FINANCE COMMITTEE
Notice of Meeting on Wednesday, March 5, 2014, at 9:30 am
Board Room, 6th Floor, 625 Fisgard Street, Victoria, BC

F. Leonard (Chair)  M. Alto (Vice-Chair)  D. Blackwell  S. Brice
L. Cross  B. Desjardins  D. Howe  N. Jensen
J. Ranns  G. Young  A. Bryson (Board Chair, ex officio)

AGENDA

1. Approval of Agenda

2. Adoption of Minutes of December 4, 2013

3. Chair’s Remarks

4. Presentations/Delegations

5. 2014 Finance Committee Terms of Reference

6. 2014 Financial Plan Update

7. Audit Planning Discussion

8. Bylaws No. 3939, 3940 and 3944—Capital Reserve Funds for the Galiano Island Community Use Building Service, the Salt Spring Island Public Library Service, and the North Galiano Island Fire Protection and Emergency Response Service

9. Bylaws No. 3930, 3932 and 3933 for Administration of Reserve Funds

10. Bylaw No. 3942—Sooke Region Historical Society Service Establishment Bylaw Amendment to Increase the Maximum Allowable Requisition

11. Juan de Fuca (JDF) Electoral Area Director Travel Expenses

12. 2013 Freedom of Information and Protection of Privacy Act (FOIPPA) Requests by Department

13. Service Fee Agreement Re Sewer Charges—City of Colwood

14. New Business

15. Adjournment

To ensure quorum, please advise Nancy More at 250-360-3024 if you or your alternate cannot attend.
Minutes of a Meeting of the Finance and Corporate Services Committee
Held Wednesday, December 04, 2013, in the Board Room, 625 Fisgard St., Victoria, BC

Present: Directors: M. Alto (Vice Chair), D. Blackwell, P. Gerrard (for S. Brice), B. Gramigna (for J. Ranns), L. Hundleby (for B. Desjardins), B. Isitt (9:25), M. Loveless (for L. Cross), A. Bryson (Board Chair, ex officio, 9:20)
Staff: R. Lapham, Chief Administrative Officer; D. Lokken, General Manager, Corporate Services; C. Grelson, Senior Manager, Property & Facility Management; R. Sharma, Senior Manager, Finance; N. More, Committee Clerk (recorder)
Absent: F. Leonard (Chair), D. Howe, N. Jensen
Also Present: Director M. Hicks

The meeting was called to order at 9:13 am, with Vice-Chair Alto presiding.

1. Approval of Agenda

MOVED by Alternate Director Gerrard, SECONDED by Alternate Director Loveless, That the agenda be approved as circulated. CARRIED

2. Adoption of Minutes

MOVED by Director Blackwell, SECONDED by Alternate Director Gramigna, That the minutes of the November 6, 2013, meeting be adopted as previously circulated. CARRIED

3. Chair’s Remarks: There were none.

4. Presentations/Delegations: There were none.


D. Lokken spoke to the report.

The Committee discussed earthquake insurance coverage for projects while under construction and an insurance review in 2014.

MOVED by Alternate Director Gerrard, SECONDED by Director Blackwell, That it be recommended to the Capital Regional District Board:
That the CRD property insurance program with FM Global, including an earthquake sub-limit of $36 million with a $100,000 deductible, at an estimated premium of $302,677 (rate $0.058/$100) be renewed. CARRIED

D. Lokken spoke to the report.

The Committee discussed the use of the funds.

MOVED by Alternate Director Gramigna, SECONDED by Alternate Director Gerrard,
That it be recommended to the Capital Regional District Board:
That a contribution of $18,000 from the Southern Gulf Islands portion of the Gas Tax Community Works Fund toward an onsite well to supply potable water for the North Galiano Fire Hall be authorized.

CARRIED

7. Juan de Fuca Administration Building – Funding for Equipment and Fixtures

D. Lokken spoke to the report.

MOVED by Alternate Director Loveless, SECONDED by Director Isitt,
That Director Hicks be invited to speak to the matter of the Juan de Fuca Administration Building – Funding for Equipment and Fixtures.

CARRIED

Director Hicks provided some background to the recommendation.

The Committee discussed the distinction between the current request and the original budget, and the calculations for the rent that would repay the funding.

The Committee requested staff to prepare a final report on the total budget once the project is fully complete and all invoices have been received.

MOVED by Director Blackwell, SECONDED by Alternate Director Loveless,
That it be recommended to the Capital Regional District Board:
1) That a contribution of $100,000 from the Capital Regional District Office Facilities Reserve Fund for equipment and fixtures in the new Juan de Fuca Electoral Area Administration Building be authorized; and
2) That the Juan de Fuca Electoral Area Administration Building budget be amended to include this sub-project.

CARRIED

8. New Business:

Director Isitt proposed to discuss the proceedings of the November 28, 2013, Committee of the Whole in relation to conflict of interest. Vice-Chair Alto ruled that it was not an item of new business as it did not relate specifically to this Committee and invited Director Isitt to bring the matter forward to the Capital Regional District Board as a notice of motion.
9. Adjournment

MOVED by Alternate Director Hundleby, SECONDED by Alternate Director Loveless, That the meeting be adjourned at 9:47 am.

CARRIED

CHAIR

RECORDER
REPORT TO FINANCE COMMITTEE
MEETING OF WEDNESDAY, MARCH 5, 2014

SUBJECT 2014 FINANCE COMMITTEE TERMS OF REFERENCE

ISSUE
To establish the terms of reference for the 2014 Finance Committee.

BACKGROUND

Section 795(2) of the Local Government Act allows the Chair to establish standing committees “for matters the chair considers would be better dealt with by committee and may appoint persons to those committees”. In addition, section 26(1) of the CRD Board Procedures Bylaw allows the Chair to “establish a Board Standing Committee as a regular permanent committee whose mandate will be in relation to a CRD service or potential service”.

In accordance with the above, the Board Standing Committees for 2014 have been established as follows:
Committee of the Whole
Core Area Liquid Waste Management
Electoral Area Services
Environmental Services
Finance
Governance
Planning, Transportation and Protective Services
Regional Parks

At a meeting held January 8, 2014, the Board considered a staff report regarding the 2014 Board standing committee structure and noted that the terms of reference for the majority of the committees remain unchanged from 2013 with the exception of the following:
• Finance: The Finance and Corporate Services Committee has been redefined as the Finance Committee and the revised terms of reference reflect a narrower focus that parallels the functions of the Finance and Technology Department;
• Governance: The Governance Select Committee has been re-established as a standing committee of past and current Board Chairs and will meet at the call of the Chair. The terms of reference have been expanded to include consideration of general governance and corporate administration and operation matters.

The Board raised some concerns regarding the revised terms of reference for the Finance Committee and the removal of the Corporate Services mandate. The Board questioned at which committee those corporate functions that have a financial impact would be considered.

Given the concerns raised by the Board, the terms of reference for the 2014 Finance Committee have been revised and are attached as Appendix A.
ALTERNATIVES

1. That the Committee approve the revised terms of reference for the 2014 Finance Committee as attached in Appendix A.

2. That the terms of reference be referred back to staff for further review.

IMPLICATIONS

The terms of reference that have been developed for each committee identify the mandate/purpose of the committee, its establishment and authority, the composition, procedures and staff resources. For the most part, the committees are structured around specific service areas and the terms of reference identify the primary staff liaison(s) for each committee. The terms of reference for the majority of the committees remain unchanged from 2013 with the exception of the following:

Finance:
The Finance and Corporate Services Committee has been redefined as the Finance Committee and the revised terms of reference reflect a narrower focus that parallels the functions of the Finance and Technology Department. The terms of reference have been further clarified to include corporate functions that have a financial impact, such as labour relation issues.

Governance:
The Governance Select Committee has been re-established as a standing committee of past and current Board Chairs and will meet at the call of the Chair. The terms of reference have been expanded to include consideration of general governance and corporate administration & operation matters.

CONCLUSION

The terms of reference for the 2014 Finance Committee are attached for the Committee’s consideration. They will serve to clarify the mandate, responsibilities and procedures governing the Finance Committee.

RECOMMENDATION

That the Finance Committee recommend to the Capital Regional District Board:

That the revised 2014 Finance Committee terms of reference as attached in Appendix A be approved.

Sonia Santarossa, MA
Senior Manager
Legislative & Information Services

Robert Lapham, MCIP
Chief Administrative Officer
Concurrence

Attachments: Appendix A – Terms of Reference
FINANCE COMMITTEE

PREAMBLE
The Capital Regional District (CRD) FINANCE COMMITTEE is a standing committee established by the CRD Board and will oversee and make recommendations to the Board regarding a number of financial initiatives.

The Committee’s official name is to be:

FINANCE COMMITTEE

1.0 PURPOSE
The mandate of the Committee includes providing advice and making recommendations to the Board regarding the following functions:

- Corporate budget process
- Departmental Service Plan
- Corporate financial management and audit
- Risk, property and facility management
- Information technology
- Financial policies

The Committee will also provide advice and make recommendations to the Board regarding corporate functions that have a financial impact including, but not limited to:

- Labour relations and human resource matters
  - Exempt staff compensation
  - Union bargaining

2.0 ESTABLISHMENT AND AUTHORITY

- The committee will make recommendations to the Board for consideration; and
- The Board Chair will appoint the Committee Chair, Vice Chair and committee members on an annual basis.
3.0 COMPOSITION

- The committee should be comprised of the Chairs of the other Board standing committees and one Director from each of the following geographic areas:
  - Core
  - Peninsula
  - Western communities

4.0 PROCEDURES

- The committee shall meet on a monthly basis, except August and December, and have special meetings as required;

- The agenda will be finalized in consultation between staff and the Committee Chair and any committee member may make a request to the Chair to place a matter on the agenda;

- With the approval of the Committee Chair and the Board Chair, committee matters of an urgent or time sensitive nature may be forwarded directly to the Board for consideration;

- A quorum of 50% plus one of the committee membership is required to conduct committee business.

5.0 RESOURCES AND SUPPORT

- The General Manager Finance and Technology will provide administrative support;
  and

- Minutes and agendas are prepared and distributed by the Legislative and Information Services Department.
REPORT TO THE FINANCE COMMITTEE  
MEETING OF WEDNESDAY, MARCH 5, 2014

SUBJECT  2014 FINANCIAL PLAN UPDATE

ISSUE

This report is intended to provide a high level update on the 2014 Capital Regional District (CRD) Financial Plan before the final budget bylaw approval in March. The report provides information on adjustments that have been made to the 2014 Financial Plan preliminary approved in November 2013.

BACKGROUND

The CRD Board gave preliminary approval to the 2014 Financial Plan in November 2013. Under the Local Government Act the Board of the Capital Regional District (CRD) must approve a financial plan by March 31 for the next five years.

The CRD is now into the second year of its three year planning cycle (2013-2015). This report is intended to provide the Committee with a high level summary on how the CRD Financial Plan is shaping up. The Financial Plan has been updated for year-end surplus/deficits and other annual adjustments such as the payments in lieu of taxes. The Financial Plan also reflects any changes as a result of inclusion of the 2014 Completed Assessment Roll subsequent to November 20, 2013. The 2014 Financial Plan is now almost complete with the exception of some minor adjustments pertaining to a couple of electoral area services.

The 2014 Financial Plan continues to follow the same direction and is currently tracking at a lesser requisition increase than the previous 2013-2015 three year plan forecast. The 2014 Financial Plan has been developed to accommodate labour cost increases while making sure the bottom line increase to core operating costs are kept to a minimum.

Key cost drivers for 2014 Financial Plan which were previously included in the 2013-2015 Plan include items such as the Island Corridor Foundation (ICF) Regional Grant in Aid, Regional Parks Land Acquisition Levy and Seaterra Program costs.

Overall from November 2013 the requisition increase has been reduced from 4.9% to approximately 4.4% (pending finalization of a few electoral area commission budgets). Actual impact to the municipalities and electoral areas varies based on the total services they each receive through the CRD.

ALTERNATIVES

1. That the Finance Committee:
   a) receive the 2014 Financial Plan Update for information; and
   b) forward the 2014 Financial Plan Update to the Capital Regional District Board as part of final budget.

2. That the Finance Committee request staff to provide further information for the Board with the final budget.
FINANCIAL IMPLICATIONS

The primary reasons for the change from the preliminary approved Financial Plan are as follows (in no particular order):

1. Park land levy increase of $75,220. The levy is based on an average per household levy of $20. As a result of assessments declining proportionately more for residential vs non-residential properties, the overall contribution from non-residential properties increased to pre-2004 levels.

2. Wastewater trunk sewer operating and debt requirements decreased as a result of increased final surplus and payment-in-lieu revenue of $160,000.

3. The City of Colwood has requested a new service fee agreement (see separate report) shifting $256,000 related to their share of the phased funding of capital costs for Core Area Wastewater Treatment Facility from service fee invoice to requisition. Previously this capital portion was funded via service fee.

4. Panorama Recreation Centre requirements were decreased by $93,000 at commission request via expenditure reductions and revenue estimate increases.

5. ICF Funding: The 2014 Financial Plan includes the second half of the funding commitment to ICF. As in 2013, the CRD can hold the funds in reserve pending conclusion of the train service agreement which appears to be within reach by the end of February 2014. If the train service agreement is not reached, the CRD can revisit and evaluate the repurposing of requisitioned funds for other regional priorities.

6. Environmental Resource Management 2014 budget requirement decreased by $26,000 due to expenditure reductions related to recycling of residential blue box materials, partially offset by increased costs of operating an expanded kitchen scraps transfer station at Hartland.

7. Electoral Area requirements have been decreased by $254,000 though expenditure reductions and increased year end surpluses. The bulk of this decrease relates to an increased surplus carry forward applied towards Juan de Fuca Community Planning.

8. Minor reductions in requisitions for other services are primarily the result of finalizing of year end surplus/deficits and inclusion of final payment-in-lieu of taxes numbers.

CONCLUSION

The CRD must approve a Financial Plan for five years. This is the second year of implementation of a focused three year budget cycle. The overall CRD requisition increase for 2014 is estimated to be approximately 4.4%. The final budget bylaw will be presented to the Board for approval on March 26.

RECOMMENDATION

That the Finance Committee:

a) receive the 2014 Financial Plan Update for information; and

b) forward the 2014 Financial Plan Update to the Capital Regional District Board as part of final budget
REPORT TO FINANCE COMMITTEE
MEETING OF WEDNESDAY, MARCH 5, 2014

SUBJECT  Audit Planning Discussion

ISSUE

Canadian Auditing Standards changes now require discussions with those responsible for governance prior to the commencement of the year-end audit.

BACKGROUND

The new Canadian Auditing Standards are effective for audits of financial statement periods ending on or after December 14, 2010. These standards require the auditors to communicate clearly with those charged with governance the responsibilities of the auditor in relation to the financial statement audit, and overview of planned scope and timing of the audit.

The CRD utilizes KPMG for its annual audit process. In light of the new requirements auditors have to discuss/communicate on the following matters:

- Identify role of the engagement partner
- Overview of the planned scope and timing of the audit
- Planning materiality
- New developments in audit
- New developments in the financial reporting framework
- New developments in the “business” of the entity – future developments
- Fraud considerations
- Questions – issues – concerns regarding the audit

This is now a standard procedure and auditors have undertaken a similar engagement process across other local governments in the region.

CONCLUSION

Under the new standards auditors have a heightened requirement for communicating with those charged with governance on a timely basis to establish a communications process and communicate the form, timing and expected general content. The fundamental concepts and the purpose of the financial statement audit remain unchanged.

RECOMMENDATION

That the Finance Committee receive this report for information.

Rajat Sharma, MBA, CMA
Senior Manager, Financial Services

Diana Lokken, CPA, CMA
General Manager, Finance and Technology Dept.
Concurrence
REPORT TO THE FINANCE COMMITTEE  
MEETING OF WEDNESDAY, MARCH 5, 2014

SUBJECT  BYLAWS NO. 3939, 3940 and 3944 – CAPITAL RESERVE FUNDS FOR THE GALIANO ISLAND COMMUNITY USE BUILDING SERVICE, THE SALT SPRING ISLAND PUBLIC LIBRARY SERVICE, AND THE NORTH GALIANO ISLAND FIRE PROTECTION AND EMERGENCY RESPONSE SERVICE

ISSUE

The need to establish capital reserve funds for the Galiano Island Community Use Building Service, the Salt Spring Island Public Library Service, and the North Galiano Island Fire Protection and Emergency Response Service.

BACKGROUND

Over the past fourteen months, the newly constructed Galiano Island Community Use Building and the Salt Spring Island Public Library have become fully operational. Additionally, the construction of the North Galiano Fire Hall is nearing completion. It is now timely to establish a capital reserve fund for each of their respective services in order to provide for long-term sustainability of this infrastructure.

Capital Regional District (CRD) services use capital reserve funds, established by bylaw, to help accumulate resources for future capital expenditures. Periodically, services transfer either budgeted or operating surplus funds to their respective capital reserve fund. The practice of building capital reserves for funding ongoing infrastructure renewal is essential to ensuring long-term sustainability of infrastructure-dependent CRD services.

The Salt Spring Island Electoral Area Director and the Southern Gulf Island Electoral Area Director concur with the establishment of the capital reserve fund pertaining to their respective Electoral Area.

ALTERNATIVES

That the Finance Committee recommend to the CRD Board that:

1. a) Bylaw No. 3939, "Galiano Island Community Use Building Capital Reserve Fund Bylaw No. 1, 2014" be introduced and read a first and second time, read a third time, and adopted;
   b) Bylaw No. 3940, "Salt Spring Island Public Library Capital Reserve Fund Bylaw No. 1, 2014" be introduced and read a first and second time, read a third time, and adopted;
   c) Bylaw No. 3944, "North Galiano Island Fire Protection and Emergency Response Capital Reserve Fund Bylaw No. 1, 2014" be introduced and read a first and second time, read a third time, and adopted.

2. That the surplus funds be carried forward as surpluses in each service budget and be offset as contingencies, and that the proposed capital reserve fund bylaws not be adopted.
FINANCIAL IMPLICATIONS

Capital reserve funds provide a readily available source of funding for capital expenditures. Fund balances earn interest. By transferring unused funds at year end to a reserve fund, services are more likely to accumulate the required resources for future capital expenditures. Information on these Capital reserve funds will be reported annually during the CRD budget process.

CONCLUSION

The practice of building capital reserves for funding ongoing infrastructure renewal is essential to ensuring the long-term sustainability of infrastructure-dependent CRD services. As with all capital reserve funds, the resources to build the proposed capital reserve funds can either be part of the respective service's budget or result from an operating surplus. The terms of the proposed bylaws specify the kinds of expenditures that are allowed with the reserve funds.

The Salt Spring Island Electoral Area Director and the Southern Gulf Island Electoral Area Director concur with the establishment of the capital reserve fund pertaining to their respective Electoral Area.

RECOMMENDATIONS

That the Finance Committee recommend to the Board that:

Bylaw No. 3939, “Galiano Island Community Use Building Capital Reserve Fund Bylaw No. 1, 2014” be introduced and read a first and second time, read a third time, and adopted;

Bylaw No. 3940, “Salt Spring Island Public Library Capital Reserve Fund Bylaw No. 1, 2014” be introduced and read a first and second time, read a third time, and adopted;

Bylaw No. 3944, “North Galiano Island Fire Protection and Emergency Response Capital Reserve Fund Bylaw No. 1, 2014” be introduced and read a first and second time, read a third time, and adopted.

Rajat Sharma, MBA, CMA
Senior Manager, Financial Services

Diana E. Lokken, CPA, CMA
General Manager, Finance and Technology

Robert Lapham, MCIP, RPP
Chief Administrative Officer

Concurrence

Attachments: (3) Bylaws No. 3939, 3940 and 3944
CAPITAL REGIONAL DISTRICT

BYLAW NO. 3939

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A BYLAW TO ESTABLISH A CAPITAL RESERVE FUND
FOR THE GALIANO ISLAND COMMUNITY USE BUILDING SERVICE
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WHEREAS:

A. Under Bylaw No. 3792, "Galiano Island Community Use Building Service Establishment Bylaw No. 2, 2011", the Capital Regional District established a service for the purpose of constructing and operating a building on Galiano Island that will be used for library, community and local government purposes;

B. Pursuant to Section 814(4) of the Local Government Act, the Board of the Regional District is empowered by Section 188 of the Community Charter, to establish a reserve fund for a specified purpose and direct that money be placed to the credit of the reserve fund;

C. It is deemed desirable to establish a reserve fund for the Galiano Island Community Use Building Service to provide for capital expenditures for or in respect of capital projects and land, machinery or equipment necessary for them and extension or renewal of existing capital works and related debt servicing payments.

NOW THEREFORE the Board of the Capital Regional District enacts as follows:

1. There shall be and is hereby established a capital reserve fund pursuant to the provisions of Section 188 of the Community Charter to be known as the "Galiano Island Community Use Building Capital Reserve Fund".

2. Surplus monies from the operation of the service may be paid from time to time into the reserve fund.

3. Monies in the reserve fund will be used to provide for new capital works and extension or renewal of existing capital works, including the planning, study, design, construction of facilities, land acquisition, as well as machinery or equipment necessary for capital works and related debt servicing payments.

4. This Bylaw may be cited as the "Galiano Island Community Use Building Capital Reserve Fund Bylaw No. 1, 2014".

READ A FIRST TIME THIS DAY OF 2014
READ A SECOND TIME THIS DAY OF 2014
READ A THIRD TIME THIS DAY OF 2014
ADOPTED THIS DAY OF 2014

CHAIR CORPORATE OFFICER
CAPITAL REGIONAL DISTRICT

BYLAW NO. 3940

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A BYLAW TO ESTABLISH A CAPITAL RESERVE FUND
FOR THE SALT SPRING ISLAND PUBLIC LIBRARY SERVICE
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WHEREAS:

A. Under Bylaw No. 2725, “Salt Spring Island Public Library Local Service Area Establishment Bylaw No. 1, 1999”, and as amended by Bylaw No. 3307, the Capital Regional District established a service for the purpose of contributing to the cost of the library service, acquiring land and buildings, and operating facilities for the Salt Spring Island Public Library on Salt Spring Island;

B. Pursuant to Section 814(4) of the Local Government Act, the Board of the Regional District is empowered by Section 188 of the Community Charter, to establish a reserve fund for a specified purpose and direct that money be placed to the credit of the reserve fund;

C. It is deemed desirable to establish a reserve fund for the Salt Spring Island Public Library Service to provide for capital expenditures for or in respect of capital projects and land, machinery or equipment necessary for them and extension or renewal of existing capital works and related debt servicing payments.

NOW THEREFORE the Board of the Capital Regional District enacts as follows:

1. There shall be and is hereby established a capital reserve fund pursuant to the provisions of Section 188 of the Community Charter to be known as the “Salt Spring Island Public Library Capital Reserve Fund”.

2. Surplus monies from the operation of the service may be paid from time to time into the reserve fund.

3. Monies in the reserve fund will be used to provide for new capital works and extension or renewal of existing capital works, including the planning, study, design, construction of facilities, land acquisition, as well as machinery or equipment necessary for capital works and related debt servicing payments.

4. This Bylaw may be cited as the “Salt Spring Island Public Library Capital Reserve Fund Bylaw No. 1, 2014”.

READ A FIRST TIME THIS DAY OF 2014
READ A SECOND TIME THIS DAY OF 2014
READ A THIRD TIME THIS DAY OF 2014
ADOPTED THIS DAY OF 2014

CHAIR

CORPORATE OFFICER

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CAPITAL REGIONAL DISTRICT
BYLAW NO. 3944

A BYLAW TO ESTABLISH A CAPITAL RESERVE FUND FOR THE NORTH GALIANO ISLAND FIRE PROTECTION AND EMERGENCY RESPONSE SERVICE

WHEREAS:
A. Under Bylaw No. 1852, "North Galiano Island Fire Protection Local Services Bylaw No. 1, 1990", and as amended by Bylaw No. 3221, the Capital Regional District established a service for the purpose of fire prevention, fire suppression, and assistance in situations where the Fire Chief determines that the personnel and equipment resources of the fire department are capable of responding to the emergency;

B. Pursuant to Section 814(4) of the Local Government Act, the Board of the Regional District is empowered by Section 188 of the Community Charter, to establish a reserve fund for a specified purpose and direct that money be placed to the credit of the reserve fund;

C. It is deemed desirable to establish a reserve fund for the North Galiano Island Fire Protection and Emergency Response Service to provide for capital expenditures for or in respect of capital projects and land, machinery or equipment necessary for them and extension or renewal of existing capital works and related debt servicing payments.

NOW THEREFORE the Board of the Capital Regional District enacts as follows:

1. There shall be and is hereby established a capital reserve fund pursuant to the provisions of Section 188 of the Community Charter to be known as the "North Galiano Island Fire Protection and Emergency Response Capital Reserve Fund".

2. Surplus monies from the operation of the service may be paid from time to time into the reserve fund.

3. Monies in the reserve fund will be used to provide for new capital works and extension or renewal of existing capital works, including the planning, study, design, construction of facilities, land acquisition, as well as machinery or equipment necessary for capital works and related debt servicing payments.

4. This Bylaw may be cited as the "North Galiano Island Fire Protection and Emergency Response Capital Reserve Fund Bylaw No. 1, 2014".

READ A FIRST TIME THIS DAY OF 2014
READ A SECOND TIME THIS DAY OF 2014
READ A THIRD TIME THIS DAY OF 2014
ADOPTED THIS DAY OF 2014

CHAIR

CORPORATE OFFICER
REPORT TO FINANCE COMMITTEE
MEETING OF WEDNESDAY, MARCH 5, 2014

SUBJECT BYLAWS NO. 3930, 3932, AND 3933 FOR ADMINISTRATION OF RESERVE FUNDS

ISSUE

This report seeks approval to authorize the transfer monies from the Equipment Replacement Fund (ERF) to capital reserve funds (CRF).

BACKGROUND

The Capital Regional District (CRD) owns three office buildings that are rented to Vancouver Island Health Authority (VIHA) (Cook Street, Esquimalt and Saanich Peninsula) that have accumulated $1,216,090 in the ERF through contributions from the individual annual operating budgets over several years. Likewise, the CRD owns the Family and Children’s Court Building that has accumulated $269,510 in its ERF through annual contributions from its operating budget.

The capital expenditure plans have been prepared based on long term building sustainability. There are a number of substantial projects that are now required and are in the current Capital Plan and include projects such as carpet replacement, roof repairs, windows and exterior upgrades; all of which would be more appropriately funded from a CRF rather than an ERF. It is therefore advisable to transfer the ERF funds noted above to CRF accounts through the following proposed actions:

a. Transfer $1,216,090 from the ERF to the Office Facilities CRF;
b. Establishment of a new CRF for the Family and Children’s Court Building; it must have its own CRF distinct from the Office Facilities CRF given that it is not a region-wide service;
c. Transfer $269,510 from the ERF to the proposed Family and Children’s Court Building CRF.

The funding for these projects has been set aside in an ERF but should more appropriately be in a CRF. The ERF contributions from the office buildings can be transferred to the Office Facilities CRF; however, given that the Family and Children’s Court Building is not a region-wide service (four participating municipalities), it requires its own CRF to which the funds it has accumulated in the ERF can be transferred. The Local Government Act allows for the transfer from one reserve to another by way of bylaw.

ALTERNATIVES

That the Finance Committee recommend to the Board that:

1. a) Bylaw No. 3930 cited as the “Office Facilities Capital Reserve Fund Transfer Bylaw No. 1, 2014” be introduced and read a first and second time, read a third time and adopted;
b) Bylaw No. 3932 cited as the “Family and Children’s Court Building Capital Reserve Fund Bylaw No. 1, 2014” be introduced and read a first and second time, read a third time and adopted; and
c) Bylaw No. 3933 cited as the “Family and Children’s Court Building Capital Reserve Fund Transfer Bylaw No. 1, 2014” be introduced and read a first and second time, read a third time and adopted.

2. Bylaws No. 3930, 3932, and 3933 be deferred pending further information from staff.
IMPLICATIONS

The proposed bylaws have no impact on service budgets. They simply result in the allocation of resources to the appropriate capital reserve funds.

CONCLUSION

In order to provide funding from appropriate sources for planned capital projects, resources contributed to the ERF from the office buildings rented to VIHA and the Family and Children's Court Building must be transferred to capital reserve funds.

RECOMMENDATIONS

That the Finance Committee recommend to the CRD Board that:

1. Bylaw No. 3930 cited as the “Office Facilities Capital Reserve Fund Transfer Bylaw No. 1, 2014” be introduced and read a first and second time, read a third time and adopted;

2. Bylaw No. 3932 cited as the “Family and Children’s Court Building Capital Reserve Fund Bylaw No. 1, 2014” be introduced and read a first and second time, read a third time and adopted; and

3. Bylaw No. 3933 cited as the “Family and Children’s Court Building Capital Reserve Fund Transfer Bylaw No. 1, 2014” be introduced and read a first and second time, read a third time and adopted.

Rajat Sharma, MBA, CMA
Senior Manager, Financial Services

Diana Lokken, CPA, CMA
General Manager, Finance and Technology Dept.
Concurrence

Robert Lapham, MCIP, RPP
Chief Administrative Officer
Concurrence

Attachments: Bylaws 3930, 3932, 3933
CAPITAL REGIONAL DISTRICT
BYLAW NO. 3930

A BYLAW TO AUTHORIZE THE TRANSFER OF MONIES FROM THE EQUIPMENT RESERVE FUND TO THE OFFICE FACILITIES CAPITAL RESERVE FUND

WHEREAS:

A. By Bylaw 1882, the Regional District established the Office Facilities Capital Reserve Fund;

B. By Bylaw 945, the Regional District established the Equipment Replacement Fund;

C. The Regional District is empowered by Section 189 of the Community Charter to transfer all or part of the amount in one reserve fund to another reserve fund;

D. It is deemed desirable to transfer resources that will be used for or in respect of capital projects and land, machinery or equipment necessary for the capital projects, and extension or renewal of existing capital works from the Equipment Replacement Fund to the Office Facilities Capital Reserve Fund.

NOW THEREFORE, the Board of the Capital Regional District enacts as follows:

1. The sum of $1,216,090 (One Million Two Hundred Sixteen and Ninety Dollars) shall be transferred from the Equipment Replacement Fund to the Office Facilities Capital Reserve Fund for or in respect of capital projects and land, machinery or equipment necessary for the capital projects, and extension or renewal of existing capital works.

2. This bylaw may be cited as the "Office Facilities Capital Reserve Fund Transfer Bylaw No. 1, 2014".

READ A FIRST TIME THIS

READ A SECOND TIME THIS

READ A THIRD TIME THIS

ADOPTED THIS

th day of 2014

th day of 2014

th day of 2014

th day of 2014

CHAIR

CORPORATE OFFICER
CAPITAL REGIONAL DISTRICT

BYLAW NO. 3932

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A BYLAW TO ESTABLISH A CAPITAL RESERVE FUND
FOR THE FAMILY AND CHILDREN'S COURT BUILDING

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WHEREAS:

A. Under Supplementary Letters Patent, Division VI Family and Children's Court, the Capital Regional District may construct, reconstruct and maintain, furnish and equip a Family and Children's Court Building to serve the municipalities of Victoria, Saanich, Oak Bay and Esquimalt and adjacent Provincial unorganized territory;

B. Pursuant to Section 814(4) of the Local Government Act, the Board of the Regional District is empowered by Section 188 of the Community Charter to establish a reserve fund for a specified purpose and direct that money be placed to the credit of the reserve fund;

C. It is deemed desirable to establish a reserve fund for the Family and Children's Court Building to provide for capital expenditures for or in respect of capital projects and land, machinery or equipment necessary for them and extension or renewal of existing capital works and related debt servicing payments.

NOW THEREFORE the Board of the Capital Regional District enacts as follows:

1. There shall be and is hereby established a capital reserve fund pursuant to the provisions of Section 188 of the Community Charter to be known as the "Family and Children's Court Building Capital Reserve Fund".

2. Surplus monies from the operation of the service may be paid from time to time into the reserve fund.

3. Monies in the reserve fund will be used to provide for new capital works and extension or renewal of existing capital works, including the planning, study, design, construction of facilities, land acquisition, as well as machinery or equipment necessary for capital works and related debt servicing payments.

4. This Bylaw may be cited as the "Family and Children's Court Building Capital Reserve Fund Bylaw No. 1, 2014".

READ A FIRST TIME THIS th DAY OF 2014
READ A SECOND TIME THIS th DAY OF 2014
READ A THIRD TIME THIS th DAY OF 2014
ADOPTED THIS th DAY OF 2014

CHAIR CORPORATE OFFICER
CAPITAL REGIONAL DISTRICT

BYLAW NO. 3933

**********************************************************************
A BYLAW TO AUTHORIZE THE TRANSFER OF MONIES FROM THE EQUIPMENT
RESERVE FUND TO THE FAMILY AND CHILDREN’S COURT CAPITAL RESERVE FUND
**********************************************************************

WHEREAS:

A. By Bylaw 945, the Regional District established the Equipment Replacement Fund;

B. By Bylaw 3932, the Regional District established the Family and Children’s Court Building Capital Reserve Fund;

C. The Regional District is empowered by Section 189 of the Community Charter to transfer all or part of the amount in one reserve fund to another reserve fund;

D. It is deemed desirable to transfer resources that will be used for or in respect of capital projects and land, machinery or equipment necessary for the capital projects, and extension or renewal of existing capital works from the Equipment Replacement Fund to the Family and Children’s Court Building Capital Reserve Fund.

NOW THEREFORE, the Board of the Capital Regional District enacts as follows:

1. The sum of $269,511 (Two Hundred Sixty-Nine Thousand Five Hundred Eleven Dollars) shall be transferred from the Equipment Replacement Fund to the Family and Children’s Court Building Capital Reserve Fund for or in respect of capital projects and land, machinery or equipment necessary for the capital projects, and extension or renewal of existing capital works.

2. This bylaw may be cited as the “Family and Children’s Court Building Capital Reserve Fund Transfer Bylaw No. 1, 2014”.

READ A FIRST TIME THIS th day of 2014
READ A SECOND TIME THIS th day of 2014
READ A THIRD TIME THIS th day of 2014
ADOPTED THIS th day of 2014

CHAIR

CORPORATE OFFICER

Agenda Page 22
REPORT TO THE FINANCE COMMITTEE
MEETING OF WEDNESDAY, MARCH 5, 2014

SUBJECT
BYLAW NO. 3942 – SOOKE REGION HISTORICAL SOCIETY SERVICE
ESTABLISHMENT BYLAW AMENDMENT TO INCREASE THE MAXIMUM
ALLOWABLE REQUISITION

ISSUE
The need to increase the Sooke Region Historical Society Service’s maximum allowable
requisition given the recent decrease in property value assessments within the service area.

BACKGROUND
The recent decrease in property value assessments in the Sooke Region Historical Society’s
service area has negatively impacted the service’s maximum allowable requisition. In discussion
with the Historian at the Sooke Region Historical Society and the affected directors, Capital
Regional District (CRD) staff has been requested to increase the service’s maximum allowable
requisition to provide for a sustainable operating budget and to mitigate future assessment
decrease impacts.

The proposed bylaw amends Bylaw No. 3751, “Sooke Region Historical Society Service
Establishment Bylaw No. 1, 2011” to increase the maximum allowable requisition. This
proposed increase has the support of the Juan de Fuca Electoral Area Director and the Mayor
of the District of Sooke.

ALTERNATIVES
That the Finance Committee recommend to the CRD Board that:

1. Bylaw No. 3942, “Sooke Region Historical Society Service Establishment Bylaw No. 1,
   2011, Amendment Bylaw No. 2, 2014” be introduced and read a first and second time, and
   read a third time and adopted;

2. Bylaw No. 3942 be deferred pending further information from staff.

IMPLICATIONS
The proposed bylaw amendment increases the maximum allowable requisition to the greater of
$191,000 or 0.063/$1000 net taxable value of land and improvements. At the most, this new
rate could result in an increase of $0.011/$1000 of assessed value relative to the current
maximum allowable requisition. The 2013 requisition was $161,000. The increased dollar limit
ensures sustainability of the Sooke Region Museum’s annual operating budget and mitigates
the impact of future assessment fluctuations.

Given that the maximum amount of the requisition for the service would increase by less than
25% within a five-year period since the service’s establishment, the proposed bylaw does not
require Inspector approval.
This proposed increase has the support of the Juan de Fuca Electoral Area Director, the Mayor of the District of Sooke, the Sooke Region Historical Society Board, and the museum staff.

CONCLUSION

Given the recent decrease in property value assessments in the Sooke Region Historical Society Service Area, CRD staff, Sooke Region Historical Society Board Members, and Sooke Region Museum staff have determined that the service’s requisition maximum dollar limit needs to increase in order to ensure a sustainable operating budget for the Sooke Region Museum.

Given that the maximum amount of the requisition for the service would increase by less than 25% within a five-year period since the service’s establishment, the proposed bylaw does not require Inspector approval.

The Juan de Fuca Electoral Area Director, the Mayor of the District of Sooke, the Sooke Region Historical Society Board, and the museum staff all concur with the proposed maximum allowable requisition as included in the proposed bylaw amendment.

RECOMMENDATION

That the Finance Committee recommend to the CRD Board that:

Bylaw No. 3942, “Sooke Region Historical Society Service Establishment Bylaw No. 1, 2011, Amendment Bylaw No. 2, 2014” be introduced and read a first and second time, and read a third time and adopted.

Rajat Sharma, MBA, CMA
Senior Manager, Financial Services

Diana Lokken, CPA, CMA
General Manager Finance and Technology Dept.
Concurrence

Robert Lapham, MCIP, RPP
Chief Administrative Officer
Concurrence

Attachments: (1) Bylaw No. 3942
CAPITAL REGIONAL DISTRICT
BYLAW NO. 3942

**********************************************************
A BYLAW TO AMEND BYLAW NO. 3751 "SOOKE REGION HISTORICAL SOCIETY SERVICE ESTABLISHMENT BYLAW NO.1, 2011"
**********************************************************

WHEREAS:
A. The Board of the Capital Regional District wishes to amend Capital Regional District Bylaw No. 3751, "Sooke Region Historical Society Service Establishment Bylaw No.1, 2011" to increase the maximum amount that may be requisitioned;

B. Pursuant to Section 802 of the Local Government Act, participating area approval is required and consent on behalf of the electors of the municipal council and the electoral participating area director has been received under Section 801.4 and Section 801.5 of the Local Government Act; and

NOW THEREFORE the Board of the Capital Regional District in open meeting assembled enacts as follows:

1. Bylaw No. 3751 "Sooke Region Historical Society Service Establishment Bylaw No.1, 2011" is amended as follows:

a) By replacing Section 6 in its entirety with the following:

"6. In accordance with Section 800.1(1)(e) of the Local Government Act, the maximum amount that may be requisitioned annually for the cost of the Service is the greater of:

a) One Hundred Ninety-One Thousand Dollars ($191,000); or

b) A property value tax rate of $0.063 per One Thousand Dollars ($1,000) that, when applied to the net taxable value of land and improvements in the Service Area, will yield the maximum amount that may be requisitioned for the Service.

2. This Bylaw may be cited as the “Sooke Region Historical Society Service Establishment Bylaw No. 1, 2011, Amendment Bylaw No. 2, 2014”.

CONSENTED TO by the District of Sooke
CONSENTED TO by the Director of the Juan de Fuca Electoral Area.

READ A FIRST TIME THIS th day of 2014
READ A SECOND TIME THIS th day of 2014
READ A THIRD TIME THIS th day of 2014
ADOPTED THIS th day of 2014

CHAIR

CORPORATE OFFICER

FILED WITH THE INSPECTOR OF MUNICIPALITIES THIS th day of 2014
REPORT TO FINANCE COMMITTEE  
MEETING OF WEDNESDAY, MARCH 5, 2014

SUBJECT  JUAN DE FUCA (JDF) ELECTORAL AREA DIRECTOR TRAVEL EXPENSES

ISSUE

This report seeks approval to reimburse JDF electoral area director travel costs to and from the new JDF Administration Building construction site over a period of approximately sixty days.

BACKGROUND

During the construction of the new JDF Administration Building, the JDF Electoral Area Director travelled regularly to and from the construction site. These visits aimed at collaborating with the Project Manager in seeking innovative opportunities to integrate green/sustainable features in the building’s design.

Since the completion of the building, the Director has continued to participate in improving the building’s operational efficiency. He volunteered his time to construct baffles that help improve the sound quality in the community meeting room; he was remunerated for the cost of materials only.

The Director’s involvement in the JDF Administration Building project helped increase the building’s sustainability while keeping its construction cost down. In so doing, the Director incurred $600 in travel costs to and from the building over a period of approximately 60 days (20 kilometers a day). The reimbursement is based on the CRD standard mileage rate of $0.50 per km.

The Travel Expenses section under the Director Remunerations policy does not include a travel category for this type of purpose; it is limited to travel expenses that relate to regularly held meetings or to duties concerning official electoral area business.

ALTERNATIVES

That the Finance Committee recommend to the CRD Board:

1. That the Juan de Fuca Electoral Area Director be reimbursed $600 for travel relating to his involvement in the construction of the Juan de Fuca Administration Building.

2. That the Juan de Fuca Electoral Area Director’s travel relating to the construction phase of the Juan de Fuca Administration Building not be reimbursed.

IMPLICATIONS

Funds are available in the JDF Electoral Area travel budget to cover these travel costs which were incurred to serve the best interest of the Electoral Area and the CRD.
CONCLUSION

During the construction of the new JDF Administration Building, the JDF Electoral Area Director incurred $600 in travel to and from the construction site with the aim of collaborating with the Project Manager to integrate green/sustainable features in the building's design. The Director has also volunteered his time to construct baffles to improve the sound quality in the building's meeting room.

The Director's involvement in the JDF Administration Building construction project, and the resulting $600 travel expense, has served the best interest of the Electoral Area and the CRD by increasing the operational sustainability of the building's design.

RECOMMENDATION

That the Finance Committee recommend to the CRD Board:

That the Juan de Fuca Electoral Area Director be reimbursed $600 for travel relating to his involvement in the construction of the Juan de Fuca Administration Building.
REPORT TO THE FINANCE COMMITTEE
MEETING OF WEDNESDAY, MARCH 5, 2014

SUBJECT  2013 FREEDOM OF INFORMATION AND PROTECTION OF PRIVACY ACT (FOIPPA) REQUESTS BY DEPARTMENT

ISSUE

The purpose of this report is to update the Committee on the number of Freedom of Information requests received in 2013 by department and by type of request.

BACKGROUND

A Freedom of Information request is only necessary when the applicant has been unable to acquire records through routine avenues.

The Capital Regional District (CRD) received 116 requests during 2013, broken down as follows:

<table>
<thead>
<tr>
<th>DEPARTMENT</th>
<th># OF REQUESTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive Office</td>
<td>14</td>
</tr>
<tr>
<td>Legislative &amp; Information Services</td>
<td>10</td>
</tr>
<tr>
<td>Executive Services</td>
<td>1</td>
</tr>
<tr>
<td>Human Resources</td>
<td>3</td>
</tr>
<tr>
<td><strong>Finance &amp; Technology total</strong></td>
<td><strong>4</strong></td>
</tr>
<tr>
<td>Financial Services</td>
<td>2</td>
</tr>
<tr>
<td>Information Technology &amp; GIS</td>
<td>1</td>
</tr>
<tr>
<td>Risk, Property &amp; Facility Management</td>
<td>1</td>
</tr>
<tr>
<td><strong>Planning &amp; Protective Services total</strong></td>
<td><strong>42</strong></td>
</tr>
<tr>
<td>Animal Control/Bylaw</td>
<td>31</td>
</tr>
<tr>
<td>Building Inspection</td>
<td>6</td>
</tr>
<tr>
<td>Regional Planning</td>
<td>1</td>
</tr>
<tr>
<td>JDF Planning</td>
<td>1</td>
</tr>
<tr>
<td>Capital Regional Housing Corporation</td>
<td>3</td>
</tr>
<tr>
<td><strong>Parks &amp; Environmental Services total</strong></td>
<td><strong>17</strong></td>
</tr>
<tr>
<td>Environmental Resource Management</td>
<td>11</td>
</tr>
<tr>
<td>Environmental Protection &amp; Water Quality</td>
<td>1</td>
</tr>
<tr>
<td>Regional Parks</td>
<td>3</td>
</tr>
<tr>
<td>SSI PARC</td>
<td>1</td>
</tr>
<tr>
<td>Panorama Recreation</td>
<td>1</td>
</tr>
<tr>
<td><strong>Integrated Water Services</strong></td>
<td><strong>8</strong></td>
</tr>
<tr>
<td>Infrastructure Engineering</td>
<td>3</td>
</tr>
<tr>
<td>Electoral Area &amp; Local Utilities</td>
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<tr>
<td>Southern Gulf Islands Harbours Commission</td>
<td>4</td>
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<tr>
<td><strong>Seaterra total</strong></td>
<td><strong>30</strong></td>
</tr>
<tr>
<td><strong>Traffic Safety Commission total</strong></td>
<td><strong>1</strong></td>
</tr>
</tbody>
</table>
CONCLUSIONS

Planning and Protective Services received the most requests. Of the total requests received 36 were of a regulatory nature, 77 were requests for forms, reports, contracts, and correspondence and 3 requests were for audio recordings.

In 2013 the CRD received 54 more requests than in 2012. The minimum amount of time for processing a request is 1 hour and the maximum amount of time spent is 35 hours. This includes time for retrieving files; discussion with applicants, CRD staff or our Solicitor; reviewing records, severing and photocopying records.

Additional time is spent on files that are under appeal to the Information and Privacy Commissioners Office. This includes copying the original record, the severed record and providing a justification under the FOIPPA for each record that was not disclosed. There are 4 appeals that will continue in 2014.

A recent organizational change has been made in the FOI area and the function has now been rolled into an Information Services function as part of the Legislative and Information Services Division. This new position, included in the 2014 Financial Plan, will have the primary responsibility of records management and FOI for the organization and will guide how the CRD can provide information to the public in a more proactive manner. It is expected that over time this new function will reduce the over 100% increase in FOI requests received in 2013.

RECOMMENDATION

That the Finance Committee receive this report for information.

Nancy Moore, BA, CRM
Manager, Risk, Insurance and FOI

Diana Lokken, CPA, CMA
General Manager, Finance and Technology Dept.
Concurrence
SUBJECT  SERVICE FEE AGREEMENT RE SEWER CHARGES – CITY OF COLWOOD

ISSUE

The purpose of this report is to request approval of an agreement with the City of Colwood (Colwood) to recover a portion of the annual sewer operating costs attributable to Colwood, by way of service fee agreement, rather than by way of requisition.

BACKGROUND

Bylaw No. 2312 cited as “Liquid Waste Management Core Area and Western Communities Local Services Establishment Bylaw No. 1, 1996” as amended provides that annual operating costs and annual debt costs for the service may be recovered by way of revenue received by way of an Agreement.

Further, Additional Powers Regulation, BC Reg. 236/2002 permits a municipality to impose a fee or charge in respect of all or part of a regional water or sewer service of the Capital Regional District (CRD) where the establishing bylaw for the CRD service provides that costs may be recovered by way of an agreement and the Municipality has entered into an agreement with the CRD.

Colwood had previously entered into such an agreement for both sewer debt and operating costs. The previous agreement was approved by the Board in March 2013. Colwood now wishes to terminate the existing agreement and enter into a new agreement incorporating only the annual sewer operating costs relating to the Service apportioned to the Municipality in accordance with the Establishing Bylaw. The capital costs originally funded by service fee will now be recovered via requisition.

ALTERNATIVES

1. That the CRD agree to terminate the existing Service Fee agreement and enter into and approve a new agreement with the City of Colwood to pay by annual service fee for their share of the annual sewer operating costs within the Liquid Waste Management Core Area and Western Communities on or before August 1.

2. That the CRD Board not agree to terminate the existing service fee agreement with Colwood and not approve the attached service agreement with Colwood for 2014.

IMPLICATIONS

There is no impact on the CRD in terms of cash flow requirements, as remittance is due to the CRD each year by August 1 whether the municipal invoice is via service fee or requisition. The 2014 Financial Plan will be updated to reflect this change.

CONCLUSION

With this agreement, the municipality will be able to include CRD sewer operating costs in a user fee. The agreement has no impact on the cost sharing with the other participants or the timing of the receipt of the funds from the municipality.
RECOMMENDATION

That the Finance Committee recommend to the CRD Board:

That the CRD agree to terminate the existing Service Fee agreement and enter into and approve a new agreement with the City of Colwood to pay by annual service fee for their share of the annual sewer operating costs within the Liquid Waste Management Core Area and Western Communities on or before August 1.

Rajat Sharma, MBA, CMA
Senior Manager, Financial Services

Diana Lokken, CPA, CMA
General Manager, Finance and Technology Dept.

Robert Lapham, MCIP, RPP
Chief Administrative Officer

Attachment: Appendix A – Service Fee Agreement
SERVICE FEE AGREEMENT

THIS AGREEMENT made this 25 day of February, 2014

BETWEEN:

Capital Regional District
625 Fisgard Street
PO Box1000, Victoria
British Columbia, V8W 2S6

(the "CRD")

OF THE FIRST PART

AND:

City of Colwood
3300 Wishart Road
Colwood BC V9C 1R1

(the "Municipality")

OF THE SECOND PART

WHEREAS section 4 of Bylaw No. 2312 "Liquid Waste Management Core Area and Western Communities Service Establishment Bylaw No. 1, 1995" of the Capital Regional District which established the service of Liquid Waste Management Core Area and Western Communities Service (the "Service") provides that annual operating costs and annual debt costs for the Service may be recovered by way of revenue received by way of an Agreement;

AND WHEREAS Additional Powers Regulation, B.C. Reg. 236/2002 permits a municipality to impose a fee or charge in respect of all or part of a regional water or sewer service of the CRD where the establishing bylaw for the CRD service provides that costs may be recovered by way of an agreement and the Municipality has entered into an agreement with the CRD;

The Municipality wishes to be able to impose a fee or charge for the Service in accordance with the Additional Powers Regulation and has asked the CRD to enter into an agreement;
NOW THEREFORE, this agreement witnesses in consideration of the premises and the payment by the Municipality of the service fee as hereinafter defined, the parties hereby covenant and agree with each other as follows:

1.00 DEFINITIONS

1.01 In this Agreement:

(a) "Establishing Bylaw" means the Liquid Waste Management Core Area and Western Communities Service Establishment Bylaw No. 1, 1995;

(b) "Service Fee" means the amount payable by the Municipality to the CRD to represent 100% from 2014 on, of that amount of the annual operating costs of the Service apportioned to the Municipality in accordance with the Establishing Bylaw and to be paid by the Municipality to the CRD under this Agreement.

2.00 FEES

2.01 The Municipality agrees to pay to the CRD the Service Fee.

3.00 DELIVERY OF INVOICE

3.01 The CRD shall deliver each year to the Municipality, beginning in 2014, an invoice for the amount of the Service Fee on or before the date established by the Local Government Act for the delivery of the municipal requisition to a municipal participant in a regional district service.

4.00 PAYMENT

4.01 The Municipality shall pay the Service Fee to the CRD on or before the date established by the Local Government Act for payment by a municipality of a requisition.

5.00 TERMINATION

5.01 If the Municipality defaults on a payment due to the CRD under this Agreement, then the CRD may, on ten (10) days notice to the person responsible for corporate administration of the Municipality, terminate this Agreement, and the invoice delivered by the CRD under section 3.01 shall be deemed to have been a municipal requisition delivered pursuant to section 805 of the Local Government Act.

5.02 This agreement may be terminated in any year upon notification being provided to the CRD by December 31st of the immediately preceding calendar year.
6.00 GENERAL

6.01 This Agreement constitutes the entire Agreement between the parties and there are no representations or warranties, express or implied, statutory or otherwise, and no Agreement collateral to this Agreement other than as expressly set forth or referred to in this Agreement.

6.02 This Agreement shall not be interpreted as creating an agency, partnership or joint ventureship between the CRD and the Municipality.

6.03 Time shall be of the essence of this Agreement.

6.04 The headings in this Agreement are inserted for convenience of reference only and in no way define, limit or enlarge the scope or meaning of this Agreement or any provision of it.

IN WITNESS WHEREOF the parties hereto have set their hands and seals as of the day and year first above written.

CAPITAL REGIONAL DISTRICT
by its authorized signatories:

Chair

Corporate Officer

City of Colwood
by its authorized signatories:

Mayor

Chief Administrative Officer