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REPORT TO ELECTORAL AREAS COMMITTEE MEETING OF WEDNESDAY, MARCH 12, 2025

SUBJECT 2025 Final Electoral Area Budget Review

ISSUE SUMMARY

To present the 2025 Electoral Area (EA) budgets and recommend 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.

Final budgets for review are specific to services in the JdF EA, the SSI EA and the SGI EA. EA services are established through the *Local Government Act* and Service Establishment Bylaws and are guided by the Board Strategic and Corporate Plans

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 will be included in the 2025 to 2029 CRD Five-Year Financial Plan Bylaw to be presented to the Board on March 12, 2025.

On October 30, 2024, the Board approved 2025 Service Plans and the Provisional 2025 to 2029 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 new information, year-end results, recommendation 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. A summary of the changes to budgets for Joint EA Services and each EA is included in this report and supported by Appendix A (Joint EA), Appendix B (JdF), Appendix C (SSI) and Appendix D (SGI).

¹ 2021 Census

ALTERNATIVES

Alternative 1

That staff be directed to advance the 2025 to 2029 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 2025 to 2029 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 - Joint Electoral Area Services

Joint EA Services provide services to the three unincorporated areas within the CRD: JdF EA, SSI EA and SGI EA. The requisition for joint EA services is cost apportioned to each EA on the basis of converted assessments. The analysis in Table 1 and 2 and Appendix A are representing the service budgets and requisition as whole before cost apportionment to each EA.

Table 1 summarizes total 2025 final requisition change over 2024 for all Joint EA services. Detailed requisition summary by service is further included in Appendix A-1.

Table 1: 2025 Final versus 2024 Final Requisition (Joint EA)

2025 Final \$	2024 Final \$	Change \$	Change %
1.17M	0.90M	0.27M	29.7%

Table 2 compares the changes from total 2025 Provisional to Final Requisition for all Joint EA services. Details of significant changes from Provisional by service are included in Appendix A-2.

Table 2: 2025 Final versus Provisional Requisition (Joint EA)

2025 Final \$	2025 Provisional \$	Change \$	Change %
1.17M	1.28M	(0.12M)	(9.0%)

Tax Requisition – Each Electoral Area

The final requisition change over the prior year is listed in Table 3. Requisition summaries by service area for each EA with changes from 2024 are included in Appendix B-1 (JdF), C-1 (SSI) and D-1 (SGI).

Table 3: 2025 Final versus 2024 Final Requisition

	2025 Final \$ (2025 Assessment)		2024 Final \$ (2024 Assessment)		Change \$		Change %	
	Requisition	Cost / Avg HH*	Requisition	Cost / Avg HH	Requisition	Cost / Avg HH	Requisition	Cost / Avg HH
JdF	3.14M	\$775	2.85M	\$703	0.29M	\$71.82	10.1%	10.2%
SSI	8.97M	\$1,360	8.15M	\$1,238	0.82M	\$122.50	10.1%	9.9%
SIG	4.10M	\$604	3.87M	\$569	0.23M	\$34.73	5.8%	6.1%

*Cost/Avg HH includes CRD and CRHD services 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 residential household if a home is valued at or near the 'Average Residential Assessed Value' in Appendix B-1, C-1 and D-1.

Changes from 2025 provisional approval are the result of new information, year-end adjustments, assessment values, local commission or committee recommendations and EA director input.

Table 4 compares the changes from Provisional to Final requisition for each EA. Details of these changes are included in Appendix B-2 (JdF), C-2 (SSI) and D-2 (SIG).

Table 4: 2025 Final versus Provisional Requisition

	2025 Final \$ (2025 Assessment)		2025 Provisional \$ (2024 Assessment)		Change \$		Change %	
	Requisition	Cost / Avg HH	Requisition	Cost / Avg HH	Requisition	Cost / Avg HH	Requisition	Cost / Avg HH
JdF	3.14M	\$775	3.15M	\$775	(0.01M)	(\$0.69)	(0.2%)	(0.1%)
SSI	8.97M	\$1,360	9.22M	\$1,400	(0.25M)	(\$39.49)	(3.1%)	(3.2%)
SIG	4.10M	\$604	4.17M	\$614	(0.08M)	(\$9.73)	(0.2%)	(1.7%)

Table 3 and 4 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 +1.2% in 2025. JdF experienced a change in assessment value well above the average increase at +3.5%. SSI experienced an increase of 0.4% and SIG experienced a decrease of (0.6%).

When assessments increase less than the average, the percent share of costs for the jurisdiction will decrease, and vice versa. Appendix E contains key assessment data points for each EA.

Increases in assessments also impact the theoretical calculation of an 'Average Residential Assessed Value' included in Appendix B-1 (JdF), C-1 (SSI) and D-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 5 summarizes the change in cost per average residential household by separating the change driven by cost apportionment versus changes driven by budget changes. Details are included in Appendix B-3 (JdF), C-3 (SSI) and D-3 (SGI).

Table 5: Change in Cost/Avg HH by Cost Driver (2025 Final versus 2024 Final)

	Change in Cost Apportionment		Change in Budget		Total Change 2025 Final vs 2024 Final*	
	Cost / Avg HH	%	Cost / Avg HH	%	Cost / Avg HH	%
JdF	\$10.48	1.5%	\$61.34	8.7%	\$71.82	10.2%
SSI	(\$4.66)	(0.4%)	\$127.16	10.3%	\$122.50	9.9%
SGI	(\$2.55)	(0.4%)	\$37.28	6.5%	\$34.73	6.1%

Capital Budget

The 2025 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 2025 Capital Plan Summary overview by service is included as Appendix A-3 (Joint EA), B-4 (JdF), C-4 (SSI) and D-4 (SGI).

A summary of all changes since provisional approval by project is shown in Appendix A-4 (Joint EA), B-5 (JdF), C-5 (SSI) and D-5 (SGI).

Financial Plan Bylaw

The 2025 final budget packages by service are included in Appendix A-5 (Joint EA), B-6 (JdF), C-6 (SSI) and D-6 (SGI). Each of the EA financial plans will be incorporated for final approval in the 2025 to 2029 CRD Five-Year Financial Plan Bylaw at the Board meeting on March 12, 2025.

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 and SSI LCC (fourteen SSI Services) 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 12, 2025.

RECOMMENDATION

That staff be directed to advance the 2025 to 2029 Capital Regional District Five-Year Financial Plan Bylaw for Board approval, inclusive of the Electoral Area Service Budgets as presented.

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:	Ted Robbins, B. Sc., C. Tech., Chief Administrative Officer

ATTACHMENTS

- Appendix A: 2025 Final Electoral Area Budget Review – Joint Electoral Area Services
- Appendix B: 2025 Final Electoral Area Budget Review – Juan de Fuca Services
- Appendix C: 2025 Final Electoral Area Budget Review – Salt Spring Island Services
- Appendix D: 2025 Final Electoral Area Budget Review – Southern Gulf Islands Services
- Appendix E: 2025 Assessment Data for Electoral Area