

## REPORT TO ELECTORAL AREAS COMMITTEE MEETING OF WEDNESDAY, MARCH 11, 2020

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### **SUBJECT**     2020 Electoral Area Budget Review

### **ISSUE SUMMARY**

To present the 2020 Electoral Area (EA) budgets and obtain recommendation from the Electoral Area Committee (EAC) to forward the budgets for final approval to the Capital Regional District Board (Board).

### **BACKGROUND**

The EAC combines the three unincorporated areas within the Capital Regional District: Salt Spring Island EA, Southern Gulf Islands EA and Juan de Fuca EA.

The Capital Regional District (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 groups of participating municipalities, First Nations, and EAs; and local services are provided to individual municipalities, EAs, 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).

The EA 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 EA service budgets, including local services commission budgets, is delegated to the EAC. On October 9, 2019 the EAC approved the preliminary budgets for all regional and sub-regional budgets. These budgets were included in the preliminary 2020 CRD Financial Plan also approved by the CRD Board on October 30, 2019 and have now been updated based on all known factors up to February 21, 2020 for review by the EAC and recommendation to the Board for the Financial Plan Bylaw approval on March 18, 2020.

### **Budget Highlights**

The preliminary budget approval process included a comprehensive review of the operating budgets and capital expenditure plans for all EA services. Changes which have been made in the plans since that time are the result of changes in the estimated surplus or deficit carry-forward amount, or due to the receipt of new information or direction from the EAC. This report addresses the changes in the EA financial plans which have occurred since preliminary approval in October 2019.

### **ALTERNATIVES**

#### *Alternative 1*

The Electoral Areas Committee recommends to the Capital Regional District Board:  
That the 2020 Electoral Area budgets as presented receive approval.

*Alternative 2*

The Electoral Areas Committee recommends to the Capital Regional District Board:  
That the 2020 Electoral Area budgets as presented receive approval with amendments.

**IMPLICATIONS**

*Financial Implications*

Final requisitions reflect all known factors to date since provisional approval, including updates to incorporate both year-end adjustments, committee recommendations and staff identified changes. Table 1 compares provisional 2020 Requisition with the final 2020 Requisition for each EA. Table 2 compares the final 2020 Requisition to the 2019 Requisition for each EA. Requisition for services which have a local/defined/specified area impact versus an impact on all rate payers are listed separately in Appendix A, B and C in each EA Requisition Summary.

For a detailed listing of changes in Requisition and Capital Plan by EA since the Provisional budget, see Appendix A, B and C.

**Table 1: 2020 Final vs 2020 Provisional Budget**

	2020 Final Requisition		2020 Provisional Requisition		\$ Change		% Change	
	(\$M)	\$ Per HH	(\$M)	\$ Per HH	(\$M)	\$ Per HH	Req \$	Per HH \$
<b>Juan de Fuca</b>	2.4	569	2.4	574	0.01	(5.68)	0.5%	(1.0)%
<b>Salt Spring Island</b>	6.8	1,015	6.8	1,019	0.03	(3.69)	0.5%	(0.4)%
<b>Southern Gulf Islands</b>	3.1	457	3.2	462	(0.03)	(4.48)	(1.0)%	(1.0)%

**Table 2: 2020 Final vs 2019 Final Budget**

	2020 Final Requisition		2019 Final Requisition		\$ Change		% Change	
	(\$M)	\$ Per HH	(\$M)	\$ Per HH	(\$M)	\$ Per HH	Req \$	Per HH
<b>Juan de Fuca</b>	2.4	569	2.3	553	0.10	15.65	4.4%	2.8%
<b>Salt Spring Island</b>	6.8	1,015	6.5	971	0.34	43.76	5.2%	4.5%
<b>Southern Gulf Islands</b>	3.1	457	3.0	433	0.17	24.40	5.6%	5.6%

The major changes (changes > \$100,000) in the 2020 capital plans which have been recommended through commissions or identified by staff since provisional approval are:

- SSI Community Transportation: Lower Ganges Road Pathway Phase 2 Booth Canal project brought forward from 2021 to 2020
- Lyall Harbour Water Service: Land acquisition by donation
- Saturna Island Parks and Recreation Service: Land acquisition by donation
- SGI Small Craft Harbour Service: Piers Island dock facility upgrades project
- SGI Small Craft Harbour Service: Lyall Harbour additional floats project
- Pender Island Fire Protection Service: Removal from 2020 of Fire Truck R38 replacement
- Pender Island Fire Protection Service: Replacement Fire Truck E27 with adjusted replacement cost
- Pender Island Fire Protection Service: Fire Hall facility improvements.

For a complete listing of the changes since provisional budget in the capital plan for each EA, see Appendices A–C.

Capital plans form part of the total CRD capital plan and will be presented for review by the Board on March 18, 2020.

### **Financial Plan Bylaw**

The 2020 Financial Plan summaries for each EA can be found in the attached appendices. The summary highlights changes in requisition over the prior year. The changes over prior year are a result of surplus and/or deficits from the previous years' plan, assessment changes affecting cost sharing, wage and benefit rates, core inflation and any new initiatives directed through commissions or through EA directors. The EA Financial Plan summaries will be incorporated for final approval in the total budget package for March 18, 2020.

Prior to participant billing, final adjustments are made once final BC Assessment information for the region is released. It is anticipated there will be no material changes in assessment data.

### **CONCLUSION**

The 2020 Electoral Area budgets have been delegated to the Electoral Areas Committee by the CRD Board for review and recommendation. All budgets will be forwarded to the CRD Board for final approval on March 18, 2020.

Overall, the 2020 Electoral Area budgets have been prepared based on the service plans and they provide ongoing CRD services which respond to the varying needs of the three Electoral Area communities.

### **RECOMMENDATION**

The Electoral Areas Committee recommends to the Capital Regional District Board:  
That the 2020 Electoral Area budgets as presented receive approval.

Submitted by:	Rianna Lachance, BCom, CPA, CA, Senior Manager, Financial Services
Concurrence:	Nelson Chan, MBA, CPA, CMA, Chief Financial Officer
Concurrence:	Robert Lapham, MCIP, RPP, Chief Administrative Officer

**ATTACHMENT(S)**

Appendix A: Juan de Fuca Electoral Area – Change Summary & Final Requisition Report

Appendix B: Salt Spring Island Electoral Area – Change Summary & Final Requisition Report

Appendix C: Southern Gulf Islands Electoral Area – Change Summary & Final Requisition Report