assets, net	(221,169)	-	221,169	-	-
Balance, end of year	\$ 2,676,050	\$ 3,000,000	\$ 1,096,396	\$ 6,772,446	\$ 5,539,889

Statement of Remeasurement Gains

Year ended December 31, 2012, with comparative figures for 2011

	2012	2011
Accumulated remeasurement gains, beginning of year	\$ 120,737	\$ -
Change in unrealized gains attributable to investments	67,520	120,737
Accumulated remeasurement gains, end of year	\$ 188,257	\$ 120,737

See accompanying notes to financial statements.

SAFETY CODES COUNCIL

Statement of Cash Flow

Year ended December 31, 2012, with comparative figures for 2011

	2012	2011
Cash provided by (used in):		
Operations:		
Excess of revenues over expenses	\$ 1,232,557	\$ 604,258
Item not involving cash:		
Amortization of capital assets	231,420	164,423
Loss on disposal of capital assets	3,842	7,549
Amortization of deferred lease inducement	(6,491)	(6,491)
Changes in non-cash operating working capital:		
Accounts receivable	15,794	(48,854)
Prepaid expenses and deposits	(2,757)	4,851
Accounts payable and accrued liabilities	(52,995)	247,068
Grants repayable	(66,156)	140,594
Deferred revenue	(143,801)	(497,428)
	1,211,413	615,970
Capital activities:		
Purchase of capital assets	(221,169)	(498,884)
Investing activities:		
Reinvested net investment income from investments	(182,949)	(102,577)
Purchase of investments	(1,025,000)	(495,000)
Proceeds from disposition of investments	35,000	180,000
	(1,172,949)	(417,577)
Decrease in cash	(182,705)	(300,491)
Cash, beginning of year	452,336	752,827
Cash, end of year	\$ 269,631	\$ 452,336
Supplemental cash flow information:		
Bank and investment service charges paid	\$ 43,485	\$ 30,585

See accompanying notes to financial statements.

SAFETY CODES COUNCIL

Notes to Financial Statements

Year ended December 31, 2012

The Safety Codes Council (the "Council") is a corporation established under the Safety Codes Act of the Province of Alberta (Revised Statutes of Alberta 2000, Chapter S-1). The industry-based Council is comprised of a Council Chair, a Coordinating Committee, a Technical Coordinating Committee and Sub-councils in the following areas: amusement rides, boilers and pressure vessels, buildings, electrical, elevators, fire, gas, plumbing, barrier free and passenger ropeways.

The Council is responsible for reviewing, formulating and managing significant components of the administration of Alberta's safety system. The Council's mandate is to:

- develop and recommend safety codes and standards;
- promote uniform safety standards and practices;
- develop and administer a program to certify and designate Safety Codes Officers;
- develop and administer a program to accredit safety system partners;
- administer appeals for certification, accreditation and orders issued under the Safety Codes Act;
- administer the Master Electricians' program;
- establish and operate safety information and training programs;
- develop and administer a province wide electronic permitting system for use by accredited entities administering the Safety Codes Act; and
- engage in any other activities as directed by the Minister responsible for the Safety Codes Act.

1. Significant accounting policies:

These financial statements are prepared by management in accordance with Canadian public sector accounting standards. As a government not-for-profit organization, the Council has elected to follow the standards for not-for-profit organizations in the CICA Public Sector Accounting Handbook. The Council's significant accounting policies are as follows:

(a) Revenue recognition:

The Council follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

SAFETY CODES COUNCIL

Notes to Financial Statements (continued)

Year ended December 31, 2012

1. Significant accounting policies (continued):

(a) Revenue recognition (continued):

Other revenues including operating fees from municipalities and agencies, corporations, courses and exams, Master Electrician Program certification fees, certification, annual conference, designation of powers, appeals and accreditation are recorded as they are earned. Other revenues that relate to future years are reflected as deferred revenue.

(b) Capital assets:

Capital assets are stated at cost. Amortization is provided using the following methods and annual rates:

Asset	Basis	Rate
Furniture and fixtures	Declining balance	20%
Equipment	Declining balance	20%
Computer hardware	Declining balance	30%
Computer software	Declining balance	30%
Leasehold improvements	Straight line	Over lease term

Copyrights are not amortized.

(c) Deferred lease inducement:

Deferred lease inducement represents the unamortized value of an inducement received when the Council entered into a lease arrangement for the rental of office space. Amortization is provided on a straight-line basis over the term of the related lease as a reduction in office rent.

(d) Contributed services:

Contributed supplies and services that would otherwise have been purchased are recorded as contributions and expenses. Such transactions are measured at the fair value at the date of contribution, when a fair value can be reasonably determined.

SAFETY CODES COUNCIL

Notes to Financial Statements (continued)

Year ended December 31, 2012

1. Significant accounting policies (continued):

(e) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Derivative instruments and equity instruments that are quoted in an active market are reported at fair value. All other financial instruments are subsequently recorded at cost or amortized cost unless management has elected to carry the instruments at fair value. Management has elected to record all investments at fair value as they are managed and evaluated on a fair value basis.

Unrealized changes in fair value are recognized in the statement of remeasurement gains until they are realized, when they are transferred to the statement of operations.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

All financial instruments are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss is reported in the statement of operations and any unrealized gains and losses are reversed and recognized in the statement of operations.

Public Sector Accounting Standards require the Council to classify fair value measurements using a fair value hierarchy, which includes three levels of information that may be used to measure fair value:

Level 1 - Unadjusted quoted market prices in active markets for identical assets or liabilities;

Level 2 - Observable or corroborated inputs, other than level 1, such as quoted prices for similar assets or liabilities in inactive markets or market data for substantially the full term of the assets or liabilities; and

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities.

SAFETY CODES COUNCIL

Notes to Financial Statements (continued)

Year ended December 31, 2012

1. Significant accounting policies (continued):

(f) Use of estimates:

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the year. Actual results could differ from those estimates.

2. Investments:

	Level	2012	2011
Cash and money market securities	1	\$ 494,723	\$ 337,502
Federal and provincial government bonds, with effective interest rates from 1.90 % to 4.87% (2011 - 3.90% to 4.10%) and maturity dates up to 2021	2	950,389	1,476,735
Corporate bonds, debentures, and coupons, with stated interest rates of 3.03% to 6.17% (2011 - 4.03% to 6.17%) with maturity dates up to 2023	2	2,769,996	1,749,884
Corporate cumulative and non-cumulative preferred shares, with stated interest rates of 4.0% to 4.6% (2011 - 4.20% to 5.35%)	2	281,660	336,690
Canadian common shares	1	1,218,286	573,774
		\$ 5,715,054	\$ 4,474,585

SAFETY CODES COUNCIL

Notes to Financial Statements (continued)

Year ended December 31, 2012

3. Capital assets:

			2012	2011
	Cost	Accumulated amortization	Net book value	Net book value
Furniture and fixtures	\$ 291,173	\$ 166,540	\$ 124,633	\$ 76,879
Equipment	48,799	30,848	17,951	21,909
Computer hardware	400,254	254,303	145,951	131,218
Computer software	270,018	160,568	109,450	87,697
Leasehold improvements	1,024,337	337,693	686,644	781,019
Copyright	11,767	-	11,767	11,767
	\$ 2,046,348	\$ 949,952	\$ 1,096,396	\$ 1,110,489

4. Deferred revenue:

	Deferred revenue, beginning of year	Amounts received / receivable	Revenue recognized, net	Amounts repaid / repayable	Deferred revenue, end of year
<u>Grants</u>					
Information technology	\$ 106,472	\$ 1,463	\$ (12,151)	\$ (48,129)	\$ 47,655
e-Site enhancement	91,552	1,104	(66,347)	(26,309)	-
	198,024	2,567	(78,498)	(74,438)	47,655
<u>Other amounts</u>					
Course and exam fees	23,109	409,325	(415,552)	-	16,882
Certification	108,306	76,024	(63,229)	-	121,101
	\$ 329,439	\$ 487,916	\$ (557,279)	\$ (74,438)	\$ 185,638

SAFETY CODES COUNCIL

Notes to Financial Statements (continued)

Year ended December 31, 2012

4. Deferred revenue (continued):

Information Technology

On July 18, 2008, the Council entered into an agreement with the Province of Alberta as represented by the Minister of Municipal Affairs to undertake an enhancement upgrade to e-Site. The grant specified four deliverables to establish 1) An IT system in e-Site for Development Permits, 2) An IT system in e-Site for Orders and Variances external data entry, 3) An IT system in e-Site for Underground Petroleum Tank site Remediation (PTRP) and 4) Establish an IT system in e-Site for Municipal Monitoring. The IT in Support of the Safety System project has a total proposed budget of \$182,400 to be funded by the Province of Alberta. The grant agreement initially expired on April 30, 2009. The Minister of Municipal Affairs agreed to extend the project completion date to December 31, 2012. Items 1 through 3 above expired on December 31, 2012 accounting for a grant repayable of \$48,128. Item 4, through approval of the Minister of Municipal Affairs, was repurposed and extended to a completion date of June 30, 2014. To December 31, 2012, total eligible expenditures incurred under the amended agreements were \$85,220 (2011 - \$73,069).

e-Site Enhancement

On April 21, 2010, the Council entered into an agreement with the Province of Alberta as represented by the Minister of Municipal Affairs to undertake an enhancement upgrade to e-Site. The e-Site Enhancement project has a total proposed budget of \$210,000, to be funded with \$200,000 by the Province of Alberta and the remainder to be provided by the Council. The grant agreement initially expired on December 31, 2011. The Minister of Municipal Affairs agreed to extend the project completion date to December 31, 2012. To December 31, 2012, total eligible expenditures incurred under the agreement were \$178,258 (2011 - \$111,911).

5. Internally restricted net assets:

The Council maintains internally restricted net assets in the amount of \$3,000,000 to manage sustainability risk over the medium term. Access to the restricted net assets is granted by resolution of the Coordinating Committee.

SAFETY CODES COUNCIL

Notes to Financial Statements (continued)

Year ended December 31, 2012

6. Commitments:

The Council is committed under an operating lease for its office premises which expires April 30, 2018. The Council also leases photocopiers and a postage machine with related service contracts, expiring March 2014 and August 2015.

2013	\$	262,662
2014		267,626
2015		264,166
2016		260,964
2017		260,964
Thereafter		86,988
	\$	1,403,370

The Council is also responsible for their share of operating costs related to the office premises lease.

7. Remuneration and other costs disclosure:

Coordinating Committee members are remunerated by the schedules as set out by Order in Council 466/2007. Remuneration is comprised of \$47,810 (2011 - \$31,375) included in honoraria expense. Other costs consist of travel and accommodation related to meetings attendance which are included in travel expense.

	2012	2011
Coordinating Committee members:		
Remuneration	\$ 47,810	\$ 31,375
Other	21,677	10,598
	\$ 69,487	\$ 41,973

SAFETY CODES COUNCIL

Notes to Financial Statements (continued)

Year ended December 31, 2012

8. Related party transactions:

Transactions with Alberta Municipal Affairs are considered to be in the normal course of operations. Amounts due to Alberta Municipal Affairs and the recorded amounts of the transactions are included with these financial statements unless otherwise stated.

The balance of grants repayable on the statement of financial position is due to Alberta Municipal Affairs. Grant revenue of \$78,498 (2011 - \$369,584) on the statement of operations is from an Alberta Municipal Affairs grant.

Alberta Municipal Affairs currently provides certain services to the Council including a monitoring service of accredited entities as part of the Municipal Support Program, at no cost. As a result of the difficulty in determining the fair value of these services, contributed services are not recognized in the financial statements.

9. Financial risks and concentration of credit risk:

The Council is exposed to a number of different financial risks arising from its use of financial instruments, including market price risk, liquidity risk, credit risk and interest rate risk. The Council's overall risk management processes are designed to identify, manage and mitigate business risk.

Market price risk

Market price risk is the risk that the value of an instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market. As all of the Council's investments are carried at fair value with fair value changes recognized in the statement of operations, all changes in market conditions will directly result in an increase (decrease) in net assets. Market price risk is managed by the Council through construction of a diversified portfolio of instruments traded on various markets and across various industries.

The Council's investments in equities are also sensitive to market fluctuations. An immediate hypothetical decline of 10% in equity values will impact the Council's equity investments by an approximate loss of \$121,829 (2011 - \$57,378).

SAFETY CODES COUNCIL

Notes to Financial Statements (continued)

Year ended December 31, 2012

9. Financial risks and concentration of credit risk (continued):

Liquidity risk

Liquidity risk is both the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities, and there will be no ability to sell its financial instruments should it wish to do so.

The Council's Investment Policy, which is reviewed and approved by the Coordinating Committee annually, establishes the nature of acceptable investments for its portfolio. As a result, 100% of the Council's investments are in liquid securities traded in public markets. Although market events could lead to some investments becoming illiquid, the diversity and quality of the Council's portfolio is designed to ensure that liquidity is available to pay liabilities as they come due. The Council also maintains cash on hand for liquidity purposes and to pay accounts payable and accrued liabilities.

Further, investments are structured with varying maturity dates and payment frequencies. At December 31, 2012, the Council had cash on hand in the amount of \$269,631 (2011 - \$452,336). The following table summarizes mix of contractual maturities of all financial assets at December 31 by the earlier of contractual repricing or maturity dates:

	2012	2011
Less than one year	56%	38%
1 - 5 years	18%	18%
More than 5 years	26%	44%

Credit risk

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to meet a commitment that it has entered into with the Council. In relation to the Council activities, credit risk arises from the issuance of permits by accredited third-parties and subsequent remittance of levies to the Council. This risk is mitigated through the Council's ongoing due diligence of accredited organizations, and the number of accredited organizations issuing permits. In relation to the Council's investment portfolio, credit risk arises from the bond or equity issuer defaulting on its obligations.

SAFETY CODES COUNCIL

Notes to Financial Statements (continued)

Year ended December 31, 2012

9. Financial risks and concentration of credit risk (continued):

Credit risk (continued)

The Council manages credit risk by investing in securities with ratings of AA or higher and diversifying its investment portfolio to reduce the risk to an acceptable level. Cash is held with reputable financial institutions and accounts receivable are with counterparties that the Council believes to be reputable entities. No individual financial asset is significant to the Council's operations.

Interest rate risk

Interest rate risk is the risk that the market value of the Council's investments will fluctuate due to changes in market interest rates. To properly manage the Council's interest rate risk, appropriate guidelines on the weighting and duration for the bonds and other fixed income investments are set and monitored. The Council's investments in fixed income are sensitive to interest rate movements. An immediate hypothetical 100 basis point or 1% increase in interest rates, with all other variables held constant, would impact fixed income investments by an estimated loss of \$209,066 (2011 - \$230,330).

10. Subsequent events:

Subsequent to year end, the Council applied for and obtained a one-time conditional grant from Alberta Municipal Affairs. The grant provides for \$150,000 to conduct initial due diligence to investigate the feasibility of establishing an independent business unit to manage and administer safety codes services in unaccredited areas of the Province of Alberta. Should the initial study demonstrate that the operation would generate sufficient revenue to ensure financial viability and sustainability, the next stage of the grant would provide \$1,350,000 to establish the business unit.



SAFETY CODES COUNCIL

Suite 1000,
10665 Jasper Avenue Nw
Edmonton, AB T5J 3S9

Phone: 780-413-0099
Toll-Free Phone In Alberta:
1-888-413-0099

Fax: 780-424-5134
Toll-Free Fax In Alberta:
1-888-424-5134

Web Site: www.safetycodes.ab.ca