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**REPORT TO FINANCE COMMITTEE
MEETING OF WEDNESDAY, NOVEMBER 06, 2024**

SUBJECT **Bylaw No. 4635: Amendment to Capital Reserve Bylaw No. 3995**

ISSUE SUMMARY

To amend the Capital Regional District (CRD) Board approval of Bylaw No. 3995 relating to the administration of Capital Reserve Funds.

BACKGROUND

CRD services use capital reserve funds established by bylaw to help accumulate resources for future capital expenditures. Services periodically transfer either budgeted or surplus funds to their respective capital reserve fund.

Capital Reserve Guidelines were adopted at the July 07, 2021 Board meeting. These guidelines provide measures to evaluate the health of capital reserves and set targets to support sustainable service delivery, aligning with the corporate plan priority. The practice of building capital reserves for funding ongoing infrastructure renewal, expanding service levels and funding unexpected capital investments is essential to ensuring long-term sustainability of infrastructure-dependent CRD services.

As part of the 2024 financial planning process, a transfer to capital reserve is required before December 31, 2024, when existing capital reserve bylaw amendments are identified. It is proposed that the bylaw be amended as follows:

Bylaw No.	Bylaw Title	Amendment
3995	Fire Protection Services Reserve Fund Bylaw, No. 1, 2015	Bylaw No. 4635 Add: 'South Galiano Island Fire Protection and Emergency Response Service'

ALTERNATIVES

Alternative 1

The Finance Committee recommends to the Capital Regional District Board:

1. That Bylaw No. 4635, "Fire Protection Services Reserve Fund Bylaw No. 1, 2015, Amendment Bylaw No. 1, 2024", be introduced and read a first, second and third time.
2. That Bylaw No. 4635 be adopted.

Alternative 2

That Bylaws 4635 be deferred pending further information from staff.

IMPLICATIONS

Financial Implications

The proposed amendment to the bylaw will enable the transfer of budgeted or surplus funds to reserves for future capital expenditures. Funds transferred to and from these reserves will be approved by the Board as part of the annual financial planning process and will be held in separate funds for each service.

In 2015 the CRD Board approved Bylaw No. 3995 to consolidate existing fire protection capital reserve fund bylaws. The amending Bylaw No. 4635 establishes a capital reserve fund for the South Galiano Island Fire Protection and Emergency Response Service, enabling the funding of new capital projects required to maintain and expand service levels.

CONCLUSION

Bylaw No. 4635 enables CRD services to set aside contributions toward future system betterments or expansions. Contained in the bylaw are the services for which capital reserve funds are authorized. The recommendation is to amend the bylaw to include the additional services. Funds transferred to and from these reserves will be approved by the Board as part of the annual financial planning process and will be held in separate funds for each service.

RECOMMENDATION

The Finance Committee recommends to the Capital Regional District Board:

1. That Bylaw No. 4635, “Fire Protection Services Reserve Fund Bylaw No. 1, 2015, Amendment Bylaw No. 1, 2024”, be introduced and read a first, second and third time.
2. That Bylaw No. 4635 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. 4635, “Fire Protection Services Reserve Fund Bylaw No. 1, 2015, Amendment Bylaw No. 1, 2024”