

**REPORT TO THE CAPITAL REGIONAL DISTRICT BOARD
MEETING OF WEDNESDAY, SEPTEMBER 11, 2024**

SUBJECT Bylaw No. 4626: 2024 to 2028 Financial Plan Bylaw, 2024, Amendment No. 3, 2024

ISSUE SUMMARY

The 2024 to 2028 Financial Plan was adopted on March 13, 2024 then amended on May 8, 2024 and July 10, 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 then subsequently approved Bylaw No. 4614, “2024 to 2028 Financial Plan Bylaw, 2024, Amendment Bylaw No. 1, 2024” on May 8, 2024 and Bylaw No. 4619, “2024 to 2028 Financial Plan Bylaw, 2024, Amendment Bylaw No. 2, 2024” on July 10, 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. 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
Electoral Area (EA) Emergency Planning Coordination	Firesmart Community Funding and Supports Program	Operating	Grant	\$175,000	Capital Regional District Board 12-June-2024
Beddis Water	Beddis Water Intake Project	Capital	Capital Funds on Hand, Reserve Fund, Grant	\$247,450	Beddis Water Service Commission 26-June-2024
	Deferral of Sky Valley Booster Pump and Second Reservoir Project	Capital	Reserve Fund	\$(53,000)	

Service	Description	Budget	Funding	Net Impact	Committee / Commission Approval
Ganges Sewer	Aeration System Improvement Design Project	Capital Funds on Hand, Reserve Fund	Capital Funds on Hand, Reserve Fund	\$71,500	Ganges Sewer Local Services Commission 27-June-2024
Port Renfrew Sewer	Genset Upgrade Project	Capital	Reserve Fund	\$20,000	Port Renfrew Utility Services Committee 2-July-2024
Environmental Engineering	Densification Engineering Office Space	Capital	Equipment Reserve Fund	\$150,000	Staff Recommended
Juan de Fuca (JDF) EA Community Recreation	Port Renfrew Hall Condition Assessment and Repairs	Capital	Grant	\$75,000	JDF EA Parks and Recreation Advisory Commission 25-June-2024
Salt Spring Island Park Land and Recreation Programs	Pool Electrical Replacement Project	Capital	Capital Funds on Hand; Grant	\$350,487	Salt Spring Island Local Community Commission 08-August-2024
	Pool Building Capital Repairs	Capital	Capital Funds on Hand; Reserve Fund	\$53,081	

The proposed Financial Plan amendment Bylaw No. 4626 incorporates these changes, and is attached as Appendix A, inclusive of an updated Schedule A and Schedule B.

ALTERNATIVES

Alternative 1

1. That Bylaw No. 4626, “2024 to 2028 Financial Plan Bylaw, 2024, Amendment Bylaw No. 3, 2024”, be introduced and read a first, second, and third time; and
2. That Bylaw No. 4626 be adopted.

Alternative 2

That Bylaw No. 4626 be deferred pending further analysis by Capital Regional District staff.

IMPLICATIONS

Financial Implications

Electoral Area Emergency Planning Coordination

The CRD assists EA communities in reducing their wildfire risk through first responder coordination, public education, emergency planning and agency cross-training. The Union of BC Municipalities (UBCM) provides grant funding to support these increased wildfire resiliency activities. On June 12, 2024, the CRD Board passed a motion of support for an application to the UBCM Community Resiliency Initiative Fund for the 2024 FireSmart Community Funding and Supports Program. The grant was awarded on June 27, 2024 and provides funding of up to \$350,000 to be spent by June 30, 2025. An amendment to the operating budget is required to include \$175,000 of the grant funding that will be spent in 2024.

Beddis Water

The Beddis Intake Project is a multi-year project initiated in 2019 with an approved budget of \$238,725. An additional \$64,000 is required to complete the project due to revised construction costs. On June 26, 2024, the Beddis Water Service Commission approved a motion to increase the budget of the Beddis Water Intake Project with \$40,000 from Community Works Funding and \$24,000 from capital reserve. A revision is required in the approved 2023 budget to include the carry-forward of \$183,450 from capital funds on hand, to be spent in 2024. This results in a total change of \$247,450 for the project in 2024.

The Beddis Water Service Commission also approved a motion to amend the Beddis Water 2024 capital plan. \$53,000 will be deferred to 2025 for the Sky Valley Booster Pump and Second Reservoir Project. This will accommodate the additional funding requirement in 2024 for the amendment of the Water Intake Project.

Ganges Sewer

On June 27, 2024, the Ganges Sewer Local Service Commission approved a motion to amend the 2024 capital plan. The total budget of the Aeration System Improvement Detailed Design Project will increase by \$15,500 (\$114,500 to \$130,000), funded from the Capital Reserve. This additional funding is required to complete the project due to revised design and consultant costs. A revision is required in the 2023 budget to include the carry-forward of \$56,000 from capital funds on hand, to be spent in 2024. This results in a total change of \$71,500 for the project in 2024.

Port Renfrew Sewer

The generator at the Wastewater Treatment Plant is currently unable to power the entire facility during an outage. The purchase of a new generator was initiated through the Port Renfrew Sewer Genset Upgrade Project. According to installation quotes received, additional funding of \$20,000 is required to complete the project. On July 2, 2024, the Port Renfrew Utility Services Committee approved a motion to increase the project budget from \$100,000 to \$120,000, funded by the Capital Reserve.

Environmental Engineering

Workspace densification at the CRD Fiskard building has been ongoing since 2019, with phase 1 of the third floor originally planned for 2025. Due to delays on other projects and increased demand, additional workstations are required sooner than anticipated. An amendment to the Environmental Engineering Services capital budget is requested in the amount of \$150,000, subsidized by the Equipment Replacement Fund with completion set for 2024.

Juan de Fuca Electoral Area Community Recreation

On June 25, 2024, the JDF EA Parks and Recreation Advisory Commission approved a motion to amend the JDF EA Community Recreation capital plan. A \$75,000 Community Works Funded project was included to assess the condition of the Port Renfrew Community Centre and then undertake repairs, with work to be completed in 2024.

Salt Spring Island Park Land and Recreation Programs

On August 8, 2024, the Salt Spring Island Local Community Commission approved additional funding for the replacement of the electrical system at the Rainbow Recreation Centre as part of the Pool Electrical Replacement Project . A budget increase of \$42,506 is required to fund the remaining costs which include a portable generator to keep the main circulation pump in operation during an extended power outage. The requested budget increase will be funded from the Community Works Fund. A revision is required in the approved 2023 budget to include the carry-forward amount of \$307,981 from capital funds on hand, to be spent in 2024. This will result in a total change of \$350,487 for the project in 2024.

The Salt Spring Island Local Community Commission also approved additional funding of \$16,023 from the capital reserve fund to complete the Pool Building Capital Repairs Project. The extra costs will be used to assess the building envelope, develop designs and determine capital repair cost. A revision is required in the approved 2023 budget to include the carry-forward of \$37,058 from capital funds on hand, to be spent in 2024. This will result in a total change of \$53,081 for the project in 2024.

CONCLUSION

In compliance with the *LGA*, the proposed amending Bylaw No. 4626 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 and July 10, 2024.

RECOMMENDATION

1. That Bylaw No. 4626, “2024 to 2028 Financial Plan Bylaw, 2024, Amendment Bylaw No. 3, 2024”, be introduced and read a first, second, and third time; and
2. That Bylaw No. 4626 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., Acting Chief Administrative Officer

ATTACHMENT

Appendix A: Bylaw No. 4626, with Schedule A and Schedule B