



## Notice of Meeting and Meeting Agenda Finance Committee

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Wednesday, January 6, 2021

10:00 AM

6th Floor Boardroom  
625 Fisgard St.  
Victoria, BC V8W 1R7

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S. Brice (Chair), K. Williams (Vice Chair), D. Blackwell, D. Howe, J. Loveday, G. Orr, D. Screech,  
N. Taylor, R. Windsor, G. Young, C. Plant (Board Chair, ex-officio)

The Capital Regional District strives to be a place where inclusion is paramount and all people are treated with dignity. We pledge to make our meetings a place where all feel welcome and respected.

### 1. Territorial Acknowledgement

### 2. Approval of Agenda

### 3. Adoption of Minutes

### 4. Chair's Remarks

### 5. Presentations/Delegations

*In keeping with directives from the Province of BC, this meeting will be held by Live Webcast without the public present.*

*To participate electronically, complete the online application for "Addressing the Board" on our website. Alternatively, you may email the CRD Board at [crdboard@crd.bc.ca](mailto:crdboard@crd.bc.ca).*

- 5.1. [21-008](#) Capital Regional District 2020 Audit Planning Presentation (Verbal),  
Lenora Lee, Lead Audit Engagement Partner, KPMG

### 6. Committee Business

- 6.1. [21-002](#) 2021 Finance Committee Terms of Reference

**Recommendation:** That the 2021 Finance Committee Terms of Reference attached at Appendix A be received for information.

**Attachments:** [Staff Report: Finance Committee 2021 Terms of Reference](#)  
[Appendix A: Finance Committee 2021 Terms of Reference](#)  
[Appendix B: Tracked Changes Past Gov/Fin to New Finance ToR](#)

- 6.2. [21-003](#) 2021 Royal & McPherson Theatres Services Advisory Committee Terms of Reference

**Recommendation:** The Finance Committee recommends to the Capital Regional District Board:  
That the 2021 Royal & McPherson Theatres Services Advisory Committee Terms of Reference attached at Appendix A be approved.

**Attachments:**      [Staff Report: 2021 RMTS Advisory Committee Terms of Reference](#)  
[Appendix A: 2021 RMTS Advisory Committee Terms of Reference](#)  
[Appendix B: RMTSAC Tracked Changes 2021 Terms of Reference](#)

**6.3.      [21-005](#)      Capital Regional District 2020 Audit Planning Discussion**

**Recommendation:**    The Finance Committee recommends to the Capital Regional District Board:  
That the Capital Regional District 2020 Audit Plan developed by KPMG be approved.

**Attachments:**      [Staff Report: CRD 2020 Audit Planning Discussion](#)  
[Appendix A: CRD 2020 Audit Plan KPMG](#)

**6.4.      [21-006](#)      Capital Regional District External Grants Update**

**Recommendation:**    The Finance Committee recommends to the Capital Regional District Board:  
That the Capital Regional District External Grants Update be received for information.

**Attachments:**      [Staff Report: CRD External Grants Update](#)  
[Appendix A: CRD Grants Dashboard](#)

**6.5.      [21-007](#)      Bylaw Nos. 4399 and 4400: Security Issuing Bylaws, Spring 2021**

**Recommendation:**    The Finance Committee recommends to the Capital Regional District Board:  
1. That Bylaw No. 4399, "Security Issuing Bylaw No. 1, 2021", be introduced and read a first, second, and third time; and  
2. That Bylaw No. 4399 be adopted.  
3. That Bylaw No. 4400, "Security Issuing Bylaw No. 2, 2021", be introduced and read a first, second, and third time; and  
4. That Bylaw No. 4400 be adopted.

**Attachments:**      [Staff Report: Bylaws 4399 & 4400 - MFA Security Issue 2021 Spring](#)  
[Appendix A: Bylaw No. 4399 Security Issuing No.1, 2021 CRD](#)  
[Appendix B: Bylaw No. 4400 Security Issuing No.2, 2021 Saanich](#)

**7. Notice(s) of Motion**

**7.1.      [20-778](#)      Motion with Notice: Social Procurement (Director Helps and Tait)**

**Recommendation:**    That staff be directed to report to the Governance and Finance committee about the potential for the Capital Regional District to join the Coastal Communities Social Procurement Initiative.

**Attachments:**      [CCSPI Flyer 2021](#)

**8. New Business**

**9. Adjournment**

The next meeting is March 3, 2021.

To ensure quorum, please advise Sherri Closson ([sclosson@crd.bc.ca](mailto:sclosson@crd.bc.ca)) if you or your alternate cannot attend.

**REPORT TO FINANCE COMMITTEE  
MEETING OF WEDNESDAY, JANUARY 06, 2021**

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**SUBJECT**     **2021 Finance Committee Terms of Reference**

**ISSUE SUMMARY**

This report is to provide the 2021 Terms of Reference for the Committee's review.

**BACKGROUND**

Under the *Local Government Act* and the CRD Board Procedures Bylaw, the CRD Board Chair has the authority to establish Standing Committees and appoint members to provide advice and recommendations to the Board.

On December 9, 2020, the Regional Board approved the 2021 Standing Committee Terms of Reference. Terms of Reference (TOR) serve to clarify the mandate, responsibilities and procedures of standing committees and provide a point of reference and guidance for the committees and members.

For 2021, the Finance and Governance Committee were split to create two separate committees:

- Finance Committee
- Governance Committee

New TORs have been drafted for the Finance Committee to reflect its service area. The Finance Committee will meet every second month, on odd-numbered months.

In addition to refining the defined purpose of the Committee, minor housekeeping changes were made to the pro-forma provisions of the standing committees' TOR, including updates to the language under committee composition to clarify that all Board Members can attend all committees, but not vote unless a member; and, clarification to the provision regarding creation of the committee agenda to clarify Board Members may raise items for the agenda through the notice of motion process.

The TOR are being provided for review by the committee. Any proposed revisions to the TOR will require ratification by the Board.

**CONCLUSION**

Terms of Reference serve to clarify the mandate, responsibilities and procedures of committees and provide a point of reference and guidance for the committees and their members.

**RECOMMENDATION**

That the 2021 Finance Committee Terms of Reference attached at Appendix A be received for information.

Submitted:	Kristen Morley, J.D., General Manager, Corporate Services & Corporate Officer
Concurrence:	Nelson Chan, MBA, FCPA, FCMA, Chief Financial Officer
Concurrence:	Robert Lapham, MCIP, RPP, Chief Administrative Officer

**ATTACHMENT(S)**

Appendix A: 2021 Finance Committee Terms of Reference

Appendix B: Tracked Changes version of Terms of Reference from past Governance and Finance Committee

# Terms of Reference

The logo for the Capital Regional District (CRD) is located in the top right corner of the header. It consists of the letters 'CRD' in a stylized, bold, sans-serif font, positioned above a series of three curved, overlapping lines that suggest a landscape or water.

## **FINANCE COMMITTEE**

### **PREAMBLE**

The Capital Regional District (CRD) Finance Committee is a standing committee established by the CRD Board to make recommendations to the Board regarding items related financial policy, administration, and reporting. The committee will also provide advice to the Board on agenda items for Committee of the Whole meetings.

The Committee's official name is to be:

Finance Committee

### **1.1 PURPOSE**

- a) To provide advice or make recommendations, or both, to the Board regarding the following functions:
  - i. Corporate budget process
  - ii. Financial monitoring, reporting and forecasting
  - iii. Corporate financial management (including policies) and audit compliance
  - iv. Grants reporting and policies
  - v. Financial impacts related to strategic Board priorities and initiatives
- b) The Committee will provide recommendations to the Board that aim to increase the transparency of the organization and the visibility of financial reporting efforts.
- c) The following committee will report through the Finance Committee
  - Royal & McPherson Theatres Services Advisory Committee

### **2.1 ESTABLISHMENT AND AUTHORITY**

- a) The Committee will make recommendations to the Board for consideration; and
- b) The Board Chair will appoint the Committee Chair, Vice Chair and Committee members on an annual basis.

### **3.1 COMPOSITION**

- a) Committee members will be appointed CRD Board Members;
- b) All Board members are permitted to participate in standing committee meetings, but not to vote, in accordance with the CRD Board Procedure Bylaw.

#### **4.1 PROCEDURES**

- a) The committee shall meet on a bi-monthly basis, on odd number months, and have special meetings as required;
- b) The agenda will be finalized in consultation between staff and the Committee Chair and any Committee member may request that a matter be placed on the agenda through the Notice of Motion process;
- c) 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; and
- d) A quorum is a majority of the Committee membership and is required to conduct Committee business.

#### **5.1 RESOURCES AND SUPPORT**

- a) The Chief Financial Officer will act as liaison to the committee; and
- b) Minutes and agendas are prepared and distributed by the Corporate Services Department.

Approved by CRD Board \_\_\_\_\_

# Terms of Reference

The logo for the Capital Regional District (CRD) is located in the top right corner of the header. It consists of the letters 'CRD' in a stylized, bold, sans-serif font, set against a dark, wavy background that resembles a stylized landscape or water.

## GOVERNANCE AND

# Terms of Reference

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## FINANCE COMMITTEE

### PREAMBLE

The Capital Regional District (CRD) ~~Governance and~~ Finance Committee is a standing committee established by the CRD Board to make recommendations to the Board regarding items related ~~to corporate governance and financial~~ policy, administration, and reporting. The committee will also provide advice to the Board on agenda items for Committee of the Whole meetings.

The Committee's official name is to be:

~~Governance and Finance Committee~~

Finance Committee

### 1.1 PURPOSE

- a) To provide advice or make recommendations, or both, to the Board regarding the following functions:
  - i. ~~Board, committee and commission governance and meeting procedures;~~
  - ii. ~~Matters of intergovernmental significance including advocacy to provincial and federal governments as required;~~
  - iii. ~~Corporate and financial controls and policies;~~
  - iv.i. ~~Corporate budget process and service plans;~~
  - v.ii. ~~Financial monitoring, reporting and forecasting;~~
  - vi. ~~Risk Corporate financial management;~~
  - vii.iii. ~~Audit planning (including policies) and audit compliance;~~
  - viii. ~~Labour relations and human resource matters;~~
  - iv. ~~Grants reporting and policies~~
  - ix.v. ~~Financial impacts related to strategic Board, Committee priorities and Commission compensation initiatives~~

- b) The Committee will provide recommendations to the Board that aim to increase the transparency of the organization and the visibility of financial reporting efforts.
- c) The following committee will report through the ~~Governance and~~ Finance Committee
  - Royal & McPherson Theatres ~~Society~~Services Advisory Committee

## 2.1 ESTABLISHMENT AND AUTHORITY

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

### 3.1 COMPOSITION

- a) Committee members will be appointed CRD Board Members;
- b) All Board members are permitted to participate in standing committee meetings, but not to vote, ~~where an item of local significance is on~~ in accordance with the agenda ~~(CRD Board resolution Nov. 12, 2014).~~ Procedure Bylaw.

### 4.1 PROCEDURES

- a) The ~~Committee~~committee shall meet on a bi-monthly basis, on odd number months, and ~~hold~~have special meetings as required;
- b) The agenda ~~shall~~will be finalized in consultation between staff and the Committee Chair and any Committee member may request that a matter be placed on the agenda through the Notice of Motion process;
- c) 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; and
- d) A quorum is a majority of the Committee membership and is required to conduct Committee business.

### 5.1 RESOURCES AND SUPPORT

- a) The Chief Financial Officer ~~and General Manager, Corporate Services~~ will act as liaison to the ~~Committee~~committee; and
- b) Minutes and agendas are prepared and distributed by the Corporate Services Department.

Approved by ~~the~~ CRD Board ~~on~~ \_\_\_\_\_, 2020 \_\_\_\_\_

**REPORT TO FINANCE COMMITTEE  
MEETING OF WEDNESDAY, JANUARY 06, 2021**

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**SUBJECT**     **2021 Royal & McPherson Theatres Services Advisory Committee Terms of Reference**

**ISSUE SUMMARY**

This report provides the 2021 Terms of Reference for the Finance Committee's review. When initially created this committee was incorrectly named. The revised Terms of Reference renaming the committee provides the appropriate correction.

**BACKGROUND**

The Royal and McPherson Theatres Society Advisory Committee (RMTSAC) oversees the contribution agreements for the CRD services that provide funding to the Royal Theatre and the McPherson Playhouse. The theatres are managed through a contract with the Royal & McPherson Theatres Society (RMTS).

The use of "Society" in the current name of the committee was a misnomer as the committee does not act in an advisory capacity to the RMTS. Changing the committee name to "Royal and McPherson Theatres Services Advisory Committee" accurately reflects the purpose and function of the committee which is to act in an advisory role relative to the aforementioned CRD services. As well, language in the preamble of the terms of reference from 2018-2020 reflected the misnomer and did not as clearly state the relation of the Advisory Committee to the Finance Committee or the Society.

On December 9, 2020, the Capital Regional District Board updated the name to the Royal & McPherson Theatres *Services* Advisory Committee within the terms of reference of the Finance Committee.

**ALTERNATIVES**

**Alternative 1**

The Finance Committee recommends to the Capital Regional District Board:

That the 2021 Royal & McPherson Theatres Services Advisory Committee Terms of Reference attached at Appendix A be approved.

**Alternative 2**

That this report be referred back to staff for further information.

**CONCLUSION**

Terms of Reference serve to clarify the mandate, responsibilities and procedure of committees and provide a point of reference and guidance for the committees and their members.

The update to the committee name from "Royal and McPherson Theatre *Society* Advisory Committee" to "Royal and McPherson Theatres *Services* Advisory Committee" and revisions to

the preamble will correct a naming error and more properly reflect the purpose and function of this committee.

**RECOMMENDATION**

The Finance Committee recommends to the Capital Regional District Board:  
That the 2021 Royal & McPherson Theatres Services Advisory Committee Terms of Reference attached at Appendix A be approved.

Submitted by:	James Lam, Manager, Arts & Culture Support Service
Concurrence:	Nelson Chan, MBA, FCPA, FCMA, Chief Financial Officer
Concurrence:	Larisa Hutcheson, P. Eng., Acting Chief Administrative Officer

**ATTACHMENT(S)**

Appendix A: 2021 Royal & McPherson Theatres Services Advisory Committee Terms of Reference

# Terms of Reference

The logo for the Capital Regional District (CRD) is located in the top right corner of the header. It consists of the letters 'CRD' in a stylized, bold, sans-serif font, positioned above a dark, wavy horizontal line that spans the width of the header.

## **ROYAL & MCPHERSON THEATRES SERVICES ADVISORY COMMITTEE**

### **PREAMBLE**

The Capital Regional District (CRD) Advisory Committee for the Royal and McPherson Theatre Services is established by the CRD Finance Committee to advise and make recommendations to the Finance Committee on matters related to the two sub-regional services operated by the Royal & McPherson Theatres Society (the Society).

The Society manages the theatres on behalf of their respective owners who provide capital and operating support through the services by way of annual grants as specified in the establishment bylaws.

The participants of the Royal Theatre Service, Bylaw 2587, are the City of Victoria, the District of Saanich, and the District of Oak Bay. The participants of the McPherson Playhouse Service, Bylaw 2685, is the City of Victoria.

The Advisory Committee's official name is to be:

Royal & McPherson Theatres Services Advisory Committee

### **1.0 PURPOSE**

The mandate of the Advisory Committee includes:

- serving as the advisory committee to the Finance Committee on CRD funding of the Royal Theatre and McPherson Playhouse services.

### **2.0 ESTABLISHMENT AND AUTHORITY**

- a) The Advisory Committee will provide advice and make recommendations to the Finance Committee for consideration.
- b) The Finance Committee Chair will appoint the Advisory Committee Chair and other members of the Advisory Committee as outlined in section 3.0, upon receiving nominations from each participating municipality.

### **3.0 COMPOSITION**

- a) The Advisory Committee shall consist of the following members:
  - 2 – members (Victoria)
  - 2 – members (Saanich)
  - 1 – members (Oak Bay)

- b) Advisory Committee members will include at least one member of the Finance Committee, and may include elected councillors from participating municipalities who are not CRD Directors.

#### **4.0 TERM**

- The term of members of the Advisory Committee shall be one year.

#### **5.0 PROCEDURES**

- a) The Advisory Committee will meet at the call of the Chair
  - in accordance with the annual budget process as set out by the Finance & Technology Department, and
  - have special meetings as required.
- b) The agenda will be finalized in consultation between staff and the Advisory Committee Chair and any Advisory Committee member may make a request to the Chair to place a matter on the agenda.
- c) A quorum is a majority of the Advisory Committee membership and is required to conduct Committee business.

#### **6.0 RESOURCES AND SUPPORT**

- a) The Manager of the Arts Development Service will provide administrative support.
- b) Minutes and agendas are prepared and distributed by the Finance & Technology Department.

Approved by the Capital Regional District Board on \_\_\_\_\_  
Date

# Terms of Reference

The logo for the Capital Regional District (CRD) is located in the top right corner of the header. It consists of the letters "CRD" in a bold, sans-serif font, positioned above a stylized graphic of three wavy lines in shades of blue and green.

## ROYAL & MCPHERSON THEATRES ~~SOCIETY-SERVICES~~ ADVISORY COMMITTEE

### PREAMBLE

The Capital Regional District (CRD) Advisory Committee for the Royal and McPherson Theatre ~~Society-Services (RMTS)~~ is established by the CRD Finance Committee to advise and make recommendations to the Finance Committee on matters related to ~~these~~ the two sub-regional services governing-operated by the Royal & McPherson Theatres Society (the Society).

The ~~RMT~~Society manages the theatres on behalf of their respective owners who provide capital and operating support ~~to-through~~ the society-services by way of annual grants as specified in the Service-establishment bylaws.

The participants of the Royal Theatre Service, Bylaw 2587, are the City of Victoria, the District of Saanich, and the District of Oak Bay. The participants of the McPherson Playhouse Service, Bylaw 2685, is the City of Victoria.

The Advisory Committee's official name is to be:

Royal & McPherson Theatres ~~Society-Services~~ Advisory Committee

### 1.0 PURPOSE

The mandate of the Advisory Committee includes:

- serving as the advisory committee to the Finance Committee on ~~the Services-related~~ to-CRD funding of the Royal Theatre and McPherson Playhouse services.

### 2.0 ESTABLISHMENT AND AUTHORITY

- a) The Advisory Committee will provide advice and make recommendations to the Finance Committee for consideration.
- b) The Finance Committee Chair will appoint the Advisory Committee Chair and other members of the Advisory Committee as outlined in section 3.0, upon receiving nominations from each participating municipality.
- c) ~~Advisory Committee members will include at least one member of the Finance Committee, and may include elected councillors from participating municipalities who are not CRD Directors.~~

### 3.0 COMPOSITION

a) The Advisory Committee shall consist of the following members:

- 2 – members (Victoria)
- 2 – members (Saanich)
- 1 – members (Oak Bay)

b) Advisory Committee members will include at least one member of the Finance Committee, and may include elected councillors from participating municipalities who are not CRD Directors.

### 4.0 TERM

- The term of members of the Advisory Committee shall be one year.

### 5.0 PROCEDURES

a) The Advisory Committee will meet at the call of the Chair

- in accordance with the annual budget process as set out by the Finance & Technology Department, and
- have special meetings as required.

b) The agenda will be finalized in consultation between staff and the Advisory Committee Chair and any Advisory Committee member may make a request to the Chair to place a matter on the agenda.

c) A quorum is a majority of the Advisory Committee membership and is required to conduct ~~committee~~Committee business.

### 6.0 RESOURCES AND SUPPORT

a) The Manager of the Arts Development Service will provide administrative support.

b) Minutes and agendas are prepared and distributed by the Finance & Technology Department.

Approved by the Capital Regional District Board on \_\_\_\_\_  
Date

**REPORT TO FINANCE COMMITTEE  
MEETING OF WEDNESDAY, JANUARY 06, 2021**

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**SUBJECT**     **Capital Regional District 2020 Audit Planning Discussion**

**ISSUE SUMMARY**

This report provides information to the Finance Committee (the Committee) on the 2020 Audit Plan and related work to be completed by KPMG for the 2020 year-end audit of the Capital Regional District (CRD).

**BACKGROUND**

Under Section 377 of the *Local Government Act*, the CRD is required to appoint an auditor licensed under the *Business Corporations Act*. KPMG was appointed by the CRD Board for the upcoming audit.

Consistent with the approach from previous years, the auditors circulate the audit plan to the Committee for information prior to the start of the audit. KPMG will make a presentation to the Committee to review the 2020 annual Audit Planning Report (Appendix A), as a fundamental component of the CRD's annual financial statement audit. This standard audit procedure is similarly undertaken by other local governments in the region.

The presentation will provide the Committee with an overview of the audit strategy and approach that KPMG will use in addressing any significant risks. The audit plan is designed to identify and address key financial reporting risks, including fraud, by evaluating the existence, quality and effectiveness of management's internal controls over financial reporting. KPMG notes, in Appendix A, that they have not identified any areas of significant financial reporting risks. However, there is a presumed fraud risk around revenue and management override of controls. KPMG addresses this risk by performing testing of journal entries and other adjustments, performing a retrospective review of estimates and evaluating the business rationale of significant unusual transactions. Additionally, at the Committee meeting, KPMG will obtain the Committee's views on the risk of fraud for the CRD.

KPMG will present to the Committee an overview of the audit cycle, timetable and specific areas that the audit will focus on, including: Core Area Wastewater Treatment Program (CAWTP) expenditures, capitalization of CAWTP assets, impairment of assets, Regional Housing First Program, cash and investments, tangible capital assets, liabilities for contaminated sites, the Hartland Landfill closure and post-closure cost estimates, accounts payable and accrued liabilities, debt, revenue and expenses, and any financial reporting impacts or disclosures related to COVID-19. KPMG will provide the basis of audit materiality they deem necessary to evaluate any misstatements they identify during the audit.

**ALTERNATIVES**

*Alternative 1*

The Finance Committee recommends to the Capital Regional District Board:  
That the Capital Regional District 2020 Audit Plan developed by KPMG be approved.

*Alternative 2*

That this report be referred back to staff for additional information.

**IMPLICATIONS**

*Financial Implications*

KPMG will begin the year-end audit field work remotely on March 8, 2021, for approximately two weeks. The auditors will perform sample testing on many areas including invoices, journal entries, accounts receivables, and accounts payables in order to gain reasonable assurance that all aspects of financial transactions are being recorded and reported in compliance with Canadian Public Sector Accounting Standards (PSAS). The audit team will also conduct interviews with staff in order to review internal controls and processes. Subsequent to completion of the audit field work, financial statements will be finalized by CRD staff. As part of the audit process, the auditors will provide the Committee with a detailed Audit Findings Report. The finalized financial statements will be presented to the Finance Committee along with the Audit Findings Report and Statements of Financial Information (SOFI).

**CONCLUSION**

KPMG's primary objective of the Financial Statement audit is to present an opinion on the extent to which the CRD's consolidated financial statements are fairly presented, in accordance with the Public Sector Accounting Standards. As part of the annual audit, KPMG provides an audit plan to the Committee. The auditors will conduct their audit of the 2020 financial statements pursuant to this plan.

**RECOMMENDATION**

The Finance Committee recommends to the Capital Regional District Board:  
That the Capital Regional District 2020 Audit Plan developed by KPMG be approved.

Submitted by:	Rianna Lachance, BCom, CPA, CA, Senior Manager, Financial Services
Concurrence:	Nelson Chan, MBA, FCPA, FCMA, Chief Financial Officer
Concurrence:	Robert Lapham, MCIP, RPP, Chief Administrative Officer

**ATTACHMENT(S)**

Appendix A: KPMG CRD 2020 Audit Planning Report



# Capital Regional District

Audit Planning Report  
for the year ended December 31, 2020

*KPMG LLP*

Prepared for the Finance Committee's meeting on January 6, 2021

[kpmg.ca/audit](https://kpmg.ca/audit)



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The contacts at KPMG in connection with this report are:

**Lenora Lee**

Engagement Partner  
Tel: 250.480.3588  
lenoramlee@kpmg.ca

**Sarah Burden**

Senior Manager  
Tel: 250.480.3562  
sburden1@kpmg.ca

**Madison Yesaki**

Senior Accountant  
Tel: 250-480-3650  
myesaki@kpmg.ca

At KPMG, we are **passionate** about earning your **trust**. We take deep **personal accountability**, individually and as a team, to deliver **exceptional service and value** in all our dealings with you.

At the end of the day, we measure our success from the **only perspective that matters – yours**.

This Audit Planning Report should not be used for any other purpose or by anyone other than the Board of Directors. KPMG shall have no responsibility or liability for loss or damages or claims, if any, to or by any third party as this Audit Planning Report has not been prepared for, and is not intended for, and should not be used by, any third party or for any other purpose.



# Executive summary

## Areas of focus for financial reporting

Our audit of the Capital Regional District (the “Entity” or “CRD”) is risk-focused. In planning our audit we have taken into account key areas of focus for financial reporting. These include:

- Financial reporting considerations of COVID-19
- Presumed fraud risk of management override of controls

See pages 3-9.

## Effective communication

We are committed to transparent and thorough reporting of issues to management and the Board of Directors. This is achieved through formal and informal meetings and communications throughout the year. If you have any comments you would like to bring to our attention, please contact Lenora Lee.

## Audit materiality

Materiality has been determined based on total expenses. We have determined materiality to be \$4,200,000 (2019 - \$4,200,000).

See page 4.

## Quality control and independence

We are independent and have a robust and consistent system of quality control. We provide complete transparency on all services and follow the Board of Directors’ approved protocols where required.

See page 10.

## New auditing standards

A new auditing standard, CAS 540 Auditing Accounting Estimates and Related Disclosures, is effective for CRD’s 2020 fiscal year.

See page 12 for further details.

## Current developments

Please refer to Appendix 3 for the current developments updates, including COVID-19 resources.

# Group audit scope

Significance of component	Entities	# of components	Procedures performed by
Individually financially significant	<i>Capital Regional District (CRD)</i>	1	Group team – KPMG Victoria
Not significant	<i>Capital Regional Housing Corporation (CRHC)</i>	1	Group team – KPMG Victoria

# Audit and financial reporting impacts of COVID-19

In March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. As the COVID-19 pandemic evolves, CRD will need to continue to assess the impact on its operations and finances and consider the implications on financial reporting. We have analyzed the impact of the COVID-19 pandemic situation on the audit of the financial statements for the year ended December 31, 2020 and discussed the audit and financial reporting implications with management based on what has occurred to the date of this report.

We provide the following information for the review of the Board of Directors and describe the additional procedures that we will be performing. As the COVID-19 pandemic is a dynamic situation, we will continue to update our Audit Plan as the situation warrants. We will communicate any additional changes to our Audit Plan to the Board of Directors in our Audit Findings Report.

Considerations	Audit implications
<b>Conducting the audit work</b>	<ul style="list-style-type: none"><li>– We plan to undertake a primarily remote audit again this year. We have established a secure ShareFile platform to facilitate the sharing of information with management. We have discussed the details of the audit with management, and we are ready to undertake the audit as planned and on schedule. The prior year audit was performed primarily remotely.</li></ul>
<b>General considerations</b>	<ul style="list-style-type: none"><li>– We will obtain an understanding of what changes to process activities and controls have been implemented to determine if the planned audit procedures are appropriate. We have conducted preliminary discussions with management and will confirm our understanding of any significant changes by performing walkthroughs of transactions.</li></ul>
<b>Planning and risk assessment</b>	<ul style="list-style-type: none"><li>– We have determined materiality based on budgeted total expenses.</li><li>– We anticipate the operational impacts of COVID to be evident in multiple areas of CRD's financial statements. Where we have planned to perform analytical procedures we will adjust our expectations in line with known COVID impacts (ex. reduced auxiliary hours worked, decreases in recreation revenues and expenses, etc.)</li></ul>
<b>Financial reporting</b>	<ul style="list-style-type: none"><li>– Currently, we expect that COVID-19 will continue to impact CRD's operations and finances beyond December 31, 2020.</li><li>– An assessment should be made by management of any COVID-19 financial implications.</li><li>– Significant actions undertaken by CRD should be disclosed in a note to the financial statements, including a statement as to whether or not these factors present uncertainty over future cash flows, cause significant changes to assets and liabilities, and/or significantly impact future operations. Measurement of the estimated financial effect should be disclosed, or it should be stated if the effect is not determinable.</li><li>– We will work with management to customize the wording of the COVID related disclosures for CRD's specific situation.</li><li>– Refer to our <a href="#">COVID-19 Financial Reporting</a> site.</li></ul>

# Materiality

Materiality is used to identify risks of material misstatements, develop an appropriate audit response to such risks, and evaluate the level at which we think misstatements will reasonably influence users of the financial statements. It considers both quantitative and qualitative factors. To respond to aggregation risk, we design our procedures to detect misstatements at a lower level of materiality. Professional standards require us to re-assess materiality at the completion of our audit based on period-end results or new information in order to confirm whether the amount determined for planning purposes remains appropriate.

Materiality determination	Comments	Amount
<b>Materiality</b>	Determined to plan and perform the audit and to evaluate the effects of identified misstatements on the audit and of any uncorrected misstatements on the financial statements. The corresponding amount for the prior year's audit was \$4.2 million.  Materiality when evaluating CRD non-consolidated operations (excluding CRHC operations) is \$4 million.	\$4.2 million
<b>Benchmark</b>	Based on budgeted total expenses. In previous years we have used prior year audited total expenses, however, to reflect growth and potential changes due to COVID-19, we have used budgeted total expenses this year. The prior year benchmark was based on 2018 audited total expenses of \$164.7 million.	\$177.9 million
<b>% of Benchmark</b>	The prescribed range is between 0.5% and 3.0% of the benchmark.  The corresponding percentage for the prior year's audit was 2.55%.	2.36%
<b>Audit misstatement posting threshold</b>	Threshold used to accumulate misstatements identified during the audit.  The corresponding amount for the prior year's audit was \$200,000.	\$200,000

## We will report to the Board of Directors:



Corrected audit misstatements



Uncorrected audit misstatements

# Audit risks

Professional standards presume the risk of fraudulent revenue recognition and the risk of management override of controls exist in all entities.

The risk of fraudulent revenue recognition can be rebutted, but the risk of management override of control cannot, since management is typically in a unique position to perpetrate fraud because of its ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.

Significant financial reporting risk	Why is it significant?
Fraud risk from revenue recognition	This is a presumed fraud risk. The risk of fraud from revenue recognition has been rebutted.
Fraud risk from management override of controls.	<p>This is a presumed fraud risk. There are no specific additional risks of management override relating to this audit.</p> <p>As the risk is not rebuttable, our audit methodology incorporates the required procedures in professional standards to address this risk. These procedures include testing of journal entries and other adjustments, performing a retrospective review of estimates and evaluating the business rationale of significant unusual transactions.</p>

Professional standards require that we obtain your view on the risk of fraud. We make similar inquiries to management as part of our planning process:

- Are you aware of, or have you identified any instances of actual, suspected, possible, or alleged non-compliance of laws and regulations or fraud, including misconduct or unethical behavior related to financial reporting or misappropriation of assets? If so, have the instances been appropriately addressed and how have they been addressed?
- What are your views about fraud risks in CRD?
- How do you exercise effective oversight of management's processes for identifying and responding to the risk of fraud in CRD and internal controls that management has established to mitigate these fraud risks?
- Has CRD entered into any significant unusual transactions?

# Areas of focus

Other areas of focus	Why are we focusing here?
Wastewater treatment project (WTP)	This is a significant project for CRD, involves a significant value of expenditure and significant management judgment may be required over recognition of impairment.

## Our audit approach

- We will review the Project Board minutes.
- We will perform a walkthrough of the procurement process related to the WTP and expenditure controls in place.
- We will select a sample of and obtain supporting documentation for assets acquired/expenditures incurred. This will include a review of the classification of the assets and transfer from work-in-progress to other capital assets categories (as is consistent with the substantial completion of the project).
- We will verify the completeness of liabilities and contingent liabilities related to the WTP.
- CRD management will perform an evaluation of the capital costs incurred to date and make a determination on any possible provisions for assets that will not contribute to future service potential. We will review the CRD's process for identifying potential impairment to determine the scope of potential issues and focus of our audit effort.
- For items that CRD has assessed as impaired, we will verify the accuracy of the impairment.
- We will review government grants recognized as revenue in relation to the WTP by inspecting grant claims, agreeing them to cash receipt and appropriate eligible expenses related to grant terms.

# Areas of focus (continued)

Other areas of focus	Why are we focusing here?
Regional Housing First Program	This was a new business model for CRD in prior period and involves significant funding, capital asset expenditure and new transactions between CRD and CRHC.

## Our audit approach

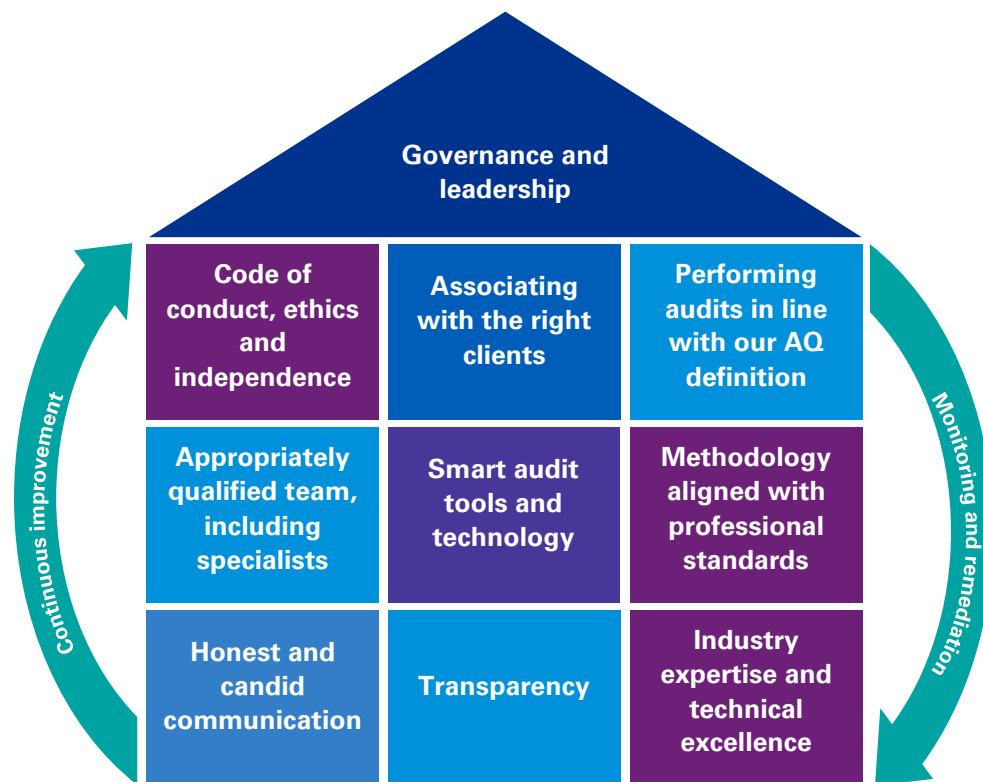
- We will review the Board meeting minutes and any related committees for this program.
- We will obtain and review the contracts and agreements between CRD, CRHC, BC Housing and CMHC.
- Significant funding received and expenses incurred during 2020 will be compared to bank statements, contractual agreements and invoices.
- We will assess management's accounting and disclosures for the transactions related to the program.

# Areas of focus (continued)

Other areas of focus	Why are we focusing here?
Hartland Landfill closure and post-closure costs	Landfill closure and post-closure costs are recognized in the financial statements including disclosure in the notes. This is a significant estimate for audit purposes as it involves multiple assumptions which drive uncertainty over the future costs.
Our audit approach	
<ul style="list-style-type: none"><li>▪ Closure and post-closure costs are a significant estimate recognized in the District's financial statements. Measurement involves a number of inputs including capacity available and used, future costs, discount rates and inflation rates, among others.</li><li>▪ The last detailed assessment of costs by an external expert was performed in 1995. Management perform an analysis and update significant assumptions in subsequent years, including 2020.</li><li>▪ We will discuss the projections and inputs used to determine the closure and post-closure liabilities for the landfill with management and verify the accuracy of management's disclosed liabilities. This will be conducted in accordance with the requirements in CAS 540, Auditing Accounting Estimates and Related Disclosures (see page 11).</li></ul>	

# Audit quality and transparency

KPMG maintains a system of quality control designed to reflect our drive and determination to deliver independent, unbiased advice and opinions, and also meet the requirements of Canadian professional standards. Quality control is fundamental to our business and is the responsibility of every partner and employee. The following diagram summarizes the key elements of our quality control system.



Audit Quality Framework

## What do we mean by audit quality?

Audit Quality (AQ) is at the core of everything we do at KPMG.

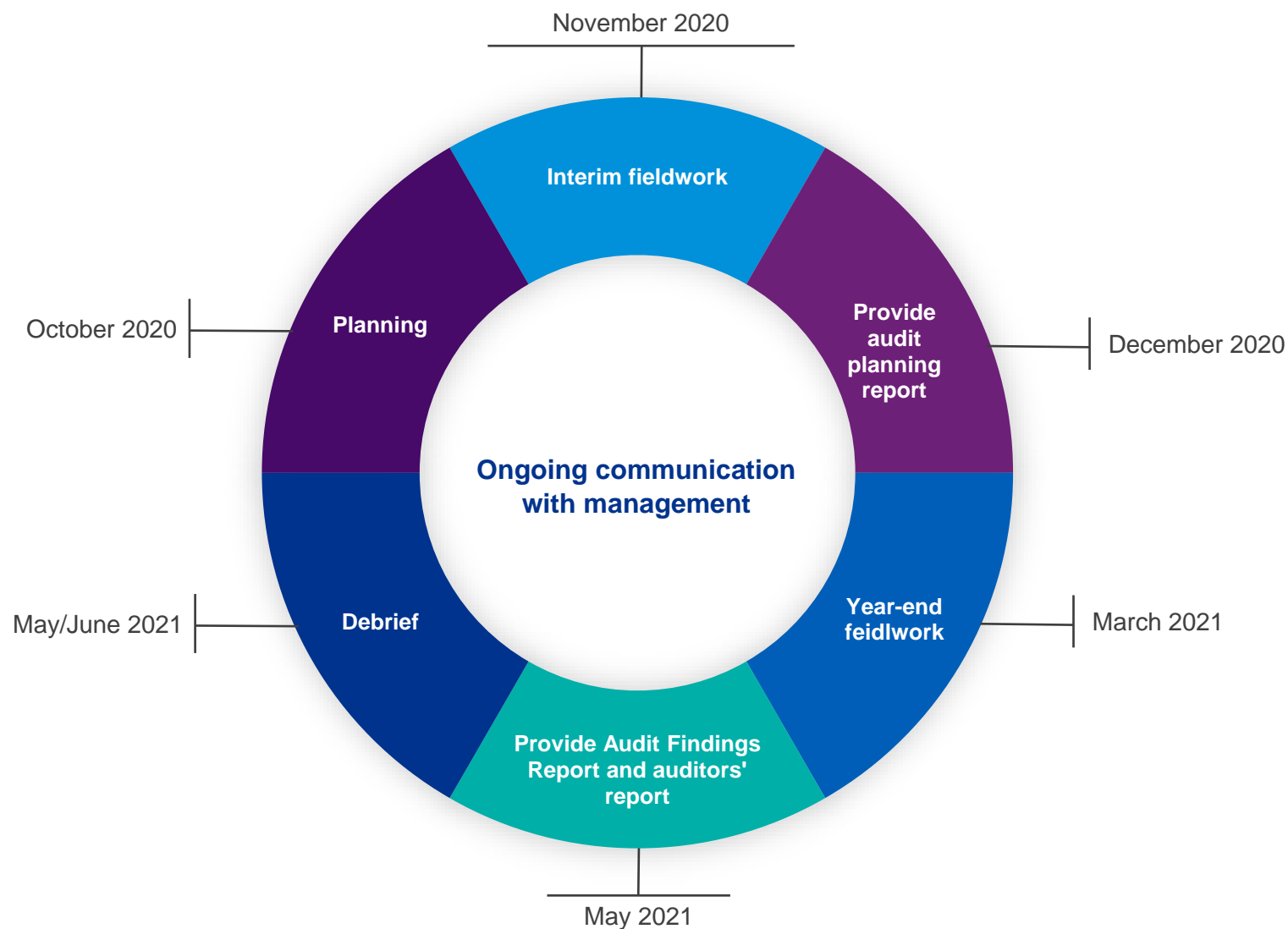
We believe that it is not just about reaching the right opinion, but how we reach that opinion.

We define 'audit quality' as being the outcome when audits are:

- Executed consistently, in line with the requirements and intent of applicable professional standards within a strong system of quality controls, and
- All of our related activities are undertaken in an environment of the utmost level of **objectivity, independence, ethics, and integrity**.

Our AQ Framework summarises how we deliver AQ. Visit our [Audit Quality Resources page](#) for more information including access to our [Audit Quality and Transparency report](#).

# Key deliverables and milestones



# New audit standards

New auditing standards that are effective for the current year are as follows:

Standard	Key observations	Reference
<b>CAS 540, Auditing Accounting Estimates and Related Disclosures</b> <b>Effective for audits of Entities with year-ends on or after December 15, 2020</b>	<b>Expected impact on the audit:</b> <ul style="list-style-type: none"><li>— more emphasis on the need for exercising professional skepticism</li><li>— more granular risk assessment to address each of the components in an estimate (method, data, assumptions)</li><li>— more granular audit response designed to specifically address each of the components in an estimate (method, data, assumptions)</li><li>— more focus on how we respond to levels of estimation uncertainty</li><li>— more emphasis on auditing disclosures related to accounting estimates</li><li>— more detailed written representations required from management</li></ul>	<a href="#">CPA Canada Client Briefing</a>

# Appendices

## Content

**Appendix 1: Required communications**

**Appendix 2: KPMG's audit approach and methodology**

**Appendix 3: Current developments and audit trends**

# Appendix 1: Required communications

<b>Auditors' report</b>	<b>Engagement letter</b>
A copy of our draft auditors' report setting out the conclusion of our audit will be provided at the completion of the audit.	The objectives of the audit, our responsibilities in carrying out our audit, as well as management's responsibilities, are set out in the engagement letter.
<b>Audit findings report</b>	<b>Management representation letter</b>
At the completion of the audit, we will provide our findings report to the Board of Directors.	We will obtain from management certain representations at the completion of the audit. In accordance with professional standards, a copy of the representation letter will be provided to the Board of Directors.
<b>Independence</b>	<b>Internal control deficiencies</b>
At the completion of our audit, we will re-confirm our independence to the Board of Directors.	Control deficiencies identified during the audit will be communicated to management and the Board of Directors.

# Appendix 2: KPMG's audit approach and methodology

## Collaboration in the audit

A dedicated KPMG Audit home page gives you real-time access to information, insights and alerts from your engagement team.

## Issue identification

Continuous updates on audit progress, risks and findings before issues become events.

## Data-driven risk assessment

Automated identification of transactions with unexpected or unusual account combinations – helping focus on higher risk transactions and outliers.



## Deep industry insights

Bringing intelligence and clarity to complex issues, regulations and standards.

## Analysis of complete populations

Powerful analysis to quickly screen, sort and filter 100% of your journal entries based on high-risk attributes.

## Reporting

Interactive reporting of unusual patterns and trends with the ability to drill down to individual transactions.

# Appendix 3: Current developments and audit trends

**Current Developments**, created by the KPMG Public Sector and Not-for-Profit Practice, summarizes regulatory and governance matters impacting public sector entities today, or expected to impact them over the next few years. We provide this information to help public sector entities understand upcoming changes and challenges they may face in their industry. Some of these developments may not impact CRD directly, but we believe it is important for the Board of Directors to understand what is happening in the sector.

## New accounting standards

Standard	Summary and implications
Impact of COVID-19	<ul style="list-style-type: none"><li>– In response to the impact of COVID-19 on public sector entities, PSAB has approved deferral of all upcoming accounting standards by one year and will issue non-authoritative guidance on the effects of COVID-19.</li></ul>
Asset Retirement Obligations	<ul style="list-style-type: none"><li>– The new standard is effective for fiscal years beginning on or after April 1, 2022. The effective date was deferred by one year due to COVID-19.</li><li>– The new standard addresses the recognition, measurement, presentation and disclosure of legal obligations associated with retirement of tangible capital assets in productive use. Retirement costs will be recognized as an integral cost of owning and operating tangible capital assets. PSAB currently contains no specific guidance in this area.</li><li>– The ARO standard will require the public sector entity to record a liability related to future costs of any legal obligations to be incurred upon retirement of any controlled tangible capital assets ("TCA"). The amount of the initial liability will be added to the historical cost of the asset and amortized over its useful life.</li><li>– As a result of the new standard, the public sector entity will have to:<ul style="list-style-type: none"><li>• consider how the additional liability will impact net debt, as a new liability will be recognized with no corresponding increase in a financial asset;</li><li>• carefully review legal agreements, senior government directives and legislation in relation to all controlled TCA to determine if any legal obligations exist with respect to asset retirements;</li><li>• begin considering the potential effects on the organization as soon as possible to coordinate with resources outside the finance department to identify AROs and obtain information to estimate the value of potential AROs to avoid unexpected issues.</li></ul></li></ul>

## Appendix 3: Current developments and audit trends (continued)

Standard	Summary and implications
Revenue	<ul style="list-style-type: none"> <li>– The new standard is effective for fiscal years beginning on or after April 1, 2023. The effective date was deferred by one year due to COVID-19.</li> <li>– The new standard establishes a single framework to categorize revenues to enhance the consistency of revenue recognition and its measurement.</li> <li>– The standard notes that in the case of revenues arising from an exchange transaction, a public sector entity must ensure the recognition of revenue aligns with the satisfaction of related performance obligations.</li> <li>– The standard notes that unilateral revenues arise when no performance obligations are present, and recognition occurs when there is authority to record the revenue and an event has happened that gives the public sector entity the right to the revenue.</li> </ul>
Financial Instruments and Foreign Currency Translation	<ul style="list-style-type: none"> <li>– The accounting standards, PS3450 <i>Financial Instruments</i>, PS2601 <i>Foreign Currency Translation</i>, PS1201 <i>Financial Statement Presentation</i> and PS3041 <i>Portfolio Investments</i> are effective for fiscal years commencing on or after April 1, 2022. The effective date was deferred by one year due to COVID-19.</li> <li>– Equity instruments quoted in an active market and free-standing derivatives are to be carried at fair value. All other financial instruments, including bonds, can be carried at cost or fair value depending on the public sector entity's choice and this choice must be made on initial recognition of the financial instrument and is irrevocable.</li> <li>– Hedge accounting is not permitted.</li> <li>– A new statement, the Statement of Remeasurement Gains and Losses, will be included in the financial statements. Unrealized gains and losses incurred on fair value accounted financial instruments will be presented in this statement. Realized gains and losses will continue to be presented in the statement of operations.</li> <li>– In July 2020, PSAB approved federal government narrow-scope amendments to PS3450 <i>Financial Instruments</i> which will be included in the Handbook in the fall of 2020. Based on stakeholder feedback, PSAB is considering other narrow-scope amendments related to the presentation and foreign currency requirements in PS3450 <i>Financial Instruments</i>. The exposure drafts will be released in summer 2020 with a 90-day comment period.</li> </ul>
Employee Future Benefit Obligations	<ul style="list-style-type: none"> <li>– PSAB has initiated a review of sections PS3250 <i>Retirement Benefits</i> and PS3255 <i>Post-Employment Benefits, Compensated Absences and Termination Benefits</i>. In July 2020, PSAB approved a revised project plan.</li> <li>– PSAB intends to use principles from International Public Sector Accounting Standard 39 <i>Employee Benefits</i> as a starting point to develop the Canadian standard.</li> <li>– Given the complexity of issues involved and potential implications of any changes that may arise from the review of the existing guidance, PSAB will implement a multi-release strategy for the new standards. The first standard will provide foundational guidance. Subsequent standards will provide additional guidance on current and emerging issues.</li> </ul>

## Appendix 3: Current developments and audit trends (continued)

Standard	Summary and implications
Public Private Partnerships (“P3”)	<ul style="list-style-type: none"> <li>– PSAB has proposed new requirements for the recognition, measurement and classification of infrastructure procured through a public private partnership. PSAB is in the process of reviewing feedback provided by stakeholders on the exposure draft.</li> <li>– The exposure draft proposes that recognition of infrastructure by the public sector entity would occur when it controls the purpose and use of the infrastructure, when it controls access and the price, if any, charged for use, and it controls any significant interest accumulated in the infrastructure when the P3 ends.</li> <li>– The exposure draft proposes that the public sector entity recognize a liability when it needs to pay cash or non-cash consideration to the private sector partner for the infrastructure.</li> <li>– The infrastructure would be valued at cost, with a liability of the same amount if one exists. Cost would be measured by discounting the expected cash flows by a discount rate that reflects the time value of money and risks specific to the project.</li> </ul>
International Strategy	<ul style="list-style-type: none"> <li>– PSAB has reviewed all proposed options for its international strategy, and in accordance with its due process, approved the option to adapt International Public Sector Accounting Standards when developing future standards. PSAB noted that the decision will apply to all projects beginning on or after April 1, 2021.</li> </ul>
Purchased Intangibles	<ul style="list-style-type: none"> <li>– In October 2019, PSAB approved a proposal to allow public sector entities to recognize intangibles purchased through an exchange transaction. Practitioners are expected to use the definition of an asset, the general recognition criteria and the GAAP hierarchy to account for purchased intangibles.</li> <li>– Based on stakeholder feedback, PSAB will develop a Public Sector Guideline to clarify the guidance in the exposure draft to PS1000 <i>Financial Statement Concepts</i>, PS1100 <i>Financial Statement Objectives</i> and PS1201 <i>Financial Statement Presentation</i>. The updates to the Handbook are expected to be released in fall 2020. The accounting for intangibles may be addressed through future PSAB projects.</li> </ul>
Government Not-for-Profit Strategy	<ul style="list-style-type: none"> <li>– PSAB is in the process of reviewing its strategy for government not-for-profit (“GNFP”) organizations. PSAB intends to understand GNFPs’ fiscal and regulatory environment, and stakeholders’ financial reporting needs and concerns.</li> <li>– PSAB is reviewing the feedback from the May 2019 consultation paper and expects to approve a second consultation paper in September 2020. PSAB will use the comments provided by stakeholders on the consultation papers to determine its next steps.</li> </ul>

## Appendix 3: Current developments and audit trends (continued)

Standard	Summary and implications
Concepts Underlying Financial Performance	<ul style="list-style-type: none"> <li>– PSAB is in the process of reviewing the conceptual framework that provides the core concepts and objectives underlying Canadian public sector accounting standards.</li> <li>– PSAB is in the process of developing exposure drafts for the proposed conceptual framework and proposed revised reporting model, and their related consequential amendments.</li> <li>– PSAB is proposing a revised, ten chapter conceptual framework intended to replace PS 1000 <i>Financial Statement Concepts</i> and PS 1100 <i>Financial Statement Objectives</i>. The revised conceptual framework would be defined and elaborate on the characteristics of public sector entities and their financial reporting objectives. Additional information would be provided about financial statement objectives, qualitative characteristics and elements. General recognition and measurement criteria, and presentation concepts would be introduced.</li> <li>– In addition, PSAB is proposing: <ul style="list-style-type: none"> <li>• Removal of the net debt indicator, except for on the statement of net debt where it would be calculated exclusive of financial assets and liabilities that are externally restricted and/or not available to settle the liabilities or financial assets.</li> <li>• Changes to common terminology used in the financial statements, including re-naming accumulated surplus (deficit) to net assets (liabilities).</li> <li>• Restructuring the statement of financial position to present non-financial assets before liabilities.</li> <li>• Removal of the statement of remeasurement gains (losses) with the information instead included on a new statement called the statement of changes in net assets (liabilities). This new statement would present the changes in each component of net assets (liabilities).</li> <li>• A new provision whereby an entity can use an amended budget in certain circumstances.</li> </ul> </li> <li>– Inclusion of disclosures related to risks and uncertainties that could affect the entity's financial position.</li> </ul>

# Appendix 3: Current developments and audit trends (continued)

Our discussions with you, our audit opinion and what KPMG is seeing in the marketplace - both from an audit and industry perspective - indicate the following is specific information that will be of particular interest to you. We would, of course, be happy to further discuss this information with you at your convenience.

## Thought leadership

Thought leadership	Overview	Link
<b>2019 Audit Quality and Transparency Report</b>	Learn about KPMG's ongoing commitment to continuous audit quality improvement. We are investing in new innovative technologies and building strategic alliances with leading technology companies that will have a transformative impact on the auditing process and profession. How do we seek to make an impact on society through the work that we do?	<a href="#">Link to report</a>
<b>Put your data to work to gain competitive advantage</b>	There is no "digital economy". The economy is digital and "digits" refer to data. Data is the lifeblood of every organization on this planet and organizations that embrace this notion are well positioned to grow as industries continue to evolve and disrupt at an ever increasing pace.	<a href="#">Link to report</a>
<b>Predictive analytics, it works</b>	CEOs recognize the value that predictive analytics delivers to their decision-making process.	<a href="#">Link to report</a>
<b>Creating the workforce of the future</b>	You can't transform the organization without also transforming the workforce. It may be time to rethink the people strategy.	<a href="#">Link to report</a>
<b>Accelerate</b>	Introducing the new 2019/2020 Accelerate report, a KPMG report and video series offering insight into the key issues driving the Board of Directors agenda, including: <ul style="list-style-type: none"><li>– Digital disruption of the finance function</li><li>– Digital business brings increased cyber risk</li><li>– Taking the lead on data privacy</li><li>– Boards bracing for climate change</li><li>– Future-proofing your enterprise risk management</li></ul>	<a href="#">Link to report</a>
<b>Board Leadership Centre</b>	KPMG provides leading insights to help Board members maximize boardroom opportunities.	<a href="#">Link to site</a>

# Appendix 3: Current developments and audit trends (continued)

## COVID-19 pandemic resources

Resources	Summary	Links
<b>Resources for management and the Board of Directors</b>	<p>Please visit our COVID-19 website for resources regarding the topics below. This site is being <u>updated daily</u> based on information being released by federal, provincial and municipal news releases.</p> <ul style="list-style-type: none"><li>– Business continuity guide</li><li>– Immediate actions to take</li><li>– Medium to long-term actions</li><li>– Tax considerations and a summary of federal and provincial programs</li><li>– Legal considerations</li><li>– Financial reporting and audit considerations</li><li>– Global perspectives</li></ul>	<a href="#">COVID-19 Alerts (Live Link)</a>
<b>Return to the workplace</b>	<p>As all levels of government begin to take steps toward re-opening the country and restarting our economy, planning for the return to a physical workplace is quickly becoming a top priority for many organizations. With the guidelines for the pandemic continuing to evolve daily, there are many considerations, stages and factors employers need to assess in order to properly develop a robust action plan which can ensure the health and safety of their workforce.</p> <p>We have put together a Return to the Workplace guide to support an organization's planning efforts in preparing to return to physical workplace. Our guide includes a list of considerations, stages and factors that can help establish a robust action plan for your organization to safely return to work. The guide is supported by a dynamic playbook, which our team has developed to outline a comprehensive list of actions an organization can take, based on their unique situation and immediate needs.</p>	<a href="#">Website link</a> <a href="#">Link to guide</a>

[kpmg.ca/audit](https://kpmg.ca/audit)



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**REPORT TO FINANCE COMMITTEE  
MEETING OF WEDNESDAY, JANUARY 06, 2021**

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**SUBJECT     Capital Regional District External Grants Update**

**ISSUE SUMMARY**

This report provides an update on external grants activity since November 9, 2020, through the submission deadline for this report of December 14, 2020.

**BACKGROUND**

The CRD External Grants Dashboard (Appendix A) summarizes grant applications and calls in progress, awards, and the status of projects still in progress. The report summarizes activities and outcomes since the External Grants Update was presented to the Board on December 9, 2020.

**IMPLICATIONS**

*Financial Implications*

**Grants / Contributions Awarded**

1. Federation of Canadian Municipalities-Green Municipal Fund-Water Capital projects: Core Area Wastewater Treatment Project, approved for \$3M grant in combination with a \$20M loan.
2. Building BC – Community Housing Fund: 2780 Spencer Rd project in partnership with the Capital Regional Housing Corporation, applied for \$5.9M.
  - a. Proposed project was approved to move forward through the selection process.
  - b. The grant funding is not fully secured at this time and is subject to final approval from BC Housing.
3. BC Hydro Sustainable Communities Implementation Fund: Capital Region Electric Vehicle Infrastructure Road Map, approved for \$36,000.
4. Canada Summer Jobs: Student funding:
  - a. Environmental Protection, for \$3,957.

One grant remains under news embargo.

**Applications Submitted**

Two applications were submitted:

1. Provincial Urban Deer Cost-Share Program: Enhanced Eco-Cultural Restoration Partnership Proposal – Fallow Deer Management on Mayne Island project, for \$18,000.

2. Investing in Canada Infrastructure Program – Green Infrastructure – Climate Change Mitigation – CleanBC Communities Fund: Panorama Recreation Energy Recovery Project, for \$1,972,430.

### Core Area Wastewater Treatment Project Update

The CAWTP project is partially funded by the Federal Government and the Province of BC. The Federation of Canadian Municipalities-Green Municipal Fund (FCM-GMF) recently announced their contribution to the project with a \$3M grant and a \$20M loan. The GMF fund is funded by the federal government and FCM delivers the grant to municipalities; the loan portion is funded and administered by the BC Municipal Finance Authority.

During the month of November, the CRD did not receive any grant payments for this project; final payments are subject to holdback until the project and reporting are complete. Cumulatively, the CRD has received \$339M of the estimated revised total of \$462M in grant revenues. The remaining (up to) \$123M, plus the \$20M loan is expected to be received in 2021 based on timing of eligible expenditures and achievement of target milestones.

### Service Delivery Implications

### New Grant Opportunities

Nine new grant calls were issued during the reporting period. Grant Calls in Progress for which the CRD is eligible to apply are featured in Appendix A (see pages 7–9), and in the table below:

Grant	Deadline	Information
Emissions Reduction Fund: Onshore Program: Natural Resources Canada	30-Nov-20	Provides funding to reduce/eliminate methane emissions.
Jumpstart: Community Development Grant	01-Dec-20	Provides funding for aspects of sports/recreational programming.
Green Infrastructure Phase II, Energy Efficient Buildings Program	22-Dec-21	Provides funding for net-zero energy ready houses/buildings.
National Disaster Mitigation Program	07-Jan-21	Provides funding to address flooding projects, and to projects that reduce the risks of flooding.
Investing in Canada Infrastructure Program-COVID-19 Resilience Infrastructure Stream: Adaptation, Resilience, and Disaster Mitigation	11-Jan-21	Provides infrastructure funding for flood mitigation projects.
Rapid Response Stream-Universal Broadband Fund: Innovation, Science and Economic Development Canada	Ongoing until 15-Jan-21	Special stream to address immediate connectivity needs for households. Expected project completion date: 15-Nov-21.
Preventing and Addressing Family Violence: Public Health Agency of Canada	27-Jan-21	Provides funding for projects that both prevent/address family violence in relation to health impacts.

Grant	Deadline	Information
Investing in Canada Infrastructure Program: COVID-19 Resilience Infrastructure Stream	27-Jan-21	Provides funding for public infrastructure projects in response to COVID-19, including retrofits, rehabilitation, upgrades, response infrastructure, active transportation, and disaster mitigation.
Universal Broadband Stream-Universal Broadband Fund: Innovation, Science and Economic Development Canada	15-Feb-21	Provides funding for broadband infrastructure projects in rural and remote areas. Expected project completion date 31-Mar-27.

### **Forthcoming Funding Initiatives**

1. BC Active Transportation: applications for the 2020/21, anticipated intake for fall/winter 2020.
2. UBCM Poverty Reduction Planning & Action Program, anticipated intake for spring 2021.

### **CONCLUSION**

The CRD recognizes grants are a supplementary funding source to address the needs of services provided to the region. The External Grants Update outlines how the CRD continues to integrate and consider these grant opportunities relative to service needs, as well as informing local partners of these opportunities through the grants dashboard. The CRD will continue to provide a summary of activities and outcomes in the External Grants Update on a monthly basis.

### **RECOMMENDATION**

The Finance Committee recommends to the Capital Regional District Board:  
That the Capital Regional District External Grants Update be received for information.

Submitted by:	Lia Xu, MSc., CPA, CGA, Finance Manager, Local Services
Concurrence:	Nelson Chan, MBA, FCPA, FCMA, Chief Financial Officer
Concurrence:	Robert Lapham, MCIP, RPP, Chief Administrative Officer

### **ATTACHMENT(S)**

Appendix A: External Grants Dashboard
























Grants Administration Dashboard

Externally Sourced Grant Funding

STATUS LEGEND:  Intent to apply    Work in Progress (  =delay)    Application Done - Outcome pending    Project Done (  =payment pending)    Application Declined    Links to information								
Grant Program Links		Application Deadline	Project	Status	Board Resolution	Comments	Grant Ask	% of Total Project (Eligible & Ineligible Costs)
GRANT APPLICATIONS IN PROGRESS	Disaster Mitigation and Adaptation Program	17-Jul-20	Construction of Regional and Sub-Regional Seismically Resilient Water Supply		N/A	IWS - Infrastructure Operations is the lead	\$ 36,900,000	42%
	CleanBC - BC Hydro Commercial Custom Program	N/A	Panorama Energy Recovery Project		N/A	PES - Panorama is the lead	\$ 200,000	7%
	Swim to Survive - Lifesaving Society	07-Jun-19	Swim to Survive Day Community Grant for SEAPARC		N/A	PES - SEAPARC is the lead	TBD	TBD
	FCM - Green Municipal Fund - Water Capital Projects	01-Mar-19	Core Area Wastewater Treatment Project		N/A	Approved for a \$3M grant in combination with a \$20M loan.	\$ 3,000,000	0.4%
	Canada Nature Fund	15-Aug-18	Acquisition of land for preservation/park use		N/A	EOI submitted; details remain undisclosed	TBA	TBA
	Jumpstart Community Development Program	01-Feb-20	Swim Program for Indigenous Children and Youth		N/A	PES - Panorama is the lead. Postponed due to COVID-19.	\$ 2,692	TBC
	Island Health Community Wellness Grant	26-Feb-20	Lifeguard Academy for Indigenous Youth		N/A	PES - Panorama is the lead. Postponed due to COVID-19.	\$ 13,264	TBC
	Investing in Canada Infrastructure Program – Green Infrastructure – Environmental Quality Program	26-Feb-20	Juan de Fuca Water Distribution Service for Anderson Cove		12-Feb-20	IWS - Infrastructure Operations is the lead	\$ 1,460,000	71%
	Investing in Canada Infrastructure Program – Green Infrastructure – Environmental Quality Program	26-Feb-20	Magic Lake Estates Wastewater System Renewal		12-Feb-20	IWS - Infrastructure Operations is the lead	\$ 5,390,000	44%
	Connecting British Columbia (Network BC and Northern Development Initiative Trust)	15-Feb-20	TELUS applied to extend fibre optic connectivity in JDF		12-Feb-20	TELUS-CRD provided a letter of support/resolution	TBC	TBC
	Broadband Fund-Canadian Radio Television and Telecommunications Commission	30-Apr-20	TELUS applied to extend fibre optic connectivity in JDF		12-Feb-20	TELUS-CRD provided a letter of support/resolution	TBC	TBC
	BC Hydro Sustainable Communities Implementation Fund	12-Feb-20	Capital Region Electric Vehicle Infrastructure Road Map		N/A	PES - Environmental Protection - Climate Action. Approved for \$36,000	\$ 50,000.00	69.93%
	Canada Summer Jobs	24-Feb-20	Summer student funding		N/A	Human Resources is the lead. Approved for SSI Parks and Recreation \$5,895, SEAPARC \$16,352, Panorama-Greenglade \$32,704, and Environmental Protection \$3,957, total \$58,908.	\$ 110,376.00	TBC
	Municipal Asset Management Program-FCM	Continuous	Asset Life-Cycle Assessment Policy and Procedures		Required	Asset Management is the lead	\$ 50,000.00	80%
	Enabling Accessibility Fund-Small Projects	13-Jul-20	Improving Accessibility - Panorama Recreation & SEAPARC		N/A	Panorama and SEAPARC	\$ 100,000.00	87%
	Investing in Canada Infrastructure Program-Community, Culture, and Recreation Stream	01-Oct-20	Elk/Beaver Lake Oxygenation System		9-Sep-20	Regional Parks is the lead	\$ 700,000.00	42%

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GRANTS APPLICATIONS IN PROGRESS	Investing in Canada Infrastructure Program-Community, Culture, and Recreation Stream	01-Oct-20	Fernwood Elementary School Athletic Field Upgrades		9-Sep-20	SSI Administration is the lead	\$	646,587.00	73%
	Investing in Canada Infrastructure Program-Rural and Northern Communities Stream	22-Oct-20	Maliview Wastewater Treatment Plant Upgrade		9-Sep-20	SSI Administration is the lead	\$	1,989,000.00	88.47%
	Investing in Canada Infrastructure Program-Rural and Northern Communities Stream	22-Oct-20	Lyall Harbour Boot Cove Water Service Improvements Project		9-Sep-20	IWS is the lead	\$	1,110,600.00	95.69%
	Investing in Canada Infrastructure Program-Rural and Northern Communities Stream	22-Oct-20	Port Renfrew Water Supply Line Replacement Project		14-Oct-20	IWS is the lead	\$	1,573,918.00	96.92%
	Investing in Canada Infrastructure Program-CleanBC Communities Fund	12-Nov-20	Panorama Recreation Energy Recovery project		14-Oct-20	PES - Panorama is the lead	\$	1,972,430.00	70%
	Active Transportation Planning Program	30-Oct-20	Active Transportation Plan for the Southern Gulf Islands		14-Oct-20	SGI Administration is the lead	\$	10,000.00	35%
	New Horizons for Seniors Program	20-Oct-20	Community Garden Improvements at Greenglade Community Centre		N/A	PES - Panorama is the lead	\$	25,000.00	100%
	Building BC - Community Housing Fund	04-Sep-20	2780 Spencer Rd project in partnership with the Capital Regional Housing Corporation.		N/A	Regional Housing is the lead. Approved to move forward in process- funding subject to BC Housing approval		TBC	TBC
	Community Economic Recovery Infrastructure Program-Unique Heritage Infrastructure Stream	29-Oct-20	Goldstream Powerhouse Roof (\$76,360) & Emma and Felix Jack Park Cultural Heritage Project (\$15,700)		N/A	Regional Water Supply Service and Mayne Island Parks and Recreation Commission	\$	92,060.00	99.14%
	Community Economic Recovery Infrastructure Program-Community Economic Resilience Stream	29-Oct-20	Revitalization of Greenglade Community Centre Outdoor Space		N/A	PES - Panorama is the lead	\$	329,520.00	95.65%
	Community Energy Financing - FCM	30-Oct-20	Capital Regional Residential Energy Retrofit Program		14-Oct-20	PES - Environmetal Protection - Climate Action is the lead	\$	175,000.00	54.69%
	Rapid Housing Initiative-Major Cities Stream Immediate Support-Canada Mortgage and Housing Corporation	N/A	Permanent Affordable Housing under Rapid Housing Initiative		N/A	Regional Housing is the lead. Allocation of \$13,056,502		N/A	N/A
	COVID-19 Safe Restart Grants for Local Governments	N/A	Funding for local operations impacted by COVID-19		N/A	Allocation based on per capita. Allocation of \$1,421,000.		N/A	N/A
	Provincial Urban Deer Cost-Share Program	16-Oct-20	Enhanced Eco-Cultural Restoration Partnership Proposal – Fallow Deer Management on Mayne Island		Required	SGI Administration is the lead	\$	18,000.00	41.86%
	Investing in Canada Infrastructure Program-COVID-19 Resilience Infrastructure Stream	27-Jan-21	Drake Road Trail Upgrades		Required	SSI Administration is the lead	\$	80,000.00	80.00%
TOTAL GRANT ASKS IN PROGRESS (EXCLUDING CORE AREA LIQUID WASTE MANAGEMENT)							\$	90,904,051	

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CORE AREA LIQUID WASTE MANAGEMENT - GRANT FUNDING STATUS									
Grant Program Links		Contribution Terms and Purpose	Status	Board Resolution	Comments	Grant Award Maximum		Redeemed to Date	
CORE AREA GRANTS	Infrastructure Canada - 3P Funding Agreement (Federal funding)	Lesser of 25% of eligible costs or \$83.4M for a bio-solids energy centre treatment facility for wastewater sludge.				\$	41,000,000	\$	-
	Infrastructure Canada - Building Canada Fund (Federal funding)	Up to 50% of eligible costs to a maximum of \$120M for construction of the McLoughlin Point Wastewater Treatment Plant, marine outfall pipe, and completion of the Victoria Harbour crossing.			Funding agreements executed. Construction to start in April 2017 as per March 16, 2017 joint media release (Canada, BC, CRD)	\$	120,000,000	\$	108,000,001
	Infrastructure Canada - Green Infrastructure Fund (Federal funding)	Up to 50% of eligible costs to a maximum of \$50 M to upgrade Clover Point and Macaulay Point pump stations, implement attenuation tanks, and upgrade existing pump stations and piping systems.				\$	50,000,000	\$	45,000,001
	Provincial Funding	The lesser of 1/3 total cost (excluding land acquisition cost) or \$248M for construction of the wastewater treatment plant, the energy centre for sludge treatment, and conveyance system upgrades - all serving the Core Area.		08-Mar-17	CRD Board approved execution of the Provincial Agreement	\$	248,000,000	\$	186,000,000
	TOTALS					\$	459,000,000	\$	339,000,002




























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Grant Program Links		Dept.	Project Deadline	Project	Status	Lead	Project Cost (Estimate)		Grant Award
PROJECTS IN PROGRESS	<a href="#">Bike BC Cycling Infrastructure Program</a>	PES	30-Jun-21	E&N Rail Trail Phase 3: Atkins Ave. to Savory School		PES: Infrastructure Engineering and Facility Management	\$	4,157,536	\$ 1,000,000
	<a href="#">Community Resilience Through Arts and Culture Program</a>	CS	31-Jul-20	WASANEC Community Resilience Project		First Nations Relations	\$	15,000	\$ 12,000
	<a href="#">Building BC - Community Housing Fund</a>	PPS	2023	Caledonia Housing Project		CRD Housing is the lead. Application is also seeking mortgage subsidy of \$666,500 per year. Supported by CRHC resolution 24-Jul-2018.	\$	50,225,725	\$ 15,500,000
	<a href="#">Clean Water Wastewater Fund</a>	IWS	31-Mar-18	Port Renfrew Water Main Replacement Project		IWS - Infrastructure Engineering	\$	628,634	\$ 488,103
	<a href="#">UBCM Community to Community Forum</a>	CS	31-Mar-19	WSANEC Leadership Committee		First Nations Relations-project not completed.	\$	5,750	\$ 2,760
	<a href="#">UBCM Community to Community Forum</a>	CS	31-Mar-19	CAO - Band Administrators Forum		First Nations Relations-project not completed.	\$	2,167	\$ 520
	<a href="#">Strategic Wildfire Prevention Initiative - FireSmart</a>	PPS	31-May-19	Saturna - FireSmart Planning & Activities Grant		Protective Services	\$	10,000	\$ 10,000
	<a href="#">SSI Community Foundation</a>	SSI	01-Jun-19	For play equipment at Rainbow Pool		SSI Administration	\$	24,425	\$ 18,563
	<a href="#">Climate Action Revenue Incentive Program (CARIP)</a>	PES	01-Jun-20	Conditional grant report		PES - Climate Action	\$	69,928	\$ 69,928
	<a href="#">Regional District Grant 2019</a>	F&T	15-Jul-19	Regional District Grant - Unconditional		The Province announced the unconditional grants on 2019-06-26	\$	60,000	\$ 60,000
	<a href="#">Island Pathways (SSI) grant from SSI Foundation</a>	PES	31-Dec-19	Development of the Booth to Baker Pathway		SSI Administration. Island Pathways obtained this grant from SSI Foundation to support CRD's work. Total cost to be confirmed.	\$	140,000	\$ 100,000
	<a href="#">Investment in Housing Innovation</a>	PPS	<u>31-May-20</u>	3816 Carey Road Affordable Housing Project		Regional Housing	\$	15,249,662	\$ 7,156,662
	<a href="#">BC Hydro - Business Energy Saving Incentives Program</a>	PES	31-Mar-20	Panorama LED lighting upgrade		PES - Panorama is the Lead	\$	60,000	\$ 21,600
	<a href="#">Community Emergency Preparedness Fund</a>	PPS	27-Mar-20	Evaculation Route Planning for Electoral Areas		Protective Services	\$	25,000	\$ 25,000
	<a href="#">FCM Green Municipal Fund - Brownfield Renewal</a>	WWTP	31-Mar-20	McLoughlin Point: Delineation of Groundwater, Bedrock and Soil Contamination		Core Area WWTP	\$	379,200	\$ 175,000
	<a href="#">FCM Green Municipal Fund - Brownfield Renewal</a>	WWTP	31-Mar-20	McLoughlin Point: Remediation and Risk Assessment		Core Area WWTP	\$	343,800	\$ 171,200
	<a href="#">Infrastructure Planning Grant (2017)</a>	PES	31-Mar-20	Bowker Creek Daylighting Feasibility Study		Stormwater-Harbours & Watershed: 10k each for CRD, Oak Bay, Saanich, Victoria)	\$	80,000	\$ 40,000



















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PROJECTS IN PROGRESS (con't)	Victoria Foundation Community Grants	PPS	1-Apr-20	Connect & Prepare- Housing Tenant Support		PPS - Regional Housing is the Lead	\$	167,669	\$	20,000
	Community Resiliency Investment	PPS	30-Apr-20	FireSmart training in the Electoral Areas: Saturna, Pender, Juan de Fuca, SSI FireSmart Cross-Training		Protective Services	\$	100,000	\$	100,000
	UBCM Federal Gas Tax - Strategic Priorities Fund	PES	30-Jun-20	SEAPARC Leisure Complex Expansion		SEAPARC	\$	3,410,406	\$	1,240,000
	FCM Green Municipal Fund - Pilot Project	F&T	31-Oct-21	Zero Emissions Fleet Initiative		Risk Management - Climate Action	\$	1,087,000	\$	350,000
	BC Rural Dividend	PES	22-Mar-21	Engineering Design for SGI Regional Trails		Regional Parks	\$	200,000	\$	100,000
	BC Rural Dividend	SSI	22-Mar-21	Shared Service Business Model		SSI Administration	\$	100,000	\$	90,750
	Invasive Plant Management	PES	31-Mar-21	Invasive Plant Management Project		Environmental Protection Division	\$	32,000	\$	32,000
	Infrastructure Planning Grant	SSI	31-Mar-21	North Salt Spring Waterworks Infrastructure Assessment		SSI Administration	\$	10,000	\$	10,000
	Child Care Space Creation Program	SSI	15-Apr-21	SSI PARC Licensed Preschool Child Care Space		SSI Administration	\$	296,460	\$	214,600
	Affordable Rental Innovation - CMHC	PPS	31-Dec-21	Regional Housing First Program		Regional Housing: Partners include CRD, BC Housing, CMHC at \$40M each.	\$	120,000,000	\$	120,000,000
	Reaching Home-Designated Communities	PPS	31-Mar-24	For community homelessness service projects		PPS: Regional Housing	\$	4,772,699	\$	4,772,699
	Reaching Home-Indigenous Homelessness	PPS	31-Mar-21	For community homelessness service projects		PPS: Regional Housing		TBC	\$	674,512
	Reaching Home-COVID-19 Response	PPS	31-Mar-21	For community homelessness service projects		PPS: Regional Housing		TBC	\$	3,231,049
	Island Health Community Wellness	PPS	1-Mar-20	Monitoring the Determinants of Health and Wellness in the Capital Regional		Community Social Planning Council	\$	50,000	\$	50,000
	BC Hydro Sustainable Communities Program	PES	30-Sep-21	BC Hydro Community Energy Manager staff support		PES - Environmental Protection - Climate Action is the lead		TBC	\$	100,000
	City of Victoria Housing Reserve Fund	PPS	2023	Michigan Housing Project		PPS-Regional Housing-CRHC	\$	1,395,000	\$	1,020,000
	Rick Hansen Foundation BC Accessibility Grants	PES	30-Sep-20	Panorama Accessibility Improvements		PES - Panorama is the Lead		TBC	\$	20,000
	Provincial Urban Deer Cost - Sharing Program	SGI	2020	Program to reduce fallow deer populations on Mayne Island		SGI Administration		TBC		TBC
	Pacific Institute for Climate Solutions Internship Program	PES	31-Dec-20	Climate action student intern		PES - Environmental Protection - Climate Action is the lead		TBC	\$	12,000









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PROJECTS IN PROGRESS (con't)	UBCM-Community Emergency Preparedness Fund-Volunteer & Composite Fire Departments Equipment & Training	PPS	TBD	Joint CRD Volunteer Fire Department Equipment and Training Project		PPS		\$	128,372	\$	117,966
	UBCM-Community Resiliency Investment Program-FireSmart Community Funding & Supports	PPS	TBD	CRD Firesmart Project 2020		Parks and PPS		\$	50,900	\$	49,900
	Community to Community Forum	PES	31-Mar-20	Watershed Management Engagement: Elk/ Beaver Lake		PES-Environmental Protection			TBC	\$	4,125
	UBCM Housing Needs Reports Program Grant	PPS	2021	Regional Housing Needs Report-Capital Region		CRD Development and Planning Advisory Committee		\$	150,000	\$	150,000
	Community Child Care Space Creation Program	SSI	TBD	Multipurpose room for licensed child care and recreation programs		SSI Administration			TBC	\$	832,725
	Community Emergency Preparedness Fund - Emergency Support Services	PPS	2021	Electoral Area Equipment and Training for Emergency Support Services Modernization		Protective Services			TBC	\$	24,983
	BC Rural Dividend - Rural Community Development Grants	SGI	TBD	SGI Broadband Connectivity - Planning Project		SGI Administration			TBC	\$	50,000
	BC Active Transportation Infrastructure Grants Program: Active Transportation Network Planning Grant and Active Transportation Infrastructure Grant	SSI	Mar-21	Lower Ganges Road Pathways Phase 2: Booth Canal to Baker Road		SSI Administration		\$	700,000	\$	490,000
	Investing in Canada - Community, Culture, Recreation	PES	TBD	Mayne Island Regional Trail - Phase One Development		PES - Regional Parks is the lead			TBC	\$	2,778,393
	2020 Emergency Operations Centres and Training Program-Community Emergency Preparedness Fund	PPS	2021	Electoral Areas (JDF, SSI, SGI) EOC Supplies Procurement Project		Protective Services		\$	25,000	\$	25,000
GRANTS AWARDED as of December 14, 2020								\$	218,839,805	\$	171,015,024









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Externally Sourced Grant Funding

STATUS LEGEND:  Intent to apply  Work in Progress (  =delay)  Application Done - Outcome pending  Project Done (  =payment pending)  Application Declined  Links to information						
Grant Program Links		Launch Date	Application Deadline	Resolution Needed	Departments Alerted	Status
GRANT CALLS IN PROGRESS	Community Gaming Grant	Ongoing		Not applicable; CRD's role can be to support a not-for-profit in pursuing these grants.	All	Grant alert sent. Featured in CRD Grants Weekly 2019-06-24
	Human and Social Programs		30-Nov-20			
	Green Municipal Fund - Plans, Feasibility Studies, Pilot Projects Capital Projects	Ongoing	Ongoing	Depends on \$ value	Standing Item	
	Address Improvement Grant	Ongoing	Ongoing	Not Specified	IT	Grant alert sent. Featured in CRD Grants Weekly 2019-07-12
	BC Hydro Sustainable Communities Program	Ongoing	Ongoing	N/A	Standing Item	
	Efficiency BC - Online hub of energy efficiency initiatives	Ongoing	Ongoing	N/A	Standing Item	
	Federal Gas Tax - Community Works Fund Update	Ongoing	Ongoing	N/A	Standing Item	Comprehensive CRD process in place for assignment of funds to Electoral Area Projects. Featured in CRD Grants Weekly 2019-04-05
	Ship-source Oil Pollution Fund	Ongoing	Ongoing	TBD	Standing Item	Grant alert sent; featured in CRD Grants Weekly 2019-05-03
	Ecological Gifts Program	N/A	Ongoing	Not Specified	All	Grant alert sent
	Family Violence Initiative	N/A	Ongoing	Not Specified	All	Grant alert sent
	Multi-sectoral Partnerships to Promote Healthy living and Prevent Chronic Disease – Canada’s Tobacco Strategy	N/A	Ongoing	Not Specified	All	Grant alert sent
	Federal Lands Initiative	N/A	Ongoing	Not Specified	All	Grant alert sent
	National Housing Co-Investment Fund (New Construction, Housing Repair and Renewal, and Rental Construction Financing)	N/A	Ongoing	Not Specified	All	Grant alert sent
	Sustainable Affordable Housing-Green Municipal Fund-FCM	N/A	Continuous	Required	All	Grant alert sent









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GRANT CALLS IN PROGRESS	Investing in Canada Infrastructure Program-CleanBC Communities Fund	12-Aug-20	12-Nov-20	Required	All	Grant alert sent
	UBCM-Housing Needs Report Program	N/A	13-Nov-20	Required	All	Grant alert sent
	Community Emergency Preparedness Fund - Structural Flood Mitigation Program-UBCM	N/A	20-Nov-20	Required	All	Grant alert sent
	Celebrate Canada-Canadian Heritage	N/A	21-Nov-20	No	All	Grant alert sent
	Civil Forfeiture Crime Prevention and Crime Remediation	14-Oct-20	25-Nov-20	No	All	Grant alert sent
	Treemendous Communities-Tree Canada	N/A	30-Nov-20	Not Specified	All	Grant alert sent
	Edible Trees-Tree Canada	N/A	30-Nov-20	Not Specified	All	Grant alert sent
	Emissions Reduction Fund Onshore Program	N/A	30-Nov-20	No	All	Grant alert sent
	Jumpstart Community Development Grants	N/a	01-Dec-20	No	All	Grant alert sent
	Community to Community Forum	2020	04-Dec-20	No	All	Grant alert sent
	Green Infrastructure Phase II, Energy Efficient Buildings Program	17-Nov-20	22-Dec-20	Not Specified	All	Grant alert sent
	Rapid Housing Initiative	N/A	31-Dec-20	Not Specified	All	Grant alert sent
	Local Food Infrastructure Fund	N/A	03-Jan-21	Required	All	Grant alert sent
	National Disaster Mitigation Program	09-Dec-20	07-Jan-21	Not Specified	All	Grant alert sent
	Early Learning and Child Care Innovation	29-Oct-20	07-Jan-21	No	All	Grant alert sent
	Investing in Canada Infrastructure Program-Adaptation, Resilience & Disaster Mitigation	01-Dec-20	11-Jan-20	Required	All	Grant alert sent
	Documentary Heritage Communities Program	N/A	12-Jan-21	Not Specified	All	Grant alert sent
	CleanBC Organic Infrastructure and Collection Program-Residential Curbside Collection Stream	21-Oct-20	12-Jan-21	Required	All	Grant alert sent
	Infrastructure Planning Grant Program	25-Jun-20	13-Jan-21	Required	All	Grant alert sent









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GRANT CALLS IN PROGRESS	CleanBC Organic Infrastructure and Collection Program-Organic Processing Infrastructure Stream	21-Oct-20	14-Jan-21	Required	All	Grant alert sent
	Rapid Response Stream-Universal Broadband Fund	09-Nov-20	15-Jan-21	May be required	All	Grant alert sent
	Municipal Asset Management Program - FCM	N/A	19-Jan-21	Required	All	Grant alert sent
	Housing Supply Challenge: Data Driven	23-Oct-20	20-Jan-21	Not Specified	All	Grant alert sent
	Young Canada Works in Heritage Organizations	N/A	22-Jan-21	Not Specified	All	Grant alert sent
	Preventing and Addressing Family Violence	N/A	27-Jan-21	Not Specified	All	Grant alert sent
	Investing in Canada Infrastructure Program-COVID-19 Resilience Infrastructure Stream	01-Dec-20	27-Jan-21	Required	All	Grant alert sent
	Community Emergency Preparedness Fund - Emergency Support Services	N/A	29-Jan-21	Required	All	Grant alert sent
	Young Canada Works in Both Official Languages	N/A	03-Feb-21	Not Specified	All	Grant alert sent
	Universal Broadband Fund	09-Nov-20	15-Feb-21	May be required	All	Grant alert sent
	Community Emergency Preparedness Fund: Flood Risk Assessment, Flood Mapping & Flood Mitigation Planning-UBCM	N/A	26-Feb-21	Required	All	Grant alert sent
	Community Emergency Preparedness Fund: Emergency Operations Centres & Training	N/A	26-Mar-21	Required	All	Grant alert sent
	Municipal Natural Assets Initiative-Expressions of Interest	08-Oct-19	TBD	Not Specified	All	Grant alert sent

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Funding Sources / Plans		Description	Possible Timing	Links
FUNDING INITIATIVES: ONGOING SCAN	UBCM Funding and Resource updates 2020	List of Local Government Programs and Services		
	GRANTS FORECAST		UBCM Grants: Age-Friendly Communities, anticipated 2021	
			Community Energy Leadership Program (CELP) 2019 launched; Next round unknown	
			BC'S Restart Plan	
			BC's Active Transportation infrastructure Grants Program 2021/22 Intake	
			UBCM Poverty Reduction Planning & Action Program, anticipated intake for Spring 2021	
		See website links ( <i>if available</i> ) in the right-most column for program information available to date.		
		Note that typically, infrastructure grants will require SHOVEL READY projects (e.g: Asset plan is current; design drawings and environmental assessments are complete; matching funding - usually 50%- is assigned.)		

**REPORT TO FINANCE COMMITTEE  
MEETING OF WEDNESDAY, JANUARY 06, 2021**

**SUBJECT**     **Bylaw Nos. 4399 and 4400: Security Issuing Bylaws, Spring 2021**

**ISSUE SUMMARY**

Approval of the security issuing bylaws for borrowings by the Capital Regional District (CRD) and for borrowings by the District of Saanich.

**BACKGROUND**

Under Sections 410 and 411 of the *Local Government Act*, the CRD must adopt a security issuing bylaw to provide for the issue of debentures or other debt for all or any part of the debt authorized under loan authorization bylaws for its own borrowings and on behalf of municipalities requesting debt.

Debt issuance is undertaken twice annually by the Municipal Finance Authority (MFA). The process requires the CRD Board to adopt separate security issuing bylaws for each borrower. The approved bylaws are then submitted to the Ministry of Municipal Affairs for approval.

The CRD is requesting the issue of securities as follows in Table 1 below:

**TABLE 1: Capital Regional District - Financial Plan Borrowing – (\$ Millions)**

Security Issuing Bylaw No.	Service	LOAN AUTHORIZATION				Term of issue	Issue amount (\$M)	Notes
		Bylaw No.	Authorized (\$M)	Borrowed (\$M)	Remaining (\$M)			
<b>4399</b>	Regional Parks	4142	\$6.10	\$4.56	\$1.54	10	\$1.04	E&N Rail Trail – Humpback Connector
	Magic Lake Estates Wastewater System	4320	\$6.00	\$0.00	\$6.00	30	\$2.50	Magic Lake Estates Wastewater System Upgrade
	<b>TOTAL</b>						<b>\$3.54</b>	

Municipal requests for the Spring MFA issue have been submitted by the District of Saanich. The requests are outlined in Table 2 below.

**TABLE 2: Municipal Borrowings – District of Saanich – (\$ Millions)**

Security Issuing Bylaw No.	Municipality	LOAN AUTHORIZATION				Term of issue	Issue amount (\$M)	Notes
		Bylaw No.	Authorized (\$M)	Borrowed (\$M)	Remaining (\$M)			
<b>4400</b>	District of Saanich	9559	\$1.5	\$0.0	\$1.5	15	\$1.5	Sewer Capital Program
	District of Saanich	9560	\$2.4	\$0.0	\$2.4	15	\$2.4	Storm Drainage Capital Program
	District of Saanich	9561	\$2.3	\$0.0	\$2.3	15	\$2.3	Transportation Capital Program
	District of Saanich	9562	\$1.0	\$0.0	\$1.0	15	\$1.0	Parks Capital Program
	<b>TOTAL</b>						<b>\$7.2</b>	

Pursuant to Section 182 of the *Community Charter*, municipality borrowing under a loan authorization bylaw must be undertaken by the applicable regional district on behalf of the municipality. Pursuant to Section 410 of the *Local Government Act*, the regional district will finance the loan authorization bylaw of a municipality approved under the *Community Charter*. This will permit the municipality to access long-term borrowing through the Municipal Finance Authority for the upcoming issue.

## **ALTERNATIVES**

### *Alternative 1*

The Finance Committee recommends to the Capital Regional District Board:

1. That Bylaw No. 4399, "Security Issuing Bylaw No. 1, 2021", be introduced and read a first, second, and third time;
2. That Bylaw No. 4399 be adopted;
3. That Bylaw No. 4400, "Security Issuing Bylaw No. 2, 2021", be introduced and read a first, second, and third time;
4. That Bylaw No. 4400 be adopted;

### *Alternative 2*

That adoption of Bylaw Nos. 4399 and 4400 be deferred back to staff for amendments.

## **IMPLICATIONS**

### *Financial Implications*

The CRD funds large capital projects with long term borrowings in order to mitigate the risk of interest rate fluctuation and to spread the capital costs of facilities over current and future users.

Municipal borrowings are supported by municipal resolution and debt servicing levels are below liability servicing limits. For the municipal borrowings, there is no direct financial impact to the CRD. The debt is issued to the municipalities through the security of the regional district and all principal and interest payments are paid for by the respective municipalities.

#### **Borrowing and Rate Details**

Each new issue will generally be for a 10 year term, which means the lending rate is set from the date of funding for a period of 10 years. Local governments have the option to borrow for periods ranging from 5 to 30 years; therefore, any terms that exceed the 10 year period will have the lending rate reset starting in year 11. Typically, the rate will be reset for the next 5 years covering the start of year 11 to the end of year 15, and this “5 year reset process” will continue as required (i.e. until loan obligations mature). The MFA’s long term 10 year borrowing rate is currently 1.64%.

Current indicative market interest rates are provided by the Municipal Finance Authority of BC and these form the starting point for internal CRD budget purposes:

<b>Time Horizon</b>	<b>MFABC – Indicative Rates</b>
5 years	1.00%
10 years	1.64%
15 years	2.12%
20 years	2.36%
25 years	2.36%
30 years	2.36%

#### **CONCLUSION**

The CRD through security issuing bylaw is enabled to borrow from the MFA for both regional district and municipal borrowings. For municipalities, the requisite loan authorization bylaws, provincial certificates of approval and municipal resolutions for the proposed security issuing bylaws are in place. The services and municipalities requesting the borrowing will bear the resulting debt service costs. Approval of these bylaws is recommended to permit participation in MFA’s 2021 Spring debt issuance.

#### **RECOMMENDATION**

The Finance Committee recommends to the Capital Regional District Board:

1. That Bylaw No. 4399, “Security Issuing Bylaw No. 1, 2021”, be introduced and read a first, second, and third time;
2. That Bylaw No. 4399 be adopted;
3. That Bylaw No. 4400, “Security Issuing Bylaw No. 2, 2021”, be introduced and read a first, second, and third time;
4. That Bylaw No. 4400 be adopted;

Submitted by:	Rianna Lachance, BCom, CPA, CA, Senior Manager, Financial Services
Concurrence:	Nelson Chan, MBA, FCPA, FCMA, Chief Financial Officer
Concurrence:	Kristen Morley, J.D., General Manager, Corporate Services & Corporate Officer
Concurrence:	Robert Lapham, MCIP, RPP, Chief Administrative Officer

**ATTACHMENT(S)**

Appendix A: Bylaw No. 4399, Security Issuing Bylaw No. 1, 2021

Appendix B: Bylaw No. 4400, Security Issuing Bylaw No. 2, 2021

**CAPITAL REGIONAL DISTRICT  
BYLAW NO. 4399**

\*\*\*\*\*  
**A BYLAW TO AUTHORIZE ENTERING INTO AN AGREEMENT RESPECTING FINANCING  
BETWEEN THE CAPITAL REGIONAL DISTRICT AND THE  
MUNICIPAL FINANCE AUTHORITY OF BRITISH COLUMBIA**  
\*\*\*\*\*

**WHEREAS:**

- A. The Municipal Finance Authority of British Columbia (the “Authority”) may provide financing of capital requirements for Regional Districts or for their member municipalities by the issue of debentures or other evidence of indebtedness of the Authority and lending the proceeds therefrom to the Regional District on whose request the financing is undertaken;
- B. Under the provisions of section 411 of the *Local Government Act*, the amount of borrowing authorized by each of the following loan authorization bylaws, the amount already borrowed under the authority thereof, the amount of authorization to borrow remaining thereunder, and the amount being issued under the authority thereof by this bylaw;
- C. The table contained in this bylaw is to provide clarity and information for the purposes of this bylaw;
- D. The Board of the Capital Regional District (the “Regional District”) hereby requests that such financing shall be undertaken through the Authority.

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

- 1. The Authority is hereby requested and authorized to finance from time to time the undertakings, as further described in the Loan Authorization Table below, at the sole cost and on behalf of the Regional District up to, but not exceeding Three Million, Five Hundred and Forty Thousand Dollars (\$3,540,000) in lawful money of Canada (provided that the Regional District may borrow all or part of such amount in such currency as the Trustees of the Authority shall determine but the aggregate amount in lawful money of Canada and in Canadian Dollar equivalents so borrowed shall not exceed \$3,540,000 in Canadian Dollars) at such interest and with such discounts or premiums and expenses as the Authority may deem appropriate in consideration of the market and economic conditions pertaining.

Security Issuing Bylaw No.	Service	LOAN AUTHORIZATION				Term of issue	Issue amount (\$M)	Notes
		Bylaw No.	Authorized (\$M)	Borrowed (\$M)	Remaining (\$M)			
4399	Regional Parks	4142	\$6.10	\$4.56	\$1.54	10	\$1.04	E&N Rail Trail – Humpback Connector
	Magic Lake Estates Wastewater System	4320	\$6.00	\$0.00	\$6.00	30	\$2.50	Magic Lake Estates Wastewater System Upgrade
	<b>TOTAL</b>						<b>\$3.54</b>	

2. Upon completion by the Authority of financing undertaken pursuant hereto, the Chair and officer assigned the responsibility of financial administration of the Regional District, on behalf of the Regional District and under its seal shall, at such time or times as the Trustees of the Authority may request, enter into and deliver to the Authority one or more agreements, which said agreement or agreements shall be substantially in the form annexed hereto as Schedule "A" and made part of this bylaw (such Agreement or Agreements as may be entered into, delivered or substituted hereinafter referred to as the "Agreement") providing for payment by the Regional District to the Authority of the amounts required to meet the obligations of the Authority with respect to its borrowings undertaken pursuant hereto, which Agreement shall rank as debenture debt of the Regional District.
3. The Agreement in the form of Schedule "A" shall be dated and payable in the principal amount or amounts of monies and in Canadian dollars or as the Authority shall determine and subject to the *Local Government Act*, in such currency or currencies as shall be borrowed by the Authority under Section 1 and shall set out the schedule of repayment of the principal amount together with interest on unpaid amounts as shall be determined by the Treasurer of the Authority.
4. The obligation incurred under the said Agreement shall bear interest from a date specified therein, which date shall be determined by the Treasurer of the Authority, and shall bear interest at a rate to be determined by the Treasurer of the Authority.
5. The Agreement shall be sealed with the seal of the Regional District and shall bear the signature of the Chair and the officer assigned the responsibility of financial administration of the Regional District.
6. The obligations incurred under the said Agreement as to both principal and interest shall be payable at the Head Office of the Authority in Victoria and at such time or times as shall be determined by the Treasurer of the Authority.

7. During the currency of the obligations incurred under the said Agreement to secure borrowings in respect of the Regional District Loan Authorization Bylaws No. 4142 and 4320 if the anticipated revenues accruing to the Regional District from the operation of the "Regional Parks Extended Service Establishment Bylaw No. 1, 1989" and the "Outer Gulf Islands Magic Lake Estates Sewage System Local Service Establishment Bylaw, 1990" services are at any time insufficient to meet the annual payment of interest and the repayment of principal in any year, there shall be requisitioned an amount sufficient to meet such insufficiency.
8. The Regional District shall provide and pay over to the Authority such sums as are required to discharge its obligations in accordance with the terms of the Agreement, provided, however, that if the sums provided for in the Agreement are not sufficient to meet the obligations of the Authority, any deficiency in meeting such obligations shall be a liability of the Regional District to the Authority and the Board of the Regional District shall make due provision to discharge such liability.
9. The Regional District shall pay over to the Authority at such time or times as the Treasurer of the Authority so directs such sums as are required pursuant to section 15 of the *Municipal Finance Authority Act* to be paid into the Debt Reserve Fund established by the Authority in connection with the financing undertaken by the Authority on behalf of the Regional District pursuant to the Agreement.
10. This bylaw may be cited as "Security Issuing Bylaw No. 1, 2021".

READ A FIRST TIME THIS	th	day of	202_
READ A SECOND TIME THIS	th	day of	202_
READ A THIRD TIME THIS	th	day of	202_
ADOPTED THIS	th	day of	202_

---

CHAIR

---

CORPORATE OFFICER

## Schedule "A" to Bylaw # \_\_\_\_\_

## CANADA

## PROVINCE OF BRITISH COLUMBIA

## AGREEMENT

Regional District of \_\_\_\_\_

The Regional District of \_\_\_\_\_ (the "Regional District") hereby promises to pay to the Municipal Finance Authority of British Columbia (the "Authority") at its Head Office in Saanich, British Columbia, the sum of \_\_\_\_\_ DOLLARS (\$\_\_\_\_\_) in lawful money of Canada, together with interest thereon from the \_\_\_\_ day of \_\_\_\_\_ 20\_\_, at varying rates of interest, calculated semi-annually, in each and every year during the currency of this Agreement; and payments of principal and interest shall be as specified in the schedule attached commencing on the \_\_\_\_ day of \_\_\_\_\_ 20\_\_, provided that in the event the payments of principal and interest hereunder are insufficient to satisfy the obligations of the Authority undertaken on behalf of the Regional District, the Regional District shall pay over to the Authority such further sums as are sufficient to discharge the obligations of the Regional District to the Authority.

DATED at \_\_\_\_\_, British Columbia, this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

IN TESTIMONY WHEREOF and under the authority of  
Bylaw # \_\_\_\_\_ cited as "\_\_\_\_\_",

this Agreement is sealed with the Corporate Seal of the  
Regional District of \_\_\_\_\_ and signed  
by the Chair and Treasurer thereof.

\_\_\_\_\_  
Chair

\_\_\_\_\_  
Treasurer

Pursuant to the *Local Government Act*, I certify that the within Agreement has been lawfully and validly made and issued and that its validity is not open to question on any ground whatsoever in any court of the Province of British Columbia.

\_\_\_\_\_  
Deputy Inspector of Municipalities of British Columbia

**PRINCIPAL AND/OR SINKING FUND DEPOSIT AND INTEREST PAYMENTS**

Date of Payment	Total Payment	Principal/Sinking Fund Deposit	Interest
	\$	\$	\$
	\$	\$	\$
	\$	\$	\$

**CAPITAL REGIONAL DISTRICT**

**BYLAW NO. 4400**

\*\*\*\*\*

**A BYLAW TO AUTHORIZE THE ENTERING INTO AN AGREEMENT RESPECTING  
FINANCING BETWEEN THE CAPITAL REGIONAL DISTRICT AND THE  
MUNICIPAL FINANCE AUTHORITY OF BRITISH COLUMBIA**

\*\*\*\*\*

**WHEREAS**

- A. The Municipal Finance Authority of British Columbia (the “Authority”) may provide financing of capital requirements for regional districts or for their member municipalities by the issue of debentures or other evidence of indebtedness of the Authority and lending the proceeds therefrom to the regional district on whose request the financing is undertaken;
- B. The District of Saanich is a member municipality of the Capital Regional District (the “Regional District”);
- C. The Regional District will finance from time to time on behalf of and at the sole cost of its member municipalities, under the provisions of Section 410 of the *Local Government Act*, the works financed pursuant to the herein mentioned loan authorization bylaws;
- D. Under the provisions of Section 411 of the *Local Government Act*, the amount of borrowing authorized by each of the following loan authorization bylaws, the amount already borrowed under the authority thereof, the amount of authorization to borrow remaining thereunder, the amount being issued under the authority thereof by this bylaw, and the term of the debt are included in this bylaw;
- E. The tables contained in this bylaw are to provide clarity and information for the purposes of this bylaw;
- F. The Regional Board, by this bylaw, hereby requests such financing shall be undertaken through the Authority.

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

1. The Regional Board hereby consents to financing the debt of District of Saanich and further described in the Municipal Loan Authorization Bylaws table, in the amount of Seven Million and Two Hundred Thousand Dollars (\$7,200,000) in accordance with the following terms.

Security Issuing Bylaw No.	Municipality	LOAN AUTHORIZATION				Term of issue	Issue amount (\$M)	Notes
		Bylaw No.	Authorized (\$M)	Borrowed (\$M)	Remaining (\$M)			
4400	District of Saanich	9559	\$1.5	\$0.0	\$1.5	15	\$1.5	Sewer Capital Program
	District of Saanich	9560	\$2.4	\$0.0	\$2.4	15	\$2.4	Storm Drainage Capital Program
	District of Saanich	9561	\$2.3	\$0.0	\$2.3	15	\$2.3	Transportation Capital Program
	District of Saanich	9562	\$1.0	\$0.0	\$1.0	15	\$1.0	Parks Capital Program
	<b>TOTAL</b>						<b>\$7.2</b>	

2. The Authority is hereby requested and authorized to finance from time to time the above noted undertakings, and further described in the Municipal Loan Authorization Bylaws table, at the sole cost and on behalf of the District of Saanich up to, but not exceeding Seven Million and Two Hundred Thousand Dollars (\$7,200,000) in lawful money of Canada (provided that the Regional District may borrow all or part of such amount in such currency as the Trustees of the Authority shall determine but the aggregate amount in lawful money of Canada and in Canadian Dollar equivalents so borrowed shall not exceed Seven Million and Two Hundred Thousand Dollars (\$7,200,000) at such interest and with such discounts or premiums and expenses as the Authority may deem appropriate in consideration of the market and economic conditions pertaining.
3. Upon completion by the Authority of financing undertaken pursuant hereto, the Chair and officer assigned the responsibility of financial administration of the Regional District, on behalf of the Regional District and under its seal shall, at such time or times as the Trustees of the Authority may request, enter into and deliver to the Authority one or more agreements, which said agreement or agreements shall be substantially in the form annexed hereto as Schedule "A" and made part of this bylaw (such Agreement or

Agreements as may be entered into, delivered or substituted hereinafter referred to as the "Agreement") providing for payment by the Regional District to the Authority of the amounts required to meet the obligations of the Authority with respect to its borrowings undertaken pursuant hereto, which Agreement shall rank as debenture debt of the Regional District.

4. The Agreement in the form of Schedule "A" shall be dated and payable in the principal amount or amounts of monies and in Canadian dollars or as the Authority shall determine and subject to the *Local Government Act*, in such currency or currencies as shall be borrowed by the Authority under section 1 and shall set out the schedule of repayment of the principal amount together with interest on unpaid amounts as shall be determined by the Treasurer of the Authority.
5. The obligation incurred under the said Agreement shall bear interest from a date specified therein, which date shall be determined by the Treasurer of the Authority, and shall bear interest at a rate to be determined by the Treasurer of the Authority.
6. The Agreement shall be sealed with the seal of the Regional District and shall bear the signature of the Chair and the officer assigned the responsibility of financial administration of the Regional District.
7. The obligations incurred under the said Agreement as to both principal and interest shall be payable at the Head Office of the Authority in Saanich and at such time or times as shall be determined by the Treasurer of the Authority.
8. During the currency of the obligations incurred under the said Agreement to secure borrowings in respect of the District of Saanich Loan Authorization Bylaw # 9559, 9560, 9561 and 9562 there shall be requisitioned annually an amount sufficient to meet the annual payment of interest and the repayment of principal.
9. The Regional District shall provide and pay over to the Authority such sums as are required to discharge its obligations in accordance with the terms of the Agreement, provided, however, that if the sums provided for in the Agreement are not sufficient to meet the obligations of the Authority, any deficiency in meeting such obligations shall be a liability of the Regional District to the Authority and the Regional Board of the Regional District shall make due provision to discharge such liability.
10. The Regional District shall pay over to the Authority at such time or times as the Treasurer of the Authority so directs such sums as are required pursuant to Section 15 of the *Municipal Finance Authority Act* to be paid into the Debt Reserve Fund established by the Authority in connection with the financing undertaken by the Authority on behalf of the Regional District pursuant to the Agreement.

11. This bylaw may be cited as "Security Issuing Bylaw No. 2, 2021".

READ A FIRST TIME THIS \_\_\_\_\_<sup>th</sup> day of \_\_\_\_\_ 202\_

READ A SECOND TIME THIS \_\_\_\_\_<sup>th</sup> day of \_\_\_\_\_ 202\_

READ A THIRD TIME THIS                      th       day of                      202\_

ADOPTED THIS \_\_\_\_\_<sup>th</sup> day of \_\_\_\_\_ 202\_

CHAIR

CORPORATE OFFICER

**Schedule "A" to Bylaw # \_\_\_\_\_**

**CANADA  
PROVINCE OF BRITISH COLUMBIA  
AGREEMENT**

Regional District of \_\_\_\_\_

The Regional District of \_\_\_\_\_ (the "Regional District") hereby promises to pay to the Municipal Finance Authority of British Columbia (the "Authority") at its Head Office in Saanich, British Columbia, the sum of \_\_\_\_\_ DOLLARS (\$\_\_\_\_\_) in lawful money of Canada, together with interest thereon from the \_\_\_\_ day of \_\_\_\_\_ 20\_\_, at varying rates of interest, calculated semi-annually, in each and every year during the currency of this Agreement; and payments of principal and interest shall be as specified in the schedule attached commencing on the \_\_\_\_ day of \_\_\_\_\_ 20\_\_, provided that in the event the payments of principal and interest hereunder are insufficient to satisfy the obligations of the Authority undertaken on behalf of the Regional District, the Regional District shall pay over to the Authority such further sums as are sufficient to discharge the obligations of the Regional District to the Authority.

DATED at \_\_\_\_\_, British Columbia, this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

IN TESTIMONY WHEREOF and under the authority of  
Bylaw # \_\_\_\_\_ cited as "\_\_\_\_\_",  
this Agreement is sealed with the Corporate Seal of the  
Regional District of \_\_\_\_\_ and signed  
by the Chair and Treasurer thereof.

\_\_\_\_\_  
Chair

\_\_\_\_\_  
Treasurer

Pursuant to the *Local Government Act*, I certify that the within Agreement has been lawfully and validly made and issued and that its validity is not open to question on any ground whatsoever in any court of the Province of British Columbia.

\_\_\_\_\_  
Deputy Inspector of Municipalities of British Columbia

**PRINCIPAL AND/OR SINKING FUND DEPOSIT AND INTEREST PAYMENTS**

<b>Date of Payment</b>	<b>Total Payment</b>	<b>Principal/Sinking Fund Deposit</b>	<b>Interest</b>
	\$	\$	\$
	\$	\$	\$
	\$	\$	\$

# COASTAL COMMUNITIES

## Social Procurement

### INITIATIVE

## Procurement for Community Wellbeing

### Why is Social Procurement Important?

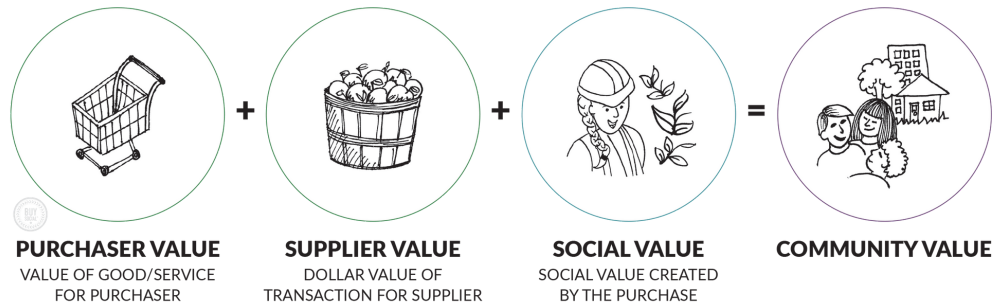
Communities today are facing complex social, economic and environmental challenges.

Local governments and other large purchasers spend billions of dollars each year on goods, services and infrastructure projects. When procurement focuses on 'best value for money' beyond just a financial transaction it becomes a tool for building healthy communities.

Social procurement practices create pathways to stronger local economies and unlock additional community benefits that can help meet the social goals of local governments.

In just two years CCSPI has helped local governments on Vancouver Island and in the Coastal Communities realize over \$25 million in procurement spend with added social value. That means significant community benefits are being generated from existing procurement dollars at a time when local economies need it most. By integrating social procurement practices into their purchasing CCSPI members are unlocking the doors to stronger local economies, increased local employment and training and multiple additional community benefits.

### What is Social Procurement?



Social procurement means leveraging a social value from existing purchasing. It is an additional way that local governments can direct resources towards community benefit to support and strengthen local economies.

## Impact at a Glance

22

Local  
Governments &  
Organizations

200+

Individual  
Members

\$25<sub>m</sub>+

Social  
Procurement  
Spend

30+

Pilot Projects  
Undertaken



Delivered in partnership by:

# What is the Coastal Communities Social Procurement Initiative (CCSPI)?

The CCSPI program is a low cost, high value resource that provides local governments and institutional purchasers with the training, support and expertise to integrate social procurement practices and add social value to their existing purchasing. For an annual membership fee, participating members get access to a full suite of professional development and training, expert consultation support, resources & templates, case studies, impact measurement tools and more.



## Impact measurement

CCSPI has partnered with Royal Roads University to develop a robust impact measurement framework that takes a region-wide approach to measuring the impact of social procurement across the region.

## Supplier engagement

CCSPI is working directly with local suppliers, vendors and economic development organizations in member communities to ensure that they have the resources, training and support necessary to respond to and deliver successfully on government procurement opportunities.

## COVID-19 Recovery

Social procurement is a solution that can help ensure the dollars spent by local governments are aligned with their local community and economic needs during COVID-19 recovery.

## Social Procurement in Action: Local Stories

**Local Stories: Procurement for Community Well Being**  
Coordinator: Leah Hamilton, CPSP, CPM, Buyer, City of Victoria

**Comox Valley Regional District: Keeping It Simple**

"Keep the procurement as simple as possible while striking a balance between achieving your organizational goals with what the marketplace has the capacity to offer." - Scott Macmillan

Location: Comox Valley Regional District  
Population: 66,527

Water Treatment Project  
Value: \$125m

The Comox Valley Regional District is a federation of three electoral areas and three municipalities. The region has a population of 66,527. In early 2018, the Regional District Board approved an updated procurement policy which included a section dedicated to social and sustainable procurement. The policy update aims to support the Regional District's goals and objectives. Social procurement has the potential to generate community benefits and the Regional District is leading the way by incorporating social value criteria into a number of projects.

Water Treatment Project

The Regional District identified the need for a new water treatment system for the Comox Valley. The project has a budget of \$125m and is being delivered with the design-build project model. The project requires the design and construction of a deep-water lake intake, a pump station, a treatment plant and 1.5km of pipeline infrastructure. The Regional District was able to obtain funding from a federal grant that included Infrastructure Canada Community Employment Benefits Program.

The project provided a great opportunity to incorporate local procurement concepts that included maximizing employment, skills training and apprenticeship opportunities for local disadvantaged, equity seeking and marginalized individuals.

**Local Stories: Procurement for Community Well Being**  
Coordinator: Leah Hamilton, CPSP, CPM, Buyer, City of Victoria

**City of Victoria: Small Spends for Community Benefit**

"At the City, we are trying to achieve social conditions that impact our community, homelessness, housing, employment, age cost of living. We use social procurement as a way to help the community thrive." - Leah Hamilton

Location: Victoria  
Population: 92,000

P-Card: \$3.9M spend

The City of Victoria is a mid-sized city at the bottom tip of Vancouver Island, although the Greater Victoria region is 170,000 population. The City is one municipality among 14 and is home to 10,000 residents. Victoria has a vibrant local economy, established by key institutions: BC Government, Post Secondary, Harbour Authority, Hospitals and other public institutions. Social procurement has the potential to generate significant community benefits and the City is leading the way.

Aligning P-Card Spend to City Priorities

In 2017, the City of Victoria and Social Procurement and Social Investment team identified social procurement as a key strategy and outcome. There were 10 small businesses that included employees for people who had barriers to employment in social enterprises, and that economic development. In 2017, CPSP launched, with the Mayor of Victoria acting as co-chair of the initiative, a group of 10 small businesses. City staff identified a P-Card spend as a way to help these small businesses grow and thrive. The initiative has been very successful.

In 2018, the City spent approximately \$3.9M through private-public and purchases under \$100k. There are 10+ small businesses who have benefited from and who they purchase. By reducing these staff, there is an opportunity to achieve many more than the staff on equity.

**Local Stories: Procurement for Community Well Being**  
Coordinator: Leah Hamilton, CPSP, CPM, Buyer, City of Victoria

**District of Tofino: Unbundling for Local Benefit**

"We are using the term 'social procurement' and focused on economic, environmental, social benefits. This is becoming more understood, both through internal awareness within the District and by vendors, who are also understanding that we are wanting to achieve something other beyond just the provision of goods and services." - April Freeman

Location: Tofino  
Population: 2,000

Project: Soft Landscaping Tender  
Value: \$1.4 Million

Tofino is located at the tip of a peninsula, hanging off the edge of the West Coast of Vancouver Island. It is a small community of 2,000 residents and hosts thousands of tourists annually. Tofino is one of the top destinations in BC, and is known for its beaches, forests and wild beauty.

Soft Landscaping Tender

In 2014, social procurement was not really on Tofino's radar. However, staff and council became motivated to explore procurement as a tool for helping healthy communities because Tofino is an isolated community with many resources, trades and products coming from outside the region. In addition, local businesses have a limited market for their products and services. The result is that they are more costly, there is a higher cost of living, and the cost of getting products to outside markets is significant. The District began to consider how to be more strategic with procurement by using "local" to provide services and advance community, social and economic goals at the same time.

The Soft Landscaping Tender discussed here had its roots in a previous project. The District had completed Phase 1 of a downtown strategic revitalization. This was one of the largest value projects ever completed by the District. The project was a whole lot more complex for local contractors and was anticipated to be delivered solely by an outside contractor. The initial project was valued at \$3M, and a lot of the resources came from outside the community, including those such as trucking and landscaping, and maintenance such as garden watering. The District considered that some of those services could be provided locally and possibly even at a lower cost.

**Local Stories: Procurement for Community Well Being**  
Coordinator: Leah Hamilton, CPSP, CPM, Buyer, City of Victoria

**Port Hardy: Test-Driving Our Community Values**

"At the beginning, we thought social procurement was about 'what are you going to give us?' that they would leave it to a clerk or something, but it's not about that. It's about being inclusive, about the environment, and about the community, workforce and local economy." - Allison McCreck

Location: Port Hardy  
Population: 4,100

Recreation Centre Revitalization Project

Port Hardy is a small community at the tip of Vancouver Island. The local government is both a provider of services to the community as well as a supplier of local economy and business. Whenever possible, the District is looking at how to include local businesses in their procurement, and to ask capable suppliers and vendors, "What can you bring to our local community that adds something extra to the people that will be using the services that we pay you to provide?"

Recreation Centre Revitalization Project

Port Hardy's recreation center is the beating heart of the community, providing health and wellness services and a place for people to gather. It is beginning to show its age and recently, the District replaced the entire for the arena. In doing this work, the District identified that additional work was needed on the refrigeration system, a new roof was in order, and other work required inside the arena.

These renovations also provided an opportunity to meet emerging community and environmental needs.

"The accessibility of the arena had long been an area that was difficult for residents to navigate. Residents with scooters had been accessing the arena through a back door, an access point that ingests upon flying and noisy vehicles."

In updating the heating and cooling systems, heat reclamation options could help the complex become more energy efficient.

**Local Stories: Procurement for Community Well Being**  
Coordinator: Leah Hamilton, CPSP, CPM, Buyer, City of Victoria

**Victoria: Those Five Points Matter**

"Vendors are doing this, but don't realize they are doing this so don't integrate into their bids." - Leah Hamilton

Location: Victoria  
Population: 92,000

Public Waste Bins RFP: \$100K

The City of Victoria is a mid-sized city at the bottom tip of Vancouver Island. Although the Greater Victoria region has a population of 370,000, the City is one municipality among 14 and is home to 92,000 residents. Victoria has a vibrant local economy, anchored by key institutions: BC Government, Post Secondary, Harbour Authority, Hospitals and other public institutions. Social procurement has the potential to generate significant community benefits and the City is leading the way.

Public Waste Bins RFP

The City of Victoria has been a leader in the Coastal Communities Social Procurement Initiative (CCSPI). After assessing their spending and how to maximize small spends for community benefit, Victoria piloted social procurement with a Request for Proposal for public waste bins.

Victoria's sustainability group had been working with vendors delivering social, community and environmental outcomes, so social procurement implementation with supply chains was not an obvious choice.

"We're inspired to share with vendor education as to what they can expect, how to bid or their supply chains and ways to increase supplier diversity, including partnering with non-profits who provide employment support."

**Comox Valley RD**  
Community employment benefits in a large construction project

**City of Victoria**  
Small spends and direct awards from purchasing card spend

**District of Tofino**  
Unbundling a construction project to include local vendors

**District of Port Hardy**  
Recreation centre upgrades address community and environmental needs

**City of Victoria**  
Piloting social value criteria in a request for proposals (RFP)

## Become a member of CCSPI

Contact Robert Fisher, Project Coordinator at [rfisher@scalecollaborative.ca](mailto:rfisher@scalecollaborative.ca)

## Learn more about CCSPI

[www.ccspi.ca](http://www.ccspi.ca)

Delivered in partnership by:

