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## **REPORT TO CAPITAL REGIONAL DISTRICT BOARD MEETING OF WEDNESDAY, MAY 13, 2020**

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**SUBJECT**      **Southern Gulf Islands Shared Services Society – Rural Economic Dividend Grant**

### **ISSUE SUMMARY**

Capital Regional District (CRD) Board authorization is required to fulfil the terms of a Rural Economic Dividend Grant providing funding for the development of a shared business services model on Salt Spring Island.

### **BACKGROUND**

The CRD was the recipient of \$90,500 through the Rural Economic Dividend Grant to study, create, and operate as a pilot an entity to share business services among non-agricultural businesses on Salt Spring Island. On July 11, 2018, application for funding and receipt was approved by the Board. The initial model considered by the Salt Spring Island Community Economic Development Commission (SSI CEDC) was that of a member-funded co-operative, where local businesses, First Nations, and individuals could purchase membership shares and raise capital to benefit Salt Spring Island-based producers of products.

After consultation with the Southern Gulf Islands Community Economic Sustainability Commission (CESC), community stakeholders, as well as consultants and CRD's in-house counsel, the project's focus shifted to creation of a society. CRD is able to create any number of societies without provincial approval, and the society can be created such that, once the terms of the grant are completed, it is a wholly independent, community-run, member-driven entity without CRD involvement. The Rural Dividend Grant was amended to reflect this change.

Board approval is required to incorporate a society. The society, if it has capacity, can also undertake other economic development work for third party entities, such as the Province or the CRD, and in future, broaden its membership to include other community groups or representatives of the CESC, SSI CEDC, or similar economic development agencies.

### **ALTERNATIVES**

#### *Alternative 1*

That the Capital Regional District Board authorize staff to incorporate a society and perform such other tasks as to fulfil the terms of the Rural Economic Dividend Program grant.

#### *Alternative 2*

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

### **IMPLICATIONS**

#### **SOCIAL**

Incorporating a society which has the ability to be independent of CRD on completion of the

grant agreement will allow the Salt Spring Island business community to operate and maintain its own organization for the benefit of its members and the local community. The society may expand to include other community stakeholders in future and potentially develop capacity to service CRD or other organizations as an economic development service provider in future is a benefit of the current model.

### **FINANCIAL**

CRD must use the grant funding and complete the terms of the grant by November 30, 2021. Local businesses, in line with the terms of the grant, may also benefit from the shared service model due to reduce expenses, sharing of marketing and transportation costs, and other savings and benefits as a result of sharing business services amongst a group.

### **LEGAL**

Incorporating a society is the best route to allow the SSI CEDC to manage, until the completion of the requirements of the grant agreement, the work of the Southern Gulf Islands Shared Business Services Society. The society is also structured to permit a phase-out of SSI CEDC involvement, replacing such individuals with voting members made up of community participants from the rural islands consisting of SSI, Galiano, Pender, Saturna and Mayne. Ideally, this will allow the society to become independent of CRD, one of the goals of the Rural Economic Dividend Grant and the SSI CEDC, to operate for the benefit of Salt Spring Island, the Southern Gulf Islands, and other participants who wish to join the society in future.

To ensure proper use of the grant funds, the relationship between the Society and CRD will be contractual. CRD will hold the funds and the Society, through its contractors and volunteer directors, will perform the work under the grant agreement. CRD will continue to retain third party consultants for projects as necessary.

To ensure a measure of relationship between the Society and CRD until the grant agreement is complete, the individuals appointed to the Board of the society on incorporation shall be those individuals who are the advisory commission members on the SSI CEDC, other than the Electoral Area Director, for the duration of their appointment on the SSI CEDC and until the completion of the work under the grant agreement. Other community members may also be appointed by resolution.

### **CONCLUSION**

CRD Board approval is required to incorporate a society.

### **RECOMMENDATION**

That the Capital Regional District Board authorize staff to incorporate a society and perform such other tasks as to fulfil the terms of the Rural Economic Dividend Program grant.

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Concurrence:	Robert Lapham, MCIP, RPP, Chief Administrative Officer

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**ATTACHMENT(S)**

Appendix A: Southern Gulf Islands Shared Business Services Society Constitution

Appendix B: Southern Gulf Islands Shared Business Services Society Bylaws