

**REPORT TO FINANCE COMMITTEE  
MEETING OF WEDNESDAY, NOVEMBER 03, 2021**

**SUBJECT**     **Bylaw No. 4456: Financial Plan Amendment No. 3, 2021**

**ISSUE SUMMARY**

The Capital Regional District (CRD) 2021 to 2025 Financial Plan was adopted on March 24, 2021, and was amended on May 12 and July 14, 2021. Amendments to the Plan are required to authorize revised operating and capital expenditures.

**BACKGROUND**

The CRD Board approved the 2021 to 2025 Financial Plan (Bylaw No. 4409) on March 24, 2021, amendment Bylaws No. 4421 and 4436 on May 12 and July 14, 2021, respectively. Amendments are permitted in accordance with Section 374 of the *Local Government Act* (LGA) to incorporate changes as revised funding and expenditures occur throughout the year.

Table 1 summarizes impacts of proposed amendments to the Financial Plan. The amended Financial Plan (Bylaw No. 4456) incorporates these changes, and is attached as Appendix A, including an updated Schedule A and Schedule B.

**Table 1: Summary of Proposed Amendments**

| SERVICE              | DESCRIPTION  | BUDGET    | FUNDING                  | NET<br>IMPACT | COMMITTEE /<br>COMMISSION<br>APPROVAL                              |
|----------------------|--|-----------|--------------------------|---------------|--|
| SSI Grants in Aid    | Provide COVID-19 Safe Restart Grants for eligible expenses               | Operating | Provincial Grant Revenue | \$10,000      | EA Director Approval   |
| SSI Pool & Park Land | Provide COVID-19 Safe Restart Grants to fund potential revenue shortfall | Operating | Provincial Grant Revenue | \$10,000      | EA Director Approval   |
| SSI Transportation   | Advance Pathway project from 2022 to 2021                                | Capital   | Reserve                  | \$20,000      | Salt Spring Island Transportation Commission<br>July 26, 2021      |
|                      | Booth Canal to Vesuvius Bay Road Pathway                                 | Capital   | Reserve                  | \$42,765      | Salt Spring Island Transportation Commission<br>September 27, 2021 |
| Maliview Sewer       | Wastewater Treatment Upgrade   | Capital   | Grants, Reserve          | \$66,521      | Maliview Sewer Local Services Commission (October 5, 2021)         |

| SERVICE              | DESCRIPTION                                       | BUDGET  | FUNDING                 | NET IMPACT | COMMITTEE / COMMISSION APPROVAL |
|----------------------|---|---------|-------------------------|------------|---------------------------------|
| Sticks Allison Water | Advance Supply of Backup Genset from 2022 to 2021 | Capital | Grants, Reserve         | \$17,500   | Staff Recommended               |
| CRD HQ Building      | Interior renovations, Figgard Street Office       | Capital | Transfer from Operating | \$60,000   | Staff Recommended               |
|                      | Installation of Flag Poles                        | Capital | Capital Funds on Hand   | \$15,000   | Staff Recommended               |

EA = Electoral Area SSI = Salt Spring Island

## **ALTERNATIVES**

### *Alternative 1*

The Finance Committee recommends to the Capital Regional District Board:

1. That Bylaw No. 4456, “2021 to 2025 Financial Plan Bylaw, 2021, Amendment Bylaw No. 3, 2021”, be introduced and read a first, second and third time; and
2. That Bylaw No. 4456 be adopted.

### *Alternative 2*

That Bylaw No. 4456 be deferred pending further analysis by CRD staff.

## **IMPLICATIONS**

### *Financial Implications*

#### COVID 19 Safe Restart Grant - SSI Grants-in-Aid and SSI Pool & Park Land

This amendment will distribute the remaining SSI COVID-19 Safe Restart grant revenue of \$20,000 to specific local services supported by the EA director. A restricted \$10,000 to the SSI Grants-in-Aid service; providing funding to support local non-profit organizations meeting eligibility criteria, and \$10,000 to the SSI Pool & Park Land service to offset revenue shortfall.

#### SSI Transportation

The Salt Spring Island Transportation Commission approved a motion on July 26, 2021, to advance the detailed design and permitting phase of the pathway project at Merchant Mews to the south of Leisure Lane from 2022 to 2021. This project is projected to cost \$20,000 and is funded from the Capital Reserve Fund.

This commission also approved a motion on September 27, 2021, to amend the 2021 Capital Plan to include \$42,765 in additional funding for the Booth Canal to Vesuvius Bay Road Pathway project be funded from the Capital Reserve Fund. This project encountered cost overruns due to

an extended construction schedule, costs to remove hazardous trees, and interference with an underground water main line.

Maliview Sewer

The Maliview Sewer Local Services Commission directed additional funding of \$66,521 for the Maliview Wastewater Treatment Upgrade project funded from the Capital Reserve Fund (\$8,732) and the Community Works Fund (\$57,789). Project budget increases cover additional costs for detailed design, increased scope of work to include a water discharge application under the Environment Act, and increased project management costs due to scope increases.

Sticks Allison Water

This project is to advance the supply for a backup genset to 2021 and increase the total budget to \$17,500. This will be funded by Community Works Funds supported by the EA director (\$12,000) and Capital Reserves (\$5,500). This project was identified as a high priority to lower the risk of experiencing an extended power outage and water production issues at the water treatment plant by installing backup power prior to the winter season.

CRD Headquarters Building

The annual interior renovations budget has increased from \$100,000 to \$160,000 related to incremental construction for office space densification. It is proposed this be funded from the ES Engineering budget, as an additional one-time capital fund contribution funded by a variance on ES Engineering service budget expenses.

Additional costs related to the installation of flag poles where a crane and man-lift positioning equipment were required. The budget increased from \$30,000 to \$45,000 and will be funded from capital funds on hand.

**CONCLUSION**

In compliance with the *Local Government Act*, the proposed amending Bylaw No. 4456 authorizes the changes required to the 2021 to 2025 Financial Plan Bylaw No. 4409, which the CRD Board approved on March 24, 2021, and amended on May 12 and July 14, 2021.

**RECOMMENDATION**

The Finance Committee recommends to the Capital Regional District Board:

1. That Bylaw No. 4456, "2021 to 2025 Financial Plan Bylaw, 2021, Amendment Bylaw No. 3, 2021", be introduced and read a first, second and third time; and
2. That Bylaw No. 4456 be adopted.

|               |   |
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| Submitted by: | Rianna Lachance, BCom, CPA, CA, Senior Manager, Financial Services            |
| Concurrence:  | Nelson Chan, MBA, FCPA, FCMA, Chief Financial Officer                         |
| Concurrence:  | Kristen Morley, J.D., General Manager, Corporate Services & Corporate Officer |
| Concurrence:  | Robert Lapham, MCIP, RPP, Chief Administrative Officer                        |

**ATTACHMENT(S)**

Appendix A: Bylaw No. 4456, with Schedules A and B