



**REPORT TO THE ELECTORAL AREAS COMMITTEE
MEETING OF WEDNESDAY, OCTOBER 9, 2019**

SUBJECT **2020 Preliminary Electoral Area Budget Review**

ISSUE

To present the 2020 Electoral Area budgets and obtain recommendation from the Electoral Areas Committee (EAC) to forward the budgets, along with the list of new initiatives for implementation as of 1 January 2020 for preliminary approval, to the Capital Regional District Board (Board).

BACKGROUND

The Capital Regional District (CRD) provides a range of regional, sub-regional, and local services to the community. Regional services are provided to the entire region, sub-regional services are provided to groups of participating Municipalities, First Nations and Electoral Areas, and Local Services are provided to individual Municipalities, Electoral Areas or to groups of residents within local service areas. It is estimated that the CRD currently provides services to over 20,000 Electoral Area residents (2016 census).

Budgets herein presented for review are only for Electoral Area (EA) services: Salt Spring Island EA, Southern Gulf Islands EA, and Juan de Fuca EA.

The Electoral Area services delivered are guided by the *Local Government Act*, service establishment bylaws, the Board strategic plan, and corporate service plans.

Budget Approval Process

Under the budget direction provided by the Board, review and recommendation for approval of all Electoral Area service budgets, including local services commission budgets, is delegated to the EAC. These budgets will be included in the preliminary 2020 CRD Financial Plan to be presented to the CRD Board on October 30, 2019. Also on this date, regional and sub-regional budgets will be presented for all participants to review and approve.

Review and approval of the budgets by the CRD Commissions will take place between October and November, 2019.

Budget Highlights

The attached budget packages include operating budgets, capital plans, and reserve schedules. The budgets have been prepared by CRD staff with input and approval from Commissions and Committees where applicable. A detailed discussion on the drivers for each EA is included in Appendices A–C.

ALTERNATIVES

Alternative 1

That the Electoral Area Committee recommend to the Capital Regional District Board:

1. That the 2020 Electoral Area Only Services Budgets be given provisional approval as presented, and
2. That the new initiatives identified in Appendix D for January 1, 2020, implementation be approved for expenditure.

Alternative 2

That the Electoral Area Services Committee recommend to the Capital Regional District Board:

1. That the 2020 Electoral Area Services Budgets be given provisional approval with specific direction on amendments; and
2. That the new initiatives identified in Appendix D for January 1, 2020, implementation be approved with specific direction on amendments.

FINANCIAL IMPLICATIONS

The following table summarizes the total percentage increase in the 2020 preliminary tax requisition over the 2019 requisition for each EA.

Electoral Area	Preliminary
Salt Spring Island	4.59%
Juan de Fuca	3.42%
Southern Gulf Islands	6.19%

The increase excludes changes in the local/specified/defined area services as only participants in each service are impacted, versus the EA as a whole.

The actual change in the tax rate a resident will see on their annual bill will vary depending on other local/specified/defined areas service in which they participate and their individual 2020 assessment values (the preliminary budgets attached are based on 2019 assessment values). The final budget will include updated information from BC Assessment, typically released in February.

CONCLUSION

The 2020 Electoral Area budgets have been delegated to the EAC by the CRD Board for review and recommendation.

Overall, the 2020 Electoral Area budget has been prepared based on the service plans and provide ongoing CRD services that respond to the varying needs of the three Electoral Area communities.

RECOMMENDATION

That the Electoral Area Services Committee recommend to the Capital Regional District Board:

1. That the 2020 Electoral Area Services Budgets be given provisional approval as presented, and
2. That the new initiatives identified in Appendix D for January 1, 2020, implementation be approved for expenditure.

Submitted by:	Rianna Lachance, BCom, CPA, CA, Senior Manager, Financial Services
Concurrence:	Nelson Chan, MBA, CPA, CMA, Chief Financial Officer
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Attachments: Appendix A – Salt Spring Island
Appendix B – Juan de Fuca
Appendix C – Southern Gulf Islands
Appendix D – January 2020 Approvals