

**REPORT TO REGIONAL PARKS COMMITTEE
MEETING OF WEDNESDAY, FEBRUARY 26, 2020**

SUBJECT **Regional Parks – Sustainable Service Delivery**

ISSUE SUMMARY

Options for reducing/phasing in funding to support sustainable service delivery in Capital Regional District (CRD) Regional Parks.

BACKGROUND

In 2014, Regional Parks embarked on an asset management improvement initiative. The purpose of this initiative is to ensure Regional Parks asset management practices are aligned with industry best practices and standards to support sustainable service delivery.

This information has resulted in a Regional Parks Sustainable Service Delivery Plan Report Card for the Regional Parks service, as well as an infrastructure status report for each regional park and trail. The report cards show that our financial resources are no longer sufficient to meet our current asset renewal demands. An additional \$925,000/year was identified as being needed to support a sustainable service delivery over the next 19 years.

At the October 30, 2019 Committee of the Whole meeting, it was recommended that staff report back to the Regional Parks Committee on options for reducing/phasing in an additional \$925,000 per year for capital reserves to fund the refurbishment and replacement of CRD Regional Parks existing assets.

ALTERNATIVES

The Regional Parks Committee recommends to the Capital Regional District Board:

Alternative 1

That Regional Parks sustainable service delivery report be received for information.

Alternative 2

That the report be referred back to staff for additional information.

IMPLICATIONS

Financial Implications

The completion of the Regional Parks Sustainable Service Delivery Plan Report Card provides an overview of the Regional Parks service, a summary of the condition of its assets and a snapshot of the service's financial state to help inform the regional parks future asset renewal program and ensure ongoing service delivery.

The report cards show that the total current replacement value for all Regional Park built

infrastructure over the current lifespan is estimated at \$105 million. Regional trail infrastructure costs make up 43.5% of asset replacement value (\$40 million). The current annual revenue contributions to capital are approximately \$925,000 less than the sustainable reinvestment level. This is for renewal and refurbishment of current assets only and does not include future new builds. This also does not include revised amenity requirements as demographics shift, and updating facilities for better environmental/energy performance, etc.

Staff have looked at various options for reducing/phasing in the financial impact of the Regional Parks infrastructure expenditure. One option was to phase in the \$925,000 over a three-year period; the first three years' \$500,000 will be requisitioned (see Appendix A).

In addition to the funding shift outlined above, staff will have to explore a number of strategies to ensure that sufficient funding is in place in future years to sustain the Regional Parks service.

Future additional requisition increases may be required to fund significant new infrastructure or to address unforeseen failures of existing priority assets.

Service Delivery Implications

Phasing in the additional \$925,000 capital reserve for the next three years at a level of \$500,000 will necessitate:

- a 15% reduction in asset renewal projects for 2022, which may impact service levels
- an 8% reduction in asset renewal projects in 2024, which may impact service levels
- the requisition to be increased to \$1,000,000 for the remaining 16 years of the 20-year Sustainable Service Delivery Plan

Reduction in service levels may include, postponing some asset renewal projects, or closing assets due to public safety concerns.

At the end of the four-year timeframe, the Sustainable Service Delivery Plan Report Cards will be updated to better reflect the additional assets acquired during this period.

Social Implications

Regional park visitation statistics indicate an upward growth trend in annual use (46% increase since 2010). Higher visitor use puts utilization pressure on existing infrastructure, creating an increased need for ongoing maintenance or earlier replacement of assets.

If built infrastructure is not adequately maintained and renewed, public safety issues will rise and visitor experience will decrease. Inadequate funding to renew or maintain our major assets, such as dams, trails, trestles and bridges, may lead to major recreational and transportation corridors being closed. The reputation of the CRD having a world-class regional park and trail system will be negatively impacted. This will also have a negative impact on the local economy, as the regional parks and trails system draws close to 8 million visitors a year.

Growth Management Implications

The regional population is increasing. In 2018, the population was 413,000, up 12.4% from 2011. The Regional Growth Strategy indicates an intent to protect, enhance, and expand natural areas

and to provide recreation areas. With increasing population and changing population demographics, there will be increasing demands on the existing regional park system. Sustainable service delivery needs to consider and plan for the environmental and social carrying capacity of the parks and trails.

CONCLUSION

Staff have analyzed options for reducing/phasing in the \$925,000/year. The results of this analysis show that an additional capital reserve of \$925,000/year is required to ensure there are no shortfalls in asset renewal.

RECOMMENDATION

The Regional Parks Committee recommends to the Capital Regional District Board:

That Regional Parks sustainable service delivery report be received for information.

Submitted by:	Jeff Leahy, RPF, Senior Manager, Regional Parks
Concurrence:	Larisa Hutcheson, P.Eng., General Manager, Parks & Environmental Services
Concurrence:	Robert Lapham, MCIP, RPP, Chief Administrative Officer

ATTACHMENT

Appendix A: Asset Renewal Forecast