



CORPORATE AND ADMINISTRATIVE SERVICES COMMITTEE

**Thursday, January 23, 2020
SCRD Boardroom, 1975 Field Road, Sechelt, B.C.**

AGENDA

CALL TO ORDER 9:30 a.m.

AGENDA

1. Adoption of Agenda

PRESENTATIONS AND DELEGATIONS

2. Denise Woodley, Director of Program and Staff Development,
Sunshine Coast Community Services Society Annex A
Pages 1-10
Regarding Police Based Victims Services
i. Staff Report: Annex B
General Manager, Corporate Services / Chief Financial pp. 11-23
Officer
Police Based Victims Services Funding Background
and Information
(Voting – All Directors)
3. Peter Galbraith, Resident Halfmoon Bay
Regarding Planned Wastewater Rate Increases

REPORTS

4. Manager, Asset Management Annex C
Wastewater Asset Management and Rate Reviews pp. 24-121
(Voting – A, B, D, E, F)
Attachment C: included as [link](#) only (178 pages)
5. Manager, Asset Management Annex D
Wastewater Feasibility Study – Infrastructure Planning Grant pp. 122-123
Program Application
(Voting – A, B, D, E, F)
6. General Manager, Corporate Services / Chief Financial Officer Annex E
Regional Water Service Area 2020 Rate Bylaw Amendment pp. 124-137
(Voting – A, B, D, E, F, Sechelt)

7. General Manager, Corporate Services / Chief Financial Officer
South Pender Harbour Water Service Area 2020 Rate Bylaw
Amendment
(Voting – All Directors) Annex F
pp. 138-144
8. General Manager, Corporate Services / Chief Financial Officer
North Pender Harbour Water Service Area 2020 Rate Bylaw
Amendment
(Voting – All Directors) Annex G
pp. 145-149
9. Chief Administrative Officer and Corporate Officer
Director Remuneration Review Process
(Voting – All Directors) Annex H
pp. 150-200
10. General Manager, Corporate Services / Chief Financial Officer
2020 Seawatch Parcel Tax and Utility Billings
(Voting – All Directors) Annex I
pp. 201-202
11. Manager, Financial Services
Parcel Tax Roll Review Panel
(Voting – All Directors) Annex J
pp. 203-204
12. Manager, Protective Services
9-1-1 Communication Upgrade
(Voting – All Directors) Annex K
pp. 205-210
13. Senior Manager, Human Resources
SCRD Full-Time Equivalency (FTE) Summary Report
(Voting – All Directors) Annex L
pp. 211-213
14. Manager, IT and GIS
Compliance with Land Title and Survey Authority of BC Legal
Plans Distribution Requirements
(Voting – All Directors) Annex M
pp. 214-215
15. Joint Report
Corporate and Administrative Services – Semi-Annual Report for
2019
(Voting – All Directors) Annex N
pp. 216-224
16. General Manager, Corporate Services / Chief Financial Officer
2020 Rural Areas' Grant-in-Aid Timeline
(Voting – A, B, D, E, F) Annex O
pp. 225-226
17. Financial Analyst
Long Term Debt as at December 31, 2019
(Voting – All Directors) Annex P
pp. 227-231

- | | |
|---|------------------------|
| 18. Manager, Purchasing and Risk Management
Contracts Between \$50k and \$100K (September to December)
(Voting – All Directors) | Annex Q
pp. 232-233 |
| 19. Accounts Payable Technician
Director Constituency and Travel Expenses for Period Ending
December 31, 2019
(Voting – All Directors) | Annex R
pp. 234-235 |

COMMUNICATIONS

- | | |
|---|-------------------|
| 20. <u>Don Cunliffe, Director, Halfmoon Bay Community Association</u>
Regarding Request for Continued Support of the Coopers
Green Hall Project
(Voting – A, B, D, E, F) | Annex S
p. 236 |
|---|-------------------|

NEW BUSINESS

IN CAMERA

That the public be excluded from attendance at the meeting in accordance with Section 90 (1) (a), (c), and (k) of the *Community Charter* – “personal information about an identifiable individual who holds or is being considered for a position as an officer, employee or agent of the municipality or another position appointed by the municipality”, “labour relations or other employee relations”, and “negotiations and related discussion 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

December 3, 2019

Re: Funding for Police Based Victim Services

To the SCRD,

On October 28th, we submitted an application to renew our three year grant with the District of Sechelt. I was asked to provide some follow up information in regards to how the Police Based Victim (PBVS) program receives funding and the services it provides.

Funding we receive helps to provide PBVS services to the community of the District of Sechelt and the whole Sunshine Coast. Under the Victim of Crime act (<https://www.policevictimservices.bc.ca/victim-services-in-bc/legislation/>) if you are a victim of a crime in BC, you are entitled to receive information and support about; the victim services available to you, the benefits and financial assistance for criminal injury, the status of the police investigation, the status of the court case, the charges laid against the offender, the outcome of court appearance and other support services to victims.

Currently, we have an ongoing contract with the Ministry of Public Safety and Solicitor General to provide partial funding for the PBVS program. In this contract it states that the balance of the costs for this program is to be shared with the Municipality that is responsible for the RCMP. I have included a copy of the contract as it pertains to the PBVS program, including the **Schedule E (page 21)** which set out these terms. We have appreciated the three year funding we have received from the District as it has provided stability to the program, but the funding that we have received has not covered the full 50% required by the Municipality and the services needs of the Sunshine Coast have grown and are stretched.

We have asked the District of Sechelt for a fairly substantial increase in funding for the next three years as the needs for PBVS service in our community have grown substantially (I have included a copy of the three year budget that we sent to them). I am requesting that the SCRD, including the Town of Gibsons support this program and provide funding to offset the full cost of the PBVS program.

If you require any further information please contact me at 604-885-5881 ext. 229 or dwoodley@sccss.ca.

Thank you for your support of the PBVS program.

Kind Regards,

Denise Woodley
Director of Program and Staff Development

FORM 3 – PROPOSED BUDGET

Name of Organization: Sunshine Coast Community Services Society

Name of Program: Police Based Victim Services

ESTIMATED REVENUE (Cash & Grants)	Actual from 2018 or 2018/19 fiscal year	Revenue for 2020	STATUS: "Applied for", "Approved", or "Received"	Projected for 2021	Projected for 2022	Explain any variance between 2020 and 2021/2022 (+ or -)
District Of Sechelt- <i>pop. 10,216</i> - \$24,983 Town of Gibsons- <i>pop. 4,605</i> - \$11,421 SCRD- <i>pop. 14,478</i> - \$34,975	\$ 43,106.00	\$ 71,379.00		\$ 73,027.85	\$ 74,714.80	Requesting an increase in 2020 for increased direct service hours and wage increases and a 3% increase in wage portion of funding (77%) for 2021 and 22
Your Organization's Contribution	\$ -	\$ -		\$ -	\$ -	
Federal Government	\$ -	\$ -		\$ -	\$ -	
Provincial Government	\$ 75,048.00	\$ 71,379.00		\$ 73,027.85	\$ 74,714.80	Actuals 18/19 include \$8,000 OTO funding
SC Regional District (e.g. Rural Grant-in-Aid)	\$ 500.00	\$ -		\$ -	\$ -	
Town of Gibsons (e.g. Grants of Assistance)	\$ 400.00	\$ -		\$ -	\$ -	
shíshálh Nation (e.g. Grant-in-Aid)	\$ -	\$ -		\$ -	\$ -	
Service Clubs (Rotary, Lions etc.)	\$ -	\$ -		\$ -	\$ -	
SC Community Foundation	\$ -	\$ -		\$ -	\$ -	
Fundraising	\$ -	\$ -		\$ -	\$ -	
Individual donations	\$ -	\$ -		\$ -	\$ -	
Corporate Sponsorship	\$ -	\$ -		\$ -	\$ -	
Ticket Sales	\$ -	\$ -		\$ -	\$ -	
Vendor Fees	\$ -	\$ -		\$ -	\$ -	
Membership Fees	\$ -	\$ -		\$ -	\$ -	
Other:	\$ -	\$ -		\$ -	\$ -	
Other:	\$ -	\$ -		\$ -	\$ -	
A. REVENUE SUBTOTAL	\$ 119,054.00	\$ 142,758.00		\$ 146,055.71	\$ 149,429.60	

IN-KIND INCOME (in-kind revenues must equal in-kind expenses)	Actual from 2018 or 2018/19 fiscal year	Estimated for 2020	STATUS: "Applied for", "Approved", or "Received"	Projected for 2021	Projected for 2022	Explain any variance between 2020 and 2021/2022 (+ or -)
Labour/Professional Services	\$ -	\$ -		\$ -	\$ -	
Materials/Supplies	\$ -	\$ -		\$ -	\$ -	
Volunteer time (estimate value at \$15/hr.)	\$ -	\$ -		\$ -	\$ -	
Other:	\$ -	\$ -		\$ -	\$ -	
B. IN-KIND SUBTOTAL	\$ -	\$ -		\$ -	\$ -	
REVENUE TOTAL (A + B)	\$ 119,054.00	\$ 142,758.00		\$ 146,055.71	\$ 149,429.60	

ESTIMATED EXPENSES	Actual from 2018 or 2018/19 fiscal year	Estimated for 2020		Projected for 2021	Projected for 2022	Explain any variance between 2020 and 2021/2022 (+ or -)
Advertising & Promotions	\$ 103.00	\$ 300.00		\$ 110.00	\$ 125.00	

Contracted Services/Professional Fees	\$ -	\$ -		\$ -	\$ -	
Equipment Rental	\$ 728.00	\$ 750.00		\$ 775.00	\$ 800.00	
Honorariums	\$ -	\$ -		\$ -	\$ -	
Insurance	\$ 396.00	\$ 400.00		\$ 410.00	\$ 425.00	
Materials & Supplies	\$ 587.00	\$ 600.00		\$ 600.00	\$ 600.00	
Permit Fees	\$ -	\$ -		\$ -	\$ -	
Printing & Photocopying	\$ -	\$ -		\$ -	\$ -	
Training and/or Development	\$ 1,870.00	\$ 1,000.00		\$ 750.00	\$ 750.00	
Transportation	\$ 3,078.00	\$ 3,000.00		\$ 3,050.00	\$ 3,100.00	
Venue Rental	\$ -	\$ -		\$ -	\$ -	
Volunteer Recognition, t-shirts etc.	\$ -	\$ -		\$ -	\$ -	
Wages/Salaries	\$ 92,683.00	\$ 113,183.09		\$ 116,357.63	\$ 119,137.31	
Dues & Subscriptions	\$ 119.00	\$ 125.00		\$ 125.00	\$ 125.00	
Audit	\$ 600.00	\$ 600.00		\$ 600.00	\$ 600.00	
Rent	\$ 2,100.00	\$ 2,100.00		\$ 2,100.00	\$ 2,100.00	
Admin fee	\$ 14,102.00	\$ 17,130.96		\$ 17,526.69	\$ 17,931.55	
Acctg/Payroll expense	\$ 2,688.00	\$ 3,568.95		\$ 3,651.39	\$ 3,735.74	
C. SUBTOTAL EXPENSES	\$ 119,054.00	\$ 142,758.00		\$ 146,055.71	\$ 149,429.60	

IN-KIND EXPENSES (in-kind revenues must equal in-kind expenses)	Actual from 2018 or 2018/19 fiscal year	Estimated for 2020		Projected for 2021	Projected for 2022	Explain any variance between 2020 and 2021/2022 (+ or -)
Labour/Professional Services	\$ -	\$ -		\$ -	\$ -	
Materials/Supplies	\$ -	\$ -		\$ -	\$ -	
Volunteer time (estimate value at \$15/hr.)	\$ -	\$ -		\$ -	\$ -	
Other:	\$ -	\$ -		\$ -	\$ -	
D. SUBTOTAL IN-KIND EXPENSES	\$ -	\$ -		\$ -	\$ -	
EXPENSES TOTAL (C + D)	\$ 119,054.00	\$ 142,758.00		\$ 146,055.71	\$ 149,429.60	

Police Base Victim Services

Local Government Partnership

Why

- The need of the community has grown–
300% increase over the last three years
- 448 community members accessed this program last year
- Need more staffing time to increase
Victim Service Worker hours to meet our
community's need

Background

- 2015 District of Sechelt provided a 3-year CIP grant– \$42,500 (average/yr) for 2016–19. Only funding from SCRD and ToG came from small grants avg. \$500.
- It is being proposed that Victim Services should be incorporated into RCMP annual budget
- Ministry of Public Safety and Solicitor General provides 50% of budget

Ministry of Public Safety and Solicitor General

- Schedule E of Provincial contract states:

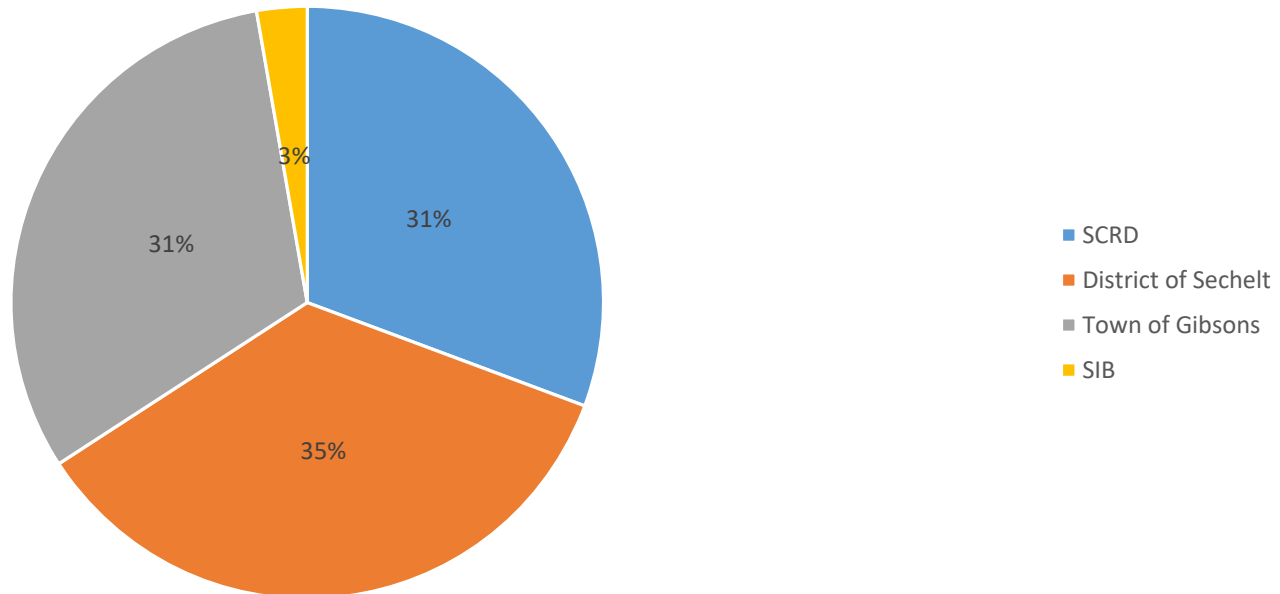
4. **Cost-Share Contribution for Police-based programs** “Police-Based Victim Service Programs are cost-shared 50/50 between the Ministry and local governments in communities with a population of 5,000 or more and where they exist in in communities with a police-strength of 4 or more.

At a minimum, the Ministry expects local governments to match the Ministry’s contribution. This cost-sharing approach recognizes the critical role that police-based victim services play in the police response to crime and trauma, particularly in the area of crisis response.

The Contractor will manage the municipal contribution that is specified in the fiscal Year 2020/2021 Budget proposals.

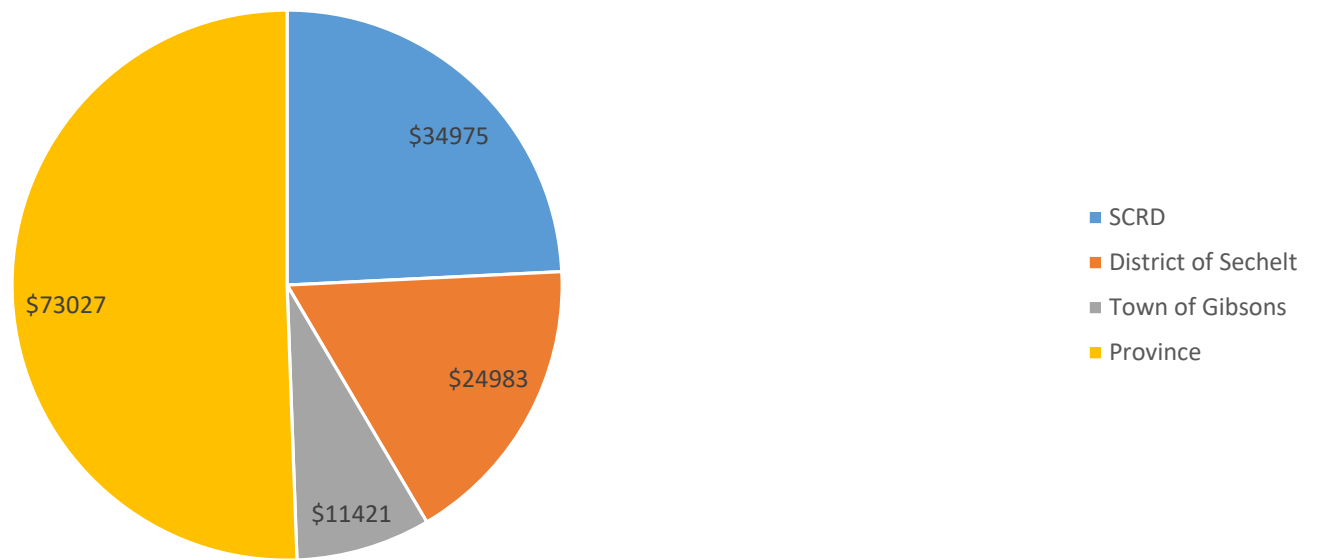
Stats for 2019

Areas of People Served



Proposed Budget for 2020

Budget by % of Population



Questions

- Questions?

SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

TO: Corporate and Administrative Services Committee Meeting – January 23, 2020

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

SUBJECT: POLICE BASED VICTIMS SERVICES FUNDING REQUEST

RECOMMENDATION(S)

THAT the report titled Police Based Victims Service Funding Request received for information.

BACKGROUND

The Sunshine Coast Community Services Society provides Police Based Victims Services. Police Based Victims Services is primarily funded through the Ministry of Public Safety and Solicitor General. The District of Sechelt which has a population over the 5,000 threshold contributes to the Police Based Victims Services through Traffic Fine Revenues (a report to February 25, 2016 Corporate and Administrative Services provides detail – Attachment A).

The Town of Gibsons has not yet achieved 5,000 population and is therefore not required to directly fund municipal police service, contributing to the Police Based Victims Services through Grants of Assistance.

The Rural Areas' Grant-in-Aid functions of the Sunshine Coast Regional District (SCRD) have supported the Police Based Victims Services as per the attached spreadsheet (Attachment B – showing 2005-2019 approved grants).

As a regional district, the SCRD is not responsible for providing police service. Police Service within rural areas of the Regional Districts is recovered through the Province (Surveyor of Taxes). Per the Province. Traffic Fine Revenue sharing for "*Rural communities and municipalities with populations under 5,000 benefit by receiving a reduction in the police tax they pay*".

DISCUSSION

The SCRD has shown support for the Sunshine Coast Community Services Society for Police Based Victims Services by providing funding from Rural Areas' Grant-in Aid and also by advocating to the Province of BC for continued and increased support for all types of social service and emergency service programs (Attachment C – Staff Report to February 25, 2016 Corporate and Administrative Services Committee Meeting). The SCRD currently does not have a service, established through Bylaw, for police based victims services.

As in many cases for these types of services (Attachment D – Staff Report to December 4, 2019 Corporate and Administrative Services Committee Meeting), without an established function, the funding has been granted by the Rural Areas' Grant-in-Aid Functions 121-129. The SCRD Board Policy however has no provision to fund ongoing services or to "replace any financial

responsibilities of senior levels of government or other government agencies...” and funding through the policy should not exceed \$5,000 per application.

STRATEGIC PLAN AND RELATED POLICIES

This report aligns with the Boards Strategic goal of *Advocacy and Regional Collaboration*.

CONCLUSION

The Sunshine Coast Community Services Society provides Police Based Victims Services. Police Based Victims Services is primarily funded through the Ministry of Public Safety and Solicitor General. The District of Sechelt, Town of Gibsons, and SCRD have supported the program in various forms over many years.

As in many cases for these types of services, without an established service, the funding has been granted by the Rural Areas’ Grant-in-Aid Functions 121-129. This report is provided for information for the Committee regarding past grant funding to Police Based Victims Services.

- Attachment A: Staff Report “Traffic Fine Revenue” – October 27, 2016
 Attachment B: SCRD Funding Provided for Police Based Victims Services 2005-2019
 Attachment C: Staff Report “Provincial Government Funding History and Special Interest Group Support” – February 25, 2016
 Attachment D: Staff Report “Special Funding Requests” – December 4, 2019

Reviewed by:			
Manager		Finance	
GM		Legislative	X – S. Reid
CAO		Other	X – T. Crosby

SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

TO: Corporate and Administrative Services Committee – October 27, 2016
AUTHOR: Tina Perreault, General Manager, Corporate Services / Chief Financial Officer
SUBJECT: TRAFFIC FINE REVENUE

RECOMMENDATION(S)

THAT the report titled Traffic Fine Revenue be received for information.

BACKGROUND

On February 11, 2016 the Board adopted the following resolution:

070/16 Recommendation No. 2 *Police Based Victims Services Program*

THAT the report from the Sunshine Coast Community Services regarding Police Based Victim Services Program be received;

AND THAT the Sunshine Coast Regional District (SCRD) work with the Town of Gibsons to determine how traffic fine revenues collected in these areas are used by the Province;

AND FURTHER THAT staff report this information to a future Corporate and Administrative Services Committee.

DISCUSSION

The Ministry of Community, Sport and Cultural Development collects revenues from ticket fines and court-imposed fines on violation tickets and provides a Traffic Fine Revenue Sharing (TFRS) program as an unconditional grant to municipalities that are directly responsible for paying for policing. The Town of Gibsons and Sunshine Coast Regional District (SCRD) currently do not receive traffic fine revenues from the Province.

Rural communities and municipalities with populations under 5,000 participate in the TFRS through a reduction in police tax. TFRS grants are based on a municipality's policing costs relative to the total policing costs paid by all municipalities.

Powell River and Sechelt both receive traffic fine revenues based on the above model.

In 2004 the Province began returning 100% of traffic fine revenues to municipalities and reported that municipalities used the funds to continue hiring more police, and projects

such as outreach services for youth, Aboriginal policing initiatives and methamphetamine awareness programs.

The District of Sechelt has a policy regarding Management of Traffic Fine Revenue which suggests use of funds for reducing vandalism, police ability to deal with drug issues, community awareness of criminal activity, caring for victims of crime, reducing traffic fatalities and awareness, and youth workers to reduce levels of crime. The monies received are distributed as follows: 40% to RCMP Based Standing Programs, 40% to Other Standing Programs, 10% to skateboard park for maintenance, development and insurance, and 10% for one-time grant applications.

STRATEGIC PLAN AND RELATED POLICIES

Facilitating Community Development is a focus of this report as the Municipalities' populations continue to grow there may be opportunity to benefit from the TFRS Program.

CONCLUSION

The Ministry of Community, Sport and Cultural Development collects revenues from ticket fines and court-imposed fines on violation tickets and provides a Traffic Fine Revenue Sharing (TFRS) program as an unconditional grant to municipalities that are directly responsible for paying for policing. As population continues to grow on the Sunshine Coast traffic fine revenues for other municipalities may be included in the Province's TFRS.

Reviewed by:			
Manager		Finance	
GM		Legislative	
CAO	X-JL	Other	

Sunshine Coast Regional District Support - 2005-2019

Rural Areas' Grant-in-Aid	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	TOTAL
Police Based Victims Services	\$ 1,300					\$ 3,750	\$ 1,450	\$ 500		\$ 3,000	\$ 1,000		\$ 250	\$ 500		\$ 11,750

SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

TO: Corporate and Administrative Services Committee Meeting – February 25, 2016

AUTHOR: Janette Loveys, Chief Administrative Officer
Tina Perreault, Treasurer

SUBJECT: **PROVINCIAL GOVERNMENT FUNDING HISTORY AND SPECIAL INTEREST GROUP SUPPORT**

RECOMMENDATION(S)

THAT the report titled “Provincial Government Funding History and Special Interest Group Support” be received for information.

BACKGROUND

The purpose of this report is to provide a general historical overview of programs and services that were previously and or currently funded by the Province of British Columbia which the Sunshine Coast Regional District has been asked or is currently funding these programs. In 2015 the Sunshine Coast Regional District (SCRD) Board made the following resolutions related to this topic, excerpts below:

146/15 **Recommendation No. 61** *Provincial Government Funding History*

THAT staff report to a Corporate and Administrative Services Committee meeting in 2015 regarding a 10 year history of provincial downloading, providing a list of areas and functions that the Sunshine Coast Regional District (SCRD) is now funding that were previously funded by the Province.

444/15 **Recommendation No. 4** *Special Interest Group Support*

THAT staff compile a list of programs on the Sunshine Coast *that have in the past or may in the future* require SCRD Board advocacy with the Provincial Government with regard to sustainable funding (e.g. Parent and Tot, Victim Services, Arrowhead, GP for Me, Youth Outreach);

AND THAT staff report on the degree to which programs within the provincial mandate have historically been funded by the SCRD.

DISCUSSION

The list below is some of the social service groups that have been funded through Rural Areas' Grant-in-Aid, or have been paid by other functions of the SCRD, and or have requested funding from the SCRD in the past. An attachment providing details of historical funding is also provided:

- Restorative Justice Program of BC
- Police Based Victims Services
- Extreme or Cold Weather Shelters
- Seniors' Housing Programs or Peer Counselling for Seniors
- Parent and Tot Groups
- Sunshine Coast Marine Rescue Society and Halfmoon Bay Auxiliary
- Pender Harbour Marine Rescue
- Arrowhead Centre Society
- Sunshine Coast Tourism
- Electoral Area / Community Associations for Shoreline Mitigation and Invasive Species Eradication
- Sunshine Coast Salmon Enhancement Society
- Tetrahedron Outdoor Club for Park Road Grading and Maintenance
- GP for Me
- Bear Aware

There are other community groups that are typically funded through the SCRD annually through budget approval. These groups include:

Group/Program	Function	2015 Budget	2014 Budget
Community School Restorative Justice Programs	GIA	\$10,000	\$10,000
Area A Recreation Program	GIA	\$8,000	\$8,000
Youth Outreach Programs*	GIA	\$69,342	\$68,050
Youth Centre Programs: <ul style="list-style-type: none"> • Area A (Recreation Program) • Community Schools • Sechelt • Gibsons 	670 Regional Recreation	\$32,000 \$40,000 \$33,900 \$56,000	\$32,000 \$40,000 \$30,000 \$56,000
Pender Harbour Health Centre	410	\$106,812	\$108,414
Coast Guard Auxiliary	222 SCEP	\$15,300	\$15,300
Search and Rescue	222	\$19,380	\$19,380
Emergency Social Services	222	\$6,120	\$6,120

*Regional funding including member municipalities.

Other groups that are also funded through Provincial Government funding but are not included in the above list are public libraries and museum services. Area F Island Volunteer Fire Groups have also been supported by the SCRD in the past, through the Rural Areas' Grant-in-Aid process, though there has been some question as to the liability of providing funding for this purpose.

In the context of this report and direction to staff, the CAO is currently completing an Advocacy Strategy for the Board and a Community Development Framework for the community groups for the Committee's consideration. The intent to take a two prong approach. This report will be forthcoming by the end of Q1 2016.

Staff felt it necessary to report back as efficiently as possible on the financial aspects given the current 2016 budget deliberations.

Organizational and Intergovernmental Implications

Many of the groups are funded do not have an established service, therefore are funded through GIA on an ongoing basis.

The SCRD Board also has lobbied at Union of British Columbia Municipalities (UBCM) and Association of Vancouver Island and Coastal Communities (AVICC) for these type of groups. An example excerpt is attached below:

March 2011

WHEREAS the provincial government cut core funding for emergency management, emergency social service and first responder training for the 2009 / 2010 fiscal year and transferred some of it to year-by-year special access gaming grants, administered by the BC Association of Emergency Managers and the Emergency Social Services Association, that have been denied for the 2010 / 2011 fiscal year;

AND WHEREAS this financial assistance was relied upon by many small and rural communities and their volunteer organizations to provide critical services throughout vast areas of the province;

AND WHEREAS adequate training is imperative for an effective local emergency program which provides for the safety and wellbeing of the citizens of BC, along with being legislated by Section 6 of the Emergency Program Act:

THEREFORE BE IT RESOLVED that UBCM lobby the provincial government to restore core funding for emergency management, emergency social services, and first responder training to at least the 2008/2009 levels and to continue working with the BC Association of Emergency Managers, the Emergency Social Services Association and other stakeholders to improve emergency program training for every community in BC.

STRATEGIC PLAN AND RELATED POLICIES

There are several priorities of the Strategic Plan which relate to this topic including Enhancing Board Structure and Process, Ensuring Fiscal Sustainability, and Facilitating Community Development.

CONCLUSION

This report provides a general historical overview of programs and services that were previously and or currently funded by the Province of British Columbia which the Sunshine Coast Regional District has been asked or is currently funding.

Reviewed by:			
Manager		Finance	X- TP
GM		Legislative	
CAO	X- JL	Other	

Attachment to Provincial Government Funding History and Special Interest Group Support - Staff Report to February 25, 2016 CAS

Programs Funded through Rural Areas' Grant-in-Aid	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	TOTAL
Restorative Justice Program of BC (or Community Justice Program of the Sunshine Coast)	\$ 4,000	\$ 3,000	\$ 4,000	\$ 1,500	\$ 2,700	\$ 4,000	\$ 1,850	\$ 1,900	\$ 3,500	\$ 3,500	\$ 900	\$ 30,850
Police Based Victims Services	\$ 1,300					\$ 3,750	\$ 1,450	\$ 500		\$ 3,000	\$ 1,000	\$ 11,000
Extreme or Cold Weather Shelters										\$ 3,000	\$ 1,800	\$ 4,800
Seniors' Housing Programs or Peer Counselling for Seniors	\$ 2,000	\$ 2,000	\$ 3,000	\$ 1,500	\$ 1,500	\$ 1,000				\$ 3,500		\$ 14,500
Parent and Tot Groups								\$ 700		\$ 600	\$ 300	\$ 1,600
Sunshine Coast Marine Rescue Society and Halfmoon Bay Auxiliary							\$ 1,550	\$ 2,700	\$ 1,750	\$ 1,770	\$ 2,600	\$ 10,370
Pender Harbour Marine Rescue				\$ 3,000	\$ 4,625							\$ 7,625
Arrowhead Centre Society			\$ 3,000	\$ 3,000	\$ 5,000							\$ 11,000
Sunshine Coast Tourism (Funded through Economic Development)						\$ 16,178	\$ 17,600	\$ 17,600	\$ 20,000	\$ 20,000	\$ 20,000	\$ 111,378
Electoral Area / Community Associations for Shoreline Mitigation and Invasive Species Eradication							\$ 500	\$ 3,000	\$ 2,000	\$ 700		\$ 6,200
Sunshine Coast Salmon Enhancement Society		\$ 2,500	\$ 2,000	\$ 1,500	\$ 2,500	\$ 3,900	\$ 1,000	\$ 2,300	\$ 3,000	\$ 2,500		\$ 21,200
Tetrahedron Outdoor Club for Park Road Grading and Maintenance					\$ 2,500	\$ 6,000		\$ 7,000		\$ 2,000	\$ 4,000	\$ 21,500
Bear Aware								\$ 400				\$ 400

SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

TO: Special Corporate and Administrative Services Committee – December 4, 2019

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

SUBJECT: SPECIAL FUNDING REQUESTS

RECOMMENDATION(S)

THAT the report titled Special Funding Requests be received.

BACKGROUND

Several organizations approach the Sunshine Coast Regional District (SCRD) for funding or other types of assistance. The Rural Areas' Grant-in-Aid Program provides grant-in-aid funding for non-profit societies and organizations that operate or provide a community or regional benefit and has been a mechanism to provide grants for one time or requested funding assistance. Economic Development functions have also supported SCRD Partners in their ongoing efforts to encourage business and growth on the Sunshine Coast.

Recently, several organizations with ongoing programs have submitted requests to the SCRD. Programs such as the Sunshine Coast Community Foundation's Seniors Planning Table (Attachment A), Sunshine Coast Community Services Society – Youth Outreach Worker Program (Attachment B), Coast Car Co-Op (Attachment C), Deadboat Society, and Police Based Victims Services.

The SCRD has on many occasions, on behalf of these community groups, advocated to various BC Ministries to support the ongoing programs and funding. Where possible the SCRD has provided some financial grants through the Rural Areas' Grant-in-Aid program. The following resolution regarding the Youth Outreach Worker Program funded in 2019 through Grant-in-Aid also requests that staff look at options for establishing a service for programs that are ongoing in nature, specifically in this case, youth related:

039/19 **Recommendation No. 9** *Sunshine Coast Community Services Society – 2019 Budget Request -Youth Outreach Worker Program*

THAT the 2019 budget submission of \$39,486 from the Sunshine Coast Community Services Society for the Youth Outreach Worker Program be approved and incorporated into 2019 Round 2 Budget apportioned based on 50% assessed value and 50% population from Rural Areas' Grant-in-Aid functions (Area A [121], Area B [122], Area D [127], Area E [128], and Area F [129]);

AND THAT staff report to a future committee with options, feasibility, and financial and legislative requirements of establishing a service for the Youth Outreach Worker Program and other youth related programs.

DISCUSSION

Options and Analysis

There is currently no specified Regional District service for organizations such as those listed above who provide an important service to the communities on an ongoing basis.

In the case of Coast Car Co-Op the 2020 request is for the SCRD to become a business member for which annual fees for 2020 are \$800 for 6 drivers and \$25 for each additional. The Coast Car Co-Op approached the SCRD with this membership offer in 2014 and at that time the SCRD Board declined the request. Instead, the Coast Car Co-Op was supported through Rural Areas' Grant-in-Aid for 2014 at a total of \$400 and then again in 2015 through Economic Development at a total of \$2,750.

For 2020, the Seniors Planning Table is requesting a Memorandum of Understanding for ongoing support of approximately \$35,000 annually. The Community Resource Centre coordinates the Sunshine Coast Seniors Planning Table. In 2016, the SCRD advocated on behalf of the Seniors Planning Table with the Minister of Health for provincial funding opportunities. In 2019, the Community Resource Centre put forward a request for 2019 funding in the amount of \$50,000 (from the Town of Gibsons, District of Sechelt and SCRD), the SCRD provided \$4,000 from the Rural Areas' Grant-in-Aid.

Sunshine Coast Community Services Society presents a budget request each year within the Partners and Stakeholders portion of the budget process for the Youth Outreach Worker Program and per the resolution above, it was determined that there might be other funding options. The Sunshine Coast Community Services Society has received ongoing Rural Areas' Grant-in-Aid funding with a 5 year total of \$184,456.

In 2003, the SCRD Board resolved that Victims Services be included in a discussion regarding a Social and Community Services function, further resolutions included:

- 443/03 #24 - "Establish new social services funding service through referendum process";
- 507/03 #18 – "Report outlining logistics for potential Social Services function for electoral areas and SIGD as framework for further discussion";
- 021/04 #14 – "Draft bylaw to establish social services function in area D";
- 019/06 #0 – "Refer youth social services issues to next Intergovernmental agenda".

This was the extent of the conversation regarding a Social and Community Services function.

Sunshine Coast Community Services has applied to Rural Areas' Grant-in-Aid for the RCMP Police-Based Victims' Services and has been granted approximately \$10,000 in funding for various programs over the past 10 years. The SCRD Board has additionally advocated to the Ministry of Public Safety and Attorney General for ongoing funding support for the program on several occasions since 2009.

The Dead Boat Society is another organization that has recently approached the SCRD to partner on program delivery and funding in 2020.

As part of the 2016 external financial audit conducted by BDO Canada, the SCRD Board requested they review funding for ongoing programs through rural grants-in-aid. It concluded that both clear policy and legislation, such as establishing a regional district service for each specified purpose should be done for programs that are provided funding on an annual basis.

Financial Implications

As there is currently no specified funding function for Social or Community Service type programs, staff request the Committee's direction on the attached requests.

STRATEGIC PLAN AND RELATED POLICIES

Working with Community based groups for both social and environmental initiatives aligns with the Board's Strategic focus areas of *Regional Collaboration and Partnership*, and *Advocacy*.

CONCLUSION

Several organizations approach the SCRD for funding or other types of assistance. The Rural Areas' Grant-in-Aid Program provides grant-in-aid funding for non-profit societies and organizations that operate or provide a community or regional benefit and has been a mechanism to provide grants for one time or requested funding assistance. Economic Development functions have also supported SCRD Partners in their ongoing efforts to encourage business and growth on the Sunshine Coast.

There is currently no specified funding function for Social or Community Service type programs who provide an important service to the communities on an ongoing basis, staff request the Committee's direction on the attached requests.

Attachments:

Attachment A - Sunshine Coast Community Foundation's Seniors Planning Table

Attachment B - Sunshine Coast Community Services Society – Youth Outreach Worker Program (in the Partners and Stakeholders portion of Agenda as well)

Attachment C – Coast Car Co-Op Membership Information

Reviewed by:			
Manager		Finance	
GM		Legislative	X – S. Reid
Acting CAO	X – T. Perreault	Other	X – T. Crosby

SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

TO: Corporate and Administrative Services Committee – January 23, 2020

AUTHOR: Kyle Doyle, Manager, Asset Management

SUBJECT: **WASTEWATER ASSET MANAGEMENT AND RATE REVIEWS**

RECOMMENDATIONS

THAT the report titled Wastewater Asset Management and Rate Reviews be received;

AND THAT the respective rate Bylaws be amended to reflect the proposed 2020 User Fees and Frontage Fees detailed in Table 11 of the report;

AND THAT the 2020-2024 Financial Plan be amended accordingly.

BACKGROUND

The Wastewater Asset Management and Rate Reviews presented the results of a 2018 asset management review of the 15 wastewater service areas within the SCRD. This review identified insufficient operational funding for wastewater services and recommended increasing revenue by applying user fee adjustments to all service areas as well as increasing frontage fees to match the rate of inflation. This report indicated that future rate reviews would be required to balance both the operational and capital shortfalls in all of the wastewater services (**Attachment A**).

Subsequent to receiving this report, all wastewater user fees and frontage fees were increased by 25% and 2% respectively in 2019 per Board resolution 037/19 Recommendation No. 8 and the related Bylaws were amended. Prior to these increases, the fees had remained the same or had minor increases over the prior 10+ years. This increase was considered a “catch-up” as well as to meet operational and regulatory requirements.

The SCRD applied and received grant funding through the Clean Water and Waste Water Fund for the replacement of the septic field/treatment systems for the Canoe Road and Merrill Crescent systems. Funding was provided for up to 83% of eligible expenditures with \$75,000 for Canoe Road and \$65,000 for Merrill Crescent. The SCRD portion was to be covered by short term debt servicing and the following motion (266/19) was passed in October 2019, partial excerpt below:

Recommendation No. 5 Short Term Borrowing for Canoe Road and Merrill Crescent Septic Field Replacements

AND THAT a short term non-renewable loan be requested through the Municipal Finance Authority under section 403 of the Local Government Act (Liabilities Under Agreement) in the amount of \$33,400 to fund the Sunshine Coast Regional District's (SCRD) share of the capital costs for the Canoe Road and Merrill Crescent septic field replacement projects;

AND THAT the loan principal be repaid to the Municipal Finance Authority in five annual installments of \$6,800 payable on or before June 30 of each year beginning in 2020 and ending in 2024;

AND FUTHER THAT Bylaw No. 428 be amended to increase annual frontage charges for Canoe Road by \$424 and for Merrill Crescent by \$227 subject to any additional considerations as part of the annual rate review.

The Wastewater Service Review and Asset Management Plans, received at the December 12, 2019 meeting, (**Attachment B**) provided the Board with background information regarding condition and operational performance of each SCRD managed wastewater service. Capital expenditure models were developed for 10, 20, 50 and 80 year timeframes and preliminary estimates of the requisite funding levels were established. These models utilised historical financial data and considered optimal levels of service. Staff indicated to the Board that a further review of the financial aspects of the wastewater services would be presented at a future date.

DISCUSSION

Introduction

SCRD staff have completed a review of the financial state of 15 wastewater local service areas and have identified funding deficits for all local service areas.

During the development of the individual asset management plans staff compiled a detailed inventory of the physical components of each wastewater system, as well as a schedule of optimal operation and maintenance protocols. Third-party contractors assisted in conducting condition assessments of wastewater components.

As a follow up to the individual asset management plans, staff reviewed the existing funding models and prepared implementation options to ensure that the SCRD is able to provide sustainable service delivery to the 15 wastewater local service areas.

The three wastewater facilities managed by the SCRD where service areas have not yet been established for (Malibu, Pender Landing and YMCA Camp Elphinstone) were excluded from this analyses as no rates would have to be determined for those facilities.

Prior to preparing this report a series of consultation seminars were conducted where staff presented their findings and received public feedback.

Legislation

The Local Government Act (LGA) dictates that local service areas within a regional district must be self-financing. This means all costs incurred by a service are paid for through revenue collected from those who benefit from the service. Revenue for each wastewater service is currently collected through two streams (with the exception of Painted Boat): User Fees are imposed on parcels that are developed and connected to the wastewater service, while Frontage Fees are imposed on all parcels within the boundaries of the local service area.

Terms and rates regarding revenue collection for local service areas are defined by the establishing bylaw and the fee bylaw for each local service area. Use of reserve funds must

comply with the conditions set out in the reserve bylaws. Currently there are either an operating and/or capital reserve bylaws established for some of wastewater local service areas.

Additionally there are prohibitions on borrowing for operations and maintenance (O&M) activities; for example, debt can only be incurred for capital expenditures.

The table below summarizes the relevant bylaws at the SCRD:

Table 1: SCRD Wastewater Service Establishing and Fee Bylaw

Service Area	Establishing Bylaw	Fee Bylaw	Operating Reserve Bylaw	Capital Reserve Bylaw	User Fee	Frontage Charge
Greaves Road	1026	428	608	512	✓	✓
Secret Cove	1026	428	608	512	✓	✓
Sunnyside	1026	428	608	512	✓	✓
Jolly Roger	1026	428	608	512	✓	✓
Lee Bay	1026	428	608	512	✓	✓
Canoe Road	1026	428	608	512	✓	✓
Merrill Crescent	1026	428	608	512	✓	✓
Square Bay	1085	428	N/A	N/A	✓	✓
Langdale	1026	428	608	512	✓	✓
Curran Road	1026	428	608	512	✓	✓
Roberts Creek	1026	428	608	512	✓	✓
Lily Lake	1076	428	667	N/A	✓	✓
Painted Boat	1080	644	669	668	✓	X
Sakinaw Ridge	1087	714	N/A	N/A	✓	✓
Woodcreek Park	1022	430	666	665	✓	✓

Frontage fees were not implemented at Painted Boat due to full buildout at the time of service area creation. As there was no delineation between purpose or collection method of the two revenue sources at the time it was deemed redundant. Only three of the above services (Lily Lake, Painted Boat, Woodcreek) have dedicated bylaws for operating reserve funds and only two (Painted Boat, Woodcreek) have dedicated bylaws for capital reserve funds. Two services (Square Bay and Sakinaw Ridge) do not have any dedicated reserve bylaws while the remaining services fall under a generic sewer Capital and O&M reserve bylaw. This is because they all fall under the same establishing bylaw and therefore, separate reserve bylaws are not required. Painted Boat, Woodcreek and Lily Lake have their own establishing Bylaws and must have their own reserve bylaws as a result. Sakinaw Ridge and Square Bay require reserve bylaws if we wish to budget for contributions to reserve (they were not brought forward once the establishing bylaws were passed); in absence of these, year-end surpluses are effectively just unrestricted surplus funds.

It is also prudent to recognize that a policy regarding the allocation of the collected revenue into specific reserves does not exist. A more thorough review of the bylaws associated with SCRD wastewater services should be conducted at a future date.

A detailed review of existing bylaws and/or creation of additional bylaws should be conducted to ensure existing bylaws are sufficient and appropriate for the 15 wastewater service areas.

Historical/Comparative Rates

To provide further context a review of historical rate increases was conducted. Prior to the 25% rate increase in 2019 most waste water service areas had experienced infrequent rate adjustments as demonstrated by the table below.

Table 2: Historical Wastewater Rates

Location	2018	2019	Years Since Last Increase	Previous Increase
Greaves Rd	\$ 204.00	\$ 255.00	13	\$ 102.00
Woodcreek	\$ 400.00	\$ 500.00	15	\$ 70.00
Sunnyside	\$ 100.00	\$ 125.00	11	\$ 25.00
Jolly Roger	\$ 330.00	\$ 412.50	17+	-
Secret Cove	\$ 330.00	\$ 412.50	17+	-
Lee Bay	\$ 330.00	\$ 412.50	17+	-
Square Bay	\$ 330.00	\$ 412.50	17+	-
Langdale	\$ 450.00	\$ 562.50	15	\$ 45.00
Canoe Rd	\$ 175.00	\$ 218.75	3	\$ 50.00
Merrill Cr	\$ 545.00	\$ 681.25	3	\$ 89.00
Curran Rd	\$ 380.00	\$ 475.00	3	\$ 50.00
Roberts Creek	\$ 450.00	\$ 562.50	5	\$ 75.00
Lily Lake	\$ 450.00	\$ 562.50	5	\$ 75.00
Painted Boat	\$ 430.00	\$ 537.50	7	-
Sakinaw Ridge	\$ 575.00	\$ 596.88	2	-

Nearby, the District of Sechelt (DoS) operates a larger wastewater treatment service with a much larger (6,000 resident) service area. At the Dec 11, 2019 council meeting DoS staff presented a sewer rate report indicating the need to increase User Fees by \$128. In 2017 a \$140 dollar increase was imposed as well. User rates in the DoS could be \$499 annually if approved by council, a 116% increase from 2016. The \$274 parcel tax imposed on sewer service area residents in the DoS is primarily used to meet debt servicing obligations until 2025.

A review of a report prepared by INNOVA Strategy Group for the Cowichan Valley Regional District (CVRD) was reviewed (**Attachment C**). This report reviewed many aspects of the CVRD's operational and financial management of the 19 wastewater systems as well as regional water system. Rate adjustments were recommended for all 19 wastewater services with an average User Fee increase of \$286 (69%) and a Parcel Tax increase of \$167 (46%).

Funding Models

The current method utilised by the SCRD to fund operational and capital costs associated with waste-water services fails to provide the public with an easily understandable allocation of revenue. A goal of improving transparency in financial management is to create a shared understanding with the public of the underlying factors used to determine user fees and frontage fees.

At this time, revenue that is collected for each service area is used to fund the annual O&M budget. Revenue exceeding the annual O&M expenditures are then allocated to either the operating or capital reserve funds. The language in the existing bylaws provide more flexibility for utilising funds within the operating reserve and as a result the majority of excess revenue is allocated to operating reserve funds. The bylaws have been written such that O&M reserves can be used for O&M and Capital expenditures, whereas Capital reserves are limited to only Capital expenditures. The process is illustrated below:



Figure 1: Current Funding Model

The potential for all revenue collected to be utilised for operational and maintenance activities, impairs the ability to create viable long term financial plans. Additionally, questions may arise regarding the equitability of unoccupied parcels' contributions being used to operate and maintain a service they are not currently receiving.

Funding best practices show that decoupling user fees and frontage fees into separate revenue streams allows for increased accounting transparency, simpler governance, and facilitate adherence to long-term financial planning by clearly defining allocation of revenue.

A funding model where user fees are used only to fund operational and maintenance expenditures and frontage fees are used only to fund capital expenditures is preferable. The proposed process is illustrated with Figure 2 below.

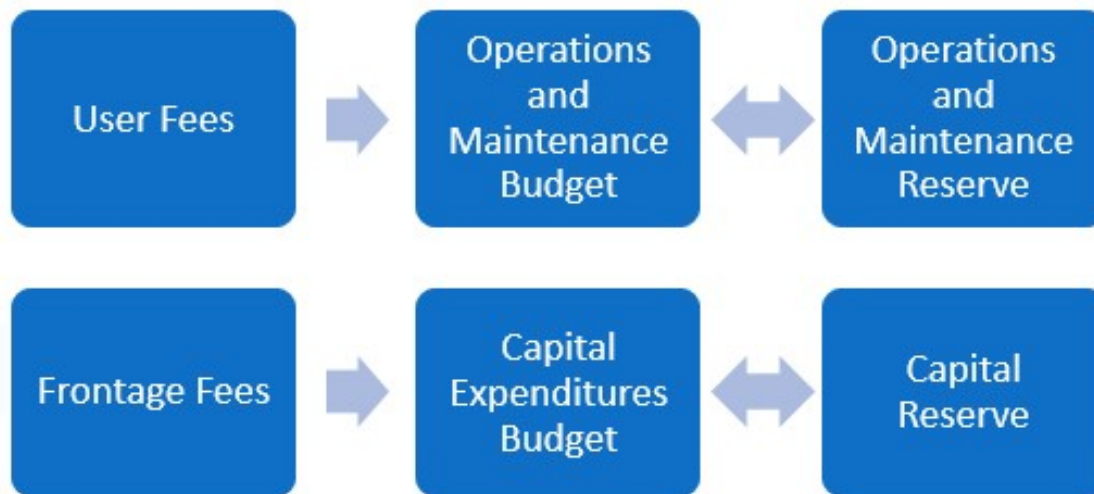


Figure 2: Proposed Funding Model

It is recommended to implement a wastewater funding policy where user fees finance only operational and maintenance activities and frontage fees finance only capital expenditures.

Operations and Maintenance Budgets

A thorough review of maintenance activities was conducted for each wastewater local service. This process included a detailed breakdown of staff time required to complete each activity, the frequency of recurrence of each activity, and incidental costs/contractor expense associated with the maintenance of each wastewater service. All expenses were annualized.

It was determined that staffing would need to increase from 1.0 FTE to 3.0 FTE in order to be able to provide the optimal level of service for all wastewater service areas. Staff time was translated into dollar values by multiplying the number of staff hours required for each service by the annual cost of the staff members that are assigned to the duties and dividing by the number of working hours that staff member has in a year. These calculations considered benefits and expenses for each employee as well as allowance for leave entitlements.

To address this staffing shortage, an additional wastewater staff member was previously approved by the Board and the position was filled Q4 of 2019. As staffing levels have increased to 2.0 FTE, the projected allocation of staff time and associated cost for O&M were adjusted to reflect the current staffing level.

The 2019 approved staffing and Budget decisions are as follows: (Res #038/19)

Recommendation No. 25 *Wastewater Treatment Services [381-395] – 2019 R1 Budget Proposals*

AND THAT the following budget proposals be approved and incorporated into the 2019 Round 2 Budget:

- Budget Proposal 1 – Wastewater Technician Coordinator, additional 1.0 FTE, funded \$39,000 (anticipated Q3 2019 start) from User Fees, and future base budget increase to \$104,000;
- Budget Proposal 2 – [382] Woodcreek Park Sand Filter Remediation – Engineering Design, \$40,000 funded from Operating Reserves;
- Budget Proposal 3 – [387] Square Bay Infiltration Reduction, \$25,000 funded from Capital Reserves;
- Budget Proposal 4 – Wastewater Services Vehicle Replacement, \$45,000 for purchase through MFA 5–Year Equipment Financing Loan and \$7,000 increase to base budget from User Fees for Operation, Maintenance and Borrowing Costs for ½ year of 2019;

Additional to the routine operations activities, previously identified necessary maintenance work that has been unaddressed was considered and costs were estimated. A minimum 5-year target for O&M reserves were also established: \$5,000 for the four smallest systems (Merrill Crescent, Greaves Road, Sunnyside, and Canoe Road) and \$10,000 for the others. Some services were unable to fund these deferred maintenance activities while maintaining a minimum reserve balance. Consideration to including a temporary reserve contribution in addition to User Fees for these service areas in order to ensure all systems have sufficient operational reserves available is presented in the User Fee section below.

The resultant change on the O&M budgets for each local service ranged from -11% to 325%. An average budget increase of approximately 57% is projected. The breakdown of anticipated O&M budget increases can be found below: Table 3: Projected O&M Budgets

Table 3: Projected O&M Budgets

Electoral Area	Function	Location	Current 2019 O&M Budget	Proposed 2020 O&M Budget	\$ Change	% Increase
A	381	Greaves Road	\$1,673.00	\$ 2,076.75	\$ 403.75	24%
A	386	Lee Bay	\$48,874.00	\$ 43,725.00	\$ (5,149.00)	-11%
A	389	Canoe Road	\$1,314.00	\$ 5,578.47	\$ 4,264.47	325%
A	390	Merrill Crescent	\$9,388.00	\$ 17,985.45	\$ 8,597.45	92%
A	393	Lily Lake Village	\$19,202.00	\$ 23,249.92	\$ 4,047.92	21%
A	394	Painted Boat Resort	\$17,221.00	\$ 20,612.50	\$ 3,391.50	20%
A	395	Sakinaw Ridge	\$19,069.00	\$ 27,085.47	\$ 8,016.47	42%
B	384	Jolly Roger	\$13,586.00	\$ 20,028.24	\$ 6,442.24	47%
B	385	Secret Cove	\$15,937.00	\$ 18,177.29	\$ 2,240.29	14%
B	387	Square Bay	\$36,473.00	\$ 57,897.47	\$ 21,424.47	59%
B	391	Curran Road	\$22,201.00	\$ 34,783.97	\$ 12,582.97	57%
D	392	Roberts Creek Co-Housing	\$21,558.00	\$ 31,892.99	\$ 10,334.99	48%
E	382	Woodcreek Park	\$35,845.00	\$ 40,454.47	\$ 4,609.47	13%
E	383	Sunnyside	\$1,436.00	\$ 2,451.76	\$ 1,015.76	71%
E	388	Langdale	\$25,771.00	\$ 36,999.24	\$ 11,228.24	44%

Capital Budgets

The development of an asset registry for all wastewater systems identified the key components of each wastewater system. This provided a foundation to determine the future replacement costs of the SCRD managed assets. An estimated useful life (EUL) was established for each component based upon industry practices and observed data. This information was used to develop long-term models of anticipated capital expenditure schedules for each wastewater system.

Cost estimates for the replacement of each component were created using either available recent costs, historical costs, or construction cost estimating software (RSMeans). Funding models were developed for 10, 20, 50, and 80-year periods to determine the necessary revenue to finance the anticipated replacement schedule. Given the variety in the age of the 15 wastewater services, each model captured a different range of significant capital renewal events.

Considerations including the effect of construction inflation, debt servicing costs, and interest accrual of reserve funds were factored into these models. Although historically grants have been awarded on occasion to SCRD wastewater projects, it was assumed that no grant contributions were available.

It was determined that the 50-year model captured sufficient significant component renewal costs for all 15 services.

Current revenues and anticipated expenditures were projected using the 50-year model and capital funding shortfalls existed for all wastewater services. Four rate structures that satisfied the anticipated capital requirements for each individual wastewater service's 50-year model were considered. The following were the rate structures used to develop recommendations:

- i) increasing fees over a period of 5-7 years to a value that was sufficient to remain stable for the remainder of the model,
- ii) increasing fees over a period of 10-12 years to a value that was sufficient to remain stable for the remainder of the model,
- iii) increasing fees 45%-65% of their previous value every 5 years, and
- iv) increasing fees every year at a minimum rate (~8%) to achieve a reasonable reserve balance at the end of the capital funding model.

The models show that delaying contributions to a capital reserve fund result in an increase to the total amount of revenue that is necessary to collect, thus, a reduction in potential accrual of interest and an increase in debt servicing expenses across all wastewater services. Summaries of the anticipated capital renewals and the four rate structure models for each wastewater service can be found in **Attachment D**.

Public Engagement

Residents of the wastewater local service areas were invited to one of five wastewater presentations to promote awareness of the wastewater service review and to discuss the potential impacts on fee structures. Approximately 150 residents and all Rural Area Directors were able to attend the presentations. Staff received excellent feedback and were able to provide answers to many technical enquiries.

An acceptance of the need to increase O&M Budgets was noted at all sessions. Attendees raised the question about whether current or future residents should pay for future infrastructure, some felt that they had bought into a system that worked and so should future residents. Others suggested they were less concerned with accumulating a capital reserve and that more consideration should be given to potential future grants and debt financing when developing capital models. Concern over the impact of proposed fee structure on the fixed incomes of residents was raised. Residents at all sessions indicated that increased communication was desired.

As a result of preliminary feedback received at the initial engagement sessions, 'fact sheets' were produced for each service area that provided a brief overview of the state of the service and funding options that were being explored. A copy of these 'fact sheets' can be found in **Attachment E**.

Due to the feedback received by the local service area participants, staff have re-evaluated the initially projected fee increases and have prepared additional options that reflect a more modest fee increases while still meeting operational financial obligations. Staff also recommend further public engagement to foster a shared understanding of the factors driving the need to increase capital reserves and to improve consensus on future rate increases.

Options and Analysis

User Fees

The projected increases to O&M Budgets must be funded independently by each local service area. Under the funding model proposed, User Fees need to generate sufficient revenue to finance O&M expenses and maintain an adequate O&M reserve. User Fees were determined by dividing the 2020 O&M Budget by the number of developed parcels in each wastewater service area.

For service areas with operational reserves projected to be below target levels, a reserve contribution was calculated in addition to each User Fee in order to achieve the reserve target discussed above within the next five years. For service areas with healthy operational reserves, it is proposed to utilise operational reserve funds to phase the proposed User Fee increase over three years in order to mitigate the financial impact of the fee increases. Due to the low occupancy of the Sakinaw Ridge wastewater service area it is recommended that Frontage Fees continue to offset operational expenses. The recommended options below represent a three-year stepped approach towards operational expenses being entirely funded by User Fee revenue for this service area. Staff are currently applying for grants to finance feasibility studies for six of the older wastewater systems. If grants are received, staff will update the relevant financial projections.

Option 1: Increase User Fees to Levels Sufficient to Finance Proposed 2020 O&M Budget

This option presents the minimum User Fees sufficient to fund the projected operations budget detailed above. No consideration has been given to operational reserve minimum targets. It is anticipated that third-party experts would be contracted to produce feasibility studies for the replacement of up to six wastewater treatment plants in the near future. Three of the six service areas may not have the operational funds to afford these feasibility studies, thereby risking

delays to critical infrastructure replacement. The table below summarizes the proposed rate increases under this option.

Table 4: Proposed User Fees – Option 1

Location	O&M Reserve Balance	Current User Fee	Proposed User Fees					
	Oct-19		2020	2021	2022	2023	2024	2025
Greaves Road	\$ 7,979.00	\$ 255.00	\$ 415.00	\$ 415.00	\$ 415.00	\$ 415.00	\$ 415.00	\$ 415.00
Lee Bay	\$ 273,165.00	\$ 412.50	\$ 412.50	\$ 412.50	\$ 412.50	\$ 412.50	\$ 412.50	\$ 412.50
Canoe Road	\$ 595.00	\$ 218.75	\$ 929.75	\$ 929.75	\$ 929.75	\$ 929.75	\$ 929.75	\$ 929.75
Merrill Crescent	\$ 3,074.00	\$ 681.25	\$ 1,499.00	\$ 1,499.00	\$ 1,499.00	\$ 1,499.00	\$ 1,499.00	\$ 1,499.00
Lily Lake Village	\$ 48,268.00	\$ 562.50	\$ 640.69	\$ 729.74	\$ 831.18	\$ 831.18	\$ 831.18	\$ 831.18
Painted Boat Resort	\$ 52,509.00	\$ 537.50	\$ 537.50	\$ 537.50	\$ 537.50	\$ 537.50	\$ 537.50	\$ 537.50
Sakinaw Ridge	\$ -	\$ 718.75	\$ 955.94	\$ 1,271.40	\$ 1,690.96	\$ 1,690.96	\$ 1,690.96	\$ 1,690.96
Jolly Roger	\$ 17,001.00	\$ 412.50	\$ 646.07	\$ 646.07	\$ 646.07	\$ 646.07	\$ 646.07	\$ 646.07
Secret Cove	\$ 20,388.00	\$ 412.50	\$ 586.36	\$ 586.36	\$ 586.36	\$ 586.36	\$ 586.36	\$ 586.36
Square Bay	\$ 82,649.00	\$ 412.50	\$ 501.19	\$ 608.94	\$ 739.87	\$ 739.87	\$ 739.87	\$ 739.87
Curran Road	\$ 42,085.00	\$ 475.00	\$ 536.75	\$ 606.53	\$ 685.38	\$ 685.38	\$ 685.38	\$ 685.38
Roberts Creek Co-Housing	\$ 34,479.00	\$ 562.50	\$ 687.94	\$ 841.35	\$ 1,028.97	\$ 1,028.97	\$ 1,028.97	\$ 1,028.97
Woodcreek Park	\$ 129,362.00	\$ 500.00	\$ 554.17	\$ 554.17	\$ 554.17	\$ 554.17	\$ 554.17	\$ 554.17
Sunnyside	\$ 7,516.00	\$ 125.00	\$ 306.47	\$ 306.47	\$ 306.47	\$ 306.47	\$ 306.47	\$ 306.47
Langdale	\$ 34,891.00	\$ 562.50	\$ 924.98	\$ 924.98	\$ 924.98	\$ 924.98	\$ 924.98	\$ 924.98

Option 2: Increase User Fees to Levels Sufficient to Finance Proposed 2020 O&M Budget and Impose Short-Term Additional Fee to Establish Minimum Target Operational Reserve Balance

The User Fees proposed under this option are similar to Option 1 above with the addition of temporary increases to User Fees on select service areas that are projected to have insufficient reserves. Table 5 illustrates the schedule of temporary fees proposed for this purpose.

Table 5: Temporary Reserve Contribution – Option 2

Location	Proposed Operating Reserve Contribution					
	2020	2021	2022	2023	2024	2025
Greaves Road	\$ 180.84	\$ 180.84	\$ 180.84	\$ 180.84	\$ 180.84	\$ -
Lee Bay	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Canoe Road	\$ 146.83	\$ 146.83	\$ 146.83	\$ 146.83	\$ 146.83	\$ -
Merrill Crescent	\$ 240.43	\$ 240.43	\$ 240.43	\$ 240.43	\$ 240.43	\$ -
Lily Lake Village	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Painted Boat Resort	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sakinaw Ridge	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ -
Jolly Roger	\$ 36.12	\$ 36.12	\$ 36.12	\$ 36.12	\$ 36.12	\$ -
Secret Cove	\$ 30.00	\$ -	\$ -	\$ -	\$ -	\$ -
Square Bay	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Curran Road	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Roberts Creek Co-Housing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Woodcreek Park	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sunnyside	\$ 385.00	\$ 385.00	\$ 385.00	\$ 385.00	\$ 385.00	\$ -
Langdale	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Option 2 is preferred by staff to ensure operational flexibility is allowed for management of wastewater service areas. Where reserve balances are insufficient to allow for the funding of feasibility studies the refinement of capital planning is impaired and there may be a risk of missing on potential grant opportunities. An annual review of reserve balances will be conducted to ensure contribution amounts are appropriate to meet reserve targets.

The User Fees presented above are not proportional to the projected O&M Budget increases. This is due to the proposed decoupling of the two existing revenue streams and the need for some service areas to further contribute to their operating reserve balance. Tables comparing 2019 and 2020 User Fees and O&M Budgets can be found in **Attachment F**.

Staff recommends User Fees be increased as per Option 2 with Wastewater O&M Budgets to be reviewed annually.

Frontage Fees

The capital budgets and 50-year capital funding models discussed above examined four fee structures that adequately fund the anticipated capital projects for each wastewater service. The models demonstrated that more rapid fee increases correlate with a lower maximum fee. While staff feel it is financially prudent to immediately increase in revenue allocated to capital reserves, resident feedback regarding the burden of fee increases is also recognized. 2019 Frontage Fees ranged from \$20.40 to \$418.20 per year, a summary table is presented below that also shows current debt servicing obligations. **In all options, contributions to operations budget from Frontage Fees are to be phased out over three years for Sakinaw Ridge service area due to low occupancy, as a result an increase to Frontage Fees for this service area is necessary to mitigate the minimum User Fee increase. See Table 7 below for summary of 2020 Frontage Fees for this option.*

Table 6: Current Frontage Fees and Debt Obligations

Location	Current Frontage Fee	Debt Payments
	2019	2020
Greaves Road	\$ 102.00	
Lee Bay	\$ 102.00	
Canoe Road	\$ 153.00	\$ 424.30
Merrill Crescent	\$ 265.20	\$ 226.71
Lily Lake Village	\$ 204.00	
Painted Boat Resort	\$ -	
Sakinaw Ridge	\$ 418.20	
Jolly Roger	\$ 20.40	
Secret Cove	\$ 102.00	
Square Bay	\$ 102.00	\$ 217.42
Curran Road	\$ 153.00	
Roberts Creek Co-Housing	\$ 204.00	
Woodcreek Park	\$ 102.00	
Sunnyside	\$ 51.00	
Langdale	\$ 102.00	

Option 1: No Change

This option would have frontage fees in 2020 be nearly identical to those in Table 6 above. Debt payments would be unchanged and it is noted that fees for Merrill Crescent, Canoe Road, Square Bay are higher as a result of the already approved debt servicing in 2019 as highlighted previously in this report. Capital reserve contributions would be limited to existing frontage fee revenues. A summary table is presented below.

Table 7: Option 1 - 2020 Frontage Fees and Debt Obligations

Location	Frontage Fee		Debt Repayment	Combined Total
	2019	2020	2020	2020
Greaves Road	\$ 102.00	\$ 102.00	\$ -	\$ 102.00
Lee Bay	\$ 102.00	\$ 102.00	\$ -	\$ 102.00
Canoe Road	\$ 153.00	\$ 153.00	\$ 424.30	\$ 577.30
Merrill Crescent	\$ 265.20	\$ 265.20	\$ 226.71	\$ 491.91
Lily Lake Village	\$ 204.00	\$ 204.00	\$ -	\$ 204.00
Painted Boat Resort	\$ -	\$ -	\$ -	\$ -
Sakinaw Ridge*	\$ 418.20	\$ 670.27	\$ -	\$ 670.27
Jolly Roger	\$ 20.40	\$ 20.40	\$ -	\$ 20.40
Secret Cove	\$ 102.00	\$ 102.00	\$ -	\$ 102.00
Square Bay	\$ 102.00	\$ 102.00	\$ 217.42	\$ 319.42
Curran Road	\$ 153.00	\$ 153.00	\$ -	\$ 153.00
Roberts Creek Co-Housing	\$ 204.00	\$ 204.00	\$ -	\$ 204.00
Woodcreek Park	\$ 102.00	\$ 102.00	\$ -	\$ 102.00
Sunnyside	\$ 51.00	\$ 51.00	\$ -	\$ 51.00
Langdale	\$ 102.00	\$ 102.00	\$ -	\$ 102.00

Option 2: Set Minimum Frontage Fees at \$102 Annually

This option ensures all service areas are contributing towards capital reserves and that variance between frontage fees imposed on different service areas is reduced from 2050% to 410%. The value of \$102 was chosen to align with common lower-end Frontage Fees. Table 8 below presents the frontage fee structure associated with this option.

Table 8: Option 2 - 2020 Frontage Fees and Debt Obligations

Location	Frontage Fee		Debt Repayment	Combined Total
	2019	2020	2020	2020
Greaves Road	\$ 102.00	\$ 102.00	\$ -	\$ 102.00
Lee Bay	\$ 102.00	\$ 102.00	\$ -	\$ 102.00
Canoe Road	\$ 153.00	\$ 153.00	\$ 424.30	\$ 577.30
Merrill Crescent	\$ 265.20	\$ 265.20	\$ 226.71	\$ 491.91
Lily Lake Village	\$ 204.00	\$ 204.00	\$ -	\$ 204.00
Painted Boat Resort	\$ -	\$ 102.00	\$ -	\$ 102.00
Sakinaw Ridge*	\$ 418.20	\$ 670.27	\$ -	\$ 670.27
Jolly Roger	\$ 20.40	\$ 102.00	\$ -	\$ 102.00
Secret Cove	\$ 102.00	\$ 102.00	\$ -	\$ 102.00
Square Bay	\$ 102.00	\$ 102.00	\$ 217.42	\$ 319.42
Curran Road	\$ 153.00	\$ 153.00	\$ -	\$ 153.00
Roberts Creek Co-Housing	\$ 204.00	\$ 204.00	\$ -	\$ 204.00
Woodcreek Park	\$ 102.00	\$ 102.00	\$ -	\$ 102.00
Sunnyside	\$ 51.00	\$ 102.00	\$ -	\$ 102.00
Langdale	\$ 102.00	\$ 102.00	\$ -	\$ 102.00

Option 3: Set Minimum Frontage Fees at \$102 Annually **and** Reduce Frontage Fees in Service Areas with Debt Servicing Obligations

This option minimizes the financial impact of the combined user fee and frontage fee rate increase for the service areas currently repaying debt in addition to existing user fees. This option also reduces frontage fee variance similar to Option 2. Table 9 summarizes the proposed frontage fee schedule under this option.

Table 9: Option 3 – 2020 Frontage Fees and Debt Obligations

Location	Frontage Fee		Debt Repayment	Combined Total
	2019	2020	2020	2020
Greaves Road	\$ 102.00	\$ 102.00	\$ -	\$ 102.00
Lee Bay	\$ 102.00	\$ 102.00	\$ -	\$ 102.00
Canoe Road	\$ 153.00	\$ -	\$ 424.30	\$ 424.30
Merrill Crescent	\$ 265.20	\$ -	\$ 226.71	\$ 226.71
Lily Lake Village	\$ 204.00	\$ 204.00	\$ -	\$ 204.00
Painted Boat Resort	\$ -	\$ 102.00	\$ -	\$ 102.00
Sakinaw Ridge*	\$ 418.20	\$ 670.27	\$ -	\$ 670.27
Jolly Roger	\$ 20.40	\$ 102.00	\$ -	\$ 102.00
Secret Cove	\$ 102.00	\$ 102.00	\$ -	\$ 102.00
Square Bay	\$ 102.00	\$ -	\$ 217.42	\$ 217.42
Curran Road	\$ 153.00	\$ 153.00	\$ -	\$ 153.00
Roberts Creek Co-Housing	\$ 204.00	\$ 204.00	\$ -	\$ 204.00
Woodcreek Park	\$ 102.00	\$ 102.00	\$ -	\$ 102.00
Sunnyside	\$ 51.00	\$ 102.00	\$ -	\$ 102.00
Langdale	\$ 102.00	\$ 102.00	\$ -	\$ 102.00

Although this option does not provide for adequate long-term capital funding, this option is preferred as it recognizes the feedback from the community while still establishing a reasonable minimum frontage fee for all service areas.

Option 4: Set Minimum Frontage Fees at \$306 Annually

This option reflects the preferred funding model presented in the public engagement sessions and on the published 'fact sheets'. \$306 represents a 300% increase from the minimum frontage fee in Option 2 and was chosen as a minimum starting point to facilitate a series of 25% annual increases designed to reach a target maximum frontage fee. This funding model prescribes annual increases in frontage fees across approximately 11 years before reaching a consistent frontage fee for the remainder of the model. This option was the subject of consternation amongst residents and prompted voluminous feedback. It was communicated that a tolerance for debt servicing existed amongst residence and as such further analysis should be conducted prior to presenting a revised long-term capital funding model.

Table 10: Option 4 - 2020 Frontage Fees and Debt Obligations

Location	Frontage Fee		Debt Repayment	Combined Total
	2019	2020	2020	2020
Greaves Road	\$ 102.00	\$ 306.00	\$ -	\$ 306.00
Lee Bay	\$ 102.00	\$ 306.00	\$ -	\$ 306.00
Canoe Road	\$ 153.00	\$ 306.00	\$ 424.30	\$ 730.30
Merrill Crescent	\$ 265.20	\$ 306.00	\$ 226.71	\$ 532.71
Lily Lake Village	\$ 204.00	\$ 306.00	\$ -	\$ 306.00
Painted Boat Resort	\$ -	\$ 306.00	\$ -	\$ 306.00
Sakinaw Ridge*	\$ 418.20	\$ 670.27	\$ -	\$ 670.27
Jolly Roger	\$ 20.40	\$ 306.00	\$ -	\$ 306.00
Secret Cove	\$ 102.00	\$ 306.00	\$ -	\$ 306.00
Square Bay	\$ 102.00	\$ 306.00	\$ 217.42	\$ 523.42
Curran Road	\$ 153.00	\$ 306.00	\$ -	\$ 306.00
Roberts Creek Co-Housing	\$ 204.00	\$ 306.00	\$ -	\$ 306.00
Woodcreek Park	\$ 102.00	\$ 306.00	\$ -	\$ 306.00
Sunnyside	\$ 51.00	\$ 306.00	\$ -	\$ 306.00
Langdale	\$ 102.00	\$ 306.00	\$ -	\$ 306.00

None of the above options satisfy the existing long-term capital financing plan for any of the 15 service areas. Future frontage fee increases are likely required to meet the anticipated capital requirements, however it is essential to provide the public with more information regarding the proposed increases.

Staff recommends that User Fees be increased as per Option 3 with Wastewater Capital Budgets to be reviewed annually.

Financial Implications

A summary of the fee increases associated with the recommended options is presented below in Table 10. These increases represent an average total increase of 78% from 2019 combined fees. Debt servicing and reserve contributions are factored into that value.

Table 11: Summary of Recommended Options' 2020 Fee Changes

Location	Frontage Fee	Debt Repayment	Proposed User Fees	Proposed Reserve Contribution	Total Fees	Total Fees	Total Increase
	2020	2020	2020	2020	2019	2020	2020
Greaves Road	\$ 102.00	\$ -	\$ 415.00	\$ 180.84	\$ 357.00	\$ 697.84	\$ 340.84
Lee Bay	\$ 102.00	\$ -	\$ 412.50	\$ -	\$ 514.50	\$ 514.50	\$ -
Canoe Road		\$ 424.30	\$ 929.75	\$ 146.83	\$ 371.75	\$ 1,500.88	\$ 1,129.13
Merrill Crescent		\$ 226.71	\$ 1,499.00	\$ 240.43	\$ 946.45	\$ 1,966.14	\$ 1,019.69
Lily Lake Village	\$ 204.00	\$ -	\$ 640.69	\$ -	\$ 766.50	\$ 844.69	\$ 78.19
Painted Boat Resort	\$ 102.00	\$ -	\$ 537.50	\$ -	\$ 537.50	\$ 639.50	\$ 102.00
Sakinaw Ridge*	\$ 670.27	\$ -	\$ 955.94	\$ 250.00	\$ 1,136.95	\$ 1,876.21	\$ 739.26
Jolly Roger	\$ 102.00	\$ -	\$ 646.07	\$ 36.12	\$ 432.90	\$ 784.19	\$ 351.29
Secret Cove	\$ 102.00	\$ -	\$ 586.36	\$ 30.00	\$ 514.50	\$ 718.36	\$ 203.86
Square Bay		\$ 217.42	\$ 501.19	\$ -	\$ 514.50	\$ 718.61	\$ 204.11
Curran Road	\$ 153.00	\$ -	\$ 536.75	\$ -	\$ 628.00	\$ 689.75	\$ 61.75
Roberts Creek Co-Housing	\$ 204.00	\$ -	\$ 687.94	\$ -	\$ 766.50	\$ 891.94	\$ 125.44
Woodcreek Park	\$ 102.00	\$ -	\$ 554.17	\$ -	\$ 602.00	\$ 656.17	\$ 54.17
Sunnyside	\$ 102.00	\$ -	\$ 306.47	\$ 385.00	\$ 176.00	\$ 793.47	\$ 617.47
Langdale	\$ 102.00	\$ -	\$ 924.98	\$ -	\$ 664.50	\$ 1,026.98	\$ 362.48

Enactment of the recommended changes will ensure that sustainable funding for wastewater service O&M Budgets exists and create a foundation future long-term capital planning.

Timeline for next steps or estimated completion date

Once approval is received to amend user fees and frontage fees, the appropriate bylaw amendments will be drafted and presented to a February 2020 Board Meeting for three readings and adoption.

Further analysis and refinement of the capital budgets will be conducted throughout the year. During the annual review of wastewater services later in the year staff will review the O&M Budgets and prepare a report summarizing further recommendations for Q4 2020/Q1 2021.

Communication Strategy

A Communication Plan has been developed to inform homeowners of the rate increases. Information regarding rate changes will be communicated via print advertising, social media and on utility invoices sent to customers. The rate changes will also be posted on the SCRD website.

Staff will plan further public engagement sessions catered to individual wastewater local services areas to further discuss development and implementation of long-term capital finance plans.

STRATEGIC PLAN AND RELATED POLICIES

This report aligns with the Boards Strategic focus area of Infrastructure Management and Engagement and Communication.

Financial Sustainability Policy – Sections 4.2.1, 4.2.2, 4.2.4, 4.6.1 and 4.6.2

Corporate Asset Management Plan V. 1.1

CONCLUSION

The SCRD manages 15 wastewater treatment facilities and is responsible for the operation and maintenance of these facilities, the establishment of sustainable funding models, and ensuring compliance with environmental regulations.

The current fee structure does not provide sufficient revenue to meet these obligations. Specific local service areas face imminent financial shortfalls due to aging infrastructure and insufficient funding. User Fees and Frontage Fees do not currently meet operational and capital requirements for many of the SCRD managed wastewater services.

The funding model used to allocate the revenues from user fees and frontage fees should be revised to reflect a more equitable model that provides clear accounting for residents and promotes financial sustainability for all wastewater services.

It is recommended that User Fees be increased to levels correlating with Option 2 to sustainably fund O&M Budgets and that minimal increases to Frontage Fees outline in Option 3 be adopted until further analysis review and public consultations can be completed.

Attachments

Attachment A – Staff Report - Wastewater Asset Management and Rate Review – Jan. 31/19

Attachment B – Staff Report - Wastewater Asset Management and Individual Asset Management Plans – Nov. 28/19

Attachment C – CVRD Water and Wastewater Utilities Review and Assessment – Final Report
<https://cprd.bc.ca/DocumentCenter/View/79863/Attachment-A---CVRD-WWURA-Innova-FULL-Report-Feb-03?bidId=>

Attachment D – Wastewater 50-Year Capital Budget Summaries

Attachment E – Wastewater Service Area Fact Sheets'

Attachment F – Wastewater 2019/20 O&M Budgets and User Fees

Reviewed by:			
Manager		CFO	X – T. Perreault
GM	X – R. Rosenboom	Legislative	
CAO	X – D. McKinley	Other	

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
Ben Smale, Asset Management Coordinator

SUBJECT: **WASTEWATER ASSET MANAGEMENT AND RATE REVIEWS**

RECOMMENDATIONS

THAT the report titled Wastewater Asset Management and Rate Reviews be received;

AND THAT the Sewage Treatment Facilities Service Bylaw 428, Schedule C be amended to increase the Wastewater System User Fees by 25.0% in 2019;

AND THAT the Sewage Treatment Facilities Service Bylaw 428, Schedule B be amended to increase the Wastewater System Frontage Fees by 2.0% in 2019;

AND THAT the Woodcreek Park Sewer User Rates Bylaw 430, Schedule A be amended to increase the Wastewater System User Fees by 25.0% and the Frontage Fees by 2.0% in 2019;

AND THAT the Painted Boat Sewage Treatment Facilities Fees and Charges Bylaw 644, Schedule A be amended to increase the Wastewater System User Fees by 25.0% in 2019;

AND THAT the Sakinaw Ridge Community Sewage Treatment System Bylaw 714, Schedule A be amended to increase the Wastewater System User Fees by 25.0% and the Frontage Fees by 2.0% in 2019;

AND THAT Bylaws 428, 430, 644 and 714 be amended to include:

- **Invoices are due on the due date specified on the invoice and payments must be received by 4:30pm PST;**
- **No rebate, refund or credit on any fees collected in error after two years from the date of payment will be issued;**

AND FURTHER THAT the 2019-2023 Financial Plan be amended accordingly.

BACKGROUND

The bylaws to regulate the rates and operation of the Wastewater treatment facilities for the Sunshine Coast Regional District (SCRD) include:

- Bylaw 428 – Sewage Treatment Facilities Service
- Bylaw 430 – Woodcreek Park Sewer User Rates
- Bylaw 644 – Painted Boat Sewage Treatment Facilities Fees and Charges
- Bylaw 714 – Sakinaw Ridge Community Sewage Treatment System

Each year as part of the Financial Planning process, the rates are reviewed for each Wastewater service area and the respective rate schedules are amended. Copies of the Bylaws can be found on the SCRD website at: [Bylaws: Infrastructure](#).

The SCRD currently operates 15 Wastewater treatment facilities. These 15 facilities collect, treat, and dispose of wastewater from defined service areas comprised of 541 users and 682 parcels. The current user fees and frontage fees per single family residential dwelling are provided in Table 1 and Table 3, respectively.

The Wastewater service areas are moving towards a rate strategy similar to the water service areas. With this funding strategy, user fees fund operational costs and frontage fees (parcel taxes) fund capital costs. This funding strategy creates a more clearly defined and equitable distinction between properties that are fully developed (active system users), and properties that have not yet been developed (potential system users).

DISCUSSION

Options and Analysis

In 2018, the SCRD initiated an asset management review of its inventory, condition, operational funding, capital funding, and organizational strategy in the wastewater service areas. This review is ongoing, but has identified several key operational issues that require further attention:

1. Operational funding for field staff in the Wastewater service areas is not sufficient to meet all legislated requirements of facility operation.
2. Operational funding for office staff in the Wastewater service areas is not sufficient to fund planning, proactive maintenance requirements of facility operation, and appropriate corporate record keeping.
3. Operational funding for a vehicle in the Wastewater service areas was previously pooled as part of water operations in nearby areas, but this is no longer feasible due to growing operational requirements in Wastewater.
4. Operational funding for tools in the Wastewater service areas is not sufficient, and is commonly supplemented by tools and equipment used for water operations.

Based on historical financial results for these services, generally, surpluses have been generated year over year. However, this is due to the deferral of maintenance due to a staffing deficiency.

All of the SCRD Wastewater treatment facilities are assets received as a result of development. These facilities vary in size, technology cost and age. With the completion and finalization of the asset management review, information regarding requirements for each Wastewater treatment facility will be provided.

User Fees

Option 1: User fee increase of 25%

The current user fees for the Wastewater systems are provided in Table 1. A user fee increase of 25% would generate an additional \$51,626 in revenue to address some of the operational issues noted above. Staff are recommending a formalized maintenance program for the Wastewater systems. Budget proposals will be presented as part of Round 1 budget.

Based on some preliminary results from the asset management review, each Wastewater treatment facility requires a minimum increase to its operational budget of 25%. All Wastewater service areas have some requirement for administrative and capital projects within the next five years. Accordingly, staff recommend that the application of a 25% rate increase will effectively improve our ability to address these projects. A complete listing of these projects will be provided as part of the asset management review.

Accordingly, staff recommend a user rate increase of 25% for 2019. This rate increase is intended to make a material impact to operational funding while keeping rate increases equitable and achievable for the users. This will also allow for more time for staff to develop the comprehensive Asset Management Plan, including the capital needs, scheduled to be complete in Q3/Q4 2019.

Option 2: User fee increase of 50%

The current user fees for the Wastewater systems are provided in Table 2. A user fee increase of 50% would generate an additional \$103,000 in revenue to address the operational issues noted above and ensure legislative requirements are being met. Staff are recommending a formalized maintenance program for the Wastewater systems. Budget proposals will be presented as part of Round 1 Budget.

Staff do not recommend this option at this point because each Wastewater treatment facility is unique and has various cost requirements that are still to be determined as part of the asset management review.

Frontage Fees

The current frontage fees for the Wastewater systems are provided in Table 3. Frontage fees will be reviewed as part of the asset management plan. Until that time, staff recommend that frontage fees be increased annually to account for Canadian inflationary cost of construction, at minimum. The current five year moving average for infrastructure construction price index (2012 to 2017) indicates a 2.0% inflation rate for infrastructure costs. Therefore, frontage fees should be increased by 2.0% for 2019.

Table 1: Wastewater service area proposed user fee rate increase 25%

Function	Description	# of Users	2018 (Existing)		2019 (25% Increase)	
			Res. User Fee	Total	Res. User Fee	Total
381	Greaves	5	\$ 204.00	\$ 1,020.00	\$ 255.00	\$ 1,275.00
382	Woodcreek	73	\$ 400.00	\$ 29,200.00	\$ 500.00	\$ 36,500.00
383	Sunnyside	8	\$ 100.00	\$ 800.00	\$ 125.00	\$ 1,000.00
384	Jolly Roger	31	\$ 330.00	\$ 10,230.00	\$ 412.50	\$ 12,787.50
385	Secret Cove	32	\$ 330.00	\$ 11,970.00	\$ 412.50	\$ 14,962.50
386	Lee Bay	106	\$ 330.00	\$ 34,980.00	\$ 412.50	\$ 43,725.00
387	Square Bay	79	\$ 330.00	\$ 26,070.00	\$ 412.50	\$ 32,587.50
388	Langdale	40	\$ 450.00	\$ 18,000.00	\$ 562.50	\$ 22,500.00
389	Canoe	5	\$ 175.00	\$ 875.00	\$ 218.75	\$ 1,093.75
390	Merrill	12	\$ 545.00	\$ 6,540.00	\$ 681.25	\$ 8,175.00
391	Curran	51	\$ 380.00	\$ 19,380.00	\$ 475.00	\$ 24,225.00
392	Roberts Creek	31	\$ 450.00	\$ 13,950.00	\$ 562.50	\$ 17,437.50
393	Lilly's Lake	28	\$ 450.00	\$ 12,600.00	\$ 562.50	\$ 15,750.00
394	Painted Boat	32	\$ 430.00	\$ 16,490.00	\$ 537.50	\$ 20,612.50
395	Sakinaw Ridge	8	\$ 575.00	\$ 4,600.00	\$ 718.75	\$ 5,750.00
Total		541	\$ 206,705.00		\$ 258,381.25	

Table 2: Wastewater service area proposed user fee rate increase 50%

Function	Description	# of Users	2018 (Existing)		2019 (50% Increase)	
			Res. User Fee	Total	Res. User Fee	Total
381	Greaves	5	\$ 204.00	\$ 1,020.00	\$ 306.00	\$ 1,530.00
382	Woodcreek	73	\$ 400.00	\$ 29,200.00	\$ 600.00	\$ 43,800.00
383	Sunnyside	8	\$ 100.00	\$ 800.00	\$ 150.00	\$ 1,200.00
384	Jolly Roger	31	\$ 330.00	\$ 10,230.00	\$ 495.00	\$ 15,345.00
385	Secret Cove	32	\$ 330.00	\$ 11,970.00	\$ 495.00	\$ 17,955.00
386	Lee Bay	106	\$ 330.00	\$ 34,980.00	\$ 495.00	\$ 52,470.00
387	Square Bay	79	\$ 330.00	\$ 26,070.00	\$ 495.00	\$ 39,105.00
388	Langdale	40	\$ 450.00	\$ 18,000.00	\$ 675.00	\$ 27,000.00
389	Canoe	5	\$ 175.00	\$ 875.00	\$ 262.50	\$ 1,312.50
390	Merrill	12	\$ 545.00	\$ 6,540.00	\$ 817.50	\$ 9,810.00
391	Curran	51	\$ 380.00	\$ 19,380.00	\$ 570.00	\$ 29,070.00
392	Roberts Creek	31	\$ 450.00	\$ 13,950.00	\$ 675.00	\$ 20,925.00
393	Lilly's Lake	28	\$ 450.00	\$ 12,600.00	\$ 675.00	\$ 18,900.00
394	Painted Boat	32	\$ 430.00	\$ 16,490.00	\$ 645.00	\$ 24,735.00
395	Sakinaw Ridge	8	\$ 575.00	\$ 4,600.00	\$ 862.50	\$ 6,900.00
Total		541	\$ 206,705.00		\$ 310,057.50	

Table 3: Wastewater service area proposed frontage fee increase

Function	Description	# of Frontage	2018 (Existing)		2019 (2% Increase)	
			Frontage Fee	Total	Frontage Fee	Total
381	Greaves	6	\$ 100.00	\$ 600.00	\$ 102.00	\$ 612.00
382	Woodcreek	73	\$ 100.00	\$ 7,300.00	\$ 102.00	\$ 7,446.00
383	Sunnyside	11	\$ 50.00	\$ 550.00	\$ 51.00	\$ 561.00
384	Jolly Roger	32	\$ 20.00	\$ 640.00	\$ 20.40	\$ 652.80
385	Secret Cove	30	\$ 100.00	\$ 3,000.00	\$ 102.00	\$ 3,060.00
386	Lee Bay	178	\$ 100.00	\$ 17,800.00	\$ 102.00	\$ 18,156.00
387	Square Bay	93	\$ 100.00	\$ 9,300.00	\$ 102.00	\$ 9,486.00
388	Langdale	40	\$ 100.00	\$ 4,000.00	\$ 102.00	\$ 4,080.00
389	Canoe	10	\$ 150.00	\$ 1,500.00	\$ 153.00	\$ 1,530.00
390	Merrill	14	\$ 260.00	\$ 3,640.00	\$ 265.20	\$ 3,712.80
391	Curran	70	\$ 150.00	\$ 10,500.00	\$ 153.00	\$ 10,710.00
392	Roberts Creek	31	\$ 200.00	\$ 6,200.00	\$ 204.00	\$ 6,324.00
393	Lilly's Lake	29	\$ 200.00	\$ 5,800.00	\$ 204.00	\$ 5,916.00
394	Painted Boat	34	\$ -	\$ -	\$ -	\$ -
395	Sakinaw Ridge	31	\$ 410.00	\$ 12,710.00	\$ 418.20	\$ 12,964.20
Total		682	\$83,540.00		\$85,210.80	

Other Administrative Updates

The current Bylaws specify that invoices (other than annual invoices) are due within 30 days of the date of billing. It is recommended that the Bylaws be amended to specify that the invoice is due on the due date as specified which is generally 30 days from the date of billing. Additionally, it is recommended that the Bylaw specify that payments must be received by 4:30 pm PST.

The current Bylaws do not include a statement about how rebates, refunds or credits are handled. It is recommended that the Bylaws be amended to include that refunds or adjustments on any fees collected in error will only be issued up to two years from the payment date. This aligns with other utility bylaws.

Future Rate Reviews

Further rate reviews will be required to balance the operational shortfall in all of the Wastewater service areas. The target for operational and capital funding is still being determined as part of the asset management plan. However, staff suggest that the current recommended user fee increase of 25% will be required by every function area to balance their operational costs. Many of the service areas will require the user fee increase of at least 50%, but not all service areas may require 50% increase to operational funding. This is part of the rationale behind the recommendation for 25% rather than 50%.

It should be noted that several Wastewater service areas, such as Woodcreek (382), Square Bay (387), Canoe (389), and Merrill (390) have capital projects in progress that will affect their funding and will require subsequent rate review during the 2019 fiscal year.

Financial Implications

It is recommended that user fees be increased by 25% and frontage fees be increased by 2% in 2019. The historic rates, relative fee increases, and total impact on fees is provided in Attachment A of this report.

As Table 1 above outlines, this increase will collectively generate \$51,676 from all the Wastewater services for 2019, which is also in support of the upcoming Budget Proposals to address regulatory and operational issues for the facilities.

Communications Strategy

A Communication Plan has been developed to inform homeowners of the rate increases. Information regarding rate changes will be communicated via print advertising, social media and on the on utility invoices sent to customers. The rate changes are also included in the public presentations for the budget process.

Further community consultation is planned as part of the Wastewater asset management process in the second quarter of 2019.

STRATEGIC PLAN AND RELATED POLICIES

Annual reviews and adjustments of fees and charges are consistent with Section 4.2.2 of the Financial Sustainability Policy.

CONCLUSION

The Wastewater service areas are currently under asset management review to determine the operational and capital funding requirements. The results of the review completed to date indicates that both operational and capital funding are in a shortfall position.

Until the asset management review is completed and due to inflationary cost of construction, staff also recommend that parcel taxes be increased by 2% in 2019.

Further increases to both user fees and frontage fees should be expected for 2020. The results of the asset management review in these services will be summarized in an asset management plan for the service areas. This will be completed in 2019.

Staff recommend an incremental increase to user rates of 25%, which will address some of the operational issues identified to date. Budget proposals will be brought forward with Round 1 Budget.

Reviewed by:			
Manager		Finance	X – S. Zacharias
GM	X-R.Rosenboom	Legislative	X - A. Legault
CAO	X-J. Loveys	Other:	

Attachment A: Historic Rates by Wastewater Service Area

Historical Rates: 381 - Greaves							
	2013	2014	2015	2016	2017	2018	Proposed 2019
User Fee	204.00	204.00	204.00	204.00	204.00	204.00	255.00
Frontage Fee	100.00	100.00	100.00	100.00	100.00	100.00	102.00
Total	304.00	304.00	304.00	304.00	304.00	304.00	357.00
Total \$ Increase	0.00	0.00	0.00	0.00	0.00	0.00	53.00
Total % Increase	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	17.4%

Historical Rates: 382 - Woodcreek							
	2013	2014	2015	2016	2017	2018	Proposed 2019
User Fee	400.00	400.00	400.00	400.00	400.00	400.00	500.00
Frontage Fee	100.00	100.00	100.00	100.00	100.00	100.00	102.00
Total	500.00	500.00	500.00	500.00	500.00	500.00	602.00
Total \$ Increase	0.00	0.00	0.00	0.00	0.00	0.00	102.00
Total % Increase	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	20.4%

Historical Rates: 383 - Sunnyside							
	2013	2014	2015	2016	2017	2018	Proposed 2019
User Fee	100.00	100.00	100.00	100.00	100.00	100.00	125.00
Frontage Fee	50.00	50.00	50.00	50.00	50.00	50.00	51.00
Total	150.00	150.00	150.00	150.00	150.00	150.00	176.00
Total \$ Increase	0.00	0.00	0.00	0.00	0.00	0.00	26.00
Total % Increase	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	17.3%

Historical Rates: 384 - Jolly Roger							
	2013	2014	2015	2016	2017	2018	Proposed 2019
User Fee	330.00	330.00	330.00	330.00	330.00	330.00	412.50
Frontage Fee	20.00	20.00	20.00	20.00	20.00	20.00	20.40
Total	350.00	350.00	350.00	350.00	350.00	350.00	432.90
Total \$ Increase	0.00	0.00	0.00	0.00	0.00	0.00	82.90
Total % Increase	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	23.7%

Historical Rates: 385 - Secret Cove							
	2013	2014	2015	2016	2017	2018	Proposed 2019
User Fee	330.00	330.00	330.00	330.00	330.00	330.00	412.50
Frontage Fee	100.00	100.00	100.00	100.00	100.00	100.00	102.00
Total	430.00	430.00	430.00	430.00	430.00	430.00	514.50
Total \$ Increase	0.00	0.00	0.00	0.00	0.00	0.00	84.50
Total % Increase	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	19.7%

Historical Rates: 386 - Lee Bay							
	2013	2014	2015	2016	2017	2018	Proposed 2019
User Fee	330.00	330.00	330.00	330.00	330.00	330.00	412.50
Frontage Fee	100.00	100.00	100.00	100.00	100.00	100.00	102.00
Total	430.00	430.00	430.00	430.00	430.00	430.00	514.50
Total \$ Increase	0.00	0.00	0.00	0.00	0.00	0.00	84.50
Total % Increase	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	19.7%

Historical Rates: 387 - Square Bay							
	2013	2014	2015	2016	2017	2018	Proposed 2019
User Fee	330.00	330.00	330.00	330.00	330.00	330.00	412.50
Frontage Fee	100.00	100.00	100.00	100.00	100.00	100.00	102.00
Total	430.00	430.00	430.00	430.00	430.00	430.00	514.50
Total \$ Increase	0.00	0.00	0.00	0.00	0.00	0.00	84.50
Total % Increase	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	19.7%

Historical Rates: 388 - Langdale							
	2013	2014	2015	2016	2017	2018	Proposed 2019
User Fee	450.00	450.00	450.00	450.00	450.00	450.00	562.50
Frontage Fee	100.00	100.00	100.00	100.00	100.00	100.00	102.00
Total	550.00	550.00	550.00	550.00	550.00	550.00	664.50
Total \$ Increase	0.00	0.00	0.00	0.00	0.00	0.00	114.50
Total % Increase	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	20.8%

Historical Rates: 389 - Canoe							
	2013	2014	2015	2016	2017	2018	Proposed 2019
User Fee	125.00	125.00	125.00	175.00	175.00	175.00	218.75
Frontage Fee	100.00	100.00	100.00	150.00	150.00	150.00	153.00
Total	225.00	225.00	225.00	325.00	325.00	325.00	371.75
Total \$ Increase	0.00	0.00	0.00	100.00	0.00	0.00	46.75
Total % Increase	0.0%	0.0%	0.0%	44.4%	0.0%	0.0%	14.4%

Historical Rates: 390 - Merrill							
	2013	2014	2015	2016	2017	2018	Proposed 2019
User Fee	456.00	456.00	456.00	545.00	545.00	545.00	681.25
Frontage Fee	200.00	200.00	200.00	260.00	260.00	260.00	265.20
Total	656.00	656.00	656.00	805.00	805.00	805.00	946.45
Total \$ Increase	0.00	0.00	0.00	149.00	0.00	0.00	141.45
Total % Increase	0.0%	0.0%	0.0%	22.7%	0.0%	0.0%	17.6%

Historical Rates: 391 - Curran							
	2013	2014	2015	2016	2017	2018	Proposed 2019
User Fee	330.00	330.00	330.00	380.00	380.00	380.00	475.00
Frontage Fee	100.00	100.00	100.00	150.00	150.00	150.00	153.00
Total	430.00	430.00	430.00	530.00	530.00	530.00	628.00
Total \$ Increase	0.00	0.00	0.00	100.00	0.00	0.00	98.00
Total % Increase	0.0%	0.0%	0.0%	23.3%	0.0%	0.0%	18.5%

Historical Rates: 392 - Roberts Creek							
	2013	2014	2015	2016	2017	2018	Proposed 2019
User Fee	375.00	375.00	450.00	450.00	450.00	450.00	562.50
Frontage Fee	100.00	200.00	200.00	200.00	200.00	200.00	204.00
Total	475.00	575.00	650.00	650.00	650.00	650.00	766.50
Total \$ Increase	0.00	100.00	75.00	0.00	0.00	0.00	116.50
Total % Increase	0.0%	21.1%	13.0%	0.0%	0.0%	0.0%	17.9%

Historical Rates: 393 - Lilly's Lake							
	2013	2014	2015	2016	2017	2018	Proposed 2019
User Fee	450.00	450.00	450.00	450.00	450.00	450.00	562.50
Frontage Fee	200.00	200.00	200.00	200.00	200.00	200.00	204.00
Total	650.00	650.00	650.00	650.00	650.00	650.00	766.50
Total \$ Increase	0.00	0.00	0.00	0.00	0.00	0.00	116.50
Total % Increase	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	17.9%

Historical Rates: 394 - Painted Boat							
	2013	2014	2015	2016	2017	2018	Proposed 2019
User Fee	430.00	430.00	430.00	430.00	430.00	430.00	537.50
Frontage Fee	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	430.00	430.00	430.00	430.00	430.00	430.00	537.50
Total \$ Increase	0.00	0.00	0.00	0.00	0.00	0.00	107.50
Total % Increase	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	25.0%

Historical Rates: 395 - Sakinaw Ridge							
	2013	2014	2015	2016	2017	2018	Proposed 2019
User Fee						575.00	718.75
Frontage Fee						410.00	418.20
Total						985.00	1136.95
Total \$ Increase						985.00	151.95
Total % Increase						0.0%	15.4%

SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

TO: Corporate and Administrative Services Committee – November 28, 2019

AUTHOR: Kyle Doyle, Manager, Asset Management
Darren Joseph, Asset Management Coordinator

SUBJECT: WASTEWATER SERVICE REVIEW AND ASSET MANAGEMENT PLANS

RECOMMENDATIONS

THAT the report titled Wastewater Service Review and Asset Management Plans be received for information.

BACKGROUND

The Sunshine Coast Regional District (SCRD) manages 17 wastewater treatment facilities. Through the establishment of local service areas the SCRD has accepted responsibility for the operation of these facilities, the establishment of sustainable funding models, and ensuring compliance with environmental regulations.

One of the areas identified internally as an opportunity to do thorough asset management and service reviews was for the wastewater facilities. Many of these facilities or certain components of the systems were coming to the end of their useful life (Square Bay) or were not functioning to the standard intended. The SCRD also had grant funding available through the Federal Gas Tax-Strategic Priorities Fund for asset management, in which the scope of the grant was changed to fund certain aspects required to do a thorough review of the wastewater facilities. This was beneficial as some of these services had funding constraints to otherwise do analysis such as condition assessments.

Pursuant to a Ministry of Environment Warning Letter dated July 24, 2018, outlining non-compliance at the Woodcreek wastewater treatment facility, the SCRD received the Chief Administrative Officer's report on September 27, 2018 acknowledging 'a significant gap in the delivery of services' for wastewater treatment facilities (Attachment A). The report indicated the development of an action plan to address these issues.

A staff report at the November 15, 2018 Infrastructure Services Committee meeting titled 'SCRD Electoral Wastewater Treatment Review' provided an overview of the SCRD's Wastewater facilities including a summary table of the facilities, relevant regulatory guidelines, status of ongoing internal analysis, and the potential significant increases to rates associated with the wastewater services (some over 100% increase) (Attachment B).

A universal rate increase for all Wastewater facilities was proposed at the January 24, 2019 Corporate and Administrative Services (CAS) Committee meeting accompanied with the indication that further rate reviews and potentially increases were forthcoming (Attachment C).

A February 4, 2019 Special CAS Committee staff report outlined additional staffing necessary to meet operation requirements in order to satisfy regulatory demands for SCRD Wastewater facilities (Attachment D).

DISCUSSION

An internal review was conducted on wastewater treatment services for 17 local service areas across the regional district. Condition assessments of the majority of the components has been completed. An effort to catalogue existing inventory based on remaining years of useful life has been undertaken. Replacement costs for all systems were estimated using the most appropriate comparable available. The results of this review suggests at least 6 wastewater treatment systems require significant capital renewal within the next 10 years to meet regulatory requirements and that current revenues are not financially sustainable.

Additionally a review of the existing level of service provided by SCRD wastewater facilities was compared to optimal levels of service to determine the current degree of service deficit. It was determined that the service deficit was reduced, but remains despite the creation of a new Wastewater Coordinator Technician position.

Capital funding shortfalls are anticipated without revenue adjustments. Models are presented illustrating potential funding requirements for each local service area over 10, 20, 50 and 80 years (Attachment E). The models present the severity of the financial impact on subject parcels for each local service area.

STRATEGIC PLAN AND RELATED POLICIES

This report aligns with the Boards Strategic focus area of Infrastructure Management and Engagement and Communication.

Financial Sustainability Policy – Sections 4.2.1, 4.2.2, 4.2.4, 4.6.1 and 4.6.2

Corporate Asset Management Plan V. 1.1

CONCLUSION

The SCRD manages 17 wastewater treatment facilities. The SCRD is responsible for the operation of these facilities, the establishment of sustainable funding models, and ensuring compliance with environmental regulations.

An internal review was conducted on wastewater treatment services for 17 local service areas across the regional district. Condition assessments of the majority of the components has been completed. An effort to catalogue existing inventory based on remaining years of useful life has been undertaken. Replacement costs for all systems were estimated using the most appropriate comparable available. The results of this review suggests at least 6 wastewater treatment systems require significant capital renewal within the next 10 years to meet regulatory requirements and that current revenues are not financially sustainable.

Specific local service areas face imminent financial shortfalls due to aging infrastructure. User Fees and Parcel Taxes are not currently sufficient to meet operational requirements for many of the SCRD managed Wastewater facilities.

Attachments

Attachment A – Chief Administrative Officer’s Report – Sep. 27/18

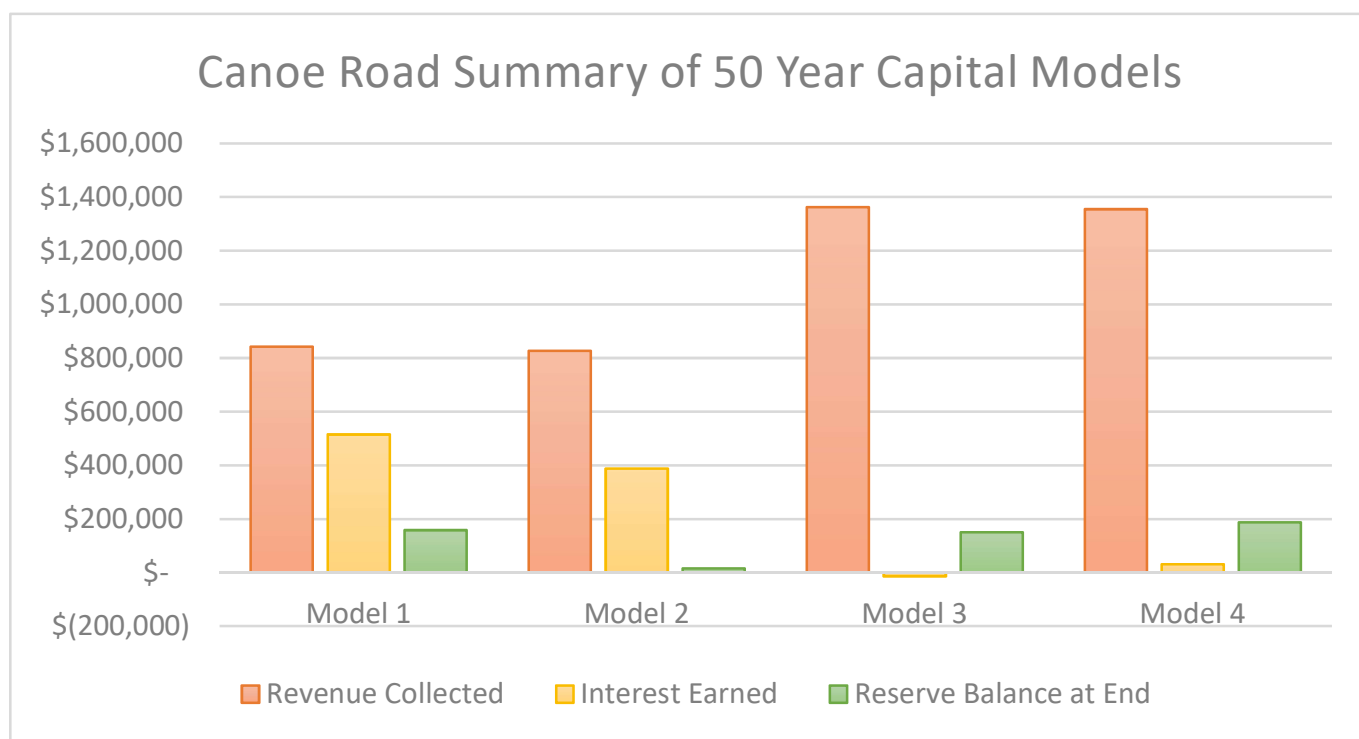
Attachment B – Staff Report - SCRD Electoral Areas Wastewater Review – Nov. 15/18

Attachment C – Staff Report - Wastewater Asset Management and Rate Review – Jan. 31/19

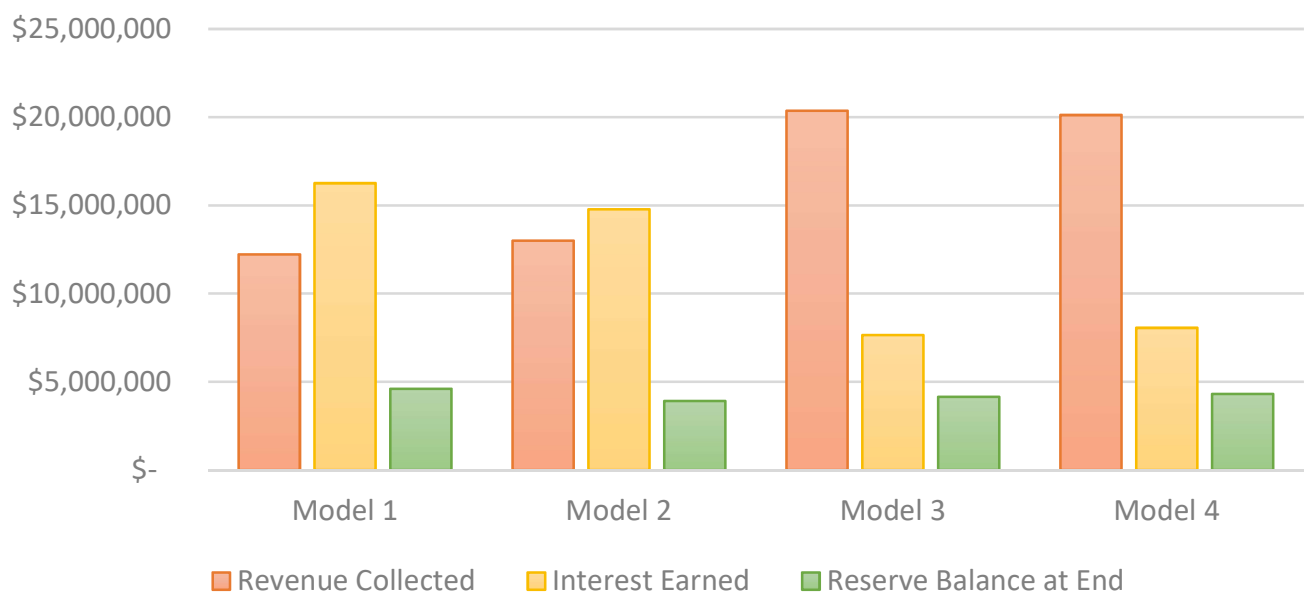
Attachment D – 2019 R1 Budget Proposals For Wastewater Treatment – Feb. 4/19

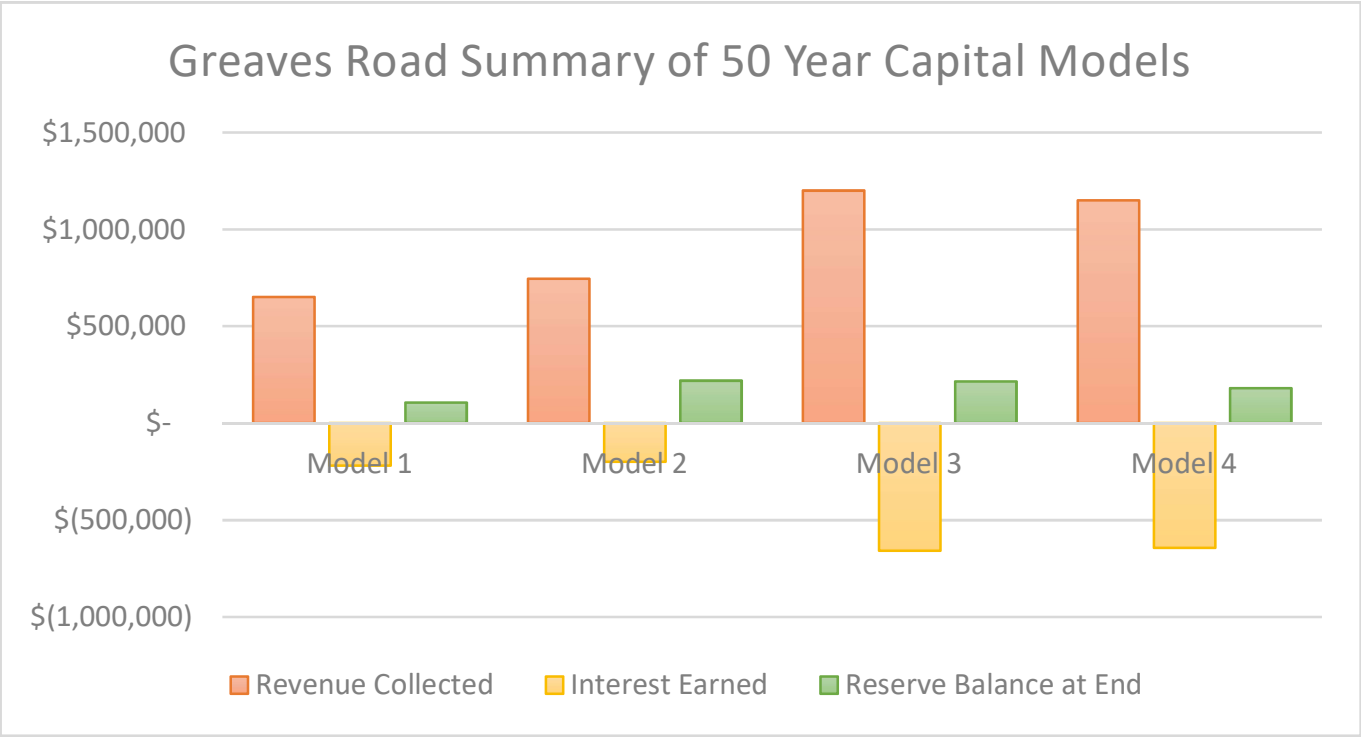
Attachment E – Wastewater Treatment Review and Local Service Area Management Plans

Reviewed by:			
Manager		CFO	X - T. Perreault
GM	X - R. Rosenboom	Legislative	
Interim CAO	X - M. Brown	Other	

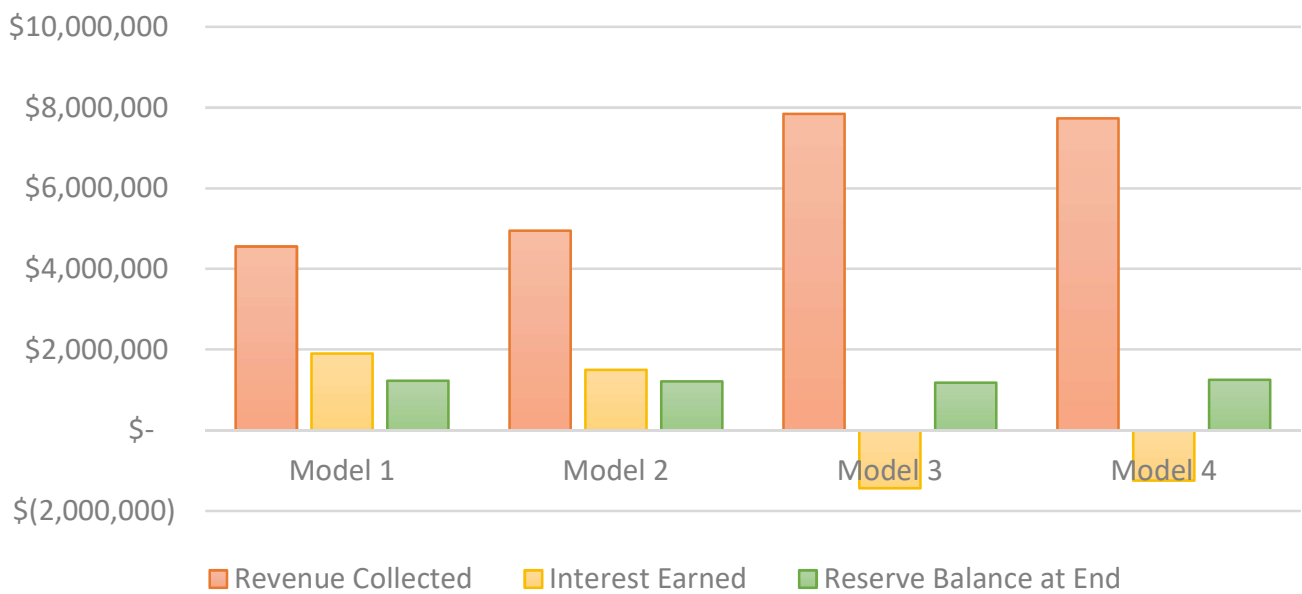


Curran Rd Summary of 50 Year Capital Model

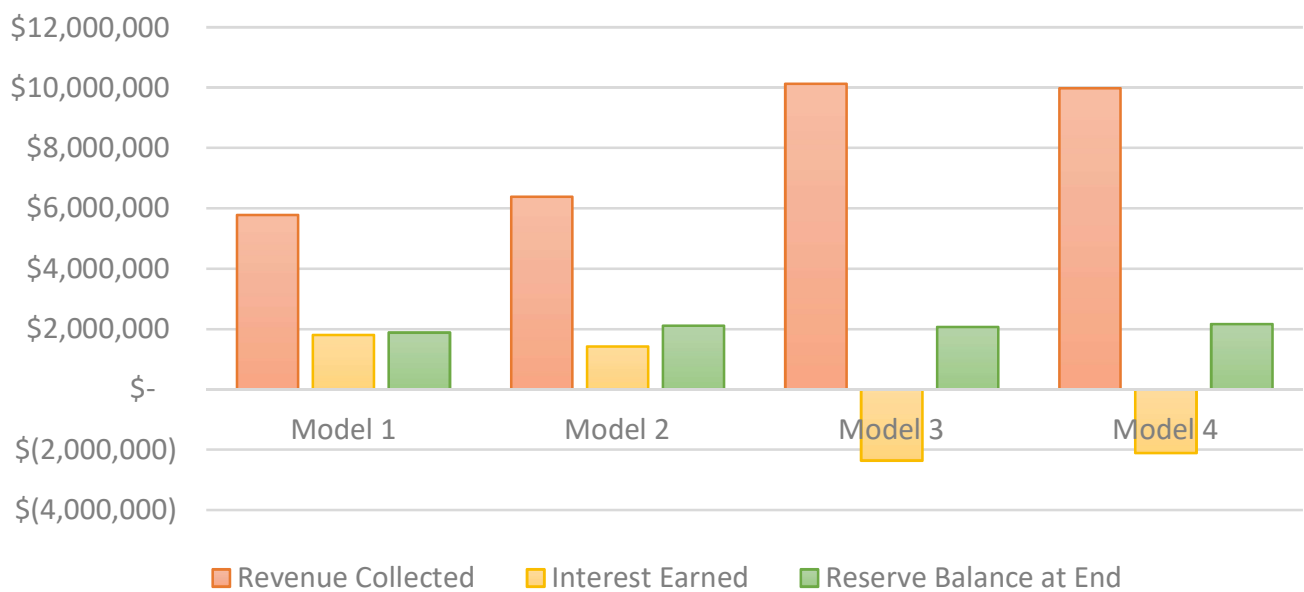




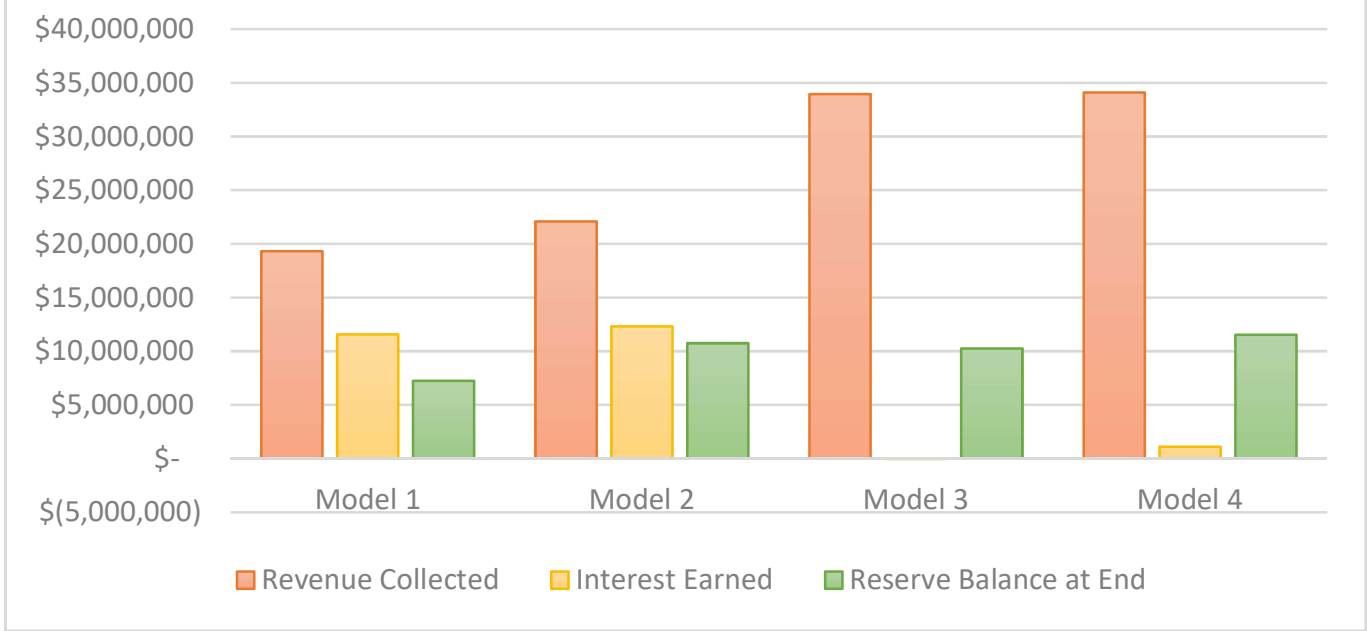
Jolly Roger Summary of 50 Year Capital Model



Langdale Summary of 50 Year Capital Models



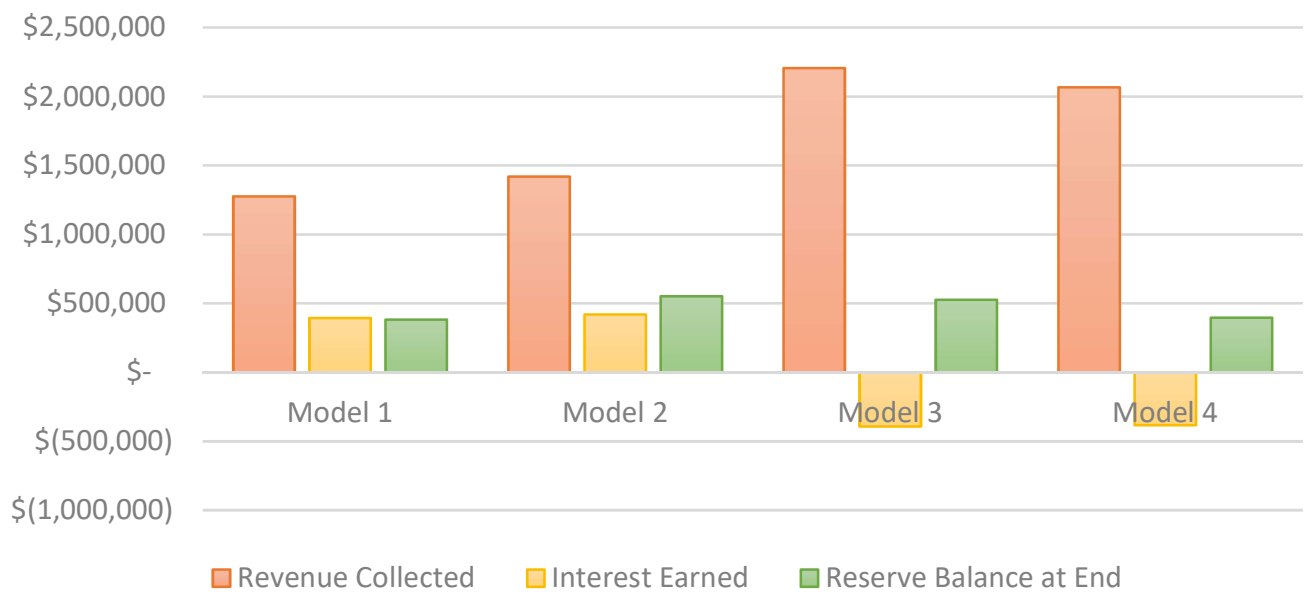
Lee Bay Summary of 50 Year Capital Models

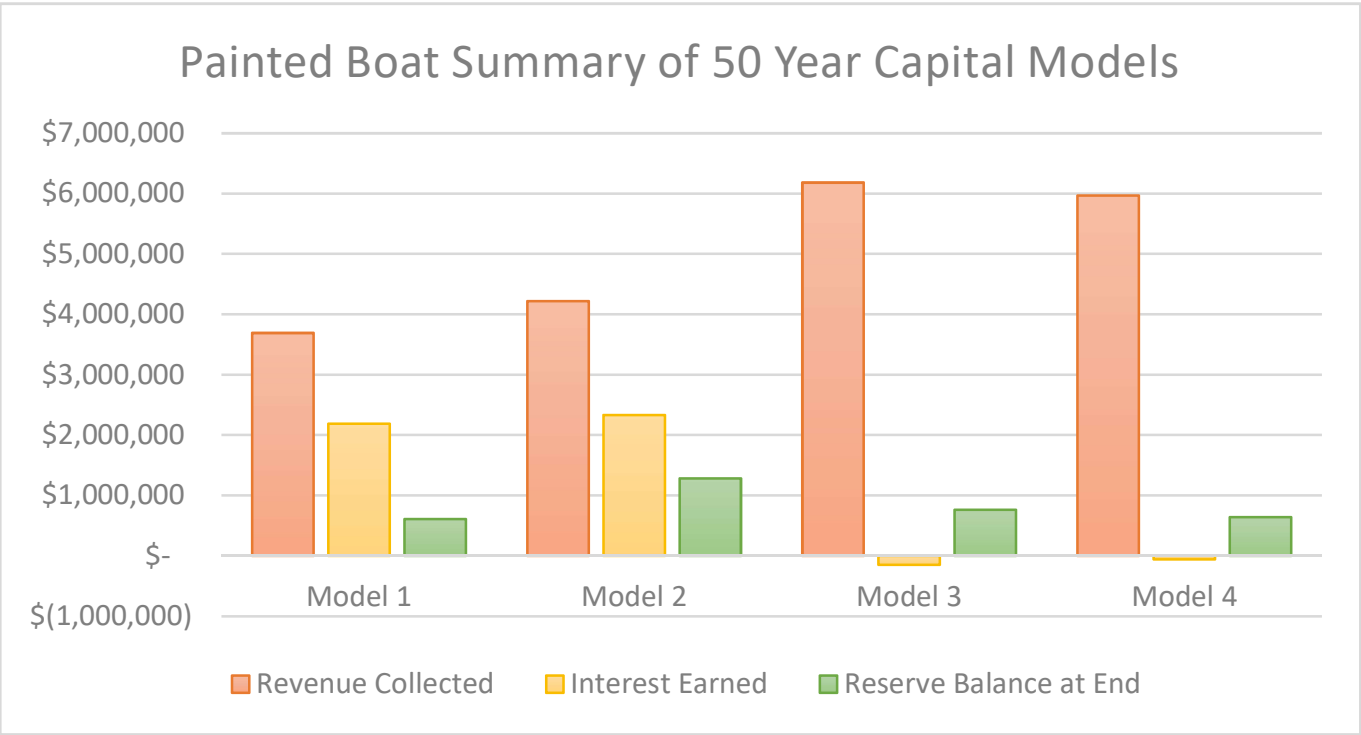


Lily Lake Summary of 50 Year Capital Models

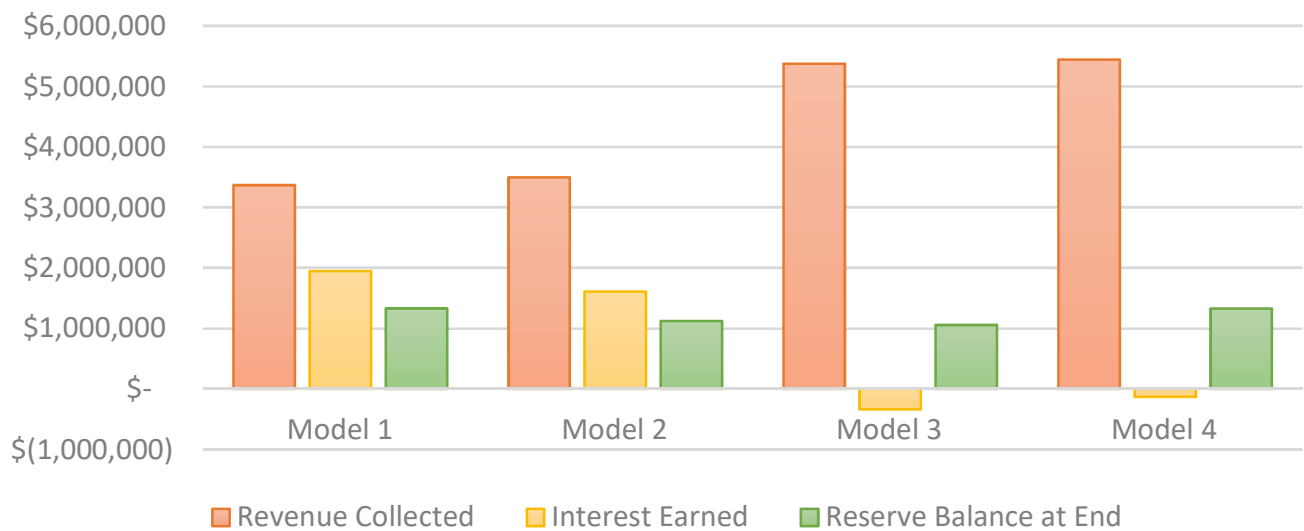


Merril Crescent Summary of 50 Year Capital Models

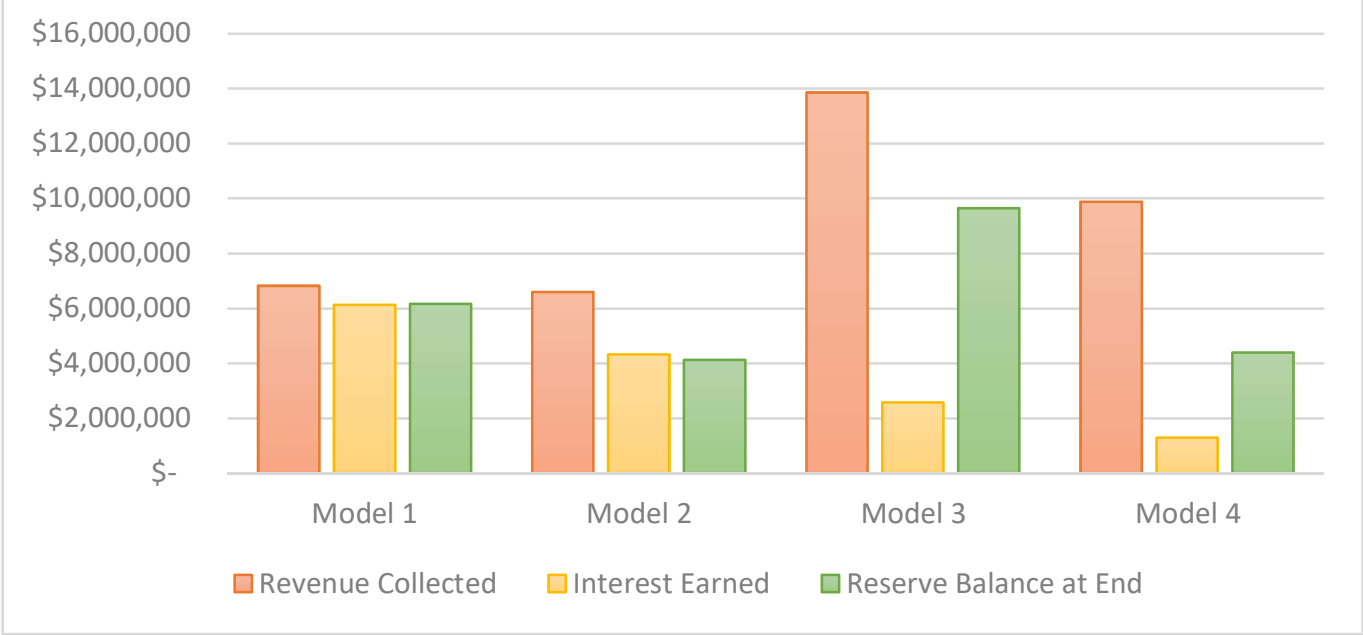


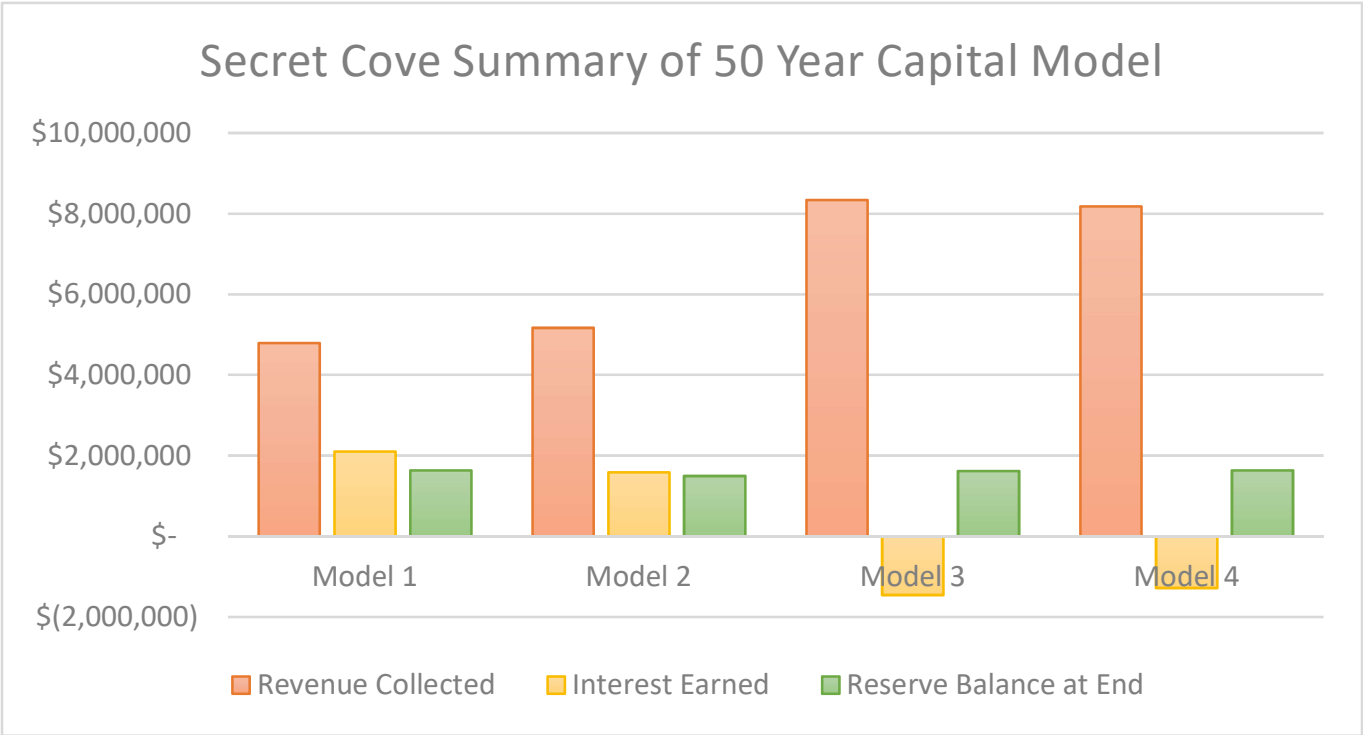


Roberts Creek Co Housing Summary of 50 Year Capital Models

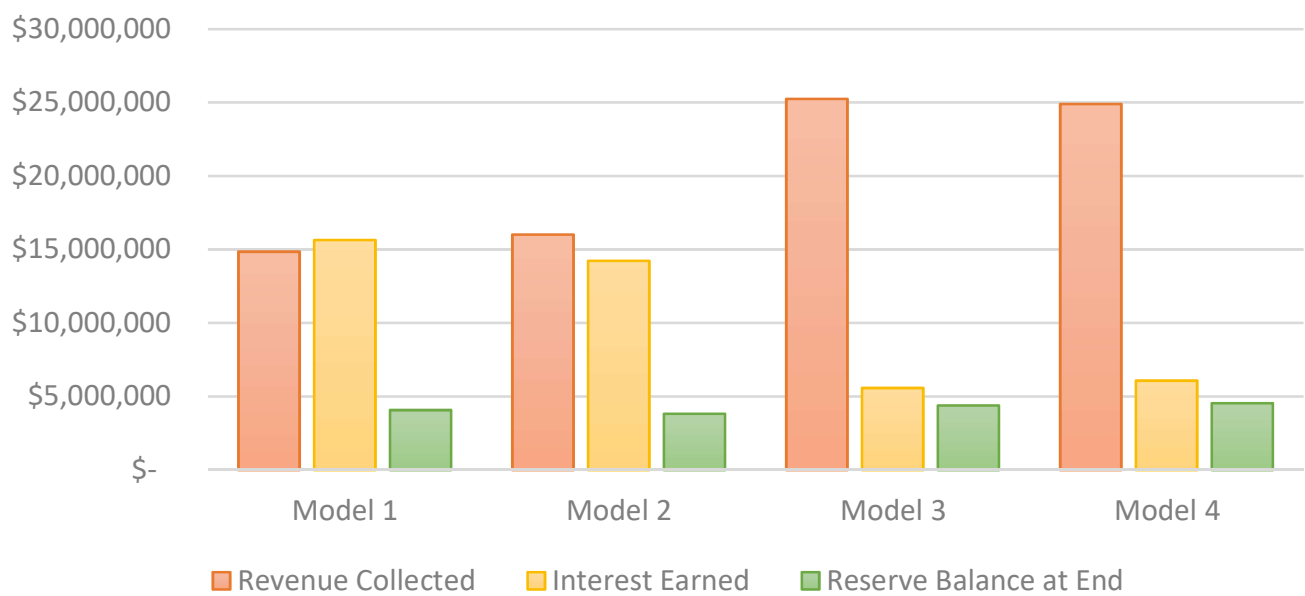


Sakinaw Ridge Summary of 50 Year Capital Models

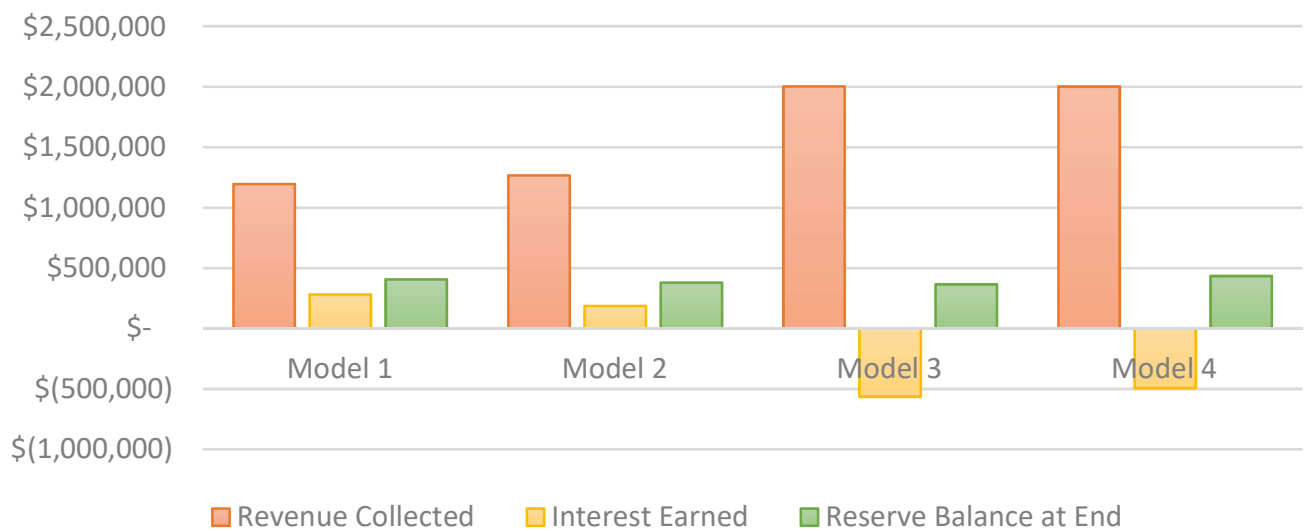




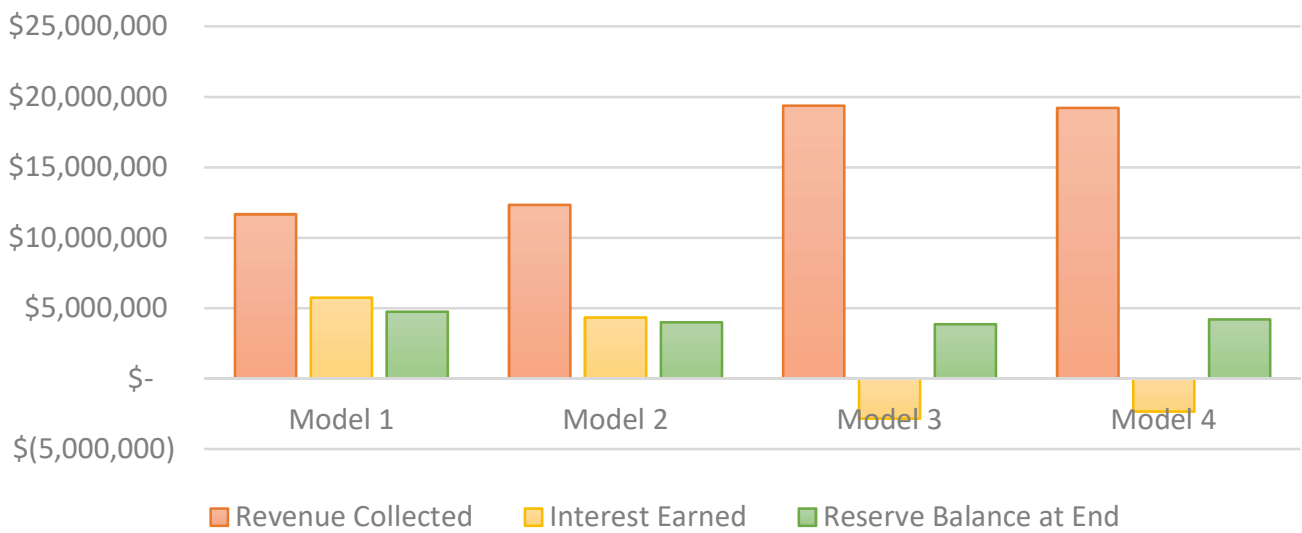
Square Bay Summary of 50 Year Capital Model



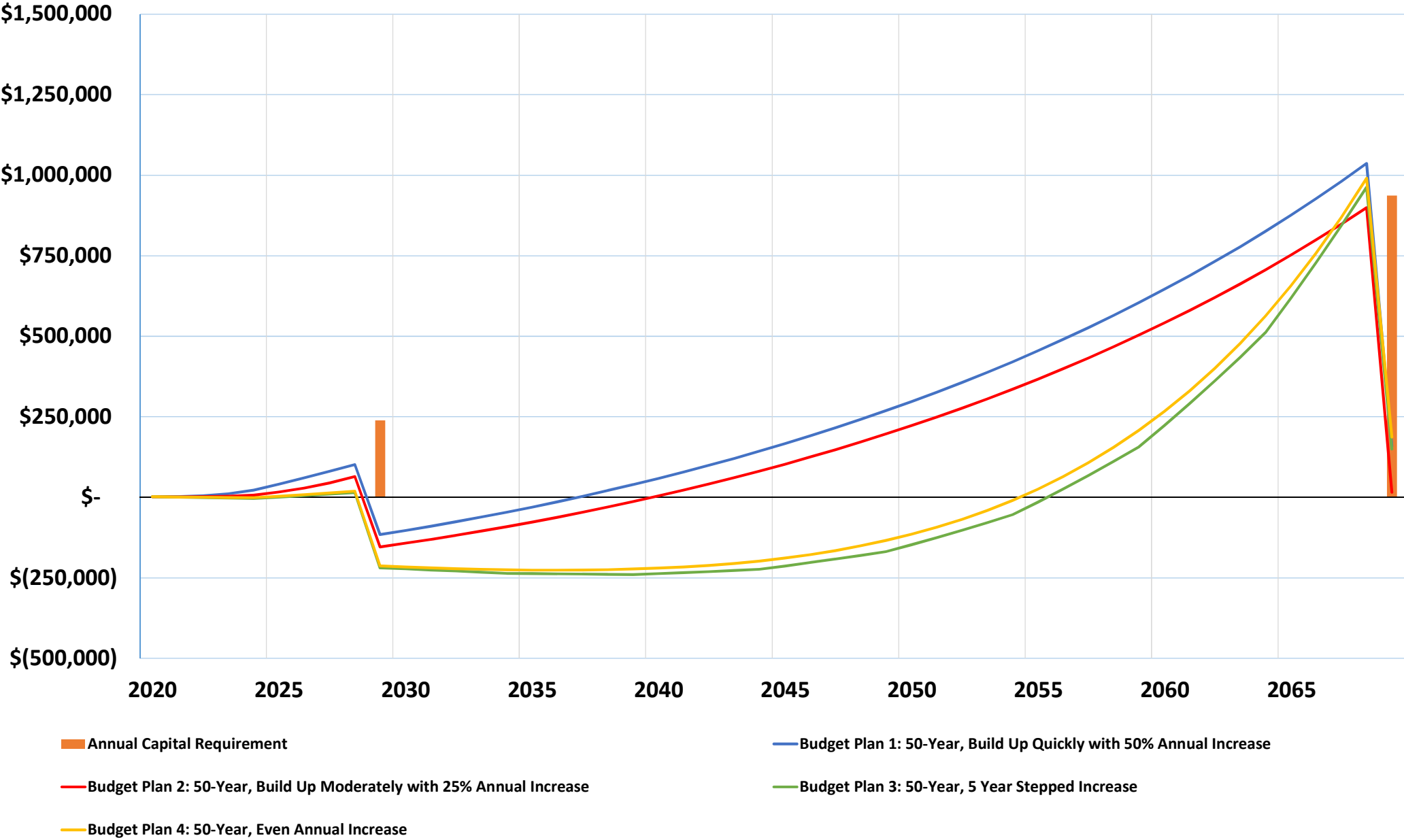
Sunnyside Summary of 50 Year Capital Models



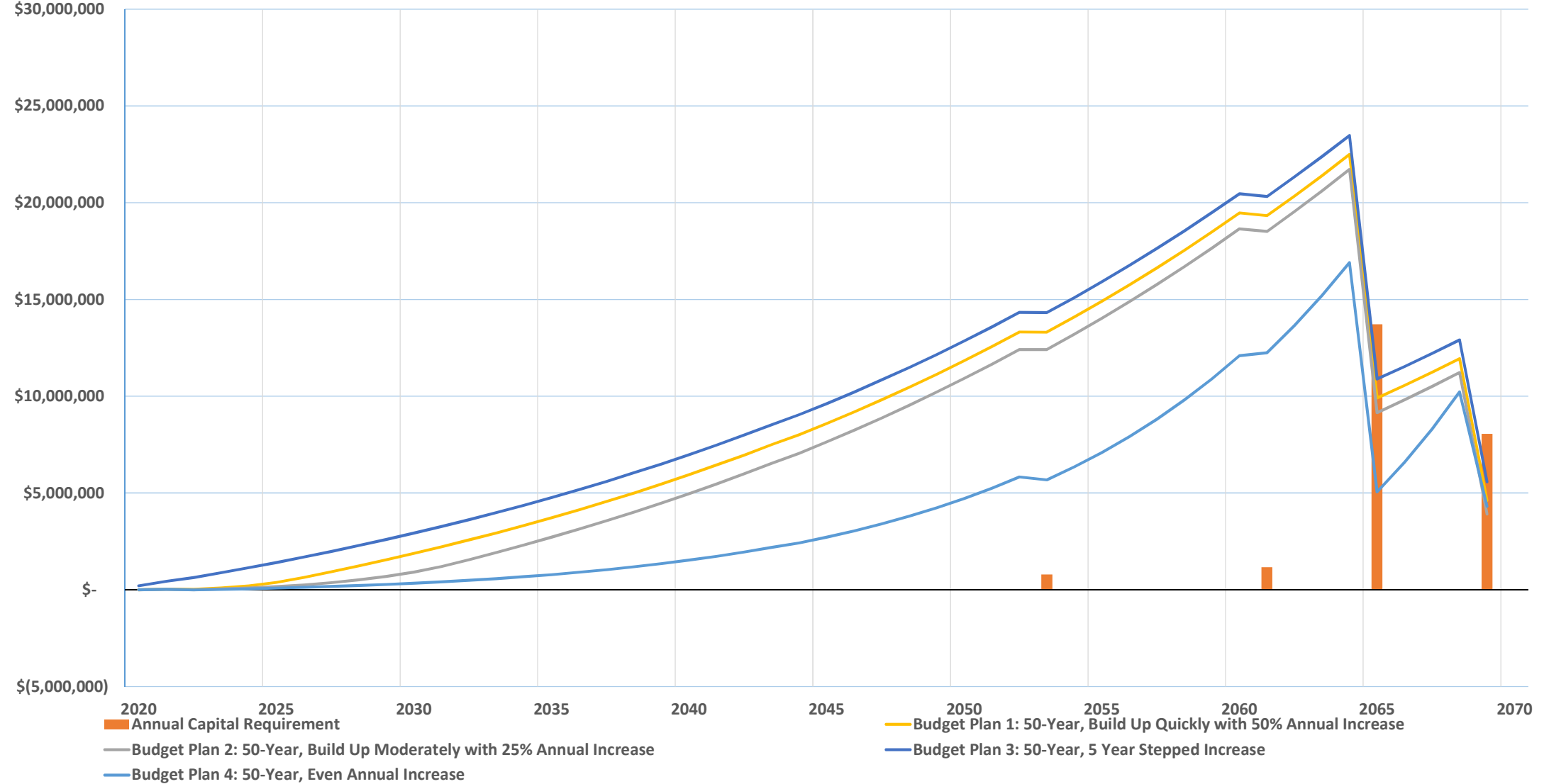
Woodcreek Summary of 50 Year Capital Models



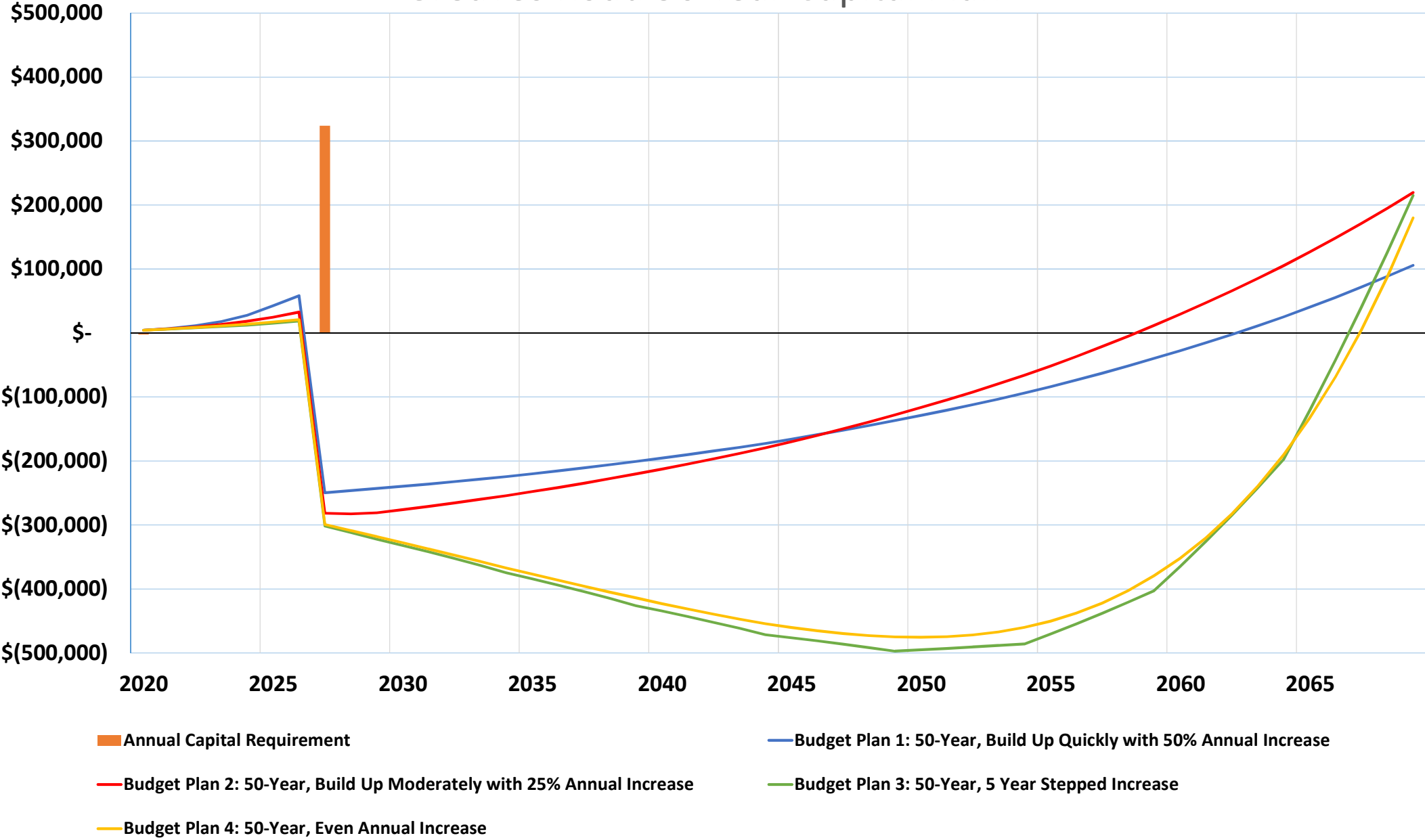
Canoe Road 50 Year Capital Plan



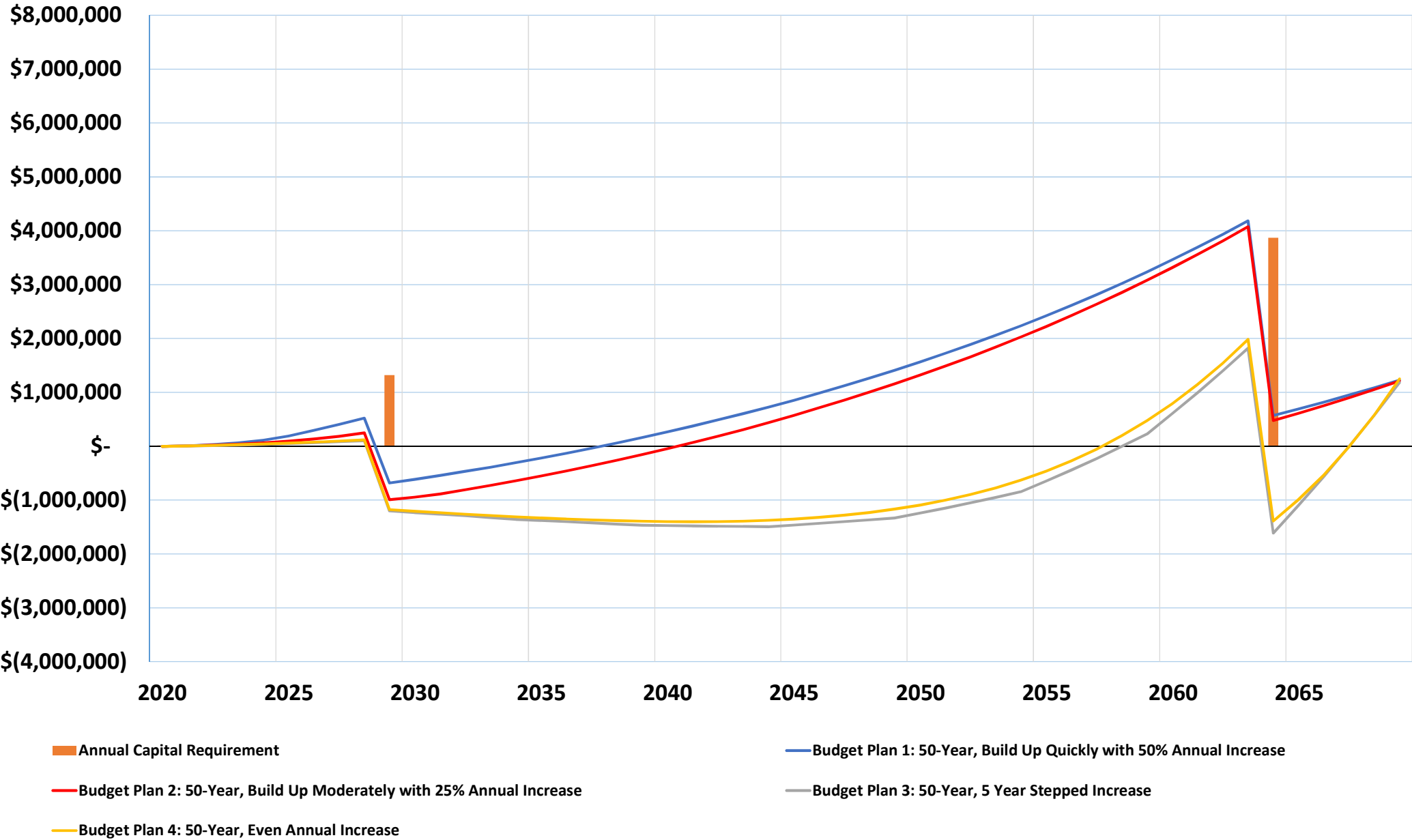
Curran Road Wastewater Local Service



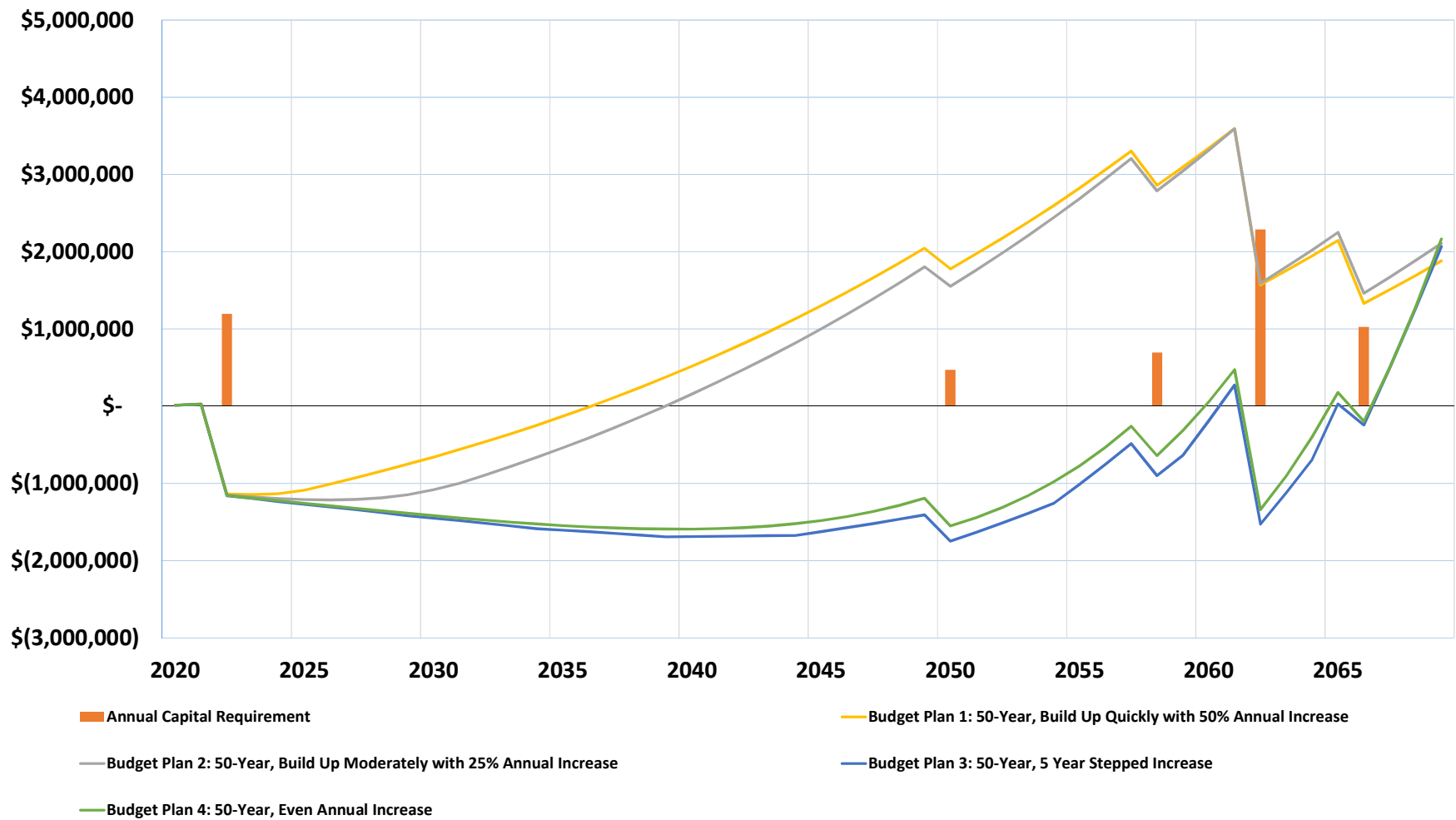
Greaves Road 50 Year Capital Plan



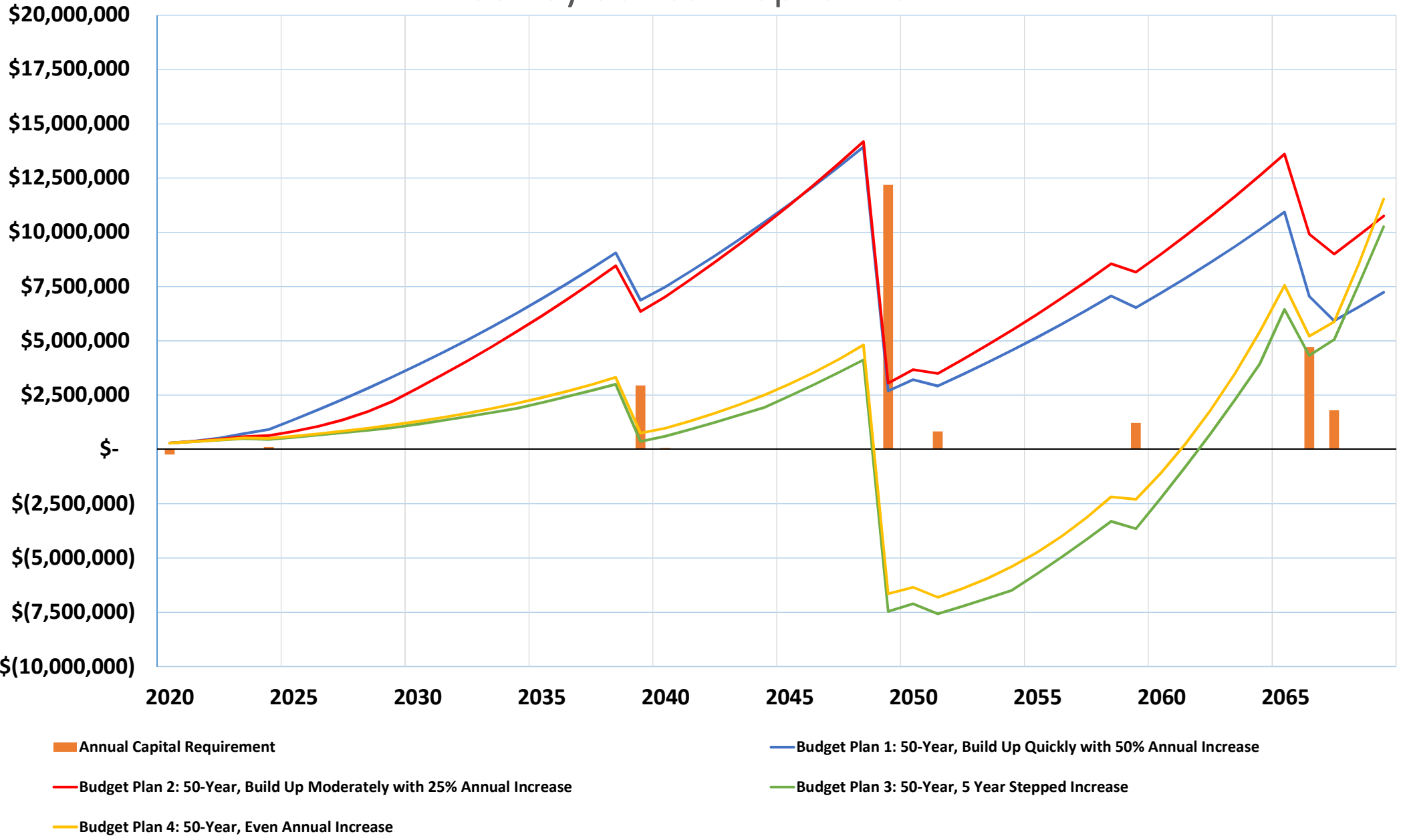
Jolly Roger 50 Year Capital Plan



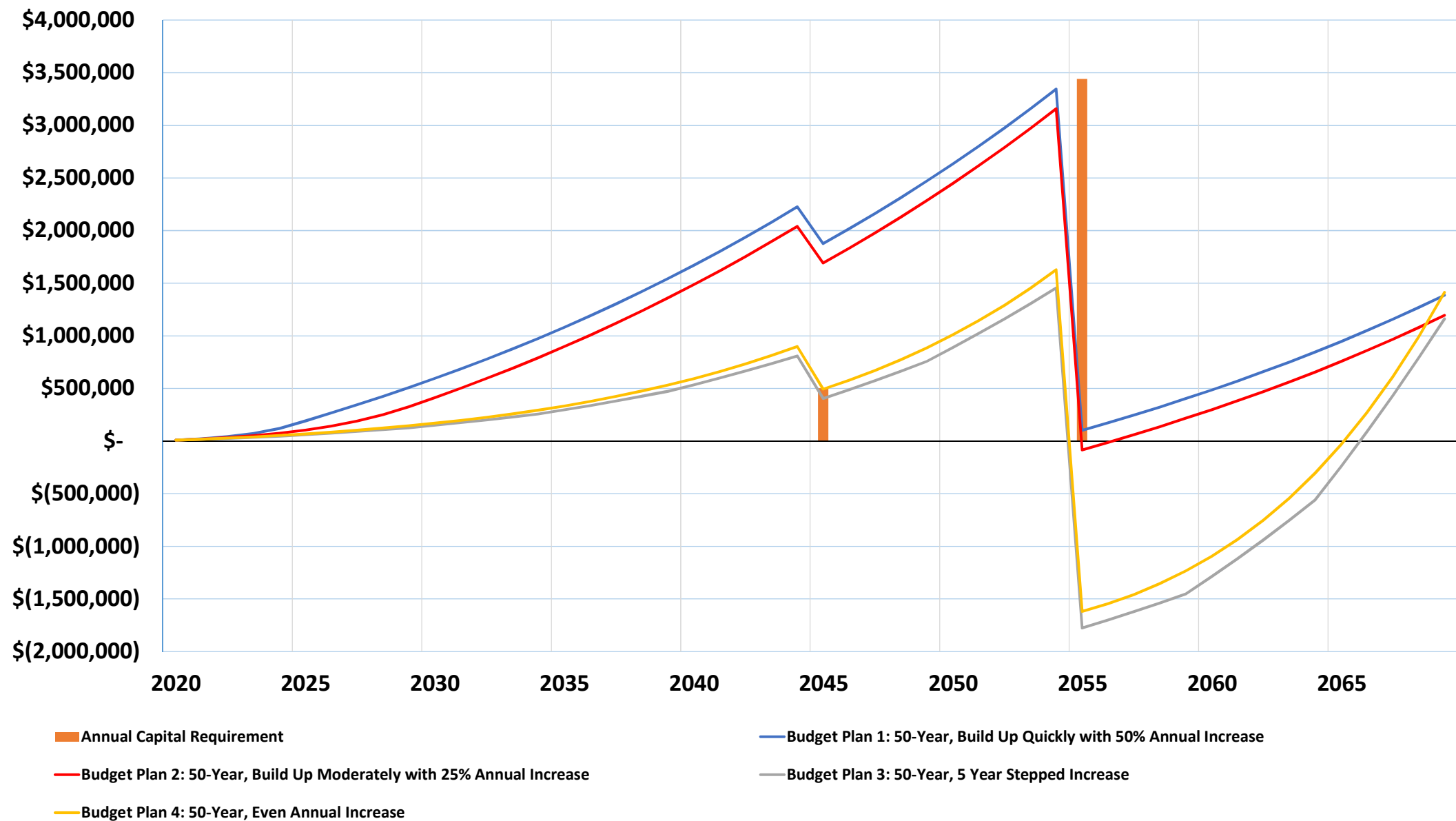
Langdale 50 Year Capital Plan



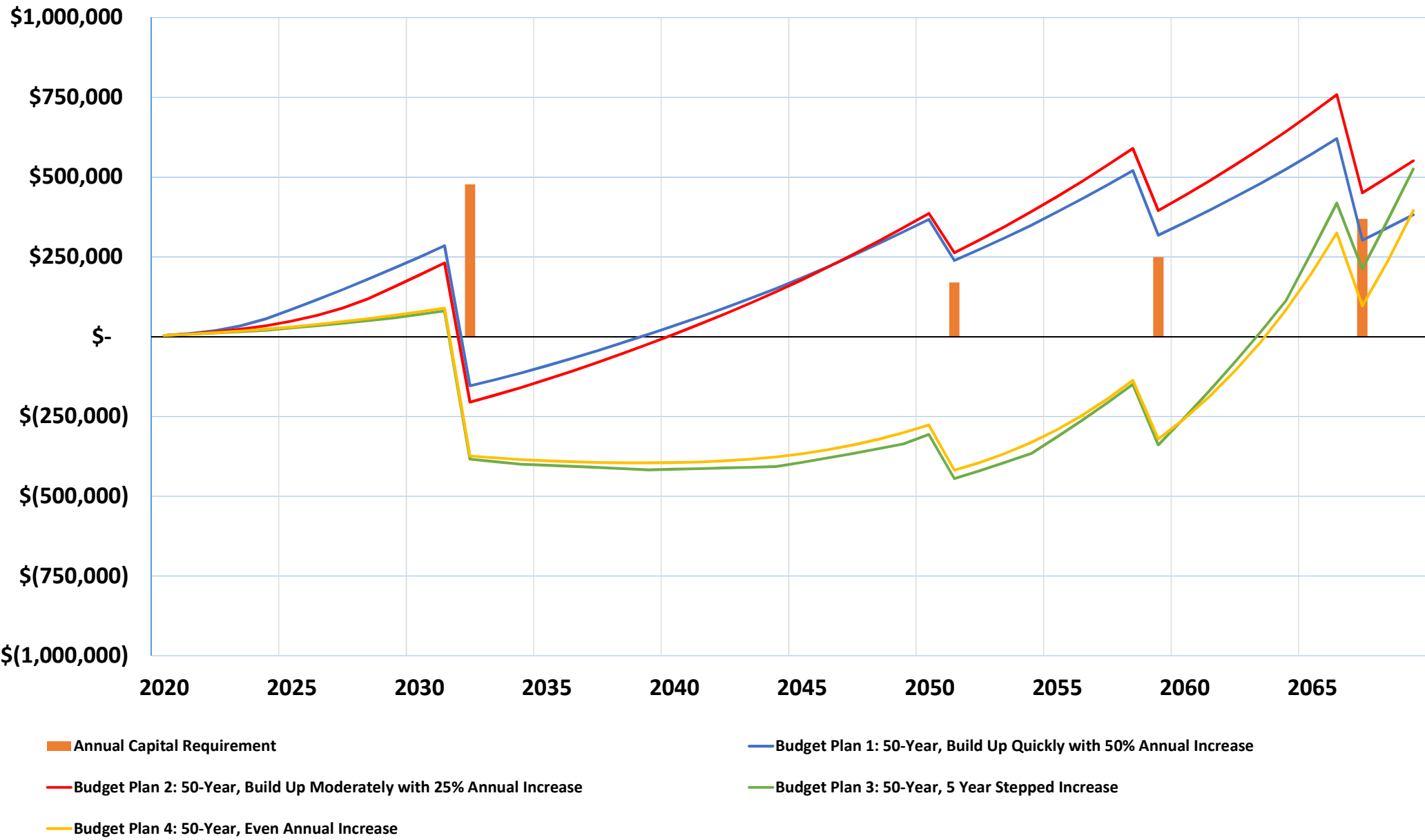
Lee Bay 50 Year Capital Plan



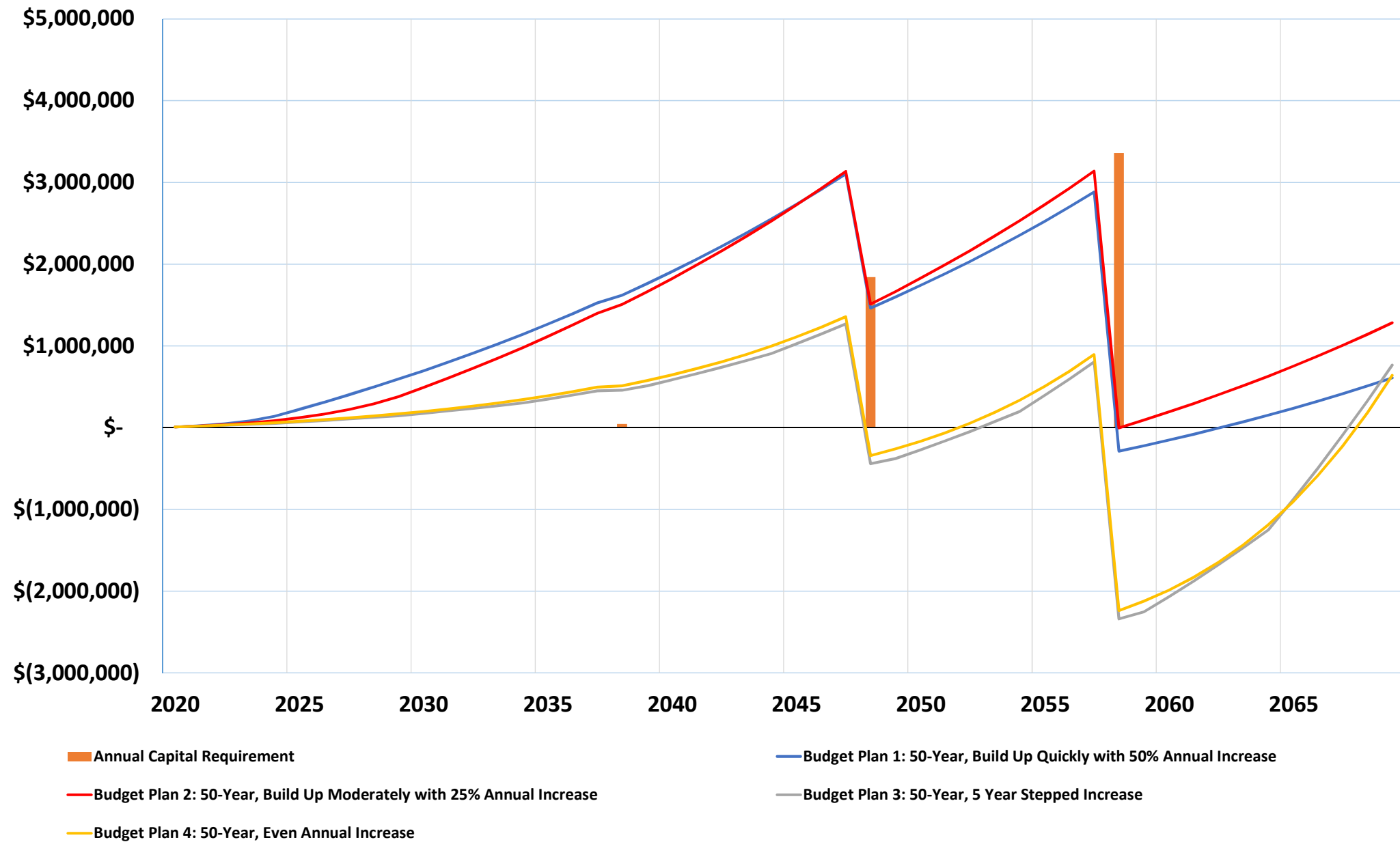
Lily Lake 50 Year Capital Plan



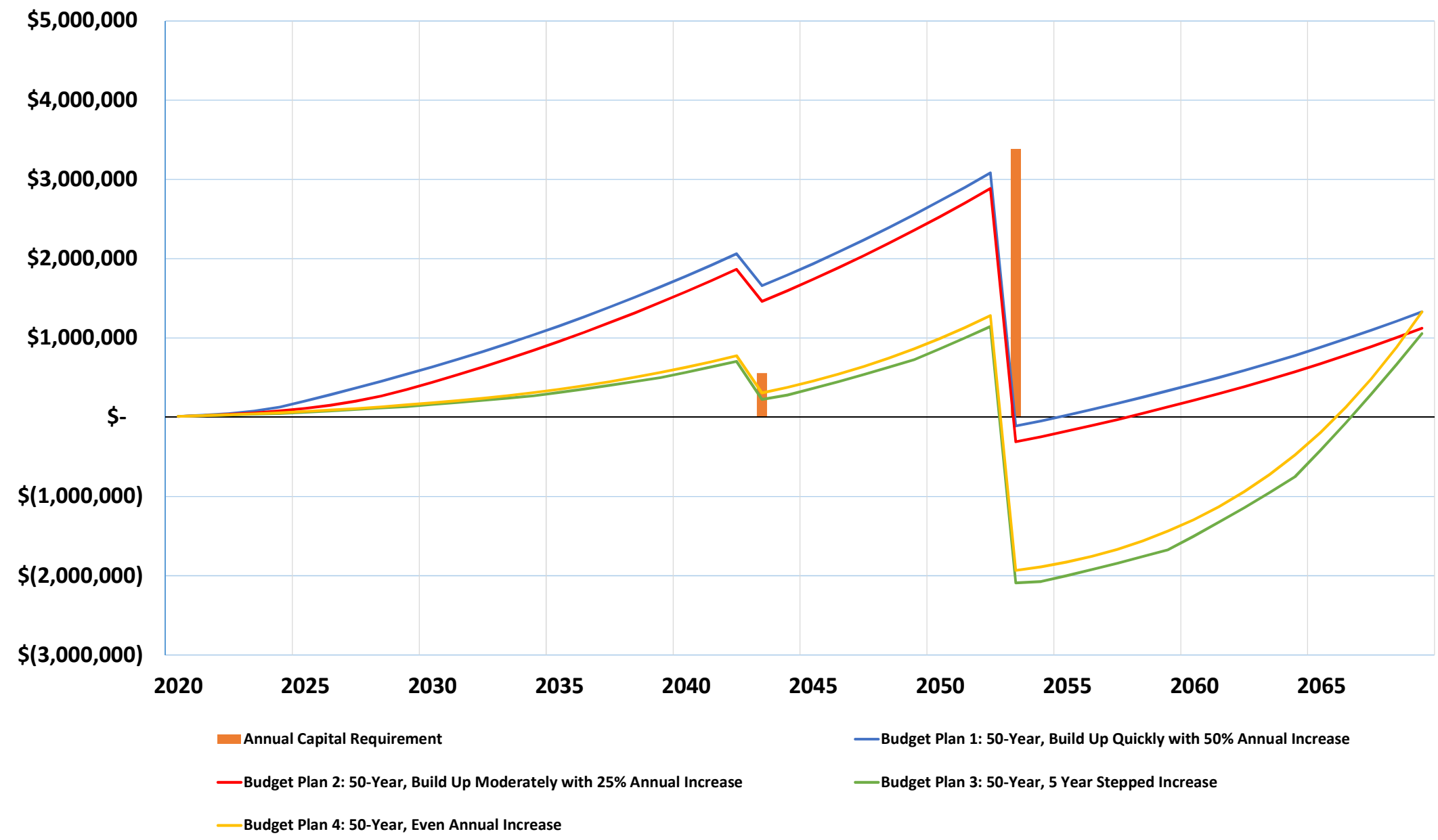
Merril Crescent 50 Year Capital Plan



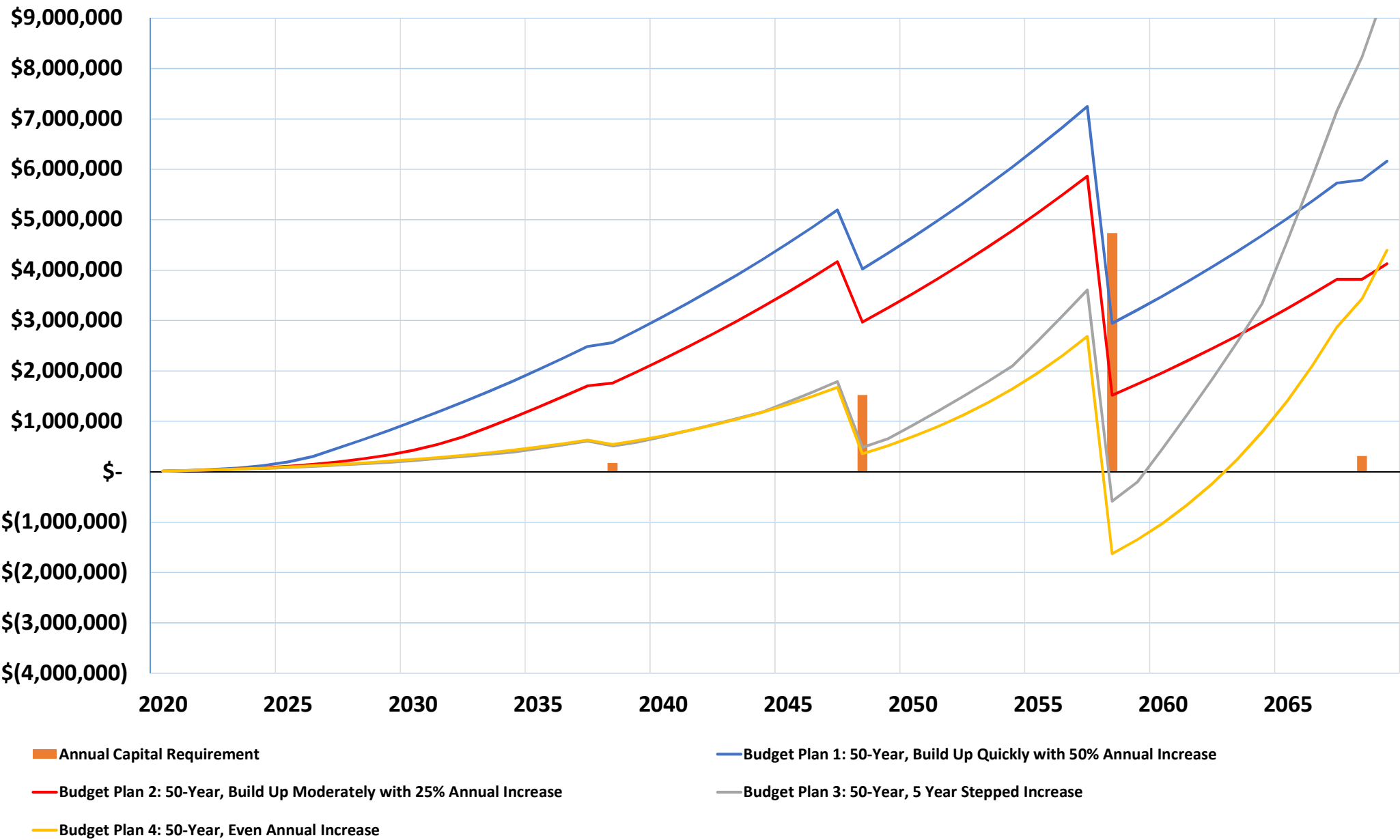
Painted Boat 50 Year Capital Plan



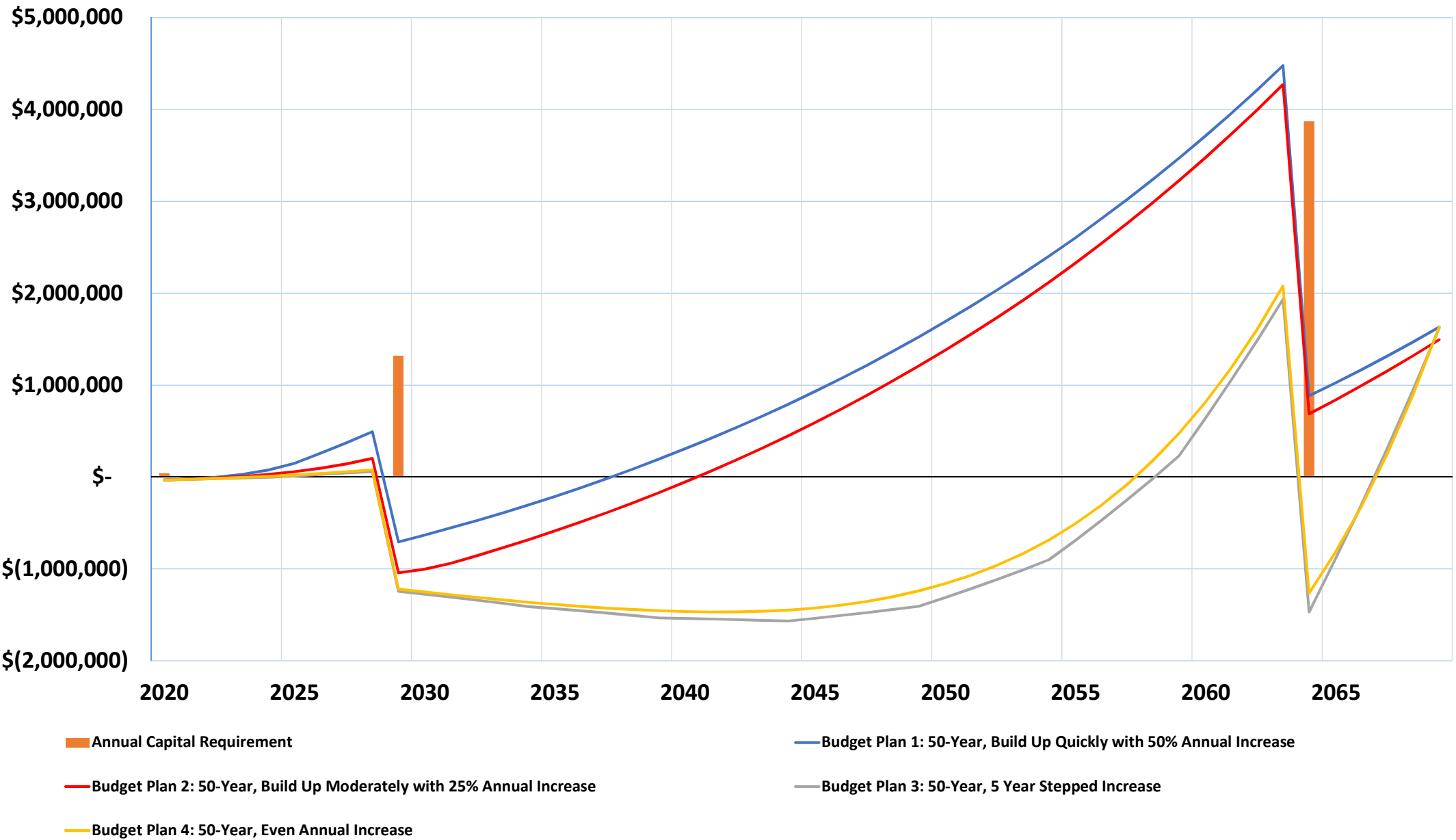
Roberts Creek Co-Housing 50 Year Capital Plan



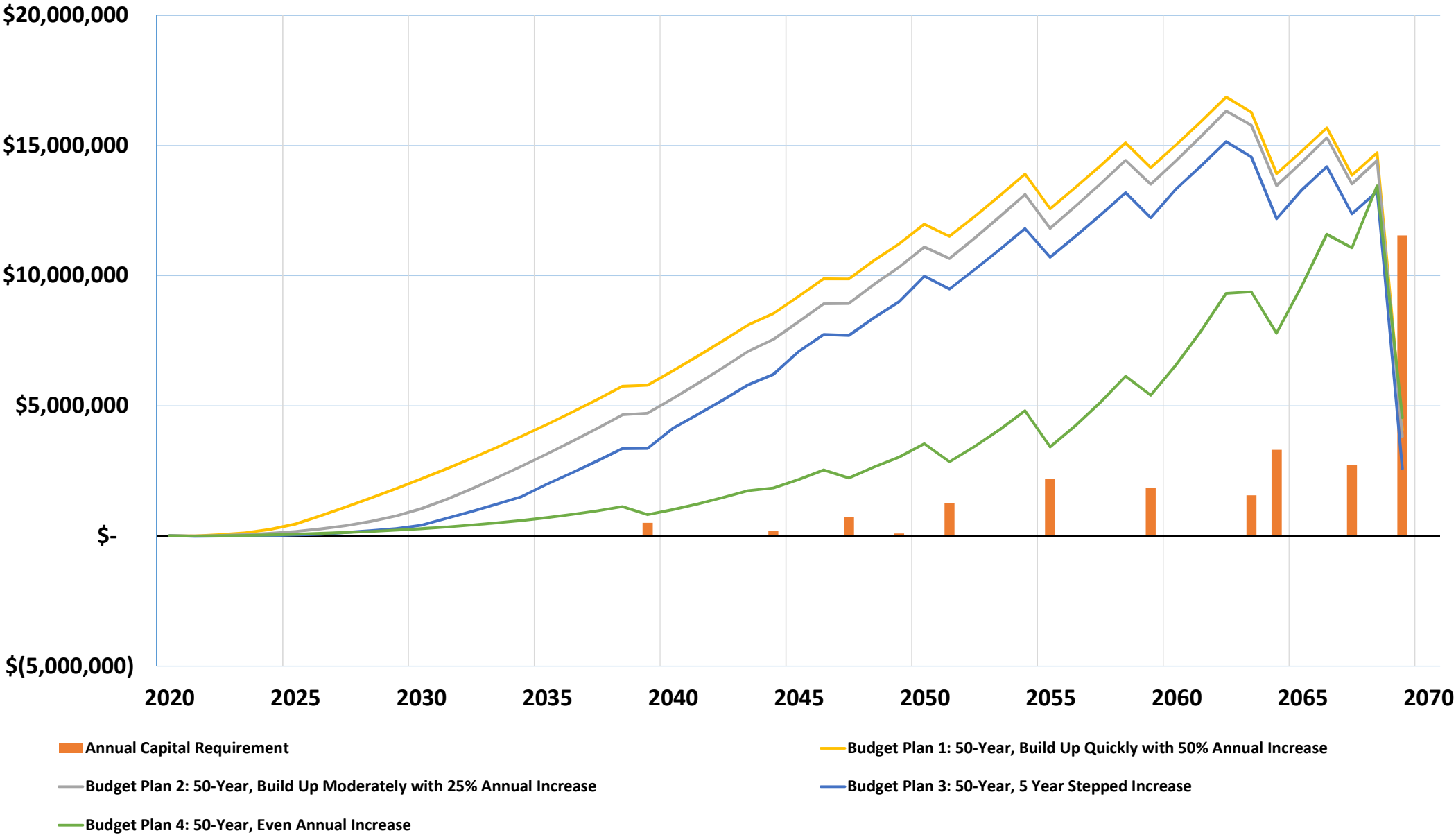
Sakinaw Ridge 50 Year Capital Plan



Secret Cove 50 Year Capital Plan



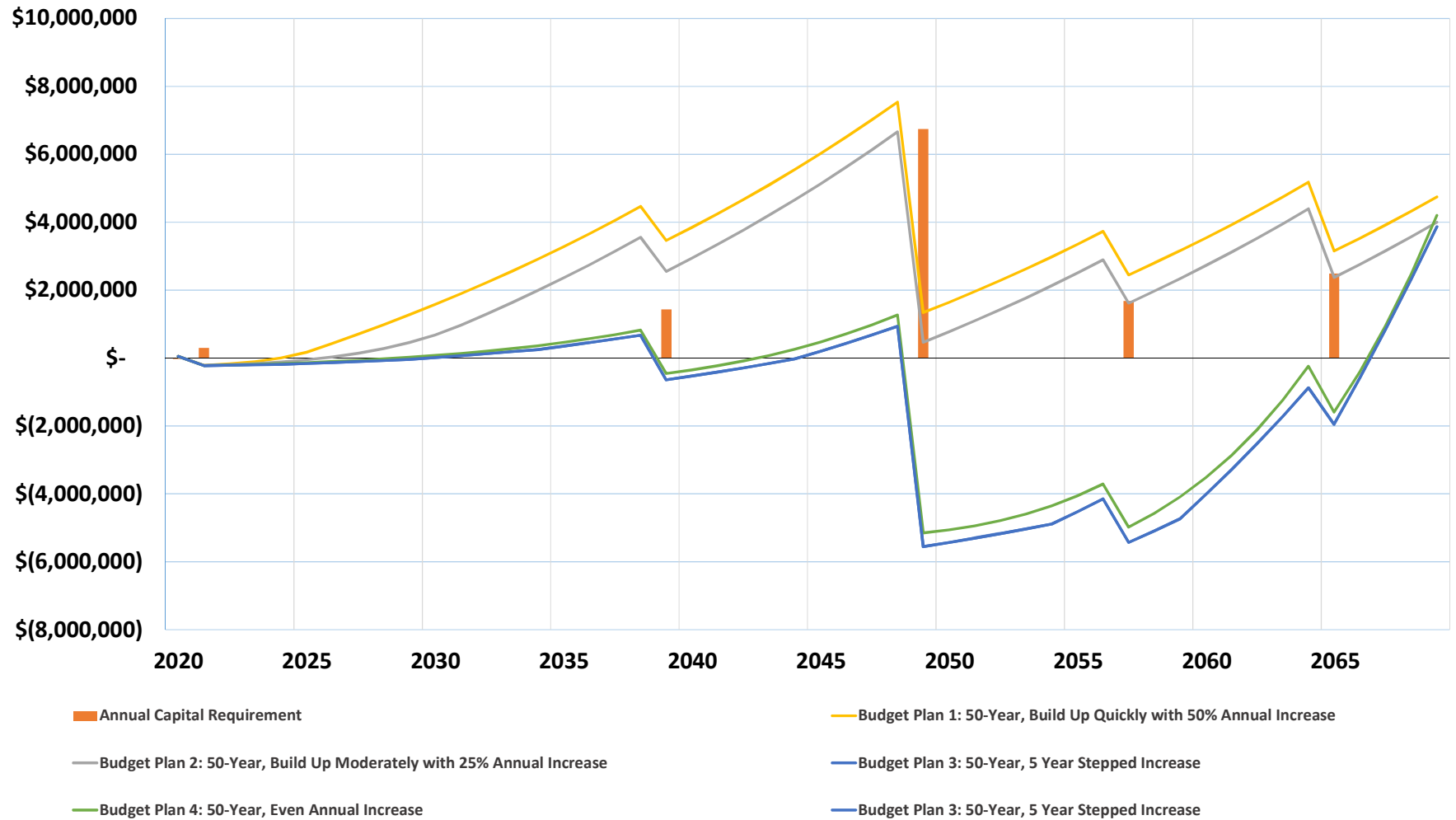
Square Bay 50 Year Capital Plan



Sunnside 50 Year Capital Plan



Woodcreek 50 Year Capital Plan



2019 Wastewater Service Review



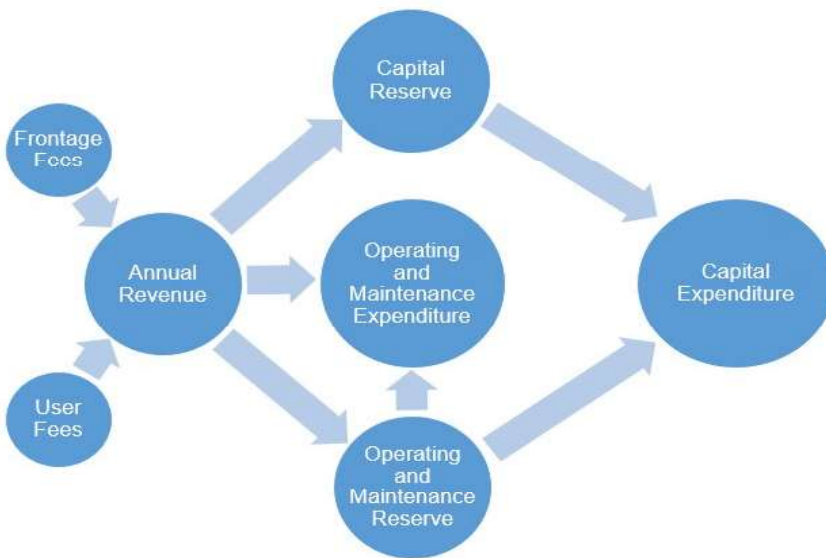
A recent review of the Canoe Road wastewater local service area was conducted as a part of the Sunshine Coast Regional District's (SCRD) efforts to implement Best Practices across all wastewater services. This review identified a funding deficit related to operations and maintenance and long-term infrastructure replacement (capital expenditures).

This fact sheet supplements the Wastewater Service Review and Asset Management Plans that were presented to residents on December 11, 2019 at the Pender Harbour Secondary School.

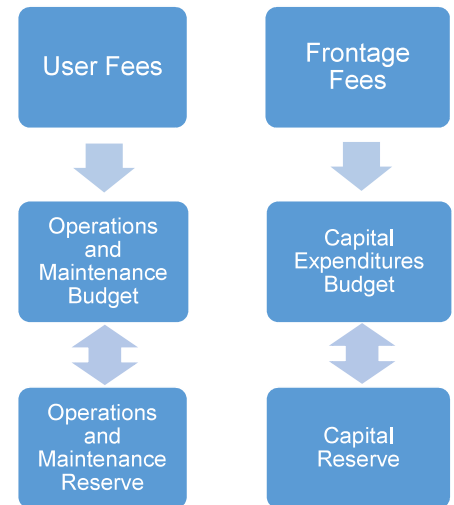
A copy of the Canoe Road Wastewater Local Service Asset Management Plan can be obtained from:
www.scrd.ca/Canoe-Road

SCRD staff have considered all necessary replacements over the next 50 years for this wastewater service. To accommodate the cost associated with these upgrades, staff have explored changes to the current funding model. These changes include increases in fees collected from residents. As illustrated below, the preferred funding model is easier for residents to understand where their money is going. Staff will present their recommendations to the Board of Directors on January 23, 2020.

Current SCRD Wastewater Funding Model



Preferred Funding Model

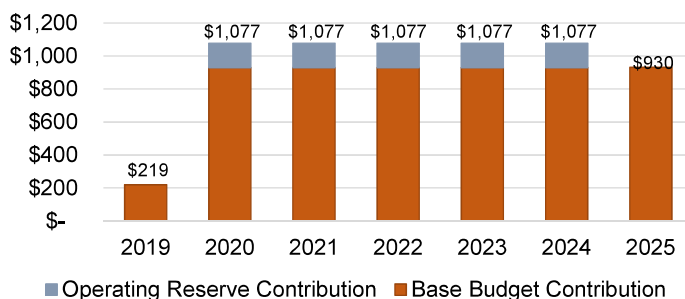


User Fee and Operations and Maintenance Budget Review

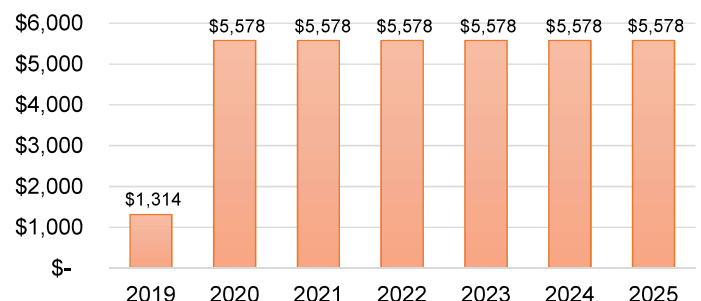
An increase of up to \$711 from 2019 user fees is being considered. The treatment system that was installed in 2019 has higher operating costs than the previous system. The SCRD has hired one additional wastewater staff to ensure wastewater systems are maintained adequately. In addition, under the preferred funding model, frontage fees would no longer contribute to the operations and maintenance budget.

Staff will propose to the Board of Directors an additional \$147 be added annually to the user fees for a period of five years in order to increase the operating reserve balance.

Projected User Fee



Projected Operating Budget



Frontage Fee and Capital Expenditures Budget Review

Unlike user fees, which only apply to those parcels connected to the wastewater treatment facility, frontage fees are applied to all parcels that are located within the local service area.

Three different 50-year models were prepared to consider how frontage fees could be increased. A summary of the key features of each model is shown to the right.

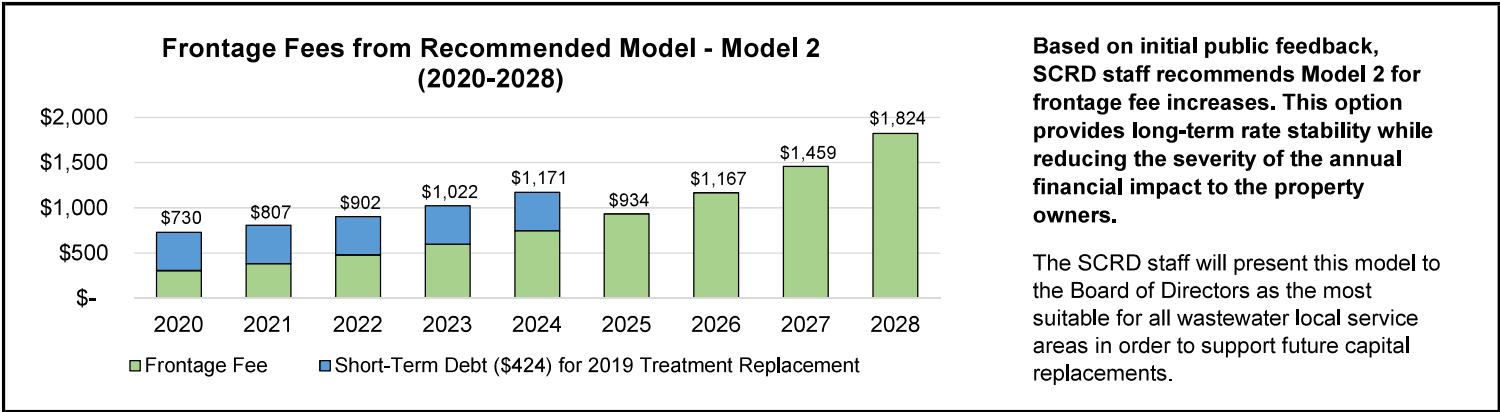
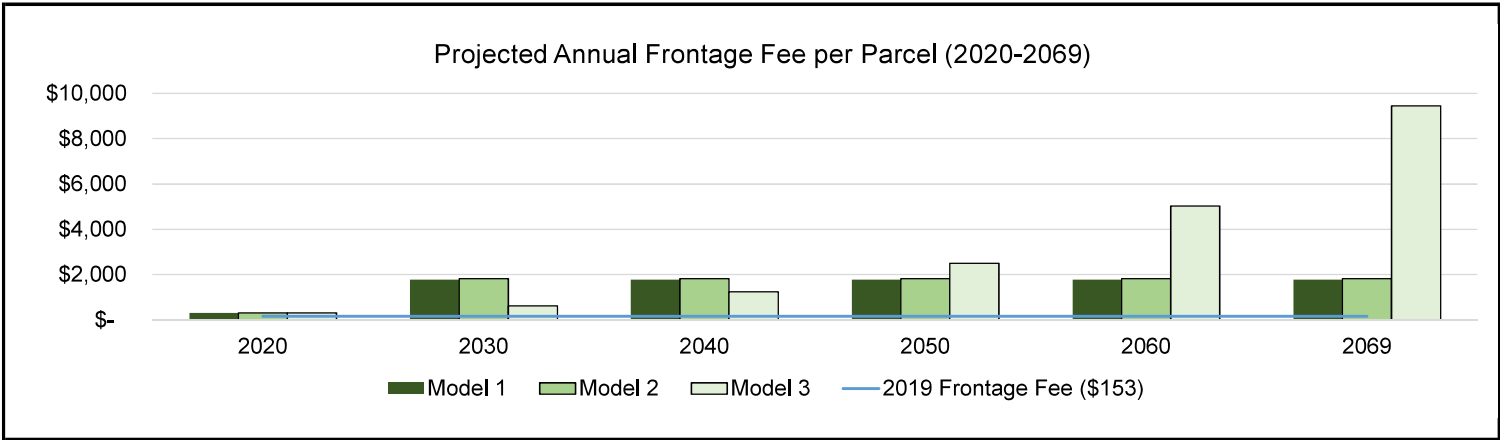
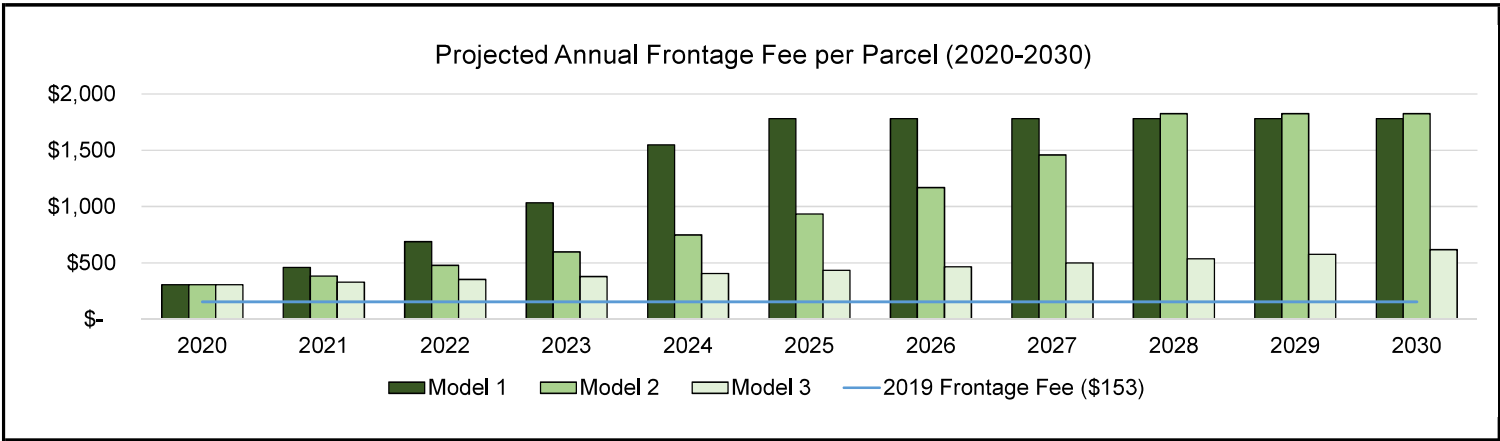
Models 1 and 2 require less overall financial contribution from residents due to accumulation of interest from the reserves.

Model 3 conflicts with the SCRD policy for financial sustainability given the excessive frontage fees in the later years. Due to this, staff are unable to promote this model as a feasible option.

Model 1
Frontage fee increases by **100%** to \$306 in 2020
Frontage fee increases by **50%** annually between 2021-2024
Frontage fee increases by **15%** annually in 2025
No additional increase in frontage fees beyond **2025**

Model 2
Frontage fee increases by **100%** to \$306 in 2020
Frontage fee increases by **25%** annually between 2021-2028
No additional increase in frontage fees beyond **2028**

Model 3
Frontage fee increases by **100%** to \$306 in 2020
Frontage fee increases by **7.25%** annually between 2021-**2069**





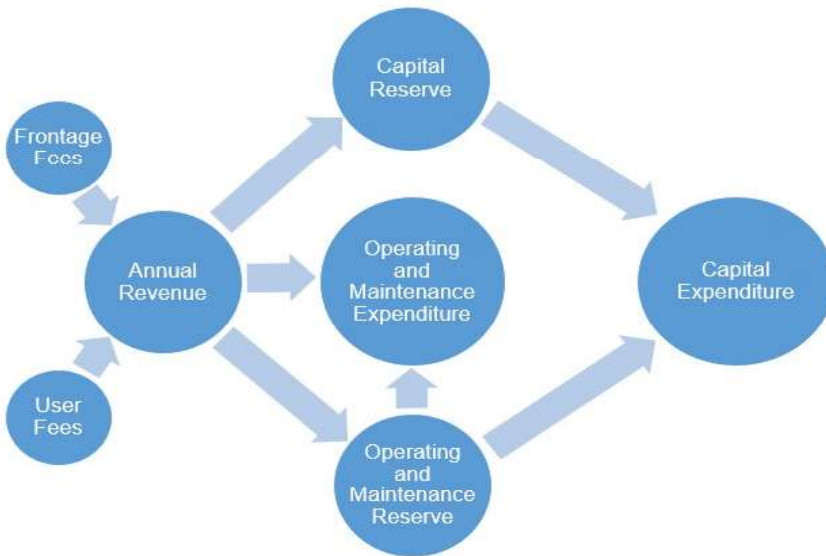
A recent review of the Curran Road wastewater local service area was conducted as a part of the Sunshine Coast Regional District's (SCRD) efforts to implement Best Practices across all wastewater services. This review identified a funding deficit related to operations and maintenance and long-term infrastructure replacement (capital expenditures).

This fact sheet supplements the Wastewater Service Review and Asset Management Plans that were presented to residents on January 7, 2020 at the Coopers Green Community Hall.

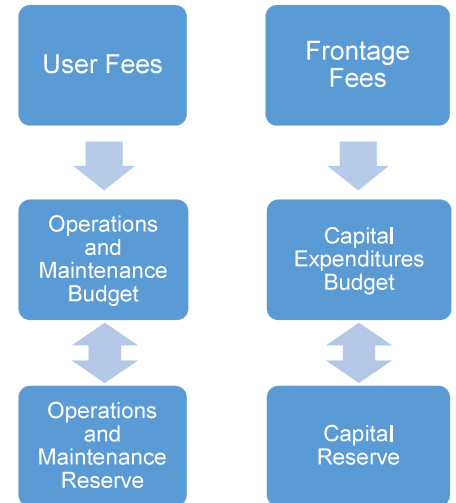
A copy of the Curran Road Wastewater Local Service Asset Management Plan can be obtained from:
www.scrd.ca/Curran-Road

SCRD staff have considered all necessary replacements over the next 50 years for this wastewater service. To accommodate the cost associated with these upgrades, staff have explored changes to the current funding model. These changes include increases in fees collected from residents. As illustrated below, the preferred funding model is easier for residents to understand where their money is going. Staff will present their recommendations to the Board of Directors on January 23, 2020.

Current SCRD Wastewater Funding Model



Preferred Funding Model

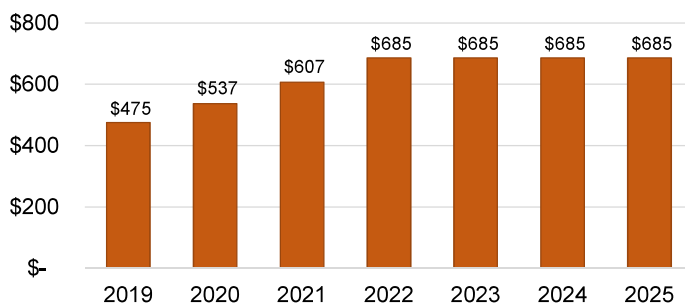


User Fee and Operations and Maintenance Budget Review

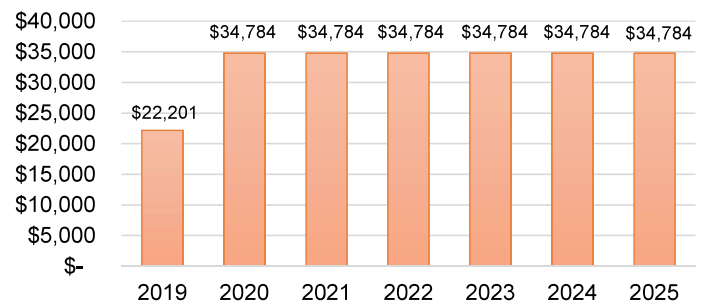
An increase of up to \$207 from 2019 user fees is being considered. The SCRD has hired one additional wastewater staff to ensure wastewater systems are maintained adequately. In addition, under the preferred funding model, frontage fees would no longer contribute to the operations and maintenance budget.

Staff are proposing three consecutive annual increases of 13% to minimize the impact of the increase. Shortfalls in the 2020 and 2021 annual revenues would be subsidized from operating reserves.

Projected User Fee



Projected Operating Budget



Frontage Fee and Capital Expenditures Budget Review

Unlike user fees, which only apply to those parcels connected to the wastewater treatment facility, frontage fees are applied to all parcels that are located within the local service area.

Three different 50-year models were prepared to consider how frontage fees could be increased. A summary of the key features of each model is shown to the right.

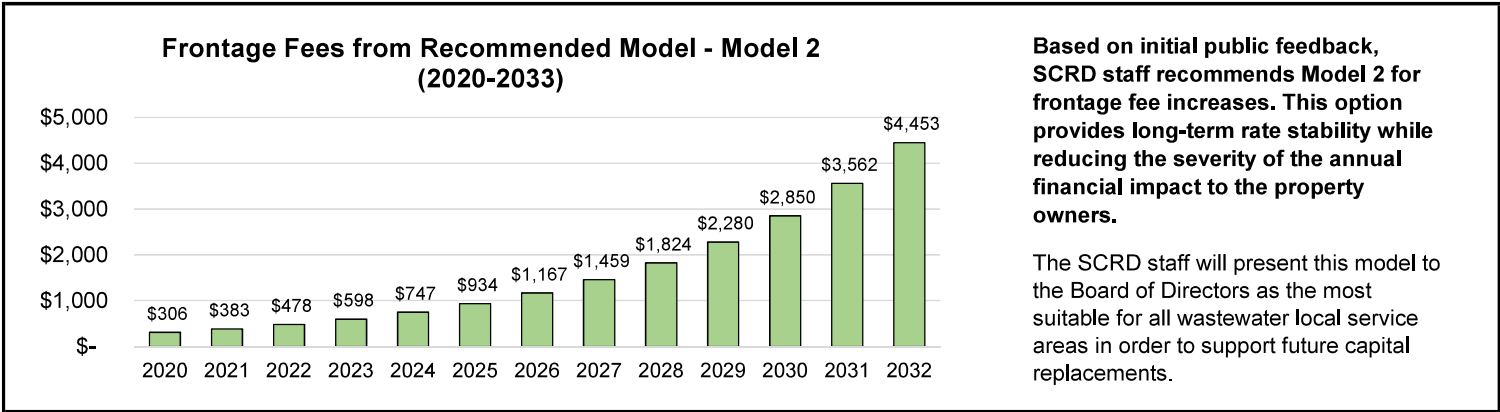
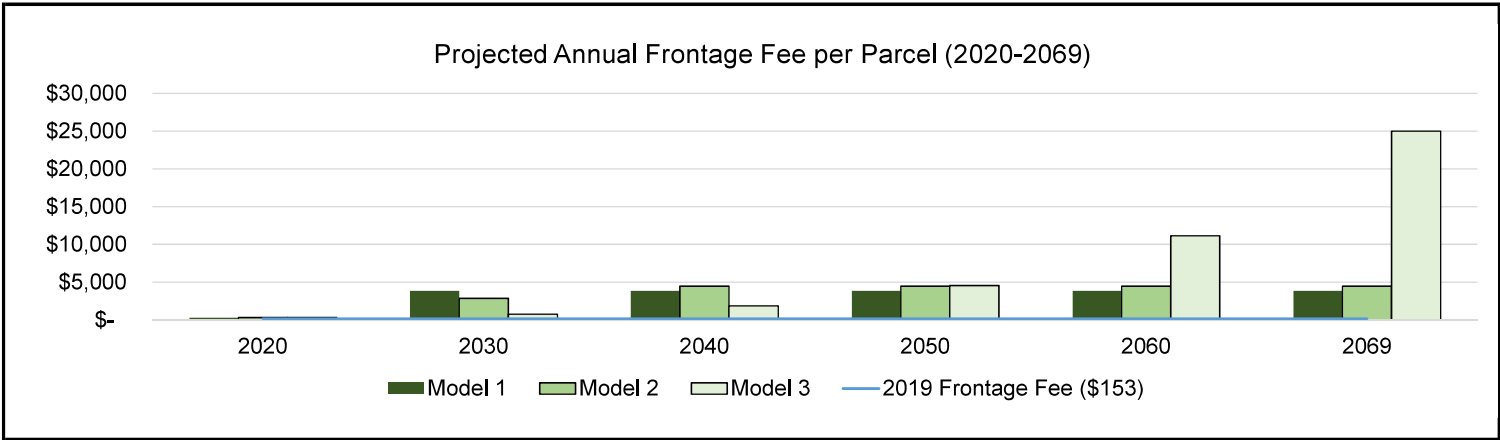
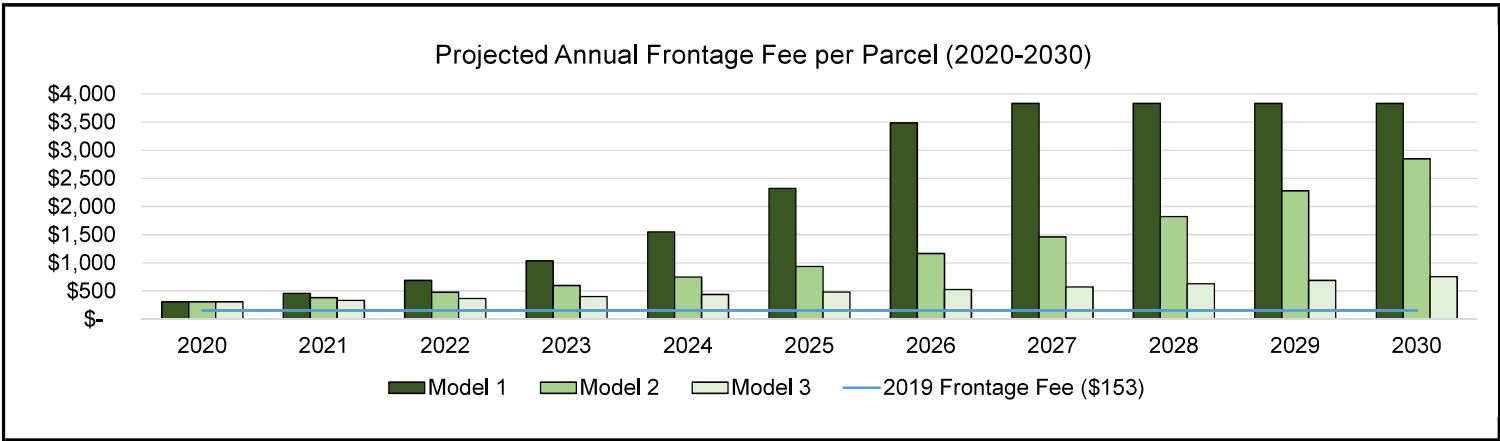
Models 1 and 2 require less overall financial contribution from residents due to accumulation of interest from the reserves.

Model 3 conflicts with the SCRD policy for financial sustainability given the excessive frontage fees in the later years. Due to this, staff are unable to promote this model as a feasible option.

Model 1
Frontage fee increases by **100%** to \$306 in 2020
Frontage fee increases by **50%** annually between 2021-2026
Frontage fee increases by **10%** in 2027
No additional increase in frontage fees beyond **2027**

Model 2
Frontage fee increases by **100%** to \$306 in 2020
Frontage fee increases by **25%** annually between 2021-2032
No additional increase in frontage fees beyond **2032**

Model 3
Frontage fee increases by **100%** to \$306 in 2020
Frontage fee increases by **9.4%** annually between 2021-2069





A recent review of the Greaves Road wastewater local service area was conducted as a part of the Sunshine Coast Regional District's (SCRD) efforts to implement Best Practices across all wastewater services. This review identified a funding deficit related to operations and maintenance and long-term infrastructure replacement (capital expenditures).

This fact sheet supplements the Wastewater Service Review and Asset Management Plans that were presented to residents on December 11, 2019 at the Pender Harbour Secondary School.

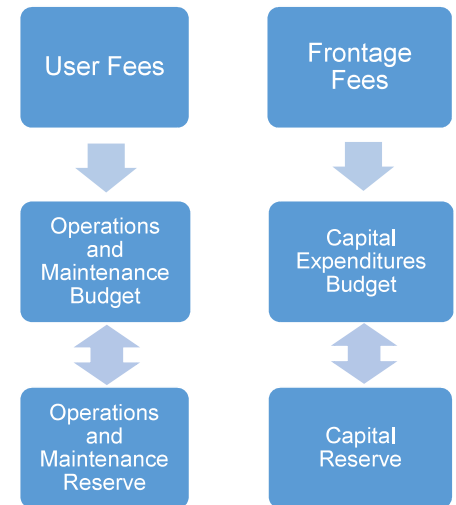
A copy of the Greaves Road Wastewater Local Service Asset Management Plan can be obtained from:
www.scrd.ca/Greaves-Road

SCRD staff have considered all necessary replacements over the next 50 years for this wastewater service. To accommodate the cost associated with these upgrades, staff have explored changes to the current funding model. These changes include increases in fees collected from residents. As illustrated below, the preferred funding model is easier for residents to understand where their money is going. Staff will present their recommendations to the Board of Directors on January 23, 2020.

Current SCRD Wastewater Funding Model



Preferred Funding Model

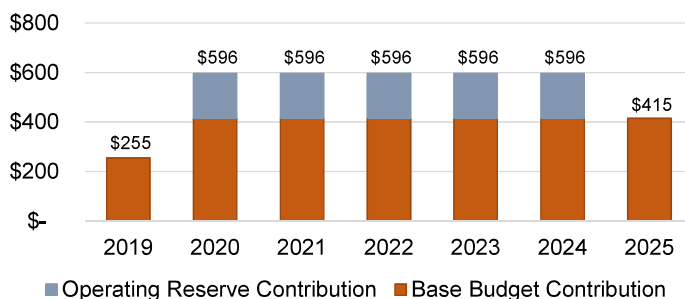


User Fee and Operations and Maintenance Budget Review

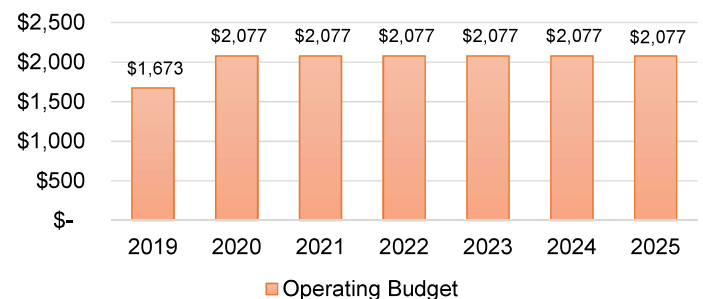
An increase of up to \$160 from 2019 user fees is being considered. The SCRD has hired one additional wastewater staff to ensure wastewater systems are maintained adequately. In addition, under the preferred funding model, frontage fees would no longer contribute to the operations and maintenance budget.

Staff will propose to the Board of Directors an additional \$181 be added to the user fees for five years in order to increase the operating reserve balance.

Projected User Fee



Projected Operating Budget



Frontage Fee and Capital Expenditures Budget Review

Unlike user fees, which only apply to those parcels connected to the wastewater treatment facility, frontage fees are applied to all parcels that are located within the local service area.

Three different 50-year models were prepared to consider how frontage fees could be increased. A summary of the key features of each model is shown to the right.

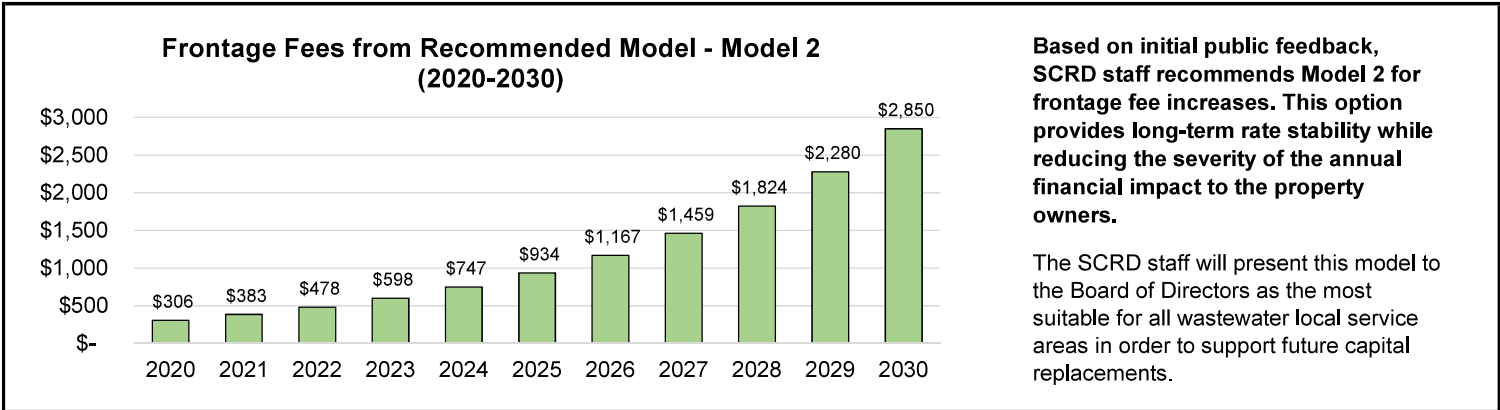
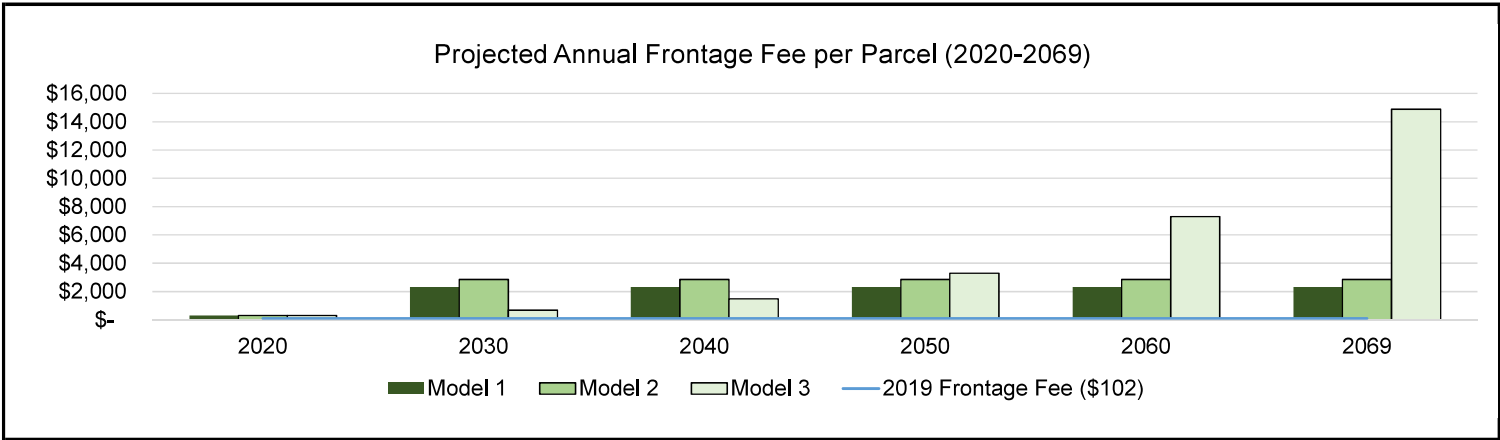
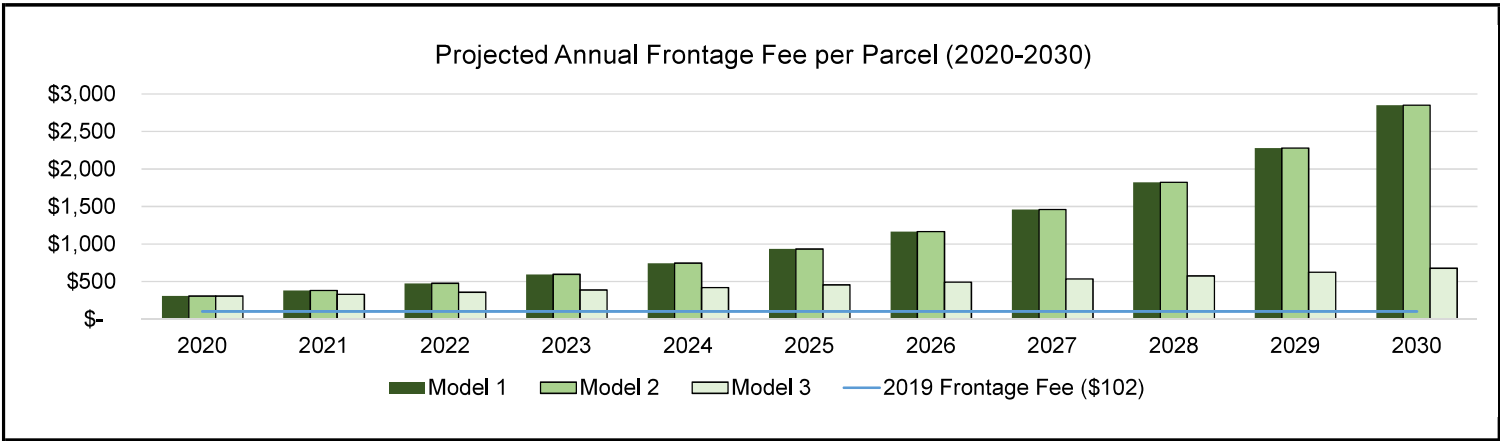
Models 1 and 2 require less overall financial contribution from residents due to accumulation of interest from the reserves.

Model 3 conflicts with the SCRD policy for financial sustainability given the excessive frontage fees in the later years. Due to this, staff are unable to promote this model as a feasible option.

Model 1
Frontage fee increases by **200%** to \$306 in 2020
Frontage fee increases by **50%** annually between 2021-2025
No additional increase in frontage fees beyond **2025**

Model 2
Frontage fee increases by **200%** to \$306 in 2020
Frontage fee increases by **25%** annually between 2021-2030
No additional increase in frontage fees beyond **2030**

Model 3
Frontage fee increases by **200%** to \$306 in 2020
Frontage fee increases by **8.25%** annually between 2021-**2069**





A recent review of the Jolly Roger wastewater local service area was conducted as a part of the Sunshine Coast Regional District's (SCRD) efforts to implement Best Practices across all wastewater services. This review identified a funding deficit related to operations and maintenance and long-term infrastructure replacement (capital expenditures).

This fact sheet supplements the Wastewater Service Review and Asset Management Plans that were presented to residents on January 7, 2020 at the Coopers Green Community Hall.

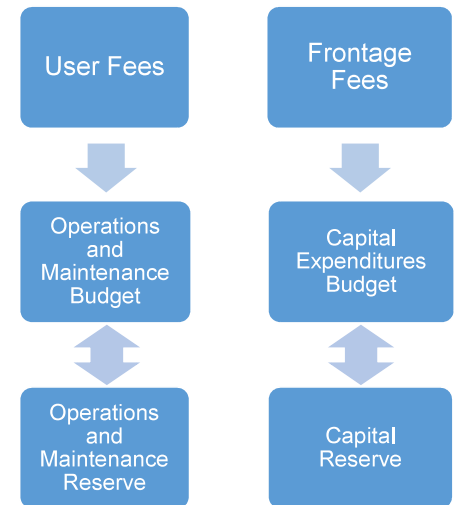
A copy of the Jolly Roger Wastewater Local Service Asset Management Plan can be obtained from:
www.scrd.ca/Jolly-Roger

SCRD staff have considered all necessary replacements over the next 50 years for this wastewater service. To accommodate the cost associated with these upgrades, staff have explored changes to the current funding model. These changes include increases in fees collected from residents. As illustrated below, the preferred funding model is easier for residents to understand where their money is going. Staff will present their recommendations to the Board of Directors on January 23, 2020.

Current SCRD Wastewater Funding Model



Preferred Funding Model

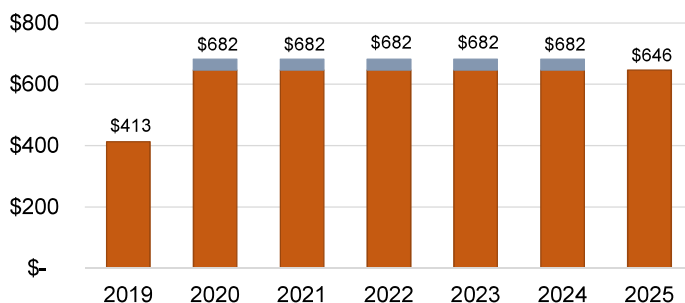


User Fee and Operations and Maintenance Budget Review

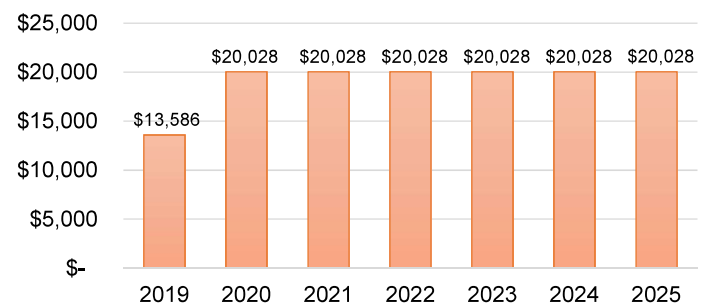
An increase of up to \$234 from 2019 user fees is being considered. The SCRD has hired one additional wastewater staff to ensure wastewater systems are maintained adequately. In addition, under the preferred funding model, frontage fees would no longer contribute to the operations and maintenance budget.

Staff will propose to the Board of Directors an additional \$36 be added annually to the user fees for a period of five years in order to increase the operating reserve balance.

Projected User Fee



Projected Operating Budget



Frontage Fee and Capital Expenditures Budget Review

Unlike user fees, which only apply to those parcels connected to the wastewater treatment facility, frontage fees are applied to all parcels that are located within the local service area.

Three different 50-year models were prepared to consider how frontage fees could be increased. A summary of the key features of each model is shown to the right.

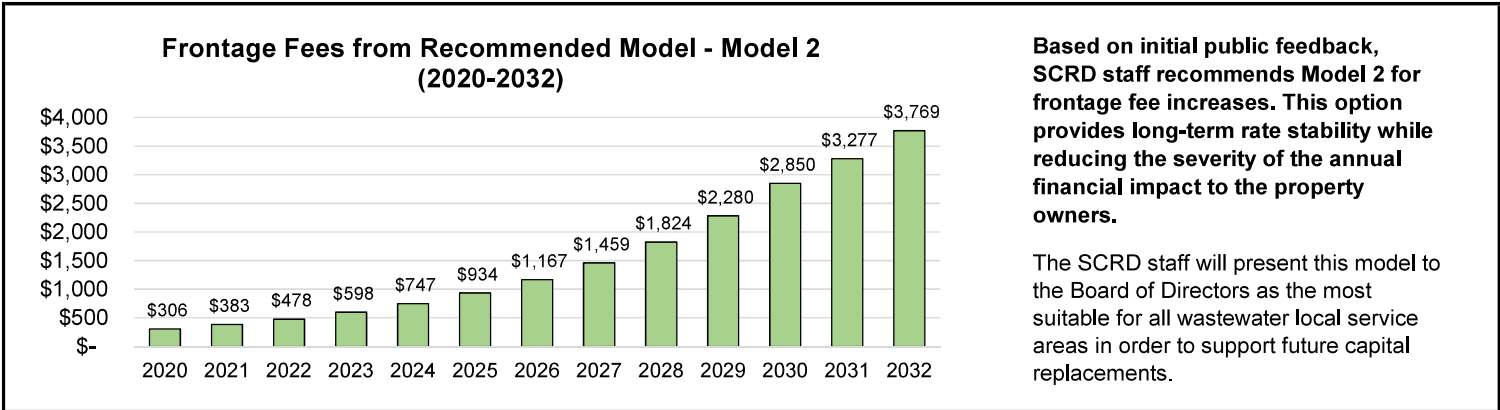
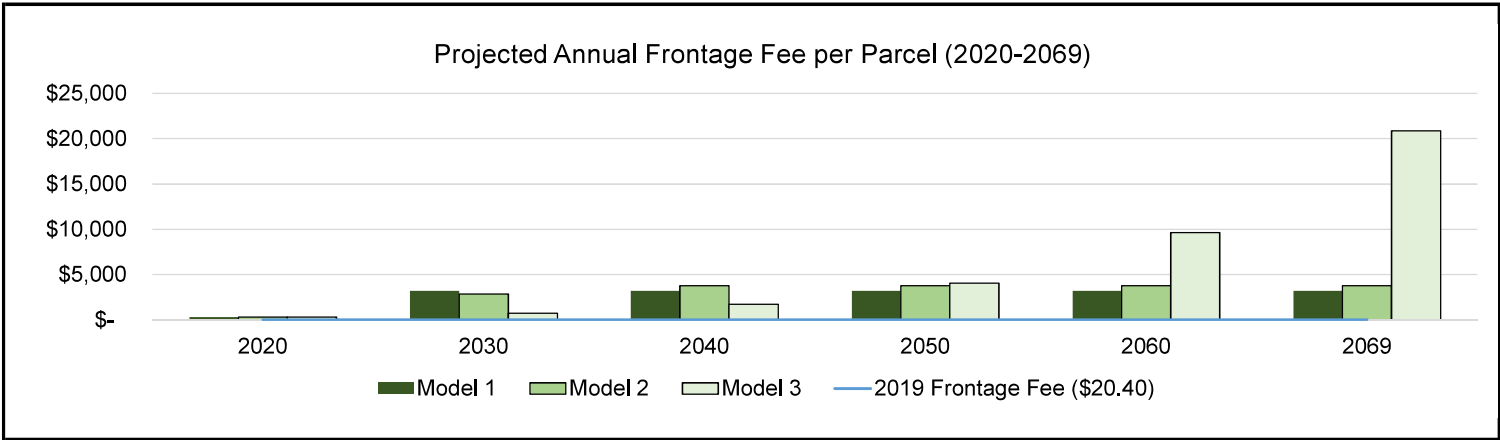
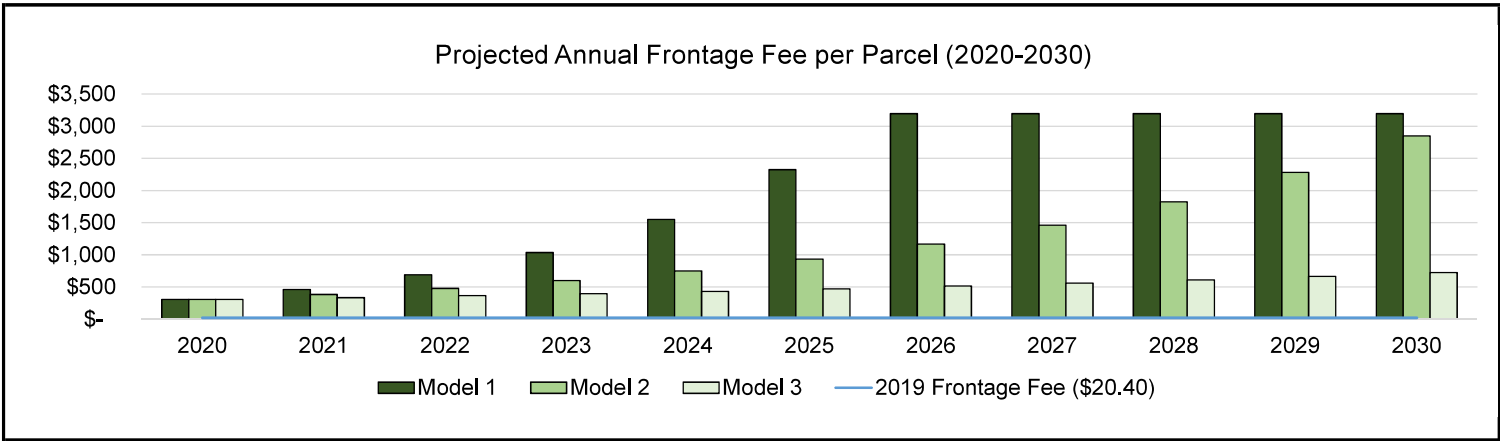
Models 1 and 2 require less overall financial contribution from residents due to accumulation of interest from the reserves.

Model 3 conflicts with the SCRD policy for financial sustainability given the excessive frontage fees in the later years. Due to this, staff are unable to promote this model as a feasible option.

Model 1
Frontage fee increases by **1400%** to \$306 in 2020
Frontage fee increases by **50%** annually between 2021-2025
Frontage fee increases by **37.5%** in 2026
No additional increase in frontage fees beyond **2026**

Model 2
Frontage fee increases by **1400%** to \$306 in 2020
Frontage fee increases by **25%** annually between 2021-2030
Frontage fee increases by **15%** in 2031 and 2032
No additional increase in frontage fees beyond **2032**

Model 3
Frontage fee increases by **1400%** to \$306 in 2020
Frontage fee increases by **9%** annually between 2021-2069





A recent review of the Langdale wastewater local service area was conducted as a part of the Sunshine Coast Regional District's (SCRD) efforts to implement Best Practices across all wastewater services. This review identified a funding deficit related to operations and maintenance and long-term infrastructure replacement (capital expenditures).

This fact sheet supplements the Wastewater Service Review and Asset Management Plans that were presented to residents on January 8, 2020 at the Frank West Community Hall.

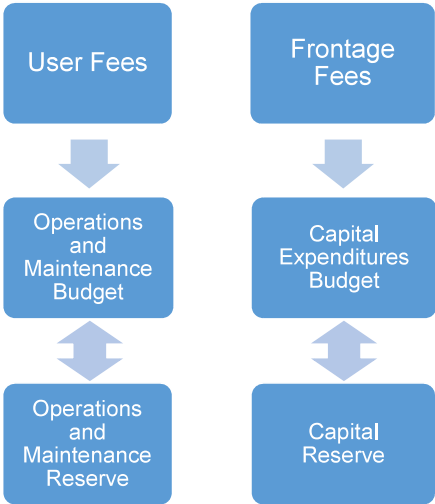
A copy of the Langdale Wastewater Local Service Asset Management Plan can be obtained from: www.scrd.ca/Langdale

SCRD staff have considered all necessary replacements over the next 50 years for this wastewater service. To accommodate the cost associated with these upgrades, staff have explored changes to the current funding model. These changes include increases in fees collected from residents. As illustrated below, the preferred funding model is easier for residents to understand where their money is going. Staff will present their recommendations to the Board of Directors on January 23, 2020.

Current SCRD Wastewater Funding Model

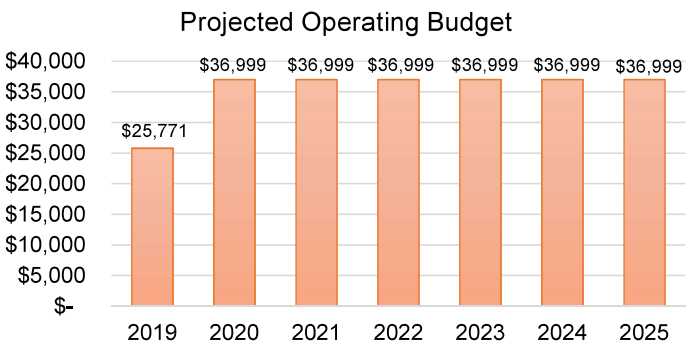
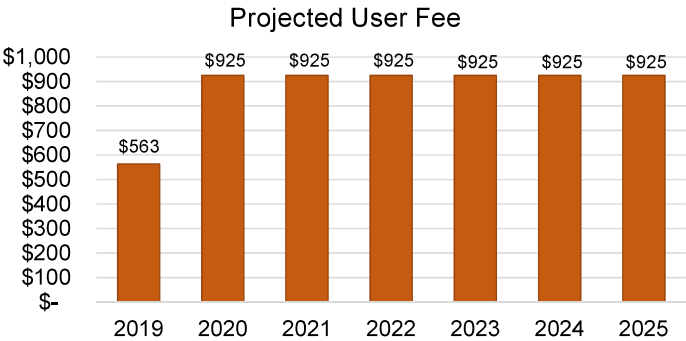


Preferred Funding Model



User Fee and Operations and Maintenance Budget Review

An increase of up to \$362 from 2019 user fees is being considered. The SCRD has hired one additional wastewater staff to ensure wastewater systems are maintained adequately. In addition, under the preferred funding model, frontage fees would no longer contribute to the operations and maintenance budget.



Frontage Fee and Capital Expenditures Budget Review

Unlike user fees, which only apply to those parcels connected to the wastewater treatment facility, frontage fees are applied to all parcels that are located within the local service area.

Three different 50-year models were prepared to consider how frontage fees could be increased. A summary of the key features of each model is shown to the right.

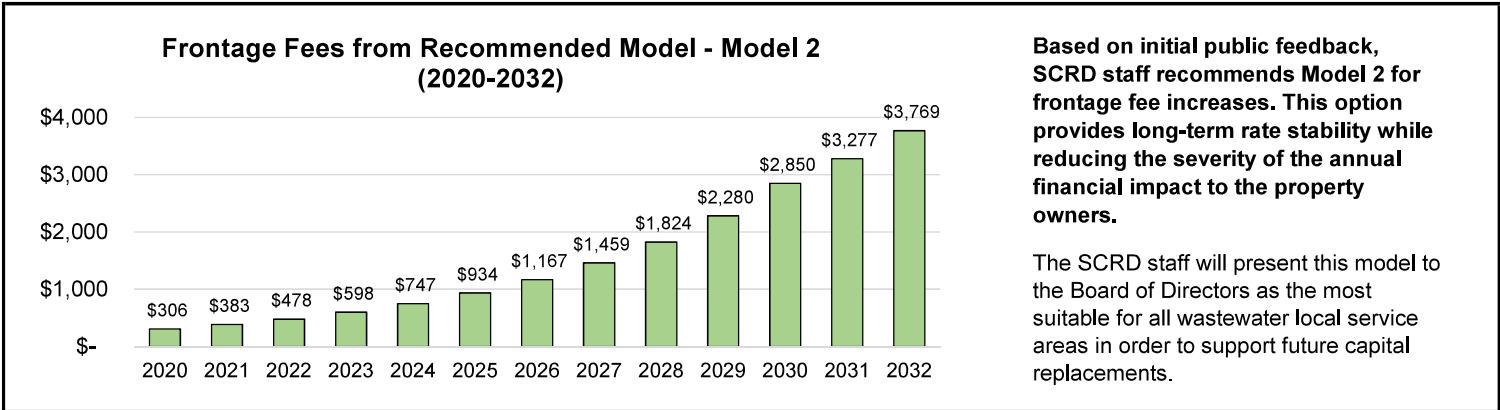
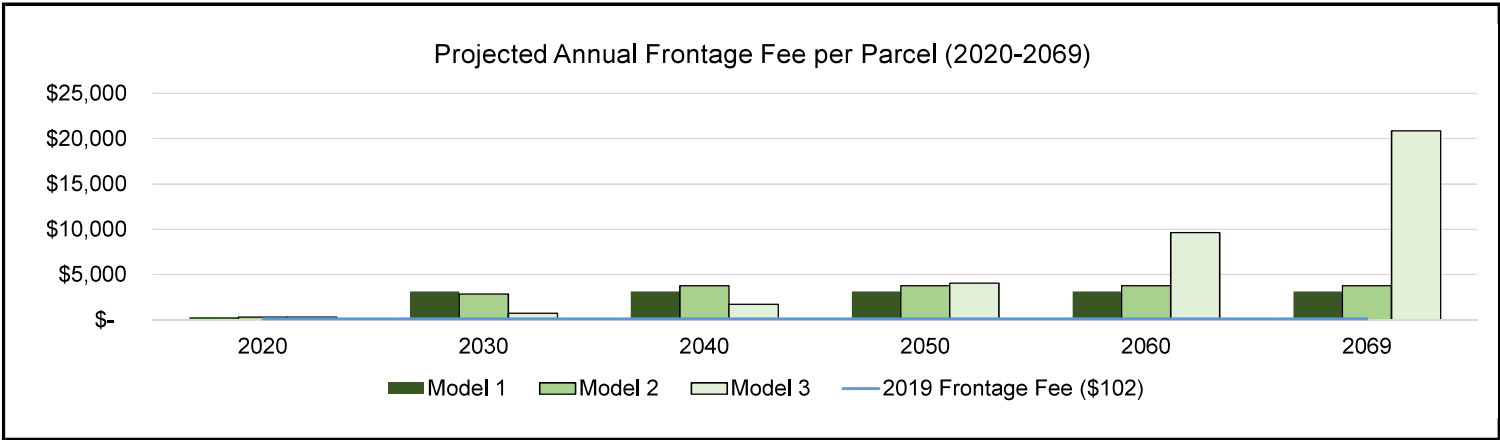
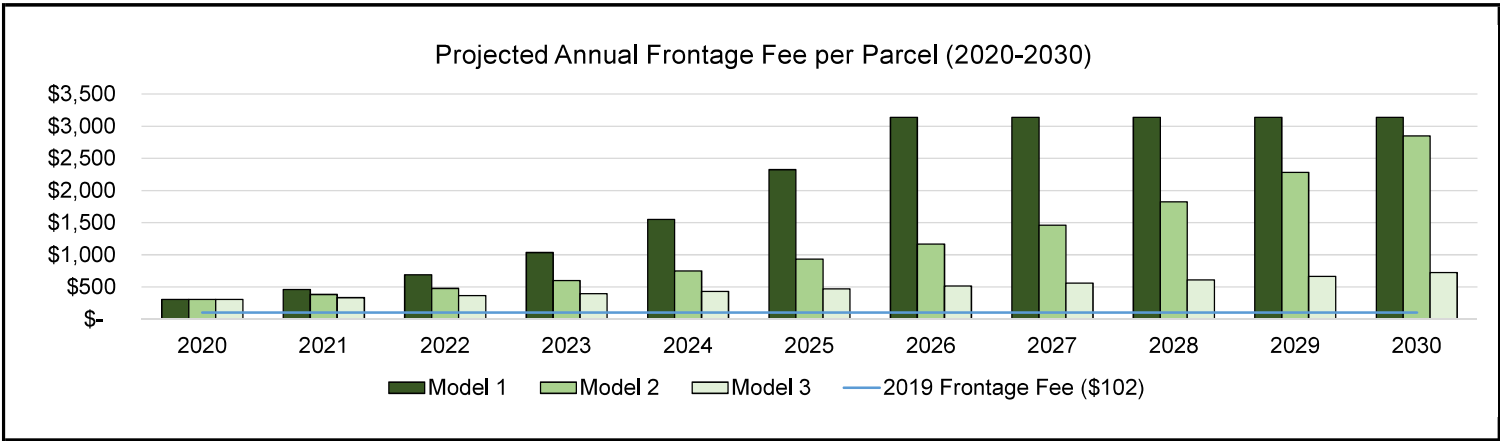
Models 1 and 2 require less overall financial contribution from residents due to accumulation of interest from the reserves.

Model 3 conflicts with the SCRD policy for financial sustainability given the excessive frontage fees in the later years. Due to this, staff are unable to promote this model as a feasible option.

Model 1
Frontage fee increases by **200%** to \$306 in 2020
Frontage fee increases by **50%** annually between 2021-2025
Frontage fee increases by **35%** in 2026
No additional increase in frontage fees beyond **2026**

Model 2
Frontage fee increases by **200%** to \$306 in 2020
Frontage fee increases by **25%** annually between 2021-2030
Frontage fee increases by **15%** in 2031 and 2032
No additional increase in frontage fees beyond **2032**

Model 3
Frontage fee increases by **200%** to \$306 in 2020
Frontage fee increases by **9%** annually between 2021-**2069**





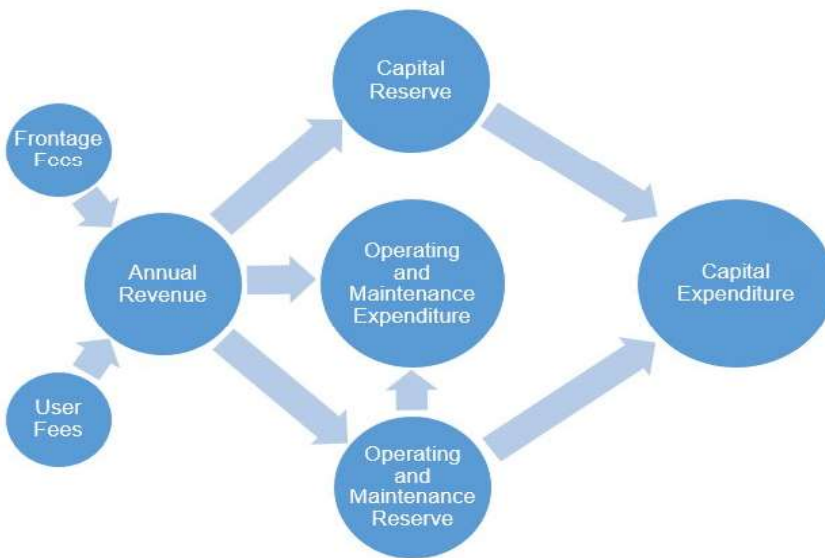
A recent review of the Lee Bay wastewater local service area was conducted as a part of the Sunshine Coast Regional District's (SCRD) efforts to implement Best Practices across all wastewater services. This review identified a funding deficit related to operations and maintenance and long-term infrastructure replacement (capital expenditures).

This fact sheet supplements the Wastewater Service Review and Asset Management Plans that were presented to residents on December 11, 2019 at the Pender Harbour Secondary School.

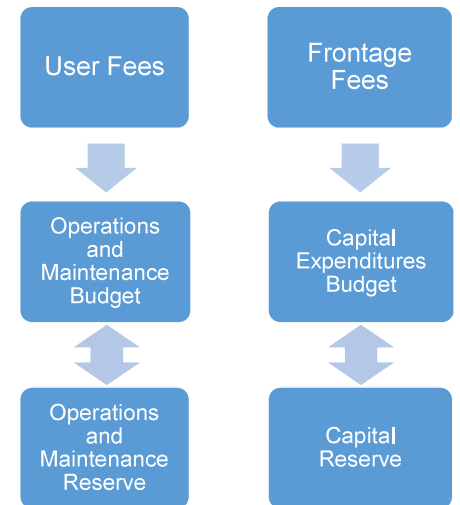
A copy of the Lee Bay Wastewater Local Service Asset Management Plan can be obtained from:
www.scrd.ca/Lee-Bay

SCRD staff have considered all necessary replacements over the next 50 years for this wastewater service. To accommodate the cost associated with these upgrades, staff have explored changes to the current funding model. These changes include increases in fees collected from residents. As illustrated below, the preferred funding model is easier for residents to understand where their money is going. Staff will present their recommendations to the Board of Directors on January 23, 2020.

Current SCRD Wastewater Funding Model



Preferred Funding Model

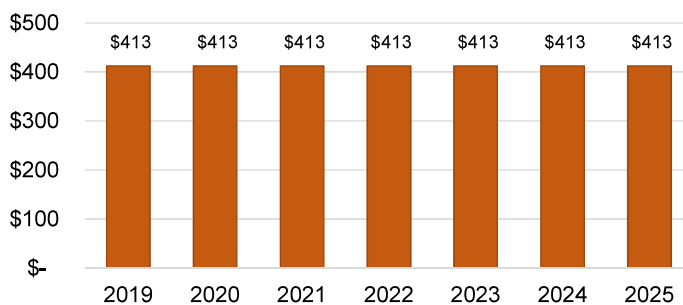


User Fee and Operations and Maintenance Budget Review

Increases to user fees are not projected for the residents at the Lee Bay local service area for the 2020 operating budget.

The projected operating budget for 2020 and beyond has been reduced due to the presence of a well established operating reserve.

Projected User Fee



Projected Operating Budget



Frontage Fee and Capital Expenditures Budget Review

Unlike user fees, which only apply to those parcels connected to the wastewater treatment facility, frontage fees are applied to all parcels that are located within the local service area.

Three different 50-year models were prepared to consider how frontage fees could be increased. A summary of the key features of each model is shown to the right.

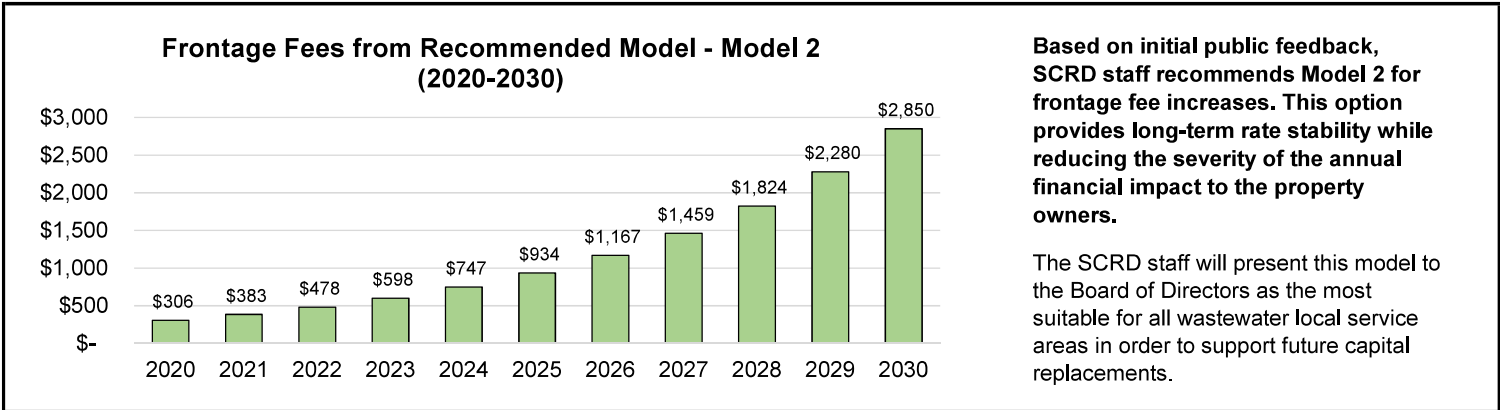
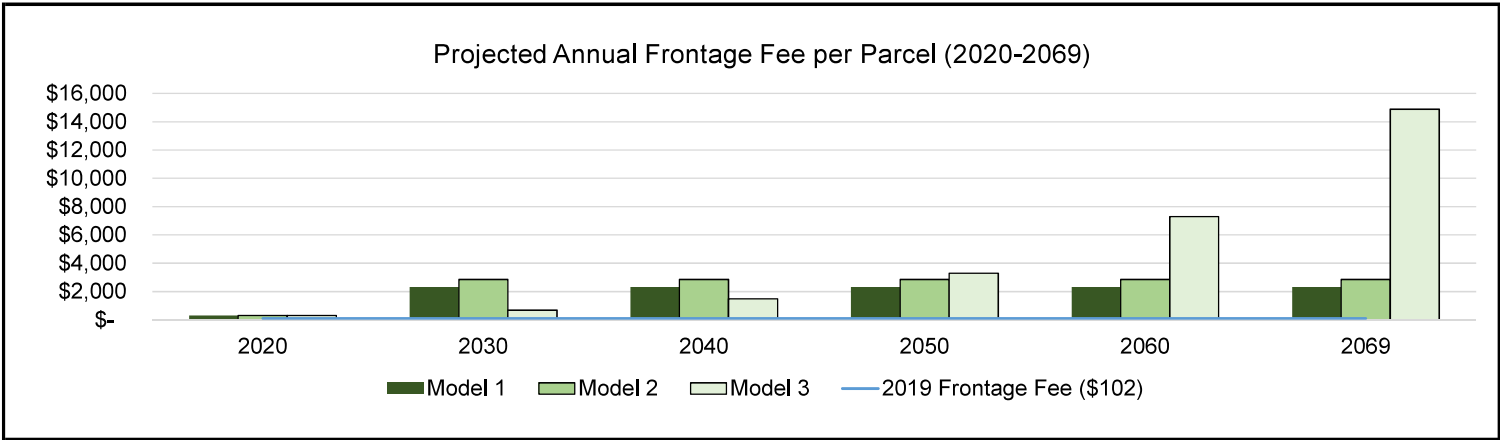
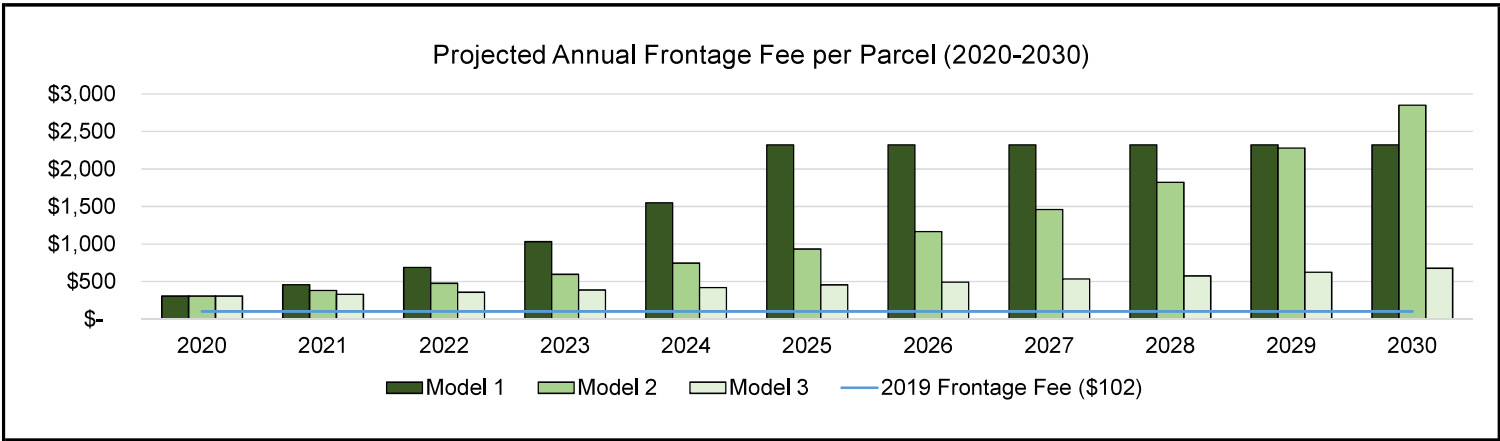
Models 1 and 2 require less overall financial contribution from residents due to accumulation of interest from the reserves.

Model 3 conflicts with the SCRD policy for financial sustainability given the excessive frontage fees in the later years. Due to this, staff are unable to promote this model as a feasible option.

Model 1
Frontage fee increases by **200%** to \$306 in 2020
Frontage fee increases by **50%** annually between 2021-2025
No additional increase in frontage fees beyond **2025**

Model 2
Frontage fee increases by **200%** to \$306 in 2020
Frontage fee increases by **25%** annually between 2021-2030
No additional increase in frontage fees beyond **2030**

Model 3
Frontage fee increases by **200%** to \$306 in 2020
Frontage fee increases by **8.25%** annually between 2021-2069





A recent review of the Lily Lake Village wastewater local service area was conducted as a part of the Sunshine Coast Regional District's (SCRD) efforts to implement Best Practices across all wastewater services. This review identified a funding deficit related to operations and maintenance and long-term infrastructure replacement (capital expenditures).

This fact sheet supplements the Wastewater Service Review and Asset Management Plans that were presented to residents on December 11, 2019 at the Pender Harbour Secondary School.

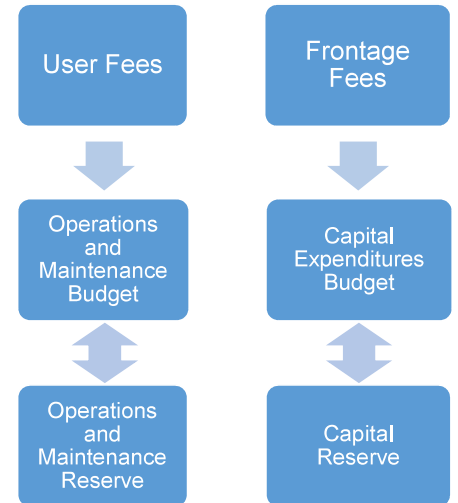
A copy of the Lily Lake Village Wastewater Local Service Asset Management Plan can be obtained from:
www.scrd.ca/Lily-Lake

SCRD staff have considered all necessary replacements over the next 50 years for this wastewater service. To accommodate the cost associated with these upgrades, staff have explored changes to the current funding model. These changes include increases in fees collected from residents. As illustrated below, the preferred funding model is easier for residents to understand where their money is going. Staff will present their recommendations to the Board of Directors on January 23, 2020.

Current SCRD Wastewater Funding Model



Preferred Funding Model

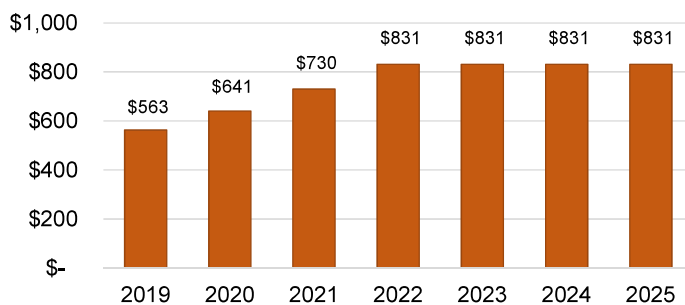


User Fee and Operations and Maintenance Budget Review

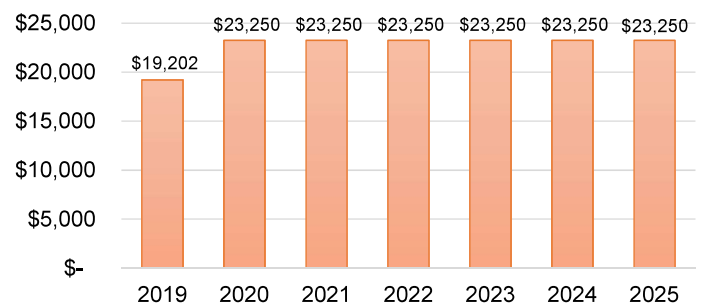
An increase of up to \$268 from 2019 user fees is being considered. The SCRD has hired one additional wastewater staff to ensure wastewater systems are maintained adequately. In addition, under the preferred funding model, frontage fees would no longer contribute to the operations and maintenance budget.

Staff are proposing three consecutive annual increases of 14% to minimize the impact of the increase. Shortfalls in the 2020 and 2021 annual revenues would be subsidized from operating reserves.

Projected User Fee



Projected Operating Budget



Frontage Fee and Capital Expenditures Budget Review

Unlike user fees, which only apply to those parcels connected to the wastewater treatment facility, frontage fees are applied to all parcels that are located within the local service area.

Three different 50-year models were prepared to consider how frontage fees could be increased. A summary of the key features of each model is shown to the right.

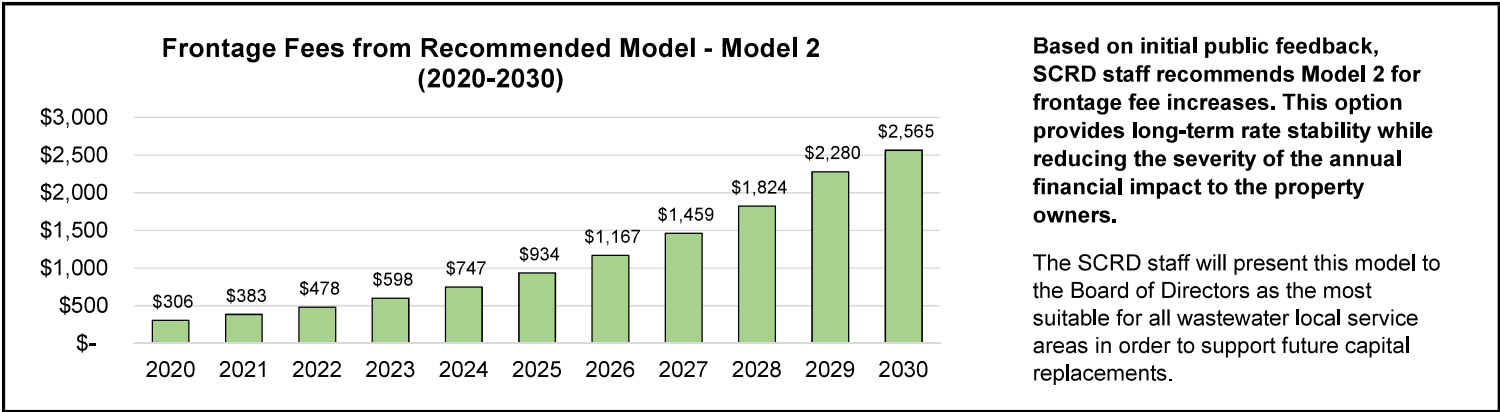
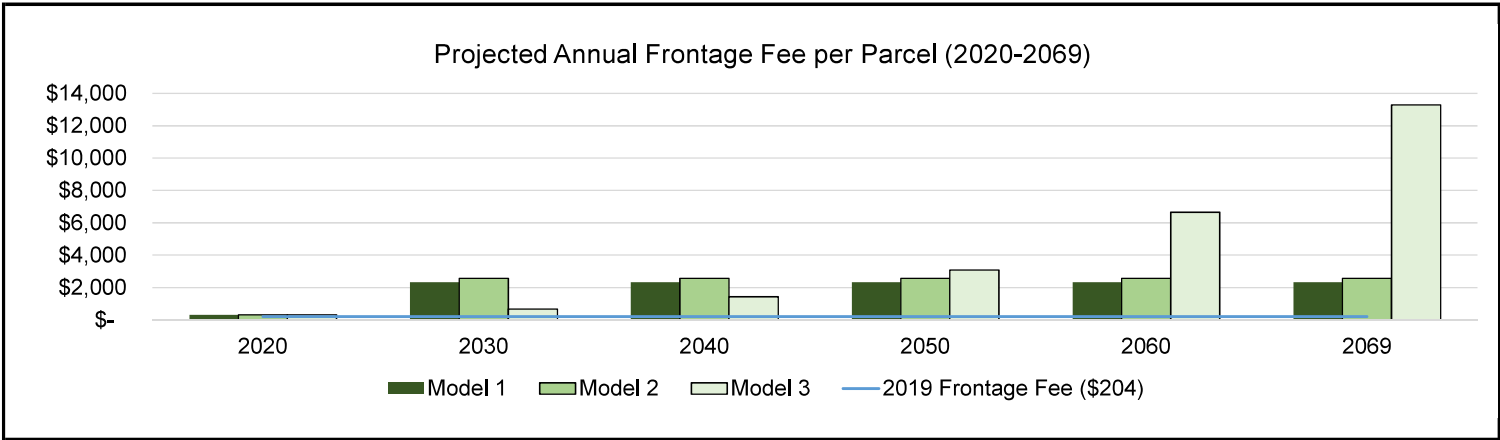
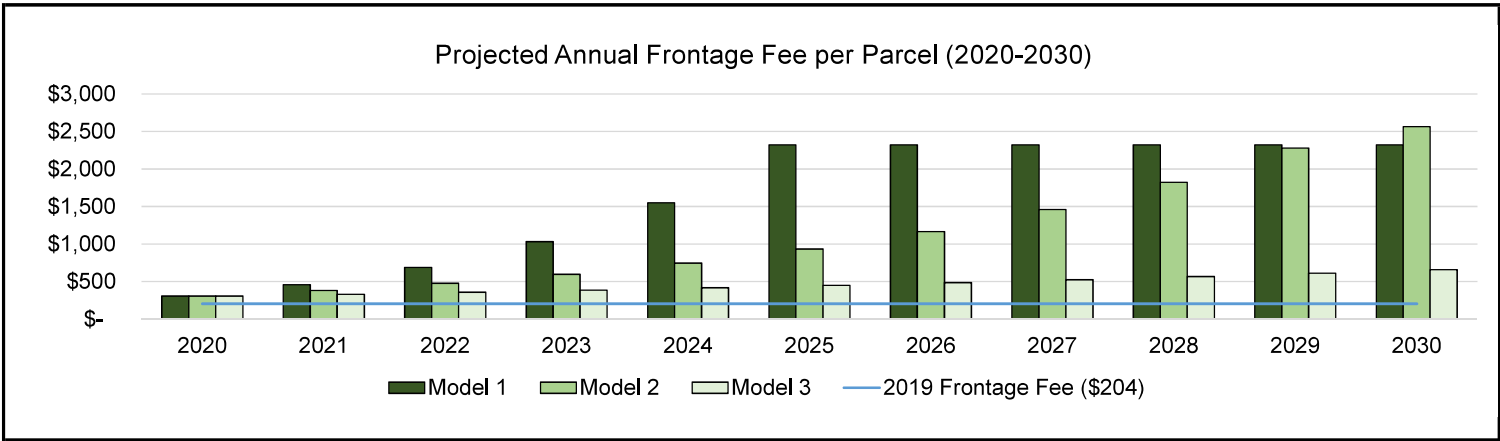
Models 1 and 2 require less overall financial contribution from residents due to accumulation of interest from the reserves.

Model 3 conflicts with the SCRD policy for financial sustainability given the excessive frontage fees in the later years. Due to this, staff are unable to promote this model as a feasible option.

Model 1
Frontage fee increases by **50%** to \$306 in 2020
Frontage fee increases by **50%** annually between 2021-2025
No additional increase in frontage fees beyond **2025**

Model 2
Frontage fee increases by **50%** to \$306 in 2020
Frontage fee increases by **25%** annually between 2021-2029
Frontage fee increases by **12.5%** in 2030
No additional increase in frontage fees beyond **2030**

Model 3
Frontage fee increases by **50%** to \$306 in 2020
Frontage fee increases by **8%** annually between 2021-2069





A recent review of the Merrill Crescent wastewater local service area was conducted as a part of the Sunshine Coast Regional District's (SCRD) efforts to implement Best Practices across all wastewater services. This review identified a funding deficit related to operations and maintenance and long-term infrastructure replacement (capital expenditures).

This fact sheet supplements the Wastewater Service Review and Asset Management Plans that were presented to residents on December 11, 2019 at the Pender Harbour Secondary School.

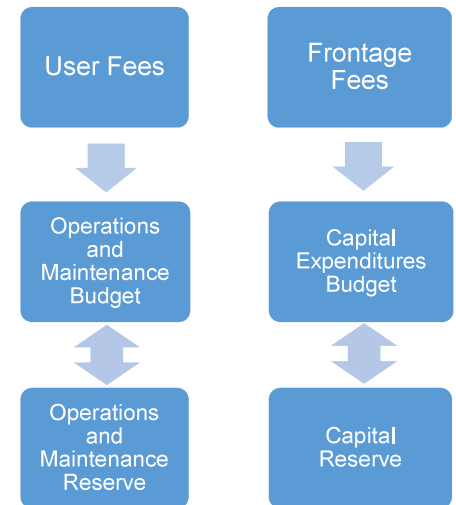
A copy of the Merrill Crescent Wastewater Local Service Asset Management Plan can be obtained from:
www.scrd.ca/Merrill-Crescent

SCRD staff have considered all necessary replacements over the next 50 years for this wastewater service. To accommodate the cost associated with these upgrades, staff have explored changes to the current funding model. These changes include increases in fees collected from residents. As illustrated below, the preferred funding model is easier for residents to understand where their money is going. Staff will present their recommendations to the Board of Directors on January 23, 2020.

Current SCRD Wastewater Funding Model



Preferred Funding Model

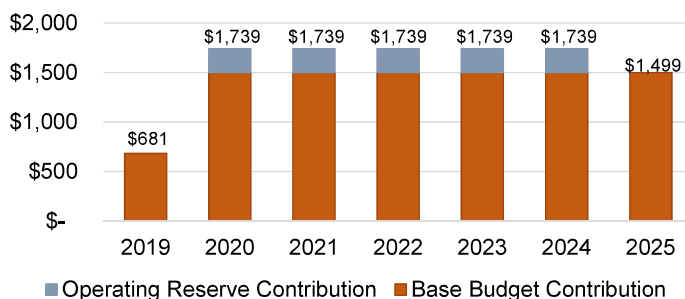


User Fee and Operations and Maintenance Budget Review

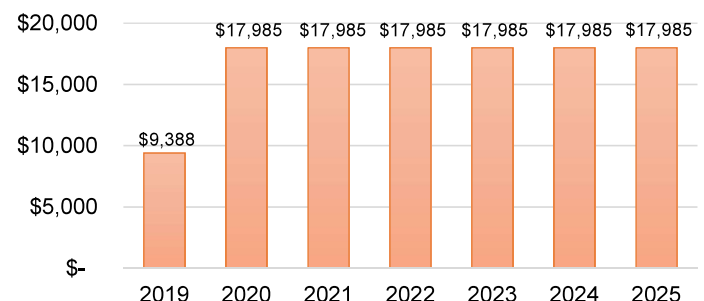
An increase of up to \$818 from 2019 user fees is being considered. The SCRD has hired one additional wastewater staff to ensure wastewater systems are maintained adequately. In addition, under the preferred funding model, frontage fees would no longer contribute to the operations and maintenance budget.

Staff will propose to the Board of Directors that \$240 be added annually to the user fees for a period of five years in order to establish a sufficient operating reserve balance.

Projected User Fee



Projected Operating Budget



Frontage Fee and Capital Expenditures Budget Review

Unlike user fees, which only apply to those parcels connected to the wastewater treatment facility, frontage fees are applied to all parcels that are located within the local service area.

Three different 50-year models were prepared to consider how frontage fees could be increased. A summary of the key features of each model is shown to the right.

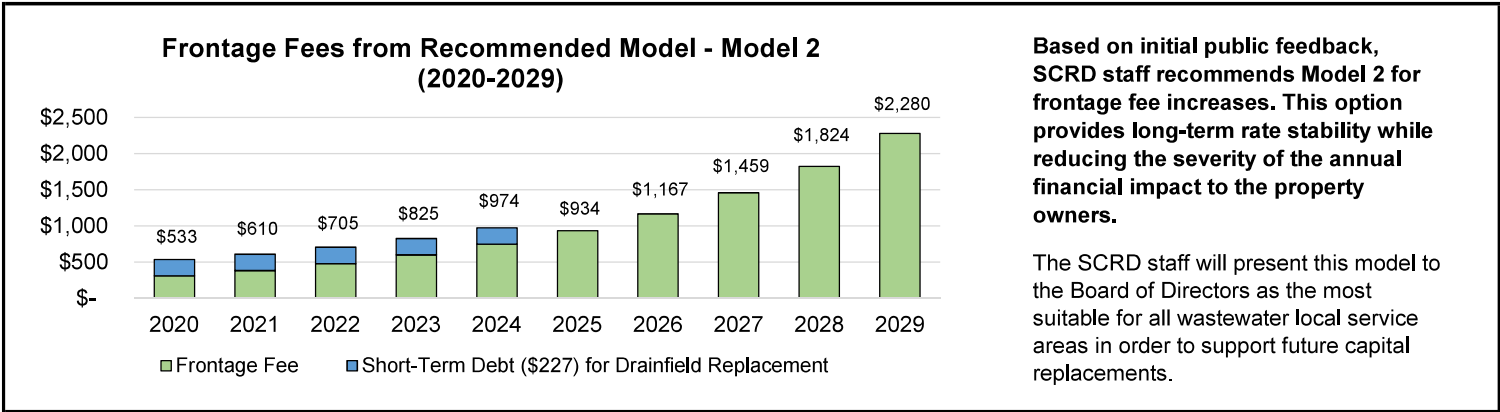
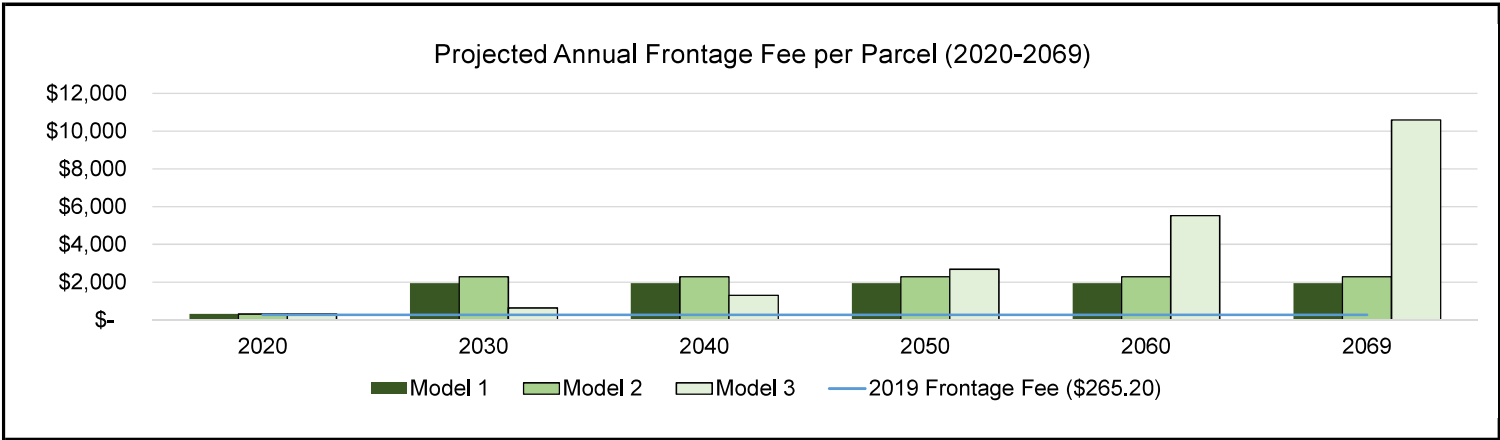
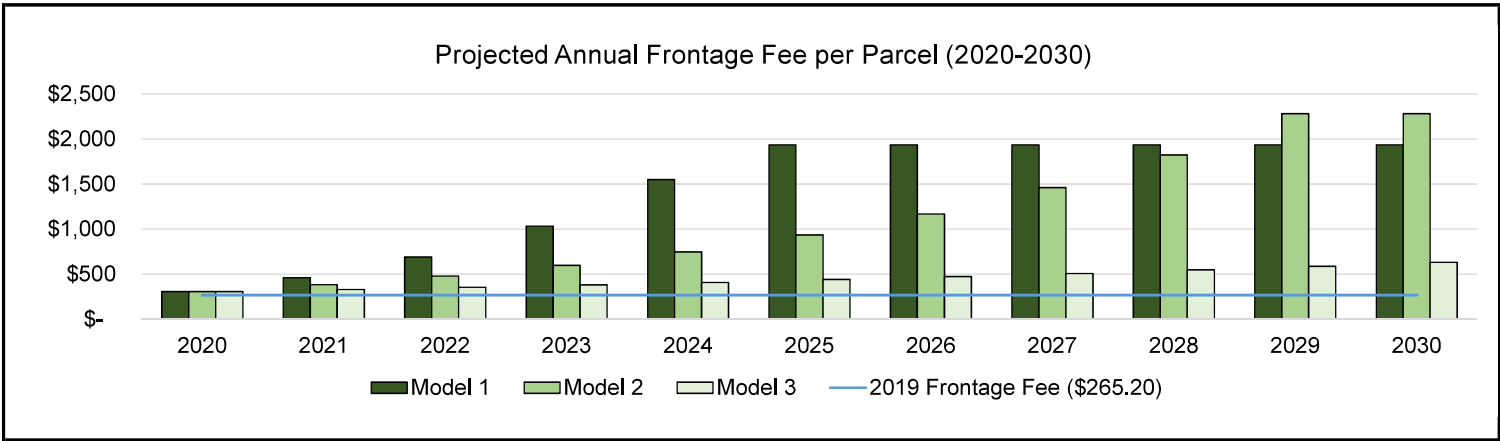
Models 1 and 2 require less overall financial contribution from residents due to accumulation of interest from the reserves.

Model 3 conflicts with the SCRD policy for financial sustainability given the excessive frontage fees in the later years. Due to this, staff are unable to promote this model as a feasible option.

Model 1
Frontage fee increases by **15.4%** to \$306 in 2020
Frontage fee increases by **50%** annually between 2021-2024
Frontage fee increases by **25%** in 2025
No additional increase in frontage fees beyond **2025**

Model 2
Frontage fee increases by **15.4%** to \$306 in 2020
Frontage fee increases by **25%** annually between 2021-2029
No additional increase in frontage fees beyond **2029**

Model 3
Frontage fee increases by **15.4%** to \$306 in 2020
Frontage fee increases by **7.5%** annually between 2021-**2069**





A recent review of the Painted Boat Resort wastewater local service area was conducted as a part of the Sunshine Coast Regional District's (SCRD) efforts to implement Best Practices across all wastewater services. This review identified a funding deficit related to operations and maintenance and long-term infrastructure replacement (capital expenditures).

This fact sheet supplements the Wastewater Service Review and Asset Management Plans that were presented to residents on December 11, 2019 at the Pender Harbour Secondary School.

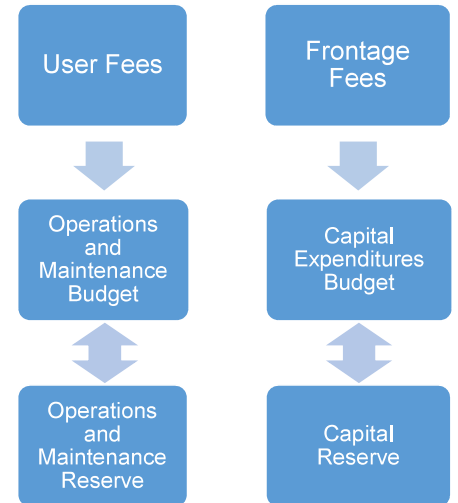
A copy of the Painted Boat Resort Wastewater Local Service Asset Management Plan can be obtained from:
www.scrd.ca/Painted-Boat

SCRD staff have considered all necessary replacements over the next 50 years for this wastewater service. To accommodate the cost associated with these upgrades, staff have explored changes to the current funding model. These changes include increases in fees collected from residents. As illustrated below, the preferred funding model is easier for residents to understand where their money is going. Staff will present their recommendations to the Board of Directors on January 23, 2020.

Current SCR D Wastewater Funding Model



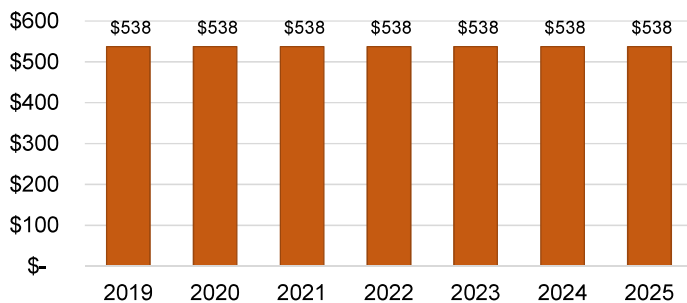
Preferred Funding Model



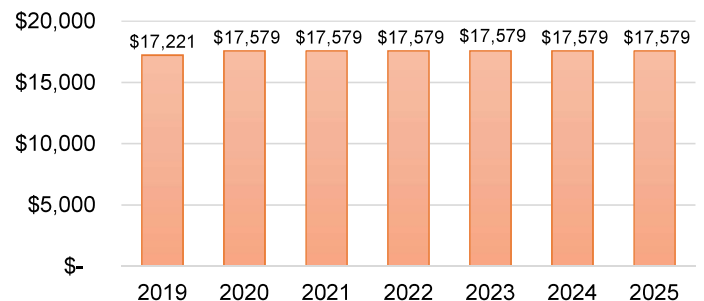
User Fee and Operations and Maintenance Budget Review

Increases to user fees are not projected for the residents, restaurant, and spa at the Painted Boat Resort local service area for the 2020 operating budget.

Projected Residential User Fee



Projected Operating Budget



Frontage Fee and Capital Expenditures Budget Review

Unlike user fees, which only apply to those parcels connected to the wastewater treatment facility, frontage fees are applied to all parcels that are located within the local service area.

Three different 50-year models were prepared to consider how frontage fees could be increased. A summary of the key features of each model is shown to the right.

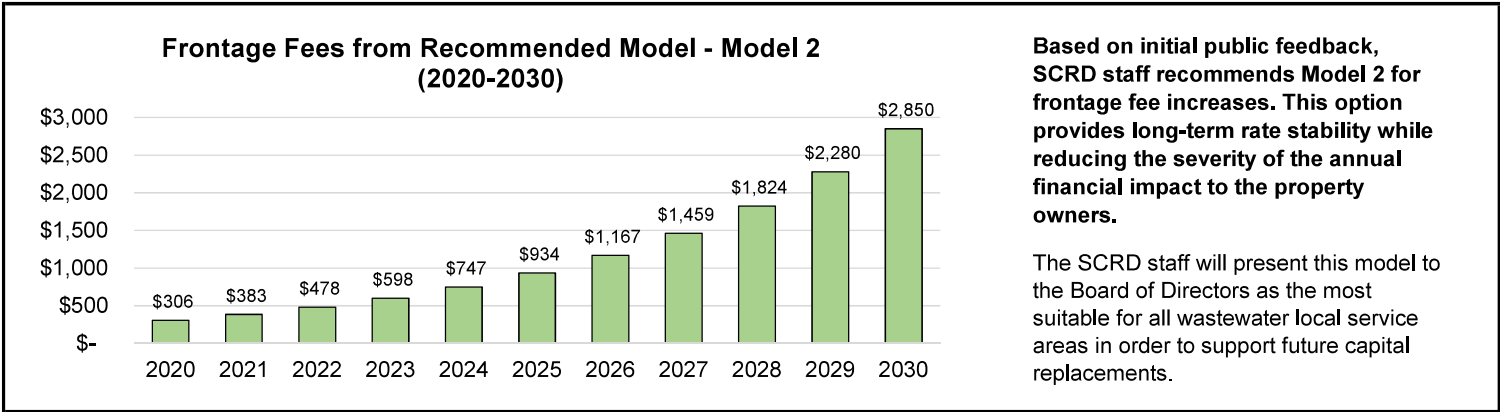
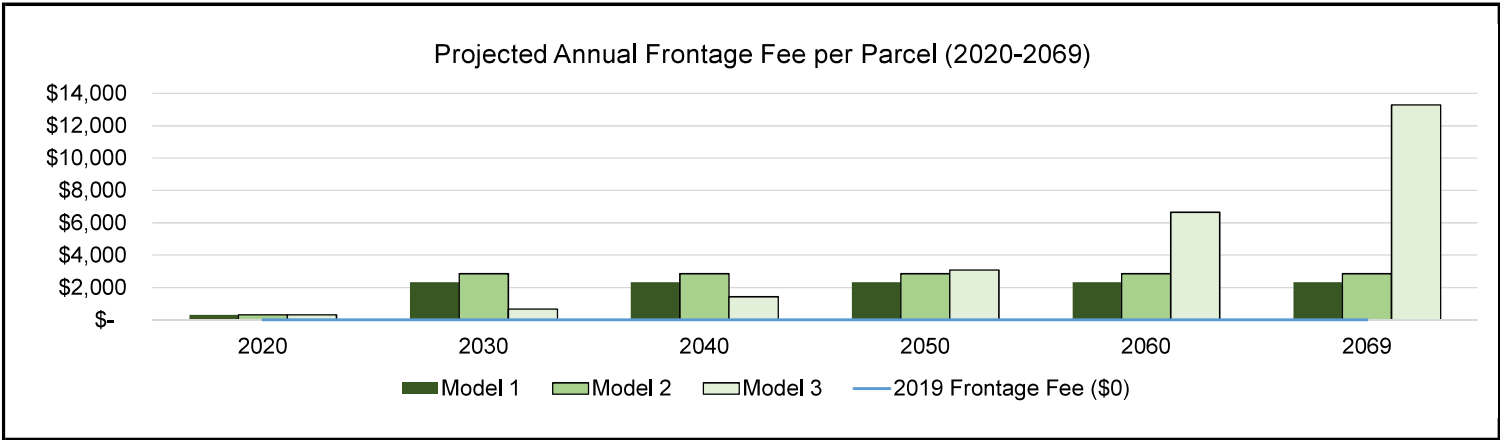
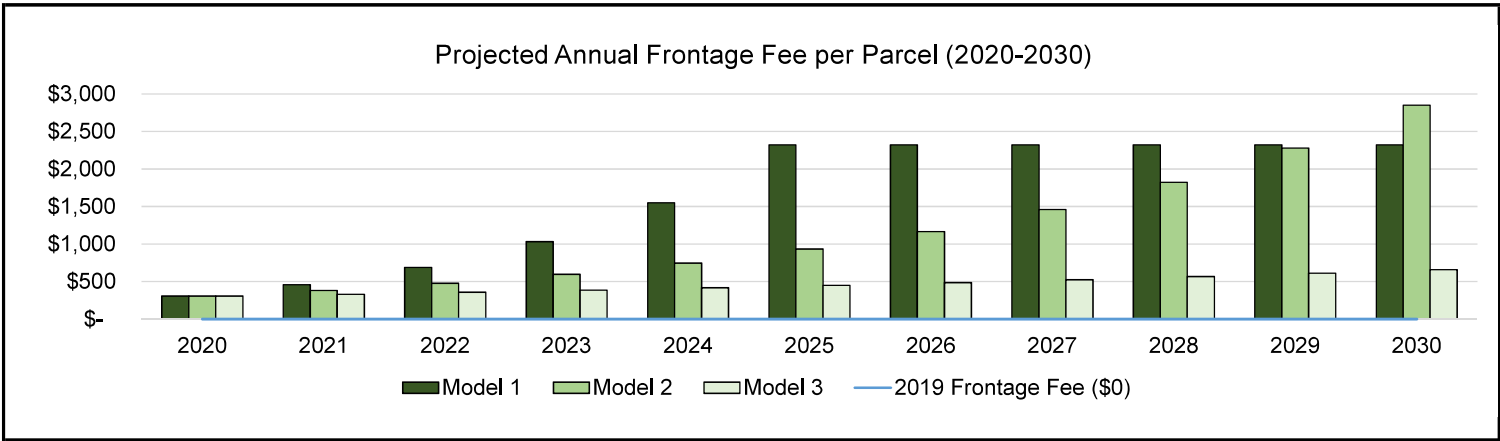
Models 1 and 2 require less overall financial contribution from residents due to accumulation of interest from the reserves.

Model 3 conflicts with the SCRD policy for financial sustainability given the excessive frontage fees in the later years. Due to this, staff are unable to promote this model as a feasible option.

Model 1
Frontage fee is established at \$306 in 2020
Frontage fee increases by **50%** annually between 2021-2025
No additional increase in frontage fees beyond **2025**

Model 2
Frontage fee is established at \$306 in 2020
Frontage fee increases by **25%** annually between 2021-2030
No additional increase in frontage fees beyond **2030**

Model 3
Frontage fee is established at \$306 in 2020
Frontage fee increases by **8%** annually between 2021-2069





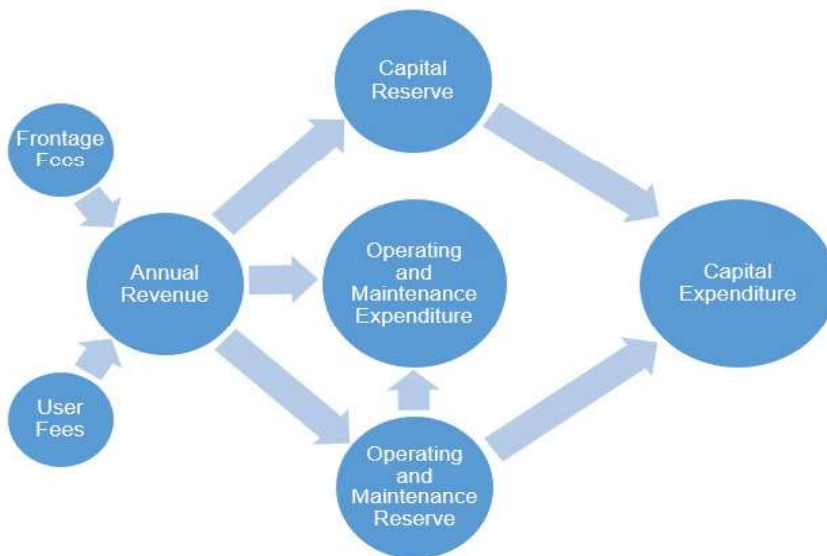
A recent review of the Roberts Creek Co-Housing wastewater local service area was conducted as a part of the Sunshine Coast Regional District's (SCRD) efforts to implement Best Practices across all wastewater services. This review identified a funding deficit related to operations and maintenance and long-term infrastructure replacement (capital expenditures).

This fact sheet supplements the Wastewater Service Review and Asset Management Plans that were presented to residents on December 11, 2019 at the Pender Harbour Secondary School.

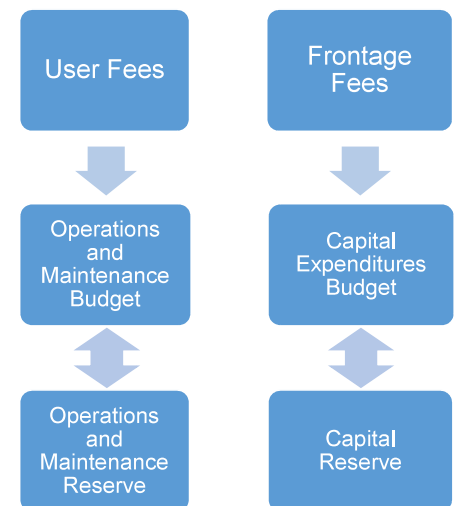
A copy of the Roberts Creek Co-Housing Wastewater Local Service Asset Management Plan can be obtained from:
www.scrd.ca/Roberts-Creek-Co-Housing

SCRD staff have considered all necessary replacements over the next 50 years for this wastewater service. To accommodate the cost associated with these upgrades, staff have explored changes to the current funding model. These changes include increases in fees collected from residents. As illustrated below, the preferred funding model is easier for residents to understand where their money is going. Staff will present their recommendations to the Board of Directors on January 23, 2020.

Current SCRD Wastewater Funding Model



Preferred Funding Model

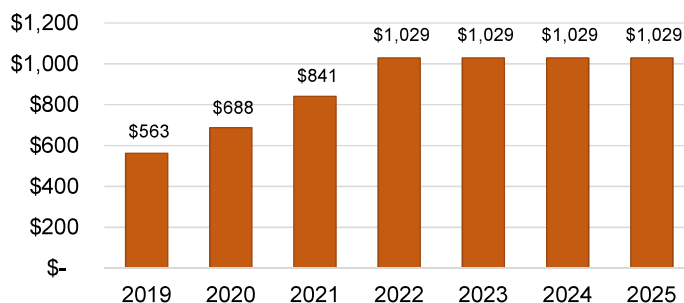


User Fee and Operations and Maintenance Budget Review

An increase of up to \$466 from 2019 user fees is being considered. The SCRD has hired one additional wastewater staff to ensure wastewater systems are maintained adequately. In addition, under the preferred funding model, frontage fees would no longer contribute to the operations and maintenance budget.

Staff are proposing three consecutive annual increases of 22% to minimize the impact of the increase. Shortfalls in the 2020 and 2021 annual revenues would be subsidized from operating reserves.

Projected User Fee



Projected Operating Budget



Frontage Fee and Capital Expenditures Budget Review

Unlike user fees, which only apply to those parcels connected to the wastewater treatment facility, frontage fees are applied to all parcels that are located within the local service area.

Three different 50-year models were prepared to consider how frontage fees could be increased. A summary of the key features of each model is shown to the right.

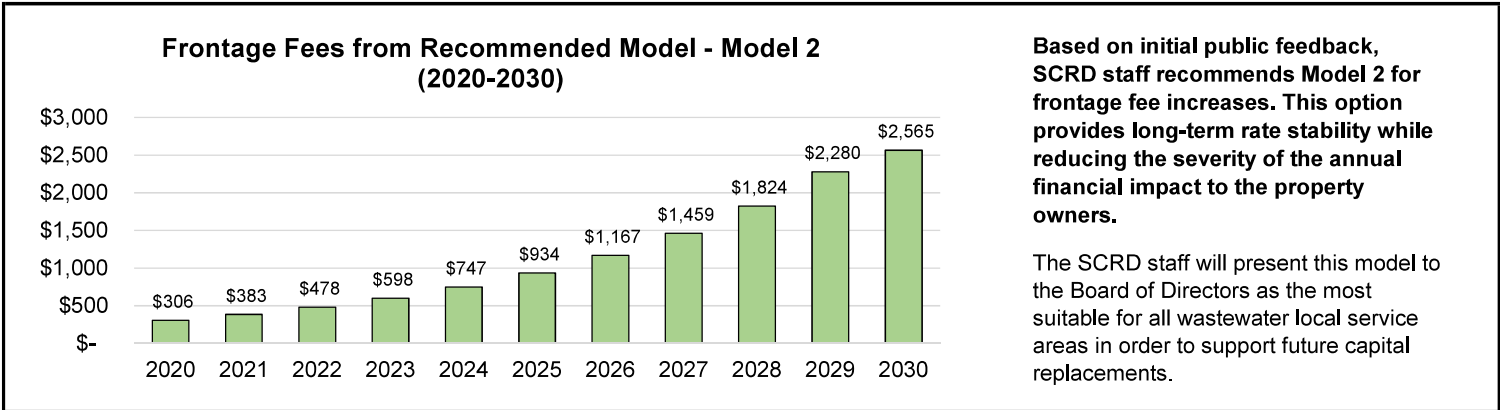
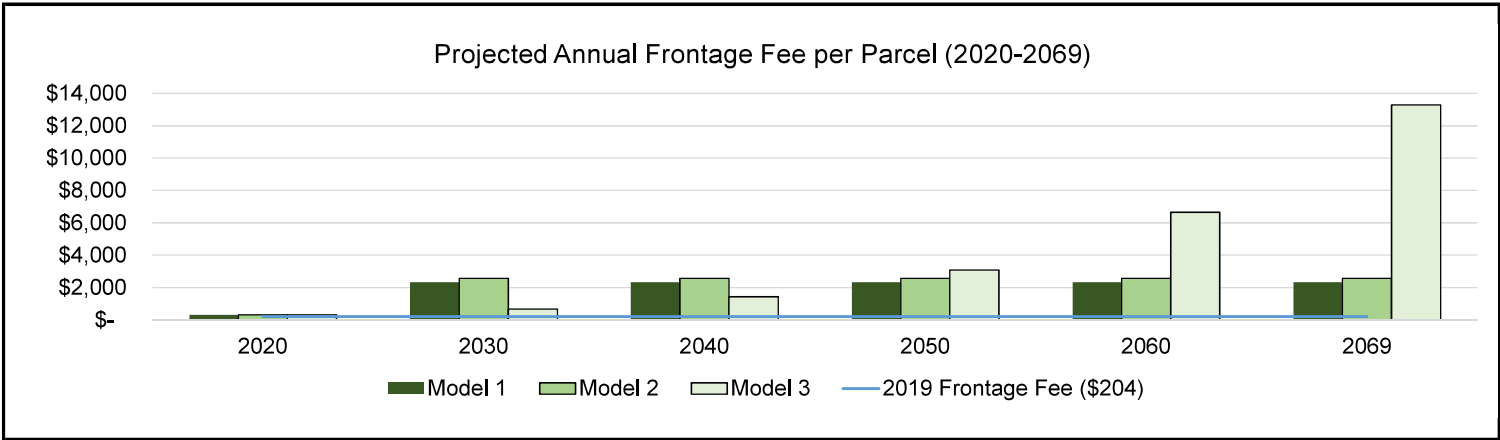
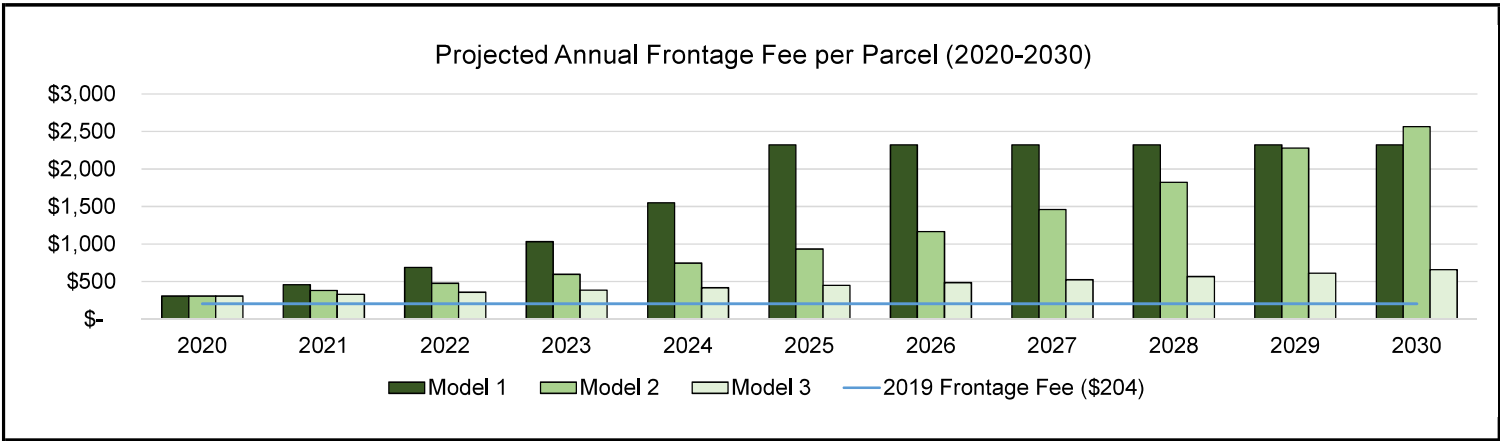
Models 1 and 2 require less overall financial contribution from residents due to accumulation of interest from the reserves.

Model 3 conflicts with the SCRD policy for financial sustainability given the excessive frontage fees in the later years. Due to this, staff are unable to promote this model as a feasible option.

Model 1
Frontage fee increases by **50%** to \$306 in 2020
Frontage fee increases by **50%** annually between 2021-2025
No additional increase in frontage fees beyond **2025**

Model 2
Frontage fee increases by **50%** to \$306 in 2020
Frontage fee increases by **25%** annually between 2021-2029
Frontage fee increases by **12.5%** in 2030
No additional increase in frontage fees beyond **2030**

Model 3
Frontage fee increases by **50%** to \$306 in 2020
Frontage fee increases by **8%** annually between 2021-2069





A recent review of the Sakinaw Ridge wastewater local service area was conducted as a part of the Sunshine Coast Regional District's (SCRD) efforts to implement Best Practices across all wastewater services. This review identified a funding deficit related to operations and maintenance and long-term infrastructure replacement (capital expenditures).

This fact sheet supplements the Wastewater Service Review and Asset Management Plans that were presented to residents on December 11, 2019 at the Pender Harbour Secondary School.

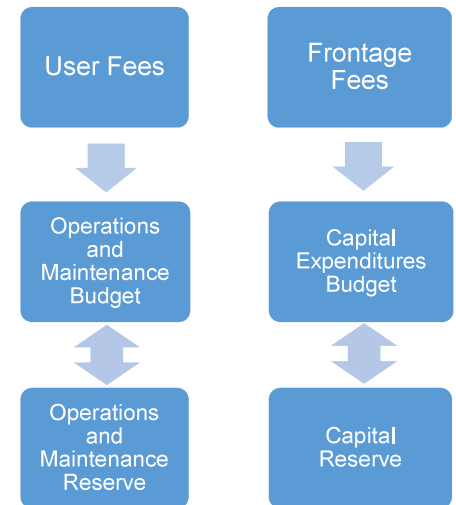
A copy of the Sakinaw Ridge Wastewater Local Service Asset Management Plan can be obtained from:
www.scrd.ca/Sakinaw-Ridge

SCRD staff have considered all necessary replacements over the next 50 years for this wastewater service. To accommodate the cost associated with these upgrades, staff have explored changes to the current funding model. These changes include increases in fees collected from residents. As illustrated below, the preferred funding model is easier for residents to understand where their money is going. Staff will present their recommendations to the Board of Directors on January 23, 2020.

Current SCRD Wastewater Funding Model



Preferred Funding Model

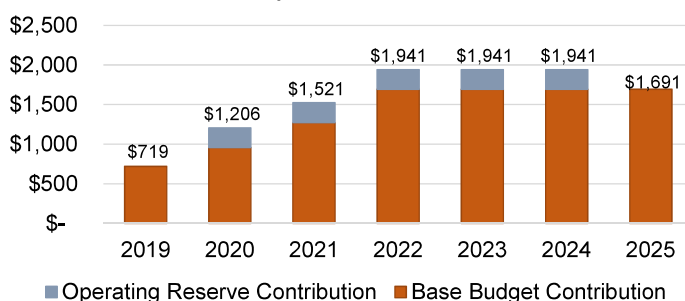


User Fee and Operations and Maintenance Budget Review

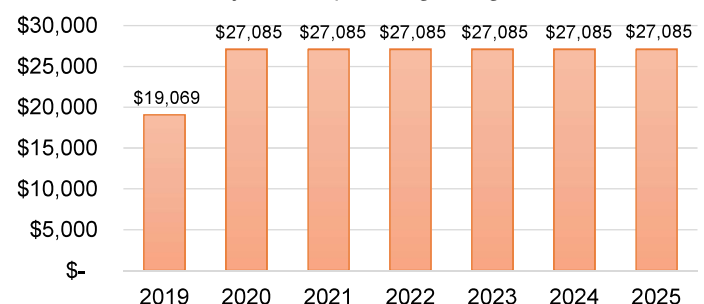
The annual operating budget has increased by \$8,016. The SCRD has hired one additional wastewater staff to ensure wastewater systems are maintained adequately. Due to the low number of developed parcels staff are proposing that frontage fees contribute to operating expenses for this service area. Three consecutive annual user fee increases totalling \$972 are proposed with the remainder of the operating budget being funded by increases to frontage fees until further development occurs.

Additionally, staff will propose to the Board of Directors that \$250 be added to the user fees for a period of five years in order to establish a sufficient operating reserve balance.

Projected User Fee



Projected Operating Budget



Frontage Fee and Capital Expenditures Budget Review

Unlike user fees, which only apply to those parcels connected to the wastewater treatment facility, frontage fees are applied to all parcels that are located within the local service area.

Three different 50-year models were prepared to consider how frontage fees could be increased. A summary of the key features of each model is shown to the right.

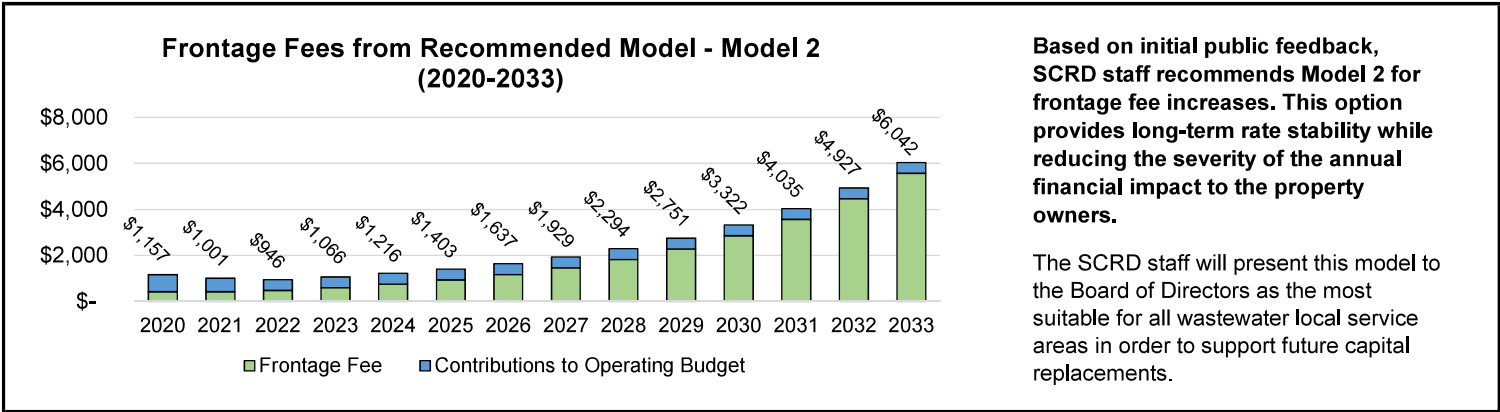
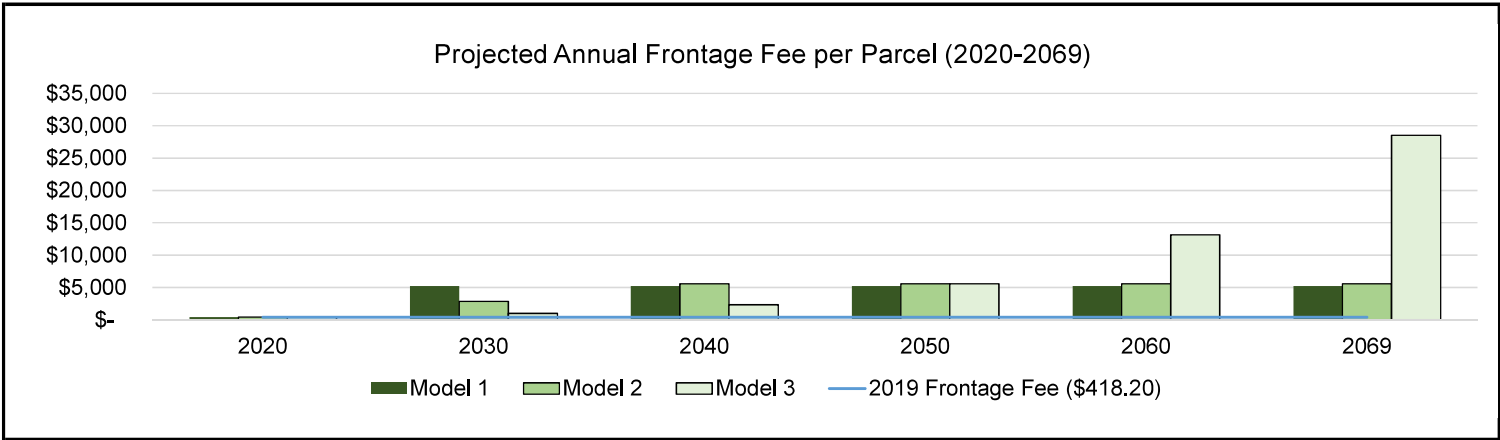
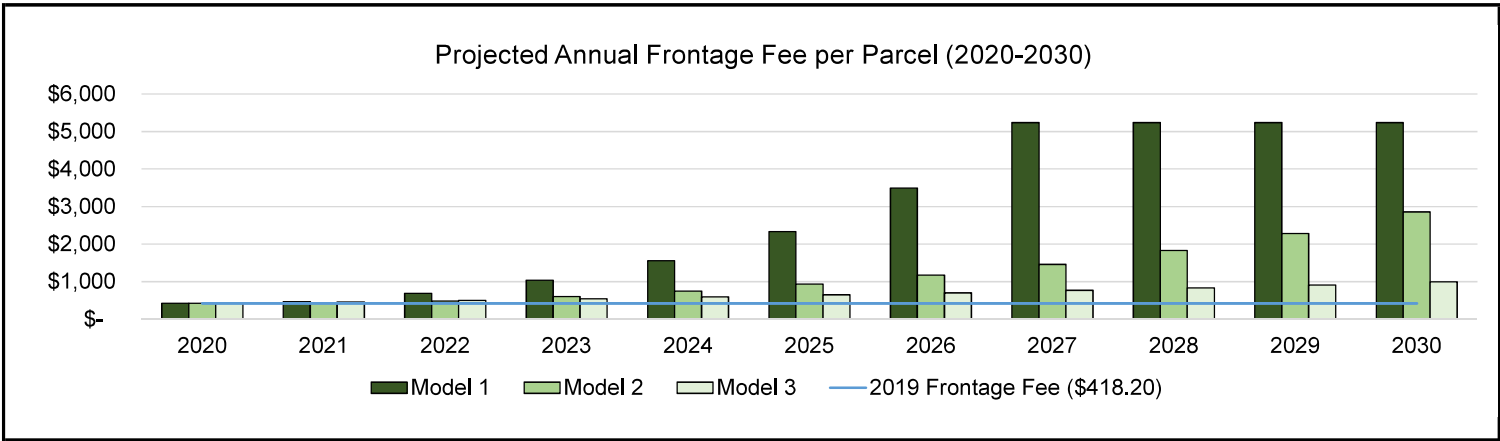
Models 1 and 2 require less overall financial contribution from residents due to accumulation of interest from the reserves.

Model 3 conflicts with the SCRD policy for financial sustainability given the excessive frontage fees in the later years. Due to this, staff are unable to promote this model as a feasible option.

Model 1
No frontage fee increases in 2020
Frontage fee increases by **10%** in 2021
Frontage fee increases by **50%** annually between 2022-2027
No additional increase in frontage fees beyond **2027**

Model 2
No frontage fee increases in 2020 and 2021
Frontage fee increases by **14.5%** in 2022
Frontage fee increases by **25%** annually between 2022-2033
No additional increase in frontage fees beyond **2033**

Model 3
No frontage fee increases in 2020
Frontage fee increases by **9%** annually between 2021-**2069**





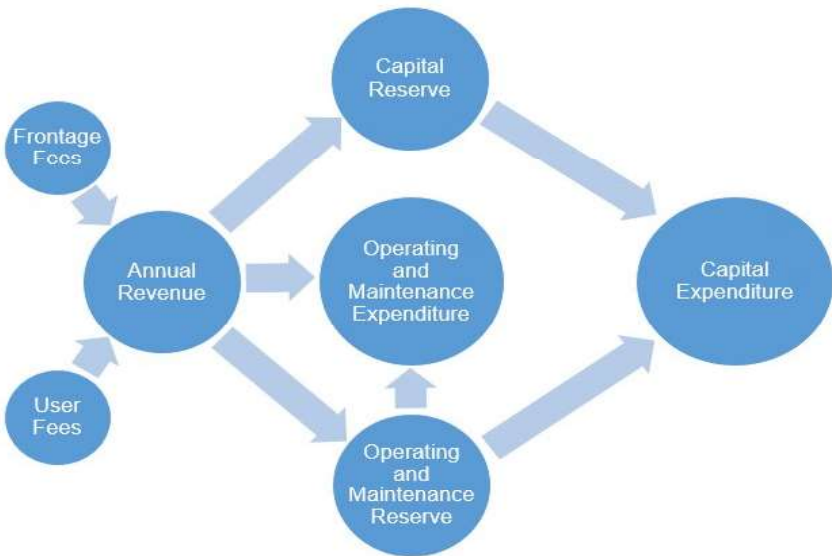
A recent review of the Secret Cove wastewater local service area was conducted as a part of the Sunshine Coast Regional District's (SCRD) efforts to implement Best Practices across all wastewater services. This review identified a funding deficit related to operations and maintenance and long-term infrastructure replacement (capital expenditures).

This fact sheet supplements the Wastewater Service Review and Asset Management Plans that were presented to residents on January 7, 2020 at the Coopers Green Community Hall.

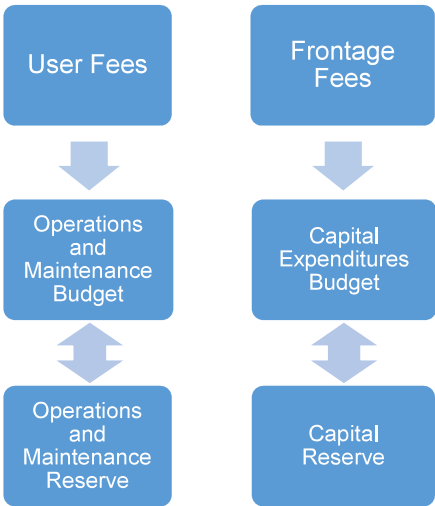
A copy of the Secret Cove Wastewater Local Service Asset Management Plan can be obtained from:
www.scrd.ca/Secret-Cove

SCRD staff have considered all necessary replacements over the next 50 years for this wastewater service. To accommodate the cost associated with these upgrades, staff have explored changes to the current funding model. These changes include increases in fees collected from residents. As illustrated below, the preferred funding model is easier for residents to understand where their money is going. Staff will present their recommendations to the Board of Directors on January 23, 2020.

Current SCRD Wastewater Funding Model



Preferred Funding Model

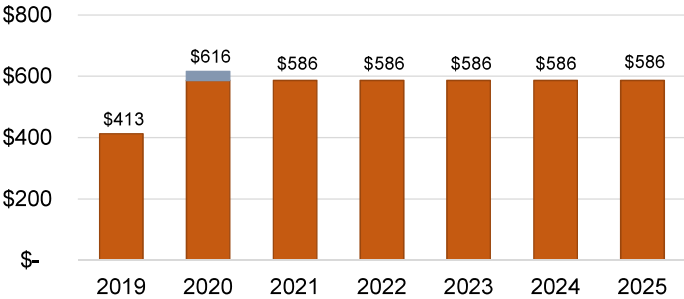


User Fee and Operations and Maintenance Budget Review

An increase of up to \$174 from 2019 user fees is being considered. The SCRD has hired one additional wastewater staff to ensure wastewater systems are maintained adequately. In addition, under the preferred funding model, frontage fees would no longer contribute to the operations and maintenance budget.

Staff will propose to the Board of Directors an additional \$30 be added in 2020 in order to increase the operating reserve balance.

Projected User Fee



Projected Operating Budget



Frontage Fee and Capital Expenditures Budget Review

Unlike user fees, which only apply to those parcels connected to the wastewater treatment facility, frontage fees are applied to all parcels that are located within the local service area.

Three different 50-year models were prepared to consider how frontage fees could be increased. A summary of the key features of each model is shown to the right.

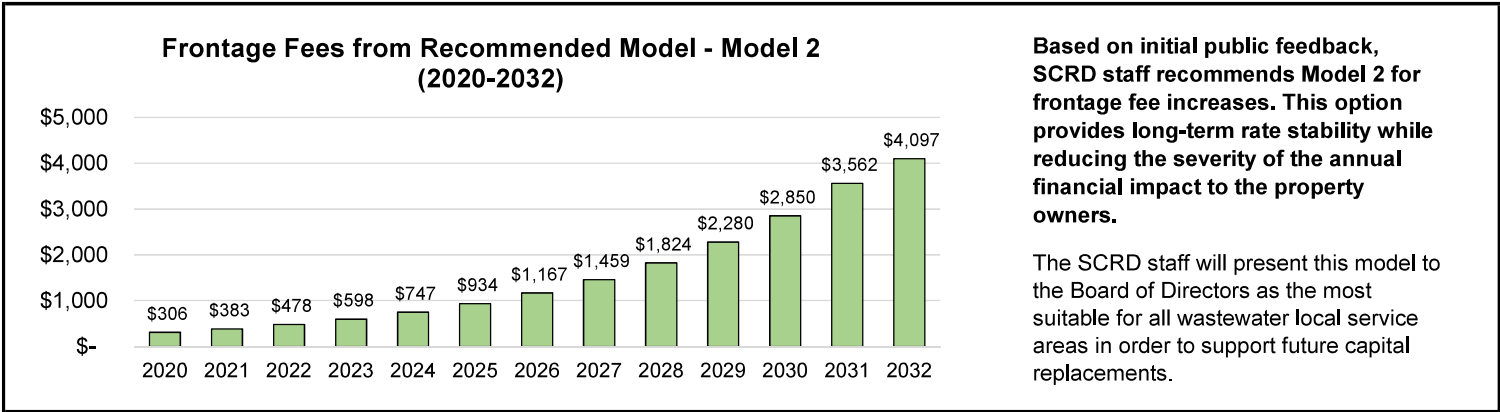
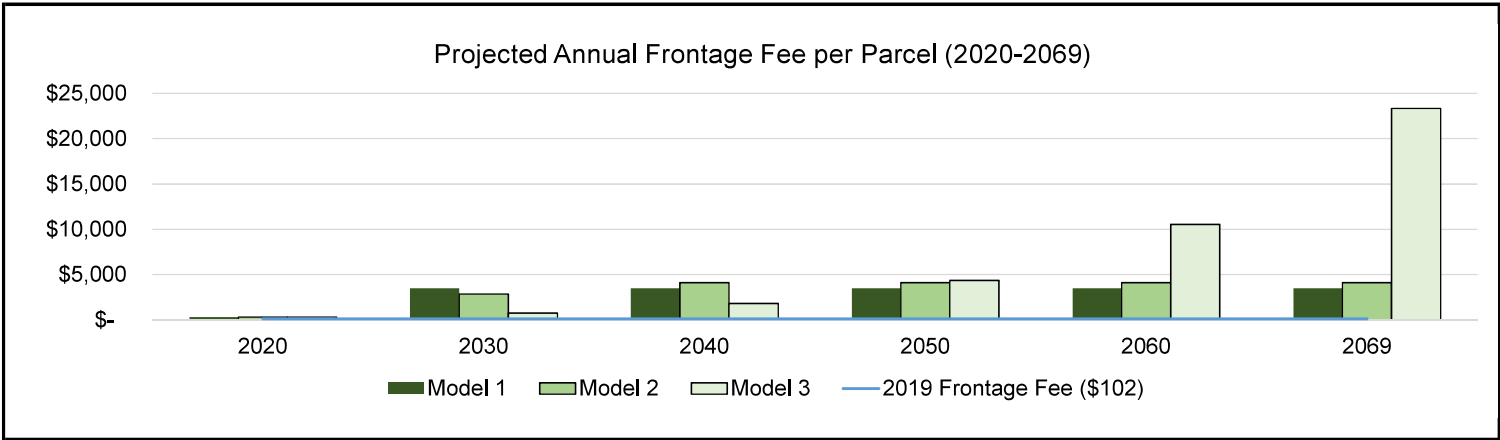
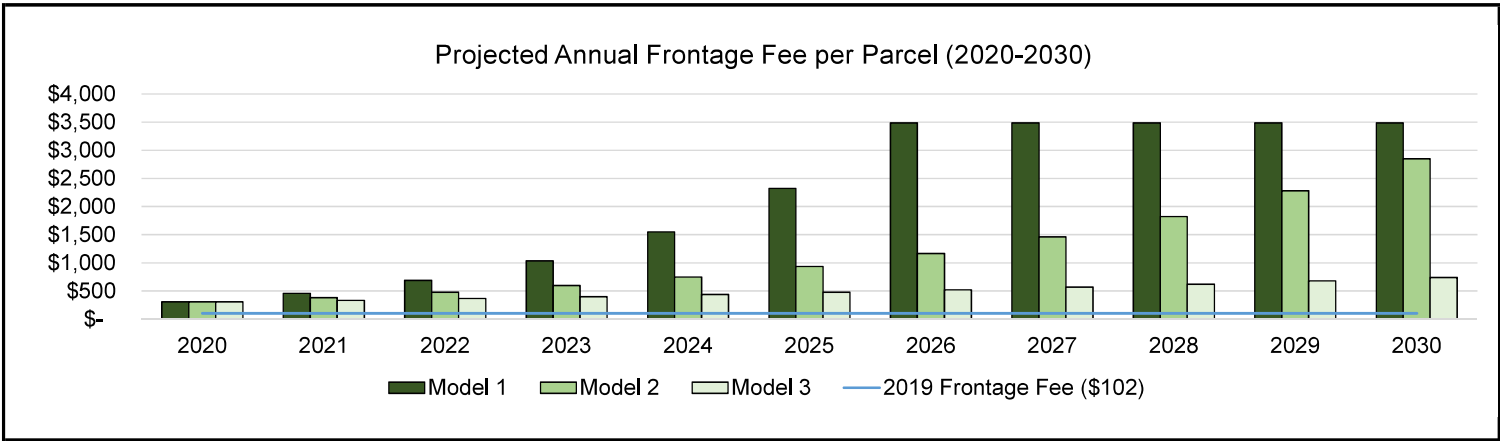
Models 1 and 2 require less overall financial contribution from residents due to accumulation of interest from the reserves.

Model 3 conflicts with the SCRD policy for financial sustainability given the excessive frontage fees in the later years. Due to this, staff are unable to promote this model as a feasible option.

Model 1
Frontage fee increases by **200%** to \$306 in 2020
Frontage fee increases by **50%** annually between 2021-2026
No additional increase in frontage fees beyond **2026**

Model 2
Frontage fee increases by **200%** to \$306 in 2020
Frontage fee increases by **25%** annually between 2021-2031
Frontage fee increases by **15%** in 2032
No additional increase in frontage fees beyond **2032**

Model 3
Frontage fee increases by **200%** to \$306 in 2020
Frontage fee increases by **9.25%** annually between 2021-2069





A recent review of the Square Bay wastewater local service area was conducted as a part of the Sunshine Coast Regional District's (SCRD) efforts to implement Best Practices across all wastewater services. This review identified a funding deficit related to operations and maintenance and long-term infrastructure replacement (capital expenditures).

This fact sheet supplements the Wastewater Service Review and Asset Management Plans that were presented to residents on January 7, 2020 at the Coopers Green Community Hall.

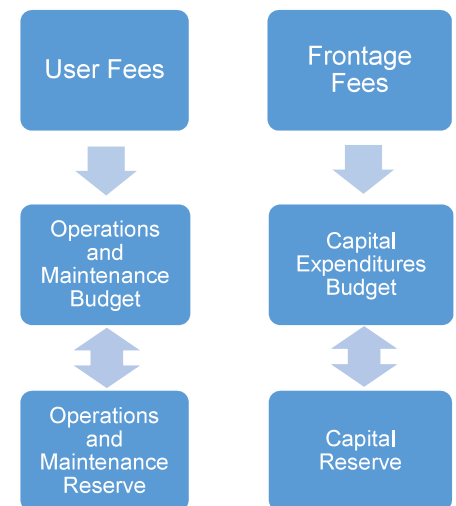
A copy of the Square Bay Wastewater Local Service Asset Management Plan can be obtained from:
www.scrd.ca/Square-Bay

SCRD staff have considered all necessary replacements over the next 50 years for this wastewater service. To accommodate the cost associated with these upgrades, staff have explored changes to the current funding model. These changes include increases in fees collected from residents. As illustrated below, the preferred funding model is easier for residents to understand where their money is going. Staff will present their recommendations to the Board of Directors on January 23, 2020.

Current SCRD Wastewater Funding Model



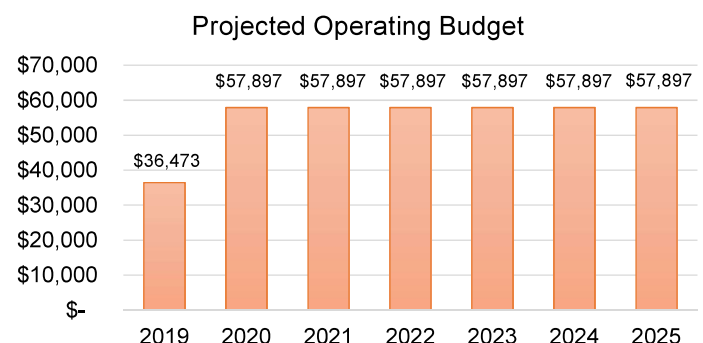
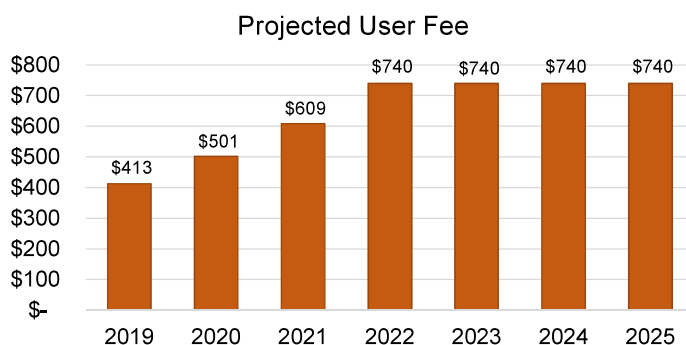
Preferred Funding Model



User Fee and Operations and Maintenance Budget Review

An increase of up to \$320 from 2019 user fees is being considered. The treatment system that was installed in 2019 has higher operating costs than the previous system. The SCRD has hired one additional wastewater staff to ensure wastewater systems are maintained adequately. In addition, under the preferred funding model, frontage fees would no longer contribute to the operations and maintenance budget.

Staff are proposing three consecutive annual increases of 21.5% to minimize the impact of the increase. Shortfalls in the 2020 and 2021 annual revenues would be subsidized from operating reserves.



Frontage Fee and Capital Expenditures Budget Review

Unlike user fees, which only apply to those parcels connected to the wastewater treatment facility, frontage fees are applied to all parcels that are located within the local service area.

Three different 50-year models were prepared to consider how frontage fees could be increased. A summary of the key features of each model is shown to the right.

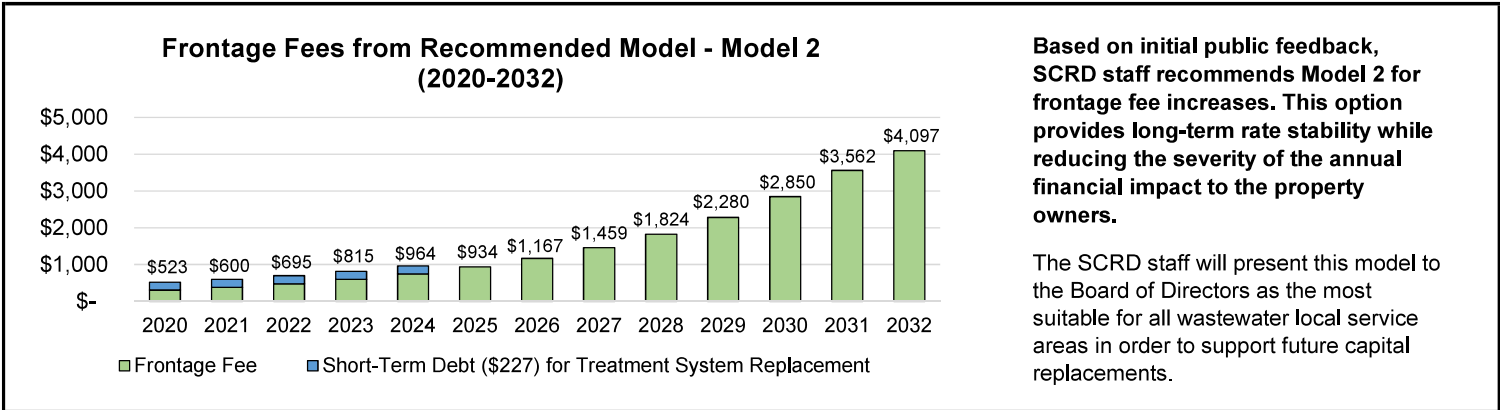
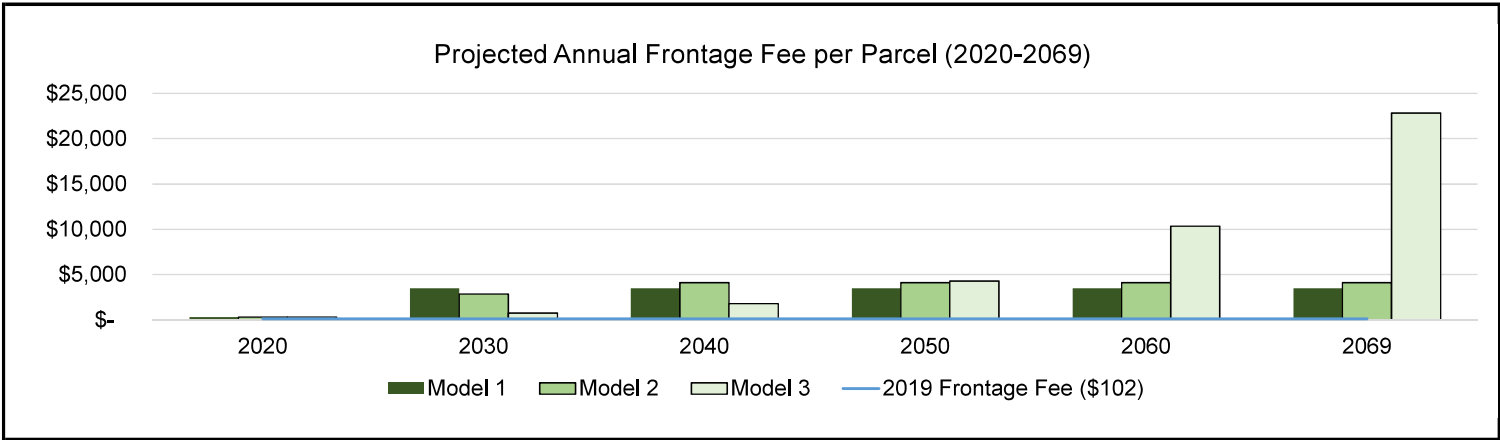
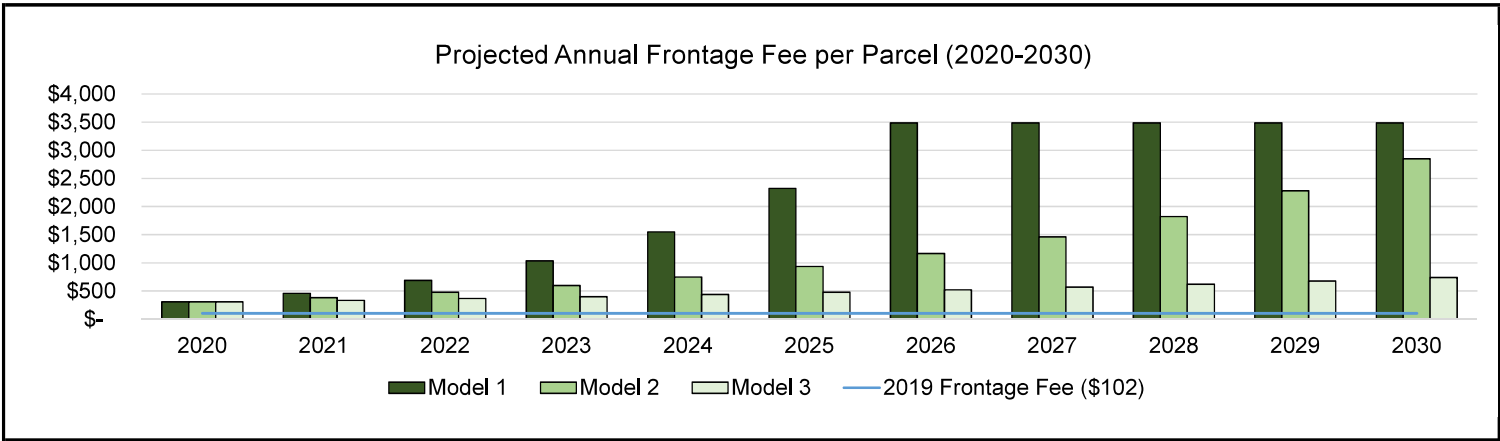
Models 1 and 2 require less overall financial contribution from residents due to accumulation of interest from the reserves.

Model 3 conflicts with the SCRD policy for financial sustainability given the excessive frontage fees in the later years. Due to this, staff are unable to promote this model as a feasible option.

Model 1
Frontage fee increases by **200%** to \$306 in 2020
Frontage fee increases by **50%** annually between 2021-2026
No additional increase in frontage fees beyond **2027**

Model 2
Frontage fee increases by **200%** to \$306 in 2020
Frontage fee increases by **25%** annually between 2021-2031
Frontage fee increases by **15%** in 2032
No additional increase in frontage fees beyond **2032**

Model 3
Frontage fee increases by **200%** to \$306 in 2020
Frontage fee increases by **9.2%** annually between 2021-**2069**





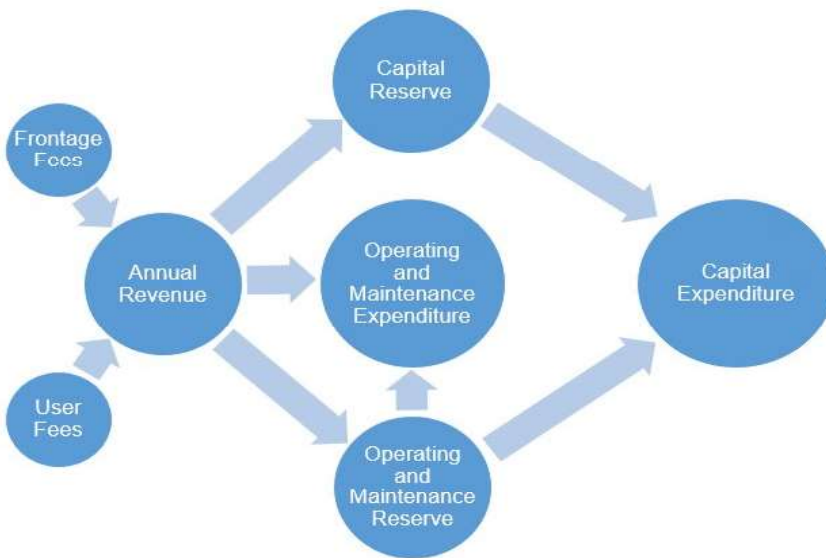
A recent review of the Sunnyside wastewater local service area was conducted as a part of the Sunshine Coast Regional District's (SCRD) efforts to implement Best Practices across all wastewater services. This review identified a funding deficit related to operations and maintenance and long-term infrastructure replacement (capital expenditures).

This fact sheet supplements the Wastewater Service Review and Asset Management Plans that were presented to residents on January 7, 2020 at the Coopers Green Community Hall.

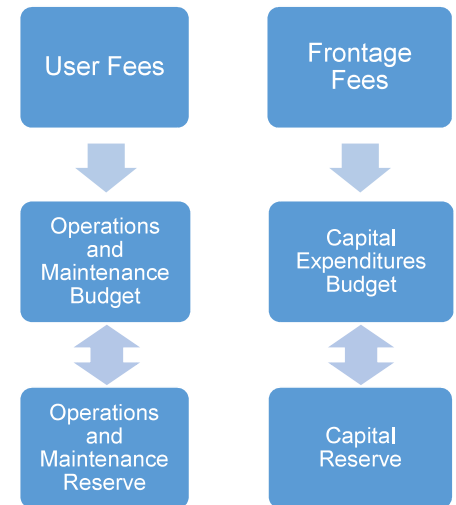
A copy of the Sunnyside Wastewater Local Service Asset Management Plan can be obtained from:
www.scrd.ca/Sunnyside

SCRD staff have considered all necessary replacements over the next 50 years for this wastewater service. To accommodate the cost associated with these upgrades, staff have explored changes to the current funding model. These changes include increases in fees collected from residents. As illustrated below, the preferred funding model is easier for residents to understand where their money is going. Staff will present their recommendations to the Board of Directors on January 23, 2020.

Current SCRD Wastewater Funding Model



Preferred Funding Model

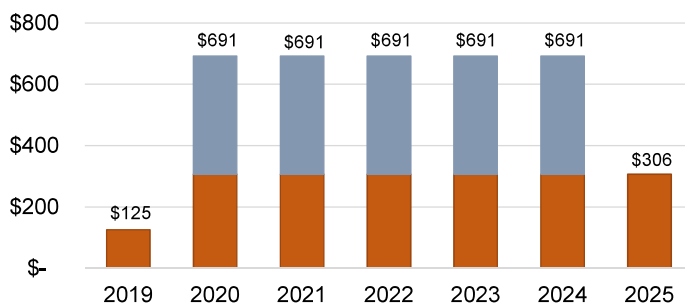


User Fee and Operations and Maintenance Budget Review

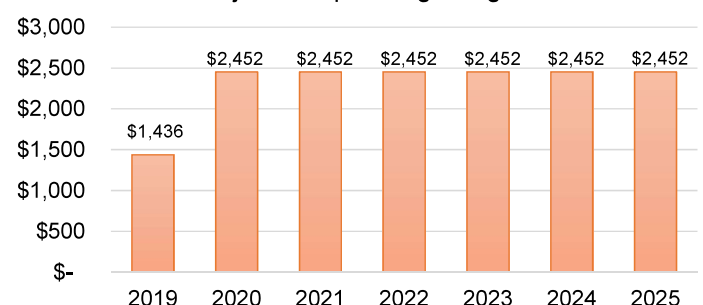
An increase of up to \$181 from 2019 user fees is being considered. The SCRD has hired one additional wastewater staff to ensure wastewater systems are maintained adequately. In addition, under the preferred funding model, frontage fees would no longer contribute to the operations and maintenance budget.

Staff will propose to the Board of Directors an additional \$385 be added annually to the user fees for a period of five years in order to increase the operating reserve balance.

Projected User Fee



Projected Operating Budget



Frontage Fee and Capital Expenditures Budget Review

Unlike user fees, which only apply to those parcels connected to the wastewater treatment facility, frontage fees are applied to all parcels that are located within the local service area.

Three different 50-year models were prepared to consider how frontage fees could be increased. A summary of the key features of each model is shown to the right.

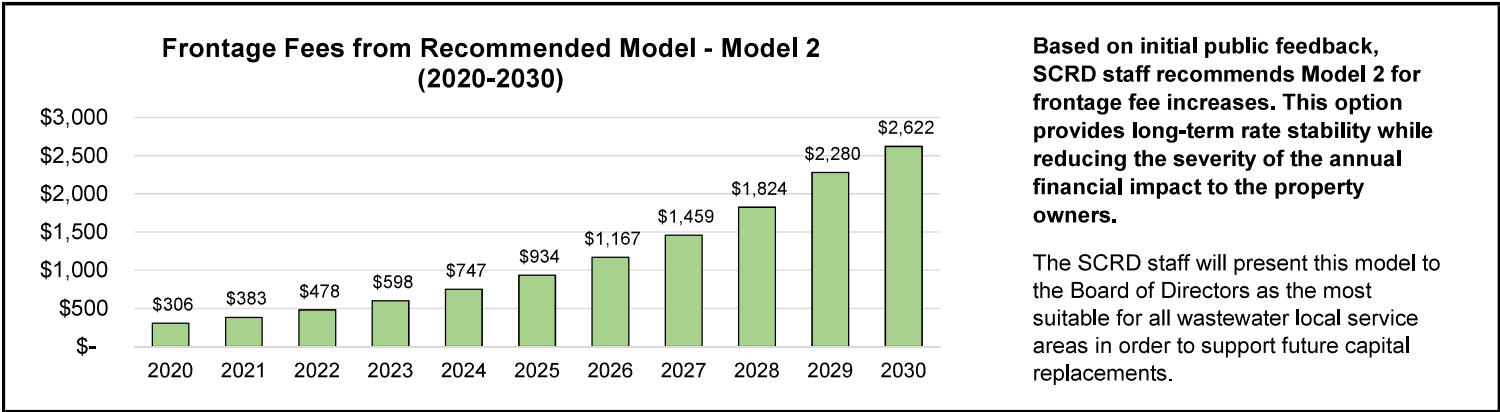
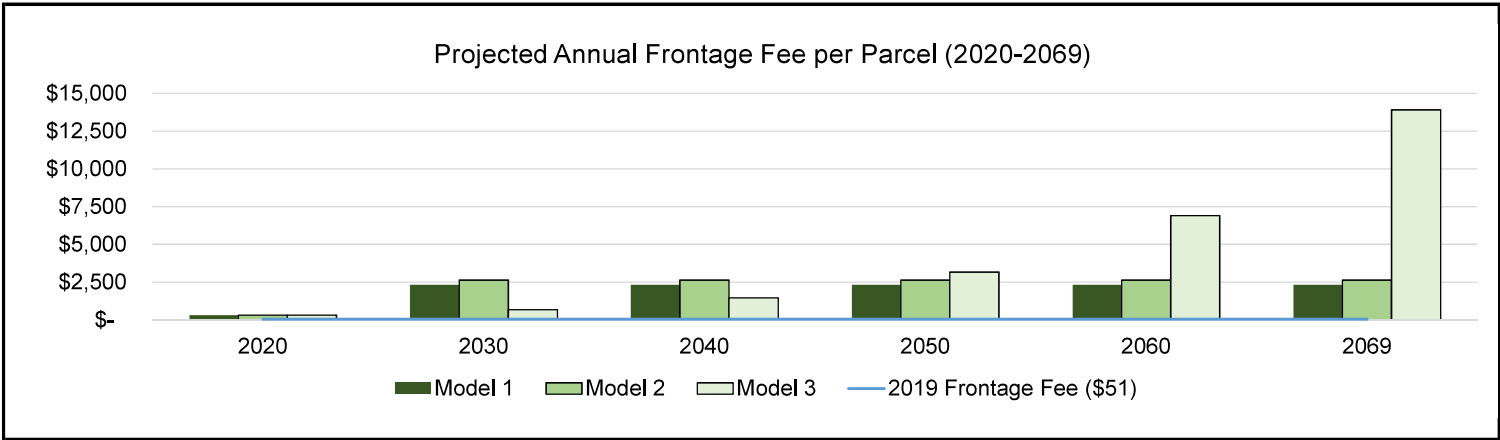
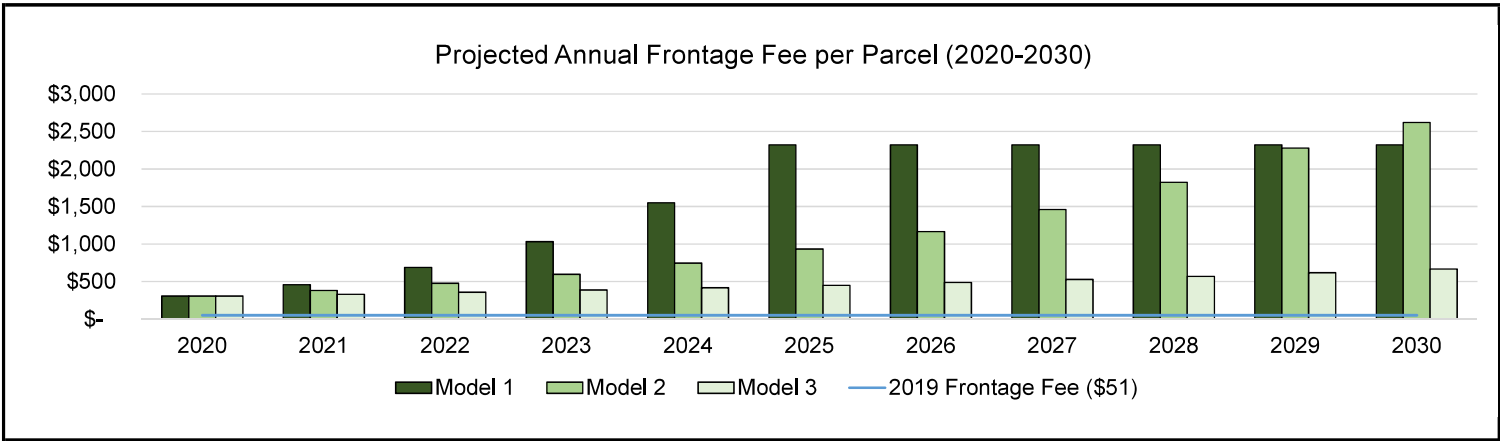
Models 1 and 2 require less overall financial contribution from residents due to accumulation of interest from the reserves.

Model 3 conflicts with the SCRD policy for financial sustainability given the excessive frontage fees in the later years. Due to this, staff are unable to promote this model as a feasible option.

Model 1
Frontage fee increases by **500%** to \$306 in 2020
Frontage fee increases by **50%** annually between 2021-2025
No additional increase in frontage fees beyond **2026**

Model 2
Frontage fee increases by **500%** to \$306 in 2020
Frontage fee increases by **25%** annually between 2021-2029
Frontage fee increases by **15%** in 2030
No additional increase in frontage fees beyond **2030**

Model 3
Frontage fee increases by **500%** to \$306 in 2020
Frontage fee increases by **8.1%** annually between 2021-**2069**





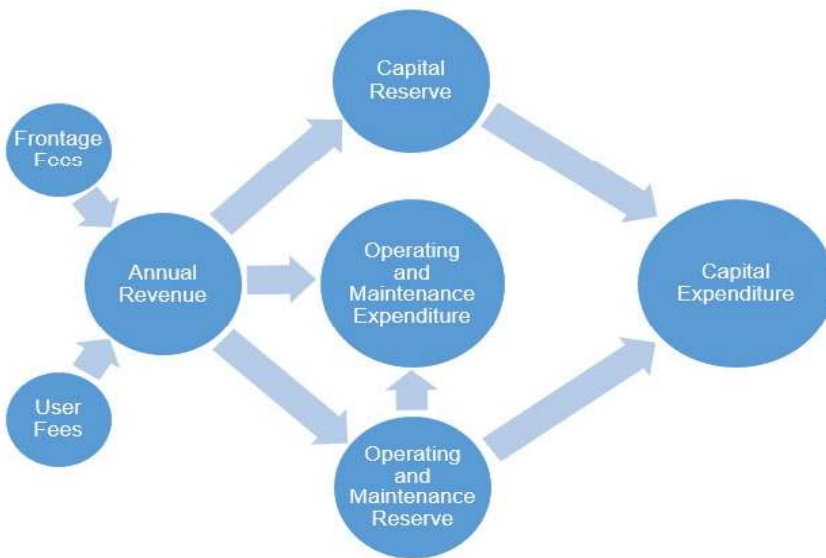
A recent review of the Woodcreek Park wastewater local service area was conducted as a part of the Sunshine Coast Regional District's (SCRD) efforts to implement Best Practices across all wastewater services. This review identified a funding deficit related to operations and maintenance and long-term infrastructure replacement (capital expenditures).

This fact sheet supplements the Wastewater Service Review and Asset Management Plans that were presented to residents on January 8, 2020 at the Frank West Community Hall.

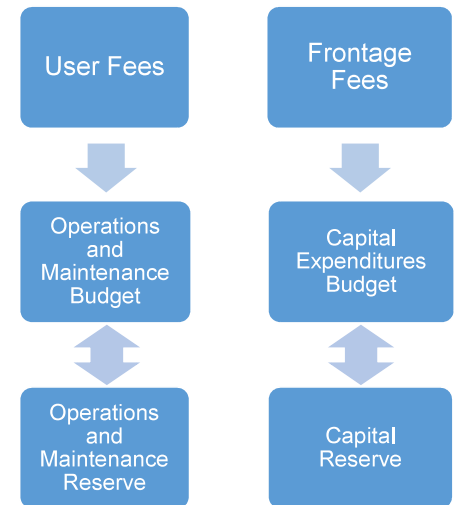
A copy of the Woodcreek Park Wastewater Local Service Asset Management Plan can be obtained from:
www.scrd.ca/Woodcreek

SCRD staff have considered all necessary replacements over the next 50 years for this wastewater service. To accommodate the cost associated with these upgrades, staff have explored changes to the current funding model. These changes include increases in fees collected from residents. As illustrated below, the preferred funding model is easier for residents to understand where their money is going. Staff will present their recommendations to the Board of Directors on January 23, 2020.

Current SCRD Wastewater Funding Model

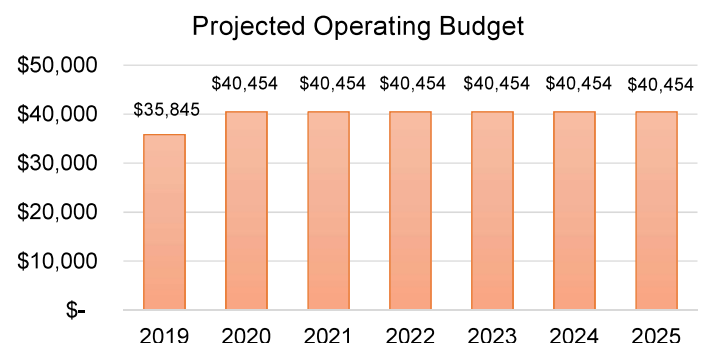
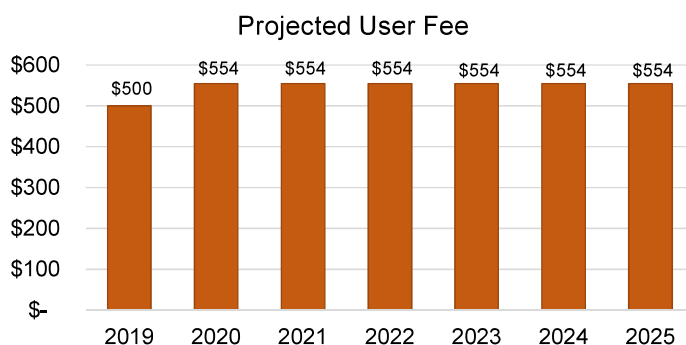


Preferred Funding Model



User Fee and Operations and Maintenance Budget Review

An increase of up to \$54 from 2019 user fees is being considered. The SCRD has hired one additional wastewater staff to ensure wastewater systems are maintained adequately. In addition, under the preferred funding model, frontage fees would no longer contribute to the operations and maintenance budget.



Frontage Fee and Capital Expenditures Budget Review

Unlike user fees, which only apply to those parcels connected to the wastewater treatment facility, frontage fees are applied to all parcels that are located within the local service area.

Three different 50-year models were prepared to consider how frontage fees could be increased. A summary of the key features of each model is shown to the right.

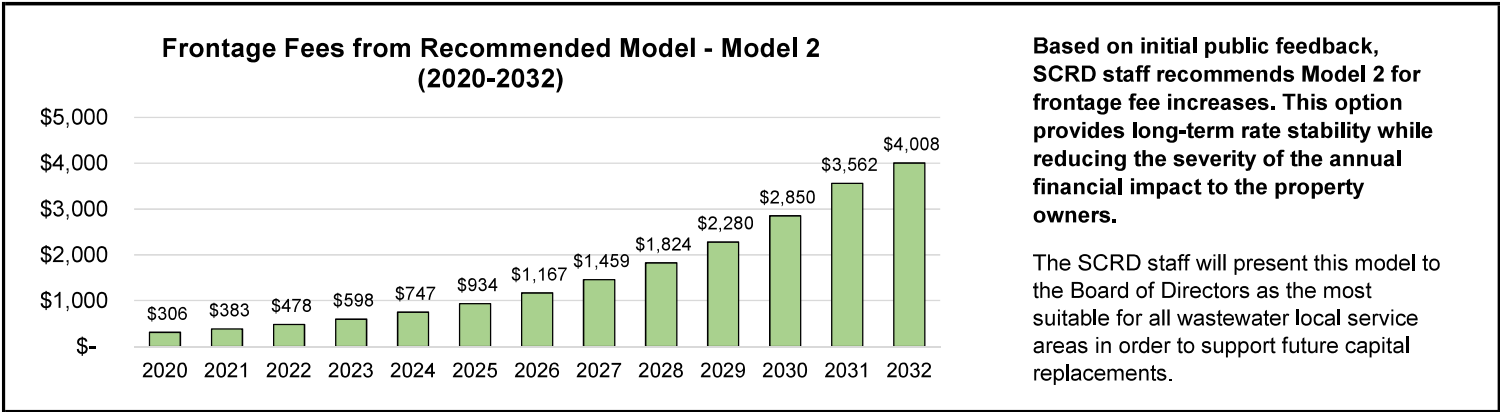
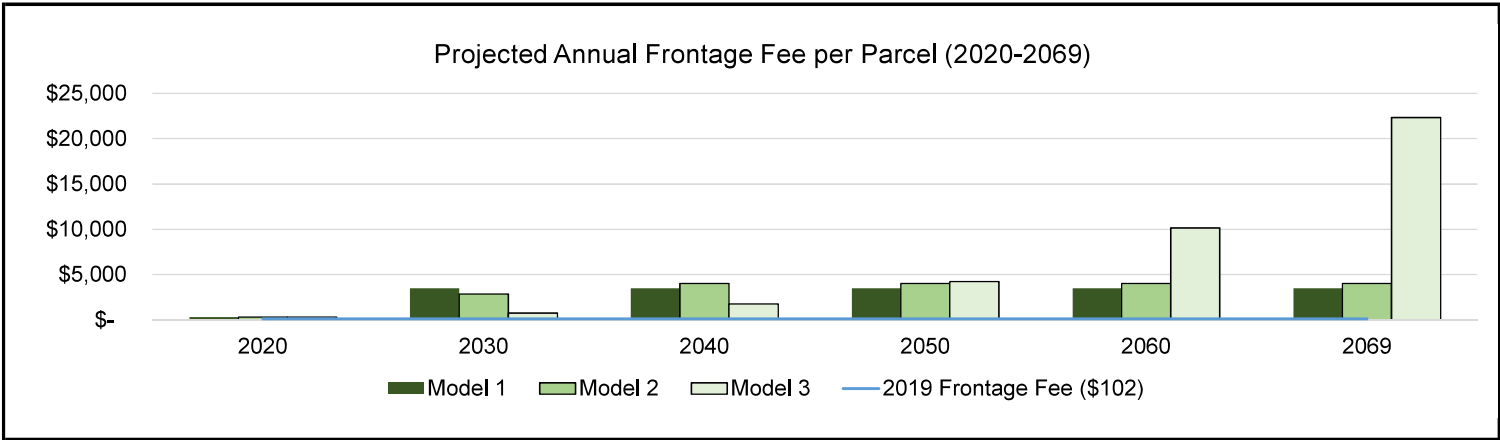
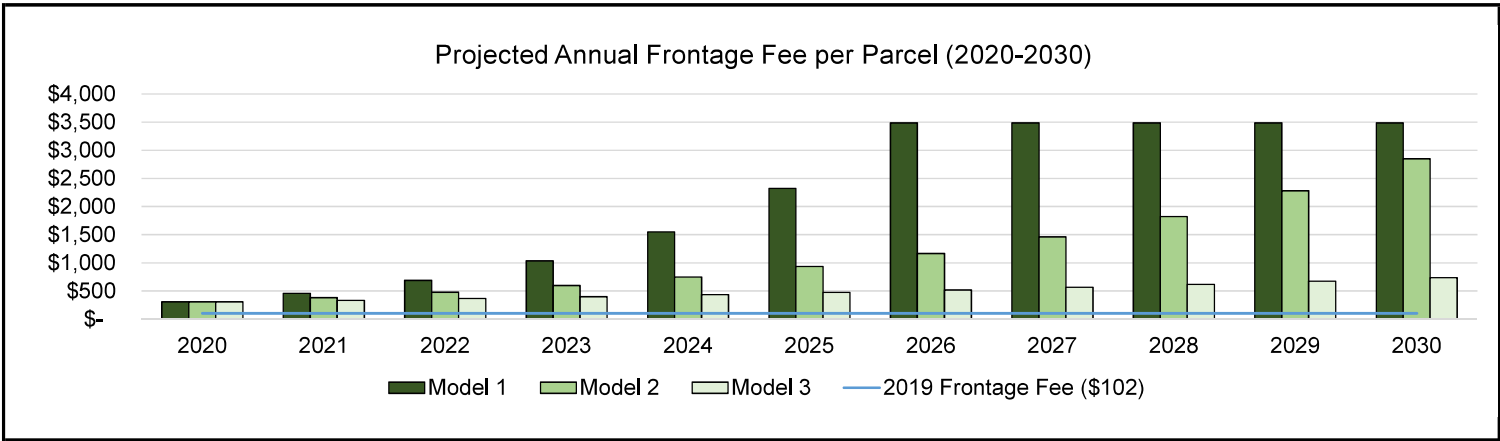
Models 1 and 2 require less overall financial contribution from residents due to accumulation of interest from the reserves.

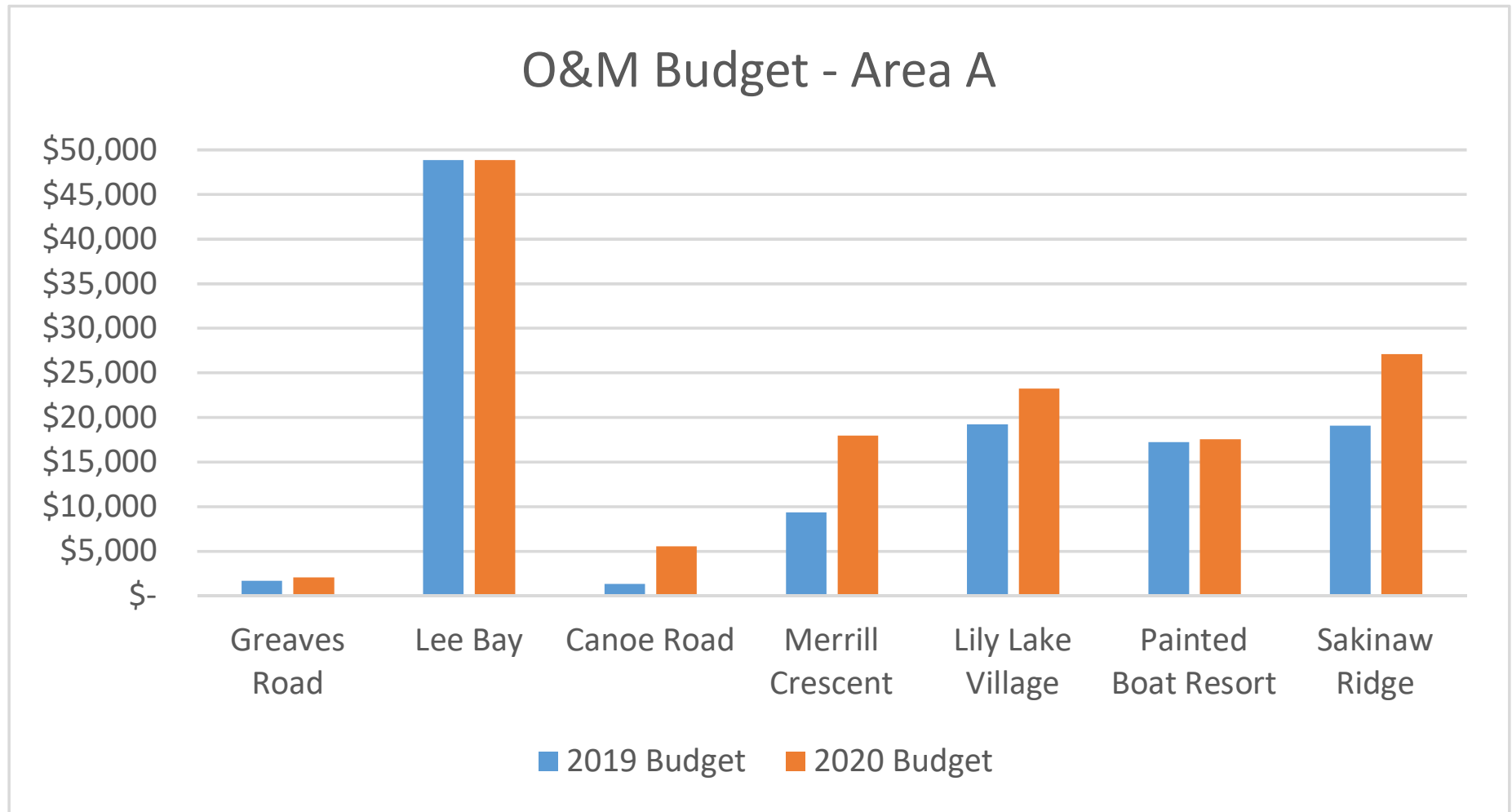
Model 3 conflicts with the SCRD policy for financial sustainability given the excessive frontage fees in the later years. Due to this, staff are unable to promote this model as a feasible option.

Model 1
Frontage fee increases by **200%** to \$306 in 2020
Frontage fee increases by **50%** annually between 2021-2026
No additional increase in frontage fees beyond **2026**

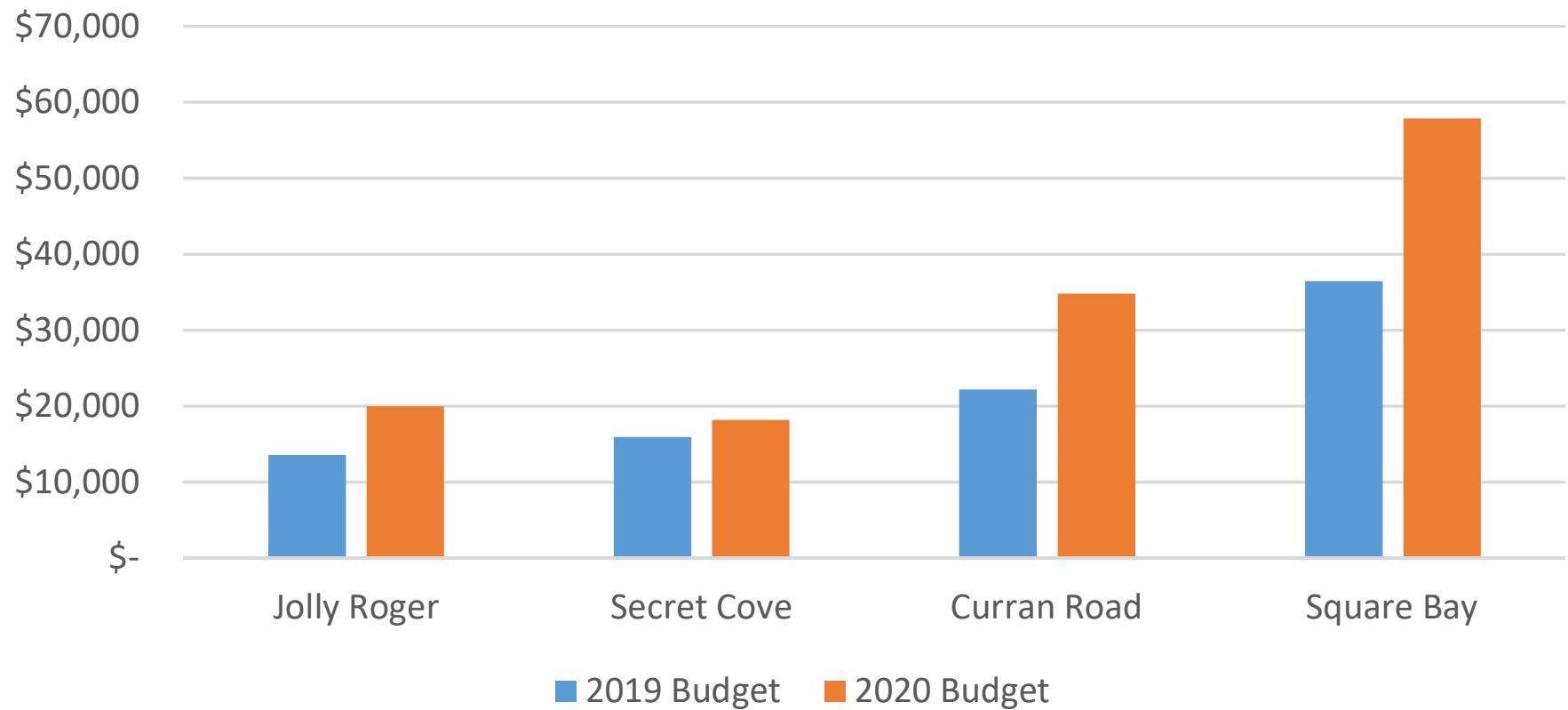
Model 2
Frontage fee increases by **200%** to \$306 in 2020
Frontage fee increases by **25%** annually between 2021-2031
Frontage fee increases by **12.5%** in 2032
No additional increase in frontage fees beyond **2032**

Model 3
Frontage fee increases by **200%** to \$306 in 2020
Frontage fee increases by **9.15%** annually between 2021-2069

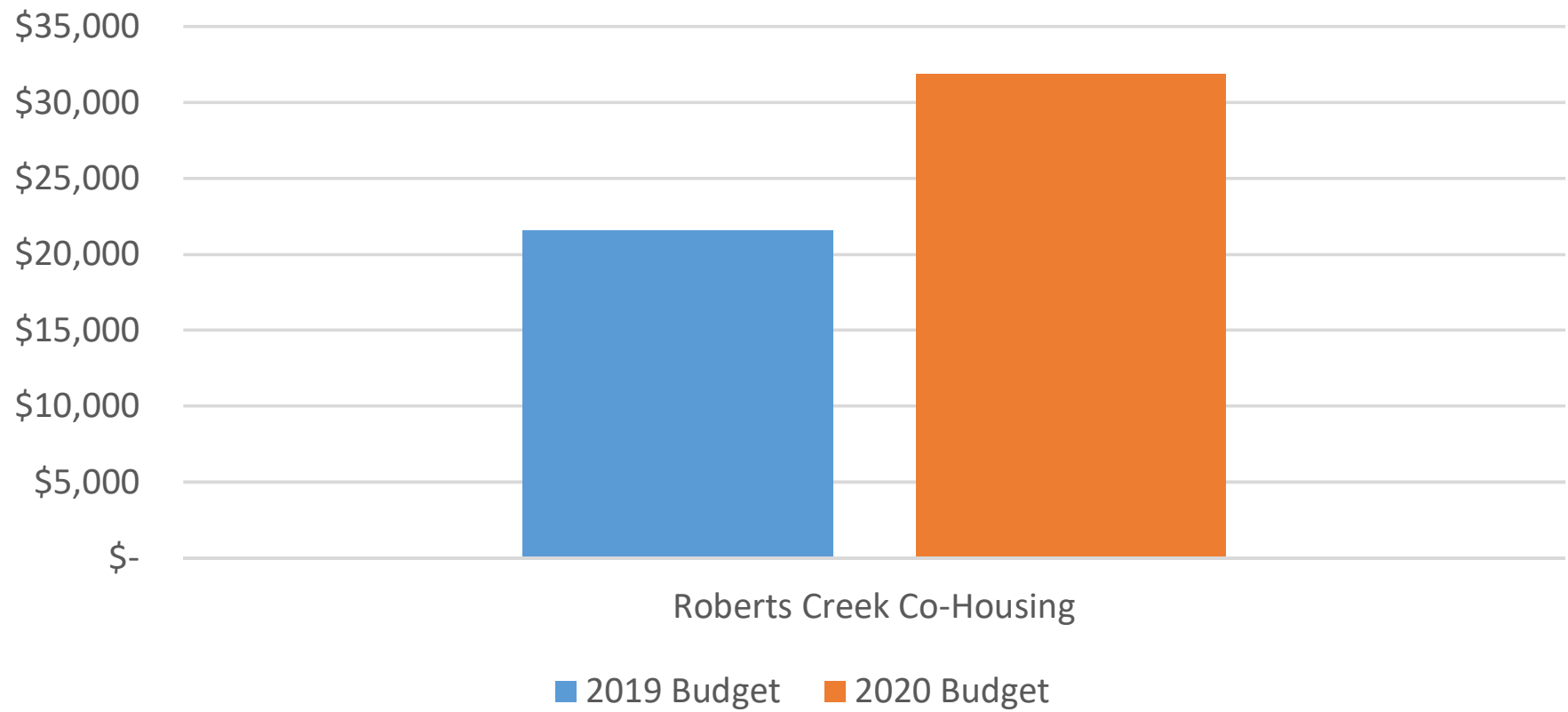




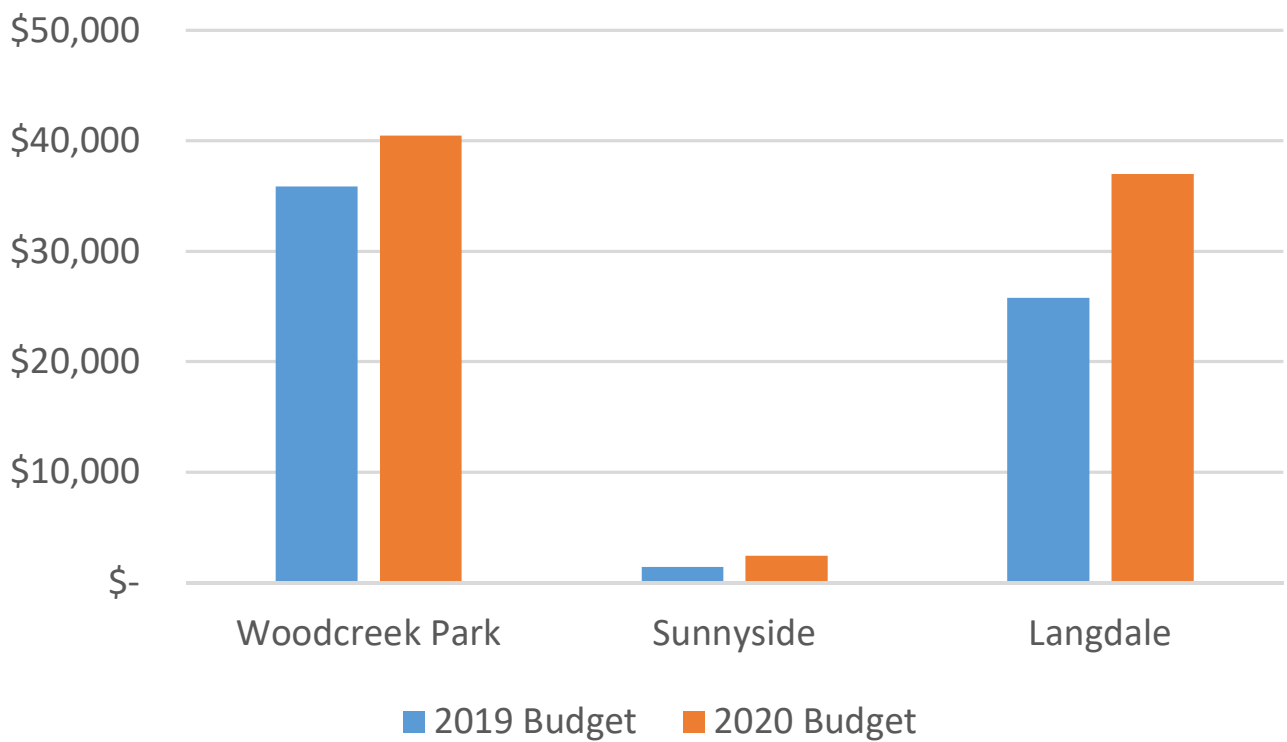
O&M Budget - Area B

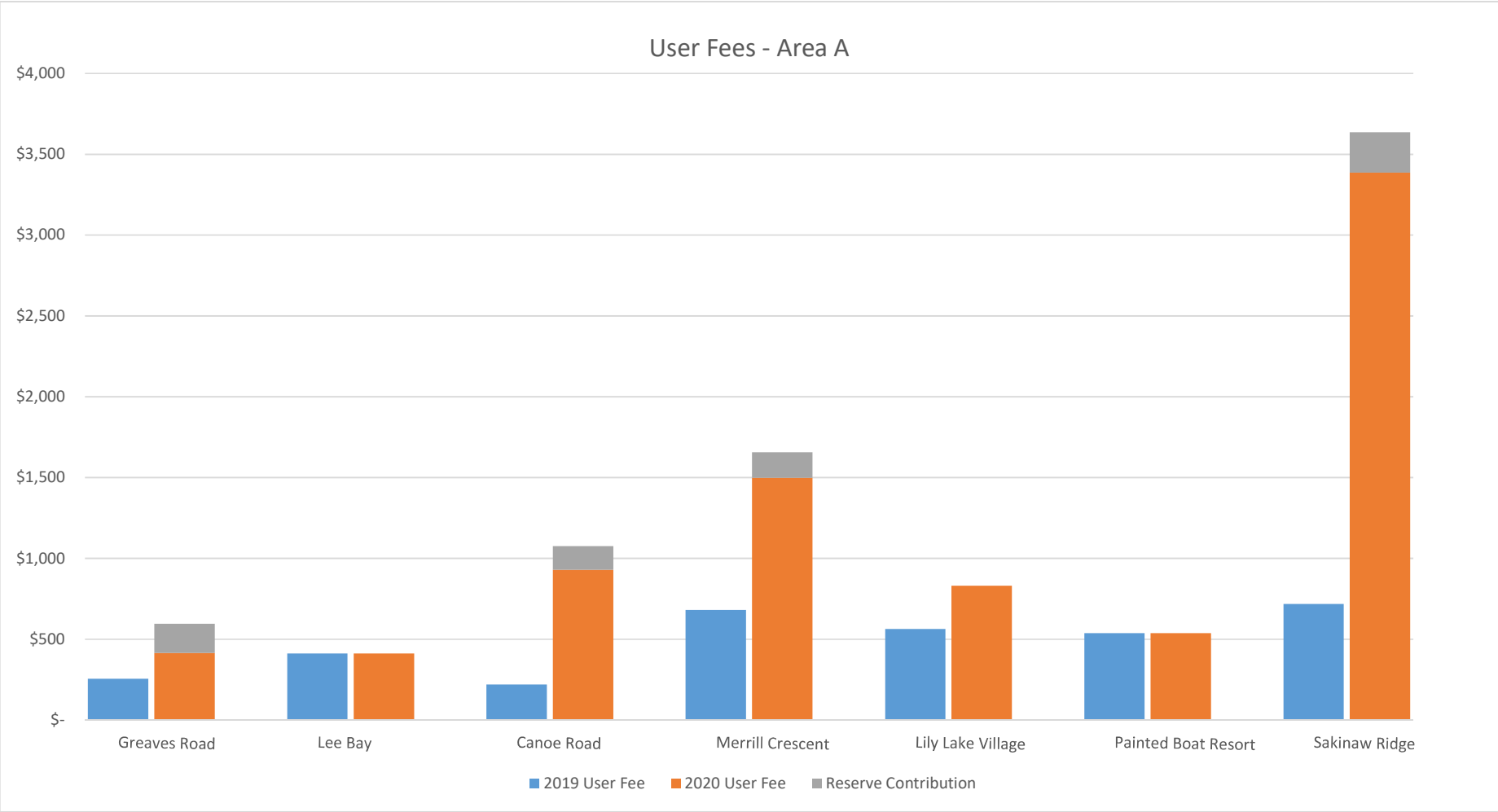


O&M Budget - Area D

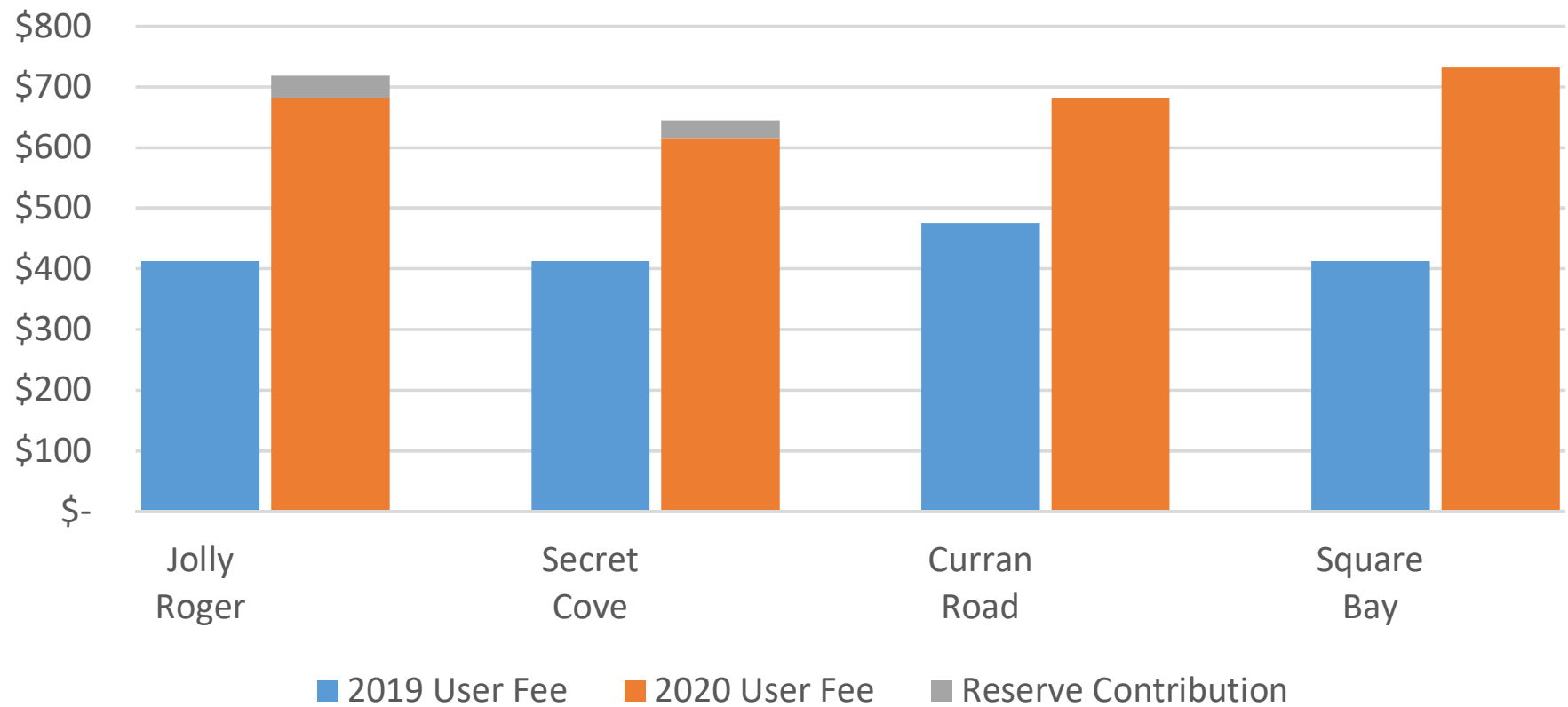


O&M Budget - Areas E & F

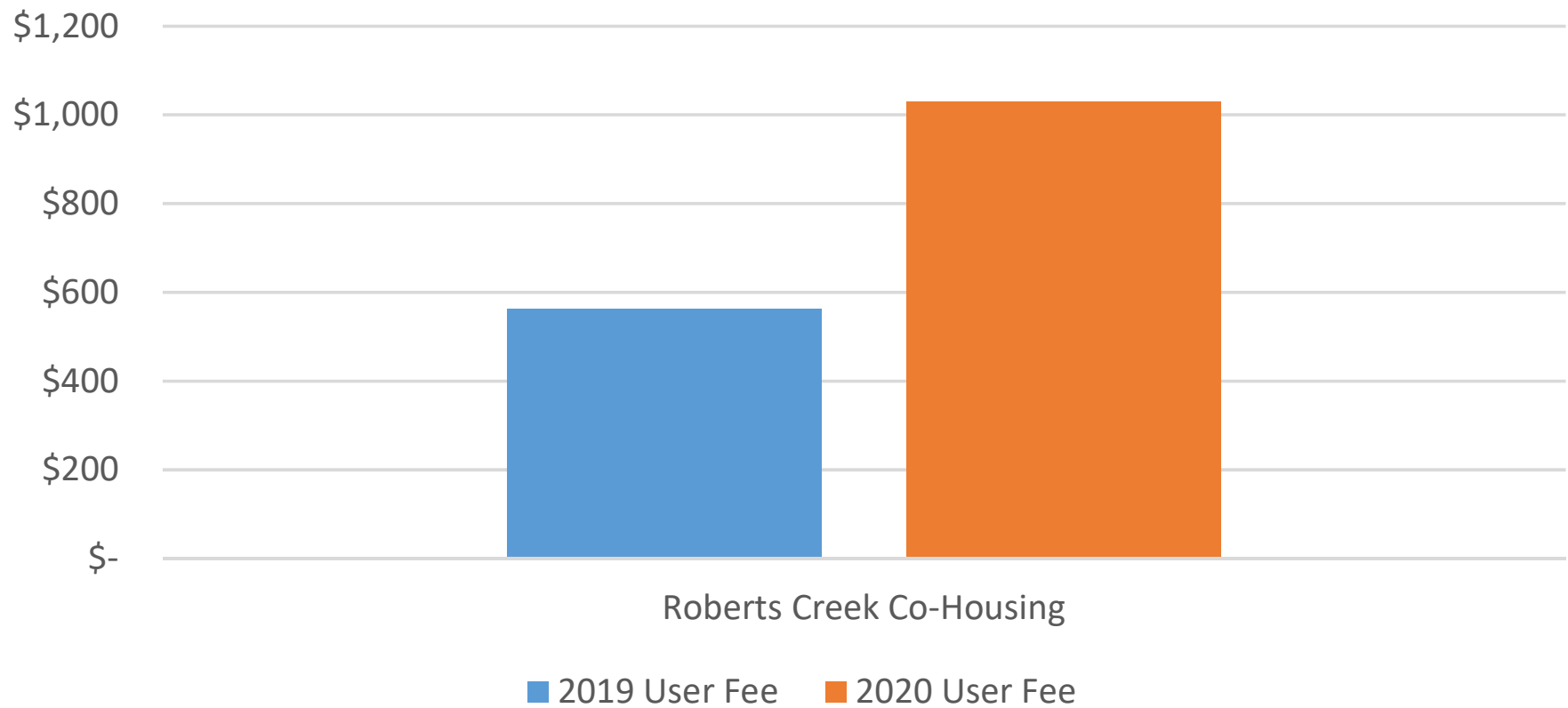




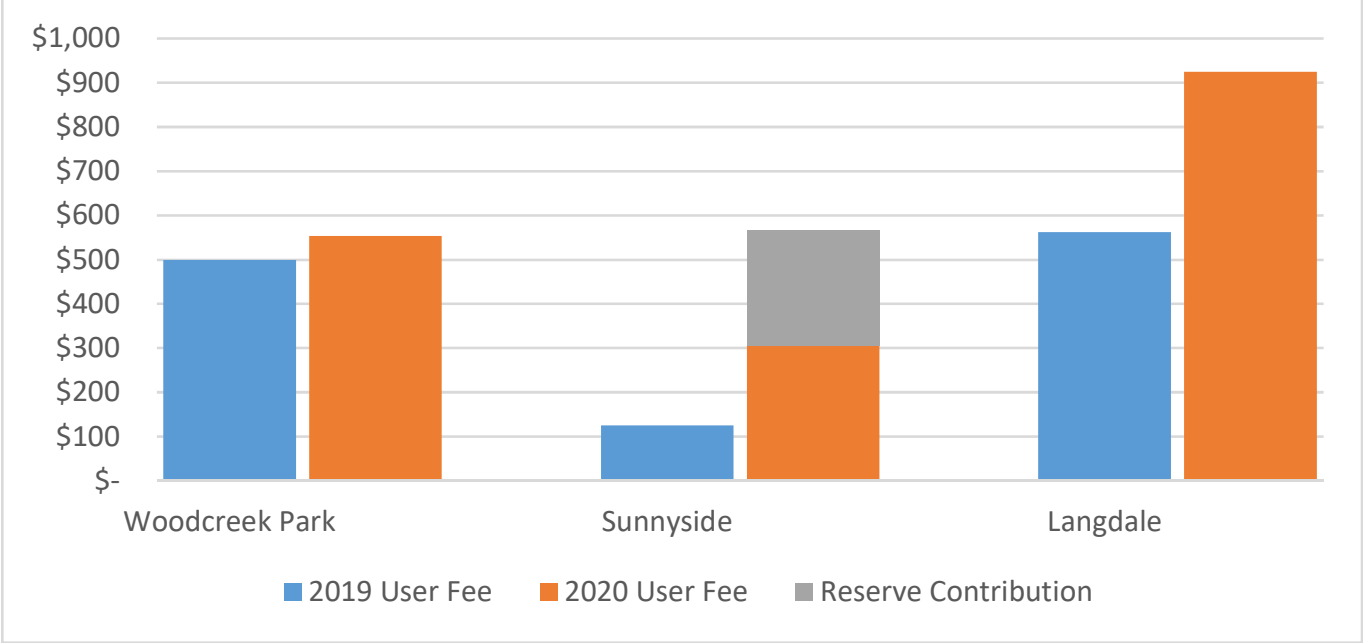
User Fees - Area B



User Fees - Area D



User Fees - Areas E & F



SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

TO: Corporate and Administrative Services Committee – January 23, 2020

AUTHOR: Kyle Doyle, Manager, Asset Management

SUBJECT: **WASTEWATER FEASIBILITY STUDY – INFRASTRUCTURE PLANNING GRANT PROGRAM APPLICATION**

RECOMMENDATION(S)

THAT the report titled Wastewater Feasibility Study – Infrastructure Planning Grant Program Application be received;

AND THAT a resolution is passed to support the grant applications with commitments to fund the SCRD's share of the cost of the works proposed if grants are received.

BACKGROUND

At the January 9, 2020 Sunshine Coast Regional District (SCRD) Board meeting, a resolution 004/20 No 33 was passed (excerpt):

Recommendation No. 33 *Wastewater Treatment Services [381-395] – 2020 R1 Budget Proposals*

AND FURTHER THAT the following budget proposal be referred to 2020 Round 2 Budget pending staff report to January 2020 Infrastructure Services Committee meeting outlining proposed projects for 2020 and funding options:

- Budget Proposal 2 – [381-395] Wastewater Treatment Plants Asset Management Plans.

The SCRD manages 15 wastewater local service areas. Recently a service review and the development of asset management plans have identified the need for replacement of major components on up to six of these wastewater local service areas. A funding review is ongoing and necessary increases to the existing revenue for all wastewater service areas have been identified. In order to determine the scope of the work required at these six wastewater service areas it is required to have feasibility studies conducted by external wastewater professionals.

DISCUSSION

An SCRD application to the Infrastructure Planning Grant Program has been drafted seeking funding to enable these local service areas to conduct feasibility studies. These studies are necessary to provide staff with the requisite information to prepare for the replacement of the aforementioned components.

Financial Implications

The cost of each feasibility study is estimated to be \$7,500-10,000. The application is seeking \$6,250-7,500 of funding for each of the six wastewater local service areas (\$42,500 total) which is the maximum funding available to the SCRD under the grant program for this activity (see Table 1 below). The grants finance 100% of the first \$5,000 of cost and 50% of the remaining cost to a maximum contribution of \$10,000.

The SCRD must commit to spend \$1,250-\$2,500 as their share of the cost of the feasibility in the case that the grants are approved. The local service areas all have sufficient funds within operational reserves to afford this commitment. Table 1 summarizes the financial implications.

Table 1: Financial Implications

Location	Operating Reserves	Contribution Commitment	Remaining Reserves
Greaves Road	\$ 8,009.70	\$ 1,250.00	\$ 6,759.70
Merrill Crescent	\$ 3,085.18	\$ 1,250.00	\$ 1,835.18
Jolly Roger	\$ 17,065.33	\$ 2,500.00	\$ 14,565.33
Secret Cove	\$ 20,465.58	\$ 2,500.00	\$ 17,965.58
Sunnyside	\$ 7,544.12	\$ 1,250.00	\$ 6,294.12
Langdale	\$ 35,023.97	\$ 2,500.00	\$ 32,523.97

Timeline for next steps or estimated completion date

The application deadline is January 15, 2020, at this time grants have been submitted with the caveat that a Board resolution to fund the necessary in kind contributions will be submitted by Feb 15, 2020. Results of the application are expected by April 15, 2020.

STRATEGIC PLAN AND RELATED POLICIES

This grant application addresses infrastructure management related concerns as per the strategic plan.

This grant application is also consistent with the SCRD Financial Sustainability Plan, seeking alternative funding for SCRD projects.

CONCLUSION

An SCRD application to the IGPG has been drafted seeking funding to assist with completing feasibility studies for wastewater system(s) replacement.

The application has been submitted and the commitment from the SCRD board must be received by Feb 15, 2020.

Reviewed by:			
Manager		CFO/Finance	X-T.Perreault
GM		Legislative	
CAO	X – D. McKinley	Other	

SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

TO: Corporate and Administrative Services Committee – January 23, 2020

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

SUBJECT: REGIONAL WATER SERVICE AREA 2020 RATE BYLAW AMENDMENT

RECOMMENDATION(S)

THAT the report titled Regional Water Service Area 2020 Rate Bylaw Amendment be received;

AND THAT the Water Rates and Regulations Bylaw 422, Schedule B be amended to increase the Regional Water Service Area User Fees and Metered Usage Fees by 43.0% and Parcel Taxes by 5.3% for an overall rate increase of 25.0%;

AND THAT the 2020-2024 Financial Plan be amended accordingly.

BACKGROUND

The Corporate and Administrative Services Committee received the report titled 'Regional Water Service [370] Budget Proposal Funding Implications' (Attachment A) at the special Round 1 budget meeting on December 5/6, 2019.

The report highlighted the potential funding implications associated with the 2020 Regional Water Service budget proposals as they relate to fees and charges and reserve balances. Three scenarios for rate increases were presented based on the funding requirements of all budget proposals and a specified contribution to capital reserves.

Although some budget proposals are still pending decision at Round 2 in February, an amendment to Water Rates and Regulations Bylaw No. 422 is required by the January 23 Board meeting in order to meet the legislated timeline for the Parcel Tax Roll Review.

The Regional Water Service Area (RWSA) consists of approximately 11,051 parcels and 10,509 billable water users. The current parcel tax and user rates per single family residential dwelling are \$263.00 and \$287.31, respectively. A copy of the full Regional Water Service rate Schedule B from Bylaw No. 422 is attached for reference (Attachment B).

The purpose of this report is to recommend 2020 rate increases for the RWSA which align with the current and long-term funding requirements of the service.

DISCUSSION

The primary objective in rate determination is setting appropriate, sustainable and equitable charges and fees that help the utility achieve full cost recovery by determining the funding

envelope required to service RWSA customers over the long term while maintaining financial sustainability.

The two primary sources of revenue for the RWSA are parcel taxes and user fees. Parcel taxes are calculated as a function of parcel size and levied against all parcels within the RWSA. User fees are composed of flat rate water user fees, which are levied on all residential water users within the RWSA, as well as metered water rates that are levied on ICI (industrial, commercial and institutional) water users.

The best practice methodology for the allocation of expenditures and revenues within the RWSA is based on the principle that parcel tax revenues fund capital expenditures (and associated debt) and that user fee revenues fund operating related expenditures.

Under the current rate structure, \$943,112 (32%) of 2019 parcel tax revenue was allocated to fund operating expenses. This amount increases to an estimated \$1,590,777 (53%) for 2020 based on current rates and assuming remaining budget proposals are approved. This would result in net annual capital funding of \$1,388,830, a reduction of 655,962 as compared to 2019.

It is recommended that any rate increase for 2020 be targeted to user fees in order to fully fund operating expenditures through user fee revenue. This in turn will increase capital funding by reducing or eliminating the allocation of parcel tax revenue to operations and will provide clarity going forward with respect to future required rate increase.

Historical Rates

Historical rates and annual increases dating back to 2013 are detailed in the table below:

	2013	2014	2015	2016	2017	2018	2019
Parcel Tax	244.29	249.27	252.46	255.41	255.41	257.84	263.00
User Fee	215.36	231.79	246.62	255.77	266.00	273.63	287.31
Total	459.65	481.06	499.08	511.18	521.41	531.47	550.31
Total \$ Increase		\$21.41	\$18.02	\$12.10	\$10.23	\$10.06	\$18.84
Total % Increase		4.66%	3.75%	2.42%	2.00%	1.93%	3.54%

Funding Options for Budget Proposal #7

The Board adopted the following resolution (excerpt) at its regular meeting on January 9, 2020:

004/20 Recommendation No. 29 *Regional Water Service [370] – 2020 R1 Budget Proposals*

AND FURTHER THAT the following budget proposal be referred to the 2020 Round 2 Budget pending a staff report to the January 2020 Infrastructure Services Committee meeting providing the impact to the Regional Water Service [370] of both options suggested i.e. adding the full \$650,000 to 2020 or adding only \$325,000 to 2020 and \$325,000 to 2021:

- *Budget Proposal 7 – Capital Watermain Replacement – Increase to Base Budget , \$650,000 funded through Parcel Taxes;*

Capital water main replacement is a base budget capital item which is an approved 'up to' annual expenditure that is effectively a specified allocation or commitment of annual capital funding. As such, these funding options will only result in a change to the budgeted contribution to capital reserves and ending uncommitted reserve balance as shown in the respective table columns in the options and analysis section below. Any unspent funds are transferred to capital reserves at year end per the financial sustainability policy.

In the context of annual capital funding, the current base budget for capital water main replacement of \$608,940 is equivalent to 30% of net 2019 capital funding. This budget proposal will increase the base budget amount to \$1,258,940 once fully implemented which would be equivalent to 40% of annual capital funding under option 1 below.

By adding only \$325,000 in 2020, the proportion of annual capital funding under option 1 would be maintained at 30% for 2020. To maintain this 30% proportion for the full \$650,000 amount, a further parcel tax rate increase of approximately 10.5% would be required in either 2020 or 2021.

Options and Analysis

Three rate increase options are presented below for the Committees consideration. Note that the rates and increases presented are applicable to a single family residential dwelling on a parcel up to 1 acre in size.

In addition, it is assumed that all remaining budget proposals referred to Round 2 will be approved and have been incorporated into the tables below based on the following funding sources:

- User Fees: \$201,947
- Operating Reserves: \$700,000
- Parcel Taxes: \$650,000 or \$325,000 (per BP#7 funding options, impacts budgeted transfer to capital reserve)

All amounts are estimates and will change based on final budget allocations (wage rates, support service allocation etc.) and 2019 year end surplus/deficit values.

The budgeted transfer to capital reserves is calculated by deducting base budget capital expenditures and debt servicing costs from total annual capital funding. Total annual capital funding is equal to parcel tax revenue less any amount required to fund operations.

Option 1 – 25% overall rate increase (43% increase to user fees, 5.3% increase to parcel taxes)

Fee Summary	User Fee	Parcel Tax	Overall
Current Rate	\$287.31	\$263.00	\$550.31
Proposed Increase	123.54	13.94	137.48
2020 Rate	\$430.97	\$276.94	\$687.79
% Increase	43.0%	5.3%	25.0%
Reserve Summary	Operating Reserve	Capital Reserve (Fully Fund BP #7)	Capital Reserve (Incrementally Fund BP #7)
Opening Uncommitted Balance	\$2,728,365	\$4,145,305	\$4,145,305
Budgeted Transfers to Reserves	9,427	1,571,218	1,921,218
Budgeted Transfers from Reserves	(1,342,500)	(1,762,500)	(1,762,500)
Ending Uncommitted Balance	\$1,395,292	\$3,954,023	\$4,304,023
Total Annual Capital Funding from Parcel Taxes: \$3,146,263			
Parcel Taxes Required to Fund Operations: \$NIL			

Staff recommend this option for the following reasons:

- Eliminates allocation of parcel taxes to fund operations
- Net result is an annual capital funding increase of \$1,757,433
- Clear delineation between operating (user fees) and capital (parcel taxes) funding going forward
- Modest increase in uncommitted reserve balance in anticipation of future water supply expansion investments and improved asset management.

Option 2 – 22.4% overall rate increase (43% increase to user fees, no increase to parcel taxes)

Fee Summary	User Fee	Parcel Tax	Overall
Current Rate	\$287.31	\$263.00	\$550.31
Proposed Increase	123.54	-	123.54
2020 Rate	\$410.85	\$263.00	\$673.85
% Increase	43.0%	0.0%	22.4%
Reserve Summary	Operating Reserve	Capital Reserve (Fully Fund BP #7)	Capital Reserve (Incrementally Fund BP #7)
Opening Uncommitted Balance	\$2,728,365	\$4,145,305	\$4,145,305
Budgeted Transfers to Reserves	9,427	1,462,859	1,787,859
Budgeted Transfers from Reserves	(1,342,500)	(1,762,500)	(1,762,500)
Ending Uncommitted Balance	\$1,395,292	\$3,845,664	\$4,170,664
Total Annual Capital Funding from Parcel Taxes: \$2,987,904			
Parcel Taxes Required to Fund Operations: \$NIL			

This option is identical to option 1 with the exception of the net annual capital funding increase which decreases by \$158,000 to \$1,599,074 reflected in a reduced contribution to capital reserves. The unchanged uncommitted reserve balance does not reflect the future funding needs for water supply expansion initiatives and improved asset management.

Option 3 – 15.7% overall rate increase (30% increase to user fees, no increase to parcel taxes)

Fee Summary	User Fee	Parcel Tax	Overall
Current Rate	\$287.31	\$263.00	\$550.31
Proposed Increase	86.19	-	86.19
2020 Rate	\$373.50	\$263.00	\$636.50
% Increase	30.0%	0.0%	15.7%
	Operating Reserve	Capital Reserve (Fully Fund BP #7)	Capital Reserve (Incrementally Fund BP #7)
Opening Uncommitted Balance	\$2,728,365	\$4,145,305	\$4,145,305
Budgeted Transfers to Reserves	-	985,995	1,310,995
Budgeted Transfers from Reserves	(1,342,500)	(1,762,500)	(1,762,500)
Ending Uncommitted Balance	\$1,385,865	\$3,368,800	\$3,693,800
Total Annual Capital Funding from Parcel Taxes: \$2,511,040			
Parcel Taxes Required to Fund Operations: \$476,864 (16.0% of Parcel Tax Revenue)			

This option is not recommended for the following reasons:

- Requires \$476,864 (16%) of parcel tax revenue to fund operations
- Increases net annual capital funding by only \$1,122,210
- Defers required increases to future years, including for future water supply expansion investments and improved asset management.

Financial Implications

As discussed, increasing user fees by a substantial margin will result in an increase to capital funding by reducing or eliminating the allocation of parcel tax revenue to fund operations. The following table highlights the additional revenue and net capital funding increase that will result under each of the three options presented:

	Option 1	Option 2	Option 3
Additional User Fee Revenue	\$1,608,501	\$1,608,501	\$1,122,210
Additional Parcel Tax Revenue	158,359	-	-
Total Additional Revenue	\$1,766,860	\$1,608,501	\$1,122,210
Net Capital Funding Increase	\$1,757,433	\$1,599,074	\$1,122,210

Timeline for next steps or estimated completion date

Once approval is received to amend the user rates and parcel taxes, the Water Rates Bylaw 422, Schedule B will be amended to increase the Regional Water Service Area User Fees and Parcel Taxes and forwarded to the January 23, 2020 Board Meeting for three readings and adoption.

Communications Strategy

A Communication Plan has been developed to inform homeowners of the rate increases. Information regarding rate changes will be communicated via print advertising, social media and

on utility invoices sent to customers. The rate changes are also included in the public presentations for the budget process.

STRATEGIC PLAN AND RELATED POLICIES

Annual reviews and adjustments of fees and charges is consistent with Section 4.2.2 of the Financial Sustainability Policy.

CONCLUSION

In the Regional Water Service Area, parcel taxes are intended to fund capital expenditures (acquiring or maintaining fixed assets) and user fees are intended to fund operational expenditures (ongoing costs of running the service).

Under the historical rate schedules for the Regional Water Service Area, a portion of parcel tax revenue has been required to fund operating expenditures. To address this imbalance, user fees need to be increased at a rate greater than the increase in operating expenditures.

For 2020, staff recommend a 43.0% increase to user rates and a 5.3% increase to parcel tax rates for an overall rate increase of 25.0%. This will eliminate the allocation of parcel tax revenue to fund operations and increase net capital funding by \$1,757,433 to \$3,146,263.

Pending Board direction, Water Rates and Regulations Bylaw No. 422, Schedule E will be updated and forwarded to the January 23, 2020 Board Meeting for three readings and adoption.

Attachments:

A – Regional Water Service [370] Budget Proposal Funding Implications

B – Bylaw 422 Schedule B

Reviewed by:			
Manager		Finance	
GM	X – R. Rosenboom	Legislative	
CAO	X – D. McKinley	Other	

SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

TO: Special Corporate and Administrative Services Committee - December 5/6, 2019

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

SUBJECT: REGIONAL WATER SERVICE [370] BUDGET PROPOSAL FUNDING IMPLICATIONS

RECOMMENDATION(S)

THAT the report titled Regional Water Service [370] Budget Proposal Funding Implications be received.

BACKGROUND

An amendment to Water Rates and Regulations Bylaw No. 422 will need to be adopted in January 2020 in order to meet the legislated timeline for the Parcel Tax Roll Review. The Regional Water Service Area (RWSA) consists of approximately 11,000 parcels and 10,450 billable water users.

As this will occur prior to Round 2 budget meetings and final adoption of the Financial Plan Bylaw, decisions made and direction provided during Round 1 Budget will guide subsequent recommendations with respect to rate increases.

The purpose of this report is to inform the Committee of the potential funding implications associated with the 2020 Regional Water Service budget proposals included for consideration in Round 1 budget package as they relate to fees and charges and reserve balances.

DISCUSSION

Staff have completed a high level analysis of the funding implications associated with the 2020 Regional Water Service budget proposals. The intent of this analysis is to provide a general picture of the rate increases that will be required to fund these proposals if approved as presented.

Given the complexities and variables involved, the following assumptions and generalizations have been made:

- All budget proposals are assumed to be approved as presented. In cases where final amounts are still 'to be determined', an estimate has been included in the analysis (with the exception of Budget Proposal No. 25 for which no amount was included).
- Percentage increases are based on the applicable revenue requirement divided by combined 2019 budgeted user fee and parcel tax revenue.
- Dollar value increases are based on the percentage increase applied to the combined 2019 user fee and parcel tax rate of \$550.31 for a property up to one acre in size with one single family residential dwelling.

- Debt servicing for equipment financing loans are budgeted for a half year in 2020.
- No debt servicing impacts for long term borrowing in 2020, these are included in the full impact analysis.
- Opening reserve balances are based on the uncommitted amount in reserve, unspent reserve funds allocated to projects in 2019 are excluded on the assumption that the projects will carry forward to 2020.
- Uncommitted reserve balances are reflective of combined operating and capital reserves.
- All values included in Scenarios 1 to 3 are estimates.

Summary of 2019 Budgeted Revenue and Rates

The basis for the analysis in this report is the 2019 budgeted fees and charges revenue and rates. There are varying rates depending on the use and size of the property; however, the majority of residential properties connected to the system pay a combined user fee and parcel tax of \$550.31 annually.

The full Regional Water Service rate Schedule B from Water Rates and Regulations Bylaw No. 422 is attached to this report (Attachment A) for reference.

Budget user fee and parcel tax revenue totaled \$6,728,604 in 2019. Of this amount, \$3,740,700 (55.6%) was for user fees which are fully allocated to funding operations.

Budgeted parcel tax revenue totaled \$2,987,904 and is intended to fund the ongoing capital maintenance, upgrading, renewal and expansion of water supply, treatment and distribution infrastructure as well as any associated debt servicing costs. However, a historical imbalance exists between user fee and parcel tax revenue resulting in a portion of parcel taxes being used to fund operations. The distribution of parcel tax revenue based on the 2019 budget is as follows:

Cost Category	Amount	Percentage
Operations	\$ 943,112	32%
Base budget capital programs (mains replacement, meter installation, minor capital upgrades & equipment replacement)	808,940	27%
Debt servicing	221,485	7%
Capital reserve contribution	1,014,367	34%
Total	\$ 2,987,904	100%

Based on the current funding mix, the Regional Water Service budget is balanced by increasing or decreasing the budgeted contribution to capital reserves. In other words, the capital reserve contribution is what's left over after all other funding requirements have been met. As such, the scenarios presented in the analysis below are based on varying levels of annual contributions to reserve.

Analysis

Methodology

Three scenarios are presented which summarize the rate increase associated with approval of all budget proposals and a specified contribution to reserves. That is, if the contribution to reserves or uncommitted reserve balance is X, the required increase to fees and charges will be Y.

Each scenario includes the 2020 budget impact and the full annualized impact. The 2020 budget impact is based on pro-rated values where applicable. The full annualized impact assumes that all proposals are fully funded for 2020 including the full impact of any debt servicing costs. In reality, debt servicing costs associated with long term borrowing will not be incurred until 2021 or later; however, rates will eventually need to increase to support those costs.

Scenario 1 – Balanced budget with no budgeted contribution to reserves

This scenario can be considered the minimum required funding level. It would result in a balanced budget and no budgeted contribution to reserve. This scenario would result in an uncommitted reserve balance of \$3,716,970 at the end of 2020.

Fees & Charges Summary	2020 Impact	Full Impact
Additional Revenue Requirement	\$72,428	\$994,724
Increase to fees & charges	1.1%	14.8%
Residential impact - one single family dwelling on a parcel up to 1 acre in size	\$5.92	\$81.36
Reserve Summary	2020 Impact	Full Impact
Opening Uncommitted Balance	\$6,873,670	\$6,873,670
Budgeted Transfer to Reserves	-	-
Budgeted Transfer from Reserves	(3,156,700)	(3,156,700)
Ending Uncommitted Balance	\$3,716,970	\$3,716,970

Scenario 2 – Balanced budget with \$1,000,000 budgeted contribution to reserves

This scenario would balance the budget and maintain a budgeted contribution to reserve of \$1,000,000 which is slightly less than the 2019 contribution of \$1,014,367. This scenario would result in an uncommitted reserve balance of \$4,664,542 at the end of 2020.

Fees & Charges Summary	2020 Impact	Full Impact
Additional Revenue Requirement	\$1,072,428	\$1,994,724
Increase to fees & charges	15.9%	29.6%
Residential impact - one single family dwelling on a parcel up to 1 acre in size	\$87.71	\$163.14
Reserve Summary	2020 Impact	Full Impact
Opening Uncommitted Balance	\$6,873,670	\$6,873,670
Budgeted Transfer to Reserves	1,000,000	1,000,000
Budgeted Transfer from Reserves	(3,156,700)	(3,156,700)
Ending Uncommitted Balance	\$4,664,542	\$4,664,542

Scenario 3 – Balanced budget with \$2,000,000 budgeted contribution to reserves

This scenario would balance the budget and increase the budgeted contribution to reserves to \$2,000,000. This scenario would result in an uncommitted reserve balance of \$5,664,542 at the end of 2020.

Fees & Charges Summary	2020 Impact	Full Impact
Additional Revenue Requirement	\$2,072,428	\$2,994,724
Increase to fees & charges	30.8%	44.5%
Residential impact - one single family dwelling on a parcel up to 1 acre in size	\$169.50	\$244.93
Reserve Summary	2020 Impact	Full Impact
Opening Uncommitted Balance	\$6,873,670	\$6,873,670
Budgeted Transfer to Reserves	2,000,000	2,000,000
Budgeted Transfer from Reserves	(3,156,700)	(3,156,700)
Ending Uncommitted Balance	\$5,664,542	\$5,664,542

Asset Management Considerations

The Regional Water system [370] does not have a comprehensive service and asset management plan, similar to the one recently drafted for the Wastewater facilities. The last review of this type was done as part of the Comprehensive Regional Water Master Plan which also established a rate model which aligned with projects and service delivery. It has been identified, and put into staff's operational work-plans, to begin drafting such plan, which will also include identifying the funding required for both operational and capital needs. It is anticipated that in addition to the analysis outlined in this report, that there will be additional funding gaps.

Financial Implications

Under each scenario above, the uncommitted reserve balance at the end of 2020 would be less than at the end of 2019. Given the 2019 uncommitted reserve balance of \$6,873,670 is already small in relation to the overall replacement value of tangible capital assets, it is recommended

that this balance, at the very least, not be depleted any further over the coming five year financial plan period.

Continued development of the asset management plan in the years to come will provide more certainty with respect to ongoing capital funding requirements for renewal of existing infrastructure and the annual reserve contributions required to support it.

Addressing the water supply situation in the Regional Water System is expected to continue to have substantial funding requirements in the upcoming years.

STRATEGIC PLAN AND RELATED POLICIES

The vast majority of the budget proposals for the Regional Water Service [370] are supporting several Strategies identified in the 2019-2023 Strategic Plan, including:

- Strategy 2.1: Plan for and ensure year round water availability now and in the future.
- Strategy 2.2: Continue to develop and implement comprehensive asset management strategy
- Strategy 3.3: Increase intergovernmental collaboration
- Strategy 4.1: Develop climate change adaptation strategy

Section 1.2 of the Financial Sustainability Policy reads as follows:

The adoption of the Regional District's budget is one of the most critical functions undertaken by the Board to achieve its stated goals. Budgets and business plans shall be developed in a consistent and planned manner. Budgets shall take into consideration the impacts of initiatives on both the current and future years and the Regional District's ability to fund those initiatives.

Building on this, the following sections of the Financial Sustainability Policy are of particular relevance to the funding implications associated with Regional Water Service budget proposals:

- Section 4.2 – Fees and Charges: *Fees and charges are a significant portion of the Regional District's revenues. They must be reviewed on a regular basis to ensure they are set at the appropriate rate and to provide users with adequate notice of any changes.*
- Section 4.8 – Demand Management and Efficiencies: *The Regional District does not have the resources to meet all the demands that are made for services. Demand must be managed to make sure that expectations reflect our fiscal reality.*
- Section 4.11 – Capital Projects: *Capital projects and programs are funded from a variety of sources including taxation, grants, debt and reserves. Once the project or program is completed, its full on-going operation and maintenance costs need to be included in the operating budget, and future upgrade and/or replacement costs need to be included in the Capital Plan. These on-going and future costs must be clearly understood before a capital project is approved.*
- Section 4.13 – Debt Management: *The Regional District recognizes that, properly applied, debt can be an affordable and effective source of funding that complements the sustainability of an organization by matching costs to the appropriate tax payer in the year in which the benefit is received. The Regional District also recognizes that*

excessive debt reduces an organization's flexibility and its ability to handle unforeseen challenges. Debt decisions shall balance quality of life and financial considerations.

- Section 4.14 – Reserve Funds and Rate Stabilization: *The Regional District strives to develop appropriate reserves with respect to Regional District capital assets, landfill closure and post closure costs, employee benefit obligations, and other significant future financial obligations. Reserves and Rate Stabilization Funds contribute to the financial stability of Regional District services.*

CONCLUSION

An amendment to Water Rates and Regulations Bylaw No. 422 will need to be adopted in January 2020, prior to Round 2 budget meetings, in order to meet the legislated timeline for the Parcel Tax Roll Review.

Staff have completed a high level analysis of the funding implications associated with the 2020 Regional Water Service budget proposals to provide a general picture of the rate increases that will be required to balance the budget and maintain specified contributions to reserves if all proposals are approved as presented.

Reviewed by:			
Manager		Finance	
GM	X-R. Rosenboom	Legislative	
Interim CAO		Other	

SUNSHINE COAST REGIONAL DISTRICT

BYLAW NO. 422

SCHEDULE "B"

*This Schedule does not apply to the North Pender Harbour Water Service Area
as established under Bylaw No. 1070 (see Schedule "D")*

OR

*The South Pender Harbour Water Service Area
as established under Bylaw No. 1074 (see Schedule "E")*

ANNUAL WATER SERVICE RATES AND CHARGES

1.	<u>Land Charges – billed annually</u>	<u>Annual</u>
(1)	Up to and including one acre in area	\$ 263.00
(2)	Greater than one acre, up to and including two acres	\$ 279.94
(3)	Greater than two acres, up to and including three acres	\$ 315.65
(4)	Greater than three acres, up to and including four acres	\$ 357.86
(5)	Greater than four acres, up to and including five acres	\$ 376.76
(6)	Greater than five acres, \$18.55 for each additional acre or part of an acre, up to and including ten acres	
(7)	Greater than ten acres, \$10.42 for each additional acre or part of an acre, up to and including twenty acres	
(8)	Greater than twenty acres, \$7.07 for each additional acre or part of an acre	
2.	<u>User Fees – billed annually</u>	<u>Annual</u>
(1)	For each dwelling unit (a dwelling unit being a single suite in a dwelling, a single strata lot, or any building or structure customarily used as a self contained living unit)	\$ 287.31
(2)	Motels – per unit	\$ 151.82
(3)	Apartments	\$ 231.30
(4)	Mobile Homes - per occupied pad	\$ 231.30
(5)	Hospital and Intermediate Care Facilities - per bed	\$ 151.82
(6)	All other users not herein provided for - per user	\$ 287.31
3.	<u>Meter Rates – billed quarterly</u>	<u>Per Quarter</u>
	Per cubic metre	\$ 0.85
	Minimum charge per quarter (meter rental extra)	\$ 71.83

SUNSHINE COAST REGIONAL DISTRICT

BYLAW NO. 422

Schedule "B" continued

4.	<u>Meter Rentals – billed quarterly</u>	<u>Per Quarter</u>	<u>Annual</u>
(1)	Up to and including 3/4"	\$ 9.00	\$ 36.00
(2)	Over 3/4", up to and including 1"	\$ 12.00	\$ 48.00
(3)	Over 1", up to and including 1 ½"	\$ 30.00	\$ 120.00
(4)	Over 1 ½", up to and including 2"	\$ 36.00	\$ 144.00
(5)	Over 2", up to and including 4"	\$ 45.00	\$ 180.00
(6)	Over 4", up to and including 6"	\$ 60.00	\$ 240.00

5. Manual Water Meter Readings

Per reading \$25.00 (up to a maximum of \$300 per annum)

6. Connection Charges

- | | | |
|-----|-----------------|-----------------------|
| (1) | 3/4" Connection | \$ 1,200.00 |
| (2) | 1" Connection | \$ 1,800.00 |
| (3) | Over 1" | (minimum) \$ 2,000.00 |
- (Plus additional costs incurred for fittings and installation)

7. Turning Off/On Fees

Subsequent to the initial turn on, the fee for turning the water off shall be the sum of \$50.00 payable at the time of application.

8. Hydrant Rental

An annual charge of TWENTY DOLLARS (\$20.00) shall be levied for each hydrant operating from the Utility. The charge will be payable by the Fire Improvement Districts and Fire Protection Districts served by the Regional District Water Authority.

9. Temporary Lawn Watering Permit

The fee for a Temporary Lawn Watering Permit shall be \$50.00 payable at the time of application.

SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

TO: Corporate and Administrative Services Committee – January 23, 2020

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

SUBJECT: SOUTH PENDER HARBOUR WATER SERVICE AREA 2020 RATE BYLAW AMENDMENT

RECOMMENDATION(S)

THAT the report titled South Pender Harbour Water Service Area 2020 Rate Bylaw Amendment be received;

AND THAT the Water Rates Bylaw 422, Schedule E be amended to increase the South Pender Harbour Water Service Area User Fees and Metered Usage Fees by 27.5% and Parcel Taxes by 5.0% in 2020 for an overall rate increase of 17.5%;

AND FURTHER THAT the 2020-2024 Financial Plan be amended accordingly.

BACKGROUND

The South Pender Harbour Water Service Area (SPHWSA) consists of approximately 1,045 parcels and 885 billable water users. The current parcel tax and user rates per single family residential dwelling are \$330.87 and \$415.01, respectively. A copy of the full SPHWSA rate Schedule E from Bylaw No. 422 is attached for reference (Attachment A).

An amendment to Water Rates and Regulations Bylaw No. 422 is required by the January 23 Board meeting in order to meet the legislated timeline for the annual Parcel Tax Roll Review.

The purpose of this report is to recommend 2020 rate increases for the SPHWSA which align with the current and long-term funding requirements of the service.

DISCUSSION

In the SPHWSA, parcel taxes are intended to fund capital expenditures (acquiring or maintaining fixed assets) and user fees are intended to fund operational expenditures (ongoing costs of running the service).

Currently, \$132,281 (32.7%) of parcel tax revenue budgeted to fund operating expenditures at the conclusion of Round 1 budget, only recently have rate increases begun to address this imbalance through larger increases to user rates. For 2020, it is recommended that this imbalance be eliminated to provide increased capital funding and clarity with respect to setting rates going forward. Annual capital funding is currently budgeted at \$228,224.

Historical Rates

Historical rates and annual increases dating back to 2013 are detailed in the table below:

	2013	2014	2015	2016	2017	2018	2019
Parcel Tax	277.62	297.05	311.90	324.38	324.38	324.38	330.87
User Fee	306.83	328.31	344.73	358.52	372.86	393.37	415.01
Total	584.45	625.36	656.63	682.90	697.24	717.75	745.88
Total \$ Increase		\$40.91	\$31.27	\$26.27	\$14.34	\$20.51	\$28.13
Total % Increase		7.00%	5.00%	4.00%	2.10%	2.94%	3.92%

Options and Analysis

The following options and analysis are based on budget approvals as at the end of Round 1 and estimated uncommitted reserve balances. These values will change based on final budget allocations (wage rates, support service allocation etc.) and 2019 year end surplus/deficit values.

User Fees and parcel tax rates used in the analysis are based on the rates for a single residential dwelling unit and parcel up to two acres in size respectively.

The budgeted transfer to capital reserves is calculated by deducting base budget capital expenditures and debt servicing costs from total annual capital funding. Total annual capital funding is equal to parcel tax revenue less any amount required to fund operations.

Option 1 – 17.5% overall rate increase (27.5% increase to user fees, 5% increase to parcel taxes)

Fee Summary	User Fee	Parcel Tax	Overall
Current Rate	\$415.01	\$330.87	\$745.88
Proposed Increase	114.13	16.54	130.67
2020 Rate	\$529.14	\$347.41	\$876.55
% Increase	27.5%	5.0%	17.5%
Reserve Summary	Operating Reserve	Capital Reserve	
Opening Uncommitted Balance	\$581,906	\$273,445	
Budgeted Transfers to Reserves	96	220,451	
Budgeted Transfers from Reserves	(120,000)	(50,000)	
Ending Uncommitted Balance	\$462,002	\$443,896	
Total Annual Capital Funding from Parcel Taxes: \$378,530			
Parcel Taxes Required to Fund Operations: \$NIL			

Staff recommend this option for the following reasons:

- Eliminates allocation of parcel taxes to fund operations
- Net result is an annual capital funding increase of \$142,306

- Clear delineation between operating (user fees) and capital (parcel taxes) funding going forward
- Increase in uncommitted reserve balance in anticipation of future water main replacement costs and other asset management considerations.

Option 2 – 15.3% overall rate increase (27.5% increase to user fees, no increase to parcel taxes)

Fee Summary	User Fee	Parcel Tax	Overall
Current Rate	\$415.01	\$330.87	\$745.88
Proposed Increase	114.13	-	114.13
2020 Rate	\$529.14	\$330.87	\$860.01
% Increase	27.5%	0.0%	15.3%
Reserve Summary	Operating Reserve	Capital Reserve	
Opening Uncommitted Balance	\$581,906	\$273,445	
Budgeted Transfers to Reserves	96	202,426	
Budgeted Transfers from Reserves	(120,000)	(50,000)	
Ending Uncommitted Balance	\$462,002	\$425,871	
Total Annual Capital Funding from Parcel Taxes: \$360,505			
Parcel Taxes Required to Fund Operations: \$NIL			

This option is identical to option 1 with the exception of the net annual capital funding increase which decreases by \$18,025 to \$124,281 reflected in a reduced contribution to capital reserves.

Option 3 – 8.3% overall rate increase (15.0% increase to user fees, no increase to parcel taxes)

Fee Summary	User Fee	Parcel Tax	Overall
Current Rate	\$415.01	\$330.87	\$745.88
Proposed Increase	62.25	-	114.13
2020 Rate	\$477.26	\$330.87	\$860.01
% Increase	15.0%	0.0%	8.3%
Reserve Summary	Operating Reserve	Capital Reserve	
Opening Uncommitted Balance	\$581,906	\$273,445	
Budgeted Transfers to Reserves	-	142,351	
Budgeted Transfers from Reserves	(120,000)	(50,000)	
Ending Uncommitted Balance	\$461,906	\$365,796	
Total Annual Capital Funding from Parcel Taxes: \$300,430			
Parcel Taxes Required to Fund Operations: \$60,075 (16.7%)			

This option is not recommended for the following reasons:

- Requires \$60,075 (16.7%) of parcel tax revenue to fund operations
- Increases net annual capital funding by only \$72,206
- Defers required rate increases to future years, including for future water main replacement and improved asset management.

Financial Implications

As discussed, increasing user fees by a substantial margin will result in an increase to capital funding by reducing or eliminating the allocation of parcel tax revenue to fund operations. The following table highlights the additional revenue and net capital funding increase that will result under each of the three options presented:

	Option 1	Option 2	Option 3
Additional User Fee Revenue	\$132,377	\$132,377	\$72,206
Additional Parcel Tax Revenue	18,025	-	-
Total Additional Revenue	\$150,402	\$132,377	\$72,206
Net Capital Funding Increase	\$150,306	\$132,281	\$72,206

Timeline for next steps or estimated completion date

Once approval is received to amend the user rates and parcel taxes the Water Rates Bylaw 422, Schedule E will be amended to increase the South Pender Harbour Water Service Area User Fees and Parcel Taxes and forwarded to the January 23, 2020 Board Meeting for three readings and adoption.

Communications Strategy

A Communication Plan is being developed to inform homeowners of the rate increases. Information regarding rate changes will be communicated via print advertising, social media and on the on utility invoices sent to customers. The rate changes are also included in the public presentations for the budget process.

STRATEGIC PLAN AND RELATED POLICIES

Annual reviews and adjustments of fees and charges are consistent with Section 4.2.2 of the Financial Sustainability Policy.

CONCLUSION

In the South Pender Harbour Water Service Area, parcel taxes are intended to fund capital expenditures (acquiring or maintaining fixed assets) and user fees are intended to fund operational expenditures (ongoing costs of running the service).

Under the historical rate schedules for SPHWSA, a portion of parcel tax revenue has been required to fund operating expenditures. To address this imbalance, user fees need to be increased at a rate greater than the increase in operating expenditures.

For 2020, staff recommend a 27.5% increase to user rates and a 5.0% increase to parcel tax rates for an overall rate increase of 17.5%. This will eliminate the allocation of parcel tax revenue to fund operations and increase net capital funding by \$150,306 to \$378,530.

Pending Board direction, Water Rates and Regulations Bylaw No. 422, Schedule E will be updated and forwarded to the January 23, 2020 Board Meeting for three readings and adoption.

Attachments:

A – Bylaw 422 Schedule E

Reviewed by:			
Manager		CFO/Finance	
GM	X – R. Rosenboom	Legislative	
CAO	X – D. McKinley	Other	

SUNSHINE COAST REGIONAL DISTRICT

BYLAW NO. 422

SCHEDULE "E"

This Schedule applies only to the South Pender Harbour Water Service Area as established under Bylaw No. 1074

ANNUAL WATER SERVICE RATES AND CHARGES

- | | | |
|----|--|--|
| 1. | <u>Land Charges – billed annually</u> | <u>Annual</u> |
| | (1) Up to and including two acres in area | \$ 330.87 |
| | (2) Greater than two acres, up to and including ten acres | \$ 452.75 |
| | (3) Greater than ten acres | \$ 574.65 |
| 2. | <u>User Fees – billed annually</u> | <u>Annual</u> |
| | (1) For each dwelling unit (a dwelling unit being a single dwelling, a single strata lot, or any building or structure customarily used as a self contained living unit) | \$ 415.01 |
| | (2) For each dwelling unit of a multiple family unit including apartments, suites, duplexes, cottages etc. | \$ 415.01 |
| | (3) For each office or place of business wherein is employed not more than one person | \$ 415.01 |
| | (4) For each office or place of business wherein is employed more than one person | \$ 592.85 |
| | (5) All other users not herein provided for - per user | \$ 415.01 |
| | (6) For each clubhouse or hall | \$ 592.85 |
| 3. | <u>Meter Rates – billed quarterly</u> | <u>Per Quarter</u> |
| | First 10,000 gallons used per quarter | \$ 148.21 |
| | Per 1000 gal (or part thereof) used over 10,000 gallons/quarter | \$ 6.93 |
| 4. | <u>Manual Water Meter Readings</u> | |
| | Per reading | \$25.00 (up to a maximum of \$300 per annum) |
| 5. | <u>Connection Charges</u> | |
| | (1) 3/4" Connection | \$ 1,200.00 |
| | (2) 1" Connection | \$ 1,800.00 |
| | (3) Over 1" (minimum) | \$ 2,000.00 |
| | (Plus additional costs incurred for fittings and installation) | |
| 6. | <u>Turning Off/On Fees</u> | |

Subsequent to the initial turn on, the fee for turning the water off shall be the sum of \$50.00 payable at the time of application.

SUNSHINE COAST REGIONAL DISTRICT

BYLAW NO. 422

Schedule “E” continued

7. Temporary Lawn Watering Permit

The fee for a Temporary Lawn Watering Permit shall be \$50.00 payable at the time of application.

SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

TO: Corporate and Administrative Services Committee – January 23, 2020

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

SUBJECT: NORTH PENDER HARBOUR WATER SERVICE AREA 2020 RATE BYLAW AMENDMENT

RECOMMENDATIONS

THAT the report titled North Pender Harbour Water Service Area 2020 Rate Bylaw Amendment be received;

AND THAT the Water Rates and Regulations Bylaw 422, Schedule D be amended to increase the North Pender Harbour Water Service Area User Fees and Metered Usage Fees by 50.0% in 2020 with no change to parcel tax rates for an overall rate increase of 23.0%;

AND FURTHER THAT the 2020-2024 Financial Plan be amended accordingly.

BACKGROUND

The North Pender Harbour Water Service Area (NPHWSA) consists of approximately 762 parcels and 551 billable water users. The current parcel tax and user rates per single family residential dwelling are \$326.63 and \$277.74, respectively. A copy of the full NPHWSA rate Schedule D from Bylaw No. 422 is attached for reference (Attachment A).

An amendment to Water Rates and Regulations Bylaw No. 422 is required by the January 23 Board meeting in order to meet the legislated timeline for the annual Parcel Tax Roll Review.

The purpose of this report is to recommend 2020 rate increases for the NPHWSA which align with the current and long-term funding requirements of the service.

DISCUSSION

In the NPHWSA, parcel taxes are intended to fund capital expenditures (acquiring or maintaining fixed assets) and user fees are intended to fund operational expenditures (ongoing costs of running the service). That being said, the vacant parcel rate in this service area is 28% which has historically resulted in a higher proportion of parcel tax revenue being used to fund operations to reduce the financial burden on users.

Currently, annual capital funding is \$84,616 with \$180,503 (68.1%) of parcel tax revenue budgeted to fund operating expenditures at the conclusion of Round 1 budget, only recently have rate increases begun to address this imbalance through larger increases to user rates. For 2020, it is recommended that this imbalance be reduced to an amount approximately proportionate with the vacant parcel rate to provide increased capital funding and clarity with respect to setting rates going forward.

Historical Rates

Historical rates and annual increases dating back to 2013 are detailed in the table below:

	2013	2014	2015	2016	2017	2018	2019
Parcel Tax	274.07	293.25	307.91	320.23	320.23	320.23	326.63
User Fee	194.15	207.74	218.13	226.86	235.93	255.98	277.74
Total	468.22	500.99	526.04	547.09	556.16	576.21	604.37
Total \$ Increase		\$32.77	\$25.05	\$21.05	\$9.07	\$20.05	\$28.16
Total % Increase		7.00%	5.00%	4.00%	1.66%	3.61%	4.89%

Options and Analysis

The following options and analysis are based on budget approvals as at the end of Round 1 and estimated uncommitted reserve balances. These values will change based on final budget allocations (wage rates, support service allocation etc.) and 2019 year end surplus/deficit values.

User Fees and parcel tax rates used in the analysis are based on the rates for a residential parcel containing one dwelling unit.

The budgeted transfer to capital reserves is calculated by deducting base budget capital expenditures and debt servicing costs from total annual capital funding. Total annual capital funding is equal to parcel tax revenue less any amount required to fund operations.

Option 1 – 23.0% overall rate increase (50% increase to user fees, no increase to parcel taxes)

Fee Summary	User Fee	Parcel Tax	Overall
Current Rate	\$277.74	\$326.63	\$604.37
Proposed Increase	138.87	-	138.87
2020 Rate	\$416.61	\$326.63	\$743.24
% Increase	50.0%	0.0%	23.0%
Reserve Summary	Operating Reserve	Capital Reserve	
Opening Uncommitted Balance	\$461,024	\$218,352	
Budgeted Transfers to Reserves	-	99,233	
Budgeted Transfers from Reserves	(77,500)	-	
Ending Uncommitted Balance	\$383,524	\$317,585	
Total Annual Capital Funding from Parcel Taxes: \$169,528			
Parcel Taxes Required to Fund Operations: \$95,861 (36.2%)			

Staff recommend this option for the following reasons:

- Reduces allocation of parcel tax revenue used to fund operations to 36.2%
- Net result is an annual capital funding increase of \$84,912
- Increase in uncommitted reserve balance in anticipation of future water main replacement costs and other asset management considerations.

Option 2 – 18.4% overall rate increase (40% increase to user fees, no increase to parcel taxes)

Fee Summary	User Fee	Parcel Tax	Overall
Current Rate	\$277.74	\$326.63	\$604.37
Proposed Increase	111.10	-	111.10
2020 Rate	\$388.84	\$326.63	\$715.47
% Increase	40.0%	0.0%	18.4%
Reserve Summary	Operating Reserve	Capital Reserve	
Opening Uncommitted Balance	\$461,024	\$218,352	
Budgeted Transfers to Reserves	-	82,304	
Budgeted Transfers from Reserves	(77,500)	-	
Ending Uncommitted Balance	\$383,524	\$300,656	
Total Annual Capital Funding from Parcel Taxes: \$152,329			
Parcel Taxes Required to Fund Operations: \$112,790 (42.5%)			

Under this option, the net annual capital funding increase would decrease by \$17,199 to \$67,713 as compared to option 1. Required rate increases for future water main replacement and improved asset management would be deferred to future years.

Option 3 – 13.8% overall rate increase (30% increase to user fees, no increase to parcel taxes)

Fee Summary	User Fee	Parcel Tax	Overall
Current Rate	\$277.74	\$326.63	\$604.37
Proposed Increase	83.32	-	83.32
2020 Rate	\$361.06	\$326.63	\$687.69
% Increase	30.0%	0.0%	13.8%
Reserve Summary	Operating Reserve	Capital Reserve	
Opening Uncommitted Balance	\$461,024	\$218,352	
Budgeted Transfers to Reserves	-	67,376	
Budgeted Transfers from Reserves	(77,500)	-	
Ending Uncommitted Balance	\$383,524	\$283,728	
Total Annual Capital Funding from Parcel Taxes: \$135,401			
Parcel Taxes Required to Fund Operations: \$135,401 (48.9%)			

Under this option, the net annual capital funding increase would decrease by \$34,127 to \$50,705 as compared to option 1. Required rate increases for future water main replacement and improved asset management would be deferred to future years.

Financial Implications

As discussed, increasing user fees by a substantial margin will result in an increase to capital funding by reducing the allocation of parcel tax revenue to fund operations. The following table highlights the additional revenue and net capital funding increase that will result under each of the three options presented:

	Option 1	Option 2	Option 3
Additional User Fee Revenue	\$84,642	\$67,713	\$50,785
Additional Parcel Tax Revenue	-	-	-
Total Additional Revenue	\$84,642	\$67,813	\$50,785
Net Capital Funding Increase	\$84,642	\$67,813	\$50,785

Timeline for next steps or estimated completion date

Once approval is received to amend the user rates and parcel taxes the Water Rates Bylaw 422, Schedule D will be amended to increase the North Pender Harbour Water Service Area User Fees and Parcel Taxes and forwarded to the January 23, 2020 Board Meeting for three readings and adoption.

Communications Strategy

A Communication Plan is being developed to inform homeowners of the rate increases. Information regarding rate changes will be communicated via print advertising, social media and on the utility invoices sent to customers. The rate changes are also included in public presentations for the budget process.

STRATEGIC PLAN AND RELATED POLICIES

Annual reviews and adjustments of fees and charges are consistent with Section 4.2.2 of the Financial Sustainability Policy.

CONCLUSION

In the North Pender Harbour Water Service Area, parcel taxes are intended to fund capital expenditures (acquiring or maintaining fixed assets) and user fees are intended to fund operational expenditures (ongoing costs of running the service).

Under the historical rate schedules for NPHWSA, a portion of parcel tax revenue has been required to fund operating expenditures. To address this imbalance, user fees need to be increased at a rate greater than the increase in operating expenditures.

For 2020, staff recommend a 50% increase to user rates and no increase to parcel tax rates for an overall rate increase of 23%. This will reduce the proportion of parcel tax revenue required to fund operations from 68.1% to 36.2% and increase net capital funding by \$84,642 to \$169,528.

Pending Board direction, Water Rates and Regulations Bylaw No. 422, Schedule D will be updated and forwarded to the January 23, 2020 Board Meeting for three readings and adoption.

Attachments:

A – Bylaw 422 Schedule D

Reviewed by:			
Manager		CFO/Finance	
GM	X – R. Rosenboom	Legislative	
CAO	X – D. McKinley	Other	

SUNSHINE COAST REGIONAL DISTRICT

BYLAW NO. 422

SCHEDULE "D"

This Schedule applies only to the North Pender Harbour Water Service Area as established under Bylaw No. 1070

ANNUAL WATER SERVICE RATES AND CHARGES

- | | | | |
|----|---|--|---------------|
| 1. | <u>Land Charges – billed annually</u> | | <u>Annual</u> |
| | (1) Residential | | \$ 326.63 |
| | (2) Institutional | | \$ 326.63 |
| | (3) Commercial | | \$ 741.54 |
| 2. | <u>User Fees – billed annually</u> | <u>Annual</u> | |
| | (1) For each parcel containing 1 dwelling unit
(a dwelling unit being a single dwelling, a single strata lot, or any building or structure customarily used as a self contained living unit) | | \$ 277.74 |
| | (2) Multiple Family Dwellings (where more than One dwelling exists on a parcel) | | \$ 499.66 |
| | (3) Institutional Building | | \$ 255.09 |
| | (4) All other users not herein provided for - per user | | \$ 277.74 |
| 3. | <u>Meter Rates – billed quarterly</u> | <u>Per Quarter</u> | <u>Annual</u> |
| | First 50,000 gallons used per quarter | | \$ 417.46 |
| | Per 1000 gal (or part thereof) used over 50,000 gallons/quarter | \$ 5.35 | |
| 4. | <u>Manual Water Meter Readings</u> | | |
| | Per reading | \$25.00 (up to a maximum of \$300 per annum) | |
| 5. | <u>Connection Charges</u> | | |
| | (1) 3/4" Connection | \$ 1,200.00 | |
| | (2) 1" Connection | \$ 1,800.00 | |
| | (3) Over 1" (minimum) | \$ 2,000.00 | |
| | (Plus additional costs incurred for fittings and installation) | | |
| 6. | <u>Turning Off/On Fees</u> | | |
| | Subsequent to the initial turn on, the fee for turning the water off shall be the sum of \$50.00 payable at the time of application. | | |
| 7. | <u>Temporary Lawn Watering Permit</u> | | |
| | The fee for a Temporary Lawn Watering Permit shall be \$50.00 payable at the time of application. | | |

SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

TO: Corporate and Administrative Services Committee – January 23, 2020

AUTHOR: Dean McKinley, Chief Administrative Officer
Sherry Reid, Corporate Officer

SUBJECT: DIRECTOR REMUNERATION REVIEW PROCESS

RECOMMENDATION(S)

THAT the report titled Director Remuneration Review Process be received;

AND THAT the proposed 2020 Director Remuneration Review Terms of Reference be approved;

AND FURTHER THAT a review of Director compensation be undertaken by an independent task force as outlined in the proposed 2020 Director Remuneration Review Terms of Reference.

BACKGROUND

The Board adopted the following resolution at the regular meeting held on October 10, 2019:

245/19 **Recommendation No. 6** *Remuneration Structure Review Task Force*

THAT the Sunshine Coast Regional District (SCRD) strike an independent task force to review Directors' Remuneration Bylaw No. 636, based on best practices identified in the Union of British Columbia Municipalities (UBCM) Council and Board Remuneration Guide;

AND THAT the task force specifically consider the structure of remuneration (e.g. payments per meeting, stipends, meetings over 3 hours), and the roles, responsibilities and workload of rural directors.

DISCUSSION

A growing community combined with increasing responsibilities and requests for services results in additional demands on Directors. As such, the Board has identified a need to review Directors' compensation to consider the structure of director remuneration as it relates to the roles, responsibilities and workload of rural area directors.

The purpose of this report is to propose a remuneration review process. Staff have developed Terms of Reference (see Attachment A) for the Committee's review that identifies a process and approach to move forward with a remuneration review that aligns with UBCM's Council and

Board Remuneration Guide (see Attachment B) and is led by an appointed independent task force.

UBCM's Council and Board Remuneration Guide identifies the appointment of an independent task force as the preferred approach for undertaking elected official remuneration reviews. The main value being its independence from elected officials as well as staff therefore ensuring the review process is conducted at arms-length from the local government. The Guide also identifies three key factors that will require careful attention in order to achieve a successful outcome: the appointment of members, clearly defined terms of reference, and the allocation of staff resources to support the review process.

1. Membership on the Task Force

Diversity in the membership is important to ensuring different perspectives come forward. A common practice is to include representation from the local business community as well as the non-profit sector. The appointment of a former elected official or a retired local government senior staff person may also be beneficial as they bring a clear understanding of the roles and responsibilities of elected officials to the task force. The size of the task force should also be considered. Three to five members is average, with smaller jurisdictions leaning towards a three-member limit. In most jurisdictions, it is the Chief Administrative Officer who appoints task force members in order to ensure the process remains arms-length from elected officials.

2. Terms of Reference

The terms of reference need to provide clear guidance for the task force mandate including: the purpose, member structure, operational procedures, scope of work/review, evaluation methodology, timelines and expected outcomes. A draft terms of reference has been provided in Attachment A to this report.

3. Staff Support for the Task Force

Significant staff resources will be required to assist and support the task force in fulfilling its mandate, including: providing education/orientation to members on the roles and responsibilities of regional district chairs and directors; the collection and analysis of data from comparable regional districts; organizing task force meetings; conducting research and responding to information requests from the task force; drafting the task force's final report; developing and supporting community engagement and communication initiatives related to the remuneration review.

Timeline for next steps or estimated completion date

Staff anticipate this review could be completed with a recommendations report coming back to Committee by the end of Q2 2020.

Financial Implications

Timing for any recommended changes are not anticipated until Q2 2020, therefore, any financial implications as a result of implementation would need to be considered. For both 2018 and 2019 Actual vs Budgeted Director Remuneration expense have been less than anticipated. It is not recommended that any amendments be made to the 2020-2024 Financial Plan at this time.

STRATEGIC PLAN AND RELATED POLICIES

N/A

CONCLUSION

A growing community, along with increased responsibilities and requests for services puts additional demands on Directors. Staff recommend that a review of Director compensation be undertaken using an independent task force as outlined in the proposed *2020 Director Remuneration Review Terms of Reference*.

Attachment A: 2020 Director Remuneration Review Terms of Reference

Attachment B: Union of BC Municipalities Council & Board Remuneration Guide

Reviewed by:			
Manager		CFO/Finance	X-T. Perreault
GM		Legislative	
CAO	X – D. McKinley	Other	

TERMS OF REFERENCE

DIRECTORS' REMUNERATION REVIEW TASK FORCE

1. Purpose

- 1.1 The purpose of the **Directors' Remuneration Review Task Force** is to:

Conduct a compensation review for the SCRD Chair and Directors and recommend a remuneration structure that recognizes the roles, responsibilities and time commitment necessary to fulfil their obligations as elected officials and meet public expectations in the performance of their duties.

2. Mandate

- 2.1 The mandate of the Directors' Remuneration Review Task Force is to make recommendations on the following:

- (a) annual remuneration structure
- (b) additional stipends, supplements and allowances
- (c) annual adjustment calculations;
- (d) benefits;
- (e) options for making periodic adjustments for ongoing compensation; and
- (f) calculation formulas to replace the current remuneration structure, taking into consideration costing formulas used by other regional districts and UBCM best practices.

- 2.2 The Task Force will provide a report to the Chief Administrative Officer with its recommendations, no later than end of Q2, 2020. Recommendations will be presented to directors at a Corporate and Administrative Services meeting, as soon as possible, following the Chief Administrative Officer's receipt of the Task Force's recommendations.

- 2.3 The Directors' Remuneration Review Task Force will be dissolved once the Task Force recommendations have been forwarded to the Regular Board meeting for receipt and consideration of adoption.

3. Structure/Operations

- 3.1 The Directors' Remuneration Review Task Force will be comprised of no more than three (3) members, who will be appointed by the Chief Administrative Officer on the basis of their experience and credentials, and should include representation from:

- (a) the local business community;
- (b) the non-profit sector; and,
- (c) a former elected official or senior staff member of government.

- 3.2 The Chair of the Task Force will be selected from amongst its members.

- 3.3 The Chief Administrative Officer will sit as an *ex officio* member of the Task Force.
- 3.4 A majority of the members of the Task Force, as listed in section 3.1, will constitute a quorum.
- 3.5 A Directors' Remuneration Review Task Force meeting will be convened upon the appointment of members. The purpose of the inaugural meeting will be to review the Terms of Reference, establish a meeting schedule and establish preliminary research requirements.
- 3.6 The Task Force will operate on a consensus basis. Where consensus cannot be reached, decisions will be made according to Roberts' Rules of Order.
- 3.7 The Task Force will act independently of the SCRD Board and its individual members. The Board will not intervene or influence the Task Force's review and determination of a remuneration structure.
- 3.8 Task Force members must respect and maintain the confidentiality of the issues brought before them. Deliberations that take place at Task Force meetings are in confidence, and final recommendations will not be publicly discussed until the final report is submitted and presented to directors at a Corporate and Administrative Services Committee meeting.
- 3.9 Task Force members serve without remuneration but may be eligible to have reasonable expenses reimbursed in accordance with the SCRD Policy on Committee Volunteer Meeting Expenses.

4. Scope of Work

4.1 Factors to consider

The Union of BC Municipalities Council & Board Remuneration Guide provides a best practices approach to developing compensation programs that are fair both for elected officials and local taxpayers. The Guide recognizes there are considerable differences among local governments as well as the inherent differences in the roles and workload of regional district electoral area directors and municipal directors. The Task Force may research and consider any aspect of compensation it believes is relevant to making its recommendations, but will specifically consider the following:

Representative government – Regional District Boards are representative governing bodies. Their legitimacy is strengthened when they reflect the diversity of the communities they serve. Compensation paid to directors must be sufficient to attract individuals from all walks of life to stand for election to public office.

Time commitment – The functions and responsibilities of the Regional District Chair and directors, the level of community engagement and the time commitment required of elected officials, including, but not limited to, attending meetings, public events, preparation time, and serving on external committees and commission can be significant and may vary among electoral area and municipal directors.

Responsibility – Regional District Boards are responsible for increasingly broad and complex local government services. Elected officials must accept responsibility for funding, policy direction and service delivery decisions that can be weighty and contentious and affect the everyday lives residents and the long-term prosperity of the community. Fair remuneration is warranted for individuals willing to accept this level of responsibility and commitment.

Employment and Financial Impacts – The significant time required to serve on the Regional District Board will reduce the amount of time available for elected officials to spend on other paid work. It may also impact future career development and earning potential since the time spent serving the community means less time available to build a career path.

4.2 **Assessment of Current Compensation**

The Task Force will assess current compensation levels for Regional District on the basis of comparison of remuneration paid to elected officials in other similar jurisdictions, in particular:

- (a) compensation paid to directors with comparable workloads and time commitments in other similar regional districts (data from 5 to 7 comparable jurisdictions will be provided);
- (b) compensation paid to elected officials in other local governments on the Sunshine Coast;
- (c) historical SCRD compensation adjustments; and,
- (d) any other factors the Task Force considers relevant.

4.3 **Review and Evaluation Process**

In considering relevant factors and assessing current compensation the Task Force members may use a variety of resources and techniques to complete its review, including, but not limited to;

- (a) research and review of current trends and approaches used to set Regional District director remuneration levels;
- (b) conducting interviews with persons thought to be appropriate, such as former elected officials, government agencies or Regional District volunteers;
- (c) conduct public engagement to receive feedback from the community (online and/or in-person information sessions);
- (d) review of existing and past policies; and
- (e) discussions with Regional District staff to gather technical information and data.

4.4 **Staff Resources**

Regional District staff will be assigned to serve the Task Force in a liaison/resource capacity. The role of the staff liaison may include:

- (a) providing information and professional advice;
- (b) assisting the Task Force in writing reports and recommendations to the Board; and,

- (c) bringing such matters to the Task Force's attention as are appropriate for it to consider in support of their mandate.

4.5 Information Resources

The Regional District will provide the following information to the Task Force:

- Information on SCRD role, structure and authority under the *Local Government Act*;
- Population, scope of services, staffing, operating budget and tax base information for the SCRD and other comparable regional districts;
- Remuneration rates and compensation information from other comparable regional districts;
- Current SCRD compensation information (bylaws and policies);
- UBCM Council & Board Remuneration Guide, September 2019;
- Other information which the Task Force or the SCRD considers relevant.

5. Reference Documents

- 5.1 SCRD Procedure Bylaw No. 717
- 5.2 *Community Charter*, Section 100 – 109 – Conflict of Interest



UNION OF BC MUNICIPALITIES

COUNCIL & BOARD REMUNERATION GUIDE

FIRST EDITION
SEPTEMBER, 2019

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INTRODUCTION

In British Columbia, local governments are responsible for providing a broad range of local services to address infrastructure needs, regulate land use, move people and goods, tackle challenging social issues, promote active living, protect the natural environment, and deal with a host of other issues. The elected officials that sit on the municipal councils and regional district boards collectively make, and accept responsibility for, the funding, policy, and service delivery decisions that are required in order for local government to work. Local elected officials also have responsibility for ensuring that the councils and regional district boards themselves function effectively as democratic, representative governing bodies.

Effective governance requires the elected officials to make decisions regarding the structure and operation of the governing bodies. One of the more difficult decisions that must be made by the officials involves the setting of their own remuneration.

Local elected officials in BC endorsed a resolution at the 2018 Union of BC Municipalities (UBCM) Convention that tasked UBCM with developing a resource to support local decision makers in the development of remuneration packages that are defensible and fair. This *Council & Board Remuneration Guide* presents best practices for local governments to consider.

Development of Guide

The *Guide* was developed through a five-stage process:

- > *Stage 1: Background Research* — Research was conducted to identify and understand the challenges faced by local governments in setting remuneration levels for council members and board directors. Remuneration approaches for elected officials in other orders of government were briefly explored as part of the research.
- > *Stage 2: Survey* — A survey was sent to every municipality and regional district in the province to understand elected official remuneration policies and practices in place today, to learn about approaches that appear to work well, and to understand lessons learned. A total of 75 local governments responded to the survey, which translates into a response rate of 39%. Included in the list of respondents were eleven of the twenty largest municipalities (by population), five

LOCAL GOVERNMENT AUTONOMY

The best practices set out in the Guide recognize that local governments have autonomy to develop approaches to remuneration that reflect local needs and circumstances. The Guide offers practical advice, based on research findings and the experiences of municipalities and regional districts, for local governments to consider. Each local government will need to determine, based on its own review of the information, its preferred course of action.

of the smallest municipalities, and twelve regional districts. All regions of the province were well represented (see sidebar).

- > *Stage 3: Interviews* — Approximately twenty follow-up interviews were conducted with a subset of the municipalities and regional districts that responded to the survey. Written materials from these local governments were obtained and reviewed; materials from other places identified through the research were also reviewed.
- > *Stage 4: Best Practices* — Based on the background research, survey results, and discussions with individual local governments, a set of best practices was developed for the *Guide*.
- > *Stage 5: Guide* — The UBCM Executive approved the scope and approach for the *Guide*. The final draft, complete with recommended best practices, was reviewed by UBCM's Presidents Committee. Input provided by the Presidents Committee was used to finalize the document.

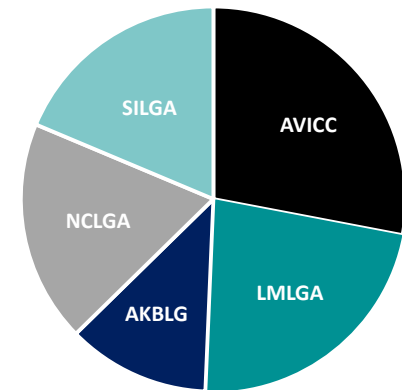
Organization of Guide

The *Council & Board Remuneration Guide* is organized into six separate sections. Section 1 sets the stage by exploring why remuneration for elected officials is important, and why local governments need to review remuneration levels periodically. Sections 2, 3, and 4 then focus on remuneration reviews themselves. Section 2 begins by considering who should conduct such reviews. Three options are identified and assessed. Section 3 addresses the question of "when" — specifically, when to review remuneration, and when to implement the results of a review. The distinction between a full review and an adjustment is explained in this section. Section 4 examines how to conduct a review. The development of comparison groups, the collection of data, and the use of simple formulas are all topics that are addressed the text. Advice on expenses and benefits is also provided. Section 5 addresses the importance of communication. Information to communicate, audiences to reach, and methods of communication to consider are outlined.

Best practices for local governments to consider in addressing remuneration for elected officials are presented throughout the *Guide*. Section 6 brings the practices together into one summary table.

SURVEY OF LOCAL GOVERNMENTS

In total, 75 municipalities and regional districts participated in the survey on elected official remuneration. As illustrated in the accompanying chart, all regions of the province (identified using UBCM Area Associations) were represented.



Use by Local Governments

It is important to emphasize that the *Guide* does not prescribe or suggest specific levels of remuneration or particular expense and benefits packages for local elected officials. The *Guide* is focused, instead, on helping local governments develop approaches that can be used by decision-makers to establish compensation programs that are fair both for elected officials and local taxpayers.

It should be noted, as well, that the *Guide* recognizes the autonomy of local governments in the development of approaches that reflect local needs and circumstances. The *Guide* offers practical advice for local governments to consider, based on research findings and the experiences of municipalities and regional districts around the province. Each local government, however, will need to determine, based on its own review of the information, its preferred course of action.

On a related note, the *Guide* recognizes that there is significant variability among local governments in British Columbia. Considerable differences in population, area, scope of services, size of administration, location, growth rate, local economy, and other factors mean that local governments will need to apply the best practices in ways that respond to local needs and are sensitive to local conditions. To assist local governments in this task, care has been taken to provide advice that can be applied in a variety of local settings.

Key Terms

Certain terms are used repeatedly throughout the *Guide*. Key terms and their meanings are presented in Figure I.1 in alphabetical order.

VARIABILITY AMONG LOCAL GOVERNMENTS

Considerable differences among local governments in population, area, scope of services, size of administration, location, economy, growth rate, and other factors mean that jurisdictions will need to apply the best practices in ways that respond to local needs and are sensitive to local conditions. Care has been taken to provide advice that can be applied in a variety of local settings.

Figure I.1
Key Terms in the Guide

Term	Meaning
Benefits	Benefits are the incentives, services and protections provided to local government elected officials during their time in office.
Expenses	Expenses are charges incurred by local government officials in the course of their duties, and are necessary in order to perform their duties.
Local Governments	Local governments include municipalities, governed by councils, and regional districts, governed by boards of directors.
Local Government Elected Officials	Local government elected officials include members of municipal councils, and directors of regional district boards. Members of council include mayors and councillors. Regional district directors include chairs and vice chairs.
Remuneration	In a narrow sense, the term remuneration in the <i>Guide</i> refers specifically to money that is paid to local elected officials as compensation for the duties they perform. Remuneration in this sense includes base salaries, but also supplemental payments that typically take the form of per-meeting stipends. Remuneration is also used in a broader sense to include expenses and benefits packages, in addition to money. The exact usage of the term throughout the text is context-specific.
Remuneration Adjustment	This term refers to increases that are automatically applied, usually on an annual basis, to an elected official's base salary. The level of adjustment is determined by a pre-determined index (e.g., consumer price index), or combination of indices.
Remuneration Review	A remuneration review is a formal assessment of existing remuneration provided to elected officials. In most cases, reviews include a consideration of pay, expenses, and benefits.

SECTION 1

IMPORTANCE OF REMUNERATION

Most people who seek election to a municipal council or regional district board are driven, first and foremost, by a strong sense of public service and a desire to make their communities better. Remuneration is not, in most cases, an important motivating factor. Individuals who do make the commitment to serve as local elected officials, however, should be able to expect fair and reasonable compensation. This section of the *Guide* explains why remuneration is both warranted and important.

FACTORS TO CONSIDER

Time Commitment

Local government elected officials are expected to commit considerable time (and energy) to their roles on municipal councils and regional district boards. In larger municipalities and in some regional districts, the roles of mayor and chair are full-time positions in which incumbents typically work more than full-time hours. Even in places where such positions are part-time in nature, the time requirements can be significant, as they are for councillors and directors. Time must be spent reviewing comprehensive agenda packages, attending council or board meetings and public hearings, engaging with residents, participating in civic events, and handling a variety of other tasks. For elected officials who serve on more than one governing body, on committees and commissions, and as appointees to external agencies and associations, the time commitment is even greater.

Councils and boards need people who are willing and able to commit the time needed to serve. Remuneration reflects and compensates individuals for the time they must spend to do the job.

Employment and Financial Impacts

The time required to serve on a municipal council or regional district board will reduce the amount of time available to spend on other paid work. For individuals who are mid-career, this reality can negatively impact their current employment situation, as well as their total earned income. In some cases the impact may extend to affect future career development and earning potential, since time spent on a council or board translates into less time available to apply to building a career path.

TIME COMMITMENT

“Municipal politics is different than the rest in that Council members are always on the clock. Businesses close at the end of a day, people go home from work and provincial and federal politicians have staff and deputies to assist with their very demanding schedules. City Council members are on their own and take ownership of all issues and concerns from the community. They are never off the clock.”

*Remuneration Task Force
City of Kamloops*

Remuneration for local elected officials will not fully offset the employment and financial impacts experienced in every case. In keeping with the public service motivation of people who choose to run for local office, there is arguably a tacit acceptance by those in office of some level of sacrifice. Remuneration should, however, be fair as well as sufficient in order to mitigate any sacrifice required. Unfair and insufficient remuneration may render elected office off-limits to a variety of prospective candidates.

Responsibility

Municipal councils and regional district boards are responsible for increasingly broad and complex portfolios of local government services. The elected officials who sit on these governing bodies contribute to and accept responsibility for funding, policy, and service delivery decisions that are taken to meet infrastructure needs, promote land use goals, tackle social issues, provide opportunities for sport and recreation, protect sensitive environments, regulate activities, and deal with a host of other issues. These decisions, which even in small jurisdictions can be weighty and contentious, affect the lives of residents and the long-term prosperity of communities. Fair remuneration for persons who are willing to accept such responsibility is warranted.

Representative Government

As representative governing bodies, it is important that municipal councils and regional district boards reflect, to the extent possible, the diversity of the communities they serve. Inadequate remuneration, either in terms of pay and/or benefits, stands as a potential barrier to participation for people who are without other sources of income. Fair remuneration is important in helping to reduce barriers, and in attracting capable people from a variety of backgrounds, demographic groups, socio-economic classes, and employment types.

IMPORTANCE OF REVIEWS

The factors outlined thus far help to explain why remuneration for local government elected officials is both warranted and important. The factors also highlight the need for local governments to regularly review their elected official remuneration programs in order to ensure that they remain fair over time as expectations and circumstances change. Remuneration levels that are left static in the face of changing circumstances, including shifts in the cost-of-living, risk becoming barriers to participation.

GOVERNING BODY DIVERSITY

Municipal councils and regional district boards are representative governing bodies. Their legitimacy is strengthened when they reflect the diversity of the communities they serve. Inadequate remuneration is a potential barrier to participation for individuals who may wish to serve, but who lack other sources of income and/or benefits. In these cases, diversity in the membership of local governing bodies may be difficult to achieve.

SECTION 2

WHO SHOULD CONDUCT REVIEWS?

In an effort to ensure that remuneration levels for local elected officials remain fair over time, local governments undertake remuneration reviews. Reviews are the focus of Sections 2, 3, and 4 of the *Guide*. Section 2 — this section — begins by exploring who should conduct a review.

OPTIONS TO CONSIDER

In some jurisdictions, elected official remuneration is reviewed by the municipal council or regional district board itself, or by a committee of the council or board. In most places, however, reviews are assigned to other parties in order to relieve elected officials from the difficult task of having to develop their own levels and terms of compensation. The three most common options are local government staff, an independent task force, and experienced consultants.

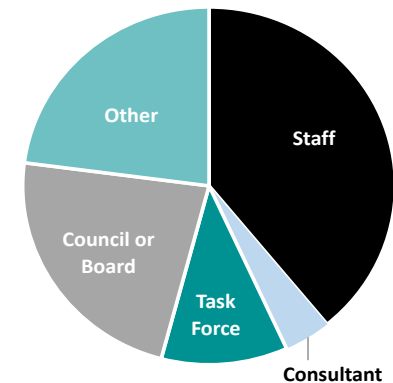
- > *Local Government Staff* — According to the survey of local governments that was conducted for the *Guide*, the use of local government staff to review elected official remuneration is the most popular option.¹ Most of the jurisdictions that reported using their own staff, it is worth noting, are small in size.
- > *Experienced Consultant* — This decision to assign a review to an outside, external consultant is less common, but is used in certain communities. Under the approach, a consultant is hired to conduct the relevant research, examine options, and recommend remuneration and benefit levels.
- > *Independent Task Force* — This option of an independent task force, comprised largely or entirely of local residents, is used by some local governments across the province, including large cities, small villages and towns, and regional districts.² The size and composition of the task force are important points to consider; so, too, is the mandate of the committee, its methodology, and the support it is provided.

¹ In all, 39% of responding local governments reported using local government staff to conduct reviews.

² The body is referred to as a Working Group, Advisory Group, Panel, Task Force, or Committee.

ASSIGNMENT OF REVIEWS

The accompanying chart based on the survey results shows that many jurisdictions today assign local elected official remuneration reviews to local government staff.



Pros & Cons

The choice of option may be informed by past experiences, and by local expectations and views regarding elected official compensation. The choice will also be influenced, however, by an assessment of the pros and cons that are associated with each of the alternatives. Figure 2.1 presents some of the key pros and cons that local governments may wish to consider.

Figure 2.1
Options to Consider

Options	Pros	Cons
Local Government Staff	<ul style="list-style-type: none"> > understand roles, responsibilities, and workload of elected officials > understand local context > easy access to data from other communities, particularly where benchmark group exists > cost effective 	<ul style="list-style-type: none"> > perceived as being less-than-independent from governing body > may be perceived or actual conflict of interest in cases where linkage (formal or informal) between elected official and staff remuneration
Experienced Consultant	<ul style="list-style-type: none"> > independent from elected officials > familiar with use of data and metrics, and with local government practices > option enables decision-makers to point to and rely on expert advice 	<ul style="list-style-type: none"> > may not understand or be sensitive to local context > may be costly
Independent Task Force	<ul style="list-style-type: none"> > independent from elected officials > places in hands of community (members from community) > understands local context > cost effective > different perspectives involved > potential to raise profile of local government, and importance of remuneration 	<ul style="list-style-type: none"> > may lack understanding of the roles, responsibilities, and workload of elected officials > relies on credibility of committee members > governing body may have difficulty rejecting recommendations

INDEPENDENT TASK FORCE

The use of an independent task force provides for a high degree of separation for elected officials from the development of their own remuneration packages.

PREFERRED APPROACH

The independent task force emerges in Figure 2.1 as the preferred option for undertaking elected official remuneration reviews. The task force's independence from decision-makers, as well as staff, enables it to operate in a way that is free of local government involvement and — more importantly — *perceived* to be free of such involvement. This freedom adds to the credibility of recommendations that come forward, and protects elected officials and their staff from conflict of interest issues and other controversies. The independence also allows the task force to speak to the roles, responsibilities and expectations of elected officials, and the importance of appropriate remuneration, in ways that the elected officials and staff would find difficult to do.

It is worth noting that the use of independent task forces and panels to determine elected official remuneration is widespread at the provincial and federal government levels in Canada. These jurisdictions recognize the value of the approach in protecting elected officials from challenges related to conflict of interest that inevitably arise in the development of their own remuneration.

SUCCESS FACTORS

The choice of the independent task force option will not, on its own, guarantee a successful outcome. Careful attention needs to be given to the appointment of members to the task force, the development of task force terms of reference, and the provision of support to the task force's work.

Membership

To the extent possible, diversity in the membership of the task force is important. A common practice is to include, at a minimum, representation from the local business community, as well as the non-profit or public sector. Many governments also find the appointment of an individual with past experience in local government as an elected official or senior staff person to be advantageous. These individuals bring a local government perspective, and can help ensure a clear understanding on the task force of the roles and responsibilities of elected officials. Individuals with human resources experience or a legal background are considered to add value in some places. Citizens-at-large are included on many task forces.

SUCCESS FACTORS

The choice of the independent task force option will not, on its own, guarantee a successful outcome. Careful attention needs to be given to the appointment of members to the task force, the development of task force terms of reference, and the provision of support to the task force's work.

Other considerations related to membership are as follows:

- > *Size* — Some places (e.g., Tofino, Metro Vancouver, Alberni-Clayoquot Regional District) limit the number of members to three; others (e.g., Abbotsford) allow for a maximum of five; still others (e.g., Kamloops) appoint seven. Larger bodies allow for greater diversity and a broader range of perspectives; smaller groups may be more nimble and able to reach consensus more easily. In relatively small jurisdictions, smaller task forces may be more practical to assemble given the smaller number of candidates relative to the situation in larger centres.
- > *Appointment* — In most jurisdictions that use independent task forces, members are appointed by the Chief Administrative Officer of the local government. This approach reinforces the group's independence from the governing body whose remuneration the task force is reviewing.

Terms of Reference

As with any advisory body, formal terms of reference for the task force are important. Task force terms should set out:

- > the purpose of the task force
- > the task force's membership, including number and qualifications of members, and the designation of a chair
- > the method and term of appointment
- > the task force's mandate, or scope of review, including the specific items (e.g., base remuneration, expenses, benefits, annual adjustments) on which the task force is expected to provide recommendations
- > a methodology to guide the task force, including any specific factors, bases of comparison, and criteria for the task force to consider in developing its recommendations
- > expectations regarding consultation, including consultation with the public
- > the expected number of task force meetings, and the meeting procedures to follow
- > support resources available to the task force in conducting its work
- > the task force's reporting schedule

GUIDANCE TO TASK FORCE

Even when task forces are free to choose their own approaches, it is useful for jurisdictions to provide guidance on methodology, and identify specific items for task forces to consider in their work.

The terms of reference for Abbotsford's Council Remuneration Citizen Task Force state that "the Task Force will research and consider all aspects of compensation that it believes are relevant to making its recommendations, but will specifically consider [certain] matters..."

- > policies, bylaws, and other documents of the local government that govern the task force's work and conduct

To underscore the importance of autonomy, some jurisdictions allow their task forces to themselves choose the data, factors, and criteria to use in developing recommendations. Even in these cases, however, jurisdictions will provide guidance on methodology or, more commonly, identify specific items for task forces to consider in addition to any others that the task forces determine to use.

Task Force Support

The primary value of a remuneration task force is its independence from the local government. The elected officials who receive and who are affected by the task force's recommendations benefit from this independence. The task force is not expected, however, to conduct its work completely on its own, without assistance from the organization. Indeed, for the task force to succeed, it must be able to rely on staff to collect and analyze data, organize meetings, conduct research, and draft the task force's report. It is important for local governments to assign a senior manager as a liaison to the task force, and sufficient staff resources to give the task force the support it needs to fulfill its mandate.

Another form of support for the task force is education. To make meaningful recommendations that reflect the duties, workload, and expectations of elected officials, task force members need to have a good understanding of local government, and of the roles and responsibilities of mayors/chairs, and councillors/directors. Local government staff can assist by providing an orientation to task force members at the beginning of their mandate. Alternatively, or in addition, task force members can be given reference materials such as the booklet available online at the Ministry of Municipal Affairs, titled *Thinking About Running for Local Office?*

BEST PRACTICE

- > *Local governments should consider establishing an independent task force to conduct reviews of elected official remuneration.*

TASK FORCE SUPPORT

*"The District Chief
Administrative Officer and
Director of Financial Services
shall serve as non-voting
resources to the [citizen]
Advisory Group."*

*Council Remuneration
Advisory Group
District of Tofino*

SECTION 3

TIMING AND FREQUENCY OF REVIEWS

Local governments interviewed for the *Guide* highlighted the need to consider timing and frequency in the review of elected official remuneration. These issues are explored in this section of the text. Also explored is the question of timing as it relates to the implementation of the outcomes of reviews.

TIMING OF REVIEWS

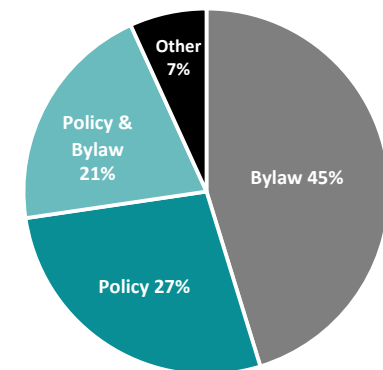
Local governments do not follow a single common practice with respect to the timing of remuneration reviews. An examination of existing approaches over the past decade shows that some councils and boards (e.g., Vancouver) have conducted reviews early in their terms, whereas others (e.g., Comox Valley Regional District, Oak Bay, Esquimalt, Prince George) wait until the final year of their mandate. Some local governments (e.g., Kamloops, Abbotsford, Metro Vancouver) initiate reviews closer to the middle of their terms. In general, most councils and boards that undertake reviews initiate them in the second half of their terms.

The preferred timing for a review will depend on a number of factors, including local economic conditions, reliance on established policy, the election cycle, and tax system changes over which local governments have no control. Each of these points is considered, as follows:

- > *Local Conditions* — In all of their initiatives, remuneration reviews included, councils and boards need to be sensitive to local economic conditions. Elected officials' compensation and benefits, it is important to remember, are paid for by local taxpayers. In times of economic growth and optimism, when local employment is strong and consumer confidence is high, news of a remuneration review for elected officials will be greeted much differently than during periods of economic stress. A council or board would be well-advised, for example, to postpone a review, no matter how warranted one may be, in a single-industry community that is dealing with the loss of a major employer.
- > *Established Policy* — The survey conducted for the *Guide* found that 27% of responding local governments have a formal policy in place on elected official remuneration, 45% have a remuneration bylaw, and 21% have both (see sidebar). Several of these policies and bylaws

ESTABLISHED POLICY

Most local governments that responded to the survey have either a formal policy in place on elected official remuneration, a bylaw, or both. Several policies and some bylaws address the timing and frequency of reviews.



speak to the timing of future remuneration reviews. When such schedules are applied consistently, local governments are perceived to have less discretion over the question of when to review. The issue of timing in these cases tends to attract less attention than it would otherwise.

- > *Election Cycle* — Change to elected officials' remuneration is an item of interest and discussion in many communities across the province. It is important for local governments to recognize remuneration as a legitimate issue for scrutiny and discussion, and to allow opportunities for discussion to occur. It may not be useful, however, for remuneration to dominate public discourse, particularly in the lead-up to an election when other important issues also deserve attention. To avoid this situation, local governments should consider conducting reviews, and reporting results, at least one year before the next election.
- > *Tax System Changes* — Changes to the *Federal Income Tax Act* were introduced by the federal government in 2017 to eliminate a long-standing federal tax exemption for local government elected officials, effective January 1, 2019. This change resulted in substantial changes to the after-tax income for elected officials, and prompted many local governments to adjust elected officials' 2019 pre-tax compensation in order to maintain after-tax 2018 remuneration. The need to review remuneration and change base amounts to maintain after-tax compensation was driven by changes that were beyond local government control. The timing of the review to initiate the changes was also driven by events outside of local government.

BEST PRACTICE

- > *Local governments should consider conducting remuneration reviews, and reporting the results, at least one year before the next election.*

FREQUENCY OF REVIEWS

Regular reviews of elected official remuneration levels should be undertaken in order to ensure that remuneration remains fair over time as job conditions, expectations, and circumstances change.

ELECTION CYCLE

Change to elected officials' remuneration is a legitimate issue for public scrutiny and discussion. To avoid having remuneration dominate public discourse in the lead-up to elections, however, at the expense of other important issues, local governments should consider conducting reviews, and reporting results, at least one year before the next election.

Failure to do so may undervalue the time spent by elected officials, and the level of responsibility associated with the job. Failure could also result in remuneration becoming a barrier to participation, and make it difficult for a diverse range of individuals to stand for election.

As noted earlier, several local governments that responded to the survey have policies or bylaws that set out schedules for formal reviews of base remuneration levels. In some of these documents the frequency of reviews is set out — once-per-term appears to be the most commonly prescribed schedule in these documents. Regular adherence to these schedules ensures that reviews happen on a regular basis, and helps to ensure that remuneration does not become a barrier to elected office. Local governments with policies and/or bylaws that do not identify a specific frequency typically experience longer intervals between reviews.

Relying on policies and bylaws to automatically trigger a review, in keeping with a prescribed frequency, is a useful practice to follow. It relieves councils and boards — as well as their individual members — from having to take the politically-difficult decision to request a review.

BEST PRACTICES

- > *Local governments should consider conducting remuneration reviews once per term.*
- > *Local governments should consider setting out the timing for subsequent reviews in remuneration policies or bylaws.*

Annual Adjustments

Local governments undertake remuneration reviews to assess the fairness of elected officials' pay, expenses, and benefit packages. When done properly, reviews take time, energy, and other resources to complete. A best practice, identified earlier, is to conduct a full review once per term — it is neither necessary nor reasonable to schedule reviews more frequently.

In the years between reviews, it is common for councils and boards with policies and/or bylaws in place to automatically adjust elected official pay to reflect changes in the cost of living. In almost

ANNUAL ADJUSTMENTS

It is common for municipalities and regional districts with policies and/or bylaws in place to automatically adjust remuneration to reflect changes in the cost of living. The year-over-year change to the consumer price index is the default adjustment factor.

every case, the previous year's Consumer Price Index (CPI) for British Columbia, Vancouver, or Victoria is the adjustment factor applied by local governments, depending on their location within the province.³ Automatic adjustments, defined and set out in policies and/or bylaws, ensure that the real value of elected officials' remuneration remains stable between formal reviews, and can help to reduce the need for more significant increases at the time of review. Failure to make annual adjustments may place a burden on future councils and boards to address remuneration levels that have been left to stagnate in the face of regular cost-of-living increases. For these reasons, annual adjustments using a CPI index is a best practice.

BEST PRACTICE

- > *Local governments should consider including in their policies or bylaws provision for an automatic cost-of-living adjustment, using the CPI, to elected officials' base remuneration.*

IMPLEMENTATION OF CHANGES

When considering the issue of timing as it relates to the implementation of changes, it is important to distinguish among the types of changes being put forward. The three key types include: changes to base remuneration that emerge from full reviews; changes that are prompted by shifts in the tax system; and annual adjustments to reflect increases in the cost of living.

- > *Base Remuneration* — Councils and boards have full control over the timing of their remuneration reviews, even in cases where timing is prescribed by policy and/or bylaw. Similarly, councils and boards have full authority to choose when to implement any changes that emerge from reviews. In general, it is preferable to have such changes take effect at the beginning of the following term. This best practice is particularly important to follow when reviews conclude that significant increases to base pay and/or benefit packages are warranted. A decision to implement changes immediately, or even during the existing term, can create perceived conflicts of interest.

IMPLEMENTATION

It is preferable for councils and boards to implement the outcomes of remuneration reviews at the beginning of the following council or board term. A decision to implement changes earlier, during the existing term, can easily create perceived conflicts of interest.

³ Other indices include annual increases to general wages in BC, and increases to unionized or exempt staff wages.

There will be some cases where implementation during the existing council or board term is considered necessary, perceptions of conflict notwithstanding. Consider the situation in which a council or board entered office following an election in which stagnant compensation was portrayed as a barrier to participation. The council or board could decide that implementation of changes that emerged from a review conducted early in the new term is necessary.

- > *Tax System* — Councils and boards have no control over changes to the income tax system — the elimination of the federal tax exemption for local government elected officials that took effect on January 1, 2019, is an example of one such change. In anticipation of this change — it was announced in 2017 — some local governments designed remedies, before the 2018 local general election, to take effect on January 1, 2019, in the new term. Several local governments, however, delayed taking action until after the federal tax change came into force. Immediate implementation of changes designed to protect elected officials from financial loss is considered reasonable and defensible by most.
- > *Annual Adjustments* — As explained earlier, annual adjustments to remuneration are designed to protect base rates from erosion as a result of inflation. These adjustments, which result in nominal rather than real increases, are expected to be implemented immediately.

BEST PRACTICES

- > *Local governments should consider having changes to base levels, determined through remuneration reviews, take effect at the beginning of the following term.*
- > *Local governments should consider allowing for immediate implementation of changes to remuneration that are designed to protect elected officials from financial loss that would otherwise occur as a result of tax system shifts.*
- > *Local governments should consider allowing for immediate implementation of annual cost-of-living adjustments.*

FEDERAL TAX SYSTEM

Local governments have no control over shifts in the federal income tax system. Offsetting changes to base remuneration levels that are designed to protect council and board members from financial loss are reasonable. Local governments should consider implementing such changes immediately.

SECTION 4

SETTING REMUNERATION

On a regular or periodic basis, local governments undertake remuneration reviews to determine the remuneration, expense payments, and benefits to provide to elected officials. The previous two sections of the *Guide* tackled a number of issues related to remuneration reviews, including:

- > who should conduct the reviews
- > when, during an elected body's term of office, reviews should be initiated
- > how frequently reviews should occur
- > when changes to remuneration that result from reviews should be implemented

This section of *Guide* — Section 4 — explores the factors that local governments should consider using in their reviews to determine remuneration levels that are fair and defensible. The text deals separately with the three main components of a complete remuneration package, namely remuneration (i.e., pay), expenses, and benefits.

REMUNERATION

Remuneration consists, first and foremost, of a base amount of pay for mayors, board chairs, councilors, municipal directors, and electoral area directors. Base amounts are intended to reflect the expectations and duties associated with the specific roles, and for that reason are expected to differ by role. Remuneration also includes any payments that are made to elected officials, on top of base pay, for attending different types of meetings, leading committees, sitting as appointees on external bodies, performing the roles of deputy mayor or deputy chair, and undertaking other duties. These supplemental payments, where offered, recognize differences in workload and responsibility among elected officials in the same role.

Bases of Comparison

For many jobs in our economy, wages and salaries are set through a process of comparison — that is, a process that takes into account remuneration associated with other jobs that are deemed to be comparable. The approach to setting remuneration for local elected officials is no different. The most common basis of comparison used by local governments across the province is remuneration paid to

elected officials in other, similar local governments. Some councils and boards, however, look to additional bases for guidance. Four bases to consider, including remuneration paid in similar jurisdictions, are as follows:

- > *Similar Jurisdictions* — Remuneration levels paid to elected officials across a set of other, similar local governments can be used to approximate an "industry rate". The use of comparable remuneration data, as noted, is widespread across municipalities and regional districts, and is considered a defensible approach. The challenge faced by those who use the approach, however, comes in choosing jurisdictions that are truly comparable. Population, the most common factor, goes some way toward establishing similarity, but may not be adequate on its own. Other factors may need to be combined with population to establish a more valid comparison group. Such factors could include location, geographic size, scope of services provided, growth rate, the urban (vs. suburban or rural) nature of a jurisdiction, economic make-up, tax base, average house price, size of operating budget, and number of staff (full-time equivalents).
- > *Local Labour Force* — A few jurisdictions in the province determine remuneration for council and board members using local earnings data collected by Statistics Canada — specifically, the average employment income earned by individuals aged 15 and over, who work year-round and full-time.
- > *Provincial MLAs* — Only one of the local governments in the survey pointed to remuneration paid to Members of the Legislative Assembly as a basis for determining local elected official pay. A few other jurisdictions, however, believe the comparison may be useful.
- > *Local Government Staff* — Changes to staff pay are used in some jurisdictions as an index to adjust council and board pay each year. Base pay for staff, however, is not generally used to help set elected official pay.

Each of the four bases identified here — as well as others not identified — has both strengths and shortcomings. Figure 4.1 highlights some of the pros and cons.

COLLECTING DATA

It is important to ensure that data on other local governments are comparable. Care must be taken to confirm that data have been collected using similar methodologies, and that data sets measure the same factors. Sources of data include CivicStats (accessed through CivicInfo), and Statistics Canada. Direct contact with comparison group local governments may be warranted in some cases to produce "apples to apples" comparisons.

Figure 4.1
Pros and Cons of Alternative Bases

Alternative Bases	Pros	Cons
Similar Jurisdictions	<ul style="list-style-type: none"> > jobs of local elected officials in similar jurisdictions, while not identical, are comparable ("apples to apples") > large enough comparison set can neutralize outliers 	<ul style="list-style-type: none"> > difficult to establish truly comparable set of jurisdictions (may be subject to accusations of "cherry picking") > potential for salary escalation if other places in comparison set initiate significant increases
Local Labour Force	<ul style="list-style-type: none"> > attempts to create strong linkage to local community that pays elected body's remuneration > sensitive to local economic conditions 	<ul style="list-style-type: none"> > jobs of elected officials not comparable to majority of other jobs in the community in terms of time commitment, duties, responsibility > not clear that average salary of entire workforce reflects value of elected officials' work
Provincial MLAs	<ul style="list-style-type: none"> > remuneration reflects need in both orders of government to attract diversity of people to serve in elected office 	<ul style="list-style-type: none"> > role of MLA considerably different than roles of mayor and chair (much different than councillor/director) > invites linkage to full MLA remuneration and benefits package
Local Government Staff	<ul style="list-style-type: none"> > both groups (elected officials and staff) involved in same organization > comparison to staff used in other orders of government to help set elected official remuneration 	<ul style="list-style-type: none"> > roles of staff considerably different than roles of elected officials > perceived conflict on part of elected officials who approve staff salaries > invites linkage to full staff remuneration and benefits package

Arguably, there may be no single best basis of comparison to use in setting council and board remuneration. As suggested in Figure 4.1, however, some bases are better than others.

Remuneration levels paid to elected officials in similar local government jurisdictions represents the preferred basis, and the best practice for local governments.

BEST PRACTICE

- > *Local governments should consider using base remuneration paid to elected officials in similar local government jurisdictions as the preferred basis for determining remuneration.*

Comparison Group

In establishing a valid comparison group of similar jurisdictions, local governments will need to give careful thought to the most important measures to use. Population is a good starting point in every case — it is a useful proxy for elected official workload, and is easy to explain. As well, data on population are easy to obtain. Other measures can be combined with population to make the comparison set more defensible. Factors that influence elected officials' workload and level of responsibility are particularly useful to consider. The list of such factors will vary by jurisdiction, but may include:

- > location
- > geographic size
- > scope of services
- > growth rate
- > operating budget

Finally, local governments will need to give some thought to the number of jurisdictions to include in the comparison set. Larger sets will allow for a more robust comparison, and will make it easier to neutralize the impact of outliers (i.e., jurisdictions that have significantly high or low pay levels, relative to those of other places). If the set is too large, however, it may be difficult to obtain the necessary comparative data, especially in cases where a range of measures, in addition to population, are used. Given these points, a practicable and defensible minimum size is five to seven jurisdictions. The maximum size will depend on the number of factors being considered, and the capacity of the body conducting the remuneration review. Comparison set sizes vary considerably across local

SIZE OF COMPARISON GROUP

The size of comparison groups that are used to help determine elected official remuneration varies considerably across local governments. The City of Prince George uses a peer review group of ten municipalities for the purposes of its quadrennial review. The group includes cities with similar populations — Chilliwack, Kelowna, Saanich, Langley Township, Delta, Kamloops, North Vancouver District, Nanaimo, Victoria, and Coquitlam.

governments. Kamloops has used 14 municipalities; Comox Valley Regional District recently used nine. Metro Vancouver bases the salary of its Chair on the median salary of mayors in 21 municipalities (all Metro municipal jurisdictions).

BEST PRACTICE

- > *Local governments should consider establishing comparison groups using population, combined — as deemed necessary — with other factors that influence elected official workload and level of responsibility.*
- > *Local governments should consider including at least five jurisdictions (preferably more) in the comparison groups.*

Using the Data

Once the remuneration data from comparable jurisdictions have been obtained, local governments need to determine how to best use the data to determine pay levels for the range of elected officials in place. It is useful at this stage to make the exercise as straightforward as possible so that it can be undertaken easily (and relatively quickly), and so that it is easy to explain and understand. Simple formulas can be effective in meeting these goals.

For municipal councils, the following formula-based approach — or variations of it — is used in a number of places:

- > Set the salary for the mayor as the median value of all mayors' salaries from the comparison set of municipalities. Calculate the salary for councillors as a percentage (e.g., 40%) of the mayor's salary to reflect the part-time nature of the councillor position, as well as its lower workload and level of responsibility relative to those of the mayor.

Figure 4.2 illustrates, using hypothetical data from a comparison set of seven municipalities, how this formula works in practice. To be clear, all numbers, including the percentage factor, are hypothetical examples only, presented solely for the purpose of illustration.

SIMPLICITY

When determining how to use comparison data to calculate remuneration levels, it is preferable to apply simple formulas. Formulas allow the exercise to be undertaken easily and relatively quickly. Approaches based on formulas are easy to explain, easy to understand, and defensible.

Figure 4.2
Sample Formula for Municipal Elected Officials

Comparison Set		Subject Municipality		
Mayors	Median Value	Mayor's Salary	%	Councillor Salary
\$ 101,000 \$ 92,000 \$ 100,500 \$ 90,000 \$ 72,500 \$ 93,000 \$ 83,000	\$ 92,000	\$ 92,000	40	\$ 36,800

In applying the formula, local governments should consider the following points:

- > *Percentage Factor* — The percentage factor that is applied to identify an appropriate councillor salary needs to be set after careful consideration of the position's workload, time commitment, and level of responsibility relative to those of the mayor. In municipalities where the mayor's role is full-time (or greater), the difference between the positions may be greater, and the percentage factor may be lower than 40%. Jurisdictions that use this formula (or variations of it) tend to apply percentages that range from 30% to 50%, depending on local conditions. Forty percent is a reasonable starting point.
- > *Median Value* — The median value effectively neutralizes low and high outliers, and is therefore preferable to the average value.
- > *Applying the Outcome* — It is possible, particularly if a new comparison set is used, that the resulting, recommended salaries for mayor and councillor will be lower than the actual salaries being paid. If the difference is significant, local governments may choose to "red circle" existing salaries for a period of time. In the calculated salaries are higher than those being paid, either a one-time adjustment, or a phased increase may be required.

- > *Alternative Percentile* — The median value represents the 50th percentile in the comparison set. Some local governments may determine, based on local circumstances, that remuneration should be set higher — for example, at the 75th percentile. In this situation, careful thought would need to be given to the rationale for such an approach.

While less common among regional districts, formulas may be just as useful in providing a relatively simple, easy to understand, defensible approach. In developing a formula for regional boards, provision needs to be made for a greater number of elected roles. In most cases, four specific roles should be considered, including the chair, vice chair, electoral area director, and municipal director. The distinction between electoral area and municipal directors is particularly important to recognize. Regional districts are the local government for electoral areas, responsible for providing all basic local services. Electoral area directors are accountable directly to their local electors, and are expected to consult directly with electors on local service and other topics. Many electoral area directors represent vast geographic areas, often with numerous small communities or settlements to serve. The time commitment required to provide proper contact and representation can be considerable. Electoral area directors' full local government salary comes from their regional districts.

The role of municipal director is also important and can be demanding. Municipal directors, however, are accountable to their councils and do not face the same expectations as their electoral area counterparts regarding consultation with residents on regional district matters. Residents of municipalities receive most of their local services from their municipal councils. Municipal directors sit on these councils, and are paid separately as council members to perform municipal duties.

A reasonable formula that takes into account the differences between electoral area and municipal directors, as well as the unique duties, expectations, and responsibilities of the chair and vice chair, is as follows:

- > Set the salary for municipal director based on the median value of all municipal directors' salaries from the comparison set of regional districts. Calculate the salary for electoral area director by applying a multiplier (e.g., 2.0). Calculate a stipend for the chair by applying a multiplier (e.g., 2.5) to the municipal director salary. Use a separate multiplier (e.g., 0.5) to determine a stipend for vice chair.

Figure 4.3 illustrates how this formula works in practice, using hypothetical data for a comparison set of seven regional districts. All numbers, including the multipliers, are examples only.

Figure 4.3
Sample Formula for Regional District Elected Officials

Comparison Set		Subject Regional District				
Municipal Director	Median Value	Mun Director Base Salary	X	EA Director Base Salary	Chair Stipend*	Vice Chair Stipend*
\$ 17,000 \$ 11,000 \$ 12,200 \$ 9,000 \$ 12,500 \$ 15,000 \$ 16,500	\$ 12,500	\$ 12,500	2.0 2.5 0.5	\$ 25,000	\$ 31,250	\$ 6,250

* These stipends would be paid in addition to the base director pay.

The considerations raised for municipal council remuneration formulas regarding percentage factor, median value, applying the outcome, and alternative percentile apply to the regional board formula as well. In addition, it is important in the regional district context to consider the need for supplemental payments, over and above the base salary amounts.

BEST PRACTICE

- > *Local governments should consider using simple formulas that make the calculation of remuneration levels as straightforward as possible, easy to explain, and easy to understand.*

Regional District Supplemental Payments

On a municipal council, the expectations on a councillor in terms of workload, time commitment, and responsibilities, are, in general, the same for all councillors. Almost all councils, as a consequence, pay councillors the same base salary without additional payments for committee meetings. Supplemental fees may be paid in some cases to councillors who participate in external agencies on behalf of council; however, these payments are the exception rather than the rule. Approximately 25% of municipalities that responded to the survey pay stipends to council members for time spent as deputy mayor or acting mayor. In most cases, these stipends tend to be nominal in value.

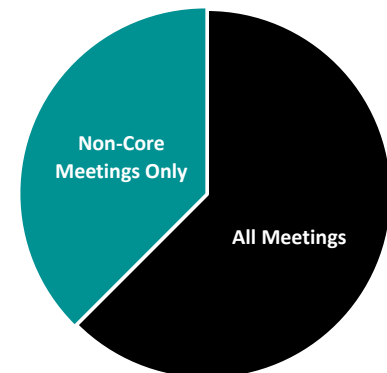
The situation for regional district directors is different. As noted already, the base remuneration for role of electoral area director is typically greater than the base remuneration paid to the municipal director role — the gap is intended to reflect the inherent differences in the roles. Differences in workload, time commitment, and level of responsibility, and level of interest also exist, however, among individual directors. Some directors may represent large jurisdictions that participate in a broad range of regional district services, some of which may have committees or commissions in place. These directors may be compelled to play, or be interested in playing, an especially active role in regional district service governance. Other directors will represent jurisdictions that are less involved in, or reliant on, their regional districts. These directors may not be involved in regional district matters to the same degree as others.

To account for differences among individual directors, regional districts may choose to provide supplemental payments, over and above base remuneration levels. Where provided, payments take the form of per-meeting stipends that are paid to directors who attend specified regional district meetings, as well as external meetings to which directors are sent to represent their local governments. The amounts of the supplemental payments vary; most regional districts, however, pay between \$75 and \$200 per meeting.⁴

⁴ An exception is Metro Vancouver, which pays \$397 to each director for every board, committee and other approved meeting attended. For all Metro Vancouver directors other than the (sole) electoral area director, board chair, board vice chair, committee chairs, and committee vice-chairs, however, the meeting stipend constitutes the entire remuneration (i.e., there is no base amount). Central Coast Regional District and Peace River Regional District also pay higher per-meeting rates in lieu of base salaries for directors.

SUPPLEMENTAL PAYMENTS

Fifteen of the 24 regional districts that pay base remuneration to directors also provide supplemental payments for board, committee of the whole, and all other meetings. Nine of the regional districts provide supplemental payments for non-core meetings only.



The use of supplemental, per-meeting payments is not uniform across regional districts. A review of the 24 regional districts in the province that pay base remuneration to directors shows that, while almost all provide payments to attend meetings of external agencies, 15 of the 24 also provide payments to attend board and committee of the whole meetings. Nine (9) regional districts provide no supplemental payments for these "core" regional district meetings — remuneration for attendance at these meetings is included in the directors' base salaries.⁵

Supplemental payments are intended to reflect workload differences among individual directors. It is not clear that such payments are also intended, however, to provide additional compensation to directors for attending core regional district meetings of the board, including committee of the whole meetings. Indeed, it may be argued that all board members are expected to attend these meetings as a basic requirement of their roles as directors.

In setting regional district board remuneration, careful attention needs to be given to the use of supplemental payments. Regional districts may wish to consider targeting such payments to non-core meetings, and structuring base levels to include attendance at board, committee of the whole, and any other core meetings.

BEST PRACTICE

- > *Local governments should consider targeting supplemental payments to non-core meetings, and structuring base remuneration levels to include attendance at board and committee of the whole meetings.*

Alternate Directors

It is important to note that all regional districts use per-meeting payments to remunerate alternate directors for attendance at all meetings, including core meetings, that the director would normally

⁵ Travel expenses for all meetings are paid (see later).

attend. These payments are the only form of remuneration for alternate directors; alternates do not receive a base salary.

EXPENSES

Local government elected officials regularly incur expenses to travel to meetings, attend conferences and sanctioned events, communicate with residents and the local government office, and deal with the broad variety of other duties associated with the job. It is both important and legitimate that expenses which are incurred by council and board members on the job, and in order to do the job, be reimbursed by the local government. Policies and bylaws on expenses are used to set out the types of expenses that are eligible for reimbursement, the conditions under which reimbursements will be made, and the procedures that must be followed to obtain reimbursement.

A guiding principle for councils and boards on the matter of expenses is as follows:

- > Local elected officials should not themselves be expected to pay expenses that are incurred in order to perform their roles.

A related principle, however, is that compensation paid to elected officials for expenses incurred on the job should not be viewed as an additional source of remuneration. This point requires local governments, first, to identify the specific types of expenses for which elected officials can expect reimbursement.

Eligible Expenses

Local governments have similar, but not identical, lists of expenses that are eligible for reimbursement. In the case of municipalities, expenses that are reimbursed by councils tend to be limited to those that are incurred by members on out-of-town business. Such expenses include:

- > travel by personal automobile (paid as a rate per kilometre) to out-of-town meetings
- > travel by taxi, bus, train, ferry, rental car, or air to out-of-town meetings
- > accommodation
- > conference fees
- > per diem payments for meals and incidentals

GUIDING PRINCIPLES (EXPENSES)

Local elected officials should not themselves be expected to pay expenses that are incurred in order to perform their roles. Compensation paid to elected officials for expenses incurred on the job should not, however, be considered or pursued as an additional source of remuneration.

Some councils also provide funding for a smartphone, tablet, and/or computer (or provide the hardware itself), and the associated communications plan. Some will provide transportation costs within the municipality, including a mileage rate for personal car use, taxi and/or transit fees, and parking. Monthly car allowances for mayors are common; similar allowances for councillors are less common but do exist in some centres.

Regional district boards, similar to councils, reimburse members for smartphones and for attendance at out-of-town meetings. Most regional districts also, however, pay for travel, travel time, meals, and accommodation for attendance regional district board and committee meetings. These additional items reflect the large geographic size of many regional districts, and the need for directors to spend considerable time to travel to core meetings. Monthly transportation allowances provided by some regional districts to electoral area directors also reflect geographic realities.

Most local governments provide additional expense amounts for their mayors or chairs. A monthly car allowance, noted earlier, is standard for mayors and is becoming common for chairs. Hosting allowances are also recognized by several jurisdictions.

Regional district expense policies should anticipate and provide special direction to municipal directors to avoid instance of "double dipping". In some cases, expenses that are incurred by municipal directors can and should be reimbursed by the directors' municipal councils, not charged to the regional district. An example of such an expense is attendance at the UBCM annual conference. Council members who serve as municipal directors attend the annual conference, first and foremost, as representatives of their municipalities.

Local Considerations

Lists of eligible expenses are common across most jurisdictions, as noted earlier. When developing expense policies and bylaws for a specific local government, however, it may be important to explore particular types of expenses that, while less widespread, are appropriate given the local context. Some regional districts (e.g., Squamish Lillooet) provide differential mileage rates to account for travel on unpaved roads. Others (e.g., Cariboo) provide reimbursement to replace car windshields that are damaged during regional district travel on winter roads. Parking in many urban centres is expensive.

FEDERAL TAX SYSTEM

Changes to the Federal Income Tax Act were introduced by the federal government in 2017 to eliminate a long-standing federal tax exemption for local government elected officials, effective January 1, 2019. The exemption was in place to recognize that, in the course of their duties, elected officials incur various expenses for which they may not be reimbursed (e.g., home office costs, meals while meeting with constituents, etc.). This change resulted in substantial changes to the after-tax income for elected officials, and prompted many local governments to adjust elected officials' 2019 pre-tax compensation in order to maintain after-tax 2018 remuneration.

Municipalities and regional districts in these centres may feel it necessary to reimburse parking costs to elected officials.

Evolving Lists

Finally, local governments should not view eligible expense lists as static documents. Indeed, in order to ensure that costs do not become barriers to participation, it is incumbent on local governments to periodically consult elected officials and review eligibility considerations. One potential expense that stands out is childcare. Councils and boards that have, or that seek to attract, young parents as members may find it both fair and necessary to reimburse child care expenses that are incurred to attend council and board meetings.

BEST PRACTICES

- > *Local governments should provide clarity in regional district expense policies/bylaws to ensure that municipal expenses incurred by municipal directors are reimbursed by the appropriate municipal governments.*
- > *Local governments should consider including in their expense policies and/or bylaws the principle that elected officials should not themselves be expected to pay expenses that are incurred in order to perform their roles.*
- > *Local governments should recognize that the range of legitimate expenses incurred to perform the roles of mayor and board chair will be greater than that incurred to perform the roles of councillor and board director.*
- > *Local governments should ensure that lists of eligible expenses reflect unique local conditions.*
- > *Local governments should periodically re-examine decisions on eligibility to ensure that lists of eligible expenses evolve to reflect changing needs and to reduce barriers to participation.*

BENEFITS

Medical services plan premiums, extended health and dental plans, employee and family assistance programs, and life and accidental death insurance are common examples of benefits that local governments may choose to make available to all or some of their elected officials. Current practices across the province vary with respect to the provision of benefits. Some local governments provide full benefits to all elected officials at no cost to the members. In a number of places, benefits are made available only to the mayor, since this position is the only one considered full-time. Councillors and directors in some of these places may opt-in to packages, but only at their own cost, or on a cost-share basis with the municipality. Certain regional districts provide benefit packages at the local government's cost to electoral area directors, but require municipal directors to pay all premiums. Other regional districts pay 50% of the cost of packages for all directors who opt-in. Family members of elected officials are entitled to join benefit programs in some jurisdictions, but must pay the full cost. Almost all local governments provide personal accident insurance to elected officials who are traveling on local government business.

Provision of Benefits

The provision of benefits to elected officials is becoming an increasingly important topic of consideration in local governments, particularly because of the potential barriers — real or perceived — that a lack of benefits pose for some. In an effort to avoid this situation, local governments may wish to consider making benefits available. Eligibility and responsibility for cost are two factors to include in any such consideration.

- > *Eligibility* — There is a strong rationale for providing benefits to mayors, and to other elected officials who occupy what are considered to be full-time positions. Many individuals who may wish to put their names forward for these positions would need, upon election to office, to leave other full-time employment in which they may receive benefits coverage. The prospect of giving up such coverage, and facing four or more years without replacement benefits, would prevent some from running.

The argument for benefits may not be as strong for elected positions that are structured and paid as part-time roles. In these cases, there is an assumption that individuals with access to benefits through their employment will be able to retain at least some access to those benefits

simply because they will not be need to leave their existing employment entirely. This reasoning fails in cases where existing benefits would be lost as a result of an individual being converted to part-time status with their employer after being elected to office.

An additional point in the discussion on eligibility concerns the position of municipal director on regional district boards. Municipal directors are, first and foremost, municipal councillors. The municipalities, as the local governments to which the councillors are elected to serve, should be responsible for addressing the benefits issue with these elected officials. Electoral area directors, by contrast, are directly elected to the regional district boards. Electoral area directors should look to these bodies for benefits.

- > *Responsibility for Cost* — Local governments should consider paying for elected official benefits on a pro-rated basis. Using this approach, municipalities would pay 100% of the benefit premiums for mayors, and 50% of the premiums for councilors. Regional districts would pay 50% of the cost of benefits for electoral area directors. Regional districts could also choose to pay 100% of the cost of premiums for regional district chairs who are deemed to occupy full-time roles, irrespective of whether the chairs are also electoral area or municipal directors.

In all, the principle governing the provision of benefits is that, in an effort to reduce barriers to participation, local governments should make benefits available to their elected officials, and should contribute to the cost of associated premiums on a pro-rated basis, in accordance will the full- or part-time nature of the positions.

Smaller Jurisdictions

Smaller local governments who wish to provide some level of benefits coverage for their elected officials may have concerns regarding the cost of premiums. In an effort to minimize costs, local governments may consider extending existing staff programs to include elected officials, or joining with other local governments to create larger beneficiary pools. To that end, UBCM offers comprehensive group insurance coverage to all local government elected officials in the province. To join the plan, however, at least three officials from a local government must opt-in to the coverage.

Evolving Range of Benefits

Finally, as with expenses, the list of benefits provided to local elected officials will change over time in response to local needs, societal trends, and other forces. In many jurisdictions today, standard benefits such as extended health and dental coverage, counselling services, and accidental death and dismemberment insurance will address needs. Some other local governments, however, may be under pressure to provide some form of parental leave, RRSP contributions, education allowances, and other benefits that prospective candidates for election receive in their existing careers. In the coming years, the number of local governments that will need to consider these types of benefits is likely to increase. And, to the extent that failure to provide them creates barriers to participation, local governments may need to consider taking action.

► Transition Payments

One specific benefit that may receive greater attention in the coming years is a transition allowance for local elected officials who leave office at the end of a term, either through their own choice, or as the result of an unsuccessful re-election bid. This benefit, which may be referred to as a retirement allowance, a separation payment, a pension, deferred remuneration, or a retraining and adjustment payout, is not offered in many jurisdictions today in the province — indeed, there are only eight municipalities that provide the benefit, and all of them are within Metro Vancouver. The benefit is provided to local elected officials on a broader basis, however, in other parts of Canada, namely Quebec and Ontario.

In some of the BC jurisdictions that offer a transition allowance, the benefit is intended as a bridge to help individuals re-enter the workforce, either in a new occupation, or back into a career that may have been placed on hold. In other cases, the benefit is presented in lieu of pension contributions that would have been paid by an employer if the elected officials had been considered employees and eligible for the existing municipal pension plan. Some transition allowances are intended to achieve both purposes. Consider some current examples:

- > The City of Vancouver provides one week of salary for every year of office served (provided that the departing council member served his or her full term). This benefit translates to 1.9% of the member's annual salary, and is intended to help facilitate the member's return to the workforce.

TRANSITION ALLOWANCES

Elected official transition allowances — referred to in some places as retirement allowances, separation payments, pensions, deferred remuneration, or adjustment payouts — are not common in British Columbia's local government system today. Experiences in other provinces and in the Metro Vancouver area, however, suggest that the benefit may become a matter for greater attention, at least for larger cities, in the coming years. The lack of transition and pension-like benefits could be a barrier to participation for different groups of individuals (e.g., mid-career professionals).

- > The City of Port Coquitlam provides one month of salary for every year in office to the departing mayor (persons who served as councillors are not eligible). The benefit payment is capped at six months.
- > The City of New Westminster provides the equivalent of 10% of the annual indemnity for each year of service, to a maximum of 12 years of service. This benefit is a form of pension.
- > The City of Burnaby structures its benefits as an ongoing, annual payment to service council members. The payments reflect the employer contributions to the municipal pension plan that would be made if the council members were eligible for the plan. Payments can be invested by members as annual RRSP contributions.

Transition allowances may be most relevant and defensible in local governments with elected officials in roles that require a *de facto* full-time commitment (even though some roles may be paid at part-time rates). Individuals in these positions place their existing careers and jobs on hold while in office, and may not, as a consequence, be able to participate in a work-related pension or savings program. Individuals in full-time elected positions may also have more difficulty than others in transitioning back into the workforce following their time in elected office.

Experience in Ontario and Quebec supports the view that such benefits may be of most interest to positions that require significant time commitments. In Ontario, the majority of municipalities with populations over 100,000 offer pensions to elected officials, whereas only 7% of centres with populations under 10,000 provide the benefit.⁶ It is generally the case that elected positions in larger centres are more demanding in terms of time than the same positions in smaller centres. In Quebec, the municipal pension plan is made available to all municipalities; however, local governments in centres with populations under 20,000 may choose to provide the benefit to the position of mayor only — the one position that typically requires a greater time commitment than others.

⁶ Metro Vancouver, *Board Remuneration Review Findings and Recommendations*, Board Remuneration Independent Review Panel, April 17, 2019, Page 9.

This *Guide* does not provide advice to local governments on whether or not to provide a transition allowance to departing, or serving, elected officials. The *Guide* recognizes, however, that the lack of such a benefit may discourage some individuals from considering public office, and may become more of a barrier in future years, at least in some centres. Local governments that wish to explore the development of a transition allowance, may want to consider the following questions:

- > Does the lack of a transition benefit stand as a significant barrier to participation? Which groups of individuals may view the benefit as being particularly important?
- > What is the primary purpose of the benefit? Is it to provide a bridge for departing elected officials to re-enter the workforce? Or is it to provide pension contributions in lieu of contributions that elected officials could earn outside of office?
- > What is a reasonable cap on the benefit, expressed either in terms of benefit paid, or eligible service time?
- > Is there any rationale for regional districts to provide the benefit to municipal directors, or should the issue of transition allowance to municipal elected officials be addressed directly by the local governments (i.e., the municipalities) to which the officials are elected?

BEST PRACTICES

- > *Local governments should consider providing access to extended health, dental, vision and insurance benefits to all local elected officials.*
- > *Local governments should consider contributing to the cost of benefit premiums on a pro-rated basis, in accordance with the full- or part-time nature of elected positions.*
- > *Local governments should consider extending benefits coverage to family members of elected officials, provided that the elected officials themselves pay the full incremental cost of such coverage.*
- > *Local governments should periodically re-examine the benefits provided to ensure that benefits programs reflect changing needs, and reduce barriers to participation.*

SECTION 5

COMMUNICATION

Local governments in British Columbia have long recognized the importance of strong communication in local governance. Municipalities and regional districts regularly communicate in proactive ways with their communities on a broad range of public policy, service, and governance matters. Remuneration for elected officials is one additional item on which clear communication is necessary. This section of the *Guide* highlights information that is important to communicate, identifies audiences with which to communicate, and provides advice on how to communicate.

As in all communication efforts, information on elected official remuneration is provided, in part, as a way to report on actions and decisions that are underway or that have been taken. Communication is also undertaken, however, to explain why initiatives are important to take, and to promote transparency in local government.

INFORMATION TO COMMUNICATE

The pieces of information that are important to communicate have been identified in the earlier sections of the *Guide*. In all, the key pieces are as follows:

- > *Nature of Elected Official Roles* — The level of knowledge in communities on the roles of local elected officials is not uniformly high across the province. Information to help residents understand the duties and responsibilities of the roles, the expectations on council members and regional board directors, and the time required to perform the jobs properly may provide important context for reviews of remuneration, and may help to pave the way for broad acceptance of their outcomes.
- > *Purpose of Remuneration* — The reasons for providing remuneration to elected officials, and the factors that inform the setting of remuneration levels, are important to communicate. Residents and prospective candidates, in particular, may find it helpful to understand the importance of representative decision-making bodies, and the need to identify and reduce barriers to participation that some groups in the community may encounter.

EXPLAINING IMPORTANCE

The Cariboo Regional District opens its Directors' Remuneration and Expenses Bylaw with a statement of principles. The statement begins as follows:

"It is important for local governments to ensure their elected official positions are compensated fairly and equitably to attract and encourage a variety of citizens from different economic and demographic backgrounds... to run for office and represent their communities..."

- > *Guiding Principles* — The communication of principles to guide council and board decisions on remuneration can help to speak to the purpose of remuneration, and can also minimize any suggestion of arbitrariness in the remuneration levels selected.
- > *Remuneration Details* — Clear and complete listings of base remuneration levels, supplemental payments, the situations in which supplemental payments are made, annual adjustments, eligible expenses and the process for claiming them, and benefit programs are important to communicate. Such details bolster transparency.
- > *Remuneration Reviews* — Where determined, the process and timing of remuneration reviews, along with any guiding principles for reviews to follow, can help to de-politicize the efforts. Details on reviews underway, as well as the results of such reviews, are also important.
- > *Expenditures Made* — Finally, efforts above and beyond basic statutory reporting requirements to make available information on remuneration received and expenses claimed can enhance transparency and build trust.

AUDIENCES TO REACH

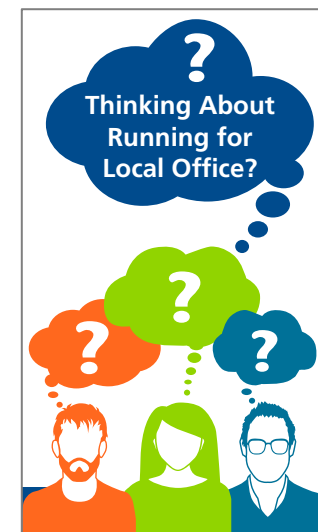
Residents in the community constitute the primary audience for communication efforts on elected official remuneration. Other audiences that may be targeted in communication strategies include ratepayer associations, business associations, and any other defined group that has expressed, or that may express, strong views on remuneration. An additional audience is the pool of prospective candidates for upcoming local government elections. This group should clearly understand the nature and level of the work involved, and the remuneration that is provided for the work.

COMMUNICATION TOOLS

Many local governments regularly make use of a range of different tools to connect with different audiences. For information on remuneration, councils and boards may find a combination of written materials, presentations, and information meetings to be most effective. Consider the following points:

UNDERSTANDING ROLES

Prospective candidates for local government elected office should clearly understand the nature and level of the work involved, and the remuneration that is provided for the work. Resources such as "Thinking About Running for Local Office?" can help.



- > *Written Materials* — Providing information in writing is a useful way to ensure accuracy of message, and to promote transparency. Written materials can also be made available in a number of formats in order to allow for distribution to various audiences. Examples of written materials to provide include:
 - remuneration policies and bylaws, complete with user-friendly introductions to explain the purpose and contents of the documents
 - information pamphlets on the reasons for, importance of, and principles in place to guide elected official remuneration
 - education booklets on the duties and responsibilities of local elected officials, as well as the time commitment involved
 - terms of reference to guide remuneration reviews
 - reports on the outcomes of remuneration reviews
 - regular disclosure of remuneration and expenses paid

Public surveys represent an additional written item that can be used not only to solicit public views on remuneration, but also to communicate the reasons for remuneration, and the existing remuneration, expense, and benefit programs in place.

- > *Presentations* — Public presentations (i.e., at open council and board meetings) of the results of remuneration reviews are effective communication methods, particularly when reviews have been completed by an independent panel, and presentations are made by the panel chair.
- > *Information Meetings* — Information meetings are used in several local governments to help prospective candidates understand the duties and responsibilities of the elected official jobs. Where not already the case, these meetings could include a component on remuneration. The reasons for remuneration, and the principles guiding remuneration, would be important to communicate in addition to the remuneration levels.

PUBLIC INVOLVEMENT

Kamloops' Council Remuneration Task Force solicited input from the public through a carefully-constructed and -implemented engagement program. Five community events were attended by Task Force members. A survey was also provided for all interested residents.

Information meetings can also be used as part of remuneration reviews. Such meetings are held in some centres to educate audiences on elected official remuneration, and to solicit views on appropriate packages to provide.

BEST PRACTICES

- > *Local governments should consider including in their communications programs information on the nature of elected official roles, the purposes of remuneration, principles to guide the setting of remuneration, details on remuneration levels, remuneration reviews, and expenditures made.*
- > *Local governments should consider using a range of tools to communicate information, including written materials, presentations, and information meetings.*

SECTION 6

BEST PRACTICES SUMMARY

This *Guide* has presented a series of best practices to assist local governments in setting elected official remuneration. Figure 6.1 pulls the best practices together into one table.

Figure 6.1
Remuneration Best Practices

Section	Topic	Best Practices
Section 2: Conducting Reviews	Independent Task Force	<ul style="list-style-type: none"> > Local governments should consider establishing an independent task force to conduct reviews of elected official remuneration.
Section 3: Timing and Frequency	Timing of Reviews	<ul style="list-style-type: none"> > Local governments should consider conducting remuneration reviews, and reporting the results, at least one year before the next election.
	Frequency of Reviews	<ul style="list-style-type: none"> > Local governments should consider conducting remuneration reviews once per term. > Local governments should consider setting out the timing for subsequent reviews in remuneration policies or bylaws.
	Annual Adjustment	<ul style="list-style-type: none"> > Local governments should consider including in their policies or bylaws provision for an automatic cost-of-living adjustment, using the CPI, to elected officials' base remuneration.
	Implementation of Changes	<ul style="list-style-type: none"> > Local governments should consider having changes to base levels, determined through remuneration reviews, take effect at the beginning of the following term. > Local governments should consider allowing for immediate implementation of changes to remuneration that are designed to protect elected officials from financial loss that would otherwise occur as a result of tax system shifts.

Section	Topic	Best Practices
Section 3: Timing and Frequency	Implementation of Changes	<ul style="list-style-type: none"> > Local governments should consider allowing for immediate implementation of annual cost-of-living adjustments.
Section 4: Setting Remuneration	Bases of Comparison	<ul style="list-style-type: none"> > Local governments should consider using remuneration paid to elected officials in similar local government jurisdictions as the preferred basis for determining remuneration.
	Comparison Group	<ul style="list-style-type: none"> > Local governments should consider establishing comparison groups using population, combined — as deemed necessary — with other factors that influence elected official workload and level of responsibility. > Local governments should consider including at least five jurisdictions (preferably more) in the comparison groups.
	Using the Data	<ul style="list-style-type: none"> > Local governments should consider using simple formulas that make the calculation of remuneration levels as straightforward as possible, easy to explain, and easy to understand.
	Regional District Supplemental Payments	<ul style="list-style-type: none"> > Local governments should consider targeting supplemental payments to non-core meetings, and structuring base remuneration levels to include attendance at board and committee of the whole meetings.
	Eligible Expenses	<ul style="list-style-type: none"> > Local governments should consider including in their expense policies and/or bylaws the principle that elected officials should not themselves be expected to pay expenses that are incurred in order to perform their roles. > Local governments should recognize that the range of legitimate expenses incurred to perform the roles of mayor and board chair will be greater than that incurred to perform the roles of councillor and board director.

Section	Topic	Best Practices
Section 4: Setting Remuneration	Eligible Expenses	<ul style="list-style-type: none"> > Local governments should provide clarity in regional district expense policies/bylaws to ensure that municipal expenses incurred by municipal directors are reimbursed by the appropriate municipal governments. > Local governments should ensure that lists of eligible expenses reflect unique local conditions. > Local governments should periodically re-examine decisions on eligibility to ensure that lists of eligible expenses evolve to reflect changing needs and to reduce barriers to participation.
	Benefits	<ul style="list-style-type: none"> > Local governments should consider providing access to extended health, dental, vision and insurance to all local elected officials. > Local governments should consider contributing to the cost of benefit premiums on a pro-rated basis, in accordance with the full- or part-time nature of elected positions. > Local governments should consider extending benefits to family members of elected officials, provided that the elected officials themselves pay the full incremental cost of such coverage. > Local governments should periodically re-examine the range of benefits provided to ensure that benefits programs reflect changing needs, and reduce barriers to participation.
Section 5: Communications	Information to Communicate	<ul style="list-style-type: none"> > Local governments should consider including in their communications programs information on the nature of elected official roles, the purposes of remuneration, principles to guide the setting of remuneration, details on remuneration levels, remuneration reviews, and expenditures made.
	Methods of Communication	<ul style="list-style-type: none"> > Local governments should consider using a range of tools to communicate information, including written materials, presentations, and information meetings.

SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

TO: Corporate and Administrative Services Committee – January 23, 2020

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

SUBJECT: 2020 SEAWATCH PARCEL TAX AND UTILITY BILLINGS

RECOMMENDATION(S)

THAT the report titled 2020 Seawatch Parcel Tax and Utility Billings be received;

AND THAT the Regional Water Services and Community Recreation Parcel Tax Roll for the District of Sechelt be amended to remove the 14 unoccupied residences in the Seawatch neighbourhood;

AND FURTHER THAT the 14 properties in the Seawatch neighborhood not be charged the Regional Water Services User Fees for 2020 as a result of not receiving the service.

BACKGROUND

The Seawatch neighbourhood located in the District of Sechelt has been under evacuation order since February 15, 2019. Based on details included in the evacuation order, there are 14 occupied residences impacted. Almost a year after the evacuation, the order is still in place at present and potentially be for an extended period of time.

The Seawatch neighbourhood residents have contacted the SCRD to determine the 2020 charges applied to their properties. The District of Sechelt Staff have indicated that relief will be provided for these residences for 2020.

DISCUSSION

Parcel Taxes

The Seawatch properties have been included on the property assessment rolls because they are not deemed to be exempt, however, parcel tax levy is also dependent on the accessibility or ability for the property to receive the services. The newly assessed value from BCAA indicated that land and building of those affected properties are \$1 respectively. The parcel tax rolls will be authenticated by the District of Sechelt in February 2020.

With the extensions of the evacuation order, it may be possible to remove the properties from the parcel tax rolls. Under Section 201(2) of the *Community Charter*, In the case of a service that is provided to land or improvements, a parcel tax under this Division may be imposed only on parcels that have the opportunity to be provided with the service, whether or not they are in fact being provided with the service. With these properties, the residents no longer have access to their properties.

Therefore, it is recommend that the parcel tax rolls be amended to remove the 14 unoccupied residences in the Seawatch neighbourhood.

User Fees

Under Bylaw 422, charges can be pro-rated where a service is being turned off or disconnected for an indefinite period of time. Although service has not been disconnected at this time, the property owners do not have access to their homes and therefore are not using water.

Following the consistent wavier approved by the Board last year, staff recommend removing the water user fees for 2020. The 14 unoccupied residences in the Seawatch neighbourhood would be not be invoiced of the water user fees.

Operational Implications

In order to mitigate risk to SCRD infrastructure and given that there is, since the evacuation of the area, no water being used, staff have partially closed the water main via existing valves located on Gale Avenue North at the outer edge of the evacuation area as of May 1, 2019. This current pressure supports the proper functioning of the for residential fire sprinkler systems in some of the evacuated properties. Water for fire protection by the local fire department can still be provided from the edge of the neighborhood. The full water service can be re-instated if there is a change in status to the properties.

Organizational and Intergovernmental Implications

The District of Sechelt has been notified about this recommendation on the parcel tax and user fees to the Seawatch residents.

STRATEGIC PLAN AND RELATED POLICIES

n/a

CONCLUSION

The Seawatch neighbourhood located in the District of Sechelt has been under evacuation order since February 15, 2019. There are 14 residences impacted.

With the properties remaining unoccupied, the properties can be removed from the parcel tax rolls per Section 201(2) of the *Community Charter*. Since the properties are also not receiving the service, user fees can also be excluded. Therefore, it is recommended that the SCRD remove the 14 properties for both purposes.

Reviewed by:			
Manager		Finance	X-C. Ho
GM		Legislative	
CAO	X – D. McKinley	Other	

SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

TO: Corporate and Administrative Services Committee – January 23, 2020

AUTHOR: Colin Ho, Manager, Financial Services

SUBJECT: **PARCEL TAX ROLL REVIEW PANEL**

RECOMMENDATION

THAT the report titled Parcel Tax Roll Review Panel be received;

AND THAT:

- 3 members of the Board be appointed to the Parcel Tax Roll Review Panel;
- The Parcel Tax Roll Review Panel sitting be scheduled for February 27, 2020 at 9:00 a.m. in the SCRD Field Road Office Board Room; and
- The Chief Financial Officer be appointed Collector for the SCRD;

AND FURTHER THAT this recommendation be referred to the January 23, 2020 Regular Board Meeting for adoption.

BACKGROUND

The purpose of the Parcel Tax Roll review is to ensure that the billing information is correct for the 2020 parcel tax, and to authenticate the Parcel Tax Roll.

As authorized under the Pender Harbour Pool Parcel Tax Roll Bylaw No. 612, Community Recreation Facilities Parcel Tax Roll Bylaw No. 577, and the Water Rates Bylaw No. 422, including Regional Water, South Pender Harbour Water and North Pender Harbour Water Service Areas, parcel taxes will be assessed on all eligible parcels listed on the Parcel Tax Roll.

DISCUSSION

The *Community Charter* requires that a Parcel Tax Roll Review Panel (PTRRP) process be held to hear any matters referred to in *Community Charter Section 205 (1) [complaints to the parcel tax roll review panel]* and to authenticate the parcel tax roll.

Complaints to the review panel are to be in writing and are to make corrections only with respect to the following:

- there is an error or omission respecting a name or address on the parcel tax roll;
- there is an error or omission respecting the inclusion of a parcel;
- there is an error or omission respecting taxable area or the taxable frontage of a parcel;
- an exemption has been improperly allowed or disallowed.

The Parcel Tax Roll will be made available to the public for inspection commencing Monday, February 10, 2020, with notice that corrections will be accepted up to Monday, February 24, 2020. Information regarding requests for correction will be provided to the Parcel Tax Roll Review Panel on Thursday, February 27, 2020.

Normally 3 members of the Board are appointed to the Review Panel.

STRATEGIC PLAN AND RELATED POLICIES

The Parcel Tax Roll Review is in accordance with the *Community Charter* legislation as a statutory requirement.

CONCLUSION

A Property Tax Roll Review Panel must meet annually to address complaints and authenticate the assessment roll.

Staff recommend 3 members of the Board be appointed to the Parcel Tax Roll Review Panel which will meet on Thursday, February 27, 2020 at 9:00 a.m. in the SCRD Field Road Office Board Room, and to appoint the Chief Financial Officer as Collector for the SCRD.

Reviewed by:			
Manager		CFO/Finance	X-T. Perreault
GM		Legislative	
CAO	X – D. McKinley	Other	

SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

TO: Corporate and Administrative Services Committee – January 23, 2020

AUTHOR: Matt Treit, Manager, Protective Services

SUBJECT: 9-1-1 COMMUNICATION UPGRADE

RECOMMENDATIONS

THAT the report titled 9-1-1 Communication Upgrade be received;

AND THAT the timeline and scope of the 9-1-1 Communication Upgrades be amended as outlined in the 9-1-1 Communication Upgrade Report;

AND FURTHER THAT a budget proposal be submitted to the Round 2 Budget deliberations related to 9-1-1 Communication Upgrades.

BACKGROUND

In 2005, the Sunshine Coast Regional District (SCRD) engaged WesTower Communications Ltd. to review four communication towers located within the SCRD. The report noted the towers (with the exception of the Egmont Tower) were not CSA compliant and the SCRD engaged in a monitoring program which included a complete review of these towers in 2014. A plan was developed at that time to replace a number of towers (Gibsons Fire Hall, Roberts Creek Fire Hall, Halfmoon Bay Fire Hall, Pender Harbour Fire Hall, and Chapman Creek Water Treatment Plant). The timeline to replace these towers was for the period from 2014 until 2020 however, none of these towers have been replaced to date. As of 2020, only one of these towers has been taken out of service (Pender Harbour Fire Hall) when the antennae were moved to a tower on Cecil Hill. The remaining towers continue to deteriorate with an increased risk that they could structurally fail causing long term disruptions to both emergency (911) and non-emergency communication. Staff provided a report to the Board which is attached for reference (Attachment A).

In addition to the replacement of the towers themselves, the scope of the project has expanded to include the replacement/addition of various equipment to be mounted on the new towers.

Work for the Emergency Telephone-911 function has focused on securing Emergency Communication (EComm) contracts, professional engineering services to review and draft scope for the tower projects. This work has informed the proposed plan.

The purpose of this report is to provide an update on the service in preparation for funding requirements for future capital upgrades to the system.

DISCUSSION

While the towers to be included in the replacement project has not changed since 2014, as specific obstacles and opportunities have presented themselves, changes have been made to the order in which the individual aspects of the project are to be completed. For example, the 2014 report stated that, “Negotiations have commenced with the RCMP (to place SCRD equipment on their tower) and it is assumed these will be successful.” As of 2020, these negotiations have not come to fruition, and so the current plan is moving forward on the assumption that we will not be sharing the tower at the Gibsons RCMP detachment.

There was also an attempt by Telus to fund and build a tower at the Gibsons Fire Hall in 2012 which would have permitted SCRD use for this 911 Communications project, but that offer was declined by the SCRD in 2013. Currently, there is a similar offer from Telus to build a tower at the Roberts Creek Fire Hall which will allow use by the SCRD. At this time, there is no immediate solution for replacing the Halfmoon Bay tower as the ideal solution would be to build a tower at the site of the water reservoir, but this would be quite expensive unless another company or organization shared the cost of construction. The other alternative would be to build a new, larger tower at the current site at Connor Park.

The Chapman Creek Tower project is the most “shovel ready” as the SCRD has the support of the SIGD and there are no other stakeholders involved in the construction of this tower, and due to the location, public consultation is not required. This project can commence immediately.

The Roberts Creek Tower project will involve Telus removing the current 22 meter tower and replacing it with a 40 meter tower. This will involve a public consultation process as well as negotiating an agreement with Telus regarding their placement of the tower on SCRD land and the use of the tower by the SCRD.

Since 2014, a revised plan has been drafted for Emergency Telephone-911. Therefore, staff propose that a Budget Proposal be presented as part of the Round 2 Budget deliberations

Financial Implications

In addition to inflation, since 2014 when the project costs were determined, the USD-CAD exchange rate has increased from about 16% in 2014 to 33% in 2020. In addition to changes to the scope of the project, these factors have combined to increase the cost from what was originally budgeted six years ago.

The original budget for the Chapman Creek Tower project was \$180,000, \$97,500 for the Gibsons Firehall Tower project, and \$25,000 for other upgrades and equipment replacement with the 911 system. These projects have been included as carry-forwards from the 2019 to 2020 Budget. These project budgets have changed, therefore, require Budget Proposals for Financial Plan amendments.

There are also several additional projects that are required, including professional project management/ engineering develop scopes and oversee project execution. All of these require Budget Proposals which staff are seeking approval to submit for 2020 Round 2 Budget deliberations.

The reserve fund for Emergency Telephone-911 [220] has an estimated reserve balance of \$647,807 for 2020 with a scheduled annual contribution of \$109,800. The estimated total cost of the entire upgrade as it is now anticipated is estimated to be \$1,031,800 over the next three to four years as outlined in table below:

	2020	2021	2022	2023	2024
Item	Amount	Amount	Amount	Amount	Amount
Opening Balance in reserve –	\$ 647,807	\$ 172,707	\$ 282,507	-\$ 54,593	\$ 55,207
Contributions Surplus	\$ 109,800	\$ 109,800	\$ 109,800	\$ 109,800	\$ 109,800
Gibsons Tower Project	-\$ 46,600		-\$ 9,400		
Chapman Tower Project	-\$ 268,900		-\$ 8,500		
Halfmoon Bay Project	-\$ 18,100		-\$ 9,600		
Roberts Creek Tower	-\$ 18,100		-\$ 9,600		
Pender Harbour FH # 2	-\$ 5,300				
Square Bay Project	-\$ 5,300				
Cecil Hill Tower Project	-\$ 32,800		-\$ 27,500		
Chaster House Project	-\$ 9,900				
Monitoring Alarms System	-\$ 7,000				
Spare Equipment	-\$ 7,700		-\$ 70,400		
Egmont SCRD Tower	-\$ 1,500		-\$ 25,200		
Telecom Consulting	-\$ 128,000		-\$ 67,000		
Ecomm Equipment Upgrade	-\$ 35,700		-\$ 219,700		
	\$ -	\$ -	\$ -	\$ -	\$ -
Other	\$ 172,707	\$ 282,507	-\$ 54,593	\$ 55,207	\$ 165,007

Based on the projected cost of projects and available funding, there may be a shortfall for future projects which will need to be addressed in years 3-5 of the plan.

STRATEGIC PLAN AND RELATED POLICIES

The SCRD Strategic Plan Strategies of Engagement and Communications, Infrastructure Management and Regional Collaboration and Partnership is exemplified by the consultation that conducted with shíshálh Nation for the Champan Creek Tower project as well as with Telus regarding the Roberts Creek Firehall tower and the upgrades to the 9-1-1 system are consistent with the principles of the comprehensive asset management strategy.

CONCLUSION

The SCRD has been aware, since 2005, that the communications towers within the SCRD are not CSA (Canadian Standards Association) compliant. A more in-depth structural assessment was completed in 2014 which confirmed that the towers were non-compliant. In addition to the replacement of the towers themselves, the scope of the project has expanded to include the replacement/addition of various equipment to be mounted on the new towers.

A revised plan has been drafted and staff require that budget proposals be forwarded to the 2020 Round 2 Budget deliberations for the Boards consideration.

Attachment: A- January 2015- Staff Report- 911- Paging and Communications Towers

Reviewed by:			
Manager		CFO/Finance	X- T. Perreault
GM		Legislative	
CAO	X – D. McKinley	Other	

SCRD STAFF REPORT

DATE: December 21, 2014
TO: Community Services Committee – January 15, 2015
FROM: Bruce Bauman, Acting General Manager, Community Services Department
RE: **911 – PAGING AND COMMUNICATION TOWERS**

RECOMMENDATION(S)

THAT the Community Services Committee receive the report on 911 Paging and Communication Towers for information;

AND THAT a 2015 budget proposal be developed for round 1 of the 2015 budget deliberations for the replacement of the Chapman Creek Tower;

AND THAT a 2015 budget proposal be developed for the integration of moving from three to six 911 radio channels;

AND FURTHER THAT a 2015 budget proposal be developed to investigate the best options for the Roberts Creek and Halfmoon Bay Tower replacements.

Background

At the July 10, 2014 a report (attached) detailing the 911 Communication Tower replacements was received by the Community Services Committee.

After discussion and recommendation the following resolution was adopted by the SCRD Board at their July 24, 2014 meeting:

Recommendation No. 24 *9-1-1 Communication Tower Replacements*

THAT the General Manager, Community Services report titled “9-1-1 Communication Tower Replacements” be received;

AND THAT 2014 Projects (listed below) continue as funded in the 2014 Financial Plan:

- *Analyze Towers – Engineering Consultant’s Review (non-compliant (CSA) Towers) (\$29,500);*
- *Replace Gibsons Tower (pending Consultant’s Review) (\$97,500);*
- *Radio Upgrade, Gibsons Fire Paging (\$63,000);*
- *Site Monitoring Component of Radio Upgrade Project (\$27,500);*

AND THAT the 2014 Financial Plan be amended to add \$11,650 funded from reserves to enable relocation of the Pender Harbour tower to co-locate with the RCMP on the TELUS Tower at Cecil Hill;

AND THAT the 2015 project (listed below) be referred to the 2015 Financial Plan:

- *Replace Chapman Creek Water Treatment Plant Tower;*

AND FURTHER THAT a capital plan be created for 9-1-1- Communication Tower replacements for 2016 to 2020.

Discussion

In 2014 a number of activities were carried out within this function as identified in the July 10, 2014 report to the SCRD Community Services Committee.

Two major accomplishments for this function in 2014 were:

- 1) Review of all 911 Towers (Complete June 10, 2014).
- 2) 911 – Dual Channel Conversion (Complete December 17, 2014).
- 3) Other initiatives have been started and will be carried forward into 2015.

Looking forward in 2015 the following additional projects require a proposal for discussion during the 2015 budget deliberations:

- 1) Integration of moving from three to six 911 radio channels.
- 2) Investigate the best options for the Roberts Creek and Halfmoon Bay Tower replacement.
- 3) Replacement of the Chapman Creek Tower.

Three 911 Channels to Six 911 Channels

Presently, the six fire departments on the Sunshine Coast share three channels. From a risk management perspective and to ensure public safety the SCRD will be moving to each fire department having their own channel. This is also a requirement of EComm who manages our 911 paging. Staff recommend a proposal be developed for discussion during the 2015 budget deliberations.

Roberts Creek/Halfmoon Bay Tower Options

The preferred option chosen by the SCRD at this time is to co-locate equipment on other towers and not build replacement towers. This may or may not be an option in the future. Given this along with terrain, height and other factors a full investigation of these tower locations needs to be examined in 2015. The results of this will inform the 2016 – 2020 capital plan for 911 towers. Staff recommend a proposal be developed for discussion during the 2015 budget deliberations.

Replacement of Chapman Creek Tower

This tower is critical and the most urgent for replacement of all the 911 towers as identified in previous reports. There may be options for other parties (internal and external) to share in the cost of this tower or co locate equipment however, replacement should proceed as soon as possible. Staff recommend a proposal be developed for discussion during the 2015 budget deliberations.

SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

TO: Corporate and Administrative Services Committee – January 23, 2020

AUTHOR: Gerry Parker, Senior Manager, Human Resources

SUBJECT: **SCRD FULL-TIME EQUIVALENCY (FTE) SUMMARY REPORT**

RECOMMENDATION(S)

THAT the report titled SCRD Full-time Equivalency (FTE) Summary Report be received for information.

BACKGROUND

The purpose of this report is to provide an update on the staffing composition and structure of the Sunshine Coast Regional District (SCRD) over the past ten years as background information in preparation for the 2020 Round 2 Budget meeting.

Discussion

The definition of a full-time equivalency, typically referred to as a “FTE”, is essentially an employee that works full weekly hours (whether 35, 37.5, or 40 hours per week) over the course of a year. In 2009, as shown in the attached SCRD Full-time Equivalency (FTE) Summary spreadsheet (Appendix A), the SCRD’s total staffing complement consisted of 190.22 fte’s. Over the next several years, fte’s decreased in areas such as Transit and Fleet Services, Bylaw Enforcement, Building Officials, Recreation, Solid Waste, and Planning Services. By 2012, the overall total had decreased by just over 8 fte’s from 190.22 to 182.12. In the Water / Wastewater Division, a total of 5.72 fte’s were added during this same timeframe for new services operated by the SCRD.

In 2016, steps were taken to review and re-address the organizational structure (along with a slight fte reduction) and that included renaming various Departments and Divisions within the SCRD. In an effort to help track the changes to the fte composition, Divisions have been grouped together with associated shading in the attached table (Appendix A) to provide a degree of continuity.

It was partway through 2017 that the total fte count started returning to the 2009 fte levels, primarily due to the expansion of Transit Services, and the full impact of that expansion was realized in 2018. By 2019, the fte count had reached 198.03, a total net change from 2009 of 7.81 fte’s, equating to a net increase of 4.11%.

As outlined in the table below, in 2009, the SCRD’s Operating budget was \$35.4M and the Capital budget was \$10.1M. In 2019, the Operating budget was \$40.18M (+13.50%) and the Capital budget was \$16.23M (+61%). The total budget increase of \$10.91M equates to an

overall increase of 23.98%. The population of the Sunshine Coast has increased by about 12% during this same ten-year timeframe.

Category	2009	2019	\$ / # Increase	% Increase
Operating Budget	\$35.4M	\$40.18M	\$4.78M	+13.5%
Capital Budget	\$10.1M	\$16.23M	\$6.13M	+61%
Total Budget	\$45.5M	\$56.41M	\$10.91M	+23.98%
Population	28,528	31,977 (2018)	3,449	+12%
SCRD FTE	190.22	198.03	7.81 FTE	+4.11%

CONCLUSION

Over the past ten years, a variety of changes have been made to the SCR D's organizational structure as well as to the services being provided. Staff have prepared and submitted budget requests for 2020 intended to more effectively resource the services being provided.

Attachment: Appendix A – SCR D Full-time Equivalency Summary

Reviewed by:			
HR		CFO/Finance	X-T. Perreault
GM		Legislative	
CAO	X – D. McKinley	Other	

Appendix A

SCRD - Full-time Equivalency (FTE) Summary								SCRD - Following Restructuring in 2016					10 Year Change
	2009	2010	2011	2012	2013	2014	2015		2016	2017	2018	2019	
Administration	2.00	2.00	2.00	2.00	2.00	2.00	2.00	Office of the CAO	2.00	2.00	2.00	2.00	
Fire Departments	5.00	5.00	5.00	5.00	5.00	5.00	5.50	Fire Services	6.00	6.40	6.10	6.00	Up 1.00
SCEP	1.00	1.00	1.00	1.00	1.00	1.00	1.00	Emergency Services	1.00	1.00	1.00	1.00	
Corp Serv Admin	3.00	3.00	3.00	3.00	3.00	3.00	3.00	Senior Management	1.00	1.00	1.00	1.00	
Leg. Services	5.20	4.80	5.00	4.80	4.80	5.00	4.80	Admin/Communication	2.80	2.80	2.80	2.80	
Bylaw / Dog Control	2.13	1.83	1.81	1.75	1.75	1.75	1.60	Legislative Services	4.80	4.80	5.00	5.00	Down 0.53
								Asset Management	1.00	1.00	1.00	1.80	
								Corporate Finance	1.00	1.00	1.00	1.00	
Finance	10.00	9.20	9.20	9.20	9.20	10.53	10.53	Senior Mgmt/Admin Asst.	2.00	2.00	2.00	2.00	
Rec Finance	1.00	1.00	1.00	1.00	1.00	1.00	1.00	Financial Services	8.20	8.20	8.60	8.20	
Purchasing	2.00	2.00	2.00	2.00	2.00	2.00	2.00	Purchasing and Risk Mgmt	3.00	3.00	3.00	3.00	Up 3.00
Prop. Info and Mapping	3.60	3.00	3.00	3.00	3.00	3.00	2.80		-	-	-	-	
Information Services	4.00	4.00	4.00	3.80	3.80	3.80	4.00	IT & GIS	6.80	7.80	8.55	8.80	Up 1.20
HR	3.00	3.00	3.00	3.00	3.00	3.00	3.00	Human Resources Services	3.00	3.20	3.45	3.60	Up 0.60
Inf Admin	8.48	8.15	3.40	4.00	4.00	4.00	4.00	Senior Mgmt/Admin Asst.	2.00	1.75	2.00	2.00	
Sustainability	1.90	2.90	2.90	2.90	2.70	1.90	1.90	Sustainability Services	1.48	-	-	-	
								Utility Serv. Special Projects	0.75	2.00	2.00	2.00	
Water / Waste Water	22.10	22.49	26.57	27.82	28.82	27.82	28.42	Utility Services	29.49	28.49	28.82	30.12	
Solid Waste	11.16	12.90	11.16	10.44	10.44	10.70	9.79	Solid Waste Services	10.79	11.69	11.69	11.69	Up 2.17
Transit	21.54	20.77	21.00	21.35	21.78	22.27	23.62						
Fleet	5.07	5.07	4.97	4.77	4.77	4.77	5.17	Transit and Fleet	28.91	30.41	33.41	33.41	Up 6.80
GM - Comm. Serv. Admin	2.08	2.08	2.08	2.08	2.08	2.08	2.08	Senior Mgmt/Admin Asst.	1.65	1.90	1.90	1.90	Down 0.18
Planning	9.00	8.23	8.23	7.90	7.90	7.90	7.90	Planning and Dev. Services	8.00	8.00	8.00	8.00	Down 1.00
Building Inspection	7.00	7.00	7.00	6.00	6.00	6.00	6.00	Building Services	6.00	6.00	6.00	6.00	Down 1.00
Recreation (inc Fac Serv)	42.77	39.77	39.77	39.77	39.92	40.91	41.57	Rec and Comm Partnerships	27.95	28.20	28.20	28.20	
Parks	11.70	9.70	9.70	10.74	10.74	10.81	10.81		-	-	-	-	
Building Maint.	2.00	2.00	2.00	1.31	1.31	1.31	1.31	Parks & Fac. Serv. (Bld. Mtc.)	23.79	24.04	24.04	24.26	Down 4.01
PHAFC	3.49	3.49	3.63	3.49	4.09	4.09	4.09	Pender Harbour Recreation	4.09	4.09	4.09	4.25	Up 0.76
Total	190.22	184.38	182.42	182.12	184.10	185.64	187.89	Total	187.50	190.77	195.65	198.03	Up 7.81

SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

TO: Corporate and Administrative Services Committee – January 23, 2020

AUTHOR: David Nelson – Manager, Information Technology and Geographical Information Systems

SUBJECT: COMPLIANCE WITH LAND TITLE AND SURVEY AUTHORITY OF BC LEGAL PLANS DISTRIBUTION REQUIREMENTS

RECOMMENDATION(S)

THAT the report titled Compliance with Land Title and Survey Authority of BC Legal Plans Distribution Requirements be received;

AND THAT a Budget Proposal be submitted to the Round 2 Budget deliberations for the [506] Geographic Information Services to reduce revenues as a result of changes to subscription services with Land Title and Survey Authority of BC;

AND FURTHER THAT the fee proposed be recovered through rate stabilization (operating) reserves.

BACKGROUND

The Sunshine Coast Regional District (SCRD) has a license agreement with the Land Title and Survey Authority of BC (LTSA) to receive, download and purchase land title documents including legal land survey plans. Before Q2 2017 the SCRD distributed -- to realtors, conveyors and developers -- access to the LTSA legal plan data through a fee-for-subscription service. In March 2017 the LTSA asked all local governments to stop distributing LTSA legal land survey plan data and to instead direct such requests through the LTSA itself.

DISCUSSION

Options and Analysis

In April 2017, the SCRD complied with the LTSA directive. We communicated discontinuance of our LTSA legal plan data distribution service and stopped receiving subscription fees.

Financial Implications

With the cessation of the legal plan subscription service and associated fees, the SCRD revenue budget requires amendment to reflect this service change. The 2020 revenue budget for [506] Geographic Information Systems is \$5,500 of which only \$500 is needed for our custom map service. The revenue budget is overstated by \$5,000.

Currently there are sufficient funds in operating/rate stabilization reserves to offset the revenue for up to the next 5 years. Therefore, it is recommended that a 2020 Budget Proposal be brought forward to propose the following change to the [506] Geographic Information Systems budget.

506	Property Information & Mapping - Capital	61,737.55
506	Property Information & Mapping - Operating	142,745.69

STRATEGIC PLAN AND RELATED POLICIES

The above report aligns with section 4.4 and 4.14 of the Boards Financial Sustainability Policy (Rate Stabilization).

CONCLUSION

The current revenue budget for [506] Geographic Information Services is more than is required for the function at \$5,500. \$5,000 of this amount is allocated to a previous service no longer offered by the SCRD. The Financial Plan requires amendment to reduce the revenue budget for [506] Geographic Information Services to \$500 for the custom map service only.

Staff recommend that a 2020 Budget Proposal be brought forward to reduce revenue and apply \$5,000 from operating/rate stabilization reserves for the [506] Geographic Information Systems budget.

Reviewed by:			
Manager		CFO/Finance	X-T.Perreault
GM		Legislative	
CAO	X – D. McKinley	Other	

SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

TO: Corporate and Administrative Services Committee – January 23, 2020

AUTHOR: Sherry Reid, Corporate Officer
Tina Perreault, General Manager, Corporate Services and Chief Financial Officer
Gerry Parker, Senior Manager, Human Resources

SUBJECT: **CORPORATE AND ADMINISTRATIVE SERVICES – SEMI ANNUAL REPORT FOR JULY TO DECEMBER 2019**

RECOMMENDATION(S)

THAT the report titled Corporate and Administrative Services – Semi Annual Report for July to December 2019 received for information.

BACKGROUND

The purpose of this report is to provide an update on activity in the Corporate and Administrative Services (CAS) Divisions for the second half of 2019 (July to December).

Corporate Services - Administration [110]

PROJECTS

- a. Video Live-Streaming for Board and Committee meetings – A live streaming system was identified and equipment ordered. The goal is to have the live stream system installed for pilot testing by the end of February 2020.
- b. SCRD Website Audit – The bidding process for the SCRD website audit closed and Kimbo Design was chosen to conduct the audit of SCRD's website.
- c. Electronic Document and Records Management System (EDRMS) software – Work related to training new staff, advanced training for existing staff, refinement of the folder structure, staff support on creation of folders and location for filing documents, and setting permissions is ongoing. The annual disposition for physical records is underway.
- d. Microfiche scanning project – Quality control and filing of returned images from year three of this three year project is continuing.
- e. Communications Projects – Drought Management Plan Communications support, Communications support for Granthams Hall Funding announcement and event, Backroad Trash Bash Communications Plan, Website Audit Request for Proposals Reviews, Water Treatment Plant process infographic (to be used for public education), Curbside Food Waste Collection Services Communications Plan, Strategic Plan Communications Plan, Wood Waste Communications Plan, Dakota Ridge Marketing Plan, Dog Licensing Communications Plan.

OPERATIONS

Statistics

Inactive Record Centre Retrievals

	Q1	Q2	Q3	Q4	Total
2019*	112	54	109	65	340
2018	234	155	105	105	580
2017	146	84	76	72	378
2016	133	159	110	237	639
2015	142	75	94	69	380
2014	99	99	114	164	476

**2019 Q1-Q2 lower retrievals and requests due to delay of annual destruction to Q3*

Records Management Help Desk requests

	Q1	Q2	Q3	Q4	Total
2019	229	182	112	184	707
2018	331	265	182	115	893
2017	260	255	200	215	930
2016	398	337	227	296	1258
2015	226	763	419	352	1760
2014	180	170	167	175	692

2015 Q2 = EDRMS Go Live

Twitter account maintenance

"Followers"	Q1	Q2	Q3	Q4
2019	1,505	1,566	1,589	1,603
2018	1397	1432	1470	1475
2017	1245	1293	1324	1351
2016	1051	1108	1169	1204
2015	752	est. 811	972	1003
2014	510	573	637	685

Facebook account maintenance

"Likes"	Q1	Q2	Q3	Q4
2019	1,836	1,921	1,963	1,990
2018	1,506	1611	1784	1844
2017	1142	1237	1350	1480
2016	737	875	949	1038
2015	180	227	650	695
2014	-	-	-	103

Facebook Advertising Campaigns (paid/boosted posts) 2019 Q3 and Q4

Campaign	*Reach	*Post Engagement	Comments	Shares
Water treatment plant tours (July)	2,939	142	5	23
Vacation Accommodations Water Use Pledge Campaign (July)	3,368	201	47	9
Drought Management Plan Review (August)	13,964	1,058	67	28
SCRD Fire Departments Volunteer Recruitment (September)	5,037	263	5	47
2019-2023 Strategic Plan (October)	4,670	166	12	8
Public Consultation: Welcome Woods and Connor Parks (November)	5,428	308	18	14
Dog Licensing campaign (December)	2,856	155	6	3
Create Memories not Garbage (December)	5,616	357	3	15

* Reach is the number of unique people who saw content.

* Post engagement includes actions such as reacting to, commenting on or sharing the ad, claiming an offer, viewing a photo or video, or clicking on a link.

Coast Currents e-newsletter.

"Subscribers"	Q1	Q2	Q3	Q4
2019	374	394	593	693
2018	339	354	348	367
2017	260	281	297	322
2016	227	246	263	270
2015	163	180	191	207

News Releases

	Q1	Q2	Q3	Q4	Total
2019	1	9	6	7	23
2018	2	6	5	4	17
2017	8	4	5	3	20
2016	8	11	8	2	29
2015	6	3	10	10	29

FOI Requests

	1 st Quarter		2 nd Quarter		3 rd Quarter		4 th Quarter		Total Rec'd
	Rec'd	Comp'd	Rec'd	Comp'd	Rec'd	Comp'd	Rec'd	Comp'd	
2019	6	6	3	1	4	4	13	13	26
2018	10	9	0	1	13	11	4	6	27
2017	9	6	10	8	6	11	9	6	32
2016	11	9	7	7	6	6	5	5	29
2015	7	6	4	3	7	6	7	8	25

Summary of Freedom of Information Requests Received in 2019 Q3 and Q4

Type of Information Request	Total
Property Information (incl. building, planning and development related information)	3
Personal Information	1
Building Permits and Inspections	3
Fire incidents	8
Planning documents (incl. land-use related requests for leases, licenses, contracts)	1
Bylaw Complaints	1

Corporate Services - Human Resources [115]

PROJECTS

- a. New features launched in Business World for onboarding, offboarding, electronic job postings, and updates to personal information.
- b. Collective Agreement Negotiating Committee formed (Sr. Mgr., HR Advisor, HR Assistant + ad hoc exempt staff) and bargaining commenced on October 11, 2019.
- c. Review of Lone Worker Procedures via Corporate Safety Officer with JHS Committees commenced October, 2019.
- d. HR Assistant and HR Advisor attended UBCM sponsored 2-day session on Pacific Blue Cross Benefit Administration.
- e. Senior Manager, HR, participating on Local Government Management Association HR Advisory Committee providing updates to LGMA's HR Manual.
- f. SCRD NAOSH Committee received Honorable Mention Award for Regional Governments at the November NAOSH Safety Forum.
- g. Senior Manager, HR, and HR Advisor attended annual Labour Law conference in Vancouver in December, 2019.

OPERATIONS

Statistics

First Aid and WorkSafeBC Reports. HR reviews and ensures appropriate follow-up occurs with Joint Health and Safety Committees for all reported staff injuries, time loss, and/or medical attention resulting in creation of a First Aid report or WSBC documentation.

	1 st Quarter		2 nd Quarter		3 rd Quarter		4 th Quarter		Total Rec'd	Total Rec'd
	First Aid	WSBC	First Aid	WSBC	First Aid	WSBC	First Aid	WSBC	First Aid	WSBC
2019	2	8	7	9	7	7	7	3	9	17
2018	6	4	8	11	4	8	8	8	22	31
2017	8	8	3	8	6	5	10	6	27	27
2016	8	1	11	4	6	4	14	6	39	15

Job Postings and Applications – HR posts jobs, receives applications, reviews, shortlists, supports interviews, check references and processes job offers.

	1 st Quarter		2 nd Quarter		3 rd Quarter		4 th Quarter		Total Posts	Total Appl
	Posts	Applicants.	Posts	Appl	Posts	Appl	Posts	Appl		
2019	14	131	21	371	28	222	23	274	86	998
2018	15	79	20	265	18	223	14	166	67	634
2017	16	105	15	81	19	97	29	233	79	516
2016	10	96	14	271	27	226	14	235	65	828

Training and Development (BEST - Building Essential Skills for Tomorrow). Numerous sessions held throughout the year that include such topics as communication skills, leadership development, project management, Word, Excel, emergency preparedness, and safety training.

	1 st Quarter		2 nd Quarter		3 rd Quarter		4 th Quarter		Total Sess.	Total Att.
	Sessions	Attendees	Sess.	Att.	Sess.	Att.	Sess.	Att.		
2019	3	30	3	27	3	55	7	137	16	248
2018	2	14	9	40	3	42	1	20	15	116
2017	0	0	8	108	2	28	9	131	19	267
2016	4	55	5	79	3	49	5	59	17	242

***To Note for 3rd and 4th Quarters:**

8 participants in total from SIGD, DoS, and Volunteer Fire Services.

Corporate Services - Asset Management, Corporate Finance, Finance Operations, Purchasing and Risk Management-[111,112,113,116]; Field Road Administration Building-[114]; IT, GIS and Civic Addressing-[117,506, 510]; SCRHD Administration-[118], Rural Grant-in-Aid-[121-129], Member Municipal Debt-[140]; PH Health Clinic-[410], Economic Development-[531-535], Library Services-[625,626, 627 and 640], Museums-[648]

PROJECTS

- 2019 Annual Requisition – Funds were requisitioned in April 2019 for Ad Valorem and February 2019 for Parcel Tax. Funds were received from the Town of Gibsons, District of Sechelt, Sechelt Indian Government District and Province of BC by August 1, 2019.
- Canadian Award for Financial Reporting (CAnFR) – 2018 CAnFR award was applied for in June 2019. The CAnFR recognizes excellence in governmental accounting and financial reporting and represents a significant accomplishment by a municipal government and its management.
- Corporate Space Planning project-final report presented at the October CAS Committee meeting.
- 2019-2023 Financial Plan submitted for GFOA Distinguished Budget Presentation Award.
- Regional Hospital District and Vancouver Coastal Health are worked on support for new hospice facility.

f. Corporate Software:

- Completed software release upgrades to: records management system (Content Server), financial management system (Business World ERP), and work/asset management system (Cityworks).
- Developed and implemented improved processes for requesting job postings, and continued development of enhanced employee onboarding process in partnership with HR.

g. Asset Management:

- New position approved as part of 2019 Budget-Manager, Asset Management hired and started October 2019.
- Wastewater:
 - i. Service review completed and presented to the Board on November 28, 2019.
 - ii. 15 individual asset management completed and presented to the Board on November 28, 2019
 - iii. Funding review ongoing for all wastewater service areas
 - iv. Community Engagement seminars for potential impacts on residents of the wastewater local service areas.
- Completed 20 year capital planning update for recreation services.

h. Information Technology – Completed network switch replacements, refreshed fleet of Xerox photocopiers on a 5 years contract, negotiated new cell phone contract with Telus, and replaced main virtualization servers.

i. GIS – Developed several web mapping applications including: water services application, waste water dashboard, hydrants dashboard, regional water dashboard, cemetery application and the green infrastructure viewer. GIS worked collaboratively with member municipalities to create a public engagement application and the Sunshine Coast User-Friendly Trail Guide.

j. Library Services:

- Gibsons and District Public Library
 - i. Regular Building Maintenance items complete.
- Sechelt Public Library - Staff to staff meetings to work on drafting updated five-year funding agreement and Memorandum of Understanding.

OPERATIONS

Finance Statistics

of Invoices and Payments Issued

Year	January to June		July to December		Totals	
	Accounts Receivable Invoices	Accounts Payable Payments	Accounts Receivable Invoices	Accounts Payable Payments	Accounts Receivable Invoices	Accounts Payable Payments
2019	2195	2,757	2540	2667	4735	5424
2018	802	2,918	2,003	2,436	2,805	5,354
2017	944	2,385	885	2,832	1,829	5,217
2016	674	2,873	669	2,860	1,343	5,733
2015	617	2,738	677	2,834	1,294	5,572
2014	708	2,881	652	2,857	1,360	5,738

of Purchase Orders Issued

	January to June	July to December	Total
	Processed	Processed	
2019	350	259	609
2018	314	349	663
2017	559	334	893
2016	484	247	731
2015	523	314	837
2014	374	322	696

of RFX's Tendered and Awarded

	January to June		July to December		Total Awarded
	Tendered	Awarded	Tendered	Awarded	
2019	19	18	27	21	39
2018	16	9	27	17	26
2017	19	18	19	20	38
2016	12	6	17	12	18
2015	9	9	11	10	19
2014	9	8	9	8	16

Utility Billing Statistics

of Active mySCRD Users

	mySCRD Users	All Other UB Customers	Total
2019	4,273	9,758	14,031
2018	3,426	10,490	13,916
2017	2,602	11,071	13,673
2016	1,729	11,655	13,384

of Active mySCRD Users receiving paper vs electronic invoices

	Paper Invoices	E-bill Invoices	Total
2019	2,639	1,634	4,273
2018	2,119	1,307	3,426
2017	1,589	1,013	2,602
2016	1,024	705	1,729

of Payments Received for Each Payment Method

	mySCRD	Online banking	In Person	Total
2019	2,916	10,277	6,361	19,554
2018	2,746	10,122	6,609	19,477
2017	2,422	9,786	7,078	19,286
2016	2,093	8,632	7,586	18,311

\$ Value of Utility Accounts with Balances Outstanding Dec 31

Jurisdiction	2017	2018	2019	Change
570	86,393	82,930	92,800	9,870
746	182,357	190,245	246,885	56,640
Total	268,750	273,175	339,685	126,510

Information Technology (IT) Statistics

of Addresses Assigned

	January to June	July to December	Total
2019	239	200 (not including 150 renumberings)	439
2018	205	183	388
2017	185	182	367
2016	236	172	408
2015	111	177	288
2014	231 (including 104 unit numbers for the Watermark)	151	382

of Public Enquiries regarding Property Information and Mapping Section (PIMS)

	January to June	July to December	Total
2019	269	198	467
2018	296	201	497
2017	387	317	704
2016	402	344	746
2015	224	187	411
2014	155	139	294

of IT Help Request Tickets

	January to June	July to December	Total
2019	1846	1770	3616
2018	1454	2190	3644
2017	1715	1829	3544
2016	2706		2706
2015	2660		2660
2014	3011		3011

NOTE: Approximately 10% of IT support requests are not captured. These are immediately resolved or taken care of requests when on site, walk-ins to IT office or walk by hallway/office.

Other (Education and Training)

- a. GIS Administrator – attended the Central Square Conference in September, 2019, the MISA Fall Conference in September, 2019 and ESRI technical training in November, 2019.
- b. GIS Services Staff – attended ESRI technical training in October – December, 2019.
- c. GM Corporate Service, Chief Financial Officer- Attended the Canadian Association of Government Finance Officers annual conference- October 2019
- d. GM Corporate Service, Chief Financial Officer- Attended the local government law sessions- November 2019
- e. GM Corporate Service, Chief Financial Officer- Attended the Chartered Professional Accountants Association- Public Sector Finance and Audit and presented as part of new Public Sector Accounting Standard- Asset Retirement Obligations.
- f. Manager, Asset Management – attended Coastal Communities Asset Management Working Group.
- g. Manager, Asset Management – attended Asset Management British Columbia Annual General Meeting 2019.

Reviewed by:			
Mgr., IT	X – D. Nelson	CFO/Finance	X – T. Perreault
SM, HR	X – G. Parker	Legislative	X – S. Reid
CAO	X – D. McKinley	Other	

SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

TO: Corporate and Administrative Services Committee Meeting – January 23, 2020

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

SUBJECT: 2020 RURAL AREAS' GRANT-IN-AID TIMELINES

RECOMMENDATION(S)

THAT the report titled 2020 Rural Areas' Grant-in-Aid Timelines be received for information;

AND THAT the Board of Directors approves the timeline with respect to the 2020 Rural Areas' Grant-in-Aid process.

BACKGROUND

The funding of Rural Areas' Grant-in-Aid is provided by the Sunshine Coast Regional District's (SCRD) five (5) unincorporated Electoral Areas being Egmont/Pender Harbour (Area A), Halfmoon Bay (Area B), Roberts Creek (Area D), Elphinstone (Area E), and West Howe Sound and Islands (Area F). The Electoral Areas provide Grant-in-Aid funding in order to assist non-profit societies / organizations and registered charitable societies / organizations that provide community, tourism or regional benefit and enrichment, enhancing the quality of life for residents. Not all societies or organizations meeting the basic criteria will automatically receive a grant, funding is not guaranteed from year to year to encourage organizations to work toward financial independence.

The Rural Areas' Grant-in-Aid Process will start in mid-February as approved by the Sunshine Coast Regional District (SCRD) Board and is based on the Board Policy 5-1850 Grants to Organizations – Rural Areas' Grant-in-Aid. Therefore, as the 2020 Rural Areas' Grant-in-Aid advertisement is to be issued starting mid-February, staff would like to confirm timelines, especially for deadline of applications.

DISCUSSION

The recommended deadline to have Rural Areas' Grant-in-Aid applications received at the Field Road office is Monday, March 30, 2020. Staff will complete a summary sheet for each application, only to confirm that all required documentation is attached. Copies of all applications will be scanned and printed to attach to the Special In-Camera Corporate and Administrative Services (CAS) Committee meeting agenda on May 4, 2020. Along with the application copies, staff will also provide the Directors with a Rural Areas' Grant-in-Aid historical report as well as current Rural Areas' Grant-in-Aid budget status report and schedule showing what the funding allocations were for 2019.

Communications Strategy

Advertisement will be placed in the local newspapers by mid-February deadlines.

STRATEGIC PLAN AND RELATED POLICIES

The granting processes offered by the SCRD ensures financial sustainability and continued facilitation of Community Development.

CONCLUSION

Staff recommends the following timeline with respect to the 2020 Rural Areas' Grant-in-Aid process:

- March 30, 2020 – Rural Areas' Grant-in-Aid intake for applications deadline.
- No later than April 17, 2020 Electoral Area Directors will receive the Special In-Camera CAS Committee meeting agenda to review;
- May 4, 2020 – Special In-Camera CAS Committee meeting 9:30 a.m. to 12:00 p.m.;
- May 22, 2020 – recommendations placed on May 28, 2020 CAS Committee Agenda;
- May 28, 2020 – discussion of recommendations, if applicable, and referred to the Board meeting for adoption.

Reviewed by:			
Manager		Finance	
GM		Legislative	
CAO		Other	X – T. Crosby

SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

TO: Corporate and Administrative Services Committee – January 23, 2020

AUTHOR: Brad Wing, Financial Analyst

SUBJECT: LONG TERM DEBT AS AT DECEMBER 31, 2019

RECOMMENDATION(S)

THAT the report titled Long Term Debt as at December 31, 2019 be received for information.

BACKGROUND

The purpose of this semi-annual report is to provide the Committee with current information regarding the Sunshine Coast Regional District's (SCRD) long term debt obligations and any market updates which may impact debt for the SCRD.

DISCUSSION

A summary of the SCRD's long term debt obligations as at December 31, 2019 is provided in Attachment A.

Specifics of new debt issues, budgeted unissued debt, MFA Issue 105 rate reset and expiring debt affecting the 2020-2024 Financial Plan are detailed below along with information on member municipality debt and historical debt levels.

New Debt Issued

On August 22, 2019, an equipment financing loan agreement was entered into to provide funding for Regional Water Service vehicle replacements per Board resolution 060/18 No. 20. The principal amount of the loan is \$200,000. Proceeds were advanced on August 23, 2019 and are scheduled to be repaid over a term of 60 months.

On November 14, 2019, a short-term loan agreement was entered into to provide funding for the Canoe Road and Merrill Crescent Septic Field Replacement projects per Board resolution 266/19 No. 5. The principal amount of the loan is \$33,400. Proceeds were advanced on December 2, 2019 and are scheduled to be repaid in five annual installments on or before June 30 of each year beginning in 2020 and ending in 2024.

On December 6, 2019, an equipment financing loan agreement was entered into to provide funding for Information Technology Hardware per Board resolution 297/19 No. 4. The principal amount of the loan is \$70,000. Proceeds were advanced on December 20, 2019 and are scheduled to be repaid over a term of 36 months.

Budgeted Unissued Debt

Budgeted funding from borrowing proceeds for two capital projects and nine equipment purchases totaling \$8,669,500 are included in the draft 2020-2024 Financial Plan at the conclusion of Round 1 and are detailed in Table 1 below.

Of the budgeted amount, \$755,000 is related to carry forward projects from 2019 and \$7,914,000 is for budget proposals approved for inclusion in the budget during 2020 Round 1.

The timing for issuance of new borrowing is estimated based on individual project timelines and is subject to final authorization through either a Security Issuing Bylaw or Board resolution if not already in place.

Table 1: Summary of Budgeted Unissued Debt				
Project/Equipment Purchase	Budgeted Proceeds	Proposed Term	Estimated Issuance	Authorization
Vaucroft Capital Works*	\$ 450,000	5 Years	Q1 2020	Pending (Jan. 23 Board)
Regional Water Vehicle Replacements*	170,000	5 Years	Q2 2020	Resolution 206/19 No. 9
North Pender Harbour Water Vehicle Replacement*	90,000	5 Years	Q2 2020	Resolution 038/19 No. 18
Waste Water Vehicle Replacement*	45,000	5 Years	Q2 2020	Resolution 038/19 No. 25
GDVFD Engine #1 Replacement	350,000	5 Years	Q4 2020	004/20 No. 9
HMBVFD Tanker (Tender) Replacement	200,000	5 Years	Q4 2020	004/20 No. 11
Building Maintenance Vehicle	25,000	5 Years	Q3 2020	004/20 No. 19
Water Meter Installations – Phase 3	7,000,000	20 Years	Spring 2021	Requires elector approval
Vehicle Purchase – Strategic Infrastructure Division	93,000	5 Years	Q3 2020	Resolution required (budget proposal incorporated and referred to 2020 Round 2)
Regional Water Utility Vehicle Purchase	46,500	5 Years	Q3 2020	004/20 No. 31
Regional Water Excavator & Trailer	200,000	5 Years	Q3 2020	004/20 No. 32
Total	\$ 8,669,500			

*denotes a carry forward project from 2019

Loan Authorization Bylaw No. 704

Issuance of \$5,000,000 in borrowing approved under Loan Authorization Bylaw No. 704 for the Chapman Lake Supply Expansion project is not anticipated based on the current project status (project not proceeding); however, the authority to borrow remains in place for the specified purpose until such time as the Loan Authorization Bylaw is repealed or five years from the date of adoption on July 28, 2021, whichever comes first. This authorized borrowing is not included in the draft 2020-2024 Financial Plan.

MFA Issue 105 Rate Reset

On June 4, 2019, the interest rate associated with MFA Issue 105 was reset at 2.25% (down from 4.90%) for the next five years. As a result, the annual interest payments for the [625] Pender Harbour Aquatic and Fitness Centre debenture for facility renovations and upgrades will

be reduced by \$11,463 in 2019 and \$22,926 in 2020, continuing until the next rate reset date in June 2024.

As a result of this change, the annual parcel tax levied against properties in the Pender Harbour Pool service area for the purposes of servicing this debt is expected to decrease by approximately 35% (\$8.75 per household) beginning in 2020.

Expiring Debt

Two equipment financing loans for [650] Community Parks were fully repaid in August and November 2019 respectively. The combined annual debt servicing cost for these loans of \$17,249 was reduced to \$12,419 in the 2019 Financial Plan based on timing of the final payouts.

An equipment financing loan for [117] Information Technology was fully repaid in December 2019. The annual debt servicing cost for this loan of \$23,837 was fully allocated in the 2019 Financial Plan based on timing of the final payout.

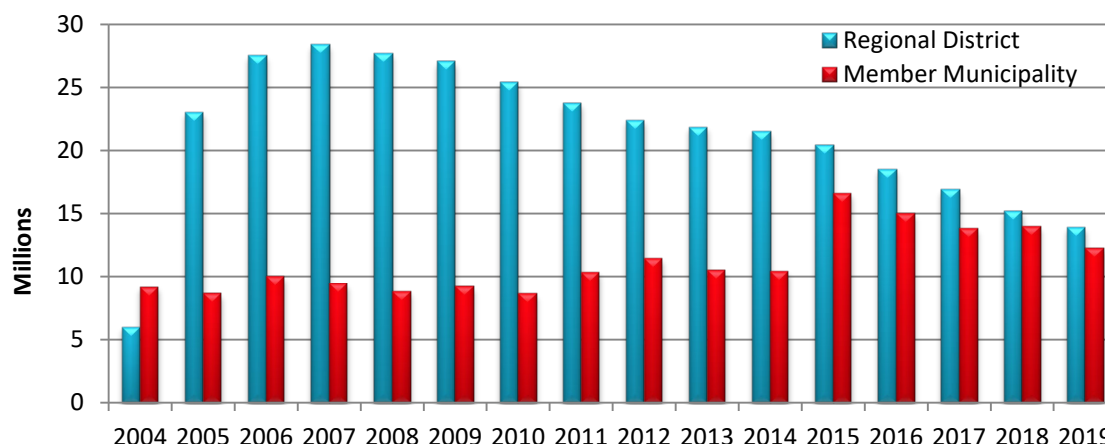
Two equipment financing loans are set to expire before the end of 2020 for [117] Information Technology and [650] Community Parks. The annual debt servicing cost for these loans of \$26,707 and \$8,921 respectively have been reduced to \$11,665 and \$7,254 in the 2020 Financial Plan based on timing of the final payouts.

Member Municipality Debt

Municipal financing under loan authorization bylaws (other than temporary borrowing) must be undertaken by the applicable Regional District. As at December 31, 2019, the outstanding principal balance of debt recoverable from Member Municipalities by the SCRD was as follows:

Gibsons	\$ 6,935,854
Sechelt	5,319,803
Total	\$ 12,255,657

Historical Debt Balances



Financial Implications

All debt servicing costs are included in the Financial Plan and are updated annually to reflect actual repayment schedules and interest rates. Funding for expiring debt is automatically removed from the Financial Plan as a loan expires. Debt servicing costs for budgeted unissued borrowings are estimated based on current interest rates and are included in the Financial Plan no sooner than when the borrowing is expected to occur.

STRATEGIC PLAN AND RELATED POLICIES

The information provided in this report is consistent with the SCRD's Debt Management Policy.

CONCLUSION

Equipment financing loans for Regional Water Service Vehicle Replacements and 2019 Information Technology Hardware were issued in August and December 2019. The principal balance of these loans was \$200,000 and \$70,000 respectively.

A short-term loan to provide funding for the Canoe Road and Merrill Crescent Septic Field Replacement project was issued in December 2019. The principal balance of this loan was \$33,400.

Budgeted unissued debt funding for capital projects and equipment purchases totals \$8,669,500 as at the end of 2020 Round 1 budget. This debt will be issued in accordance with project timelines and funding requirements, subject to any required authorizations.

The interest rate for MFA Issue 105 was reset on June 4, 2019 at 2.25% for the next five years. Annual debt servicing costs for the Pender Harbour Aquatic and Fitness Centre will be reduced by \$22,926 as a result.

Three equipment financing loans were fully repaid in the six month period ending December 31, 2019. There are two additional equipment financing loans scheduled to expire prior to the end of 2020.

Member municipality debt totaled \$12,255,657 as at December 31.

Reviewed by:			
Manager		Finance/CFO	X-T. Perreault
GM		Legislative	
CAO	X – D. McKinley	Other	

Sunshine Coast Regional District

Attachment A

Schedule of Long Term Debt

Projected Balances as at December 31, 2019

Purpose	Interest Rate	Annual Servicing Costs	Principal Balance Remaining	Maturity	Rate Reset / Early Payout
Borrowing Under Loan Authorization Bylaw					
Parks Master Plan	2.25%	88,480	304,855	2022	N/A
Community Recreation Facilities Construction	4.77%	1,461,424	6,616,351	2025	N/A
Chapman Water Treatment Plant	1.80%	175,018	1,222,106	2025	2020
Field Road Administration Building	4.88%	243,191	1,303,726	2026	N/A
Community Recreation Facilities	4.88%	167,664	898,829	2026	N/A
Fleet Maintenance Building Expansion	4.88%	33,530	179,748	2026	N/A
Egmont & District Fire Department Equipment	4.88%	8,238	44,164	2026	N/A
Pender Harbour Pool	2.25%	48,519	516,328	2029	2024
South Pender Water Treatment Plant	3.00%	82,479	1,061,259	2034	2024
North Pender Harbour Water UV & Metering	3.00%	29,600	320,000	2035	N/A
South Pender Harbour Water Metering	3.00%	44,400	480,000	2035	N/A
Square Bay Waste Water Treatment Plant	2.66%	17,868	280,000	2039	2029
		\$ 2,400,411	\$ 13,227,366		
Liabilities Under Agreement					
Merrill Crescent Septic Field Replacement	2.46%	3,278	14,293	2024	Open
Canoe Road Septic Field Replacement	2.46%	4,382	19,107	2024	Open
		\$ 7,660	\$ 33,400		
Equipment Financing					
Information Technology - Storage Area Network	2.46%	26,707	11,590	2020	Open
Community Parks - Vehicle (2015)	2.46%	8,921	7,174	2020	Open
Regional Water - Vehicle (2016)	2.46%	14,341	29,246	2021	Open
Information Technology Hardware (2018)	2.46%	24,326	47,166	2021	Open
Gibsons Fire Ladder Truck	2.46%	71,210	210,781	2022	Open
Building Maintenance - Vehicle	2.46%	24,104	26,322	2022	Open
Community Parks - Vehicle	2.46%	8,587	30,247	2023	Open
SPHWS - Vehicle	2.46%	6,424	24,261	2023	Open
Information Technology Hardware (2019)	2.46%	24,326	70,000	2023	Open
Regional Water Vehicle Replacements (2018)	2.46%	42,546	187,428	2024	Open
		\$ 251,492	\$ 644,215		
Budgeted Unissued Borrowing					
Vaucroft Capital Works	TBD	96,026	450,000		
Regional Water Vehicle Replacements (2019)	TBD	36,277	170,000		
North Pender Harbour Water Vehicle Replacement	TBD	19,205	90,000		
Waste Water Vehicle Replacement	TBD	9,603	45,000		
GDVFD Engine #1 Replacement	TBD	74,687	350,000		
HMBVFD Tanker (Tender) Replacement	TBD	42,678	200,000		
Building Maintenance Vehicle	TBD	5,335	25,000		
Water Meter Installations - Phase 3	TBD	454,630	7,000,000		
Vehicle Purchase - Strategic Infrastructure Division	TBD	19,845	93,000		
Regional Water Utility Vehicle Purchase	TBD	9,923	46,500		
Regional Water Excavator & Trailer	TBD	42,678	200,000		
		\$ 810,888	\$ 8,669,500		
SCRD Long Term Debt Totals		\$ 3,470,450	\$ 22,574,481		
Debt Servicing Ratio*		9.04%			

*annual debt servicing cost/recurring revenue

SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

TO: Corporate and Administrative Services Committee – January 23, 2020

AUTHOR: Valerie Cropp – Manager, Purchasing and Risk Management

SUBJECT: **CONTRACTS BETWEEN \$50,000 AND \$100,000 FROM OCTOBER 1 TO DECEMBER 31, 2019**

RECOMMENDATION

THAT the report titled Contracts between \$50,000 and \$100,000 from October 1 to December 31, 2019 be received for information.

BACKGROUND

The Sunshine Coast Regional District's (SCRD) Delegation Bylaw No. 710 directs staff to provide the Committee with a quarterly report of all new contracts entered into that fall between \$50,000 and \$100,000.

This report includes vendor, purpose, function, amount and the authoritative budget.

DISCUSSION

A total of 121 contracts/purchase orders were issued during the time period October 1, 2019 to December 31, 2019 with five valued between \$50,000 and \$100,000.

	Supplier	Account Code	Awarded	Budget
1.	Waterhouse Environmental Services Corporation Supply & Delivery of ISOPACK	370 - Water	\$61,200	Operating
2.	CB Process Instrumentation and Controls Streaming Current Meter & Accessories	370 - Water	\$56,655	Capital
3.	HLC Holdings Inc. 1935006 Disposal of 2 90yd trailers of drywall with asbestos contamination.	352 – Sechelt Landfill	\$60,000	Operating
4.	Omega Communications 1922001 Supply & Delivery of Portable Radios	210-218 – SCRD Fire Departments	\$76,601	Capital
5.	The Driving Force Inc. 1937008 Supply & Delivery of Two Pre-Owned Trucks	370 - Water	\$59,730	Capital

STRATEGIC PLAN AND RELATED POLICIES

The disclosure of Contract Awards aligns with the Board's Purchasing Policy, Delegation Bylaw and the value of transparency.

CONCLUSION

SCRD Delegation Bylaw No. 710 requires that a report be provided quarterly to Committee on contracts between \$50,000 and \$100,000.

Reviewed by:			
Manager		Finance/CFO	X – T. Perreault
GM		Legislative	
CAO	X – D. McKinley	Other	

SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

TO: Corporate and Administrative Services Committee – January 23, 2020

AUTHOR: Michelle Goetz, Accounts Payable Technician

SUBJECT: DIRECTOR CONSTITUENCY AND TRAVEL EXPENSES FOR PERIOD ENDING JANUARY 23, 2020

RECOMMENDATION

THAT the report titled Director Constituency and Travel Expenses for Period Ending December 31, 2019 be received for information.

BACKGROUND

The 2019 Financial Plan for line items Legislative Services Constituency Expenses and UBCM/AVICC Constituency Expenses provide a budget of \$20,300 (\$2,500 allowance per Director from [110] and \$1,000 for Electoral Area Directors from [130]) for the expense of running an elected official office. Based on historical use, the amount budgeted is less than the amount available under the policy. Travel Expenses within Legislative Services and UBCM/AVICC – Electoral Area Services provide an allowance of \$36,144 for mileage, meals, hotel and other various charges associated with travelling on Sunshine Coast Regional District (SCRD) business.

DISCUSSION

The total amount posted to Constituency Expenses for the period ending December 31, 2019 is \$6,817 leaving a surplus balance of \$13,483. The total amount posted to Legislative and UBCM/AVICC Travel Expenses is \$49,456 leaving a remaining balance of \$(13,312). Figures are based on expense reports submitted up to January 15, 2020 for the period ended December 31, 2019 and a breakdown by Director is provided below.

Detail	Constituency Expense	Travel Expense (Excluding GST)	Travel Expense (Alternate)
Director Area A	\$2,277	\$11,600	\$-
Director Area B	\$532	\$14,163	\$-
Director Area D	\$2,144	\$7,312	\$-
Director Area E	\$929	\$8,101	\$32
Director Area F	\$815	\$7,113	\$32
Director DOS (2)	\$120	\$39	\$-
Director TOG	\$-	\$1,064	\$-
Director SIGD	\$-	\$-	\$-
Totals	\$6,817	\$49,456	\$-
Budget	\$20,300	\$36,144	
Surplus (Deficit)	\$13,483	\$(13,312)	*
* Alternate included with Director travel totals.			

STRATEGIC PLAN AND RELATED POLICIES

The disclosure of Director Constituency and Travel Expenses aligns with the Financial Sustainability Policy.

CONCLUSION

The 2019 Financial Plan for Constituency Expenses and Travel Expenses provides a total budget of \$56,444. For the period ending December 31, 2019, the total amount posted to Constituency and Electoral Expenses is \$ 56,273 leaving a remaining balance of \$171.

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

January 6, 2020

Sunshine Coast Regional District
1975 Field Road, Sechelt BC V0N 3A1
Attention: Lori Pratt, SCR D Board Chair and Area B Director

Dear Ms. Pratt

Re: Coopers Green New Hall

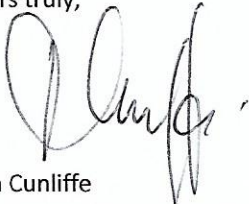
I am writing you on behalf of the Halfmoon Bay Community Association and all the citizens who overwhelmingly support the development of a new hall at Coopers Green.

As was agreed by the former CAO of SCR D, "this is a very important project to the SCR D and every effort will be made to ensure that the project moves forward". As an important part of this objective, beyond the detailed design which is in place, is to secure funding. A major part of securing the overall funds was the application by the SCR D in January 2019 for a grant from the "Investing in Canada Infrastructure Program". While the announcement of the successful applicants was to be late last year, it is apparent that this is still yet to happen. I'm sure that we all continue to be hopeful that the grant announcement will happen soon and will be in our favour so that the project can proceed as planned in the first half of 2020.

In the meantime, as the SCR D sets priorities and establishes plans for 2020, we would like to be assured that the project will receive full support from the Board and staff as it has in the past, in order that the current momentum is not lost.

We are looking forward to continuing the past work that has enabled the SCR D and the Halfmoon Bay Community Association to achieve many significant milestones, and to making the new hall a reality in 2020.

Yours truly,



Don Cunliffe
Director, Halfmoon Bay Community Association

cc: Patrick Weiler
Nicholas Simons
Dean McKinley
Terry Knight

Halfmoon Bay
Community Association

PO Box 1646
Sechelt BC V0N 3A0