

**CORPORATION OF THE CITY OF COURTENAY
FINANCE SELECT COMMITTEE AGENDA**

**COUNCIL SELECT COMMITTEE ON
ALTERNATIVE ASSET MANAGEMENT FUNDING SOURCES AND
LEVELS OF SERVICE OPTIONS**

*We respectfully acknowledge that the land on which we gather is the
unceded traditional territory of the K'ómoks First Nation*

Due to the Coronavirus COVID-19 emergency, the City of Courtenay with the authority of Ministerial Order No. M192 Local Government Meetings & Bylaw Process (COVID-19) Order No. 3 implemented changes to its open Council meetings.

In the interest of public health and safety, and in accordance with section 3(1) of Ministerial Order No. 3 M192, in-person attendance by members of the public at Council meetings will not be permitted until further notice. Council meetings are presided over by the Mayor or Acting Mayor with electronic participation by Council and staff via live web streaming.

**DATE: January 15, 2021
PLACE: City Hall Council Chambers via video/audio conference & live-streaming
TIME: 11:00 a.m.**

K'OMOKS FIRST NATION ACKNOWLEDGEMENT

1.00 OPENING REMARKS

2.00 ADOPTION OF MINUTES

- 1 1. Adopt February 10th, 2020 Finance Select Committee Meeting Minutes

3.00 INTRODUCTION OF LATE ITEMS

4.00 DELEGATIONS

5.00 STAFF REPORTS/PRESENTATIONS

- 5 1. DRAFT - COVID-19 Safe Restart Grants for Local Governments

6.00 INTERNAL REPORTS AND CORRESPONDENCE FOR INFORMATION

- 15 1. Information Sheet - Gaming Fund 2020-2025 Review

7.00 EXTERNAL REPORTS AND CORRESPONDENCE FOR INFORMATION

- 23 1. Correspondence - Comox Valley Regional District (CVRD) BC Safe Restart Grant Program

8.00 UNFINISHED BUSINESS

9.00 NEW BUSINESS

1. Discussion - Finance Select Committee Terms of Reference (TOR) and Mandate (expires January 31st, 2021)

10.00 ROUND TABLE/ COMMITTEE INITIATIVES

11.00 ADJOURNMENT

Minutes of a Finance Select Committee (Council Select Committee on Alternative Asset Management Funding Sources and Levels of Service Options) Meeting held in the City Hall Council Chambers, Courtenay B.C., on Monday, February 10, 2020 at 2:00 p.m.

Attending:

Chair: D. Hillian
Councillors: W. Cole-Hamilton
D. Frisch
M. McCollum

Staff:

D. Allen, CAO
T. Kushner, Deputy CAO - Interim
D. Love, Senior Advisor Strategic Initiatives
J. Nelson, Director of Financial Services
R. Matthews, Executive Assistant
W. Sorichta, Manager of Legislative & Corporate Administrative Services

Regrets:

Mayor: B. Wells

1.00 ADOPTION OF MINUTES

.01 Moved by Cole-Hamilton and seconded by McCollum that the
MINUTES November 15th, 2019 Finance Select Committee meeting minutes be
adopted.
Carried

2.00 ADOPTION OF LATE ITEMS

3.00 DELEGATIONS

4.00 STAFF REPORTS/PRESENTATIONS

5.00 EXTERNAL REPORTS AND CORRESPONDENCE FOR INFORMATION

6.00 INTERNAL REPORTS AND CORRESPONDENCE FOR INFORMATION

.01
BRIEFING NOTE -
DRAFT FINANCE
SELECT COMMITTEE
FINAL REPORT TO
COUNCIL
0550-20

Moved by McCollum and seconded by Cole-Hamilton that the February 10th, 2020 briefing note, “Draft Finance Select Committee Final Report to Council”, be received for information.

Carried

New motion:

Moved by McCollum and seconded by Cole-Hamilton that based on the February 10th, 2020 briefing note, “Draft Finance Select Committee Final Report to Council”, the Finance Select Committee recommends:

That Council support the proposal to extend the mandate of the Finance Select Committee to include the following subjects in an updated Terms of Reference:

- Land Strategy - Disposition: consider policy/process on designating surplus City property to support housing projects (i.e. Co-operative Housing, Habitat for Humanity, Supportive Housing, etc.) versus using proceeds of land sales to support strategic land acquisitions, and/or to fund other City projects (i.e. East Courtenay Fire Hall, new Operations Building, etc.)
- Review Business Cases for significant future capital projects (i.e. related to capital renewal and growth, etc.)
- Review and update financial policies on surpluses and reserves
- Other opportunities

That the mandate for the Finance Select Committee be extended to **January 31st, 2021**; and,

That the briefing note be included as amended on the February 18th, 2020 regular Council agenda.

Carried

7.00 UNFINISHED BUSINESS

8.00 NEW BUSINESS

9.00 ROUND TABLE/COMMITTEE INITIATIVES

.01
FINANCE SELECT
COMMITTEE
ROUND TABLE &
FUTURE INITIATIVES

The committee members participated in a round table discussion regarding the functions of the committee, participant engagement, future initiatives and next committee meeting date (tentative April 2020 - date to be determined).

10.00 ADJOURNMENT

.01 The meeting adjourned at 3:17 p.m.

CERTIFIED CORRECT

**Chairperson - Alternative Asset Management Funding Sources and
Levels of Service Options Council Select Committee (Finance Select
Committee)**

Adopted this 15th day of January, 2021

Corporate Officer/Deputy Corporate Officer



THE CORPORATION OF THE CITY OF COURTENAY
STAFF REPORT TO COUNCIL

To: Council
From: Interim Chief Administrative Officer
Subject: COVID-19 Safe Restart Grants for Local Governments

File No.: 1970-02
Date: January xx, 2021

PURPOSE:

The purpose of this report is to provide Council with a recommended use of the **\$4,149,000** received under the COVID-19 Safe Restart Grant for Local Governments funding stream.

POLICY ANALYSIS:

Under Section 36 of the Local Government Grants Regulation, the amount of the grant to each local government is set by the Minister of Municipal Affairs and Housing.

Annual auditing and reporting under Section 167 of the *Community Charter* will apply to the use of these funds.

Section 165 of the *Community Charter* requires a municipality to have a five year financial plan adopted annually by May 15 each year.

EXECUTIVE SUMMARY:

The COVID-19 pandemic continues to impact the City's financial situation and staff have been carefully monitoring the City's financial position as the situation evolves. There have been several changes to the legislation that governs local government finance issued by the Province during the pandemic and staff have informed Council of these changes and impacts to the City through previous updates. In November, 2020 Mayor and Council were notified that the City would be receiving \$4,149,000 of COVID-19 Safe Restart funding to assist with the increased operating costs and lower revenue as a result of the pandemic. This report will focus on providing Council with a recommended use of these funds in 2020 and the upcoming 2021-2025 Financial Plan.

CAO RECOMMENDATIONS:

That based on the January xxth, 2021 staff report "COVID 19 – Safe Restart Grants for Local Governments" that Council direct staff to incorporate the attached 2020-2022 Proposed use of COVID-19 Safe Restart Grant for Local Governments in the 2020 year end and 2021-2025 Financial Plan; and

That Staff be directed to pay back the gaming fund \$725,000 for the 2020 fiscal year to recognize the lost revenue in the fund and use the COVID-19 Safe Restart Grant to fund Policing and the Infrastructure Reserve contribution in 2020.

Respectfully submitted,

Trevor Kushner, BA, DLGM, CLGA, PCAMP
Interim Chief Administrative Officer

BACKGROUND:

As a result of the COVID-19 outbreak, the City of Courtenay continues to experience negative financial impacts and expects this to continue into 2021 and potentially beyond. Other sources of revenue that the City relies on besides taxation have been impacted, such as recreation revenue, gaming funds, and interest earnings. The City is also impacted by additional cost pressures related to modifying facilities, providing additional sanitation, signage, etc. to comply with health and safety requirements.

Since the pandemic began Council and staff have made every effort to maintain operations within the current 2020 operating budget which has been extremely challenging.

On November 2, 2020 the City of Courtenay received notification from the Ministry of Municipal Affairs and Housing that Courtenay will be receiving a **\$4,149,000** grant under the COVID-19 Safe Restart Grant for Local Governments funding Stream.

This funding stream is part of the joint Federal/Provincial funding to support local government and will provide up to \$425 Million for local government operations impacted by COVID-19. This funding will support local governments facing increased operating costs and lower revenues due to COVID-19.

DISCUSSION:

The letter from the Deputy Minister (Attachment #1) outlines the eligible costs for funding will include:

- Addressing revenue shortfalls;
- Facility reopening and operating costs;
- Emergency planning and response costs;
- Bylaw enforcement and protective services like fire protection and police;
- Computer and other electronic technology costs (to improve interconnectivity and virtual communications);
- Services for vulnerable persons (e.g. persons living with disabilities, mental illness or addictions, persons experiencing homelessness or other vulnerabilities); and
- Other related costs

In addition, the City will be required to report on the use of the funds in a schedule in the annual audited financial statements.

There has been no other formal communication from the Province on the reporting requirements and use of these funds to date. However, the Government Finance Officers Association of BC has formed a committee and is liaising with the Ministry to compile questions from Finance Officers and relaying the collective responses back to local governments through an online forum setting. To date there are some responses that Council should consider:

- The primary use of this grant is for operation impacts.

- Grant cannot be used to reduce 2021 taxes (or keep taxes artificially low)
- This grant can only be used for capital in limited circumstances, including building restart, upgrade and retrofit costs to address COVID-19.
- Can be used for repayment of funds borrowed from reserves or repay outstanding revenue anticipation borrowing to address COVID-19.
- This grant will not impact other funding programs.
- Local Governments must indicate how much funding is earmarked for lost revenue.
- The Province anticipates local governments will use this money through 2020, 2021 and maybe 2022
- Local Governments need to be careful about the prohibition on assistance to business

Staff have prepared a recommendation for the use of these funds (Attachment #2) based on the information provided by the Province and taking into account the reporting requirements. The Finance Select Committee has reviewed and supports this funding strategy.

Gaming Fund

Staff estimate a total loss of approximately \$1.5M of gaming revenue between 2020 and 2021. Council's past practice is to only spend revenue received from the previous year, which has allowed most of the 2020 funding strategy to proceed as planned this year. However, 2021 and future years will be impacted and Council's current approved funding strategy cannot be maintained into the future if not replenished. Staff are recommending that \$725,000 in 2020 and another \$725,000 in 2021 of the restart grant be used to fund the annual policing contract and infrastructure reserve contribution that would otherwise be sourced from gaming. This will allow the gaming fund to remain at the adequate level to maintain Council's funding strategy and continue with the practice of utilizing only previous year revenues.

Other Revenue Shortfalls

Staff are currently working on the 2020 fiscal year end and financial statements. The final figures are not available yet, however it is estimated that the City will experience a total loss in recreation revenue in 2020 of \$1.5M and \$65,000 in investment income. These are both eligible areas to use this funding in 2020. During the pandemic staff made every effort to stay within the 2020 operating budget without taking into account any new grant funding. Any surplus resulting from utilizing these funds in 2020 would ultimately end up in the City's prior year surplus and become available for use in the 2021-2025 financial plan at Council's discretion. Staff also recommend setting aside another \$550,000 for use in 2021 to offset further potential lost recreation revenue.

2021 Budget Items

The 2021-2025 Financial Plan preparations are underway and it is recommended that the following items utilize the restart grant as a funding source instead of general taxation revenue:

- City Hall Renovations to allow for safe reopening - \$100,000
- Bylaw Enforcement, New Temporary Manager Position - \$84,000
- Downtown Washroom for Public and Vulnerable - \$200,000

Other Remaining Funds

Staff recommend leaving the remaining balance of \$200,000 available for other unexpected costs, revenue losses, or use at Council's discretion that are within the eligible funding categories outlined by the Province.

ADMINISTRATIVE IMPLICATIONS:

Once the use of these funds are approved, staff will incorporate the adjustments in the 2020 yearend financial statements and 2021-2025 Financial Plan. Staff continue to monitor the financial impacts of COVID-19 and stay abreast of any changing municipal financial legislation. Staff will report back to Council as necessary with any new information affecting the City's financial situation and continue to work on budget preparations for Council consideration in the coming weeks.

ASSET MANAGEMENT IMPLICATIONS:

Not Applicable

STRATEGIC PRIORITIES REFERENCE:

We focus on organizational and governance excellence

- Communicate appropriately with our community in all decisions we make
- Responsibly provide services at levels which the people we serve are willing to pay

We actively pursue vibrant economic development

- ▲ Engage with businesses and the public to continue revitalizing our downtown

We continually invest in our key relationships

- Consider effective ways to engage with and partner for the health and safety of the community
- ▲ Support improving accessibility to all City services

● **AREA OF CONTROL:** The policy, works and programming matters that fall within Council's jurisdictional authority to act

▲ **AREA OF INFLUENCE:** Matters that fall within shared or agreed jurisdiction between Council and another government or party

■ **AREA OF CONCERN:** Matters of interest that are outside Council's jurisdictional authority to act

OFFICIAL COMMUNITY PLAN REFERENCE:

N/A

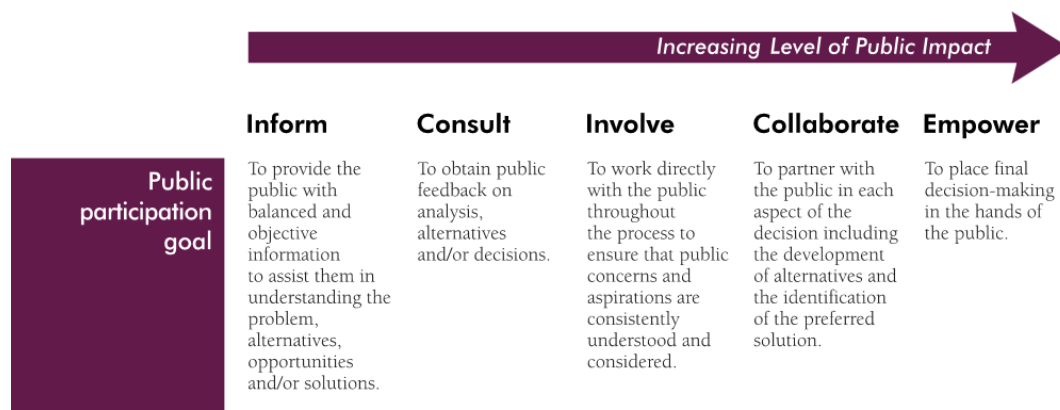
REGIONAL GROWTH STRATEGY REFERENCE:

N/A

CITIZEN/PUBLIC ENGAGEMENT:

Staff will **inform** based on the IAP2 Spectrum of Public Participation:

http://c.ymcdn.com/sites/www.iap2.org/resource/resmgr/imported/IAP2%20Spectrum_vertical.pdf



OPTIONS:

OPTION 1: That Council direct staff to incorporate the attached 2020-2022 Proposed use of COVID-19 Safe Restart Grant for Local Governments in the 2020 year end and 2021-2025 Financial Plan; and

That Staff be directed to pay back the gaming fund \$725,000 for the 2020 fiscal year to recognize the lost revenue in the fund and use the COVID-19 Safe Restart Grant to fund Policing and the Infrastructure Reserve contribution in.

OPTION 2: That Council amends the 2020-2022 Proposed use of COVID-19 Safe Restart Grant for Local Governments.

OPTION 3: That Council defer the endorsement of the 2020-2022 Proposed use of COVID-19 Safe Restart Grant for Local Governments for further discussion at a later Council meeting.

It should be noted that deferring endorsement may affect preparations of the 2020 year end audited financial statements and 2021-2025 Financial Plan.

Prepared by:

Jennifer Nelson, CPA, CGA
Director of Financial Services

Concurrence by:

Trevor Kushner, BA, DLGM, CLGA, PCAMP
Interim Chief Administrative Officer

- Attachments: #1 Correspondence from Deputy Minister, Ministry of Municipal Affairs and Housing
#2 2020-2022 Proposed Use of COVID-19 Safe Restart Grant for Local Governments



November 2, 2020

Ref: 257671

David Allen
Chief Administrative Officer
City of Courtenay
830 Cliffe Ave
Courtenay BC V9N 2J7

Dear David Allen:

The provincial government understands the fiscal impacts that COVID-19 has placed on local service providers. To help address these challenges, in September the Province of British Columbia announced nearly \$2 billion in joint federal/provincial spending, including: \$540 million for local governments, \$418 million for community infrastructure, and \$1 billion for transit, TransLink and ferries.

The \$540 million for local governments was further divided into three funding streams. Two of the streams (“Development Services” for \$15 million and “Strengthening Communities” for \$100 million) will be application-based funding. More information on these funding streams will be forthcoming.

The third stream will provide direct grants to local governments. This funding stream is called the “COVID-19 Safe Restart Grants for Local Governments” and will provide up to \$425 million for local operations impacted by COVID-19. This funding will support local governments as they deal with increased operating costs and lower revenue due to COVID-19. It will also ensure local governments can continue to deliver the services people depend on in their communities. Eligible costs will include:

- addressing revenues shortfalls;
- facility reopening and operating costs;
- emergency planning and response costs;
- bylaw enforcement and protective services like fire protection and police;
- computer and other electronic technology costs (to improve interconnectivity and virtual communications);
- services for vulnerable persons (e.g. persons living with disabilities, mental illness or addictions, persons experiencing homelessness or other vulnerabilities); and
- other related costs.

I am pleased to advise you that **Courtenay** is the recipient of a **\$4,149,000** grant under the COVID-19 Safe Restart Grant for Local Governments. This amount will be directly transferred to your local government in the coming days.

.../2

Under section 36 of the Local Government Grants Regulation, the amount of the grant to each local government is set by Minister of Municipal Affairs and Housing. The determination of this amount was based on a formula that applies to all municipalities.

This formula is based on two components: a flat funding amount and an “adjusted per-capita” amount. The flat amount is \$169,000, and the “adjusted per-capita” amount is \$308.34 per adjusted population.

The adjusted population formula is designed to ensure that larger municipalities receive more money than smaller ones, but that smaller municipalities receive higher per capita funding than larger ones. This is because small municipalities often lack a diverse tax base and the economies-of-scale to easily restart their operations.

An example of the funding formula (for a municipality of 43,000 people) is provided as an attachment to this letter. If you wish, you can apply this formula to your 2018 population of **27,533** to determine both your adjusted population and total funding amount. 2018 population data was used because it is the last year in which we have complete financial and demographic data for each municipality.

To ensure full transparency regarding the use of funds, your local government will be required to annually report on how it spent this grant. This will be part of your annual financial reporting under section 167 of the Community Charter. Your local government will provide a schedule to the audited financial statements respecting the amount of funding received, the use of those funds, and the year-end balance of unused funds. Your local government must continue to annually report on the use of grant money until the funds are fully drawn down.

If you have questions or comments regarding this letter, please feel free to contact Jennifer Richardson, Grants Analyst, Local Government Infrastructure and Finance Branch, by email at: Jennifer.Richardson@gov.bc.ca, or by phone at: 778 698-3243.

The provincial government welcomes this opportunity to support COVID-19 restart and recovery throughout British Columbia. We believe that this funding will contribute to the long-term recovery of local governments who are both critical service providers and crucial drivers in the British Columbia economy.

Sincerely,



Kaye Krishna
Deputy Minister

Attachment

pc: Jennifer Richardson, Grants Analyst, Local Government Infrastructure and Finance Branch
Jennifer Nelson, Chief Financial Officer, City of Courtenay

Attachment: Example Calculation for a Municipality with 43,000 People

City of Rockridge

Population	43,000
Adjusted Per Capita Funding	\$308.34 per adjusted population
Flat Funding Amount	\$169,000

Funding model

A		B	E = C (up tp 43,000)			
Population Range		C=B-A	D	Rockridge Pop	F = E x D	F
From	to	Range	Adjustmen t Ratio	Rockridge Pop	Adjusted Pop Calc	Adjusted Pop
-	2,000	2,000	1	2,000	= 2,000 x 1	2,000
2,001	5,000	3,000	0.8	3,000	= 3,000 x 0.8	2,400
5,001	10,000	5,000	0.6	5,000	= 5,000 x 0.6	3,000
10,001	20,000	10,000	0.4	10,000	= 10,000 x 0.4	4,000
20,001	40,000	20,000	0.2	20,000	= 20,000 x 0.2	4,000
40,001	150,000	110,000	0.1	3,000	= 3,000 x 0.1	300
150,001	900,000	750,000	0.05	-	= 0 x 0.05	-
Sum				43,000		15,700 G=ΣF
				Per capita funding		\$308.34 H
				Funding per Adjusted Pop		4,840,938 I=GxH
				Flat Funding Amount		169,000 J
				Total Funding Amount		5,009,938 K=I+J

Thus, a municipality with a population of 43,000 would have an adjusted population of 15,698. With per capita funding of \$308.34, the funding per adjusted population would \$4.84 million. Plus a flat funding amount of \$169,000, the total funding to this municipality would be \$5.009M.

The Population data was taken from the Ministry's Local Government Stats System for 2018 (Schedule 201).

<https://www2.gov.bc.ca/gov/content/governments/local-governments/facts-framework/statistics/statistics>

Funds Received - November, 2020	\$	4,149,000
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Eligible Cost Categories		2020 Actual Forecast	2021 Proposed	2022 Proposed
Revenue Shortfalls	Investment Income	65,000		
	Community Services Revenue (Recreation, Parks, Rental)	1,500,000	550,000	
	Gaming- Police Contract Funding	405,000	405,000	
	Gaming - Infrastructure Reserve Contribution Funding	320,000	320,000	
		2,290,000	1,275,000	-
Facility Reopening and Operating Costs	City Hall Renovations - To allow for reopening		100,000	
		-	100,000	-
Bylaw Enforcement and Protective Services	RCMP Contract Funding - (Gaming Revenue Shortfall above) Additional Bylaw Enforcement Support		84,000	
		-	84,000	-
Services to Vulnerable Persons/Other Related Costs	Downtown Washroom for Public and Vulnerable Other unexpected costs/revenue losses		200,000	
			200,000	
		-	400,000	-
Total Annual Distribution		2,290,000	1,859,000	-
Projected Grant Balance		1,859,000	-	-



INFORMATION SHEET

To: Finance Select Committee
From: Director of Financial Services
Subject: Gaming Fund 2020-2025 Review

File No.: 1760-02
Date: January 15, 2020

Background:

On November 15, 2019 the Finance Select Committee were provided with three options for use of the gaming funds for 2020-2023. Each option was reviewed in detail with staff and the committee selected option 3, which was eventually approved by Council through the 2020-2024 Financial Planning Process in early 2020. (Attachment #1).

In response to the global Coronavirus (COVID-19) Outbreak, the Province of British Columbia ordered all casinos in BC to be closed until further notice and declared a provincial state of emergency on March 18, 2020. The local Casino remains closed at this time and a reopen date has not been announced. Gaming Revenue has ceased since March 18, 2020 impacting the financial position of the gaming fund. Council made the difficult decision to cancel the 2020 and 2021 Grant in Aid payments due to the lack of gaming revenue.

On November 2, 2020 Council passed the following resolution:

8.1 Mayor Wells – Resolution – Comox Valley RCMP Funding

Moved By Cole-Hamilton

Seconded By Frish

Whereas the City of Courtenay has for years used annual Gaming Fund revenues to pay for two full-time RCMP officers;

Whereas the COVID-19 Pandemic has reduced the 2020 Gaming Fund revenues by 75% with future years' revenues unknown;

Whereas the City of Courtenay has applied a very conservative method of spending Gaming Funds by waiting at least one year after receiving them;

Therefore, be it resolved, that the City of Courtenay Financial Plan consider the reduction of annual Gaming Funds used to pay for two RCMP Officers by transitioning these costs to the general operating budget where the balance of Courtenay's contribution to annual policing services is funded.

Carried

Also, on November 2, 2020 the City of Courtenay received notification from the Ministry of Municipal Affairs and Housing that Courtenay will be receiving a **\$4,149,000** grant under the COVID-19 Safe Restart Grant for Local Governments funding Stream, which outlines addressing revenue shortfalls and protective services as eligible uses.

2021-2025 Review of Gaming Fund Matrix:

The gaming fund would not normally be revised until 2023, for 2024-2028, however with the impact of COVID-19, resolutions of Council, and notification of the COVID-19 Safe Restart Grant, it requires updating for the 2021-2025 Financial Planning process.

Staff have provided three options for the Finance Select Committee to review and consider. Once an agreed upon funding Matrix is selected, it will be incorporated into the 2021-2025 consolidated financial plan for Council approval.

Attachment #2 provides an estimate of what the current approved Gaming fund matrix might look like if a new funding strategy is not implemented and illustrates how the gaming fund would fall into a negative position over five years.

Option 1 Considerations (Attachment #3):

- Assume Casino revenues remain at ¼ of normal in 2021 then resume to normal in 2022 and beyond.
- Use COVID-19 Safe Restart Grant to fund 2020 RCMP contract & Infrastructure Contributions (\$725,000)
- Use COVID-19 Safe Restart Grant to fund 2021 RCMP contract & Infrastructure Contribution (\$725,000)
- Maintain 2022-2025 previously approved spending pattern
- Maintains at least \$1 Million optimal balance in fund and Council's past practice of only utilizing prior year revenue

Option 2 Considerations (Attachment #4):

- Assume Casino revenues remain at ¼ of normal in 2021 then resume to normal in 2022 and beyond.
- Use COVID-19 Safe Restart Grant to fund 2020 RCMP contract & Infrastructure Contributions (\$725,000)
- Use COVID-19 Safe Restart Grant to fund 2021 RCMP contract & Infrastructure Contribution (\$725,000)
- Reduce funding for RCMP contract by \$100,000 per year. This will impact taxation in the general operating fund by approximately 0.4% each year.
- This allows the gaming fund balance to grow to approximately \$2 Million by 2025 with all other spending patterns unchanged.

Option 3 Considerations (Attachment #5):

- Assume Casino revenues remain at $\frac{1}{4}$ of normal in 2021 then resume to normal in 2022 and beyond.
- Use COVID-19 Safe Restart Grant to fund 2020 RCMP contract & Infrastructure Contributions (\$725,000)
- Use COVID-19 Safe Restart Grant to fund 2021 RCMP contract & Infrastructure Contribution (\$725,000)
- Reduce funding for RCMP contract by \$50,000 per year. This will impact taxation in the general operating fund by approximately 0.2% each year.
- This allows the gaming fund balance to grow to approximately \$1.6 Million by 2025 with all other spending patterns unchanged.

Gaming Funds Balance, December 31, 2019	\$	1,831,238
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Distribution: Major Categories		2020 Approved	2021 Approved	2022 Approved	2023 Approved
Estimated Annual Funds Available		1,000,000	1,000,000	1,000,000	1,000,000
Support Downtown Arts and Culture	Annual Grants:				
	CV Art Gallery	65,000	65,000	65,000	65,000
	Ctny & Dist Historical Society	50,000	50,000	50,000	50,000
	Sid Williams Theatre Society	105,000	105,000	105,000	105,000
	Downtown cultural events	5,000	5,000	5,000	5,000
		225,000	225,000	225,000	225,000
Council Initiatives & Projects	Purple ribbon Campaign	3,500	3,500	3,500	3,500
	Feb 19, 2019 Resolution - LUSH Community Garden Annual Grant	10,000	10,000	10,000	10,000
	Nov 19, 2018 Resolution - Heritage Refurbish Clocks (2018 carry forward)				
	July 2, 2019 Resolution - Down Town Event Traffic Control				
	Annual Grants-in-Aid	50,000	50,000	50,000	50,000
	Annual Grants-in-Aid (Management Fee to Comox Valley Community Foundation)		2,500	2,500	2,500
	Other Council Initiatives/Projects	75,000	75,000	75,000	75,000
	Electric Charging Stations - Committed 2019-2023 Fin Plan	175,000			
		313,500	141,000	141,000	141,000
Public Safety / Security	RCMP Contract Funding	405,000	405,000	405,000	405,000
Infrastructure Works	Annual Provision to Infrastructure Reserve	100,000	100,000	100,000	100,000
	Infrastructure Levy Reduction (Approx 1%)	220,000	220,000	220,000	220,000
		320,000	320,000	320,000	320,000
Total Annual Distribution		1,263,500	1,091,000	1,091,000	1,091,000
Projected Gaming Fund Balance		1,567,738	1,476,738	1,385,738	1,294,738

Gaming Funds Balance, December 31, 2019	\$	1,831,238
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Based on Previous Option 3 - Updated to 5 years

Distribution: Major Categories		2020 Approved	2020 Actual (COVID)	2021 Proposed	2022 Proposed	2023 Proposed	2024 Proposed	2025 Proposed
Estimated Annual Funds Available		1,000,000	247,730	250,000	1,000,000	1,000,000	1,000,000	1,000,000
Support Downtown Arts and Culture	Annual Grants:							
	CV Art Gallery	65,000	65,000	65,000	65,000	65,000	65,000	65,000
	Comox Valley Art Gallery Community Education and Outreach		30,000					
	Comox Valley Arts Council Community Cultural Service Coordination		48,750					
	Ctny & Dist Historical Society	50,000	50,000	50,000	50,000	50,000	50,000	50,000
	Sid Williams Theatre Society	105,000	105,000	105,000	105,000	105,000	105,000	105,000
Downtown cultural events	5,000	5,000	5,000	5,000	5,000	5,000	5,000	
		225,000	303,750	225,000	225,000	225,000	225,000	225,000
Council Initiatives & Projects	Purple ribbon Campaign	3,500	3,500	3,500	3,500	3,500	3,500	3,500
	Feb 19, 2019 Resolution - LUSH Community Garden Annual Grant	10,000	10,000	10,000	10,000	10,000	10,000	10,000
	Nov 19, 2018 Resolution - Heritage Refurbish Clocks (2018 carry forward)							
	July 2, 2019 Resolution - Down Town Event Traffic Control							
	Annual Grants-in-Aid	50,000		50,000	50,000	50,000	50,000	50,000
	COVID requests - Emergency Support		17,500					
	Annual Grants-in-Aid (Management Fee to Comox Valley Community Foundation)			2,500	2,500	2,500	2,500	2,500
	Other Council Initiatives/Projects	75,000		75,000	75,000	75,000	75,000	75,000
	Feb 18, 2020 Resolution - CV Youth Leadership Summit		500					
	Boys and Girls Club - 75% Rent Forgiven (COVID)		2,339					
Kus Kus Sum Fields Sawmill Property Taxes 2020		58,580						
Electric Charging Stations - Committed 2019-2023 Fin Plan	175,000	-	175,000					
		313,500	92,419	316,000	141,000	141,000	141,000	141,000
Public Safety / Security	RCMP Contract Funding	405,000	405,000	405,000	405,000	405,000	405,000	405,000
Infrastructure Works	Annual Provision to Infrastructure Reserve	100,000	100,000	100,000	100,000	100,000	100,000	100,000
	Infrastructure Levy Reduction (Approx 1%)	220,000	220,000	220,000	220,000	220,000	220,000	220,000
		320,000	320,000	320,000	320,000	320,000	320,000	320,000
Total Annual Distribution		1,263,500	1,121,169	1,266,000	1,091,000	1,091,000	1,091,000	1,091,000
Projected Gaming Fund Balance		1,567,738	957,799	(58,201)	(149,201)	(240,201)	(331,201)	(422,201)

Gaming Funds Balance, December 31, 2019	\$ 1,831,238
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New Option 1 2020-2025 Revised (Use of Restart Funds)

Distribution: Major Categories		2020 Approved	2020 Actual (COVID)	2021 Proposed	2022 Proposed	2023 Proposed	2024 Proposed	2025 Proposed
Estimated Annual Funds Available		1,000,000	247,730	250,000	1,000,000	1,000,000	1,000,000	1,000,000
Support Downtown Arts and Culture	Annual Grants:							
	CV Art Gallery	65,000	65,000	65,000	65,000	65,000	65,000	65,000
	Comox Valley Art Gallery Community Education and Outreach		30,000					
	Comox Valley Arts Council Community Cultural Service Coordination		48,750					
	Ctny & Dist Historical Society	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Sid Williams Theatre Society	105,000	105,000	105,000	105,000	105,000	105,000	105,000	
Downtown cultural events	5,000	5,000	5,000	5,000	5,000	5,000	5,000	
		225,000	303,750	225,000	225,000	225,000	225,000	225,000
Council Initiatives & Projects	Purple ribbon Campaign	3,500	3,500	3,500	3,500	3,500	3,500	3,500
	Feb 19, 2019 Resolution - LUSH Community Garden Annual Grant	10,000	10,000	10,000	10,000	10,000	10,000	10,000
	Nov 19, 2018 Resolution - Heritage Refurbish Clocks (2018 carry forward)							
	July 2, 2019 Resolution - Down Town Event Traffic Control							
	Annual Grants-in-Aid	50,000			50,000	50,000	50,000	50,000
	COVID requests - Emergency Support		17,500					
	Annual Grants-in-Aid (Management Fee to Comox Valley Community Foundation)			-	2,500	2,500	2,500	2,500
	Other Council Initiatives/Projects	75,000		75,000	75,000	75,000	75,000	75,000
	Feb 18, 2020 Resolution - CV Youth Leadership Summit		500					
	Boys and Girls Club - 75% Rent Forgiven (COVID)		2,339					
Kus Kus Sum Fields Sawmill Property Taxes 2020		58,580						
Electric Charging Stations - Committed 2019-2023 Fin Plan	175,000	-	175,000					
		313,500	92,419	263,500	141,000	141,000	141,000	141,000
Public Safety / Security	RCMP Contract Funding	405,000	Restart	Restart	405,000	405,000	405,000	405,000
Infrastructure Works	Annual Provision to Infrastructure Reserve	100,000	Restart	Restart	100,000	100,000	100,000	100,000
	Infrastructure Levy Reduction (Approx 1%)	220,000	Restart	Restart	220,000	220,000	220,000	220,000
		320,000	-	-	320,000	320,000	320,000	320,000
Total Annual Distribution		1,263,500	396,169	488,500	1,091,000	1,091,000	1,091,000	1,091,000
Projected Gaming Fund Balance		1,567,738	1,682,799	1,444,299	1,353,299	1,262,299	1,171,299	1,080,299

Gaming Funds Balance, December 31, 2019	\$	1,831,238
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New Option 2 2020-2025 Revised (Use of Restart Funds & Move \$100k/year RCMP to General)

Distribution: Major Categories		2020 Approved	2020 Actual (COVID)	2021 Proposed	2022 Proposed	2023 Proposed	2024 Proposed	2025 Proposed
Estimated Annual Funds Available		1,000,000	247,730	250,000	1,000,000	1,000,000	1,000,000	1,000,000
Support Downtown Arts and Culture	Annual Grants:							
	CV Art Gallery	65,000	65,000	65,000	65,000	65,000	65,000	65,000
	Comox Valley Art Gallery Community Education and Outreach		30,000					
	Comox Valley Arts Council Community Cultural Service Coordination		48,750					
	Ctny & Dist Historical Society	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Sid Williams Theatre Society	105,000	105,000	105,000	105,000	105,000	105,000	105,000	
Downtown cultural events	5,000	5,000	5,000	5,000	5,000	5,000	5,000	
		225,000	303,750	225,000	225,000	225,000	225,000	225,000
Council Initiatives & Projects	Purple ribbon Campaign	3,500	3,500	3,500	3,500	3,500	3,500	3,500
	Feb 19, 2019 Resolution - LUSH Community Garden Annual Grant	10,000	10,000	10,000	10,000	10,000	10,000	10,000
	Nov 19, 2018 Resolution - Heritage Refurbish Clocks (2018 carry forward)							
	July 2, 2019 Resolution - Down Town Event Traffic Control							
	Annual Grants-in-Aid	50,000			50,000	50,000	50,000	50,000
	COVID requests - Emergency Support		17,500					
	Annual Grants-in-Aid (Management Fee to Comox Valley Community Foundation)			-	2,500	2,500	2,500	2,500
	Other Council Initiatives/Projects	75,000		75,000	75,000	75,000	75,000	75,000
	Feb 18, 2020 Resolution - CV Youth Leadership Summit		500					
	Boys and Girls Club - 75% Rent Forgiven (COVID)		2,339					
Kus Kus Sum Fields Sawmill Property Taxes 2020		58,580						
Electric Charging Stations - Committed 2019-2023 Fin Plan	175,000			175,000				
		313,500	92,419	263,500	141,000	141,000	141,000	141,000
Public Safety / Security	RCMP Contract Funding - Nov 2, 2020 Council Resolution	405,000	Restart	Restart	305,000	205,000	105,000	-
Infrastructure Works	Annual Provision to Infrastructure Reserve	100,000	Restart	Restart	100,000	100,000	100,000	100,000
	Infrastructure Levy Reduction (Approx 1%)	220,000	Restart	Restart	220,000	220,000	220,000	220,000
		320,000	-	-	320,000	320,000	320,000	320,000
Total Annual Distribution		1,263,500	396,169	488,500	991,000	891,000	791,000	686,000
Projected Gaming Fund Balance		1,567,738	1,682,799	1,444,299	1,453,299	1,562,299	1,771,299	2,085,299

Gaming Funds Balance, December 31, 2019	\$	1,831,238
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New Option 3 2020-2025 Revised (Use of Restart Funds & Move \$50k/year RCMP to General)

Distribution: Major Categories		2020 Approved	2020 Actual (COVID)	2021 Proposed	2022 Proposed	2023 Proposed	2024 Proposed	2025 Proposed
Estimated Annual Funds Available		1,000,000	247,730	250,000	1,000,000	1,000,000	1,000,000	1,000,000
Support Downtown Arts and Culture	Annual Grants:							
	CV Art Gallery	65,000	65,000	65,000	65,000	65,000	65,000	65,000
	Comox Valley Art Gallery Community Education and Outreach		30,000					
	Comox Valley Arts Council Community Cultural Service Coordination		48,750					
	Ctny & Dist Historical Society	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Sid Williams Theatre Society	105,000	105,000	105,000	105,000	105,000	105,000	105,000	
Downtown cultural events	5,000	5,000	5,000	5,000	5,000	5,000	5,000	
		225,000	303,750	225,000	225,000	225,000	225,000	225,000
Council Initiatives & Projects	Purple ribbon Campaign	3,500	3,500	3,500	3,500	3,500	3,500	3,500
	Feb 19, 2019 Resolution - LUSH Community Garden Annual Grant	10,000	10,000	10,000	10,000	10,000	10,000	10,000
	Nov 19, 2018 Resolution - Heritage Refurbish Clocks (2018 carry forward)							
	July 2, 2019 Resolution - Down Town Event Traffic Control							
	Annual Grants-in-Aid	50,000			50,000	50,000	50,000	50,000
	COVID requests - Emergency Support		17,500					
	Annual Grants-in-Aid (Management Fee to Comox Valley Community Foundation)			-	2,500	2,500	2,500	2,500
	Other Council Initiatives/Projects	75,000		75,000	75,000	75,000	75,000	75,000
	Feb 18, 2020 Resolution - CV Youth Leadership Summit		500					
	Boys and Girls Club - 75% Rent Forgiven (COVID)		2,339					
Kus Kus Sum Fields Sawmill Property Taxes 2020		58,580						
Electric Charging Stations - Committed 2019-2023 Fin Plan	175,000	-	175,000					
		313,500	92,419	263,500	141,000	141,000	141,000	141,000
Public Safety / Security	RCMP Contract Funding - Nov 2, 2020 Council Resolution	405,000	Restart	Restart	355,000	305,000	255,000	205,000
Infrastructure Works	Annual Provision to Infrastructure Reserve	100,000	Restart	Restart	100,000	100,000	100,000	100,000
	Infrastructure Levy Reduction (Approx 1%)	220,000	Restart	Restart	220,000	220,000	220,000	220,000
		320,000	-	-	320,000	320,000	320,000	320,000
Total Annual Distribution		1,263,500	396,169	488,500	1,041,000	991,000	941,000	891,000
Projected Gaming Fund Balance		1,567,738	1,682,799	1,444,299	1,403,299	1,412,299	1,471,299	1,580,299

DATE: December 10, 2020

TO: Chair and Directors
Regional District Board

FROM: Russell Dyson
Chief Administrative Officer

RE: BC Safe Restart Grant Program

FILE: 1855-03 EP Grants

Supported by Russell Dyson
Chief Administrative Officer

J. Warren for

Purpose

To introduce funding opportunities associated with community recovery and the COVID-19 pandemic, for the assignment of the \$723,000 in funds provided under the BC Safe Restart grant program.

Recommendations from the Chief Administrative Officer:

1. THAT funds from BC Safe Restart be allocated as shown in the staff report dated December 10, 2020 and as follows:
 - Emergency operations preparedness and community support - \$200,000;
 - o Community partnerships and vulnerable population response through the Emergency Operations Centre; and
 - o Emergency Operations Centre technology and systems upgrades;
 - Promoting local food security and supporting vulnerable populations through the Comox Valley Community Foundation - \$100,000;
 - Information Technology Resilience to support safe work, public engagement and access to services – \$100,000;
 - Rural fire department support for increased preparedness and required equipment – \$40,000;

AND FURTHER THAT the 2020-2024 financial plan be updated to reflect the commitment of these fund assignments from the BC Safe Restart grant program.

2. THAT the remaining BC Safe Restart grant program funds, totalling \$283,000, be retained for future allocation as the ongoing COVID-19 pandemic continues and impacts to Comox Valley Regional District service delivery is better understood;

AND FURTHER THAT the remaining funds be allocated to the following projects, with additional project details provided through the 2021-25 financial planning process:

- recreation facility upgrades;
- rural community hall support, and
- food aggregation and promoting local food security.

Executive Summary

- At the outset of the COVID-19 pandemic, the Comox Valley Regional District (CVRD) undertook a response and renewal strategy resulting in Rethink Comox Valley a thoughtful review of services to support community recovery; in doing so, the CVRD provided funding to community groups to help respond to community needs, conducted a Regional Emergency Operations Centre and managed its services in a fiscally prudent manner while continuing to deliver core services, deliver on capital projects and respond to community needs.
- The pandemic is resulting in significant impacts to CVRD service delivery through 2020-21 including reduced service levels, reduced revenue, and a refocus of priorities.
- Provincial government funds are now available to assist with the provincial restart, with a focus on supporting vulnerable populations, service delivery resiliency and community partnerships (analysis contained in appendix A)
- The recommendations of this report attempt to invest in long term benefits, act on the most urgent needs, respond to real needs but not exclusively and support services delivered by both volunteers and CVRD.

This report provides materials that include some rationale and analysis of the grant funding opportunities. Aligning Board priorities with those opportunities has resulted in the recommendations noted above. The Board may consider providing alternative direction and guide staff towards a different level of grant funding or a different focus for those funds.

Prepared by:

J. Warren

James Warren
Deputy Chief Administrative Officer

Government Partners and Stakeholder Distribution (Upon Agenda Publication)

City of Courtenay Chief Administrative Officer	✓
Town of Comox Chief Administrative Officer	✓
Village of Cumberland Chief Administrative Officer	✓

Attachments: Appendix A – Analysis of BC Safe Restart Grant Funding
Appendix B – Correspondence dated November 2, 2020 from the Province of BC regarding COVID-19 Safe Restart Grants

Background/Current Situation

The Province of BC has provided up to \$425 million for local government operations impacted by the COVID-19 pandemic. Under the provincial formula for allocating funds, the CVRD was awarded \$723,000 in November 2020. Eligible costs include:

- addressing revenues shortfalls;
- facility reopening and operating costs;
- emergency planning and response costs;
- bylaw enforcement and protective services like fire protection and police;
- computer and other electronic technology costs (to improve interconnectivity and virtual communications);
- services for vulnerable persons (e.g. persons living with disabilities, mental illness or addictions, persons experiencing homelessness or other vulnerabilities); and
- other related costs.

Further, the Province identifies other funding opportunities for services that include community infrastructure, transit and application-based opportunities to support “development services” and “strengthening communities”. Staff continue to pursue these application-based grants.

Staff have reviewed Rethink Comox Valley and the priorities identified through the CVRD’s strategic planning process. Staff have also considered the existing and future work plans to ensure the available funds are dedicated to creating a more resilient service delivery model, ensuring community partners realize some benefits, ensuring a balance is provided for between various interests and consideration is given to future potential situations.

Projects and Value

Emergency Operations Centre Community Partnerships and Vulnerable Populations:

through the Emergency Operations Centre (EOC), direct outreach can be conducted to identify community needs and priorities, with specific attention on vulnerable populations most basic needs including emergency housing and access to basic facilities. Further community partner outreach can support youth organizations. By positioning a dedicated resource in the EOC to conduct the outreach and also act as a liaison between the EOC and the community partners, and by providing dedicated restart funds to disburse as needed, real supports can be provided to the community. The assignment of funds would be the responsibility of the EOC Director, as aligned with the community needs identified through the outreach to community partners. **Safe Restart Value = \$100,000.**

EOC Communications System: a collaborative effort of the CVRD’s facilities, emergency services and information technology departments would realize the installation of essential emergency communications systems at the CVRD’s Harmston Avenue EOC facility. This includes the installation of the technology to support emergency radio communications through onsite radio equipment or the connection to a remote radio site. In addition, this project also includes upgrading and purchasing equipment and systems to operationalize the EOC meeting room and office spaces, enable a virtual EOC and enhancing the applicability and timely response for EOC actions. **Safe Restart Value = \$100,000.**

Fire Hall Support: All rural fire halls have had increased costs for safety equipment to follow COVID-19 protocols. This savings will be a direct benefit to the rural tax payer by reducing the 2021 operating tax requisition. Specific disbursements to each of the four rural fire halls will be determined in conjunction with each fire chief. **Safe Restart Value = \$40,000.**

Promoting Food Security and Supporting Vulnerable Populations in partnership with Comox Valley Community Foundation: In March 2020, the CVRD provided \$47,000 to the Comox Valley Community Foundation, which helped the Foundation over the spring and early summer provide \$350,000 to the community for a variety of projects including

1. COVID-19 hygiene
2. Mobile outreach and social development with a focus on youth
3. Public laundry facilities
4. Food box hamper programs
5. Housing and support for the unsheltered
6. Child oriented food bags

An opportunity now exists to provide additional funds to the Community Foundation for similar purposes, in particular as provincial and island coronavirus case counts have recently accelerated and restrictions are again impacting community activities.

Staff are recommending that \$100,000 from the BC Safe Restart grant program be provided to the Comox Valley Community Foundation, and that the foundation be requested to disburse the funds in a manner that supports vulnerable populations and specifically promotes food security during the COVID-19 pandemic.

The Comox Valley Community Foundation would be required to provide reporting measures on the purpose and effect of each disbursement. **Safe Restart Value = \$100,000.**

Information Technology Resilience: implementing hardware and software systems that enable a remote and mobile workforce as well as enhancing public experience with respect to electronic interactions. Expenses include virtual PCs/thin clients, a new host server, gateway software, upgraded and enhanced firewall and an additional fibre connection. Some aspects are a one-time cost whereas other elements will require ongoing support. **Safe Restart Value = \$100,000.**

Future Considerations

As noted in the list of projects and values, \$283,000 is recommended to be retained for future opportunities. The ongoing COVID-19 pandemic still includes great uncertainty, and holding some of the funds for future opportunities is a prudent approach to promote flexibility in whatever future response might be needed.

Further, some of the projects contemplated for receiving funds have a limited scope and require additional input or considerations, including possibly Board direction to confirm an approach. Where needed, staff will regularly report on the outcomes and deliverables associated with the Safe Restart grant funds; and should the commitments noted above either not be required or the projects do not proceed, the Board will be asked to provide additional direction.

Specific consideration for the future use of the BC Safe Restart funds include:

Recreation facilities: the public was greatly impacted by the closure and gradual reopening of Comox Valley recreation facilities. Modest funds can be provided to the recreation facilities for infrastructure upgrades to support the return to programs and services. For the aquatic centre and sports centre the focus is on the following

- Maintaining an enhanced level of service after vaccination process to encourage residents to return to a fully operating recreation program
- Facility upgrades at both facilities to improve service delivery and invest in future operational capacity

Costs and projects are to be assessed through the financial planning process.

Rural Community Halls: the viability of community halls, many of which are constructed in past decades and could have improved health and safety aspects, would benefit from financial support. Improvements to heating and cooling and capital investment will result in a more widely used and supported community hall structure in the rural areas. Support for additional costs to re-open or to recover fixed costs due to a loss of revenue is also a priority. Additionally, rural community halls can act as a hub for public health purposes and also for realizing transportation goals, whether that be through park and rides or transit stops.

Economic recovery associated with agricultural programs: following on the economic recovery task force recommendations, support for food aggregation and distribution can improve food security in the Comox Valley.



Rec'd 20201103
 File: 1855-03/Provincial
 Directors Site
 EMT

November 2, 2020

Ref: 257735

Russell Dyson
 Chief Administrative Officer
 Comox Valley Regional District
 770 Harmston Avenue
 Courtenay BC V9N 0G8

Dear Russell Dyson:

The provincial government understands the fiscal impacts that COVID-19 has placed on local service providers. To help address these challenges, in September the Province of British Columbia announced nearly \$2 billion in joint federal/provincial spending, including: \$540 million for local governments, \$418 million for community infrastructure, and \$1 billion for transit, TransLink and ferries.

The \$540 million for local governments was further divided into three funding streams. Two streams (“Development Services” for \$15 million and “Strengthening Communities” for \$100 million) will be application-based funding. More information on these funding streams will be forthcoming.

The third stream will provide direct grants to local governments. This funding stream is called the “COVID-19 Safe Restart Grants for Local Governments” and will provide up to \$425 million for local operations impacted by COVID-19. This funding will support local governments as they deal with increased operating costs and lower revenue due to COVID-19. It will also ensure local governments can continue to deliver the services people depend on in their communities. Eligible costs will include:

- addressing revenues shortfalls;
- facility reopening and operating costs;
- emergency planning and response costs;
- bylaw enforcement and protective services like fire protection and police;
- computer and other electronic technology costs (to improve interconnectivity and virtual communications);
- services for vulnerable persons (e.g. persons living with disabilities, mental illness or addictions, persons experiencing homelessness or other vulnerabilities); and
- other related costs.

.../2

Russell Dyson
Page 2

As you may recall, during the early months of COVID-19, the provincial government required all municipalities to fully remit requisitions to regional districts by August 1, 2020, despite any shortfalls in municipal tax collection. This was designed to ensure regional district requisitions were kept whole in 2020. Because of this earlier action, the COVID-19 Safe Restart Grant for Local Governments will place a funding emphasis on municipalities. However, there is still considerable funding under this grant program for regional districts.

I am pleased to advise you that **Comox Valley** is the recipient of a **\$723,000** grant under the COVID-19 Safe Restart Grant for Local Governments. This amount will be directly transferred to your regional district in the coming days.

Under section 36 of the Local Government Grants Regulation, the amount of the grant to each local government is set by Minister of Municipal Affairs and Housing. The determination of this amount was based on a formula that applies to all regional districts. The funding formula for regional districts is based on three components: a flat funding amount plus two per capita amounts. The flat amount will be \$300,000 to each regional district.

The first per capita amount will be based on the total regional district population (rural and municipal). This will provide \$3.10 per person. There will be a funding limit on this first per capita amount. The limit is \$1.8 million for Metro Vancouver and \$900,000 for all other regional districts. The higher limit for Metro Vancouver is in recognition of their larger population. The overall purpose of these limits is to ensure that the very largest regional districts do not receive a disproportionate share of funding compared to smaller and mid-sized regional districts.

The second per capita amount will be based on the rural population of a regional district (i.e. the population outside the boundaries of an incorporated municipality). This second per capita amount will provide \$8.13 per rural population. This second per capita amount is in recognition of the additional burden on regional districts because they are the primary local service provider in rural parts of British Columbia.

This overall formula is designed to ensure that larger regional districts receive more money than smaller ones, but that smaller and rural regional districts receive higher per capita funding than larger ones. This is in recognition that small regional districts often lack a diverse revenue base and the economies-of-scale to easily restart their operations.

An example of the funding formula (for a regional district of 65,000 people) is provided as an attachment to this letter. If you wish, you can apply this formula to your 2018 total population of **71,565** and rural population of **24,776** to determine your total funding amount. 2018 population data was used because it is the last year in which we have complete financial and demographic data for each regional district.

.../3

Russell Dyson
Page 3

Before December 31, 2021, (a little over a year from this letter) the regional board must fully allocate the grant funds to the appropriate services. This allocation will be entirely at the discretion of the board. Ministry staff are available to assist regional district staff should they have any questions on allocation.

To ensure optimal transparency on the use of funds, there are two reporting requirements for regional districts. **First**, as part of the 2021 audited financial statements, the regional district must provide a report on how the funds were allocated to various regional and local services.

The **second** reporting requirement is an annual report on how the grant funds were spent in that year. This will be a schedule to your audited financial statements, under section 377 of the Local Government Act. The schedule will include the amount of funding received, the use of those funds, and the year-end balance of unused funds. This report may be consolidated for the entire regional district, rather than reporting on a service-by-service level. Your regional district must continue to annually report on the use of grant money until the funds are fully drawn down.

If you have questions or comments regarding this letter, please feel free to contact Jennifer Richardson, Grants Analyst, Local Government Infrastructure and Finance Branch, by email at: Jennifer.Richardson@gov.bc.ca, or by phone at: 778-698-3243.

The provincial government welcomes this opportunity to support COVID-19 restart and recovery throughout British Columbia. We believe that this funding will contribute to the long-term recovery of local governments who are both critical service providers and crucial drivers in the British Columbia economy.

Sincerely,



Kaye Krishna
Deputy Minister

Attachment

pc: Jennifer Richardson, Grants Analyst, Local Government Infrastructure and Finance Branch
Myriah Foort, Chief Financial Officer, Comox Valley Regional District

Attachment 1: Example Calculation for a Regional District with 65,000 People**Rockridge Regional District****Variables:**

	Population	Per Capital Amount	Funding Limit	Flat Funding Amount
Total RD	65,000	\$3.10	\$900,000	n/a
Rural Part of RD	20,000	\$8.13	n/a	n/a
Other	n/a	n/a	n/a	\$300,000

Calculation:

	A	B	C=AxB	D	E=min(C or D)
Cost Item	Population	Per Capital Amount	Pop-Based Funding	Ceiling	Funding
Total Population	65,000	\$3.10	201,500	900,000	201,500
Rural Population	20,000	\$8.13	162,600	n/a	162,600
Flat Amount	-----				300,000

TOTAL664,100

Funding is based on a flat amount (**\$300,000**) plus two per capita amounts.

One per capita amount is based on total RD population times \$3.10 per person. This first per capita amount is subject to a funding ceiling of \$0.9M (or \$1.8M for Metro). In the above example, this amount equals **\$201,500**.

The second per capital amount is based on the rural population (i.e. outside municipal boundaries) times \$8.13 per person. In the above example, this equals **\$162,600**.

The total funding is the sum of these three amounts. In the above example, this equals **\$664,100**.

The RD population data is for 2018 (from BC Stats as at Oct 1, 2020)
<https://www2.gov.bc.ca/gov/content/data/statistics/people-population-community/population/population-estimates>
 "Municipal and sub-provincial areas population, 2011 to 2019.xls"

