



## CORPORATE AND ADMINISTRATIVE SERVICES COMMITTEE

**Thursday, November 25, 2021**

**Held Electronically and Transmitted via the SCRD Boardroom,  
1975 Field Road, Sechelt, B.C.**

### **AGENDA**

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**CALL TO ORDER**      9:30 a.m.

#### **AGENDA**

1. Adoption of Agenda

#### **PRESENTATIONS AND DELEGATIONS**

2. Cory Vanderhorst, Regional Assurance Partner, (and Louise Blomer) MNP LLP Auditors  
Regarding: 2021 Audit Services Plan Report to the Board of Directors for Year Ending December 31, 2021

(\*see Attachment A in Annex A – Audit Service Plan pp. 5-18)

#### **REPORTS**

- |  |                        |
|--|------------------------|
| 3. MNP LLP - 2021 Audit Service Plan<br><i>General Manager, Corporate Services / Chief Financial Officer</i><br><b>(Voting – All Directors)</b>  | *Annex A<br>Pages 1-18 |
| 4. Director Roles and Responsibilities<br><i>Chief Administrative Officer</i><br><b>(Voting – All Directors)</b>   | Annex B<br>pp. 19-27   |
| 5. 2022 Resolutions to the Association of Vancouver Island and Coastal Communities<br><i>Deputy Corporate Officer</i><br><b>(Voting – All Directors)</b>   | Annex C<br>pp. 28-29   |
| 6. 2022 Budget Review<br><i>Board Chair</i><br><b>(Voting – All Directors)</b>   | Annex D<br>pp. 30-33   |
| 7. Allocation of Remaining COVID-19 Safe Restart Grant Funds<br><i>General Manager, Corporate Services / Chief Financial Officer and Budget and Financial Analyst</i><br><b>(Voting – All Directors)</b> | Annex E<br>pp. 34-38   |

- |   |                      |
|---|----------------------|
| <b>8.</b> Fire Departments 20-Year Capital Funding Plans<br><i>Manager, Asset Management and Manager, Protective Services</i><br><b>(Voting – A, B, D, E, F and Gibsons)</b>                                | Annex F<br>pp. 39-44 |
| <b>9.</b> Insurance Invoices over \$100,000: 2021 Municipal Insurance Association and Aon Reed Stenhouse Inc.<br><i>Manager, Purchasing and Risk Management</i><br><b>(Voting – All Directors)</b>          | Annex G<br>pp. 45-47 |
| <b>10.</b> 2022-22 BC Transit Annual Operating Agreement Draft Budget<br><i>General Manager, Community Services and Manager, Financial Services</i><br><b>(Voting – B, D, E, F, Sechelt, Gibsons, SIGD)</b> | Annex H<br>pp. 48-51 |

**COMMUNICATIONS****NEW BUSINESS****IN CAMERA****ADJOURNMENT**

## SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

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**TO:** Corporate and Administrative Services Committee – November 25, 2021

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

**SUBJECT:** MNP LLP - 2021 AUDIT SERVICE PLAN

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### RECOMMENDATION

**THAT the report titled MNP LLP - 2021 Audit Service Plan be received for information;**

**AND THAT the Audit Service Plan from MNP LLP with respect to the Audit of the Financial Statements of the Sunshine Coast Regional District (SCRD) and Foreshore Leases (Hillside) for the year ended December 31, 2021 be approved as presented.**

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### BACKGROUND

Per Section 692 of the *Local Government Act* and Section 169 of the *Community Charter*, a Regional District Board must appoint an Independent Auditor to report to the Board on the annual financial statements and any other matters deemed pertinent.

This past summer the Sunshine Coast Regional District (SCRD) issued Requests for Proposals (RFP) for audit services which is typically done every five years. Commencing with the 2021 fiscal year, audit services for the SCRD and the Hillside Development Foreshore Leases will be conducted by MNP LLP.

The purpose of MNP's "*Audit Service Plan*" is to communicate key issues, responsibilities and audit strategy which will be undertaken for the SCRD's annual financial audit. The audit conducted by MNP is in accordance with Canadian Generally Accepted Auditing Standards (GAAS), which requires the explicit communication for roles and responsibilities by both parties.

The SCRD Board has the responsibility of providing oversight of the financial reporting process. As part of the two way communication with the auditors, the Board may highlight any areas of specific concerns or questions it may have for the auditors prior to the final audit.

### DISCUSSION

MNP's "Audit Service Plan," summarizing the plans and other matters pertinent to the 2021 audit for the SCRD and Foreshore (Hillside), which is attached for reference. SCRD's engagement partner, Cory Vanderhorst will also be presenting the Audit Report as part of this Committee, including the Audit Risk Areas and Planned Responses; Changes in Accounting Standards potentially impacting the SCRD.

The 2021 interim audit is scheduled for early December 2021 with the final audit scheduled for the March 2022. The draft financial statements and audit report is scheduled for presentation at

the April 2022 Corporate and Administrative Services Committee in preparation for the SCRD Board's final adoption.

As part of the final Report to the Board from BDO Canada (SCRD's previous Auditors) for the 2020 audit (presented at the [April 22, 2021 Corporate and Administrative Services Committee](#)), the following items were identified within the Management Letter, excerpt below:

**1. Processes and Policies: Human Resource Policies**

***Observation***

In relation to the audit of the year ended December 31, 2017, we previously commented on the status of employee benefits policies. At that point in time, many of the District's policies, processes and controls were being reviewed in conjunction with the implementation of the District's then-new Enterprise Resource Planning ("ERP") system, Unit4. In contrast, the District's Human Resources Policy on employee benefits administration had not been revised since January 2008. This resulted in a lack of clarity as to who is entitled to what, and when, which drives risk for the District. We previously recommended that this policy document be reviewed, expanded and updated.

It was also noted that many other Human Resource related policies have not been updated, for many years, to reflect current practices or Bylaws. Management previously noted that this would be considered in due course as various human resources processes were set to be codified and built into the Unit4 ERP. We have noted that while many business processes have been brought into Unit4 ERP (and given significant clarity as a result), many others have not.

As was previously the case, the employment landscape has changed dramatically since the last revision of the employee benefits administration policy in 2008. In order to attract and retain talent, many employers have found it necessary to provide different types of benefits and incentives to employees. The shock to the employment marketplace brought on by COVID-19 has accelerated this trend. It has since been noted that various other employee benefit and compensation policies have not been updated to reflect current practices.

The lack of established policies that are both comprehensive and up-to-date creates risk for the District. Gaps in policies require the application of judgement by management to resolve individual cases, which creates the unnecessary opportunity for human error and inconsistency in application to occur. Such issues can upset workplace relationships and disrupt the flow of business operations, and potentially lead to claims against the District.

***Recommendation***

We recommend that the District's policies on employee benefits and compensation be updated to reflect current practices and provide clarity on areas frequently requiring management to exercise judgement. We also recommend that, where practicable, key elements of these policies and their related processes be incorporated into Unit4 ERP.

***Management's Response***

Management are aware and acknowledge the importance of addressing the HR policies in a timely manner. Management have interim measures in place and are continuing the work toward an implementation plan to resolve the issues as time and resources allow, with a goal of process improvements realized in late 2021.

**2. Processes and Policies: Valuation of Contributed Tangible Capital Assets**

***Observation***

An area for improvement that we have commented on in previous years is the extent and structure of information flow between operations departments - such as planning and development - and the financial services department. Development projects drive transactions that are often significant in volume and value. Not all of these transactions involve cash and are therefore not easily detected by the financial services department. A lack of rigor and structure in the flow of information creates risk that these significant transactions will not be captured accurately or timely in the District's financial records.

During our audit, we reviewed the processes in place that connect financial services personnel with planning and development personnel in the specific context of contributed tangible capital assets. We noted that these processes are generally lacking in specificity. Most importantly, the processes do not dictate any specific level of internal review and corroboration, which is essential to ensure that these transactions are accurately captured in the financial records of the District.

Though these transactions are non-cash and do not *directly* form part of the District's financial plan, they have a significant impact on the District's financial statements. The values assigned to these transactions are likely to *indirectly* impact the District's financial plan through the estimate of future asset maintenance and replacement costs, and the timing of any related development activities. A lack of timeliness or accuracy in the recording of these tangible capital asset transactions results in an unreliable basis to make various financial planning decisions.

**Recommendation**

We recommend that the policies and processes be strengthened, and that an internal review of the key inputs to these estimates, based on a documented set of criteria, be added.

**Management's Response**

The establishment of clearly defined business process and associated policies related to contributed capital assets will be developed in conjunction with the Regional Growth Strategy, including any opportunities with the Development Approvals Program proposal moving forward for 2021. For the immediate term, existing processes will be strengthened to include internal reviews and valuations for these assets prior to receipt by the SCRD.

**3. PSAS 3280: Asset Retirement Obligations****Observation**

Beginning with the December 31, 2023 year end, the provisions of section PS 3280: Asset Retirement Obligation will be in effect. This standard will require that a liability be recognized at any time when there is a legal obligation to incur retirement costs in relation with a tangible capital asset. Effectively implementing the standard is a significant undertaking that will require collaboration between operations departments and the financial services department. Depending on the level of external resources that are utilized, implementation of this standard may take up to three years to properly implement.

This standard is in some ways similar but is broader in scope than the current sections PS 3270: Solid Waste Landfill Closure and PS 3260: Liability for Contaminated Sites. Initial adoption of this standard will place a significant burden on the District's staff and management to consider and identify potential legal obligations for retirement costs among the District's extensive network of public infrastructure and other tangible capital assets.

**Recommendation**

We encourage management to continue to formulate their plan to implement this new standard, which should include an assessment as to whether there are sufficient internal resources to execute the plan for implementation before December 31, 2023.

**Management's Response**

Management are actively working on establishing the scope of work for the implementation of the new standard. The SCRD Board also approved additional resources to assist with aspects of the standard such as environmental assessment or legal reviews for the 2021 Budget. Management have identified that internal resources will be impacted for 2022, especially within the infrastructure and community services divisions as the validation and valuation phase of the project begin.

Management will be working with MNP to transition and review prior items addressed within the prior audit. Planning for the new PSAS accounting standards for Asset Retirement Obligations will be a priority for the coming year.

**STRATEGIC PLAN AND RELATED POLICIES**

The annual financial audit is a statutory requirement for the SCRD Board.

**CONCLUSION**

The purpose of this report is to provide information to the Board related to their fiduciary responsibilities for the financial oversight of the SCRD.

It is recommended that MNP's "*Audit Service Plan*" be approved as presented or amended by the Board, subject to any additional items arising. The Board may at any time communicate items with MNP prior to the final audit.

Attachment:

A - MNP LLP - SCRD 2021 Audit Service Plan to the Board of Directors

Reviewed by:			
Manager		Finance	X – B. Wing
GM		Legislative	
CAO	X – D. McKinley	Other	

## **Sunshine Coast Regional District**

2021 Audit Service Plan

Report to the Board of Directors

December 31, 2021

Cory Vanderhorst, CPA, CA  
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November 8, 2021

Members of the Board of Directors of the Sunshine Coast Regional District

Dear Directors:

We are pleased to present our Audit Service Plan for the Sunshine Coast Regional District (the "Regional District"). In this plan we describe MNP's audit approach, our engagement team, the scope of our audit and a timeline of anticipated deliverables. We are providing this Audit Service Plan to the Board of Directors on a confidential basis. It is intended solely for the use of the Board of Directors and is not intended for any other purpose. Accordingly, we disclaim any responsibility to any other party who may rely on this report.

Our audit will include an audit of the Regional District's financial statements for the year ended December 31, 2021, prepared in accordance with Canadian public sector accounting standards. Our audit will be conducted in accordance with Canadian generally accepted auditing standards.

At MNP, our objective is to perform an efficient, high quality audit which focuses on those areas that are considered higher risk. We adhere to the highest level of integrity and professionalism. We are dedicated to maintaining open channels of communication throughout this engagement and will work with management to coordinate the effective performance of the engagement. Our goal is to exceed the Board of Directors's expectations and ensure you receive outstanding service.

Additional materials provided along with this report include both our Engagement Letter and draft Independence Communication. Our Engagement Letter is the formal written agreement of the terms of our audit engagement as negotiated with management and outlines our responsibilities under Canadian generally accepted auditing standards.

We look forward to discussing our Audit Service Plan with you and look forward to responding to any questions you may have.

Sincerely,



**MNP LLP**  
**Chartered Professional Accountants**



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## AUDIT SERVICE PLAN OVERVIEW

To make strategic business decisions with confidence, your stakeholders and the Board of Directors of the Regional District need relevant, reliable and independently audited financial information. But that's not all. You need an audit team that can deliver insight beyond the numbers and enhance the Regional District's strategic planning and implementation processes so you can embrace new opportunities while effectively managing risk. Our audit strategy is risk based, and considers the limitations and opportunities you encounter each day, allowing our recommendations to be implemented with greater ease. Committed to your success, MNP delivers meaningful, reliable financial information to not only help you fulfill your compliance obligations, but also to achieve your key strategic goals.

Our Audit Service Plan outlines the strategy we will follow to provide the Regional District's Board of Directors with our Independent Auditor's Report on the December 31, 2021 financial statements.



### TOPICS FOR DISCUSSION

We are committed to providing superior client service by maintaining effective two-way communication. Topics for discussion include, but are not limited to:

- Changes to your business operations and developments in the financial reporting and regulatory environment
- Business plans and strategies
- Any other issues and/or concerns
- Documents comprising the annual report, and their timing of issuance
- Fraud, including how fraud could occur, the risk of fraud and misstatement, and any actual, suspected or alleged fraud
- The management oversight process
- Your specific needs and expectations

### KEY CHANGES AND DEVELOPMENTS

Based on our knowledge of the Regional District and our discussions with management, we have noted the recent developments set out below. Our audit strategy has been developed considering these factors.

ISSUES AND DEVELOPMENTS	SUMMARY
 <b>NEW REPORTING DEVELOPMENTS</b>	<ul style="list-style-type: none"><li>• PS 3280 Asset Retirement Obligations (New)</li><li>• PS 3400 Revenue (New)</li><li>• PS 3450 Financial Instruments (New and Amendment)</li><li>• PS 3450 Financial Instruments (Amendment)</li></ul>
 <b>IMPACT OF COVID-19 ON OUR AUDIT</b>	COVID protocols

Detailed information on Key Changes and Developments are included as Appendix A.

## THE MNP AUDIT APPROACH

The Board of Directors is responsible for approval of the financial statements and Regional District policies, and for monitoring management's performance. The Board of Directors should consider the potential for management override of controls or other inappropriate influences, such as earnings management, over the financial reporting process. The Board of Directors, together with management, is also responsible for the integrity of the accounting and financial reporting systems, including controls to prevent and detect fraud and misstatement, and to monitor compliance with relevant laws and regulations.

Effective discharge of these respective responsibilities is directed toward a common duty to provide appropriate and adequate financial accountability, and quality financial disclosure.

Key responsibilities of MNP and management are outlined in the Engagement Letter (see attached). More detailed discussion about MNP's audit process is provided in Appendix B.

### AUDIT MATERIALITY

Materiality is an important audit concept. It is used to assess the significance of misstatements or omissions that are identified during the audit and is used to determine the level of audit testing that is carried out. Specifically, a misstatement or the aggregate of all misstatements in financial statements as a whole (and, if applicable, for particular classes of transactions, account balances or disclosures) is considered to be material if it is probable that the decision of the party relying on the financial statements, who has reasonable understanding of business and economic activities, will be changed or influenced by such a misstatement or the aggregate of all misstatements.

The scope of our audit work is tailored to reflect the relative size of operations of the Regional District and our assessment of the potential for material misstatements in the Regional District's financial statements as a whole (and, if applicable, for particular classes of transactions, account balances or disclosures). In determining the scope, we emphasize relative audit risk and materiality, and consider a number of factors, including:

- The size, complexity, and growth of the Regional District;
- Changes within the organization, management or accounting systems; and
- Concerns expressed by management.

The scope of our audit work is tailored to reflect the relative size of operations of the Regional District and our assessment of the potential for material misstatements in the Regional District's financial statements as a whole

Judgment is applied separately to the determination of materiality in the audit of each set of financial statements (and, if applicable, for particular classes of transactions, account balances or disclosures) and is affected by our perception of the financial information needs of users of the financial statements. In this context, it is reasonable to assume that users understand that financial statements are prepared, presented and audited to levels of materiality; recognize uncertainties inherent in the measurement of amounts based on the use of estimates, judgment and consideration of future events; and make reasonable economic decisions based on the financial statements. The foregoing factors are taken into account in establishing the materiality level.

We propose to use \$1,900,000 as overall materiality for audit planning purposes.

### RISK ASSESSMENT

Our audit process focuses on significant risks identified during the pre-planning and planning and risk assessment stage, ensuring that audit procedures are **tailored to your specific circumstances** and appropriately address those risks.

## TIMING OF THE AUDIT

Based on the audit planning performed and areas of audit risks identified, the following timelines for key deliverables have been discussed and agreed upon with [management]:

KEY DELIVERABLE	EXPECTED DATE
Delivery of December 31, 2021 Audit Service Plan to the Board of Directors	November 2021
Interim procedures	to November/December 2021
Year-end fieldwork procedures	to March 2022
Draft year-end financial statements to be discussed with management	April 2022
Presentation of December 31, 2021 Audit Findings Report to the Board of Directors	April 2022
Presentation of Management Letter to the Board of Directors	April 2022
Issuance of Independent Auditor's Report	April 2022

## AUDIT TEAM

In order to ensure effective communication between the Board of Directors and MNP, we outline below the key members of our audit team that will be responsible for the audit of the Regional District and the role they will play:

TEAM MEMBERS	CONTACT INFORMATION
Cory Vanderhorst, CPA, CA, Engagement Partner	E: Cory.Vanderhorst@mnp.ca
Graham Roberts, CPA, CA, Senior Manager	E: Graham.Roberts@mnp.ca
James Kungel, CPA, CA, Tax Specialist	E: James.Kungel@mnp.ca
Jane Lumb, CPA, Engagement Manager	E: Jane.Lumb@mnp.ca

In order to serve you better and meet our professional responsibilities, we may find it necessary to expand our audit team to include other MNP professionals whose consultation will assist us to evaluate and resolve complex, difficult and/or contentious matters identified during the course of our audit. Additionally, reliance on specialists including actuaries or engineers may be necessary to obtain appropriate audit evidence.

Any changes to the audit team will be discussed with you to ensure a seamless process and that all concerned parties' needs are met.



## FEES AND ASSUMPTIONS

DESCRIPTION	2021 ESTIMATE	2020 ACTUAL
Base audit fee	\$ 27,000	\$ -
Hillside Development Project	\$ 2,500	\$ -
<b>Total</b>	<b>\$ 29,500</b>	<b>\$ -</b>

If any significant issues arise during the course of our audit work which indicate a possibility of increased procedures or a change in the audit timetable, these will be discussed with management by the engagement partner, so a mutually agreeable solution can be reached.

Invoices will be rendered as work progresses in accordance with the following schedule:

DESCRIPTION	AMOUNT
On delivery of the audit service plan 50% of the estimated fee	\$ 14,750
At the start of year-end field work, 25% of the estimated fee	\$ 7,375
Final billing – upon release of auditor's report	\$ 7,375
<b>Total</b>	<b>\$ 29,500</b>

## APPENDIX A – KEY CHANGES AND DEVELOPMENTS

We would like to bring to your attention the following accounting and auditing developments, which may have some impact on your financial reporting.

### ISSUES AND DEVELOPMENTS SUMMARY

#### NEW REPORTING DEVELOPMENTS

##### **PS 3280 Asset Retirement Obligations (New)**

In August 2018, new PS 3280 *Asset Retirement Obligations* was included in the CPA Canada Public Sector Accounting Handbook (PSA HB). The new PS 3280 establishes standards on how to account for and report a liability for asset retirement obligations (ARO). As asset retirement obligations associated with landfills are included in the scope of new PS 3280, PS 3270 *Solid Waste Landfill Closure and Post-Closure Liability* will be withdrawn.

The main features of this standard are as follows:

- An ARO represents a legal obligation associated with the retirement of a tangible capital asset.
- Asset retirement costs increase the carrying amount of the related tangible capital asset and are expensed in a rational and systematic manner.
- When an asset is no longer in productive use, the associated asset retirement costs are expensed.
- Measurement of the ARO liability should result in the best estimate of the amount required to retire a tangible capital asset at the financial statement date.
- Subsequent measurement of the ARO liability results in either a change in the carrying amount of the related tangible capital asset or an expense. The accounting treatment depends on the nature of the remeasurement and whether the asset remains in productive use.
- The best method to estimate the liability is often a present value technique.

This standard was to be effective for fiscal years beginning on or after April 1, 2021. On June 25, 2020, the PSAB made the decision to defer the effective date by one year due to the impact of the COVID-19 pandemic. The new Section is now effective for annual financial statements relating to fiscal years beginning on or after April 1, 2022. Early application continues to be permitted.

##### **PS 3400 Revenue (New)**

In November 2018, new PS 3400 *Revenue* was included in the CPA Canada Public Sector Accounting Handbook (PSA HB). The new PS 3400 establishes standards on how to account for and report on revenue by distinguishing between revenue arising from transactions that include performance obligations and transactions that do not have performance obligations. The main features of this Section are as follows:

- Performance obligations are enforceable promises to provide specific goods or services to a specific payor.
- Performance obligations can be satisfied at a point in time or over a period of time.
- The new standard outlines five indicators to determine if the revenue would be recognized over a period of time.
- Revenue from a transaction with a performance obligation(s) is recognized when, or as, the entity has satisfied the performance obligation(s).
- Revenue from transactions with no performance obligation is recognized when a public sector entity has the authority to claim or retain an inflow of economic resources and a past event that gives rise to a claim of economic resources has occurred.

Further editorial changes have also been made to other standards as a result of the issuance of PS 3400.

This Section was to be effective for fiscal years beginning on or after April 1, 2022. On June 25, 2020, the PSAB made the decision to defer the effective date by one year due to the impact of the COVID-19 pandemic. The new Section is now effective for annual financial statements relating to fiscal years beginning on or after April 1, 2023. Early application continues to be permitted.

## APPENDIX A – KEY CHANGES AND DEVELOPMENTS (continued from previous page)

### PS 3450 Financial Instruments (New and Amendment)

In June 2011, the Public Sector Accounting Board (PSAB) issued new PS 3450 *Financial Instruments*. The new standard establishes requirements for recognition, measurement, derecognition, presentation and disclosure of financial assets and financial liabilities, including derivatives. The main features of the new standard are:

- Financial instruments are classified into two measurement categories: fair value, or cost or amortized cost.
  - Almost all derivatives, including embedded derivatives not closely related to the host contract, are measured at fair value.
  - Portfolio investments in equity instruments quoted in an active market are measured at fair value.
  - Other financial assets and financial liabilities are generally measured at cost or amortized cost.
  - An entity may elect to measure any group of financial assets or financial liabilities (or both) at fair value when the entity has a risk management or investment strategy to manage those items on a fair value basis.
- Remeasurement gains and losses on financial instruments measured at fair value are reported in the statement of remeasurement gains and losses until the financial instrument is derecognized.
- Budget to actual comparisons are not required within the statement of remeasurement gains and losses;
- Financial liabilities are derecognized when, and only when, they are extinguished.
- Financial assets and financial liabilities are only offset and reported on a net basis if a legally enforceable right to set off the recognized amounts exists, and the entity intends to settle on a net basis or realize/settle the amounts simultaneously.

In May 2012, the transitional provisions for this Section were amended, effective at the time the standard is initially applied, to clarify that the measurement provisions are applied prospectively. Adjustments to previous carrying amounts are recognized in opening accumulated remeasurement gains or losses. Additionally, a new transitional provision has been added that applies to government organizations transitioning from the standards in Part V of the CPA Canada Handbook – Accounting with items classified as available for sale. Accumulated other comprehensive income (OCI) from items classified as available for sale is recognized in accumulated remeasurement gains or losses on transition.

PS 3450 was to be effective for fiscal years beginning on or after April 1, 2019. In March 2018, the Public Sector Accounting Board (PSAB) approved an extension of the effective date to fiscal years beginning on or after April 1, 2021. On June 25, 2020, the PSAB made the decision to defer the effective date by one year due to the impact of the COVID-19 pandemic. The new Section and amendments are now effective for annual financial statements relating to fiscal years beginning on or after April 1, 2022. Early application continues to be permitted. In the period that a public sector entity applies PS 3450, it also applies PS 1201 and PS 2601.

### PS 3450 Financial Instruments (Amendment)

In April 2020, the Public Sector Accounting Board (PSAB) issued amendments to PS 3450 *Financial Instruments*. The main features of the amendments include:

#### *Bond Repurchase Transactions*

- Bond repurchase transactions are only to be treated as extinguishments when they are either:
  - Legally discharged;
  - An exchange of debt instruments with substantially different terms; or
  - A substantial modification of the terms of an existing financial liability or part of it.

#### *Section Application*

- Clarification that PS 3450 does not apply unless a contractual right or a contractual obligation underlies a receivable or payable. By definition, there must be a contract for there to be a financial instrument.
- Clarification for how to account for a transfer of collateral pursuant to a credit risk management mechanism in a derivative contract.
- Addition of application guidance explaining that derecognition of a financial asset does not occur if the transferor of a financial asset retains substantially all the risks and benefits of ownership.

#### *Transitional Provisions*

- Clarification that a controlling government should use carrying values of the financial assets and liabilities in the records of its government organizations when consolidating a government organization.

## APPENDIX A – KEY CHANGES AND DEVELOPMENTS (continued from previous page)

- For financial assets or financial liabilities in the cost or amortized cost category which have an associated unamortized discount, premium or transaction costs, the unamortized discount, premium or transaction costs should be included in the item's opening carrying value.
- For derivatives which may not have been recognized or may not have been measured at fair value prior to the adoption of PS 3450, any difference between the previous carrying value and fair value should be recognized in the opening balance of accumulated remeasurement gains and losses.

The amendments were to be effective for fiscal years beginning on or after April 1, 2021. On June 25, 2020, the PSAB made the decision to defer the effective date by one year due to the impact of the COVID-19 pandemic. The new Section and amendments are now effective for annual financial statements relating to fiscal years beginning on or after April 1, 2022. Early application continues to be permitted.

### IMPACT OF COVID-19 ON OUR AUDIT

MNP's COVID protocols are based on recommendations by the Province of British Columbia. At the date of this Audit Service Plan we are adhering to the following:

Social Distancing;  
No Non-Essential Attendance at External Business Development, Conferences or Training;  
No Non-Essential Business Travel and;  
International Travel - Self-Isolation for 14 days.

Wherever possible, we use our Client Portal website to facilitate transfer of documents and requests for information. This allows for ease of sharing documents without a file size restriction, while maintaining security and confidentiality over your documents and information. During the height of COVID, we performed our audits remotely, using email, phone, and the Client Portal to share information. Meetings were held virtually on a variety of platforms, including Teams and Zoom, and we were able to complete and deliver our usual high-quality audits.

In the current "reopening" scenario, we have started doing fieldwork visits again. Before our team members attend field work, we will be sending out a questionnaire to ascertain if it is safe for our team to be onsite as well as to learn your current COVID protocols. The safety of your team and ours is paramount at all times. All team members will be apprised of the Regional District's protocols before we arrive onsite. If the Province increases restrictions related to COVID we are prepared to perform field work remotely.

## APPENDIX B – THE AUDIT PROCESS

### OUR PLAN

Our overall audit strategy is risk-based and controls-oriented. Assessment and identification of risk is performed continuously throughout the audit process. We focus on the risks that have a potential impact on the financial accounting systems and subsequent financial reporting.

Our overall audit strategy does not, and is not intended to involve the authentication of documents, nor are our team members trained or expected to be experts in such authentication. Unless we have reason to believe otherwise, we accept records and documents as genuine. The subsequent discovery of a material misstatement resulting from fraud does not, in and of itself, indicate a failure to comply with Canadian generally accepted auditing standards.

### AUDIT PROCEDURES


To meet our responsibilities in accordance with Canadian generally accepted auditing standards, our audit examination includes:

- Obtaining an understanding of the entity and its environment, including its controls, in order to identify and assess the risk that the financial statements contain material misstatements due to fraud or misstatement;
- Assessing the adequacy of and examining, on a test basis, the key controls over significant transaction streams and over the general organizational and computer environments;
- Assessing the systems used to ensure compliance with applicable legislative and related authorities pertaining to financial reporting, revenue raising, borrowing, and investing activities;
- Examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements;
- Assessing the appropriateness and consistency of accounting principles used and their application;
- Assessing the significant estimates used by management; and,
- Assessing the entity's use of the going concern basis of accounting in the preparation of the financial statements.

As part of our planning process, we will also undertake to inform the Board of Directors of concerns relating to management's implementation and maintenance of controls, and the effects of any such concerns on the overall strategy and scope of the audit. These concerns might arise from the nature, extent and frequency of management's assessments of controls in place to detect fraud and misstatement, and of the risk that the financial statements may be misstated; from a failure by management to appropriately address significant deficiencies in controls identified in prior audits; and, from our evaluation of the Regional District's control environment, and management's competence and integrity.

## APPENDIX B – THE AUDIT PROCESS (continued from previous page)

### OVERALL RELIANCE

CONTROL RELIANCE LEVEL	LOW/NONE	MODERATE	HIGH
<b>DESCRIPTION</b>	Where we cannot rely on controls because they are weak or absent, or where it is deemed to be more efficient to carry out a high level of direct substantive tests of details. Audit evidence is primarily obtained through detailed verification procedures and sufficient substantive tests of details.	Where there are some deficiencies in systems application or procedural controls, or where it is deemed to be inefficient to test systems application controls, but where we can test and rely on the management monitoring systems in place to detect and correct material misstatements in the financial reporting systems. Testing of controls is supplemented with a moderate level of substantive tests of details.	Where a high degree of control is in place in the areas of management monitoring controls AND systems application and procedural controls. Our audit work focuses on testing both management monitoring and systems application and procedural controls, and is supplemented with a low level of substantive tests of details.
<b>PLANNED RELIANCE</b>		—	—

For the December 31, 2021 audit, we are planning to place low reliance on the Regional District's accounting systems. This level of reliance will involve mainly substantive tests of details.

The amount of substantive work will be reduced for cycles where there are controls in place that MNP can test and rely on.

As part of our audit work we will update our understanding of the entity and its environment, including the controls relevant to our audit of the principal transaction cycles, sufficient to identify and assess the risks of material misstatement of the financial statements resulting from fraud or misstatement. This will be accomplished through inquiries with management and others within the entity, analytical procedures and observation and inspection. Furthermore, we will consider whether effective controls have been established to adequately respond to the risks arising from the use of IT or manual systems and test the operation of those controls to an extent sufficient to enable us to reduce our substantive work. Our review of the Regional District's controls will not be sufficient to express an opinion as to their effectiveness or efficiency.



Although we will provide the Board of Directors with any information about significant deficiencies in internal control that have come to our attention, we may not be aware of all the significant deficiencies in internal control that do, in fact, exist.

## APPENDIX B – THE AUDIT PROCESS (continued from previous page)

### INHERENT LIMITATIONS IN THE AUDITING PROCESS

An auditor cannot obtain absolute assurance that material misstatements in the financial statements will be detected due to factors such as the use of significant judgment regarding the gathering of evidence and the drawing of conclusions based on the audit evidence acquired; the use of testing of the data underlying the financial statements; inherent limitations of controls; and, the fact that much of the audit evidence available to the auditor is persuasive, rather than conclusive in nature.

Because of the nature of fraud, including attempts at concealment through collusion and forgery, an audit designed and executed in accordance with Canadian generally accepted auditing standards may not detect a material fraud. While effective controls reduce the likelihood that misstatements will occur and remain undetected, they do not eliminate that possibility. Therefore, the auditor cannot guarantee that fraud, misstatements and non-compliance with laws and regulations, if present, will be detected when conducting an audit in accordance with Canadian generally accepted auditing standards.

The likelihood of not detecting material misstatements resulting from management fraud is greater than for employee fraud, because management is in a position to manipulate records, present fraudulent information or override controls.

We will inform the appropriate level of management or the Board of Directors with respect to identified:

- Misstatements resulting from errors, other than clearly trivial misstatements;
- Fraud, or any information obtained that indicates that fraud may exist;
- Evidence obtained that indicates non-compliance or possible non-compliance with laws and regulations, other than that considered inconsequential;
- Significant deficiencies in the design or implementation of controls to prevent and detect fraud or misstatement; and
- Related party transactions that are not in the normal course of operations and that involve significant judgments made by management concerning measurement or disclosure.

Our concern as auditors is with material misstatements, and thus, we are not responsible for the detection of misstatements that are not material to the financial statements taken as a whole.

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### About MNP LLP

MNP is a leading national accounting, tax and business consulting firm in Canada. We proudly serve and respond to the needs of our clients in the public, private and not-for-profit sectors. Through partner-led engagements, we provide a collaborative, cost-effective approach to doing business and personalized strategies to help organizations succeed across the country and around the world.



## SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

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**TO:** Corporate and Administrative Services Committee – November 25, 2021

**AUTHORS:** Dean McKinley, Chief Administrative Officer  
Sherry Reid, Corporate Officer

**SUBJECT:** DIRECTORS' ROLES AND RESPONSIBILITIES

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### RECOMMENDATION(S)

**THAT the report titled Directors' Roles and Responsibilities be received for information;**

**AND THAT the Directors' Roles and Responsibilities be reviewed and approved to incorporate comments per Board Resolution 273/ 21 or be amended;**

**AND THAT the Directors' Roles and Responsibilities be incorporated into the Sunshine Coast Regional District Board orientation process and included with candidate nomination packages during elections.**

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### BACKGROUND

At the regular Board Meeting of October 14, 2021, the following Resolution was adopted (in part):

273/21     **Recommendation No. 6**     *Directors' Roles and Responsibilities*

THAT the report titled Directors' Roles and Responsibilities be received for information;

AND THAT the following summary of discussion be brought back to a future committee for further consideration with respect to the Chair Roles and Responsibilities, the Electoral Area Director Roles and Responsibilities and the Municipal Director Roles and Responsibilities....

### DISCUSSION

The purpose of this report is to bring forward the summary of discussion with respect to Directors' Roles and Responsibilities as directed at the October 14, 2021 Board meeting. The draft Directors' Roles and Responsibilities have been provided in Attachments A, B and C. The summary of discussion per Board Resolution 273/21 is as follows:

#### Comments regarding Chair Role:

##### Under "Typical Responsibilities"

- Communication to the Board – types;

- Under d) add more detail regarding “setting the tone of the Board” and “maintaining conduct”;
- Under c) more clarity regarding providing input and direction for agendas;
- Add: Meet with and consult with the public on matters pertaining to the Regional District;

Under “Chair Competencies”

- Under (d) consider options to wording other than “Customer Service”;
- Add: Familiarity / general knowledge of local government legislation;

Under “Chair Professional Development”

- Strike out “Attend” in the conference listings;

**Comments regarding Electoral Area Director Role:**

Under “Typical Responsibilities”

- Add: may be required to chair committee meetings as appointed;
- Under l) replace “Engage in public consultation...” with “Respond to and assist with constituent inquiries and concerns...”;
- Add: Familiarity / general knowledge of local government legislation;

Under “Director Competencies”

- in j) and l) insert “to”: “Ability to...”;

**Comments regarding Municipal Director:**

Under “Typical Responsibilities”

- Replace instances (2) of “Electoral Area” with “Municipal Director”;
- Add: may be required to chair committee meetings as appointed;
- Under l) replace “Engage in public consultation...” with “Respond to and assist with constituent inquiries and concerns...”;
- Add: Reports back to respective councils on Regional District matters;
- Add: Familiarity / general knowledge of local government legislation;

Under “Director Competencies”

- in j) and l) insert “to”: “Ability to...”;
- Add a section for Professional Development with listed forums / conferences for both Electoral Area Director and Municipal Director roles.

**STRATEGIC PLAN AND RELATED POLICIES**

N/A

**CONCLUSION**

Directors' Roles and Responsibilities have been brought forward per Board Resolution 273/21. The roles and responsibilities, once approved, will be incorporated into the Sunshine Coast Regional District Board orientation process and included with candidate nomination packages during elections.

**ATTACHMENTS:**

- A - BOARD CHAIR ROLES AND RESPONSIBILITIES
- B - ELECTORAL AREA DIRECTOR ROLES AND RESPONSIBILITIES
- C - MUNICIPAL DIRECTOR ROLES AND RESPONSIBILITIES

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

**SUNSHINE COAST REGIONAL DISTRICT**

**ROLES AND RESPONSIBILITIES**

**BOARD CHAIR**

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**BOARD CHAIR ROLE SUMMARY**

The Board Chairperson is a member of the Board and the head and chief elected officer of the Sunshine Coast Regional District.

**TYPICAL RESPONSIBILITIES**

- a) Ensure the law is carried out for the improvement and good government of the regional district;
- b) Communicate information to the Board;
- c) Provide input and direction for Board agendas and where appropriate, Committee or Commission BOARD agendas;
- d) Preside at Board meetings when in attendance, maintaining the order and conduct of debate and ensuring balanced input from all members;
- e) Recommend bylaws, resolutions and measures that, in the chair's opinion, may assist the peace, order and good government of the regional district in relation to the powers conferred on the Board by an enactment;
- f) Direct the management of regional district business and affairs, maintaining a good working relationship with the Chief Administrative Officer (CAO);
- g) Direct the conduct of officers and employees in accordance with section 239 of the *Local Government Act*;
- h) Provide leadership in the direction, performance evaluation and setting of the terms of employment of the CAO;
- i) May appoint standing committees of the Board and designate their chairs. Works with Committee Chairs to ensure committees function effectively and keep the Board apprised of actions taken;
- j) Call special meetings of the Board when necessary;
- k) Authorize a Local State of Emergency declaration if needed;
- l) Represent the Board in meetings with senior elected officials from other jurisdictions or at other levels of government;
- m) Act as a key representative with regard to ceremonial responsibilities;
- n) Ensure that issues are fully debated and that the public is heard;
- o) Facilitate collective decision-making;
- p) May act as the SCRD's spokesperson.

**CHAIR COMPETENCIES**

- a) Leadership
- b) Facilitation
- c) Collaboration
- d) Customer Service
- e) Communication

**CHAIR PROFESSIONAL DEVELOPMENT**

Attend relevant forums/conferences to ensure a good understanding of legislative changes and impact on regional, sub-regional and electoral area services and to stay current with innovation and trends for local government services.

- a) Attend Local Government Leadership Academy (LGLA) Leadership forum
- b) Attend Regional District Chief Executive Officer (CEO)/Chief Administrative Officer Annual Forum
- c) Attend Association of Vancouver Island and Coastal Communities (AVICC) Annual Convention
- d) Attend Union of British Columbia Municipalities (UBCM) Annual Convention
- e) Attend Federation of Canadian Municipalities (FCM) Annual Conference

**CHAIR PARTICIPATION IN COMMUNITY EVENTS**

Attend community events as available.

**SUNSHINE COAST REGIONAL DISTRICT**

**ROLES AND RESPONSIBILITIES**

**ELECTORAL AREA DIRECTOR**

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**ELECTORAL AREA DIRECTOR ROLE SUMMARY**

Represents the electorate in governing the provision of local, inter-jurisdictional and regional services to communities of the Sunshine Coast Regional District. An Electoral Area Director is to ensure good government, services and stewardship of public assets and foster the current and future economic, social and environmental well-being of the region and its communities.

**TYPICAL ELECTORAL AREA RESPONSIBILITIES**

- a) Collaborate with fellow Board members to develop and set strategic direction for the organization;
- b) As a member of the Board, consider and vote on policies and bylaws governing the operations of the organization, delivery of services to the community and stewardship of public assets;
- c) As a member of the Board, participate in the allocation of resources through the review and adoption of the Five-Year Financial Plan;
- d) Attend Board, Committee and Commission meetings;
- e) Attend or participate in external organizations as appointed by the Board or the Board Chair;
- f) Liaise with community organizations such as taxpayer associations, historical and cultural societies, sports organizations, and other special interest groups;
- g) Attend local events in support of constituents and community groups;
- h) Liaise with elected officials in other levels of government including municipal councils, and provincial and federal ministries, in relation to local issues;
- i) Attend Association of Vancouver Island and Coastal Communities (AVICC), Union of BC Municipalities (UBCM), and Federation of Canadian Municipalities (FCM) conferences as approved by the Board;
- j) Participate in the review and adoption of the Annual Report;
- k) Review and recommend applications for Electoral Area Grants-in-Aid;
- l) Engage in public consultation through formal and informal channels, and may organize meetings with local constituents on various initiatives;
- m) As a member of the Board, provide input on the direction, performance evaluation and terms of employment of the Chief Administrative Officer (CAO);
- n) Observe strict confidentiality regarding closed session matters;
- o) Attend the SCRD's Organization orientation and the LGLA Elected Officials seminar post-election.

**TIME COMMITMENT AND AVAILABILITY**

Significant time is required to review materials in preparation for Board, Committee and other meetings and events. Electoral Area Directors may attend meetings and events, and respond to constituents during

evenings and on weekends as required. This role generally involves *at least* the equivalent time commitment of a part time job, and at times may involve activities that approximate or exceed a full-time position.

**DIRECTOR COMPETENCIES**

- a) An interest in broad-based community issues, a desire to contribute, and a willingness to learn;
- b) As an Electoral Area Director serves their term of office they are expected to develop a body of knowledge supportive of informed decision-making;
- c) Ability to establish and maintain courteous, tactful, diplomatic working relationships with other Board members, employees of the SCRD and the general public;
- d) Ability to make an objective and informed decision;
- e) Ability to engage in effective interpersonal communication (verbal and written), problem solving and conflict resolution;
- f) Ability to speak in public and effectively communicate complex or technical information;
- g) Ability to behave in a way that inspires the public trust and sets an example for the organization;
- h) Ability to meet deadlines;
- i) Ability to participate as an engaged member of a team;
- j) Ability to prioritize and competently manage a variety of activities and conflicting demands;
- k) Analytical and problem-solving skills;
- l) Ability to analyze concepts and strategies, to establish goals and priorities and to work within general objectives;
- m) Ability to make space for disagreement, accept the majority even when it conflicts with their opinion, and accept responsibility for their actions and decisions, and those of the Board;
- n) A basic understanding of parliamentary procedures;
- o) Proficient computer skills with MS Office in a MS Windows environment and Adobe Acrobat Reader;
- p) Familiarity with web browsers and the use of the Internet.

## SUNSHINE COAST REGIONAL DISTRICT      ROLES AND RESPONSIBILITIES

### MUNICIPAL DIRECTOR

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#### MUNICIPAL DIRECTOR ROLE SUMMARY

Represents a member municipality in governing the provision of local, inter-jurisdictional and regional services to communities of the Sunshine Coast Regional District. A Municipal Director is to ensure good government, services and stewardship of public assets, and foster the current and future economic, social and environmental well-being of the region and its communities.

#### TYPICAL RESPONSIBILITIES

- a) Collaborate with fellow Board members to develop and set strategic direction for the organization;
- b) As a member of the Board, consider and vote on policies and bylaws governing the operations of the organization, delivery of services to the community and stewardship of public assets;
- c) As a member of the Board, participate in the allocation of resources through the review and adoption of the Five-Year Financial Plan;
- d) Attend Board, Committee and Commission meetings;
- e) Attend or participate in external organizations as appointed by the Board or the Board Chair;
- f) May liaise with community organizations such as taxpayer associations, historical and cultural societies, sports organizations, and other special interest groups;
- g) May attend local events in support of constituents and community groups;
- h) Liaise with elected officials in other levels of government including municipal councils, and provincial and federal ministries, in relation to local issues;
- i) Attend Association of Vancouver Island and Coastal Communities (AVICC), Union of BC Municipalities (UBCM), and Federation of Canadian Municipalities (FCM) conferences as approved by the Board;
- j) Participate in the review and adoption of the Annual Report;
- k) As a member of the Board, provide input on the direction, performance evaluation and terms of employment of the Chief Administrative Officer (CAO);
- l) Observe strict confidentiality regarding closed session matters;
- m) Attend the SCRD's Organization orientation and the LGLA Elected Officials seminar post-election.

#### TIME COMMITMENT AND AVAILABILITY

Significant time is required to review materials in preparation for Board, Committee and other meetings and events. Electoral Area Directors may attend meetings and events, and respond to constituents during evenings and on weekends as required. This role generally involves *at least* the equivalent time commitment of a part time job, and at times may involve activities that approximate or exceed a full-time position.

**DIRECTOR COMPETENCIES**

- a) An interest in broad-based community issues, a desire to contribute, and a willingness to learn;
- b) As a Municipal Director serves their term of office they are expected to develop a body of knowledge supportive of informed decision-making;
- c) Ability to establish and maintain courteous, tactful, diplomatic working relationships with other Board members, employees of the SCRD and the general public;
- d) Ability to make an objective and informed decision;
- e) Ability to engage in effective interpersonal communication (verbal and written), problem solving and conflict resolution;
- f) Ability to speak in public and effectively communicate complex or technical information;
- g) Ability to behave in a way that inspires the public trust and sets an example for the organization;
- h) Ability to meet deadlines;
- i) Ability to participate as an engaged member of a team;
- j) Ability to prioritize and competently manage a variety of activities and conflicting demands;
- k) Analytical and problem-solving skills;
- l) Ability to analyze concepts and strategies, to establish goals and priorities and to work within general objectives;
- m) Ability to make space for disagreement, accept the majority even when it conflicts with their opinion, and accept responsibility for their actions and decisions, and those of the Board;
- n) A basic understanding of parliamentary procedures;
- o) Proficient computer skills with MS Office in a MS Windows environment and Adobe Acrobat Reader;
- p) Familiarity with web browsers and the use of the Internet.

## SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

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**TO:** Corporate and Administrative Services Committee – November 25, 2021

**AUTHOR:** Jennifer Hill, Deputy Corporate Officer

**SUBJECT:** 2022 RESOLUTIONS TO THE ASSOCIATION OF VANCOUVER ISLAND AND COASTAL COMMUNITIES (AVICC)

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### RECOMMENDATIONS

**THAT** the report titled **2022 Resolutions to the Association of Vancouver Island and Coastal Communities (AVICC)** be received for information;

**AND THAT** the Corporate and Administrative Services Committee identify resolutions for staff to draft and present to a January 20, 2022 Standing Committee meeting for consideration.

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### BACKGROUND

The Association of Vancouver Island and Coastal Communities (AVICC) 2022 Annual Convention will be held in-person on April 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> in Victoria. The convention provides members with the opportunity to bring forward issues and concerns from their communities through resolutions and debate.

AVICC is one of five area associations of local governments operating under the umbrella of the Union of BC Municipalities. AVICC represents the interests of the various local governments of Vancouver Island, Sunshine Coast, Powell River and the Central Coast.

### DISCUSSION

#### *Options and Analysis*

The Union of BC Municipalities (UBCM) urges members to submit resolutions through their Area Associations for consideration. Resolutions endorsed at AVICC will be automatically submitted to UBCM for consideration at the 2022 Fall Convention. Issues that arise after the AVICC convention may be submitted directly to UBCM.

AVICC encourages members to focus resolutions on new issues of provincial or AVICC-wide interest.

#### *Timeline for next steps or estimated completion date*

The deadline for submission of resolutions to AVICC is noon on Friday, January 28, 2022. Resolutions must be adopted by the Board no later than the January 27, 2022 Regular Board meeting in order to meet the submission deadline.

AVICC will consider late resolution submissions up to noon on Wednesday, March 30, 2022, however, late resolutions will only be considered when the topic was not known prior to the regular deadline date or if it is considered an emergency in nature. Late resolutions will require a special motion at the convention to be admitted for debate.

### **STRATEGIC PLAN AND RELATED POLICIES**

Submission of resolutions to AVICC is in alignment with SCRD's Strategic Focus Area 5 – Advocacy: "To advance a collective voice to represent the interests of the region with the Provincial and Federal governments and other agencies responsible for providing governance and services in our region."

### **CONCLUSION**

Staff recommend that the Corporate and Administrative Services Committee identify topics for potential AVICC resolutions to be drafted and presented for consideration at a January 20, 2022 Standing Committee meeting, and subsequently brought forward for final adoption at the January 27, 2022 Regular Board meeting.

Reviewed by:			
Manager		Finance	
GM		Legislative	X – S. Reid
CAO	X – D. McKinley	Other	

2022 Budget Review

ANNEX D

Function No.	Project Title	Description	Service Participants	Location(s) of Work / Proposal	Category	Amount	Participation Ratio %	Budget Item Cost	% of Budget Proposals	Participation Ratio %	Budget Item Cost	% of Budget Proposals	Participation Ratio %	Budget Item Cost	% of Budget Proposals	Participation Ratio %	Budget Item Cost	% of Total Budget Taxation	Participation Ratio %	Budget Item Cost	% of Budget Proposals	Participation Ratio %	Budget Item Cost	% of Budget Proposals	Participation Ratio %	Budget Item Cost	% of Budget Proposals	Participation Ratio %	Budget Item Cost	% of
CORPORATE AND ADMINISTRATIVE SERVICES							Area A		Area B		Area D		Area E		Area F		DOS		ToG		SIGD									
110	General Government - Executive Assistant	Board requested new resource to provide administrative support primarily for rural area directors as well as administrative support for the Office of the CAO and other General Government functions such as Board and Board Committee meetings. Budget request is .75 FTE in year-one (2022), and 1.0 FTE for subsequent years. Amount includes 24.96% for benefits and \$5,000 overhead for software licenses, equipment, etc.	All	All	Other	\$73,102	14.4	\$10,526.69	0.588	12.92	\$9,444.78	0.528	10.11	\$7,390.61	0.413	7.63	\$5,577.68	0.312	13.49	\$9,861.46	0.551	26.91	\$19,671.75	1.099	12.46	\$9,108.51	0.509	2.07	\$1,513.21	0.085
110	General Government - Information and Privacy Coordinator	New resource for the Administration and Legislative Services department to ensure capacity for SCRD statutory responsibilities with respect to public access to information and protection of privacy. The addition of this resource also supports the transition to a digital/electronic service business model for the SCRD and acknowledges the increasing service expectations of the public with respect to accessing local government records and online information services. Budget request t is .75 FTE in year-one (2022), and 1.0 FTE for subsequent years. Amount includes 24.96% for benefits and \$5,000 overhead for software licenses, equipment, etc.	All	All	Other	\$80,600	14.4	\$11,606.40	0.648	12.92	\$10,413.52	0.582	10.11	\$8,148.66	0.455	7.63	\$6,149.78	0.344	13.49	\$10,872.94	0.607	26.91	\$21,689.46	1.212	12.46	\$10,042.76	0.561	2.07	\$1,668.42	0.093
110	General Government - Hybrid Meeting Solutions	Contracted services to develop audio-visual options (including hardware, sound, cameras, electrical, space needs), pricing, and an implementation plan to facilitate a range of hybrid meetings (Board, Board Committees, Advisory Committees/Commissions, Public Hearings, Intergovernmental).	All	All	Other	\$50,000	14.4	\$7,200.00	0.402	12.92	\$6,460.00	0.361	10.11	\$5,055.00	0.282	7.63	\$3,815.00	0.213	13.49	\$6,745.00	0.377	26.91	\$13,455.00	0.752	12.46	\$6,230.00	0.348	2.07	\$1,035.00	0.058
SUBTOTAL CAS						\$ 203,702.00		\$29,333.09	1.639		\$26,318.30	1.470		\$20,594.27	1.151		\$15,542.46	0.868		\$27,479.40	1.535		\$54,816.21	3.062		\$25,381.27	1.418		\$4,216.63	0.236
203,682 (actual sum per area)							Area A		Area B		Area D		Area E		Area F		DOS		ToG		SIGD									
310	Public Transit - Transit Superintendent	This request is to recruit a second Transit Superintendent to address safety and support for drivers during operating hours, reduce overtime of current supervisory staff, address current capacity challenges, and support future expansion opportunities. One time of \$5,500 from operating reserves.	B, D, E, F, DoS, SIGD, ToG	Sechelt	M-BusCon	\$87,667		\$0.00	0.000	15.09	\$13,228.90	0.739	11.82	\$10,362.20	0.579	8.91	\$7,811.10	0.436	15.76	\$13,816.27	0.772	31.44	\$27,562.40	1.540	14.56	\$12,764.27	0.713	2.42	\$2,121.53	0.119
310	Public Transit - Driver Orientation and Training	Over and above the qualifications for the position (i.e. Class 2 license) there are several other things that drivers need to learn prior to their first official shift including but not limited to: safety procedures, routes, bus care, etc. This budget request is to provide a budget for the ~ 76 hours/driver training prior to their first shift alone. This initiative also requires criminal record checks for 4 drivers at \$70 per record check.	B, D, E, F, DoS, SIGD, ToG	Sechelt	M-BusCon	\$11,500		\$0.00	0.000	15.09	\$1,735.35	0.097	11.82	\$1,359.30	0.076	8.91	\$1,024.65	0.057	15.76	\$1,812.40	0.101	31.44	\$3,615.60	0.202	14.56	\$1,674.40	0.094	2.42	\$278.30	0.016
320-342	Street Lighting - Service	Additional Street Lights identified: Report to come to November Committee for service level decision	B, D, E, F	B, D, E, F	M-BusCon	TBD																								
615	Community Recreation Facilities - Water Management Plan Implementation	During the restart of recreation facilities after an extended closure due to COVID, domestic water system water management plans were highly recommended by the Health Region. Plans were developed in 2021 and this budget is to implement the ongoing safety recommendations in the plan.	B, D, E, F, DoS, ToG, SIGD	Gibsons and Sechelt	CM-RC	\$26,500		\$0.00	0.000	17.28	\$4,579.20	0.256	10.17	\$2,695.05	0.151	9.08	\$2,406.20	0.134	13.9	\$3,683.50	0.206	33.4	\$8,851.00	0.494	13.22	\$3,503.30	0.196	2.94	\$779.10	0.044
615	Community Recreation Facilities - Health and Safety Requirements	After a risk assessment and review of WorksafeBC regulations, two emergency showers and an additional eye wash station are required at SAC.	B, D, E, F, DoS, ToG, SIGD	Gibsons and Sechelt	CM-HSER	\$105,000		\$0.00	0.000	17.28	\$18,144.00	1.014	10.17	\$10,678.50	0.597	9.08	\$9,534.00	0.533	13.9	\$14,595.00	0.815	33.4	\$35,070.00	1.959	13.22	\$13,881.00	0.775	2.94	\$3,087.00	0.172
615	Community Recreation Facilities - Domestic Hot Water System	The control system for the domestic hot water tank at SAC requires an upgrade to control water temperatures. After numerous attempts to address the ongoing issue, an upgrade to the control system is required to avoid drastically fluctuating temperatures that could be a safety issue.	B, D, E, F, DoS, ToG, SIGD	Gibsons and Sechelt	M-BusCon	\$35,000		\$0.00	0.000	17.28	\$6,048.00	0.338	10.17	\$3,559.50	0.199	9.08	\$3,178.00	0.178	13.9	\$4,865.00	0.272	33.4	\$11,690.00	0.653	13.22	\$4,627.00	0.258	2.94	\$1,029.00	0.057

	Function No.	Project Title	Description	Service Participants	Location(s) of Work / Proposal	Category	Amount	Participation Ratio %	Budget Item Cost	% of Budget Proposals	Participation Ratio %	Budget Item Cost	% of Budget Proposals	Participation Ratio %	Budget Item Cost	% of Budget Proposals	Participation Ratio %	Budget Item Cost	% of Total Budget Taxation	Participation Ratio %	Budget Item Cost	% of Budget Proposals	Participation Ratio %	Budget Item Cost	% of Budget Proposals	Participation Ratio %	Budget Item Cost	% of Budget Proposals	Participation Ratio %	Budget Item Cost	% of Budget Proposals
10	615	Community Recreation Facilities - Non-Annual Maintenance	This budget request includes larger maintenance items not covered through the base budget and not occurring annually. It includes refinishing the gym floor at SAC and some fascia repairs and exterior painting at GACC.	B, D, E, F, DoS, SIGD	Gibsons and Sechelt	Other	\$28,600		\$0.00	0.000	17.28	\$4,942.08	0.276	10.17	\$2,908.62	0.162	9.08	\$2,596.88	0.145	13.9	\$3,975.40	0.222	33.4	\$9,552.40	0.534	13.22	\$3,780.92	0.211	2.94	\$840.84	0.047
11	615	Community Recreation Facilities - Entandem Licensing Fees	Previously referred to as SOCAN, Entandem regulates the licensing fee paid to play live or recorded music in a business in an ethical, responsible and legal manner.	B, D, E, F, DoS, ToG, SIGD	All	CM-RC	\$4,250		\$0.00	0.000	17.28	\$734.40	0.041	10.17	\$432.23	0.024	9.08	\$385.90	0.022	13.9	\$590.75	0.033	33.4	\$1,419.50	0.079	13.22	\$561.85	0.031	2.94	\$124.95	0.007
12	615	Community Recreation Facilities - Accessibility Lifts	Current accessibility lifts have reached the end of their useful life and require replacement for GDAF and SAC	B, D, E, F, DoS, ToG, SIGD	Gibsons and Sechelt	M-BusCon	\$8,000		\$0.00	0.000	17.28	\$1,382.40	0.077	10.17	\$813.60	0.045	9.08	\$726.40	0.041	13.9	\$1,112.00	0.062	33.4	\$2,672.00	0.149	13.22	\$1,057.60	0.059	2.94	\$235.20	0.013
13	625	Pender Harbour Fitness and Aquatic Centre - Entandem Licensing Fees	Previously referred to as SOCAN, Entandem regulates the licensing fee paid to play live or recorded music in a business in an ethical, responsible and legal manner.	A	A	CM-RC	\$750	100	\$750.00	0.042		\$0.00	0.000		\$0.00	0.000		\$0.00	0.000		\$0.00	0.000		\$0.00	0.000		\$0.00	0.000		\$0.00	0.000
14	625	Pender Harbour Fitness and Aquatic Centre - Water Management Plan Implementation	During the restart of recreation facilities after an extended closure due to COVID, domestic water system water management plans were highly recommended by the Health Region. Plans were developed in 2021 and this budget is to implement the ongoing safety recommendations in the plan.	A	A	CM-RC	\$1,750	100	\$1,750.00	0.098		\$0.00	0.000		\$0.00	0.000		\$0.00	0.000		\$0.00	0.000		\$0.00	0.000		\$0.00	0.000		\$0.00	0.000
15	650	Community Parks - Human Resources Lift for Recreation Services	Recreation currently supports Parks by providing services related to bookings of sport fields, community halls, parks as well as pass sales and support for Dakota Ridge. This proposal increases the number of hours funded to match the actual number of hours of support provided.	A, B, D, E, F	Regional	M-BusCon	\$40,000	24.6	\$9,840.00	0.550	22.06	\$8,824.00	0.493	17.27	\$6,908.00	0.386	13.03	\$5,212.00	0.291	23.04	\$9,216.00	0.515		\$0.00	0.000		\$0.00	0.000		\$0.00	0.000
16	650	Community Parks - Parks Labourers	Addition of parks labourers to assist in maintaining current service levels in parks, especially in the peak seasons	A, B, D, E, F	Regional	M-BusCon	\$38,231	24.6	\$9,404.83	0.525	22.06	\$8,433.76	0.471	17.27	\$6,602.49	0.369	13.03	\$4,981.50	0.278	23.04	\$8,808.42	0.492		\$0.00	0.000		\$0.00	0.000		\$0.00	0.000
17	650	Community Parks - Temporary Parks Backfill	One year temporary position to address backlog of parks annual tasks and projects that accumulated during 2021 due to staff vacancies	A, B, D, E, F	Regional	M-BusCon	\$91,266	24.6	\$22,451.44	1.254	22.06	\$20,133.28	1.125	17.27	\$15,761.64	0.881	13.03	\$11,891.96	0.664	23.04	\$21,027.69	1.175		\$0.00	0.000		\$0.00	0.000		\$0.00	0.000
18	650	Community Parks - Archeological and Environmental Studies	With protocols and shared decision making processes, more due diligence in archeological assessments, management plans and other studies are becoming common practice. This budget request not only allows Parks to move forward on protective mitigation strategies for Bakers Beach and tenure renewal on Ocean Beach Esplanade, which require AMP's and further assessments, but also provides an ongoing base budget for these types of studies that are now becoming requirements of lease renewals, re-investment in to park spaces, etc. <b>1/2 Taxation and 1/2 Reserves</b> (Total of \$50,000)	A, B, D, E, F	Various	M-BusCon	\$25,000	24.6	\$6,150.00	0.344	22.06	\$5,515.00	0.308	17.27	\$4,317.50	0.241	13.03	\$3,257.50	0.182	23.04	\$5,760.00	0.322		\$0.00	0.000		\$0.00	0.000		\$0.00	0.000
19	650	Community Parks - Katherine Lake and Lions Field Water Service Operations	The water systems at Katherine Lake and Lions Field are for the most part operated by Parks staff, there is expertise required for various annual tasks. This has historically been provided by the SCRD Utilities staff and charged back to Parks. Due to capacity challenges, Utilities are not able to continue with this service, therefore Parks needs to contract out this service.	A, B, D, E, F	A	M-BusCon	\$15,500	24.6	\$3,813.00	0.213	22.06	\$3,419.30	0.191	17.27	\$2,676.85	0.150	13.03	\$2,019.65	0.113	23.04	\$3,571.20	0.200		\$0.00	0.000		\$0.00	0.000		\$0.00	0.000

	Function No.	Project Title	Description	Service Participants	Location(s) of Work / Proposal	Category	Amount	Participation Ratio %	Budget Item Cost	% of Budget Proposals	Participation Ratio %	Budget Item Cost	% of Budget Proposals	Participation Ratio %	Budget Item Cost	% of Budget Proposals	Participation Ratio %	Budget Item Cost	% of Total Budget Taxation	Participation Ratio %	Budget Item Cost	% of Budget Proposals	Participation Ratio %	Budget Item Cost	% of Budget Proposals	Participation Ratio %	Budget Item Cost	% of Budget Proposals			
20	650	Community Parks - Community Led Improvement Project Support	Community groups are eager to provide capital funding for park improvements and also enter into partnership agreements for the ongoing operations/stewardship of parkland and assets. This budget request is to support the planning of these potential projects and includes such costs as public consultations, surveys, cost estimates, etc. Planning would include working through details such as capital and ongoing operating costs as well as roles and responsibilities of the parties involved. Specifically, in 2022, the two current community ideas for projects that require further exploration include a pathway around Katherine Lake and improvements / enhancements to Dan Bosch Park.	A, B, D, E, F	Various	Other	\$20,000	24.6	\$4,920.00	0.275	22.06	\$4,412.00	0.246	17.27	\$3,454.00	0.193	13.03	\$2,606.00	0.146	23.04	\$4,608.00	0.257		\$0.00	0.000		\$0.00	0.000			
	SUBTOTAL CS						\$ 539,013.67		\$59,079.26	3.301		\$101,531.67	5.672		\$72,529.48	4.052		\$57,631.74	3.220		\$97,441.63	5.444		\$100,432.90	5.611		\$41,850.34	2.338		\$8,495.92	0.475
							538,993	(actual sum per area)																							
PLANNING AND DEVELOPMENT																															
21	136	Regional Sustainability Services - Community Climate Plan Development	Development of community climate plan, including BARC membership (building adaptive and resilient communities) at \$20,000, public participation at \$20,000. Separately, will seek grant-funded summer student(s) at \$23,000, \$3,000 of which is overhead. Funding is \$40,000 from taxation; \$23,000 grant.	All	Regional	BSCG	\$63,000	14.4	\$9,072.00	0.507	12.92	\$8,139.60	0.455	10.11	\$6,369.30	0.356	7.63	\$4,806.90	0.269	13.49	\$8,498.70	0.475	26.91	\$16,953.30	0.947	12.46	\$7,849.80	0.439	2.07	\$1,304.10	0.073
22	210	Gibsons and District Fire Protection - Deputy Fire Chief (0.4 FTE)	Increase to current .6 FTE Deputy Fire Chief.	E, F and ToG	E, F and ToG	BSCG	\$48,100		\$0.00	0.000		\$0.00	0.000		\$0.00	0.000	30.03	\$14,444.43	0.807	20.93	\$10,067.33	0.562		\$0.00	0.000	49.04	\$23,588.24	1.318		\$0.00	0.000
23	216	Halfmoon Bay Fire Protection - Fire Hall #2 Redevelopment Project	Consultant to provide design and engineering services based off the report in progress by KMBR Consultants.	B	B	M-BusCon	\$250,000		\$0.00	0.000	100	\$250,000.00	13.966		\$0.00	0.000		\$0.00	0.000		\$0.00	0.000		\$0.00	0.000		\$0.00	0.000		\$0.00	0.000
24	220	Emergency Telephone 911 Project Support - 911 Towers	Continuing project support (one-time) for mandatory tower renewal projects; continuing casual Fire Chief support	All	Regional	CM-IAF	\$22,000	14.4	\$3,168.00	0.177	12.92	\$2,842.40	0.159	10.11	\$2,224.20	0.124	7.63	\$1,678.60	0.094	13.49	\$2,967.80	0.166	26.91	\$5,920.20	0.331	12.46	\$2,741.20	0.153	2.07	\$455.40	0.025
25	220	Emergency Telephone 911 Dispatch Levy	E-Comm 9-1-1 Dispatch Levy fee is increasing	All	Regional	CM-HSER	\$10,020	14.4	\$1,442.88	0.081	12.92	\$1,294.58	0.072	10.11	\$1,013.02	0.057	7.63	\$764.53	0.043	13.49	\$1,351.70	0.076	26.91	\$2,696.38	0.151	12.46	\$1,248.49	0.070	2.07	\$207.41	0.012
26	222	Sunshine Coast Emergency Planning - Emergency Management Coordinator	Increase position from 0.4 to 1.0 to correspond with increase to deputy position at GDVFD.	All	Regional	BSCG	\$75,000	14.4	\$10,800.00	0.603	12.92	\$9,690.00	0.541	10.11	\$7,582.50	0.424	7.63	\$5,722.50	0.320	13.49	\$10,117.50	0.565	26.91	\$20,182.50	1.128	12.46	\$9,345.00	0.522	2.07	\$1,552.50	0.087
27	504	Rural Planning Services - Planning Enhancement	Annual investment in operating budget to support OCP renewal/harmonization, zoning bylaw alignment to OCPs, technical studies, while protecting (or enhancing) development processing and customer service levels. Proposed to be ongoing. Grants, if received, can offset taxation the following year. <b>2022 funding recommended to be pro-rated at 50% \$180,000 with \$360,000 ongoing from taxation including a 0.5FTE.</b>	A, B, D, E, F	Regional	M-BusCon	\$180,000	24.6	\$44,280.00	2.474	22.06	\$39,708.00	2.218	17.27	\$31,086.00	1.737	13.03	\$23,454.00	1.310	23.04	\$41,472.00	2.317		\$0.00	0.000		\$0.00	0.000		\$0.00	0.000
	SUBTOTAL PD						\$ 648,120.00		\$68,762.88	3.842		\$311,674.58	17.412		\$48,275.02	2.697		\$50,870.96	2.842		\$74,475.03	4.161		\$45,752.38	2.556		\$44,772.73	2.501		\$3,519.41	0.197
							648,103	(actual sum per area)																							
INFRASTRUCTURE SERVICES																															
28	350	Regional Solid Waste - Regulatory Reporting for Sechelt Landfill	Mandatory Ministry of Environment reports to be prepared by the SCRD's contracted engineering firm	All	Regional	CM-RC	\$89,165	14.4	\$12,839.76	0.717	12.92	\$11,520.12	0.644	10.11	\$9,014.58	0.504	7.63	\$6,803.29	0.380	13.49	\$12,028.36	0.672	26.91	\$23,994.30	1.340	12.46	\$11,109.96	0.621	2.07	\$1,845.72	0.103
29	350	Regional Solid Waste - Pender Harbour Transfer Station Site Improvements - Phase I	The site inspection by an engineer in 2021 included that significant upgrades are required to this site. Phase 1 will include the urgent upgrades and the design for Phase 2	All	A	M-BusCon	\$100,000	14.4	\$14,400.00	0.804	12.92	\$12,920.00	0.722	10.11	\$10,110.00	0.565	7.63	\$7,630.00	0.426	13.49	\$13,490.00	0.754	26.91	\$26,910.00	1.503	12.46	\$12,460.00	0.696	2.07	\$2,070.00	0.116
30	350	Sechelt Landfill Closure/Post Closure Funding	Increase of the annual contribution to the Closure/Post Closure reserve fund for the Sechelt Landfill to address current underfunding of the landfill closure/post closure liability for this site based on an anticipated closure date of 2025	All	Regional	M-BusCon	\$125,000	14.4	\$18,000.00	1.006	12.92	\$16,150.00	0.902	10.11	\$12,637.50	0.706	7.63	\$9,537.50	0.533	13.49	\$16,862.50	0.942	26.91	\$33,637.50	1.879	12.46	\$15,575.00	0.870	2.07	\$2,587.50	0.145

Function No.	Project Title	Description	Service Participants	Location(s) of Work / Proposal	Category	Amount	Participation Ratio %	Budget Item Cost	% of Budget Proposals	Participation Ratio %	Budget Item Cost	% of Budget Proposals	Participation Ratio %	Budget Item Cost	% of Budget Proposals	Participation Ratio %	Budget Item Cost	% of Total Budget Taxation	Participation Ratio %	Budget Item Cost	% of Budget Proposals	Participation Ratio %	Budget Item Cost	% of Budget Proposals	Participation Ratio %	Budget Item Cost	% of Budget Proposals	Participation Ratio %	Budget Item Cost	% of Budget Proposals
31	350	Staffing - Manager Special Solid Waste Projects - 0.7 FTE	All	Regional	BCSG	\$55,000	14.4	\$7,920.00	0.442	12.92	\$7,106.00	0.397	10.11	\$5,560.50	0.311	7.63	\$4,196.50	0.234	13.49	\$7,419.50	0.414	26.91	\$14,800.50	0.827	12.46	\$6,853.00	0.383	2.07	\$1,138.50	0.064
32	350	Regional Solid Waste - Home Composter Rebate	All	Regional	LCHV	\$5,000	14.4	\$720.00	0.040	12.92	\$646.00	0.036	10.11	\$505.50	0.028	7.63	\$381.50	0.021	13.49	\$674.50	0.038	26.91	\$1,345.50	0.075	12.46	\$623.00	0.035	2.07	\$103.50	0.006
33	350	Regional Solid Waste - Islands Clean-up	All	Regional	LCHV	\$5,000	14.4	\$720.00	0.040	12.92	\$646.00	0.036	10.11	\$505.50	0.028	7.63	\$381.50	0.021	13.49	\$674.50	0.038	26.91	\$1,345.50	0.075	12.46	\$623.00	0.035	2.07	\$103.50	0.006
34	350	Regional Solid Waste - Waste Reduction Initiatives Program	All	Regional	LCHV	\$5,000	14.4	\$720.00	0.040	12.92	\$646.00	0.036	10.11	\$505.50	0.028	7.63	\$381.50	0.021	13.49	\$674.50	0.038	26.91	\$1,345.50	0.075	12.46	\$623.00	0.035	2.07	\$103.50	0.006
35	350	Regional Solid Waste - WildSafeBC - Base Budget Increase	All	Regional	LCHV	\$15,000	14.4	\$2,160.00	0.121	12.92	\$1,938.00	0.108	10.11	\$1,516.50	0.085	7.63	\$1,144.50	0.064	13.49	\$2,023.50	0.113	26.91	\$4,036.50	0.226	12.46	\$1,869.00	0.104	2.07	\$310.50	0.017
SUBTOTAL ISC						\$ 399,165.00		\$57,479.76	3.211		\$51,572.12	2.881		\$40,355.58	2.255		\$30,456.29	1.701		\$53,847.36	3.008		\$107,415.30	6.001		\$49,735.96	2.779		\$8,262.72	0.462
Net Cost of Budget Proposals						\$ 1,790,000.67		\$214,654.99	11.992		\$491,096.67	27.436		\$181,754.35	10.154		\$154,501.45	8.631		\$253,243.41	14.148		\$308,416.79	17.230		\$161,740.30	9.036		\$24,494.68	1.368
2021 Taxation						\$ 2,892,247		\$ 4,076,382			\$ 3,203,955			\$ 2,452,232			\$ 3,916,269			\$ 4,587,654			\$ 2,934,150			\$ 386,301				
1% Tax Increase =						\$28,922.47		\$40,763.82			\$32,039.55			\$24,522.32			\$39,162.69			\$45,876.54			\$29,341.50			\$3,863.01				
% Increase for Budget Items						7.422%		12.047%			5.673%			6.300%			6.466%			6.723%			5.512%			6.341%				
						Area A		Area B			Area D			Area E			Area F			DOS			ToG			SIGD				

## SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

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**TO:** Corporate and Administrative Services Committee - November 25, 2021

**AUTHOR:** Tina Perreault, General Manager, Corporate Services/Chief Financial Officer  
Alexander Taylor, Budget and Financial Analyst

**SUBJECT:** ALLOCATION OF REMAINING COVID-19 SAFE RESTART GRANT FUNDS

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### RECOMMENDATION(S)

**THAT** the report titled Allocation of COVID-19 Safe Restart Grant Funds be received for information;

**AND THAT** following 2022 proposals be amended to be funded from the unallocated COVID-19 Safe Restart Grant:

- Hybrid Meeting Solutions and Board Room Modifications (\$125,000)
- Meeting Management Solutions (\$25,000)
- Water Management Plan Implementation for Community Recreation Facilities [615] (\$26,500) and the Pender Harbour Aquatic Facility [625] (\$1,750)
- Temporary Parks Backfill for Community Parks [650] (\$91,266)

**AND FURTHER THAT** a new proposal be brought forward to the 2022 Round 1 Budget deliberations for Reception Centre Modifications within the Administration Building [114] (\$40,143) funded through COVID-19 Safe Restart Grant Funds.

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### BACKGROUND

In September 2020 the Province announced joint federal/provincial funding support for local governments to address fiscal impacts related to the pandemic and in November 2020 the Sunshine Coast Regional District (SCRD) received its initial share of the *COVID-19 Safe Restart Grants for Local Governments* in the amount of \$521,000. In March 2021 the SCRD received notice that the Province was in the position to allocate additional funds which would be dedicated to regional districts in recognition of the prior COVID-19 related shortfalls in the previous allocation. The SCRD was provided an additional \$241,000 to bring total funding to \$762,000.

The funding is intended to support local governments address the increased operating costs and lower revenue due to the COVID-19 pandemic. Eligible costs include:

- addressing revenues shortfalls;
- facility reopening and operating costs;

- emergency planning and response costs;
- bylaw enforcement and protective services like fire protection and police;
- computer and other electronic technology costs (to improve interconnectivity and virtual communications);
- services for vulnerable persons (e.g. persons living with disabilities, mental illness or addictions, persons experiencing homelessness or other vulnerabilities); and
- other related costs.

The Province requires that the Safe Restart Grant Funds be fully allocated before December 31, 2021 and the SCRD must provide a summary of how the funds were allocated within its audited financial statements for 2020, 2021 and 2022.

To date, the SCRD has allocated \$422,341 of the \$762,000 toward eligible projects or 2020 deficits, leaving a remaining unallocated balance of \$309,659.

The purpose of this report is to provide an update on the COVID-19 Safe Restart Grant and provide options to fully allocate the funds before the December 31, 2021 deadline.

## **DISCUSSION**

### *Options and Analysis*

Staff have engaged with the Regional Districts in BC and local member municipalities on how they propose on using funds. In addition, staff have explored various projects that are part of the proposed workplan for 2022 that could be eligible for Restart funding. As a result, the following projects have been identified and presented as part of the Round 1 Budget deliberations for consideration.

#### Hybrid Meeting Solutions and **\*New- Board Room Modifications**

*Program Goal: Improve interconnectivity and virtual communications, and facility reopening*

The COVID-19 pandemic pushed organizations to establish virtual working environments in a short amount of time. The SCRD was fortunate to already have a significant amount of Information Technology (IT) infrastructure and expertise in place to facilitate this change almost immediately. However, what has been unexpected is the duration and support required to continue the virtual work environment and to facilitate virtual meetings. As physical distancing recommendations as a result of COVID-19 are expected to continue into 2022, staff proposed to explore options with external experts to expand audio-visual capability (including hardware, sound, cameras, electrical, space needs), pricing, and an implementation plan to facilitate a range of hybrid meetings (Board, Board Committees, Advisory Committees/Commissions, Public Hearings, Intergovernmental). At Pre-Budget, the proposal was put forward to cost \$50,000 and funded through taxation.

Also, at the end of Pre-Budget Deliberations, the Boards requested the scope for the Hybrid Meeting Solutions be amended to include some Board Room modifications, such as furniture replacement.

As the initial proposal did not request implementation funds and in consideration of the expanded scope requested by the Board, it is recommended that the project scope, name and budget be increases to \$125,000 and funded from the COVID-19 Safe Restart Grant. Committing to funding this through restart funds would reduce the impact on taxation for 2022.

#### Meeting Management Solutions

*Program Goal: Improve interconnectivity and virtual communications*

In addition, staff proposed an initiative for a Software solution to bridge remote and in-person meeting rooms for hybrid Board and Board Committee meetings. In order for the virtual and physical domains to smoothly function together as a single meeting, a system is required to seamlessly manage both environments and their respective participants in real-time. Meeting management software streamlines the full cycle from report and agenda creation to electronic publishing to meeting video livestreaming and archiving. Software services are subject to an annual subscription fee. This budget request is for year-one implementation and is expected to cost \$25,000 and was proposed to be funded through operating reserves. Should the Board choose to allocate funding from COVID-19 Safe Restart Grant funds, this would reduce the impact to reserves.

#### Community Recreation Facilities and Pender Harbour Pool-Water Management Plan Implementation

*Program Goal: Facility reopening and operating costs*

After an extended closure of SCRD's recreation facilities due to COVID-19, the health authority (VCH) recommended the SCRD develop comprehensive domestic water system management plans. In 2021, these plans were developed and serve as an important ongoing maintenance and risk mitigation strategy regardless of whether the facility is open or closed. A proposed project for 2022 is to implement the ongoing safety recommendations in these plans. This initiative is expected to cost \$26,500 for the Community Recreation Facilities [615] and \$1,750 for Pender Harbour Aquatic Centre [625]. At Pre-budget deliberations these initiatives were classified as mandatory and were proposed to be funded through taxation. Committing to fund this through COVID-19 Safe restart funds would reduce the impact on taxation for 2022.

#### Community Parks Temporary Backfill

*Program Goal: Facility reopening and operating costs*

The Community Parks division saw a significant increase in Parks use since the pandemic. It has also experienced various staff vacancies. Both of these factors have created a backlog of parks annual tasks and projects. At Pre-budget a proposal was brought forward for a one year 1 temporary staff position to address the backlog. This proposal would cost approximately \$91,266 in wages, benefits and WCB and was proposed to be funded through taxation. Committing to fund this through COVID-19 Safe restart funds would reduce the impact on taxation for 2022.

#### \*New Reception Modifications

*Program Goal: facility reopening and operating costs*

A new initiative is being proposed for the 2022 Budget which is to replace the temporary barriers at the main administration buildings reception desk to install more permanent modifications.

Making additional modifications to the reception to add more working space will be explored. This project proposes to use the remaining unallocated Re-Start funds in the amount of \$40,143. If approved a Budget Proposal will be brought forward to the 2022 Round 1 Budget deliberations in December.

#### *Organizational and Intergovernmental Implications*

One factor in considering initiatives will be internal resourcing constraints. These projects were identified for COVID-19 Safe Restart funding due to the fact these projects are already in the proposed 2022 workplans and support the organization in delivering services through the COVID-19 pandemic.

#### *Financial Implications*

The Initiatives presented in this report are currently proposed to be funded from sources other than COVID-19 Safe Restart funds. In choosing to allocate the funds to these projects, the 2022 taxation figure presented at pre-budget will decrease as well as operating reserves. Table 1 summarizes the total funding received and expected use of this funding.

**Table 1: Contributions and Uses of Funds**

COVID-19 Safe Re-Start Grant Funds Reconciliation			
Function #	Service Description	Covid-19 Safe Re-Start Funds Received	Amount
		November, 2020	521,000
		March, 2021	241,000
			<b>762,000</b>
		<b>Commitments</b>	
222	SC Emergency Planning	2020 Deficit	-30,000
		<b>Funds Available for 2021</b>	<b>732,000</b>
		<b>2021 Approved Projects</b>	
117	IT	Expansion of SCRD software/hardware	-273,178
117	IT	IT Staff Overtime Expansion	-15,000
114	Administration Building	Space Planning	-100,000
615	Community Recreation Facilities	Linear Heat Detection System	-34,163
		<b>Total Approved Projects</b>	<b>\$ (422,341)</b>
		<b>Total Unallocated Funds</b>	<b>\$ 309,659</b>
		<b>Recommended 2022 Projects</b>	
110	General Government	Hybrid Meeting Solutions and *Board Room Modification	-125,000
110	General Government	Meeting Management Solutions	-25,000
114	Administration Building	*Reception Modifications	-40,143
615	Community Recreation Facilities	Water Management Plan Implementation	-26,500
625	Pender Harbour Aquatic	Water Management Plan Implementation	-1,750
650	Community Parks	Temporary Parks Backfill	-91,266
		<b>Total Recommended 2022 Projects</b>	<b>\$ (309,659)</b>
		<b>Total Remaining Funding</b>	<b>\$ -</b>

*Timeline for next steps or estimated completion date*

Proposals for consideration of funding allocation will be put forward as part of the Round 1 Budget Deliberations.

**STRATEGIC PLAN AND RELATED POLICIES**

Matching the Safe Restart Grant Funds aligns with the Financial Sustainability Policy.

**CONCLUSION**

The Province announced joint federal/provincial funding support for local governments to address fiscal impacts related to COVID-19. The spending consists of several streams with one being a direct grant to local governments called the *COVID-19 Safe Restart Grants for Local Governments*. In March 2021 the SCRD received notice of an additional share of the Safe Restart Grant to bring the total amount received to \$762,000.

As part of the guidelines for the Safe Restart Grant the Board must fully allocate the grant funds before December 31, 2021. At November 25, 2021 there is \$309,659 in funding that has not yet been allocated.

Six Projects have been presented which fall within the eligible cost criteria outlined by the Province of BC. The projects recommended for COVID-19 Restart funding are part of the proposed 2022 workplan and are currently proposed to be funded through 2022 taxation and operating reserves. Should the board elect to allocate COVID-19 restart funding to these projects the funding source for these projects will be modified to reflect the change at Round 1.

Reviewed by:			
Manager		Finance	X – B. Wing
GM	X - I. Hall X – R. Rosenboom X – S. Gagnon	Legislative	X – S. Reid
CAO	X – D. McKinley	Other - HR	X-G. Parker

## SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

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**TO:** Corporate and Administrative Services Committee - November 25, 2021

**AUTHOR:** Matt Treit, Manager, Protective Services  
Kyle Doyle, Manager, Asset Management

**SUBJECT:** FIRE DEPARTMENTS 20-YEAR CAPITAL FUNDING PLANS

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### RECOMMENDATION(S)

**THAT the report titled Fire Departments 20-Year Capital Funding Plans be received for information;**

**AND THAT the annual funding commitment toward capital renewal for the Gibsons and District Volunteer Fire Department [210] be increased to \$272,000 from \$200,000 starting in 2022;**

**AND THAT the annual funding commitment toward capital renewal for the Roberts Creek Volunteer Fire Department [212] be increased to \$157,000 from \$150,000 starting in 2022;**

**AND THAT the annual funding commitment toward capital renewal for the Halfmoon Bay Volunteer Fire Department [216] be increased to \$173,000 from \$125,000 starting in 2022;**

**AND THAT the capital renewal funding plan for the Egmont and District Volunteer Fire Department [218] be presented once the service's tax rate by law has been approved;**

**AND THAT the 2022-2026 Draft Financial Plan be amended accordingly;**

**AND FURTHER THAT a subsequent be brought forward to the Planning and Development Committee in Q2 2022 outlining the planning process for the alternative approval process in 2023 in contemplation of borrowing needs for future capital replacement needs for the fire services.**

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### BACKGROUND

At the [June 24, 2021](#) Corporate and Administrated Services Committee a report was provided which reviewed the existing funding for each of the four SCRD fire departments, and provided sustainable funding options for renewal of critical components and equipment at each of the fire protection services within the SCRD. Following the precedent set by the [2017](#) staff report, the funding requirements only account for components that are 'critical to the primary function of the service'. No formal service levels have been established nor has there been a directive from the Board explicitly stating the level of service that should be considered when developing capital funding envelopes.

The purpose of this report is to establish sustainable funding for the Gibsons and District, Roberts Creek and Halfmoon Bay Fire Protection services' capital renewal needs.

## **DISCUSSION**

### *Options and Analysis*

As detailed in the ‘Timeline for Next Steps’ section of the June 24, 2021 report, a review of the capacity of the Legislative Services department has been undertaken. This review identified that capacity to implement AAP’s is not available in 2022 due to the workload associated with Local Government elections. Beyond 2023 it was determined that it is feasible to conduct AAP’s to allow for longer-term debt for fire apparatus. Staff have therefore proceeded to develop 2022 budget documents on the basis of continuing to use short-term borrowing to supplement annual capital reserve contributions.

In addition, it has been determined that taxation limits for the Egmont Fire Protection service need to be increased prior to the implementation of any increases to the capital funding, and therefore the capital plan as it relates to the Egmont Fire Department will be addressed in a subsequent report. It is anticipated this will occur prior to the 2022 Budget adoption.

The 20-year plans have been updated to reflect 2023 as the earliest start date for conducting AAPs to allow for 10-year funding for larger equipment purchases. Notably the capital planning for Gibsons and District Fire Protection service was affected by this, with a firetruck due to be ordered in 2022 expected to utilize funding through 5-year equipment financing. A shorter (i.e. 5-year) borrowing term creates a higher demand on the Fire Department’s capital reserves and, as discussed in the June staff report, increases short-term costs to taxpayers for assets with a long life expectancy.

Recently completed projects have informed updated costing projections which have also been factored into the 20-year capital plans for all Fire Services.

For the Halfmoon Bay fire service a correction was identified in the previous report regarding the necessary timing of the replacement of a fire truck to meet Fire Underwriters Laboratory’s requirements. As a result the capital plan for Halfmoon Bay has been revised to include the consideration of a fire truck replacement in 2038. The following table presents the sustainable funding options for each of the Fire Protection services.

*Table 1: Proposed Annual Contribution - Fire Services Capital Renewal Fund*

<b>Functional Area</b>	<b>Fire Department</b>	<b>2021 Contribution Amount</b>	<b>2022 Contribution Amount</b>	<b>Increase</b>	<b>Increase in Taxation per \$100,000</b>	<b>Total Taxation per \$100,000</b>
210	Gibsons and District	\$ 200,000.00	\$ 272,000.00	\$ 72,000.00	\$ 1.81	\$ 6.83
212	Roberts Creek	\$ 150,000.00	\$ 157,000.00	\$ 7,000.00	\$ 0.46	\$ 10.24
216	Halfmoon Bay	\$ 125,000.00	\$ 173,000.00	\$ 48,000.00	\$ 3.36	\$ 12.11

Similar to previous capital plans produced for the SCRD, only “critical” facility components were considered when determining funding requirements. Components deemed to have a criticality rating of “high priority” or “desirable” will be brought forward with individual budget proposals when replacement is deemed necessary.

### *Organizational and Intergovernmental Implications*

Legislative Services will assist with the implementation of the AAP required to obtain electoral approval for the longer-term loans.

### *Financial Implications*

The taxation impacts of the proposed funding scenarios are presented in the Table 1 above.

Non-critical component/equipment replacement will continue to be brought to the Board for consideration on a case-by-case basis as required as part of the Budget process. These projects will require funding outside the capital renewal envelope.

### *Timeline for Next Steps*

The AAP process will be initiated after the 2022 municipal elections. Communications efforts to maximize community engagement should precede this with adequate lead time.

Where current funding levels have been established to meet the replacement need of components that are critical to the delivery of the current service, it may be desired to consider expanding funding to enhance the service provisions. For protective services this may include aspects such as wildfire capabilities or firehall expansion that are deemed non-critical to the existing service. To further inform funding level decisions it is anticipated that a more thorough service review will occur in the future.

### *Communications Strategy*

A communication strategy should be developed to clearly communicate the benefits of extended equipment loan timelines versus the status quo. It is anticipated that much of the effort to communicate this information to residents can be reused for each subsequent AAP.

## **STRATEGIC PLAN AND RELATED POLICIES**

The implementation and use of a Capital Plan align with the Asset Stewardship component of the SCRD's Strategic Plan, and enables these services to operate within the scope of the Financial Policies established by the SCRD.

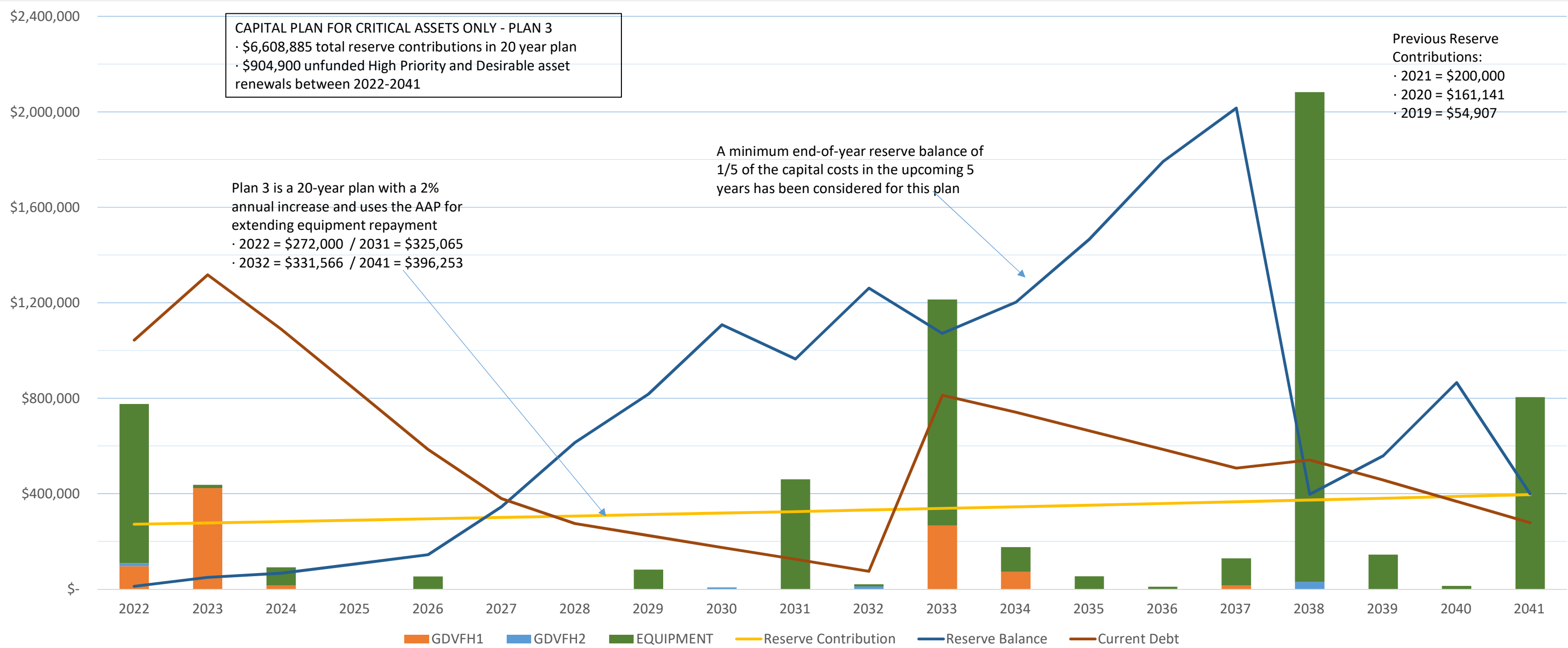
## **CONCLUSION**

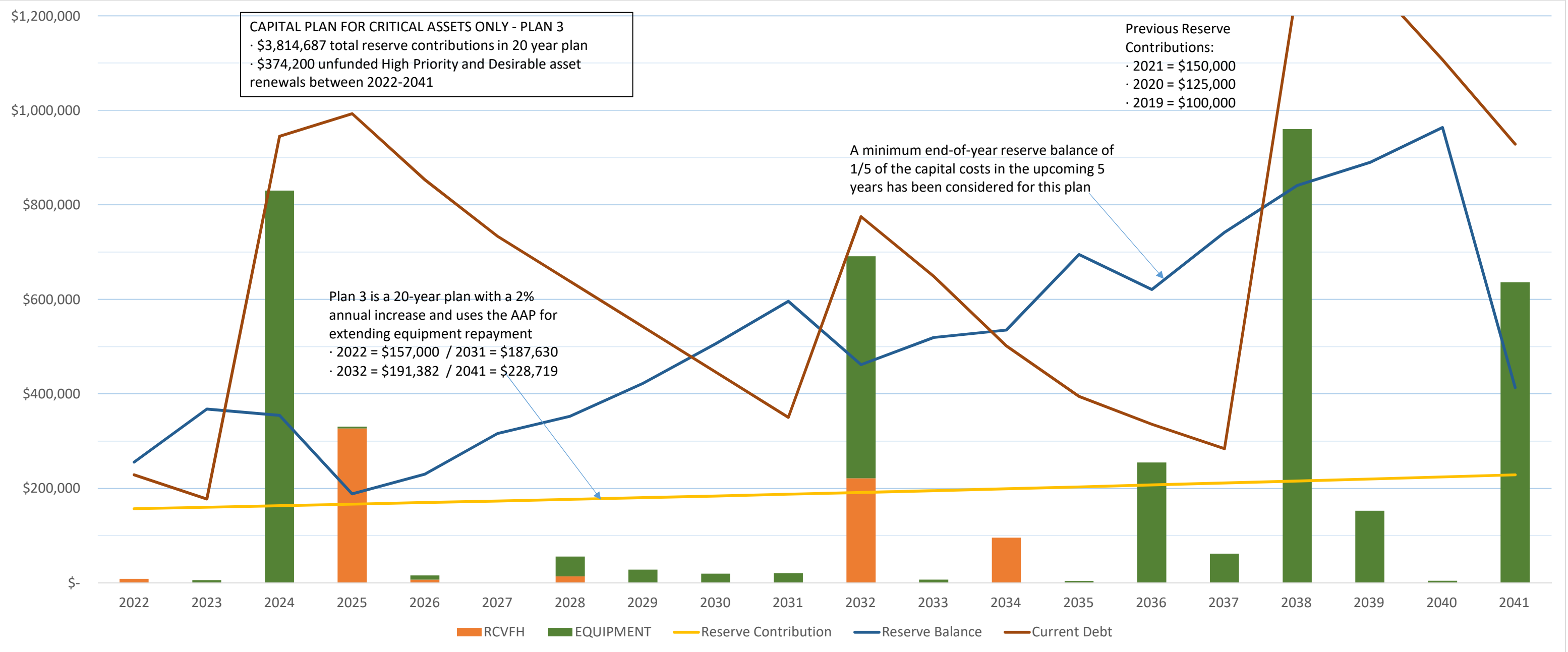
The 20-year capital plans for SCRD fire protection services has been updated this year. Alternative funding strategies have been identified that enable the use of longer-term loans for fire trucks and result in a lower annual funding requirement necessary to provide sustainable funding for critical component and equipment renewal at each service. Future reviews around the Levels of Service provided by each Fire Department will help to inform subsequent funding decisions.

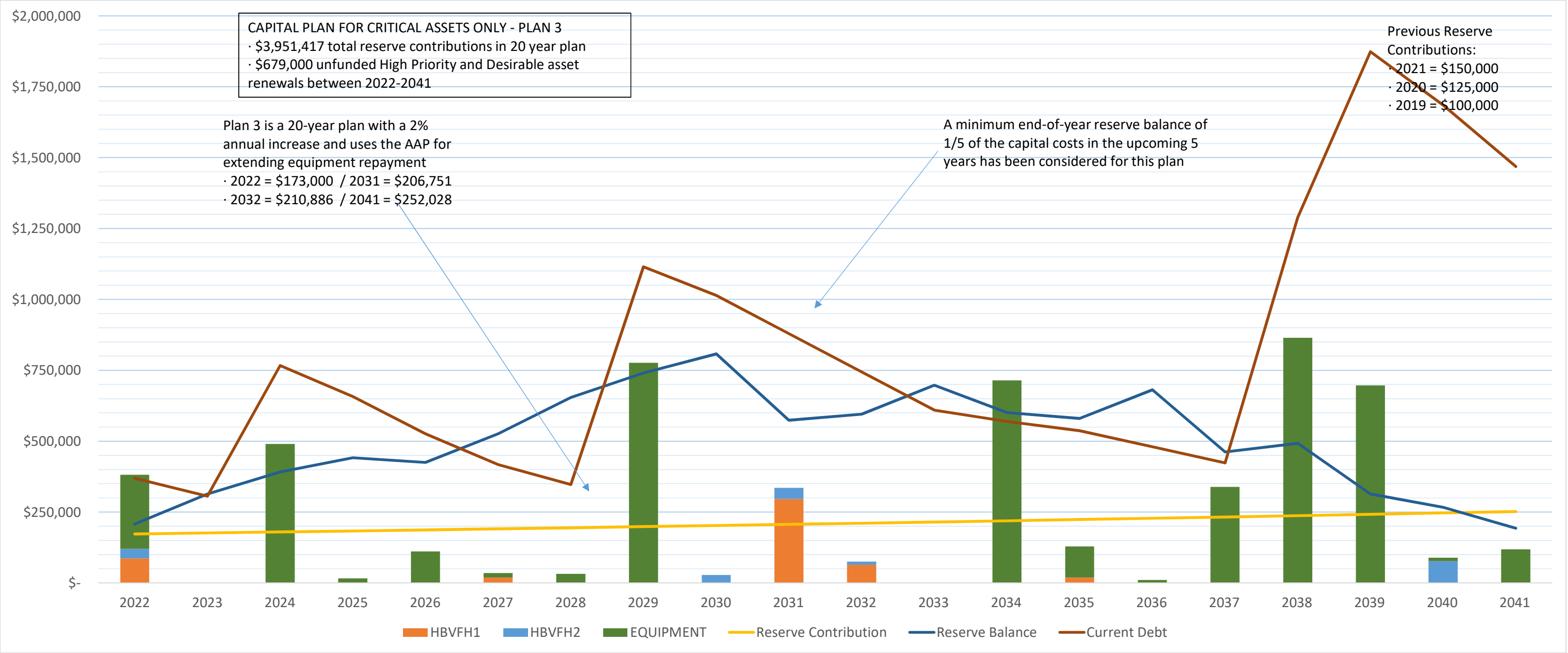
## **ATTACHMENTS**

Attachment A: Gibsons and District Fire Department 20-Year Capital Plan  
Attachment B: Roberts Creek Fire Department 20-Year Capital Plan  
Attachment C: Halfmoon Bay Fire Department 20-Year Capital Plan

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







## SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

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**TO:** Corporate and Administrative Services Committee - November 25, 2021

**AUTHOR:** Valerie Cropp, Manager, Purchasing and Risk Management

**SUBJECT:** **INSURANCE INVOICES OVER \$100,000:2022- MUNICIPAL INSURANCE ASSOCIATION (MIA), AON REED STENHOUSE INC. (AON) AND THE INSURANCE ASSOCIATION OF BRITISH COLUMBIA (ICBC).**

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### RECOMMENDATION(S)

**THAT the report titled Insurance Invoices over \$100,000: 2022 Municipal Insurance Association (MIA), Aon Reed Stenhouse Inc. (Aon) and Insurance Corporation of British Columbia (ICBC) be received;**

**AND THAT payment of up to \$120,000 be authorized for liability insurance to MIA;**

**AND THAT payment of up to \$300,300 be authorized for property insurance to Aon;**

**AND THAT payment of up to \$170,000 be authorized for fleet insurance to ICBC;**

**AND FURTHER THAT the 2022-2026 Financial Plan be amended to reflect the changes in premiums.**

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### BACKGROUND

Delegation Bylaw 710 requires that all purchases over \$100,000 be authorized by a Board Resolution.

Insurance premiums for the Sunshine Coast Regional District (SCRD) are determined in December of the prior year following a review of the current coverage, and any changes to property or assets for the SCRCD. Staff continue to work with our insurance brokers to finalize the amounts, however, this must be executed by year-end to ensure appropriate coverage for the SCRCD. Staff will report the final values through the 2022 Budget process.

Through a cost evaluation process the SCRCD has chosen to insure liability insurance from MIA and property insurance from Aon to receive the best value to the SCRCD.

Fleet Insurance provides insurance for all SCRCD vehicles and equipment including fire trucks, transit buses, Parks and Recreation and Water equipment. Coverage of fleet insurance includes basic road, liability, collision & comprehensive, non-owned automobile Policy, special excess third party, garage policy, and storage policy.

The purpose of this report is to receive Board approval for 2022 premiums and include the respective amounts in the 2022-2026 Financial Plan.

### DISCUSSION

Municipal Insurance Association): For 2022, the annual estimated assessment is approximately \$120,000 (2021-\$97,835), which represents a combination of per capita rates, claims

experience and some administrative costs. The assessment reflects year over year changes in the SCRD community's population and experience rating. Experience rating is based on community's claims development in the 2016 to 2020 policy years. Experience premiums and discounts are calculated using the MIA's member approved experience rating formula.

Included again in the 2022 estimate is the 'Casual Legal Service' program which provides legal opinion to its members for a cost of \$500 per year and covers advice on all local government issues with unlimited inquiries (limited to 30 minutes). This has been a very valuable service for the SCRD on non-complex legal questions and included are quarterly newsletters, bulletins on court cases and legislation and a number of other resources. The SCRD has used this program 11 time to date in 2021. as of the date of this report, some of the advice inquires went beyond 30 minutes which resulted in a reduce billed (about half the hourly standard rate) for the legal opinion.

Aon Reed Stenhouse Inc.: The estimated premium for 2022 is \$300,300 (2021-\$240,219) which includes the renewal of property, boiler, crime, recreational instructors, AD&D and general liability insurance.

The rate is a result of the SCRD's 2020 Statement of Values (SoV) and a hard insurance market, which when there is a high demand for insurance, but a lower supply of coverage available, the rates have increases over the prior year.

The SoV is a tool for the SCRD and its Insurer to determine the value of insurable assets. Maintaining an accurate SoV will benefit the SCRD, as more detailed information provides the Insurer with a healthier understanding of the cost and risks associated with the assets. A portion of the SoV is completed every year with a more detailed assessment every three years.

Insurance Corporation of British Columbia: The estimated premium for 2022 of \$170,000 (2021-\$151,156) basic insurance, garage policy, collision and comprehensive through ICBC for 2022.

In 2021 the SCRD received rebates of \$31,224 due to the implication of ICBC's new auto insurance system – Enhanced Care, and \$17,689 as a result of the impacts of COVID-19 totaling \$48,913.

The estimated premiums include a contingency for any rate changes and new vehicles that we may receive in 2022.

### *Financial Implications*

The estimated 2025 premium for MIA may increase up to \$115,000. As liability is recovered through the Support Service Allocation, this increase will need to be updated as part of the 2022 Round 1 Budget figures. The policy is as follows:

Liability Insurance is paid through:

a. Liability Insurance and Legal Fees

Liability Insurance and Legal Fees are included in function 110 and will be allocated proportionately to individual functions, based on the function's prior year net operating budget.

For Aon, these values are also estimated and will be refined over the coming weeks.

Due to the continuation of volatile market conditions this year and the economic disruption brought on by the pandemic has intensified the hardening insurance market as a whole, resulting in dramatic premium increases across the countries insurance industry. Out of a necessity to fund claims adjusted to a higher risk environment, we are seeing rate increases that are larger than in previous years.

Recognizing these values are still estimates with MIA, Aon and ICBC, the contracts need to be executed, and approval is required prior to year-end, Staff will report back as part of 2022 Budget process.

### **STRATEGIC PLAN AND RELATED POLICIES**

This report aligns with the Boards Financial Sustainability Policy. speaks to the Board's Policy of *Fiscal Sustainability*.

### **CONCLUSION**

Delegation Bylaw 532 requires that all purchases over \$100,000 be authorized by Board Resolution.

Insurance premiums are determined in December of the prior year following a review of the current coverage and any changes to property or assets for the SCRD.

Staff recommend the payments of up to \$120,000, \$300,300 and \$170,000 be authorized to the Municipal Insurance Association, Aon Reed Stenhouse and Insurance Corporation of British Columbia respectively. Final premiums will be reported on as part of Round 2 Budget deliberations

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

## SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

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**TO:** Corporate and Administrative Services Committee – November 25, 2021

**AUTHOR:** Shelley Gagnon, General Manager, Community Services  
Brad Wing, Manager, Financial Services

**SUBJECT:** 2022 - 2023 BC TRANSIT ANNUAL OPERATING AGREEMENT DRAFT BUDGET

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### RECOMMENDATION(S)

**THAT the report titled 2022 - 2023 BC Transit Annual Operating Agreement Draft Budget be received for information;**

**AND THAT the 2022-2026 Financial Plan be updated to reflect the draft Annual Operating Agreement budget values while utilizing operating reserve funding to mitigate tax increases.**

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### BACKGROUND

Each year BC Transit and the Sunshine Coast Regional District (SCRD) enter into an Annual Operating Agreement (AOA) which governs transit service costs and funding for the BC Transit fiscal year from April 1 to March 31.

In support of the AOA process, BC Transit provides a draft budget reflective of general industry trends, location-based operations and maintenance activities, and any specific initiatives planned for the transit system over the next three years. The draft budget becomes the basis for the AOA.

In response to the COVID-19 pandemic the SCRCD and BC Transit implemented the following transit specific operational measures:

- Daily thorough cleaning of all buses requiring two additional staff positions
- Weekly disinfecting (fogging) of buses
- Procuring special disinfecting products and personal protective gear for staff

In June 2021, the transit system returned to full service and continued to provide enhanced cleaning and disinfecting of buses. These service levels will be maintained into 2022.

The purpose of this report is to highlight anticipated changes in the 2022 - 2023 AOA based on the draft budget and the associated financial impact to the SCRCD as a cost sharing partner.

### DISCUSSION

The draft budget projections are prepared based on the most current information available; however, there is some risk associated with cost volatility. According to BC Transit, if there are material changes between the release of the draft budget and the Provincial Budget in 2022, those changes will be reflected in the final budget which accompanies the AOA in March.

As the SCRD budget process usually concludes prior to receipt of the final budget from BC Transit, it is not always possible to incorporate any changes into the annual SCRD Financial Plan. This can result in funding surpluses or shortfalls.

Staff will report on any discrepancies between 2022 - 2023 draft and final AOA budget when the AOA is presented to the Board for approval in April/May.

### Operation and Financial Impacts

Despite the gradual recovery in transit ridership, staff note that associated passenger revenue continues to remain below pre-pandemic levels. The revenue projections in the AOA anticipate ridership at 65% of pre-COVID levels for 2022, 85% for 2023 and back to 100% by 2024. Given the lack of certainty regarding the precise ridership recovery trajectory, it will be important to manage this risk. Staff will continue to work with BC Transit to monitor ongoing ridership and revenue statistics.

Full service levels will be maintained with no expansions planned for 2022. Increased operating costs related to maintaining enhanced cleaning and disinfecting of busses, has now been built into the fixed costs of the AOA (cost shared). Proposed one-time expenses for 'COVID-19 Expenses – Materials and Supplies' and the 'COVID-19 Expenses – Wages' were presented at 2022 pre-budget and are intended to cover the incremental costs associated with the cleaning of the busses and can be funded from operating reserves. This will need to be reviewed again in 2023 as an ongoing expense.

Industry trends in rising expenses greater than the cost of annual inflation (e.g. fuel, insurance) and increased BC Transit management costs are reflected in the draft budget provided by BC Transit. BC Transit continues to focus on strategies to increase ridership and build consumer confidence, as well as increasing the number of electric buses in its fleet, and rolling out the use of technology (e.g. electronic fare collection system).

### Current Financial State

The 3<sup>rd</sup> quarter variance report (October 28, 2021 Corporate and Administrative Services Committee Meeting Agenda, Annex B – Attachment A, Page 34) identified a year to date surplus of \$330,423 for the Transit service. This surplus is due mainly to lower than budgeted wages and operating expenses and a timing difference with respect to receipt of COVID-19 Safe Restart funding in Q1. It is expected that the service will end the year in a strong surplus position with some downward pressure in Q4 due to continued staffing challenges and lower seasonal revenue.

The current operating reserve balance for the service is \$857,721. Historically, the operating reserve funds have been held by BC Transit and were intended to help offset inflationary increases. In 2020, BC Transit transferred the care and control of the reserve funds to the SCRD. BC Transit also provided the SCRD a total of \$814,614 in COVID-19 Safe Restart funds (some received in 2020 with more in 2021). These funds were intended to offset reduced fair revenues and extra expenses associated with the operating impacts of the pandemic. Almost 50% of the COVID-19 Safe Restart funds were received in Q1 2021, and are contributing to the projected operating surplus. There are no reporting requirements around the COVID-19 Safe Restart funds. BC Transit has retained \$16,332 of the COVID-19 Safe Restart funding and has yet to be advanced pending its inclusion in the AOA.

Any 2021 year-end operating surplus will be transferred to reserves in accordance with the Financial Sustainability Policy.

Despite the numerous operating challenges over the past 18 months, the Transit service is in a very healthy financial position with sufficient reserves to mitigate ongoing financial challenges resulting from the pandemic.

#### 2022-23 Draft AOA Financial Implications

Staff have completed a detailed analysis of the draft 2022 - 2023 AOA budget as well as 2023 - 2024 and 2024 - 2025 draft budget projections provided by BC Transit and aligned these with the SCRD fiscal year and budgets.

Reserve funding has been allocated in the budget analysis to mitigate tax increases that would otherwise be required to offset higher COVID-19 related operating expenses and reduced fare revenue as well as inflationary increases identified in the draft AOA budget. Amounts included are suggested and can be adjusted as necessary to meet the Board's objectives.

It is recommended that \$133,401 of reserve funding be budgeted for 2022 and \$62,217 for 2023 which would result in a 2% tax increase in 2022, 2% in 2023 and 1.9% in 2024 based on current estimates.

A summary of the projected 2021-2023 budgets is shown in the table below:

<b>[310] Transit Service 2022-2024 Budget Projections</b>			
	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>Revenue</b>			
Tax Requisition	\$ 2,923,980	\$ 2,982,460	\$ 3,037,839
BC Transit Funding	1,967,344	2,040,132	2,126,873
Fare and Ticket Sales	577,149	710,572	834,465
Other Revenue	2,000	2,000	2,000
<b>Total Revenues</b>	<b>5,470,474</b>	<b>5,735,164</b>	<b>6,001,178</b>
<b>Expenses</b>			
Support Services	513,712	523,986	534,466
Wages and Benefits	2,669,418	2,722,806	2,777,262
Operating	2,420,745	2,550,589	2,689,450
<b>Total Expenses</b>	<b>5,603,875</b>	<b>5,797,381</b>	<b>6,001,178</b>
<b>Transfer to/(from) Operating Reserve</b>			
Operating Reserve	(133,401)	(62,217)	-
<b>Financial Plan Surplus/(Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Taxation Increase Over Prior Year</b>	<b>2.0%</b>	<b>2.0%</b>	<b>1.9%</b>
<b>Fare Revenue as a % of Pre-Covid Budget</b>	<b>72.4%</b>	<b>89.2%</b>	<b>104.7%</b>

The values presented above are estimates and subject to change throughout the remainder of the budget process. In addition, 2023 and 2024 budget values are likely to vary significantly from what has been presented as the draft budgets provided by BC Transit for future years tend to be less accurate.

Nevertheless, the 2021 budget surplus coupled with the existing operating reserve balance funding allow for flexibility in addressing the revenue shortfalls and ongoing operational challenges with minimal increased taxation.

Note: the information represented in the budget projections above do not reflect any potential taxation impacts that may be realized by 2022 budget proposal approvals.

*Timeline for next steps or estimated completion date*

Staff will continue to liaise with BC Transit to identify any potential material changes between the draft and final budgets and will report back, as necessary, through the budget process and upon receipt of the final AOA.

**STRATEGIC PLAN AND RELATED POLICIES**

N/A

**CONCLUSION**

Each year, BC Transit and the SCRD enter into an AOA that governs transit service costs and funding for the BC Transit fiscal year from April 1 to March 31. In support of the AOA process, BC Transit provides a draft budget that becomes the basis for the AOA.

Despite the numerous operating challenges over the past 18 months, the Transit service is in a very healthy financial position with sufficient reserves to mitigate ongoing financial challenges resulting from the pandemic. Additional expenses related to the pandemic are expected to continue into 2022 and have either been incorporated into the draft AOA budget or included in budget proposals for consideration.

A projected budget incorporating the draft AOA and all 2022 budget proposals has been presented to show a complete picture of the budget with operating reserve funding allocated through to 2024 to mitigate tax increases which would otherwise be required to fund additional costs and reduced revenue associated with the pandemic.

It's recommended that staff continue to work with BC Transit to monitor ridership and subsequent revenue impacts.

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