Making a difference...together

Finance Committee
Notice of Meeting on **Wednesday, March 4, 2015 at 9:30 am**
Board Room, 6th floor, 625 Fisgard Street, Victoria, BC

D. Howe (Chair)	J. Ranns (Vice Chair)	M. Alto	D. Blackwell
S. Brice	J. Brownoff	B. Desjardins	A. Finall
N. Jensen (Board Chair, ex officio)			

AGENDA

1. Approval of Agenda
2. Adoption of Minutes of February 4, 2015
3. Chair's Remarks
4. Presentations/Delegations
    1. KPMG Audit Planning Report
5. Audit Planning Discussion
6. Island Corridor Funding Update
7. Risk and Insurance
8. Group Insurance for Elected Officials
9. Grant Program: Infrastructure Planning Grant Application to Develop the Capital Regional District Asset Management Planning Framework
10. New Business
11. Adjournment

To ensure quorum, please advise Pat Perna at 250-360-3642 if you or your alternate cannot attend.

1677467

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Minutes of a Meeting of the Finance Committee
Held Wednesday, February 04, 2015, in the Board Room, 625 Fisgard St., Victoria, BC

Present: **Directors:** D. Howe (Chair), J. Ranns (Vice Chair), D. Blackwell, S. Brice, J. Brownoff, B. Desjardins, A. Finall (9:33), N. Jensen (Board Chair, ex-officio)
Staff: R. Lapham, Chief Administrative Officer, D. Lokken, General Manager, Finance and Technology, C. Neilson, Senior Manager, Human Resources, R. Sharma, Senior Manager, Financial Services, S. Santarossa, Corporate Officer P. Perna, Committee Clerk (recorder)
Absent: **Directors:** M. Alto

The meeting was called to order at 9:31 am.

1. Approval of Agenda

MOVED by Director Brice, **SECONDED** by Director Desjardins,
That the agenda be approved as circulated and with the addition of a revised staff report item 8.

CARRIED

2. Adoption of Minutes

MOVED by Director Blackwell, **SECONDED** by Director Desjardins,
That the minutes of the November 19, 2014, Finance Committee meeting be adopted as previously circulated.

CARRIED

3. Chair's Remarks:

Director Finall entered the meeting at 9:33 am.

Chair Howe thanked Board Chair Jensen for the opportunity to chair this committee and thanked Director Ranns for being willing to assist him. The Chair noted the goals for 2015 are simplicity, transparency, and innovation and pledged to work for clarity, at the committee and at the board table, and to enhance the CRD's financial reputation.

4. Presentations/Delegations

There were no presentations or delegations.

5. 2015 Finance Committee Terms of Reference

D. Lokken spoke to the 2015 Finance Committee Terms of Reference and the committee discussed insurance, risks, buildings portfolio and structures, age of buildings, asbestos in buildings, and building maintenance and costs.

MOVED by Director Desjardins, **SECONDED** by Director Finall,
That it be recommended to the Capital Regional District Board:
That the 2015 Finance Committee Terms of Reference be amended in Section 1.0, Purpose, to identify risk as a separate function and include insurance along with risk.

CARRIED

Staff was requested to provide an overview at a future meeting of the risk and insurance function as well as information on buildings that have received upgrades resulting in decreased operating costs.

MOVED by Director Finall, **SECONDED** by Director Blackwell,
That the second bullet in section 3.0 of the terms of reference be amended to read:
All Board members or Alternate members are permitted to attend and participate in standing committee meetings, but not vote, where an item of local significance is on the agenda.

CARRIED

MOVED by Director Brownoff, **SECONDED** by Director Blackwell,
That the amendment be referred to staff to further review to ensure consistency and clarity.

CARRIED

MOVED by Director Brownoff, **SECONDED** by Director Brice,
That it be recommended to the Capital Regional District Board:
That the 2015 Finance Committee Terms of Reference be approved as amended.

CARRIED

6. Consolidated Capital Reserve Bylaw for the Fire Protection Local Services

D. Lokken provided an overview of the report and advantages of consolidating the bylaw.

MOVED by Director Brice, **SECONDED** by Director Blackwell,
That it be recommended to the Capital Regional District Board:
That Bylaw No. 3995, "Fire Protection Services Reserve Fund Bylaw, No. 1, 2015" be introduced and read a first and second time, read a third time and adopted.

CARRIED

7. Bylaw No. 4009: Municipal Finance Authority (MFA) Security Issuing Bylaw – Spring 2015

D. Lokken advised that tr the term of issue for Land Banking and Housing Service noted in the bylaw be revised from 15 years to 10 years.

MOVED by Director Blackwell, **SECONDED** by Director Brice,
That it be recommended to the Capital Regional District Board:
That Bylaw No. 4009, "Security Issuing Bylaw, No. 1, 2015", be introduced and read a first and second time, read a third time and adopted.

CARRIED

8. Amendment to Salt Spring Island Market in the Park Fees and Charges Bylaw 3976

A revised report was circulated to the committee. R. Lapham provided an overview of the bylaw.

MOVED by Director Blackwell, **SECONDED** by Director Desjardins,
That it be recommended to the Capital Regional District Board:
That Bylaw No. 4012, "Capital Regional District Recreation Services and Facilities Fees and Charges Bylaw No. 1, 2009, Amendment Bylaw No. 7, 2015", be introduced and read a first and second time, read a third time and adopted.

CARRIED

9. Grant Programs: Strategic Priority Fund (SPF) and Asset Management Planning Program (AMPP)

D. Lokken provided an overview of the report. Discussion ensued on the criteria, process used, and priority of grants, if monies have been paid to the Island Corridor Foundation for the E & N Rail Trail project, and deadlines and agreements regarding the project.

MOVED by Director Brice, **SECONDED** by Director Blackwell,
That staff prepare an information report to the Finance Committee, to provide an update on the status of the funding to the Island Corridor Foundation (ICF) including funds committed to date and timeframes with respect to the E & N Rail Trail.

CARRIED

Staff was requested to provide an overview of the grants coordinator function at an upcoming meeting.

MOVED by Director Blackwell, **SECONDED** by Director Desjardins,
That it be recommended to the Capital Regional District Board:
That the report regarding Grant Programs: Strategic Priority Fund (SPF) and Asset Management Planning Program (AMPP) be received for information.

CARRIED

10. New Business:

There was no new business

11. Motion to Close the Meeting

MOVED by Director Ranns, **SECONDED** by Director Finall,
That the Committee close the meeting in accordance with the *Community Charter* Part 4, Division 3, Section 90(1) (c) labour relations or other employee relations.

CARRIED

The Committee moved to the closed session at 10:32 am.
The Committee rose from the closed session at 11:35 am without report.

12. Adjournment

MOVED by Director Finall, **SECONDED** by Director Desjardins,
That the meeting be adjourned at 11:35 am.

CARRIED

_____
CHAIR

_____
RECORDER

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REPORT TO FINANCE COMMITTEE
MEETING OF WEDNESDAY, MARCH 4, 2015

SUBJECT **AUDIT PLANNING DISCUSSION**

ISSUE

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

BACKGROUND

The Canadian Auditing Standards require the auditors to clearly communicate the responsibilities of the auditor in relation to the financial statement audit and overview of planned scope and timing of the audit, with those charged with governance.

The Capital Regional District (CRD) uses KPMG for its annual audit process. The auditors will provide information on the following matters:

- Identify the role of the engagement partner,
- Overview of the planned scope and timing of the audit,
- Planning materiality,
- Identification of audit and business risks applicable to the CRD,
- New and future developments in the "business" of the entity,
- Annual inquiries and fraud considerations with those charged with governance of the CRD,
- Required communications, a summary of the standard communications required during the course of the audit, and
- Questions, issues, and concerns regarding the audit.

This is a standard audit procedure and a similar process is undertaken at other local governments in the region.

KPMG will be onsite at the CRD beginning Monday, March 30 for approximately three weeks to conduct audit field work. While onsite the auditors will perform sample testing on some of the following items: invoices, journal entries, accounts receivables, and accounts payables, in order to ensure that all aspects of financial transactions are being recorded and reported in compliance with Generally Accepted Accounting Principles (GAAP). The audit team also conducts interviews with staff in order to review internal controls and processes. The auditors ensure all financial entries are in compliance with Public Sector Accounting Board (PSAB) requirements and are accurate and complete.

Subsequent to the completion of the audit field work, financial statements are finalized by CRD staff. As part of the audit process the auditors will provide the CRD with a detailed Audit Findings Report. The finalized financial statements will be presented to the Finance Committee on Wednesday, June 3 with the Audit Findings Report and Statements of Financial Information (SOFI).

CONCLUSION

Canadian Auditing Standards require auditors to communicate the audit process and responsibilities of an independent auditing firm with those charged with the governance of an organization. This communication will include the form, timing, and expected general content of the audit.

RECOMMENDATION

That the Finance Committee receive this report for information.

Amber Genero, MA, CPA, CMA
Manager of Accounting Services

Rajat Sharma, MBA, CPA, CMA
Senior Manager, Financial Services
Concurrence

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

Robert Lapham, MCIP, RPP
Chief Administrative Officer
Concurrence

AG:sb

REPORT TO FINANCE COMMITTEE
MEETING OF WEDNESDAY, MARCH 4, 2015

SUBJECT ISLAND CORRIDOR FUNDING UPDATE

ISSUE

This report provides an update on the status of the funding to the Island Corridor Foundation (ICF) for rail infrastructure improvements.

BACKGROUND

At its meeting of February 4, 2015, the Finance Committee passed the following motion:

That staff prepare an information report to the Finance Committee to provide an update on the status of the funding to the Island Corridor Foundation (ICF) including funds committed to date and timeframes with respect to the E&N Rail Trail.

In November 2012, the Capital Regional District (CRD) conditionally approved $1.2 million in regional Grants-in-Aid funding for rail infrastructure improvements subject to the establishment of a Southern Rail – VIA Rail train service agreement. As such, the CRD requisitioned $600,000 in 2013 with the remaining balance requisitioned in 2014 and 2015.

In early April 2014, the ICF announced that a tentative agreement had been reached between Southern Rail and Via Rail to restore passenger service on the E & N rail line. Upon announcement of the tentative agreement between Southern Rain and Via Rail, the CRD along with four other regional districts established its funding agreement with the ICF (Appendix 1). The funding agreement stipulates terms and conditions of CRDs funding share; it also sets out the reporting requirements of ICF to provide detailed reports on the project expenditures.

ICF staff have reported that complete infrastructure works plan and the business plan were submitted to the Provincial Government (Ministry of Transportation) and the Federal Government (Infrastructure Canada) in October 2014.

The Province is currently undertaking the review of the project. Subsequent to the provincial sign off the project will be be submitted to Infrastructure Canada for their review. From there on it will be forwarded to the Federal Treasury Board for final approval. ICF has indicated that the Federal approval process could take approximately up to five months. A detailed timeline indicating by when all the approvals will be in place has not been identified.

Once all of the approvals are in place work will be tendered by the ICF rail operator Southern Rail. No work on the overall project has been undertaken to date. The budget for the overall project is as follows:

Federal Funding	$7.5 million	Approved
Provincial Funding	$7.5 million	Approved
Regional Districts[(1)]	$3.2 million	Approved
Southern Rail	$500,000	Approved
ICF	$2.2 million	Approved
Total	$20.9 million	

(1) All five Regional District agreements have been signed (Capital, Cowichan Valley, Alberni-Clayoquot, Nanaimo, and Comox Valley

IMPLICATIONS

The CRD contribution for the project is already in place. No funds have been released to the ICF. Staff will continue to monitor the developments and report to the Board.

CONCLUSION

ICF is currently waiting for Provincial and Federal approvals to initiate the rail infrastructure improvements project. Subsequent to receiving these approvals the project will be tendered and a detailed project timeline will be made available. The funding agreement between the CRD and ICF has been signed. No CRD funds have been spent on this project to date.

RECOMMENDATION

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

That this staff report be received for information.

Rajat Sharma, B.Eng., MBA, CPA, CMA
Senior Manager, Financial Services

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

Robert Lapham, MCIP, RPP
Chief Administrative Officer
Concurrence

RS:sb
Attachment: Appendix 1 – Funding Agreement

REGIONAL DISTRICT GRANT AGREEMENT

THIS AGREEMENT dated for reference the 14 day of July, 2014.

BETWEEN:

CAPITAL REGIONAL DISTRICT
625 Fisgard Street
Victoria, BC V8W 2S6
(the "**CRD**")

OF THE FIRST PART

AND:

ISLAND CORRIDOR FOUNDATION
Box 375 Stn A
Nanaimo, BC
V9R 5L3
(the "Foundation")

OF THE SECOND PART

WHEREAS:

A. The CRD wishes to provide the Foundation a maximum contribution of $1,200,000 for Rail Infrastructure Improvements Project ("the Project");

B. For the purposes of this agreement "the Project" is defined as the Rail Infrastructure Improvements identified as rail, rail ties, ballast and upgrades to a number of rail bridges, culverts and trestles all included in the $20.9 million budget to be expensed from the $20.9 million total budget on the Island Corridor Foundation lands lying between Victoria (mile 0) and Courtenay (mile 149.7).

C. The parties hereto wish to enter into this Agreement that specifies the terms and conditions of the contribution.

NOW THEREFORE in consideration of the premises and mutual promises and other good and valuable consideration contained herein, the parties agree as follows:

1.0 Principles of Agreement

1.1 The CRD recognizes the Foundation's mandate to preserve the use of the rail corridor in perpetuity for the connection and benefit of all Island communities and First Nations along the corridor.

1.2 The Foundation recognizes the CRD's responsibility and accountability to the taxpayers within the CRD to ensure that funds provided as part of this contribution are being used for the purpose for which they were intended.

2.0 CRD's Statutory Discretion

2.1 Nothing in this Agreement shall be interpreted as prejudicing or impairing the CRD in the exercise of any statutory powers under the *Local Government Act* or the *Community Charter* or any other enactment, all of which may be exercised as if this Agreement had not been entered into.

3.0 Term

3.1 The term of this Agreement shall be for a period of two years commencing on the day of release of funds by the CRD, unless otherwise terminated as herein provided or for such additional term as agreed to by the parties.

4.0 Project

4.1 The Foundation shall use the contribution for the Project in accordance with the terms herein and subject to any applicable CRD Board approval conditions.

4.2 Without limiting the foregoing, the Foundation shall remain in good standing and following its annual general meeting in each year of the Term, provide a copy of its Annual Report to the CRD's Chief Administrative Officer (the "CAO").

5.0 Budget

5.1 The Foundation shall provide the CRD with a detailed financial plan to include a construction schedule with attached cash flow chart setting out all anticipated revenue and costs of the Foundation in relation to the Project undertaken (the "Budget").

6.0 Payments by the CRD

6.1 The amount to be paid by the CRD to the Foundation has been approved by the CRD Board subject to following conditions and guidelines:

(a) Successful negotiation and confirmation of a new train service agreement with VIA Rail;

(b) All five participating Regional Districts providing their respective share of the overall project funding;

(c) Funding to be provided to the Foundation subject to Clause 6.1 (a) and (b) in two payments: the first $600,000 in 2014 when the tendered project has been awarded and the second $600,000 in 2015 in accordance to the construction schedule/cash flow chart referred to in Clause 5.1;

(d) The Foundation will deliver to the CRD such written reports, information and content satisfactorily and prepared by a person acceptable to the CRD, as the CRD may from time to time request concerning either the progress of the project, including financial breakdowns of various components of the project or the financial condition of the Foundation.

6.2 The Foundation shall administer the funds received from CRD in accordance with the CRD-approved Budget guidelines for this project and shall not expend such funds

except as provided for in this Budget.

7.0 Other Funding

7.1 If the Foundation receives or has received other funding, for or in respect to the Project, from any other government or governmental body, person, firm or corporation, then the Foundation will forthwith provide the CRD with full and complete particulars thereof.

8.0 Financial Statements and Right to Audit

8.1 The Foundation shall prepare and maintain all books of account, budgets, records and financial statements, including all receipts and invoices supporting any expenditure on the Project, in accordance with generally accepted accounting principles applied on a consistent basis from year to year.

8.2 The funds provided by the CRD shall be separated from any other funds in the Foundation's books of account. The Foundation shall prepare at each year-end, financial statements setting out the Foundation's assets and liabilities as well as a statement of revenue and expenditures for the year. The Foundation shall deliver a copy of the financial statements to the CAO within 60 days of the Foundation's annual general meeting in April.

8.3 At any time, the CRD may give to the Foundation written notice that it wishes to examine all books of accounts of the Foundation, and the Foundation shall, within 10 days of receipt of such notice, provide to the CRD representative access to all records, documents, books, accounts and voucher of the Foundation and shall promptly provide to the CRD all information and explanations as may be, in the representative's opinion, necessary to ascertain the use of funds received from the CRD and the financial position of the Foundation.

9.0 Indemnity

9.1 The Foundation will at all times indemnify and save harmless the CRD its directors, officers and employees from and against all claims, actions, causes of action, demands, losses, damages, costs, liabilities, expenses, fines, fees, penalties, assessments and levies, made against or incurred, suffered or sustained by any of them, at any time or times (whether such interest, fines or costs are court ordered or otherwise and whether before or after the expiration or termination of this Agreement) where the same or any of them are sustained in any way as a result of this Agreement, which indemnity will survive the expiration or sooner termination of this Agreement.

10.0 Funds may be Withheld in the Event of Breach

10.1 In the event that the Foundation is in breach of any of the terms of this Agreement and fails to cure such breach within 10 days of receipt of written notice from the CRD advising of the breach, the CRD may withhold all or part of the payment that otherwise would be made by the CRD under section 6.0 hereof.

11.0 Termination

11.1 The CRD may terminate this Agreement upon giving the Foundation 60 days' notice of

its intention to terminate if:

(a) the Foundation fails to file its annual report or is otherwise no longer in good standing under *Part II of the Canada Corporations Act*;

(b) the Foundation defaults or fails to perform any term or condition of this Agreement that is required to be performed by the Foundation; or

(c) the Project is terminated or amended such that the Foundation is not the recipient of the contribution provided for thereunder.

12.0 Notices

12.1 Any notice to be given by one party to another will be in writing and may be delivered by hand or mailed by first class prepaid registered mail to the address set forth below, or such other address of which notice is given by a party pursuant to the provisions of this section. Such notice will be deemed to have been given and received when delivered if delivered by hand, or if by mail, then the notice shall be deemed to have been given and received on the expiration of four business days after it was posted.

If to the CRD:

Capital Regional District
625 Fisgard St
Victoria, BC
V8W 2S6
Attention: Chief Administrative Officer

If to the Foundation:

Island Corridor Foundation
Box 375 Stn A
Nanaimo, BC
V9R 5L3
Attention: Chief Executive Officer

13.0 Relationship of Parties

13.1 The parties agree that nothing in this Agreement shall be interpreted as creating nor shall create an agency relationship, joint venture, partnership or employment relationship between the CRD and the Foundation, its employees, agents or contractors.

14.0 Other Acts

14.1 The parties agree that they will do all such further acts, deeds or things and execute and deliver all such further documents as may be necessary or advisable for the purpose of assuring and confirming to the parties the rights hereby created or intended and of giving effect to and carrying out the intention of facilitating the performance of the terms of this Agreement.

15.0 Assignment

15.1 The Foundation may not assign, transfer or pledge all or any part of this Agreement.

16.0 No Deemed Waiver

16.1 The failure of either of the parties to insist on performance of any covenant or condition contained in this Agreement, or to exercise any right or option hereunder, shall not be construed or operate as a waiver or relinquishment for the future of any such covenant, condition, right or option and no waiver shall be inferred from or implied by anything done or omitted by any of the parties hereto, save only as an express waiver in writing.

17.0 Counterparts

17.1 This Agreement may be executed in any number of counterparts. Each executed counterpart shall be deemed to be an original. All executed counterparts taken together shall constitute one agreement.

IN WITNESS WHEREOF this Agreement has been executed by the parties hereto on the dates set out below.

ISLAND CORRIDOR FOUNDATION
by its authorized signatories:

Authorized Signatory

JUNE 20, 2014
Date of Execution

CAPITAL REGIONAL DISTRICT
by its authorized signatories:

Alastair Bryson, Chair

Sonia Santarossa, Corporate Officer

JULY 14, 2014
Date of Execution

AGREEMENT AUTHORIZATION

	Initial	Date
Content		Jun 25/14
Legal Form		Jun 26/14
Authority		07/07/14

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Agenda Item 7

REPORT TO FINANCE COMMITTEE
MEETING OF WEDNESDAY, MARCH 4, 2015

SUBJECT **RISK AND INSURANCE**

ISSUE

The purpose of this report is to provide the Committee with information on Capital Regional District (CRD) risk management and insurance programs.

BACKGROUND

At the February 4, 2015 Finance Committee meeting, the committee asked for further information on the CRD's risk and insurance program.

Risk Management's role is to identify and assess the risks of the operations and services offered by the CRD. We explore risk control and risk finance techniques to minimize the potential for damage to the public and financial loss to the CRD as a result of claims or litigation.

Insurance is one of the risk finance techniques used to transfer the potential financial consequence of certain exposures from the CRD to the Insurer. Using questionnaires, and in discussions with staff, Risk Management identifies insurance needs and proposes policy coverage.

We purchase different types of insurance policies to protect the organization from potential liabilities including: Commercial General Liability, Marine Liability, All Risk (Property), Fleet, Crime, and Accidental Death & Dismemberment (AD&D) coverage for CRD Directors, commission members and volunteers. Insurance policies are renewed on an annual basis.

The Risk Management and Insurance presentation (Appendix A) provides further details on the CRD's Risk and Insurance program.

RECOMMENDATION

That the Finance Committee receive this report for information.

Nancy Moore, BA, CRM
Manager, Risk and Insurance

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

Robert Lapham, MCIP, RPP
Chief Administrative Officer
Concurrence

NM:sb
Attachment: Appendix A – Risk Management & Insurance Presentation

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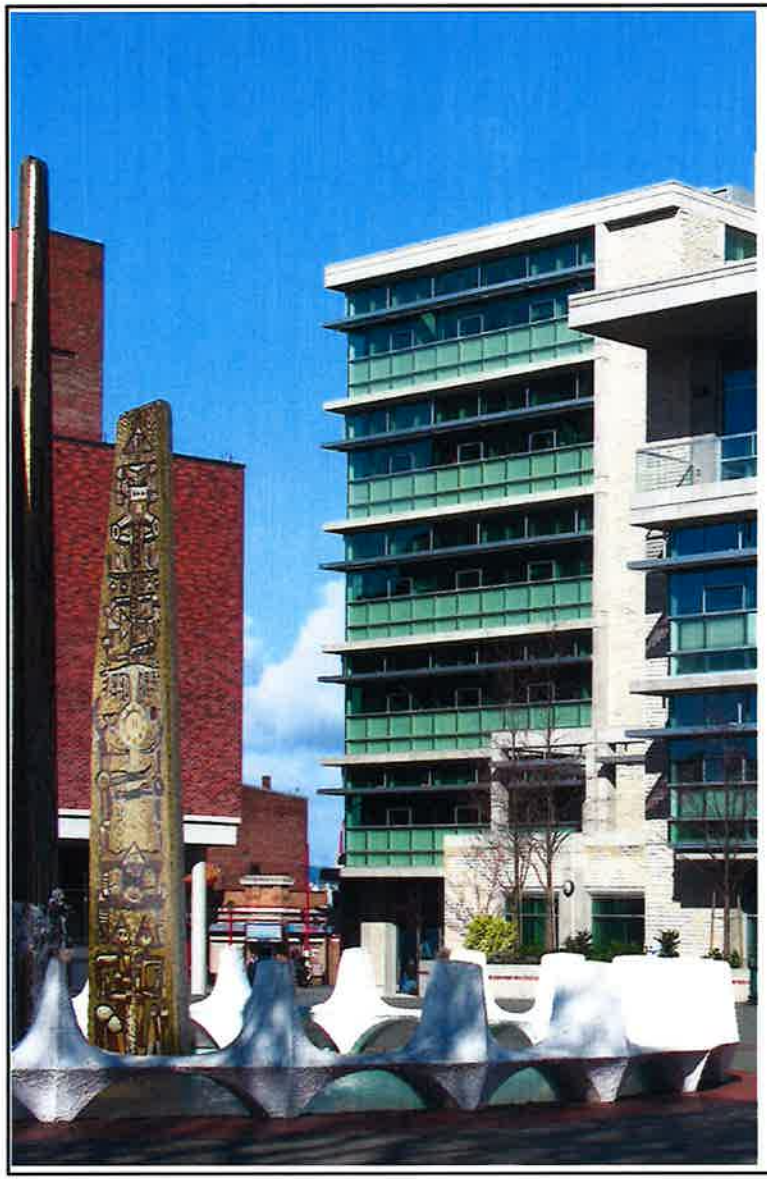
Risk Management & Insurance

Presentation to the Finance Committee

Wednesday March 4, 2015

Risk Management & Insurance



Core Services

- Risk Management
- Insurance Program
- Claims Management

The Risk Management Process

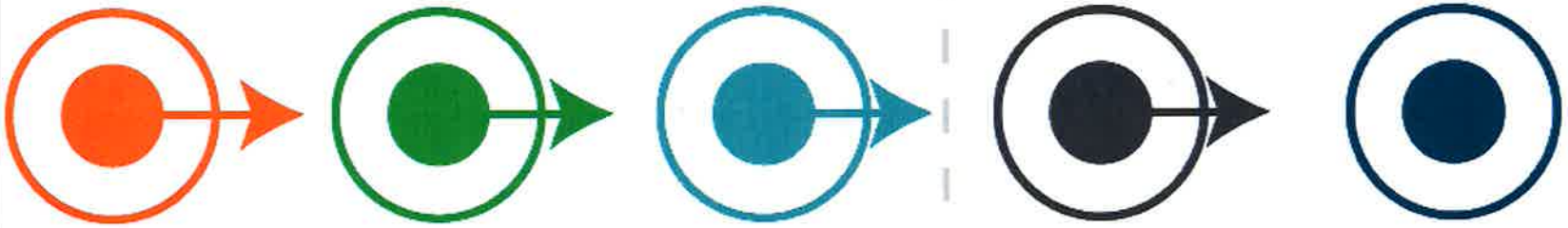
identify the risk

assess & analyze risk

develop a plan

implement plan

monitor & evaluate results



insurance

Risk Management

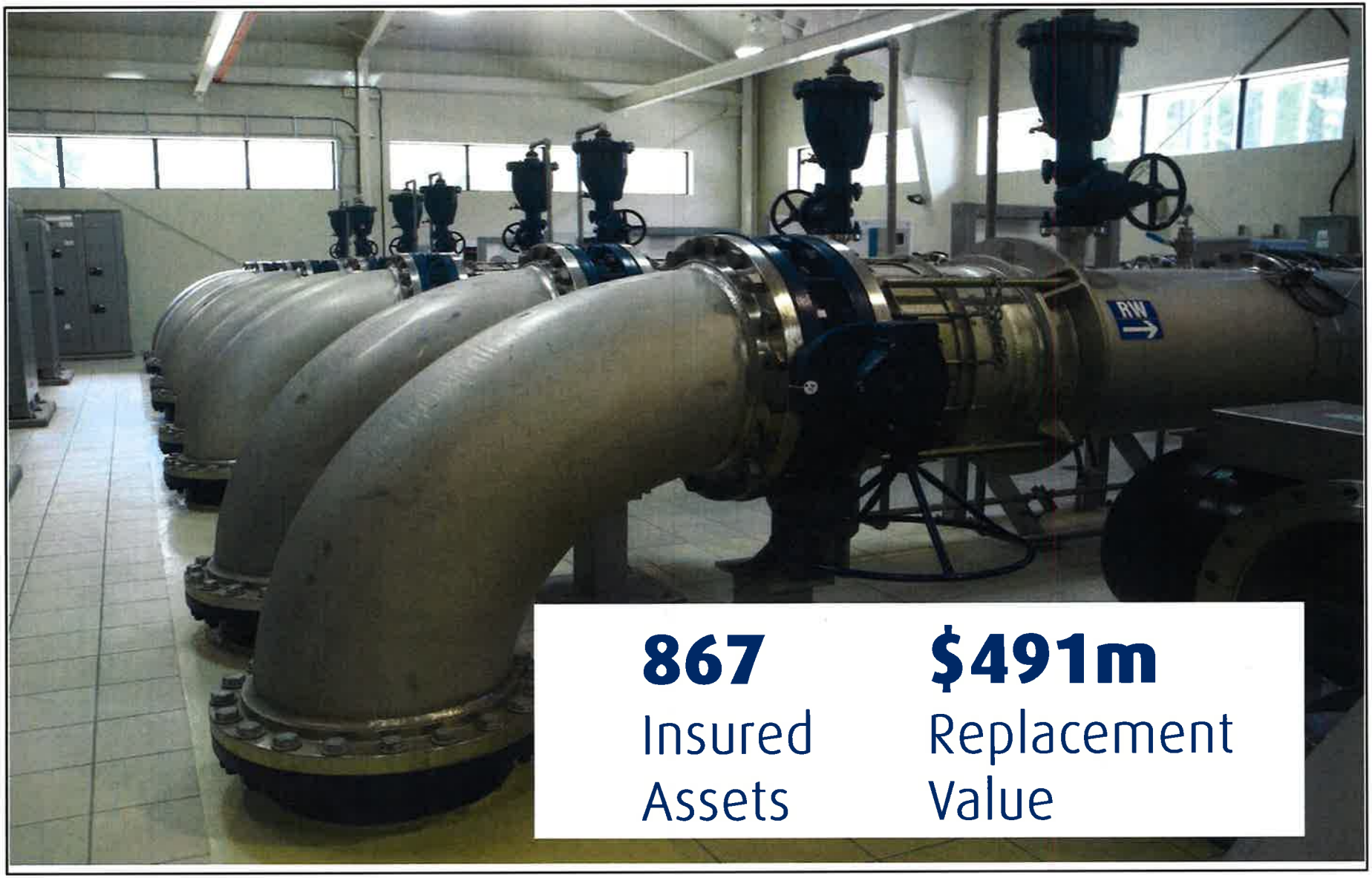
Insurance Program

- Commercial General Liability
- All-Risk (Property Insurance)
- Marine Liability
- Crime & Fidelity
- Volunteer Accidental Death and Dismemberment
- Group Accidental Death and Dismemberment
- Non-Firefighting Activities
- Third Party User Group
- Vehicle Insurance

Commercial General Liability

200+
local, regional &
sub-regional services

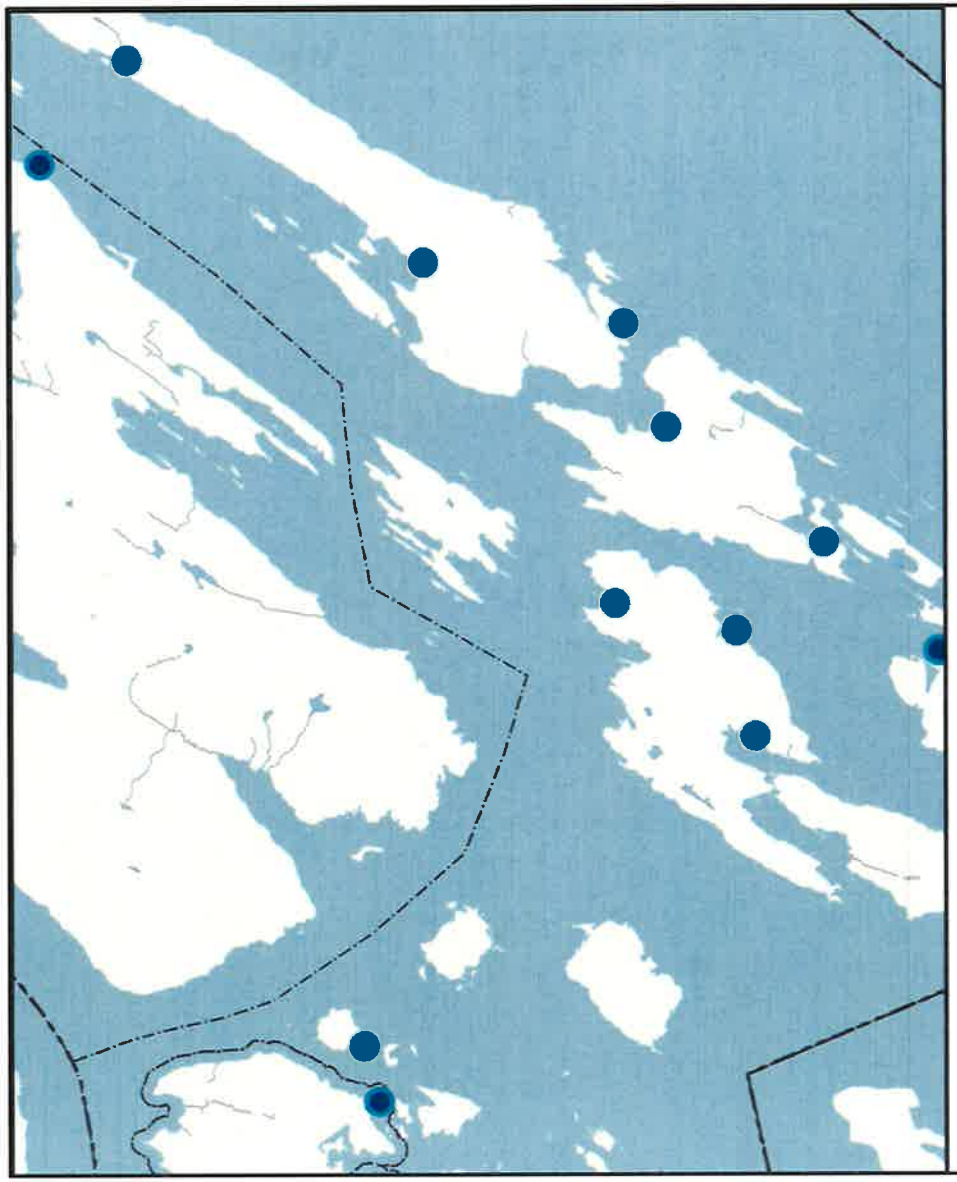
All Risk Insurance



867
Insured Assets

$491m
Replacement Value

Marine Liability



12 Small Craft Harbours

- Swartz Bay
- Piers Island
- Port Browning
- Port Washington
- Hope Bay
- Lyall Harbour
- Miners Bay
- Horton Bay
- Montague Harbour
- Sturdies Bay
- Retreat Cove
- Fernwood Point

Crime & Fidelity

Coverage for

Loss of money or securities caused by theft, forgery, robbery or safe burglary

Volunteer Accidental Death & Dismemberment

Group Accidental Death & Dismemberment

Commercial General Liability
Non-Firefighting Activities

8 Volunteer Fire Departments Insured

68 Annual Social Events

Commercial General Liability
User Groups

Vehicle Insurance

341 licensed vehicles, based out of **23** locations

Claims Management

- Liability Claims
- Property Claims
- Vehicle Claims

Thank you.

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Agenda Item 8

REPORT TO FINANCE COMMITTEE
MEETING OF WEDNESDAY, MARCH 4, 2015

SUBJECT GROUP INSURANCE FOR ELECTED OFFICIALS

ISSUE

This report presents information relating to the provision of group insurance benefits to the elected officials.

BACKGROUND

Following previous local government elections, UBCM has offered group insurance benefits to elected officials. These benefits have been made available to all local governments across BC. All municipal councillors through their respective municipalities may have access to group insurance benefits.

The Capital Regional District (CRD) currently does not provide group benefits to its Board members. However in light of the recent offer by UBCM, and considering that electoral area directors only have access to these benefits through the regional districts; it is suggested that the electoral area directors explore the possibility of accessing these benefits through the CRD.

The following benefits are available:

- Extended Health
- Dental
- Employee Assistance Program (EAP)
- Optional Life Insurance (available to age 65)
- Optional Accidental Death and Dismemberment

These benefits can be provided to the electoral area directors through the UBCMs group plan or via CRD exempt staff Extended Health and Dental plan. Optional insurance benefits however would not be available under the CRD plan. The UBCM requires a minimum of three elected officials to participate in their plan, and individuals are locked in for the duration of their four year term.

ALTERNATIVES

1. The Board support the provision of benefits to the electoral area directors on a cost shared basis with the CRD.

2. The Board support the provision of benefits to the electoral area directors at their own cost.

IMPLICATIONS

Overall the annual benefits cost would range between $1,500 to $3,000 per person. Any CRD contribution towards the cost of benefits could be charged to each area director's administration budget.

CONCLUSION

Supplementary benefits are available to the elected officials through the UBCM group insurance program. Electoral area directors may only access this coverage through CRD. Individual electoral area budget are a source of potential funding in case the Board decides to cost share the benefits cost.

RECOMMENDATION

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

That the Board support the provision of benefits to the electoral area directors on a cost shared basis with the CRD.

Rajat Sharma, MBA, CPA, CMA
Senior Manager, Financial Services

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

Robert Lapham, MCIP, RPP
Chief Administrative Officer
Concurrence

RS:sb

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Agenda Item 9

REPORT TO THE FINANCE COMMITTEE
MEETING OF WEDNESDAY, MARCH 4, 2015

SUBJECT **GRANT PROGRAM: INFRASTRUCTURE PLANNING GRANT APPLICATION TO DEVELOP THE CAPITAL REGIONAL DISTRICT ASSET MANAGEMENT PLANNING FRAMEWORK**

ISSUE

To request the Capital Regional District (CRD) Board's endorsement of an application to the Infrastructure Planning Grant (IPG) Program for development of the CRD Asset Management Planning Framework.

BACKGROUND

Asset Management is an integrated process bringing together skills, expertise and activities of people with information about a community's physical assets and finances so that informed decisions can be made for achieving sustainable service delivery.

The combination of ongoing revenue constraints, increasing service demands and slow economic growth create a challenging fiscal environment in which the CRD needs to heighten its focus on long-term planning for sustainable service delivery.

As a first step, the CRD needs to enhance and expand its asset management strategy to provide the guiding principles for developing CRD asset management plans and systems. The resulting CRD framework will govern corporate-wide asset management planning that will be integrated into the broad range of CRD plans for sustainable service delivery.

The estimated cost of the project is $15,000; it will be completed by June 30, 2015. The grant will cover up to $10,000 of the project's grant-eligible costs. The balance of the cost will be covered through existing resources.

ALTERNATIVES

1. That the Capital Regional District (CRD) Board endorse the CRD's application to the Infrastructure Planning Grant (IPG) program for development of the CRD Asset Management Planning Framework; or

2. That the CRD Board not endorse the CRD's application to the IPG program for development of the CRD Asset Management Planning Framework.

IMPLICATIONS

The proposed project is foundational to the CRD's continued work in developing a robust corporate-wide asset management planning system, which in turn facilitates informed decision-making for sustainable service delivery in the best interests of the Capital region.

CONCLUSION

The CRD has a timely opportunity to apply for IPG program funding for development of the CRD Asset Management Planning Framework. Building on the BC Asset Management Planning Framework, the CRD can proceed with development of its own customized framework that will serve as the foundation for planning the delivery of sustainable services across the Capital region.

RECOMMENDATION

The Finance Committee recommends to the Capital Regional District Board:

That the Capital Regional District (CRD) Board endorse the CRD's application to the Infrastructure Planning Grant (IPG) program for development of the CRD Asset Management Planning Framework

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