

**REPORT TO ELECTORAL AREAS COMMITTEE
MEETING OF WEDNESDAY, JUNE 11, 2025**

SUBJECT **Bylaws No. 4696, 4697, 4698 Electoral Area Grants-in-Aid: Conversion of Letters Patent to Establishing Bylaws**

ISSUE SUMMARY

To convert the function of making grants-in-aid (GIA), currently operated under Supplementary Letters Patent (SLP), to three separate services exercised under establishing bylaws for each electoral area (EA), and to ensure the Salt Spring Island Local Community Commission (LCC) must consent when an SSI GIA is made.

BACKGROUND

By SLP Division XIX, OIC 1013/1977, as amended by OIC 722/1985, the Capital Regional District (CRD) was given the authority to make a GIA to any organization deemed by the Board to be contributing to the general interests and advantage of the service areas. The only remaining participants in the service are the Salt Spring Island, Juan de Fuca, and Southern Gulf Islands Electoral Areas.

The GIA function provides critical support to community initiatives, in cases where no other community funding source exists, from funding non-profit organizations' day-to-day work to ensuring projects benefitting the community can be completed, from playgrounds to public works.

Before exercising GIA power, the CRD must receive written consent from the relevant Electoral Area Director. In 2023, the residents of Salt Spring Island requested CRD create the SSI LCC to broaden elected oversight and administration of certain Salt Spring Island local services, so that decisions regarding these services are more locally transparent and reflect the local public interest. GIA requests have been going to the LCC for review and approval however, the requirement for EA Director approval prior to issuing a GIA effectively allows the EA Director to veto an LCC vote, contrary to the intent of the EA Director and the LCC.

Finally, the GIA service has three EAs contained within it – three services in one – which is not a typical way of organizing modern regional district services. Over the years, other issues have been experienced relating to the exercise of this power and other amendments have been proposed to make clear that a GIA may be used to assist with operating and capital expenses; may be applied for more than once, or even on a multi-year basis (subject to the approved annual financial plan and the ability of the Board to cancel a grant agreement); and may be awarded to an individual, an unincorporated association, or a corporation.

Before amending these powers, the *Local Government Act* requires the Board to convert the Service currently operated under the SLP, as amended, to a service exercised under the authority of an establishing bylaw. The bylaws before the Board set out the separation of the services; the removal of the requirement for EA Director consent (to be moved to Bylaw No. 4186, as amended for the LCC); and clarifications on who may receive GIA funding and what the funding may be used for.

ALTERNATIVES

Alternative 1

That the Electoral Areas Committee recommend to the Capital Regional District Board:

1. That Bylaw No. 4696, “Juan de Fuca Grant-In-Aid Service Conversion Bylaw No. 1, 2025”, be read a first, second, and third time;
2. That Bylaw No. 4697, “Salt Spring Island Grant-In-Aid Service Conversion Bylaw No. 1, 2025”, be read a first, second, and third time;
3. That Bylaw No. 4698, “Southern Gulf Islands Grant-In-Aid Services Conversion Bylaw No. 1, 2025”, be read a first, second, and third time;
4. That participating area approval to the conversion of SLP Division XIX, OIC 1013/1977 and OIC722/1985 in Bylaws No. 4696, 4697, and 4698, be obtained by Electoral Area Director Consent on behalf;
5. That if successful, Bylaws No. 4696, 4697, and 4698 be forwarded to the Inspector of Municipalities for review and approval.

Alternative 2

That this report be referred back to staff for additional information.

IMPLICATIONS

Alignment with Existing Plans & Strategies

Removal of the requirement of EA Director approval from the establishment bylaws will allow the Board to delegate approval of SSI GIAs to the LCC, which is closely aligned with the purpose of the local commission and avoid the risk of an SSI EA Director “veto” of an LCC decision. It will also modernize the GIA powers by splitting each service by EA, and clarify the purpose and use of GIA funding. The new service authority continues to permit more than one EA to contribute to a project benefitting more than one electoral area. The delegation will now occur in CRD’s Bylaw No. 4186, “Capital Regional District Delegation Bylaw No. 1, 2017”, with an amendment to be put forward once the bylaws received Inspector of Municipalities approval.

Legal Implications

Modernizing the SLP to three separate service establishing bylaws will allow the CRD the ability to amend the services on an as needed basis to better meet the needs of EA residents. As this is a single SLP being converted to multiple services, the consent of each Electoral Area Director is required for each proposed bylaw, to meet the two-thirds consent requirement of conversion under the *Local Government Act*. Future amendments to the power, if any, will only require one Electoral Area Director (as applicable).

Financial Implications

The GIA function supports organizations outside of existing CRD services and funds a variety of projects that benefit the community. Under the current SLP, the maximum requisition is \$0.05 per \$1,000 assessed value. This rate has been deemed sufficient for the proposed establishment

bylaws based on historical GIA spending and potential future service growth in each of the 3 electoral areas. Modernizing the establishing bylaws will also permit services to raise funds not only by requisition, but also by way of donations and grants.

CONCLUSION

The three separate bylaws allow the CRD to convert the SLP function of grant-in-aid to services exercised under Establishment Bylaws and remove the requirement for the Board to obtain written approval from the EA Director, allowing approval authority to be exercised by a local commission.

RECOMMENDATION

That the Electoral Areas Committee recommend to the Capital Regional District Board:

1. That Bylaw No. 4696, “Juan de Fuca Grant-In-Aid Service Conversion Bylaw No. 1, 2025”, be read a first, second, and third time;
2. That Bylaw No. 4697, “Salt Spring Island Grant-In-Aid Service Conversion Bylaw No. 1, 2025”, be read a first, second, and third time;
3. That Bylaw No. 4698, “Southern Gulf Islands Grant-In-Aid Service Conversion Bylaw No. 1, 2025”, be read a first, second, and third time;
4. That participating area approval to the conversion of SLP Division XIX, OIC 1013/1977 and OIC722/1985 in Bylaw No. 4696, 4697, and 4698, be obtained by Electoral Area Director Consent on behalf;
5. That if successful, Bylaws No. 4696, 4697, and 4698 be forwarded to the Inspector of Municipalities for review and approval.

Submitted by:	Steven N. Carey, B.Sc., J.D., Senior Manager, Legal Services and Risk Management
Concurrence:	Kristen Morley, J.D., General Manager, Corporate Services & Corporate Officer
Concurrence:	Nelson Chan, MBA, FCPA, FCMA, Chief Financial Officer, GM Finance & IT
Concurrence:	Ted Robbins, B. Sc., C. Tech., Chief Administrative Officer

ATTACHMENT(S)

Appendix A: Bylaw No. 4696, “Juan de Fuca Grant-In-Aid Service Conversion Bylaw No. 1, 2025”

Appendix B: Bylaw No. 4697, “Salt Spring Island Grant-In-Aid Service Conversion Bylaw No. 1, 2025”

Appendix C: Bylaw No. 4698, “Southern Gulf Islands Grant-In-Aid Service Conversion Bylaw No. 1, 2025”

Appendix D: SLP Division XIX, OIC 1013/1977 and OIC 722/1985

Appendix E: DRAFT Bylaw No. 4186, “Capital Regional District Delegation Bylaw No. 1, 2017” language