



CORPORATE AND ADMINISTRATIVE SERVICES COMMITTEE

**Thursday, May 23, 2019
SCRD Boardroom, 1975 Field Road, Sechelt, B.C.**

AGENDA

CALL TO ORDER 9:30 a.m.

AGENDA

1. Adoption of Agenda

PRESENTATIONS AND DELEGATIONS

REPORTS

2. General Manager, Corporate Services / Chief Financial Officer
Sechelt Library Service Establishment
(Voting – A, B, D, DoS and SIGD)
Annex A
Pages 1-57
3. Deputy Corporate Officer
Union of British Columbia Municipalities Resolutions
(Voting – All Directors)
Annex B
pp. 58-62
4. Interim Chief Administrative Officer
E-Comm Emergency Co-Location Agreements for 9-1-1 Fire
Service
(Voting – All Directors)
Annex C
pp. 63-64
5. Manager, Planning and Development
Support for Application to Housing Needs Assessment Program
(Voting – All Directors)
Annex D
pp. 65-69
6. Manager, Purchasing and Risk Management
Procurement Policy Framework
(Voting – All Directors)
Annex E
pp. 70-94
7. General Manager, Planning and Community Development
August 2019 Ice Offering – Gibsons and Area Community Centre
(Voting – B, D, E, F, ToG, DoS, SIGD)
Annex F
pp. 95-99
8. General Manager, Corporate Services / Chief Financial Officer
2019 Bursary Presentations
(Voting – All Directors)
Annex G
p. 100

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| 9. Manager, Solid Waste Operations
Request for Proposal 19 376 Contract Award Wood Waste Processing
(Voting – All Directors) | Annex H
pp. 101-103 |
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COMMUNICATIONS

- | | |
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| 10. <u>Mayor Mike Hurley, City of Burnaby</u>
Regarding: Expanding Investment Opportunities
(Voting – All Directors) | Annex I
pp. 104-112 |
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NEW BUSINESS

IN CAMERA

That the public be excluded from attendance at the meeting in accordance with Section 90 (1) (i) and (k) of the *Community Charter* – “the receipt of advice that is subject to solicitor-client privilege, including communications necessary for that purpose” and “negotiations and related discussions respecting the proposed provision of a municipal service that are at their preliminary stages and that, in the view of the council, could reasonably be expected to harm the interests of the municipality if they were held in public.”

ADJOURNMENT

SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

TO: Corporate and Administrative Services Committee - May 23, 2019

AUTHOR: Tina Perreault, General Manager, Corporate Services / Chief Financial Officer

SUBJECT: SECHELT PUBIC LIBRARY SERVICE ESTABLISHMENT

RECOMMENDATION(S)

THAT the report titled Sechelt Public Library Service Establishment be received;

AND THAT the report be forwarded to the District of Sechelt and Sechelt Indian Government District Councils for comment;

AND FURTHER THAT the report be forwarded to the Sechelt Public Library Board for information.

BACKGROUND

The Sechelt Public Library (SPL) currently receives its local share of funding from the District of Sechelt (DoS), Sechelt Indian Government District (SIGD) and Areas A, B and D of the Sunshine Coast Regional District (SCRD). The SCRD's authority to provide funding to SPL is through the Egmont / Pender Harbour Library Service Bylaw No. 1086, the Halfmoon Bay Library Service Bylaw No. 1046, and the Roberts Creek Library Service Bylaw No. 1043. SPL also receives funding from other sources such as the Province of B.C., federal and provincial grants, and its own operational revenues.

In 2004, the idea of amending the Halfmoon Bay Library Service Establishment Bylaw No. 1046, to add the DoS and the SIGD as participating areas to form a regional district library service was explored. Direction was provided to send the proposed bylaw to the Electoral Area A Director and the SIGD and DoS Councils for comment, though it never received 1st reading. Instead Electoral Areas A and B, SIGD and the DoS entered into a two year agreement to fund the SPL.

In 2014, the SPL and local government partners entered into a five year funding agreement which expired at the end of 2018. A new agreement was not completed, however, the funders provided a significant baseline increase as well as a contribution for special projects toward the SPL 2019 budget request.

At the March 14, 2019 Regular Board Meeting, the following motion (074/19) was passed:

Recommendation No. 15 *Sechelt Library Funding Apportionment for 2019 Budget*

THAT Sechelt Library Funding Apportionment for 2019 Budget be received;

AND THAT Sechelt Public Library Association be funded as follows:

- Electoral Area A [643] at \$40,731;
- Electoral Area D [646] at \$71,171;
- Electoral Area B [645] at \$165,578;

AND FURTHER THAT staff report to a future Committee regarding the legislative, funding and internal resources implications to establish a service for the Sechelt Public Library.

The total funding the SPL is receiving and the percentage that each jurisdiction is contributing for 2019 is as follows:

	Area A	Area B	Area D	DoS	SIGD	Total
Percentage of funding (2019)	4.86%	19.77%	8.50%	65.02%	1.84%	100%
2019	\$40,731	\$165,578	\$71,171	\$544,555	\$15,430	\$837,456
2018	\$29,894	\$121,370	\$69,435	\$396,539	\$11,234	\$630,490
Difference	\$10,837	\$44,208	\$1,736	\$148,016	\$4,196	\$208,994

Of the \$837,456, approximately \$41,800 is for “one-time” capital and reserve related items. These will fall off in 2020 and the SPL has requested a 4% per annum increase for the proceeding 5 years, with an estimated \$827,492 to be funded next year.

The purpose of this report is to explore alternative service delivery options between the current funding partners and the SPL.

DISCUSSION

Options and Analysis

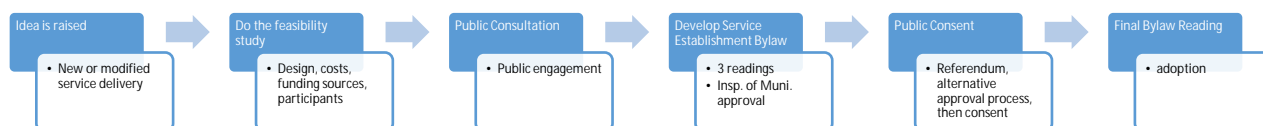
Service delivery is a key regional district function and many services like the SPL cross jurisdictional boundaries. Regional Districts can provide services through service arrangement, agreement, or through bylaw. Services can be delivered in any combination to electoral areas and/or member municipalities and include all or some of the areas. Some services are regional in nature, meaning all areas participate and contribute to the service or through a local service where one or more areas participate in a service.

Currently, the SPL local share is being funded through funding and service agreements between the SCRD (Electoral Area's A, B and D), the SIGD and the DoS. The funders would like information about establishing a local service area.

Legislative Considerations:

The process to establish a new regional district service is as follows:

Illustration #1:



Under the legislation, all regional district service establishing bylaws must:

- Describe the service - e.g. provision of water; regional parks; sewer;
- Define the service boundaries - e.g. which properties are in the service;
- Identify the participants - e.g. which electoral areas or municipalities are in the service;
- Indicate the method of cost recovery - e.g. property value taxes, parcel taxes, fees and other charges.

Most regional district service establishing bylaws must also contain the maximum amount that the regional district may requisition (collect) for the service.

In addition to the required content, regional districts have the option of adding special provisions to the service establishing bylaw. These include:

- Setting out a method of apportioning costs among the participants - e.g. requiring one participant to pay slightly less or more than the rest of the participants in the service.
- Establishing a method other than population for determining the number of votes to which a director is entitled regarding the administration and operation of the service.
- Establishing terms and conditions for withdrawal from service.

BC Assessment is responsible for assigning minor taxing codes to service areas established by Regional Districts, they require: adopted service area bylaw; service area code sheet; folio list of impacted properties; and a copy of a map outlining the service area.

The following options can be considered to fund the SPL:

Option #1- Modify Bylaw No. 1046

As was contemplated in 2004, the Halfmoon Bay Library Service Establishment Bylaw No. 1046 could be amended to add the DoS, the SIGD and Electoral Area A-Egmont Pender Harbour and Electoral Area D-Roberts Creek as participating areas to form a regional district library service.

Any change to the existing Bylaw would require the written consent of the participants (member municipalities through a Council resolution) and the approval of the Inspector of Municipalities. Since the change is a significant departure from what was originally contemplated when the service was established, an elector approval process may (or would likely) have to be undertaken prior to Inspector of Municipalities approval.

If this option was pursued, staff do not advise modifying Electoral Area's A and D Bylaws 1086 and 1043 respectively, as the authority to provide funding to the Pender Harbour and Roberts Creek Reading Rooms and the Gibsons and District Public Library is still required. However, there may be some confusion, especially in Electoral Area A where the service was recently established in 2017 as to change being contemplated. Therefore, additional public consultation in the rural areas of Egmont/Pender Harbour, Halfmoon Bay, and Robert Creek should also be considered.

The SPL would continue to appear at budget deliberations to present and explain their budget requests for approval and, a funding and service agreement would still be required each year or for a specified term, therefore providing funding surety. Any cost apportionment as set out in the Bylaw would remain consistent past the term of any agreement, as outlined in *Cost Recovery and Apportionment Considerations* section below.

Option #2- Establish New Service

Based on the legislated steps required to establish a new service as outlined in illustration #1 above, portions of the feasibility study would still be required, such as estimated budget/costs of the service, funding sources, apportionment methods, and final participants. There are certain aspects of these that could be clearly determined such as estimated service budget.

With this option, it would still not be advisable to modify Electoral Area's A and D Bylaws 1086 and 1043 respectively, as the authority to provide funding to the Pender Harbour and Roberts Creek Reading Rooms and the Gibsons and District Public Library is still required. However, if this option was successful, the Halfmoon Bay Library Service Bylaw No. 1046 should be repealed as the purpose of the Bylaw is to authorize providing funding towards the SPL.

The SPL would continue to appear at budget deliberations to present and explain their budget requests for approval and, a funding and service agreement would still be required each year or for a specified term, therefore providing funding surety. Any cost apportionment as set out in the Bylaw would remain consistent past the term of any agreement, as outlined in *Cost Recovery and Apportionment Considerations* section below.

Option #3- Continue to fund through service agreement

The funding partners could continue to fund the SPL through a long-term service agreement. This option would also be how the SPL would be funded if establishing a regional district library service was not successful. If this was the case, staff would recommend finalizing the agreement prior to 2020 budget deliberations. This option would also necessitate affirmation of the funding apportionment amongst the partners, as with options 1 and 2 above.

This Option would provide funding surety to SPL for the term of the agreement as agreed to by the Committee and funding partners. Under a service agreement, funding apportionment would be determined during the budget process or the term of the agreement.

Funding Considerations

The Bylaw would also have to set out what types of funding were eligible as part of the service establishment. For example, would the service allow for just operational funding or would the service allow for capital funding toward the SPL.

Cost Recovery and Apportionment Considerations

If a new regional district library service or long-term agreement were established, the funding partners would need to determine how cost would be recovered. The method of cost recovery would then be set out in Bylaw or funding agreement. Changing the method of cost recovery in the Bylaw would require approval of the Inspector of Municipalities and possibly public approval. It would also require 2/3 consent from the participating areas.

Different funding apportionment options were considered as part of the 2019 budget deliberations. Several staff reports were provided by all three local governments and are attached for reference (Attachment 1). Options of apportionment could be considered as follows:

1. Fixed Apportionment Based on Percentage Per Area:

This option considers rounding the 2019 Budget allocations for cost apportionment.

Area A	Area B	Area D	DoS	SIGD
5%	20%	9%	64%	2%

Based on the approved budget for the new function, the service participants would pay percentage as apportioned, and these values would be recovered through property assessment values for each property class. This is the same format as is currently occurring through the service agreement through the various Library services.

2. New apportionment method/allocation:

The funding partners may also want to contemplate a new allocation formula and staff would need more direction on what the Committee and member municipalities may want to see in addition to what has been presented to date. These have included through percentage based on 2014-2018 agreement, property assessments, population, and a combination. Staff have included the staff reports for reference (Attachment 2).

Organizational and Intergovernmental Implications

Having a regional district library service would have implications to the current funding partners and the SPL. For example, the Library would receive payments from one source as the regional district would be requisitioning the member municipalities for their share of the funding. The impact to the SCRD to manage this service would not be significantly more than what is currently being done through the current service bylaws.

Financial Implications

Based on the Sechelt Public Libraries 2019-2023 Budget requests, staff have provided an estimated service budget for the new service as follows:

	2020	2021	2022	2023
Administration/Support Services (6%)	\$49,650	\$51,636	\$53,701	\$55,849
Operating Grant	\$827,492	\$860,592	\$895,015	\$930,816
Total	\$877,142	\$912,228	\$948,716	\$986,665

If the funders used the funding percentages as the apportionment method for the new service, they would pay approximately the following:

	Area A	Area B	Area D	DoS	SIGD	Total
Percentage of funding	5%	20%	9%	64%	2%	100%
2020	\$43,857	\$175,428	\$78,943	\$561,371	\$17,543	\$877,142
2021	\$45,611	\$182,446	\$82,101	\$583,826	\$18,245	\$912,228
2022	\$47,436	\$189,743	\$85,384	\$607,178	\$18,974	\$948,716
2023	\$49,333	\$197,333	\$88,800	\$631,466	\$19,733	\$986,665

Timeline for next steps or estimated completion date

There are a few different steps in the service establishing bylaw process. How long it takes to complete the service establishing bylaw process depends on a number of factors, including the participating area approval method chosen and the complexity of the service.

The various steps in the establishing bylaw process are:

1. Service establishing bylaw drafted and Board gives it three readings;
2. Municipal Council or Electoral Area Director provide consent (if applicable);
3. Provincial review and statutory approval by the Inspector of Municipalities (6-8 weeks);
4. Approval of the electors (if applicable, 8-11 weeks);
5. Adoption of the bylaw by the Board;
6. Adopted bylaw submitted to the Ministry for their records.

In order for a new service to be in force in time for the 2020 tax roll, BC Assessment requires all Bylaw approvals to be done prior to December 31, 2019. Based on the process steps required, it would unlikely result in a Bylaw being approved by this date. However, steps could be actioned to be implemented for the 2021 tax year.

Communications Strategy

It is recommended that this report and any motions be forwarded to the DoS and SIGD Councils for consideration.

STRATEGIC PLAN AND RELATED POLICIES

N/A

CONCLUSION

The SPL currently receives its local share of funding from the DoS, SIGD and Electoral Areas A, B and D of the SCRD. At the March 14, 2019 Regular Board meeting, staff were requested to bring the legislative, funding and internal resources implications to establish a service for the SPL.

In order for a regional district service to be established, the proposed Bylaw needs to: describe the service - e.g. provision of providing funding to the SPL; define the service boundaries - e.g. which properties are in the service; Identify the participants - e.g. which electoral areas or municipalities are in the service; and indicate the method of cost recovery - e.g. property value taxes, parcel taxes, fees and other charges. It must also contain the maximum amount that the regional district may requisition (collect) for the service. It also needs to set out a method of apportioning costs among the participants.

Staff provided three options for consideration: modify the existing Halfmoon Bay Library Service Bylaw 1046; create a completely new service; and continue to fund the SPL through service agreement. Some funding apportionment analysis was also provided and staff seek more direction if other options wanted to be considered.

Based on the statutory requirement of public consultation, member municipal consent and legislative steps with the Inspector of Municipalities and BC Assessment, it would be unlikely that a modified/new regional district Sechelt Library service would be established in time for the 2020 tax year, however, it would be possible to work toward it for 2021. If a new service Bylaw was not successful, a new long term agreement should be drafted.

Attachments:

- Attachment 1: February 28, 2019 – CAS Staff Report – Sechelt Library Apportionment Options
Attachment 2: March 4, 2019 - Special CAS Staff Report - Sechelt Library Funding Apportionment

Reviewed by:			
Manager		Finance	
GM		Legislative	
Interim CAO	X – A. Legault	Other	

SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

TO: Corporate and Administrative Services Committee- February 28, 2019

AUTHOR: Tina Perreault, General Manager, Corporate Services / Chief Financial Officer

SUBJECT: SECHELT LIBRARY APPORTIONMENT OPTIONS

RECOMMENDATION(S)

THAT the report titled Sechelt Library Apportionment Options be received;

AND THAT the report, along with the Sechelt Library Associations funding requests be forwarded to the March 4, 2019 Round 2 Budget deliberations for consideration.

BACKGROUND

As part of the 2019 Pre-Budget, the Sechelt Public Library Association made a request to the funding partners to increase their operational budget by \$84,215 over 2018, with various increases for the proceeding 4 years (Attachment A). This was in anticipation for funding for the new Memorandum of Understanding (MOU) with the District of Sechelt, Sechelt Indian Government District (SIGD) and the Sunshine Coast Regional District (SCRD), which expired at the end of December 2018.

The revised proposal submitted as part of the SCR D's 2019 Round 1 Budget deliberations for Community Partners and Stakeholders, the Sechelt Public Library made the following requests (Attachment B):

Budget 2019 Operating Request and 2020-2024 Ask
<p>\$88,683 increase (12.2% increase overall)</p> <ul style="list-style-type: none">• Adult Programmer position• Full time Children and Youth position• On call staff• Increase to book budget• Maintain inter library loan• Increase bandwidth <p>2020 – 2023: plus 4 % for remaining 4 years of 5 year agreement</p>

Capital Requests Urgent	Capital Requests less urgent	Operating Requests
Total: \$10,000 <ul style="list-style-type: none"> Public Computers past end of life: \$5,000 Server at end of life: \$5,000 	Total: \$31,800 <ul style="list-style-type: none"> Business Phone System 2nd line and voice mail for librarian \$1,800 (+\$500 year phone bill) Website Development: \$10,000 Furniture: \$20,000 	Total: \$108,516 <ul style="list-style-type: none"> Materials budget: \$28,516 Supervisor Position: \$70,000 Recruitment Costs Reserve: \$10,000

At the February 21, 2019 Regular Board meeting, the following motion was passed, excerpt below:

Recommendation No. 2 *Sechelt Public Library - 2018 Budget Request*

The Corporate and Administrative Services Committee recommended that the following new information from the Sechelt Public Library be received:

- 2019-2020 Budget (with 2018 Budget);
- Five Year Agreement Proposal;
- Technology and Automation in Sechelt Public Library;
- Funders 2013-2017 Per Capita Results; and
- Correspondence from Sechelt Public Library dated January 24, 2019;

AND THAT the 2019 Funding Request from the Sechelt Public Library be referred to the 2019 Round 2 Budget pending a staff report providing apportionment options for the 2019 operating budget request and funding options for the contributing Electoral Areas on additional project requests presented by the Sechelt Public Library.

Over the past several months, staff have provided background and historical reports on the Sechelt Public Library funding, which are also provided for background (Attachment C).

The purpose of this report is to provide apportionment options for the SCRD Electoral Areas to fund the Sechelt Public Library's various budget request for 2019 and future funding agreement.

DISCUSSION

Options and Analysis

The Sechelt Public Library Association is asking for an increase in its base operations, which for 2019 is an increase of \$88,683 or approximately a 14% increase over 2018, for total funding of \$717,155.

The Sechelt Public Library Association is also asking for an ongoing service lift of \$108,516 for additional staffing, materials and the creation of a reserve for recruitment. As the existing SCRD library services bylaws for Area A - Pender Harbour (1086) (Attachment D), Area B - Halfmoon Bay (1046) (Attachment E), and Area D - Roberts Creek (1043.1) (Attachment F) do not allow for the creation of reserves, it would not be appropriate for the SCRD to fund this portion at this time. If the SCRD wanted to allow the Sechelt Public Library Association to create a reserve, it would need to amend or create a separate bylaw for this purpose.

Staff would also highlight that Gibsons and District Public Library is not permitted to hold a reserve of SCRD funds and it would only be equitable to consider this request for both Libraries. Staff do not recommend approval of this request.

Staff also did some further investigation into whether or not the existing Library Service Bylaws could fund for capital items for the Sechelt Public Library Association. Based on the original information packages for the creation of the services, and the resulting Bylaws, funding capital is silent. It has been pasted practice or through various historical funding agreements with the Sechelt Library Association that capital has been excluded. However, there is past precedence for funding minor capital equipment or one time projects for the Sechelt Public Library Association in 2013.

Therefore, the SCRD's Rural Area funders of the Sechelt Public Library Association could contemplate funding the one time requests totaling \$41,800.

Funding Apportionment Options

Option 1-Fund based on 2013-18 Funding Agreement

Based on the previous 2013-2018 Sechelt Library Funding MOU, the funders paid the following amounts and percentages.

Table 1.

Annual Funding Totals							
	2013	2014	2015	2016	2017	2018	Percentage of Funding
Area A	\$25,103	\$23,679	\$25,099	\$26,605	\$28,202	\$29,894	4.76%
Area B	\$105,664	\$96,136	\$101,905	\$108,019	\$114,500	\$121,370	19.31%
Area D	\$58,439	\$54,999	\$58,299	\$61,797	\$65,505	\$69,435	11.05%
SIGD	\$10,095	\$8,899	\$9,433	\$9,999	\$10,599	\$11,234	1.79%
DOS	\$305,257	\$314,096	\$332,942	\$352,918	\$374,093	\$396,539	63.10%
Total	\$504,558	\$497,809	\$527,677	\$559,338	\$592,898	\$628,472	
RD Total	\$189,206	\$174,814	\$185,303	\$196,421	\$208,206	\$220,699	

For 2019, the funders could pay based on the prior funding agreement (MOU) for either the base or all addition one-time and ongoing funding requests.

Based on 2019 base operational request: 2018 \$628,472 + 2019 increase \$88,683= \$717,155

	Area A	Area B	Area D	SIGD	DoS
Cost share percentage	4.76%	19.31%	11.05%	1.79%	63.10%
\$717,155	\$34,065	\$138,483	\$79,246	\$12,837	\$452,525

Staff have also provide in the supplementary appendix (Attachment G) which details of approximate residential rate per \$100,000 for this alternative, the change over 2018 as well as the percentage change over 2018.

If the Committee wanted to consider funding the increase in operational, the additional ongoing increase of \$98,516 (\$108,516 less \$10,000 recruitment) as well as the one-time capital request for 2019, this would bring the total to \$857,473 and based on historical apportionment would be as follows:

	Area A	Area B	Area D	SIGD	DoS
Cost share percentage	4.76%	19.31%	11.05%	1.79%	63.10%
\$857,471	\$40,816	\$165,578	\$94,751	\$15,349	\$541,064

Option #2 - Fund based on population (2016 Census)

Another option to consider would be to fund per person in each of the jurisdictions (Attachment G-Census). This option is being presented as it is that some of the funding provided to the Sechelt Library Association like the Ministry of Education-Library Branch is based on a per capita rate. Many of the statistics and benchmarking is also measured against these figures.

The challenge with using this data as the basis of apportionment is that the census data remains static for a five year period. It also has been discussed whether the full population of the rural area participants are using the service and if this is the most equitable singular factor in determining apportionment for the service. For these reasons, staff are not recommending using this as the sole apportionment model.

Option #3 - 100% of Property Assessments (land and improvements)

Most functions of the Regional District are apportioned based on property assessments either through a combination of land and improvements are in some cases, just based on improvements. This change would result in material increases either up or down for the funding partners. For example, Area A could see an increase of 548% and the shíshálh Nation/SIGD would see a 148% increase, whereas the District of Sechelt would see an overall decrease of almost 4% over 2018 funding.

This option is not recommended.

Option #4 - 50% Population and 50% Assessments

There are other initiatives, such as Sunshine Coast Tourism and the Community Youth Outreach Worker which are paid separately through the member municipalities. Both of these are apportioned based on 50% population and 50% assessment for the SCRD rural areas. Staff have provided this as one of the options for funding the Sechelt Library Service. Again this does not appear to produce an equitable apportionment model.

This option is not recommended.

2019 Funding Apportionment

Based on the current findings on other apportionment options, staff recommend using the previous/historical agreement percentages as the basis for funding for 2019. This will allow for other options to be considered in the future.

Staff are however, seeking direction from the SCRD's rural areas funding partners as to what funding level they would like to fund for 2019, which includes the 14% lift to the base, the increase in service and the one time capital request.

Future Considerations

Another option would be for the various jurisdictions to explore the establishment of a Sechelt Library Service. This was last contemplated in 2004 and did not proceed to a feasibility or public consultation phase. If this Committee would like to explore this option, staff could provide a future report on the legislative, funding and capacity to undertake this process.

Organizational and Intergovernmental Implications

The District of Sechelt and shíshálh Nation/SIGD staff have presented similar reports to their respective Councils. These are attached for information (Attachments H and I) and both have recommended subject to the SCRD, approving the base, additional one-time and ongoing funding requests from the Sechelt Public Library Association.

Financial Implications

Details of the various financial implications can be found on Appendix G. Depending on what is approved by the various SCRD funders, especially those in Area A and D with other library funding for either reading rooms or the Gibsons and District Public Library for Area D, the cumulative impact will be provided for 2019 Round 2 Budget.

Timeline for next steps or estimated completion date

It appears that using one of the percentage allocations may be the most equitable method in apportioning the funding toward the existing Sechelt Library service. However, based on past Committee discussions, there may be a desire to re-evaluate the cost share for some of the funding partners. If the Committee could provide staff with further direction, this could be considered as part of the future Sechelt Public Library Association's 2020-2024 funding agreement and 2019 work plan.

Staff, together with the other funding partners and Sechelt Public Library Association, can also explore other funding apportionment options for the future.

Communications Strategy

Staff will continue to work with the Sechelt Public Library Association, District of Sechelt and the shíshálh Nation/SIGD toward a future funding agreement.

STRATEGIC PLAN AND RELATED POLICIES

Funding the Sechelt Library is in accordance with the Boards Financial Sustainability Policy.

CONCLUSION

The Sechelt Public Library Association is asking for an increase to its base operational funding, an increase for staffing, materials and recruitment reserve, as well as a one-time capital request for 2019, all totaling \$857,471 (as the SCRD can't fund the \$10,000 for establishment of a reserve).

Staff have provided 4 funding apportionment options for the Committee's consideration which are based on the historical Sechelt Library funding agreement percentages as well as those based on population, property assessments, and a combination of population and assessments. Staff are seeking direction on which funding level the SCRD rural areas are willing to fund in anticipation of the 2019 Round 2 Budget deliberations. Staff recommend using the historical Sechelt Library funding agreement percentages for 2019 Budget.

Based on past Committee discussions, there may be a desire to re-evaluate the cost share for some of the funding partners. If the Committee provides further direction, this could be considered as part of the future Sechelt Public Library Association's 2020-2024 funding agreement and 2019 work plan.

Staff, together with the other funding partners and Sechelt Public Library Association, can also explore other funding apportionment options for the future.

Another option would be for the various jurisdictions to explore the establishment of a Sechelt Library Service in the future. If this Committee would like to explore this option, staff could provide a future report on the legislative, funding and capacity to undertake this process.

The District of Sechelt and shíshálh Nation/SIGD staff have presented similar reports to their respective Councils and have made recommendations, subject to the SCRD approving the base, additional one-time and ongoing funding requests from the Sechelt Public Library Association.

Reviewed by:			
Manager		Finance	
GM		Legislative	
CAO	X – J. Loveys	Other	

Attachments:

- Attachment A Sechelt Public Library Association 2019 Pre-Budget Funding request
- Attachment B Sechelt Public Library Associations 2019 & 2020-2024 Round One Budget Requests
- Attachment C Sechelt Library Funding and Historical
- Attachment D Area A -Pender Harbour Library Service Bylaw 1086
- Attachment E Area B-Halfmoon Bay Library Service Bylaw 1046
- Attachment F Area D-Roberts Creek Library Service Bylaw 1043.1
- Attachment G Sechelt Library Funding Apportionment Options
- Attachment H February 6, 2019-District of Sechelt Staff Report titled: Sechelt Public Library Funding and Service Agreement
- Attachment I February 19, 2019- shíshálh Nation/Indian Government District (SIGD)- Sechelt Public Library Funding for 2019 and Five Year Funding Agreement



A Gateway to Human Potential

FIVE-YEAR AGREEMENT PROPOSAL

INTRODUCTION

Sechelt Library is incredibly successful. The growth in the number of users accessing the facility both in person and remotely would be admirable for any library. We have achieved this success through intensive community involvement and considered use of resources. We would like to continue this success by being able to serve the growing population and the increasing number of people who benefit from the social, cultural and economic impact of what we offer. Continued success requires support.

Surveys of more than 1,000 community members in 2016 including 700 in Trail Bay Mall found that of those, 88 % per cent used the library within the previous twelve month period and 50 % per used it every week. And, 84 % said that their level of satisfaction with the library was excellent or very good. Between 2015 and 2017, the library has issued an average of 913 new library cards each year.

This proposal for the Sechelt Library's five-year agreement has two parts. The first part is our 2019 budget proposal. It addresses the maintenance of operations without enhancements or additions for the 2019 calendar year. The second part is our five-year budget, which includes the funding proposed in Part 1 for 2019 and continues through December 31, 2023. It concludes with an analysis of the 2014 to 2018 five-year agreement, specifically one of its objectives: to achieve funding parity with libraries in the Province that serve similar sized populations. In this document, we also present business cases for capital items and other necessities required to enhance services and add economic value to the community. We begin with the background.

BACKGROUND

The Role and Impact of Libraries: Libraries are portals to knowledge, growth and self-development. They are the creators of economic and social opportunity. Libraries contribute to life-long learning, culture, work and play, and provide safe community spaces for all ages, interests and socioeconomic backgrounds. The evolution of technology and the advent of the digital age have meant that libraries, community expectations, and notably, library work have changed radically. We are determined to keep pace with this change to meet the needs of our citizens.

The Success and Growth of Sechelt Library: The dynamic nature of libraries and enhancements in delivery of materials and resources mean that the Sechelt Library staff's work has increased. With an

increase of 15% in visits over the last three years, an increase of 171% in inter-library loans in three years, and in 2017, 879 new memberships, the library staff's volume of work has increased beyond its ability to serve. With 125,600 visitors a year, we welcome an average of 50 visitors an hour. This is the predicament of a successful institution and we want to ensure that we continue the same level of customer service excellence that we are known for.

Due to the growing workload in 2018, the library closed to the public on Wednesday mornings so that the staff could have the extra time to catch up with "back office" work. However, the library is still open 44 hours a week, which is two hours a week in excess of its agreement with funders.

History of Funding: Currently we are operating under a five-year funding agreement that expired in December 2018. This agreement provided increases of six percent per year, which is a high percentage, BUT factored onto a low base. One of the key stated objectives of the current agreement was to achieve local government funding parity with similar libraries. This was an important and noble goal on all sides and we appreciate the spirit in which this endeavour was undertaken. The result, however, was that we did not achieve the funding levels of other libraries.

Per Capita Gap. One reason the library has fallen behind is because of the low base of its original 2013 operating budget. At the outset of 2013, the per capita gap between the Sechelt library and libraries of comparable size was \$4.96, and in 2017, in spite of the funding agreement of 6% increase annually, the gap increased to \$9.46. This data was reported by the BC Ministry of Education. In 2018 the District of Sechelt conducted its own per capita comparison between Sechelt and Gibson's libraries and the difference was \$17.17 or 40% (Sechelt \$44.03 per capita & Gibsons \$61.20 per capita). This comparison underscores the fact that BC libraries are experiencing growth and receive comparable support from their local governments.

PART 1, 2019 BUDGET PROPOSAL

In this 2019 budget proposal we present our needs for funding to sustain library operations as they exist in 2018. For most budget items we have assumed a 2% inflation factor; however, there are a few areas where more than 2% is required. Three of these areas are addressed below: 1. salaries and staffing, including a Children and Youth Coordinator and Adult Program Coordinator, 2. books, and 3. bandwidth. Each area is described and a justification is provided for why this is continuity of service and not enhanced service. In our summary we include alternative actions necessary if the funding cannot be provided. A spreadsheet with the 2018 budget, actuals and projections through 2023 is attached as Appendix A.

1. SALARIES AND STAFFING

How We Serve Better--Staff Changes and Reorientation in 2017: The Province has greatly increased access for patrons through the creation of resource sharing agreements. This service allows residents to access not only the collections of the Sechelt Public Library, but also a large portion of the collections of

all libraries in British Columbia. The grant awarded to the library by the Province was increased to offset the cost of this program. With a reduced postal rate and grant monies, our library can offer this service for little to no cost for material deliveries. What this service does cost, however, is the staff time to process both incoming and outgoing materials. Our library has seen a dramatic increase in the amount of materials coming into our library for our patrons as well as going out to other libraries. This means we can offer superior service to those living in the area who want access to materials we can't maintain in our own collections. We believe the increase in staff time is a valid trade-off for this service that people in the area clearly want. By assigning 10 hours per week to part-time staff, we are able to manage this increased demand.

How We Want to Serve Better--Staff Size Disparity: In 2015 and 2016, our library had the same number of full-time equivalent employees (FTE) per 1,000 population served as similar libraries in our Province. But, in 2017, our growth in population began to be felt at the library. In 2017 the library operated with 12 employees or 9.3 FTEs. The average for similar libraries was 9.6 FTE. Our population growth has caused the library staff to be overworked and the FTEs per 1,000 population to decline. This is in spite of an increase of one FTE since 2015. Today, Sechelt library has .05 FTE staff per 1,000 population. The average number of staff per 1,000 population is .06 FTE as the table below indicates. Only one library in our comparison has a lower FTE staff than Sechelt Library. To maintain continuity of service in 2019 and again be at the average FTEs per 1,000 population served, we will need to increase staff by .3 FTE. This increase will enable the library to sustain current service levels in 2019.

The following table shows the number of FTEs per library and per 1,000 population. Sechelt Library is placed on the bottom for comparison. The only library with fewer FTEs per 1,000 population is Dawson Creek Municipal Public Library.

Sechelt Library Population and FTEs Compared to Similar Libraries in Our Province.

Liraries Serving Similar Sized Populations	2015 Population Served	2015 FTE Employees	2015 FTEs per 1,000 population	2016 Population Served	2016 FTE Employees	2016 FTE per 1,000 population	2017 Population Served	2017 FTE Employees	2017 FTE per 1,000 population
Castlegar & District Public Library	13,441	6.7	0.05	13,441	6.7	0.05	13,798	6.7	0.05
Dawson Creek Municipal Public Library	18,673	6.3	0.03	18,673	6.3	0.03	18,455	7.7	0.04
Gibsons & District Public Library	11,761	8.0	0.07	11,761	7.3	0.06	11,624	7.0	0.06
Nelson Municipal Library	18,310	9.4	0.05	18,310	9.5	0.05	19,481	10.0	0.05
Powell River Public Library	20,049	11.5	0.06	20,049	11.5	0.06	19,042	10.6	0.06
Prince Rupert Library	14,245	9.9	0.07	14,245	10.5	0.07	13,224	11.5	0.08
Squamish Public Library	19,244	11.7	0.06	19,244	12.1	0.06	19,303	12.6	0.07
Terrace Public Library	20,496	7.9	0.04	20,496	7.9	0.04	20,605	10.5	0.07
Averages	17,027	8.9	0.05	17,027	9.0	0.05	16,942	9.6	0.06
Sechelt Public Library	17,257	8.2	0.05	17,257	8.2	0.05	17,552	9.3	0.05

Positive Educational Impact-Technology Coordinator: Access to information has changed drastically in the digital age. Where books were once the main source of information, computers, tablets and phones now represent a large component of how information is transmitted.

Our current five-year agreement requires us to provide technology services and specifically states in the 2013 Memorandum of Understanding that we are to provide *“Access to public computers and Wi-Fi with technical and customer service support, providing training to the public on the Internet use and downloading digital resources.”*

The shift in technology in libraries began in the 1990s when libraries were designated by government as the vehicles for granting access to and education about computers. Librarians were given the task of helping people adjust to a technological age and have been helping patrons with their technology-based questions ever since.

Demand has increased dramatically with the introduction of tablets and e-readers. From 2010 onward, our library staff has spent an increased amount of time responding to the technology needs of patrons. This valuable service ensures that those living in Sechelt are able to navigate the digital age and have the same opportunities as those living elsewhere. The increased staff time spent on helping with technology needs meant that other library tasks such as cataloguing, processing materials, acquisitions, etc., were continuously strained to a breaking point. This contributed to a significant number of staff experiencing workplace stress, as not all staff felt competent to answer the level of technological questions being asked by the public.

To provide continued technology service as we have been doing for well over a decade, a full-time technology coordinator was hired when the public services supervisor retired. The addition of this position has also reduced the need to procure some of our previously required vendor technology services.

Positive Social and Emotional Community Impact- Adult Programs Coordinator: With the remaining monies from the retired supervisor position, we hired a part-time adult programs coordinator. This decision was based on two 2016 community surveys totaling over 1,000 responses. Programs were well attended in 2018 with over 2611 participants.

The library now has 60 community partners and a recent partnership with “Better at Home” means that the library materials can be delivered to the housebound.

Salaries. Salaries for library staff need to increase to keep pace with inflation. The library participated in union negotiations in late 2018 and resulted in a 1% salary increase for the second half of 2018, 1.7% increase for 2019 and a 2% increase for the years 2020-2023. Additionally, there will be a benefits increase of \$12,017 for three part-time staff who do not currently receive benefits. This increase in benefits complies with standard practice. The 2018 salaries budget of \$538,500 will increase to \$608,726 in 2019, an increase of \$70,226 (\$2,693 + \$67,533), as the table below indicates.

Sechelt Library 2018 Budget and Proposed 2019 Budget

	2018 Budget				2019 Budget			
	Original 2018	1% Increase from July 1	\$ Increase from July 1	Rev 2018 (w/ Union wage increase)	Rev 2018 (w/ Union wage increase)	% Increase from Rev 2018	\$ Increase from Rev 2018	2019
Human Resources								
Staff Salaries	435,000	0.5%	2,175	437,175	437,175	1.7%	7,432	444,607
CPP/EI Expenses	30,000	0.5%	150	30,150	30,150	1.7%	513	30,663
Benefits - MSP and Extended Health	32,500	0.5%	163	32,663	32,663	1.7%	555	33,218
WCB Expense	1,000	0.5%	5	1,005	1,005	1.7%	17	1,022
Pension	40,000	0.5%	200	40,200	40,200	1.7%	683	40,883
Benefits on \$60,000 staff salaries							12,017	12,017
Subtotal	538,500	0.5%	2,693	541,193	541,193	1.7%	21,217	562,410
Call-In staff							2,000	2,000
Youth Librarian							36,277	36,277
Youth Librarian Benefits							8,039	8,039
Total	538,500		2,693	541,193	541,193		67,533	608,726

Children and Youth Coordinator. The original 2018 budget included a part-time Children and Youth Coordinator at 21 hours. This position fulfills our 2013 Memorandum of Understanding as it states that the library, “offer ... young adult, and children’s programmes such as Summer Reading Program (Provincial) for children and young adults” as well as “outreach services to children” and First Nation services that include “weekly visits by children’s librarian with new library material to support literacy development.”

However, in May, our Children and Youth Coordinator resigned and by August we had not attracted a suitable candidate. By September it was clear that our budget was unsustainable plus we had union negotiations with six months of retroactivity and recruitment costs for a Chief Librarian. If services as of the beginning of 2018 are to be maintained, the salary for a Children and Youth Coordinator salary must be included in the 2019 budget.

Funding for a full-time youth librarian will put us at the same FTE staff per 1,000 population level as we were in 2016 and in line with similar libraries. Additionally, we believe a full-time youth librarian will enable better First Nation outreach services as well as outreach to Pender Harbour. This position is also assigned general library duties. The additional funds for a youth librarian salary and benefits total \$44,316 (\$36,277 salary and \$8,039 benefits).

Many of our elementary schools are over capacity as a result of more families moving to the Coast. As reported recently in the Coast Reporter, Nicholas Weswick of District No. 46 reported they had anticipated an increase of 20 students, but instead 97 students enrolled.

On-Call Staff. As with all public facing institutions, our library has found it necessary to hire staff to cover vacations and absences of regular staff members. In 2018, the cost for these on-call staff members was \$2,000.

Salaries Budget Including Youth Librarian. As previously stated, the library's 2019 budget for salaries and benefits is estimated at \$608,726. This includes the retroactive salary and benefit increase in 2018; a salary and benefits increase in 2019, and a full-time youth librarian salary with benefits, and on-call staff, as the chart above indicates.

Total Budget Increase

The total budget increase from the original 2018 budget to the budget needed to maintain continuity of service in 2019 is \$88,683 (2019 budget of \$814,983 less 2018 budget of \$726,300). See Appendix A.

2. BOOKS

Reading has been shown to develop brain function and keeps people intellectually challenged as they age. Far from a simple leisure activity, reading holds a key place for developing and maintaining a healthy society. We want to make sure we have the capacity to give our citizens the material they want and need. The books budget has gone from \$59,000 in 2015 to \$55,000 in 2018. Yet, during that same time period, the library saw an average increase of 913 new cardholders each year. In 2015 the library had 111,493 visits. In 2017 the number of visits was 128,430. That is a 15% increase in two years. Visitors often request the most recently released books. If they cannot find these books in the library, they request them via inter-library loan, adding to increased staff time to process these requests. To maintain continuity of service, the books budget should increase to accommodate the number of visitors. Therefore, we consider an 11% increase from 2018 to 2019, or a \$6,050 increase in the books budget from \$55,000 to \$61,050 to be necessary to provide the same services as in 2018. Below is a table that shows the successful increase in the number of people coming through our doors for services and a books budget that does not keep pace.

Sechelt Library Books Budget					
	2015	2016	2017	2018	Est. 2019
Sechelt Library Books Budget	\$59,000	\$50,000	\$50,700	\$55,000	\$61,050
Ideal Book Budget Based on 11% Increase		\$65,490	\$72,694	\$80,690	\$89,566

In 2015, 172,842 materials were borrowed. In 2017, the amount rose to 193,390. Sechelt Library's books budget has been under-funded for several years and has, in fact, dropped between 2015 and 2018. We request an increase of 11% in 2019 and present a business case for additional funding for books in part two of our five-year budget proposal.

Inter-library Loans. Our library has experienced a dramatic increase in inter-library loans during the past three years as the Ministry of Education reports. Total books borrowed and lent have increased a total

of 171% since 2015. The increase in the number of loans means that more staff time is necessary to process the requests. The library extended hours for two part-time staff to handle the workload. The chart below shows the number of interlibrary loans processed and the annual increase from 2015 to 2017. Data are not yet available for 2018.

We are required by our current five-year agreement to provide unlimited interlibrary loans. It specifically states there should be “*no limits per person or weekly, monthly, yearly limits. No non-pick up fees. Access to provincial and interprovincial resources. Access to the physical collections of members of InterLINK.*” This service is highly valued by our community, as demonstrated by its use. It is important to keep this service, but also to improve our own collections so patrons can find the books they want in our collection.

Sechelt Library Increase in Interlibrary Loans Processed

Interlibrary Loans Processed						
	Year	Borrowed	Loaned	Total borrowed and Loaned	Annual Increase	% Increase
	2015	2275	942	3217		
	2016	3272	4776	8048	4831	150.2%
	2017	3956	5802	9758	1710	21.2%
Total Increase						171%

It's worth noting that a declining books budget will sooner or later increase the cost of inter-library loans. There is a charge for each inter-library loan. If our books budget decreases, so does the quality of our collection. Other libraries will borrow less from us and we will borrow more. Our costs will increase as we pay for this privilege.

3. BANDWIDTH

Internet access provides necessary connectivity for those who wish to stay connected socially, apply for jobs, research social issues, understand their ancestry, search databases, read newspapers and magazines, or visit the library at home via the Internet.

The library needs additional bandwidth as more and more patrons are accessing our library via the Internet. Daily computer use places a huge load on the bandwidth. Increased bandwidth is an ongoing requirement of most libraries, and many have increased their bandwidth to better serve their patrons.

With 17,463 Internet sessions in 2017 (an average of 55 sessions a day on 10 computers) it's clear that this access is key, especially for those without computers at their homes. An increase to the budget of \$2,000, or a 66% increase over the 2018 budget of \$3,000, will provide adequate bandwidth capacity. This is similar to Gibsons library that increased its bandwidth budget by 66% in 2017.

SUMMARY

To ensure adequate funding to continue with library operations as they existed in 2018, our library will need an increase of 2% for most items in our budget to maintain pace with inflation plus the higher costs specified above for salary and staffing increases, an increase in the books budget, and funds for additional bandwidth. The total increase over the 2018 budget is \$88,683. Staffing is the library's main cost and much of this increase is due to union negotiated salary and benefit increases and retroactive salary and benefit increases in 2018.

This funding will have the added benefit of helping to close the gap in local government support between the Sechelt Library and similar libraries as discussed in Part 2, below. We believe that this gap has an impact in how the entire Sunshine Coast is perceived by tourists, people potentially moving here, and by our current population. Some possible measures to deal with the financial shortfall may have to include:

- Close on Monday to compensate for the loss of staff time, which may reduce the volume of work by reducing access.
- Leave either the popular adult programs position or the Children and Youth Coordinator position unfilled.

PART 2, FIVE-YEAR BUDGET PROPOSAL

We have attached our five-year budget that includes our 2018 budget, 2018 actuals, and estimates for the years 2019 to 2023. In the years 2020 to 2023, we request an average increase of 4 % per year from our local government funders to keep pace with inflation and fall more in line with similar libraries and the local government support per capita they receive. However, 2019 funding needs are higher, primarily due to staff and benefit increases.

See Attachment A for the Sechelt Library's five-year budget.

Sechelt Library Per Capita Funding Compared to Similar Sized libraries.

The Ministry of Education reports the per capita funding for all BC libraries. The Sechelt library has compared the per capita amounts of libraries serving similar sized populations. In 2017, this was:

- \$33.78 per capita: Sechelt Library
- \$43.24 per capita: average of comparable libraries
- \$50.21 per capita: Gibsons and District Public Library
- \$53.82 per capita: Powell River Public Library

Comparable libraries were: Castlegar, Dawson Creek, Gibsons, Nelson, Powell River, Prince Rupert, Squamish, and Terrace as their populations were similar to Sechelt, between 12,000 and 20,000.

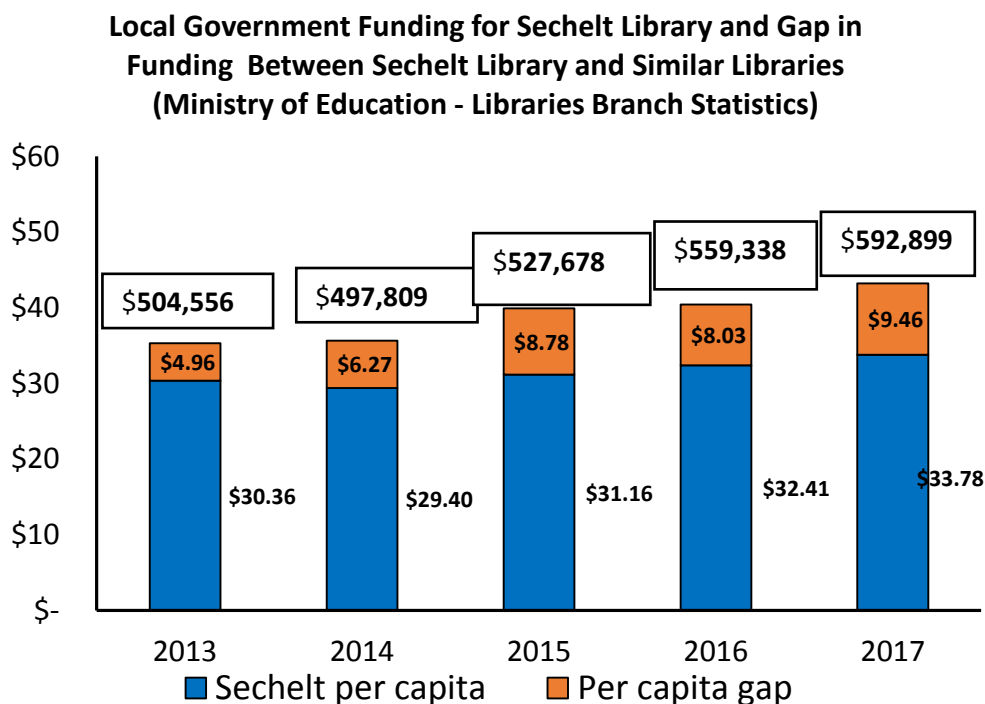
It is clear that Sechelt Library is significantly underfunded by comparison.

As previously stated, one objective of the 2014-2018 agreement was to move toward parity with other libraries.

“The Funders’ objective for funding the library will be to move toward parity for local government support per capita as shown in the Ministry of Education British Columbia Public Library Statistics as updated from time to time.” January 8, 2014.

Unfortunately, that parity was not achieved in the five years since the agreement was in place.

The chart below shows the local government funding for Sechelt library and the gap with similar libraries. The orange portion of each bar shows the growing gap in funding in dollar terms.



At the end of 2017, the library received total funding of \$592,899. Using a service area population of 17,552, the per capita funding was \$33.78. The average per capita funding for libraries serving similar sized populations was \$43.24, reflecting a gap of \$9.46. In 2013 the gap between Sechelt Library and comparable libraries was \$4.96 and in 2017 it was \$9.46. The gap is increasing, not decreasing. This is not the direction intended by the library’s funders.

The District of Sechelt conducted its own analysis of funding and compared the Sechelt Library to Gibsons and District Public Library. Using slightly different population statistics, the analysis revealed in 2017 our library had an average per capita cost of \$42.43 and Gibsons had a per capita cost of \$62.99. In 2018 Sechelt’s average per capita was \$44.03 while Gibsons was \$61.20. The District analysis supported our conclusion.

Funding 2019-2023

Going forward Sechelt Library is looking for funding comparable to similar sized libraries.

- Local government funding of \$169,779 will close the gap as it existed in 2017 and result in \$43.24 per capita funding for Sechelt Library. This would still be lower than Gibsons and District Public Library at \$50.21 and Powell River Public Library at \$53.82. But, it would be in line with comparable libraries in our study. If our 2019 proposal is funded for \$88,683 as presented in Part 1, \$81,096 would be needed to achieve parity with the local government support to similar libraries.

Amount needed to achieve parity, \$169,779

Amount needed in 2019 to maintain operations, \$88,683

Difference, \$81,096.

The difference in funding of \$81,096 could support our capital requests, materials, recruitment costs, or supervisor position as described in our business cases below.

- Appendix B, shows the funders' population, total funding, and per capita funding. Appendix C shows the BC libraries we used for comparison, their funding, populations, and per capita funding.

Sechelt Public Library – A Valuable Partner

The Public Library Association Board works in partnership with local, regional and the Sechelt Indian Government District to deliver services that are responsive to community needs. Sustainable funding for the library is an opportunity for government to carry out their strategic goals and mission.

Quality of life was cited as the main reason citizens choose to live in this area, and Sechelt Public Library makes a significant contribution to that quality of life. There were commonalities in the strategic plans of the Sunshine Coast Regional District and District of Sechelt. Both governments (and it is assumed true of the Nation as well) have goals to both maintain and increase the quality of life of its citizens. The Sechelt Public Library plays an active role in each of these goals.

Our patrons represent a broad cross section of the population including all ages, income levels, races, colours, ancestries, places of origin, political beliefs, religions, family or marital status, physical or mental abilities, sex, sexual orientation or gender identity.

Staving off cognitive decline through lifelong learning, providing resources for the unemployed, creating future leaders as we give children valuable social and cultural experiences and giving teens a voice as they look to create identities outside of home and school – these are just some of the social, community, education and economic impacts the library creates for the Sunshine Coast. Diminishing these services means losing these impacts. Increased funding, however, allows the library to fully

engage with our citizens, thereby increasing the quality of life and helping local and regional governments achieve their goals.

BUSINESS CASES

Capital Items

The 2014 - 2018 five-year agreement specifies that it can be opened once a year for capital requests. However, our capital request for the 2018 budget year was not successful. The library has received no capital funding from its funders. Although we have not received funding for capital items from funders, we have received funding for capital from grants, donations, and a bequest.

Capital Donations from the Friends of the Library. The Friends of the Library have donated \$85,000 to the library during the past several years which have enabled the replacement of 22 year old chairs that were collapsing, the purchase of book trucks, workroom furniture, an electronic notice board, laptops for staff, and self-checkout machines.

Capital Donations for Renovations. A Canada 150 grant matched by a bequest to the library, donations, and proceeds from our gala fundraising event funded the library's recent \$100,000 renovation project.

Donations from the Community Investment Program of the District of Sechelt and 100 Women Who Care. These two organizations donated laptops and a technical wired cart for library patrons.

While we are grateful to our various donors for providing some capital items, other requests for capital have not been honored and the items are urgently needed. The Library wishes to make the following requests from funders for furniture, software, business phone system, and website development.

Furniture. Four public area chairs and eight tables for the computer nook are needed to replace ones that are old and too large for the space. The computer nook is narrow and cramped with accessibility issues that reflect a dated, 22 year old vision of the role of technology. It is difficult for the physically challenged to access this area. The cost is \$20,000.

Public Computers and Copier. The library needs four new public computers as they have reached the end of their useful lives. The cost for the computers is \$5,000.

We have added a line item in our 2019 proposal request for \$5,000 per year for replacement of furniture and computers. This is standard practice for most organizations and in line with what Gibsons library has received.

Business Phone System. Our library's phone system is outdated and inadequate for current needs. For example, our Chief Librarian does not have an individual extension nor individual voicemail. A new system is needed that will provide these services. This is a cost of \$1,800 for installation and an increase in the phone bill of \$500 per year.

Computer Server. Our server must be replaced every five years. 2019 is the fifth year the server has been in operation. It may last for one more year, but must be replaced soon to avoid a complete shutdown of technology services at the library. The cost for a new server is \$5,000.

Website Development. Our library's web page is a shared access template provided by the BC Libraries' Cooperative to support smaller libraries. It is limited, inflexible and cumbersome. Web updates and maintenance are done in house. For the last two years the library has added pages but the needs are compromised by a system the library has outgrown. The library would like to develop its own, independent website that is designed to meet the library's needs and which will support ease of community access and navigation. The cost for this web page development is \$10,000.

These one-time capital items total \$41,800.

Materials

Materials borrowed from the library increased by 12.3% between 2015 and 2017. However, the books budget has been underfunded for several years. If an 11% per year increase had been applied to the 2015 books budget, the budget would be \$89,566 in 2019. As we have stated in our Operating Budget proposal, a declining materials budget will sooner or later increase the cost of interlibrary loans. If our materials budget decreases, so does the quality of our collection. Other libraries will borrow less from us and we will borrow more. Our costs will increase for this privilege and we need to "catch up". Therefore, we request an additional \$28,516 (\$89,566-\$61,050) to ensure the sustainability of the library's collections.

Recruitment

In 2018 the Library incurred an unbudgeted cost of \$10,000 for recruitment for a new librarian. This is in spite of the savings realized by not engaging the services of a professional recruiter. It should be noted the library board reduced costs by handling the recruitment process. The recruitment costs were covered by our modest reserve fund, which was obtained through a bequest and established for renovations. However, the library should anticipate vacancies and build a reserve fund for subsequent replacements. We request \$10,000 to replace the borrowed funds and \$2,000 per year as a new line item in the budget for recruitment costs.

Library Supervisor Position

Our Chief Librarian is the only staff member who is not a member of the union, and we believe a supervisor outside of the bargaining unit who would support the Chief Librarian and assume general libraries duties if necessary is needed. Our Chief Librarian is extremely busy running the library and cannot support operational duties that are necessary to accommodate absences and vacations, for example. As the population of Sechelt grows, this is a position we deem necessary. Sechelt has been increasing in population at a rate of 1.4% per year, yet our library users have increased more rapidly. We have seen an increase in visitors of 11% each year for the past two years. This large increase speaks

volumes about the value of the library to the community. If this high rate of users continues, we will need a supervisor position very soon. The cost for a supervisor position with benefits is \$70,000 per year.

Summary

2019 Budget. Funds needed in 2019 to maintain operations as they existed in 2018 total \$88,683. Most of our budget is staffing, which is subject to salary and benefit increases plus back pay. One reason for this amount is because our library has been underfunded for many years and it is no longer possible to maintain services without this additional funding. The library has cut every unnecessary expense and there are simply no more savings available. The only recourse remaining is to cut staff and services.

- In 2013 Sechelt Library signed a five year funding agreement with the SCRD, SIGD and DOS with an annual increase of six per cent to achieve the goal of parity with similar sized libraries.
- The gap has risen from \$4.96 in 2013 to \$9.46 in 2018 which is the final year of the agreement.
- In 2018 the District of Sechelt conducted its own per capita comparison between Sechelt and Gibsons libraries and the difference was \$17.17 or 40 per cent. (Sechelt \$44.03 per capita & Gibsons \$61.20 per capita)
- Today, Sechelt Library's goal is sustainability. Slow attrition over five years combined with the growth in demand means that by 2018 the current budget is unsustainable.
- The library's work has increased beyond its ability to serve. For example, visits are up by 27 per cent over three years totalling 125,600 a year or 50 visitors an hour, 171 per cent cumulative increase in inter library loans over three years, 879 new memberships in 2017
- The funding agreement specifies support for technology education and assistance and interlibrary loans. To meet this requirement, jobs were reoriented following a retirement to make two part time staff full time, add hours to handle the inter library loans and create a dedicated technology position to consolidate and manage the increasingly unworkable multi staff approach.
- In 2018 we closed to the public on Wednesday mornings to give staff the opportunity to catch up on "back office work"
- In May our Children's and Youth Programmer resigned and we did not attract a suitable candidate. By September it was clear that our budget was unsustainable plus we had union negotiations with six months of retroactivity and recruitment costs for a Chief Librarian.
- We plan to reinstate the Children's and Youth librarian position on a temporary basis in January 2019 while we await the results of our 2019 budget application to the SCRD. Adult programming is being discontinued in January which enables us to fund the youth position.
- We have had no capital from our funders since the library opened in 1996. Capital for items like chairs, self-checkouts, workroom furniture, book carts and computers has come from fundraising, grants, a bequest and the Friends of the Library totalling \$200,000 in the last five years.
- The recent renovations were done at no cost to the taxpayer.

Budget 2019 Operating Request and 2020-2024 Ask
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\$88,683 increase (12.2% increase overall)

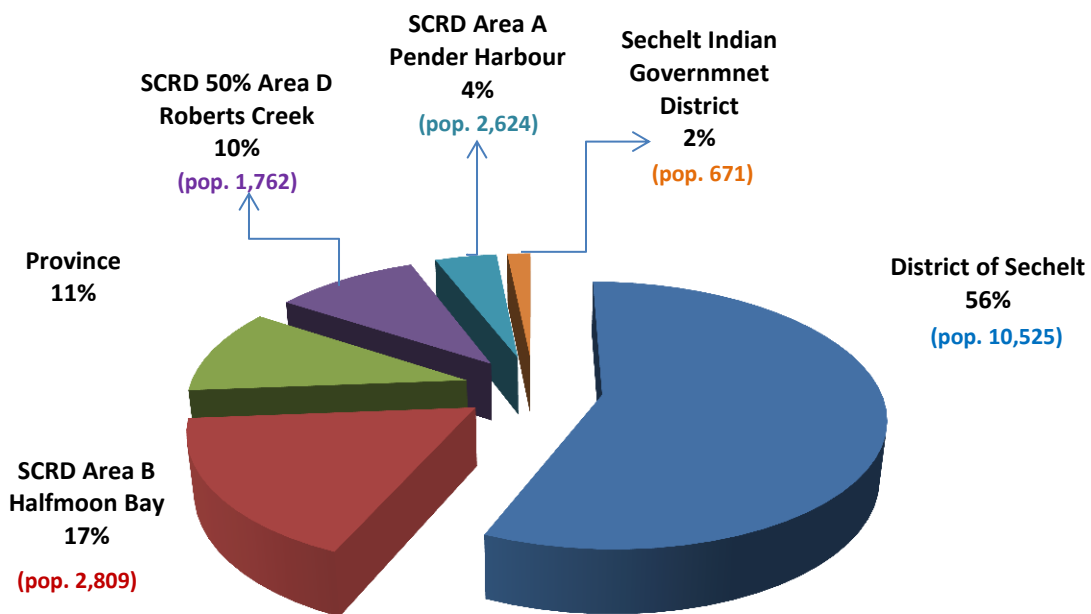
- Adult Programmer position
- Full time Children and Youth position
- On call staff
- Increase to book budget
- Maintain inter library loan
- Increase bandwidth

2020 – 2023: plus 4 % for remaining 4 years of 5 year agreement

Capital Requests Urgent	Capital Requests less urgent	Operating Requests
Total: \$10,000 <ul style="list-style-type: none"> • Public Computers past end of life: \$5,000 • Server at end of life: \$5,000 	Total: \$31,800 <ul style="list-style-type: none"> • Business Phone System 2nd line & voice mail for librarian \$1,800 (+\$500 year phone bill) • Website Development \$10,000 • Furniture: \$20,000 	Total: \$108,516 <ul style="list-style-type: none"> • Materials budget \$28,516 • Supervisor Position \$70,000 • Recruitment Costs reserve \$10,000

Sechelt Library Funders 2018	Population 2018 (DOS figures)	Annual Funding 2018
Province		\$73,694
District of Sechelt	10,528	\$396,539
Sechelt Indian Government District	691	\$11,234
SCRD Area A Pender Harbour	2,624	\$29,894
SCRD Area B Halfmoon Bay	2,809	\$121,370
SCRD 50% Area D Roberts Creek	1,762	\$69,435
		\$702,166

Annual Funding 2018



Funding all or a portion of the items in our business cases will have the added benefit of helping to close the funding gap between our library and similar libraries and enhance the economic value and service to our community.

We thank our funders for reviewing this document and considering our request.

	A	B	C	D	E	F	G	H	J	K	
2	Sechelt Public Library, Five-Year Budget				2019 Budget			2020 Budget		2021-2023	
3		2018 Budget (Without Retroactive Union Wage Increase)	Total Area A, B, D	Actuals to Dec 1 2018	Amount	\$ Chg	% Chg/2018	Amount	% Chg/2019	4% per Year	2019 Notes
4	REVENUE										
5	Local Gov. Support										
6	SCRD - Area A	29,894	220,699	30,898	250,273	29,574	13.4%	261,034	4.3%		
7	SCRD - Area B	121,370		121,385							
8	SCRD - Area D	69,435		68,417							
9	SIGD	11,234		11,234							
10	District of Sechelt	396,539		396,539	449,675	53,136	13.4%	469,011	4.3%		
11	Total Local Gov. Support	\$ 628,472		\$ 628,473	\$ 712,687	\$ 84,215	13.4%	\$ 743,333	4.3%		
12											
13	Province of B.C. - Public Library Services										
14	PLS - Operating	47,390		48,457	48,338	948	2.0%	49,305	2.0%		
15	PLS - Resource Sharing	7,329		8,861	7,476	147	2.0%	7,626	2.0%		
16	PLS - Literacy & Equity	7,975		7,975	8,135	160	2.0%	8,297	2.0%		
17	PLS - One Card	11,000		11,000	11,220	220	2.0%	11,444	2.0%		
18	Total Provincial Support	\$ 73,694		\$ 76,293	\$ 75,168	\$ 1,474	2.0%	\$ 76,672	2.0%		
19											
20	Library Revenue										
21	Other Grants	2,000		11,689	2,040	40	2.0%	2,081	2.0%		
22	Donations	10,000		17,055	10,200	200	2.0%	10,404	2.0%		Majority of donations were the result of bequeths
23	Printing - Copies/FAX	8,020		6,694	8,180	160	2.0%	8,344	2.0%		
24	Fines	1,000		1,102	1,020	20	2.0%	1,040	2.0%		
25	Book Sales/Lost Books	2,000		1,425	2,040	40	2.0%	2,081	2.0%		
26	Interest	500		0	510	10	2.0%	520	2.0%		
27	Archives Admin. Service Charge	1,350		1,013	1,350	0	0.0%	0	0.0%		Library no longer serves Archives
28	Miscellaneous Revenue	500		603	510	10	2.0%	520	2.0%		
29	Total, Library Revenue	\$ 25,370		\$ 39,581	\$ 25,850	\$ 480	1.9%	\$ 24,990	1.9%		
30											
31	Federal Government										
32	Summer Employment Grant	1,764		0	1,799	35	2.0%	1,835	2.0%		Payment will be received in November
33	Total Federal Support	\$ 1,764		0	\$ 1,799	35	2.0%	\$ 1,835	2.0%		
34											
35	TOTAL OPERATING REVENUE	\$ 729,300		\$ 744,347	\$ 815,505	\$ 86,205	11.8%	\$ 846,830	4.0%		
36											
37	EXPENSES										
38											
39	Human Resources and Staff Development										
40	Staff Salaries	435,000		407,648	444,607	9,607	2.21%	453,499	2.0%		Includes retroactive wage increases in 2018
41	Youth Librarian	0			36,277	36,277	100.00%	37,003	2.0%		Position supported to June. Included in salary to date. Amount is remainder of salary
42	Youth Librarian Benefits	0			8,039	8,039	100.00%	8,200	2.0%		Benefits for youth librarian
43	On-Call Staff	0			2,000	2,000	100.00%	2,040	2.0%		On-call staff needed as supervisor position was not filled
44	Payroll Taxes - CPP/EI	30,000		27,872	30,663	663	2.21%	31,276	2.0%		
45	Benefits - MSP/Extended Health	32,500		23,569	33,218	718	2.21%	33,882	2.0%		
46	WCB Expense	1,000		0	1,022	22	2.20%	1,042	2.0%		
47	Pension	40,000		33,983	40,883	883	2.21%	41,701	2.0%		
48	Addnl benefits mandated by Union in 2020							10,000	100.0%		Additional benefits mandated by Union for 2020
49	Benefits on salaries of \$60,000				12,017	12,017	100.00%	12,257	2.0%		Benefits req. for 3 PT staff. Benefits started Nov for 2 PT

	A	B	C	D	E	F	G	H	J	K	L
50	Subtotal Personnel	538,500		493,072	608,726	70,226	13.0%	630,901	3.6%		
51	Staff and Volunteer Expenses	1,500		1,396	1,530	30	2.0%	1,561	2.0%		
52	Consultation Services			761	761	761	100.0%	776	2.0%		
53	Staff Development	3,000		1,151	3,060	60	2.0%	3,121	2.0%		
54	Board Expenses	1,500		2,017	1,530	30	2.0%	1,561	2.0%		
55	Recruitment Costs	500		10,617	2,000	1,500	300.0%	2,000	100.0%		Recruitment costs reserve for new chief librarian
56	Union Expenses	1,500		4,043	1,500	0	0.0%	1,500	0.0%		To be held in reserve for every 4 yr negotiations
57	Total Human Resources and Staff Dev.	\$ 546,500		\$ 513,057	\$ 619,107	\$ 72,607	13.3%	\$ 641,419	3.9%		
58											
59	Materials										
60	Books	55,000		43,093	61,050	6,050	11.0%	67,100	11.0%		Increase required to keep pace with 11% growth
61	Magazines	5,000		6,454	5,100	100	4.0%	5,304	4.0%		
62	Audio	2,000		2,284	2,040	40	4.0%	2,122	4.0%		
63	Video	8,000		5,625	8,160	160	4.0%	8,486	4.0%		
64	On-Line Resources	15,000		18,543	15,300	300	4.0%	15,912	4.0%		
65	eBooks	5,000		1,614	5,100	100	4.0%	5,304	4.0%		
66	InterLINK	1,500		-593	1,530	30	4.0%	1,591	4.0%		
67	Inter Library Delivery	3,200		4,005	3,264	64	4.0%	3,395	4.0%		
68	Total Materials	\$ 94,700		\$ 81,025	\$ 101,544	\$ 6,844	7.2%	\$ 109,214	8.2%		
69											
70	Building										
71	Janitorial	10,000		7,972	10,200	200	2.0%	10,404	2.0%		
72	Insurance	5,200		4,727	5,304	104	2.0%	5,410	2.0%		
73	Utilities	15,000		10,693	15,300	300	2.0%	15,606	2.0%		
74	In-library Maintenance - supplies etc.	1,000		1,235	1,500	500	50.0%	1,530	2.0%		
75	Total Building	\$ 31,200		\$ 24,627	\$ 32,304	\$ 1,104	3.5%	\$ 32,950	2.0%		
76											
77	Computer and Information Technology Services										
78	Contract services (SITKA)	4,800		4,862	4,896	96	2.0%	4,994	2.0%		
79	Internet Connections	3,000		2,368	5,000	2,000	66.7%	5,100	2.0%		Inceased broadband capacity to keep pace with use
80	Software	800		1,518	1,600	800	100.0%	1,632	2.0%		Software updates to maintain old computers
81	I.T. Support	1,000		1,220	1,100	100	10.0%	1,122	2.0%		
82	Subtotal Computer Services	9,600		9,968	12,596	2,996	31.2%	12,848	2.0%		
83	Computer Equipment - under 200	1,000		1,099	1,020	20	2.0%	1,040	2.0%		
84	Computers and furniture				5,000	5,000	100.0%	5,100	2.0%		Furniture and computer replacement
85	Total Computers and IT	\$ 10,600		\$ 11,067	\$ 18,616	\$ 8,016	75.6%	\$ 18,988	2.0%		
86											
87	Office, Communications & Other Expenses										
88	Accounting and Legal	2,700		1,900	2,000	-700	-25.9%	2,040	2.0%		Library and Board accepted lesser review from auditors
89	Consultation Services	3,000		0	3,060	60	2.0%	3,121	2.0%		
90	Telephone and FAX	1,600		1,720	1,632	32	2.0%	1,665	2.0%		
91	Bookkeeping & Payroll Costs	1,000		1,095	1,020	20	2.0%	1,040	2.0%		
92	Photocopier	5,000		7,511	5,100	100	2.0%	5,202	2.0%		
93	Fees and Dues	700		635	714	14	2.0%	728	2.0%		
94	Miscellaneous (includes freight)	1,000		1,742	1,020	20	2.0%	1,040	2.0%		
95	Office and Processing Supplies	15,000		11,996	15,300	300	2.0%	15,606	2.0%		Not overbudget. Covered by Friends of the Lib donations
96	Public Relations	5,000		2,946	5,100	100	2.0%	5,202	2.0%		
97	Programming	5,000		10,940	5,100	100	2.0%	5,202	2.0%		
98	Postage	3,300		2,125	3,366	66	2.0%	3,433	2.0%		
99	Total Office, Comms & Other	\$ 43,300		\$ 42,610	\$ 43,412	\$ 112	0.3%	\$ 44,280	2.0%		

	A	B	C	D	E	F	G	H	J	K	L
100											
101	TOTAL OPERATING EXPENSES	726,300		672,386	\$ 814,983	\$ 88,683	12.2%	\$ 846,852	4.2%		
102	Reserve	3,000									
103											
104	TOTAL OPERATING REVENUE	729,300		744,347	815,505			846,830			
105	TOTAL OPERATING EXPENSES	729,300		672,386	814,983			846,852			
106	NET Surplus/Deficit OPERATING	0		71,961	522			-22			

SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

TO: Corporate and Administrative Services Committee – January 31, 2019

AUTHOR: Tina Perreault, General Manager, Corporate Services / Chief Financial Officer

SUBJECT: SECHELT PUBLIC LIBRARY – BRIEF FUNDING HISTORY

RECOMMENDATION(S)

THAT the report titled Sechelt Public Library – Brief Funding History be received for information.

BACKGROUND

The Sechelt Public Library (SPL) was created as a centennial project for Sechelt in 1967 and was constructed on a plot of land on Trail Avenue. In 1973 the then Village of Sechelt purchased land next to the library to expand the library's facilities and the Sunshine Coast Regional District (SCRD) contributed \$3,000 to libraries on the coast. In 1981 the Library officially incorporated the Sechelt Public Library Association (SPLA). In 1983 the Village of Sechelt granted funds to expand the existing library facilities. In 1992 District of Sechelt Council voted in favour of building a joint municipal government and Library facility and a 1993 referendum to borrow the funds required was passed and the Sechelt Public Library was opened in 1996. SPLA paid rent to the District of Sechelt up to the year 2013 wherein the joint funders discussed options to this expense to assist the SPLA.

Over the years, in a combination of funding from electoral areas, the SCRД has provided funding to the Sechelt Public Library. Roberts Creek Library Service through Bylaw No. 1043.1, 2002 provided funding to the Roberts Creek Reading Centre as well as both the SPLA and the Gibsons and District Public Library Association. A portion of Electoral Area A – Egmont / Pender Harbour provides funding to SPLA for library service and outreach service for the Pender Harbour Reading Room which has recently been established by Bylaw 1086, 2017 as Electoral Area A – Egmont / Pender Harbour Library Service.

Throughout 2004 numerous discussions related to forming a regional library service and funding (including the issue of rents payable to the District of Sechelt) were actively taking place. In October 2004 Bylaw 1046.1 was proposed with the purpose as follows:

“A bylaw to amend *Halfmoon Bay Library Service Establishment Bylaw No. 1046, 2002* to increase the maximum annual amount that may be requisitioned, to add the District of Sechelt and the Sechelt Indian Government District as participating areas, to clarify that the purpose of the service is to provide regional library funding for the Sechelt Public Library and to provide for opting out of the service.”

This proposed bylaw was resolved to be sent to Electoral Area A Director, the Sechelt Indian Government District (SIGD) and the District of Sechelt Councils for comment, though it never received 1st reading. Instead SIGD, Electoral Area A, District of Sechelt and Electoral Area B entered into a two year agreement to fund the SPL.

In 2008 SIGD was sent a request by the SCRD Board to consider an increase to their funding portion as it had remained unchanged over 4 years. In 2012 SPLA provided a report on Sechelt Public Library and Sechelt Indian Band Activities which was forwarded to SIGD to request an increase to the funding proportion.

In 2009 Halfmoon Bay Area B increased the contribution to the SPLA contingent on the library continuing Monday openings without affecting the regular Tuesday to Saturday hours. Also in this year, a request was made to the District of Sechelt to provide the actual cost of having SPLA occupy space in the building, a Special Corporate and Administrative Services Committee meeting on January 31, 2013 was scheduled to consider the options surrounding the rent.

In 2013 the required rent payable to the District of Sechelt was removed and in late 2013 the SPLA reported to the SCRD Board with a work plan for the \$24,949, formally allocated for rent. Though the SPLA benefitted from not budgeting for rent it was presented to the SCRD Board by the Library Board and staff that the parity to the per capita rates for comparable libraries was low. The SCRD consequently approved an additional \$16,741 toward the SPLA operations for the rent. Library Summaries showing historical funding for years 2013-2018 are attached.

In August of 2013 staff, contacted the Libraries and Literacy Branch to determine the per capita for the local and comparable libraries. A further request was made to determine how population areas for Electoral Area A and SIGD have been determined, response as follows:

“As for how we determine populations for service areas, we rely on information from several sources to calculate populations for each area, including population data from the Canadian Census and estimation data from BC Stats during non-census years. Boundaries for service areas are determined by service agreements with local governments. In areas where only a portion of an electoral area is served (such as Sunshine Coast Electoral Area A), BC Stats supplies us with population estimates for both the served and unserved portions, based on the boundaries supplied to Libraries and Literacy by local government.

In the case of Sunshine Coast Electoral Area A, only a portion of the EA is considered as “served”: Egmont and Pender Harbour are considered as “served” communities, while the remainder population in the Area is considered unserved. In the case of the Sechelt Indian Government District, only the portion within the SCRD is accounted for here; a smaller portion of the SIGD is accounted for in the Powell River RD. In the case of Electoral Area D, for the 2013 calendar year the population of this service area was divided equally between Sechelt and Gibsons Public libraries, based on correspondence from the regional district and libraries. Previously, this electoral area had been divided into three parts, with one third deemed to be “unserved”.

For more information on how population figures were determined, see Clause 22 in the Library Act below:

How population is determined

- 22** (1) For the purposes of sections 23 and 24, the minister is to determine the population of an area by compiling the population figures for the most recent year for which figures are available for that area.

(2) In determining population the minister may take into account any changes in the boundaries of an area and may use

- (a) information or estimates provided by the Minister of Finance,
- (b) information in the most recently available Census of Canada, and
- (c) other information the minister considers relevant.

To move the SPLA closer to per capita parity and provide consistency and security in funding, and also agreed services to be offered by the SPLA, the SCRD, District of Sechelt and SIGD entered into a Funding and Service Agreement dated January 8, 2014, which provided funding to the SPLA to 2018. In a letter to the SCRD dated April 22, 2014 from the new Chief Librarian, SPLA acknowledged the ongoing support from the Regional District and the opportunity to continue to offer library services to the community creating new programs and outreach opportunities.

In January 2018 the SPLA sent a letter to the SCRD, SIGD and District of Sechelt advising that they would be reducing their hours of operation by 3 hours per week to 51 hours per week which still corresponded with the 42 hours in the Agreement. SPLA advised that this reduction would not reduce staff hours as it would be used for meetings and library work. Attached to this letter was a “Five Year Funding Agreement Analysis Between Local Government Funders and the Sechelt Library”.

During the 2017 budget process with the final year of the Funding and Service Agreement approaching the SPLA approached the SCRD Board to consider negotiations for a new agreement and the topic of per capita parity was again raised as an issue. In March of 2017 the SCRD Board Chair corresponded to the Library Board Chair to confirm a meeting to discuss renegotiation after SCRD Budget adoption. In July 2017 a meeting was held with the Library Board and Staff, the SCRD staff, District of Sechelt staff and SIGD staff, the negotiations did not lead to a new draft agreement. In October 2018 all parties met again with the new Librarian and Library Board to discuss negotiations.

DISCUSSION

SPLA has submitted a proposal for a new Funding and Service Agreement with their 2019 Budget request to the December 2018 SCRD Pre-Budget Corporate and Administrative Services meeting. This information was received and forwarded to the 2019 Round 1 Budget meeting on February 5, 2019 per the following resolutions:

341/18 **Recommendation No. 21** *Sechelt Public Library Funding and Service Agreement Options*

THAT the report titled Sechelt Public Library Funding and Service Agreement Options be received;

AND THAT staff be authorized to meet with the Sechelt Public Library, District of Sechelt and Sechelt Indian Government District to discuss options;

AND THAT a draft Funding and Service Agreement be brought to a future committee for consideration;

AND FURTHER THAT the SCRD continue to provide its funding share to the Library as set out in the payment terms of the prior agreement and based on the 2018 allocations, until such time as the future agreement can be reached.

Recommendation No. 22

Sechelt Public Library

THAT staff report to a future committee regarding the historical context of the Sechelt Public Library funding and service.

Recommendation No. 23

Sechelt Public Library

THAT the correspondence from the Sechelt Public Library Board Chair dated November 19 and November 23, 2018 regarding Sechelt Public Library Funding and Service Agreement be received.

STRATEGIC PLAN AND RELATED POLICIES

N/A

CONCLUSION

Over the years, SPLA has approached the District of Sechelt, SIGD and SCRD with its requests for funding, until 2014 when the SPLA, SCRD, District of Sechelt and SIGD negotiated a 5 year Funding and Service Agreement in an effort to provide consistent service and funding and move the SPLA closer to comparable libraries in terms of per capita funding from local government.

This Agreement expired in 2018 and though negotiations have occurred a new agreement has not been drafted. SPLA has submitted a proposal for a new Funding and Service Agreement with their 2019 Budget request.

This report is provided to the Board to give a history and context regarding the SPLA Funding and Service Agreement dated January 8, 2014 and to the 2019 budget submission from SPLA.

Reviewed by:			
Manager		Finance	
GM		Legislative	
CAO	X-J. Loveys	Other	

Attachments:

1. Sechelt Public Library Funding and Service Agreement: 2014-18 Memorandum of Understanding
2. Summary of Library Funding 2013-2018

SUNSHINE COAST REGIONAL DISTRICT

Bylaw No. 1086

A bylaw to establish a service within a portion of Electoral Area A - Egmont / Pender Harbour for the purpose of providing a library service

WHEREAS under section 332 of the *Local Government Act* a regional district may operate any service the Board considers necessary or desirable for all or part of the Regional District;

AND WHEREAS the Board of the Sunshine Coast Regional District wishes to establish a service for the purpose of providing a library service for Electoral Area A - Egmont / Pender Harbour;

AND WHEREAS the approval of the Inspector of Municipalities has been obtained under section 342 of the *Local Government Act*;

AND WHEREAS the Board has received approval of the electors in Electoral Area A - Egmont / Pender Harbour in accordance with section 345 of the *Local Government Act*;

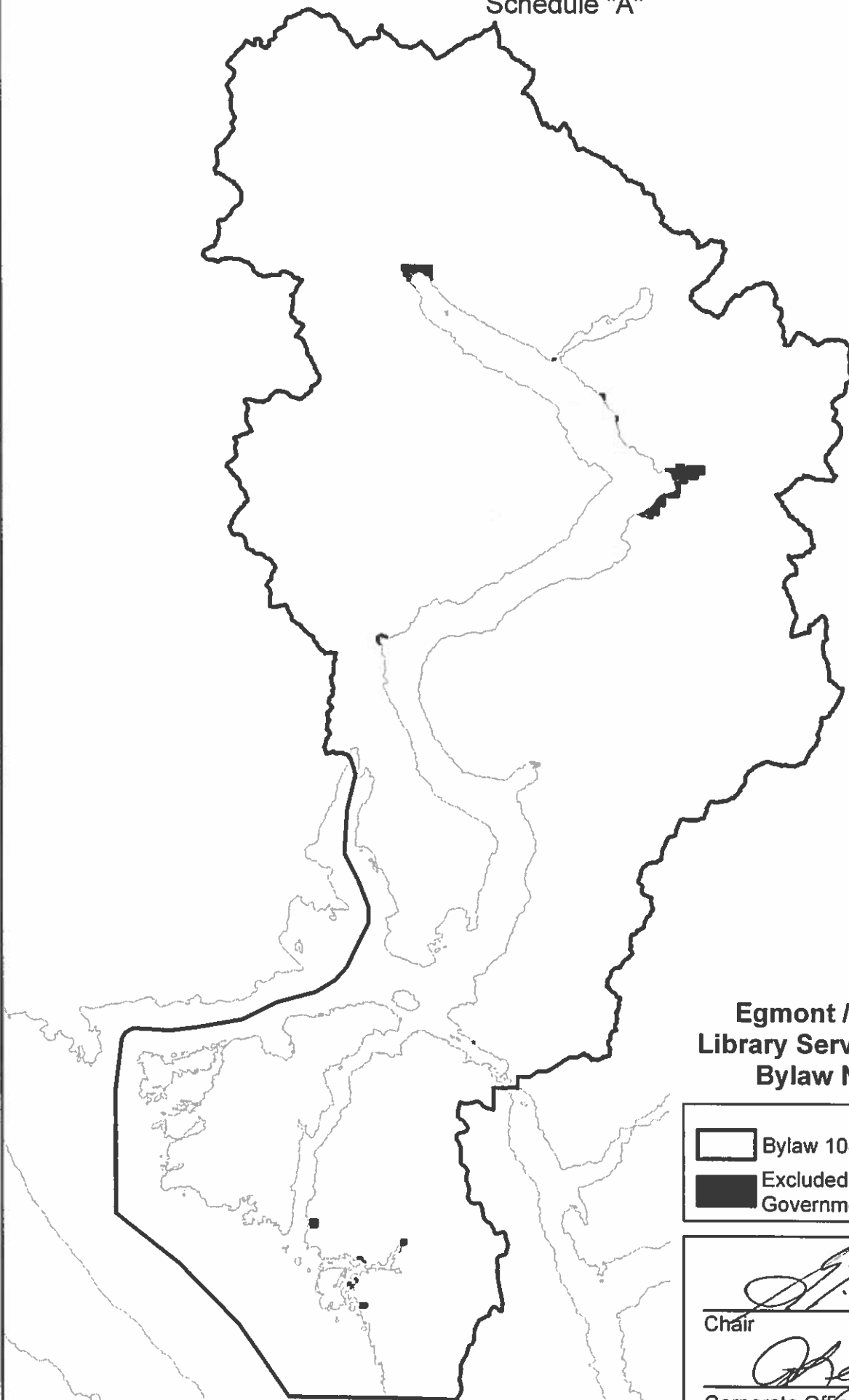
NOW THEREFORE, the Board of the Sunshine Coast Regional District in open meeting assembled enacts as follows:

1. This bylaw may be cited as the *Egmont / Pender Harbour Library Service Establishing Bylaw No. 1086, 2017*.
2. The service established by this bylaw is the Egmont / Pender Harbour Library Service (the "Service") for the purpose of providing a library service for Electoral Area A – Egmont / Pender Harbour.
3. The boundaries of the service area are the boundaries of Electoral Area A – Egmont / Pender Harbour excluding that part of the Sechelt Indian Government District within the geographic boundaries of Electoral Area A as shown on the map attached as Schedule "A".
4. The "Participating Area" is Electoral Area A - Egmont / Pender Harbour.
5. Cost Recovery



As provided for in section 378 of the *Local Government Act*, the annual cost of providing the service shall be recovered by one or more of the following:


- (a) property value tax imposed in accordance with Division 3 of the *Local Government Act*;
- (b) fees and charges imposed under section 397 of the *Local Government Act*;
- (c) revenues raised by other means authorized by the *Local Government Act* or another Act;
- (d) revenues received by way of agreement, enterprises, gift, grant or otherwise.

CHAIR



**Egmont / Pender Harbour
Library Service Establishing
Bylaw No. 1086, 2017**

-  Bylaw 1086 Boundary
-  Excluded Sechelt Indian
Government District Lands


Chair


Corporate Officer

SUNSHINE COAST REGIONAL DISTRICT

Bylaw No. 1046

**A bylaw to establish a service within the Electoral Area of
Halfmoon Bay, excluding that part within the Trust Area under the jurisdiction
of the Islands Trust, for the purpose of providing a library service**

WHEREAS:

- A. Under section 796 of the *Local Government Act* a regional district may operate any service the Board considers necessary or desirable for all or part of the Regional District;
- B. The Board of the Sunshine Coast Regional District wishes to establish a service for the purpose of providing a library service within the Electoral Area of Halfmoon Bay, excluding that part within the Trust Area under the jurisdiction of the Islands Trust;
- C. The approval of the Inspector of Municipalities has been obtained under Section 801 of the *Local Government Act*;
- D. The Board has received the approval of the electors in the Electoral Area of Halfmoon Bay, excluding those within the Trust Area, by counter petition in accordance with Section 801.3 of the *Local Government Act*;

NOW THEREFORE, the Board of the Sunshine Coast Regional District in open meeting assembled enacts as follows:

1. Citation

This bylaw may be cited for all purposes as the "Halfmoon Bay Library Service Establishment Bylaw No. 1046, 2002.

2. Definitions

In this bylaw:

"Trust Area" has the same meaning as in the *Islands Trust Act (British Columbia)*.

3. Service

The service established by this bylaw is the Halfmoon Bay Library Service (the "Service") for the purpose of providing a library service in the Service Area.

4. Boundaries

The boundaries of the Service Area shall be the boundaries of the Electoral Area of Halfmoon Bay, excluding that part located within the Trust Area.

5. Participating Areas

The "Participating Area" is the Electoral Area of Halfmoon Bay.

6. Cost Recovery

As provided for in Section 803 of the *Local Government Act*, the annual cost of providing the service shall be recovered by one or more of the following:

- (a) property value tax imposed in accordance with Division 4.3 of the *Local Government Act*;
- (b) parcel taxes imposed in accordance with Division 4.3 of the *Local Government Act*;
- (c) fees and charges imposed under section 797.2 of the *Local Government Act*;
- (d) revenues raised by other means authorized by the *Local Government Act* or another Act;
- (e) revenues received by way of agreement, enterprises, gift, grant or otherwise.

7. Maximum Cost

In accordance with Section 800.1(1)(e) of the *Local Government Act*, the maximum annual amount that may be requisitioned for the cost of the Service is a property value tax rate of \$0.20/\$1000 applied to the net taxable value of land and improvements in the Service Area.

READ A FIRST TIME this 14th day of February, 2002

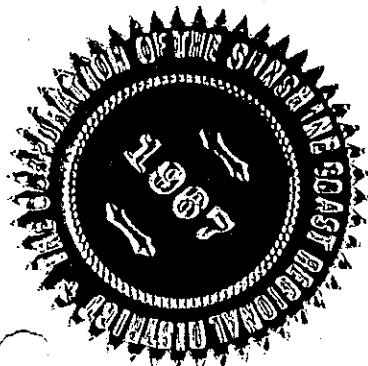
READ A SECOND TIME this 14th day of February, 2002

READ A THIRD TIME this 14th day of February, 2002

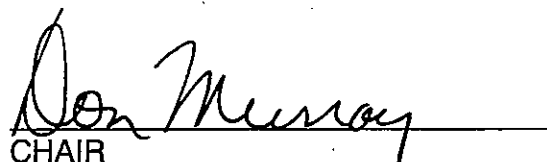
APPROVED BY THE INSPECTOR OF MUNICIPALITIES
 this 27th day of February, 2002

RECEIVED APPROVAL OF THE ELECTORS
BY COUNTER PETITION this 19th day of April, 2002

ADOPTED this 9th day of May, 2002




SECRETARY


CHAIR

SUNSHINE COAST REGIONAL DISTRICT

Bylaw No. 1043.1

**A bylaw to amend "Roberts Creek Library
Service Establishment Bylaw No. 1043, 2002"**

WHEREAS the Board of the Sunshine Coast Regional District established a Library Service within the Electoral Area of Roberts Creek by way of "Roberts Creek Library Service Establishment Bylaw No. 1043, 2002";

AND WHEREAS the Board of the Sunshine Coast Regional District will enter into agreements with the Sechelt Public Library Association, the Roberts Creek Reading Centre and the Gibsons and District Public Library Association for the provision of the library service;

AND WHEREAS the Board of the Sunshine Coast Regional District wishes to amend "Roberts Creek Library Service Establishment Bylaw No. 1043, 2002 in order to increase the maximum amount that may be requisitioned for this service;

NOW THEREFORE, the Board of the Sunshine Coast Regional District in open meeting assembled enacts as follows:

1. This bylaw may be cited for all purposes as the "Roberts Creek Library Service Amendment Bylaw No. 1043.1, 2002.
2. "Roberts Creek Library Service Establishment Bylaw No. 1043, 2002 is hereby amended by replacing \$0.15/\$1000 with \$0.25/\$1000.

READ A FIRST TIME this 28th day of November, 2002

READ A SECOND TIME this 28th day of November, 2002

READ A THIRD TIME this 28th day of November, 2002


APPROVED BY THE INSPECTOR OF MUNICIPALITIES
 this 20th day of December, 2002

RECEIVED APPROVAL OF THE ELECTORS
BY COUNTER PETITION this 19th day of February, 2003

ADOPTED this 27th day of February, 2003




DÉPUTY SECRETARY


VICE CHAIR

SUNSHINE COAST REGIONAL DISTRICT

Bylaw No. 1043

A bylaw to establish a service within the Electoral Area of Roberts Creek for the purpose of providing a library service

WHEREAS:

- A. Under section 796 of the *Local Government Act* a regional district may operate any service the Board considers necessary or desirable for all or part of the Regional District;
- B. The Board of the Sunshine Coast Regional District wishes to establish a service for the purpose of providing a library service within the Electoral Area of Roberts Creek;
- C. The approval of the Inspector of Municipalities has been obtained under Section 801 of the *Local Government Act*;
- D. The Board has received the approval of the electors in the Electoral Area of Roberts Creek by counter petition in accordance with Section 801.3 of the *Local Government Act*;

NOW THEREFORE, the Board of the Sunshine Coast Regional District in open meeting assembled enacts as follows:

1. Citation

This bylaw may be cited for all purposes as the "Roberts Creek Library Service Establishment Bylaw No. 1043, 2002."

2. Service

The service established by this bylaw is the Roberts Creek Library Service (the "Service") for the purpose of providing a library service in the Service Area.

3. Boundaries

The boundaries of the Service Area shall be the boundaries of the Electoral Area of Roberts Creek.

4. Participating Areas

The "Participating Area" is the Electoral Area of Roberts Creek.

5. Cost Recovery

As provided for in Section 803 of the *Local Government Act*, the annual cost of providing the service shall be recovered by one or more of the following:

- (a) property value tax imposed in accordance with Division 4.3 of the *Local Government Act*;
- (b) parcel taxes imposed in accordance with Division 4.3 of the *Local Government Act*;
- (c) fees and charges imposed under section 797.2 of the *Local Government Act*;
- (d) revenues raised by other means authorized by the *Local Government Act* or another Act;
- (e) revenues received by way of agreement, enterprises, gift, grant or otherwise.

6. Maximum Cost

In accordance with Section 800.1(1)(e) of the *Local Government Act*, the maximum annual amount that may be requisitioned for the cost of the Service is a property value tax rate of \$0.15/\$1000 applied to the net taxable value of land and improvements in the Service Area.

READ A FIRST TIME this 14th day of February, 2002

READ A SECOND TIME this 14th day of February, 2002


READ A THIRD TIME this 14th day of February, 2002

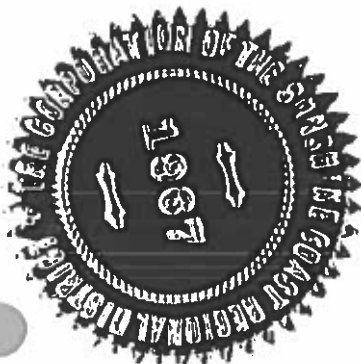
APPROVED BY THE INSPECTOR OF MUNICIPALITIES
 this 27th day of February, 2002

RECEIVED APPROVAL OF THE ELECTORS
BY COUNTER PETITION this 19th day of April, 2002

ADOPTED this 9th day of May, 2002


SECRETARY


CHAIR



Summaries

Total Apportionment (2019 Request)					Residential Tax Rate / \$100,000					\$ Change from 2018					% Change from 2018				

2019 Request (Base Operating)					Residential Tax Rate / \$100,000					\$ Change from 2018					% Change from 2018				
	MOU	Census	Assessment	50/50 Population & Assessments		MOU	Census	Assessment	50/50 Population & Assessments		MOU	Census	Assessment	50/50 Population & Assessments		MOU	Census	Assessment	50/50 Population & Assessments
Sechelt Library Funders					Sechelt Library Funders					Sechelt Library Funders					Sechelt Library Funders				
District of Sechelt	\$ 452,525	\$ 408,205	\$ 318,775	\$ 363,490	District of Sechelt	\$ 10.75	9.70	7.57	\$ 8.64	District of Sechelt	\$ 55,986	\$ 11,666	\$ 127,774	\$ (33,049)	District of Sechelt	14.1%	2.9%	-19.6%	-8.3%
Sechelt Indian Government District	12,837	26,822	23,308	25,065	Sechelt Indian Government District	\$ 4.17	8.71	7.57	\$ 13.831	Sechelt Indian Government District	\$ 1,603	\$ 15,588	\$ 77,076	\$ 13,831	Sechelt Indian Government District	14.3%	138.8%	107.5%	123.1%
SCRD Area A	34,065	104,848	161,934	133,391	SCRD Area A	\$ 1.59	4.90	7.57	\$ 6.24	SCRD Area A	\$ 4,171	\$ 74,954	\$ 132,004	\$ 103,497	SCRD Area A	14.0%	250.7%	441.7%	346.2%
SCRD Area B	138,483	108,936	156,698	132,817	SCRD Area B	\$ 6.69	5.27	7.57	\$ 6.42	SCRD Area B	\$ 17,113	\$ (12,434)	\$ 35,328	\$ 11,447	SCRD Area B	14.1%	-10.2%	29.1%	9.4%
50% of SCRD Area D	79,246	68,345	56,440	62,393	50% of SCRD Area D	\$ 10.64	9.18	7.58	\$ 8.38	50% of SCRD Area D	\$ 9,811	\$ (1,090)	\$ (12,995)	\$ (7,042)	50% of SCRD Area D	14.1%	-1.6%	-18.7%	-10.1%
Total population	\$ 717,156	\$ 717,156	\$ 717,155	\$ 717,156						Total Change	\$ 88,684	\$ 88,684	\$ 88,683	\$ 88,684	Total Change	14.1%	14.1%	-14.1%	14.1%

Schehl Library Funders	Library Supervisor				Residential Tax Rate / \$100,000				
	MOU	Census	Assessment	50/50 Population & Assessments	MOU	Census	Assessment	50/50 Population Assessments	
District of Schehl	\$ 44,170	\$ 39,844	\$ 31,115	\$ 35,480	District of Schehl	\$ 1.05	\$ 0.95	\$ 0.74	\$ 0.84
Schehl Indian Government District	1,253	2,618	2,275	2,447	Schehl Indian Government District	\$ 0.41	\$ 0.85	\$ 0.74	\$ 0.79
SCRD Area A	3,325	10,234	15,806	13,020	SCRD Area A	\$ 0.16	\$ 0.48	\$ 0.74	\$ 0.61
SCRD Area B	13,517	10,633	15,295	12,964	SCRD Area B	\$ 0.65	\$ 0.51	\$ 0.74	\$ 0.63
50% of SCRD Area D	7,735	6,671	5,509	6,090	50% of SCRD Area D	\$ 1.04	\$ 0.90	\$ 0.74	\$ 0.82
Total population	\$ 70,000	\$ 70,000	\$ 70,000	\$ 70,001					

	One Time Capital				Residential Tax Rate / \$100,000				
	MOU	Census	Assessment	50/50 Population & Assessments		MOU	Census	Assessment	50/50 Population & Assessments
Sechelt Library Funders					Sechelt Library Funders				
District of Sechelt	\$ 26,376	\$ 23,793	\$ 18,580	\$ 21,187	District of Sechelt	\$ 0.63	\$ 0.57	\$ 0.44	\$ 0.50
Sechelt Indian Government District	745	1,563	1,359	1,461	Sechelt Indian Government District	\$ 0.24	\$ 0.25	\$ 0.44	\$ 0.47
SCRD Area A	1,986	6,111	9,438	7,775	SCRD Area A	\$ 0.09	\$ 0.29	\$ 0.44	\$ 0.36
SCRD Area B	8,072	6,349	9,133	7,741	SCRD Area B	\$ 0.39	\$ 0.31	\$ 0.44	\$ 0.37
50% of SCRD Area D	4,619	3,984	3,290	3,637	50% of SCRD Area D	\$ 0.62	\$ 0.54	\$ 0.44	\$ 0.49
Total	\$ 41,801	\$ 41,800	\$ 41,800	\$ 41,801					

	Material				Residential Tax Rate / \$100,000				
	MOU	Census	Assessment	50/50 Population & Assessments		MOU	Census	Assessment	50/50 Population & Assessments
Sechelt Library Funders						Sechelt Library Funders			
District of Sechelt	\$ 17,994	\$ 16,231	\$ 12,675	\$ 14,453	District of Sechelt	\$ 0.43	\$ 0.39	\$ 0.30	\$ 0.34
Sechelt Indian Government District	510	1,066	927	997	Sechelt Indian Government District	\$ 0.17	\$ 0.35	\$ 0.30	\$ 0.32
SCRD Area A	1,355	4,169	6,439	5,304	SCRD Area A	\$ 0.06	\$ 0.20	\$ 0.30	\$ 0.25
SCRD Area B	5,506	4,332	6,231	5,282	SCRD Area B	\$ 0.27	\$ 0.21	\$ 0.30	\$ 0.26
50% of SCRD Area D	3,151	2,718	2,244	2,481	50% of SCRD Area D	\$ 0.42	\$ 0.37	\$ 0.30	\$ 0.33
Total Population	\$ 28,516	\$ 28,516	\$ 28,516	\$ 28,517					

	Recruitment				Residential Tax Rate / \$100,000			
	MOU	Census	Assessment	50/50 Population & Assessments	MOU	Census	Assessment	50/50 Population & Assessments
Sechelt Library Funders					Sechelt Library Funders			
District of Sechelt	\$	-	\$	-	\$	-	\$	-
Sechelt Indian Government District	-	-	-	-	-	-	-	-
SCRD Area A	-	-	-	-	-	-	-	-
SCRD Area B	-	-	-	-	-	-	-	-
50% of SCRD Area D	-	-	-	-	-	-	-	-
Total population	\$	-	\$	-	\$	-	\$	-



REQUEST FOR DECISION

TO: Mayor and Council

REPORT DATE: January 25, 2019

TARGET DECISION DATE: February 6, 2019

FROM: The Director of Corporate and Financial Services

RE: Sechelt Public Library Funding and Service Agreement

FILE NO: 2240-2019-04

RECOMMENDATION(S)

1. That the report from, The Director of Corporate and Financial Services, dated January 25, 2019 regarding the Sechelt Public Library Funding and Service Agreement be received.
2. That Council endorses, subject to agreement from the Sunshine Coast Regional District and the Sechelt Indian Government District, the Sechelt Public Library funding requests for:
 - a) an increase of the base operating funding of \$88,683
 - b) funding for a library supervisor for \$70,000
 - c) one-time capital expenses for \$41,800
 - d) library material for \$28,516
 - e) replenishment of library reserves for recruitment expenses for \$10,000
3. That Sechelt's share of the 2019 endorsed library requests be based on the same funding allocation used in 2018.
4. That Sechelt's share of the endorsed library requests be funded with:
 - a) a \$53,166 property tax increase for the base operating funding request
 - b) a \$44,170 property tax increase for a library supervisor
 - c) a \$26,376 allocation from the prior years surplus for one-time capital expenses
 - d) a \$17,944 allocation from the prior years surplus for library materials
 - e) A \$6,310 allocation from the prior years surplus for replenishment of library reserves for recruitment expenses.

5. That Sechelt staff be authorized to negotiate a library funding agreement with a different allocation of costs for 2020 through 2023 than that used in 2018.

PURPOSE

To consider the Sechelt Public Library's 2019 funding request and the allocation of costs among the funders.

DISCUSSION

Context/Background

The Funding and Service Agreement between the Sechelt Public Library (the Library), the District of Sechelt (Sechelt), the Sunshine Coast Regional District Area A – Egmont/Pender Harbour, Area B – Halfmoon Bay and Area D – Roberts Creek (collectively referred to as the SCRD) and the Sechelt Indian Government District (SIGD) expired on December 31, 2018. A new agreement has not yet been negotiated. To ensure a continuity of service Sechelt has agreed to continue providing funding to the library with the same frequency and amounts as provided in 2018. Once a new agreement is reached Sechelt will adjust any future payments to accommodate any changes in the annual amount to be provided.

The agreement has two fundamental parts:

- The total amount the library will receive for the defined services it will provide and,
- The allocation of the total amount among the funders.

Library Funding

The Library has provided a five-year agreement proposal (Attachment 1). The proposal includes an increase in expenses of \$88,683 for 2019 and an annual 4% increase from 2020 through 2023. The proposed 2019 budget includes a total increase of funding from Sechelt, the SCRD and the SIGD of \$84,215. The proposal includes a request for funding to add a library supervisor position at an estimated cost of \$70,000 per year. The library is also seeking one-time funding for:

- One-time capital purchases - \$41,800
- Materials - \$28,516
- Recruitment - \$10,000

The details for each of the funding requests are included in the proposal attached.

Sechelt staff is seeking direction from Council in regard to what expenses it will be willing to support regardless of the funding allocation.

Allocation among the funders

The recently expired 2014 – 2018 Funding and Service Agreement for the library provided an allocation among the funders as follows:

- District of Sechelt - 63.10%
- Sechelt Indian Government District - 1.79%
- SCRD Area A - 4.75%
- SCRD Area B - 19.31%
- 50% of SCRD Area D - \$11.05%

From discussions with individuals who were part of crafting of the previous agreement the final allocation amounts were the result of negotiations between the various parties and not based on a specific factor. If Council wants to base the allocation on some other factor it could choose to use the population of the various areas based on the 2016 census or the assessed values of the entire benefiting area based on the 2019 completed roll converted hospital values. If either of these factors were used the allocation of costs would be as follows:

Sechelt Library Funders	2016 Census Population	2019 Assessments
District of Sechelt	56.92%	44.45%
Sechelt Indian Government District	3.74%	3.25%
SCRD Area A	14.62%	22.58%
SCRD Area B	15.19%	21.85%
50% of SCRD Area D	9.53%	7.87%

Attachment 2 details the calculation of each factor and the amount each funder would provide to the library based on each factor.

2019 – 2023 Library Funding and Service Agreement

Discussions about the funding and service agreement have occurred among Sechelt, the SCRD, the SIGD and the library for several months. Due to the need for each funder to deliberate and adopt its 2019 budget at different times it may be difficult to complete the negotiations and finalize the agreement and still allow each funder to meet its statutory requirements. Because of this challenge, Sechelt staff recommend that Council consider keeping the allocation among the funders the same as in prior years for 2019 and, if desired, to negotiate a different allocation for 2020 through 2023.

Financial Implications

Sechelt staff recommends Council consider the following funding strategy for each item it wishes to support:

	Sechelt share of cost	Funding source
2019 base budget increase	53,166	0.62% property tax increase
Library supervisor	44,170	0.52% property tax increase
One-time capital	26,376	prior year surplus
Material	17,994	prior year surplus
Recruitment exoense	6,310	prior year surplus

Respectfully submitted,

Doug Stewart, CPA, CGA
Director of Corporate and Financial Services



Attachments:

- 1 - Sechelt Public Library five-year agreement proposal
- 2 - Library funding allocation options

REVIEWED

By Andrew Yeates (ayeates@sechelt.ca) at 9:42 am, Jan 29, 2019

Library operating grant cost sharing options

This analysis considers three cost sharing options based on: the 2018 allocation, the 2016 census and the 2019 assessments.

It is assumed that the same allocation would be used for the life of the new agreement.

Allocation options						
	Based on 2018	% of total	2016 Census Population	% of total	2019 Assessments *	% of total
Sechelt Library Funders						
District of Sechelt	396,539	63.10%	10,216	56.92%	420,869,997	44.45%
Sechelt Indian Government	11,234	1.79%	671	3.74%	30,780,300	3.25%
SCRD Area A	29,894	4.75%	2,624	14.62%	213,796,011	22.58%
SCRD Area B	121,370	19.31%	2,726	15.19%	206,879,278	21.85%
50% of SCR D Area D	69,435	11.05%	1,710	9.53%	74,446,478	7.87%
Total population	628,472	100.00%	17,947	100.00%	946,772,064	100.00%
* 2019 Assessments = converted hospital assessed values from the 2019 completed roll.						

Total Library 2019 Request	
2019 Request	712,687
Library supervisor	70,000
Total on-going request	782,687
One-time capital	41,800
Material	28,516
Recruitment	10,000
Total one-time request	80,316
Total Request	863,003

2019 Funding Request allocation						
District of Sechelt share	Based on 2018	Increase	2016 Census Population	Increase	2019 Assessments	Increase
2019 Request	449,705	53,166	405,661	9,122	316,789	(79,750)
Library supervisor	44,170	44,170	39,844	39,844	31,115	31,115
On going request	493,875	97,336	445,505	48,966	347,904	(48,635)
One-time capital	26,376	26,376	23,793	23,793	18,580	18,580
Material	17,994	17,994	16,231	16,231	12,675	12,675
Recruitment	6,310	6,310	5,692	5,692	4,445	4,445
One-time request	50,680	50,680	45,716	45,716	35,700	35,700
Total increase requested	544,555	148,016	491,221	94,682	383,604	(12,935)

Library operating grant cost sharing options

2019 Funding Request allocation						
Sechelt Indian Government District Share	Based on 2018	Increase	2016 Census Population	Increase	2019 Assessments	Increase
2019 Request	12,757	1,523	26,654	15,420	23,162	11,928
Library supervisor	1,253	1,253	2,618	2,618	2,275	2,275
On going request	14,010	2,776	29,272	18,038	25,437	14,203
One-time capital	748	748	1,563	1,563	1,359	1,359
Material	510	510	1,066	1,066	927	927
Recruitment	179	179	374	374	325	325
One-time request	1,437	1,437	3,003	3,003	2,611	2,611
Total increase requested	15,447	4,213	32,275	21,041	28,048	16,814

2019 Funding Request allocation						
SCRD Area A	Based on 2018	Increase	2016 Census Population	Increase	2019 Assessments	Increase
2019 Request	33,853	3,959	104,195	74,301	160,925	131,031
Library supervisor	3,325	3,325	10,234	10,234	15,806	15,806
On going request	37,178	7,284	114,429	84,535	176,731	146,837
One-time capital	1,986	1,986	6,111	6,111	9,438	9,438
Material	1,355	1,355	4,169	4,169	6,439	6,439
Recruitment	475	475	1,462	1,462	2,258	2,258
One-time request	3,816	3,816	11,742	11,742	18,135	18,135
Total increase requested	40,994	11,100	126,171	96,277	194,866	164,972

SCRD Area B	Based on 2018	Increase	2016 Census Population	Increase	2019 Assessments	Increase
2019 Request	137,620	16,250	108,257	(13,113)	155,722	34,352
Library supervisor	13,517	13,517	10,633	10,633	15,295	15,295
On going request	151,137	29,767	118,890	(2,480)	171,017	49,647
One-time capital	8,072	8,072	6,349	6,349	9,133	9,133
Material	5,506	5,506	4,332	4,332	6,231	6,231
Recruitment	1,931	1,931	1,519	1,519	2,185	2,185
One-time request	15,509	15,509	12,200	12,200	17,549	17,549
Total increase requested	166,646	45,276	131,090	9,720	188,566	67,196

Library operating grant cost sharing options

SCRD Area D	Based on 2018	Increase	2016 Census Population	Increase	2019 Assessments	Increase
2019 Request	78,752	9,317	67,919	(1,516)	56,088	(13,347)
Library supervisor	7,735	7,735	6,671	6,671	5,509	5,509
On going request	86,487	17,052	74,590	5,155	61,597	(7,838)
One-time capital	4,619	4,619	3,984	3,984	3,290	3,290
Material	3,151	3,151	2,718	2,718	2,244	2,244
Recruitment	1,105	1,105	953	953	787	787
One-time request	8,875	8,875	7,655	7,655	6,321	6,321
Total increase requested	95,362	25,927	82,245	12,810	67,918	(1,517)

SCRD Total of all areas	Based on 2018	Increase	2016 Census Population	Increase	2019 Assessments	Increase
2019 Request	250,225	29,526	280,371	59,672	372,735	152,036
Library supervisor	24,577	24,577	27,538	27,538	36,610	36,610
On going request	274,802	54,103	307,909	87,210	409,345	188,646
One-time capital	14,677	14,677	16,444	16,444	21,861	21,861
Material	10,012	10,012	11,219	11,219	14,914	14,914
Recruitment	3,511	3,511	3,934	3,934	5,230	5,230
One-time request	28,200	28,200	31,597	31,597	42,005	42,005
Total increase requested	303,002	82,303	339,506	118,807	451,350	230,651

2019 Funding Request allocation

Grand Total	Based on 2018	Increase	2016 Census Population	Increase	2019 Assessments	Increase
2019 Request	712,687	84,215	712,686	84,214	712,686	84,214
Library supervisor	70,000	70,000	70,000	70,000	70,000	70,000
On going request	782,687	154,215	782,686	154,214	782,686	154,214
One-time capital	41,801	41,801	41,800	41,800	41,800	41,800
Material	28,516	28,516	28,516	28,516	28,516	28,516
Recruitment	10,000	10,000	10,000	10,000	10,000	10,000
One-time request	80,317	80,317	80,316	80,316	80,316	80,316
Total increase requested	863,004	234,532	863,002	234,530	863,002	234,530



SECHELT INDIAN GOVERNMENT DISTRICT

AGENDA ITEM # E2 SIGD Council Recommendation Report

DATE: February 12, 2019

Re: Sechelt Public Library Funding for 2019 and Five Year Agreement Update

BACKGROUND:

SIGD, District of Sechelt and SCRDC had a five year agreement to provide funding to the Sechelt Library. 2018 was the last year of the agreement – SIGD provided \$11,234 in 2018 in accordance with the agreement.

At the January 15th SIGD meeting Council approved SIGD staff to proceed with the negotiation of the 2019-2023 funding agreement for the Sechelt Public Library based on the Five-Year Agreement Proposal and Budget provided by the library.

CURRENT SITUATION

SIGD staff met with District of Sechelt and SCRDC staff and Elle Archibald, Chief Librarian to review the library's proposal for a five year agreement. Subsequent to the meeting more information from the SCRDC and District of Sechelt staff has also been received.

The 2019 budget request with the current allocation of funding between funders has been approved by the District of Sechelt and the SCRDC will consider the 2019 budget request during budget discussions. In addition the District of Sechelt has approved the provision of funding for addition requests (page 14 of the attached Five-Year Agreement Proposal) for one time capital \$41,800, library materials \$28,516, recruitment \$10,000 and library supervisor \$70,000 based on the current allocation between funders and subject to the other two funders approving the additional funding for 2019.

Under the current allocation between funders SIGD's portion of the additional funding (1.79%) would be \$2,690.66. The budget request of \$12,739 plus the additional funding of \$2,690.66 would now be an increase of 0.0063 per \$1,000 of assessed value for 2019. For a \$400,000 home taxation increase could be \$2.52 (additional funding is \$0.43). 2019 Taxation for the library would be \$18.08 for a \$400,000 home.

Both the District of Sechelt and the SCRDC are considering various apportionment options between the funders including population and assessments. SIGD's current portion of the funding is 1.79%. Changing the basis of the apportionment to 2016 census population would increase SIGD's portion to 3.74% or using 2019 assessments SIGD's portion would increase to 3.25%.

Due to each funders requirement to adopt their 2019 budgets it would be difficult to complete negotiations and finalize a five year agreement. It is recommended that SIGD's portion of the funding remain at the current 1.79%. Considerations to change the apportionment to be considered during negotiations for a new agreement (4 to 5 years).

R:\SIGD\Reports For Next Meeting\ Sechelt Public Library Funding for 2019 and Five Year Agreement Update, 2019 02 19

FINANCIAL / BUDGET IMPLICATIONS:

Sechelt Public Library funding for 2019 \$12,739 plus additional one time funding of \$2,690.66 is Budget code 35-78880-301.

RECOMMENDATIONS: DECISION OF COUNCIL:

THAT, Council approves 2019 funding for the Sechelt Public Library of \$12,739,

AND THAT, Council approves 2019 additional one time funding to a maximum of \$2,690.66 subject to the District of Sechelt and the SCRD approving their portion of the additional funding request,

AND THAT, SIGD staff proceed with the negotiation of a new funding agreement for the Sechelt Public Library (2020-2023 or 2020-2024),

AND THAT, any changes to services and funding, including the apportionment of funding between SIGD, the District of Sechelt and the SCRD be brought to Council for review,

AND FINALLY THAT, the final agreement be brought to Council for approval.

Prepared by:


Diane Hill, SIGD Financial Officer

Approved by:


Peter Jmaeff, SIGD Manager


Rochelle Baptiste, IGS Division Manager

Attachments:

- Sechelt Library Five-Year Agreement Proposal
- Sechelt Public Library 2019-2023 Budget

SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

TO: Special Corporate and Administrative Service Committee - March 4, 2019

AUTHOR: Tina Perreault-General Manager Corporate Services/Chief Financial Officer

SUBJECT: SECHELT LIBRARY FUNDING APPORTIONMENT FOR 2019 BUDGET

RECOMMENDATION(S)

THAT the report titled Sechelt Library Funding Apportionment for 2019 Budget be received.

BACKGROUND

At the February 28, 2019 Regular Board meeting the following motion (063/19) was passed, excerpt below:

Recommendation No. 2 *Sechelt Library Apportionment Options*

THAT the report titled Sechelt Library Apportionment Options be received;

AND THAT staff report to Round 2 Budget with total apportionment information based on the following Electoral Area requests:

- Area D funding only an increase similar Gibsons and District Public Library at 2.5%;
- Area A funding the base increase of \$88,683 including the one-time capital requests of \$41,800 and one-time operating requests of \$98,516;
- Area B funding the base increase of \$88,683 including the one-time capital requests of \$41,800 and one-time operating requests of \$98,516.

DISCUSSION

The Sechelt Public Library Association (SPLA) made a total funding request of \$867,471 and based on the SCRD's Library Service Bylaws, it can only consider funding \$857,471.

Library 2019 Request		
	SCRD Eligible	Total
2019 Request	717,155	717,155
Library supervisor	70,000	70,000
Total on-going request	787,155	787,155
One-time capital	41,800	41,800
Material	28,516	28,516
Recruitment	-	10,000
Total one-time request	70,316	80,316
Total Request	857,471	867,471

Based on the direction provided from the SCRD Library funders: Area A-Pender Harbour; Area B-Halfmoon Bay; and Area D-Roberts Creek, as well as information provided by the District of Sechelt and the shíshálh Nation, the following funding options can be considered:

Option 1- Reduce Area D Funding

This option is based on what prior funders have previously committed to, based on historical SPLA MOU allocation, however the Area D contribution has been reduced, which then reduces the overall funding to the SPLA to \$833,893 versus \$857,471 as above. This is a \$23,578 shortfall or \$33,578 if the \$10,000 reserve is included. How this option relates to the overall funding for the SCRD Library services is included in **Attachment A-2019 Round 2 Budget Library Funding Summary**.

	Proposed Cost Apportionment	Revised % of funding	Allocation per MOU	Residential Tax Rate / \$100,000	\$ Change from 2018	% Change from 2018
Sechelt Library Funders						
District of Sechelt	\$541,065	64.88%	63.10%	\$12.86	\$144,526	36.4%
shíshálh Nation (SIGD)	15,348	1.84%	1.79%	4.99	4,114	36.6%
SCRD Area A	40,731	4.88%	4.76%	1.91	10,837	36.3%
SCRD Area B	165,578	19.86%	19.31%	8.00	44,208	36.4%
50% of SCRD Area D	71,171	8.53%	11.05%	9.56	1,736	2.5%
Total	\$833,893				\$205,421	

Option 2 - Other funders make up the shortfall

If the other funders wanted to make up the shortfall of \$23,578 (SCRD allowable share), the following options could be considered:

2A- SCRD Area A and Area B covers 50/50 (\$11,789 each) for the \$23,578, it would result in the following apportionment:

Proposed Cost Apportionment		
Sechelt Library Funders		
District of Sechelt	\$541,065	63.10%
shíshálh Nation (SIGD)	15,348	1.79%
SCRD Area A	52,520	6.12%
SCRD Area B	177,367	20.68%
50% of SCRD Area D	71,171	8.30%
Total	\$857,471	

The District of Sechelt or the shíshálh Nation would need to determine if they would like to make up the additional \$10,000 toward the recruitment reserve.

2B - Funding partners share up to historical MOU

Proposed Cost Apportionment			
Sechelt Library Funders			New cost apportionment %
District of Sechelt	\$14,878	\$555,943	65.03%
shishálh Nation (SIGD)	422	15,770	1.84%
SCRD Area A	1,120	41,851	4.90%
SCRD Area B	4,553	170,131	19.90%
50% of SCRD Area D	0	71,171	8.33%
Total	\$20,973	\$854,866	

This option is approximately \$2,605 short from the full cost share request, changes the overall apportionment for the funders and doesn't cover the full funding request from the SPLA and doesn't include the \$10,000 to replenish the reserve.

STRATEGIC PLAN AND RELATED POLICIES

n/a

CONCLUSION

The Sechelt Public Library Association is requesting an increase to its base operational funding, an increase for staffing, materials and recruitment reserve, as well as a one-time capital request for 2019, all totaling \$857,471 (as the SCRD can't fund the \$10,000 for establishment of a reserve). Staff have provided three apportionment options for consideration.

Reviewed by:			
Manager		Finance	
GM		Legislative	
A/CAO	X - A.Legault	Other	

Attachment A - 2019 Round 2 Budget Library Funding Summary

2019 Round 2 Budget Library Funding Summary

	Gibsons & District Public Library 2019 Proposed Funding				Sechelt Public Library 2019 Funding Allocation (based on committed funding)			Reading Rooms 2019 Base Budget Funding		
	Grant	Admin	SCRD Maint	Total	2019	Admin	Total	Grant	Admin	Total
Area A					40,731	1,971	42,702	2,000	97	2,097
Area B					165,578	7,638	173,216			
Area D	56,016	4,652	10,503	71,171	71,171	4,388	75,559	13,500	832	14,332
Area E	126,769	10,528	23,769	161,065	-		-			
Area F	214,110	17,781	40,145	272,036	-		-			
TOG	213,413	17,723	40,014	271,150	-		-			
SIGD					15,348		15,348			
DOS					541,065		541,065			
							-			
	610,309	50,683	114,430	775,422	833,893	13,997	847,890	15,500	929	16,429
Unfunded Portion of 2019 Request					23,580					
Regional Dist					291,477					
2018 Grant	595,309				628,472					
% change	2.52%				32.69%					

SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

TO: Corporate and Administrative Services Committee – May 23, 2019

AUTHOR: Sherry Reid, Deputy Corporate Officer

SUBJECT: UNION OF BRITISH COLUMBIA MUNICIPALITIES (UBCM) RESOLUTIONS

RECOMMENDATION(S)

THAT the report titled Union of British Columbia Municipalities (UBCM) Resolutions be received;

AND THAT the draft resolutions be approved or amended and forwarded to UBCM for consideration at the 2019 Convention.

BACKGROUND

The following recommendations were adopted at the May 9, 2019 Board meeting:

139/19 **Recommendation No. 11** *2019 Union of British Columbia Municipalities (UBCM) Resolutions*

THAT the report titled 2019 Union of British Columbia Municipalities (UBCM) Resolutions be received;

AND THAT the following resolutions be referred to staff to review for the 2019 UBCM Convention:

- 1) WHEREAS the BC government has committed itself to the Paris Accord to limit climate warning to 1.5 degrees Celsius;

AND WHEREAS the Provincial Government and the Ministry of Transportation and Infrastructure only provides safe and reliable infrastructure for cars in rural areas of BC.

THEREFORE BE IT RESOLVED that the provincial government provide adequate funding to enable alternate means of transportation in rural and unincorporated areas of BC and that the Ministry of Transportation and Infrastructure expand its mandate to build and maintain that infrastructure.

- 2) WHEREAS regional districts have no control over tree cutting;

AND WHEREAS unincorporated areas with high population density e.g. more than 50 people per square kilometre would like some control over

possible ecosystem impacts, excessive water-runoff above their properties, the feel of their neighbourhood and control over sightlines.

THEREFORE be it resolved that UBCM strike a task force to create regulations around tree cutting in unincorporated areas linked to population density and/or other criteria that will produce the desired result, e.g. type of ownership.

Recommendation No. 12 *2019 Union of British Columbia Municipalities (UBCM) Resolutions*

THAT staff prepare a resolution for consideration at the 2019 UBCM Convention requesting Provincial Support to add additional sailings to the Service Agreement for BC Ferries Route 3, as well as advocating for foot passenger ferry service.

DISCUSSION

Alternative Transportation Infrastructure

In reviewing the proposed resolution to support alternative means of transportation in rural areas, staff considered the provincial government's climate action plan and legislation, as well as any previous resolutions submitted to UBCM on the same or similar topic. A search of UBCM's resolution database revealed approximately 200-300 resolutions have been previously considered on a range of topics related to alternative and active transportation. The SCRDC has sponsored 5 such resolutions (focused mainly on funding, construction and maintenance of bike lanes) in 2006, 2011, 2013, 2016 and most recently, in 2018, when the following resolution was not admitted for debate but was grouped with other similar resolutions for consideration:

Whereas limited revenue sources constrain local government construction of active transportation facilities which support healthy lifestyles, local economic opportunities through tourism; and reduce congestion, greenhouse gas emissions and localized air pollution;

And whereas the current level of provincial cycling infrastructure grant funding is inadequate to meet the demand:

Therefore be it resolved that the provincial government be urged to increase the BikeBC Fund to \$50 million per year.

The provincial response to the active transportation resolution was as follows:

The Ministry is leading the development of the Provincial Active Transportation Strategy that is currently being informed through extensive consultation and engagement and in partnership with all government ministries and key stakeholders. The Strategy will contain actions to encourage new infrastructure, education and incentive programs, and safety improvements for people walking, cycling, and using other forms of active transportation. The Strategy was announced in the Premier's December 2018 CleanBC release, which outlines a path to reduce greenhouse gas emissions.

The Ministry strongly supports cycling, walking and other modes of active transportation and recognizes these affordable transportation options reduce congestion and emissions and promote healthier communities. As part of its plan to encourage active transportation, the Ministry integrates cycling and pedestrian facilities, such as wider shoulders on highways or separated multi-use paths, in new construction and improvements to highways, whenever possible.

The Ministry also supports active transportation through its BikeBC program that helps towns, cities, First Nations and local governments create and maintain their cycling networks. BikeBC shares the cost of municipal cycling infrastructure projects, such as separated bike paths and bicycle/pedestrian overpasses, with local governments.

Following consultations with stakeholders and communities throughout B.C., the Ministry enhanced BikeBC's scope in 2018 to cover up to 75 per cent of costs for communities with a population under 15,000. Upgrades to existing infrastructure are also now eligible under the program, as are projects such as repair stations, bike racks and lockers. For 2018/19, 26 communities, both rural and urban, are eligible to receive BikeBC grants totaling \$9.11 million.

In consideration of the above, staff have prepared an amended draft resolution for the Committee's review that focuses on increasing the Province's investment in infrastructure to support alternative transportation as follows:

WHEREAS the BC government has committed itself to the Paris Accord to limit climate warming to 1.5 degrees Celsius and has committed to an active transportation strategy which outlines a path to reduce greenhouse gas emissions;

AND WHEREAS the Ministry of Transportation and Infrastructure are the responsible authority to ensure safe and reliable road infrastructure throughout rural and unincorporated areas in BC:

THEREFORE BE IT RESOLVED that the provincial government be urged to fund the Ministry of Transportation and Infrastructure to support an increased investment in infrastructure improvements and ongoing maintenance necessary for the safe integration of low carbon alternative modes of transportation on rural roads which connect communities throughout BC.

Tree Cutting Authority

In reviewing the proposed resolution on tree cutting, staff considered the current legislative authority for tree cutting within regional districts as well as any previous resolutions submitted to UBCM on the same or similar topic. The *Local Government Act* provides that regional districts may designate land areas subject to flooding, erosion, land slip or avalanche as tree cutting permit areas and may regulate or prohibit the cutting of trees in these areas. These areas may be designated by bylaw within a tree cutting permit bylaw and/or within development permit areas identified in Official Community Plan bylaws. Regional districts do not currently have the authority to protect or regulate tree cutting outside of designated tree permit areas whereas municipalities do.

In 2003, the Regional District of Comox-Strathcona sponsored a UBCM endorsed resolution requesting an amendment to the *Local Government Act* to give regional districts the authority “to protect trees which have documented local, historical or ecological significance or which provide environmental protection against significant soil erosion and mudslides”.

The Province responded as follows:

The Local Government Act provides for a range of regulatory powers for regional districts. Regulation of tree cutting is not one of these powers. However, there is considerable scope for regional districts to use development permit powers to deal with environmental protection and hazard protection issues.

When regional district legislation is reviewed the issue of tree protection powers can be considered. Any review will need to balance the interests of citizens with the interests of the community.

To date no changes have been made to the legislation to provide additional tree protection powers to regional districts. An amended resolution is therefore proposed as follows:

WHEREAS regional districts have no regulatory authority for tree cutting except as it relates to environmental hazard protection, while municipalities have broader powers to regulate tree protection;

AND WHEREAS unincorporated rural areas with high population densities may share similar concerns as municipalities with respect to protecting trees to mitigate potential ecosystem impacts, excessive storm water runoff impacting properties, general neighbourhood feel and control over sightlines, as well as the desire to protect certain species of trees:

THEREFORE BE IT RESOLVED that the Union of BC Municipalities urge the provincial government to provide regional districts broader authority over tree cutting that is equal to the regulatory power of municipalities for tree protection, particularly in unincorporated rural areas that are more densely populated.

Support for BC Ferries Route 3

Staff were also requested to prepare a resolution advocating for provincial support for additional sailings and a foot passenger ferry service on BC Ferries Route 3 (Langdale to Horseshoe Bay route). UBCM resolution guidelines recommend that the issue identified in a resolution be relevant to other local governments across the province. In reviewing UBCM's resolution database it was noted that previously submitted resolutions on the topic of route specific ferries have not been handled consistently: some have been endorsed, while others have not been admitted for debate, or they have been referred back to their Area Association.

As such, staff have prepared a resolution for the Committee's consideration which is similar to an SCRCD sponsored resolution endorsed by UBCM in 2010:

WHEREAS ferry service levels and unsatisfactory 'on-time' performance has the potential to negatively impact ferry dependent communities, both from the perspective of local BC residents and from visiting tourists;

AND WHEREAS coastal ferries are an extension of the highway system and an essential part of the provincial transportation network, crucial to the economic and social health of the coastal region and the tourism industry:

THEREFORE BE IT RESOLVED that the Union of BC Municipalities request that the Ministry of Transportation and Infrastructure work with coastal communities and BC Ferries to develop a strategy for coastal ferry routes that supports additional sailings to reduce sailing waits during peak travel times, including a dedicated foot passenger ferry service that would lessen the demand for car ferry service and encourage the use of public transit and alternative means of transportation where possible.

Timeline for next steps or estimated completion date

If approved, the resolutions will be forwarded to UBCM prior to their June 30th deadline.

STRATEGIC PLAN AND RELATED POLICIES

Submission of resolutions to UBCM is in alignment with SCRD's strategic value of Collaboration and also supports SCRD's mission to provide leadership and quality services to our community through effective and responsive government.

CONCLUSION

At the May 9, 2019 Board meeting, staff were requested to review and prepare draft resolutions for the Committee's consideration. Staff request that the Committee approve or identify amendments to the draft resolutions. Board approved resolution(s) will be submitted to UBCM by the June 30th deadline for consideration at the 2019 UBCM Convention.

Reviewed by:			
Manager	X – A. Allen	Finance	
GM		Legislative	
I / CAO	X – A. Legault	Other	

SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

TO: Corporate and Administrative Services Committee – May 23, 2019

AUTHOR: Angie Legault, Interim Chief Administrative Officer

SUBJECT: E-COMM EMERGENCY CO-LOCATION AGREEMENTS FOR 9-1-1 FIRE SERVICE

RECOMMENDATION(S)

THAT the report titled E-Comm Emergency Co-Location Agreements for 9-1-1 Fire Service be received;

AND THAT the delegated signing authorities be authorized to execute the E-Comm Emergency Co-Location Agreements for 9-1-1 Fire Service at 650 West Georgia Street (VDT) and 2725 Melfa Road, UBC (VUB);

AND FURTHER THAT this recommendation be forwarded to the May 23, 2019 Regular Board meeting.

BACKGROUND

E-Comm Emergency Communications is the dispatch for 9-1-1 fire service. E-Comm and the SCRD entered into an agreement on June 27, 2014 for E-Comm to install, operate and maintain the SCRD's antennas and equipment for the purposes of the 9-1-1 transmission, emission or reception of signals by wire, radio, fibre optics or other electromagnetic systems at two locations; Vancouver Downtown 650 West Georgia Street (VDT) and 2725 Melfa Road, UBC (VUB). These antennas provide the critical primary and back up radio and paging link between the Sunshine Coast fire departments and our dispatch provider.

The agreements between E-Comm and the SCRD are now up for renewal. There is an option to extend for five years commencing April 1, 2019 and expiring on March 31, 2024.

DISCUSSION

The agreements include the following key conditions:

- E-Comm will continue to maintain the overall site, provide DC power, connect to alarm monitoring, and provide equipment racks.
- Yearly rate for VUB is \$3,776. The rate for VDT is currently being confirmed but is expected to be slightly higher and within budgeted limitations.
- Operating costs are included in the 9-1-1 operating budget.
- Normal Industry Canada, CRTC radio regulations apply.

- E-Comm conditions to protect their interest are included (insurance, protection of site and systems and building lien and normal liability and indemnification clauses).

STRATEGIC PLAN AND RELATED POLICIES

This Agreement shows commitment to effective management of the fire services for the Sunshine Coast and support the SCRD mission to provide leadership and quality services to our community through effective and responsive government.

CONCLUSION

E-Comm operates and maintains the SCRD's antennas and equipment at two locations for the 9-1-1 transmission and emission signals providing the critical link between the Sunshine Coast fire departments and the dispatch provider. The Agreements between E-Comm and the SCRD are now up for renewal. Staff recommend extending the Agreements.

Reviewed by:			
Manager	X – B. Higgs	Finance	
GM		Legislative	
Acting CAO		Other	

SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

TO: Corporate and Administrative Services Committee – May 23, 2019

AUTHOR: Andrew Allen, Manager, Planning and Development

SUBJECT: SUPPORT FOR APPLICATION TO HOUSING NEEDS ASSESSMENT PROGRAM

RECOMMENDATION(S)

THAT the report titled Support for Application to Housing Needs Assessment Program be received;

AND THAT the Committee consider forwarding the following resolution to the Town of Gibsons:

THAT the Sunshine Coast Regional District (SCRD) Board supports an application for the Housing Needs Reports Program grant through the Ministry of Municipal Affairs and Housing;

AND THAT the SCRD Board supports the Town of Gibsons to apply for, receive and manage the grant funding on its behalf;

AND FURTHER THAT this recommendation be forwarded the May 23, 2019 Board meeting.

BACKGROUND

On April 17, 2019 the Union of BC Municipalities (UBCM) announced funding availability for a Housing Needs Report Program to support local governments in conducting housing needs assessments (May and November intakes). This follows recent amendments to the *Local Government Act*, which require local governments in British Columbia to have housing needs reports in place within three years.

On May 10, 2019 a letter was received from the Town of Gibsons (Attachment A) requesting SCRD support for a regional approach to a housing needs assessment and has offered to make an application on behalf of the SCRD. For the Town of Gibsons to make a regional application, the following resolution would be required:

THAT the Sunshine Coast Regional District (SCRD) Board supports an application for the Housing Needs Reports Program grant through the Ministry of Municipal Affairs and Housing;

AND THAT the SCRD Board supports the Town of Gibsons to apply for, receive and manage the grant funding on its behalf.

DISCUSSION

Options and Analysis

The grant program provides for applications from either individual jurisdictions, be it in rural electoral areas or municipalities, or combined to provide a regional approach, within a regional district area.

When the funding was announced planning staff from the SCRD, District of Sechelt and Town of Gibsons met to discuss options and determine when and how to make a grant request for funding. There are two funding intakes in 2019, May and November. SCRD preference, considering on-going projects such as zoning bylaw review and on-going application processing, was to apply to the November program intake, for a 2020 priority work plan item.

As the Town of Gibsons would prefer the May intake, they offered to take a leadership role in seeking funding for a housing needs assessment on a regional scale.

At this time, options include supporting the Town of Gibsons, or preparing in advance for a November program intake for the rural electoral areas.

Organizational and Intergovernmental Implications

The Housing Needs Assessment Program grant funding allows for the possibility of individual or regional approaches to housing needs assessments. There are advantages and disadvantages to each option. The clear advantage is the combination of available funds for a comprehensive assessment and possible efficiencies in data collection and stakeholder collaboration. The quick decision time for a May program intake is a noted disadvantage when determining regional coordination and priority alignment.

Financial Implications

The available grant funding is based on population per area. On the Sunshine Coast, each of the five rural electoral areas, Town of Gibsons and Sechelt Indian Government District are eligible for \$15,000 each and the District of Sechelt is eligible for \$20,000. This is a total combined grant funding possibility of \$125,000.

Timeline for next steps or estimated completion date

Should the Committee wish to support the Town of Gibsons' application, a resolution of support should be forwarded as soon as possible. If the Committee prefers additional information and options, a report can be prepared for Q3, which would then enable an application for the November program intake.

Communications Strategy

If a regional application moves forward, a coordinated communication plan will be required.

STRATEGIC PLAN AND RELATED POLICIES

The SCRD Financial Sustainability Policy states that "...When considering grant funding, the Regional District will focus on projects that are already included in the Five-Year Financial Plan,

the adopted long-term capital plans or the Strategic Plan.” The draft Strategic Plan speaks to increasing opportunities for Intergovernmental Collaboration.

CONCLUSION

In early 2019, UBCM announced funding availability for a Housing Needs Report Program to support local governments in conducting housing needs assessments. This follows recent amendments to the *Local Government Act*, which require local governments in British Columbia to have housing needs reports in place within three years.

On May 10, 2019 a letter was received from the Town of Gibsons requesting the SCRD’s support for a regional approach to a housing needs assessment.

The Town of Gibsons requests that SCRD Board consider passing the following resolution:

THAT the Sunshine Coast Regional District (SCRD) Board supports an application for the Housing Needs Reports Program grant through the Ministry of Municipal Affairs and Housing;

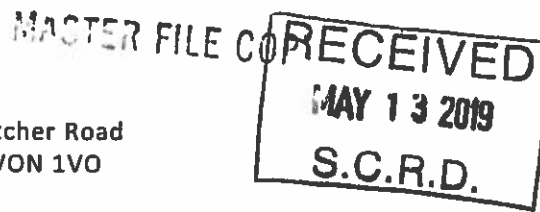
AND THAT the SCRD Board supports the Town of Gibsons to apply for, receive and manage the grant funding on its behalf.

Reviewed by:			
Manager		CFO/Finance	X - T. Perreault
GM		Legislative	
Interim CAO	X - A. Legault	Other	

Attachment A: Correspondence from the Town of Gibsons dated May 10, 2019



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OFFICE OF THE MAYOR | WILLIAM BEAMISH

May 10, 2019

Lori Pratt, Chair
Board of Directors
Sunshine Coast Regional District
1975 Field Road
Sechelt, BC V0N3A1


Dear Chair Pratt,

Re: Support for application to Housing Needs Reports Program

We are writing to ask for your support, in the form of a resolution, that would accompany a joint application to the provincial Housing Needs Reports Program. More information on the program can be found here:
<https://www.ubcm.ca/EN/main/funding/lgps/housing-needs-report-program.html>

At its Regular Meeting of May 7, 2019, Council adopted the following resolutions:

"THAT Council directs staff to apply for the \$15,000 Housing Needs Assessment grant to support the Town's work on Affordable Housing projects and up to \$2,500 from the Affordable Housing Reserve Fund may be used to prepare the application;

AND THAT, should the timing work out to meet the May 31, 2019 application deadline with support from the Sunshine Coast Regional District and District of Sechelt by May 27, 2019, Council directs staff to apply for the \$125,000 Housing Needs Assessment grant for a regional housing needs project and lead the project."

Should the Board support a regional application, please consider the following wording for your resolution:
THAT the Sunshine Coast Regional District (SCRD) Board supports an application for the Housing Needs Reports Program grant through the Ministry of Municipal Affairs and Housing;

AND THAT the SCRD Board supports the Town of Gibsons to apply for, receive and manage the grant funding on its behalf.

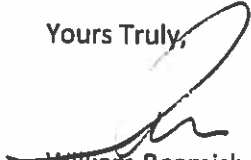
TOWN OF GIBSONS

"Nature is our most valuable asset"

We appreciate your prompt attention to the request by May 27, 2019, as complete applications are due on May 31, 2019.

Thank you, in advance, for your consideration of our request.

Yours Truly,



William Beamish
Mayor

cc. District of Sechelt Mayor and Council

SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

TO: Corporate and Administrative Services Committee – May 23, 2019

AUTHOR: Valerie Cropp, Manager, Purchasing and Risk Management

SUBJECT: PROCUREMENT POLICY FRAMEWORK

RECOMMENDATION(S)

THAT the report titled Procurement Policy Framework be received;

AND THAT the Board provide input on the direction of the Policy.

BACKGROUND

The overall purpose of a purchasing or procurement policy is to:

- Ø Build public confidence in public procurement.
- Ø Simplify, clarify, and reflect the laws governing procurement.
- Ø Ensure the fair and equitable treatment of everyone who deals with the procurement system.
- Ø Provide for increased efficiency, economy, and flexibility in public procurement activities and maximize purchasing power for the community to the fullest extent.
- Ø Foster effective broad-based competition from all segments of the supplier community.
- Ø Safeguard the integrity of the procurement system and protect against corruption, waste, fraud, and abuse.
- Ø Foster equal employment opportunities that are in line with legal requirements, in the policies and practices of suppliers and subcontractors wishing to do business with the entity.

The Purchasing Policy 3-1200-5 (Attachment A) was adopted on June 9, 2011 to provide clear guidelines and standards for procurement, ensuring the Sunshine Coast Regional District (SCRD) receives best overall value in the most cost effective and efficient manner, and that the methods used are open, fair, consistent and support the organization's commitment to sustainability.

The SCRD Purchasing Policy has not been reviewed since this time and although current policies contain many of the necessary standards to support the SCRD's commitment to doing business in a fair and ethical manner and ensuring equal opportunity for all business, staff recommend expanding the current policy to reflect the changing public procurement environment and strengthen vendor and community relationships.

DISCUSSION

Options and Analysis

Public Procurement is governed by law related to commercial contracts, competitive bidding, Canadian Competition Bureau legislation, as well as the New West Partnership Trade

Agreement, Canadian Free Trade Agreement, and Comprehensive Economic and Trade Agreement.

When the Auditor General for Local Government (AGLG) was created they identified six major themes, including Fiscal and Sustainability Planning, Capacity and Internal Operations. This theme includes procurement, which is a key function in local governments.

As a result of the Procurement focused Audits, the AGLG created a Perspective Services' document focusing on Procurement to help guide local governments in developing strong procurement policy, performance metrics and vendor performance management.

In addition to the AGLG there are several other agencies that have released guidelines that support and inform the procurement process for local governments. These organizations are:

- Ø Local Government Management Association;
- Ø Coastal Communities Social Procurement Initiative;
- Ø Ministry of Citizens' Services, Procurement Governance Office; and
- Ø National Institute for Government Procurement.

These organizations identify procurement policy statements that staff view as critical elements that should be included in a procurement policy for good governance.

Key Recommendations SCRD New Procurement Policy

Staff recommend that the following elements are recommended in a new procurement policy which will be brought to a future Committee meeting for consideration:

Element 1: States the Purpose of the Policy

The purpose of this policy is to ensure that all goods, services and construction will be acquired in a competitive, fair and open manner, and that the process will be efficient, accountable and maximize best value for the community.

The policy will support the SCRD strategic objectives while ensuring that we meet the requirements under the *Community Charter*, *Local Government Act*, various trade agreements, *Freedom of Information and Protection of Privacy Act*, district bylaws, public sector procurement standards and competitive bidding law.

The SCRD is also committed to working with the vendor community on opportunities for sharing ideas and feedback to help improve the procurement process and make it easier for vendors to do business with the SCRD.

Element 2: Definitions and Restrictions

To assist with interpretation, a procurement policy needs to include a definition section that:

- Ø Clearly defines the use of the terms in the policy.
- Ø Clearly defines criteria for any procurement decision that may be unclear without further explanation (e.g. description of “responsive bidder”, “best value”).
- Ø Restrictions, prohibitions and requests for exceptions and exclusions to the policy, (i.e. Emergency, Standardization).

Element 3: Authorities and Responsibilities

A procurement policy should, at a minimum, establish guidance for the organization and be consistent with SCRD Delegation Bylaw No. 710, including:

- Ø Authorities and responsibilities of procurement staff, department heads and other local government staff as defined in bylaws
- Ø The authority and/or area responsible for the process used to identify capital needs.
- Ø The roles and responsibilities of elected officials, staff (including those with program, procurement and finance responsibilities) and contractors.
- Ø The approval and authorization levels for change orders.
- Ø The requirements for post-completion assessment of project performance.

Element 4: Methods of Procurement and Thresholds

A procurement policy should establish thresholds and award methods that are consistent with current Trade Agreements and Contract Law and be a guide for source selection and contract formation that, at a minimum, includes the following contracting methods:

- Ø Competitive Methods of Procurement, such as, Request for Proposal or an Invitation to Tender.
- Ø Non-Competitive Methods of Procurement such as, direct contract awards or urgent and emergent situations.
- Ø Exemptions and Exceptions to the Required Methods of Procurement.
- Ø Gathering Market Information (tools that do not directly result in a contract award).

Our current policy thresholds are outlined in the below table:

Expenditure	Method
Under \$5,000	Low Value Purchase
More than \$5,000 but less than \$30,000	Request for Quotation
\$30,000 or greater	Call to Bids

Staff also recommend updating the SCRD thresholds and award methods to be consistent with SCRD Small Purchases Guidelines and in line with Trade agreements as follows:

Estimated Thresholds	Method
Goods and Services	
Less than \$5,000	Small Purchase Guidelines
Less than \$10,000	Informal Quotation Process
\$10,000 to \$50,000	Invitational Process or Formal Competitive Process (RFP, ITQ, RFSO)
Greater than \$50,000	Formal Competitive Process (RFP, ITQ, RFSO)
Construction	
Less than \$100,000	Invitational Process or Formal Competitive Process (RFP, ITT)
Greater than \$100,000	Formal Competitive Process (RFP, ITT)

Element 5: Ethical Considerations

A procurement policy should provide guidance to a Code of Conduct policy currently being drafted for everyone involved in the procurement process, as well as remedies for violation of the policy. This guidance should include:

- Ø What type of communication (lobbying) is acceptable and what is not, during a competitive procurement process.
- Ø Employee acknowledgement of compliance with the procurement policy and other related policies.
- Ø Refusing and/or suspending vendors under specific circumstances.
- Ø Handling protests, appeals, disputes, claims, hearings, and contractual remedies.

Element 6: Metrics and Reporting**Metrics**

It is important for the procurement function to have a performance measurement system that assesses its progress toward supporting the priorities of the SCRD's Strategic Plan. Tracking performance allows for a more strategic perspective on procurement activities, supports planning, informs decision making and helps demonstrate accountability.

In identifying performance metrics, it is usually best to start small and expand. There are three key areas, financial, vendor related, and procurement efficiency.

For the financial key performance metric, staff are currently reporting quarterly to the Corporate and Administrative Services Committee on all new contracts entered into with a value between \$50,000 and \$100,000. All contracts over \$100,000 are brought forward for Board approval per the SCRD's Delegation Bylaw. The SCRD reports all vendor expenditures over \$25,000 annually in the Statement of Financial Information as required by legislation.

For the vendor related key performance metric, staff recommend annual reporting of the number of supplier and/or contractor performance evaluations formally completed per year.

For the procurement efficiency key performance metric, staff recommend reporting on the number of exceptions to the procurement policy.

Reporting

It is a common practice to report directly to the public. Staff currently pro-actively release contract award information on the SCRD website after a contract has been executed.

Staff also publicly report award recommendations to the Board for contracts over \$100,000. In drafting these reports, it is important to understand what and when information may be pro-actively released to the public. Staff currently use the attached Guidance for the Release of Information Related to the Competitive Procurement Process that was developed by Ministry of Citizens' Services, as well as the *Freedom of Information and Protection of Privacy Act*.

Further to the guidance document, in 2018 the Canadian International Trade Tribunal ruled that the government's premature contract award announcement resulted in a breach of its confidentiality duties (*Hawboldt Industries v. Department of Public Works and Government Services*).

The Tribunal also stressed that the trade treaty requirement to post contract award amounts remained subject to confidentiality obligations where disclosure might prejudice future competition. In considering whether to grant a remedy, the Tribunal stated that the government should avoid automatically posting contract award prices in all instances without first considering the potential prejudice to future competitions. The Tribunal further noted that it had already warned the government that these mechanical disclosures risked breaching the government's confidentiality duties and exposing the government to damage awards.

Given the above, the Tribunal found that the complainant was entitled to damages for an undisclosed percentage of its lost profits. As this case illustrates, public institutions must carefully navigate their transparency obligations and confidentiality duties. These diligence duties should include avoiding the premature disclosure of pricing information prior to the final award of a contract and to the expiry of any applicable bid protest timeframes. In some instances, these duties should also include the redaction of contract award values to protect future competition

Other Considerations

A procurement policy may also provide guidance for the use of special public procurement programs, such as sustainable social procurement.

Sustainable social procurement is the intentional generation of social value through procurement processes. It occurs when buying goods, service or construction, in a way that achieves value for money in terms of generating benefits not only for the organization, but also the society and the economy, while minimizing damage to the environment.

Sustainable social procurement is a growing practice that seeks to better leverage public funds to achieve positive social outcomes aligned with community values and strategic objectives. The practice has been adopted around the world and has demonstrated positive results for the community. BC started to see this practice being adopted around 2009, and most recently being highlighted through the Association of Vancouver Island and Coastal Communities (AVICC), which supported the creation of the Coastal Communities Social Procurement Initiative.

The SCRD already practices some sustainable procurement, with vendors that pay a living wage, contracts that have requirements for reporting emissions and also have different types of agreements with local community support agencies, however the process is not as transparent as it could be. Staff would recommend the following as other considerations that may be added to the policy.

The SCRD strategic plan direction is usually what will determine what sustainable social procurement benefits would be a focus for SCRD.

Some of the benefits of sustainable social procurement include:

- | | |
|----------------------|--|
| Local sustainability | – Strengthening the local economy and ensuring its financial and environmental sustainability. |
| Social inclusion | – Promoting openness and equal opportunity for disadvantaged and vulnerable community groups. |
| | – Building social capital in the community. |

- | | |
|-------------------------|---|
| Employment and Training | <ul style="list-style-type: none"> – Consideration for local employment opportunities at living wages through clauses and specifications in the tenders. – Developing practical training to build long-term employment opportunities. |
| Diversity and Equity | <ul style="list-style-type: none"> – Ensuring all businesses have the same opportunity to tender for contracts. – Ensuring that the supply markets around essential and key services remains diverse and vibrant. – Ensuring that local suppliers such as small to medium-sized enterprises (SMEs), social enterprises and Indigenous businesses are well-positioned to prosper in the local economy |
| Service innovation | <ul style="list-style-type: none"> – Fostering a new social economy, addressing service gaps by piloting joint ventures between external partners. |
| Environmental | <ul style="list-style-type: none"> – Increase demand for environmentally responsible products and services, which may ultimately enhance their quality and cost competitiveness. – Continue to increase government's conservation of resources through the use of more reusable products, and products and services which require less energy and materials to produce or use. – The substitution of environmentally sensitive products for more environmentally harmful products will increase as their usage becomes more prevalent and as they become more cost effective and of comparable quality to those products previously purchase |
| Fair Trade | <ul style="list-style-type: none"> – Purchasing ethical and fair trade goods to support equitable local, national and international trade – Ensuring adherence to local, national and international Trade Agreements and labour standards |

The Committee may also wish to provide direction of social procurement options.

Timeline for next steps or estimated completion date

Once the Committee considers the framework, a new draft procurement policy will be presented at a future meeting for review.

Organizational Implications

If a new procurement policy is approved, appropriate procedures would be developed to support it.

Communications Strategy

In addition to informing internal staff about Policy and procedural changes related to procurement, the SCRD will also work with the vendor community on these changes. Staff identify challenges in the outreach to the wider vendor community as: vendors not understanding what public procurement is and how the Trade Agreements, Board Directives and Contract Law affect SCRD processes. These workshops will be a means to strengthen communication, trust and confidence in SCRD's process with the vendor communities.

STRATEGIC PLAN AND RELATED POLICIES

Reviewing and considering recommendations for replacing the existing procurement policy dated June 2011, supports the SCRD Financial Sustainability Policy and promotes both the Vision and Mission of the SCRD.

CONCLUSION

The Purchasing Policy 3-1200-5 was adopted on June 9, 2011 to provide clear guidelines and standards for procurement, ensuring the SCRD receives best overall value in the most cost effective and efficient manner, and that the methods used are open, fair, consistent and support the organization's commitment to sustainability.

The Purchasing Policy has not been reviewed since this time and although it contains many of the necessary standards to support the SCRD's commitment to doing business in a fair and ethical manner and ensuring equal opportunity for all business, staff recommend expanding the current policy to reflect the changing public procurement environment and strengthen vendor and community relationships.

Reviewed by:			
Manager		CFO / Finance	X – T. Perreault
GM		Legislative	
Interim CAO	X - A. Legault	Other	

Attachment A: Purchasing Policy 3-1200-5 June 2011

Attachment B: Guidance for the Release of Information and/or Documents Related to Competitive Procurement Opportunities

Sunshine Coast Regional District

BOARD POLICY MANUAL

Section:	Equipment & Supplies	3
Subsection:	Assets & Procurement	1200
Title:	Purchasing Policy	5

1. LEGISLATIVE AUTHORITY:

- 1.1. The *Local Government Act* of the Province of British Columbia, Division 2 Section 176 Corporate Powers and Division 5 Section 817 Limit on Expenditures and is subject to the provisions of the Freedom of Information and Protection of Privacy Act (FOIPPA).
- 1.2. The *Community Charter* of the Province of British Columbia, Division 3 Section 175 Liabilities under Agreement and Community Charter Regulations, Regulation 254/2004, Municipal Liabilities, Part 2 Exemptions from Elector Approval Requirement, Section 6.
- 1.3. Sunshine Coast Regional District Delegation Bylaw No. 532, 2003 and amendments thereto.
- 1.4. The applicable Federal and Provincial Trade Agreements in place and as amended from time to time for all procurement contracts for goods and services over \$75,000 and all construction contracts over \$250,000.

2. GUIDING PRINCIPLES AND PURPOSE

- 2.1. The purpose of this policy is to set out clear guidelines and standards for procurement to ensure the Sunshine Coast Regional District (Regional District) receives best overall value in the most cost effective and efficient manner, and that the methods used are open, fair, consistent and support the organization's commitment to sustainability.
- 2.2. The Purchasing Policy shall promote and maintain the integrity of the procurement processes for all goods, services and construction by providing clear direction and accountability in all procurement activities.
- 2.3. This policy shall encourage competitive bidding for goods, services or construction and provide direction outlining how contracting is done within the Regional District.
- 2.4. The Regional District shall encourage opportunities to partner with local businesses in the community to provide services to and for the Regional District in a cost effective and efficient manner.
- 2.5. The Regional District shall promote a procurement process and make decisions that are consistent with the strategic goals and objectives of the Regional District.

3. DEFINITIONS

- 3.1. Board: refers to the elected officials that make up the Regional District Board of Directors.
- 3.2. Contracting Authority: refers to the authority delegated under the Delegation Bylaw to initiate a procurement process and execute contracts for goods, services and construction on behalf of the Regional District.
- 3.3. Sustainability: a state in which the needs of the present generation are met without compromising the ability of future generations to meet their own needs.
- 3.4. Local Area is defined as the Sunshine Coast Regional District.
- 3.5. Local Vendor / Bidder must have a physical address within the local area and for the purposes of this policy must:
 - i. Possess a valid business license if required by the area, and
 - ii. Have a principal business office or satellite with at least one full time employee located in the local area.

Vendors seeking recognition of local status will be required to sign a statement that the vendor meets the above qualifications.
- 3.6. Volunteer: a person who gives his or her services without any express or implied promise of remuneration.

4. GENERAL

- 4.1. The procurement of goods, services and construction shall be facilitated by the Purchasing Division, according to this policy.
- 4.2. The procurement of goods and services listed in Appendix A are exempt from the requirements of this policy.
- 4.3. The Regional District may remove a vendor's name from consideration for a contract for up to three years caused by poor performance, non-performance or breach of any terms and conditions of a contract. A vendor request for the removal of a restriction must be submitted in writing to the Purchasing Officer. Requests must contain evidence of corrected measures undertaken by the vendor. With due consideration by the Purchasing Officer, in consultation with the General Manager and CAO, a return to bid consideration status will not be unreasonably withheld.
- 4.4. The Purchasing Division shall work with the Departments within the organization to combine requirements where possible to encourage standardization of items to reduce the overall cost to the Regional District. The Purchasing Division will also work with other local government agencies (including School Districts), boards and commissions and associations to encourage co-operative procurement and standardization of goods and services.

5. RESPONSIBILITIES AND AUTHORITY

- 5.1 All departments, employees, elected officials and volunteers of the Regional District must follow the approved Purchasing Policy and Procedures.
- 5.2 All departments, employees, elected officials and volunteers of the Regional District must follow the Purchasing Management Association of Canada's (PMAC) code of ethics as summarized in Appendix B.
- 5.3 The Chief Administrative Officer, the Treasurer and the Purchasing Officer are responsible for the administration of the Purchasing Policy and Procedures.
- 5.4 The Purchasing Division is responsible for the facilitation of all aspects of the Purchasing Policy, by providing professional procurement advice, the administration and overseeing of all calls for bids, resulting contracts and ensuring compliance with the terms and conditions of those calls. This division is also responsible for the standardization of all procurement procedures, the monitoring of compliance with this policy and notifying managers of non-compliance.
- 5.5 The authority for expenditures is the current year of the Financial Plan which the Board has adopted or amended.
- 5.6 The authority delegated to an employee to contract for goods or services on behalf of the Regional District shall be to the maximum amount outlined within the Delegation Bylaw.
- 5.7 Notwithstanding the above, adherence to the limits contained in the Delegation Bylaw, is not required with respect to contracts specifically authorized by resolution of the Board.

6. SUSTAINABLE PROCUREMENT

Sustainable Procurement ensures that the Regional District's procurement activities support the organization's responsibility commitments by integrating economic, environmental and social factors into the calculation of total cost of our purchases over the life cycle of the products and services. Demonstrating sustainable procurement practices will help us support and mentor our suppliers toward extending these sustainability principles throughout their organizations.

- 6.1. Procurement decisions will take into account the following financial and economic considerations:
 - i. Price comparison for equivalent quality of materials or services, including but not limited to installation, maintenance, warranty, continuing support, repairs, staff training, operational requirements, energy use, disposal value.
 - ii. Total life cycle cost of the goods or services to be purchased, to the extent that it can be established.

- iii. Where appropriate, knowledge of local context and any extraordinary impacts on the local or other economies.

6.2 Procurement decisions will take into account the following environmental considerations:

- i. Bidder's track record, over the previous three years, regarding compliance to environmental standards, laws and regulations in their operations. Bidders may be required to declare the same of their suppliers.
- ii. The total life cycle environmental cost of the goods or services to be purchased to the extent that it can be established.
- iii. Where appropriate, the Bidder's practices to minimize environmental impact such as: the use of environmentally benign products or processes; the minimization of the use or generation of harmful substances; the minimization of the use of non-renewable resources and the substitution therefore of renewable resources or recycled content and post consumer waste; the maximization of energy and materials efficiency; and minimization of waste emissions.

6.3 Procurement decisions will take into account the following social considerations:

- i. Bidder's track record, over the previous three years, regarding compliance to safety, employment and human rights' laws and regulations in their operations and, at a minimum, must meet the International Labour Organization's fundamental conventions that have been ratified by Canada. In addition, Bidders may be required to declare all convictions of themselves and principal officers under Canada's Corruption of Foreign Officials Act. Bidders may be required to declare the same of their suppliers.
- ii. Where appropriate, the Bidder's extraordinary social impacts such as actions which contribute positively to community and social development and assist in the conservation or development of social capital.

7. LOCAL PROCUREMENT AND TIE BIDS

7.1 The Regional District recognizes the importance of economic development within the Sunshine Coast communities it serves. With this in mind, should all economic, environment and social requirements of the procurement be equal, the contract shall be awarded to the local bidder.

7.2 In the case of a tie bid of local bidder or where only non-local bidders have tie bids, the Purchasing Officer shall request the tie bidders to submit a final offer.

8. EXCEPTIONS

8.1 The local procurement policy is not applicable to contracts or awards governed by Federal or Provincial regulation or agreement or where there is an urgent operational requirement.

9. PROCUREMENT THRESHOLDS AND METHODS

9.1. General

- i. The limits of contracting authority within the Delegation Bylaw apply to all purchasing methods, regardless of which method of purchasing is used.
- ii. Any exceptions to the purchasing methods under this section must be approved in writing by the Purchasing Officer in consultation with the Chief Administrative Officer.
- iii. For multi-year service contracts; the total value of the service over the life of the contract will be used to determine the threshold and method of purchasing used.
- iv. Details on the application of the Purchasing Methods are included in the Purchasing Procedures in the Policy and Procedures Manual.

9.2. Thresholds and Methods of Procurement

Expenditure	Method
<u>Under \$5,000</u>	Low Value Purchase
More than <u>\$5,000</u> but less than \$30,000	Request for Quotation
\$30,000 or greater	Call to Bids

- 9.3 Low Value Purchases: Purchases that are random in nature and of low value (under \$5,000), may be purchased by using a Purchase Order, Petty Cash, Cheque or Regional District Purchasing Card. Purchases may be the result of a verbal offer and must be made on the basis of best quality and price to match requirements.
- 9.4 Request for Quotation: A Request for Quotation or Price Request is an informal request for prices for goods, services and construction from \$5,000 and up to \$30,000 and used normally where bid deposits and performance bonds are not required and where the work does not warrant the time and level of effort required for a formal tender process. Three written or verbal bids are required which will result in a Purchase Order, Cheque, Short Form Contract or Regional District Purchasing Card. Purchases must be made on the basis of best quality and price to match requirements. Nothing restricts Staff from using the Call to Bids process to procure goods or services within the above dollar value.
- 9.5 Call to Bids: For procurement values \$30,000 or higher and those that warrant a formal bid process, the following Call to Bids options may be used:
- i. Request for Tender/Invitation to Tender: Such competitive documents will solicit bids against detailed specifications that permit evaluation of tenders against clearly stated specifications and criteria. These tenders are normally used for the procurement of goods, services and construction where bid deposits and performance bonds are required. This type of tender warrants the time and level of effort required for a formal tender process.

Submissions in response are compared to the specifications and requirements contained in the tender documents. Request for Tender/Invitation to Tender are awarded to the best overall value received from a qualified bidder meeting the requirements of the tender. Where the lowest total cost is not the sole determining factor on which the award will be made, the tender documents shall contain the criteria and a description of the method to be used to evaluate the bids.

- ii. Request for Proposal: A Request for Proposal is an invitation to proponents to describe how their services, methods, equipment or product can address or meet specific needs of the Regional District. It is used when a proponent is invited to propose a solution to a problem, requirement or objective. A Request for Proposal must include evaluation criteria that will be used to score the respondents' proposals.

An award of a contract from a Request for Proposal process shall be made to the proponent, whose proposal is determined to be the most advantageous and best overall value to the Regional District based on the criteria for evaluation set out in the Request for Proposal and equitably applied to all proposals. As price is only one of the factors taken into consideration, the contract may not be necessarily awarded to the lowest price proposal. Pricing information shall only be released to the public following award of the proposal.

- iii. Request for Information: A Request for Information is an invitation to suppliers of goods, services and construction and shall be used to provide information from the marketplace on the scope of work or service contemplated to be procured by the Regional District.
- iv. Request for Expression of Interest: A Request for Expression of Interest shall be used to determine the interest in the marketplace in providing goods, service or construction contemplated to be procured by the Regional District.
- v. Request for Qualification: A Request for Qualification is an invitation to suppliers of goods, service or construction and shall be used for the purpose of selecting qualified bidders if the nature of the work or services to be performed requires ascertainable minimum standards.

- 9.6 Standing Orders: In order to guarantee a continuous supply of various goods, services and construction which are required on a day-to-day basis, while at the same time assuring that the competitive bidding system is followed, the Purchasing Division shall establish Standing Orders. These arrangements between the Regional District and the supplier will commit the seller to provide goods, services and construction at a specific price for a specific period of time.

- 9.7 Negotiated Contracts: Negotiations with one or more suppliers for the supply of goods, services or construction shall take place when any of the following conditions exist:
- i. Due to market conditions, goods, service or construction are in short supply,
 - ii. There is only one source of the goods, service or construction available,
 - iii. All bids received are not acceptable or exceed the amount budgeted for the purchase;
 - iv. The extension or reinstatement of an existing contract would be more cost-effective or beneficial to the Regional District. The extension or reinstatement of existing contracts are subject to the approvals set out in the section of Award of Contracts;
 - v. When authorized by the Board.
- 9.8 Sole-Source Purchases: The terms and conditions of a sole-source purchase shall be negotiated and occur when supported by a documented business case and approved by the Purchasing Officer or Chief Administrative Officer. The following are considered sole-source purchases:
- i. To ensure compatibility with existing products, facilities or services, to recognize exclusive rights, such as exclusive licenses, copyright, and patent rights or to maintain specialized products that must be maintained by the manufacturer or its representative.
 - ii. Where, for technical reasons, there is an absence of competition and the goods or services can be supplied by a particular supplier and no alternative substitute exists.
 - iii. For the procurement of goods or services the supply of which is controlled by a supplier that is a statutory monopoly.
 - iv. For work to be performed on a property by a contractor according to the provisions of a warranty or guarantee held in respect of the property or the original work.
 - v. For the procurement of a prototype of a first good or service to be developed in the course of and for a particular contract for research, experiment, study or original development, but not for any subsequent purchases.
 - vi. For the procurement for a good or service for testing or trial use.
 - vii. For the purchase of goods or services under exceptionally advantageous circumstances such as bankruptcy, receivership, auction or business closure, but not for routine purchases and the purchase to be clearly in the best interest of the Regional District.
 - viii. For the procurement of original art work.

- ix. For the procurement of goods intended for resale to the public.
 - x. Where the Regional District has a rental contract with a purchase option and such purchase option could be beneficial to the Regional District.
 - xi. Notwithstanding anything in this policy, where a purchase is determined by the Board to be fair and reasonable and is made from a non-profit organization.
 - xii. Where goods or consulting services regarding matters of a confidential or privileged nature are to be purchased and the disclosure of such matter through an open tendering process could reasonably be expected to compromise government confidentiality, cause economic disruption or otherwise be contrary to the public interest.
- 9.9 Emergency Purchases: An emergency purchase occurs when a situation creates an immediate and serious need which may not be reasonably met by any other procedure and includes:
- i. A condition where a lack of supplies or services may adversely affect the functions or operations of the Regional District, threaten public or property or the environment, or jeopardize the health or safety of any person.
 - ii. Interim contractual arrangements following the expiration or breach of a contract; or receipt of unacceptable or uncompetitive bids; or in the absence of a receipt of any bids in response to a call for bids.
 - iii. In all cases of procurement under this section, the Board grants procurement and expenditure authority to the Purchasing Officer and Chief Administrative Officer, as required and is subject to reporting to the Board at the next opportunity.

10 INTERNAL PROCUREMENT PROCESS REVIEW

- 10.1 The Treasurer or Purchasing Officer may randomly review departmental procurement files on an on-going basis to review the effectiveness and integrity of the processes and policy adherence.

11 VENDOR COMPLAINTS

- 11.1 All vendor complaints, whether directed to an elected official, the Chief Administrative Officer or a member of staff shall be referred to the Purchasing Officer and dealt with as outlined in Appendix C.

12 GENERAL APPLICATIONS

- 12.1 No contract or purchase shall be divided to avoid any requirements of this policy.
- 12.2 The Regional District may participate with other local government agencies (including School Districts), boards and commissions and associations in co-

operative purchase ventures when the best interest of the Regional District will be served.

- 12.3 Notwithstanding the provisions of this policy, the Regional District shall have the right to reject the lowest or any bid at its absolute discretion. The Regional District also reserves the right to cancel or reissue bid documents in the original format or modified as best suits the requirements of the Regional District.

13 PURCHASING PROCEDURES

- 13.1 Purchasing procedures approved by the Purchasing Officer are to be used as a guideline and for information on purchasing goods or services in compliance with this policy.

14 RETENTION OF DOCUMENTATION

- 14.1 All background information, information submitted by vendors, purchase orders and other relevant information involved in obtaining prices for goods or services exceeding \$5,000 shall be retained in active records for two years and in inactive records for six years, unless the contract period is beyond eight years for which records will be held for six years past the expiry of the contract.

15 REFERENCES

- 15.1 Delegation Bylaw
15.2 Sustainability Policy
15.3 The Corruption of Foreign Public Officials Act
15.4 ILO – Organization's Fundamental Conventions

Approval Date	February 10, 2011	Resolution	062/11 Rec. No, 8
Amendment Date	June 9, 2011	Resolution	235/11 Rec. No. 12

Appendix A

Purchasing Policy List of Exemptions

1. Petty Cash Items
2. Training and Education:
 - Conferences, Conventions and Tradeshow
 - Newspapers, Magazines and Periodicals
 - Memberships
 - Seminars and Workshops
3. Refundable Employee / Other Expenses:
 - Advances
 - Courses
 - Entertainment
 - Miscellaneous Non-Travel
 - Meal Allowances
 - Travel Expenses
 - Hotel Accommodation
 - Refunds: tax, recreation, permits
4. Employer's General Expenses:
 - Payroll Deduction Remittances
 - Grants to Agencies
 - Medical and Dental Expenses
 - Debenture Payments
 - Payment of Damages
 - Petty Cash Replenishment
 - Tax Remittances
 - Sinking Fund Payment
 - Employee Income
 - Board Member's Discretionary Funds
 - Real Property-including land, building, leasehold interest, easements, encroachments
 - Licenses (vehicles, elevator, etc.)
 - Charges to or from other government or Crown corporations
 - Bank Charges and Underwriting Services where covered by agreements
5. Professional and Special Services:
 - Committee Fees
 - Witness Fees
 - Court Reporter's Fees
 - Honoraria
 - Arbitrators
 - Discoveries (legal)
 - Legal Services
 - Performing Artists
6. Utilities
 - Water and Sewage Charges
 - Power
 - Telephones
 - Cable Television and Internet
7. Miscellaneous (under \$5,000)
 - Print, Television and Radio media advertising accounts

SCRD PURCHASING DIVISION - CODE OF ETHICS

[consolidated summary as published by the Purchasing Management Association of Canada]

1. Values and Norms of Ethical Behaviour

A. Values

Members will operate and conduct their decisions and actions based on the following values:

1. Honesty/Integrity

Maintaining an unimpeachable standard of integrity in all their business relationships both inside and outside the organizations in which they are employed;

2. Professionalism

Fostering the highest standards of professional competence amongst those for whom they are responsible.

3. Responsible Management

Optimizing the use of resources for which they are responsible so as to provide the maximum benefit to their employers;

4. Serving the Public Interest

Not using their authority of office for personal benefit, rejecting and denouncing any business practice that is improper;

5. Conformity to the Laws in Terms of:

- a. The laws of the country in which they practice;
- b. The Institute's or Corporation's Rules and Regulations;
- c. Contractual obligations

B. Norms of Ethical Behaviour

1. To consider first, the interest of one's organization in all transactions and to carry out and believe in its established policies.
2. To be receptive to competent counsel from one's colleagues and be guided by such counsel without impairing the responsibility of one's office.
3. To buy without prejudice, seeking to obtain the maximum value for each dollar of expenditure.
4. To strive for increased knowledge of the materials and processes of manufacture, and to establish practical procedures for the performance of one's responsibilities.
5. To participate in professional development programs so that one's purchasing knowledge and performance are enhanced.
6. To subscribe to and work for honesty in buying and selling and to denounce all forms of improper business practice.
7. To accord a prompt and courteous reception to all who call on a legitimate business mission.
8. To abide by and to encourage others to practice the Professional Code of Ethics of the Purchasing Management Association of Canada and its affiliated Institutes and Corporation.
9. To counsel and assist fellow purchasers in the performance of their duties.

10. To co-operate with all organizations and individuals engaged in activities which enhance the development and standing of purchasing and materials management.

2. Rules of Conduct

In applying the above rules of conduct, the following guide lines are set out below:

A. Declaration of Interest.

Any personal interest which may impinge or might reasonably be deemed by others to impinge on a member's impartiality in any matter relevant to his or her duties should be immediately declared to his or her employer.

B. Confidentiality and Accuracy of Information.

The confidentiality of information received in the course of duty must be respected and should not be used for personal gain; information given in the course of duty should be true and fair and not designed to mislead.

C. Competition.

While considering the advantages to the member's employer of maintaining a continuing relationship with a supplier, any arrangement which might prevent the effective operation of fair competition should be avoided.

D. Business Gifts and Hospitality

To preserve the image and integrity of the member, employer and the profession, business gifts other than items of small intrinsic value should not be accepted. Reasonable hospitality is an accepted courtesy of a business relationship. The frequency and nature of gifts or hospitality accepted should not be allowed whereby the recipient might be or might be deemed by others to have been influenced in making a business decision as a consequence of accepting such hospitality or gifts.

E. Discrimination and Harassment

No member shall knowingly participate in acts of discrimination or harassment towards any person that he or she has business relations with.

F. Environmental Issues

Members shall recognize their responsibility to environmental issues consistent with their corporate goals or missions.

G. Interpretation

When in doubt on the interpretation of these rules of conduct, members should refer to the Ethics Committee of their Institute or Corporation.

Appendix C

Vendor Complaint Procedure

Purpose:

This procedure is to define the guidelines for handling complaints that are resolvable and are not a matter where litigation has started or before a competent court. This procedure is not intended in any way to delay or restrict the Regional District in exercising its normal course of business.

Policy:

All vendors complaints, whether directed to an elected official, the CAO or a member of staff shall be referred the Purchasing Officer or designate to be dealt with in accordance with these guidelines.

Procedures:

Vendors shall to be encouraged to resolve problems directly with the Procurement staff wherever possible as many problems can be resolved before a complaint is formalized.

A complaint refers to a written objection submitted by a vendor regarding a bid solicitation, contract award or proposed contract for goods, services or construction.

Complaints shall contain written details of the issue and the resolution being requested. Complaints submitted or referred to the Purchasing Officer shall be reviewed to determine if further action is warranted.

Complaints must be submitted during the competitive process and up to 30 business days after the contract award is posted.

Complaints may be resolved, dismissed or withdrawn*. If the complaint is dismissed, the Purchasing Officer shall notify the vendor of their right to appeal the decision to the CAO.

Disputes that are litigious in nature shall be referred directly to Legal Services.

The Purchasing Officer shall respond formally to vendor complaints within 21 business days.

* Resolved - the vendor is satisfied with the explanations / solution provided by the Regional District.

* Dismissed - the Purchasing Officer concludes that the complaint is without merit.



GUIDANCE FOR THE RELEASE OF INFORMATION &/or DOCUMENTS RELATED TO COMPETITIVE PROCUREMENT OPPORTUNITIES

The following tables describe when commonly requested information and documents can be released to a bidder, proponent or respondent, and when a formal request needs to be made to Information Access Operations (please refer to <http://www.gov.bc.ca/citz/iao/index.html> for more information). Note that this information is specific to the competitive procurement process only, and does not include any information or documentation created after the initial contract is signed. References to the Core Policy and Procedures Manual (CPPM) in this document apply to ministries only, although other public sector organizations are expected to follow the intent and spirit of the CPPM.

NOTE: “Routinely Released” means that the information and/or documents would be provided upon request, within any limitations noted. Information and documents that are not routinely released would require a formal FOI request to Information Access Operations, who would determine what, if any, of the request is releasable. If in doubt, contact [Information Access Operations](#) for assistance.

Wherever possible, information should be pro-actively released in order to increase capable vendors’ interest in government opportunities, to ensure consistent information is supplied to all potential vendors (see [CPPM 6.1](#) regarding the objective to be fair), and to streamline access to information that would be released under the *Freedom of Information and Protection of Privacy Act* (FOIPPA).

Release of Information (Either: verbally or via email, during de-briefing or in response to inquiry; or, in the context of a release of a document)

This section relates to the release of *information*.

Information	Timeframe	Routinely Release?	Notes
Ministry cost estimate	At any time	No	
Budget	Included in or provided after releasing solicitation document	Depends	Solicitation documents may include a project budget, a construction budget, affordability ceiling, or a range of expected costs. The benefits of releasing this information include attracting capable and interested vendors as the budget can help to define the scope.
Evaluation criteria weightings	Prior to closing	Yes	High level evaluation criteria weightings should be included as part of the solicitation document; detailed criteria weightings could be released in the solicitation document if they have been finalized. See CPPM 6.3.2.a.9 (must develop objective evaluation criteria) and 6.3.3.b.1 (must award based on the criteria described in the solicitation document).
Names of participants (proponents, bidders, respondents) when posted to BC Bid	Prior to closing	Depends	Shared Services BC’s standard practice is to not release this information and FOIPPA requires written consent from the participant if they are named as an individual rather than an organization. But, some procurements (e.g. construction) can be structured in a way that “plan takers lists” or “bidders lists” or attendees at a site visit / proponents’ meeting may be released, although participants should be aware of this process (i.e. because it’s a common construction practice or is disclosed in the solicitation, noting that written consent is required for releasing individual’s names). Only those

Information	Timeframe	Routinely Release?	Notes
			on the list or who attend the meeting would be included, which may or may not include potential sub-contractors.
	After contract is signed	Yes	Written consent is required only for individual's names, not for organization names.
Bidders or proponents invited for ITQ and RFP (when solicitation is not posted on BC Bid)	Included in or provided after releasing solicitation document	Depends	Shared Services BC's standard practice is to not release this information and FOIPPA requires written consent from the bidder / proponent if they are named as an individual rather than an organization. But, some procurements (e.g. construction) can be structured in a way that "plan takers lists" or "bidders lists" or attendees at a site visit / proponents' meeting may be released, although participants should be aware of this process (i.e. because it's a common construction practice or is disclosed in the solicitation, noting that written consent is required for releasing individual's names). Only those on the list or who attend the meeting would be included, which may or may not include potential sub-contractors.
	After contract is signed	Yes	Written consent is required only for individual's names, not for organization names.
List of pre-qualified suppliers	After the Request for Qualifications process	Depends	Shared Services BC's standard practice is to not release this information and FOIPPA requires written consent from the pre-qualified supplier if they are named as an individual rather than an organization. Some qualification processes (e.g. partnership procurements such as Public Private Partnerships and construction processes) publicly release the names of pre-qualified suppliers, noting that written consent is required for releasing individual's names.
Request for Information respondent names	After closing	Depends	Applies only to organization/company names, including "doing business as" names. The RFI should state that respondent names will be released upon request. Do not release any names of individuals – i.e. those who respond as an individual rather than an organization – without obtaining their written consent.
Questions received from participants	Prior to closing	Yes	Questions should be submitted in writing, and unless a process is expressly described in the solicitation for confidential questions, they should be posted on BC Bid or sent to all participants with the answers (see CPPM 6.3.1.11 regarding no favours or preferential treatment). Remove any information in the question or answer that could identify the participant asking.
Confirmation that submissions met all mandatory requirements	After closing	Yes	Numbers of submissions that met and did not meet only; do not disclose the names of any who did not meet mandates or why.
Name of successful participant (bidder, proponent, respondent)	After evaluations and approvals, as required	Yes	This information should be included in the announcement to unsuccessful participants. See CPPM 6.3.3.b.11 regarding posting results if the opportunity was posted to BC Bid and 6.3.3.c.1 regarding notifying vendors of results.
Names of evaluators	Before announcing	No	
	After announcing	Yes	Once this information can have no influence on an award, it can be released if requested.

Information	Timeframe	Routinely Release?	Notes
Overall score: successful submission	After evaluations	Yes	
Overall price: all submissions	After closing	Depends	Aggregate pricing only, as this information may increase interest in future opportunities. Can be released but participants should be aware of this process (e.g. public openings, unverified bid results). Being aware that this information will be released means a common construction practice or that it was disclosed in the solicitation.
Overall price: successful submission	After contract is signed	Yes	Aggregate pricing only.
Unit / breakdown price: all submissions	After closing	No	
Summary of evaluation of participant's own submission	After evaluations	Yes	Documented summary information can be provided as part of the debrief process to that participant (see CPPM 6.3.3.c.1 regarding debriefs), which should include all scores achieved and brief notes specific to the reasons for the scores. Verbal discussion of scoring can include all information related to submission evaluation.
Ranked order: participant's own submission evaluation	After evaluations	Yes	To that participant. For further clarity, the participant will be informed of its own ranking among evaluated submissions.
Scores or ranked order: other proponents or respondents or the public	After evaluations	Depends	Ranked order should be released, but ministries can use their discretion to release actual scores of all submissions when someone other than the participant themselves request this information. Written consent is required from those who respond as individuals rather than organizations.
Negotiation information: outside of the parties involved	During negotiations or after contract is signed	No	
Overall value of contract	After contract is signed	Yes	No unit prices can be released
Contract completion date	After contract is signed	Yes	
Sub-contractors named in the contract	After contract is signed	Yes	Written consent is required from those sub-contractors who participate as individuals rather than organizations.
Name(s) of contractor employees	After contract is signed	Depends	Usually, this information is not routinely released. However, if the solicitation process included naming key individual(s), these names can be provided if any of the solicitation documents stated that they would be released or written consent from the named individual(s) has been obtained.
Security in place in lieu of performance holdback	After contract is signed	No	
Value of performance or bid bonds	After contract is signed	Depends	Aggregate amounts only can be provided if the Province holds the bond. If the bonds are between third parties (e.g. P3 private-sector financed projects may include third party bonding) where the Province is not involved, this information is not routinely released.

Release of Documents

This section relates to the release of *documents*.

If a document is requested and it is not routinely released, staff are to ask the person making the request whether they are submitting the request as a formal written FOI request. If the answer is yes, the matter must be referred to a manager, who must advise the Intake office of Information Access Operations as quickly as possible.

Document	Timeframe	Routinely Release?	Notes
Requisition	At any time	No	
Solicitation document (e.g. RFP, SRFP, RFQ, ITT, ITQ, ITQS and any documents referenced in the solicitation)	Prior to issuance or posting on BC Bid	No	To ensure the fairness of the process, any individual or entity that has access to the solicitation document prior to its issuance or posting on BC Bid should be excluded from participating or being affiliated with a participant (e.g. Proponent or Respondent). All participants must have access to the solicitation documents at the same time to ensure no unfair advantage (see CPPM 6.3.1.11 regarding no favours or preferential treatment).
	After issuance or posting on BC Bid	Yes, subject to the attached note	Public document (unless the solicitation document otherwise provides). Note that some solicitations may contain confidential documents that participants can access in a controlled manner (e.g. a data room), or that are provided after the participant provides a signed non-disclosure agreement. Such confidential information should only be provided to those specified in the solicitation documents in the manner set out in the solicitation documents, and should be provided as early and in as much detail as possible.
Formal draft of solicitation document posted to BC Bid or otherwise provided to all participants for comment	After posting	Yes	
Evaluation handbook template for scored processes	Prior to closing	No	Solicitation document should include benchmarks (see Mandatory and Weighted Criteria for more information) and a high level overview of how submissions will be evaluated, but details on evaluation criteria need to be withheld to avoid participants copying and pasting into submissions
	After closing	Depends	Handbook template may be released if requested ONLY if it is generic OR if none of it can apply to future procurements. If it contains details that may be reused in the future, it requires a formal request to be considered for release.
Bidders/Proponents Meeting Minutes or Transcript	After meeting is held	Yes	If a bidders' or proponents' meeting is held, a verbatim transcript (or minutes) should be developed and posted publicly with the solicitation documents (see CPPM 6.3.1.11 regarding no favours or preferential treatment). Remove any names or other information that could identify individuals. NOTE:: This does not reference commercial in confidence collaborative meetings or workshops and/or

Document	Timeframe	Routinely Release?	Notes
			interviews with individual proponents as part of a negotiated solutioning process which may jeopardize sharing of intellectual property.
List of meeting attendees / bidders / proponents	After meeting is held	Yes	Solicitation document should disclose that this list will be made available, and a sign-in sheet should be used that states "Signing this form confirms your permission to disclose your name as an attendee at this meeting."
Completed evaluation handbook	After evaluations	No	
Participants' correspondence and Province's responses	After closing	No	
List of subcontractors submitted with an unsuccessful proposal or response	After closing	Depends	Disclose if participants are aware of this process (i.e. because it a common construction practice or is disclosed in the solicitation), noting that written consent is required from those sub-contractors who are identified as individuals rather than organizations. Otherwise, this information is not released.
Evaluation documentation: participant's own submission	After evaluations	Depends	Summarized documentation can be provided as part of debrief process to that participant, which should include all scores achieved and brief notes specific to the reasons for the scores. Verbal discussion of scoring can include all information related to submission evaluation. The full evaluation document may be released ONLY if the criteria it contains are generic OR none of the criteria can apply to future procurements. If it contains detailed criteria that may be reused in the future, it requires a formal request to be released.
Evaluation documentation: another participant's submission	After evaluations	No	Current practice is to withhold any information related to the evaluation of other submissions.
Evaluation team notes	After evaluations	No	
Summary of all evaluations [evaluation documents & project briefing note]	After evaluations	No	Current practice is to withhold any information related to the evaluation of other submissions.
Another participant's submission	After closing	No	
Internal documentation regarding recommendation to award (e.g. Briefing Note)	After closing	No	
Contract award letter	After announcements	Yes	Unit prices cannot be disclosed.
Final Contract	After executing	No	Although who government contracts with and overall contract value are public information, actual contracts may contain confidential information that should not be routinely released

SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

TO: Corporate and Administrative Services Committee – May 23, 2019

AUTHOR: Ian Hall, General Manager, Planning and Community Development

SUBJECT: **AUGUST 2019 ICE OFFERING – GIBSONS AND AREA COMMUNITY CENTRE (GACC)**

RECOMMENDATION(S)

THAT the report titled August 2019 Ice Offering – Gibsons and Area Community Centre (GACC) be received;

AND THAT ice be provided at GACC in August 2019 as described in Option 1 - Proceed with August Ice at GACC in 2019.

BACKGROUND

At the Regular Board meeting of February 28, 2019, the following resolution in-part was adopted:

062/19 **Recommendation No. 9** *Arena Floor Surface Scheduling*

...THAT the current administrative procedure that ice be provided only when variable costs are equal to or less than revenue generated from user group bookings be continued and affirmed;

...AND THAT August ice be offered at Gibsons and Area Community Centre starting in 2019 and going forward;

...AND FURTHER THAT staff report back to the October 2019, Q3 variance on any financial implications related to extending the ice schedule.

The purpose of this report is to provide an update on dialogue and planning work undertaken by staff and ice user groups relating to August ice at GACC.

DISCUSSION

Process Update

Following Board direction, staff solicited August ice requests from user groups. In addition to email dialogue, an allocation meeting was convened on April 4, 2019. A follow-up meeting to review preliminary results of the call for rental requests and discuss strategies to address the gap between requests and variables costs was held on April 25, 2019.

Staff made additional, specific solicitations of requests for rentals in late April/early May, noting to user groups that additional booking time/revenue was needed to meet the incremental costs

to provide ice. A specific mention that more rentals from adult groups would assist with youth sport opportunity was made since staff are aware that most adult ice groups do not plan summer programs. As reported in the February 2019 arena scheduling report “co-ed, senior and adult leagues typically do not rent during the full month of August but may participate around the last week of August.”

At the April 25, 2019 meeting, ideas of compressing the August schedule into fewer days, adding additional programs or using more prime-time ice were explored. No fit was found for these strategies with Sunshine Coast Skate Club (SCSC) and Sunshine Coast Minor Hockey Association (SCMHA). These user groups offered to liaise with adult groups to seek additional rentals and also to reach out to ice groups from Powell River to promote August ice opportunities at GACC.

August Ice Requests Received (as at May 09, 2019)

Early Ice Rentals (August 2019)		hours	rate (net gst)	Total revenue
Week 1 (Aug 6-10)	SCSC prime	7	\$89.50	\$626.50
	SCMHA prime	19.5	\$89.50	\$1,745.25
	SCSC non-prime	2	\$66.66	\$133.32
	SCMHA non-prime	27	\$66.66	\$1,799.82
Week 1 Subtotal				\$4,304.89
Week 2 (Aug 11- 17)	SCSC prime	10	\$89.50	\$895.00
	SCMHA prime	29.5	\$89.50	\$2,640.25
	SCSC non-prime	5	\$66.66	\$333.30
	SCMHA non-prime	30.25	\$66.66	\$2,016.47
Week 2 Subtotal				\$5,885.02
Week 3 (Aug 18-24)	SCSC prime	10	\$89.50	\$895.00
	SCMHA prime	29.25	\$89.50	\$2,617.88
	SCSC non-prime	5	\$66.66	\$333.30
Week 3 Subtotal				\$3,846.18
Week 4 (Aug 25-31)	SCSC prime	12.5	\$89.50	\$1,118.75
	SCMHA prime	28.75	\$89.50	\$2,573.13
	SCSC non-prime	17.5	\$66.66	\$1,166.55
	Adult rental (Oilers)	1.25	\$195.24	\$244.05
Week 4 Subtotal				\$5,102.48
Subtotal Confirmed Rentals				<u>\$19,138.56</u>
Unconfirmed non-prime time		2	\$66.66	\$133.32
Unconfirmed non-prime time Adult usage		5	\$142.86	\$714.30
Subtotal Unconfirmed Rentals				\$847.62
Total Confirmed and Unconfirmed Rentals				<u>\$19,986.18</u>
Total Variable Costs from August 6 to 31				\$27,615.70
Surplus/(Deficit) – Minimum if all Unconfirmed Rental Proceed				(\$7,629.53)
Surplus/(Deficit) – Maximum if no Unconfirmed Rental Proceed				(\$8,477.15)

FINANCIAL IMPLICATIONS

As detailed in the January 31, 2019 staff report the current (2019) incremental cost of maintaining year round ice is estimated at \$7,435 per week, which includes staffing, operating expenses and capital replacement costs. The monthly variable cost for ice in August (starting August 6) is \$27,615.70.

The gap between rental revenue and ice-related variable costs is a minimum of \$7,629.53 and a maximum of \$8,477.15 depending on whether unconfirmed requests for ice rentals proceed. Based on existing Board policy, affirmed February 21, 2019, ice would not be provided as variable costs have not been met or exceeded. Key policy statements relating to facility operation and variables costs are provided as Attachment A.

The analysis presented in January noted that the variable cost gap for August ice in future years was “likely to shrink over time as groups building programs, have advertising lead time, etc.” The 2019 allocation process for August ice was undertaken with relatively short notice. This years’ experience should not be taken as an accurate indication of future year demand. Staff will continue to work with user groups to plan for programs that benefit youth and the community.

Variable cost recovery, rental fees and charges, and the overall subsidization rate of recreation services will be presented for discussion at the planned Special Planning and Community Development Committee meeting (date to be confirmed).

Options

Option 1: Proceed with August Ice at GACC in 2019 (recommended)

The projected variance is relatively minor in the scheme of the 2019 Recreation operating budget (\$7.7M). Staff, together with user groups, can continue to seek rental opportunities to close the variable cost recovery gap. With this option, staff would provide an update at Q3 variance reporting.

Option 2: Do not proceed with August Ice at GACC in 2019

Rental booking revenue does not cover variable costs associated with ice provision.

STRATEGIC PLAN AND RELATED POLICIES

The subject matter of this report relates to the Parks and Recreation Master Plan, Indoor Space Allocation Policy (2011) and Recreation and Parks Allocation Policy (administrative procedure) (2015).

CONCLUSION

Following the request for an extended ice season and Board direction, staff solicited requests for ice rental from user groups. Based on responses received, including from a follow up call to groups who previously indicated no/low interest, variable costs are not fully met for August 2019.

Taking into consideration planning lead time, youth sport benefits, and the opportunity for staff and user groups to add more rentals prior to August, staff recommend that August ice be provided. Staff would provide a budget monitoring update as part of Q3 variance reporting.

Reviewed by:			
Manager	X – K. Preston	CFO/Finance	X - T. Perreault X – B. Wing
GM	X – I. Hall	Legislative	
Interim CAO	X – A. Legault	Arena/Sports Coordinator	X – T. Poulton

ATTACHMENTS

Attachment A: Policy Summary

ATTACHMENT A

Policy Summary

A comprehensive review of policy was included in the January 31 staff report.

Allocation policy and procedure clauses that have specific application to the consideration of August ice are:

Indoor Space Allocation Policy (Board Policy, adopted March 2011)

- States facilities are publicly funded and are to be scheduled “in the best interest of users and the communities they serve.”
- Allocation should “reflect local needs, registration factors, utilization and participation patterns...”

Recreation and Parks Allocation Policy (administrative procedure, version April 2015)

- States facilities are publicly funded and are to be scheduled “in the best interest of taxpayers, users and the communities they serve in the most cost effective, efficient matter.”
- States “arenas are operated based on demand of facility user groups. Arenas will be operated when variable costs of operation are equal to or less than the revenue generated from user group bookings.”

SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

TO: Corporate and Administrative Services Committee – May 23, 2019
AUTHOR: Tina Perreault, General Manager, Corporate Services / Chief Financial Officer
SUBJECT: 2019 RURAL AREAS' BURSARY AWARDS

RECOMMENDATION(S)

THAT the report titled 2019 Rural Areas' Bursary Awards be received;
AND THAT staff notify the secondary schools as to which Director(s) will be attending the graduation ceremonies for bursary presentations.

BACKGROUND

Every year the Sunshine Coast Regional District (SCRD) supplies a \$750 bursary to each of the three secondary schools and one to the Alternative School for a student who writes a 500 word essay, chosen by the school, on the importance of community involvement and the demonstration of that involvement in their life.

At each graduation ceremony, where a bursary will be awarded, an SCR D Director is invited to attend to present.

DISCUSSION

A Director(s) has been requested to attend each graduation ceremony to present the SCR D bursary on the dates as follows:

Ø Sunshine Coast Alternative School (Sechelt Indian Band Hall)	Monday, June 24	1:00 pm
Ø Elphinstone Secondary	Wednesday, June 26	7:00 pm
Ø Pender Harbour Secondary	Tuesday, June 25	1:00 pm
Ø Chatelech Secondary	Tuesday, June 25	6:30 pm

Financial Implications

School District 46 (SD46) has advised that there are no unclaimed bursary funds on account.

STRATEGIC PLAN AND RELATED POLICIES

The Rural Areas' Grant-in-Aid Policy 5-1850-1 states "Grants will not be awarded to societies for the use as scholarships, bursaries, or subsidies, with the exception of the SD46, under the direct approval of the SCR D."

CONCLUSION

Each year the SCR D provides four bursaries of \$750. Staff recommend that the Committee identify which Directors will attend graduation ceremonies to present the bursaries

Reviewed by:			
Manager		Finance	
GM		Legislative	
Interim CAO	X – A. Legault	Other	

SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

TO: Corporate and Administrative Services Committee – May 23, 2019

AUTHOR: Arun Kumar, Manager, Solid Waste Operations

SUBJECT: REQUEST FOR PROPOSAL (RFP) 19 376 CONTRACT AWARD WOOD WASTE PROCESSING

RECOMMENDATION(S)

THAT the report titled Request for Proposal (RFP) 19 376 Contract Award Wood Waste Processing be received;

AND THAT the contract for Wood Waste Processing be awarded to Salish Environmental Group Inc. in the amount up to \$510,750 (plus GST);

AND THAT the delegated authorities be authorized to execute the contract;

AND FURTHER THAT this recommendation be forwarded to the May 23, 2019 Board meeting.

BACKGROUND

Wood is one of the waste streams that is collected separately at both the Pender Harbour Transfer Station (PHTS) and Sechelt Landfill (SLF). This segregation allows for the diversion of these materials. To optimize this diversion wood waste is further separated into two categories; clean and contaminated. In 2018, 2,200 tonnes of combined wood waste was received and processed between the two facilities.

On January 31, 2019, the wood waste contract expired. In accordance with Sunshine Coast Regional District's (SCRD) Purchasing Policy, RFP 19 376 for Wood Waste Processing was issued on February 8, 2019 and closed on March 8, 2019. The RFP sought qualified companies to propose options to haul and process the wood from the two collection facilities. The RFP sought proposals for a contract term of 1 year with options to extend the terms of the contract.

DISCUSSION

Since 2014 the wood has been shipped off-coast. Originally a large portion of that wood was recycled on the lower-mainland, but due to changing market-conditions and recycling options, the most recent contractor landfilled most of the wood off-coast.

Since early 2018, a small portion of the wood was ground into wood chips at the SLF to be used as cover-material onsite.

Because of the ongoing shortage of recycling options for this waste stream and changing market conditions, the RFP was geared towards providing the proponents with the flexibility to come up with innovative solutions for hauling and processing of the wood. Particular emphasis was given to environmental sustainability, such as material end use and GHG Emissions. The RFP also projected a 15% increase in wood volume compared to the past 3 year average.

Analysis

Two compliant proposals were received. Led by the Purchasing Division, the evaluation team consisted of the General Manager, Infrastructure Services, the Manager, Solid Waste Operations and the Solid Waste Programs Coordinator. The evaluation committee reviewed and scored the proposal against the criteria set out in the RFP. Staff recommend that a contract be awarded to Salish Environmental Group Inc. They met the specifications as outlined in the RFP and are the best value overall for the above-mentioned project.

Name	Total Contract Value (in the amount up to)
Salish Environmental Group Inc.	\$510,750

Service level implications

Salish Environmental Group Inc. proposed the following approach to process the wood waste.

- Wood waste, originally destined for SLF, would now be received directly at Salish's facility in Sechelt.
- There will be an opportunity at SLF to drop-off very small amounts of wood.
- Wood waste would continue to be received at PHTS and transported in bulk, by Salish Environmental Group Inc., to their facility.
- Once received, Salish Environmental Group Inc. would then segregate the wood waste into categories and grind it into wood chips. The chips would be forwarded to local end users such as Howe Sound Pulp and Paper.
- A minimum of 2,000m³ of wood chips would be hauled to the SLF for use as cover material at no additional cost to SCRD. This would reduce the amount and cost of soil required for this purpose.

Awarding this contract would result in a change in the service delivery to the general public who are now bringing their wood waste to the SLF. Given that Salish Environmental Group's site is on route to SLF and this site is currently used by the public for green waste and recycling drop-off, this change is not expected to result in significant long-term concerns from the public. Adequate communication and a managed transition of this service change will be important.

If this contract is awarded, the SCRD would allow not implement the service model change for two months to allow staff to communicate the changes to the general public and frequent users such as contractors. During the first three months after implementation, SCRD staff at SLF would increasingly redirect customers to Salish Environmental Group for wood waste disposal.

Communication Strategy

The following communication methods will be used to inform the community of the change to the wood waste drop off location. The communication will be initiated four weeks prior to the implementation date and will continue for at least four weeks afterwards.

- News release
- Signage at the landfill
- Print Advertisements
- Radio
- Social Media
- Flyers to handout at landfill

Operational Implications

As the proposal from Salish Environmental Group Inc. diverts all wood from SLF, there may be operational benefits such as an increased space to store other materials in the public drop-off area, reduced traffic congestion at the SLF during peak-periods and a reduction of GHG emissions from hauling the wood off-coast.

Financial Implications

A financial analysis looked at current direct costs for wood waste and compared it against the proposed model. It should be noted that the RFP was based on a 15% increase in wood waste volumes compared to the past 3 year average.

Based on the projected volumes in the RFP, the analysis estimated a 3% increase in total direct costs. A portion of this cost is attributable to the provision of wood chips to SLF from Salish Environmental Group Inc. for use as cover material. This cost will be offset by reductions in the amount of cover material required to be purchased from other suppliers. Therefore, the anticipated impact on total operating expenses and Financial Plan is anticipated to be limited for 2019 and so no changes to the Budgeted are recommended at this time.

Actual costs are dependent on the actual volume of each material processed as compared to RFP volumes used in the analysis.

STRATEGIC PLAN AND RELATED POLICIES

The purchasing process followed for this service is aligned with the SCRD Purchasing Policy and reflects the set of values identified in the Strategic Plan 2015-2018, including the Priority to Ensure Financial Sustainability.

CONCLUSION

In accordance with the SCRD Purchasing Policy, RFP 19 376 was issued for the wood waste processing at the SLF and PHTS. The term of the contract is one year with five one-year renewal options, at SCRD's discretion.

It's recommended that RFP 19 376 Contract Award Wood Waste Processing be awarded to Salish Environmental Group Inc. in the amount up to \$510,750 (plus GST).

Reviewed by:			
Manager		CFO/Finance	X - T. Perreault X - B. Wing
GM	X - R. Rosenboom	Legislative	
Interim CAO	X - A. Legault	Other/Purchasing	X - V. Cropp



CITY OF BURNABY
OFFICE OF THE MAYOR

MIKE HURLEY

RECEIVED

MAY 06 2019

S.C.R.D.

2019 May 02

Dear Chair and Directors:

Subject: Expanding Investment Opportunities
(Item No. 6(J), Reports, Council 2019 April 29)

Burnaby City Council, at the Open Council meeting held on 2019 April 29, received the above noted report and adopted the following recommendations, **AS AMENDED**:

1. THAT Council provide support for changes to the Community Charter to allow for expanded asset class investments under prudent investor rules.
2. THAT Council request support from other municipalities and regional districts for the requested changes to the Community Charter.
3. THAT Council submit a resolution, as outlined in Section 4.1 of this report, to the Union of British Columbia Municipalities, as outlined in this report.

In accordance with Recommendation No. 2, a copy of the report, containing text of the resolution, is *enclosed* for your information.

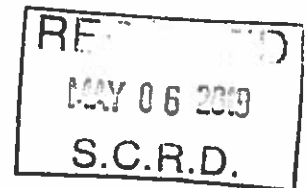
Burnaby City Council appreciates your support on this matter.

Yours truly,

Mike Hurley
MAYOR

FINANCIAL MANAGEMENT COMMITTEE

*HIS WORSHIP, THE MAYOR
AND COUNCILLORS*



SUBJECT: EXPANDING INVESTMENT OPPORTUNITIES

RECOMMENDATIONS:

1. THAT Council provide support for changes to the Community Charter to allow for expanded asset class investments under prudent investor rules.
2. THAT Council request support from other municipalities for the requested changes to the Community Charter.
3. THAT Council submit a resolution, as outlined in Section 4.1 of this report, to the Union of British Columbia Municipalities, as outlined in this report.

REPORT

The Financial Management Committee, at its meeting held on 2019 April 24, received and adopted the attached report requesting Council to support changes to the Community Charter to allow for prudent investor rules, thus expanding investment parameters and opportunities.

Respectfully submitted,

Mayor M. Hurley
Chair

Councillor S. Dhaliwal
Vice Chair

Copied to:	City Manager Director Finance
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TO: CHAIR AND MEMBERS
FINANCIAL MANAGEMENT COMMITTEE

DATE: 2019 April 17

FROM: DIRECTOR FINANCE

FILE: 7500-01

SUBJECT: EXPANDING INVESTMENT OPPORTUNITIES

PURPOSE: To request Council to support changes to the Community Charter to allow for prudent investor rules, thus expanding investment parameters and opportunities.

RECOMMENDATIONS:

1. **THAT** the Committee recommend Council provide support for changes to the Community Charter to allow for expanded asset class investments under prudent investor rules.
2. **THAT** the Committee recommend Council request support from other municipalities for the requested changes to the Community Charter.
3. **THAT** the Committee recommend Council submit a resolution, as outlined in Section 4.1 of this report, to the Union of British Columbia Municipalities as outlined in this report.

REPORT**1.0 INTRODUCTION**

Financial investments form a critical part of the activities of a municipality, providing a source of revenues for capital expenditures and to offset cash flow fluctuations. The allowable investment parameters as laid out in the Community Charter is considered a “prescribed” or a “closed” set of legislated guidelines designed to protect municipalities from taking unnecessary or undue risks. The concept being that the current regulations provide for a list of instruments that can be placed in the portfolio, instruments that are considered the most creditworthy and least risky, such as provincial debt obligations and investments in financial institutions in Canada. What occurs in a market such as Canada, which represents less than 3% of the global economy, is an over concentration of holdings and limited investment diversification due to the regulation limitations.

The parameters set and limitations for investment powers and opportunities has not changed for decades in British Columbia. The purpose of the proposed changes to Section 183 of the Community Charter is to provide municipalities with the ability to obtain improved returns

through asset class diversification, which in return can reduce tax implications and funding costs associated with capital funding; while also reducing investment risks. Analysis and discussion for structured governance will be critical to determine the scope of change and authority granted through legislated changes. However, the purpose of this report is to start the conversation with the Province.

2.0 POLICY SECTION

Goal

- A Connected Community
 - Partnership –
Work collaboratively with businesses, educational institutions, associations, other communities and governments
- A Dynamic Community
 - Economic opportunity –
Foster an environment that attracts new and supports existing jobs, businesses and industries
 - Community development –
Manage change by balancing economic development with environmental protection and maintaining a sense of belonging
- A Thriving Organization
 - Financial viability –
Maintain a financially sustainable City for the provision, renewal and enhancement of City services, facilities and assets

3.0 MUNICIPAL INVESTMENTS

3.1 Investment Funds

Part 6, Division 3, Section 183 of the Community Charter provides investment guidelines to British Columbia municipalities. These legislated guidelines state that municipalities may invest or reinvest money that is not immediately required for expenditures as follows:

183 Money held by a municipality that is not immediately required may only be invested or reinvested in one or more of the following:

- (a) securities of the Municipal Finance Authority;
- (b) pooled investment funds under section 16 of the *Municipal Finance Authority Act*;
- (c) securities of Canada or of a province;

- (d) securities guaranteed for principal and interest by Canada or by a province;
- (e) securities of a municipality, regional district or greater board;
- (f) investments guaranteed by a chartered bank;
- (g) deposits in a savings institution, or non-equity or membership shares of a credit union;
- (h) other investments specifically authorized under this or another Act.

The British Columbia provincial government is responsible for the laws and framework that provide governance across the province. The *Municipal Act* has provided this guidance since the 1880's. In 1991, UBCM proposed the idea for the creation of a Bill of Rights for municipalities for the purpose of providing broader powers and greater freedoms for BC municipalities. The *Local Government Act* was then created and received Parliamentary approval in 1996. Finally, with Royal Assent in August 2001 of the *Community Charter Council Act*, a Community Charter Council was created for the purpose of developing the *Community Charter*.

BC municipalities have managed investment portfolios under these guidelines as a matter of fiduciary responsibility and with due diligence. Internal investment guidelines support each municipality's investment activities within the constraints of the *Community Charter*. While protectionist in nature, the regulations actually place inadvertent restrictions on the ability to generate higher rates of return and increased revenues, as well as limiting asset class diversification which is paramount to financial sustainability and risk diversification. Currently, BC municipalities can invest in two of the four main asset classes - money market (including cash equivalents) and fixed income (bonds). The other two asset classes include equities and real estate (or other tangible assets). This limitation in turn affects the portfolio real rate of return once inflation is considered and it affects annual taxation rates and other capital costs for a municipality.

3.2 Prudent Investor Rules

The prudent investor rule (aka prudent investor standard) requires the investment manager of an organization to conduct investment activities with care, skill and due-diligence for that which a prudent person would do when managing their own investments, such as property, cash or securities. Such a person would therefore deploy investments through a diversification strategy that can potentially reduce risks while enhancing returns.

A prudent investor would therefore have flexibility and seek opportunities based on market and economic cycles, as well as utilize diversification opportunities both in and outside of Canada. For a municipality, benefits from increased returns can reduce taxation requirements and fees. Without a change to provincial legislation, BC municipalities will continue to invest in

prescribed investment products which under varying market conditions, like the historical low interest rates experienced over the last 10 years that has in turn translated into the lowest yields and lower income.

3.3 Prudent Investor Rules – Other Jurisdictions

Various municipalities and pensions maintain prudent investor rules such as the cities of Ottawa, Edmonton, Calgary, Medicine Hat and more recently the City of Toronto. In 2000, the Canada Pension Plan began investing in equities and other investment products (real estate, commodities and futures) with the main goal of seeking higher returns and to stabilize the Canada Pension Plan (CPP) program for future generations. This change meant a more diversified and global deployment of funds for capital appreciation, taking advantage of a much larger global market than just Canadian content.

When the Province of Ontario decided to make changes to the municipal legislation, it was for the purpose of providing municipalities more flexibility. Thus, allowing local governments more freedom to invest available funds in a larger pool of diversified investment products. Providing the added flexibility and freedom could potentially deliver higher returns while lowering or removing systemic risks, reinvestment risks and interest rate risks. The Ontario government put in place specific requirements that a local government must meet to permanently opt into the prudent investor program. The logic was to ensure appropriate governance and structure was in place with separate guidance from an independent board for the expanded portfolio.

The City of Toronto is currently preparing to place their initial investments into equities now that the legislated requirements for prudent standards have been met. The City of Ottawa however has been investing endowment funds of over \$200 million since 2007. Ottawa conducted an RFP and hired two fund managers to manage the investments of the endowment. Applying prudent investment standards to the endowment funds has allowed the City of Ottawa to generate much higher yields over the last decade when compared to the funds invested based on the prescribed legislation. Also, the City of Ottawa is watching Toronto's activities closely and will contemplate the opt-in decision for the remaining portfolio funds as they have first-hand knowledge of the large differential in returns between their funds.

The City of Edmonton began investing in equities in 1995 with the creation of an endowment fund. A May 2014 staff white paper identified that through the use of asset class diversification, the endowment fund has contributed well over \$700 million to the City of Edmonton's operating budget and the fund has grown from \$445 million to \$710 million. Staff reports indicate that the change to investment structure has allowed the city to achieve cost efficiencies and to better align the portfolios with specific risk profile needs and objectivity. This in turn allows for the creation of new asset class investing, such as global infrastructure and emerging market equities, while achieving the goals of increasing overall returns and long term financial sustainability.

Another report highlighted that Edmonton home owners have saved over 7% for the period 2005 – 2014 on property taxes paid. Not only have the funds increased returns resulted in a reduction of the tax burden on citizens, but has and will continue to the support the city's financial position

and sustainability. The investment diversification through prudent investor rules has meant an expanded revenue base for operating and capital budgets.

3.4 Prudent Investor Rules – Capacity and Knowledge

While providing expanded investment options to municipalities through legislation can achieve many benefits, consideration must be made regarding municipal capacity and expertise. Any change in legislation will require municipal input in determining the governance structure that will work best for the province and each municipality. With examples from Ontario and Alberta now in place, this presents a tremendous opportunity to learn from the legislative process and experiences and to understand the need for improvements and the request to change.

Because of the vast range of assignments and work conducted in municipal treasury, the current staff compliments most likely will not have the expertise to branch out into a larger array of investment asset class products. Indeed, smaller municipalities have very few staff that manage varying professional disciplines such as budgets, banking, trades payable, accounting and investments. There are however significant differences amongst the municipalities in the lower mainland and across the province when it comes to portfolio management expertise and knowledge. So governance must consider inclusion for all without creating additional costs and risks.

Such risks can be mitigated through pooling investments or contracts with qualified funds managers through the set-up of simplified but effective reporting standards and clear guidelines. Under prudent investment standards the need for monitoring the decisions made, portfolio performance, policy and governance principles becomes even greater. Setting the criteria by thoughtful consideration will ensure a more comprehensive and general acceptance and adaptation by municipalities. The goal is not to make prudent investing an impossible challenge, but to ensure there is significant and meaningful impact when prudent investment standards are followed.

4.0 REQUIRED CHANGE IN LEGISLATION

The City of Burnaby has maintained a concentrated and focused effort on the investment portfolio for over three decades. This attention has provided for consistently improved yields and income generation. While the City of Burnaby has outperformed market benchmarks and municipal peers, there are still missed opportunities due to investment restrictions based on the current legislation.

While protectionist in nature, a “prescribed” or “closed” set of guidelines can introduce unintended risks by being extremely limited, thus introducing systemic and interest rate risks to a municipal portfolio. This can increase in magnitude for a large portfolio that seeks additional product and yield within the limited reach and size of the Canadian fixed income market. The *Community Charter* provides clarity but does not empower a municipality to obtain greater investment variation and seek to reduce risk further through asset diversification and allocation.

It is therefore proposed that by providing prudent investor standards within the *Community Charter* or other provincial legislation, risk versus reward through asset class diversification can culminate into various funding and cash flow opportunities as returns increase. If the City of Burnaby moved 30% of current holdings to other asset classes for example (Edmonton has 60% of the endowment fund in equities), with only a 2.5% increase in yield on that portion of the portfolio, the annual additional revenue would be \$12.75 million per year.

The evidence is very clear from municipal examples to pension plans and historical analysis that asset mix is a critical determinant of long term investment fund stability, yield and income. Maintaining a set of guidelines that limits municipal investing to a restricted list of products within limited asset classes will result in what is occurring in many municipal portfolios today – yields that range from 1.50% - 3.00% with significantly reduced income. The current standards limit municipal investments to the Canadian market only and to the fixed income asset class which is based on Canadian interest rates only.

The size and utilization of the City's investment reserves, without debt payment obligations other than internally through annual depreciation, means we are well positioned for the longer term investment time horizon that is needed under other asset classes such as equities and real estate. Providing proficient and transparent oversight to the investment portfolio ensures the City of Burnaby is acting in the best interest of citizens. This also means identifying that as investment markets and economies have changed over the years, opportunities have been missed. The best starting point is to begin the conversation about making changes to the current investment legislation in British Columbia.

And while those opposed to change may suggest that introducing the prudent investor rules will bring with it needless risks, one must consider that risk is defined in many ways, including the long term financial sustainability of municipalities and the tax burden placed on residents. Risk diversification also means fund managers and fund management, not just guarantors and asset class diversification. Risk management means a governance structure that takes into consideration the varying investment strategies that can be deployed and empowering municipalities to diversify and grow for future generations of citizens. For these reasons, updating legislation to include prudent investment rules is practical and warranted.

4.1 Resolution: Expanded Asset Class Investments Under Prudent Investor Rules

Given the discussion above, and recognizing that the ability to properly manage and grow assets is an important role of local government, the following resolution has been prepared for the Committee and Council's consideration.

WHEREAS financial investments form a critical part of the activities of a municipality, providing a source of revenues for capital expenditures and to offset cash flow fluctuations;

To: Financial Management Committee
From: Director Finance
Re: Expanding Investment Opportunities
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AND WHEREAS allowable investment parameters as laid out in the *Community Charter* is considered a “prescribed” set of legislated guidelines.

AND WHEREAS the Provinces of Alberta and Ontario have implemented a wider scope for local government investment, which responds to the needs of local governments of all sizes:

THEREFORE BE IT RESOLVED that the Union of BC Municipalities request the Ministry of Finance to amend the *Community Charter* to provide municipalities with the ability to obtain improved returns through asset class diversification, which in return can reduce tax implications and funding costs associated with capital funding, while also reducing investment risk.

5.0 RECOMMENDATIONS

It is recommended that the Committee recommend Council provide support for changes to the Community Charter to allow for expanded asset class investments under prudent investor rules. It is also recommended that the Committee recommend Council request support from other municipalities for the requested changes to the Community Charter and that a resolution, as outlined in Section 4.1 of this report, be submitted to the Union of British Columbia Municipalities on this matter.



Noreen Kassam, CPA, CGA
DIRECTOR FINANCE

NK:DS /ml

Copied to: City Manager