



Strike up the **Conversation**





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We asked,
you answered,
we listened.





In 2017, we received the results of our first stakeholder survey. In 2018, we reflected on your answers and incorporated your feedback into our Business Plan. You told us we needed to improve in three areas: response time, staff knowledge, and reporting. We heard you, and we responded...

Brian Alford

President and CEO, Safety
Codes Council



Our services are now available 24 hours a day through Council Connect.

We implemented internal quarterly reporting to drive continual improvements in our service metrics.

We engaged with ASCA stakeholders and used their feedback to assess the System and make improvements.

All levels of staff are now on a rotating schedule to cover our reception desk, meaning we all get to interact with and learn from our clients.

We focused our 2018 business activities around customer-service feedback.

A Few of the Ways We Listened

The data available through Council Connect greatly increases our reporting capability.

Staff from across the Council completed an onsite customer-service training session.

An employee-engagement survey provided valuable feedback on ways to increase staff knowledge.

We relocated, and held 29 sub-council and working group meetings in our new premises.

Our average audit-report completion time has been cut from 192 days to 47 days, a 67% reduction.

Message to Our Stakeholders

Strike up the conversation! What better theme to reflect on our efforts in 2018, in which we used various methods to engage in dialogue with our clients and stakeholders? The outcomes of those efforts determined the initiatives we undertook and where we focused our energy for the past 12 months.

Council Connect, our biggest accomplishment of the year, launched on 22 October. System requirements were assessed through many conversations with our clients and stakeholders, who had a direct influence on the way the system was built. When Council Connect went live, it transformed our service delivery in an instant. Clients now have access to our services at the time that works best for them; they can interact with the Council 24 hours a day, without having to work around the Council's business hours. Clients' feedback will influence the system as we make continual improvements.

In April, the Council relocated to 10405 Jasper Avenue. Our new space allows us to better meet the needs of our stakeholders. We are able to hold all our sub-council meetings on site. This has a significant impact on sub-council members, Municipal Affairs (whose technical advisors attend sub-council meetings) and Council staff. Communication between all business units at the Council and the sub-councils has notably increased. Answers to questions are quicker and readily accessible, relationships are built and strengthened, and the ability to work together is greater. We are also able to host more training on site and provide better spaces for people taking exams.


In 2018, we focused on our three key themes that were determined through your answers to our inaugural Stakeholder Engagement Survey: improving our response time, increasing the knowledge of our staff, and enhancing our reporting. How we listened and incorporated what you told us is outlined in detail throughout this document.

We also initiated an ASCA engagement strategy, in which the Council reached out and engaged in discussions with our stakeholders in the unaccredited areas of our province. Three surveys were also sent out. The results of these activities were shared in our Final Report to the Minister, which outlined ASCA's accomplishments in its first two years of operation.

At the 2018 conference, we once again had the pleasure of conversing with and getting to know many of our partners and stakeholders, including our three 2018 award winners, who we would like to honour here again. The winner of our Dr. Sauer Award was Charles Hallett, a Plumbing Sub-Council member. The winner of our Accreditation Award was Parkland County, and the winner of our Certification Award was David Flanagan, a Building Safety Codes Officer who works for the City of Edmonton. We appreciate the opportunity to further get to know the individuals and organizations that have done such exemplary work in the System, and we thank all of our sub-council members and partners for their dedication and commitment.

We would also like to thank all Directors of the Board for their hard work throughout the year. We look forward to their continued guidance and dialogue as we move forward in keeping Alberta a safe place to live, work, and play. We would like to thank Minister Shaye Anderson, as well as Dale Beesley, Thomas Djurfors, Monte Kruger, and the staff at Municipal Affairs for their continued partnership and discourse. Last, but not least, we would like to recognize the staff at the Council for their continued dedication as they not only work towards fulfilling our mandate, but also for continually improving our programs and services.

As we look back on 2018, we see the results of our continued commitment to our clients and stakeholders. We know keeping the lines of communication open is the key to remaining transparent and accountable to you—our partners in the System. In order to keep the System strong, we will continue to “strike up the conversation” whenever there is an opportunity.



Brian Alford
President and
CEO, Safety
Codes Council



Bob Blakely
Chair, Safety
Codes Council



**Report on
Strategic Goals**

Safety

Build public confidence; ensure that organizations and individuals fulfill their duties within the System

Education

Be a leader in System education; provide stakeholders with the tools they need to excel in their profession

Our Five-year Strategic Goals

Governance

Remain accountable; operate within a governance model that is transparent and participatory

Sustainability

Innovate with purpose; remain sustainable to serve Albertans now and into the future

Service Delivery

Prioritize our clients; continually improve on our client services, programs, and products

Our Vision

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

Our Mission

We work with our partners and stakeholders to provide an effective and sustainable system for structures, facilities, and equipment.

Focus for 2018

Themes of improvement that were identified in the results of our stakeholder survey:

- Improve response time
- Enhance our reporting
- Increase staff knowledge

STRATEGIC GOAL:

Safety

Audit program enhancement (2018)

Enhance the current audit program to effectively support accredited organizations and address stakeholder feedback.



TARGET: Issue all audit reports in 2018 within 60 days of audit being completed.

RESULTS: Thirty-four audits were completed in 2018. Of those, 30 reports were issued within 60 days of the audit being completed. The remaining reports were issued within 67 days.

WHY THIS IS SIGNIFICANT: Receiving audit results sooner means accredited organizations can implement recommendations faster. Ensuring audits are efficient and timely also increases the auditee's confidence in, and satisfaction with, the audit process.

HOW THIS IMPROVED RESPONSE TIME: The issuance of audit reports has dropped from an average of 192 days (when we declared this initiative) to 47 days by the end of 2018.



TARGET: Implement a survey procedure to gather feedback from accredited municipalities on audit process by the end of Q1 2018.

RESULTS: Survey questions were created and finalized in Q1 of 2018. By the end of 2018, 50 audit surveys were sent out. The response rate was 76%, and the results showed an 88% satisfaction rate with the overall audit process.

WHY THIS IS SIGNIFICANT: Implementing a survey gives accredited municipalities a voice in the audit process. It also allows the Council to gather data and feedback on the audit process and to identify areas in which we can improve.

HOW THIS ENHANCED REPORTING: We have implemented a new tool to gather data. This data will allow us to identify opportunities to improve our audit process and provide more insight into the System.



TARGET: Implement a site visit procedure by the end of Q1 2018.

RESULTS: A site-visit procedure was completed and implemented in Q1. By the end of 2018, 52 municipalities, towns, and villages were visited in accordance with this procedure.

WHY THIS IS SIGNIFICANT: Having our auditors visit accredited municipalities allows us to gather feedback regarding the needs and concerns of municipalities. Face-to-face meetings help build relationships and mean the Council can promptly answer questions from QMP Managers. The site visits also help to resolve issues related to permitting and inspection services.

HOW DID THIS IMPROVE RESPONSE TIME: Auditors are able to answer questions related to permitting and inspection services in real-time.



The Council Audit team was professional and our audit was conducted with a high level of expertise. The audit process continues to be an excellent opportunity to learn about and discuss new strategies and processes to elevate public safety and improve service to the public.

Russell Croome
Deputy Fire Chief
Fire Rescue Services, City of Edmonton




STRATEGIC GOAL:

Education


Quality Management Plan Training (2018-2019)

Implement Quality Management Plan training.

 **TARGET:** Develop learning objectives by the end of Q2 2018.

RESULTS: A needs analysis survey was developed and distributed in Q2 of 2018. The survey received 207 responses. Nine individual interviews took place and three focus group sessions occurred. Learning objectives were developed based on the results of this needs analysis.

WHY THIS IS SIGNIFICANT: Developing learning objectives in collaboration with our stakeholders helps to ensure that our training materials are relevant and of value to our audience.

 **TARGET:** Develop course materials by end of 2018.

RESULTS: Learning modules have been completed and forwarded to subject matter experts for review. In order to allow time for comprehensive feedback from these experts, the feedback review meeting has been scheduled to occur in January 2019. The revised course completion date is Q2 2019.

WHY THIS TARGET WAS DELAYED: It is important to consult with subject matter experts to make sure our training material is factual, relevant, and accurate. The delay in the completion of the course materials is necessary to ensure the development of high quality course materials.



The new QMP training program from the Safety Codes Council introduces to the System a collaborative one-stop-shop option for the education of our staff that is easily available right at our fingertips. This program reinforces our shared commitment to the safety of Albertans and strengthens relationships between organizations engaged in the System, the Council, and the Government.

John Dickason

Manager Regulatory Safety Code Compliance
Suncor Energy



Continuing Education Workshops for SCOs (2018-2020)

Develop continuing education workshops to enhance SCO knowledge.



TARGET: Develop and deliver one workshop by the end of 2018.

RESULTS: Course materials were created for the Tools for Writing Effective Reports workshop. The pilot class is booked for 10 January 2019. Some of these materials were also incorporated into the Council's Written Communications for Safety Codes Officers course.


WHY THIS IS SIGNIFICANT: The Tools for Writing Effective Reports workshop will provide safety codes officers with an opportunity to refresh their skills. It will also promote consistency in how safety codes officers fill out inspection reports.

STRATEGIC GOAL:

Governance

Balanced Scorecard (2018)

Establish performance measures to align with best practices and drive continuous improvement.

 **TARGET:** Implement a completed balanced scorecard into our 2019 business planning process.

RESULT: Mid-2018, this initiative was adjusted from “balanced scorecard” to “enhance Council internal reporting.” One example of this is an internal quarterly reporting document that was created to report on performance metrics throughout the Council to the President and CEO and the Board of Directors.

WHY OUR FOCUS SHIFTED: The new target has a broader focus and allows us to take reasonable, common-sense steps forward as we progress in our reporting. This initiative will continue into future years and the associated targets will push us forward in the continual advancement of our reporting and performance measurement.

HOW THIS ENHANCED REPORTING: The implementation of an internal quarterly reporting document allows us to conduct ongoing evaluations of our performance and provides us with opportunities to identify what we do well and in what areas we can improve.

Governance Review (2018–2019)

Revise policy framework and complete the subsequent updates to all Council policies and procedures.



TARGET: Continue to transition to the revised policy framework in 2018.

RESULT: Thirty-six policies and procedures were successfully transitioned into the new framework in 2018. The most significant change was that clear direction and defined responsibilities were established between the President and CEO and the Board.

WHY THIS IS SIGNIFICANT: This change aligns with governance best practices and provides the Council with the tools necessary to operate more efficiently.

HOW THIS ENHANCED REPORTING: The new policy framework incorporates various reporting mechanisms that enhance our reporting.



TARGET: Update 50 policies and procedures by the end of 2018.

RESULTS: In 2018, 36 policies and procedures were approved and implemented. Twenty-three policies and procedures have been retired. Nineteen policies and procedures are in the review and development stage.

WHY THIS IS SIGNIFICANT: Updating our policies to align with the new framework will ensure that the Council has the right structures in place to remain successful in the fulfillment of our mandate from the Minister. The updating ensures we stay sustainable as we keep our organization aligned with current best practices.

HOW DID THIS ENHANCE REPORTING: The new framework includes policies and procedures that require various reporting mechanisms. The Council is also obligated to monitor and report on policy compliance annually.



The transition to a new policy framework is a substantial achievement for the Council. Good policies lay the groundwork for a healthy and transparent organization. I believe the work we have done to transition to this new framework plays a large part in ensuring good governance at the Council. I would like stakeholders to feel confident that our policies are current and follow modern principles of best practice.

Jill Matthew

Board Director

Chair, Governance and Nominating Committee



STRATEGIC GOAL:

Governance

Governance Review (2018-2019) (continued)


Restructure governance framework and associated documents in order to better represent the requirements of the Technical Coordinating Committee and sub-councils.

 **TARGET:** Consult with sub-council members on governance by the end of 2018.

RESULTS: By Q2, the 10 sub-councils and the Technical Coordinating Committee were consulted regarding the governance review.

WHY THIS IS SIGNIFICANT: The goal of this project is to provide the sub-councils and Technical Coordinating Committee with clearly defined responsibilities regarding their role and function within the System. It is vital that the members of these committees play a fundamental part in determining any changes to the governance framework.

HOW THIS ENHANCED REPORTING: Improvements to the structure and governance of our sub-councils will result in better reporting to the Board of Directors, government, and other stakeholders, as well as between sub-councils. It will also allow sub-councils to be more effective at providing advice to the Minister.

 **TARGET:** Present framework for sub-council governance and any required changes to governance documents to the Board by the end of Q4 2018.

RESULTS: This target has been delayed to Q2 2019.

WHY THIS TARGET WAS DELAYED: The delay in completion of this goal is due to the availability of our stakeholders. We want to ensure we give all affected stakeholders the chance to provide feedback before moving forward with any changes.

Risk-Management Policy and Procedure (2018-2019)

Establish a risk-management policy and program to manage public and corporate risks.



TARGET: Create a risk registry for the Council by the end of 2018.

RESULTS: A draft risk registry has been completed and risks are being identified. This will be refined in 2019 to better reflect our finalized risk-management procedure.

WHY THIS IS SIGNIFICANT: Having a tool to track and review identified risks and associated mitigation tactics allows us to decide where to focus our energies to mitigate risks, and monitor any changes.



TARGET: Complete a draft corporate governance-policy on risk oversight by the end of 2018.

RESULTS: The corporate-governance policy on risk oversight was completed and approved by the Board of Directors in April 2018.

WHY THIS IS SIGNIFICANT: This policy specifies Board oversight activities for risk-management and directs the President and CEO to establish risk-management systems and processes to manage Council risks.



TARGET: Complete operations risk-management policy by end of 2018.

RESULTS: A draft operations risk-management policy and procedure was completed and presented to the Audit and Risk Committee in December 2018.

WHY THIS IS SIGNIFICANT: Having a sound risk-management policy and procedure in place allows for early recognition of risks to the Council and the System. This supports proactive contingency planning and enables the Council to deal with risks in a timely manner.

STRATEGIC GOAL:

Sustainability

Employee Engagement Survey (2018)

Gather insight from Council staff regarding their roles in the organization.



TARGET: Gather survey results and analyze them by the end of 2018.

RESULTS: The employee engagement survey was released to staff in Q1 of 2018. In Q2, results were presented to the Executive, the Human Resources and Compensation Committee, and to staff. In 2019, the Council plans to gather further information on identified areas of improvement through focus groups.

WHY THIS IS SIGNIFICANT: This survey encouraged employees to consider their role in relation to the Council and the System. This helps to foster a desire in each individual to work towards the achievement of goals identified in the Council Business Plan. The survey provided valuable feedback to leadership on ways to improve Council culture and strengthen employee enthusiasm.

HOW THIS INCREASED STAFF KNOWLEDGE: Employees reflected on their role and its relation to the goals of the Council. Leadership also acquired data on how to support staff with initiatives that will increase their knowledge regarding the work of the Council and the System.

Relocation (2018)

Relocate to a new office that provides increased ability to engage with stakeholders and long-term sustainability.



TARGET: The Council is operational at #500, 10405 Jasper Avenue by the end of April 2018.

RESULTS: The Council was operational at the new location on 23 April 2018.

WHY THIS IS SIGNIFICANT: The new location is better suited to our needs as an organization. Staff are able to collaborate more and utilize the space to work more efficiently. The space was also designed to accommodate sub-council meetings, all of which now occur on site. This means members have greater access to our staff for collaboration as well as relationship building. The new office is also closer to Municipal Affairs, allows us to conduct more training on site, and has more suitable spaces for our students to take exams.

HOW THIS IMPROVED RESPONSE TIME: We now host all sub-council meetings at our office. Staff from departments across the Council are readily available to answer questions regarding any issues that may arise during these meetings.



As a Barrier-free Sub-Council member, I appreciate the convenience of having meetings within the same building as the staff of the Council. I am also pleased with the efforts that the Safety Codes Council put into making their new meeting space accessible. They have taken into account best practices with a barrier-free designed washroom, wide hallways, and wide doorways. They also have the latest audio/video technology that makes it easier for those who can't travel to participate in meetings.

Chris Schamber

Member, Barrier-free Sub-Council



STRATEGIC GOAL:

Service Delivery

Council Connect (2018)

Implement an automated system to deliver and manage accreditation, certification, and training activities.



TARGET: Launch the new Council Connect System by the end of June 2018.

RESULT: Council Connect was launched successfully on 22 October 2018.

WHY THIS IS SIGNIFICANT: Council Connect has completely transformed the way we do business. The launch of this web-based platform now allows our stakeholders to access Council services 24 hours a day, 7 days a week. It streamlines administrative processes, provides self-service options, and allows stakeholders access to their own information wherever they are. The Council also has easier access to more data than ever before, which supports greater oversight of the System.

HOW THIS IMPROVED RESPONSE TIME: Stakeholder information and access to our services are available 24/7.

HOW THIS ENHANCED REPORTING: The data available from Council Connect allows us to establish key performance indicators related to our client services. This will inform decision-making and guide the Council in making improvements to its programs and services. Easier access to larger amounts of data also means we can produce reports on a variety of subjects.

HOW THIS INCREASED STAFF KNOWLEDGE: Building the platform involved all Council employees, and initiated an in-depth analysis of the processes of our service departments. Following the launch of the platform, our staff are able to use reports from Council Connect to learn more about our processes and the System, including where inefficiencies and opportunities for improvement exist.




The goal of Council Connect was to provide enhanced service for our clients. We're now open for business 24/7 for clients who want to renew, register for courses, and apply for certification or a designation of powers. Our staff is now able to focus on enhancing customer response times and providing information to clients.

Tyler Wightman
Director of Operations
Safety Codes Council



Document Council Work Processes (2018-2020)

Continue to document all Council work processes and identify and address improvement opportunities.

 **TARGET:** Complete documentation of an additional 15% of Council work processes by the end of 2018.

RESULT: This project was delayed to 2019.


WHY THIS TARGET WAS DELAYED: After starting work on this initiative, the organization came to the realization that Council Connect will greatly change the way in which we work. It was determined that it would be more productive to document Council work processes following the implementation of Council Connect.

STRATEGIC GOAL:

Service Delivery

ASCA Stakeholder Engagement Strategy (2018)

Implement an ASCA Stakeholder Engagement Survey in non-accredited municipalities.

 **TARGET:** Design, implement, and analyze survey results for inclusion in our report to the Minister in June 2018.

RESULT: Three ASCA stakeholder engagement surveys were sent out to various stakeholder groups in Q1 of 2018. Five focus group meetings also occurred in Q1. Findings from these surveys and meetings were incorporated into a report to the Minister, which reported on ASCA's first two years of operation.

WHY THIS IS SIGNIFICANT: Taking the time to consult with stakeholders resulted in increased understanding of ASCA's stakeholder's needs, concerns, and expectations. We have used the feedback coming out of these surveys and focus groups to implement continual improvements in our services to unaccredited areas of the province.

HOW THIS IMPROVED RESPONSE TIME: A stronger relationship between the Council and its stakeholders has enabled them to contact us more readily to provide feedback or to get quick responses to arising issues.

HOW THIS ENHANCED REPORTING: We have responded to stakeholder feedback and built reports that are provided to municipalities that request them. These reports outline ASCA's activities in the jurisdiction of the applicable municipality. We also gathered data through our stakeholder engagement process, which will assist the Minister in assessing the health of the System and ASCA.

HOW THIS INCREASED STAFF KNOWLEDGE: Feedback from stakeholders has provided ASCA staff with insight on how to improve relationships with agencies and identify areas to make process improvements.

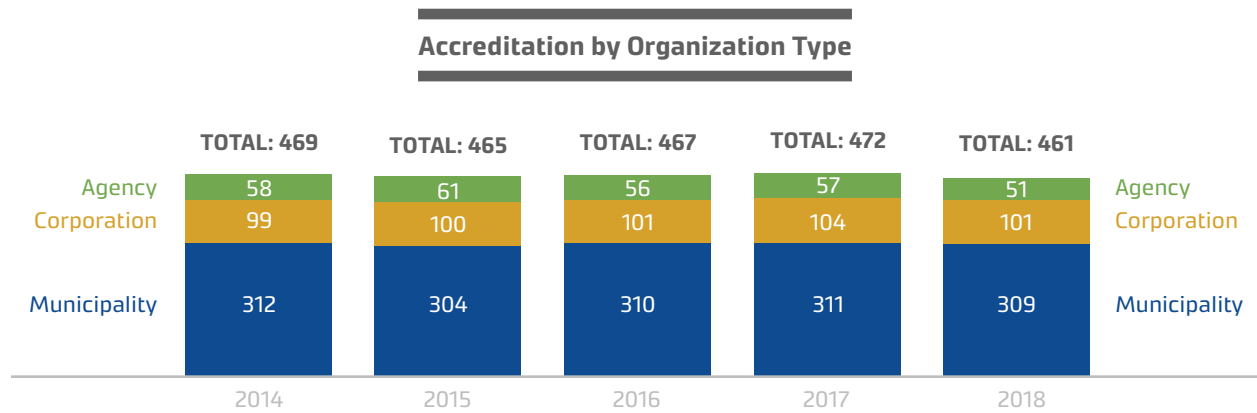


**The Facts Speak for
Themselves**

Accredited Organizations

Accredited areas of the province are overseen by municipalities, corporations, and agencies that the Council authorizes to administer the Safety Codes Act (Act) in their jurisdiction. Each organization has a unique scope that defines the type and delivery of safety codes services they are authorized to provide.

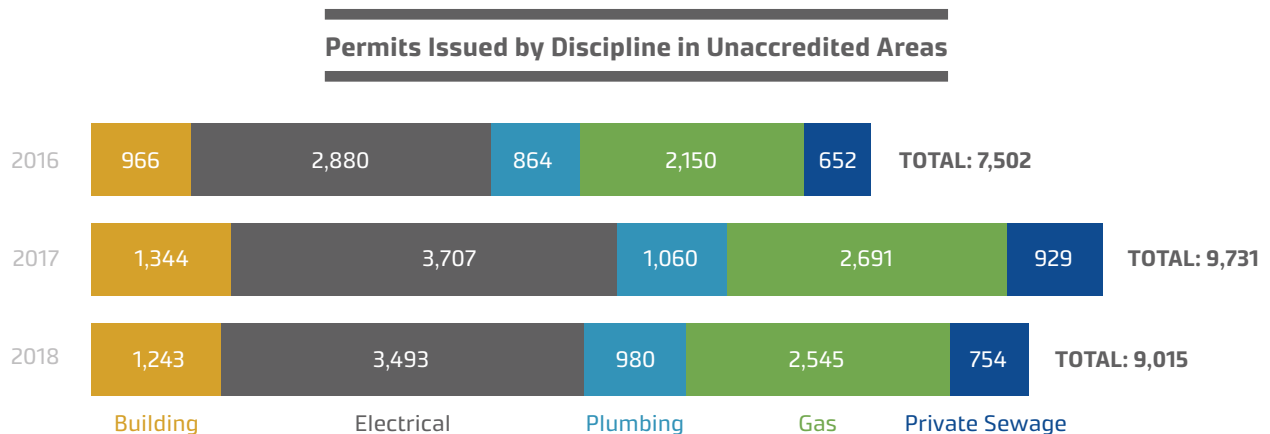
Accreditation types continue to remain stable with marginal changes over the last five years.



Alberta Safety Codes Authority

In some areas of the province, there is no municipality or corporation that has been accredited. In these areas, ASCA, a division of the Council, oversees delivery of safety codes services on behalf of the Minister. ASCA enters into agreements with accredited agencies to provide these services, which include compliance monitoring and reporting on permitting and inspections.

In 2018, ASCA oversaw a total of 9,015 permits issued in unaccredited areas of Alberta, a 7.4% decrease from 2017.

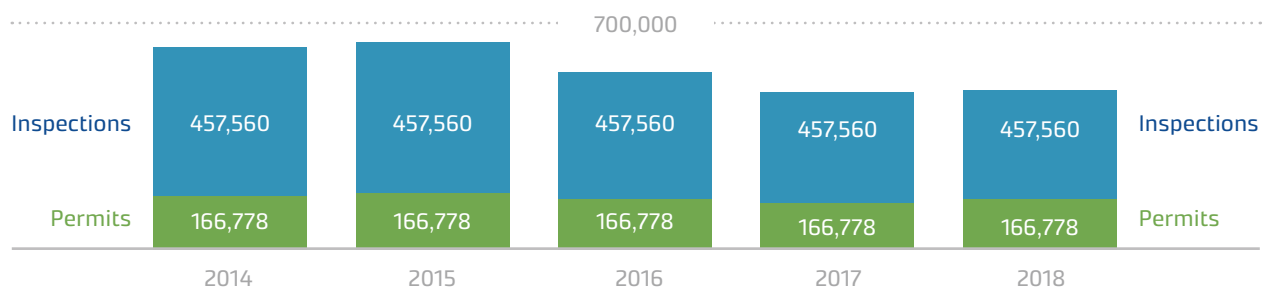


Permits and Inspections

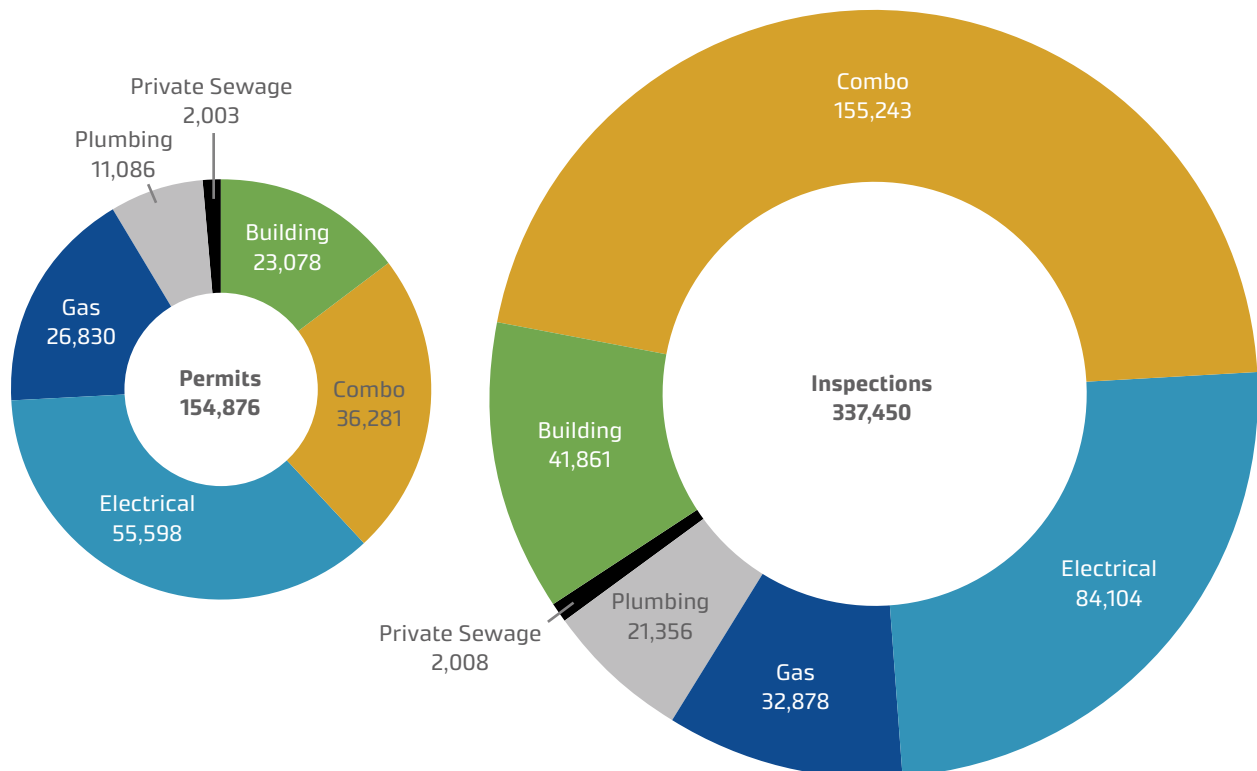
How does the System ensure permitted work meets the requirements of the Act? This is achieved primarily through inspections, which are carried out by SCOs. The Council tracks the permitting and inspection activities of 250 organizations.

The data shows a consistent yearly rate of more than two inspections per permit issued. In 2018, the inspection-to-permit ratio was 2.2:1.

Permit and Inspection Activity in Alberta

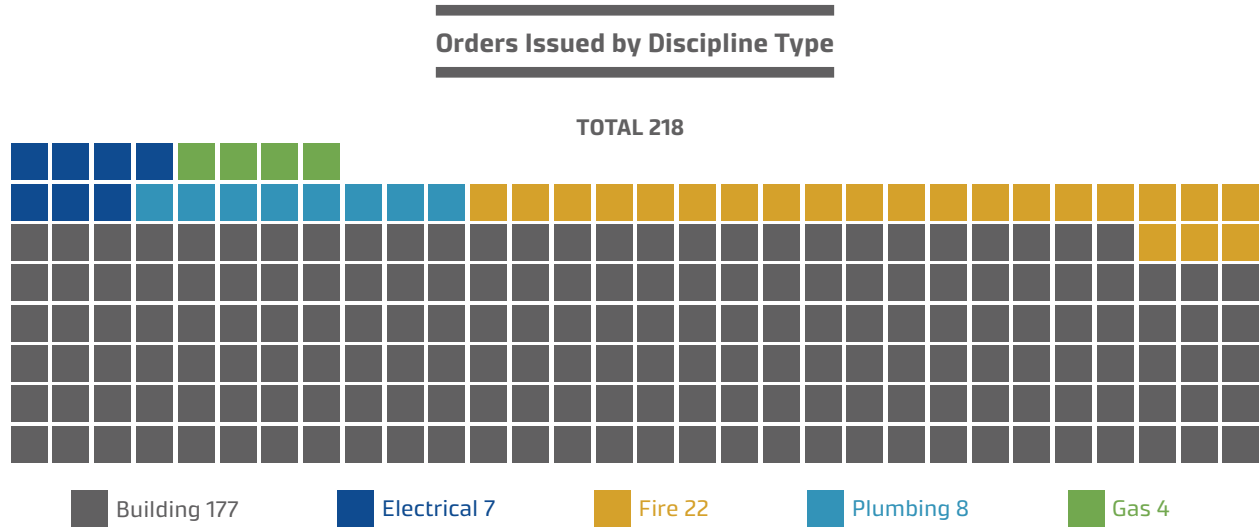


Permit and Inspection Activity by Discipline in Alberta in 2018



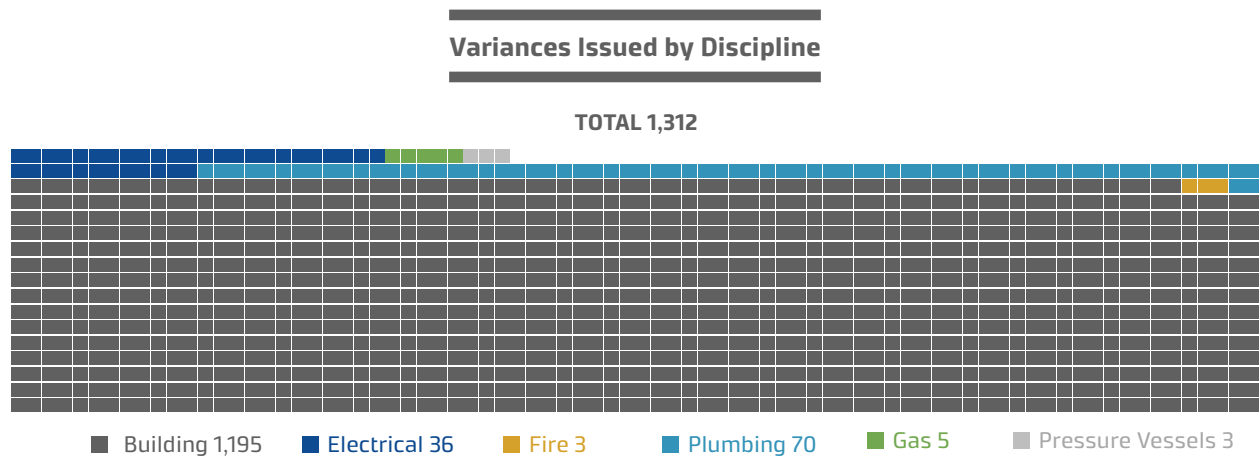
Orders

What happens when work does not meet the requirements of the Act? How is the Act enforced? One way is through an order, which an SCO issues in relation to a code requirement. Orders are tracked by the Council.



Variances

Occasionally, a proposed alternative to a code requirement provides equal or greater safety than a code or standard requires. In those cases, a variance may be issued by an SCO. Variances are tracked by the Council.



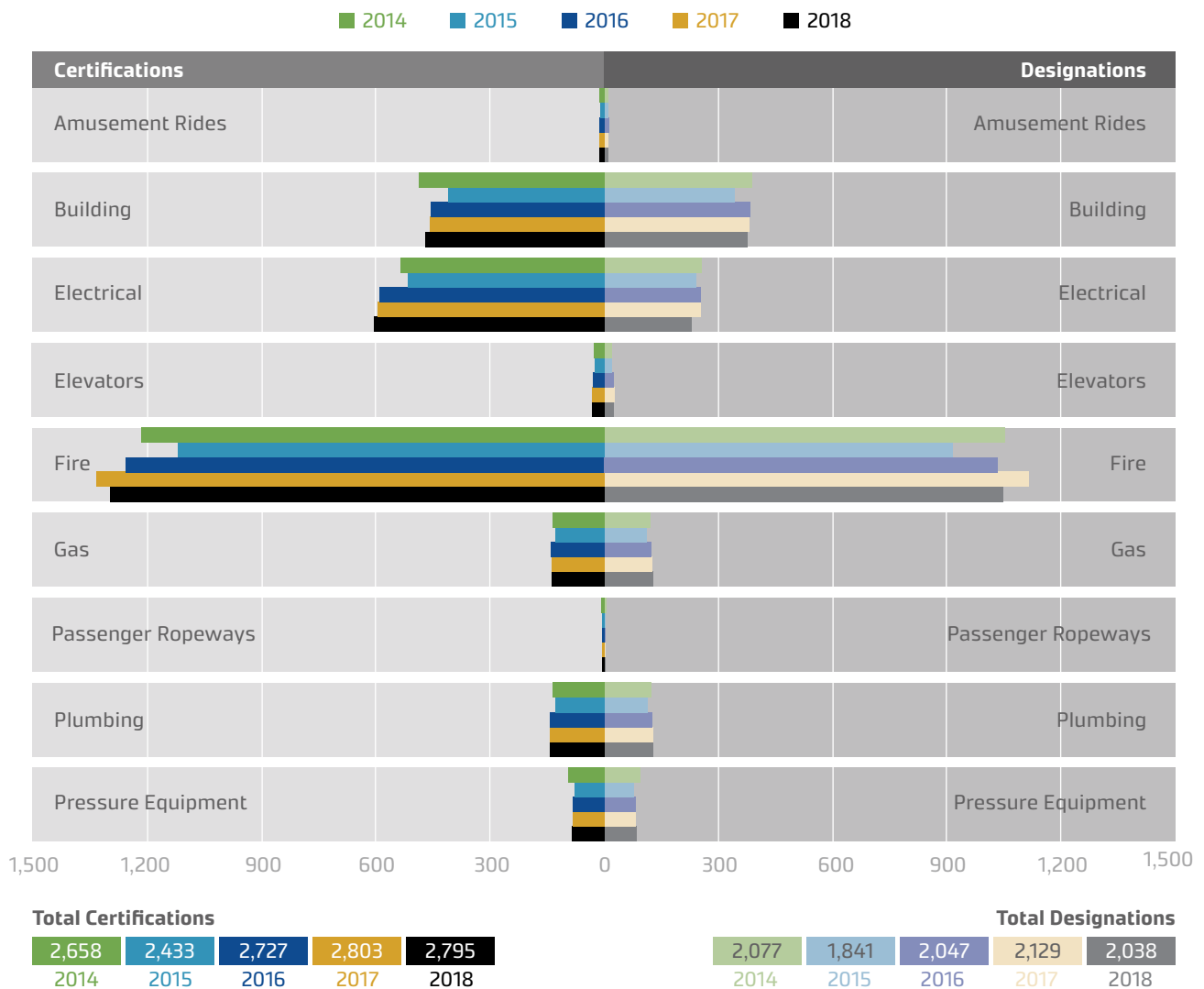
Certification

SCOs are employed by accredited organizations and certified by the Council. The Council is also responsible for certifying Master Electricians (MEs). Certification ensures that SCOs and MEs maintain professional standards.

A further responsibility of the Council is to designate powers to SCOs, which authorizes them to work for a specific accredited organization. SCOs are not authorized to carry out their responsibilities under the Act without a designation of powers.

Certification and designation numbers have remained relatively stable for the past three years. In 2018, there were 2,795 certified SCOs, 2,038 of whom held a designation of powers for one or more accredited organizations. At the end of 2018, there were 4,432 MEs.

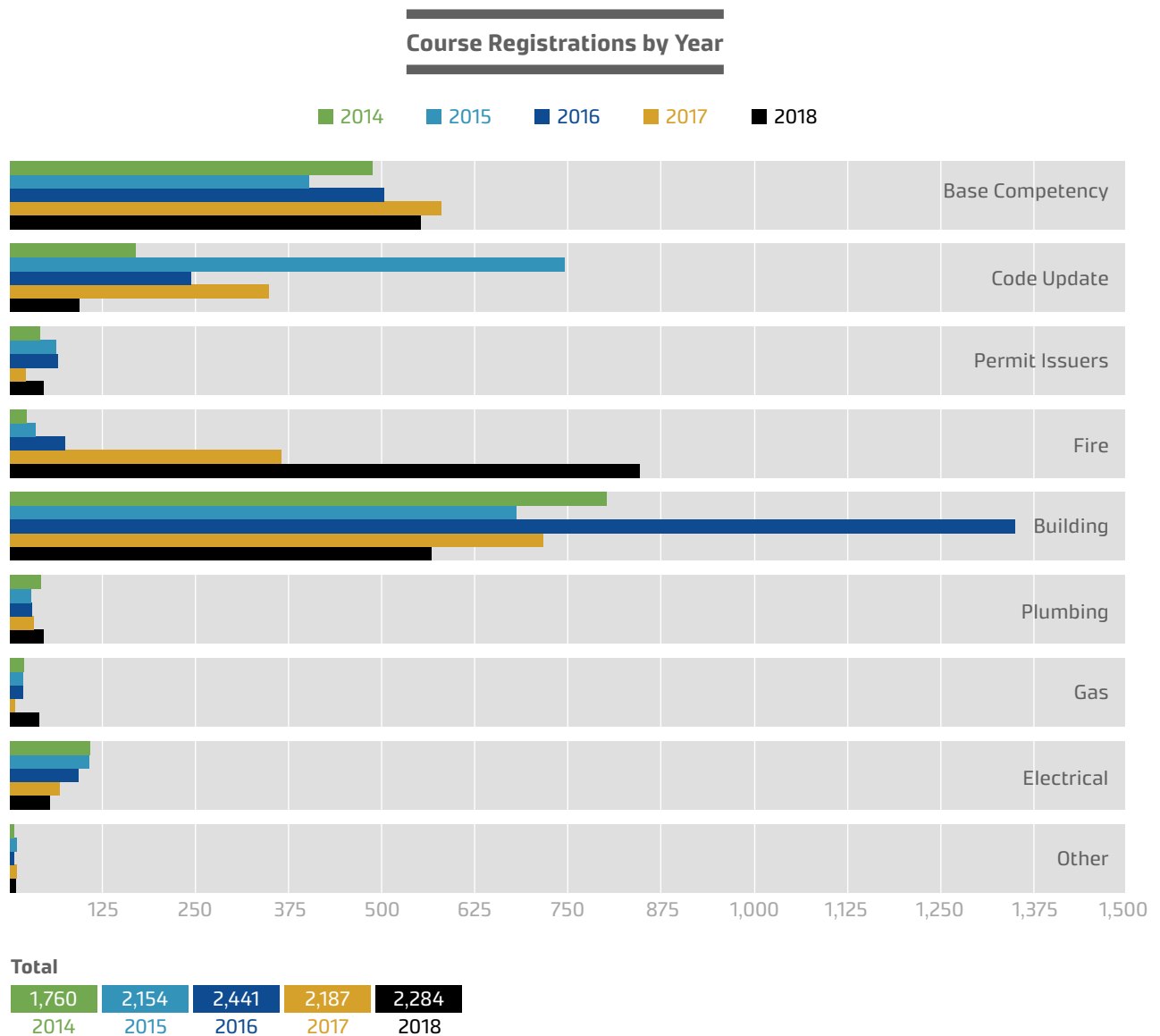
SCO Certifications and Designations by Discipline



Training

Training is essential in ensuring that SCOs and permit issuers have the expertise they need to fulfill their role within the System. In order to develop training material that is relevant and of high quality, the Council works closely with sub-council members and other subject matter experts. It is also vital that training meets the needs of SCOs and their employers.

The number of course registrations has slightly increased since last year. The number of registrations for fire courses increased substantially in 2018: this was the first full year that the Council has been delivering these courses. The code update training delivered in 2018 was primarily in the gas and plumbing disciplines, which have a smaller number of SCOs. The increase in the number of gas course registrations is due to the original course having been split into two courses. The most popular types of course delivery in 2018 were classroom and distance.

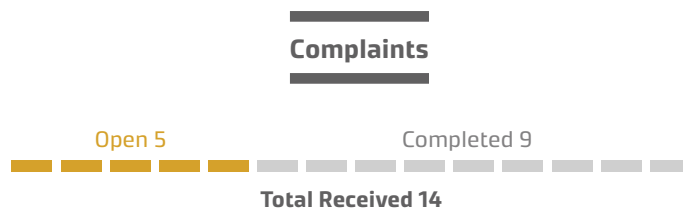


Audits

Similarly to the need to ensure SCOs are properly trained and certified, the System must also ensure that accredited organizations are appropriately administering the Act in their jurisdiction. That's where the Council Audit department comes in. Comprehensive audits of organizations accredited in the building, fire, electrical, plumbing, and gas disciplines are carried out on a regular basis. In 2018, the Council performed 36 audits of accredited organizations and delivered 34 reports to audited organizations.

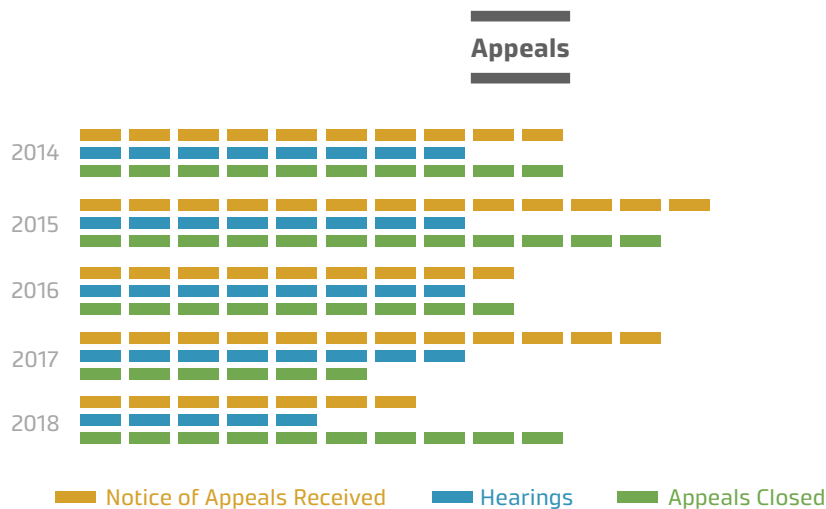
Investigations

If there are complaints and concerns about the conduct, performance, and/or competency of accredited organizations, SCOs, permit issuers, and MEs, the Council investigates them. Complaint investigations are independent and objective, and provide the System with an additional tool for oversight.



Appeals

If an individual or organization disagrees with an order or written notices under the Act, they have the right to appeal. The Council administers an appeal process that is run according to the principles of natural justice and is fair, objective, and accessible.





**Get to Know Our
Sub-Councils**

The Council, under authority of the Act, coordinates 10 volunteer sub-councils and the Technical Coordinating Committee. These groups, and the volunteers that comprise them, provide a wide range of diverse skills and expertise to the System, ensuring it continues to advance as the built environment evolves. This year, we asked our chairs some questions to get a sense of the work sub-councils do, the positive effects they have on our System, and their role in keeping Alberta safe.

Members:

Fairs & Exhibitions

Bill Church
Chair

Large Ride Operators

Danielle Gillespie
Vice-Chair

Large Indoor Amusement Parks

Brian Mykitiuk

Portable Ride Operators

Bill Kane

Professional Engineers

Lee Nguy

Public at Large

My-Linh Walker to 01/18
Julian Power from 02/18

Risk and Insurance Management

David Buzzeo

Small Outdoor Amusement Parks

Bill Demchuk to 04/18
Bob Wyatt from 09/18

Amusement Rides Sub-Council (ARSC)

What was the major focus of the ARSC this year?

In 2018, our sub-council's main focus was on understanding the effect of the new ASTM F2783-17 Code. This code covers a number of disciplines and activities that are currently not regulated in Alberta, such as bumper boats, aquatic play equipment, aerial adventure courses, permanent railway ride tracks and related devices, trampoline courts, amusement railway rides, devices and facilities, parasailing, and stationary wave systems. Of specific interest was the potential regulation of trampoline courts.

The ARSC recommended to the Minister, through the Board, that the adoption of ASTM F2783-17 be delayed until more information is available to the sub-council to make an informed recommendation on whether to regulate trampoline courts and other patron-powered devices.

How has timely code adoption affected your discipline?

As the Amusement Rides Standards Regulation utilizes automatic code adoption, ASTM F2783-17 is expected to come into force on 30 September 2019, as indicated by Ministerial Order.

Our sub-council's focus has previously been on mechanically controlled attractions (amusement rides). Without stakeholder input regarding additional devices and facilities, automatic code adoption would be problematic. Therefore, stakeholder engagement and working with our inspection agency (AEDARSA) will be a focus in the future.

As the Safety Manager at the Calgary Stampede, how do you see the work of the sub-council benefitting people who visit fairs and amusement parks?

Because the Calgary Stampede engages travelling midway rides, the adoption of a universal inspection and manufacturing standard would allow us the benefit of knowing our attractions are inspected to a standard adopted by other jurisdictions. This standardization reduces the questions about the condition of the rides arriving on our site, and should help AEDARSA confirm that the attractions are in good working order and safe for our patrons to enjoy.

Bill Church, Chair, Amusement Rides Sub-Council



Barrier-free Sub-Council (BFSC)

Why is important to have a barrier-free sub-council?

The BFSC ensures that proposed changes to the built environment under the mandate of the Safety Codes Act do not affect the ability of persons with disabilities to live, work, and play in Alberta. In addition, BFSC members may draw attention to existing codes, regulations, standards and building/site conditions that limit the ability for all persons to use facilities and services within Alberta. In this case, the BFSC may make recommendations about policies that can impact Alberta codes, standards, and regulations.

What's unique about your sub-council?

The BFSC consists of a diverse group of individuals with expertise in living with, or supporting individuals with, a wide variety of disabilities. The members represent segments of the population with specific disabilities, the building industry, and design professionals. In addition, our sub-council makes recommendations to the other sub-councils and Municipal Affairs for policy rather than technical changes.

In your term as chair, what positive changes have you seen in the built environment?

The BFSC has seen the release of the 2017 Barrier-Free Design Guide. The BFSC reached out to the Premier's Council on the Status of Persons with Disabilities in a hope to better coordinate our efforts. The BFSC has also had lengthy discussion on the

impact of code harmonization on barrier-free access, since the Alberta Building Code has significant changes that aren't in the national code. This has led the BFSC to reanalyze its mandate, with the intent that the BFSC should be a proactive rather than reactive force.

Barry McCallum, Chair, Barrier-free Sub-Council

MEETINGS
IN 2018



MEMBERS



VOLUNTEER
HOURS



CODES AND
STANDARDS

Section 3.8 Alberta
Building Code

Members:

Architecture

Barry McCallum
Chair

Hearing Disabilities

Lee Ramsdell
Vice-Chair

Agility Disabilities

Bob Coyne

Aging Population

Michael Francon

Code Enforcement (Safety Codes Officer)

David Morton

Commercial Construction/Land Development

Vacant

Communication Disabilities

Briana Strachan to 05/18
Bev Knudtson from 08/18

Education and Training

Tang Lee

Home Construction

Vacant

Hotel and Tourism Industry

Tracy Douglas-Blowers

Mobility Disabilities

Chris Schamber

Non-Residential Building Management

Stan Lennox to 01/18
Tanya Marsh from 02/18

Public at Large

Yvette Werenka to 01/18
Karen Muir from 02/18

Residential Apartment and Condominium Owners/Managers

Vacant to 01/18
Keith McMullen from 02/18

Visual Disabilities

Matthew Kay

Members:

Home Builders

Don Dessario
Chair

Code Enforcement

Bruce Schultz
Vice-Chair - South

Fire Officials

Russell Croome
Vice-Chair - North

Architecture

Gregory Beck

Building Owners

Vacant to 01/18
Corey Klimchuk
from 02/18

Consumer Protection

Rick Gratton

General Contractors

Lee Phillips

**Heating, Ventilation,
Air Conditioning**

Matthew Kramer

Labour

Colin Belliveau

Large Developments

Vacant

**Large Municipalities -
South**

Ulrik Seward

**Major Municipalities
- North**

David Flanagan

**Mechanical
Contractors**

Kenneth Roskell

**Professional
Engineers**

Andrew Smith

Public at Large

Robert Kralka

Rural Municipalities

Stephen Hill

Urban Municipalities

Roger Clemens
to 01/18

Darin Sceviour
from 08/18

Building Sub-Council (BSC)

How do you think your work benefitted this System this year?

This year was unique in that we have been focusing on two specific areas: taking steps towards harmonization with the National Building Codes to ensure that we can align with future national code cycles; and timely adoption of future codes in the province to ensure consistent and current standards for Albertans.

Further, we have also been attentive to balancing the application of codes and standards with the needs of Albertans, particularly in sectors where the prescriptive application of codes may create hardship or unintended consequences to Albertans or where there may have been voids in the application of safety standards that the Alberta Building Code did not address.

After serving 9 years, 2018 was your last year on the BSC. What BSC accomplishments did you find most gratifying?

What I found most gratifying was serving with such dedicated individuals (staff and volunteers), who work tirelessly in the background for the benefit of the safety codes system in Alberta. I am constantly amazed and humbled by their efforts. If I had to tie it to an accomplishment, I would say it was the balancing of the sub-council matrix to best represent Albertans, in public, private, and industry sectors. This, in turn, has created a very balanced and practical approach to the administration of codes and standards in Alberta.

An objective that is personal to me is also soon to be reached: the harmonization of the Alberta Building Code with the national code, so that it is consistent and predictable, supported by the significant resources of the national code process and to facilitate timely adoption of future codes. I believe this will ultimately support the efforts of the sub-councils that work so hard to ensure the implementation of the most up-to-date codes and standards to the benefit of all Albertans.

Don Dessario, Chair,
Building Sub-Council

How would you measure the success of a sub-council?

The appropriate measure in my mind is one where a balanced and objective approach to implementation of codes and standards results in quality, safety, and practicality for Albertans. The significance of this approach is that it would result in Albertans having a better understanding when using the codes and standards, resulting in a reduction in appeals, complaints, and conflicts. This would provide us all with a more collaborative safety codes system in Alberta.

MEETINGS
IN 2018



MEMBERS



VOLUNTEER
HOURS



CODES AND
STANDARDS

**Alberta Building
Code 2014**
**National Energy
Code of Canada for
Buildings 2011**

Electrical Sub-Council (ESC)

How has new technology in the industry influenced the work of the ESC this year?

There was a change made to a STANDATA pertaining to Canadian Electrical Code rules around wall switches to allow wireless switches in residential applications. This is a new technology that we are just starting to see in

some buildings. As I understand, we're the first province to allow wireless switches in homes.

What's most rewarding about your work on the ESC?

Being an active member of the ESC has made me a much better SCO, chair of the ESC, and chief electrical inspector. I am also proud of being a part of something where I feel that I, along with all my fellow members of the sub-council, am making a difference.

Solar power is becoming a bigger issue every day. We're seeing an increasing number of photovoltaic panel installations out there, in both commercial and residential settings, and the sub-council has dealt with a few different topics regarding solar panels in 2018.

What types of skills do the ESC members bring the table?

Each member of the ESC has a unique set of skills. These skills are well rounded, and include life skills as well as skills in different areas of industry and technology. This skill diversity provides a great advantage to the ESC, as long as members participate in meetings. We are fortunate because all our members do participate.

Gerry Wiles, Chair, Electrical Sub-Council

MEETINGS
IN 2018



MEMBERS



VOLUNTEER
HOURS



CODES AND
STANDARDS

CSA C22.1-15
Canadian Electrical
Code 2015

Code for Electrical
Installations at
Oil and Gas
Facilities 2015

Alberta Electrical
Utility Code 2016

Members:

Major Municipalities - North

Gerry Wiles
Chair

Education and Training

Glenn Hedderick
Vice-Chair - South

Electrical Manufacturers

Scott Basinger
Vice-Chair - North

Electrical Contractors

Darcy Teichroeb

Electrical for Residential Construction

Barry Voogd

Electrical Safety Codes Officers

Don Bradshaw

Electrical Standards/Testing/ Certification Organizations

Larry DeWald

Labour

John Briegel

Large Electrical Utilities

Brian Townsend

Major Municipalities - South

Adam Ghani

Municipalities

Charlene Smylie to 03/18
Lori Monaghan from 09/18

Oil and Gas Processing Industry

Nicolas Leblanc

Petrochemical Industry

Tim Driscoll

Professional Engineers

Roy Etwaroo to 05/18
Vacant from 06/18

Public at Large

Ken Hood

Rural Electrification Areas

Allan Nagel

Small/Municipal Electrical Utilities

Stewart Purkis

Elevators Sub-Council (EVSC)

Members:

Professional Engineers

JC Bawa
Chair

Public at Large

Suresh Sundaram,
Vice-Chair to 11/18
Sarah Burghardt
from 11/18

Architecture

Vacant to 01/18
Salim Merchant
from 02/18

Building Owners - Calgary

Vacant to 03/18
Stephen Weston
from 04/18

Building Owners - Edmonton

Vacant to 01/18
Lonny Vanderheide
from 02/18

Construction Contractors

Gavin Langley

Elevator Maintenance

Scott Gavin

Labour

Don Ireland

Large Manufacturers

Quentin Brayley-Berger

Real Estate Industry

Ernie Paustian

Small Manufacturers and Lifts for Persons with Physical Disabilities Industry

Vacant to 01/18
Richard Meunier
from 02/18

What was the biggest piece of work you accomplished last year?

Last year, our biggest accomplishment was the completion of our review of the new elevator code and our recommendation to the Minister to adopt it. We recommended to Municipal Affairs guidelines for owners, elevator maintenance providers, and safety codes officers that will help them determine when an elevator or escalator should be removed from service.

Can you tell us a little bit about the membership of the EVSC and how they benefit the work you do?

We have a lot of breadth on the sub-council. The elevator and escalator industry folks bring the real-life experience in application of the codes—they often have a deep understanding of the codes because they use them in their day to day work. Having engineers and architects represented means that the major professions that work with elevating devices also have input on discussions. Having building owners and real estate representatives kind of completes the circle, as the folks who will be responsible for maintaining those elevating devices over their lifespan are also at the table.

What changes have you seen in industry over the past year?

Last year we saw the implementation of the new maintenance control plan requirement for elevators and escalators. I'm happy to say the industry uptake on this was great—by October, all elevator service providers but one had maintenance control plans in place. We're also seeing increased compliance with the single bottom cylinder replacement program, which began in 2016.

JC Bawa, Chair, Elevator Sub-Council

MEETINGS
IN 2018



MEMBERS



VOLUNTEER
HOURS



CODES AND
STANDARDS

ASME A17.1-2013/
CSA-B44-13 Safety Code for
Elevators and Escalators

CAN/CSA-B44.1-04/
ASME-A17.5-2004 Elevator
and Escalator Electrical
Equipment

CSA-B311-02 (R2012) Safety
Code for Manlifts

CSA-B355-2009 Lifts for
Persons with Physical
Disabilities

CSA-Z185-M87 (R2011)
Safety Code for
Personnel Hoists

Fire Sub-Council (FSC)

How has the move towards harmonization affected your work this year?

It is always something we have to keep top-of-mind in everything we are working on. I am hopeful that harmonization will benefit Alberta. Certainly, in my work, I sometimes find it difficult to deal with a variety of provincial building and fire codes when we are trying to make policies on a national level.

What are some topics that the sub-council will be tackling in the future?

We will continue to monitor incidents of fires and consider whether they could have been prevented and whether something should change in the codes to deal with the cause or factors of the fire. For instance, the Grenfell Tower tragedy in England prompted us to seek information on high rises in Alberta to assess whether similar risk factors exist here. We are expecting to receive a report on this information in 2019.

What should the public know about the sub-council and the work you do?

First and foremost, the public needs to know that we exist. I think people are aware of firefighters and fire marshalls, but not the system behind it. I would like people to know that there are many dedicated volunteers behind the scenes that are working to keep Alberta safe. I would also like to let people know that codes are important and are put in place for a reason. Safety is everyone's responsibility. Respecting the purpose and reasoning behind codes and adhering to them is crucial.

Michael Walker, Chair, Fire Sub-Council

MEETINGS
IN 2018



MEMBERS



VOLUNTEER
HOURS



CODES AND
STANDARDS

**Alberta Fire Code
2014**

Members:

Insurance Industry

Michael Walker
Chair

Fire Safety Industry

Robbin Foxcroft
Vice-Chair - South

Major Municipalities - North

Gary Mayorchak
Vice-Chair - North

Alberta Fire Fighters Association

Hunter Langpap

Architecture

Stephen Suen

Building Officials

Mario Poser

Building Owners

Vacant to 01/18
Chris Taylor from 02/18

Electrical Industry

Joseph Davis

Fire Officials

Michael Bos

Major Municipalities - South

Michael Baker to 05/18
Jim Robinson from 09/18

Petroleum Industry

Allan Blatz

Professional Engineers

Vacant to 01/18
Cameron Bardas from 02/18

Public at Large

Vacant to 06/18
Grace O'Brien from 07/18

Municipal Districts and Counties

Vacant to 01/18
Cammie Laird from 02/18

Urban Municipalities

Vacant

Members:

Labour

Glen Aspen
Chair until 09/18

Propane Gas Industry

Jason Helfrich
Chair from 09/18

Education and Training

Denis Turgeon
Vice-Chair

Inspection Authorities

Mike Turek

Large Gas Utilities

Blaine Smetaniuk

Major Municipalities - North

Mark Guderjan

Major Municipalities - South

Larry Miller

Manufacturers or Suppliers

Verne Quiring to 01/18
Dale Walls from 02/18

Mechanical Contractors

Simon Jolly

Municipalities

Vacant to 03/18
Roy Herrington
from 04/18

Natural Gas and Propane Vehicle Conversion Industry

Marcel Mandin

Professional Engineers

James Maddocks

Public at Large

Bradley Gaida to 01/18
Cindy Kieu from 02/18

Rural Gas Utilities

Jeff Skeith

Sheet Metal Contractors

Chuck Lemke

Small Gas Utilities

Nathan Lesage

Gas Sub-Council (GSC)

What major topics did the GSC discuss this year?

The major efforts of 2018 included the review of the CAN/CSA-B149 codes and proposed changes to each, Annex J of CAN/CSA-B149.3, and uncertified equipment related to the Legacy Equipment Management System STANDATA. High efficiency appliances have offered a few new challenges also. Temporary heat for buildings under construction and the resulting contamination of furnaces with construction-related dust brought this issue clearly into focus. The issue is not yet resolved; will present some interesting discussion in the future.

Other initiatives have started producing results. They include propane education and awareness, increased availability of inspection and certification bodies, and new instructions for the inspection and approval of uncertified equipment.

What are some of the challenges of having so many codes that govern your discipline?

The number of codes offers a big challenge, both from an operational and administrative perspective. The members bring specific perceptions and expertise to the table but it is difficult to become well versed in each and every code. We tend to gravitate to the codes which offer familiarity, which means we have to place our trust in other members to consider and review codes with which we are not completely familiar.

The GSC uses working groups to review codes, regulations and other topics germane to gas. This process works extremely well and offers Albertans a very high degree of code oversight.

What different types of expertise do the GSC members bring the table?

Almost every aspect of gas supply and use is represented at the table. We have a special affinity for our Public at Large member who comes to the table without gas experience but still represents a vital voice in our Province. Each member offers a unique perspective while keeping in mind the prime concern is safety of the consumer. The diversity and experience of members of the sub-council and their willingness to work towards the safety of all Albertans is inspiring.

Glen Aspen and Jason Helfrich, Chairs, Gas Sub-Council

MEETINGS
IN 2018



MEMBERS



VOLUNTEER
HOURS



CODES AND
STANDARDS

- CAN/CSA-B149.1-15 Natural Gas and Propane Installation Code
- CAN/CSA-B149.2-15 Propane Storage and Handling Code
- CAN/CSA-B149.3-15 Code for the Field Approval of Fuel-Related Components on Appliances and Equipment
- CAN/CSA-B149.5-15 Installation Code for Propane Fuel Systems and Tanks on Highway Vehicles
- CAN/CSA-B108-14 Natural Gas Fuelling Stations Installation Code
- CSA-B109-17 Natural Gas for Vehicles Installation Code

Passenger Ropeways Sub-Council (PRSC)

What changes have you seen in the industry and how did they affect the PRSC?

During my time on the sub-council I have seen numerous changes in the passenger ropeway industry. One is automatic code adoption, which means greater consistency across the country. We have also seen an increase in use of simpler equipment, such as conveyors. More broadly, I have noticed a reduction of incidents and injuries when it comes to equipment that falls under our discipline, as well a wider spectrum of expertise when it comes to the members of our sub-council.

What do you find most rewarding about being on the PRSC?

What I find to be the most rewarding aspect about being a member on the PRSC is the opportunity to assist operators and users to maintain efficient and safe equipment operations, so that my fellow Albertans can feel safe when they use such equipment.

What types of equipment are covered on the passenger ropeway discipline?

One of the interesting things about the passenger ropeway discipline is the variety of equipment it covers. The PRSC's purview includes chairlifts, gondolas, conveyors, T-bars, rope tows, and more. A fun fact: the funicular in Edmonton, a river-valley access project that makes the valley accessible to people of all ages and abilities, is covered under our discipline.

Kristian Haagaard, Chair, Passenger Ropeways Sub-Council



Members:

Large Operators
Kristian Haagaard
Chair

Professional Engineers
Bruno Mannsberger
Vice-Chair

Code Enforcement (Safety Codes Officer)
Dean McKernon

Conveyor Operators (seat added in August 2018)
Vacant

Large Operators
Chris Dewitt

Manufacturer
Brent Carmichael

Medium Operators
Jason Paterson

Medium Operators
Richard Roy

Public at Large
Stephen Kozelenko to 01/18
Carl Lam from 02/18

Risk and Insurance Management
Tony Van der Linden

Small Operators
Marlin van Zandt

Technical Expert (seat added in August 2018)
Warren Sparks from 08/18

Members:

Manufacturers and Suppliers

David Hughes
Chair

Mechanical Inspections

Mark Harrold
Vice-Chair

Education and Training

Ken Helmer to 05/18
Paul Fullam
from 09/18

Labour

Angus Potskin

Major Municipalities - North

Peter Koenig

Major Municipalities - South

Ken Morrison

Mechanical Contractors

Garnet Young to 01/18
Gilles Petrin
from 02/18

Rural Municipalities

Kenneth Wigmore
to 04/18
Ray Veldhoen
from 04/18

Private Sewage Disposal Contractors

Charles Hallett
to 05/18
David Dallaire
from 08/18

Professional Engineers

Quenton Kusiek

Public at Large

Lawrence Hess
to 01/18
Stephan Dussault
from 05/18

Urban Municipalities

Tim Kosolofski

Plumbing Sub-Council (PSC)

What are some upcoming challenges you see in the built environment?

A new National Plumbing Code (NPC) is coming into force in 2020. With the new process of automatic code adoption, the members of our sub-council need to be more proactive than ever before in engaging at the national level in order to make sure the NPC addresses all Alberta's needs before it gets adopted. Keeping up-to-date on any developments in national codes and standards is essential to our membership. We have standing agenda items where we cover reports to keep up-to-date on any new developments in our area.

Another issue that has been in the forefront for quite a few years is water re-use, which is becoming more mainstream. We have to ensure that water in things such as car washes and people's homes is being re-used properly and safely.

Can you give an example of how your sub-council has made a difference in the System this year?

Hydronics (hot-water heating) is part of the plumbing trade but falls under the building code. This year, the PSC looked at an issue in the National Building Code surrounding hydronics and its requirement for insulation under a heating slab, which we thought to be more cumbersome than necessary. We made a recommendation to the Minister on this subject and a STANDATA was published.

What was one of the PSC's major accomplishments this year?

This is an easy one to answer: Alberta Private Sewage Systems 2015 Standard of Practice Handbook. It took a concerted effort to get this done and published, and I think the final product turned out well. The work never ends though; we are already working on the next edition.

David Hughes, Chair, Plumbing Sub-Council

MEETINGS
IN 2018



MEMBERS



VOLUNTEER
HOURS



CODES AND
STANDARDS

National Plumbing Code
of Canada 2015

Alberta Private Sewage
Systems 2015 Standard
of Practice

Pressure Equipment Sub-Council (PESC)

What major topics did the PESC cover last year?

As in other years, the PESC spent time reviewing any accidents and incidents in the pressure equipment field to consider how they impact the overall safety of pressure equipment in Alberta. Sadly, one such incident happened in Fernie, BC last year when an ammonia leak in refrigeration

equipment at an ice rink claimed three lives. The PESC worked with ABSA and Municipal Affairs to identify if any regulatory gaps exist in Alberta relating to refrigeration plants (ice rinks).

We worked on quite a few other items as well, including: technical discussions on code-related issues such as P91 material

and low-carbon steel, providing feedback on new ABSA documents regarding such topics as fitness-for-service and accident reporting, and ground-breaking work on defining an industry acceptable process for accessing in-service power plant equipment with new code reduction in design allowable stress. Our working groups (the PESC has four) reviewed various regulations and provided updates to the PESC to recommend revisions to the Power Engineers Regulation.

What is unique about Alberta in terms of pressure equipment safety?

Alberta is recognized as a leader in pressure equipment safety in jurisdictions across North America. This is likely due in large part to the fact that Alberta is the jurisdiction with the most pressure equipment. Alberta also has other challenges to deal with, such as low temperature environments.

It is also important to note that incidents like those that happened in Fernie, and their subsequent investigations, show that Alberta stays on its toes to identify and correct areas where gaps may exist.

Izak Roux, Chair, Pressure Equipment Sub-Council

MEETINGS
IN 2018

8

MEMBERS

16

VOLUNTEER
HOURS

656

REGULATIONS

- Pressure Equipment Safety Regulation AR49/2006
- Pressure Equipment Exemption Order AR56/2006
- Power Engineers Regulation AR 85/2003
- Pressure Welders Regulation AR 169/2002

Members:

Contract Chief Inspectors

Izak Roux
Chair

Petrochemical Industry

David Miller
Vice-Chair

Large Refinery and Petrochemical Sites

Geoff Kutz
Vice-Chair

Building and Heating Plants

Mike Clancy

Construction and Maintenance of Pressure Equipment

Jacques St. Onge

Education and Training

Grant Peuramaki

Electrical Utilities

John Wolff

Heavy Oil & Oil Sands

Vacant to 01/18
Greg Gaudet from 02/18

Labour

Ward Wagner

Petroleum Industry

Todd Lorán

Power Engineers

Henry Hau

Pressure Piping Industry

Billy Lee

Pressure Vessel

Manufacturing Industry

Marvin Kossowan

Professional Engineers

Magdi Ghobrial

Public at Large

Nyssa Moore

Pulp and Paper Industry

Brian Grantham to 01/18
Tony McWhannel from 02/18

Members:

Labour

Cal Ploof
Chair

Plumbing

David Hughes
Vice-Chair

Alberta Urban Municipalities

Cliff Ayrey to 03/18
Elgin Mann from 09/18

Amusement Rides

Bill Church

Barrier-free

Barry McCallum

Building

Don Dessario

Education and Training

Vacant to 01/18
Dylan Kunz from 02/18

Electrical

Gerry Wiles

Elevators

JC Bawa

Fire

Michael Walker

Gas

Glen Aspen

Major Municipalities - North

Chad Rich

Major Municipalities - South

Dale Rudiger

**Municipal Districts
and Counties**

John Whaley to 02/18
Vacant from 03/18

Passenger Ropeways

Kristian Haagaard

Pressure Equipment

Izak Roux

Technical Coordinating Committee (TCC)

What is the strength of the TCC?

The greatest strength of the TCC is the diversity of its members. There are seats on our group for every sub-council, as well as municipalities, education, and labour. This enables the TCC to have broad oversight of the System. It is a good forum to discuss issues using a multi-disciplinary lens.

What do you like most about being a part of the Technical Coordinating Committee?

Being a part of the TCC is an honour. I work alongside very dedicated individuals all volunteering their time and expertise to make sure our System remains safe.

What was a key piece of work that the TCC accomplished this year?

In 2018, the TCC spent time providing input for the Council's governance review. We provided input on sub-council processes, how to make meetings effective, and the roles of the TCC and the sub-councils. We also looked at how to handle the new energy codes and how timely code adoption will affect the role and function of the sub-councils.

Cal Ploof, Chair, Technical Coordinating Committee



TOTALS

MEETINGS
IN 2018



MEMBERS



VOLUNTEER
HOURS



We held 43 meetings this year, in which our 135 volunteers generously donated 3,313 hours of their time. It is important to note that these hours are only the tip of the iceberg; they do not include all of the time our volunteers give to working groups*, meeting and presentation work, participating in appeals, time spent at home reviewing training and code book materials, and other efforts put in apart from attending sub-council meetings.

These volunteers donate their two most precious resources—time and expertise—to make a tangible and meaningful impact on the lives of Albertans, and they do it all without expecting any recognition. What they do for their fellow citizens is not duplicated anywhere else. We are grateful to them for donating countless hours and giving so much energy in service of their fellow citizens.

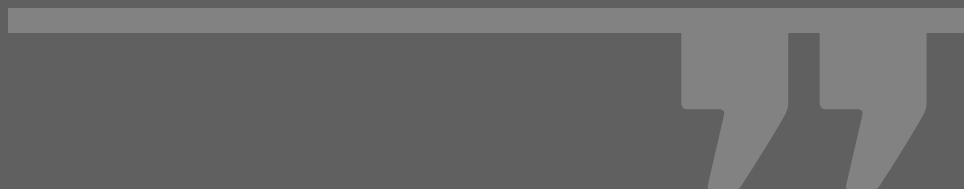
*Working groups are small groups formed to address specific topics that report back to their sub-council.



Throughout my years as Chair of the Safety Codes Council Board of Directors, I have had the pleasure of working with a set of individuals who each bring a diverse set of skills and backgrounds to the table. A productive Board is one that works effectively as a group, and I am lucky to be part of a Board that achieves that through collaboration and individual commitment to a group effort.

Robert Blakely

Chair, Safety Codes Council
Board of Directors





2018 Board of Directors' Activities

In 2018, the Board oversaw one of the Council's most transformative projects to date—Council Connect. The project was successfully launched on October 22, 2018, and radically changed the way the Council delivers services to our clients. The Board provided guidance throughout the project and is looking forward to tracking its success and overseeing continual improvements to the platform.

In April 2018, the Council relocated to a new office. The Board provided oversight on this initiative, with a focus on ensuring that the location is advantageous to the Council and its stakeholders, sustainable, and adaptable to the Council's future needs. In 2019, the Board will be tracking both quantitative (financial savings) and qualitative advantages to the Council resulting from on-site stakeholder meetings.

A considerable amount of the Board's time and effort in the first half of 2018 was focused on moving forward with the new policy framework. The Board completed and approved all governance policies and procedures. They also continue to provide advice on operational policies and procedures as these are updated and transitioned to the new framework.

In a record year for appointments and reappointments, the Board approved 66 appointments and reappointments to the sub-councils in 2018. Our sub-council seat vacancies ended 2018 at 4%, a 64% improvement over the vacancy rate at the end of 2017.

A priority of the Board this year was to improve how the Council supports the well-being of its employees and their families. In pursuit of this objective, the Board approved a new benefits and compensation structure. This will assist in retaining quality employees as well as recruiting new ones. Recruiting, retaining, and motivating top employees will ultimately result in better services for the clients and stakeholders of the Council.

Directors

Board Meeting Attendance

Robert Blakely, Q.C. Chair, Safety Codes Council Board of Directors	4/4
Owen Edmondson Vice-Chair, Safety Codes Council Board of Directors Chair, Audit and Risk Committee Member, Governance and Nominating Committee	4/4
Brian Alford President and CEO (Ex-officio)	4/4
Jill Matthew Chair, Governance and Nominating Committee	4/4
Marcie Kiziak Chair, Human Resources and Compensation Committee	4/4
Cal Ploof Chair, Technical Coordinating Committee Member, Audit and Risk Committee	1/4
Charlene Smylie (<i>joined Board in March 2018</i>) Alberta Urban Municipalities Association Member, Governance and Nominating Committee	3/3
Cliff Ayrey (<i>retired in March 2018</i>) Alberta Urban Municipalities Association Member, Governance and Nominating Committee	1/1
Kevin Griffiths City of Calgary Member, Audit and Risk Committee	4/4
Mark Gerlitz Member, Human Resources and Compensation Committee	4/4
Nancy Domijan City of Edmonton Member, Human Resources and Compensation Committee	4/4
Tom Burton (<i>joined Board in February 2018</i>) Rural Municipalities of Alberta Member, Audit and Risk Committee	4/4

In addition to regular Board meetings, Board Directors participated in committee meetings (not shown).



Financial Statements

Management's Comments on the 2018 Financial Statements

2018 was a year of change for the Safety Codes Council. We moved into a new location better suited to the needs of our stakeholders, we revised the Council's policy framework allowing us to operate more efficiently, and we launched Council Connect, which made our services available to our clients 24 hours a day.

The province experienced lower levels of activity in the consumer and housing market in 2018 as higher interest rates and the new mortgage stress tests put a dent in home purchases.

There were 26,100 housing starts in 2018, down 11% from 2017. Contributing factors to the decline can be attributed to the wind down of rebuilding in Fort McMurray, soaring inventories, and higher input costs for construction. Total residential building permits were down 7.1%. Overall, non-residential permits were down 1.6%. A break-down of the 1.6% decline in non-residential permits includes an increase in commercial permits by 30%, an increase in industrial permits by 6.8%, and a decrease in institutional and government permits by 46%.

Revenues

Total revenues in 2018 were \$14.4 million, a 0.5% decrease from 2017. The decrease is attributed to lower than expected levies collected from municipalities and agencies throughout the year. This was partly offset by increased revenue from courses, exams, and publications. ASCA permit revenue also decreased 0.6% from 2017. In 2018, due to the many global uncertainties, the Council experienced unusual volatility in our investment portfolios.

Expenses

Total expenses in 2018 were \$14.6 million, a 1.4% increase from 2017. This is reflective of our continued focus on our strategic goal of service delivery. Salaries and benefits are up 6% as the Council continues to grow in order to provide quality education, governance, and sustainability of the safety codes system in Alberta. Savings have been realized as we create more efficiencies around course and seminar development and delivery.



Independent Auditors' Report

To the Members of Safety Codes Council

Opinion

KPMG LLP
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Fax 780-429-7379

We have audited the financial statements of Safety Codes Council (the "Council"), which comprise:

- the statement of financial position as at December 31, 2018
- the statement of operations for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of remeasurement gains and losses for the year then ended
- the statement of cash flow for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Council as at December 31, 2018, its results of operations, its changes in net assets, remeasurement gains and losses and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

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

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian 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.

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Council to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

[Original Signed]

Chartered Professional Accountants
Edmonton, Canada
April 12, 2019

Statement of Financial Position

December 31, 2018, with comparative information for 2017

	2018	2017
Assets		
Current assets:		
Cash and cash equivalents	\$ 3,336,213	\$ 3,723,385
Accounts receivable	458,862	596,872
Prepaid expenses and deposits	454,657	212,858
	4,249,732	4,533,115
Investments (note 2)	9,646,214	10,771,652
Capital assets (note 3)	2,911,654	1,182,910
	\$ 16,807,600	\$ 16,487,677
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 744,497	\$ 1,033,910
Deferred revenue (note 4)	2,337,419	2,478,430
Current portion of deferred lease inducements (note 5)	166,071	543
	3,247,987	3,512,883
Deferred lease inducements (note 5)	1,383,922	
Net assets:		
Sustainment and growth fund	7,992,168	8,903,401
Internally restricted (note 6)	3,000,000	3,000,000
Invested in capital assets	1,835,690	1,182,910
	12,827,858	13,086,311
Accumulated remeasurement losses	(652,167)	(111,517)
	12,175,691	12,974,794
Commitments (note 7)		
	\$ 16,807,600	\$ 16,487,677

See accompanying notes to financial statements.

On behalf of the Council:

[Original Signed]

Director

[Original Signed]

Director

Statement of Operations

Year ended December 31, 2018, with comparative information for 2017

	2018 (Schedule 1)	2017
Revenues:		
Operating fees:		
Municipalities and agencies	\$ 5,891,462	\$ 6,128,779
Corporations	1,021,000	1,024,653
Permit fees (note 4)	5,443,435	5,474,714
Course and exam fees (note 4)	723,017	686,401
Master Electricians Program certification fees	514,350	533,689
Investment income	495,273	499,440
Certification (note 4)	109,028	106,775
Annual conference	56,246	47,850
Application development	47,725	47,325
Other revenues and recoveries	52,944	37,224
Designation of powers	13,450	10,975
Accreditation	10,278	10,388
Appeals	1,500	5,500
	14,379,708	14,613,713
Expenses:		
Salaries and benefits	6,192,666	5,840,039
Permit service fees	4,104,976	4,299,684
Contractors and consultants	1,065,786	1,119,676
Office rental	547,353	547,108
Amortization of capital assets	431,496	633,210
Travel (note 8)	348,097	232,187
Annual conference	347,798	292,863
Electronic business solutions	337,734	220,901
Office and general	213,658	174,782
Publications	160,920	159,488
Professional fees	157,004	51,091
Course and seminar costs	154,001	207,948
Meetings	124,025	105,619
Bank and investment service charges	104,375	91,081
Loss on disposal of capital assets	99,093	38,980
Honoraria (note 8)	72,372	70,111
Consulting fees	59,184	92,208
Insurance	40,452	29,432
Appeals	32,109	30,550
New course version	15,102	65,085
Test bank validations	14,800	63,782
Special training programs	10,252	14,220
Corporate memberships	4,439	5,629
Electronic conversion	469	797
New course development	-	43,150
Competency analysis	-	1,176
	14,638,161	14,430,797
Excess (deficiency) of revenues over expenses	\$ (258,453)	\$ 182,916

See accompanying notes to financial statements.

Statement of Changes in Net Assets

Year ended December 31, 2018, with comparative information for 2017

	Sustainment and growth fund	Internally restricted	Invested in capital assets	2018 Total	2017 Total
Balance, beginning of year	\$ 8,903,401	\$ 3,000,000	\$ 1,182,910	\$ 13,086,311	\$ 12,903,395
Excess (deficiency) of revenues over expenses	272,136	-	(530,589)	(258,453)	182,916
Purchase of capital assets	(2,336,188)	-	2,336,188	-	-
Lease inducements received for the purchase of capital assets	1,152,819	-	(1,152,819)	-	-
Balance, end of year	\$ 7,992,168	\$ 3,000,000	\$ 1,835,690	\$ 12,827,858	\$ 13,086,311

Statement of Remeasurement Gains and Losses

Year ended December 31, 2018, with comparative information for 2017

	2018	2017
Accumulated remeasurement losses, beginning of year	\$ (111,517)	\$ (147,135)
Unrealized change in fair value of investments	(540,650)	35,618
Accumulated remeasurement losses, end of year	\$ (652,167)	\$ (111,517)

See accompanying notes to financial statements.

Statement of Cash Flow

Year ended December 31, 2018, with comparative information for 2017

	2018	2017
Cash provided by (used in):		
Operations:		
Excess (deficiency) of revenues over expenses	\$ (258,453)	\$ 182,916
Item not involving cash:		
Amortization of capital assets	431,496	633,210
Loss on disposal of capital assets	99,093	38,980
Changes in non-cash operating working capital:		
Accounts receivable	138,010	(211,120)
Prepaid expenses and deposits	(241,799)	(152,855)
Accounts payable and accrued liabilities	(289,413)	417,421
Deferred revenue	(141,011)	37,338
Deferred lease inducements	473,486	(6,491)
	211,409	939,399
Investing activities:		
Purchase of investments, including reinvested investment income	(415,212)	(1,562,418)
Withdrawals from investments	1,000,000	1,812,866
	584,788	250,448
Capital and financing activities:		
Purchase of capital assets	(2,336,188)	(513,527)
Lease inducements received for the purchase of capital assets	1,152,819	-
	(1,183,369)	(513,527)
Increase (decrease) in cash and cash equivalents	(387,172)	676,320
Cash and cash equivalents, beginning of year	3,723,385	3,047,065
Cash and cash equivalents, end of year	\$ 3,336,213	\$ 3,723,385

See accompanying notes to financial statements.

Notes to Financial Statements

Year ended December 31, 2018

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 Board of Directors, 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.

The Council is also responsible for overseeing the provision of safety codes compliance monitoring (permitting and inspection services) in unaccredited areas in the Province of Alberta under the Alberta Safety Codes Authority (ASCA).

1. Significant accounting policies:

These financial statements are prepared by management in accordance with Canadian public sector accounting standards including the 4200 standards for government not-for-profit organizations.

(a) Revenue recognition:

The Council follows the deferral method of accounting for contributions which include government grants. Externally 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.

Other revenues are recognized when earned or when the related services are provided.

(b) Cash and cash equivalents:

Cash and cash equivalents includes cash on hand and short-term deposits which are highly liquid with original maturities of less than three months which are held for the purpose of meeting short-term cash commitments.

(c) Capital assets:

Capital assets are recorded at cost. Amortization is provided using the following method and annual rates for additions after January 1, 2018:

Asset	Basis	Useful Life
Furniture and fixtures	Straight line	5 years
Equipment	Straight line	5 years
Computer hardware	Straight line	3 years
Computer software	Straight line	10 years
Computer software - Other	Straight line	3 years
Leasehold improvements	Straight line	Over lease term

For capital asset additions prior to January 1, 2018, 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.

Capital assets that are not in use at year-end are not amortized.

(d) Leases:

Leases are classified as capital or operating leases. A lease that transfer substantially the entire benefits and risks incidental to ownership is classified as a capital lease. All other leases are accounted for as operating leases, wherein rental payments and related lease inducements, including “free-rent” periods or significant “step-up” provisions, are amortized on a straight-line basis and recognized as reductions of rent expense over the term of the lease. Lease inducements received for the purchase of capital assets are recognized as reductions in amortization expense on a straight-line basis over the term of the related lease.

Deferred lease inducements represents the unamortized value of tenant inducements and straight-line rent.

(e) 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.

(f) Allocation of expenses:

The Council records a number of its expenses by program. The cost of each program includes the personnel, premises and other expenses that are directly related to providing the program. The Council allocates certain of its general support expenses by identifying the appropriate basis for allocation. Administration and corporate governance are not allocated.

(g) 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 and losses 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.

The 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.

(h) Use of estimates:

The preparation of financial statements 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. Significant amounts subject to such estimates and assumptions include the carrying amount of capital assets. Actual results could differ from those estimates.

(i) Related party transactions:

The Council enters into transactions with related parties in the normal course of operations and on normal trade terms. These transactions are measured at the exchange amount which is the amount of consideration established and agreed by the related parties.

(j) Changes in accounting policies:

The Council has prospectively adopted the following accounting standards effective January 1, 2018: PS2200 *Related Party Transactions*; PS3420 *Inter-Entity Transactions*; PS3210 *Assets*; PS3320 *Contingent Assets*; and PS3380 *Contractual Rights*. The effect of adopting these standards has resulted in certain changes to the disclosures in the financial statements.

(k) Future accounting changes:

The following summarizes upcoming changes to Canadian public sector accounting standards: PS3430 *Restructuring Transactions* (effective April 1, 2018); PS3280 *Asset Retirement Obligations* (effective April 1, 2021); and PS3400 *Revenue* (effective April 1, 2022). The Council's management is currently assessing the impact of these new accounting standards on its financial statements.

2. Investments:

2018	Level	Cost	Market Value
Cash and cash equivalents		\$ 826	\$ 826
Jarislowsky Fraser Money Market Fund	1	114	114
Pooled funds:			
Jarislowsky Fraser Bond Fund	2	5,822,521	5,583,890
Jarislowsky Fraser Canadian Equity Fund	2	2,894,843	2,446,801
Jarislowsky Fraser Global Equity Fund	2	1,580,077	1,614,583
		\$ 10,298,381	\$ 9,646,214
2017	Level	Cost	Market Value
Cash and cash equivalents		\$ 1,100	\$ 1,100
Jarislowsky Fraser Money Market Fund	1	112	112
Pooled funds:			
Jarislowsky Fraser Bond Fund	2	5,957,928	5,798,846
Jarislowsky Fraser Canadian Equity Fund	2	3,148,436	3,077,850
Jarislowsky Fraser Global Equity Fund	2	1,775,593	1,893,744
		\$ 10,883,169	\$ 10,771,652

There were no transfers between Level 1 and Level 2 for the years ended December 31, 2018 or 2017.

3. Capital assets:

	Cost	Accumulated amortization	2018 Net book value	2017 Net book value
Furniture and fixtures	\$ 560,544	\$ 103,604	\$ 456,940	\$ 137,483
Equipment	20,465	5,710	14,755	8,919
Computer hardware	770,115	316,458	453,657	230,550
Computer software	1,372,251	473,680	898,571	471,440
Leasehold improvements	1,152,819	76,855	1,075,964	52,593
Copyrights	11,767	-	11,767	11,767
Capital assets not in use	-	-	-	270,158
	\$ 3,887,961	\$ 976,307	\$ 2,911,654	\$ 1,182,910

Leasehold improvements in the amount of \$1,152,819 for the Council's new offices were acquired with proceeds from tenant inducements provided by the Council's landlord (see note 5). Capital assets not in use includes \$nil (2017 - \$179,200) related to new computer software and \$nil (2017 - \$90,958) relating to leasehold improvements for the Council's new offices.

4. Deferred revenue:

	Balance, December 31, 2017	Amounts received / receivable	Revenue recognized, net	Balance, December 31, 2018
<u>Core Operations</u>				
Grant agreements:				
Province of Alberta - Safety System Outcome Survey	\$ 250,849	\$ 2,635	\$ -	\$ 253,484
	250,849	2,635	-	253,484
Course and exam fees	53,205	709,387	(723,017)	39,575
Certification	179,233	97,486	(109,028)	167,691
	483,287	809,508	(832,045)	460,750
<u>ASCA</u>				
Alberta Safety Codes Authority permit fees	1,995,143	5,324,961	(5,443,435)	1,876,669
	\$ 2,478,430	\$ 6,134,469	\$ (6,275,480)	\$ 2,337,419

In 2016, the Council applied for and obtained a one-time conditional grant from the Province of Alberta to complete a Safety System Outcome Survey. The grant provided for a total of \$250,000 to be received to complete a survey of the various participants in the safety codes system to identify any gaps in the system, potential risks and mitigating measures on a go-forward basis. An amendment to the grant agreement was obtained in 2018 extending the project into fiscal 2019. The survey is expected to be completed in fiscal 2019.

5. Deferred lease inducements:

During the year, the Council received \$507,888 (2017 - \$nil) in "free-rent" and recognized \$34,402 (2017 - \$nil) of amortization of deferred straight-line rent as a reduction in rent expense. In addition, the Council received \$1,152,819 (2017 - \$nil) in tenant inducements to support the purchase of certain leasehold improvements and recognized \$76,855 (2018 - \$nil) of amortization of deferred tenant inducements as a reduction in amortization expense.

	2018	2017
Straight-line rent	\$ 474,029	\$ 543
Tenant inducements	1,075,964	-
	1,549,993	543
Current portion of deferred lease inducements	166,071	543
	\$ 1,383,922	\$ -

6. 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 Board of Directors.

7. Commitments:

The Council has committed to a new operating lease for its office premises which expires April 30, 2028. Under the new agreement, the Council is responsible for annual rent payments and its share of operating costs related to the office premises. The Council has also committed to an equipment lease for use of a photocopier which expires February 29, 2020.

	Equipment lease	Office lease	Total
2019	\$ 13,727	\$ 272,506	\$ 286,233
2020	3,432	278,304	281,736
2021	-	278,304	278,304
2022	-	289,900	289,900
2023	-	295,698	295,698
Thereafter	-	1,350,934	1,350,934
	\$ 17,159	\$ 2,765,646	\$ 2,782,805

8. Related party transactions:

The Province of Alberta provides certain services to the Council, including monitoring services of accredited entities as part of the Municipal Support Program, at no cost. These unallocated costs are not recognized in the financial statements.

Related parties include key management personnel and members of the Board of Directors of the Council. Transactions with key management personnel primarily consist of compensation related payments and are undertaken on similar terms and conditions to those that would be adopted if the parties were dealing at arm's length. Members of the Board of Directors are remunerated by the schedules as set out by Order in Council 466/2007. Remuneration is comprised of \$72,372 (2017 - \$70,111) and is included in honoraria expense. Other costs consist of travel related to meeting attendance is comprised of \$35,864 (2017 - \$20,803) which is included in travel expense.

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.

(a) 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 in pooled-funds and carried at fair value with fair value changes recognized in the statement of operations and statement of remeasurement gains (losses), all changes in market conditions will directly result in an increase (decrease) in net assets. Market price risk is managed by the Council through their investment guidelines and policies, as monitored by the management of the Council and its investment manager. There have been no significant changes to the market price risk exposure from 2017.

(b) 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 Board of Directors annually, establishes the nature of acceptable investments for its portfolio. As a result, 100% of the Council's investments are in pooled funds. Although market events could lead to some investments within the pooled fund becoming illiquid, the diversity and quality of the Council's investments 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. There have been no significant changes to the liquidity risk exposure from 2017.

(c) 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.

The Council manages credit risk by investing diversified pooled funds. 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. There have been no significant changes to the credit risk exposure from 2017.

(d) Interest rate risk:

The Council is exposed to interest rate risk associated with the underlying interest-bearing instruments held in the Jarislowsky Fraser Bond Fund. To properly manage the Council's interest rate risk, appropriate guidelines and investment policies are set and monitored by management of the Council and its investment manager. There have been no significant changes to the interest rate risk exposure from 2017.

Schedule 1 – Operating Activities

Year ended December 31, 2018

	Core operations		ASCA	2018
Revenue:				
Operating fees:				
Municipalities and agencies	\$ 5,891,462	\$ -	\$ -	\$ 5,891,462
Corporations	1,021,000	-	-	1,021,000
Permit fees	-	5,443,435	-	5,443,435
Course and exam fees	723,017	-	-	723,017
Master Electricians Program certification fees	514,350	-	-	514,350
Investment income	465,966	29,307	-	495,273
Certification	109,028	-	-	109,028
Annual conference	56,246	-	-	56,246
Application development	47,725	-	-	47,725
Other revenue and recoveries	52,944	-	-	52,944
Designation of powers	13,450	-	-	13,450
Accreditation	10,278	-	-	10,278
Appeals	1,500	-	-	1,500
	8,906,966	5,472,742	-	14,379,708
Expenses:				
Salaries and benefits	5,153,949	1,038,717	-	6,192,666
Permit service fees	-	4,104,976	-	4,104,976
Contractors and consultants	1,055,449	10,337	-	1,065,786
Office rental	493,353	54,000	-	547,353
Amortization of capital assets	351,937	79,559	-	431,496
Travel	335,786	12,311	-	348,097
Annual conference	347,798	-	-	347,798
Electronic business solutions	265,612	72,122	-	337,734
Office and general	203,658	10,000	-	213,658
Publications	160,383	537	-	160,920
Professional fees	157,004	-	-	157,004
Course and seminar costs	154,001	-	-	154,001
Meetings	119,961	4,064	-	124,025
Bank and investment service charges	102,722	1,653	-	104,375
Loss on disposal of capital assets	99,093	-	-	99,093
Honoraria	72,372	-	-	72,372
Consulting fees	59,184	-	-	59,184
Insurance	36,452	4,000	-	40,452
Appeals	32,061	48	-	32,109
New course version	15,102	-	-	15,102
Test bank validations	14,800	-	-	14,800
Special training programs	10,252	-	-	10,252
Corporate memberships	4,439	-	-	4,439
Electronic conversion	469	-	-	469
	9,245,837	5,392,324	-	14,638,161
Excess (deficiency) of revenues over expenses	\$ (338,871)	\$ 80,418	\$ -	\$ (258,453)



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