



STAFF REPORT TO COMMITTEE

DATE OF REPORT October 13, 2023
MEETING TYPE & DATE Electoral Area Services Committee of October 18, 2023
FROM: Corporate Services
Finance Division
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 November 8, 2023 that the Growing Community Funds be allocated between the Cowichan Community Centre roof replacement, the Stocking Lake dam replacement, the three-stream curbside collection trucks, and Indigenous relations framework as follows;

- a. 27% (or \$1.549 million) for the Cowichan Community Centre roof replacement;
- b. 46% (or \$2.6 million) for the Stocking Lake dam replacement
- c. 27% (or \$1.5 million) for the three-stream curbside collection trucks and;
- d. 3% (or \$150,000) to initiate an Indigenous relations framework

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.

ANALYSIS

The four projects that are being recommended are the Cowichan Community Centre (CCC) Roof Replacement, Stocking Lake dam replacement, three-stream curbside collection trucks and an Indigenous relations framework.

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.

Three-Stream Curbside Trucks

The Solid Waste Management Division will be implementing a three-stream curbside collection program that will include all the Electoral Area's within the CVRD. The program will require the purchase of new trucks, curbside totes (for organics and glass), and organic kitchen catcher kits. A report was brought to the Board on June 28, 2023 addressing the costs associated with the program. The projected costs of the project are \$6.56 million, of which \$1.5 million would be for three new curbside trucks. The division was successful in receiving a grant in the amount of \$1.86 million that will help go towards the project costs (can be used for totes and kitchen kits, but not the trucks). Use of the GCF funds will offset short term debt, which will cover the remaining amount required for capital expenditure.

Creating an Indigenous Relations Framework

The development of an Indigenous relations framework is intended to support the CVRD in meeting our commitments to reconciliation with indigenous communities and to provide a roadmap for the organization to align services, policies and procedures with that commitment. It is proposed that this framework will include an organizational assessment of progress and highlight new opportunities for implementing commitments in the United Nations Declaration on the Rights of Indigenous Peoples as well as the Truth and Reconciliation Commission Calls to Action. This framework will support the GCF criteria as well as Provincial priorities in a variety of ways, including identification of initiatives to partner, develop or improve infrastructure projects for mutual benefit of indigenous and non-indigenous communities within the CVRD. The identified funding is intended to support initiation of the project, but additional funds may be needed for completion and may be submitted as a Supplemental request in the 2024 budget package.

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

The GCF funds are a conditional grant fund from the province. The CVRD must adhere to the program requirements including reporting, eligible expenses and time constraints. The ministry may reclaim funds that do not align with the terms and conditions of the GCF program. Projects are to have a regional focus or address regional priorities. While this does not preclude projects in individual electoral areas, they must have regional value. The Province has stipulated that the funds may not be distributed by area population.

As brought forward in the report to the [EASC on July 19, 2023](#) the funds must be allocated by December 31, 2023.

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.

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.

Solid Waste Management Division's new three-stream curbside collection project has a total cost of \$6.56 million. The Clean BC Grant of \$1.86 million will be used towards this project, leaving \$4.7million that would have to be covered by Short-term borrowing. Using the GCF for the truck purchases would off-set debt servicing costs by \$1.5 mil and is projected to decrease the annual service fee by \$30 per household.

The Indigenous relations framework is currently not funded. Should the Board resolve to partially fund through GCF funding, any remainder would be considered through a Supplemental Budget request in the 2024 budget proceedings. This work would come from F100 General Government and subject to the multiple revenue sources of this function – including allocations from other functions and tax requisition.

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.

Action 6.7 in the draft plan under Our Communities – Strategic Objective #6, specifically references the implementation of three stream collection for solid waste, recycling and organics. Implementation is underway, and devoting GCF funds to reduce borrowing costs and ultimately the burden on taxpayers is also contributing to making sure communities are healthy, livable and well-served.

In the Board's strategic plan discussions, Reconciliation is the first, over-arching theme and has been identified as a plan priority that needs to be integrated into all the work we do at the CVRD. The recommendation to use GCF funds to establish an Indigenous relations framework is a strong step towards Strategic Objective #1 – supporting efforts to strengthen cooperation, collaboration, and relationships between Indigenous peoples and non-Indigenous peoples in our communities.

Referred to (upon completion):

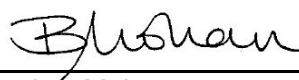
- ☐ Community Services (*Cowichan Community Centre, Cowichan Lake Recreation, South Cowichan Recreation, Arts & Culture, Facilities & Transit*)
- ☐ Corporate Services (*Finance, Human Resources, Information Technology, Legislative Services*)
- ☐ Operations (*Utilities, Parks & Trails, Recycling & Waste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

Prepared by:



Tracy Bowen, CPA, CGA
Acting Chief Financial Officer

Reviewed by:



Barbra Mohan
General Manager

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

Resolution:

☒ A/Deputy Corporate Officer

Financial Considerations:

☒ Chief Financial Officer

ATTACHMENTS:

Attachment A – Growing Community Funds Additional Projects