



COLUMBIA SHUSWAP REGIONAL DISTRICT

Committee of the Whole (Budget) Meeting

AGENDA

Date: Wednesday, January 29, 2020
Time: 9:30 AM
Location: CSR D Boardroom
555 Harbourfront Drive NE, Salmon Arm

Pages

1. Call to Order

2. Adoption of Agenda

Motion

THAT: the agenda of the January 29, 2020 Committee of the Whole (Budget) meeting be approved.

3. Adoption of Minutes

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Motion

THAT: the minutes from the February 27, 2019 Committee of the Whole (Budget) meeting be adopted.

4. Business General

4.1 **Overview of the draft 2020 Financial Plan (Budget)**

Presentation by J. Pierce, Manager, Financial Services.

- Budget process;
- Assessment trends;
- Review of workbook;
- Questions;
- Public consultation.

A copy of the draft 2020 Financial Plan is available on the [CSR D website](#) and a view only copy is available at the CSR D office.

4.2 Policy F-3 Community Works Fund

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Report from Jodi Pierce, Manager, Financial Services dated January 20, 2020.
For discussion and direction.

5. Adjournment

Motion

THAT: the January 29, 2020 Committee of the Whole (Budget) meeting be adjourned.

COLUMBIA SHUSWAP REGIONAL DISTRICT

Minutes of a Committee of the Whole (Budget) meeting held February 27, 2019
in the Board Room of the Regional District Office, Salmon Arm, BC

Note: The following minutes are subject to correction
when endorsed by the Committee at the next Committee meeting.

PRESENT

Chair:	R. Martin	Electoral Area 'E'
Directors	C. Moss**	Town of Golden
	G. Sulz	City of Revelstoke
	T. Rysz	District of Sicamous
	K. Flynn	City of Salmon Arm
	C. Eliason	City of Salmon Arm (Absent)
	T. Lavery	City of Salmon Arm (Alternate)
	K. Cathcart**	Electoral Area 'A'
	D. Brooks Hill	Electoral Area 'B'
	P. Demenok	Electoral Area 'C'
	R. Talbot	Electoral Area 'D'
	J. Simpson	Electoral Area 'F'

Staff:	J. Pierce	Manager, Financial Services
	S. Haines	Deputy Treasurer
	L. Shykora	Deputy Manager, Corporate Administration Services
	J. Sham	Asst. Deputy Corporate Officer
	B. Payne*	Manager, Information Systems
	D. Mooney	Manager, Operations Management
	G. Christie	Manager, Development Services

*Attended Part of Meeting Only

** Attended via teleconference

CALL TO ORDER

Chair Martin called the meeting to order at 9:32 AM.

BUSINESS GENERAL

Moved by Director Demenok, seconded by Director Brooks Hill:

THAT: the minutes of the January 30, 2019 Committee of the Whole (Budget) meeting, be received.

Carried

The meeting was then turned over to J. Pierce, Manager, Financial Services, who provided an overview of the following topics:

Key Changes from draft 1 to draft 2
Tax summaries by area
Electoral Area taxes

Public consultation

Key changes:

The Financial Services Manager explained that the changes from draft 1 to draft 2 fall into the following four categories:

- Surpluses and deficits finalized;
- Reserve contributions finalized;
- Director changes;
- Minor changes from actuals and staff.

Surpluses and Deficits Finalized:

The Manager, Financial Services explained that the surplus and deficit numbers are now final, while draft 1 was based on estimates. The net surplus for 2018 was \$1,764,247 with a gross surplus of \$1,847,424 and gross deficits of \$83,177. Per the Local Government Act the deficits must be repaid in 2019. The most significant deficit resulted from late information from the Town of Golden with respect to the Golden Arena which required a number of WCB compliance upgrades. There was also a deficit in Area F sub-regional building inspection due to less revenue than expected. Other small deficits were mainly in street lighting as a function of increased BC Hydro costs.

Reserve Contributions Finalized:

The Manager, Financial Services explained that all transfers to and from Capital and Operating Reserves are now finalized. The Capital Reserves at year end total \$18,831,310, which is a net increase of \$4,484,319. The Manager, Financial Services provided an overview of functions which made significant contributions to Capital Reserves in 2018, as well as providing details of significant projects funded out of reserves in 2018. In addition, there was \$54,250 contributed to parkland acquisition funds, which was broken down by area for the Committee. Operating Reserves have been established to assist with tax rate stabilization, as well as planning for non-capital projects which recur regularly but not annually (elections being provided as one example). The balance in the Operating Reserves at year end was \$3,709,491. From this amount, \$643,816 is being utilized in 2019 to assist with tax rate stabilization.

Director Demenok inquired if there are reserve targets and indicated he would like the Board to have some discussion around appropriate targets, particularly with respect to Operating Reserves. The Manager, Financial Services acknowledged the Director's concern and indicated that it is the plan to bring forward a Reserve Policy in 2019. She also reminded Directors that Capital reserves tie into the asset management plan and indicated that most capital reserves are underfunded.

Director Changes:

There were two changes resulting from the Committee of the Whole meeting on January 30, 2019 and that was to increase the annual funding contribution to the SPCA and increase the amount going into Capital reserves for park development in Area C.

Other Minor Changes:

The Manager, Financial Services explained that other changes arose from minor adjustments to actual surpluses and deficits, miscellaneous adjustments and multiple adjustments within one function. The total impact of all changes on the budget is an increase of \$1,874,589, the total impact of all changes on tax requisition is an increase of \$132,748.

The Manager, Financial Services then reviewed key changes from draft 1 to draft 2 by affected area.

- All Areas: General Government - minor adjustments to administration fees resulted in less required from operating reserve, no change to taxation. 911 Emergency Response – decrease in contract cost, resulted in tax decrease of \$63. Weed Control – lower surplus than anticipated resulting in an increase to taxes of \$159.
- Electoral Areas only: Electoral Area Government – minor adjustments to administration fees resulted in an increase to taxation of \$1,024. Bylaw Enforcement surplus was lower than expected resulted in a \$438 increase to taxation. Development Services surplus was lower than expected resulted in an \$850 increase to taxation. Special projects – additional costs for Groundwater monitoring in Nicholson and change to the surplus resulting in additional taxation of \$10,238.
- Salmon Arm, Sicamous, Areas C, D, E & F: Shuswap Emergency Program – higher administration fees due to additional Emergency Operations Centre costs results in tax increase of \$45. Shuswap Tourism – project budget decreased for cut to DBC funding, surplus carried forward for unfinished DBC projects, City of Armstrong contributing on a fee for services basis results in a decrease to taxation of \$5,000. Milfoil Control – surplus was less than anticipated decreased that amount going into Operating Reserves but had no effect on taxation.
- Sicamous, Areas C, D, E & F: Shuswap SPCA – increase to annual contribution results in an increase to taxes by \$2,000.
- Areas C, D, E & F: Economic Development – surplus unidentified at draft 1 resulting from a number of projects being carried forward but \$7,500 was identified as excess to reduce taxation.
- All Areas except Golden/Area A: Film Commission – surplus was unidentified in draft one budget and taxes are decreasing by \$1,701.
- Golden/Area A: Arena – increased to taxation of \$75,500 as a result of large deficit.
- Revelstoke/Area B: - error in administration fee results in an increase to taxation of \$575.
- Sicamous/Area E: - reprioritization of projects, no change to taxation
- Area A: Nicholson Fire department had a couple of minor changes as a result of unfinished projects at year end which are funded from reserves and therefore no change to taxation.
- Area B: Preliminary information from City of Revelstoke shows a decrease to taxation of \$22,334 with respect to Area B Recreation.
- Area C: Fire Protection Area C – unfinished siding project at Tappen/Sunnybrae Fire Hall being funded out of capital reserves, correction to administration fee formula results in a tax decrease of \$1,152. Area C Parks – \$1,000,000 potential land acquisition to be funded from Parkland Acquisition funds inadvertently missed being carried forward in draft 1; some realignments of priorities using community works funds; and, an increased contribution to capital reserves, resulting in a increase in taxation of \$85,000.
- Area D: Fire Protection (Deep Creek and Silver Creek) had some projects carried forward using Capital reserves resulting in no changes to taxation.
- Area E: Street lighting functions had small deficits resulting in an increase in taxation of \$57 for Swansea Point Street lighting.

- Area F: Fire Protection – Area F – potential land acquisition was inadvertently not carried forward from the 2018 to the 2019 budget - \$250,000 to be funded using capital reserves. Correction to administration formula on the spreadsheet results in a decrease to taxes of \$22. Street lighting – St. Ives - had a small deficit in 2018 that needs to be repaid in 2019 and the electricity budget was adjusted to accurately reflect costs – means a tax increase of \$162. Building Inspection – Area F – the 2018 deficit was lower than anticipated resulting in a decrease to taxes of \$720. Saratoga Water– adjustment to grant revenue and expenses to account for late invoices received for 2018. No effect on taxes. Area F Parks – the surplus was less than anticipated as late invoices were received; results in a tax increase of \$117.

Tax summaries by area:

The Manager, Financial Services then provided an overview of the latest total tax requisition for each of the member municipalities and electoral areas. For all member municipalities the average residential taxes increased from 2018 to 2019 but there were no significant changes from draft 1 to draft 2, other than Area A and Golden due to the deficit in the Golden Arena function.

The Manager, Financial Services then reviewed the budget comparisons from draft 1 to draft 2 by department:

- Corporate Services and Finance – no significant changes draft 1.
- Information Technology – no changes from draft 1.
- Development Services – no significant changes from draft 1.
- Protective Services - increased transfers from Capital reserves regarding projects that were incomplete in draft 1.
- Environmental Health Services - no significant changes from draft 1.
- Utilities – a number of street lighting systems ended with very minor deficits. No other significant changes from draft 1.
- Parks and Recreation – change to tax requisition for Area C park development, use of Parkland Acquisition funds for potential land acquisition and Golden Arena deficit repayment.
- Economic Development & Tourism – surpluses unidentified in draft 1 and carryforward of projects incomplete at year-end.
- Other – additional community works funds approved in January and February 2019.

Electoral Area Taxes:

The Manager, Financial Services reminded the Committee that taxes collected by the province for school tax, rural tax and police tax are still using the 2018 mill rates. 2019 mill rates are provided in the summer at which time the electoral area tax information sheets will be updated and distributed. It is anticipated that the mill rates will drop for 2019 – usually when assessments go up mill rates go down.

Director Demenok inquired whether the hospital budget had been updated and reflected in the spreadsheets. The Manager, Financial Services commented that she was still awaiting updated information from the Interior Health Authority and as such, had made no changes for Draft 2.

Director Flynn requested that a work plan for the treatment of milfoil be forwarded to the City of Salmon Arm by email for their information.

Director Demenok asked why there was no money being transferred into an Operating Reserve for the Shuswap Emergency Program. The Manager responded that without a policy we do not normally tax to create an operating reserve and that operating reserves are usually created from surplus funds. However, there are also deployment reserve funds that can be used for emergent issues.

Public Consultation:

There were no members of the public in attendance.

ADJOURNMENT:

Moved by Director Demenok, Seconded by Director Rysz:
"THAT the Board adjourn the Committee of the Whole Meeting."
Carried

Adjourned at 10:08 am.

CERTIFIED CORRECT:

CHAIR

CORPORATE OFFICER



BOARD REPORT

TO: Chair and Directors

File No: 1850 10

SUBJECT: Policy F-3 Community Works Fund

DESCRIPTION: Report from Jodi Pierce, Manager, Financial Services dated January 20, 2020. For discussion and direction.

SHORT SUMMARY:

During the December 6th Board meeting, the Board directed staff to review Policy F-3 as part of the budget process. A draft amended policy is attached for the Board's discussion.

VOTING:	Unweighted Corporate	<input checked="" type="checkbox"/>	LGA Part 14 (Unweighted)	<input type="checkbox"/>	Weighted Corporate	<input type="checkbox"/>	Stakeholder (Weighted)	<input type="checkbox"/>
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BACKGROUND:

The current policy did not differentiate allocation of funding received and criteria for expenditures. The draft amended policy identifies the allocation of funding received and the respective treatment for the different funding types.

The amended policy also references the current agreement between UBCM and CSR D and indicate what is required in terms of accessing funding. Process and priorities have been more clearly laid out with respect to access.

Finally, there is a new section for non-profit organizations who wish to access this funding. Staff is recommending that funding for non-profit organizations be limited by an annual cap, a limit per organization, a limit to the frequency of funding by non-profit organizations and that non-profit organizations have a requirement for matching funding. These limitations are not dissimilar to the limits placed on the CSR D for grant applications they pursue and therefore staff is recommending similar restrictions.

POLICY:

The current policy was last amended in February 2013.

FINANCIAL:

To be determined upon direction from the Board.

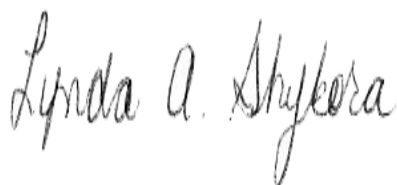
DESIRED OUTCOMES:

That the Board provide direction for staff in finalizing the amendments for Policy F-3, Electoral Area Community Works Fund – Expenditures of Monies.

Report Approval Details

Document Title:	2020-01-29_BUDGET_FIN - Community Works Fund Policy.docx
Attachments:	- CSRD Policy F-3 Electoral Area Community Works Fund (amended).pdf
Final Approval Date:	Jan 23, 2020

This report and all of its attachments were approved and signed as outlined below:



Lynda Shykora



Charles Hamilton



F-3

POLICY

ELECTORAL AREA COMMUNITY WORKS FUND - EXPENDITURE OF MONIES

PURPOSE AND INTENT

To define a process for a fair and equitable distribution of the funding received from the Community Works fund consistent with the terms and conditions of the Community Works Fund Agreement signed with the Union of BC Municipalities and to define a process for expenditures of funds and ensure compliance with the Community Works Funds Agreement.

DEFINITIONS

“Agreement” means the 2014-2024 Community Works Fund Agreement signed between the Regional District and the Union of BC Municipalities (UBCM)

“Annual Funding” means the annual amount received from UBCM in two instalments in July and November of each year.

“Supplemental Funding” means any additional payments received from UBCM from the Community Works Fund program.

RECEIPT OF FUNDING

Annual funding shall be allocated as follows:

Categories	Apportionment
All Area Community Works Portion	10% of the annual funding will be allocated to an all area reserve for projects having a tangible or financial benefit to all Electoral Areas within the CSR D.
Electoral Area Base Allocation	10% of the annual funding will be allocated equally amongst the 6 Electoral Areas to form a “base” amount for each electoral area.
Individual Electoral Area Community Works Funds (Electoral Areas A, B, C, D, E & F)	80% of the annual funding will be allocated on a per capita basis to each individual Electoral Area based on the most recent census data available.

Supplemental funding shall be allocated as follows:

Categories	Apportionment
CSR D Strategic Priorities Fund	50% of the supplemental funding will be allocated to a Strategic Priorities Fund
All Area Community Works Portion	10% of the remaining supplemental funding will be allocated to an all area reserve for projects having a tangible or financial benefit to all Electoral Areas within the CSR D.
Individual Electoral Area Community Works Funds (Electoral Areas A, B, C, D, E & F)	40% of the remaining supplemental funding will be allocated on a per capita basis to each individual Electoral Area based on the most recent census data available.

EXPENDITURES

Expenditure of monies from the Community Works Fund will be in accordance with the 2014 - 2024 Agreement between the UBCM and CSRD.

- Project eligibility will be determined by the Manager, Financial Services and the Manager responsible for the project area.
- Preference be given to projects that:
 - Align with the strategic priorities of the CSRD
 - Are within the Five Year Financial Plan
 - Are more regionally focused and benefit a large segment of the population
 - Assist in funding the asset management infrastructure gap
- Projects that appear eligible will require a detailed project plan and budget with eligible project categories. Community Works Funds can be applied to all of a project or only the portion that meets the requirements.
- Expenditures proposed for funding from the Community Works Fund may come from staff, Directors or eligible non-profit organizations.
- Proposed projects being considered for funding from the Community Works Fund should first be evaluated to see if that project can be funded from other sources.
- Funding of total eligible projects undertaken by non-profit organizations will be capped annually at 25% of the annual funding in each electoral area.
- The maximum amount granted to a non-profit organization shall be limited to \$50,000 or the amount of the total cap whichever is the lesser.

PROCESS

The responsibilities and procedures related to this policy are as follows:

CSRD staff will:

- Develop eligible proposals to present to the Electoral Area Director
- Review non-profit proposals to confirm eligibility
- Complete all reporting requirement on behalf of the CSRD

Electoral Area Directors shall review and evaluate all proposed projects and initiatives that meet the eligible criteria and guidelines of the Agreement and recommend approval of the chosen projects to the Board of Directors

The Board of Directors shall:

- Adopt the Community Works Fund Policy and consider updates from time to time
- Approve funding of eligible CWF projects by way of a resolution

The Chair of the Board of Directors shall approve contribution agreements with the non-profit organizations who have approved projects to be funded by Community Works Funds.

NON-PROFIT ORGANIZATIONS

Non-profit organizations may request funding from Community Works Funds for eligible projects that result in a tangible capital asset primarily for use and benefit by the public.

Non-profit organizations are eligible once every three years for funding from the Community Works Funds.

All requests for funding must include:

- Letter of request signed by an authorized individual from the organization
- Identification of the eligible project category applicable to the proposed project
- A full description of the project, the objectives of the project, a timeline of the project, a full budget for the project and 3 written quotes for all proposed work to be undertaken
- Description of how the project is aligned with the CSRD strategic priorities
- Description of the long-term asset management plans of the non-profit
- Confirmation of land ownership and/or long-term lease with a minimum of 10 years remaining on the lease

When funding eligible projects of non-profit organizations, the CSRD requires in-kind contributions or matching funding of 20% of the total project budget to demonstrate the commitment by the organization to the success of the project. These contributions notwithstanding, the Community Works funding will only cover eligible expenses in accordance with the Agreement. It is the responsibility of the organization to be aware of eligible and ineligible expenditures.

Where non-profit organizations are approved for a project to be undertaken using Community Works Funds a contribution agreement must be signed between the CSRD and the non-profit organization. The agreement will include the following commitments from the non-profit organization:

- To expend the funds consistent with the CSRD purchasing policy
- To confirm in-kind contributions or matching funding of the project budget
- To comply with all applicable regulations, including building permits
- To provide proof of payment to all suppliers and/or contractors for which project funding had been provided
- To submit a final report including the outcomes achieved from the project
- To maintain all records associated with the project and retain these records for 10 years following completion of the project
- To provide a copy of the unaudited Balance Sheet and Statement of Income and Expenses for the year(s) the funds were dispersed to finance the project

Failure to abide by the terms of the agreement will render the organization ineligible for further funding from the Community Works Funds.

NON-ELIGIBLE ORGANIZATIONS AND PROJECTS

In addition to those organizations who fail to meet their obligations under the contribution agreement, organizations that are not eligible for Community Works Funds include those organizations who reside outside of the CSRD, any water system not owned by the CSRD including those systems that do not meet the acquisition criteria of the CSRD Water Acquisition Strategy, or are strata corporations.

June 2006
 February 2009
 October 20, 2011
 February 2013
 January 29, 2020