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REPORT TO ELECTORAL AREAS COMMITTEE MEETING OF WEDNESDAY, MARCH 13, 2024

SUBJECT 2024 Electoral Area Budget Review

ISSUE SUMMARY

To present the 2024 Electoral Area (EA) budgets where they will be forwarded for final approval to the Capital Regional District (CRD) Board.

BACKGROUND

The Electoral Areas Committee (EAC) brings together the three unincorporated areas within the CRD: Juan de Fuca (JDF) EA, Salt Spring Island (SSI) EA and Southern Gulf Islands (SGI) EA.

The CRD provides a range of regional, sub-regional and local services to its residents. Regional services are provided to the entire region, sub-regional services are provided to a sub-group of participating municipalities and EAs, while local services are provided to individual municipalities, EAs, or to groups of residents within a defined area. The CRD provides services to more than 23,000 EA residents¹.

Services delivered within the EA's are enabled by the *Local Government Act* and service establishment bylaws. Service planning and budget development are guided by the 2023 to 2026 Board Priorities and CRD Corporate Plan.

Budget Approval Process

Section 374 of the *Local Government Act* requires the CRD develop and approve a five-year Financial Plan by March 31 each year, inclusive of all EA services. Under budget direction provided by the Board, review and recommendation for approval of EA service budgets, including local service commission budgets, is delegated to the EAC and SSI Local Community Commission (LCC) for applicable local services. These budgets have all been recommended and will be included in the 2024 to 2028 CRD Five-Year Financial Plan Bylaw to be presented to the Board on March 13, 2024.

On October 25, 2023, the Board approved 2024 Service Plans, the 2024 Staff Establishment Chart and the Provisional 2024 to 2028 Financial Plan, inclusive of EA service budgets through EAC and LCC recommendations.

Since provisional approval, changes to the plan have been incorporated to account for year-end results, direction from local commissions and committees and updated information from BC Assessments. In addition to approvals from each EA director, all commissions and committees have recommended their respective budgets.

¹ 2021 Census

ALTERNATIVES

Alternative 1

That staff be directed to advance the 2024 to 2028 Capital Regional District Five-Year Financial Plan Bylaw for Board approval, inclusive of the Electoral Area Service Budgets as presented.

Alternative 2

That staff be directed to advance the 2024 to 2028 Capital Regional District Five-Year Financial Plan Bylaw for Board approval, inclusive of the Electoral Area Service Budgets as amended.

IMPLICATIONS

Financial Implications

Tax Requisition

The final requisition change over the prior year is listed in Table 1 below. Requisition summaries by service area for each EA with changes from 2023 are included in Appendix A-1 (JDF), B-1 (SSI) and C-1 (SGI).

Table 1: 2024 Final versus 2023 Final Requisition

	2024 Final (2024 Assessment)		2023 Final (2023 Assessment)		\$ Change		% Change	
	\$	Cost / Avg HH	\$	Cost / Avg HH	\$	Cost / Avg HH	%	Cost / Avg HH
JDF	2.9M	\$703	2.7M	\$675	0.18M	\$28.55	6.6%	4.2%
SSI	8.2M	\$1,236	7.6M	\$1,164	0.52M	\$72.32	6.8%	6.2%
SGI	3.9M	\$570	3.7M	\$545	0.18M	\$25.15	4.7%	4.6%

Changes from provisional approval are the result of year-end adjustments, assessment values, local commission or committee direction and EA director input.

Table 2 compares the changes from Provisional to Final requisition for each EA. Details of these changes are included in Appendix A-2 (JDF), B-2 (SSI) and C-2 (SGI).

Table 2: 2024 Final versus Provisional Requisition

	2024 Final (2024 Assessment)		2024 Provisional (2023 Assessment)		\$ Change		% Change	
	\$	Cost / Avg HH	\$	Cost / Avg HH	\$	Cost / Avg HH	%	Cost / Avg HH
JDF	2.9M	\$703	2.8M	\$715	0.02M	(\$11.78)	0.6%	(1.6%)
SSI	8.2M	\$1,236	8.4M	\$1,275	(0.22M)	(\$38.99)	(2.5%)	(3.1%)
SGI	3.9M	\$570	3.9M	\$568	0.02M	\$2.22	0.4%	0.4%

Table 1 and Table 2 include changes in regional, sub-regional, joint EA, individual EA wide services and Capital Regional Hospital District (CRHD) requisition but excludes local-specified-defined area services. Property specific impacts will vary depending on the participation in defined service areas and assessment values.

Impact of Assessment Values

Included in the total requisition are regional, sub regional and joint EA service budgets, where the majority are cost apportioned on converted assessments.

Based on data from BC Assessment, the region experienced an average increase in assessment of +0.8% in 2024. Both JDF and SGI experienced changes in assessment values similar to the average at +0.7% and +0.5% respectively. However, SSI decreased by (3.6%), well below the average increase.

When assessments increase less than the average, the percent share of costs for the jurisdiction will decrease, and vice versa. Appendix D contains key assessment data points for each EA and a graph showing the assessment and folio change by participant for the region.

Increases in assessments also impact the theoretical calculation of an ‘Average Residential Assessed Value’ included in Appendix A-1 (JDF), B-1 (SSI) and C-1 (SGI). The impact is greater if the rate of change in Average Residential Assessed Value outpaces the rate of change in Converted Assessed Values in an area, and vice versa.

Table 3 summarizes the change in cost per average household by separating the change driven by cost apportionment versus changes driven by budget changes. Details are included in Appendix A-3 (JDF), B-3 (SSI) and C-3 (SGI).

Table 3: Change in Cost/Avg HH* by Cost Driver (2024 Final versus 2023 Final)

	Change in Cost Apportionment		Change in Budget		Total Change 2024 Final vs 2023 Final*	
	Cost / Avg HH	%	Cost / Avg HH	%	Cost / Avg HH	%
JDF	(\$15.92)	(2.4%)	\$44.47	6.6%	\$28.55	4.2%
SSI	(\$23.24)	(2.0%)	\$95.56	8.2%	\$72.32	6.2%
SGI	(\$1.80)	(0.3%)	\$26.95	4.9%	\$25.15	4.6%

*Cost/Avg HH includes CRD and CRHD services but excludes local/specified/defined services. Values included are based on CRD and CRHD requisition but excludes local/specified/defined services. The cost per average residential assessment (Cost/Avg HH) is a theoretical calculation that provides a directional indicator on impacts to a rate payer. The Cost/Avg HH does not reflect factors that vary by home, such as service participation and actual assessed value. This calculation is most directly impacted by changes in apportionment, folios and assessed values. It can be used as an approximation of cost per household if a home is valued at or near the ‘Average Residential Assessed Value’ in Appendix A-1, B-1 and C-1.

Capital Budget

The 2024 Capital Plan has been adjusted since provisional approval. All changes have been recommended through local commissions or committees, the EA director or identified by staff through review with the EA director.

The Final 2024 Capital Plan Summary overview by service for each EA is included as Appendix A-4 (JDF), B-4 (SSI) and C-4 (SGI).

A summary of all changes since provisional approval by project for each EA is shown in Appendix A-5 (JDF), B-5 (SSI) and C-5 (SGI).

Financial Plan Bylaw

The 2024 final budget packages by service are included in Appendix A-6 (JDF), B-6 (SSI) and C-6 (SGI). Each of the EA financial plans will be incorporated for final approval in the 2024 to 2028 CRD Five-Year Financial Plan Bylaw at the Board meeting on March 13, 2024.

As in prior years, final adjustments are made ahead of billing with the release of BC Assessment final data for the region. This is typically distributed at the end of March. No material changes or impacts are expected.

CONCLUSION

EA budgets have been delegated to the EAC by the CRD Board for review and recommendation and they have been prepared based on approved service plans. All budgets will be forwarded to the Board for final approval on March 13, 2024.

RECOMMENDATION

That staff be directed to advance the 2024 to 2028 Capital Regional District Five-Year Financial Plan Bylaw for Board approval, inclusive of the Electoral Area Service Budgets as presented.

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ATTACHMENTS

- Appendix A: Juan de Fuca Electoral Area
- Appendix B: Salt Spring Island Electoral Area
- Appendix C: Southern Gulf Islands Electoral Area
- Appendix D: 2024 Assessment Data for Electoral Areas