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**REPORT TO THE FINANCE COMMITTEE  
MEETING OF WEDNESDAY, MAY 04, 2022**

**SUBJECT** Bylaw No. 4490: 2022 to 2026 Financial Plan Bylaw, 2022, Amendment No. 1, 2022

**ISSUE SUMMARY**

The 2022 to 2026 Financial Plan was adopted on March 16, 2022. Amendments to the Plan are required to authorize revised operating and capital expenditures.

**BACKGROUND**

The Capital Regional District (CRD) Board approved the 2022 to 2026 Financial Plan (Bylaw No. 4481) on March 16, 2022. Amendments are required in accordance with Section 374(2) of the *Local Government Act* (LGA), which states that the financial plan may be amended at any time by bylaw to incorporate changes in budget, for certainty. As new information becomes available and pursuant with Section 374 of the LGA, the CRD Board may further revise the financial plan.

The following table highlights the 2022 impact of the proposed amendments to the five-year 2022-2026 Financial Plan.

SERVICE	DESCRIPTION	BUDGET	FUNDING	NET IMPACT	COMMITTEE / COMMISSION APPROVAL
Salt Spring Island – Cedar Lane Water	Manganese Treatment System Phase 1 - Engineering Design	Capital	Reserve Fund	\$7,400	Cedar Lane Water Service Commission
Salt Spring Island – Cedar Lane Water	Manganese Treatment System – Public Approval Process	Capital	Reserve Fund	\$(5,000)	21-Mar-2022
Panorama Recreation	Potential Land Acquisition	Capital	Capital Funds on Hand	\$10,000	Peninsula Recreation Commission 24-Mar-2022
CRD HQ Building	HVAC Feasibility Study and Hot Water Upgrades	Capital	Reserve Fund	\$150,000	Staff Recommended
	CRD Headquarter Re-Design	Capital	Capital Funds on Hand	\$1,140,000	Staff Recommended

SERVICE	DESCRIPTION	BUDGET	FUNDING	NET IMPACT	COMMITTEE / COMMISSION APPROVAL
Regional Parks	Selkirk Trestle – Below Deck Repairs	Capital	Reserve Fund	\$165,000	Regional Parks Committee 27-April-2022
	Galloping Goose Regional Trail Bridges Replacement	Capital	Capital Funds on Hand	\$329,000	
	Galloping Goose Regional Trail Widening and Lighting - Phase A	Capital	Grants, Reserve Fund	\$105,000	
	Regional Trails Widening – GHG Reduction study	Capital	Grants, Reserve Fund	\$20,000	
	Office Trailer Acquisition	Capital	Reserve Fund	\$(240,000)	
	Renovation of Regional Parks Headquarters, the Elk Lake Nature Centre and 728 Beaver Lake Rd	Capital	Reserve Fund	\$250,000	

The proposed Financial Plan amendment Bylaw No. 4490 incorporates these changes, and is attached as Appendix A, inclusive of an updated Schedule B.

**ALTERNATIVES**

*Alternative 1*

The Finance Committee recommends to the Capital Regional District Board:

1. That Bylaw No. 4490, “2022 to 2026 Financial Plan Bylaw, 2022, Amendment Bylaw No. 1, 2022” be introduced and read a first, second, and third time; and
2. That Bylaw No. 4490 be adopted.

*Alternative 2*

That Bylaw No. 4490 be deferred pending further analysis by CRD staff.

## **IMPLICATIONS**

### *Financial Implications*

#### Salt Spring Island – Cedar Lane Water

The Cedar Lane Water Service Commission approved an increase to the Manganese Treatment System Phase 1 - Engineering Design project after a longer than planned RFP process. Additional funding balanced through capital reserve.

The Commission also approved a reduction in project budget for Manganese Treatment System – Public Approval Process for borrowing. The project budget has been reduced from \$10,000 to \$5,000 as a result of changing the process from Alternative Approval Process to Petition.

#### Panorama Recreation

The Peninsula Recreation Commission has approved a capital plan for a potential land acquisition. The acquisition will be funded from capital funds on hand.

#### CRD Headquarters Building

Amendment to the CRD Headquarters Building first floor redesign project is required to reflect work to be carried forward into 2022 capital plan. Project timelines have been adjusted as the result of design changes and availability of a contractor the project, with completion now planned in 2022. This project is funded by existing capital funds on hand.

Work on the HVAC Feasibility Study and Hot Water Upgrades project is being advanced into 2022. The advancement of this work arose from an energy assessment completed in early 2022 through a grant program. The study confirmed that domestic hot water for the building could be heated by electricity and removed from natural gas independently from the rest of the HVAC upgrades, reducing GHGs sooner. This work will be funded by capital reserve.

#### Regional Parks

A condition assessment report on the Selkirk Trestle revealed the need for certain critical below deck repairs. At the time of the 2022 budget preparation, the condition assessment was not complete. These repair needs were confirmed and costed in February 2022, and a budget amendment of \$165,000 will provide for these critical repairs while funding and planning is determined for more substantial work on the bridge is determined. This is to be funded from capital reserves.

A revision to the Galloping Goose Regional Trail bridge replacement (5 bridges) project is required to reflect work to be carried forward and completed in 2022 and 2023. Project timelines have been adjusted as a result of availability of contractors. The will be funded by capital funds on hand.

Initial design work for the Galloping Goose Regional Trail Widening and Lighting Phase A (Gorge Road to Cecelia) project has been identified in early 2022, arising from a new Memorandum of Understanding between the CRD Regional Parks and the Ministry of Transportation and Infrastructure. This phase of the project will be funded by grants and reserve funds.

A study related to the widening of the Regional Trail facilities is a requirement of the Federal Government to measure greenhouse gas reductions for widened Regional Trail facility. This requirement was identified in March 2022. This project will be funded by grants and reserve funding.

As part of the service growth for Regional Parks in 2022, the financial plan included the purchase of an office trailer for the Regional Parks Headquarters. Through recent analysis in early 2022, it has been determined the additional staff can be accommodated through renovation to the Regional Parks Headquarters buildings as well as the Elk Lake Nature Centre and a facility at 728 Beaver Lake Rd. This results in an amendment to remove the office trailer acquisition, and utilize the capital funds for renovation expenses, funded by reserve.

**CONCLUSION**

In compliance with the *Local Government Act*, the proposed amending Bylaw No. 4490 authorizes the changes required to the 2022 to 2026 Financial Plan Bylaw No. 4481, which the CRD Board approved on March 16, 2022.

**RECOMMENDATION**

The Finance Committee recommends to the Capital Regional District Board:

1. That Bylaw No. 4490, “2022 to 2026 Financial Plan Bylaw, 2022, Amendment Bylaw No. 1, 2022” be introduced and read a first, second, and third time; and
2. That Bylaw No. 4490 be adopted.

Submitted by:	Rianna Lachance, BCom, CPA, CA, Senior Manager, Financial Services
Concurrence:	Nelson Chan, MBA, FCPA, FCMA, Chief Financial Officer
Concurrence:	Kristen Morley, J.D., General Manager, Corporate Services & Corporate Officer
Concurrence:	Robert Lapham, MCIP, RPP, Chief Administrative Officer

**ATTACHMENT(S)**

Appendix A: Bylaw 4490, with Schedule B