



Making a difference...together

REPORT TO THE FINANCE COMMITTEE MEETING OF WEDNESDAY, MAY 01, 2024

SUBJECT Bylaw No. 4614: 2024 to 2028 Financial Plan Bylaw, 2024, Amendment No. 1, 2024

ISSUE SUMMARY

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

BACKGROUND

The Capital Regional District (CRD) Board approved the 2024 to 2028 Financial Plan on March 13, 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 approve revisions to 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
Environmental Resource Management	Accelerated work plan for Aggregate Production contract at Hartland Landfill	Capital	Reserve Fund	\$500,000	Environmental Services Committee 17-April-2024
	Kitchen scraps transfer station relocation at Hartland Landfill	Capital	Reserve Fund, Capital Funds on Hand	\$800,000	
Information Technology	SAP Lifecycle Replacement – S/4 Hana	Capital	Capital Funds on Hand	\$400,000	Staff Recommended
Community Planning	Port Renfrew Official Community Plan review and update	Capital	Grants	\$50,000	Staff Recommended
Juan De Fuca Electoral Areas (JDF EA) – Community Parks	Active Transportation Network Plan	Capital	Grants	\$60,000	JDF EA - Community Parks Commission 26-March-2024

SERVICE	DESCRIPTION	BUDGET	FUNDING	NET IMPACT	COMMITTEE / COMMISSION APPROVAL
SEAPARC	Facility HVAC system balancing	Capital	Reserve Fund	\$15,000	SEAPARC Commission 2-April-2024
	Facility gutter repair and replacement	Capital	Reserve Fund	\$55,000	
Pender Island Community Parks	Accelerated work on baseball park improvements	Capital	Reserve Fund	\$20,000	Pender Island Community Parks Commission 4-March-2024
Salt Spring Island Transportation	Postponement of Pathways Standards and Maintenance Development project	Capital	Reserve Fund	\$(22,000)	Salt Spring Island Local Community Commission 15-February-2024
	Postponement of Referendum or AAP-funding future projects	Capital	Reserve Fund	\$(35,000)	
Mayne Island Community Recreation	Senior citizen fitness and recreation initiatives	Operating	Grant	\$10,500	Mayne Island Community Recreation Commission 14-March-2024

The proposed Financial Plan amendment Bylaw No. 4614 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. 4614, “2024 to 2028 Financial Plan Bylaw, 2024, Amendment Bylaw No. 1, 2024”, be introduced and read a first, second, and third time; and
2. That Bylaw No. 4614 be adopted.

Alternative 2

That Bylaw No. 4614 be deferred pending further analysis by Capital Regional District staff.

IMPLICATIONS

Financial Implications

Environmental Resource Management

On April 17, 2024, the Environmental Services Committee approved the acceleration of the Hartland Landfill's Aggregate Production. The project requires an additional \$500,000 in 2024 which accelerates the aggregate production work originally planned for 2025. Due to the number of projects under construction in 2024, and a higher operational aggregate consumption as the final contours of cell 3 are reached, the site requires an additional 20,000 m³ of aggregate production in 2024.

At the same meeting, the Committee also approved an increase in budget for the Hartland kitchen scrap transfer station relocation, from \$700,000 to \$1,500,000, to ensure a contract can be awarded upon completion of public tendering. The cost is higher than anticipated due to escalation in material/equipment costs, and the station requires additional scope (including civil, electrical and mechanical) that was not included in the conceptual design during the 2023 budget process.

Information Technology

As a result of project discovery work, and after successful request for proposal, the project timeline has been rephased to accelerate work into 2024. As a result, \$400,000 of the original project budget needs to be advanced from 2025 to 2024 to ensure sufficient approval to proceed and will be funded from capital on hand.

Additionally, CRD staff have completed a refinement of scope based on project discovery and are recommending the project scope be extended to include critical hardware upgrades, renewed software licensing and to meet all requirements of the financial model. This will increase the total project budget in 2025 and 2026 by \$820,000 and \$1,149,000 respectively. This will be funded by capital on hand.

Community Planning

Staff have identified that the Port Renfrew official community plan review and update project requires an additional \$50,000 in 2024 to bring the budget to \$150,000. The quote received during the request for proposal process was higher than budgeted and includes consultation with the Pacheedaht First Nation and a technical review.

Juan de Fuca Electoral Area – Community Parks

The JDF EA Community Parks and Recreation Advisory Commission supported making an application to the British Columbia Active Transportation Infrastructure Grants Program to support the creation of an Active Transportation Network Plan for the JDF EA at its meeting of September 26, 2023. The \$30,000 provincial grant was awarded on March 8, 2025. An additional \$30,000 community works fund grant will fund the remainder of the project for a total of \$60,000. An amendment to add the project to the capital plan was approved at the March 26, 2024 Commission meeting.

SEAPARC

On April 2, 2024, the Sooke and Electoral Areas Parks and Recreation Commission approved \$15,000 to complete the facility's air conditioning (HVAC) system balancing. This project is planned to be completed in 2024, ensuring that the six separate heating, ventilation and HVAC systems operating in the facility are in sync. The systems were last balanced in 2019, prior to the opening of the weight room and fitness studio additions.

The Commission also approved an increase of \$55,000 to the facility's gutter repair and replacement project. The 2023 to 2027 Capital Plan included \$20,000 in funding for gutter repair or replacement as the SEAPARC Recreation Centre gutters have reached end of life. Staff investigated options and costs for this project in 2023 and determined that the best course of action is gutter replacement. This increases the overall project budget from \$20,000 to \$75,000 to complete this work.

Pender Island Community Parks

The Pender Island Community Parks and Recreation Commission approved an amendment to the ballpark improvements project to include the construction of a \$45,000 pump track adjacent to the ballpark. To facilitate the project change, \$20,000 in capital reserve funding will be advanced from 2026 to 2024. The total project budget remains unchanged at \$65,000.

Salt Spring Island Transportation

On February 15, 2024, the Salt Spring Island Local Community Commission reviewed the Salt Spring Island community transportation service capital plan and approved motions to postpone two reserve funded projects. The \$22,000 pathway standards and maintenance development project to develop standards for path design, construction and maintenance will be postponed to 2025. Additionally, the \$35,000 referendum or alternative approval process project to seek electors' approval for debt funding of future projects was moved to 2025.

Mayne Island Community Recreation

Mayne Island Parks and Recreation Commission applied for a grant from the New Horizons for Seniors Program in late 2023. The grant application was for \$10,500 for recreational expenses including advertising and programming and \$14,500 for capital fitness equipment. The 2024 operating budget did not include the \$10,500 and at the March 14, 2024 meeting the Commission approved an amendment to include this amount.

CONCLUSION

In compliance with the *Local Government Act*, the proposed amending Bylaw No. 4614 authorizes changes required to Bylaw No. 4603 2024 to 2028 Financial Plan, which the CRD Board approved on March 13, 2024.

RECOMMENDATION

The Finance Committee recommends to the Capital Regional District Board:

1. That Bylaw No. 4614, “2024 to 2028 Financial Plan Bylaw, 2024, Amendment Bylaw No. 1, 2024”, be introduced and read a first, second, and third time; and
2. That Bylaw No. 4614 be adopted.

Submitted by:	Rianna Lachance, BCom, CPA, CA, Sr. Mgr., Financial Services / Deputy CFO
Concurrence:	Rianna Lachance, BCom, CPA, CA, Acting Chief Financial Officer
Concurrence:	Stephen Henderson, BSc, P.G.Dip.Eng, MBA, Acting General Manager Corporate Services
Concurrence:	Ted Robbins, B. Sc., C. Tech., Chief Administrative Officer

ATTACHMENT

Appendix A: Bylaw No. 4614, with Schedule A and Schedule B