

REPORT TO THE FINANCE COMMITTEE MEETING OF WEDNESDAY, JULY 03, 2024

SUBJECT Bylaw No. 4619: 2024 to 2028 Financial Plan Bylaw, 2024, Amendment No. 2, 2024

ISSUE SUMMARY

The 2024 to 2028 Financial Plan was adopted on March 13, 2024, and amended on May 8, 2024. Amendments to the Plan are required to authorize revised operating and capital expenditures.

BACKGROUND

The Capital Regional District (CRD) Board approved Bylaw No. 4603, “2024 to 2028 Financial Plan Bylaw, 2024” on March 13, 2024, and subsequently approved Bylaw No. 4614, “2024 to 2028 Financial Plan Bylaw, 2024, Amendment Bylaw No. 1, 2024” on May 8, 2024. 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 impact of the proposed amendments to the 2024 budget of the five-year 2024 to 2028 Financial Plan is highlighted in the following table.

Service	Description	Budget	Funding	Net Impact	Committee / Commission Approval
Salt Spring Island Transportation	Advance BC Active Transportation Infrastructure project	Capital	Reserve Fund	\$130,000	Salt Spring Island Local Community Commission 29-May-2024
Salt Spring Island Liquid Waste Disposal	Evaluation of Alternatives to Liquid Waste Disposal	Capital	Reserve Fund	\$60,000	Salt Spring Island Local Community Commission 20-June-2024
Salt Spring Island Economic Development	Integrated Housing Strategy, Salt Spring Island	Operating	Reserve Fund	\$60,000	
Panorama Recreation	Greenglade parking lot surface replacement project	Capital	Reserve Fund	\$27,000	Peninsula Recreation Commission 25-April-2024

Service	Description	Budget	Funding	Net Impact	Committee / Commission Approval
Millstream Site Remediation	Millstream Meadows Remediation project	Capital	Capital Funds on Hand	\$620,000	Environmental Services Committee 19-June-2024
Magic Lake Estates Sewer	Pump Station and Treatment Plant Upgrades	Capital	Capital Funds on Hand	\$1,400,000	Project budget approved by Magic Lake Estates Water & Sewer Committee in October 2021. Change to project timing.
Highland Fernwood Water	Water Intake Screen Replacement	Capital	Capital Funds on Hand, Reserve Fund, Grants	\$222,500	Highland Fernwood Water Service Commission 13-June-2024
Regional Water Supply	Watershed Bridge and Culvert Replacement	Capital	Capital Funds on Hand	\$180,000	Regional Water Supply Commission 19-June-2024
	Reallocate funding from Leech River Watershed Restoration project	Capital	Capital Funds on Hand	\$(180,000)	
Juan de Fuca Water Distribution	Comprehensive Pump Station Upgrades	Capital	Capital Funds on Hand	\$1,100,000	Juan de Fuca Water Distribution Commission 7-May-2024
	Meter Reading Equipment	Capital	Capital Funds on Hand	\$80,000	
	Reassign funding from Highway 14 Watermain Relocation	Capital	Capital Funds on Hand	\$(1,180,000)	

The proposed Financial Plan amendment Bylaw No. 4619 incorporates these changes, and is attached as Appendix A, inclusive of an updated Schedule A and Schedule B.

ALTERNATIVES

Alternative 1

The Finance Committee recommends to the Capital Regional District Board:

1. That Bylaw No. 4619, “2024 to 2028 Financial Plan Bylaw, 2024, Amendment Bylaw No. 2, 2024”, be introduced and read a first, second, and third time; and
2. That Bylaw No. 4619 be adopted.

Alternative 2

That Bylaw No. 4619 be deferred pending further analysis by Capital Regional District staff.

IMPLICATIONS

Financial Implications

Salt Spring Island Transportation

On May 29, 2024, the Salt Spring Island Local Community Commission reviewed the Salt Spring Island Community Transportation service capital plan and approved a motion to advance the BC Active Transportation Infrastructure project from 2026 to 2024. The \$130,000 project will prepare designs in support of the BC Active Transportation Grant application with a broader scope, that includes the Ganges Active Transportation Network Plan and pathways along Jackson and Drake roads.

Salt Spring Island Liquid Waste Disposal

On June 20, 2024, the Salt Spring Island Local Community Commission approved a motion to add \$60,000 capital reserve funded project to the 2024 capital plan for evaluating alternatives to liquid waste disposal at the Burgoyne Bay Facility. This project will enable further analysis of alternatives provided in a recently completed report and inform the selection of an alternative to the current process of dewatering solids and disposal of waste solids and liquids.

Salt Spring Island Economic Development

On June 20, 2024, the Salt Spring Island Local Community Commission approved \$60,000 of funding from operating reserve for the preparation of an Integrated Housing Strategy, with the intent to facilitate an increase in availability of housing for workers and promote business and economic development on the Island.

Panorama Recreation

On April 25, 2024, the Peninsula Recreation Commission approved additional funding for the Greenglade parking lot paving project. The existing project budget of \$115,000 has been spent and committed. An emergency subgrade replacement repair was required that was not included in the original project scope, requiring additional funding of \$27,000.

Millstream Site Remediation

On June 19, 2024, the Environmental Services Committee approved additional funding for the Millstream Meadows Remediation project. The project budget of \$14.7 million will be fully spent and committed by the end of August 2024. A budget increase of \$620,000 (to a total of \$15.3 million) is required to fund the remaining estimated costs which include groundwater monitoring well decommissioning. The requested \$620,000 budget increase will be fully funded from uncommitted capital on hand.

Magic Lake Estates Sewer

An amendment to the Pump Station and Treatment Plant Upgrades project is required to reflect work to be carried forward from 2023 into the 2024 capital plan, reducing the carry-forward from 2023 to \$5.9 million from \$4.5 million. Project timelines have been adjusted to reflect increased construction work in 2024 resulting from delays in 2023. Completion is planned for 2025 and is funded by existing capital funds on hand.

Highland Fernwood Water

The Highland Fernwood Intake Project is a multi-year project initiated in 2019 with an approved budget of \$200,000. An additional \$67,000 is required to complete the project due to revised construction costs. On June 13, 2024, the Highland Fernwood Water Service Commission approved a motion to increase the budget of the Highland Fernwood Water Intake Project with \$40,000 from Community Works Funding and \$27,000 from capital reserve. Additionally, a revision is required to include the actual carry forward from 2023 of \$155,500 capital funds on hand which will be spent in 2024. This results in a total of \$222,500 increased cost for the project.

Regional Water Supply

On June 19, 2024, the Regional Water Supply Commission approved additional funding for the Watershed Bridge and Culvert Replacement project. Additional funding of \$180,000 is required to facilitate the high priority replacement of a deteriorated major drainage structure. Current project schedule expectations align with reallocating this additional funding from the Leech River Watershed Restoration project.

Juan de Fuca Water Distribution

On May 7, 2024, the Juan de Fuca Distribution Commission approved an additional \$1.1 million of funding for the Comprehensive Pump Station Upgrades program. This has been facilitated through reallocation of funding from the Highway 14 Watermain Relocation project to address market cost escalation, align the capital plan with current schedule expectations and expand the scope to allow staff to deliver more work with the resources available.

At the same meeting as noted above, the Juan de Fuca Distribution Commission approved the addition of new project funding of \$80,000 for the purchase of meter reading equipment. Equipment failures have resulted in the need for replacement. Current project schedule expectations align with reallocating this funding from the Highway 14 Watermain Relocation project.

CONCLUSION

In compliance with the *Local Government Act*, the proposed amending Bylaw No. 4619 authorizes changes required to Bylaw No. 4603, “2024 to 2028 Financial Plan Bylaw, 2024,” which the CRD Board approved on March 13, 2024 and subsequently amended on May 8, 2024.

RECOMMENDATION

The Finance Committee recommends to the Capital Regional District Board:

1. That Bylaw No. 4619, “2024 to 2028 Financial Plan Bylaw, 2024, Amendment Bylaw No. 2, 2024”, be introduced and read a first, second, and third time; and
2. That Bylaw No. 4619 be adopted.

Submitted by:	Angela Linwood, CPA, CMA, Controller
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. 4619, with Schedule A and Schedule B