



# STAFF REPORT TO COMMITTEE

**DATE OF REPORT** November 25, 2023  
**MEETING TYPE & DATE** Electoral Area Services Committee of December 6, 2023  
**FROM:** Finance Division  
Corporate Services Department  
**SUBJECT:** Growing Community Funds Projects  
**FILE:**

## **PURPOSE/INTRODUCTION**

The purpose of this report is to request that the Growing Community Funds be allocated for items being considered as part of the 2024 Budget process.

## **RECOMMENDED RESOLUTION**

That it be recommended to the Board on December 13<sup>th</sup>, 2023 that the Growing Community Funds be allocated to the Cowichan Community Centre roof replacement and the Stocking Lake Dam replacement as follows:

- a. \$1.299 million for the Cowichan Community Centre roof replacement;
- b. \$2.6 million for the Stocking Lake Dam replacement
- c. \$50,000 to Initiate an Indigenous relations framework
- d. \$50,000 to upgrade Cowichan Community Centre

## **BACKGROUND**

On February 10, 2023, the Provincial Government announced that they would be providing \$1 billion Growing Community Funds (GCF) in the form of a one-time direct transfer to all Regional Districts and Municipalities. The Regional District funding was allocated based on a flat funding formula combined with an amount based on regional and rural population as well as growth between 2016-2021. The purpose of the GCF is for *local governments to prioritize infrastructure projects and amenities that will enable service expansion and accommodate community growth. The funds are to be used for regional priorities and are not designed to be allocated to electoral areas based on the allocation formula.*

The Cowichan Valley Regional District (CVRD) conditional funding of \$5.649 million was received on March 23, 2023. This was presented at the Electoral Area Services Committee (EASC) meeting on July 19, 2023.

At the EASC meeting of October 18, 2023 the Finance Division brought forward a report recommending four different projects for the funding to be applied to. The four projects were the Cowichan Community Centre roof, the Stocking Lake Dam, the three-stream curbside collection trucks, and to initiate an Indigenous relations framework. At this meeting the committee approved funds for the three-stream curbside collection trucks (\$1.5 million) and Indigenous relations framework (\$150,000).

## **ANALYSIS**

At the October 18, 2023 EASC it was requested that staff bring back the costs that would affect the funding areas of the two projects listed below should the funding not be allocated.

### **Replacement of the CCC Roof**

The CCC was built in 1978. Although ongoing maintenance and repairs have occurred, the roofing system components are original to the building. As the building is over 40 years of age, the existing roofing membrane has deteriorated to the point where there are frequent water ingress events. This has caused damage to walls and equipment impacting recreation services to the public. This project can no longer be delayed and must be completed over the next four years. A grant application through the Strategic Priorities Fund Program for \$6 million was submitted but was unsuccessful.

### **Stocking Lake Dam**

The Stocking Lake Dam is located in Electoral Area G Saltair/Gulf Islands. The dam is jointly owned by the Cowichan Valley Regional District (CVRD) and the Town of Ladysmith (TOL) and managed under a Joint Works Agreement. This reservoir supplies water to the region including the Town of Ladysmith, Area G (Saltair), the Stz'uminus First Nation, a combined population of 12,000 residents. In 2018, the CVRD engaged Ecora to undertake a comprehensive dam safety review and risk assessment. The study concluded that the dam is at the end of its lifecycle and has a consequence classification of high, as a breach of the dam may cause public safety issues, and result in environmental, cultural, infrastructure and economic losses. The current water reservoirs are critical to maintain and protect for the region and adequate storage provides a backup for other systems. The CVRD and TOL applied for a Strategic Priorities Fund grant which would have been used to replace Stocking Lake Dam but were unsuccessful.

The potential \$2.6 million required for the Stocking Lake Dam would have to be funded by Long-Term debt.

### **Creating an Indigenous Relations Framework**

At the October 18<sup>th</sup>, 2023 EASC meeting the Committee did approve \$150,000 going towards this project. An additional \$50,000 is being asked to allocated towards this to ensure adequate funding is set aside.

### **Cowichan Community Centre**

The purchase and/or construction of temporary walls for either the Heritage Hall or Multi-Purpose Hall will allow for more than one event to be going in these halls at one time and allow for security during the events.

In addition to these recommendations, "Attachment A" outlines other eligible projects that are recommended for consideration should these top four not meet with Board approval.

## **FINANCIAL CONSIDERATIONS**

### **Replacement of the CCC Roof**

The CCC roof replacement project was started in 2023. The new projected costs to complete this project are \$4.75 million. The costs for this project are currently being funded by the use of Capital Reserves, Operating Reserves, Requisition, and Short-Term debt.

The tables below present the 2024 cost per \$100,000 household if the grant is not going to be utilized for this project, the 2024 cost per \$100,000 household if the grant is utilized for this project as well as the savings per \$100,000 household if the grant is utilized (the change in rate). It should be noted that the use of the grant for this project in 2024 will reduce 2024 requisition by \$580,000 and will reduce the use of reserves in 2024 by \$719,000. The below shows the rate changes as a result of the \$580,000 reduction in requisition.

| RESIDENTIAL TAX RATE: COST PER \$100,000 HOUSEHOLD |            |            |               |               |               |
|--|------------|------------|---------------|---------------|---------------|
|  | No Grant   | No Grant   | No Grant      | With Grant    | Change in     |
|  | F390 Rate  | F420 Rate  | Combined Rate | Combined Rate | Combined Rate |
| ELECTORAL AREA A                                   | 38.95      |            | 38.95         | 37.47         | (1.48)        |
| ELECTORAL AREA B                                   | 44.14      |            | 44.14         | 42.78         | (1.36)        |
| ELECTORAL AREA C                                   | 38.83      |            | 38.83         | 36.91         | (1.92)        |
| ELECTORAL AREA D                                   | 50.81      | (1.40)     | 49.41         | 47.97         | (1.45)        |
| ELECTORAL AREA E                                   | 47.15      | (1.40)     | 45.75         | 43.88         | (1.87)        |
| ELECTORAL AREA F                                   | 16.15      |            | 16.15         | 15.42         | (0.72)        |
| ELECTORAL AREA G                                   | 15.12      |            | 15.12         | 14.73         | (0.39)        |
| ELECTORAL AREA H                                   | 16.39      |            | 16.39         | 16.20         | (0.19)        |
| ELECTORAL AREA I                                   | 13.10      |            | 13.10         | 12.86         | (0.25)        |
|  | With Grant | With Grant | With Grant    |               |               |
|  | F390 Rate  | F420 Rate  | Combined Rate |               |               |
| ELECTORAL AREA A                                   | 37.47      |            | 37.47         |               |               |
| ELECTORAL AREA B                                   | 42.78      |            | 42.78         |               |               |
| ELECTORAL AREA C                                   | 36.91      |            | 36.91         |               |               |
| ELECTORAL AREA D                                   | 47.34      | 0.62       | 47.97         |               |               |
| ELECTORAL AREA E                                   | 43.25      | 0.62       | 43.88         |               |               |
| ELECTORAL AREA F                                   | 15.42      |            | 15.42         |               |               |
| ELECTORAL AREA G                                   | 14.73      |            | 14.73         |               |               |
| ELECTORAL AREA H                                   | 16.20      |            | 16.20         |               |               |
| ELECTORAL AREA I                                   | 12.86      |            | 12.86         |               |               |

## Stocking Lake Dam

The total projected costs for the Stocking Lake Dam are \$5.2 million. This project would be shared with Town of Ladysmith, bringing the CVRD's share to \$2.6 million. Should this project not get grant funding, it would need to be covered by Long-Term debt which will affect parcel taxes and user fees. This funding would be covered by the users of the Saltair Water System

The table below listed the amount that would be charged for parcel tax per property dependent on the term of the Long-Term borrowing.

| Rate | Term   | Parcel Tax cost |
|------|--------|-----------------|
| 4.79 | 15 yrs | \$300.00        |
| 4.78 | 20 yrs | \$250.00        |
| 4.78 | 25 yrs | \$220.00        |

## Creating an Indigenous Relations Framework

The Indigenous relations framework has already been allocated \$150,000 of GCF funds. After reviewing staff have realized that more funds would be required. The additional allocation of \$50,000 of GCF funds will remove the need for additional funds coming from tax requisition.

## Cowichan Community Centre

The cost for the Cowichan Community Centre purchase/construction of temporary walls is \$50,000. This is currently not funded in the 2024 draft budget, but would require an increase to tax requisition if the GCF is not allocated towards this project.

## COMMUNICATION CONSIDERATIONS

The Province's announcement of the Growing Communities Fund has generated significant interest in the community. Decisions on spending should be carefully explained and justified. A news release is recommended.

Public recognition of the funding from the province as it relates to the eligible projects is required. There will also need to be on-site signage acknowledging the province's contribution to the project.

## STRATEGIC/BUSINESS PLAN CONSIDERATIONS

At the time of writing, the Board is close to finalizing its Strategic Plan for the 2022-2026 term.

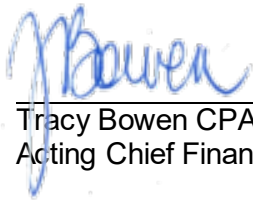
The CCC roof replacement project is consistent with all of the guiding aspirations and, most notably, the themes of Infrastructure, Communities and Environment. It serves a key role in the livability and resilience of our community, and as one of our larger facilities, needs investment to remain energy efficient and safe. It plays a key role during community emergency events. This project is consistent with Strategic Objective #12 on Strong Fiscal Stewardship through asset management.

The replacement of Stocking Lake Dam is consistent with several sections of the draft plan, most notably in Our Commitments - Strategic Objective # 3 around climate action initiatives and Our Environment – Strategic Objective # 8 around water resources management. Investing in water reservoirs is both a public safety issue as well as a key strategy to manage the impacts of regional climate change.

## Referred to (upon completion):

- ☐ Community Services *(Cowichan Community Centre, Cowichan Lake Recreation, South Cowichan Recreation, Arts & Culture, Facilities & Transit)*
- ☐ Corporate Services *(Finance, Human Resources, Information Technology, Legislative Services)*
- ☐ Operations *(Utilities, Parks & Trails, Recycling & Waste Management)*
- ☐ Land Use Services *(Community Planning, Strategic Initiatives, Development Services, Building Inspection & Bylaw Enforcement)*
- ☐ Strategic Services *(Communications & Engagement, Economic Development, Emergency Management, Environmental Services)*

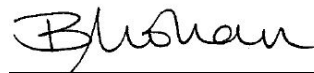
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Reviewed for form and content and approved for submission to the Committee:

Resolution:

☒ Corporate Officer

Financial Considerations:

☒ Chief Financial Officer

**ATTACHMENTS:**

Attachment A – Growing Community Fund Additional Projects

Attachment B –