

**REPORT TO THE FINANCE COMMITTEE
MEETING OF WEDNESDAY, JULY 02, 2025**

SUBJECT **Bylaw No. 4695: 2025 to 2029 Financial Plan Bylaw, 2025, Amendment Bylaw No. 2, 2025**

ISSUE SUMMARY

The 2025 to 2029 Financial Plan was adopted on March 12, 2025 and subsequently approved Bylaw No. 4676 on May 14, 2025. Amendments to the financial plan are required to authorize revised operating and capital expenditures.

BACKGROUND

The Capital Regional District (CRD) Board approved the 2025 to 2029 Financial Plan (Bylaw No. 4665, "2025 to 2029 Financial Plan Bylaw, 2025") on March 12, 2025 and then an amendment bylaw on May 14, 2025 (Bylaw No. 4676, "2025 to 2029 Financial Plan Bylaw, 2025, Amendment Bylaw No. 1, 2025").

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 the budget. 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 2025 budget of the Five-Year 2025 to 2029 Financial Plan are highlighted in Table 1.

Table 1: Impact of Proposed Amendments to the 2025 Budget (Five-Year Financial Plan)

Service	Description	Budget	Funding	Net Impact	Committee / Commission Approval
Core Area Wastewater Operations	Biosolids Management	Operating	Reserve	\$1,600,000	CRD Board 11-June-2025
Regional Planning	Regional Transportation Manager and Projects	Operating	Reserve	\$395,000	CRD Board 11-June-2025
Ganges Sewer	Aeration System Improvement	Capital	Reserve	\$14,248	Ganges Sewer Commission 10-June-2025

Service	Description	Budget	Funding	Net Impact	Committee / Commission Approval
Maliview Sewer	Wastewater Treatment Plant Upgrade	Capital	Capital Funds on Hand	\$47,000	Staff Directed
	Public Engagement	Capital	Capital Funds on Hand	\$(47,000)	
Willis Point Fire	New Rescue Truck	Capital	Reserve	\$60,000	Willis Point Fire Commission 27-May-2025
Regional Parks	Potential Land Acquisition	Capital	Reserve	\$1,275,000	Staff Directed

The proposed financial plan amendment Bylaw No. 4695 incorporates the changes in Table 1 and is attached as Appendix A, inclusive of an updated Schedule A and B.

ALTERNATIVES

Alternative 1

The Finance Committee recommends to the Capital Regional District Board:

1. That Bylaw No. 4695, "2025 to 2029 Financial Plan Bylaw, 2025, Amendment Bylaw No. 2, 2025", be introduced and read a first, second and third time; and
2. That Bylaw No. 4695 be adopted.

Alternative 2

That Bylaw No. 4695 be deferred pending further analysis by Capital Regional District staff.

IMPLICATIONS

Financial Implications

Core Area Wastewater Operations

On June 11, 2025, the CRD Board approved the operating budget amendment for biosolids disposal associated with the Residual Treatment Facility. Due to greater-than-anticipated reliance on more costly biosolids management options, expenditures are expected to exceed the original budget. Staff have identified the need for up to an additional \$1.6 million to support biosolids beneficial use for the remainder of the year. This additional funding will be drawn from the service's operating reserve.

At the same time, work is underway to procure more cost-effective contingency options consistent with Tier 2 of the CRD's Long-Term Biosolids Management Strategy.

Regional Planning – Transportation

The Regional Transportation Service (RTS) establishment bylaw was adopted at the June 11, 2025 Board meeting. The RTS has been identified as a Board priority with work planned in the 2025 initiative business case to be accelerated under the current Regional Planning Service authority. Staff are recommending an amendment of \$395,000, funded by operating reserves, to hire a 1.0 full-time equivalent (FTE) Regional Transportation Manager, initiate strategic planning activities and engage consultants. Appendix B highlights the inclusion of the 1.0 FTE to the 2025-2029 Revised Staff Establishment Chart.

Ganges Sewer Utility Service

The Ganges Sewer Aeration System Improvement Design project contract was extended to accommodate additional meetings with designers and stakeholders to satisfactorily complete the design. As a result, an additional \$14,248 of funding is needed to complete project management and design work. The Ganges Sewer Utility Commission approved an amendment to increase the budget from \$130,000 to \$144,248, funded from the Capital Reserve Fund at the June 10, 2025 meeting.

Maliview Sewer Utility Service

Since 2020, planned construction costs for the Maliview Wastewater Treatment Plant (WWTP) upgrade have increased significantly due to the costing of final design specifications, inflationary increases and recent tariffs on outstanding equipment. The current estimate requires an additional \$1,726,000, bringing the current budget of \$2,260,000 to \$3,986,000. There have been various project stakeholder engagement opportunities over the life of the project and staff no longer feel that the existing separate \$47,000 Public Engagement capital project is required.

Staff discussed and received support at the May 22, 2025, Maliview Sewer Utility Commission meeting to remove the Public Engagement project from the 2025 capital plan; and to increase the WWTP upgrade project budget by \$1,726,000 (\$47,000 in 2025 funded by capital on hand and \$1,679,000 of new debt in 2026). The budget amendment was slated for the June 18, 2025, commission meeting; however, the meeting was cancelled on the day due to unforeseen circumstances. The staff recommended amendment recognized and reflects the Commission's support and direction from the May 22, 2025 meeting.

Willis Point Fire

On May 27, 2025, the Willis Point Fire Protection and Recreation Facility Commission passed a motion to add a new \$60,000 rescue truck, to be funded from the Equipment Replacement Fund. A suitable vehicle is available for purchase from a local fire department. If the bid is successful, the new truck will replace an existing department vehicle ahead of schedule. The replacement of this vehicle was originally planned to be included in the 2025 capital plan at an estimated cost of \$170,000. However, the Commission has opted to re-evaluate the fleet replacement strategy in light of this more cost-effective opportunity.

Regional Parks Potential Land Acquisition

The Regional Parks service has a 2025 budget of \$2,000,000, funded by debt, for potential land acquisitions. As the year has progressed it has become apparent that there may be opportunities for certain land acquisitions where the use of the Statutory Land Acquisition Reserve would be advisable. To provide the Board with flexibility in pursuing these acquisitions it is recommended that the full Statutory Land Acquisition Reserve of \$1,275,000 be made available in the capital plan for potential statutory land acquisitions in 2025. This brings the total funding available for potential land acquisitions during 2025 to \$3,275,000.

CONCLUSION

In compliance with the *LGA*, the proposed amending Bylaw No. 4695 authorizes changes required to Bylaw No. 4665, “2025 to 2029 Financial Plan Bylaw, 2025”, which the CRD Board approved on March 12, 2025.

RECOMMENDATION

The Finance Committee recommends to the Capital Regional District Board:

1. That Bylaw No. 4695, “2025 to 2029 Financial Plan Bylaw, 2025, Amendment Bylaw No. 2, 2025”, be introduced and read a first, second and third time; and
2. That Bylaw No. 4695 be adopted.

Submitted by:	Varinia Somosan, CPA, CGA, Sr. Mgr., Financial Services / Deputy CFO
Concurrence:	Nelson Chan, MBA, FCPA, FCMA, Chief Financial Officer, GM Finance & IT
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. 4695, “2025 to 2029 Financial Plan Bylaw, 2025, Amendment Bylaw No. 2, 2025” with Schedule A and Schedule B

Appendix B: Revised Staff Establishment Chart 2025-2029