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REPORT TO THE FINANCE COMMITTEE
MEETING OF WEDNESDAY, NOVEMBER 5, 2025

SUBJECT **Bylaw Nos. 4724, 4725, 4726, 4727, 4728 and 4729: Capital Reserve Fund Bylaws**

ISSUE SUMMARY

There is a need to establish capital reserve funds for Foodlands Access Service, Regional Transportation Service, Animal Control Service and Juan de Fuca Emergency Program Act Extended Service as well as land acquisition reserve funds for Galiano Island Community Parks Service and Mayne Island Community Parks Service.

BACKGROUND

Capital Regional District (CRD) services use capital reserve funds established by bylaw to accumulate resources for future capital expenditures. Periodically, services transfer either budgeted or surplus funds to their respective capital reserve fund.

Capital Reserve Guidelines were adopted at the July 7, 2021 meeting of the Regional Board. These guidelines provide measures to evaluate the health of capital reserves and set targets to support sustainable service delivery, aligning with the corporate plan. The practice of building capital reserves for funding ongoing infrastructure renewal, expanding service levels and funding unexpected capital investments is essential to ensuring long-term sustainability of infrastructure-dependent CRD services.

As part of the financial planning process, transfers to capital reserves were identified resulting in the need to create new capital reserve bylaws, with establishment of the new reserves before December 31, 2025.

Land acquisition reserve funds are required by bylaw to be maintained as a separate fund, receiving funding from cash in lieu of park land dedication and disposition of existing park land in the service area. These reserve funds are restricted for the sole purpose of acquiring park land.

It is proposed that the following bylaws be approved, and reserves be created:

Bylaw No.	Bylaw Title	Service Participant
4724	Foodlands Access Service Capital Reserve Fund Bylaw No. 1, 2025	Regional
4725	Regional Transportation Service Capital Reserve Fund Bylaw No. 1, 2025	Regional
4726	Galiano Island Community Parks Services Land Acquisition Reserve Fund Bylaw No. 1, 2025	Local Service – Southern Gulf Islands (SGI)
4727	Mayne Island Community Parks Services Land Acquisition Reserve Fund Bylaw No. 1, 2025	Local Service - SGI

Bylaw No.	Bylaw Title	Service Participant
4728	Juan de Fuca Emergency Program Act Extended Service Capital Reserve Fund Bylaw No. 1, 2025	Local Service – Juan de Fuca
4729	Animal Control Service Capital Reserve Fund Bylaw No. 1, 2025	Sub-Regional

ALTERNATIVES

Alternative 1

The Finance Committee recommends to the Capital Regional District Board:

1. That Bylaw No. 4724, “Foodlands Access Service Capital Reserve Fund Bylaw No. 1, 2025”, be introduced and read a first, second and third time; and
2. That Bylaw No. 4724 be adopted.
3. That Bylaw No. 4725, “Regional Transportation Service Capital Reserve Fund Bylaw No. 1, 2025”, be introduced and read a first, second and third time; and
4. That Bylaw No. 4725 be adopted.
5. That Bylaw No. 4726, “Galiano Island Community Parks Services Land Acquisition Reserve Fund Bylaw No. 1, 2025”, be introduced and read a first, second and third time; and
6. That Bylaw No. 4726 be adopted.
7. That Bylaw No. 4727, “Mayne Island Community Parks Services Land Acquisition Reserve Fund Bylaw No. 1, 2025”, be introduced and read a first, second and third time; and
8. That Bylaw No. 4727 be adopted.
9. That Bylaw No. 4728, “Juan de Fuca Emergency Program Act Extended Service Capital Reserve Fund Bylaw No. 1, 2025”, be introduced and read a first, second and third time; and
10. That Bylaw No. 4728 be adopted.
11. That Bylaw No. 4729, “Animal Control Service Capital Reserve Fund Bylaw No. 1, 2025”, be introduced and read a first, second and third time; and
12. That Bylaw No. 4729 be adopted.

Alternative 2

That Bylaws Nos. 4724, 4725, 4726, 4727, 4728 and 4729 be deferred pending further information from staff.

IMPLICATIONS

Financial Implications

Capital reserve funds provide a source of funding for future capital expenditures. Funds transferred to and from these reserves will be approved by the Board as part of the annual financial planning process and will be held in a separate fund for each individual service.

Establishment of capital reserve funds for the Foodlands Access, Regional Transportation, Juan de Fuca Emergency Program and Animal Control Services will enable the accumulation of funds for future capital projects required to maintain and expand service levels.

Funds received from the sale of park land and cash in lieu of park dedication must be held in a land acquisition reserve fund and are restricted for the purpose of acquiring park land.

The establishment of a land acquisition reserve fund for the Galiano Community Parks Service is required to hold a $75,750 cash in lieu of park land payment received in 2025 and is to be used for the future acquisition of park land.

A land acquisition reserve fund for the Mayne Island Community Parks Service will enable receipt of funds for the future purchase of park land.

CONCLUSION

The practice of building capital reserves for funding ongoing infrastructure renewal is essential to ensuring the long-term sustainability of infrastructure-dependent CRD services. As with all capital reserve funds, the resources to build the proposed capital reserve funds can either be part of the respective service budget or result from an operating surplus. Funds transferred to and from these reserves will be approved by the Board as part of the annual financial planning process and will be held in a separate fund for each individual service.

Land acquisition reserve funds accumulate resources from cash in lieu of park land dedication and disposition of existing park land in the service area. Funds spent from these reserves for the acquisition of community park land will be approved by the Board as part of the annual financial planning process and will be held in a separate fund for each service.

RECOMMENDATION

The Finance Committee recommends to the Capital Regional District Board:

1. That Bylaw No. 4724, “Foodlands Access Service Capital Reserve Fund Bylaw No. 1, 2025”, be introduced and read a first, second and third time; and
2. That Bylaw No. 4724 be adopted.
3. That Bylaw No. 4725, “Regional Transportation Service Capital Reserve Fund Bylaw No. 1, 2025”, be introduced and read a first, second and third time; and
4. That Bylaw No. 4725 be adopted.
5. That Bylaw No. 4726, “Galiano Island Community Parks Services Land Acquisition Reserve Fund Bylaw No. 1, 2025”, be introduced and read a first, second and third time; and
6. That Bylaw No. 4726 be adopted.
7. That Bylaw No. 4727, “Mayne Island Community Parks Services Land Acquisition Reserve Fund Bylaw No. 1, 2025”, be introduced and read a first, second and third time; and
8. That Bylaw No. 4727 be adopted.
9. That Bylaw No. 4728, “Juan de Fuca Emergency Program Act Extended Service Capital Reserve Fund Bylaw No. 1, 2025”, be introduced and read a first, second and third time; and
10. That Bylaw No. 4728 be adopted.
11. That Bylaw No. 4729, “Animal Control Service Capital Reserve Fund Bylaw No. 1, 2025”, be introduced and read a first, second and third time; and
12. That Bylaw No. 4729 be adopted.

Submitted by:	Varinia Somosan, CPA, CGA, Senior Manager, Financial Services & Deputy Chief Financial Officer
Concurrence:	Nelson Chan, MBA, FCPA, FCMA, Chief Financial Officer & General Manager, Finance & Technology
Concurrence:	Kristen Morley, J.D., Corporate Officer & General Manager, Corporate Services
Concurrence:	Ted Robbins, B. Sc., C. Tech., Chief Administrative Officer

ATTACHMENTS

Appendix A: Bylaw No. 4724, "Foodlands Access Service Capital Reserve Fund Bylaw No. 1, 2025"
Appendix B: Bylaw No. 4725, "Regional Transportation Service Capital Reserve Fund Bylaw No. 1, 2025"
Appendix C: Bylaw No. 4726, "Galiano Island Community Parks Services Land Acquisition Reserve Fund Bylaw No. 1, 2025"
Appendix D: Bylaw No. 4727, "Mayne Island Community Parks Services Land Acquisition Reserve Fund Bylaw No. 1, 2025"
Appendix E: Bylaw No. 4728, "Juan de Fuca Emergency Program Act Extended Service Capital Reserve Fund Bylaw No. 1, 2025"
Appendix F: Bylaw No. 4729, "Animal Control Service Capital Reserve Fund Bylaw No. 1, 2025"