



## Notice of Meeting and Meeting Agenda Finance Committee

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Wednesday, April 1, 2015

9:30 AM

6th Floor Boardroom

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### Committee Members:

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

### 1. Approval of Agenda

### 2. Adoption of Minutes

#### 2.1. 15-296 Minutes of the March 4, 2015 Finance Committee

**Recommendation:** That the minutes of the March 4, 2015 Finance Committee be adopted as circulated.

### 3. Chair's Remarks

### 4. Presentations/Delegations

### 5. Committee Business

#### 5.1. 15-285 Capital Regional District (CRD) Grant Processes

**Recommendation:** That the Finance Committee recommend to the Capital Regional District Board to receive this report for information.

#### 5.2. 15-286 Capital Regional District (CRD) Schedule of Capital Reserves

**Recommendation:** That the Finance Committee receive this report and forward to the Capital Regional District Board for information.

#### 5.3. 15-293 Capital Regional District (CRD) Board of Directors Remuneration

**Recommendation:** That a Finance sub-committee be established by the Board to develop options for an updated compensation philosophy and proposed adjustments to the Board remuneration structure, and that staff provide support to the sub-committee.

#### 5.4. 15-295 Capital Regional District Facilities - Energy Management

**Recommendation:** That the Finance Committee receive this report for information and forward the report to the Environmental Services Committee for information.

### 6. New Business

### 7. Adjournment

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

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**Present: Directors:** D. Howe (Chair), J. Ranns (Vice Chair) (9:36 am), M. Alto, D. Blackwell, S. Brice, J. Brownoff, A. Finall

**Staff:** R. Lapham, Chief Administrative Officer; D. Lokken, General Manager, Finance and Technology; R. Sharma, Senior Manager, Financial Services; N. Moore, CRM Manager, Risk, Insurance and FOI, Risk and Real Estate; S. Norton, Deputy Corporate Officer; P. Perna, Committee Clerk (recorder)

**Also Present:** Director S. Price

**Absent: Director:** B. Desjardins

The meeting was called to order at 9:30 am.

**1. Approval of Agenda**

**MOVED** by Director Finall, **SECONDED** by Director Alto,  
That the March 4, 2014 Finance Committee agenda be approved as circulated.

**CARRIED**

**2. Adoption of Minutes**

**MOVED** by Director Brownoff, **SECONDED** by Director Brice,  
That the minutes of the February 4, 2015, Finance Committee meeting be adopted.

**CARRIED**

**3. Chair's Remarks:**

Chair Howe advised that he followed up on questions raised at the last meeting. Most will be handled by a staff report at the April meeting. He provided a summary of those items.

**4. Presentations/Delegations**

**4.1. KPMG Audit Planning Report**

R. Sharma gave an overview of the audit process and advised that the 2014 Audit Report will be presented at the Finance Committee meeting on June 3.

Mr. Randy Decksheimer of KPMG spoke to a PowerPoint presentation, which provided an overview of the audit process along with timeframes for completing the audit.

Director Ranns entered the meeting at 9:36 am.

**5. Audit Planning Discussion**

**MOVED** by Director Brownoff, **SECONDED** by Director Alto,  
That the Audit Planning Discussion report be received for information.

**CARRIED**

## 6. Island Corridor Funding Update

D. Lokken provided an overview and update on the Island Corridor Foundation (ICF) funding. It was clarified that no money has actually been transferred to ICF, the agreement to fund has been signed by the various regional districts, and the ICF is not anticipating any change to the total cost of the project of \$29 million. Approvals by the senior governments are pending. Discussion ensued regarding uncertainties related to the timelines and the potential for increase in the scope, and therefore costs, of the project. R. Lapham provided a history of the project and commitments by the senior governments.

**MOVED** by Director Brice, **SECONDED** by Director Finall,  
That it be recommended to the Capital Regional District Board:  
That the Island Corridor Funding Update report be received for information and that Director B. Isitt, as the Capital Regional District Board representative on the ICF Board, be invited to provide an update to the CRD Board on March 11, 2015.

**CARRIED**

## 7. Risk and Insurance

N. Moore spoke to a PowerPoint presentation on Risk Management and Insurance. Discussion ensued on insurance coverage due to an earthquake or flooding due to sea level rise or dam breakage, as well as funding available through disaster relief.

**MOVED** by Director Finall, **SECONDED** by Director Brownoff,  
That the Risk and Insurance report be received for information.

**CARRIED**

## 8. Group Insurance for Elected Officials

D. Lokken provided an overview of the group insurance available for Elected Municipal Officials through the Union of BC Municipalities.

**MOVED** by Director Finall, **SECONDED** by Director Brice,  
That it be recommended to the Capital Regional District Board:  
That the Capital Regional District Board support the provision of benefits to the electoral area directors on a cost shared basis with the Capital Regional District.

**CARRIED**

## 9. Grant Program: Infrastructure Planning Grant Application to Develop the Capital Regional District Asset Management Planning Framework

R. Sharma provided an overview of the report.

**MOVED** by Director Blackwell, **SECONDED** by Director Finall,  
That it be recommended 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.

**CARRIED**

**10. New Business:**

Director Brownoff advised that the Federation of Canadian Municipalities (FCM) conference is being held the week that the Audit Reporting is expected to be presented to the Finance Committee in June, and that staff should take that into consideration.

**11. Adjournment**

**MOVED** by Director Brice, **SECONDED** by Director Alto,  
That the March 4, 2015 Finance Committee meeting be adjourned at 10:30 am.

**CARRIED**

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CHAIR

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RECORDER

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**REPORT TO THE FINANCE COMMITTEE  
MEETING OF WEDNESDAY, APRIL 1, 2015**

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**SUBJECT**     **Capital Regional District (CRD) Grant Processes**

**ISSUE**

This report provides an overview of grant processes at the CRD.

**BACKGROUND**

At its February 4, 2015 meeting, the Finance Committee requested an overview report on the processes by which the CRD manages grant opportunities as they arise. The discussion concerning agenda item no. 9: *Grant Programs: Strategic Priority Fund (SPF) and Asset Management Planning Program (AMPP)*, provided the context for this request; this report provides the follow-up.

**Grant Program Categories**

The CRD Finance and Technology Department oversees all CRD grant-related programs. In total, there are five grant categories as itemized below:

**1. Arts Grants**

The CRD Arts Development Service provides funding support to arts organization on behalf of 8 municipalities in the capital region. Three types of grants are offered in accordance with the service's guidelines for grant application and evaluation by the Arts Committee.

**2. Grants-In-Aid**

Grants-In-Aid are administered by Financial Services and operate in accordance with established guidelines to provide funding for eligible projects and organizations in the Electoral Areas.

**3. Regional Grants-In-Aid**

The Board occasionally uses these grants for one-time funding of regional initiatives. A recent example is the Board's \$1.2M allocation to the Island Corridor Foundation (ICF) for E&N rail line infrastructure improvements.

**4. Community Works Fund**

Community Works Funds (CWF) are allocated to the CRD under the Federal Gas Tax Agreement. Financial Services administers the funds, which are re-allocated to the Electoral Areas and are disbursed to Federal Gas Tax eligible projects as recommended by the Electoral Area Directors and approved by the Board. CRD Financial Services is responsible for ensuring the CRD administers the CWF in accordance with the Federal Gas Tax CWF Agreement (the Agreement) terms and conditions.

**5. Special Purpose Grants**

In response to Provincial policy directives, strategic and local priorities, and partnership interests, the CRD also pursues special purpose grants. CRD Board members and CRD executive staff will make inquires with potential funding partners and various government officials to identify partner interest in achieving common goals or project outcomes.

## 6. Externally-Driven Grants

Financial Services administers grants by conducting the following main activities:

- a) Maintaining an inventory of current grant programs relevant to CRD services;
- b) Disseminating information concerning forthcoming grants:
  - i) For grants applicable to multiple CRD services, comprehensive grant briefing reports are provided to the Executive Leadership Team (ELT) as soon as a grant program is announced. ELT determines the “best fit” projects according to the grant program criteria and organizational priorities.
  - ii) For smaller single-purpose grants, information is transmitted to staff involved in services that relate to the grant purpose; project opportunities are reviewed in collaboration with financial analysts to ensure the matching fund requirements of the grant can be met. If the number of qualified projects for a grant exceed the number of applications allowed, discussions are held with all staff involved to achieve consensus on project selection.
- c) Providing support in grant application preparation; services provided vary based on the type of project proposal and can range from providing information and guidance, to providing support in preparing staff reports and preparing application documents.
- d) Administering the grant reporting, claims processing, and financial tracking.

For over 20 years, the CRD has competed successfully for externally-sourced grant funding. Over the last seven years, the CRD has leveraged approximately \$48 million in grant funding toward implementation of CRD projects totalling approximately \$80 million. The CRD has also secured commitments from Senior Government for over \$500 million to fund the CORE are sewage treatment and resource recovery project. Over the last 2 years, the following grant program trends have emerged:

- Compression of the application timeframe (e.g.: 4-12 weeks to prepare a Board-endorsed application; frequently, this period includes the winter or summer “holiday season” or other exceptional circumstances such as a Civic Election; and,
- More rigorous application procedures requiring asset management specifications and comprehensive business cases inclusive of “shovel ready project” information such as detailed cost estimates, financing strategy, and preliminary design drawings.

For infrastructure grant programs, granting agencies are seeking to invest tax dollars in “shovel-ready” projects aligned with established corporate strategic priorities for sustainable service delivery. As evidenced by recent and forthcoming grant programs, organizations are being encouraged to step up their asset management planning efforts.

In this grant environment, the CRD needs to be continuously “grant-ready” and able to respond to proposal calls with corporate strategic priority projects that best serve the region. The CRD is now therefore seeking to enhance its asset management strategy.



Asset management is the process of bringing together the skills and activities of people - with information about the community's physical infrastructure assets and financial resources - to ensure long-term sustainable service delivery. Asset management planning informs corporate strategic priorities which in turn drive action plans that, once implemented, enable the CRD to participate, on very short notice, in grant programs with strategically aligned project proposals. In short, asset management fosters the organization's on-going grant-readiness: synergy for success in getting grants that best serve the CRD region.

A heightened focus on asset management planning is both needed and timely; it will directly impact the CRD's future success at securing grants by demonstrating – to funding agencies – that grant funding is invested in long-term sustainable service delivery.

Over the coming months, the CRD has the opportunity to participate in 4 grant programs recently approved by the Board that could provide the much needed resources for continuing the asset management planning work that the CRD has initiated. By seizing this opportunity, the CRD will gradually enhance its grant-readiness for future major grant proposal calls.

It is especially important to note that these ongoing actions will help provide the foundation for the CRD's future success in forthcoming major grant initiatives under the Federal Government's Building Canada Plan:

- Round 2 of the New Building Canada – Small Community Fund
- Round 2 of the Federal Gas Tax Strategic Priority Fund

These grant proposal calls will likely be launched within the next 2-3 years; by then, CRD's asset management planning system, coupled with the CRD's work in collaboration with municipalities on regional transportation priorities will facilitate the CRD's submission of grant proposals involving corporate strategic projects that best serve the region.

### **RECOMMENDATION**

That the Finance Committee recommend to the Capital Regional District Board to receive this report for information.

Submitted by:	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

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**REPORT TO FINANCE COMMITTEE  
MEETING OF WEDNESDAY, APRIL 1, 2015**

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**SUBJECT**     **Capital Regional District (CRD) Schedule of Capital Reserves**

**ISSUE**

This report provides an annual update on CRD capital reserves as at December 31, 2014.

**BACKGROUND**

This report provides information on CRD capital reserves and reserve fund balances as at December 31, 2014. Each service provided by a regional district is set up through a service establishment bylaw or Letters Patent, and has a defined area with funds tracked separately. Services with capital requirements have their own capital reserves if monies are set aside for future capital requirements. There is also an equipment replacement reserve bylaw segmented by each division or service as applicable. Transfers to reserves are generally made from the operating budget.

Capital reserves provide financial flexibility to meet long term financing requirements for the ongoing renewal/replacement of existing assets, service enhancements and growth. These capital reserves are used to fund capital projects and are necessary to maintain our existing infrastructure. The value of capital reserve funds at December 31, 2014 is approximately \$62.7 million. Please refer to Schedule 1 attached for a list of capital reserves as at December 31, 2014. Information on these reserves is provided annually in the CRD Financial Report.

Reserve bylaws and policies are currently under review to provide for improved administration of reserve bylaws. Future financial planning will include new budget tables showing annual and projected reserve activity which assists in evaluating proposed transfers to reserves from the current operating budget, and the impact of prior year surpluses and deficits.

**CONCLUSION**

Reserve funds are established for specific services. These funds are established per the *Local Government Act*. The attached schedule is provided for information purposes.

**RECOMMENDATION**

That the Finance Committee receive this report and forward to the Capital Regional District Board for information.

Submitted By:	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

RS:sb

Attachment: Schedule 1 – CRD Capital Reserves

## CRD Schedule of Capital Reserves

As of December 31, 2014 Comparative to 2013

	2014	2013
	\$	\$
<b>Regional</b>		
Equipment Replacement Fund	19,838,445	20,882,519
Feasibility Study Reserve Fund	136,550	201,154
Office Facilities & Equipment Reserve	5,834,221	3,972,799
Regional Parks Capital Reserve Fund	1,378,746	2,156,204
Solid Waste Capital Reserve Fund <sup>1</sup>	10,050,541	8,829,494
	<u>37,238,502</u>	<u>36,042,170</u>
<b>Sub-Regional</b>		
Royal Theatre Capital Reserve Fund	598,119	458,375
S.P.W.W.S. Sewer Debt Reserve Fund	3,215,874	3,008,879
Sooke Pool Capital Reserve Fund	490,233	242,174
Saanich Peninsula Ice Arena Facility Capital	1,065,342	602,539
Sooke Community Park Capital Reserve	493,013	525,983
Trunk Sewers and Sewage Disposal Facilities	6,401,627	6,163,454
Northwest Trunk Sewer Capital Reserve Fund	1,146	1,126
Northeast Trunk Sewer Capital Reserve Fund	26,360	25,891
Central Saanich Treatment Plant Capital Reserve	720,325	707,504
Sidney Treatment Plant Capital Reserve Fund	656,380	644,697
Saanich Peninsula Water Supply Capital	6,658,032	7,909,869
McPherson Theatre Capital Reserve	595,499	1,752,551
	<u>20,921,950</u>	<u>22,043,042</u>
<b>Local</b>		
Shirley Fire Reserve Fund	5,854	61,655
Southern Gulf Islands Capital Fund	90,863	181,832
Sooke Community Park Capital Fund	110,118	108,158
Langford Community Park Reserve Fund	24,677	24,444
Pender Island Park Land Reserve Fund	32,223	31,650
Salt Spring Island Park Land Acquisition	524,220	514,889
Salt Spring Island Parks & Recreation	517,659	461,892
Southern Gulf Islands Small Craft Harbour	1,455,919	1,216,487
Galiano Island Parks & Recreation Capital	54,906	53,929
Saturna Island Park Land Reserve Fund	2,847	2,797
Mayne Island Park Land Reserve Fund	43,642	58,042
North Pender Island Fire Capital Reserve	220,042	230,849
Pender Island Parks & Recreation Commission	47,008	61,185
Saturna Island Parks & Recreation Commission	46,186	38,134
Willis Point Fire & Recreation Capital Reserve	403	34,331
Port Renfrew Solid Waste Capital Reserve Fund	12,576	16,105
Magic Lake Sewer System Capital Reserve	178,372	306,184
Maliview Estates Sewer Capital Reserve Fund	4,313	-

Ganges Sewer LSA Capital Reserve Fund	159,333	73,729
Cedars of Tuam Water Capital Reserve Fund	10,600	10,068
Port Renfrew Sewer System Capital Reserve	14,661	10,003
Magic Lake Estates Water System Capital	519,205	485,778
Port Renfrew Sewer & Water System Capital	104,359	75,032
Salt Spring Island (Highland) Water System	39,112	38,416
Lyll Harbour/Boot Cove Water Service Area	12,027	4,945
Surfside Park Estate Water Capital Reserve Fund	6,132	13,972
Skana Water Service Capital Reserve	52,038	35,665
Sticks Allison Water Capital Reserve	5,795	1,243
Wilderness Mountain Water Capital	61,340	60,248
Cedar Lane Water Capital	81,673	76,770
Beddis Water Capital Reserve	99,693	90,116
Fulford Water Capital Reserve	13,600	5,370
Salt Spring Island Park Service Area Capital Reserve	26,319	25,851
Salt Spring Island Parks Capital Reserve	47,580	40,298
Salt Spring Island Pool Facility Capital Reserve	57,476	56,453
SSI Emergency Capital	52,694	47,728
East Sooke Fire Capital Reserve	896	880
SSI Harbours	163,333	124,108
Family Court Building Capital Reserve	279,088	-
Galiano Community Use Building Capital Reserve	6,486	-
SSI Library Building Capital Reserve	3,723	-
North Galiano Fire Capital Reserve	2,354	-
Salt Spring Island Transit Capital Reserve	389,712	-
Salt Spring Island Septage Capital Reserve	67,414	-
	5,648,472	4,679,236

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<b>Total Capital Reserves *</b>	<b>\$ 63,808,925</b>	<b>\$ 62,764,448</b>
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#### Notes

1. Does not include Hartland Closure/Post Closure costs which are included as a liability on the balance sheet (\$7.2 Million) or the Waste Reduction Sustainability Operating Reserve Fund (\$8.9 million)
2. Does not include Capital Region Housing Corporation and Capital Regional Hospital District

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**REPORT TO THE FINANCE COMMITTEE  
MEETING OF WEDNESDAY, APRIL 1, 2015**

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**SUBJECT**     **Capital Regional District (CRD) Board of Directors Remuneration**

**ISSUE**

To present information and recommendations on the remuneration to Capital Regional District Board of Directors.

**BACKGROUND**

The Board requested staff to prepare a report for the next Finance Committee meeting on Board remuneration and expectations using similar comparables to those used to evaluate exempt staff compensation.

An initial review indicates that while actual total remuneration for boards of directors in local government varies widely, the typical methodologies used are relatively similar. As is similar to the board of directors of the CRD, a number of organizations use a methodology that consists of a base remuneration payment plus a meeting allowance. Additionally numerous jurisdictions provide vehicle allowances to the mayors.

At the CRD, remuneration for CRD Directors is as follows:

- Total remuneration to CRD Directors is comprised of an annual base payment plus an expense payment;
- Remuneration for Municipal Directors is a standard amount, as is remuneration for Electoral Area Directors;
- Additional payments are also provided to the CRD Board Chair and the Capital Regional Hospital District (CRHD) Chair;
- Per-meeting payments are paid to Vice-Chairs, Alternate Directors, Committee Chairs, and Municipal Directors who vote on Part 26 decisions of the Juan de Fuca Electoral Area;
- Per-meeting payments are also paid to Regional Water Supply Commissioners; and
- The annual change in remuneration is based on the average of the monthly change in the Consumer Price Index for the Victoria area for the twelve months ending October 31 of the preceding year.

We have completed a review of the remuneration for the 20 local government comparators and a summary schedule of the remuneration for five regional districts and the CRD is attached as Schedule A1, and the municipal remuneration comparison is attached as A2.

There are significant differences between the remuneration for the regional districts versus municipalities. The municipalities tend to have an annual payment that covers all or most meetings whereas the regional district compensation tends to be a combination of annual remuneration and per meeting allowances. The information provided for regional districts highlights that differential.

**ALTERNATIVES**

That it be recommended to the Capital Regional District Board:

1. That a Finance sub-committee be established by the Board to develop options for an updated compensation philosophy and proposed adjustments to the Board remuneration structure, and that staff provide support to the sub-committee.
2. That a Citizen Working Group comprised of five members representing the Core (2), Peninsula (1), Westshore (1) and the electoral areas (1), be established by the Board to develop options for an updated compensation philosophy and proposed adjustments to the Board remuneration structure, and that staff provide support to the working group.
3. That a consulting firm be engaged to develop options for an updated compensation philosophy and proposed adjustments to the Board remuneration structure.
4. That the Finance committee receive this report for information.

**IMPLICATIONS**

The Board has not reviewed its remuneration philosophy and methodology for over 20 years. The business of the regional district has become more complex over time and the demands on the elected officials have increased. Technology is changing the way business can be conducted, and there are increasing expectations for elected officials to engage with the public and other government entities. Other local governments have updated their remuneration policies and philosophies during that time. The CRD Board through the review process will be able to determine if this methodology and approach remains in line with those of other local government organizations, and to determine if there may be better approaches to be applied.

**CONCLUSION**

While Local Government board remuneration varies widely, the methodology used at the CRD appears inconsistent when compared with to other the other regional districts identified in the attached schedule. A detailed analysis of CRD Board remuneration has not been undertaken for over 20 years.

**RECOMMENDATION**

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

That a Finance sub-committee be established by the Board to develop options for an updated compensation philosophy and proposed adjustments to the Board remuneration structure, and that staff provide support to the sub-committee.

Submitted by:	Rajat Sharma, B.Eng., MBA, CPA, CMA, Senior Manager, Financial Services
Concurrence:	Chris Neilson, MBA, CHRP, Senior Manager, Human Resources
Concurrence:	Diana E. Lokken, CPA,CMA, General Manager, Finance & Technology Dept.
Concurrence:	Robert Lapham, MCIP, RPP, Chief Administrative Officer



## Schedule A1 - Regional Districts Remuneration

	Population (2011)	Municipal Directors Remuneration (\$)	Electoral Area Directors Remuneration (\$)	Chair Annual Remuneration (\$)	Vice Chair Annual Remuneration (\$)	Committee Chairs Remuneration (\$)	Per Meeting Compensation (\$)
<b>Capital Regional District (2015 data)</b>	359,991	8,940	40,559	20,509 plus Director Pay	8,203 plus Director Pay		<ul style="list-style-type: none"> <li>• \$91 - Alternate director &amp; standing committee chairpersons</li> <li>• \$71 - Vice chairperson</li> <li>• \$91 - Regional Water Supply Commission</li> <li>• \$91 - Municipal directors who vote on Part 26 decisions for the Juan De Fuca EA</li> <li>• \$91 - Municipal councilors and Directors attendance at forum of councils</li> </ul>
<b>Greater Vancouver (2015 data)</b>	2,313,328	Paid by meeting	10,419 14.5% of the Chair	71,858 equals 75% of median GVRD mayors	35,929	4,308	Board & Committee <ul style="list-style-type: none"> <li>• \$359 - Meeting up to 4 hours</li> <li>• \$718 - Meeting more than 4 hours</li> <li>• Daily remuneration capped at \$718</li> </ul>
<b>Central Okanagan</b>	179,839	14,000	14,000 + supplement \$3500 for every 5000 or portion thereof	36,000			<ul style="list-style-type: none"> <li>• \$65 - Meeting up to 4 hours</li> <li>• \$130 - Meeting more than 4 hours</li> <li>• \$25 - Committee Chairs</li> <li>• Leased vehicle for the chair</li> <li>• \$100 - director acting as a chair</li> <li>• Non CORD meetings, but CORD business directors receive day or half day rate</li> </ul>
<b>Fraser Valley</b>	277,593	9,085	18,650	26,941 EA chair add \$9,565		1,743 Chair of EAS cmtee add \$5,113	
<b>Fraser Fort George</b>	917,879	11,560	17,844	15,964 plus director pay	2,753 plus director pay	\$100	<ul style="list-style-type: none"> <li>• \$100 if not on board day</li> <li>• \$200 - Alternate directors pay for regular board meetings,</li> <li>• \$100 - committee members pay for select or standing committee</li> </ul>
<b>Nanaimo</b>	146,574	11,855	11,855 plus regional allowance \$10,985	19,500 plus director pay	\$160 per meeting	\$110 per meeting	<ul style="list-style-type: none"> <li>• \$85 per meeting - Committee Vice Chair</li> <li>• \$70 per meeting for meetings exceeding 5 per month (any RD business) for half day, \$110 for full day</li> </ul>

Notes:

- 1/3 of remuneration is deemed an expense allowance and non-taxable
- Out of pocket travel on regional district business is generally reimbursed per established expense policies.

Schedule A2 – Municipal Remuneration

Municipalities	Population 2011 estimates	Mayors Remuneration (\$)	Councilors Remuneration (\$)
Abbotsford	1,333,765	95,200	37,500
Burnaby	223,218	123,131	55,408
Coquitlam	126,495	129,665	37,362
Delta	99,868	113,832	48,734
Kamloops	85,678	83,439	29,203
Kelowna	119,229	89,458	31,310
Langley	104,743	110,454	44,181
Nanaimo	83,810	94,603	34,594
North Vancouver	86,396	97,776	33,823
Prince George	71,974	94,182	31,394
Richmond	190,473	119,081	55,841
Saanich	109,752	95,702	37,625
Surrey	468,359	109,615	55,462
Vancouver	605,071	155,612	68,552
Victoria	80,017	99,705	39,886

Notes:

- 1/3 of remuneration is deemed an expense allowance and non-taxable except for Victoria



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**REPORT TO FINANCE COMMITTEE  
MEETING OF WEDNESDAY, APRIL 1, 2015**

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**SUBJECT**     **Capital Regional District Facilities – Energy Management**

**ISSUE**

At its February 4, 2015 meeting, the Finance Committee asked staff to report on how facilities are being retrofitted to increase energy efficiency, reduce greenhouse gas (GHG) emissions and reduce operating costs. This report provides background on the management of CRD facilities, provides an overview of projects completed to date and discusses future initiatives.

**BACKGROUND**

The Capital Regional District (CRD) derives energy from a variety of fuel sources and increasing costs can have significant effects on service budgets, despite effective energy demand management. For example, the CRD's electricity consumption decreased by 13% between 2012 and 2014. This decrease can be attributed to energy conservation measures and the relatively colder winter in 2012 as compared to 2014. But over the same period, the CRD's total electricity expenditures increased by 17%, as a result of increased hydroelectricity rates. In 2013, BC Hydro announced a 28% electricity rate increase over a 5-year period.

The CRD is committed to the efficient and effective delivery of services. The CRD 2012-2014 Corporate Strategic Plan targets the implementation of innovative energy opportunities. In 2008, the CRD committed to becoming carbon neutral within corporate operations by 2012, and reducing GHG emissions 33% against 2007 levels by 2020. In 2009, the CRD created the climate action service with a broad mandate that includes supporting the CRD in fulfilling corporate climate objectives. The CRD has achieved the target of carbon neutrality and has been carbon neutral within corporate operations since 2012.

The CRD's buildings and facilities account for 45% of the organization's total corporate GHG emissions (2013 data). The remaining 55% of corporate emissions come from operation of the CRD vehicle fleet. Between 2011 and 2013, GHG emissions resulting from corporate operations dropped from 3,789 tonnes to 3,682 tonnes (approximately 3% reduction). Staff are currently compiling the results of the 2014 GHG inventory, which will be reported out to the Environmental Services Committee through the 2014 Climate Action Program Annual Report.

The CRD currently owns and manages 392 buildings and facilities consisting of 862,620 square feet. The Capital Regional Housing Corporation owns and operates an additional 45 facilities consisting of 1,400,000 square feet.

Of important note is that each CRD department, through its respective service delivery, is responsible for managing their facilities. For example, Regional Parks is responsible for all the buildings associated with that particular service; IWS is responsible for all facilities associated

with drinking water service delivery and, separately, all facilities associated with liquid waste management service. The CRD's Facility Management division is currently responsible for managing the CRD Headquarters, JDF Administration building; Animal Control/Bylaw office Animal Control Pound; Salt Spring Island Library; Galiano Library and four facilities which are leased to Island Health. For the buildings leased to Island Health, Facility Management staff work collaboratively with their Energy Management division and the GHG data from these buildings is reported by Island Health as part of their portfolio.

Staff across all departments are currently working to identify and implement projects within facilities to reduce energy costs, save GHG emissions and meet the 2020 GHG reduction target.

The CRD Climate Action Program, with a staff of 1.5 FTE, is a resource to the organization as well as the municipalities and electoral areas, acting as a hub and facilitator on climate mitigation and adaptation issues.

An overview of projects to date and upcoming initiatives is presented in Appendix A.

### **ALTERNATIVES:**

That the Finance Committee:

1. Receive this report for information and forward the report to the Environmental Services Committee, for information.
2. Request further information from staff.

### **CONCLUSIONS**

Since signing the provincial Climate Action Charter, the CRD has met its commitment to be carbon neutral within corporate operations since 2012. Energy management and greenhouse gas reductions are linked through the assets and services of the organization. Staff across all departments continue to make progress towards identifying and implementing innovative energy opportunities within CRD facilities to reduce energy costs, reduce GHG emissions and, deliver effective and efficient services. Concurrently in 2015, the CRD is implementing a review of its fleet and building assets in order to develop a strategy which will allow the organization to meet its other stated goal of reducing GHG emissions by 33% by 2020.

### **RECOMMENDATION**

That the Finance Committee receive this report for information and forward the report to the Environmental Services Committee for information.

Submitted by:	Nancy Moore, BA, CRM Acting Senior Manager, Risk, Property & Facility Management
	Glenn Harris, Ph.D., R.P.Bio. Senior Manager, Environmental Protection
Concurrence:	Diana Lokken, Dip Bus Admin, CMA General Manager, Finance and Technology
Concurrence:	Larisa Hutcheson, P.Eng. General Manager, Parks & Environmental Services

NM/LF:cam

Attachment: Appendix A – Overview of Energy Management Projects and Upcoming Initiatives

## OVERVIEW OF ENERGY MANAGEMENT PROJECTS AND UPCOMING INITIATIVES

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### 1. PROJECT HIGHLIGHTS

Staff are working to improve energy efficiency, reduce greenhouse gas emissions and reduce operating costs within CRD-owned facilities.

#### **Waste-heat Recovery at Saanich Peninsula Wastewater Treatment Plant**

The Saanich Peninsula Wastewater Treatment Plant heat recovery system was commissioned in 2011. The system recovers thermal energy from the treatment plant effluent and supplies hot water to heat the Panorama Recreation Centre (Panorama) pool. The system has been operating efficiently by displacing the need for natural gas to heat the pool, thus significantly reducing the amount of greenhouse gas emissions from Panorama. In 2014, approximately 6,200 GJ of natural gas was offset by using waste-heat energy from the treatment plant. In addition, natural gas consumption at Panorama went down 10% between 2007 and 2014. By further fine-tuning of the waste-heat recovery system, additional energy savings can be achieved.

#### **LEED Building Implementation**

Leadership in Environmental Design (LEED) is a green building certification program that recognizes best-in-class building strategies and practices. The CRD has adopted this LEED approach in new building construction. Some examples are:

- CRD Headquarters – green roof, living wall, and rainwater harvesting
- Salt Spring Island Library – solar panels and rainwater harvesting
- Juan de Fuca Electoral Area Administration Building – solar panels and rainwater harvesting

### 2. ENERGY AUDIT, FEASIBILITY STUDIES AND PROGRAMS

#### **SEAPARC and Panorama Recreation Centres**

In 2013, the CRD commissioned energy audit and feasibility studies for Panorama and SEAPARC Leisure Complex (SEAPARC). Consultants were hired to analyze current energy performance and determine energy conservation measures and implementation costs. Table 1 provides a summary of the energy audit.

**Table 1. Summary of the Energy Audit**

	<b>SEAPARC</b>	<b>Panorama</b>
<b>Electricity Consumption Savings (Kwh/year)</b>	(2,282)	(258,692)
<b>Gas Savings (GJ/year)</b>	3,157	5,258
<b>CO<sub>2</sub> Reductions (tonnes/year)</b>	104	151
<b>Total Cost of proposed upgrade</b>	\$392,283	\$441,200
<b>Financial Savings (\$/ year)</b>	\$45,591	\$47,729
<b>Project payback (years)</b>	9 years	10 years

Both recreation centers are planning to implement findings within the next few years. SEAPARC is currently undertaking a lighting retrofit of the facility. It is estimated that approximately \$6,000 per year in energy savings can be achieved.

### **Capital Regional Housing Corporation - Energy Conservation Program**

The Capital Regional Housing Corporation (CRHC) operates 45 facilities that provide more than 1,200 affordable rental units within the capital region. CRHC staff worked with BC Hydro and Fortis to provide free home energy reviews for approved CRHC rental units. Based on the evaluations, each household received a range of energy-efficient products, including water-saving showerheads, faucet aerators, weather stripping and compact fluorescent light bulbs, which use up to 75 per cent less energy than regular light bulbs. To date, this outreach has been completed on 336 units, and is in progress within a further 52 units. Another 261 units are scheduled for phase two of the program.

### **CRD Facility Management – Energy Projects**

#### **CRD Headquarters - Fisgard**

In 2010, an upgrade was completed on the mechanical cooling system in the Information Technology Data Center and, in 2012, the HVAC and temperature controls were upgraded to initiate the heat recovery project.

#### **Island Health Leased Buildings**

Between 2010 and 2013, mechanical upgrades were performed to the HVAC systems to provide more efficient heating.

Between 2011 and 2013, upgrades to exterior LED lighting systems were completed.

#### **CRD Animal Pound**

In 2013, the CRD upgraded with new air conditioning units and added solar filming on south facing windows to reduce electrical demand.

#### **Energy Assessments**

In 2015, the Facility Management engaged the Building Owners Management Association (BOMA) to provide an energy efficient assessment for five buildings (CRD Headquarters and the four buildings leased to Island Health). This assessment identified energy conservation opportunities. The CRD is currently completing business cases for the identified opportunities, ensuring that they meet with strategic direction and capital plans, as well as engaging the stakeholders of the leased properties. There is incentive funding available through BC Hydro and Fortis for undertaking and completing these projects.

The business case analysis will include GHG emissions and incentive funding and pay-back analysis, as well as operational considerations.

BC Hydro and Fortis BC have funding models available to complete energy audits, subject to energy conservation thresholds being met. Facility Management is investigating opportunities to access incentive monies to complete energy audits in the coming years.

### **Energy Monitoring Software**

Facility Management is implementing a program to monitor utility consumption, including hydro, natural gas and water. This web-based utility monitoring program will be used for 400 utility accounts (electrical, gas and water). It will provide baseline usage data; quantify savings achieved through the program; and satisfy reporting requirements (annual reporting for the Province of BC's GHG Smart Tool program). It is fully integrated with the Natural Resources Canada benchmarking reporting program.

Monitoring reports also provide feedback to operations staff and occupants that will encourage an ongoing conservation effort. This program is also available to monitor vehicle fuel consumption.

### **Climate Action Program**

In support of department initiatives, the CRD program created a one-year term position to review the CRD's overall progress to meeting the 2020 GHG emissions reduction target (i.e., 33% reduction in GHG emissions from 2007 levels) and develop a strategy specifically around its fleet and building assets to meet those targets. In 2015, the key initiatives will include:

- Working with staff across the organization to initiate building energy assessments and identify energy efficiency incentive opportunities through Fortis BC and BC Hydro;
- Conducting a review of the CRD fleet to determine current fuel consumption and identify opportunities to reduce GHG emissions and save operating costs;
- Analyzing progress towards meeting the CRD's GHG reduction targets within facilities and identifying a strategy to meet targets

Results of the analysis and the associated strategy will be reported to the Environmental Services Committee and shared across the organization.