

**REPORT TO THE CAPITAL REGIONAL DISTRICT BOARD
MEETING OF WEDNESDAY, DECEMBER 13, 2023**

SUBJECT Bylaw No. 4589: 2023 to 2027 Financial Plan Bylaw, 2023, Amendment Bylaw No. 3, 2023

ISSUE SUMMARY

The 2023 to 2027 Financial Plan was adopted on March 29, 2023. Amendments to the plan are required to authorize revised operating and capital expenditures.

BACKGROUND

The Capital Regional District (CRD) Board approved Bylaw No. 4537, “2023 to 2027 Financial Plan Bylaw, 2023,” on March 29, 2023, and subsequently approved amending Bylaw No. 4558, “2023 to 2027 Financial Plan Bylaw, Amendment Bylaw No. 1, 2023” on July 12, 2023 and amending Bylaw No. 4570, “2023 to 2027 Financial Plan Bylaw, Amendment Bylaw No. 2, 2023” on September 13, 2023.

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 2023 impact of the required amendments to the five-year 2023-2027 Financial Plan since the last amendment.

SERVICE	DESCRIPTION	BUDGET	FUNDING	NET IMPACT	COMMITTEE / COMMISSION APPROVAL
Juan de Fuca Water Distribution	Electric Vehicle Replacements	Capital	Equipment Replacement Fund	\$207,000	Juan de Fuca Water Distribution Commission 03-Oct-2023
Regional Water Supply	Emergency Watermain Repair	Capital	Water Capital Fund	\$311,000	Regional Water Supply Commission 18-Oct-2023
SEAPARC	Replace Sooke Road Electronic Display Sign	Capital	Capital Reserve Fund	\$45,000	CRD Board 10-Oct-2023

The proposed Financial Plan amendment Bylaw No. 4589 incorporates these changes, and is attached as Appendix A, inclusive of an updated Schedule B.

ALTERNATIVES

Alternative 1

1. That Bylaw No. 4589, “2023 to 2027 Financial Plan Bylaw, 2023, Amendment Bylaw No. 3, 2023”, be introduced and read a first, second, and third time; and
2. That Bylaw No. 4589 be adopted.

Alternative 2

That Bylaw No. 4589 be deferred pending further analysis by Capital Regional District staff.

IMPLICATIONS

Financial Implications

Juan de Fuca Water Distribution

On October 3, 2023, the Juan de Fuca Water Distribution Service approved a \$207,000 increase in funding from \$1,080,000 to \$1,287,000 for electric vehicle replacements. Current fleet asset replacement requirements for Juan de Fuca Distribution service requires an increase in 2023 funding for early replacement of vehicles due to failure and incremental costs associated with electric vehicles. This will be funded from the Equipment Replacement Fund.

Regional Water Supply

On October 18, 2023, staff provided a verbal report to the Regional Water Supply Commission on the emergency repair work required to the Watermain No. 4 supply pipe.

In early September a leak was detected in Watermain No. 4 at McTavish Road, which is the primary feed to the Saanich Peninsula. The leak was identified to the Commission as a significant incident since repairs would require specialized materials and it would be challenging to isolate the portion of the main requiring repair without impacting residents of the Saanich Peninsula. A specialized line stop was used to redirect flow, a public service announcement was issued asking residents to reduce consumption and crews worked around the clock to successfully undertake the emergency replacement of a previously repaired section of the watermain. An amendment is required to recognize the \$311,000 cost of the unplanned work, which will be funded from the service's Water Capital Fund.

Sooke and Electoral Area Parks and Recreation Commission (SEAPARC)

The CRD Board approved replacement of the SEAPARC electronic signage on October 10, 2023, previously recommended by SEAPARC on October 3, 2023. One of the light-emitting diode (LED) panels recently failed on the existing electronic sign (located on Sooke Road). The sign is at end of life and cannot be repaired, replacing the entire sign is the only option. As a result, this will be advanced from the 2024 capital plan and added to the capital plan for 2023. Funding will come from the Capital Reserve Fund.

CONCLUSION

In compliance with the *Local Government Act*, the proposed amending Bylaw No. 4589 authorizes the changes required to Bylaw No. 4537, “2023 to 2027 Financial Plan Bylaw, 2023,” which the CRD Board approved on March 29, 2023, subsequently amended on July 12, 2023 and then amended again on September 13, 2023.

RECOMMENDATION

1. That Bylaw No 4589, “2023 to 2027 Financial Plan Bylaw, 2023, Amendment Bylaw No. 3, 2023”, be introduced and read a first, second, and third time; and
2. That Bylaw No. 4589 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:	Ted Robbins, B. Sc., C. Tech., Chief Administrative Officer

ATTACHMENT

Appendix A: Bylaw No. 4589, “2023 to 2027 Financial Plan Bylaw, 2023, Amendment Bylaw No. 3, 2023” with Schedule B