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**REPORT TO FINANCE COMMITTEE
MEETING OF WEDNESDAY, JULY 07, 2021**

SUBJECT Bylaw No. 4436: 2021 to 2025 Financial Plan Amendment Bylaw No. 2, 2021

ISSUE SUMMARY

The Capital Regional District (CRD) 2021 to 2025 Financial Plan was adopted on March 24, 2021, and was later amended on May 12, 2021. Amendments to the Plan are required to authorize revised operating and capital expenditures.

BACKGROUND

The CRD Board approved the 2021 to 2025 Financial Plan (Bylaw No. 4409) on March 24, 2021, and amendment Bylaw No. 4421 on May 12, 2021. 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.

Table 1 summarizes the 2021 impact of the proposed amendments to the five-year 2021-2025 Financial Plan. The proposed Financial Plan amendment Bylaw No. 4436 incorporates these changes, and is attached as Appendix A, inclusive of an updated Schedule A and Schedule B.

Table 1: Summary of Proposed Amendments

SERVICE	DESCRIPTION	BUDGET	FUNDING	NET IMPACT	COMMITTEE / COMMISSION APPROVAL
SGI Local Services*	COVID-19 Safe Restart Grants for Eligible Expenses	Operating	Provincial Grant Revenue	\$73,000	EA Director Approval
JDF Local Services*	COVID-19 Safe Restart Grants for Eligible Expenses	Operating	Provincial Grant Revenue	\$80,000	EA Director Approval
SSI Local Services*	COVID-19 Safe Restart Grants for Eligible Expenses	Operating	Provincial Grant Revenue	\$152,000	EA Director Approval
SSI Economic Development	Economic Development Coordinator	Operating	Third Party Contribution	\$25,000	SSI Community Economic Development Commission May 17, 2021
SEAPARC	Ammonia System Upgrade	Capital	Capital Funds on Hand	\$50,000	SEAPARC Recreation Commission June 22, 2021

SERVICE	DESCRIPTION	BUDGET	FUNDING	NET IMPACT	COMMITTEE / COMMISSION APPROVAL
Panorama Recreation	Replacement Bus	Capital	Equipment Replacement Reserve	\$135,000	Peninsula Recreation Commission June 25, 2021
SSI Pool, Parks, Land, Art, & Recreation Program	Land Acquisition Opportunity Assessment	Capital	Reserve	\$50,000	SSI Parks and Recreation Commission April 20, 2021(in Closed)
Lyall Harbour Water	Water System Upgrades	Capital	Grants	\$55,000	EA Director Approval**
Mayne Island Parks & Rec	Miners Bay Gazebo Repair	Capital	Reserve	\$15,000	Mayne Island Parks and Recreation Commission June 10, 2021
Wilderness Mountain Water	Water Treatment Option Analysis	Capital	Grants	\$20,000	EA Director Approval**

*Detailed listing of amendments by service is included in the Implications section below.

**Approval hierarchy has these amendments going direct to Board with EA recommendation versus through a commission.

EA = Electoral Area JDF = Juan de Fuca SGI = Southern Gulf Islands SSI = Salt Spring Island

ALTERNATIVES

Alternative 1

The Finance Committee recommends to the Capital Regional District Board:

1. That Bylaw No.4436, “2021 to 2025 Financial Plan Bylaw, 2021, Amendment Bylaw No. 2, 2021”, be introduced and read a first, second, and third time; and
2. That Bylaw No. 4436 be adopted.

Alternative 2

That Bylaw No. 4436 be deferred pending further analysis by CRD staff.

IMPLICATIONS

Financial Implications

COVID19 Safe Restart Grant Allocation (Electoral Areas Local Services)

Of \$575,000 grant received by CRD as second payment in March, 2021, \$325,000 grant funding apportioned to the Electoral Areas by Board resolution on April 14, 2021, has not been allocated

to specific services. This amendment will distribute the grant revenue of \$73,000 in SGI, \$80,000 in JDF and \$152,000 in SSI towards eligible expenses within specific services. Table below lists the allocation amounts by service. With this amendment, the grant funding for SGI and JDF is completely allocated and SSI has \$20,000 remaining to be allocated in the future.

Table 2: Proposed Distribution of COVID-19 Safe Restart Grant by Electoral Area

ELECTORAL AREA	SERVICE	DESCRIPTION	GRANT ALLOCATION
SGI	SGI Grant in Aid	Provide grant funding to support local non-profit organizations meeting the eligibility criteria for COVID19 Safe Restart Grant	\$73,000
Total SGI			\$73,000
JDF	JDF Planning Service	Provide funding for electronic meeting related costs	\$1,250
	JDF Community Parks	Provide funding for portable toilet rental cost in the Parks	\$7,140
	JDF Grant in Aid	Provide grant funding to support local non-profit organizations meeting the eligibility criteria for COVID19 Safe Restart Grant	\$33,250
	SEAPARC	Provide fund to offset small portion of the potential revenue shortfall	\$1,000
	Port Renfrew Fire	Fund incremental costs for personal protective equipment and cleaning supplies	\$8,260
	Shirley Fire		\$7,200
	Willis Point Fire		\$7,220
	East Sooke Fire		\$7,200
	Otter Point Fire		\$7,480
Total JDF			\$80,000
SSI	SSI Administration Service	Provide funding for electronic meeting related costs	\$7,000
	SSI Economic Development	Provide funding for Economic Development Coordinator initiative in addition to third party contribution of \$25,000	\$10,000
	SSI Grant in Aid	Provide grant funding to support local non-profit organizations meeting the eligibility criteria for COVID19 Safe Restart Grant	\$25,000
	SSI Community Parks	Provide grant fund to offset potential revenue shortfall	\$70,000
	SSI Community Recreation		\$40,000
Total SSI			\$152,000

Salt Spring Island - SSI Economic Development

As approved by commission the amendment is to authorize \$35,000 in new expenditures to hire an Economic Development Coordinator (EDC) for a one-year contract to create an Economic Recovery and Resiliency Plan in response to the COVID-19 economic crisis. This amendment will be funded by \$10,000 COVID-19 Safe Restart Grant and \$25,000 contribution from the SSI Chamber of Commerce.

SEAPARC

In late March, two Orders from Technical Safety BC have been issued provincially to review ammonia refrigeration systems for facilities with ice plants. The order requires operators to address deficiencies related to emergency discharge lines of refrigeration plant rooms and the installation of pressure relief valves on secondary coolant lines. The repairs necessary to address these Orders are of an emergency nature, requiring the work to be done in the current fiscal year. The capital plan for SEAPARC will be adjusted to facilitate this repair for a project cost of \$50,000, as endorsed by the SEAPARC Recreation Commission.

Panorama Recreation

The Peninsula Recreation Commission recommended the amendment of a replacement 24-passenger bus to the capital plan in 2021 that is not currently in plan but is nearing the end of useful life. The total project budget for the 24 passenger bus will be \$135,000.

Salt Spring Island – Pool, Parks & Land, Art & Recreation, and Community Parks

The Commission directed an additional item be added to plan for land acquisition opportunity assessment to identify areas of interest for ecological and recreational benefit. The capital budget of \$50,000 funded from Land Acquisition Reserve will pay for associated fees and consulting services to complete the assessment and inform next steps.

Lyll Harbour Water

This EA Director recommended project was identified as a required safety improvement through regular field inspections conducted by staff in Q1 2021. It is related to Occupational Health and Safety and therefore has a high priority to implement as soon as possible. The total project budget of \$55,000 will be funded by Community Works Fund.

Mayne Island Parks & Rec

The Mayne Island Parks and Recreation Commission approved a motion to amend the 2021 capital plan to advance the “Miners Bay gazebo repair” project from 2022 to 2021 and increase the total budget to \$15,000 to be funded by Capital Reserve fund.

Wilderness Mountain Water

This EA Director recommended project is to advance, in 2021, a water treatment option analysis to evaluate treatment upgrades necessary to meet health authority drinking water regulations. The total project budget of \$20,000 will be funded by Community Works Fund.

CONCLUSION

In compliance with the *Local Government Act*, the proposed amending Bylaw No. 4436 authorizes the changes required to the 2021 to 2025 Financial Plan Bylaw No. 4409, which the CRD Board approved on March 24, 2021, and amended on May 12, 2021.

RECOMMENDATION

The Finance Committee recommends to the Capital Regional District Board:

1. That Bylaw No.4436, “2021 to 2025 Financial Plan Bylaw, 2021, Amendment Bylaw No. 2, 2021”, be introduced and read a first, second, and third time; and
2. That Bylaw No. 4436 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:	Robert Lapham, MCIP, RPP, Chief Administrative Officer

ATTACHMENT(S)

Appendix A: Bylaw No. 4436, with Schedule A and B